

## Good impression gained at Teach-in

*CLIQ Digital hosted a Teach-in, consisting of eight presentations covering many relevant topics, each with a Q&A session at the end allowing attendees to dig a little deeper into the respective subjects. We view this as a positive step to improve transparency which could help to improve sentiment towards the shares. Within the five product verticals (movies & series, music, audiobooks, sports, and games), the target is to first offer content product for all tastes in each category, and secure growing subscription revenues by intelligent marketing of this content. This involves high CAC, but management has a good track record on managing the margin and generating higher cash balances which allows attractive dividend yield.*

### Teach-in confirmed our positive stance on the group's prospects

On 17 Nov, CLIQ Digital hosted a Teach-in Day for analysts, consisting of eight presentations covering many relevant topics, each with a Q&A session at the end allowing attendees to dig a little deeper into the respective subjects. In addition to two members of the Management Board, four senior managers presented on the different topics and there were two fireside chats. The deeper dive provided by this Teach-in confirmed our positive stance on the group's prospects.

### Slight miss to expectations but still good Q3 development

For Q3'23, CLIQ Digital reported another positive development in revenues (+8%), EBITDA (+7%) and free cash flow (at EUR 4m), although each of these are a touch below PAsE, with the muted consumer sentiment biting more than thought. FY guidance is confirmed, in calling for revenue >EUR 345m and EBITDA >EUR 50m, although we model EUR 340m (+23%) given the miss to PAsE.

### On most criteria, the current share price is excessively depressed

We continue to base our valuation on a peer group comparison as well as a DCF model. Both derived valuations represent significant upside potential for the shares, but we are happy with the assumptions adopted. Giving equal weight to both derived valuations, we trim our target price to EUR 71 (from EUR 74). Whilst we appreciate that this may seem unrealistic in the light of the current share price, we view the latter as excessively depressed which the meeting of FY guidance will help to alleviate. Our Buy rating is confirmed.

EURm	2021	2022	2023e	2024e	2025e
Revenues	150	276	340	417	501
EBITDA	27	44	52	64	76
EBIT	26	42	47	59	71
EPS	2.74	4.47	5.04	6.34	7.72
EPS adj	2.74	4.47	5.04	6.34	7.72
DPS	1.10	1.79	1.97	2.43	2.98
EV/EBITDA	6.0	3.7	2.1	1.4	1.0
EV/EBIT	6.2	3.8	2.3	1.6	1.1
P/E adj	9.0	5.6	3.7	2.9	2.4
P/B	2.70	2.02	1.20	0.86	0.65
ROE (%)	32.3	41.2	36.0	34.3	31.0
Div yield (%)	4.5	7.1	10.6	13.1	16.1
Net debt	1	(5)	(13)	(28)	(45)

Source: Pareto Securities

Target price (EUR)	71	▲	BUY
Share price (EUR)	19	—	HOLD
		▼	SELL

### Forecast changes

%	2023e	2024e	2025e
Revenues	(2)	0	(0)
EBITDA	(1)	1	1
EBIT adj	(2)	(1)	(1)
EPS reported	(2)	0	0
EPS adj	(2)	0	0

Source: Pareto Securities

Ticker	CLIQ.DE, Cliq
Sector	Media
Shares fully diluted (m)	6.5
Market cap (EURm)	121
Net debt (EURm)	-13
Minority interests (EURm)	0
Enterprise value 23e (EURm)	107
Free float (%)	89

### Performance



Source: FactSet

Pareto Securities AS has been paid by the issuer to produce this research report. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID 2 directive.

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## Feedback from Analysts' Teach-in Day

On 17 November, CLIQ Digital hosted its first Teach-in Day for analysts, consisting of eight presentations covering many relevant topics, each with a Q&A session at the end allowing attendees to dig a little deeper into the respective subjects. In addition to two members of the Management Board, four senior managers presented on the different topics and there were two fireside chats. The first one involved a discussion with Olivier Avaro, CEO of Blacknut S.A.S, the second with Marc Roodhuyzen de Vries, CEO of Nexio Projects.

### Comprehensive agenda covering many topics with plenty of discussion

<b>01</b>	10.00-10.05	<b>Welcome &amp; itinerary</b>	Luc Voncken & Ben Bos
<b>02</b>	10.05-10.35	<b>Strategy update 2023</b>	Luc Voncken
<b>03</b>	10.35-10.55	<b>Content strategy &amp; management</b>	Benjamin Bezold
<b>04</b>	10.55-11.15	<b>Fireside Chat: Cloud gaming &amp; content supplier partnerships</b>	Benjamin Bezold & Olivier Avaro
<b>05</b>	11.15-11.45	<b>Performance Marketing</b>	George Ursateanu
		<b>Networking Break</b>	
<b>06</b>	12.15-12.35	<b>Operations and BI</b>	Sander Wesseling
<b>07</b>	12.35-12.55	<b>FAQ about CLIQ</b>	Ben Bos
<b>08</b>	12.55-13.15	<b>Fireside Chat: Social responsibility at CLIQ</b>	Jenny Baerveidt & Marc Roodhuyzen
<b>09</b>	13.15-13.30	<b>Outlook, expansion and wrap-up</b>	Luc Voncken & Ben Bos

Source: CMD, 17 November 2023

In the opening Strategy Update, CEO Luc Voncken highlighted how CLIQ Digital has evolved from using only TV advertising in local markets to sell single-category content services (such as a ringing tone for Nokia mobiles, or the joke of the day). Today, it employs 173 staff and is a global streaming provider specialising in performance marketing of affordable entertainment products to consumers in over 40 countries around the globe.

It sells subscription-based streaming services from content that include movies & series, music, audiobooks, sports, and games. Rather than invest in its own production, CLIQ minimises risk by licensing content from partners, bundles this, and then sells the content online through its numerous streaming services. This culminated at the end of 2022 with the launch of the group's most advanced all-in-one streaming package: cliq.de.

Over the years, CLIQ has become a specialist in online advertising and creating streaming services that are advertised towards specific consumer groups, predominantly via banners on Google Display. On clicking on a banner, the interested customer finds himself on a landing page where he needs to enter contact details. The membership offer will usually include payment facilities, even though all of these sites offer a free trial period allowing the customer to test the service.

### CLIQ business model: License content -> Bundle this in packages -> Sell online



## CLIQ

Source: Company presentation November 2023

Thus from 15.5 billion Google Display impressions in 2022, CLIQ secured 87m people who submitted their data. Today the group has 1.3m paying customers with an estimated lifetime value base of EUR 159m. It currently operates over 300 single-content portals and 25 bundled-content portals, the two most famous being vimovigo.com and cliq.de.

In the US, the group has created additional outreach by purchasing keyword lists to employ in better targeted search engine advertising (SEA) than simple Google Display ads. This will be rolled-out to Europe and management can envisage the situation in whereby it will seek to extend reach by using short video clips, for example on YouTube channels.

The main expenditure in the group's P&L account is the marketing spend, with EUR 100m spent in 9M'23 (+21%) which represented 41% of group revenue in the nine-months. This customer acquisition cost is so important that it is one of just three metrics provided in guidance for the current year ("over EUR 120m spend").

Hence, when Luc Voncken was asked at the end of his Strategy Update, just who he saw as the group's main competitors, he specifically said not Netflix or Spotify which respectively offer fully comprehensive selections of films and music catalogues, but rather the likes of HelloFresh, Zalando, or any internet company that bids for online eyeballs (customer reach).

