



20
21

HALF-YEAR FINANCIAL REPORT AS OF 2021-06-30
DEAG Deutsche Entertainment Aktiengesellschaft

// DEAG OVERVIEW

COMPANY PROFILE

DEAG Deutsche Entertainment AG (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 United Kingdom, Switzerland, Ireland and Denmark. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in the planning, organization, marketing and promoting 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.

In 2019 – before the start of the COVID-19 pandemic –, more than 5 million tickets were sold annually for over 4,000 events - a continuously growing share of these were sold via the Group's own e-commerce platforms [MyTicket](#)" und "[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



// CONTENTS

// LETTER TO THE SHAREHOLDERS	2
// DEAG ON THE CAPITAL MARKET	4
// INTERIM GROUP MANAGEMENT REPORT	6
// CONSOLIDATED BALANCE SHEET	12
// CONSOLIDATED INCOME STATEMENT	14
// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	15
// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	16
// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	17
// SELECTED EXPLANATORY NOTES	18
// DECLARATION BY THE STATUTORY REPRESENTATIVES	21
// LEGAL NOTICE	22

// LETTER TO THE SHAREHOLDERS

LADIES AND GENTLEMEN, DEAR SHAREHOLDERS,

After well over a year of the de facto occupational ban – which continues for the most part, at least in Germany – the situation is slowly brightening for DEAG and the live entertainment industry. Concerts are already taking place again at full capacity in one of our core markets, the UK. In August, for example, DEAG staged two concerts with the cult band Gorillaz at London’s “The O2 Arena.” It was the first concert at the venue in 17 months. Even though there is now light at the end of the lockdown tunnel for our industry and there are many signs of a “back to business” in the UK, the first half of 2021 was still marked by concert cancellations and postponements.

Nevertheless, we have shown resilience to the pandemic and continued our international expansion in the first half of the year: As part of our M&A strategy, we have set the course for DEAG’s long-term growth. At the beginning of this year, we acquired a majority stake in the Danish promoter and international producer CSB Island Entertainment ApS and are now also present in Scandinavia. We also further strengthened our market position in the UK by acquiring the event promoter UK Live Limited. After the end of the reporting period, in July 2021, we also significantly expanded our activities in the area of literainment by acquiring **lit.COLOGNE GmbH**. Our goal is to continue to play an active role in the consolidation of the European live entertainment industry in the future and to drive our growth through M&A. With this in mind, we have commissioned a renowned US investment bank to identify further potential investors for DEAG and to hold the respective negotiations.

Although we continued to be affected by the restrictions due to the pandemic in the first half of the year, we managed to be positively active on the market with new COVID-19 compatible event formats. Our livestream “Mayday” was followed by around 500,000 streamers. We were also physically present in the first half of the year. We organised the successful end-of-season concert of the Berlin Philharmonic Orchestra at the Waldbühne in Berlin with 5,000 visitors based on a comprehensive hygiene concept. Despite these bright spots, we do not expect to see our business activities in Germany and Switzerland increasingly return to normal until the fourth quarter. At the end of July, over 20 hours of electronic music came home to around 3 million users at the NATURE ONE streaming weekend, streamed live from the Pydna rocket base, where 65,000 ravers have been partying for four days and three nights on the first weekend in August for 25 years. In August, we organised the Potsdamer Schlössernacht in the park of Sanssouci Palace with around 21,500 visitors. Preparations for our Christmas Garden are currently in full swing. Our successful format will take place at 16 locations this year, further expanding the number of sites. For the first time, we are also planning to hold a Christmas Garden in France with Paris as the location.

We successfully carried out a cash capital increase in the reporting period and raised EUR 6.1 million in fresh funds. The capital increase was underwritten by Apeiron, DEAG’s single largest shareholder. We used the proceeds from the capital increase for our acquisitions, among other activities.

