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HALF-YEAR FINANCIAL REPORT AS OF 30/06/2020
DEAG Deutsche Entertainment Aktiengesellschaft

// DEAG OVERVIEW

COMPANY PROFILE

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a leading entertainment service provider and live entertainment operator in Europe. With its Group companies, DEAG has been present in 11 locations in its core markets Germany, the UK and Switzerland for more than 40 years. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in planning, organising, marketing and conducting events.

Founded in Berlin in 1978 and listed on the stock exchange since 1998, DEAG's core business areas currently include Rock/Pop, Classics & Jazz, Family Entertainment, Arts+Exhibitions and Ticketing. Especially Family Entertainment and Arts+Exhibitions are elementary building blocks for the further development of the company's own content.

More than 5 million tickets for over 4,000 events were sold in 2019, a continuously growing share of these via the Group's own e-commerce platforms "[MyTicket](#)" and "[Gigantic.com](#)" for its own and third-party content.

Through its strong partner network, DEAG is excellently positioned in the market as an internationally active live entertainment service provider.

DEAG shares (ISIN: DE000A0Z23G6 | WKN: A0Z23G | stock exchange symbol: LOUD) are listed in the Prime Standard of the Frankfurt Stock Exchange, the quality segment of the German Stock Exchange.

DEAG'S CORE MARKETS



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// LETTER TO THE SHAREHOLDERS

**Ladies and Gentlemen,
Dear Shareholders,**

Initially we successfully started with sales of EUR 26.2 million in the first quarter, compared to EUR 25.5 million the previous year. In the first half of 2020, DEAG has continued to demonstrate its resistance to the COVID-19 crisis. Thanks to a enormous cost reduction programme and our extensive insurance coverage, our operating EBITDA in the first half of the year was nearly balanced at EUR -0.3 million, compared to EUR 3.1 million the year before. Sales for the first six months of the year amounted to EUR 31.7 million (previous year: EUR 63.9 million). Even in the second quarter, in which the lockdown hit our industry particularly hard, we were able to limit EBITDA to EUR -1.5 million on sales of EUR 5.6 million (previous year: EUR 38.4 million). EBITDA in the same quarter of the previous year was EUR 2.1 million.

We reacted quickly to the changed market situation and put our focus on new, innovative event concepts. For example, we established the “BW-Bank Kulturwasen” in Stuttgart and the “Stage Drive Kulturbühne” at the Jahrhunderthalle in Frankfurt/Main. At both locations, visitors can enjoy concerts, readings, film presentations and comedy performances from their cars and COVID-19-compatible lounges. Due to the high visitor response, the BW-Bank Kulturwasen will now be extended until the end of September – we expect a total of 100,000 visitors for this event alone. Our digital offerings are also very successful. For example, the “NATURE ONE” electronics festival was held virtually in August for the first time with 4.5 million viewers following the livestream.

With our proven “Christmas Garden” concept, we will be offering another “COVID-19-compatible” experience with distance and outdoors starting in November 2020. We first created this event format back in 2016 and have successfully implemented it on the market both nationally and internationally. In 2020, the Christmas Garden will take place at eleven locations, including Barcelona, Berlin, Dresden, Cologne and Stuttgart. We expect that the previously expected increase to 1.2 or 1.5 million visitors in the current year will even be exceeded due to the current positive advance sales trend. Last year, Christmas Garden drew 950,000 visitors.

Our strong pipeline for the coming quarters is manifested in the approximately 2.5 million tickets that we have sold in Germany, Switzerland and the UK. This figure does not yet include events such as Christmas Garden. We sell a considerable number of tickets via our own ticketing platforms MyTicket and Gigantic.com, therefore we participate in the most important levels of the value chain.

In the past six months, we have particularly benefited from the loyalty of our customers: nearly 90% have said they want to keep their tickets for postponed events. The voucher solution for tickets that has been adopted also helps us to further strengthen our liquidity base.

We see ourselves well positioned for the future. We have a strong financial base and a well-filled event pipeline. The Group’s liquidity totalled around EUR 50 million as of 30 June 2020. Significant inflows of funds are ensured by the smooth settlement of damages by the insurance company for cancelled or rescheduled events due to “force majeure.” We have already received EUR 9.0 million in refunds, and another EUR 5.1 million is currently being processed.

