

DEAG Deutsche Entertainment Aktiengesellschaft QUARTERLY REPORT AS OF 30/09/2017

// CONTENTS

// DEAG ON THE CAPITAL MARKET	02
// INTERIM GROUP MANAGEMENT REPORT	04
// INTERIM CONSOLIDATED FINANCIAL STATEMENTS	08
// Consolidated Balance Sheet	09
// Consolidated Statement of Comprehensive Income	11
// Abbreviated Consolidated Statement of Cash Flow	12
// Changes in Consolidated Equity	13
// Selected Explanatory Notes to the Financial Statements	14
// LEGAL NOTICE	17

// DEAG ON THE CAPITAL MARKET

DEAG – THE SHARE

The DEAG share recorded an upward trend in the third quarter of 2017. On 3 July 2017, the share started the third quarter of 2017 at EUR 2.55. This was followed by a slight downward movement until the share reached its interim low on 25 August 2017 at a closing price of EUR 2.43. Then, however, the share rose again significantly until it reached EUR 2.94 on 11 September 2017, the highest level it reached in the reporting period.

Over the course of the reporting period, the overall performance was positive. In the period between 30 August 2017 and 11 September 2017, the price showed a strong increase from EUR 2.43 to its peak of EUR 2.94 in the reporting period. The share closed at a price of EUR 3.02 on November 21, 2017. This corresponds to market capitalisation of EUR 55.6 million.



CAPITAL MEASURES AND INVESTOR RELATIONS

On May 22, 2017, DEAG Deutsche Entertainment Aktiengesellschaft (DEAG), Berlin, successfully placed its cash capital increase with subscription rights from authorized capital by issuing all 2,044,089 new shares. Gross proceeds from the issue were EUR 4,905,813.60. We intend to use the gross proceeds to finance the planned expansion of the business in the UK and to finance the further growth of the DEAG Group. Issuing 2,044,089 new bearer shares with a notional interest in the share capital of EUR 1.00 per share after registration in the commercial register has increased the company's share capital by EUR 2,044,089.00 from EUR 16,353,334.00 to EUR 18,397,423.00. The new shares are entitled to participate in profit from January 1, 2016.

The DEAG share is currently being followed by the research experts at Hauck & Aufhäuser. The average price target is EUR 5.00. Analyst studies are available on DEAG's website in the area of Investor Relations / Research Comments.

We attach great importance to the information requirements of the capital market and meet the highest transparency requirements by listing in the Prime Standard of the Frankfurt Stock Exchange. We carried out numerous other IR activities in addition to our statutory obligations in the first quarter of 2017:

- Participation in the DVFA Spring and Fall Conferences 2017 and the Zurich Capital Market Conference 2017
- Numerous individual discussions with investors at home and abroad
- Publication of 16 corporate news, ad hoc announcements and one press release

In order to meet our aspirations and those of our share- and stakeholders, the DEAG Executive Board is planning to intensify its investor relations activities on an ongoing basis. Among other topics, the goal is also to become more visible in the capital market in the UK, in line with the positive operating performance there. As a result, the Executive Board is planning to arrange for a second listing on the Alternative Investment Market of the London Stock Exchange. In addition, DEAG will also be intensifying its dialogue with international investors through roadshows and capital market conferences.

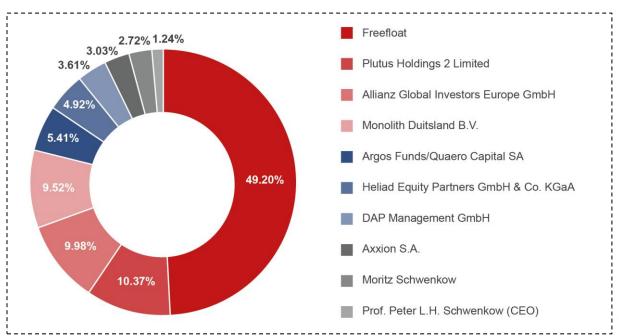
FINANCIAL CALENDAR

12/12/2017	MKK – Munich Capital Market Conference (Munich)

