DEAG entertainment GROUP

2023

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 22 locations in its core markets of Germany, Great Britain, Switzerland, Ireland, Denmark and Spain. As a live entertainment service provider with an integrated business model, DEAG has extensive expertise in the conception, organisation, promotion and production of live 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, Ticketing and Entertainment Services. 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, more than 10 million tickets are sold annually for DEAG's own and third-party content - a steadily growing share of these are sold via the Group's own ticketing platforms myticket.de, myticket.at, myticket.co.uk, gigantic.com and tickets.ie.

DEAG is thus excellently positioned for further growth.

DEAG'S CORE MARKETS

Photo: Promo | Kilimanjaro Group

CONTENT

Photo: © shutterstock

Photo: nature-one.de | I-Motion GmbH Events & Communication

LETTER TO INVESTORS

DEAR LADIES AND GENTLEMEN, DEAR INVESTORS,

As expected, 2023 was a very good financial year for DEAG. We stabilised our new revenue and earnings level, which we achieved for the first time in 2022. We increased the share of DEAG's own formats as planned. We have once again expanded into other European countries. We strengthened our ticketing platforms even further. And we further strengthened our strong financial structure through the full placement of a new bond with a volume of EUR 50 million. DEAG now generates the majority of its consolidated revenue with its own event formats. In 2023, DEAG achieved its forecast target of over 10 million tickets sold, compared to 9 million in the previous year. For 2024, we are aiming for a further increase to around 11.5 million tickets sold. We are selling an ever-growing share of these tickets via our Group's own ticketing platforms myticket.de, myticket.at, myticket.co.uk, gigantic.com and tickets.ie. Ticketing is one of DEAG's growth drivers and is already making a significant contribution to the overall result with increasing profitability.

We successfully expanded and continued our Buy & Build strategy. Even after the successful business development of new investments, this strategy provides for a consistent reduction in minority interests in the future. One example of this is the increase in our stake in our subsidiary I-Motion from 50.1% to 100% in October 2023. We have held a stake in the company since 2019. Since its integration into our network, I-Motion has recorded double-digit annual growth rates and is highly profitable. In the area of open-air events and EDM (electronic dance music), we are constantly expanding our business activities and the share of our own high-margin events. With festivals such as "Airbeat One," "NATURE ONE," "Ruhr-in-Love" and "Belladrum Tartan Heart" in Inverness, Scotland, we are already excellently positioned on the market. We continue to see great potential for expansion in this area in Germany and other European countries and want to steadily expand our open-air and EDM events.

We also successfully continued our international expansion in 2023. At the end of the year, we entered the Spanish Rock/Pop market and founded the wholly owned subsidiary "Get Rock Live, S.L.," in which our Spanish business activities are bundled. We will organise our first events in Spain as early as 2024. The expansion of DEAG's business activities in Spain will result in synergy effects, particularly for the ticketing and live entertainment business, but also in the development of new sites and formats. In Spain, we have already had excellent experiences with our Christmas Garden locations in Madrid, Barcelona, Valencia and Málaga and now intend to offer events there that we have already successfully organised in our other national markets.

We also further expanded our strong market position in the UK organically and opened a new site in Wales. This means we are now represented in the UK as a national event organiser with sites in England, Wales and Scotland. This allows us to dovetail our activities even more closely. With the acquisition of "How to Academy" at the beginning of 2024, DEAG also strengthened the dynamically growing "Spoken Word & Literary Events" segment. We also expect significant growth impetus from collaborations with our subsidiaries in the live entertainment sector Regular Music in Scotland and Singular Artists in Ireland as well as the ticketing platforms myticket.co.uk, gigantic.com and tickets.ie.

The strong fourth quarter was characterised in particular by a very good Christmas business. The Christmas Circuses in Hanover and Regensburg and the Christmas Village in Kiel, which attracted more than 50,000 visitors, were huge successes. We also recorded record demand for our successful Christmas Garden format. The Christmas Gardens took place at 21 locations in six European countries in the 2023/2024 season and were visited by over 2 million people in total. We also expanded our own productions with formats such as the children's musical "The Jungle Book" in Hanover, the crossover event "Urbanatix" and "Celebrate at the Gate" at the Brandenburg Gate. At Germany's biggest New Year's Eve party, 65,000 enthusiastic visitors on site and over 10 million viewers on TV and social media worldwide celebrated the turn of the year with a number of live music acts and a large fireworks display. The service business, which includes various services such as production set-up, security and catering, has also developed very well as an addition to the live entertainment value chain.

In terms of the key financial figures for financial year 2023, we achieved our target of revenue of over EUR 300 million and high operating profitability. Sales totalled EUR 314 million, compared to EUR 325 million the previous year. The very good business performance is due in particular to strong organic growth, i.e. without further M&A acquisitions as in the previous year or corona-related catch-up effects. Adjusted for non-recurring expenses, earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to approx. EUR 31 million (previous year: EUR 30.9 million). The expenses of around EUR 5 million consist of expenses for the EBITDA Bonus Programme for DEAG managers and employees that expired at the end of 2023, certain expenses for the successful placement of the new Corporate Bond 2023/2026, individual items for the preparation of the planned re-listing as well as expenses in connection with the reorganisation of the DEAG Executive Board. Consolidated earnings after taxes totalled EUR 1,5 million (previous year: EUR 9.9 million). The key financial figures for 2022 were still heavily influenced by catch-up effects following the coronavirus pandemic and funding from coronavirus aid programmes. Compared to the pre-crisis year 2019, our key financial figures have improved considerably. At that time, revenue totalled EUR 185.2 million and EBITDA was EUR 14.1 million.

In the reporting period, DEAG organised a number of concerts, events and festivals of all sizes and genres, including concerts and tours by Rod Stewart, Kiss, Sam Fender, Iron Maiden, The Who and Die Ärzte. In addition, around 800,000 visitors celebrated at our open-air and EDM festivals such as "MAYDAY," "Indian Spirit" and "Kew The Music," to name just a few of these events. In London (UK), we also opened our new exhibition and show space "Arches London Bridge" with the exhibition "Direct from Graceland: Elvis" with great success. In the Spoken Word & Literary Events division, DEAG organised hundreds of events such as the international literature festival "lit.COLOGNE" including "lit.kid.COLOGNE," the philosophy festival "phil.COLOGNE" and, in the UK, the very successful event series "An Evening with..." with Arnold Schwarzenegger, Tom Hanks, Sir Michael Caine, Dame Judi Dench and Quentin Tarantino, among other guests.

Our event pipeline is also full to bursting for 2024: Besides the anniversary edition of the "25th Potsdamer Schlössernacht (Potsdam Palace Night)," the world's most successful dance show "Riverdance" and numerous Spoken Word & Literary events with Elizabeth Day, Yotam Ottolenghi or Nigella Lawson, among others, visitors can look forward to tours and concerts by Toto, Zucchero, Judas Priest, AC/DC at the Hockenheimring and in Munich's Olympic Stadium as well as classical music events with the Vienna Philharmonic Orchestra and the Berlin Philharmonic Orchestra. In addition, DEAG will once again be organising its major annual events such as "NATURE ONE," "Belladrum," "Sion sous les étoiles" and the "Kessel Festival" in 2024. In the area of family entertainment, visitors in Germany and Switzerland can look forward to the spectacular arena tour of Marvel's "Monster Jam" and the anniversary tour of the magical shows of "Disney on Ice – 100 Years of Disney." DEAG will also produce "ANOUK – The Children's Musical" in 2024, based on the bestselling children's book of the same title by Hendrikje Balsmeyer and Peter Maffay.

In the summer of 2023, we fully placed our new Corporate Bond 2023/2026 with a volume of EUR 50 million. The issue was significantly oversubscribed. We intend to use the proceeds to further implement our growth strategy. In recent years, DEAG has already founded more than 20 new companies or successfully integrated them following acquisitions. We want to continue our track record in our M&A activities, expand into new markets and further strengthen the ticketing segment. As one of the leading live entertainment providers in Europe with a diverse event portfolio, strong proprietary ticketing platforms and a resilient and intact business model, we are ideally positioned to continue our dynamic growth in the long term. For the current financial year 2024, DEAG expects a continuous development that should lead to a further moderate increase in revenue and EBITDA.

After 46 years at the helm of the company, DEAG founder and CEO Prof. Peter L.H. Schwenkow stepped down as Chairman of the Executive Board at the end of March 2024 as planned on his 70th birthday. After long and intensive preparations, he handed over his previous leadership role to me as his successor. On behalf of my colleagues on the Executive Board, I would like to take this opportunity to thank Peter Schwenkow most sincerely for his outstanding achievements, which have made DEAG what it is today: a successful player in the European live entertainment industry.

I would also like to thank Peter Schwenkow for our many years of excellent and close cooperation. We, his colleagues on the Executive Board and employees, are very pleased that he will remain with the company as Founder & Senior Advisor and as a shareholder and that he will be available to us as an advisor and networker in the future.

Sincerely yours,

Detlef Kornett
Chairman of the Executive Board

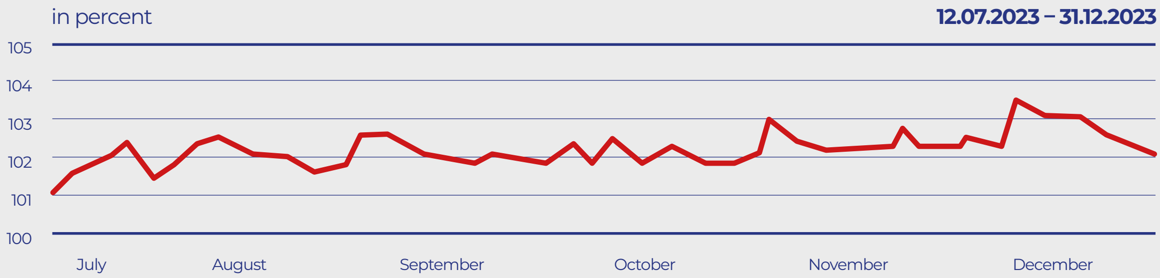
Photo: nature-one.de | I-Motion GmbH Events & Communication

DEAG ON THE CAPITAL MARKET

ISIN	NO0012487596
WKN	A351VB
Market segment	Regulated Unofficial Market Frankfurt Stock Exchange (Open Market, segment: Quotation Board) and Nordic ABM, Oslo Stock Exchange
Term	3 years up to and including 12 July 2026
Interest coupon	8.00 % p.a.
Denomination (nominal amount)	EUR 1,000.00 per bond
Outstanding volume	EUR 50.0 million
Early redemption	Repayment at the nominal amount plus interest accrued up to that date and a call premium depending on the time of the call

DEAG's corporate bond 2023/2026 (WKN: A351VB, ISIN: NO0012487596) was included in stock exchange trading on 12 July 2023 and is listed on the Open Market of the Frankfurt Stock Exchange (segment: Quotation Board). The bond has performed very well since its inclusion in stock exchange trading and was consistently traded at prices above 100% until the end of the reporting period in December 2023. The price of the bond was 102.03% on 29 December 2023, the last trading day of 2023 on the Frankfurt Stock Exchange. The bond is structured as a Nordic Bond and is subject to Norwegian law. The bearer bonds with a nominal value of EUR 1,000 have a term of three years and a fixed annual interest rate of 8.00%. The outstanding volume of the bond amounts to EUR 50.0 million. The 2023/2026 bond has completely replaced the 2018/2023 DEAG bond. The last trading day for this bond was 28 July 2023. Since 8 January 2024, the 2023/2026 bond has also been listed on Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange.

1.1 PERFORMANCE OF THE DEAG CORPORATE BOND 2023/2026



1.2 INVESTOR RELATIONS

DEAG reports transparently and regularly on business developments and prospects. DEAG carried out various other IR activities in the reporting period over and above the statutory requirements. These include, among other:

- Numerous individual and group meetings with investors at home and abroad
- Publication of corporate news

Detailed information can be found in the Investor Relations section at www.deag.de. DEAG Deutsche Entertainment AG provides continuous information on relevant business developments there. Investors also have access to a direct communication channel with the company at deag@edicto.de.

1.3 ANNUAL GENERAL MEETING

DEAG held its Annual General Meeting for financial year 2022 on 4 July 2023 in the "Meistersaal" in Berlin. DEAG's shareholders approved all items on the agenda by a large majority of more than 98% of the votes. Further information on the Annual General Meeting and the detailed voting results are available in the Investor Relations section of DEAG's company website.

1.4 FINANCIAL CALENDAR 2024

21 March	**Pareto Securities' Nordic Corporate Bond Conference I Stockholm**
08 April	**Annual Financial Report 2023**
31 May	**Quarterly Financial Statement** (Q1 I 3M)
25 June	**Annual General Meeting I Berlin**
30 August	**Half-Year Financial Report** (H1 I 6M)
29 November	**Quarterly Financial Statement** (Q3 I 9M)









Photos: 11 + 8: Vincent Nageotte / 2 + 7: Rainer Keuenhof / 3 + 4 + 5: Michael Clemens / 6 + 10: Andreu Doz / 9: Stefan Hegenberg

REPORT OF THE SUPERVISORY BOARD FOR FINANCIAL YEAR 2023

DEAR SHAREHOLDERS,

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. Financial year 2023 was once again characterised by extraordinary events. Restrictions due to the COVID-19 pandemic were still in place through April 2023. However, the terrorist attack by Hamas on Israel and the resulting war in the Gaza Strip also kept us busy. 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 2023, the Supervisory Board met a total of seven times in ordinary Supervisory Board meetings, six of which were held as video conferences and one in person. In addition, the Supervisory Board held eleven extraordinary Supervisory Board meetings in the past financial year. 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. The Executive Board was present four times at 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 22 March 2023 and 30 March 2023, 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 2022 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 2022. No objections were raised. The Supervisory Board also approved the Annual Financial Statements of the company as of 31 December 2022, which were thus adopted.

- At the Supervisory Board meeting held on 26 May 2023, the Executive Board reported on the quarterly financial statements as of 31 March 2023, the current business performance and the forecast 1/2023, as well as the status of the funding programmes and the options for replacing the bond.

- In a written circular resolution dated 5 June 2023, the Supervisory Board approved the entry into the Spanish market via its wholly owned subsidiaries Get Rock Live S.L. and Rockfest Entertainment SLU.

- By written circular resolution dated 6 June 2023, the Supervisory Board approved the issue of a bond in the amount of EUR 50,000,000 in the form of a Nordic bond primarily to enable the refinancing of the existing bond.

- At the Supervisory Board meeting held on 4 July 2023, which took place after the company's Annual General Meeting, the Executive Board reported on the current course of business.

- By written circular resolution dated 10 July 2023, David Reinecke was appointed to the company's Executive Board with effect from 1 October 2023.

- By written circular resolution dated 18 July 2023, Detlef Kornett was appointed Chairman of the company's Executive Board with effect from 1 April 2024.

- At the Supervisory Board meeting on 30 August 2023, the Executive Board reported on the half-year financial statements as of 30 June 2023 as well as the current course of business.

- By written circular resolution dated 9 October 2023, the Supervisory Board approved the increase from 50.1% to 100% in I-Motion GmbH – Events & Communication by the DEAG subsidiary DEAG Concerts GmbH.

- By written circular resolution dated 9 October 2023, the Supervisory Board approved the acquisition of a shelf company and its transformation into BfS Berlin feiert Silvester GmbH for the purpose of organising the New Year's Eve celebrations at the Brandenburg Gate.

- At the extraordinary Supervisory Board meetings on 3 October 2023, 6 November 2023 and 28 November 2023, the Supervisory Board discussed the possibility of an IPO in 2024.

- The Supervisory Board meeting on 29 November 2023 dealt with the quarterly financial statements as of 30 September 2023, the report of the Executive Board on the current course of business and the forecast for 2023 and the status of banks.

- By written circular resolution dated 14 December 2023, the Supervisory Board approved the acquisition of 75% of the shares in How To Academy Ltd. by the DEAG subsidiary Fane Productions Ltd.

- The Supervisory Board meeting on 14 December 2023 focused on the presentation and discussion of the budget for 2024, its adoption by the Supervisory Board, as well as the forecast 03/2023.

Composition of the Executive Board and Supervisory Board

The composition of the Executive Board changed as follows in financial year 2023. The Executive Board consisted of five members until 30 September 2023: Prof. Peter L.H. Schwenkow, Mr. Christian Diekmann, Mr. Detlef Kornett, Mr. Roman Velke and Mr. Moritz Schwenkow. David Reinecke replaced Roman Velke as Chief Financial Officer on 1 October 2023.

The composition of the Supervisory Board did not change during the reporting period. No committees of the Supervisory Board were formed, as the Supervisory Board consists of only three members. All decisions were made by the Supervisory Board. No conflicts of interest arose on the Supervisory Board during the reporting period.

Audit of the Annual and the Consolidated Financial Statements

On 4 July 2023, the Annual General Meeting of DEAG elected Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, to be the auditor and Group auditor for financial year 2023. The auditor audited the 2023 Annual Financial Statements of DEAG, the 2023 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 28 March 2024, 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 2023 were discussed in detail with the representatives of the auditor. The auditor reported on the key findings of his audit. The auditor also assessed the effectiveness of the accounting-related internal control and risk management system, which did not lead to any objections. The Consolidated Financial Statements and the Annual Financial Statements were discussed in more detail with the auditor at the Supervisory Board meeting on 8 April 2024. 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, no objections were 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 prepared by the Executive Board for the company and the DEAG Group for financial year 2023 and approved them. The Supervisory Board also approved the Annual Financial Statements for the company prepared by the Executive Board for financial year 2023 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 2023.

Berlin, April 2024

Wolf-D. Gramatke
Chairman of the Supervisory Board

SUSTAINABILITY

1 FOREWORD

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 business practices and the consideration of ethical, social and environmental aspects (ESG criteria) play an increasingly important role in the long-term success of a company. The employees of DEAG Deutsche Entertainment Aktiengesellschaft (DEAG) and its subsidiaries also take responsibility every day for their actions towards the company's stakeholders, such as colleagues and employees, artists, customers, investors and in their cooperation with business partners, authorities and institutions.

