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QUARTERLY FINANCIAL STATEMENT AS OF 2024-03-31
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 comprise Rock/Pop, including Urban and Electronic Dance Music, 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'S CORE MARKETS



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// DEAG ON THE CAPITAL MARKET

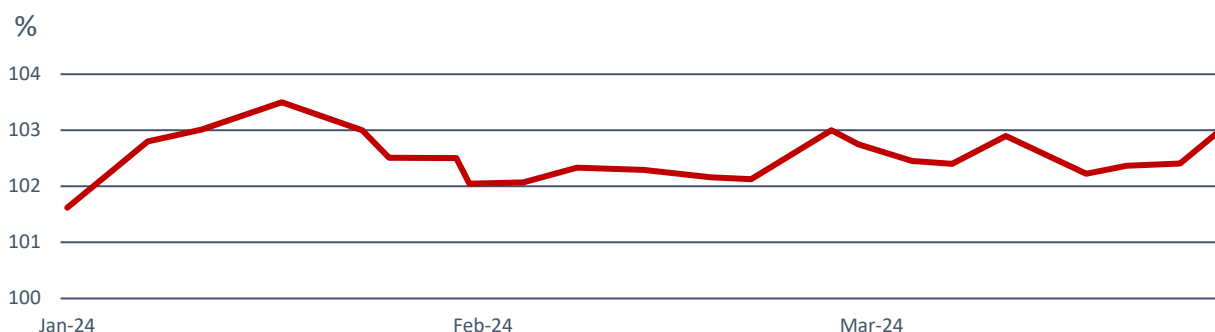
ISIN	NO0012487596
WKN	A351VB
Market segment	Freiverkehr Frankfurt Stock Exchange (Open Market, Segment: Quotation Board) and Nordic ABM, Oslo Stock Exchange
Term	3 years up to and including 12 July 2026
Interest coupon	8.00% p.a.
Denomination (nominal amount)	EUR 1,000.00 per bond
Outstanding volume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

The DEAG Corporate Bond 2023/2026 (WKN: A351VB, ISIN: NO0012487596) is listed on the Open Market (Segment: Quotation Board) of the Frankfurt Stock Exchange and on the Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange. The bond performed quite well in the first quarter of 2024 and was consistently traded at prices of over 100% on the Frankfurt Stock Exchange between January and the end of March 2024. The price of the bond was 103% on 28 March 2024, the last day of trading in the reporting period. The bond is structured as a Nordic Bond and 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 DEAG Corporate Bond 2023/2026 is rated as “attractive” by Solventis AG. In its latest research report dated 7 May 2024, the research firm points to the company’s solid financial position, its financially strong anchor shareholders and its good track record, among other aspects. The fact that the DEAG Corporate Bond 2018/2023 bond was repaid on schedule despite a difficult market environment and replaced by the new Corporate Bond 2023/2026 with double the volume confirms the capital market’s strong confidence in DEAG. The complete research report is available on the company’s website in the Investor Relations section at [Bond | Analysts](#).

1.1 PERFORMANCE OF THE DEAG CORPORATE BOND 2023/2026

BOND PRICE FROM 1 JANUARY 2024 – 31 MARCH 2024



// INTERIM GROUP MANAGEMENT REPORT

KEY OPERATIONAL DEVELOPMENTS

DEAG has made a successful start to 2024 and it can be seen that the successful course it has been on since 2022 can be continued in full year 2024 based on a well-filled event pipeline and very good ticket sales. Besides the good operating performance of the group companies, DEAG consistently continued its expansion course with its Buy & Build strategy in the first quarter.

At EUR 51.7 million, revenues in the first quarter of 2024 were more than 7% higher than the previous year's high figure of EUR 48.2 million. At around EUR 2.9 million (previous year: EUR 3.1 million), earnings before interest, taxes, depreciation and amortisation (EBITDA) were also in line with expectations due to seasonal shifts in business within the genres and the restructuring of the Executive Board as of 1 April 2024. High-margin own event formats were just as much a driver of the positive development as strong ticketing. 28% more tickets were sold via the company's own ticketing platforms myticket.de, myticket.at, myticket.co.uk, gigantic.com and tickets.ie in the first quarter of 2024 compared to the same quarter of the previous year.

DEAG once again covered a broad spectrum of genres with successful live events in the first quarter of 2024, underpinning its strong market position. In the Rock/Pop segment, the legendary band Orchestral Manoeuvres in the Dark, OMD for short, filled seven halls on their tour of Germany and thrilled the audience with synth-pop at its finest. The "Metal Masters" of Judas Priest struck a much heavier note at their arena shows in Germany in March and then again in Switzerland at the beginning of April, with prominent support from Saxon and Uriah Heep. Marti Pellow had a home game, so to speak, when he rocked the "OVO Hydro" arena in Glasgow in March.

