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**ANNUAL FINANCIAL REPORT**  
DEAG Deutsche Entertainment Aktiengesellschaft

# DEAG OVERVIEW

## COMPANY PROFILE

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG), a leading entertainment service company and live entertainment provider, produces and promotes live events of all genres and sizes in Europe. With its group companies, DEAG has been present at 20 locations in its core markets of Germany, Great Britain, Switzerland, Ireland and Denmark. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in the conception, organisation, promotion and production of events.

Founded in Berlin in 1978, DEAG's core business areas today include Rock/Pop, Classics & Jazz, Family Entertainment, Spoken Word & Literary Events, Arts+Exhibitions and Ticketing. Live Entertainment for all generations including Arts+Exhibitions are important building blocks for the further development of DEAG's own content.

For around 6,000 events, over 10 million tickets are sold annually for own and third-party content - a continuously growing share of these is sold via the group's own e-commerce platforms myticket, Gigantic Tickets and tickets.ie.

With its strong partner network, DEAG is excellently positioned in the market.

## DEAG'S CORE MARKETS



NATURE ONE



NATURE ONE

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# LETTER TO THE INVESTORS

## DEAR LADIES AND GENTLEMEN, DEAR INVESTORS,

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After more than two years of the pandemic and despite business activities being restricted by COVID-19 in the first quarter of 2022, the 2022 financial year was a record year for DEAG in terms of both revenue and EBITDA, as expected. We set off our announced event fireworks and were able to stage all concerts and events as planned. We are also very pleased with the start of the current year 2023 and expect the positive development of the past year to continue.

We successfully continued our Buy & Build strategy and further expanded our Group-owned ticketing platforms. Our consistently pursued strategic focus on our own high-margin event formats, especially in the areas of Family Entertainment and Arts+ Exhibitions, is increasingly paying off. We will grow with high-calibre content in the years to come and want to further expand the share of our own event formats. We generate above-average margins with them and continuously increase DEAG's earning power by expanding these formats. Demand for tickets remains high, exceeding even the very good level of the pre-crisis year 2019. We sold a total of more than 9 million tickets in 2022. This represents an increase of around 80% on the pre-corona level, when over 5 million tickets were sold annually. Our event pipeline is full to bursting and we see ourselves in a stronger position than ever before. Accordingly, we are confident for the current financial year 2023 and beyond.

The strong operational development was also reflected in the key financial figures in 2022. Revenue increased by 258.3% compared to the previous year from EUR 90.7 million to around EUR 325 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to around EUR 31 million (previous year: EUR 22.1 million) and consolidated earnings after taxes to EUR 9.9 million (previous year: EUR 3.6 million). The key financial figures thus also im-

proved considerably compared to the pre-crisis year 2019, in which revenue was EUR 185.2 million and EBITDA of EUR 14.1 million and consolidated net income after taxes of around EUR 0.5 million were achieved. In addition to the significant upturn in operating activities, the increases in revenue and earnings are also attributable to corona-related catch-up effects after all corona restrictions in DEAG's national markets have largely been lifted. In addition, the companies acquired by DEAG since 2019 made a significant contribution to the good development for the first full year in 2022.

The strong fourth quarter was driven by our Christmas business with event formats such as the Christmas Garden and our Christmas Markets and Christmas Circuses, as well as strong pre-sales for events in 2023. Year-on-year, revenue increased by 35% to approx. EUR 90 million and EBITDA by 21.6% to around EUR 11 million between October and December 2022.

We successfully continued our international expansion course in 2022 and strengthened our portfolio through targeted acquisitions. We further expanded the ticketing segment by acquiring a majority stake in the Irish company Oshi Software Limited, operator of the ticketing platform tickets.ie. tickets.ie is one of the leading independent ticketing providers for third-party content in the live entertainment sector in Ireland and is an excellent complement to DEAG's own ticketing platforms myticket and Gigantic Tickets for our own and third-party content, through which a large part of ticket sales are already handled today. We have further strengthened our good market position in the UK by acquiring the Scottish promoter Regular Music. In addition, through the acquisition of the English book subscription service LoveMyRead, we have also significantly expanded our activities in the UK in the area of Spoken Word & Literary Events, which includes author readings, theatre

performances and poetry slams. We have also significantly expanded our business activities in the area of festivals. We acquired a majority stake in the electro-music festival "Airbeat One," with around 60,000 visitors the largest electro-music festival in Northern Germany and one of the largest in Germany, and a majority stake in "Indian Spirit," one of the largest goa/psytrance festivals in Europe. In the Classics & Jazz segment, we expanded our market position by acquiring the classical and crossover event "Classic Open Air am Gendarmenmarkt." DEAG also acquired all shares in the concert promoter A.C.T. Artist Agency. DEAG expects the acquisitions to generate synergy effects in the Live Entertainment and Ticketing business, in artist acquisition as well as considerable opportunities to reduce costs. M&A is to remain an important growth component for DEAG in the future. One focus is on complementary ticketing acquisitions as well as expansion into new European markets.

DEAG successfully staged a large number of concerts and events during the reporting period. Our Christmas Gardens were expanded to 19 locations in Germany and other European countries in the 2022/2023 season and attracted a total of more than 2 million visitors for an evening stroll in a glittering world of lights. Our Spoken Word events were also a great success. The international literature festival "lit.COLOGNE" attracted around 70,000 visitors and Germany's largest philosophy festival "phil.COLOGNE" around 9,000. In 2022, we hosted, among other artists, Ed Sheeran's sold-out tour in the UK as well as concerts with Tom Jones, Simply Red, Bonnie Tyler, Andrea Bocelli, Limp Bizkit, Die Toten Hosen, KISS, Foreigner, Die Ärzte, Zucchero and Iron Maiden. We also had a strong festival summer with sold-out open airs like the "Belladrum Festival," "NATURE ONE" "Mayday" and "Sion sous les étoiles." Between June and August alone, we sold 3 million tickets, a new record summer in DEAG's long history.

We continue to experience extremely high demand for tickets to concerts and live events in the first quarter of 2023 and will stage around

6,000 concerts and events in the current financial year, for which we expect to sell more than 10 million tickets. These include the big anniversary tour of "Riverdance," the most successful dance show in the world, and events such as "Disney on Ice" and the Christmas Gardens. In addition, there will be concerts and tours with Iron Maiden, Muse, the Scorpions, Hans Zimmer and many festivals and open-air events. DEAG currently has a diverse event portfolio with a total of more than 30 annual one-day and multi-day festivals with over 580,000 visitors in Germany, the UK, Switzerland and Ireland. DEAG's business is less cyclical than that of many other industries. Even in difficult economic times, DEAG sells "the little slice of happiness". Even though macroeconomic and geopolitical factors such as the war in Ukraine and high inflation figures have not directly affected DEAG's business so far, they remain risks that could negatively impact the purchasing power of DEAG's customers.

COVID-19 was a turning point for the entire economy and of course also for DEAG. However, our growth strategy was not affected by it. On the contrary. We used the time and set our important strategic course for our long-term growth in 2022. We have strong ticketing platforms of our own, through which we already handle the majority of our sales, and have an intact and resilient business model with a diversified portfolio consisting of digital offerings and "on-site" events for the entire family. Our strong financial position, including cash and cash equivalents, currently stands at around EUR 85.5 million. We are excellently positioned for further growth and look forward to 2023 and beyond with confidence.

Sincerely yours,



**Prof. Peter L. H. Schwenkow**

# DEAG ON THE CAPITAL MARKET

## 1.1 PERFORMANCE OF THE DEAG BOND 2018/2023

ISIN	DE000A2NBF25
WKN	A2NBF2
Market segment	Open Market (segment: Quotation Board)
Term	5 years up to and including 31 October 2023
Interest coupon	6.00 % p.a.; since 1 November 2022: 6.50 % p.a.
Denomination (nominal amount)	EUR 1,000.00 per bond
Outstanding volume	EUR 25.0 million
Early redemption	Issuer's call right after year 3 at 102.00% and after year 4 at 101.00% of the nominal amount

DEAG's corporate bond 2018/2023 (WKN: A2NBF2, ISIN: DE000A2NBF25) is listed on the Open Market (segment: Quotation Board) of the Frankfurt Stock Exchange and traded at prices of around 100% between January and December 2022. On 30 December 2022, the final day of trading in 2022 on the Frankfurt Stock Exchange, the bond price was 100.5%. 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. The interest rate on the bond increased by 0.5 percentage points to 6.5% p.a. as of 1 November 2022 in accordance with clause 2.2 of the bond terms and conditions, as the equity ratio of 15% was not exceeded as of 30 June 2022.



## 1.2 INVESTOR RELATIONS

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DEAG reports transparently and regularly on business developments and prospects and carried out various other IR activities in the reporting period

- Regular publication of quarterly financial statements
- Numerous individual and group meetings with investors at home and abroad
- Publication of ad hoc announcements and corporate news
- Participation in a capital market conference

Detailed information can be found in the Investor Relations section at [www.deag.de/ir](http://www.deag.de/ir). DEAG Deutsche Entertainment AG provides continuous information on relevant business developments

over and above the statutory requirements. These included, among others:

there. In addition, investors have access to a direct communication channel with the company at [deag@edicto.de](mailto:deag@edicto.de).

## 1.3 ANNUAL GENERAL MEETING

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The Annual General Meeting for financial year 2021 was held virtually at DEAG's registered office on 23 June 2022. All agenda items were approved by a large majority of more than 98% of the votes.

Detailed information on the Annual General Meeting is available in the Investor Relations section of DEAG's company website.

## 1.4 FINANCIAL CALENDAR

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2023-03-31	<b>Annual Financial Report 2022</b>
2023-05-26	<b>Quarterly Financial Statement (3M)</b>
2023-06-29	<b>Annual General Meeting</b> (Meistersaal, Berlin)
2023-08-31	<b>Half-Year Financial Report (6M)</b>
2023-11-30	<b>Quarterly Financial Statement (9M)</b>

# REPORT OF THE SUPERVISORY BOARD FOR FINANCIAL YEAR 2022

## DEAR SHAREHOLDERS,

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The Supervisory Board of DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) dealt regularly and very extensively with the situation and development of the company during this financial year. Particularly because the past financial year was also marked by extraordinary events. Not only the COVID-19 pandemic, but also an energy crisis with accompanying sharply rising inflation and Russia's war against Ukraine are to be mentioned here as special circumstances. In accordance with the legal requirements, we continuously monitored the Executive Board in its management of the company and regularly advised it on questions concerning the management of the company. In doing so, we were always able to convince ourselves that the management of the company was legal, appropriate and orderly. The Supervisory Board was directly involved in all decisions of fundamental importance to the company in a timely manner.

The Executive Board informed the Supervisory Board regularly, promptly and comprehensively in written and oral form about the business development, planning and the situation of the company, including the risk situation and risk management. Documents relevant to decision-making were made available by the Executive Board in good time in advance of the Supervisory Board meetings. Deviations in the course of business from the established plans and targets were explained in detail and the causes analysed. The members of the Supervisory Board always had sufficient opportunity to critically examine the reports and proposed resolutions submitted by the Executive Board and to contribute their own suggestions. In particular, all business transactions of importance to the company were intensively discussed on the

basis of written and oral Executive Board reports and checked for plausibility. On several occasions, the Supervisory Board dealt in detail with the company's risk situation, liquidity planning and equity situation. The Supervisory Board gave its approval to individual business transactions where this was required by law, the Articles of Association or the Rules of Procedure.

In financial year 2022, the Supervisory Board met a total of seven times in ordinary Supervisory Board meetings, all of which were held as video conferences. In addition, the Supervisory Board held five extraordinary Supervisory Board meetings in the past financial year, four of which were held as telephone meetings and one as a video conference. All Supervisory Board members were present at more than half of the meetings. The members of the Executive Board participated in the ordinary Supervisory Board meetings, unless the Chairman of the Supervisory Board had determined otherwise. One member of the Executive Board was present at one of the extraordinary Supervisory Board meetings; otherwise the Supervisory Board met without any Executive Board members. Urgent matters were decided by written circular resolutions. All resolutions were passed on the basis of detailed draft resolutions and discussions with the Executive Board. Between Supervisory Board meetings, the Chairman of the Supervisory Board maintained close contact and dialogue with the members of the Executive Board. The Chairman of the Supervisory Board then informed the other members of the Supervisory Board about the current development of the business situation and the most important business transactions in the company.

### **Focal points of the Supervisory Board's deliberations**

- At the Supervisory Board meetings held on 21 March 2022 and 30 March 2022, the Consolidated Financial Statements, the Combined Management Report and the Group Management Report for the company and the DEAG Group as well as the company's Annual Financial Statements for financial year 2021 were discussed with the company's auditors. The Supervisory Board dealt intensively with the situation of the company and its Group companies. Following detailed discussion and examination of the documents submitted by the Executive Board and after taking note of the auditor's report on the main results of his audit, the Supervisory Board approved the Consolidated Financial Statements and the Combined Management Report and Group Management Report for the company and the DEAG Group as of 31 December 2021. No objections were raised. The Supervisory Board also approved the Annual Financial Statements of the company as of 31 December 2021, which were thus adopted.
- By written circular resolution dated 25 April 2022, the Supervisory Board approved the acquisition of 50% of the shares in A.C.T. Artist Agency GmbH by DEAG Concerts GmbH.
- By written circular resolution dated 27 April 2022, the Supervisory Board approved the acquisition of 100% of the shares in LoveMyRead Ltd. by the DEAG subsidiary Fane Productions Ltd.
- At the Supervisory Board meeting held on 16 May 2022, the Executive Board reported on the quarterly financial statements as of 31 March 2022, the current business performance and the forecast for 1/2022, as well as the status of the impact of the COVID-19 pandemic, the war in Ukraine and any subsidy programmes.
- At the Supervisory Board meeting on 23 June 2022, which took place with the new Supervisory Board member Vincent Wobbe after the company's virtual Annual General Meeting, the Executive Board reported on the current course of business.
- By written circular resolution dated 29 June 2022, the Supervisory Board approved the founding of The Arches at London Bridge Ltd. and thus the operation of an event venue in London by the DEAG subsidiary Kilimanjaro Holding Ltd.
- By written circular resolution dated 30 June 2022, the Supervisory Board approved the 55% participation in the Airbeat One Festival by Airbeat One GmbH through the DEAG subsidiary Concert Concept Veranstaltungs-GmbH Berlin.
- At the Supervisory Board meeting on 30 August 2022, the Executive Board reported on the half-year financial statements as of 30 June 2022 as well as on the current course of business.
- By written circular resolution dated 18 October 2022, the Supervisory Board approved the acquisition of a 55% stake in the Indian Spirit Festival by Indian Spirit GmbH through the DEAG subsidiary Broadway Variété Management GmbH.
- By written circular resolution dated 24 October 2022, the Supervisory Board approved the acquisition of 75.1% of the shares in Oshi Software Ltd. by the DEAG subsidiary Myticket Services Limited.
- The Supervisory Board meeting on 29 November 2022 dealt with the quarterly financial statements as of 30 September 2022, the report of the Executive Board on the current course of business and the forecast for 2022, the status of subsidiaries, the status of banks and a new lease agreement.

- By written circular resolution dated 1 December 2022, the Supervisory Board approved the acquisition of 70% of the shares in Regular Ltd. by the DEAG subsidiary Kilimanjaro Holding Ltd.
- The focal points of the Supervisory Board meeting on 13 December 2022 were the presentation and discussion of the budget for 2023 and its adoption by the Supervisory Board, as well as the forecast 03/2022. In addition, the financial calendar 2023 was adopted.

#### **Composition of the Executive Board and Supervisory Board**

The composition of the Executive Board did not change in financial year 2022. The Executive Board consists of five persons: Prof. Peter L.H. Schwenkow, Mr. Christian Diekmann, Mr. Detlef Kornett, Mr. Roman Velke and Mr. Moritz Schwenkow.

The composition of the Supervisory Board changed as follows during the reporting period: In financial year 2022, the Supervisory Board consisted of the three members Mr. Wolf-D. Gramatke, Mr. Michael Busch and Mr. Tobias Buck. The regular term of office of all Supervisory Board members ended at the end of the 2022 Annual General Meeting. Mr. Michael Busch resigned from the Supervisory Board. The following three persons were elected Supervisory Board members at the Annual General Meeting: Mr. Wolf-D. Gramatke, Mr. Tobias Buck and Mr. Vincent Wobbe. The new term of office ends with the Annual General Meeting that resolves on the discharge for financial year 2025. At the subsequent constituent meeting of the Supervisory Board, Mr. Wolf-D. Gramatke was elected Chairman and Mr. Tobias Buck Deputy Chairman of the Supervisory Board. No committees of the Supervisory Board were formed, as the Supervisory

Board consists of only three persons. All decisions were made within the board. No conflicts of interest arose in the Supervisory Board during the reporting period.

#### **Audit of the Annual and the Consolidated Financial Statements**

On 23 June 2022, the Annual General Meeting of DEAG elected Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, to be the auditors of the Annual Financial Statements and the Consolidated Financial Statements for financial year 2022. The auditors audited the 2022 Annual Financial Statements of DEAG, the 2022 Consolidated Financial Statements and the Combined Management Report and Group Management Report for the company and the DEAG Group and issued an unqualified audit opinion in each case.

At the meeting of the Supervisory Board on 30 March 2023, the Consolidated Financial Statements and the Combined Management Report and Group Management Report for the company and the DEAG Group as well as the Annual Financial Statements of the company for financial year 2022 were discussed in detail with the representatives of the auditor. The auditor reported on the main results of the audit. The auditor also assessed the effectiveness of the accounting-related internal control and risk management system, which did not lead to any objections. At the Supervisory Board meeting on 30 March 2023, the Consolidated Financial Statements and the Annual Financial Statements were discussed in detail with the auditor. The Consolidated Financial Statements and the Combined Management Report and Group Management Report for the company and the DEAG Group, as well as the Annual Financial Statements

of DEAG and the auditor's reports, were made available to all members of the Supervisory Board for examination and resolution. Following the Supervisory Board's examination and discussion of the Consolidated Financial Statements and the Combined Management Report and Group Management Report as well as DEAG's Annual Financial Statements, there were no objections to be raised against the result of the auditor's examination of the Consolidated Financial Statements and Annual Financial Statements.

After concluding its examination, the Supervisory Board raised no objections to the Consolidated Financial Statements and the Combined Management Report and Group Management Report pre-

pared by the Executive Board for the company and the DEAG- Group for financial year 2022 and approved them. The Supervisory Board also approved the Annual Financial Statements for the company prepared by the Executive Board for financial year 2022 and raised no objections following the final results of its examination. The Annual Financial Statements of the company are thus adopted in accordance with Section 172 of the German Stock Corporation Act (AktG).

The Supervisory Board would like to expressly thank the Executive Board and all employees of the company and the DEAG Group for their work in the past, extraordinarily demanding and challenging financial year 2022.

Berlin, March 2023



For the Supervisory Board

**Wolf-D. Gramatke**

Chairman of the Supervisory Board

# SUSTAINABILITY

## 1 FOREWORD

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### Dear Ladies and Gentlemen,

The success of companies depends to a large extent on how the management and employees of a company act in their dealings with stakeholders and how they use their skills to benefit them. Sustainable management and the consideration of ethical, social and ecological aspects (ESG criteria) are playing an increasingly important role in the long-term success of companies. Every day, the employees of DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) and its subsidiaries also take responsibility for their actions towards society's stakeholders such as employees and colleagues, artists, customers, investors, as well as in their cooperation with business partners, authorities and institutions. In the long term, it is crucial for our company's success to orient our business activities in a sustainable way, taking ethical, social and ecologically relevant aspects into account. In the following, I would therefore like to report on our commitment and progress in the area of ESG:

After we reported in detail on the successful activities of our British Group company Kilimanjaro Live in the field of environmental sustainability in the last Annual Report, we would like to focus on some of our German Group companies in this report.

For example, Christmas Garden Deutschland GmbH significantly increased its commitment to climate and environmental protection in the 2022/2023 season and implemented various measures to keep electricity consumption as low as possible on the one hand and to organise Christmas Garden events in the most sustainable way possible on the other. Professional concepts were developed and numerous measures for an environmentally and energy-conscious implementation to save electricity and CO<sub>2</sub> were implemented. These included, for example, the comprehensive changeover to highly efficient, energy-saving LED technology for the lighting installations and path lighting, which was

reduced to a safety-relevant minimum. This resulted in an 80 percent luminous flux saving compared to the use of conventional light sources.

In addition, there were shorter opening hours during the weekdays and the popular ice rinks were no longer offered. Through all these measures, total electricity consumption was reduced by an average of 30% at the majority of the locations compared to previous years. Calculated to the individual Christmas Garden visit, this means that only as much electricity was needed as using a streaming service in full HD for 1.5 hours or starting a standard coffee filter machine once (1000 W, operation approx. 20 to 30 minutes), for example.

Furthermore, the ecological concept of the Christmas Garden included these measures: catering consisted mainly of regional, partly also vegetarian and vegan dishes, which were provided as far as possible without packaging or in compostable packaging. In addition, there were deposit systems for cups and glasses and dishwashing services were set up on-site, so that there were no CO<sub>2</sub> emissions from the previously usual removal of dirty dishes. Transport within the venues was done with e-golf carts, cargo bikes or hand carts, which avoided CO<sub>2</sub> emissions even further.

The topics of "species, nature and animal protection" were and are also taken into account in the event planning. For example, the concepts, the routing for visitors, the background music and the light installations of the Christmas Garden locations, which are located in a zoological garden, were checked months in advance by the respective zoo directorate and monitored during ongoing operations in cooperation with the animal keepers. Protection and safety of all animal species always have top priority, especially in zoological gardens. Opening hours and visitor routes were therefore planned in such a way that the animals were not disturbed by light or sound effects, and their

resting times remained protected. These measures ensured that the species-appropriate husbandry of the animals was fully maintained during the Christmas Garden's run. All the above measures were also implemented accordingly by the local promoters of the individual Christmas Garden locations. These include I-Motion GmbH Events & Communication, C2 Concerts, Wizard Promotions, Concert Concept and handwerker promotion.

The topic of "ESG" has now also become an integral part of the festivals of the DEAG Group company lit.COLOGNE: Sustainability is now one of the continuously recurring themes in the programme area of the lit.COLOGNE festivals and diversity is taken into account as a fixed programme component in the programme planning.

In the area of ecological sustainability, lit.COLOGNE has implemented measures such as the use of 100% green electricity in the offices, preference for cycling and public transport among the team and its contributors, paper-saving work, waste separation and also the recyclability of equipment such as stage roll-ups.

In particular, lit.COLOGNE also takes the social aspect of sustainability into account. lit.COLOGNE is regularly involved in socially relevant and current topics by literally giving them a stage and/or donating the proceeds of certain events. Examples of this include the "Opening event lit.COLOGNE 2022" on the Ukraine war and the donation to the local association "Blau-Gelbes Kreuz e.V.," the "Opening event lit.COLOGNE 2023" on the democracy and freedom movement in Iran and the donation to Amnesty International.

Furthermore, lit.COLOGNE has been actively promoting the participation of people with disabilities for eight years. This applies equally to staff, partic-

ipants and the audience. To this end, lit.COLOGNE cooperates with various renowned institutions such as "Aktion Mensch e.V." and "mittendrin e.V.," but especially with those affected themselves. These collaborations have contributed to the fact that, for example, sign language interpretation or written interpretation for hearing-impaired visitors is offered at a large number of lit.COLOGNE events. In addition, lit.COLOGNE is in constant exchange with the respective venues regarding the removal of stationary barriers in order to enable access to the events for visitors with walking disabilities and wheelchair users. Another measure is the thematisation of inclusion in lit.COLOGNE's communication channels, such as social media. In this way, the company would like to contribute to raising awareness of the topic of "participation of people with disabilities" and at the same time bring it more into the focus of a broad public.

An overview of further activities of DEAG and its subsidiaries in the area of ESG can be found on the following pages, as can our company guidelines, which reflect minimum standards and are intended to support our employees in their daily work with concrete instructions for action and to promote correct and responsible behaviour. These guidelines are binding, serve as a framework of orientation for all employees of DEAG and its Group companies and are an expression of our understanding of values both internally and externally.

Sincerely yours,



**Prof. Peter L. H. Schwenkow**

Chairman of the Executive Board

## 2 ETHICAL COMMITMENT AND COMPLIANCE WITH THE LAW

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Ethical conduct is a key part of the company culture at DEAG and its subsidiaries. DEAG Group employees are required to comply with all applicable laws and regulations of the respective country when carrying out the work assigned to them. In the event of uncertainty as to whether an act or omission violates certain laws or regulations, our employees are required to contact the respective superiors.

The ethical guidelines set out in this document for all DEAG employees also apply across the board to the employees of all DEAG subsidiaries in their capacity as employers. Just like DEAG, our subsidiaries are obliged to their employees to comply with

the fundamental ethical principles in order to protect their rights and personalities. As part of the decentralised DEAG Group, each DEAG subsidiary is responsible for implementing the ethical guidelines itself. Through regular meetings, presentations and discussions, DEAG ensures that the company philosophy, company policy and employee management guidelines are implemented in the parent company and all subsidiaries. The success of integration and the development of a common Group culture are ensured through the continuous exchange of information and the organisation of various meetings, workshops, telephone conferences and, since the COVID-19 pandemic, web-based meetings in particular.

## 3 CONFLICT OF INTEREST

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Conflicts of interest can cast doubt on the integrity of DEAG and/or its subsidiaries. We therefore try to avoid any situation in which there could be a conflict of interest between employees and the company. Our employees are prohibited from using their position in the company to obtain inappropriate benefits for themselves personally or

to represent DEAG in business activities where personal benefits could arise. Decisions by employees are to be made solely on the basis of business-related content and not under the influence of personal interests. Any conflict of loyalty and/or interest or the risk of such a conflict arising is to be discussed immediately with their superiors.

## 4 DISCRIMINATION | GENDER EQUALITY | DIVERSITY

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Discrimination or harassment in the work environment is not tolerated by DEAG and its Group companies. Regardless of their position with the company, we treat every employee fairly and do not discriminate against them. This applies to the same extent to third parties. No employee may

discriminate against colleagues or other groups of people on the basis of age, ethnicity, skin colour, nationality, religion, disability, marital status, gender or sexual orientation or intimidate colleagues or other groups of people verbally, physically or in any other way.

Also with regard to external groups, DEAG sees it as its mission and economic opportunity to ensure equal access to its events for all groups of people. In the area of ticketing, for example, we ensure broad and equal access to cultural events by always striving to offer our tickets in a socially acceptable price range, inviting socially disadvantaged groups to our events and making sure that they can be attended in particular by people with physical, mental or psychological impairments.

The issue of “gender equality” is also a priority at DEAG and is put into practice. For example, in the organisation of the management level by the Su-

pervisory Board and Executive Board, special consideration is given to the participation of women in management positions.

A policy of “diversity” is also a key component of DEAG’s company culture and has been practised by the company for over 40 years. Generational diversity and employees of different nationalities have always been and still are part of the company’s daily work, as our employees have been and are selected on the basis of their competencies, skills, personal strengths and qualifications and not on the basis of nationality, skin colour or other external characteristics.

## 5 HEALTH AND SAFETY AT WORK

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We value the dignity and personal rights of our employees and third parties with whom the company has business contact. We attach great importance to a healthy and hazard-free working environment for our employees by complying with the laws and rules on health and safety at work.

We also comply with legal regulations to ensure fair working conditions, including those on pay, working hours and privacy.

Our employees and their concerns are therefore one of the most fundamental issues in our company culture. We value a creative and self-reliant working atmosphere and therefore have flat hierarchies, short paths and cultivate an open-door culture. At the same time, we always strive to ensure the best possible satisfaction and development of our employees. In the spirit of equal opportunities, DEAG’s management is therefore always open-minded towards all employees with regard to personal development opportunities and individual career paths. The focus of the regularly offered staff training is in particular on safety, security, customer service related to events, compliance with regard to events and job-specific training (e.g. social media, graphic design and use, accounting, software applications).

As a result of the company culture we just described, we have also implemented working from home, part-time work and the promotion of women in management positions in the personnel policy of the DEAG Group. We offer the employees of DEAG and its subsidiaries various part-time models as well as flexible working hours, where, the number of working hours per day can be arranged independently depending on the workload, for example. In addition, employees receive many opportunities for further training, in the form of IHK training and education or participation in the Music Business Summer School, for example.

Annual health days for the workforce have also been established in various Group companies. For example, health checks are carried out and presentations and workshops on the topic of health are held.

In addition to the further professionalisation and digitalisation of human resources management, the focus is on positioning DEAG as an employer brand, employee development and anchoring agile cooperation and working methods in the organisation. Another task is the training of young people in various professions and the promotion of young talent.

## 6 DATA PROTECTION AND INFORMATION SECURITY

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DEAG has identified compliance with data protection as the greatest material risk in terms of compliance and business ethics.

For this reason, we at DEAG treat all personal data with the utmost sensitivity and take precautions to ensure that no one's right to privacy is impaired by the handling of this data. Especially in our Ticketing business segment, protecting personal data is a top priority for us. Our employees are obliged to handle the data collected with appropriate care and in strict confidence, so that compliance with the applicable laws and regulations is ensured.

To assist them, our employees receive advice and support from qualified lawyers and company data protection officers.

It is of great importance to us to protect DEAG's intellectual property and to respect the intellectual property of others. One of DEAG's most valuable assets is the inventiveness of its employees. DEAG holds important intellectual property rights and licences, such as copyright and trademark rights. If we use intellectual property rights of third parties, we ensure that an effective agreement is in place with the rights holder.

