

ANNUAL REPORT



2014



About CLIQ Digital

CLIQ Digital is a leading provider of games, apps, entertainment and software for smartphones, feature phones, tablets and desktops. The core business of the company is the direct marketing of its products to end-customers via online- and mobile-marketing channels. CLIQ Digital offers its customers attractive products and is a valuable strategic business partner for developers, publishers and advertisers. The company, based in Dusseldorf employs approximately 81 staff and is listed in the Entry Standard of the Frankfurt Stock Exchange (ISIN DE000A0HHJR3).

Visit CLIQ on: www.cliqdigital.com

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to our shareholders

LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

2014 was a challenging year for CLIQ Digital, in which we made key changes to set our course for the future. Despite consolidated revenue falling short of the original forecast for the 2014 financial year, resulting from lower marketing spend in the last quarter of 2013, we further increased the profitability of the Group as a whole by maximizing the benefits of higher-margin marketing campaigns, by restructuring our debt and by reorganizing the corporate structure of the Group. Our strategy of internationalization is beginning to pay off: in particular in North America we were significantly ahead of planning. In 2014 we generated as much as 32% of our total revenue on the important North American market.

CLIQ has established itself as a leading provider in its four product group's games, apps, software and entertainment, and it delivers digital products for the digital generation of today. Our committed and experienced team is mobile, thinks mobile and loves mobile products. At CLIQ we are advancing the development of the digital lifestyle. Our positioning for this is very efficient. CLIQ is a highly professional and flexible sales and marketing network for digital products with a broad range of invoicing and payment systems. We are a valuable strategic business partner for gateways, developers, publishers and advertisers. We sell and market digital products for consumers on every continent through our selected network of sales partners. Mobile consumers benefit from our innovative products and enjoy their digital lifestyle.

Our consumers primarily use our products on their smartphones, feature phones and tablets, although we see a trend to more usage of our products on laptops and desktops as a result of increased fixed-mobile integration. Through our network we have access to around half a billion consumers, with invoicing via the respective mobile service provider, by credit card, app stores and indirect invoicing methods such as CRM profiling or pop-up ads.

In 2014 the corporate structure was further streamlined and professionalized as part of an ongoing optimization. Among other things, we reduced the number of companies in the Group from 30 to 16 in the reporting period.

In the 2014 financial year our revenue amounted to EUR 47.3 million (2013: EUR 51.8 million). Lower marketing spend in the second half of 2013 led to a temporary drop in revenue in the first half of 2014. Due to an increase in the marketing spend in the first half year of 2014 we were able to stop this revenue drop as well as to show a quarter over quarter increase in revenue since the beginning of 2014.

In the 2014 financial year marketing spend increased by 9% compared to the 2013 financial year. Following a change in accounting estimate in 2014, the costs for customer acquisition have been accounted for as an intangible asset and amortized over the customer's revenue lifecycle. As a side effect, marketing costs are better assigned, in terms of timing, to the revenue that results from them. Partly due to the change in accounting estimates EBITDA rose to EUR 11.5 million in the reporting period (2013: EUR 6.0 million). The CLIQ Digital Group generated a net profit in the year under review of EUR 1.0 million (2013: EUR 1.0 million). In March 2015 the company was informed that its Service Provider in Mexico was disconnected by mobile operator Telcel. The disconnection was a result of long lasting disagreements between Telcel and the service provider. Consequently CLIQ Digital is no longer able to provide services to Telcel's customers. CLIQ Digital's Management Board seeks clarification for the situation and examines alternative opportunities for providing services in Mexico. In the consolidated financial statements as at 31 December 2014, the Company has taken this situation into account and decided to expense an impairment loss on the full marketing asset related to the "customer acquisition" in 2014 in Mexico. The negative effect on Net Income for 2014 was EUR 0.8 million.

Key milestones for our company in the 2014 financial year were the new financing agreements with Commerzbank, which were concluded to replace ABN Amro as our house bank and the repayment our vendor loans and a loan from an original shareholder. Thanks to the new agreements with Commerzbank we have secured a favorable interest level and substantially reduced our monthly repayments from EUR 750 thousand to EUR 359 thousand.

A further key step in boosting our financial strengths was the implementation of a capital increase and a convertible bond in the fourth quarter of 2014. As a result of this capital increase, the share capital of the company was increased by EUR 1,480,349.00 to EUR 5,926,048.00 by issuing 1,480,349 new shares. The new shares were fully subscribed by existing and new shareholders for EUR 1.50 per share. Parallel to the capital increase, a convertible bond 2014/2017 with a total nominal amount of EUR 394,000.00 an annual coupon of 6.5% and a conversion price of EUR 1.50 was issued.

The total gross proceeds of the capital increase and the issuing of the convertible bond amounted to approximately EUR 2.6 million, and were mainly used to reduce the company's debt. The remaining part will be used to finance additional marketing activities to further accelerate our customer growth.



In December we exercised the company's mandatory conversion right for the convertible bond. The convertible bond 2014/2017 was converted into 262,666 new shares CLIQ Digital AG and increased the share capital of the company by EUR 262,666.00 from EUR 5,926,048.00 to EUR 6,188,714.00. This transaction further strengthened the equity base and the equity ratio of the company and improved the financial situation of the Group.

As of 1 June 2014 Ben Bos was appointed as a member of the Management Board of CLIQ Digital AG by way of resolution of the Supervisory Board. Ben Bos is a proven industry expert, who has gained extensive experience in the sector and of management in positions including finance director at Arcade Entertainment Holdings and CEO of ID&T. Ben Bos has already been on the CLIQ management team since 2012 as an external consultant, and has a profound understanding of the company and its business strategy. Together, CLIQ's Management Board has more than 25 years of experience in the marketing of digital products.

Thanks to the optimization of our corporate structure and the strengthening of our financial situation, we have created a solid foundation for sustainable profitable growth. With the reorganization of our financing in place, we are now in a position to focus fully on our core business, and to initiate new and promising investments. We are confident that we will be reporting rising revenues and greater profitability in the current financial year. The intensification of our marketing activities, which we already began in the fourth quarter of 2014, will make a significant contribution towards this.



At this point our particular thanks go to our employees for their supreme commitment and outstanding work in 2014. We would also like to thank all our shareholders for their trusting support in the past financial year. We are looking to the future of our company with a spirit of great optimism. And we cordially invite you to remain with us on this path

Düsseldorf, April 2015

The Management Board of CLIQ Digital AG

REPORT OF SUPERVISORY BOARD

Dear shareholders,

The following report of the Supervisory Board informs about its activities in the fiscal year 2014 and the results of the audit of the annual and consolidated financial statements 2014.

During the past reporting year 2014 the Supervisory Board of CLIQ Digital AG thoroughly fulfilled the tasks incumbent upon it according to the law, the company's articles of incorporation, and its rules of business procedure. The Supervisory Board continuously supervised the Management Board and advised the board on the strategic orientation and management of the company. The Supervisory Board was involved timely in all decisions that were of fundamental importance for the CLIQ Digital Group.

The Supervisory Board held a total of 10 meetings in 2014 of which were 4 regular meetings and 6 extraordinary meetings held as telephone conferences. The Supervisory Board was informed regularly by the Management Board about the company's situation and development, as well as about important business transactions. The mandatory reporting requirements pursuant to § 90 of the German Stock Corporation Act (AktG) were complied with in this context. The ordinary meetings in 2014 were held on 13 May, 16 June, 28 August and 27 November. The extraordinary telephone conferences took place on 7 February, 30 May, 21 August, 2 September, 14 October and 4 November, 2014. 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.

Additionally, outside the scope of these Supervisory Board meetings a regular and trusting dialogue between the Management and Supervisory Board occurred over the course of the 2014 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 personal planning, as well as about the company's profitability, organizational measures and the group's overall position. A regular flow of information about the company's risk position and risk management was also part of the regular exchanges. Due to the structure and size of the company, the Supervisory Board formed no committees.

Focal points of the supervisory activity

At the 4 ordinary and the 6 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 the plans and targets were explained by the Management Board and approved by the Supervisory Board.

In the 2014 financial year, the following significant items were also covered / approved during Supervisory Board meetings:

- Business planning, budgets and Group strategy, financial guidance
- Quarterly- and half-year figures 2014
- Financial status and financing of the company
- Financing agreements with Commerzbank
- The agenda and date of the Annual General Meeting 2014
- Appointment of Ben Bos as member of the Management Board of CLIQ Digital AG
- Approval and adoption the single entity financial statements for the 2013 financial year
- Approval of the consolidated financial statements for the 2013 financial year
- Reduction of subsidiaries within the CLIQ Digital Group
- Internal company organization and personal development
- Employee stock option program
- Payment of vendor loans and shareholder loans
- Issuance of 1,480,349 new shares and the corresponding amendment of the articles of association
- Issuance of a convertible bond in the amount up to EUR 2,400,000.00
- Exercising the mandatory conversion rights related to the convertible bond 2014/2017 (262,666 shares)

Personal matters and composition of the Management Board

By resolution of the Supervisory Board on 1 June 2014 Ben Bos was appointed as an additional member to the Management Board of CLIQ Digital AG, next to Luc Voncken.

Single-entity and consolidated financial statements for 2014

The single-entity and consolidated financial statements as of 31 December 2014, as well as the group management report for the 2014 financial year were prepared by the Management Board and audited by the independent auditor Mazars GmbH Wirtschaftsprüfungsgesellschaft (Certified Accounting Firm), who was appointed by the Annual General Meeting and each received an unqualified audit opinion.

The Supervisory Board examined the single-entity and consolidated financial statements as of 31 December 2014 as well as the group management report for the 2014 financial year and the Management 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 members before the meeting.

At the Supervisory Board's meeting held on 20 April 2015, the Management Board explained the single-entity and consolidated financial statements as of 31 December 2014, the group management report for the 2014 financial year and the Management Board's proposal for the appropriation of retained earnings of CLIQ Digital AG. At this Supervisory Board's 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 then passed the following unanimous decisions at its meeting on 20 April 2015: The single entity financial statements as of 31 December 2014 as well as the consolidated financial statements as of 31 December 2014 are approved and as a consequence the single entity financial statements of CLIQ Digital AG are hereby, pursuant to § 172 of the German Stock Corporation Act (AktG), adopted.

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

Thanks and recognition

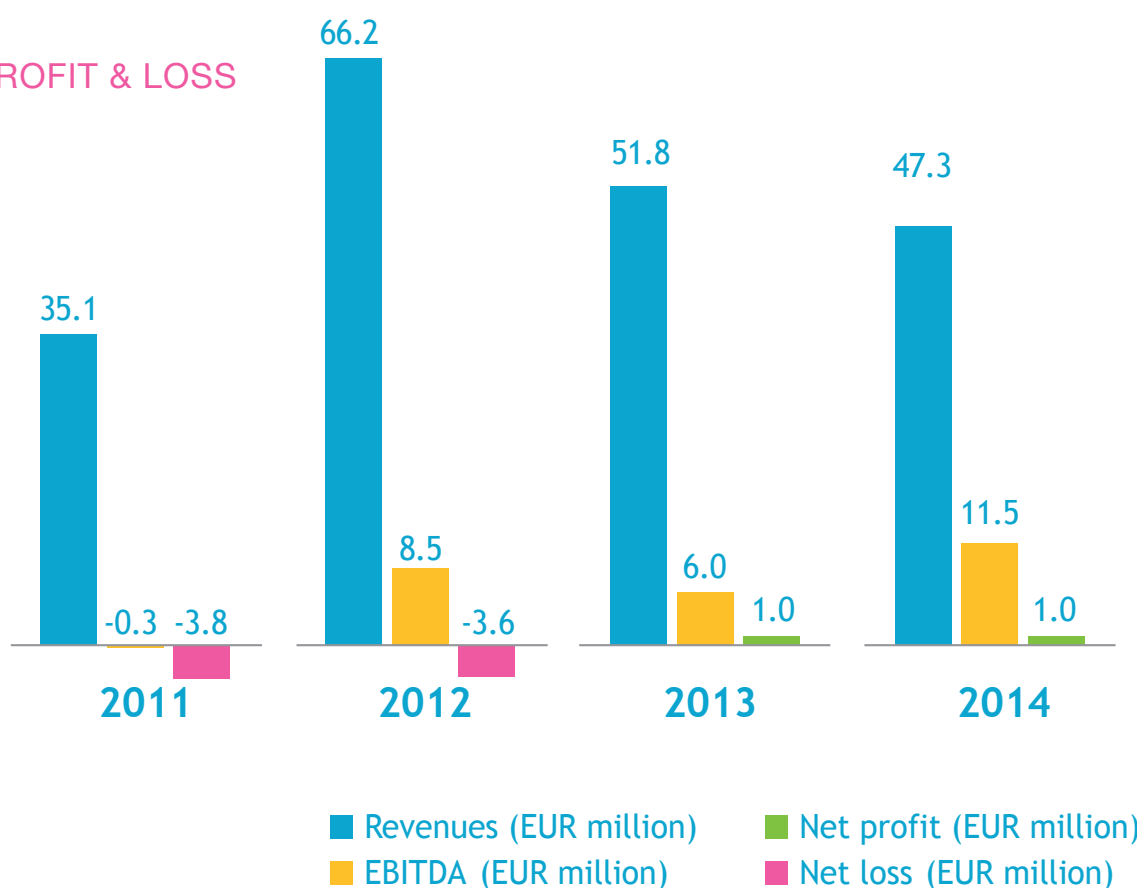
The Supervisory Boards thanks the Management Board as well as all employees for their continued good work in the past financial year. The Supervisory Board would like to thank the shareholders for their interest and confidence in CLIQ Digital.

Düsseldorf, April 2015

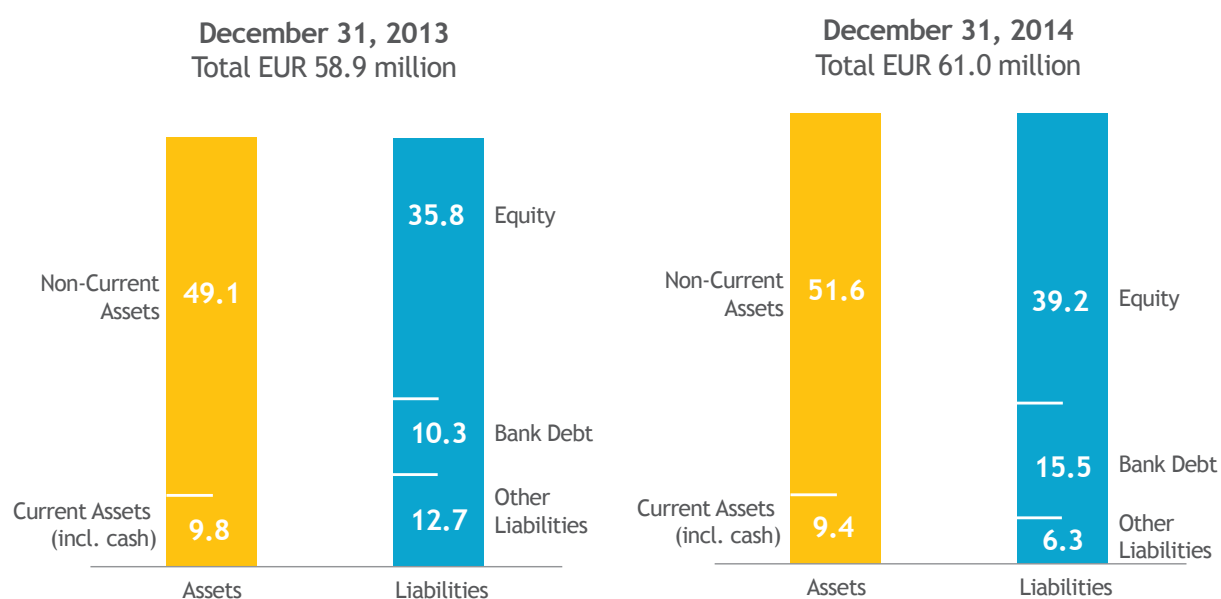
Dr. Mathias Schlichting
Chairman of the Supervisory Board

KEY FIGURES

PROFIT & LOSS



BALANCE SHEET



THE SHARE



The German DAX index recorded a below average increase of 2.6% in 2014. While the stock markets in the first half of the year benefited from the records of the US stock exchange and the DAX rose above the 10,000-point mark for the first time, in the second half of the year, especially geopolitical tensions, such as the crisis in the Ukraine, economic fears and the collapse of the oil price slowed the upward momentum. The mid-cap index MDAX rose by 2.5% in the reporting year, the German SDAX index recorded a gain of 5.2% and the TecDAX technology index an increase of 17.6%. The Entry Standard Index, in which the share of the CLIQ Digital is listed, however, showed a decrease of 3.0% in the trading year 2014.

