

Group Quarterly Statement as at 30 September 2023

eventim 

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CTS EVENTIM: STRONG GROWTH THANKS TO MEGASTARS AND INTELLIGENT INTEGRATION OF ALL AREAS OF BUSINESS

e The first nine months of the year saw further strong growth of consolidated revenue (up by 23%) and normalised EBITDA (up by 34%) compared with the prior-year period

e Having achieved revenue of EUR 1.75 billion and normalised EBITDA of EUR 343.3 million in the first three quarters of 2023, CTS EVENTIM is confirming its current outlook for the year as a whole

e CEO Klaus-Peter Schulenberg: “CTS EVENTIM offers extremely attractive content in almost all live entertainment segments and has unparalleled reach among fans of music, sport, edutainment and other live formats in Europe and beyond. Thanks to the global integration of our technologies and marketing platforms, we’re ideally positioned to monetise both our content and our reach.”

The CTS Group remained on course for success in terms of revenue and profit in the first three quarters of 2023. Once again, it comfortably surpassed the comparative figures in 2022, which had been a record year. The CTS Group, a leading international provider of ticketing services and live entertainment, is sharply increasing its rate of growth despite economic headwinds. Prudent cost management and significant agility also contributed to the excellent results.

The Group’s growth was driven by strong underlying growth stemming from the many different live entertainment and sports events and, in particular, the tours featuring stars and superstars such as Taylor Swift, Paul McCartney, Coldplay and Apache 207 and the expansion of the global ticketing and live entertainment network.

The CTS Group’s online ticket sales in the period January to September 2023 were up by 27% on the prior-year period.

The **Group’s** consolidated revenue for the first nine months of 2023 came to EUR 1.75 billion, a 23% increase compared with the prior-year period. The Group’s normalised EBITDA advanced substantially again too, reaching EUR 343.3 million for the first three quarters of 2023 (up by 34%) and EUR 172.5 million for the third quarter of 2023 (up by 29%). This includes EUR 37.4 million in income directly due to the CTS group companies from the joint venture company autoTicket GmbH, Berlin (hereinafter: autoTicket), which results from compensation from the federal government. As the prior-year figures also contained grants of economic aid programmes the year-on-year growth rates shown here essentially reflect the success of the operating business. The normalised EBITDA margin is now around the 20% mark. The individual areas of business are benefiting from close links, joint access to centralised resources and extensive knowledge sharing.

In the period January to September 2023, revenue in the **Ticketing segment** climbed by 36% year on year to EUR 459.3 million. The number of online tickets sold was up by 11.6 million compared with the prior-year period. This increase was driven both by events featuring megastars and, once again, by the sheer variety of events on offer. The figures do not yet include the revenue of the French market leader France Billet, Ivry-sur-Seine, France (hereinafter: France Billet), which is due to be fully consolidated at the start of 2024. Normalised EBITDA rose by 59% to EUR 242.3 million in the first nine months of 2023. Again, this includes the one-off item in respect of autoTicket.

The **Live Entertainment segment's** revenue also jumped year on year, increasing by 19% to EUR 1.315 billion in the first three quarters of 2023. Normalised EBITDA was almost unchanged, dropping by just 3% to EUR 101.0 million despite substantially higher costs. The normalised EBITDA margin stood at 8%, which was almost level with the 9% achieved in the corresponding period of the record previous year.

This is a particular success as the figures for the first nine months of the previous year had been boosted by government subsidies running into the mid-double-digit millions.

The appeal of the content on offer continued to attract millions of fans worldwide to festivals and concerts despite higher ticket prices. The segment's prudent management of costs also made an important contribution to the impressive result, which was achieved under difficult economic conditions. The segment will continue to benefit from these strengths in the long term.

KEY GROUP FIGURES

CTS GROUP	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 - 30 Sep 2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	1,750,286	1,428,710	321,576	22.5
EBITDA	338,492	252,983 ³	85,510	33.8
<i>EBITDA margin</i>	19.3%	17.7% ³		1.6 pp
Normalised EBITDA	343,280	256,627 ³	86,653	33.8
<i>Normalised EBITDA margin</i>	19.6%	18.0% ³		1.7 pp
Depreciation, amortisation and impairment	-69,366	-45,845 ⁴	-23,521	51.3
EBIT	269,127	207,138 ^{3,4}	61,989	29.9
<i>EBIT margin</i>	15.4%	14.5% ^{3,4}		0.9 pp
Normalised EBIT before amortisation and impairment from purchase price allocation	301,142	220,355 ^{3,4}	80,787	36.7
<i>Normalised EBIT margin</i>	17.2%	15.4% ^{3,4}		1.8 pp
Financial result	34,587	23,387 ^{3,4}	11,200	47.9
Earnings before taxes (EBT)	303,714	230,525 ⁴	73,189	31.7
Net result for the period attributable to shareholders of CTS KGaA	205,478	130,898 ⁴	74,581	57.0
	[EUR]	[EUR]	[EUR]	
Earnings per share ¹ , undiluted (= diluted)	2.14	1.36 ⁴	0.78	57.0
	[Qty.]	[Qty.]	[Qty.]	
Internet ticket volume (in million)	54.8	43.2	11.6	26.8
Employees ²	3,354	3,042	312	10.3

