

Targeting EUR 500m revenue in 2025

With the 2021 results presentation, management flagged consensus-beating targets for the current year and a mid-term outlook targeting EUR 500m revenue by the end of 2025. With this update we review the recent performance and adjust our model to reflect more ambitious goals, now incorporating compound growth through 2025 of 35% in revenue and 31% EBITDA. We view CLIQ Digital as having below average risk within the streaming market, which will continue to generate strongly positive cash flows in the coming years – it already has a 40% dividend pay-out ratio (4.5% yield). With TP raised to EUR 72.0 we confirm our Buy rating on the shares.

Streaming provider of affordable family orientated multi-content portals

CLIQ Digital is a global streaming provider specialising in performance marketing of affordable entertainment products, offering its members unlimited access to movies, music, audiobooks, sports and games. It does not produce its own streaming content, but rather licenses content from third parties. This both reduces business risk and allows the group to focus advertising spend to secure a strongly rising membership base, now at 1.3m paying customers.

Fragmented fast growing Digital Media market underpins strong growth

The Digital Media market, estimated at USD 300bn globally, is highly fragmented. The Covid pandemic has clearly supported its breakthrough development in many cases, although we do not expect growth to slow markedly but rather to continue strong for many years. Research group Statista estimates that the market could grow to USD 447bn by 2026. Within that framework, CLIQ Digital is targeting EUR 500m sales by 2025, representing 35% CAGR, most of which is organic.

TP raised to EUR 72 and Buy rating confirmed

Incorporating new mid-term targets, including that 35% compound growth in revenues, we now model over 30% CAGR growth in EBITDA through 2025. We view CLIQ Digital as having below average risk within the streaming market, which will continue to generate strongly positive cash flows in the coming years – it already has a 40% dividend payout ratio (4.5% yield). We continue to give equal weighting to DCF and peer company 2023 multiples in setting our TP, which we raise from EUR 70 to EUR 72. We confirm our Buy rating.

EURm	2019	2020	2021	2022e	2023e
Revenues	63	107	150	211	290
EBITDA	6	16	27	33	44
EBIT	5	15	26	32	43
EPS	0.36	1.16	2.74	3.38	4.60
EPS adj	0.36	1.16	2.74	3.38	4.60
DPS	0.28	0.46	1.10	1.35	1.90
EV/EBITDA	5.2	6.8	6.0	4.7	3.1
EV/EBIT	6.2	7.1	6.2	4.9	3.2
P/E adj	8.1	14.3	9.0	7.4	5.4
P/B	0.40	2.02	2.70	2.08	1.54
ROE (%)	4.8	15.0	32.3	32.0	32.7
Div yield (%)	9.7	2.8	4.5	5.4	7.6
Net debt	10	1	1	(5)	(23)

Source: Pareto Securities

Target price (EUR)	72	▲	BUY
Share price (EUR)	25	—	HOLD
		▼	SELL

Forecast changes

%	2022e	2023e	2024e
Revenues	23	42	NM
EBITDA	4	9	NM
EBIT adj	4	9	NM
EPS reported	1	7	NM
EPS adj	1	7	NM

Source: Pareto Securities

Ticker	CLIQ.DE, Cliq
Sector	Media
Shares fully diluted (m)	6.5
Market cap (EURm)	162
Net debt (EURm)	-5
Minority interests (EURm)	0
Enterprise value 22e (EURm)	157
Free float (%)	89

Performance



Source: FactSet

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Targeting EUR 0.5bn revenues in 2025

CLIQ Digital is a global streaming provider specialising in performance marketing of affordable entertainment products, offering its members unlimited access to movies, music, audiobooks, sports and games. With the 2021 results presentation, management flagged a mid-term outlook targeting EUR 500m revenue by the end of 2025. With this update we review the recent performance and adjust our model to reflect more ambitious goals, raising slightly our TP to EUR 72.0 (70.0) and confirm our Buy rating on the shares.

Strong finish to 2021, exceeding high expectations

CLIQ Digital slightly exceeded 2021 expectations with both gross revenue and EBITDA, in reaching EUR 150m and EUR 27m respectively. Moreover, initial guidance for the current year points to a continuation in the track-record of strong profitable growth. Management expects gross revenue to exceed EUR 210m, driven by strong marketing and investments into additional attractive content, with EBITDA forecast to exceed EUR 33m.

For the full year 2021, sales grew by 40% to EUR 150m compared EUR 107m in 2020 (raised guidance had pointed to a figure over EUR 145m; PAsE was at EUR 148m). Revenue growth thus accelerated in Q4'21 to 55% yoy, despite a high base (Q4'20: +66% yoy) making it the strongest quarter. The roll-out of own-media buying and local content deals in Europe (following the US over the past two years) is clearly paying off with European revenue jumping 68% yoy in Q4'21, after being only 20% as of 9M (39% yoy as of Q3 alone).

For the full year EBITDA grew by 70% against the prior year to EUR 27m beating guidance calling for approx. EUR 26m (2020: EUR 16m and PAsE EUR 26.5m) for an increased margin of 18.1% (2020: 14.9%). This means that Q4 EBITDA of EUR 8.2m was a 62% jump over Q4'20, resulting in an EBITDA margin of 17.5% in the final quarter, up from 16.9% in Q4'20.

CLIQ Digital AG - Q4 and FY 2021 P&L highlights

EUR m	Q4 '20	Q4 '21	% yoy	PAS Q4	dev.	2020	2021	% yoy
Revenues	30.1	46.8	55%	44.8	4.5%	107.0	150.0	40%
Net marketing spend	-8.8	-15.0	70%	-13.7	10%	-32.4	-44.9	39%
Marketing ratio (%)	29.3%	32.1%		30.6%		30.3%	29.9%	
Cost of third parties	-6.7	-8.6	28%	-11.7	-27%	-25.5	-31.2	22%
TP expense ratio (%)	22.3%	18.3%		26.1%		23.8%	20.8%	
Other cost of sales	-4.6	-8.4	82%	-3.4	146%	-14.2	-22.7	60%
COS expense ratio (%)	15.3%	17.9%		7.6%		13.3%	15.1%	
Gross profit	10.0	14.8	48%	16.2	-8%	34.9	51.2	47%
Gross profit margin (%)	33.2%	31.7%		34.6%		32.7%	34.1%	
Personnel expenses	-3.5	-4.8	35%	-5.2	-8%	-13.7	-18.0	31%
Personnel ratio (%)	11.7%	10.2%		11.6%		12.8%	12.0%	
Other operating costs	-1.4	-2.0	37%	-2.9	-32%	-4.5	-5.7	28%
Expense ratio (%)	4.8%	4.2%		6.5%		4.2%	3.8%	
EBITDA	5.1	8.2	62%	7.5	9%	15.9	27.2	70%
EBITDA margin (%)	16.9%	17.5%		4.7%		14.9%	18.1%	
Depreciation & amortisation	-0.2	0.0	-90%	-0.2	-91%	-0.7	-0.9	22%
EBIT	4.9	8.2	67%	7.3	12%	15.2	26.3	73%
EBIT margin (%)	16.2%	17.5%		4.7%	268%	14.2%	17.5%	
Net financing	-0.1	-0.1	-46%	-0.2	-60%	-0.8	-0.9	14%
Pretax profit	4.7	8.1	71%	7.1	14%	14.4	25.3	76%
Tax	-1.6	-2.2	36%	-1.9	13%	-4.0	-7.1	80%
Net income attributable	3.2	5.9	89%	5.1	17%	10.4	18.2	75%
Minority interests	-1.0	-0.1	-90%	-0.1	5%	-3.3	-0.4	-87%
Net income attributable	2.1	5.8	175%	5.0	17%	7.2	17.8	149%
EPS (EUR)	0.34	0.90	161%	0.83	8%	1.16	2.74	137%

Source: Pareto Securities

Some more colour on the 2021 development

Management flag two important drivers that supported the group's development in 2021. To begin with, the further roll-out of own media buying across Europe has reduced the dependence on affiliate performance marketing partners, allowing the group to be more agile with promotions. Second, a significant increase in the licensed content enabled CLIQ to better target new customers, as well as provide a stronger offer to existing members. Indeed, the average retention rate has thus extended a little, adding to profitability.

