asknet
leading in global eCommerce

Accelerate your eSales in the Digital Marketplace.

Annual Report 2013

Content

Letter to our Shareholders

Dear Shareholders,

While the economy grew more slowly than originally projected by economic experts, the global e-commerce sector again reported record growth rates in 2013. This growth was mainly driven by the expansion of the global communications infrastructure and the dynamic increase in the worldwide number of Internet users. As a provider of global e-commerce solutions, we benefit from this sustainable trend.

Our two segments both delivered a positive performance in the fiscal year. The eDistribution segment continued to grow and the ePortals segment, which had reported declining sales in 2012, returned to growth. We therefore not only increased our sales revenues and gross profits at Group level in the past fiscal year but were also able to improve our operating earnings again. The Group's total net income for the fiscal year 2013 amounted to 0.23 million euros, compared to 0.08 million euros in the previous year.

In the eDistribution segment, we pursue a strategy of expanding and constantly improving our range of products and services. During the reporting year, the launch of the new asknet platform marked the transformation from individual stand-alone projects to a more standardized product offering. We aim to migrate all existing and new customers to the new platform going forward. By signing up HBO Global Licensing as a new customer, we have entered a new segment of the international e-commerce market, which we expect to provide additional impulses for growth. In the ePortals segment, the cooperation with IBM should continue to have a positive effect on our collaboration with German universities. The students market offers additional potential for growth.

We are therefore optimistic that the positive business trend will continue in the current fiscal year. Having streamlined our organizational structure and increased the efficiency of our cost structure in the past years, we will use the growing earnings potential to invest in the technological further development of our products in the current fiscal year. In view of the planned investments, we expect earnings for the full year 2014 to come in at the prior year level.

I would like to thank you, dear shareholders, for the confidence placed in us and hope you will stay loyal to asknet AG going forward.

Sincerely,
The Executive Board of asknet AG

Michael Konrad

Management Report

asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe, Germany

Company Management Report 2013

General information about asknet AG

Business model

asknet is a leading supplier of outsourcing solutions for global online software sales. Technology developed by asknet is fully scalable and highly flexible. The company operates in two business areas. In the eDistribution segment, asknet develops online shops for software publishers that are visually and technically fully integrated in their website. asknet also manages all sales processes, from product selection and payment processing to the digital or physical delivery of the software. Multilingual customer service and online marketing services in cooperation with leading providers in this sector round off asknet's portfolio. In addition to the tailored e-commerce solutions for customers in eDistribution, asknet's ePortals segment provides comprehensive eProcurement portals for software and hardware solutions in both research and education.

The company's outsourcing solutions stand out with their unrivaled coverage, flexibility and adaptability. The online shops of asknet support 30 languages and enable asknet customers to sell their products and services in more than 190 countries around the world. Shops are tailored to the specific requirements of each country, right down to payment options in local currencies. asknet's global e-commerce portfolio features more than 30 different billing currencies as well as payment and billing methods and 10 customer service languages.

Controlling system

Corporate planning and controlling are essentially based on the following key performance indicators: gross profit, gross profit margin and earnings before taxes (EBT). The gross profit margin is defined as gross profit as a percentage of transaction revenues. Sales revenues are only of limited relevance as a performance indicator, as a major portion of the sales revenues are handled via service provider agreements. In these cases, only the service fee is shown as revenue in asknet's income statement.

The aim of asknet AG is to achieve a positive trend in gross profits and earnings before taxes (EBT) in order to increase the financial scope for ongoing technological development and improve the company's compe-titiveness. Reinvestments in research and development are the basis for success in the software and e-commerce market, which is characterized by dynamic technology cycles and fierce competition. In the medium term, the internally financed further development of the company's products and infrastructure can lead to sustainable growth and additional market share.

Economic Report

Macroeconomic and industry environment

In 2013, the world economy grew more slowly than originally expected. According to the International Monetary Fund (IMF), the global economic growth rate reached 3.0 percent, 0.5 percentage points less than projected in the original forecast of January 2013. The main reasons for this slower growth included the continued uncertainty in the context of the sovereign debt crisis, the budget dispute in the USA, increased growth risks in the emerging and developing countries and the negative economic trend in the eurozone. At 4.7 percent, growth in the emerging and developing countries was clearly below the long-term average of 6.2 percent. Between them, the industrialized countries posted a low growth rate of only 1.3 percent. In the eurozone, real GDP even declined by 0.4 percent. The German economy was able to isolate itself from the negative trend in the other eurozone countries at least partly and expanded by 0.5 percent.

By contrast, the global e-commerce sector again showed record growth rates. This growth was driven by the dynamic increase in the number of Internet users worldwide. According to the International Telecommunication Union (ITU), some 2.75 billion people had access to the Internet in 2013. The number of broadband connections continues to grow as well. It is estimated that ten in one hundred people worldwide meanwhile have a broadband connection. In the industrialized countries, this number is as high as 27. According to the Organization for Economic Co-operation and Development (OECD), Switzerland has the highest broadband density in the OECD, with approximately 44 connections per 100 inhabitants. Germany has about 35 connections per 100 inhabitants. The USA has the highest absolute number of broadband connections and about 29 connections per 100 inhabitants. Driven by the expansion of the digital communications infrastructure, the global e-commerce sector grew by 17.1 percent in 2013, according to estimates from market research firm eMarketer. Global online commerce thus reached a new record volume of 1.2 billion US dollars. The biggest national market is the USA, where online revenues amounted to approximately 262 billon US dollars in 2013 according to projections by Forrester Research. China has become the second largest e-commerce market, followed by the UK, Japan and Germany. According to the German

Mail Order Association (BVH), the German market grew at an above-average rate of 41.27 percent in 2013. Overall, the German retail sector sold goods worth 39.1 billion euros via the Internet in 2013. Digital goods commerce increased by 9.3 percent in the past year and generated total revenues of 10.6 billion euros. Online software sales accounted for 7 percent or 744 million euros.

The mobile Internet is also gaining importance for the e-commerce sector, as smartphone and tablet shopping is becoming increasingly popular. A major part of the approximately 1.91 billion mobile Internet connections worldwide were used for online shopping in 2013. According to eMarketer, m-commerce accounted for as much as 15 percent of total e-commerce revenues in the USA in 2013. The BVH reports that some 10 percent of the total e-commerce revenues in Germany was generated via the mobile Internet. 47 percent of the digital goods purchased were acquired using mobile devices. The market for merchandising products is following the general trend and also gradually moving to the Internet. However, many merchandising shops cannot keep up pace with retailers' online shops. This is confirmed by a look at Germany's Soccer League. Many of these shops still lag far behind the usual online shop standards in terms of visibility, usability and technological maturity.

According to forecasts by the European Information Technology Observatory (EITO), the global IT industry grew by 3.3 percent in 2013. This means that the global IT market currently has a volume of approximately 1.18 trillion euros. Global software sales amounted to 302 billion euros, which represents an above-average increase of 5.5 percent. IT sales totalled 510 billion euros in 2013, up 3.4 percent on the previous year. According to the German IT industry association BITKOM, the German IT market grew by 2.0 percent. The German software industry also showed dynamic growth, with the total volume rising by 4.9 percent to 18.1 billion euros. Domestic IT service revenues amounted to 35.7 billion euros, which represents an increase of 2.4 percent.

Business performance

Both segments of asknet AG delivered a positive performance in the fiscal year 2013. The eDistribution segment continued to grow in the fiscal year and boosted its sales revenues by approximately 8 percent compared to the previous year, while gross profits came in at the prior year level. Having reported declining sales revenues in 2012, the ePortals segment returned to growth and increased its sales revenues by approximately 15 percent and its gross profits by about 10 percent in 2013.

In the eDistribution segment, asknet pursues a strategy of expanding and constantly improving its range of products and services. During the reporting year, the launch of the new asknet platform marked the transformation from individual stand-alone projects to a more standardized product offering. This also includes the new self-service solutions for small to medium-sized software manufacturers, the technological adaptation of market trends, especially in the mobile segment, as well as the exploitation of the e-payment expertise for cloud-/SaaS applications in conjunction with the expansion of the subscription offerings. asknet aims to migrate all existing and new customers to the new platform going forward.

By signing up HBO Global Licensing as a new customer, asknet has entered a new segment of the international e-commerce market. In October 2013, asknet won the contract for the European e-commerce activities of the HBO shop and for the online management of the merchandising sales for HBO's famous productions. HBO is a world leading pay-TV provider. In the context of the partnership with asknet, HBO merchandising products will be available in a Europe-wide shop providing the respective local languages as well as the common European payment methods and local currencies. asknet will support HBO Global Licensing in its expansion and will push ahead the successful internationalization of the HBO shop.

The strategy in the ePortals segment focuses on strengthening the market leadership in academic procurement portals in Germany and expanding the company's market share in Switzerland and Austria. To achieve this goal, asknet is continuously working to expand the standard functionality of its own software portals. Also, existing portals are increasingly being homogenized. By teaming up with partners, asknet AG aims to tap potential for new customers. This potential exists not only in the form of university and research institutions. asknet's activities are increasingly focusing on direct access to university staff in the research and teaching departments as well as students.

The strong growth in the ePortals segment during the reporting period is primarily attributable to the partnership with IBM, a world leading IT corporation. The past years have seen IBM expand its range of software solutions significantly, especially in the field of analytical software. In the context of the strategic partnership with IBM in the field of research & education, asknet provides academic institutions with its SPSS ResearchPack and SPSS StudyPack business intelligence solutions at special terms. This gives asknet access to potential new customers in need of information management and predictive analytics solutions. The partnership has additionally benefited from the IBM Bestseller Award 2012 awarded to asknet in February 2013 in the "growth" category. This award recognizes outstanding contributions to IBM's business made by the company's business partners. The award judges were impressed with asknet's achievements in the academic enterprise and mid-market areas. In March 2013, asknet also obtained the "Software Made in Germany" quality seal from the Federal association of SME IT service providers (BITMi).

