CLIQ DIGITAL

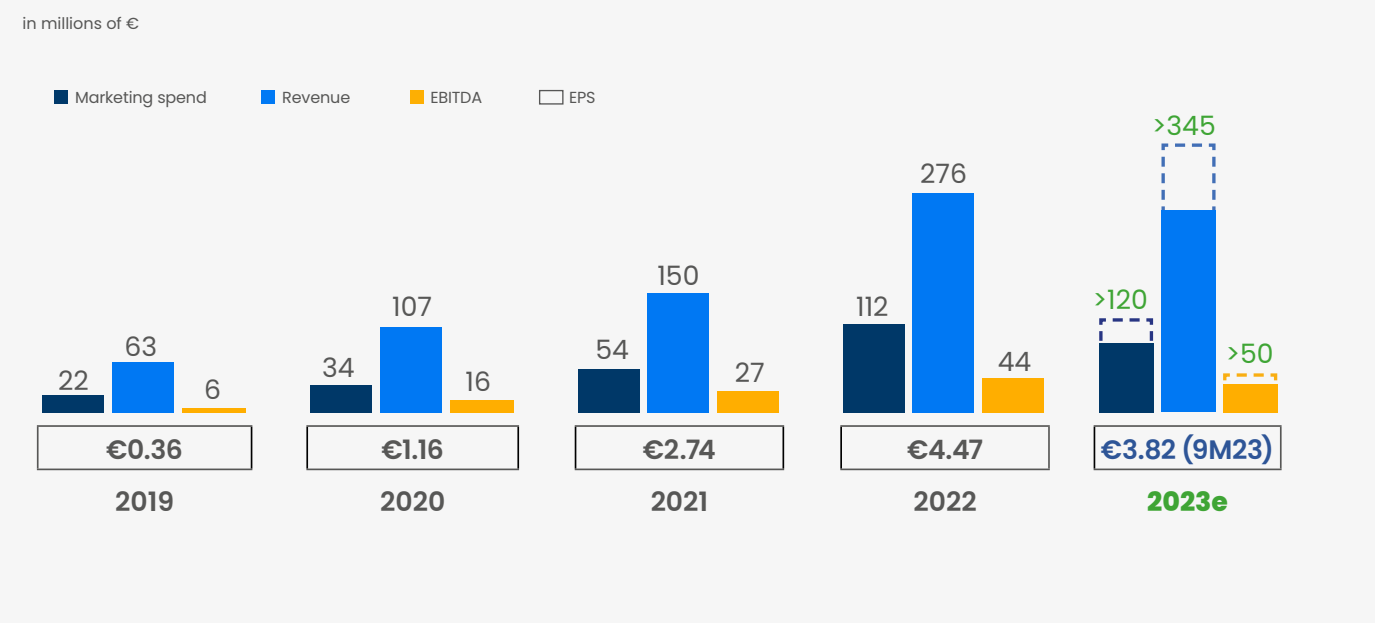
3Q/9M 2023 FINANCIAL REPORT

- UNAUDITED -

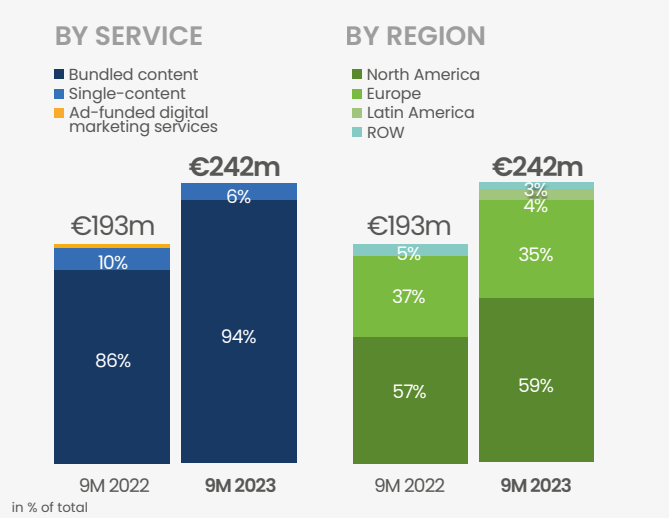
9M 2023 key financials

REVENUE	MARKETING SPEND	EBITDA	EPS
€242m	€100m	€39m	€3.82
+25% y/y	+21% y/y	+25% y/y	+€0.52 y/y