The share of the CLIQ Digital AG reported a decline of 32.8% in the reporting year. The shares started on January 2, 2014 at a price of EUR 2.90. The highest price of the CLIQ Digital-share was recorded on 28 April 2014 at EUR 3.95 and its lowest level on 13 October 2014 at EUR 1.18. At the year-end on 30 December 2014, the share of the CLIQ Digital AG ended the trading at a price of EUR 1.95.

The average daily trading volume with CLIQ Digital shares on all German stock exchanges amounted to 11,656 units in the year under review. The market capitalization of the CLIQ Digital AG at year-end 2014, on the basis of 6,188,714 shares outstanding amounted to EUR 12.1 million. At the balance sheet date 2013, the market capitalization was at EUR 13 million (all figures based on Xetra prices) on the basis of 4,445,699 shares and a closing price of EUR 2.93.

The share of the CLIQ Digital AG is part of the Entry Standard (Open Market) of the Frankfurt Stock Exchange. Oddo Seydler Bank AG and Lang & Schwarz Broker GmbH are mandated as Designated Sponsors.

Key Data CLIQ Digital Share (as of December 31, 2014)

WKN	A0HHJR
ISIN	DE000A0HHJR3
Bloomberg ticker	CLIQ
Number and class of shares	6,188,714 no-par bearer shares
Amount of share capital	EUR 6,188,714.00
Market segment	Regulated unofficial market
Transparency level	Entry Standard
Designated Sponsor	Lang & Schwarz AG Oddo Seydler Bank AG
End of the financial year	December 31

In the reporting year, Warburg Research GmbH and Close Brothers Seydler Research AG (now Oddo Seydler Research AG) published research studies about the company. In the last research update from 23 February 2015 Warburg has classified the CLIQ Digital stock with a price target of EUR 4.30 on hold. More information is available on www.cliqdigital.com/front-IR/analysts/.

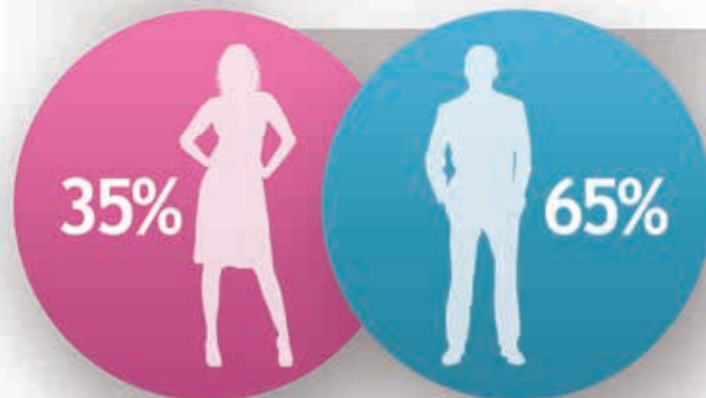
In the first quarter, the share price of the CLIQ Digital recorded a strong upward performance. The shares opened the Stock Exchange on January 2, 2015 at a price of EUR 2.09 and ended the first quarter of 2015 on 31 March at a price of EUR 3.06. This represents an increase of 46%. The market value of the CLIQ Digital was EUR 18.9 million at the end of the first quarter 2015.

CLIQ at a glance

total number of employees: **81**

average age: **34**

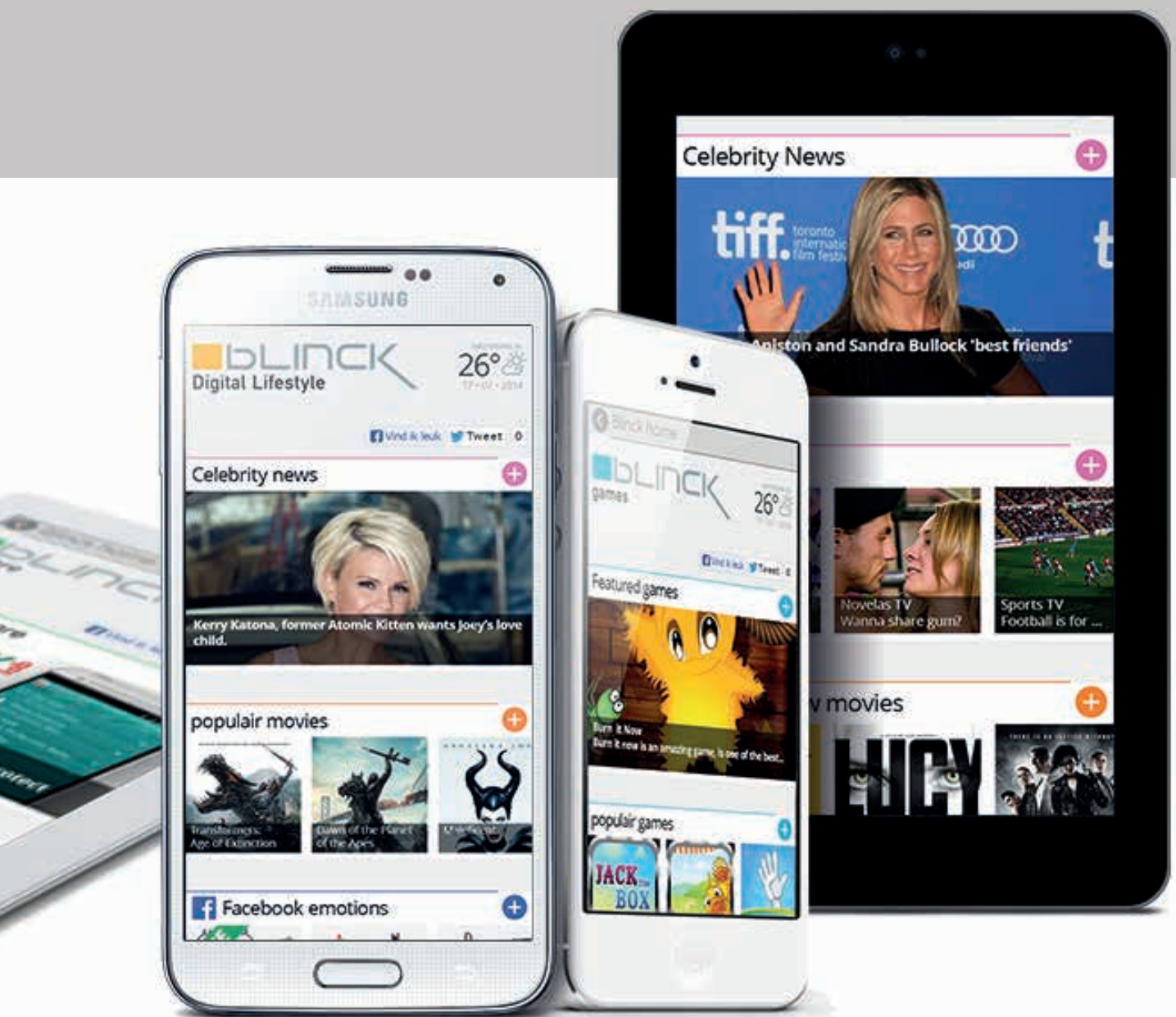
number of nationalities: **22**



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GROUP MANAGEMENT REPORT





group management report

I. BASICS OF THE GROUP

A. Overview

CLIQ Digital is a leading provider of games, apps, software and entertainment for smartphones, feature phones, tablets, laptops and desktops. The core business of the group is the direct marketing of its products to consumers via online and mobile marketing channels. CLIQ Digital provides attractive products for its customers and is a valuable strategic business partner to gateways, developers, publishers and advertisers (i.e. affiliate-marketing partner). CLIQ Digital group employs 81 people (31/12/2014). CLIQ Digital AG, the parent company of the group, has its legal seat in Düsseldorf and is listed in the Entry Standard of the Frankfurt Stock Exchange (ISIN DE000A0H-HJR3).

From its business activities in the past and its continuous market analysis CLIQ Digital concluded, that monetizing digital products by direct response marketing is for CLIQ Digital, the most effective type of marketing (as compared to, for instance, brand marketing or viral marketing). Direct response marketing comprises the placing of advertisements on (mobile) Internet websites, which aim at triggering a direct purchasing decision. For CLIQ Digital, it will

continue to be the most dominant marketing method going forward. The largest part of CLIQ Digital's sales numbers is achieved via affiliate marketing, whereby the affiliate partner is rewarded for each customer that signs up for a CLIQ Digital service. Besides affiliate marketing, a growing number of customers is acquired via in-house media buying, whereby CLIQ Digital is responsible for the acquisition of internet traffic and conversion from visitor to customer.

As a result of targeted efforts, the product team at CLIQ Digital is able to provide its sales and marketing teams the latest and hottest products. In turn, sales and marketing sell the products directly, and highly efficiently, to consumers. The current product range breaks down into four groups:

ENTERTAINMENT

With the help of country-specific portals, the "Entertainment" product group sells digital premium products and services that provide consumers with local content, entertainment and information services. These include, for example, topical live streaming video portals, music, infotainment, images and more. For a daily, weekly or monthly fee, subscribers can download these digital products to their device. CLIQ Digital rapidly responds to customers'

changing preferences with new and innovative digital entertainment products. For example, WhatsApp wallpapers experienced a boom in demand in 2014.

The products are promoted through Internet banners. When customers click on a banner, they are redirected to the campaign landing page, where they can subscribe and access the content fulfilment portal. Each country has one or more customized content fulfilment portals.

GAMES

The “Games” group generates an important share of CLIQ Digital’s revenue. The Games portfolio includes a range of high quality HTML5 games and special games for basic mobile phones. In addition, the games offering includes games as apps for iOS and Android devices. Overall consumers can be entertained on a variety of different devices. The “Games” products are offered in a similar way to the “Entertainment” products. In addition, “Games” are also offered via game portals and third-party digital shops.

APPS

CLIQ Digital buys its “Apps” offerings for iOS and Android devices worldwide with its own

licensing team. These apps are available to consumers in different packages and individually. The “Apps” product group focuses on “fun” and applications that can only be downloaded on smartphones. The apps cover a wide range of genres, such as entertainment, dating, discovery, productivity, lifestyle, travel, sports and social media.

SOFTWARE

The “Software” product group comprises premium quality functional software applications for smartphones, laptops and desktops. The software applications were developed by co-operation partners, who partnered with CLIQ Digital to benefit from its specialized marketing abilities and to gain more customers in multiple markets. Examples of software applications in this category include security products, such as Kaspersky software, G DATA Internet Security or Bullguard, as well as utility apps and office applications. In 2014 CLIQ Digital further expanded its strong market positioning as a reseller for a series of premium security products for mobile devices.

For all four product groups CLIQ Digital is primarily offering her products to consumers via the subscription model, in which customers can enjoy unlimited access for a daily, weekly or monthly subscription fee. Only in exceptio-

nal cases CLIQ Digital is offering products for a one-off fee. Depending on the country, payments can be made through premium SMS, direct carrier billing (DCB), appstore billing, internet service provider billing (ISP Billing), credit card or PayPal.

For over 10 years, CLIQ Group has been marketing and selling its products and services in multiple countries on every continent. Before entering a new market, CLIQ Group analyses the market conditions as well as the legal environment of the relevant country. Furthermore, it repeatedly investigates the change of customers' preferences, changes in the legal situation and all other developments on such markets. In doing so, CLIQ Group has gained knowledge and strong experience in these countries, including in-depth knowledge of the local regulatory environment of online and mobile advertising and mobile payments. CLIQ Group therefore believes that, based on such knowledge and experience, it is in a good position to successfully compete with its competitors and to sustainably expand its business in these markets.

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

The members of the Management Board Luc Voncken and Ben Bos indirectly hold approximately 9% of shares in CLIQ Digital AG as per December 31, 2014.

Since August 2013, the members of the Supervisory Board of CLIQ Digital AG have been Dr. Mathias Schlichting (Chairman), Karel Gustaaf Tempelaar and Cornelius Herman van der Steenstraten.

B. Structure of the CLIQ Digital Group and Participations

The parent company of the group is CLIQ Digital AG, Dusseldorf, Germany. All the company's holding activities are managed from Dusseldorf. By centralizing the Group, the organization is able to exploit synergies within the entities as well as structure the group of companies more simply and effectively.

In the fourth quarter of 2014 the CLIQ Digital Group was restructured and subsequently reduced the number of entities significantly.

Before the restructuring the CLIQ Digital Group consists of a total of 30 entities. By merging several subsidiaries in the Netherlands and in Germany the number of entities reduced to 16. The optimized group structure provides significant advantages, especially in the financial and legal department. The project was successfully completed at the end of December 2014. For more detailed information regarding the consolidation of entities see the section Consolidation Scope in the General Information of the Notes to the financial statements.

1. PARTICIPATIONS

	Equity interest 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
Rheinkraft Production GmbH, Dusseldorf, Germany	100.00
Just A Game Hellas S.A., Attiki, Greece	100.00
Bluetiq GmbH (vormals Just A Game GmbH), Dusseldorf, Germany	100.00
Guerilla Mobile Asia Pacific Pte. Ltd, Singapore	100.00
CLIQ B.V., Amsterdam, The Netherlands	100.00
Artiq Mobile B.V., Amsterdam, The Netherlands	100.00
Blinck Mobile Ltd., Dublin, Ireland	100.00
TMG Singapore PTE Ltd., Singapore	100.00
The Mobile Generation Americas Inc., Toronto, Ontario, Canada	100.00
Run The Red Ser. EM, Sao Paulo, Brasil	100.00
GIM Global Investments Munich GmbH, Munich, Germany	100.00
iDNA B.V., Amsterdam, The Netherlands	100.00

II. BUSINESS DEVELOPMENT

A. Highlights

- CLIQ Digital further intensified its strategic sales partnerships and thereby positioned itself for future growth. Via new partnerships with Bullguard, the company expanded its market positioning as a reseller for a series of first class security products for mobile devices.
- CLIQ Digital strengthened her portfolio in the product group games by signing new distributor agreements with leading game publishers.
- Geographically, CLIQ Digital focuses specifically on regions with above-average growth potential. The strategy of internationalization is beginning to pay off: in particular in North America the company showed a significant growth compared to the previous year and generated as much as 32% of its total revenue in 2014 in the important North American market.
- An agreement was concluded with Commerzbank, which has replaced the former house bank ABN Amro. The ABN Amro loan and credit facility was fully repaid.
- Settlement agreements were signed for the repayment of all vendor loans and shareholder loans.
- CLIQ Digital AG implemented 2014 a capital increase and issued a convertible bond, resulting in gross proceeds of EUR 2.6 million.
- In December 2014 the company's mandatory conversion right for the outstanding 2014/2017 convertible bond was exercised which strengthened the company's equity base and equity ratio.
- Due a change in accounting estimate the costs for customer acquisition have been accounted for as intangible assets and are depreciated over the customer's revenue life-cycle.
- The CLIQ Digital Group generated revenue of EUR 47.3 million in 2014.

- Partly due to the change in accounting estimates EBITDA rose to EUR 11.5 million in 2014.
- The CLIQ Digital Group generated a net profit in the year under review of EUR 1.0 million.
- Ben Bos was appointed as a further member of the Management Board of CLIQ Digital AG as at 1 June 2014, alongside CEO Luc Voncken.
- At the end of the first quarter in 2015 CLIQ Digital's service provider in Mexico was disconnected. This has impact on the results of the fiscal years 2014 and 2015. Further remarks are given in Section IV of this group management report.

