



Non-Financial Corporate Report 2021

eventim[★]

Contents

1. FOREWORD BY THE CHAIRMAN OF THE SUPERVISORY BOARD	3
2. EDITORIAL NOTE	5
3. ENVIRONMENTAL AND CLIMATE PROTECTION	6
4. DATA PROTECTION	10
5. CUSTOMER FOCUS AND CUSTOMER SERVICE	12
5.1 Customer Satisfaction	13
6. SAFETY CONCEPTS FOR EVENTS	15
7. COMPLIANCE MANAGEMENT	18
8. RESPONSIBILITY AS AN EMPLOYER AND CAREER DEVELOPMENT	22
8.1 Personal and skills development	24
9. VALIDATION STATEMENT	25
10. IMPRINT	28

1. Foreword by the Chairman of the Supervisory Board ¹

Dear Readers:

I am happy to present the fifth Nonfinancial Group Report (NFR). As a modern and forward-looking Company, CTS EVENTIM has an obligation not only to its shareholders, customers, and business partners, but also to its employees, the environment, and society – even though the COVID-19 pandemic created substantial burdens in 2021 as well due to the numerous restrictions on the live entertainment business.

Despite these enormous obstacles, CTS EVENTIM was able to fulfil its responsibilities as far as possible during the reporting year. Many of the initiatives begun before the outbreak of the pandemic continue to be interrupted due to postponed or cancelled concerts and events. Nevertheless, we would like to present our areas of involvement based upon topics of focus that were considered particularly relevant based upon a thorough analysis.

Since there were no events, the topic of environmental and climate protection lost its prominent position in the materiality analysis during the past year, and was accordingly omitted from reporting. With the new requirements of the EU Taxonomy and the associated audit, this topic has regained its place in the 2021 NFR.

Pursuant to the EU Regulation, as of January 1, 2022, companies must state in their nonfinancial declaration the proportion of figures for revenues, capital expenditures, and operational expenditures that are associated with ecologically sustainable economic activities within the meaning of the EU Taxonomy, and which significantly contribute to achieving six defined EU environmental objectives. This initially involves activities related to the two climate-related environmental goals of climate change mitigation and climate change adaptation. For CTS EVENTIM, the analysis showed that the business activities of Live Entertainment, playing venues whose operation is part of the Live Entertainment segment, and IT services are taxonomy-eligible.



¹ The Foreword by the Chairman of the Supervisory Board is not part of the audited NFR and was therefore not audited.

Even in the second year of the COVID-19 crisis, innovation and performance were guiding principles of CTS EVENTIM. In the area of customer focus, improvements to the online shop included optimised display on mobile devices, improvement of the search functionality, and consistent reduction of load times. The technical handling of presale queues was also improved and the shop was made barrier-free.

With respect to event safety concepts, the focus in 2021 was also on protection against infection. For example, the ventilation system installed in the LANXESS arena played a central role in the permitting and performance of events during the pandemic. The team at FKP Scorpio has five taskforces working on new health protection concepts. They focus on adaptive infection protection and hygiene concepts, secure contact data tracing, cashless payment, and communication with the public and guests. Ten employees were trained as hygiene officers.

Particularly during the time of the COVID-19 pandemic, CTS EVENTIM considers itself obligated to support its employees. Short-time work is in effect until June 30, 2021 in order to preserve jobs. As an employer, CTS EVENTIM took the opportunity to increase the short-time allowance to 90 percent and to provide a special COVID-19 payment. These steps minimised the financial losses suffered by employees and retained talent at the Company.

Even though the level of social engagement was once again necessarily lower in 2021 than in the years prior to the pandemic, CTS EVENTIM still sees the “Social License to Operate” as essential. Goals such as continuously reducing the Company’s environmental footprint naturally remain an area of focus. As soon as the corresponding businesses are once again in full swing, the highly motivated team at CTS EVENTIM will vigorously resume its work on the successful initiatives at all levels and will continue to develop them further. Through all

these efforts, the Company will continue to expand its role in society together with its business partners and all of its employees.

Sincerely,



Dr. Bernd Kundrun
Chairman of the Supervisory Board
CTS EVENTIM AG & Co. KGaA

¹ The Foreword by the Chairman of the Supervisory Board is not part of the audited NFR and was therefore not audited.

