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QUARTERLY FINANCIAL STATEMENT AS OF 2022-03-31
DEAG Deutsche Entertainment Aktiengesellschaft

// DEAG OVERVIEW

COMPANY PROFILE

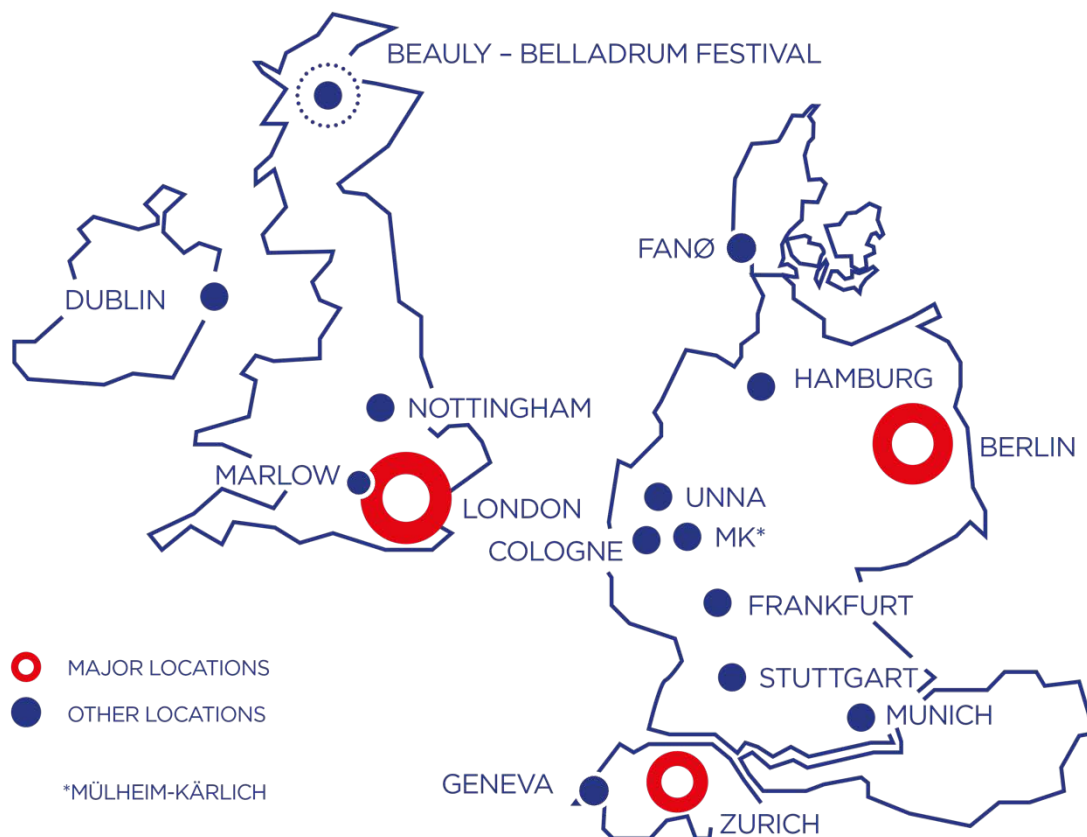
DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a leading entertainment service company and provider of live entertainment in Europe. DEAG has been present with its Group companies at 15 locations in its core markets of Germany, the UK, Switzerland, Ireland and Denmark. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in the planning, organisation, marketing and promoting of events.

Founded in Berlin in 1978, DEAG's core businesses today include Rock/Pop, Classics & Jazz, Family Entertainment, Arts+Exhibitions and Ticketing. Family Entertainment and Arts+Exhibitions are the elementary building blocks for the further development of DEAG's own content.

Up until 2019 – before the COVID-19 pandemic broke out – more than 5 million tickets were sold annually for over 4,000 events – a constantly growing share of which were sold via the Group's own e-commerce platforms "[MyTicket](#)" and "[Gigantic.com](#)" for its own and third-party content.

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

DEAG'S CORE MARKETS



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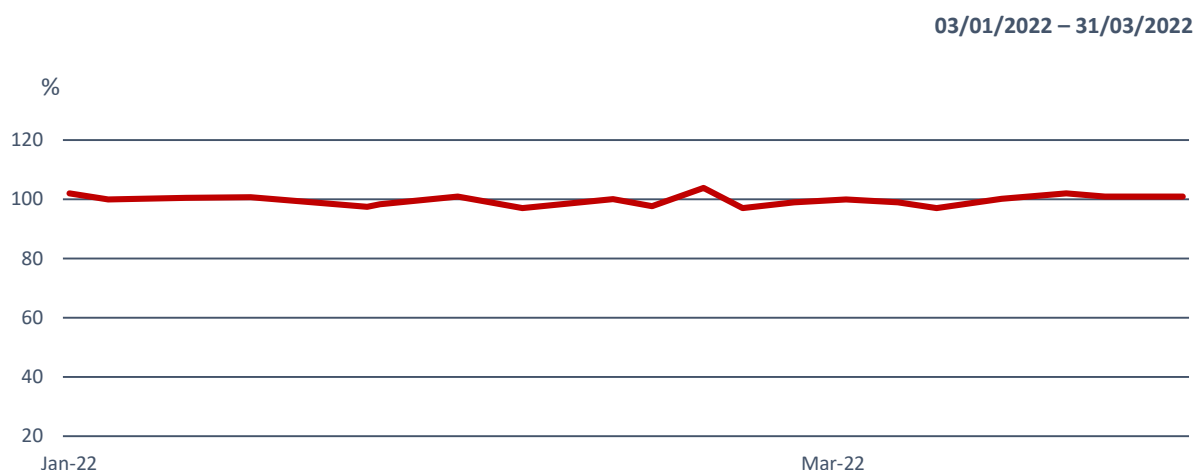
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// DEAG ON THE CAPITAL MARKET

