Group interim report as at **30 June 2021**

eventim

KEY GROUP FIGURES

	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020 [1]	Change
	[EUR'000]	[EUR'000]	[in %]
Revenue	65,306	198,473	-67.1
EBITDA	76,976	-3,495	2,302.3
EBITDA margin	117.9%	-1.8%	119.6 pp
EBIT	50,684	-31,490	261.0
EBIT margin	77.6%	-15.9%	93.5 pp
Normalised EBITDA	79,436	-2,703	3,038.5
Normalised EBITDA margin	*121.6%*	*-1.4%*	*123.0 pp*
Normalised EBIT before amortisation from purchase price allocation	58,411	-23,368	350.0
Normalised EBIT margin before amortisation from purchase price allocation	*89.4%*	*-11.8%*	*101.2 pp*
Non-recurring items [2]	2,460	792	210.6
Amortisation resulting from purchase price allocation	5,267	7,329	-28.1
Earnings before taxes (EBT)	45,244	-57,731	178.4
Profit or loss for the period attributable to shareholders	26,972	-40,434	166.7
	[EUR]	[EUR]	
Earnings per share [3], basic (= diluted)	0.28	-0.42	166.7
	[Qty]	[Qty]	
Number of tickets sold online (millions)	7.5	11.5	-34.5
Number of employees [4]	2,352	2,735	-14.0
Of which temporary	(136)	(296)	-54.2

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group
[2] Detailed description of non-recurring items on page 9
[3] Number of shares: 96 million
[4] Number of employees at end of period (active workforce)

CTS EVENTIM JOINS THE ROAD TO RECOVERY IN THE SECOND QUARTER OF 2021

- Sharp rise in revenue in second quarter compared with prior-year quarter
- Significant pick-up in ticket sales since the spring
- Projects for the future in Asia and Milan
- New technology for checking health certificates at events
- CEO Schulenberg: “CTS EVENTIM is optimally positioned for the return of live entertainment”

CONTENTS

1. CTS EVENTIM SHARES

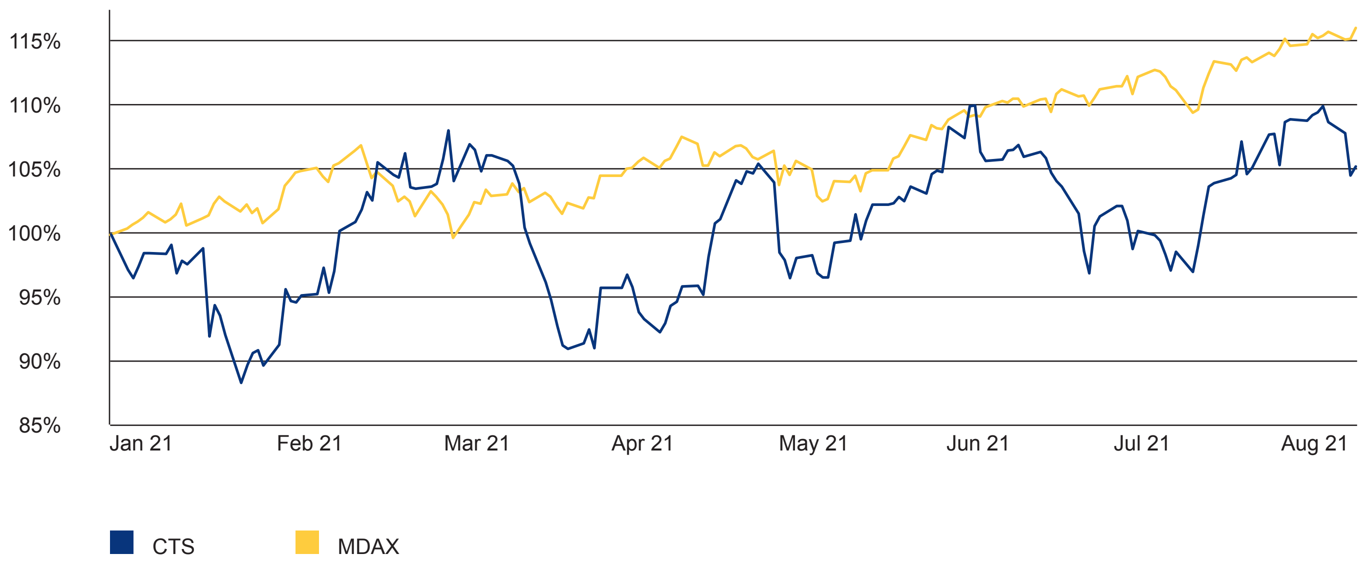
At the start of the second quarter of 2021, the DAX and MDAX, in particular, fared less well than other international indices, such as those in the United Kingdom and USA. This was due to the slow start to Germany's vaccination programmes. However, trading in 2021 has been characterised by benign market conditions so far. In the first half of 2021, the capital markets also benefited from the continuation of the central banks' expansionary monetary policy based on moderate inflation. With vaccination rates rising and coronavirus case numbers falling, the capital markets have held steady in recent weeks and the indices have been able to make further gains.

The share price of CTS KGaA, whose business has taken a direct hit from the COVID-19 pandemic, was unable to follow the uptrend in the stock markets, especially against the backdrop of poor market conditions for live entertainment at the start of the second quarter. CTS EVENTIM shares eventually staged a recovery at the end of the second quarter thanks to the momentum provided by the successful vaccination programmes. Overall, the CTS Group's healthy liquidity position and robust balance sheet enabled CTS EVENTIM shares to remain very stable given the uncertainty about the pandemic going forward.

CTS EVENTIM shares continue to attract strong interest from investment banks. Baader Helvea, Bank of America, Berenberg, DZ Bank, Jeffries, Kepler Cheuvreux and NordLB currently analyse CTS EVENTIM and issue recommendations regarding investment. Of the seven investment banks, six recommend buying or holding CTS EVENTIM shares.

Despite ongoing travel restrictions as a result of the pandemic, CTS EVENTIM presented itself to many different international and German investors during the first six months of 2021. Once again, most of these meetings took place as virtual events. CTS EVENTIM will carry on maintaining and expanding its excellent relationships with the various players in the capital markets going forward. The CTS EVENTIM investor relations strategy continues to focus on transparent and direct communication with the capital markets and a steady increase in the level of awareness of CTS EVENTIM in the global capital markets.

CTS EVENTIM SHARES (1 JANUARY TO 18 AUGUST 2021, INDEXED)



2. INTERIM GROUP MANAGEMENT REPORT

1. GROUP OVERVIEW

The CTS Group, one of the leading international providers of ticketing services and live entertainment, joined the road to recovery in the second quarter of 2021. In the period April to June, revenue was up sharply compared with the prior-year period, once again primarily thanks to a pick-up in ticket sales following the slump caused by the coronavirus crisis. Moreover, the Group has used the pandemic as a time for strengthening its business, especially at international level. “CTS EVENTIM is optimally positioned for the return of live entertainment,” emphasised CEO Klaus-Peter Schulenberg when the results for the first six months of 2021 were presented.

Although consolidated revenue fell by 67.1% year on year to EUR 65.3 million in the period January to June 2021 (previous year: EUR 198.5 million), normalised EBITDA amounted to EUR 79.4 million (previous year: loss of EUR 2.7 million). In the second quarter of 2021, however, revenue was up by 228.1% to EUR 45.7 million (previous year: EUR 13.9 million). Normalised EBITDA for the second quarter was EUR 99.1 million (previous year: loss of EUR 16.2 million), with the German November and December Assistance under the economic aid programme in connection with coronavirus boosting earnings by around EUR 102 million.

In the Ticketing segment, revenue fell by 43.9% to EUR 49.6 million in the first six months of this year (previous year: EUR 88.4 million). Normalised EBITDA improved from a loss of EUR 1.3 million in the prior-year period to EUR 64.2 million in the six months under review. In the second quarter of 2021, revenue went up by 283.7% from EUR 9.4 million to EUR 36.1 million, while normalised EBITDA amounted to EUR 77.6 million (previous year: loss of EUR 18.2 million). This included around EUR 73 million in German coronavirus support.

In the Live Entertainment segment, revenue fell by 84.0% to EUR 18.3 million in the first half of the year (previous year: EUR 114.9 million). Normalised EBITDA was EUR 15.2 million (previous year: loss of EUR 1.4 million). In the second quarter of 2021, this segment’s revenue also improved, jumping by 81.5% year on year to EUR 11.5 million (previous year: EUR 6.3 million). Normalised EBITDA amounted to EUR 21.4 million (previous year: EUR 1.9 million). German coronavirus support contributed around EUR 29 million to earnings.

“Ticket sales are recovering, which confirms our view that people are yearning for live entertainment after a year and a half of the pandemic,” said Klaus-Peter Schulenberg. “However, politicians must set out a clear framework so that it is economically viable for events to be held again. The government support is very helpful but the industry wants to finally be able to earn its money by returning to work.”

