CLIQ DIGITAL

- connect to interact -

Annual Report 2012

Smartphone and tablet sales worldwide are going fast and hard; tablet shipments will surpass PCs in 2013. But monetization strategies just haven't been as strong thus far.

Why entertainment Apps & Sites are the monetization 'darlings' of 2013; Amy Vale; Monday, March 18, 2013; moceanmobile.blogspot.nl

Global mobile entertainment revenue will grow about 80 percent from $36 billion in 2011 to $65 billion by 2016

JuniperResearch, (June 13, 2012)

Jyrki Rosenberg, Nokia's Vice President for Entertainment

"By removing barriers like adverts and sign-ins, Nokia Music makes it easy for users to discover and enjoy music on the go. (or) For mobile entertainment publishers and app developers, subscriptions are clearly a smart and effective way to monetize."

Mobile Entertainment (January 28, 2013)

Global mobile data traffic will increase 13-fold between 2012 and 2017

Cisco's VNI Mobile Forecast (February 6, 2013)

CLIQ Digital
The BLOCKBUSTER of mobile entertainment

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LETTER TO OUR SHAREHOLDERS

Dear shareholders, business partners and colleagues,

2012 was a year of great change for our re-named company Cliq Digital AG, long been known as Bob Mobile AG. Some changes were related to the takeover of Dutch Cliq B.V. and were on the horizon already in previous year - while others were owed especially to the dynamics of our markets.

The takeover of Cliq B.V. by our company had a strong impact on our performance in 2012. The revenues amounted to EUR 66.2 million, an increase of 89% on the previous year 2011. Despite the numerous changes and extraordinary effects in connection with the takeover, Cliq Digital AG achieved a positive operating result before interest, tax, depreciation and amortization (EBITDA) of EUR 8.5 million in the financial year 2012.

According to IFRS, net earnings were heavily affected by depreciations and amortizations. Scheduled amortizations on the Cliq B.V. customer database, which were also related to the acquisition (net impact EUR -6.1 million), led to a negative net result of EUR 3.6 million.

In the course of 2012, the amortizations significantly lowered so that the fourth quarter already showed positive net earnings of EUR 0.5 million. In 2013, the negative net effect on the result of the amortization on the customer base will be further reduced to EUR 2.2 million in total.

Most of the expected advantages, which were major reasons for the acquisition of Cliq B.V., have already proven to be essential for the company. We can even say, without the takeover the company would have faced challenging times. The former “Bob Mobile” group’s online gaming business unit Just a Game has not shown the (growth) performance as expected. Therefore we decided to divest these activities since otherwise further huge investments were required to make this business unit a substantial activity of our company.

On top the German mobile premium activities operated by the Guerilla Mobile Berlin GmbH were confronted with tighter regulation during 2012. We anticipate this market to recover by the end of 2013 and ongoing in 2014.

Through the acquisition of Cliq B.V. the internationalization of sales made a big step forward. The better risk distribution has mitigated the revenue declines in some countries by growing on other international – especially non-European – markets. Cliq Digital AG is today a major global player in marketing and distributing apps, games and software and entertainment products for mobile devices. Higher efficiency through synergies and economies of scale led to improved adjusted EBITDA margins. Further cost reductions attributed to better margins notably in the fourth quarter of 2012. The expansion of the product portfolio and the marketing channels strengthened the position of the group. Now, being half way of 2013, we see the market still being tough. Nevertheless we see the opportunities for the company going forward, especially in growing our marketing and distribution spread in more countries, organically and by doing some small acquisitions. The company and the team is well positioned to execute these opportunities and by doing so growing the companies market penetration.

Tablets and smartphones are drastically altering the digital landscape, influencing a vast array of consumer activities from shopping to watching TV, consuming news and not least playing games. In most households, smart mobile devices will not entirely replace PCs, but the omnipresence of smartphones and the increasing popularity of tablets are definitely changing the way of consuming content on mobile devices. Our core target group, consumers worldwide, will more and more turn to tablets and smartphones. Accordingly we are changing our marketing and sales approach from purely online also to mobile and in-app traffic. We concentrate more and more our product offering from purely focused on feature phones also to smartphones, whereby merely all content is consumed via the app stores of Apple, Google and external download platforms such as Getjar. Considering the development in the past few months, this process seems to run even faster than expected.

This is a main reason, why Cliq Digital focuses its management capabilities and financial resources on content for mobile devices. With concentrating the activities of Cliq Digital on the mobile entertainment business, the group is not only zooming in on the most attractive business area within smartphone consumption, but also returning to its origin. Nevertheless, the experiences made with freemium online browser games – such as in the fields of marketing and community management – are extremely valuable also in the sphere of mobile freemium games. In our strategy to monetize on smartphones we developed our own proprietary software development kit (SDK), www.superg.pro. This additional feature within our existing technology platform will bring us revenue on sponsored sign up, advertising, advanced CRM and billing via mobile devices and other payment methods such as credit card billing and billing via app stores.

After appointment by the supervisory board, I took over as CEO of our company in October 2012. Previously extensive consultations within and between the supervisory board and the management board concluded, that a new clear and straightforward management structure should be established. Moreover, with the new structure in both committees and the realignment of the shareholding, a widely consistency of share property and corporate governance is realized. The holding company Grupa Media Holding II B.V., which is attributable to my business partners and me, increased its shares in Cliq Digital AG to 40% by buying shares from former Bob Mobile AG and Cliq B.V. shareholders.

The financial obligation towards ABN AMRO bank has been served properly during 2012 by repaying EUR 1 million a month. These terms have been recently renegotiated, resulting in an amended financing agreement with ABN AMRO, bringing down the repayment schedule. By the end of 2012 the term loan has been reduced to EUR 15 million. We expect the loan to be at the level of EUR 6.75 million at the end of 2013.

For the year 2013 Cliq Digital expects to reach revenues of EUR 70 million and an EBITDA of approximately EUR 11.5 million and as mentioned a further reduction of the debt. The company is well positioned to realize organic growth through activities in existing countries, by entering new markets and by introducing new products for the mobile devices (phones, tablets etc). The guidance also includes some minor acquisition opportunities as well as new smart partnerships, although timing of these might be a challenge.

We estimate a positive net result of approx. EUR 3.0 million in 2013. For the upcoming year 2014 we expect to grow the business more rapidly.

Düsseldorf, June 2013

Luc Voncken
Management Board Chairman

REPORT OF THE SUPERVISORY BOARD

Dear shareholders, ladies and gentlemen,

The Supervisory Board of Cliq Digital AG continued to supervise the Board of Management in the 2012 reporting year, and advised the board on the strategic orientation and management of the company. In doing so, it carefully fulfilled the tasks incumbent upon it pursuant to the law, the company‘s articles of incorporation, and its rules of business procedure, and it was convinced that the Management Board worked in a manner that is both legal and purposeful. The Supervisory Board was involved in all decisions that were of fundamental importance for the Cliq Digital Group.

At a total of eight regular meetings and two extraordinary telephone conferences held in 2012, the Supervisory Board was informed 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 were held on 28, March, 15, May, 28, June, 16, August, 13 and 17, September, 5 and 18, October and 19, November 2012, the extraordinary telephone conferences took place on 27, April and 28, August 2012.

Also outside the scope of these Supervisory Board meetings, the Management and Supervisory boards engaged in regular and trusting dialogue over the entire course of the 2012 financial year, mostly by telephone conference calls. 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 important 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. No member of the Supervisory Board attended fewer than half of the meetings.

At the eight regular meetings and two 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 fiscal year 2012, the following significant items were also covered during Supervisory Board meetings:

- Corporate planning and Group strategy, in particular the strategic realignment to mobile activities
- Closing of the Cliq B.V. acquisition and state of the integration of Cliq B.V. into the Group
- M&A activities of Cliq Digital AG (Amongst others acquisition of the minority shareholding in Guerilla Mobile Berlin GmbH; Sale of the assets of Venga GmbH; Sale of the assets pertaining to the online activities of Just A Game GmbH; Acquisition of Grumbl Media B.V.)
- Financing of the company, in particular bank financing with ABN Amro Bank
- Composition of the Management Board
- Single-entity and consolidated financial statements as of December 31, 2012
- Budgets for the 2012 and 2013 financial years
- Internal organization and personnel development

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 business planning for the 2012 and 2013 financial years
- Sale of assets of Venga GmbH
- Decision on the sale of assets pertaining to the online activities of Just A Game GmbH
- Decision on the acquisition of Grumbl Media B.V.

Personnel matters

According to § 11 of the company's articles of incorporation the Supervisory Board consists of six members. Currently only three of these six seats are occupied. The composition of the Supervisory Board changed in the course of 2012 as follows:

> At the beginning of the year 2012 the Supervisory Board consisted of the members Dr. Andreas Hoynigg, Karel Gustaaf Tempelaar, Cornelis H. v. d. Steenstraten, Rene van Dijk, Darren Trussel and Rudolf Christian de Back.
> Darren Trussell, Rene van Dijk and Rudolf Christian de Back resigned from their positions as members of the Supervisory Board in October 2012.
> The Supervisory Board will propose to the Annual General Meeting in 2013 to permanently reduce the board to three members.

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

Composition of the Management Board

- As part of the acquisition of Cliq B.V. in 2011, the Supervisory Board also decided an expansion of the Management Board of Cliq Digital AG. Therewith Luc Voncken joined the Management Board, after the completion of the acquisition in February 2012. The heretofore sole member of the Management Board, Remco Westermann, became CEO. In March 2012 Ben Bos was appointed as the third member of the Management Board.
- Remco Westermann and Ben Bos resigned from their positions as members of the Management Board in October 2012. The Supervisory Board appointed Luc Voncken Chairman of the Management Board.
- Luc Voncken currently serves as sole member of the Management Board of Cliq Digital AG. The Supervisory Board intends to appoint a second member of the board alongside the CEO Luc Voncken.

Single-entity and consolidated financial statements for 2012

The single-entity and consolidated financial statements as of 31, December 2012, as well as the management report and the group management report for the 2012 financial year were prepared by the Management Board and audited by the independent auditor Stephan Kleinmann, Mazard GmbH Wirtschaftsprüfungsgesellschaft (Management 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 2012, both management reports for Cliq Digital AG and the Group for the 2012 financial year and the 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.

The Management Board explained the single-entity and consolidated financial statements as of December 31. 2012, the management report and the group management report for the 2012 financial year and the Executive Board‘s proposal for the appropriation of retained earnings at the Supervisory Board meeting held on May 29, 2013. At this 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 December 31, 2012 were approved as a consequence, the single entity financial statements as of 31 December 2012 is hereby adopted.

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 would like to thank the current Management Board as well as the former board members for their trust and cooperation during the financial year elapsed. Thanks and recognition are also due to all Cliq Digital Group staff members for their decisive contribution to the repositioning and successful work of CLIQ in 2012. The Supervisory Board members continue serving the company constructively in the current fiscal year and would like to wish every success to the Management Board and all staff members.

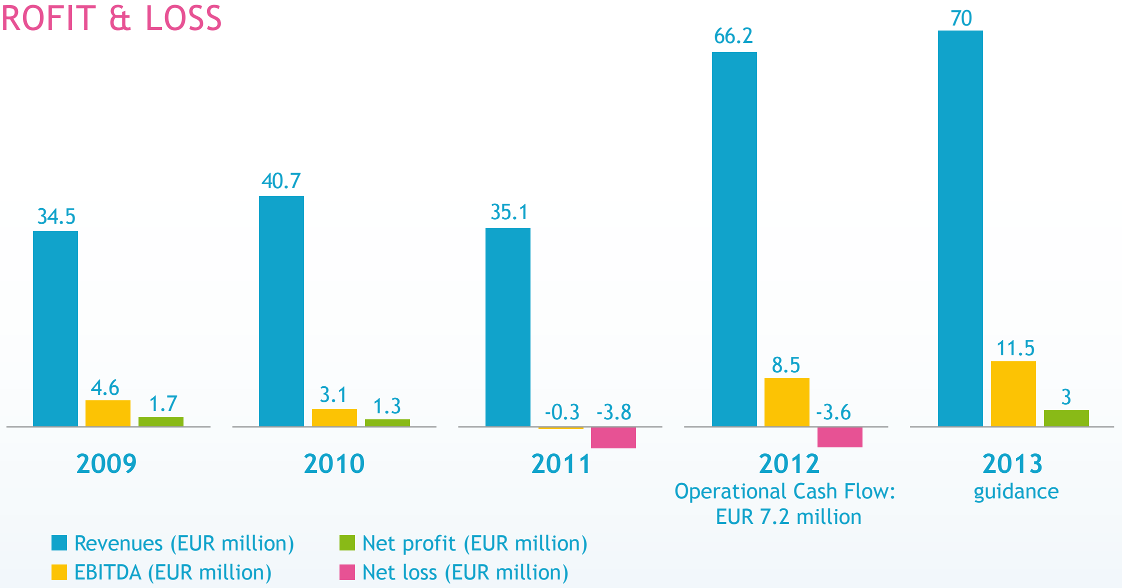
Düsseldorf, June 2013

Dr. Andreas Hoynigg

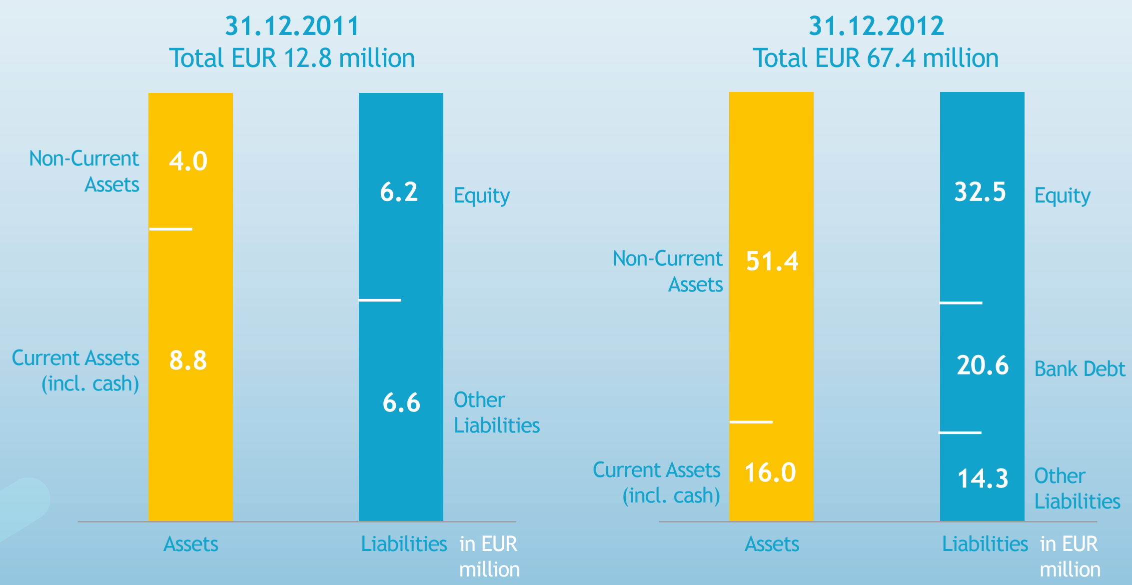

billing
relationships
50+ countries
m-commerce
software
android
games
media partners
iOS
connected
consumers
apps
interact
appstore
interactive
smartphone
partners
featurephone
business intelligence
entertainment
mobile
worldwide marketing
smart promotion

key figures

PROFIT & LOSS



BALANCE SHEET



THE SHARE

As former Bob Mobile AG, Cliq Digital AG floated on the Open Market Frankfurt in November 2005, the year in which the company was founded. The listing switched to the Entry Standard segment in 2008, a segment that requires a higher level of transparency. In particular, this is aimed at boosting institutional investors' interest in the company.

After the acquisition of Dutch Cliq B.V. by Bob Mobile in February 2012 a rebranding took place. On August 24, 2012 the annual meeting decided to change the company's name from Bob Mobile AG into Cliq Digital AG. Accordingly our ticker symbol is now CLIQ.

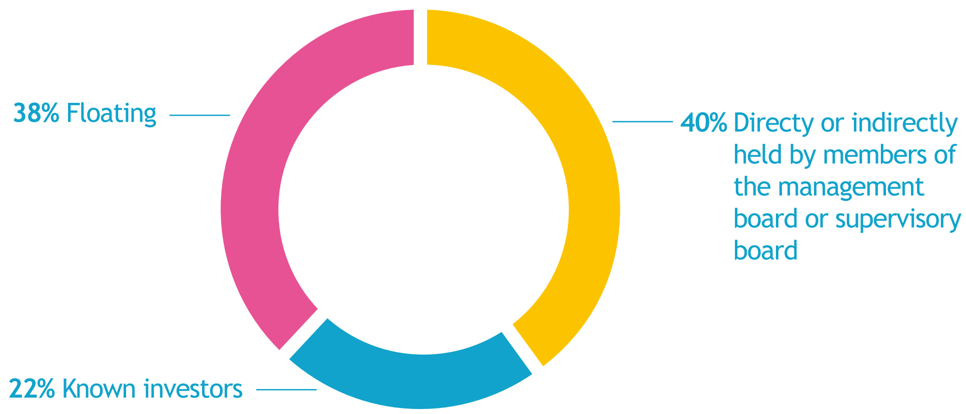
During the 2012 financial year, the price of Cliq Digital's share fell by 72% to EUR 4.80 in Xetra trading. Since the beginning of 2013 the share price stabilized around EUR 5. At the editorial deadline of the annual report, the stock price stood at EUR 4.62 on June 14, 2013.