The move to own media buying began in the US in 2019 and (among other reasons) help contribute to massive growth in North America in 2020 (+480% regional growth) at a time when European revenues were declining slightly (-1.8%). The North America region was again strong in 2021 with revenue increasing 45% to EUR 74.7m (accounting for 50% of the group total).

However, the extension of own media buying within Europe has now clearly also helped to improve the region's membership. In 2021 European revenues rose 32% to EUR 62.6m, whilst Q4'21 saw an increase of 68%. The area accounted for 42% of group total last year. More effective marketing was also behind the 62% growth across the Rest of the world region, which with EUR 12.7m accounted for 8.5% of group revenue.

CLIQ Digital AG - Revenue importance in 2021, by region, service, content

EUR m	2019	2020	2021	% yoy	% share
Revenues	63.1	107.0	150.0	40%	100%
Europe	48.4	47.5	62.6	32%	42%
North America	8.9	51.6	74.7	45%	50%
ROW	5.9	7.8	12.7	62%	8%
Entertainment services	58.1	100.0	138.3	38%	92%
Marketing services	5.0	6.9	10.7	54%	7%
Other digital income	0.0	0.0	1.0	n.a	1%
Multi-content	24.2	63.8	107.9	69%	72%
Single-content	33.9	36.2	31.3	-14%	21%
Ad-funded digital mktg	5.0	6.9	10.7	56%	7%

Source: Pareto Securities

Membership fees for entertainment services accounted for 92% of group revenue in 2021, whilst ad-funded digital marketing services generated 7%. CLIQ's members are offered two streaming services: either multi-content portals, offering a combination of movies, music, audiobooks, sports streams or access to games; or single-content portals providing a more specialised offering, usually in one of these categories.

As mentioned above, a significant increase in the licensed content has enabled CLIQ Digital to better target new customers. This was particularly helpful in more focussed targeting of customers, for example in the US with the sport content extending to coverage from the NBA or NFL. Last year also witnessed additional investment in local content, making CLIQ's portal offer even more attractive across different countries in Europe.

Now these figures are good, but importantly the quality of these figures is impressive. The marketing spend was 59% higher year-on-year and amounted to EUR 54m in 2021 (2020: EUR 34m vs. PAsE EUR 46m). Thus, the gross marketing spend amounted to 36% of 2021 revenues compared to 32% ratio in the previous year. Within that, the share of own media buying has increased to 79% (from 55%).

CLIQ Digital capitalises a portion of its gross marketing spend on acquiring new members (EUR 47m in 2021) to better match the timing of customer acquisition costs (CAC) with the revenues generated by those new members (in line with IRFS 15). This is on a non-linear basis and most of the capitalised cost is expended against the P&L within 12 months.

The contract costs are released to the income statement over the member's revenue lifecycle with a maximum amortisation period of 18 months. During the financial year 2021 total amortised contract costs recognised in the income statement amounted to EUR 37m.

CLIQ Digital AG - Marketing and its profitability

EUR m	2020	Q1 '21	Q2 '21	Q3 '21	Q4 '21	2021
Revenues	107.0	30.1	33.1	40.0	46.8	150.0
- Marketing spend	-34.2	-9.1	-11.9	-13.8	-19.5	-54.4
+ Capitalised marketing	30.5	8.2	10.2	11.5	17.1	47.0
- Amortised contract costs	-28.7	-7.5	-8.0	-9.5	-12.6	-37.5
Net Marketing Costs	-32.4	-8.5	-9.7	-11.8	-15.0	-44.9
% of revenue	30.3%	28.1%	29.2%	29.5%	32.1%	29.9%
Profitability Index (x)	1.68	1.56	1.62	1.63	1.56	1.59

Source: Pareto Securities

We refer to the sum of these three amounts as the net marketing costs (the impact on the P&L account in the current period). Last year, net marketing amounted to EUR 45m (2020: EUR 32m) which represented 30% ratio-to-revenues, very slightly lower than was the case in 2020. This marks a continuation of the trend whereby the absolute sum of net marketing costs continues to rise, but as a ratio-to-revenue it has been easing downwards.

High marketing together with desirable content should support a stronger top line going forward, but management also closely monitor its effectiveness in the calculation of a ratio known as the Profitability Index (previously referred to as the CLIQ Factor).

This represents the average net revenue per user (ARPU) in their first six months and the customer acquisition cost (CAC) of new members. Management have reasoned that higher marketing underpins profitable growth as long as this ratio remains above 1.4x. For 2021 management indicated a Profitability Index of 1.59x, down from 1.68x in 2020, but still well above the 1.4x level (and in line with guidance provided at the start of the year).

The number of paid memberships increased by 44% to 1.3 million in 2021, up from 0.9m, and more than double compared to 0.6 million members per end of 2019. We attribute this to the roll-out of successful marketing campaigns and the increase in attractive content.

As a consequence of the growing number of paying members, the Lifetime Value of the customer base (LTVCB) as per 31 December 2021 amounted to EUR 87m, up EUR 37m from the previous year-end. If we compare this sum to the EUR 17m value of contract assets found in the balance sheet, we can view EUR 70m difference as a form of hidden, or off-balance sheet, reserve stemming from the high marketing spend.

CLIQ Digital AG - Membership and the Lifetime Valuer

EUR m	2019	2020	2021	change	% yoy
Paying members (m)	0.6	0.9	1.3	0.7	217%
Lifetime value of customer base	38	50	87	49.0	229%
Profitability Index (x)	1.51	1.68	1.59	0.1	105%

Source: Pareto Securities

Costs that CLIQ Digital pays to payment service providers (gateways or other network operators, credit card payments, etc.) depends on the country of operation but can vary between 10% and 70% of revenue. In 2021 these amounted to EUR 31m (21% ratio), compared to EUR 25m in 2020, or 24%.

This ratio has steadily declined from 40% in 2017 as CLIQ Digital has expanded its share of members that use credit card payment (which is cheaper than the cost of direct carrier billing) which the predominant payment method used group historically.

On the other hand, other costs of sales (administration expenses or content costs for licensed products) are tending to increase as a proportion of revenues as CLIQ invests in higher quality content in order to attract additional members (and retain existing member longer). In Q4'21 these increased by EUR 3.8m to EUR 8.4m (+62% yoy) as mentioned above in part reflecting the additional investment in streaming content.

