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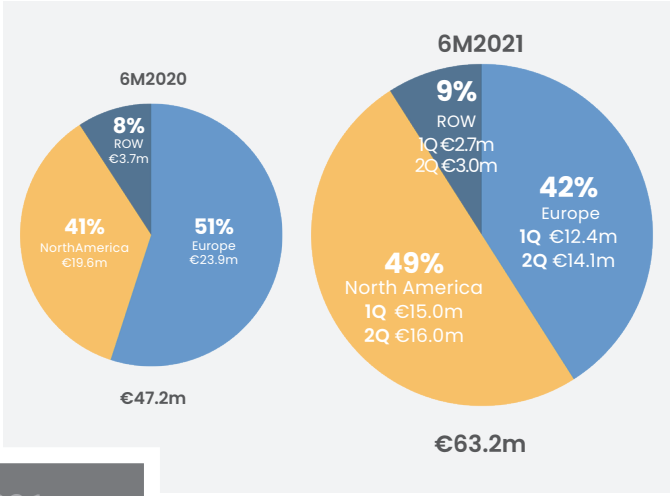
2Q/6M 2021 Financial report

(unaudited)

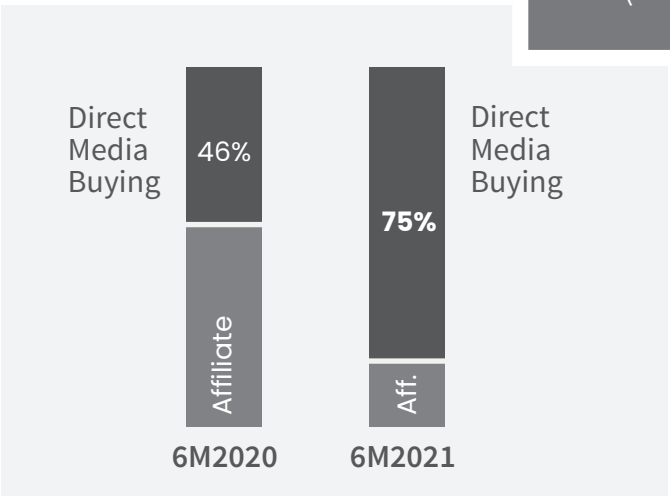
Sales development

Regional sales split

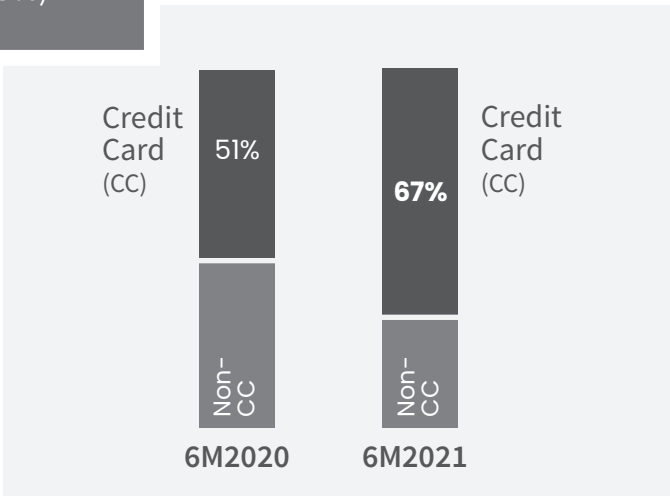


6M 2021:
18% EBITDA margin
(PY: 13%)

Marketing spend



Sales split by payment means



6M 2021:

- Total Group sales increased by 34% to €63.2 million
- European gross revenue up 11% Y/Y
- EBITDA grows to €11.6 million (+83% against PY)
- 18% EBITDA margin (PY: 13%)
- €1.12 EPS (PY: €0.47)
- €6.8 million operating free cash flow generated (PY: €5.6million)

2Q 2021:

- Total Group sales increased by 23% to €33.1 million
- European gross revenue up 11% Y/Y
- EBITDA grows to €6.3 million (+52% against PY)
- 19% EBITDA margin (PY: 15%)
- €0.62 EPS (PY: €0.30)

KEY FIGURES

in millions of €

Sales/earnings	2Q 2021	2Q 2020	6M 2021	6M 2020
Gross revenue	33.1	26.9	63.2	47.2
of which generated in				
• North America	16.0	12.2	30.9	19.6
• Europe	14.1	12.7	26.5	24.0
• ROW	3.0	2.0	5.8	3.6
Marketing spend	-11.9	-8.5	-21.0	-16.3
EBITDA	6.3	4.1	11.6	6.3
EBITDA margin	19%	15%	18%	13%
Net result	4.1	2.8	7.6	4.4
EPS (fully diluted)	0.62	0.30	1.12	0.47

Cash flow	6M 2021	6M 2020
Cash flow from operating activities	7.1	5.7
Cash flow from investing activities	-0.3	-0.1
Operating free cash flow	**6.8**	**5.6**
Cash flow from financing activities	-9.5	-1.3
Total cash flow (prev. defined as "Free cash flow")	**-2.7**	**4.3**