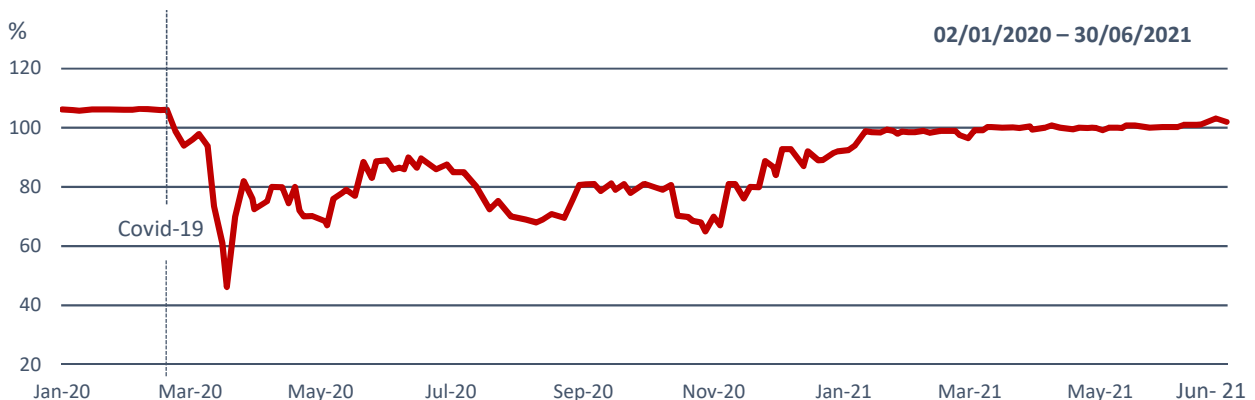
Our sales in the first half of the year amounted to EUR 7.4 million, compared to EUR 31.7 million in the same period of the previous year, which was only partly affected by the pandemic. At the same time, our earnings before interest, taxes, depreciation and amortisation, EBITDA, improved from EUR -0.3 million to EUR 9.0 million. The increase in earnings is due to our full insurance coverage for events cancelled or postponed by the authorities as well as payments from support programmes received by DEAG in its national markets. Furthermore, we were able to reduce costs by a third in the Group compared to pre-pandemic levels.

// DEAG ON THE CAPITAL MARKET

1.1 PERFORMANCE OF THE DEAG BOND 2018/2023

ISIN	DE000A2NBF25
WKN	A2NBF2
Market segment	Freiverkehr (Open Market, Segment Quotation Board)
Term	5 years up to and including 31 October 2023
Interest coupon	6.00% p.a.
Denomination (nominal amount)	EUR 1,000.00 per bond
Outstanding volume	EUR 25.0 million
Early repayment	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) traded on the Open Market (Segment Quotation Board) of the Frankfurt Stock Exchange was quoted at prices of around 100% from the beginning of January to the end of June 2021. The bond was quoted at a price of 102.00% at the end of the reporting period. The volume of the bond outstanding amounts to EUR 25.0 million. 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 auditor Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, which was appointed by DEAG's shareholders for the financial year 2021, confirmed that the equity ratio determined in accordance with the bond terms and conditions was correctly calculated as at 30 June 2021 and exceeds 15%. Pursuant to § 8 of the Terms and Conditions of the Bond, the announcement shall be made on the same day as the publication of this report.



1.2 SHARE

The delisting of the DEAG share became effective on 9 April 2021. Since then, the DEAG share has no longer been traded on the regulated market. The delisting of the DEAG share was accompanied by a conversion from bearer shares to registered shares. DEAG's registered shares have been traded on the stock exchange in Hamburg since 29 July 2021 under the new ISIN DE000A3E5DA0 or WKN A3E5DA.

The company successfully placed a cash capital increase in May 2021. DEAG thus received around EUR 6.1 million in fresh funds. As a result of the capital increase, the share capital rose by 1,962,597 shares to 21,588,573 shares. The capital increase was underwritten by Apeiron Investment Group Ltd, DEAG's single largest shareholder, which now holds more than one quarter of the shares of the company. The proceeds from the capital increase will be used to finance the company's M&A activities.