Across the full year this amounted to EUR 23m (15% ratio), compared to EUR 14m in 2020. Now at 13% ratio-to-revenue, other costs of sales have steadily risen from just 5% in 2017.

CLIQ Digital AG – Quarterly profit and margins

EUR m	2020	Q1 '21	Q2 '21	Q3 '21	Q4 '21	2021
Revenues	107.0	30.1	33.1	40.0	46.8	150.0
Net marketing costs	-32.4	-8.5	-9.7	-11.8	-15.0	-44.9
Third-party costs	-25.5	-7.0	-7.3	-8.2	-8.6	-31.2
Other costs	-14.2	-3.5	-4.6	-6.2	-8.4	-22.7
Gross profit	34.9	11.1	11.5	13.7	14.8	51.2
% of revenue	32.7%	37.0%	34.8%	34.4%	31.7%	34.1%
Other opex	-19.0	-5.8	-5.3	-6.3	-6.6	-44.9
% of revenue	17.8%	19.2%	15.9%	15.8%	14.2%	29.9%
EBITDA	15.9	5.3	6.2	7.4	8.2	27.2
% of revenue	14.9%	17.8%	18.9%	18.5%	17.5%	18.1%
EBIT	15.2	5.1	6.0	7.0	8.2	26.3
% of revenue	14.2%	17.0%	18.1%	17.5%	17.5%	17.5%
Financial result	-0.8	-0.3	-0.4	-0.2	-0.1	-0.9
Taxes on income and earnings	-4.0	-1.3	-1.6	-2.1	-2.2	-7.1
Minorities	-3.3	-0.2	0.0	-0.1	-0.1	-0.4
Net profit	7.2	3.5	3.9	4.6	5.8	17.8
% of revenue	6.7%	11.6%	11.8%	11.5%	12.5%	11.9%

Source: Pareto Securities

Reflecting additional staff (year average 113 in 2021, up from 83) personnel expenses increased 31% last year to EUR 18m (vs. EUR 14m) and represented a ratio-to-revenue of 12% (down from 13%). Other operating expenses amounted to EUR 6m (2020: EUR 5m).

As indicated above, the resulting EBITDA grew by 62% in Q4'21 against the prior year to EUR 8.2m (Q4'20: EUR 5.1m) for an increased margin of 17.5% (Q4'20: 16.9%). In the full year, EBITDA increased by 70% to EUR 27m (2020: EUR 16m) for an increased margin of 18.1% (2020: 14.9%), which is a record since applying the current accounting principles.

After EUR 0.9m (vs. EUR 0.7m) depreciation and amortisation expenses, EBIT jumped 73% to EUR 26.3m in 2021 (EUR 15.2m) making for 17.5% margin (14.2%). Pretax thus increased by EUR 11m yoy (+76%) to EUR 25.4m (2020: EUR 14.4m).

Following a stable 28% tax rate, but a reduction in minority payments from EUR 3.3m to EUR 0.4m (after purchasing the outstanding 20% stakes in both Hype Ventures and Red27Mobile), net profit leaped 150% to EUR 17.8m (2020: EUR 7.2m). Basic EPS amounted to EUR 2.74 (EUR 1.16) with dilute EPS at EUR 2.71 (EUR 1.16). All in, we view these results very positively.

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. Total balance sheet increased 25% to EUR 96.3m (EUR 77m).

The dominant position on the asset side of the balance sheet is the goodwill, which amounted to EUR 48.2m per 31 December 2021. 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 0.8 million to EUR 2.6 million was mainly due to newly licenced content for the membership-based streaming services and platform development. The 2021 balance sheet included EUR 1.5m financial asset reflecting the strategic equity investment in Blacknut SAS, a leading cloud gaming service distributed both directly to consumers and B2B.

The increase in other non-current fixed assets was mostly due to the additions to the right of use assets from the newly signed rental agreements in Amsterdam, Düsseldorf and Paris. Contract assets accounted for EUR 17.1m at the end of FY 2021. This is related to capitalised marketing costs, which are then amortised monthly based on the historic customer churn in each month 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.

CLIQ Digital AG – Asset structure

EUR m	2019	2020	2021	% yoy	% BS
Goodwill	48.1	47.8	48.2	1%	50%
Other intangibles	0.7	0.8	2.6	231%	3%
Fixed assets	0.7	2.2	3.8	74%	4%
Financial assets	0.0	0.0	1.5	n.a	2%
Other long term assets	3.4	4.4	3.4	-24%	3%
Non-current assets	52.9	55.2	59.4	8%	62%
Trade receivables	8.2	9.1	12.5	38%	13%
Contract costs / other assets	6.3	7.7	17.1	121%	18%
Cash & Cash equivalents	0.7	4.9	7.3	49%	8%
Current assets	15.2	21.7	36.9	70%	38%
Total assets	68.1	77.0	96.3	25%	100%

Source: Pareto Securities

The sharp increase in contract assets is largely attributable to the higher marketing spend in 2021, which was directly related to streaming subscription services. Again, we draw attention to estimated LTVCB as per 31 December 2021 amounting to EUR 87m, pointing to EUR c70m of hidden reserves.

The liabilities side of the balance sheet is characterized by the equity position, which amounted to EUR 59.6m, implying an equity ratio of 62%. Adjusting the equity ratio for goodwill, the equity ratio would amount to 24%.

As per 31 December 2021, the maximum available syndicated credit facility was EUR 13.5m, of which an amount of EUR 5.0m (2020: EUR 4.0m) was drawn down upon. Given the expiration of this facility in 2022, this is now reflected in current liabilities.

Otherwise, there is no bank debt, although 2021 had EUR 3.6m (EUR 2.0m) of lease liabilities (reflecting IFRS 15) which we include for EV purposes. The Group leases several office spaces. The average remaining lease term is 4.3 years (2020: 7 years). In the previous year, the Group prematurely terminated the existing lease agreement as per 31 December 2020 for the office in Amsterdam and simultaneously signed a new lease agreement that started on 1 January 2021 for a period of 7 years.

Excluding the latter IFRS 15 finance leases, there was a net cash position of EUR 2.3m (EUR 1.1m) at the year-end.

CLIQ Digital AG – Equity & Liabilities

EUR m	2019	2020	2021	% yoy	% BS
Shareholder equity	44.7	50.8	59.5	17%	62%
Minority interest	2.0	4.8	0.0	n.a	0%
Total equity	46.7	55.6	59.6	7%	62%
Bank borrowings	9.9	3.8	0.0	-100%	0%
Int-bearing L-debt incl leases	10.2	5.6	3.1	-45%	3%
Other non-current liabilities	2.5	2.8	6.4	124%	7%
Non-current liabilities	12.7	8.5	9.4	12%	10%
Bank borrowings	0.0	0.0	5.0	n.a	5%
Int-bearing debt incl leases	0.3	0.1	5.5	n.a	6%
Trade payables	2.0	2.0	7.9	n.a	8%
Other current liabilities	6.4	10.7	13.9	30%	14%
Liabilities	8.7	12.9	27.3	112%	28%
Equity & Liabilities	68.1	77.0	96.3	25%	100%

Source: Pareto Securities

The robust balance sheet position reflects the positive cash flows that CLIQ Digital generates. In 2021, there was EUR 20.8m (2020: EUR 14.8m) positive operational cash flow, nearly 10x higher than the 2019 level, reflecting much higher profit for the year. The cash outflow from investing activities amounted to EUR 3.3m (EUR 0.7m) and is largely related to investments in intangible fixed assets for newly licensed content for the membership-based streaming services and platform development.

