



DEAG Deutsche Entertainment Aktiengesellschaft

QUARTERLY REPORT
AS OF 30/09/2019



// DEAG OVERVIEW

COMPANY PROFILE

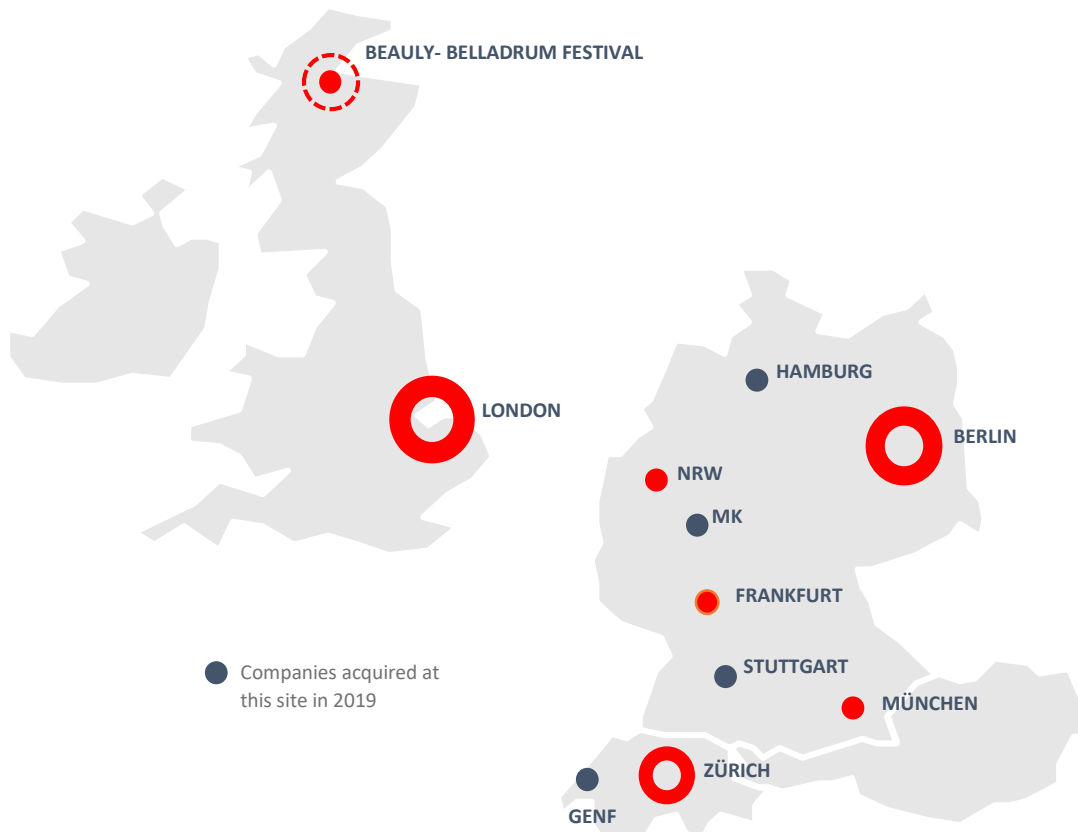
DEAG Deutsche Entertainment AG (DEAG) is a leading entertainment service company and provider of live entertainment in Europe. With its Group companies, DEAG has been active in the areas of planning, organisation, marketing and holding of live events at 10 locations in its core markets of Germany, the United Kingdom and Switzerland for more than 40 years.

DEAG produces and profitably organises a broad range of events and concerts. As a live entertainment service company with an integrated business model, DEAG has extensive expertise in the planning, organisation, marketing and holding of events, as well as in ticket sales via its own ticketing platform “MyTicket” for its own content and third-party content. The highly scalable business model of MyTicket strengthens DEAG on its way to increasing profitability. DEAG promotes over 4,000 concerts and events a year and currently sells more than five million tickets – a steadily increasing share via its high-turnover ticketing platform MyTicket.

Founded in Berlin in 1978 and listed on the stock exchange since 1998, DEAG’s core businesses include Rock/Pop, Classics & Jazz, Family Entertainment and Arts+Exhibitions. The Family Entertainment and Arts+Exhibitions divisions in particular are of great importance to the further development of DEAG’s own content. With its strong partner network, DEAG is excellently positioned in the market as an internationally active live entertainment service company.

