



# 2020

Half-year Report

**CLIQ**  
entertainment first

# ABOUT CLIQ DIGITAL

**CLIQ Digital ([www.cliqdigital.com](http://www.cliqdigital.com)) is a leading digital lifestyle company, providing consumers worldwide with streaming entertainment services.**

Members get unlimited access to music, audiobooks, games, sports and movie content. The core business of the Group is the online direct marketing of its streaming entertainment services to consumers globally. In 2019 CLIQ Digital realized over 90% of its sales in Europe and North America. CLIQ Digital's headquarter is based in Dusseldorf and has offices in Amsterdam, London, Paris, Barcelona and Tequesta, Florida. The Group employs approximately 100 staff and is listed in the Scale (30) segment at the Frankfurt Stock Exchange (ISIN DE000A0HHJR3).

Due to characteristics relating to size, CLIQ Digital AG overall is not statutorily obligated to prepare consolidated interim financial statements, whether it be on the basis of German accounting standards, or IFRS. This half-year report is prepared, to provide investors with additional financial information and to fulfill disclosure obligations towards Deutsche Börse AG under the General Terms and Conditions of Deutsche Börse AG for the Scale Market segment of the Frankfurt Stock Exchange.

Since the company has no audit obligation for interim financial statements, the consolidated interim financial statements and the interim management report is unaudited.

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## Letter to our shareholders

Dear Shareholders,

By taking media buying in our own hands, continuously investing and improving our content offerings and our international team of creative, energetic and motivated people, the CLIQ Digital Group was able to continue the momentum of 2019 and made decisive progress in acquiring new members and deliver positively on all major key performance indicators.

CLIQ Digital continued its growth path since the beginning of 2019 and realized consecutive growth in the first half year of 2020. In the period under review gross revenues further increased to EUR 47.2 million (+67%), marketing spend ended at EUR 16.3 million (+66%) and EBITDA amounted EUR 6.3 million (+246%) compared to the same period last year. The improvement of our EBITDA margin from 9% during the first half year 2019 to 13% in the first half year 2020 proves the scalability of our business model. EBIT more than quadrupled to EUR 6.0 million (+332%). The CLIQ-factor, a key indicator for measuring the profitability of new members, improved from 1.40 in the first half of 2019 to 1.64 in same period in 2020. The customer value base, representing the total net revenues that is expecting to be generated by the existing members, increased significantly to EUR 31.0 million by the end of 30 June 2020 (30 Jun 2019: EUR 24.5 million).

As net results are growing strongly, we see our earnings per share (EPS) increasing from EUR 0,08 (HY1 2019) to EUR 0,49 for the first half year 2020.

All in all a very positive development for all stakeholders, also taking into account a very strong operational cash flow (EUR 5.7 million).

### COVID-19 AND ITS IMPACT ON CLIQ DIGITAL

While we are pleased with how our business has performed so far, our thoughts and attention are most focused on the health and well-being of our employees and society at large. As the world grapples with the greatest health crisis of our generation, the global impact of COVID-19 is daunting. We are in unprecedented times and, like most, we are trying to navigate this uncertainty as best we can.

We are fortunate that as a business we are able to operate with very little disruption in both our operations and the demand for our services. As management, we are particularly proud that all of our employees have been able to make the necessary preparations and adopt to work remotely,

but still operate as a strong and united team to support our growth and provide members with our streaming entertainment services.

## CLIQ – ALL IN ONE

In the third quarter of this year CLIQ will launch its new “CLIQ – All in One” streaming platform, which will enable members unlimited access to multiple content categories in one place, with one membership (subscription) for the whole family without any device restrictions. The current content categories consist of movies, music, sports and audiobooks. An additional category for games will be added during Q4 of 2020. The initial launch will take place in Germany to be followed by other countries where we operate our business.

In the movies category members are offered many different genres and they can watch award winning European productions, selected independent movies and a selection of international movie productions.

The music category provides 50 different premium music channels that work like playlists. Each channel contains more than a hundred of music tracks and you can for example choose between Classic, Pop, Rock, Jazz Indie, Folk, but also more specified playlists like Timeless Love Songs or Latest Charts. Our music channels are curated by music experts and are updated constantly.

The sports category covers the most followed leagues on an international level. Members can watch, match highlights from the top European football leagues or follow our Live Match Tracker, which is visually animated in real-time. Soccer, Tennis, American Football, Baseball or Ice Hockey are just some of our included sports.

The audiobooks catalogue offers more than 150.000 audiobooks, most in English, some in German. All genres are included and the catalogue is constantly updated with new titles. The difference to other Audiobook providers is that we don't work with a credit system, subscribers can listen without any limitations to the full catalogue.

## OUTLOOK 2020

On the basis of the strong performance in the first half year of 2020, as well as the positive start in the third quarter, we see this trend continuing and therefore we can reconfirm our increased outlook for the full year 2020. We expect gross revenues of approximately EUR 90 million (corresponding to a growth rate of more than 40% compared to the financial year 2019) and EBITDA of at least EUR 10 million (corresponding to a growth rate of approx. 75% compared to the financial year 2019). At the same time a marketing spend of approximately EUR 30 million (corresponding to a growth rate of approx. 35% compared to the financial year 2019) is expected.

We would like to take this opportunity to thank our entire team for their passionate commitment and you, dear shareholders, for the trust in our company.

Düsseldorf, 17 August 2020

CLIQ Digital AG

Luc Voncken and Ben Bos

(Executive Management Board)

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# MANAGEMENT REPORT



## Unaudited interim management report

### THE CLIQ DIGITAL GROUP'S BUSINESS MODEL

CLIQ Digital is providing consumers worldwide with streaming entertainment services. Members get unlimited access to music, audiobooks, games, sports and movie content. The core business of the Group is the online direct marketing of its streaming entertainment services to consumers globally.

For over 10 years, CLIQ Digital has been marketing and selling its products and services in multiple countries on every continent. From its business activities in the past and its continuous market analysis CLIQ Digital concluded, that monetizing digital products by direct response marketing is for CLIQ Digital, the most effective type of marketing.