## 7 BRIBERY AND ACCEPTANCE OF PECUNIARY ADVANTAGES

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Our relationships with business partners, public officials and other groups of persons are based on our performance and not on illegal gifts, payments or favours to decision-makers. DEAG employees are prohibited from bribing or offering a bribe to public officials or other groups of persons in order to influence their decision or to receive any kind of benefit or information from that person or group of persons. DEAG employees may also not grant advantages to any public official or other group of persons if such an act is unlawful or improper, or if it is likely to influence the relationship of the person concerned with DEAG. Business relationships with government agencies are subject to particularly strict requirements. In our dealings with governments and authorities, we act transparently and in accordance with applicable law.

Every DEAG employee may, within reasonable limits, give business partners, their employees and other persons small gifts that are customary in the respective country, e.g. after a successful business transaction and/or as a gesture of courtesy and respect.

Benefits customary in the industry are permissible, provided they are within a socially adequate framework. However, the allowance may not disproportionately exceed the recipient's normal standard of living.

## 8 ECOLOGICAL SUSTAINABILITY

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Environmental and climate protection are part of the company culture at DEAG and its Group companies. One important goal is to improve our own CO<sub>2</sub> balance sheet and thus conserve resources, while reducing costs. We have been practising this since the company was founded – in other words, for over 40 years: To avoid plastic waste, for example, we provide our employees with mineral water in returnable glass bottles free of charge and use reusable tableware in the offices and wherever possible also in the backstage areas of events. All DEAG Group employees must comply with the applicable national environmental protection regulations and corresponding ordinances. The impact on the environment and climate is to be kept as low as possible and environmental pollution avoided or reduced as far as possible. Resources must be used efficiently and energy-efficient and environmentally friendly technologies are to be put to use.

Training on environmental protection is now part of employee programmes at Group companies such as I-Motion. In order to further advance the ESG issue, which is particularly important in the long term, a Sustainability Committee was established, which includes a DEAG Executive Board member (CFO) and the Managing Directors of the DEAG Group companies I-Motion and lit.COLOGNE. In addition, sustainability officers have since been appointed to the team at various DEAG Group companies, who are constantly researching and reviewing the areas in which the individual companies can improve in terms of sustainability. Employees of the Kilimanjaro Live Group already formed an internal “environmental committee” a few years ago, which, for example, ensured that reusable technology and equipment were purchased for events.

The issue of sustainability has played a role at DEAG since the company was founded, i.e. for four decades. The DEAG Group has therefore launched a number of initiatives to avoid or at least reduce the impact on people and nature. As a service provider in the consumer staples sector, the majority of GHG emissions – up to 80% – result from indirect CO<sub>2</sub> emissions (Scope 3), primarily caused by the

individual transport of visitors to live events. The biggest challenge for the industry in the area of sustainability is therefore to influence the mobility behaviour of visitors through appropriate measures and partnerships so that they arrive in the most environmentally friendly way possible and thus in a climate-friendly way. Tickets for almost all events therefore include free travel to and from the event by public transport. In addition, several DEAG Group companies throughout Germany have been working closely with bus providers for years and provide shuttle buses to their events.

DEAG is continuously developing the topic of “environmental and climate protection” and is constantly examining which further initiatives are possible and feasible in this important area. Last year, for example, the company made further progress in the area of climate neutrality and further developed the topic of “Green IT” in the company: Various websites of the DEAG Group are now hosted by a provider whose data centres are operated with 100% green electricity and are thus climate-neutral (green web hosting). Furthermore, the transition to cloud-based software has been implemented so that our employees will be able to work in a resource-friendly way in the future. As a matter of principle, DEAG mainly uses green electricity and the most efficient and energy-saving LED technology possible for events such as “Potsdamer Schlössernacht” or the Christmas Gardens. When organising events, the company implements various measures to protect the environment and save resources. Waste separation concepts have been developed for many of the events, especially for large events such as “NATURE ONE,” Ed Sheeran (UK) or for the event series “Kew The Music.” Here, there is no longer any disposable tableware, but rather waste deposit systems and reusable cups instead, whereby unnecessary plastic waste is avoided and the amount of waste has been generally reduced. Through differentiated waste disposal concepts and correspondingly separate removal, a large part of the waste is recycled in accordance with legal requirements and thus ensures improved resource efficiency.

## 9 SOCIAL RESPONSIBILITY | PROMOTING THE COMMUNITY WELFARE

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As a Europe-wide promoter of live events, the DEAG Group is aware of its social responsibility. We strive to fulfil our social responsibility as a recognised part of society. We feel an obligation not only to our employees, but to every single person with whom we interact along our value chain. One of the ways we live up to our social responsibility is through programmes that support public institutions and associations.

For example, the net proceeds from the nostalgic carousel at the Christmas Garden Stuttgart are regularly donated to the “Herzessache” charity.

The dress rehearsal for the Berlin Philharmonic Orchestra’s end-of-season concert at the Berlin Waldbühne is organised free of charge year after year by DEAG or its subsidiary concert concept. In addition, 100% of the proceeds from the tickets of the orchestra’s guests and the recording rbb (public broadcasting) are regularly donated to UNICEF. The “Bike & Ride for Charity” campaign, in which the DEAG Group company Wizard Promotions participated, raised donations of over EUR 20,000 at the beginning of 2023. This donation sum was handed over 100% to the largest independent children’s rights organisation in the world “Save the Children.”

## 10 COMPLIANCE WITH COMPANY GUIDELINES

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The employees of all companies belonging to the DEAG Group are obliged to observe the company’s principles as set out, regardless of the country in which the company operates. To accompany this, DEAG has launched a company-wide information, education, qualification and monitoring pro-

gramme. Our employees are required to report any violation of the company guidelines or other significant circumstances affecting these guidelines to their direct superiors or to the Executive Board.

## 11 NO RETALIATORY MEASURES

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Employees who, in good faith, express concerns about events in the company or report suspicions will not suffer any disadvantages. This expressly applies even if these concerns or any suspicions prove to be unfounded. “In good faith” means the

employee is convinced that his or her account is true. We do not tolerate any attempts at intimidation or retaliation against employees who seek advice in good faith, report violations of company policies or other unlawful or unethical conduct.

Berlin, March 2023

DEAG Deutsche Entertainment Aktiengesellschaft

For the Executive Board



**Prof. Peter L. H. Schwenkow**

Chairman of the Executive Board



# COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT FOR FINANCIAL YEAR 2022

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# COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT

## 1 FUNDAMENTALS OF THE COMPANY AND THE GROUP

### 1.1 BUSINESS MODEL INCLUDING GOALS AND STRATEGY

DEAG Deutsche Entertainment AG (DEAG) is a leading European live entertainment service provider with nearly 45 years of experience and 20 locations in its core markets of Germany, the UK, Switzerland, Ireland and Denmark. As a live entertainment service provider with a vertically integrated business model, DEAG has extensive expertise in organising, marketing and staging live events as well as in ticket sales via its own ticketing platforms myticket, Gigantic Tickets and tickets.ie for its own and third-party content. DEAG thus covers a large part of the value chain in live entertainment. With its broadly diversified artist portfolio in the business areas of Rock/Pop, Classics & Jazz, Family Entertainment, the Spoken Word & Literary Events and Arts+Exhibitions with more than 800 artists and around 6,000 events per year, for which more than 10 million tickets are expected to be sold in 2023, DEAG is increasingly targeting less competitive, attractive niche markets and positioning itself in these at an early stage with strong, profitable content. The focus here is on the further expansion of its own high-margin event formats such as the Christmas Garden, which was expanded to 19 locations in Germany and other European countries in the 2022/2023 season and for which a large share of the tickets are processed via myticket. In addition, DEAG is a successful operator of several event venues. These include the myticket Jahrhunderthalle in Frankfurt/Main (Germany), the Salle Métropole in Lausanne and the venue for the “Sion sous les étoiles” festival in Sion (both in Switzerland), as well as properties in Beauly, UK, where the “Belladrum Festival” takes place, and the event area for the “NATURE ONE” music festival in Kastellaun (Germany).

A steadily growing share of the more than 9 million tickets sold by DEAG in 2022 were realised via the Group’s own ticketing platforms. In the medium term, the share distributed via the Group’s own ticketing platforms is to be steadily increased and the platforms are also to function as an attractive alternative for third-party content producers. In the coming years, the number of tickets for DEAG’s own event formats is to be increased from currently around 3 million to over 8 million. DEAG aims to become an established distribution channel in its core markets, not only for concerts and live events, but also for sports and exhibitions.

With its experienced management team, the expertise of its staff and a viable structure, DEAG has a good reputation and very good access to national and international artists. As a specialist for live entertainment events, DEAG is also an important cooperation partner for major media companies. These targeted collaborations open up additional growth potential for DEAG. The company with its subsidiaries is an established player in the European live entertainment industry.

As part of its M&A strategy (“buy and build”), DEAG is expanding its portfolio by acquiring and integrating competitors and service providers, thus gaining access to top-class event formats and venues as well as state-of-the-art technologies. The expansion of its portfolio offers DEAG high synergy and integration potential, particularly in the areas of live entertainment and ticketing as well as in artist acquisition. DEAG also successfully continued its international expansion course in 2022. The company acquired all of the shares in the concert promoter A.C.T. Artist Agency with effect from 1 January 2023 and significantly expanded its activities in the festivals sector through the acquisitions of the electro-music festival “Airbeat One” and the Goa/Psytrance festival “Indian Spirit.” In addition, the market position in

the Classics & Jazz segment was expanded by acquiring the classical and crossover event format “Classic Open Air am Gendarmenmarkt,” with effect from 1 January 2023. In the UK, its market position was further strengthened by acquiring the Scottish promoter Regular Music. DEAG also expanded its business activities in the Spoken Word & Literary Events segment by acquiring the English book subscription service LoveMyRead. The ticketing platforms myticket and Gigantic Tickets for its own and third-party content were complemented by the majority stake in the Irish company Oshi Software Limited, operator of the ticketing platform tickets.ie, one of the leading independent ticketing providers for third-party content in the live entertainment industry in Ireland. Synergy effects arise for DEAG, among other ways, through the distribution of tickets for events offered by Singular Artists. The concert and event promoter was founded in Ireland in the fall of 2020 by DEAG together with renowned partners and stages around 300 live events in Ireland and Northern Ireland every year. Its international activities are also to be expanded even further in the future. One focus will be on complementary acquisitions in the ticketing sector as well as expansion into new European markets.

### **Group Structure, Shareholdings, Locations and Employees**

DEAG reports in the Live Touring and Entertainment Services segments on the business development of DEAG Holding as the Group parent company with its more than 60 affiliated companies at currently 20 locations in Germany, the UK, Ireland, Switzerland and Denmark.

The Live Touring segment reports the touring business. This includes the activities of DEAG Classics (Berlin) with The Classical Company (Zurich, Switzerland), CSB Island Entertainment (Fanø, Denmark), lit.COLOGNE and litissimo (both based 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 Boehleke Elektroinstallationen (Berlin), I-Motion GmbH Event & Communication (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), the subgroup Gigantic Holdings including MyTicket Services (London, UK) and Oshi Software, the subgroup Kilimanjaro (London, UK) including the Flying Music Group and Singular Artists (Dublin/Ireland) as well as the subgroup JAS Theatricals (formerly Kilimanjaro Theatricals), UK Live, Regular Ltd. (Edinburgh, UK) and the subgroup Fane Productions including LoveMyRead.

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

There were changes in the scope of consolidation in the reporting year that mainly related to the domestic subsidiary Airbeat One GmbH, which was included in the Group for the first time (since 01 July 2022), and the foreign subsidiaries LoveMyRead Ltd. (since 01 May 2022), Oshi Software Ltd. (since 01 November 2022) and Regular Ltd. (since 31 December 2022).

An average of 436 employees (previous year: 297 employees) worked for the DEAG Group in Germany and abroad in the financial year. DEAG Deutsche Entertainment AG had an average of 34 employees during the year (previous year: 33 employees).

## 1.2 CONTROL SYSTEM AND PERFORMANCE INDICATORS

DEAG's financial management is organised centrally. In order to minimise risks and exploit Group-wide optimisation potential, the company bundles the main financial decisions within the Group. In the project business, the gross margin and the number of break-even tickets are used as the most important control parameters. In the overall management of the company, sales revenues and earnings before interest, taxes, depreciation and amortisation (EBITDA) are the most important key figures that are also used by market participants, investors and financing banks for valuation purposes. In the case of company acquisitions, the amortisation period of the purchase price is an important decision criterion in addition to the company-related ratios. The Group manages its capital with the objective of ensuring that all Group companies can operate under the going concern premise and, at the same time, maximise the returns to the company's stakeholders by optimising the ratio of equity to debt. The fulfilment of covenant criteria in connection with utilised financing is monitored on an ongoing basis.

## 2 ECONOMIC REPORT

### 2.1 MACROECONOMIC ENVIRONMENT AND SECTOR-SPECIFIC FRAMEWORK CONDITIONS

According to the calculations of the Federal Statistical Office (Destatis), the gross domestic product (GDP) in Germany rose by 1.8 % in 2022, after an increase of 2.6 % the previous year. The momentum of the German economy weakened significantly at the end of the year, however. After GDP had increased in each of the first three quarters, it fell by 0.4% in the fourth quarter compared to the previous quarter. According to Destatis, the overall economic situation in 2022 was impacted by the consequences of the war in Ukraine and extreme energy price increases. In addition, the German economy was held back by material and supply bottlenecks, sharply rising prices for food, for example, and a shortage of skilled workers. Price-adjusted private consumer spending rose by 4.6% compared to the previous year. The significant increase is due in particular to catch-up effects after virtually all corona protection measures were lifted in the spring of 2022. Government consumption expenditure increased moderately by 1.1%, after the two previous years were characterised by funding to combat the corona pandemic.

For 2023, the federal government expects to see a slight increase in economic output of 0.2 %. There are still major uncertainties that are slowing down economic development. These include the war in Ukraine, the weak global economic development and high energy prices. In its winter forecast, the European Commission predicts economic growth for Germany of 0.2% in 2023 and 1.3% in 2024. Growth of 0.9% in 2023 and 1.5% in 2024 is expected for the euro area. For last year, the Commission calculated an increase in economic output in the euro area of 3.5%.

In the UK, the Office for National Statistics has calculated a 4.0% increase in GDP for 2022 (2021: +7.6%). The International Monetary Fund expects a decline in economic output of 0.6% for the UK in 2023 and an increase in GDP of 0.9% in 2024. The reason cited for the decline in the current year is a tighter financial and monetary policy as well as still high energy prices that burden households.

In Switzerland, the State Secretariat for Economic Affairs (SECO) calculated economic growth of 2.1%, after 3.9% the previous year. The economic development was characterised by the recovery from the corona crisis. On the other hand, the tense energy situation in Europe and the gloomy international environment weighed on the development, according to SECO. The Raiffeisen economists expect GDP growth of 1.0% in 2023. High energy prices, rising costs of living and declining export momentum slowed down the economy in Switzerland.

In its current study “German Entertainment and Media Outlook 2022-2026,” the auditing firm PwC forecasts an average annual growth rate of 3.4% through 2026 for the German media market. According to this, the total market volume in Germany will amount to EUR 75 billion in 2026. Revenues from live music increased by 72.1% in 2021 compared to the previous year to EUR 835 million. For 2022, PwC expects another strong increase in growth of 85.5% to EUR 1.5 billion. Turnover in the live music sector is expected to reach EUR 1.8 billion in 2026 and increase by an average of 16.7% annually until then. Revenues from ticket sales are projected to grow by an average of 17.3% annually through 2026 and account for EUR 1.5 billion in 2026, up from EUR 1.2 billion in 2022. Sponsorship revenues should amount to EUR 352 million in 2026, according to PwC estimates.

According to the study “UK Entertainment and Media Outlook 2022-2026,” PwC expects the media market in the UK to grow at a rate of 4.0% per year through 2026. Revenues are then expected to reach GBP 97 billion, which would make the UK media market the largest in Europe.

## 2.2 BUSINESS DEVELOPMENT

Financial year 2022 was characterised by a further significant upturn in business activities and expansion of the business volume. Although the overall economic environment remained challenging with factors such as the Ukraine war and high inflation figures, DEAG managed to close 2022 as a record year from a position of strength. The very good development of the business was driven by catch-up effects following the relaunch of live entertainment, but primarily by strong organic growth. The company recorded demand for tickets at an extremely high level and was able to stage all concerts and events as planned. DEAG has also consistently implemented its growth strategy and set the course for its long-term growth. In addition, the companies acquired by DEAG in 2019 to 2021 contributed significantly to the good performance for the first time in 2022 due to the pandemic.

In the reporting period, DEAG successfully organised a series of concerts and events in all areas of the business. These included sold-out tours and concerts with Ed Sheeran in the Rock/Pop segment, many electro-music and open-air festivals and, in the Spoken Word & Literary Events segment, the international literature festival “lit.COLOGNE” and Germany’s largest philosophy festival “phil.COLOGNE.” In the Arts+Exhibitions sector, the Christmas Garden was expanded to 19 locations in Germany and other European countries in the 2022/2023 season. New locations have been added in Poland and Italy. In total, the sparkling winter landscapes of the Christmas Garden were visited by over 2 million people at all locations. DEAG’s own event formats that have strong margins now account for nearly half of its total turnover. The share of recurring revenues from DEAG’s own brands and events is to be expanded even further in the future. For the company, this goes hand in hand with greater visibility and predictability of revenues.

More than 3 million tickets were sold in total between June and August alone, a record summer for DEAG. DEAG sold more than 9 million tickets in 2022 as a whole. A massive increase of around 80% compared to the pre-corona level when DEAG sold around 5 million tickets annually. Ticketing is one of DEAG's growth drivers, is developing very dynamically and is being steadily expanded. A large share of the tickets are now processed via the Group's own ticketing platforms for DEAG's own and third-party content, myticket, Gigantic Tickets and, since October 2022, tickets.ie. The latter is controlled by DEAG's majority shareholding in the Irish company Oshi Software Limited, operator of tickets.ie. The ticketing platform is one of the leading independent ticketing providers in Ireland for third-party content in the live entertainment sector.

DEAG successfully continued its buy & build strategy in the past financial year. Its market position was further strengthened in the UK by the acquisition of the Scottish promoter Regular Music. In the Classics & Jazz segment, DEAG expanded its portfolio by acquiring the classical and crossover event format "Classic Open Air am Gendarmenmarkt." The Festivals segment was further expanded through the acquisitions of the electro-music festival "Airbeat One" and the Goa/Psytrance festival "Indian Spirit." In addition, the concert promoter A.C.T. Artist Agency was taken over completely and, in the Spoken Word segment, direct sales were strengthened by acquiring the book subscription service LoveMyRead. These acquisitions give DEAG access to top-class event formats and venues as well as state-of-the-art technologies. DEAG expects this to provide further growth impetus for the ticketing business and synergy effects, especially in the live entertainment sector and in acquiring artists.

Revenue increased by 258.2% in the reporting period to EUR 324.8 million after previously EUR 90.7 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by 39.6% from EUR 22.1 million to EUR 30.9 million. Consolidated net income after taxes was EUR 9.9 million at the end of 2022 (previous year: EUR 3.6 million). In addition to DEAG's strong market position and its consistently pursued strategic focus on its own strong branded and thus also high-margin event formats, which is increasingly paying off, the increases in the key financial figures are also due to the complete normalisation of business activities after the corona pandemic subsided. DEAG's business is less cyclical than that of many other industries. Even in difficult economic times, DEAG sells "the little slice of happiness." Despite macroeconomic factors such as the war in Ukraine and high inflation figures in 2022, DEAG continues to experience very high demand for tickets and succeeded in staging all events last year and in 2023 to date as planned. Negative influencing factors such as a lack of skilled workers and shortage of materials, which put additional pressure on the live entertainment industry, were mitigated by a strong team and network as well as economies of scale. DEAG considers itself to be very well positioned in the market for further growth and also expects further growth for the year as a whole in view of a strong start to the current financial year 2023.

## **2.3 FINANCIAL, ASSET AND EARNINGS POSITION**

### **2.3.1 Earnings position of the Group**

In the past financial year, the DEAG Group generated revenue of EUR 324.8 million (previous year: EUR 90.7 million). The reasons for the 258.2% increase in turnover are, on the one hand, catch-up effects following the new start in the live entertainment industry, and on the other hand, even more importantly, the organic expansion of event formats and the M&A projects successfully completed and integrated over the past two years. Whereas in the reporting year, only EUR 2.9 million of the revenue was accounted for by insurance refunds for claims resulting from concert cancellations and postponements due to official event bans, this figure was still EUR 23.7 million in 2021.

Gross profit amounted to EUR 61.2 million after EUR 16.2 million the previous year. The cost of sales were event-related individual costs. The gross profit margin was 18.8%.

In connection with the recovery of business activities and the related expansion of the business, selling expenses consequently rose from EUR 9.7 million to EUR 24.1 million. Administrative expenses amounted to EUR 30.4 million after EUR 18.8 million the previous year, mainly due to higher personnel expenses. Of this amount, EUR 1.4 million (previous year: EUR 0.6 million) is attributable to an incentive programme for managers.

Other operating income declined significantly from EUR 26.2 million in the previous year to EUR 17.9 million. This is mainly due to the grants and support received from “corona” aid programmes in all of DEAG’s core markets (EUR 9.6 million; previous year: EUR 24.5 million), changes in the fair value of contingent purchase price liabilities and options from acquisitions recognised in profit or loss (EUR 4.5 million), as well as miscellaneous other operating income. The corona-related grants included EUR 7.5 million (previous year: EUR 5.1 million) in payments from public funds for the promotion of events and projects, which essentially compensated for lower income and/or increased event and production costs without any further effect on earnings.

Other operating expenses of EUR 4.6 million (previous year: EUR 1.2 million) include fair value adjustments and non-capitalizable transaction costs (EUR 0.5 million) incurred in connection with the company’s transactions in the reporting year.

Taking the offsetting of event and project-related funding in the respective projects and netting of income and expenses from fair value changes into account, other operating income would amount to EUR 8.8 million and other operating expenses to EUR 3.0 million. Please refer to Note 6, 36 and 37.

EBITDA amounted to EUR 30.9 million in the reporting year (previous year: 22.1 million euros). This means that EBITDA more than doubled by EUR 16.8 million compared to the pre-pandemic year 2019 (EUR 14.1 million).

Depreciation and amortisation of EUR 11.0 million (previous year: EUR 8.9 million) solely includes scheduled depreciation and amortisation of property, plant and equipment and intangible assets of EUR 2.9 million (previous year: EUR 2.1 million) and depreciation and amortisation of leasing rights of use of EUR 5.3 million (previous year: EUR 4.6 million) and depreciation and amortisation of assets recognised in connection with purchase price allocations of EUR 2.8 million (previous year: EUR 2.2 million).

EBIT amounted to EUR 19.9 million in the reporting period (previous year: EUR 12.7 million).

The financial result in the past financial year was practically unchanged at EUR-6.0 million (previous year: EUR-6.1 million). It mainly relates to the interest result and interest expenses in connection with lease accounting.

Taxes on income and earnings amounted to EUR-4.1 million (previous year: EUR-3.5 million).

Consolidated net income before non-controlling interests from continuing operations amounted to EUR 9.9 million (previous year: EUR 3.6 million), which equates to earnings of EUR 0.24 per share (previous year: EUR 0.11 per share).

### 2.3.2 Development of the segments

DEAG reports in an unchanged segment structure. This provides an accurate and clear picture of the Group's activities.

#### Revenues

in EUR million

	2022	2021	Change to the previous year
Live Touring	221.4	66.2	155.3
Entertainment Services	121.5	29.9	91.7

#### EBITDA

in EUR million

	2022	2021	Change to the previous year
Live Touring	28.1	14.7	13.1
Entertainment Services	11.5	15.7	-4.0

The operating development in both segments was characterised by very clear dynamics. This was due to catch-up effects as well as organic and inorganic expansion of the business. While the Live Touring segment managed to achieve significant increases, the development of earnings in the Entertainment Services segment was somewhat more restrained. The reasons for this were, among other factors, the corona restrictions that were still in force into the second quarter, particularly in Germany, which severely restricted or even made it impossible to carry out business operations.

While COVID-19-related insurance reimbursements were only of minor significance in the reporting year, insurance refunds were accounted for EUR 14.1 million of the revenue in the Live Touring segment and EUR 9.6 million in the Entertainment Services segment in previous year.

### 2.3.3 Asset position of the Group

As of the reporting date, total assets had decreased by EUR 42.4 million compared to the previous year to EUR 266.4 million (31 December 2021: EUR 308.8 million), thus reflecting that the asset position remained largely unaffected by special factors related to the COVID-19 pandemic.

Current assets amounted to EUR 126.1 million after EUR 178.0 million the previous year. Besides advance payments (EUR -6.0 million), this change relates in particular to reduced cash and cash equivalents. The increase in trade receivables resulted from the significant revival in operating activities in the final quarter of the reporting year. The development of cash and cash equivalents was also positive. Although the position has dropped by EUR 44.0 million compared to 2021, it has increased significantly by EUR 28.4

million compared to 2019, the last year before the pandemic. The carrying amounts of the contract liabilities developed analogously. While these declined by EUR -63.7 million compared to 2021, the figure increased by EUR 12.6 million to EUR 62.6 million compared to the pre-pandemic year 2019. This item relates to advance payments received from end customers for tickets to future events as of the balance sheet date. The comparatively high previous year's figure is the result of cumulative effects due to postponements and rescheduling and the absence of revenue recognition as a result of the officially ordered event bans, which had an effect into the current financial year.

Non-current assets increased by EUR 9.6 million to EUR 140.4 million compared to 31 December 2021 (31 December 2021: EUR 130.8 million). This is mainly due to additions of assets as a result of the majority shareholdings acquired in the reporting year. Scheduled depreciation and amortisation of both intangible assets and property, plant and equipment had the opposite effect.

Similarly, the structure of liabilities changed compared to 31 December 2021. Much like trade receivables, the corresponding liabilities and provisions (both current) increased as a result of the pleasantly high number of events in the final quarter. Given the unchanged dynamic M&A activities, the changes in liabilities to banks were moderate overall; only the maturity profile showed a shift. While the current portion increased by EUR 16.9 million, the non-current portion decreased. The latter mainly relates to "KfW financing" and loans to allow for acquisitions. Another change compared to the previous year resulted from the reclassification of the carrying amount for the corporate bond 2018/23 to the current portion of liabilities. As a result, non-current liabilities decreased significantly to EUR 47.5 million (31 December 2021: EUR 80.6 million).

Net debt, defined as the sum of gross financial liabilities (to banks and the bond) less cash and cash equivalents, amounted to EUR -16.5 million as of 31 December 2022, compared to EUR -70.8 million as of 31 December 2021. As of 31 December 2019, net debt had still amounted to EUR -8.4 million; to this extent, debt has been reduced by EUR 8.1 million.

As in the previous year, equity was again significantly strengthened by EUR 8.7 million to EUR 38.5 million (31 December 2021: EUR 29.8 million). This development is due to the significantly improved result compared to the previous year. This equates to an equity ratio of 14.4% after 9.6% the previous year.

### 2.3.4 Financial Position of the Group

in EUR million

	2022	2021
Cash outflow/inflow from operating activities (total)	-31.7	94.4
Cash outflow from investing activities (total)	-12.8	-11.7
Cash outflow from financing activities (total)	-0.1	-9.2
<b>Change in cash and cash equivalents</b>	<b>-44.6</b>	<b>73.5</b>
Exchange rate effects	0.7	1.2
<b>Cash and cash equivalents on 01/01</b>	<b>118.7</b>	<b>46.0</b>
<b>Cash and cash equivalents on 31/12</b>	<b>74.8</b>	<b>118.7</b>

Cash flow from operating activities amounted to EUR-31.7 million after EUR 94.4 million the previous year. Based on a positive result after taxes of EUR 9.9 million (previous year: EUR 3.6 million), the outflow of funds in the reporting year resulted mainly from the lower prepayment balance of EUR 46.2 million (previous year: EUR 105.6 million). This decline was due in particular to lower contractual liabilities as a result of the significant revival of the operating business after no relevant operating liquidity outflows were recorded in 2020 and 2021. The prepayment balance has increased by EUR 8.7 million compared to 31 December 2019. The increase is evidenced by the comparatively high number of firmly sold tickets for future shows as of 31 December 2022. This is due to the growth-related expansion of the business and strong advance sales for 2023 in the fourth quarter.

The cash outflow from investing activities (total) of EUR-12.8 million (previous year: EUR-11.7 million) resulted from purchase price payments (EUR 2.8 million) for acquired majority interests and from payments for investments in intangible assets, property, plant and equipment and shareholdings (EUR 10.4 million).

The cash outflow from financing activities (total) of EUR -0.1 million (previous year: EUR-9.2 million) relates to the positive balance of borrowings and scheduled repayments of financial debt (EUR 9.6 million), and, conversely, to payments for interest (EUR 4.4 million) and payments to lessors (EUR 4.5 million).

Overall – including exchange rate effects – cash and cash equivalents returned to normal by EUR 44.6 million to EUR 74.8 million in the reporting period.

As of the balance sheet date, DEAG had, in addition to the bond of EUR 25.0 million, a total of EUR 44.4 million in financing lines at its disposal, of which EUR 10.7 million were not utilised. Including the demand deposits at the parent company and the subsidiaries, the liquid funds at the disposal of the Group amounted to approximately EUR 85.5 million that are available for financing purposes.