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

DEAG’S CORE MARKETS



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// 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	28,129
Number of shares outstanding (30 September 2019)	19,625,976
Closing price for the quarter (30 September 2019)	EUR 4.23
High (1 January – 30 September 2019)	EUR 4.85
Low (1 January – 30 September 2019)	EUR 2.92
Market capitalisation (30 September 2019)	EUR 83.02 Mio.
Designated Sponsor(s)	Hauck & Aufhäuser, Oddo Seydler

1.2 PERFORMANCE OF THE DEAG SHARE

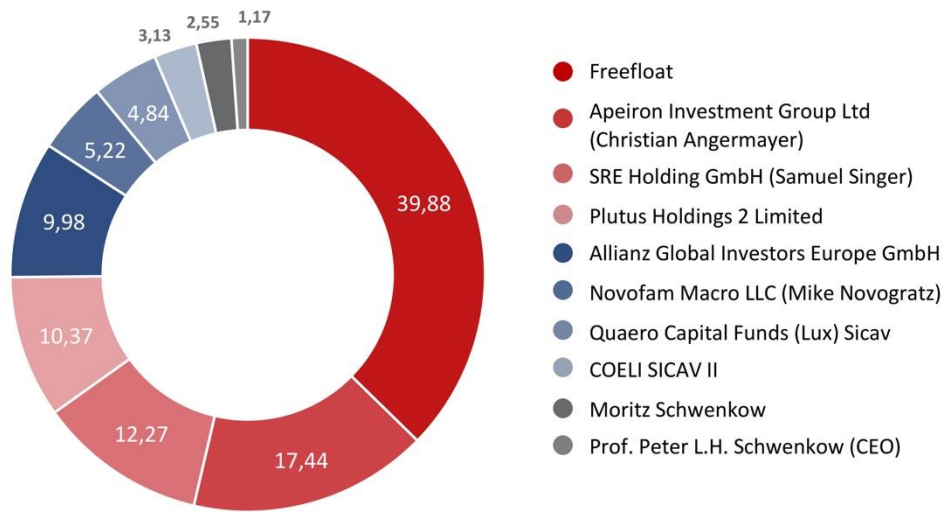
The DEAG share (WKN: A0Z23G, ISIN: DE000A0Z23G6, stock exchange symbol: LOUD) performed extremely well in the first nine months of 2019. After closing at EUR 3.11 at the end of 2018, the share price stood at EUR 4.23 on 30 September 2019. This means it rose by 36% in the first nine months. DEAG thus significantly outperformed the DAX and SDAX indices, which rose by around 17% and 15% respectively between January and September. The DEAG share price was EUR 3.10 at the start of the year. Only a short time later, on 7 January 2019, the DEAG share reached its low

for the reporting period of EUR 2.92. This was followed by a clear and continuous upward trend from January to September 2019. The share recorded its highest price on 18 April 2019 at EUR 4.85. DEAG's market capitalisation amounted to EUR 83.02 million on the reporting date for the period. The DEAG share is extremely liquid. The number of shares traded per day in the period from January to the end of September was 28,129, 21,806 of which were traded on Xetra.



¹ All quoted prices are XETRA closing prices

1.6 SHAREHOLDER STRUCTURE²



As of 29 August 2019 / in %

1.7 INVESTOR RELATIONS

We attach the greatest importance to the need for information on the capital market and meet the highest transparency requirements with our listing in the Prime Standard of the Frankfurt Stock Exchange. Besides meeting our legal obligations, we also carried out a number of other IR activities prior to this publication in 2019:

- Participation in 12 capital market conferences in Germany and Europe
- Numerous one-on-one meetings with investors at home and abroad

In order to meet our objectives and satisfy our shareholders and stakeholders, the Executive Board of DEAG plans to further intensify its investor relations activities on an ongoing basis. Furthermore, DEAG is intensifying its dialogue with international investors in the UK and the USA by conducting roadshows and participating in capital market conferences.

Detailed information on investor relations can be found at www.deag.de/ir. DEAG Deutsche Entertainment AG constantly offers information on all relevant business developments here.