¹ Number of shares: 96 million

² Number of employees at end of year (active workforce)

³ Regarding the change in the disclosure of foreign currency effects and impairment of loans see preliminary note in the earnings performance

⁴ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

TICKETING	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 - 30 Sep 2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	459,266	338,864	120,403	35.5
EBITDA	241,582	152,590 ¹	88,992	58.3
<i>EBITDA margin</i>	52.6%	45.0% ¹		7.6 pp
Normalised EBITDA	242,324	152,664 ¹	89,660	58.7
<i>Normalised EBITDA margin</i>	52.8%	45.1% ¹		7.7 pp
EBIT	198,156	126,791 ¹	71,365	56.3
<i>EBIT margin</i>	43.1%	37.4% ¹		5.7 pp
Normalised EBIT before amortisation and impairment from purchase price allocation	218,922	129,810 ¹	89,112	68.6
<i>Normalised EBIT margin</i>	47.7%	38.3% ¹		9.4 pp

¹ Regarding the change in the disclosure of foreign currency effects and impairment of loans see preliminary note in the earnings performance

LIVE ENTERTAINMENT	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 - 30 Sep 2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	1,314,740	1,104,799	209,941	19.0
EBITDA	96,910	100,382 ¹	-3,472	-3.5
<i>EBITDA margin</i>	7.4%	9.1% ¹		-1.7 pp
Normalised EBITDA	100,956	103,953 ¹	-2,997	-2.9
<i>Normalised EBITDA margin</i>	7.7%	9.4% ¹		-1.7 pp
EBIT	70,971	80,337 ^{1,2}	-9,366	-11.7
<i>EBIT margin</i>	5.4%	7.3% ^{1,2}		-1.9 pp
Normalised EBIT before amortisation and impairment from purchase price allocation	82,220	90,535 ^{1,2}	-8,315	-9.2
<i>Normalised EBIT margin</i>	6.3%	8.2% ^{1,2}		-1.9 pp

¹ Regarding the change in the disclosure of foreign currency effects and impairment of loans see preliminary note in the earnings performance

² Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

EARNINGS PERFORMANCE

PRELIMINARY NOTE

Changes have been made to the presentation of income and expenses from foreign currency translation and impairments on loans. Whereas previously these items were presented under other operating income or expenses in operating profit or loss, they will be presented under financial result with effect from the second quarter of 2023. This change in presentation will improve the clarity and comparability of the financial operating performance of the CTS Group. In accordance with IAS 8, the comparative information for the first nine months of 2022 was adjusted accordingly, meaning that income from foreign currency translation of EUR 12,480 thousand and expenses from foreign currency translation of EUR 776 thousand, which had been reported under other operating income/expenses in the Quarterly Statement as at 30 September 2022, have been reclassified to financial result. Other operating income of EUR 150 thousand and other operating expenses of EUR 514 thousand from reversals of and additions to impairment on loans were also reclassified to financial result. The reclassification had no effect on the profit for the period or the undiluted and diluted earnings per share.

REVENUE PERFORMANCE

Revenue in the **Ticketing segment** increased from EUR 338,864 thousand by EUR 120,403 thousand to EUR 459,266 thousand. This was primarily driven by a jump of 11.6 million in the number of tickets sold online to 54.8 million (previous year: 43.2 million).

In the **Live Entertainment segment**, revenue rose from EUR 1,104,799 thousand by EUR 209,941 thousand to EUR 1,314,740 thousand. This revenue growth was largely due to a greater number of events, while in the first quarter of 2022 events were only possible to a limited extent due to corona measures. Another revenue driver is the expansion of the scope of consolidation.

In the **CTS Group**, revenue across the two segments therefore went up by EUR 321,576 thousand from EUR 1,428,710 thousand to EUR 1,750,286 thousand.

NON-RECURRING ITEMS

In the period under review, CTS Group earnings were negatively impacted due to non-recurring items in the Ticketing segment amounting to EUR 742 thousand (previous year: EUR 74 thousand), primarily from legal and consulting fees in connection with M&A activities and due diligence reviews, as well as in the Live Entertainment segment amounting to EUR 4,046 thousand (previous year: EUR 3,570 thousand) mainly due to expenses arising from allocations of purchase prices which are not classified as business combinations within the definition of IFRS 3 as well as legal and consulting fees in connection with M&A activities and due diligence reviews for implemented and planned acquisitions.

