CLIQ DIGITAL

# FY 2023 Results Presentation

22 February 2024

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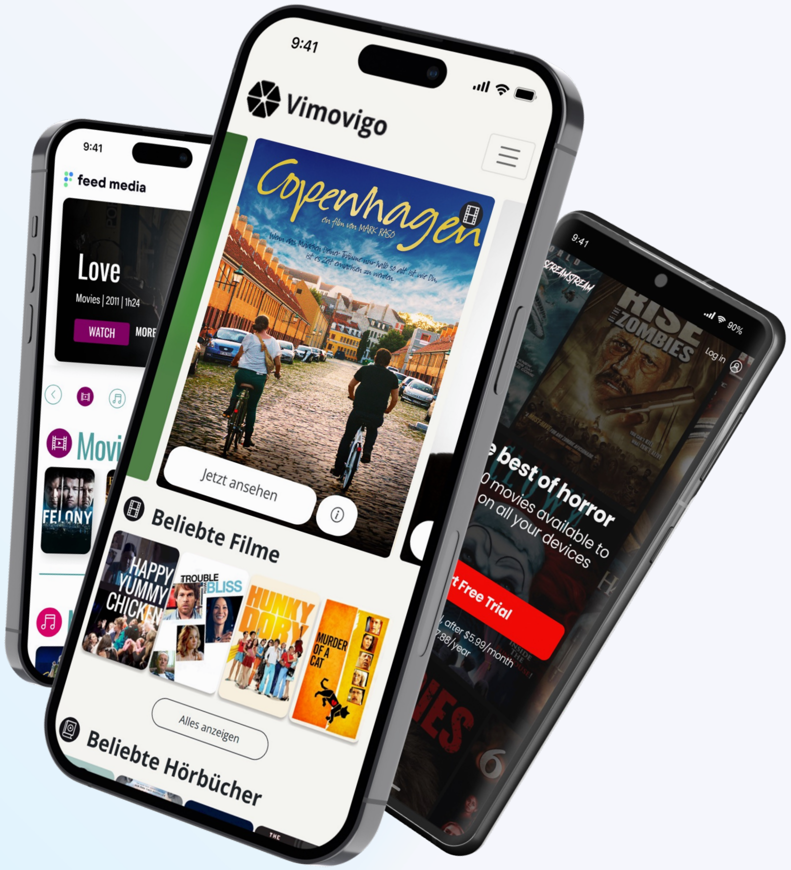
# Growth story

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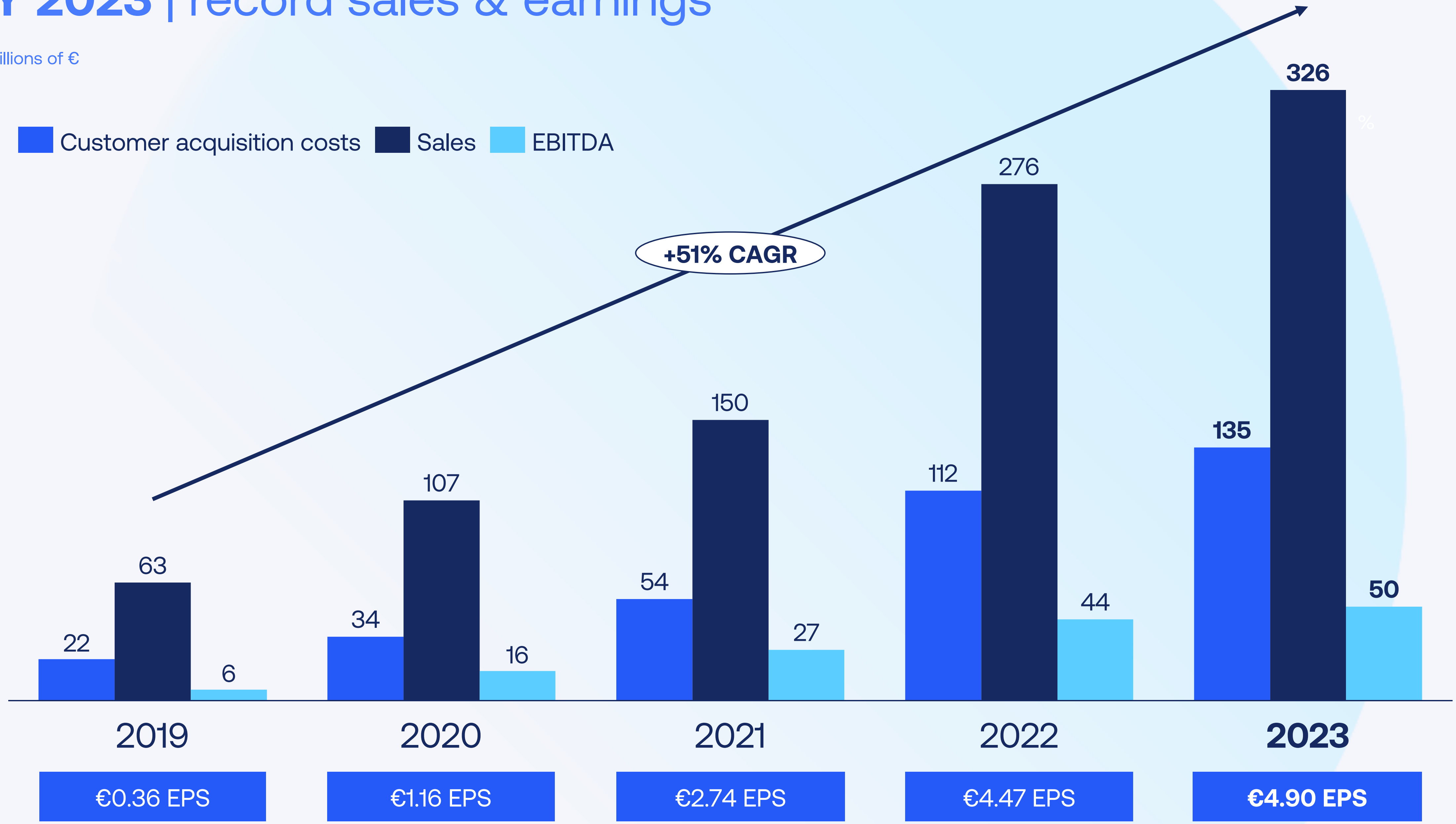
# FY 2023 | record sales & earnings