² Disclosures based on the most recent voting rights notification pursuant to Section 21/33 of the German Securities Trading Act (WpHG)

CAPITAL MARKET CONFERENCES 2019

FEB: 06	HIT I HAMBURGER INVESTORENTAG (Hamburg)
APR: 05	CM-CIC MARKET SOLUTIONS FORUM by ESN (Paris)
MAY: 07	GOLDMAN SACHS EUROPEAN SMALL & MID CAP SYMPOSIUM (London)
MAY: 08	MKK I MUNICH CAPITAL MARKET CONFERENCE (Munich)
MAY: 13 - 15	FRÜHJAHRSKONFERENZ I GERMAN SPRING CONFERENCE (Frankfurt/M)
MAY: 16	HAIB STOCKPICKER SUMMIT (Madrid)
MAY: 28	MAINFIRST SMID CAP CONFERENCE (Frankfurt/M)
AUG: 29	COMMERZBANK SECTOR CONFERENCE (Frankfurt/M)
SEP: 02 - 03	HERBSTKONFERENZ I GERMAN FALL CONFERENCE (Frankfurt/M)
SEP: 17	PRIOR CAPITAL MARKET CONFERENCE (Frankfurt/M)
SEP: 27	BAADER INVESTMENT CONFERENCE 2019 (München)
NOV: 25 - 27	DEUTSCHES EIGENKAPITALFORUM I GERMAN EQUITY FORUM (Frankfurt/M)

FINANCIAL CALENDER 2020

FEB: 04	HIT I HAMBURGER INVESTORENTAG (Hamburg)
MRZ: 31	ANNUAL FINANCIAL REPORT 2019
MAY: 28	QUARTERLY FINANCIAL STATEMENT (3M)
JUN: 25	ANNUAL GENERAL MEETING (Berlin)
AUG: 28	HALF-YEARLY FINANCIAL REPORT 2020
NOV: 30	QUARTERLY FINANCIAL STATEMENT (9M)

// INTERIM GROUP MANAGEMENT REPORT

SIGNIFICANT OPERATIONAL DEVELOPMENTS

DEAG Deutsche Entertainment AG ("DEAG") is on course to meet its full-year forecast after a successful nine-month period in 2019. Business development in the third quarter was in line with the company's own forecasts. As planned, the focus of sales in 2019 will be on the second half of the year and above all on the fourth quarter. The months from October to December are strongly influenced by Christmas business, with Christmas events being held in Germany and abroad, as well as a high event density in all segments. For 2019, DEAG expects a positive and profitable full year with a fourth quarter that will be one of the strongest quarters in the company's history.

MyTicket, DEAG's own ticketing platforms, are increasingly contributing to the positive business development. A significant share of pre-sales for events in 2020 is now handled via the ticketing platform, so that DEAG expects record results for MyTicket.de and MyTicket.co.uk in 2019. The cooperation with SecuTix since the beginning of the third quarter has provided DEAG with state-of-the-art software with additional features for customers, simplified handling for in-house and external tour operators and a reduced cost base for DEAG. MyTicket once again proved its performance running at full capacity when 150,000 tickets to the Böhse Onkelz concerts in 2020 were sold via the platform within only 2 hours.

In the Rock/Pop and Classics & Jazz division, DEAG recorded top-class concerts in the third quarter. Ed Sheeran gave sold-out concerts in Leeds and Ipswich. Andrea Bocelli delighted visitors in Manchester and Glasgow, among other places. Nena, Pur and Kiss filled the concert halls in Germany and Switzerland, and the concerts by Alice Cooper and Amon Amarth in Munich were also very successful. The three successful open-air events "Nature One," "Belladrum" and "Sion sous les étoiles" also underscore DEAG's strength in the music business. The density of events will remain high in the coming year. Among others, die Toten Hosen, Iron Maiden, Deep Purple, Die Ärzte, Anna Netrebko and Juan Diego Flórez will tour Germany, Switzerland and the UK.