Average daily turnover in Cliq Digital shares on Xetra computer trading amounted to around 11,191 shares in 2012, notable trading also occurred primarily on the Frankfurt Stock Exchange.

During the 2012 financial year, analysts of Warburg Research and Close Brothers Seydler Research (CBSR) covered CLIQ. The latest company updates as of February 26, 2013 by Warburg Research and CBSR are setting the target prices at EUR 8.80 respectively EUR 6,00.

Investor relations activities, such as attending capital market conferences, comprise one element of Cliq Digital's open communication policy. CEO Luc Voncken and also his predecessor

Shareholder structure



Remco Westermann were participating in various capital market events in 2012 such as the “Eigenkapitalforum” hosted by Deutsche Börse in Frankfurt, to communicate in a proactive way with the financial community and media.

In the course of the capital increase of February 2012, the total number of shares increased further to 3,950,699. The new shares were used as part of the purchase price payment for the acquisition of Cliq B.V., as well as the acquisition of a minority interest in Guerilla Mobile Berlin GmbH.

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

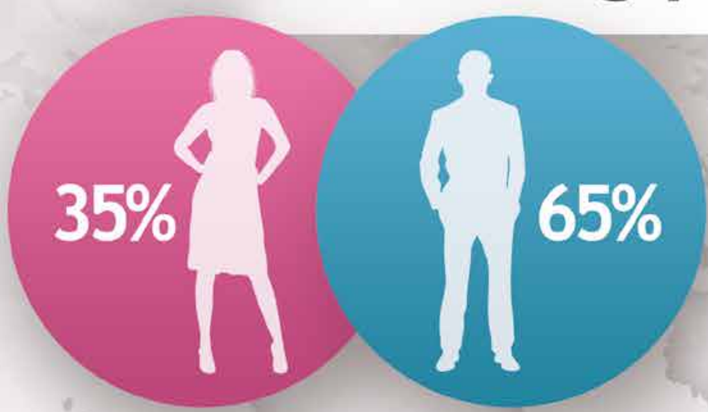
WKN	A0HHJR
ISIN	DE000A0HHJR3
Bloomberg ticker	CLIQ
Number and class of shares	3,950,699 no-par bearer shares
Amount of share capital	EUR 3,950,699.00
Market segment	Regulated unofficial market
Transparency level	Entry Standard
Designated Sponsors	LANG & SCHWARZ Aktiengesellschaft Close Brothers Seydler Bank AG
End of the financial year	December 31
Shareholder structure	40% in direct and indirect ownership of the members of the Management or Supervisory boards

CLIQ at a glance

total number of employees: **122**

average age: **31,3**

number of nationalities: **34**



offices

Management Team

Luc Voncken
CEO (vorstand)

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

Ben Bos
Executive Board Counsel

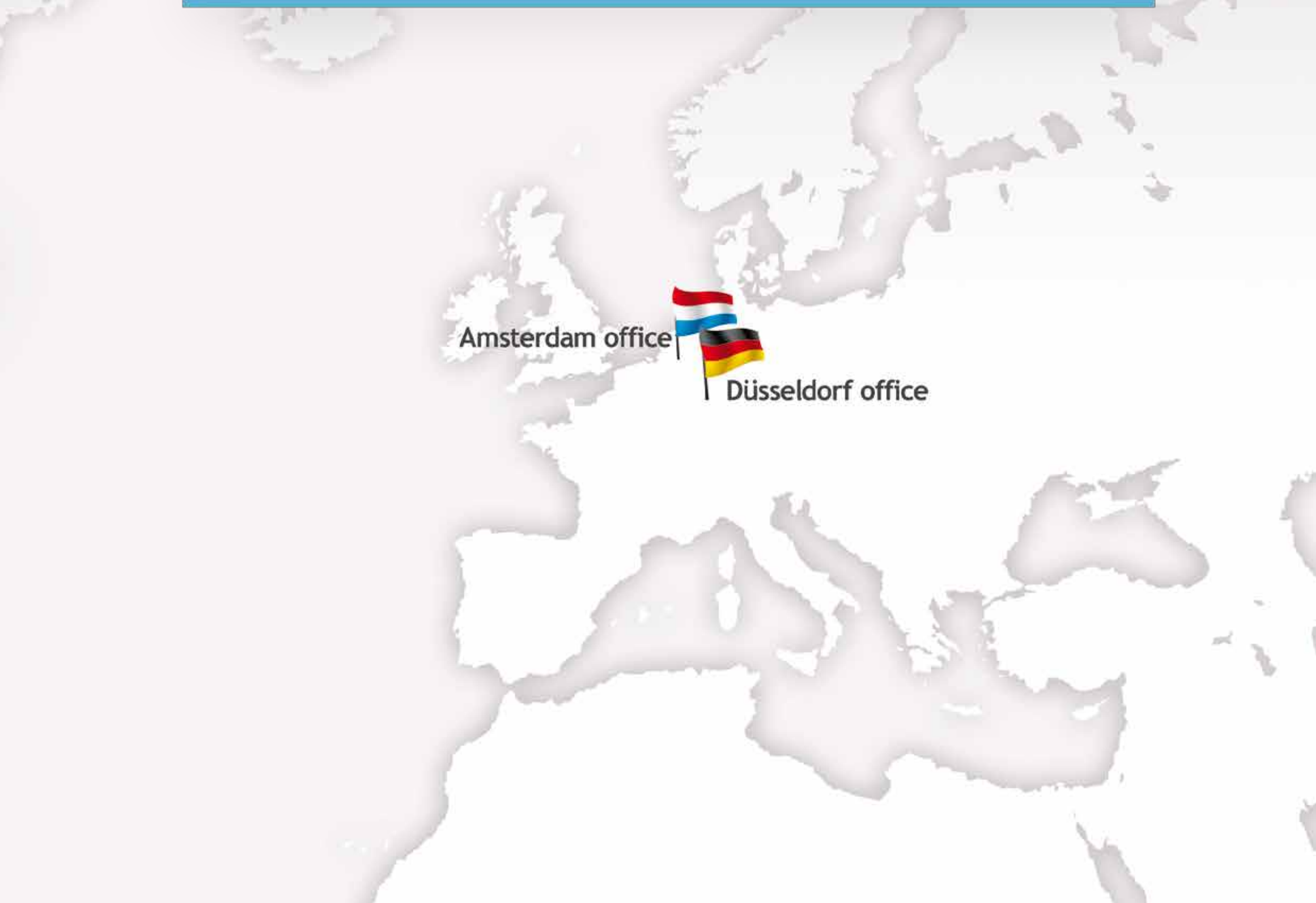
Thomas Kothuis
Chief Operational Officer

George Ursateanu
Managing Director Products

Marianne Joziasse
Group Controller

Annabel Vloeimans
Head of Legal Affairs

TEAM



CLIQ's
mobile products

Connected in

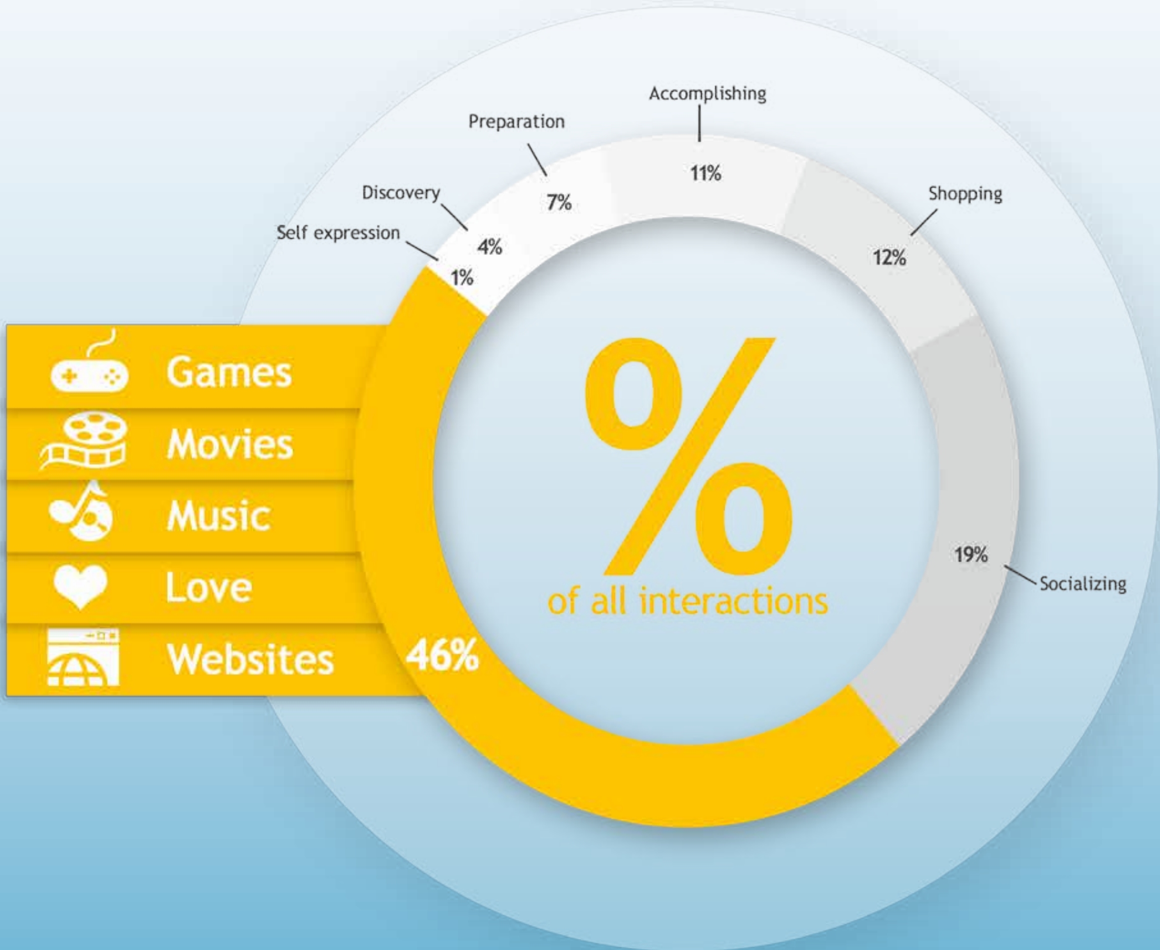
With direct billing & payment relation

We monetize feature phones …

reference date 01-01-2013: 73.3%

… and **smartphones**

We cover **half** of the **smartphone world**



Mission

To connect with
every mobile generation:
who interact, share, consume
and enjoy our digital products.

for more info visit: www.cliqdigital.com

group management report

A. OVERVIEW

Cliq Digital AG is a leading provider of mobile games, apps, entertainment and software, which is available primarily on smartphones, feature phones and tablets. Core business of the company is the direct marketing of its products to end-customers via Internet, mobile Internet and TV in over 50 countries. The group was founded in 2005 as Bob Mobile AG with its headquarters in Straelen, North Rhine-Westphalia, Germany. According to the shareholder resolution on the annual general meeting in August 2012, the name changed to Cliq Digital AG (CLIQ) and the relocation of the legal seat from Straelen to Dusseldorf became effective on November 20, 2012 with entering in the commercial register. The shares of CLIQ are traded in the Entry Standard of the Frankfurt Stock Exchange.

In 2012, CLIQ completed the takeover of Cliq B.V. and made some decisive steps towards a focused mobile entertainment group. The closing of the acquisition of Cliq B.V. was in February 2012. Within the 2012 financial figures Cliq B.V. is therefore consolidated from February 2012 onwards. Almost the full integration of the two companies was completed in the first half of 2012. Furthermore in February 2012, Cliq Digital increased its interests in Guerilla Mobile Berlin GmbH, Berlin by 49.8% to 100%.

In October 2012, the company announced that a new corporate governance structure was created. As a consequence, two of three existing management board members, Remco Westermann and Ben Bos, resigned. Luc Voncken was appointed new CEO, he is the former CEO of Cliq B.V. and new head of the entire group. Ben Bos stays as executive board counselor at CLIQ. Further, three members of the supervisory board have resigned from their positions. CLIQ will propose to its shareholders at the ordinary general meeting in 2013 to permanently reduce its supervisory board to three members. The supervisory board envisages identifying a new second member of the management board servicing along with CEO Luc Voncken. Along with the change in management, Grupa Media Holding II B.V., a holding company owned by Luc Voncken and his business partners, informed CLIQ that it increased its shareholding in the company from 24% to 40%. The shareholder Jarimovas GmbH, original controlled by Remco Westermann, and several former Cliq B.V. shareholders have sold part of their shares to Grupa Media Holding II B.V. and reduced their stake accordingly.

The acquisition and the subsequent integration of Cliq B.V. once more tied up significant management resources, particularly in the first half of 2012. Furthermore one-off costs were caused by the integration and restructuring of the new group in considerable amount. These integration and restructuring costs appeared primarily in the first half of 2012.

Besides the costs for acquisition, integration and restructuring, the business development in 2012 was burdened by various sales markets, which significantly developed worse than expected mainly due to the sovereign debt crisis. Especially in Southern Europe revenues were reduced and margins were under pressure. Moreover the net income was heavily affected by scheduled non-cash depreciation and amortization due to the first-time consolidation and purchase price allocation (PPA) of Cliq B.V., again especially in the first half of the 2012 financial year. The development in the second half of the year showed a significant improvement of the net result, mainly due to significant lower amortization on the customer database.

During the year 2012 the online games market (PC browser games) showed an increasingly competitive environment. Amongst others this circumstance led to the strategic decision of the new management, to focus the company on its mobile business, which is the origin of former Bob Mobile as well as Cliq B.V. and therefore the business where CLIQ build up its technological and management core know how. In contrast to the online browser games area, CLIQ is already an important player in the mobile entertainment industry in Europe and beyond. As a result, at the end of 2012 the management board took the decision to divest the online gaming assets. During the first quarter of 2013, the board reached an agreement with a buyer of the online gaming assets.

In early September 2012 British company Bigstep Capital Ltd., an acquisition vehicle acting on behalf of an Indian consortium, submitted an unsolicited public tender offer beyond the scope of the German Securities Acquisition and Takeover Act (WpÜG) to all CLIQ respectively Bob Mobile shareholders. The tender offer was subject to several conditions. Under these conditions, Bigstep Capital Ltd. was offering a purchase price of EUR 7.00 per share. The full offer was published in the Bundesanzeiger (German Federal Gazette) on September 7, 2012. Although the management of former Bob Mobile AG made several attempts to get in contact with Bigstep Capital Ltd., no further-reaching discussions had been held with the bidder. In the opinion of CLIQ, such discussions should have been a significant precondition for assessing the offer and for approval of a due diligence review which the bidder has formulated as a condition. According to the website of Bigstep Capital Ltd., 442,567 shares, representing 11.21 % of all CLIQ shares, were offered to Bigstep Capital Lt. until the end of the tender period. Therefore the tender offer failed. The Cliq Digital-Management is of the opinion that this offer highly affected the share price in a negative way.

Today CLIQ is totally focusing on mobile games, apps, entertainment and software for smartphones, tablets and feature phones and a market leading company in its core business. Irrespective of the adjustments to the business model made in 2012, CLIQ moved on in its operations to become even more attractive for its customers as well as for developers, advertisers and publishers, who are strategic business partners. The combination of former Bob Mobile AG with Cliq B.V. is still leading to multiple new opportunities to generate revenues with new products and on new geographical markets. Challenge and an opportunity at the same time is still the generation of cash flows in the premium business with feature phones, which tends to shrink in the western markets (but still growing in emerging markets), and to expand with entertainment content (games, apps, entertainment and software) for smartphones and tablets.

The Cliq Digital Group generated EUR 66.2 million of revenue in the 2012 financial year (2011: EUR 35.1 million). The substantial increase in revenue is primarily due to first time consolidation of the Cliq B.V. from February 2012 onwards. Additional revenues also arose from tapping new sales markets abroad.

Despite the numerous changes and extra-ordinary effects, the CLIQ Group achieved a positive operating result before interest, tax, depreciation and amortization (EBITDA) of EUR 8.5 million in the 2012 financial year (2011: EUR minus 0.3 million).

The consolidated net loss for 2012 amounted to EUR 3.6 million (2011: net loss of EUR 2.5 million). The main reasons for the negative result were scheduled depreciation and amortization of EUR 10.4 million (2011: EUR 2.2 million), this result particularly reflects the scheduled amortization on the customer base of Cliq B.V. due to the purchase price allocation (PPA) under IFRS. Earnings attributable to minority interests have discontinued in 2012 due to the takeover of the respective minority interests. The net loss attributable to Cliq Digital AG shareholders amounts to EUR 3.6 million, compared to EUR 3.8 million net loss in 2011.

In order to fulfill greater transparency requirements on the capital market, CLIQ financial accounting was transferred to International Financial Reporting Standards (“IFRS“), as applicable in the European Union, which was adopted for the first time for the reporting of the 2011 financial year.