CLIQ-specific KPIs	2021	2020
CLIQ Factor (6M)	1.59x	1.64x
CLIQ Factor (2Q)	1.62x	1.67x
Customer Base Value (30 June)	40.0	31.0

Balance sheet	30/06/2021	31/12/2020
Equity	53.7	55.6
Total assets	82.7	77.0
Equity ratio	65%	72%
Net financial debt (-) / net liquidity (+)	-1.6	0.9

Human resources	30/06/2021	30/06/2020
Full-time employees	86	73
Part-time employees	20	15
Total FTE	**101**	**85**

Shares	30/06/2021	30/06/2020
Share price (in €)	26.05	7.40
Number of shares	6,508,714	6,188,714
Market capitalisation	170	46

MANAGEMENT STATEMENT

The first half of 2021 delivered significant growth. On the back of excellent business performance with both sales and earnings continuously increasing, we introduced new and important content categories and closed an important corporate transaction to substantially boost our EPS. However, we have even more wide-ranging plans for the second half of 2021. Our H2 playbook forecasts a considerable ramp-up in revenue (just look at our CBV development), a material improvement in the look-and-feel of our All-in-One concept and the first positive results from our M&A team as well as the next new, organic market entry. We are all very excited about the fundamentals and opportunities provided in the second half and we are gaining further traction.

Business development

Sales

CLIQ Digital Group's gross revenue increased by 34% to €63.2 million (6M 2020: €47.2 million) from January to June 2021. The share of European and North American gross revenue was 42% and 49% respectively (6M 2020: 51% and 42% respectively). This significant year-on-year shift in geographic weighting is due to the initial focus by the company's own media buying team on the North American market. The predominant and fastest growing payment means in the first six months was credit card, which amounted to 67% of gross revenue (6M 2020: 51%).

In the second quarter 2021 (01/04-30/06/2021), CLIQ Digital generated gross revenue of €33.1 million (2Q 2020: €26.9 million). This corresponds to an increase of 23% compared to the second quarter of the previous year and a sequential improvement of 10% quarter-on-quarter in comparison to the first quarter 2021. The European operations continued to grow also in the second quarter by 11% highlighting the positive sales development resulting also from the introduction of the own, direct media buying to Europe. 69% of total gross revenue in 2Q 2021 was paid for with credit card (2Q 2020: 53%), marking the highest level in company history.

Earnings

In the first half 2021, CLIQ Digital's EBITDA grew by 83% to €11.6 million (6M 2020: €6.3 million) and included higher marketing expenses – one of CLIQ's most important KPIs for further revenue growth – of €21.0 million (+29%, 6M 2020: €16.3 million), which underline CLIQ's accelerating focus on direct media buying (via an own procurement team) and the corresponding fundamental shift from media buying via affiliated partners. In addition, improving the content offering to facilitate both new member acquisition as well as extend customer retention is reported in the higher cost for content. In 2Q 2021, the EBITDA margin (in per cent of gross revenue) was 19% compared to 15% in last year's second quarter.

Net result in the second quarter 2021 came in 44% higher than in prior year's second quarter and totalled €4.1 million (PY: €2.8 million). In 6M 2021, the net result totalled €7.6m and was 74% higher than in the prior year's comparable period (6M 2020: €4.4m).

EPS was €0.62 in the second quarter and thus 107% higher year-on-year (PY: €0.30). The fully diluted EPS for the first six months grew by 138% year-on-year and totalled €1.12 in comparison to €0.47 in 6M 2020, also due to the successful buyout of French minority shareholders.

Acquisition non-controlling interest

On 28 April 2021, CLIQ announced the purchase of the remaining shares in its subsidiary Hype Ventures B.V. from its French minority shareholders. Hype Ventures B.V. is an Amsterdam-based group company which provides streaming entertainment services to consumers worldwide. The acquisition of the remaining shares in Hype Ventures B.V. has a material positive effect on CLIQ Digital AG's earnings per share and further enables the Group to realise sustainable efficiency enhancements within the Group.

CLIQ Digital AG paid a fixed amount of €6 million and an earn-out consideration to the amount of €0.8 million payable over two years as well as issued 320,000 new no par value bearer shares to the sellers. The 320,000 new shares will be entitled to dividends from 1 January 2021 and CLIQ Digital AG agreed to a lock-up period after issuance of the new shares in May 2021. With this capital issue, the company's share capital increased from €6,188,714.00 by €320,000.00 to €6,508,714.00. The carrying amount of the non-controlling interest acquired to the amount of €3.4 million was added to the equity of the company together with the fair value of the considerations transferred to the sellers resulting in a decrease of €3.5 million in equity. The acquisition of the non-controlling interest resulted in an increase of €0.29 in (diluted) earnings per share for the first 6 months of 2021, totalling €1.8 million in added earnings for the shareholders as per 31 December 2020.

