

# // DEAG OVERVIEW

#### **COMPANY PROFILE**

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a leading entertainment service company and provider of live entertainment in Europe. DEAG has been present with its Group companies at 15 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 planning, organisation, marketing and promoting 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 are the elementary building blocks for the further development of DEAG's own content.

Up until 2019 – before the COVID-19 pandemic broke out – more than 5 million tickets were sold annually for over 4,000 events – a constantly growing share of which were sold 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'S CORE MARKETS**



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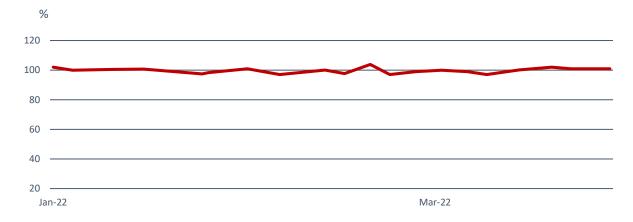
# // DEAG ON THE CAPITAL MARKET

# 1.1 PERFORMANCE OF THE DEAG BOND 2018/2023

DE000A2NBF25	
A2NBF2	
Freiverkehr (Open Market, Segment Quotation Board)	
5 years up to and including 31 October 2023	
6.00% p.a.	
EUR 1,000.00 per bond	
EUR 25.0 million	
Issuer's call right after year 3 at 102.00% and after year 4 at 101.00% of the nominal amount	

The DEAG Corporate Bond 2018/2023 (WKN: A2NBF2, ISIN: DE000A2NBF25) was listed on the Open Market (Segment Quotation Board) of the Frankfurt Stock Exchange and traded at prices of around 100% from the beginning of January to the end of March 2022. At the end of the reporting period, the bond price was 101.00%. The bearer bonds with a nominal amount of EUR 1,000 each have a term of 5 years and a fixed annual interest rate of 6.00%. The outstanding volume of the bond amounts to EUR 25.0 million. Due to the significant increase in the balance sheet total, which is mainly attributable to above-average advance payments already received for events planned but not yet held as a result of the COVID 19 pandemic, and analogously above-average cash holdings, the equity ratio (as defined in section 2.2 of the bond conditions) was below 15% as of 31 December 2021. Under the terms of the 2018/2023 corporate bond (section 2.2), the interest rate on the bond could increase accordingly by 0.5 percentage points to 6.5% p.a. as of 1 November 2022, provided the equity ratio of 15% is not exceeded again in the 2022 half-year financial report.

03/01/2022 - 31/03/2022



# **1.2 INVESTOR RELATIONS**

In the reporting period, DEAG carried out various IR activities in addition to its statutory obligations in order to report transparently on its business development and prospects:

- Numerous one-on-one meetings with investors in Germany and abroad
- Publication of corporate news in addition to ad hoc announcements
- Participation in a capital market conference

Detailed information in the Investor Relations section can be found at <a href="www.deag.de/ir">www.deag.de/ir</a>. DEAG Deutsche Entertainment AG provides continuous information on relevant business developments here. In addition, investors have access to a direct communication channel with the company at <a href="deag@edicto.de">deag@edicto.de</a>.

## **FINANCIAL CALENDAR 2022**

Jun: 23.	Annual General Meeting (virtual)
Aug: 31.	Half-Year Financial Report (6M)
Nov: 30.	Quarterly Financial Statement (9M)

# // INTERIM GROUP MANAGEMENT REPORT

#### **KEY OPERATIONAL DEVELOPMENTS**

DEAG has gotten off to a very good start in financial year 2022. The economic environment for the company and the entire event industry continued to brighten in the first quarter. After the UK and Denmark celebrated their "Freedom Day" as early as 2021 and virtually all corona measures were lifted, the situation also returned to a more normal state in DEAG's other national markets over the course of 2022 up to the present day. DEAG saw a significant upturn in its operating business activities. Ticket sales for events in the coming months were at an above-average level. In the first quarter of 2022, sales increased to EUR 31.0 million, up from EUR 4.0 million in the same period of the previous year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the reporting period amounts to EUR 2,8 million after EUR 2.4 million in previous year and thus was considerably higher than planned.