NORMALISED EBITDA / EBITDA

CTS GROUP	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 - 30 Sep 2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
EBITDA	338,492	252,983	85,510	33.8
Non-recurring items	4,788	3,644	1,144	31.4
Normalised EBITDA	343,280	256,627	86,653	33.8
Depreciation, amortisation and impairment	-69,366	-45,845 ¹	-23,521	51.3
<i>Thereof amortisation and impairment from purchase price allocation</i>	<i>-27,227</i>	<i>-9,573 ¹</i>	<i>-17,654</i>	<i>> 100.0</i>
Normalised EBIT before amortisation and impairment from purchase price allocation	301,142	220,355 ¹	80,787	36.7

¹Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

In the **Ticketing segment** normalised EBITDA rose from EUR 152,664 thousand by EUR 89,660 thousand to EUR 242,324 thousand. The main reason for the year-on-year improvement in earnings was the growth in the number of tickets sold online, both in Germany and abroad. These figures include income of EUR 37.4 million directly due to the CTS group companies from the joint venture company autoTicket which results from compensation from the federal government. This income had a one-time positive impact of EUR 37,408 thousand on EBITDA and normalised EBITDA. Normalised EBITDA margin improved to 52.8% (previous year: 45.1%). As at 30 September 2023 an event-related impairment test was performed for property rights and ticket distribution rights with an indefinite useful life at CTS Eventim New Co. Ltd., Tel Aviv, Israel. This resulted in an impairment of EUR 18,511 thousand.

In the **Live Entertainment segment** normalised EBITDA decreased by EUR 2,997 thousand from EUR 103,953 thousand to EUR 100,956 thousand. The decline essentially results from lower income for Corona economic aid programmes provided in Germany and abroad and increased preproduction and implementation costs for festivals. In contracts there were higher earnings contributions from a large number of events held in the first nine months of 2023, while in the first quarter of 2022 events were only possible to a limited extent due to corona measures. On the other hand, the normalised EBITDA was burdened by increased preproduction and implementation costs for festivals. The normalised EBITDA margin thus decreased to 7.7% (previous year: 9.4%).

Normalised **CTS Group** EBITDA climbed by EUR 86,653 thousand to EUR 343,280 thousand (previous year: EUR 256,627 thousand) and the normalised EBITDA margin increased to 19.6% (previous year: 18.0%).

FINANCIAL RESULT

The financial result increased by EUR 11,200 thousand from EUR 23,387 thousand to EUR 34,587 thousand. The increase essentially results from increased investment income from companies accounted for using the equity method (EUR +25,819 thousand), which was improved in particular by positive effects from the damage claims at autoTicket. Furthermore, interest income increased by EUR 17,174 thousand in the reporting period. This is offset by expenses of EUR 6,260 thousand resulting from the updated fair value assessment of financial assets and liabilities from put options. In August 2023, CTS KGaA exercised the call option for a further 17% of the shares in France Billet. After completion of the transaction, which is still subject to approval by the competition authorities, the shareholding will increase from the current 48% to 65%. This exercise of the call option leads to the revival of a put option of the other shareholder for the remaining 35% of the shares in France Billet, which was now to be valued for the first time in the reporting period. The effects from the valuation of the put option was recorded as a financial expense in the amount of EUR 6,400 thousand and disclosed as a non-cash transaction in the cash flow from operating activities. Furthermore, lower income from the reclassification of foreign currency translations for loans of EUR 9,686 thousand was recorded compared to the same period in the previous year. Another negative effect on the financial result relates to financial income that was recorded from the sale of shares in a subsidiary in the Live Entertainment segment in the amount of EUR 6,373 thousand in the same period of the previous year.

EARNINGS BEFORE TAXES (EBT) / NET RESULT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF CTS KGaA / EARNINGS PER SHARE (EPS)

In the reporting period, EBT increased from EUR 230,525 thousand by EUR 73,189 thousand to EUR 303,714 thousand. After deduction of tax expenses and non-controlling interests, net result for the period attributable to shareholders of CTS KGaA amounted to EUR 205,478 thousand (previous year: EUR 130,898 thousand). In the first nine months of 2023, EPS increase to EUR 2.14 (previous year: EUR 1.36).

PERSONNEL

Compared to the previous year, personnel expenses in the CTS Group increased from EUR 147,235 thousand by EUR 34,375 thousand to EUR 181,610 thousand. The increase in personnel expenses relates to the Live Entertainment segment with EUR 22,639 thousand and the Ticketing segment with EUR 11,736 thousand. The personnel expenses in the previous period were reduced mainly due to government grants in connection with the COVID-19 pandemic.

On average, the companies in the CTS Group had a total of 3,450 employees (previous year: 2,956 employees) including part-time workers on their payroll. Of that total, 1,847 are employed in the Ticketing segment (previous year: 1,748 employees) and 1,603 in the Live Entertainment segment (previous year: 1,208 employees). The increase in staff in both segments resulted in particular from the recovery of business activity after a two-year pandemic-related break. The increase in the Live Entertainment segment also relates to the expansion of the scope of consolidation.

