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QUARTERLY REPORT AS OF 30/09/2020
DEAG Deutsche Entertainment Aktiengesellschaft

// DEAG OVERVIEW

COMPANY PROFILE

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a leading entertainment service provider and live entertainment operator in Europe. With its Group companies, DEAG has been present in 12 locations in its core markets Germany, the UK, Switzerland and Ireland for more than 40 years. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in planning, organising, marketing and conducting events.

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

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

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

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

DEAG'S CORE MARKETS



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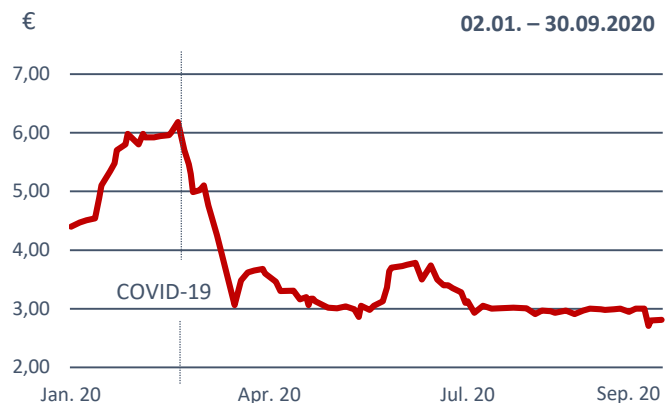
// DEAG ON THE CAPITAL MARKET

1.1 KEY SHARE DATA¹

ISIN	DE000A0Z23G6
WKN	A0Z23G
Market segment	Prime Standard
Average number of shares traded per day	34,315
Number of shares outstanding (30 September 2020)	19,625,976
Closing price for the quarter (30 September 2020)	EUR 2.81
High (1 January – 30 September 2020)	EUR 6.38
Low (1 January – 30 September 2020)	EUR 2.70
Market capitalisation (30 September 2020)	EUR 55.15 million
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) showed a clear and continuous upward movement in the first weeks of financial year 2020. By mid-February, the share price had risen sharply and reached its highest price of EUR 6.38 in the first nine months on 20 February 2020. As a result of the COVID-19 pandemic, however, it experienced significant declines by the end of September 2020. Stock



markets worldwide were characterised by high volatility in the first three quarters. While the DAX lost nearly 4% in value in the reporting period and the SDAX small cap index was also down slightly (-0.46%), the DEAG share – like the shares of many companies in sectors heavily affected by the COVID-19 pandemic – was hit even harder by the turbulence on the capital markets. After ending 2019 at a price of EUR 4.38, DEAG’s share price was at EUR 2.81 on 30 September 2020. The share thus recorded a 36% loss. The DEAG share reached its lowest price of EUR 2.70 on 28 April 2020. DEAG’s market capitalisation on the reporting date was EUR 55.15 million. The average number of shares traded per day in the period from January to the end of September was 34,315, of which the majority (23,236 shares) were traded on Xetra.

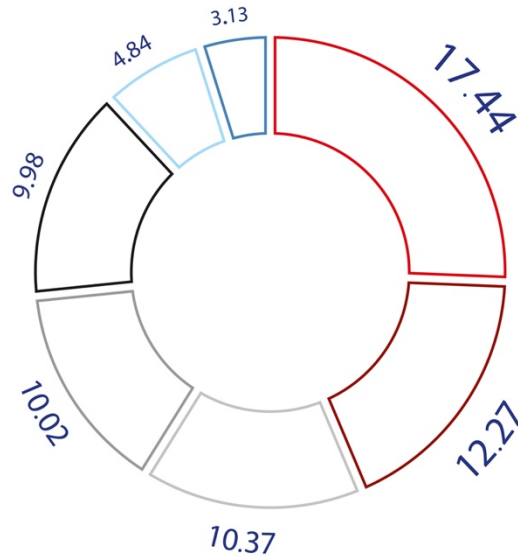
¹ All quoted prices are XETRA closing prices.