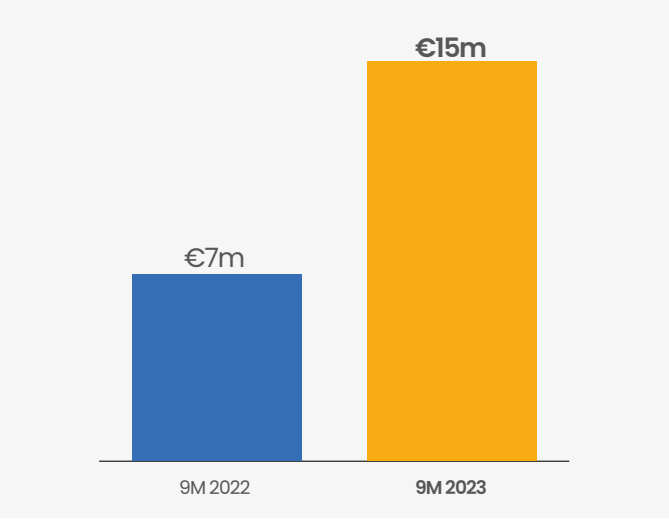
Business development



Revenue breakdown



Operating free cash flow



KEY FIGURES

in millions of €

P&L highlights

	9M 2023	9M 2022	3Q 2023	3Q 2022
Revenue	**242.2**	**193.3**	**82.6**	**76.5**
Marketing cost	-91.6	-61.6	-33.3	-24.7
EBITDA	**38.5**	**30.8**	**13.3**	**12.4**
EBITDA margin	15.9%	15.9%	16.1%	16.2%
EBIT	35.6	29.8	12.0	12.0
EBIT margin	14.7%	15.4%	14.6%	15.7%
Profit for the period	24.9	21.5	8.6	8.6
Basic earnings per share (in €)	**3.82**	**3.30**	**1.33**	**1.33**

Cash flow

	9M 2023	9M 2022	3Q 2023	3Q 2022
Cash flow from operating activities	**23.9**	**13.2**	**6.9**	**9.7**
Cash flow from investing activities	-9.1	-5.8	-2.7	-1.4
Operating free cash flow	**14.7**	**7.4**	**4.2**	**8.3**
Cash flow from financing activities	-12.7	-7.6	-0.3	-0.3
Total cash flow	2.0	-0.2	3.9	8.0

KPIs

	30/09/2023	30/06/2023
Paid memberships (in millions)	1.3	1.1

	9M 2023	9M 2022	3Q 2023	3Q 2022
Expected average lifetime value (LTV)	84.81	71.90	89.01	71.76

Balance sheet

	30/09/2023	31/12/2022
Equity	95.1	81.3
Total assets	151.1	135.1
Equity ratio	63%	60%
Net financial debt(-) / net liquidity(+)	**11.9**	**9.9**

Human resources

	30/09/2023	31/12/2022
Full-time employees	148	139
Part-time employees	25	25
Total employees	**173**	**164**

Shares

	30/09/2023	31/12/2022
Share price (in €)	18.76	25.20
Number of shares	6,508,714	6,508,714
Market capitalisation	**122**	**164**

CLIQ DIGITAL

MANAGEMENT STATEMENT

Despite muted consumer sentiment on the back of inflation, higher interest rates and disturbing geopolitical tensions, CLIQ's Management is glad to report that Group sales grew by 25% in the first nine months and by 8% quarter-on-quarter. Furthermore, our momentum in cash flow and EBITDA generation continued to improve. These developments continue to underscore our growth story going forward and are testament to the sustainability of our quite unique business model.

BUSINESS DEVELOPMENT

Revenue

In the **third quarter** of 2023 (01/07 – 30/09/2023), CLIQ Digital Group (hereafter referred to as "CLIQ" or "Group") grew its revenue year-on-year as well as quarter-on-quarter by 8% to €82.6 million (3Q 2022: €76.5 million). The main growth drivers in 3Q 2023 were North and Latin American bundled-content streaming services as well as the higher lifetime value for bundled-content streaming services.

In 3Q 2023, bundled-content streaming services constituted 95% of total Group revenue (3Q 2022: 88%) and the regions North America and Europe constituted 64% and 30% of total revenue respectively. In relative terms, Latin America was the fastest growing region in the third quarter 2023 with €3.4 million revenue.

in millions of €	**9M 2023**	9M 2022	**3Q 2023**	3Q 2022
Revenue	**242.2**	**193.3**	**82.6**	**76.5**
of which generated by:				
Bundled-content streaming services	227.0	166.2	78.1	67.1
Single-content streaming services	15.2	19.4	4.5	6.7
Ad-funded digital marketing services[1]	-	7.7	-	2.7
Regional split:				
North America	142.6	110.7	52.7	44.5
Europe	84.1	71.4	24.8	26.8
Latin America	9.3	1.4	3.4	1.3
ROW	6.2	9.8	5.1	3.9

In the **first nine months** of 2023, CLIQ's revenue grew year-on-year by 25% to €242.2 million (9M 2022: €193.3 million). Revenue growth was mainly driven by an increase in online marketing campaigns promoting bundled-content streaming services to €227 million, which was a year-on-year increase of 37%. The share of North American and European revenue was 59% and 35% respectively (9M 2022: 57% and 37% respectively).

