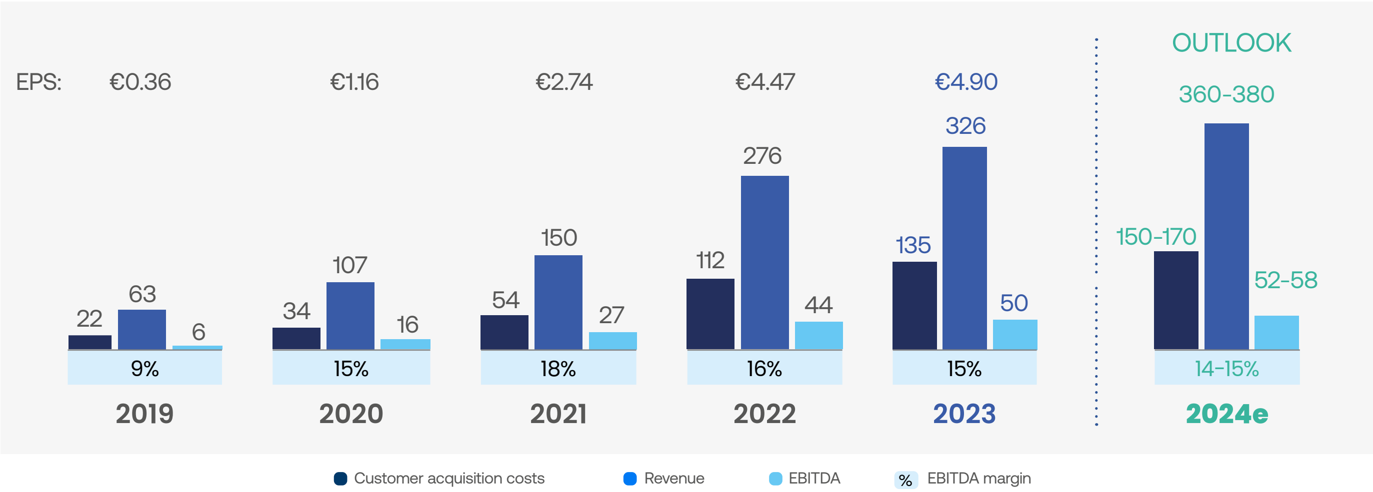
CLIQ DIGITAL

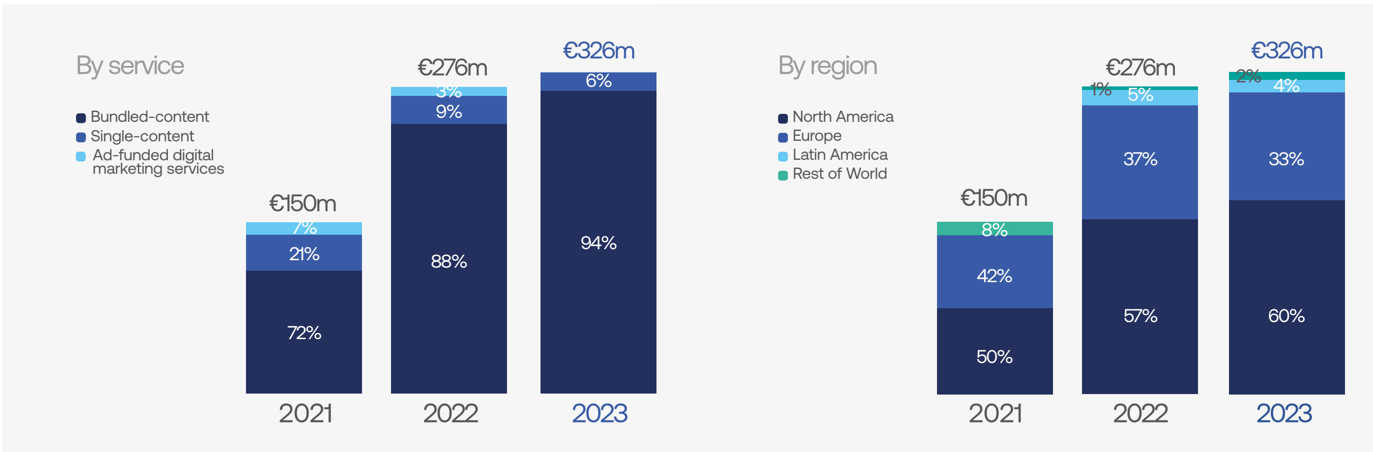
Annual report **2023**

Highlights

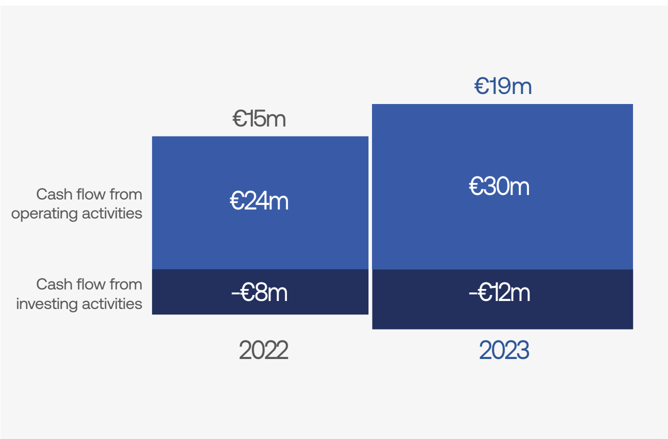
Business development in millions of €



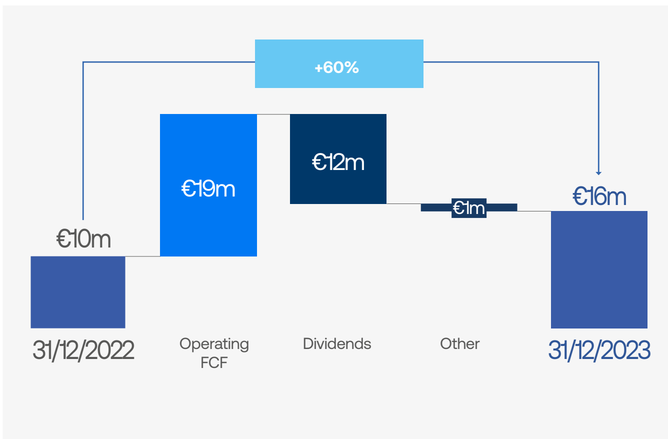
Revenue breakdown (in % of total)



Operating free cash flow



Cash position



Five-year overview

in millions of €

Sales & earnings	2023	2022	2021	2020	2019
Revenue	**326.4**	**276.1**	**150.0**	**107.0**	**63.1**
Customer acquisition costs for the period	125.8	89.8	44.9	32.4	21.23
EBITDA	50.3	43.5	27.2	15.9	5.8
EBITDA margin (in %)	15.4	16.0	18.1	14.9	9.1
EBIT	45.8	42.0	26.3	15.2	4.8
EBIT margin (in %)	14.0	15.0	17.5	14.2	7.6
Basic earnings per share	**4.90**	**4.47**	**2.74**	**1.16**	**0.36**
Diluted earnings per share	4.82	4.45	2.71	1.16	0.35

Cash flow	2023	2022	2021	2020	2019
Cash flow from operating activities	30.3	23.8	20.8	14.8	2.5
Cash flow from investing activities	-11.8	-8.4	-4.8	-0.7	-0.4
Operating free cash flow	**18.6**	**15.4**	**16.0**	**14.1**	**2.1**
Cash flow from financing activities	-12.7	-7.7	-14.6	-3.6	-5.0
Total cash flow	5.8	7.7	1.4	10.5	-2.9

Balance sheet	2023	2022	2021	2020	2019
Equity	102.3	81.3	59.6	55.6	46.7
Total assets	154.4	135.1	96.3	77.0	68.1
Equity ratio (in %)	66.3	59.7	61.9	72.3	68.6
Net financial debt (-)/ net liquidity (+)	**15.7**	**9.9**	**2.3**	**0.9**	**-9.6**

KPIs	2023	2022	2021	2020	2019
Unique paid memberships (in millions per 31/12)	1.2	1.3	0.9	0.6	0.4
Exp. avg. lifetime value of a customer (in €)	85	73	62	50	n/a
Lifetime Value of Customer Base (per 31/12)	164.0	141.0	87.0	50.0	38.0
Total customer acquisition costs	135.4	112.3	54.4	34.2	22.2

Shares	2023	2022	2021	2020	2019
Share price (per 31/12)	19.88	25.20	24.70	16.60	2.90
Number of shares (per 31/12)	6,508,714	6,508,714	6,508,714	6,188,714	6,188,714
Market capitalisation (per 31/12)	129.4	164.0	160.8	102.7	17.9

Human resources	2023	2022	2021	2020	2019
Full-time employees (per 31/12)	147	139	107	71	63
Part-time employees (per 31/12)	23	25	22	12	12
Total employees (per 31/12)	**170**	**164**	**129**	**83**	**75**

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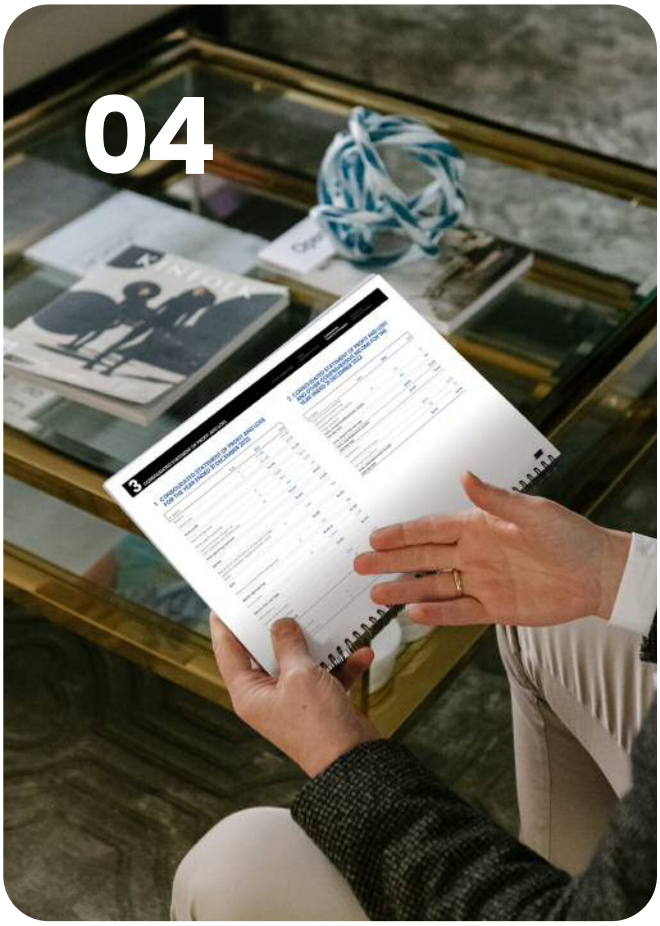

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To our shareholders

Dear shareholders and friends of CLIQ,

2023 was another year of significant growth for our Group and overall, a very profitable one.

In a challenging year, we again made very good progress in strengthening our business and expanding our proven and successful business model to new countries and regions.

We generated record-breaking sales, earnings and cash flow as well as reported a net cash position at the year-end after paying out the highest ever dividend in our Group's history.

Growth

We built upon the strong growth of the prior year – not only financially, but also operationally. We grew our operations creatively and tested exciting new ideas and processes, which promise to create significant value for our business model, corporate culture and our overall Group performance.

We grew our outstanding bundled-content streaming services across all regions and were thus able to increase the lifetime value of our customer base materially.

For 2024, we have set our sights high: we will continue to invest in growth, capture market share and become more relevant to all our stakeholders.

Profitability & cash flow

Sales growth is our priority and once again, our top line growth outperformed comfortably that of the global digital media market growth (14.8% according to Statista estimates). However, our focus is on profitability as well as cash flow generation.

In 2023, the Group's cash flow generation was remarkable and operating free cash flow in the full year was up year-on-year by €3 million to €19 million.

EBITDA in 2023 was up 16% against prior year to €50 million – the highest amount ever generated by the Group. Bottom line, the profit for the year was also record-breaking and came in at €32 million and 10% above prior year's level.

Capital return strategy

Rather than distribute a dividend this year, we have decided to initiate a share buyback programme, which is aimed to boost shareholder value and can be more tax-efficient for some of our shareholders. From our perspective, we see this buyback as a vote of confidence in the Group's future prospects. As part of our capital return strategy, we will decide on a yearly basis to what extent and how capital will be returned to our shareholders in the coming years.

Milestones

In 2023, we reached various operational milestones:

Content:
We further introduced higher quality and more diverse content with a pronounced focus on individual market specifics and different cultural tastes.

cliq.de:
At our flagship bundled-content streaming service we have seen that the different content categories have been well received and that our members recognise the advantage of cliq.de's all-in-one solution. During the six-month test phase, in which a total of ten different traffic sources were tested and optimised, we were able to acquire a five-digit number of new members.

Sustainability:
We kicked off our Group-wide sustainability project to build a consistent and transparent sustainability reporting system, which will meet the legal requirements of our stakeholders.

Strategy update:
In November, the Management Board presented its seven strategic growth drivers going forward with a clear focus on extending our marketing outreach and optimising conversions for both our numerous streaming services and for our flagship service: in addition to our existing display adverts, we will increasingly target and acquire new members via search engines, affiliate and B2B partners, video channels, email as well as social media. We will also enter into new markets, use more content hookups and offer more customer payment options.

Outlook

In 2024, we will continue to focus steadfastly on conversions and increase our content offerings, which are key to attracting new members and play a major role in increasing customer loyalty. We will also further expand our business into new and exciting geographies.

Hence, we expect in 2024 Group sales to come in between €360 and €380 million and EBITDA to range between €52 and €58 million after incurring between €150 and €170 million in customer acquisition costs.

Our new mid-term Group sales target is to achieve a run rate during the fourth quarter of 2025 to realise an annual revenue of more than €500 million going forward.

Our outlook is based on the assumption of stable exchange rates and no further adjustments to the portfolio.

Acknowledgment

None of this would be possible without the tireless efforts of our employees. We are working with an amazing team of passionate and engaged experts. Together, we will achieve the targets we have set ourselves by doing what we do best – converting eyeballs into paid memberships! Dear shareholders and friends of CLIQ, we sincerely thank you for your support.

Yours truly,

Luc & Ben

Management Board

Luc Voncken (*1970)

CEO

Areas of responsibility

Communications, Human Resources, Licencing, Marketing, Operations

Profile

Luc has been CEO of CLIQ Digital AG since 20 November 2012 and has been appointed to that position until 31 May 2024. Luc has over 20 years' experience in digital media. During his early career, he held a number of senior management positions with ING Bank and ABN AMRO Bank. In 2000, he started his first company which developed a game that could be played on the Internet as well as on mobile phones. He was shareholder of Golden Bytes (aggregator of mobile connectivity and market leader in The Netherlands) and initiated the first SMS TV voting for the Big Brother show in The Netherlands. In 2003, Luc co-founded Blinck International B.V. and held the position of CEO. In 2010, Blinck merged with TMG into CLIQ B.V. where Luc held the position of non-executive Board member. In 2012, CLIQ B.V. merged with Bob Mobile AG to form CLIQ Digital AG. Luc's strength is his power to innovate combined with operational excellence. Luc has a Master of Science in Business Economics (Amsterdam, The Netherlands).

Ben Bos (*1962)

Member of the Management Board

Areas of responsibility

Capital Markets, Corporate Development, Finance, Legal, M&A

Profile

Ben was appointed member of the Management Board of CLIQ Digital AG on 11 July 2014. His current appointment as a member of the Management Board runs until 31 May 2024. From 1993 to 1997, Ben held several positions at Arcade Entertainment B.V. (amongst others interim managing director of its German subsidiary). Arcade operated in the music, television and movie industries. From 1997 to 2000, he was managing director of ID & T Entertainment B.V., a privately-owned company in the music industry, and organising dance parties for 10k+ music fans. As of 2000, Ben worked as an independent corporate finance advisor with a particular focus on M&A and restructuring until he joined CLIQ Digital AG. During this time, he (amongst others) structured the merger of two predecessors of CLIQ Digital AG.

Supervisory Board

Dr Mathias Schlichting

Chairman

Dr Mathias Schlichting is Chairman of the Supervisory Board of CLIQ Digital AG since 30 August 2013. He was appointed as Member of the Supervisory Board at the company on 14 June 2013. Born in Lübeck, he took his A-levels there (Abitur) and then moved to Hamburg to study law and graduate (Dissertation) at Hamburg University. In a next step, he travelled to South Africa (Durban) to complete his Master of Laws (LL.M.). Since 1986, he is working as a lawyer in Hamburg – his home of choice – in the fields of corporate law, restructuring and insolvency law. In former times, he also worked as an insolvency administrator. His aspiration is the solving of problems as a (certified) mediator. Currently, he is partner at LPJ Bantelmann & Reimann (Hamburg) – lawyers and tax accountants. CLIQ Digital AG is currently his only supervisory board mandate.

Karel Tempelaar

Karel Tempelaar has been a member of the Supervisory Board of CLIQ Digital AG since 16 February 2012. Karel has over 20 years' experience in the technology, media and telecom sector. During his early career he held an account management position with ABN AMRO Bank. In 2000 he started his first company which developed a game that could be played on the Internet as well as on the mobile phone. He was shareholder of Golden Bytes (aggregator of mobile connectivity, market leader in The Netherlands) and initiated the first SMS TV voting with Big Brother in The Netherlands. In 2003 Karel co-founded Blinck International B.V. and held the position of CFO. In 2010 Blinck merged with TMG into CLIQ BV where Karel held the position of non-executive Board member. In February 2012 CLIQ B.V. merged with Bob Mobile AG to form CLIQ Digital AG. Karel holds a Master of Science in General Economics as well as an International Master in Business Administration.

Nathalie Lam

Nathalie Lam has been a member of the Supervisory Board of CLIQ Digital AG since 6 April 2023. Nathalie is currently the Global Head of Sponsorship as well as Lead Inclusion and Diversity marketing transformation at Philips in Amsterdam. Nathalie has led brand marketing, sponsorship and inclusion & diversity communication programmes for numerous companies such as Red Bull, Heineken, Philips, KLM, Transavia, Rijksmuseum, SNS bank as well as for several broadcasters. Next to her brand role, she is leading a programme to enhance the Philips marketing representation by making the 360 communication touchpoints more diverse and inclusive. Nathalie has won multiple global awards with the campaigns she led: 2 Cannes Lions, 2 WOMMY, SAN, WPP and the Gold SponsorRing Award. She is listed amongst "The Colourful 50" (http://www.dekleurrijke50.nl/), a list of 50 people of colour, who have impact in the global marketing industry and ranks 43rd on the list of the 100 most impactful marketers in The Netherlands.

Report of the Supervisory Board

Dear shareholders,

With this Supervisory Board Report, we would like to inform you about the activities of the Supervisory Board in the financial year 2023 and the results of the audit of the annual and financial statements 2023.

During the past reporting year 2023, the Supervisory Board thoroughly fulfilled the tasks incumbent to the law, the Company's articles of incorporation, and its rules of business procedure. The Supervisory Board continuously supervised the Management Board and monitored the conduct of the Company's business by the Management Board on a regular basis with the aid of detailed written and oral reports received from the Management Board. Furthermore, the Supervisory Board advised the Management Board on the strategic orientation and management of the Company. The Chairman of the Supervisory Board maintained a constant exchange of information with the Management Board. In this way the Supervisory Board was involved timely in all decisions that were of fundamental importance for the Group.

Focal points of the work of the Supervisory Board

The Supervisory Board convened a total of six times in 2023. The Supervisory Board was informed regularly by the Management Board about the state and development of the Company's business and the situation in the Group, as well as about important business transactions. The mandatory reporting requirements pursuant to Section 90 of the German Stock Corporation Act (AktG) were complied with in this context. The regular meetings in 2023 were held on 20 February, 6 April, 1 May, 13 July, 18 October and 15 December. The average attendance rate at the meetings of the Supervisory Board held in 2023 was 100 per cent.

At the six regular meetings, the Supervisory Board conducted in depth discussions on the reports from the Management Board members, and discussed commonly the Company's position, revenue and earnings trends, as well as the financial position of the CLIQ Digital Group. Deviations from the plans and targets were explained by the Management Board and approved by the Supervisory Board. In the 2023 financial year, the following significant items were discussed and approved during the regular Supervisory Board meetings:

- Business planning, budget and Group strategy
- Quarterly- and half-year figures
- Financial status and (re-)financing of the Group
- Approval and adoption of the standalone financial statements 2022
- Approval of the consolidated financial statements 2022
- Approval of the proposal for profit appropriation for the year 2022 (€1.79 dividend per share)
- Remuneration of the Management Board
- Approval relating to a restructuring within the Group, aimed to simplify the Group structure
- Approval of incorporation of a new group entity in the United Kingdom for Media Buy/marketing activities
- Approvals of dissolutions of dormant or otherwise redundant group entities
- Approval of the convocation of the Annual General Meeting as a physical meeting
- Reflection on the 2023 Annual General Meeting of CLIQ Digital AG.

In addition, the Supervisory Board discussed and adopted resolutions outside of the regular Supervisory Board meetings regarding the termination of the financing facility provided by the consortium of Commerzbank AG and Deutsche Bank AG, and entering into an overdraft facility with HSBC for an amount of €15.0 million at improved terms and conditions.