He added: “CTS EVENTIM has taken the coronavirus crisis as an opportunity to further strengthen and broaden its market position by undertaking a number of major strategic initiatives. Going forward, we will be better positioned than ever before, especially internationally, to be able to impress our customers with our services, industry expertise and technology in the live entertainment business.”

During the coronavirus crisis, CTS EVENTIM forged ahead with its global expansion plans. Following the establishment of a company with US promoter Michael Cohl in 2020, the EVENTIM LIVE promoter network is now making its debut in the Far East with EVENTIM LIVE ASIA. Headquartered in Singapore, the new company will focus on the rapidly growing live entertainment markets in China, Japan, South Korea, Singapore, Hong Kong, Taiwan, Indonesia, Thailand, Vietnam, Malaysia and the Philippines.

The DreamHaus agency headed by Matt Schwarz joined the EVENTIM LIVE network at the beginning of 2021, which means that the network now comprises 36 promoters in 15 countries in addition to EVENTIM LIVE ASIA. DreamHaus has now teamed up with eventimpresents to organise the legendary Rock am Ring and Rock im Park festivals.

The CTS Group is also planning and building the MSG Arena in Milan, thereby expanding its portfolio of leading international venues. Scheduled for completion in autumn 2025, Italy's largest and most cutting-edge multipurpose arena will accommodate up to 16,000 people and will also boast an outdoor area of more than 10,000m² for open-air events.

At the same time, the CTS Group is supporting the restart of live cultural events with software for checking digital health certificates. When admitting attendees to venues, promoters can verify not only the tickets but also the attendees' certificates showing that they have been vaccinated against coronavirus, recovered from coronavirus or received a negative test result. The solution offers maximum data protection because no health information is stored or linked to attendees' tickets.

2. FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOW

FINANCIAL PERFORMANCE

	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020 [1]	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**65,306**	**198,473**	**-133,167**	**-67.1**
Gross profit	**-5,603**	**7,163**	**-12,766**	**-178.2**
EBITDA	**76,976**	**-3,495**	**80,471**	**2,302.3**
Depreciation and amortisation	**-26,292**	**-27,994**	**1,703**	**-6.1**
EBIT	**50,684**	**-31,490**	**82,174**	**261.0**
Net financial income and expenses	-5,440	-26,241	20,801	-79.3
Earnings before taxes (EBT)	**45,244**	**-57,731**	**102,975**	**178.4**
Taxes	-18,303	5,910	-24,213	-409.7
Profit or loss for the period attributable to shareholders of CTS KGaA	**26,972**	**-40,434**	**67,406**	**166.7**
Profit or loss for the period attributable to non-controlling interests	-31	-11,388	11,356	-99.7
EBITDA	**76,976**	**-3,495**	**80,471**	**2,302.3**
Non-recurring items	2,460	792	1,668	210.6
Normalised EBITDA	**79,436**	**-2,703**	**82,139**	**3,038.5**
Depreciation and amortisation	-26,292	-27,994	1,703	-6.1
thereof amortisation resulting from purchase price allocation	-5,267	-7,329	2,062	-28.1
Normalised EBIT before amortisation from purchase price allocation	**58,411**	**-23,368**	**81,780**	**350.0**

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

The ongoing COVID-19 pandemic continued to have a huge impact on the CTS Group's business performance because events were officially banned or subject to restrictions. This meant that live entertainment in Germany and all international core markets of the CTS Group was again at an almost total standstill in the reporting period.

REVENUE

In the **Ticketing segment**, the 43.9% decline in revenue to EUR 49.583 million in the first half of 2021 was influenced by a sharp fall in event presales due to the COVID-19 pandemic. The number of tickets sold online decreased by 3.9 million (-34.5%) compared with the same period of the previous year, from around 11.5 million to 7.5 million. In the second quarter of 2021, the number of tickets sold online grew by 4.2 million to 5.6 million, compared with 1.4 million tickets in the second quarter of 2020.

In the **Live Entertainment segment**, revenue fell by EUR 96.578 million (-84.0%) to EUR 18.342 million in the first half of the year. The decline in revenue was due to the COVID-19 pandemic and the associated official bans and restrictions on the staging of events. In the prior-year period, events had been held up to mid-March, whereas it was still practically impossible to hold events in the second quarter of 2021.

In the **CTS Group**, revenue therefore decreased across the two segments by EUR 133.167 million (-67.1%) to EUR 65.306 million.

NON-RECURRING ITEMS

In the period under review, the CTS Group's earnings were negatively impacted by non-recurring items of EUR 185 thousand (previous year: EUR 292 thousand) in the Ticketing segment, primarily in connection with legal and consulting fees (including for due diligence), and by non-recurring items of EUR 2.275 million (previous year: EUR 500 thousand) in the Live Entertainment segment, mainly in connection with expenses from purchase price allocations for acquisitions not classified as a business combination under IFRS 3 and expenses for completed and for planned acquisitions (mainly legal and consulting fees, including for due diligence).

NORMALISED EBITDA / EBITDA

The **CTS Group's** normalised EBITDA increased by EUR 82.139 million to EUR 79.436 million. The rise was largely attributable to income of EUR 101.674 million as part of the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus. Unlike in the prior-year period, however, there were again no earnings contributions from event presales and from the staging of events due to the COVID-19 pandemic. The normalised EBITDA margin stood at 121.6%, which was higher than the previous year's level of -1.4%. EBITDA rose by EUR 80.471 million to EUR 76.976 million (previous year: loss of EUR 3.495 million). The EBITDA margin was 117.9% (previous year: -1.8%).

The **Ticketing segment's** normalised EBITDA climbed by EUR 65.553 million to EUR 64.220 million. The rise was largely attributable to income of EUR 72.929 million as part of the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus. Unlike in the prior-year period, however, there were again no earnings contributions from event presales due to the COVID-19 pandemic. The normalised EBITDA margin increased to 129.5% (previous year: -1.5%). EBITDA rose by EUR 65.661 million to EUR 64.036 million, compared with a loss of EUR 1.625 million in the prior-year period. The EBITDA margin was 129.1% (previous year: -1.8%).

In the **Live Entertainment segment**, normalised EBITDA advanced by EUR 16.585 million to EUR 15.215 million. The rise was largely attributable to income of EUR 28.745 million as part of the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus. Unlike in the prior-year period, however, there were again no earnings contributions from major events because events had to be cancelled or postponed due to the COVID-19 pandemic. The normalised EBITDA margin increased to 83.0% (previous year: -1.2%). EBITDA rose by EUR 14.810 million to EUR 12.940 million, compared with a loss of EUR 1.870 million in the prior-year period. The EBITDA margin grew to 70.5% (previous year: -1.6%).

NET FINANCIAL INCOME AND EXPENSES

Net financial income and expenses were contracted by EUR 20.801 million, from EUR -26.241 million to EUR -5.440 million. The prior-year figure had been negatively affected by the impairment loss of EUR 21.212 million on the Barracuda Group's deposits at Commerzialbank Mattersburg im Burgenland AG. The expenses from equity-accounted associated companies decreased by EUR 1.006 million, from EUR -4.443 million to EUR -3.437 million.

EARNINGS BEFORE TAXES (EBT) / PROFIT OR LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS / EARNINGS PER SHARE (EPS)

In the reporting period, EBT increased by EUR 102.975 million to EUR 45.244 million (previous year: loss of EUR 57.731 million).

After income tax and non-controlling interests, the profit for the period attributable to the shareholders of CTS KGaA amounted to EUR 26.972 million (previous year: loss of EUR 40.434 million). At EUR 0.28, EPS was above the previous year's level of EUR -0.42.

PERSONNEL

Personnel expenses in the CTS Group decreased by EUR 17.346 million year on year, from EUR 75.319 million to EUR 57.973 million. Of the decline in personnel expenses, EUR 11.328 million related to the Live Entertainment segment and EUR 6.018 million to the Ticketing segment. The decrease was mainly due to savings on personnel expenses and to government grants in connection with the COVID-19 pandemic.

On average in the first half year of 2021, the companies in the CTS Group had a total of 2,327 employees including temporary staff (previous year: 2,963). Of that total, 1,438 were employed in the Ticketing segment (previous year: 1,644) and 889 in the Live Entertainment segment (previous year: 1,319). The decrease was largely due to a reduction in employees in the Ticketing segment, while the Live Entertainment segment mainly saw a decrease in temporary staff.

FINANCIAL POSITION

CHANGES IN ASSETS

Cash and cash equivalents decreased by EUR 115.558 million compared with 31 December 2020. This fall was primarily due to the partial repayment of the syndicated credit line in an amount of EUR 100.000 million in April 2021. In April 2020, the existing syndicated credit line of EUR 200.000 million had been drawn down in order to increase the CTS Group's financial flexibility during the COVID-19 pandemic. Consequently, only EUR 100.000 million was still drawn down from the syndicated credit line as at 30 June 2021. A reduction in financial liabilities owing to the payment of purchase price liabilities and a rise in advances paid in the Live Entertainment segment also resulted in a lower level of cash and cash equivalents.