CLIQ Digital uses media buying to target new members for its streaming entertainment services through online and mobile marketing channels. The sales and marketing teams of CLIQ Digital are primarily offering its products to consumers via its membership model, in which members can enjoy unlimited access for a daily, weekly or monthly membership (subscription) fee. CLIQ Digital is working together with payment service providers in every country it is operating, providing its members with multiple payment options like mobile carrier billing, credit card, app store billing and many other options.

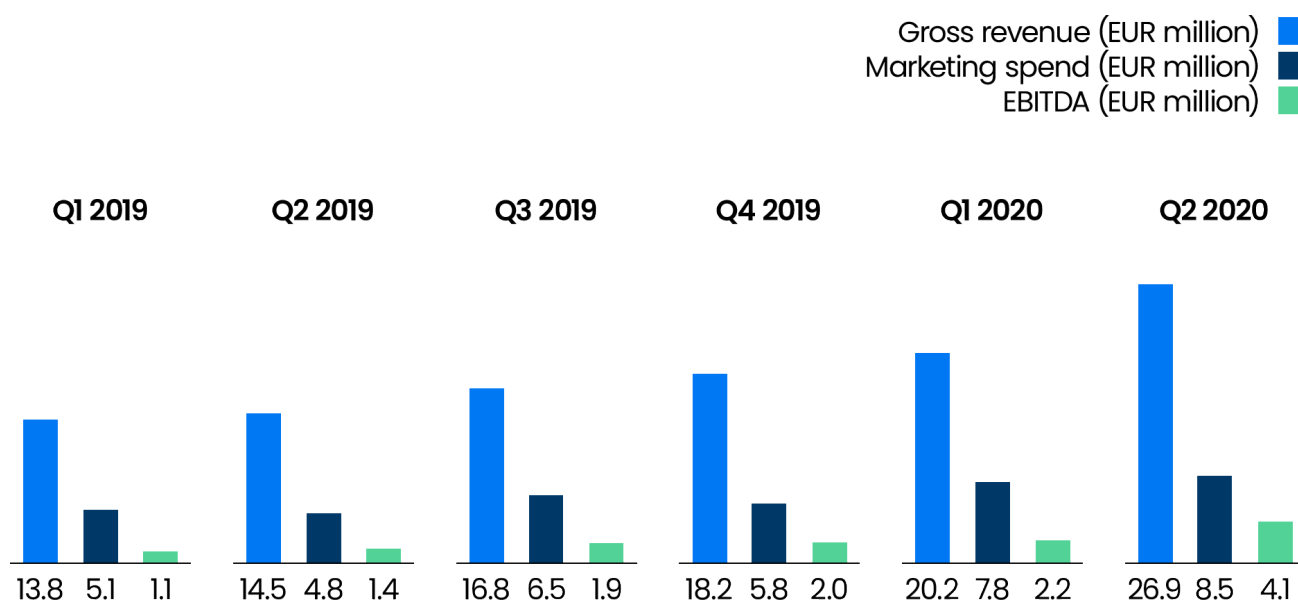
### STRUCTURE OF THE CLIQ DIGITAL GROUP

The parent company of the Group is CLIQ Digital AG, Dusseldorf, Germany. All the company's holding activities are managed from Dusseldorf. By centralizing the Group, the organization is able to exploit synergies within the entities as well as structure the Group of companies more simply and effectively. In the first half year of 2020 there have been no changes to the Group structure. A complete overview of all the subsidiaries which are part of the CLIQ Digital Group is presented in note 4 to the consolidated interim financial statements.



## COURSE OF BUSINESS

With the successful implementation of the direct media buy strategy, the investments made in content, the expansion in credit card payment processing and by building an international team of creative, energetic and motivated people, the CLIQ Digital Group was ready to scale its activities and realize significant growth. As a result CLIQ Digital was able to continue the momentum of 2019 and further accelerated its quarter over quarter growth on gross revenues, marketing spend and EBITDA.



## RESULT OF OPERATIONS

The quarter over quarter growth since the beginning of the year 2019 has resulted in a significant improvement of all the key performance indicators in the first half year of 2020 compared to the previous year as shown in the table below.

Key performance indicators	HY1 2020	HY2 2019	HY1 2019	Δ% HY1
Gross revenue (EUR million)	47.2	34.9	28.2	+67%
Marketing spend (EUR million)	16.3	12.3	9.8	+66%
EBITDA (EUR million)	6.3	4.0	1.8	+246%
CLIQ-factor	1.64	1.61	1.40	
Customer value base (EUR million)	31.0	26.0	24.5	

As a result of the positive key performance indicators the income statement presented below shows a strong increase in the gross margin resulting in an impressive growth of 246% (EUR +4.6 million) in EBITDA compared to the same period in 2019.

Income statement in EUR million	HY1 2020	HY2 2019	HY1 2019	Δ%HY1
<b>Gross revenue</b>	<b>47.2</b>	<b>34.9</b>	<b>28.2</b>	<b>+67%</b>
Share third parties	-11.6	-10.9	-8.6	
<b>Net revenue</b>	<b>35.3</b>	<b>24.6</b>	<b>19.6</b>	<b>+80%</b>
Marketing spend	-16.3	-12.3	-9.9	
Other cost of sales	-4.6	-1.4	-1.8	
<b>Gross Margin</b>	<b>14.3</b>	<b>10.9</b>	<b>7.9</b>	<b>+81%</b>
<b>% of revenue</b>	<b>31%</b>	<b>31%</b>	<b>28%</b>	
Personnel expenses	-5.6	-4.5	-4.0	
Other operating expenses	-2.1	-2.0	-1.9	
Impairment on trade receivables and contract assets	-0.3	-0.4	-0.2	
<b>Total OPEX</b>	<b>-8.0</b>	<b>-6.9</b>	<b>-6.1</b>	
<b>EBITDA</b>	<b>6.3</b>	<b>4.0</b>	<b>1.8</b>	<b>+246%</b>
<b>% of revenue</b>	<b>13%</b>	<b>11%</b>	<b>6%</b>	

### Revenue and earnings developments

The CLIQ Digital Group accelerated on its growth path initiated in the second half of 2019. The gross revenues for first half year of 2020 amounted to EUR 47.2 million, compared to EUR 34.9 million (+35%) in HY2 2019 and EUR 28.2 million (+67%) in HY1 2019. Due to the increasing number of members using credit card billing as their payment method of choice, the share third parties relatively decrease as the payment service provider costs for mobile billing are relatively higher. As a result, the increase in net revenues for the reporting period was even stronger than the increase in gross revenues. Net revenues increased with 80% compared to the same period in 2019 and 44% compared to the previous half year.