in millions of €

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# FY 2023 | operational highlights

## Content

higher quality

more diverse & market-specific

## cliq

10 traffic sources tested

Key learnings

## ESG

project kick-off

roadmap

## Expansion

LatAm

Asia

## Strategy

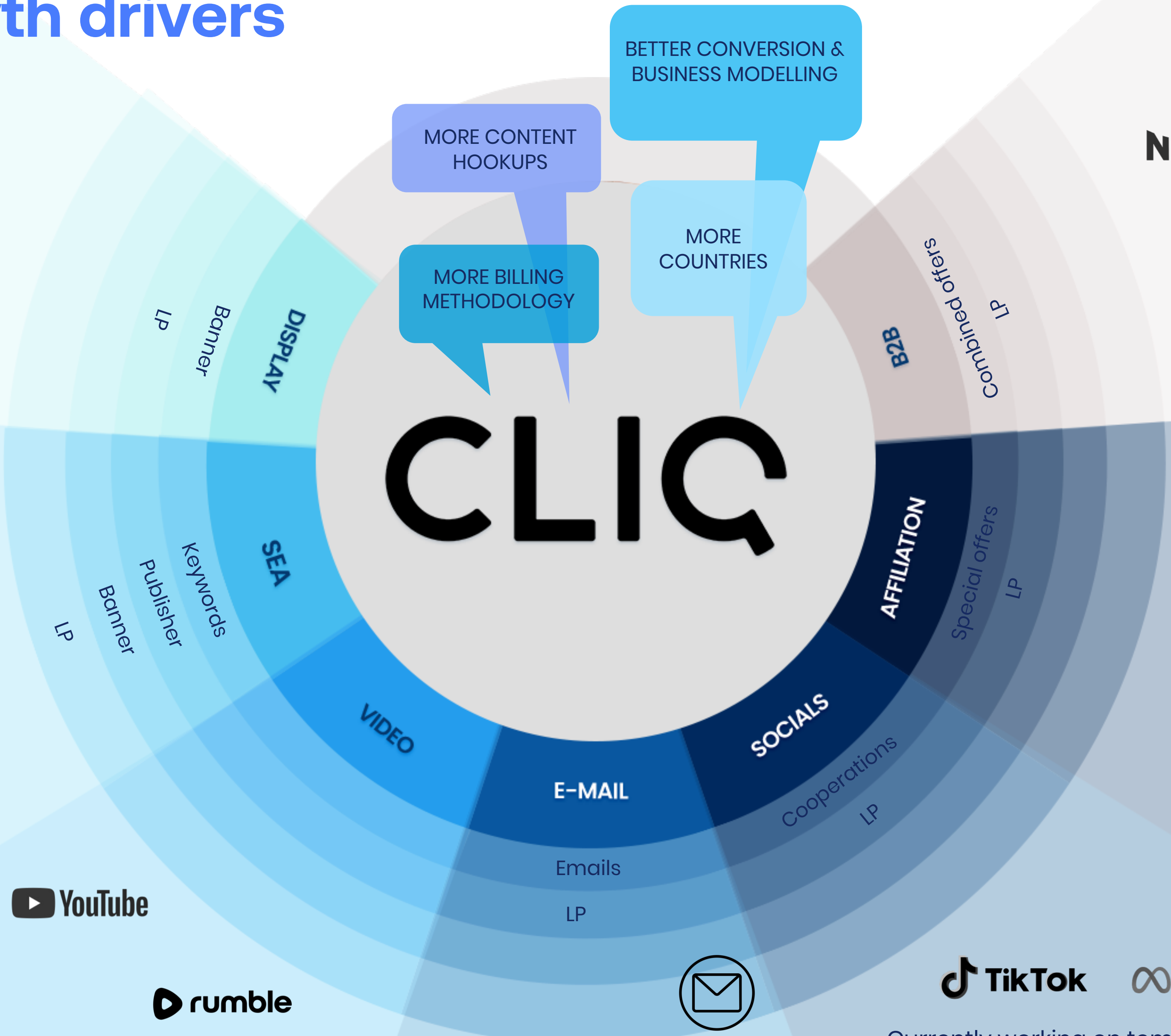
7 new strategic growth drivers

# Strategic growth drivers

Google

**BEST CONVERTING:**

- Banners
- Landing page (LP)
- Sign-up page
- Payment page




LIDL | Frankfurter Allgemeine VORTEILSWELT | NEW YORKER | Computer Bild VIP CLUB | Call a Pizza

