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QUARTERLY FINANCIAL STATEMENT AS OF 2021-03-31
DEAG Deutsche Entertainment Aktiengesellschaft

// DEAG OVERVIEW

COMPANY PROFILE

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a leading entertainment service company and provider of live entertainment in Europe. DEAG is present with its Group companies in 13 locations in its core markets of Germany, the UK, Switzerland, Ireland and Denmark. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in the conception, organization, marketing and holding of events.

Founded in Berlin in 1978, DEAG's core businesses today include Rock/Pop, Classics & Jazz, Family Entertainment, Arts+Exhibitions and Ticketing. Family Entertainment and Arts+Exhibitions in particular are of great importance to the further development of DEAG's own content.

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

With its strong partner network, DEAG is excellently positioned in the market as an internationally active Live Entertainment service company.

DEAG'S CORE MARKETS



// CONTENTS

// DEAG ON THE CAPITAL MARKET	2
// INTERIM GROUP MANAGEMENT REPORT	4
// CONSOLIDATED BALANCE SHEET	10
// CONSOLIDATED STATEMENT OF INCOME	12
// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	13
// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	14
// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
// SELECTED EXPLANATORY NOTES	16
// LEGAL NOTICE	18

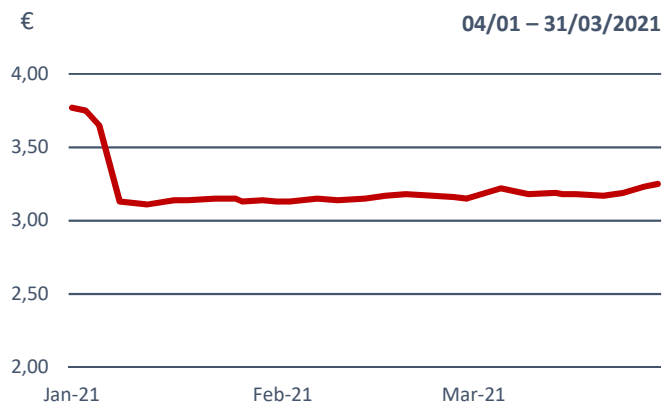
// DEAG ON THE CAPITAL MARKET

1.1 KEY SHARE DATA¹

ISIN	DE000A0Z23G6
WKN	A0Z23G
Market segment	Prime Standard
Average number of shares traded per day	73,368
Number of shares outstanding (2021-03-31)	19,625,976
Closing price for the quarter (2021-03-31)	EUR 3.25
High (01 Jan – 31 March 2021)	EUR 4.00
Low (01 Jan – 31 March 2021)	EUR 3.10
Market capitalisation (31 March 2021)	EUR 63.78 million

1.2 PERFORMANCE OF THE DEAG SHARE

The DEAG share (WKN: A0Z23G, ISIN: DE000A0Z23G6, ticker symbol: LOUD) recorded a relatively stable lateral movement in the first quarter of 2021. After closing at a price of EUR 3.62 at the end of 2020, the share was priced at EUR 3.25 on the balance sheet date. The DEAG share reached its highest price of EUR 4.00 in the first quarter of 2021 on 04 January 2021. Its lowest price was EUR 3.10 on 11 January 2021, when DEAG announced its plans to delist from the stock exchange. The DEAG share fell by



10.2% in the reporting period, while the DAX and SDAX indices gained 9.4% and 4.6% respectively in the first quarter. DEAG's market capitalisation was EUR 63.78 million as of the reporting date. The number of shares traded averaged 73,368 per day in the period from January to the end of March 2021, of which the majority (51,888 shares) were traded on Xetra. The delisting of DEAG shares, for which DEAG received the support of its single largest shareholder, among other investors, became effective on 09 April 2021. On the final day of trading of the DEAG share, the closing price of the share was EUR 3.16. In addition, DEAG successfully placed a cash capital increase after the end of the reporting period, in May 2021. The company thus received EUR 6.06 million in fresh funds. As a result of the capital increase, the company's share capital increased by 1,962,597 shares to 21,588,573 shares. The capital increase was underwritten by Apeiron Investment Group Ltd., DEAG's single largest shareholder, which now holds 27.1% of the company. The proceeds from the capital increase will be used to finance further M&A activities.