Cash flow

The business development in the first six months resulted in an operating free cash flow of €6.8 million (6M 2020: €5.6 million). 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.

A €7.1 million cash inflow from operating activities resulted during the first six months of 2021 (cf. €5.7 million in 6M 2020). This improvement in operating cash flow is due mainly to the better result in the first half.

	6M 2021	6M 2020
Cash flow from operating activities	7.1	5.7
Cash flow from investing activities	-0.3	-0.1
Operating free cash flow	**6.8**	**5.6**
Cash flow from financing activities	-9.5	-1.3
Total cash flow (prev. defined as "Free cash flow")	**-2.7**	**4.3**

The cash outflow from financing activities during 6M 2021 was €9.5 million (6M 2020: €1.3 million) and included €6 million for the acquisition of minority shareholdings and €3.3 million dividend distribution. Due to the Corona pandemic the annual general meeting was postponed to August 2020 after which a dividend to the amount of €2.0 million was distributed in 3Q 2020. Total cash flow (Free cash flow as per historic company definition) amounted to -€2.7 million during the first six months of 2021 compared to €4.3 million in 6M 2020.

Key performance indicators

In the first half 2021, the CLIQ Factor totalled 1.59x (6M 2020: 1.64x) and increased sequentially from 1.56x in the first quarter 2021 to 1.62x in the 2Q 2021. The CLIQ Factor is the ratio of the net revenue per user in the first six months to the cost of member acquisition. It is used as a key performance indicator for measuring the profitability of newly acquired members and in the decision-making process as to whether to invest in certain products or markets.

At the end of the first half 2021, the Customer Base Value (CBV) was €40.0 million (30/06/2020: €31.0 million). The CBV is calculated by multiplying the number of members by their individual remaining net lifetime value. It therefore represents the total net revenue (i.e. gross revenue less the cost of third parties) that is expected to be generated by existing members.

Financial position

As at 30 June 2021, the the maximum available syndicated credit facility was €13.5 million (31/12/2020: €13.5 million), of which an amount of €5.0 million (31/12/20202: €4.0 million) was drawn down upon.

in millions of €	**30/06/2021**	31/12/2020	30/06/2020
Cash & bank balances	3.3	4.9	4.8
Bank borrowings	-5.0*	-4.0*	-10.2
Net financial debt (-) / net liquidity (+)	**-1.7**	**0.9**	**-5.3**

*Include €4.9 million bank borrowings (31/12/2020: €3.8m) and €0.1 million capitalised finance expenses (31/12/2020: €0.2m)

After netting cash and cash equivalents with bank borrowings, net debt increased to €1.7 million compared with a net cash position of €0.9 million as at 31/12/2020 (cf. €5.3 million net debt as at the 2020 half-year-end closing).

Opportunities and risks

Taking into account the respective probability of occurrence and the potential impact of the risks described in the annual report 2020, we identified no risks that might threaten CLIQ Digital AG as a going concern.

Outlook 2021

In 2021, CLIQ Digital expects strong organic growth in gross revenue, EBITDA and marketing spend (the main value driver, which directly influences all other performance indicators).

	2021	2020	Y/Y Δ
Gross revenue	€140m	€107m	31%
Marketing spend	€46m	€34m	35%
EBITDA	€22m	€16m	38%
CLIQ Factor	1.60x	1.68x	

Based on stable exchange rates and no adjustments to the company portfolio, the Management Board is confident that the CLIQ Group will be able to generate at least €140 million in gross revenue, realise an EBITDA of around €22 million in 2021 with a total marketing spend amounting to roughly €46 million. The CLIQ Factor is expected to amount to around 1.60x for the full year 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the six months ended 30 June

in '000 €	Note	6M 2021	6M 2020
Gross revenue	6	63,207.2	47,165.6
Cost of sales	7	-40,565.0	-32,816.5
Gross margin		**22,642.2**	**14,349.1**
Personnel expenses	8	-8,468.8	-5,564.3
Other operating expenses	9	-2,179.7	-2,113.3
Impairment losses and gains on trade receivables and contract costs		-402.2	-330.7
Total operating expenses		**-11,050.7**	**-8,008.3**
EBITDA		**11,591.5**	**6,340.8**
Depreciation, amortisation and impairment charges applied to intangible, tangible and other current assets	9	-471.3	-384.2
EBIT		**11,120.2**	**5,956.6**
Financial income and financial expenses	10	-673.7	-334.8
Profit for the year from continuing operations		**10,446.5**	**5,621.8**
Income taxes	11	-2,867.0	-1,225.2
Profit for the year		**7,579.5**	**4,366.6**
Attributable to:			
Owners of the Company		7,401.7	3,036.6
Non-controlling interest		177.7	1,330.0
Profit for the year		**7,579.4**	**4,366.6**
Earnings per share			
Number of shares for calculation of basic earnings per share (in thousands)		6,504.7	6,188.7
Number of shares for calculation of diluted earnings per share (in thousands)		98.2	262.5
Basic earnings per share (in €)		1.14	0,49
Diluted earnings per share (in €)		1.12	0,47