Since the acquisition of Cliq B.V., Cliq Digital significantly lowered its debt by EUR 10.0 million to EUR 20.6 million as per December 31, 2012. As of April 1, 2013, the company has EUR 1.5 million of liquid funds and additional bank financing resources (of up to around EUR 4.4 million). The Group‘s financial position (equity and debt) is therefore sufficient to finance its operative business and further growth.

For the year 2013 Cliq Digital expects to reach revenues of EUR 70.0 million and an EBITDA of approximately EUR 11.5 million and further reducing of the debt. After the acquisition of Cliq B.V., the major strategic decisions and their implementation in 2012, the company expects no substantial extraordinary costs within 2013. Also the negative net effect on the result of the write-down on the customer base will be reduced to EUR 2.2 million in 2013

(2012: EUR 6.1 million). For 2013 financial year Cliq Digital expects a positive net result. For 2014 we expect to grow the business more rapidly.

Moreover, the scheduled write-offs which burdened the net earnings in 2012 will decrease significantly in the current period. The company is well positioned to realize organic growth through activities in existing countries, by opening up new ones and by introducing new products for mobile devices. The Guidance given also consists of some small acquisition opportunities and smart partnerships.

B. HIGHLIGHTS OF 2012

Acquisition of Cliq B.V.

In November 2011, former Bob Mobile AG entered into an agreement with the shareholders of Cliq B.V. to acquire 100% of the shares in Cliq B.V. in return for 1.9 million new shares and cash of EUR 18 million as well as a vendor loan of EUR 2.0 million. The takeover was concluded in February 2012. Therefore Cliq B.V. is consolidated from February 2012 onwards. CLIQ also provides separately financial figures on a pro forma basis with consolidation of Cliq B.V. for the whole twelve months from January to December 2012. The group's revenue and consequently economies of scale and operative profitability were greatly enhanced as a result of the merger. The attractive product portfolio and the international positioning as well as the technical expertise of Cliq B.V. decisively contributed to the growth in 2012.

Together with Cliq B.V., the CLIQ Group is now active in approximately 50 countries, and ranks as one of the top providers in the world. In the 2012 financial year, the Group already exploited the highly varied synergies between Cliq B.V. and former Bob Mobile AG through internal restructuring of the organization. This should have a positive effect on both revenue and costs also in 2013. An important element of the new corporate structure is the concentration of the holding activities in the Dusseldorf office and most of the operative activities in the Amsterdam office. This measure is mainly intended to shorten and simplify the decision-making processes and to cut costs by shutting down smaller locations.

Acquisition of outstanding shares in Guerilla Mobile Berlin GmbH

In February 2012, Cliq Digital increased its interests in Guerilla Mobile Berlin GmbH, Berlin by 49.8% to 100% of all voting rights for a total purchase price of EUR 10.5 million which was provided by a cash payment EUR 4.0 million and by a transfer of 362.500 new shares of Cliq Digital AG.

Extraordinary costs and write offs due to acquisition

The completion the acquisition of Cliq B.V. and the restructuring of the group with its strategic optimization following the management changeover generated substantial one-off costs in the 2012 financial year, totaling EUR 1.6 million. These costs can be split into acquisition costs of EUR 0.6 million, redundancy costs of EUR 0.5 million and restructuring costs of 0.6 million.

Total depreciation and amortization amounted to EUR 10.4 million and burdened the net earnings decisively. Mainly the first time consolidation of Cliq B.V. in the group's annual accounts led to high amortizations in 2012. The background are the scheduled amortizations according to IFRS 3 standards. A main part of the purchase price allocation (PPA) related to the Cliq B.V. acquisition is attributable to the customer database of Cliq B.V. The value of this customer base is shrinking with the remaining average term of a customer relationship and has therefore to be amortized. In 2012 financial year amortization on the customer base of EUR 8.1 million were accounted. A greater part of the customer base was thereby amortized in 2012. In the current financial year, these scheduled amortizations are already considerably lower.

Change in name and legal seat

With the acquisition of Cliq B.V. the former Bob Mobile AG formed a wholly new enterprise which is expanding into new product and geographical markets. Externally this development is displayed by the change in name from Bob Mobile AG to Cliq Digital AG, which was concluded at the Annual General Meeting on August 2012. The name change "Cliq Digital AG" became effective on November 20, 2012 with entering in the commercial register. Likewise, the legal seat was transferred from Straelen to Dusseldorf.

Strategic shift to focus on mobile entertainment

In later 2010, former Bob Mobile Group built up its Online & Freemium Games Division. The aim was to build up competencies and expertise in the freemium business model area with PC online browser games. The business model in this division is based on "free to play & item sale"; customers can register for free, and play for free. Revenue is generated particularly through the sale of virtual goods (so-called "items"). Former Bob Mobile concentrated initially on freemium multiplayer online PC games due to the increasing convergence between online and mobile, and smartphone's still low level of penetration at that time. The Bob Mobile group established itself in the Online & Freemium Games area in 2011. In the meantime smartphones more and more replaced feature phones in the group of users with high affinity to mobile games. At the same time, tablets supplement or replace desktop PCs and laptops in private homes much faster than expected. Together with the intensifying competition for customers and new attractive games in the market of online PC games, these were the main reasons why CLIQ decided in November 2012 to focus the group stronger on the mobile entertainment (gaming) business, while reducing its footprint in the online (PC) segment. Nevertheless, the experiences made with freemium online games for PCs are also very helpful and transferable to (freemium) mobile games. This applies for example to implementing additional revenue generators such as CRM (Customer Relationship Management and optimization of customer interaction), newsletters and advertising.

Financing

Former Bob Mobile AG paid the cash component of the Cliq B.V. and Guerilla Mobile Berlin GmbH takeover through a new banking facility with ABN Amro Bank totaling up to EUR 35 million, which allowed all of Cliq Digital's existing credit lines to be refinanced. The loan was concluded to finance the transactions, which was split into EUR 25.0 million with a EUR 1.0 million monthly repayment and an additional credit facility of up to EUR 10.0 million with an average interest rate of respectively Euribor +270 basis points and Euribor +130 basis points. In April 2013 Cliq and ABN Amro Bank agreed upon a framework of proposed amendments to the existing facility agreement. Amongst others one of the important amendments of this agreement is lowering the monthly repayment from EUR 1 million to EUR 0.75 million. Almost all of the company's assets were assigned as collateral for the loans. Shareholder loans were also entered into with the selling shareholders of Cliq B.V. (according to the proportion of their interests), as a consequence of which the company has access to additional shareholder loans totaling EUR 3.8 million (interest rate: Euribor +350 basis points). Which brings the total shareholder loans to EUR 4.7 million.

C. PROGRESS OF BUSINESS

1. Macroeconomic and sector trends

1.1 MACROECONOMIC TRENDS

During 2012 the global economic trends have been affected by the Euro debt crisis, the diminishing economic dynamics in emerging economies especially in Asia, and the continued difficult economic situation in the USA. In their joint review[1] published in October 2012 (Joint Diagnosis), experts from Germany's leading economic research institutes anticipate that global production will have grown by only 2.4% over the course of the full 2012 year, and that it will grow by 2.6% in 2013.

The macroeconomic situation in Europe, Cliq Digital's largest sales market, remains strained. The Eurozone economy slid 2012 into a recession, despite the announcement by the European Central Bank (ECB) that it would make unlimited purchases of government bonds as part of the European rescue package, and despite the financial markets taking an encouraging view of the positive ruling by the German Federal Supreme Court concerning the legitimacy of German financial aid. Eurostat forecasts[2] a decline of 0.4% in GDP for 2012 in the Eurozone. In 2013 Eurostat expects the Eurozone to report slight growth of 0.1%.

For Germany, the Federal Statistical Office of Germany[3] reported 0.7% GDP growth in 2012, down from 3.0% in 2011. The experts of the "Joint Diagnosis"[1] forecast 1.0% GDP growth for 2013, including an acceleration of the economy especially in the second half of the year. This forecast is based on the assumption that the Euro crisis will ease gradually, and that essential fiscal adjustments will be implemented in the USA and Japan to boost the economy.

The information and communications technology sector (ICT) is predicted[4] to remain on a stable course of growth with global sales grow by 5.1% to EUR 2.57 trillion in 2012. According to the publication "ICT Market Report 2012 / 13" of the European Information Technology Observatory (EITO) both segments, IT and telecommunications, show strong growth of around 5%. Within the whole technology sector, mobility is seen as the strongest market driver. Especially in industrialized countries the trend towards mobile data use is creating additional sales in telecommunications. In emerging countries, mobile phones, laptops and tablets have become the central point of access in the use of IT.

1.2 TRENDS IN THE MOBILE CONTENT AND ONLINE GAMES SECTOR

Smartphone penetration in the main five European markets (France, Germany, Italy, Spain and UK) stood at 53.7% with on average nearly 130 million people using smartphones in the third quarter of 2012, referred to Comscore figures[5]. Out of this group of smartphone users, 15.5% also own a tablet, compared to only 9.3% last year. In the third quarter 2012, IT research company Gartner[6] says worldwide sales of mobile phones declined 3%, whereas smartphone sales increased 47% compared to the same period of the preceding year.

[1] Gemeinschaftsdiagnose Herbst 2012: Eckdaten der Prognose für die Bundesrepublik Deutschland, http: / / www.cesifo-group.de / de / ifoHome / facts / Forecasts / Gemeinschaftsdiagnose / Archiv / Gemeinschaftsdiagnose-20121011.html | [2] Eurostat: Eurostatistics Data for short-term economic analysis, Ausgabe 11 / 2012, Seite 15, http: / / epp.eurostat.ec.europa.eu / cache / ITY_OFFPUB / KS-BJ-12-011 / EN / KS-BJ-12-011-EN.PDF | [3] Destatis: Pressemitteilung vom 15. Januar 2013 - 17 / 13, https: / / www.destatis.de / DE / PresseService / Presse / Pressekonferenzen / 2013 / BIP2012 / pm_bip2012_PDF.pdf?__blob=publicationFile | [4] EITO: Press release 28 / 09 / 2012 - Global ICT market grows by 5 per cent, http: / / www.eito.com / epages / 63182014.sf / en_GB / ?ObjectPath= / Shops / 63182014 / Categories / Press / Press_Releases_2012 / Global_ICT_market_grows_by_5_per_cent | [5] Comscore Data Mine: 15.5 percent of European Smartphone Owners Have a Tablet http: / / www.comscoredatamine.com / 2012 / 11 / 15-5-percent-of-european-smartphone-owners-have-a-tablet | [6] Gartner: „Market Share: Mobile Phones by Region and Country, 3Q12.", http: / / www.gartner.com / it / page.jsp?id=2237315

Most common operating system was Google's Android, gaining a market share of 72.4% and followed by Apples iOS with 13.9%. Bitkom[7], the German Federal Association for Information Technology, Telecommunications and New Media, predicts the usage of smartphones by two third of all citizens in Germany in the year 2015. Worldwide shipments of smart devices (smartphones and tablets) are seen at 1.2 billion in 2013[8].

Smartphones and tablets are drastically altering the digital landscape, influencing consumer activities rapidly. In Germany, revenues with games for feature phones and smartphhones grew by 36% to EUR 38 million in 2012, according to the German Trade Association of Interactive Entertainment Software (BIU)[9]. At the same time the number of games sold rose by 48% with a decreasing average revenue per game of EUR 1,96 (- 8%).

According to Comscore, 70% of all US-tablet users play games on their device. On smartphones, the share is seen at about 50% (EU5). Hence revenues and market share of online and mobile games are increasing. According to Digi-Capital[10], the global revenue with online and mobile games was at USD 31 billion, representing already 49% of total video games revenue. In 2016 revenues are seen at USD 48 billion, which stands for 57% of expected global video games revenue.

The competitive situation in the online games area is becoming increasingly global. The segment is expected to consolidate in the medium term. However, new competitors are also entering the online games market, including classic console game providers such as Electronic Arts. Such companies are rapidly changing their business model towards online – partially through takeovers. Competition for customers is growing however, with costs per new registration rising. Competition for the purchasing of games is also intensifying. In addition, the number of available online games is increasing, and the battle for high-spending customers is becoming tougher. There is significantly more scope for further development in the mobile area of the online gaming market. In this case, a large number of portals exist such as Apple, Google, network operator portals, and various independent portals. Glu and Gameloft remain important competitors in this segment. However, new competitors are also arising in this area. Market shares are very disseminated overall, however, and there are still no dominant players on the market.

2. The Cliq Digital Group

2.1 STRUCTURE OF THE CLIQ DIGITAL GROUP AND DEVELOPMENTS IN THE SEGMENTS

The parent company of the group is the Cliq Digital AG, Dusseldorf, Germany. Since the third quarter of 2012, all the holding activities are managed from the Dusseldorf office and most of the operational business is managed from Amsterdam, Netherlands. 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.

[7] Bitkom: Die wichtigsten Hightech-Themen 2013, http: / / www.bitkom.org / files / documents / BITKOM_Presseinfo_Hightech-Trends_16_01_2013.pdf | [8] Gartner:,Press release November 6, 2012, http: / / www.gartner.com / it / page.jsp?id=2227215 | [9] BIU e.V.: Mobile Games: http: / / www.biu-online.de / de / fakten / marktzahlen / datentraeger-und-downloads / mobile-games.html | [10] Digi-Capital: Global Games Investment Review 2013, http: / / www.digi-capital.com / reports.html

2.1.1 Participations

Cliq Digital AG reported the following participations as of December 31, 2012:	
Cliq Digital AG, Dusseldorf, Germany	
Bob Mobile Deutschland GmbH, Dusseldorf, Germany	100.00%
Bob Mobile Hellas S.A., Attiki, Greece	100.00%
Crutiq 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 GmbH, Dusseldorf, Germany	100.00%
Just A Game Hellas S.A., Attiki, Greece	100.00%
Guerilla Mobile Berlin GmbH, Berlin, Germany	100.00%
Guerilla Mobile Greece Ltd., Athens, Greece	100.00%
GMOB LATAM GmbH, Berlin, Germany	100.00%
GMOB Asia Pacific Pte. Ltd., Singapore	100.00%
GMOB Brazil SOLUCOES PARA TELEFONIA MOVEL LTDA, Sao Paulo, Brazil	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	99.00%
GIM Global Investments Munich GmbH, Munich, Germany	100.00%
Torna Media GmbH	4.00%

Apart from Torna Media GmbH (non-strategic minority interest), all participations are fully consolidated.

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

2.1.2 Mobile division

The Mobile Content division contains the global activities with mobile value-added services mainly for feature phones. The business model is based on a premium approach. By conclusion of a subscription the customer gets access to a portfolio of mobile games and other fun products. These products are purchased, whereby the download products – which comprise the majority of products – can be permanently downloaded and utilized on handsets. The products are mainly sold via subscription for efficiency reasons. Around one third of customers purchase only individual products as subscriptions can be cancelled at short notice. The remaining two thirds mostly comprise long-term customers, whereby it is important to provide a large portfolio of attractive download products.

The division accounted for 92% of total revenue in 2012. At the end of the year, the Mobile division operated in 49 countries with own distribution, payment and advertising activities. 37 of these markets were newly added to the country portfolio during 2012 financial year, also because of the acquisition of Cliq B.V. The special focus in this context lies on the growth markets of Africa, Asia and South America. Premium services were for example launched in Kenya, United Arab Emirates, Qatar, Singapore, Columbia and Hungary in 2012. The expansion of the product portfolio, new customer acquisition through efficient marketing, and expansion into new countries remain important focus points in 2013, e.g. the USA.

2.1.3 Online games division

The division accounted for 8% of the total revenue in 2012. In the Games division, the business model is based on “free to play & item sale“. Customers can register and play for free. A small number of players (typically between 3% and 5%) is willing to regularly spend money in order to acquire certain items (digital products), and to generate further advantages within the game. Proceeds from such sales are required to finance the entire game, its marketing and overhead costs.

Included in this segment are the subsidiaries Just A Game GmbH and Capital Games GmbH as well as the Greek Just A Game Hellas SA. These companies deal mainly with online browser games, which are no longer a core-business of CLIQ. At the end of 2012, the decision was made for an economically feasible and socially responsible exit from these activities. Also after the large shutdown of the online browser games segment, expertise gained in this area between the years 2010 and 2012 are very useful in the mobile segment. With concentrating management and financial resources on mobile games from 2013 onwards, CLIQ put the focus on the most attractive business area of the global gaming market. During the first quarter of 2013, the management board reached an agreement with a buyer of the online gaming assets. For the sold PC browser games that also exist in mobile form, CLIQ will cooperate with the buyer and continues to publish these games.

2.2 EMPLOYEES

Since the beginning of October 2012, Luc Voncken is Chief Executive Offer (CEO) and the sole member of the management board of Cliq Digital AG. Before Remco Westermann was the CEO of the company. Luc Voncken joined the management board in February 2012; he was previously CEO of Cliq B.V. and concentrated on the operating business at Cliq Digital. In March 2012, Ben Bos was appointed as third management board member. Remco Westermann and Ben Bos resigned from the management board at the beginning of October 2012. Remco Westermann left the company. Ben Bos stayed on as executive board counselor.