¹ All share prices quoted are XETRA closing prices. Delisting of DEAG effective on 09 April 2021.

// INTERIM GROUP MANAGEMENT REPORT

KEY OPERATIONAL DEVELOPMENTS

In the first quarter of financial year 2021, DEAG's business activities continued to be affected by the COVID-19 pandemic and the accompanying concert cancellations and postponements. For over a year now, the global live entertainment industry has been under a de facto occupational ban. Despite the continuing uncertainties for the entire industry, DEAG was able to continue its international expansion course in the first three months of 2021 and set the strategic course for the company's long-term growth.

DEAG further expanded its activities with the acquisition of the Danish promoter and international producer CSB Island Entertainment ApS in January and is now also present in Scandinavia. DEAG expects positive synergy effects and growth impulses from this, especially in the live entertainment business and for the ticketing business in Scandinavia. CSB has an extensive partner network, a broadly diversified portfolio and its own global rights to productions and shows, some of which it has developed itself.

Sales in the first quarter of 2021 amounted to EUR 4.0 million, compared to EUR 26.2 million in the same quarter of 2020, which was only marginally affected by the pandemic. Earnings before interest, taxes, depreciation and amortisation (EBITDA) were EUR 2.4 million (previous year: EUR 1.2 million). The solid result is primarily due to DEAG's unchanged existing insurance coverage and the extremely broad cost-cutting programme in the Group. In addition, DEAG has taken advantage of subsidy programmes in all national markets and intends to submit further applications.

With successful established formats such as the Christmas Garden, which are to be expanded to at least 15 locations in five countries in the 2021/2022 season, as well as innovative new COVID-19 compatible event formats DEAG has a broadly diversified event portfolio and an intact business model. With its strong, Group-owned ticketing platforms myticket.de, myticket.at, myticket.co.uk and Gigantic.com for its own and third-party content, through which an ever-increasing share of ticket sales for events is processed, DEAG participates in the most important stages of the value chain. On the basis of more than EUR 100 million in contracted sales that have been postponed to 2021, as well as its robust financial position and very well-filled event pipeline, DEAG is excellently positioned to return to pre-crisis levels once the pandemic is over. After a transitional year in 2021, DEAG expects business to return to nearly normal in 2022, also because the company succeeded in retaining nearly all of its employees during the pandemic.

The planned delisting announced by DEAG in January 2021 became effective after the end of the reporting period on 09 April 2021. The 6.00% corporate bond 2018/2023 in the amount of EUR 25 million and a term until 31 October 2023, which is traded on the Open Market of the Frankfurt Stock Exchange, remains unaffected by the delisting.

EARNINGS POSITION

DEAG's earnings position in the reporting period continued to be significantly influenced by the effects of the COVID-19 pandemic. Sales revenues of EUR 4.0 million (previous year: EUR 26.2 million) were generated in the first quarter, including insurance reimbursements of EUR 2.9 million (previous year: EUR 0.0 million).

Gross profit amounted to EUR 0.9 million after EUR 7.0 million in the same period of the previous year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the reporting period amounted to EUR 2.4 million (previous year: EUR 1.2 million). Insurance reimbursements and subsidies from corona aid programmes as well as considerable cost savings in the area of administrative and sales costs were the main contributing factors to this result. Compared to the same period of the previous year, administrative and selling expenses were reduced by 50.1% from EUR 8.2 million to EUR 4.1 million.

Depreciation of EUR 2.0 million (previous year: EUR 1.9 million) whereof EUR 1.2 million are mainly attributable to leasing rights of use (previous year: EUR 1.0 million) and EUR 0.6 million in depreciation from purchase price allocations (previous year: EUR 0.5 million).

Thus, EBIT in the reporting period amounted to EUR 0.4 million after EUR -0.7 million in the same period of the previous year.