DEAG's Christmas Gardens were once again extremely popular. Approximately 1.9 million visitors were counted at a total of 18 locations in Germany, the UK, Spain, and, for the first time, France during the 2021/2022 season, which ran until mid-January 2022. Due to the high demand and good occupancy rates, the Christmas Garden was partially extended at some locations. lit.COLOGNE, which was held in Cologne from 15 to 26 March under pandemic conditions, was also a huge success. The 22nd edition of the international literature festival attracted around 71,000 visitors to more than 150 events, such as classical author readings, theme evenings and a special programme for children and young people (lit.kid.COLOGNE). Once again this year, many national and international bestselling authors were guests, including Donna Leon, Jussi Adler-Olsen, Jeffery Deaver, Frank Schätzing, Elke Heidenreich and Richard David Precht.

In the UK, where concerts have again been taking place at full capacity for several months, DEAG's events in the first quarter of 2022 included tours by Simply Red and the British pop band Texas. Dita von Teese's most elaborate burlesque show to date, "Glamonatrix," which toured in Great Britain, was also a resounding success. In Switzerland, dancehall superstar Burna Boy made the hall in Geneva shake. In Zurich, singer Bonnie Tyler thrilled the audience with her hits.

In addition, after the end of the reporting period, in April 2022, DEAG staged the first major German event since the pandemic, the "Mayday" electronics festival at the Westfalenhallen in Dortmund. More than 30 international DJs on three floors created an exuberant mood among the 15,000 visitors with their music.

DEAG considers itself excellently positioned for future growth with its broadly diversified event portfolio, the Group's own ticketing platforms "MyTicket" and "Gigantic.com," solid financial resources and a revenue base with good visibility at pre-pandemic levels. DEAG's 2022 events include Ed Sheeran's stadium tour of the UK, concerts with KISS, Iron Maiden, Zucchero, Die Toten Hosen, Böhse Onkelz, Die Ärzte and Tom Jones. In addition, visitors can look forward to a hot summer of festivals. In Beauly, UK, Van Morrison and Emeli Sandé, among others, will rock the stage. In Sion, Switzerland, headliners Deep Purple and the rockers from Uriah Heep are among the acts to get the party started at the "Sion sous les étoiles" festival. Festival-goers in Germany will also get their money's worth. In addition to the electronic festivals Ruhr-in-Love and NATURE ONE, the Kessel Festival in Stuttgart will also be held this summer. Among other acts, AnnenMayKantereit, who recently even made it into the US singles charts with their hit "Tom's Diner," will be there. Due to the very well-filled event pipeline, strong ticket sales and the ongoing significant recovery in DEAG's core markets, the company expects a significant improvement in EBITDA and a considerable increase in sales in 2022. The company is well protected against possible risks that could arise for DEAG due to the corona situation by the public funding and support measures in its core markets as well as its very strong financial position.

Furthermore, DEAG successfully continued its M&A strategy in Germany and other European countries. After the end of the reporting period, DEAG fully acquired A.C.T. Artist Agency GmbH ("A.C.T.") in April 2022 with effect of 1 January 2023. Previously, DEAG held 50% of the shares in A.C.T. The company is, among other things, the organizer of the Bad Homburg Poetry and Literature Festival, which will take place in 2022 mainly in the period from April to June at various venues in Bad Homburg and at which renowned artists such as Iris Berben, Marie Bäumer, Ulrich Tukur, Christian Berkel and Andrea Sawatzki will perform world literature. In 2023, A.C.T. will

organise, among other events, the big anniversary tour of Riverdance, the world's most successful dance show. This will create synergy effects in the live entertainment and ticketing business for DEAG. DEAG has also further strengthened its spoken word business, which includes author readings, theatre performances and poetry slams. DEAG subsidiary Fane Productions, a leading producer and organiser of literary events in the UK, acquired the LoveMyRead subscription service in April 2022, expanding its direct-to-consumer offering in the UK. The live entertainment and ticketing market in Europe remains highly fragmented. In the future, DEAG intends to continue to play an active role in the consolidation of the live entertainment industry in Europe and to drive its growth through M&A. A focus here is on complementary ticketing acquisitions as well as expansion into new European markets.

#### **EARNINGS POSITION**

Sales revenues of EUR 31.0 million (previous year: EUR 4.0 million) were generated in the first quarter of 2022. This means that even the pre-pandemic level of EUR 26.2 million in the first quarter of 2020 was significantly exceeded by 18.3%. Especially in the UK, DEAG's second largest national market, events were held once again without having to observe corona conditions. The sales revenues in the reporting period include insurance reimbursements of only EUR 0.6 million (previous year: EUR 2.9 million).