Although DEAG and its Group companies, as Live Entertainment service providers, are not among the so-called energy-intensive companies and the industry as a whole has only low sustainability risks[1] with regard to ESG issues, we consider it important for our company's long-term success to organise our business activities in a sustainable manner and to take ethical, social and ecological aspects into account. For this reason, a Sustainability Committee was established, which is made up of a member of the Executive Board and the Managing Directors of two DEAG Group companies from the operational area. A sustainability check was carried out at DEAG's Group companies at the end of 2023. The goal of this sustainability check was to determine the ESG status of all Group companies within the DEAG Group. This survey is currently being analysed in order to develop an ESG strategy and define sustainability targets for the DEAG Group. In the following, we would therefore like to report on our previous commitment and progress in the area of ESG:

After reporting in detail on the successful activities of our Group companies Christmas Garden Deutschland GmbH and lit.COLOGNE GmbH in the area of environmental and, in particular, social sustainability in the last Annual Report, we would like to focus in particular on I-Motion GmbH Events & Communication (I-Motion) and our British Group company Kilimanjaro Live Ltd (Kilimanjaro) in this report.

I-Motion, a wholly owned subsidiary of DEAG, organises the annual "NATURE ONE" festival for electronic dance music (EDM), among other things. Since 1995, the festival has been held on the site of the former Pydna missile base in the Hunsrück region, attracting up to 65,000 visitors. The NATURE ONE team has been working on the topic of sustainability for several years and sees this as a mission with the objective of setting a good example in the area of sustainable event management. In this context, I-Motion has designed professional concepts and developed numerous measures for environmentally and energy-conscious implementation. The focus is on waste avoidance, mobility, resource-saving production processes and mindful cooperation in order to minimise the impact on the environment and nature as much as possible. Sensitising visitors to these issues begins as early as the planning stage of their stay at the festival: On the NATURE ONE website, detailed information on the topic of sustainability can be found in a prominent place. There, for example, visitors are asked to refrain from bringing single-use containers such as disposable plastic, disposable barbecues, etc. Other measures that contribute to a significant reduction in waste on the festival site include deposit systems: beverage containers are only issued on site against a deposit. Only reusable cups are used. Cans and PET bottles are recycled after use. In addition, a deposit fee will be charged for rubbish in

[1] Source: Deutscher Sparkassen- und Giroverband e.V. | Industry forecast for theatre and concert promoters | July 2023

the CampingVillage. This waste deposit fee of EUR 10 ensures that festival visitors collect the waste they produce and hand it in at the designated collection points. The waste is then sorted by a waste disposal service provider. This ensures that even mixed waste is returned to the recycling cycle. In addition, no disposable crockery or cutlery is used in the entire crew catering area in order to reduce or avoid the generation of waste, particularly plastic and packaging waste. In addition, the operators of the food stands are obliged to dispose of no packaging or only small quantities of packaging in exceptional cases where possible. Another measure to reduce the festival's carbon footprint is the reduction of paper consumption: many processes have been optimised and are now digital. For example, NATURE ONE no longer prints booklets in the run-up to the event or party guides. All important information about the festival is available digitally on the homepage and in an event-related app. In addition, NATURE ONE has switched to a cashless payment system. This means that festival visitors can now make cashless payments at all catering and non-food stands, eliminating the need to produce millions of paper receipts.

The ecological concept also includes the following measures to conserve resources and protect the environment:

Wherever possible, energy-saving technology is used, e.g. through the use of LEDs in the lighting technology. Parts of the festival site are connected to the local power grid so that external generators can be dispensed with. This reduces the consumption of fossil fuels and at the same time reduces CO_2 emissions.

Standard materials are used repeatedly and long-term and are used for many event formats and over long periods of time. Banners and signage are also either produced generically or used over several years.

As the majority of GHG emissions at events – up to 80% – result from indirect CO_2 emissions (Scope 3), which are mainly caused by the individual transport of visitors to live events, the NATURE ONE team has already implemented numerous measures in the area of mobility:

Public transport services such as train and bus are tailored to the needs of visitors and are very well received: During the four-day event period, shuttle buses run from the nearest major railway station to/from the festival site, covering the approx. 50 km route without stopping. The option of travelling to and from the festival together is also used frequently. Carpools are formed via numerous social media groups and travelling with organised party buses from all over Germany is also a popular means of transport. It is also possible to get around on site without a car: free shuttle buses run from/to the festival site to the nearest town so that visitors can do their shopping without their own car.

Regionality also saves CO_2 emissions and reduces the CO_2 footprint. Therefore, suppliers from the region or the greater area around the festival are commissioned in order to keep GHG emissions as low as possible through short transport routes.

The social aspect of sustainability is also taken into account: under the motto "Sharing is Caring," the NATURE ONE team has been working with the non-profit organisation "Viva con Agua" in Hamburg-St. Pauli for over 10 years. The international network is committed to providing safe access to clean drinking water and basic sanitation in many developing countries. With the support of NATURE ONE and visitors to the festival, wells can be built in Uganda, for example, to secure the drinking water supply there. In addition, I-Motion supports local communities and associations in Germany with donations, for example to build playgrounds and create youth centres.

ESG has also been an integral part of the company culture at the British DEAG Group company Kilimanjaro for many years. The following is a brief insight into Kilimanjaro's various ESG activities:

For many of Kilimanjaro's major events, a sustainability champion is appointed to look after the core environmental areas of waste, water, energy and mobility. For example, annual monitoring is carried out for the "Kew the Music" event series, which is reported on at the end of the event. Part of this process also involves setting important sustainability targets for the following year.

For waste disposal at major events, specialists are deployed who deal with topics ranging from waste avoidance, reuse and recycling to waste disposal. The waste disposal concept includes, for example, numerous recycling stations on the event site with clear instructions for staff and visitors. Kew the Music has been completely free of single-use plastic since 2018. Only biodegradable packaging is used there and only reusable crockery is used for catering. These and other measures in the area of waste disposal have already led to considerable successes: At Kew the Music 2023, the total amount of waste generated was 11.9 tonnes. This corresponds to a decrease of 32.5% compared to 2016. 44.9% of this waste was recycled. This corresponds to an increase of 17.8% compared to 2022. Great progress has also been made in the area of energy consumption, particularly at Kew the Music: Here, total fuel consumption has been reduced by 51% since 2015.

For the sustainable organisation of the “Corona Sunsets 2023” festival, the Kilimanjaro team even received the “Blue-2 Star Seal” in recognition of the successful measures taken to implement comprehensive sustainability solutions, including the ban on single-use plastics on the event site and the enforcement of proper waste disposal. These measures also included the development and introduction of a new system for recycling plastics that were previously difficult to recycle (e.g. cable ties). The “Blue-2 Star Label” is an award from the organisation Blue Standard by Oceanic Global for particularly environmentally friendly and sustainable business practices, especially in the leisure and tourism industry. This includes events and venues as well as hotels and other service companies and activities in the leisure sector.

In order to achieve improvements in the area of mobility and to sensitise visitors to the topic of “environmentally friendly travel,” attention is drawn to environmentally friendly travel options to the events on the Kilimanjaro website and via other communication channels such as press releases. In addition, Kilimanjaro conducted a survey on the arrival and departure behaviour of visitors after each event. This data was recorded and analysed: In 2023, for example, over 60% of visitors to Kew the Music already travelled to the event by public transport or arrived on foot.

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 value-oriented 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,

Kornett

Detlef Kornett
Chairman of the Executive Board

2 ETHICAL COMMITMENT AND COMPLIANCE WITH THE LAW

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 CONFLICTS OF INTEREST

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

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

A policy of “personal diversity” is also a key component of DEAG’s company culture and has been practised by the company for over 45 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

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 staff training offered regularly 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 mobile working , 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

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 division, 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 licenses. 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

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

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_2 balance sheet and thus conserve resources, while reducing costs. We have been practising this since the company was founded – in other words, for over 45 years: To avoid plastic waste from disposable packaging, we provide our employees with free mineral water in reusable glass bottles, for example, and have installed smart water dispenser systems. We use reusable crockery in the offices and wherever possible 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 or the Fane 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_2 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 nearly all events therefore include free travel to and from the event by public transport. In addition, several DEAG Group companies throughout Germany and the UK have been working closely with bus providers for years and provide shuttle buses to their events.

DEAG and its subsidiaries are continuously developing the topic of “environmental and climate protection” and 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 to name just a few events as examples. When organising events, the company implements various measures to protect the environment and save resources. Waste separation concepts were developed for numerous events, in particular for major events such as “NATURE ONE,” Ed Sheeran (UK), the “Kew The Music” event series and the “Belladrum Tartan Heart” festival in the Scottish Highlands. Here, there is no longer any disposable tableware, but rather only reusable crockery and cups as well as waste deposit systems, 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. The digitalisation of ticketing is also helping to reduce the carbon footprint: Almost all DEAG events now offer exclusively digital tickets that do not require paper, printers or postage.

9 SOCIAL RESPONSIBILITY | PROMOTING THE COMMUNITY WELFARE

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 in which we fulfil our social responsibility is through programmes with which we support public institutions and charitable associations and invest in climate protection projects and organisations:

For instance, the Fane Group has been supporting the environmental protection organisation "Ecologi UK" since 2021 in the form of an Ecologi subscription of EUR 258 per month. This has enabled the Fane Group to help 41 certified climate protection projects save a total of over 300 tonnes of CO_2 emissions. In addition, the planting of 4,050 trees in 18 projects was financed. In turn, lit.COLOGNE GmbH offsets unavoidable CO_2 emissions, such as the air travel of its guests, via the climate protection organisation atmosfair.

Some of the DEAG companies are also active in the area of corporate citizenship/corporate volunteering:

The DEAG subsidiary Mewes Entertainment Group (MEG) has been involved with the Fly & Help Foundation for over 10 years: with donations from concertgoers who donate money on a voluntary basis and also in the area of corporate citizenship at the annual Fly & Help fundraising gala. Here, MEG takes on the complete preparation and realisation of the gala with the support of several employees who regularly organise this event on a voluntary basis. The Managing Director of MEG is also privately involved with the FLY & HELP foundation and is committed to building schools in developing countries in order to sustainably improve the educational opportunities of children in disadvantaged regions of the world.

The Fane Group is also committed to corporate volunteering and offers its employees two Social Days per year. Every employee has the opportunity to take part in one of these volunteering days. In 2023, for example, the Fane team supported Holland Park (London). Fane volunteered with the park's horticultural team and helped with various gardening tasks. In 2024, the programme will be expanded to include participation in OnHand, a charitable organisation that uses an app to connect people in need with companies that want to help.

The Group company Gigantic Tickets (UK) in turn makes monthly donations to 17 charitable organisations. These include Child Bereavement UK (a charity that supports families facing the loss of a child), the Nordoff Robbins Foundation (which uses music therapy to overcome social isolation and disability) and the charitable organisation Macmillan Cancer Support. In 2023, Gigantic Tickets donated a total of around GBP 25,000 to charity. Gigantic Tickets is also a sponsor of the local charity festival "Hockley Hustle."

lit.COLOGNE, which we already reported on in detail in the ESG Report 2022, implements various charity measures to promote cultural participation and support people on low incomes. These include free tickets, which are organised by KulturpottRUHR in the Ruhr region and Kulturliste e.V. in Cologne. In addition, lit.COLOGNE regularly organises fundraising events, the proceeds of which are donated to organisations such as Women's Rights in Iran, Amnesty International and Human Rights Watch.

Further examples of the social commitment of DEAG Group companies are:

Singular Artists (Ireland): Singular Artists donates at least 100 tickets per show to local hospitals for larger events.

Good News Productions AG in Switzerland generates donations via its guest lists. A donation fee of CHF 5 is charged per guest. The donation purposes change every year. In 2023, these proceeds were donated to the children's hospital in Zurich, while the donations in 2024 will go to the Sternschnuppe Foundation, which grants children special wishes.

Global Concerts generates donations for the TABALUGA Foundation through voluntary donations from its guest list seats. Global Concerts also donates tickets to charitable organisations and associations on a selective basis.

C2 Concerts on the other hand regularly donates the net proceeds from the nostalgic carousel in the Christmas Garden Stuttgart to the association “Herzenssache e. V.” or ticket contingents to Children First e. V. and Reitclub Stockhausen e. V. The dress rehearsal for the Berlin Philharmonic Orchestra’s end-of-season concert at the Waldbühne in Berlin is organised free of charge every year by DEAG and 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 took part, raised donations totalling over EUR 20,000 at the beginning of 2023. 100% of this donation was handed over to the world’s largest independent children’s rights organisation, “Save the Children.”

10 COMPLIANCE WITH COMPANY GUIDELINES

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 programme. 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

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 intimidation or retaliation against employees who seek advice in good faith, report violations of company policies or other unlawful or unethical behaviour.

Berlin, April 2024

DEAG Deutsche Entertainment Aktiengesellschaft

For the Executive Board

Detlef Kornett
Chairman of the Executive Board

Photos: Royal Edinburgh Military Tattoo

COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT FOR FINANCIAL YEAR 2023

Foto: © shutterstock

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 more than 45 years of experience and 22 locations in its core markets of Germany, the UK, Switzerland, Ireland, Denmark and Spain. 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 the Group's own ticketing platforms myticket.de, myticket.at, myticket.co.uk, gigantic.com and tickets.ie for its own and third-party content. DEAG thus covers a large part of the value chain in live entertainment. DEAG's core business areas include Rock/Pop, Classics & Jazz, Family Entertainment, the Spoken Word & Literary Events, Arts+Exhibitions and Ticketing. DEAG has a broadly diversified portfolio of events and artists and organises around 6,000 events a year, for which more than 10 million tickets were sold in 2023. DEAG plans to sell around 11.5 million tickets in 2024. The company is increasingly targeting less competitive, attractive niche markets and positioning itself in these at an early stage with strong, profitable content. One focus is on the further expansion of its own high-margin event formats, which already contribute around half of total sales. The majority of ticket sales are processed via DEAG's own ticketing platforms. DEAG's own event formats include the Christmas Garden, which was expanded to 21 locations in Germany and other European countries in the 2023/2024 season, many EDM and open-air events as well as the in-house productions "The Jungle Book," the crossover event "Urbanatix" and the big New Year's Eve party at the Brandenburg Gate "Celebrate at the Gate." DEAG is also the 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 10 million tickets sold by DEAG in 2023 were sold via the Group's own ticketing platforms. The proportion of tickets sold via the company's own ticketing platforms is to be steadily increased and the platforms are also to act as an attractive alternative for third-party content producers. 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. DEAG offers event partners a wide range of services with its ticketing platforms, such as dynamic pricing, extensive data utilisation and state-of-the-art technology such as NFT ticketing from a single source.

With its experienced management, the expertise of its staff and a viable structure, DEAG has a good reputation and excellent 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.

DEAG successfully continued its buy and build strategy in 2023 and increased its stake in its subsidiary I-Motion from 50.1% to 100%. DEAG's goal is to successively reduce minority interests as part of its buy and build strategy following the successful business development of its investments. M&A remains a key component of DEAG. By acquiring and integrating competitors and service providers, DEAG expands its portfolio, gains access to top-class event formats and venues as well as state-of-the-art technologies and strengthens its geographical coverage in its core markets. 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 the acquisition of artists and the development of new event formats and locations. Since 2019, DEAG has founded more than 20 new companies or successfully integrated them after they were acquired. DEAG intends to continue to play an active role in the consolidation of the live entertainment industry and further expand its international activities. The 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 22 locations in Germany, the UK, Ireland, Switzerland, Denmark and Spain.

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 Boehlke Elektroinstallationen (Berlin), I-Motion GmbH Event & Communication (Mülheim-Kärlich), MEWES Entertainment Group (Hamburg), the subgroup Myticket Services including Gigantic Holding und Gigantic Tickets (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, and GET ROCK and ROCKFEST Entertainment (Barcelona, Spain).

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 CES Concert & Event Supply (Hamburg), Kultur im Park (Berlin), handwerker promotion (Unna), FOH Rhein Main Concerts (Frankfurt/Main), LiveGeist Entertainment (Frankfurt/Main), Kultur- und Kongresszentrum Jahrhunderthalle (Frankfurt/Main), Airbeat One (Berlin), Indian Spirit (Berlin) and mytic myticket (Berlin).

There were changes in the scope of consolidation in the reporting year that mainly related to the domestic subsidiaries A.C.T. Artist Agency GmbH (Berlin) and Media On-Line GmbH & Co. Classic Open Air (Berlin) and BfS – Berlin feiert Silvester GmbH (Berlin), which have been consolidated since 1 November 2023, as well as the foreign subsidiaries GET ROCK LIVE S.L. and ROCKFEST ENTERTAINMENT S.L. (both based in Barcelona/Spain and consolidated since 1 December 2023).

An average of 556 employees (previous year: 436 employees) worked for the DEAG Group in Germany and abroad in the financial year. DEAG Deutsche Entertainment AG had an average of 37 employees during the year (previous year: 34 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. As in the past, in the overall management of the company, revenues and earnings before interest, taxes, depreciation and amortisation (EBITDA) and, since the reporting year 2023, the non-financial performance indicators (number of tickets sold) 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 the financing utilised 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 fell by 0.3% in 2023. In the previous year, GDP had risen by 1.8%. High prices at all levels of the business cycle dampened the economy. According to Destatis, this was exacerbated by unfavourable financing conditions due to rising interest rates and low demand from Germany and abroad. Price-adjusted private consumer spending fell by 0.8% in 2023 compared to the previous year, which was mainly due to high consumer prices. Government spending also fell for the first time in nearly 20 years. It fell by 1.7% in price-adjusted terms. The decline is primarily due to the discontinuation of state-funded COVID-19 measures such as vaccinations and compensation payments for free bed capacity in hospitals. These measures had previously supported economic output.

The German government expects a slight increase in economic output of 0.2% in 2024. The global economic environment is unstable and global growth in trade is historically low, which poses a challenge for an export nation like Germany. High interest rates are also having a negative impact on companies' investments. Labour shortages are likewise a problem that will worsen in the coming years and dampen potential growth. In its winter forecast for Germany, the European Commission assumes economic growth of 0.3% for 2024 and 1.2% for 2025. For the EU, the Commission expects economic growth of 0.9% in 2024 and growth of 1.7% the following year. For 2023, the European Commission has calculated economic growth in the EU of 0.5%.