### **2.3.5 Financial, asset and earnings position of DEAG (Holding)**

The further comments on DEAG Holding pertain to the Annual Financial Statements prepared in accordance with the provisions of commercial law.

#### **Earnings position**

DEAG realised net income of EUR-7.1 million in the past financial year (previous year: EUR-0.5 million). This result does not yet take any significant dividends from the subsidiaries and associates for financial years 2021 and 2022 into account, either because profit distribution was not permitted due to subsidy programmes or because profits were left at the level of the associates in order to finance the start-up of the business in 2023. Furthermore, increased distribution and administrative costs came into play.

DEAG's income mainly stems from service income, commissions and licence fees and amounted to EUR 1.2 million in the financial year (previous year: EUR 0.6 million). Other operating income mainly included subsidies granted to the company from "corona" aid programmes and amounted to EUR 1.9 million as of the reporting date, compared to EUR 4.2 million in the previous year.

Expenses were mainly incurred for material and personnel costs. This was due to higher expenses compared to the previous year as a result of a value adjustment on a claim for damages (EUR 1.5 million) and in connection with an incentive programme for managers (EUR 1.3 million). The interest result decreased by EUR 0.7 million to EUR -1.4 million (previous year: EUR -2.1 million). Income from investments amounted to EUR 3.7 million after EUR 6.9 million the previous year. The main reason for the change is a reduction in profit transfers from subsidiaries.

## Financial and asset position

Total assets decreased to EUR 87.6 million (31 December 2021: EUR 89.4 million).

Financial assets increased slightly to EUR 19.3 million (31 December 2021: EUR 19.2 million) and mainly include shares in affiliates.

Receivables from affiliated companies amounted to EUR 66.2 million (31 December 2021: EUR 63.8 million). The change is mainly due to receivables from profit and loss transfer agreements.

Cash and cash equivalents amounted to EUR 0.2 million on 31 December 2022 (31 December 2021: EUR 0.6 million). DEAG has financing lines of EUR 36.0 million in total at its disposal, of which EUR 11.9 million had not been utilised as of 31 December 2022. Hence, DEAG has free liquidity amounting to EUR 12.1 million.

DEAG's equity capital amounted to EUR 17.8 million (31 December 2021: EUR 24.8 million). This change relates to the annual result for the financial year, which does not yet include any significant investment income for 2022 and the previous financial year. The equity ratio decreased by 7.5 percentage points to 20.3% (31 December 2021: 27.8%).

Provisions, which include in particular personnel-related provisions and risk provisions for possible repayment obligations, increased from EUR 3.3 million to EUR 8.1 million.

Liabilities consist mainly of the bond, which remained unchanged at EUR 25.0 million, and liabilities to banks, which totalled EUR 24.1 million (31 December 2021: EUR 19.0 million), as well as liabilities to affiliates, which totalled EUR 10.5 million (31 December 2021: EUR 16.1 million).

## 2.4 OVERALL STATEMENT ON THE ECONOMIC SITUATION OF THE COMPANY

For financial year 2022, the Executive Board planned significant increases in revenues and EBITDA for the Group compared to 2021. The prerequisite for this was a levelling off of the infection situation in DEAG's core markets. DEAG expected an increasing recovery of business activity in Germany from the second quarter of 2022 on and in the UK, the company's most important secondary market, from the first quarter of 2022 due to the advanced vaccination situation.

Financial year 2022 was characterised by a further significant upturn in business activities and expansion of the business volume. Although the overall economic environment remained challenging with factors such as the war in Ukraine and high inflation figures, DEAG was able to close 2022 as a record year from a position of strength and exceed its own plans. The very good business development was driven by catch-up effects following the relaunch of live entertainment, but primarily by strong organic growth. The company recorded demand for tickets at an extremely high level and was able to hold all concerts and events as planned. DEAG has also consistently implemented its growth strategy and set the course for its long-term growth.

In financial year 2022, consolidated revenues amounted to EUR 324.8 million (previous year: EUR 90.7 million). EBITDA for financial year 2022 amounted to EUR 30.9 million (previous year: EUR 22.1 million).

DEAG considers itself to be well positioned for the long term. The company has an intact business model, solid financial resources and a well-filled event pipeline. As of the end of December 2022, the available liquidity in the Group totalled around EUR 85.5 million.

In summary, the Executive Board considers the economic situation of the company to be very good and the business model to be fundamentally intact and also profitable in the future.

### 3 RISK REPORT

Risks are an inherent part of entrepreneurial activity and thus DEAG and the DEAG Group are exposed to general market and business risks as well as specific industry risks.

DEAG has therefore set up a Group-wide monitoring system that is designed to identify any developments that could jeopardise the continued existence of the company and the Group at an early stage. The monitoring of business activities for the early detection of risks threatening the existence of the company is currently carried out to a large extent by the Executive Board and the Corporate Controlling department at headquarters. The monitoring and control system focuses on liquidity planning, project calculations and monitoring of the pre-sales figures of all operating Group companies as well as the ongoing forecast of the earnings situation of the individual companies and the Group. The Group is managed on the basis of financial performance indicators such as revenues, EBITDA and EBIT, as well as non-financial performance indicators (ticket sales). The risks identified are reviewed regularly during the year with those responsible for the business units, with the goal of preventing existing risks from occurring or minimising their impact on DEAG and the DEAG Group. As part of this process, opportunities and risks are identified, quantified jointly by the Executive Board and the managing bodies of the subsidiaries, and control measures are defined, which are checked regularly and adjusted where necessary.

#### 3.1.1 Market/Competition

***The DEAG Group is exposed to the risk of general changes in the leisure and consumer behaviour of concertgoers***

The business success of the DEAG Group depends to a large extent on the number of visitors to the concerts and other events in which the DEAG Group is involved with its respective services. The company's offerings are not only in competition with those of direct competitors, but also with those of providers of other leisure activities, in particular sporting events and film screenings. It could be that the interest of the respective population in attending concert events declines because priorities in leisure activities change in general, for example, or the general income development or a negative overall economic development has a negative effect on people's willingness to consume with regard to leisure events. This applies in particular in connection with the cost increases in energy prices caused by the war in Ukraine and the reduced gas volumes, as well as the prevailing increased inflation, which can have a negative impact on the purchasing power of DEAG Group customers. In addition, the pandemic-related temporary oversupply due to postponements or postponements of events could also have a negative impact. Changes in consumer behaviour can thus lead to a reduction in ticket sales and, depending on the number of events affected and the services provided by the DEAG Group for staging these events, have a material adverse effect on the DEAG Group's asset, financial and earnings position.

***The DEAG Group is exposed to the risk of the economic impact of the ongoing COVID-19 pandemic, in particular in the form of cancellation of an event due to illness by participating artists***

The further course of the COVID-19 pandemic cannot be conclusively assessed at present. The cancellation of an event due to illness on the part of participating artists currently seems possible. This cancellation event cannot be regulated by taking out the respective cancellation insurance at the moment. If, in such

a case, an affected DEAG Group company is not covered, or not sufficiently covered, by the financial reserves formed within the DEAG Group or the COVID-19 funding applied for in individual national markets or default insurance provided by the government, the obligations arising from the respective loss event could have a significant negative impact on the DEAG Group's asset, financial and earnings position.

***The DEAG Group is exposed to the risk of seasonal and weather-related changes in the leisure and consumer behaviour of concertgoers***

Experience shows that the number of visitors to the DEAG Group's offerings is subject to seasonal and weather-dependent fluctuations for both open-air and indoor events. Such fluctuations can lead to a reduction in ticket sales and, depending on the number of events affected and the services provided by the DEAG Group for staging these events, have a material adverse effect on the asset, financial and earnings position of the DEAG Group.

***Risk of rising fee demands from artists and inability to finance already promised artist fees***

Due in part to declining revenues from the sale of sound recordings, artists' fee demands have risen steadily in the international Rock/Pop sector, but also in other music genres. As a result, the margins achieved by the DEAG Group and its competitors on concert tours have fallen in some cases. If artists continue to demand higher fees while ticket prices remain unchanged, this could mean that concert tours can no longer be organised by the DEAG Group to the same extent as before. There is also the risk that fees already promised to artists cannot be financed by future revenues. Each of the aforementioned circumstances can have a significant negative impact on the DEAG Group's asset, financial and earnings position.

***The DEAG Group is dependent on the operational managers and promoters***

At present, DEAG's business success is particularly dependent on the operationally active executives, promoters and a group of a few Managing Directors of DEAG subsidiaries and their personal links to artists or their management. Should one or more of these executives or promoters no longer be available to the DEAG Group in the future, this could have a material adverse effect on the DEAG Group's asset, financial and earnings position.

***Any future acquisitions by the DEAG Group could lead to the occurrence of entrepreneurial risks or be unsuccessful***

The company also plans to acquire further investments in the future in order to implement its growth strategy. However, there is no guarantee that the DEAG Group will be able to identify the right companies or to acquire or invest in them on the respective terms sought. Furthermore, risks could materialise in the companies acquired and their business activities that the DEAG Group has not identified as existing or to what extent; even the risks identified could materialise to a greater extent than expected. For example, the assumptions made by the DEAG Group with regard to the financial, legal, tax or other circumstances of an acquired company could prove to be too optimistic and thus lead to additional and unexpected burdens for the DEAG Group. Furthermore, the integration of any companies acquired is associated with considerable uncertainties and risks and requires, among other abilities, the capacity to integrate newly acquired companies into the current Group and to retain or promptly replace a sufficient

number of qualified managers and other key employees. Furthermore, in order for an acquisition to be successful, it usually needs to be possible to retain and further develop existing business relationships. In addition, the DEAG Group may not be able to realise initially planned savings and synergies as part of company acquisitions or to achieve the planned results as part of the acquired company's ongoing business operations. Any of the aforementioned circumstances in connection with an acquisition could have a material adverse effect on the business activities and the asset, financial and earnings position of the DEAG Group. In individual cases, competition authorities could also prohibit the acquisition of target companies or impose conditions on them so that an acquisition fails or can only be implemented with restrictions.

***The DEAG Group is exposed to high competitive pressure and financially stronger competitors could reduce the market shares of the DEAG Group***

The DEAG Group operates in a market characterised by intense competition. In particular, some of the DEAG Group's current or potential competitors have greater financial and other resources and could therefore be more successful in maintaining or establishing business relationships that are significant for success in the market. This could have a negative impact on the DEAG Group's asset, financial and earnings position.

***Risk of non-granting of official approvals***

The DEAG Group is dependent on the necessary official permits being granted for the successful implementation of concert tours and other performances and events. If the necessary official permits are not granted or are granted later than expected, or if they are tightened or revoked, e.g. as is currently being discussed politically as a measure to save energy, this could have a negative impact on the business activities and the asset, financial and earnings position of the DEAG Group.

***Risk of dependence on business partners and artists***

The success of the DEAG Group in both business segments – Live Touring and Entertainment Services – also depends on being able to establish business relationships with such artists, producers and other parties in the live music and entertainment industry whose performances and productions are in line with current audience tastes and are capable of attracting high numbers of visitor. If business relationships that are important for the DEAG Group can no longer be maintained or new business relationships cannot be established in the future, this would have a negative impact on the business activities and the asset, financial and earnings position of the DEAG Group.

***Dependence on IT systems and cybercrime pose risks***

The DEAG Group, in particular its ticketing platforms, and the partners it works with use IT systems to a considerable extent as part of their business operations. Impairments to these IT systems could lead to operational disruptions and interruptions. Such impairments could be for technical reasons, but also due to the intentional actions of third parties, in particular cyber criminals. A loss of the data stock or the prolonged failure of the IT systems used, especially in the area of ticketing, could lead to significant disruptions in business operations. Finally, a loss of data due to theft, fire damage or similar damage cannot be completely ruled out. This could have a negative impact on the DEAG Group's asset, financial and earnings position.

### **3.1.2 Valuation of goodwill and other intangible assets as well as financial assets**

Due to the uncertainties described in the DEAG Group's operating business, if the actual results of the subsidiaries deviate from expectations, further write-downs on goodwill or financial assets and on the other intangible assets of the Group recognised as part of the purchase price allocation cannot be ruled out in the future. This applies both to the existing goodwill and to any new goodwill arising from further company acquisitions. Impairment tests are carried out for the goodwill of each of the Group's cash-generating units.

In the Group, part of the difference between the purchase price and the equity of the acquired shares is allocated to brands, artist and agent relationships and other rights. This part is depreciated according to schedule.

### **3.1.3 Investment property**

The Group continues to report in the balance sheet under the item "Investment property" partial properties for sale or development near the myticket Jahrhunderthalle in Frankfurt/Main (Note 17 of the Notes to the Consolidated Financial Statements).

In 2015, DEAG established a 50:50 joint venture with a Frankfurt/Main-based real estate investor in connection with the Jahrhunderthalle transaction and sold the land earmarked for development to this investor subject to a condition precedent.

With the granting of a building permit, the transfer of ownership is to be completed and the entire site or parts thereof are to be fully developed and marketed by the joint venture under the leadership of the real estate investor. In the event of a positive and successful development of the land, an additional profit will be generated that exceeds the book value (EUR 5.6 million). Up to now, concerns with regard to the neighbourhood of the Hoechst Industrial Park and the resulting legal questions concerning the applicability of the so-called Seveso III Directive, according to which minimum distances between construction projects and certain operational areas must be observed, have blocked concrete planning procedures. DEAG nevertheless considers the creation of building rights to be realistic in the medium term and sees this as reinforced by the developments in 2018. For example, the City of Frankfurt and the industrial park operators had reached an agreement according to which the operators of the industrial park will not take legal action against (residential) construction projects outside a radius of 500 m (measured from the site boundary) in the future. In return, the City of Frankfurt/Main undertook not to plan and approve any uses requiring special protection, such as residential buildings, schools and homes for the elderly, which are located within the 500 m radius. The legal certainty created by this agreement now allows the construction of up to 3,000 flats near the industrial park, especially in Parkstadt Unterliederbach adjacent to the myticket Jahrhunderthalle, and an associated infrastructure development, e.g. with retail.

Should the development not be approved as planned or the estimated prices per square metre be significantly reduced for other reasons, there is a risk of a material impairment, which would have a negative impact on the company's asset and earnings position.

### 3.1.4 Financial commitments

The financing of the operating business depends on the ability of the companies in the DEAG Group to generate sufficient cash flow in a volatile business or to tap external sources of financing (debt or equity).

In Germany, DEAG has therefore agreed extensive credit lines with its principal banks for the purpose of financing acquisitions (EUR 4.0 million), pre-financing tour and concert events (EUR 6.0 million) and ongoing business (EUR 22.0 million). Herein included and outside Germany, DEAG has access to state-guaranteed financing of GBP 4.1 million and CHF 1.5 million from its respective principal banks.

The current interest rate of the respective drawings and utilisations is based on the general development of the EURIBOR.

The respective financing conditions reflect the market level as well as DEAG's rating. The framework lines could be terminated on the basis of the general terms and conditions of business if the asset, financial and earnings position and results of operations of the DEAG Group have deteriorated in the long term compared with the time at which they were granted and compensatory measures (such as the provision or strengthening of bank collateral to secure the respective claims) are not successful.

Furthermore, DEAG issued a corporate bond in the amount of EUR 20 million in October 2018. This corporate bond was increased by an additional EUR 5.0 million in 2019. The bonds from the corporate bond 2018/2023 are admitted to trading on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The bonds bear interest of 6.5% p.a. from 1 November 2022. Interest is payable annually in arrears in October of each year. Unless already fully or partially redeemed or purchased and cancelled, DEAG is obliged to redeem the bonds at par on 31 October 2023.

In December 2020, DEAG received approval from the state development bank KfW for a loan from the KfW Special Programme 2020 of EUR 25 million in two tranches to finance working capital. The first tranche of EUR 15 million has been drawn down in full. The loan was extended via the house banks. DEAG was able to forego drawing on the second tranche of up to EUR 10 million in December 2021 due to the Group's good liquidity situation. The loan has an interest rate of 2% p.a. The term of the loan is six years. After the grace period of the first year, repayments are to be made on a quarterly basis, started in March 2022. The terms of the loan contain otherwise customary conditions.

In March 2023, DEAG expanded its cooperation with one of its principal banks and extended its current lines from EUR 9.0 million to EUR 20.0 million at previous conditions. Of the adjusted line, EUR 15.0 million relate to acquisition financing and EUR 5.0 million to general operating business.

The current financial and non-financial covenants of the financing are monitored on an ongoing basis. Non-compliance with financial covenants could make the underlying financing slightly more expensive and/or restrict the committed framework of financing.

DEAG is dependent on successful ticket sales and thus a positive business performance to finance its operating business, including organic and external growth. In individual cases, the company has entered into obligations (especially for fee payments) and must make advance payments on the liquidity side, as there are temporary differences between the outgoing payments and incoming payments from ticket sales. In these cases, the relevant advance costs would have to be covered from other sources – from other uncommitted financial resources or by drawing on framework lines with the house banks, for example.

On the basis of revenue and earnings forecasts and the liquidity derived from them, the Executive Board assesses this and the financial position of the company and the Group as orderly, also with regard to financing requirements for internal and external growth.

If the course of business were to deteriorate permanently and sustainably compared to planning, and thus the profitability of the DEAG Group, a liquidity shortfall could occur if the planned financial inflows and framework lines were not available to a sufficient extent. DEAG would then be dependent on tapping additional sources of finance (debt or equity).

At the time of the Annual 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 influencing factors that are not yet known or are not currently classified as material could affect the development of the company or the Group.

### **3.1.5 Financial instruments**

The DEAG Group is subject to interest rate, currency, credit and liquidity risks with regard to its assets, its liabilities and its operating business.

Parts of the interest payments on the loans taken out by the Group are made directly on a EURIBOR basis. The cost of capital is therefore partially subject to interest rate risk. Without relativizing the risk, it should be noted that large parts of the capital side are non-interest-bearing, as the DEAG Group has pre-sale funds available for financing specific to the business model. Due to the recent development of interest rates, there are no expenses in the form of negative interest and custody fees. Instead, interest on credit balances has a positive effect. Therefore, no interest rate hedges were arranged in the reporting period.

Fee payments for artists, orchestras, show productions, etc. are partly made on a USD basis and are thus subject to currency risk against the euro, CHF or GBP. The same applies to dividend payments of foreign subsidiaries, which are made in CHF and GBP. The company regularly performs analyses to anticipate the effects of currency fluctuations and to assess whether hedging transactions are advantageous. In the reporting period and for the following financial year, currency hedging transactions (USD and GBP) were carried out for intercompany loans.

With regard to receivables from business partners, DEAG and the DEAG Group are dependent on the continued existence and creditworthiness of these partners and thus their solvency. Active receivables management is carried out to minimise risk. In addition, payments on account are agreed. In the reporting period, precautions were taken through the individual value adjustment of certain receivables.

Possible liquidity risks are recorded through short and medium-term planning. The task of financial management is to ensure the timely servicing of all liabilities. In addition, compliance with financial and non-financial covenants vis-à-vis banks and bondholders is monitored on an ongoing basis. The company has both long-term and short-term credit relationships.

The portfolio of primary financial instruments is shown in the Consolidated Statement of Financial Position; the amount of the financial assets corresponds to the maximum default risk. Insofar as default risks are identifiable for the financial assets, these risks are recorded through value adjustments.

### **3.1.6 Tax risks**

A tax risk management system has been implemented for DEAG and its major subsidiaries that includes measures for recording, assessing and minimising the effects of potential tax risks. Experts are consulted on special topics. Their expert opinions are reviewed at headquarters and the results are then taken into account accordingly.

For sufficiently concrete, assessable tax risks whose probability of occurrence is predominantly probable, current tax assets were reduced or corresponding provisions were recognised as liabilities.

In addition, further payment obligations could arise as a result of ongoing and future tax audits, the amount of which cannot be reliably estimated at present.

### **3.1.7 Litigation and lawsuits**

DEAG currently carries out both asset and liability litigation. Insofar as risks are identifiable, these risks are generally recognised in the Consolidated and Annual Financial Statements by means of value adjustments to assets on the one hand and provisions on the other. In the reporting year, provisions were only made for litigation costs where necessary. There are no individual risks from litigation on the liabilities side that require provisions. For the amount of the resulting contingent liabilities, we refer to our comments in Note 49 of the Notes to the Consolidated Financial Statements.

### **3.1.8 Corona-related funding**

In the previous year and in the reporting period, DEAG and its subsidiaries applied for and were partially granted conditional and unconditional funding from “corona” aid programmes. In the case of unconditional funding and if the respective funding period covered the reporting year, these claims were capitalised, taking any reductions by the relevant funding providers into account. In the case of conditional funding, these funds can only be realised once the funding requirements have been met in full.

There are risks that the subsidies granted will not be recognised to the extent applied for.

### **3.1.9 Holding structure**

The company itself conducts nearly no operating business, but acts as a holding company for the DEAG Group. The company’s assets currently consist largely of the shares in and receivables from its operating subsidiaries. The company is partly linked to these through control and profit transfer agreements. The company itself is therefore dependent on the operating companies of the DEAG Group generating and transferring profits to it in order to generate income. Conversely, the company is obliged vis-à-vis its affiliated companies, which are linked to it by control and profit transfer agreements, to offset any losses incurred by them. This could have a material adverse effect on the company’s asset, financial and earnings position.

In order to avoid or minimise these risks, the company operates a risk management system at Group level, which includes all subsidiaries. This risk management system records and evaluates opportunities and risks at the Group level, defines and monitors control measures and ensures a uniform Group accounting process.

## 4 OPPORTUNITY REPORT

DEAG has an intact and resilient business model and a diverse portfolio with thousands of live events “on site” and digital offerings every year. Following a very successful financial year 2022, DEAG believes it is excellently positioned for further growth in the long-term considering the good organic and inorganic growth opportunities. DEAG’s business is less cyclical than that of many other industries. Even in economically difficult times, DEAG sells “the little portion of joy.” For example, despite macroeconomic factors such as the war in Ukraine and high inflation figures, the company continued to see very high demand for tickets in 2022 and was able to stage all events last year and in 2023 so far as planned.

**Financial stability:** DEAG has a heterogeneous financing structure with a mix of short-term and long-term financing. This includes the corporate bond 2018/2023, loans from the German state development bank KfW and bank loans. DEAG’s very strong financial resources with cash and cash equivalents, including bank credit lines, amounted to around EUR 85.5 million as of 31 December 2022. The equity ratio improved significantly compared to the previous year from 9.6% on 31 December 2021 to 14.4% on 31 December 2022, demonstrating the stable development of the Group. Now that the COVID restrictions have been lifted in all of DEAG’s national markets, business activities have fully returned to normal. Accordingly, the coming months are characterised by high visibility and a very good revenue base.

**European growth markets:** DEAG is currently present in 20 locations with its subsidiaries. In addition to Germany and the UK, the company’s core markets include Switzerland, Ireland and Denmark. DEAG is constantly driving the internationalisation of its business and is active worldwide with its own event formats or through subsidiaries in other national markets. For example, DEAG has Christmas Garden locations in Spain, France, Italy and Poland. Through its subsidiary CSB Island Entertainment ApS, a Danish promoter and producer, DEAG is active in Scandinavia and through Fane Productions also in Australia and the USA. This gives DEAG a heterogeneous and broad range of events across Europe with considerable revenue and synergy potential. In addition, this results in high growth opportunities for the ticketing business. DEAG also plans to expand its international business activities in the future. One focus is on expansion into other European countries. With various shows such as “Disney on Ice” and formats such as the Christmas Garden, DEAG can benefit from internationalisation through licensing models as well as increasing ticket sales – especially in sales via its own ticketing platforms.

**External growth opportunities:** DEAG has extensive expertise and a strong international network in the field of M&A. The company is consistently pursuing its buy & build strategy with synergy potential and additional growth opportunities in all areas of the business and successfully continued its international expansion course in 2022. Among other things, business activities in the festivals sector were significantly expanded and the ticketing sector was further strengthened. In addition, DEAG has taken over promoters and events in the areas of Rock/Pop, EDM (Electronic Dance Music), Classics & Jazz and the Spoken Word & Literary Events, thus further expanding its market position.

For DEAG, the acquisitions will result in synergy effects in the live entertainment sector, for the ticketing business as well as with regard to opportunities for cost reduction and in artist acquisition. Through the acquisitions, DEAG gains access to high-quality event formats and venues as well as state-of-the-art technologies. A start has already been made on successfully implementing the targeted added values between the existing and the newly acquired Group companies. Due to synergy effects, the acquired companies will in all likelihood increase the Group's revenue and EBITDA.

DEAG intends to continue to play an active role in the market consolidation of the fragmented live entertainment and ticketing market in Europe. One focus will be on complementary ticketing acquisitions as well as expansion into new European markets.

**Ticketing:** As a tour promoter and local promoter in the live entertainment sector, DEAG sold a total of more than 9 million tickets in 2022, up from around 5 million tickets per year before the corona pandemic. In the medium term, DEAG aims to increase the number of tickets sold for its own events from the current level of around 3 million to 8 million via the Group's own ticketing platforms for its own and third-party content. DEAG's ticketing platforms are constantly being expanded and new features added, most recently in October 2022 through a majority stake in Oshi Software Limited, the operator of tickets.ie, one of the leading independent ticketing platforms in Ireland. DEAG handles a steadily growing share of ticket sales for events via its ticketing platforms myticket.de, myticket.at, myticket.co.uk, Gigantic Tickets and tickets.ie. This includes an increasing share of own, high-margin event formats without dependence on individual artists, where DEAG acts as producer. Recurring revenues from DEAG's own event formats and brands now account for more than half of total sales. The further expansion of recurring revenues goes hand in hand with greater visibility and predictability of revenues for DEAG. DEAG's ticketing platforms receive content from the Rock/Pop, Classics & Jazz, Family Entertainment and Arts+Exhibitions business areas as well as the Spoken Word & Literary Events and generate significantly higher profit margins than the Live Entertainment business area.

**Rock/Pop:** DEAG continues to see high growth opportunities in the Rock/Pop segment, which contributes more than half of the revenue in the financial year in financial years not marked by the COVID-19 pandemic. Here DEAG has a broad portfolio of events in all its national markets and stages several thousand concerts a year, ranging from club concerts to major stadium tours. The Rock/Pop business area is characterised by high advance sales for concerts, a significant share of which are handled via DEAG's ticketing platforms. In 2022, DEAG staged sold-out stadium tours with Ed Sheeran, concerts with Simply Red, KISS, Iron Maiden, Die Toten Hosen, Die Ärzte, Tom Jones as well as the Stereophonics, among others. In addition, the Rock/Pop segment also includes festivals such as the electro-music festivals "NATURE ONE," "MAYDAY" and "Ruhr-in-Love," which had more than 100,000 visitors in 2022, the "Belladrum Festival" in Beaulieu, Scotland, or the festival "Sion sous les étoiles" in Sion, French-speaking Switzerland. A large part of the business activities in the Rock/Pop sector is conducted through DEAG's established promoters and subsidiaries, Wizard Promotions Konzertagentur and Kilimanjaro. Rock/Pop will continue to be an important part of DEAG and will contribute significantly to its growth. The company currently has a diverse event portfolio with a total of more than 30 one-day and multi-day festivals in its national markets of Germany, the UK, Switzerland and Ireland with around 580,000 visitors.

**Spoken Word & Literary Events:** The Spoken Word & Literary Events business area includes author readings, theatre performances and poetry slams. In 2022, business activities in this area were further expanded by acquiring LoveMyRead. As early as 2021, DEAG positioned itself even more broadly in the Spoken Word sector through the acquisitions of lit.COLOGNE GmbH and Fane Productions Ltd. and created a leading position for itself in the market. The acquisitions made since 2021 are expected to

generate synergy effects in the development of new event formats as well as in the acquisition of new locations and in the ticketing business. With up to 200 events and its own programme for children and young people (lit.kid.COLOGNE), lit.COLOGNE is now one of the largest literature festivals in Europe with over 70,000 visitors. With other festival formats such as phil.cologne, lit.COLOGNE Spezial and lit.RUHR, lit.COLOGNE GmbH has very successfully expanded its activities in recent years and has an extensive and very stable network of partners. Germany's largest philosophy festival "phil.COLOGNE" was also a great success, attracting around 9,000 visitors in 2022. In the medium term, DEAG expects revenues in the international Spoken Word & Literary Events business area to double to around EUR 15 million to EUR 20 million per year.

**Family Entertainment:** DEAG's consistent strategic focus on its own high-margin event formats in recent years, especially in the Family Entertainment segment, is increasingly paying off for the company. DEAG sees above-average growth opportunities in the Family Entertainment segment.

**Arts+Exhibitions:** The Arts+Exhibitions division includes events such as "Potsdamer Schlössernacht" and DEAG's Christmas business with event formats such as the Christmas Circuses in Hanover and Regensburg and the Christmas Markets in Wuppertal and Kiel. The Arts+Exhibitions division also includes DEAG's Christmas Garden. The successful format was expanded to 19 locations in the 2022/2023 season, ten of which are in Germany and nine in other European countries, and counted a total of more than 2 million visitors. The previous, dynamic and highly profitable growth is to be continued in the future by gaining further national and international locations.

## 5 FORECAST REPORT

DEAG has an intact business model and, as a Live Entertainment service provider, has further consolidated its broadly diversified business model with the six business segments Rock/Pop, Classic & Jazz, Family Entertainment, Arts+Exhibitions, Spoken Word & Literary Events and Ticketing on the market in financial year 2022 and, through the successfully implemented organic and inorganic growth steps of recent years, laid the foundation for continued dynamic company development in terms of revenue and earnings. The further development of the profitable business areas and the creation of own brands and rights are, in addition to the high-growth ticketing segment, the main drivers of future business development.

