CLIQ DIGITAL

Half-year financial report 2024

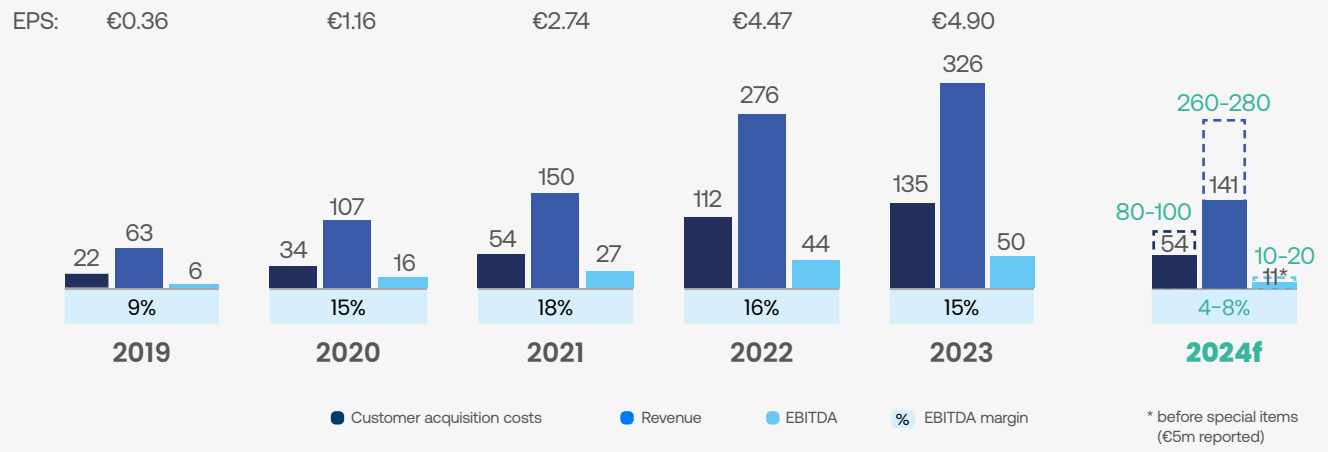
- unaudited -

Highlights

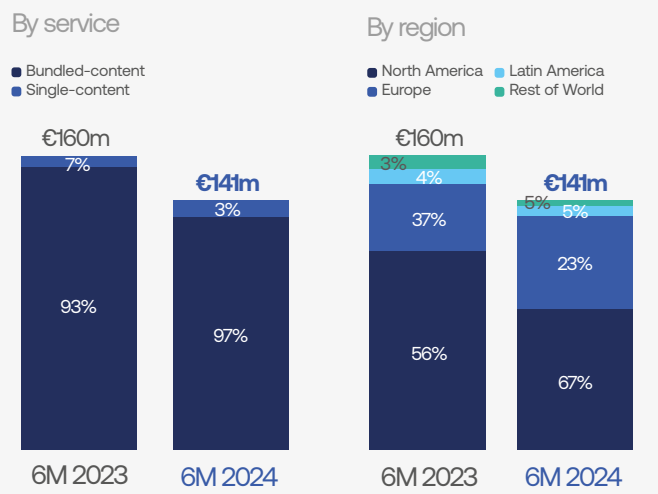
6M 2024 key financials

Revenue	Customer acquisition costs	EBITDA before special items	Average lifetime value
€141m	€54m	€11m	€80
-12% y/y	-17% y/y	-57% y/y	-4% y/y

Business development (in millions of €)



Revenue breakdown (in % of total)



Cash position

Key figures

in millions of €

Sales & earnings	6M 2024	6M 2023	2Q 2024	1Q 2024
Revenue	**141.2**	**159.6**	**68.2**	**73.0**
Customer acquisition costs for the period	-59.0	-58.3	-27.7	-31.3
EBITDA*	**10.9**	**25.2**	**5.6**	**5.3**
EBITDA margin*	8%	16%	8%	7%
EBIT*	8.3	23.5	4.3	4.0
EBIT margin*	6%	15%	6%	5%
Profit for the period*	5.5	16.2	2.8	2.7
Basic earnings per share* (in €)	**0.88**	**2.49**	**0.45**	**0.40**
Diluted earnings per share* (in €)	0.88	2.47	0.45	0.40

Cash flow	6M 2024	6M 2023	2Q 2024	1Q 2024
Cash flow from operating activities	-0.5	17.0	0.8	-1.4
Cash flow from investing activities	-3.4	-6.5	-1.1	-2.3
Operating free cash flow	**-3.9**	**10.5**	**-0.2**	**-3.7**
Cash flow from financing activities	-4.5	-12.4	-3.1	-1.5
Total cash flow	-8.5	-1.8	-3.3	-5.2

KPIs			30.06.2024	31.03.2024
Unique paying customers (in millions)			1.0	1.1
Lifetime Value of Customer Base			128	136
	6M 2024	6M 2023	**2Q 2024**	1Q 2024
Exp. avg. lifetime value of a customer (in €)	80	83	78	81
Total customer acquisition costs	53.8	91.6	24.5	29.3

Balance sheet	30.06.2024	31.12.2023
Total assets	146.7	154.7
Equity	100.8	103.1
Equity ratio	69%	67%
Net financial debt (-) / net liquidity (+)	**7.2**	**15.7**

Human resources	30.06.2024	31.12.2023
Full-time employees	132	147
Part-time employees	23	23
Total employees	**155**	**170**

Shares	30.06.2024	31.12.2023
Share price (in €)	6.76	19.88
Numbers of shares issued	6,508,714	6,508,714
Numbers of shares outstanding	6,180,802	6,504,714
Market capitalisation	41.8	129,3

* before special items for the periods in 2024

Management Statement

“We have grown very fast in recent years, and it’s now time for a more effective and focused Group structure.