In the UK, the Office for National Statistics is forecasting a slight increase in GDP of 0.1% for 2023, following growth of 4.3% in the previous year. The International Monetary Fund expects economic growth of 0.6% for the UK in 2024, while growth of 1.6% is forecast for 2025. The reason cited for the economic growth is that the delayed effects of high energy prices are easing and disinflation is leading to a recovery in real incomes.

In Switzerland, the State Secretariat for Economic Affairs (SECO) has forecast economic growth of 1.3% in 2023, compared to 2.5% the previous year. The slowdown in growth is related to the normalisation in the wake of the COVID-19 crisis. The challenging international environment also weighed on economic development. The Raiffeisen economists expect GDP growth of 0.8% in 2024. According to the economists, the industrial sector will have to further curb production due to a lack of new orders and the loss of purchasing power will dampen consumer momentum.

In its latest study “German Entertainment and Media Outlook 2023-2027,” the auditing firm PwC forecasts an average annual growth rate of 2.1% through 2027 for the German media market. According to the study, the total market volume in Germany will amount to EUR 73.1 billion in 2027. Revenues from live music more than doubled to EUR 1.7 billion in 2022, which is primarily due to catch-up effects following the COVID-19 pandemic. For 2023, PwC expects an increase of around 11.2% to EUR 1.9 billion. In 2027, turnover in the live music sector is expected to be around EUR 2.1 billion and increase by an average of 4.0% annually until then. Revenues from ticket sales are projected to amount to EUR 1.6 billion in 2027, after EUR 1.5 billion in 2023. Sponsorship revenues are expected to amount to EUR 436 million in 2027 (2023: EUR 388 million), according to PwC estimates,

The UK remains the largest media market in Europe. According to the study “Global Entertainment & Media (E&M) Outlook 2023-2027,” PwC expects an annual growth rate of 4% for the media market in the UK through 2027. Revenues are then expected to reach GBP 100 billion.

2.2 BUSINESS DEVELOPMENT

DEAG performed well, as expected, in financial year 2023. The positive business development was mainly driven by strong organic growth. DEAG consistently implemented its long-term growth strategy in the reporting period, increasing the share of its own formats as planned and continuing to drive its expansion and buy and build strategy.

In the reporting period, DEAG successfully organised many concerts and events in all business segments. In the Rock/Pop segment, DEAG organised concerts and tours by Iron Maiden, Hans Zimmer, Rod Stewart and Die Ärzte as well as a number of open-air and EDM (electronic dance music) festivals. In the Classics & Jazz segment, DEAG staged concerts with the Berlin Philharmonic Orchestra at the Waldbühne in Berlin and, in the Spoken Word & Literary Events segment, the international literature festival “lit.COLOGNE” and the philosophy festival “phil.COLOGNE” as well as many readings by authors, theatre performances, poetry slams, debates and courses. In the Arts+Exhibitions segment, DEAG expanded its Christmas Garden to 21 locations in six European countries in the 2023/2024 season, which runs until January 2024. The 21 Christmas Gardens were visited by more than 2 million people in total. DEAG also further expanded its own productions with formats such as “The Jungle Book,” the crossover event “Urbanatix” and the big New Year’s Eve party at the Brandenburg Gate “Celebrate at the Gate,” which was broadcast live on ZDF. The service business, which complements the value chain in live entertainment, has also developed quite positively. DEAG‘s own high-margin event formats now account for a large proportion of total sales. The share of recurring revenue generated by DEAG’s own brands and events is to be expanded even further. This will give the company even better visibility and predictability of revenues.

In 2023, DEAG sold a total of around 10 million tickets, up from 9 million in 2022, with a growing share of tickets being sold via the Group's own ticketing platforms myticket.de, myticket.at, myticket.co.uk, gigantic.com and tickets.ie. Ticketing is one of DEAG's growth drivers and is already making a significant contribution to the overall result.

DEAG successfully continued its buy and build strategy in 2023 and increased its stake in its subsidiary I-Motion from 50.1% to 100% in October 2023, for instance. This underscores the company's goal of systematically reducing minority interests following the successful business development of its investments. With events such as "MAYDAY" and "NATURE ONE," I-Motion is one of the leading organisers of festivals in the EDM sector worldwide. DEAG continues to expand its business activities and the share of its own high-margin EDM and open-air events and sees great potential for expansion in this area in Germany and other European countries.

The company expanded its good market position in the UK even further by opening a location in Wales. DEAG is represented as a national promoter with locations in England, Wales and Scotland. This enables the company to dovetail its activities in the UK even more closely and bundle its offerings. DEAG also entered the Spanish Rock/Pop market in 2023. The first events are to be organised in Spain in 2024. The expansion of DEAG's business activities in Spain will result in synergy effects, particularly for the ticketing and live entertainment business, but also in developing new locations and formats. DEAG has already had excellent experience with its Christmas Garden locations in Madrid, Barcelona, Valencia and Málaga and intends to offer events there that have already been successfully organised in other national markets.

DEAG fully placed a new corporate bond with a term of three years and a volume of EUR 50 million in the summer of 2023. The proceeds will be used to finance DEAG's long-term growth strategy, in particular its M&A activities.

Revenues in financial year 2023 amounted to EUR 313.5 million (previous year: EUR 324.8 million) and earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to around EUR 26.4 million (previous year: EUR 30.9 million. As a result, DEAG achieved its financial key figures target of revenue of over EUR 300 million and high profitability. The key financial figures for 2022 were more strongly influenced by catch-up effects following the COVID-19 pandemic and funding from COVID-19 aid programmes. DEAG believes it is very well positioned on the market for future growth and expects further growth for the year as a whole thanks to an already promising start to the current 2024 financial year with strong pre-sales.

2.3 FINANCIAL, ASSET AND EARNINGS POSITION

2.3.1 Earnings position of the Group

The DEAG Group generated sales of EUR 313.5 million in the past financial year (previous year: EUR 324.8 million). The positive performance in the 2023 financial year was largely achieved organically and without any significant catch-up effects as a result of the COVID-19 pandemic, as in the previous year. This development was driven by a positive earnings trend in the Entertainment Services segment and the ticketing business in particular, as well as the expansion of DEAG's own event formats and the successful implementation of the buy & build strategy.

The gross profit totaled EUR 60.1 million after EUR 61.2 million in the previous year. The cost of sales relates to event-related direct costs. The gross profit margin improved from 18.8% in the previous year to 19.2% in 2023 .

In the 2023 financial year, distribution costs increased by approx. 9.9% from EUR 24.1 million to EUR 26.5 million. Administrative expenses rose by 15.7% to EUR 35.2 million after EUR 30.4 million in the previous year, mainly due to higher personnel expenses and depreciation and amortization.

Other operating income increased by 6.0% compared to the previous year, from EUR 17.9 million to EUR 19.0 million. This mainly relates to income from the reversal of provisions of EUR 5.1 million (previous year: EUR 0.8 million), grants and support payments from COVID-19 aid programmes in all country markets amounting to EUR 3.3 million (previous year: EUR 9.6 million), changes in the fair value of contingent purchase price liabilities and options from acquisitions recognized in profit or loss in the amount of EUR 3.5 million (previous year: EUR 4.5 million), the recognition of insurance compensation and claims for damages in the amount of EUR 4.3 million (previous year: EUR 0.8 million) and the recognition of the negative difference from a purchase price allocation in the amount of EUR 1.9 million (previous year: EUR 1.0 million) through profit or loss.

EUR 3.3 million (previous year: EUR 7.5 million) of the subsidies from „COVID-19" aid programmes relate to payments from public funds to promote events and projects, which were mainly used to compensate for reduced income and/or increased event and production costs without any further impact on earnings.

Other operating expenses totaling EUR 4.1 million (previous year: EUR 4.6 million) mainly include fair value adjustments amounting to EUR 1.9 million (previous year: EUR 1.6 million) and expenses from losses from claims amounting to EUR 0.4 million (previous year: EUR 0.4 million).

Taking into account the offsetting of event- and project-related subsidies in the corresponding projects and the netting of income and expenses from changes in fair value, other operating income would amount to EUR 13.8 million and other operating expenses to EUR 2.1 million.

EBITDA totaled EUR 26.4 million in the reporting year (previous year: EUR 30.9 million). Compared to the pre-pandemic year 2019, EBITDA increased by more than EUR 12 million (2019: EUR 14.1 million).

Depreciation and amortization of EUR 13.1 million (previous year: EUR 11.0 million) includes EUR 3.9 million (previous year: EUR 2.9 million) in scheduled depreciation of property, plant and equipment and amortization of intangible assets, EUR 6.3 million (previous year: EUR 5.3 million) in depreciation of right-of-use assets and EUR 2.9 million (previous year: EUR 2.8 million) in amortization of assets recognized in connection with purchase price allocations.

EBIT totaled EUR 13.3 million in the reporting period (previous year: EUR 19.9 million).

Due to higher interest expenses, the financial result increased to EUR -6.9 million in the past financial year (previous year: EUR -6.0 million). This mainly relates to the interest result and interest expenses in connection with lease accounting, increased interest on credit lines and the increase or issue of the bond.

Taxes on income increased slightly and totaled EUR -5.0 million (previous year: EUR -4.1 million).

The consolidated result before minority interests totaled EUR 1.5 million (previous year: EUR 9.9 million), which corresponds to earnings of EUR 0.07 per share (previous year: EUR 0.46 per share). Consolidated net income after minority interests totaled EUR -2.1 million (previous year: EUR 5.2 million). This corresponds to earnings per share of EUR -0.10 (previous year: EUR +0.24 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

	2023	2022	Change to the previous year
Live Touring	186.6	221.4	-34.8
Entertainment Services	145.9	121.5	24.4

EBITDA

in EUR million

	2023	2022	Change to the previous year
Live Touring	18.0	28.1	-10.1
Entertainment Services	16.7	11.5	5.2

While the Entertainment Services segment achieved significant increases in both revenue and EBITDA, earnings in the Live Touring segment declined. This was due to the fact that the Entertainment Services segment was still characterised by COVID-19 restrictions until the second half of the previous year, while the catch-up events in the Live Touring segment due to the pandemic had a much more positive impact on earnings in the previous year.

The overall positive performance in the 2023 financial year was largely achieved organically and without any significant catch-up effects as a result of the COVID-19 pandemic, as in the previous year.

2.3.3 Asset position of the Group

As of the reporting date, total assets had increased by EUR 35.3 million to EUR 301.7 million compared to the previous year (31 December 2022: EUR 266.4 million).

Current assets amounted to EUR 151.9 million after EUR 126.1 million the previous year. Besides trade receivables (EUR +2.5 million) and advance payments made (EUR +9.6 million), the change relates in particular to an increase in cash and cash equivalents (EUR +15.0 million). Cash and cash equivalents therefore amounted to EUR 89.8 million as of 31 December 2023 (previous year: EUR 74.8 million).

Non-current assets increased by EUR 9.4 million to EUR 149.8 million compared to 31 December 2022 (31 December 2022: EUR 140.4 million). This was mainly due to additions to property, plant and equipment (EUR +3.3 million), goodwill (EUR +2.9 million) and other non-current financial assets (EUR +2.2 million). This reflects in particular the integration of the companies acquired and included in the Consolidated Financial Statements for the first time in the reporting year.

Current liabilities declined by EUR 6.6 million to EUR 173.9 million (31 December 2022: EUR 180.5 million). The main reason for the decrease was the recognition of the new refinanced corporate bond 2023/2026 in non-current liabilities (EUR +45.7 million), while the previous corporate bond 2018/2023, which was refinanced in the financial year, was recognised in current liabilities in the previous year (EUR -24.6 million). Advanced payments received recorded a significant increase of EUR +20.9 million to EUR 83.6 million (31 December 2022: EUR 62.6 million). This item relates to advanced payments received from end customers for tickets for future events as of the balance sheet date and illustrates the full event pipeline in the months ahead.

Similarly, the structure of liabilities to banks changed compared to 31 December 2022. Overall, liabilities to banks (current and non-current) decreased by EUR 3.6 million, whereby the maturity profile showed a shift. While the current portion decreased by EUR 9.5 million to EUR 12.8 million compared to the previous year, the non-current portion increased by EUR 5.8 million to EUR 17.3 million.

Net debt, defined as the sum of gross financial liabilities (to banks and the bond) less cash and cash equivalents, amounted to EUR -14.1 million as of 31 December 2023 after EUR -16.5 million as of 31 December 2022.

Equity decreased by EUR 11.9 million to EUR 26.6 million (31 December 2022: EUR 38.5 million). This development is due to the annual result and effects from the increase in consolidated companies. While total assets increased due to the very good advance ticket sales and the first-time consolidation of recently acquired companies, the equity ratio fell from 14.4% in the previous year to 8.8%.

2.3.4 Financial position of the Group

in EUR million

	2023	2022
Cash inflow/outflow from operating activities	31.0	-31.7
Cash outflow from investing activities	-5.0	-12.8
Cash outflow from financing activities	-9.4	-0.1
Change in cash and cash equivalents	**16.6**	**-44.6**
Exchange rate effects	-1.6	0.7
Cash and cash equivalents as at 01/01	**74.8**	**118.7**
Cash and cash equivalents as at 31/12	**89.8**	**74.8**

Cash flow from operating activities totalled EUR 31.0 million after EUR -31.7 million in the previous year. Based on positive consolidated net income after taxes of EUR 1.5 million (previous year: EUR 9.9 million) and higher depreciation and amortisation of EUR 13.1 million compared to the previous year, the strong cash inflow in the reporting year is mainly due to the increase in the prepayment balance (development of advance payments received) less payments made of EUR 46.2 million by EUR 11.8 million to EUR 58.0 million). Based on the organic growth in 2023, this increase reflects the strong advance sales of tickets for future events in 2024. The significantly negative cash outflow in the previous year was mainly due to the sharp reduction in advanced payments received compared to 2021 as a result of the significant recovery of the operating business in 2022 after no relevant operating cash outflows were recorded in 2020 and 2021.

The cash outflow from investing activities totalling EUR -5.0 million (previous year: EUR -12.8 million) is mainly due to investments in property, plant and equipment, in particular office and business equipment due to the increase in business activities and intangible assets (EUR -4.6 million) and purchase price payments for acquired majority shareholdings (EUR -0.6 million).

In addition to the positive balance from the refinancing of the bond (EUR 25 million), the cash outflow from financing activities of EUR -9.4 million (previous year: EUR -0.1 million) relates to the negative balance from the borrowing and scheduled repayment of financial liabilities (EUR -3.8 million), increased interest expenses (EUR -6.8 million), payments to lessors (EUR -6.2 million), dividend payments to other shareholders of subsidiaries (EUR 4.6 million) and payments to other shareholders (EUR 8.9 million).

Overall – including exchange rate effects – cash and cash equivalents increased by EUR 15.0 million to EUR 89.8 million in the reporting period.

As at the balance sheet date of 31 December 2023, DEAG had access to financing lines totalling EUR 35.0 million in addition to the bond of EUR 25.0 million (after refinancing bond 2018/2023), of which EUR 18.1 million had not been utilised. Including the sight deposits at the parent company and the subsidiaries, the cash and cash equivalents fully available to the Group thus totalled around EUR 110 million, which are available for financing and other 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 a net income of EUR -3.6 million in the past financial year (previous year: EUR -7.0 million). The investment result contributed significantly to the improvement in earnings. While no significant dividends were received in the previous year, the stabilisation of operating activities in the previous year and financial year meant that the positive results of the subsidiaries were received. This was offset by higher administrative costs compared to the previous year.

DEAG's income mainly stems from service income, commissions and license fees and remained unchanged at EUR 1.2 million in the financial year compared to the previous year. Other operating income mainly includes income from the reversal of risk provisions for potential repayment obligations and from the reduction of specific valuation allowances on receivables and totalled EUR 4.7 million as of the reporting date, compared to EUR 3.0 million in the previous year.

Higher expenses were mainly incurred for administrative costs. These rose to EUR 16.0 million in the reporting year (previous year: EUR 10.5 million). The increase was mainly due to additional personnel and material expenses as a result of the successful placement of the corporate bond 2023/2026. By contrast, other operating expenses declined by EUR 1.1 million compared to the previous year. The decline is mainly due to the expense from the derecognition of a claim for damages in the previous year. The interest result increased by EUR -0.8 million to EUR - 2.2 million (previous year: EUR -1.4 million). Income from investments improved significantly to EUR 11.3 million in the financial year (previous year: EUR 3.7 million).

Financial and asset position

Total assets increased to EUR 107.9 million (31 December 2022: EUR 87.6 million).

Financial assets declined slightly to EUR 18.8 million (31 December 2022: EUR 19.3 million) and mainly include shares in affiliated companies.

Receivables from affiliated companies amounted to EUR 84.5 million (31 December 2022: EUR 66.2 million). The change is mainly due to receivables from profit and loss transfer agreements.

Cash and cash equivalents remained unchanged from the previous year at EUR 0.2 million as of 31 December 2023. DEAG has financing lines of EUR 35.0 million at its disposal, of which EUR 18.1 million had not been utilised as of 31 December 2023. Hence, DEAG has free liquidity amounting to EUR 18.3 million.

DEAG's equity capital amounted to EUR 14.3 million (31 December 2022: EUR 17.8 million). The change relates to the annual result. The equity ratio decreased by 7.1 percentage points to 13.2% (31 December 2022: 20.3%).

Provisions are unchanged from the previous year and amount to EUR 8.1 million. They mainly include personnel-related provisions (previous year: personnel-related provisions and risk provisions for repayment claims).

Liabilities consist mainly of the bond in the amount of EUR 50.0 million (31 December 2022: EUR 25.0 million) and liabilities to banks in the amount of EUR 22.8 million (31 December 2022: EUR 24.1 million).