FINANCIAL POSITION

CHANGES IN ASSETS

Cash and cash equivalents decreased by EUR 202,873 thousand compared to 31 December 2022. The decrease in cash and cash equivalents mainly results due to the reduction of liabilities of ticket money that have not yet been settled with promoters in the Ticketing segment and from dividend payment made in the amount of EUR 101,751 thousand.

Cash and cash equivalents include, among other things, ticket monies from ticket presales that have not yet been settled (ticket money received that have not yet been settled with promoters, particularly in the Ticketing segment), which are reported under other financial liabilities in the amount of EUR 415,341 thousand (31 December 2022: EUR 507,697 thousand). Other financial assets also include receivables relating to ticket money from presales mainly in the Ticketing segment amounting to EUR 77,512 thousand (31 December 2022: EUR 107,430 thousand) and factoring receivables from ticket money (EUR 14,524 thousand; 31 December 2022: EUR 11,898 thousand).

Marketable securities and other investments increased by EUR 109,328 thousand, particularly due to term deposits.

The increase of **receivables from related parties** (EUR +65,518 thousand) relates preliminary to receivables against autoTicket which were recorded as damages after the car toll arbitration proceedings ended in July 2023.

The increase in **goodwill** (EUR +5,102 thousand), **other intangible assets** (EUR +11,496 thousand) results primarily from the change in the scope of consolidation in the Live Entertainment segment. **Property, plant and equipment** (EUR +83,414 thousand) increased also due to advances paid for the construction of the MSG Arena in Milan and for exhibition inventory of event formats.

Investments in associates accounted for at equity decreased by EUR 28,765 thousand mainly because of the transition from the at equity method to the full consolidation of HPX LLC, Wilmington, USA (hereinafter: HPX). The company produces a major worldwide entertainment exhibition with a current focus on the US and Europe.

CHANGES IN EQUITY AND LIABILITIES

The current **trade payables** increased by EUR 94,855 thousand mainly due to the growth in business activities in the Live Entertainment segment.

The decrease in current **advance payments received** (EUR -94,083 thousand) is mainly due to execution of events in the reporting period in the Live Entertainment segment.

Current **other financial liabilities** decreased by EUR 86,648 thousand mainly due to the reduction of liabilities of ticket money that have not yet been settled with promoters in the Ticketing segment.

NON-CURRENT LIABILITIES increased by EUR 2,782 thousand mainly in financial liabilities due to the exercise of the call option for a further 17% of the shares in France Billet, which triggered the requirement for the other shareholder to exercise a put option for the remaining 35% of the shares. The recognition of the put option liability increased the long-term financial liabilities by EUR 6,400 thousand. Furthermore, deferred tax liabilities increased, in particular due to the expansion of the scope of consolidation. On the other hand, the reclassification of long-term advance payments received in the Live Entertainment segment to current liabilities led to a decline.

Equity rose by EUR 121,230 thousand from EUR 837,372 thousand to EUR 958,602 thousand, primarily because of the higher net result for the period attributable to the shareholders of CTS KGaA of EUR 205,478 thousand. The positive net income is offset by the dividend payment in the amount of EUR 101,751 thousand in the second quarter 2023 to shareholders.

CASH FLOW

The amount of cash and cash equivalents shown in the cash flow statement corresponds to the cash and cash equivalents stated in the balance sheet. Compared to the closing date of 31 December 2022, cash and cash equivalents declined by EUR 202,873 thousand to EUR 871,634 thousand. In comparison with the closing date at 30 September 2022 cash and cash equivalents decreased by EUR 50,941 thousand.

Cash flow from operating activities amounted to a net cash inflow of EUR 29,059 thousand an improvement of EUR 32,997 thousand compared with the net cash outflow of EUR 3,937 thousand in the prior-year period. This was mainly due to the increase in the profit for the period, from a reduction in ticket money receivables in the reporting period and a smaller increase in trade receivables compared to the same period in the previous year. The higher term deposits and the lower increase in trade payables compared to the same period last year led to negative cash flow effects.

Cash flow from investing activities amounted to a net cash outflow of EUR 92,501 thousand, which was EUR 61,876 thousand higher than the net cash outflow of EUR 30,626 thousand in the prior-year period. The rise was largely attributable to higher payments in property, plant and equipment (mainly advances paid for the construction of the MSG Arena in Milan and for exhibition inventory of event formats).

Cash flow from financing activities amounted to a net cash outflow of EUR 143,329 thousand, an increase of EUR 125,512 thousand compared with the net cash outflow EUR 17,817 thousand in the first nine months of 2022. The increase was mainly due to higher dividend payments to shareholders and higher distributions made to non-controlling interests compared to the same period last year.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

On 18 January 2023, Eventim Live USA Inc., Wilmington, USA (a subsidiary of CTS KGaA), together with the US tour operator Mammoth Inc., Lawrence, USA, founded the companies Sabertooth Touring LLC, Wilmington, USA, and Grizzly Touring LLC, Wilmington, USA, and entered into a partnership with AG Entertainment Touring LLC, Atlanta, USA. The aim of these companies and partnerships is to expand the CTS Group's presence in the US market and to sign international top acts for US and global tours.