Following the announcement of the plans to delist, analysts at the research firms FMR Frankfurt Main Research AG, Hauck & Aufhäuser AG, Kepler Cheuvreux, MainFirst Bank AG, Montega AG and Solventis Beteiligungen GmbH discontinued their coverage of DEAG shares.

1.3 INVESTOR RELATIONS

In the reporting period, DEAG carried out various IR activities in addition to its statutory obligations due to its listing in the Prime Standard of the Frankfurt Stock Exchange (delisting effective 9 April 2021):

- Several one-on-one meetings with investors in Germany and abroad
- Publication of 6 corporate news and 3 ad hoc announcements

Detailed information on Investor Relations can be found at www.deag.de/ir. DEAG Deutsche Entertainment AG provides continuous information on all business developments of relevance here. In addition, investors have access to a direct communication channel with the company at deag@edicto.de.

1.4 ANNUAL GENERAL MEETING

DEAG held its Annual General Meeting for financial year 2020 on 10 June 2021. Due to the COVID-19 pandemic, the Annual General Meeting was again held virtually, as in the previous year. DEAG's shareholders approved all agenda items by a large majority of more than 87% of the votes cast. Detailed information on the Annual General Meeting is available on the company's website in the Investor Relations section.

FINANCIAL CALENDAR 2021

AUG: 27.	HALF-YEAR FINANCIAL REPORT (6M)
NOV: 22.	EKF I GERMAN EQUITY FORUM (Frankfurt/Main)
NOV: 30.	QUARTERLY FINANCIAL STATEMENT (9M)

// INTERIM GROUP MANAGEMENT REPORT

SIGNIFICANT OPERATIONAL DEVELOPMENTS

DEAG's business activities in the first half of financial year 2021 continued to be affected by the COVID-19 pandemic and the resulting concert cancellations and postponements. The de facto COVID-19-related occupational ban has been weighing heavy on DEAG and the entire live entertainment industry for well over a year now. Despite these restrictions, however, DEAG was active on the market in the first half of the year by holding new COVID-19-compatible event formats.

At the end of April, more than 500,000 users enjoyed the festival feeling in their own living rooms with the live stream of "Mayday," the electro-music event that attracted thousands of visitors to the Westfalenhallen in Dortmund every year in non-COVID times. Furthermore, DEAG hosted the end-of-season concert of the Berlin Philharmonic Orchestra at Berlin's Waldbühne that drew around 5,000 visitors at the end of June. The gradual recovery of its business activities is slowly progressing at DEAG in the current second half of the year. At the end of July, around 3 million users followed the "NATURE ONE Streaming Weekend" for over 20 hours, an elaborate production with an open-air stage, impressive light, LED and laser shows as well as special effects, which were recorded by six cameras and a drone and broadcast directly into the streamers' living rooms. In August 2021, DEAG staged the Potsdam Schlössernacht in compliance with an extensive hygiene concept. Probably the largest Variety mile of all time attracted a total of around 21,500 guests to the park of Sanssouci Palace. In the meanwhile, preparations for the Christmas Garden are in full swing. The successful event format is to be expanded to 16 locations in the 2021/2022 season. The first Christmas Garden in Paris will also then be added. Advance sales for the Christmas Garden events have already started and demand is high. DEAG expects over a million visitors for all venues.

In the first half of the year, DEAG also succeeded in continuing its international expansion course and setting the strategic course for the company's long-term growth. In January, DEAG acquired the Danish promoter and international producer CSB Island Entertainment ApS and is now also present in Scandinavia. DEAG strengthened its market position in the UK, one of its core markets, by acquiring the event promoter UK Live Limited. Synergy effects for the company from the acquisition of UK Live include further growth in the ticketing industry in the UK, in particular through cooperation with the platforms myticket.co.uk and Gigantic.com.