B. Economic Environment

1. MACRO-ECONOMIC TRENDS

After a modestly positive performance in 2013, the global economy was characterized by new geopolitical risks in 2014. The situation concerning Ukraine, the associated sanctions and uncertainty over the future course of government in Greece could hold back the global economy in the coming months as well. The significant decline in oil prices has only partly compensated for this negative development. The International Monetary Fund (IMF) is assuming growth in global GDP for 2014 of 3.3%.¹ In its earlier forecasts the IMF had anticipated an increase of 3.7%. The IMF also adjusted its forecast for the current year downwards. The global economy is now expected to grow by 3.5% in 2015 rather than 3.8%, as originally projected.²

The experts at the IMF are forecasting GDP growth for the year 2014 in the euro zone of only 0.8%.³ Despite the slightly more optimistic forecast for 2015, stagnation cannot be ruled out.⁴ ECB policy, the course of the new Greek government and the sanctions against Russia could also largely impact the economic situation in the euro area in the coming months. A possible over-

¹ <http://www.spiegel.de/wirtschaft/soziales/iwf-warnt-vor-weltwirtschaftskrise-a-995868.html>

² <http://www.tagesschau.de/wirtschaft/weltwirtschaft-waehrungsfonds-prognose-101.html>

³ <http://www.spiegel.de/wirtschaft/soziales/iwf-warnt-vor-weltwirtschaftskrise-a-995868.html>

⁴ <http://www.tagesschau.de/wirtschaft/weltwirtschaft-waehrungsfonds-prognose-101.html>

heating of the financial markets could slow the euro zone's economic output as well.⁵ In 2014 the average rate of inflation for the single currency area was 0.4% as against 2013.⁶

The IMF also published a downward revision of its GDP forecast for Germany. It is now anticipating a rise in economic output of only 1.4% for 2014.⁷ According to the latest estimates, the economy is set to grow by 1.3% in the current year and 1.5% in 2016.⁸ By contrast, the experts at the Bundesbank are projecting growth of 1.0% for 2015.⁹ The rate of inflation in Germany in 2014 was 0.9% as against the previous year.¹⁰

The positive trend in United States continued in 2014 despite mounting global risks. According to the IMF, its economic output rose by around 2.2% in the reporting period. In stark contrast to the ailing euro zone, the forecast for the US for 2015 was adjusted upwards. On the basis of its robust domestic demand, IMF experts are forecasting that GDP will expand by 3.6% in 2015.¹¹ The rate of inflation in the US was unchanged year-on-year in 2014.¹²

According to the latest IWF-estimates, the GDP of the world's second-largest economy, China, rose by around 7.4% in 2014. This momentum is also expected to continue in the running year, but will only partly make up for the negative development in the euro zone and several industrialized nations.¹³

2. TRENDS IN THE MOBILE CONTENT SECTOR

In terms of number of global users, mobile internet access has already overtaken fixed Internet access. The Internet as a whole is growing and especially the mobile internet has,

due to a variety of technical innovation and new applications, a large effect on the current developments. The total number of Internet users is growing less than 10% a year, outside of countries such as India and Nigeria. However, mobile data traffic has risen by 81% with video as a strong driver. Mobile now accounts for 25% of all web usage: That's up from 14% compared to the previous year. In Europe mobile is 16% of all web usage, up from 8% in 2013, whereas in North America, mobile is 19% of all usage up from 11% last year. Hence, Marketers have taken notice and reached out to consumers through a wide range of mobile advertising options, from pop-up ads and videos to native advertising, in-app advertising, and more. According to Monetate's „Ecommerce Quarterly Report“ (EQ2 2014) mobile traffic increased in 2014 by 120%, overtaking traffic from tablets, which grew by only 35%. The report also indicates that revenue from mobile devices is on the rise. Moreover, mobile devices allow consumers to make purchases anytime and anywhere, and therefore faster and more convenient than on tablets or desktops. Larger screen sizes on mobile devices and improved payment systems are making these transactions easier and driving mobile commerce.¹⁴

Internet advertising grew by 16% in 2014: Mobile advertising grew by 47% yet only makes up 11% of the total, hence there is high potential for mobile advertising to grow. Google's average revenue per user is now 6 times Facebook's average revenue per user, and Facebook's average revenue per user is twice Twitter's average revenue per user. Mobile's share of online video viewing grew by 200%: Mobile viewing time is up sharply year-on-year thanks to two main driving forces behind it, large clear smartphone screens as well as the booming tablet market. Mobile and tablet online video views grew 133 percent from September

⁵ <http://www.spiegel.de/wirtschaft/soziales/iwf-warnt-vor-weltwirtschaftskrise-a-995868.html>

⁶ <http://de.statista.com/statistik/daten/studie/156285/umfrage/entwicklung-der-inflationsrate-in-der-eu-und-der-eurozone/>

⁷ <http://www.spiegel.de/wirtschaft/soziales/iwf-warnt-vor-weltwirtschaftskrise-a-995868.html>

⁸ <http://www.tagesschau.de/wirtschaft/weltwirtschaft-waehrungsfonds-prognose-101.html>

⁹ <http://www.tagesschau.de/wirtschaft/konjunkturprognose114.html>

¹⁰ https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2015/01/PD15_002_611.html

¹¹ <http://www.tagesschau.de/wirtschaft/weltwirtschaft-waehrungsfonds-prognose-101.html>

¹² <http://de.statista.com/statistik/daten/studie/165718/umfrage/inflationsrate-in-den-usa>

¹³ <http://www.spiegel.de/wirtschaft/soziales/iwf-warnt-vor-weltwirtschaftskrise-a-995868.html>

¹⁴ <http://www.econtentmag.com/Articles/Editorial/Feature/The-State-of-Mobile-Content-2015-101592.htm>

2012 to September 2013. Video is set to total two-thirds of global mobile traffic by 2017.¹⁵

In 2014 the focus was on the user and the user interface, which means content is key. Content discoverability is and will be driven by social media connections, mobile-optimized content, and location-based services. The growth rate of the mobile contents market is unbowed. Statistics expect the mobile contents market worldwide to reach 28.6 billion U.S. dollars in 2018. According to an American study the global digital mobile products market was worth USD 6.5 billion in 2011 and is expected to reach USD 18.6 billion in 2017. In the overall global market, the U.S. mobile content market was the largest regional market with a revenue share of 30.3% in 2011. Moreover, faster adoption of mobile content in the region will significantly increase the market share of the U.S. to 41.0% in 2017.¹⁶

The mobile content market comprises of mobile games, mobile music and mobile video. In the overall mobile content market, mobile games were the largest market segment with a revenue share of 53.3% in 2011. The segment will further consolidate its position with 61.7% market share in 2017. The global mobile games market was worth USD 3.5 billion in 2011 and is expected to reach USD 11.4 billion in 2017 with a CAGR of 21.9% from 2011 to 2017.¹⁷

In 2014 the international market research and consulting firm Newzoo revised their forecasts for the global mobile games revenue upward due to strong and broad growth in 2014. They estimated the global mobile game revenue to reach \$25 billion in 2014, up 42% on 2013, \$30.8bn in 2015 and \$40.9bn in 2017 following strong year growth in both mature and emerging markets. As a result, mobile games are on track to replace the traditional console market as the largest game segment by revenues in 2015. This strong growth is both organic, benefiting the whole games market, as well as coming at the expense of other segments, especially

online PC games and Massively Multiplayer Online Games (MMOs). Newzoo notes signs of slower growth in (online) PC games and MMOs as spending is diverted to mobile devices. According to the experts the Latin American mobile games market is now the fastest growing in the world, with 60% growth from last year. The Western European mobile game market, was previously the fastest-growing market in years past, is now one of the slowest at 25% growth year-over-year.¹⁸

Continued technology advancements and improving commercial and regulatory conditions will show an increased portion of apps, streaming content and software being billed via the mobile operator's invoice in all markets outside of North America. Especially in Latin America carrier billing will gain momentum to address the high number of unbanked (60% of the population) on the basis of its cashless convenience and accessibility.¹⁹

Mobile marketers will face growing consumer concern over the privacy of their data in 2015. According to the MEF a lack of consumer trust (34%) remains the biggest barrier to purchase anything via the mobile device. For this reason consumer trust will be the key differentiation in 2015. Mobile businesses that put consumer trust at the heart of the user experience will mark themselves out against their competitors. Beyond ongoing privacy concerns that marketers must address, mobile marketing experts see that in 2015 innovations will be focused on the individual, hence, the user.

3. MARKET POSITION

The digital content market is characterized by a large number of different types of companies, each playing their own role in the digital content marketplace. Some companies focus on generating digital content, or mobile or on-line payment solutions, while other companies

¹⁵ <http://www.smartinsights.com/mobile-marketing/mobile-marketing-analytics/mobile-marketing-statistics/>

¹⁶ <http://www.onlinemarketing-trends.com/2014/05/mobile-content-market-set-to-zoom-19.html>

¹⁷ <https://storify.com/wayne31jan/mobile-content-market-trends-and-opportunities-201>

¹⁸ <http://www.newzoo.com/insights/global-mobile-games-revenues-top-25-billion-2014/>

¹⁹ <http://mefminute.com/2015/01/07/mef-identifies-10-key-mobile-trends-for-2015/>

focus on the distribution of digital content, or, like CLIQ Digital, focus on the direct marketing of digital content. Compared to other companies involved in the direct marketing of digital content, CLIQ Digital considers itself one of the top players worldwide in this market; the main competitors are Buongiorno SpA, Acotel Group SpA, NeoMobile SpA, Zed Worldwide, S.A. and TIM W.E. SGPS, S.A.

C. Business Report

1. BUSINESS DEVELOPMENT

The CLIQ Digital Group generated revenue of EUR 47.3 million in 2014 (2013: EUR 51.8 million).

Overall, 2014 was a challenging year for CLIQ Digital, in which it significantly increased both its EBITDA and its net profit for the year despite a decline in revenue. The profitability of the Group as a whole was substantially increased thanks to restructuring efforts, changes in accounting estimates and higher-margin marketing campaigns. EBITDA rose to EUR 11.5 million in the reporting period (2013: EUR 6.0 million). The CLIQ Digital Group generated a net profit in 2014 of EUR 1.0 million (2013: EUR 1.0 million).

During 2014, CLIQ Digital's short-term bank debt position was lowered from EUR 10.3 million as of 31 December 2013 to EUR 4.8 million as of 31 December 2014. Conversely, the long-term bank debt position increased to EUR 10.7 million (2013: EUR nil). In March 2014, a new financing agreement was concluded with Commerzbank, in which Commerzbank replaced ABN Amro as the house bank. In October 2014 an additional financing agreement was concluded with Commerzbank for the repayment of (former) shareholder loans. By implementing these two measures CLIQ Digital secured a favorable interest level and reduced its monthly repayments from EUR 750 thousand (as at 31 December 2013) to EUR 359 thousand (as at 31 December 2014).

The signing of the new financing agreements with Commerzbank and the placement of two capital measures in the fourth quarter of 2014 substantially increased the company's financial strength. Combined with the optimization of corporate structures during the reporting period, a solid foundation was thereby created for sustainable profitable growth. With the financial restructuring being realized, the Management Board is now in a position to focus fully on core business, and to initiate new and promising investments. The significant intensification of marketing activities already began in the fourth quarter of 2014.

CLIQ Digital is using both financial and non-financial indicators to monitor and manage its business. Financial and non-financial performance indicators are measured continually and are part of the monthly reports to the Management Board. These reports include an analysis of actual figures and their variances from planned figures by country. Additional specific analyses are performed on an event-driven basis.

The financial performance indicators used to manage the business performance of CLIQ Digital are revenue and marketing spend. Furthermore, the average net revenue per user in the first six months (ARPU), the costs per acquisition (CPA), the ratio of ARPU to CPA (so-called CLIQ factor) and the customer base value (Net revenue that will be generated by the existing customers) are the most important KPIs. ARPU and CPA are the determining factors in the decision-making process as to whether to invest in certain products/markets. In the year under review ARPU has risen to EUR 5.91 compared with EUR 5.55 in 2013. The customer base value is an important indicator for estimating what inflow of funds can be expected based on the current customer base. The decrease of the customer base value in the last quarter of 2014 and at the end of fiscal 2014 are a result of the disconnection of CLIQ Digital's service provider in Mexico at the end of the first

quarter of 2015. Consequently CLIQ Digital is not able to provide services to the subscribers in Mexico, which leads to a decline in future revenue that is generated from the existing customer base. Further remarks are given in Section IV of this group management report. Besides the above mentioned KPIs employee satisfaction is measured on a regular basis and is an important indicator for CLIQ Digital.

Changes in important performance indicators in 2014:

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full Year 2014
Number of Sales	963,963	872,782	431,999	855,158	3,123,901
ARPU (net-revenue per user for the first 6 months) in EUR	4.26	5.43	8.51	6.93	5.91
CPA (Cost per Acquisition) in EUR	3.40	3.92	6.08	5.07	4.37
ARPU/CPA (CLIQ-Factor)	1.25	1.39	1.40	1.37	1.35
Marketing spend in EUR million	3.28	3.42	2.63	4.33	13.66
Customer Value Base in EUR million	13.7	16.4	16.5	15.0	15.0
Revenue in EUR million	9.9	12.1	12.4	12.9	47.3

Due to improvements of the company's BI system CLIQ Digital is able, for the first time, to report on the most important KPIs in such detail.

In 2014 corporate structures were further streamlined and professionalized as part of their ongoing optimization. Among other things, in the reporting period the number of companies in the Group was reduced from 30 to 16 (including CLIQ Digital AG). In addition, as part of an efficiency enhancement programme, the Group-wide IT landscape was optimized further and the number of systems in use was thereby reduced again.

CLIQ Digital achieved a significant improvement and harmonization of its business intelligence (BI) system in 2014 and is therefore able to precisely determine the useful life of a customer

relationship acquired through sales partners. Consequently, marketing spend for customer acquisition gives rise to an intangible asset in accordance with IAS 38. The marketing spend for customer acquisition has been accounted for as an intangible asset and amortized over the useful life of the customer relationship. This is the reason for the clear rise in amortization of intangible assets

Despite consolidated revenue falling short of the original forecast for the 2014 financial year (first guidance for 2014: „double-digit revenue growth expected“), the adjusted forecast at the end of the first half-year (updated guidance for 2014: „reduction in revenue expected“) was

exceeded thanks to the strong final quarter of 2014 and profitability increased considerably owing to higher-margin marketing campaigns. In the past financial year the CLIQ Digital Group further expanded its leading market positioning as a reseller for a series of first class security products for mobile devices. The internationalization strategy is also beginning to pay off. The North American market in particular grew more than expected in 2014.

2. EMPLOYEES

The Group employed an average of 89 employees in the 2014 financial year (versus 115 employees in 2013). On the reporting date of December 31, 2014, the Group employed 62 employees on a full-time basis and 19 on a part-time basis, which corresponds to 81 employees in total, compared to 94 employees at the end of 2013. The reduction of 13 employees was the result of general efficiencies measures.

Personnel costs amounted to EUR 5.9 million in 2014, compared to EUR 6.2 million in 2013. Personnel costs accounted for 12.5% of the total costs in the 2014 financial year (12.2% in 2013).

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

a) Results of Operations

(1) Revenue Development

The CLIQ Digital Group generated revenue of EUR 47.3 million in 2014 (2013: EUR 51.8 million). Lower marketing spend in the second half of 2013 led to a temporary drop in revenue in the first half of 2014. However, due to an increase in the marketing spend in the first half year of 2014 this revenue drop was stopped and CLIQ Digital showed a quarter over quarter increase in revenue since the beginning of 2014.

The revenue per continent is shown hereunder:

Territory	Revenue 2014 EUR million	% of Gross Revenue	Revenue 2013 EUR million	% of Gross Revenue
Europe	21.6	46%	29.7	57%
Asia	5.9	12%	10.7	21%
Austra	1.8	4%	3.7	7%
Africa	1.6	3%	3.1	6%
South America	1.4	3%	2.9	6%
North America	15.0	32%	1.7	3%
TOTAL	47.3	100%	51.8	100%

For more information regarding exchange risks associated with the international character of the CLIQ Digital business, see the section Currency Risks in note (20) Reporting on financial instruments.

(2) Earnings and Costs Trends*Earnings*

Gross Earnings

EUR Million	2014	2013
Revenue	47.3	51.8
Marketing costs	-0.3	-12.5
Costs for technology, licences and other COS	-27.0	-25.8
Gross Earnings	20.0	13.4

CLIQ Digital generated gross earnings in 2014 of EUR 20.0 million (2013: EUR 13.4 million). Most of the costs related to direct costs for technology, licences, invoicing and content at EUR 27.0 million (EUR 25.8 million in 2013). Marketing costs declined in 2014 to EUR 0.3 million (EUR 12.5 million in 2013), as the marketing spend for customer acquisition has been accounted for as an intangible asset as of 2014 and amortized over the customer's revenue life-cycle.

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

EBITDA improved considerably in 2014, partly due to the change in accounting estimates. EBITDA rose by 91.7% from EUR 6.0 million in 2013 to EUR 11.5 million in 2014.