The increase in gross and net revenue was driven by the significant rise in marketing spend and improved CLIQ-factor (as a key indicator for measuring the profitability of new members). By taking media buying largely in our hands CLIQ Digital was able to better target new members, resulting in an increase of new members against reasonable costs and improving the profitability. Marketing spend amounted to EUR 16.3 million for the first half year of 2020, which is 66% above the first half year of 2019 and 43% higher than in previous half year. The CLIQ-factor improved to 1.64 (HY1 2019: 1.40).

The growth in revenues is largely attributable to the implemented successful marketing strategy in the Northern American market that started in the second half of 2019 and resulting in a significant increase in gross revenues to EUR 19.6 million. Gross revenue in Europe remained stable and the revenues in the rest of the world grew to EUR 3.6 million.

in EUR million	HY1 2020	% of total	HY1 2019	% of total
Europe	24.0	51%	23.9	85%
North America	19.6	41%	2.9	10%
Rest of the world	3.6	8%	1.4	5%
<b>Total gross revenue</b>	<b>47.2</b>	<b>100%</b>	<b>28.2</b>	<b>100%</b>

While the share third parties costs decreased due to relative increase in credit card billing the other costs of sales increased, because credit card billing involves higher traffic costs, service fees and customer care related costs compared to mobile billing. This resulted in an increase in the other cost of sales to EUR 4.6 million for the first half year of 2020.

The strong performance has resulted in an increase of the gross margin by 81% to EUR 14.3 million compared to HY1 2019 and by 32% compared to the previous half year.

### Operational expenses

In the first half year of 2020 the total operating expenses amounted to EUR 8.0 million, which is an increase of EUR 1.1 million compared to previous half year. This increase is largely caused by the impressive performance (+155%) of the CLIQ Digital share rising from EUR 2.90 at the beginning of the year to EUR 7.40 as of 30 June 2020. The higher share price is reflected in an increase of the share option liability for which an amount of EUR 1.0 million (HY1 2019: EUR 0.3 million) is recognized in the income statement. The remaining difference is explained by an increase in employees from 79 FTE in HY2 2019 to 85 FTE in HY1 2020.

### EBITDA

The strong increase in gross margin to EUR 14.3 million resulted in an impressive increase in EBITDA by 246% in comparison to the same period last year and a solid 60% increase compared to previous half year. EBITDA for the first half year 2020 ended at EUR 6.3 million (HY1 2019 EUR 1.8 million).

### FINANCIAL POSITION

In this section the significant movements and events related to the consolidated financial position are explained as presented in the consolidated statement of the financial position on page 14.

## CASH POSITION AND CASH FLOWS

The net debt position of the CLIQ Digital Group decreased by EUR 4.3 million as of 30 June 2020 compared to 31 December 2019 due to a positive free cash flow in the first half year.

in EUR million	HY1 2020	HY2 2019	HY1 2019
Cash and bank balances	4.8	0.7	0.5
Bank borrowing overdraft facility	-10.2	-10.3	-8.4
<b>Net debt position</b>	<b>-5.3</b>	<b>-9.6</b>	<b>-7.9</b>
Net cash generated by operating activities	5.7	2.6	-0.1
Net cash generated by investment	-0.1	-0.2	-0.2
Net cash used in financing activities	-1.3	-4.2	-0.8
<b>Free cash flow</b>	<b>4.3</b>	<b>-1.9</b>	<b>-1.1</b>

The positive free cash flow of EUR 4.3 million is the result of a significant improvement of the operational cash flow from EUR 2.5 million for the full year 2019 to EUR 5.7 million in the first half year of 2020. The main reason for the higher cash flow from operations is the high profitability (CLIQ-factor) of the media spend resulting in higher income for the same amount of marketing spend. Another positive impact on the operating cash flow is the increasing share of credit card billing, because credit card payments are collected faster compared to mobile carrier billing.

The strong reduction in cash used in financing activities is because these expenses were mainly related to payments in 2019 for acquisitions, which are non-recurring by nature.

## CONTRACT COSTS

Contract costs amounting to EUR 6.8 million increased by 17% compared to 31 December 2019 and consist of customer acquisition cost paid, which are required to obtain new members. These costs are amortized based on the members revenue life cycle with a maximum of 18 months. The increase is caused by the higher marketing spend that is directly related to membership services.

## TRADE RECEIVABLES, TRADE PAYABLES AND OTHER LIABILITIES

The increasing net revenues (+44%) and marketing spend (+43%) also resulted in an increase in trade receivables, trade payables and other liabilities compared to 31 December 2019. Total trade receivables increased by 34% to EUR 11.0 million. Marketing and other cost of sales liabilities (EUR 1.5 million) together with trade payables (EUR 3.5 million) increased by 55%.

The liability for share options increased by EUR 1.0 million to EUR 1.4 million as of 30 June 2020 due to the significant increase in the CLIQ Digital share price from EUR 2.90 to EUR 7.40 during the first half year.

#### CONTINGENT CONSIDERATION ARRANGEMENT AND OTHER FINANCIAL LIABILITIES

The other financial liabilities as of 31 December 2019 were largely (EUR 2.0 million) related to the earn-out arrangement and deferred payment related to the acquisitions of the additional 29% shares in the subsidiary Red27Mobile Ltd. During the first half year of 2020 a total amount of EUR 1.0 million of payments has been made.