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OCI

for the six months ended 30 June

in '000 €	Note	6M 2021	6M 2020
Profit for the year		**7,579.5**	**4,366.6**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	12	206.9	-399.0
Total comprehensive income for the year		**7,786.4**	**3,967.6**
Attributable to:			
Shareholders of the company		7,608.7	2,637.6
Non-controlling interest		177.7	1,330.0
Total comprehensive income for the year		**7,786.4**	**3,967.6**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

in '000 €	Note	30/06/2021	31/12/2020
ASSETS			
Goodwill	12	48,047.2	47,840.3
Other intangible assets	13	609.1	773.3
Plant, operating and office equipment	14	2,167.1	2,193.2
Contract costs		694.3	288.7
Deferred tax assets	11	3,038.5	4,139.7
Non-current assets		**54,556.2**	**55,235.2**
Financial assets		-	11.3
Trade receivables		14,243.4	9,085.6
Contract costs		9,773.8	7,177.6
Other assets		871.8	552.7
Cash and cash equivalents		3,270.7	4,908.1
Current assets		**28,159.7**	**21,735.3**
Total assets		**82,715.9**	**76,970.5**
EQUITY & LIABILITIES			
Issued capital	18	6,508.7	6,188.7
Share premium		46,635.8	46,635.8
Retained earnings		-2,087.3	-2,820.3
Other reserves		1,442.7	806.1
Equity attributable to the shareholders		**52,499.9**	**50,810.3**
Non-controlling interest	18	1,180.6	4,839.2
Equity		**53,680.5**	**55,649.5**
Deferred tax liabilities		2,470.7	1,731.9
Bank borrowings	16	4,863.8	3,772.9
Other financial liabilities	15	2,803.5	2,298.3
Other liabilities		1,576.5	657.8
Non-current liabilities		**11,714.5**	**8,460.9**
Other financial liabilities	15	684.4	411.4
Provisions		375.0	375.0
Trade payables		3,644.8	1,993.9
Income tax liabilities		3,447.5	3,220.8
Other liabilities		9,169.2	6,859.0
Current liabilities		**17,320.9**	**12,860.1**
Total liabilities		**29,035.4**	**21,321.0**
Total equity and liabilities		**82,715.9**	**76,970.5**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2021

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 2020	**6,188.7**	**46,635.8**	**-2,820.3**	**806.1**	**50,810.3**	**4,839.2**	**55,649.5**
Net profit / loss for the period	-	-	7,401.7	-	7,401.7	177.7	7,579.4
Other comprehensive income	-	-	-	206.9	206.9	-	206.9
Dividend distributions	-	-	-2,845.0	-	-2,845.0	-494.7	-3,339.7
Modification share option plan	-	-	-	-	-	-	-
Equity-settled share-based payments	-	-	-	207.2	207.2	-	207.2
Currency translation difference	-	-	-	222.5	222.5	50.1	272.6
Acquisition of NCI (Note 18)	320.0	-	-3,823.8	-	-3,503.8	-3,391.7	-6,895.5
Balance as of 30 June 2021	**6,508.7**	**46,635.8**	**-2,087.3**	**1,442.7**	**52,499.9**	**1,180.6**	**53,680.5**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June

in '000 €	Note	6M 2021	6M 2020
Cash flow from operating activities			
Result for the year		7,579.4	4,366.5
Adjustments for:			
Income tax expense recognised in profit or loss		2,867.0	1,255.2
Financial income and expenses recognised in profit or loss		673.7	334.8
Equity-settled share based payment transactions		207.2	-
Depreciation and amortisation of non-current assets	9	471.3	384.2
		11,798.6	**6,340.7**
Changes in working capital		-3,486.3	-16.9
Cash generated from operations		**8,312.3**	**6,323.8**
Income taxes (paid)/received		-831.6	-401.0
Interest (paid)/received		-374.9	-178.7
Net cash generated by operating activities		**7,105.8**	**5,744.1**
Cash flow from investing activities			
Payments for property, plant and equipment	14	-180.9	-26.7
Payments for intangible fixed assets	13	-92.8	-88.0
Net cash (used in)/generated by investing activities		**-273.7**	**-114.7**
Cash flow from financing activities			
Repayment of borrowings		-104.7	-1,040.1
Transaction costs related to loans and borrowings		-	-32.7
Lease instalments paid		-83.5	-184.2
Acquisition of non-controlling interest	18	-6,000.0	-
Dividends paid		-3,339.7	-100.0
Net cash used in financing activities		**-9,527.8**	**-1,357.0**
Net increase / (decrease) in cash and cash equivalents *		**-2,695.8**	**4,272.4**
Cash and cash equivalents at the beginning of the year		**908.1**	**-9,577.5**
Net increase / (decrease) in cash and cash equivalents		-2,695.8	4,272.4
Effects of exchange rate changes on the balance of cash held in foreign currencies		58.4	-31.2
Cash and cash equivalents at the end of the period		**-1,729.3**	**-5,336.3**
Cash and bank balances		3,270.7	4,854.6
Bank borrowing overdraft facility	16	-5,000.0	-10,190.9
Cash and cash equivalents in cash flow statement		**-1,729.3**	**-5,336.3**

* Total cash flow (prev. "Free cash flow")

1 CORPORATE INFORMATION

The CLIQ Group (hereafter, CLIQ Digital or CLIQ) is a leading digital lifestyle company, which provides streaming entertainment services to consumers worldwide with unlimited access to music, audiobooks, games, sports and movie content.