[1] Following a strategic realignment, the business activities relating to the (ad-funded) digital marketing services were discontinued as of mid-August 2022. The strategic realignment prescribes greater focus on the subscription-based, bundled content streaming services and better linking the operations and processes to the Group's goals and overall business strategy.

Customer acquisition costs (marketing spend)

One of the Group's most important drivers for revenue growth is customer acquisition costs (marketing spend). The customer acquisition costs reflect the advertising costs incurred in the reporting period for acquiring new members and subsequently future sales.

In accordance with IFRS 15, CLIQ capitalises its customer acquisitions costs that are directly allocable to new members subscribing to the recurring digital entertainment services in order to eliminate the timing difference between immediate cost impact and the deferred revenue recognition.

These capitalised customer acquisition costs, or so-called contract costs, are an investment in the Customer Base Value (LTVCB), which represents expected future sales.

The contract costs are released to the income statement over the member's revenue lifecycle with a maximum amortisation period of 18 months. When a member unsubscribes to the service, the corresponding capitalised contract costs are fully amortised in the same period.

The customer acquisition costs, capitalised contract costs and amortised contract costs together represent the marketing costs related to the revenue recognised in the period. The marketing costs related to the revenue for the period are recognised in line with the duration of the expected membership and thus shows an accurate and fair view of the Group's earnings.

in millions of €	**9M 2023**	9M 2022	Y/Y Δ	**3Q 2023**	3Q 2022	Y/Y Δ
Customer acquisition costs (marketing spend)	**-100.0**	**-82.5**	**21%**	**-35.3**	**-30.4**	**16%**
of which capitalised and amortised in the period:						
Capitalised customer acquisition costs (contract costs)	98.0	77.6		34.9	29.2	
Amortised contract costs	-89.6	-56.7		-32.9	-23.5	
Total marketing costs	**-91.6**	**-61.6**	**49%**	**-33.3**	**-24.7**	**35%**
in % of revenue	**38%**	**32%**		**40%**	**32%**	

CLIQ's customer acquisition costs in **3Q 2023** amounted to €35.3 million (3Q 2022: €30.4 million). The total marketing costs in 3Q 2023 amounted to €33.3 million (3Q 2022: €24.7 million), which as a percentage of revenue was 40% (3Q 2022: 32%).

In **9M 2023**, the Group's customer acquisition costs grew by 21% to €100 million (9M 2022: €82.5 million) and the total marketing costs amounted to €91.6 million (9M 2022: €61.6 million).

The higher marketing costs reflected a greater number of marketing campaigns launched in 3Q 2023 to acquire more new members than in the prior year as well as the more competitive pricing environment, where bidding prices to acquire new members remained elevated, especially in Europe.

The brand marketing spend share remained immaterial due to a recalibration of the promotional activities following data analyses of the TV campaigns aired in April in order to further improve the number of Cliq (cliq.de) membership conversions going forward.

EBITDA

In the **third quarter** of 2023, CLIQ's EBITDA grew in line with sales by 7% to €13.3 million (3Q 2022: €12.4 million) and resulted in a stable EBITDA margin of 16.1% (3Q 2022: 16.2%) despite significantly higher marketing costs, which were compensated by lower Other Cost of Sales.

In the **first nine months** of 2023, the Group's EBITDA grew by 25% to €38.5 million (9M 2022: €30.8 million). The EBITDA margin remained stable at 15.9% (9M 2022: 15.9%) on the back of improved revenue growth.

Earnings per share

Profit for the **third quarter 2023** remained stable compared to prior year's third quarter and totalled €8.6 million (3Q 2022: €8.6 million). Basic EPS for the third quarter was flat year-on-year at €1.33 (cf. €1.33 in 3Q 2022).

In 9M 2023, profit for the **first nine months** came in at €24.9 million and was 16% higher than prior year (9M 2022: €21.4 million). Basic EPS for the first nine months was €3.82 in comparison to €3.30 in 9M 2022.

Key performance indicators

Per 30 September 2023, the total **number of unique paying members** for bundled and single-content streaming services amounted to 1.3 million (30/06/2023: 1.1 million). The quarter-on-quarter increase resulted from the greater number of marketing campaigns launched to acquire new members with a higher projected average lifetime value, which is instrumental in maintaining healthy profit margins.

The ongoing ability to secure higher average membership fees from newly acquired members throughout the current and previous periods has contributed to the growth of the customer base value and, subsequently, the company's revenues for the period.

