

CLIQ Digital Reports First Quarter 2024 Results

- Significant 1Q 2024 performance decline attributed to more difficult market conditions
- Sales decrease q/q by 13% to €73m and normalised EBITDA down 55% to €5m
- Group-wide transformation programme launched with focus on further diversification of sales channels
- Revised FY 2024 outlook:
Sales between €300m-€330m, EBITDA between €26m-€30m and total customer acquisition costs between €120-€140 million

DÜSSELDORF, 8 May 2024 - CLIQ Digital AG today publishes its first quarter 2024 unaudited financial report.

Performance

in millions of €	1Q 2024	4Q 2023	Δ
Bundled-content	70	80	-12%
Single-content	3	4	-30%
North America	48	54	-10%
Europe	18	25	-30%
Latin America	4	3	8%
ROW	3	2	103%
Sales	73	84	-13%
Customer acquisition costs for the period	-31	-34	-9%
EBITDA (normalised)	5	12	-55%
EBITDA margin ¹	7%	14%	
Profit for the period¹	3	7	-63%
EPS (in €)¹	0.40	1.07	-62%

- **Sales:** In 1Q 2024, Group sales decreased by 13% quarter-on-quarter to €73 million (4Q 2023: €84 million) mainly due to a higher-than-expected churn rate of members. The higher churn was because of a more widespread refund programme of the credit card companies, which resulted in a lower-than-expected lifetime value. Accordingly, European and North American sales in 1Q 2024 declined quarter-on-quarter. However, sales growth in Asia was very strong following the market entry at the end of last year.
- **Customer acquisition costs for the period:** In 1Q 2024, the customer acquisition costs for the period amounted to €31 million (4Q 2023: €34 million), which as a percentage of

¹ normalised

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revenue was 43% (4Q 2023: 41%). The higher customer acquisition costs for the period in per cent of revenue reflected tougher market conditions, which led to a higher churn rate than anticipated that resulted in higher reported amortisation of contract costs in the period.

- **EBITDA:** EBITDA before special items in 1Q 2024 decreased by 55% quarter-on-quarter to €5 million (4Q 2023: €12 million) with a normalised EBITDA margin of 7% (4Q 2023: 14%) mainly due to the sales decline. Reported EBITDA was €2 million. The special items related to the Group's transformation programme, including the closure of the U.K. office and the hiring of additional contract workers for technology integration and optimisation as well as for a Group tax optimisation programme.
- **Earnings per share:** For 1Q 2024, basic EPS before special items decreased by 62% to €0.40 (4Q 2023: €1.07) on the back of a normalised profit for the period of €3 million (4Q 2023: €7 million). Reported basic EPS was €0.02.
- **Cash flow & liquidity:** Operating free cash flow in 1Q 2024 was -€4 million (4Q 2023: €4 million). Cash flow from financing activities included €1 million for the repurchase of c.65 thousand shares from the Group's share buyback programme. As at 31 March 2024, the net cash position of the Group totalled €10 million (31/12/2023: €16 million).

Operational indicators

- **Lifetime value of a customer:** In 1Q 2024, the expected average lifetime value of a customer (LTV) for bundled- and single-content services was down 7% quarter-on-quarter to €81 (4Q 2023: €87). The decrease was mainly due to the higher churn rate of members.
- **Paid memberships:** The number of unique paid memberships per 31 March 2024 for bundled- and single-content streaming services decreased to 1.1 million (31/12/2023: 1.2 million) as the result of a more widespread refund programme of the credit card companies.
- **Lifetime Value of Customer Base:** As at 31 March 2024, the Lifetime Value of Customer Base (LTVCB) decreased to €136 million compared to prior year-end (31/12/2023: €164 million). The decrease was related to the higher-than-anticipated churn of the existing member base. The LTVCB represents the expected sales to be generated from paid memberships as at reporting date over their estimated individual remaining lifetime.
- **"Fit for Future":** The Group has 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. As an initial cost-savings measure and to improve the strategic alignment of the business operations towards bundled-content streaming services, the U.K. office was closed during the first quarter 2024. 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.

Share buyback programme

The Group will continue to buy back shares within the share buyback programme initiated in February this year. This programme is testament to CLIQ Digital's conviction in its operational strength and the objectives of its growth strategy.

In the first quarter 2024, the Group repurchased 64,800 treasury shares at an average share price of €17.50, which equalled 10% of the maximum buyback volume and 1% of the total share capital. From 16 April until 3 May 2024 (included), CLIQ repurchased further 46,578 treasury shares at an average share price of €15.21.

Revised outlook

For the full year 2024, organic Group sales are expected to be between €300 and €330 million (previously: €360 and €380 million). Total customer acquisition costs are forecast to be between €120 and €140 million (previously: between €150 and €170 million) and EBITDA is thereby expected to range between €26 and €30 million (previously €52 and €58 million).

The mid-term Group sales target is to achieve a run rate during the fourth quarter of 2025, which realises an annual revenue of more than €500 million going forward.

Management Board statement

"The Group's performance in the first quarter was more disappointing than originally expected," said Luc Voncken, CEO of CLIQ Digital AG. "Tougher market conditions, weaker sales and special items for the Group-wide transformation led primarily to the poor results. We have taken appropriate action and we see the business recovering at present. I am confident and committed to realise our revised 2024 guidance and mid-term target."

Earnings call

A live video webcast conducted in English will be held **today** at **2.00 p.m. CEST** with presentations from Luc Voncken, CEO, and Ben Bos, member of the Management Board.

To register for this video webcast, please go to:

https://cliqdigital.zoom.us/webinar/register/WN_ROWQqQK5RzavFPrehYobbw

Questions submitted **before 12.00 p.m. CEST via email** to investors@cliqdigital.com will be answered after the presentations.

A video recording of the webcast will be available shortly after the webcast at: <https://cliqdigital.com/investors/financials>.



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Financial calendar

Half-year financial report 2024 and video conference	Thursday	8 August 2024
Financial report Q3/9M 2024 and video conference	Thursday	7 November 2024

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 170 people from 40 different countries as of 31 December 2023. 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.

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