At all Supervisory Board meetings, the members were present in the minimum number required for passing Supervisory Board resolutions pursuant to the articles of incorporation. As a consequence, at all times the Supervisory Board was able to act and take decisions and to comply with the duties incumbent upon it according to the articles of incorporation and the law. Additionally, outside the scope of these Supervisory Board meetings, a regular and trusting dialogue between the Management and Supervisory Board occurred over the course of 2023, mostly by telephone conference calls. The Management Board has complied with its obligations arising by law and the rules of business procedure and provided the Supervisory Board or its Chairman regularly, in detail and promptly in both written and verbal form about all measures and events of relevance for the Company. As a consequence, the Supervisory Board was constantly informed about the Company's business position and business trends, its intended business policy, short- and medium-term business planning, including investment, financial and personnel planning, as well as about the Company's profitability, organisational measures, and the Group's overall position. A regular flow of information about the Company's risk position and risk management was also part of the regular exchanges. Due to the structure and size of the Company, the Supervisory Board formed no committees in 2023.

Personnel matters and composition of the Supervisory Board

The Supervisory Board of CLIQ Digital AG consists of Dr Mathias Schlichting (Chairman), Karel Tempelaar and Nathalie Lam. Following the appointment of Nathalie Lam by the local court (Amtsgericht) of Düsseldorf in the previous financial year, her election was approved by the Annual General Meeting, which was held on 6 April 2023.

Approval of single-entity and consolidated financial statements for 2023

The single-entity and consolidated financial statements as of 31 December 2023, as well as the Group management report for the 2023 financial year were prepared by the Management Board and audited by the independent auditor Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (Certified Accounting Firm), who was appointed by the Annual General Meeting. Both reports received an unqualified audit opinion.

At the Supervisory Board's meeting held on 20 February 2024, the Management Board explained and the Supervisory Board examined the single-entity and consolidated financial statements as of 31 December 2023 as well as the Group management report for the 2023 financial year and the Management Board's proposal for the appropriation of retained earnings, taking into account the audit reports that were prepared by the auditor, and which were dispatched to the Supervisory Board members before the meeting. At this Supervisory Board's meeting, the auditor reported on the key results and wprinciples of its audit, and that, following its audit, there were no significant weaknesses to the internal controlling and risk management system. The Supervisory Board then passed the following unanimous decisions at its meeting on 20 February 2024: The single-entity financial statements as of 31 December 2023 as well as the consolidated financial statements as of 31 December 2023 were approved, and as a consequence the single entity financial statements of CLIQ Digital AG were hereby, pursuant to Section 172 of the German Stock Corporation Act (AktG), adopted. The Supervisory Board agreed with the Management Board's proposal to not pay a dividend to the shareholders for the financial year 2023 and to carry forward the Company's retained earnings of full net profit for the financial year.

Thanks and recognition

The Supervisory Board thanks the Management Board as well as all employees for their dedication and good work in 2023. The Supervisory Board would also like to thank the shareholders for their trust and support in CLIQ Digital.

Düsseldorf, 20 February 2024

For the Supervisory Board

Dr Mathias Schlichting

Chairman

Dedication, Creativity & Simplicity. Going for joint success!

Ben Bos

Investor Information

Capital markets

In 2023, the financial markets were influenced by a large number of factors. These included important economic and inflation data, the suspension of the US debt ceiling, turbulence in the banking sector, the ongoing war in Ukraine and the flare-up of the Israel conflict as well as the rapid interest rate hikes by the world's leading central banks.

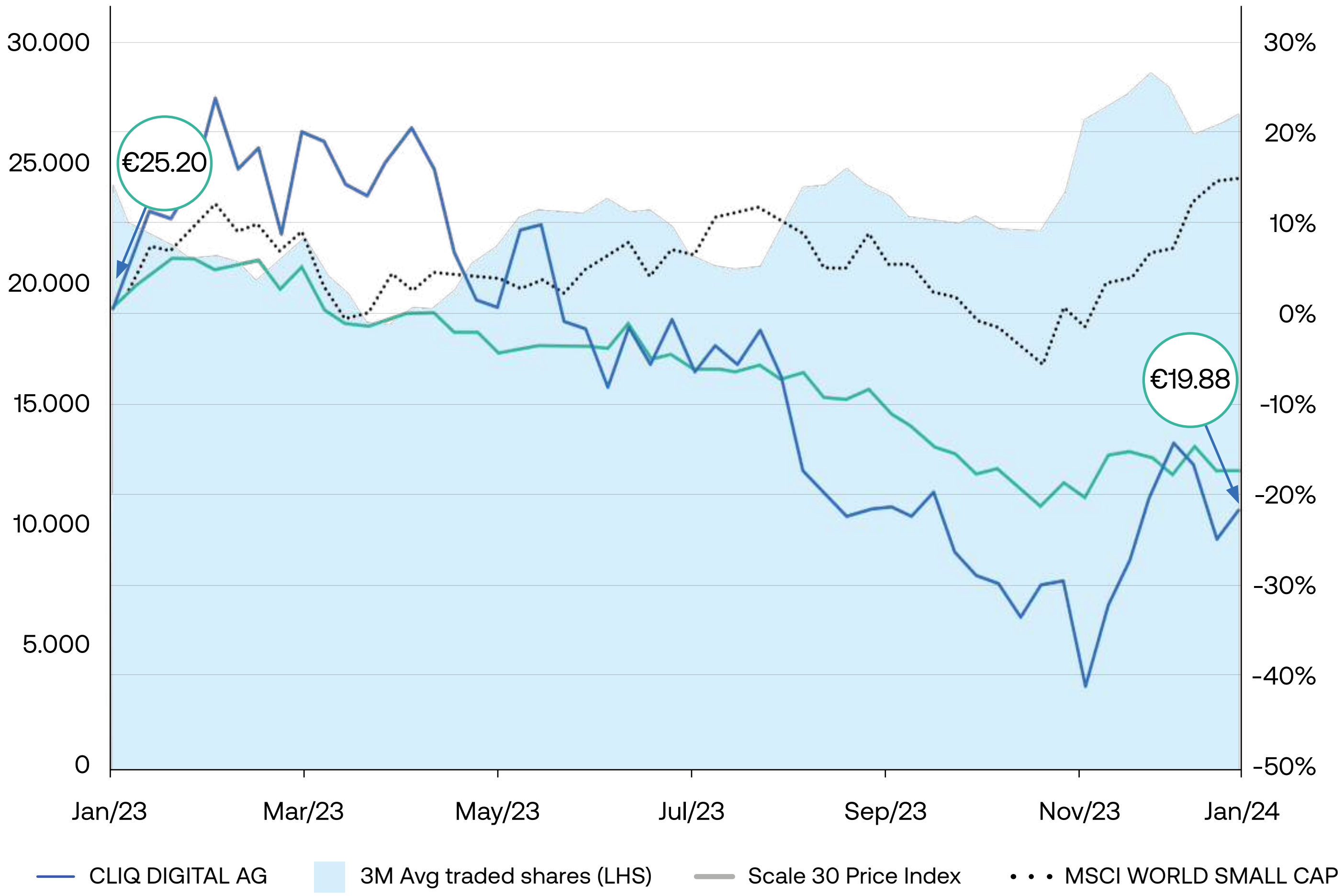
Consequently, many German stocks saw a significant outflow of liquidity compared to previous years, as many investors once again increasingly allocated their funds to fixed-interest investments, despite a frequently positive price performance. Small- and mid-caps in particular suffered from this development, as the target group of potential investors often became smaller.

In addition, in times of crisis the focus is often more on large companies - if at all. Over the past two years, the share prices of European large caps have outperformed those of small- and mid-caps, which is contrary to the performance of the last ten years. In 2023, many large-cap indices were trading at or close to their all-time highs – in stark contrast to the small and mid-cap indices and underscoring an historic undervaluation. Micro-cap stocks have been under particularly huge pressure and their valuations were at levels not seen since the global financial crisis.

Share price performance

Accordingly, CLIQ Digital's share price development in 2023 (-21%) was weaker than the development of the benchmark indices, namely Scale 30 Index (-17%), Scale All Share Index (-5%), and underperformed the MSCI World Small Cap Index (+15%) as well as SDAX (+17%) and TecDAX (+14%).

CLIQ Digital shares are constituents of both the Scale 30 Performance Index and the MSCI World Micro Cap Index.



At the beginning of the year, the CLIQ share price rose from €25.20 to a high of €31.95 on 20 February. The share price then retreated to €13.04 on 9 November and subsequently recovered, closing at €19.88 on 29 December: 21.11% lower year-on-year, which also included the €1.79 dividend per share paid in April.

Trading volume

In 2023, CLIQ shares traded in the SME segment Scale with a turnover of €138 million (PY: €176 million), of which €102 million were traded on Xetra and in Frankfurt (PY: €132 million) – which was nearly five times higher than the Scale All Share average, making CLIQ's trading turnover in 2023 to be the third highest overall.

Also in absolute terms, CLIQ's trading volume ranked fifth amongst the 47 Scale All Share constituents. The average daily trading volume of the CLIQ Digital shares across all relevant German stock exchanges amounted to 24,096 shares and was 17% lower compared to the previous year (PY: 29,178).

CLIQ Digital shares are listed in the Scale segment. Scale is the Deutsche Börse's segment for small and midsized companies offering access to investors and efficient equity financing. It is a formally registered SME Growth Market according to EU standards. This segment of the Open Market serves as an alternative to the EU-regulated segments General and Prime Standard.

CLIQ Digital share data

	2023	2022	2021
Number of shares	6,508,714	6,508,714	6,508,714
Year-end price[1]	€19.88	€25.20	€24.70
Market capitalisation (31/12)	€129.4m	€164.0m	€160.8m
52W High[1]	€31.95	€32.70	€41.30
52W Low[1]	€13.04	€16.82	€15.20
Average daily trading volume	24,096	29,178	63,980
Earnings per share (basic)	€4.90	€4.47	€2.74
Dividend per share	€0.00[2]	€1.79	€1.10
Dividend yield based on year-end price[1]	n/a	7.1%	4.5%
Total dividend paid	€0.0m	€11.6m	€7.2m

10-year total shareholder return

An investment in CLIQ at €2.93 at the end of 2013 would have resulted in a price gain of 579% by the end of 2023. Whereby the reinvestment of the dividend payouts (without interest) would have further resulted in a gain of 702%.

Best German growth stock

In July, CLIQ was ranked number one in BÖRSE ONLINE's list of "Germany's true growth stocks" and was described as a "new star in the growth firmament". CLIQ was ranked ahead of the DAX company Infineon (2nd place) and MDAX constituent Puma (3rd place). At the same time, CLIQ Digital was included in BÖRSE ONLINE's growth stocks Wikifolio. Since 2004, BÖRSE ONLINE publishes every year the list of the 30 listed companies in Germany with the highest average earnings growth.

"The new front-runner started out as an online gaming provider and over time transformed itself into a force to be reckoned with in the streaming market. CLIQ Digital has increased profits by an average of almost 50 percent over the past eight years. Earnings per share increased more than tenfold between 2015 and 2022."

Capital return

The Management Board and the Supervisory Board are proposing to the Annual General Meeting on 4 April 2024 not to distribute a dividend for 2023 as CLIQ has initiated a share buyback programme with a volume of up to €13 million. As part of its capital return strategy, CLIQ Digital will decide on a yearly basis to what extent and how capital will be returned to its shareholders in the coming years.

1 Xetra closing price
2 Proposal to the Annual General Meeting on 4 April 2024

Share buyback programme

The share buyback programme is based on the authorisation of the Annual General Meeting of 14 April 2022 which allows the acquisition of up to 646,871 shares of CLIQ.

The buyback is effected via the stock exchange in Xetra trading of Deutsche Börse AG.

The buyback will be exercised independently and without the influence of CLIQ Digital by an investment bank commissioned by CLIQ Digital, which shall make its decisions on the timing and amount of the individual order placements.

Analysts' recommendations

Six analysts from domestic and foreign investment banks and brokerage firms publish studies on CLIQ Digital on a regular basis. Of the analyst recommendations published as at the end of 2023, five were positive and one does not issue a rating. At the 2023 year-end close, the median target price was €76.65 (31/12/2022: €70.00), whereby the highest share price target was €86.00 (31/12/2022: €80.00), and the lowest estimate was €62.00 (31/12/2022: €26.50).

As at 31 December 2023:

Rating	Broker	Analyst	Target price / Fair value (FV)	Target market cap / FV market cap
BUY	NuWays	Marie-Thérèse Grübner	€78.30	€510m
	montega	Nils Scharwächter	€75.00	€488m
	Pareto	Mark Josefson	€71.00	€462m
	QUIRIN PRIVATBANK	Ralf Marinoni	€80.00	€521m
	Warburg Research	Felix Ellmann	€86.00	€560m
n/a	EDISON	Fiona Orford-Williams	€62.00	€404m
	MEDIAN		**€76.65**	**€499m**

Registered shares

As of 21 September, the entire share capital was converted from bearer shares to registered shares and the new ISIN DE000A35JS40 (previously: DE000A0HHJR3) and the new WKN A35JS4 (previously: A0HHJR) became valid.

Per 31 December 2023, CLIQ registered 7,436 shareholders in total, of which the majority was located in Germany and owned 57% of the share capital.

Nationality:	No. of shareholders:	Shareholdings:
Germany	7,221	57%
Europe (ex Germany)	161	39%
U.K.	13	3%
U.S.A.	16	1%
Americas (ex U.S.A.)	3	<1%
Asia	11	<1%
Africa	11	<1%
Total	**7,436**	**100%**

► Further information on the conversion to registered shares can be found **here.**

Ownership structure

As at 31 December 2023, members of the Management Board and the Supervisory Board jointly held approximately 9% of the voting rights.

CLIQ Digital has around 91% free float as defined by Deutsche Börse, the operator of the Frankfurt Stock Exchange, which was held by a number of national and international investors. Internationally they are mainly held by investors from continental Europe, the United Kingdom and North America.

The free float, as defined by Deutsche Börse, includes all shares that are not held by principal shareholders (share of share capital of more than 5%), i.e. that can be acquired and traded by the general public. The higher the free float, the higher the tradability of a share as a rule.

NB. According to the German Stock Corporation Act (Section 20: Notification obligations), as soon as more than one quarter of the shares in a stock corporation having its seat in Germany belongs to an enterprise, said enterprise is to notify the company of this fact without undue delay and in writing.

Investor relations activities

In 2023, CLIQ Digital conducted four non-deal-related roadshows (PY: six) and presented at 20 investment conferences (PY: 21), which provided a broad range of national and international investors access to the Group's management.

2 Feb	Warburg, SmallCap Selection conference, Frankfurt am Main
8 Feb	Montega, Hamburg Investor Day (HIT), Hamburg
9 Feb	CF&B, MidCap event, Frankfurt am Main
10 Feb	Dr Kalliwoda, Warsaw conference, virtual
8 Mar	Prior conference, Frankfurt am Main
28 Mar	Jefferies, Pan-Euro Mid-Cap Conference, London
31 Mar	CF&B, SmallCap event, Paris
9-11 May	CF&B, Canada MidCap event, virtual
16 May	German Spring Conference 2023, Frankfurt am Main
31 May	Quirin, Champions Conference 2023, Frankfurt am Main
5 Jun	Dr Kalliwoda, Capital Markets cConference, Warsaw
7 Jun	Investor Access event, virtual
5 Aug	Stüfe, Riverboat Cruise, Heidelberg
16-17 Aug	Sidoti, Micro Cap Conference, virtual
4-5 Sep	German Fall Conference 2023, Frankfurt am Main
8-9 Sep	Rüttnauer Research, IR-Event, Minden
18 Sep	Berenberg and Goldman Sachs, German Corporate Conference, Munich
10 Oct	Investor Access event, Paris
11 Oct	Prior Conference, Frankfurt am Main
17 Nov	Analysts' Teach-in, Amsterdam
28-29 Nov	Deutsches Eigenkapitalforum, Frankfurt am Main

In addition to the investment conferences, CLIQ also met with U.S. investors at an Edison-brokered virtual two-day roadshow in November and also with Italian and Swiss investors during a roadshow in Milan and Lugano organised by Dr Kalliwoda in September.

Analysts' teach-in

On 17 November 2023, CLIQ conducted its first-ever Capital Markets Day for financial analysts in Amsterdam. The objective was to explain the Group's business model in more detail, showcase its competitive advantages and expertise as well as communicate the Group's long-term strategy and growth prospects. The presentations were conducted by the Management Board and various senior management team members and the overall feedback was very positive.

Annual General Meeting

The 2023 Annual General Meeting of CLIQ Digital AG was held in person in Düsseldorf on 6 April and approximately 34% of the total voting share capital was present (PY: 35%).

The Annual General Meeting passed all resolutions in accordance with the proposals of the administration. In particular, the shareholders approved the proposed dividend distribution of €1.79 (PY: €1.10) per share and the conversion from bearer to registered shares. Furthermore, the authorisation to hold virtual general meetings was resolved, and the election of Nathalie Lam to the Supervisory Board as well as the actions in 2023 of the Management and Supervisory Boards were formally approved.

Sustainability

In its ongoing commitment to sustainability, the CLIQ Digital Group continues to progress in its Environmental, Social, and Governance (ESG) initiatives. The Group recognises the importance of proactive engagement in sustainable practices and is dedicated to transparently reporting its progress.

The CLIQ Digital Group meets the required criteria for compliance with the European Union's Corporate Sustainability Reporting Directive (CSRD). The CSRD utilises the European Sustainability Reporting Standard (ESRS) framework to structure and set the disclosure requirements for reporting on non-financial information. CLIQ is required to comply with the reporting requirements as of 2026 on 2025 data and has taken active initiatives and steps to ensure compliant reporting.

Strategy

The CLIQ Digital Group has made significant progress in the past year in advancing its sustainability strategy, focusing on key actions to propel its commitment forward. CLIQ's Management Board has taken ownership and ultimate decision-making for driving stakeholder engagement and sustainability compliance. This ensures that sustainability is not only considered but is also deemed of relative importance alongside existing business strategies.

During the year, the Management Board and a senior management team have considered material sustainability risks and opportunities, sustainability indicators linked to these critical aspects whilst recognising the importance of stakeholder interests. The Group continues to take account of and deal fairly with the needs of its workforce, investors, customers and suppliers amongst others. CLIQ's commitment to diversity, inclusion, and ethical conduct remains unwavering, with ongoing efforts to strengthen supplier relationships and promote a positive corporate culture.

Roadmap to CRSD Compliance

In 2023, CLIQ embarked on a collaborative effort with a specialised consultancy firm, solidifying its commitment to the sustainability journey. Building upon previous commitments, the Group initiated several key initiatives:

Gap Analysis: The Gap Analysis Report will provide a strategic analysis of CLIQ's current sustainability efforts, ambitions and focal areas, as well as strategic roadmaps towards CSRD compliance in 2026 and a more advanced sustainability strategy in 2030 and beyond.

Double Materiality Assessment: A double materiality assessment is ongoing and the process will identify the most important environmental, social and governance topics. This will assess how the CLIQ Digital Group impacts people and the environment and how social and environmental issues create financial risks and opportunities for the company. The outcomes will be important in shaping the Group's forward-looking strategy, objectives and reporting in the coming years.

Carbon Footprint Assessment (CFA) & Scope 3 Screening: The CLIQ Digital Group conducted an assessment of its direct greenhouse gas emissions (scopes 1 & 2) in line with the Greenhouse Gas (GHG) Protocol and the ISO 14064 standard. This project also included a scope 3 screening to help CLIQ identify indirect emissions upstream and downstream in the company's value chain. The outcomes of this work will be relevant to develop an action plan towards the Group's goal of net zero greenhouse gas emissions.

Sustainability Management System Implementation: As part of the gap analysis project, CLIQ will conduct an analysis of CLIQ's existing sustainability practices and management systems to identify areas of improvement to be implemented in the following periods. CLIQ is working on collecting relevant data and implementing processes to ensure that its ready to report in 2026 over 2025 data.

In 2024, CLIQ will finalise the initiatives launched in 2023, elevating its sustainability journey by defining specific sustainability targets and preparing the first internal sustainability report in accordance with GRI standards. This proactive approach will provide valuable insights into reporting requirements and allow the Group to address any significant shortcomings promptly.

Additionally, CLIQ will conduct an audit readiness assessment to ensure that its reporting processes are robust and compliant with CRSD regulations. This assessment will involve a thorough review of the data collection, verification, and reporting mechanisms to identify any areas requiring improvement.

Into 2025, CLIQ will take initial steps towards implementing software solutions tailored to its long-term sustainability reporting needs. These steps are essential to ensure the integrity and accuracy of the sustainability reporting over the long term, reinforcing the Group's commitment to transparency and accountability in line with regulatory requirements.

Commitment

As CLIQ continues to navigate the evolving landscape of sustainability, the Group remains committed to fostering positive change within its organisation and beyond. By embracing transparency, accountability, and innovation, the CLIQ Digital Group is confident in its ability to create lasting value for its stakeholders while safeguarding the planet for future generations.

Investment case

01 Growth company with a proven successful and profitable business model

Experienced team of industry professionals in streaming services and online advertising

03 Strong track record with own online advertising team and creating all-in-one streaming services

Highly scalable and resilient business addressing a fast-growing mass market globally

05 Uniquely positioned as an all-in-one streaming service with a clear competitive advantages

Proprietary marketing and business know-how based on in-house data intelligence systems

07 Solid balance sheet, debt-free and a strong positive cash flow, enabling the company to have an attractive capital return strategy

02

Contents

group management report

1 Fundamental information about the group

1.1 Group Profile

The CLIQ Digital Group (hereafter, "the Group" or "CLIQ") is a leading online performance marketing company selling subscription-based streaming services that primarily bundle movies & series, music, audiobooks, sports and games to online consumers globally.

The Group's principal focus and aim is to increase the number of profitable conversions, i.e. new customer acquisitions, via online marketing. Whereby, CLIQ develops appropriate marketing tools to convert online consumers into paying members and thus monetises various traffic sources.