Furthermore, DEAG acquired a majority stake in lit.COLOGNE GmbH after the end of the reporting period, in July 2021. With the acquisition of the organiser of the international literature festival that goes by the same name, DEAG is significantly expanding its business activities in the area of literainment. M&A is also to be an elementary component of DEAG's growth strategy in the future. The company plans to play an active role in the consolidation of the European live entertainment industry. Against this backdrop, a renowned US investment bank has been commissioned with identifying further potential investors for DEAG and conducting the respective negotiations.

Sales amounted to EUR 7.4 million in the first half of 2021 compared to EUR 31.7 million in the same period of the previous year, which was only partly affected by the pandemic. Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased from EUR -0.3 million in the same period of the previous year to EUR 9.0 million at the end of June 2021. The reasons for the result are DEAG's unchanged insurance coverage, the support programmes that were taken advantage of in all national markets and the enormous cost-cutting programme in the Group.

DEAG considers itself excellently positioned for future growth in the long term. The company expects business activities in Germany and Switzerland to increasingly return to normal in the fourth quarter and in the UK already in the current third quarter. Following the transition year 2021, according to current situation business activity is expected to completely return to normal in 2022. DEAG will face the strong visitor demand for concerts and events with a very well-filled event pipeline. The company has rescheduled and restructured a number of events

with a contracted future sales volume of more than EUR 100 million. In this context, the measures already adopted by the German government to support the cultural sector (in particular the federal government’s special fund for the cultural sector and the bridging grants) provide a framework that limits risks for DEAG from events planned in the case of a renewed intensification of the COVID-19 pandemic.

EARNINGS POSITION

DEAG’s earnings position continued to be significantly influenced by the effects of the COVID 19 pandemic. Revenue of EUR 7.4 million (previous year: EUR 31.7 million) was generated in the first six months of 2021.

Gross profit amounted to EUR 0.6 million after EUR 7.4 million in the same period of the previous year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the reporting period amounted to EUR 9.0 million (previous year: EUR -0.3 million). The main contributors to this result were subsidies from corona aid programmes and insurance reimbursements in all DEAG’s core markets.

Depreciation of EUR 4.0 million (previous year: EUR 3.8 million) is mainly attributable to leasing rights of use in the amount of EUR 1.9 million (previous year: EUR 1.9 million) and to depreciation from purchase price allocations in the amount of EUR 1.0 million (previous year: EUR 1.1 million).

Thus, EBIT in the reporting period amounted to EUR 5.0 million after EUR -4.2 million in the same period of the previous year.

The financial result amounted to EUR -2.4 million (previous year: EUR -2.0 million). It mainly includes the interest result, thereof from leasing contracts in the amount of EUR 0.9 million (previous year: EUR 0.9 million). The increase in interest result is mainly due to the interest paid on the first tranche of the KfW loan.

After taking the tax expense into account, consolidated net income after taxes amounted to EUR 1.3 million (previous year: EUR -5.9 million) and consolidated net income attributable to DEAG shareholders amounted to EUR -0.3 million after EUR -5.1 million in the same period of the previous year.

DEVELOPMENT OF THE SEGMENTS

DEAG reports in an unchanged segment structure. This reflects the activities of the Group accurately and clearly:

The **Live Touring segment** (“travelling business”) reports the touring business. This includes the activities of DEAG Classics (Berlin) with The Classical Company (Zurich, Switzerland), CSB Island Entertainment (Fanø, Denmark) 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 & Communication (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), the sub-group Gigantic Holdings incl. Myticket Services (London, UK), the sub-group Kilimanjaro (London, UK) including the Flying Music Group and UK Live.

The **Entertainment Services segment** (“stationary business”) includes the regional business and the entire service business. This includes the activities of the AIO Group (Glattpark, Switzerland) including the sub-group Live Music Production (LMP)/ Live Music Entertainment (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), Kultur im Park (Berlin).