In the reporting period, asknet again won the invitation to tender launched by the Karlsruhe Institute of Technology (KIT). This is the fourth consecutive time that KIT has renewed the contract with asknet for another two years. One of the special features of the KIT portal is that the software products are made available to end users via a direct software download with integrated handover of the license key. Moreover, software downloads are automatically entered in KIT's enterprise resource planning system. The University of Cologne also decided to renew its cooperation with asknet in 2013. Under the renewed agreement, asknet will continue to handle software procurement processes and additionally offer extended eProcurement portal functions and services. In August 2013, asknet signed up over 30 North Rhine-Westphalian universities for a new approach to IT procurement, in the context of which asknet will build up a central online hardware procurement portal in cooperation with renowned partners. In September 2013, the University Hospital in Ulm increased the volume of the existing Microsoft Campus agreement with asknet by 50 percent. This will considerably minimise the hospital's workload and costs related to compliant software license management.

To increase direct sales of software to students as well as college and university staff, asknet stepped up its activities on its studyhouse.de platform. At the start of the winter term, the company launched numerous special offerings for software programmes at reduced prices including such sought-after tools as "Adobe Creative Cloud" and "IBM Statistic StudyPack". Going forward, asknet intends to offer not only software programmes but also e-books on IT topics.

asknet meanwhile supplies more than 80 percent of Germany's universities with software products. By expanding to Switzerland and Austria and entering the students market, the company has already opened up new prospects for this business segment. With some 2.6 million students in Germany alone, the student segment offers particularly huge potential.

Bodies

No changes on the Executive Board or the Supervisory Board of the company occurred in the reporting period.

Employees

As of December 31, 2013, asknet AG employed 92 people, including the Executive Board. When trainees and temporary employees are included in the figure, as of December 31, 2013, the company had 106 employees.

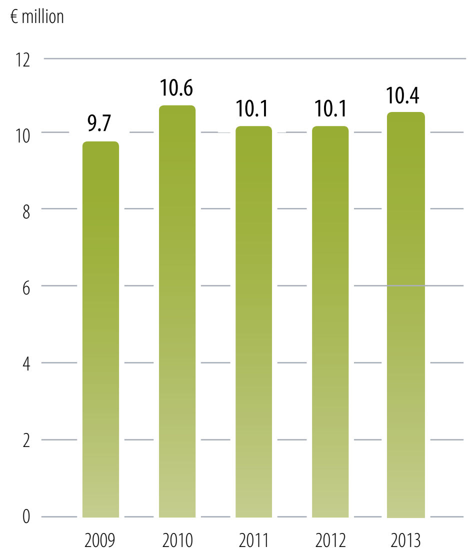
Earnings

2013 was a successful fiscal year for asknet AG, which again increased its operating earnings and thus met the forecast for the full year. With the ePortals segment returning to growth and the eDistribution segment delivering a stable performance, the company generated net income of 0.22 million euros.

Sales revenues of asknet AG increased by roughly 10 percent to 82.21 million euros in 2013. The eDistribution and ePortals segment accounted for 57.30 million euros and 24.91 million euros, respectively. Sales revenues in the prior year had totalled 74.82 million euros. It should be noted that a major portion of the sales revenues is handled via service provider agreements, under which only the service fees are recognized as revenues in asknet's income statement. Transaction revenues increased from 90.96 million euros in 2012 to 95.72 million euros in 2013.

At 10.38 million euros, gross profits were up by approximately 3 percent on the previous year's 10.12 million euros. The eDistribution segment accounted for 7.54 million euros and the ePortals segment contributed 2.84 million euros. The eDistribution segment's gross profits were exactly on a par with the previous year, while the ePortals segment reported an increase by approximately 10 percent or 0.26 million euros on the previous year. The company's gross profit margin (gross profits as a percentage of transaction revenues) amounted to 10.8 percent (2012: 11.1 percent).

Development of gross profits (in € million)



source: asknet AG

The cost of materials rose from 64.94 million euros in the previous year to 72.07 million euros in fiscal 2013. The 11 percent increase is more or less equivalent to the sales growth in the full year.

At 4.74 million euros, personnel expenses were above the prior year level of 4.48 million euros, which is attributable to the increase in the company's headcount in the reporting period. 92 people worked for asknet AG at the end of 2013 (2012: 87 employees), including the Executive Board and excluding trainees and temporary employees. Personnel expenses as a percentage of transaction revenues remained unchanged at the prior year level of 4.9 percent.

Other operating expenses of asknet AG amounted to 5.61 million euros in the reporting period, compared to 6.11 million euros in 2012.

The company's earnings before interest and taxes (EBIT) amounted to 0.22 million euros. Earnings before taxes (EBT) for the full year 2013 also reached 0.22 million euros. Net income after interest and taxes amounted to 0.22 million euros, which means that the company again broke even on a full year basis. In 2012, asknet AG had posted a net income of 0.06 million euros.

The international orientation of asknet AG is reflected in the high percentage of end customer revenues generated abroad. In the reporting period, the company generated 65.2 percent of the transaction revenues outside Germany, with the USA representing the biggest market (15.6 percent) behind Germany (34.8 percent). The 3.6 percentage point increase in the domestic percentage was mainly due to the positive performance of the ePortals segment.

Net assets and financial position

As of December 31, 2013, asknet AG's total assets declined to 13.03 million euros, compared to 13.44 million euros in 2012. Total equity increased in the reporting period, namely from 3.51 million euros to 3.73 million euros, corresponding to an equity ratio of approximately 29 percent. The company's liquid assets amounted to 4.31 million euros on the reporting date December 31, 2013, compared to 5.81 million euros at the end of 2012.

The company's inventories increased from 0.36 million euros to 1.01 million euros, which is primarily attributable to the launch of the partnership with IBM. Liabilities of asknet AG declined by 2.21 million euros to 6.28 million euros, of which approximately 82 percent were trade payables. asknet AG did not have any financial obligations as of the balance sheet date. Cash flows from operating activities were negative at -1.32 million euros, which is mainly due to temporary shifts in working capital.

Post balance sheet events

There were no events of material importance after the balance sheet date that had a material effect on asknet AG's net assets, financial position, and operating results.

Risk Report

Like every provider which is positioned in e-commerce asknet is dependent on several factors that cannot be directly influenced by the company, for example global economic developments. Producers of software must generally continue to rely on online distribution channels and, accordingly, generate demand for the operation of online shops. Furthermore, these software developers must be willing to outsource the operation of their shops to external service providers such as asknet.

asknet has a long tradition of maintaining close customer relationships. It would be detrimental to asknet if individual software publishers chose not to continue their partnerships with asknet. This especially applies to the key accounts that play a major role in asknet's business volume.

This is one reason why asknet makes continuous efforts to limit asknet's dependency on individual customers by acquiring new accounts and broadening the customer base. In 2013, asknet's 10 most important customers accounted for approximately two thirds of the company's gross profits. If one or more key customers should decide to terminate or fail to renew their contract with asknet, this could have a negative impact on the company's net assets, financial position, and operating results. When it comes to smaller competition, asknet faces fewer risks. With its portfolio of products and services, asknet has set itself apart from its smaller competitors, especially in terms of coverage of international markets and its flexibility in customizing its online shops.

Another adverse effect for asknet's net assets, financial position, and operating results could develop if expansion in other markets proved unprofitable. This is always the case when the costs associated with expansion (for premises, marketing, sales, etc.) are not more than offset by sufficient growth in sales.

In order for the scalability of asknet's business model to develop to its full potential, increases in sales that are independent of one-off effects or seasonal fluctuations are necessary. Whether or not a sustainable increase in sales is possible will depend in part on circumstances beyond asknet's control, for example overall economic developments, general consumer behavior and the savings rate, vendor product strategy, and the success of producers' marketing strategies as well as their products' market maturity and the resulting competitive pressure. The e-commerce sector in which asknet is active is also undergoing constant development and change. This allows for example the launch of new technologies or protocols as well as new general conditions that influence the e-commerce market and the way in which products are sold online. Such developments and changes can at times be difficult to predict, meaning that possible risk, uncertainties, financial expenses, delays and obstacles relating to activities in a rapidly changing sector must be taken into account when determining the company's prospects of success. If the company fails to adapt to these developments and changes, this could have a negative impact on asknet's net assets, financial position, and operating results.

The equity ratio remains solid, which means asknet does not foresee any financial bottlenecks in 2014. The Group's reporting and Group currency is the euro. However, some business is transacted in other currencies. For this reason, periodic fluctuations in individual currencies can affect the revenues and profits of asknet. Potential exchange rate risks related to balance sheet items and anticipated cash flows are continuously monitored by the company and hedged using low-risk foreign exchange instruments where required.

One pillar of asknet's financial health is the highly qualified professionals whom asknet employs. The company's staff identifies strongly with the company, which guarantees that they are highly motivated and productive. The personal skills and knowledge of the company's employees are a deciding factor for the success of asknet AG. Fluctuations carry the risk of losing these competences and therefore losing ground to competitors.

Any impaired functionality of asknet's operating systems caused by technical breakdown or the discontinuation of outsourced IT services at short notice as well as unauthorized data access or the infection or manipulation of systems could damage asknet's image and financial position, which in turn could have a negative impact on asknet's net assets, financial position, and operating results. Wherever this makes sense, asknet takes specific measures to mitigate these risks.

The Karlsruhe tax authority issued a notification of interest charges on July 19, 2011 to the amount of 763 thousand euros for formal errors in settling accounts with software publishers. In accordance with a judgment of the European Court, asknet AG applied for a suspension of execution, which the tax authority in question approved in a letter dated July 27, 2011. Tax authorities usually only approve a suspension of execution when there are serious doubts about the lawfulness of a notice. asknet's Executive Board considers it unlikely that these charges will actually need to be paid and therefore chose not to recognize the expense in the 2013 annual financial statements as in the previous years. This estimate is also based on an assessment by tax consultants Ernst & Young GmbH. Notwithstanding this, there is a risk that the company will have to bear the cost after all once it exhausts all legal efforts.

Besides those mentioned here, no material risks occurred or became known prior to the publication of this management report.