After a financial year 2022 largely unaffected by the effects of the pandemic, the Executive Board expects a continuous development for 2023, with a further moderate to significant increase in EBITDA. In terms of revenue, a mark in the region of EUR 300 million is targeted. With sold-out touring events such as "Disney on Ice" and "Riverdance," the world's most successful dance show, financial year 2023 has got off to an excellent start. This planning is underpinned by a strong event pipeline comprising around 6,000 events for which DEAG aims to sell over 8 million tickets. Not included in the current plans, but still part of the expansion strategy, are further acquisitions, several of which are currently in the pipeline.

As already announced in October 2022, DEAG is examining various options for refinancing the 2018/2023 bond, including the option of issuing a bond. A possible new bond could be used to refinance the 2018/2023 bond ahead of schedule, while sufficient liquidity is already available for the foreseeable growth due to the excellent development of the business.

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 forecast above, which also presents management's expectations regarding the development of the parent company.

The industry and DEAG are exposed to macroeconomic factors. Experience has shown that DEAG's business is less susceptible to economic cycles than that of many other industries. Even in difficult economic times, DEAG sells "that little slice of happiness". Despite macroeconomic factors such as the war in Ukraine and high inflation figures, the company is currently experiencing continued very high demand for tickets and has been able to stage all events on schedule in 2023 so far. Nevertheless, the duration and further development of the war and the currently prevailing inflation cannot be predicted. Therefore, a detailed outlook for the current year as of the reporting date is not possible from today's perspective.

#### Forward-looking statements

In addition to the past statements and figures in the Consolidated and Annual Financial Statements, this report also contains forward-looking statements. The actual developments can differ from these statements.

Berlin, 31 March 2023

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L.H. Schwenkow



Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

# CONSOLIDATED FINANCIAL STATEMENTS

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# CONSOLIDATED BALANCE SHEET

## ASSETS

in EUR thousand

	Note	31 Dec. 2022	31 Dec. 2021
Cash and cash equivalents	8	74,780	118,745
Trade receivables	9	17,806	13,294
Down payments	10	16,214	22,178
Income tax claims		1,754	839
Inventories		1,530	1,045
Other current financial assets	11	7,586	9,797
Other current non-financial assets	12	6,399	12,060
<b>Current assets</b>		<b>126,069</b>	<b>177,958</b>
Goodwill	14	53,777	52,014
Other intangible assets	14	36,213	32,740
Property, plant and equipment	15	32,728	29,735
Property held as an investment	17	5,625	5,625
Investments	18	2,114	3,205
Financial assets accounted for using the equity method		590	601
Down payments	10	525	818
Other non-current financial assets	19	7,858	3,863
Deferred tax assets	20, 40	950	2,196
<b>Non-current assets</b>		<b>140,380</b>	<b>130,797</b>
		<b>266,449</b>	<b>308,755</b>

## EQUITY AND LIABILITIES

in EUR thousand

	Note	31 Dec. 2022	31 Dec. 2021
Bank loans payable	21, 29	22,214	5,318
Trade accounts payable	22	24,552	23,717
Provisions	23	22,112	20,695
Bond	25	24,602	-
Contractual liabilities	24	62,633	126,303
Income tax liabilities		4,485	2,697
Other current financial liabilities	26	11,805	12,110
Other current non-financial liabilities	27	8,084	7,523
<b>Current liabilities</b>		<b>180,487</b>	<b>198,363</b>
Provisions	23	722	662
Bond	25	-	24,231
Bank loans	21, 29	11,466	18,435
Contractual liabilities	24	292	2,249
Other non-current financial liabilities	28	26,294	26,868
Deferred tax liabilities	20, 40	8,703	8,169
<b>Non-current liabilities</b>		<b>47,477</b>	<b>80,614</b>
Subscribed capital		21,587	21,587
Capital reserve		32,520	32,520
Retained earnings		-332	-332
Accumulated deficit		-32,481	-37,343
Accumulated other comprehensive income		1,890	2,382
<b>Equity attributable to DEAG</b>		<b>23,184</b>	<b>18,814</b>
Shares of other shareholders		15,301	10,964
<b>Equity</b>	30	<b>38,485</b>	<b>29,778</b>
		<b>266,449</b>	<b>308,755</b>

# CONSOLIDATED STATEMENT OF INCOME

in EUR thousand

	Note	1 Jan. to 31 Dec. 2022	1 Jan. to 31 Dec. 2021
Revenues with customers		321,866	67,012
Other revenues*		2,935	23,671
<b>Revenues</b>	32	<b>324,801</b>	<b>90,683</b>
Cost of sales	33	-263,622	-74,449
<b>Gross profit</b>		<b>61,179</b>	<b>16,234</b>
Distribution costs	34	-24,091	-9,667
Administrative expenses	35	-30,444	-18,840
Other operating income	36	17,903	26,208
Other operating expenses	37	-4,617	-1,212
<b>Operating profit (EBIT)</b>		<b>19,930</b>	<b>12,723</b>
Financing income and expenses	38	-5,077	-4,908
Income from investments	39	-431	-1,031
Shares in profits and losses in companies accounted for using the equity method		-76	-150
Foreign exchange loss or gain		-380	504
<b>Financial result</b>		<b>-5,964</b>	<b>-5,585</b>
<b>Earnings before taxes</b>		<b>13,966</b>	<b>7,138</b>
Income tax	40	-4,064	-3,542
<b>Consolidated earnings after taxes</b>		<b>9,902</b>	<b>3,596</b>
of which attributable to other shareholders		4,678	1,351
<b>of which attributable to DEAG shareholders (Group result)</b>		<b>5,224</b>	<b>2,245</b>
Earnings per share in EUR (diluted/undiluted)			
from continuing operations	30	0.24	0.11
from continued and discontinued operations	30	0.24	0.11
Average number of shares in circulation (diluted/undiluted)	30	21,587,958	20,926,590

\*These are Insurance reimbursements related to events which had to be cancelled or postponed due to governmental event bans.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand

	2022	2021
<b>Consolidated earnings after taxes</b>	<b>9,902</b>	<b>3,596</b>
<b>Other result</b>		
(+/-) currency conversion differences (independent foreign units)	-1,453	496
<b>Amounts that may be reclassified to the income statement in future periods</b>	<b>-1,453</b>	<b>496</b>
(+/-) actuarial gains and losses recorded in equity	40	36
(+/-) Deferred tax assets	-8	-7
<b>Amounts that are not reclassified to the income statement</b>	<b>32</b>	<b>29</b>
<b>Total other result</b>	<b>-1,421</b>	<b>525</b>
<b>Total comprehensive income</b>	<b>8,481</b>	<b>4,121</b>
<b>of which attributable to</b>		
<i>shares of other shareholders</i>	<i>3,750</i>	<i>1,449</i>
<i>the equity provider of the parent company</i>	<i>4,731</i>	<i>2,672</i>

# CONSOLIDATED STATEMENT OF CASH FLOWS (NOTE 42)

in EUR thousand

	2022	2021
Group result from continued operations after taxes	9,902	3,596
Depreciation and amortisation	10,954	8,894
Income from retirement of fixed assets	-2	-21
Changes not affecting payments	-1,531	185
Changes in other accruals	1,070	12,638
Deferred taxes (net)	-361	2,062
Share of profits and losses of companies accounted for using the equity method	76	150
<b>Cashflow before changes in net assets</b>	<b>-20,108</b>	<b>27,504</b>
Net financial income/expenses	5,077	4,908
Changes to receivables, inventories and other assets	8,526	-13,412
Changes to other loan capital without financial debts	-65,445	75,441
<b>Net cashflow from operating activities (total)</b>	<b>-30,822</b>	<b>94,441</b>
Outflow from investing activities in...		
...intangible assets	-2,908	-2,347
...Property, plant and equipment	-3,821	-1,242
...investments	-3,657	-1,440
Payments made to acquire consolidated companies and business units	-2,817	-6,818
Asset retirements	207	10
Interest income	224	89
<b>Net cashflow from investing activities (total)</b>	<b>-12,772</b>	<b>-11,748</b>

in EUR thousand

	2022	2021
Increase in capital of DEAG Deutsche Entertainment AG	-	6,064
Cost of capital increase (net)	-	-277
Raising of financial debt	15,103	9,700
Repayment of financial debt	-5,516	-12,627
Cash payments by a lessee for the reduction of the outstanding liability relating to lease obligation	-4,491	-6,535
Interest expenditure	-4,432	-2,985
Dividend shares of other shareholders	-672	-314
Payments to other shareholders	-102	-2,184
<b>Cashflow from financing activities (total)</b>	<b>-4,574</b>	<b>-9,158</b>
<b>Changes in cash and cash equivalents</b>	<b>-44,616</b>	<b>73,535</b>
Currency adjustments	651	-793
Cash and cash equivalents as of 01 January	118,745	46,003
<b>Cash and cash equivalents as of 31 December</b>	<b>74,780</b>	<b>118,745</b>

## DEVELOPMENT OF EQUITY WITHIN THE GROUP (NOTE 30)

	Number of shares issued	Subscribed capital	Capital reserve
	Qty.	EUR thousand	EUR thousand
<b>As of 01 December 2021</b>	<b>19,625,361</b>	<b>19,625</b>	<b>28,695</b>
Result for the period	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital increase	1,962,597	1,962	3,825
Dividend	-	-	-
Acquisition / sale of shares from other shareholders	-	-	-
Other changes	-	-	-
<b>As of 31 December 2021</b>	<b>21,587,958</b>	<b>21,587</b>	<b>32,520</b>
Result for the period	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend	-	-	-
Acquisition / sale of shares from other shareholders	-	-	-
<b>As of 31 December 2022</b>	<b>21,587,958</b>	<b>21,587</b>	<b>32,520</b>

<sup>1)</sup> IFRS 16 (Revaluation)

<sup>2)</sup> Increase in shares

Retained earnings	Accumulated deficit	Accumulated other comprehensive income	Equity attributable to DEAG	Shares of others shareholders	Equity
EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
<b>-466</b>	<b>-37,729</b>	<b>1,954</b>	<b>12,079</b>	<b>9,372</b>	<b>21,451</b>
-	2,245	-	2,245	1,351	3,596
-	-	428	428	97	525
-	<b>2,245</b>	<b>428</b>	<b>2,673</b>	<b>1,448</b>	<b>4,121</b>
-	-	-	5,787	-	<b>5,787</b>
-	-	-	-	-314	<b>-314</b>
-	-	-	-	458	<b>458</b>
134 <sup>1</sup>	-1,859 <sup>2</sup>	-	-1,725	-	<b>-1,725</b>
<b>-332</b>	<b>-37,343</b>	<b>2,382</b>	<b>18,814</b>	<b>10,964</b>	<b>29,778</b>
-	5,224	-	5,224	4,678	9,902
-	-	-492	-492	-929	-1,421
-	<b>5,224</b>	<b>-492</b>	<b>4,732</b>	<b>3,749</b>	<b>8,481</b>
-	-	-	-	-672	<b>-672</b>
-	-362 <sup>2</sup>	-	-362	1,260	<b>898</b>
<b>-332</b>	<b>-32,481</b>	<b>1,890</b>	<b>23,184</b>	<b>15,301</b>	<b>38,485</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 INFORMATION ABOUT THE COMPANY

DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) is a stock corporation incorporated in Germany with its registered office on Potsdamer Straße 58 in 10785 Berlin. The company is registered with the Commercial Register of the Charlottenburg Local Court under the Commercial Register Number HRB 69474 B.

The admission of DEAG shares to the regulated market was revoked (“delisting”) in April 2021. Since then, the DEAG share has no longer been admitted to the regulated market. As a result, the company was legally obliged to convert from bearer shares to registered shares. DEAG’s share and the corporate bond 2018/2023 have since been traded on the open market.

DEAG’s core business areas include Rock/Pop, Classics & Jazz, the Spoken Word & Literary Events, the fast-growing Family Entertainment segment and Arts+Exhibitions and ticketing. The Family Entertainment segment in particular represents an important building block for the further development of DEAG’s own content. A network of strong partners positions DEAG excellently in the market as an internationally active live entertainment Group.

## 2 ACCOUNTING PRINCIPLES

These Consolidated Financial Statements of DEAG as of 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as adopted by the EU and the additional requirements of German commercial law. The term IFRS also includes the International Accounting Standards (IAS) still in force and the interpretations of the International Financial Reporting Interpretations Committee (IFRS IC). DEAG prepares the Consolidated Financial Statements for the smallest and largest group of companies.

The Consolidated Financial Statements are based on the annual financial statements of the Group companies, which were prepared in accordance with the German Commercial Code (HGB), including the accounting standards adopted by the German Accounting Standards Committee (GASC) on the balance sheet date in accordance with Section 342 HGB, and the German Stock Corporation Act (AktG), in the case of foreign companies in accordance with their national regulations, in accordance with consistently and uniformly applied accounting and valuation principles on a uniform balance sheet date. An interim financial statement had to be prepared for the company CSB Island Entertainment ApS, Fanø (Denmark), which is included in the scope of full consolidation and has a different financial year from 1 July to 30 June. Local tax circumstances are the reason for the different financial year.

The individual financial statements and the interim financial statements of the companies included in the Consolidated Financial Statements are prepared as of the reporting date of the Consolidated Financial Statements. Valuations based on tax regulations are not included in the Consolidated Financial Statements. The reconciliation of the valuations according to the rules of the IFRS was carried out outside the individual financial statements under commercial law at the level of the Group in a so-called “commercial balance sheet II.”

The Consolidated Financial Statements are prepared using the historical cost convention. Exceptions to this include investment property, certain financial assets and contingent consideration and options, which are measured at fair value.

The items summarised in the Consolidated Balance Sheet and the Income Statement are explained in the Notes to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, discretionary decisions, estimates and assumptions must be made to a limited extent, which have an impact on the amount and disclosure of the assets and liabilities recognised in the balance sheet, the income and expenses as well as the contingent assets and liabilities. This applies in particular to the recognition of goodwill and contingent purchase price liabilities in the context of purchase price allocations and their annual impairment tests or subsequent valuations (please refer to Note 51), the determination of the interest rate for leases (please refer to Note 16), as well as the recognition of insurance reimbursements for events that were cancelled due to official event bans (please refer to Note 6 and 32) and subsidies from corona aid programmes (please refer to Note 6 and 36).

The basis of the goodwill impairment test was in each case the value in use of the cash-generating units (CGUs), the calculation of which was derived from a multi-year plan on the basis of forecast earnings depending on the CGUs. The value in use was determined using the discounted cash flow method. These calculations must be based on assumptions that stem from management estimates. If developments occur that are beyond the management's control, the future carrying amounts can deviate from the originally expected estimated values. If the actual development differs from the expected development, the premises and, if necessary, the carrying amounts of the goodwill of EUR 53,777 thousand (31 December 2021: EUR 52,014 thousand) are adjusted accordingly. Please refer to our comments in Note 14.

Furthermore, the premises and, if necessary, the carrying amounts of intangible assets of EUR 36,213 thousand (31 December 2021: EUR 32,740 thousand) are adjusted if developments take place that are beyond management's control and would cause the original estimated values to differ from the future carrying amounts.

In addition, estimates and assumptions are required in the valuation and adjustment of receivables and payments made, the measurement and estimation of the probability of occurrence with regard to provisions and contingent liabilities, the estimates of the amount of usable deferred tax assets on loss carryforwards and, in particular, the impairment test of companies included using the equity method and the determination of fair values of financial assets and investments.

Furthermore, the management has made discretionary decisions in the area of defining the scope of consolidation and in the context of purchase price allocations. Please refer to our comments in Note 4.

### 3 CHANGES TO ACCOUNTING STANDARDS

The following new or amended standards are mandatory for DEAG for the first time for financial years beginning on 1 January 2022:

- » Amendments to IFRS 16: Leases- COVID-19 Related Lease Concessions after 30 June 2021
- » Amendments to IFRS 3: Reference to the Conceptual Framework

The amendments replace the reference to an earlier version of the IASB Framework with a reference to the current version published in March 2018, without significantly changing its existing regulations. The amendments also introduce an exception to the principles for recognition in IFRS 3 Business Combinations, in order to avoid so-called “DAY 2” gains or losses from occurring on liabilities and contingent liabilities that fall within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 charges if they were entered into separately. According to the derogation, entities must apply the criteria of IAS 37 or IFRIC 21 instead of the Framework approach to determine whether a present obligation exists at the acquisition date. Finally, the amendments include a new paragraph in IFRS 3 specifying that contingent assets are not to be recognized at the acquisition date. The Consolidated Financial Statements are not materially impacted by this amendment, as no significant contingent assets or liabilities within the scope of this amendment arose during the reporting period.

- » Amendments to IAS 16: Generating revenue before an asset is in its operating condition

Under the amendments, entities are no longer permitted to deduct proceeds from the sale of items produced while an item of property, plant and equipment is being brought to the location and condition necessary for it to be used in the manner intended by management from the cost of that item of property, plant and equipment. Instead, these revenues are to be recognized in the Statement of Income together with the cost of manufacturing the items. In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of property, plant and equipment that were brought into working condition at or after the beginning of the earliest period presented in which the amendments are applied for the first time (date of initial application). This amendment had no impact on the Group’s Consolidated Financial Statements as there were no sales of items produced by property, plant and equipment brought to working condition at or after the beginning of the earliest reporting period presented.

- » Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendments clarify that, in assessing whether a contract is onerous or involving loss, an entity shall consider directly attributable costs associated with the performance of contracts for the supply of goods or services, including incremental costs (e.g., direct labour and materials) and other costs that relate directly to contract performance activities (e.g., amortization of items of plant and equipment used to perform the contract and costs of organising and monitoring the performance of the contract). General administrative costs are not directly related to the contract and are therefore not included in the contract performance costs, unless the contract expressly provides for them to be passed on to the customer. The amendments apply only to contracts for which the obligations had not been fully fulfilled at the beginning of the reporting period. No onerous contracts have been identified for the Group in connection with the changes.

- » Amendment to IFRS 1: First-time Adoption of International Financial Reporting Standards – First-time Adoption by a Subsidiary

The amendment allows a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative exchange differences based on the amounts reported in the parent's Consolidated Financial Statements, starting from the date on which the parent converted to IFRS. This only applies, however, if no adjustments have been made for consolidation operations and the effects of the business combination in which the parent company acquired the subsidiary. This amendment also applies to associates and joint ventures applying IFRS 1.D16(a). This change had no effect on the Consolidated Financial Statements, as the Group is not a first-time adopter.

- » Amendment to IFRS 9: Charges in the 10% Present Value Test before Derecognition of Financial Liabilities

The amendment clarifies the charges an entity must consider when assessing whether the terms of a new or modified financial liability are materially different from those of the original financial liability. Only those fees paid or received between the borrower and the lender are to be included, including those paid or received by either the borrower or the lender on behalf of the other. There is no comparable amendment proposal for IAS 39 Financial Instruments: Recognition and Measurement. This change had no effect on the Consolidated Financial Statements, as there were no changes to the Group's financial instruments during the reporting period.

- » Amendment to IAS 41: Taxation of fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that tax cash flows should not be taken into account when measuring the fair value of biological assets. This amendment had no effect on the Consolidated Financial Statements, as the Group did not hold any assets that fall within the scope of IAS 41 on the balance sheet date.

The Consolidated Financial Statements take all IASB standards that were mandatory in the EU on the balance sheet date as well as the valid IFRIC and SIC into account.

#### New accounting standards of the IASB and IFRS IC that are not yet applied

The following amendments to standards and interpretations were adopted by the IASB and IFRS Interpretations Committee (IFRS IC). These are not yet mandatory for financial year 2022 and have not been applied:

Already incorporated into EU law:

- » **IFRS 17:** Insurance Contracts – Amendments to IFRS 17 and initial application of IFRS 17 and IFRS 9 – Comparative information (effective on or after 1 January 2023)
- » **IAS 1:** Presentation of Financial Statements – Disclosure of accounting policies (effective on or after 1 January 2023)
- » **IAS 8:** Accounting Policies, Changes in Accounting Estimates and Errors – definition of estimates (effective on or after 1 January 2023)

- » **IAS 12:** Income Taxes – Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction (effective on or after 1 January 2023)

Not yet endorsed into EU law:

- » **IFRS 10:** Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no application period known yet)
- » **IFRS 16:** Leases – Lease liability on Sale and Leaseback (effective on or after 1 January 2024)
- » **IAS 1:** Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current (effective on or after 1 January 2024)
- » **IAS 28:** Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (no application period known yet)

The Group intends to apply these standards and interpretations from their effective date. The Group does not currently assume that the changes listed will have an impact on the asset, financial and earnings positions and monitors to what extent these changes could become relevant for future business transactions.

## 4 PRINCIPLES OF CONSOLIDATION

### Scope of consolidation

As the parent company, DEAG includes those companies in its Consolidated Financial Statements in which the control concept is fulfilled due to a controlling influence. Companies established, acquired or sold during the financial year are included from the date of establishment or acquisition or up until the date of sale.

As of 31 December 2022, the Group of consolidated companies included, besides DEAG, 67 (31 December 2021: 62) fully consolidated domestic and foreign companies, including two companies in the discontinued operations. As joint ventures or associated companies, seven investments are accounted for using the equity method (31 December 2021: eight investments). Due to their insignificance for the Group, two affiliated companies and three shareholdings are shown at cost (previous year: one affiliated company and four shareholdings). As in the previous year, one investment is carried at fair value.

### Consolidation methods

Capital consolidation involves offsetting the acquisition costs of participating interests against equity at the time of founding or acquiring the respective subsidiary. Depreciation of shares in subsidiaries in the Individual Financial Statements of the parent company is eliminated for the purpose of consolidation. Interim profits and losses arising from the intra-group sale of equity holdings are reversed. The differential amounts included in the values reported for holdings in joint ventures are established by applying the same principles.

The asset-related variations arising from capital consolidation were recorded as goodwill in the Consolidated Balance Sheet, after exposure of hidden reserves or charges for the acquired company (revaluation). If there is a negative difference, it is reassessed that all acquired assets and liabilities have been properly identified and that all assets or liabilities additionally identified in this review have been recognised. Any remaining negative difference is recognised in profit or loss.

Any changes in respect of the participating interests of the Group in subsidiaries which do not result in a loss of control over these subsidiaries are reported as equity transactions. The carrying amounts of the shares held by the Group and the non-controlling shares are adjusted in such ways that they reflect the changes of the stakes in the subsidiaries. Any difference between the amount by which the non-controlling shares are adjusted and the fair value of the consideration paid and received is to be recorded directly in equity and allocated to the shareholders of the parent company.

Receivables, liabilities and accruals as well as expenses and income between companies included in the Consolidated Financial Statements and any intermediate results of intra-group deliveries and services are eliminated. Any depreciation or value adjustments of intra-group receivables in the Individual Financial Statements were reversed in favour of the Group result.

Tax accruals have been made on consolidation-based results as far as they have a future tax impact.

Shareholdings in joint ventures and associated companies measured by applying the equity method were reported as pro-rata equity.

As of the balance sheet date, the following companies were fully consolidated along with the parent company DEAG:

Segment	Company	Shareholding
Live Touring	DEAG Concerts GmbH, Berlin	100.0%
	Global Concerts Touring GmbH, Munich	100.0%
	Grünland Family Entertainment GmbH, Berlin	100.0%
	Christmas Garden Deutschland GmbH, Berlin	100.0%
	DEAG Classics AG, Berlin	100.0%
	The Classical Company AG, Zurich (Switzerland)	100.0%
	Wizard Promotions Konzertagentur GmbH, Frankfurt/Main	75.1%
	CSB Island Entertainment ApS, Fanø (Denmark)	75.0%
	lit.COLOGNE GmbH, Cologne	66.7%
	litissimo gGmbH zur Förderung der Literatur und Philosophie, Cologne	66.7%
	KBK Konzert- und Künstleragentur GmbH, Berlin	51.0%
	MEWES Entertainment Group GmbH, Hamburg	51.0%
	Hans Boehlke Elektroinstallationen GmbH, Berlin	51.0%
	I-Motion GmbH Events & Communication, Mülheim-Kärlich	50.1%
	Kilimanjaro Holdings Limited, London (UK)	49.7%
	Kilimanjaro Live Limited, London (UK)	49.7%
	Wakestock Limited, London (UK)	49.7%
	Matterhorn Events Limited, London (UK)	49.7%
	Ben Wyvis Live Ltd., Glasgow (UK)	49.7%

Segment	Company	Shareholding
	Flying Music Holdings Limited, London (UK)	49.7%
	The Flying Music Group Limited, London (UK)	49.7%
	Flying Music Company Limited, London (UK)	49.7%
	Flying Entertainment Limited, London (UK)	49.7%
	MyTicket Services Ltd., London (UK)	49.7%
	Stage2View Ltd., London (UK)	49.7%
	Stage2View Ltd., London (UK)	49.7%
	UK Live Limited, London (UK)	44.7%
	Gigantic Holdings Ltd., London (UK)	37.3%
	Gigantic Tickets Ltd., London (UK)	37.3%
	Oshi Software Ltd., Dublin (Ireland)	37.3%
	Fane Productions Limited, London (UK)	37.0%
	UK Live Limited, London (UK)	37.0%
	Fane Productions (Australia) PTY Limited, Victoria (Australia)	37.0%
	Regular Ltd., Edinburgh (UK)	34.8%
	Kontour Production Services Limited, London (UK)	27.8%
	Singular Artists Limited, Dublin (Ireland)	27.3%
	JAS Theatricals Ltd. (Formerly Kilimanjaro Theatricals Limited), London (UK)	25.3%
	Cluedo Stage Productions Ltd., London (UK)	25.3%
<b>Entertainment Services</b>		
	Concert Concept Veranstaltungs-GmbH, Berlin	100.0%
	Global Concerts GmbH, Munich	100.0%
	CES Concert & Event Supply GmbH (formerly Elbklassik Konzerte GmbH), Hamburg	100.0%
	Broadway Varieté Management GmbH, Berlin	100.0%
	River Concerts GmbH, Berlin	100.0%
	mytic myticket AG, Berlin	100.0%
	AIO Group AG, Glattpark (Switzerland)	100.0%
	Good News Productions AG, Glattpark (Switzerland)	100.0%
	The Smart Agency AG, Glattpark (Switzerland)	100.0%
	Fortissimo AG, Glattpark (Switzerland)	100.0%
	Venue Consulting AG, Glattpark (Switzerland)	100.0%
	Grandezza Entertainment GmbH, Berlin	90.0%
	Viel Vergnügen GmbH, Essen	90.0%
	LiveGeist Entertainment GmbH, Frankfurt/Main	75.1%
	FOH Rhein Main Entertainment GmbH, Frankfurt/Main	75.0%
	handwerker promotion e. gmbh, Unna	74.9%

Segment	Company	Shareholding
	pro Media GmbH, Unna	74.9%
	Live Music Production SA, Le Grand-Saconnex (Switzerland)	60.0%
	Airbeat One GmbH (formerly: medi Produkt & Service GmbH), Berlin	55.0% (100%) <sup>1</sup>
	Indian Spirit GmbH (formerly: Friedrichsbau Varieté Stuttgart Betriebs- und Verwaltungs GmbH), Berlin (formerly: Stuttgart)	55.0% (100%) <sup>2</sup>
	Live Music Entertainment LME SA, Le Grand-Saconnex (Switzerland)	51.0%
	Kultur im Park GmbH, Berlin	51.0%
	C <sup>2</sup> Concerts GmbH, Stuttgart	51.0%
	Kessel Festival GmbH & Co. KG, Stuttgart	51.0%
	Kessel Festival GmbH, Stuttgart	51.0%
	Kultur- und Kongresszentrum Jahrhunderthalle GmbH, Frankfurt/Main	49.0%
<b>Discontinued Operations</b>		
	DEAG Music GmbH, Berlin	100.0%
	Blue Moon Entertainment GmbH, Vienna (Austria)	100.0%

<sup>1</sup> As at 31 December 2022, the repurchase of the 45.0% to the seller of the festival had not yet been completed, as the associated conditions precedent had not yet been fulfilled. Accordingly, Concert Concept Veranstaltungen GmbH, Berlin, still held 100% of the shares on the balance sheet date.

<sup>2</sup> As at 31 December 2022, the repurchase of the 45.0% to the seller of the festival had not yet been completed, as the associated conditions precedent had not yet been fulfilled. Accordingly, Broadway Varieté Management GmbH, Berlin, still held 100% of the shares on the balance sheet date.

With a purchase agreement dated 30 April 2022, DEAG acquired a 100% stake in LoveMyRead Ltd., London (UK), through its subsidiary Fane Productions Ltd., London (UK).

As of 1 July 2022, DEAG, through its subsidiary medi Produkt & Service GmbH, Berlin, acquired a 55% stake in the "Airbeat One" festival, an electronic music festival. First, medi Produkt & Service GmbH, Berlin, a 100% subsidiary of Concert Concept Veranstaltungen GmbH, Berlin, took over the festival and was renamed Airbeat One GmbH. Subsequently, 45.0% of the shares in Airbeat One GmbH will be transferred back to the seller after the conditions precedent are met. These conditions were not yet met on the balance sheet date, therefore DEAG continues to hold 100.0% of the shares.

As of 1 October 2022, DEAG, through its British subsidiary Myticket Services Ltd., London/UK, acquired a 75.0% stake in Oshi Software Ltd., Dublin (Ireland), operator of the ticketing platform tickets.ie.