Cash and cash equivalents included ticket monies of EUR 321.050 million (31 December 2020: EUR 256.865 million) from presales for events in subsequent quarters (ticket monies not yet settled, primarily in the Ticketing segment), which are reported under other financial liabilities. Other financial assets also included receivables relating to ticket monies from presales, mainly in the Ticketing segment (EUR 31.055 million; 31 December 2020: EUR 17.215 million). Factoring receivables from ticket money were also included in an amount of EUR 3.947 million (31 December 2020: EUR 2.263 million).

Current **advances paid** declined by EUR 15.143 million owing to the reclassification to non-current advances paid because future events were postponed to 2022 as a result of the COVID-19 pandemic. Advances paid consist of production costs already paid (e.g. artists' fees) for future events in the Live Entertainment segment.

The increase in current **other financial assets** of EUR 13.393 million was mainly due to higher receivables from ticket monies from presales (EUR +13.839 million) and factoring receivables (EUR +1.684 million), primarily in the Ticketing segment.

The rise in current **other non-financial assets** of EUR 98.219 million was largely attributable to receivables of EUR 101.674 million from the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus.

The growth of **investments in equity-accounted associated companies** of EUR 6.041 million was primarily due to the investments of EMC Presents, LLC (formerly: Alternate Nation Entertainment Group, LLC) amounting to EUR 10.518 million in its equity-accounted associated company HPX, LLC, Delaware, USA. The purpose of this company is to develop and produce a major entertainment exhibition and to operate it on every continent.

Non-current **advances paid** went up by EUR 57.655 million owing to the reclassification from current assets to non-current assets because future events were postponed to 2022 as a result of the COVID-19 pandemic.

CHANGES IN EQUITY AND LIABILITIES

Current **financial liabilities** declined by EUR 109.426 million, primarily owing to the repayment of the syndicated credit line (revolving credit facility) in an amount of EUR 100.000 million and the payment of purchase price liabilities. In April 2020, the syndicated credit line had been drawn down in an amount of EUR 200.000 million in order to increase the CTS Group's financial flexibility during the COVID-19 pandemic.

The EUR 40.662 million increase in current **other financial liabilities** was predominantly due to the growth of liabilities from ticket monies received in the Ticketing segment that have not yet been settled with promoters.

Non-current liabilities rose, primarily due to advance payments received (EUR +57.497 million) in the Live Entertainment segment and ticket monies in the Ticketing segment that have been received but not yet settled with promoters (EUR +30.347 million). This rise was attributable to the reclassification of current advance payments received and ticket monies to non-current advance payments received and ticket monies because future events were postponed to 2022 as a result of the COVID-19 pandemic.

The EUR 26.978 million increase in **equity** to EUR 512.961 million is due to the profit for the period and the decrease in non-controlling interests. The equity ratio (equity divided by total assets) rose to 27.5% (31 December 2020: 26.7%).

CASH FLOW

The amount of cash and cash equivalents shown in the cash flow statement corresponds to the cash and cash equivalents stated on the balance sheet. Cash and cash equivalents amounted to EUR 625.624 million as at the reporting date, a fall of EUR 115.558 million compared with 31 December 2020.

Cash and cash equivalents were down by EUR 196.397 million compared with the figure of EUR 822.021 million as at 30 June 2020.

The improvement in **cash flow from operating activities** compared with the same period of the previous year (1 January to 30 June 2020), which increased by EUR 118.212 million to a net cash inflow of EUR 12.849 million (previous year: net cash outflow of EUR 105.363 million), mainly resulted from changes in receivables and other assets, in liabilities and in the profit for the period in 2021. Whereas there was an increase in other assets in the reporting period that was attributable to receivables from the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus, there had been a decline in receivables from ticket monies and trade receivables in the prior-year period. This resulted in an adverse impact on cash flow. By contrast, the increase in liabilities from ticket monies in the Ticketing segment and the rise in advance payments received in the Live Entertainment segment had a positive effect on cash flow in the period under review relative to the prior-year period. The profit for the period also had a positive impact on cash flow.

Cash flow from investing activities amounted to a net cash outflow of EUR 19.095 million, which was EUR 368 thousand higher than the net cash outflow of EUR 18.727 million in the prior-year period. This change was largely due to payments from EMC Presents, LLC's investments of EUR 10.518 million for its equity-accounted associated company HPX, LLC, Delaware, USA. By contrast, investments in intangible assets and property, plant and equipment decreased.

Cash flow from financing activities amounted to a net cash outflow of EUR 108.904 million, a decline of EUR 265.400 million compared with the net cash inflow of EUR 156.496 million in the first half of 2020. In the prior-year period, there had been a positive impact on cash flow as a result of the drawdown of the syndicated credit line (revolving credit facility) in an amount of EUR 200.000 million, whereas the repayment of the syndicated credit line in an amount of EUR 100.000 million had an adverse effect on cash flow in the reporting period. Purchase price payments for the acquisition of shares in existing consolidated subsidiaries were lower than in the prior-year period, which had a positive impact on cash flow.

The CTS Group's current financial resources enable it to meet its financial commitments and to finance its planned investments and ongoing operations.

2. RISK AND OPPORTUNITIES REPORT

In the first half of 2021, the COVID-19 pandemic again led to significant restrictions on the staging of concerts and lower ticket sales. The CTS Group therefore continued to forge ahead with the action plan initiated in the previous year in order to reduce costs and protect liquidity. However, the progress with vaccination programmes and the sharp fall in the number of coronavirus cases in the summer months – resulting in the easing of restrictions – enabled concerts to be staged again, provided that local hygiene and protective measures were implemented in order to contain the COVID-19 pandemic. At the same time, activities relating to the planning of future events and the marketing of the ticketing platform to promoters were stepped up again.

While there was an initial shortage of vaccines during the first few months of the vaccination campaign, the countries in which the CTS Group operates now have sufficient quantities of vaccines for most groups of the population and have the necessary infrastructure in place to be able to administer them. Although the target of immunising society as a whole is getting closer, vaccination rates are currently slowing in many countries. New variants of the virus are more transmissible and thus spread more quickly, causing case numbers to rise again.

Consequently, it is still impossible to pinpoint exactly when life will return to normal and all restrictions on events will be lifted. In the Annual Report 2020 the company stated in section 8.2.6 social/political/legal risks that the impact of the COVID-19 pandemic was classified as high and this risk continues to be categorised as high.

At the time of preparation of the Group's interim report, the Management Board assumes that the risks will not jeopardise the continued existence of CTS KGaA or the Group as a going concern. However, it cannot be ruled out that the COVID-19 pandemic or other factors that are currently unknown or not yet classified as significant could influence the continued existence of the CTS Group as a going concern in the future.

In other respects, the statements in the 2020 risk and opportunities report remain valid.

3. OUTLOOK

In its latest World Economic Outlook, dated July 2021, the International Monetary Fund (IMF) continues to anticipate an increase of 6.0% in global gross domestic product (GDP) this year, following the sharp contraction of 3.2% in 2020 as a result of the coronavirus pandemic. The IMF's forecast for industrialised countries is up by 0.5 percentage points compared with its prediction in April, whereas it has lowered its forecast for emerging markets and developing countries by 0.4 percentage points. The primary reason cited by the IMF is the difference in access to vaccines. For 2022, the IMF now expects global growth of 4.9%, which is 0.5 percentage points higher than its forecast in April.

The IMF anticipates economic growth for the eurozone of 4.6% this year and 4.3% in 2022. The forecast for Germany is 3.6% in 2021 and an even healthier 4.1% next year.

The Kiel Institute for the World Economy is even more optimistic about Germany, predicting growth of 3.9% this year and 4.8% in 2022. In its June economic outlook, the research institute anticipates that total economic output will increase over the course of the year and surpass its pre-crisis level. If pandemic-related restrictions are lifted, activity will bounce back quickly, especially in sectors that were hit particularly hard by the pandemic. According to the institute, the sectors mainly affected were retail and customer-facing services.

The picture in Germany and other parts of Europe continues to be dominated by cancellations and postponements, particularly of major cultural events. Although smaller events, such as the Strandkorb Festival series, can now restart provided that strict hygiene requirements are satisfied, many major events have been cancelled again because of the pandemic, including the Rock am Ring, Hurricane and Southside festivals in Germany and Frequency Festival in Austria.

The events industry associations believe that politicians have failed to set out the precise conditions that have to be met in order for major cultural events to return. The Federal Association of the Concert and Event Industry (BDKV) has formulated the objective that events can take place without social-distancing measures in order to ensure that they are financially viable.

Official restrictions continue to apply because of the ongoing COVID-19 pandemic, which means that virtually no major events are taking place yet. The CTS Group's ability to organise events internationally is dependent on the legal requirements in each individual country. The scope of the necessary hygiene measures and allowing individuals to attend events depending on their vaccination status remain unclear at this point in time. As described in the outlook in the 2020 annual report, the business performance of the Ticketing and Live Entertainment segments in 2021 will be subject to varying impacts depending on when major events restart.