Internal control and risk management system

In order to monitor such risks on an ongoing basis, asknet AG has developed its own control system, which asknet continually adapts and improves. The company's goal is to utilize the collected financial and performance indicators to prevent potential risks from occurring and to accelerate asknet's strategic development. In addition, asknet remains in constant dialog with the most important credit card companies and payment providers so asknet can react quickly to changes in parameters and offer a technical infrastructure for online payments with maximum security. In achieving the PCI (payment card industry) Level 1 certification, asknet has taken an important step to reducing potential risks in this area.

Forecast Report

According to the latest forecasts by the International Monetary Fund (IMF), the world economy will grow more strongly in 2014 than in the past two years. The economic experts currently project a global growth rate of 3.7 percent for this year. Signs of stronger, more sustainable growth can be identified both in the industrialized countries (+2.2 percent) and in the emerging and developing countries (+5.1 percent). In spite of the good forecasts, the IMF believes that there are still certain risks of a new crisis. Critical factors in the emerging and developing countries, according to the IMF, include the strong volatility of the national financial markets, a lack of economic policy reforms and exceedingly low domestic demand in many countries. This additionally exposes these economies to external economic risks. A relatively moderate growth rate of 7.5 percent is being projected for China. Brazil, which is the leading economy in Latin America, will grow by 2.3 percent, while a growth rate of 2.0 percent is projected for Russia. According to the IMF, the financial markets in many industrialized countries still have not stabilized sufficiently. But the crisis appears to have been overcome at least under the present conditions. The US economy is expected to grow by a strong 2.8 percent. The IMF projects a growth rate of 1.0 percent for the eurozone, with the French economy expected to expand by 0.9 percent and the Italian and Spanish economies by 0.6 percent each. Germany's GDP is expected to grow by a strong 1.6 percent. The federal government even projects a growth rate of 1.8 percent. Domestic demand, which is forecast to increase by 2.0 percent, is believed to make the biggest contribution to this growth. Private consumption is projected to grow by 1.4 percent in 2014. In view of recent events, the first economic institutes such as the Halle Institute for Economic Research (IWH) have warned, however, that the outlook for the European and Russian economies may deteriorate significantly should the Ukraine crisis intensify and lead to adverse impacts on economic relationships with Russia.

The expansion of the global communication infrastructure is a major growth driver in the e-commerce market. While the emerging and developing countries are catching up in terms of broadband extension and broadband connections are becoming the standard in the industrialized countries, a growing focus is being placed on mobile broadband connections. The experts from eMarketer expect the number of mobile Internet users to increase by approximately 17 percent to 2.23 billion users worldwide by the end of 2014. According to BITKOM estimates, the mobile data volume in Germany will grow by 45 percent to 330 million gigabytes in 2014. The e-commerce market will especially benefit from increased broadband use, as it will accelerate the shift in retail and wholesale business to the Internet. Market research institute eMarketer expects the global e-commerce market to grow by approximately 18 percent in 2014. Online commerce is believed to increase by an average 13 percent p.a. by the end of 2017, when it will reach approximately 2.1 trillion US dollars. According to Forrester Research, the US market will grow by approximately 10 percent p.a. and be worth 370 billion US dollars at the end of 2017. An annual growth rate of roughly 11 percent is projected for the European market, whose volume will amount to approximately 248 billion US dollars in 2017. BVH expects German online commerce to continue to grow at an above-average rate of approximately 25 percent to 48.8 billion euros.

The IT industry is also optimistic for the current year. Market research firm Gartner expects global IT spending to increase by 3.1 percent in 2014 compared to the previous year. Growth is primarily expected in the software (+6.8 percent) and IT services (+4.5 percent) segments. In particular, the software market will continue to grow, with IDC forecasting an average annual rate of just under 6 percent by 2017. According to BITKOM forecasts, the German software market will grow by 5.1 percent to 19 billion euros in 2014. Sales of IT services are expected to increase by 3.2 percent to just under 37 billion euros. Germany's small and medium-sized IT companies are consequently upbeat about 2014. According to the latest BITKOM SME index, software companies are particularly optimistic, with 85 percent of the companies surveyed projecting increased sales revenues. 84 percent of the

IT service providers surveyed also expect their sales revenues to pick up in the current fiscal year.

The Executive Board of asknet AG is confident that the company's gross profits will increase moderately and that the eDistribution and ePortals segment will continue to grow in the current fiscal year. The gross profit margin (gross profits as a percentage of transaction revenues) is also expected to pick up slightly. In the eDistribution segment, the new "Merchandising" market segment will be an important growth driver, while the ePortals segment should benefit from the cooperation with IBM, which will have a positive impact on the segment's collaboration with German universities. asknet will be able to tap into additional growth potential in the students market.

Having streamlined its organizational structure and increased the efficiency of its cost structure in the past years, asknet will use the growing earnings potential to invest in the technological further development of its products in the current fiscal year. In view of the planned investments, which will support the company's sustainable profitability, the Executive Board expects earnings for the full year 2014 to come in at the prior year level.

asknet will continue its tradition of providing all company stakeholders with information that exceeds the reporting duties of the Entry Standard. Besides publishing annual and half-year reports, the company aims to maintain a high degree of transparency by voluntarily publishing documents such as interim reports on the first three months and the first nine months as well as directors' dealings announcements.

The Executive Board of asknet AG would like to thank all employees for their full effort and commitment in 2013.

Karlsruhe, March 21, 2014

asknet AG – The Executive Board

Michael Konrad

asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe, Germany

Group Management Report 2013

General information about the Group

Business model

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asknet AG, headquartered in Karlsruhe, is the parent company of asknet Group. As of the reporting date December 31, 2013, the Group directly held all the shares in asknet Inc., San Francisco, USA, and asknet K.K., Tokyo, Japan. The subsidiaries are primarily responsible for end customer service and support in their respective regions.

Controlling system

Group planning and controlling are essentially based on the following key performance indicators: gross profit, gross profit margin and earnings before taxes (EBT). The gross profit margin is defined as gross profit as a percentage of transaction revenues. Sales revenues are only of limited relevance as a performance indicator, as a major portion of the sales revenues are handled via service provider agreements. In these cases, only the service fee is shown as revenue in asknet's income statement.

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Business performance

Both segments of the asknet Group delivered a positive performance in the fiscal year 2013. The eDistribution segment continued to grow in the fiscal year and boosted its sales revenues by approximately 8 percent compared to the previous year, while gross profits came in at the prior year level. Having reported declining sales revenues in 2012, the ePortals segment returned to growth and increased its sales revenues by approximately 15 percent and its gross profits by about 10 percent in 2013.

In the eDistribution segment, asknet pursues a strategy of expanding and constantly improving its range of products and services. During the reporting year, the launch of the new asknet platform marked the transformation from individual stand-alone projects to a more standardized product offering. This also includes the new self-service solutions for small to medium-sized software manufacturers, the technological adaptation of market trends, especially in the mobile segment, as well as the exploitation of the e-payment expertise for cloud-/SaaS applications in conjunction with the expansion of the subscription offerings. asknet aims to migrate all existing and new customers to the new platform going forward.

By signing up HBO Global Licensing as a new customer, asknet has entered a new segment of the international e-commerce market. In October 2013, asknet won the contract for the European e-commerce activities of the HBO shop and for the online management of the merchandising sales for HBO's famous productions. HBO is a world leading pay-TV provider. In the context of the partnership with asknet, HBO merchandising products will be available in a Europe-wide shop providing the respective local languages as well as the common European payment methods and local currencies. asknet will support HBO Global Licensing in its expansion and will push ahead the successful internationalization of the HBO shop.

The strategy in the ePortals segment focuses on strengthening the market leadership in academic procurement portals in Germany and expanding the company's market share in Switzerland and Austria. To achieve this goal, asknet is continuously working to expand the standard functionality of its own software portals. Also, existing portals are increasingly being homogenized. By teaming up with partners, asknet Group aims to tap potential for new customers. This potential exists not only in the form of university and research institutions. asknet's activities are increasingly focusing on direct access to university staff in the research and teaching departments as well as students.

The strong growth in the ePortals segment during the reporting period is primarily attributable to the partnership with IBM, a world leading IT corporation. The past years have seen IBM expand its range of software solutions significantly, especially in the field of analytical software. In the context of the strategic partnership with IBM in the field of research & education, asknet provides academic institutions with its SPSS Research-

Pack and SPSS StudyPack business intelligence solutions at special terms. This gives asknet access to potential new customers in need of information management and predictive analytics solutions. The partnership has additionally benefited from the IBM Bestseller Award 2012 awarded to asknet in February 2013 in the "growth" category. This award recognizes outstanding contributions to IBM's business made by the company's business partners. The award judges were impressed with asknet's achievements in the academic enterprise and mid-market areas. In March 2013, asknet also obtained the "Software Made in Germany" quality seal from the Federal association of SME IT service providers (BITMi).

In the reporting period, asknet again won the invitation to tender launched by the Karlsruhe Institute of Technology (KIT). This is the fourth consecutive time that KIT has renewed the contract with asknet for another two years. One of the special features of the KIT portal is that the software products are made available to end users via a direct software download with integrated handover of the license key. Moreover, software downloads are automatically entered in KIT's enterprise resource planning system. The University of Cologne also decided to renew its cooperation with asknet in 2013. Under the renewed agreement, asknet will continue to handle software procurement processes and additionally offer extended eProcurement portal functions and services. In August 2013, asknet signed up over 30 North Rhine-Westphalian universities for a new approach to IT procurement, in the context of which asknet will build up a central online hardware procurement portal in cooperation with renowned partners. In September 2013, the University Hospital in Ulm increased the volume of the existing Microsoft Campus agreement with asknet by 50 percent. This will considerably minimise the hospital's workload and costs related to compliant software license management.

To increase direct sales of software to students as well as college and university staff, asknet stepped up its activities on its studyhouse.de platform. At the start of the winter term, the company launched numerous special offerings for software programmes at reduced prices including such sought-after tools as "Adobe Creative Cloud" and "IBM Statistic StudyPack". Going forward, asknet intends to offer not only software programmes but also e-books on IT topics.

asknet meanwhile supplies more than 80 percent of Germany's universities with software products. By expanding to Switzerland and Austria and entering the students market, the company has already opened up new prospects for this business segment. With some 2.6 million students in Germany alone, the student segment offers particularly huge potential.