#### OUTLOOK 2020

The Management Board expects that the positive trend of 2020 will continue and confirms its increased outlook for the full year 2020 as published on the 6<sup>th</sup> of July.

For the full year 2020 gross revenues are expected at approximately EUR 90 million (corresponding to a growth rate of more than 40% compared to the financial year 2019) and EBITDA of at least EUR 10 million (corresponding to a growth rate of approx. 75% compared to the financial year 2019). At the same time a marketing spend of approximately EUR 30 million (corresponding to a growth rate of approx. 35% compared to the financial year 2019) is expected.

	Revised Outlook FY 2020	FY 2019	Growth rate
Gross revenue (EUR millions)	90.0	63.1	+40%
Marketing spend (EUR millions)	30.0	22.2	+35%
EBITDA (EUR millions)	10.0	5.8	+75%
CLIQ-factor	1.58	1.51	
Customer value base (EUR millions)	31.0	26.0	

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**CONSOLIDATED  
INTERIM  
FINANCIAL  
STATEMENTS**



## Unaudited consolidated statement of profit and loss

for the period from 1 January to June 30

in EUR thousand	Note	HY1 2020	HY1 2019
Gross revenue	6	47,165.6	28,226.2
Cost of sales	7	-32,816.5	-20,316.3
<b>Gross margin</b>		<b>14,349.1</b>	<b>7,909.9</b>
Personnel expenses	8	-5,564.3	-4,051.7
Other operating expenses		-2,113.3	-1,846.3
Impairment losses and gains on trade receivables and contract assets		-330.7	-179.5
<b>Total operating expenses</b>		<b>-8,008.3</b>	<b>-6,077.5</b>
<b>EBITDA</b>		<b>6,340.8</b>	<b>1,832.4</b>
Depreciation, amortization and impairment charges applied to intangible, tangible and other current assets	9	-384.2	-452.9
<b>EBIT</b>		<b>5,956.6</b>	<b>1,379.5</b>
Financial income and financial expenses	10	-334.8	-432.3
<b>Result for the period from continuing operations</b>		<b>5,621.8</b>	<b>947.2</b>
Income taxes	11	1,255.2	557.0
<b>Result for the period</b>		<b>4,366.6</b>	<b>1,504.2</b>
Attributable to:			
Shareholders of the company		3,036.6	477.2
Non-controlling interest		1,330.0	1,027.0
<b>Result for the period</b>		<b>4,366.6</b>	<b>1,504.2</b>
<b>Earnings per share</b>			
Number of shares for calculation of basic earnings per share (in thousands)		6,188.7	6,188.7
Number of shares for calculation of diluted earnings per share (in thousands)		262.5	262.5
Earnings per share * (in EUR)		0.49	0.08

\* In the EPS we assumed a cash settlement of all stock option plans. Diluted the EPS will be 0.47

# Unaudited consolidated statement of comprehensive income

for the period from 1 January to 30 June 2020

in EUR thousand	Note	HY1 2020	HY1 2019
<b>Result for the period</b>		<b>4,366.6</b>	<b>1,504.2</b>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	12	-399.0	-1.7
<b>Comprehensive income for the year</b>		<b>3,967.6</b>	<b>1,502.5</b>
Attributable to:			
Shareholders of the company		2,637.6	475.5
Non-controlling interest		1,330.0	1,027.0
<b>Comprehensive income for the year</b>		<b>3,967.6</b>	<b>1,502.5</b>



# Unaudited consolidated statement of the financial position

as at 30 June 2020

ASSETS in EUR thousand	Note	30 Jun 2020	31 Dec 2019
<b>Non-current assets</b>			
Goodwill	12	47,814.6	48,113.6
Other intangible assets	13	604.2	713.3
Plant, operating and office equipment	14	547.3	677.2
Contract costs		400.9	273.3
Deferred tax assets		3,417.9	3,118.5
<b>Total non-current assets</b>		<b>52,784.9</b>	<b>52,895.9</b>
<b>Current assets</b>			
Trade receivables		11,033.4	8,208.9
Contract costs		6,416.0	5,572.7
Income tax receivables		-	54.2
Other assets		376.0	638.6
Cash and cash equivalents		4,854.6	735.5
<b>Total current assets</b>		<b>22,680.0</b>	<b>15,209.9</b>
<b>Total assets</b>		<b>75,464.9</b>	<b>68,105.8</b>

# Unaudited consolidated statement of the financial position

as of 30 June 2020

<b>EQUITY AND LIABILITIES in EUR thousand</b>	<b>Note</b>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>
<b>Equity</b>			
Issued capital		6,188.7	6,188.7
Share premium		46,635.8	46,635.8
Retained earnings		-5,210.1	-8,246.6
Other reserves		-424.4	-129.7
<b>Equity attributable to the shareholders</b>		<b>47,190.0</b>	<b>44,707.6</b>
Non-controlling interest		3,167.0	1,990.6
<b>Total equity</b>		<b>50,357.0</b>	<b>46,698.2</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,439.1	1,239.1
Bank borrowings	16	9,873.0	9,936.5
Other financial liabilities	15	829.7	1,184.2
Other liabilities		1,361.3	357.3
<b>Total non-current liabilities</b>		<b>13,503.1</b>	<b>12,717.1</b>
<b>Current liabilities</b>			
Other financial liabilities	15	586.8	1,454.3
Trade payables		3,503.2	2,010.1
Income tax liabilities	11	1,904.1	1,079.2
Other liabilities		5,610.7	4,146.9
<b>Total current liabilities</b>		<b>11,604.8</b>	<b>8,690.5</b>
<b>Total liabilities</b>		<b>25,107.9</b>	<b>21,407.6</b>
<b>Total equity and liabilities</b>		<b>75,464.9</b>	<b>68,105.8</b>