2. Editorial Note

With the present Group report, CTS EVENTIM is in compliance with the duty to disclose nonfinancial information for financial year 2021 as specified by the German Commercial Code (HGB), sections 315b and 315c in conjunction with sections 289c to 289e. The subject matter is CTS EVENTIM AG & Co. KGaA (hereinafter: CTS EVENTIM) as the parent company and the significant majority equity investments mentioned in the consolidated financial statements. Disclosures concerning the business model can be found in the current annual report. Significant companies of the Group are included in the voluntary reporting of nonfinancial figures with respect to number of employees and proportion of revenue.

To fulfil the requirements of the HGB with the present 2021 NFR, we have checked whether and to what extent amendments are necessary with regard to the material disclosures identified for the 2021 NFR. The existing significant topics were reviewed for this report, primarily in view of the special situation for the event management industry caused by the COVID-19 pandemic.

The starting point for the assessment of the significant topics according to the HGB were the six areas relevant for CTS EVENTIM: customer focus, product performance and safety, compliance management, human rights and employee issues, corporate citizenship, and climate and environment. The rate of COVID-19

infections significantly impaired event operations in Germany and elsewhere during the reporting year as well, and once again resulted in significant burdens for the Company. The reassessment of topics within the areas made in the prior year was carried over and updated accordingly.

The special topic of environmental and climate protection was added once again. The exclusive content here is the new EU Taxonomy. Firstly, an analysis was performed to determine which business activities at CTS EVENTIM could be classified as taxonomy-ready.

For each of the topics, the report covers the significant contents important for understanding the course of business, business results, the Company's situation, and the effects of its activity on the aforementioned aspects.

Reporting on the concepts that the Company is using to address the selected areas is based upon the GRI Standards (Core Option) issued by the Global Reporting Initiative.

The Supervisory Board of CTS EVENTIM AG & Co. KGaA has reviewed the contents of the report. In doing so, the committee engaged KPMG AG Wirtschaftsprüfungsgesellschaft to perform an audit with limited assurance. This audit was based upon the ISAE 3000 standard.

For the present group report, no nonfinancial risks were identified that could “very probably have a major negative impact on the identified significant topics” according to section 289c (3) HGB.

For ease of reading, the text does not contain gender-specific nouns and pronouns, and instead uses the masculine form throughout. Unless otherwise noted, all references are gender-inclusive.

3. Environmental and Climate Protection

Environmental and climate protection as well as the responsible handling of resources are important social obligations, including for CTS EVENTIM and event organizers belonging to the Group.

While the 2019 Nonfinancial Report still listed an entire series of examples for the use of energy-efficient solutions or collaborations with public transportation in the Ticketing and Live Entertainment segments, the topic of environmental and climate protection lost its prominent position in the materiality analysis in the following year's report due to a lack of events, and was consequently omitted from reporting.

3.1. THE EU TAXONOMY AS A NEW SUBJECT OF NONFINANCIAL REPORTING

With the new requirements of the EU Taxonomy and the associated audit, environmental and climate protection have regained their place in the nonfinancial report of CTS EVENTIM.

The Paris Climate Accords of 2015 form the starting point for a corresponding EU regulation and an associated reporting duty. The paramount objective of the international agreement is to limit global warming to significantly less than 2°C, and if possible, less than 1.5°C. The global community is also committing to reduce global CO2 emissions by 80 to 95 percent by 2050.

In this connection, central roles are played at the EU level by the **European Green Deal**, which aims to achieve carbon neutrality for Europe by 2050, and the **EU Action Plan on Financing Sustainable Growth**. These plans include redirecting finances into “ecologically sustainable” activities. The **EU Sustainable Finance Taxonomy (EU Taxonomy)**, on the other hand, is a classification system that clearly defines what is considered an “ecologically sustainable activity.”

Pursuant to the EU Regulation, as of January 1, 2022, companies must state **in their nonfinancial declaration** the proportion of figures for revenues, capital expenditures (CapEx), and operational expenditures (OpEx) that are associated with ecologically sustainable economic activities within the meaning of the EU Taxonomy, and which significantly contribute to achieving six defined EU environmental objectives.