2.4 OVERALL STATEMENT ON THE ECONOMIC SITUATION OF THE COMPANY

For financial year 2023, the Executive Board planned to stabilise the revenue and earnings level achieved for the first time in 2022 with an annual revenue target of over EUR 300 million and high profitability. The good earnings performance of the Entertainment Services segment, which achieved significant increases in both revenue and EBITDA, should be emphasised. Until the second half of the previous year, the Entertainment Services segment was still clearly characterised by COVID-19 restrictions, while business operations in 2023 remained unaffected. The positive performance in the 2023 financial year was largely achieved organically and without any significant catch-up effects as a result of the COVID-19 pandemic, as in the previous year.

The very good business performance in 2023 is due in particular to strong organic growth. The key financial figures for 2022 were also more strongly influenced by catch-up effects following the COVID-19 pandemic and funding from COVID-19 aid programmes. Sales totalled EUR 313.5 million in the financial year (previous year: EUR 324.8 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 26.4 million (previous year: EUR 30.9 million). The key financial figures for 2022 were even more strongly influenced by catch-up effects following the COVID-19 pandemic and funding from COVID-19 aid programmes. Compared to the pre-crisis year 2019, the key financial figures have improved: sales in 2019 totalled EUR 185.2 million and EBITDA EUR 14.1 million.

DEAG feels it is 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 2023, the available liquidity in the Group totalled round EUR 110 million.

In summary, the Executive Board considers the company's economic situation to be 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, as well as non-financial performance indicators (number of tickets sold). 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 is possible 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 higher inflation, which could have a negative impact on the purchasing power of the DEAG Group's customers. In addition, the pandemic-related temporary oversupply due to 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 a renewed (Covid-19) pandemic, in particular in the form of the cancellation of one or more events due to illness by participating artists

An outbreak caused by a new Covid-19 variant or another form of pandemic is difficult to predict. Cancellations of events due to the absence of participating artists due to illness are possible. At the present time, this cancellation event cannot yet be covered by cancellation insurance. If an affected DEAG Group company is not or not sufficiently covered by the financial reserves formed within the DEAG Group or the (Covid-19) funding applied for in individual country markets or government-provided cancellation insurance in such a case, the obligations arising from the respective loss event could have a significant negative impact on the net assets, financial position and results of operations of the DEAG Group.

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 artist fees already promised

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 organising 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 could 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 important 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. Lastly, 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 of 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 16.5 million), pre-financing tour and concert events (EUR 6.0 million) and ongoing business (EUR 14.6 million). In addition, DEAG has access to financing totalling GBP 2.9 million and CHF 1.1 million from its respective house banks abroad.

The current interest rate of the respective drawings and utilisations is mainly 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 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.

In December 2020, DEAG received approval from the state development bank KfW for a loan of EUR 25 million in two tranches from the KfW Special Programme 2020 to finance working capital. The first tranche totalling EUR 15 million has been fully drawn down. The loan was granted via the principal banks. DEAG was able to waive utilisation of the second tranche of up to EUR 10 million in December 2021 due to the Group's good liquidity position. The loan has an interest rate of 2% p.a. The term of the loan is six years. After the redemption-free first year, quarterly repayments will be made, starting in March 2022. The terms of the loan contain the usual conditions.

In July 2023, DEAG also successfully placed its 2023/2026 corporate bond (ISIN NO0012487596) with a volume of EUR 50.0 million. The bearer bonds with a nominal value of EUR 1,000 each have a term of three years. The annual fixed interest rate is 8.00%. The issue proceeds will be used to continue DEAG's growth trajectory and the corporate bond 2018/2023 was fully refinanced. The holders of the 2018/2023 corporate bond (ISIN DE000A2NBF25) received a corresponding exchange offer with a multiple purchase option.

The existing financial and non-financial covenants of the financing are monitored on a continuous 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 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 45 of the Notes to the Consolidated Financial Statements.

3.1.8 COVID-19 related subsidies

In the previous year and in the reporting period, DEAG and its subsidiaries applied for and were partially granted conditional and unconditional funding from “COVID-19” 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 a diversified portfolio and an intact and resilient business model. Despite a weak macroeconomic environment with high inflation in Germany and Europe and the war in Ukraine, DEAG had a strong financial year in 2023 with continued high demand for tickets to events in 2024. DEAG believes it is excellently positioned for long-term growth thanks to good organic and inorganic growth opportunities.

Financial stability: DEAG has a very robust financial position, which was further strengthened by the placement of the new corporate bond 2023/2026 with a volume of EUR 50 million. Cash and cash equivalents, including available bank credit lines, amounted to around EUR 110 million as at 31 December 2023. The equity ratio fell from 14.4% to 8.8% due to the increase in shares in already consolidated subsidiaries and the higher balance sheet total. The coming months are characterised by high visibility with a very good sales base.

External growth opportunities and European expansion: DEAG and its subsidiaries are currently present at 22 locations in its core markets of Germany, the UK, Switzerland, Denmark, Ireland and Spain. DEAG is also active in other national markets through its subsidiaries. The company has Christmas Garden locations in Europe and is represented in the Spoken Word & Literary Events segment in North America and Australia via its subsidiary Fane. DEAG is constantly advancing the internationalisation of its business and already has an international and broad event portfolio with considerable revenue and synergy potential. This also offers high growth opportunities for the ticketing business. DEAG plans to continue its international expansion in the future, with a focus on expanding its ticketing platforms. In addition to organic growth, M&A remains an important building block for the company's growth. DEAG has extensive expertise and a strong network in the area of M&A. DEAG also consistently pursues its buy and build strategy and realises synergies and cross-selling potential. Since 2019, DEAG has founded around 20 new companies or successfully integrated them into the Group following acquisitions. Acquisitions enable DEAG to realise synergies in artist acquisition, ticketing or the development of new locations and event formats, as well as significant opportunities for cost savings. DEAG intends to continue to play an active role in the consolidation of the live entertainment industry in Europe in the future and to drive its growth both organically and through M&A.

Ticketing: Ticketing is one of DEAG's strongest growth drivers and is to be further expanded in the future. DEAG is constantly expanding its platforms to include new functions and tools and achieves above-average margins in ticketing. As an event organiser and local promoter in the live entertainment sector, DEAG sold a total of more than 10 million tickets in financial year 2023, compared to 9 million in the previous year and 5 million tickets before the COVID-19 pandemic. A significant share of tickets are already sold via the Group's own ticketing platforms myticket.de, myticket.at, myticket.co.uk, gigantic.com and tickets.ie. This includes an increasing share of DEAG's own high-margin event formats without any dependence on individual artists for which DEAG acts as producer. Recurring revenues from DEAG's own event formats and brands now account for more than half of total sales. The share distributed via DEAG's own platforms is to be steadily increased and the DEAG ticketing platforms are to act as an attractive alternative for third-party content. In the medium term, DEAG intends to increase the number of tickets for its own event formats from currently around 3 million to over 8 million. The company is also aiming to become an established sales channel in its core markets, not only for concerts and events, but also for sports and exhibitions. With its ticketing platforms, DEAG offers event partners an all-round service with dynamic pricing, extensive data utilisation and state-of-the-art technology, such as NFT ticketing.

Rock/Pop: The Rock/Pop segment accounts for more than half of DEAG's total annual sales. DEAG has a broad event portfolio in its core markets in this segment and organises several thousand concerts per year, from small club concerts to large stadium tours and festivals. The Rock/Pop business is characterised by high-volume advance sales for concerts, which are largely handled via DEAG's own ticketing platforms. The Rock/Pop portfolio comprises more than 2,000 concerts and festivals every year. In 2023, DEAG organised concerts and tours by Simply Red, Iron Maiden, Take That, Die Ärzte and Muse, among other performers. The Rock/Pop segment also includes festivals like "NATURE ONE," "MAYDAY" and "Ruhr-in-Love" as well as the "Belladrum Festival" in Beauly, Scotland, and the "Sion sous les étoiles" festival in Sion in the French-speaking part of Switzerland. DEAG's event portfolio comprised more than 30 one-day and multi-day festivals in 2023. DEAG expects that the Rock/Pop business will continue to be a key part of the business and that it will make a significant contribution to the company's growth.

Family Entertainment: DEAG sees above-average growth opportunities in the Family Entertainment segment. The company's consistent strategic focus on its own high-margin event formats is increasingly paying off. DEAG offers live entertainment for the whole family in the Family Entertainment segment. The programme includes shows such as "Disney on Ice," "Riverdance," "ABBA – the Show" and the Berlin Flashlight Concert. DEAG benefits from the internationalisation of family entertainment through licensing models as well as from increasing ticket sales – especially in sales via its own ticketing platforms.

Spoken Word & Literary Events: The Spoken Word & Literary Events business area includes author readings, theatre performances, poetry slams as well as book subscription services, streaming, podcasts, merchandising and book sales. With its subsidiaries Fane Productions Ltd. and lit.COLOGNE GmbH, DEAG has a leading position in the market. lit.COLOGNE is the organiser of the international literature festival that goes by the same name, which is one of the largest in Europe with more than 100,000 visitors and up to 200 events a year. With other festival formats such as phil.COLOGNE and lit.RUHR, lit.COLOGNE has very successfully expanded its activities in recent years and has an extensive and very stable network of partners. Fane is a leader in the production and curation of spoken word events in the UK, North America and Australia. By acquiring the book subscription service LoveMyRead, Fane has significantly expanded its offering. In the Spoken Word & Literary Events segment, DEAG will benefit from synergy effects in the development of new formats and locations as well as in the ticketing business. At the beginning of financial year 2024, DEAG further expanded its strong position in Spoken Word & Literary Events by acquiring the company “How to Academy.” The company is one of the leading companies in the UK in the area of the spoken word and organises several hundred live events and digital events such as readings, debates, conferences and courses every year. How to Academy also produces podcasts, live streams, films and publishes books.

Arts+Exhibitions: The Arts+Exhibitions division includes formats such as “Potsdamer Schlössernacht” and DEAG’s Christmas business. These include the Christmas Circuses in Regensburg and Hanover, the Christmas Village in Kiel and the Christmas Garden, which took place at a total of 21 locations in six countries in 2023/2024. In total, the Christmas Gardens delighted more than 2 million visitors with a winter wonderland. The high, profitable growth is to be continued by acquiring new locations and further establishing the current locations.

Classics & Jazz: In the Classics & Jazz genre, the DEAG Group is one of the biggest players in Europe in a very fragmented market and has well-known artists such as Anna Netrebko, the virtuoso live pianist Joja Wendt and the Berlin Philharmonic Orchestra in its portfolio.

5. FORECAST REPORT

DEAG has an intact business model and, as a Live Entertainment service provider, has further consolidated its broadly diversified business model in financial year 2023 with the six business segments Rock/Pop, Classic & Jazz, Family Entertainment, Arts+Exhibitions, the Spoken Word & Literary Events and, in particular, Ticketing, and, through the successfully implemented organic and inorganic growth steps of recent years, laid the foundation for a 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 the main drivers of future business development, besides the fast-growing and highly profitable ticketing segment.

After a predominantly organic financial year 2023, which was almost unaffected by catch-up effects and the impact of the pandemic, the Management Board expects the Group to continue to develop steadily in 2024, which should lead to a further moderate increase in sales and EBITDA. With sold-out events such as “Disney on Ice,” lit.COLOGNE, the tour of the cult pop band “OMD” through Germany and the UK and the “Cirque du Soleil” shows in Lausanne, financial year 2024 has gotten off to an excellent start. This planning is underpinned by a strong event pipeline comprising around 6,000 events for which DEAG is aiming to sell around 11.5 million tickets this year. Further acquisitions, several of which are currently in the pipeline, are not included in the current plans, but are still part of the expansion strategy. Sufficient liquidity is available for the growth planned thanks to the issue of the Nordic Bond 2023/2026 for EUR 50 million in the third quarter of financial year 2023 and the good business development.

Due to the nature of DEAG's business activities as the parent company, its future development is closely linked to the development of the Group. For this reason, reference is made to the Group forecast above. For this reason, the management expects higher investment income and earnings from profit transfer agreements as well as reductions in minority interests to complete DEAG's buy and build strategy in 2024.

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 or in Israel-Gaza and continued high inflation figures, DEAG is currently experiencing very high demand for tickets and has been able to organise all events in 2024 to date as planned. Nevertheless, the duration and further development of the wars and the ongoing inflation are unpredictable. Therefore, it is impossible to provide a detailed outlook for the current year 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, 8 April 2024

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Detlef Kornett
Group CEO/International Business

David Reinecke
CFO

Christian Diekmann
CEO national/COO

Moritz Schwenkow
CTTO

CONSOLIDATED FINANCIAL STATEMENTS

Foto: © shutterstock

CONSOLIDATED BALANCE SHEET

ASSETS

EUR thousand

	Note	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	8	89,813	74,780
Trade receivables	9	20,272	17,806
Down payments	10	25,819	16,214
Income tax claims		2,796	1,754
Inventories		1,340	1,530
Other current financial assets	11	8,250	7,586
Other current non-financial assets	12	3,622	6,399
Current assets		**151,912**	**126,069**
Goodwill	14	56,693	53,777
Other intangible assets	14	37,371	36,213
Property, plant and equipment	15	35,979	32,728
Property held as an investment	17	5,625	5,625
Investments	18	2,877	2,114
Financial assets accounted for using the equity method		812	590
Down payments	10	6	525
Other non-current financial assets	19	10,009	7,858
Deferred tax assets	20,40	447	950
Non-current assets		**149,819**	**140,380**
		301,731	**266,449**

EQUITY AND LIABILITIES

EUR thousand

	Note	31 Dec 2023	31 Dec 2022
Liabilities to banks	21, 29	12,762	22,214
Trade accounts payable	22	27,098	24,552
Provisions	23	21,119	22,112
Bond	25	-	24,602
Advanced payments received	24	83,574	62,633
Income tax liabilities		6,287	4,485
Other current financial liabilities	26	14,134	11,805
Other current non-financial liabilities	27	8,921	8,084
Current liabilities		**173,895**	**180,487**
Provisions	23	515	722
Bond	25	45,706	-
Liabilities to banks	21, 29	17,294	11,466
Advanced payments received	24	256	292
Other non-current financial liabilities	28	26,643	26,294
Deferred tax liabilities	20, 40	10,835	8,703
Non-current liabilities		**101,249**	**47,477**
Subscribed capital		21,587	21,587
Capital reserve		32,520	32,520
Retained earnings		-332	-332
Accumulated deficit		-39,204	-32,481
Accumulated other result		2,317	1,890
Equity attributable to DEAG		**16,888**	**23,184**
Shares of other shareholders		9,699	15,301
Equity	30	**26,587**	**38,485**
		301,731	**266,449**

CONSOLIDATED STATEMENT OF INCOME

EUR thousand

	Note	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022
Revenues	32	**313,483**	**324,801**
Cost of sales	33	-253,430	-263,622
Gross profit		**60,053**	**61,179**
Distribution costs	34	-26,466	-24,091
Administrative expenses	35	-35,216	-30,444
Other operating income	36	18,979	17,903
Other operating expenses	37	-4,066	-4,617
Operating profit (EBIT)		**13,284**	**19,930**
Financing income and expenses	38	-7,113	-5,077
Income from investments	39	-188	-431
Shares in profits and losses in companies accounted for using the equity method		204	-76
Foreign exchange gain or loss	51	223	-380
Financial result		**-6,874**	**-5,964**
Earnings before taxes		**6,410**	**13,966**
Income tax	40	-4,962	-4,064
Consolidated earnings after taxes		**1,448**	**9,902**
of which attributable to other shareholders		3,536	4,678
of which attributable to DEAG shareholders (Group result)		**-2,088**	**5,224**
Earnings per share in EUR (diluted/undiluted)	30	-0,10	0,24
Average number of shares in circulation (diluted/undiluted)	30	21,587,958	21,587,958

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand

	2023	2022
Consolidated earnings after taxes	**1,448**	**9,902**
(+/-) currency conversion differences (independent foreign units)	425	-1,453
Amounts that may be reclassified to the income statement in future periods	**425**	**-1,453**
(+/-) actuarial gains and losses recorded in equity	-44	40
(+/-) Deferred tax assets	9	-8
Amounts that are not reclassified to the income statement	**-35**	**32**
Total other result	**390**	**-1,421**
Total comprehensive income	**1,838**	**8,481**
of which attributable to		
shares of other shareholders	3,499	3,750
the equity provider of the parent company	-1,661	4,731

CONSOLIDATED STATEMENT OF CASH FLOWS (NOTE 42)

EUR thousand	2023	2022
Group result from continued operations after taxes	1,448	9,902
Depreciation and amortisation	13,088	10,954
Income from retirement of fixed assets	-5	-2
Non-cashflow related changes	-6,930	-1,531
Changes in other accruals	-2,270	1,070
Deferred taxes (net)	1,459	-361
Share of profits and losses of companies accounted for using the equity method	-204	76
Cashflow before changes in net assets	**6,586**	**20,108**
Net financial income/expenses	7,113	5,077
Changes to receivables, inventories and other assets	-10,714	8,526
Changes to other debt less financial debt	28,062	-65,445
Net cashflow from operating activities (total)	**31,047**	**-31,734**
Outflow from investing activities in...		
...intangible assets	-123	-2,908
...fixed assets	-4,613	-3,821
...investments	-8	-3,657
Payments made to acquire consolidated companies and business units	-644	-2,817
Asset retirements	18	207
Interest income	394	224
Net cashflow from investing activities (total)	**-4,976**	**-12,772**

EUR thousand

	2023	2022
Borrowing of financial debt	11,463	15,103
Repayment of financial debt	-15,213	-5,516
Cashoutflow from bond 2018/2023	-25,000	-
Cashinflow from bond 2023/2026	50,000	-
Bond refinancing-related expenses	-4,208	-
Leasing payments	-6,211	-4,491
Interest expenses	-6,754	-4,432
Dividend shares of other shareholders	-4,614	-672
Payments to other shareholders	-8,872	-102
Cashflow from financing activities (total)	**-9,409**	**-110**
Changes in cash and cash equivalents	**16,662**	**-44,616**
Exchange rate effects	-1,629	651
Cash and cash equivalents as at 01 January	74,780	118,745
Cash and cash equivalents as at 31 December	**89,813**	**74,780**

DEVELOPMENT OF EQUITY WITHIN THE GROUP (NOTE 30)

	Number of shares issued	Subscribed capital	Capital reserve
	Qty.	EUR thousand	EUR thousand
As at 01 January 2022	**21,587,958**	**21,587**	**32,520**
Result for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**-**	**-**
Dividend	-	-	-
Acquisition / sale of shares from other shareholders	-	-	-
As at 31 December 2022	**21,587,958**	**21,587**	**32,520**
Result for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**-**	**-**
Dividend	-	-	-
Acquisition / sale of shares from other shareholders	-	-	-
As at 31 December 2023	**21,587,958**	**21,587**	**32,520**

[1)] Increase in shares

Retained earnings	Accumulated deficit	Accumulated other result	Equity attributable to DEAG	Shares of others shareholders	Equity
EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
-332	**-37,343**	**2,382**	**18,814**	**10,964**	**29,778**
-	5,224	-	5,224	4,678	9,902
-	**-**	**-492**	**-492**	**-929**	**-1,421**
-	**5,224**	**-492**	**4,732**	**3,749**	**8,481**
-	-	-	-	-672	-672
-	-362 [1]	-	-362	1,260	898
-332	**-32,481**	**1,890**	**23,184**	**15,301**	**38,485**
-	-2,088	-	-2,088	3,536	1,448
-	-	427	427	-37	390
-	**-2,088**	**427**	**-1,661**	**3,499**	**1,838**
-	-	-	-	-4,615	-4,615
-	-4,635 [1]	-	-4,635	-4,486	-9,121
-332	**-39,204**	**2,317**	**16,888**	**9,699**	**26,587**

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 in Berlin, Germany. The company is registered with the Commercial Register of the Berlin-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 shares have been traded over the counter since then.