1.5 SHAREHOLDER STRUCTURE²

The basis for the DEAG shareholder structure is formed by the voting right notifications in accordance with Sections 21/33 of the German Securities Trading Act (WpHG), which were sent to DEAG by shareholders subject to notification requirements. Changes may have occurred in the following shares after publication of the respective voting rights notification. These were either not subject to notification to DEAG (notification thresholds were not affected) or were not reported to the company.

The DEAG shareholder structure in % – All information is based on the most recent notification to the company by a person subject to the reporting obligation:

- Apeiron Investment Group Ltd [Christian Angermayer]
- SRE Holding GmbH
- Plutus Holdings 2 Ltd
- Novofam Macro LLC [Michael Novogratz]
- Allianz Global Investors GmbH
- Quaero Capital Funds (LUX)
- Coeli Sicav II



The free float as defined by Deutsche Börse (guidelines for indices) is **56.01%**.

During the period under review, members of the Executive Board and Supervisory Board of DEAG underpinned their confidence in the company by making extensive share and bond purchases. All notifications of directors’ dealings and voting rights are always published on the DEAG website in the Investor Relations section under the heading “[Securities transactions.](#)”

1.6 INVESTOR RELATIONS

DEAG attaches the greatest importance to the need for information on the part of the capital market and, with its listing in the Prime Standard of the Frankfurt Stock Exchange, meets the highest transparency requirements. In addition to its legal obligations, the company carried out various other IR activities in the reporting period:

- Participation in 3 capital market conferences
- 6 national and international roadshows
- Numerous one-on-one meetings with investors at home and abroad
- Publication of 7 Corporate News

In order to meet its own expectations and those of its shareholders and stakeholders, the Executive Board of DEAG plans to maintain its investor relations activities at a high level. In addition, DEAG is also increasingly entering into dialogue with international investors in the UK and the USA by participating in roadshows and capital market conferences.

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

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

2020 FINANCIAL CALENDAR

JAN: 28	ROADSHOW HAIB (London)
JAN: 29	ROADSHOW HAIB (Paris)
FEB: 04	HIT I HAMBURGER INVESTORENTAG (Hamburg)
FEB: 14	ROADSHOW JEFFERIES (Frankfurt/Main)
MARCH: 18	METZLER MICRO CAP DAYS (Telephone conference)
APR: 6	2019 ANNUAL FINANCIAL REPORT
APR: 7	ROADSHOW ODDO SEYDLER (Telephone conference/Luxembourg)
APR: 28	ROADSHOW MONTEGA (Virtual/Germany wide)
MAY: 28	QUARTERLY FINANCIAL STATEMENT (3M)
JUN: 16	ROADSHOW MAINFIRST (Virtual/France, Switzerland)
JUN: 25	ANNUAL GENERAL MEETING (Virtual)
AUG: 28	HALF-YEARLY FINANCIAL REPORT (6M)
SEP: 2 – 3	FALL CONFERENCE (Virtual)
NOV: 16 – 18	EKF I DEUTSCHES EIGENKAPITALFORUM GERMAN EQUITY FORUM (Virtual)
NOV: 27	QUARTERLY FINANCIAL STATEMENT (9M)
DEC: 3	ROADSHOW MONTEGA (Virtual/ Germany wide)

Germany, the UK and Switzerland. Overhead costs were reduced again in the third quarter and are now 48% below the original level. Despite the restrictions imposed by COVID-19, DEAG is well positioned to continue on its growth path after the end of the pandemic. The breakthrough in the development of a COVID-19 vaccine in mid-November 2020 and the related prospect of an end to the pandemic in 2021 should provide a boost to the events industry. Accordingly, DEAG plans to continue on its successful course in the coming years on the basis of around EUR 100 million in contracted sales postponed to 2021, its current successful formats and plans for further growth. To this end, an intensive dialogue is taking place between the artists and its management.