The financial result was EUR -1.2 million (previous year: EUR -1.0 million). The change is mainly due to the increase in interest expenses for debt financing. The interest expenses from leases included in this figure are almost unchanged compared to the same quarter of the previous year at EUR 0.4 million (previous year: EUR 0.5 million).

After taking the tax expense into account, Group earnings after taxes were EUR -1.4 million (previous year: EUR -1.9 million) and the consolidated result attributable to DEAG shareholders was EUR -0.6 million, compared to EUR -1.8 million in the same period of the previous year.

DEVELOPMENTS OF THE SEGMENTS

DEAG reports in an unchanged segment structure. This presents the activities of the Group clearly and accurately: The **Live Touring segment** („traveling business“) includes the tour business. This comprises 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 (München), Christmas Garden Deutschland (Berlin), I-Motion GmbH Event & Communications (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), Teilkonzern Myticket Services Ltd. (London, Großbritannien) inkl. Gigantic Holdings Ltd. sowie Gigantic Tickets Ltd. (both located in London, UK), the sub-group Kilimanjaro (London, UK) including Flying Music Group and Singular Artists Ltd. (Dublin, Irland) as well as The Classical Company (Zurich, Switzerland) and CSB Island Entertainment ApS (Fanø, Denmark; since January 2021).

The **Entertainment Services segment** („stationary business“) comprises the regional business and the entire service business. This includes the activities of the AIO-Group (Glattpark, Switzerland) including the subgroup Live Music Production SA (LMP)/Live Music Entertainment SA (LME), both located in Le Grand-Saconnex, Switzerland, Global Concerts (Munich), Concert Concept (Berlin), the subgroup 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).

FINANCIAL POSITION

Cash outflow from operating activities (total) amounted to EUR 0.5 million after cash inflow of EUR 4.5 million in the same period of the previous year. The change is mainly due to the restrictions in operating activities caused by the COVID-19 pandemic.

Cash outflow from investing activities remained unchanged at EUR 0.8 million and mainly relates to the acquisition in Denmark in January 2021 (please refer to the comments in the changes in the scope of consolidation, page 16 of this quarterly statement).

Cash inflow from financing activities of EUR 4.9 million (previous year: EUR 1.5 million) mainly relates to the balance of borrowing and scheduled repayment of financial liabilities (EUR 6.3 million) and, on the other hand, to interest payments (EUR 1.2 million).

As a result, cash and cash equivalents at the end of the period only fell by EUR 2.0 million to EUR 48.8 million compared to the same period of the previous year (31 March 2020: EUR 50.8 million).

As of the quarterly reporting date, DEAG had a total of EUR around 57 million in financing lines at its disposal, of which EUR around 20 million were not utilised. Including the demand deposits with the parent company and the subsidiaries, the liquid funds available to the Group amounted to approximately EUR 68 million.

RISK AND OPPORTUNITY REPORT

When this Quarterly Statement was issued, DEAG’s Executive Board assumed that the risks do not jeopardise 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 yet known or are not currently classified as material, could influence the continued existence of the company or the Group in the future.

For information on DEAG’s risks and opportunities, please refer to the Risk and Opportunity Report in the Combined Management and Group Management Report included in the Financial Report as of 31 December 2020 (p.32 ff.).

All other statements in the Risk and Opportunity Report in the 2020 Annual Financial Report remain valid.

FORECAST REPORT

DEAG, which continues to view financial year 2021 as a transition year due to the COVID-19 pandemic, expects to achieve significant increases in sales and operating EBITDA in 2021 compared to 2020. In view of the vaccination situation that is developing positively in its core markets, DEAG anticipates an increasing recovery in business activity in Germany from the fourth quarter of 2021 on. In the UK, the company's most important secondary market, the company anticipates an increasing recovery in business activity as early as the third quarter of 2021 and in Switzerland as of the fourth quarter of 2021. DEAG expects to see its business activity return to a nearly normal level in 2022, also because the company succeeded in retaining nearly all of its employees during the pandemic.