BASIC DATA

ISIN	DE000A0Z23G6
WKN	A0Z23G
Number of outstanding shares (30/09/2017)*	18.397.423
Year-end price (30/12/2016)**	EUR 2,81
High (01/07 - 30/09/2017)**	EUR 2,94
Low (01/07 – 30/09/2017)**	EUR 2,43
Market capitalization 30/09/2017	EUR 52,8 million
Designated sponsors	Dero Bank AG
	Hauck und Aufhäuser

*After the successful capital increase and the entry into the Commercial Register on May 24, 2017 the number of outstanding shares increased by 2,044,089 shares from 16,353,334 shares to 18,397,423 shares. **Closing price XETRA



SHAREHOLDER STRUCTURE

*According to the latest Notification of Voting Rights pursuant to sec. 21 para. 1 WpHG (The German Securities Trading Act)

As of September 30, 2017

// INTERIM GROUP MANAGEMENT REPORT

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

The business activities in DEAG's core markets have developed very positively across all divisions. After a strong first half of the year, the sold-out tour of the Rolling Stones, the open-air concert by Andreas Gaballier in Olympiastadion in Munich as well as the appearance of Anna Netrebko and Yusif Eyvazov at the Berlin Waldbühne were highlights in the third quarter. Besides these highlights, DEAG was able to arrange attractive events across all business units and to retain the world stars Anna Netrobko and Yusif Eyvazov for the long term. DEAG sees a positive business development for the fourth quarter, which was anticipated to be quite strong, as it was last year. With events such as the "The Good Life" tour by Till Brönner, the tour of Rolando Villazón, the "Best.Night.Ever. Tour 2017" of the Chippendales and the additional concerts by the pianist Joja Wendt, DEAG will offer additional exclusive highlights by the end of the year. In the Family Entertainment segment, Disney on Ice will once again host one of the most popular family shows in Germany in the fourth quarter of 2017. In addition, the successful Christmas business with the Christmas at Kew, Christmas at Blenheim and Christmas Garden Berlin, three new Christmas Gardens are planned in the final quarter, including Christmas at the Botanics in Edinburgh.

DEAG's development in its profitable second home market UK was also driven forward during the reporting period. The turnover generated by the acquisition of the British event organizer Flying Music Group in the UK is expected to increase the DEAG Group's sales in the UK to more than EUR 100 million in financial year 2018. In addition, DEAG has an even more heterogeneous and broader range of events and is one of the leading promoters and theatre producers in the UK.

With the expansion of DEAG's business fields through the acquisition of the Flying Music Group and the discontinuation of direct event activities in Austria, DEAG now has only profitable business units and sees itself on the right path to sustained profitable growth. Its increased profitability in the first nine months compared to the previous year, as well as the well-filled event pipeline with more than 2.2 million pre-sold tickets to future events for the first time ever, enable DEAG to take a positive view of the fourth quarter and the next financial year.

EARNINGS POSITION

DEAG generated sales of EUR 108.1 million in the first three quarters of 2017 after EUR 93.5 million in the same period of the previous year. This is an increase of EUR 14.7 million or 15.7%. On a comparable basis, in other words excluding the previous year's sales (EUR 15.4 million) of Manfred Hertlein Veranstaltungs GmbH, a company that was sold at the beginning of 2017, sales growth even reached 38% in the reporting period. Successful events from all areas of DEAG, ticket sales via the company's own MyTicket sales channel and the sales of the Flying Music Group acquired in August that were consolidated for the first time contributed to the rise in sales.

Earnings before interest and taxes (EBIT) improved significantly by EUR 6.9 million to EUR 1.1 million after EUR -5.8 million in the previous year (adjusted for the earnings effect in connection with the Jahrhunderthalle transaction). Excluding this adjustment, EBIT amounted to EUR 0.2 million. The strong improvement in operating profitability resulted primarily from the profitable tour business and the massive reduction in distribution costs.

The financial result declined compared to the same period of the previous year due to higher interest expenses. These mainly related to working capital loans and project financing.