DEAG's core business areas include Rock/Pop, Classics & Jazz, the Spoken Word & Literary Events, Family Entertainment, Arts+Exhibitions and Ticketing. The Family Entertainment and Ticketing segments in particular are DEAG's strong growth drivers. 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 at 31 December 2023 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. Interim financial statements had to be prepared for the fully consolidated company CSB Island Entertainment ApS, Fanø (Denmark), which has a different financial year from 1 July to 30 June, and Castle Concerts Ltd., Edinburgh (UK), which has a different financial year from 1 October to 30 September. 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 , intangible assets, agreed options and 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 Notes 6 and 32) and subsidies from corona aid programmes (please refer to Notes 6 and 36).

In addition, estimates and assumptions are required in the valuation and 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 the determination of fair values of financial assets and investments.

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 of 3 years 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 56,693 thousand (31 December 2022: EUR 53,777 thousand) will be adjusted accordingly. We refer to our comments in Note 14.

Furthermore, the premises and, if necessary, the carrying amounts of intangible assets of EUR 37,371 thousand (31 December 2022: EUR 36,213 thousand) are to be adjusted as part of an impairment test if developments take place that are beyond the management's control and would cause the original estimated values to differ from the future carrying amounts.

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

3. CHANGES TO ACCOUNTING STANDARDS

The following new or amended standards are mandatory for the first time for financial years beginning on 1 January 2023:

» IFRS 17: Insurance Contracts – Amendments to IFRS 17 and initial application of IFRS 17 and IFRS 9 – Comparative information

IFRS 17 Insurance Contracts is an expanded, new accounting standard that governs the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 replaces IFRS 4 Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct and reinsurance contracts), regardless of the type of entity issuing them, as well as to certain guarantees and financial instruments with discretionary participation features. The primary objective of IFRS 17 is to create a comprehensive accounting model for insurance contracts that is more useful and consistent for insurance companies and covers all relevant accounting aspects. IFRS 17 is based on a general model that is supplemented by a specific adjustment for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach), which mainly applies to short-duration contracts.

These changes have no impact on the Consolidated Financial Statements.

» Amendments to IAS 1: Disclosure of accounting policies

Under the amendments, entities are required to disclose material information about accounting policies rather than their significant accounting policies. Information about accounting policies may be material because of its nature, even if the related amounts are immaterial. It is also material if it is needed by users of financial statements to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, that information should not obscure material accounting policy information. Furthermore, additional guidance and examples have been added to IFRS Practice Statement 2 to explain how the four-step materiality process can be applied to accounting policies to support the amendments to IAS 1. With the application of the amendments to IAS 1, the amendments to IFRS Practice Statement 2 may also be applied. IFRS Practice Statement 2 is not binding as it is not part of IFRSs. Accordingly, it has not been adopted by the EU. Nevertheless, it can serve as a guideline for materiality decisions. The amendments had no material impact on the Group's Consolidated Financial Statements, as they do not affect the accounting policies applied themselves.

» Amendments to IAS 8: Definition of accounting estimates

The amendments replace the previous definition of accounting-related changes in accounting estimates with a new definition of accounting-related estimates. According to the new definition, estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty." Entities make accounting estimates when their accounting policies require items in the financial statements to be measured in a way that involves measurement uncertainty. The IASB has also clarified that the effects of a change in an input factor or a change in a measurement method on an accounting estimate are changes in accounting estimates if they do not result from the correction of errors from previous periods. These changes had no material impact on the Consolidated Financial Statements as they primarily relate to the definition and clarification of accounting estimates.

» Amendment to IAS 12: Deferred taxes in connection with assets and liabilities resulting from a single transaction

In particular, the amendments clarify how entities recognise deferred taxes on transactions such as leases and deconstruction obligations.

Under certain circumstances, companies are exempt from recognising deferred taxes on the initial recognition of assets and liabilities (initial recognition exemption). The amendments stipulate that the exemption does not apply if the transaction simultaneously leads to deductible and taxable differences in the same amount. In these cases, companies must recognise deferred taxes for such transactions. If the transaction does not result in deductible and taxable temporary differences of the same amount, the exemption from recognising deferred tax assets and liabilities will remain in place.

The amendment is to be applied to transactions that take place on or after the beginning of the earliest comparative period. The cumulative effect of initial application is to be recognised in retained earnings at that time. This amendment had no impact on the Consolidated Financial Statements as no material deferred tax assets or liabilities were identified.

» Amendment to IAS 12: International tax reform – Pillar Two model rules

The amendments to IAS 12 were introduced in response to the “base erosion and profit shifting rules” (BEPS rules for short) of the OECD’s second pillar. It includes a mandatory temporary exemption for the recognition and disclosure of deferred tax assets and liabilities resulting from the legal implementation of Pillar 2. Utilisation of the exception must be disclosed. The actual tax expense (income) relating to Pillar 2 income taxes in the periods in which the legislation comes into force must be recognised separately. For periods in which the second pillar legislation has been (substantially) enacted but not yet substantively enacted, disclosure of known or reasonably estimable information that helps users of financial statements to understand the entity’s exposure to second pillar income taxes is required.

To fulfil these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to second pillar income taxes at the end of the reporting period. The temporary exemption from recognising and disclosing information about deferred taxes and the requirement to disclose the application of the exemption apply immediately and retrospectively after publication of the amendments. The disclosure of current tax expense related to second pillar income taxes and the disclosures related to periods prior to the effective date of the legislation are required for annual reporting periods beginning on or after 1 January 2023, but not for interim periods ending on or before 31 December 2023. The BEPS rules of the second pillar apply to multinational companies that exceed consolidated revenue of EUR 750 million. This change had no impact on the Consolidated Financial Statements, as the Group’s consolidated revenue does not exceed the size threshold of EUR 750 million.

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 2023 and have not been applied:

Already incorporated into EU law:

- **IAS 1:** Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current; Non-current Liabilities with a Contractual Agreement (effective on or after 1 January 2024)
- **IFRS 16:** Leases – Lease liabilities from a sale and leaseback transaction (to be applied on or after 1 January 2024)

Not yet endorsed into EU law:

- **IFRS 7:** IFRS 7: Financial instruments: Disclosures and IAS 7: Statement of Cash Flows- Supplier Financing Arrangements (effective on or after 1 January 2024)
- **IAS 21:** IAS 21: Effects of Changes in Exchange Rates- Lack of Exchangeability (applicable on or after 1 January 2025)

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 continuously 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 at 31 December 2023, the Group of consolidated companies included, besides DEAG, 74 (31 December 2022: 67) fully consolidated domestic and foreign companies, of which two companies are still being wound up and are treated as discontinued operations, but are individually and collectively of minor significance to the Consolidated Financial Statements and are therefore not recognised separately. Six investments are accounted for as joint ventures or associated companies using the equity method (31 December 2022: seven investments). Due to their insignificance for the Group, two affiliated companies and three investments are recognised at cost, as in the previous year. 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	Entity	Shareholdings
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%
	I-Motion GmbH Events & Communication, Muelheim-Kaerlich	100.0%
	A.C.T. Artist Agency GmbH, Berlin	100.0%
	GET ROCK LIVE S.L., Barcelona (Spain)	100.0%

Segment	Entity	Shareholdings
Live Touring		
	ROCKFEST ENTERTAINMENT S.L., Barcelona (Spain)	100.0%
	Media On-Line Management GmbH, Berlin	100.0%
	Media On-Line GmbH & Classic Open Air KG, Berlin	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%
	EMJ Entertainment Ltd. (formerly 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%
	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 Productions Ltd., London (UK)	49.7%
	Castle Concerts Limited, Edinburgh (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%
	LoveMyRead Ltd., 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 Limited, London (UK)	25.3%
	Cluedo Stage Productions Ltd., London (UK)	25.3%

Segment	Entity	Shareholdings
Entertainment Services		
	Concert Concept Veranstaltungs-GmbH, Berlin	100.0%
	Global Concerts GmbH, Munich	100.0%
	CES Concert & Event Supply 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%
	BfS Berlin feiert Silvester GmbH, Berlin	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%
	pro Media GmbH, Unna	74.9%
	Live Music Production SA, Le Grand-Saconnex (Switzerland)	60.0%
	Airbeat One GmbH, Berlin	55.0%
	Indian Spirit GmbH, Berlin	55.0%
	Live Music Entertainment LME SA, Le Grand-Saconnex (Switzerland)	51.0%
	Kultur im Park GmbH, Berlin	51.0%
	C2 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%
Discontinued Operations		
	DEAG Music GmbH, Berlin	100.0%
	Blue Moon Entertainment GmbH, Vienna (Austria)	100.0%

DEAG holds 100% 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 C2 Concerts GmbH, Stuttgart. C2 Concerts GmbH holds 90% of the shares in Kesselfestival GmbH & Co. KG and 100% of its general partner limited company Kesselfestival GmbH.

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

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 Group of consolidated companies of DEAG Group changed as follows in financial year 2023:

Segment	Entity	Addition
Entertainment Services	BfS Berlin feiert Silvester GmbH	01 November 2023
Live Touring	A.C.T. Artist Agency GmbH	1 January 2023
	Media On-Line GmbH & Co. Classic Open Air KG	1 January 2023
	Media On-Line Management GmbH	1 January 2023
	Castle Concerts Limited, Edinburgh (UK)	1 January 2023
	GET ROCK LIVE S.L.	1 December 2023
	ROCKFEST ENTERTAINMENT S.L.	1 December 2023

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. The company has been fully consolidated in the Consolidated Financial Statements since 1 January 2023. Please refer to the explanations in Note 13.2.

With effect from 1 January 2023, DEAG acquired a majority shareholding in Media On-Line Management GmbH & Co. Classic Open Air KG, Berlin, via its wholly owned subsidiary DEAG Classics AG, Berlin. As at 1 January 2023, the companies will be included in the Consolidated Financial Statements as part of the full consolidation. For further information, please see Note 13.2.

As part of the acquisition of Regular Ltd., Edinburgh (UK), a purchase option was agreed for the shares in Castle Concerts Ltd., another company of the previous shareholder. As DEAG can already exert a significant influence on the business activities, the company has been fully consolidated in the Consolidated Financial Statements since 1 January 2023.

With effect from 1 November 2023, BfS Berlin feiert Silvester GmbH, Berlin, will be fully consolidated in the Consolidated Financial Statements. DEAG initially took over the business operations of sib Silvester in Berlin GmbH, Berlin, and transferred them to the wholly owned subsidiary Berlin feiert Silvester GmbH. For further information, please see Note 13.2.

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

Segment	**Entity**	**Shareholdings**
Entertainment Services	JHH Entwicklungsflächen GmbH & Co. KG, Frankfurt/Main	50,0%
	JHH Entwicklungsflächen Verwaltungs GmbH, Frankfurt/Main	50,0%

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

Segment	**Entity**	**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 EMJ Entertainment Ltd. (formerly Kilimanjaro Holdings Ltd.), London (UK). Material influence is exercised as Kilimanjaro Holdings directly holds a 33.0% stake in Collective Form Ltd. In turn, DEAG holds 51.0% of the voting shares in Kilimanjaro Holdings.

The following subsidiaries 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 asset, financial and earnings position, and are therefore not consolidated. The companies were dormant during the financial year.

Name of company	Seat of company	Share in the capital	Equity	Earnings in financial year (in Euro thousand)
Fane Productions Inc.	New York (USA)	37.0%	-	-
TKR Play Ltd.	London (UK)	24.9%	10	10

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 Euro 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, Spain and Austria is the euro (EUR).

The positions included in the financial statements of the respective companies are measured by 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 whose functional currency is not the euro 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	
	2023	2022	2023	2022
1 Pound Sterling	1.1507	1.1275	1.1494	1.1729
1 Swiss Franc	1.0799	1.0156	1.0291	0.9961
1 Danish Krone	0.1341	0.1345	0.1342	0.1343

6. ACCOUNTING PRINCIPLES

Macroeconomic developments

While the previous year was still clearly characterised by the upturn in operating activities following the COVID-19 pandemic and the resulting catch-up effects as well as the receipt of subsidies, operating activities returned to normal in financial year 2023.

The war in Ukraine, which has now been going on for two years, continues to impact global trade and people around the world 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.

In the reporting period, DEAG continued to receive conditional grants from "corona" aid programmes in Germany. Contingent grants are recognised in other operating income, provided that the eligibility criteria are met in full. The conditional subsidies included EUR 3.3 million (previous year: EUR 7.5 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.

For further information on this, please see Notes 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 Notes 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 plants 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.

Advanced payments received from customers for future performance obligations are recognised 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. Non-current 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.

Upon 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.

Financial liabilities are classified in the following categories

» at amortised cost and
» at fair value through profit or loss.

The Group measures financial liabilities such as trade payables or liabilities to banks at amortised cost. They are initially recognised at fair value, which is amortised using the effective interest method or upon disposal. All financial liabilities that are not classified as at amortised cost are classified as at fair value through profit or loss and measured at fair value through profit or loss at the time of addition and in subsequent measurement.

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.

As part 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 2023, the price agreed upon in 2015 subject to a precedent condition continued to be 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 standard provides for a five-step model for revenue from contracts with customers 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

The majority of the DEAG Group's revenues mainly relate to the provision of services as part of its activities as a tour or local promoter. 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 advanced payments received until then. The advanced payments received are then transferred to revenues when the event takes place. In addition, a steadily growing proportion of revenue relates to the provision of services for the brokerage of ticket sales and the dispatch of tickets. The services associated with the sale of tickets to end customers are realised in the amount of agency fees (net) at the time the tickets are sold. The Group's payment terms are largely short-term (payment to the end customer is due immediately; otherwise the payment term is generally 30 days). 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. The Group assigns its business activities to the Live Touring and Entertainment Services segments.

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

Segment data

in Euro thousand

	Live Touring		Entertainment Services		Total Segments	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues	186,562	221,422	145,864	121,536	332,426	342,958
Other income	9,396	9,681	6,482	7,078	15,878	16,759
Total earnings	**195,958**	**231,103**	**152,346**	**128,614**	**348,304**	**359,717**
- thereof internal income	1,322	1,578	18,120	19,015	19,442	20,593
Cost of sales*	155,497	183,340	115,670	97,938	271,167	281,278
Operating expenses*	27,987	25,006	22,671	20,050	50,658	45,056
EBITDA	**18,012**	**28,124**	**16,714**	**11,511**	**34,726**	**39,635**
Depreciation and amortisation (scheduled)	8,438	7,298	3,926	3,258	12,364	10,556
Full-time employees as at 31.12.	252	175	120	116	372	291

* Including proportional, scheduled depreciation and amortisation

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 to 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.

No revenues are generated with external customers who amount to at least 10% of the total revenues.

Reconciliation from segment to Group data

in Euro thousand

	Total of segments		Consolidation (incl. Holding)		Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues	332,426	342,958	-18,943	-18,157	313,483	324,801
Other income	15,878	16,759	3,101	1,144	18,979	17,903
Total earnings	**348,304**	**359,717**	**-15,842**	**-17,013**	**332,462**	**342,704**
- thereof internal income	19,442	20,593	-19,442	-20,593	-	-
Cost of sales	271,167	281,278	-17,738	-17,656	253,429	263,622
Operating expenses	50,658	45,056	11,025	9,479	61,683	54,535
Segment result (EBIT)					22,362	29,079
Unallocated expenditure and income (incl. DEAG and consolidation effects)					-9,078	-9,149
Operating result (EBIT)					**13,284**	**19,930**
Income shares in companies accounted for using the equity method					204	-76
Other financial result					-7,078	-5,888
Result before taxes (EBT)					**6,410**	**13,966**
Taxes on income and earnings					-4,962	-4,064
Group result after taxes					**1,448**	**9,902**
thereof attributable to other shareholders					3,536	4,678
thereof attributable to DEAG shareholders (Group Result)					**-2,088**	**5,224**

Geographical Information

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.

in Euro thousand

	Germany		Other countries		Group	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues	164,241	136,274	149,242	188,527	313,483	324,801

EUR 107,796 thousand (previous year: EUR 150,788 thousand) of the sales revenue from other countries was generated by the companies based in the UK and Ireland and EUR 41,446 thousand (previous year: EUR 37,739 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 Euro thousand

	31 Dec 23	31 Dec 2022
Trade receivables (gross)	20,622	18,165
Bad debt allowance	-350	-359
Trade receivables	**20,272**	**17,806**

Receivables written off mainly result from the measurement on the basis of expected credit losses in accordance with IFRS 9. As impairments of trade receivables in the Group are of minor importance in the financial year and in the near future, no impairment matrix is shown.

Trade receivables are all due within one year.