In the first half-year, we concentrated on optimising and adapting our business as market circumstances required us to do so. We focussed on margin rather than sales growth.

We progressed significantly in transforming our organisation and setting the stage for sustainable growth in the years to come.”

Business development

Group-wide transformation programme

In 2024, the Group initiated a Group-wide transformation programme ("Fit for Future") to improve both its cost efficiencies and productivity gains. The main objective of the programme is to fundamentally transform the Group to become more focused, streamlined, and goal-driven.

Initial cost-savings in the first six months 2024 included measures to improve the strategic alignment of the business operations towards bundled-content streaming services, reduce general administrative costs and strategically reviewing our human resources. Examples include the U.K. office closure, cloud storage cost reductions and the cancellation of three sell-side research coverage contracts, which were not value-enhancing.

Productivity gains will be generated by fully focussing on operational improvements required across the Group. The Group will focus on new sales channels (the "Magnificent Seven") to adopt new and innovative marketing approaches to generate sales and earnings.

Revenue

In the **second quarter** 2024 (01/04 – 30/06/2024), the CLIQ Digital Group (hereafter referred to as "CLIQ" or "Group") generated €68.2 million in revenue (1Q 2024: €73.0 million). Year-on-year as well as quarter-on-quarter, revenue declined by 11% and 7% respectively. The main reason for this decline was the lowering of the Cost Per Acquisition (CPA), which Management executed to put a stronger focus on profitable sales. The CPA was brought more in line with the lower lifetime value (LTV) of our customers, which led to less new customer acquisitions. The LTV decreased due to higher churn rates resulting from new customer care tools in place at the card scheme companies, which led to shorter average customer loyalty durations.

In 2Q 2024, bundled-content streaming services constituted 97% of total Group revenue (1Q 2024: 96%) and the regions North America and Europe constituted 68% and 21% of total revenue respectively. Latin America grew in the second quarter 2024 to €3.9 million revenue.

in millions of €	**6M 2024**	6M 2023	**2Q 2024**	1Q 2024
Revenue	**141.2**	**159.6**	**68.2**	**73.0**
of which generated by:				
Bundled-content streaming services	136.3	148.9	66.0	70.3
Single-content streaming services	4.9	10.7	2.2	2.7
Regional split:				
North America	95.2	89.9	46.7	48.5
Europe	31.8	59.4	14.2	17.6
Latin America	7.4	6.0	3.9	3.5
ROW	6.8	4.4	3.4	3.4

In the **first six months** of 2024, CLIQ's revenue declined year-on-year by 12% to €141.2 million (6M 2023: €159.6 million). Revenue from bundled-content streaming services amounted to €136.3 million, which was a year-on-year decrease of 8%. The share of North American and European revenue was 67% and 23% respectively (6M 2023: 56% and 37% respectively).

Customer acquisition costs

The customer acquisition costs for the period consist of the total customer acquisition costs, capitalised customer acquisition costs (contract costs) and amortised contract costs related to the revenue recognised in the period.

in millions of €	**6M 2024**	6M 2023	Y/Y Δ	2Q 2024	1Q 2024	Q/Q Δ
Total customer acquisition costs	**-53.8**	**-64.7**	**-17%**	**-24.5**	**-29.3**	**-16%**
Capitalised customer acquisition costs (contract costs)	53.5	63.1		24.4	29.1	
Amortised contract costs	-58.6	-56.6		-27.6	-31.1	
Customer acquisition costs for the period	**-59.0**	**-58.3**	**1%**	**-27.7**	**-31.3**	**-12%**
in % of revenue	42%	37%		41%	43%	

CLIQ's total customer acquisition costs in **2Q 2024** amounted to €24.5 million (1Q 2024: €29.3 million). The customer acquisition costs for the period in 2Q 2024 amounted to €27.7 million (1Q 2024: €31.3 million), which as a percentage of revenue was 41% (1Q 2024: 43%). The lower customer acquisition costs for the period are attributable to the Group's decision to focus on profitability and subsequently to lower the target Cost Per Acquisition (CPA), which also resulted in lower sales.

In **6M 2024**, the Group's total customer acquisition costs decreased by 17% to €53.8 million (6M 2023: €64.7 million) and the customer acquisition costs for the period amounted to €59.0 million (6M 2023: €58.3 million).

EBITDA

To provide a clear and accurate representation of the core performance, the EBTIDA has been normalised for special items. These normalisations predominately account for costs linked to the Group-wide transformation programme ("Fit for Future"), including corporate restructuring and tax optimisations. The special items comprise also temporary consultancy and contractor costs to execute the "Fit for Future" transformation programme as well as staff and other operational expenses. These temporary costs will be reduced after the completion of the transformation programme. These normalisations ensure that the EBITDA before special items accurately reflects the Group's ongoing operational performance and growth potential.

In the **second quarter** of 2024, CLIQ's EBITDA before special items increased quarter-on-quarter by 4% to €5.6 million (1Q 2024: €5.3 million), which resulted in an EBITDA margin of 8.2% (1Q 2024: 7.3%). The higher customer churn rate also resulted in an increase in the Other Cost of Sales from greater refund-related costs. Reported EBITDA in the second quarter was €3.0 million (1Q 2024: €1.9 million) and 61% higher than in the first quarter. Included therein are €2.6 million special items relating to costs incurred from the Group's transformation programme (1Q 2024: €3.5 million).