Voncken also flagged the likely importance of B2B partnerships going forward in bringing the group's flagship streaming services to the attention of potential customers and highlighted the successful trials with discount retailer Lidl, fashion retailer New Yorker and food delivery service call-a-pizza.de. Eager to provide additional services for their own customers, these companies offered a free voucher providing customers three-months free streaming of the cliq.de content. For CLIQ Digital, B2B provides additional customer reach.

In his presentation regarding Content Management, Licensing Director Benjamin Bezold was keen to suggest that not only has he been with the group for 15 years, but his team which are based both in Dusseldorf and Amsterdam have collectively more than 70-years' experience in sourcing content and this team is responsible for managing content for five different content categories.

Within the five product verticals (see graphic below), the target is to first establish the content requirement (essentially product for all tastes in each category), find potential sources, to screen & evaluate potential content, establish the business case for each, and finally secure this allowing it to be uploaded to the group's Tech-Hub data warehouse. This will then be offered to clients once they come to one of the group's many landing pages.

#### Content Strategy: CLIQ supplies streaming content across five categories



Source: Company presentation November 2023

Payment for around 90% of content agreements involves a flat fee contract, typically for an average of 18-months. Sometimes with content involving high volume there is a revenue share agreement for maybe 5% of agreements. The remaining 5% involves contracts with a usage-based contract, for example in the case of an audiobook where the content is paid for once the book has been listened to for longer than five minutes.

Bezold explained that it is important to keep content fresh in order to retain membership as well as to win new customers. Within the music portal, this year has seen Qello concerts and Karaoke both of which have brought new clients to the group.

Bezold stayed on stage for the first fireside chat with Blacknut CEO, Olivier Avaro, where he explained that cloud gaming is a market estimated at USD 3.2bn today and is currently doubling every two years. At that pace, cloud-based gaming could be worth USD 8bn in 2025.

Having started in 2016, Blacknut S.A.S. regards itself still as a start-up (with 35 employees) and views CLIQ Digital as a key supporter since it was present at the first financing phase. Today, CLIQ has a 5% equity stake and has a long-term licensing agreement for Blacknut content which it is available across many of its 40 markets. Avaro added that this brings additional audience to Blacknut.

Subscribers to the various CLIQ Digital's cloud gaming streams have access to over 500 games of various complexity and for all ages. One characteristic that it shares many of the verticals is that cloud-based gaming means that there is no pre-requirement for a games console nor to download software or any data, but the member jumps right in and can play straight away regardless of where he is.

In his opening remarks on the section on Performance Marketing, CLIQ Marketing Director George Ursateanu made one remark which we think is important in attempting to grasp the equity story at CLIQ Digital: *"Customers don't find us, we find them."* The key point is that the group creates marketing campaigns to attract potential customers to find their way to one of the group's many service URLs (most of which are white label, rather than branded).

As a reminder, content on cliq.de can be consumed via app on mobile phones or laptop and is also available via TV app and with Google it is possible to gauge audiences. Since the take-up of the cliq.de subscriptions have been disappointing, some have questioned the validity of group revenues. Again however, the vast majority of the group's URLs are difficult to track since most of the group's revenues are sourced via these white label sites.

#### Performance Marketing: online advertising example



**Banner**

The banner attracts attention, inviting potential members to click on "Watch now"

2022: **15.5 billion impressions**



**Landing page**

Here we explain what we offer & how to become a member

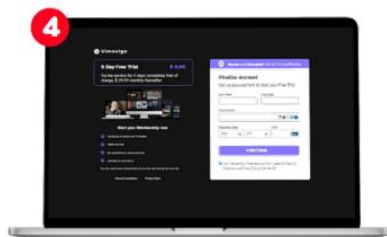
**323 million people clicked on continue**



**Sign-up**

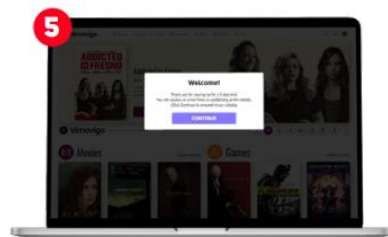
User provides an email address & sets password for account

**87 million people submitted their data**



**3D Secure (3DS) payment page**

User enters credit card details & agrees to terms of service



**Welcome email**

This confirms the registration and the terms of service



**Service portal**

User is granted access after successful registration

Source: Company presentation November 2023

Ursateanu drew examples from Google advertising in the US which generate 100 billion impressions per day. Of this, around 40bn impressions are generated on Google Display, 35bn via YouTube and 25bn via search engine (SEA). Recently CLIQ Digital has mainly used Google Display, and this is where it is bidding for reach with all online business.

In this respect, the role of the marketing team is to create campaigns to target customers and use algorithms to measure the success of the different campaigns. The group always has a free trial period to test the service / encourage membership and continually reviews banner "hits" to the landing page and gauge which are most likely to convert to signing up.

In North America, the group recently began using keywords in search engine advertising, and this has proven to be very successful, despite the higher initial costs of having to purchase the rights to keywords. Otherwise, SEA is similar in process to Display Ads (namely, banner -> landing page -> sign up -> 3DS payment details -> membership) and will now be employed in Europe to attract additional members to the group's service URLs.

In the session on Operations and Business Intelligence, Group Operations Director Sander Wesseling explained that his role was to monitor the success of his colleagues in measuring the difference between the revenues generated from the marketing department and the costs of marketing campaigns including the supply of content by the licensing department, i.e. the Operations & BI role is to constantly monitor the margin.

Over the years, the group has been able to accurately predict revenue streams from different customer cohorts with a constant monitoring of the projected ARPU. As the service evolves, the usage fluctuates, and churn rate will move accordingly. Thus, new members are reviewed on a 7-day and the 14-day basis to estimate ARPSub for the coming six months and this too will be reviewed on a monthly basis.

Wesseling claimed a thorough review of the data allows his team to stay within 2% of forecast ARPU. (Incidentally, this is also why the group has a strong track record in sharing revenue targets with equity investors). This remains the case despite moving into new countries, with different spending habits and varying disposable income.

In the second fireside chat, Jenny Baerveldt, Head of Human Resources shared the stage with Marc Roodhuyzen de Vries, CEO of Nexio Projects, to discuss the importance of all social matters ESG within CLIQ Digital. Nexio has been hired to assist CLIQ from the outside regarding sustainable issues.

With her opening remarks, Baerveldt explained that McKinsey research ("*Does ESG work? And why?*") suggests that 90% of Generation X are prepared to spend more on services from sustainable brands and 70% of employees want purposeful work. The same source suggests that 79% of investors confirm that ESG risks and opportunities are an important factor in their investment decisions.

According to their webpage, Nexio Projects is an international consultancy firm, helping organisations to reach their sustainability goals and seems to practice what it preaches in having employees from 37 diverse nationalities within a staff total of 180. The consultant has been evaluating CLIQ Digital and submitted an initial report in November. This will be reviewed together with management and the process of compliance will be laid forth.

In their session on Group Outlook and Expansion, Management Board members Ben Bos and Luc Vocken confirmed both current year guidance and a mid-term outlook targeting EUR 500m revenue by the end of 2025.

For 2023 (which we discuss in more detail below) the key targets are:

- Sales >EUR 345m (9M: EUR 242m, PAsE EUR 340m)
- Marketing spend >EUR 120m (9M: EUR 100m, PAsE EUR 134m)
- EBITDA >EUR 50m (9M: EUR 39m, PAsE EUR 51.7m)

During the Teach-in Day, management also provided a very upbeat outlook on the industry through 2027 and CLID Digital's prospects within that. From USD 294bn in 2021, the global digital media market (including segments applicable to the group) is projected to reach USD 493bn in 2027.