The segments developed as follows in the first half of the year:

Revenues	01.01.-30.06.	01.01.-30.06.	Change from
<i>in EUR million</i>	2021	2020	the previous year
Live Touring	4.3	15.5	-11.2
Entertainment Services	3.1	18.9	-15.8

EBITDA	01.01.-30.06.	01.01.-30.06.	Change from
<i>in EUR million</i>	2021	2020	the previous year
Live Touring	4.8	1.1	3.7
Entertainment Services	8.6	1.6	7.0

ASSET POSITION

The balance sheet total increased by EUR 18.7 million or 10% to EUR 205.2 million (31 December 2020: EUR 186.5 million) compared to 31 December 2020.

Current assets increased by EUR 14.2 million to EUR 98.0 million compared to 31 December 2020. This is mainly due to the increase in cash and cash equivalents by EUR 18.2 million to EUR 64.2 million (31 December 2020: EUR 46.0 million), due to the payments received from the capital increase, the advance payments received, the payment from the first tranche of the KfW loan and from subsidies.

Non-current assets increased by EUR 4.5 million to EUR 107.1 million compared to 31 December 2020 (31 December 2020: EUR 102.6 million). The increase compared to the previous year is mainly due to the first-time business activities of the acquired companies CSB Island Entertainment Aps, Fanø/Denmark and UK Live Ltd, Marlow/UK.

Current liabilities increased by EUR 3.5 million to EUR 109.0 million compared to 31 December 2020 (EUR 105.5 million), mainly due to the increase in contract liabilities and trade payables. The decrease in short-term bank liabilities caused by the utilisation of the first tranche of the KfW loan had the opposite effect.

Non-current liabilities amounted to EUR 68.0 million as of the reporting date and thus increased by EUR 8.4 million compared to the previous year (31 December 2020: EUR 59.6 million). This change is mainly due to the increase in liabilities to banks by EUR 9.8 million, mainly as a result of the full utilisation of the first tranche of the KfW loan (please refer to the information in the Combined Management and Group Management Report of the 2020 Annual Financial Report, page 35 f.).

Net debt, defined as the sum of gross financial liabilities (to banks and the bond) less cash and cash equivalents, amounted to EUR -16.9 million (31 December 2020: EUR 1.6 million). Thus, cash and cash equivalents exceed

gross financial liabilities, which is essentially caused by the payments received from the capital increase, the advance payments received and the subsidies.

Equity increased by EUR 6.7 million to EUR 28.2 million (31 December 2020: EUR 21.5 million). The change is mainly due to the capital increase carried out in May 2021. The share capital increased by 1,962,597 new shares from authorised capital. Around EUR 6.1 million in funds were raised with the support of the single largest shareholder. The balance sheet equity ratio is therefore 13.7% after 11.5% on 31 December 2020.

FINANCIAL POSITION

Cash inflow from operating activities (total) amounted to EUR 22.5 million after cash outflow of EUR 3.6 million in the comparable period. This change is mainly due to payments received for future events.

The outflow of funds from investment activities amounted to EUR 6.3 million after EUR 3.1 million in the comparable period of the previous year. While cash outflow in the reporting period is mainly due to two acquisitions, the comparable period reflected a purchase price payment and a payment into the capital of an investment.

Cash inflow from financing activities amounted to EUR 2.4 million (previous year: EUR 0.6 million). The change is mainly due to the payment of the gross issue proceeds from the capital increase in the amount of EUR 6.1 million. The change in the interest result had the opposite effect.

As a result, cash and cash equivalents increased significantly by EUR 18.2 million to EUR 64.2 million in the reporting period (previous year: EUR 39.8 million).

As of 30 June 2021, the Group had financial resources of around EUR 87 million (previous year: around EUR 50 million), consisting of EUR 64.2 million in available liquidity (previous year: EUR 39.8 million) and available credit lines.

OPPORTUNITY AND RISK REPORT

At the time of preparing the 2021 Half-Year Financial Report, DEAG's Executive Board assumes that the risks do not jeopardise the continued existence of the company or the Group. However, it cannot be ruled out that the COVID-19 pandemic or other influencing factors that are not yet known or are not currently classified as material could affect the continued existence of the company or the Group in the future.