The CLIQ Digital Group operates in over 40 countries and employed 170 staff from 40 different nationalities as at 31 December 2023. The Group is headquartered in Düsseldorf and has offices in Amsterdam, Paris, London and Toronto.

1.2 Business Model

The Group licences streaming content from partners across multiple categories, bundles it and sells the content through numerous content streaming services by sparking interest via online advertising and responding to the immediate desires of the consumer.

Licensing

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

At CLIQ

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

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.

The Group has a long and successful corporate history in, on the one hand, online advertising (by creating campaigns directed towards specific consumer groups), and on the other hand, in creating streaming services for the mass market. The Group's online advertising expertise enables it to achieve an above-market standard conversion rate. As well as its experience related to content streaming services, the Group's knowledge base is key and a core competency of CLIQ.

At the year-end close, the Group's subscription-based content streaming services offered two types of service:

1) bundled-content services such as 'cliq.de' and 'vimovigo.com'
2) single-content services such as 'screamstream.com' and 'hoerbie.com'

The bundled-content streaming services offer a wide-ranging entertainment package, including movies & series, music, audiobooks, games and sports content for the whole family, whereas the single-content streaming services target specific, niche audiences, for example audiobooks and music content specifically for kids, or scary movie content for horror fans.

New members are targeted via online advertising campaigns and can subscribe online to numerous dynamically priced streaming services. Payment for these services is concluded by different payment means, predominantly credit card payments.

The online marketing campaigns are driven by the Group's proprietary business intelligence gathered over many years, which provides in-depth target customer behaviour insight and focuses on achieving profitable conversion rates.

The media buying for these campaigns is primarily conducted by CLIQ's own direct media buying team, but also to a lesser extent by affiliate partners.

Most of the entertainment content sold is licensed and not owned nor self-produced by the Group, which also enables the Group to charge competitive prices to its members. Providing customer satisfaction and a good entertainment experience rank high in the Group.

1.3 Group Structure

The parent company of the CLIQ Digital Group is CLIQ Digital AG located in Düsseldorf, Germany. The shares of CLIQ Digital AG are listed in the Scale market segment of the Frankfurt Stock Exchange (ISIN DE000A35JS40) and CLIQ Digital AG is a constituent of the Scale30, Scale All Share and MSCI World Micro Cap indices.

Corporate restructuring project

As part of the corporate restructuring project started in the fourth quarter of 2022, the dormant companies Vipmob B.V., Guerilla Mobile Asia Pacific Pte. Ltd and TMG Singapore PTE Ltd. have been liquidated during 2023. During the financial year, Hype Ventures B.V. merged with CLIQ Holding B.V.

The Group continues to simplify and streamline the Group structure and expects to wind-down Netacy Inc., Moonlight Mobile Ltd and TMG Americas Inc. during 2024, as well as to merger Claus Mobi GmbH into Rheinkraft Productions GmbH.

Other Group structure changes

On 31 March 2023, Booster Media Ltd was incorporated. The principal business activity of the company is sales and marketing of digital services.

All of the above companies contributed limited to no business activities during the reporting period and therefore the changes had no significant impact on the financial assets and/or results for the year.

1.4 Group Strategy

At CLIQ, we are first and foremost marketers – global performance marketers to be precise. We spark the interest of consumers around the world with our marketing campaigns and our ad banners. Our focus is always on converting eyeballs into paid and profitable memberships.

Our content streaming services cater to our members' needs by providing them with entertainment variety across multiple content categories in one simple membership and keep them entertained.

CLIQ Digital Group's corporate strategy focuses on creating additional value for its stakeholders with the objective to increase the value of the Group sustainably.

The Group develops innovative content streaming services to address the digital entertainment needs of the mass market in its operating countries. The Group drives the operational performance of its business by advertising its streaming services directly to consumers and by optimising the content allocation to global as well as regional demands.

Customer strategy

The CLIQ Digital Group utilises direct-to-consumer (D2C) selling channels for its streaming services. This Group-wide customer strategy endeavours to foster better customer relationships by providing a smooth and consistent user experience – both technically and content-wise – across all channels.

One of the Group's aims is to increase customer retention and operates its content strategy to achieve more valuable and lasting relationships with its customers. All subscription-based streaming services offered include a free trial period as well as a no-nonsense cancellation policy. The Group operates an expert customer service team with email and telephone helplines to provide an experience that keeps members more engaged and promotes longer term loyalty.

Furthermore, the company is strategically focused on acquiring new bundled-content members with a projected higher average lifetime value, which is instrumental in generating higher revenues and maintaining healthy profit margins.

The Group is closely monitoring market developments for online advertising platforms, especially with regard to new channels and platforms. Besides Google Display, the Group will acquire new customers in 2024 by focusing on additional traffic sources via Search Engine Adverting (SEA), video channels, email marketing, social media platforms, affiliation as well as B2B partnerships.

Services strategy

The Group owns and operates numerous dynamically priced streaming services in all operating countries. These services provide both single- and bundled-content streaming entertainment services. The bundled-content streaming services constitute by far the majority of the Group's sales.

In addition, a flagship streaming content service was tested in 2023 in Germany on 'cliq.de'. This most-advanced bundled-content streaming service offers new features and localised content as well as a fixed price of €6.99 and native apps (mobile and TV). After testing the conversion rates of ten different traffic sources, it was decided to focus the flagship service's marketing going forward on B2B partnerships, affiliation, social media platforms and email marketing, which generated the biggest and most efficient reach to find new customers. At the moment, market research is being conducted to possibly launch an English-language version of the revised flagship service in the coming quarters.

In addition, the Group is further exploring acquiring more new members by extending its accepted payment means. Mobile payments, also via Apple Pay and Google Pay, are expected to further increase the Group's customer reach and enhance its sales growth potential.

Content strategy

The Group does not produce any content, but licences finished content from national and international licensors. The Group's content strategy focuses on licensing predominantly dubbed and non-exclusive content according to individual market specifics and different cultural tastes.

Content, especially niche genre content, within the existing verticals is also utilised for additional marketing hookups towards consumers with different areas of interest in the entertainment world to capture potential members' attention and to bolster the single-content streaming services. The Group's bundled-content proposition is targeted to the mass market and comprises continuously updated international as well as localised content.

In 2023, the content library for movies & series was further expanded with blockbusters and the quality of the international catalogue was enhanced with a clear focus on Latin America, U.S.A., Spain and Italy. The Italian catalogue now includes movies from Minerva Pictures, one of the oldest independent film production and distribution companies, and telenovelas for the Latin American services. Furthermore, the Group extended important licensing agreements with, amongst others, LEONINE, Lighthouse and Wild Bunch. The sports category was further bolstered with popular content from DAZN as well as from other licensors, and the audiobook vertical now contains content from Zebralution. The value-creative cloud gaming offering licensed from the Group's partner Blacknut was further rolled out to the streaming services in the U.S.A., Canada and France.

In future, the Group will strategically focus on growing and improving the quality as well as quantity of its content offering with attractive family entertainment across all verticals and include differentiating specialised niche content.

Marketing strategy

The Group's marketing strategy is to fundamentally grow the Group's reach by targeting potential members via performance marketing on the best possible platforms with the most profitable conversion rates. The targeting is based on customer interests and affinities (multiple audience segments) and the ad banners are selected by an automated system and constantly optimised by machine learning.

The Group sells its content streaming services predominantly by using Google Display campaigns. Display ads require the use of multiple categorised marketing URLs to ensure that the different offers are placed with the right publishers and target audience. In order to protect against a broad range of competitors in media buying, the Group does not disclose these URLs, as this would lead to increased pricing and lower conversions as more advertisers would target the same advertising space as the Group uses.

In 2024, the Group's marketing strategy will encompass new and additional marketing tools to extend CLIQ's reach and acquire more new members. These tools include publisher, video and email marketing campaigns as well as targeting new members via social media. In addition, the Group will put a stronger focus on B2B partnerships and affiliation. Publisher marketing utilises search engine advertising campaigns with strong keyword lists, best-of-breed flow designs, strong banners, links & articles. Video campaigns are expected to advertise CLIQ's services on video channels, such as YouTube and Rumble. The successful conversions from B2B partnerships in Germany with Lidl, New Yorker and Call-a-Pizza in 2023 are to be further developed with new retail chains and other brands. In combination with special deals, vouchers, coupons, discount and cashback offers from CLIQ's new affiliation partner, the B2B partnerships are expected to enable greater reach and strategic sales growth.

► For more information about the Group's marketing activities, see examples of its advertising campaigns at **https://cliqdigital.com/campaigns**.

Expansion strategy

The Group's expansion strategy foresees entering more operating countries to increase its global footprint and extend its outreach. In the fourth quarter 2023, the Group reported new market entries in Asia and the Middle East and generated its first sales there.

Organically, the Group's growth strategy into new regions always starts with feasibility studies that look at the demographics of the mass market. The availability of licensed content in the local language is important, as well as payment service providers for member payments (according to local customs) and an existing advertising space with a wide outreach. Following a successful operational test phase with continuous measurement of the business development and growth potential, more content is added, the online advertising campaigns are ramped up and the sales density is increased.

In addition, the Group aims to improve its sales densities in current operating countries by tapping into new traffic sources and their profitable growth potential.

Inorganically, the Group assumes an opportunistic approach towards corporate action and has a dedicated M&A team searching for and evaluating all potential mergers and acquisitions. The Group's M&A strategy is to pursue deals that are aligned with the corporate strategy, an extension to the Group's growth plan and generate both long-term value and resilience.

Personnel strategy

At the end of 2023, the Group had 170 employees from 40 different nationalities working in a successful hybrid model for office working (3 days per working week) and working-from-home (2 days per working week) at all its international offices.

The personnel strategy aims to create intercultural synergies within the Group. To achieve this, the Group provides equal opportunities to all employees and candidates, as well as promotes an environment where unity in diversity is fostered through an inclusive workplace across all offices, departments and teams. The diversity of the workforce facilitates cultural and linguistic variety on all hierarchical levels.

Going forward, the Group will continue to grow its multicultural workforce to meet the Group's expansion plans, endeavour to attract highly qualified and talented employees and make the CLIQ Digital Group an attractive employer.

Communications strategy

The Group's communications strategy has the goal to strengthen relations to its stakeholders, including employees, investors, content partners, advertising platforms, the press and other interested parties, under principles of transparency and accountability.

In 2024, YouTube will also be introduced as an active communication channel in order to distribute the amount of audiovisual content in the best possible way.

1.5 Corporate Governance

Governing bodies

As a German public limited company (Aktiengesellschaft), CLIQ Digital AG has a Supervisory Board and a Management Board.

The members of the Management Board are Luc Voncken (since 2012) and Ben Bos (since 2014), whose contracts both run until 31 May 2024.

The Supervisory Board of CLIQ Digital AG consists of Dr Mathias Schlichting (Chairman), Nathalie Lam and Karel Tempelaar.

Karel Tempelaar, Luc Voncken and Ben Bos hold together approximately 9% of the share capital of CLIQ Digital AG as per 31 December 2023.

Control system

CLIQ is using strategic key performance indicators (KPIs) to monitor and manage its business as well as certain other operational indicators. The strategic key performance indicators are measured continually and are part of the monthly reports to the Management Board. The focus of the CLIQ Digital Group's operational management is on those strategic value drivers that have a direct effect on the medium- and long-term corporate objectives and are directly related to the strategy. The other operational indicators provide insights in the operational performance on a more granular level but are not decisive for the Management Board to guide the Group in achieving the company's objectives.

Thereby, the Group differentiates between strategic KPIs and other operational indicators. The strategic key performance indicators used to manage the business performance of CLIQ are EBITDA, revenue and customer acquisition costs. The other operational indicators include the number of unique paid memberships, the expected average lifetime value of a customer and the Lifetime Value of Customer Base.

► For more information, see the definitions of the performance indicators at **https://cliqdigital.com/investors/financials#investors-financials-performance-measures.**

Unique paid memberships are completed memberships that are active at the end of the reporting period, i.e. the member has access to one of the streaming content services and pays for the services.

The expected average **lifetime value** of a customer (LTV) measures the expected lifetime revenue from single- and bundled-content streaming services of a member.

The **Lifetime Value of Customer Base** is the future revenue expected to be generated by the existing members over their estimated individual remaining lifetime at the reporting date.

2 Economic report

2.1 Economic environment

Macroeconomic trends

The ongoing global uncertainties, which had already noticeably slowed the momentum of the global economy in 2022, continued to have a negative impact in 2023. In addition to the ongoing tensions of the Russia-Ukraine conflict, there have been additional geopolitical disruptions in the Middle East since October 2023. The significant interest rate hikes in response to the rapid rise in inflation caused further headwinds for the global economy. In addition, persistently high inflation is causing consumers to exercise restraint in their spending behaviour.

According to the latest World Economic Outlook published by the International Monetary Fund (IMF) in October 2023, the global economy is expected to expand by 2.9% in 2024. Growth of 1.5% is forecast for the USA, while an increase of 1.2% is predicted for the eurozone. This represents a slight downward revision of 0.3 percentage points compared to the July 2023 forecasts for the eurozone.[1]

Following a decline in economic output in 2023, the IMF is forecasting a recovery for the German economy with growth of 0.9% in 2024. This forecast is 0.4 percentage points below the July forecast. Sectors that are particularly sensitive to interest rates and subdued industrial production are identified as slowing factors for the German economy.[2]

The IMF points out that inflation in the advanced economies will fall more sharply in 2024 than in the developing countries. The global inflation rate has fallen from 8.7% in 2022 to 6.9% in 2023. A further decline to 5.8% is expected for the current year, although inflation remains at a historically high level and is well above the targets set by many central banks.[3]

Market position

The pandemic has had a major impact on consumer behaviour in the entertainment sector and has significantly accelerated the trend towards media consumption via digital platforms. Although this rapid growth cannot be sustained throughout in some segments, the general trend towards the use of digital and flexibly accessible content and an increase in the general demand for entertainment is continuing in all content categories. In addition, the growing global availability and increasing speed of internet connections continue to lead to stable growth in demand for all types of digital media.[4] The increased use and significant

improvement of artificial intelligence technology is also having a positive impact on market growth. Intense

[1] IMF World Economic Outlook Update, October 2023
[2] IMF World Economic Outlook Update, October 2023
[3] IMF World Economic Outlook Update, October 2023
[4] https://www.thebusinessresearchcompany.com/report/content-streaming-global-market-report

competition in the streaming market has led to a fragmentation of the offering and the emergence of niche markets. In recent years, some providers have significantly raised prices after entering the market with a low-price strategy. In addition, individual large providers have recently stepped up their efforts to combat account sharing.

Artificial intelligence has become an integral part of the streaming industry. With the help of artificial intelligence and deep analytics, target groups can be better understood and users can be suggested suitable recommendations based on past consumer behaviour. Overall user behaviour can be better understood and predicted. In the field of digital media, artificial intelligence also includes, for example, the automatic tagging of content or improving video quality, which helps to meet the increasing quality demands of users. Blockchain technology is now also being used in the streaming industry to store data volumes on globally distributed servers and achieve cost benefits.[5]

According to the Statista Digital Media Report 2023, global revenues in the digital media market are expected to reach USD 628 billion in 2023 and increase by 11.7% to almost USD 700 billion in 2024. The global market is expected to continue growing at a compound annual growth rate (CAGR) of 7.8% until 2027 and reaching a market value of USD 849 billion.[6]

The leading and most dynamic markets in the digital media sector are the USA and China. With sales of USD 196 billion in 2023, the USA is the largest market and annual growth is expected to be 8% until 2027. The Chinese market recorded digital media sales of USD 145 billion in 2023 and has the strongest growth with an annual growth rate of 8.2%. This makes China the dominant player in the Asian market, with its market share forecast to increase even further by 2027. In Europe, revenue totalled around USD 97 billion in 2023 and is expected to increase at an annual growth rate of 7.4% to around USD 128 billion by 2027.[7]

The global market for content streaming, divided into video and audio content, is estimated to have grown by 13.8% to around USD 139 billion in 2023. Average annual growth of 12.7% is expected until 2027, bringing the market size to USD 224 billion.[8]

According to the Digital Media Report 2023, the global video streaming market is worth USD 95.4 billion, which corresponds to an increase of 18% compared to 2022. The compound annual growth rate (CAGR) is expected to remain constant at 9.5% until 2027.[9]

According to Deloitte, high inflation and the associated loss of purchasing power among consumers are currently making the price-performance ratio increasingly relevant for users. The proportion of consumers who have cancelled a streaming service in the last six months was 44% in the USA in 2023. Last year, the six-month cancellation rate was only 37%. But not only the economic pressure is the reason for a high churn rate. US consumers also do not want to chase content across multiple providers and say they pay too much for their subscriptions overall and intend to reduce the number of their subscriptions. Some are increasingly turning to ad supported platforms.[10]

The Management Board believes that the business model is robust, future-proof and highly scalable, and that CLIQ Group is well positioned to benefit from the ever-growing entertainment market for streaming services. CLIQ addresses the mass market in over 40 countries with its attractive range of bundled-content streaming services as well as single-content streaming services, which in turn address niche markets.

[5] https://www.thebusinessresearchcompany.com/report/content-streaming-global-market-report
[6] Statista Digital Media Report 2023
[7] Statista Digital Media Report 2023
[8] https://www.thebusinessresearchcompany.com/report/content-streaming-global-market-report
[9] Statista Digital Media Report 2023
[10] Deloitte, Digital Media Trends 2023

2.2 Market Development

The business activities of CLIQ Digital are affected by several market factors:

Ad market

The global advertising market continued its growth in 2023, as in the previous year, despite difficult macroeconomic circumstances. According to MAGNA's estimates, global advertising expenditure rose by 4.6% to USD 842 billion last year. 577 billion US dollars, or 69% of all advertising expenditure, was spent on adverts in digital media. This corresponds to growth of 8.5% compared to the previous year. Global advertising expenditure is expected to grow by 6.1% in 2024. However, growth drivers include cyclical events such as the upcoming US elections, the Olympics and the European Football Championship. Digital advertising expenditure is expected to continue to grow disproportionately by 8% in 2024, while traditional advertising is expected to recover by 1%.[11]

The North American market remains the largest advertising market with advertising expenditure totalling USD 350 billion, followed by the Asian region with USD 281 billion and the EMEA market with USD 184 billion in total advertising expenditure. For 2024, the strongest growth is also forecast for North America at 7.1%, while the EMEA and Asia regions are expected to grow by 5.3% and 5.2% respectively. [12]

In the area of digital advertising expenditure, the digital video segment still accounts for the smallest share with USD 71 billion in advertising expenditure compared to the social and search segments. However, spending in the digital video segment is expected to grow the fastest. An increase of 9.8% is forecast for 2024 after growth of 8.6% in 2023. Social and search segments grew a little bit faster in 2023 but are expected to grow slower in 2024 with 8.6% and 8.7% plus. The strongest shrinking segment in the global ad market 2023 was the television sector with a decrease in spendings of 5%. A very strong recovery in contrast was seen in cinema ads with a plus of 23%.[13]

A key trend in the market for digital advertising is the shift towards platforms where users spend most of their time and a shift closer to the point of sale. This includes social media platforms as well as connected TV and adverts in video games or apps. These platforms not only continue to attract users, but also offer advertisers greater efficiency, better personalisation and better measurability of the performance of their ads. In turn, the role of tracking and data protection is also becoming increasingly relevant for users and regulators.[14]

Content category: Movies & Series

The entire market for films and series is divided into linear television and video-on-demand (VoD) offerings, with the trend continuing towards VoD offerings. In 2023, the market reached a total value of USD 159.5 billion, which corresponds to growth of 19.3% compared to 2022. With a share of 25.4%, this segment represents the second-largest part of the digital media market after the gaming sector. Revenue growth of 14.1% is forecast for 2024, with average annual growth levelling off somewhat to 9.7% by 2027. The VoD market is in turn divided into sub-segments such as video streaming (SVoD), advertising, pay-per-view (TVoD), free ad-supported streaming TV (FAST) and video downloads (EST), with video streaming accounting for the largest share of the VoD market at around 60%. Video streaming is expected to grow by 9.5% annually to a market volume of USD 137 billion by 2027.[15]

[11] https://magnaglobal.com/magna-advertising-forecasts-june-2022/
[12] https://magnaglobal.com/magna-advertising-forecasts-june-2022/
[13] https://magnaglobal.com/magna-advertising-forecasts-june-2022/
[14] PwC, Digital ad spending
[15] Statista Digital Media Report 2023

The USA is also the largest market in this segment of the digital media market with almost USD 70 billion and the fastest growth of 10.3% per year. China follows with a market volume of USD 28 billion and growth of 9.4%. The European market is growing by 8.8% annually and is expected to increase its volume from the current USD 29 billion to USD 40.7 billion by 2027.[16]

Cinemas are still struggling with the sharp drop in sales since the start of the coronavirus pandemic. However, an enormous recovery has already taken place in recent years. PwC expects revenue to grow to the pre-pandemic level of USD 43 billion by 2025.[17]

While pay-TV subscribers are expected to virtually stagnate over the next few years[18], revenue in this market is even expected to fall significantly. A decline in revenue was already observed last year for the fifth year in a row. After USD 151 billion in the previous year, only USD 143 billion was generated in 2023. Only USD 125 billion is expected in 2028. In 2023, the VoD market was thus more important than the pay TV market in terms of revenue, and the trend towards non-linear television is set to continue in the coming years.[19]

Content category: Music

The digital music industry is divided into the areas of streaming and downloads. Currently, 95% of sales are generated in the streaming segment. In 2023, global sales in the streaming segment reached 25.7 billion US dollars, which corresponds to a 4.1% share of the total digital media market. According to the Statista Digital Media Report, the streaming volume is expected to rise to USD 31.4 billion by 2027, which equates to annual growth of 5.1%. Market growth of 7.4% is forecast for 2024. [20]

