

CLIQ Digital Reports Second Quarter 2024 Results

- Stronger focus on profitability than sales growth
- Quarter-on-quarter, EBITDA before special items improved (+4%) and sales decline decelerated (-7% versus -13%)
- Group-wide transformation programme making inroads on further diversification of sales channels and innovations
- 65% of max. share buyback volume already repurchased for €4.2m

DÜSSELDORF, 8 August 2024 – CLIQ Digital AG has today published its unaudited half-year financial report 2024. The report is available for download on the Company's website at <https://cliqdigital.com/investors/financialreporting>.

Performance

in millions of €	2Q 2024	1Q 2024	Δ	6M 2024	6M 2023	Δ
Bundled-content	66	70	-6%	136	149	-9%
Single-content	2	3	-20%	5	11	-55%
North America	47	48	-4%	95	90	6%
Europe	14	18	-19%	32	59	-46%
Latin America	4	4	10%	7	6	25%
ROW	3	3	2%	7	4	53%
Sales	68	73	-7%	141	160	-12%
CAC¹ for the period	-28	-31	-12%	-59	-65	1%
EBITDA (before special items)	6	5	4%	11	25	-57%
EBITDA margin ²	8%	7%		8%	16%	
Profit for the period²	3	3	3%	5	16	-66%
EPS² (in €)	0.45	0.40	13%	0.88	2.49	-65%

- **Sales:** In 2Q 2024, Group sales decreased by 7% quarter-on-quarter to €68 million (1Q 2024: €73 million) mainly due to the lowering of the Cost Per Acquisition (CPA) as management put a stronger focus on profitable sales. The CPA was brought more in line with the lower lifetime value (LTV) of our customers, which led to less new customer acquisitions. The LTV decreased due to higher churn rates resulting from new customer care tools in place at the card scheme companies, which led to shorter average customer loyalty durations. Regionally, the quarter-on-quarter sales decline in Europe and North

¹ Customer acquisition costs

² before special items

Corporate News

America decelerated in 2Q 2024 and was 19% and 4% respectively (1Q 2024: -30% and -10% resp.). In Latin America, quarter-on-quarter sales growth was stronger than in 1Q 2024.

- **Customer acquisition costs for the period:** In 2Q 2024, the customer acquisition costs for the period amounted to €28 million (1Q 2024: €31 million), which as a percentage of revenue was 41% (1Q 2024: 43%). The decrease is attributable to the Group choosing to focus on profitability and subsequently deciding to lower the target Cost Per Acquisition (CPA), which also resulted in lower sales.
- **EBITDA:** EBITDA before special items in 2Q 2024 increased by 4% quarter-on-quarter to €6 million (1Q 2024: €5 million) and the corresponding EBITDA margin improved to 8% (1Q 2024: 7%) as a result of the reduction in customer acquisition costs and operating expenses executed in line with the Group's focus on profitability. Reported EBITDA was €3 million. The special items related to costs incurred from the "Fit for Future" transformation programme to restructure and optimise the Group's operational and organisational structures.
- **Earnings per share:** For 2Q 2024, basic EPS before special items increased by 13% to €0.45 (1Q 2024: €0.40) on the back of a profit for the period before special items of €3 million (1Q 2024: €3 million). Reported basic EPS was €0.15.
- **Cash flow & liquidity:** Operating free cash flow in 2Q 2024 was €0.2 million (1Q 2024: -€4 million). Cash flow from financing activities included €2 million for the repurchase of c.260 thousand shares from the Group's share buyback programme and €0.3 million dividend distribution. As at 30 June 2024, the net cash position of the Group totalled €7 million (31/03/2024: €10 million).

Operational indicators

- **Customer base:** The number of paying customers per 30 June 2024 for bundled- and single-content streaming services decreased quarter-on-quarter to 1.0 million (30/03/2024: 1.1 million) as the result of the Group's stronger focus on profitability.
- **Lifetime value of a customer:** In 2Q 2024, the expected average lifetime value of a customer (LTV) for bundled- and single-content services was down 4% quarter-on-quarter to €78 (1Q 2024: €81).
- **Lifetime Value of Customer Base:** As at 30 June 2024, the Lifetime Value of Customer Base (LTVCB) decreased to €128 million compared to prior quarter-end (30/03/2024: €136 million). The decrease was related to the drop in paying customers. The LTVCB represents the expected sales to be generated from paying customers as at reporting date over their estimated individual remaining lifetime.