EARNINGS POSITION

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

In the past nine months, DEAG generated sales of EUR 39.1 million (previous year: EUR 123.1 million), thereof EUR 8.7 million from insurance reimbursements. Sales of EUR 7.4 million for the third quarter of this year were significantly below the corresponding period of the previous year of EUR 59.2 million. Sales in the third quarter of this year include insurance reimbursements for cancelled or postponed events in the amount of EUR 4.5 million.

Gross profit amounted to EUR 9.7 million after EUR 24.2 million in the corresponding period of the previous year.

Despite the ongoing COVID-19 pandemic and the resulting ban on events, earnings before interest, taxes, depreciation and amortisation (EBITDA) for the last nine months amounted to EUR 0.3 million (previous year: EUR 8.0 million) and for the third quarter to EUR 0.6 million (previous year: EUR 4.9 million). This solid result was based on insurance reimbursements and significant cost savings in the area of administrative and selling expenses. Compared to the first quarter of this year, a significant reduction of 48% from EUR 8.2 million to EUR 4.3 million was achieved.

EBIT for the reporting period amounted to EUR -5.5 million after EUR 4.5 million in the same period of the previous year. Besides the effects of the COVID-19 pandemic, this development is also due to the increase in scheduled depreciation and amortisation by EUR 2.4 million to EUR 5.8 million in the nine-month period (previous year: EUR 3.4 million). The change is mainly based on the increase in depreciation and amortisation of leasing usage rights from EUR 1.5 million in the previous year to EUR 2.8 million and depreciation and amortisation from purchase price allocations from EUR 0.9 million in the previous year to EUR 1.7 million in the reporting period.

The financial result decreased slightly compared to the previous year to EUR -3.2 million (previous year: EUR -2.9 million). This change is mainly due to the change in net interest income from leasing contracts by EUR 0.2 million to EUR 1.3 million (previous year: EUR 1.1 million).

After taking tax expenses into account, consolidated net income after taxes amounted to EUR -8.5 million (previous year: EUR -0.4 million) and the consolidated net income attributable to DEAG shareholders amounted to EUR -7.0 million after EUR -3.6 million in the same period of the previous year.

DEVELOPMENT OF THE SEGMENTS

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

The **Live Touring** segment ("touring business") includes the tour business. This 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 (Munich), Christmas Garden Deutschland (Berlin), I-Motion GmbH Event & Communications (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), the subgroup Myticket Services Ltd. (London, UK) including Gigantic Holdings Ltd. and Gigantic Tickets Ltd. (both London, UK), the sub-group Kilimanjaro (London, UK) including the

Flying Music Group and Singular Artists Ltd. (Dublin, Ireland; as of 2 September 2020) and The Classical Company (Zurich, Switzerland).

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

Segment development at a glance:

The ongoing COVID-19 pandemic had a significant impact on both segments in the reporting period. The official bans on events since the beginning of the second quarter are having a considerable effect. Enormous cost savings were made both in the Live Touring segment and in the Entertainment Services segment, which contributed to the balanced performance in both segments despite current developments.

Live Touring

Sales amounted to EUR 19.1 million after EUR 81.7 million in the previous year. EBITDA decreased to EUR 0.7 million after EUR 10.1 million in the previous year. Profitable event formats in the first quarter, especially in the Classics & Jazz business segment, and insurance reimbursements the enormous cost savings since the second quarter contributed to this development.

Entertainment Services

With sales of EUR 22.8 million after EUR 47.8 million in the previous year, EBITDA improved by EUR 1.7 million to EUR 3.3 million (previous year: EUR 1.6 million). Besides the cost savings, the Christmas Garden and the events in the Jahrhunderthalle in the first quarter, as well as the profit insurance policies taken into account, had a particular impact here.

ASSET POSITION

The balance sheet total decreased by EUR 12.6 million or 7% to EUR 172.6 million (31 December 2019: EUR 185.2 million) compared to the previous balance sheet date.