CLIQ Digital AG – Group cash flows 2019-2021

EUR m	2019	2020	2021	change
Cash flow operating activities	2.5	14.8	20.8	18.3
Total capex	-0.4	-0.7	-3.3	-2.9
Free cash flow	2.1	14.1	17.5	15.4
Cash flow financing activities	-5.0	-3.6	-16.1	-11.1
Change cash equivalents	-2.9	10.5	1.4	4.2
Cash at period begin	-6.8	-9.6	0.9	
Change cash equivalents	-2.9	10.5	1.4	
Cash at period end	-9.6	0.9	2.3	

Source: Pareto Securities

Thus, the operating free cash flow grew by EUR 3.4m through 2021 to EUR 17.5m (2020: EUR 14.1m). The cash outflow from financing activities was EUR 16.1m (2020: EUR 3.6m) and included the cash considerations of EUR 8.8m from the buyouts of minority interests in Hype Ventures B.V. and Red27Mobile Ltd., dividend distributions of EUR 3.3m (EUR 2.1m), EUR 2.3m for the cash settlement of share-based payments and and EUR1.5m for a capital investment in Blacknut SAS.

Upbeat guidance for 2022 and mid-term strategy

Initial guidance for the current year points to a continuation in the track-record of strong profitable growth. Management expects gross revenue to exceed EUR 210m, driven by high marketing and investments into additional attractive content, with EBITDA forecast to exceed EUR 33m.

Ahead of this first guidance, consensus sales had been around EUR 175m so EUR 210m is around 20% higher than that. Consensus EBITDA had been around EUR 32m so EUR 33m guidance is a more modest beat to that estimate. In our view, the implied easing of the margin to 15.7% (from 18.1%) points to higher investments into streaming content, brand marketing and new customer acquisition planned for the current year.

The projected 40% increase in revenues is expected to reflect strong growth in all regions. Current momentum is already around this level in the US and Europe. Meanwhile, the (re-) launch of cliqdigital.de in Q2'22 is expected to contribute to strong growth in the German-speaking countries of Europe (DACH) through the second half of the year.

Additionally, last year's strategic investment in Blacknut will underpin attractiveness of the games streaming offer across the CLIQ Digital global portals.

Management has begun to provide details on membership, which increased 44% in 2021 to 1.3m from 0.9m members in 2020. By the end of the current year membership is expected to be between 1.7m and 1.8m, which at the mid-point would represent growth of 35% in paying members.

Management also guided for a marketing spend above EUR 70m (+30%) in 2022 and we believe that there are several elements behind this step-up. To begin with management flagged that advertising rates had started edging-up in Q4'21 and this trend will likely continue this year, possibly increasing CAC expenses.

Management has also flagged some investment into brand management, likely on German TV, with none of the TV brand marketing nor any of the US marketing (c.EUR 8-10m) allowable for capitalisation. This is also reflected in the slight lowering of the Profitability Index from 1.59x in 2021 to something closer to 1.5x

Moreover, we suspect some additional content investment for the launch of cliqdigital.de multi-content portal. Already this year the group has announced two important licensing deals. Starting in the second quarter, Palatin Media Film & Fernseh GmbH will provide 14 full premium series across all genres with over 400 episodes for the multi-content portal cliqdigital.com.

From May, the group's Movies & Series category in the DACH region will be further strengthen with over 200 hours international blockbuster content from award winning Leonine Studios. According to a 20 March announcement, the latter's library includes famous and popular titles such as "The Circle" with Emma Watson and Tom Hanks, "Wind River", "Wild Card", "Now You See Me" 1 & 2, "Hunter Killer" with Gerard Butler, "The Nice Guys", "The Expendables", "R.E.D. 2", Quentin Tarantino's "Death Proof", Angelina Jolie in "Tomb Raider", "Asterix & Obelix", "The Gruffalo", the BBC's "Line of Duty", "Anger Management" with Charlie Sheen and "Da Vinci's Demons".

Overall, given high near-term visibility provided by the LTVCB and a good track record in delivering to guidance, we view these 2022 targets as being realistic and are indeed reflected in our new forecasts.

Moreover, Since revenues are closely related to marketing cost (which jumped in Q4'21) we would further anticipate a very strong start into 2022 in terms of revenue development. At this stage we also model a strong start in terms of profitability, assuming near 15% margin.

CLIQ Digital AG – 2022E / 2023E P&L forecasts

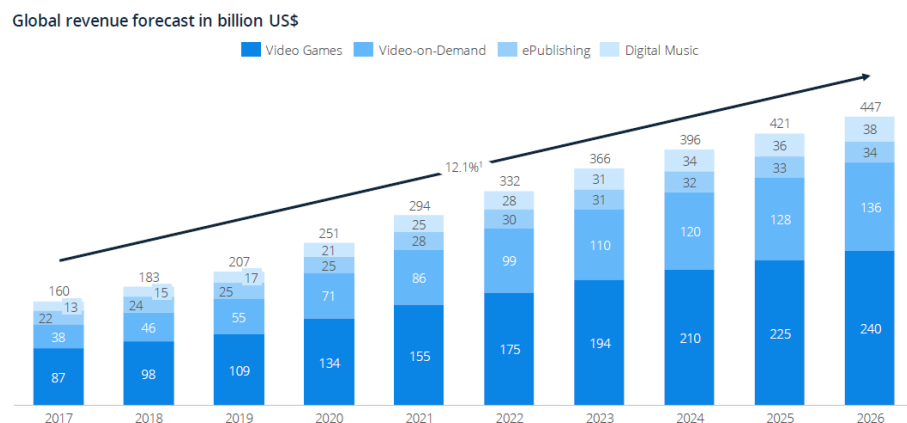
EUR m	Q1 '21	Q1 '22E	% yoy	2021	2022E	% yoy	2023E	% yoy
Revenues	30.1	46.6	55%	150.0	211.4	41%	290.2	37%
of which: Europe	12.4	21.4	73%	62.6	88.9	42%	120.0	35%
of which: North America	15.0	20.7	38%	74.7	101.6	36%	135.6	34%
of which: ROW	2.7	4.5	67%	12.7	21.0	65%	34.6	65%
Net marketing spend	-8.5	-13.9	64%	-44.9	-67.3	50%	-92.1	37%
Marketing ratio (%)	28.1%	29.8%		29.9%	31.8%		31.7%	
Cost of third parties	-7.0	-10.5	50%	-31.2	-43.3	39%	-59.3	37%
TP expense ratio (%)	23.3%	22.5%		20.8%	20.5%		20.4%	
Other cost of sales	-3.5	-7.2	106%	-22.7	-32.8	44%	-46.4	42%
COS expense ratio (%)	11.6%	15.5%		15.1%	15.5%		16.0%	
Gross profit	11.1	15.0	35%	51.2	68.1	33%	92.4	36%
Gross profit margin (%)	37.0%	32.2%		34.1%	32.2%		31.8%	
Personnel expenses	-4.6	-6.2	35%	-18.0	-25.4	41%	-34.6	36%
Personnel ratio (%)	15.3%	13.3%		12.0%	12.0%		11.9%	
Other operating costs	-1.0	-1.8	78%	-5.7	-9.1	59%	-12.8	40%
Expense ratio (%)	3.3%	3.8%		3.8%	4.3%		4.4%	
EBITDA	5.3	6.9	30%	27.2	33.2	22%	44.5	34%
EBITDA margin (%)	17.8%	14.9%		18.1%	15.7%		15.3%	
Depreciation & amortisation	-0.2	-0.3	14%	-0.9	-1.2	30%	-1.4	20%
EBIT	5.1	6.7	30%	26.3	32.0	22%	43.0	34%
EBIT margin (%)	17.0%	14.3%		17.5%	15.1%		14.8%	
Net financing	-0.3	-0.3	-9%	-0.9	-0.7	-27%	-0.4	-36%
Pretax profit	4.9	6.4	32%	25.3	31.3	24%	42.6	36%
Tax	-1.3	-1.7	32%	-7.1	-8.8	24%	-11.9	36%
Net income attributable	3.5	4.6	30%	17.8	22.0	24%	30.0	36%
Minority interests	-0.2	-0.2	0%	-0.4	-0.5	24%	-0.7	36%
Net income attributable	3.5	4.6	30%	17.8	22.0	24%	30.0	36%
EPS (EUR)	0.57	0.70	24%	2.74	3.38	24%	4.60	36%