Bodies

No changes on the Executive Board or the Supervisory Board of the company occurred in the reporting period.

Employees

As of December 31, 2013, asknet Group employed 97 people, including the Executive Board. 92 worked at asknet AG and 5 at the subsidiaries asknet Inc., USA, and asknet K.K., Japan. When trainees and temporary employees are included in the figure, as of December 31, 2013, asknet Group had 111 employees.

Earnings

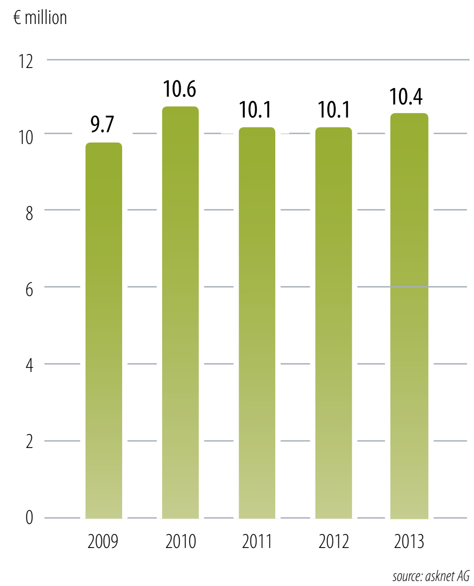
2013 was a successful fiscal year for asknet Group, which again increased its operating earnings and thus met the forecast for the full year. With the ePortals segment returning to growth and the eDistribution segment delivering a stable performance, asknet Group generated net income of 0.23 million euros.

Sales revenues of asknet Group increased by roughly 10 percent to 82.21 million euros in 2013. The eDistribution and ePortals segment accounted for 57.30 million euros and 24.91 million euros, respectively. Sales revenues in the prior year had totalled 74.82 million euros. It should be noted that a major portion of the sales revenues is handled via service provider agreements, under which only the service fees are recognized as revenues in asknet's income statement. Transaction revenues increased from 90.96 million euros in 2012 to 95.72 million euros in 2013.

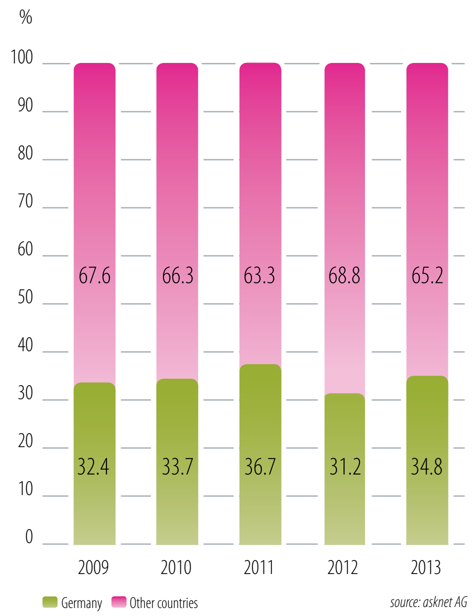
At 10.38 million euros, gross profits were up by approximately 3 percent on the previous year's 10.12 million euros. The eDistribution segment accounted for 7.54 million euros and the ePortals segment contributed 2.84 million euros. The eDistribution segment's gross profits were exactly on a par with the previous year, while the ePortals segment reported an increase by approximately 10 percent or 0.26 million euros on the previous year. The Group's gross profit margin (gross profits as a percentage of transaction revenues) amounted to 10.8 percent (2012: 11.1 percent).

The cost of materials rose from 64.94 million euros in the previous year to 72.07 million euros in fiscal 2013. The 11 percent increase is more or less equivalent to the sales growth in the full year.

Development of gross profits (in € million)



End customer sales by region (in %)



At 4.98 million euros, personnel expenses were above the prior year level of 4.75 million euros, which is attributable to the increase in the company's headcount in the reporting period. 97 people worked for asknet Group at the end of 2013 (2012: 93 employees), including the Executive Board and excluding trainees and temporary employees. Personnel expenses as a percentage of transaction revenues remained unchanged at the prior year level of 5.2 percent.

Other operating expenses of asknet Group amounted to 5.35 million euros in the reporting period, compared to 5.80 million euros in 2012.

The Group's earnings before interest and taxes (EBIT) amounted to 0.24 million euros. Earnings before taxes (EBT) for the full year 2013 also reached 0.24 million euros. Net income after interest and taxes amounted to 0.23 million euros, which means that the company again broke even on a full year basis. In 2012, asknet Group had posted a net income of 0.08 million euros.

The international orientation of asknet Group is reflected in the high percentage of end customer revenues generated abroad. In the reporting period, the Group generated 65.2 percent of the transaction revenues outside Germany, with the USA representing the biggest market (15.6 percent) behind Germany (34.8 percent). The 3.6 percentage point increase in the domestic percentage was mainly due to the positive performance of the ePortals segment.

Net assets and financial position

As of December 31, 2013, asknet Group's total assets declined to 13.07 million euros, compared to 13.51 million euros in 2012. Total equity increased in the reporting period, namely from 3.61 million euros to 3.80 million euros, corresponding to an equity ratio of approximately 29 percent. asknet Group's liquid assets amounted to 4.90 million euros on the reporting date December 31, 2013, compared to 6.58 million euros at the end of 2012.

The Group's inventories increased from 0.34 million euros to 1.01 million euros, which is primarily attributable to the launch of the partnership with IBM. Liabilities of asknet Group declined by 2.22 million euros to 6.25 million euros, of which approximately 83 percent were trade payables. asknet Group did not have any financial obligations as of the balance sheet date. Consolidated cash flows from operating activities were negative at -1.53 million euros, which is mainly due to temporary shifts in working capital.

Post balance sheet events

There were no events of material importance after the balance sheet date that had a material effect on asknet AG's net assets, financial position, and operating results.

Risk Report

Like every provider which is positioned in e-commerce asknet is dependent on several factors that cannot be directly influenced by the company, for example global economic developments. Producers of software must generally continue to rely on online distribution channels and, accordingly, generate demand for the operation of online shops. Furthermore, these software developers must be willing to outsource the operation of their shops to external service providers such as asknet.

asknet has a long tradition of maintaining close customer relationships. It would be detrimental to asknet if individual software publishers chose not to continue their partnerships with asknet. This especially applies to the key accounts that play a major role in asknet's business volume.

This is one reason why asknet makes continuous efforts to limit asknet's dependency on individual customers by acquiring new accounts and broadening the customer base. In 2013, asknet's 10 most important customers accounted for approximately two thirds of the Group's gross profits. If one or more key customers should decide to terminate or fail to renew their contract with asknet, this could have a negative impact on the company's net assets, financial position, and operating results. When it comes to smaller competition, asknet faces fewer risks. With its portfolio of products and services, asknet has set itself apart from its smaller competitors, especially in terms of coverage of international markets and its flexibility in customizing its online shops.

Another adverse effect for asknet's net assets, financial position, and operating results could develop if expansion in other markets proved unprofitable. This is always the case when the costs associated with expansion (for premises, marketing, sales, etc.) are not more than offset by sufficient growth in sales.

In order for the scalability of asknet's business model to develop to its full potential, increases in sales that are independent of one-off effects or seasonal fluctuations are necessary. Whether or not a sustainable increase in sales is possible will depend in part on circumstances beyond asknet's control, for example overall economic developments, general consumer behavior and the savings rate, vendor product strategy, and the success of producers' marketing strategies as well as their products' market maturity and the resulting competitive pressure. The e-commerce sector in which asknet is active is also undergoing constant development and change. This allows for example the launch of new technologies or protocols as well as new general conditions that influence the e-commerce market and the way in which products are sold online. Such developments and changes can at times be difficult to predict, meaning that possible risk, uncertainties, financial expenses, delays and obstacles relating to activities in a rapidly changing sector must be taken into account when determining the company's prospects of success. If the company fails to adapt to these developments and changes, this could have a negative impact on asknet's net assets, financial position, and operating results.

The equity ratio remains solid, which means asknet does not foresee any financial bottlenecks in 2014. The Group's reporting and Group currency is the euro. However, some business is transacted in other currencies. For this reason, periodic fluctuations in individual currencies can affect the revenues and profits of asknet. Potential exchange rate risks related to balance sheet items and anticipated cash flows are continuously monitored by the Group and hedged using low-risk foreign exchange instruments where required.

One pillar of asknet's financial health is the highly qualified professionals whom asknet employs. The Group's staff identifies strongly with the company, which guarantees that they are highly motivated and productive. The personal skills and knowledge of the Group's employees are a deciding factor for the success of asknet Group. Fluctuations carry the risk of losing these competences and therefore losing ground to competitors.

Any impaired functionality of asknet's operating systems caused by technical breakdown or the discontinuation of outsourced IT services at short notice as well as unauthorized data access or the infection or manipulation of systems could damage asknet's image and financial position, which in turn could have a negative impact on asknet's net assets, financial position, and operating results. Wherever this makes sense, asknet takes specific measures to mitigate these risks.

The Karlsruhe tax authority issued a notification of interest charges on July 19, 2011 to the amount of 763 thousand euros for formal errors in settling accounts with software publishers. In accordance with a judgment of the European Court, asknet AG applied for a suspension of execution, which the tax authority in question approved in a letter dated July 27, 2011. Tax authorities usually only approve a suspension of execution when there are serious doubts about the lawfulness of a notice. asknet's Executive Board considers it unlikely that these charges will actually need to be paid and therefore chose not to recognize the expense in the 2013 annual financial statements as in the previous years. This estimate is also based on an assessment by tax consultants Ernst & Young GmbH. Notwithstanding this, there is a risk that the company will have to bear the cost after all once it exhausts all legal efforts.

Besides those mentioned here, no material risks occurred or became known prior to the publication of this management report.