In the **first six months** of 2024, the Group's EBITDA before special items decreased by 57% to €10.9 million (6M 2023: €25.2 million) and the EBITDA margin was 7.7% (6M 2023: 15.8%). Reported EBITDA decreased to €4.8 million and included therein are €6.1 million special items relating to the Group's transformation programme.

Profit for the period & Earnings per share

Before special items, profit in the **second quarter 2024** was 3% sequentially higher and totalled €2.8 million (1Q 2024: €2.7 million). Basic EPS before special items for the second quarter increased quarter-on-quarter by 13% and was €0.45 (cf. €0.40 in 1Q 2024). Reported profit for the period was €0.8 million (1Q 2024: €0.1 million) with €0.14 basic EPS (1Q 2024: €0.02).

Profit before special items in the **first six months** amounted to €5.5 million and was 66% lower than prior year (6M 2023: €16.2 million). Basic EPS before special items for the first six months was €0.88 in comparison to €2.49 in 6M 2023. Reported profit for the period was €1.0 million with €0.15 basic EPS.

Share buyback programme

On 20 February 2024, CLIQ announced that its Management and Supervisory Board had authorised a capital return programme by means of a share buyback of up to 646,871 of the company's shares that will be completed within twelve months.

In the period from 28 February 2024 to 30 June 2024, the company repurchased 323,912 shares under its share buyback programme at an average share price of €11.03, which equalled 50.1% of the maximum buyback volume and 5.0% of the total share capital issued. Per 30 June 2024, the total shares outstanding amounted to 6,180,802 (6,508,714 shares issued less 327,912 treasury shares).

For further information on the share buyback programme, please refer to the section "Share Buyback Programme 2024".

Operational indicators

Per 30 June 2024, the total number of **unique paying customers** for bundled and single-content streaming services amounted to 1.0 million (31/03/2024: 1.1 million). The quarter-on-quarter decrease resulted from the Group's stronger focus on profitability than on sales growth.

The expected average **lifetime value of a customer** (LTV) for bundled and single-content services was down 4% quarter-on-quarter to €78 in 2Q 2024 (1Q 2024: €81). In 6M 2024, the corresponding value was €80 (6M 2023: €83).

As at 30/06/2024, the Group's **lifetime value of customer base** (LTVCB) was €128 million (31/03/2024: €136 million). The LTVCB is calculated by multiplying the number of customers by their individual remaining lifetime value and represents the total revenue that is expected to be generated by existing customers.

Cash flow

in millions of €	6M 2024	6M 2023	2Q 2024	1Q 2024
EBITDA before special items	**10.9**	**25.2**	**5.6**	**5.3**
Special items	-6.1	-	-2.6	-3.5
Δ Contract costs	5.1	-6.4	3.2	2.0
Δ Other working capital	-12.2	0.2	-6.3	-5.8
Taxes, financial result & others	1.8	-1.8	1.0	0.7
Cash flow from operating activities	-0.5	17.0	0.8	-1.4
Cash flow from investing activities	-3.4	-6.5	-1.1	-2.3
Operating free cash flow	**-3.9**	**10.5**	**-0.2**	**-3.7**
Share buyback	-3.6	-	-2.4	-1.1
Dividend payment	-0.3	-11.6	-0.3	-
Other cash flow from financing activities	-0.6	-0.8	-0.4	-0.4
Cash flow from financing activities	-4.5	-12.4	-3.1	-1.5
Cash flow for the period	**-8.4**	**-1.8**	**-3.4**	**-5.2**

In the **second quarter** 2024, the Group's **operating free cash flow** was -€0.2 million (1Q 2024: -€3.7 million). The operating free cash flow is defined as the sum of net cash generated by operating and investing activities, i.e. before cash flow from financing activities.

The cash inflow from **operating** activities during the second quarter of 2024 amounted to €0.8 million (cf. -€1.4 million in 1Q 2024). This increase in cash flow from operating activities was mainly due to lower total customer acquisition costs.

The 2Q 2024 cash outflow from **investing** activities amounted to €1.1 million compared to €2.3 million in 1Q 2024 and was largely related to less payments for licensed content as well as for investments in platform and technical developments.

The cash flow from **financing** activities during 2Q 2024 was an outflow of €3.1 million (1Q 2024: €1.5 million outflow) and included €2.4 million cash outflow for the share buyback programme (1Q 2024: €1.1 million) and €0.3 million dividend distribution.

The Group's business development in the **first six months** of the year resulted in an **operating free cash flow** of -€3.9 million (6M 2023: €10.5 million inflow).

In 6M 2024, the cash outflow from **investing** activities was €3.4 million (6M 2023: €6.5 million) and due to less payments for licensed content as well as for investments relating to platform and technical developments.

The cash outflow from **financing** activities during 6M 2024 was €4.5 million (6M 2023: €12.4 million) and included €3.6 million cash outflow for the share buyback programme and €0.3 million dividend distribution.

Cash position

As at 30 June 2024, the net cash position of the Group was:

in millions of €	30.06.2024	31.12.2023	Δ
Cash & cash equivalents	7.2	15.7	-8.5
Bank borrowings	-	-	-
Net cash position	**7.2**	**15.7**	**-8.5**

After netting cash and cash equivalents with bank borrowings per 30 June 2024, the net cash position was €7.2 million compared with a net cash position of €15.7 million as at the year-end closing 2023.

Opportunities and risks

The risks and opportunities as described in chapter 5 of the Group Management Report in the Annual Report 2023 are still applicable. The Annual Report 2023 is available on the Group's website at https://cliqdigital.com/investors/financials.