The **expected average lifetime value of a customer** (LTV) for bundled and single-content services was up 24% to €89 in 3Q 2023 (3Q 2022: €72). The year-on-year increase was due to the Group's focus on selling bundled content services and the subsequent growing share of bundled content service memberships. In 9M 2023, the corresponding value was €85 (9M 2022: €72).

As at 30/09/2023, the Group's **customer base value** (LTVCB) was €159 million (30/09/2022: €131 million). The customer base value is calculated by multiplying the number of members by their individual remaining lifetime value and represents total revenue that is expected to be generated by existing members.

Cash flow

In the **third quarter** 2023, the Group's operating free cash flow was €4.2 million (3Q 2022: €8.3 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 third quarter of 2023 amounted to €6.9 million (cf. €9.7 million in 3Q 2022). This decrease in cash flow from operating activities was mainly due to gains in 3Q 2022 from the discontinuation of the (ad-funded) digital marketing services as of mid-August 2022.

The 3Q 2023 cash outflow from investing activities amounted to €2.7 million compared to €1.4 million in 3Q 2022. The lower cash outflow in 3Q 2022 reflected the cash inflow of €1.8 million from the discontinuation of the (ad-funded) digital marketing services.

The cash flow from financing activities during 3Q 2023 was an outflow of €0.3 million (3Q 2022: €0.3 million outflow) for lease payments relating to office space.

in millions of €	**9M 2023**	9M 2022	**3Q 2023**	3Q 2022
Cash flow from operating activities	**23.9**	**13.2**	**6.9**	**9.7**
Cash flow from investing activities	-9.1	-5.8	-2.7	-1.4
Operating free cash flow	**14.7**	**7.4**	**4.2**	**8.3**
Cash flow from financing activities	-12.7	-7.5	-0.3	-0.3
Cash flow for the period	2.0	-0.2	3.9	-8.0

The Group's business development in the **first nine months** of the year resulted in an operating free cash inflow of €14.7 million (9M 2023: €7.4 million inflow).

A €23.9 million cash inflow from operating activities resulted during the first nine months of 2023 (cf. €13.2 million in 9M 2022). This increase €10.7 million in operating cash flow was due to the higher EBITDA in the first nine months from the numerous streaming services.

In 9M 2023, the cash outflow from investing activities was €9.1 million (9M 2022: €5.8 million) and due to investments relating to platform and technical developments as well as to payments for licensed content.

The cash outflow from financing activities during 9M 2023 was €12.7 million (9M 2022: €7.5 million) and largely related to the dividend distribution of €11.6 million.

Liquidity

As at 30 September 2023, the net cash position of the Group was:

in millions of €	**30/09/2023**	31/12/2022	Δ
Cash & cash equivalents	**11.9**	16.8	4.9
Bank borrowings	**-**	-6.9	6.9
Net cash position	**11.9**	**9.9**	**2.0**

After netting cash and cash equivalents with bank borrowings per 30 September 2023, the net cash position was €11.9 million (without the dividend payment in April, the net cash position would have been over €23 million).

OPPORTUNITIES AND RISKS

The risks and opportunities as described in chapter 5 of the Group Management Report in the Annual Report 2022 are still applicable. Considering the respective likelihood of occurrence and the potential impact of the risks outlined in the Annual Report for 2022, CLIQ Digital AG has not identified any risks that pose a significant threat to continue operations as a going concern.

OUTLOOK

Based on stable exchange rates, no adjustments to the Group's portfolio and despite tough comparables in 2023, the CLIQ Digital Group expects strong organic growth whereby EBITDA is expected to grow to at least € 50 million due to increased demand for streaming services.

The Group expects to grow revenue every year and reach €500 million by the end of 2025.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the nine months ended 30 September

in '000 €	Note	9M 2023	9M 2022
Revenue	5	242,234	193,309
Cost of sales	6	-178,473	-138,887
Gross margin		**63,761**	**54,422**
Personnel expenses	7	-18,576	-15,591
Other operating expenses		-6,553	-7,060
Impairment losses and gains on trade receivables and contract costs		-92	-1,013
Total operating expenses		**-25,221**	**-23,663**
EBITDA		**38,540**	**30,759**
Depreciation, amortisation and impairment charges applied to intangible, tangible and other current assets	8	-2,979	-996
EBIT		**35,561**	**29,763**
Financial income and financial expenses	9	-808	85
Profit before tax		**34,753**	**29,848**
Income taxes	10	-9,886	-8,398
Profit for the period		**24,868**	**21,451**
Attributable to:			
Owners of the Company		24,869	21,452
Non-controlling interest		-1	-2
Profit for the period		**24,868**	**21,451**
Earnings per share			
Basic earnings per share (in €)		3.82	3.30
Diluted earnings per share (in €)		3.80	3.28