The Group employed an average of 148 staff in the 2012 financial year (2011: 119 staff). On the December 31, 2012 reporting date, the Group employed 122 staff on a full-time basis and 27 on a part-time basis.

Personnel costs 2012 stood at EUR 8.0 million compared to EUR 5.2 million in 2011. Personnel costs accounted for 11.7% of total costs in the 2012 financial year (2011: 13.0%).

2.3 TECHNOLOGIES, RESEARCH AND DEVELOPMENT

Cliq Digital AG does not conduct any own research of its own. The company invested however EUR 0.5 million in the further development and optimization of platforms in 2012, both through its own internal development work (EUR 0.4 million recognized in the accounts as capitalized services) and through work performed by third parties (EUR 0.11 million).

The CLIQ Group is developing core technology in-house to advertise, deliver and invoice the products. Investments were made for the company’s software development kit-platform (SDK), which consists of: sponsored sign up, CRM, ad serving, billing and notification. 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. Completed and almost completed products are predominately purchased and licensed.

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

1. Results of operations

1.1 REVENUE AND EARNINGS DEVELOPMENT

In the eighth financial year since it was founded (January 1, 2012 to December 31, 2012), the Cliq Digital Group generated EUR 66.2 million of revenue (2011: EUR 35.1 million), representing a growth of 89%. The rise in revenue is primarily due to the first time consolidation of Cliq B.V. as of February 1, 2012.

The Cliq Digital Group generated a net loss in the 2012 financial year. The earnings situation was burdened by various extraordinary costs due to the high level of depreciation and amortization connected with the takeover of Cliq B.V., the integration and restructuring of the newly formed group, and the withdrawal from online browser games business.

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

1.2 COSTS AND EARNINGS TRENDS

1.2.1 Earnings

Gross margin

The Group generated a positive gross margin of EUR 22.2 million in the 2012 financial year (2011: EUR 7.3 million). The main costs were attributable to the media area at EUR 15.2 million (2011: EUR 13.2 million), and direct costs for technology, licenses, invoicing, transfer and content at EUR 28.8 million (2011: EUR 14.6 million).

Earnings before interest, tax, depreciation and amortization (EBITDA)

Despite the numerous changes and extraordinary effects, the CLIQ Group achieved a positive operating result before interest, tax, depreciation and amortization (EBITDA) of EUR 8.5 million in the 2012 financial year (2011: EUR - 0.3 million).

Indirect costs rose to EUR 14.4 million in the 2012 financial year (2011: EUR 9.7 million). The ratio of indirect costs to revenue changed from 28 % (2011) to 22 % (2012) mainly due to synergy effects as a result of the acquisition of Cliq B.V.

EBITDA fell short of the company‘s own targets in 2012, particularly due to the weaker than expected core markets in the south of Europe in the mobile premium area and the unexpected slow growth of the subsidiary Just a Game GmbH.

Profitability (EBIT and net income)

The consolidated EBIT for 2012 amounted to EUR - 1.8 million (2011: EUR - 2.5 million) and the consolidated net loss for 2012 amounted to EUR 3.6 million before minority interests (2011: net loss of EUR 2.5 million). The main reasons for the negative net profit were scheduled depreciation and amortization of EUR 10.4 million (2011: EUR 0.8 million), particularly reflecting the scheduled amortization on the customer base of Cliq B.V.. Earnings attributable to minority interests are not shown in 2012 due to the takeover of the respective minority interests. The net loss attributable to Cliq Digital AG shareholders amounts to EUR 3.6 million, compared to EUR 3.8 million net loss in 2011.

1.2.2 Costs

Besides above mentioned costs due to scheduled depreciation and amortization, the major cost positions 2012 derived from personnel as well as other operating expenses. Personnel costs of the fiscal year 2012 stood at EUR 8.0 million compared to EUR 5.2 million in 2011, thereby accounting for 11.7 % of total costs in the 2012 financial year (2011: 13.0 %).

Other operating expenses which came in at EUR 50.4 million (2011: EUR 32.3 million) contain especially the following positions:

EUR million	2012	2011
Media purchasing	15,2	13,2
Purchasing of services from gateways and network operators	24,2	12,7
Product, licencse and other cost of sales purchasing	4,6	1,9
Other non operating expenses	6,4	4,5
	50,4	**32,3**

Media purchasing

The efficient purchasing of media – in other words, the management of advertising expenditures – is highly important for the CLIQ Group. 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.

Purchasing of services from gateways and network operators

Apart from a small number of fixed fees and minimum revenues, expenses for network operators and gateways, which provide the technical connections with the network operators, are almost completely variable. As semi-monopolists within their own networks, network operators are very well paid for their services (traffic, billing and sale of receivables); the share of end-customer revenue that goes to the network operators ranges from 29% in for example the Netherlands to more than 60% in some other countries. Compared to 2011 no major changes have occurred in this area. A positive factor is that the Freemium Games area also utilizes other payment methods when invoicing, such as credit card, PayPal or Moneybookers, where the fees are significantly lower than in the case of mobile network operators. The cost share for technical service-providers, such as for providing connections to mobile network operators, is low.

Product, license and other cost of sale purchasing

The purchasing and production of products and services for the mobile area occur almost completely externally and on a variable basis (license / revenue share), with the exception of the minimal number of products that are developed for the company (fixed fee versus minimum guarantee). The focus in this context was on products for smartphones. In the online games area, games were licensed entirely by third parties for specific countries. In order to establish a good position when acquiring licenses, a unit for license purchasing and sales was founded within the games subsidiary, which contractually secured games licenses for all platforms. After restructuring in 2012 this department concentrates only on the purchasing of mobile licenses.

Cliq Digital AG has other cost of sales, in among other items 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.

Other non-operating expenses: stock market and capital increases

The CLIQ Group incurred additional costs as a result of its stock market listing amounting to costs of EUR 0.2 million in the 2012 financial year (2011: EUR 0.3 millon).

Other non-operating expenses: takeover and restructuring costs

Earnings were significantly burdened by costs for the Cliq B.V. takeover. The acquisition costs included in the other non-operating expenses amounting in total EUR 0.6 million in the 2012 financial year.

2. Net Assets

2.1 INTANGIBLE ASSETS

The CLIQ Group reported EUR 47.6 million of intangible assets as of December 31, 2012. These intangible assets came in at EUR 1.1 million as of the December 31, 2011 reporting date. The most important components of intangible assets included goodwill (EUR 42.8 million) and customer base Cliq B.V. (EUR 3.6 million) as a result of PPA and software / platforms for the provision and invoicing of services (EUR 1.2 million). A total of EUR 0.8 million was invested in this area in 2012 and a total of EUR 55.6 million is added because of the first time consolidation and the PPA of Cliq B.V.. For more details on the PPA and the recognition of the goodwill and customer base as a result of the business combination reference is made to the notes “consolidation scope”. Scheduled amortization of intangible assets amounted to EUR 9.8 million. At the end of the year an additional one-off impairment of EUR 0.15 million was applied because of the impairment of the Capital Games goodwill.

2.2 TANGIBLE ASSETS

The Cliq Digital Group reported EUR 0.7 million of tangible fixed assets as of December 31, 2012. These particularly comprise office furniture and PCs. An amount of EUR 0.4 million was invested in the financial year elapsed and a total of EUR 0.6 million is added because of the first time consolidation of Cliq B.V. Depreciations amounted EUR 0.4 million in 2012.

2.3 FINANCIAL ASSETS

The Cliq Digital Group reported EUR zero of financial assets as of December 31, 2012. The interest in Torna Media GmbH has been fully written off in 2012 resulting in an amortization of EUR 0.163 million for the year 2012. No new investments were made in this area in the 2012 financial year.

2.4 DEFERRED TAX ASSETS

Deferred tax at the CLIQ Group amounted to EUR 3.0 million as of December 31, 2012, compared with EUR 2.55 million as of December 31, 2011. The reason for the increase are losses incurred on establishing the online games activities. The valuation of deferred tax was 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 forewords are uncertain.

2.5 TRADE RECEIVABLES

Trade receivables amounted to EUR 5.7 million as of December 31, 2012, compared with EUR 4.1 million in the previous year. This increase in receivables is caused by the increase of revenues. Other receivables amounted to EUR 7.7 million as of December 31, 2012 (December 31, 2011: EUR 2.6 million). In this context, the most important components remain EUR 4.2 million for receivables arising from services that have not yet been invoiced, EUR 1.4 million of taxes, and EUR 1.5 million of advance payments.

2.6 CASH IN HAND AND AT BANKS

Cash in hand and at banks stood at EUR 2.7 million as of December 31, 2012 (December 31, 2011: EUR 2.2 million).

3. Financial position

3.1 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 to minimize financial risks. The CLIQ Group also aims for balanced profile in terms of due dates and maturities. Financing requirements are calculated using budgets and cash flow plans, and are constantly updated in line with current figures.

Activities at CLIQ Group currently focus on investments in growth and core competencies.

3.2 CASHFLOW

The CLIQ Group generated in 2012 a cash flow from operating business of EUR 7.2 million (2011: EUR - 1.7 million). The cash flow from investing activities amounted EUR - 22.2 million (2011: EUR - 1.4 million) mainly caused by the cash component of the acquisitions of Cliq B.V. and GMOB (respectively EUR 18.0 million and EUR 4.0 million). The cash flow from financing activities for 2012 amounted EUR + 15.5 million (2011: EUR + 3.6 million). This is the netting of the new loan of the ABN AMRO Bank N.V. of EUR 25.0 million and the EUR 5.6 million used credit facility out of a total credit facility of EUR 10.0 million and the repayment of EUR 10.0 million for the year 2012 and of EUR 5.0 million repayment of the existing debt in Cliq B.V.

The net cash flow for the year 2012 amounted EUR 0.5 million (2011: EUR 0.5 million).

3.3 EQUITY AND DEBT

3.3.1 Equity

The CLIQ Group reported EUR 32.5 million of equity as of December 31, 2012 (previous year: EUR 6.2 million). The company has EUR 3,950,699.00 of share capital, which is split into 3,950,699 listed shares.

The company held 4,000 treasury shares as of December 31, 2012 (compared with 4,000 in the previous year). The capital reserves have increased from EUR 6.0 million as of December 31, 2011, to currently EUR 44.1 million. The loss carried forward of EUR 3.6 million as of December 31, 2011, increased to a loss carried forward of EUR 15.5 million due to the loss of EUR 3.6 million incurred in 2012 and because of the result of the acquisition of the remaining minority interests in Guerilla Mobile Berlin GmbH in mid-February 2012 and Just A Game Hellas, which had a direct effect on the loss carried forward of EUR - 8.3 million. Assets attributable to minority shareholders amounted to nil as of December 31, 2012 (December 31, 2011: EUR 2.1 million). No dividends were distributed to minority shareholders, since

Cliq Digital AG has meanwhile acquired the minority interests (Guerilla Mobile Berlin GmbH in mid-February 2012 and Just A Game Hellas S.A. in September 2012).

Cliq Digital AG reports a share capital consisting of 3,950,699 shares following the latest capital measures in 2012 financial year. No dividend was paid for the 2011 financial year. The dividend was waived due to the important strategic investments in the takeover of Cliq B.V., the repayments of the debt and the net loss in the 2011 financial year.

3.3.2 Debt financing

A credit facility was agreed with ABN Amro Bank to finance the takeover of 100% of the shares in Cliq B.V., the minority interests in Guerilla Mobile Berlin GmbH, as well as to refinance Cliq B.V.'s existing loan (EUR 5.0 million). The facilty consists of a loan of EUR 25.0 million and an overdraft facility of up to EUR 10.0 million, of which EUR 5.6 million had been drawn as of closing date. The interest rates for the two parts of the loan amounted to rates of Euribor +270 basis points (on an average) and Euribor +130 basis points respectively. Almost all of the assets of the CLIQ Group were assigned as collateral. In April 2013 Cliq and ABN Amro Bank agreed upon a framework of proposed amendments to the existing facility Agreement. The most important subjects of the framework is a new planned repayment schedule of EUR 0.75 million per month instead of EUR 1.0 million per month. Furthermore the existing overdraft facility is lowered from EUR 10.0 million to EUR 7,5 million, the financial covenants are redefined and the interest rates are increased with 75 basis points. The framework was signed by both parties on 5th of April and will result in an improvement of the liquidity position of the company in 2013.

Shareholder loans were also entered into with the selling shareholders of Cliq B.V. (according to the proportion of their interests), as a consequence of which the company has access to additional shareholder loans totaling EUR 3.8 million (interest rate: Euribor +350 basis points). Together with the existing shareholder's loan, the company is financed by EUR 4.7 million shareholder loans.

The company as of April 1, 2013 has EUR 1.5 million of liquid resources, and additional bank financing resources (of up to around EUR 4.4 million), which can be utilized if required.

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

3.4 INVESTMENTS IN INTANGIBLE AND TANGIBLE FIXED ASSETS

The net financing requirement in the investment area amounted to EUR 57.4 million in 2012 (2011: EUR 1.4 million). This includes an amount of EUR 56.2 million of first consolidation and PPA of Cliq B.V. Of the total investments an amount, EUR 56.4 million relates to intangible assets (2011: EUR 1.25 million). These consist of goodwill (EUR 42.8 million), of customer base Cliq B.V. (EUR 11.7) and of expenses for software / platforms for the provision and invoicing of services (EUR 1.6 million). An amount of EUR 1.0 million was invested in tangible assets (2011: EUR 0.15 million).

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,
> Start-up costs Mobile Games Division.

E. RISK MANAGEMENT AND REMARKS ON SIGNIFICANT RISKS RELATING TO FUTURE DEVELOPMENT

1. Report and information in accordance with Section 315 (2) No. 2 of the German Commercial Code (HGB)

The risk management methods and measures set up by Cliq Digital AG 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 AG organized the structure of the individual units based on the knowledge gained by the risk management evaluations made. Moreover, we have adapted the work processes to the knowledge obtained. For example, we pay attention to a consistent separation of incompatible activities and in addition we have introduced appropriate control ranges. Furthermore, we place 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, we have integrated controls into the work processes. The "two sets of eyes"-principle ensures that no major process goes uncontrolled.

Cliq Digital AG has developed systems, methods and committees to implement and secure its business. These aim to allow the Managing Board to recognize at an early stage any operating and financial risks. It aims to ensure that critical information is passed on to management directly and in good time. The Cliq Digital Group prepares annual budgets and quarterly reforecasts based on 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. Almost all important variables can be monitored in real time as a consequence. Risk management is based partly on internal financial accounting figures and 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 juncture, in order to rapidly respond to them with appropriate measures.

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

DEALING WITH KEY POTENTIAL RISKS

Cliq Digital AG'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 over the long term.

2. Risks

MORE INTENSE COMPETITIVE ENVIRONMENT:

It cannot be excluded that competition for mobile and interactive value-added services, mobile freemium games, and for premium services intensifies. The number of (international) competitors could also increase considerably. In addition, it is possible that competitors develop and offer products or services that are superior to the CLIQ Groups products and services, or which achieve greater market acceptance. Also conceivable are a higher level of competition due to less expensive offerings from competitors, cooperation ventures and alliances among several competitors, and joint accrual of market shares, for instance through mergers with third parties.

YOUNG MARKETS:

Figures relating to market shares, growth rates and sales in the market for mobile and interactive value-added services, as well as for the market for mobile games and freemium services, are mainly based on estimates produced by market research institutions and some providers own research. Precise evaluation proves difficult however, due to the fact that these young markets have existed for only a short time. In addition, overlaps are in flux, making it difficult to demarcate individual market areas. For this reason, it is impossible to produce reliable information and estimates of market size and growth, actual and potential competitors as well as market trends, and they can only be estimated on the basis of the best available knowledge, which is based on own empirical data and information.

DEPENDENCY ON TECHNICAL DEVELOPMENTS:

The mobile phone market and the market for mobile games and freemium services are characterized by rapid growth, quick market changes, and fast technical development. The market is very dynamic due to constant movements, which are driven by new products, new and optimized handsets / devices, faster networks, and new compression and storage technologies etc. As a consequence, providers are always exposed to the risk that they fail to identify a trend, or fall behind competitors who are also rapidly developing in technical terms.

DEPENDENCY ON END-CONSUMERS AND TRENDS:

End-consumers, particularly young people, like to follow new trends. In other words, products that are popular today may frequently no longer be accepted by customers tomorrow. This can have a negative effect on media efficiencies (e.g. 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.

TIGHTER LEGAL REQUIREMENTS AND REGULATION:

A further risk lies in a tightening of telecommunications legal regulations and acts, particularly the statutory regulation of customer protection. The markets for mobile and interactive value-added services, as well as for online and mobile games, are young, characterized by constant technical and commercial innovations, and are growing rapidly. A trend towards tighter regulation is noticeable among governments, regulatory authorities, the European Council and the European Commission, consumer protection organizations, mobile network operators, youth protection bodies, data protection authorities, and media institutions. Here, the risk always exists of overregulation, or even the discontinuation or banning of certain services or business models. Due to the advancing tightening of regulation, the Cliq Digital Group must respond to these changes, and partially adjust its own business model accordingly. Shutdowns, fines or bans comprise particular risks arising in this connection. It is also important to respond quickly and adequately to such rapidly changing regulations.