Brands carry our services with their name and bring customers into our flows and to our numerous streaming services! Special deals, vouchers, coupons, discount offers, and more. One combined strategy with affiliation

Google

bing

**PUBLISHER MARKETING:**
Strong keyword lists, Best of breed flow designs, strong banners, links & articles

Special deals and offers, vouchers, coupons, discount offers, loyalty and cashback, product feeds, price & product comparison

YouTube

rumble

Detailed strategy nearly finalised

Email-Marketing-Roll-Out (expected) in 2024, optimal targeted to our customers, building own opt-in-bases

TikTok Meta

Currently working on tempting content, video motions with entertainment factor, influencer contributions, content that leads succesfully into our flows

# **Strategic growth** | artificial intelligence

**current application areas**:

- dedicated AI team within the tech department
- optimising conversions, content curation, image generation, video narration & coding
- data analyses
- general administration – copywriting, research & translations
- Dreamspark (25% stakeholding) utilises AI to create and produce unscripted content better and faster

**future potential**:

- marketing campaigns and localised banners
- trend research
- identifying major events across multiple markets

enhancing productivity

new product offerings

further investments planned

reducing costs

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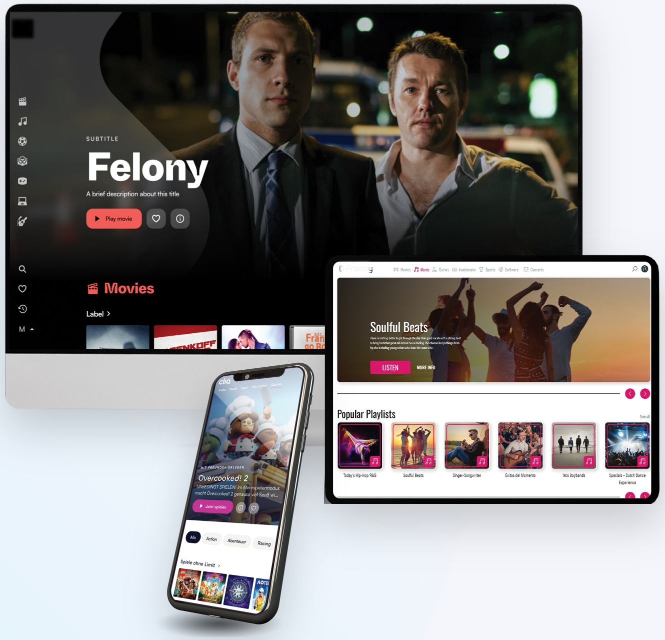
# Business model

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# **Business model** | our positioning

## Global marketer of streaming services.

| Our focus: | Our market: | Our product: | Our advertising: | Our aim: | Our focus: |
|---|---|---|---|---|---|
| CONVERSIONS | GLOBAL | STREAMED DIGITAL CONTENT | ONLINE | MORE REACH | MASS MARKET |

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# Business model | CLIQ group

## Vision

At CLIQ Digital, we believe streaming content should be **accessible to everyone**.

## Mission

We bring simplicity to the streaming market by creating all-in-one streaming services that go beyond one content category.

# **Business model** | our value chain

## At CLIQ

We sell **subscription-based streaming services** that bundle movies & series, music, audiobooks, sports and games to consumers globally.

## LICENSING

We license streaming content from partners across multiple categories, ranging from movies & series, music, audiobooks to sports and games.

## BUNDLING

We store, bundle and curate digital content. Within our CLIQ Tech Hub, we combine our data-driven marketing and business intelligence with our digital content warehouse.

## SELLING

We are experts in online advertising of our own streaming services. We spark the interest of the online consumer in our streaming service via a well-designed banner, followed by a membership offer which includes a free trial period.

# Business model | our content

## Numerous services, one platform.

### Movies & Series (incl. documentaries)

Library of over 2,000 feature films and TV series across all genres including Hollywood blockbusters, international as well as local cinema

### Music stations, channels & concerts

Over 100 constantly refreshed, thematically curated music stations, 10 music TV channels as well as live concert recordings and karaoke

### Sports

Including live broadcasts of the most popular and niche sports as well as latest news, highlights, results and documentaries

### Audiobooks & audio plays

More than 200,000 premium audiobooks and audio plays in over 10 different languages

### Games

>500 cloud, >2,000 browser, >1,400 PC games, including AAA classics, indie, casual, retro, adventure & kid's games