In Europe, the market for digital music is growing at an annual rate of 3.9% until 2027, which is slower than in the USA (5.9% growth) or China (5.6% growth). Although China has the highest number of users, customers in Europe and the USA are prepared to spend significantly more on digital music due to their higher purchasing power. A Chinese user generates on average USD 8.50, compared to USD 83.70 in the USA and USD 40.60 in Europe. [21]

Content category: Sports

There has also been a clear trend in sport for years, from the transmission of live events on traditional linear television to digital paid live streaming formats. According to eMarketer estimates, 74.6 million US residents will have already used such live broadcasts on the internet for sports competitions in 2023. This is almost 14% more than in the previous year. This figure is expected to rise to over 90 million per year by 2025.[22] It is estimated that 45% of sports fans already pay for at least one streaming service. The global market for online live video sports streaming is expected to grow by 21.5% annually until 2027.[23]

According to the Kantar Entertainment on Demand study, sports streaming was the main driver of SVoD growth in Germany at the beginning of the year. Sports accounted for one in four new SVoD subscriptions. Football played the most important role here. This development is primarily due to the continuing trend that the average household requires several broadcasting services in order to access all major football content or additional other sports. The resulting significant increase in costs for consumers is fuelling the growing importance of value for money in attracting new subscribers.[24]

Content category: Audiobooks

Subscription-based audiobook platforms are becoming increasingly popular with users. An attractive price-

[16] Statista Digital Media Report 2023
[17] PwC Global Entertainment & Media Outlook 2023-2027
[18] Statista, Number of pay TV subscribers worldwide
[19] Statista, Global pay TV revenue from 2010 to 2028
[20] Statista Digital Media Report 2023
[21] Statista Digital Media Report 2023
[22] https://www.statista.com/statistics/1127341/live-sport-viewership
[23] https://www.globalmarketestimates.com/market-report/online-live-video-sports-streaming-market-3794
[24] Kantar, Entertainment on Demand Study 2023

performance ratio, flexibility and the opportunity to discover new genres and authors are cited as the main factors behind this trend. The global audiobook market is estimated to be worth 5.3 billion US dollars by 2023. The market is expected to grow at a compound annual growth rate (CAGR) of 25.7% to USD 39.1 billion by 2032.[25]

According to the Digital Media Report, the e-book market generated revenue of USD 14.2 billion in 2023. Growth of 2.8% is expected for 2024, and the market is set to grow by an average of 1.9% annually until 2027. The entire e-publishing market, including e-papers, e-magazines and advertising revenue, totalled USD 52.8 billion in 2023. The entire market is forecast to grow at a CAGR of 2.5% until 2027. The main growth drivers are advertising revenue and e-papers. In geographical terms, the Chinese market is the fastest growing in the e-publishing sector with annual growth of 5.2%. The USA and Europe recorded annual growth of just 1.6% and 2.3% respectively. Similar to the digital music sector, revenue per user in Europe, the USA and Australia is significantly higher than revenue per user in Asia. However, the growth in revenue per user is low in all markets. However, an enormous increase in user numbers is expected in Asia in particular by 2027, meaning that at 950 million people, there will be more users there than in Europe, Australia, America and Africa combined.[26]

Content category: Games

With sales estimated at USD 385 billion in 2023 and a share of 61.3%, the market for video games is the largest segment in the digital media market. According to the Digital Media Report, the market is expected to grow by 7.9% annually until 2027. Mobile games account for the largest share of sales by far, with a 74.4% share of sales worldwide. The gaming market differs from other segments of the digital media market in terms of the regional structure of revenue. Gaming plays a particularly important role in Asia. At USD 109 billion, the Chinese market is the largest market and is expected to grow by 8.1% annually until 2027. The Japanese market follows the USA with a market volume of USD 92 billion and annual growth of 7.8%. At USD 980 per year, Japanese users spend significantly more on video games than users from other countries. In total, this will generate around USD 73.6 billion in Japan in 2023. Further growth of 7.2% per year is expected until 2027. The European market is significantly smaller at USD 47 billion. However, it is expected to grow at a CAGR of 8.2% per year until 2027.[27]

According to a Statista survey, the smartphone is the dominant platform for video games, followed by traditional PCs and laptops as well as stationary games consoles. Mobile consoles are used by the fewest respondents.[28]

Several key trends can be identified in the video games industry. In particular, the industry is characterised by the increasing importance of mobile gaming and cloud gaming. Both developments primarily increase the accessibility of video games by reducing requirements in the form of expensive hardware.[29] Grand View Research expects the global cloud gaming market to grow at a CAGR of 45.5% by 2030. Cloud gaming no longer requires expensive hardware on the part of the user. The ever-increasing speed of broadband connections and, in particular, the expansion of 5G networks are accelerating the trend towards this technology.[30]

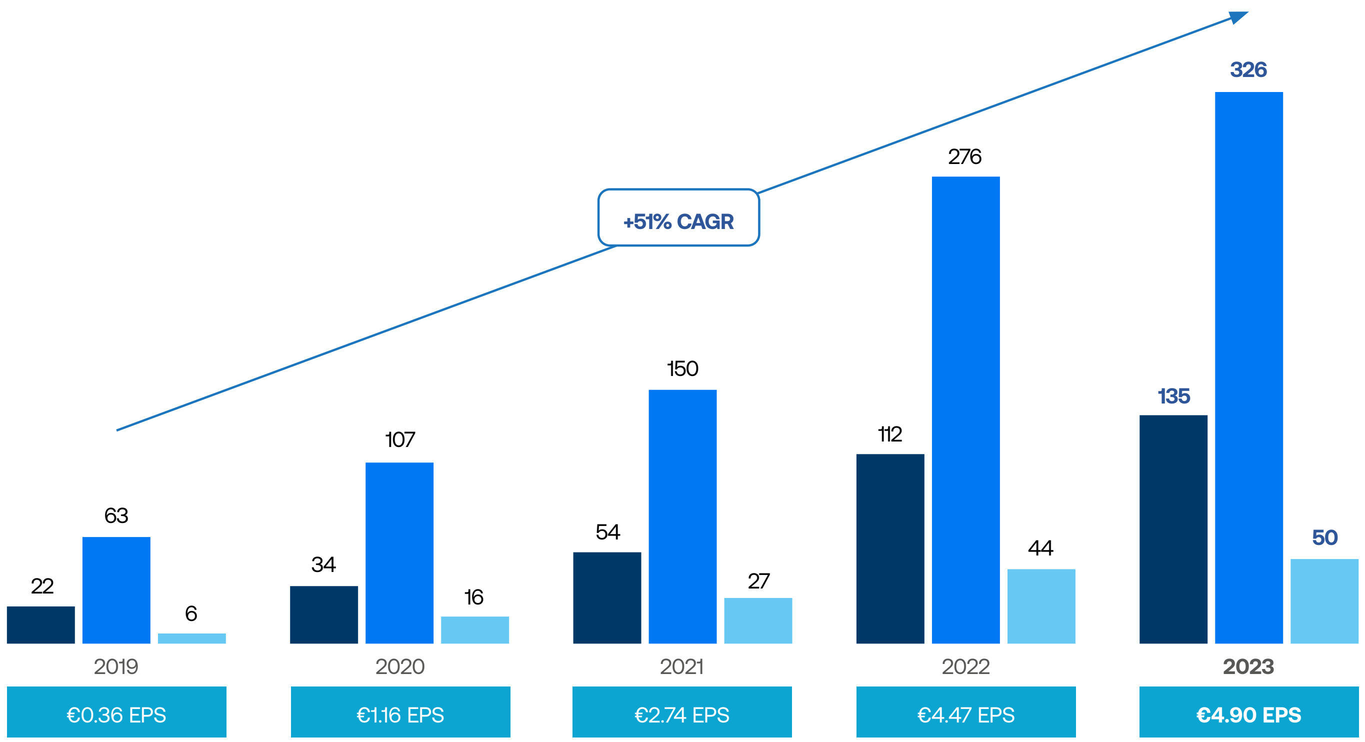
There has been consolidation in the gaming market in recent years. One example of this is the USD 75 billion takeover of the largest gaming company Activision Blizzard by Microsoft, which was approved in 2023.[31]

[25] Market.us, Global Audiobooks Market 2022-2032
[26] Statista Digital Media Report 2023
[27] Statista Digital Media Report 2023
[28] Statista Digital Media Report 2023
[29] Statista Digital Media Report 2023
[30] Grand View Research, Cloud Gaming Market 2023-2030
[31] https://www.ft.com/content/e8b61fe4-335d-419e-a0de-02db53f42e69

3 Financial position of the group

3.1 Business Development

Despite the challenging market environment, the financial year 2023 was another year of record revenue and EBITDA.



One of the most important growth drivers in 2023 was the increase in online marketing campaigns promoting the Group's bundled-content streaming services. The investments made during the year into increasing the advertising volume to acquire more new members as well as into an improved content catalogue led to new memberships with an higher projected average lifetime value, which is instrumental in maintaining healthy profit margins.

For the full year 2023, Group revenue grew by 18% to a record breaking €326.4 million (2022: €276.1 million). In 2023, the Group's customer acquisition costs to acquire new members amounted to €135,4 million (2022: €112.3 million).

The Group generated operating free cash flow in 2023 of €18.6 million (2022: €15.4 million) and at 31 December 2023, the net cash position of the Group amounted to €15.7 million (31.12.2022: €9.9 million).

EBITDA increased by 16% to €50.3 million (2022: €43.5 million) generating a margin of 15% (2022: 16%). Bottom line, EPS in 2023 rose by 10% to €4.90 (2022: €4.47) on the back of an underlying profit for the period of €31.9 million (2022: €29.0 million).

3.2 Key Performance Indicators

The development of the strategic key performance indicators and other operational indicators is presented in the following table:

in millions of €	2023a	2023e (outlook)	2022a
Strategic KPIs:			
Revenue	326	>345	276
Customer acquisition costs	135	>120	112
EBITDA	50	>50	44
Other operational indicators:			
Unique paid memberships (in millions per 31/12)	1.2	n/a	1.3
Expected average lifetime value of a customer (LTV, in €)	85	n/a	73
Lifetime Value of Customer Base (per 31/12)	164	n/a	141

The Group's revenue outlook for 2023 faced some challenges and annual sales fell slightly short by 5% of the set target. However, the Group's business strategy is designed to prioritise profitability over top-line growth as clearly demonstrated by the year-on-year EBITDA growth of 16%.

The number of **unique paid memberships** for bundled- and single-content streaming services decreased slightly to 1.2 million per 31 December 2023 (31/12/2022: 1.3 million). In response to the challenges posed by elevated customer acquisition costs, the Group has strategically focused on acquiring new members with a projected higher average lifetime value (+17% year-on-year), which is instrumental in maintaining healthy profit margins. While this approach has resulted in a slightly lower number of new and reported members compared to the previous year's period, the emphasis on attracting those members with greater potential for long-term value has proven to be effective. Since the first quarter 2023, the Group discloses unique paying member numbers to further increase its reporting transparency. The previously reported paid memberships' number included members who had signed up for two or more services.

The **expected average lifetime value of a customer** (LTV) for bundled- and single-content services was up 17% to €85 in 2023 (2022: €73). The year-on-year increase was due to the Group's focus on selling bundled-content streaming services and the subsequent growing share of bundled content service memberships.

The **Lifetime Value of Customer Base** (LTVCB) as at 31 December 2023 grew by €23 million to €164 million compared to last year (2022: €141 million). The higher LTVCB was the result of the increase in expected average lifetime value of a customer from the higher proportion of bundled-content streaming services within total Group revenue.

3.3 Income Statement

Revenue

The Group generated revenue in FY 2023 of €326.4 million (2022: €276.1 million). This corresponds to an increase of 18% compared to the previous year.

The revenue breakdown by service was:

in millions of €	2023	in % of total revenue	2022	in % of total revenue	Y/Y Δ
Bundled-content	307.3	94%	242.4	88%	27%
Single-content	19.1	6%	26.0	9%	-27%
Ad-funded digital marketing services	0.0	0%	7.7	3%	-100%
Total	**326.4**		**276.1**		**18%**

Revenue growth was mainly driven by an increase in online marketing campaigns promoting bundled-content streaming services to €307.3 million, which grew year-on-year by 27%.

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

The revenue breakdown by geography was:

in millions of €	2023	in % of total revenue	2022	in % of total revenue	Y/Y Δ
North America	196.8	60%	157.9	57%	25%
Europe	109.1	34%	101.6	37%	7%
Latin America	12.6	4%	3.4	1%	269%
ROW	7.8	2%	13.2	5%	-41%
Total	**326.4**		**276.1**		**18%**

Revenue in North America grew by 25% in 2023 mainly due to an increase in more effective marketing campaigns promoting bundled-content streaming services. Despite the more competitive pricing environment, where bidding prices to acquire new members remained elevated, European sales increased over the course of 2023 also thanks to the further roll-out of the Group's own direct media buying activities across the region as well as to the increase in content and totalled €109.1 million (2022: €101.6 million). Latin America was the fastest growing region in 2023 with €12.6 million revenue generated (2022: €3.4 million). In the region Rest of the World, revenues decreased from €13.2 million in 2022 to €7.8 in 2023 as the new market entries into Asia and the Middle East only took place in the fourth quarter 2023.

Customer acquisition costs

Besides EBITDA, the cost for acquiring new customers is an important performance indicator for the Group. The total customer acquisition costs reflect all advertising costs incurred in the reporting period for attracting new members and subsequently generate future sales.

In accordance with IFRS 15, CLIQ capitalises its customer acquisitions costs (contract costs) that are directly allocable to new members subscribing to the recurring digital entertainment services in order to eliminate the timing difference between immediate cost impact and the deferred revenue recognition. These capitalised customer acquisition costs (contract costs) are an investment in the Customer Base Value (LTVCB), which represents expected future sales.

The **capitalised customer acquisition costs (contract costs)** are released to the income statement over the member's revenue lifecycle with a maximum amortisation period of 18 months. When a member unsubscribes to the service, the corresponding capitalised contract costs are fully amortised in the same period.

The sum of the total customer acquisitions costs, capitalised customer acquisitions costs (contract costs) and amortised contract costs represents the **customer acquisition costs for the period** which are related to the revenue recognised in the period. The customer acquisition costs for the period are recognised in line with the expected membership duration and thus show an accurate and fair view of the Group's earnings. The customer acquisition costs for the period in 2023 amounted to €125.8 million (2022: €89.8 million), which as a percentage of revenue was 39% (2022: 33%).

in millions of €	**2023**	2022	Y/Y Δ
Total customer acquisition costs	-135.4	-112.3	21%
Capitalised customer acquisition costs (contract costs)	133.2	107.5	24%
Amortised contract costs	-123.6	-85.0	45%
Customer acquisition costs for the period	**-125.8**	**-89.8**	40%
in % of revenue	39%	33%	

The higher customer acquisition costs for the period reflected a greater number of marketing campaigns launched in 2023 to acquire more new members than in the prior year as well as the more competitive pricing environment, where bidding prices to acquire new members remained elevated, especially in Europe.

Cost of third parties

The cost of third parties comprises the costs that the Group pays to payment service providers. These costs relate to services rendered by network operators, gateways, acquiring banks and payment platforms that provide the technical connections and collection services.

Due to the increasing number of members using credit card payments, the cost of third parties has continuously decreased as the cost of direct carrier billing (DCB) is relatively higher compared to non-DCB billing, especially for credit card payments. As a percentage of revenue, the cost of third parties continued to gradually decrease from 40% in 2017, to 33% in 2018, to 30% in 2019, to 24% in 2020, to 21% in 2021, to 17% in 2022 and to 16% in 2023 – we expect this level to stabilise going forward.

Other cost of sales

The other cost of sales mainly consists of connectivity, transaction, administrative, platform and other costs for payment service providers as well as costs for licensed content and customer care. Most of the other cost of sales are variable and vary between countries. In relation to revenue, the other cost of sales decreased compared to last year due to cost optimisations.

Personnel expenses

Personnel expenses in 2023 increased by 20% to €24.7 million (2022: €20.7 million) and constituted 72% of total operating expenses (2022: 66%). The increase was also related to the 18% higher headcount number (full-time equivalent) and an exceptional general fixed salary increase as per 1st of January 2023 to compensate all employees for the high inflations in Europe in addition to performance-related salary increases. Additionally, the costs for contract workers working on CLIQ's technical platform increased as a larger part of the workload was related to maintenance rather than development activities.

Other operating expenses

Other operating expenses mainly consist of IT costs, professional services and sales and travel costs. The other operating expenses increased slightly to €9.8 million (2022: €9.6 million). The slight increase in other operating expenses is mainly due to higher IT costs caused by increased traffic volumes and higher demands on computer processing power for transcoding the increased content portfolio.

Impairment on trade receivables

During the financial year the CLIQ Group recognised a minor total impairment gain of €215 thousand (2022: €1.0 million loss) for expected (future) credit losses due to robust collection procedures and the recognition of one-time provision for loss allowances in the year 2022.

Group result

In 2023, earnings before interest and taxes (**EBIT**) grew by 9% to €45.9 million (2022: €42.1 million) and the EBIT margin amounted to 14.0% (2022: 15.2%).

The effective **income tax** rate in 2023 remained stable compared to prior year and came in at 29% (2022: 29%).

In 2023, **profit for the year** amounted to €31.9 million (2022: €29.0 million). The basic **earnings per share (EPS)** were €4.90 in 2023 (2022: €4.47) and the diluted EPS totalled €4.82 (2022: €4.45).

3.4 Asset and Financial Positions

Goodwill

As at 31/12/2023, **goodwill** amounted to €47.5 million (2022: €47.4 million) and the annual impairment test performed on the goodwill did not result in any impairments to be recognised.

Other intangibles

The increase in **other intangible assets** from €8.4 million to €12.1 million was mainly due to investments relating to platform and technical developments (€6.5 million) as well as to licensed content (€4.1 million) for the subscription-based streaming content services. The investments in platform development and content are largely related to the Group's most advanced bundled-content flagship streaming service. The self-developed technology will be the basis for a fully revised infrastructure to provide all digital entertainment services on a single unified system to be completed in the year 2024.

Working capital

The **contract costs** were €49.2 million as at 31 December 2023 (2022: €39.6 million) and consisted of customer acquisition costs, which are required to obtain contracts with new members. These costs are initially capitalised and then amortised based on the member's revenue lifecycle. The member's revenue lifecycle – as used for calculating the amortisation of the contract costs – is calculated as the average customer's revenue per comparable customer group over the average membership with a maximum of 18 months. The increase of €9.6 million (2022: €22.5 million) was due to higher customer acquisition costs in 2023, which were directly related to subscription-based content streaming services. This increase is also reflected in the increase of the Lifetime Value of the Customer base from EUR 141 million to EUR 164 million as per the end of December 2023.

The **trade receivables** at the year-end closing 2023 amounted to €20.4 million (2022: €13.6 million). The increase is related to the further growth in revenues and a higher receivables balance for rolling reserves.

The increase in **trade payables** to €13.1 million (2022: €9.5 million) was mainly due to higher customer acquisition costs at the end of the fourth quarter in particular. **Other liabilities** decreased to €13.3 million (2022: €17.9 million) also due to lower accruals for employee benefits and refund liabilities.

Tax position

The income tax position as at 31 December 2023 was a liability of €6.7 million payable (2022: €2.6 million) due to the strong earnings of the year. The net deferred tax liability position increased from €8.9 million to €12.8 million at 31 December 2023. The movement in the net deferred tax position is largely attributable to the increased temporary fiscal differences related to the contract costs, which is the result of the increased customer acquisition costs in the reporting period that is not capitalised for tax purposes but expensed immediately as well as the investments in internally developed technology. Additionally, the tax asset recognised from tax losses carried forward remained at €1.3 million as at 31 December 2023 (2022: €1.3 million).

An analysis of the recoverability of deferred taxes was prepared as at the year-end closing. The analysis confirmed the fact that the capitalised deferred tax can be utilised in the future. No deferred tax assets were formed based on tax losses whose utilisation is uncertain.

Financing and financial management

The financial management of CLIQ Digital Group is organised centrally at Group level. The Group always pursues value-orientated financial principles to secure liquidity and to be able to minimise any financial risks.

CLIQ Digital also aims for a balanced ratio in terms of due dates and maturities. Financing requirements are calculated using budgets and liquidity plans and are continually adjusted on the basis of current figures. Activities at CLIQ Digital continue to focus on investments in growth and the core competencies.

On 20 April 2023, the Group terminated the financing facility provided by the consortium of Commerzbank AG and Deutsche Bank AG and simultaneously entered into an overdraft facility with HSBC for an amount of €15.0 million at improved terms and conditions.

► For more information, see note 26.

Net cash position and bank borrowings

The net cash position of the Group as at 31 December was:

in millions of €	**2023**	2022	Y/Y Δ
Cash and cash equivalents	15.7	16.8	-1.1
Bank borrowings	0.0	-6.9	6.9
Net cash position	**15.7**	**9.9**	**5.8**

As at 31 December 2023, the maximum available credit facility was €15.0 million (31.12.2022: €37.5 million), of which an amount of €0.0 million (31.12.2022: €6.9 million) was drawn down upon. The improvement in the net cash position of €5.8 million was primarily related to the strong positive operating cash flow generated during 2023, taking into account a dividend payment in April for an amount of €11.6 million.