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, differences of opinion prevail concerning the ownership in some countries 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 online and mobile games area, games are utilized which are licensed by third parties. License terms, cooperation, and, in particular, technical further developments represent important elements in this context, all of which can lead to complications.

DEPENDENCY ON THE AVAILABILITY OF MARKETING MEDIA:

Media purchasing and media cooperations are very important for CLIQ business. Changes to the expenditures of classic advertisers, as well as of competitors of CLIQ, and changes in availability (including through programming, broadcasters‘ orientation, regulation), can negatively affect the business. Regulatory measures or network operator guidelines, which result in a deterioration of marketing efficiency, can have negative consequences for competitiveness in terms of media purchasing.

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

As network suppliers, mobile network operators play an important role in the provision and delivery of mobile and interactive services. When invoicing services through telephone invoices and prepaid accounts, as well as when acting as a “gateway“ to the customers of the respective network operator, costs are high overall compared with other payment options. Network operators can also exploit their power to exercise influence on business models, regulation of services, start-up times, and fines, among other factors. Contractual penalties, the temporary or structural shutdown of technical platforms, systems, databases and invoicing systems comprise further risks.

The utilization of technical service-providers always carries the risk that temporary or structural shutdowns of technical platforms, systems, databases and invoicing systems can occur. In addition, the solvency of the service-providers themselves represents a separate risk that should be taken into account. As a consequence, and particularly in the case of online services, payment partners other than mobile network operators, such as PayPal, are utilized. Here, risks exist in connection with revenue shortfalls or liability risks due to, for example, system shutdowns or hacker attacks, as well as due to any insolvency on the part of the service-provider.

DEPENDENCY ON IMPORTANT PARTNERS:

Cliq Digital AG depends on its cooperation with some important suppliers and partners in order to render its services. Network operators, service-providers, invoicing partners and technical service-providers, the music industry, games license providers, and other content-providers in the areas of games, graphics and videos, and a few important media partners are critical to CLIQ‘s success.

TECHNICAL PERFORMANCE AND IT SYSTEM SHUTDOWN:

Business operations, particularly the management of the range of services, essentially rest on stable data availability, server stability, and rapid data transfer. Important for service quality is also the technically stable functionality of the connection to the short message service centre (SMSC) and the multimedia message service centre (MMSC), as well as to the network operators' invoicing platforms. There are also various important software components such as landing pages, shop systems, customer care systems, reporting and invoicing modules, and outsourced games software, some of which are outsourced to license providers. Problems with the own platform, or with those of partners, can result in shutdowns and other complications.

YOUNG COMPANY:

Cliq Digital AG is a relatively young company, and is active on young and dynamic markets. There is no guarantee that Cliq Digital AG can continue to maintain its position on these markets, can continue its revenue growth in the future, and that these markets will continue to grow in the future. In particular, the term "young company" reflects a strong dependency on growth, on the success of investments, and a relatively high share of fixed costs compared to sales.

DEPENDENCY ON MANAGERS AND STAFF:

The successful implementation of the company's objectives, and consequently the company's general success, depends on a limited number of staff and managers. For example, the company's business success to date has rested significantly on the work and performance, contacts and strategic management provided by the Management Board and the subsidiaries' managing directors. Cliq Digital AG's success also depends on qualified staff below the Management Board / managing director level, however. A relatively small team always entails a strong dependency on individuals. Vacations, illness and staff departures can result in bottleneck.

INTERLINKAGES AND POTENTIAL CONFLICTS OF INTEREST:

Since it is partially the case that some of the company's heads of functions comprise identical individuals, the company includes several interlinkages of a legal, business and / or personnel nature which require publication. Such interlinkages include the following: Former sole Management Board member Remco Westermann was at the same time the Managing Director of Westerventures B.V. (The Hague), which had no business activities at that time. The former Management Board member also holds an indirect stake in the company through Jarimovas GmbH. Current sole Management Board Member Luc Voncken and Supervisory Board member Karel Tempelaar are both co-owner of Grupa Media Holding II BV, which is holding 40% of the Cliq Digital AG shares. Supervisory Board member Dr. Andreas Hoynigg holds 2,900 shares in the company.

RISKS CONNECTED WITH ACQUISITIONS:

Cliq Digitals AG's growth is also set to occur through acquisitions if appropriate opportunities arise. Despite the care taken when making purchases (due diligence, valuation etc.), corporate acquisitions are connected with considerable costs, investments and risks.

RISKS CONNECTED WITH THE CLIQ ACQUISITION:

The acquisition of 100% of the shares of Cliq B.V., a transaction of immense size for Cliq Digital AG, is connected with significant risks. Cliq Digitals AG's management had no previous experience with a cross-border acquisition of this size, and has consequently called on extensive support from professional advisers. The international aspect of this transaction also results in risks. In addition, the takeover was financed with a large-volume loan, and the overall Group was refinanced. This loan was collateralized through the assignment of almost all of the assets of the Cliq Digital Group. As a consequence, the risk exists that the profitability of the acquired company as well as of the whole group proves insufficient to meet the company's own financial liabilities.

FINANCING WORKING CAPITAL THROUGH PREPAYMENTS:

Cliq Digital AG 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 AG's growth strategy, and could have significantly negative effects on the company's financial position and results of operations.

RECEIVABLES DEFAULTS:

Most of Cliq Digital AG's receivables are due from some technical service-providers and network operators. The company could encounter financial shortfalls or problems if one of these partners were to encounter payment difficulties, or were to fail 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.

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

The tax utilization of existing loss carried forward arising from trade tax and corporation tax, and the offsetting and responsibility for VAT, depends on the respective valid legal environment and interpretation by the bodies responsible, and can change at any time. Particularly where VAT is concerned, international application is not always clear. It cannot be excluded that loss carried forward will be lost, or that tax arrears will be incurred, due to these uncertainties. Tax audits conducted by tax authorities can also result in tax arrears.

FINANCING RISK:

Cliq Digital AG remains a relatively small company in a capital-intensive end-customer market where media budgets are important. Its financial resources are somewhat small compared with important competitors and potential new competitors. As far as its financing is concerned, the company depends on the profitability of its own and acquired activities. To acquire Cliq B.V., as well as to purchase the minority interest in Guerilla Mobile Berlin GmbH, a considerable loan was needed to be taken out, which must be repaid. Although Cliq Digital AG is listed in the Entry Standard of the Frankfurt Stock Exchange, and thereby enjoys access to the capital market, the risk always exists that the company fails to obtain further financing through the capital market, or gets financing only on unfavorable terms.

BANK FINANCING:

Cliq Digital AG has taken out a considerable loan in order to finance the takeover of the shares in Cliq B.V., as well as for the purchase of the minority interest in Guerilla Mobile Berlin GmbH. Almost all of the company's assets were assigned as collateral for the loan. A bank loan also entails far-reaching obligations relating to reporting and regulatory guidelines. In addition, repayment depends on the profitability of the group acquired, Cliq B.V. Financial problems with covenants, as well as in repaying the bank financing, could have a significant negative effect on the company's financial position and results of operations.

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. Bob Mobile Hellas S.A., Cructiq AG, Venga Mobile GmbH, Rheinkraft Production GmbH, Imobic GmbH, Just A Game GmbH, Just A Game Hellas S.A., Guerilla Mobile Berlin GmbH, Guerilla Mobile Greece Ltd., GMOB LATAM GmbH, GMOB Asia Pacific Pte. Ltd., GMOB Brasil SOLUCOES PARA TELEFONIA MOVEL LTDA, 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., thumbr B.V., The Mobile Generation Holding B.V., TMG Singapore PTE Ltd., The Mobile Generation Americas Inc., The Mobile Generation I B.V., Mobtiq B.V., GIM Global Investments Munich GmbH comprise wholly-owned subsidiaries. Cliq Digital AG owns 99% of its subsidiary Run The Red Ser. EM. 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 breakdown, non-compliance with media or other regulations, and / or agreements. Liability situations can also arise from regulators and consumer associations.

EXPLANATION OF RISK MANAGEMENT OBJECTIVES AND METHODS ETC (SECTION 315 (2) NUMBER 2 OF THE GERMAN COMMERCIAL CODE (HGB))

The daily measurement of efficiencies (media, products and technical efficiency) is very important for Cliq Digital AG, since this serves as the basis for optimization, thereby allowing advertising measures and profitability to be managed. Pursuant to Section 91 of the German

Stock Corporation Act (AktG), the Management Board is obligated to implement appropriate organizational measures, and, in particular, to establish a monitoring system to identify at an early juncture developments that jeopardize the company as a going concern. The Cliq Digital Group prepares monthly budgets and annual budgets based on 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. Almost all important variables can be monitored in real time as a consequence. Risk management is based partly on internal financial accounting figures and 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 juncture, in order to rapidly respond to them with appropriate measures.

F. FORECAST

The realigned Cliq Digital Group regards itself as very well positioned for profitable growth in 2013. The centralization of most of the operative business at one site in Amsterdam and the focusing of the former Online & Freemium Games division on its core business in the mobile entertainment area are important measures for a further improvement of the operative income. Moreover, the scheduled write-offs which burdened the net earnings in 2012 will decrease in the current period decisively. The company is well positioned to realize organic growth after its merger with Cliq B.V. External growth can also to be generated through smaller acquisitions.

Deserving particular note again are the financial obligations due to the repayment of the bank loan, and the related reporting duties and other related obligations.

For the year 2013 Cliq Digital expects to reach revenues of EUR 70.0 million and an EBITDA of approximately EUR 11.5 million and further reducing of the debt. After the acquisition of Cliq B.V., the major strategic decisions and their implementation in 2012, the company expects no substantial extraordinary costs within 2013. Also the negative net effect on the result of the write-down on the customer base will be reduced to EUR 2.2 million in 2013 (2012: EUR 6.1 million). For 2013 financial year Cliq Digital expects a positive net result. For 2014 we expect to grow the business more rapidly.

Moreover, the scheduled write-offs which burdened the net earnings in 2012 will decrease significantly in the current period. The company is well positioned to realize organic growth through activities in existing countries, by opening up new ones and by introducing new products for mobile devices. The Guidance given also consists of some small acquisition opportunities and smart partnerships.

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

The following important events in the initial months of the 2013 financial year require notification:

The withdrawal from the online browser games (MMOG) business, announced in November 2012 was largely completed in March 2013. The Cliq Digital subsidiary Just A Game GmbH sold its Browser Games division. The intellectual property in so called Massive Multiplayer Online Games (MMOG) for PC browsers had been acquired by a German company already engaged in this area. Both parties have agreed not to disclose any transaction details.

April 11, 2013

The Management Board
Luc Voncken

consolidated balance sheet

ACCORDING TO IFRS AS OF DECEMBER 31, 2012

ASSETS in EUR thousand	Note	31 / 12 / 2012	31 / 12 / 2011
Non-current assets			
Intangible assets		**47,641.5**	**1,131.0**
Internally generated intangible assets	10	1,167.4	569.6
Other intangible assets	10	3.8	107.5
Customer base	10	3,630.8	-
Prepayments rendered on other intangible assets	10	80.7	348.3
Goodwill	10	42,758.8	105.6
Tangible assets		**717.9**	**181.5**
Plant, operating and office equipment	11	717.9	181.5
Financial assets		**0.0**	**162.5**
Shares in associated companies	12	0.0	162.5
Other assets (if residual term > 1 year)		**3.8**	**3.8**
Deferred tax assets	16	**3,000.0**	**2,551.7**
Total non-current assets		**51,363.2**	**4,030.6**
Current assets			
Receivables		**5,678.0**	**4,168.3**
Trade receivables	13	5,603.0	4,093.3
Receivables from companies in which the company has a participating interest	14	**75.0**	**75.0**
Miscellaneous receivables and other assets	15	**7,679.5**	**2,476.5**
Other assets (if residual term < 1 year)		7,679.5	2,476.5
Cash and cash equivalents	17	**2,677.9**	**2,145.7**
Total current assets		**16,035.4**	**8,790.5**
Total assets		**67,398.6**	**12,821.1**

EQUITY AND LIABILITIES in EUR thousand	Note	31 / 12 / 2012	31 / 12 / 2011
Equity			
Subscribed capital	18	**3,950.7**	**1,688.2**
Less: treasury shares	18	-4.0	-4.0
Total subscribed capital	18	3,946.7	1,684.2
Capital reserve	18	44,112.8	6,030.2
Consolidated equity generated by the parent company	18	-15,537.0	-3,636.9
		32,522.5	**4,077.5**
Minority interests	19	-	2,112.9
Total equity		**32,522.5**	**6,190.4**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	16	1,185.4	95.1
Other liabilities (if residual term > 1 year)	22	**1,900.0**	-
Total non-current liabilities		**3,085.4**	**95.1**
Current liabilities			
Other provisions	21	1,797.4	1,518.5
Bank borrowings	22	20,600.0	101.4
Trade payables	22	**2,751.0**	2,163.5
Other liabilities	22	**6,642.3**	2,752.2
Total current liabilities		**31,790.7**	**6,535.6**
Total liabilities		**34,876.1**	**6,630.7**
Total equity and liabilities		**67,398.6**	**12,821.1**

consolidated statement of comprehensive income

ACCORDING TO IFRS FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2012

in EUR thousand	Note	2012	2011
Revenue	1	66,233.1	35,079.8
Other work performed by the enterprise and capitalized	2	386.2	187.6
Other operating income	3	400.3	1,897.8
Personnel expenses	4	-8,034.5	-5,160.9
Wages and salaries		-7,039.3	-4,687.5
Social contributions		-995.3	-473.4
Depreciation, amortization and impairment charges	5	-10,368.1	-2,222.8
Amortization and impairment charges applied to intangible assets		-9,768.5	-1,499.2
Depreciation and impairment charges applied to tangible assets		-398.9	-107.3
Depreciation and impairment charges applied to tangible financial fixed assets		-162.6	-
Depreciation, amortization and impairment charges applied to current assets		-38.1	-616.2
Other operating expenses	6	-50,435.2	-32,308.7
Operating profit / loss		-1,818.3	-2,527.2
Other interest and similar income	7	264.9	120.4
Interest payments and similar expenses	7	-1,918.6	-168.7
Net financial result		-1,653.7	-48.3
Profit / loss on ordinary business activities		-3,472.0	-2,575.5
Taxes on income	8	-2,669.9	-1,373.1
Deferred taxes	8	2,563.6	1,498.9
Other taxes	8	-0.1	-35.9
Net profit / loss for the period		-3,578.2	-2,485.5
Consolidated comprehensive income		**-3,578.2**	**-2,485.5**
Profit / loss attributable to minority interests		-	1,339.4
Profit / loss attributable to Cliq Digital AG shareholders		**-3,578.2**	**-3,824.9**

Number of shares for calculation of basic earnings per share (in thousands)		3,663.9	1,657.4
Number of shares for calculation of diluted earnings per share (in thousands)		130.3	71.40
Basic earnings per share (in EUR)		-0.98	-2.31
Diluted earnings per share (in EUR)		-0.94	-2.21

cash flow statement

ACCORDING TO IFRS FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2012

in EUR thousand		2012	2011
1.	Net profit / loss for the period (including earnings attributable to non-controlling shareholders)	-3,578.2	-2,485.5
2.	+ Depreciation and amortization	10,330.0	1,606.6
3.	+ Increase in provisions	-1,847.5	119.7
4.	- / + Other non-cash income	50.0	-841.5
5.	+ / - Decrease / increase in trade receivables and other assets not attributable to investment or financing activities	6,049.9	1,715.0
6.	- / + Decrease / increase in trade payables and other liabilities not attributable to investing or financing activities	-3,771.1	-1,837.3
7.	**= Cash flow from operating activities**	**7,233.1**	**-1,723.1**
8.	+ Payments received from sale of tangible assets	19.9	13.6
9.	- Payments for investments tangible assets	-369.2	-168.2
10.	+ Payments received from disposals of intangible assets	138.9	32.6
11.	- Payments for investments in intangible assets	-836.6	-1,281.0
12.	- Payments from the acquisition of consolidated companies and other business units	-21,152.5	-
13.	**= Cash flow from investing activities**	**-22,199.5**	**-1,403.0**
14.	+ Proceeds from additions to equity	0.0	4,039.6
15.	+ Proceeds from drawing down on financial loans	30,600.0	900.0
16.	- Payments for the repayment of financial loans	-15,101.4	-1,299,9
17.	**= Cash flow from financing activities**	**15,498.6**	**3,639.7**
18.	**Net change in cash and cash equivalents**	**532.2**	**513.6**
19.	+ Cash and cash equivalents at the start of the period	2,145.7	1,632.2
20.	**= Cash and cash equivalents at the end of the period**	**2,677.9**	**2,145.7**

statement of changes in equity

ACCORDING TO IFRS AS OF DECEMBER 31, 2012

	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, 2011	**1,447.0**	**2,088.8**	**479.0**	**4,014.8**
Issue of shares	241.2	3,798.4	-	4,039.6
Dividends paid	-	-	-	-
Personnel expenses due to stock options	-	41.3	-	41.3
Miscellaneous changes	-	101.8	-291.0	-189.2
Net profit / loss for the period	-	-	-3,824.9	-3,824.9
Balance as of December 31, 2011	**1,688.2**	**6,030.2**	**-3,636.9**	**4,081.5**
Issue of shares	2,262.5	38,032.6	-	40,295.1
Dividends paid	-	-	-	-
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**

Parent company		Non-controlling shareholders			
Treasury shares not designated for withdrawal	Equity	Minority interests	Other neutral transactions	Equity	Consolidated equity
-20.0	**3,994.8**	**485.9**	**19.0**	**504.9**	**4,499.7**
-	4,039.6	-	-	-	4,039.6
-	-	-	-	-	-
-	41.3	-	-	-	41.3
16.0	-173.2	268.5	-	268.5	95.3
-	-3,824.9	1,339.4	-	1.339.4	-2,485.5
-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**

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 over 50 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, including to satisfy disclosure obligations to Deutsche Börse AG pursuant to Section 17 (2) subsection b) of the General Terms and Conditions of Business of Deutsche Börse AG for regulated unofficial trading on the Frankfurt Stock Exchange in the version of May 23, 2011.