With high visibility, we already have a future sales base of more than EUR 100 million. For the full year 2020, following the performance in the first half of the year, we are aiming to at least break even in terms of our EBITDA. We are excellently positioned in the market thanks to strong event formats in our portfolio and the increasing relevance of our ticketing platforms. We are therefore convinced that, once the situation returns to normal, we will quickly return to pre-crisis levels and continue on our growth path. Market observers, such as Goldman Sachs, also project that the event segment will quickly recover from the consequences of the pandemic by 2022.

We would be pleased if you would continue to accompany us as shareholders on our path and would like to thank you for your loyalty.

Sincerely yours,
Prof. Peter Schwenkow

reporting date was EUR 64.37 million. The average number of shares traded per day in the period from January to the end of June was 44,495 shares, of which the majority (30,179 shares) were traded on Xetra.

1.3 PERFORMANCE OF THE DEAG BOND 2018/2023

The DEAG corporate bond 2018/2023 (WKN: A2NBF2, ISIN: DE000A2NBF25), which is traded on the Open Market (Segment Quotation Board) of the Frankfurt Stock Exchange, showed a similar basic trend to the DEAG share. From January to mid-February 2020, the bond was quoted at prices of around 106%. The COVID-19 pandemic led to visible declines by the end of June. At the end of the reporting period, the bond was quoted at a price of 87.64%. The objective behind placing the bond on the capital market was to finance the internal and external growth of the company in its core markets and at the same time optimise its financing structure. By issuing the bond with an issue volume of EUR 20 million and the subsequent placement of EUR 5 million in June 2019, DEAG secured long-term financing to ensure that the company will be able to continue to grow sustainably and profitably in the future. The bearer bonds with a nominal value of EUR 1,000 each have a term of 5 years and an annual fixed interest rate of 6.00%.



1.4 ANALYST ESTIMATES

Research experts at FMR Frankfurt Main Research AG, Hauck & Aufhäuser AG, Kepler Cheuvreux, MainFirst Bank AG, Montega AG and Solventis Beteiligungen GmbH currently (as of August 2020) follow the DEAG share. The average target price is EUR 5.49 (as of 27 August 2020), the recommendation is unanimously “BUY.” Analyst studies are available on the DEAG company website under Investor Relations/Analysts’ Ratings.

ANALYSTS	RECOMMENDATION	PRICE TARGET	DATE
Kepler Cheuvreux	Buy	EUR 4.50	2020-05-28
FMR Frankfurt Main Research AG	Buy	EUR 5.70	2020-06-02
Montega AG	Buy	EUR 5.80	2020-06-02
MainFirst Bank AG	Buy	EUR 5.50	2020-06-02
Hauck & Aufhäuser AG	Buy	EUR 6.70	2020-06-02
Solventis Beteiligungen GmbH	Buy	EUR 4.75	2020-06-03
PRICE TARGET (Ø)		EUR 5.49	

Detailed information on investor relations can be found at www.deag.de/ir. DEAG Deutsche Entertainment AG constantly offers information on all current business developments here. In addition, investors have a direct channel of communication with the company at deag@edicto.de.

FINANCIAL CALENDAR 2020

JAN: 28	ROADSHOW HAIB (London)
JAN: 29	ROADSHOW HAIB (Paris)
FEB: 04	HIT I HAMBURG INVESTORS DAY (Hamburg)
FEB: 14	ROADSHOW JEFFERIES (Frankfurt am Main)
MAR: 18	METZLER MICRO CAP DAYS (Conference Call)
APR: 06	ANNUAL FINANCIAL REPORT 2019
APR: 07	ROADSHOW ODDO SEYDLER (Conference Call/Luxembourg)
APR: 28	ROADSHOW MONTEGA (virtual/Germany-wide)
MAY: 28	QUARTERLY FINANCIAL STATEMENT (3M)
JUN: 16	ROADSHOW MAINFIRST (virtual/France, Switzerland)
JUN: 25	ANNUAL GENERAL MEETING (virtual)
AUG: 28	HALF-YEAR FINANCIAL REPORT (6M)
SEP: 02 - 03	FALL CONFERENCE (Virtual)
NOV: 16 - 18	EKF I GERMAN EQUITY FORUM (Virtual)
NOV: 30	QUARTERLY FINANCIAL STATEMENT (9M)