Taking into account the respective probability of occurrence and the potential impact of the risks described in the annual report 2023, no risks were identified that could threaten CLIQ Digital AG as a going concern.

Outlook

Based on stable exchange rates, no adjustments to the Group's portfolio, the Management Board expects organic Group sales in the full year 2024 to be between €260 and €280 million, total customer acquisition costs of between €80 and €100 million, and EBITDA is forecast to range between €10 and €20 million.

Furthermore, revenue of around €325 million is estimated to be achieved in the full year 2025. The mid-term Group sales target is to achieve a run rate during the fourth quarter of 2026, which realises an annual revenue of more than €400 million going forward.

Unaudited condensed consolidated statement of profit and loss for the six months ended 30 June

in '000 €	Note	6M 2024	6M 2023
Revenue	5	141,206	159,642
Cost of sales	6	-116,346	-117,549
Gross profit		**24,860**	**42,093**
Personnel expenses	7	-13,999	-12,636
Other operating expenses		-5,736	-4,255
Impairment losses and gains on trade receivables and contract costs		-292	19
Total operating expenses		**-20,027**	**-16,872**
EBITDA		**4,833**	**25,221**
Depreciation, amortisation and impairment charges applied to intangible, tangible and other current assets	8	-2,620	-1,738
EBIT		**2,214**	**23,483**
Financial income and financial expenses	9	-46	-908
Profit before tax		**2,167**	**22,575**
Income taxes	10	-1,207	-6,354
Profit for the period		**961**	**16,221**
Attributable to:			
Owners of the Company		961	16,222
Non-controlling interest		-	-1
Profit for the period		**961**	**16,221**
Earnings per share			
Basic earnings per share (in €)		0.15	2.49
Diluted earnings per share (in €)		0.15	2.47

Unaudited condensed consolidated statement of profit and loss and other comprehensive income for the six months ended 30 June

in '000 €	6M 2024	6M 2023
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	-	109
Total other comprehensive income for the period	**-**	**109**
Profit for the period	**961**	**16,221**
Total comprehensive income for the period	**961**	**16,330**
Attributable to:		
Shareholders of the company	961	16,331
Non-controlling interest	-	-1
Total comprehensive income for the period	**961**	**16,330**

Unaudited condensed consolidated statement of the financial position

in '000 €	Note	30.06.2024	31.12.2023
Assets			
Non-current assets			
Goodwill	11	47,515	47,515
Other intangible assets	12	11,563	12,134
Property, operating and office equipment	13	3,281	3,979
Contract costs		2,413	2,581
Other non-current assets	14	1,972	1,971
Deferred tax assets		1,346	1,683
Total non-current assets		**68,090**	**69,864**
Current assets			
Trade receivables		27,770	20,546
Contract costs		41,652	46,616
Other assets		1,938	1,915
Cash and cash equivalents		7,241	15,737
Total current assets		**78,600**	**84,812**
Total assets		**146,691**	**154,677**

in '000 €	Note	30.06.2024	31.12.2023
Equity and liabilities			
Equity			
Issued capital		6,185	6,509
Share premium		54,805	58,053
Retained earnings		37,272	36,569
Other reserves		2,627	2,046
Equity attributable to the shareholders		**100,889**	**103,177**
Non-controlling interest		-93	-93
Total equity		**100,795**	**103,084**
Liabilities			
Non-current liabilities			
Deferred tax liabilities		12,993	14,309
Other financial liabilities	15	2,480	2,969
Other liabilities		83	423
Total non-current liabilities		**15,556**	**17,700**
Current liabilities			
Other financial liabilities	15	1,348	1,410
Provisions		375	375
Trade payables		9,543	13,086
Income tax liabilities		8,047	6,886
Other liabilities		11,027	12,136
Total current liabilities		**30,340**	**33,892**
Total liabilities		**45,895**	**51,593**
Total equity and liabilities		**146,691**	**154,677**

Unaudited condensed consolidated statement of changes in equity for the six months ended 30 June

in '000 €	Issued capital	Share premium	Retained earnings	Other reserves	Equity attributable to the shareholders	Non-controlling interest	Total equity
Balance as of 31 December 2023	**6,509**	**58,053**	**36,569**	**2,046**	**103,177**	**-93**	**103,084**
Net profit / loss for the period	-	-	961	-	961	-	961
Other comprehensive income	-	-	-	-104	-104	-	-104
Dividend distributions	-	-	-258	-	-258	-	-258
Equity-settled share-based payments	-	-	-	684	684	-	684
Own shares acquired	-324	-3,248	-	-	-3,572	-	-3,572
Balance as of 30 June 2024	**6,185**	**54,805**	**37,272**	**2,627**	**100,889**	**-93**	**100,795**