Cash flow

The consolidated statement of cash flows shows the sources and uses of cash flows during the fiscal year. The full consolidated statement of cash flows is presented on page 62 as part of the consolidated financial statements. Cash and cash equivalents reported in the consolidated statement of cash flows correspond to cash and cash equivalents shown in net cash position.

in millions of €	2023	2022	Y/Y Δ
EBITDA	50.3	43.5	16%
Δ Contract costs	-9.6	-22.5	-57%
Δ Other working capital	-9.4	4.5	-310%
Taxes, financial results & others	-1.0	-1.7	-41%
Cash flow from operating activities	30.3	23.8	27%
Cash flow from investing activities	-11.8	-8.4	40%
Operating free cash flow	**18.6**	**15.4**	**20%**
Cash flow from financing activities	-12.7	-7.8	63%
Total cash flow	**5.8**	**7.7**	**-23%**

In 2023, the **operating free cash flow** increased to €18.6 million (2022: €15.4 million).

The growth in the operating free cash flow was driven by the higher **operational** cash flow of €30.3 million (2022: €23.8 million). Despite the cash outflow from higher customer acquisition costs to attract new members in the period, the Group realised a growth in the operating cash flow of €6.5 million (2022: €3.0 million). The customer acquisition costs have a negative impact on the cash flow as this is payable on short notice whereas the corresponding membership fees are collected in smaller amounts in the months following. The growth in the operating cash flow is largely attributable to the relatively strong increase in collected membership fees from bundled services.

The cash outflow from **investing** activities amounted to €11.8 million compared to €8.4 million in 2022. The outflow from investing activities is largely related to investments in platform and technical developments (€6.5 million) and in newly licensed content (€4.1 million) for the subscription-based content streaming services. A net cash outflow of €0.8 million took place during the year with regard to the final payment for the acquisition of a subsidiary in 2021.

The cash outflow from **financing** activities during 2023 was €12.7 million (2022: €7.8 million) and included €11.6 million dividend distribution (2022: €7.2 million).

Overall, the Management Board is very satisfied with the course of business.

4 Forecast report

in 2024, CLIQ expects organic growth in revenue, EBITDA and customer acquisition costs due to increased demand for content streaming services.

Based on stable exchange rates and no adjustments to the Group's portfolio, the Management Board is confident that CLIQ will be able to generate in 2024 between €360 and €380 million in revenue, realise an EBITDA ranging between €52 and €58 million with total customer acquisition costs ranging between €150 and €170 million.

in millions of €	FY 2024e	FY 2023	FY 2022
Revenue	360-380	326.4	276.1
Customer acquisition costs	150-170	135.4	112.3
EBITDA	52-58	50.3	43.5

5 Opportunities and risk report

5.1 Opportunities

New customer traffic sources

The Group has identified new and strategically important customer traffic sources to convert more online consumers into paying members for its subscription-based, bundled-content streaming services, and retain them. Besides Google Display ads, CLIQ intends to increase conversions via Search Engine Advertising (SEA), video and email marketing as well as via B2B partnerships, affiliation marketing and social media, The Group will create appropriate marketing tools to monetise these new traffic sources going forward.

Artificial intelligence

The strategic incorporation of Artificial Intelligence (AI), particularly Generative AI, unveils substantial prospects for the Group. The implementation of AI-driven automation further streamlines marketing workflows, ensuring personalised and timely interactions with our diverse audience. By leveraging AI algorithms, the Group can automate and enhance the generation of visual and written content, optimizing the creative process and ensuring a consistent output. Furthermore, AI serves as an innovative avenue, positioning itself as a fresh source for expanding and enhancing the array of services we offer to consumers.

Expansion

The Group has developed well-established methods and instruments to reliably target, analyse and successfully enter into new markets. The Group will continue to use its experience to expand its business to other countries, which have a promising consumer base for considerable profits. New select market entries into Asia could be very promising for CLIQ's future business development.

Competitive advantage

The digital market the Group is operating in is highly competitive and market entry barriers thereto are low. Therefore, CLIQ focuses on deploying online advertising to sell its unique bundled-content offerings. Primarily, the Group pursues a strategy to licence content from third parties, which enables CLIQ to expand its content library quickly, have a flexible product portfolio with a minimal time-to-market and better control content costs. Considering the importance of digital content CLIQ can offer its members, the Group is actively seeking co-operations with strong content suppliers to further improve, broaden and deepen its offering.

Technology

The market for streaming entertainment services is largely influenced by the technical capabilities of internet-enabled devices, the increase of the available bandwidth, and the ability for more and more people on the globe to always be online with a growing number of devices. Due to an increasingly connected society and networks with faster speeds and lower latency, CLIQ expects an increased supply and demand for subscription-based streaming content services for internet-enabled devices. As a marketer and distributor of digital entertainment, CLIQ considers this a significant opportunity for further growth.

5.2 Risks

Market risks

More intense competitive environment

The economic environment for the market of streaming entertainment services is highly competitive. CLIQ Digital faces various competitors along its entire value chain. It is exposed to the risk of increased competition by other companies who are currently active in associated markets and/or decide to expand to directly market streaming entertainment services due to the expected high growth rates of this market. It is possible that some of CLIQ's competitors have significantly greater financial resources, better financing opportunities or better technical resources and are therefore able to win market share from the Group. In addition, it is possible that competitors source, develop and offer products or services, which are superior to the Group's products and services, or which may achieve greater market acceptance. Some competitors may also have more experience in advertising their products.

Dependency on technical developments

The market of digital products is subject to rapid changes. It is characterised by fast-evolving technologies, disruption from frequent introductions of new or amended products and quickly changing consumer demands. The success of the Group depends greatly on the Group's ability to duly anticipate and recognise new trends and developments in the use of digital products, to continuously improve its offered digital products, to keep them attractive, to offer new products at the right time, to rapidly react on changing member demands, and especially to attract and retain a considerable number of members, who are willing to pay for the products offered by CLIQ. For this purpose, CLIQ has to spend significant resources on market research and analysis, as well as on advertising to introduce new digital products. Decisions on these matters must often be made well in advance of product releases in order to implement them in a timely fashion. The Group's success therefore depends, in part, on unpredictable and volatile factors beyond its control, including consumer preferences, competing digital products, new payment platforms and the availability of alternative entertainment activities. Furthermore, CLIQ is dependent on developers and the quality of their products and their willingness and ability to continuously improve them.

Dependency on macroeconomic developments

CLIQ is subject to macroeconomic risks caused by the volatility of worldwide economic conditions. For example, concerns persist regarding the debt burden of certain eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency, given the diverse economic and political circumstances in individual member states. An unfavourable economic development, be it on a regional or worldwide level could result in weak growth or even in market downturns, high unemployment, currency instability, increased counterparty credit risk and high levels of volatility, as well as other outcomes that might adversely impact the Group's business.

Dependency on consumers and trends

Consumers, particularly young people, like to follow new trends. In other words, members may no longer accept products that are popular today. This can have a negative effect on media efficiencies (e.g. the cost per new customer), price sensitivity, cancellation rates, prepaid credits, revenue per customer, and products' market acceptance. The general economic situation can also strongly impact seasonality, price sensitivity, and target groups' purchasing power. Deterioration of the economic situation, for example through financial crises, or a collapse in consumer confidence can have negative effects on the Group's revenue and profitability. The Group can come under pressure due to a decline in customers' (potential) purchasing power. Consumers can also switch to other products or offerings due to technology convergence.

Operational risks

Dependency on external service providers organising billing, collection and technical fulfilment of the streaming entertainment services

The reliance on external service providers poses a significant risk to CLIQ's business operations. External service providers play a crucial role in the billing and fulfilment of the company's subscription-based streaming entertainment services, including the invoicing of services through credit cards, telephone bills, and prepaid accounts. If these service providers change the technical framework or financial terms to the disadvantage of CLIQ, the company may not be able to pass on these disadvantages to its customers, which could harm its business or reputation. Additionally, contractual penalties, non-compliance with laws and regulations, failures of platforms and systems, security incidents as well as hacker attacks, and the solvency of the payment service providers themselves pose additional risks to the company's ability to receive payments.

A concentration risk exists in relation to the collection of income from digital entertainment services through a single service provider, which presents a challenge as a substantial portion of the company's revenue and cash flow is reliant on this single partnership. In addition, the Group's ability to collect customer payments depends on the solvency of that particular service provider. This could bring CLIQ's financial stability at risk in the event of any disruptions to the service provider's operations. In the short-term, this might result in a substantial loss of customer payments with a negative impact on the Group cash position. In the short-term and mid-term, it is probable that revenue expectations and earnings levels will be considerably reduced. Management acknowledges the concentration risk and is actively engaged in ongoing efforts to manage the risk, including:

- increasing the frequency of payments collected
- strengthening its relationship with the existing service provider to ensure a smooth payment process
- diversifying income sources through new partnerships with other external service providers
- developing a contingency plan that includes alternative methods of payment

Despite these efforts, the company will remain vigilant in monitoring the concentration risk and taking further action as necessary to minimise any potential impact on its financial performance.

Dependency on content suppliers

Content suppliers enjoy strong positions of power in certain areas and can influence the Group's business and its profitability. Mergers and international concentration are also occurring among content suppliers. Some individual market participants own important and successful rights (e.g. games licences, name rights, technical patents). Depending on the supplier, price increases, minimum fees, or even restrictions or exclusions of particular suppliers can always occur. Additionally, some content offerings are made available to the Group's members via the technical platforms of the content supplier. For these content offerings, the availability and performance of the subscription-based streaming content services are dependent on the content supplier.

Dependency on advertising companies

The co-operation with advertising partners both for inhouse media buying (e.g. Google, Facebook) and third-party media advertisers (affiliate partners) for the purchase of advertising space is very important to the business of the Group. Legal or factual changes in the availability of media and advertising space (including through programming, broadcasters' orientation, regulation) could adversely influence CLIQ's business. Also, the Group must rely on the use of the advertising materials by its media partners being compliant with local laws, in order to avoid administrative fines, shutdowns or any other negative consequences. In addition, an increase in costs for advertising space could require that the Group either increases its media and advertising budget or cuts back its media activities, which could result in diminished visibility for customers. Also, intensified media and advertising activities of competitors could challenge CLIQ's ability to defend its market position.

Dependency on software, IT systems and networks

Business operations, particularly the management of the range of services substantially relies on its in-house developed software and external software. It also relies on centralised, standardised information technology systems and networks to support business processes, as well as internal and external communication systems. Software, IT systems, and networks are potentially vulnerable to errors, virus attacks, damages, interruptions and security threats from a variety of sources. The precautionary measures adopted by the Group could prove insufficient to exclude the risks related to software, IT systems and network disruptions and threats, to outages in a data centre and/or telecommunications networks utilised by the Group's systems, to any security breaches or to any similar event.

Dependency on managers and staff

The future achievement of CLIQ Digital's strategic and operating goals depends on the ability to recruit qualified expert employees and executives and to retain them in the Group in the long term. Intense competition in the market for streaming content services has resulted in a shortage of qualified employees who have the necessary knowledge of the market, and the Group is in vigorous competition with its competitors for qualified employees.

Financial risks

Risks relating to acquisitions

Such transactions, in particular, the acquisition of entire enterprises, bear the risk that the Group – despite a thorough due diligence exercise – overestimates the potential yield and synergies or underestimates the transaction and integration risks and, as a consequence, pays an excessive purchase price.

Cash flow risk

CLIQ operates in a capital-intensive market where sufficient media budgets are required to realise forecasted revenue growth. The forecasted operational cash flow is sufficient to make the necessary investments in media. However, if, for whatever reason, the operational cash flow is lacking, this might limit the Group in reinvesting sufficient funds into advertising, which could impact the growth potential of the Group.

Receivables defaults

Most of the Group's receivables are due from a number of payment service providers and network operators. The Group could encounter financial shortfalls or problems if one of these partners encountered potential payment difficulties or failed to pay for other reasons (cluster risk).

Financing working capital via bank loans

To acquire new members for its subscription-based streaming entertainment services, the Group has to make significant investments in advertising, which are paid prior to the membership fees being collected by the payment service providers. The Group has access to bank borrowing facilities to finance the liquidity gap if needed. The discontinuation of these bank borrowing facilities without replacement funding would make it more difficult to implement CLIQ's growth strategy and could have significant negative effects on the Group's financial position and operational results.

Foreign exchange risks

In general, a significant part of the Group's revenues is denominated in foreign currencies (e.g. USD, GBP, PLN) are naturally hedged since (future) income as well as expenses (primarily customer acquisition costs and other costs of sales) are incurred in the same currency. Despite this natural hedge, an adverse movement in the exchange rate of a local currency in relation to the euro might impact the profitability of the Group.

Interest rate risks

The business operations of the Group are financed to a substantial degree through debt financing. Therefore, CLIQ's profitability can be negatively affected by substantial increases in interest rates. Furthermore, the Group must rely on being able to obtain refinancing at adequate terms.

Compliance Risks

Evolving legal requirements and regulation

The Group's business is confronted with complex laws and regulations in the different territories where CLIQ is active. Many of these laws and regulations continuously evolve and require CLIQ to interpret and adapt to such changes, often on national level. Such required changes may affect the business and the way CLIQ operates and markets its services. Partial adaptation of its business model may be required accordingly.

Also, as the Group collects and processes personal data about users as they interact with the Groups' services, it is subject to laws and regulations governing such collection and processing. These laws impose stringent operational requirements resulting in the establishment of processes and governance to drive implementation and legal compliance.

The consequences of non-compliance with the applicable laws and regulations could have a material effect, for instance through imposing fines, compensation claims by affected individuals, negative publicity. litigation and enforcement actions.

Risks relating to rights of third parties

CLIQ markets streaming entertainment services, which are to a large extent developed externally. Since the Group in numerous cases does not directly participate in the development process, its ability to prevent violations of third parties' intellectual property rights is limited. This concerns patents, copyrights and trademarks in particular, as well as any other intellectual property rights.

Through its subscription-based streaming content services, CLIQ often utilises and distributes digital content licensed from third parties. By using third-party copyright-protected materials, the Group could inadvertently infringe upon third parties' intellectual property rights, too.

Risks relating to VAT as well as trade and corporate income tax losses carried forward

The Group is subject to VAT in various countries. Significant judgment is required in determining the worldwide provision for sales taxes, and, in the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Group is also required to estimate its future tax liabilities. Moreover, changes in tax legislation of the various jurisdictions the Group is subject to, especially with regard to a possible limitation on the offsetting of loss carry-forwards could have adverse effects on the Group. Although they are not on a cash basis, deferred tax income and expenses can also have a substantial influence on consolidated profits.

Liability risks

CLIQ Digital AG's business also entails various liability risks. Liability risks can arise, for example, through customers and partners as the result of products, which are not received, which are defective, as well as through viruses. Licence providers, rights administrators, content sellers, content producers and brand owners can also give rise to risks as the result of licences and rights that have not been acquired legally, or which have not been clarified. Media companies, network operators and other partners can give rise to risks as the result of erroneous invoices, system breakdowns, non- compliance with media or other regulations and/or agreements. Liability situations can also arise from regulators and consumer associations.

The Management Board and the Supervisory Board of CLIQ Digital AG are regularly informed about the Group's situation in terms of opportunities and risks.

In summary, the Group has considerable opportunities arising from the Group's position in the market and the expected market growth to enlarge the Group's membership base for its subscription-based streaming content services.

To evaluate the present risk situation, the Management Board analysed and rated the interdependencies between risks according to probability and impact. The Management Board's assessment indicates that the overall risks can be borne or managed, and the identified individual and cumulative risks do not represent any risks that could jeopardise the continued existence of the Group.

20 February 2024

The Management Board

Luc Voncken Ben Bos

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Contents

Consolidated financial statements

1 Consolidated statement of profit and loss for the year ended 31 December 2023

in '000 €	Note	2023	2022
Revenue	6	326,355	276,065
Cost of sales	7	-241,712	-201,309
Gross profit		**84,643**	**74,756**
Personnel expenses	8	-24,747	-20,688
Other operating expenses	9	-9,784	-9,614
Impairment losses and gains on trade receivables and contract costs		215	-952
Total operating expenses		**-34,316**	**-31,253**
EBITDA		**50,327**	**43,503**
Depreciation, amortisation and impairment charges applied to intangible, tangible and other current assets	10	-4,463	-1,421
EBIT		**45,864**	**42,082**
Financial income and financial expenses	11	-864	-1,221
Profit before tax		**45,000**	**40,861**
Income taxes	12	-13,163	-11,908
Profit for the year		**31,837**	**28,953**
Attributable to:			
Owners of the Company		31,838	29,047
Non-controlling interest		-1	-94
Profit for the year		**31,837**	**28,953**
Earnings per share			
Basic earnings per share (in €)	13	4.90	4.47
Diluted earnings per share (in €)	13	4.82	4.45

2 Consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2023

in '000 €	Note	2023	2022
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		-57	-231
Total other comprehensive income for the year		**-57**	**-231**
Total profit for the year		**31,837**	**28,953**
Total comprehensive income for the year		**31,780**	**28,721**
Attributable to:			
Shareholders of the Company		31,781	28,816
Non-controlling interest		-1	-94
Total comprehensive income for the year		**31,780**	**28,721**

3 Consolidated statement of the financial position as at 31 December 2023

in '000 €	Note	2023	2022
Assets			
Goodwill	14	47,515	47,435
Other intangible assets	15	12,134	8,401
Property, operating and office equipment	16	3,979	4,957
Contract costs	18	2,581	707
Other non-current assets	19	1,971	1,972
Deferred tax assets	12	1,683	1,583
Total non-current assets		**69,865**	**65,055**
Trade receivables	20	20,546	13,618
Contract costs	18	46,616	38,857
Other current assets	21	1,915	769
Cash and cash equivalents	22	15,737	16,804
Total current assets		**84,812**	**70,046**
Total assets		**154,677**	**135,101**

in '000 €	Note	2023	2022
Equity			
Issued capital	23	6,509	6,509
Share premium	23	58,053	58,053
Retained earnings	24	36,569	16,375
Other reserves	25	2,046	435
Equity attributable to the shareholders		**103,177**	**81,372**
Non-controlling interest		-93	-65
Total equity		**103,084**	**81,307**
Non-current liabilities			
Deferred tax liabilities	12	14,309	10,503
Borrowings	26	-	6,562
Other financial liabilities	27	2,969	4,137
Other liabilities	28	423	1,376
Total non-current liabilities		**18,767**	**22,578**
Current liabilities			
Other financial liabilities	27	1,410	2,178
Provisions		375	375
Trade payables	28	13,086	9,531
Income tax liabilities		6,886	2,613
Other liabilities	28	12,136	16,519
Total current liabilities		**33,892**	**31,216**
Total liabilities		**51,593**	**53,794**
Total equity and liabilities		**154,677**	**135,101**

4 Consolidated statement of changes in equity for the year ended 2023

in '000 €	Note	Issued capital	Share premium	Retained earnings
Balance as of 1 January 2022		**6,509**	**58,053**	**-5,516**
Net profit for the period		-	-	29,047
Other comprehensive income		-	-	-
Dividend distributions		-	-	-7,155
Equity-settled share-based payments	25	-	-	-
Acquisition of NCI		-	-	-
Balance as of 31 December 2022		**6,509**	**58,053**	**16,375**
Net profit for the period		-	-	31,838
Other comprehensive income		-	-	-
Dividend distributions		-	-	-11,643
Equity-settled share-based payments	25	-	-	-
Balance as of 31 December 2023		**6,509**	**58,053**	**36,569**

Other reserves	Equity attributable to the shareholders	Non-controlling interest	Total equity
487	**59,533**	**29**	**59,561**
-	29,047	-94	28,953
-417	-417	-	-417
-	-7,155	-	-7,155
365	365	-	365
-	-	1	1
435	**81,372**	**-65**	**81,308**
-	31,838	-1	31,837
195	195	-	195
-	-11,643	-28	-11,671
1,417	1,417	-	1,417
2.046	**103,177**	**-93**	**103,084**

5 Consolidated statement of cash flows for the year 2023

in '000 €	Note	2023	2022
Cash flow from operating activities			
Profit before tax		45,000	40,861
Net (gain)/loss arising on financial liabilities designated as at fair value through profit and loss		-1	110
Gain on disposal of discontinued operations		-	-1,222
Result from subsidiaries and associates		108	-
Financial income and expenses recognized in profit or loss	11	864	1,113
Equity-settled share based payment transactions		567	365
Depreciation and amortization of non-current assets	15, 16	8,199	4,085
		55,588	**45,312**
Changes in working capital			
(Increase)/decrease in contract costs		-9,603	-22,541
(Increase)/decrease in trade receivables and other current assets		-8,046	-1,270
Increase/(decrease) in current liabilities		-2,209	5,731
Cash generated from operations		**35,731**	**27,232**
Income taxes (paid)/received		-5,208	-3,050
Interest (paid)/received		-130	-379
Net cash generated from operating activities		**30,393**	**23,803**
Cash flow from investing activities			
Payments for property, plant and equipment	16	-123	-819
Payments for intangible fixed assets	15	-10,592	-8,746
Sale/(Acquisition) of other investments		-199	1,542
Net cash (outflow)/inflow on acquisition of subsidiaries		-848	-377
Net cash used in investing activities		**-11,763**	**-8,400**

in '000 €	Note	2023	2022
Cash flow from financing activities			
Borrowings received (paid)		-	50
Transaction costs related to loans and borrowings		286	-426
Lease instalments paid		-1,429	-173
Acquisition of non-controlling interest		1	1
Dividends paid		-11,643	-7,155
Net cash used in financing activities		**-12,786**	**-7,704**
Total cash flow		**5,845**	**7,700**
Cash and cash equivalents at the beginning of the year		**9,900**	**2,301**
Net increase / (decrease) in cash and cash equivalents		5,845	7,700
Effects of exchange rate changes on the balance of cash held in foreign currencies		-8	-101
Cash and cash equivalents at the end of the year		**15,737**	**9,900**
Cash and bank balances		15,737	16,804
Bank borrowing overdraft facility	26	-	-6,904
Cash and cash equivalents in cash flow statement		**15,737**	**9,900**