The criteria for ecologically sustainable economic activities within the meaning of the EU Taxonomy are

- Substantial contribution to realizing one or more environmental objectives
- No significant harm to one or more environmental objectives
- Maintaining minimum protection for work safety and human rights

The environmental goals pursuant to the EU Taxonomy are

- Climate change mitigation (as of 2021)
- Climate change adaptation (as of 2021)
- Sustainable use and protection of water and maritime resources (as of 2022)
- Transition to a circular economy (as of 2022)
- Pollution prevention and control (as of 2022)
- Protection and restoration of biodiversity and ecosystems (as of 2022)

Beginning in 2021, companies must determine whether their business activities are **taxonomy-eligible** within the meaning of the EU Taxonomy. In 2021, this initially involves activities related to the two climate-related environmental goals of **climate change mitigation** and **climate change adaptation**, for which the EU has already published criteria. If economic activities are taxonomy-eligible, companies must then determine the proportion of revenues, capital expenditures, and operating expenditures of the taxonomy-eligible business activities in relation to the company's total activities.

Beginning in 2022, there will be an audit of taxonomy eligibility as well as an analysis of business activities with respect to the other four goals. In addition, beginning in this year there must be an audit to determine whether taxonomy-eligible business activities in conjunction with other environmental goals fulfill the assessment criteria for taxonomy-**conforming** activities. Following this, there will be a determination of key figures of the taxonomy-eligible and taxonomy-conforming proportions based upon revenue, CapEx, and OpEx for all six goals.

3.2. EU TAXONOMY AND CTS EVENTIM

For CTS EVENTIM, based upon the listing of relevant economic activities, the analysis supported by an external service provider showed that the following business activities are taxonomy-eligible in the reporting year:

- Live Entertainment
- Venues (playing venues) whose operation is part of the Live Entertainment segment
- IT services

In the Live Entertainment business unit, CTS EVENTIM engages in taxonomy-eligible activities related to the environmental goal of climate change adaptation

by producing live stage appearances and events, and by providing technical expertise for these events. This classification is based upon the business model, which overlaps with the description of Annex II, as well as the NACE code belonging to the business activity.

Annex II of EU Regulation 2020/852 states under item **13.1.:**

CREATIVE, ARTS, AND ENTERTAINMENT ACTIVITIES

“Creative, arts, and entertainment activities include [...] the **production** and **promotion** of, and participation in, **live performances, events**, or exhibits, and the **provision** of artistic, creative, or **technical skills** for the production of artistic products and the **live performances.**”

The same item also applies to the subsegment of the Live Entertainment segment, the **operation of arenas** and **event locations**. Similar to the higher-level segment, this activity is declared taxonomy-eligible.

With a focus on the **IT services** provided by CTS Solutions, the CapEx/OpEx posted up to that point are likewise declared taxonomy-eligible. The business model of CTS Solutions as an internal service provider for CTS EVENTIM is based upon the development, adaptation,

and updating of software, and therefore overlaps with descriptions and definitions of activity in the taxonomy regulations.

Annex II of EU Regulation 2020/852 states under item **8.2.:**

PROVISION OF INFORMATION TECHNOLOGY SERVICES

“**Writing, modifying, testing and supporting software**; planning and designing computer systems that integrate computer **hardware, software and communication technologies**; and other **professional** and technical **computer-related** activities.”

In the **Ticketing** segment, on the other hand, there is no declaration of taxonomy eligibility. This is due to the lack of clear indicators (e.g., NACE codes) and insufficient overlap with descriptions in the EU Regulation.

To **quantify revenue, CapEx, and OpEx pursuant to the requirements of the EU Taxonomy**, there are definitions of numerators and denominators in each case that are used to calculate the percentage of taxonomy-eligible revenues, investments, and operating costs.

In the case of **revenue**, the numerator refers to goods and services associated with taxonomy-eligible

economic activities (consolidated revenue for subgroup Live Entertainment pursuant to the Group profit and loss statement according to IFRS), while the denominator refers to the consolidated net revenue of the entire company (consolidated revenue CTS Group pursuant to Group profit and loss statement according to IFRS).

In the case of **capital expenditures**, the numerator reflects assets or processes associated with taxonomy-eligible economic activities, and includes additions of property, plant, and equipment and intangible assets prior to depreciation and new valuation, as well as additions of property, plant, and equipment and intangible assets from corporate mergers (addition of intangible assets and property, plant, and equipment according to IFRS without financial investments and without IFRS16 subgroup Live Entertainment and CTS Solutions). The denominator includes the same items for the entire company (addition of intangible assets and property, plant, and equipment according to IFRS without financial investments and without IFRS16 CTS Group).