Due to contractual changes dated 20 February 2023 EMC Presents LLC, Wilmington, USA (hereinafter: EMC Presents), obtained control of HPX without paying a purchase price. This resulted in the transition from the at equity method to the full consolidation. HPX's business includes the worldwide production of Harry Potter Exhibitions. As part of the revaluation of the shares, assets and liabilities were measured at fair value. At the time of initial consolidation, a property right was recognised with a fair value of EUR 25,201 thousand and a useful life of 6 years. Deferred taxes of EUR 6,998 thousand were formed on the temporary differences from the revaluation. The remeasurement of the equity interest in HPX accounted for using the equity method was recognised as financial expense in the consolidated income statement in the amount of EUR 2,730 thousand.

By contract dated 30 March 2023, FKP SCORPIO Konzertproduktionen GmbH, Hamburg, acquired the remaining 49% of the shares in Friendly Fire B.V., Amsterdam, Netherlands, and its subsidiaries (hereinafter: Friendly Fire Group). The purpose of the company is the organisation and implementation of events such as concerts and festivals as well as artist management and booking. Pursuant to IFRS 3.2 (b), the purchase price of EUR 6,204 thousand was allocated to the individual assets and liabilities acquired based on their relative fair values at the time of acquisition. Trademarks in the amount of EUR 393 thousand with a useful life of 10 years were identified as intangible assets. In addition, other changes in fair value were taken into account in the advance payments received in the amount of EUR 68 thousand. Deferred taxes of EUR 115 thousand were formed on the temporary differences from the revaluation. Furthermore, a non-current non-financial asset was identified, which results from an advance payment for future payments and will be amortised over the term of the contract. The revaluation of the equity interest in the Friendly Fire Group accounted for using the equity method was recognised at fair value with an effect of EUR 210 thousand as financial income in the consolidated income statement.

Due to contractual changes in August 2022, EMC Presents acquired control of BPC Tours LLC, Wilmington, USA (hereinafter: BPC) without paying a purchase price and this resulted in the transition from the at equity method to the full consolidation of BPC. The purchase price allocation was finally completed in compliance with the 12-month deadline in the third quarter of 2023. The effects originally recorded in the fourth quarter of 2022 will now be presented at the time of initial consolidation in the third quarter of 2022. In the course of the final purchase price allocation, the customer base was recognised with a fair value of EUR 2,030 thousand and an order backlog with a fair value of EUR 1,563 thousand. Deferred taxes of EUR 1,167 thousand were formed on the temporary differences from the revaluation. The remeasurement of the equity interest in BPC accounted for using the equity method was recorded as financial income in the consolidated income statement in the third quarter of 2022 at the fair value of EUR 4,306 thousand.

CTS KGaA holds 50% of the shares in autoTicket which is accounted for at equity. At the end of December 2018, the operating company was contracted by the German Federal Motor Transport Authority (Kraftfahrt-Bundesamt) to construct an infrastructure survey system and to collect an infrastructure charge for a minimum duration of 12 years. In June 2019, the Federal Ministry for Transport and Digital Infrastructure (Bundesministerium für Digitales und Verkehr) terminated the agreement, effective 30 September 2019, between the Federal Motor Transport Authority and the operating company on the collection of the German infrastructure charge. Following the termination of the operating agreement, the shareholders made a resolution in December 2019 to assert the contractually agreed financial claims against the federal government. In March 2022, the independent arbitral tribunal responsible for the operator agreement confirmed in an interim arbitration ruling that the claims asserted by autoTicket in the arbitration proceedings for compensation for the gross enterprise value and for reimbursement of the costs incurred through the processing of the operator agreement exist in principle. In July 2023 the arbitration tribunal has proposed to autoTicket and its shareholders and to the Federal Republic of Germany that they bring an end to the arbitration proceedings concerning their car toll dispute by agreeing on payment of compensation for damages totalling EUR 243 million including interest. autoTicket and its shareholders as well as the Federal Republic of Germany agreed to the arbitration tribunal's proposed settlement. The recording entry was made in the third quarter of 2023.

On 2 August 2023, CTS KGaA declared the exercise of the call option for a further 17% of the shares in France Billet to Fnac Darty SA, Ivry-sur-Seine, France. After completion of the transaction, which is still subject to the approval of the competition authorities, the stake will increase from the current 48% to 65%.

EVENTS AFTER THE BALANCE SHEET DATE

No reportable events occurred after the balance sheet date.

RISK AND OPPORTUNITY REPORT

At the time of the preparation of the Group quarterly statement, the Management Board does not assume that CTS KGaA or the Group are exposed to any risks that threaten their continued existence as a going concern. However, it cannot be ruled out that additional factors will emerge in the future, which are not yet known or currently rated as immaterial, and which could jeopardise the continued existence of CTS KGaA or the CTS Group as a going concern.