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, 2012 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, 2012 as part of the "endorsement" process relating to mandatory application that was envisaged for this purpose. In 2011 the special regulations contained in IFRS 1 "First-Time Adoption of International Reporting Standards" were taken into consideration.

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 2012 financial year:

Standard / interpre-tation	Content of the amendment	Publication by the IASB	Manda-tory ap-plication	Adoption by the EU	Prospective effects on Cliq Digital
IFRS 7	Disclosures in the notes to the financial statements: netting of financial assets and liabilities	12 / 2011	1/1/2013	No	Immaterial
IFRS 9	Financial Instruments	11 / 2009 / 10 / 2010 / 12 / 2011	1/1/2015	No	Generally important: The classification and measurement of financial assets could change. Immaterial: Recognition of financial liabilities
IFRS 10	Consolidated Financial Statements: initial recognition and transi-tion guidance	5 / 2011 / 6 / 2012	1/1/2013	No	No
IFRS 10	Consolidated Financial Statements: invest-ment entities	10 / 2012	1/1/2014	No	No
IFRS 11	Joint arrangements	5 / 2011 / 6 / 2012	1/1/2013	No	No
IFRS 11	Joint arrangements: investment entities	10 / 2012	1/1/2014	No	No
IFRS 12	Disclosure of Interests in Other Entities: initial recognition and transition guidance	5 / 2011 / 6 / 2012	1/1/2013	No	No
IFRS 12	Disclosure of Interests in Other Entities: investment entities	10 / 2012	1/1/2014	No	No
IFRS 13	Fair Value Measurement	5 / 2011	1/1/2013	No	No

Standard / interpretation	Content of the amendment	Publication by the IASB	Mandatory application	Adoption by the EU	Prospective effects on Cliq Digital
IAS 1	Amendments to presentation of items in Other Comprehensive Income (OCI)	6 / 2011	1/1/2013	No	No
IAS 19	Amendments to the accounting treatment of payments to employees, especially payments following the end of employment contracts, and pensions.	6 / 2011	1/1/2013	No	No
IAS 27	Financial Statements	5 / 2011	1/1/2013	No	None
IAS 27	Financial Statements: investment entities	10 / 2012	1/1/2014	No	No
IAS 28	Investments in Associates and Joint Ventures	5 / 2011	1/1/2013	No	None
IAS 32	Offsetting financial assets and financial liabilities	12 / 2011	1/1/2014	No	Immaterial
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	10 / 2011	1/1/2013	No	None

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, 2012 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 2012 the group of consolidated companies increased by:

> Cliq B.V., Amsterdam and its group companies

Company	Registered Office	Country	Interest
Blinck International B.V.	Amsterdam	Netherlands	100.00%
Simiq B.V.	Amsterdam	Netherlands	100.00%
Artiq Mobile B.V.	Amsterdam	Netherlands	100.00%
Memco B.V.	Amsterdam	Netherlands	100.00%
Blinck Mobile Ltd.	Dublin	Ireland	100.00%
The Mobile Generation Holding B.V.	Amsterdam	Netherlands	100.00%
The Mobile Generation I B.V.	Amsterdam	Netherlands	100.00%
TMG Asia Pacific PTY Ltd. (liquidated in 2012)	Sydney	Australia	100.00%
The Mobile Generation Americas Inc.	Toronto	Canada	100.00%
Mobtiq B.V. (formerly Triscreen do Brasil B.V.)	Amsterdam	Netherlands	100.00%
thumbr B.V. (formerly Cliq Direct B.V.)	Amsterdam	Netherlands	100.00%
TMG Singapore Pacific PTE Ltd.	Singapur	Singapore	100.00%
Run The Red Ser. EM .	Sao Paulo	Brasil	99.00%

On December 22, 2011 an Extraordinary Shareholders‘ Meeting passed a resolution to increase the company‘s share capital by EUR 1,900 thousand through issuing 1,900,000 new ordinary bearer shares each with a notional interest in the share capital of EUR 1.00 per share. The new shares were granted in exchange for the contribution of all shares in Cliq B.V., Amsterdam, Netherlands (hereinafter named “Cliq B.V.” or “subsidiary”). With effect from February 21, 2012 Cliq Digital obtained 100% of the voting rights of Cliq B.V., Amsterdam. The business combination started on November 14, 2011 with closing the purchase agreement and ended in February 21, 2012 with the legal transfer of ownership on the shares. The total purchase price of the shares of Cliq B.V. amounts to EUR 53,839.0 thousand and is comprised of a payment in the amount of EUR 20,000 thousand of which EUR 2,000 thousand was granted to the company as a loan and a transfer of 1.900.000 shares of Cliq Digital. The contribution in kind of all shares of Cliq B.V was measured at the fair value of the transferred shares of Cliq Digital since the value of these transferred shares could be measured more reliable.

In connection with the business combination of Cliq B.V. a goodwill in the amount of EUR 42,758.8 thousand was recognized. The goodwill arising between the purchase price and net assets measured at its fair value of EUR 11,080,2 thousand represents expected synergy effects, growth prospects resulting from the improved market position and other advantages deriving from the combination of assets and activities of the acquire and the acquirer. We assume that the goodwill is not tax deductable.

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	21 / 02 / 2012
Cash and cash equivalents	17	847.5
Other tangible or intangible assets	10-16	26,667.9
Liabilities	16,21,22	-16,435.2
=Net assets		**11,080.2**

The contingent liabilities of Cliq B.V. and the consolidated group companies at aqcuisitiondate can be summarized as follows:

1.) Rental commitments: EUR 180 thousand. No amount is due after one year.

2.) Granted guarantees: EUR 196 thousand

3.) Fiscal: The company is part of the fiscal unity for Corporate Income Tax and VAT purposes with several of its subsidiaries. Under the Tax Collection Act, the company is jointly and severally liable for the taxes payable by the group. Corporate Income Taxes are charged to the individual companies that are part of the fiscal unity, based on their individual share of the total result before tax.

4.) Credit institutions: Cliq B.V. has together with Blinck International B.V., Artiq Mobile B.V., Memco B.V., Simiq B.V., The Mobile Generation Holding B.V., The Mobile Generation I B.V. and Mobtiq B.V. (formerly Triscreen do Brasil B.V.) a credit overdraft facility and loan with a Dutch bank and is therefore jointly and severally liable for these debts by the group.

Main reasons for the acquisition were to merge two competitive company groups with a similar business model to realize geographical expansion and therefore growth in the groups' revenue and synergies in the product and technical development, purchase of advertising costs and overhead and consequently realize growth in the groups' results. The entities share in revenues and the net profit for the period is EUR 43,723.7 thousand, respectively EUR 4,310.1 thousand. Had the companies been fully consolidated on January 1, 2012, Group revenues and net profit for the period would have been EUR 5,088.4 thousand higher respectively EUR 565.4 thousand less negative.

Receivables have been acquired in the following amount:

EUR thousand	Fair value	the gross contractual amounts	best estimate at the acquisition date of the contractual cash flows not expected to be collected
Receivables	13,210.8	13,353.7	142.8

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

Furthermore, Cliq Digital increased its interests in Guerilla Mobile Berlin GmbH, Berlin (hereinafter named “GMoB” or “subsidiary”) during the year under review, by 49.8% to 100.00% of all voting rights for a total purchase price of EUR 10,456.1 thousand which was provided by a cash payment EUR 4,000 thousand and by a transfer of 362.500 new shares of Cliq Digital. The value of the transferred shares of GMoB was measured at the fair value of the transferred shares of Cliq Digital since the value of these transferred shares could be measured more reliable. Closing of the transaction was on February 21, 2012. The purchase of shares was recognized in the financial statements as equity transaction with owners. The effects of changes of this step up of shares in the consolidated balance sheet positions are as follows:

EUR thousand	Notes	21 / 02 / 2012
Cash	17	-4,000.0
Increase of Subscribed Capital	18	362.5
Consolidated Retained Earnings	18	-8,186.0
Minority interests	18	-2,246.9

The number of consolidated companies in fiscal 2012 changed as follows:

	Germany	The Netherlands	Other countries	Total
January 1	9	1	6	**16**
Acquisitions	-	9	4	**13**
December 31	**9**	**10**	**10**	**29**

Please refer to Note 28 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, 2012, and the annual financial statements of the companies included in the Group for the comparable period as of December 31, 2011.

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 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 attributable 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 attributable 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 which 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 was 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 only as a result of the merger with Cliq B.V. in the fiscal year 2012. The retention of the value of this goodwill was confirmed through an impairment test conducted on the balance sheet date. Goodwill arising as a result of the merger with Capital Games GmbH, Berlin in the fiscal year 2011 (EUR 105.6 thousand) has been fully impaired in 2012.

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 (2012), or in the comparable year (2011) .

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 23 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. Directly attributable transaction costs are taken into account in this context. They are measured at amortized cost in subsequent periods.

Provisions for employee benefits

The company 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 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.

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	2012	2011
Mobile Value-Added Services	62,622.3	29,370.9
Online Games	3,228.4	4,044.2
Mobile Adult Services	19.9	1,662.0
Miscellaneous	362.5	2.7
Total	**66,233.1**	**35,079.8**

(2) Work performed by the enterprise and capitalized

This item primarily comprises personnel expenses connected with the capitalization of development costs for the thumbr platform. (2011: TOM Software and Game Shop Software).

(3) Other operating income

Other operating income includes the following items:

In EUR thousand	2012	2011
Disposal of the assets of Pink Adventure AG, Dusseldorf	-	1,163.0
Income from invoices passed on to net mobile	-	400.6
Income from invoices passed on to Cliq	-	126.2
Income from invoices passed on to EU Goldkiwi	-	78.5
Income from the sale assets of Venga	400.0	-
Other	0.3	129.5
Total	**400.3**	**1,897.8**

(4) Personnel expenses

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

In EUR thousand	2012	2011
Wages and salaries	7,039.3	4,687.5
Pension contributions	38.7	-
Social contributions	956.6	473.4
Total	**8,034.5**	**5,160.9**

(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 our remarks on intangible assets (10) and tangible assets (11).

(6) Other operating expenses

Other operating expenses include the following expenses:

In EUR thousand	2012	2011
Media costs	15,199.4	13,168.0
Costs for technology and licenses	28,822.7	14,607.4
Premises costs	796.7	243.4
Advertising costs	81.4	193.7
Insurance and contributions	161.5	140.4
Travel costs	413.6	120.9
Vehicle costs	46.3	80.7
Professional fees	1,827.7	642.9
Supervisory Board compensation	51.9	46.5
Merger costs	549.8	652.6
Other	2,484.2	2,412.2
Total	**50,435.2**	**32,308.7**

(7) Financial income and financial expenses

Financial income and financial expenses are composed as follows:

In EUR thousand	2012	2011
Financial income		
Interest income	264.9	120.4
	264.9	**120.4**
Financial expenses		
Interest expenses	-1,153.9	-168.7
Other financial expenses	-764.7	-
	-1,918.6	-168.7
Total	**- 1,653.7**	**- 48.3**

(8) Taxes on income

In EUR thousand	2012	2011
Current taxes on income - Germany		
Corporation taxes	607.1	674.3
Trade taxes	**607.1**	**594.5**
	1,214.2	1,268.8
Current taxes on income - The Netherlands		
Corporation taxes	1,371.3	-
	1,371.3	**-**
Current taxes on income - Abroad	**84.4**	**104.3**
Deferred taxes on income		
Deferred taxes income	- 2,563.6	-1,498.9
	- 2,563.6	**-1,498.9**
	106.3	**-125.8**

The reported current taxes on income in Germany and The Netherlands comprises taxes on income for the 2012 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 15,665 thousand were recognized as of December 31, 2012 (2011: EUR 10,985 thousand), and temporary differences of EUR 114 thousand (2011: EUR 317 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 5,010 thousand.

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

Tax income results overall, which arises primarily from deferred tax assets income on tax losses, and which in total exceed the actual income taxes on the subsidiaries‘ earnings which cannot be offset with the subsidiaries‘ losses.

As of December 31, 2012, 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 foreign (i.e. not Germany or The Netherlands) deferred taxes. As in the previous year, the recognition of deferred taxes on German loss carry forwards were based throughout on tax rates of 14% for trade tax, and 16% for corporation tax and the Solidarity Surcharge.

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

In EUR thousand	2012	2011
Profit / loss on ordinary business activity	-3,472.0	-2,575.5
Expected tax expense given a 27% tax rate	-	-
Deviations from the expected tax expense		
a. Current taxes of entities within the group with positive fiscal result	2,669.9	-
b. Timing differences valuation intangible fixed assets	-2,126.4	-
c. Capitalized losses carried forward	-448.3	-
d. Other	11.1	-125.8
Total adjustments	106.3	-125.8
Actual tax expense	**106.3**	**-125.8**

The effective tax rate amounts to 3.1% (2011: 4.9%; in each case relating to the amounts of the loss).

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

	2012		2011	
In EUR thousand	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	-	1,185.4	-	95.1
Tax loss carryforwards	3,000.0	-	2,551.7	-
	3,000.0	**1,185.4**	**2,551.7**	**95.1**
Netting of deferred tax assets and liabilities	1,814.6	-	2,456.6	-
	1,814.6	**-**	**2,456.6**	**-**

(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 18).

	2012	2011
Profit / loss attributable to Cliq Digital AG shareholders (in EUR thousand)	-3,578.2	-3,824.9
Number of shares in circulation as of January 1	1,684,199	1,427,028
Number of shares in circulation as of December 31	3,946,699	1,684,199
Weighted average number of shares in issue	3,663,887	1,657,354
Basic earnings per share (in EUR)	**-0.98**	**-2.31**
Number of potentially dilutive ordinary shares (in number of shares)	130,300	71,400
eighted average number of shares for the calculation of diluted earnings per share	3,794,187	1,728,754
Diluted earnings per share (in EUR)	**-0.94**	**-2.21**

(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, 2011	**937.3**	**-**	**497.8**	**535.0**	**-**	**1,970.1**
Additions: first-time consolidation	-	-	**36.0**	-	-	36.0
Additions	238.3	-	395.2	506.0	105.6	1,245.1
Disposals	-42.1	-	-537.7	-500.0	-	-1,079.8
December 31, 2011	**1,133.5**	-	**391.2**	**541.0**	**105.6**	**2,171.3**
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**
Amortization and impairment losses						
January 1, 2011	**333.1**	-	**259.8**	-	-	**592.9**
Additions: first-time consolidation	-	-	**3.5**	-	-	3.5
Amortization in the financial year	268.4	-	538.1	692.7	-	1,499.2
Disposals	-37.7	-	-517.6	-500.0	-	-1,055.3
December 31, 2011	**563.8**	-	**283.8**	**192.7**	-	**1,040.3**
January 1, 2012	**563.8**	-	**283.8**	**192.7**	-	**1,040.3**
Additions: first-time consolidation	-	-	-	-	-	-
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, 2012	**1,153.3**	**8,090.0**	**243.2**	**584.1**	**105.6**	**10,176.2**
Carrying amount December 31, 2011	**569.7**	-	**107.4**	**348.3**	**105.6**	**1,131.0**
Carrying amount December 31, 2012	**1,167.4**	**3,630.8**	**3.8**	**80.7**	**42,758.8**	**47,641.5**

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

Additions on internally generated intangible fixed assets during the 2012 financial year primarily concerned internally generated development costs for thumbr platform in an amount of EUR 386.2 thousand (2011: TOM Software and Game Shop Software EUR 187.6 thousand).

(11) Tangible assets

Tangible assets reported the following change:

In EUR thousand	Total Property, plant and equipment
Cost	
January 1, 2011	**304.1**
Additions: first-time consolidation	14.7
Additions	153.5
Disposals	-96.8
December 31, 2011	**375.4**
January 1, 2012	**375.4**
Additions: first-time consolidation	586.0
Additions	369.2
Disposals	-45.5
December 31, 2012	**1,285.1**
Depreciation and impairment losses	
January 1, 2011	**165.2**
Additions: first-time consolidation	4.6
Depreciation in the financial year	107.3
Disposals	-83.2
December 31, 2011	**193.9**
January 1, 2012	**193.9**
Additions: first-time consolidation	-
Depreciation in the financial year	398.9
Disposals	-25.6
December 31, 2012	**567.2**
Carrying amount December 31, 2011	**181.5**
Carrying amount December 31, 2012	**717.9**

Additions from first-time consolidation arose through the acquisition of Cliq B.V..