As of 1 November 2022, DEAG, through its subsidiary Friedrichsbau Varieté Stuttgart Betriebs- und Verwaltungs GmbH, Stuttgart, acquired a 55% stake in the "Indian Spirit" Festival, an electronic music festival. Initially, the company in which DEAG, through its 100% subsidiary Broadway Varieté Management GmbH, Berlin, acquired 100.0% of the shares, took over the festival and was renamed Indian Spirit GmbH with the relocation of its seat to Berlin. Subsequently, 45.0% of the shares in Indian Spirit GmbH will be transferred back to the seller, provided that the conditions precedent attached to them are fulfilled. These conditions were not yet met on the balance sheet date, therefore DEAG continues to hold 100.0% of the shares.

As of 31 December 2022, DEAG, through its subsidiary Kilimanjaro Holdings Ltd., London (UK), acquired a 70.0% stake in Regular Ltd., Edinburgh (UK).

DEAG holds 51% of the voting rights (49.7% of the capital shares) in MyTicket Services Ltd., London (UK) via its wholly owned subsidiary DEAG Concerts GmbH. DEAG has the final decision-making right for decisions of the Management Board of MyTicket Services Ltd., London (UK). The control concept according to IFRS 10.7 is therefore fulfilled here.

MyTicket Services Ltd., London (UK) holds a 75.0% share in the equity of Gigantic Holdings Ltd., London (UK). Gigantic Holdings Ltd., London (UK) and its wholly owned subsidiary Gigantic Tickets Ltd., London (UK) are therefore included in the scope of consolidation.

Concert Concept GmbH, a 100% subsidiary of DEAG, holds 51% of the shares in C<sup>2</sup> Concerts GmbH, Stuttgart. C<sup>2</sup> Concerts GmbH holds 90% of the shares in Kesselfestival GmbH & Co. KG and 100% of its general partner GmbH Kesselfestival GmbH.

DEAG Concerts GmbH holds 49.7% of the capital shares in Kilimanjaro Holdings Ltd., London/UK, while the voting rights amount to 51%. Therefore, the control concept according to IFRS 10.7 still applies and Kilimanjaro Holdings Ltd. and its subsidiaries continue to be included in the Group of consolidated companies within the scope of full consolidation.

Kilimanjaro Holdings Limited holds 55% of the voting rights in Singular Artists Ltd., London/UK. Singular Artists Ltd. is therefore fully consolidated in the Consolidated Financial Statements.

DEAG has the final decision-making right for the approval of the annual budget at Kultur- und Kongresszentrum Jahrhunderthalle GmbH, Frankfurt/Main. Thus, the control concept according to IFRS 10.7 is fulfilled and the company is included in the Consolidated Financial Statements within the scope of full consolidation.

The following companies are managed as joint ventures and measured according to the equity method and thus recognised at the proportionate equity.

Segment	Company	Shareholdings
Live Touring	A.C.T. Artist Agency GmbH, Berlin	50.0%
Entertainment Services	JHH Entwicklungsflächen GmbH & Co. KG, Frankfurt/Main	50.0%
	JHH Entwicklungsflächen Verwaltungs GmbH, Frankfurt/Main	50.0%

With effect from 1 January 2023, DEAG increased its share in A.C.T. Artist Agency GmbH, Berlin, to 100% via its wholly owned subsidiary DEAG Concerts GmbH, Berlin. As of 1 January 2023, the company will be included in the Consolidated Financial Statements as part of the full consolidation. Please refer to the explanations in Note 13.2.

The following companies are accounted for as associated companies and included in the Consolidated Financial Statements using the equity method:

Segment	Company	Shareholdings
	EIB Entertainment Insurance Brokers GmbH, Hamburg	49.0%
Entertainment Services	Verescon AG, Berlin	44.0%
Live Touring	Collective Form Limited, London (UK)	16.6%
	Seefestspiele Berlin GmbH, Berlin	40.0%

DEAG holds a 16.6% stake in Collective Form Limited, London (UK) via Kilimanjaro Holdings Limited, London (UK). A significant influence is exercised as Kilimanjaro Holdings directly holds a 33.0% stake in Collective Form Ltd. DEAG holds 51.0% of the voting shares in Kilimanjaro Holdings.

DEAG Classics AG holds an interest of 40% in Seefestspiele Berlin GmbH.

The following companies are separately and jointly immaterial to the Consolidated Financial Statements of DEAG and are not relevant to the presentation of a true and fair view of the Group's net assets, financial position and operating results, and are therefore not consolidated. The companies were dormant during the financial year.

The information in accordance with Section 315e HGB (German Commercial Code) in conjunction with Section 313 (2) HGB is as follows:

Name of company	Seat of company	Share in the capital	Equity (in EUR thousands)	Earnings in financial year (in EUR thousands)
Fane Productions Inc.	New York (USA)	37,0 %	-	-
TKR Play Ltd.	London (UK)	24,9 %	1	1

The Group of consolidated companies of DEAG Group changed as follows in financial year 2022:

Segment	Company	Addition
Live Touring	LoveMyRead Ltd., London (Großbritannien)	01.05.2022
	Airbeat One GmbH, Berlin	01.07.2022
	Oshi Software Ltd., Dublin (Irland)	01.11.2022
	Regular Ltd., Edinburgh (Großbritannien)	31.12.2022

## 5 PRINCIPLES OF CURRENCY CONVERSION

The Consolidated Financial Statements are drawn up in euros, the functional currency of the parent company and the reporting currency of the Group. Unless stated otherwise, data is presented in EUR thousands. The amounts are rounded in commercial terms. The functional currency of the foreign subsidiaries in Switzerland is the Swiss Franc (CHF), in the UK the Pound Sterling (GBP) and in Denmark the Danish Krone (DKK). The functional currency of the domestic subsidiaries of the Group as well as of the foreign subsidiaries in Ireland and Austria is the euro (EUR).

The positions included in the financial statements of the respective companies are being measured applying the functional currency. Foreign currencies are exchanged initially into the functional currency at the cash price valid on the day of the business transaction. Monetary assets and liabilities in a foreign currency are exchanged into the functional currency on each call date using the call date rate. All currency conversion differences are recognised income statement-related. Non-monetary items that were assessed at historic purchase or manufacturing prices in a foreign currency were exchanged using the rate on the day of the business transaction. Non-monetary items that were assessed at their present value in a foreign currency were exchanged using the rate valid on the date of the determination of the present value.

The assets and liabilities of the foreign units were exchanged into euros at the call date rate as part of consolidation. The translation of income and expenditure is made at the average rate of the financial year. The resulting currency differences are recognised as a separate component of equity. The cumulative amount recognised in equity for a foreign operation is released to profit or loss upon disposal of that foreign operation.

The exchange rates of currencies significant to the DEAG Group changed as follows:

	Exchange rate in EUR		Average exchange rate in EUR	
	2022	2021	2022	2021
1 Pound Sterling	1.1275	1.1901	1.1729	1.1630
1 Swiss Franc	1.0156	0.9680	0.9961	0.9250
1 Danish Krone	0.1345	0.1345	0.1343	0.1345

## 6 ACCOUNTING PRINCIPLES

### Macroeconomic developments

In financial year 2022, the impact of the COVID-19 pandemic was only felt to a limited extent on the national market in Germany and only in the first quarter. The measures taken by the Group in previous years have thus been continuously reduced, with a marked revival of operating activities and the resulting catch-up effects.

At the same time, the war in Ukraine, which has been going on since February 2022, is putting a strain on world trade and people worldwide are feeling the economic consequences, in the form of higher gas and oil prices, for example. People pay closer attention to their spending in these economically difficult times.

The war in Ukraine did not directly affect the business activities of the DEAG Group, however, since neither Ukraine nor Russia are the DEAG Group's national markets. The continued existence of the DEAG Group is not endangered by the war.

DEAG has extensive insurance coverage for events that had to be cancelled or postponed due to official event bans. The insurance claims include event-related costs and, in some cases, project profits. In the event of an event being cancelled, the event-related costs are recognised in cost of sales and distribution costs; claims for reimbursement in this regard were recognised in the amount of the expected reimbursement in revenue as other revenue. We refer to our comments in Note 32.

DEAG continued to receive conditional and unconditional funding from "corona" aid programmes during the reporting period, particularly in Germany and for the first quarter. If the funding is unconditional, these claims were capitalised, taking any reductions by the relevant funding providers into account. If the funding is conditional, it was only possible to realise it in the other operating income of these funds if the eligibility requirements were fully met. EUR 7.5 million (previous year: EUR 5.1 million) of the conditional subsidies relate to payments from public funds for the promotion of events and projects, for which essentially reduced revenues and/or increased event and production costs were offset without any further effect on earnings. Taking into account an offsetting of event and project-related subsidies in the corresponding projects and a netting of income and expenses from fair value changes (EUR 4.5 million), other operating income would amount to EUR 8.8 million and other operating expenses to EUR 3.0 million.

For further information on this, please see Note 36 and 37.

In addition, the Group has sufficiently considered the macroeconomic developments when assessing the recoverability of assets, especially goodwill. We refer to our comments in Note 2 as well as Note 14 and 15.

### **Notes to the balance sheet**

Intangible assets acquired for consideration are capitalised at acquisition cost and amortised on a straight-line basis over their expected useful economic life of 3 to 20 years.

Intangible assets – usually trademarks, artist and agent relationships and order backlogs acquired in a business combination – are recognised separately from goodwill and measured at fair value at the acquisition date. In subsequent periods, these intangible assets are measured at cost less accumulated amortisation and impairment losses in the same way as individually acquired assets. In the case of artist and agent relationships, the amortisation period is generally 15 years; orders on hand are amortised after the conclusion of the respective concert events. The item also includes other rights, essentially licensing, usage and implementation rights, which are amortised in accordance with the contractually secured periods (3 to 24 years).

In the case of acquired brands for which a specific useful life can be defined, scheduled amortisation is carried out.

Goodwill acquired in connection with acquisitions is capitalised at cost in accordance with IFRS 3 (Business Combinations).

This goodwill is subjected to an annual impairment test on the basis of cash generating units (CGU) and, if necessary, written down on a non-scheduled basis. Reversals of impairment losses on goodwill are not permitted.

Property, plant and equipment, with the exception of leasing rights of use, are measured at acquisition cost, plus incidental acquisition costs, less purchase price reductions for depreciable assets, less use-related depreciation. Depreciation is calculated on a straight-line basis over the expected useful life of the asset.

The scheduled depreciation of property, plant and equipment is essentially based on the following useful lives:

Buildings and structures	4 to 25 years
Technical equipment and machinery	3 to 10 years
Office furniture and equipment	3 to 10 years

Rights of use arising from leases are reported under property, plant and equipment. A lease exists if the Group is entitled to use an identifiable asset over which control has been obtained for a certain period of time in return for payment.

Lease rights of use are measured at the beginning of the lease term (“provision date”) at acquisition cost, which results in particular in the amount of the corresponding lease liabilities, and lease prepayments made, taking lease incentives received into account. Current depreciation is calculated on a straight-line basis.

DEAG has decided to include non-lease components (so-called service components) as part of the determination of the rights of use.

Lease liabilities are recognised at the provision date at the present value of the lease payments not yet made and reported in other financial liabilities. Discounting is generally determined using term- and currency-specific marginal borrowing rates, as the interest rates underlying the leases cannot be determined on a regular basis. The lease liabilities are updated in accordance with the effective interest method. Corresponding interest expenses are reported in the financial result.

If impairments of intangible assets, property, plant and equipment or rights of use are identified, impairment losses are recognised to the recoverable amount. The recoverable amount of intangible assets, property, plant and equipment or rights of use is determined on the basis of future surplus income or net sales proceeds (impairment test). An impairment test is carried out if there is a reason to assume an impairment.

Scheduled depreciation is reported proportionately under cost of sales or administrative expenses, write-ups under other operating income and unscheduled depreciation under other operating expenses.

Investment properties are measured at fair value according to IAS 40.30/40.33.

Shares in joint ventures and associated companies are accounted for at equity. The same principles apply to the allocation of differences from initial consolidation as to full consolidation.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control if the strategic financial and operating policies associated with the joint venture's activities require the consent of all parties that have joint control. Interests in joint ventures are accounted for using the equity method. The Consolidated Statement of Income includes the Group's share of income and expenses and changes in equity of investments accounted for using the equity method. If the Group's share of the loss of the joint venture exceeds the share accounted for using the equity method, this share is written down to zero. Further losses are not recognised unless the Group has a contractual obligation or has made payments for the benefit of the joint venture. Unrealised gains or losses on transactions of Group entities with the joint venture are eliminated against the carrying amount of the investment in the joint venture (losses not exceeding the carrying amount of the investment).

Inventories are measured at acquisition cost. If the net sales proceeds on the balance sheet date are below the acquisition costs, corresponding value adjustments are made.

Payments made are costs paid in advance that relate to events after the balance sheet date and are accrued accordingly.

Advance payments received from customers for future performance obligations are recognised as contractual liabilities in accordance with IFRS 15.

Provisions are recognised at the settlement amount which, according to reasonable commercial judgement, is necessary at the balance sheet date to cover future payment obligations, identifiable risks and contingent liabilities. Long-term provisions are discounted in accordance with IAS 37. If the discounting effect is material, the provisions are recognised at the present value of the expected future cash flows.

Deferred taxes are calculated in accordance with IAS 12 on different valuations of assets and liabilities in the commercial and tax balance sheets, on matters within the scope of Commercial Balance Sheet II, on consolidation processes and on realisable loss carryforwards. Deferred tax assets on losses carried forward are recognised to the extent that they will be used within a period of 5 years. Further deferred tax assets on loss carryforwards are only recognised to the extent that they are offset by deferred tax liabilities. Deferred tax assets and liabilities are netted in the balance sheet to the extent that they can be offset by the same tax authorities.

The defined benefit obligation was calculated in accordance with IAS 19 using the projected unit credit method. This method is based on the years of service at the time of calculation and takes future developments into account by including discounting, salary development and the probability of withdrawal before the start of benefit payments as well as pension indexation in the years after the first payment of recurring benefits. Actuarial gains and losses are recognised immediately in other comprehensive income.

The Group's financial instruments mainly comprise cash and cash equivalents, trade receivables, other current and non-current financial receivables and investments as well as trade payables, liabilities to banks, the bond and other financial liabilities.

On initial recognition, trade receivables are measured at transaction price and all other financial assets and liabilities are measured at fair value. Transaction costs are included if the financial assets and liabilities are subsequently measured at amortised cost. Otherwise, they are expensed immediately.

Initial recognition and derecognition of regular way sales and purchases of financial assets are made on the settlement date. IFRS 9 provides for the following three measurement categories for classification and subsequent measurement:

- » At amortised cost
- » At fair value through other comprehensive income
- » At fair value through profit or loss

If an asset is held to collect contractual principal and interest payments, it is subsequently measured at amortised cost using the effective interest method. Amortisation using the effective interest method is included in the Consolidated Statement of Comprehensive Income as part of the financial result. If an asset is also held for possible sale, it is measured at fair value through other comprehensive income. In all other cases, the valuation is made at fair value through profit or loss.

The valuation hierarchy described below is used for financial assets and liabilities as well as investment property for which a determination of fair value is planned:

- » **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities
- » **Level 2:** Valuation parameters that are quoted prices included within Level 1 but are observable for the asset or liability, either directly or indirectly
- » **Level 3:** Valuation parameters for assets and liabilities that are not based on observable market data

In determining fair value, the use of significant observable inputs is given priority over the use of unobservable inputs. The classification of the various measurement methods into the individual levels is reviewed at the end of each reporting period.

The valuation according to Level 3 is carried out according to the following principles:

Contingent purchase price liabilities (earn-out agreements) and put options from company acquisitions are recognised at fair value after initial recognition and reported under financial liabilities. If reliably determinable, the fair value is derived from the estimated earnings of the acquired companies in the years prior to the possible exercise dates. The discount rates are determined on the basis of the Group's weighted average cost of capital. The results on which the valuation is based are generally EBIT. Changes in fair value are recognised in the income statement under other operating income or expenses.

Significant investments are measured at fair value. The fair value is determined primarily on the basis of a value from equity measures recognised by third parties or alternatively using recognised valuation methods, in particular the discounted cash flow method (DCF method), on the basis of the expected investment results. The unrealised gains and losses resulting from the change in fair value are recognised directly in profit or loss in income from investments.

In the context of the conditional sale of investment property, a minimum price was agreed between the parties for the partial properties, which, due to the fact that it was achieved in one transaction, is to be used in preference to a fair value determined by an expert valuation. For financial year 2021, the price agreed in 2015 subject to conditions precedent continued to be used as the best indicator of the fair value.

The fair value of the purchase price option for a minority interest included in other non-current financial assets is determined by comparing the purchase price calculation agreed in the option contract with the pro-rata enterprise value determined using the discounted cash flow method (DCF method) on the basis of the expected recoverable "EBIT" (earnings before interest and taxes). Changes in fair value are recognised in the income statement under other operating income or expenses.

Impairment losses on financial assets classified at amortised cost are recognised in accordance with the IFRS 9 impairment model, taking expected credit losses (ECL) into account. The model requires the Executive Board to make estimates in connection with the question of how changes in economic factors affect expected credit losses. For this purpose, assumptions are made on the basis of reliable weighted information.

DEAG uses the simplified approach for allowances on trade receivables to assess default risks. Expected credit losses (ECL) are calculated using a risk provision, taking the expected maturity into account. Expected credit losses over the term are credit losses resulting from various default events (e.g. expected uncollectibility of a receivable due to payment stagnation and/or cessation of payments) during the expected term of the financial instrument. In order to map the risk provision, the Group has prepared an analysis based on historical default events. As revenues are mainly generated from pre-sales and past default events are immaterial from the Group's perspective, no impairment matrix was presented.

For all other financial assets for which the credit risk has not increased significantly since initial recognition, the expected credit loss to be expected within the next 12 months is recognised. For financial instruments for which there has been a significant increase in credit risk, the risk provision is determined in the amount of the expected credit loss over the remaining term. In determining whether there has been a significant increase in the credit risk of a financial asset since initial recognition and in estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue time and cost. This includes both quantitative and qualitative information and analysis based on the Group's past experience and sound judgement, including forward-looking information.

Financial assets continue to be written off in full or in part as part of individual value adjustments if, after reasonable assessment, it can no longer be assumed that full realisation is possible. The Group makes an individual assessment of the timing and amount of the write-off based on whether there is a reasonable expectation of recovery.

DEAG assesses at each reporting date whether financial assets at amortised cost are credit-impaired. A financial asset is impaired if one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

Indicators that a financial asset is credit impaired include, but are not limited to, the following observable inputs:

- » Default of a debtor or indications that a debtor will file for insolvency, or
- » Significant negative changes in the debtor's payment behaviour

The determination of impaired creditworthiness is not made automatically in the case of an overdue payment of more than 90 days, but always on the basis of the individual assessment by credit management.

A financial asset is derecognised when the rights to receive cash flows from the asset expire or are transferred, and thus when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are derecognised if the obligation underlying the respective liability has either expired, been cancelled or already been fulfilled.

Gains and losses from derecognition, value adjustments and differences from currency translation are recognised in profit or loss under other operating income or other operating expenses.

Transaction costs directly associated with a capital increase are offset against the premium from the issue of shares by DEAG. These costs relate mainly to consulting costs and issuing fees.

The bond is measured at amortised cost. The transaction costs directly attributable to the bond are included in the carrying amount of the liability and amortised over the life of the bond using the effective interest method.

Where DEAG has issued financial guarantees (e.g. letters of comfort) for third parties, these are recognised as financial liabilities if the risk of their being called upon is considered to be predominantly probable because the beneficiary cannot settle current and future obligations to third parties from his own cash flow.

In accordance with IAS 1, the balance sheet is broken down into non-current and current assets and liabilities. Assets and liabilities are classified as current if they are due within one year, are expected to be realised within the normal operating cycle or are held for trading purposes. In accordance with IAS 12, deferred taxes are reported as non-current assets or liabilities and are not discounted.

### **Notes to the profit and loss account**

According to IFRS 15, revenue is recognised when the customer obtains control over the agreed goods and services and can derive benefits from them. Sales revenues are to be recognised at the amount of the consideration that the company expects to receive. Sales and other revenues include all revenues for services already rendered. The performance of a concert, show or tour is generally considered to have been rendered at the end of the concert or show. The ticket monies collected in the respective advance sales period are recognised as contract liabilities until then. The contract liabilities are then transferred to sales revenue when the event takes place.

The standard provides for a five-step model according to which the amount of revenue and the time or period of realisation are to be determined:

- » Identification of the contract with the client
- » Identification of the separate performance obligations
- » Determination of the transaction price
- » Allocation of the transaction price to the separate performance obligations, and
- » Revenue recognition upon fulfilment of the individual performance obligation

Expenses are recognised in profit or loss when they are incurred and are reported as payments made if they relate to events after the balance sheet date.

Interest and other costs on borrowed capital are posted as current expenses.

## 7 SEGMENT REPORTING

In accordance with the provisions of IFRS 8, individual financial statement data is segmented by areas of work and regions, with presentation being oriented to our internal reporting. Accounting by segment is intended to render transparent the profitability and prospects of success of the Group's individual business activities.

### Explanations to the segments

Segment reporting follows the internal management and reporting structures and divides its business activities into the Live Touring and Entertainment Services segments.

For information on the allocation of the entities to segments, please refer to Note 4.

### Segment data

In EUR'000

	Live Touring		Entertainment Services		Total Segments	
	2022	2021	2022	2021	2022	2021
Revenues	221,422	66,209	121,536	29,867	342,958	96,076
Other income	9,681	11,102	7,078	15,218	16,759	26,320
<b>Total earnings</b>	<b>231,103</b>	<b>77,311</b>	<b>128,614</b>	<b>45,085</b>	<b>359,717</b>	<b>122,396</b>
- thereof internal income	1,578	710	19,015	7,728	20,593	8,438
Cost of sales*	183,340	55,254	97,938	23,684	281,278	78,938
Operating expenses	25,006	12,009	20,050	8,224	45,056	20,233
Depreciation and amortisation (for information only) - scheduled	7,298	5,620	3,258	2,736	10,556	8,356
Segment result (EBIT)	20,826	9,068	8,253	12,945	29,079	22,013
Full-time employees as at 31.12.	175	125	116	125	291	250
Return on sales	9.4%	13.7%	6.8%	43.3%	8.5%	22.9%

\* Including proportional, scheduled depreciation

External revenues comprise revenues from the sale of tickets and the provision of services to customers as well as insurance benefits for events cancelled or postponed due to official event bans.

Internal income relates to services rendered between Group companies in different segments and DEAG as the parent company. Intra-segment services are eliminated within a segment.

The exchange of services between segments and between the segments and the holding company is adjusted in the consolidation column in the following reconciliation overview of segment and Group data. The consolidation column also includes the services of DEAG Holding. The services are invoiced on the basis of market prices and generally correspond to the prices charged to third parties.

The return on sales is derived from the segment result (EBIT) divided by the segment sales. No sales revenues are generated with external customers who amount to at least 10% of the total sales revenues.

### Reconciliation from segment to Group data

in EUR'000

	Total of segments		Consolidation (incl. Holding)		Group	
	2022	2021	2022	2021	2022	2021
Revenues	342,958	96,076	-18,157	-5,393	324,801	90,683
Other income	16,759	26,320	1,144	392	17,903	26,712
<b>Total earnings</b>	<b>359,717</b>	<b>122,396</b>	<b>-17,013</b>	<b>-5,001</b>	<b>342,704</b>	<b>117,395</b>
- thereof internal income	20,593	8,438	-20,593	-8,438	-	-
Cost of sales	281,278	78,938	-17,656	-4,489	263,622	74,449
Operating expenses	45,056	20,233	9,479	8,274	54,535	28,507
Segment result (EBIT)					29,079	22,013
Unallocated expenditure and income (incl. DEAG and consolidation effects)					-9,149	-9,290
<b>Operating result (EBIT)</b>					<b>19,930</b>	<b>12,723</b>
Income shares in companies accounted for using the equity method					-76	-150
Other financial result					-5,888	-5,435
<b>Result before taxes (EBT)</b>					<b>13,966</b>	<b>7,138</b>
Taxes on income and earnings					-4,064	-3,542
<b>Group result after taxes</b>					<b>9,902</b>	<b>3,596</b>
thereof attributable to other shareholders					4,678	1,351
<b>thereof attributable to DEAG shareholders (Group Result)</b>					<b>5,224</b>	<b>2,245</b>

EBITDA in the Live Touring segment amounted to EUR 28.1 million (previous year: EUR 14.7 million) and EUR 11.5 million in the Entertainment Services segment after EUR 15.7 million the previous year.

In the Group, EBITDA is EUR 30.9 million (previous year: EUR 22.1 million) and taking scheduled depreciation of EUR 11.0 million into account (previous year: EUR 8.9 million) results in Group EBIT of EUR 19.9 million (previous year: EUR 13.2 million).

### Geographical Information

in EUR'000

	Germany		Other countries		Group	
	2022	2021	2022	2021	2022	2021
Revenues	136,274	39,950	188,527	50,733	324,801	90,683

The activities of the DEAG Group mainly extend to Germany, the UK, Switzerland, Ireland and Denmark. For the purposes of geographical segment reporting, sales are segmented according to the location of the customer's registered office and assets and investments according to the location of the company's registered office.

EUR 150,788 thousand (previous year: EUR 46,996 thousand) of the sales revenue from other countries was generated by the companies based in the UK and Ireland and EUR 37,739 thousand (previous year: EUR 3,737 thousand) by the companies in Switzerland and Denmark.

## 8 CASH AND CASH EQUIVALENTS

Cash in hand and credit balances at banks are shown as liquid funds.

## 9 TRADE RECEIVABLES

Trade receivables comprise the following items:

in EUR'000

	31.12.2022	31.12.2021
Trade receivables (gross)	18,165	13,402
Bad debt allowance	-359	-108
<b>Trade receivables</b>	<b>17,806</b>	<b>13,294</b>

Written-down receivables essentially result from the valuation based on expected credit losses in accordance with IFRS 9. As impairments of trade receivables are of minor importance in the Group in the financial year and in the near future, no impairment matrix is presented.

For further details on trade receivables, please refer to the explanations in Note 32 "Revenues."

## 10 DOWN PAYMENTS

Down payments essentially relate to advance payments of fees and individually attributable event costs relating to events after the balance sheet date.

## 11 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets comprise the following:

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>
Insurance claims	2,022	3,014
Receivables from associated companies	1,615	1,847
Receivables from cooperation contracts	1,395	48
Loans	1,029	424
Deposits	453	389
Creditors with debit balances	297	476
Claims for damages	-	2,811
Others	775	788
<b>Other current financial assets</b>	<b>7,586</b>	<b>9,797</b>

## 12 OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets essentially comprise the following:

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>
Down payments	2,423	2,097
Tax authorities claims	1,406	789
Governmental grants	1,397	8,276
Input tax deductible in the following year	1,032	628
Others	141	270
<b>Other current non-financial assets</b>	<b>6,399</b>	<b>12,060</b>

## 13 DISCLOSURES ON SUBSIDIARIES

### 13.1 Summary financial information on subsidiaries

Summarised financial information is presented below for subsidiaries or sub-groups of the Group with a non-controlling interest that is material to the Group. The consolidated financial information corresponds to the amounts before intra-group eliminations.

The consolidated financial data of subsidiaries or sub-groups of the Group corresponds to the amounts shown in the financial statements of the companies prepared in accordance with IFRS with corresponding consolidation adjustments at sub-group level.

Significant non-controlling interest in the Live Touring segment:

#### Sub-group Kilimanjaro

The activities of the following companies included in the Group are combined in the Kilimanjaro sub-group. Collective Forms Ltd., London (UK) is held as an associate and is included in financial assets.

The sub-group consists of the following companies:

Sub-Group	Entity	DEAG Share-holding	DEAG Share of voting rights
Kilimanjaro	Kilimanjaro Holdings Limited, London (UK)	49.7%	51.0%
	Kilimanjaro Live Limited, London (UK)	49.7%	51.0%
	Wakestock Limited, London (UK)	49.7%	51.0%
	Matterhorn Events Limited, London (UK)	49.7%	51.0%
	Ben Wyvis Live Ltd., Glasgow (UK)	49.7%	51.0%
	Flying Music Holdings Limited, London (UK)	49.7%	51.0%
	The Flying Music Group Limited, London (UK)	49.7%	51.0%
	Flying Music Company Limited, London (UK)	49.7%	51.0%
	Flying Entertainment Limited, London (UK)	49.7%	51.0%
	Stage2View Ltd., London (UK)	49.7%	51.0%
	Stage2View Productions Ltd., London (UK)	49.7%	51.0%
	UK Live Limited, London (UK)	44.7%	45.9%
	Fane Productions Limited, London (UK)	37.0%	38.3%
	LoveMyRead Ltd., London (UK)	37.0%	38.3%
	Fane Productions (Australia) PTY Limited, Victoria (Australien)	37.0%	38.3%
	Regular Ltd., Edinburgh (UK)	34.8%	35.7%
	Kontour Production Services Limited, London (UK)	27.8%	28.5%
	Singular Artists Limited, Dublin (Ireland)	27.3%	28.1%
	JAS Theatricals (vormals Kilimanjaro Theatricals Limited), London (UK)	25.3%	26.0%
	Cluedo Stage Productions Ltd., London (UK)	25.3%	26.0%

The disclosures in accordance with IFRS 12.29 for the sub-group are as follows:

### Balance Sheet (condensed)

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>
Current Assets	25,081	69,062
Non-Current Assets	32,895	33,385
Current Liabilities	41,879	95,024
Non-current Liabilities	3,242	2,604
Equity attributable to DEAG shareholders	7,959	2,917
Equity attributable to other shareholders	4,896	1,902

### Profit and Loss accounts and comprehensive income (condensed)

in EUR'000

	<b>2022</b>	<b>2021</b>
Revenues	147,902	44,321
Expenses and other income	138,727	46,194
<b>Profit/Loss</b>	<b>9,175</b>	<b>-1,873</b>
thereof attributable to DEAG shareholders	5,928	-996
thereof attributable to other shareholders	3,247	-877
<b>Total Profit/Loss</b>	<b>9,175</b>	<b>-1,873</b>
Other comprehensive income attributable to DEAG Shareholders	-886	319
Other comprehensive income attributable to other shareholders	-253	19
<b>Total other comprehensive income</b>	<b>-1,139</b>	<b>338</b>
Total income attributable to DEAG shareholders	5,042	-677
Total income attributable to other shareholders	2,994	-858
<b>Total income</b>	<b>8,036</b>	<b>-1,535</b>

**Cash Flow Statement (condensed)**

in EUR'000

	<b>2022</b>	<b>2021</b>
Cash Flow from operating activities	-37,066	56,347
Cash Flow from investing activities	-926	-18,112
Cash Flow from financing activities	751	-1,486
<b>Total Cash Flows</b>	<b>-37,241</b>	<b>36,749</b>

in EUR'000

	<b>2022</b>	<b>2021</b>
Dividends paid to other shareholders	117	0

**13.2 Acquisitions**

Acquisitions are accounted for under IFRS 3 (Business Combinations) using the purchase method.