In July 2023, the arbitration tribunal proposed to autoTicket and its shareholders and to the Federal Republic of Germany that they bring an end to the arbitration proceedings concerning their car toll dispute by agreeing on payment of compensation for damages totalling EUR 243 million including interest. Both autoTicket and its shareholders and the Federal Republic of Germany agreed to the arbitration tribunal's proposed settlement. In the third quarter of 2023, the share of compensation received by autoTicket from the German federal government to which the CTS group companies are directly entitled was recognised through profit and loss, resulting in a one-off positive effect on the Group's EBITDA of EUR 37,408 thousand. In addition, an amount of EUR 29,450 thousand was recognised in the financial result as pro rata income from investments in associated companies from autoTicket.

The opportunity that had previously been categorised as 'high' in the 2022 risk and opportunity report has therefore now materialised.

Beyond that, the statements made in the risk and opportunity report of the Annual Report 2022 remain valid.

OUTLOOK

Based on business performance in the first nine months of 2023 and expected performance in the remaining period (October to December 2023), the Management Board has firmed up its forecast for 2023 as a whole.

The Company now expects the **Group's** revenue for 2023 as a whole to be significantly higher than EUR 2 billion, with normalised EBITDA at well above EUR 400,000 thousand.

For the **Ticketing segment**, the Management Board continues to anticipate moderate year-on-year revenue growth. Based on currently available information, earnings figures are still expected to improve substantially year on year, even excluding the income of EUR 37,408 thousand recognised in profit or loss in respect of the compensation paid to autoTicket and despite an impairment loss of EUR 18,511 thousand recognised in profit or loss in respect of property rights and ticket distribution rights at CTS Eventim New Co. Ltd., Tel Aviv, Israel.

With regard to the **number of tickets** sold online, the Management Board still expects to see moderate year-on-year growth in volume.

For the **Live Entertainment segment**, the Management Board also continues to anticipate moderate year-on-year revenue growth. Excluding the effects of pandemic-related economic aid programmes, the earnings figures for 2023 as a whole are still expected to be moderately higher than in 2022. Including the effects of pandemic-related economic aid programmes, which contributed to an improvement in earnings of EUR 47,594 thousand in the Live Entertainment segment in 2022, the Management Board now projects a moderate year-on-year fall in the earnings figures for 2023 (at the time of publication of the 2023 half-year financial report, the expectation for the whole of 2023 had still been a moderate or substantial fall in the earnings figures).

The forecast for **CTS KGaA** continues to apply as published in the 2022 annual report, meaning that moderate increases in revenue and earnings are anticipated.

Deterioration of the geopolitical security situation, persistently high inflation, economic stagnation or even a recession – as well as the decline in consumer spending on entertainment industry products associated with such scenarios – remain significant potential factors that could influence the future performance of the CTS Group. However, these effects are not quantifiable at this point in time.

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023

ASSETS	30 Sep 2023	31 Dec 2022
	[EUR'000]	[EUR'000]
Current assets		
Cash and cash equivalents	871,634	1,074,507
Marketable securities and other investments	272,949	163,621
Trade receivables	120,104	113,393
Receivables from related parties	69,325	3,807
Inventories	12,229	5,027
Advances paid	126,232	133,457
Receivables from income taxes	8,207	5,292
Other financial assets	149,629	164,473
Other non-financial assets	93,905	72,666
Total current assets	1,724,214	1,736,243
Non-current assets		
Goodwill	366,841	361,739
Other intangible assets	157,844	146,348 ¹
Property, plant and equipment	145,562	62,149
Right-of-use assets from leases	120,092	117,444
Investments	2,082	1,556
Investments in associates accounted for at equity	104,546	133,311
Trade receivables	247	151
Advances paid	1,952	2,299
Other financial assets	27,050	8,393
Other non-financial assets	13,600	14,189
Deferred tax assets	32,047	25,356
Total non-current assets	971,862	872,933 ¹
Total assets	2,696,076	2,609,176 ¹

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

EQUITY AND LIABILITIES	30 Sep 2023	31 Dec 2022
	[EUR'000]	[EUR'000]
Current liabilities		
Financial liabilities	5,652	2,118
Trade payables	327,477	232,622
Liabilities to related parties	8,111	8,154
Advance payments received	430,772	524,855
Other provisions	28,066	39,762
Tax debts	143,676	91,980
Other financial liabilities	471,339	557,987
Lease liabilities	20,821	18,049
Other non-financial liabilities	120,465	117,963
Total current liabilities	1,556,379	1,593,491
Non-current liabilities		
Financial liabilities	20,721	14,873
Trade payables	194	1,303
Advance payments received	4,804	12,052
Other provisions	4,957	4,957
Other financial liabilities	7,891	9,217
Lease liabilities	103,054	102,889
Pension provisions	8,266	6,000
Deferred tax liabilities	31,208	27,022 ¹
Total non-current liabilities	181,095	178,313¹
Equity		
Share capital	96,000	96,000
Capital reserve	1,890	1,890
Statutory reserve	7,200	7,200
Retained earnings	745,138	629,447 ¹
Other reserves	-2,772	-2,915 ¹
Treasury shares	-52	-52
Total equity attributable to shareholders of CTS KGaA	847,404	731,570¹
Non-controlling interests	111,198	105,802
Total equity	958,602	837,372¹
Total equity and liabilities	2,696,076	2,609,176¹