// INTERIM GROUP MANAGEMENT REPORT

SIGNIFICANT OPERATIONAL DEVELOPMENTS

DEAG initially started successfully with EUR 26.2 million, compared to EUR 25.5 million the previous year. The second quarter particularly was mainly characterised by concert cancellations and postponements due to the COVID-19 pandemic since mid-March. As the effects of the pandemic were hardly noticeable between January and the beginning of March, the majority of physical DEAG events and live events took place in the first quarter of 2020. The first three months of the year were successful with sales of EUR 26.2 million, after EUR 25.5 million the previous year. Furthermore, new COVID-19-compatible event concepts ensured a positive perception of DEAG on the market from the second quarter on.

Formats such as the “BW-Bank Kulturwasen” in Stuttgart and the “Stage Drive Kulturbühne” in Frankfurt/Main allow culture and variety to be offered even in times of the pandemic. Both locations have entertainment in the form of concerts, readings, film presentations and comedy performances that viewers can follow from their cars or from COVID-19 compatible lounges on the agenda.

In the Arts+Exhibitions division, the “Christmas Garden” event format, in particular, that was established in 2016 is a complete success. It offers a “COVID-19 compatible” concept, as visitors are able to admire the spectacle exclusively outdoors and by maintaining distancing. In the 2019/2020 season, which runs until mid-January 2020, the Christmas Gardens drew a total of 950,000 visitors, around 200,000 of whom came to the newly opened Madrid location. The growth of the Christmas Gardens is to be further promoted in 2020 and the number of locations is to be increased from six to ten. DEAG expects a significant increase in the forecast number of visitors from November on, even beyond the previous forecast of 1.2 to 1.5 million. The new “TimeRide” format, which takes visitors on a virtual journey through time, will also be carried out again as planned after the end of the lockdown since May, with a corresponding distance and hygiene concept. Besides Cologne, Dresden, Munich and Berlin, a further location in Frankfurt/Main was opened in June.

The Group’s own ticketing platforms myticket.de, myticket.at, myticket.co.uk and Gigantic.com are becoming increasingly relevant for DEAG. A large share of ticket sales for its own as well as third-party content is handled via these platforms. At the beginning of March, for example, only two hours after the start of advance ticket sales, 65,000 personalised tickets for the concerts of Böhse Onkelz initially planned for the fall of 2020 were sold exclusively via MyTicket.

The Family Entertainment division enjoyed great success with audience magnets such as “Disney on Ice,” especially at the beginning of the year. New venues were added in Düsseldorf, Stuttgart and Geneva as part of the expansion plans.

The Rock/Pop division clearly had its focus in the first two months of the year as a result of the COVID-19 pandemic. The U.S. rock band Papa Roach generated a lot of excitement in the concert hall in Munich during their European tour in February. The Stereophonics played to a sold-out audience in Cardiff, Wales. The heavy metal band Sabaton gave guest performances in Zurich and London.

Prior to the outbreak of COVID-19, DEAG was also able to offer top-class concerts in Europe in the Classics & Jazz division. The performances of Anna Netrebko and her husband Yusif Eyvazov enjoyed great popularity, as did the concerts given by star trumpeter Till Brönner, Juan Diego Flórez, Joja Wendt and Martin Kohlstedt.

DEAG considers itself well positioned despite the considerable restrictions imposed due to the corona pandemic: Contributing factors include the newly established event formats and the successfully launched advance sale of Christmas Garden tickets. DEAG was also able to realise its first livestream event in August: The electronic music festival “NATURE ONE” was virtually streamed by around 4.5 million viewers.

EARNINGS POSITION

DEAG’s earnings position in this reporting period was strongly influenced by the effects of the COVID-19 pandemic.

DEAG generated sales of EUR 31.7 million in the first six months (previous year: EUR 63.9 million). In the second quarter of this year, sales in the amount of EUR 5.6 million were significantly lower than in the same period of the previous year (EUR 38.5 million). Sales for this year’s second quarter included insurance refunds for cancelled or postponed events in the amount of EUR 4.1 million.

