

CLIQ Digital announces strong cash flow and earnings growth for the third quarter

- Sales up 91% to €77m in 3Q 2022 driven by subscription-based, multi-content streaming web portals and North America
- New market entries in Latin America
- €12m quarterly EBITDA, increased by 68%
- EPS was €3.30 in 9M 2022 (up 79% from €1.84 in 9M 2021)
- Operating free cash flow grew to €8m in 3Q 2022 (+76% from €4.7m in 3Q 2021)

DÜSSELDORF, 3 November 2022 – CLIQ Digital AG today publishes its third quarter and 9M 2022 unaudited financial report.

Performance

- **Sales:** CLIQ Digital Group achieved in 3Q 2022 another record performance on higher organic sales of €76.5 million (3Q 2021: €40.0 million) with a growth rate of 91% year-on-year and 19% quarter-on-quarter underlining the company's strong growth path.

Breakdown:

in millions of €	3Q 2022	3Q 2021	Δ	9M 2022	9M 2021	Δ
Multi-content	67.1	29.5	127%	166.2	72.7	129%
Single-content	6.7	7.4	-9%	19.4	23.1	-16%
Ad-funded	2.7	3.1	-13%	7.7	7.4	4%
Sales	76.5	40.0	91%	193.3	103.2	87%

North America	44.4	20.1	121%	110.7	51.0	117%
Europe	26.8	16.4	63%	71.4	42.9	66%
Other	5.3	3.5	52%	11.2	9.3	21%
Sales	76.5	40.0	91%	193.3	103.2	87%

The quarterly growth is due to an increase in paid subscriptions for our multi-content streaming web portals, which grew by 127% to €67.1 million sales (3Q 2021: €29.5 million). Sales grew significantly across all major regions with North America

and Europe growing year-on-year by 121% and 63% respectively. In the region Other, the company commenced sales in Latin America with new market entries.

- **Marketing spend:** In 3Q 2022, the marketing spend grew by 120% to €30.4 million (PY: €13.8 million) due to an increased advertising volume.
- **EBITDA:** In 3Q 2022, EBITDA increased by 68% to €12.4 million (PY: €7.4 million) with a margin of 16% (PY: 19%) due to the constantly growing number of subscribers.
- **Earnings per share:** EPS in 3Q 2022 rose by 89% to €1.33 (PY: €0.70) on the back of an underlying profit for the period of €8.6 million (PY: €4.7 million). In the first nine months 2022, EPS increased by 79% and was €3.30 against €1.84 in 9M 2021.
- **Cash flow:** Operating free cash flow in 3Q 2022 was up 77% to €8.3 million (PY: €4.7 million) despite the greater marketing spend and investments of €2.6 million in both content (€1.3 million) and the CLIQ.de platform (€1.2 million).
- **Cash position:** Per 30 September 2022, the net cash position of the Group totalled €2.1m – an improvement of €7.9m against the net debt position reported on 30 June 2022, which was broadly in line with the operating free cash flow.

Operating review

- **Subscribers:** The number of paid subscriptions per 30/09/2022 for subscription-based, multi- and single-content streaming web portals offerings grew further to 1.8 million (30/09/2021: 1.2 million) because of the successful marketing campaigns and the attractive content proposition. During the quarter, the expected average lifetime value of a new member decreased slightly to €71.76 (2Q 2022: €72.41).
- **Lifetime Value of Customer Base:** The Lifetime Value of Customer Base (LTVCB) as at the end of September 2022 grew sequentially to €131 million (30/06/2022: €121 million) as well as year-on-year (30/09/2021: €68 million). The LTVCB represents the expected sales to be generated from paid subscriptions as at reporting date over their estimated individual remaining lifetime.
- **Profitability Index:** CLIQ Digital's six months' Profitability Index for 3Q 2022 was 1.46x, compared to 1.63x in 3Q 2021. The year-on-year decrease was related to a general increase in the customer acquisition costs across all regions, including the new market entry into Latin America.

Strategic updates

- **CLIQ.de:** CLIQ Digital will launch CLIQ.de by the end of 2022. The testing phase of the beta version of CLIQ.de has been extended in order to have more time to conduct additional performance stress tests to secure high load across the multiple content verticals. The launch is scheduled for 15 December 2022.

- **Digital marketing services:** Following a strategic realignment, the business activities relating to the (ad-funded) digital marketing services have been discontinued as of mid-August 2022. The strategic realignment prescribes greater focus on the subscription-based, multi-content streaming services and better linking the operations and processes to the company's goals and overall business strategy.

Outlook 2022

The Management Board reiterates its full year 2022 guidance to sales of at least €250 million, an EBITDA of more than €38 million in 2022 and a total marketing spend in excess of €90 million.

Management statement

"We have achieved yet again another record-breaking quarter against the backdrop of an economic slowdown and consumers tightening their belts everywhere," said Ben Bos, member of the Management Board. "With sales, earnings and cash flow up, we enter confidently into the fourth quarter."

Earnings call

A live video conference call and webcast will be held at **10.00 a.m. CET today** and conducted in English by Ben Bos.

To attend the conference call and ask questions during the live question and answer session, prior registration of contact details is required at

https://eu01web.zoom.us/webinar/register/WN_ElOuaA9_Scm6PGTtbhcwYg

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

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Financial calendar

FY 2022 preliminary & unaudited financial results	Tuesday	31 January 2023
FY 2022 Annual report & earnings call	Tuesday	21 February 2023
Annual General Meeting 2023	Thursday	6 April 2023
1Q 2023 Financial report & earnings call	Thursday	4 May 2023
2Q/6M 2023 Financial report & earnings call	Thursday	3 August 2023
3Q/9M 2023 Financial report & earnings call	Thursday	2 November 2023

About CLIQ Digital

CLIQ Digital is a global streaming provider specialising in the performance marketing of mass market entertainment products and offering its members unlimited access to movies, series, music, audiobooks, sports and games. CLIQ Digital has a long and successful corporate history in digital marketing, offering niche products to the mass market at competitive prices. The company operates in over 30 countries and employed 129 staff from 32 different nationalities as at 31 December 2021. CLIQ Digital is a valuable strategic business partner for networks, content producers as well as for publishers and payment service providers. The company is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris, Barcelona, Toronto and Florida. CLIQ Digital is listed in the Scale segment of the Frankfurt Stock Exchange (ISIN: DE000A0HHJR3, WKN: A0HHJR) and is a constituent of the MSCI World Micro Cap Index.

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