## Unaudited consolidated statement of changes in equity

for the period from 1 January to 30 June 2020

EQUITY in EUR thousand	Issued capital	Share premiu m	Retained earnings	Other reserves	Equity attributa ble to the share- holders	Non- controlli ng interests	Total equity
<b>Balance as of 31 December 2019</b>	<b>6,188.7</b>	<b>46,635.8</b>	<b>-8,246.6</b>	<b>129.7</b>	<b>44,707.6</b>	<b>1,990.6</b>	<b>46,698.2</b>
Net profit/loss for the period	-	-	3,036.5	-	3,036.5	1,330.0	4,366.5
Other comprehensive income	-	-	-	-299.0	-299.0	-	-299.0
Dividend distributions	-	-	-	-	-	-100.0	-100.0
Currency translation differences	-	-	-	-255.1	-255.1	-53.6	-308.7
<b>Balance as of 30 June 2020</b>	<b>6,188.7</b>	<b>46,635.8</b>	<b>-5,210.1</b>	<b>-424.4</b>	<b>47,190.0</b>	<b>3,167.0</b>	<b>50,357.0</b>

## Unaudited cash flow statement

for the period from January 1 to June 30

	Note	HY1 2020	HY1 2019
<b>Cash flow from operating activities</b>			
Result for the year		4,366.5	1,504.2
<i>Adjustments for:</i>			
Income tax expense recognized in profit or loss		1,255.2	-557.0
Finance costs recognized in profit or loss		334.8	331.1
Net (gain)/loss arising on financial liabilities designated as at fair value through profit and loss	10	-	101.2
Depreciation and amortization of non-current assets	9	384.2	452.9
		<b>6,340.7</b>	<b>1,933.6</b>
Changes in working capital		-16.9	-1,253.4
<b>Cash generated from operations</b>		<b>6,323.8</b>	<b>579.0</b>
Income taxes (paid)/received		-401.0	-519.3
Interest (paid)/received		-178.7	-206.6
<b>Net cash generated by operating activities</b>		<b>5,744.1</b>	<b>-146.9</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	14	-26.7	-6.6
Payments for intangible fixed assets	13	-88.0	-132.7
<b>Net cash (used in)/generated by investing activities</b>		<b>-114.7</b>	<b>-139.3</b>
<b>Cash flow from financing activities</b>			
Repayment from borrowings	15	-1,040.1	-382.8
Lease installments paid	15	-184.2	-147.2
Dividends paid		-100.0	-
Transaction costs related to loans and borrowings		-32.7	-260.4
<b>Net cash used in financing activities</b>		<b>-1,357.0</b>	<b>-790.4</b>
<b>Free cash flow</b>		<b>4,272.4</b>	<b>-1,076.6</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>-9,577.5</b>	<b>-6,757.8</b>
Free cash flow		4,272.4	-1,076.6
Effects of exchange rate changes on the balance of cash held in foreign currencies		-31.2	-56.2
<b>Cash and cash equivalents at the end of the period</b>		<b>-5,336.3</b>	<b>-7,890.6</b>
Cash and bank balances		4,854.6	465.8
Bank borrowing overdraft facility	16	-10,190.9	-8,356.4
<b>Cash and cash equivalents in cash flow statement</b>		<b>-5,336.3</b>	<b>-7,890.6</b>



# NOTES



## Notes to the Consolidated Interim Financial Statements

### 1. Corporate information

CLIQ Digital ([www.cliqdigital.com](http://www.cliqdigital.com)) is a leading digital lifestyle company, providing consumers worldwide with streaming entertainment services.

The core business of the Group is the direct marketing of its digital entertainment products to consumers via mobile and online marketing channels using its own payment and distribution platform. CLIQ Digital, based in Dusseldorf, is a valuable strategic business partner for networks, content owners, publishers and brands. The shares of CLIQ Digital AG are listed in the Scale 30 segment at the Frankfurt Stock Exchange. (ISIN DE000A0HHJR3).

The Group parent company is CLIQ Digital Aktiengesellschaft (hereinafter referred to as "CLIQ Digital"), which is headquartered at Immermannstrasse 13, 40210 Dusseldorf, Germany. The company is entered in the commercial register of the Amtsgericht Dusseldorf (Commercial Register Sheet 69068). The shares of CLIQ Digital AG are listed on the Frankfurt Stock Exchange in the Open Market segment, forming part of the Scale Segment of the Deutsche Börse AG. Pursuant to Section 2 (5) of the German Securities Trading Act (WpHG), the Open Market does not comprise an organized or regulated market. The guidelines for Deutsche Börse AG's regulated unofficial market form the basis for including securities in the Open Market). As a consequence, CLIQ Digital AG is not a capital market-oriented company pursuant to Section 264d of the German Commercial Code (HGB) and is also not obligated pursuant to Section 315a of the German Commercial Code (HGB) to prepare consolidated financial statements on the basis of International Financial Accounting Standards (IFRS). According to characteristics relating to size, CLIQ Digital AG is not obligated to prepare consolidated financial statements, on the basis of German accounting standards. These consolidated IFRS financial statements are prepared voluntarily, to provide investors with additional financial information in line with capital markets expectations and to fulfil disclosure obligations to Deutsche Börse AG under the General Terms and Conditions of Deutsche Börse AG for the Open Market of the Frankfurt Stock Exchange.

The period for the Group's consolidated interim financial statements starts on January 1 and ends on June 30 of each calendar year. This consolidated interim financial statements are prepared in Euros, which is the functional and reporting currency of CLIQ Digital. Reporting is in thousands of Euros (EUR thousand) unless stated otherwise.

## 2. Significant events during the reporting period

### 2.1 COVID-19

As the world grapples with the greatest health crisis of our generation, the global impact of COVID-19 is daunting. We are focused on health and safety, and the general welfare of those around us. We are working to protect the well-being of our employees, and are taking steps to assist those directly impacted, while ensuring that we continue to operate our business and continuously provide members with our digital streaming services. We are fortunate that as a business we are able to operate with very little disruption in both our operations and the demand for our services.

