

CLIQ



D I G I T A L

- connect to interact -

Half Year Report 2013

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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Management explanation

Management explanation

1. General

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.

Although the company is not obligated to prepare consolidated financial statements on the basis of International Financial Accounting Standards (IFRS), the consolidated Half Year Report is prepared in accordance with the International Financial Accounting Standards (IFRS), as approved by the European Commission. In preparing the Half Year Report the same IFRS principles for inclusion and valuation have been applied as for the consolidated annual financial statements at 31 December 2012. For a detailed description of the general accounting and measurement principles reference is made to "general Information" in the notes of this Half Year Report.

Since the company has no audit obligation for interim financial statements, the Half Year Report is unaudited.

2. Income Statement (Cliq B.V. consolidated as of February 1, 2012)

The Group achieved highly improved net earnings of EUR 1.4 million during the first six months 2013 (H1/2012: EUR -3.8 million). Q2 net result amounted to EUR 768 thousand (+15.7% compared to Q1). Net earnings especially benefitted from significantly lower scheduled amortization on intangible assets and the absence of merger costs. Earnings per share (EPS undiluted) came in at EUR 0.36; Q2 EPS reached EUR 0.19.

Cliq Digital generated total revenues of EUR 30.5 million from January to June (H1/2012: EUR 32.4 million). The former "Bob Mobile activities", were responsible for the major part of the downturn in revenues (compared to the first half of 2012). Nevertheless, the second quarter 2013 showed increased revenues for Cliq Digital compared to the previous quarter of EUR 15.9 million (Q1/2013: EUR 14.6 million, +8.9%).

EBITDA (earnings before interests, taxes, depreciation and amortization) came in at EUR 4.7 million in H1/2013 (H1/2012: EUR 4.4 million including EUR 1.1 million merger costs). Besides the lower revenues, also higher direct costs caused by a different country mix with higher shares for operator, gateway and content costs, had a dampening effect on the EBITDA. Due to this lower EBITDA and the increased revenue Cliq Digital is concentrating on improving the liquidity situation with respect to the redemption payments on the term loan. A positive factor is the significantly reduced operational expenditures. In this context personnel costs were lowered to EUR 3.3 million (H1/2012: EUR 4.2 million); total OPEX savings add up to EUR 1.3 million during the first six months 2013.

3. Balance sheet

Non-current assets

The CLIQ Group reported EUR 45.6 million of intangible assets, EUR 0.7 million of tangible assets and EUR 2.4 million of deferred tax assets as of June 30, 2013.

The most important components of intangible assets included goodwill of EUR 42.8 million (31.12.2012 EUR 42.8 million) and Customer base Cliq B.V. of EUR 1.8 million (31.12.2012 EUR 3.6 million) as a result of the first time consolidation and Purchase Price Accounting (PPA) of Cliq B.V. since the acquisition in February in 2012. In connection

with the business combination of Cliq B.V. a goodwill in the amount of EUR 42,8 million was recognized. The goodwill arising between the purchase price and net assets at acquisition date measured at its fair value of EUR 11,1 million 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. The valuation of deferred tax of EUR 2.4 million (31.12.2012: EUR 3.0 million) 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. In HY 1/2013 EUR 2 million of taxable profits, representing an tax amount of EUR 0.6 million has been offset against the losses carried forward, resulting in a decrease of the deferred tax asset from EUR 3.0 million as per December 31, 2012 to EUR 2.4 million as per June 30, 2013.

Current assets

The CLIQ Group reported EUR 3.7 million of trade receivables, EUR 6.4 million of miscellaneous receivables and other assets and EUR 0.4 million of cash and cash equivalents.

Trade receivables and miscellaneous receivables and other assets decreased compared to 31.12.2012 because of improved credit control in combination with lower revenues in the month before closing. Cash and cash equivalents decreased mainly because of further redemptions of the term loan and a decreased usage of the credit facility provided by the ABN AMRO Bank N.V. during HY 1/2013 (reference is also made to "current liabilities" bank borrowings).

Equity

The CLIQ Group reported EUR 33.9 million of equity as of June 30, 2012 (31.12.2012 EUR 32.5 million). The company has EUR 3,950,699.00 of share capital (3,950,699 listed shares).

The company held 4,000 treasury shares as of June 30, 2013. The loss carried forward of EUR 15.5 million as of December 31, 2012, decreased to a loss carried forward of EUR 14.1 million due to the profit of EUR 1.4 million incurred in HY 1/2013.

Current liabilities

The CLIQ Group reported EUR 0.7 million of other provisions, EUR 13.7 of bank borrowings, EUR 2.3 million of trade payables and EUR 6.0 of other liabilities.