Source: Pareto Securities

Introducing ambitious goals for 2025

During the annual conference call, management also provided a very upbeat outlook on the industry through 2025 and CLIQ Digital's prospects within that. From USD 294bn in 2021, the global digital media market is projected to reach USD 332bn in the current year and is expected to increase to USD 447bn in 2026, according to Statista's latest Digital Media Report, with this development reproduced in the chart below. Between 2021 and forecast 2026, that would represent CAGR of 8.8% pa.

Global Digital Media revenue development 2017 to 2026



Source: Digital Media Report 2021, Statista

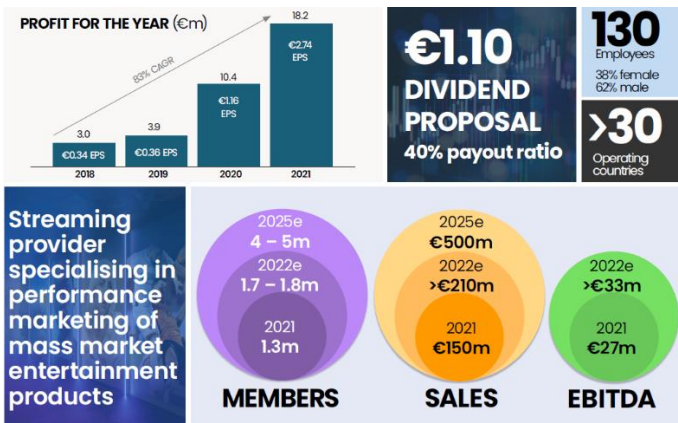
These segments are quite close to the content segments offered by CLIQ Digital, although CLIQ does not currently offer access to cloud-based solutions, for example online video games, pay-per-view TV, or news and magazine periodical downloads.

A slightly different definition of the global content streaming market which includes video and audio content comparable to CLIQ's current offer excluding games is provided by Grand View Research Inc. This consulting company estimated that market at USD 104bn in 2021 and it forecast USD 227bn by 2026, indicating CAGR of 16.6% through the period.

In setting its mid-term goals, CLIQ Digital is targeting EUR 500m revenue by 2025. That would represent 35% CAGR 2021-25. Moreover, although there could be smaller bolt-on acquisitions along the way, that target is intended to represent organic growth from the group's current portfolio.

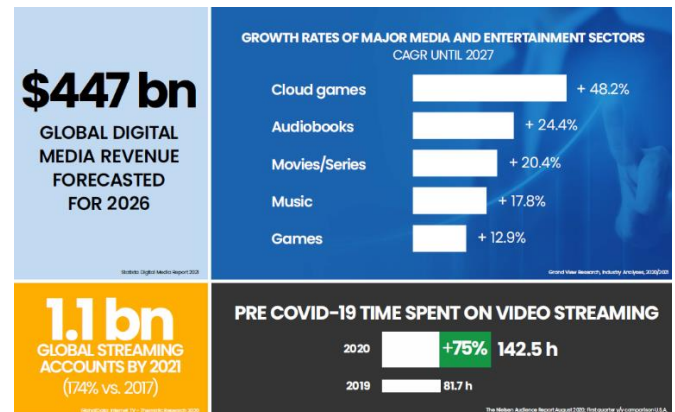
Certainly, for the next couple of years, management is confident of achieving at least 35% compound revenue growth and within the 2025 mid-term target of EUR 500m, group membership is anticipated to increase to between 4m-5m.

Strong track record expected to continue into 2022 and beyond



Source: CLIQ Digital

Streaming provider currently in the sweet spot



Source: CLIQ Digital

At this stage, management is not prepared to guide to an official EBITDA target, nor even provide a range for the hoped-for margin, although we would anticipate it correct to assume for something in the 15% to 16% range across the mid-term planning period. An outcome at the bottom end of our suggested margin range would point to EBITDA of EUR 75m in 2025, or 30% CAGR 2021-25.

Valuation

In adopting the goals outlined by the mid-term strategy, the shape of the P&L changes a little. The biggest impact is seen in the forecast top line, with revenue development now forecast to be much stronger than previously. Over the period 2018-2021, the group recorded CAGR of 37% pa. and (rather than slowing) our revised model assumes CAGR through 2025E in reaching EUR 504m.

In order to secure this impressive revenue development, CLIQ Digital will need to invest more heavily into CAC and will require additional streaming content. Thus, projected expense ratio could be a little higher than previously modelled.

We now assume that EBITDA margin will ease back from last year's record 18.1% level, with 15.7% forecast for 2022E before slowly improving from next year. Therefore, we have raised forecast EBITDA estimates more modestly.

We continue to base our valuation on a peer group model as well as a DCF model. Giving equal weight to both derived valuations, our new target price is raised to EUR 72 (from EUR 70) and we continue to rate the shares a Buy.

The DCF model 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 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 CLIQ Digital operates.

DCF valuation

We continue to use a 3 phase DCF model. In Phase I we have made detailed forecasts of the future free cash flows. In Phase II we are continuously reducing our main parameters to transition smoothly towards the perpetual growth rate (Phase III).

Given the dynamic nature of CLIQ-Digital's business model, continuing to target aggressive revenue development through-out Phase I (35% CAGR), we now apply a higher Beta of 2.0x (previously we applied 1.5x). Together with a high target equity ratio of 90%, this results in a WACC of 12.5% (10.4%), reflecting a little less certainty with new margin assumptions.