Internal control and risk management system

In order to monitor such risks on an ongoing basis, the Group has developed its own control system, which asknet continually adapts and improves. The Group's goal is to utilize the collected financial and performance indicators to prevent potential risks from occurring and to accelerate asknet's strategic development. In addition, asknet remains in constant dialog with the most important credit card companies and payment providers so asknet can react quickly to changes in parameters and offer a technical infrastructure for online payments with maximum security. In achieving the PCI (payment card industry) Level 1 certification, asknet has taken an important step to reducing potential risks in this area.

Forecast Report

According to the latest forecasts by the International Monetary Fund (IMF), the world economy will grow more strongly in 2014 than in the past two years. The economic experts currently project a global growth rate of 3.7 percent for this year. Signs of stronger, more sustainable growth can be identified both in the industrialized countries (+2.2 percent) and in the emerging and developing countries (+5.1 percent). In spite of the good forecasts, the IMF believes that there are still certain risks of a new crisis. Critical factors in the emerging and developing countries, according to the IMF, include the strong volatility of the national financial markets, a lack of economic policy reforms and exceedingly low domestic demand in many countries. This additionally exposes these economies to external economic risks. A relatively moderate growth rate of 7.5 percent is being projected for China. Brazil, which is the leading economy in Latin America, will grow by 2.3 percent, while a growth rate of 2.0 percent is projected for Russia. According to the IMF, the financial markets in many industrialized countries still have not stabilized sufficiently. But the crisis appears to have been overcome at least under the present conditions. The US economy is expected to grow by a strong 2.8 percent. The IMF projects a growth rate of 1.0 percent for the eurozone, with the French economy expected to expand by 0.9 percent and the Italian and Spanish economies by 0.6 percent each. Germany's GDP is expected to grow by a strong 1.6 percent. The federal government even projects a growth rate of 1.8 percent. Domestic demand, which is forecast to increase by 2.0 percent, is believed to make the biggest contribution to this growth. Private consumption is projected to grow by 1.4 percent in 2014. In view of recent events, the first economic institutes such as the Halle Institute for Economic Research (IWH) have warned, however, that the outlook for the European and Russian economies may deteriorate significantly should the Ukraine crisis intensify and lead to adverse impacts on economic relationships with Russia.

The expansion of the global communication infrastructure is a major growth driver in the e-commerce market. While the emerging and developing countries are catching up in terms of broadband extension and broadband connections are becoming the standard in the industrialized countries, a growing focus is being placed on mobile broadband connections. The experts from eMarketer expect the number of mobile Internet users to increase by approximately 17 percent to 2.23 billion users worldwide by the end of 2014. According to BITKOM estimates, the mobile data volume in Germany will grow by 45 percent to 330 million gigabytes in 2014. The e-commerce market will especially benefit from increased broadband use, as it will accelerate the shift in retail and wholesale business to the Internet. Market research institute eMarketer expects the global e-commerce market to grow by approximately 18 percent in 2014. Online commerce is believed to increase by an average 13 percent p.a. by the end of 2017, when it will reach approximately 2.1 trillion US dollars. According to Forrester Research, the US market will grow by approximately 10 percent p.a. and be worth 370 billion US dollars at the end of 2017. An annual growth rate of roughly 11 percent is projected for the European market, whose volume will amount to approximately 248 billion US dollars in 2017. BVH expects German online commerce to continue to grow at an above-average rate of approximately 25 percent to 48.8 billion euros.

The IT industry is also optimistic for the current year. Market research firm Gartner expects global IT spending to increase by 3.1 percent in 2014 compared to the previous year. Growth is primarily expected in the software (+6.8 percent) and IT services (+4.5 percent) segments. In particular, the software market will continue to grow, with IDC forecasting an average annual rate of just under 6 percent by 2017. According to BITKOM forecasts, the German software market will grow by 5.1 percent to 19 billion euros in

2014. Sales of IT services are expected to increase by 3.2 percent to just under 37 billion euros. Germany's small and medium-sized IT companies are consequently upbeat about 2014. According to the latest BITKOM SME index, software companies are particularly optimistic, with 85 percent of the companies surveyed projecting increased sales revenues. 84 percent of the IT service providers surveyed also expect their sales revenues to pick up in the current fiscal year.

The Executive Board of asknet AG is confident that the company's gross profits will increase moderately and that the eDistribution and ePortals segment will continue to grow in the current fiscal year. The gross profit margin (gross profits as a percentage of transaction revenues) is also expected to pick up slightly. In the eDistribution segment, the new "Merchandising" market segment will be an important growth driver, while the ePortals segment should benefit from the cooperation with IBM, which will have a positive impact on the segment's collaboration with German universities. asknet will be able to tap into additional growth potential in the students market.

Having streamlined its organizational structure and increased the efficiency of its cost structure in the past years, asknet will use the growing earnings potential to invest in the technological further development of its products in the current fiscal year. In view of the planned investments, which will support the Group's sustainable profitability, the Executive Board expects earnings for the full year 2014 to come in at the prior year level.

asknet will continue its tradition of providing all company stakeholders with information that exceeds the reporting duties of the Entry Standard. Besides publishing annual and half-year reports, the company aims to maintain a high degree of transparency by voluntarily publishing documents such as interim reports on the first three months and the first nine months as well as directors' dealings announcements.

The Executive Board of asknet Group would like to thank all employees for their full effort and commitment in 2013.

Karlsruhe, March 21, 2014

asknet AG – The Executive Board

Michael Konrad

Consolidated Financial Statements

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Consolidated Balance Sheet

as of December 31, 2013

ASSETS		Dec. 31, 2013 in €	Dec. 31, 2012 in €
A.	**FIXED ASSETS**		
I.	Intangible fixed assets		
1.	Concessions, industrial and similar rights and assets, and licenses in such rights and assets	13,992.79	14,092.79
II.	Tangible fixed assets		
1.	Other equipment, operating and office equipment	328,655.56	144,933.67
2.	Advance payments and assets under construction	0.00	145,000.00
		342,648.35	**304,026.46**
B.	**CURRENT ASSETS**		
I.	Inventories		
1.	Merchandise	1,012,871.13	361,274.53
II.	Receivables and other assets		
1.	Trade receivables	6,359,131.72	5,423,252.78
2.	Other assets	236,029.73	647,165.20
		6,595,161.45	**6,070,417.98**
III.	Cash-in-hand, bank balances, cheques	4,896,414.87	6,578,668.87
		12,504,447.45	**13,010,361.38**
C.	**PREPAID EXPENSES**	221,112.71	199,143.24
		13,068,208.51	**13,513,531.08**

EQUITY AND LIABILITIES		Dec. 31, 2013 in €	Dec. 31, 2012 in €
A.	**EQUITY**		
I.	Subscribed capital Contingent capital € 145,717.00 (previous year: € 145,717.00)	5,044,283.00	5,044,283.00
II.	Currency translation differences	36,818.69	71,803.28
III.	Consolidated net accumulated losses	– 1,280,513.61	– 1,510,757.27
		3,800,588.08	**3,605,329.01**
B.	**PROVISIONS**		
I.	Other provisions	2,977,465.88	1,402,292.04
C.	**LIABILITIES**		
1.	Trade payables	5,153,897.01	7,462,302.52
2.	Other liabilities of which taxes € 955,000.70 (previous year: € 652,662.70) of which relating to social security and similar obligations € 7,640.69 (previous year: € 12,009.69)	1,093,076.78	1,002,678.36
		6,246,973.79	**8,464,980.88**
D.	**DEFERRED INCOME**	43,180.76	40,929.15
		13,068,208.51	**13,513,531.08**

Consolidated Income Statement

Fiscal year 2013

		2013 in €	2012 in €
1.	Sales	82,214,753.61	74,820,699.23
2.	Other operating income	555,952.12	872,617.71
		82,770,705.73	**75,693,316.94**
3.	Cost of materials		
	a) Cost of purchased merchandise	– 71,838,119.27	– 64,704,914.15
	b) Cost of purchased services	– 228,631.39	– 232,224.08
4.	Personnel expenses		
	a) Wages and salaries	– 4,258,909.96	– 4,075,280.03
	b) Social security, post-employment and other employee benefit costs of which in respect of old age pensions € 3,321.00 (previous year: € 3,462.11)	– 716,142.75	– 675,348.10
5.	Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	– 140,207.92	– 116,470.77
6.	Other operating expenses	– 5,351,183.90	– 5,803,775.63
		– 82,533,195.19	**– 75,608,012.76**
7.	Interest and similar income	5,539.77	20,846.45
8.	Interest and similar expenses	– 2,765.30	– 1,936.63
		2,774.47	**18,909.82**
9.	Result from ordinary activities	**240,285.01**	**104,214.00**
10.	Other taxes	– 10,041.35	– 24,707.91
11.	Consolidated net loss for the year	230,243.66	79,506.09
12.	Accumulated losses brought forward	– 1,510,757.27	– 1,590,263.36
13.	Consolidated net accumulated losses	**– 1,280,513.61**	**– 1,510,757.27**

Consolidated Cash Flow Statement

Fiscal year 2013

		2013 in T€	2012 in T€
1.	**Cash flows from operating activities**		
	Consolidated net loss for the year before interest paid	233	81
	Interest paid	– 3	– 2
	Consolidated net loss	**230**	**79**
	Depreciation, amortization and write-downs	140	116
	Losses on the disposal of depreciation and amortization charges on noncurrent asset	0	3
	Increase (+) / decrease (–) in provisions	1,576	216
	Increase (–) / decrease (+) in receivables and other assets	– 837	– 1,248
	Increase (+) / decrease (–) in liabilities	– 2,516	1,560
		– 1,407	**726**
2.	**Cash flows from investing activities**		
	Purchase of intangible fixed assets	– 2	0
	Purchase of tangible fixed assets	– 177	– 194
		– 179	**– 194**
3.	**Cash flows from financing activities**		
		0	**0**
4.	**Cash funds at end of period**		
	Net change in cash funds (subtotal 1 – 3)	– 1,586	532
	Effect on cash funds of foreign exchange rate movements	– 97	– 34
	Cash funds at beginning of period	6,579	6,081
		4,896	**6,579**
5.	**Components of cash funds**		
	Cash	4,896	6,579
	Cash funds at end of period	**4,896**	**6,579**

Consolidated Statement of Changes in Equity

Fiscal year 2013

	Subscribed capital (Ordinary shares) in €	Net accumulated losses in €	Currency translation differences in €	Group equity in €
Jan. 1, 2012	**5,044,283.00**	**– 1,590,263.36**	**– 92,272.93**	**3,546,292.57**
Consolidated net loss for the year	0.00	79,506.09	0.00	79,506.09
Other comprehensive income	0.00	0.00	20,469.65	– 20,469.65
Comprehensive income	0.00	79,506.09	20,469.65	59,036.44
Dec. 31, 2012	**5,044,283.00**	**– 1,510,757.27**	**– 71,803.28**	**3,605,329.01**
Jan. 1, 2013	**5,044,283.00**	**– 1,510,757.27**	**– 71,803.28**	**3,605,329.01**
Consolidated net loss for the year	0.00	230,243.66	0.00	230,243.66
Other comprehensive income	0.00	0.00	34,984.59	– 34,984.59
Comprehensive income	0.00	230,243.66	34,984.59	195,259.07
Dec. 31, 2013	**5,044,283.00**	**– 1,280,513.61**	**– 36,818.69**	**3,800,588.08**

asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe

Notes to the 2013 consolidated financial statements

General information

These consolidated financial statements were prepared in accordance with section 290 et seq. of the German Commercial Code (HGB – Handelsgesetzbuch).