We commented earlier on cloud-based gaming which could reach USD 8bn in 2025 from a current base put at USD 3.2bn and in the graphic over the page it is suggested to compound at 46% through 2030. Participating in this development, we estimate that the gaming share within group revenues increase from 15% two years ago towards 20% in the current year.

Also fast growing should be audiobooks (2022-30 CAGR 27% pa) but we assume this accounts for less than 10% of group sales. The same may be said about live sports streaming (2022-30 CAGR 22% pa), although this probably accounts for a less than 10% of group revenues currently.

Today, more than half of revenues is generated from the movie & games portals and this important segment is anticipated to show 11% CAGR to 2030. The final content portal, music which accounts an estimated little more than 5% of the group total is estimated to increase by 7% through 2030.

#### Global Digital Media Revenue development

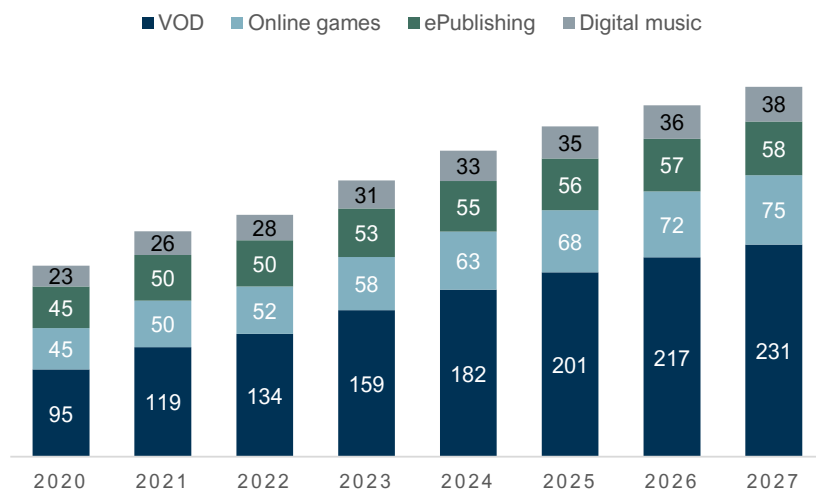


Source: Company presentation November 2023

Certainly, for the next couple of years, management is confident of achieving at least 22% compound revenue growth in attaining the 2025 mid-term target of EUR 500m, which was again confirmed. We view this target as entirely realistic and indeed adopt it within our model.

A slightly different definition of the global content streaming market which includes video and audio content, plus gaming comparable to CLIQ's current offer (here we use "Online games" / "Download games" / "Games streaming") but excludes sports streaming is reproduced in the chart below, based on data provided by Statista's latest Digital Media Report, 2023. Based on this data, the market for these segments is projected to compound by 12% pa. in the ten years through 2027, to a cumulative market value of USD 402bn.

#### Selected Global Digital Media revenue development 2020 to 2027



Source: Pareto based on Digital Media Report 2023, Statista

## Review of 9M'23 and Model Update

### Slight miss to expectations but still good Q3 development

CLIQ Digital reported another positive development in revenues (+8%), EBITDA (+7%) and free cash flow (at EUR 4m) in Q3, although each of these were a touch below PAsE, with the muted consumer sentiment biting more than thought. FY guidance still calls for revenue >EUR 345m and EBITDA >EUR 50m. Given the slight miss in Q3, we are slightly below guidance in modelling EUR 340m.

#### Q3 revenue growth slows to 8%, with a decline in European streaming

CLIQ's top line expansion continued strongly in Q3'23, albeit that growth of 8% to EUR 83m was below expectations (PAsE EUR 89m), with sales in Europe a disappointment in dropping 8% to EUR 27m. Strong growth in North America was again the key revenue driver with an increase of 19% to EUR 53m, (in line with PAsE) and accounting for 64% of the group total, with the relatively new streaming operations in Latin America at EUR 3m (+158%) and a slightly bigger than expected drop in the ROW to EUR 2m reported (-56%).

#### CLIQ Digital: Q3 revenue development by region

EUR m	Q3 '22	Q3 '23	% yoy	PAS Q3E	delta
<b>Revenues</b>	<b>76.5</b>	<b>82.6</b>	<b>8%</b>	<b>89.1</b>	<b>-6.5</b>
of which: Europe	26.8	24.8	-8%	29.9	-5.1
of which: North America	44.4	52.7	19%	52.9	-0.2
of which: Latin America	1.3	3.4	n.m	3.2	0.1
of which: ROW	4.0	1.8	-56%	3.0	-1.3
of which: Multi-content	67.2	78.0	16%	83.6	-5.6
of which: Single-content	6.7	4.6	-32%	5.5	-0.9
of which: Ad-funded digital mktg	2.7	0.0	-100%	0.0	0.0

Source: Pareto Securities

As expected, revenue growth by service was highest in multi-content portals with sales increasing 16% (EUR 78m) due to the significant increase in and improvement of the licensed content across nearly all categories growth, whilst single-content portals expectedly dropped 32% (EUR 5m).

Compared to PAsE most of the deviation to actual figures was within bundled content and especially within Europe, where the slowdown in consumer confidence is most pronounced currently. However, revenues in the region were still ahead 18% after 9-months and the qualitative comments from the conference call (repeated during the Teach-in) implied a stronger performance in Q4. Which is seen as likely.

To begin with, the group recently secured an agreement with the major mobile telecommunication companies in France that will allow CLIQ Digital to begin new marketing initiatives in the country at the end of the year. Second, reference was made to further B2B partnerships similar to New Yorker and Lidl. As well new marketing initiatives with affiliation networks.

Nonetheless, the confirmed revenues target to exceed EUR 345m would require a marked acceleration in Q4 (25% growth vs. 8% in Q3) to be achieved. There may also be additional help from new geographies with the planned launch of the group's streaming services in Asia including Japan. Given the miss in Q3 we have shaved slightly our FY'23 sales estimate and are a little below guidance at EUR 340m.

#### Q3 EBITDA increases 7% despite heavy investment in customer acquisition costs

EBITDA in Q3'23 rose 7% to EUR 13.3m (PAsE 14.1m), with the margin declining to 15.9% (Q3'22: 16.2%). The key point here is that the group continues to invest heavily in the marketing spend at EUR 35.1m (+16%) still supporting growth in the subscription business. After capitalised marketing (EUR 34.9m) and amortised contract costs (EUR 32.9m), the total marketing costs were largely in line with our forecasts at EUR 33.3m.

This increase resulted in a greater number of marketing campaigns to acquire new members with a higher lifetime value. The expected average lifetime value (LTV) of newly acquired members during the first nine months 2023 was higher year-on-year at EUR 85 (9M 2022: EUR 72), due to selling more bundled-content services than single-content services.

Management continues to guide for annual marketing spend to be at least EUR 120m (+7%). However, with EUR 100m already invested after 9-months and with the launch new marketing initiatives in France and Asia, we can envisage an even higher sum spent on customer acquisition in forecasting EUR 137m for FY'23.

Personnel expenses increased by 11% to EUR 5.9m which represents a slight increase as a ratio-to-sales, but this development was in line with our model. However, the group positively surprised in holding to just 3% the cost of third parties (EUR 13.4m) and also with other costs of sales which dropped 19% to EUR 14.3m.

Given a large rise in depreciation (at EUR 1.2m from EUR 0.4m), EBIT was pretty flat yoy at EUR 12.1m in Q3, but this made for EUR 35.6m at 9M'23 (+19%). Net income remained at EUR 8.6m making EUR 25.9m (vs. EUR 21.5m) after 9M.