Gross profit amounted to EUR 7.4 million after EUR 13.6 million in the same period of the previous year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the first half of the year of EUR -0.3 million (prior year: EUR 3.1 million) were nearly balanced and were only EUR -1.5 million (previous year: EUR 2.1 million) even in the second quarter, in which the live entertainment industry was particularly affected by the lockdown. The basis for the solid result was not only the extensive insurance coverage, but also the significant cost savings in the area of administrative and sales costs. A significant decrease of 48% from EUR 8.2 million to EUR 4.3 million was recorded in the second quarter compared to the previous quarter of this year.

EBIT for the reporting period amounted to EUR -4.2 million after EUR 1.3 million in the same period of the previous year. Besides the effects of the COVID-19 pandemic, this development is also due to increased scheduled depreciation (30 June 2020: EUR 3.8 million, previous year: EUR 1.8 million). This increase mainly related to increased depreciation of leasing usage rights (30 June 2020: EUR 1.9 million, previous year: EUR 1.0 million) as well as the increased depreciation related to purchase price allocations by EUR 0.7 million (30 June 2020: EUR 1.1 million, previous year: EUR 0.4 million).

The financial result remained nearly unchanged compared to the same period of the previous year and amounted to EUR -2.0 million. It essentially includes the interest result, thereof from leasing contracts in the amount of EUR 0.9 million (previous year: EUR 0.8 million).

After taking tax expenses into account, the consolidated result after taxes was EUR -5.9 million (previous year: EUR -1.4 million) and the consolidated net income attributable to DEAG shareholders amounted to EUR -5.1 million after EUR -2.4 million in the same period of the previous year.

DEVELOPMENT OF THE SEGMENTS

DEAG reports using an unchanged segment structure. This reflects the Group’s activities accurately and clearly:

The **Live Touring** segment (“touring business”) includes the tour business. This includes the activities of the companies DEAG Classics (Berlin), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Wizard Promotions Konzertagentur (Frankfurt/Main), Grünland Family Entertainment (Berlin), Global Concerts Touring (Munich), Christmas Garden Deutschland (Berlin), I-Motion GmbH Event & Communications (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), the sub-group Gigantic Holdings Ltd. including Myticket Services Ltd. (London, UK), the sub-group Kilimanjaro (London, UK) including the Flying Music Group and The Classical Company (Zurich, Switzerland).

The **Entertainment Services** segment (“stationary business”) includes regional business as well as the entire service business. This includes the activities of the AIO Group (Glattpark, Switzerland) including the sub-group Live Music Production SA (LMP) / Live Music Entertainment SA (LME), both based in Le Grand-Saconnex, Switzerland, Global Concerts (Munich), Concert Concept (Berlin), the sub-group C² Concerts (Stuttgart), Grandezza Entertainment (Berlin), River Concerts (Berlin) and Elbklassik (Hamburg), handwerker promotion (Unna), LiveGeist Entertainment (Frankfurt/Main), Kultur- und Kongresszentrum Jahrhunderthalle (Frankfurt/Main), FOH Rhein Main Concerts (Frankfurt/Main) as well as mytic myticket (Berlin) and Kultur im Park (Berlin).

Segment development at a glance:

Both segments were equally affected by the impact of the COVID-19 pandemic during the reporting period. The official event bans are clearly reflected in the second quarter in particular. Significant cost savings were achieved in both the Live Touring and Entertainment Services segments, which contributed to the balanced performance in both segments. Although the picture is less positive than in the previous year, positive results were nevertheless achieved in the operating area.

Live Touring

Segment sales amounted to EUR 15.5 million after EUR 39.4 million the previous year. EBITDA declined to EUR 1.1 million after EUR 3.5 million last year. Profitable event formats in the first quarter, especially in the Classics & Jazz division, and the above-mentioned cost savings since the second quarter contributed to this development.

Entertainment Services

With segment sales of EUR 18.9 million after EUR 29.5 million, EBITDA was nearly unchanged at EUR 1.6 million after EUR 1.8 million the previous year. Besides the Christmas Garden in January and the events that were held in the Jahrhunderthalle, the ticketing business via the company's own ticketing platforms "MyTicket" made a particularly strong contribution to this satisfactory development.

ASSET POSITION

The balance sheet total decreased by EUR 10.2 million or 6% to EUR 175.0 million (31 December 2019: EUR 185.2 million).