These items are presented separately in the notes. We have also incorporated the additional disclosures required for individual items into the notes. We prepared the consolidated income statement using total cost accounting methods.

Companies of the asknet Group

The consolidated financial statements include the parent company asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe, Germany, as well as the wholly owned subsidiaries asknet Inc., San Francisco, USA, and asknet KK, Tokyo, Japan, which are fully consolidated.

Accounting and reporting policies

As in the previous year, the consolidated financial statements were prepared using the accounting and reporting methods stated below.

The financial statements of the companies included in the parent company's consolidated financial statements were prepared using **uniform accounting and reporting methods**.

Acquired **intangible fixed assets** are carried at cost and, if they have a finite useful life, are amortized in accordance with the term of their useful lives.

Tangible fixed assets are carried at their acquisition or production costs and are subject to scheduled depreciation. They are written down in a straight line in accordance with their expected useful lives.

Low value assets with a value of up to 150.00 euros (until December 31, 2007: 410.00 euros) were fully written off in the year they were acquired; immediate asset retirement was assumed. Low value assets costing between 150.00 euros and 1,000.00 euros that were acquired after December 31, 2007 were recognized as one collective item for tax purposes. This item was also recorded in the trade balance sheet to simplify accounting and was in both cases written down at an annual flat rate of 20 percent in the year of acquisition and the following four years. Since January 1, 2010, low value assets have been fully written off again in the year of acquisition.

All other additions to tangible fixed assets are written down on a pro-rata temporis basis.

Inventory is carried at the lower of cost or market.

Appropriate write-downs have been recognized for all identifiable **inventory** risks that result from reduced marketability and lower replacement costs.

With the exception of customary retention of title, inventories are free from third-party rights.

Receivables and other assets are carried at their face value. Adequate specific provisions are allowed for all items that carry risk; the general credit risk is covered by standard write-downs.

Liquid funds are recognized at their face value on the balance sheet date.

Payments made before the reporting date are recognized as **prepaid expenses** if they constitute expenses for a certain period after this date.

Other provisions account for all contingent liabilities and impending losses from pending transactions. They are recognized at their settlement values required according to prudent commercial judgment (in other words, taking into consideration future costs and price increases).

Liabilities were carried at their settlement values.

Payments received before the reporting date are recognized as **deferred income** if they constitute income for a certain period after this date.

Translation of foreign currencies

All foreign currency assets and liabilities were translated into euros on the financial statement date using the respective mean rate of exchange. If these had remaining terms of more than one year, the realization principle (section 298 paragraph 1 in conjunction with section 252 paragraph 1 no. 4 half sentence 2 HGB) and the historical cost principle (section 298 paragraph 1 in conjunction with section 253 paragraph 1 sentence 1 HGB) were complied with.

All assets and liabilities of annual financial statements prepared in foreign currencies were translated into euros at the respective mean rate of exchange prevailing on the financial statement date, with the exception of equity (subscribed capital, provisions, profit / loss carryforwards at historical exchange rates). Income statement items are translated into euros at the average rate of exchange. The resulting translation differences are recognized in Group equity, below provisions in the item "Currency translation differences".

Consolidation principles

The initial capital consolidation for initial consolidations prior to 2010 was carried out using the book value method at the time of the initial consolidation for initial consolidations prior to 2010.

Receivables and liabilities, as well as income and expenses were eliminated. No eliminations of inter-company profits or losses were necessary.

No deferred taxes resulted.

Explanatory notes to the consolidated balance sheet

Fixed assets

The changes in the individual fixed asset items during the fiscal year are presented in the fixed assets schedule together with the respective depreciation.

Receivables and other assets

As in the previous year, receivables and other assets have a remaining maturity of up to one year, with the exception of the "Solidarbürgschaft" (joint security) of the Swiss Tax Authority (23,000 Swiss francs).

Bank balances

Of our bank balances, 467 thousand euros are reserved as collateral for aval commitments.

Equity

The subscribed capital of 5,044 thousand euros corresponds with the items recorded in the balance sheet of the parent company.

The table below shows the changes in the consolidated net accumulated losses:

	in € thousands
January 1, 2013	– 1,511
Consolidated net income	230
December 31, 2013	– 1,281

Other provisions

Other provisions primarily consisted of debt collection claims, leave entitlement and special bonuses, contributions to professional associations, year-end accounting costs, and tax accountant fees, as well as outstanding vendor invoices.

Liabilities

As in the previous year, all liabilities have a remaining maturity of up to one year and are not collateralized.

Other financial obligations

There are other financial obligations in the form of rental agreements and leases in the amount of 1,096 thousand euros.

	Rent in €	Leasing in €	Total in €
due within one year	282,790.10	54,816.40	337,606.50
due in one to five years	729,151.73	28,977.01	758,128.74
due after five years	–	–	–
	1,011,941.83	**83,793.41**	**1,095,735.24**

The agreements and leases expire between 2014 and 2016.

Sales revenues

	2013	2012
Sales revenues by segment	in € thousand	in € thousand
eDistribution	57,302	53,218
ePortals	24,913	21,603
	82,215	**74,821**
Sales revenues by region		
Germany	32,477	28,358
USA	13,058	11,971
Other countries	36,680	34,492
	82,215	**74,821**

Explanatory notes to the income statement

Other operating expenses / Other operating income

Other operating expenses of the 2013 fiscal year in the amount of 5,351 thousand euros include expenses from currency translation (954 thousand euros). Other operating income in the amount of 556 thousand euros include income from currency translation (356 thousand euros).

Explanatory notes to the consolidated cash flow statement

As in the previous year, cash funds comprised cash and bank balances. 474 thousand euros (previous year: 474 thousand euros) of these cash zfunds are subject to drawing restrictions.

Other disclosures

Directors of the corporation

The Executive Board

Sole member of the Executive Board in 2013:

Mr. Michael Konrad, engineering manager, Karlsruhe

Compensation is not disclosed in accordance with section 286 paragraph 4 of the German Commercial Code (HGB – Handelsgesetzbuch).

Supervisory Board

The members of the Supervisory Board in the fiscal year were:

Dr. Joachim Bernecker, Management Consultant, Straubenhardt, Germany,
– Chairman –

Thomas Krüger, Eichenau, Germany, Managing Director of Ad Astra Erste Beteiligungs GmbH and Ad Astra Venture Consult GmbH, both of Munich, Germany,
– Deputy Chairman –

Marc Wurster, Attorney / Tax Advisor, Karlsruhe, Germany

Total remuneration of the Supervisory Board

In 2013, the Supervisory Board received remuneration of 50 thousand euros.

Auditing and consulting fees

Total auditing fees for the fiscal year amounted to 35 thousand euros and were comprised as follows:
a) audit of the consolidated financial statements 35 thousand euros

Employees

During the 2013 fiscal year, the company employed an average of 90 employees in Germany and 5 abroad (not including Executive Board, trainees, and temporary employees).

Karlsruhe, March 21, 2014

asknet Aktiengesellschaft
Electronic Business Solutions
– The Executive Board –

Michael Konrad

Consolidated Statement of Changes in Fixed Assets

2013

		Cost					
		Jan. 1, 2013 historical in €	Foreign exchange differences in €	Additions in €	Disposals in €	Transfer in €	Dec. 31, 2013 in €
I.	**Intangible fixed assets**						
1.	Concessions, industrial and similar rights and assets, and licenses in such rights and assets	682,459.36	0.00	2,466.18	3.00	0.00	684,922.54
II.	**Tangible fi xed assets**						
1.	Other equipment, operating and office equipment	748,511.29	0.00	176,473.39	15,325.63	145,000.00	1,054,659.05
2.	Advance payments and assets under construction	145,000.00	0.00	0.00	0.00	– 145,000.00	0.00
		1,575,970.65	**0.00**	**178,939.57**	**15,328.63**	**0.00**	**1,739,581.59**

Depreciation, amortization and write-downs					Carrying amount	
Jan. 1, 2013 historical	Foreign exchange difference	Additions	Disposals	Dec. 31, 2013	Dec. 31, 2013	Dec. 31, 2012
in €	in €	in €	in €	in €	in €	in €
668,366.57	0.00	2,563.18	0.00	670,929.75	13,992.79	14,092.79
603,577.62	99.76	137,644.74	15,318.63	726,003.49	328,655.56	144,933.67
0.00	0.00	0.00	0.00	0.00	0.00	145,000.00
1,271,944.19	**99.76**	**140,207.92**	**15,318.63**	**1,396,933.24**	**342,648.35**	**304,026.46**