In the area of Classics & Jazz, French chanson star Michel Sardou celebrated an unforgettable evening in the packed Arena de Genève in February. Molière l'Opéra Urbain presented a new chapter in musical history at the same venue at the end of March: an opera with rap and urban music centred on the life of the famous actor and playwright in the 17th century.

DEAG's 21 Christmas Gardens in six countries provided entertainment for the whole family up until mid-January 2024. In the 2023/2024 season, once again, around 2 million visitors were able to immerse themselves in a contemplative and festive world of lights. Additional "Disney on Ice" shows in Germany and Switzerland also provided exhilarating entertainment in the first quarter of 2024. Stories about Mickey Mouse, Donald Duck & Co. were presented on ice skates at the highest artistic level. The artists and performers from Cirque du Soleil also amazed visitors at several acclaimed shows in Lausanne.

The Spoken Word & Literary Events segment also developed strongly. In Germany, the 24th edition of lit.COLOGNE seamlessly followed on from the extremely successful previous year. With 112,500 visitors, Europe's largest literary festival once again significantly exceeded the previous year's figure, achieving an unprecedented 95% capacity utilisation. On 13 festival days - a new record - successful and important authors such as Didier Eribon, Bernadine Evaristo and Bernhard Schlink could be experienced at a total of 181 events, and numerous themed evenings inspired the audience. The lit.kid.COLOGNE, which was integrated into the festival, also celebrated a new record as a family literary event with 27,500 visitors. Preparations are already underway for the events for the anniversary edition of lit.COLOGNE in March 2025. In the UK and Australia, the "An Evening with..." series organised by DEAG Group company Fane Productions remained a crowd-pleaser. In the first quarter of 2024, visitors had the opportunity to experience an evening with personalities such as well-known historian and TV presenter Lucy Worsley, celebrity TV chef Nigella Lawson and actress Miriam Margolyes, who appeared in the Harry Potter films, among other roles. Another highlight, for example, was "An Evening with Fran Lebowitz," the sharp-tongued US bestselling author who Martin Scorsese immortalised in her own Netflix series.

DEAG's event pipeline for the rest of the year is extremely well filled and diversified. These events include tours by UB40, The Pretenders and Pierce The Veil in the UK as well as the Scorpions, Bruce Dickinson and Zucchero in Germany. In July, AC/DC will then put the Hockenheimring in a state of emergency in front of

120,000 visitors. At around the same time, "Kew the Music" in south-west London will be a little more pop music orientated, but no less spectacular. The week-long festival in the unique Kew Gardens is a firm fixture in the British summer music calendar and will feature successful artists such as Mika, Passenger, Ronan Keating and JLS in 2024. The hot DEAG festival summer is also characterised by successful EDM festivals such as NATURE ONE and Airbeat One. In Scotland, fans of Indie, Rock and Pop will get their money's worth at the "Belladrum Tartan Heart Festival" and can look forward to top acts such as James Arthur, Sophie Ellis-Bextor and the Sugababes, while "Sion sous les étoiles" in Switzerland will delight fans with ZZ TOP, The Libertines, MC Solaar and Chris Isaak, among other acts. The Kessel Festival at the Cannstatter Wasen will attract up to 65,000 visitors, not only from the Stuttgart region. For the 25th anniversary of the Potsdamer Schlössernacht, guests can once again look forward to the festively staged Park Sanssouci with a varied programme of music, readings, variety, theatre and dance as well as light and sound installations. In late autumn, the spectacular dance show "Riverdance" will return to Germany; the tap dance virtuosos from Ireland will perform in 21 cities. This list could be continued with live performances by British celebrity chef Yotam Ottolenghi or "Christmas with the Thalbachs" and many other high-calibre small, large and very large events.

In the area of ticketing, DEAG continued to record strong demand for tickets for events. As of the end of March 2024, the number of tickets sold for events in full year 2024 was around 4.9 million, compared to around 3.6 million tickets in the previous year. For the current financial year 2024, DEAG expects ticket sales to increase to around 11 million, compared to over 10 million tickets sold in the previous year.

In the first quarter of 2024, DEAG further strengthened its market position and tapped into synergy potential by acquiring majority stakes in successful companies. In the UK, DEAG's most important core market outside Germany, the company further expanded its market position in the Live Entertainment and Spoken Word segment by acquiring majority stakes in How To Academy and ShowPlanr. How To Academy organises several hundred live and digital events every year. These include readings, debates, conferences and courses. How To Academy also produces podcasts, live streams, films and publishes books. ShowPlanr, on the other hand, is one of the UK's leading independent event organisers for tours, concerts and theatre performances. The company organises over 600 events per year with around 250,000 tickets sold. The percentage of self-produced formats continues to increase. In addition, District Live, DEAG's booking division specialising in Hip-Hop, is taking over the live business of Germany's rap star Bausa. District Live not only acts as a booking partner for the artist, but is also responsible for the rapper's tours and festival shows as a tour organiser. In addition to the cooperation with Bausa, the company also organises tours for up-and-coming newcomers and established artists from the Urban Pop genre. These include Tream, whose 2024 tour has already sold over 100,000 tickets. DEAG has also laid the foundations for the organic expansion of its activities in Switzerland by making additions to the top management of Good News Productions. In Spain, DEAG successfully expanded its activities at the end of 2023. DEAG plans to intensify its M&A activities in the further course of the year and is currently engaged in promising talks with interested companies. The focus is on ticketing and further expansion into new European markets.