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OCI

for the nine months ended 30 September

in '000 €	Note	9M 2023	9M 2022
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		65	-194
Total other comprehensive income for the year		**65**	**-194**
Total profit for the period		**24,868**	**21,451**
Total comprehensive income for the year		**24,932**	**21,257**
Attributable to:			
Shareholders of the company		24,933	21,259
Non-controlling interest		-1	-2
Total comprehensive income for the year		**24,932**	**21,257**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

in '000 €	Note	30/09/2023	31/12/2022
Assets			
Goodwill	11	47,523	47,435
Other intangible assets	12	11,906	8,401
Property, operating and office equipment	13	4,311	4,957
Contract costs		2,580	707
Other non-current assets	14	2,070	1,972
Deferred tax assets		1,631	1,583
Total non-current assets		**70,019**	**65,055**
Trade receivables		21,395	13,618
Contract costs		45,434	38,857
Other current assets		2,375	769
Cash and cash equivalents		11,868	16,804
Total current assets		**81,072**	**70,046**
Total assets		**151,092**	**135,101**
Equity & Liabilities			
Issued capital		6,509	6,509
Share premium		58,053	58,053
Retained earnings		29,600	16,375
Other reserves		1,030	435
Equity attributable to the shareholders		**95,193**	**81,372**
Non-controlling interest		-66	-65
Total equity		**95,127**	**81,307**
Deferred tax liabilities		13,998	10,503
Borrowings	16	-	6,562
Other financial liabilities	15	3,203	4,137
Other liabilities		951	1,376
Total non-current liabilities		**18,152**	**22,578**
Borrowings	16	-	-
Other financial liabilities	15	1,527	2,178
Provisions		376	375
Trade payables		15,732	9,531
Income tax liabilities		4,676	2,613
Other liabilities		15,502	16,519
Total current liabilities		**37,813**	**31,216**
Total liabilities		**55,965**	**53,794**
Total equity and liabilities		**151,092**	**135,101**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended 30 September

in '000 €	Issued capital	Share premium	Retained earnings	Other reserves	Equity attributable to the shareholders	Non-controlling interest	Total equity
Balance as of 1 January 2023	**6,509**	**58,053**	**16,375**	**435**	**81,372**	**-65**	**81,307**
Net profit / loss for the period	-	-	24,869	-	24,869	-1	24,868
Other comprehensive income	-	-	-	188	188	-	188
Dividend Distributions	-	-	-11,643	-	-11,643	-	-11,643
Equity-settled share-based payments	-	-	-	408	408	-	408
Balance as of 30 September 2023	**6,509**	**58,053**	**29,600**	**1,030**	**95,193**	**-66**	**95,127**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

for the nine months ended 30 September

in '000 €	Note	9M 2023	9M 2022
Cash flow from operating activities			
Profit before tax		34,753	29,848
Net (gain)/loss arising on financial liabilities designated as at fair value through profit and loss	9	-1	59
Gain on disposal of discontinued operations		-	-1,222
Financial income and expenses recognized in profit or loss	9	809	-145
Equity-settled share based payment transactions		408	257
Depreciation and amortization of non-current assets	12, 13	5,652	2,797
		41,622	**31,594**
Changes in working capital		**-13,116**	**-15,881**
(Increase)/decrease in contract costs		-8,418	-20,940
(Increase)/decrease in trade receivables and other current assets		-9,138	-2,081
Increase/(decrease) in current liabilities		4.441	7,140
Cash generated from operations		**28,506**	**15,713**
Income taxes (paid)/received		-4,395	-2,284
Interest (paid)/received		-217	-250
Net cash generated from operating activities		**23,894**	**13,179**
Cash flow from investing activities			
Payments for property, plant and equipment	16	-99	-689
Payments for intangible fixed assets	15	-8,051	-6,262
Sale/(Acquisition) of other investments		-199	1,542
Net cash (outflow)/inflow on acquisition of subsidiaries		-800	-377
Net cash used in investing activities		**-9,149**	**-5,786**

in '000 €	Note	9M 2023	9M 2022
Cash flow from financing activities			
Transaction costs related to loans and borrowings		-	-358
Lease instalments paid		-1,072	-31
Acquisition of non-controlling interest		1	1
Dividends paid		-11,643	-7,155
Net cash used in financing activities		**-12,714**	**-7,543**
Total cash flow		**2,031**	**-150**
Cash and cash equivalents at the beginning of the year		**9,900**	**2,301**
Net increase / (decrease) in cash and cash equivalents		2,031	-150
Effects of exchange rate changes on the balance of cash held in foreign currencies		-63	-9
Cash and cash equivalents at the end of the year		**11,868**	**2,142**
Cash and bank balances		11,868	10,142
Bank borrowing overdraft facility		-	-8,000
Cash and cash equivalents in cash flow statement		**11,868**	**2,142**

1 CORPORATE INFORMATION

The CLIQ Digital Group sells subscription-based streaming services that bundle movies & series, music, audiobooks, sports and games to consumers globally. The Group licenses streaming content from partners, bundles it and sells the content through its numerous streaming services. Over the years, CLIQ has become a specialist in online advertising and creating streaming services that are advertised towards specific consumer groups. CLIQ operates in over 40 countries and employed 173 staff from 39 different nationalities as at 30 September 2023. The company is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris and Toronto.