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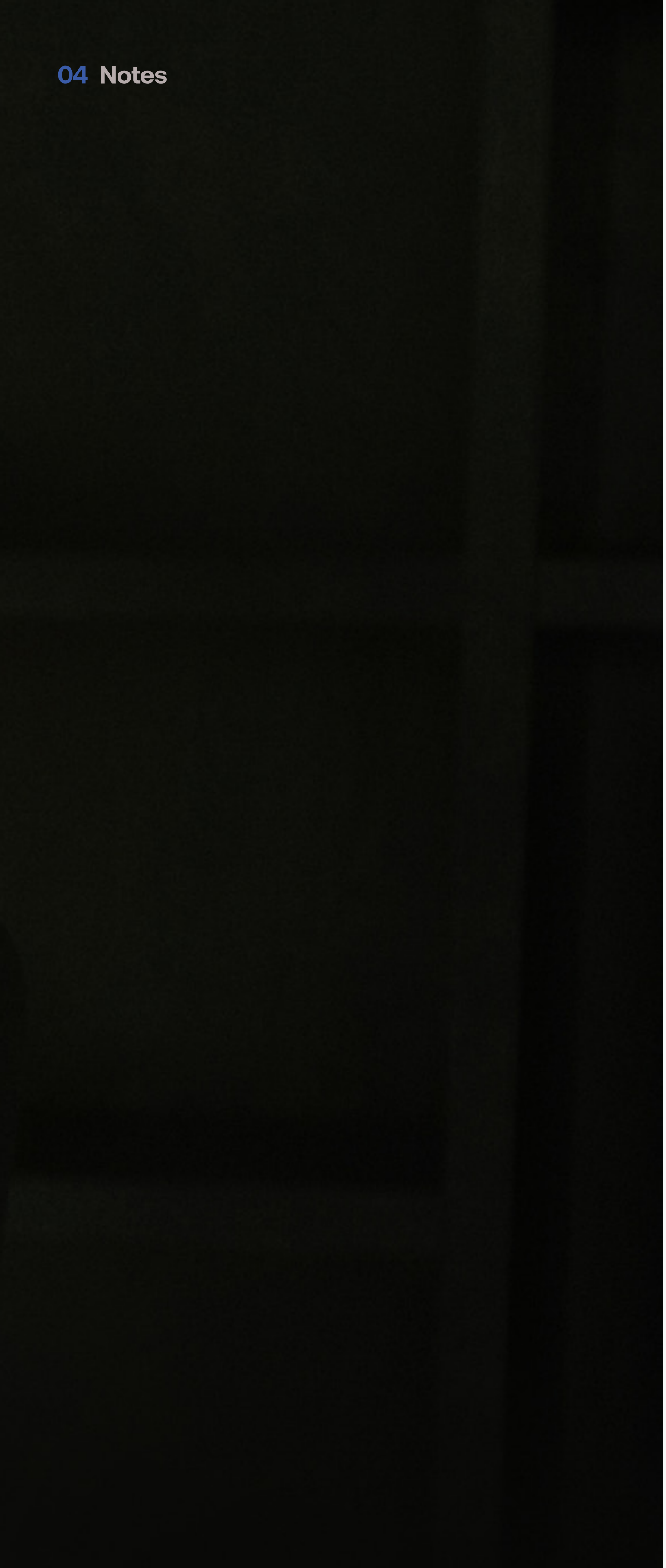

2023 was another year of significant growth for our Group and overall, a very profitable one. We again made very good progress in strengthening our business and expanding our proven and successful business model to new countries and regions

Luc Voncken

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1 General information

The CLIQ Digital Group sells subscription-based streaming services that bundle movies & series, music, audiobooks, sports and games to consumers globally. The Group licences streaming content from partners, bundles it and sells the content through its numerous streaming services. Over the years, CLIQ has become a specialist in online advertising and creating streaming services that are advertised towards specific consumer groups. CLIQ operates in over 40 countries and employed 170 staff from 40 different nationalities as at 31 December 2023. The company is headquartered in Düsseldorf and has offices in Amsterdam, London, Paris and Toronto.

The holding company of the Group is CLIQ Digital AG, located in Grünstraße 8, 40212 Düsseldorf, Germany and registered in the commercial register of the Amtsgericht Düsseldorf (commercial register number 69068). The shares of CLIQ Digital AG are listed on the Frankfurt Stock Exchange in the Scale segment for small and medium-sized companies, which is part of the Open Market segment (ISIN: DE000A0HHJR3, WKN: A0HHJR) and is a constituent of the MSCI World Micro Cap Index. Pursuant to Section 2 (5) of the German Securities Trading Act (WpHG), the Open Market does not constitute an organised or regulated market. The basis for the inclusion of securities in the Open Market are the guidelines for the Regulated Unofficial Market of Deutsche Börse AG. As a result, CLIQ Digital AG is not a capital market-orientated company pursuant to Section 264d of the German Commercial Code (HGB) and is also not obligated pursuant to Section 315e of the German Commercial Code (HGB) to prepare consolidated financial statements on the basis of the International Financial Reporting Standards (IFRS) as applicable in the EU. CLIQ Digital AG is obligated to prepare consolidated financial statements in accordance with German accounting standards. However, an exemption is possible if the company prepares consolidated financial statements according to IFRS.

The Group‘s financial year begins on 1 January and ends on 31 December of each calendar year. These consolidated financial statements are prepared in euros, which is CLIQ’s functional and reporting currency. Reporting is in thousands of euros (in ‘000 €) unless otherwise stated.

2 Application of international financial reporting standards (IFRS)

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”).

These consolidated IFRS financial statements are prepared 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.

In the financial year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

Section 2.1 describes the impact of the application of new and revised international financial reporting standards whereas section 2.2 provides a description of changes in accounting standards which did not have a material impact on the disclosures or the amounts reported in these consolidated financial statements.

2.1 Significant new and revised International Financial Reporting Standards (IFRS)

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board, that are effective for an annual period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Effective date	New standards or amendments	Material impact on CLIQ
1 January 2023	Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	No
	Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accoun-ting policies	No
	IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	No
	Amendments to IAS 8 Accounting Polices, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	No
	Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	No

2.2 New and revised IFRS in issue but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective or had not yet been adopted by the EU. The directors don't expect that the adoption of the Standards listed below will have a material impact on the consolidated financial statements of the Group in future periods.

Effective date	New standards or amendments	Material impact on CLIQ
1 January 2024	Amendments to IAS 1 Classification of Liabilities as Current or Non-current	No
	Amendments to IAS 1 Non-current Liabilities with Covenants	No
	Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	No
	Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	No
Postponed	Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No

3 Significant accounting policies

3.1 Basis of preparation

These consolidated financial statements correspond with the regulations of Section 315e of the German Commercial Code (HGB). This forms the legal basis for Group financial accounting according to IFRS in Germany together with EC Directive No. 1606/2002 of the European Parliament and Council of July 19, 2002, concerning the application of international accounting standards.

The Group‘s accounting policies on consolidation, measurement of assets and liabilities and determination of results are set out below. These policies are in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The Group applies the historical cost convention for measurement, except for share-based payments (Note 29) and financial instrument measured at fair value through profit or loss (Note 30) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Management Board has, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, these consolidated financial statements have been prepared on a going concern basis.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. The Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. In determining control over an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the noncontrolling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.3 above) less accumulated impairment losses, initially measured. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Group recognises revenue from the following major sources:

- Digital entertaining services to end users who use the digital content that the Group makes available to subscribers and can be used by subscribers as much as they want, anytime, anywhere
- Digital marketing services in which the Group purchases and sells traffic from digital sources to third parties.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

3.5.1 Digital entertainment services

Digital entertainment services are invoiced for a fixed amount per period, which is usually charged on a weekly or monthly basis. The performance obligation is satisfied when payment confirmation has been received and the customers obtained access to the digital content. The transaction price is the amount that has been agreed with the customer taking into consideration a refund liability for considerations received or receivable for which it expects to refund some or all of the considerations to the customer.

Customer acquisition costs which are required to obtain contracts with customers are recognized as contract costs. These contract costs are amortised based on the customer's revenue life cycle. The customer's revenue life cycle is calculated as the average customer's revenue per comparable customer group over the lifetime of the customer with a maximum of 18 months.

3.5.2 Digital marketing services

Digital marketing services are usually invoiced on a monthly or weekly basis to the customer for a predefined amount per unit. The performance obligation is satisfied when the Group receives confirmation from its customer that the unit (e.g. a new subscriber) has been delivered.

3.6 Financial income and financial expenses

The Group's finance income and finance expenses include:

- interest income;
- interest from leasing liabilities;

- interest expense such as interest on bank overdrafts and loans;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the loss on contingent consideration classified as a financial liability.

Interest income or expense is recognised using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.7 Leasing

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is included in the line other financial liabilities in the consolidated statement of the financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of- use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. In general, the depreciation period is between 3 and 7 years.

The right-of-use assets are presented as part of Property, operating and office equipment.

3.8 Foreign currencies

In preparing the consolidated financial statements of each individual group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into euro using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non- controlling interests as appropriate).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.9 Employee benefits

3.9.1 Short-term employee benefits

Short-term employee benefits are benefits payable within one year of the end of the year in which the employee rendered the service. Within the CLIQ Digital Group, this category includes wages and salaries (including holiday pay) and fixed and variable allowances, social security contributions, paid sick leave, profit sharing and variable short-term remuneration. The costs of these employee benefits are recognised in the income statement when the service is rendered or the rights to benefits are accrued (e.g. holiday pay).

3.9.2 Post-employment benefits

The Group has one pension plan with a Dutch entity for employees working in The Netherlands which has a limited number of participants.

The Dutch plan is financed through contributions to pension providers such as insurance companies. The pension obligations plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. As at year-end no pension receivables and no obligations existed for the Group in addition to the payment of the annual contribution due to the pension provider.

3.10 Share-based payment arrangements

As at the end of the reporting period Cliq B.V. and Cliq Digital AG had several share-based payments arrangements. Details regarding the share-based payments arrangements are set out in Note 29.

Cash-settled share-based payments to employees and others providing similar services are measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year, with a corresponding adjustment to the share option liability.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

3.11 Taxation

Income tax expense represents the sum of current and deferred tax expense.

3.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3.11.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner, in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.11.3 Current and deferred tax expenses

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.12 Property, operating and office equipment

Property, operating and office equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price, incidental purchase costs, and subsequent purchase costs.

Costs for repairing property, operating and office equipment, such as maintenance expenses, are generally carried through profit and loss.

An item of property, operating and office equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, operating and office equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, operating and office equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Property, operating and office equipment is predominantly depreciated over a period of three to five years.

3.13 Intangible assets

3.13.1 Intangible assets acquired separately

Intangible assets have finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

3.13.2 Internally-generated intangible assets – research and development expenditure

Costs associated with maintaining internally-generated intangible assets (software) are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The Group generally amortises capitalised development costs using the straight-line method over the period of three to five years.

3.13.2.1 Licenses and trademarks

Separately acquired licenses and trademarks which have finite useful lives are measured at cost less accumulated amortisation and impairment losses. The Group predominantly amortises licenses and trademarks using the straight-line method over the period of one to five years.

3.13.2.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.13.2.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

3.14.1 Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with the requirements for revenue recognition.

3.15 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. The Group measures its trade receivables at initial recognition on the transaction price of the revenue recognised. Except for trade receivables, transaction costs that are directly attributable to the financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

3.15.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.15.1.1 Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business

combination in other comprehensive income; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI (Fair Value through other comprehensive income) criteria as measured at FVTPL (Fair Value through profit and loss) if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Group has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

3.15.1.2 Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.15.1.3 Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3.15.1.4 Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3.15.1.5 Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.15.1.6 Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.15.2 Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.15.3 Derecognition
3.15.3.1 Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset

expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.15.3.2 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group‘s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.15.4 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.15.5 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Impairment

3.16.1 Non-derivative financial assets

3.16.1.1 Financial instruments and contract costs

The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract costs. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on trade receivables and contract costs are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

3.16.1.2 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.16.2 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful lives, assets not yet available for use and goodwill are tested annually for impairment.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash- generating units (CGUs), or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

If there is objective evidence that the Group’s net investment in an associate or joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or a joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or a joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or a joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 Investments in Associates and Joint Ventures (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, which are described in Note 3, the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant to the balance sheet date. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements and key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1.1 Useful life, residual value and impairment of contract costs

The carrying value of the contract costs is calculated on the basis of estimates of amortisation periods derived from the expected customer’s revenue life cycle. The expected customer’s revenue life cycle may change under the influence of consumer-trends, market conditions or legal requirements and regulations. These factors may also give rise to the need to recognize an impairment on assets.

4.1.2 Impairment of non-financial assets

Goodwill is not amortised, but an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash- generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 December 2023 was €47.5 million (31 December 2022: €47.4 million). Details of the impairment calculation are set out in Note 14. An impairment test is carried out on other non-financial assets in case of any events or changes that call for an impairment test.

4.1.3 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.

4.1.4 Claims and disputes

The Group is the subject of various claims and disputes, which are part of its business operations. The Group assesses the claims and court cases instituted against it on the basis of facts and seeks legal advice when required. In addition, the Company is also involved in disputes as claiming party. In both cases this involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and disputes. For a more detailed explanation see Contingent assets and liabilities, Note 32.

4.1.5 Taxes

When preparing the consolidated financial statements, the Company makes every effort to assess all relevant tax risks and process up-to-date tax position details in the consolidated financial statements to the best of its ability. Evolving insights, for example following final tax assessments for prior years, can result in additional tax burdens or benefits, and new tax risks may arise. In the valuation of deferred tax assets for reporting and tax purposes in the consolidated financial statements, assumptions are made regarding the extent to which and the period within which such assets can be realised. This is done, for instance, on the basis of business plans. In addition, when preparing the consolidated financial statements assumptions are made regarding temporary and permanent differences between the values for reporting and tax purposes. The actual situation may deviate from the assumptions used to determine deferred tax positions, due for instance to diverging insights and changes in tax laws and regulations. See Note 12 in the consolidated financial statements for a more detailed explanation.

4.1.6 Estimated Credit Loss

The Group uses a provision matrix to calculate ECLs for trade receivables The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 20.

5 Segment reporting

During the current and previous reporting periods there is only one significant operating segment, digital entertainment services, which is regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the operating segment and for which discrete financial information is available.

6 Revenue

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

In '000 €	2023	2022
Digital entertainment services	326,349	268,374
Digital marketing services	-	6,469
Other income	6	1,222
Total	**326,355**	**276,065**

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

In '000 €	2023	2022
Europe	109,140	101,603
North America	196,753	157,868
Latin America	12,612	3,409
Rest of the world	7,850	13,186
Total	**326,355**	**276,065**

6.1 Contract balances

For further details about the contract balances reference is made to the notes of contract costs (Note 18) and trade receivables (Note 20).

7 Cost of sales

The cost of sales are composed as follows:

In '000 €	2023	2022
Total customer acquisition costs	135,397	112,291
Capitalised customer acquisition costs (contract costs)	-133,226	-107,540
Amortised contract costs	123,624	84,998
Customer acquisition costs for the period	**125,795**	**89,750**
Third party costs	52,393	47,843
Other COS	63,524	63,716
Total	**241,712**	**201,309**

8 Personnel expenses

The personnel expenses are composed as follows:

In '000 €	2023	2022
Wages and salaries	18,337	16,958
Pension contributions	47	35
Social security contributions	2,173	1,708
Share-based payments	1,530	1,664
Hired staff and related costs	2,699	461
Capitalized personnel costs	-728	-688
Other	688	551
Total	**24,747**	**20,688**

8.1 Employees

The number of employees in the financial year was as follows:

	2023	2022
Germany	15.6	14.1
The Netherlands	127.8	103.4
United Kingdom	9.0	7.6
France	15.0	13.5
Other	1.8	4.2
Employees (FTE)	**169.1**	**142.8**

The average number of employees in the financial year was:

	2023	2022
Full-time employees	148	126
Part-time employees	26	21
Employees (average headcount)	**173**	**147**

9 Other operating expenses

In ‘000 €	2023	2022
Premises costs	513	722
General sales and travel expenses	1,325	2,167
Professional fees	3,132	3,435
Supervisory board compensation	215	125
IT costs	4,365	3,029
Other	234	136
Total	**9,784**	**9,614**

9.1 Auditor’s fees

The following fees were expensed for services rendered by Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft (Group Auditor):

In ‘000 €	2023	2022
For auditing of the financial statements	**147**	**320**
Mazars GmbH & Co, KG Wirtschaftsprüfungs-gesellschaft Steuerberatungsgesellschaft	215	215
Other	-68	104
For tax advice services	**683**	**394**
Mazars GmbH & Co, KG Wirtschaftsprüfungsge-sellschaft Steuerberatungsgesellschaft	156	96
Other	528	298

10 Depreciation, amortisation and impairment expenses

In ‘000 €	2023	2022
Licenses and trademarks	-	120
Other intangible assets	2,989	41
Right of use assets	1,032	924
Property, operating and office equipment	442	336
Total	**4,463**	**1,421**

For more information about depreciation, amortisation and impairment charges applied to intangible assets and tangible assets reference is made to the disclosure of the intangible assets (Notes 14 and 15) and tangible assets (Note 16). The amortization on content licenses related to digital entertainment services in the amount of €3,730 thousand (2022: €2,664 thousand) have been presented as other cost of sales.

11 Financial income and financial expenses

The table below contains a breakdown of the financial income and expenses. Financial expenses relating to financial liabilities classified as fair value through profit or loss are included in the fair value movement on financial liabilities designated as at FVTPL.

In '000 €	2023	2022
Financial income		
Interest income	172	-
Fair value movements on financial liabilities designated as FVTPL	1	-
Total financial income	**173**	-
Financial expenses		
Interest on bank overdrafts and loans	-101	-324
Amortisation capitalised finance expenses	-83	-129
Interest expense on lease liabilities	-190	-196
Exchange results	-404	-108
Bank costs	-183	-289
Other financial expenses	-77	-66
Fair value movements on financial liabilities designated as FVTPL	-	-110
Total financial expenses	**-1,037**	**-1,221**
Total financial income and financial expenses	**-864**	**-1,221**

12 Income tax

This note contains further details on all the items of the consolidated financial statements with regard to income tax. This tax can be divided into income tax recognised in the statement of profit and loss, deferred taxes recognised in the statement of financial position and current tax positions in the statement of financial position.

12.1 Income tax in the statement of profit and loss

As of 31 December 2023, all deferred taxes on temporary differences were calculated on the basis of a combined rounded 31.2% tax rate for Germany (DE), 25.8% tax rate for the Netherlands (NL), 19.0% tax rate for the United Kingdom (UK) and the applicable tax rate for other foreign jurisdictions. The tax rate in the United Kingdom was 19.0% until March 31st, 2023. From April 1st onwards, the applicable tax rate is 25%. The weighted average rate of 23,5% is used for the calculation of the tax position. As in the previous year, the recognition of deferred taxes on German tax loss carry forwards were based throughout on tax rates of 15.4% for trade tax, and 15.8% for corporation tax and the solidarity surcharge.

In '000 €	DE	NL	UK	Other	**2023**	2022
Current income tax						
Income tax current year	-	-9,349	-170	-94	-9,613	-4,681
Adjustment for prior years	-	190	26	-	216	-348
Total current income tax	**-**	**-9,159**	**-144**	**-94**	**-9,397**	**-5,029**
Deferred income tax						
Deferred tax for the period	1,251	-3,888	45	104	-2,488	-5,265
Adjustment for prior years	-8	-105	-	-	-113	-169
Recognition of previously unrecognized (derecognition of previously recognized) tax losses	-1,111	-22	-	-19	-1,152	-1,435
Total deferred income tax	**131**	**-4,015**	**45**	**86**	**-3,753**	**-6,869**
Other taxes	**-**	**-**	**-**	**-13**	**-13**	**-11**
Total income tax	**131**	**-13,174**	**-100**	**-21**	**-13,163**	**-11,908**

12.2 Reconciliation of the effective tax rate

In '000 €	DE	NL	UK	Other	2023	2022
Profit before tax	**-6,297**	**51,308**	**230**	**-239**	**45,000**	**40,861**
Nominal tax rate	31.2%	25.8%	23.5%	16.7%	31.2%	31.2%
Income tax calculated at nominal rate	**1,966**	**-13,237**	**-54**	**40**	**14.052**	**-12,731**
Effects of different tax rates of subsidiaries operating in other jurisdictions	-	-	-	-	2,765	2,631
Acquisition costs that are non deductible	-	-	-	-	-	-39
Expenses share option plan which are not tax deductible	-480	-	-	-	-480	-135
Participation exemption	-236	-	-	-	-236	45
Recognition of previously unrecognized (derecognition of previously recognized) tax losses	-1,111	-22	-	-19	-1,152	-1,435
Tax results from previous years	-8	85	26	-	103	-517
Fair value movements related to contingent considerations arrangements from acquisitions	-	-	-	-	-	-34
Research and development enhancements	-	-	-	-	-	114
Non-deductible amortisation and depreciation expenses	-	-	-	-	-	220
Other	-	-9	-71	-42	-122	-27
Income tax expense in profit or loss account (effective)	**131**	**-13,174**	**-100**	**-21**	**-13,163**	**-11,908**
	-0.5%	**25.7%**	**43.3%**	**-8.8%**	**29.1%**	**29.1%**

The effective income tax rate in 2023 of 29.1% is equal to the 2022 effective income tax rate of 29.1%. Both are lower than the domestic income tax rate of 31.2%.

12.3 Deferred tax in the statement of financial position

The deferred tax assets and deferred tax liabilities as of reporting date are related to the items below. Deferred tax assets and liabilities are netted if they relate to the same fiscal unity and the company at the head of this fiscal unity has a legally enforceable right to do so.