For further details on trade receivables, please refer to the explanations in Note 31 “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 Euro thousand

	31 Dec 23	31 Dec 22
Insurance claims	3,332	2,022
Receivables from cooperation contracts	1,368	1,395
Loans	875	1,029
Deposits	662	453
Reimbursements	451	129
Creditors with debit balances	227	297
Receivables from assosciated companies	224	1,615
Others	1,111	646
Other current financial assets	**8,250**	**7,586**

Other current financial assets have a scheduled residual term of up to one year.

12. OTHER CURRENT NON-FINANCIAL ASSETS

Other current non-financial assets essentially comprise the following:

in Euro thousand

	31 Dec 23	31 Dec 22
Down payments	1,651	2,423
Tax authorities claims	1,179	1,406
Input tax deductible in the following year	792	1,032
Governmental grants	0	1,397
Others	0	141
Other current non-financial assets	**3,622**	**6,399**

Other current non-financial assets have a scheduled residual term of up to one year.

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:

a) 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-holdings	DEAG Voting Rights
Kilimanjaro			
	KMJ Entertainment Limited (formerly 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%
Castle Concerts Limited, Edinburgh (UK)	49.7%	45.9%
UK Live Limited, London (UK)	44.7%	38.3%
Fane Productions Limited, London (UK)	37.0%	38.3%
LoveMyRead Ltd., London (UK)	37.0%	38.3%
Fane Productions (Australia) PTY Limited, Victoria (Australia)	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, 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:

in Euro thousand

Balance sheet (condensed)	**31 Dec 23**	**31 Dec 22**
Current assets	23,889	25,081
Non-current assets	35,373	32,895
Current liabilities	46,320	41,879
Non-current liabilities	5,712	3,242
Equity attributable to DEAG shareholders	4,408	7,959
Equity atributtable to non-controlling interests	2,822	4,896

in Euro thousand

Profit and Loss accounts and comprehensive income (condensed)	2023	2022
Revenues	101,770	147,902
Expenses and other income	103,162	138,727
Result	**-1,392**	**9,175**
Result attributable to DEAG shareholders	395	5,928
result attributable to non-controlling interests	-1,787	3,247
Result	**-1,392**	**9,175**
Other income attributtable to DEAG shareholders	-3,946	-886
Other income attributtable to non-controlling interests	-287	-253
Total other income	**-4,233**	**-1,139**
Other comprehensive income attributable to DEAG shareholders	-3,551	5,042
Other comprehensive income attributable to non-controlling interests	-2,074	2,994
Total other comprehensive income	**-5,625**	**8,036**

in Euro thousand

Cash Flow Statement (condensed)	2023	2022
Cash flow from operating activities	3,737	-37,066
Cash flow from investing activities	-3,820	-926
Cash flow from financing activities	-4,524	751
Total cash flow	**-4,607**	**-37,241**

	2023	2022
Dividends paid to non-controlling interests	506	117

13.2 Acquisitions

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

Final purchase price allocation of the Airbeat One Festival, Lübtheen

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 at 31 December 2022. The conditions were met on 31 December 2023, meaning that the retransfer was carried out in the reporting year.

The acquisition of the festival had 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 previous 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 development of the business.

The final purchase price allocation, which corresponds to the preliminary purchase price allocation, was as follows:

Airbeat One GmbH, Berlin

Share of capital and voting rights	
Airbeat One GmbH, Berlin	55% (100%) [1)]
Date of initial consolidation	01 July 2022
Purchase Price (in Euro thousand)	4,022
Ancillary acquisition costs	42

in Euro thousand	Carrying amount at time of acquisition	Adjustment amount*	Fair value at time of acquisition
Assets			
Other rights	-	5,270	5,270
Fixed assets	-	848	848
	-	**6,118**	**6,118**
Liabilities			
Non-current liabilities	-	-	-
Deferred tax	-	1,223	1,223
	-	**1,223**	**1,223**
Net assets	**-**	**4,895**	**4,895**
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.

[1)] As at 31 December 2022, the contractually agreed 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 Veranstaltungs GmbH, Berlin still held 100% of the shares in Airbeat One GmbH on the balance sheet date. The conditions precedent fullilled in December 2023, meaning that Concert Concept Veranstaltungs-GmbH Berlin has held 55.0% of the shares in the company since this date.

Intangible assets were identified as part of the purchase price allocation. These relate to brands and sponsoring relationships. Operating and office equipment was also acquired 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 in the previous year. 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.

Final purchase price allocation of the Indian Spirit Festival

Friedrichsbau Varieté Management Stuttgart GmbH, Stuttgart, a 100% subsidiary of DEAG, has acquired all of the assets and processes of the Indian Spirit 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 as at 31 December 2022. The conditions were met on 31 December 2023, which means that the retransfer was carried out in the reporting year.

The fixed purchase price of EUR 0.75 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 two scenarios between 2023 and 2027, depending on how the business develops in the future. The fair value of the contingent consideration on the balance sheet date is determined using a discounted cash flow method.

The final purchase price allocation, which corresponds to the preliminary purchase price allocation, is as follows:

Indian Spirit GmbH, Berlin

Share of capital and voting rights	
Indian Spirit GmbH, Berlin	55% (100%) [1)]
Date of initial consolidation	01 November 2022
Purchase Price (in Euro thousand)	1,254
Ancillary acquisition costs	54

in Euro thousand	**Carrying amount at time of acquisition**	**Adjustment amount***	**Fair value at time of acquisition**
Assets			
Goodwill	-	251	251
Other rights	-	1,089	1,089
	-	**1,340**	**1,340**
Liabilities			
Deferred taxes	-	85	85
	-	**85**	**85**
Net assets	**-**	**1,255**	**1,255**
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.

1) As at 31 December 2022, the contractually agreed 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 Veranstaltungs GmbH, Berlin still held 100% of the shares in Airbeat One GmbH on the balance sheet date. The conditions precedent fullilled in December 2023, meaning that Concert Concept Veranstaltungs-GmbH Berlin has held 55.0% of the shares in the company since this 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.

Final 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 purchase price allocation was provisional in the previous year, as validations of the opening balance sheet were still pending and the purchase price allocation could therefore not yet be finalised.

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

The final purchase price allocation, which corresponds to the preliminary purchase price allocation, is as follows:

Oshi Software Ltd., Dublin (Ireland)

Share of capital and voting rights	
Oshi Software Ltd., Dublin (Ireland)	75.0%
Date of initial consolidation	01 November 2022
Purchase Price (in Euro thousand)	0
Ancillary acquisition costs	166

in Euro thousand	Carrying amount at time of acquisition	Adjustment amount*	Fair value at time of acquisition
Assets			
Goodwill	-	265	265
Fixed Assets	80	-	80
Cash and cash equivalents	94	-	94
Current assets	190	-	190
	364	**265**	**629**
Liabilities			
Current liabilities	712	-	712
	712	**-**	**712**
Net assets	**-348**	**265**	**-83**
Equity attributable to non-controlling interests			-87

*) 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.

Final 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 EMJ (formerly Kilimanjaro Holdings Ltd., London (UK)). 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 purchase price allocation was provisional in the previous year, as validations of the opening balance sheet were still pending and the purchase price allocation could therefore not yet be finalised.

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

The final purchase price allocation is as follows:

Regular Ltd., Edinburgh (UK)

Share of capital and voting rights	
Regular Ltd. Edinburgh (UK)	70.0%
Date of initial consolidation	31 December 2022
Purchase Price (in Euro thousand)	1,646
Ancillary acquisition costs	186

in Euro thousand	**Carrying amount at time of acquisition**	**Adjustment amount***	**Fair value at time of acquisition**
Assets			
Goodwill	-	725	725
Other intangible assets	-	525	525
Property, plant and equipment	19	-	19
Cash and cash equivalents	1,675	-	1,675
Other current assets	1,160	55	1,215
	2,854	**1,305**	**4,159**
Liabilities			
Current liabilities	3,031	-	3,031
Deferred taxes	-	83	83
	3,031	**83**	**3,114**
Net assets	**-177**	**1,222**	**1,045**
Equity attributable to non-controlling interests			96

*) 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:

Regular Ltd., Edinburgh (UK)

Share of capital and voting rights	
Regular Ltd. Edinburgh (UK)	70.0%
Date of initial consolidation	31 December 2022
Purchase Price (in Euro thousand)	1,646
Ancillary acquisition costs	186

in Euro thousand	Carrying amount at time of acquisition	Adjustment amount*	Fair value at time of acquisition
Assets			
Goodwill	-	1,439	1,439
Fixed Assets	19	-	19
Cash and cash equivalents	1,675	-	1,675
Current assets	1,160	-	1,160
	2,854	**1,439**	**4,293**
Liabilities			
Current liabilities	2,558	-	2,558
	2,558	**-**	**2,558**
Net assets	**296**	**1,439**	**1,735**
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 adjustments, in particular the change in the fair value of goodwill from EUR 1,439 thousand to EUR 725 thousand, mainly result from the identification of hidden reserves for other rights and resulting adjustments to deferred tax liabilities.

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 organiser 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 area of live entertainment and for ticketing. The purchase price allocation was provisional in the previous year, as validations of the opening balance sheet were still pending and the purchase price allocation could therefore not yet be finalised.

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

The purchase price allocation is as follows:

A.C.T. Artist Agency GmbH, Berlin

Share of capital and voting rights	
A.C.T. Artist Agency GmbH, Berlin	100.0%
Date of initial consolidation	1 January 2023
Purchase Price (in Euro thousand)	13
Ancillary acquisition costs	0

in Euro thousand	Carrying amount at time of acquisition	Adjustment amount*	Fair value at time of acquisition
Assets			
Goodwill	-	1,237	1,237
Other rights	48	-	48
Fixed Assets	2	-	2
Cash and cash equivalents	12	-	12
Current assets	43	-	43
	105	**1,237**	**1,342**
Liabilities			
Current liabilities	1,500	-	1,500
	1,500	**-**	**1,500**
Net assets	**-1,395**	**1,237**	**-158**
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.

In the reporting year, the companies contributed EUR 762 thousand to revenue, EUR 213 thousand to EBIT and EUR 143 thousand to the consolidated result after minority interests from the time of initial consolidation.

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 AG, 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 hosted the Classic Open-Air Festival on the Gendarmenmarkt every year until 2022. 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 purchase price allocation was provisional in the previous year, as validations of the opening balance sheet were still pending and the purchase price allocation could therefore not yet be finalised.

The fixed portion of the purchase price totalling EUR 639 thousand for 85% of the shares was paid in cash in the previous year. In addition, a purchase option was concluded for the remaining 15% stake in the company. DEAG Classics AG has already recognised the remaining share of equity as part of the participated-acquisition method at the time of acquisition.

The final purchase price allocation is as follows:

Media On-Line GmbH & Co. Classic Open Air KG & Media Online Verwaltungs GmbH, Berlin und Media On-Line Management GmbH, Berlin

Share of capital and voting rights	
Media On-Line Management GmbH & Co. Classic Open Air KG, Berlin	100.0%
Date of initial consolidation	1 January 2023
Purchase Price (in EUR thousand)	790
Ancillary acquisition costs	13

in Euro thousand	**Carrying amount at time of acquisition**	**Adjustment amount***	**Fair value at time of acquisition**
Assets			
Goodwill	-	1,083	1,083
Intangible assets		364	364
Cash and cash equivalents	11	-	11
Current assets	12	-	12
	23	**1,447**	**1,470**
Liabilities			
Current liabilities	569	-	569
Deferred taxes	-	109	109
	569	**109**	**678**
Net assets	**-546**	**1,338**	**792**
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.

In the reporting year, the companies contributed EUR 0 thousand to revenue, EUR 0 thousand to EBIT and EUR 0 thousand to the consolidated result after minority interests from the time of initial consolidation.

Purchase price allocation of BfS Berlin feiert Silvester GmbH, Berlin

With effect from 01/11/ 2023, DEAG acquired 100% of the shares in BfS Berlin feiert Silvester GmbH, Berlin ("BfS") and the business operations of the "Celebrate at the Gate" event, the New Year's Eve party that has been held at the Brandenburg Gate and broadcast on ZDF for over a decade, via its wholly owned subsidiary Concert Concept Veranstaltungs-GmbH, Berlin.

The fixed purchase price of EUR 28 thousand was paid in cash. In addition, upon acquisition, BfS undertook to enter into onerous contractual relationships that lead to losses after the acquisition date.

BfS Berlin feiert Silvester GmbH, Berlin

Share of capital and voting rights	
BfS Berlin feiert Silvester GmbH	100.0%
Date of initial consolidation	01 November 2023
Purchase Price (in EUR thousand)	28
Ancillary acquisition costs	0

in Euro thousand	Carrying amount at time of acquisition	Adjustment amount*	Fair value at time of acquisition
Assets			
Other Rights	–	3,278	3,278
Fixed Assets	-	-	-
Cash and cash equivalents	25	-	25
Current assets	-	-	-
	25	**3,278**	**3,303**
Liabilities			
Current liabilities	429	-	429
Deferred Taxes	-	984	984
	429	**984**	**1,413**
Net assets	**-404**	**2,294**	**1,890**
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.

Intangible assets in particular were identified as part of the purchase price allocation. These mainly relate to brands, sponsor relationships and orders on hand. Following a further review, the initial consolidation resulted in a negative difference of EUR 1.9 million. The purchase price was determined taking onerous contracts into account. However, the marketing potential of the brand and the sponsoring relationships estimated by DEAG were not included. In addition, the negative difference also results from non-existent synergy effects for the seller. Unlike the seller, DEAG as a Group has access to resources and the market (in particular booking and ticketing activities) that create a favourable negotiating position. The difference is therefore to be regarded as a bargain purchase and is recognised under other operating income in the income statement.

In the reporting year, the companies contributed EUR 3,731 thousand to revenue, EUR -260 thousand to EBIT and EUR-260 thousand to the consolidated result after minority interests from the time of initial consolidation.

14. GOODWILL AND OTHER INTANGIBLE ASSETS

14.1 DEVELOPMENT IN THE FINANCIAL YEAR AND THE PREVIOUS YEAR

Other intangible assets mainly include brands, artist and agent relationships as well as other rights and software licences.

The figures developed as follows:

in Euro thousand

Historical cost	**Goodwill**	Other rights	Software	**Other intangible assets**
1 Jan 2023	**53,777**	54,539	3,054	**57,593**
Reclassification	**-285**	339	-54	**285**
Additions from initial consolidation	**2,321**	3,690	-	**3,690**
Additions	**108**	629	246	**875**
Disposals	**-629**	-514	-55	**-569**
Translation adjustment	**1,401**	415	56	**471**
31 Dec 2023	**56,693**	59,098	3,247	**62,345**
Depreciation				
1 Jan 2023	**-**	19,234	2,146	**21,380**
Additions	**-**	3,619	346	**3,965**
Disposals	**-**	-514	-55	**-569**
Translation adjustment	**-**	152	46	**198**
31 Dec 2023	**-**	22,491	2,483	**24,974**
Carrying value as at 31 Dec 2023	**56,693**	36,607	764	**37,371**

in Euro thousand

Historical cost	Goodwill	Other rights	Software	Other intangible assets
1 Jan 2022	**52,014**	48,721	2,451	**51,172**
Reclassification	-	-206	206	-
Additions from initial consolidation	**1,660**	7,498	166	**7,664**
Additions	**919**	973	250	**1,223**
Change in scope of consolidation	-	-1,047	-	-1,047
Disposals	**-105**	-342	-8	**-350**
Translation adjustment	**-711**	-1,058	-11	**-1,069**
31 Dec 2022	**53,777**	54,539	3,054	**57,593**
Depreciation				
1 Jan 2022	-	**16,633**	**1,799**	**18,432**
Additions from initial consolidation	-	32	51	**83**
Additions	-	3,234	307	**3,541**
Disposals	-	-290	-6	**-296**
Translation adjustment	-	-375	-5	**-380**
31 Dec 2022	-	19,234	2,146	**21,380**
Carrying value 31 Dec 2022	**53,777**	35,305	908	**36,213**

14.2 GOODWILL

As at 31 December 2022, the goodwill of EUR 36,182 thousand (previous year: EUR 34,253 thousand) reported was generated by the Live Touring segment and EUR 20,511 thousand (previous year: EUR 19.524 thousand) by the Entertainment Services segment.

Of the goodwill in the Live Touring segment, EUR 17,852 thousand (31 Dec 2022: EUR 18,337 thousand) relates to the subgroup EMJ (formerly Kilimanjaro Holdings Ltd.) including the subsidiaries UK Live, Fane, Regular and Theatricals, EUR 6. 649 thousand (31 December 2022: EUR 5,566 thousand) to the subgroup DEAG Classics AG including the subsidiaries lit.COLOGNE, CSB Island and Medi On-Line Classic Open Air, EUR 4,624 thousand (31 December 2022: EUR 4. 530 thousand), the subgroup Gigantic incl. Oshi Software Ltd. ("tickets.ie") with EUR 2,766 thousand, unchanged from the previous year Hans Boehlke Elektroinstallationen, Wizard Promotions Konzertagentur GmbH with EUR 1,592 thousand, unchanged from the previous year A.C.T. Artist Agency with EUR 1,237 thousand, KBK Konzert- und Künstleragentur GmbH with EUR 853 thousand and MEWES Entertainment Group GmbH with EUR 605 thousand.

In the Entertainment Services segment, the AIO Group including the subsidiaries LMP/LME accounted for EUR 16,563 thousand (31 December 2022: EUR 15,575 thousand). The remaining portion of the segment's goodwill remained unchanged at EUR 1,552 thousand for the domestic sub-group C2 Concerts, EUR 1,405 thousand for the domestic sub-group handwerker promotion e., and EUR 741 thousand for the other domestic companies in this segment.

The changes in the segments are mainly due to additions, changes from finalised purchase price allocations 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 apply to 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 1% (previous year: 2%) into account.

The pre-tax discount rates used were between 12.4% and 13.0% (previous year: between 16.1% and 16.9%) or a lower discount rate of 9.5% (previous year: 11.3%) for a CGU in Switzerland.

Even after a 1 percentage point increase in the discount rate, there would be no signs of significant impairment for goodwill. A deflection of the discount rate by more than 1% is considered 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 2022 and 2023.