Given the strong market growth dynamic which we foresee for the coming years and CLIQ Digital's stronger position therein, we now assume a perpetual growth rate of 1%, still below what we would use even for mature industries. Previously we model with nil to account for potentially disruptive industry trends or legislative change risks – but we could well be far too conservative.

On the other hand, we have lowered terminal margin from 15% to now 14%.

We derive a fair value of EUR 84 from our DCF model, up from EUR 75 previously. which implies an upside potential of more than 235% to the current share price. 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 afterwards.

CLIQ Digital AG – DCF points to EUR 84 per share valuation

EUR m	Phase I					Phase II					Phase III	
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e		
Revenues	211	290	389	504	617	733	845	943	1,020	1,066		
growth rate	41%	37%	34%	30%	22%	19%	15%	12%	8%	5%		
EBIT	32	43	59	78	97	112	127	138	146	149		
EBIT margin	15.1%	14.8%	15.0%	15.4%	15.7%	15.3%	15.0%	14.7%	14.3%	14.0%		
Tax	-9	-12	-16	-21	-27	-31	-35	-38	-40	-41		
Tax rate	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%		
Depr. & Amort.	1	1	2	2	2	7	8	11	14	16		
% of sales	0.6%	0.5%	0.4%	0.4%	0.4%	0.9%	0.9%	1.2%	1.3%	1.5%		
Capex	-4	-5	-6	-8	-10	-12	-14	-16	-18	-19		
% of sales	2.0%	1.7%	1.5%	1.5%	1.5%	1.6%	1.7%	1.7%	1.7%	1.8%		
Change in WC & P	-2	-3	-4	-5	-6	-7	-8	-9	-10	-10		
% of sales	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		
Free Cash Flow	18	25	34	46	57	69	77	86	92	95	829	
growth rate	nm	35.8%	38.6%	34.0%	24.0%	21.5%	12.1%	11.6%	6.6%	3.1%	1.0%	
Present Value FCF	17	20	25	29	32	35	35	34	33	30	261	
PV Phase I			123			Risk free rate		3.5%	Targ. equity ratio		90%	
PV Phase II			167			Premium Equity		5.0%	Beta		2.00	
PV Phase III			261			Premium Debt		2.0%	WACC		12.5%	
Enterprise value			551			Sensitivity		Growth in phase III				
- Net Debt LY			1					0.0%	0.5%	1.0%	1.5%	2.0%
- Pension Provisions			0			11.3%		92.6	94.9	97.5	100.3	103.5
- Minorities & Peripherals			0			11.9%		86.4	88.4	90.6	93.0	95.6
						12.5%		80.9	82.6	84.4	86.5	88.7
						13.2%		75.9	77.4	79.0	80.7	82.6
						13.8%		71.4	72.7	74.1	75.5	77.2
and												
Equity value			550									
Number of shares			6.5									
Value per share (€)			84									
Current Price (€)			25									
Upside			238%									

Source: Pareto Securities

Peer companies' valuation

We view few of the listed peer companies as directly comparable with CLIQ Digital, although in its current Investor Deck, the group itself compares Netflix, Spotify, Storytel and Nordic Entertainment.

Peers such as 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 – which allows for higher margins once sufficient scale is reached and growth slows down. Given their entrenched positions in their respective segments, investors justify very high multiples.

Storytel might be a closer streaming peer in the audiobook segment although it is loss-making, making a comparison with CLIQ Digital (which has always put profitable growth ahead of growth at any cost) difficult. Several other would-be peers are also loss-making.

We have thus put together 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 2023 EV/sales multiple of 1.5x, 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 Pareto Securities 2023 revenue estimate, benchmarking would indicate EUR 52 as reasonable target – double 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 afforded high valuation multiples. To this group we benchmark in terms of 2023 PE (implying fair value for CLIQ Digital at EUR 78) and 2023 EV/EBITDA (indicating EUR 48 as a realistic target).

The average of these three valuations points to EUR 60 based on peer valuations.

CLIQ Digital AG – Peer companies point to EUR 60 per share valuation

Company	PE 2022e	PE 2023e	EV/EBITDA 2022e	EV/EBITDA 2023e	EV/Sales 2022e	EV/Sales 2023e
CuriosityStream Inc Class A	-3.6	-6.2	-3.8	-7.9	2.2	2.1
fuboTV Inc.	-2.9	-3.5	-4.4	-6.1	1.0	0.8
PANTAFlix AG	-26.1	32.6	3.0	1.0	0.8	0.6
Netflix, Inc.	33.8	26.3	24.4	19.3	5.3	4.7
Spotify Technology SA	1738.3	119.7	98.7	45.8	2.0	1.7
Storytel AB Class B	-18.5	-36.2	-198.5	47.0	1.7	1.4
Alchimie	-18.4	87.0	28.4	18.2	0.8	0.8
Chicken Soup for the Soul, Entertainment Inc A	-4.9	-6.2	5.2	3.9	1.1	0.9
Discovery, Inc. Class A	9.9	8.8	5.7	4.7	1.8	1.6
DISH Network Corporation Class A	11.4	18.1	10.3	11.9	2.0	2.1
Nordic Entertainment Group AB Class B	242.7	39.7	62.0	23.1	1.8	1.5
Sirius XM Holdings, Inc.	20.4	18.4	12.4	11.9	3.9	3.8
Stingray Group, Inc.	7.3	6.7	7.1	6.7	2.7	2.5
Tencent Music Entertainment Group sp. ADR	18.1	15.9	4.1	2.7	0.5	0.3
Median	10.6	17.0	8.7	9.3	1.8	1.5
Clq Digital AG	7.4	5.4	4.7	3.1	0.7	0.5
relative	69%	32%	54%	34%	41%	31%
Estimates	3.38	4.60	33	44	211	290
Forecast net debt (incl. pensions)			1	-5	1	-5
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
Fair value per share at peer median	36	78	42	48	56	52
Fair value / share (2023e average)	59.6					
DCF target value	84.4					
				Target		
				72.0		