Profitability (EBIT and net income)

Consolidated EBIT in 2014 amounted to EUR 0.3 million (EUR 2.0 million in 2013). The CLIQ Digital Group generated net income in the year under review of EUR 1.0 million (2013: EUR 1.0 million).

Costs

Personnel costs amounted to EUR 5.9 million in 2014 compared to EUR 6.2 million in 2013, thereby accounting for 12.5% of total operating costs (12.2% in 2013).

Depreciation and amortization increased in 2014 to EUR 11.2 million (EUR 4.0 million in 2013), most of which reflects the increased amortization of intangible assets amounting to EUR 10.9 million (EUR 3.7 million in 2013). The noticeable rise in amortization is a direct result of the reporting of the marketing spend for customer acquisition as an intangible asset as of 2014. In addition, impairment of capitalized costs of customer acquisition in Mexico in the amount of EUR 1.2 million are included; in this regard, reference is made to the comments in Section IV of this group management report.

Other operating expenses, which came in at EUR 30.0 million (EUR 40.9 million in 2013), contain the following items in particular:

EUR million	2014	2013
Marketing costs	0.3	12.5
Costs for Invoicing, Technology and Licenses	27.0	25.8
Other non-operating expenses	2.7	2.6
Other operating expenses	30.0	40.9

Marketing costs

Efficient marketing is of great importance to CLIQ Digital. It comprises one of the most important variables for the acquisition of new customers and the efficiency of new customer acquisition and consequently for revenue growth and profitability within the Group. The utilization of mobile Internet advertising is becoming increasingly important. Available, efficient advertising volumes are becoming larger.

Following a change of accounting estimate with respect to the marketing spend for customer acquisition in 2014 (see also Section C Business Report sub section 1. Business Development) the capitalized intangible assets and the associated depreciations have increased significantly, with an opposite effect on marketing costs, which showed a large decrease.

Costs for Invoicing, Technology and Licenses

The costs for technology, mainly expenses for network operators and gateways that provide the technical connections with the network operators, are almost completely variable. For example, the share of end-customer revenue that goes to the network operators and gateways ranges from 30% in the Netherlands to more than 70% in some other countries. Although a large part of CLIQ Digital's revenue is collected via mobile operators, a small share of the revenue is collected using alternative payment options such as credit card billing. The fees for credit card billing are significantly lower than for mobile operator billing.

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

In addition to this, CLIQ Digital has other costs of sales, for instance for customer care. Customer satisfaction forms the focus of interest in this area. 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 consider these when developing and licensing new products.

Financial Income and Expenses

The result from financial income and expenses improved to EUR 1.4 million in 2014 from a negative result of EUR 1.5 million in 2013. The

primary reason for the increase of EUR 2.9 million was the restructuring of financing. Please refer to note (7) in the notes to the consolidated financial statements.

Taxes on Income

The effective tax rate is impacted by the different national tax regulations of the countries in which CLIQ Digital's subsidiaries are located. Furthermore, the effective tax rate is impacted by tax loss carryforwards. Overall, the effective tax rate for 2014 amounts to 37.9% (2013: -134.3%). For a detailed analysis of the tax situation, see note (8) of the Financial Statements.

In 2014, a general tax audit of financial years 2007-2011 was conducted by the German tax auditors with regard to CLIQ Digital AG (then known as Bob Mobile AG) and its subsidiaries (excluding Guerilla Mobile GmbH, which has now merged with Bluetiq GmbH). This audit was concluded during the reporting period. The provision made as at 31 December 2013 for any potential additional tax payments proved to be sufficient

b) Net Assets

(1) Intangible Assets

CLIQ Digital reported intangible assets of EUR 48.0 million as of 31 December 2014 (EUR 45.4 million in 2013). The most important component of intangible assets was goodwill (EUR 43.2 million), which was confirmed by an impairment test and remained unchanged from the previous year.

Following a change of accounting estimate with respect to the marketing spend for customer acquisition in 2014 (see also Section C Business Report sub section 1. Business Development) the capitalized intangi-

ble assets and the associated depreciations have increased significantly. These intangible net assets specifically relating to marketing spend for customer acquisition amounted to EUR 4.0 million as at 31 December 2014 (2013: EUR nil). In addition, impairment of capitalized costs of customer acquisition in Mexico in the amount of EUR 1.2 million is included; in this regard, reference is made to the comments in Section IV of this group management report.

Intangible assets created by the company itself decreased from EUR 1.5 million at 31 December 2013 to EUR 0.7 million at 31 December 2014. In the reporting period intangible assets created by the company amounted to EUR 0.2 million while amortization amounted to EUR 0.9 million. In 2014, the customer base was amortized from EUR 0.8 million to EUR 0.1 million.

(2) Tangible Assets

The CLIQ Digital Group reported tangible fixed assets of EUR 0.7 million as of 31 December 2014 (EUR 0.6 million in 2013). These particularly comprise IT equipment. In the reporting year EUR 0.3 million was invested in tangible assets (EUR 0.2 million in 2013). Depreciation amounted to EUR 0.3 million in 2014 (EUR 0.3 million in 2013).

(3) Deferred Tax Assets

At the 2014 balance sheet date, the deferred tax assets of CLIQ Digital amounted to EUR 2.9 million compared with EUR 3.1 million at 31 December 2013. The value of deferred tax was subjected to further detailed analysis in 2014. The analysis clarified the fact that the capitalized deferred tax can be utilized in the future. No deferred tax assets were formed based on tax losses for which carry forwards are uncertain.

(4) Trade Receivables

Trade receivables declined to EUR 2.0 million as of 31 December 2014 compared to EUR 2.7 million in the previous year. At 31 December 2014, other assets with maturities of less than one year totaled EUR 7.2 million (31 December 2013: EUR 6.8 million). In this context, the most important components are EUR 5.8 million for receivables arising from services that have not yet been invoiced (2013: EUR 3.7 million) and EUR 0.9 million in advance payments (2013: EUR 0.7 million).

(5) Cash and cash equivalents

Cash in hand and cash at banks amounted to EUR 0.2 million as of 31 December 2014 (31 December 2013: EUR 0.3 million).

c) Financial Position

(1) Principles and Objectives of Financial Management

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

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

(2) Cashflow

In 2014 CLIQ Digital generated a cashflow from its operating business of EUR 8.7 million (EUR 7.2 million in 2013). Cashflow from investing activities in 2014 amounted to EUR -13.9 million

(EUR -1.0 million in 2013). This is primarily attributable to the substantial increase in investments in intangible assets amounting to EUR 13.5 million (EUR 1.0 million in 2013) as a result of reporting marketing spend for customer acquisition as an intangible asset as of 2014. The cashflow from financing activities in 2014 amounted to EUR 1.2 million (EUR -6.6 million in 2013). This is the netting of disbursements for the redemption of financial loans in the amount of EUR 11.6 million (EUR 6.1 million of which to ABN Amro and EUR 2.2 million to Commerzbank and EUR 3.3 million for the repayment of vendorloans), incoming payments from the raising of financial loans amounting to EUR 10.4 million and the increase in cash of EUR 2.5 million as a result of the issuing of new CLIQ Digital shares (including the cost of the capital increase of EUR 156.9 thousand).

The net cashflow (including a credit facility) for the year 2014 amounted to EUR -3.9 million (EUR -0.4 million in 2013).

(3) Equity and Debt

Equity

In the fourth quarter of 2014 CLIQ Digital AG implemented a cash capital increase and a convertible bond. As a result of this capital increase, the Company's registered share capital increased from EUR 4,445,699.00 by EUR 1,480,349.00 to EUR 5,926,048.00 through the issue of 1,480,349 new no par value bearer shares, each with a notional value of EUR 1.00 per share. The new shares were fully subscribed by new strategic investors in a private placement and by existing shareholders of the Company in the rights offering for EUR 1.50 per share. The new shares carry full dividend rights from 1 January 2014. Parallel to the capital increase, the company issued the convertible bond 2014/2017. The convertible bond amounted

to EUR 394,000.00 and was divided into 394 notes in bearer form with a nominal amount of EUR 1,000.00 each and maturity date of 5 November 2017.

In December 2014 the company's mandatory conversion right for the outstanding 2014/2017 convertible bond was exercised. The convertible bond was converted into 262,666 new shares in CLIQ Digital AG at a conversion price of EUR 1.50 per share. The conversion increased the share capital of the company from EUR 5,926,048.00 to EUR 6,188,714.00 by EUR 262,666.00. Thus, the company's equity base and ratio were strengthened once again and it further improved its financial situation.

CLIQ Digital reported consolidated equity of EUR 39.2 million as of 31 December 2014 (EUR 35.8 million in 2013). The company's share capital amounts to EUR 6,188,714.00, which consists of 6,188,714 listed shares.

The company held 4,000 treasury shares as of 31 December 2014 (previous year: 4,000 shares). The capital reserves rose by EUR 0.6 million during 2014 and currently stand at EUR 46.5 million (31 December 2013: EUR 45.9 million).

The negative consolidated retained earnings of EUR 14.5 million as of 31 December 2013 decreased to EUR 13.5 million as of 31 December 2014 as a result of the consolidated profit of EUR 1.0 million generated in 2014. No dividend was paid for the 2013 financial year. The dividend was waived due to strategic investments and debt repayments.

Debt Financing

In early 2014 an agreement was concluded with Commerzbank, which has replaced the former house bank ABN Amro. The ABN Amro loan and credit facility was fully repaid in the first quarter of 2014.

In the fourth quarter of 2014 the Supervisory Board approved a settlement agreement that resulted in the repayment of vendor loans (former shareholders of Cliq B.V.) and loans from original shareholders. These repayments were financed by an additional financing agreement concluded with Commerzbank in October 2014.

By executing these two refinancing measures CLIQ Digital secured a favorable interest level for her debt and reduced its monthly repayments to EUR 359 thousand (December 31, 2014), compared to EUR 750 thousand at the beginning of the year.

The Commerzbank financing agreements contains financial covenants of a minimum equity ratio, an interest cover ratio and a net debt ratio.

Other liabilities comprised non-financial other liabilities of EUR 3.1 million (31 December 2013: EUR 3.8 million) and financial other liabilities of EUR 0.1 million (2013: EUR 4.7 million). All financial other liabilities as at 31 December 2014 relate to finance leasing.

With the reorganization of financing the CLIQ Digital Group is now in a position to finance its business operations and further growth. The Group will strive for a balance between a prudent financial framework and new promising investments.

(4) Investments in Intangible and Tangible Fixed Assets

The net financing requirement in the investment area amounted to EUR 13.9 million in 2014 (EUR 1.2 million in 2013). The marketing spend for customer acquisition totaled EUR 13.4 million in 2014 (2013: All expenditures recorded as costs). An amount of EUR 0.2 million was invested in software for the provision and invoicing of services (intangible assets created by the company itself, amounting to EUR 1.0 million in 2013) and an amount of EUR 0.3 million was invested in tangible fixed assets (2013: EUR 0.2 million).

III FORECAST, OPPORTUNITIES AND RISK REPORT

A. Outlook

Based on the stable financial foundation created in 2014 through capital measures and the reorganization of financing, CLIQ Digital is in a position to finance the future growth of its operations. The Group is planning a substantial increase in marketing spend in the current financial year. As a result, CLIQ Digital is expecting a double-digit rise in its sales figures and double-digit percentage growth in revenue compared with the previous year.

Development of key performance indicators

	2014	Target 2015
Number of Sales	3,123,901	Double digit growth
ARPU (net-revenue per user for the first 6 months)	EUR 5.91	Slight decrease
CPA (costs per acquisition)	EUR 4.37	Slight decrease
ARPU/CPA (CLIQ-factor)	1.35	Stable / slight increase
Marketing spend	EUR 13.66 Mio.	Double digit growth
Customer Value Base	EUR 15.0 Mio.	Double digit growth
Revenue	EUR 47.3 Mio.	Double digit growth

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

B. Opportunities Report

USAGE OF SMARTPHONES

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

AVAILABILITY OF CONTENT

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

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

INCREASING THE GLOBAL FOOTPRINT

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

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

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

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

RISK MANAGEMENT

CLIQ Digital organized the structure of the individual business units based upon the knowledge gained by the risk management evaluations made. Moreover, we have adapted the work processes to the knowledge obtained. For example, CLIQ Digital pays attention to a consistent separation of incompatible activities and in addition has introduced appropriate control ranges. Furthermore, CLIQ Digital places a high value on the non-overlapping of responsibilities. The clear allocation of responsibilities and controls when preparing the financial statements, and appropriate access regulations in the IT-systems of relevance to the financial

statements, comprise key control elements in accounting. Simultaneously, CLIQ Digital has integrated controls into the work processes. The “4 eyes” principle ensures that no major process goes unchecked. With the addition of Ben Bos as a second member to the Management Board, this “4 eyes” principle is extended to Management Board level for decisions that need to be taken and sign off that needs to take place at this level.

CLIQ Digital has developed systems, methods and committees to implement and secure its business. These aim to allow the Managing Board to recognize any operating and financial risks at an early stage. It aims to ensure that critical information is passed on to the management directly and in good time. The CLIQ Digital Group prepares annual budgets and quarterly reforecasts based upon the experiences and forecasts of the managers responsible. Regular monthly comparisons of actual and target outcomes allows divergences to be calculated, and countermeasures to be taken where required. A similar approach is applied to liquidity planning. The Business Intelligence System (BIS) has been further improved in 2014 in order to monitor almost all important variables in real-time. Risk management is based partly on internal financial accounting figures and partly on the BIS. Risk management is also conducted on the basis of regular meetings and management reporting. The aim of risk management is to generate an extensive overview of risks, as well as to identify them and correctly evaluate them at an early stage, in order to rapidly respond to them with appropriate measures.

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

- Rapid overview of the actual risk situation within the Group
- Risk-oriented concentration on key business areas and processes, as well as

requisite controls consistent disclosure and addressing of loopholes

- Implementation which is cost-aware and pragmatic, and which does not entail unnecessary bureaucracy
- Standardized perspective and approach for all controlling-relevant subareas

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

DEALING WITH KEY POTENTIAL RISKS

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

D. Risks

MORE INTENSE COMPETITIVE ENVIRONMENT

The economic environment in the market of digital mobile products is highly competitive. CLIQ Digital faces various competitors in its entire business. It is exposed to the risk of increased competition by other companies who are currently active in associated markets and/or decide to expand to directly market digital mobile products due to the expected high growth rates of this market. It is possible that

some of CLIQ Digital's competitors have significantly greater financial resources, better financing opportunities or higher technical resources and are therefore able to win market share from CLIQ Digital. In addition, it is possible that competitors source, develop and offer products or services which are superior to CLIQ Digital's products and services, or which may achieve greater market acceptance. Some competitors may also have more experience in marketing their products.

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

DEPENDENCY ON TECHNICAL DEVELOPMENTS

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

and the availability of other entertainment activities. Furthermore, CLIQ Digital is dependent on developers and the quality of their products and their willingness and ability to continuously improve them.

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

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

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

Besides mobile network providers, CLIQ Digital uses other payment methods and payment partners, e.g. PayPal, which also entail risks in connection with revenue losses or liability risks,

for example due to settlement failures, hacker attacks or any failure of the service providers to meet their financial commitments towards CLIQ Digital.

TIGHTER LEGAL REQUIREMENTS AND REGULATION

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

DEPENDENCY ON END-CONSUMERS AND TRENDS

End-consumers, particularly young people, like to follow new trends. In other words, customers may no longer accept products that are popular today. This can have a negative effect on media efficiencies (e.g. the costs per new customer), price sensitivity, cancellation rates, prepaid credits, sales per customer, and products' market acceptance. The general economic situation can also strongly impact

seasonality, price sensitivity, and target groups' purchasing power. Deterioration of the economic situation, for example through a widening of the financial crisis, or a collapse in consumer confidence, can have a negative effect on the company's revenue and profitability. The company can come under pressure due to a decline in customers' (potential) purchasing power. Consumers can also switch to other products or offerings due to technology convergence.

DEPENDENCY ON CONTENT PROVIDERS

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

DEPENDENCY ON MARKETING COMPANIES

The cooperation with marketing partners and the purchase of advertising space is very important to the business of CLIQ Digital. Legal or factual changes in the availability of media and

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

DEPENDENCY ON SOFTWARE, IT-SYSTEMS AND NETWORKS

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

DEPENDENCY ON MANAGERS AND STAFF

The future achievement of CLIQ Digital's strategic and operating goals depends on the ability to recruit qualified expert employees and ex-

cutives and to retain them in the company in the long term. Intense competition in the market for digital mobile products has resulted in a shortage of qualified employees who have the necessary knowledge of the market, and the Company is in vigorous competition with its competitors for qualified employees.