After taking income taxes into account (EUR 0.1 million), earnings after taxes from continuing operations were once again positive and amounted to EUR 0.4 million. At the end of the same period of the previous year (adjusted for the earnings effect in connection with the Jahrhunderthalle transaction), this still amounted to EUR -6.1 million.

The result from discontinued operations mainly includes the result of the discontinued local business in Austria.

ASSET AND FINANCIAL POSITION

The balance sheet total as of 30/09/2017 decreased by EUR 3.1 million to EUR 104.2 million compared to the end of 2016 (31 December 2016: EUR 107.4 million). The disposal of Manfred Hertlein Veranstaltungs GmbH, which was sold in early 2017, had a significant impact on the reduction in total assets of EUR 9.8 million. In addition, varying pre-sales starts over the course of time can lead to distortions, in particular, in the balance sheet items cash and cash equivalents, prepayments and advances received, due to the reporting dates. The decline was offset by the first-time recognition of the assets and liabilities of the Flying Music Group, however.

On the assets side, current assets decreased by EUR 8.0 million to EUR 55.0 million. This decline was primarily due to lower trade receivables (EUR -7.9 million).

The changes in non-current assets mainly pertained to the consolidation-related addition of goodwill, other intangible assets and property, plant and equipment in connection with the addition of the Flying Music Group to the scope of consolidation. As of 30 September 2017, the purchase price allocation had not yet been completed because the closing balance sheets and the acquired intangible assets are still being looked into. Therefore, the business combination has not yet been finalised.

On the liabilities side, besides trade payables (EUR -3.6 million), provisions, in particular, (EUR -6.1 million) were lower. In light of the traditionally strong fourth quarter and the tours and shows scheduled for 2018 that were presold in the third quarter, the deferred income item (EUR +5.7 million) increased significantly.

Equity attributable to non-controlling interest amounted to EUR 13.1 million at the end of the past quarter (31 December 2016: EUR 10.7 million). This corresponds to an equity ratio of approx. 13% (31 December 2016: 10%).

This increase in equity also resulted from the cash capital increase successfully concluded in May 2017 with subscription rights from authorised capital by issuing all 2,044,089 new no-par-value shares offered. The gross issue proceeds amounted to approx. EUR 4.9 million.

The share capital of the company thus increased by EUR 2,044,089.00 from EUR 16,353,334.00 to EUR 18,397,423.00 by issuing 2,044,089 new bearer shares with a notional share in the share capital of EUR 1.00 per share when the increase was entered in the commercial register on 24 May 2017.

Cash and cash equivalents in the reporting period increased by EUR 1.5 million to EUR 29.9 million, despite cash outflows from Investment activity, in particular due to the acquisition of shares in the Flying Music Group in the amount of EUR 5.3 million. Cash inflows from operating activities in continuing operations (EUR +5.2 million) and financing activities (EUR +4.1 million) contributed to the increase in cash and cash equivalents. Cash and cash equivalents were burdened by cash outflows in connection with the discontinuation of the Austrian business segment (EUR -2.5 million).

DEVELOPMENT OF THE SEGMENTS

DEAG reports in an unchanged segment structure. This reflects the Group's activities correctly and clearly:

The tour business is shown in the Live Touring segment ("traveling business"). This includes the activities of the companies DEAG Classics (Berlin), DEAG Concerts (Berlin), KBK Konzert- und Künstleragentur (Berlin), Manfred Hertlein Veranstaltungs GmbH (Würzburg) until 31 January 2017, Wizard Promotions Konzertagentur (Frankfurt/Main), Grünland Family Entertainment (Berlin), Raymond Gubbay (London, UK), the Kilimanjaro subgroup (London, UK), the subgroup Flying Music Group (London, UK) as of 1 August 2017, and The Classical Company (Zurich, Switzerland).

The Entertainment Services segment ("stationary business") shows the regional business as well as the entire service business. This includes the activities of the AIO Group (Glattpark, Switzerland), Global Concerts (Munich), Concert Concept (Berlin), Grandezza Entertainment (Berlin), River Concerts (Berlin) and Elbklassik (Hamburg), handwerker promotion e. gmbh (Unna), LiveGeist Entertainment GmbH (Frankfurt/Main) and mytic myticket (Berlin).