The company has a long-standing and profitable history in expert digital marketing and offering niche products for the mass market at competitive prices. The CLIQ Group operates in over 30 countries with a headcount of 100 (including part-time employees and contractors) from 30 different nationalities as at 31 December 2020. The company is a valuable strategic business partner for networks, content producers as well as for publishers and payment service providers. The parent company of the CLIQ Group is CLIQ Digital AG, located in Dsseldorf. The shares of CLIQ Digital AG are listed in the Scale segment of the Frankfurt Stock Exchange (ISIN DE000A0HHJR3).

The Group parent company is CLIQ Digital Aktiengesellschaft (hereinafter referred to as "CLIQ Digital"), which is headquartered at Grünstraße 8, 40212 Dusseldorf, Germany. The company is entered in the commercial register of the Amtsgericht Dusseldorf (Commercial Register Sheet 69068). The shares of CLIQ Digital AG are listed on the Frankfurt Stock Exchange in the Open Market segment, forming part of the Scale Segment of the Deutsche Börse AG. Pursuant to Section 2 (11) of the German Securities Trading Act (WpHG), the Open Market does not constitute an organised or regulated market. The guidelines for Deutsche Börse AG's regulated unofficial market form the basis for including securities in the Open Market. As a consequence, 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 International Financial Reporting Standards (IFRS) as adopted by the EU. CLIQ Digital AG is obligated to prepare consolidated financial statements according to German accounting standards. However, an exemption is available when the company prepares consolidated financial statements according to IFRS.

These IFRS condensed consolidated interim financial statements are prepared to provide investors with additional financial information in line with capital markets expectations and to fulfil disclosure obligations to Deutsche Börse AG under the General Terms and Conditions of Deutsche Börse AG for the Open Market of the Frankfurt Stock Exchange.

The period for the Group's condensed consolidated interim financial statements starts on January 1 and ends on June 30 of each calendar year. This condensed consolidated interim financial statements are prepared in Euros, which is the functional and reporting currency of CLIQ Digital. Reporting is in thousands of Euros unless stated otherwise.

2 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

2.1 Acquisition of non-controlling shareholdings in Hype Ventures B.V.

By acquiring an additional 20 percent share in Hype Ventures B.V. CLIQ Digital has become the sole shareholder of the Hype Ventures Group. Hype Ventures B.V. is an Amsterdam-based Group company of CLIQ Digital AG. It provides streaming entertainment services to consumers worldwide. Hype Ventures B.V. holds 100% of the shares in the Dutch companies CMind B.V. and Tornika Media B.V. and 100% in the French company Tornika SAS.

CLIQ Digital AG has agreed to pay a fixed amount of €6 million and an earn-out consideration of approximately €0.8 million payable over two years as well as 320,000 new no par value bearer shares issued to the sellers.

The 320,000 new shares will be entitled to dividends from 1 January 2021 and CLIQ Digital AG agreed to a lock-up period after issuance of the new shares in May 2021. With this capital issue, the company's share capital increased from €6,188,714.00 by €320,000.00 to €6,508,714.00.

3 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The condensed consolidated interim financial statements for the six months ended 30 June 2021 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 2020 ('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 interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's the last annual financial statements.

4 SCOPE OF CONSOLIDATION

Set out below is a list of the subsidiaries of CLIQ Digital AG which have been included in the condensed consolidated interim financial statements as per the reporting period:

	Proportion of ownership interest and voting power held by the Group		Proportion of ownership interest and voting power held by the Group
CLIQ Digital AG, Dusseldorf, Germany			
ADGOMO Limited	100%	Hype Ventures B.V.	100%
Bob Mobile Hellas S.A.	100%	iDNA B.V.	100%
C Formats GmbH	100%	Memtiq B.V.	100%
Claus Mobi GmbH	100%	Moonlight Mobile Limited	100%
CLIQ B.V.	100%	Netacy Inc.	100%
CLIQ UK Holding B.V.	100%	Red27 Mobile Limited	80%
CMind B.V.	100%	Rheinkraft Production GmbH	100%
CPay B.V.	100%	VIPMOB B.V.	80%
Cructiq AG	100%		

5 USE OF JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, 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.

6 GROSS REVENUE

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

In '000 €	6M 2021	6M 2020
Digital entertainment services	58,929.8	43,848.7
Digital marketing services	4,277.4	3,316.9
Total gross revenue	**63,207.2**	47,165.6