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

The remaining amortisation period for artist and agency relationships is between 1 and 6 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

In addition to land and buildings, technical equipment and machinery and other equipment, office and business equipment, property, plant and equipment of EUR 35,979 thousand (31 December 2022: EUR 32,728 thousand) also includes right-of-use assets from IFRS 16 leases in the amount of EUR 22,634 thousand (31 December 2022: EUR 21,208 thousand). Please refer to Note 16 on the development of right-of-use assets.

Other property, plant and equipment developed as follows:

in Euro thousand

Historical cost	**Land and buildings**	**Technical plant and machinery**	**Other fixtures fittings and equipment**	**Total Property, plant and equipment**
1 Jan 2023	**4,077**	**4,507**	**16,412**	**24,996**
Reclassification	8	240	-248	-
Additions from initial consolidation	-	-	2	2
Additions	536	1,684	2,393	4,613
Disposals	-90	-7	-621	-718
Translation adjustment	-	35	75	110
31 Dec 2023	**4,531**	**6,459**	**18,013**	**29,003**

Depreciation in Euro thousand				
1 Jan 2023	**1,756**	**2,389**	**9,331**	**13,476**
Reclassification	-	-90	90	-
Additions	140	696	1,984	2,820
Disposals	-76	-7	-617	-700
Translation adjustment	-	20	42	62
31 Dec 2023	**1,820**	**3,008**	**10,830**	**15,658**
Carrying value as at 31 Dec 2023	**2,711**	**3,451**	**7,183**	**13,345**

in Euro thousand

Historical cost	Land and buildings	Technical plant and machinery	Other fixtures fittings and equipment	Total Property, plant and equipment
1 Jan 2022	**2,828**	**4,590**	**11,794**	**19,212**
Reclassification	-	-166	166	-
Additions from initial consolidation	1,190	-	1,612	2,802
Additions	59	506	3,355	3,920
Disposals	-	-313	-546	-859
Translation adjustment	-	-110	31	-79
31 Dec 2022	**4,077**	**4,507**	**16,412**	**24,996**
Depreciation in Euro thousand				
1 Jan 2022	**1,580**	**2,398**	**8,220**	**12,198**
Reclassification	-	-118	118	-
Additions	176	483	1,513	2,172
Disposals	-	-318	-493	-811
Translation adjustment	-	-56	-27	-83
31 Dec 2022	**1,756**	**2,389**	**9,331**	**13,476**
Carrying value as at 31 Dec 2022	**2,321**	**2,118**	**7,081**	**11,520**

As in the previous year, liabilities to banks totalling around EUR 0.6 million were secured by land charges at a German subsidiary.

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 at 31 December 2023, rights of use and related depreciation mainly related to real estate. As at 31 December 2023, rights of use amounting to EUR 22,634 thousand (31 December 2022: EUR 21,208 thousand) were reported and depreciation expense of EUR 6,329 thousand (31 December 2022: EUR 5,241 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 Euro thousand

	Total	Real estate	Vehicles	Other
Rights of Use	**22,634**	**19,624**	**540**	**2,469**
31 December 2022:	*21,208*	*18,863*	*619*	*1,726*
Additions	8,406	6,543	442	1,421
2022:	*6,021*	*5,614*	*269*	*138*
Depreciation	6,329	5,199	456	673
2022:	*5,241*	*4,221*	*418*	*602*

Leasing of the myticket 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 5,878 thousand (31 December 2022: EUR 6,679 thousand). In contrast, leasing liabilities of EUR 7,759 thousand (31 December 2022: EUR 8.397 thousand) were recognised.

The additions amounted to EUR 8,406 thousand (31 December 2022: EUR 6,021 thousand). In financial year 2023, the property in Neustadt-Glewe with a term of 11 years represents the most significant new lease. As of the balance sheet date, the carrying amount for the right of use was EUR 1,721 thousand. In contrast, a lease liability of EUR 1,768 thousand was recognised.

The corresponding lease liabilities (which are included in financial liabilities) amounted to EUR 25,380 thousand (31 December 2022: EUR 23,828 thousand). The maturity analysis of the leases is shown in Note 50.

Amounts recognised in the income statement during the period:

in Euro thousand

	2023	2022
Interest expense on lease liabilities	1,970	1,819
Expenditure on leases through a low-value asset, excluding short-term leases through low-value assets	17	11

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

in Euro thousand

	2023	2022
Cash outflows for leases	8,188	7,198

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

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 had 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 myticket Jahrhunderthalle arena in Frankfurtcheld for sale and/or development under the item "Real estate held as a financial investment" subject to a condition precedent to the joint venture. Once planning permission has been granted, the transfer of ownership will be completed and the entire site or parts of it will be fully developed and marketed by the joint venture under the leadership of the property 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 2023, 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 myticket 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 Euro thousand)

		Market value		
	Total	**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 und taking the safety discount into account. The valuation of the investment in Time Ride GmbH resulted in a fair value of EUR 475 thousand as of reporting date of the previous year (31 December 2022: EUR 883 thousand). As at the balance sheet date, the Group held 10.4% of the shares in Time Ride GmbH. Equity as at 31 December 2022 amounted to EUR 1.3 million with a net loss for the year of EUR -1.8 million.

In addition, the item mainly includes the investments in the UK at EUR 2,374 thousand (31 December 2022: EUR 1,212 thousand).

19. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets of EUR 10,009 thousand (31 December 2022: EUR 7,858 thousand) have a term of more than one year. These mainly include loan receivables worth EUR 4,764 thousand (31 December 2022: EUR 4,552 thousand) and a purchase call option of EUR 4,053 thousand (31 December 2022: EUR 2,413 thousand) and long-term cooperation agreements of EUR 885 thousand (31 December 2022: EUR 551 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 1.6 million (31 December 2022: EUR 2.1 million) mainly relate to deferred taxes on loss carryforwards, of which EUR 1.2 million (31 December 2022: 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 for EUR 25 million in two tranches for financing of operating materials. The first tranche of EUR 15 million was completely called up. The loan was 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 made 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 13.8 million (31 December 2022: EUR 12.1 million).

There are further liabilities to banks at German subsidiaries amounting to EUR 5.2 million. These are in particular utilisations of working capital lines and investment loans (31 December 2022: EUR 5.6 million).

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 0.9 million and CHF 1.1 million (31 December 2022: GBP 2.3 million and CHF 1.3 million).

22. TRADE ACCOUNTS PAYABLE

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

23. PROVISIONS

This item developed as shown below:

in Euro thousand

	As at 1 Jan 2023	Changes in con-solidation	Usage	Dis-posal	Addi-tion	Currency adjustment	As at 31 Dec 2023
Contractual obligations	10,153	13	9,612	332	10,691	133	11,046
Personnel obligations	5,248	-	4,566	285	4,767	23	5,187
Consulting and audit fees	472	-	473	1	593	5	596
Other accruals	6,961	429	584	4,476	2,475	-	4,805
Total	**22,834**	**442**	**15,235**	**5,094**	**18,526**	**161**	**21,634**

in Euro thousand

	As at 1 Jan 2022	Changes in con-solidation	Usage	Dis-posal	Addi-tion	Currency adjustment	As at 31 Dec 2022
Contractual obligations	14,682	-	13,093	679	9,882	-639	10,153
Personnel obligations	3,843	-	3,069	71	4,551	-6	5,248
Consulting and audit fees	429	2	417	1	470	-11	472
Other accruals	2,402	-	69	-	4,631	-3	6,961
Total	**21,356**	**2**	**16,648**	**751**	**19,534**	**-659**	**22,834**

The provisions – except for EUR 515 thousand (31 December 2022: EUR 722 thousand) in provisions for personnel liabilities – are, as a matter of principle, due within one year.

24. ADVANCED PAYMENTS RECEIVED

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

For further details on advanced payments received, please refer to the explanations in Note 32 "Revenues."

25. CORPORATE BOND 2023/2026 AND CORPORATE BOND 2018/2023

The DEAG corporate bond 2023/2026 (WKN: A351VB, ISIN: NO0012487596) has been listed on the Open Market (segment: Quotation Board) of the Frankfurt Stock Exchange since 12 July 2023 and has been included in the Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange, since 8 January 2024. It is structured as a Nordic Bond and is subject to Norwegian law. The proceeds from the issue were mainly used to redeem the corporate bond 2018/2023 and will be used to finance inorganic growth. The bearer bonds with a nominal value of EUR 1,000 each have a term of three years and a fixed annual interest rate of 8.0%, payable semi-annually in arrears on 30 June and 31 December of each year. The outstanding volume of the bond amounts to EUR 50.0 million. After deducting the directly incurred fees totalling EUR 4.8 million, the annual effective interest rate of the bond is 12.3%. The DEAG bond 2023/2026 has completely replaced the DEAG bond 2018/2023 with a volume of EUR 25.0 million and an interest rate of 6.5% p.a. The last day of trading for this bond was 28 July 2023.

26. OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities comprise the following:

in Euro thousand

	31 Dec 2023	31 Dec 2022
Lease liabilities - current	6,376	5,081
Escrow monies from ticket sales	2,967	3,874
Loans	1,449	745
Purchase price liabilities from acquisitions	536	636
Other	2,806	1,469
Other current financial liabilities	14,134	**11,805**

27. OTHER CURRENT NON-FINANCIAL LIABILITIES

Other current non-financial liabilities are comprised as follows:

in Euro thousand

	31 Dec 2023	31 Dec 2022
Tax liabilities	7,290	6,281
Social security liabilities	595	851
Vouchers	873	635
Other	163	317
Other current non-financial liabilities	**8,921**	**8,084**

28. OTHER NON-CURRENT FINANCIAL LIABILITIES

in Euro thousand

	31 Dec 2023	31 Dec 2022
Lease liabilities	19,004	18,745
Purchase price liabilities from acquisitions	7,639	7,533
Other	0	16
Other non-current financial liabilities	**26,643**	**26,294**

Lease liabilities amounted to EUR 7,044 thousand (31 December 2022: EUR 7,759 thousand) on the lease of the myticket Jahrhunderthalle in Frankfurt/Main and to EUR 11,960 thousand (31 December 2022: EUR 10,986 thousand) for other lease obligations.

Please refer to the comments in Notes 6, 16 and 51.

29. COLLATERALISATION

In the reporting year, EUR 3,122 thousand (31 December 2022: EUR 3,390 thousand) in connection with pre-financing of the tour, claims from ticket money and insurance claims were assigned to the financing credit institution.

As in the previous year, liabilities to banks totalling around EUR 0.6 million were secured by land charges at a German subsidiary.

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

30. EQUITY

As at 31 December 2023, the share capital of DEAG remained unchanged compared to the 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 in the amount of EUR -332 thousand (31 December 2022: EUR -332 thousand) include effects from the application of IFRS 16 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 2023 is unchanged compared to the previous year at 21,587,958. The underlying consolidated result amounted to EUR-2,088 thousand (previous year: EUR 5,224 thousand).

Authorised capital

The Executive 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.

The 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 at 31 December 2023, the company still held 615 treasury shares.

Accumulated other income

The accumulated other result developed as follows in 2023 and 2022, respectively:

in Euro thousand

	As at 1 Jan 2023	Change	As at 31 Dec 2023
Balancing item actuarial gain or losses (IAS 19.93A)	732	-35	697
Balancing item for foreign currency translation	1,158	462	1,620
Accumulated other income	**1,890**	**427**	**2,317**

in Euro thousand

	As at 1 Jan 2022	Change	As at 31 Dec 2022
Balancing item actuarial gain or losses (IAS 19.93A)	700	32	732
Balancing item for foreign currency translation	1,682	-524	1,158
Accumulated other income	**2,382**	**-492**	**1,890**

Shares of other shareholders

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

In accordance with IAS 24, related parties are generally shareholders who can exert a significant influence, the Executive Board of DEAG Deutsche Entertainment Aktiengesellschaft, its shareholders and the Supervisory Board, as well as related parties and companies controlled by them.

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

» Three family members of Executive Board members who work as hired employees of the companies of the DEAG Group and
» One member of the Supervisory Board who, in addition to the remuneration of the Supervisory Board, also receives remuneration from a consulting contract
» One main shareholder who received remuneration from an agency agreement in the reporting year

Remuneration and fees of a total amount of EUR 369 thousand (previous year: EUR 171 thousand) were paid to these individuals and companies in the reporting year.

Executive Board

The total remuneration granted to the Executive Board, which are to be classified as short-term employee benefits, in the financial year, including fringe benefits amounting to EUR 9.5 million in total (previous year: EUR 4.9 million). One member of the Executive Board left the company on 30 September 2023 and has since received remuneration of EUR 8 thousand from a consultancy agreement for the reporting year. In addition, an amount of EUR 0.3 million of total remuneration is due in 2024.

Supervisory Board

Members of the Supervisory Board are remunerated in line with the Articles of Incorporation. In the financial year, remuneration totalled EUR 213 thousand (previous year: EUR 168 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:

Balance of trade receivables and advanced payments received

in Euro thousand

	31 Dec 2023	31 Dec 2022	1 Jan 2022
Trade receivables	20,272	17,806	13,294
Advanced payments received	83,830	62,925	128,552

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

Reconciliation of advanced payments received

in Euro thousand

	2023	2022
Income included in advanced payments received at the beginning of the period	-62,633	-126,303
Additions from payments received net of amounts recogenised as revenues in the reporting period	83,538	60,676
Total change	**20,905**	**-65,627**

33. COST OF SALES

Cost of sales includes the cost of materials, services purchased (especially fees), personnel expenses (EUR 14.9 million; previous year: EUR 14.0 million), event-related rent and other material costs (including pro rata scheduled depreciation of EUR 9.4 million (previous year: EUR 7.7 million) that are incurred in order to generate sales.

34. DISTRIBUTION COSTS

Distribution costs amounted to EUR 26.5 million after EUR 24.1 million the previous year. These include system fees (EUR 5.5 million, previous year: EUR 6.7 million), personnel expenses (EUR 3.4 million, previous year: EUR 3.0 million), and other distribution-related material costs (EUR 17.6 million, previous year: EUR 14.4 million).

35. ADMINISTRATIVE EXPENSES

Administrative expenses increased by EUR 4.8 million to EUR 35.2 million compared to the previous year (previous year: EUR 30.4 million). They consist of personnel expenses (EUR 20.8 million, previous year: EUR 17.7 million), other administration-related material costs (EUR 10.7 million, previous year: EUR 9.5 million) and the pro rata scheduled depreciation in the amount of EUR 3.7 million (previous year: EUR 3.3 million).

36. OTHER OPERATING INCOME

Other operating income increased by 6.0% compared to the previous year from EUR 17.9 million to EUR 19.0 million. This mainly relates to income from the reversal of provisions of EUR 5.1 million (previous year: EUR 0.8 million), grants and support payments from COVID-19 aid programmes in all national markets in the amount of EUR 3.3 million (previous year: EUR 9.6 million), changes in the fair value of contingent purchase price liabilities and options from acquisitions recognised in profit or loss in the amount of EUR 3.5 million (previous year: EUR 4.5 million), the recognition of insurance compensation and claims for damages in the amount of EUR 4.3 million (previous year: EUR 0.8 million) and the recognition in profit or loss of the negative difference from a purchase price allocation in the amount of EUR 1.9 million (previous year: EUR 1.0 million).

37. OTHER OPERATING EXPENSES

Other operating expenses of EUR 4.1 million (previous year: 4.6 Mio. Euro) mainly include fair value adjustments totalling EUR 1.9 million (previous year: EUR 1 million) and expenses from losses from claims amounting to EUR 0.4 million (previous year: EUR 0.4 million).

38. FINANCING INCOME AND EXPENSES

This item breaks down as follows:

in Euro thousand

	2023	2022
Interest income	707	265
Interest expenses	-7,019	-5,174
Other financial income or expenses	-801	-168
Financing income and expenses	**-7,113**	**-5,077**

39. INCOME FROM INVESTMENTS

The investment result totalled EUR -0.2 million after EUR -0.4 million the previous year and is mainly attributable to the share of earnings from investments in the UK and the unscheduled write-down of the investment in Time Ride GmbH measured at fair value due to the recognition of a risk discount (see Note 18).

40. TAXES ON INCOME AND EARNINGS

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 Euro thousand

	2023	2022
Tax expenses:		
Reporting period	-3,492	-4,044
Previous years	-6	-10
Tax refund previous years	65	70
Deferred tax expenses/income:		
Deferrered taxes	-492	-147
Temporary differences	-1,037	67
Tax income/expenses	**-4,962**	**-4,064**

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 2023. 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. 25.0% (previous year: 19%) in the UK. If no prior-year figures are stated, the respective tax rates remained unchanged compared to the previous year.

The tax expense resulting from the application of the tax rate used at DEAG can be reconciled with the actual tax expense as follows:

in Euro thousand

	2023	2022
Result before income tax and shares of non-controlling interests	6,410	13,966
income tax by using DEAG's tax rate (30%)	-1,923	-4,190
Tax income/expenditure as per Consolidated Profit and Loss Statement	-4,962	-4,064
Reconcilation item	**3,039**	**-126**

in Euro thousand

	2023	2022
Taxes previous years	-59	-61
Tax-free earnings and non-deductible expenses	-239	210
Different tax rates	87	-473
Non-capitalised deferred taxes on losses	2,525	-20
Miscellaneous	725	218
	3,039	**-126**

Deferred tax assets comprise the following:

in Euro thousand

	2023	2022	change not affecting net income	change affecting net income
Deferred taxes on losses carried forward	1,616	2,119	0	-503
Deferred tax assets	**1,616**	**2,119**	**0**	**-503**
Deferred tax assets that can be set off against deferred tax liabilities	-1,169	-1,169		
Deferred tax assets (net)	**447**	**950**		

Deferred tax assets on losses carried forward are recognised in the amount of EUR 1.6 million (31 December 2022: EUR 2.1 million). The tax assets were shown netted in the amount if there is an offsetting option with the same tax authority.

The tax loss carryforwards in the DEAG Group amounted to around EUR 88 million for corporation tax as at 31 December 2023 (31 December 2022: EUR 84 million) and around EUR 59 million for trade tax (31 December 2022: EUR 56 million).