It is still impossible to reliably estimate exactly how long the COVID-19 pandemic – and its impact on the course of business – will continue. Consequently, the statements in the 2020 outlook regarding the ranges for revenue and earnings in scenarios 2 and 3 remain valid, and the Company believes that it is still within the ranges in both scenarios. However, taking account of the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus (EUR 101.674 million), earnings for 2021 are expected to show a significantly improved value, even in the scenario in which events do not make a full return until the first quarter of 2022 (scenario 3). The CTS Group will provide specific figures for the revenue and earnings outlook as soon as a reliable forecast is possible.

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2021

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021

ASSETS	30 Jun 2021	31 Dec 2020 [2]
	[EUR'000]	[EUR'000]
Current assets		
Cash and cash equivalents	625,624	741,182
Marketable securities and other investments	10,772	600
Trade receivables [1]	29,672	25,235
Receivables from related parties [1]	1,660	756
Inventories	4,658	4,710
Advances paid	86,709	101,852
Receivables from income tax	6,482	5,764
Other financial assets	65,944	52,551
Other non-financial assets	146,833	48,614
Total current assets	**978,354**	**981,263**
Non-current assets		
Goodwill	350,907	349,881
Other intangible assets	144,255	150,252
Property, plant and equipment	34,754	36,373
Right-of-use assets from leases	127,620	135,668
Investments	2,756	2,902
Investments in equity-accounted associated companies	106,974	100,934
Trade receivables	343	116
Advances paid	57,655	0
Other financial assets	18,872	14,664
Other non-financial assets	11,590	13,121
Deferred tax assets	30,633	32,977
Total non-current assets	**886,359**	**836,887**
Total assets	**1,864,713**	**1,818,151**

[1] With regard to the presentation change, please see note 1.3 in the notes to the consolidated financial statements
[2] Adjusted prior-year figures owing to the finalised purchase price allocation for the acquisition of Zappa's ticketing business

EQUITY AND LIABILITIES	30 Jun 2021	31 Dec 2020 [2]
	[EUR'000]	[EUR'000]
Current liabilities		
Financial liabilities	119,021	228,447
Trade payables [1]	72,966	69,136
Liabilities to related parties [1]	4,488	1,510
Advance payments received	397,610	400,936
Other provisions	48,634	42,349
Tax liabilities	30,998	36,026
Other financial liabilities	299,289	258,626
Lease liabilities	16,604	17,383
Other non-financial liabilities	62,229	60,012
Total current liabilities	**1,051,838**	**1,114,424**
Non-current liabilities		
Financial liabilities	22,191	19,144
Advance payments received	79,076	21,579
Other provisions	4,557	4,557
Other financial liabilities	48,337	16,992
Lease liabilities	113,708	120,377
Other non-financial liabilities	494	0
Pension provisions	13,641	16,039
Deferred tax liabilities	17,910	19,056
Total non-current liabilities	**299,914**	**217,744**
Equity		
Share capital	96,000	96,000
Capital reserve	1,890	1,890
Statutory reserve	7,200	7,200
Retained earnings	363,014	336,558
Other reserves	-980	-2,752
Treasury shares	-52	-52
Total equity attributable to shareholders of CTS KGaA	**467,072**	**438,844**
Non-controlling interests	45,889	47,139
Total equity	**512,961**	**485,982**
Total equity and liabilities	**1,864,713**	**1,818,151**

[1] With regard to the presentation change, please see note 1.3 in the notes to the consolidated financial statements
[2] Adjusted prior-year figures owing to the finalised purchase price allocation for the acquisition of Zappa's ticketing business

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [1] [EUR'000]
Revenue	65,306	198,473
Cost of sales	-70,909	-191,310
Gross profit	**-5,603**	**7,163**
Selling expenses	-34,006	-47,690
General administrative expenses	-25,726	-33,474
Other operating income	121,919	50,831
Other operating expenses	-5,900	-8,320
Earnings before interest and taxes (EBIT)	**50,684**	**-31,490**
Income/expenses from investments in equity-accounted associated companies	-3,437	-4,443
Financial income	672	2,938
Financial expenses	-2,675	-24,736
Earnings before taxes (EBT)	**45,244**	**-57,731**
Taxes	-18,303	5,910
Profit or loss for the period	**26,941**	**-51,821**
Profit or loss for the period attributable to		
Shareholders of CTS KGaA	**26,972**	**-40,434**
Non-controlling interests	-31	-11,388
Earnings per share (EUR), basic (= diluted)	0.28	-0.42
Average number of shares outstanding, basic (= diluted)	96 million	96 million

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [1] [EUR'000]
Profit or loss for the period	26,941	-51,821
Remeasurement of the net defined benefit obligation for pension plans	1,700	247
Items that will not be reclassified to profit or loss	**1,700**	**247**
Gains/losses on translating foreign subsidiaries	-331	3,430
Change in the fair value of derivatives in cash flow hedges	0	12
Share of other comprehensive income/loss (exchange differences) of equity-accounted associated companies	774	-1,200
Items that will be reclassified subsequently to profit or loss	**443**	**2,241**
Other comprehensive income/loss	**2,143**	**2,488**
Total comprehensive income/loss	**29,084**	**-49,333**
Total comprehensive income/loss attributable to		
Shareholders of CTS KGaA	28,745	-40,202
Non-controlling interests	340	-9,131

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2021

	1 Apr 2021 - 30 Jun 2021	1 Apr 2020 - 30 Jun 2020 [1]
	[EUR'000]	[EUR'000]
Revenue	45,681	13,923
Cost of sales	-41,135	-52,804
Gross profit	**4,546**	**-38,881**
Selling expenses	-18,107	-21,614
General administrative expenses	-13,650	-14,072
Other operating income	114,014	45,404
Other operating expenses	-2,058	-1,554
Earnings before interest and taxes (EBIT)	**84,745**	**-30,717**
Income/expenses from investments in equity-accounted associated companies	-919	-2,867
Financial income	505	1,312
Financial expenses	-1,133	-23,877
Earnings before taxes (EBT)	**83,199**	**-56,149**
Taxes	-27,463	8,610
Profit or loss for the period	**55,736**	**-47,539**
Profit or loss for the period attributable to		
Shareholders of CTS KGaA	**52,130**	**-40,990**
Non-controlling interests	3,606	-6,549
Earnings per share (EUR), basic (= diluted)	0.54	-0.43
Average number of shares outstanding, basic (= diluted)	96 million	96 million

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL TO 30 JUNE 2021

	1 Apr 2021 - 30 Jun 2021 [EUR'000]	1 Apr 2020 - 30 Jun 2020 [1] [EUR'000]
Profit or loss for the period	55,736	-47,539
Remeasurement of the net defined benefit obligation for pension plans	647	-793
Items that will not be reclassified to profit or loss	**647**	**-793**
Gains/losses on translating foreign subsidiaries	201	-413
Change in the fair value of derivatives in cash flow hedges	0	20
Share of other comprehensive income/loss (exchange differences) of equity-accounted associated companies	-114	-476
Items that will be reclassified subsequently to profit or loss	**87**	**-868**
Other comprehensive income/loss	**734**	**-1,661**
Total comprehensive income/loss	**56,470**	**-49,201**
Total comprehensive income/loss attributable to		
Shareholders of CTS KGaA	52,707	-41,527
Non-controlling interests	3,763	-7,674

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of CTS KGaA											
					Other reserves							
	Share capital	Capital reserve	Statutory reserve	Retained earnings	Currency translation	Hedging instruments	Equity-accounted associated companies	Remeasurement of the net defined benefit obligation for pension plans	Treasury shares	Total equity attributable to shareholders of CTS KGaA	Non-controlling interests	Total equity
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Balance as at 1 Jan 2020	**96,000**	**1,890**	**7,200**	**408,663**	**1,587**	**-12**	**-1,054**	**-2,453**	**-52**	**511,770**	**38,223**	**549,992**
Profit or loss for the period	0	0	0	-40,434	0	0	0	0	0	-40,434	-11,388	-51,821
Other comprehensive income/loss	0	0	0	0	1,207	12	-1,200	213	0	231	2,257	2,488
Total comprehensive income/loss										**-40,202**	**-9,131**	**-49,333**
Dividends	0	0	0	0	0	0	0	0	0	0	-1,422	-1,422
Changes in the scope of consolidation	0	0	0	1,888	0	0	0	0	0	1,888	5,002	6,890
Other changes	0	0	0	-38	0	0	0	0	0	-38	0	-38
Balance as at 30 Jun 2020	**96,000**	**1,890**	**7,200**	**370,080** [1]	**2,794** [1]	**0**	**-2,255**	**-2,240**	**-52**	**473,416** [1]	**32,671** [1]	**506,088** [1]
Balance as at 1 Jan 2021	**96,000**	**1,890**	**7,200**	**336,558** [2]	**1,955** [2]	**0**	**-2,007**	**-2,701**	**-52**	**438,844** [2]	**47,139** [2]	**485,982** [2]
Profit or loss for the period	0	0	0	26,972	0	0	0	0	0	26,972	-31	26,941
Other comprehensive income/loss	0	0	0	0	97	0	774	902	0	1,772	371	2,143
Total comprehensive income/loss										**28,745**	**340**	**29,084**
Dividends	0	0	0	0	0	0	0	0	0	0	-1,049	-1,049
Changes in the scope of consolidation	0	0	0	-517	0	0	0	0	0	-517	-541	-1,058
Balance as at 30 Jun 2021	**96,000**	**1,890**	**7,200**	**363,014**	**2,052**	**0**	**-1,234**	**-1,798**	**-52**	**467,072**	**45,889**	**512,961**