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD
FROM 1 JANUARY TO 30 SEPTEMBER 2023**

	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 30 Sep 2022
	[EUR'000]	[EUR'000]
Revenue	1,750,286	1,428,710
Cost of sales	-1,354,975	-1,137,183 ¹
Gross profit	395,311	291,527 ¹
Selling expenses	-89,879	-89,006 ¹
General administrative expenses	-84,039	-64,857 ¹
Other operating income	71,790	85,033 ²
Other operating expenses	-24,056	-15,558 ^{1,2}
Earnings before interest and taxes (EBIT)	269,127	207,138 ^{1,2}
Income / expenses from participations	30	215
Income / expenses from investments in associates accounted for at equity	34,443	8,624
Financial income	24,321	28,702 ^{1,2}
Financial expenses	-24,207	-14,154 ²
Earnings before taxes (EBT)	303,714	230,525 ¹
Taxes	-90,385	-57,842 ¹
Net result for the period	213,329	172,683 ¹
Net result for the period attributable to		
Shareholders of CTS KGaA	205,478	130,898 ¹
Non-controlling interests	7,851	41,785 ¹
Earnings per share (in EUR), undiluted (= diluted)	2.14	1.36 ¹
Average number of shares in circulation, undiluted (= diluted)	96 million	96 million

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

² Regarding the change in the disclosure of foreign currency effects and impairment of loans see preliminary note in the earnings performance

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
FROM 1 JANUARY TO 30 SEPTEMBER 2023**

	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 - 30 Sep 2022
	[EUR'000]	[EUR'000]
Net result for the period	213,329	172,683 ¹
Remeasurement of the net defined benefit obligation for pension plans after taxes	-1,789	6,642
Items that will not be reclassified subsequently to profit or loss	-1,789	6,642
Exchange differences on translating foreign subsidiaries	785	3,033 ¹
Share of other comprehensive income/loss (exchange differences) of associates accounted for at equity	507	-899
Items that will be reclassified subsequently to profit or loss	1,292	2,133 ¹
Other comprehensive income/loss (net)	-497	8,775 ¹
Total comprehensive income/loss	212,832	181,458 ¹
Total comprehensive income/loss attributable to		
Shareholders of CTS KGaA	205,621	133,790 ¹
Non-controlling interests	7,211	47,668 ¹

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD
FROM 1. JULY TO 30. SEPTEMBER 2023**

	1 Jul 2023 - 30 Sep 2023	1 Jul 2022 30 Sep 2022
	[EUR'000]	[EUR'000]
Revenue	729,295	694,351
Cost of sales	-560,297	-544,378 ¹
Gross profit	168,998	149,973
Selling expenses	-33,218	-33,440
General administrative expenses	-29,931	-24,132 ¹
Other operating income	47,567	28,448 ²
Other operating expenses	-18,341	-4,858 ^{1,2}
Earnings before interest and taxes (EBIT)	135,075	115,991 ¹
Income / expenses from participations	-14	0
Income / expenses from investments in associates accounted for at equity	32,081	2,746
Financial income	12,505	10,918 ^{1,2}
Financial expenses	-8,631	-5,626 ¹
Earnings before taxes (EBT)	171,015	124,028 ¹
Taxes	-49,482	-31,521 ¹
Net result for the period	121,534	92,507 ¹
Net result for the period attributable to		
Shareholders of CTS KGaA	120,171	64,709 ¹
Non-controlling interests	1,363	27,798 ¹
Earnings per share (in EUR), undiluted (= diluted)	1.25	0.67 ¹
Average number of shares in circulation, undiluted (= diluted)	96 million	96 million

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

² Regarding the change in the disclosure of foreign currency effects and impairment of loans see preliminary note in the earnings performance

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
FROM 1. JULY TO 30. SEPTEMBER 2023**

	1 Jul 2023 - 30 Sep 2023	1 Jul 2022 - 30 Sep 2022
	[EUR'000]	[EUR'000]
Net result for the period	121,534	92,507 ¹
Remeasurement of the net defined benefit obligation for pension plans after taxes	-1,014	-66
Items that will not be reclassified subsequently to profit or loss	-1,014	-66
Exchange differences on translating foreign subsidiaries	981	4,121 ¹
Share of other comprehensive income/loss (exchange differences) of associates accounted for at equity	-157	-525
Items that will be reclassified subsequently to profit or loss	823	3,596 ¹
Other comprehensive income/loss (net)	-190	3,531 ¹
Total comprehensive income/loss	121,343	96,038 ¹
Total comprehensive income/loss attributable to		
Shareholders of CTS KGaA	120,123	69,343 ¹
Non-controlling interests	1,220	26,695 ¹