Strategic updates

- **"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. In 2Q 2024, cost savings measures included the Group's

Corporate News

cancellation of three sell-side research coverage contracts, which were not value-enhancing. Productivity gains will be generated by fully focussing on operational improvements required across the Group. The Group will focus on new sales channels (the 'Magnificent Seven') to adopt new and innovative marketing approaches to boost sales and earnings.

- **cliq.de:** Following a strategic review of the flagship service offering in Germany, it has been decided to discontinue the promotion of cliq.de in the German market. In future, the service will be operated differently to become profitable faster and more relevant in other markets than the German streaming market.
- **Commercial Director:** The company has appointed Bas Drogdrop as its new Commercial Director. Bas is responsible for all commercial and marketing activities and is a member of the Group's Management Team. He will oversee all the current and future revenue-generating activities within the Group. In addition, he is one of the Group's Change Managers for the Group-wide reorganisation process and will contribute his expertise both from a commercial and a leadership perspective. With his deep knowledge of artificial intelligence, Bas will also contribute significantly to the Group's AI expert group and innovation projects.
- **Management Board:** On 22 April 2024, the Supervisory Board of CLIQ Digital AG extended the appointments of Luc Voncken as CEO and Ben Bos as Member of the Management Board for five years until the 31 May 2029.

Share buyback programme

In the first six months of 2024, the Group repurchased 323,912 treasury shares at an average share price of €11.03, which equalled 50% of the maximum buyback volume and 5% of the total share capital issued. From 1 July until 2 August 2024 (included), CLIQ repurchased further 93,912 treasury shares at an average share price of €6.57.

The Group continues 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.

Outlook

For the full year 2024, organic Group sales are expected to be between €260 and €280 million. Total customer acquisition costs are forecast to be between €80 and €100 million and EBITDA is thereby expected to range between €10 and €20 million.

Furthermore, revenue of around €325 million is estimated to be achieved in the full year 2025.

The mid-term Group sales target is to achieve a run rate during the fourth quarter of 2026, which realises an annual revenue of more than €400 million going forward.

Management Board statement

“We have grown very fast in recent years, and it’s now time for a more effective and focused Group structure,” said Luc Voncken, CEO. “In the first half-year, we commenced optimising and adapting our business as market circumstances required us to do so. We focussed on margin rather than sales growth. We progressed significantly in transforming our organisation and setting the stage for sustainable growth in the years to come.”

Earnings call

A live audio 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 audio webcast, please go to:

https://cliqdigital.zoom.us/webinar/register/WN_m54Ks5oLQ0urBDQ35Q9UMg

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

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

Contacts

Investor Relations:

Sebastian McCoskrie, s.mccoskrie@cliqdigital.com, +49 151 52043659

Media Relations:

Daniela Münster, daniela.muenster@h-advisors.global, +49 174 3358111

Financial calendar

Financial report Q3/9M 2024 and video conference	Thursday	7 November 2024
--	----------	-----------------



Corporate News

About CLIQ Digital

The CLIQ Digital Group is a leading online performance marketing company that distributes subscription-based streaming services that bundle films & series, music, audio books, sports and games to consumers worldwide. The Group licences streaming content from partners, bundles it and sells the content via its numerous streaming services. Over the years, CLIQ has become a specialist in online advertising and the design of streaming services tailored to specific consumer groups. CLIQ Digital operates in over 40 countries and employed 155 people from 41 different countries as of 30 June 2024. The company is headquartered in Düsseldorf and has offices in Amsterdam, Paris and Toronto. CLIQ Digital is listed in the Scale segment of the Frankfurt Stock Exchange (WKN: A35JS4, ISIN: DE000A35JS40) and is a member of the MSCI World Micro Cap Index.

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