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group
[2] Adjusted prior-year figures owing to the finalised purchase price allocation for the acquisition of Zappa's ticketing business

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020 [1]
	[EUR'000]	[EUR'000]
Profit or loss for the period	26,941	-51,821
Depreciation and amortisation	26,292	27,994
Changes in pension provisions	-2,212	363
Deferred tax expenses/income	738	-7,991
Other non-cash transactions	2,744	11,773
Gain/loss on disposal of fixed assets	-52	-15
Interest expenses/income	1,885	1,152
Tax expense	17,566	2,075
Interest received	301	861
Interest paid	-1,504	-375
Income tax paid	-22,859	-28,102
Increase (-) / decrease (+) in inventories	39	1,352
Increase (-) / decrease (+) in advances paid	-43,297	-22,702
Increase (-) / decrease (+) in marketable securities and other investments	-10,000	-14,027
Increase (-) / decrease (+) in receivables and other assets	-118,990	98,383
Increase (+) / decrease (-) in provisions	6,320	3,805
Increase (+) / decrease (-) in liabilities	128,937	-128,089
Cash flow from operating activities	**12,849**	**-105,363**
Cash flow from investing activities	**-19,095**	**-18,727**
Cash flow from financing activities	**-108,904**	**156,496**
Net increase/decrease in cash and cash equivalents	**-115,150**	**32,407**
Net increase/decrease in cash and cash equivalents due to currency translation	-408	-897
Cash and cash equivalents at beginning of period	741,182	790,511
Cash and cash equivalents at end of period	**625,624**	**822,021**
Composition of cash and cash equivalents		
Cash and cash equivalents	625,624	822,021
Cash and cash equivalents at end of period	**625,624**	**822,021**

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRELIMINARY STATEMENTS

1.1 STRUCTURE AND BUSINESS OPERATIONS OF THE GROUP

The consolidated financial statements include all significant subsidiaries in addition to the parent company CTS Eventim AG & Co. KGaA (‘CTS KGaA’). CTS KGaA is entered in the commercial register of Munich local court under no. HRB 212700. The Company’s head office is in Bremen, Germany. CTS KGaA is listed on the Frankfurt Stock Exchange under WKN 547030 and is included in the MDAX.

EVENTIM Management AG, Hamburg, is responsible for the management of CTS KGaA. EVENTIM Management AG, Hamburg, is represented by its Executive Board.

The CTS Group is divided into two segments, Ticketing and Live Entertainment, and operates in the market for leisure events. The objects of the Ticketing segment are to produce, sell, broker, distribute and market tickets for concerts, theatre, art, sports and other events in Germany and abroad, in particular by using electronic data processing and modern communication and data transmission technologies. The objects of the Live Entertainment segment are to plan, prepare and stage events, in particular music events and concerts, to market music productions and to operate venues.

These interim consolidated financial statements and interim group management report of CTS KGaA and its subsidiaries for the first six months of the 2021 financial year were approved for publication by resolution of the Executive Board of EVENTIM Management AG on 24 August 2021.

1.2 ACCOUNTING PRINCIPLES

These interim consolidated financial statements for the period ended 30 June 2021, which have not been audited or reviewed by an auditor, were prepared in compliance with the International Financial Reporting Standards (IFRS) for interim financial reporting, as adopted by the European Union (IAS 34 ‘Interim Financial Reporting’), and in accordance with the applicable provisions of the German Securities Trading Act (WpHG). As permitted under IAS 34, a condensed reporting scope was chosen compared to the consolidated financial statements for the year ended 31 December 2020. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020. The interim financial statements contain all of the information required for a fair presentation of the Company’s financial position, financial performance and cash flow.

The interim consolidated financial statements have been prepared in euros. All amounts in the interim consolidated financial statements have been rounded to the nearest thousand euros. This may mean that the individual figures do not add up to the totals shown.

1.3 ACCOUNTING POLICIES

The accounting policies and consolidation methods used are the same as those applied in the consolidated financial statements for the year ended 31 December 2020, with the exception of the first-time application of new and amended standards (see note 1.5).

Receivables from and liabilities to related parties have been presented in a separate line item on the balance sheet since 1 January 2021. These comprise the receivables from and liabilities to affiliated companies and equity-accounted associated companies, which were previously shown as a separate line item until 31 December 2020, and receivables from and liabilities to other related parties, which were previously included in trade receivables and trade payables and had amounted to EUR 93 thousand and EUR 775 thousand respectively as at 31 December 2020. The prior-year figures have been adjusted accordingly.

1.4 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

Standards that are not applicable until after the balance sheet date have not been adopted early. The amended standards and interpretations to be adopted in future are not expected to have any material effects on the Group's financial position, financial performance or cash flow.

In view of the ongoing COVID-19 pandemic, the IASB published an amendment to IFRS 16 'Leases' in March 2021 in order to extend the May 2020 amendment that provides lessees with an exemption regarding the accounting treatment of rent concessions. This exemption will now apply beyond 30 June 2021. The amendment has not yet been adopted by the European Union. In the CTS Group, changes to contracts resulting from lease concessions in connection with the COVID-19 pandemic that extend beyond 30 June 2021 have therefore been accounted for by modifying the affected contracts. This predominantly relates to the Live Entertainment segment.

1.5 NEW AND AMENDED STANDARDS IN 2021

The following new and amended standards had to be adopted for the first time on or after 1 January 2021: Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The new and amended standards and interpretations did not have any impact on the Group's financial position, financial performance or cash flow.

2. EFFECTS OF THE COVID-19 PANDEMIC

The ongoing COVID-19 pandemic again took a heavy toll on the CTS Group's business activities in the first half of 2021. Official restrictions continue to apply because of the pandemic, which means that virtually no countries are permitting major events to take place. In the CTS Group, this led to a significant decline in revenue and earnings in the first six months of 2021, because financial performance in the first quarter of 2020 had still included earnings from the staging of events. In the Ticketing and Live Entertainment segments, a lack of earnings contributions as a result of the cancellation and postponement of events was compensated for by the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus (EUR 101.674 million).

In 2020, legislators in some markets introduced a voucher solution for promoters in order to improve their liquidity situation (see note 1.5 in the notes to the consolidated financial statements in the 2020 annual report).

Governments in many European countries are offering various support programmes to companies affected by the COVID-19 pandemic. Under these support programmes, some CTS Group subsidiaries again entered into loan agreements in the first half of 2021. The volume of these agreements equated to EUR 1.110 million.

The CTS Group continued to forge ahead with the action plan initiated in the previous year in order to reduce costs and protect liquidity. However, the progress with vaccination programmes and the sharp fall in the number of coronavirus cases in the summer months – resulting in the easing of restrictions – enabled concerts to be staged again, provided that local hygiene and protective measures were implemented in order to contain the COVID-19 pandemic. At the same time, activities relating to the planning of future events and the marketing of the ticketing platform to promoters were stepped up again.

While there was an initial shortage of vaccines during the first few months of the vaccination campaign, the countries in which the CTS Group operates now have sufficient quantities of vaccines for most groups of the population and have the necessary infrastructure in place to be able to administer them. Although the target of immunising society as a whole is getting closer, vaccination rates are currently slowing in many countries. New variants of the virus are more transmissible and thus spread more quickly, causing case numbers to rise again.

Consequently, it is still impossible to pinpoint exactly when life will return to normal and all restrictions on events will be lifted. In the Annual Report 2020 the company stated in section 8.2.6 social/political/legal risks that the impact of the COVID-19 pandemic was classified as high and this risk continues to be categorised as high.

At the time of preparation of the Group's interim report, the Management Board assumes that the risks will not jeopardise the continued existence of CTS KGaA or the Group as a going concern. However, it cannot be ruled out that the COVID-19 pandemic or other factors that are currently unknown or not yet classified as significant could influence the continued existence of the CTS Group as a going concern in the future.

3. SCOPE OF CONSOLIDATION

The parent company and 119 subsidiaries (31 December 2020: 118) are included in full in the consolidated financial statements of the CTS Group. This change is the result of two acquisitions in the Live Entertainment segment, two start-ups in the Ticketing segment, and the disposal of a subsidiary and the merger of two companies in the Live Entertainment segment.