Additions to property, plant and equipment amounted to EUR 369.2 thousand (2011: EUR 153.5 thousand). The largest individual items in this context comprise rebuilding of the new office at the Stadhouderskade in Amsterdam of EUR 224 thousand, and a computer-and other IT office equipment of EUR 125 thousand.

(12) Financial assets

Financial assets include the following equity participating interests:

In EUR thousand	2012	2011
Torna Media GmbH	-	162.5
	-	**162.5**

As in the previous year, the interest in this company was categorized as a "financial asset available for sale" (AfS), since its fair value cannot be reliably determined. Measurement was at cost in 2011. The participating interest in Torna Media GmbH has been fully written down during the 2012 financial year because the equity interest decreased from 20% in 2011 to only 4% in 2012 because of dilution of shares in 2012.This financial asset has no market price listed on an active market.

(13) Trade receivables

Trade receivables are composed as follows:

In EUR thousand	2012	2011
Trade receivables, gross	5,978.4	4,152.5
Less: valuation adjustments	-375.4	-59.2
	5,603.0	**4,093.3**

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	
	2012	2011	2012	2011	2012	2011
January 1	**59.2**	-	-	-	**59.2**	-
Changes to valuation adjustments carried through profit and loss	316.2	59.2	-	-	316.2	59.2
December 31	**375.4**	**59.2**	-	-	**375.4**	**59.2**

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, 2012	1,395.2	653.5	130.9
December 31, 2011	261.6	330.4	152.7

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.

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

Receivables due from companies where an interest is held represent trade receivables with a residual term of up to one year.

(15) Miscellaneous receivables and other assets

Miscellaneous receivables and other assets are composed as follows:

In EUR thousand	31 / 12 / 2012	31 / 12 / 2011
VAT	851.2	1,004.9
Prepayments rendered for guarantees and licenses	6.1	500.2
Overpayment of tax	426.2	351.2
Receivables arising from services that have not yet been invoiced	4,202.8	136.3
Deposits	42.9	38.1
Prepayments and accrued income	1,460.9	56.9
Tax reimbursement claims from Greek tax authorities	152.7	161.7
Securities	65.6	-
Miscellaneous	471.2	227.2
	7,679.5	**2,476.5**

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

(16) 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 3,000.0 thousand (2011: EUR 2,551.7 thousand) arise from the probable future utilization of tax loss carryforwards. Note 8 “Taxes on income“ contains further information about deferred taxes.

(17) Cash and cash equivalents

This item contains cash at banks of EUR 2,677.7 thousand (2011: EUR 2,143.2 thousand), and cash in hand of EUR 0.2 thousand (2011: EUR 2.5 thousand).

(18) 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 growth and or for repayment of the debt. Cliq Digital AG made major investments in its growth in 2011 and 2012, and for this reason refrained from distributing dividends.

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 3,950,699 nil-par ordinary shares. All shares issued until December 31, 2012 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:

In EUR	
January 1, 2012	1,684,199
Sale of treasury shares	-
Issue of new shares	2,262,500
December 31, 2012	**3,946,699**
Weighted average number of shares in the 2011 / 2012 financial year	3,663,887

The company's Extraordinary Shareholders' General Meeting passed a resolution on December 22, 2011, to increase the company's share capital by EUR 1,900,000.00 through issuing 1,900,000 new ordinary bearer shares each with a notional interest in the share capital of EUR 1.00 per share. The new shares are dividend-entitled from the start of the financial year current when the capital increase was entered in the commercial register. Shareholders' statutory subscription rights are excluded. Exclusively Orinoco B.V., Amsterdam, Netherlands, EmRose B.V., Amsterdam, Netherlands, TOPSAM B.V., Laren, Netherlands, Grupa Media Holding II B.V., Amsterdam, Netherlands were permitted to subscribe for the 1,900,000 new shares. The new shares were granted in exchange for the contribution of all shares in Cliq B.V., Amsterdam, Netherlands. In addition, the parties that made a contribution received payments of EUR 20,000,000, of which EUR 2,000 thousand was granted to the company as a loan. The capital increase was registered on February 16, 2012.

In the same company's Extraordinary Shareholders' General Meeting on December 22, 2011 it was decided to increase the company's share capital by EUR 362,500 through issuing 362,500 new ordinary bearer shares each with a notional interest in the share capital of EUR 1.00 per share. The new shares are dividend-entitled from the start of the financial year current when the capital increase was entered in the commercial register. The 362,500 shares were issued against cash and non-cash capital contributions for the purchase of the remaining 49.8% of the shares in Guerilla Mobile Berlin GmbH. In addition the former shareholders of the 49.8% shares in Guerilla Mobile Berlin GmbH received payments of EUR 4,000,000. The capital increase was registered on February 16, 2012.

Cliq Digital AG reports a share capital consisting of 3,950,699 shares following these transactions.

Treasury shares

The company's Extraordinary Shareholders' General Meeting authorized the Management Board on December 22, 2011, to acquire the company's shares until June 1, 2016, in order to utilize the company's shares as part of a merger with companies, or as part of the acquisition of companies, interests in companies, or parts of companies, or to sell them at a price that is not significantly different to the stock market price of the company's shares on the disposal date, or to withdraw them. The currently existing authorization to acquire treasury shares, which was issued by the Shareholders' General Meeting on July 31, 2011, and which was also limited until June 1, 2016, is cancelled for the period from the coming into effect of the new authorization under the suspensive condition that the non-cash capital contribution that was authorized at the same Extraordinary Shareholders' General Meeting is entered in the commercial register.

This authorization is restricted to the purchase of shares up to 10% of the share capital. This authorization can be exercised directly by the company, or by third parties mandated by the company, and either wholly or in several partial amounts as part of the aforementioned restriction.

The company's Ordinary Shareholders' General Meeting previously authorized the Management Board on July 31, 2011, to acquire the company's shares until June 1, 2016, in order to utilize the company's shares as part of a merger with companies, or as part of the acquisition of companies, interests in companies, or parts of companies, or to sell them at a price that is not significantly different to the stock market price of the company's shares on the disposal date, or to withdraw them. The authorization existing until that date to acquire treasury shares, which was issued by the Shareholders' General Meeting on July 16, 2010, and which was limited until June 1, 2015, is cancelled for the period from the coming into effect of the new authorization.

This authorization is restricted to the purchase of shares with a proportional amount of the share capital of EUR 168,819.90 attributable to the shares, in other words, 10% of the share capital of EUR 1,688,199.00. This authorization can be exercised directly by the company, or by third parties mandated by the company, and either wholly or in several partial amounts as part of the aforementioned restriction.

The company's Ordinary Shareholders' General Meeting previously authorized the Management Board on August 14, 2008, to acquire the company's shares until January 30, 2010, in order to utilize the company's shares as part of a merger with companies, or as part of the acquisition of companies, interests in companies, or parts of companies, or to sell them at a price that is not significantly different to the stock market price of the company's shares on the disposal date, or to withdraw them. With a resolution of Ordinary Shareholders' General Meeting of July 31, 2009, this authorization was modified in such a way that the period until the purchase of the treasury shares is concluded must be extended to January 15, 2011. With a resolution of Ordinary Shareholders' General Meeting of July 16, 2010, this authorization was also modified in such a way that the period until the purchase of the treasury shares is concluded must be extended to June 1, 2015.

This authorization was restricted to the purchase of shares with a proportional amount of the share capital of EUR 133,366.20 attributable to the shares, in other words, 10% of the share capital of

EUR 1,333,662.00. This authorization could be exercised directly by the company, or by third parties mandated by the company, and either wholly or in several partial amounts as part of the aforementioned restriction. Following approval by the Supervisory Board on June 8, 2009, the Management Board passed a resolution on the same date to purchase the shares in the period between June 8 and July 31, 2009. The authorization to acquire treasury shares, which was issued by the Shareholders' General Meeting on June 19, 2007, and which was limited until November 30, 2008, was cancelled for the period from the coming into effect of this new authorization.

With the consent of the Supervisory Board on March 15, 2011, the Management Board of Cliq Digital AG passed a resolution to sell 8,000 of the company's ordinary shares as part of the acquisition of Capital Games GmbH. In addition, the Supervisory Board passed a resolution on July 18, 2011, to sell 8,000 of the company's shares as part of the increase in the interest in Just A Game GmbH from 84% to 100%. As a consequence, it utilized the authorization of the Shareholders' General Meeting of August 14, 2008 (last modified on July 31, 2011). When the company enters into the authorized sale of treasury shares, the purchase price per share may not be significantly less than the shares' stock market price on the disposal date.

The entire treasury share position amounted to 4,000 shares as of December 31, 2012. This corresponds to 0.24% 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

On December 22, 2011, the company's Extraordinary Shareholders' General Meeting passed a resolution to authorize the Management Board, with Supervisory Board assent, to increase the company's share capital until December 21, 2016 through issuing new shares against cash and / or non-cash capital contributions, once or on several occasions, by up to EUR 1,794,099.00 through issuing up to 1,794,099 new ordinary shares (Approved Capital 2011). In this context, the Management Board can determine a start to dividend-entitlement that diverges from Section 60 (2) Clause 3 of the German Stock Corporation Act (AktG). The previously authorized Approved Capital 2011 was cancelled when the Approved Capital II 2011 came into force. This approved capital was entered in the commercial register on February 16, 2012.

Previously on July 31, 2011, the company's Ordinary Shareholders' General Meeting passed a resolution to authorize the Management Board, with Supervisory Board assent, to increase the company's share capital until August 31, 2016 through issuing new shares against cash and / or non-cash capital contributions, once or on several occasions, by up to EUR 844,099.00 through issuing up to 844,099 new ordinary shares (Approved Capital 2011). In this context, the Management Board could determine a start to dividend-entitlement that diverges from Section 60 (2) Clause 3 of the German Stock Corporation Act (AktG). The previously authorized Approved Capital 2008 was cancelled when the Approved Capital 2011 came into force.

Previously on July 8, 2008, the company's Ordinary Shareholders' General Meeting passed a resolution to authorize the Management Board, with Supervisory Board assent, to increase the company's share capital until August 1, 2013 through issuing new shares against cash and / or non-cash capital contributions, once or on several occasions, by up to EUR 666,831.00 through issuing up to 666,831 new ordinary shares (Approved Capital 2008). In this context, the Management Board can determine a start to dividend-entitlement that diverges from Section 60 (2) Clause 3 of the German Stock Corporation Act (AktG). The previously authorized Approved Capital 2005 was cancelled when the Approved Capital 2008 came into force.

- **Conditional capital**

The company's share capital can be conditionally increased by up to EUR 533,464.00 through issuing up to 533,464 ordinary bearer shares with a proportional interest in the share capital of EUR 1.00 (Conditional Capital I). This conditional capital increase serves to grant conversion and subscription rights to the bearers of convertible bonds and / or bearers and / or creditors of conversion or subscription rights respectively obligated parties arising from such bonds which were issued by the company pursuing to the aforementioned authorization until August 1, 2013. The new shares will be issued according to the conversion or subscription price to be determined in each case according to the aforementioned authorization. The conditional capital increase is to be performed only to the extent that utilization is made of the conversion or subscription rights, to the extent that cash compensation or any treasury shares are utilized, and to the extent that the related requisite stock corporation law preconditions are created or satisfied. If they arise through exercise by the start of the company's Ordinary Shareholders' General Meeting, the new shares are dividend-entitled from the start of the preceding financial year, otherwise in each case from the start of the financial year in which they arise through the exercise of subscription rights.

The company's share capital can be conditionally increased by up to EUR 133,366.00 through issuing up to 133,366 ordinary bearer shares with a proportional interest in the share capital of EUR 1.00 (Conditional Capital I). This conditional capital increase serves exclusively to convert subscription rights arising from stock options owned by the Management Board and employees of Cliq Digital AG, as well as by members of the management, and by employees of companies associated, or in future associated, with the company in the meaning of Sections 15 et seq. of the German Commercial Code (AktG). The conditional capital increase is to be performed only to the extent that the holders of subscription rights utilize such rights, and the company does not grant treasury shares or cash settlement to satisfy the subscription rights. The new shares are dividend-entitled from the start of the financial year for which no resolution has yet been passed concerning the application of inappropriate retained earnings on the date when the subscription rights are exercised.

The company's share capital can be conditionally increased by up to EUR 250,000.00 through issuing up to 250,000 ordinary bearer shares with a proportional interest in the share capital of EUR 1.00 (Conditional Capital 2012). This conditional capital increase serves exclusively to fulfill subscription rights, which are granted pursuant to the authorization by the Annual General Meeting of 24 August 2012 under agenda item No. 7.

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

The company's Ordinary Shareholders' General Meeting passed a resolution on July 8, 2008 to authorize the Management Board, with Supervisory Board assent, to issue until August 1, 2013, once or on several occasions, bearer convertible bonds with a total nominal amount of up to EUR 15,000,000.00, whereby, according to the more specific respective terms of the bonds ("bond terms"), the bondholders were to be granted conversion or subscription rights for a total of up to 533,464 of the company's ordinary bearer shares each with a notional interest in the share capital of EUR 1.00 per ordinary share. The convertible bonds are to carry a normal fixed market interest rate. The bond terms can also make provision whereby, if the granted conversion or subscription rights are exercised, the company can also grant any of the company's treasury shares if and to the extent that the stock corporation law preconditions have been created and satisfied for this purpose. It can also be determined that the company does not grant the company's shares to the bondholders but instead pays the consideration in cash, whereby, according to the more specific terms of the bonds, such consideration corresponds to the average price of the company's shares in the closing XETRA auction on the Frankfurt Stock Exchange or a comparable successor system during the last 10 stock market days before the declaration of the exercise of the conversion or subscription rights.

The conversion or subscription price for one ordinary share corresponds to 100% of the average stock market price of the company's shares in the closing XETRA auction on the Frankfurt Stock Exchange or a comparable successor system during the last 10 stock market trading days before the date when the Management Board passes a resolution concerning the issuing of the convertible bonds.

Convertible bonds are generally to be offered to shareholders for subscription; the convertible bonds can also be transferred to a bank or consortium of banks to be determined by the Management Board, with the obligation that they should be offered to shareholders for subscription (indirect subscription right).

The Management Board was authorized, with Supervisory Board's assent, to determine further specifics relating to the issuing and structure of the convertible bonds in accordance with the regulations above. This particularly relates to the interest rate, the issue price, distribution claims, maturity and denomination, transfer of the conversion and / or subscription rights, subscription and conversion ratio, conversion obligations, determination of an additional cash payment, settlement or aggregation of residual amounts, conversion and warrant price, conversion and warrant period, cash payment instead of delivery of shares, as well as delivery of existing shares instead of issuing new shares.

- **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. The following terms are valid for the 2009 and 2012 (January and December) programs:

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 November 18, 2009 (2009 program) respectively January 3, 2012 (2012 January program) and December 28, 2012 (2012 December program) (2009 program EUR 4.27, 2012 Jan. program: EUR 15.93, 2012 Dec. program: 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 2009 and 2012 programs are as follows:

	December 2012 program	January 2012 program	2009 program
Number of options issued	91,800	14,000	4,000
Fair value of the option on the issue date	EUR 2.40	EUR 1.01	EUR 2.50
Exercise price of the option on the issue date	EUR 5.11	EUR 15.93	EUR 19.47
Expected volatility	30.00%	30.00%	30.00%
Duration of the option	5 years	5 years	5 years
Expected dividends	5%	5%	5%
Risk-free interest rate	1.50%	1.50%	1.50%
Turnover rate	30.00%	30.00%	30.00%

The stock options reported on the December 31, 2012 reporting date are composed exclusively of the 2009, 2012 January and 2012 December stock option programs. The 2009 program expires in November 2014, the 2012 January program expires in January 2017 and the 2012 December program expires in December 2017.

The fair value of the options were in each case 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 2011 and 2012 financial years.

The stock options performed as follows:

	2012		2011	
	Average exercise price		Average exercise price	
	Number	EUR	Number	EUR
January 1	73,700	5.09	72,100	4.27
Pledged	105,800	6.54	4,000	19.47
Stock options exercised	-	-	-	-
Stock options expired	-49,200	5.27	-2,400	4.27
December 31	130,300	-	73,700	5.09
Exercisable on December 31	-	-	-	-

Personnel expenses of EUR 50.0 thousand were incurred in the year under review for the stock option programs (2011: EUR 41.3 thousand). The capital reserves were increased to reflect this amount.

(19) Minority interests

Minority interest are presented in the “Statement of changes in equity“. Per December 31, 2012 no minority interests exist anymore since Cliq Digital acquired the remaining 49.8% of the 100% of the shares in Guerilla Mobile Berlin GmbH in February 2012 and the remaining 25% of the 100% of the shares in Just a Game Hellas S.A. in September 2012.