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



// INTERIM GROUP MANAGEMENT REPORT

KEY OPERATIONAL DEVELOPMENTS

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

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

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

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

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

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

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

EARNINGS POSITION

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

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

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

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

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

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

After taking tax expenses into account, the consolidated result after taxes amounted to EUR -1.1 million (previous year: EUR - 1.4 million) and the consolidated result attributable to DEAG shareholders to EUR -1.4 million after EUR - 0.6 million in the same period of the previous year.

DEVELOPMENTS OF THE SEGMENTS

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

The **Live Touring segment** („traveling business“) includes the tour business. This comprises the activities of the companies DEAG Classics (Berlin) including The Classical Company (Zurich, Switzerland), CSB Island Entertainment (Fanø, Denmark), lit.COLOGNE und litissimo (both located in Cologne), DEAG Concerts (Berlin), KBK Konzert- u. Künstleragentur (Berlin), Wizard Promotions Konzertagentur (Frankfurt/Main), Grünland Family Entertainment (Berlin), Global Concerts Touring (Munich), Christmas Garden Deutschland (Berlin) and Hans Boehlke Elektroinstallationen (Berlin), I-Motion GmbH Event & Communications (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), sub-group Myticket Services Ltd. (London, UK) incl. Gigantic Holdings Ltd. and Gigantic Tickets Ltd. (both located in London, UK), the sub-group Kilimanjaro (London, UK) including Flying Music Group and Singular Artists Ltd. (Dublin, Irland), sub-group Kilimanjaro Theatricals, UK Live and subgroup Fane Productions.

// CONSOLIDATED FINANCIAL STATEMENTS

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// CONSOLIDATED BALANCE SHEET

TOTAL ASSETS

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

// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

// CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | As of 31.12.2020 | changes 01.01.2021 -31.03.2021 | as of 31.03.2021 |
|---|----------------------|--------------------------------------|----------------------|
| | <u>TEUR</u> | <u>TEUR</u> | <u>TEUR</u> |
| Share capital | 19,625 | - | 19,625 |
| Capital reserve | 28,695 | - | 28,695 |
| Retained Earnings | -466 | - | -466 |
| Accumulated deficit | -37,729 | -590 | -38,319 |
| Accumulated other income / loss | 1,954 | -384 | 1,570 |
| Equity attributable to DEAG shareholders | 12,079 | -974 | 11,105 |
| Equity attributable to non-controlling interest | 9,372 | -555 | 8,817 |
| Equity | <u>21,451</u> | <u>-1,529</u> | <u>19,922</u> |

| | As of 31.12.2021 | changes 01.01.2022 -31.03.2022 | as of 31.03.2022 |
|---|----------------------|--------------------------------------|----------------------|
| | <u>TEUR</u> | <u>TEUR</u> | <u>TEUR</u> |
| Share capital | 21,587 | - | 21,587 |
| Capital reserve | 32,520 | - | 32,520 |
| Retained Earnings | -332 | - | -332 |
| Accumulated deficit | -37,343 | -1,393 | -38,736 |
| Accumulated other income / loss | 2,382 | -507 | 1,875 |
| Equity attributable to DEAG shareholders | 18,814 | -1,900 | 16,914 |
| Equity attributable to non-controlling interest | 10,964 | 604 | 11,568 |
| Equity | <u>29,778</u> | <u>-1,296</u> | <u>28,482</u> |

// SELECTED EXPLANATORY NOTES

NOTES PURSUANT TO IAS 34

These interim Consolidated Financial Statements, comprising the Consolidated Statement of Financial Position, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of 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 German Securities Trading Act (WpHG).

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

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

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

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

For selected information on the segments (IAS 34.16A), we refer to the section "Development of the segments" of the interim Group Management Report in this Quarterly Statement.

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

CHANGES IN THE SCOPE OF CONSOLIDATION

In the interim Consolidated Financial Statements, DEAG as the parent company includes those companies for which the control concept is fulfilled. Companies that were founded, acquired or sold during the reporting period are included from the date of their founding, the date of their acquisition or until the date of their sale.

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

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

// LEGAL NOTICE

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// MORE INFORMATION

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

// EDITING AND COORDINATION

DEAG Deutsche Entertainment Aktiengesellschaft

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