Unaudited consolidated cash flow statement for the six months ended 30 June

in '000 €	Note	6M 2024	6M 2023
Cash flow from operating activities			
Profit before tax		2,167	22,575
Net (gain)/loss arising on financial liabilities designated as at fair value through profit and loss	9	-8	-
Financial income and expenses recognised in profit or loss	9	54	908
Equity-settled share based payment transactions		684	256
Depreciation and amortisation of non-current assets	12, 13	4,583	3,391
		7,481	**27,131**
Changes in working capital			
(Increase)/decrease in contract costs		5,131	-6,413
(Increase)/decrease in trade receivables and other current assets		-7,275	-4,642
Increase/(decrease) in current liabilities		-4,925	4,700
Cash generated from operations		**413**	**20,775**
Income taxes (paid)/received		-1,023	-3,596
Interest (paid)/received		72	-154
Net cash generated from operating activities		**-538**	**17,026**
Cash flow from investing activities			
Payments for property, plant and equipment	13	-23	-87
Payments for intangible fixed assets	12	-3,382	-5,411
Sales/ (Acquisition) of other investments		-	-199
Net cash (outflow)/inflow on acquisition of subsidiaries		-	-800
Net cash used in investing activities		**-3,406**	**-6,497**

in '000 €	Note	6M 2024	6M 2023
Cash flow from financing activities			
Transaction costs related to loans and borrowings		7	-
Lease instalments paid		-716	-723
Acquisition of non-controlling interest		1	1
Dividends paid		-258	-11,643
Share buyback		-3,572	-
Net cash used in financing activities		**-4,538**	**-12,366**
Total cash flow		**-8,482**	**-1,836**
Cash and cash equivalents at the beginning of the year		**15,737**	**9,900**
Total cash flow		-8,482	-1,836
Effects of exchange rate changes on the balance of cash held in foreign currencies		-14	-17
Cash and cash equivalents at the end of the year		**7,241**	**8,046**
Cash and bank balances		7,241	15,538
Bank borrowing overdraft facility		-	-7,493
Cash and cash equivalents in cash flow statement		**7,241**	**8,046**

1 Corporate information

The CLIQ Digital Group is a leading online performance marketing company selling subscription-based streaming services that bundle movies & series, music, audiobooks, sports and games to consumers worldwide. The Group licenses streaming content from partners, bundles it and sells the content through its numerous streaming services. Over the years, CLIQ Digital has become a specialist in online advertising and creating streaming services that are advertised towards specific consumer groups. CLIQ Digital operates in over 40 countries and employed 155 staff from 41 different nationalities as at 30 June 2024. The company is headquartered in Düsseldorf and has offices in Amsterdam, Paris and Toronto.

CLIQ Digital is listed in the Open Market segment Scale of the Frankfurt Stock Exchange (ISIN: DE000A35JS40, GSIN/WKN: A35JS4) and is a constituent of the MSCI World Micro Cap Index. Pursuant to Section 2 (5) of the German Securities Trading Act (WpHG), the Open Market does not constitute an organised or regulated market. The basis for the inclusion of securities in the Open Market are the guidelines for the Regulated Unofficial Market of Deutsche Börse AG. As a result, CLIQ Digital AG is not a capital market-orientated company pursuant to Section 264d of the German Commercial Code (HGB) and is also not obligated pursuant to Section 315e of the German Commercial Code (HGB) to prepare consolidated financial statements on the basis of the International Financial Reporting Standards (IFRS) as applicable in the EU. CLIQ Digital AG is obligated to prepare consolidated financial statements in accordance with German accounting standards. However, an exemption is possible if the company prepares consolidated financial statements according to IFRS.

The period for the Group‘s condensed consolidated interim financial statement starts on 1 January and ends on 30 June of each calendar year. These condensed consolidated interim financial statements are prepared in euros, which is the functional and reporting currency of CLIQ Digital Group. Reporting is in thousands of euros (in ‘000 €) unless otherwise stated.

2 Basis of preparation and changes to the Group’s accounting policies

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2023 (‘last annual financial statements’). The statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s last annual financial statements.

3 Scope of consolidation

Set out below is a list of subsidiaries of CLIQ Digital Group which are included in the condensed consolidated interim financial statements as per the reporting period and showing the proportion of ownership interest and voting power held by the Group.

Name of subsidiary	Place of incorporation	30 Jun 2024	31 Dec 2023
Principal companies			
Netherlands			
Cliq B.V.	Amsterdam, The Netherlands	100%	100%
CMind B.V.	Amsterdam, The Netherlands	100%	100%
CPay B.V.	Amsterdam, The Netherlands	100%	100%
iDNA B.V.	Amsterdam, The Netherlands	100%	100%
Germany			
Cliq GmbH	Düsseldorf, Germany	100%	100%
France			
Tornika S.A.S.	Paris, France	100%	100%
Other companies			
ADGOMO Limited	Witney, United Kingdom	100%	100%
C Formats GmbH	Düsseldorf, Germany	100%	100%
Claus Mobi GmbH	Düsseldorf, Germany	100%	100%
Cliq Games B.V.	Amsterdam, The Netherlands	60%	60%
Cructiq AG	Baar, Switzerland	100%	100%
Luboka Media Limited	Witney, United Kingdom	100%	100%
Memtiq B.V.	Amsterdam, The Netherlands	100%	100%
Red27 Mobile Limited	Witney, United Kingdom	100%	100%
Rheinkraft Production GmbH	Düsseldorf, Germany	100%	100%
The Mobile Generation Americas Inc.	Toronto, Canada	100%	100%
Tornika Media B.V.	Amsterdam, The Netherlands	100%	100%
Universal Mobile Enterprises Limited	Witney, United Kingdom	100%	100%
Zimiq GmbH	Düsseldorf, Germany	100%	100%
Holding, inactive and closed companies			
Cliq Holding B.V. (formerly Cliq UK Holding B.V.)	Amsterdam, The Netherlands	100%	100%
Moonlight Mobile Limited	Witney, United Kingdom	100%	100%
Bob Mobile Hellas S.A.	Attiki, Greece	100%	100%
Booster Media Limited	Witney, United Kingdom	100%	0%
Bunkr Technologies S.A.S.	Vincennes, France	80%	80%
Netacy Inc. (Liquidated as per 4 January, 2024)	Dover, USA	0%	100%