#### CLIQ Digital: Development of key P&L lines during Q3

EUR m	Q3 '22	Q3 '23	% yoy	PAS Q3E	delta
<b>Revenues</b>	<b>76.5</b>	<b>82.6</b>	<b>8%</b>	<b>89.1</b>	<b>-6.5</b>
Total marketing costs	-24.7	-33.3	35%	-32.5	-0.7
Marketing ratio (%)	32.3%	40.3%		36.5%	
Cost of third parties	-13.0	-13.4	3%	-14.1	0.7
TP expense ratio (%)	17.0%	16.2%		15.8%	
Other cost of sales	-17.6	-14.3	-19%	-18.7	4.4
COS expense ratio (%)	23.0%	17.3%		21.0%	
<b>Gross profit</b>	<b>21.2</b>	<b>21.7</b>	<b>2%</b>	<b>23.7</b>	<b>-2.1</b>
Gross profit margin (%)	27.7%	26.2%		26.7%	
Personnel expenses	-5.4	-5.9	11%	-5.9	0.0
Personnel ratio (%)	7.0%	7.2%		6.7%	
Other operating costs	-3.4	-2.3	-32%	-3.6	1.3
Expense ratio (%)	4.4%	2.8%		4.0%	
<b>EBITDA</b>	<b>12.4</b>	<b>13.3</b>	<b>7%</b>	<b>14.1</b>	<b>-0.8</b>
EBITDA margin (%)	16.2%	16.1%		15.8%	
Depreciation & amortisation	-0.4	-1.2	248%	-0.9	-0.4
<b>EBIT</b>	<b>12.0</b>	<b>12.1</b>	<b>0%</b>	<b>13.3</b>	<b>-1.2</b>
EBIT margin (%)	15.7%	14.6%		14.9%	
Net financing	0.2	0.1		0.2	-0.1
<b>Pretax profit</b>	<b>12.3</b>	<b>12.2</b>	<b>-1%</b>	<b>13.4</b>	<b>-1.2</b>
Tax	-3.6	-3.5	-3%	-3.9	0.4
Net income attributable	8.6	8.6	0%	9.5	-0.9
Minority interests	0.0	0.0	-100%	0.0	0.0
<b>Net income attributable</b>	<b>8.6</b>	<b>8.6</b>	<b>0%</b>	<b>9.5</b>	<b>-0.9</b>
<b>EPS (EUR) basic</b>	<b>1.33</b>	<b>1.33</b>	<b>0%</b>	<b>1.45</b>	<b>-0.12</b>

Source: Pareto Securities

Post 9M'23 we feel comfortable in making only minor negative adjustments in the model, despite the slight miss in the quarter. Over the period 2019-2022, the group recorded CAGR of 64% pa. and our model now assumes 22% CAGR 2022 through 2025E in reaching mid-term guidance targeting >EUR 500m by that year.

As indicated, CLIQ Digital will need to invest more heavily into customer acquisition and will require additional streaming content to secure this impressive revenue development. Brand marketing has not been cost-effective although it will have a slightly longer payback period, although further B2B initiatives (together with additional license deals) will help reduce customer churn, supporting the LTVCB.

There is no firm guidance for the mid-term margin. We assume that EBITDA margin will fall back from last year's high 15.8% level, with 15.2% forecast for 2023E and remaining stable at that level going forward.

**Only minor changes to forecasts, which continue to reflect management guidance**

(EUR m)	2023E			2024E			2025E		
	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	346.2	339.7	-2%	419.6	417.5	-1%	505.6	500.9	-1%
EBITDA	52.1	51.7	-1%	63.2	63.9	1%	75.8	76.4	1%
EBIT	48.6	47.4	-2%	59.0	58.7	-1%	71.1	70.5	-1%
Pretax	46.8	45.8	-2%	57.5	57.5	0%	69.9	70.1	0%
Net result	33.5	32.8	-2%	41.2	41.2	0%	50.1	50.3	0%
EPS	5.15	5.04	-2%	6.33	6.34	0%	7.70	7.72	0%
Dil. EPS (EUR)	5.20	5.09	-2%	6.27	6.27	0%	7.57	7.57	0%

Source: Pareto Securities

## Very solid financing

Not surprising for a group that has always given priority to profitable growth, CLIQ Digital has a robust balance sheet. The business model of CLIQ is generally very asset light. It requires very limited investments in fixed assets, knows no inventory and generally has a low working capital need. In the first nine months of 2023, the total balance sheet increased 12% to EUR 151m (Dec. 2022: EUR 135m).

The dominant position on the asset side of the balance sheet is the goodwill, which amounted to EUR 47.5m per 30 September 2023. This is mainly related to goodwill on acquisition as a result of the merger with CLIQ BV in 2012 (EUR 43.2m) as well as the acquisition on UK activities, which were acquired in 2017 (EUR 4.4m). The increase in other intangible assets from EUR 8.4m to EUR 12.8m was mainly due to newly licenced content for the membership-based streaming services and platform development.

The balance sheet includes EUR 2.1m financial assets reflecting the EUR 1.6m strategic equity investment in Blacknut SAS, a leading cloud gaming service distributed both directly to consumers and B2B, plus EUR 0.4m in Dreamspark SAS a recently founded, Paris-based creative and production studio specialising in selling and producing unscripted entertainment for television and streaming services.

The EUR 4.3m in tangible fixed assets is mainly the right of use assets from the rental agreements in Amsterdam, Düsseldorf and Paris (EUR 3.3m) and EUR 1.0m other property / office equipment.

The largest position within current assets concerns contract costs accounting for EUR 45.4m at the end of September. This is related to capitalised marketing spend, which is then amortised based on the direct allocability to new members after customer acquisitions. Due to the relatively short average customer retention of less than 1 year, the majority of all capitalised marketing costs are amortized in the same year they are capitalised. The increase in contract assets is largely attributable to the higher marketing spend in 2022, which was directly related to streaming subscription services.

## CLIQ Digital AG – Asset structure

EUR m	2021	2022	9M'23	% yoy	% BS
Goodwill	48.2	47.4	47.5	0%	31%
Other intangibles	2.6	8.4	11.9	42%	8%
Fixed assets	3.8	5.0	4.3	-13%	3%
Financial assets	1.5	2.0	2.1	n.a	1%
Other long term assets	4.9	4.3	6.3	47%	4%
<b>Non-current assets</b>	<b>59.4</b>	<b>65.1</b>	<b>70.0</b>	<b>8%</b>	<b>46%</b>
Trade receivables	12.5	13.6	21.4	57%	14%
Contract costs / other assets	17.1	39.6	47.8	21%	32%
Cash & Cash equivalents	7.3	16.8	11.9	-29%	8%
<b>Current assets</b>	<b>36.9</b>	<b>70.0</b>	<b>81.1</b>	<b>16%</b>	<b>54%</b>
<b>Total assets</b>	<b>96.3</b>	<b>135.1</b>	<b>151.1</b>	<b>12%</b>	<b>100%</b>

Source: Pareto Securities

The liabilities side of the balance sheet is characterized by the equity position, which amounted to EUR 95m implying an equity ratio of 63%. Adjusting the equity ratio for goodwill, the equity ratio would amount to 31%.

Otherwise, there is no bank debt per end September, although in December 2022 the group had drawn EUR 6.6m. In addition, there was EUR 3.2m of long-term and EUR 1.5m short term lease liabilities (reflecting IFRS 15) which we include for EV purposes in indicating a net cash situation per September of EUR 7.1m (compared to EUR net 5.1m cash as per December 2022).

Excluding finance leases, there was a net cash position of EUR 11.9m (EUR 10.2m at the last year-end).