The gross profit on sales amounted to EUR 6.2 million after EUR 0.9 million in the same period of the previous year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the reporting period amounted to EUR 2.8 million (previous year: EUR 2.4 million). In the same quarter of the previous year, EBITDA was still significantly influenced by the receipt of subsidies and insurance refunds.

Depreciation of EUR 2.4 million (previous year: EUR 2.0 million) is mainly attributable to leasing rights of use amounting to EUR 1.1 million (previous year: EUR 1.2 million) as well as depreciation from purchase price allocations in the amount of EUR 0.6 million (previous year: EUR 0.6 million).

Thus, EBIT in the reporting period amounted to EUR 0.3 million after EUR 0.4 million in the same period of the previous year.

The financial result of EUR -1.1 million is virtually unchanged from the previous year's figure of EUR -1.2 million.

After taking tax expenses into account, the consolidated result after taxes amounted to EUR -1.1 million (previous year: EUR - 1.4 million) and the consolidated result attributable to DEAG shareholders to EUR -1.4 million after EUR - 0.6 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)including The Classical Company (Zurich, Switzerland), CSB Island Entertainment (Fanø, Denmark), lit.COLOGNE und litissimo (both located in Cologne), 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) and Hans Boehlke Elektroinstallationen (Berlin), I-Motion GmbH Event & Communications (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), sub-group Myticket Services Ltd. (London, UK) incl. Gigantic Holdings Ltd. and Gigantic Tickets Ltd. (both located in London, UK), the sub-group Kilimanjaro (London, UK) including Flying Music Group and Singular Artists Ltd. (Dublin, Irland), sub-group Kilimanjaro Theatricals, UK Live and subgroup Fane Productions.

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).

Revenues			Change from the
in Euro millions	Q1/2022	Q1/2021	previous year
Live Touring	24.5	1.7	22.8
Entertainment Services	8.2	2.3	5.9

in Euro millions	Q1/2022	Q1/2021	Change from the previous year
Live Touring	3.1	-0.1	3.2
Entertainment Services	1.6	1.4	0.2

Of the sales revenue, EUR 0.4 million (previous year: EUR 0.9 million) in the Live Touring segment and EUR 0.2 million (previous year: EUR 2.0 million) in the Entertainment Services segment are attributable to insurance refunds.

The increase in sales in the Live Touring segment from EUR 1.7 million to EUR 24.5 million is due in particular to an operationally strong first quarter in the UK. A large number of events without any corona restrictions have already been staged there. As a result, EBITDA rose from EUR -0.1 million to EUR 3.1 million.

In the Entertainment Services segment, sales rose from EUR 2.3 million to EUR 8.2 million. This was mainly due to the Christmas Garden season 2021/22, which ended in January 2022, and events held in Switzerland. At EUR 1.6 million, EBITDA rose only slightly compared to the previous year. However, the comparative period was still strongly influenced by insurance reimbursements.

### **ASSET POSITION**

Total assets decreased slightly by EUR 3.0 million or 1.0% to EUR 305.8 million (31 December 2021: EUR 308.8 million) compared to the previous balance sheet date.

At EUR 177.1 million, current assets are practically unchanged from 31 December 2021, when they stood at EUR 178.0 million. Cash and cash equivalents decreased by EUR 14.7 million, mainly due to advance payments made for future events. There was a corresponding increase in advance payments made. Other current non-financial

assets include claims for subsidies that have been positively decided after the quarterly reporting date and have already flowed to the Group in full.

Non-current assets declined by EUR 2.1 million compared to 31 December 2021, mainly due to scheduled depreciation.

Current liabilities increased slightly by EUR 2.4 million to EUR 200.8 million compared to 31 December 2021 (EUR 198.4 million). The reduction in trade payables as well as provisions is partly offset by the increase in contract liabilities. The prepayment balance, defined as the difference between advance payments made less contract liabilities, decreased from EUR -105.6 million to EUR -93.7 million compared to 31 December 2021. The main reason for this is that, on the one hand, the first quarter is traditionally the period of the year when advance sales are weaker and, on the other hand, advance payments made have increased due to advance payments for rents, fees and production costs for future events.

Net debt, defined as the sum of gross financial liabilities (to banks and the bond) less cash and cash equivalents, amounts to EUR -52.8 million (31 December: EUR -70.8 million). Here, too, the development of the prepayment balance has an effect: while there was a slight increase in gross financial liabilities, cash and cash equivalents declined due to advance payments made for future events.