**Final purchase price allocation of lit. COLOGNE GmbH and litissimo gGmbH zur Förderung der Literatur und Philosophie, both based in Cologne**

With the acquisition of 66.66% of the shares in lit.COLOGNE GmbH, Cologne, and litissimo gGmbH, Cologne, in 2021, DEAG is expanding its activities in the "Spoken Word & Literary Events" product area. Through this cooperation, DEAG expects synergy effects in the development of new formats as well as in the acquisition of new locations and in the ticketing sector.

The fixed purchase price of EUR 2.2 million was paid in cash in the previous year. The remaining purchase price was recognised as a contingent purchase price liability and will be due in 2022 to 2023 depending on the future business development of the company. In addition, the two parties have concluded an option to buy/sell the remaining shares. The option is recognised in other non-current financial liabilities. The incidental acquisition costs are recognised in other operating expenses.

The final purchase price allocation is unchanged from the preliminary purchase price allocation in the previous year and was as follows:

#### Share of capital and voting rights

lit. COLOGNE GmbH and litissimo gGmbH zur Förderung der Literatur und Philosophie, Cologne	66.66 %
Date of initial consolidation	01 July 2021
Purchase Price (in EUR'000)	2,701
Ancillary acquisition costs	38

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	2,031	2,031
Other rights	5	1,800	1,805
Fixed assets	40	-	40
Cash and cash equivalents	1,691	-	1,691
Current assets	697	-	697
Deferred tax assets	41	-	41
	<b>2,474</b>	<b>3,831</b>	<b>6,305</b>
<b>Liabilities</b>			
Current liabilities	2,454	-44	2,410
Deferred tax liabilities	-	553	553
	<b>2,454</b>	<b>509</b>	<b>2,963</b>
<b>Net assets</b>	<b>20</b>	<b>3,322</b>	<b>3,342</b>
Equity attributable to non-controlling interests			437

<sup>\*)</sup> The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

In the reporting period, the two companies contributed EUR 2,409 thousand to revenue, EUR 31 thousand to EBIT and EUR 65 thousand to the consolidated result after minority interests.

Since the date of initial consolidation in the previous period, lit. COLOGNE and litissimo have contributed EUR 672 thousand to revenue, EUR 182 thousand to EBIT and EUR 48 thousand to consolidated net income after minority interests. For the previous year, revenue on a pro forma basis according to IFRS 3.B64(q) amounted to EUR 1,736 thousand with a net result of EUR-267 thousand.

#### Purchase price allocation of UK Live Limited, London (UK)

DEAG acquired 90% of the shares in the British promoter and event organiser UK Live Limited through its subsidiary Kilimanjaro Holdings Ltd. last year. With this investment in UK Live, DEAG is expanding its business activities in the UK, the company's most important secondary market. DEAG also expects the investment in UK Live to generate positive synergy effects with regard to the ticketing business in the UK.

The fixed purchase price of GBP 3.7 million was paid in cash in the previous year. The remaining purchase price was recognised as a contingent purchase price liability and will be due in the years 2022 to 2025 depending on the company's future business development. In addition, the two parties have concluded an option to buy/sell the remaining shares. The option is recognised in other non-current financial liabilities.

The final purchase price allocation is unchanged from the preliminary purchase price allocation in the previous year and was as follows:

#### Share of capital and voting rights

UK Live Ltd., London (Great Britain)	89.55%
Date of initial consolidation	01 July 2021
Purchase Price (in EUR'000)	7,103
Ancillary acquisition costs	288

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	7,748	7,748
Other rights	-	2,000	2,000
Fixed assets	686	-	686
Cash and cash equivalents	2,279	-	2,279
Current assets	4,209	-	4,209
Deferred tax assets	506	-	506
	<b>7,680</b>	<b>9,748</b>	<b>17,428</b>
<b>Liabilities</b>			
Non-current liabilities	874	-	874
Current liabilities	9,522	-1,529	7,993
Deferred tax liabilities	-	671	671
	<b>10,396</b>	<b>-858</b>	<b>9,538</b>
<b>Net assets</b>	<b>-2,716</b>	<b>10,606</b>	<b>7,890</b>
Equity attributable to non-controlling interests			15

\*) The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

The company contributed EUR 10,543 thousand to revenue, EUR-2,998 thousand to EBIT and EUR -2,567 thousand to the consolidated result after minority interests in the reporting period.

Since the date of initial consolidation in the previous year, UK Live Ltd. contributed EUR 7,720 thousand to revenue, EUR 300 thousand to EBIT and EUR 244 thousand to the consolidated result after minority interests. Its revenue on a pro forma basis according to IFRS 3.B64(q) amounted to EUR 7,720 thousand with a net result of EUR-1,050 thousand.

### Purchase price allocation of Fane Productions Limited, London (UK)

In the previous year, DEAG acquired a 74.5% stake in Fane Productions Ltd., London/UK, a producer and organiser of literary events in the UK, through its subsidiary Kilimanjaro Holdings Ltd., London/UK. This will expand DEAG's activities in the "Spoken Word & Literary Events" product area and strengthen its position in the British entertainment market. The cooperation is also expected to generate positive synergy effects in the area of the "Spoken Word & Literary Events," especially with regard to lit.COLOGNE.

The fixed purchase price of GBP 2.6 million was paid in cash in the previous year.

In addition, the two parties have concluded an option to buy/sell the remaining shares. The option is recognised in other non-current financial liabilities.

The purchase price allocation is as follows:

#### Share of capital and voting rights

Fane Productions Ltd., London (Great Britain) incl. Fane Productions (Australia) PTY and	74.5 %
Kontour Productions Ltd. (Great Britain)	55.9 %
Date of initial consolidation	01 November 2021
Purchase Price (in EUR'000)	4,436
Ancillary acquisition costs	127

in EUR'000	Carrying amount at time of acquisition	Adjustment amount*)	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	3,111	3,111
Other rights	57	1,387	1,444
Software	110	-	110
Fixed assets	1,573	-	1,573
Cash and cash equivalents	1,964	-	1,964
Current assets	4	-	4
	<b>3,708</b>	<b>4,498</b>	<b>8,206</b>
<b>Liabilities</b>			
Current liabilities	3,394	-	3,394
Deferred tax liabilities	-	291	291
	<b>3,394</b>	<b>291</b>	<b>3,685</b>
<b>Net assets</b>	<b>314</b>	<b>4,207</b>	<b>4,521</b>
Equity attributable to non-controlling interests			359

\*) The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

The preliminary purchase price allocation was as follows:

#### Share of capital and voting rights

Fane Productions Ltd., London (Great Britain) incl. Fane Productions (Australia) PTY and	74.5%
Kontour Productions Ltd. (Great Britain)	55.9 %
Date of initial consolidation	01 November 2021
Purchase Price (in EUR'000)	3,115
Ancillary acquisition costs	146

in EUR'000	Carrying amount at time of acquisition	Adjustment amount*)	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	2,881	2,881
Other rights	57	-	57
Software	110	-	110
Fixed assets	1,573	-	1,573
Cash and cash equivalents	1,964	-	1,964
Current assets	4	-	4
	<b>3,708</b>	<b>2,881</b>	<b>6,589</b>
<b>Liabilities</b>			
Current liabilities	3,394	-	3,394
	<b>3,394</b>	<b>-</b>	<b>3,394</b>
<b>Net assets</b>	<b>314</b>	<b>2,881</b>	<b>3,195</b>
Equity attributable to non-controlling interests			80

\*) The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

The adjustments, in particular the change in the fair value of goodwill from EUR 2,881 thousand to EUR 3,068 thousand, are mainly due to the identification of other intangible assets. These relate to trademarks and other rights, as well as resulting adjustments to deferred tax liabilities.

The companies contributed EUR 12,819 thousand to revenue, EUR 1,676 thousand to EBIT and EUR 911 thousand to the consolidated result after minority interests in the reporting period.

In the previous year, the companies contributed EUR 4,776 thousand to revenue, EUR 846 thousand to EBIT and EUR 491 thousand to the consolidated result after minority interests from the time of initial consolidation. In the previous year, the revenue on a pro forma basis according to IFRS 3.B64(q) amounted to EUR 7,285 thousand with net profit of EUR 558 thousand.

### Purchase price allocation of Hans Boehlke Elektroinstallationen GmbH, Berlin

Christmas Garden Deutschland GmbH, Berlin, a 100% subsidiary of DEAG, acquired 51% of the shares in Hans Boehlke Elektroinstallationen GmbH, Berlin ("Hans Boehlke GmbH"), in the previous year. The company is active in the field of illumination and multimedia design and offers services such as trade fair and outdoor advertising lighting, indoor and outdoor lighting concepts and lighting installations. With this investment in Hans Boehlke Elektroinstallationen GmbH, DEAG is expanding its activities in the area of technology and light production.

The fixed purchase price of EUR 2.6 million and the payment into the capital reserve of EUR 0.1 million were paid in cash in the previous year. The remaining purchase price was recognised as a contingent purchase price liability and will be due in 2021 to 2023 depending on the future business development of the company. The prerequisite is that the EBITDA of the years 2021 to 2023 reaches an average minimum value. Currently, the threshold is not expected to be exceeded.

The purchase price allocation is as follows:

#### Share of capital and voting rights

Hans Boehlke Elektroinstallationen GmbH, Berlin	51.0%
Date of initial consolidation	01 December 2021
Purchase Price (in EUR'000)	3,452
Ancillary acquisition costs	95

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	2,766	2,766
Other rights	5	-	5
Fixed Assets	1,693	1,954	3,647
Cash	213	-	213
Current assets	956	774	1,730
Deferred tax assets	359	-	359
	<b>3,226</b>	<b>5,494</b>	<b>8,720</b>
<b>Liabilities</b>			
Non-current liabilities	1,547	-	1,547
Current liabilities	2,490	-	2,490
Deferred tax liabilities	-	768	768
	<b>4,037</b>	<b>768</b>	<b>4,805</b>
<b>Net assets</b>	<b>-811</b>	<b>4,726</b>	<b>3,915</b>
Equity attributable to non-controlling interests			563

<sup>\*)</sup> The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

The preliminary purchase price allocation was as follows in the previous year:

#### Share of capital and voting rights

Hans Boehlke Elektroinstallationen GmbH, Berlin	51.0%
Date of initial consolidation	01 December 2021
Purchase Price (in EUR'000)	2,700
Ancillary acquisition costs	95

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	3,063	3,063
Other rights	5	-	5
Software	1,693	-	1,693
Fixed assets	213	-	213
Cash and cash equivalents	955	-	955
Current assets	359	-	359
	<b>3,225</b>	<b>3,063</b>	<b>6,288</b>
<b>Liabilities</b>			
Non-current liabilities	1,935	-	1,935
Current liabilities	2,101	-	2,101
	<b>4,036</b>	<b>-</b>	<b>4,036</b>
<b>Net assets</b>	<b>-811</b>	<b>3,063</b>	<b>2,252</b>
Equity attributable to non-controlling interests			-397

<sup>\*)</sup> The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

The adjustments, in particular the change in the fair value of goodwill from EUR 3,063 thousand to EUR 2,766 thousand, mainly result from the identification of hidden reserves for business and office equipment, buildings and land and the resulting adjustments with regard to deferred tax liabilities.

The company contributed EUR 6,868 thousand to revenue, EUR -691 thousand to EBIT and EUR -279 thousand to the consolidated result after minority interests in the reporting period.

In the previous year, the companies contributed EUR 4,775 thousand to revenue, EUR 748 thousand to EBIT and EUR 511 thousand to the consolidated result after minority interests from the time of initial consolidation. In the previous year, revenue on a pro forma basis according to IFRS 3.B64(q) amounted to EUR 6,783 thousand with net profit of EUR 206 thousand.

### Final purchase price allocation of LoveMyRead Ltd., London (UK)

LoveMyRead Ltd., a 100% subsidiary of Fane Ltd., London, is a subscription service that sends expertly selected new book releases in packaged boxes to consumers' homes each month, together with small gifts from partner brands. This will significantly expand the DEAG Group's activities in the "Spoken Word & Literary Events" product area worldwide.

The fixed purchase price of GBP 14 was paid in cash during the financial year.

The purchase price allocation is as follows:

#### Share of capital and voting rights

LoveMyRead Ltd., London (UK)	100.0%
Date of initial consolidation	01 May 2022
Purchase Price (in EUR'000)	0
Ancillary acquisition costs	33

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	-	-
Other rights	115	343	458
Cash and cash equivalents	76	-	76
Current assets	47	-	47
	<b>238</b>	<b>343</b>	<b>581</b>
<b>Liabilities</b>			
Non-current liabilities	425	-	425
Current liabilities	-	65	65
	<b>425</b>	<b>65</b>	<b>490</b>
<b>Net assets</b>	<b>-187</b>	<b>278</b>	<b>91</b>
Equity attributable to non-controlling interests			-

<sup>\*)</sup> The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

In addition, other intangible assets related to brands were identified and included, together with the resulting deferred tax liabilities. The initial consolidation resulted in a negative difference of EUR 90 thousand, which was reported in the income statement under other operating income in the reporting period.

In the reporting period, the company contributed EUR 277 thousand to revenue, EUR-6 thousand to EBIT and EUR-6 thousand to the consolidated result after minority interests.

Its revenue on a pro forma basis according to IFRS 3.B64(q) amounted to EUR 294 thousand with a net result of EUR-6 thousand.

### Preliminary purchase price allocation of the Airbeat One Festival

medi Produkt & Service GmbH, Berlin, a 100% subsidiary of DEAG, has acquired all assets and processes of the Airbeat One Festival as part of a so-called Asset Purchase Agreement (APA). The company was subsequently renamed Airbeat One GmbH, Berlin, and 45% of the shares were transferred back to the old owner of the festival under a Share Purchase Agreement (SPA). The retransfer is subject to certain conditions that were not yet met as of the balance sheet date.

The acquisition of the festival is expected to have positive synergy effects in the area of live entertainment as well as positive impulses for the ticketing business, purchasing and artist acquisition.

The fixed purchase price of EUR 2.0 million was paid in cash in the financial year. The remaining purchase price was recognised as a contingent purchase price liability and will be due in two scenarios between 2023 and 2028, depending on the future business development.

The preliminary purchase price allocation is as follows:

#### Share of capital and voting rights

Airbeat One GmbH, Berlin	55% (100%) <sup>1)</sup>
Date of initial consolidation	01 July 2022
Purchase Price (in EUR'000)	4,022
Ancillary acquisition costs	42

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Other rights	-	5,229	5,229
Fixed assets	-	848	848
	-	<b>6,077</b>	<b>6,077</b>
<b>Liabilities</b>			
Non-current liabilities	-	2,022	2,022
Deferred tax liabilities	-	1,223	1,223
	-	<b>3,245</b>	<b>3,245</b>
<b>Net assets</b>	-	<b>2,832</b>	<b>2,832</b>
Equity attributable to non-controlling interests			-

<sup>\*)</sup> The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

<sup>1)</sup> As of 31 December 2022, the contractually fixed repurchase of 45.0% of the shares to the seller of the festival had not yet been completed, as the associated conditions precedent had not yet been fulfilled. Accordingly, Concert Concept Veranstaltungen GmbH, Berlin still held 100% of the shares in Airbeat One GmbH on the balance sheet date.

Intangible assets were identified as part of the purchase price allocation. These relate to brands and sponsoring relationships. In addition, hidden reserves for operating and business equipment were capitalised and the resulting adjustments to deferred tax liabilities were taken into account. The initial consolidation resulted after reconsideration in a negative difference of EUR 0.9 million, which was reported in the income statement under other operating income during the period under review.

The negative difference is mainly the result of economies of scope that do not exist for the seller. Unlike the seller, DEAG has access to resources and the market (in particular booking and ticketing activities) that create a favourable negotiating position.

### Preliminary purchase price allocation of the Indian Spirit Festival

Friedrichsbau Variété Management Stuttgart GmbH, Stuttgart, a 100% subsidiary of DEAG, has taken over all of the assets and processes of the Airbeat One Festival as part of a so-called Asset Purchase Agreement (APA). The company was subsequently renamed Indian Spirit GmbH, its seat was relocated to Berlin and 45% of the shares were transferred back to the festival's old owner under a Share Purchase Agreement (SPA). The retransfer is subject to certain conditions that were not yet met on the balance sheet date.

The fixed purchase price of EUR 0.8 million was paid in cash in the financial year. The remaining purchase price was recognised as a contingent purchase price liability and will be due in two scenarios between 2023 and 2027, depending on the future business development. The fair value of the contingent consideration as of 31 December 2022 is determined using a discounted cash flow method.

The preliminary purchase price allocation is as follows:

#### Share of capital and voting rights

Indian Spirit GmbH, Berlin	55% (100%) <sup>1)</sup>
Date of initial consolidation	01 November 2022
Purchase Price (in EUR'000)	1,254
Ancillary acquisition costs	54

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	252	252
Other rights	-	1,088	1,088
	-	<b>1,340</b>	<b>1,340</b>
<b>Liabilities</b>			
Current liabilities		85	85
	-	<b>85</b>	<b>85</b>
<b>Net assets</b>	-	<b>1,255</b>	<b>1,255</b>
Equity attributable to non-controlling interests			-

\*) The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

<sup>1)</sup> As of 31 December 2022, the contractually fixed repurchase of 45.0% of the shares to the seller of the festival had not yet been completed, as the associated conditions precedent had not yet been fulfilled. Accordingly, Broadway Variété Management GmbH, Berlin still held 100% of the shares in Indian Spirit GmbH on the balance sheet date.

Intangible assets were identified as part of the purchase price allocation. These relate to brands and sponsoring relationships. The resulting adjustments to deferred tax liabilities were also taken into account.

### Preliminary purchase price allocation of Oshi Software Ltd., Dublin (Ireland)

Oshi Software Ltd. in Ireland, a subsidiary of DEAG, the operator of the ticketing platform tickets.ie, is an independent ticketing provider for third-party content in the field of live entertainment in Ireland. The cooperation is expected to have positive synergy effects, especially in the area of ticket sales.

The fixed purchase price of GBP 266 million was paid in cash in the financial year.

The preliminary purchase price allocation is as follows:

#### Share of capital and voting rights

Oshi Software Ltd., Dublin (Ireland)	75.0%
Date of initial consolidation	01 November 2022
Purchase Price (in EUR'000)	0
Ancillary acquisition costs	166

in EUR'000	Carrying amount at time of acquisition	Adjustment amount <sup>*)</sup>	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	265	265
Fixed Assets	80	-	80
Cash and cash equivalents	94	-	94
Current assets	190	-	190
	<b>364</b>	<b>265</b>	<b>629</b>
<b>Liabilities</b>			
Non-current liabilities	712	-	712
	<b>712</b>	<b>-</b>	<b>712</b>
<b>Net assets</b>	<b>-348</b>	<b>265</b>	<b>-83</b>
Equity attributable to non-controlling interests			-87

<sup>\*)</sup> The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

### Preliminary purchase price allocation of Regular Ltd., Edinburgh (United Kingdom)

DEAG acquired a 70% stake in Regular Ltd., an independent music promotion company in Scotland, through its English subsidiary Kilimanjaro. The Edinburgh-based company has already hosted concerts by international artists in Scotland. The transaction will expand its business activities in the UK, DEAG's second most important national market, and it is expected to have positive synergy effects for the ticketing and live entertainment business.

The fixed purchase price of GBP 1.46 million was paid in cash in the financial year.

The preliminary purchase price allocation is as follows:

Share of capital and voting rights

Regular Ltd. Edinburgh (UK)	70.0%
Date of initial consolidation	31 December 2022
Purchase Price (in EUR'000)	1,646
Ancillary acquisition costs	186

in EUR'000	Carrying amount at time of acquisition	Adjustment amount*)	Fair value at time of acquisition
<b>Assets</b>			
Goodwill	-	1,439	1,439
Fixed Assets	19	-	19
Cash and cash equivalents	1,675	-	1,675
Current assets	1,160	-	1,160
	<b>2,854</b>	<b>1,439</b>	<b>4,293</b>
<b>Liabilities</b>			
Non-current liabilities	2,558	-	2,558
	<b>2,558</b>	<b>-</b>	<b>2,558</b>
<b>Net assets</b>	<b>296</b>	<b>1,439</b>	<b>1,735</b>
Equity attributable to non-controlling interests			89

\*) The adjustment amount reflects the difference between carrying amount of assets and liabilities before their acquisition and their fair values at the date of acquisition by the buyer.

The following transactions carried out in the financial year will not take effect until 1 January 2023:

**Preliminary purchase price allocation of A.C.T. Artist Agency GmbH, Berlin**

With effect from 1 January 2023, DEAG has increased its previous stake in the concert organizer A.C.T. Artist Agency GmbH, Berlin, through its 100% subsidiary DEAG Concerts GmbH, Berlin, from 50% to 100%. The investment previously treated as an associate will be included in the Consolidated Financial Statements as part of the full consolidation from this date on. DEAG expects synergy effects from the transaction, particularly in the live entertainment sector and for ticketing.

The fixed purchase price of EUR 12.5 thousand was paid in cash in the financial year.

Due to pending validation of the opening balance sheet, the purchase price allocation has not yet been completed.

**Preliminary purchase price allocation of Media On-Line Management GmbH & Co. Classic Open Air KG, Berlin, and Media On-Line Management GmbH, both based in Berlin**

With effect from 1 January 2023, DEAG, through its wholly-owned subsidiary DEAG Classics GmbH, Berlin, acquired an 85% stake in the concert promoter Media On-Line Management GmbH & Co. Classic Open Air KG, Berlin ("Classic Open Air" or "COA"). COA hosts the Classic Open Air Festival on the Gendarmenmarkt every year. DEAG expects synergy effects from the transaction, particularly in the Classic segment and in artist acquisition. In addition, the volume of the ticketing business will increase.

The fixed purchase price of EUR 637.5 thousand was paid in cash in the financial year.

Due to pending validation of the opening balance sheet, the purchase price allocation has not yet been completed.

## 14 GOODWILL AND OTHER INTANGIBLE ASSETS

### 14.1 DEVELOPMENT IN THE FINANCIAL YEAR AND THE PREVIOUS YEAR

The figures developed as follows:

In EUR'000

Acquisition or production costs	Goodwill	Artist and agency relationships	Other rights	Software	Other intangible assets
<b>01.01.2022</b>	<b>52,014</b>	21,628	27,093	2,451	<b>51,172</b>
Reclassification	-	-156	-50	206	-
Additions from initial consolidation	1,660	-	7,498	166	7,664
Additions	919	786	187	250	1,223
Change in scope of consolidation	-	-	-1,047	-	-1,047
Disposals	-105	-	-342	-8	-350
Translation adjustment	-711	-495	-563	-11	-1,069
<b>31.12.2022</b>	<b>53,777</b>	21,763	32,776	3,054	<b>57,593</b>
<b>Depreciation</b>					
<b>01.01.2022</b>	-	10,700	5,933	1,799	<b>18,432</b>
Additions from initial consolidation	-	32	-	51	83
Additions	-	1,783	1,451	307	3,541
Disposals	-	-37	-253	-6	-296
Translation adjustment	-	-263	-112	-5	-380
<b>31.12.2022</b>	-	12,215	7,019	2,146	<b>21,380</b>
<b>Balance sheet values</b>	<b>53,777</b>	9,548	25,757	908	<b>36,213</b>

In EUR'000

Acquisition or production costs	Goodwill	Artist and agency relationships	Other rights	Software	Other intangible assets
<b>01.01.2021</b>	<b>34,104</b>	21,234	20,519	2,553	<b>44,306</b>
Reclassification	-	-	351	-351	-
Additions from initial consolidation	<b>16,967</b>	-	3,882	110	<b>3,992</b>
Additions	<b>494</b>	-	466	98	<b>564</b>
Change in scope of consolidation	-	-	1,105	-	1,105
Disposals	-	-	-2	-16	<b>-18</b>
Translation adjustment	<b>449</b>	394	772	57	<b>1,223</b>
<b>31.12.2021</b>	<b>52,014</b>	21,628	27,093	2,451	<b>51,172</b>
<b>Depreciation</b>					
<b>01.01.2021</b>	-	9,130	3,821	1,825	<b>14,776</b>
Reclassification	-	-	330	-330	-
Additions from initial consolidation	-	-	78	48	<b>126</b>
Additions	-	1,286	1,614	223	<b>3,123</b>
Disposals	-	-	-	-16	<b>-16</b>
Translation adjustment	-	284	90	49	<b>423</b>
<b>31.12.2021</b>	-	10,700	5,933	1,799	<b>18,432</b>
<b>Balance sheet values</b>	<b>52,014</b>	10,928	21,160	652	<b>32,740</b>

## 14.2. GOODWILL

As of 31 December 2022, the goodwill of EUR 34,253 thousand (previous year: EUR 33,471 million) reported was generated by the Live Touring segment and EUR 19,524 thousand (previous year: EUR 18.543 thousand) by the Entertainment Services segment.

Goodwill in the Live Touring segment mainly relates to UK Live in the amount of EUR 7,495 thousand (31 December 2021: EUR 7,911 thousand), the sub-group Kilimanjaro in the amount of EUR 6,475 thousand (unchanged from the previous year), the sub-group DEAG Classics AG (including the subsidiaries lit.COLOGNE and CSB Island) in the amount of EUR 4,530 thousand (31 December 2021: EUR 4,501 thousand), the sub-group Gigantic including Oshi Software Ltd. ("tickets.ie"), at EUR 2,766 thousand Hans Boehlke Elektroinstallationen (31 December 2021: EUR 3,063 thousand), at EUR 2,926 thousand the sub-group Fane Productions Ltd. (31 Dec. 2021: EUR 2,900 thousand), at EUR 1,592 thousand, unchanged from the previous year, Wizard Promotions Konzertagentur GmbH, at EUR 1,439 thousand the addition of Regular Ltd., at EUR 853 thousand KBK Konzert- und Künstleragentur GmbH, unchanged from the previous year, and MEWES Entertainment Group GmbH at EUR 605 thousand, unchanged from the previous year.

In the Entertainment Services segment, the AIO Group accounted for EUR 11.872 thousand (31 December

2021: EUR 11,315 thousand) and LMP/LME for EUR 3,704 thousand (31 December 2021: EUR 3,530 thousand). The remaining portion of the Group's goodwill remained unchanged at EUR 1,552 thousand for the domestic sub-group C<sup>2</sup> Concerts, the unchanged amount of EUR 1,405 thousand for the domestic sub-group handwerker promotion e., and the unchanged amount of EUR 741 thousand for the other domestic companies in this segment.

The changes in the segments are mainly due to additions and currency-related changes.

Goodwill reflects the synergy expectations of the DEAG Group in view of the extension of the network associated with the acquisitions, access to venues as a result of the regional expansion, artist acquisitions and the rise in ticket volumes.

The aforementioned descriptions also applies to the determining the CGU.

Scheduled impairment tests were carried out for the goodwill of each CGU.

The impairment test compares the Carrying Amounts (including goodwill) with the Value in Use. A discounted cash flow method was used to determine the utility value. The discounted cash flow method was based on the business plan approved by Supervisory Board as well as assumed growth rates and EBIT margins, which were based on the events, pre-sales and experience values taken into account in the planning. The planning numbers of the last planning year were used for the standard year (perpetual annuity), taking a growth rate of 2% (previous year: 1%) into account.

Pre-tax interest rates of between 16.1% and 16.9% (previous year: between 13.1% and 14.2%) for the CGUs were determined as discount rates. The CGU AIO Group is an exception. The discount rate for this CGU is 11.3% (previous year: 10.2%).

For the reporting year and the previous year, a growth discount rate of 1% was applied in the standard year. Even after a 1 percentage point increase in the discount rate, there would be no relevant indications of impairment for goodwill. We do not consider a deflection of the discount rate by more than 1% to be appropriate.

### 14.3 OTHER INTANGIBLE ASSETS

Other intangible assets reported in the balance sheet have a limited useful life.