The holding company of the Group is CLIQ Digital AG, located in Grünstraße 8, 40212 Düsseldorf, Germany and registered in the commercial register of the Amtsgericht Düsseldorf (commercial register number 69068). The shares of CLIQ Digital AG are listed on the Frankfurt Stock Exchange in the Scale segment for small and medium-sized companies, which is part of the Open Market segment (ISIN: DE000A0HHJR3, WKN: A0HHJR) 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 September of each calendar year. This 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 nine months ended 30 September 2023 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 2022 ('last annual financial statements'). They 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 have been 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 and operation	30 Sept 2023	31 Dec 2022
Principal companies			
Netherlands			
Cliq B.V.	Amsterdam, The Netherlands	100%	100%
Cliq Games B.V.	Amsterdam, The Netherlands	60%	60%
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%
United Kingdom			
Universal Mobile Enterprises Limited	Witney, United Kingdom	100%	100%
Red27 Mobile Limited	Witney, United Kingdom	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%
Cructiq AG	Baar, Switzerland	100%	100%
Luboka Media Limited	Witney, United Kingdom	100%	100%
Memtiq B.V.	Amsterdam, The Netherlands	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%
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%
Bunkr Technologies S.A.S.	Vincennes, France	80%	80%
Netacy Inc.	Dover, USA	100%	100%
Guerilla Mobile Asia Pacific Pte. Ltd (Liquidated as per 10 October, 2023)	Singapore	100%	100%
TMG Singapore PTE Ltd. (Liquidated as per 10 October, 2023)	Singapore	100%	100%
Hype Ventures B.V. (merged with CLIQ UK Holding B.V. in Jan 2023)	Amsterdam, The Netherlands	100%	100%
VIPMOB B.V. (Liquidated on March 29, 2023)	Amsterdam, The Netherlands	0%	80%

4 USE OF JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 2, the 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 €	**9M 2023**	9M 2022
Digital entertainment services	242,228	185,618
Digital marketing services	-	6,469
Other income	6	1,222
Total revenue	**242,234**	**193,309**

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

In '000 €	**9M 2023**	9M 2022
Europe	84,120	71,410
North America	142,610	110,683
Latin America	9,318	1,369
ROW	6,187	9,847
Total	**242,234**	**193,309**

6 COST OF SALES

The cost of sales are composed as follows:

In '000 €	9M 2023	9M 2022
Marketing spend	100,012	82,507
Capitalised marketing spend	-97,984	-77,635
Amortised contract costs	89,565	56,696
Marketing costs	**91,594**	**61,567**
Third party costs	39,345	33,560
Other COS	47,534	43,761
Total cost of sales	**178,473**	**138,887**

7 PERSONNEL EXPENSES

The personnel expenses are composed as follows:

In '000 €	9M 2023	9M 2022
Wages and salaries	15,041	12,825
Pension contributions	35	25
Social security contributions	1,637	1,280
Share-based payment arrangements	229	527
Hired staff and related costs	1,063	408
Other	571	527
Total	**18,576**	**15,591**

7.1 Employees

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

	9M 2023	9M 2022
Employees (average full-time equivalent)	169	139
Full-time employees (average headcount)	147	123
Part-time employees (average headcount)	26	20
Employees (average headcount)	**173**	**143**

8 DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

In '000 €	9M 2023	9M 2022
Licences and trademarks	-	120
Other intangible assets	1,872	28
Right of use assets	773	617
Plant, operating and office equipment	334	231
Total	**2,979**	**996**

9 FINANCIAL INCOME AND FINANCIAL EXPENSES

In '000 €	9M 2023	9M 2022
Financial income		
Interest Income	61	-
Exchange results	-	836
Fair value movements on financial liabilities designated as FVTPL	1	-
Total financial income	**61**	**836**
Financial expenses		
Interest expenses on bank overdrafts and loans	-98	-210
Amortisation capitalised finance expenses	-73	-91
Interest expense on lease liabilities	-144	-127
Exchange results	-325	-
Bank costs	-154	-210
Other financial expenses	-76	-53
Fair value movements on financial liabilities designated as FVTPL	-	-59
Total financial expenses	**-869**	**-751**
Total financial income and financial expenses	**-808**	**85**

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. The tax rate in the United Kingdom was 19.0% until March 31st, 2023. From April 1st onwards, the applicable tax rate is 25%. The weighted average rate of 23,5% is used for the calculation of the tax position. As in the previous year, the recognition of deferred taxes on German tax loss carry forward were based throughout on tax rates of 15.4% for trade tax, and 15.8% for corporation tax and the solidarity surcharge.