Bank borrowings correspond to a term loan and a credit (revolving) facility. The original amount of the term loan amounted to EUR 25.0 million and of the credit facility to EUR 7.5 million (previous EUR 10.0 million). The outstanding amount of the term loan is EUR 11.0 million and EUR 2.7 million of the credit facility is utilized as per June 30, 2013. Total bank borrowings declined with EUR 6.9 during HY 1/2013.

4. Conclusion and outlook

The CLIQ group is generating good net results especially since the balance sheet impacts of the Cliq B.V. acquisition are ceasing. The increased revenues in the second quarter of HY 1/2013 compared to the previous are encouraging, particularly because sales related to former Bob Mobile business were rapidly declining. Nevertheless market environment remains challenging and thus we should not be over enthusiastic. The CLIQ group sees the roll out of the new markets taking more time and tougher regulations in existing countries. On the other hand especially in those regulated markets higher margins can be reached. Furthermore those negative effects can be compensated in the coming years with our growing smartphone business. The acquisition of Grumbl Media, announced mid August 2013, is an important step on the way to gather leading knowhow for the monetization of smartphones within the CLIQ group.

In the 2013 financial year Cliq Digital expects to reach revenues of EUR 70 million and an EBITDA of approximately EUR 11.5 million and further reducing of the debt. The negative net effect on the result of the amortization on the customer base will be reduced to EUR 2.2 million in 2013. CLIQ expects a positive net result of approx. EUR 3.0 million in 2013. The company still expects to realize organic growth through activities in existing countries, by entering new markets and by introducing new products for mobile devices however it will be challenging. The guidance includes some minor acquisition opportunities as well as new smart partnerships, although these are generally subject to certain risks with respect to their implementation period.

CLIQ's mobile products

Mobile Entertainment



Mobile Gaming



Mobile Apps



Mobile Software



consolidated balance sheet

according to IFRS as of June 30, 2013 (unaudited)

ASSETS in EUR thousand	Note	30/6/2013	31/12/2012
Non-current assets			
Intangible assets	1	45,613.2	47,641.5
Internally generated intangible assets		993.2	1,167.4
Other intangible assets		-	3.8
Customer Base		1,768.7	3,630.8
Prepayments rendered on other intangible assets		92.5	80.7
Goodwill		42,758.8	42,758.8
Tangible assets		708.8	717.9
Plant, operating and office equipment		708.8	717.9
Other assets (if residual term > 1 year)		-	3.8
Deferred tax assets	2	2,387.0	3,000.0
Total non-current assets		48,709.0	51,363.2
Current assets			
Receivables		3,670.3	5,678.0
Trade receivables		3,595.3	5,603.0
Receivables from companies in which the company has a participating interest		75.0	75.0
Miscellaneous receivables and other assets		6,439.3	7,679.5
Other assets (if residual term < 1 year)		6,439.3	7,679.5
Cash and cash equivalents		433.9	2,677.9
Total current assets		10,543.5	16,035.4
Total assets		59,252.5	67,398.6

EQUITY AND LIABILITIES in EUR thousand	Note	30/6/2013	31/12/2012
Equity			
Subscribed capital		3,950.7	3,950.7
Less: treasury shares		-4.0	-4.0
Total subscribed capital		3,946.7	3,946.7
Capital reserve		44,112.8	44,112.8
Retained earnings		-14,129.9	-15,537.0
Total equity	3/4	33,929.6	32,522.5
Liabilities			
Non-current liabilities			
Deferred tax liabilities	2	695.1	1,185.4
Other liabilities (if residual term > 1 year)		1,900.0	1,900.0
Total non-current liabilities		2,595.1	3,085.4
Current liabilities			
Other provisions	5	707.4	1,797.4
Bank borrowings	6	13,720.0	20,600.0
Trade payables		2,315.3	2,751.0
Other liabilities		5,985.1	6,642.3
Total current liabilities		22,727.8	31,790.7
Total liabilities		25,322.9	34,876.1
Total equity and liabilities		59,252.5	67,398.6

consolidated income statement

according to IFRS for the period from January 1 to June 30, 2013 (unaudited)