RISKS RELATING TO ACQUISITIONS

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

CASH FLOW RISK

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

RECEIVABLES DEFAULTS

Most of CLIQ Digital's receivables are due from a number of technical service-providers and network operators. The company could encounter financial shortfalls or problems if one of these partners encountered potential payment

difficulties, or failed to pay for other reasons.

FINANCING WORKING CAPITAL THROUGH PREPAYMENTS

CLIQ Digital is generally required to pay media companies in advance. However, network operators, payment providers and technical service providers generally pay later. A part of this financing gap is financed through the borrowing base financing via the Commerzbank. The discontinuation of these prepayments without replacement funding, or the discontinuation of borrowing base financing, would make it more difficult to implement CLIQ Digital's growth strategy, and could have significant negative effects on the company's financial position and results of operations.

FOREIGN EXCHANGE RISKS

A significant part of the revenue of CLIQ Digital is denominated in a currency other than the base currency EURO. An adverse movement in the exchange rate of a local currency in relation to the EURO might impact the profitability of CLIQ Digital in the respective country.

BANK FINANCING

The business operations of CLIQ Digital are financed to a substantial degree through debt financing. Therefore CLIQ Digital's profitability can be negatively affected by substantial increases in interest rates. Furthermore, at some point in the future, CLIQ Digital must rely on being able to obtain refinancing at adequate terms.

DEPENDENCY ON MACRO DEVELOPMENTS

CLIQ Digital is subject to macroeconomic risks caused by the volatility of worldwide economic

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

YOUNG MARKETS

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

RISKS RELATING TO RIGHTS OF THIRD PARTIES

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

infringe upon third parties' intellectual property rights, too.

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

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

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

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

HOLDING COMPANY AND LIABILITY RISK

CLIQ Digital AG is liable for Bob Mobile Deutschland GmbH on the basis of a profit-and-loss-transfer agreement. Artiq Mobile B.V., Bluetiq GmbH, Guerilla Mobile Asia Pacific Pte. Ltd., Bob Mobile Deutschland GmbH, Bob Mobile Hellas S.A., Cliq B.V., Blinck Mobile Ltd., Run The Red Servicos Em Telecomunicacoes LTDA, TMG Singapore PTE Ltd., The Mobile Generation Americas Inc., Cructiq AG, Just A Game Hellas S.A., Rheinkraft Production GmbH, GIM Global Investments Munich GmbH and iDNA B.V. comprise wholly-owned subsidiaries. CLIQ

Digital AG acts as a supplier to these companies, and, in some cases — such as in the case of international master agreements with service providers — as the main contractual partner. As the parent company, CLIQ Digital AG partially assumes liability and guarantees, as well as the adoption of losses. CLIQ Digital AG's business also entails various liability risks. Liability risks can arise, for example, through customers and partners as the result of products, which are not received, which are defective, as well as through viruses. License providers, rights administrators, content sellers, content producers and brand owners can also give rise to risks as the result of licenses and rights that have not been acquired legally, or which have not been clarified. Media companies, network operators and other partners can give rise to risks as the result of erroneous invoices, system breakdowns, non-compliance with media or other regulations and/or agreements. Liability situations can also arise from regulators and consumer associations.

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

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

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

In March 2015 the company was informed that her Service Provider in Mexico was disconnected by mobile operator Telcel. The disconnection was a result of long lasting disagreements between Telcel and the service provider. Consequently CLIQ Digital is no longer able to provide services to Telcel's customers. CLIQ Digital's Management Board seeks clarification for the situation and examines alternative opportunities for providing services in Mexico. In the consolidated financial statements as at 31 December 2014, the Company has taken this situation into account and decided to expense an impairment loss on the full marketing asset related to the "customer acquisition" in 2014 in Mexico.

No other events have occurred after the balance sheet date, 31 December 2014, which are of essential importance to the CLIQ Digital Group and could lead to a reassessment of the company.

April 16, 2015

The Management Board

Luc Voncken

Ben Bos

To our shareholders

Group management
report

Consolidated financial
statements

Notes

3

CONSOLIDATED FINANCIAL STATEMENTS





consolidated balance sheet

ACCORDING TO IFRS AS OF DECEMBER 31, 2014

ASSETS in EUR thousand	Note	31/12/2014	31/12/2013
NON-CURRENT ASSETS			
Intangible assets		48,042.4	45,445.8
Internally generated intangible assets	10	704.7	1,478.7
Customer Acquisition Costs	10	4,029.7	-
Customer base	10	91.4	750.5
Goodwill	10	43,216.6	43,216.6
Tangible assets		677.8	599.2
Plant, operating and office equipment	11	677.8	599.2
Deferred tax assets	12	2,878.2	3,060.0
Total non-current assets		51,598.4	49,105.0
CURRENT ASSETS			
Receivables		2,029.4	2,720.5
Trade receivables	13	2,029.4	2,720.5
Miscellaneous receivables and other assets	14	7,153.5	6,752.9
Other assets (if residual term < 1 year)		7,153.5	6,752.9
Cash and cash equivalents	15	220.9	276.6
Total current assets		9,403.8	9,750.0
Total assets		61,002.2	58,855.0

EQUITY AND LIABILITIES in EUR thousand	Note	31/12/2014	31/12/2013
Equity			
SUBSCRIBED CAPITAL	16	6,188.7	4,445.7
Less: treasury shares	16	-4.0	-4.0
Total subscribed capital	16	6,184.7	4,441.7
Capital reserve	16	46,528.8	45,878.2
Consolidated equity generated by the parent company	16	-13,492.2	-14,541.2
Total equity		39,221.3	35,778.7
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	12	195.7	505.2
Bank borrowings (if residual term > 1 year)	19	10,718.8	-
Other liabilities (if residual term > 1 year)	19	86.5	-
Total non-current liabilities		11,001.0	505.2
Current liabilities			
Other provisions	18	1,327.8	1,274.4
Bank borrowings (if residual term < 1 year)	19	4,776.3	10,326.7
Trade payables	19	1,595.2	2,424.3
Other liabilities (if residual term < 1 year)	19	3,080.6	8,545.7
Total current liabilities		10,779.9	22,571.1
Total liabilities		21,780.9	23,076.3
Total equity and liabilities		61,002.2	58,855.0

consolidated statement of comprehensive income

ACCORDING TO IFRS FOR THE FINANCIAL YEAR
FROM JANUARY 1 TO DECEMBER 31, 2014

in EUR thousand	Note	2014	2013
Revenue	1	47,318.1	51,784.7
Other work performed by the enterprise and capitalized	2	82.7	419.6
Other operating income	3	-	900.0
Personnel expenses	4	-5,867.0	-6,245.9
Wages and salaries		-5,251.5	-5,574.6
Pension-and Social security contributions		-615.5	-671.3
Depreciation, amortization and impairment charges	5	-11,194.2	-4,031.8
Amortization and impairment charges applied to intangible assets		-10,942.3	-3,701.2
Depreciation and impairment charges applied to tangible assets		-251.9	-265.6
Depreciation and impairment charges applied to financial fixed assets		-	-25.3
Depreciation, amortization and impairment charges applied to current assets		-	-39.7
Other operating expenses	6	-30,016.0	-40,856.5
Operating profit / loss		323.6	1,970.1
Net financial result		1,395.0	-1,536.7
Other interest and similar income	7	2,060.9	466.4
Interest payments and similar expenses	7	-665.9	-2,003.1
Profit / loss on ordinary business activities		1,718.6	433.4
Taxes on income	8	-655.0	74.6
Deferred taxes	8	3.5	507.3
Other taxes	8	-29.6	-
Consolidated comprehensive income		1,037.5	1,015.3
Profit / loss attributable to Cliq Digital AG shareholders		1,037.5	1,015.3
Number of shares for calculation of basic earnings per share (in thousands)		4,675.0	4,071.9
Number of shares for calculation of diluted earnings per share (in thousands)		44.1	89.6
Basic earnings per share (in EUR)	9	0.22	0.25
Diluted earnings per share (in EUR)	9	0.22	0.24

cash flow statement

ACCORDING TO IFRS FOR THE FINANCIAL YEAR
FROM JANUARY 1 TO DECEMBER 31, 2014

in EUR thousand	2014	2013
1. Net profit / loss for the period (including earnings attributable to non-controlling shareholders)	1,037.5	1,015.3
2. + Depreciation and amortization	11,194.2	3,992.1
3. + Increase in provisions	-256.1	-1,203.2
4. - Other non-cash income	-2,124.9	-59.7
5. +/- Decrease/increase in trade receivables and other assets not attributable to investment or financing activities	483.9	3,960.1
6. -/+ Decrease/increase in trade payables and other liabilities not attributable to investing or financing activities	-1,623.1	-462.5
7. = Cash flow from operating activities	8,711.5	7,242.1
8. + Payments received from sale of tangible assets	-	32.8
9. - Payments for investments tangible assets	-330.5	-170.9
10. - Payments received from disposals of intangible assets	1.0	84.5
11. - Payments for investments in intangible assets	-13,539.9	-993.2
12. - Payments for investments in subsidiaries	-	5.2
13. = Cash flow from investing activities	-13,869.4	-1,041.6
14. + Proceeds from additions to equity	2,457.6	1,671.4
15. - Payments to shareholders and non-controlling shareholders	-	-
16. + Proceeds from drawing down on financial loans	10,366.3	-
17. - Payments for the repayment of financial loans	-11,608.8	-8,250.0
18. = Cash flow from financing activities	1,215.1	-6,578.6
19. Net change in cash and cash equivalents	-3,942.8	-378.1
20. + Cash and cash equivalents at the start of the period	-3,300.1	-2,922.0
21. = Cash and cash equivalents at the end of the period	-7,242.9	-3,300.1

* Unlike 2013, the overdraft facility in 2014 was included in cash and cash equivalents. For comparison purposes, the 2013 figures have been adjusted accordingly.

statement of changes in equity

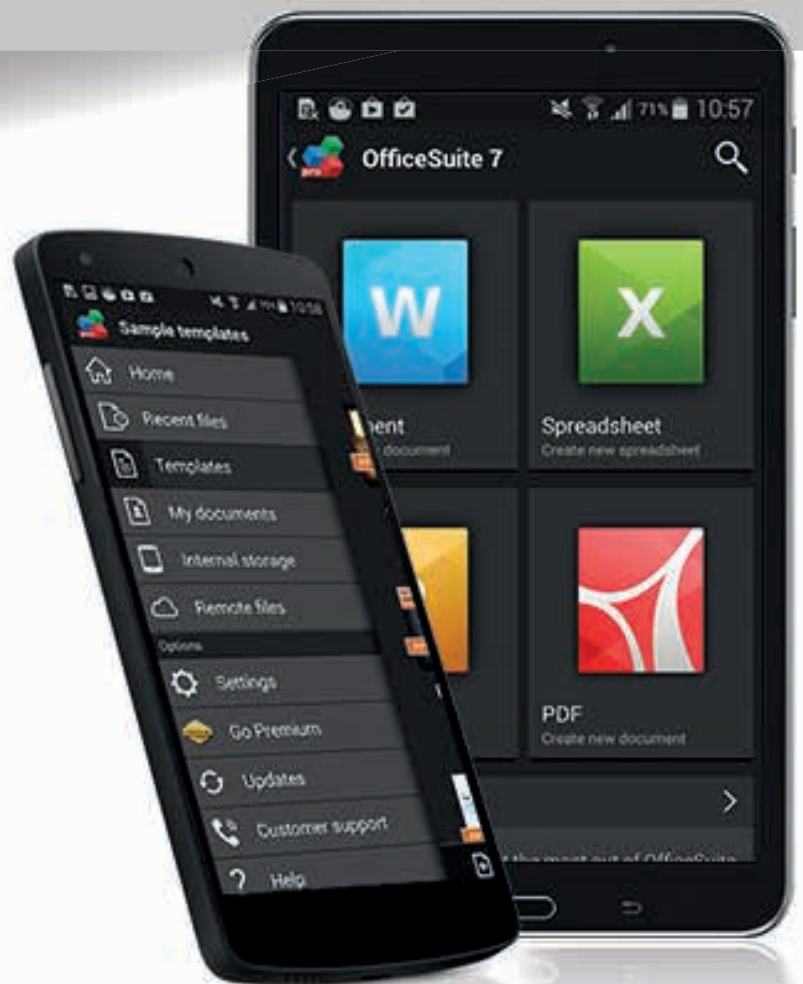
ACCORDING TO IFRS AS OF DECEMBER 31, 2014

	Parent Company	
in EUR thousand	Subscribed capital ordinary shares	Capital reserve
Balance as of January 1, 2013	3,950.7	44,112.8
Issue of shares	495.0	1,814.8
Personnel expenses due to stock options	-	-49.4
Miscellaneous changes	-	-
Net profit / loss for the period	-	-
Balance as of December 31, 2013	4,445.7	45,878.2
Issue of shares	1,743.0	871.5
Personnel expenses due to stock options	-	-64.0
Miscellaneous changes	-	-156.9
Net profit / loss for the period	-	-
FX on equity		
Balance as of December 31, 2014	6,188.7	46,528.8

Parent Company				
Retained earnings	Equity	Treasury shares not designated for withdrawal	Equity as per consolidated balance sheet	
-15,537.0	32,526.5	-4.0	32,522.5	
-	2,309.8	-	2,309.8	
-	-49.4	-	-49.4	
-19.5	-19.5	-	-19.5	
1,015.3	1,015.3	-	1,015.3	
-14,541.2	35,782.7	-4.0	35,778.7	
-	2,614.5	-	2,614.5	
-	-64.0	-	-64.0	
-	-156.9	-	-156.9	
1,037.5	1,037.5	-	1,037.5	
11.5	11.5	-	11.5	
-13,492.2	39,225.3	-4.0	39,221.3	

4

NOTES





notes to the financial statements

GENERAL INFORMATION

CLIQ Digital is a leading provider of games, apps, software and entertainment for smartphones, feature phones, tablets, laptops and desktops. The core business of the group is the direct marketing of its products to consumers via online and mobile marketing channels. CLIQ Digital provides attractive products for its customers and is a valuable strategic business partner to gateways, developers, publishers and advertisers (i.e. affiliate-marketing partner).

The Group conducts its development activities in multiple countries.

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

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

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

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

Application of international financial reporting standards (IFRS)

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

CLIQ Digital prepared its consolidated financial statements as of December 31, 2014 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, 2014 as part of the "endorsement" process relating to mandatory application that was envisaged for this purpose.

The following standards and revisions of standards by the IASB, which were approved by the IASB in the current reporting period or in previous reporting periods, did not yet require mandatory application for the current reporting period, and were also not take into consideration in the 2014 financial year:

Standard/ Inter- pretation	Content of the amendment
IFRS 9	Financial Instruments: Removes the multiple classification and measurement models for financial fixed assets required by IAS 39 and introduces a model that has only two classification categories: amortized cost and fair value.
IFRS 11	Joint arrangements: investment entities.
IFRS 14	Regulatory Deferral-Accounts (interim Standard)
IAS 19	Employee benefits: Changes a number of disclosure requirements for post employment arrangements and restricts the options currently available on how to account for defined benefit pensions plan.
IFRS 15	Revenue from Contracts with Customers: IFRS 15 replaces IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of interpretations related to sales.
IAS 16/ IAS38	Property, Plant and Equipment and Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortization tangible and intangible fixed assets.
IAS 16/ IAS 41	Property, Plant and Equipment Amended by Agriculture: Bearer Plants
IAS 27	Equity Method in Separate Financial Statements: The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
IFRS 10/ IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business.
IFRS 9 *	Financial instruments: Amended guidance for the classification and measurement of financial assets.

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.