#### CLIQ Digital AG – Equity & Liabilities

EUR m	2021	2022	9M'23	% yoy	% BS
Shareholder equity	59.5	81.4	95.2	17%	63%
Minority interest	0.0	-0.1	-0.1	n.a	0%
<b>Total equity</b>	<b>59.6</b>	<b>81.3</b>	<b>95.1</b>	<b>17%</b>	<b>63%</b>
Bank borrowings	0.0	6.6	0.0	-100%	0%
Int-bearing L-debt incl leases	3.1	4.1	3.2	-23%	2%
Other non-current liabilities	6.4	11.9	14.9	26%	10%
<b>Non-current liabilities</b>	<b>9.4</b>	<b>22.6</b>	<b>18.2</b>	<b>-20%</b>	<b>12%</b>
Bank borrowings	5.0	0.0	0.0	n.a	0%
Int-bearing debt incl leases	5.5	1.1	1.5	n.a	1%
Trade payables	7.9	9.5	15.7	n.a	10%
Other current liabilities	13.9	20.6	20.6	0%	14%
<b>Liabilities</b>	<b>27.3</b>	<b>31.2</b>	<b>37.8</b>	<b>21%</b>	<b>25%</b>
<b>Equity &amp; Liabilities</b>	<b>96.3</b>	<b>135.1</b>	<b>151.1</b>	<b>12%</b>	<b>100%</b>

Source: Pareto Securities

The robust balance sheet position reflects the positive cash flows that CLIQ Digital generates. In 9M'23, there was EUR 23.9m (FY'22: EUR 23.8m 9M) positive operational cash flow, reflecting much higher profit generated this year. The cash outflow from investing activities amounted to EUR 9.1m (FY'22: EUR 8.4m) and is largely related to investments in intangible fixed assets for newly licensed content for the membership-based streaming services and platform development.

Thus, the operating free cash flow grew by EUR 14.7m through the first nine-months of the year. The cash outflow from financing activities was EUR 12.7m (FY'22: EUR 7.7m) and largely reflects the dividend distributions of EUR 11.6m.

That left EUR 2.0m net positive cash flow in 9M'23, increasing the cash balance to EUR 11.9m.

#### CLIQ Digital AG – Group cash flows 2021-2023

EUR m	2021	2022	9M'23	change
Cash flow operating activities	20.8	23.8	23.9	3.1
Total capex	-4.8	-8.4	-9.1	-4.4
Free cash flow	16.0	15.4	14.7	-1.2
Cash flow financing activities	-14.6	-7.7	-12.7	1.9
Change cash equivalents	1.4	7.7	2.0	0.7
Cash at period begin	0.9	2.3	9.9	
Change cash equivalents	1.4	7.6	2.0	
Cash at period end	2.3	9.9	11.9	

Source: Pareto Securities

## Valuation: EUR 71 target price

We continue to base our valuation on a peer group comparison as well as a DCF model. Both derived valuations represent significant upside potential for the shares. Giving equal weight to both derived valuations, we lower slightly our target price to EUR 71 (EUR 74).

The DCF model (EUR 69) is in our view best suited to account for the long-term growth potential of CLIQ Digital as well as its high level of cash generation. The peer group model (EUR 79) on the other hand bodes well to assess the fair value of CLIQ Digital relative to other companies with a similar business model, without having to make long-term assumptions, which are difficult to make for the highly dynamic business environment in which these groups operate.

### DCF valuation

For Phase I of our DCF, we have made detailed forecasts of the future free cash flows, with EBIT margin peaking at 14% (2027), which we retain going forward. In Phase II we continuously reduce our main parameters to transition smoothly towards the perpetual growth rate (Phase III). We derive a fair value of EUR 69 from our DCF model.

Given the dynamic nature of CLIQ Digital's business model, targeting aggressive revenue development through-out Phase I (16% CAGR), we apply a relatively high Beta of 1.25x. Together with a high target equity ratio of 90%, this results in a WACC of 9.2%.

Reflecting also the dynamic market conditions that we foresee for the coming years (ever improving download speeds and increasing mobile population) and CLIQ Digital's stronger position therein, we assume a perpetual growth rate of 1%. Despite the higher historical EBIT margin level (2022: 15.2%) we continue to model a terminal margin of 14%.

**We derive a fair value of EUR 69 from our DCF model**, pointing to significant potential upside. Based on our estimates for the next years, it is in our view hard to justify the low current share price. The expected FCFs until 2028 are in our view already sufficient to justify the current share price level – even if we would assume no more cashflows thereafter.

### CLIQ Digital – DCF points to EUR 70 per share valuation

EUR m	Phase I					Phase II					Phase III
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Revenues	340	417	501	576	627	675	718	754	781	799	
growth rate	23%	23%	20%	15%	9%	8%	6%	5%	4%	2%	
EBIT	47	59	71	81	88	95	101	106	109	112	
EBIT margin	14.0%	14.1%	14.1%	14.1%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	
Tax	-13	-16	-19	-22	-24	-26	-28	-29	-30	-31	
Tax rate	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	
Depr. & Amort.	4	5	6	7	7	10	10	12	13	15	
% of sales	1.3%	1.2%	1.2%	1.2%	1.2%	1.5%	1.3%	1.6%	1.7%	1.8%	
Capex	-12	-12	-14	-16	-18	-19	-20	-21	-22	-22	
% of sales	3.5%	2.9%	2.8%	2.8%	2.9%	2.8%	2.8%	2.8%	2.8%	2.8%	
Change in WC & P	-15	-15	-17	-20	-23	-24	-26	-27	-28	-29	
% of sales	4.3%	3.5%	3.4%	3.4%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
Free Cash Flow	12	21	26	30	30	35	37	40	43	45	554
growth rate	nm	71.8%	21.9%	15.9%	2.4%	16.2%	3.4%	10.4%	6.2%	4.7%	1.0%
Present Value FCF	12	19	21	23	21	23	21	22	21	20	249
PV Phase I	96		Risk free rate			3.5%		Targ. equity ratio		90%	
PV Phase II	107		Premium Equity			5.0%		Beta		1.3	
PV Phase III	249		Premium Debt			2.0%		WACC		9.2%	
Enterprise value	453		Sensitivity			Growth in phase III					
- Net Debt LY	-5		WACC			0.0% 0.5% 1.0% 1.5% 2.0%					
- Pension Provisions	0					8.3%	73.9	76.7	79.9	83.6	87.9
- Minorities & Peripherals	0					8.7%	69.6	72.1	74.9	78.0	81.6
						9.2%	65.8	68.0	70.4	73.1	76.1
						9.6%	62.4	64.3	66.3	68.7	71.3
Equity value	458					10.1%	59.3	60.9	62.7	64.8	67.0
Number of shares	6.5										
Value per share (EUR)	70										

Source: Pareto Securities

### Peer companies' valuation

We view few of the listed peer companies as directly comparable with CLIQ Digital, although in its Investor Deck on portal price comparisons, the group itself reviews Netflix, Spotify, Storytel and Viaplay Group. Netflix or Spotify are market leaders in their segments and have different content cost characteristics as most of their content costs are fixed in nature – allowing for higher margins once sufficient scale is reached and growth slows down.

Note however, that several peers remain loss-making. Nonetheless, we have compiled a list of peers which share the same market dynamics and in combination also resemble the growth and margin characteristics of CLIQ Digital, including all of the above names.