in EUR thousand	Note	HY 1 2013	HY 1 2012
Revenue		30,510.4	32,409.2
Other operating income		0.4	592.1
Personnel expenses		-3,328.8	-4,175.7
Wages and salaries		-2,940.6	-3,673.8
Social contributions		-388.2	-501.9
Depreciation, amortization and impairment charges		-2,385.2	-7,053.2
Amortization and impairment charges applied to intangible assets		-2,237.8	-6,653.1
Depreciation and impairment charges applied to tangible assets		-147.4	-210.6
Depreciation and impairment charges applied to tangible financial fixed assets		-	-162.5
Depreciation, amortization and impairment charges applied to current assets		-	-27.0
Other operating expenses	7	-22,449.9	-24,448.9
Operating profit/loss		2,346.9	-2,676.5
Other interest and similar income		-	-
Interest payments and similar expenses		-742.9	-710.4
Net financial result		-742.9	-710.4
Profit/loss on ordinary business activities		1,604.0	-3,386.9
Taxes on income	2	-441.4	-1,875.4
Deferred taxes	2	269.7	1,495.0
Other taxes		-	-
Consolidated net profit/loss for the period		1,432.3	-3,767.3

cash flow statement

according to IFRS for the period from January 1 to June 30, 2013 (unaudited)

in EUR thousand	HY 1 2013	HY 1 2012
1. Net profit/loss for the period	1,432.3	-3,767.3
2. + Depreciation and amortization	2,385.1	7,053.2
3. + Increase in provisions	-414.3	-2,677.1
4. -/+ Other non-cash income	-101.7	118.8
5. +/- Decrease/increase in trade receivables and other assets not attributable to investment or financing activities	3,054.8	5,247.6
6. -/+ Decrease/increase in trade payables and other liabilities not attributable to investing or financing activities	-1,372.1	-656.9
7. = Cash flow from operating activities	4,984.1	5,318.5
8. Payments received from sale of tangible assets	-	-
9. Payments for investments tangible assets	-138.3	-36.5
10. Payments received from disposals of intangible assets	-	-
11. Payments for investments in intangible assets	-209.4	-159.8
12. Payments from the acquisition of consolidated companies and other business units	-	-21,152.5
13. = Cash flow from investing activities	-347.7	-21,348.8
14. Proceeds from additions to equity	-	-
15. Proceeds from drawing down on financial loans	-	30,600.0
16. Payments for the repayment of financial loans	-6,880.5	-9,101.4
17. = Cash flow from financing activities	-6,880.5	21,498.6
18. Net change in cash and cash equivalents	-2,244.1	5,468.3
19. Cash and cash equivalents at the start of the period	2,677.9	2,145.7
20. = Cash and cash equivalents at the end of the period	433.9	7,614.0

consolidated statement of changes in equity

according to IFRS as of June 30, 2013

in EUR thousand	Subscribed capital ordinary shares	Capital Reserve	Consolidated retained earnings	Treasury shares not designated for withdrawal	Equity as per consolidate d balance sheet
Balance as of December 31, 2012	3,950.7	44,112.8	-15,537.0	-4.0	32,522.5
Issue of shares	-	-	-	-	-
Net profit/loss for the period	-	-	1,432.3	-	1,432.3
Miscellaneous changes	-	-	-25.2	-	-25.2
Balance as of June 30, 2013	3,950.7	44,112.8	-14,129.9	-4.0	33,929.6

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 Düsseldorf, Germany. The company is entered in the commercial register of the Amtsgericht Düsseldorf (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. The statement of comprehensive income is presented according to the nature of expense method.

APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND DECLARATION OF CONFORMITY.

The consolidated Half Year Report has been prepared in accordance with the International Financial Accounting Standards (IFRS), as approved by the European Commission. In preparing the Half Year Report the same IFRS principles for inclusion and valuation have been applied as for the consolidated annual financial statements at 31 December 2012.

Consolidation principles

The Half Year Report is based on uniform Group regulations as of June 30, 2013, and the annual financial statements of the companies included in the Group for the comparable period as of December 31, 2012 for the balance sheet and the interim financial reports for the comparable period as of June 30, 2012 for the profit and loss and cash flow statement.

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 Half Year Report, 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.

General information

Currency translation

In the separate financial statements and interim reports 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 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 Half Year Report 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 Half Year Report.

GENERAL ACCOUNTING AND MEASUREMENT PRINCIPLES

The Half Year Report is 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 Half Year Report, 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.

Revenue

Revenue from the transfer of utilization rights for mobile handset applications 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 to 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 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 carry forwards. Deferred tax assets on temporary differences and loss carry forwards 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

General information

of the balance sheet date, and on which the temporary differences will prospectively be reversed, or on which the loss carry forwards 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 income statement under the „Amortization and impairment charges applied to intangible assets“ item.

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

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

Tangible assets

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

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

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

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

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

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.

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

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 provisions

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.

Supplementary information

Supplementary information about items in the balance sheet and the income statement.