DEAG, which has been led by Detlef Kornett as sole CEO since 1 April 2024 with a strong Executive Board team, is therefore confident that it will fully achieve its targets for 2024 as a whole.

3 months at a glance:

Revenues¹ <i>in Euro million</i>	01 Jan 2024 - 30 Mar 2024	01 Jan 2023 - 30 Mar 2023	Change to previous year
Live Touring	26.4	29.9	-3.5
Entertainment Services	27.7	23.0	4.7

EBITDA¹ <i>in Euro million</i>	01 Jan 2024 - 30 Mar 2024	01 Jan 2023 - 30 Mar 2023	Change to previous year
Live Touring	2.4	3.2	-0.8
Entertainment Services	2.4	2.4	0.0

The overall stable development of both segments in terms of revenue and EBITDA is mainly due to events such as “Disney on Ice”, “Cirque du Soleil” and lit.COLOGNE as well as OMD's successful tour, in addition to the successful Christmas Garden season 2023/24, which ended in January 2024.

ASSET POSITION

Total assets increased slightly compared to the previous reporting date by EUR 5.1 million or 1.7% to EUR 306.8 million (31 December 2023: EUR 301.7 million).

While non-current assets remained relatively constant at EUR 150.8 million (31 December 2023: EUR 149.8 million), current assets increased by EUR 4.2 million to EUR 156.1 million. This was mainly due to an increase of EUR 12.6 million in payments made, which was partially offset by declines in trade receivables (EUR -7.7 million) and cash and cash equivalents (EUR -4.5 million).

Liabilities also follow a similar trend: while non-current liabilities remained nearly unchanged at EUR 99.7 million (31 December 2023: EUR 101.2 million), current liabilities recorded an increase of EUR 9.2 million. The increase is mainly due to the rise in advanced payments received of EUR 16.6 million to EUR 100.2 million (31 December 2023: EUR 83.6 million). This is partially offset by decreases in trade payables (EUR -3.9 million) and provisions (EUR -3.2 million).

The prepayment balance, defined as the difference between advance payments made less advanced payments received, increased slightly to EUR -61.9 million (31 December 2023: EUR -58.0 million) and illustrates the Group's high events density for the quarters that lie ahead.

¹ Before cross-segment consolidations

Net debt, defined as the sum of gross financial liabilities (to banks and bond) less cash and cash equivalents, amounts to EUR -10.3 million (31 December 2023: EUR -14.1 million). While gross financial liabilities remained virtually unchanged compared to 31 December 2023, cash and cash equivalents decreased, mainly due to prepayments for future projects.

Equity declined by EUR 2.6 million to EUR 24.0 million (31 December 2023: EUR 26.6 million) due to the change in the consolidated result. The equity ratio was therefore 7.8% after 8.8% on 31 December 2023.

FINANCIAL POSITION

The cash inflow from operating activities (total) amounted to EUR 0.8 million after EUR 2.4 million in the same period of the previous year and was mainly due to the seasonal postponement of higher-margin events to subsequent quarters.

At EUR 0.9 million, the cash outflow from investing activities is slightly lower than the previous year’s figure of EUR 1.5 million. The cash outflow mainly relates to additions to property, plant and equipment and intangible assets due to the newly acquired companies in the reporting period, offset against interest income totalling EUR 0.7 million.

The cash outflow from financing activities totalling EUR 4.0 million (previous year: EUR 5.4 million) mainly relates to the balance of borrowings and scheduled repayments of financial liabilities and lease liabilities (EUR 2.3 million) as well as payments for interest expenses (EUR 2.7 million).

Cash and cash equivalents at the end of the period thus improved by EUR 15.1 million to EUR 85.3 million compared to EUR 70.2 million in the first quarter of 2023.

In addition to the bond in the amount of EUR 46.0 million (corresponds to the book value of the bond), DEAG had access to financing lines totalling around EUR 50 million as of the quarterly reporting date, of which around EUR 22 million had not been utilised. Including the sight deposits with the parent company and subsidiaries, the liquidity available to the Group totalled around EUR 107 million.

OPPORTUNITY AND RISK REPORT

At the time of this Quarterly Financial Statement, DEAG’s Executive Board assumes that there are no risks that could 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 continued existence of the company or the Group in the future.