Publication by the IASB	Mandatory application	Adoption by the EU	Prospective effects on Cliq Digital
11/2013	1/17/2018	No	No
5/2014	1/1/2016	No	No
01/2014	1/1/2016	No	No
11/2013	1/7/2014	No	Not material
5/2014	1/1/2017	No	No
5/2014	1/1/2016	No	No
6/2014	1/1/2016	No	No
8/2014	1/1/2016	No	No
9/2014	1/1/2016	No	No
7/2014	1/1/2018	No	No

Consolidation methods

CONSOLIDATION SCOPE

The Group financial statements as of December 31, 2014 include subsidiaries. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In the fiscal year 2014 the group of consolidated companies decreased because of several mergers:

Original entity	Merged into	Merger date	Retrospective (fiscal) date of merger
Imobic GmbH	Bluetiq GmbH	15/12/2014	30/4/2014
Venga Mobile GmbH	Bluetiq GmbH	15/12/2014	30/4/2014
Capital Games GmbH	Bluetiq GmbH	15/12/2014	30/4/2014
Kraulat GmbH	Bluetiq GmbH	15/12/2014	30/4/2014
The Mobile Generation Holding B.V.	CLIQ B.V.	19/12/2014	1/1/2014
Blinck International B.V.	CLIQ B.V.	19/12/2014	1/1/2014
Grumbl Media Holding B.V.	CLIQ B.V.	19/12/2014	1/1/2014
Return Media B.V.	CLIQ B.V.	19/12/2014	1/1/2014
Memco B.V.	Artiq Mobile B.V.	19/12/2014	1/1/2014
Hectiq B.V.	Artiq Mobile B.V.	19/12/2014	1/1/2014
Simiq B.V.	Artiq Mobile B.V.	19/12/2014	1/1/2014
thumbr B.V.	Artiq Mobile B.V.	19/12/2014	1/1/2014
The Mobile Generation I B.V.	Artiq Mobile B.V.	19/12/2014	1/1/2014
Mobtiq B.V.	Artiq Mobile B.V.	19/12/2014	1/1/2014

The number of consolidated companies in fiscal 2014 changed as follows:

	Germany	The Netherlands	Other countries	Total
January 1	8	13	8	29
Acquisitions	-	-	-	-
Mergers	-4	-10	-	-14
Liquidations	-	-	-	-
December 31	4	3	8	15

Please refer to Note 25 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, 2014, and the annual financial statements of the companies included in the Group for the comparable period as of December 31, 2013.

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

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

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

CURRENCY TRANSLATION

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

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

General accounting and measurement principles

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.

Compared to the consolidated financial statements at 31 December 2013 there is one important change in accounting estimate in accordance with IAS 8. Due to a significant improvement and harmonization in CLIQ Digital's Business Intelligence (BI) system, which was accomplished this year, the Group is in a position to precisely determine the useful life of a customer acquired from its marketing partners. As a consequence, the costs for the acquisition of its customers (in case of a subscription) qualify as an intangible asset under IAS 38. The costs for customer acquisition have been accounted for as intangible assets and are depreciated over the customer's revenue life-cycle.

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 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 assignable revenue is deferred, and released through profit and loss over the duration of the utilization right. Such releases are generally performed in line with the rendering of services.

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

● Research and development costs

Pursuant to IAS 38, research costs cannot be capitalized. Development costs must be capitalized if certain and precisely designated preconditions exist. Accordingly, capitalization is always required if the development work is sufficiently likely to result in a future inflow of financial resources which also cover the corresponding development costs above and beyond normal costs. Various criteria set out in IAS 38.57 must be cumulatively satisfied with regard to the development project, the application to be developed, and platform components be developed. Development costs for applications or platform components are recognized at cost if the assignable expenditures can be measured reliably, and both technical feasibility and successful marketing are ensured. It must also be sufficiently likely that the development work will generate future economic benefit. Capitalized development costs include all costs directly attributable to the development process including development-related overhead costs. Capitalized development costs are generally amortized from the production start across the expected product life-cycle, generally comprising 3 to 5 years.

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

● Borrowing costs

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

● Taxes

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

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

Deferred tax is recognized for temporary differences between the tax values of assets and liabilities, and their amounts as recognized in the consolidated financial statements. Deferred tax assets are also recognized for the future utilization of tax loss carryforwards. Deferred tax assets on temporary differences and loss carryforwards are recognized at the level at which it is likely that sufficient tax-

ble 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. This does not apply to the customer base and customer acquisition costs for subscriptions; these are amortized based on the customer's revenue life-cycle, which means that the amortization is proportional to the expected realization of the average customer's revenue per comparable customer group over the life time of the customer (in average 18 months). 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 (except for marketing expenses for customer acquisition - see also "Impairment"). No borrowing costs were capitalized for intangible assets in the financial year elapsed.

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

● Tangible assets

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

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

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

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

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

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

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

● Impairment

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

Goodwill arising on acquisitions exists as a result of the merger with Cliq B.V. in the financial year 2012 and the acquisition of Grumbl Media Holding B.V. in the fiscal year 2013. The retention of the value of this goodwill with an indefinite useful life (2014 EUR 43,216.6 thousand; 2013 EUR 43,216.6 thousand) is tested with an annual impairment test on the balance sheet date which is based on assumptions pertaining to the future. The impairment test is based on determining the Recoverable Amounts of cash-generating units (‘CGU’) in comparison of their Carrying Amounts as part of the annual impairment test. The Recoverable Amounts have been determined on the basis of the ‘Income Approach’ and have been benchmarked with the ‘Market Approach’, more specifically the ‘Comparable Companies Approach’. The impairment test also considers various sensitivities on the Recoverable Amount as indicated by the Income Approach to test the robustness of the impairment test outcome.

For the purpose of impairment testing, goodwill is allocated to each of the CGU’s, or groups of CGU’s, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Within CLIQ Digital we have defined the following CGU’s:

- “CLIQ AG” (formerly Bob Mobile AG group activities): covering the German language countries (Germany, Austria, and Switzerland (DACH));
- “CLIQ B.V.” (formerly Cliq BV group activities): covering the remaining countries with Mexico, France, Poland and the Netherlands as the main countries.

The management planning for the next two years which is used within the 'Income Approach' is derived from past developments and the expectations with respect to future market developments and does not include any restructuring activities that the group is not yet committed to or any capital expenditure related to its ordinary business that will enhance the earnings of the CGU's being tested. Significant planning assumptions relate to revenue and media spend growth per country and the development of ARPU (Average Revenue Per User) and CPA (Customer Acquisition Costs). Cash-flows beyond the two-year planning period are extrapolated, based upon a conservative approach, using the estimated growth rates as stated below:

Value Driver	2017	2018-2023	Terminal Value Period
Gross Revenue (growth rate)	Average revenue 2014-2016	0.0%	0.0%
Sales Third Parties	2014-2016 average % of Net Revenues		
Total Marketing Spend	2016 % of Net Revenues		
Staff Expenses	2016 % of Net Revenues		
Other OpEx	2016 % of Net Revenues		
Corporate Income	CLIQ A.G.: 29.6%		
Tax Rate	CLIQ B.V.: 25.5%		
Net Working Capital	2016 % of Net Revenues (11.1% of Net Revenues)		
Other D&A - Other OpEx	2016 % of Net Revenues (other OpEx and other D&A set equal to 150,000 annually on a considered level)		
WAAC	CLIQ A.G.: 8.5% CLIQ B.V.: 9.0%		

The cash flow projections are discounted following the Discounted Cash Flow (DCF) method at pre-tax interest rates ('WACC') as stated in the table above (2013: 9.72%).

Due to the unexpected disconnection of the Service Provider in Mexico - see also note (28) - the recoverable amount of the capitalised amount of the customer acquisition costs (CPA) in this market was reviewed. The recoverable amount was estimated on the basis of the future cash flows that will be generated from the asset (value in use). The review resulted in the recognition of an impairment loss of EUR 1,180.0 thousand.

● Fair value measurement

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

● 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 (2014), or in the comparable year (2013).

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 20 and also in the section of the Group management report devoted to risk reporting.

Financial assets

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

Receivables and other assets

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

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

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

Cash and cash equivalents

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

Financial liabilities

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

● **Provisions for employee benefits**

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

● **Other 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.

● **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

All income is generated by mobile value-added services. The distribution of income per continent can be found in Chapter 3.a.1 of the Group Management Report.

(2) Work performed by the enterprise and capitalized

This item primarily comprises personnel expenses connected with the capitalization of development costs for the Cerebro platform (2013: Cerebo platform, Business Intelligence and thumbr platform).

(3) Other operating income

Other operating income includes the following items:

In EUR thousand	2014	2013
Exclusivity deals	-	900.0
Total	-	900.0

Other operating income 2013 of EUR 0.9 mln is related to so-called exclusivity agreements in some countries by some subsidiaries of CLIQ Digital and one of CLIQ Digital's business partners. Within the respective agreements the group companies grant exclusivity to a supplier in respect of the use of its services in some countries. The exclusivity deals will have no consequence for CLIQ Digital's operations going forward.

(4) Personnel expenses

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

In EUR thousand	2014	2013
Wages and salaries	5,251.5	5,574.9
Pension contributions	42.0	50.0
Social security contributions	573.5	621.0
Total	5,867.0	6,245.9

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

(6) Other operating expenses

Other operating expenses include the following expenses:

In EUR thousand	2014	2013
Marketing costs	294.7	12,528.0
Costs for technology, licenses and other COS	27,052.5	25,847.0
Premises costs	416.3	401.9
Travel costs	267.1	303.4
Professional Fees	1,238.3	745.2
Supervisory Board Compensation	50.6	51.7
Merger costs	-	34.0
Costs related to Capital increase	146.2	-
IT costs	445.6	526.8
Other	104.7	418.5
Total	30,016.0	40,856.5

Because of a change of accounting estimate with respect to the marketing spend for customer acquisition in 2014 (reference is made to the section General accounting and measurement principles - assumptions and estimates) the capitalization and amortization of intangible assets have increased significantly, with an opposite effect on Other operating expenses (marketing costs), which have decreased significantly.

(7) Financial income and financial expenses

Financial income and financial expenses are composed as follows:

In EUR thousand	2014	2013
Financial income		
Interest income	-	134.6
Other financial income	2,060.9	331.8
	2,060.9	466.4
Financial expenses		
Interest expenses	-439.6	-1,367.4
Other financial expenses	-226.3	-635.7
	-665.9	-2,003.1
Total	1,395.0	-1,536.7

Other financial income primarily consists of settlements concluded on the redemption of the former ABN Amro loans and (former) shareholder loans.

(8) Taxes on income

In EUR thousand	2014	2013
Current taxes on income - Germany		
Corporation taxes	78.9	-198.6
Trade taxes	74.9	-198.6
	153.8	-397.2
Current taxes on income - The Netherlands		
Corporation taxes	404.3	179.9
Trade taxes	-	-
	404.3	179.9
Current taxes on income - Abroad	96.9	142.7
Total Current taxes on income	655.0	-74.6
Total Deferred taxes on income	-3.5	-507.3
Total Taxes on income	651.5	-581.9

The reported current taxes on income in Germany and The Netherlands comprise taxes on income for the 2014 financial year, and income from the partial release of tax provisions formed in the previous year. This also applies to 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 carry forwards that have resulted in the deferred tax assets can be utilized. This depends on the generation of future taxable earnings during the period in which the tax valuation differences reverse, and in which tax loss carryforwards can be asserted. Due to past experience, and the expected tax income situation, CLIQ Digital assumes that a part of the corresponding benefits can be realized from the deferred tax assets. As a consequence, deferred tax items are recognized to the extent to which the application of the tax losses is likely over the next years. Tax loss carry forwards of EUR 12,106 thousand were recognized as of December 31, 2014 (2013: EUR 12,224 thousand), and temporary differences resulting in deferred tax assets of EUR 1,242 thousand (2013: EUR nil) and temporary differences resulting in deferred tax liabilities of EUR 3,334 thousand (2013: EUR nil). 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 660 thousand. Deferred taxes of EUR 67 thousand were recognized directly in equity.

Dividends to be paid by CLIQ Digital AG in the future in Germany have no impact on the Group's tax burden. As of December 31, 2014, all German and Dutch deferred taxes on temporary differences were calculated, as in the previous year, on the basis of a combined rounded 30% tax rate

(for Germany) and 25% tax rate (for The Netherlands), and of between 20% and 25% for other foreign (i.e. not Germany or The Netherlands) deferred taxes. As in the previous year, the recognition of deferred taxes on German tax loss carry forwards were based throughout on tax rates of 14% for trade tax, and 16% for corporation tax and the Solidarity Surcharge.

In 2014, a general tax audit of financial years 2007-2011 was conducted by the German tax auditors with regard to CLIQ Digital AG (at that time known as Bob Mobile AG) and its subsidiaries (excluding Guerilla Mobile GmbH, which has now merged with Bluetiq GmbH). This audit was concluded during the reporting period. The provision made as at 31 December 2013 for any potential additional tax payments proved to be sufficient.

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

In EUR thousand	2014	2013
Profit (+) / Loss (-) on ordinary business activity	1,718.6	433.4
Expected tax expense (+) / Income (-) given a 30% tax rate	515.6	130.0
Deviations from the expected tax expense		
a. Capitalized losses carried forward	50.8	-417.8
b. Taxes for prior years (current)	-80.0	-737.0
c. Taxes for prior years (deferred)	153.8	541.0
d. Taxation differences between domestic and foreign operations	-38.7	-140.7
e. Others	50.0	42.6
Total adjustments	135.9	-711.9
Actual tax expense	651.5	-581.9

The effective tax rate amounts to 37.9% (2013: -134.3% relating to the amounts of the loss).

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

In EUR thousand	2014		2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	375.8	973.0	-	505.2
Tax loss carry forwards	3,279.7	-	3,060.0	
	3,655.5	973.0	3,060.0	505.2
Netting of deferred tax assets and liabilities	2,878.2	195.7	3,060.0	505.2

(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 16).

In EUR thousand	2014	2013
Profit/loss attributable to Cliq Digital AG shareholders	1,037.5	1,015.3
Number of shares in circulation as of January 1	4,445,699	3,946,699
Number of shares in circulation as of December 31	6,188,714	4,441,699
Weighted average number of shares in issue	4,674,980	4,071,877
Basic earnings per share (in EUR)	0.22	0.25
Number of potentially dilutive ordinary shares	44,050	89,550
Weighted average number of shares for the calculation of diluted earnings per share	4,719,030	4,161,427
Diluted earnings per share (in EUR)	0.22	0.24
Number of shares in circulation as of December 31	6,188,714	4,441,699
Basic earnings per share (in EUR) divided by the number of shares as per year end	0.17	0.23
Number of potentially dilutive ordinary shares as per year end	44,050	89,550
Number of shares for the calculation of diluted earnings per share as per year end	6,232,764	4,531,249
Diluted earnings per share (in EUR) divided by the number of shares as per year end	0.17	0.22

(10) Intangible assets

Intangible assets reported the following changes:

in EUR thousand	Internally generated intangible assets	Cus- tomer base	Customer Acquisi- tion Costs	Other intangible assets	Prepay- ments rendered and 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: first-time consolidation	139.1	-	-	-	-	457.8	596.9
Additions	993.2	-	-	-	-	-	993.2
Disposals	-	-	-	-3.8	-664.8	-	-668.6
December 31, 2013	3,453.0	11,720.8	-	243.2	-	43,322.2	58,739.2
January 1, 2014	3,453.0	11,720.8	-	243.2	-	43,322.2	58,739.2
Additions	173.0	-	13,366.9	-	-	-	13,539.9
Disposals	-	-	-	-	-	-	-
December 31, 2014	3,626.0	11,720.8	13,366.9	243.2	-	43,322.2	72,279.1
Amortization and impairment losses							
January 1, 2013	1,153.3	8,090.0	-	243.2	584.1	105.6	10,176.2
Amortization in the financial year	820.9	2,880.3	-	-	-	-	3,701.2
Disposals	0.1	-	-	-	- 584.1	-	-584.0
December 31, 2013	1,974.3	10,970.3	-	243.2	-	105.6	13,293.4
January 1, 2014	1,974.3	10,970.3	-	243.2	-	105.6	13,293.4
Amortization in the financial year	947.0	659.1	8,156.2	-	-	-	9,762.3
Impairment	-	-	1,180.0	-	-	-	1,180.0
Disposals	-	-	1.0	-	-	-	1.0
December 31, 2014	2,921.3	11,629.4	9,337.2	243.2	-	105.6	24,236.7
Carrying amount December 31, 2013	1,478.7	750.5	-	-	-	43,216.6	45,445.8
Carrying amount December 31, 2014	704.7	91.4	4,029.7	-	-	43,216.6	48,042.4

The goodwill, customer base and the additions from first-time consolidation (2013) arose through the acquisition of Cliq B.V. and Grumbl Media Holding B.V. In the financial year, no events have occurred that would require separate reporting under IFRS 3.B67d.