Current assets declined by EUR 7.3 million to EUR 72.2 million compared to 31 December 2019. This is mainly due to the decrease in trade receivables (EUR -7.9 million) and cash and cash equivalents (EUR -6.5 million). This was partly offset by the EUR 5.0 million increase in advance payments. Compared to 30 June 2019, current assets increased by EUR 7.0 million, mainly due to the EUR 14.6 million increase in cash and cash equivalents.

Non-current assets fell by EUR 2.9 million to EUR 102.8 million compared to 31 December 2019. This was mainly due to scheduled depreciation and amortisation of both intangible assets (EUR 1.8 million) and property, plant and equipment (EUR 2.5 million). Compared to 30 June 2019, there is an increase of EUR 19.6 million, mainly due to the acquisitions made in the second half of the previous year. This resulted in a EUR 0.7 million increase in scheduled depreciation and amortisation from acquisitions compared to the same period of the previous year (30 June 2020: EUR 1.1 million, previous year: EUR 0.4 million).

Current liabilities declined by EUR 1.7 million to EUR 103.1 million compared to 31 December 2019 (31 December 2019: EUR 104.8 million). While trade liabilities declined by EUR 7.5 million due to cost saving programme (31 December 2020: EUR 10.8 million), contract liabilities increased by EUR 2.1 million to EUR 52.1 million. this underlines the growth in event density in the next months. Compared to 30 June 2019 the contract liabilities increased by EUR 10.2 million (30 June 2020: EUR 52.1 million, 30 June 2019: EUR 41.9 million). This resulted in a significant increase of liquid funds by EUR 14.6 million to EUR 39.8 million compared to 30 June 2019, while bank liabilities (30 June 2020: EUR 14.6 million, 30 June 2019: 14.2 million) remained nearly unchanged.

Non-current liabilities fell by EUR 1.8 million to EUR 53.5 million (31 December 2019: EUR 55.2 million). The change resulted mainly from the decrease in leasing liabilities of EUR -1.7 million.

Equity decreased by EUR 6.7 million to EUR 18.5 million due to the consolidated net income. The equity ratio is thus 10.6%, compared to 13.6% on 31 December 2019.

FINANCIAL POSITION

Cash outflow before changes in net working capital amounted to EUR 6.8 million compared to EUR 4.3 million in the same period of the previous year. This reflects in particular the fact that a significant drop in sales revenues

was triggered by the lockdown in the second quarter, but also the strict cost management implemented at the end of the first quarter of this year that also had an effect on costs.

Cash outflow from operating activities (total) amounted to EUR 3.6 million compared to EUR 10.4 million in the comparable period of the previous year. This was mainly influenced by the change in working capital. While it amounted to EUR -7.2 million in the same period of the previous year, it was EUR 1.2 million in the reporting period. It is mainly impacted by cash inflow on down payments for future events as well as other current financial assets.

Cash outflow from investing activities amounted to EUR 3.1 million compared to EUR 1.1 million in the same period of the previous year. This change is mainly due to the payment for a purchase price liability and the increase in the capital reserve of an investment.

Cash inflow from financing activities amounted to EUR 0.6 million and thus remained nearly unchanged compared to the corresponding period of the previous year (30 June 2019: EUR 0.5 million). This is mainly due to the balance of borrowings and repayments of financial liabilities (EUR +4.2 million), reduced by payments to lessors (EUR -1.7 million), payments to minority interests (EUR -0.7 million) and interest (EUR -1.2 million).

As a result, cash and cash equivalents increased significantly by EUR 14.6 million to EUR 39.8 million in the reporting period (30 June 2019: EUR 25.2 million).

As of 30 June 2020, the Group had strong financial resources of around EUR 50 million (previous year: around EUR 27 million), consisting of EUR 39.8 million (previous year: EUR 25.2 million) in available liquidity and agreed bank lines.

RISK AND OPPORTUNITY REPORT

With regard to the risks and opportunities for DEAG, reference is made to the Risk and Opportunity Report in the 2019 Combined Management and Group Management Report (p. 44 ff.) in the Annual Report as of 31 December 2019.

In particular the risk in connection with the spread of COVID-19 will continue to have a significant impact on how the business develops for the DEAG Group. The risk has meanwhile increased significantly and the duration of the pandemic is still not assessable.

In addition to the existing insurance coverage, extensive measures have been taken since the first quarter of the financial year to contain the effects of the risk, in order to reduce material and personnel costs and to strengthen the Group's liquidity. These measures have now had a positive effect in the second quarter. In addition, DEAG is constantly working on developing new event formats in order to respond to changing market conditions.