Non-current liabilities amounted to EUR 76.5 million (31 December 2021: EUR 80.6 million). The decrease is mainly due to the change in liabilities to banks. After the first grace year, the KfW loan granted in 2020 in the original amount of EUR 15.0 million has been repaid since this quarter.

Equity decreased by EUR -1.3 million to EUR 28.5 million due to the change in the consolidated result. The equity ratio is therefore 9.3% after 9.7% on 31 December 2021.

## **FINANCIAL POSITION**

Cash outflow from operating activities (total) amounted to EUR 15.7 million after cash outflow of EUR 0.5 million in the same period of the previous year. The change is mainly due to the revival of the operating business and in particular to the increase in advance payments made for future events.

The outflow of funds from investment activities amounts to EUR 0.4 million (previous year: EUR 0.8 million).

Cash inflow from financing activities of EUR 1.2 million (previous year: EUR 4.9 million) is mainly related to the balance of borrowing and scheduled repayment of financial liabilities (EUR 2.4 million) and, in the opposite direction, to payments for interest (EUR 1.2 million).

As a result, cash and cash equivalents at the end of the period more than doubled to EUR 104.0 million compared to the same quarter of the previous year (31 March 2021: EUR 48.8 million).

As of the quarterly reporting date, DEAG had access to financing lines totalling around EUR 72 million, of which around EUR 20 million had not been drawn down. Including the demand deposits at the parent company and the subsidiaries, the liquid funds available to the Group amounted to approximately EUR 124 million.

## **RISK AND OPPORTUNITY REPORT**

At the time of preparation of the Quarterly Financial Statement, DEAG's Executive Board assumes that the risks do not jeopardise the continued existence of the company or the Group as a going concern. However, it cannot be ruled out in the future that influencing factors, such as the war in Ukraine or the COVID-19 pandemic, which are currently not yet known or not currently considered to be significant, could affect the continued existence of the company or the Group.

For information on the risks and opportunities of the Group, please refer to the Risk and Opportunity Report of the Combined Management and Group Management Report contained in the Financial Report as of 31 December 2021 (p.36 et seq.).

The statements made in the Risk and Opportunity Report in the 2021 Annual Financial Report remain valid.

#### **FORECAST REPORT**

DEAG expects a nearly complete return to pre-pandemic levels and corresponding catch-up effects in 2022, which should lead to significant increases in sales and EBITDA. The prerequisites for this are a continuing low level of infection in DEAG's core markets and the resulting further easing of restrictions in connection with the staging of live events. A significant recovery in business activity in Germany and Switzerland is expected from the second quarter on and has already taken place in the UK, the Group's most important secondary market, as early as the first quarter of 2022.

At present, it cannot be ruled out that infectious events will increase again in the future and that restrictions on the staging of live events will be imposed again. Therefore, the Executive Board does not rule out a similar development for the current financial year as in 2021. In addition, there are negative macroeconomic effects as a result of the war in Ukraine, the duration and further development of which cannot be predicted.

Therefore, as of the reporting date, no detailed outlook for the current year is possible from today's perspective.

## **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 position, performance or achievements of the company to differ materially from the estimates presented here. The company assumes no obligation to update such forward-looking statements or to conform them to future events or developments.

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# **// CONSOLIDATED BALANCE SHEET**

# **TOTAL ASSETS**

	2022	2021	2021
	per	per	per
	31.03.2022	31.12.2021	31.03.2021
	<u>TEUR</u>	<u>TEUR</u>	<u>TEUR</u>
Liquid funds	104,000	118,745	48,835
Trade receiveables	13,312	13,294	2,497
Down payments	37,900	22,178	14,188
Incom tax receivables	825	839	949
Inventories	1,084	1,045	602
Other current financial assets	7,794	9,797	11,528
Other current non-financial assets	12,160	12,060	10,927
Current assets	177,075	177,958	89,526
Goodwill	52,002	52,014	35,287
Other intangible assets	31,789	32,740	29,390
Tangible fixed assets	28,607	29,735	22,769
Investment properties	5,625	5,625	5,625
Investments	3,045	3,205	2,846
According to the equity method accounted financial ass	597	601	602
Down payments	906	818	1,603
Other long-term financial assets	3,753	3,863	3,828
Deferred tax assets	2,379	2,196	2,033
Long-term assets	128,703	130,797	103,983
Total assets	305,778	308,755	193,509