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

In '000 €	6M 2021	6M 2020
Europe	26,476.3	23,974.5
North America	30,933.3	19,577.1
Other continents	5,797.6	3,614.0
Total gross revenue	**63,207.2**	47,165.6

7 COST OF SALES

The cost of sales are composed as follows:

In '000 €	6M 2021	6M 2020
Marketing spend	20,997.5	16,322.0
Capitalised marketing spend	-18,339.7	-14,550.7
Amortised contract costs	15,453.0	13,351.3
Third party costs	14,329.6	11,861.4
Other COS	8,124.6	5,832.5
Total	**40,565.0**	32,816.5

8 PERSONNEL EXPENSES

The personnel expenses are composed as follows:

In '000 €	6M 2021	6M 2020
Wages and salaries	5,831.5	3,752.6
Pension contributions	26.7	19.3
Social security contributions	560.5	373.7
Share-based payment arrangements	1,549.8	1,003.9
Hired staff and related costs	378.2	305.9
Redundancy costs	-	33.1
Other	122.1	75.8
Total	**8,468.8**	**5,564.3**

8.1 Employees

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

	6M 2021	6M 2020
Employees (average full-time equivalent)	100.5	83.7
Full-time employees (average headcount)	88.7	70.9
Part-time employees (average headcount)	17.2	11.7
Employees (average headcount)	**105.9**	**82.6**

9 DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

In '000 €	6M 2021	6M 2020
Licenses and trademarks	222.3	143.7
Other intangible assets	41.8	55.0
Right of Use Assets	141.4	117.7
Plant, operating and office equipment	65.8	37.2
Other assets	-	30.6
Total	**471.3**	**384.2**

10 FINANCIAL INCOME AND FINANCIAL EXPENSES

In '000 €	6M 2021	6M 2020
Interest expenses on bank overdrafts and loans	-59.0	-130.0
Amortisation capitalised finance expenses	-90.8	-91.3
Interest expense on lease liabilities	-38.8	-10.8
Exchange results	-288.2	-25.4
Bank costs	-148.3	-42.0
Other financial expenses	-48.6	-35.3
Total financial income and financial expenses	**-673.7**	**-334.8**

11 CORPORATE INCOME TAX

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim 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 interim 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% tax rate for The Netherlands, 19% tax rate for the United Kingdom and the applicable tax rate for other foreign jurisdictions. 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.

11.1 Reconciliation of the effective tax rate

In '000 €	DE	NL	UK	Other	6M 2021	6M 2020
Profit before tax	**-989.1**	**9,596.4**	**1,506.3**	**332.8**	**10,446.4**	**5,612.7**
Nominal tax rate	31.2%	25.0%	19.0%	22.7%	31.2%	31.2%
Income tax calculated at nominal rate	**308.8**	**-2,399.1**	**-286.2**	**-75.5**	**-3,261.9**	**-1,755.4**
Acquisition costs that are non deductible	-	-	-	-	-	0.8
Expenses share option plan which are not tax-deductible	-204.0	-	-	-	-204.0	-42.4
Participation exemption	-40.3	-	-	-	-40.3	-6.2
Tax results from previous years	-227.2	36.2	23.1	17.4	-150.5	-135.7
Effects of different tax rates of subsidiaries operating in other jurisdictions	-	-	-	-	809.9	684.0
Fair value movements related to contingent considerations arrangements from acquisitions	-	-	-	-	-	-
Non-deducitble amortisation and depreciation expenses	-14.1	-	-	-	-14.1	-19.7
Other	10.4	-7.9	-	-8.6	-6.1	19.4
Income tax expense in profit or loss account (effective)	**-166.4**	**-2,370.8**	**-263.1**	**-66.7**	**-2,867.0**	**-1,255.2**
Effective tax rate	**-16.8%**	**24.7%**	**17.5%**	**20.1%**	**27.4%**	**22.3%**

12 GOODWILL

12.1 Reconcilation of carrying amount of goodwill

In '000 €	30/06/2021	31/12/2020
Cost	48,152.8	47,945.9
Accumulated impairment losses	-105.6	-105.6
Carrying amount goodwill	**48,047.2**	**47,840.3**

In '000 €	2021
Cost	
31 December 2020	**47,945.9**
Effect of foreign currency exchange differences	206.9
30 June 2021	**48,152.8**
Accumulated impairment losses	
31 December 2020	**-105.6**
Effect of foreign currency exchange differences	-
30 June 2021	**-105.6**
Carrying amount 31 December 2020	**47,840.3**
Carrying amount 30 June 2021	**48,047.2**

13 OTHER INTANGIBLE ASSETS

The other intangible assets consist of the following assets as at 30 June 2021:

In '000 €	Licenses and trademarks	Internally generated intangible assets	Total
Cost			
31 December 2020	**1,447.6**	**590.1**	**2,037.7**
Additions	88.3	4.5	92.8
Disposals	-	-132.2	-132.2
Effect of currency exchange differences	18.4	7.2	25.6
30 June 2021	**1,554.3**	**469.6**	**2,023.9**
Amortisation and impairment losses			
31 December 2020	**894.9**	**369.5**	**1,264.4**
Amortisation	222.3	41.8	264.1
Disposals	-	-132.2	-132.2
Effect of currency exchange differences	12.6	5.9	18.5
30 June 2021	**1,129.8**	**285.0**	**1,414.8**
Carrying amount 31 December 2020	**552.7**	**220.6**	**773.3**
Carrying amount 30 June 2021	**424.5**	**184.6**	**609.1**

14 PLANT, OPERATING AND OFFICE EQUIPMENT

The property, plant and equipment consist of the following assets as at 30 June 2021:

In '000 €	Plant, operating and office equipment	Right of Use Assets	Total
Cost			
31 December 2020	**944.4**	**1,979.5**	**2,923.9**
Additions	180.9	-	180.9
Disposals	-602.2	-	-602.2
Effect of currency exchange differences	-0.3	-	-0.3
30 June 2021	**522.8**	**1,979.5**	**2,502.3**
Amortisation and impairment losses			
31 December 2020	**730.7**	**-**	**730.7**
Depreciation	65.8	141.4	207.2
Disposals	-602.2	-	-602.2
Effect of currency exchange differences	-0.5	-	-0.5
30 June 2021	**193.8**	**141.4**	**335.2**
Carrying amount 31 December 2020	**213.7**	**1,979.5**	**2,193.2**
Carrying amount 3 June 2021	**329.0**	**1,838.1**	**2,167.1**

14.1 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.

15 OTHER FINANCIAL LIABILITIES

In '000 €	30/06/2021	31/12/2020
Non-current liabilities		
Lease liabilities	1,663.8	1,841.1
Contingent considerations resulting from acquisitions	1,139.8	457.2
	2,803.6	**2,298.3**
Current liabilities		
Lease liabilities	271.0	138.4
Contingent considerations resulting from acquisitions	334.4	273.0
Forward exchange contracts	78.9	-
	684.3	**411.4**
Total financial liabilities	**3,487.9**	**2,709.7**

15.1 Lease liabilities

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

In '000 €	30/06/2021	31/12/2020
Not later than 1 year	271.0	138.4
Later than 1 year and not later than 5 years	946.7	1.260.4
Later than 5 years	717.1	580.7
Total	**1,934.8**	**1,979.5**

15.2 Contingent considerations and other

During the period an amount of €848.5 thousand has been added in relation to the acquisition of the remaining 20% in Hype Ventures B.V (Note 18). The other movements during the periods are related to payments.

16 BANK BORROWINGS

In '000 €	30/06/2021	31/12/2020
Credit facility	-	-
Borrowing base facility	5,000.0	4,000.0
Total secured bank loans	**5,000.0**	**4,000.0**
Capitalised finance expenses	-136.1	-227.1
Total bank borrowings	**4,863.9**	**3,772.9**

On 21 May 2019 CLIQ Digital AG signed a financing facility in the amount of € 13.5 million and a maturity until 31 March 2022 provided by a consortium consisting of Commerzbank AG and Postbank AG. The facility provided by Commerzbank AG and Postbank AG in the amount of maximum € 13.5 million contains a borrowing base facility and a fixed credit facility.

The borrowing base facility and the fixed credit facility has an interest rate of 3M-Euribor plus margin. Depending on certain performance indicators the margin on the borrowing base facility can vary between 2.00% - 2.15% and the margin on the fixed credit facility between 2.65% - 2.90%.

Per 30 June 2021 the total facility available amounted to € 13.5 million (31 Dec 2020: € 13.5 million) of which an amount of € 5.0 million (31 Dec 2020: € 4.0 million) was drawn down.

CLIQ Digital AG is obliged to comply with the covenants set out in the loan agreements with Commerzbank. For the first half year of 2021, all covenants were met. In order to secure the credit facility, the CLIQ Digital Group transferred its trade receivables to Commerzbank by way of global assignment.

16.1 Capitalised bank financing expenses

The capitalised financing expenses are related to arrangement fees and other expenses which are directly attributable to obtaining the current credit facility. The capitalised financing expenses are released as financial expenses in a straight-line in accordance with the end term of the credit facility.

17 SHARE-BASED PAYMENTS ARRANGEMENTS

17.1 Description of share based payment arrangements

At 30 June 2021, the Group had the following share options arrangements oustanding:

In '000 €	30/06/2021 Number of instruments	31/12/2020 Number of instruments
Share appreciation rights 2017	17	74
Stock option plan 2017	67	67
Share appreciation rights 2019	35	35
Share appreciation rights 2020	63	63
Share appreciation rights 2021	36	-
Subtotal cash-settled share option arrangements	**218**	**239**
Stock option plan 2017	90	90
Stock option plan 2020	31	-
Subtotal equity-settled share option arrangements	121	90
Total	**339**	**329**

During the period the below share based payments arrangement are new or changed compared to the last annual consolidated financial statements.