The Executive Board of DEAG assumes at the time of the half-year financial report that the risks do not endanger the continued existence of the company or the Group. However, it cannot be ruled out that the COVID-19 pandemic or other influencing factors, which are currently not known or are not yet considered significant, could influence the continued existence of the company or the Group in the future.

All other statements in the Risk and Opportunity Report in the 2019 Annual Report remain valid.

FORECAST REPORT

The Executive Board expects a significant decline in sales and earnings for financial year 2020 compared to the previous year due to the ongoing COVID-19 pandemic, which has affected DEAG's operating business in its core markets since the end of March 2020.

The goal remains to report a balanced EBITDA for the financial year, however, depending on the extent of restrictions due to the pandemic, in particular by continuing to pursue strict cost management.

With its robust financial resources consisting of available liquidity, grants from aid programs and insurance payments, as well as a high density of events, DEAG considers itself to be ideally positioned for the future.

Due to the nature of DEAG's business activities as the parent company, its future development is closely linked to that of the Group. For this reason, reference is made to the above forecast of the Group, which also represents management's expectations with regard to the development of the parent company.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assumptions and forecasts made by DEAG management. Such statements are subject to risks and uncertainties. These and other factors may cause the results, financial situation, developments or performance of the company to differ materially from the estimates made here. The company assumes no liability whatsoever to update such forward-looking statements or to conform them to future events or developments.

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// CONSOLIDATED BALANCE SHEET

TOTAL ASSETS

	30 June 2020	30 December 219	30 June 2019
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Current assets			
Liquid funds	39,848	46,341	25,223
Trade receivables	4,844	12,704	7,473
Down payments	17,017	12,056	18,208
Incom tax receivables	751	520	3,280
Inventories	1,112	1,064	348
Other current financial assets	5,388	3,794	8,049
Other current non-financial assets	3,220	2,956	2,623
Current assets	<u>72,180</u>	<u>79,435</u>	<u>65,204</u>
Goodwill	33,397	33,379	28,911
Other intangible assets	31,030	32,806	22,667
Tangible fixed assets	23,642	26,094	18,907
Investment properties	5,625	5,625	5,625
Investments	3,589	2,340	2,457
According to the equity method accounted financial assets	42	49	1,161
Down payments	500	500	5
Other long-term financial assets	3,329	3,392	2,487
Deferred tax assets	1,648	1,558	1,029
Long-term assets	<u>102,802</u>	<u>105,743</u>	<u>83,249</u>
Total assets	<u>174,982</u>	<u>185,178</u>	<u>148,453</u>

TOTAL LIABILITIES AND EQUITY

Liabilities and equity	2020 30 June 2020	2019 30 December 2019	2019 30 June 2019
	in EUR '000	in EUR '000	in EUR '000
Bank loans payable	14,571	10,959	14,166
Trade accounts payable	10,795	18,337	11,039
Accruals	3,247	7,408	3,699
Contract liabilities	52,059	50,001	41,893
Income tax liabilities	2,051	2,111	1,645
Other current financial liabilities	16,961	10,875	7,611
Other current non-financial liabilities	3,370	5,118	4,664
Current liabilities	103,054	104,809	84,717
Accruals	280	279	239
Bond	24,147	24,032	23,918
Bank loans payable	3,546	2,995	1,167
Contract liabilities	-	93	-
Other long-term financial liabilities	19,009	20,882	14,640
Deferred taxes	6,465	6,932	3,563
Long-term liabilities	53,447	55,213	43,527
Share capital	19,625	19,625	19,625
Capital reserve	28,695	28,695	45,579
Retained earnings	-466	-466	-466
Retained earnings	-41,601	-36,495	-54,524
Accumulated deficit	2,067	1,698	1,578
Accumulated other income	8,320	13,057	11,792
Equity attributable to DEAG shareholders	10,161	12,099	8,417
Equity attributable to non-controlling interest	18,481	25,156	20,209
Equity	174,982	185,178	148,453
Total liabilities and equity	174,982	185,178	148,453

// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<u>from 01 January to 31 March</u>	<u>II/2020</u> <u>in EUR '000</u>	<u>II/2019</u> <u>in EUR '000</u>	<u>01.01.-30.06.20</u> <u>in EUR '000</u>	<u>01.01.-30.06.19</u> <u>in EUR '000</u>
Group result after taxes	-3,998	-359	-5,889	-1,366
Other result				
(+/-) Differences from exchange rates (independent foreign units)	71	-82	545	-139
Total recognised directly in other comprehensive	71	-82	545	-139
Total result	-3,927	-441	-5,344	-1,505
Thereof attributable to				
Non-controlling interest	-642	809	-554	1,070
DEAG Shareholders	-3,285	-1,250	-4,790	-2,575

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1 January 2020 30 June 2020	1 January 2019 30 June 2019
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	-5,889	-1,354
Depreciation and amortisation	3,832	1,850
Change in accruals	-4,212	-5,259
Changes not affecting payments	-15	-222
Deferred taxes (net)	-557	476
Result from valuation of affiliated companies	50	237
Cash flow	<u>-6,791</u>	<u>-4,272</u>
Net interest income	2,001	1,781
Change in working capital	1,221	-7,903
Net cash from operating activities from continued operations	<u>-3,569</u>	<u>-10,394</u>
Net cash from operating activities from discontinued operations	-	-12
Net cash from operating activities (total)	<u>-3,569</u>	<u>-10,406</u>
Net cash from investment activities from continued operations	<u>-3,096</u>	<u>-1,064</u>
Net cash from financial activities (total)	<u>558</u>	<u>504</u>
equivalents	<u>-6,107</u>	<u>-10,966</u>
Effects of exchange rates	-386	-238
Cash and cash equivalents at beginning of Period	<u>46,341</u>	<u>36,427</u>
Cash and cash equivalents at end of period	<u>39,848</u>	<u>25,223</u>

// SELECTED EXPLANATORY NOTES

NOTES PURSUANT TO IAS 34

These Interim Consolidated Financial Statements, comprising the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Cash Flows, the Condensed Consolidated Statement of Changes in Equity and selected explanatory notes, have been prepared in accordance with the IFRSs of the IASB applicable to interim financial reporting as adopted by the European Union, the Interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB and the applicable provisions of the German Securities Trading Act (WpHG).

The Interim Consolidated Financial Statements as of 30 June 2020 do not contain all the disclosures and information presented in a complete set of Annual Financial Statements. It is therefore advisable to read them together with the Consolidated Financial Statements as of 31 December 2019.

The accounting, consolidation, currency translation, recognition and measurement principles applied in the Consolidated Financial Statements as of 31 December 2019 have been retained, except for the following two notes:

Since the Executive Board expects a rapid recovery of the industry after the COVID-19 pandemic, there were no changes with respect to the valuation of the assets as of the balance sheet date of the Interim Financial Statements.

The insurance reimbursements for cancelled and postponed events are shown in sales in deviation to the accounting principles as of 31 December 2019. For reasons of materiality, no adjustment was made to the comparative period.

Please also refer to the Notes to the Consolidated Financial Statements contained in the Annual Financial Report 2019 (see pages 66-81).

The new and amended standards and interpretations had no impact on the net assets, financial position and results of operations.

For selected segment information (IAS 34.16A), please refer to the section “Development of the Segments” in the Interim Group Management Report in this Half-Yearly Financial Report.

The report has not been audited, nor has it been reviewed by an auditor.

CHANGES IN THE SCOPE OF CONSOLIDATION

In the Half-Yearly Financial Report, DEAG as the parent company includes those companies in which the control concept is fulfilled. Companies that were founded, acquired or sold during the reporting period are included from the date of foundation, acquisition or up until the date of sale.

There were no changes in the scope of consolidation in the reporting period.

The purchase price allocation for the shares in Gigantic Holdings Ltd., UK, acquired in December 2019, had not yet been completed as of the quarterly reporting date and was therefore included at provisional values unchanged from 31 December 2019 (refer to pages 92 f. in the Notes to the Consolidated Financial Statements included in the Annual Financial Report as of 31 December 2019).

// DECLARATION BY THE STATUTORY REPRESENTATIVES

To the best of our knowledge and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Management Report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 28 August 2020

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

DATE AND APPROVAL OF PUBLICATION

The Executive Board of DEAG (seated in 10785 Berlin, Potsdamer Straße 58) approved these Interim Consolidated Financial Statements and the Interim Group Management Report on 28 August 2020.