Source: FactSet; Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021	2022e	2023e
Revenues	65	71	58	63	107	150	211	290
EBITDA	26	26	4	6	16	27	33	44
Depreciation & amortisation	(22)	(21)	(1)	(1)	(1)	(1)	(1)	(1)
EBIT	4	5	3	5	15	26	32	43
Net interest	(1)	(1)	0	(1)	(1)	(1)	(1)	(0)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	4	5	3	4	14	25	31	43
Taxes	(1)	(1)	(0)	0	(4)	(7)	(9)	(12)
Minority interest	(0)	(0)	(1)	(2)	(3)	(0)	(1)	(1)
Net profit	3	3	2	2	7	18	22	30
EPS reported	0.44	0.53	0.35	0.36	1.16	2.74	3.38	4.60
EPS adjusted	0.44	0.53	0.35	0.36	1.16	2.74	3.38	4.60
DPS	-	-	-	0.28	0.46	1.10	1.35	1.90
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021	2022e	2023e
Tangible non current assets	0	0	1	1	2	4	4	4
Other non-current assets	51	55	52	52	53	56	59	62
Other current assets	11	11	12	14	17	30	38	47
Cash & equivalents	0	0	1	1	5	7	14	32
Total assets	63	66	66	68	77	96	114	144
Total equity	43	47	48	47	56	60	78	105
Interest-bearing non-current debt	5	1	1	10	6	3	3	3
Interest-bearing current debt	6	6	8	0	0	5	5	5
Other Debt	8	13	8	11	16	28	27	30
Total liabilities & equity	63	66	65	68	77	96	114	144
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021	2022e	2023e
Cash earnings	26	25	1	4	13	21	26	35
Change in working capital	0	0	3	(2)	2	(1)	(2)	(3)
Cash flow from investments	(21)	(20)	(1)	(0)	(1)	(3)	(4)	(5)
Cash flow from financing	(4)	(0)	(4)	(5)	(4)	(16)	(8)	(10)
Net cash flow	1	5	(1)	(3)	10	1	12	18
VALUATION (EURm)	2016	2017	2018	2019	2020	2021	2022e	2023e
Share price (EUR end)	5.1	8.1	1.71	2.90	16.6	24.7	25.0	25.0
Number of shares end period	6	6	6	6	6	7	7	7
Net interest bearing debt	11	7	8	10	1	1	(5)	(23)
Enterprise value	42	57	19	30	108	162	157	139
EV/Sales	0.6	0.8	0.3	0.5	1.0	1.1	0.7	0.5
EV/EBITDA	1.6	2.2	5.0	5.2	6.8	6.0	4.7	3.1
EV/EBIT	9.4	11.0	6.4	6.2	7.1	6.2	4.9	3.2
P/E reported	11.5	15.3	4.9	8.1	14.3	9.0	7.4	5.4
P/E adjusted	11.5	15.3	4.9	8.1	14.3	9.0	7.4	5.4
P/B	0.7	1.1	0.2	0.4	2.0	2.7	2.1	1.5
FINANCIAL ANALYSIS	2016	2017	2018	2019	2020	2021	2022e	2023e
ROE adjusted (%)	6.5	7.3	4.6	4.7	14.0	30.9	32.0	32.7
Dividend yield (%)	-	-	-	9.7	2.8	4.5	5.4	7.6
EBITDA margin (%)	40.0	37.1	6.6	9.1	14.9	18.1	15.7	15.3
EBIT margin (%)	6.9	7.3	5.1	7.6	14.2	17.5	15.1	14.8
NIBD/EBITDA	0.41	0.25	2.04	1.71	0.05	0.05	(0.17)	(0.52)
EBITDA/Net interest	29.66	40.79	-	6.34	19.34	28.85	47.93	-

PROFIT & LOSS (fiscal year) (EURm)	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22e	2Q'22e	3Q'22e	4Q'22e
Revenues	30	33	40	47	47	46	57	62
EBITDA	5	6	7	8	7	6	10	11
Depreciation & amortisation	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
EBIT	5	6	7	8	7	5	9	11
Net interest	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	5	6	7	8	6	5	9	11
Taxes	(1)	(2)	(2)	(2)	(2)	(1)	(3)	(3)
Minority interest	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net profit	3	4	5	6	5	4	6	8
EPS reported	0.57	0.62	0.71	0.90	0.70	0.54	0.96	1.19
EPS adjusted	0.57	0.62	0.71	0.90	0.70	0.54	0.96	1.19
DPS	-	0.46	-	-	-	1.10	-	-
BALANCE SHEET (EURm)								
Tangible non current assets	2	2	3	4	4	4	4	4
Other non-current assets	54	52	53	56	56	57	58	59
Other current assets	19	25	26	30	31	34	36	38
Cash & equivalents	6	3	7	7	7	2	8	14
Total assets	81	83	89	96	98	97	106	114
Total equity	60	54	56	60	65	64	73	78
Interest-bearing non-current debt	-	7	2	3	3	3	3	3
Interest-bearing current debt	-	0	0	5	5	5	5	5
Other Debt	21	22	30	28	24	25	25	27
Total liabilities & equity	81	83	89	96	98	97	106	114
CASH FLOW (EURm)								
Cash earnings	5	5	7	4	6	4	8	7
Change in working capital	(0)	(3)	-	2	(1)	(1)	(1)	(1)
Cash flow from investments	(0)	(0)	-	-	(1)	(1)	(1)	(1)
Cash flow from financing	(1)	(9)	-	0	(0)	(7)	(0)	(0)
Net cash flow	4	(7)	7	6	5	(5)	6	6
VALUATION (EURm)								
Share price (EUR end)	33.6	26.1	23.7	24.7	25.0	25.0	25.0	25.0
Number of shares end period	6	7	7	7	7	7	7	7
Net interest bearing debt	(6)	4	(4)	1	1	6	0	(5)
P/E reported	22.7	14.1	10.6	8.9	8.5	8.8	8.1	7.4
P/E adjusted	22.7	14.1	10.6	8.9	8.5	8.8	8.1	7.4
P/B	3.6	3.2	2.8	2.7	2.5	2.6	2.2	2.1
FINANCIAL ANALYSIS								
Dividend yield (%)	0.8	1.8	1.9	1.9	1.8	4.4	4.4	4.4
EBITDA margin (%)	17.8	18.9	18.5	17.5	14.9	12.1	16.7	18.1
EBIT margin (%)	17.0	18.1	17.5	17.5	14.3	11.4	16.2	17.5
NIBD/EBITDA	0.01	(0.01)	(0.06)	(0.05)	0.02	0.04	0.07	0.02
EBITDA/Net interest	19.06	18.22	23.83	28.86	31.37	39.08	44.40	47.93

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"Hold"	Pareto Securities Research expects this financial instrument's total return to be between -10% and 10% over the next 12 months
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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 %
Bonheur	240,958	0.57%
Pareto Bank	15,311,030	21.92%
Selvaag Bolig	4,314,865	4.60%
Sparebank 1 Nord-Norge	4,287,282	4.27%
Sparebank 1 Ringerike Hadeland	100,000	0.64%
Sparebank 1 SMN	1,970,942	1.52%
Sparebank 1 SR-Bank	1,857,563	0.73%
Sparebank 1 Østfold Akerhus	1,232,229	9.95%
Sparebank 1 Østlandet	3,833,163	3.61%
Sparebanken Møre	254,264	2.58%
Sparebanken Sør	433,744	2.77%
Sparebanken Vest	6,862,344	6.39%
NEXT Biometrics	710,901	0.78%
Sparebank 1 Sør-Øst-Norge	1,771,308	2.81%

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
AF Gruppen	0	1,825
Aker ASA	500	3,102
Aker BP	0	20,969
Aker Carbon Capture	0	5,481
Aker Clean Hydrogen	0	140,540
Aker Horizons	0	125,848
Aker Offshore Wind	0	165,118
Aprila Bank ASA	0	22,675
Archer	0	30,170
ArcticZymes Technologies	0	684
Austevoll Seafood	0	3,600
AutoStore	0	2,085
Awilco LNG	0	10,000
B2Holding AS	0	13,940
Bonheur	0	32,088
Borregaard ASA	0	650
Bouvet	0	2,940
BRABank	0	31,499
BW Energy	0	105,160
BW Offshore	0	16,076
Circa Group	0	16,550
CloudBerry Clean Energy	0	101,750
DNB	0	49,205
DNO	0	151,978
Elkem	0	54,367
ELOP	0	130,000
Equinor	0	2,590
Europris	0	13,208
Fjordkraft Holding	0	15,313
Flex LNG	0	1,317