Current assets decreased by EUR 9.0 million compared to 31 December 2019 to EUR 70.4 million (31 December 2019: EUR 79.4 million). This is mainly due to the decrease in trade receivables (EUR 9.3 million) as a result of the reduced operating activities. Compared to 30 September 2019, current assets rose by EUR 15.2 million, mainly due to the EUR 23.8 million increase in cash and cash equivalents.

Compared to 31 December 2019, non-current assets declined by EUR 3.6 million to EUR 102.2 million (31 December 2019: EUR 105.7 million). This is mainly due to scheduled depreciation and amortisation on both intangible assets (EUR 1.7 million) and property, plant and equipment (EUR 4.1 million). Compared to 30 September 2019, there is an increase of EUR 19.1 million (30 September 2019: EUR 83.0 million), mainly due to the acquisitions made in the previous year. These led to an increase in scheduled depreciation and amortisation from acquisitions of EUR 0.8 million to EUR 1.7 million, compared to EUR 0.9 million in the previous year.

Current liabilities decreased by EUR 3.3 million to EUR 101.5 million compared to 31 December 2019 (31 December 2019: EUR 104.8 million). While trade payables fell by EUR 8.6 million to EUR 9.7 million due to the cost-cutting programme, contractual liabilities rose from EUR 3.6 million to EUR 53.6 million. This underscores the increase in the density of events in future periods. Compared to 30 September 2019, contractual liabilities have thus doubled (30 September 2019: EUR 26.0 million). As a result, cash and cash equivalents have

increased compared to 30 September 2019, while liabilities to banks have remained relatively constant (30 September 2020: EUR 15.6 million; 30 September 2019: EUR 14.6 million).

Non-current liabilities are unchanged compared to 31 December 2019 and amount to EUR 55.2 million.

Net debt, defined as the sum of gross financial liabilities (to banks and the bond) less cash and cash equivalents, amounted to EUR 4.5 million as of 30 September 2019 compared to EUR -8.4 million as of 31 December 2019 and EUR 23.7 million as of 30 September 2019.

Equity decreased by EUR 9.4 million to EUR 15.8 million as a result of the change in consolidated net income. Accordingly, the equity ratio is 9.2% after 13.6% on 31 December 2019.

FINANCIAL POSITION

The outflow of funds from operating activities (total) amounted to EUR 2.4 million, compared to an outflow of EUR 19.2 million in the comparable period of the previous year. The reason for the significantly lower cash outflow is primarily the restrictions on operating activities due to the COVID-19 pandemic.

The cash outflow from investing activities amounted to EUR 3.5 million after EUR 6.2 million in the comparable period of the previous year. It mainly comprised the payment for a purchase price liability and the increase in the capital reserve of an investment.

The cash inflow from financing activities amounted to EUR 2.7 million after EUR 7.3 million in the comparable period of the previous year. The change amounted to EUR 4.6 million and is largely attributable to the cash inflow from the convertible bond of EUR 4.3 million in the comparable period.

As a result, cash and cash equivalents at the end of this period increased significantly compared to previous period by EUR 23.8 million to EUR 41.6 million (30 September 2019: EUR 17.8 million).

As of 30 September 2020, the Group had a robust financial framework of around EUR 55 million (previous year: around EUR 22 million) consisting of available liquidity of EUR 41.6 million (previous year: EUR 17.8 million) and available credit lines.

RISK AND OPPORTUNITY REPORT

With regard to the risks and opportunities of DEAG, reference is made to the Report on Opportunities and Risks in the Combined Management Report and Group Management Report (p. 44 et seq.) contained in the Annual Financial Report for the year ending 31 December 2019.

In particular, the risk associated with the spread of COVID-19 will continue to have a significant impact on the business development of DEAG Group. The risk has now increased significantly and the duration of the pandemic is still not foreseeable.