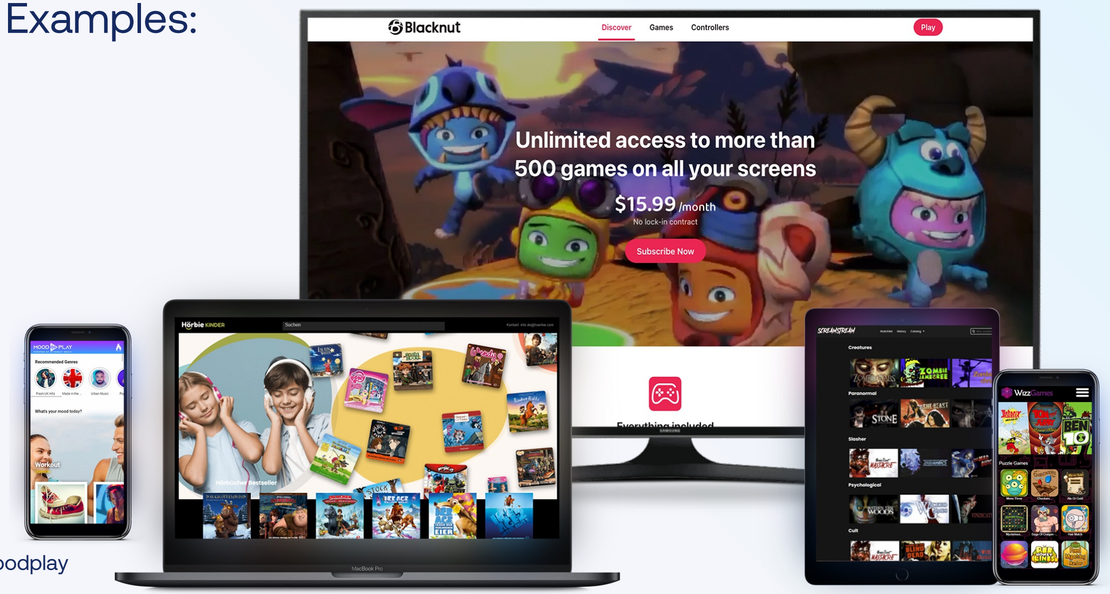
# **Business model** | our streaming services

CLIQ's business model centres on the selling of streaming services that bundle movies & series, music, audiobooks, sports and games to consumers globally.

| **300+** | **25+** |
|---|---|
| Single-content portals | Bundled-content portals |

Examples:

Blacknut



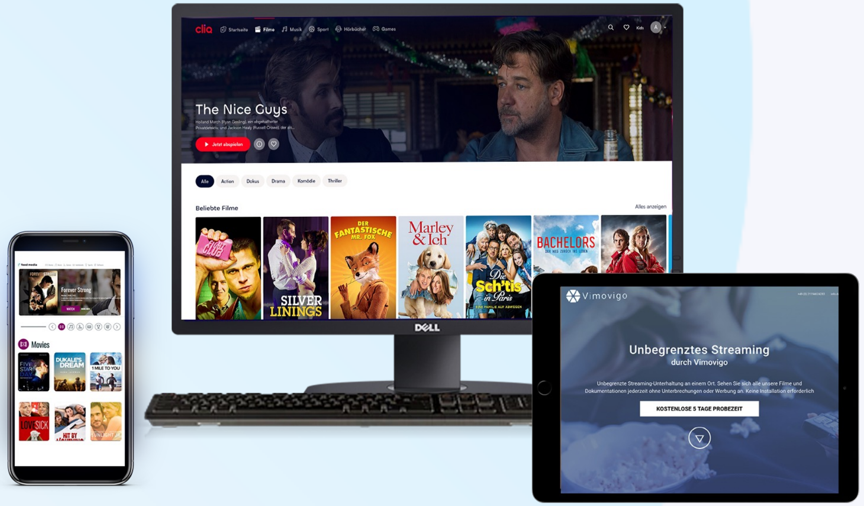

Moodplay

Hörbie

Scream-Stream

Wizzgames

cliq.de




Feed media

Vimovigo

https://cliqdigital.com/campaigns

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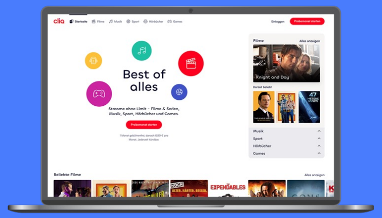
# **Business model** | our products

## Numerous streaming services

We spark streaming consumers' interest in our numerous streaming services, using **online advertising**. With a membership offer to online consumers (which includes a free trial period) we effectively convert them into paying members.

- Bundled- and single-content services
- Available in over 40 countries worldwide
- Dynamically priced
- Free trial period

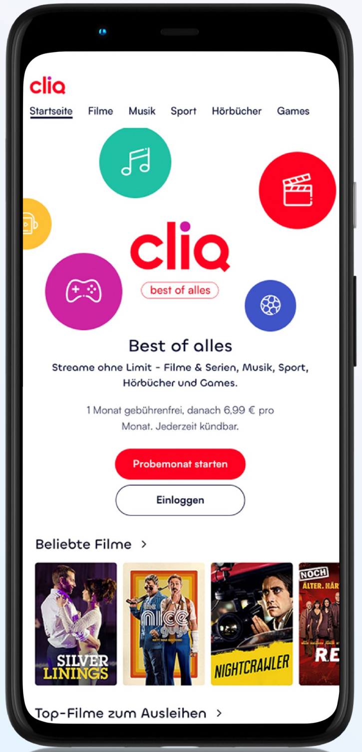

## Flagship Service Cliq




Our strong track record in building streaming services has brought us closer to achieving our dream cliq.de: our most advanced all-in-one streaming service for the mass market in Germany.