The capitalisation of artist and agent relationships and other rights results, among other things, from business combinations.

Additions relate mainly to assets acquired as a result of the acquisitions made in 2021 and 2022.

Artist and agency relationships are generally amortised on a straight-line basis over 15 years, the other rights according to the respective contract term.

The remaining amortisation period for artist and agency relationships is between 1 and 7 years and between 1 and 20 years for other rights.

Trademarks are generally amortised on a straight-line basis over a period of between 8 and 20 years.

Software is generally amortised on a straight-line basis over a period of between 3 and 5 years.

## 15 PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment in financial years 2022 and 2021 was as follows:

in EUR'000

Acquisition costs	Land and buildings	Technical plant and machinery	Other fixtures fittings and equipment	Leasing rights	Total Property, plant and equipment
<b>01.01.2022</b>	<b>2,828</b>	<b>4,590</b>	<b>11,794</b>	<b>34,374</b>	<b>53,586</b>
Reclassification	-	-166	166	-	-
Additions from initial consolidation	1,190	-	1,612	-	2,802
Additions	59	506	3,355	6,021	9,941
Disposals	-	-313	-546	-2,912	-3,771
Translation adjustment	-	-110	31	-21	-100
<b>31.12.2022</b>	<b>4,077</b>	<b>4,507</b>	<b>16,412</b>	<b>37,462</b>	<b>62,458</b>
<b>Depreciation in EUR'000</b>					
<b>01.01.2022</b>	<b>1,580</b>	<b>2,398</b>	<b>8,220</b>	<b>11,653</b>	<b>23,851</b>
Reclassification	-	-118	118	-	-
Additions	176	483	1,513	5,241	7,413
Disposals	-	-318	-493	-632	-1,443
Translation adjustment	-	-56	-27	-8	-91
<b>31.12.2022</b>	<b>1,756</b>	<b>2,389</b>	<b>9,331</b>	<b>16,254</b>	<b>29,730</b>
<b>Balance sheet values</b>	<b>2,321</b>	<b>2,118</b>	<b>7,081</b>	<b>21,208</b>	<b>32,728</b>

At a German subsidiary, liabilities to banks in the amount of EUR 0.6 million (previous year: EUR 0.6 million) were secured by land charges.

in EUR'000

	Land and buildings	Technical plant and machinery	Other fixtures fittings and equipment	Leasing rights	Total Property, plant and equipment
<b>Acquisition costs</b>					
<b>01.01.2021</b>	<b>1,816</b>	<b>2,970</b>	<b>5,102</b>	<b>27,215</b>	<b>37,103</b>
Reclassification	-	122	-122	-	-
Additions from initial consolidation	992	1,227	5,897	787	8,903
Additions	21	293	930	7,825	9,069
Disposals	-	-64	-79	-1,480	-1,623
Translation adjustment	-1	42	66	27	134
<b>31.12.2021</b>	<b>2,828</b>	<b>4,590</b>	<b>11,794</b>	<b>34,374</b>	<b>53,586</b>
<b>Depreciation in EUR'000</b>					
<b>01.01.2021</b>	<b>620</b>	<b>1,484</b>	<b>3,405</b>	<b>7,823</b>	<b>13,332</b>
Reclassification	-	71	-71	-	-
Additions from initial consolidation	811	539	4,233	-	5,583
Additions	150	331	705	4,588	5,774
Disposals	-	-59	-76	-760	-895
Write-up	-	-	-18	-	-18
Translation adjustment	-	32	42	2	76
<b>31.12.2021</b>	<b>1,580</b>	<b>2,398</b>	<b>8,220</b>	<b>11,653</b>	<b>23,851</b>
<b>Balance sheet values</b>	<b>1,248</b>	<b>2,192</b>	<b>3,574</b>	<b>22,721</b>	<b>29,735</b>

## 16 LEASES

The DEAG Group has concluded leasing agreements for various properties, vehicles and other assets. Other assets mainly include leases for operating and business equipment, including IT hardware. Real estate leases generally run for two to ten years. Motor vehicle and other asset leases usually have a term of between three and five years. The Group's obligations from its leasing contracts are secured by the lessor's ownership of the leased assets. The assignment and subleasing of the leased assets by the Group are generally prohibited. Currently, the exercise of the current extension options is considered sufficiently secure and these periods are therefore taken into account accordingly in the maturity calculation.

As of 31 December 2021 and as of 31 December 2022, rights of use and related depreciation mainly related to real estate. As of 31 December 2022, rights of use amounting to EUR 21,208 thousand (31 December 2021: EUR 22,721 thousand) were reported and depreciation expense of EUR 5,241 thousand (31 December 2021: EUR 4,589 thousand) was recognised.

The following table shows the carrying amounts of the rights of use per asset class and the changes during the reporting period:

in EUR'000

	<b>Total</b>	<b>Real estate</b>	<b>Vehicles</b>	<b>Other</b>
<b>Rights of Use</b>	<b>21,208</b>	<b>18,863</b>	<b>619</b>	<b>1,726</b>
<i>31.12.2021:</i>	<i>22,721</i>	<i>19,733</i>	<i>774</i>	<i>2,214</i>
Additions	6,021	5,614	269	138
<i>2021:</i>	<i>7,825</i>	<i>7,462</i>	<i>75</i>	<i>288</i>
Depreciation expense	5,241	4,221	418	602
<i>31.12.2021:</i>	<i>4,588</i>	<i>3,598</i>	<i>356</i>	<i>634</i>

Leasing of the Jahrhunderthalle in Frankfurt/Main represents an important leasing relationship. As of the balance sheet date, the carrying amount for the right of use was EUR 6,679 thousand (31 December 2021: EUR 7,481 thousand). In contrast, leasing liabilities of EUR 8,397 thousand (31 December 2021: EUR 8.965 thousand) were recognised.

The additions amounted to EUR 6,021 thousand (31 December 2021: EUR 7,825 thousand). In financial year 2022, renting office space in Berlin with a term of 10 years represents the most significant new lease. As of the balance sheet date, the carrying amount for the right of use was EUR 3,179 thousand. In contrast, a lease liability of EUR 3,334 thousand was recognized.

The corresponding lease liabilities (which are included in financial liabilities) amounted to EUR 23,828 thousand (31 December 2021: EUR 25,508 thousand). The maturity analysis of the leases is shown in Note 50.

Amounts recognized in the income statement during the period:

in EUR'000

	<b>2022</b>	<b>2021</b>
Interest expense on lease liabilities	1,819	1,720
Expenditure on leases through a low-value asset, excluding short-term leases through low-value assets	11	6

Amounts recognized in the cash flow statement in the reporting period:

in EUR'000

	<b>2022</b>	<b>2021</b>
Cash outflows for leases	7,198	6,535

No significant variable lease payments were due in the financial years shown.

The following table shows the undiscounted potential future lease payments from contracts that were already concluded in 2022, but begin after 31 December 2022:

in EUR'000

	< 1 year	1 to 5 years	> 5 years	Total
Leases entered into by the lessee, but not yet commenced	232	2,682	6,206	9,120

A significant lease that begins in 2023 includes the rental of the property in Neustadt-Glewe. In addition, the forthcoming rental of the railway arches at London Bridge represents a significant future lease.

## 17 INVESTMENT PROPERTY

Since 2001, DEAG has assessed the plots of land held as a financial investment that are not used within the operating activities of the DEAG Group in accordance with the fair value model on the basis of sufficiently objectifiable market prices by an external expert and has made a corresponding write-up/write-down in respect of the fair value on the reporting date.

Already in financial year 2015, DEAG set up a 50:50 joint venture together with a real estate investor based in Frankfurt/Main and sold the partial plots of land around the Frankfurt Jahrhunderthalle arena held for sale and/or development under the item "Real estate held as a financial investment" subject to a condition precedent to the joint venture. In the event of the granting of a building permit, the property transfer is to be carried out and the total area and/or parts thereof are to be developed and marketed through the joint venture under the coordination of the real estate investor.

In the context of the sale subject to a condition precedent, the parties agreed on a minimum price for the partial plots of land, which, due to the fact that it was concluded in one transaction, is to be applied with priority over a fair value determined by an expert valuation. For financial year 2022, the price agreed upon in 2015 subject to a precedent condition continued to be the best indicator of the fair value.

The property surrounding the Jahrhunderthalle in Frankfurt/Main is reported unchanged at EUR 5,625 thousand, based on the minimum purchase price agreed subject to a condition precedent, less safety margins for unsecured development.

The following table shows the valuation hierarchy used, unchanged from the previous year:

Assets valued at fair value (in EUR'000)

	Total	Market value		
		Level 1	Level 2	Level 3
Investment properties	5,625	-	-	5,625

## 18 INVESTMENTS

For financial assets that are measured at fair value, there is an option to recognise the changes either in profit or loss or directly in equity. Financial assets measured at fair value include other investments (in principle, shares with a participation quota of less than 20%) in corporations (equity instruments) and shares held by DEAG. DEAG has decided to recognise changes in the fair value of its significant investments in the income statement. The valuation as of the reporting date was carried out using the DCF method. The valuation of the investment in Time Ride GmbH resulted in a fair value of EUR 883 thousand as of reporting date of the previous year (31 December 2021: EUR 859 thousand).

In addition, the item mainly includes the investments in the UK at EUR 1,212 thousand (31 December 2021: EUR 2,251 thousand).

## 19 OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets of EUR 7,858 thousand (31 December 2021: EUR 3,863 thousand) have a term of more than one year. These mainly include loan receivables worth EUR 4,552 thousand (31 December 2021: EUR 1,000 thousand) and a purchase call option of EUR 2,413 thousand (31 December 2021: EUR 2,406 thousand).

With regard to the purchase call option, we refer to our further explanations in Notes 6 and 51.

## 20 DEFERRED TAXES

The deferred tax assets in the amount of EUR 2.1 million (31 December 2021: EUR 3.4 million) mainly relate to deferred taxes on loss carryforwards, of which EUR 1.2 million (31 December 2021: EUR 1.2 million) were offset against deferred tax liabilities (same tax authorities). Please refer to our comments in Note 40.

## 21 LIABILITIES TO BANKS

Liabilities to banks include investment loans as well as the availment of working capital lines.

In December 2020, DEAG received approval from the state development bank KfW for a loan from the KfW Special Programme 2020, which was expanded as part of the federal government's package of measures to cushion the economic consequences of the corona crisis, for EUR 25 million in two tranches for financing of operating materials. The first tranche of EUR 15 million was called up. The loan is granted via the principal banks. DEAG was able to waive the utilisation of the second tranche of up to EUR 10 million in December 2021 due to the Group's good liquidity situation. The loan has an interest rate of 2% p.a. The effective interest rate of the liability is 2.1% p.a. The loan has a term of six years. After the first year without any repayment, repayment has been carried out on a quarterly basis since March 2022. The terms of the loan include the usual conditions.

In addition, DEAG has drawn on the credit lines agreed with its principal banks for working capital and acquisition and project financing totalling EUR 12.1 million.

There are further liabilities to banks at German subsidiaries amounting to EUR 5.6 million. These are in particular utilisations of working capital lines and investment loans.

In addition, subsidiaries of DEAG agreed with their respective principal banks on government-backed financing specifically designed to cushion the effects of the COVID-19 pandemic, which were utilised in the amount of GBP 2.3 million and CHF 1.3 million.

## 22 TRADE PAYABLES

The liabilities are all due within one year. There is no collateralisation.

## 23 PROVISIONS

This item developed as shown below:

in EUR'000

	As of 01.01.2022	Changes in consol- idation	Usage	Disposal	Addi- tion	Currency adjustment	As of 31.12.2022
Contractual obligations	14,682	-	13,093	679	9,882	679	10,153
Personnel obligations	3,843	-	3,069	71	4,551	71	5,248
Consulting and audit fees	429	2	417	1	470	1	472
Other accruals	2,402	-	69	-	4,631	-	6,961
<b>Total</b>	<b>21,356</b>	<b>2</b>	<b>16,648</b>	<b>751</b>	<b>19,534</b>	<b>751</b>	<b>22,834</b>

in EUR'000

	As of 01.01.2021	Changes in consol- idation	Usage	Disposal	Addi- tion	Currency adjustment	As of 31.12.2021
Contractual obligations	1,771	2,085	2,786	473	14,022	63	14,682
Personnel obligations	2,049	403	1,642	67	3,072	28	3,843
Consulting and audit fees	360	23	357	8	401	10	429
Other accruals	991	855	332	1	889	-	2,402
<b>Total</b>	<b>5,171</b>	<b>3,366</b>	<b>5,117</b>	<b>549</b>	<b>18,384</b>	<b>101</b>	<b>21,356</b>

The provisions – except for EUR 722 thousand (31 December 2021: EUR 662 thousand) in provisions for personnel liabilities – are, as a matter of principle, due within one year.

## 24 CONTRACT LIABILITIES

This item includes customers' takings for concert and theatre tickets as well as guarantee payments for events after the balance sheet date. The contract liabilities are recognised in income on the day of the respective event.

For further details on the contract liabilities, we refer to the explanations in Note 32 "Revenues."

## 25 BOND 2018/2023

To finance external and internal growth measures, DEAG issued a corporate bond in the amount of EUR 20.0 million in October 2018. This corporate bond was increased by a further EUR 5.0 million in 2019. The bonds from the corporate bond 2018/2023 are admitted to trading on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The bonds have been subject to interest at an interest rate of 6.5% p.a. since 1 November 2022. Interest is payable annually in arrears as of 31 October of each year. Unless already redeemed in whole or in part or purchased and cancelled, DEAG is obliged to redeem the bonds at par on 31 October 2023. The basic bond data and further information can be found on the company's website under: [www.deag.de/anleihe](http://www.deag.de/anleihe) 2018-2023.

## 26 OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities comprise the following:

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>
Current Leasing liabilities	5,081	5,214
Escrow monies from ticket sales	3,874	4,818
Conditional purchase price liabilities	636	0
Liabilities against employees	213	148
Other	2,001	1,930
<b>Other current financial liabilities</b>	<b>11,805</b>	<b>12,110</b>

## 27 OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities are comprised as follows:

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>
Tax liabilities	6,281	4,096
Social security liabilities	851	136
Vouchers	635	2,902
Prepayment of cooperation agreements	70	229
Other	247	160
<b>Other current non-financial liabilities</b>	<b>8,084</b>	<b>7,523</b>

## 28 OTHER NON-CURRENT FINANCIAL LIABILITIES

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>
Leasing liabilities	18,745	20,293
Contingent purchase price liabilities	7,533	6,575
Other	16	0
<b>Other non-current financial liabilities</b>	<b>26,294</b>	<b>26,868</b>

Lease liabilities amounted to EUR 7,759 thousand (31 December 2021: EUR 8,397 thousand) on the lease of the Jahrhunderthalle in Frankfurt/Main and to EUR 10,986 thousand (31 December 2021: EUR 11,896 thousand) for other lease obligations.

Please refer to the comments in Notes 6, 16 and 50.

## 29 COLLATERALISATION

In the year under review, EUR 3,390 thousand (31 December 2021: EUR 140 thousand) in connection with pre-financing of the tour, claims from ticket money and insurance claims were assigned to the financing credit institution.

At a German subsidiary, and according to previous year liabilities to banks in the amount of EUR 0.6 million (31 December 2021: EUR 0.6 million) were secured by land debt.

The loans of the subsidiaries in the UK are secured to the extent customary there.

## 30 EQUITY

As of 31 December 2021, the share capital of DEAG remained unchanged compared to previous year and amounted to EUR 21,588,573.00, divided into the same number of registered shares in the form of no-par value shares with a notional interest in the share capital of EUR 1.00 per share.

The share capital of the company is fully paid up.

The capital reserve includes the premium from the issue of shares, the reduction due to the capital increase from company funds to adjust the subscribed capital due to the conversion to the euro, and the costs of capital measures carried out. The transaction costs are mainly consulting costs and issuing fees. The revaluation reserve for property, plant and equipment formed in previous years resulted from the revaluation of owner-occupied property after deduction of deferred taxes in accordance with IAS 16. As a result of the Jahrhunderthalle transaction, the remaining revaluation reserve was transferred in full to the capital reserve in 2015 without affecting profit or loss.

Retained earnings remains unchanged compared to previous year and amount to EUR -332 thousand. This position includes the effects of applying IFRS 16 that are not recognised in profit or loss.

The accumulated deficit includes the consolidated result for the financial year as well as the results achieved in the past by the companies included in the Consolidated Financial Statements.

Earnings per share are calculated by dividing the consolidated profit by the weighted number of shares outstanding.

The calculation of the undiluted earnings per share pursuant to IAS 33 is based on 21,587,958 shares (21,588,573 shares issued less 615 treasury shares). The weighted average number of shares for 2022 is 21,587,958 (previous year: 20,926,590). The underlying consolidated result amounted to EUR 5,224 thousand (previous year: EUR 2,245 thousand).

### Authorised capital

The Management Board was authorised by resolution of the Annual General Meeting on 23 June 2022 to increase the share capital by up to EUR 10,794,286.00 by 22 June 2027 (Authorised Capital 2022/I). The Authorised Capital of 10 June 2021 (Authorised Capital 2021/I) has been cancelled.

Entry in the commercial register took place on 19 August 2022.

Authorised Capital (2022/I) has not yet been used.

### Acquisition of treasury shares (Section 71 (1) no. 8 AktG)

As resolved by the Annual General Meeting on 25 June 2020 in accordance with Section 71 para. 1 no. 8 AktG, DEAG is authorised to purchase up to 10% of the share capital existing on the date of the resolution until 24 June 2020 with the approval of the Supervisory Board. The decision on this is to be made by the Executive Board. Such purchase may only be made via the stock exchange or by a public purchase offer addressed to all shareholders. This authorisation has not yet been exercised. As of 31 December 2022, the company still held 615 treasury shares.

### Accumulated other result

The accumulated other result developed as follows in 2022 and 2021, respectively:

in EUR'000

	As of 01.01.2022	Variance in reporting year	As of 31.12.2022
Balancing item actuarial gain or losses (IAS 19.93A)	700	32	732
Balancing item for foreign currency translation	1,682	-524	1,158
<b>Accumulated other income</b>	<b>2,382</b>	<b>-492</b>	<b>1,890</b>

in EUR'000

	As of 01.01.2021	Variance in reporting year	As of 31.12.2021
Balancing item actuarial gain or losses (IAS 19.93A)	671	29	700
Balancing item for foreign currency translation	1,283	399	1,682
<b>Accumulated other income</b>	<b>1,954</b>	<b>428</b>	<b>2,382</b>

### Shares of non-controlling interests

Non-controlling interests are those shares in paid and earned equity that are neither directly nor indirectly held by DEAG. They are reported in equity in accordance with IFRS 10.22.

## 31 DISCLOSURES ON RELATIONSHIPS WITH RELATED PARTIES

According to IAS 24, ultimate controlling parties, the Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft, its shareholders and the Supervisory Board, as well as their relatives and companies controlled by them, come into consideration as related parties (related persons and companies).

Other related parties within the meaning of IAS 24.19 included the following individuals during the reporting year:

- » Two family members of Prof. Peter L. H. Schwenkow who work as hired employees of the companies of the DEAG Group and
- » a member of the Supervisory Board who, in addition to the remuneration of the Supervisory Board, also receives remuneration from a consulting contract

Remuneration and fees of a total amount of EUR 171 thousand (previous year: EUR 142 thousand) were paid to these individuals and companies in the reporting year.

### Executive Board

The total remuneration granted to the Executive Board in the financial year, including fringe benefits, amounted to EUR 4.9 million (previous year: EUR 4.4 million).

### Supervisory Board

Members of the Supervisory Board are remunerated in line with the Articles of Incorporation. In the financial year, remuneration totalled EUR 168 thousand (previous year: EUR 161 thousand).

## 32 REVENUES

The segment reporting shows the breakdown of revenues by lines of business and geographical markets (Note 7). We refer to our comments on the details of the accounting and valuation principles in Note 6.

The following table shows the opening and closing balances of trade receivables and contract liabilities:

#### Contract balances

in EUR'000

	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>01.01.2021</b>
Trade receivables	17,806	13,294	2,329
Contractual liabilities	62,925	128,552	60,220

The changes in contract liabilities in the financial year resulted from the following circumstances:

#### Reconciliation of contract liabilities

in EUR'000

	<b>2022</b>	<b>2021</b>
Income included in contract liabilities at the beginning of the period	-126,303	-12,982
Additions from payments received net of amounts recognised as sales in the reporting period	60,676	81,288
<b>Total change</b>	<b>-65,627</b>	<b>68,306</b>

For reasons of immateriality, the change due to acquisitions made in the financial year is not presented.

### **33 COST OF SALES**

Cost of sales includes the cost of materials, services purchased (especially fees), personnel expenses, event-related rent and other material costs (including pro rata scheduled depreciation of EUR 7.7 million (previous year: EUR 6.2 million), that are incurred in order to generate sales.

### **34 DISTRIBUTION COSTS**

Distribution costs amounted to EUR 24.1 million after EUR 9.7 million the previous year. These include personnel expenses (EUR 3.0 million, previous year: EUR 1.8 million), system fees (EUR 6.7 million, previous year: EUR 1.6 million) and other distribution-related material costs (EUR 14.4 million, previous year: EUR 6.3 million).

### **35 ADMINISTRATIVE EXPENSES**

Administrative expenses increased by EUR 11.6 million to EUR 30.4 million compared to the previous year (previous year: EUR 18.8 million). They consist of personnel expenses (EUR 17.7 million, previous year: EUR 9.7 million), other administration-related material costs (EUR 9.5 million, previous year: EUR 6.4 million) and the pro rata scheduled depreciation in the amount of EUR 3.3 million (previous year: EUR 2.7 million).

### **36 OTHER OPERATING INCOME**

Other operating income decreased significantly compared to the previous year from EUR 26.2 million to EUR 17.9 million. It mainly relates to grants and support from „Corona“ aid programmes in all core markets (EUR 9.6 million; previous year: EUR 24.5 million), fair value changes of contingent purchase price liabilities and options from acquisitions recognized in profit or loss (EUR 4.5 million; previous year: EUR 0.0 million), and miscellaneous other operating income. The corona-related grants relate, among other things, to EUR 7.5 million (previous year: EUR 5.1 million) in payments from public funds for the promotion of events and projects, for which essentially reduced revenues and/or increased event and production costs were offset without any further effect on earnings. Taking into account an offsetting of event- and project-related subsidies in the corresponding projects and a netting of income and expenses from fair value changes, other operating income would amount to EUR 8.8 million.

### **37 OTHER OPERATING EXPENSES**

Other operating expenses of EUR 4.6 million (previous year: EUR 1.2 million) include fair value adjustments (EUR 1.6 million; previous year: EUR 0.0 million), the impairment of a claim for damages (EUR 1.0 million) and non-capitalizable transaction costs (EUR 0.5 million; previous year: EUR 0.6 million) incurred in connection with the corporate transactions carried out in the reporting year.

Taking into account a netting of income and expenses from the fair value adjustments of purchase price liabilities and options, other operating expenses would amount to EUR 3.0 million.

## 38 FINANCING INCOME AND EXPENSES

This item breaks down as follows:

in TEUR

	2022	2021
in EUR'000	265	89
Interest income	-5,174	-4,517
Interest expense	-168	-480
<b>Other financial income or expenses</b>	<b>-5,077</b>	<b>-4,908</b>

## 39 INCOME FROM INVESTMENTS

The result from investments amounts to EUR-0.4 million after EUR-1.0 million in the previous year and is mainly due to profit share of investments in UK.

## 40 INCOME TAX

The actual tax liabilities for the current financial year and previous years are calculated based on the amounts expected to be payable to the tax authorities. Deferred tax claims and tax liabilities are calculated based on the rates that apply on the balance sheet date.

in EUR'000

	2022	2021
Tax expenses:		
Reporting period	-4,044	-2,024
Previous years	-10	-101
Tax refund previous years	70	13
Deferred tax expenses/income:		
Deferrered taxes	-147	-1,435
Temporary differences	67	--
<b>Tax income / expenses</b>	<b>-4,064</b>	<b>-3,547</b>

Income taxes include income taxes paid or payable in the respective countries and all deferred taxes. They include corporate income tax, including the solidarity surcharge, and trade tax as well as the respective foreign taxes.

Deferred taxes are formed in order to record all substantial temporary variances between the individual financial statement and the tax balance sheet and temporary variances due to consolidation adjustments.

Deferred taxes are calculated based on the respectively applicable national income tax rates. A corporate income tax rate of 15.0% as well as an effective local trade tax rate of 15.0% were applied for domestic companies in the reporting year 2022. Taking the solidarity surcharge and the trade income tax into account, the calculation of the deferred taxes for the domestic companies is based on a tax rate of approx. 30.0%. The income tax rate in Switzerland is approx. 20.0% and approx. 19.0% in the UK (as of 2023: 25%) If no prior-year figures are stated, the respective tax rates remained unchanged compared to the previous year.

Tax expenses resulting from application of the DEAG tax rate can be translated into actual tax expenses as follows:

in EUR'000

	2022	2021
Result before income tax and shares of non-controlling interests	13,966	7,139
income tax by using DEAG's tax rate (30%)	-4,190	-2,142
Tax income/expenditure as per Consolidated Profit and Loss Statement	-4,064	-3,543
<b>Reconciliation item</b>	<b>-126</b>	<b>1,401</b>

in EUR'000

	2022	2021
Taxes previous years	-61	-9
Tax-free earnings and non-deductible expenses	210	-393
Different tax rates	-472	153
Addition (+) / Release (-) of valuation allowance on deferred tax	-20	1,736
Miscellaneous	218	-86
	<b>-126</b>	<b>1,401</b>

Deferred tax assets comprise the following:

in EUR'000

	2022	2021	change not affecting net income	change affecting net income
Deferred taxes on losses carried forward	2,119	3,365	-	-1,246
<b>Deferred tax assets</b>	<b>2,119</b>	<b>3,365</b>	<b>0</b>	<b>-1,246</b>
Deferred tax assets that can be set off against deferred tax liabilities	-1,169	-1,169		
<b>Deferred tax assets (net)</b>	<b>950</b>	<b>2,196</b>		

Deferred tax assets on losses carried forward are recognised in the amount of EUR 2.1 million (previous year: EUR 3.4 million). The tax assets were shown netted in the amount if there is an offsetting option with the same tax authority.

The tax loss carry forwards in the DEAG Group amounted to around EUR 84 million for corporation tax as of 31 December 2022 (31 December 2021: EUR 95 million) and around EUR 56 million for trade tax (31 December 2021: EUR 56 million).

Due to the utilisation of previously unrecognised tax losses, the current tax expense was reduced by EUR 1.1 million (previous year: EUR 1.1 million).

The **deferred tax liabilities** reported are comprised as follows:

in EUR'000

	2022	2021	change not affecting net income	change affecting net income
Deferred tax liabilities from the write-up on the myticket Jahrhunderthalle Frankfurt/Main	1,308	1,320	-	12
Deferred tax liabilities on intangible assets	8,261	7,648	-1,700	1,087
Other temporary differences	303	370	-	67
<b>Deferred taxes on the liabilities side</b>	<b>9,872</b>	<b>9,338</b>	<b>-1,700</b>	<b>1,166</b>
To be settled against deferred tax assets	-1,169	-1,169		
<b>Balance sheet value</b>	<b>8,703</b>	<b>8,169</b>		

## 41 PERSONNEL EXPENSES

in EUR'000

	2022	2021
Salaries and wages	30,989	17,412
Social security contribution	4,283	1,890
<b>Total</b>	<b>35,272</b>	<b>19,302</b>

The previous year's personnel expenses were mainly influenced by the use of short-time work and the resulting reduction in working hours and the reimbursement of social security contributions as well as lower performance-related remuneration.

## 42 CASH FLOW STATEMENT

Cash and cash equivalents relate exclusively to liquid assets. Changes in the scope of consolidation resulted in the following changes in cash and cash equivalents and other assets and liabilities.

in EUR'000

	<b>Additions</b>
Cash Outflow	2,817
Additions to fixed assets	7,763
Additions of other assets	1,397
Additions other debt	5,068

The payments resulting from the addition to the scope of consolidation as part of investment activities in the amount of EUR 2,817 thousand relate to cash and cash equivalents in the amount of EUR 1,845 thousand and the consideration paid in the amount of EUR 4,662 thousand.

Income taxes of EUR 4,414 thousand (previous year: EUR 683 thousand) were paid, which were classified as cash flow from operating activities.

## 43 INFORMATION ON OBLIGATIONS UNDER RETIREMENT BENEFIT PLANS (IAS 19)

Under the defined contribution pension scheme in Germany, the Group pays contributions to state pension insurance institutions on the basis of statutory provisions. During the financial year, the employer's contribution to the pension insurance amounted to 9.30%, unchanged from the previous year. The ongoing payments of contributions are disclosed as social contributions in personnel expenses and amounted to EUR 0.8 million (previous year: EUR 0.8 million).

Retirement benefits are granted to the employees of Kilimanjaro Live Ltd. under the statutory defined contribution plan. Moreover, the directors of the company are insured through individual defined contribution pension insurance policies. During the reporting period, the sub-group Kilimanjaro paid pension contributions in the amount of EUR 246 thousand (previous year: EUR 120 thousand).