For information on the risks and opportunities of the Group, please refer to the Opportunity and Risk Report in the Combined Management and Group Management Report contained in the financial report as of 31 December 2020 (p.32 et seq.).

The statements made in the Opportunity and Risk Report in the 2020 Annual Financial Report remain valid.

FORECAST REPORT

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

At present, it cannot be ruled out that general event bans will apply again due to the current infection situation or that they will be extended further, contrary to general market expectations and the assessment of the

Executive Board, and thus could affect the fourth quarter of 2021 and the following quarters. Therefore, the Executive Board does not rule out a similar development for the current financial year as in 2020. From today's perspective, it is impossible to provide a detailed outlook for the current year as of the reporting date.

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

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 may cause the results, financial position, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The company assumes no obligation to update such forward-looking statements or to conform them to future events or developments.

// INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet	12
Consolidated Income Statement	14
Consolidated Statement of Comprehensive Income	15
Condensed Consolidated Statement of Cash Flows	16
Condensed Consolidated Statement of Changes in Equity	17
Selected Explanatory Notes	18

// CONSOLIDATED STATEMENT OF INCOME

	01.04.2021 30.06.2021	01.04.2020 30.06.2020	01.01.2021 30.06.2021	01.01.2020 30.06.2020
	in EUR '000	in EUR '000	in EUR '000	in EUR '000
Sales	3,423	5,552	7,409	31,704
Cost of Sales	<u>-3,673</u>	<u>-5,197</u>	<u>-6,779</u>	<u>-24,316</u>
Gross profit	<u>-250</u>	<u>355</u>	<u>630</u>	<u>7,388</u>
Distribution costs	-791	-1,005	-1,385	-4,427
Administration costs	-3,833	-3,298	-7,292	-8,107
Other operating income / expenses	<u>9,425</u>	<u>534</u>	<u>13,039</u>	<u>990</u>
Operating result (EBIT)	<u>4,551</u>	<u>-3,414</u>	<u>4,992</u>	<u>-4,156</u>
Interest income and expenses	-1,163	-1,036	-2,392	-2,001
Income from investments	0	25	0	46
Income shares in companies accounted for	<u>-19</u>	<u>-20</u>	<u>-36</u>	<u>-50</u>
Financial result	<u>-1,182</u>	<u>-1,031</u>	<u>-2,428</u>	<u>-2,005</u>
Result before taxes	<u>3,369</u>	<u>-4,445</u>	<u>2,564</u>	<u>-6,161</u>
Income taxes	-758	447	-1,305	272
Group result from continued operations after taxes	<u>2,611</u>	<u>-3,998</u>	<u>1,259</u>	<u>-5,889</u>
Group result from discontinued operations after taxes	<u>-1</u>	<u>0</u>	<u>-2</u>	<u>0</u>
Group result after taxes	<u>2,610</u>	<u>-3,998</u>	<u>1,257</u>	<u>-5,889</u>
thereof attributable to non-controlling interest	<u>2,308</u>	<u>-698</u>	<u>1,545</u>	<u>-783</u>
thereof attributable to DEAG shareholders (Group result)	<u>302</u>	<u>-3,300</u>	<u>-288</u>	<u>-5,106</u>
Earnings per share in EUR (diluted/ undiluted)				
from continued operations	<u>0.01</u>	<u>-0.17</u>	<u>-0.01</u>	<u>-0.26</u>
from continued and discontinued operations	<u>0.01</u>	<u>-0.17</u>	<u>-0.01</u>	<u>-0.26</u>
Average no. of shares outstanding (diluted/ undiluted)	<u>20,876,247</u>	<u>19,625,361</u>	<u>20,254,259</u>	<u>19,625,361</u>