- Most advanced bundled-content service
- Currently available in Germany
- Fixed price: €6.99 per month
- Free trial period: 30 days
- Service URL: www.cliq.de

# Financials

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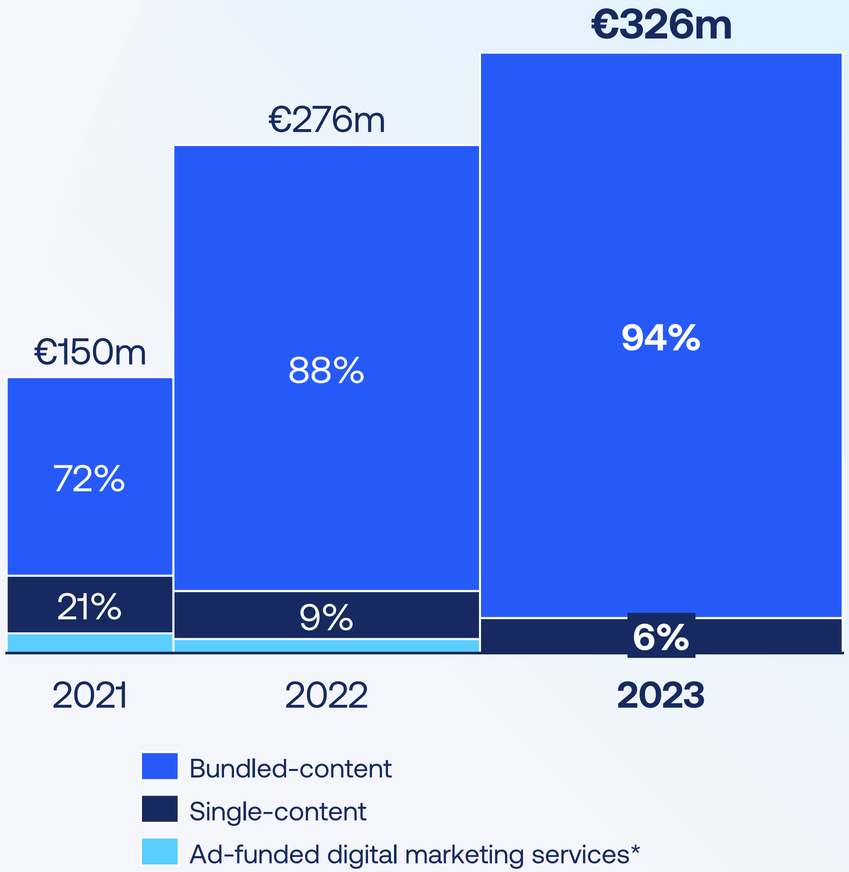
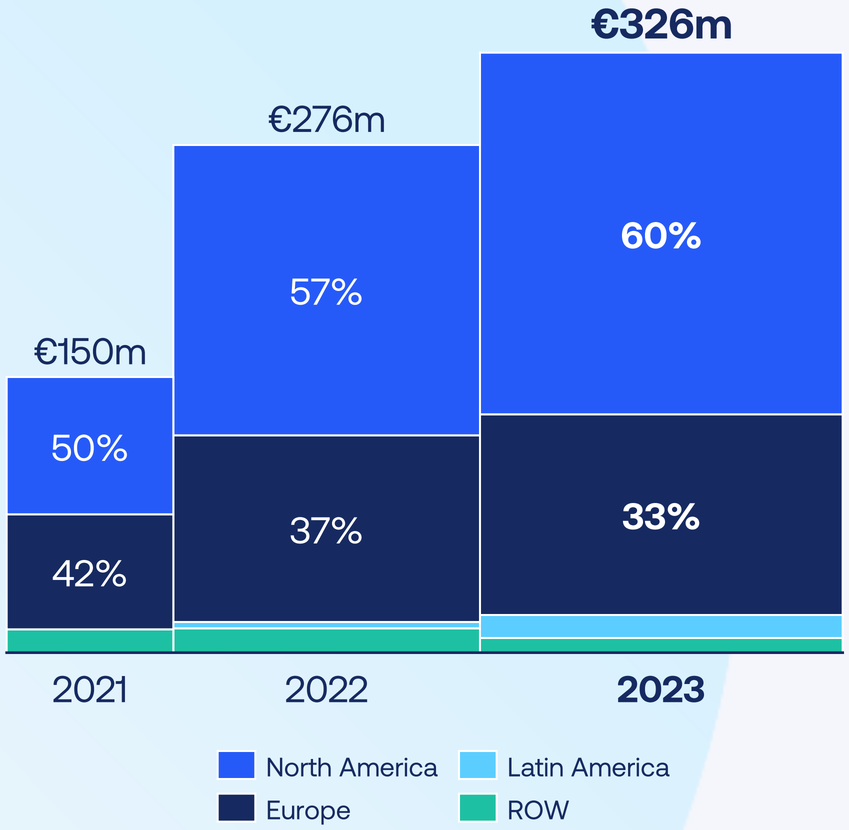
# FY 2023 | sales breakdowns (in % of total sales)

## By service




## By region




*Following a strategic realignment, these business activities were discontinued as of mid-August 2022

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# FY / 4Q 2023 | income statement

| in millions of € | FY 2023 | FY 2022 | Δ | 4Q 2023 | 4Q 2022 | Δ |
|---|---|---|---|---|---|---|
| **Sales** | **326.4** | **276.1** | **18%** | **84.1** | **82.8** | **2%** |
| Cost of sales | -241.7 | -201.3 | | -63.2 | -62.4 | |
| Operating expenses | -34.3 | -31.3 | | -9.1 | -7.6 | |
| **EBITDA** | **50.3** | **43.5** | **16%** | **11.8** | **12.7** | **-8%** |
| margin | 15.4% | 15.8% | | 14.0% | 15.4% | |
| Depreciation & amortisation | -4.5 | -1.4 | | -1.5 | -0.4 | |
| **EBIT** | **45.8** | **42.1** | **9%** | **10.3** | **12.3** | **-16%** |
| Financial result | -0.9 | -1.2 | | -0.1 | -1.3 | |
| Income taxes | -13.2 | -11.9 | | -3.3 | -3.5 | |
| **Profit for the period** | **31.8** | **29.0** | **10%** | **7.0** | **7.5** | **-6%** |
| **EPS** (in €) | **4.90** | **4.47** | **10%** | **1.07** | **1.17** | **-7%** |