An explanation of the development of the segments follows:

LIVE TOURING

This segment's revenue increased by 15.5% to EUR 73.8 million in the reporting period of 2017 compared to the previous year. EBIT increased disproportionately to sales development. It amounted to EUR 4.0 million after EUR 0.0 million in the previous year. In particular, tours in Germany and the UK contributed to the extraordinarily good segment performance. In the period under review, Disney on Ice, TINI (Violetta), Classical Spectacular, Kew the Music with James, Live at Chelsea with Ludovico Einaudi, Ed Sheeran, David Garrett, Craig David, Aerosmith, Iron Maiden, KISS and Till Brönner attracted large audiences. Furthermore, the open-air events and shows from the sold-out Rolling Stones tour and the performances of Anna Netrebko and Yusif Eyvazov at Waldbühne Berlin captivated the audience.

ENTERTAINMENT SERVICES

The development in the Entertainment Services segment was equally pleasing. Revenues increased by 20.0% to EUR 47.0 million in 2017. EBIT improved to EUR 0.2 million after EUR -2.3 million in the same period of the previous year. The previous year's figure has already been adjusted for the earnings effect in connection with the Jahrhunderthalle transaction.

In the reporting period, the local tour operators mainly participated in the Group-owned tour business.

In the further course of the financial year, both segments will benefit from the expected positive development and the well-filled event pipeline with high-revenue and high-margin events. Promising Christmas events are also on the agenda towards the end of the year. In particular, the Christmas Gardens in the area of Arts + Exhibitions are being expanded from 3 last year to 7 in 2017 and then to 10 cities in 2018 due to the positive responses from visitors. More than half a million visitors are expected in 2017.

RISK AND OPPORTUNITY REPORT

To obtain more information on the risks and opportunities at DEAG, we kindly refer you to the Risk Report in the combined Management Report and Group Management Report for 2016 published in the Annual Report as of 31 December 2016 (p. 11 ff.).

FORECAST REPORT

As in the previous year, the company expects the peak season to bring very strong Christmas sales and therefore significant sales and earnings contributions in the fourth quarter of 2017. The event pipeline is also well filled, with roughly 2.2 million pre-sold tickets to future events that were sold for the first time in the third quarter. Based on current business development and the strong fourth quarter that can be expected, the Executive Board is looking forward to the continuing course of business in 2017 and confirms its forecast. Furthermore, other new events from the profitable Christmas Gardens series as well as continuation of its profitable expansion strategy in its second home market in the UK through the acquisition of the Flying Music Group, should have a positive impact. Overall, DEAG considers itself to be well prepared to continue to grow and increase its profitability in 2018.

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 could lead to material differences between the results, financial position, development and performance of the company and the estimates made here. The company does not assume any obligation to update these forward-looking statements or adapt them to future events and developments.

// INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet	09
Consolidated Statement of Comprehensive Income	11
Abbreviated Consolidated Statement of Cash Flow	12
Changes in Consolidated Equity	13
Selected Explanatory Notes to the Financial Statements	14

// CONSOLIDATED BALANCE SHEET

ASSETS

	Interim Report	Annual Report	Interim Report
	2017	2016	2016
	30.09.2017	31.12.2016	30.09.2016
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Liquid funds	29.909	28.378	21.437
Trade receivables	7.430	15.312	17.969
Down Payments	12.310	12.905	21.068
Income tax receivables	367	1.031	1.430
Inventories	67	64	125
Other current financial assets	2.658	2.796	3.060
Other current non-financial assets	2.240	2.455	1.761
Current assets	54.981	62.941	66.850
Goodwill	25.826	24.117	24.021 *
Other intangible assets	9.196	7.909	8.137
Tangible fixed assets	2.527	1.046	822
Investment properties	5.340	5.340	5.340 *
Investments	748	279	431
Loans to associated companies According to the equity method accounted financial	1.218	1.209	-
assets	2.348	2.367	2.552
Other long-term financial assets	1.510	1.863	1.968
Deferred tax assets	538	308	399
Long-term assets	49.251	44.438	43.670
-	104.232	107.379	110.520