The Arts+Exhibitions division, especially DEAG's Christmas formats, continues to show high growth. The number of Christmas Gardens locations has been doubled to six this year. For the first time, DEAG is also active abroad with the format it developed on its own. The Christmas Garden in Madrid, organised by DEAG together with a Spanish partner, will be a box office hit – around 60,000 tickets were sold even before the premiere. A total of 600,000 tickets sold for the Christmas Gardens are DEAG's target for 2019, roughly double the number sold last year. The growth of the Christmas Gardens is to be continued. In the coming year, three further locations are on the agenda as well as expansion throughout Germany and Europe in the coming years. DEAG also intends to continue its successful growth course with the VR experience TimeRide. Further locations are also planned for next year. Visitors to Frankfurt am Main and Hamburg, among other places, will have the opportunity to go on historical journeys through time.

In the Family Entertainment division, "Disney on Ice" was one of the events that contributed to growth. As part of the expansion plans, this format is to be expanded to 12 cities next year and the number of tickets sold is to be increased to approx. 300,000. DEAG's Christmas Circuses will also provide further growth impetus. Essen is new this year with the Chinese National Circus.

This year, DEAG defined its long-term strategic course for the further growth of the company. Five acquisitions have been made so far and integrated into the Group and the high expectations have been met or even exceeded. For example, DEAG acquired an independent and high-margin company in the form of I-Motion, one of the largest organisers of electro-music events in Germany, in which it has acquired a majority shareholding, thereby tapping into a young new target audience with high sales potential. DEAG's successful integration and acquisition strategy is to be continued in the future. DEAG is currently in the finalisation phase for another international acquisition in the ticketing sector.

EARNINGS POSITION

As planned, DEAG generated sales of EUR 123.1 million in the first nine months (previous year: EUR 152.9 million). In the third quarter, sales rose significantly by 70% from EUR 34.8 million to EUR 59.2 million. The third quarter is thus the strongest third quarter in the past ten years and also reflects DEAG's seasonality in the current year.

Gross profit of EUR 24.2 million in the reporting period (previous year: EUR 25.8 million) represents a significant increase in the gross margin from 16.9% to 19.6%.

At EUR 8.0 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) for the reporting period rose significantly compared to the same period of the previous year (EUR 5.1 million on a comparable basis³). The EBITDA margin thus increased from 3.3% on a comparable basis³ to 6.5% in the reporting period. The margin increase resulted from an optimised ticketing business and a more profitable product mix.

EBIT for the reporting period rose to EUR 4.5 million, compared to EUR 2.9 million in the same period of the previous year³.

After EUR -1.9 million in the previous year, the financial result now amounted to EUR -2.9 million. It essentially includes the interest result of EUR -2.7 million (previous year: EUR -1.8 million). The change in net interest income is mainly attributable to the borrowing of funds in connection with the 2018/2023 corporate bond.

After taking tax expenses into account, the result from continuing operations is nearly breakeven at EUR -0.3 million after a breakeven result on a comparable basis³ in the previous year

Consolidated net income attributable to DEAG shareholders amounted to EUR -3.6 million, compared to EUR -1.4 million³. This decline is mainly due to higher interest expenses (EUR 0.9 million) and the event mix included in the course of business, in which other shareholders still held a large stake in the first nine months.

DEVELOPMENTS 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 comprises the activities of the companies DEAG Classics (Berlin), The Classical Company (Zurich, Switzerland), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Wizard Promotions Konzertagentur (Frankfurt/Main), Grünland Family Entertainment (Berlin), Global Concerts Touring GmbH (Munich), I-Motion GmbH Events & Communication (Mülheim-Kärlich), MEWES Entertainment Group GmbH (Hamburg) and the sub-group Kilimanjaro (London, UK), including the Flying Music Group.

The **Entertainment Services segment** ("stationary business") includes regional business as well as the entire services business. This includes the activities of the AIO Group (Glattpark, Switzerland) with Live Music Production SA and Live Music Entertainment SA, Global Concerts (Munich), Concert Concept (Berlin), C² Concerts GmbH (Stuttgart), Grandezza Entertainment (Berlin), River Concerts (Berlin) and Elbklassik (Hamburg), handwerker promotion e. gmbh (Unna), LiveGeist Entertainment GmbH (Frankfurt/Main), Kultur- und Kongresszentrum Jahrhunderthalle GmbH (Frankfurt/Main) as well as mytic myticket (Berlin) and Kultur im Park GmbH (Berlin).