- expected average **lifetime value of a customer** (LTV) **up 17% to €85** (2022: €73) due to focus on selling **bundled-content** streaming services
- **EPS** was lower in 4Q due to **one-off** other operating expenses

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# **FY / 4Q 2023** | customer acquisition costs

| in millions of € | FY 2023 | FY 2022 | Δ | 4Q 2023 | 4Q 2022 | Δ |
|---|---|---|---|---|---|---|
| **Total customer acquisition costs** | **-135.4** | **-112.3** | **21%** | **-35.4** | **-29.8** | **19%** |
| *of which capitalised and amortised in the period:* | | | | | | |
| Capitalised customer acquisition costs (contract costs) | 133.2 | 107.5 | | 35.2 | 29.9 | |
| Amortised contract costs | -123.6 | -85.0 | | -34.1 | -28.3 | |
| **Customer acquisition costs for the period** | **-125.8** | **-89.8** | **40%** | **-34.2** | **-28.2** | **21%** |
| in % of total sales | 39% | 33% | | 41% | 34% | |

- higher customer acquisition costs reflected a **more competitive pricing environment**, especially in Europe, as well as **testing new countries** and **advertising platforms**

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# FY 2023 | cash conversion

| in millions of € | FY 2023 | FY 2022 |
|---|---|---|
| **EBITDA** | **50.3** | **43.5** |
| Δ Contract costs | -9.6 | -22.5 |
| Δ Other working capital | -9.4 | 4.5 |
| Taxes, financial result & others | -1.0 | -1.7 |
| Cash flow from operating activities | 30.3 | 23.8 |
| Cash flow from investing activities | -11.8 | -8.4 |
| **Operating free cash flow** | **18.6** | **15.4** |
| Dividend Payment | -11.6 | -7.2 |
| Other cash flow from financing activities | -1.1 | -0.6 |
| Cash flow from financing activities | -12.7 | -7.8 |
| Cash flow for the period | 5.8 | 7.7 |

- cash flow from operating activities grew to €30m due mainly to the **higher EBITDA** year-on-year
- cash outflow from investing activities was largely due to **platform development** (€7m) and **content-related** (€4m) payments
- cash outflow from financing activities included €12 million **dividend distribution**

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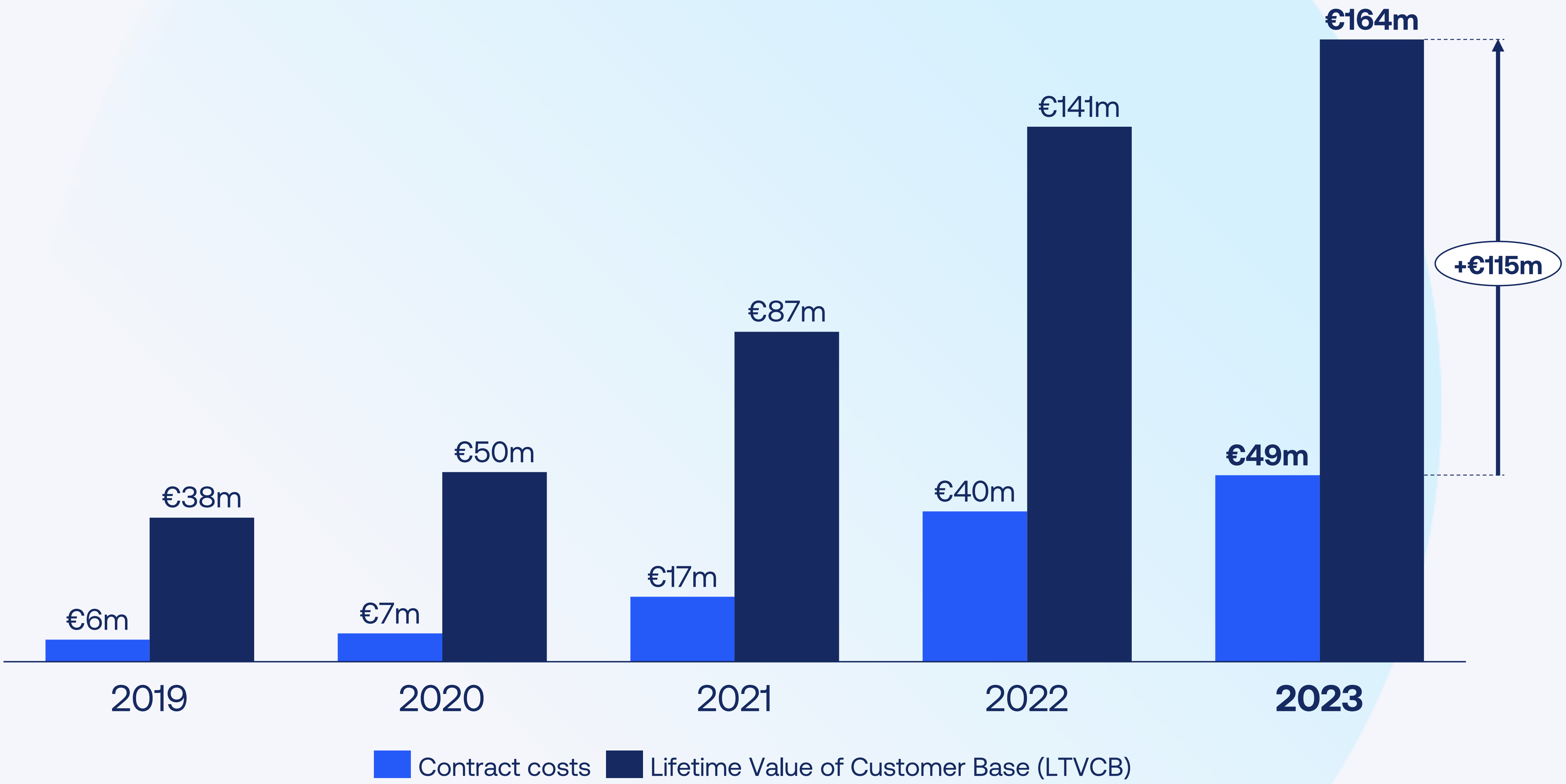
# 31/12/2023 | balance sheet