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2021 -30.06.2021	01.01.2020 -30.06.2020
	<u>in EUR '000</u>	<u>in EUR '000</u>
Result from continued operations	1,259	-5,889
Depreciation and amortisation	3,987	3,832
Change in accruals	-2,083	-4,212
Changes not affecting payments	-	-15
Deferred taxes (net)	188	-557
Result from valuation of affiliated companies	36	50
Cash flow	3,387	-6,791
Net interest income	2,392	2,001
Change in working capital	16,921	1,221
Net cash from operating activities from continued operations	22,700	-3,569
Net cash from operating activities from discontinued operations	-2	-
Net cash from operating activities (total)	22,698	-3,569
Net cash from investment activities from continued operations	-6,309	-3,096
Net cash from financial activities (total)	2,395	558
equivalents	18,784	-6,107
Effects of exchange rates	-552	-386
Cash and cash equivalents at beginning of Period	46,003	46,341
Cash and cash equivalents at end of period	64,235	39,848

// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31.12.2019	01.01.2020-	30.06.2020	30.06.2020
	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	- 5,106	-	41,601
Accumulated other income / loss	1,698	369	-	2,067
Equity attributable to DEAG shareholders	13,057	- 4,737		8,320
Equity attributable to non-controlling interest	12,099	- 1,938		10,161
Equity	25,156	- 6,675		18,481

	31.12.2020	01.01.2021-	30.06.2021	30.06.2021
	in EUR '000	in EUR '000	in EUR '000	in EUR '000
Share capital	19,625	1,962	-	21,587
Capital reserve	28,695	3,868	-	32,563
Retained Earnings	- 466	-	-	466
Accumulated deficit	- 37,729	- 288	-	38,017
Accumulated other income / loss	1,954	- 240	-	1,714
Equity attributable to DEAG shareholders	12,079	5,302		17,381
Equity attributable to non-controlling interest	9,372	1,399		10,771
Equity	21,451	6,701		28,152

// SELECTED EXPLANATORY NOTES

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 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 WpHG.

The Interim Consolidated Financial Statements as of 30 June 2021 do not contain all the disclosures and information presented in the full Consolidated Financial Statements. It is recommended to read them together with the Consolidated Financial Statements as of 31 December 2020.

The accounting, consolidation, currency translation and recognition and measurement principles applied in the Consolidated Financial Statements as of 31 December 2020 were essentially retained.

For further information, please refer to the Notes to the Consolidated Financial Statements included in the 2020 Annual Financial Report (see pages 52-67).

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

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 Half-Year Financial Report.

The report has not been audited. An auditor's review has also not taken place.

CHANGES IN THE SCOPE OF CONSOLIDATION

In this Half-Year Financial Report DEAG as the parent company includes those companies for which the control concept is fulfilled. Companies that were founded, acquired or sold during the reporting period are included from the date of foundation, the date of acquisition or up to the date of sale.

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

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

With the purchase agreement dated 14 June 2021, DEAG acquired a 90% stake in UK Live Ltd., a promoter and event organiser in the UK, through its subsidiary Kilimanjaro Holdings Ltd., London (UK). The cooperation is expected to generate positive synergy effects, in particular through the expansion of business activities in the British core market. The purchase price was paid in cash. In addition, a variable purchase price was agreed depending on how the business develops in financial years 2022 to 2025. At this point in time, the preparation

of the closing balance sheet is still pending, therefore the complete disclosures in accordance with IFRS 3 cannot yet be made.

EQUITY

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

By resolution of the Annual General Meeting of 10 June 2021, the Executive Board is authorised to increase the share capital by up to EUR 9,812,988.00 until 9 June 2026 (Authorised Capital 2021/I).

The conditional capital resolved on 27 June 2019 (Conditional Capital 2019/I) no longer exists.

SUPPLEMENTARY REPORT

With the purchase agreement dated 2 July 2021, DEAG acquired a 51% stake in Hans Boehlke Elektroinstallationen GmbH, Berlin, via its wholly owned subsidiary Christmas Garden Deutschland GmbH, Berlin. The cooperation is expected to generate positive synergy effects. This transaction has not been completed by the time the report was published, as a condition precedent had not yet been fulfilled. At the current time, the preparation of the closing balance sheet is still pending, therefore the complete disclosures in accordance with IFRS 3 cannot yet be made.