In '000 €	2023	2022
Intangible assets	-2,213	-1,355
Contract costs	-12,685	-10,126
Trade receivables	75	104
Bank borrowings	-24	22
Other financial liabilities	323	441
Other liabilities (share option plan)	511	715
Tax loss carry forwards	1,389	1,280
Total of deferred tax assets and liabilities	**-12,624**	**-8,920**
Reflected in the financial statement of financial position as follows:		
Deferred tax assets	1.684	1,583
Deferred tax liabilities	-14,309	-10,503
Net deferred taxes	**-12,624**	**-8,920**

12.4 Tax losses carried forward and unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is uncertain that future taxable profit will be available against which the Group can use the benefits therefrom.

	2023		2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Tax losses	**28,190**	**8,795**	**10,681**	**3,316**

Tax losses for which no deferred tax asset was recognised will never expire.

13 Earnings per share

Basic earnings per share are calculated by dividing the share of earnings attributable to CLIQ Digital AG shareholders by the weighted average number of shares in issue. Diluted earnings per share also take into account shares that can potentially be issued due to the stock option program (Note 29).

In '000 €/ Shares in '000	**2023**	2022
Profit attributable to CLIQ Digital AG shareholders (in €)	31,838	29,047
Number of shares in circulation as of 1 January	6,509	6,509
Effect of treasury shares held	-4	-4
Number of shares in circulation as of 31 December	6,505	6,505
Weighted average number of shares in issue	6,505	6,505
Basic earnings per share (in €)	**4.90**	**4.47**
Number of potentially dilutive ordinary shares	97	30
Weighted average number of shares for the calculation of diluted earnings per share	6,568	6,534
Diluted earnings per share (in €)	**4.82**	**4.42**

14 Goodwill

A reconciliation of the carrying amount is detailed below:

In '000 €	**31 Dec 2023**	31 Dec 2022
Cost	47,621	47,541
Accumulated impairment losses	-106	-106
Carrying amount goodwill	**47,515**	**47,435**

In '000 €	31 Dec 2023	31 Dec 2022
Cost		
Opening balance at 1 January	47,541	48,266
Disposals	-	-564
Effect of foreign currency exchange differences	80	-161
Closing balance at reporting date	**47,621**	**47,541**
Accumulated impairment losses		
Opening balance at 1 January	**-106**	**-106**
Impairment	-	-
Effect of foreign currency exchange differences	-	-
Closing balance at reporting date	**-106**	**-106**
Carrying amount at reporting date	**47,515**	**47,435**

14.1 Allocation of goodwill to cash generating units

For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying amount of goodwill has been allocated for impairment testing purposes to the following cash-generating units:

In '000 €	31 Dec 2023	31 Dec 2022
Cliq digital entertainment services	47,436	47,356
Other	79	79
Total goodwill	**47,515**	**47,435**

In the course of the increasing integration of the activities of the acquired companies and the associated organisational restructuring, which affects both operating processes and reporting structures, the structure of the cash-generating units was adjusted in the 2023 financial year. In this context, the management of the Cliq Group defined a new cash-generating unit Cliq digital entertainment services and merged the previous cash-generating units CLIQ Digital and CLIQ BV as well as CLIQ UK into this unit. In 2023, the goodwill of the cash-generating unit UK was € 4.139 thousand).

In order to ensure that by reorganizing the structure of the cash-generating units an impairment that was actually necessary is not detected, an impairment test was also carried out at the level of the previous cash-generating units on the balance sheet date in addition to the impairment test in the new structure. This impairment test is based on the same set of premises and did not reveal any indications of impairment.

14.2 Cliq digital entertainment services

Goodwill arising on acquisitions exists as a result of the merger between Bob Mobile AG and CLIQ B.V. in the financial year 2012 and acquiring companies in 2017 providing similar digital entertainment services. The retention of the value of this goodwill (2023 € 47.4 million; 2022: €47.3 million) is tested with an annual impairment test on the balance sheet date which is based on assumptions pertaining to the future. The Recoverable Amounts, based on the value in use calculation, have been determined on the basis of the "Income Approach" and have been benchmarked with the "Market Approach", more specifically the "Comparable Companies Approach". The impairment test also considers various sensitivities, like the WACC, the terminal value growth rate, and the ratio between customer acquisition costs and net revenues, on the Recoverable Amount as indicated by the Income Approach to test the robustness of the impairment test outcome. From this sensitivity analysis there was no reasonable possible change that would result in an impairment.

The financial budget for the next two years which is used within the "Income Approach" is derived from past developments and includes management expectations with respect to future market developments and does not include any restructuring activities that the group is not yet committed to. Significant assumptions in preparing the financial budget for financial years 2024 and 2025 are related to revenue and customer acquisition costs growth per country and the development of ARPU (Average Revenue Per User) and CPA (Cost Per Acquisition). Cash-flows beyond the two-year planning period are extrapolated, based upon a conservative approach, using the estimated assumptions as stated below. After the total forecast period of 5 years, free cash- flows for the terminal value period have been derived considering a terminal growth rate of 2%.

Value driver	2024-2025	2026-2027	Terminal Value Period
Revenue	Management Case	2026: 12.2% (annual growth rate) 2027: 7.1% (annual growth rate)	2.0% (annual growth rate)
Sale third parties	Management Case	2026: 15.6% of revenue 2027: 15.5% of revenue	15.5% of revenue
Customer acquisition costs	Management Case	2026: 38.3% of revenue 2027: 37.5% of revenue	36.6% of revenue
Other operational expenses	Management Case	31.6% of revenue	31.6% of revenue
Corporate income tax rate	Management Case	25.9%	25.9%
Net working capital	Management Case	- 4.7% of revenue	- 4.7% of revenue
Other depreciation and amortisation	Management Case	1.4% of revenue	1.4% of revenue
WACC (pre-tax)	12.7%	12.7%	12.7%

15 Other intangible assets

In '000 €	Licenses and trademarks	Internally generated intangible assets	Total
Cost			
1 January 2022	**2,936**	**1,082**	**4,018**
Additions	3,564	5,182	8,746
Disposals	-1,958	-202	-2,160
Effect of foreign currency exchange differences	82	21	103
31 December 2022	**4,624**	**6,083**	**10,707**
Additions	4,053	6,539	10,592
Disposals	-3,339	-29	-3,367
Effect of foreign currency exchange differences	-	1	1
31 December 2023	**5,339**	**12,594**	**17,932**
Accumulated amortisation and impairment losses			
1 January 2022	**1,174**	**284**	**1,459**
Amortization in the financial year	2,784	41	2,825
Disposals	-1,870	-202	-2,071
Effect of foreign currency exchange differences	73	21	94
31 December 2022	**2,162**	**145**	**2,306**
Amortization in the financial year	3,736	2,989	6,725
Disposals	-3,205	-29	-3,234
Effect of foreign currency exchange differences	-	1	1
31 December 2023	**2,692**	**3,106**	**5,799**
Carrying amount 31 December 2022	**2,462**	**5,938**	**8,401**
Carrying amount 31 December 2023	**2,646**	**9,488**	**12,134**

16 Property, operating and office equipment

In '000 €	Property, operating and office equipment	Right of Use Assets	Total
Cost			
1 January 2022	**914**	**3,508**	**4,422**
Additions	819	1,590	2,409
Disposals	-	-267	-267
Effect of foreign currency exchange differences	1	-	1
31 December 2022	**1,733**	**4,832**	**6,565**
Additions	123	366	489
Disposals	-66	-284	-349
Effect of foreign currency exchange differences	-0	-	-0
31 December 2023	**1,790**	**4,914**	**6,704**
Amortisation and impairment losses			
1 January 2022	**175**	**439**	**614**
Amortization in the financial year	336	924	1,260
Disposals	-	-267	-267
Effect of foreign currency exchange differences	1	-	1
31 December 2022	**512**	**1,096**	**1,608**
Amortization in the financial year	439	1,032	1,471
Disposals	-70	-284	-354
Effect of foreign currency exchange differences	-0	-	-0
31 December 2023	**881**	**1,844**	**2,725**
Carrying amount 31 December 2022	**1,221**	**3,736**	**4,957**
Carrying amount 31 December 2023	**909**	**3,070**	**3,979**

16.1 Right of use assets

During the period the Group signed new rental agreements for the Paris office. A right of use assets for the new rental agreements was recognised for €319 thousand. The term of the initial rental agreement is between 2 and 6 years.

17 Subsidiaries

Details of the Group's consolidated subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation and operation	31 Dec 2023	31 Dec 2022
Principal companies			
Netherlands			
Cliq B.V.	Amsterdam, The Netherlands	100%	100%
CMind B.V.	Amsterdam, The Netherlands	100%	100%
CPay B.V.	Amsterdam, The Netherlands	100%	100%
iDNA B.V.	Amsterdam, The Netherlands	100%	100%
Germany			
Cliq GmbH	Düsseldorf, Germany	100%	100%
United Kingdom			
Universal Mobile Enterprises Limited	Witney, United Kingdom	100%	100%
Red27 Mobile Limited	Witney, United Kingdom	100%	100%
France			
Tornika S.A.S.	Paris, France	100%	100%
Other companies			
ADGOMO Limited	Witney, United Kingdom	100%	100%
C Formats GmbH	Düsseldorf, Germany	100%	100%
Claus Mobi GmbH	Düsseldorf, Germany	100%	100%
Cliq Games B.V.	Amsterdam, The Netherlands	60%	60%
Cructiq AG	Baar, Switzerland	100%	100%
Luboka Media Limited	Witney, United Kingdom	100%	100%
Memtiq B.V.	Amsterdam, The Netherlands	100%	100%
Rheinkraft Production GmbH	Düsseldorf, Germany	100%	100%
The Mobile Generation Americas Inc.	Toronto, Canada	100%	100%
Tornika Media B.V.	Amsterdam, The Netherlands	100%	100%
Zimiq GmbH	Düsseldorf, Germany	100%	100%
Holding, inactive and closed companies			
Cliq Holding B.V. (formerly Cliq UK Holding B.V.)	Amsterdam, The Netherlands	100%	100%
Moonlight Mobile Limited	Witney, United Kingdom	100%	100%
Bob Mobile Hellas S.A.	Attiki, Greece	100%	100%
Booster Media Limited	Witney, United Kingdom	100%	0%
Bunkr Technologies S.A.S.	Vincennes, France	80%	80%
Netacy Inc. (Liquidated as per 4 January, 2024)	Dover, USA	100%	100%
Guerilla Mobile Asia Pacific Pte. Ltd (Liquidated as per 10 October, 2023)	Singapore	0%	100%
TMG Singapore PTE Ltd. (Liquidated as per 10 October, 2023)	Singapore	0%	100%
Hype Ventures B.V. (merged with CLIQ UK Holding B.V. on March 23, 2023)	Amsterdam, The Netherlands	0%	100%
VIPMOB B.V. (Liquidated on March 29, 2023)	Amsterdam, The Netherlands	0%	80%

As at the reporting date, the Group is reviewing the Group company structure to reorganise and streamline the number of non-essential subsidiaries with the purpose of optimising the Group's structure to support its current business model. It is expected that the total number of Group companies will be reduced by liquidating or merging dormant companies. As part of the corporate restructuring project started in the fourth quarter of 2022, the dormant companies Vipmob B.V., Guerilla Mobile Asia Pacific Pte. Ltd and TMG Singapore PTE Ltd. were liquidated during 2023. During the first quarter of 2023 Hype Ventures B.V. was merged with CLIQ Holding B.V. Netacy Inc. has been liquidated as per January 4th, 2024.

18 Contract costs

In '000 €	31 Dec 2023	31 Dec 2022
Current	46,616	38,857
Non-current	2,581	707
Total	**49,197**	**39,563**

The contract costs consist of customer acquisition costs which are required to obtain contracts with customers. These costs are amortised based on the customer's revenue life cycle. The customer's revenue life cycle is calculated as the average customer's revenue per comparable customer group over the lifetime of the customer with a maximum of 18 months.

19 Other non-current assets

In '000 €	31 Dec 2023	31 Dec 2022
Blacknut SAS	1,572	1,572
Dreamspark SAS	400	400
Total	**1,971**	**1,972**

20 Trade receivables

In '000 €	31 Dec 2023	31 Dec 2022
Trade receivables, gross	3,551	8,561
Receivables arising from services that have not yet been invoiced	11,974	4,763
Loss allowance	-1,813	-2,095
Rolling reserves	6,834	2,389
Total	**20,546**	**13,618**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Notes 30.3.1 and 30.3.3. The following table shows the movement in lifetime expected credit losses (ECL) that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

in '000 €	31 Dec 2023	31 Dec 2022
Balance as at 1 January	-2,095	-1,475
Amounts written-off	-86	366
Amounts recovered	403	-
Change in loss allowance due to changes in gross receivables	-	-1,044
Foreign exchange result	-35	58
Balance loss allowance as at 31 December	**-1,813**	**-2,095**

21 Other current assets

The reported other assets carry a residual term of up to one year and are composed as follows:

In '000 €	31 Dec 2023	31 Dec 2022
Deposits	237	138
Prepayments	1,586	531
Other assets	92	100
Total	**1,915**	**769**

22 Cash and cash equivalents

Cash and cash equivalents contains short-term deposits in the amount of €14,186 thousand (2022: 0) and cash at banks in the amount of €1,551 thousand (2022: €16,804 thousand).

23 Issued share capital

The General Meeting on 6 April 2023 resolved to convert the existing bearer shares into registered shares while retaining the previous denomination. The conversion became effective upon registration with the commercial register on 12 June 2023.

Other than that, the issued share capital did not change during the financial year 2023. The issued share capital amounts to €6,508,714.00 per 31 December 2023. The share capital consists of 6,508,714 no-par value registered shares with a nominal value of €1.00 per share. All shares issued until 31 December 2023 are fully paid in. Each share is granted a ranking voting right as well as a dividend claim, which corresponds in each case to their share in the share capital.

23.1 Treasury shares

The entire treasury share position amounted to 4,000 shares as of 31 December 2023. This corresponds to 0.06% of the share capital. The purchase costs of €15 thousand (including incidental purchase costs of €0 thousand) were deducted as a total from equity.

23.2 Authorised capital

The General Meetings held on 14 April 2022 and 6 April 2023 resolved to authorise the Management Board to increase the Company's share capital with the approval of the Supervisory Board by up to €3,254,357.00 (“Maximum Amount”) in the period up to 13 April 2027 by issuing up to 3,254,357 new no-par value registered shares against contribution in cash and/or in kind on one or several occasions (Authorised Capital 2022). The Maximum Amount shall include the proportionate amount of the share capital attributable to new shares issued due to the exercise of the authorised capital created by resolution of the Annual General Meeting on 17 May 2019 (Authorised Capital 2019) after the publication of the notice convening the Annual General Meeting on 14 April 2022 in the electronic Federal Gazette. The shareholders' share subscription rights may be excluded in certain cases with the consent of the Supervisory Board.

The Authorised Capital 2022, in its form as last amended by resolution of the General Meeting on 6 April 2023, became effective upon registration with the commercial register on 12 June 2023.

23.3 Contingent capital

23.3.1 Contingent Capital 2020 (stock options)

By virtue of the resolution adopted by the General Meeting on 21 August 2020, on 14 April 2022 and on 06 April 2023, the Company`s share capital was contingently increased by up to €210,000.00, divided into up to 210,000 new no-par value registered shares with a pro rata amount of the share capital of €1.00 per share (“Contingent Capital 2020”). The reason of the restatement of the Contingent Capital 2020 (formerly registered as Contingent Capital 2017/II) by resolutions of the General Meeting on 21 August 2020 and on 14 April 2022 was the expiry of all option rights granted under the 2017 stock option program and the partial revocation of the 2020 stock option program to the extent, no option rights were issued already, for which the exercise goal has been reached. The Contingent Capital 2020 shall grant shares to holders of stock options under the 2020 stock option program in accordance with the resolution of the General Meeting on 21 August 2020 regarding agenda item 7 lit. b), insofar as the option rights holders exercise their option rights, the Company does not grant treasury shares or a cash settlement to fulfil the stock options. The new no-par value shares from the Contingent Capital 2020 may only be granted for an exercise price per issue amount that meets the conditions of the authorisation granted by the General Meeting on 21 August 2020 under agenda item 7 lit. b). The new no-par value registered shares are entitled to profit participation from the start of the financial year in which they are issued.

The Contingent Capital 2020, in its form as last amended by resolution of the General Meeting on 6 April 2023, became effective upon registration with the commercial register on 12 June 2023.

23.3.2 Contingent Capital 2022/I (conversion or option rights or conversion obligations of certain financial instruments)

By virtue of the resolutions adopted by the General Meeting on 19 May 2017, on 29 April 2021, on 14 April 2022 and on 06 April 2023, the Company`s share capital was contingently increased by up to €2,804,357.00, divided into up to 2,804,357 new no-par value registered shares ("Contingent Capital 2022/I"). The Contingent Capital 2022/I is resolved only for the purpose to grant ordinary registered shares to holders or creditors of conversion bonds, option bonds and/or profit participation bonds and/or profit participation rights (or combinations of these instruments) which have been issued in accordance with the authorizations adopted by the General Meeting on 29 April 2021 under agenda item 7 and by the General Meeting on 14 April 2022 under agenda item 9 by the Company or its direct or indirect majority-owned companies inland or abroad and which grant a conversion or option right to no-par value registered shares of the Company or a conversion obligation.

The new no-par value registered shares from the Contingent Capital 2022/I may only be granted for a conversion or option price that meets the conditions of the authorization granted by the General Meeting on 29 April 2021 under agenda item 7 and by the General Meeting on 14 April 2022 under agenda item 9. The new no-par value registered shares are entitled to profit participation from the start of the financial year in which they are issued.

The contingent capital increase is only implemented to the extent that warrants or conversion rights are exercised or the bearers, or holders comply with their conversion obligation, or shares are delivered under the Company's right of substitution and this right is not serviced using treasury shares or new shares issued from Authorized Capital. The new no-par value registered shares are entitled to profit participation from the start of the financial year in which they are issued as a result of the exercise of warrants or conversion rights, the fulfilment of conversion obligations or the exercise of delivery rights. The Management Board is authorized to determine the further details of the implementation of the contingent capital increase.

The Contingent Capital 2022/I, in its form as amended by resolution of the General Meeting on 06 April 2023, became effective upon registration with the commercial register on 12 June 2023.

23.4 Contingent Capital 2022/II (stock options)

By virtue of the resolution adopted by the General Meetings on 14 April 2022 and 06 April 2023, the Company`s share capital was contingently increased by up to €240,000.00, divided into up to 240,000 new no-par value registered shares with a pro rata amount of the share capital of €1.00 per share ("Contingent

Capital 2022/II"). The Contingent Capital 2022/II shall grant shares to holders of stock options under the 2022 stock option program in accordance with the resolution of the General Meeting on 14 April 2022 regarding agenda item 10 lit. a), insofar as the option rights holders exercise their option rights, the Company does not grant treasury shares or a cash settlement to fulfil the stock options. The new no-par value shares from the Contingent Capital 2022/II may only be granted for an exercise price per issue amount that meets the conditions of the authorisation granted by the General Meeting on 14 April 2022 under agenda item 10 lit. a). The new no-par value registered shares are entitled to profit participation from the start of the financial year in which they are issued.

The Contingent Capital 2022/II, in its form as last amended by resolution of the General Meeting on 6 April 2023, became effective upon registration with the commercial register on 03 August 2023.

The total conditional capital of the Company as of 31 December 2023 amounts to €3,254,357.00.

23.5 Authorisation to issue warrant and/or conversion participation rights, warrant bonds, convertible bonds and/or profit participation bonds, and to exclude subscription rights

The General Meeting on 6 April 2023 resolved to authorise the Management Board, with the approval of the Supervisory Board, to issue limited or unlimited bearer convertible bonds, bearer bonds with warrants and/ or bearer income bonds and/ or profit participation rights (or combinations of these instruments) (referred to collectively as "debt instruments") on one or more occasions up to and including 13 April 2027 up to a maximum total nominal amount of €125,000,000.00, and to grant the bearers or holders of these debt instruments conversion rights or warrants to subscribe for up to 2,804,357 no-par value registered shares with a total notional interest in the Company's share capital of up to €2,804,357.00 in accordance with the detailed conditions of the debt instruments and/or to include obligations to convert the respective debt instruments into such no-par value shares in the conditions of the debt instruments. The debt instruments may be issued in exchange for cash or in kind contributions.

The above authorisation became effective upon registration of the Contingent Capital 2022/I with the commercial register on 12 June 2023.

24 Retained earnings

This item contains the accumulated retained earnings of the subsidiaries included in the consolidated financial statements, the profit/loss for the period and other consolidation reserves.

In accordance with the resolution of the annual general meeting of 06 April 2023 a dividend of €11,643 thousand (€1.79 per no-par share) has been paid out to the shareholders of the company from the previous year net profit (2022: €7,155 thousand, €1.10 per no-par share).

The Supervisory Board agreed with the Management Board's proposal to carry forward the Company's net profit of €31,838 thousand.

25 Other reserves

The other reserves at year-end can be specified as follows:

In '000 €	Share based payments reserve	Translation differences of foreign operations	Currency translation difference	Total other reserves
Balance as at 1 January 2022	**156**	**-25**	**355**	**486**
Other comprehensive income	-	-231	-	-231
Equity-settled share-based payments	365	-	-	365
Currency translation difference	-	-	-186	-185
Balance as of 31 December 2022	**521**	**-256**	**169**	**435**
Other comprehensive income	-	80	115	195
Equity-settled share-based payments	1,417	-	-	1,417
Balance as of 31 December 2023	**1,938**	**-177**	**285**	**2,046**

26 Borrowings

In '000 €	31 Dec 2023	31 Dec 2022
Overdraft facility	-	6,000
Borrowing base facility	-	904
Total secured bank loans	**-**	**6,904**
Capitalised finance expenses	-	-342
Total	**-**	**6,562**

On 20 April 2023, the Group terminated the financing facility provided by the consortium of Commerzbank AG and Deutsche Bank AG and simultaneously entered into an overdraft facility with HSBC for an amount of €15.0 million at improved terms and conditions. If the financing facilities are used, the interest rate is calculated as follows:

(i) for EUR: at the Main Refinancing Operations rate published by the European Central Bank (ECB) (provided that, if such interest rate is less than zero, it shall be deemed to be zero), increased with the applicable margin of 2.60%.