Because of a change of accounting estimate with respect to the marketing spend for customer acquisition in 2014 (reference is made to the section General accounting and measurement principles - assumptions and estimates) the capitalization (2014 EUR 13,366.9 thousand; 2013 nil) and

the corresponding amortization (2014 EUR 9,336.2 thousand; 2013 EUR nil) of intangible assets have increased significantly, with an opposite effect on Other operating expenses (marketing costs), which have decreased significantly. In addition, due to the impairment of the customer acquisition costs in Mexico - see Note (28) - an impairment loss in the amount of EUR 1.2 million is expensed. The carrying amount of the customer acquisition costs per 31 December 2014 amounted to EUR 4,029.7 thousand (2013 EUR nil).

Additions on internally generated intangible fixed assets during the 2014 financial year primarily concerned internally generated development costs for the Cerebro platform for an amount of EUR 124.5 thousand (2013: Cerebro, Business Intelligence and thumbr platform EUR 851.7 thousand).

(11) Tangible assets

Tangible assets reported the following change:

in EUR thousand	Plant, operating and office equipment
Cost	
January 1, 2013	1,285.1
Additions: first-time consolidation	8.8
Additions	170.9
Disposals	-43.4
December 31, 2013	1,421.4
January 1, 2014	1,421.4
Additions	330.5
Disposals	-
December 31, 2014	1,751.9
Depreciation and impairment losses	
January 1, 2013	567.2
Amortization in the financial year	265.6
Disposals	-10.6
December 31, 2013	822.2
January 1, 2014	822.2
Amortization in the financial year	251.9
Disposals	-
December 31, 2014	1,074.1
Carrying amount December 31, 2013	599.2
Carrying amount December 31, 2014	677.8

Additions from first-time consolidation 2013 arose through the acquisition of Grumbl Media Holding B.V.

Additions to property, plant and equipment amounted to EUR 330.5 thousand (2013: EUR 170.9 thousand). The largest individual items in this context relate to new hardware for an amount of EUR 328.9 thousand.

(12) 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 2,878.2 thousand (2013: EUR 3,060.0 thousand) arise from the probable future utilization of tax loss carry forwards. Note 8 "Taxes on income" contains further information about deferred taxes.

(13) Trade receivables

Trade receivables are composed as follows:

In EUR thousand	2014	2013
Trade receivables, gross	2,482.0	3,275.4
Less: Valuation adjustments	-452.6	-554.9
	2,029.4	2,720.5

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	
	2014	2013	2014	2013	2014	2013
January 1	554.9	375.4	-	-	554.9	375.4
Changes to valuation adjustments carried through profit and loss	-102.3	179.5	-	-	-102.3	179.5
December 31	452.6	554.9	-	-	452.6	554.9

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, 2014	603.5	276.7	77.1
December 31, 2013	390.0	367.1	87.1

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) Miscellaneous receivables and other assets

Miscellaneous receivables and other assets are composed as follows:

In EUR thousand	31/12/2014	31/12/2013
VAT	183.0	885.8
Prepayments rendered for guarantees and licenses	-	22.3
Overpayment of tax	1.6	2.1
Receivables arising from services that have not yet been invoiced	5,766.4	3,651.0
Deposits	45.1	44.0
Prepayments and accrued income	916.8	697.1
Tax reimbursement claims from Greek tax authorities	33.3	40.1
Miscellaneous	207.3	1,410.5
Total	7,153.5	6,752.9

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

(15) Cash and cash equivalents

This item contains cash at banks of EUR 220.8 thousand (2013: EUR 276.3 thousand), and cash in hand of EUR 0.1 thousand (2012: EUR 0.3 thousand).

(16) Consolidated equity

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

- Distributions**

CLIQ Digital continues to pursue its dividend policy to date of only distributing earnings if they are not to be deployed for repayment of the debt and/or needed for further financing its business. CLIQ Digital AG decided to use its cash flow 2014 reducing its debt resulting mainly from the acquisition of Cliq B.V.

- Capital management**

CLIQ Digital generally pursues the objective of generating an appropriate return on its capital employed. The Group's balance sheet capital functions solely as a passive management criterion in this context. Revenue, EBITDA and EBIT 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 at December 31, 2014 amounts to EUR 6,188,714.00 and consists of 6,188,714 non-par value bearer shares. All shares issued until December 31, 2014 are fully paid in. All shares grant equal ranking voting right as well as equally ranking dividend claims. The number of issued and dividend-entitled shares changed as follows in the year under review:

in EUR thousand	
January 1, 2014	4,445,699 ¹⁾
Issue of new shares	
As a result of Capital increase	1,480,349
As a result of Conversion of Bond	262,666
December 31, 2014	6,188,714
Weighted average number of shares in the 2014 financial year	4,674,980

¹⁾ Including 4,000 treasury shares.

On October 14, 2014 and November 4, 2014, the Management Board utilised the Authorised Capital 2012, which was created by the company's ordinary General Meeting held on August 23, 2012, and, with the consent of the Supervisory Board, resolved to increase the share capital by EUR 1,480,349.00. The capital increase was performed for cash contributions through the issuance of 1,480,349 new no-par value bearer shares, each such no-par value share representing a notional interest in the registered share capital of EUR 1.00. The new shares were fully subscribed by new investors in a private placement and by existing shareholders of the Company in the rights offering for EUR 1.50 per share. The implementation of the capital increase took effect when it was registered with the commercial register on November 6, 2014. With the implementation of this capital increase, the Authorised Capital 2012 was completely utilized and the share capital amounted to EUR 5,926,048.00 after November 6, 2014.

On 14 October 2014 and 4 November 2014, the Management Board, with the approval of the Supervisory Board and utilising the authorisation granted by the Annual General Meeting on 30 August 2013 to issue convertible bonds and bonds with warrants, resolved the issue of a convertible bond with a total nominal amount of up to EUR 2,400,000.00, divided into up to 2,400 partial bonds with a nominal amount of EUR 1,000.00 per partial bond. On 4 November 2014, a total of 394 partial bonds were issued with a total nominal amount of EUR 394,000.00. The conversion price was set at EUR 1.50. This meant that each partial bond with a nominal amount of EUR 1,000.00 entitled the bearer to subscribe for 666,666 no-par value shares. On 11 December 2014, the company's mandatory conversion right for the total outstanding convertible bond was exercised in relation to the outstanding convertible bond in its full amount of EUR 394,000.00. To fulfill the subscription rights of the bearers of the partial bonds resulting from the mandatory conversion 262,666 no-par value shares each with a notional interest in the share capital of EUR 1.00 were issued from Contingent Capital 2013 on 29 December 2014. The issue of these shares increased the company's share capital to EUR 6,188,714.00.

CLIQ Digital AG reports a share capital consisting of 6,188,714 shares following these transactions.

● Treasury shares

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

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

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

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

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

The entire treasury share position amounted to 4,000 shares as of December 31, 2014. This corresponds to 0.06% 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.

● Authorized capital

The company's Annual General Meeting held on August, 28 2014 created authorised capital in the amount up to EUR 2,222,849.00 ("Authorised Capital 2014"). The Management Board was authorised, subject to the consent of the Supervisory Board, to increase the registered share capital through the issuance of new no-par value shares against cash and/or in-kind contributions once or several times by a total amount not exceeding EUR 2,222,849.00 by issuing up to 2,222,849 new no-par value

bearer shares. However, this amount included the proportional share capital attributable to new shares issued following the convocation of the Annual General Meeting on 28 August 2014 on the basis of the Authorised Capital 2012 resolved by the Annual General Meeting of the company on 24 August 2012. The utilisation of Authorised Capital 2012, which resulted in the issue of 1,480,349 new shares on 6 November 2014, served to reduce Authorised Capital 2014 by EUR 1,480,349.00. The remaining Authorized Capital 2014 amounts to EUR 742,500.00.

● Conditional capital

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

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

By virtue of the resolution adopted by the Annual General Meeting on 28 August 2014, the Company's share capital was contingently increased by up to EUR 1,839,483.00, divided into up to 1,839,483 new no-par value bearer shares ("Contingent Capital 2014"). The Contingent Capital 2014 is resolved only for the purpose to grant ordinary bearer shares to holders or creditors of conversion bonds, option bonds and/or profit participation bonds and/or profit participation rights (or combinations of these instruments) which have been issued against cash contribution in accordance with the authorisation adopted by the Annual General Meeting on 30 August 2013 and 28 August 2014 by the Company or its direct or indirect group companies inland or abroad and which grant a conversion or option right to no-par value shares of the Company or a conversion obligation.

The new no-par value shares from the Contingent Capital 2014 may only be granted for a conversion or option price that meets the conditions of the authorisation granted by the Annual General Meeting on 30 August 2013 or the Annual General Meeting on 28 August 2014.

The contingent capital increase is only implemented to the extent that warrants or conversion rights are exercised or the bearers or holders comply with their conversion obligation, or shares are delivered under the company's right of substitution and this right is not serviced using treasury shares or new shares issued from Authorised Capital. The new no-par value bearer shares are entitled to profit participation from the start of the financial year in which they are issued as a result of the exercise of warrants or conversion rights, the fulfilment of conversion obligations or the exercise of delivery rights. The Management Board is authorised to determine the further details of the implementation of the contingent capital increase.

At the same time, the Annual General Meeting resolved to rescind the Contingent Capital 2013 created by the Annual General Meeting on 30 August 2013, subject to the condition precedent of the entry in the commercial register of the new version of Article 7d of the Articles of Association on the creation of Contingent Capital 2014 as resolved by the Annual General Meeting. Contingent Capital 2013 still amounted to EUR 1,591,983.00 at the date of the Annual General Meeting on 28 August 2014. The issue of new shares to the bearers of the convertible bond 2014 on 29 December 2014 served to reduce Contingent Capital 2013 by EUR 262,666.00 to EUR 1,329,317.00. The new version of Article 7d of the Articles of Association on the creation of Contingent Capital 2014 was entered in the commercial register on 30 December 2014; as a result, the remaining Contingent capital 2013 was rescinded at this date.

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

The Annual General Meeting on 28 August 2014 resolved to rescind the authorisation to issue convertible bonds and bonds with warrants that was resolved by the Annual General Meeting on 30 August 2013 („convertible bond authorisation 2013“). By further resolution of the Annual General Meeting on 28 August 2014, the Management Board was authorised, with the approval of the Supervisory Board, to issue limited or unlimited bearer convertible bonds, bearer bonds with warrants and/or bearer income bonds and/or profit participation rights (or combinations of these instruments) (referred to collectively as „debt instruments“) on one or more occasions up to and including 27 August 2019 up to a maximum total nominal amount of EUR 40,000,000.00, and to grant the bearers or holders of these debt instruments conversion rights or warrants to subscribe for up to 1,839,483 no-par value bearer shares with a total notional interest in the company's share capital of up to EUR 1,839,483.00 in accordance with the detailed conditions of the debt instruments and/or to include obligations to convert the respective debt instruments into such no-par value shares in the conditions of the debt instruments. The debt instruments may be issued in exchange for cash or non-cash contributions. The nominal amount of the debt instruments issued in 2014 in the amount of EUR 394,000.00 on the basis of the convertible bond obligation 2013 is counted towards the limit of EUR 40,000,000.00. The remaining total nominal amount is therefore EUR 39,606,000.00.

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

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

Where bonds with warrants are issued, each partial bond is furnished with one or more warrants entitling the bearer to subscribe for no-par value shares of the company in accordance with the warrant conditions defined by the Management Board. However, the proportionate interest in the share capital attributable to the no-par value shares of the company to be issued for each partial bond may not exceed the nominal amount of the partial bond. Additionally, the term of the warrant may not exceed the term of the corresponding bond. It may also be agreed that any fractions may be combined and/or settled in cash. The same applies if profit participation rights or income bonds are furnished with warrants.

Where convertible bonds are issued, the bearers of the partial bonds shall be entitled to convert these bonds into no-par value bearer shares of the company in accordance with the detailed conditions of the convertible bonds as defined by the Management Board. The conversion ratio is calculated by dividing the nominal amount of a partial bond by the defined conversion price for one no-par value share of the company. If the issue price of a partial bond is lower, the conversion ratio may also be calculated by dividing the issue price by the defined conversion price for one no-par value share of the company. The conversion ratio may be rounded up or down to a whole number. It may be agreed that any fractions may be combined and/or settled in cash. The proportionate interest in the share capital attributable to the no-par value shares of the company to be issued on conversion may not exceed the nominal amount of the bond. The convertible bond conditions may also provide for a conversion obligation at or before the end of the bond term. The bond conditions may authorise the company to fully or partially settle in cash any difference between the nominal amount of the convertible bond and the product of the conversion price and the conversion ratio. These provisions apply accordingly to conversion rights or conversion obligations relating to profit participation rights or income bonds.

The conditions of the convertible bonds or bonds with warrants may authorise the company to grant new shares or treasury shares of the company to the holders of the bonds, either in part or in full, instead of a cash amount due. In this case, the value of the shares is defined in the detailed bond conditions as the volume-weighted average trading price of the same class of shares of the company in XETRA trading (or a functional successor to the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days prior to the declaration of conversion or the exercise of the warrants, rounded up to the nearest full cent. The conditions of the convertible bonds or bonds with warrants may also authorise the company to pay the beneficiaries the cash price equivalent of the shares they would have been due instead of granting them shares of the company. The cash price equivalent per share is defined in the detailed bond conditions as the volume-weighted average trading price of the same class of shares of the company in XETRA trading (or a functional successor to the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days prior to the declaration of conversion or the exercise of the warrants, rounded up to the nearest full cent.

Where debt instruments granting or embodying a conversion right, a conversion obligation and/or a warrant are issued, the respective warrant or conversion price - including where the conversion ratio

or conversion price is variable - must correspond to either (i) at least 80% of the volume-weighted average trading price of the same class of shares of the company in XETRA trading (or a functional successor to the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days prior to the date on which the Management Board resolves to issue the bonds with warrants or the convertible bonds, or (ii) – where subscription rights are granted - at least 80% of the volume-weighted average trading price of the same class of shares of the company in XETRA trading (or a functional successor to the XETRA system) on the Frankfurt Stock Exchange in the period from the start of the subscription period to the third day prior to the announcement of the final conditions in accordance with section 186 (2) sentence 2 of the German Stock Corporation Act (inclusive). Section 9 (1) and section 199 of the German Stock Corporation Act remain unaffected.

The authorisation also encompasses the possibility of granting dilution protection or making adjustments in certain cases in accordance with the detailed bond conditions. In particular, this may be the case if, during the conversion or warrant exercise period, the company increases its share capital with shareholders' subscription rights granted or issues additional convertible bonds or bonds with warrants or grants or guarantees conversion rights or warrants to which the bearers of existing convertible bonds or bonds with warrants are not granted subscription rights as they would be as shareholders if they exercised their conversion rights or warrants or fulfilled their conversion obligations as shareholders, or if the share capital is increased by way of a capital increase from company funds. In such cases, the conditions of the convertible bonds or bonds with warrants may be formulated in such a way as to ensure that the economic value of the existing conversion rights or warrants remains unaffected by adjusting the conversion rights or warrants in order to preserve their value, to the extent that the adjustment is not already required by law. The adjustment may be performed in particular by granting subscription rights, changing or granting cash components or changing the conversion/warrant exercise price. These provisions apply accordingly in the case of capital reductions or other capitalisation measures, share splits, restructuring, if control is obtained by a third party, or in the case of dividend payments or other similar measures that could dilute the value of the shares. Section 9 (1) and section 199 of the German Stock Corporation Act remain unaffected. In each case, the proportionate interest in the share capital attributable to the shares to be issued for each partial bond may not exceed the lower of the nominal amount of the partial bond or the issue price.

The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the issue and features of the debt instruments, and in particular the interest rate, the type of interest payment, the issue price, the term, the denomination, the provisions on dilution protection, the restructuring options, the warrant exercise or conversion price, and the warrant exercise or conversion period, as well as the currency and the conversion arrangements. Where debt instruments are issued by Group companies, the Management Board must also reach an agreement with the executive bodies of the Group companies issuing the respective debt instruments. Section 9 (1) and section 199 of the German Stock Corporation Act remain unaffected

- **Consolidated retained earnings**

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

- **Stock option program**

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

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

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

CLIQ Digital AG has set up three stock option programs (2009-2017) for managers since the 2009 financial year: in 2009, in January 2012 and in December 2012. Only for the option program of December 2012 there are still options outstanding as per December 31 2014. The following terms are valid for this program:

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

years, commencing from the pledging date. If the individuals entitled to the subscription rights to not exercise the stock options within the duration, the stock options expire worthless.