With this extended group we estimate a median 2024 EV/sales multiple of 1.9x, based on consensus FactSet data. In fact, while most companies in this group are larger, on average, their expected revenue growth development tend to be much lower than forecast for CLIQ Digital. Applying EUR 417m Pareto Securities' 2024 revenue estimate, benchmarking would indicate EUR 96 as reasonable target – significantly above the current level.

We then reduce that larger group, stripping-out the extremes, both loss-making companies as well as those entrenched leaders generating very high profits which are afforded high valuation multiples. To this group we benchmark in terms of 2024 PE (implying fair value for CLIQ Digital at EUR 63) and 2024 EV/EBITDA (indicating EUR 57 as a realistic target).

**The average of these three valuations points to EUR 72 based on peer valuations.**

#### CLIQ Digital – Peer companies point to EUR 72 per share valuation

Company	PE 2023E	PE 2024E	EV/EBITDA 2023E	EV/EBITDA 2024E	EV/Sales 2023E	EV/Sales 2024E
Amazon.com, Inc.	n.a	40.9	14.3	12.2	2.6	2.3
Electronic Arts Inc.	19.2	17.6	13.8	12.5	4.7	4.4
fuboTV Inc.	-2.9	-4.0	-5.1	-9.2	0.8	0.8
Netflix, Inc.	39.3	30.1	29.4	23.0	6.4	5.6
Spotify Technology SA	-79.0	116.3	-193.2	63.1	2.2	1.8
Storytel AB Class B	-24.8	-197.4	15.1	10.1	0.9	0.8
Warner Music Group Corp. Class A	39.9	25.4	16.2	13.9	3.3	3.1
DISH Network Corporation Class A	11.7	-11.8	14.5	15.2	1.5	1.6
Viaplay Group AB Class B	-5.0	-13.1	-10.3	19.1	0.3	0.4
Sirius XM Holdings, Inc.	15.2	14.7	9.8	9.6	3.0	2.9
Stingray Group, Inc.	6.2	5.4	6.2	5.5	2.2	2.0
Tencent Music Entertainment ADR	18.3	16.9	4.2	2.7	0.9	0.6
Ubisoft Entertainment SA	15.5	14.4	4.6	4.0	2.1	2.0
<b>Median</b>	<b>13.5</b>	<b>9.9</b>	<b>5.4</b>	<b>7.5</b>	<b>2.2</b>	<b>2.0</b>
<b>Clq Digital AG</b>	<b>3.7</b>	<b>2.9</b>	<b>2.1</b>	<b>1.4</b>	<b>0.3</b>	<b>0.2</b>
relative	27%	30%	38%	19%	14%	11%
Pareto estimates	5.04	6.34	52	64	340	417
Forecast net debt (incl. pensions)			-5	-13	-5	-13
Forecasts minority interests *1.5			0	0	0	0
No. Shares at year end	6.5	6.5	6.5	6.5	6.5	6.5
<b>Fair value per share at peer median</b>	<b>68</b>	<b>63</b>	<b>41</b>	<b>57</b>	<b>110</b>	<b>96</b>
<b>Fair value / share (2023e average)</b>	<b>71.8</b>					
<b>DCF target value</b>	<b>70.4</b>			<b>Target 71.1</b>		

Source: FactSet; Pareto Securities

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>
<b>Revenues</b>	<b>58</b>	<b>63</b>	<b>107</b>	<b>150</b>	<b>276</b>	<b>340</b>	<b>417</b>	<b>501</b>
<b>EBITDA</b>	<b>4</b>	<b>6</b>	<b>16</b>	<b>27</b>	<b>44</b>	<b>52</b>	<b>64</b>	<b>76</b>
Depreciation & amortisation	(1)	(1)	(1)	(1)	(1)	(4)	(5)	(6)
<b>EBIT</b>	<b>3</b>	<b>5</b>	<b>15</b>	<b>26</b>	<b>42</b>	<b>47</b>	<b>59</b>	<b>71</b>
Net interest	0	(1)	(1)	(1)	(1)	(2)	(1)	(0)
Other financial items	-	-	-	-	-	-	-	-
<b>Profit before taxes</b>	<b>3</b>	<b>4</b>	<b>14</b>	<b>25</b>	<b>41</b>	<b>46</b>	<b>58</b>	<b>70</b>
Taxes	(0)	0	(4)	(7)	(12)	(13)	(16)	(20)
Minority interest	(1)	(2)	(3)	(0)	0	0	0	0
<b>Net profit</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>18</b>	<b>29</b>	<b>33</b>	<b>41</b>	<b>50</b>
EPS reported	0.35	0.36	1.16	2.74	4.47	5.04	6.34	7.72
<b>EPS adjusted</b>	<b>0.35</b>	<b>0.36</b>	<b>1.16</b>	<b>2.74</b>	<b>4.47</b>	<b>5.04</b>	<b>6.34</b>	<b>7.72</b>
DPS	-	0.28	0.46	1.10	1.79	1.97	2.43	2.98
<b>BALANCE SHEET (EURm)</b>								
Tangible non current assets	1	1	2	4	5	4	1	(4)
Other non-current assets	52	52	53	56	60	67	74	84
Other current assets	12	14	17	30	53	69	89	111
Cash & equivalents	1	1	5	7	17	18	33	50
<b>Total assets</b>	<b>66</b>	<b>68</b>	<b>77</b>	<b>96</b>	<b>135</b>	<b>158</b>	<b>197</b>	<b>241</b>
Total equity	48	47	56	60	81	101	140	185
Interest-bearing non-current debt	1	10	6	3	11	4	4	4
Interest-bearing current debt	8	0	0	5	1	2	2	2
Other Debt	8	11	16	28	42	52	52	53
<b>Total liabilities &amp; equity</b>	<b>65</b>	<b>68</b>	<b>77</b>	<b>96</b>	<b>135</b>	<b>158</b>	<b>197</b>	<b>242</b>
<b>CASH FLOW (EURm)</b>								
Cash earnings	1	4	13	21	39	45	53	63
Change in working capital	3	(2)	2	(1)	(18)	(15)	(15)	(17)
Cash flow from investments	(1)	(0)	(1)	(5)	(8)	(12)	(12)	(14)
Cash flow from financing	(4)	(5)	(4)	(15)	(8)	(13)	(14)	(18)
Net cash flow	(1)	(3)	10	1	8	9	15	17
<b>VALUATION (EURm)</b>								
<b>Share price (EUR end)</b>	<b>1.71</b>	<b>2.90</b>	<b>16.6</b>	<b>24.7</b>	<b>25.2</b>	<b>18.5</b>	<b>18.5</b>	<b>18.5</b>
Number of shares end period	6	6	6	7	7	7	7	7
Net interest bearing debt	8	10	1	1	(5)	(13)	(28)	(45)
<b>Enterprise value</b>	<b>19</b>	<b>30</b>	<b>108</b>	<b>162</b>	<b>159</b>	<b>107</b>	<b>92</b>	<b>75</b>
EV/Sales	0.3	0.5	1.0	1.1	0.6	0.3	0.2	0.2
<b>EV/EBITDA</b>	<b>5.0</b>	<b>5.2</b>	<b>6.8</b>	<b>6.0</b>	<b>3.7</b>	<b>2.1</b>	<b>1.4</b>	<b>1.0</b>
EV/EBIT	6.4	6.2	7.1	6.2	3.8	2.3	1.6	1.1
P/E reported	4.9	8.1	14.3	9.0	5.6	3.7	2.9	2.4
<b>P/E adjusted</b>	<b>4.9</b>	<b>8.1</b>	<b>14.3</b>	<b>9.0</b>	<b>5.6</b>	<b>3.7</b>	<b>2.9</b>	<b>2.4</b>
P/B	0.2	0.4	2.0	2.7	2.0	1.2	0.9	0.7
<b>FINANCIAL ANALYSIS</b>								
ROE adjusted (%)	4.6	4.7	14.0	30.9	41.2	36.0	34.3	31.0
Dividend yield (%)	-	9.7	2.8	4.5	7.1	10.6	13.1	16.1
EBITDA margin (%)	6.6	9.1	14.9	18.1	15.8	15.2	15.3	15.3
EBIT margin (%)	5.1	7.6	14.2	17.5	15.2	14.0	14.1	14.1
NIBD/EBITDA	2.04	1.71	0.05	0.05	(0.12)	(0.26)	(0.44)	(0.59)
EBITDA/Net interest	-	6.34	19.34	28.85	35.63	30.96	54.53	-