4 Use of judgements and estimates

In the application of the Group's accounting policies, which are described in Note 2, the Management board Members of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant to the balance sheet date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5 Revenue

The Group derives revenue from services at a point in time for the following services:

in '000 €	**6M 2024**	6M 2023
Digital entertainment services	141,033	159,642
Digital marketing services	173	-
Total	**141,206**	**159,642**

In the following table revenue from contracts with customers is disaggregated by geographical market:

in '000 €	**6M 2024**	6M 2023
Europe	31,790	59,360
North America	95,177	89,889
Latin America	7,443	5,958
ROW	6,795	4,436
Total	**141,206**	**159,642**

6 Cost of sales

The cost of sales are composed as follows:

in '000 €	6M 2024	6M 2023
Total customer acquisition costs	53,837	64,730
Capitalised customer acquisition costs (contract costs)	-53,524	-63,054
Amortised contract costs	58,647	56,641
Customer acquisition costs for the period	**58,959**	**58,316**
Third-party costs	18,721	25,970
Other cost of sales	38,665	33,262
Total	**116,346**	**117,549**

7 Personnel expenses

The personnel expenses are composed as follows:

in '000 €	6M 2024	6M 2023
Wages and salaries	11,008	9,766
Pension contributions	12	28
Social security contributions	1,469	1,100
Share-based payment arrangements	-165	671
Hired staff and related costs	3,070	4,513
Capitalised personnel expenses	-1,615	-3,892
Other	221	451
Total	**13,999**	**12,638**

7.1 Employees

The average number of employees during the reporting period was as follows:

	6M 2024	6M 2023
Employees (average full-time equivalent)	151,7	168,6
Full-time employees (average headcount)	134,0	147,0
Part-time employees (average headcount)	23,3	26,5
Employees (average headcount)	**157,3**	**173,5**

8 Depreciation, amortisation and impairment expenses

in '000 €	6M 2024	6M 2023
Other intangible assets	1,896	998
Right of use assets	513	518
Plant, operating and office equipment	211	222
Total	**2,620**	**1,738**

9 Financial income and financial expenses

in '000 €	6M 2024	6M 2023
Financial income		
Interest income	194	-
Fair value movements on financial liabilities designated as FVTPL	8	-
Total financial income	**202**	**-**
Financial expenses		
Interest on bank overdrafts and loans	-32	-84
Amortisation capitalised finance expenses	-20	-63
Interest expense on lease liabilities	-81	-99
Foreign currency exchange results	-25	-473
Bank costs	-43	-121
Other financial expenses	-47	-68
Total financial expense	**-248**	**-908**
Total financial income and financial expenses	**-46**	**-908**

10 Corporate income tax

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the reporting period by Management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the period. To allocate profit and losses and determine in which countries it should be taxed, the Group applies a transfer pricing policy which is reviewed and when necessary revised on an annual basis. The income taxes recognised in the interim financial statements are based on the same transfer pricing policy as in the last annual financial statements. As such, the effective tax rate in the interim financial statements may differ from Management's estimate of the effective tax rate for the annual financial statements.

All deferred taxes on temporary differences were calculated, as in the previous year, on the basis of a combined 31.2% tax rate for Germany, 25.8% tax rate for The Netherlands and the applicable tax rate for other foreign jurisdictions.

10.1 Reconciliation of the effective tax rate

in '000 €	DE	NL	Other	6M 2024
Profit before tax	**-1,928**	**1,959**	**2,134**	**2,167**
Nominal tax rate	31.2%	25.8%	25.1%	31.2%
Income tax calculated at nominal rate	**602**	**-506**	**-506**	**-676**
Effects of different tax rates of subsidiaries operating in other jurisdictions				266
Expenses for share option plans which are not tax deductible	-242	-	-	-242
Participation exemption	-328	-	-	-328
Recognition of previously unrecognized/(derecognition of previously recognised) tax losses	-199	-	-	-199
Tax results from previous years	1	-	-	1
Fair value movements related to contingent considerations arrangements from acquisitions	3	-	-	3
Other	-	-	-29	-29
Income tax expense in profit or loss account (effective)	**-163**	**-506**	**-537**	**-1,206**
Effective tax rate	**-8.5%**	**25.8%**	**25.2%**	**55.7%**

11 Goodwill

11.1 Reconciliation of carrying amount of goodwill

in '000 €	30.06.2024	31.12.2023
Cost	47,621	47,621
Accumulated impairment losses	-106	-106
Carrying amount goodwill	**47,515**	**47,515**

in '000 €	30.06.2024	31.12.2023
Cost		
Opening balance	**47,621**	**47,621**
Acquisition through business combination	-	-
Disposals	-	-
Effect of foreign currency exchange differences	-	-
Closing balance	**47,621**	**47,621**
Accumulated impairment losses		
Opening balance	**-106**	**-106**
Impairment	-	-
Effect of foreign currency exchange differences	-	-
Closing balance	**-106**	**-106**
Closing balance	**47,515**	**47,515**

12 Other intangible assets

The other intangible assets consist of the following assets as at 30 June 2024:

in '000 €	Licenses and trademarks	Internally generated intangible assets	Total
Cost			
31 December 2023	**5,339**	**12,594**	**17,932**
Additions	1,767	1,615	3,382
Disposals	-1,768	-189	-1,957
30 June 2024	**5,338**	**14,019**	**19,357**
Accumulated depreciation and impairment losses			
31 December 2023	**2,162**	**145**	**2,306**
Amortisation in the financial year	1,964	1,895	3,859
Disposals	-1,673	-189	-1,862
30 June 2024	**2,983**	**4,814**	**7,796**
Carrying amount 31 December 2023	**2,646**	**9,488**	**12,134**
Carrying amount 30 June 2024	**2,356**	**9,207**	**11,563**