3.1 SIGNIFICANT CHANGES IN THE LIVE ENTERTAINMENT SEGMENT

PROVISIONAL PURCHASE PRICE ALLOCATION FOR DREAMHAUS

On 24 March 2021, the CTS Group acquired 74.996% of the shares in concert promoter DreamHaus GmbH, Berlin ('DreamHaus').

The following table shows the fair values at the time of initial consolidation of **DreamHaus** based on the provisional purchase price allocation:

	Fair values at the time of initial consolidation – provisional purchase price allocation –
	[EUR'000]
Cash and cash equivalents	199
Other assets	132
Current assets	**331**
Intangible assets	190
Property, plant and equipment	479
Right-of-use assets from leases	746
Other assets	43
Deferred tax assets	113
Non-current assets	**1,571**
Trade payables	90
Liabilities to affiliated companies	2,237
Other liabilities	67
Lease liabilities	157
Current liabilities	**2,551**
Other liabilities	350
Lease liabilities	589
Deferred tax liabilities	53
Non-current liabilities	**992**
Total net assets	**-1,642**

Assets and liabilities were measured at fair value within the scope of the provisional purchase price allocation. At the time of initial consolidation, intangible assets (customer base with a useful life of seven years) were recognised at a fair value of EUR 177 thousand. Deferred tax liabilities of EUR 53 thousand were recognised for the temporary differences from the revaluation.

As at 30 June 2021, the purchase price allocation was still provisional, as investigations relating to intangible assets and final assessments of legal issues are still pending.

The following table shows the reconciliation of consideration transferred as at the time of initial consolidation:

	[EUR'000]
Consideration transferred	1,000
Total net assets	**-1,642**
Share of net assets	**-1,231**
Goodwill	2,231

The difference between the consideration transferred and the share of net assets was assigned to the goodwill of the Live Entertainment segment and mainly reflects the potential for future synergies and growth. Goodwill is not tax-deductible.

DreamHaus was consolidated for the first time at the end of March 2021, so no revenue was included in consolidated revenue.

HPX, LLC, Delaware, USA, was founded on 15 April 2021. The purpose of this company is to develop and produce a major entertainment exhibition and to operate it on every continent. HPX, LLC is an equity-accounted associated company of EMC Presents, LLC (formerly: Alternate Nation Entertainment Group, LLC) and is assigned to the Live Entertainment segment.

3.2 FINAL PURCHASE PRICE ALLOCATIONS

FINAL PURCHASE PRICE ALLOCATION FOR ZAPPA

As part of the finalisation of the purchase price allocation for the purchase of the ticketing business of Zappa Ltd., Herzelia, Israel, in December 2020, the valuation of the consideration in the form of the transferred shares in CTS Eventim New Co Ltd., Tel Aviv, Israel, was adjusted, reducing the consideration by EUR 9.181 million and increasing the fair value of the recognised exclusivity rights by EUR 1.728 million and thus increasing the value of the shares of the outside shareholders by EUR 847 thousand. Consequently, the goodwill arising from the acquisition, which was assigned to the Ticketing segment, decreased by EUR 10.062 million. The prior-year figures have been adjusted in accordance with IFRS 3.

Impact of the final purchase price allocation for Zappa on the consolidated balance sheet as at 31 December 2020

	Final purchase price allocation – 31 Dec 2020 –	Provisional purchase price allocation – 31 Dec 2020 –	Change
	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS			
Goodwill	349,881	359,943	-10,062
Other intangible assets	150,252	148,524	1,728
			-8,334
EQUITY AND LIABILITIES			
Retained earnings	336,558	345,739	-9,181
Non-controlling interests	47,139	46,292	847
			-8,334

FINAL PURCHASE PRICE ALLOCATION GADGET GROUP

The provisional purchase price allocation for the Gadget Group was finalised as at 31 December 2020. The quarterly information for the previous year has been adjusted accordingly.

Impact of the final purchase price allocation for the Gadget Group on the consolidated income statement for the first half of 2020

	Final purchase price allocation – 1 Jan - 30 Jun 2020 –	Provisional purchase price allocation – 1 Jan - 30 Jun 2020 –	Change
	[EUR'000]	[EUR'000]	[EUR'000]
EBIT	-31,490	-31,351	-139
EBT	-57,731	-57,592	-139
Taxes	5,910	5,889	21
Profit or loss for the period attributable to shareholders of CTS KGaA	-40,434	-40,316	-118

4. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Cash and cash equivalents decreased by EUR 115.558 million compared with 31 December 2020. This fall was primarily due to the partial repayment of the syndicated credit line in an amount of EUR 100.000 million in April 2021. In April 2020, the existing syndicated credit line of EUR 200.000 million had been drawn down in order to increase the CTS Group's financial flexibility during the COVID-19 pandemic. Consequently, only EUR 100.000 million was still drawn down from the syndicated credit line as at 30 June 2021. A reduction in financial liabilities owing to the payment of purchase price liabilities and a rise in advances paid in the Live Entertainment segment also resulted in a lower level of cash and cash equivalents.

The rise in current **other non-financial assets** of EUR 98.219 million was largely attributable to receivables of EUR 101.674 million for the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus.

IMPAIRMENT OF GOODWILL, RIGHT-OF-USE ASSETS FOR VENUES AND OTHER INTANGIBLE ASSETS

Due to the negative impact of the COVID-19 pandemic on the earnings situation, goodwill was tested for impairment in the Ticketing segment (EUR 246.1 million) and Live Entertainment segment (EUR 104.8 million) as at 30 June 2021 in accordance with IAS 36. The discount rate determined was around 0.8 percentage points higher (Ticketing: 9.2% and Live Entertainment: 9.5%) than in the impairment test carried out at the end of 2020. The underlying planning is based on the scenario in which major events do not restart until the first quarter of 2022. Even if the discount rate had been 1 percentage point higher or the EBITDA margin in the Ticketing segment or the Live Entertainment segment 10% lower, there would not have been any need for impairment of goodwill in either segment.

The right-of-use assets for venues in the Live Entertainment segment were also tested for impairment. The underlying planning is based on the scenario in which major events do not restart until the first quarter of 2022. A country-specific cost of capital was applied (8.6%–8.9%). The fair values were determined on the basis of discounted cash flow scenarios. In order to determine the need for the recognition of impairment losses on right-of-use assets, the fair value was compared with the carrying amount of the allocated cash-generating unit on the valuation date. No impairment was identified.

In the impairment test of intangible assets (customer base and brand) with a finite useful life, discounting was based on a country-specific weighted cost of capital of between 6.4% and 12.6%. The fair values were determined on the basis of discounted cash flow scenarios. The underlying planning is based on the scenario in which major events do not restart until the first quarter of 2022. In order to determine the need for the recognition of impairment losses on an intangible asset, the fair value with matching maturity less costs to sell was compared with the carrying amount of the allocated cash-generating unit on the valuation date. No impairment was identified.

5. SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

REVENUE

The CTS Group generated revenue of EUR 65.306 million in the period under review, a decrease of 67.1% compared with the prior-year figure of EUR 198.473 million.

	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]
Ticketing		
Ticket fees	36,075	70,831
Other service charges	3,434	3,492
Commissions	2,713	2,801
Licence fees	1,809	1,847
Other	5,553	9,446
	49,583	**88,416**
Live Entertainment		
Entertainment services	7,648	100,297
Catering and merchandising	472	6,284
Sponsorship	340	968
Other	9,882	7,371
	18,342	**114,920**
Intersegment consolidation	-2,619	-4,863
CTS Group	**65,306**	**198,473**

Of the external revenue generated by the CTS Group, EUR 17.758 million was recognised over a period of time in accordance with IFRS 15 (previous year: EUR 119.384 million). Of this amount, EUR 9.746 million was attributable to the Ticketing segment (previous year: EUR 18.894 million) and EUR 8.012 million to the Live Entertainment segment (previous year: EUR 100.491 million). In the Live Entertainment segment, the periods of time over which revenue is recognised are very short and amount to no more than a few days in the case of festivals.

The following table shows the external revenue for the reporting period, broken down by geographical distribution:

	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]
Germany	31,581	121,508
Italy	12,659	25,220
Switzerland	5,502	14,488
Austria	4,607	14,266
Other countries	10,957	22,992
	65,306	**198,473**

In all countries, the decline in revenue was primarily due to the consequences of the ongoing COVID-19 pandemic, which has led to events being officially banned or subject to restrictions worldwide. In the Ticketing segment, this led to a fall in presales for events. The Live Entertainment segment saw a sharp decrease in the number of events held during the reporting period.