Segment development at a glance:

Live Touring

The Live Touring segment generated sales of EUR 81.7 million after EUR 102.7 million in the prior-year period. Sales in the third quarter alone increased significantly from EUR 19.9 million in the prior-year period to EUR 42.3 million. This development makes it clear that the sales focus in 2019 is on target for the second half of the year.

EBITDA for the nine-month period amounted to EUR 10.1 million after EUR 7.2 million on a comparable basis³. EBITDA thus increased significantly by EUR 2.9 million or 40.3%.

Entertainment Services

Segment sales amounted to EUR 47.8 million after EUR 56.4 million the previous year. Sales in the third quarter rose by EUR 1.1 million or 6.4% to EUR 18.3 million.

³ For the sake of better comparability, the figures for the comparative period were adjusted for the deconsolidation gain of EUR 5.3 million in connection with the strategic sale of Raymond Gubbay Limited (RGL Ltd.)

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 position, 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

	2019	2018	2018
	30.09.2019	31.12.2018	30.09.2018
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Liquid funds	17,795	36,427	14,275
Trade receivables	6,369	10,289	11,063
Down payments	20,728	9,357	11,216
Income tax receivables	2,090	2,180	813
Inventories	349	74	103
Other current financial assets	3,768	2,886	3,297
Other current non-financial assets	4,091	2,692	2,421
Current assets	<u>55,190</u>	<u>63,905</u>	<u>43,188</u>
Goodwill	29,224	23,915	23,872
Other intangible assets	21,490	13,203	9,306
Tangible fixed assets	19,541	19,409	14,739
Investment properties	5,625	5,625	5,340
Investments	2,685	1,899	916
According to the equity method accounted financial assets	1,175	1,182	1,325
Down payments	-	4	58
Other long-term financial assets	2,423	2,545	1,449
Deferred tax assets	881	1,294	734
Long-term assets	<u>83,044</u>	<u>69,076</u>	<u>57,739</u>
Total assets	<u><u>138,234</u></u>	<u><u>132,981</u></u>	<u><u>100,927</u></u>

TOTAL LIABILITIES AND EQUITY

	2019	2018	2018
	30.09.2019	31.12.2018	30.09.2018
	in EUR '000	in EUR '000	in EUR '000
Bank loans payable	14,553	10,101	18,960
Trade accounts payable	9,791	11,866	9,859
Accruals	9,999	8,257	6,633
Convertible bond	-	4,300	4,300
Contract liabilities	26,010	34,658	23,550
Income tax liabilities	1,731	1,021	1,084
Other current financial liabilities	7,277	3,705	5,749
Other current non-financial liabilities	3,385	4,527	2,384
Current liabilities	72,746	78,435	72,519
Accruals	241	238	160
Bond	23,975	18,921	-
Bank loans payable	2,987	1,500	1,833
Contract liabilities	-	181	-
Other long-term financial liabilities	14,371	15,467	10,339
Deferred taxes	3,216	3,291	1,641
Long-term liabilities	44,790	39,598	13,973
Share capital	19,625 *	18,396	18,396
Capital reserve	45,579 **	42,508	42,508
Retained earnings	-466	-466	-
Accumulated deficit	-55,742	-52,107	-51,304
Accumulated other income	1,667	1,563	1,581
Equity attributable to DEAG shareholders	10,663	9,894	11,181
Equity attributable to non-controlling interest	10,035	5,054	3,254
Equity	20,698	14,948	14,435
Total liabilities and equity	138,234	132,981	100,927

* including 571,420 new shares from the mandatory conversion of the convertible bond