13 Plant, operating and office equipment

The property, plant and equipment consist of the following assets as at 30 June 2024:

in '000 €	Plant, operating and office equipment	Right of use assets	Total
Cost			
31 December 2023	**1,793**	**4,914**	**6,707**
Additions	23	-	23
Disposals	-14	-	-14
30 June 2024	**1,801**	**4,914**	**6,715**
Amortisation and impairment losses			
31 December 2023	**884**	**1,844**	**2,728**
Amortisation in the financial year	208	513	722
Disposals	-14	-	-14
30 June 2024	**1,078**	**2,357**	**3,435**
Carrying amount 31 December 2023	**909**	**3,070**	**3,979**
Carrying amount 30 June 2024	**724**	**2,557**	**3,281**

13.1 Right of use assets

The right of use asset relates to the rental agreements signed by the Group. The right of use asset is depreciated using the straight-line method and based on the contractual term of the rental agreement.

14 Other non-current assets

in '000 €	30.06.2024	31.12.2023
Blacknut S.A.S	1,572	1,572
Dreamspark S.A.S	400	400
Total	**1,972**	**1,972**

15 Other financial liabilities

in '000 €	30.06.2024	31.12.2023
Non-current liabilities		
Lease liabilities	2,480	2,969
Total non-current liabilities	**2,480**	**2,969**
Current liabilities		
Lease liabilities	1,204	1,350
Contingent considerations resulting from acquisitions	-	8
Forward exchange contracts	93	-
Other	52	52
Total current liabilities	**1,348**	**1,410**
Total financial liabilities	**3,828**	**4,379**

15.1 Lease liabilities

A maturity analysis of the lease payments as at the reporting date is presented below:

in '000 €	30.06.2024	31.12.2023
No later than 1 year	1,204	1,350
Later than 1 year and not later than 5 years	2,480	2,969
Later than 5 years	-	-
Total	**3,684**	**4,319**

16 Bank borrowings

	30.06.2024	31.12.2023
Credit facility	-	-
Borrowing base facility	-	-
Total secured bank loans	**-**	**-**
Capitalised finance expenses	-	-
Total bank borrowings	**-**	**-**

The Group has an overdraft facility with HSBC for an amount of €15.0 million. If the overdraft facility is drawn down upon, the interest rate is calculated as follows:

(i) for EUR: at the Main Refinancing Operations rate published by the European Central Bank (ECB) (provided that, if such interest rate is less than zero, it shall be deemed to be zero), increased with the applicable margin of 2.60%.

(ii) for USD: Midpoint of Federal Reserve (FED) Target Range (provided that, if such interest rate is less than zero, it shall be deemed to be zero), increased with the applicable margin of 2.85%.

(iii) for GBP: at the Bank Of England rate published by the Bank of England (BOE) (provided that, if such interest rate is less than zero, it shall be deemed to be zero), increased with the applicable margin of 2.85%.

An amount of €74 thousand of capitalised finance expenses was reclassified to other current assets as no amount was drawn down per 30 June 2024.

17 Share-based payment arrangements

17.1 Description of share-based payment arrangements

At 30 June 2024, the Group had the following share-based payment arrangements outstanding:

	30.06.2024	31.12.2023
	Number of instruments	Number of instruments
Share appreciation rights 2017	-	2
Stock option plan 2017	23	23
Share appreciation rights 2019	1	22
Share appreciation rights 2020	24	53
Share appreciation rights 2021	58	59
Share appreciation rights 2022	44	44
Share appreciation rights 2023	46	46
Share appreciation rights 2024	59	-
Subtotal cash-settled share based payment arrangements	**255**	**249**
Stock option plan 2020	158	137
Stock option plan 2022	164	152
Subtotal equity-settled share based payment arrangements	**322**	**288**
Total	**577**	**537**

During the period, the below share-based payment arrangements are new or changed compared to the last annual financial statements.

17.1.1 Share appreciation rights 2024

During 6M 2024, the Group granted a total of 59,350 share appreciation rights (SAR) to employees that entitle them to a cash payment after 4 years of service. The share appreciation rights expire at the end of a 7-year period after the grant date. A precondition for the exercise of the share appreciation rights is that the respective year performance target has been achieved within the four-year waiting period. The year performance target is based on the actual Group EBITDA in comparison to the budgeted Group EBITDA. The amount of cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

17.1.2 Stock option plan 2020 and 2022

The purpose of this plan is the persistent linking of the interests of the members of the Management Board and of eligible employees of the company with the interests of the shareholders of the company in a long-term increase in the shareholder value. During 6M 2024, 21,000 stock option rights were granted for the plan relating to 2020 and 12,632 stock option rights were granted relating to 2022.

The options issued within the framework of the plan entitle the holder thereof to subscribe shares in the Company. One option entitles the holder thereof to subscribe one share in the company. Such right to subscribe shares may be satisfied either out of a contingent capital created for this purpose or out of the holdings of the Company's own shares. This will be decided by the Supervisory Board as far as the Management Board is concerned and by the Management Board for the other participants. The term of each option ends after expiration of seven years since grant date of the option to the respective participant. The holding period of the options amounts to four years.