OTHER OPERATING INCOME

Other operating income increased by EUR 71.087 million, from EUR 50.831 million to EUR 121.919 million. The rise was largely attributable to income of EUR 101.674 million received in the November and December Assistance under the economic aid programme introduced in Germany in connection with coronavirus. This coronavirus support is still subject to a final review as part of the final settlement, but the relevant conditions for recognition in accordance with IAS 20 have been satisfied. Income of EUR 43.582 million from insurance compensation had been recognised in the first half of 2020.

IMPAIRMENT OF FINANCIAL ASSETS

In the first half of 2021, reversals of impairment losses (net of impairment losses) on financial assets of EUR 410 thousand were recognised in selling expenses or other operating income (previous year: impairment losses of EUR 5.241 million).

TAXES

Operating activities gave rise to a tax expense of EUR 18.303 million (previous year: tax income of EUR 5.910 million). The tax rate was 40.5% (previous year: 10.2%). Losses where deferred tax assets are not recognised have a significant influence on the tax rate.

6. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

The following table shows the carrying amounts, classification and fair values of current and non-current financial instruments as at 30 June 2021:

	Carrying amount as at 30 Jun 2021	Classification in accordance with IFRS 9			Fair value
		Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS					
Cash and cash equivalents	625,624		625,624		625,624
Marketable securities and other investments	10,772	675	10,097		10,772
Trade receivables	30,015		30,015		30,011
Receivables from related parties	1,660		1,660		1,660
Other non-derivative financial assets	84,045	853	83,191		84,445
thereof receivables from ticket monies	*31,055*		*31,055*		*31,055*
Stand-alone derivatives	771	771			771
Investments	2,756	2,756			2,756
Total	**755,643**	**5,056**	**750,587**		**756,040**
LIABILITIES					
Financial liabilities	137,768			137,768	137,746
Trade payables	72,966			72,966	72,966
Liabilities to related parties	4,488			4,488	4,488
Other non-derivative financial liabilities	347,626			347,626	347,510
thereof liabilities from ticket monies not yet settled	*321,050*			*321,050*	*320,925*
Lease liabilities	130,311				130,311
Stand-alone derivatives	3,444	3,444			3,444
Total	**696,603**	**3,444**		**562,847**	**696,465**

On the assets side, derivatives from corporate transactions amounting to EUR 771 thousand were assigned to stand-alone derivatives. These are reported in other financial assets on the consolidated balance sheet.

On the liabilities side, derivatives from corporate transactions amounting to EUR 3.444 million were classified as stand-alone derivatives. They are assigned to financial liabilities on the consolidated balance sheet.

The following table shows the carrying amounts, classification and fair values of current and non-current financial instruments as at 31 December 2020:

		Classification in accordance with IFRS 9			
	Carrying amount as at 31 Dec 2020	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS					
Cash and cash equivalents	741,182		741,182		741,182
Marketable securities and other investments	600	501	99		600
Trade receivables	25,351		25,350		25,349
Receivables from related parties	756		756		756
Other non-derivative financial assets	66,441	853	65,588		66,693
thereof receivables from ticket monies	*17,215*		*17,215*		*17,215*
Stand-alone derivatives	773	773			773
Investments	2,902	2,902			2,902
Total	**838,005**	**5,030**	**832,975**		**838,255**
LIABILITIES					
Financial liabilities	244,147			244,147	243,506
Trade payables	69,136			69,136	69,136
Liabilities to related parties	1,510			1,510	1,510
Other non-derivative financial liabilities	274,686			274,686	274,566
thereof liabilities from ticket monies not yet settled	*256,865*			*256,865*	*256,747*
Lease liabilities	137,760				137,760
Stand-alone derivatives	4,376	4,376			4,376
Total	**731,614**	**4,376**		**589,478**	**730,853**

FAIR VALUE DISCLOSURES

The principles and methods used to measure fair value are unchanged compared with 31 December 2020.

Reclassifications between the levels of the fair value hierarchy are carried out at the beginning of the quarter in which the reason or the change in circumstances occurs that results in the reclassification. There were no reclassifications in the first six months of 2021.

The following table provides an overview of the fair values of financial assets and liabilities and their assignment to the three levels of the fair value hierarchy according to IFRS 13 as at 30 June 2021:

	30 Jun 2021			
	Level 1	Level 2	Level 3	Total
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Marketable securities and other investments	675	0	0	675
Trade receivables [2]	0	339	0	339
Other non-derivative financial assets [2]	0	17,648	853	18,502
Stand-alone derivatives	0	0	771	771
Investments	505	0	2,251 [1]	2,756
	1,180	**17,987**	**3,875**	**23,043**
LIABILITIES				
Financial liabilities	0	137,746	0	137,746
Other non-derivative financial liabilities [2]	0	48,221	0	48,221
thereof liabilities from ticket monies not yet settled [2]	*0*	*46,922*	*0*	*46,922*
Stand-alone derivatives	0	0	3,444	3,444
	0	**185,967**	**3,444**	**189,411**

[1] As the investments line item contains a large number of individual contracts, the additional disclosures on level 3 instruments are not provided due to immateriality.
[2] For the current part of this line item, it is assumed that the carrying amount is a reasonable approximation of the fair value. It is therefore not included in the fair value hierarchy.

The following table provides an overview of the fair values of financial assets and liabilities and their assignment to the three levels of the fair value hierarchy according to IFRS 13 as at 31 December 2020:

	31 Dec 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
ASSETS				
Marketable securities and other investments	501	0	0	501
Trade receivables [2]	0	115	0	115
Other non-derivative financial assets [2]	0	13,291	853	14,144
Stand-alone derivatives	0	2	771	773
Investments	513	0	2,389 [1]	2,902
	1,014	**13,408**	**4,013**	**18,435**
LIABILITIES				
Financial liabilities	0	243,506	0	243,506
Other non-derivative financial liabilities [2]	0	16,872	0	16,872
thereof liabilities from ticket monies not yet settled [2]	*0*	*16,584*	*0*	*16,584*
Stand-alone derivatives	0	931	3,444	4,376
	0	**261,309**	**3,444**	**264,753**

[1] As the investments line item contains a large number of individual contracts, the additional disclosures on level 3 instruments are not provided due to immateriality.
[2] For the current part of this line item, it is assumed that the carrying amount is a reasonable approximation of the fair value. It is therefore not included in the fair value hierarchy.

7. SEGMENT REPORTING

The external and internal revenue of the segments is shown in the following table:

	Ticketing		Live Entertainment		Total for segments	
	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]
External revenue	47,479	84,655	17,827	113,818	65,306	198,473
Internal revenue	2,104	3,761	515	1,102	2,619	4,863
Revenue after consolidation within the segment	**49,583**	**88,416**	**18,342**	**114,920**	**67,925**	**203,336**

Reconciliation of the segments' earnings before interest and taxes (EBIT) to the Group's earnings:

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020 [1]	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020	1 Jan 2021 - 30 Jun 2021	1 Jan 2020 - 30 Jun 2020 [1]
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Revenue	49,583	88,416	18,342	114,920	-2,619	-4,863	65,306	198,473
EBITDA	64,036	-1,625	12,940	-1,870	0	0	76,976	-3,495
Depreciation and amortisation	-15,304	-16,691	-10,988	-11,303	0	0	-26,292	-27,994
EBIT	48,732	-18,317	1,952	-13,173	0	0	50,684	-31,490
Net financial income and expenses							-5,440	-26,241
Earnings before taxes (EBT)							45,244	-57,731
Taxes							-18,303	5,910
Profit or loss for the period							26,941	-51,821
Non-controlling interests							31	11,388
Profit or loss for the period attributable to shareholders							26,972	-40,434
Average number of employees	1,438	1,644	889	1,319			2,327	2,963

Normalised EBITDA	64,220	-1,333	15,215	-1,370	0	0	79,436	-2,703
Normalised EBIT before amortisation from purchase price allocation	51,139	-13,949	7,272	-9,419	0	0	58,411	-23,368

[1] Adjusted prior-year figures owing to the finalised purchase price allocation for the Gadget Group

8. OTHER DISCLOSURES

RESOLUTIONS OF THE ANNUAL SHAREHOLDERS' MEETING AND APPROPRIATION OF EARNINGS

RESOLUTION ON THE AUTHORISATION TO PURCHASE AND USE TREASURY SHARES

The authorisation to purchase and use treasury shares pursuant to section 71 (1) no. 8 of the German Stock Corporation Act (AktG), which was granted by resolution of the virtual Annual Shareholders' Meeting on 19 June 2020, will be cancelled. No use has been made of this authorisation so far. By resolution of the Annual Shareholders' Meeting on 7 May 2021, the general partner was authorised until 6 May 2026 to purchase treasury shares of CTS KGaA equating to up to 10% of the share capital as at the time this authorisation took effect or as at the time this authorisation is used. The consideration for the purchase of these shares may not exceed the share price by more than 10% and may not be more than 20% below the share price. The applicable share price is defined as the mean closing price for shares on the XETRA trading platform during the last five trading days before publication of the offer to purchase the shares. The volume of the offer may be limited.