## 3. Basis of preparation and changes to the Group's accounting policies

The Interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's the last annual financial statements.

#### 4. Consolidation scope

Consolidation scope as of 30 June 2020:

	Proportion of voting equity interest owned by the Group
CLIQ Digital AG, Dusseldorf, Germany	
C Formats GmbH, Dusseldorf, Germany	100.0
Bob Mobile Hellas S.A., Attiki, Greece	100.0
Cructiq AG, Baar, Switzerland	100.0
Rheinkraft Production GmbH, Dusseldorf, Germany	100.0
Bluetiq GmbH, Dusseldorf, Germany	100.0
Guerilla Mobile Asia Pacific Pte. Ltd, Singapore	100.0
CLIQ B.V., Amsterdam, The Netherlands	100.0
Artiq Mobile B.V., Amsterdam, The Netherlands	100.0
TMG Singapore PTE Ltd., Singapore	100.0
The Mobile Generation Americas Inc., Toronto, Ontario, Canada	100.0
GIM Global Investments Munich GmbH, Munich, Germany	100.0
iDNA B.V., Amsterdam, The Netherlands	100.0
CPay B.V., Amsterdam, The Netherlands	100.0
Claus Mobi GmbH, Dusseldorf, Germany	100.0
TGIT Limited, Witney, United Kingdom	100.0
Universal Mobile Enterprises Limited, Witney, United Kingdom	100.0
Moonlight Mobile Limited, Witney, United Kingdom	100.0
Red27 Mobile Limited, Witney, United Kingdom	80.0
Hype Ventures B.V., Amsterdam, The Netherlands	80.0
CMind B.V., Amsterdam, The Netherlands	80.0
Tornika Media B.V., Amsterdam, The Netherlands	80.0
Tornika S.A.S., Paris, France	80.0
Hypecode SAS, Paris, France	80.0
VIPMOB B.V., Amsterdam, The Netherlands	80.0
Netacy Inc., Dover, USA	100.0
CLIQ UK Holding B.V., Amsterdam, The Netherlands	100.0
Luboka Media Limited, Witney, United Kingdom	100.0

#### 5. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets



and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 5.1 Impact of the UK giving notice to withdraw from the EU

On 29 March 2017, the UK government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the EU. There is an initial two-year timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship, although this timeframe can be extended. At this stage, there is significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU.

Management applied its judgement in determining impact of this uncertainty on carrying amounts of assets and liabilities in these interim financial statements. As a result of the assessment, the Group has not identified any impairment triggers at its UK subsidiary as of 30 June 2020.

### 5.2 Fair value measurements of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The Finance Director is responsible for the preparation of the fair value calculations of the concerning financial assets and financial liabilities required for financial reporting purposes. The Finance Director reports directly to the Board every quarter, in line with the Group quarterly reporting dates, to explain the cause of fluctuations in the fair value of the assets and liabilities.

## 6. Revenue

The Group derives revenues from services at a point in time for the following services:

in EUR thousand	HY1 2020	HY1 2019
Digital entertainment services	43,848.7	25,367.4
Digital marketing services	3,316.9	2,758.6
All other income	-	100.2
<b>Total gross revenue</b>	<b>47,165.6</b>	<b>28,226.2</b>

In the following table gross revenue from contracts with customers is disaggregated by geographical market:

in EUR thousand	HY1 2020	HY1 2019
Europe	23,974.5	23,873.4
North America	19,577.1	2,949.0
Rest of the world	3,614.0	1,403.8
<b>Total gross revenue</b>	<b>47,165.6</b>	<b>28,226.2</b>

## 7. Cost of Sales

Other operating expenses include the following expenses:

in EUR thousand	HY1 2020	HY1 2019
Marketing spend	16,322.0	9,847.9
Capitalized contract costs	-14,550.7	-8,705.1
Amortized contract costs	13,351.3	8,424.7
Share third parties	11,861.4	8,592.9
Other COS	5,832.5	2,155.9
<b>Total cost of sales</b>	<b>32,816.5</b>	<b>20,316.3</b>

## 8. Personnel expenses

The personnel expenses comprise the following costs:

in EUR thousand	HY1 2020	HY1 2019
Wages and salaries	3,752.6	2,476.8
Pension contributions	19.3	14.0
Social security contributions	373.7	376.2
Share-based payments	1,003.9	34.6
Hired staff and related costs	305.9	587.9
Redundancy costs	33.1	503.3
Other	75.8	58.9
<b>Total personnel expenses</b>	<b>5,564.3</b>	<b>4,051.7</b>

## 9. Depreciation, amortization and impairment expenses

in EUR thousand	HY1 2020	HY1 2019
Internally generated intangible assets and software	55.0	72.5
Licenses	143.7	168.5
<b>Total intangible assets</b>	<b>198.7</b>	<b>241.0</b>
Plant, property and office equipment	37.2	70.1
Right of use assets	117.7	141.8
<b>Total tangible assets</b>	<b>154.9</b>	<b>211.9</b>
Impairment of current assets	30.6	-
<b>Total impairments</b>	<b>30.6</b>	<b>-</b>
<b>Total</b>	<b>384.2</b>	<b>452.9</b>

## 10. Financial income and financial expenses

in EUR thousand	HY1 2020	HY1 2019
Fair value movements on financial liabilities designated as FVTPL	-	-101.2
Interest expenses on bank overdrafts and loans	-130.6	-106.2
Amortization capitalized finance expenses	-91.3	-9.9
Interest expense on lease liabilities	-10.8	-18.9
Exchange results	-25.4	-23.2
Other financial expenses	-76.7	-172.9
<b>Total financial income and financial expenses</b>	<b>-334.8</b>	<b>-432.3</b>

## 11. Corporate income taxes

All deferred taxes on temporary differences were calculated, as in the previous year, on the basis of a combined 31.2% tax rate for Germany, 25% tax rate for The Netherlands, 19% tax rate for the United Kingdom and the applicable tax rate for other foreign jurisdictions. As in the previous year, the recognition of deferred taxes on German tax loss carry forward were based throughout on tax rates of 15.4% for trade tax, and 15.8% for corporation tax and the solidarity surcharge.