Each stock option gives the right to a no-par value share in the company, against payment of the exercise price of €1. A prerequisite for the exercise of options is the achievement of the annual performance target within the waiting period. The main performance target for the exercise of options is achieved if the closing price of the share in the Company in Xetra trading at the Frankfurt stock exchange exceeds the target share price corresponding to the year and month of the grant date on a total of fifty stock exchange trading days within a period of twelve months following the granting of the relevant options.

17.2 Assumptions underlying the cash-settled stock option plans

The fair value of the options was calculated by an external valuation expert using the Black-Scholes-Merton formula. For all the programmes, plausible estimates were made of the expected volatility, including price increases that occurred in the relevant periods until balance sheet date.

The inputs used in the measurement of the average weighted fair values on grant date and measurement date of the share appreciation rights (SAR) and stock option plans were as follows.

	SOP 2017	SAR 2019	SAR 2020	SAR 2021	SAR 2022	SAR 2023	SAR 2024
Number of options issued	67,500	34,600	63,250	59,250	44,000	46,350	59,350
Fair value of the option on the grant date	€1.00	€0.65	€2.61	€7.27	€7.43	€9.52	€19,82
Fair value of the option on measurement date	€14.61	€13.94	€7.49	€4,09	€3.97	€5.23	€5.23
Exercise price of the option on the issue date	€1.00	€2.00	€9.93	€21.06	€22.67	€26.39	€20.02
Expected volatility	65%	65%	65%	60%	60%	60%	60%
Duration of the option	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected dividends	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Risk-free interest rate	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

17.3 Assumptions underlying the equity-settled stock option plans

The fair value of the options was calculated by an external valuation expert using the Black-Scholes-Merton formula. For all the programmes, plausible estimates were made of the expected volatility, including price increases that occurred in the relevant periods until balance sheet date.

The inputs used in the measurement of the average weighted fair values on grant date and measurement date of the share appreciation rights and stock option plans were as follows.

	Stock option plan 2020	Stock option plan 2022
Number of options issued	157,500	164,212
Fair value of the option on the grant date	€8.88	€7.11
Share price at grant date	€23.02	€26.09
Exercise price of the option on grant date	€1.00	€1.00
Expected volatility	60%	60%
Duration of the option	7 yrs	7 yrs
Expected dividends	7.1%	7.1%
Risk-free interest rate	2.5%	2.5%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

17.4 Reconciliation of outstanding share options arrangements

The number and weighted-average exercise prices of share options under the share option programmes were as follows.

	6M 2024	
		Average exercise price
	Number	€
31 December 2023	**535,430**	**7.80**
Granted during the period	92.982	13,14
Exercised during the period	-50,250	3,87
Forfeited during the period	-1,000	28.55
30 June 2024	**577.162**	**7.98**
Exercisable on 30 June 2024	1,000	2.00

The options outstanding at 30 June 2024 had an exercise price in the range of €1.00 to €32.32 (31 Dec 2023: €1.00 to €32.32) and a weighted-average contractual life of 5.19 years (31 Dec 2023: 5.2 years). The weighted-average share price at the date of exercise for share options exercised in 6M 2024 was €18.21 (6M 2023: €30.28).

18 Commitments and contingencies

As at the balance sheet date, the Group had no significant commitments for expenditures which have not already been recognised.

19 Events after the reporting period

No other significant events have occurred after the reporting date, which are of significant importance to the Group.

Disclosure in accordance with section 115 (5) sentence 6 of the German Securities Trading Act (WpHG)

The condensed consolidated interim financial statements as at 30 June 2024 – consisting of the consolidated income statement, consolidated balance sheet, cash flow statement, statement of changes in equity and notes – and the Group interim management report for the period 1 January until 30 June 2024 were not audited in accordance with Section 317 of the German Commercial Code (HGB) nor subject to a review by a person qualified to audit financial statements.

Responsibility statement

We confirm that, to the best of our knowledge and in accordance with applicable accounting principles for interim reporting, the condensed interim financial statements of CLIQ Digital AG present a true and fair view of the CLIQ Group's assets, financial situation and earnings, and that the condensed Group interim management report describes fairly, in all material respects, the Group's business trends and performance, the Group's position, and the significant risks and opportunities of the Group's expected future development in the remaining months of 2024.

8 August 2024

The Management Board

Further information

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About CLIQ Digital

The CLIQ Digital Group is a leading online performance marketing company that distributes subscription-based streaming services that bundle films & series, music, audio books, sports and games to consumers worldwide. The Group licences streaming content from partners, bundles it and sells the content via its numerous streaming services. Over the years, CLIQ has become a specialist in online advertising and the design of streaming services tailored to specific consumer groups.

CLIQ Digital operates in over 40 countries and employed 155 people from 41 different countries as of 30 June 2024. The company is headquartered in Düsseldorf and has offices in Amsterdam, Paris and Toronto.

CLIQ Digital is listed in the Scale segment of the Frankfurt Stock Exchange (WKN: A35JS4, ISIN: DE000A35JS40) and is a member of the MSCI World Micro Cap Index.

Visit our website **https://cliqdigital.com/investors**. Here you will find all publications and further information about CLIQ Digital. You can also follow us on LinkedIn.

Disclaimer

This financial report contains unaudited figures. It also contains forward-looking statements which are based on certain expectations and assumptions at the time of publication of this report and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in this report. Many of these risks and uncertainties relate to factors that are beyond CLIQ Digital's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this report. CLIQ Digital does not undertake any obligation to publicly release any update or revisions to these forward-looking statements to reflect events or circumstances after the date of this report.

Please note: rounding differences can occur and In case of doubt, the English version shall prevail.

Financial reporting calendar

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