In the case of **operating expenditures**, the nominator corresponds to assets or processes associated with taxonomy-eligible economic activities and relates to direct costs: training costs and HR-relevant costs, research & development, building refurbishment activities, short-term leasing, maintenance, and repair. The denominator in turn refers to the same cost items for the entire company (essentially expenses from HR-relevant topics in

the other operating expenditures (e.g., employee training); equipment rental/leasing; maintenance/repair and IFRS16 leasing of the CTS Group). Here the EU Taxonomy deviates from the generally applicable definition of operating expenditures.

As a result, the proportion of the taxonomy-eligible revenue to total revenue is 47 percent, the taxonomy-eligible capital expenditures to total investments is 49 percent, and the proportion of taxonomy-eligible operating expenditures to the corresponding grand total is 55 percent.

The calculation of the percentage of revenue, investments, and operating expenditures in connection with assets or processes associated with taxonomy-eligible business activities is based upon the Group accounting data, which form the basis for the consolidated annual financial statements. This involves actual values; estimates were not required.

3.3. RESULTS AND THEIR CALCULATION FOR CTS EVENTIM

CTS Eventim EU Taxonomy	Revenues ¹	CapEx ²	OpEx ³
	in TEUR	in TEUR	in TEUR
Numerator	191,101	16,479	17,871
Denominator	407,821	33,947	32,672
KPI	47%	49%	55%

¹ Consolidated revenue according to IFRS subgroup Live (numerator) and CTS Group (denominator)

² CapEx = Addition of intangible assets and property, plant, and equipment subgroup Live/CTS Solutions (numerator) and CTS Group (denominator)

³ 3HR-related topics, servicing/maintenance/repairs, leasing expenditure according to IFRS subgroup Live/CTS Solutions (numerator) and CTS Group (denominator)



4. Data Protection

Personal data are extremely important for the operation and continued growth of CTS EVENTIM. The Company stores and processes personal data in order to improve existing offers and develop new offers. CTS EVENTIM bears responsibility for the proper and safe handling of these data. Under these circumstances, CTS EVENTIM is required to protect personal data against abuse and unauthorized access, while simultaneously enabling use of the data in accordance with data privacy laws.

Based upon the requirements of the European General Data Protection Regulation (GDPR), CTS EVENTIM has implemented various technical, organizational, and procedural measures. For example, the continuous assessment of operational decisions in terms of their effect on data protection led to the repeated adaptation of data protection information on the ticket portals in order to ensure maximum transparency for customers, and continuous review and updating of order processing contracts with service providers.

With the data protection management system it introduced in 2019, CTS EVENTIM now provides the accountability demanded under the GDPR and ensures that the relevant structures and processes conform to the data protection laws.

One area of focus in the field of data protection in 2021 was the implementation of the EU Commission requirements for data transfer to “third countries.” The standard

contractual clauses adopted by the EU Commission do in fact create a contractual text that can, and indeed must, be accepted without amendment for the transfer of data to non-EU countries, although the conclusion of the standard contractual clauses is preceded by an examination of the specific risk situation in a given case, including the consideration of alternatives within the EU. The implementation under discussion consists of performing this assessment for all existing data transfers and then concluding the standard contractual clauses. Work on this will continue into 2022. CTS EVENTIM should comply with the deadline set by the EU Commission (December 27, 2022). With this activity, CTS EVENTIM continues what was already begun in the previous year, namely to systematically minimise, to the extent possible for the Company, risks for affected persons that could result from an unauthorised access to personal data, e.g. by US authorities. In cases where a transmission cannot be avoided, CTS EVENTIM uses appropriate technical or organisational measures to strive to minimise any existing risks, and concludes standard contractual clauses to ensure a legally reliable basis for the transmission.

The data protection officer’s main focus of activity in 2021 was to provide general advice on data protection law, e.g. concerning data processing in the COVID-19 context and the question of the need for consent to the setting of cookies. In addition, the data protection officer informed the employees on a regular basis about

current topics related to data protection, reviewed company processes related to data protection on an as-needed basis, and worked towards their adaptation where necessary or practical.

5. Customer Focus and Customer Service



The satisfaction of end customers, business customers, sales partners, media partners, and other business partners is one of the primary goals for the entire Group. It is a decisive factor in the continued success of CTS EVENTIM. The Company is therefore thoroughly engaged in ensuring the usability, performance, and availability of its systems and platforms, as well as many other contributing aspects. Its efforts include regular reporting on these topics to the Executive Board as part of the internal risk reporting system.