** including 1,429 EUR'000 from the mandatory conversion of the convertible bond

// CONSOLIDATED STATEMENT OF INCOME

	01.07.2019 30.09.2019	01.07.2018 30.09.2018	01.01.2019 30.09.2019	01.01.2018 30.09.2018
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Sales	59,185	34,880	123,106	152,867
Cost of revenues	<u>-48,579</u>	<u>-27,691</u>	<u>-98,945</u>	<u>-127,064</u>
Gross profit	<u>10,606</u>	<u>7,189</u>	<u>24,161</u>	<u>25,803</u>
Distribution costs	-3,161	-2,864	-9,244	-11,841
Administration costs	-5,252	-3,799	-11,940	-11,890
Other operating income / expenses	<u>1,079</u>	<u>-407</u>	<u>1,554</u>	<u>6,135</u>
Operating result (EBIT)	<u>3,272</u>	<u>119</u>	<u>4,531</u>	<u>8,207</u>
Interest income and expenses	-910	-550	-2,691	-1,838
Result from investments	4	-4	2	1
Income shares in companies accounted for using the equity method	<u>70</u>	<u>-39</u>	<u>-167</u>	<u>-110</u>
Financial result	<u>-836</u>	<u>-593</u>	<u>-2,856</u>	<u>-1,947</u>
Result before taxes	<u>2,436</u>	<u>-474</u>	<u>1,675</u>	<u>6,260</u>
Income taxes	-1,351	-119	-1,944	-923
Result after taxes from continued operations	<u>1,085</u>	<u>-593</u>	<u>-269</u>	<u>5,337</u>
Result after taxes from discontinued operations	<u>-99</u>	<u>15</u>	<u>-111</u>	<u>-79</u>
Group result after taxes	<u>986</u>	<u>-578</u>	<u>-380</u>	<u>5,258</u>
thereof attributable to non-controlling interest	<u>2,204</u>	<u>239</u>	<u>3,255</u>	<u>1,393</u>
thereof attributable to DEAG shareholders (Group result)	<u>-1,218</u>	<u>-817</u>	<u>-3,635</u>	<u>3,865</u>
Earnings per share in EUR (diluted/undiluted)				
from continued operations	<u>-0.06</u>	<u>-0.05</u>	<u>-0.19</u>	<u>0.21</u>
from continued and discontinued operations	<u>-0.06</u>	<u>-0.04</u>	<u>-0.19</u>	<u>0.21</u>
Average no. of shares outstanding (undiluted)	<u>19,624,746</u>	<u>18,396,808</u>	<u>18,828,851</u>	<u>18,396,808</u>

// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<u>from 01.01.2019 to 30.09.2019</u>	III/2019 in EUR '000	III/2018 in EUR '000	01.01.-30.09.19 in EUR '000	01.01.-30.09.18 in EUR '000
Group result after taxes	986	-578	-380	5,258
Other result				
(+/-) Differences from exchange rates (independent foreign units)	50	163	-89	948
Amounts as may be reclassified in future periods in the profit and loss account	50	163	-89	948
Total result	1,036	-415	-469	6,206
Thereof attributable to				
Non-controlling interest	2,295	247	3,365	1,400
DEAG Shareholders	-1,259	-662	-3,834	4,806

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2019 -30.09.2019	01.01.2018 -30.09.2018
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	-269	5,337
Depreciation and amortisation	3,427	2,200
Change in accruals	562	-236
Changes not affecting payments	-2,408	2,029
Result of change in scope of consolidation	-	-5,295
Deferred taxes (net)	935	-179
Result from valuation of affiliated companies	167	110
Cash flow	<u>2,414</u>	<u>3,966</u>
Net interest income	2,691	925
Change in working capital	-24,243	-36,334
Net cash from operating activities from continued operations	<u>-19,138</u>	<u>-31,443</u>
Net cash from operating activities from discontinued operations	-111	-79
Net cash from operating activities (total)	<u>-19,249</u>	<u>-31,522</u>
Net cash from investment activities from continued operations	<u>-6,216</u>	<u>3,379</u>
Net cash from financial activities (total)	<u>7,261</u>	<u>309</u>
equivalents	<u>-18,204</u>	<u>-27,834</u>
Effects of exchange rates	-428	293
Cash and cash equivalents at beginning of Period	<u>36,427</u>	<u>41,816</u>
Cash and cash equivalents at end of period	<u>17,795</u>	<u>14,275</u>

// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31.12.2017	01.01.2018- 30.09.2018	30.09.2018
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Share capital	18,396	-	18,396
Capital reserve	42,508	-	42,508
Accumulated deficit	- 54,078	2,774	- 51,304
Accumulated other income	638	943	1,581
Equity attributable to DEAG shareholders	7,464	3,717	11,181
Equity attributable to non- controlling interest	5,154	- 1,900	3,254
Equity	<u>12,618</u>	<u>1,817</u>	<u>14,435</u>