* Adjustment previous year pursuant to IAS 8.42 (see note 57, Annual Report 2016)

LIABILITIES

	Interim Report	Annual Report	Interim Report
	2017	2016	2016
	30.09.2017	31.12.2016	30.09.2016
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Bank loans payable	18.564	16.353	18.042
Trade accounts payable	9.994	13.554	10.795
Accruals	4.117	10.171	4.231
Sales accruals and deferrals	42.973	37.310	48.316
Income tax liabilities	899	944	192
Other current financial liabilities	4.619	3.673	5.927
Other current non-financial liabilities	1.984	6.837	2.861
Current liabilities	83.150	88.842	90.364
Accruals	52	227	279
Convertible bond	5.468	5.388	4.510
Bank loans payable	48	100	588
Other long-term financial liabilities	451	464	607
Deferred taxes	1.990	1.641	1.878
Long-term liabilities	8.009	7.820	7.862
Share capital	18.396	16.352	16.352
Capital reserve	42.508	40.081	40.061
Accumulated deficit	-54.305	-51.845	-49.571 *
Accumulated other income	1.432	1.403	1.307
Equity attributable to DEAG shareholders	8.031	5.991	8.149
Equity attributable to non-controlling interest	5.042	4.726	4.145
Equity	13.073	10.717	12.294
Total liabilities and equity	104.232	107.379	110.520
	104.202		110.020

* Adjustment previous year pursuant to IAS 8.42 (see note 57, Annual Report 2016)

// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Interim Report III/2017	Interim Report III/2016	6 Month Report	6 Month Report
	01.07.2017 30.09.2017	01.07.2016 * 30.09.2016	01.01.2017 30.09.2017	01.01.2016 * 30.09.2016
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Sales	21.174	18.982	108.108	93.458
Cost of sales	-16.038	-16.553	-87.905	-78.629
Gross profit	5.136	2.429	20.203	14.829
Distribution costs	-3.610	-1.658	-11.266	-12.154
Administration costs	-3.083	-3.365	-9.093	-9.752
Other operating income / expenses	347	-106	1.249	7.228 **
Operating income (EBIT)	-1.210	-2.700	1.093	151
Interest income and expenses	-332	-22	-835	-384
Result from investments	57	-217	58	-183 **
Income shares in companies accounted for using the equity method	-244	-327	-29	-80
Financial result	-519	-566	-806	-647
Result before taxes (EBT)	-1.729	-3.266	287	-496
Income taxes	351	29	121	350
Group result from continued operations after taxes	-1.378	-3.237	408	-146
Group result from discontined operations after taxes	-632	-402	-2.536	-1.477
Group result after taxes	-2.010	-3.639	-2.128	-1.623
thereof attributable to non-controlling interest	-300	-107	386	-321
thereof attributable to DEAG share- holders				
(Group result)	-1.710	-3.532	-2.514	-1.302
Earnings per share in EUR (undiluted)				
from continued operations	-0,06	-0,19	0,00	0,01
from continued and discontinued operations	-0,09	-0,22	-0,15	-0,09
Average no. of shares outstanding (undiluted)	18.396.193	16.352.719	17.325.480	14.838.578

* Change according to IFRS 5

** Adjustment previous year pursuant to IAS 8.42 (see note 57, Annual Report 2016)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	III/2017	III/2016	01.0130.09.17	01.0130.09.16
from 01.01.2017 to 30.09.2017	in EUR '000	in EUR '000	in EUR '000	in EUR '000
Group result after taxes	- 2.010,00	- 3.639,00	- 2.128,00	- 1.623,00
Other result	98,00	- 326,00	- 75,00	- 1.568,00
Total result	- 1.912,00	- 3.965,00	- 2.203,00	- 3.191,00
Thereof attributable to				
Non-controlling interest	- 154,00	- 1.036,00	415,00	- 1.861,00
DEAG Shareholders	- 1.758,00	- 2.929,00	- 2.618,00	- 1.330,00