Due to the utilisation of previously unrecognised tax losses, the current tax expense was reduced by EUR 0.5 million (previous year: EUR 1.1 million).

The deferred tax liabilities reported are comprised as follows:

in Euro thousand

	2023	2022	change not affecting net income	change affecting net income
Deferred tax liabilities from the write-up on the myticket Jahrhunderthalle Frankfurt/Main	1,308	1,308	0	0
Deferred tax liabilities on intangible assets	9,356	8,261	-1,116	21
Other temporary differences	1,340	303	0	-1,037
Deferred taxes on the liabilities side	**12,004**	**9,872**	**-1,116**	**-1,016**
To be settled against deferred tax assets	-1,169	-1,169		
Balance sheet value	**10,835**	**8,703**		

41. PERSONNEL EXPENSES

The increase in personnel expenses mainly corresponds to the increase in the number of employees and higher personnel expenses.

in Euro thousand

	2023	2022
Salaries and wages	33,440	30,989
Social security contribution	5,103	3,740
Cost of pension schemes	586	543
Total	**39,129**	**34,729**

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 Euro thousand

	Additions
Cash Outflow	777
Additions to fixed assets	50
Additions of other assets	55
Additions other debt	2,498

Of the payments resulting from the addition to the scope of consolidation in the amount of EUR 783 thousand, EUR 48 thousand relates to cash and cash equivalents acquired and EUR 831 thousand to the consideration paid.

Income taxes of EUR 2,673 thousand (previous year: EUR 4,414 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 0.6 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 0.3 thousand (previous year: EUR 0.2 million).

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 Occupational retirement, survivors' and disability pension scheme (BVG) of a collective foundation "Berufliche Alters- Hinterlassenen- und Invalidenvorsorge." 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 2023. 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

	2023	**2022**
Live Touring	370	276
Entertainment Services	142	126
DEAG Holding	36	34
Total headcount	**548**	**436**

headcount

	2023	**2022**
Germany	412	327
UK/Ireland	109	85
Switzerland	23	21
Denmark	4	3
Total headcount	**548**	**436**
core workforce	398	338
temporary staff	158	98

As at 31 December 2023, the Group had 573 employees (31 December 2022: 500).

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

The following contingencies relating to other guarantees in the amount of EUR 178 thousand existed on the balance sheet date (31 December 2022: EUR 1,542 thousand).

The previous year included an amount of EUR 1,364 thousand for which DEAG is liable in connection with the issue of a letter of comfort to a joint venture, the amount of which is unlimited 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 by valuation allowances in respect of the assets on the one hand and through provisions on the other hand. During the reporting year, exclusively costs of proceedings were provisioned. There are no individual risks from litigation on the liabilities side that require provisions.

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.

DEAG is being sued before the Berlin Regional Court for payment of a mid-six-figure sum. At the end of 2023, the Berlin Regional Court issued a (partial) final judgement in this regard, granting the remainder of the claim insofar as it was heard on the merits. In addition, the Regional Court dismissed parts of the claim that were not heard on the merits by way of a (partial) default judgement. The opposing party filed an appeal against the (partial) default judgement. DEAG itself has filed an appeal against the (partial) final judgement. This means that two courts, the Berlin Regional Court and the Court of Appeal, are now dealing with parts of the same facts. As a result, it is highly likely that the judgement of the Regional Court will not stand for procedural reasons and that the Court of Appeal will refer the case back to the Regional Court, setting aside the judgement of the Regional Court. DEAG continues to assess the prospects of success in the main action as predominantly probable and has therefore not recognised a provision.

46. AUDIT FEES

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

in Euro thousand

	2023	**2022**
Audit fees	**294**	270
Other certification services	**75**	0
Other services rendered	**75**	0
Total	**444**	**270**

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 2023 (in Euro thousand)	**Artist guarantees**	**Venues**	**Other**	**Total**
2024	26,968	1,831	533	29,332
2025-2028	2,974	532	48	3,554
Total	**29,942**	**2,363**	**581**	**32,886**

There are no obligations for more than 5 years.

Other financial obligations of the previous year related to:

Financial Year 2022 (in Euro thousand)	Artist guarantees	Venues	Other	Total
2023	15,976	1,331	532	17,839
2024-2027	3,028	641	0	3,669
Total	**19,004**	**1,972**	**532**	**21,508**

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 stock corporation law, 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 break-even tickets are used as the most important control parameters. In overall company 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 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 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 can restrict the committed scope of 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) 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 interest rate for drawings and utilisations of the current financing lines is based both on fixed interest rates and on the general development of the EURIBOR. 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 819 thousand (previous year: EUR 590 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%, the interest payments for variable-rate financing would increase (decrease) by EUR 205 thousand (previous year: EUR 148 thousand).

Currency risks

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 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 in the following financial year. Sensitivity analyses are not performed due to the immateriality of these transactions for the Group.

Credit risks

The DEAG Group is exposed to a default risk in the operating business and in respect of other transactions, stake sales, for instance, 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.

Liquidity risks

The financing of the operating business depends on the DEAG Group companies' ability 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 16.5 million (previous year: EUR 4.0 million), pre-financing of tour and concert events (unchanged from the previous year at EUR 6.0 million) and ongoing business (EUR 18.9 million, previous year: EUR 14.8 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.

In July 2023, DEAG issued a corporate bond ("Bond 2023/2026"). The bond 2023/2026 is listed on the Open Market (segment: Quotation Board) of the Frankfurt Stock Exchange and has been included in the Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange, since 8 January 2024. It is structured as a Nordic bond and is subject to Norwegian law. The issue proceeds were mainly used to redeem the corporate bond 2018/2023 and will be used to finance inorganic growth. The bearer bonds with a nominal value of EUR 1,000 each have a term of three years and a fixed annual interest rate of 8.0%, payable semi-annually in arrears on 30 June and 31 December of each year. The outstanding volume of the bond amounts to EUR 50.0 million. The 2023/2026 bond has completely redeemed the 2018/2023 bond.

DEAG issued a corporate bond (bond 2018/2023) 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 was payable annually in arrears in October of each year. The 2018/2023 bond was fully redeemed by the 2023/2026 bond in July 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 has an interest rate of 2% p.a. The loan has a term of 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 principal banks agreed on state-backed financing amounting to GBP 4.1 million, CHF 1.5 million, of which GBP 0.9 million and CHF 1.1 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 deteriorates compared to planning, a liquidity shortfall could result if the planned cash inflows and credit 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.

2023 (in Euro thousand)

	due within 1 year	**due > 1 year until 5 years**	**due > 5 years**	**Total**
Non-derivative financial liabilities	53,994	33,967	4,148	92,109
Liabilities against banks and other financial liabilities				
Repayment	12,762		0	30,056
Interest expenses p.a. (5.56%)	710	3,846	0	4,556
Trade accounts payable	27,098	0	0	27,098
Bond	0	50,000	0	50,000
Interest expenses p.a. (8.00%)	4,000	6,000	0	10,000
Lease liabilities	6,376	14,856	4,148	25,380
Other non-derivative liabilities	7,758	1,817	0	9,575
Derivative financial liabilities	-	5,822	-	5,822

2022 (in Euro thousand)

	due within 1 year	due > 1 year until 5 years	due > 5 years	Total
Non-derivative financial liabilities	83,571	24,689	8,791	117,051
Liabilities against banks and other financial liabilities				
Repayment	22,214	11,466	0	33,680
Interest expenses p.a. (3.46%)	769	1,587	0	2,356
Trade accounts payable	24,552	-	0	24,552
Bond	25,000	-	0	25,000
Interest expenses p.a. (6.50%)	1,219	-	0	1,219
Lease liabilities	5,081	11,118	7,630	23,829
Other non-derivative liabilities	6,724	2,105	1,161	9,990
Derivative financial liabilities	-	2,625	1,655	4,280

51. FINANCIAL INSTRUMENTS

The financial assets of the Group are measured at amortised cost in accordance with IFRS 9. The main 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 8,175 thousand (31 December 2022: EUR 8,169 thousand) are recognised at fair value through profit or loss (see also Notes 26 and 28).

The investment was measured using the DCF method and taking a risk discount into account. The valuation was based on budget drawn up by the management.

The fair value of the call options (EUR 4,053 thousand; 31 December 2022: EUR 2,413 thousand) was determined using the DCF method. The valuation was based on planning drawn up by the local management. An interest rate of 9.75% (previous year: 11.7%) 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) or EBITDA by 10.0%, the fair value would increase (decrease) by EUR 440 thousand (previous year: EUR 866 thousand) – without taking currency effects into account.

The contingent purchase price liabilities relate to variable purchase price components (earnout obligations) of EUR 2,353 thousand (previous year: EUR 3,889 thousand) for acquisitions of shares depending on future business development and EUR 5,822 thousand (previous year: EUR 4,280 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 planning drawn up by the local management. A weighted interest rate of 8.6% (previous year: 8.4%) 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 76 thousand (previous year: EUR 75 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 respective relevant planning calculations. To determine the fair values, the cash flows are discounted on the basis of capitalisation interest rates determined using capital market theory methods.

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

2023 in Euro thousand	Fair value	Level 3	at amortised purchase cost	Carrying amount
Assets				
Cash and cash equivalents	**89,813**	**-**	**89,813**	**89,813**
Amortised purchase costs	89,813	-	89,813	89,813
Trade receivables	**20,272**	**-**	**20,272**	**20,272**
Amortised purchase costs	20,272	-	20,272	20,272
Property held as an investment	**5,625**	**5,625**	**-**	**5,625**
At fair value through profit or loss	5,625	5,625	-	5,625
Investments	**2,877**	**442**	**2,435**	**2,877**
At fair value through profit or loss	442	442	-	442
Amortised purchase costs	2,435	-	2,435	2,435
Other current financial assets	**18,259**	**4,053**	**14,206**	**18,259**
At fair value through profit or loss	4,053	4,053	-	4,053
Amortised purchase costs	14,206	-	14,206	14,206
Total		**10,120**	**126,726**	

2023 in Euro thousand	Fair value	Level 3	at amortised purchase cost	Carrying amount
Liabilities				
Bank loans	**28,775**	**-**	**30,056**	**30,056**
Amortised purchase cost	28,775	-	30,056	30,056
Trade accounts payable	**27,098**	**-**	**27,098**	**27,098**
Amortised purchase cost	27,098	-	27,098	27,098
Bond	**50,000**	**-**	**45,706**	**45,706**
Amortised purchase cost	50,000	-	45,706	45,706
Other financial liabilities	**40,777**	**8,175**	**32,602**	**40,777**
At fair value through profit or loss	8,175	8,175	-	8,175
Amortised purchase cost	32,602	-	32, 602	32,4602
Total		**8,175**	**135,462**	

2022 in Euro thousand	Fair value	Level 3	at amortised purchase cost	Carrying amount
Assets				
Cash and cash equivalents	**74,780**	**-**	**74,780**	**74,780**
Amortised purchase costs	74,780	-	74,780	74,780
Trade receivables	**17,806**	**-**	**17,806**	**17,806**
Amortised purchase costs	17,806	-	17,806	17,806
Property held as an investment	**5,625**	**5,625**	**-**	**5,625**
At fair value through profit or loss	5,625	5,625	-	5,625
Investments	**2,114**	**883**	**1,231**	**2,114**
At fair value through profit or loss	883	883	-	883
Amortised purchase costs	1,231	-	1,231	1,231
Other current financial assets	**15,444**	**2,413**	**13,031**	**15,444**
At fair value through profit or loss	2,413	2,413	-	2,413
Amortised purchase costs	13,031	-	13,031	13,031
Sum Total me		**8,921**	**106,848**	

2022 in Euro thousand	Fair value	Level 3	at amortised purchase cost	Carrying amount
Liabilities				
Bank loans	**32,323**	**-**	**33,680**	**33,680**
Amortised purchase cost	32,323	-	33,680	33,680
Trade accounts payable	**24,552**	**-**	**24,552**	**24,552**
Amortised purchase cost	24,552	-	24,552	24,552
Bond	**24,602**	**-**	**24,602**	**24,602**
Amortised purchase cost	24,602	-	24,602	24,602
Other financial liabilities	**38,099**	**8,169**	**29,930**	**38,099**
At fair value through profit or loss	8,169	8,169	-	8,169
Amortised purchase cost	29,930	-	29,930	29,930
Total		**8,169**	**112,746**	

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

In 2023 and 2022, 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 10,009 thousand (previous year: EUR 7,858 thousand). The fair value of receivables measured at amortised cost in the amount of EUR 5,956 thousand (previous year: EUR 5,445 thousand) corresponds to the carrying amounts as at 31 December 2023, as their carrying amounts are reasonable approximations of fair value- these are mainly loan receivables. The portfolio of primary financial instruments is recognised 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 17,294 thousand (previous year: EUR 11,466 thousand). The fair value as at 31 December 2023 amounts to EUR 16,013 thousand (previous year: EUR 10,109 thousand) using the DCF method and assuming a market interest rate of 8.0% p.a. (coupon of the corporate bond 2023/2026).

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

in EUR thousand	**Investments**	**Purchase options**	**Investment property**	**Contingent purchase price liabilities**
1 Jan 2022	**859**	**2,406**	**5,625**	**6,575**
Additions	24	-	-	4,485
Disposals	-	-	-	-
Net change in fair value	-	7	-	-2,891
Transfers from Level 3	-	-	-	-
31 Dec 2022/1 Jan 2023	**883**	**2,413**	**5,625**	**8,169**
Additions	-	251	-	152
Disposals	-	-	-	-
Net change in fair value	441	1,389	-	-146
Transfers from Level 3	-	-	-	-
31 Dec 2023	**442**	**4,053**	**5,625**	**8,175**

The following table shows the net gains and losses from financial instruments recognised in profit or loss for the measurement categories in accordance with IFRS 9:

in Euro thousand

	2023	**2022**
Financial assets at fair value through profit or loss	1,389	4,510
Financial liabilities recognised at fair value through profit or loss	134	-1,619
Financial assets measured at amortised cost	484	-1,165
Financial liabilities measured at amortised cost	-4,831	-3,736
Total	**-2,824**	**-2,010**

The net losses in the category “Financial assets and liabilities at fair value through profit or loss” mainly resulted from the measurement of contingent purchase price liabilities and put options, which are included in other financial liabilities.

The net gains or losses in the "Financial assets measured at amortised cost" category mainly relate to interest income in the amount of EUR 707 thousand (previous year: EUR 265 thousand) less write-downs of receivables in the amount of EUR 223 thousand (previous year: EUR 1,430 thousand).

The net result of the category "Financial liabilities measured at amortised cost" mainly includes interest expenses and currency losses of EUR 5,054 thousand (previous year: EUR 3,356 thousand) as well as currency gains of EUR 635 thousand (previous year: EUR 380 thousand) and currency losses of EUR 412 thousand (previous year: EUR -760 thousand).

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
» mytic Myticket AG, Hamburg
» I-Motion GmbH Events & Communication, Mülheim-Kärlich

53. EVENTS AFTER THE BALANCE SHEET DATE

DEAG acquired a majority stake in How to Academy Ltd., London (UK), via its subsidiary Fane Productions Ltd., London (UK), in January 2024.

DEAG acquired a majority stake in Showplanr Ltd., London (UK), in March 2024 via its subsidiary Flying Music Ltd., London (UK).

The company founder and CEO of DEAG, Prof. Peter L.H. Schwenkow, has informed the Supervisory Board of DEAG that he will step down as Chairman of the Executive Board on 31 March 2024. After 46 years as CEO, Prof Schwenkow is thus handing over the leadership role in the Group to Detlef Kornett on his 70th birthday, as planned. The former Co-CEO and long-standing member of DEAG's Executive Board has since then led the company as sole CEO with the current well-established Executive Board team. Prof. Schwenkow has been available to the company as "Founder & Senior Advisor" since 1 April 2024 and will remain associated with DEAG as a shareholder.

In the view of the Executive Board, there were no other significant events in the period from 1 January 2024 to the date of publication of this report.

54. PERSONNEL INFORMATION

Executive Board Members

Prof. Peter L.H. Schwenkow	(until 31 March 2024)
Place of residence	Berlin
Profession	Chief Executive Officer (CEO)
Responsibility within the Group	Strategic Business Development and Operations, Public Relations

Detlef Kornett	
Place of residence	Kleinmachnow
Profession	Group CEO / International Business since 1 April 2024
Responsibility within the Group	Strategic Business Development and Operations, Public Relations, Marketing, International Business Affairs

Christian Diekmann	
Place of residence	Berlin
Profession	Graduate in Business Administration, CEO national / COO
Responsibility within the Group	Operating Business, German Market, Sales, Marketing, Human Resources

Roman Velke	(until 30 September 2023)
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

David Reinecke	(since 1 October 2023)
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

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 (UK)
Position on Supervisory Board	Board member (Deputy Chairman)
Profession	Business Consultant, Investor

Vincent Wobbe

Place of residence	London (UK)
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 8 April 2024. The financial statements are to be approved at the meeting of the Supervisory Board on 8 April 2024.

Berlin, 08 April 2024

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Detlef Kornett
Group CEO/International Business

David Reinecke
CFO

Christian Diekmann
CEO national/COO

Moritz Schwenkow
CTTO

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, 8 April 2024

DEAG Deutsche Entertainment Aktiengesellschaft

The Executive Board

Detlef Kornett
Group CEO/International Business

David Reinecke
CFO

Christian Diekmann
CEO national/COO

Moritz Schwenkow
CTTO

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 2023 to 31 December 2023.

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 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023 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 2023

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.

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.

F. CONCLUSION

Publication or dissemination of the Consolidated Financial Statements and the Combined Management Report and Group Management Report of DEAG Deutsche Entertainment Aktiengesellschaft, Berlin, for the financial year from 1 January 2023 to 31 December 2023 in a form that deviates from the certified version attached as an annex to this report requires our renewed opinion, provided that our audit opinion is quoted or reference is made to our audit; reference is made to Section 328 of the German Commercial Code (HGB).

Berlin, 08 April 2024

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Udo Heckeler German Public Accountant	David Reinhard German Public Auditor

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

EDITING AND COORDINATION

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

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