With the purchase agreement dated 5 July 2021, DEAG increased its current share in handwerker promotion e. gmbh, Unna, from 51% to now 74.9% via its wholly owned subsidiary Concert Concept Veranstaltungen GmbH, Berlin. The purchase price was paid in cash.

With the purchase agreement dated 6 July 2021, DEAG has acquired a 66.6% stake in lit.COLOGNE GmbH and litissimo gGmbH for the promotion of literature and philosophy, both based in Cologne, via its wholly owned subsidiary DEAG Classics AG, Berlin, with retroactive effect from 1 January 2021. Positive synergy effects are expected from the cooperation, especially in the development of new formats as well as in the acquisition of new locations and in the ticketing business. The total purchase price was paid in cash. At the present time, the preparation of the closing balance sheet is still pending, therefore the complete disclosures in accordance with IFRS 3 cannot yet be made.

In July 2021, the German government announced the extension of support payments under the bridging aid III plus until 30 September 2021 to companies affected by the pandemic. DEAG is currently reviewing the application for these funding programmes.

Beyond this, in the view of the Executive Board, no significant events have occurred after the end of the reporting period as of 30 June 2021 that could have a significant impact on DEAG’s earnings, asset and financial positions.

OTHER DISCLOSURES

On 11 January 2021, DEAG announced that the company plans to delist from the stock exchange. For this purpose, the Executive Board has secured the support of DEAG’s single largest shareholder. In an agreement also concluded on 11 January 2021 with Apeiron Investment Group Ltd. (“Apeiron”) and its bidder company (Musai Capital Ltd., “Bidder”), the execution of a public delisting offer was agreed as a condition for the delisting. The delisting of the DEAG share became effective on 9 April 2021.

DEAG's Annual General Meeting took place on 10 June 2021 as a virtual general meeting. The shareholders granted discharge to the Executive Board and the Supervisory Board for the past financial year and decided on the election of the auditor for the current financial year, the cancellation of the authorised capital and creation of the option of new authorised capital with exclusion of subscription rights, as well as the cancellation of the conditional capital 2019/I. The shareholders also approved the conversion of bearer shares into registered shares. Furthermore, the shareholders resolved at the Annual General Meeting to convert from bearer shares to registered shares. All resolutions were passed by a large majority. The conversion to registered shares has since taken place and was entered in the commercial register on 16 July 2021. Detailed information on the Annual General Meeting is available on the company's website in the Investor Relations section.

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

Berlin, 27 August 2021

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

// DECLARATION BY THE STATUTORY REPRESENTATIVES

To the best of our knowledge and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German principles of proper accounting, and the Interim Management Report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 27 August 2021

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L. H. Schwenkow



Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

DATE AND APPROVAL OF PUBLICATION

The Executive Board of DEAG (registered office: Potsdamer Straße 58 in 10785 Berlin) approved these Interim Consolidated Financial Statements and the Interim Group Management Report on 27 August 2021.

// LEGAL NOTICE

// CONTACT

DEAG Deutsche Entertainment Aktiengesellschaft
Potsdamer Straße 58
10785 Berlin

Phone: +49 30 810 75-0

Fax: +49 30 810 75-519

e-mail: info@deag.de

Investor Relations: deag@edicto.de

// MORE INFORMATION

This Half-Year Financial Report and the latest information on DEAG are available on the company's website at: www.deag.de/ir

// EDITING AND COORDINATION

DEAG Deutsche Entertainment Aktiengesellschaft
edicto GmbH - Agentur für Finanzkommunikation und Investor Relations

// PHOTO RIGHTS

DEAG Deutsche Entertainment Aktiengesellschaft



DEAG Deutsche Entertainment Aktiengesellschaft
Potsdamer Strasse 58
10785 Berlin, Germany
Phone: +49 30 810 75-0
Fax: +49 30 810 75-519
info@deag.de
www.deag.de