// ABBREVIATED CONSOLIDATED STATEMENT OF CASH FLOW

	Interim Report 01.01.2017 -30.09.2017	Interim Report 01.01.2016 -30.09.2016
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	408	-146 *
Depreciation and amortisation	983	1.091
Change in accruals	-7.711	-4.467
Changes not affecting payments	-486	-6.253 *
Deferred taxes (net)	-302	-495
Result from valuation of affiliated companies	29	80
Cash flow	-7.079	-10.190
Net interest income	835	618
Change in working capital Net cash from operating	11.474	971
activities from continued operations	5.230	-8.601
Net cash from operating activities from discontinued operations	-2.536	-1.477 *
Net cash from operating activities (total)	2.694	-10.078
Net cash from investment		
activities from continued operations	-5.270	-153
Net cash from financial		
activities (total)	4.064	6.836
equivalents	1.488	-3.395
Effects of exchange rates	43	-973
Cash and cash equivalents at		
beginning of Period	28.378	25.805
Cash and cash equivalents at		
end of period	29.909	21.437

* Adjustment previous year pursuant to IAS 8.42 (see note 57, Annual Report 2016) and in application of IFRS 5

// CHANGES IN CONSOLIDATED EQUITY

	Balance as at		Changes		Balance as at	
	31.12.2015	-	1.01.2016- 0.09.2016		30.09.2016	
	<u>in EUR '000</u>	ir	<u>n EUR '000</u>		<u>in EUR '000</u>	
Share capital	16.352		-		16.352	
Capital reserve	39.944		117		40.061	
Accumulated deficit	- 48.269	* _	1.302	* -	49.571	*
Accumulated other income / loss	2.075	-	768		1.307	
Equity attributable to DEAG shareholders	10.102	-	1.953		8.149	
Equity attributable to non- controlling interest	5.921	-	1.776		4.145	
Equity	16.023	-	3.729		12.294	_

* Adjustment previous year pursuant to IAS 8.42 (see note 57, Annual Report 2016)

	Balance as at	Changes	Balance as at
	31.12.2016	01.01.2017- 30.09.2017	30.09.2017
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Share capital	16.352	2.044	18.396
Capital reserve	40.081	2.427	42.508
Accumulated deficit	- 51.845	- 2.460	- 54.305
Accumulated other income / loss	1.403	29	1.432
Equity attributable to DEAG shareholders	5.991	2.040	8.031
Equity attributable to non- controlling interest	4.726	316	5.042
Equity	10.717	2.356	13.073

// SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

EXPLANATORY NOTES PURSUANT TO IAS 34

This quarterly financial report consisting of the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, changes in equity and selected additional disclosures was prepared in accordance with IAS 34 and the applicable provisions of the German Securities Trading Act (WpHG).

The consolidated interim statement as of 30 September 2017 does not include all the disclosures and information that is presented in the full annual financial statements. The quarterly financial report should be read in conjunction with the consolidated financial statements from 31 December 2016.

The accounting, consolidation, currency translation and valuation principles applied in the consolidated financial statements as of 31 December 2016 were also used in this report in an unchanged manner. Please refer to the 2016 consolidated notes to the Annual Report (pp. 38-57).

This report has neither been audited nor reviewed.

CHANGES TO THE SCOPE OF CONSOLIDATION

In the consolidated interim financial statements, DEAG, as the parent company, includes those companies in which the control concept is met. Companies that were established, acquired or sold during the reporting period were included from the date of establishment, the date of acquisition or until the date of sale.

The following changes in the scope of consolidation took place in the period under review:

On 13 February 2017, DEAG sold its stake in Manfred Hertlein Veranstaltungs GmbH based in Würzburg (Live Touring segment), which it held through GOLD Entertainment GmbH, which was operated jointly with Sony Music. The purchase price has already been paid. The company contributed to the Group in 2016 with assets of approx. EUR 10.1 million, revenues of approx. EUR 21.3 million and EBIT of EUR 0.2 million.

On 18 August 2017, DEAG, via its British subsidiary Kilimanjaro Ltd., acquired 60% of the shares of British promoter Flying Music Group Holding Ltd, London. The purchase price may increase later, depending on the future business development in the years to 2019. In the past financial year 2016/2017, the Flying Music Group, which has been profitable since its founding, generated sales of around EUR 20 million.