	31.12.2018	01.01.2019- 30.09.2019	30.09.2019
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Share capital	18,396	1,229 *	19,625
Capital reserve	42,508	3,071 **	45,579
Retained earnings	- 466	-	- 466
Accumulated deficit	- 52,107	- 3,635	- 55,742
Accumulated other income	1,563	104	1,667
Equity attributable to DEAG shareholders	9,894	769	10,663
Equity attributable to non- controlling interest	5,054	4,981	10,035
Equity	<u>14,948</u>	<u>5,750</u>	<u>20,698</u>

// NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES PURSUANT TO IAS 34

These Interim Consolidated Financial Statements, comprising the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Cash Flows, the Condensed Consolidated Statement of the Development of Equity within the Group and select 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) endorsed by the IASB and the applicable provisions of the WpHG.

The Interim Consolidated Financial Statements as of 30 September 2019 do not contain all the disclosures and information presented in a complete set of financial statements. It is therefore advisable to read the Interim Consolidated Financial Statements together with the Consolidated Financial Statements as of 31 December 2018.

The accounting, consolidation, currency translation, accounting and valuation principles applied in the Consolidated Financial Statements as of 31 December 2018 were essentially retained. Please refer to the Notes to the Consolidated Financial Statements published in the 2018 Annual Report (pages 51-66).

For select segment information (IAS 34.16A), please refer to the “Development of the Segments” section of the Interim Group Management Report.

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

CHANGES IN THE SCOPE OF CONSOLIDATION

As the parent company, DEAG includes all those companies in which the control concept is fulfilled in the Consolidated Interim Financial Statements. Companies founded, acquired or disposed of in the reporting period were included from the date on which they were founded, acquired or disposed of.

The following changes to the scope of consolidation took place in the reporting period:

DEAG acquired 51% of the shares in C² CONCERTS GmbH, a successful local tour operator in Baden-Württemberg for more than 20 years, through its subsidiary Concert Concept in June 2019.

DEAG also acquired a 50.1% majority stake in I-Motion GmbH Events & Communication, one of Germany’s largest electronic music promoters, through its subsidiary DEAG Concerts in June 2019.

DEAG acquired a majority stake in the promoter and organiser Michael Drieberg’s group of companies through its wholly owned Swiss subsidiary AIO Group AG in June 2019. DEAG thus acquired a 60% stake in Live Music Production S.A. (LMP) and a 51% stake in Live Music Entertainment S.A. (LME).

In August 2019, DEAG acquired a majority stake of 51% in MEWES Entertainment Group GmbH, a successful artist management and agency company in the pop and folk music sector, via its subsidiary DEAG Concerts GmbH.

As of 30 September 2019, the purchase price allocations had not yet been finalised, as further reviews of the closing balance sheets and the acquired intangible assets are still pending. The disclosures in accordance with IFRS 3 will be made after the purchase price allocations have been finalised.

EQUITY

During the reporting period, the convertible bond 2016/2019 (ISIN DE000A2AAX86) with a total nominal amount of EUR 4,300,000.00 was fully converted into new ordinary bearer shares of DEAG with no par value. This is equivalent to 1,228,553 shares based on the conversion ratio defined in the bond terms. Accordingly, DEAG's share capital increased to EUR 19,625,976 as of the quarterly reporting date, divided into the same number of no-par value shares.

SUPPLEMENTARY REPORT

Otherwise, in the opinion of the Executive Board, no further significant events occurred after the end of the reporting period on 30 September 2019 that could have a significant impact on DEAG's net assets, financial position and results of operations.

OTHER INFORMATION

The Annual General Meeting of DEAG was held on 27 June 2019. The shareholders granted discharge to the Executive Board and Supervisory Board for the past financial year and elected Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, as auditor for the current financial year. The shareholders also resolved an increase in Authorised Capital by up to 50% and Conditional Capital by up to 10% for a stock option programme for the Executive Board, Managing Directors and executives. All resolutions were passed by a large majority. Detailed information on the Annual General Meeting is available on the company's website under Investor Relations.

Further explanatory notes required by IAS 34.15ff are either irrelevant, of minor importance or have not changed significantly since 31 December 2018.

Berlin, 29 November 2019

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann



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// MORE INFORMATION

This 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

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