## 11.1 Reconciliation of the effective tax rate

In EUR thousand	DE	NL	UK	Other	HYI 2020	HYI 2019
<b>Profit before tax</b>	<b>-1,867.2</b>	<b>5,161.4</b>	<b>2,966.9</b>	<b>-639.4</b>	<b>5,612.7</b>	<b>947.2</b>
Nominal tax rate	31.2%	25.0%	19.0%	28.5%	31.2%	31.2%
<b>Income tax calculated</b>	<b>583.0</b>	<b>-1,290.4</b>	<b>-563.7</b>	<b>199.7</b>	<b>-1,755.4</b>	<b>-295.8</b>
Acquisition costs that are non-deductible	-	-	-	0.8	0.8	-2.3
Expenses share option plan which are non-deductible	-42.4	-	-	-	-42.4	-1.4
Participation exemption	-6.2	-	-	-	-6.2	-
Effects of different tax rates of subsidiaries operating in other jurisdictions					684.0	229.2
Fair value movements related to contingent considerations arrangements from acquisitions	-	-	-	-	-	-31.6
Tax results from previous years	-	15.3	-1.0	-	-135.7	664.1
Non-deductible amortization and depreciation expenses	-	-	-	-19.7	-19.7	-
Other	132.9	-1.0	3.3	-	19.4	-5.2
<b>Income tax expenses in profit or loss account (effective)</b>	<b>401.5</b>	<b>-1,276.1</b>	<b>-561.4</b>	<b>180.8</b>	<b>-1,255.2</b>	<b>557.0</b>
Effective tax rate	21.5%	24.7%	18.9%	28.3%	22.3%	-58.8%

## 12. Goodwill

in EUR thousand	30 Jun 2020
Cost	47,920.2
Accumulated impairment losses	-105.6
<b>Carrying amount goodwill</b>	<b>47,814.6</b>

The movement during the period can be specified as follows:

in EUR thousand	Goodwill
<b>Costs</b>	
<b>31 December</b>	<b>48,219.2</b>
Acquisition through business combination	-
Effect of foreign currency	-299.0
<b>30 June</b>	<b>47,920.2</b>
<b>Accumulated impairment losses</b>	
<b>31 December</b>	<b>-105.6</b>
Acquisition through business combination	-
Effect of foreign currency	-
<b>30 June</b>	<b>-105.6</b>
<b>Carrying amount 31 December</b>	<b>48,113.6</b>
<b>Carrying amount 30 June</b>	<b>47,814.6</b>

### 13. Other Intangible assets

The other intangible assets consist of the following assets as at 30 June 2020:

In EUR thousand	Licenses and trademarks	Internally generated intangible assets	Other intangible assets
Cost	1,142.1	574.4	1,716.5
Accumulated amortization and impairment losses	-788.9	-323.4	-1,112.3
<b>Carrying amount</b>	<b>353.2</b>	<b>251.0</b>	<b>604.2</b>

The following movement occurred during the period related to the other intangible assets:

In EUR thousand	Licenses and trademarks	Internally generated intangible assets	Other intangible assets
<b>Cost</b>			
<b>31 December</b>	<b>1,067.4</b>	<b>538.3</b>	<b>1,605.7</b>
Additions	49.1	38.9	88.0
Disposals	25.2	-	25.2
Effect of currency exchange differences	0.4	-2.8	-2.4
<b>30 June</b>	<b>1,142.1</b>	<b>574.4</b>	<b>1,716.5</b>
<b>Amortization and impairment losses</b>			
<b>31 December</b>	<b>620.7</b>	<b>271.7</b>	<b>892.4</b>
Amortization	143.7	55.0	198.7
Disposals	25.2	-	25.2
Effect of currency exchange differences	-0.7	-3.3	-4.0
<b>30 June</b>	<b>788.9</b>	<b>323.4</b>	<b>1,112.3</b>
<b>Carrying amount 31 December</b>	<b>446.7</b>	<b>266.6</b>	<b>713.3</b>
<b>Carrying amount 30 June</b>	<b>353.2</b>	<b>251.0</b>	<b>604.2</b>

## 14. Property, plant and equipment

The property, plant and equipment consist of the following assets as at 30 June 2020:

In EUR thousand	Property, plant and equipment	Right of use assets	Total
Cost	752.9	1,056.0	1,808.9
Accumulated amortization and impairment losses	-676.2	-585.4	-1,261.6
<b>Carrying amount</b>	<b>76.7</b>	<b>470.6</b>	<b>547.3</b>

The movement of property, plant and equipment during the period can be specified as follows:

In EUR thousand	Property, plant and equipment	Right of use assets	Total
Cost			
<b>31 December</b>	<b>725.4</b>	<b>1,062.2</b>	<b>1,787.6</b>
Additions	26.7	-	26.7
Disposals	-	-	-
Effect of currency exchange differences	0.8	-6.2	-5.4
<b>30 June 2020</b>	<b>752.9</b>	<b>1,056.0</b>	<b>1,808.9</b>
<b>31 December</b>	<b>637.7</b>	<b>472.7</b>	<b>1,110.4</b>
Depreciation	37.2	117.7	154.9
Disposals	0.3	-	0.3
Effect of currency exchange differences	1.0	-5.0	-4.0
<b>30 June 2020</b>	<b>676.2</b>	<b>585.4</b>	<b>1,261.6</b>
<b>Carrying amount 31 December</b>	<b>87.7</b>	<b>589.5</b>	<b>677.2</b>
<b>Carrying amount 30 June</b>	<b>76.7</b>	<b>470.6</b>	<b>547.3</b>

### 14.1 Right of use assets

The right of use asset relates to the rental agreements signed by the Group. The right of use asset is depreciated using the straight-line method and based on the contractual term of the rental agreement. During the period the Group cancelled one floor of the rental agreement related to the Amsterdam office.