In order to contain the effects of the risk, extensive measures have been taken since the first quarter of the financial year, besides the current insurance coverage, to reduce material and personnel costs and strengthen the liquidity of the Group. These measures have now had a positive effect in the second and third quarter. Support and funding programmes available in the core markets are claimed. In addition, DEAG is constantly working on the development of new event formats in response to changing market conditions.

At the time of the quarterly statement, the Executive Board of DEAG assumes that the risks do not endanger the continued existence of the company or the Group. However, it cannot be ruled out that the COVID-19 pandemic or other influencing factors that are currently not known or currently not considered significant could influence the continued existence of the company or the Group in the future.

All other statements made in the Report on Opportunities and Risks in the Annual Financial Report 2019 remain valid.

FORECAST REPORT

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

However, depending on the extent of the pandemic-related restrictions, the goal remains to report a balanced EBITDA for the financial year, in particular by developing new event formats and continuing to pursue strict cost management.

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

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assumptions and forecasts made by DEAG management. Such statements are subject to risks and uncertainties. These and other factors may cause the results, financial 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

Assets	30.09.2020	31.12.2019	30.09.2019
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Current assets			
Liquid funds	41,574	46,341	17,795
Trade receivables	3,415	12,704	6,369
Down payments	15,467	12,056	20,728
Incom tax receivables	728	520	2,090
Inventories	1,275	1,064	349
Other current financial assets	5,100	3,794	3,768
Other current non-financial assets	2,844	2,956	4,091
Current assets	<u>70,403</u>	<u>79,435</u>	<u>55,190</u>
	7,922		
Goodwill	33,205	33,379	29,224
Other intangible assets	31,443	32,806	21,490
Tangible fixed assets	22,678	26,094	19,541
Investment properties	5,625	5,625	5,625
Investments	3,628	2,340	2,685
assets	44	49	1,175
Down payments	500	500	-
Other long-term financial assets	3,319	3,392	2,423
Deferred tax assets	1,711	1,558	881
Long-term assets	<u>102,153</u>	<u>105,743</u>	<u>83,044</u>
Total assets	<u><u>172,556</u></u>	<u><u>185,178</u></u>	<u><u>138,234</u></u>

TOTAL LIABILITIES

Liabilities and equity	30.09.2020	31.12.2019	30.09.2019
	<u>in EUR '000</u>	<u>in EUR '000</u>	<u>in EUR '000</u>
Bank loans payable	15,572	10,959	14,553
Trade accounts payable	9,733	18,337	9,791
Accruals	2,551	7,408	9,999
Contract liabilities	53,596	50,001	26,010
Income tax liabilities	1,995	2,111	1,731
Other current financial liabilities	15,792	10,875	7,277
Other current non-financial liabilities	2,287	5,118	3,385
Current liabilities	101,526	104,809	72,746
Accruals	281	279	241
Bond	24,204	24,032	23,975
Bank loans payable	6,273	2,995	2,987
Contract liabilities	-	93	-
Other long-term financial liabilities	18,154	20,882	14,371
Deferred taxes	6,303	6,932	3,216
Long-term liabilities	55,215	55,213	44,790
Share capital	19,625	19,625	19,625
Capital reserve	28,695	28,695	45,579
Retained earnings	-466	-466	-466
Retained earnings	-43,534	-36,495	-55,742
Accumulated deficit	2,004	1,698	1,667
Accumulated other income	6,324	13,057	10,663
Equity attributable to DEAG shareholders	9,491	12,099	10,035
Equity attributable to non-controlling interest	15,815	25,156	20,698
Equity	35,306	37,255	30,733
Total liabilities and equity	172,556	185,178	138,234