17.1.1 Share appreciation rights 2021

During the year 2021 the Group granted a total of 35,750 share appreciation rights (SARs) 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.

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 grand 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 grand 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 programs, 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 at grant date and measurement date of the share appreciation rights and stock option plans were as follows.

	Share appreciation rights 2017	Stock option plan 2017	Share appreciation rights 2019	Share appreciation rights 2020	Share appreciation rights 2021
Number of options issued	74,000	67,500	34,600	63,250	35,750
Fair value of the option on grant date	€2.52	€1.46	€0.65	€2.61	€5.91
Fair value of the option on measurement date	€19.21	€22.58	€21.52	€16.81	€11.11
Exercise price of the option on the issue date	€6.84	€1.00	€2.35	€7.15	€17.94
Expected volatility	65.00%	60.00%	60.00%	60.00%	65.00%
Duration of the option	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected dividends	5.00%	5.00%	5.00%	5.00%	5.00%
Risk-free interest rate	-0.60%	-0.60%	-0.60%	-0.50%	-0.50%

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 programs, 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 at grant date and measurement date of the share appreciation rights and stock option plans were as follows.

	Stock option plan 2017	Stock option plan 2020
Number of options issued	90,000	31,500
Fair value of the option on grant date	€13.98	€17.22
Exercise price of the option on grant date	€1.00	€1.00
Expected volatility	60.00%	65.00%
Duration of the option	7 yrs	7 yrs
Expected dividends	5.00%	5.00%
Risk-free interest rate	0.00%	-0.60%

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

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

	6M 2021 Average exercise price	
	Number	€
1 January	**329,350**	**3.64**
Granted during the period	67,250	10.01
Exercised during the period	-57,250	6.84
30 June	**339,350**	**4.36**
Exercisable on 30 June	**16.8**	**6.84**

The options outstanding at 30 June 2021 had an exercise price in the range of €1.00 to €18.24 (31 Dec 2020: €1.00 to €15.29) and a weighted-average contractual life of 5.0 years (2020: 5.2 years). The weighted-average share price at the date of exercise for share options exercised in 2021 was €23.77 (HY1 2020: no options exercised).

18 ACQUISTION OF NON-CONTROLLING INTEREST

The Group acquired the remaining 20% non-controlling interest (NCI) share in the subsidiary Hype Ventures B.V., increasing its ownership from 80% to 100%. Hype Ventures B.V. is an Amsterdam-based Group company of CLIQ Digital AG. It provides streaming entertainment services to consumers worldwide. Hype Ventures B.V. holds 100% of the shares in the Dutch companies CMind B.V. and Tornika Media B.V. and 100% in the French company Tornika SAS.

The transaction has economic effect as of 1 January 2021. The following table summarises the effect of change in the Group's ownership interest in Hype Ventures B.V.:

In '000 €	
Carrying amount of 20% NCI acquired	3,391.7
Considerations paid in cash during the period	-6,000.0
Contingent considerations resulting from acquisitions (Note 14.2)	-848.5
Other	-47.0
Decrease in equity attributable to owners of the Company	**-3,503.8**

The decrease in equity attributable to the owners of the Company comprised:

In '000 €	
Increase in issued capital (320,000 x € 1,00)	320.0
Decrease in retained earnings	-3,823.8
Decrease in equity attributable to owners of the Company	**-3,503.8**

The 320,000 new shares will be entitled to dividends from 1 January 2021 and CLIQ Digital AG has agreed to a lock-up period after issuance of the new shares in May 2021. With this capital issue, the company's share capital will increase from €6,188,714.00 by €320,000.00 to €6,508,714.00.

19 COMMITMENTS AND CONTINGENCIES

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

20 EVENTS AFTER THE REPORTING PERIOD

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

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 2021.

2 August 2021

The Management Board

Financial calendar 2021:

3Q/9M 2021 Financial Statement & earnings call	Tuesday	2 November 2021

For further information, please contact

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About CLIQ Digital:

CLIQ Digital (www.cliqdigital.com) is a leading digital lifestyle company, which provides streaming entertainment services to consumers worldwide with unlimited access to music, audiobooks, games, sports and movie content. The company has a long-standing and successful history in expert digital marketing and offering niche products for the mass market at competitive prices. CLIQ Digital operates in over 30 countries and employs staff of 100 from 29 different nationalities as at 31 December 2020. The company is a valuable strategic business partner for networks, content producers as well as for publishers and payment service providers. CLIQ Digital is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris, Barcelona and Tequesta, Florida. The company is listed in the Scale segment of the Frankfurt Stock Exchange (ISIN DE000A0HHJR3) and is a constituent of the MSCI World Micro Cap Index.

Visit our website at https://cliqdigital.ag/investors, the primary source for publications and information about CLIQ Digital.

Disclaimer

This financial report 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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