(ii) for USD: Midpoint of Federal Reserve (FED) Target Range (provided that, if such interest rate is less than zero, it shall be deemed to be zero), increased with the applicable margin of 2.85%.

(iii) for GBP: at the Bank Of England rate published by the Bank of England (BOE) (provided that, if such interest rate is less than zero, it shall be deemed to be zero), increased with the applicable margin of 2.85%.

An amount of €95 thousand of capitalised finance expenses has been reclassified to other current assets as no amount was drawn down per 31 December 2023.

27 Financial liabilities

In '000 €	**31 Dec 2023**	31 Dec 2022
Non-current liabilities		
Lease liabilities	2,969	4,137
	2,969	**4,137**
Current liabilities		
Lease liabilities	1,350	1,054
Contingent considerations resulting from acquisitions	8	857
Forward exchange contracts	1	17
Other	52	250
	1,410	**2,178**
Total	**4,378**	**6,315**

27.1 Lease liability

The Group leases several office spaces. The average remaining lease term is 2,7 years (2022: 3.1 years).

A maturity analysis of lease payments is presented below:

In '000 €	**31 Dec 2023**	31 Dec 2022
No later than 1 year	1,350	1,054
Later than 1 year and not later than 5 years	2,969	3,888
Later than 5 years	-	249
Total	**4,319**	**5,191**

The Group does not face a significant liquidity risk regarding its lease liabilities. Lease payments are on a quarterly basis and monitored within the Group's treasury function.

28 Trade payables and other liabilities

In '000 €	31 Dec 2023	31 Dec 2022
Trade payables	13,086	9,531
Other liabilities	12,559	17,895
Total	**25,645**	**27,427**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 to 90 days. For most suppliers no interest is charged on the trade payables for the first days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

28.1 Other liabilities

In '000 €	31 Dec 2023	31 Dec 2022
Share-based payments	423	1,376
Total non-current	**423**	**1,376**
Accrual customer acquisition costs	506	1,502
Accrual other cost of sales	1,577	1,380
VAT and other taxes	104	525
Refund liabilities	3,374	5,114
Employee benefits	3,466	4,544
Share-based payments	1,447	1,240
Other liabilities	1,662	2,216
Total current	**12,136**	**16,519**
Total	**12,559**	**17,895**

28.2 Liability for share-based payments

Refer to Note 29 for further details on the assumptions underlying the stock option plans and share appreciation rights. A movement schedule of the liability for share based payments is disclosed in Note 29.

In '000 €	31 Dec 2023	31 Dec 2022
Non-current liability for share-based payments	423	1,376
Current liability for share-based payments	1,447	1,240
Total liability for share-based payments	**1,871**	**2,616**

29 Share-based payments arrangements

29.1 Description of share based payment arrangements 2023

At 31 December 2023, the Group had the following share-based payment arrangements. The movement of the liability for cash-settled share-based payments is disclosed in Note 30.2.3.

29.1.1 Stock option plan 2017

The purpose of this plan is the persistent linking of the interests of the members of the Management Board and of employees of the company with the interests of the shareholders of the company in a long-term increase of the corporate value so as to have regard to the shareholder value concept.

The term of each option ends after expiration of seven years since grand date of the option to the respective participant. The holding period of the options amounts to four years. Each stock option gives the right to a no-par value share in the company, against payment of the exercise price of € 1.00. A prerequisite for the exercise of options is the achievement of the annual performance target within the waiting period. The main performance target for the exercise of options is achieved if the closing price of the share in the Company in Xetra trading at the Frankfurt stock exceeds the target share price corresponding to the year and month of the grand date on a total of fifty stock exchange trading days within a period of twelve months following the granting of the relevant options. The performance target was not fulfilled for one year. Approximately half of the options were ultimately vested.

29.1.2 Share appreciation rights 2019

The Group granted a total of 34,600 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.

29.1.3 Share appreciation rights 2020

The Group granted a total of 63,250 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.

29.1.4 Stock option plan 2020 and 2022

The purpose of this plan is the persistent linking of the interests of the members of the Management Board and of employees of the company with the interests of the shareholders of the company in a long-term increase of the corporate value so as to have regard to the shareholder value concept.

The options issued within the framework of the Plan entitle the holder thereof to subscribe shares in the Company. One option entitles the holder thereof to subscribe one share in the company. Such right to subscribe shares may be satisfied either out of a contingent capital created for this purpose or out of the holdings of the Company's own shares. The options can also be settled in cash. This will be decided by the Supervisory Board as far as the Management Board is concerned and by the Management Board for the other participants. The term of each option ends after expiration of seven years since grand date of the option to the respective participant. The holding period of the options amounts to four years.

Each stock option gives the right to a no-par value share in the company, against payment of the exercise price of € 1.00. A prerequisite for the exercise of options is the achievement of the annual performance target within the waiting period. The main performance target for the exercise of options is achieved if the closing price of the share in the Company in Xetra trading at the Frankfurt stock exceeds the target share price corresponding to the year and month of the grand date on a total of fifty stock exchange trading days within a period of twelve months following the granting of the relevant options.

29.1.5 Share appreciation rights 2021

During the year 2021 the Group granted a total of 59,250 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.

29.1.6 Share appreciation rights 2022

During the year 2022 the Group granted a total of 44,000 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.

29.1.7 Share appreciation rights 2023

During the year 2023 the Group granted a total of 46,350 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.

29.2 Assumptions underlying the cash-settled stock option plans

The fair value of the options was calculated by an external valuation expert using the Black-Scholes- Merton formula. For all the programs, plausible estimates were made of the expected volatility, including price increases that occurred in the relevant periods until balance sheet date.

The inputs used in the measurement of the average weighted fair values at grant date and measurement date of the share appreciation rights and stock option plans were as follows.

	Stock option plan 2017	SAR 2019	SAR 2020	SAR 2021	SAR 2022	SAR 2023
Number of share options / appreciation rights issued	67,500	34,600	63,250	59,250	44,000	46,350
Fair value of the option on the grant date	€1.46	€0.65	€2.61	€7.27	€5.65	€8.40
Fair value of the option on measurement date	€18.20	€17.33	€13.82	€6,94	€5.65	€5.23
Exercise price of the option on the issue date	€1.00	€2.35	€6.29	€21.19	€22.67	€26,39
Expected volatility	65%	65%	65%	60%	60%	60%
Duration of the option	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected dividends	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Risk-free interest rate	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

29.3 Assumptions underlying the equity-settled stock option plans

The fair value of the options was calculated by an external valuation expert using the Black-Scholes- Merton formula. For all the programs, plausible estimates were made of the expected volatility, including price increases that occurred in the relevant periods until balance sheet date.

The inputs used in the measurement of the average weighted fair values at grant date and measurement date of the stock option plans were as follows.

	Stock option plan 2020	Stock option plan 2022
Number of options issued	136,500	151,580
Fair value of the option on the grant date	€19,05	€ 17.06
Share price at grant date	23,80	€ 26.79
Exercise price of the option on grant date	€1.00	€ 1.00
Expected volatility	60%	60%
Duration of the option	7 yrs	7 yrs
Expected dividends	7.1%	7.1%
Risk-free interest rate	2.5%	2.5%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

29.4 Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

	2023 Average exercise price		2022 Average exercise price	
	Number	EUR	Number	EUR
1 January	**332,600**	**8.49**	**275,600**	**6.71**
Granted during the period	239,930	5.90	86,000	13.63
Exercised during the period	-37,100	1.64	-29,000	2.31
Forfeited during the year	-	-	-	-
31 December	**535,430**	**7.80**	**332,600**	**8.49**
Exercisable on 31 December	22,000	2.55	2,000	6.84

The options outstanding at 31 December 2023 had an exercise price in the range of €1.00 to €32.32 (2022: €1.00 to €32.32) and a weighted-average contractual life of 4.4 years (2022: 5.2 years). The weighted-average share price at the date of exercise for share options exercised in 2023 was €26.45 (2022: €29.38).

30 Reporting on financial instruments

30.1 Accounting classifications and fair values

The following tables present the carrying amounts and fair values of individual financial assets and liabilities for each individual category of financial instruments and reconcile these with the corresponding balance sheet items. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The fair values of non-current financial assets and liabilities are calculated as the present value of the expected future cash flows. Normal market interest rates relating to the corresponding maturities are utilised for discounting.

30.2 Carrying amounts, valuations and fair values by measurement categories as of 31 December 2023

		Carrying amounts					Fair value			
in '000 €	Note	Fair value through profit and loss	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value		**-**	**1,572**	**-**	**-**	**1,572**	**-**	**-**	**1,572**	**1,572**
Forward exchange contracts		-	-	-	-	-	-	-	-	-
Blacknut SAS		-	1,572	-		1,572	-		1,572	1,572
Financial assets not measured at fair value		**-**	**-**	**38,197**	**-**	**38,197**	**-**	**38,197**	**-**	**38,197**
Trade receivables	20	-	-	20,546	-	20,546	-	20,546	-	20,546
Cash and cash equivalents	22	-	-	15,737	-	15,737	-	15,737	-	15,737
Other assets	21	-	-	1,915	-	1,915	-	1,915	-	1,915
Financial liabilities measured at fair value		**-**	**-**	**-**	**1,880**	**1,880**	**1**	**-**	**1,880**	**1,881**
Liability for share-based payments	28	-	-	-	1,871	1,871	-	-	1,871	1,971
Contingent considerations	27	-	-	-	8	8	-	-	8	8
Forward exchange contracts		-	-	-	1	1	1	-	-	1
Financial liabilities not measured at fair value		**-**	**-**	**-**	**-28,145**	**-28,145**	**-**	**-28,145**	**-**	**-28,145**
Bank borrowings	26	-	-	-	-	-	-	-	-	-
Lease liabilities	27.1	-	-	-	-4,319	-4,319	-	-4,319	-	-4,319
Trade and other liabilities	28	-	-	-	-23,774	-23,774	-	-23,774	-	-23,774
Other financial liabilities	27	-	-	-	-52	-52	-	-52	-	-52

30.2.1 Carrying amounts, valuations and fair values by measurement categories as of 31 December 2022

		Carrying amounts					Fair value			
in '000 €	Note	Fair value through profit and loss	Fair value through OCI	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value		**-**	**1,572**	**-**	**-**	**1,572**	**-**	**-**	**1,572**	**1,572**
Forward exchange contracts		-	-	-	-	-	-	-	-	-
Blacknut SAS		-	1,572	-	-	1,572	-	-	1,572	1,572
Financial assets not measured at fair value		**-**	**-**	**31,190**	**-**	**31,190**	**-**	**31,190**	**-**	**31,190**
Trade receivables	20	-	-	13,618	-	13,618	-	13,618	-	13,618
Cash and cash equivalents	22	-	-	16,804	-	16,804	-	16,804	-	16,804
Other assets	21	-	-	769	-	769	-	769	-	769
Financial liabilities measured at fair value		**-17**	**-**	**-**	**-3,473**	**-3,489**	**-17**	**-**	**-3,473**	**-3,489**
Liability for share-based payments	28	-	-	-	-2,616	-2,616	-	-	-2,616	-2,616
Contingent considerations	27	-	-	-	-857	-857	-	-	-857	-857
Forward exchange contracts		-17	-	-	-	-17	-17	-	-	-17
Financial liabilities not measured at fair value		**-**	**-**	**-**	**-37,156**	**-37,156**	**-**	**-37,156**	**-**	**-37,156**
Bank borrowings	26	-	-	-	-6,904	-6,904	-	-6,904	-	-6,904
Lease liabilities	27.1	-	-	-	-5,191	-5,191	-	-5,191	-	-5,191
Trade and other liabilities	28	-	-	-	-24,811	-24,811	-	-24,811	-	-24,811
Other financial liabilities	27	-	-	-	-250	-250	-	-250	-	-250

30.2.2 Fair value valuation techniques

Financial Assets / Financial Liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Financial Assets			
Forward exchange contracts	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
Participation in Blacknut SAS	Income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Income Discounted cashflows and discount rates	In 2021 CLIQ acquired a minority share in Blacknut SAS and in 2022 an additional amount has been invested to remain a 5% stake. The purchase price is the result of negotiations between the group and Blacknut. The investment is for strategic purposes. Due to the fact that (i) CLIQ only holds a minority stake of 5%, (i) CLIQ does not have insight in the day-to-day operations and detailed financials, and (iii) Blacknut's operational business is currently in a start-up phase, meaningful sensitivity analysis are not possible
Financial Liabilities			
Liability for share-based payments	Black-Scholes model. Refer to note 29.2 for the assumptions used in the model.	Historic volatility	Historic volatlity +10% impact on liability: +€92,320 Historic volatility -10% impact on liability: -€92,320

30.2.3 Reconciliation of Level 3 fair value measurements of financial instruments

Reconciliation of Level 3 fair value measurements of financial instruments	Liability for share-based payments	Contingent Consideration	Investment in equity instruments
Balance at 1 January 2022	**2,102**	**1,124**	**1,500**
Purchase	-	-	472
Payment	-785	-377	-
Change in fair value (OCI)	-	-	-
Change in fair value (P&L)	1,299	111	-
Balance at 31 December 2022	**2,616**	**858**	**1,972**
Balance at 1 January 2023	**2,616**	**858**	**1,972**
Assumed in Business combination (Note 30)	-	-	-
Purchase	-	-	-
Payment	-859	-858	-
Change in fair value (OCI)	-	-	-
Change in fair value (P&L)	113	1	-
Balance at 31 December 2023	**1,871**	**8**	**1,972**

30.2.4 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (borrowings as detailed in Note 26) offset by cash and bank balances) and equity of the Group (comprising issued capital, share premium, retained earnings, other reserves and non-controlling interests as detailed in Notes 23 to 25). The Group's management reviews the capital structure of the Group on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

The Group is not subject to any externally imposed capital requirements.

30.3 Financial risk management

Typical risks arising from financial instruments include credit risk, liquidity risk and individual market risks. The Group's risk management system, including its objectives, methods and processes, is presented in the risk report in the Group management report. On the basis of the information presented below, we identify no explicit concentration of risk arising from financial risks.

30.3.1 Credit risks

CLIQ endeavours to reduce default risk on primary financial instruments through trade information, credit limits and debt management, including a reminder and warning system, and aggressive collection. Furthermore, CLIQ is only doing business with credit-worthy customers. The maximum default risk is derived from the carrying amounts of the financial assets recognised in the balance sheet.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Based on historical experience, ageing of outstanding receivables and specific events which occurred or information available the Group classify each customer in one of the following categories for credit rating: low credit risk, normal credit risk, increased credit risk or individually credit rated. Customers within the category low and normal risk are paying in line with contractual agreements. Customers which are overdue for a period exceeding 30 days without an acceptable reason for the delay, are classified as increased credit risk resulting in a higher percentage of all the outstanding receivables from that customer to be impaired. When a specific event related to a customer occurred and the outstanding receivables from a customer are considered significant the customer is classified as individually credit rated.

Outstanding gross amounts from customers categorised as normal credit risk and increased credit risk are impaired using a provision matrix which takes into account the ageing of the receivables and the increased credit risk based on classification of the customer reference is made to Note 20. For customers categorised as individually credit rated management uses all the information available at reporting date to make a best estimate of the expected lifetime credit loss for the customer.

The following table provides information about the exposure to credit risk during the next 12 months for trade receivables and contract costs from individual customers as at 31 December 2023. The weighted average loss allowance is 2.9% lower in 2023 compared to 2022.

	2023			2022		
In '000 €	Trade receivables	Loss allowance	Weighted average loss rate	Trade receivables	Loss allowance	Weighted average loss rate
Low credit risk	8	0	0.6%	30	-	1.4%
Normal credit risk	13,992	-458	3.3%	11,535	-392	3.4%
Increased credit risk	3	-2	69.8%	46	-39	85.3%
Individually credit risk	1,522	1,353	100.0%	1,713	-1,664	97.1%
Total	**15,525**	**1,813**	**12.8%**	**13,324**	**-2,095**	**15.7%**

30.3.2 Liquidity risks

Operational liquidity management includes a cash controlling process which aggregates resources of cash and cash equivalents. This allows liquidity surpluses and requirements to be managed according to the needs of the Group as well as individual Group companies. Short- and medium- term liquidity management includes the maturities of financial assets and financial liabilities, as well as estimates of operating cash flows. Cash and cash equivalents totalling €15,737 thousand (2022: €16,804 thousand) are available to cover liquidity requirements. Overall, liquidity risk is categorised as low.

The following (undiscounted) payments prospectively arise from the financial liabilities over the coming years:

In '000 €	Gross value 31 December 2023	Payments 2024	Payments 2024 to 2028	Payments from 2028
Trade payables (Note 28)	13,086	13,086	-	-
Bank borrowings (Note 26)	-	-	-	-
Financial liabilities (Note 27)	4,378	1,410	2,969	-
Other liabilities (Note 28)	12,559	12,136	423	-
Total	**30,023**	**26,632**	**3,392**	**-**

In '000 €	Gross value 31 December 2022	Payments 2023	Payments 2023 to 2027	Payments from 2027
Trade payables (Note 28)	9,531	9,531	-	-
Bank borrowings (Note 26)	6,904	-	6,904	-
Financial liabilities (Note 27)	6,315	2,178	3,888	249
Other liabilities (Note 28)	17,895	16,519	1,376	-
Total	**40,646**	**28,229**	**12,168**	**249**

30.3.3 Market risks

Market risk refers to the risk that the fair values or future cash flows from the primary or derivative financial instruments fluctuate due to changes in risk factors. The risks of changes to interest rates are the main market risks to which CLIQ is exposed. Fluctuations in earnings, equity and cash flows can result from such risks.

30.3.4 Foreign currency risks

The currency risk of (trade) receivables of significant revenues denominated in foreign currencies are hedged by the Group for at least 75%. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of less than 1 year from the reporting date. In general, the Group receivables of revenues in USD, GBP, and PLN are naturally hedged since (future) income as well as expenses (primarily customer acquisition costs and cost of sales) are incurred in the same currencies as the revenues. On a monthly basis the expected cash flows in foreign currencies for the next 12 months are monitored and any significant foreign currency risks are mitigated by acquiring forward exchange contracts.

30.3.5 Interest-rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group had no outstanding debt (2022: €6,904.0 thousand), which implies that no inherent interest-rate risk is present per 31-12-2023. The overdraft facility has different rates for the facilities in different currencies. Reference is made to note 26.

31 Related parties

The associated companies of CLIQ AG are presented in the consolidation scope (Note 17). Along with the Management Board, their close family members, and generally the Supervisory Board, participating interests and their owners are regarded as “related parties” in the meaning of IAS 24 Related Party Disclosures.

In 2023, the Board of CLIQ consisted of the following members:

Surname	Name	Since	Function
Voncken	Luc	5 October 2012	Chairman of the Management Board
Bos	Ben	1 June 2014	Member of the Management Board

31.1 Remuneration for members of the Management Board

Management Board compensation is composed as follows:

In ‘000 €	**2023**	2022
Payments due in the short term (excluding share-based compensation)	5,150	5,652
Share-based compensation	2,016	1,456
Total compensation	**7,166**	**7,107**

As of 31 December 2023, the Management Board held a total of 291,100 stock options (2022: 139,500 stock options). The stock options can be exercised in a four-year period, under the conditions that the agreed performance targets are reached.

31.2 Remuneration for members of the supervisory board

Per 31 December 2023 the Supervisory Board consisted of the following members:

Surname	Name	Profession	City	Function
Dr. Schlichting	Mathias	Lawyer	Hamburg, Germany	Chairman
Tempelaar	Karel	Private Investor	Amsterdam, The Netherlands	Full Member
Lam	Nathalie	Global Head of Sponsorship	Amsterdam, The Netherlands	Full Member

The Supervisory Board members received €215 thousand to reimburse their expenses in the financial year (2022: €125 thousand). A long-term compensation component has not been agreed for Supervisory Board members. None of the Supervisory Board members held stock options as of 31 December 2023 (2022: nil).

32 Contingent liabilities and contingent assets

As of the balance sheet date, the Group was not exposed to contingencies (2022: €nil).

33 Commitment for expenditure

The Group has no significant commitments for expenditures which have not already been recognised at balance sheet date.

34 Events after the balance sheet date

There were no events between the balance sheet date and 20 February 2024 that could have a material effect.

20 February 2024

CLIQ Digital AG

Luc Voncken Ben Bos

INDEPENDENT AUDITOR'S REPORT

To Cliq Digital AG, Düsseldorf

Audit Opinions

We have audited the consolidated financial statements of Cliq Digital AG and its subsidiaries (the Group) – which comprise the consolidated statement of financial position, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Cliq Digital AG for the financial year from 1 January to 31 December 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other information

The legal representatives are responsible for the other information. The other information comprises the other information and chapters of the annual report with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there has been a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, den 20 February 2024

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Heiko Wittig Wirtschaftsprüfer [German Public Auditor]	Nils Lempart Wirtschaftsprüfer [German Public Auditor]

Financial calendar

6 April	Annual General Meeting 2024
8 May	1Q 2024 Financial Statement & Telephone Conference
8 August	2Q/6M 2024 Financial Statement & Telephone Conference
7 November	3Q/9M 2024 Financial Statement & Telephone Conference

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