(20) 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 2012 no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

(21) Other provisions

In EUR thousand	31/12/2012	Utilization	Release	Addition	New subs	1/1/2012
Other current provisions						
Taxes on income	969.5	-2,435.1	-0.9	1,159.5	1,289.6	956.4
Costs for financial statements and auditing	66.6	-83.0	-4.0	63.7	-	89.9
Miscellaneous provisions	761.3	-206.5	-30.0	525.6	-	472.2
Total other current provisions	**1,797.4**	**-2,724.6**	**-34.9**	**1,748.8**	**1,289.6**	**1,518.5**

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.

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

Miscellaneous provisions include EUR 200 thousand of provisions for pending contractual penalties.

(22) Liabilities

			Residual term		
in EUR thousand		Total	Up to 1 year	1 to 5 years	> 5 years
Bank borrowings	2012	20,600.0	20,600.0	-	-
	2011	101.4	101.4	-	-
Trade payables	2012	2,751.0	2,751.0	-	-
	2011	2,163.5	2,163.5	-	-
Other liabilities	2012	8,542.3	6,642.3	1,900.0	-
	2011	2,752.2	2,752.2	-	-
Total	**2012**	**31,893.3**	**29,993.3**	**1,900.0**	**-**
	2011	**5,017.1**	**5,017.1**	**-**	**-**

- **Bank borrowings**

Bank borrowings are recognized at amortized cost. Bank borrowings correspond to a term loan of EUR 15,000.000 and a credit (revolving) facility of EUR 10,000.000 of which 5,600.000 is utilized as per December 31, 2012. The original amount of the term loan amounted to EUR 25,000 thousand and was provided by ABN AMRO Bank N.V. in February 2012. The monthly redemption for this loan is EUR 1,000 thousand since March 2012. The loan agreement will end on March 31, 2014. The applicable interest rate varied in 2012 from Euribor plus 2.5% to Euribor plus 3.0%. Since September 12, 2012 Cliq Digital has been in default with the Facility Agreement of the ABN AMRO loan mainly because the coverage ratios of the Agreement were not met. However there has never been a delay in the scheduled monthly repayments of the loan and the monthly interest payments. Cliq Digital and ABN AMRO Bank N.V. bank have discussed new terms and conditions on the Facility Agreement which resulted to an agreed framework of proposed amendments to the existing Facility Agreement. Upon signing this agreement on April 5, 2013, ABN AMRO Bank N.V. waived the default status.

One of the newly negotiated conditions of the FA is a new repayment schedule totaling EUR 8,250 thousand for 2013. Furthermore the existing overdraft facility will be lowered from EUR 10 million to EUR 7.5 million (as it is no longer needed to maintain the same level of overdraft as at the beginning), the financial covenants are redefined and the interest rates are increased with 75 basis points. This brings the interest rate between 205 and 350 basicpoint + Euribor. Based on the signed framework of amendments, of the total loan (EUR 15,000 thousand) as per balance sheet date an amount of EUR 8,250 thousand is repayable within 1 year and the remaining EUR 6,750 thousand will be repayable between 1 and 5 years after balance sheet date. However because the default status was applicable at balance sheet date, in conformity with IFRS 7.19, the total amount of the loan (EUR 15,000 thousand) is disclosed as short term (repayable within 1 year) in the 2012 financial statements:

In EUR thousand	
Within 1 year	15,000
	15,000

The credit facility was also provided by ABN AMRO Bank N.V. in February 2012. The applicable interest rate for this facility is Euribor plus 1.3% as per December 31, 2012.

Other liabilities

Other liabilities are composed as follows:

in EUR thousand		Total	Residual term Up to 1 year	1 to 5 years	> 5 years
Prepayments received	2012	-	-	-	-
	2011	814.5	814.5	-	-
Liabilities arising from other taxes	2012	453.3	453.3	-	-
	2011	531.2	531.2	-	-
Social security liabilities	2012	31.1	31.1	-	-
	2011	13.3	13.3	-	-
Liabilities related to license income	2012	-	-	-	-
	2011	169.4	169.4	-	-
Accrual marketing cost and other COS	2012	1,624.6	1,624.6	-	-
	2011	-	-	-	-
Miscellaneous	2012	1,683.9	1,683.9	-	-
	2011	323.8	323.8	-	-
Other non-financial liabilities	2012	3,792.8	3,792.8	-	-
	2011	1,852.2	1,852.2	-	-
Liability to Jarimovas GmbH	2012	949.5	949.5	-	-
	2011	900.0	900.0	-	-
Vendor loans	2012	3,800.0	1,900.0	1,900.0	-
	2011	-	-	-	-
Other financial liabilities	2012	4,749.5	2,849.5	1,900.0	-
	2011	900.0	900.0	-	-
Total	**2012**	**8,542.3**	**6,642.3**	**1,900.0**	**-**
	2011	**2,752.2**	**2,752.2**	**-**	**-**

Note 25 includes further information about other financial liabilities.

(23) 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, 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	FLAC	-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	-29,142.28	-

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.

		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

Carrying amounts, valuations and fair values by measurement categories as of December 31, 2011

in EUR thousand	IAS 39 measurement category	Carrying amount in balance sheet	Of which outside IFRS 7
Assets			
Cash and cash equivalents	LaR	2,145.7	-
Trade receivables	LaR	4,093.3	-
Receivables from companies in which the company has a participating interest.	LaR	75.0	-
Other assets	LaR	2,480.3	-
Financial assets	LaR	162.5	-
Liabilities			
Trade payables	FLAC	-2,163.5	-
Liabilities due to companies where an interest is held	FLAC	-	-
Bank borrowings	FLAC	-101.4	-
Other liabilities	FLAC	-2,752.2	-
Aggregated according to IAS 39 measurement categories:			
Loans and receivables	LaR	6,811.1	-
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	-2,853.6	-

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
	2,145.7	-	-	-	2.145.7
	4,093.3	-	-	-	4,093.3
	75.0	-	-	-	75.0
	2,480.3	-	-	-	2,480.3
	162.5	-	-	-	162.5
	-2,163.5	-	-	-	-2,163.5
	-	-	-	-	-
	-101.4	-	-	-	-101.4
	-2,752.2	-	-	-	-2,752.2
	6,811.1	-	-	-	6,811.1
	-	-	-	-	-
	-	-	-	-	-
	-2,853.6	-	-	-	-2,853.6

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

In EUR thousand	2012	2011
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	-1,653.7	-48.3
	-1,653.7	**-48.3**

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	2012	2011
Total interest income	264.9	120.4
Total interest expenses	-1,918.6	-168.7
	-1,653.7	**-48.3**

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. No risk concentration existed relating to credit risks to the extent that no individual customer accounted for more than one percent of Group revenue in the 2012 and 2011 financial years. 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 2,677.9 thousand (2011: EUR 2,145.7 thousand) are available to cover liquidity requirements. In addition, Cliq Digital has access to total credit lines of EUR 4,400.0 thousand

(2011: EUR 99 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 31/12/2012	Payments 2013	Payments 2014 to 2017	Payments from 2018
Trade payables	2,751.0	2,751.0	-	-
Bank borrowings[1)]	20,600.0	20,600.0	-	-
Other liabilities	8,542.3	6,642.3	1,900.0	-
	31,893.3	**26,993.3**	**1,900.0**	**-**

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

In EUR thousand	Gross value 31/12/2011	Payments 2012	Payments 2013 to 2016	Payments from 2017
Trade payables	2,163.5	2,163.5	-	-
Bank borrowings	101.4	101.4	-	-
Other liabilities	2,752.2	2,752.2	-	-
	5,017.1	**5,017.1**	**-**	**-**

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.

(24) Contingencies

As of the balance sheet date, the Group was not exposed to contingencies arising from warranties (2011: EUR 0 thousand).

(25) Other financial liabilities arising from pending business

			Residual term		
in EUR thousand		Total	Up to 1 year	1 to 5 years	> 5 years
Future payment obligations arising from					
Leases for buildings	2012	793.1	273.1	520.0	-
	2011	88.9	88.9	-	-
Other leases	2012	37.5	37.5	-	
	2011	140.6	95.8	44.8	-
Other financial liabilities	**2012**	**830.6**	**310.6**	**520.0**	**-**
	2011	**229.5**	**184.7**	**44.8**	**-**

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 526.0 thousand in the year under review (2011: EUR 382.5 thousand).

(26) Related parties

The associated companies of Cliq Digital AG are presented in the consolidation scope (Note 28). 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	2012	2011
Payments due in the short term (excluding share-based compensation)	779.0	268.5
Share-based compensation	-	8.7
Total compensation	779.0	277.2
Payments after the discontinuation of employment contracts	-	-
Total	**779.0**	**277.2**

The share-based compensation relates to the fair value on the vesting date.

As of December 31, 2012, the Management Board held a total of zero stock options. (2011: 15,000 stock options from the 2009 stock option programs). The Supervisory Board held no stock options as of December 31, 2012 (2011: no stock options).

The Supervisory Board members received EUR 51.9 thousand to reimburse their expenses in the 2012 financial year (2011: EUR 46.5 thousand). A long-term compensation component has not been agreed for Supervisory Board members.

(27) 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 occurs 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. On the basis of the reporting system, our Management Board, as the main decision-making organ as per IFRS 8, assesses the performance of these two operating segments, and makes decisions concerning the allocation of resources. In particular, the operating segments‘ performance is measured using the “revenue with external customers“ and “EBITDA“ metrics.

The types of products and services in the Mobile and Online Games segments are presented in the “General information“ section and in the Group management report.

Segment information is generally based on the same reporting, accounting and measurement methods as in the consolidated financial statements. As in the previous year, there were no changes to measurement methods.

The “EBITDA“ segment metric is composed of the gross profit, sales and administration costs, research and development costs, other operating income and expenses, and profits / losses from participating interests accounted for at equity.

In the 2012 and 2011 financial years, no individual customer accounted for more than one percent of Group revenue. Information about non-current assets relates to intangible assets excluding goodwill, tangible assets, and repairable replacement parts. Allocation is according to the location of the respective asset.

Reconciliation of segment earnings with Group earnings

In EUR thousand	2012		2011	
	Mobile	Online Games	Mobile	Online Games
Operating profit / loss (EBITDA)	**10,796.0**	**-2,246.1**	**3,865.1**	**-4,168.5**
Depreciation, amortization and impairment charges	-8,970.7	-1,397.4	-1,624.2	-599.6
Operating profit / loss (EBIT)	1,825.3	-3,643.5	2,240.9	-4,768.1
Financial income and financial expenses[1)]	-1,428.4	-225.3	41.2	-89.5
Profit / loss before taxes on income	396.9	-3,868.8	2,282.1	-4,857.6
Taxes on income	-300.8	194.6	-827.9	917.9
Net profit / loss for the period	96.1	-3,674.2	1,454.2	-3,939.7
Share of earnings attributable to other shareholders	-	-	-1,339.4	-
Profit / loss attributable to Cliq Digital AG shareholders	**96.1**	**-3,674.2**	**114.8**	**-3,939.7**

[1)] the offset (e.g. the netting of the financial income and financial expense) of the financial result has been included

Reconciliation of segment assets and segment liabilities

In EUR thousand	31 / 12 / 2012		31 / 12 / 2011	
	Mobile	Online Games	Mobile	Online Games
Total assets	**79,296.4**	**4,669.5**	**14,754.4**	**3,220.8**
Other participating interests	-	-	162.6	-
Receivables from companies in which the company has a participating interest	13,570.2	26.3	5,154.0	-
Cash and cash equivalents	2,449.1	228.8	2,089.6	56.1
Deferred tax assets	2,769.5	230.5	1,185.4	1,366.3
Segment assets	**60,507.6**	**4,183.9**	**6,162.7**	**1,798.4**
Total equity and liabilities	**79,296.4**	**4,669.5**	**14,754.4**	**3,220.8**
Equity	39,824.8	-4,270.9	9,443.3	-3,252.9
Deferred tax liabilities	1,113.0	72.4	95.1	-
Other provisions	369.5	458.3	1,434.0	84.5
Financial liabilities	20,600.0	-	101.4	-
Current income tax liabilities	965.9	3.7	256.0	104.2
Segment liabilities	**16,423.2**	**8,406.0**	**3,424.5**	**1,131.1**

- **Discontinued operations Online Games segment**

The segment online games deals mainly with online browser games, which are no longer a core-business of CLIQ. At the end of 2012, the decision was made for an economically feasible and socially responsible exit from these activities. Also after the largely shutdown of the online browser games segment, expertise gained in this area between the years 2010 and 2012 are very useful in the mobile segment. With concentrating management and financial recourses on mobile games from 2013 onwards, CLIQ put the focus on the most attractive business area of the global gaming market. During the first quarter of 2013, the management board reached an agreement with a buyer of the online gaming assets. Reference is also made to note (30) Events after the balance sheet date.

The impact on the profit and loss and the balance sheet of the discontinued activities can be determined upon the above presented tables “Reconciliation of segment earnings with Group earnings” and “Reconciliation of segment assets and segment liabilities”. The impact of the Online Games segment on the cashflow can be specified as follows:

In EUR thousand	2012	2011
Cash flow from operating activities	- 1,323.9	- 3,228.3
Cash flow from investing activities	-388.0	-963.2
Cashflow from financing activities	-	-
Net cash flow	**-1,711.9**	**-4,191.5**

(28) Consolidation scope as of December 31, 2012

	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 GmbH, Dusseldorf, Germany	100.00
Just A Game Hellas S.A. Attiki, Greece	100.00
Guerilla Mobile Berlin GmbH, Berlin, Germany	100.00
Guerilla Mobile Greece Ltd., Athens, Greece	100.00
GMOB LATAM GmbH, Berlin, Germany	100.00
GMOB Asia Pacific Pte. Ltd, Singapore	100.00
GMOB Brasil SOLUCOES PARA TELEFONIA MOVEL LTDA, Sao Paulo, Brasil	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	99.00
GIM Global Investments Munich GmbH, Munich, Germany	100.00

(29) Fee for auditor‘s services

The following fees were expensed in the 2012 and 2011 financial years for services rendered by MAZARS GmbH Wirtschaftsprüfungsgesellschaft (Group Auditor) (2011 / 2012) and WP StB Dipl. Kfm. E. Pipke (2010) (former Group Auditor):

In EUR thousand	2012	2011
For auditing of the financial statements	**189.9**	**101.5**
MAZARS	185.2	77.1
WP StB Dipl. Kfm. E. Pipke	-	24.4
Other	4.7	-
For other certification and valuation services	**0.6**	**60.2**
MAZARS	-	59.6
WP StB Dipl. Kfm. E. Pipke	-	0.6
Other	0.6	-
For tax advice services	**72.9**	**-**
MAZARS	70.4	-
WP StB Dipl. Kfm. E. Pipke	-	-
Other	2.5	-
For other services rendered for Cliq Digital	**67.7**	**5.0**
MAZARS	28.7	5.0
WP StB Dipl. Kfm. E. Pipke	-	-
Other	39.0	-

(30) Events after the balance sheet date

The withdrawal from the online browser games (MMOG) business, announced in November 2012 was largely completed in March 2013. The Cliq Digital subsidiary Just A Game GmbH sold its Browser Games division. The intellectual property in so called Massive Multiplayer Online Games (MMOG) for PC browsers had been acquired by a German company already engaged in this area. Both parties have agreed not to disclose any transaction details.

(31) Number of employees

The average number of employees in the 2012 financial year was as follows:

	2012	2011
Full-time employees	**122**	**101**
Germany	55	100
The Netherlands	61	-
Abroad	6	1
Part-time employees	**27**	**6**
Germany	5	6
The Netherlands	22	-
Abroad	-	-
Staff employed on a minimal time basis/trainees	**-**	**12**
Germany	-	12
The Netherlands	-	-
Abroad	-	-
Total	**148**	**119**
Germany	60	118
The Netherlands	82	-
Abroad	6	1

Dusseldorf, April 11, 2013

Cliq Digital AG, Dusseldorf

Luc Voncken

auditor's report

To Cliq Digital AG, Düsseldorf:

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 2012. The preparation of the consolidated financial statements and group management report in accordance with the IFRS as adopted by the EU and the additional requirements of German commercial law are the responsibility of the parent 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 standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the IFRS and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in the consolidation, the determination of entities to be included in the consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRS as adopted by the EU, the additional requirements of German commercial law 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, 11 April 2013

MAZARS GmbH
Wirtschaftsprüfungsgesellschaft

Kleinmann
Wirtschaftsprüfer
[German Public Auditor]

Stramitzer
Wirtschaftsprüfer
[German Public Auditor]

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PUBLISHER

Cliq Digital AG
Immermanstrasse 13
40210 Dusseldorf
Germany

T. +49 (0)211 38 05 7 0
F. +49 (0)211 38 05 7 20
investor@cliqdigital.com
www.cliqdigital.com

INVESTOR RELATIONS

cometis AG
Unter den Eichen 7
65195 Wiesbaden
Germany

T. +49 (0)611 20 58 55 0
F. +49 (0)611 20 58 55 66
info@cometis.de
www.cometis.de

Cliq Digital AG
Immermanstrasse 13
40210 Dusseldorf
Germany

T. +49 (0)211 38 05 7 0
F. +49 (0)211 38 05 7 20
investor@cliqdigital.com
www.cliqdigital.com

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