Annual Financial Statements

Balance Sheet

as of December 31, 2013

ASSETS		Dec. 31, 2013 in €	Dec. 31, 2012 in €
A.	**FIXED ASSETS**		
I.	Intangible fixed assets		
	Concessions, industrial and similar rights and assets, and licenses in such rights and assets	13,992.79	14,092.79
II.	Tangible fixed assets		
1.	Other equipment, operating and office equipment	326,614.40	141,118.40
2.	Advance payments and assets under construction	0.00	145,000.00
		340,607.19	**300,211.19**
III.	Long-term financial assets		
	Shares in affiliated companies	143,204.04	143,204.04
		483,811.23	**443,415.23**
B.	**CURRENT ASSETS**		
I.	Inventories		
1.	Merchandise	1,012,871.13	361,274.53
II.	Receivables and other assets		
1.	Trade receivables	6,359,131.72	5,423,252.78
2.	Receivables from affiliated companies	421,149.69	579,793.06
3.	Other assets	220,994.92	628,905.93
		7,001,276.33	**6,631,951.77**
III.	Cash-in-hand and bank balances	4,313,630.18	5,814,294.78
		12,327,777.64	**12,807,521.08**
C.	**PREPAID EXPENSES**	216,207.53	192,426.36
		13,027,796.40	**13,443,362.67**

EQUITY AND LIABILITIES		Dec. 31, 2013 in €	Dec. 31, 2012 in €
A.	**EQUITY**		
I.	Subscribed capital Contingent capital € 145.717,00 (previous year: € 145.717,00)	5,044,283.00	5,044,283.00
II.	Net retained profits	– 1,311,564.25	– 1,529,754.91
		3,732,718.75	**3,514,528.09**
B.	**PROVISIONS**		
	Other provisions	2,970,695.02	1,395,481.56
C.	**LIABILITIES**		
1.	Trade payables	5,153,897.01	7,462,302.52
2.	Liabilities to affiliated companies	40,933.26	38,216.07
3.	Other liabilities of which taxes € 952,171.79 (previous year: € 648,478.87) of which relating to social security and similar obligations € 7,640.69 (previous year: € 12,009.69)	1,086,371.60	991,905.28
		6,281,201.87	**8,492,423.87**
D.	**DEFERRED INCOME**	43,180.76	40,929.15
		13,027,796.40	**13,443,362.67**

Income Statement

Fiscal year 2013

		2013 in €	2012 in €
1.	Sales	82,214,753.61	74,820,699.23
2.	Other operating income	554,794.63	868,754.83
		82,769,548.24	**75,689,454.06**
3.	Cost of materials		
	a) Cost of purchased merchandise	– 71,838,119.27	– 64,704,914.15
	b) Cost of purchased services	– 228,631.39	– 232,224.08
4.	Personnel expenses		
	a) Wages and salaries	– 4,027,839.23	– 3,809,579.76
	b) Social security, post-employment and other employee benefit costs of which in respect of old age pensions € 3,321.00 (previous year: € 5,157.61)	– 709,946.12	– 669,297.67
5.	Amortization and write-downs of intangible fixed assets, and depreciation and write-downs of tangible fixed assets	– 138,536.57	– 112,857.90
6.	Other operating expenses	– 5,609,344.49	– 6,114,827.59
7.	Other interest and similar income of which from affiliated companies € 0 (previous year: € 1,499.17)	5,448.79	22,294.31
8.	Interest and similar expenses	– 2,765.30	– 1,936.63
		2,683.49	**20,357.68**
9.	Result from ordinary activities	**219,814.66**	**66,110.59**
10.	Other taxes	– 1,624.00	– 2,225.00
11.	Net income	**218,190.66**	**63,885.59**
12.	Losses brought forward	– 1,529,754.91	– 1,593,640.50
13.	Net retained profits	**– 1,311,564.25**	**– 1,529,754.91**

asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe

Notes to the 2013 annual financial statements

General information

This annual financial statement was prepared in accordance with sections 242 et seq. and sections 264 et seq. of the German Commercial Code (HGB – Handelsgesetzbuch) as well as the pertinent regulations of the German Stock Corporation Act (AktG –Aktiengesetz). As of December 31, 2013, the company fulfilled the size classification for a medium-sized corporation.

The income statement was prepared using total cost accounting methods.

Accounting and reporting methods

As in the previous year, the annual financial statement was prepared using the accounting and reporting methods stated below.

Acquired **intangible fixed assets** are carried at cost and, if they have a finite useful life, are amortized in accordance with the term of their useful lives.

Tangible fixed assets are carried at their acquisition or production cost and are subject to scheduled depreciation (straight-line method). Tangible fixed assets are depreciated in accordance with their expected useful life.

Low value assets with a value of up to 150.00 euros (until December 31, 2007: 410.00 euros) were fully written off in the year they were acquired; immediate asset retirement was assumed. Low value assets costing between 150.00 euros and 1,000.00 euros that were acquired after December 31, 2007 were recognized as one collective item for tax purposes. This item was also recorded in the trade balance sheet to simplify accounting and was in both cases written down at an annual flat rate of 20 percent in the year of acquisition and the following four years. Since January 1, 2010, low value assets have been fully written off again in the year of acquisition.

All other additions to tangible fixed assets are written down on a pro-rata temporis basis.

In the case of **financial assets**, shares are carried at acquisition cost.

Inventory is carried at the lower of cost or market.

Appropriate write-downs have been recognized for all identifiable inventory risks that result from reduced marketability and lower replacement costs.

With the exception of customary retention of title, inventories are free from third-party rights.

Receivables and other assets are carried at their face value. Adequate specific provisions are allowed for all items that carry risk; the general credit risk is covered by standard write-downs.

Liquid funds are recognized at their face value on the balance sheet date.

Payments made before the reporting date are recognized as **prepaid expenses** if they constitute expenses for a certain period after this date.

Other provisions account for all contingent liabilities and impending losses from pending transactions. They are recognized at their settlement values required according to prudent commercial judgment (in other words, taking into consideration future costs and price increases).

Liabilities are carried at their settlement values.

Payments received before the reporting date are recognized as **deferred income** if they constitute income for a certain period after this date.

All **foreign currency assets and liabilities** were translated into euros on the financial statement date using the respective mean rate of exchange. If these had remaining terms of more than one year, the realization principle (section 252 paragraph 1 no. 4 half sentence 2 HGB) and the historical cost principle (section 253 paragraph 1 sentence 1 HGB) were complied with.

Explanatory notes to the balance sheet

Fixed assets

The changes in the individual fixed asset items during the fiscal year are presented in the fixed assets schedule together with the respective depreciation.

Information on shareholdings

	Reporting date	Currency	Share in %	Equity in local currency	Result in local currency
asknet Inc., San Francisco, USA	12/31/2013	USD thousand	100.0	134	6
asknet K.K., Tokyo, Japan	12/31/2013	JPY thousand	100.0	16,993	1,276

Receivables and other assets

As in the previous year, receivables and other assets have a remaining maturity of up to one year, with the exception of the "Solidarbürgschaft" (joint security) of the Swiss Tax Authority (23,000 Swiss francs).

Receivables from affiliated companies fully result from financial transactions.

Bank balances

Of our bank balances, 476 thousand euros are reserved as collateral for aval commitments.

Equity

Subscribed capital

The share capital of the company amounts to 5,044,283.00 euros and consists of registered no-par value shares (common stock). Each no-par share represents one vote. The share capital was fully paid up.

Authorized capital

At the regular general meeting on July 29, 2011, with the full approval of the Supervisory Board, the Executive Board was given authorization, extending until July 28, 2016, to increase the share capital of the corporation on one or more occasions by up to 2,520,000.00 euros against cash and/or payment in kind. Shareholders' subscription rights may be excluded.

Contingent capital of up to 150,000.00 euros

At the annual general meeting on July 27, 2005, the Executive Board and the Supervisory Board were authorized to increase contingent capital by up to 150,000.00 euros in the form of registered no-par shares. This was for the purpose of stock options. The contingent capital went down by 4,283.00 euros to 145,717.00 euros on account of option rights being exercised in the 2010 fiscal year.

Other provisions

Other provisions primarily consisted of debt collection claims, leave entitlement and special bonuses, contributions to professional associations, year-end accounting costs, and tax accountant fees, as well as outstanding vendor invoices.

Liabilities

As in the previous year, all liabilities have a remaining maturity of up to one year and are not collateralized.

Liabilities to affiliated companies fully result from financial transactions.

Other financial obligations

asknet has other financial obligations in the form of rental agreements and leases in the amount of 1,033 thousand euros.

	Lease in €	Leasing in €	Total in €
due within one year	253,082.88	54,816.40	307,899.28
due in one to five years	695,977.92	28,977.01	724,954.93
due after five years	–	–	–
	949,060.80	83,793.41	1,032,854.21

Explanatory notes to the income statement

Other operating expenses / Other operating income

Other operating expenses of the 2013 fiscal year in the amount of 5,609 thousand euros included expenses from currency translation (954 thousand euros). Other operating income in the amount of 555 thousand euros included income from currency translation (356 thousand euros).

Other disclosures

Directors of the corporation

The Executive Board

Sole member of the Executive Board in 2013:

Mr. Michael Konrad, engineering manager, Karlsruhe

Compensation is not disclosed in accordance with section 286 paragraph 4 of the German Commercial Code (HGB – Handelsgesetzbuch).

Supervisory Board

The members of the Supervisory Board in the fiscal year were:

Dr. Joachim Bernecker, Management Consultant, Straubenhardt, Germany,
– Chairman –

Thomas Krüger, Eichenau, Germany, Managing Director of Ad Astra Erste Beteiligungs GmbH and Ad Astra Venture Consult GmbH, both of Munich, Germany
– Deputy Chairman –

Marc Wurster, Attorney / Tax Advisor, Karlsruhe, Germany

Total remuneration of the Supervisory Board

In 2013, the Supervisory Board received remuneration of 50 thousand euros.

Affiliated group

The company is included in the consolidated financial statements of asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe.

Employees

During the 2013 fiscal year, the company employed an average of 90 employees (not including Executive Board, trainees, and temporary employees).