// LEGAL NOTICE

// CONTACT

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// MORE INFORMATION

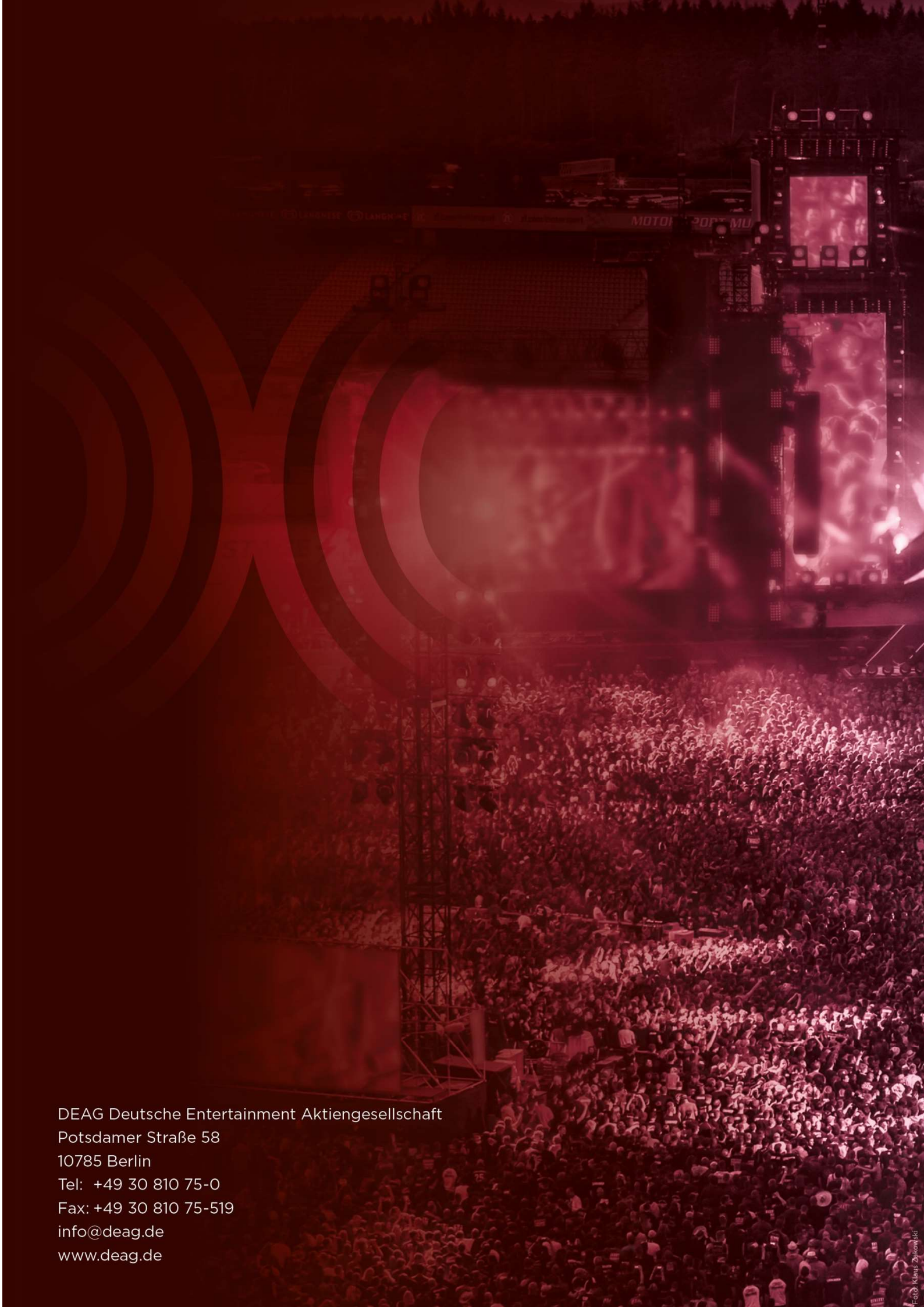
This Half-year Financial Report and the latest information on DEAG and the DEAG share are available on the company's website under: www.deag.de/ir

// EDITING AND COORDINATION

DEAG Deutsche Entertainment Aktiengesellschaft
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DEAG Deutsche Entertainment Aktiengesellschaft



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