| ASSETS (in millions of €) | 31/12/2023 | 31/12/2022 |
|---|---|---|
| Goodwill | 47.5 | 47.4 |
| (In)tangible & financial assets | 18.1 | 15.3 |
| Contract costs | 49.2 | 39.6 |
| Deferred tax assets | 1.6 | 1.6 |
| Trade & other receivables | 22.3 | 14.4 |
| Cash & cash equivalents | 15.7 | 16.8 |
| **Total** | **154.4** | **135.1** |

| EQUITY & LIABILITIES | 31/12/2023 | 31/12/2022 |
|---|---|---|
| Equity | 102.3 | 81.3 |
| Deferred tax liabilities | 14.3 | 10.5 |
| Bank borrowings | - | 6.6 |
| Other financial liabilities | 4.4 | 6.3 |
| Provisions, trade payables & other liabilities | 26.7 | 27.8 |
| Income tax payable | 6.7 | 2.6 |
| **Total** | **154.4** | **135.1** |

- €49m **contract costs** are the base for €164m expected future sales (LTVCB)
- **goodwill** value confirmed by third party
- net **cash position** was €16m as at 31 December 2023 (cf. €10m per 31/12/2022), notwithstanding €12m dividend paid in 2Q 2023

# **LTVCB** | expected sales from existing members

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# Share buyback

- up to €13m buyback starting asap for next twelve months – corresponds to 43% of the Group's operating cash flow in 2023
- up to 646,871 of the Company's shares may be repurchased on the stock exchange in accordance with the authorisation granted by the Annual General Meeting on 4 April 2022.
- purpose: cancellation of shares and/or to meet obligations arising from stock option plans
- investment bank mandated to exercise buyback independently
- proposal to the AGM to carry forward the Company's net profit for the financial year

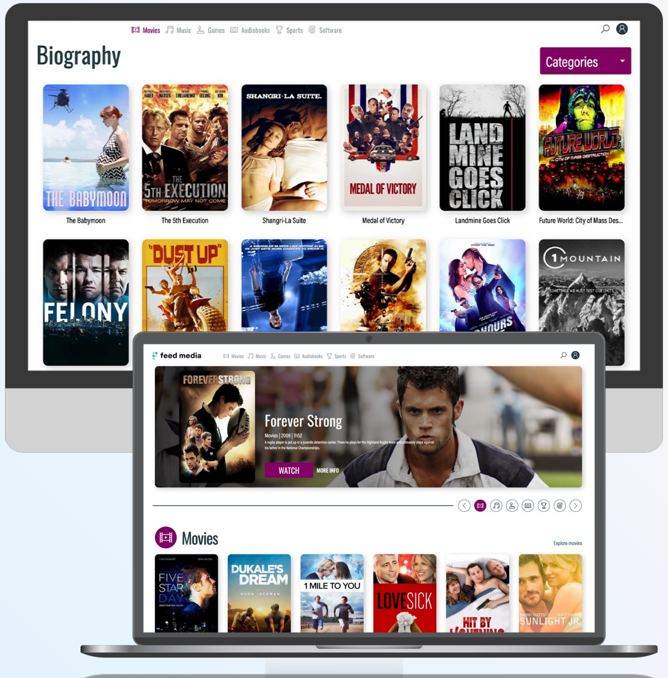
€13m buyback programme

consistent capital return strategy

increasing EPS

boosting shareholder value

# Outlook

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# Outlook

## at CLIQ, growth is always:

conversions & business modelling

more countries

billing methodology

credit card, mobile payments, PayPal, Google and Apple Pay

advertising channels

Google Display, SEA, YouTube, Socials and Affiliation

content hookups

more content hookups within existing verticals, like AI

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# **Market growth** | sweet spot niche

global digital ad market:

**+10.5%**

**$587bn** pure-play sales (DPP) in 2024

MAGNA Global Ad Forecasts, December 2023.