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2020 -30.09.2020	01.01.2019 -30.09.2019
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	-8,505	-269
Depreciation and amortisation	5,795	3,427
Change in accruals	-4,940	562
Changes not affecting payments	-15	-2,408
Deferred taxes (net)	-782	935
Result from valuation of affiliated companies	83	167
Cash flow	-8,364	2,414
Net interest income	3,139	2,691
Change in working capital	2,832	-24,243
Net cash from operating activities from continued operations	-2,393	-19,138
Net cash from operating activities from discontinued operations	-	-111
Net cash from operating activities (total)	-2,393	-19,249
Net cash from investment activities from continued operations	-3,485	-6,216
Net cash from financial activities (total)	2,674	7,261
equivalents	-3,204	-18,204
Effects of exchange rates	-1,563	-428
Cash and cash equivalents at beginning of Period	46,341	36,427
Cash and cash equivalents at end of period	41,574	17,795

// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31.12.2018	01.01.2019-		30.09.2019
	in EUR '000	30.09.2019		in EUR '000
	in EUR '000	in EUR '000		in EUR '000
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	14,948	5,750		20,698

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

** including kEUR 1,429 from mandatory conversion of convertible bond

	31.12.2019	01.01.2020-		30.09.2020
	in EUR '000	30.09.2020		in EUR '000
	in EUR '000	in EUR '000		in EUR '000
Share capital	19,625	-		19,625
Capital reserve	28,695	-		28,695
Retained Earnings	- 466	-	-	466
Accumulated deficit	- 36,495	- 7,039	-	43,534
Accumulated other income	1,698	306		2,004
Equity attributable to DEAG shareholders	13,057	-	-	6,324
Equity attributable to non-controlling interest	12,099	2,608		9,491
Equity	25,156	9,341		15,815

// SELECTED EXPLANATORY NOTES

NOTES PURSUANT TO IAS 34

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

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

The accounting, consolidation, currency translation, accounting and valuation principles applied in the Consolidated Financial Statements as of 31 December 2019 were essentially retained, with the exception of the following two notes:

As the Executive Board expects the industry to recover quickly after the COVID-19 pandemic, there were no changes in the measurement of assets on the balance sheet date of the Interim Financial Statements.

In departing from the accounting policies as of 31 December 2019, insurance reimbursements for cancelled and rescheduled events are reported in sales revenues. For reasons of materiality, the comparative period was not adjusted.

For further information, please refer to the Notes to the Consolidated Financial Statements published in the Annual Report 2019 (pages 66-81).

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

For select segment information (IAS 34.16A), please refer to the “Development of 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 its 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.

There were no changes in the scope of consolidation during the reporting period, with the exception of the establishment of the joint venture Singular Artists Ltd. in Dublin, Ireland.

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

SUPPLEMENTARY REPORT

On 28 October 2020, in a joint meeting with the German Federal Government, the Minister Presidents decided on corona-related closures or operating restrictions (“lockdown”) initially through the end of November 2020. In the same decision, the companies concerned are promised support in the form of aid, the so-called November Aid. In addition, the terms and conditions of the Bridging Aid III (for the period January - June 2021) are expected to be revised. DEAG is looking into whether further aid can be claimed in all of its core markets.

Otherwise, in the opinion of the Executive Board, no further significant events occurred after the end of the reporting period on 30 September 2020 that could have a significant impact on DEAG’s earnings, assets and financial position.

OTHER INFORMATION


The Annual General Meeting of DEAG was held on 25 June 2020 as a virtual meeting. The shareholders granted discharge to the Executive Board and the Supervisory Board for the past financial year, decided on the election of Mr Tobias Buck, London, UK, as a new member of the Supervisory Board and selected the auditor for the current financial year. All resolutions, particularly those relating to the authorisation of the Executive Board to acquire and use treasury shares in accordance with §71 (1) No. 8 AktG (German Stock Corporation Act), were passed by a large majority. Detailed information on the Annual General Meeting is available on the company 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 2019.

Berlin, 27 November 2020

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board


Prof. Peter L. H. Schwenkow


Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

DATE AND RELEASE OF THE PUBLICATION

The Executive Board of DEAG (headquarters: Potsdamer Strasse 58 in 10785 Berlin) approved these Interim Consolidated Financial Statements and the Interim Group Management Report on 27 November 2020.