At present, it cannot be ruled out that the period for which general event bans apply will be extended further, contrary to general market expectations and the assessment of the Executive Board, and that the fourth quarter of 2021 and the subsequent quarters could therefore be affected. Therefore, the Executive Board does not rule out a similar development for the current financial year as in 2020. From today's perspective, it is impossible to provide a detailed outlook for the current year as of the reporting date.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assumptions and forecasts made by DEAG's management. Such statements are subject to risks and uncertainties. These and other factors could cause the results, financial condition, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The company assumes no obligation whatsoever to update such forward-looking statements or to conform them to future events or developments.

// CONSOLIDATED FINANCIAL STATEMENTS

// CONSOLIDATED BALANCE SHEET	10
// CONSOLIDATED STATEMENT OF INCOME	12
// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	13
// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	14
// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
// SELECTED EXPLANATORY NOTES	16

// CONSOLIDATED BALANCE SHEET

TOTAL ASSETS

	31.03.2021	31.12.2020	31.03.2020
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Liquid funds	48,835	46,003	50,814
Trade receivables	2,497	2,329	7,097
Down payments	14,188	14,051	17,433
Incom tax receivables	949	908	607
Inventories	602	665	1,240
Other current financial assets	11,528	11,775	5,264
Other current non-financial assets	10,927	8,107	3,669
Current assets	<u>89,526</u>	<u>83,838</u>	<u>86,124</u>
Goodwill	35,287	34,104	33,580
Other intangible assets	29,390	29,530	31,582
Tangible fixed assets	22,769	23,771	24,891
Investment properties	5,625	5,625	5,625
Investments	2,846	2,753	3,658
Financial assets accounted for using the equity method	602	571	51
Down payments	1,603	460	500
Other long-term financial assets	3,828	3,865	3,339
Deferred tax assets	2,033	1,964	1,557
Long-term assets	<u>103,983</u>	<u>102,643</u>	<u>104,783</u>
Total assets	<u><u>193,509</u></u>	<u><u>186,481</u></u>	<u><u>190,907</u></u>

// CONSOLIDATED STATEMENT OF INCOME

	I/2021	I/2020
	01.01.2021	01.01.2020
	-31.03.2021	-31.03.2020
	<u>in EUR '000</u>	<u>in EUR '000</u>
Sales	3,986 ¹⁾	26,152
Cost of Sales	<u>-3,106</u>	<u>-19,119</u>
Gross profit	880	7,033
Distribution costs	-594	-3,422
Administration costs	-3,459	-4,809
Other operating income / expenses	<u>3,614</u>	<u>456</u>
Operating result (EBIT)	441	-742
Interest income and expenses	-1,229	-965
Income from investments	-	21
Income shares in companies accounted for using the equity method	<u>-17</u>	<u>-30</u>
Financial result	-1,246	-974
Result before taxes	-805	-1,716
Income taxes	-547	-175
Group result from continued operations after taxes	-1,352	-1,891
Group result from discontinued operations after taxes	-1	-
Group result after taxes	-1,353	-1,891
thereof attributable to non-controlling interest	<u>-763</u>	<u>-85</u>
thereof attributable to DEAG shareholders		
(Group result)	-590	-1,806
Earnings per share in EUR (diluted/undiluted)		
from continued operations	<u>-0.03</u>	<u>-0.09</u>
from continued and discontinued operations	<u>-0.03</u>	<u>-0.09</u>
Average no. of shares outstanding (undiluted)	<u>19,625,361</u>	<u>19,625,361</u>

1) Including EUR 2,906 thousands insurance reimbursements

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2021 -31.03.2021	01.01.2020 -31.03.2020
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	-1,352	-1,891
Depreciation and amortisation	1,999	1,928
Change in accruals	-628	-887
Changes not affecting payments	-3,639	-14
Deferred taxes (net)	-119	-246
Result from valuation of affiliated companies	17	30
Cash flow	-3,722	-1,080
Net interest income	1,229	965
Change in working capital	2,015	4,566
Net cash from operating activities from continued operations	-478	4,451
Net cash from operating activities from discontinued operations	-1	-
Net cash from operating activities (total)	-479	4,451
Net cash from investment activities from continued operations	-782	-783
Net cash from financial activities (total)	4,895	1,537
equivalents	3,634	5,205
Effects of exchange rates	-802	-732
Cash and cash equivalents at beginning of Period	46,003	46,341
Cash and cash equivalents at end of period	48,835	50,814

// SELECTED EXPLANATORY NOTES

NOTES PURSUANT TO IAS 34

These Interim Consolidated Financial Statements, consisting of 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, as well as the Interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB and the applicable provisions of the WpHG.