+46% CAGR
2023 2030
Grand View Research, 2023

Cloud gaming

+26% CAGR
2023 2032
market.us, 2023

Audiobooks

+22% CAGR
2022 2027
Global Market Estimates, 2022

Live sports streaming

+11% CAGR
2022 2030
Statista, 2020

Movies & series

+14% CAGR
2023 2030
Grand View Research, 2023

Music streaming

+10% CAGR
2023 2027
Statista, 2023

SVOD

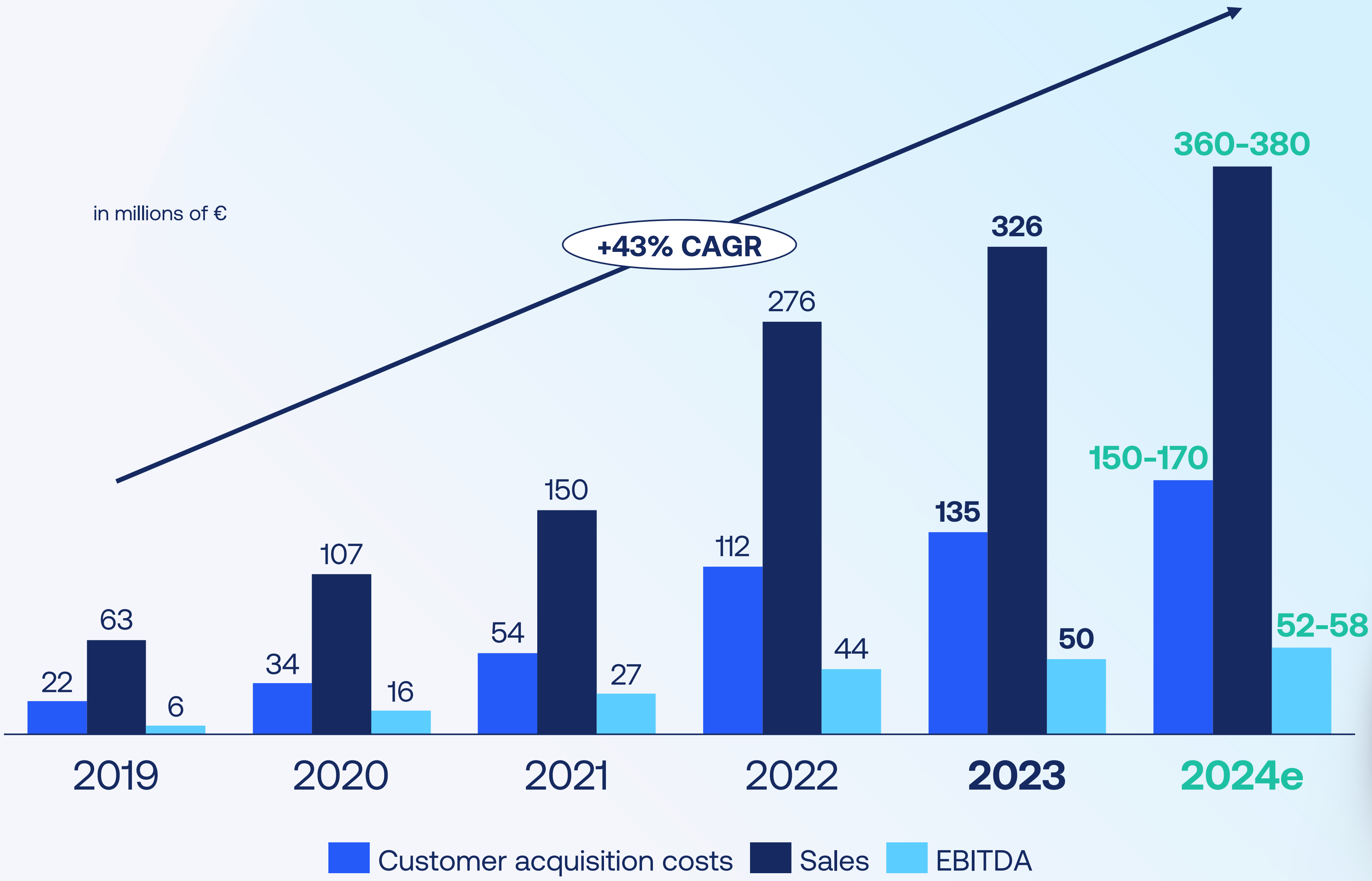
global digital media market:

**+7.8%**

**$849bn** revenue in 2027

Statista Digital Media Report 2023

# Outlook




**mid-term outlook:**

achieve a run rate

in 4Q 2025

to realise

annual sales of

**more than**

**€500 million**

going forward

# **Outlook** | sustainability

**Commitment**:

- fostering positive change Group-wide
- embracing transparency, accountability and innovation
- driving engagement and CSRD compliance

**Strategy**:

- Management Board ownership
- focusing on key actions
- taking active steps and initiatives

**2023 launched initiatives**:

- Gap Analysis
- Double Materiality Assessment
- Carbon Footprint Assessment (CFA) & Scope 3 Screening

**2024-2025 roadmap**:

- Sustainability Management System Implementation
- first internal sustainability report according to GRI standards
- audit readiness assessment

# Key takeaways

**high sales growth**
34% CAGR (2019-2026)

**global presence**
>40 countries

**high shareholder return**
702%
10-year TSR

**high growth potential**
14% CAGR global content streaming market

fast & full **reporting**

**attractive valuation**
€75 median sell-side target price

**highly profitable**
16% average EBITDA margin (L4Y)

attractive **capital return** strategy

# Q&A

# FY 2023 Results Presentation

22 February 2024