RESOLUTION ON THE AUTHORISATION TO GRANT PRE-EMPTION RIGHTS, CREATION OF 2021 CONTINGENT CAPITAL AND AMENDMENT OF THE ARTICLES OF ASSOCIATION

With the aim of increasing the loyalty of the managers and employees of the Company and its affiliated companies in Germany and abroad by providing a variable remuneration component with a long-term incentive effect, it was made possible to issue pre-emption rights attaching to the Company's shares to members of the Executive Board of the general partner of CTS KGaA, to members of the management bodies of affiliated companies in Germany and abroad and to selected managers and employees of the Company and its affiliated companies in Germany and abroad ('beneficiaries') under a stock option programme ('2021 Stock Option Programme').

CANCELLATION OF THE EXISTING AUTHORISATION

With effect from the time that the new section 4 (5) of the articles of association is entered in the commercial register, the as yet unused authorisation for the 2000/I Stock Option Programme, which was approved by the Company's Annual Shareholders' Meeting on 21 January 2000, and the related unused 2000/I Contingent Capital will be cancelled.

AUTHORISATION TO ISSUE STOCK OPTIONS WITH PRE-EMPTION RIGHTS

Subject to the consent of the Supervisory Board, the general partner was authorised up to and including 6 May 2026 ('authorisation period') to grant pre-emption rights ('stock options') on up to 1,440,000 no-par-value bearer shares of the Company on one or more occasions to members of the management bodies of affiliated companies in Germany and abroad and to selected managers and employees of the Company and its affiliated companies in Germany and abroad.

The Supervisory Board was authorised up to and including 6 May 2026 ('authorisation period') to grant pre-emption rights ('stock options') on up to 500,000 no-par-value bearer shares of the Company on one or more occasions to members of the Executive Board of the Company's general partner.

One stock option grants one pre-emption right to one share of the Company. The Company's shareholders do not have a pre-emption right. When stock options expire owing to the ending of the service/employment contract with the Company or an affiliated company due to an affiliated company leaving the CTS Group, or if they expire for other reasons during the authorisation period, the equivalent number of stock options can be issued again to beneficiaries. The exercised pre-emption rights can be settled, at the Company's discretion, by using the 2021 Contingent Capital or by using the Company's treasury shares. The Company is also entitled to settle the rights in cash.

CREATION OF CONTINGENT CAPITAL

The share capital of the Company will be conditionally increased by up to EUR 1,440,000.00 by issuing up to 1,440,000 new no-par-value bearer shares (2021 Contingent Capital). The contingent capital increase serves solely to grant pre-emption rights on shares (stock options) to members of the Executive Board of the Company's general partner, to members of the management bodies of affiliated companies in Germany and abroad and to selected managers and employees of the Company and its affiliated companies in Germany and abroad that are granted on the basis of the above authorisation.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

A new section 4 (5) has been added to the articles of association: In accordance with the authorisation from the Annual Shareholders' Meeting on 7 May 2021, the Company's share capital has been conditionally increased by up to EUR 1,440,000.00 by issuing up to 1,440,000 new no-par-value bearer shares in the Company representing an arithmetic share of the share capital of EUR 1.00 per share (2021 Contingent Capital). The 2021 Contingent Capital serves to secure pre-emption rights attaching to stock options that are issued by the Company in the period from entry of the 2021 Contingent Capital in the commercial register until 6 May 2026 under the 2021 Stock Option Programme on the basis of the authorisation from the Annual Shareholders' Meeting on 7 May 2021. The contingent capital increase will be implemented only if stock options are issued and the holders of these stock options exercise their pre-emption right on shares in the Company. Shares will be issued from the 2021 Contingent Capital at the exercise price specified in accordance with the authorisation from the Annual Shareholders' Meeting on 7 May 2021. The new shares participate in the profits of the Company from the beginning of the financial year for which, at the time that the pre-emption rights are exercised, the Shareholders' Meeting has not yet adopted a resolution on the appropriation of accumulated profit. The general partner and, where members of the Executive Board of the Company's general partner are concerned, the Supervisory Board are authorised to specify the further details of the contingent capital increase and its implementation.

APPROPRIATION OF EARNINGS

In view of the continuing high level of economic uncertainty due to the COVID-19 pandemic, the Executive Board of the general partner and the Supervisory Board of CTS KGaA proposed to the Annual Shareholders' Meeting on 7 May 2021 that the dividend for 2020 be suspended and that the accumulated profit for the financial year be carried forward to the next accounting period. The Annual Shareholders' Meeting adopted a resolution to carry forward the accumulated profit of EUR 280.717 million as at 31 December 2020 to the next accounting period.

FINANCIAL OBLIGATIONS

No other changes have occurred with regard to other contingent liabilities since 31 December 2020.

RELATED PARTY DISCLOSURES

The transactions of the CTS Group with related parties (companies and persons) pertain to reciprocal services and were concluded exclusively at the arm's-length conditions which normally apply between third parties.

As the majority shareholder of the general partner of EVENTIM Management AG and majority shareholder of CTS KGaA, Mr Klaus-Peter Schulenberg was the controlling shareholder until 28 December 2015. On 28 December 2015, Mr Klaus-Peter Schulenberg transferred his shares in CTS KGaA and his shares in EVENTIM Management AG to KPS Stiftung, Hamburg, Germany. Mr Klaus-Peter Schulenberg's holdings in CTS KGaA and EVENTIM Management AG were merely converted from a direct to an indirect holding. He is also the controlling shareholder of other KPS Group companies that are related parties.

The contractual relationships with related parties resulted in the following volumes of goods and services being supplied to and received by related parties in the first half of 2021:

Goods and services supplied by the Group	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]
Subsidiaries not included in consolidation due to immateriality	288	228
Associated companies (accounted for at equity)	168	379
Joint ventures (accounted for at equity)	0	86
Other related parties	332	366
	787	**1,059**

Goods and services received by the Group	1 Jan 2021 - 30 Jun 2021 [EUR'000]	1 Jan 2020 - 30 Jun 2020 [EUR'000]
Subsidiaries not included in consolidation due to immateriality	96	9
Associated companies (accounted for at equity)	199	6
Other related parties	4,871	8,223
	5,167	**8,238**

The volume of goods and services received by the Group decreased, mainly due to the decline in business activity as a result of the COVID-19 pandemic.

CHANGES MADE BY SUPERVISORY BOARD MEMBERS IN RELATION TO COMPANY SHARES OR FINANCIAL INSTRUMENTS RELATING TO SUCH SHARES

In the first half of 2021, the following transactions were carried out by members of the governing bodies of CTS KGaA involving no-par-value bearer shares of the Company.

Name	Position	Transaction	Date	Number of shares
Professor Jobst W. Plog	Member of Supervisory Board	Purchase	23 April 2021	370

EVENTS AFTER THE BALANCE SHEET DATE

On 3 August 2021, CTS KGaA signed an agreement to build and operate Italy's largest state-of-the-art multipurpose arena, the MSG Arena in Milan. The total investment amounts to around EUR 180 million over the course of the project. A project company based in Milan that is part of the CTS Group will acquire a 50,000m² plot of land in the south-east of Italy's northern powerhouse from Milano Santa Giulia S.p.A., where it will plan, build and operate the new arena, including the outdoor facilities and two neighbouring multi-storey car parks. The arena will have a maximum capacity of up to 16,000 seats and boast an outdoor area of more than 10,000m², which will be suitable for open-air events. Construction will begin in autumn 2022, with completion set for autumn 2025. This project expands CTS KGaA's portfolio of internationally renowned event venues, which includes the LANXESS Arena in Cologne, the EVENTIM Apollo in London and the K.B. Hallen in Copenhagen.

No further reportable events occurred after the balance sheet date.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flow in accordance with German principles of proper accounting, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the main opportunities and risks associated with the Group's expected development for the rest of the financial year.

Bremen, 24 August 2021

CTS Eventim AG & Co. KGaA

Represented by:

EVENTIM Management AG, general partner

Klaus-Peter Schulenberg   Andreas Grandinger   Alexander Ruoff

FORWARD-LOOKING STATEMENTS

This Group interim report contains forward-looking statements based on assumptions and estimates made by the senior management of CTS KGaA. These statements based on assumptions and estimates are formulated using words such as 'believe', 'assume' and 'expect'. Even though the senior management believes that these assumptions and estimates are correct, it is possible that actual performance and results in the future may deviate materially from such assumptions and estimates due to a variety of factors. The latter may include changes in the macroeconomic environment, in the statutory and regulatory environment in Germany and the EU, and changes within the industry. CTS KGaA does not provide any guarantee or accept any liability or responsibility for any divergence between future developments and actual results, on the one hand, and the assumptions and estimates expressed in this Group interim report on the other. CTS KGaA has no intention and undertakes no obligation to update forward-looking statements in order to adjust them to actual events or developments occurring after the date of this report.

This is a translation of the Group interim report. The German version of the Group interim report takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded at corporate.eventim.de.

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