Karlsruhe, March 21, 2014

asknet Aktiengesellschaft
Electronic Business Solutions
– The Executive Board –

Michael Konrad

Statement of Changes in Fixed Assets

2013

	Costs				
	Jan. 1, 2013 in €	Additions in €	Disposals in €	Transfer in €	Dec. 31, 2013 in €
I. Intangible fixed assets					
1. Concessions, industrial and similar rights and assets, and licenses in such rights and assets	681,230.49	2,466.18	3.00	0.00	683,693.67
II. Tangible fixed assets					
1. Other equipment, operating and office equipment	733,167.99	176,473.39	15,322.63	145,000.00	1,039,318.75
2. Advance payments and assets under construction	145,000.00	0.00	0.00	– 145,000.00	0.00
III. Long-term financial assets					
1. Shares in affiliated companies	143,204.04	0.00	0.00	0.00	143,204.04
	1,702,602.52	**178,939.57**	**15,325.63**	**0.00**	**1,866,216.46**

Depreciation, amortization and write-downs				Carrying amount	
Jan. 1, 2013 in €	Additions in €	Disposals in €	Dec. 31, 2013 in €	Dec. 31, 2013 in €	Dec. 31, 2012 in €
667,137.70	2,563.18	0.00	669,700.88	13,992.79	14,092.79
592,049.59	135,973.39	15,318.63	712,704.35	326,614.40	141,118.40
0.00	0.00	0.00	0.00	0.00	145,000.00
0.00	0.00	0.00	0.00	143,204.04	143,204.04
1,259,187.29	**138,536.57**	**15,318.63**	**1,382,405.23**	**483,811.23**	**443,415.23**

Auditors' Report

We have audited the annual report – comprising the balance sheet, the income statement, and the notes to the financial statements – and the accounting and the management report of asknet Aktiengesellschaft Electronic Business Solutions, Karlsruhe, Germany, for the fiscal year from January 1 to December 31, 2013. The Executive Board of asknet bears the responsibility for the company's accounting and the preparation of the annual financial statement and the management report in accordance with German commercial law. Our task is – based on the audit we conduct – to provide an assessment of the annual financial statement, including the accounting, and of the management report.

We conducted our audit of the financial statement in accordance with section 317 of the German Commercial Code (HGB – Handelsgesetzbuch) and with due consideration of the accepted German auditing procedures defined by the professional association of German CPAs (IDW – Institut der Wirtschaftsprüfer). Those standards require that we plan and perform the audit in such a manner that we can detect with reasonable assurance any inaccuracies and/or irregularities that would materially affect the presentation of the net assets, financial position, and operating results in the management report and in the financial statement, which is prepared in accordance with the accepted German accounting principles (GoB). In defining the audit procedures, we incorporate knowledge of the company's business activities and its economic and legal environment, and anticipate possible errors. Within the framework of the audit, random checks are performed to determine the effectiveness of the accounting-related internal control system and the accuracy of the supporting documentation for the accounting, financial statement, and management report. The audit includes an evaluation of the accounting principles applied and the conclusions drawn by the Executive Board of the company, as well as an analysis of the overall representation given in the financial statements and the management report. We believe that our audit provides a sufficient and reasonable basis for our conclusions.

We concluded our audit with no reservations.

To the best of our knowledge and based on the findings of our audit, this annual financial statement complies with all legal requirements and accurately presents the net assets, financial position, and operating results of the company in accordance with accepted German accounting principles (GoB). The management report is consistent with the financial statements and as a whole gives a substantiated picture of the company's position and an accurate representation of future opportunities and risks.

Karlsruhe, March 21, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Oliver Striebel	ppa. Carmen Burger
Wirtschaftsprüfer	Wirtschaftsprüferin
(certified accountant)	(certified accountant)

Supervisory Board Report

Dear Shareholders,

In fiscal year 2013, we, the Supervisory Board, performed our tasks and duties in accordance with the law and the articles of association. In an intensive and ongoing dialog with the company's Executive Board, we received regular, up-to-date, and comprehensive information on business developments, performance, perspectives, major investment projects and other particular issues of asknet AG. In addition, the Supervisory Board made certain that the Executive Board was carrying out risk management in a due and proper manner and in accordance with section 91(2) of the German Stock Corporation Act (AktG – Aktiengesetz), that the system was being implemented effectively, and that the company was being managed in a due and proper manner and in full compliance with the law. As a result, the Executive Board was able to comply with its legal and internal reporting requirements in full and in a timely manner. The Supervisory Board advised and oversaw the Executive Board on matters relating to business strategy. This included consultation between the Executive Board and Supervisory Board in planning activities and determining the strategic focus of asknet AG.

The Executive Board provided written and oral reports, both within and outside the regular Supervisory Board meetings. The Supervisory Board was directly involved in all decisions and planning of material importance to the company. The Supervisory Board complied fully with the law and the articles of association in participating in or deciding on the matters required therein. After thorough examination and discussion, the Supervisory Board approved the Executive Board's proposed resolutions insofar as was required by the law, the articles of association, or the bylaws for the Executive Board. The Executive Board provided the Supervisory Board with the necessary documentation for the topics under consideration in good time; the Supervisory Board requested and received additional information from the Executive Board as necessary and reviewed the documents and contracts in question.

The Executive Board and the Supervisory Board have a long history of close cooperation and open dialog based on mutual trust. The Supervisory Board met a total of four times during the 2013 fiscal year. In addition, the Supervisory Board and the Executive Board held several talks to discuss operational matters and address individual topics in greater detail. The Executive Board and the Supervisory Board remained in close communication, exchanging information by telephone and holding further discussions as necessary. Some resolutions were also approved by all Supervisory Board members in writing in lieu of a meeting.

At the quarterly meetings, the company's current business position was always on the agenda. Discussions covered the results for the most recent quarter, the cumulative results for the year to date, an analysis of targets and actual performance figures, and the projected results for the fiscal year. The Chairman of the Supervisory Board continued to regularly receive and give information and ideas on the company's business as well as other important issues affecting asknet AG.

Key topics addressed by the Supervisory Board

In addition to our ongoing discussions on company performance, the Supervisory Board focused on a number of key topics in this reporting year.

At our meeting of April 8, 2013, besides addressing the usual subjects of performance and outlook, we placed particular emphasis on the results reported in the 2012 annual report. Following in-depth consultation between the Supervisory Board and the auditors, the 2012 annual financial statements and consolidated financial statements were approved unanimously. Other topics addressed at the meeting on April 8, 2013 were the development roadmap, especially the new Janus development, the adoption of the proposed agenda items for the annual general meeting in July 2013, amendments to the bylaws and the cooperation with IBM.

At the Supervisory Board meeting on June 26, 2013, the agenda included a discussion of the company's position (first quarter results of 2013) and the forecast for the year as a whole. The Supervisory Board members consulted on the regular annual general meeting scheduled for July 5, 2013 and on risk management measures. The Supervisory Board also took notice of the results of a tax audit, which led to no material complaints.

At our meeting on September 18, 2013, we discussed the company's performance (results for the first half of 2013), the forecast 8+4 / 2013, the portal offering for physical goods (HBO), the development of a new cooperation with IBM as well as the strategy and positioning pursued under the heading "Quo vadis asknet".

At our meeting on December 4, 2013, we discussed the company's results for the first ten months of 2013 and the expected result for the year 2013 (forecast 10+2). Moreover, the Executive Board presented and explained the budget for 2014 and discussed aspects of HR planning. Additional Supervisory Board resolutions, which were typically discussed in detail at the above-mentioned meetings or in Supervisory Board telephone conferences and then finalized by means of circular resolution, included:

- Report of the Supervisory Board for the 2012 fiscal year
- Cooperation with IBM in software trading
- Achievement of the Executive Board targets agreed for the fiscal year 2012
- Executive Board targets for the fiscal year 2013
- Capital market reporting.

With regard to the business performance in 2013, it bears mentioning that the Executive Board and the workforce were able to continue the positive business performance and to increase the company's earnings compared to the previous year.

Annual general meeting

asknet AG's regular annual general meeting was held on July 5, 2013. The main items on the agenda were granting discharge to the Executive Board and the Supervisory Board as well as the selection of auditors for the 2013 fiscal year. The resolutions for all agenda items were carried by a large majority of the shareholders present.

Audit of the annual financial statements 2013

At the annual general meeting on July 5, 2013, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Karlsruhe, was selected to perform the audit of the financial reports for the 2013 fiscal year. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Karlsruhe, audited asknet AG's annual financial statements for the period ending December 31, 2013 and the management report of asknet AG and issued an unqualified audit certificate. asknet AG's annual financial statements and the consolidated financial statements were prepared in accordance with the German Commercial Code (HGB – Handelsgesetzbuch).

The annual financial statements of asknet AG, consolidated financial statements, management reports, and the audit report of PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Karlsruhe, were provided to all members of the Supervisory Board in a timely manner. In a meeting held on April 2, 2014, the auditors presented the findings of their audit to the asknet AG Supervisory Board, who then asked the auditors supplementary questions.

asknet AG's annual financial statements, the consolidated financial statements, and the management reports for the 2013 fiscal year were examined in detail by the Supervisory Board. Based on our own review of the audit, the Supervisory Board raised no objections and concurred with the audit results provided by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Karlsruhe. With its resolution of April 2, 2014, the Supervisory Board of asknet AG therefore expressed its unreserved approval of the annual financial statements presented by the Executive Board in accordance with section 172 of the German Stock Corporation Act (AktG – Aktiengesetz). In addition, the Supervisory Board approved the consolidated financial statements, the asknet AG management report, and the asknet Group management report.

Composition of the Executive and Supervisory Board

No changes in the composition of the Executive Board and the Supervisory Board occurred in the fiscal year.

The Supervisory Board of asknet AG would like to take this opportunity to thank all the company's employees and the Executive Board for their commitment and their successful work and achievements in the 2013 fiscal year, and wishes asknet AG every success in the 2014 fiscal year.

Karlsruhe, April 2, 2014

The Supervisory Board

Dr. Joachim Bernecker
(Chairman of the Supervisory Board)

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Photos
Photo archive asknet AG

Financial Calendar 2014

May 15, 2014	Publication Q1/2014 results (German version)
Juli 4, 2014	Annual General Meeting
August 15, 2014	Publication of the Half Year Report 2014 (German version)
November 14, 2014	Publication Q3/2014 results (German version)

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