10.1 Reconciliation of the effective tax rate

In '000 €	DE	NL	UK	Other	**9M 2023**	9M 2022
Profit before tax	-4,092	35,249	3,143	452	**34,753**	**29,848**
Nominal tax rate	31.2%	25.8%	23.5%	22.2%	31.2%	31%
Income tax calculated at nominal rate	1,278	-9,094	-739	-100	**-10,851**	**-9,320**
Effects of different tax rates of subsidiaries operating in other jurisdictions	-	-	-	-	2,196	1,730
Expenses share option plan which are not tax-deductible	-155	-	-	-	-155	-13
Tax results from previous years	-8	-45	26	-	-27	-67
Recognition of unrecognized (derecognition of recognized) tax losses	-1,113	-	-	156	-957	-547
Fair value movements related to contingent considerations arrangements from acquisitions	-	-	-	-	-	-19
Non-deducitble amortisation and depreciation expenses	-	-	-	-	-	-37
Other	5.7	-0.9	-66.5	-29.5	-91	-125
Income tax expense in profit or loss account (effective)	7	-9,140	-779	26	**-9,886**	**-8,398**
Effective tax rate	0.2%	25.9%	24.8%	-5.7%	**28.4%**	**28%**

11 GOODWILL

11.1 Reconcilation of carrying amount of goodwill

In '000 €	30/09/2023	31/12/2022
Cost	47,629	47,541
Accumulated impairment losses	-106	-106
Carrying amount goodwill	**47,523**	**47,435**

In '000 €	30/09/2023
Cost	
Opening balance at 1 January	**47,541**
Disposals	-
Effect of foreign currency exchange differences	88
Closing balance at reporting date	**47,629**
Accumulated impairment losses	
Opening balance at 1 January	**-106**
Impairment	-
Effect of foreign currency exchange differences	-
Closing balance at reporting date	**-106**
Carrying amount at reporting date	**47,523**

12 OTHER INTANGIBLE ASSETS

The other intangible assets consist of the following assets as at 30 September 2023:

In '000 €	Licences and trademarks	Internally generated intangible assets	**Total**
Cost			
31 December 2022	**4,624**	**6,083**	**10,707**
Additions	2,910	5,141	8,051
Disposals	-2,296	-29	-2,324
Effect of currency exchange differences	-	1	1
30 September 2023	**5,238**	**11,197**	**16,434**
Amortisation and impairment losses			
31 December 2022	**2,162**	**145**	**2,306**
Amortisation	2,674	1,872	4,546
Disposals	-2,296	-29	-2,324
Effect of currency exchange differences	-	1	1
30 September 2023	**2,540**	**1,989**	**4,529**
Carrying amount 31 December 2022	**2,462**	**5,938**	**8,401**
Carrying amount 30 September 2023	**2,698**	**9,207**	**11,906**

13 PLANT, OPERATING AND OFFICE EQUIPMENT

The property, plant and equipment consist of the following assets as at 30 September 2023:

In '000 €	Plant. operating and office equipment	Right of Use Assets	Total
Cost			
31 December 2022	**1,733**	**4,832**	**6,565**
Additions	99	358	457
Disposals	-70	-284	-354
30 September 2023	**1,761**	**4,906**	**6,668**
Amortisation and impairment losses			
31 December 2022	**512**	**1,096**	**1,608**
Amortisation	331	773	1,104
Disposals	-70	-284	-354
30 September 2023	**772**	**1,585**	**2,357**
Carrying amount 31 December 2022	**1,221**	**3,736**	**4,957**
Carrying amount 30 September 2023	**989**	**3,322**	**4,311**

13.1 Right of use assets

The right of use asset relates to the office 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 FINANCIAL ASSETS

In '000 €	30/09/2023	31/12/2022
Foreign currency forwards	98	-
Blacknut SAS	1,572	1,572
Dreamspark SAS	400	400
Total financial assets	**2,070**	**1,972**

15 OTHER FINANCIAL LIABILITIES

In '000 €	30/09/2023	31/12/2022
Non-current liabilities		
Lease liabilities	3,203	4,137
Subtotal	**3,203**	**4,137**
Current liabilities		
Lease liabilities	1,420	1,054
Contingent considerations resulting from acquisitions	56	857
Forward exchange contracts	-	17
Other	50	250
Subtotal	**1,527**	**2,178**
Total financial liabilities	**4,730**	**6,315**