The Interim Consolidated Financial Statements as of 31 March 2021 do not contain all the disclosures and information presented in the full Consolidated Financial Statements. It is therefore recommended that they be read together with the Consolidated Financial Statements as of 31 December 2020.

The accounting, consolidation, currency translation and recognition and measurement principles applied in the Consolidated Financial Statements as of 31 December 2020 have been retained for the most part.

Otherwise, we refer to the Notes to the Consolidated Financial Statements included in the 2020 Annual Financial Report (see pages 52-67).

The new and amended standards and interpretations did not have any effects on the asset, financial and income positions.

For selected information on the segments (IAS 34.16A), we refer to the section entitled “Development of the Segments” of the Interim Group Management Report in this Quarterly Statement.

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

CHANGES IN THE SCOPE OF CONSOLIDATION

In the Interim Consolidated Financial Statements DEAG, as the parent company, includes those companies for 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.

On 26 January 2021, DEAG acquired 75% of the shares in CSB Island Entertainment ApS (CSB for short), Fanø (Denmark), a Danish promoter and international producer, through its wholly owned subsidiary DEAG Classics AG, Berlin. The cooperation is expected to generate positive synergy effects in the live entertainment business as well as growth impulses in the ticketing business in Scandinavia. The fixed purchase price amounts to EUR 1.25 million, payable in cash in two purchase price instalments. The first purchase price instalment of EUR 0.6 million has been paid in cash. The second purchase price instalment is to be paid by 31 December 2021 at the latest. In addition, a variable purchase price was agreed depending on how the business develops in financial year 2021/22. The prerequisite is that the EBITDA reaches a minimum value in the financial year. At the present time, the preparation of the closing balance sheet is still pending, therefore the complete disclosures in accordance with IFRS 3 cannot yet be made.

SUPPLEMENTARY REPORT

On 11 January 2021, DEAG announced that the company plans to delist from the stock exchange. For this purpose, the Executive Board has secured the support of DEAG's single largest shareholder. In an agreement also concluded on 11 January 2021 with Apeiron Investment Group Ltd. ("Apeiron") and its bidder company (Musai Capital Ltd., "Bidder"), the execution of a public delisting offer was agreed as a condition for the delisting. The delisting of the DEAG share became effective on 09 April 2021.

Based on the authorisation granted by resolution of the Annual General Meeting on 27 June 2019, the share capital was increased by 1,962,597 new shares to 21,588,573 shares by resolutions of the Executive Board and the Supervisory Board on 28 April 2021. This corresponds to share capital of EUR 21,588,573.00. In the capital increase, DEAG was able to draw on the support of its single largest shareholder, Apeiron Investment Group Ltd., and thus raise around EUR 6.1 million in fresh funds.

Beyond this, in the view of the Executive Board, no significant events occurred after the end of the reporting period on 31 March 2021 that could have a significant impact on DEAG's earnings, assets and financial position.

OTHER DISCLOSURES


DEAG's Annual General Meeting will take place on 10 June 2021 as a virtual Annual General Meeting.


Other explanatory notes required by IAS 34.15ff are not relevant, of secondary importance or have not changed significantly since 31 December 2020.

Berlin, 28 May 2021

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board


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Christian Diekmann


Detlef Kornett


Roman Velke


Moritz Schwenkow

DATE AND RELEASE OF PUBLICATION

The Executive Board of DEAG (registered office: Potsdamer Straße 58 in 10785 Berlin) approved these Interim Consolidated Financial Statements and the Interim Group Management Report on 28 May 2021.

// LEGAL NOTICE

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// MORE INFORMATION

This Quarterly Financial Statement 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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