For information on the risks and opportunities of the Group, please refer to the Opportunity and Risk Report on page 43 et seq. of the Combined Management and Group Management Report contained in the Annual Financial Report as of 31 December 2023.

The statements made in the Opportunity and Risk Report in the 2023 Annual Financial Report continue to be considered accurate.

FORECAST REPORT

The Executive Board continues to expect an improvement in EBITDA with an equally positive development in revenues. To this end, DEAG is aiming to sell around 11 million tickets for around 6,000 events in 2024 as a whole, up from more than 10 million tickets in the previous year.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assumptions and forecasts made by DEAG’s management. Such statements are subject to risks and uncertainties. These and other factors may cause the results, financial position, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The company assumes no obligation to update such forward-looking statements or to conform them to future events or developments.

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LIABILITIES AND EQUITY

	2024	2023	2023
	as of	as of	as of
	31 Mar 2024	31 Dec 2024	31 Mar 2023
	in Euro thousand	in Euro thousand	in Euro thousand
Bank loans payable	12,902	12,762	19,946
Trade accounts payable	23,237	27,098	19,154
Provisions	17,936	21,119	23,117
Bond	-	-	24,694
Advanced payments received	100,194	83,574	72,860
Income tax liabilities	5,180	6,287	3,973
Other current financial liabilities	15,113	14,134	10,519
Other current non-financial liabilities	8,555	8,921	7,580
Current liabilities	183,117	173,895	181,843
Provisions	513	515	448
Bond	46,066	45,706	-
Bank loans payable	16,012	17,294	10,908
Advanced payments received	111	256	311
Other non-current financial liabilities	26,402	26,643	24,628
Deferred tax liabilities	10,625	10,835	8,549
Non-current liabilities	99,729	101,249	44,844
Subscribed capital	21,587	21,587	21,587
Capital reserve	32,520	32,520	32,520
Retained earnings	-332	-332	-332
Accumulated deficit	-41,772	-39,204	-34,507
Accumulated other result	1,638	2,317	1,725
Equity attributable to DEAG shareholders	13,641	16,888	20,993
Equity attributable to other shareholders	10,377	9,699	15,308
Equity	24,018	26,587	36,301
Total liabilities and equity	306,864	301,731	262,988

// CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	01 Jan 2024 -31 Mar 2024	01 Jan 2023 -31 Mar 2023
	<u>in Euro thousand</u>	<u>in Euro thousand</u>
Result from continued operations	-2,454	-1,443
Depreciation and amortisation	3,414	2,786
Change in provisions	-3,185	731
Changes not affecting payments	-772	-1,226
Deferred taxes (net)	-564	-128
Result from valuation of affiliated companies	-1	-3
Cashflow	-3,562	717
Net interest result	1,917	1,244
Change in working capital	2,499	450
Cashflow from operating activities (total)	854	2,411
Cashflow from investment activities	-941	-1,563
Cashflow from financing activities	-3,975	-5,373
Change in liquidity	-4,062	-4,525
Effects of exchange rates	-466	-79
Cash and cash equivalents at beginning of Period	89,813	74,780
Cash and cash equivalents at end of period	85,285	70,176

// SELECTED EXPLANATORY NOTES

NOTES PURSUANT TO IAS 34

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

The Interim Consolidated Financial Statements as of 31 March 2024 do not contain all the disclosures and information presented in the full Consolidated Financial Statements. It is recommended to read them together with the Consolidated Financial Statements as of 31 December 2023.

The accounting, consolidation, currency translation and recognition and measurement principles applied in the Consolidated Financial Statements as of 31 December 2023 were essentially retained.

Please also refer to the Notes to the Consolidated Financial Statements included in the 2023 Annual Financial Report (see pages 56-118).

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

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

This report has not been audited and has not been reviewed by an auditor.

CHANGES IN THE SCOPE OF CONSOLIDATION

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

With effect from 1 January 2024, DEAG acquired a majority stake of 85% in How to Academy Ltd., London (UK) via its subsidiary Fane Productions.

With effect from 31 March 2024, DEAG acquired a majority stake of 51% in ShowPlanr Ltd., London (UK) via its subsidiary KMJ Entertainment Ltd., London (UK).

As of 31 March 2024, the purchase price allocations had not yet been completed, as investigations into the closing balance sheets and the acquired intangible assets are still pending. The disclosures in accordance with IFRS 3 are made after the purchase price allocation has been finalised.

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

The provisional purchase price allocations listed in the Annual Financial Report for the shares in companies acquired in financial year 2023 (see Annual Financial Report, Notes to the Consolidated Financial Statements, p. 79 et seq.) had not yet been completed as of the quarterly reporting date and were therefore still recognised at provisional values as of 31 December 2023.



Foto: Klaus Zakowski

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