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>1Q'22</b>	<b>2Q'22</b>	<b>3Q'22</b>	<b>4Q'22</b>	<b>1Q'23</b>	<b>2Q'23</b>	<b>3Q'23</b>	<b>4Q'23e</b>
<b>Revenues</b>	<b>53</b>	<b>64</b>	<b>77</b>	<b>83</b>	<b>83</b>	<b>77</b>	<b>83</b>	<b>97</b>
<b>EBITDA</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>13</b>
Depreciation & amortisation	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)
<b>EBIT</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Net interest	(0)	0	0	(1)	(0)	(0)	0	(1)
Other financial items	-	-	-	-	-	-	-	-
<b>Profit before taxes</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>11</b>
Taxes	(2)	(3)	(4)	(4)	(3)	(3)	(4)	(3)
Minority interest	0	(0)	(0)	0	-	0	-	0
<b>Net profit</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>
EPS reported	0.90	1.07	1.33	1.17	1.26	1.23	1.33	1.22
<b>EPS adjusted</b>	<b>0.90</b>	<b>1.07</b>	<b>1.33</b>	<b>1.17</b>	<b>1.26</b>	<b>1.23</b>	<b>1.33</b>	<b>1.22</b>
DPS	-	1.10	-	-	-	1.79	-	-
<b>BALANCE SHEET (EURm)</b>	<b>1Q'22</b>	<b>2Q'22</b>	<b>3Q'22</b>	<b>4Q'22</b>	<b>1Q'23</b>	<b>2Q'23</b>	<b>3Q'23</b>	<b>4Q'23e</b>
Tangible non current assets	4	5	5	5	5	4	4	4
Other non-current assets	56	59	59	60	61	64	66	67
Other current assets	38	49	54	53	63	64	69	69
Cash & equivalents	14	6	17	17	11	16	12	18
<b>Total assets</b>	<b>112</b>	<b>119</b>	<b>135</b>	<b>135</b>	<b>139</b>	<b>148</b>	<b>151</b>	<b>158</b>
Total equity	65	65	74	81	90	86	95	101
Interest-bearing non-current debt	3	4	11	11	4	3	3	4
Interest-bearing current debt	12	13	1	1	1	9	2	2
Other Debt	31	37	41	42	44	49	51	52
<b>Total liabilities &amp; equity</b>	<b>112</b>	<b>119</b>	<b>127</b>	<b>135</b>	<b>139</b>	<b>148</b>	<b>151</b>	<b>158</b>
<b>CASH FLOW (EURm)</b>	<b>1Q'22</b>	<b>2Q'22</b>	<b>3Q'22</b>	<b>4Q'22</b>	<b>1Q'23</b>	<b>2Q'23</b>	<b>3Q'23</b>	<b>4Q'23e</b>
Cash earnings	7	9	11	12	12	10	13	10
Change in working capital	(6)	(8)	(2)	(2)	(9)	2	(7)	(1)
Cash flow from investments	(1)	(3)	(1)	(3)	(3)	(4)	(3)	(3)
Cash flow from financing	0	(7)	(0)	(0)	(0)	(12)	(0)	(0)
Net cash flow	0	(8)	8	8	1	(3)	4	7
<b>VALUATION (EURm)</b>	<b>1Q'22</b>	<b>2Q'22</b>	<b>3Q'22</b>	<b>4Q'22</b>	<b>1Q'23</b>	<b>2Q'23</b>	<b>3Q'23</b>	<b>4Q'23e</b>
<b>Share price (EUR end)</b>	<b>26.3</b>	<b>27.1</b>	<b>18.4</b>	<b>25.2</b>	<b>29.3</b>	<b>24.9</b>	<b>18.8</b>	<b>18.5</b>
Number of shares end period	7	7	7	7	7	7	7	7
Net interest bearing debt	2	10	(4)	(5)	(6)	(4)	(7)	(13)
P/E reported	8.4	7.6	4.4	5.6	6.1	5.0	3.8	3.7
<b>P/E adjusted</b>	<b>8.4</b>	<b>7.6</b>	<b>4.4</b>	<b>5.6</b>	<b>6.1</b>	<b>5.0</b>	<b>3.8</b>	<b>3.7</b>
P/B	2.6	2.7	1.6	2.0	2.1	1.9	1.3	1.2
<b>FINANCIAL ANALYSIS</b>	<b>1Q'22</b>	<b>2Q'22</b>	<b>3Q'22</b>	<b>4Q'22</b>	<b>1Q'23</b>	<b>2Q'23</b>	<b>3Q'23</b>	<b>4Q'23e</b>
Dividend yield (%)	1.8	4.1	6.0	4.4	3.8	7.2	9.5	9.7
EBITDA margin (%)	15.8	15.7	16.2	15.4	15.4	16.2	16.1	13.5
EBIT margin (%)	15.2	15.2	15.7	14.9	14.4	15.1	14.6	12.2
NIBD/EBITDA	0.02	0.07	0.06	0.02	(0.02)	(0.09)	(0.11)	(0.15)
EBITDA/Net interest	39.07	-	-	35.63	33.49	25.33	24.25	30.96

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## Appendix A

Disclosure requirements in accordance with Commission Delegated Regulation (EU) 2016/958 and the FINRA Rule 2241

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – owns a net long position of the shares exceeding 0,5 % of the total issued share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %
Austevoll Seafood	1,052,265	0.52 %
Bonheur	243,588	0.57 %
Pareto Bank	16,124,046	23.08 %
Pexip Holding	814,576	0.78 %
SpareBank 1 Nord-Norge	5,006,421	4.99 %
SpareBank 1 SMN	2,944,385	2.27 %
SpareBank 1 SR-Bank	2,544,527	0.99 %
SpareBank 1 Østfold & Akershus	1,227,128	9.91 %
SpareBank 1 Østlandet	6,990,591	6.58 %
Sparebanken Møre	376,833	0.76 %
Sparebanken Vest	8,869,865	8.08 %
SpareBank 1 Sør-øst-Norge	2,830,852	4.49 %

Pareto Securities AS may hold financial instruments in companies where a recommendation has been produced or distributed by Pareto Securities AS in connection with rendering investment services, including Market Making.

Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

Company	Analyst holdings*	Total holdings
2020 Bulkers		10,534
2G Energy		340
ABB Ltd.		580
Adevinta		4,000
Aker ASA	500	2,377
Aker BP		10,084
Aker Carbon Capture		8,976
Aker Horizons		502,071
Aker Solutions		1,131
AMSC ASA		3,600
Aprila Bank		22,675
Austevoll Seafood		3,548
B3 Consulting Group		2,000
Bakkafrost		600
BB Biotech		460
Biolinvent		15,000
Bonheur		30,718
Bouvet		5,500
BW Energy		73,427
BW LPG		1,950
BW Offshore		3,000
Cloudberry Clean Energy		8,690
Cool Company		5,610
Crayon		21,151
Deep Value Driller		7,800
Dermapharma Holding SE		750
DNB		16,577
DNO		74,331
Elkem		62,170
Elmeria Group ASA		32,755

Company	Analyst holdings*	Total holdings
Embracer Group		32,520
Encavis AG		630
Eneti		525
Equinor		4,473
Europris		17,718
Evolution		52
Flex LNG		595
Frontline		11,820
Gaming Innovation Group		10,000
Genel Energy		5,700
Getinge		260
GFT Technologies		270
Gjensidige Forsikring	519	3,540
Grieg Seafood		13,201
Hafslund		106,223
Høegh Autoliners		10,923
International Petroleum Corp		7,786
Kahoot		1,689
Kambi Group plc		430
Kitron		22,314
Komplett ASA		21,754
Kongsberg Gruppen		490
Kontron AG		350
Lea Bank		16,355
Lerøy Seafood Group		127,350
Lundin Mining Corp.		7,652
Morrow Bank		121,200
Mowi		10,256
MPC Container Ships		7,190
Multitude		2,443
Mutar es SE & Co. KGaA		433
NorAm Drilling		6,883
Nordic Semiconductor		9,877
Norsk Hydro		77,351
Norske Skog		85,606
Northern Ocean		8,400
Norwegian Air Shuttle		63,509
Odyssey Drilling		2,186
Okeanos Eco Tankers		7,912
Orkla		7,636
Otovo ASA		35,400
Panoro Energy		34,533
Pareto Bank		767,562
Petro-Tal		20,000
Pexip Holding		814,576
Protector Forsikring		9,436
PSI Software		300
QleanAir		3,498
Quantafuel		16,812
REC Silicon		5,739
SalMar		224
Sandnes Sparebank		2,500
Scorpio Tankers		2,227
Seadrill Ltd		10,410
Solstad Offshore		124,000
SpareBank 1 Nord-Norge	725	744
SpareBank 1 SMN		6,023
SpareBank 1 SR-Bank		11,697
SpareBank 1 Sør-øst-Norge		3,000
SpareBank 1 Østlandet	1,100	1,100
Sparebanken Møre		1,080
Sparebanken Sør		15,000
Sparebanken Vest		966
Standard Supply		20,000
Stolt-Nielsen		2,100
Stora Enso		1,396
Storebrand	100	2,600
Stroytel		17,115
Subsea 7		21,471
Telenor		4,183
Telia Company		5,000
TGS		11,595
Thule Group		800
Transocean		10,000
Valaris		3,427
Vestas Wind Systems		1,225
Viscom		1,300
Var Energi		284,626
Yara		18,774
Zaptec		19,800

This overview is updated monthly (last updated 14.11.2023).

\*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

## Appendix B

Disclosure requirements in accordance with Article 6(1)(c)(iii) of Commission Delegated Regulation (EU) 2016/958

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

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Alva Industrier AS	Scala Eiendom
AMSC ASA	Seacrest Petroleum
APW AG	Shamran Petroleum
Ar cher	Skandia GreenPower
Ar geo AS	Standard Supply
Austevoll Seafood	Tasik Toba Subsea AS
Aytle Group AS	Treas ure ASA
Beer enberg Services AS	Vantage Drilling International
Benchmark Holdings	Viking Venture 28 AS
Bonheur ASA	Waldorf Production Ltd.
Borr Drilling	Wattif EV
BW Epic Kosan	wheel.me
BW Group Limited	Ziton A/ S
Cabonline Group Holding	
Cadeler	
CCSFinansiering AS	
CEMA Sys AS	
CERAFILTEC	
Clemens Kraft AS	
COOL Company	
DEAG Deutsche Entertainment AG	
Delignit	
Desert Control AS	
DOF	
Dolphin Drilling	
Edda Wind	
EdR Certified Origin Physical Gold Plc	
Eidesvik Offshore	
EIK Servicing AS	
Endur ASA	
Energy Drilling Pte. Ltd.	
Fertiberia Corporate S.L.U.	
First Camp Group	
Fishbase Group AS	
Floatel	
Frederikstad Energi AS	
Frøy ASA	
Gjensidige Forsikring ASA	
Golar LNG	
Golden Energy Offshore Services AS	
Grøntvedt AS	
Hafnia Ltd.	
Hertha BSC GmbH & Co. KGaA	
HydrogenPro	
HÖRMANN Industries GmbH	
Idavang A/ S	
Instabank ASA	
International Petroleum Corp. ("IPC")	
Katjes International GmbH & CO	
Kezzler AS	
Klavness Combination Carriers ASA	
KMC Properties	
Kraft Bank	
Kron AS	
Krow Bidco AS	
Krusa Smith	
LoneStar Group	
Maha Energy	
Mime Petroleum	
Mintra Group	
Morrow Bank	
Mutar es SE & Co. KGaA	
NEXT Biometrics Group ASA	
Nordic Unmanned	
Norlandia Health & Care Group	
Norse Atlantic	
Northern Ocean	
OKEA	
Parito Bank	
PGS	
PHM Group Holding	
Point Resources Holding AS	
Prosafe	
PulPac AB	
Quality Living Residential AS	
ReFuels	
RelyOn Nutec A/ S	

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## Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11 (4)

Distribution of recommendations	
Recommendation	% distribution
Buy	72%
Hold	26%
Sell	2%
Distribution of recommendations (transactions*)	
Recommendation	% distribution
Buy	96%
Hold	4%
Sell	0%

\* Companies under coverage with which Pareto Securities Group has on-going or completed public services in the previous 12 months

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Boule Diagnostics AB	Renewcell AB	VNV Global AB
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Backaheden Fastighets AB	Korsängen Fastighets AB (publ)	One Publicus Fastighets AB
Bonäsudden Holding AB (publ)	Krona Public Real Estate AB	Origa Care AB (publ)
Borglunda Fastighets AB	Logistri Fastighets AB	Preservium Property AB
Fleming Properties AB		

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## Appendix E

Disclosure requirements in accordance with Article 6(1)(c)(i) of Commission Delegated Regulation (EU) 2016/958

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Biotech AG Pf.d.	manz AG	Salmones Camanchaca S.A.
Cor estate Capital Holding S.A.	MAX Automation SE	Seven Principles AG
Daldrup & Söhne AG	Mer kur Privatbank AG	SHOP APOTHEKE EUROPE N.V.
DEMIRE AG	Meta Wolf AG	SMT Scharf AG
DF Deutsche Forfait AG	MPL SE	Surteco AG
epigenomics AG	MPC Container Ships ASA	Szygyr AG
Foris AG	Muehlhahn AG	TTL Beteiligungs- und Grundbesitz AG
Gesco AG	Mutar es SE & Co. KGaA	Uzin Utz SE
GFT Technologies SE	OVH Holding AG	VERIANOSSE
Gigaset AG	ProCredit Holding AG	Viscom AG
Heidelberg Pharma AG	Progress-Werk Oberkirch AG	WPU - Waste Plastic Upcycling AS
INTERSHOP Communications AG		

## Appendix F

Disclosure requirements in accordance with Article 6(1)(c)(iv) of Commission Delegated Regulation (EU) 2016/958

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Biotech AG	Gigaset AG	ProCredit Holding AG
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Daldrup & Söhne AG	INTERSHOP Communications AG	Siegrfried Holding AG
Delignit	Kontron AG	SMT Scharf AG
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Enapter AG	MAX Automation SE	Szygyr AG
epigenomics AG	Mer kur Privatbank AG	Viscom AG
exeect Group	MPL SE	

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