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of CTS KGaA										
	Share capital	Capital reserve	Statutory reserve	Retained earnings	Other reserves			Treasury shares	Total equity attributable to shareholders of CTS KGaA	Non-controlling interests	Total equity
					Currency translation	Associated companies accounted for at equity	Remeasurement of the net defined benefit obligation for pension plans				
	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 2022	96,000	1,890	7,200	424,609	2,721	-841	-1,575	-52	529,952	55,847	585,799
Net result for the period	0	0	0	130,898 ¹	0	0	0	0	130,898 ¹	41,785 ¹	172,683 ¹
Other results	0	0	0	0	-87 ¹	-899	3,879	0	2,893 ¹	5,883 ¹	8,775 ¹
Total comprehensive income									133,790¹	47,668¹	181,458¹
Dividends	0	0	0	0	0	0	0	0	0	-2,437	-2,437
Changes in the scope of consolidation	0	0	0	-29	0	0	0	0	-29	730 ¹	701 ¹
Other changes	0	0	0	-165	0	0	0	0	-165	0	-165
Balance as at 30 Sep 2022	96,000	1,890	7,200	555,312¹	2,634¹	-1,741	2,304	-52	663,547¹	101,808¹	765,355¹
Balance as at 1 Jan 2023	96,000	1,890	7,200	629,447	-3,087	-1,840	2,012	-52	731,570	105,802	837,372
Net result for the period	0	0	0	205,478	0	0	0	0	205,478	7,851	213,329
Other results	0	0	0	0	561	507	-925	0	143	-640	-497
Total comprehensive income									205,621	7,211	212,832
Dividends	0	0	0	-101,751	0	0	0	0	-101,751	-24,930	-126,681
Changes in the scope of consolidation	0	0	0	11,872	0	0	0	0	11,872	23,117	34,989
Other changes	0	0	0	91	0	0	0	0	91	-1	90
Balance as at 30 Sep 2023	96,000	1,890	7,200	745,138	-2,526	-1,333	1,087	-52	847,404	111,198	958,602

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD
FROM 1 JANUARY TO 30 SEPTEMBER 2023**

	1 Jan 2023 - 30 Sep 2023	1 Jan 2022 - 30 Sep 2022
	[EUR'000]	[EUR'000]
Net result for the period	213,329	172,683 ¹
Depreciation, amortisation and impairment	69,366	45,845 ¹
Changes in pension provisions	2,190	-7,783
Deferred tax expenses / income	-9,064	57 ¹
Other non-cash transactions	2,821	-11,479 ¹
Profit / loss from disposal of fixed assets	-117	-6,442
Interest expenses / Interest income	-13,624	1,875
Tax expenses	99,449	57,786
Interest received	15,880	1,850
Interest paid	-2,543	-2,137
Income tax paid	-43,045	-33,141
Increase (-) / decrease (+) in inventories	-312	-300 ¹
Increase (-) / decrease (+) in advances paid	12,667	32,775
Increase (-) / decrease (+) in marketable securities and other investments	-110,081	-40,301
Increase (-) / decrease (+) in receivables and other assets	-56,587	-82,582 ¹
Increase (+) / decrease (-) in provisions	-13,900	7,114
Increase (+) / decrease (-) in liabilities	-137,369	-139,757 ¹
Cash flow from operating activities	29,059	-3,937
Cash flow from investing activities	-92,501	-30,626
Cash flow from financing activities	-143,329	-17,817
Net increase / decrease in cash and cash equivalents	-206,771	-52,380
Net increase / decrease in cash and cash equivalents due to currency translation	3,898	9,765
Cash and cash equivalents at beginning of period	1,074,507	965,190
Cash and cash equivalents at end of period	871,634	922,575
Composition of cash and cash equivalents		
Cash and cash equivalents	871,634	922,575
Cash and cash equivalents at end of period	871,634	922,575

¹ Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA

FOREWARD-LOOKING STATEMENTS

This Group quarterly statement contains forecasts based on assumptions and estimates by the corporate management of CTS KGaA. These statements based on assumptions and estimates are in the form of forward-looking statements using terms such as 'believe', 'assume', 'expect' and the like. Even though corporate management believes that these assumptions and estimates are correct, it is possible that actual 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 framework 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 quarterly statement. 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.

The consolidated financial statements are denominated in Euro. All amounts in the Group quarterly statement are rounded to thousand Euros. This may lead to minor deviations on addition.

The Group quarterly statement is also available in German. The German version of the Group quarterly statement takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded on the internet at corporate.eventim.de.

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