(1) Intangible assets

Intangible assets reported the following changes:

In EUR thousand	Internally generated intangible assets	Customer base	Other intangible assets	Prepayments on other intangible assets	Goodwill	Total
Cost						
January 1, 2013	2,320.7	11,720.8	247.0	664.8	42,864.4	57,817.7
Additions	208.5	-	-	8.0	-	216.5
Disposals	-7.0	-	-3.8	3.8	-	-7.0
June 30, 2013	2,522.2	11,720.8	243.2	676.6	42,864.4	58,027.2
Amortization and impairment losses						
January 1, 2013	1,153.3	8,090.0	243.2	584.1	105.6	10,176.2
Amortization	375.7	1,862.1	-	-	-	2,237.8
Disposals	-	-	-	-	-	-
June 30, 2013	1,529.0	9,952.1	243.2	584.1	105.6	12,414.0
Carrying amount December 31, 2012	1,167.4	3,630.8	3.8	80.7	42,758.8	47,641.5
Carrying amount June 30, 2013	993.2	1,768.7	-	92.5	42,758.8	45,613.2

(2) Taxes

Taxes on income can be specified as follows:

in EUR thousand	HY 1 2013	HY 1 2012
Current taxes on income-Germany		
Corporation taxes	-	294.7
Trade taxes	-	294.7
	-	589.4
Current taxes on income – The Netherlands		
Corporation taxes	414.1	1,286.0
	414.1	1,286.0
Current taxes on income – Abroad	27.3	-
Subtotal Current taxes	441.4	1,286.0
Deferred taxes on income	-269.7	-1,495.0
Total	171.7	380.4

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

in EUR thousand	30/6/2013		31/12/2012	
	Deferred tax asset	Deferred tax liabilities	Deferred tax asset	Deferred tax liabilities
Intangible assets	-	695.1	-	1,185.4
Tax loss carry forwards	2,387.0	-	3,000.0	-
Netting of deferred tax assets and liabilities	1,691.9		1,814.6	

(3) Equity

The consolidated equity in his individual components are reported separately in the "Statement of changes in equity".

(4) 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.

	HY 1 2013	HY 1 2012
Profit/Loss attributable to Cliq Digital shareholders (in EUR thousand)	1,432.3	-3,767.3
Number of shares in circulation as of January 1	3,946,699	1,684,199
Number of shares in circulation as of June 30	3,946,699	3,946,699
Weighted average number of shares in issue	3,946,699	3,381,074
Basic earnings per share (in EUR)	0.36	-1.11
Number of potentially dilutive ordinary shares (in number of shares)	93,800	52,000
Weighted average number of shares for the calculation of diluted earnings per share	4,040,499	3,433,074
Diluted earnings per share (in EUR)	0.35	-1.10

(5) Other provisions

in EUR thousand	30/6/2013	31/12/2012
Taxes on income	293.8	969.5
Costs for financial statements and auditing	38.3	66.6
Miscellaneous provisions	375.3	761.3
Total other current provisions	707.4	1,797.4

Supplementary information

(6) Bank borrowings

Bank borrowings are recognized at amortized cost. Bank borrowings correspond to a term loan of EUR 11,000.000 and a credit (revolving) facility of EUR 7,500.000 of which EUR 2,720,000 is utilized as per June, 2013. 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 was EUR 1,000 thousand since March 2012 till April 2013. In June 2013 a restated and amended Finance Agreement has been signed with ABN AMRO Bank N.V. whereby the redemption has been altered to EUR 750,000 per month. The applicable interest rate for the remaining loan is Euribor plus 3.0%. The credit facility was also originally provided by ABN AMRO Bank N.V. in February 2012 and restated and amended in June 2013. The applicable interest rate for this facility is Euribor plus 2.05% as per June 30, 2013.

in EUR thousand	30/6/2013	31/12/2012
Remaining part of the loan	11,000.0	15,000.0
Credit facility used	2,720.0	5,600.0
Total bank borrowings	13,720.0	20,600.0

(7) Other operating expenses

Other operating expenses include the following expenses:

in EUR thousand	HY 1 2013	HY 1 2012
Media costs	7,040.0	7,875.0
Costs for technology and licenses	14,418.2	14,309.0
Other	991.7	2,264.9
Total	22,449.9	24,448.9

(8) Number of employees

The average number of employees in during HY 1 2013 was as follows:

	HY 1 2013	HY 1 2012
Germany	22	69
The Netherlands	97	78
Abroad	2	7
Total (fulltime and part-time)	121	154

Düsseldorf, September 6, 2013

Cliq Digital AG, Düsseldorf

Luc Voncken