// LEGAL NOTICE

// CONTACT

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// MORE INFORMATION

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

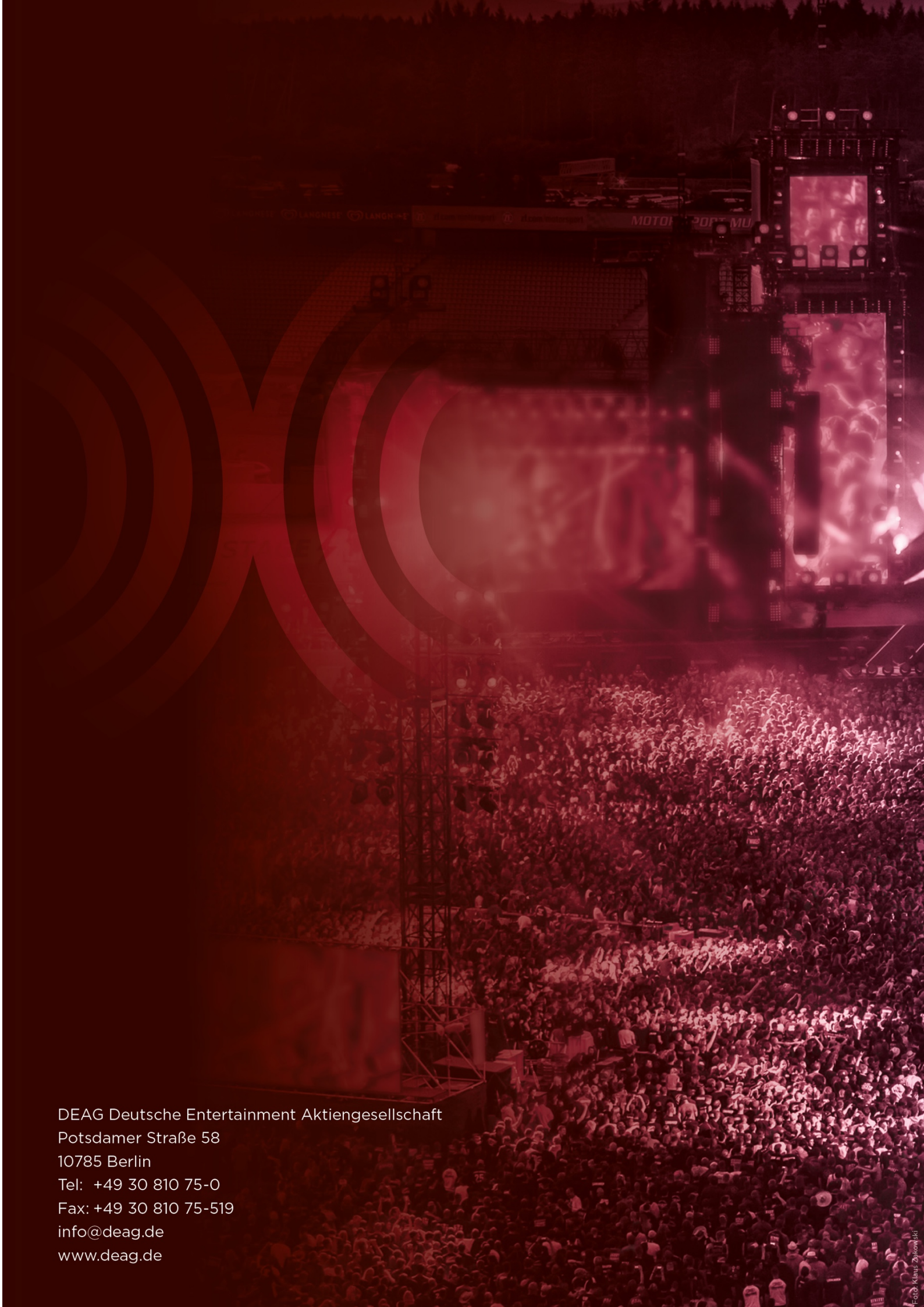
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