The assumptions underlying the December 2012 program are as follows:

Number of options issued 91,800; fair value of the option on the issue date EUR 2.40; Exercise price of the option on the issue date EUR 5.11; Expected volatility and turnover rate 0.00%; Duration of the option 5 years and risk-free interest rate 0.50%.

The stock options reported on the December 31, 2014 reporting date are composed exclusively of the 2012 December stock option programs, since all the individuals entitled to the subscription rights of the 2009 program and the 2012 January program are no longer in the permanent employment of CLIQ Digital AG or a company associated with it. The 2012 December program expires in December 2017.

The fair value of the options was calculated by an external valuation expert using the Black-Scholes-Merton formula. For all the programs, plausible estimates were made of the expected volatility, including price increases that occurred in the 2012, 2013 and 2014 financial years.

The stock options performed as follows:

	2014		2013	
	Average exercise price		Average exercise price	
	Number	EUR	Number	EUR
January 1	89,550	5.11	130,300	6.11
Pledged	-	-	-	-
Stock options exercised	-	-	-	-
Stock options expired	-45,500	5.11	-40,750	8.32
December 31	44,050	5.11	89,550	5.11
Exercisable on December 31	-	-	-	-

Capital reserves decreased with EUR 64.0 thousand (2013: EUR 49.4 thousand) as a result of the share options that expired in the financial year and the reduction in the fair value of the options that can still be exercised (fair value at 31 December 2014: EUR 17.5 thousand; fair value at 31 December 2013: EUR 81.5 thousand).

(17) 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 2014 no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

(18) Other provisions

in EUR thousand	1/1/2014	Utilization	Release	Addition	Other	31/12/14
Other current provisions						
Taxes on income	466.1	393.4	24.3	545.6	-845.1	584.3
Costs for financial statements and auditing	148.0	-205.5	-	171.9	-	114.4
Miscellaneous provisions	660.3	-	-24.3	20.0	-26.9	629.1
Total other current provisions	1,274.4	187.9	-	737.5	-872.0	1,327.8

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

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

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

(19) Liabilities

in EUR thousand		Total	Residual term		
			Up to 1 year	1 to 5 years	> 5 years
Bank borrowings	2014	15,495.1	4,776.3	10,718.8	-
	2013	10,326.7	10,326.7	-	-
Trade payables	2014	1,595.2	1,595.2	-	-
	2013	2,424.3	2,424.3	-	-
Other liabilities	2014	3,167.1	3,080.6	86.5	-
	2013	8,545.7	8,545.7	-	-
Total	2014	20,257.4	9,452.1	10,805.3	-
	2013	21,296.7	21,296.7	-	-

● Bank borrowings

Bank borrowings are recognized at amortized cost. In February 2014 respectively March 2014 CLIQ Digital signed a loan agreement and an overdraft facility agreement with Commerzbank AG and in March 2014 the former term loan and outstanding credit facility provided by ABN Amro Bank N.V. were paid back to ABN Amro Bank N.V.

Bank borrowings reported on December 31, 2014 correspond to two term loans provided by the Commerzbank AG of EUR 6,750 thousand (provided in February 2014) and EUR 3,500 thousand (provided in October 2014 to refinance the (former) shareholder loans), with applicable interest rates of Euribor plus 3.45% and an overdraft facility provided by the Commerzbank AG in March 2014 with a fixed amount of EUR 7,000 thousand with an interest rate of Euribor plus 3.3%. Furthermore, there is a possibility to increase the overdraft facility to an amount of EUR 10,000 thousand based on borrowing base financing upon certain conditions with an interest rate of Euribor plus 2.1%.

The loan agreement with an original amount of EUR 6,750 thousand (provided in February 2014) includes a monthly redemption of EUR 187.5 thousand per month, starting in March 2014 till February 2016 and a final bullet payment of EUR 2,250 thousand in February 2016. The remaining part of the loan per 31 December 2014 is EUR 4,875 thousand. Of the total loan EUR 2,250 thousand is repayable within 1 year and the remaining amount of EUR 2,625 thousand is repayable in 2016. The Euribor of this loan has been fixed till the end of the contractdate at 0.24% realized with a interest-swap contract of June 3, 2014. The marketvalue of the interest-swap contract per 31 December 2014 is +/- EUR 10.9 thousand.

The loan agreement with an original amount of EUR 3,500 thousand (provided in October 2014) includes a monthly redemption of EUR 171.9 thousand per month, starting in November 2014 till February 2016 and a final bullet payment of EUR 750 thousand in February 2016. The remaining part of the loan per 31 December 2014 is EUR 3,156 thousand. Of the total loan EUR 2,063 thousand is repayable within 1 year and the remaining amount of EUR 1,094 thousand is repayable in 2016.

The total amount of the outstanding loans (EUR 8,031 thousand) and the overdraft facility in use as per December 31, 2014 (EUR 7,464 thousand) are disclosed as follows in the 2014 financial statements:

Bank borrowings (in EUR thousand)	< 1 year	> 1 year	Total
Bank loan (EUR 6,750 thousand)	2,250.0	2,625.0	4,875.0
Bank loan (EUR 3,500 thousand)	2,062.5	1,093.8	3,156.3
Credit facility	463.8	7,000.0	7,463.8
Total	4,776.3	10,718.8	15,495.1

CLIQ Digital AG is obliged to comply with the covenants set out in the loan agreements with Commerzbank. In order to secure the loans, the CLIQ Digital Group transferred its receivables to Commerzbank by way of global assignment.

● **Other liabilities**

Other liabilities are composed as follows:

in EUR thousand		Total	Residual term		
			Up to 1 year	1 to 5 years	> 5 years
Liabilities arising from other taxes	2014	160.8	160.8	-	-
	2013	1,664.2	1,664.2	-	-
Accrual marketing cost and other COS	2014	2,229.0	2,229.0	-	-
	2013	582.0	582.0	-	-
Miscellaneous	2014	661.0	661.0	-	-
	2013	1,599.5	1,599.5	-	-
Other non-financial liabilities	2014	3,050.8	3,050.8	-	-
	2013	3,845.7	3,845.7	-	-
Liability to Jarimovas GmbH	2014	-	-	-	-
	2013	900.0	900.0	-	-
Vendor loans	2014	-	-	-	-
	2013	3,800.0	3,800.0	-	-
Financial Lease	2014	116.3	29.8	86.5	-
	2013	-	-	-	-
Other financial liabilities	2014	116.3	29.8	86.5	-
	2013	4,700.0	4,700.0	-	-
Total	2014	3,167.1	3,080.6	86.5	-
	2013	8,545.7	8,545.7	-	-

Financial lease liabilities consist of two financial lease contracts for computer hardware with an original amount of EUR 83.3 thousand and an original amount of EUR 34.0 thousand. Both contracts have been provided in November 2014.

Note 22 includes further information about other financial liabilities.

(20) 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, 2014**

in EUR thousand	IAS 39 measurement category	Carrying amount in balance sheet	Of which outside IFRS 7
Assets			
Cash and cash equivalents	LaR	220.9	-
Trade receivables	LaR	2,029.4	-
Receivables from companies in which the company has a participating interest	LaR	-	-
Other assets	LaR	7,153.5	-
Financial assets	LaR	-	-
Liabilities			
Trade payables	FLAC	-1,595.2	-
Liabilities due to companies where an interest is held	FLAC	-	-
Bank borrowings	FLAC	-15,495.1	-
Other liabilities	FLAC	-3,167.1	-
Aggregated according to IAS 39 measurement categories:			
Loans and receivables	LaR	7,808.6	-
Assets and liabilities measured at fair value through profit and loss (fair value option)	FVO	-	-
Financial assets measured at fair value through profit and loss (held for trading)	HfT	-	-
Financial liabilities measured at amortized cost	FLAC	-18,662.2	-

Amortized cost	Of which balance sheet valuation as per IAS 39			Fair value of financial instruments within IFRS 7
	Fair value carried directly to equity	Fair value through profit and loss	Of which valuation as per IAS 17	
220.9	-	-	-	220.9
2,029.4	-	-	-	2,029.4
-	-	-	-	-
7,153.5	-	-	-	7,153.5
-	-	-	-	-
-1,595.2	-	-	-	-1,595.2
-	-	-	-	-
-15,495.1	-	-	-	-15,495.1
-3,167.1	-	-	-	-3,167.1
7,808.6	-	-	-	7,808.6
-	-	-	-	-
-	-	-	-	-
-18,662.2	-	-	-	-18,662.2

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

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

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

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

in EUR thousand	31/12/2014	31/12/2013
Loans and receivables	-	-
Financial assets 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 (FLAC)	1,395.0	-1,536.7
Total	1,395.0	-1,536.7

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

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

in EUR thousand	2014	2013
Total interest income	2,060.9	466.4
Total interest expense	-665.9	-2,003.1
Total	1,395.0	-1,536.7

Risk arising from financial instruments

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

CREDIT RISKS

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

LIQUIDITY RISKS

Operational liquidity management includes a cash controlling process which aggregates liquid resources. This allows liquidity surpluses and requirements to be managed according to the needs of the Group as well as individual Group companies. Short- and medium-term liquidity management includes the maturities of financial assets and financial liabilities, as well as estimates of operating

cash flows. Cash and cash equivalents totaling EUR 220.9 thousand (2013: EUR 276.6 thousand) are available to cover liquidity requirements. In addition, CLIQ Digital has, dependent on compliance with certain covenants („borrowing base“), access to total credit lines of EUR 2,536.2 thousand (2013: EUR 3,923.0 thousand), which have not yet been utilized. Overall, liquidity risk is categorized as low as a consequence

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

in EUR thousand	Gross value December 31, 2014	Payments 2015	Payments 2016 to 2019	Payments from 2020
Trade payables	1,595.2	1,551.0	44.2	-
Bank borrowings ¹⁾	15,495.1	4,776.3	10,718.8	-
Other liabilities	3,167.1	3,080.6	86.5	-
Total	20,257.4	9,407.9	10,849.5	-

¹⁾ compare Note 19 Bank borrowings

in EUR thousand	Gross value December 31, 2013	Payments 2014	Payments 2015 to 2018	Payments from 2019
Trade payables	2,424.3	2,332.4	91.9	-
Bank borrowings ¹⁾	10,326.7	10,326.7	-	-
Other liabilities	8,545.7	8,545.7	-	-
Total	21,296.7	21,204.8	91.9	-

¹⁾ compare Note 19 Bank borrowings

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, except for the US-Dollar. Since (future) income as well as expenses (primarily marketing expenses) are incurred in US dollars, the Group has no significant net exposure in US dollars. As a consequence, no, or no significant, risks arise from foreign currencies.

INTEREST-RATE RISKS

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group had outstanding debt of EUR 15,495.1 thousand, which created an inherent interest rate risk which can negatively impact financial results in the future. At year-end, outstanding debt consist of total long-term debt of EUR 10,718.8 thousand and total short-term debt of EUR 4,776.3 thousand.

For EUR 4,875.0 thousand of the total loan volume, the applicable Euribor was fixed at 0.24% for the remaining term of the loan by way of an interest swap contract dated 3 June 2014.

(21) Contingencies

As of the balance sheet date, the Group was not exposed to contingencies arising from warranties (2013: nil).

(22) 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	2014	826.7	300.6	526.1	-
	2013	523.0	299.0	224.0	-
Other leases	2014	-	-	-	-
	2013	-	-	-	-
Other non-financial liabilities	2014	826.7	300.6	526.1	-
	2013	523.0	299.0	224.0	-

The leases for buildings and other leases correspond to the minimum lease payments arising from operating leases pursuant to IAS 17. These agreements relate to the leasing of buildings, and of vehicles and IT hardware. Lease expenses amounted to EUR 299.0 thousand in the year under review (2013: EUR 294.0 thousand).

(23) Related parties

The associated companies of CLIQ Digital AG are presented in the consolidation scope (Note 25). 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.

In 2014, the board of the CLIQ Digital AG consisted of the following members:

Surname	Name	Since	Function
Voncken	Luc	05/10/2012	Chairman of the Management Board
Bos	Ben	01/06/2014	Member of the Management Board

Management Board compensation is composed as follows:

in EUR thousand	2014	2013
Payments due in the short term (excluding share-based compensation)	575.0	300.0
Total compensation	575.0	300.0

As of December 31, 2014, the Management Board held a total of zero stock options. (2013: nil). The Supervisory Board held no stock options as of December 31, 2014 (2013: nil).

In 2014, the board of the CLIQ Digital AG consisted of the following members:

Surname	Name	Profession	City	Function
Schlichting Dr.	Mathias	Lawyer	Hamburg	Chairman
Tempelaar	Karel Gustaaf	Private Investor	Amsterdam, The Netherlands	Member
Van der Steenstraten	Cornelius Herman	Private Investor	Amsterdam, The Netherlands	Member

The Supervisory Board members received EUR 50.6 thousand to reimburse their expenses in the 2014 financial year (2013: EUR 51.7 thousand). A long-term compensation component has not been agreed for Supervisory Board members.

(24) Notes concerning segment reporting

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

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

(25) Consolidation scope as of December 31, 2014

	Equity interest 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
Rheinkraft Production GmbH, Dusseldorf, Germany	100.00
Just A Game Hellas S.A., Attiki, Greece	100.00
Bluetiq GmbH (vormals Just A Game GmbH), Dusseldorf, Germany	100.00
Guerilla Mobile Asia Pacific Pte. Ltd, Singapore	100.00
CLIQ B.V., Amsterdam, The Netherlands	100.00
Artiq Mobile B.V., Amsterdam, The Netherlands	100.00
Blinck Mobile Ltd., Dublin, Ireland	100.00
TMG Singapore PTE Ltd., Singapore	100.00
The Mobile Generation Americas Inc., Toronto, Ontario, Canada	100.00
Run The Red Ser. EM, Sao Paulo, Brasil	100.00
GIM Global Investments Munich GmbH, Munich, Germany	100.00
iDNA B.V., Amsterdam, The Netherlands	100.00

(26) Fee for auditor's services

The following fees were expensed in the 2014 and 2013 financial years for services rendered by MAZARS GmbH Wirtschaftsprüfungsgesellschaft (Group Auditor):

in EUR thousand	2014	2013
For auditing of the financial statements	209.7	148.0
MAZARS (Group Auditor)	209.7	148.0
Other	-	-
For other certification and valuation services	23.9	-
MAZARS (Group Auditor)	23.9	-
Other	-	-
For tax advice services	110.4	46.3
MAZARS (Group Auditor)	110.4	46.3
Other	-	-
For other services rendered	8.9	-
MAZARS (Group Auditor)	8.9	-
Other	-	-

(27) Number of employees

The average number of employees in the 2014 financial year was as follows:

	2014	2013
Full time employees	66	91
Germany	2	20
The Netherlands	63	68
Abroad	1	3
Part-time employees	23	24
Germany	2	2
The Netherlands	21	22
Abroad	-	-
Total	89	115
Germany	4	22
The Netherlands	84	90
Abroad	1	3

(28) Events after the balance sheet date

In March 2015 the company was informed that her Service Provider in Mexico was disconnected by mobile operator Telcel. The disconnection was a result of long lasting disagreements between Telcel and the service provider. Consequently CLIQ Digital is no longer able to provide services to Telcel's customers. CLIQ Digital's Management Board seeks clarification for the situation and examines alternative opportunities for providing services in Mexico. In the consolidated financial statements as of 31 December 2014, the Company has taken this situation into account and decided to expense an impairment loss on the full marketing asset related to the "customer acquisition" in 2014 in Mexico.

No other events have occurred after the balance sheet date, 31 December 2014, which are of essential importance to the CLIQ Digital Group and could lead to a reassessment of the company.

Dusseldorf, 16 April 2015

CLIQ Digital AG

Luc Voncken
Ben Bos

auditor's report

We have audited the consolidated financial statements prepared by Cliq Digital AG, Dusseldorf - comprising the consolidated statement of earnings, the consolidated balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements - together with the group management report for the business year from 1 January to 31 December 2014. The preparation of these documents in accordance with the IFRS as adopted by the EU and the application of the regulations in accordance with § 315a sec. 1 HGB [Handelsgesetzbuch - German Commercial Code] are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB 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 applicable accounting standards 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 and the additional requirements of German commercial law pursuant to § 315a sec. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of its future development.

Berlin, 16 April 2015

MAZARS GmbH Wirtschaftsprüfungsgesellschaft

Kleinmann
Wirtschaftsprüfer
[German Public Auditor]

Oelze
Wirtschaftsprüfer
[German Public Auditor]

To our shareholders

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imprint

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