As of 30 September 2017, the purchase price allocation has not yet been completed, as the closing balance sheets and acquired intangible assets are still being looked into. Therefore, the business combination cannot be finalised yet.

EQUITY

On 23 May 2017, DEAG successfully placed its cash capital increase with subscription rights from authorised capital by issuing all of the 2,044,089 new shares offered.

Gross issue proceeds were EUR 4,905,813.60. DEAG intends to use gross proceeds to finance the planned expansion of the business in the UK and the further growth of the DEAG Group.

The deadline for subscription to the new shares began on 5 May 2017 and ended on 22 May 2017. New shares not issued by the end of the subscription offer were sold to qualified investors in the Federal Republic of Germany and in selected countries excluding the United States of America and outside Canada, Japan and Australia as part of a private placement. The placement price was the purchase price.

The share capital of the company has thus increased by EUR 2,044,089.00 from EUR 16,353,334.00 to EUR 18,397,423.00 by issuing 2,044,089 new bearer shares with a notional share in the share capital of EUR 1.00 per share after registration in the commercial register. The new shares are entitled to participate in profit from 1 January 2016.

The new shares were admitted to trading in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange without a prospectus and were included in trading as of 26 May 2017.

The capital increase was accompanied by Hauck & Aufhäuser Privatbankiers KGaA, Frankfurt/Main, as the sole Lead Manager.

OTHER DISCLOSURES

On 30 January 2017, Axel Springer SE and Starwatch Entertainment GmbH increased their shares in mytic myticket AG by 4.9% to 24.9% each. DEAG still holds more than 50% of the shares.

The Annual General Meeting of DEAG took place on 27 June 2017. The shareholders of the company re-elected the Supervisory Board for a further term of office. The Supervisory Board now includes the Chairman of the Supervisory Board, Mr. Wolf-Dieter Gramatke, the Deputy Chairman of the Supervisory Board, Mr. Michael Busch, and the Supervisory Board member Prof. Dr. Katja Nettesheim. In addition, the shareholders granted the Executive Board and Supervisory Board discharge for the past financial year and elected the auditor for the current financial year. All resolutions were passed by a large majority. Detailed information on the Annual General Meeting is available on the company's website in the Investor Relations section.

In the third quarter, DEAG, together with its subsidiary handwerker promotion e. gmbh, acquired a stake in TimeRide GmbH, a company active in the field of Virtual Reality (VR) Entertainment. DEAG acquired 8% of the shares, while handwerker promotion secured itself a 4% stake. DEAG has thus expanded its high-class entertainment offering in the area of Family Entertainment and positioned itself early on in the live entertainment market for virtual reality.

On 28 September 2017, the Executive Board of DEAG decided to discontinue its direct activities in Austria. DEAG had to that point acted as a local organizer through its subsidiary Blue Moon Entertainment GmbH, Vienna. From this day on, no significant operational activities were carried out and the company is now in liquidation. In application of IFRS 5, the Austrian business is therefore to be presented as a business area for the purpose of decommissioning. The discontinued operations must be presented separately as such in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows. The previous year's figures must also be adjusted accordingly. The full explanatory notes will be provided in the consolidated financial statements as of 31 December 2017.

Further explanatory notes required by IAS 34.15ff are either irrelevant, of minor importance or there have been no significant changes since 31 December 2016.

SUPPLEMENTARY REPORT

From the point of view of the Executive Board, no material events occurred after the end of the reporting period as of 30 September 2017 that could have a significant impact on the earnings, assets and financial position of DEAG.

Berlin, 24 November 2017

DEAG Deutsche Entertainment Aktiengesellschaft

Executive Board

Prof. Peter L. H. Schwenkow

Detlef Kornett

Unr. Multuran Christian Diekmann Aullmala

Ralph Quellmalz

// LEGAL NOTICE

// EDITING AND COORDINATION

DEAG Deutsche Entertainment Aktiengesellschaft cometis AG

// FURTHER INFORMATION

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This quarterly financial report and other current information on DEAG are also available on the Internet at www.deag.de/ir

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