The companies of the DEAG Group that are based in Switzerland have joined a collective foundation for compliance with their retirement benefit obligations under the Swiss Federal Act on "Berufliche Alters-Hinterlassenen- und Invalidenvorsorge" (BVG). Apart from the payment of ongoing contributions to this pension scheme, they are also obliged to compensate for any undercoverage of this pension scheme if necessary (see Article 65d BVG). For this reason, this retirement benefit scheme must be classified as a defined multi-employer benefit plan within the meaning of IAS 19.29.

An independent expert has calculated the obligations in terms of retirement benefits effective 31 December 2022. The respective amounts were transferred to the Consolidated Financial Statements and are part of the Group's personnel obligations. We refer to our comments in Note 23. Disclosures in accordance with IAS 19 have been waived for reasons of materiality.

#### 44 AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

Headcount	2022	2021
Live Touring	276	150
Entertainment Services	126	114
DEAG Holding	34	33
<b>Total</b>	<b>436</b>	<b>297</b>

Headcount	2022	2021
Germany	327	215
UK/Ireland	85	61
Switzerland	21	18
Denmark	3	3
<b>Total</b>	<b>436</b>	<b>297</b>

As at 31 December 2022, the Group employed 500 (31 December 2021: 412) employees in continuing operations.

#### 45 OFF-BALANCE SHEET CONTINGENCIES / CONTINGENT LIABILITIES / CONTINGENT CLAIMS

On the balance sheet date, the following contingencies relating to other guarantees in the amount of EUR 1,542 thousand existed (31 December 2021: EUR 1,499 thousand).

These include EUR 1,364 thousand (31 December 2021: 1.246) for which DEAG is liable in connection with the issuance of a letter of comfort to a joint venture that is unlimited in amount and valid until further notice.

For sufficiently concrete, foreseeable tax risks whose probability of occurrence is predominantly likely, existing tax credits were reduced and/or corresponding provisions were recognised. In addition, further payment obligations could result from the outcomes of future external tax audits whose amount cannot currently be reliably estimated.

The Group is currently involved in active and passive legal proceedings. Insofar as risks can be identified, these risks are covered as a matter of principle in the Consolidated Financial Statements on the one hand by valuation allowances in respect of the assets and on the other hand through provisions. During the reporting year, exclusively costs of proceedings were provisioned. No individual risks from passive proceedings exist.

In connection with the elimination of the consequences of the COVID-19 pandemic, the Group has applied for and received government support payments and accounted for them with a safety margin in the Consolidated Financial Statements.

The support payments are subject to verification as part of the final account settlements. In this regard, asset reductions or increases could result if and to the extent that the safety margin is set too low or too high.

## 46 AUDIT FEES

The fee for the auditor of the Consolidated Financial Statements, Mazars GmbH & Co. KG, Hamburg, are as follows:

in EUR'000

	2022	2021
Audit fees	225	195
Other services rendered	45	40
<b>Total</b>	<b>270</b>	<b>235</b>

In addition to the costs of the audit of the Annual and Consolidated Financial Statements, no further audit services that were directly initiated by the audit or used in the context of the audit were incurred in 2022. Other benefits mainly relate to services in connection with the performance of a review of an interim financial statement and the application for funding (previous year: services in connection with the application for funding and the capital increase).

## 47 OTHER FINANCIAL OBLIGATIONS

In addition to the provisions and liabilities in the balance sheet and the contingencies, the following other financial commitments exist:

Financial Year 2022 in EUR'000

	Artist guarantees	Venues	Other	Total
2023	15,976	1,331	532	17,839
2024-2027	3,028	641	0	3.669
<b>Total</b>	<b>19,004</b>	<b>1,972</b>	<b>532</b>	<b>21,508</b>

There are no obligations for more than 5 years.

Other financial obligations of the previous year related to:

Financial Year 2021 in EUR'000

	<b>Artist guarantees</b>	<b>Venues</b>	<b>Other</b>	<b>Total</b>
2022	67,199	957	905	69,061
2023-2026	5,380	1,043	869	7,292
<b>Total</b>	<b>72,579</b>	<b>2,000</b>	<b>1,774</b>	<b>76,353</b>

## 48 LEGAL DISPUTES

Various DEAG Group companies are involved in legal or out-of-court disputes. We refer to Note 45 for the possible effects.

## 49 CAPITAL CONTROL

Besides the provisions under the German Stock Corporation Act, DEAG is not subject to any more extensive obligations for the purpose of capital conservation. The financial figures that are used for internal controlling of the company are performance-based and are to contribute to the appreciation of shareholders' assets while at the same time preserving balanced liquidity.

In the project business, the gross margin and the number of tickets in order to breakeven are used as the most important control parameters. In overall corporate management, revenues and earnings before interest, taxes, depreciation and amortisation (EBITDA) are the key indicators, which are also used by market participants, investors and financing banks for assessment purposes. With respect to acquisitions of companies, the duration of amortisation of the purchase price is an important decision criterion in addition to the company-related parameters. The Group manages its capital with the objective of ensuring that all affiliated companies can operate their business as a going concern and that at the same time the earnings of the shareholders are maximised through an optimisation of the ratio of equity to debt capital. The overall strategy is unchanged from the previous year. Compliance with the covenant criteria in connection with financing used is monitored on an ongoing basis. Non-compliance with financial covenants could lead to a slight increase in the cost of the underlying financing and/or restrict the committed framework of the financing.

In addition, we refer to the statements on equity under Note 30.

For a summary presentation of the figures for the reporting year and the previous year (EBITDA, Group earnings, profit to sales ratio), we refer to the information in the segment reporting in Note 7.

## 50 ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The DEAG Group is subject to interest rate, currency, credit and liquidity risks in respect of its assets, liabilities and operating business as a result of its international business activities and its investment and financing activities.

### Interest risks

On the assets and liabilities side, the Group is subject to interest rate fluctuations. While on the assets side in particular, income from short-term investments is exposed to an interest rate risk, the liabilities side is essentially affected by interest expenses from current and non-current financial liabilities.

The current return for drawings and drawdowns of existing financing lines are based on the one hand on the general EURIBOR development and on the other hand partly on agreed balance sheet and earnings ratios (financial covenants) which can lead to an increase or reduction in the interest payments. This financing is based on spread grids with scaling of 0.25 percentage points. The interest rate premium on the EURIBOR depends on the net debt ratio and interest coverage.

The financial and non-financial covenants vis-à-vis banks are continuously monitored and the resulting interest margins are agreed with the banks concerned.

The sensitivity analysis required by IFRS 7 refers to interest rate risks from floating rate monetary liabilities.

In the event of a hypothetical increase or decrease in the EURIBOR by 1%, interest would increase or decrease by EUR 590 thousand (previous year: EUR 791 thousand) as far as floating rate interest financing is concerned.

In the event of a hypothetical increase (decrease) in the interest premium by 0.25%, interest would increase (decrease) by EUR 148 thousand (previous year: EUR 198 thousand) as far as the floating rate interest financing is concerned.

### Currency risks

Payments of fees for artists, orchestras, show productions etc. are partly made on a USD basis and are hence subject to a currency risk to the euro, Swiss franc or British pound. The same applies to dividend payments from foreign subsidiaries that are made in Swiss francs or British pounds. The company performs sensitivity analyses on a regular basis in order to anticipate the impact of currency fluctuations and assess whether rate-hedging transactions are advantageous. Minor currency hedging transactions in GBP for intercompany loans were carried out in the reporting period and for the following financial year.

### Credit risks

The DEAG Group is exposed in the operating business and in respect of other transactions – stake sales, for instance – to a default risk if the contractual partners fail to meet their payment obligations. The current deposits have been made with principal banks with good credit standing. The maximum default risk is reflected by the carrying amounts. The deposits are made with different banks so that a diversification of the default risk is ensured.

In the operating business as well, the credit standing is also strictly observed in selecting business partners. Accounts receivable are monitored on an ongoing basis. Possible default risks are taken into account by making valuation allowances. On the reporting date, there were no indications of risks beyond the posted valuation allowances for accounts receivable or other assets.

### **Financial risks**

The financing of the operating business depends on the ability of the DEAG Group companies to generate sufficient cash flow inflows in a volatile business or to tap external sources of financing (debt or equity).

DEAG has set up a Group-wide monitoring system to identify and counteract any risks to the company as a going concern at an early stage. At present, monitoring is carried out to a large extent by the Executive Board and the Corporate Controlling department at headquarters. The monitoring and control system focuses, among other areas, on the liquidity planning of all operative Group companies.

In addition, extensive framework lines have been agreed with DEAG's principal banks, which will be used for the purposes of acquisition financing in the amount of EUR 4.0 million (previous year: 7.5 million EUR), pre-financing of tour and concert events (unchanged from the previous year at EUR 6.0 million) and ongoing business (EUR 14.8 million, previous year: EUR 10.5 million), that have been granted until further notice.

The current interest rate of the respective drawings and drawdowns is based on the general development of the EURIBOR.

The respective financing conditions reflect the favourable market level as well as DEAG's rating. The credit lines could be terminated on the basis of the general terms and conditions of business if the asset, financial and earnings positions of the DEAG Group have deteriorated in the long term compared to the time at which they were granted and compensatory measures (such as the provision or strengthening of bank collateral to secure the respective claims) are not successful.

DEAG issued a corporate bond in the amount of EUR 20.0 million in October 2018. This corporate bond was increased by a further EUR 5.0 million in 2019. The bonds from the corporate bond 2018/2023 are admitted to trading on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. The bonds bear interest at a rate of 6% per annum. Interest is payable annually in arrears in October of each year. Unless already redeemed in whole or in part or purchased and cancelled, DEAG is obliged to redeem the bonds at par on 31 October 2023.

In December 2020, DEAG received approval from the state development bank KfW for a loan from the KfW Special Programme 2020 of EUR 25 million in two tranches to finance working capital. The first tranche of EUR 15 million has been drawn down in full. The loan was granted via the principal banks. DEAG was able to forego drawing on the second tranche of up to EUR 10 million in December 2021 due to the Group's good liquidity situation. The loan bears an interest rate of 2% p.a. The effective interest rate of the liability is 2.2% p.a. The term of the loan is six years. After the first year without any repayment, repayment has been made on a quarterly basis since March 2022. The terms of the loan include the usual conditions.

In addition, DEAG subsidiaries and their respective house banks agreed on state-backed financing amounting to GBP 4.1 million, CHF 1.5 million, of which GBP 2.3 million and CHF 1.3 million had been drawn down as of the balance sheet date.

The financial and non-financial covenants vis-à-vis credit institutions are monitored on an ongoing basis.

DEAG is dependent on successful ticket sales and thus a positive business performance to finance its operating business, including organic and external growth. In individual cases, DEAG has entered into obligations (especially for fee payments) and must make advance payments on the liquidity side, as there are temporary differences between the outgoing payments and incoming payments from ticket sales. In these cases, the relevant advance costs would have to be covered from other sources – from other uncommitted financial resources or by drawing on credit lines with the principal banks, for example.

Based on revenue and earnings forecasts and the liquidity derived from them, the Executive Board considers this and the financial position of the company and the Group to be in order, also with regard to financing requirements for internal and external growth.

If the course of business were to deteriorate compared to the planning, a liquidity shortfall could occur if the planned financial inflows and framework lines are not available to a sufficient extent. DEAG would then be dependent on tapping additional sources of financing (debt or equity).

The following tables show the contractually fixed payments from financial liabilities. In the case of variable interest payments, the interest rate level valid on the balance sheet date is used as a basis.

#### Financial Year 2022 in EUR'000

	due within 1 year	due > 1 year until 5 years	due > 5 years	Total
<b><i>Non-derivative financial liabilities</i></b>	<b>83,571</b>	<b>24,689</b>	<b>8,791</b>	<b>117,051</b>
Liabilities against banks and other financial liabilities				
- Repayment	22,214	11,466	-	33,680
- Interest expenses p.a. (3.46 %)	769	1,587	-	2,356
Trade accounts payable	24,552	-	-	24,552
Bond	25,000	-	-	25,000
Interest expenses p.a. (6.50 %)	1,219	-	-	1,219
Leasing liabilities	5,081	11,118	7,630	23,829
Other non-derivative liabilities	6,724	2,105	1,161	9,990
<b><i>Derivative financial liabilities</i></b>	<b>-</b>	<b>2,625</b>	<b>1,655</b>	<b>4,280</b>

## Financial Year 2021 in EUR'000

	due within 1 year	due > 1 year until 5 years	due > 5 years	Total
<b>Non-derivative financial liabilities</b>	<b>41,145</b>	<b>59,810</b>	<b>7,415</b>	<b>108,370</b>
Liabilities against banks and other financial liabilities				
Repayment	5,318	18,435	-	23,753
Interest expenses p.a. (3.00 %)	160	2,212	-	2,372
Trade accounts payable	23,717	-	-	23,717
Bond	-	24,231	-	24,231
Interest expenses p.a. (6.00 %)	1,500	1,125	-	2,625
Leasing liabilities	5,215	14,191	6,102	25,508
Other non-derivative liabilities	6,895	2,953	1,313	11,161
<b>Derivative financial liabilities</b>	<b>-</b>	<b>806</b>	<b>1,503</b>	<b>2,309</b>

## 51 FINANCIAL INSTRUMENTS

The financial assets of the Group are measured at amortised cost in accordance with IFRS 9. The investments and a call option included in other non-current financial receivables that are measured at fair value through profit or loss are an exception. Furthermore, we refer to Note. 6.

Of the financial liabilities, contingent purchase price liabilities in the amount of EUR 8,169 thousand (31 December 2021: EUR 5,618 thousand) are recognised at fair value through profit or loss (see also Notes 26 and 28).

The fair value of the call option was determined using the DCF method. The valuation was based on budget drawn up by the local management. An interest rate of 11.7% (previous year: 14.1%) was used as the discount rate to determine the present value. In the event of a hypothetical increase (decrease) in the underlying earnings figure (EBIT) by 10.0%, the fair value would increase (decrease) by EUR 866 thousand (previous year: EUR 1,200 thousand) – without taking currency effects into account.

The contingent purchase price liabilities relate to non-current variable purchase price components (earnout obligations) of EUR 3,889 thousand (previous year: EUR 855 thousand) for acquisitions of shares depending on future business development and EUR 4,280 thousand (previous year: EUR 4,763 thousand) to purchase price obligations related to put options on non-controlling interests. The respective valuation is based on the DCF method. The valuations were based on budgets drawn up by the local management. A weighted interest rate of 8.4% (previous year: 6.0%) was used as the discount rate to determine the present values of the long-term earn-out obligations and the put option. In the event of a hypothetical increase (decrease) in the discount rate by 1.0%, these obligations would increase (decrease) by EUR 75 thousand (previous year: EUR 62 thousand) without taking exchange rate effects into account.

The valuation of the contingent purchase price liabilities was carried out taking the individually applicable framework conditions defined in the respective purchase agreements into account. The calculation bases include, among other elements, period-specific target sales and earnings figures from the relevant planning calculations. To determine the fair values, the cash flows are discounted based on capital market theoretical methods.

The following table shows the valuation hierarchy used for all financial assets and liabilities not measured at amortised cost, and the corresponding fair values for assets and liabilities measured at cost:

Financial Year 2021 in EUR'000	Fair Value	Level 3	Amortized cost	Book value
<b>Assets</b>				
<b>Cash</b>	-	-	<b>118,745</b>	<b>118,745</b>
Amortized cost	118,745	-	118,745	118,745
<b>Trade receivables</b>	-	-	<b>13,294</b>	<b>13,294</b>
Amortized cost	13,294	-	13,294	13,294
<b>Property held as an investment</b>	<b>5,625</b>	<b>5,625</b>	-	<b>5,625</b>
At Fair Value through profit and loss	5,625	5,625	-	5,625
<b>Investments</b>	<b>3,205</b>	<b>3,205</b>	-	<b>3,205</b>
At Fair Value through profit and loss	859	859	-	859
Amortized cost	2,346	-	2,346	2,346
<b>Other financial assets</b>	<b>2,406</b>	<b>2,406</b>	<b>11,254</b>	<b>13,660</b>
At Fair Value through profit and loss	2,406	2,406	-	2,406
Amortized cost	11,254	-	11,254	11,254
<b>Total</b>		<b>8,890</b>	<b>145,639</b>	

Financial Year 2021 in EUR'000	Fair Value	Level 3	Amortized cost	Book value
<b>Liabilities</b>				
<b>Bank loans payable</b>	-	-	<b>23,753</b>	<b>23,753</b>
Amortized cost	22,152	-	23,753	23,753
<b>Trade accounts payable</b>	-	-	<b>23,717</b>	<b>23,717</b>
Amortized cost	23,717	-	23,717	23,717
<b>Bond</b>	-	-	<b>24,231</b>	<b>24,231</b>
Amortized cost	24,231	-	24,231	24,231
<b>Other financial liabilities</b>	<b>6,576</b>	<b>6,575</b>	<b>32,403</b>	<b>38,978</b>
At Fair Value through profit and loss	6,575	6,575	-	6,575
Amortized cost	32,403	-	32,403	32,403
<b>Total</b>		<b>6,575</b>	<b>104,104</b>	

Financial Year 2022 in EUR'000	Fair Value	Level 3	Amortized cost	Book value
<b>Assets</b>				
<b>Cash</b>	-	-	<b>74,780</b>	<b>74,780</b>
Amortized cost	-	-	74,780	74,780
<b>Trade receivables</b>	-	-	<b>17,806</b>	<b>17,806</b>
Amortized cost	-	-	17,806	17,806
<b>Property held as an investment</b>	-	<b>5,625</b>	-	<b>5,625</b>
At Fair Value through profit and loss	-	5,625	-	5,625
<b>Investments</b>	<b>2,114</b>	<b>2,114</b>	-	<b>2,114</b>
At Fair Value through profit and loss	883	883	-	883
Amortized cost	1,231	-	1,231	1,231
<b>Other financial assets</b>	<b>15,444</b>	<b>2,413</b>	-	<b>15,444</b>
At Fair Value through profit and loss	2,413	2,413	-	2,413
Amortized cost	13,031	-	13,031	13,031
<b>Total</b>		<b>8,921</b>	<b>106,848</b>	

Financial Year 2022 in EUR'000	Fair Value	Level 3	Amortized cost	Book value
<b>Liabilities</b>				
<b>Bank loans payable</b>	<b>32,323</b>	-	<b>33,680</b>	<b>33,680</b>
Amortized cost	32,323	-	33,680	33,680
<b>Trade accounts payable</b>	<b>24,552</b>	-	<b>24,552</b>	<b>24,552</b>
Amortized cost	24,552	-	24,552	24,552
<b>Bond</b>	<b>24,602</b>	-	<b>24,602</b>	<b>24,602</b>
Amortized cost	24,602	-	24,602	24,602
<b>Other financial liabilities</b>	<b>38,099</b>			<b>38,099</b>
At Fair Value through profit and loss	8,169	8,169	-	8,169
Amortized cost	29,930	-	29,930	29,930
<b>Total</b>		<b>8,169</b>	<b>112,746</b>	

There were no reclassifications between Level 1, Level 2 and Level 3 of the valuation hierarchy in the reporting year.

In 2022 and 2021, cash and cash equivalents, trade receivables and payables, other financial assets and liabilities, and current financial liabilities had predominantly short remaining maturities. Therefore, their carrying amounts on the reporting date correspond more or less to the fair value.

The carrying amounts of other non-current receivables amounted to EUR 7,858 thousand (previous year: EUR 3,863 thousand). The fair value as of 31 December 2022 corresponds to the book values, as the assets - essentially loan receivables- are extensively collateralised. The portfolio of primary financial instruments is shown in the balance sheet; the amount of the financial assets corresponds to the maximum default risk.

The carrying amounts of the non-current liabilities to banks amount to EUR 11,466 thousand (previous year: EUR 18,435 thousand). On 31 December 2022, the fair value was EUR 10,109 thousand (previous year: EUR 16,834 thousand) based on the assumption of market interest rate of 6.5% (coupon of corporate bond 2018/2023).

As of 31 December 2022 the bond had short remaining maturity. Therefore, carrying amount of EUR 24,601 thousand (previous year: EUR 24,231 thousand) correspond more or less to the fair value.

The table below shows the reconciliation of the initial balance to the final balance for Level 3 fair values:

in EUR'000	Investments	Purchase Call Option	Property held as investment	Purchase price liabilities
<b>01.01.2021</b>	<b>1,914</b>	<b>2,391</b>	<b>5,625</b>	<b>2,256</b>
Additions	-	-	-	4,319
Disposal	-	-	-	-
Net change of Fair Value	-1,055	14	-	-
Transfer from Level 3	-	-	-	-
<b>31.12.2021</b>	<b>859</b>	<b>2,406</b>	<b>5,625</b>	<b>6,575</b>
Additions	24	-	-	4,485
Disposal	-	-	-	-
Net change of Fair Value	-	7	-	-2,891
Transfer from Level 3	-	-	-	-
<b>31.12.2022</b>	<b>883</b>	<b>2,413</b>	<b>5,625</b>	<b>8,169</b>

The net losses in the category "Financial assets and liabilities measured at fair value through profit or loss" resulted mainly from the valuation of an investment as well as the contingent purchase price liabilities and the put options, which are included in other financial liabilities.

The net gains or losses in the category “Financial assets measured at amortised cost” were essentially interest income less write-downs of receivables.

The net result of the category “Financial liabilities measured at amortised cost” essentially includes interest expenses and currency losses.

## **52 EXEMPTION FROM DISCLOSURE IN ACCORDANCE WITH SECTION 264 PARA 3 HGB**

The following companies avail themselves of the possibility of exemption from disclosure of their financial statements and management reports in accordance with Section 264 para 3 HGB (German Commercial Code):

- » DEAG Concerts GmbH, Berlin
- » Concert Concept Veranstaltungs-GmbH, Berlin
- » Global Concerts GmbH, Munich
- » Grünland Family Entertainment GmbH, Berlin
- » River Concerts GmbH, Berlin
- » Christmas Garden Deutschland GmbH, Berlin
- » CES Concert & Event Supply GmbH, Berlin  
(formerly Elbklassik Konzerte Hamburg GmbH, Hamburg)

## **53 SUBSEQUENT EVENTS**

In financial year 2022, DEAG acquired a majority stake in Media On-Line Management GmbH & Co. Classic Open Air KG, Berlin, with effect from 1 January 2023. DEAG also increased its current 50% stake in A.C.T. Artist Agency GmbH, Berlin, to 100% with effect from 1 January 2023. From this date on, the company is included in the consolidated Group within the scope of full consolidation. For more information, please see Note 13.2.

On 20 March 2023, DEAG expanded its cooperation with one of its principal banks and extended its current credit lines from EUR 9.0 million to EUR 20.0 million at the previous terms and conditions. Of the adjusted line, EUR 15.0 million relate to acquisition financing and EUR 5.0 million to general operating business.

Beyond this, from the perspective of the Executive Board, no other significant events occurred in the period from 1 January 2023 until the date of publication of this report.

## 54 PERSONNEL INFORMATION

### Executive Board Members

#### Prof. Peter L.H. Schwenkow

Place of residence	Berlin
Profession	Chief Executive Officer
Responsibility within the Group	Strategic Business Development and Operations, Public Relations

#### Christian Diekmann

Place of residence	Berlin
Profession	Graduate in Business Administration, Executive Board Member (Chief Operations Officer, Chief Digital Officer)
Responsibility within the Group	Operating Business, German Market, Sales, Marketing, Human Resources

#### Detlef Kornett

Place of residence	Kleinmachnow
Profession	Graduate in Business Administration, Executive Board Member (Chief Marketing Officer)
Responsibility within the Group	Marketing, International Business Affairs

#### Roman Velke

Place of residence	Berlin
Profession	Graduate in Business Administration, Executive Board Member (Chief Financial Officer)
Responsibility within the Group	Finance, Accounting & Controlling, Taxes, Investor Relations

#### Moritz Schwenkow

Place of residence	Berlin
Profession	Graduate in Business Administration, Executive Board Member (Chief Ticketing & Technology Officer)
Responsibility within the Group	Ticketing & Technology

## Supervisory Board Members

### Wolf-D. Gramatke

Place of residence	Salzhausen/Luhmuehlen
Position on Supervisory Board	Chairman of the Supervisory Board
Profession	Business Consultant

### Tobias Buck

Place of residence	London (Great Britain)
Position on Supervisory Board	Board member (Deputy Chairman)
Profession	Business Consultant, Investor

### Vincent Wobbe

Place of residence	London (Great Britain)
Position on Supervisory Board	Board member
Profession	Investment Manager

## 55 DATE OF RELEASE FOR PUBLICATION

The Executive Board of DEAG approved the Consolidated Financial Statements and the Combined Management Report and Group Management Report for forwarding to the Supervisory Board on 31 March 2023. The financial statements are to be approved at the meeting of the Supervisory Board on 31 March 2023.

Berlin, 31 March 2023

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

We hereby assure that, to the best of our knowledge and in accordance with the applicable accounting principles, the Consolidated Financial Statements give a true and fair view of the asset, financial and earnings positions of the Group, and the Combined Management Report and Group Management Report includes a fair review of the development and performance of the business and the position of the Group and DEAG AG, together with a description of the principal opportunities and risks associated with the expected development of the DEAG Group and DEAG AG.

Berlin, 31 March 2023

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board



Prof. Peter L.H. Schwenkow



Christian Diekmann



Detlef Kornett



Roman Velke



Moritz Schwenkow

# INDEPENDENT AUDITOR'S REPORT

We have issued an unqualified audit opinion as follows:

## „Independent Auditor's Report “

To DEAG Deutsche Entertainment Aktiengesellschaft, Berlin

### Audit Opinions

We have audited the Consolidated Financial Statements of DEAG Deutsche Entertainment Aktiengesellschaft and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. We have also audited the Combined Management Report and Group Management Report of DEAG Deutsche Entertainment Aktiengesellschaft for the financial year from 1 January 2022 to 31 December 2022.

In our opinion, based on the findings of our audit, the accompanying Consolidated Financial Statements

- comply in all material respects with the IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB) and give a true and fair view of the financial position of the Group as of 31 December 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022 in accordance with these requirements; and
- on the whole, the accompanying Combined Management Report and Group Management Report provides a suitable understanding of the Group's position. In all material regards, this Combined Management Report and Group Management Report is consistent with the Consolidated Financial Statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the Consolidated Financial Statements and the Combined Management Report and Group Management Report.

### Basis for the audit judgements

We conducted our audit of the Consolidated Financial Statements and the Combined Management Report and Group Management Report in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's responsibility for the audit of the Consolidated Financial Statements and the Combined Management Report and Group Management Report" section of our auditor's report. We are independent of the Group entities in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Consolidated Financial Statements and the Combined Management Report and Group Management Report.

### Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information includes:

- the other parts of the Annual Report, with the exception of the audited Consolidated Financial Statements and the Combined Management Report and Group Management Report as well as our audit opinion

The Supervisory Board is responsible for the following other information:

- the Report of the Supervisory Board in the Annual Report 2022
- Our audit opinions on the Financial Statements and the Management Report do not cover the other information and, accordingly, we do not express an opinion or any other form of assurance conclusion thereon.

Our audit opinions on the Financial Statements and the Management Report do not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion on it.

In connection with our audit, we have a responsibility to read the other information and, in doing so, assess whether the other information:

- is materially inconsistent with the Consolidated Financial Statements, the Combined Management Report and Group Management Report or our knowledge obtained in the audit; or
- otherwise appears to be materially misrepresented.

### Responsibility of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report and Group Management Report

The legal representatives are responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with the IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e para. 1 of the German Commercial Code (HGB) and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. Furthermore, the legal representatives are responsible for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).

In preparing the Consolidated Financial Statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to a going concern. Furthermore, they are responsible for preparing the Financial Statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, the legal representatives are responsible for the preparation of the Combined Management Report and Group Management Report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the Consolidated Financial Statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Furthermore, the legal representatives are responsible for the arrangements and measures (systems) that it deems necessary to enable the preparation of the Combined Management Report and Group Management Report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the Combined Management Report and Group Management Report.

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the Consolidated Financial Statements and the Combined Management Report and Group Management Report.

#### Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Combined Management Report and Group Management Report

Our objective is to obtain reasonable assurance as to whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Combined Management Report and Group Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the Consolidated Financial Statements and the audit findings, comply with German legal requirements and suitably present the opportunities and risks of future development, and to express an opinion on the Consolidated Financial Statements and on the Combined Management Report and Group Management Report based on our audit.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users make on the basis of these Consolidated Financial Statements and the Combined Management Report and Group Management Report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore,

- we identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Combined Management Report and Group Management Report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- we obtain an understanding of internal control relevant to the audit of the Consolidated Financial Statements and of arrangements and actions relevant to the audit of the Combined Management Report and Group Management Report in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.
- we evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the legal representatives.

- we conclude on the appropriateness of the going concern basis of accounting used by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Combined Management Report and Group Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions could result in the Group being unable to continue as a going concern.
- we assess the presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that the Consolidated Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e para. 1 of the German Commercial Code (HGB).
- we obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the Group to express opinions on the Consolidated Financial Statements and on the Combined Management Report and Group Management Report. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinions.
- we assess the consistency of the Combined Management Report and Group Management Report, its compliance with the law and the understanding of the Group's position presented by it.
- we perform audit procedures on the forward-looking statements made by the legal representatives in the Combined Management Report and Group Management Report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 31 March 2023

Mazars GmbH & Co KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Udo Heckeler  
German Public Accountant

David Reinhard  
German Public Accountant

# LEGAL NOTICE

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## MORE INFORMATION

This Financial Report and the latest information on DEAG and the DEAG bond are available on the company's website under: [www.deag.de/ir](http://www.deag.de/ir)

## EDITING AND COORDINATION

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

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