# **TOTAL LIABILITIES AND EQUITY**

	2022	2021	2021
	per	per	per
	31.03.2022	31.12.2021	31.03.2021
	<u>TEUR</u>	<u>TEUR</u>	<u>TEUR</u>
Bank loans payable	11,769	5,318	10,429
Trade accounts payable	17,586	23,717	10,966
Accruals	19,106	20,695	4,299
Contract liabilities	130,326	126,303	61,479
Income tax liabilities	3,296	2,697	1,898
Other current financial liabilities	13,657	12,110	10,671
Other current non-financial liabilities	5,021	7,523	3,922
Current liabilities	200,761	198,363	103,664
Accruals	662	662	263
Bond	24,324	24,231	24,319
Bank loans payable	15,063	18,435	19,157
Contract liabilities	2,228	2,249	381
Other long-term financial liabilities	26,074	26,868	19,718
Deferred taxes	8,184	8,169	6,085
Long-term liabilities	76,535	80,614	69,923
Share capital	21,587	21,587	19,625
Capital reserve	32,520	32,520	28,695
Retained earnings	-332	-332	-466
Accumulated deficit	-38,736	-37,343	-38,319
Accumulated other income / loss	1,875	2,382	1,570
Equity attributable to DEAG shareholders	16,914	18,814	11,105
Equity attributable to non-controlling interest	11,568	10,964	8,817
Equity	28,482	29,778	19,922
Total liabilities and equity	305,778	308,755	193,509

# // CONSOLIDATED STATEMENT OF INCOME

	01.01.2022 -31.03.2022	01.01.2021 -31.03.2021
	<u>TEUR</u>	<u>TEUR</u>
Sales	31,017 1)	3,986 1)
Cost of Sales	-24,864	-3,106
Gross profit	6,153	880
Distribution costs	-1,557	-594
Administration costs	-5,946	-3,459
Other operating income / expenses	1,727	3,614
Operating result (EBIT)	377	441
Interest income and expenses	-1,084	-1,229
Result from investments and participations	32	-
Earnings from affiliated companies	-46	-17
Financial result	-1,098	-1,246
Result before taxes	-721	-805
Income taxes	-368	-547
Group result from continued operations after taxes	-1,089	-1,352
Group result from discontinued operations after taxes	<u> </u>	-1
Group result after taxes	-1,089	-1,353
thereof attributable to non-controlling interest	304	-763
thereof attributable to DEAG shareholders		
(Group result)	-1,393	-590
Earnings per share in EUR (diluted/undiluted)		
from continued operations	-0.06	-0.03
from continued and discontinued operations	-0.06	-0.03
Average no. of shares outstanding (diluted/undiluted)	21,587,958	19,625,361

<sup>1)</sup> Thereof insurance reimbursements: EUR 559 thousand (previous year: EUR 2.906 thousand)

# // CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1/2022	I/2021
from 01 January - 31 March	TEUR	TEUR
Group result after taxes	-1,089	-1,353
Other result		
(+/-) Differences from exchange rates		
(independent foreign units)	-1,067	-534
Total result	-2,156	-1,887
Thereof attributable to		_
Non-controlling interest	-254	-905
DEAG Shareholders	-1,903	-982

# // CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2022 -31.03.2022	01.01.2021 -31.03.2021
	<u>TEUR</u>	<u>TEUR</u>
Result from continued operations	-1,089	-1,352
Depreciation and amortisation	2,374	1,999
Change in accruals	-1,634	-628
Changes not affecting payments	-546	-3,639
Deferred taxes (net)	-168	-119
Result from valuation of affiliated companies	46	17
Cash flow	-1,017	-3,722
Net interest income	1,084	1,229
Change in working capital	-15,729	2,015
Net cash from operating activities from continued operations	15 662	-478
Net cash from operating	-15,662	-4/0
activities from discontinued operations	<u> </u>	-1
Net cash from operating activities (total)	-15,662	-479
Net cash from investment		
activities from continued operations	-361	-782
Net cash from financial		
activities (total)	1,208	4,895
equivalents	-14,815	3,634
Effects of exchange rates	70	-802
Cash and cash equivalents at		
beginning of Period	118,745	46,003
Cash and cash equivalents at		
end of period	104,000	48,835

# // CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	As of	changes 01.01.2021	as of
	31.12.2020	-31.03.2021	31.03.2021
	<u>TEUR</u>	<u>TEUR</u>	<u>TEUR</u>
Share capital	19,625	-	19,625
Capital reserve	28,695	-	28,695
Retained Earnings	-466	-	-466
Accumulated deficit	-37,729	-590	-38,319
Accumulated other income / loss	1,954	-384	1,570
Equity attributable to DEAG shareholders	12,079	-974	11,105
Equity attributable to non- controlling interest	9,372	-555	8,817
Equity	21,451	-1,529	19,922
	As of 31.12.2021	changes 01.01.2022 -31.03.2022	as of 31.03.2022
	TEUR	TEUR	TEUR
Share capital	21,587	<u></u>	21,587
Capital reserve	32,520	-	32,520
Retained Earnings	-332	-	-332
Accumulated deficit	-37,343	-1,393	-38,736
Accumulated other income / loss	2,382	-507	1,875
Equity attributable to DEAG shareholders	18,814	-1,900	16,914
Equity attributable to non- controlling interest	10,964	604	11,568
Equity	29,778	-1,296	

# // SELECTED EXPLANATORY NOTES

#### **NOTES PURSUANT TO IAS 34**

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

The interim Consolidated Financial Statements as of 31 March 2022 do not contain all the disclosures and information presented in the context of full Consolidated Financial Statements. We recommend reading them in conjunction with the Consolidated Financial Statements as of 31 December 2021.

The accounting, consolidation, currency translation, and recognition and measurement principles applied in the Consolidated Financial Statements as of 31 December 2021 have essentially been retained.

For further information, please refer to the Notes to the Consolidated Financial Statements included in the 2021 Annual Financial Report (see pages 48-64).

There were no effects on the asset, financial and earnings position from new or amended standards and interpretations.

For selected information on the segments (IAS 34.16A), we refer to the section "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 their founding, the date of their acquisition or until the date of their sale.

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

The purchase price allocations for the shares acquired in financial year 2021 in lit. COLOGNE GmbH/litissimo gGmbH, both based in Cologne, UK Live Ltd., London/UK, Fane Productions Ltd., London/UK, and Hans Boehlke Elektroinstallationen GmbH, Berlin, had not yet been completed as of the quarterly reporting date and were therefore taken into account unchanged with provisional values as of 31 December 2021 (see p. 70 ff. in the Notes to the Consolidated Financial Statements of the Annual Financial Report as of 31 December 2021).

### **SUPPLEMENTARY REPORT**

With the purchase agreement dated 25 April 2022, DEAG increased its current stake in A.C.T Artist Agency GmbH, Berlin, from 50% to 100% via its wholly owned subsidiary DEAG Concerts GmbH, Berlin. The purchase and assignment of the shares will take economic effect as of 1 January 2023 and the company, which until then had been managed as a joint venture, will be fully consolidated in the Consolidated Financial Statements as of this date. The purchase price was paid in cash. At the present time, the preparation of the closing balance sheet is still outstanding, so that the complete disclosures in accordance with IFRS 3 cannot yet be made.

With the purchase agreement dated 30 April 2022, DEAG acquired a 100% stake in LoveMyRead Ltd., London (UK), through its subsidiary Fane Productions Ltd. The cooperation is expected to generate positive synergy effects, particularly in the Spoken Word division. The purchase price was paid in cash. At the present time, the preparation of the final balance sheet is still outstanding, so that the complete information according to IFRS 3 cannot yet be provided.

Beyond this, in the view of the Executive Board, no significant events have occurred after the end of the reporting period as of 31 March 2022 that could have a significant impact on DEAG's earnings, asset and financial position.

## **OTHER DISCLOSURES**

DEAG's Annual General Meeting will be held on 23 June 2022 as a virtual Annual General Meeting.

Other explanatory notes required by IAS 34.15 ff. are not relevant or of secondary importance. There have been no material changes since 31 December 2021.

Berlin, 18 May 2022

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Prof. Peter L. H. Schwenkow

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, Germany) approved these interim Consolidated Financial Statements and the interim Group Management Report on 18 May 2022.

# // LEGAL NOTICE

## // CONTACT

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# // MORE INFORMATION

This Quarterly Financial Statement and the latest information on DEAG are available on the company's website under: <a href="www.deag.de/ir">www.deag.de/ir</a>

## // EDITING AND COORDINATION

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