15.1 Lease liabilities

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

In '000 €	30/09/2023	31/12/2022
Not later than 1 year	1,420	1,054
Later than 1 year and not later than 5 years	3,203	3,888
Later than 5 years	-	249
Total	**4,623**	**5,191**

16 BANK BORROWINGS

In '000 €	30/09/2023	31/12/2022
Overdraft facility	-	6,000
Borrowing base facility	-	904
Total drawdowns on credit facility	**-**	**6,904**
Capitalised finance expenses	-	-342
Total bank borrowings	**-**	**6,562**

On 20 April 2023, the Group terminated the financing facility provided by the consortium of Commerzbank AG and Deutsche Bank AG and simultaneously entered into an overdraft facility with HSBC for an amount of €15.0 million at improved terms and conditions. The new financing facility consists of an overdraft facility (€ 15 million). If the financing facilities are used, 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 €114 thousand of capitalised finance expenses has been reclassified to other current assets as no amount was drawn down per 30 September 2023.

17 SHARE-BASED PAYMENT ARRANGEMENTS

17.1 Description of share-based payment arrangements

At 30 September 2023 the Group had the following share-based payment arrangements outstanding:

In '000 €	30/09/2023 Number of instruments	31/12/2022 Number of instruments
Share appreciation rights 2017	-	2.0
Stock option plan 2017	22.5	45.0
Share appreciation rights 2019	23.0	34.6
Share appreciation rights 2020	53.3	53.3
Share appreciation rights 2021	59.3	59.3
Share appreciation rights 2022	44.0	44.0
Share appreciation rights 2023	46.4	-
Subtotal cash-settled share option arrangements	**248.4**	**238.1**
Stock option plan 2020	126.0	94.5
Subtotal equity-settled share option arrangements	**126.0**	**94.5**
Total	**386.0**	**332.6**

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 2023

During 2023 the Group granted a total of 46,350 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 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 Group EBITDA in comparison to the Group budgeted 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

The purpose of this plan is the persistent linking of the interests of the members of the Management Board and of employees of the company with the interests of the shareholders of the company in a long-term increase of the corporate value so as to have regard to the shareholder value concept. During the year 2023 31,500 stock option rights have been granted.

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 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.

	Stock option plan 2017	SAR 2019	SAR 2020	SAR 2021	SAR 2022	SAR 2023
Number of options issued (in '000)	67.5	34.6	63.3	59.3	44.0	46.4
Fair value of the option on grant date	€1.46	€0.65	€2.61	€7.27	€7.43	€9.52
Fair value of the option on measurement date	€17.04	€16.23	€12.70	€4.25	€4.62	€4.71
Exercise price of the option on the issue date	€1.00	€2.53	€6.29	€21.19	€22.67	€26.39
Expected volatility	65%	65%	65%	60%	60%	60%
Duration of the option	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected dividends	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Risk-free interest rate	2.5%	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
Number of options issued (in '000)	126,000
Fair value of the option on grant date	€ 18.99
Share price on grant date	€ 24.39
Exercise price of the option on grant date	€ 1.00
Expected volatility	60%
Duration of the option	7 yrs
Expected dividends	5.0%
Risk-free interest rate	2.42%

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 behavior.

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.

	9M 2023 Average exercise price	
	Number	€
1 January	**332,600**	**4.57**
Granted during the period	77,850	16.11
Exercised during the period	-36,100	1.64
30 September	**374,350**	**10.73**
Exercisable on 30 September	**23,000**	**3.25**

The options outstanding at 30 September 2023 had an exercise price in the range of €1.00 to €32.32 (31 Dec 2022: €1.00 to €32.32) and a weighted-average contractual life of 4.1 years (31 Dec 2022: 7.1 years). The weighted-average share price at the date of exercise for share options exercised in 2023 was €26.62 (9M 2022: €29.60).

18 COMMITMENTS AND CONTINGENCIES

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

19 EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting date, which are of significant importance to the CLIQ Digital 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 September 2023 – 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 September 2023 were not audited in accordance with Section 317 of the German Commercial Code (HGB) or subjected 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 (as described in the annual report 2022) in the remaining months of 2023.

1 November 2023

The Management Board

FURTHER INFORMATION

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About CLIQ Digital

The CLIQ Digital Group sells subscription-based streaming services that bundle movies & series, music, audiobooks, sports and games to consumers globally. 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 173 staff from 39 different nationalities as at 30 September 2023. The company is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris and Toronto. CLIQ Digital is listed in the Scale segment of the Frankfurt Stock Exchange (ISIN: DE000A35JS40, GSIN/WKN: A35JS4) and is a constituent of the MSCI World Micro Cap Index.

Visit our website at **https://cliqdigital.com/investors**, where you will find all publications as well as further information about CLIQ Digital and please 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.

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