## 15. Other financial liabilities

in EUR thousand	30 Jun 2020	31 Dec 2019
<b>Non-current liabilities</b>		
Lease liability	121.0	300.4
Contingent considerations resulting from acquisition	708.7	883.8
	<b>829.7</b>	<b>1,184.2</b>
<b>Current liabilities</b>		
Lease liability	311.8	314.3
Contingent considerations resulting from acquisition	275.0	337.4
Other	-	802.6
	<b>586.8</b>	<b>1,454.3</b>
<b>Total other financial liabilities</b>	<b>1,416.5</b>	<b>2,638.5</b>

### 15.1 Lease liability

A maturity analysis of the lease payments as of reporting date is presented below:

in EUR thousand	30 Jun 2020	31 Dec 2019
Not later than 1 year	311.9	314.3
Later than 1 year and not later than 5 years	121.0	300.4
Later than 5 years	-	-
<b>Total lease payments</b>	<b>432.9</b>	<b>614.7</b>

### 15.2 Contingent considerations and other

The movement during the period fully relates to payments.



## 16. Bank borrowings

in EUR thousand	30 Jun 2020	31 Dec 2019
Credit facility	4,989.9	6,500.0
Borrowing base facility	5,201.0	3,813.0
<b>Total secured bank loans</b>	<b>10,190.9</b>	<b>10,313.0</b>
Capitalized bank financing expenses	-317.9	-376.5
<b>Total bank borrowings</b>	<b>9,873.0</b>	<b>9,936.5</b>

On 21 May 2019 CLIQ Digital AG signed a new financing facility in the amount of EUR 13.5 million and a maturity until 31 March 2022 provided by a consortium consisting of Commerzbank AG and Postbank AG. The overdraft facility provided by Commerzbank AG and Postbank AG in the amount of maximum EUR 13.5 million contains a borrowing base facility and a fixed credit facility.

The borrowing base facility has an interest rate of 3M-Euribor plus 2.15% and the fixed credit facility has an interest of 3M-Euribor plus 2.9% for the year 2019. Depending on certain performance indicators the margin on the borrowing base facility can vary between 2.00% - 2.15% and the margin on the fixed credit facility between 2.65% - 2.90%.

Per 30 June 2020 the total overdraft facility available amounted to EUR 10.2 million (31 Dec 2019: EUR 10.3 million) of which an amount of EUR 10.2 million (31 Dec 2019: EUR 10.3 million) was used. The credit facility is repayable in the following maturity terms:

Bank borrowings in EUR thousand	< 1 year	1-5 years	> 5 years	Total
Credit facility	-	10,190.9	-	10,190.9
<b>Total</b>	-	<b>10,190.9</b>	-	<b>10,190.9</b>

CLIQ Digital AG is obliged to comply with the covenants set out in the loan agreements with Commerzbank. For the first half year of 2020, all covenants are met. In order to secure the credit facility, the CLIQ Digital Group transferred its trade receivables to Commerzbank by way of global assignment.

### 16.1 Capitalized bank financing expenses

The capitalized financing expenses are related to arrangement fees and other expenses which are directly attributable to obtaining the current credit facility. The capitalized financing expenses are released as financial expenses in a straight-line in accordance with the end term of the credit facility.

## 17. Share based payment arrangements

At 30 June 2020, the Group has the following share option and share appreciation right programs which are cash-settled.

in thousand	30 Jun 2020		31 Dec 2019	
	Number of instruments	Recognized liability	Number of instruments	Recognized liability
Stock option plan 2015	118.5	375.7	118.5	93.9
Share appreciation rights 2017	74.0	123.3	74.0	25.0
Stock option plan 2017	144.0	619.3	144.0	200.0
Share appreciation rights 2019	34.6	133.9	34.6	38.5
Share appreciation rights 2020	35.8	109.0	-	-
<b>Total</b>	<b>406.9</b>	<b>1,361.2</b>	<b>371.1</b>	<b>357.4</b>

### 17.1 Share appreciation rights 2020

On 2 January 2020 the Group granted a total of 35,750 share appreciation rights (SARs) to employees that entitle them to a cash payment after 4 years of service. The share appreciation rights expire at the end of a 7 year period after grant date. A precondition for the exercise of the share appreciation rights is that the respective year performance target has been achieved within the four-year waiting period. The year performance target is based on the Group EBITDA in comparison to the Group budgeted EBITDA. The amount of cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

## 17.2 Measurement of fair values

The fair value of the SARs at reporting date is determined using the Black-Scholes model. The fair value of the liability, classified as liability for share based payment arrangements, is measured at each reporting date and at settlement date. The inputs used in the measurement of the fair values at measurement date of the SARs at reporting date were as follows:

Share based payment arrangements	Stock option plan 2015	Share appreciation rights 2017	Stock option plan 2017	Share appreciation rights 2019	Share appreciation rights 2020
Number of options issued	118,500	74,000	144,000	34,600	35,750
Fair value of the option on grant date	1.05	2.52	1.46	0.65	1.02
Exercise price of the option on grant date	1.92	6.84	1.00	2.00	3.02
Share price at measurement date	7.54	7.54	7.54	7.54	7.54
Expected volatility	60.00%	60.00%	60.00%	60.00%	60.00%
Duration of the option	7 years	7 years	7 years	7 years	7 years
Expected dividends	5.00%	5.00%	5.00%	5.00%	5.00%
Risk-free interest rate	0.00%	0.00%	0.00%	0.00%	0.00%
Turnover rate / barrier	0.00%	0.00%	0.00%	0.00%	0.00%

## 18. Commitments and contingencies

As at balance sheet date the Group has no significant commitments for expenditures which have not already been recognized.

## 19. Events after the reporting period

No significant events have occurred after the reporting date, which are of essential importance to the CLIQ Digital Group.

Düsseldorf, 17 August 2020

CLIQ Digital AG

Luc Voncken and Ben Bos

(Executive Management Board)