Company	Analyst holdings*	Total holdings
Frontline	0	12,290
Gaming Innovation Group	0	25,912
Gjensidige Forsikring	0	7,746
GramCar Carriers	0	1,625
Grieg Seafood	0	9,003
Huddly	0	908,173
HydrogenPro	0	39,777
Kalera	0	26,752
Kiiron	0	18,386
Komplett Bank	0	209,400
Kongsberg Gruppen	0	34,351
KWS	75	75
Lerøy Seafood Group	0	39,363
Meltwater	0	30,700
MerCell	0	24,863
Mowi	0	446
MPC Container Ships	0	43,145
NEXT Biometrics	0	710,901
Nordic Semiconductor	0	5,336
Norco	0	790
Norse Atlantic	0	25,000
Norsk Hydro	0	84,189
Norske Skog	0	98,499
Northern Drilling Ltd.	0	67,919
Okeanis Eco Tankers	0	1,420
Orkla	0	23,883
Panoro Energy	0	26,241
Pareto Bank	0	1,340,684
Pexip Holding	0	107,083
Protector Forsikring	0	14,000
Pryme	0	5,000
Quantafuel	0	5,797
REC Silicon	0	38,281
Salmor	0	2,799
Sandnes Sparebank	0	4,013
Scatec	0	30,456
Selvaag Bolig	0	3,093
Sparebank 1 Nord-Norge	0	3,350
Sparebank 1 SMN	0	13,240
Sparebank 1 SR-Bank	0	16,054
Sparebank 1 Østfold Akerhus	0	1,252
Sparebank 1 Østlandet	0	9,621
Sparebanken Sør	0	16,435
Sparebanken Vest	0	17,463
Sparebanken Øst	0	1,500
Stolt-Nielsen	0	1,817
Storbrand	0	26,098
Subsea 7	0	12,893
Telenor	0	14,002
TGS	0	600
Vow	0	5,681
Vow Green Metals	0	19,681
Wallenius Wilhelmsen	0	5,800
XXL	0	20,923
Yara	0	16,661
Zaptec	0	15,000

This overview is updated monthly (last updated 15.03.2022).

*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:

Advanzia Bank S.A.	polLight
Aker ASA	Pr onof a AS
Aker Clean Hydrogen	Pr otektor Forsikring
Aprilia Bank ASA	Pyrum Innovations
Ar cane Crypto	Quantafuel
Attensi	Saga Robotics
Bar ramundi Group Pte. Ltd.	Salmon Evolution
Belships	Sar tor ius-Her bst
Biomega Group AS	Seagems Norway
Bonheur	Seajacks
Boreal Holding AS	SFL Corporation Ltd
BW LPG	SGL TransGroup International A/S
BW Off shore	Shamaran Petroleum
Caval AS	Slate European Holdings
Cloudberry Clean Energy	Smar t Wir es Inc.
Dampskibsselskabet NORDEN A/S	Str andline Resources Limited
DLT	SwedenCare
DNO	TEMPTON GmbH
Documaster AS	Tr ander energi AS
EcoOnline	Vegfinans AS
ELOP	Vestby Logistikk Holding
Enapter AG	Viking ACQ 1 AS, SPAC
Energian Israel Finance Ltd.	Vow
Ensurgemicropower	Vår Energi
Enviv AS (Books)	Waldorf Production UK Ltd
Esmailzadeh Holding	wheel.me
First Camp Group AB	Xeneta AS
Flex LNG	Ymber AS
FREYR Battery	ZTL Payment Solution AS
Funkwerk AG	Ørn Softwar e
Gjensidige Forsikring	
Global Agrarjes (Fertiberia group)	
Golar LNG	
GramCar Carriers	
Green Transition Holding	
Greentood	
Grøntvedt AS	
Hagdal AS	
Halodi Robotics AS	
Heimdal Power	
HKN Energy Ltd	
HMH Holding	
Immunopharma	
InoBat Auto	
International Petroleum Corporation	
JP/Politikens Forlag	
Kaler a	
Kebody	
Kentech Global Plc	
Keppel FELS Limited	
Kistos plc.	
KMC Properties	
Komplett ASA	
Kruse Smith	
Kvitbjørn Var me	
Lakers Holding AS	
Lerøy Seafood Group	
Lumarine AS	
Maha Energy	
Malor ama Holding AS	
Mathesa Bostadsbolaget AB	
Mer cell	
Mime Petroleum	
Modex AS	
Müller Medien GmbH (United Vertical Media GmbH)	
Navios Maritime Acquisitions	
Navios Maritime Holdings	
Nordic Halibut	
Nor eco	
Norlandia Health & Care Group AS	
Norse Atlantic	
Norwegian Block Exchange	
Odjell Oceanwind	
Otell Corporation	
Panoro Energy	
PetroNor E&P	
PHM Group	
Ping Petroleum UK Limited	

This overview is updated monthly (this overview is for the period 28.02.2021–28.02.2022).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	71%
Hold	26%
Sell	2%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	79%
Hold	21%
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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Appendix D

This section applies to research reports prepared by Pareto Securities AB.

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The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

Disclosure of assignments and mandates

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

Cibus Nordic Real Estate AB	Josemaria Resources	Sedana Medical
Green Landscaping Group AB	Implantica	Studentbostäder i Norden
Hexatron	Isotol Medical AB	Surgical Science
	Media & Games Invest plc.	VNV Global

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ByggPartner i Dalar na Holding	Mentice AB	Surgical Science
Cibus Nordic Real Estate	Minesto	Tethys Oil
Isotol Medical	Sallängen Property Invest	Vostok Emerging Finance
Logistri Fastighets AB	SciBase Holding	
Magnolia Bostad	Sedana Medical	

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Backaheden Fastighets AB	Fleming Properties AB	Mälarsen AB
Bonäsudden Holding AB (publ)	Halmslätten Fastighets AB (publ)	One Publicus Fastighets AB
Bor glanda Fastighets AB	Korsängen Fastighets AB (publ)	Origa Car e AB (publ)
Bosjö Fastigheter AB	Krona Public Real Estate AB	Preservium Property 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 *	Inter shop Communications AG	Procredit Holding *
CORESTATE Capital Holding S.A.	Leifheit	PSI SOFTWARE AG *
Daldrup & Söhne	Logwin *	PWO *
Demi e	Manz AG *	S&T AG *
Epigenomics AG *	MAX Automation SE	SMT Scharf AG *
Gesco *	Merkur Bank	Surteco Group *
Ger ry Weber	MLP *	Szygy AG *
GFT Technologies *	mutares	TAKKT AG
Gigaset *	Northern Data AG	Viscom *

* The designated sponsor services include a contractually agreed provision of research services.

Appendix F

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

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BB Biotech	Hypoport AG	mutares
CLIQ Digital	Inter shop Communications AG	Northern Data AG
Daldrup & Söhne	Leifheit	OHB SE
Dermapharma Holding SE	MAX Automation SE	OVB Holding AG
Enapter	Merkur Bank	Segfried Holding AG
Express2ion Biotechnologies		

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