In addition to optimising its own structures and processes, the Company also relies upon collaboration with external partners. The data centers located in Germany, for example, are operated by a vendor that ensures the confidentiality, availability, and integrity of the data and processes. Its data centers are comprehensively certified in accordance with the requirements specified by CTS EVENTIM: they meet the EN ISO standards 27001 for IT security and 9001 for quality management, the PCI standard for cashless payment systems, and the ISAE standard for the documentation of financial processes. Average system availability in 2021 was more than 99.9 percent, the same as in the previous year.

The satisfaction of end customers and business customers is an important topic for CTS EVENTIM, and is systematically evaluated in order to provide corporate management with a robust basis for decision-making.

5.1. CUSTOMER SATISFACTION

END CUSTOMER SATISFACTION

Rating portals and social media platforms provide consumers with an increasing number of options for obtaining information through feedback from other end customers. This makes customer satisfaction enormously important for business success in e-commerce. CTS EVENTIM continuously measures customer satisfaction by means of surveys of its end customers regarding their satisfaction with its online shop, customer service, and purchasing process. Direct feedback from customers is used to continuously improve the online platforms and associated processes. The NPS (Net Promoter Score, value range -100 to 100) of 37 in the post-purchase survey confirms a high level of willingness to recommend and thus customer satisfaction.

CTS EVENTIM obtains customer feedback in the Live Entertainment segment as well. Following large festivals organised by the Group's subsidiaries, CTS EVENTIM typically surveys attendees on a regular basis about their satisfaction and their wishes. This was also omitted in 2021, however, due to the COVID-19 pandemic. The Company plans to restart the survey over the course of 2022.

The Company implemented a series of projects in Ticketing and Live Entertainment during the reporting year:

- The fanSALE platform operated by CTS EVENTIM is an alternative for the secondary ticketing market. It became available in 12 countries in 2021 (Germany, Great Britain and Northern Ireland, Italy, Netherlands, Switzerland, Denmark, Norway, Brazil, Sweden, Finland, Austria, and Poland).
- Improvements in the online shop include continuous optimisation of its display on mobile devices, improvement of the search functionality, and a consistent reduction of load times; gift certificate offerings were also expanded and optimised, the technical handling of presales queues was improved, and the shop was made barrier-free (not yet with myEventim).

The goal is to use these and other measures to enhance sales performance ("conversion rate") and increase customer loyalty.

The individual CTS EVENTIM companies interact intensively with end customers and respond to their positive and negative feedback. Feedback from customers on social networks or by email is answered by a specialised service provider or by internal departments. The production, marketing, and booking departments use customer feedback to find potential areas for systematic improvement.

BUSINESS CUSTOMER SATISFACTION

Maintaining long-lasting and positive business relationships is a high priority for CTS EVENTIM. Selected measures were implemented in the Group's products during the past reporting year as well, with the goal of increasing business customer satisfaction. For example, sales employees survey existing and potential customers to assess the effectiveness of their efforts.

- Business customers can use the EVENTIM Business Portal (<https://www.eventim-business.de/>) to obtain information on products at any time and to view sales analysis tools. Distributors also regularly receive information via email about current developments at CTS EVENTIM, such as system updates and training offers. The portal was optimised with many refinements during the reporting year. These include additional opportunities for event organisers to generate service emails about hygiene requirements and performance information for events.
- A new tool was also developed in the reporting year to support event organisers in paying out gift vouchers, and has been in use since early 2022.
- There was also a series of initiatives to upgrade tickets with package offers in order to generate more

revenue for event organisers and to increase sell-through rates through cooperation with established platforms, such as retail chains.

- Similar to the EVENTIM.Inhouse product, customer sentiment in the various German regions is now captured through a customer management system for the EVENTIM NET product as well.
- To improve customer loyalty, the sports market specialist EVENTIM Sports started its own LinkedIn channel, upgraded its B2B newsletter, and revised manuals as well as the service area of the ticketing product EVENTIM.Tixx. It also began an overhaul of its own website in 2021, which should be completed in 2022.
- The annual customer satisfaction survey of EVENTIM Sports customers produced a score of 7.5 on a scale of 10.
- COVID-19 contact data collection was introduced at the culture specialist INHOUSE for the ticketing product EVENTIM.Inhouse.

INHOUSE offered customised customer events on various topics during the reporting year.

3.2. CUSTOMER SERVICE

Complaints are important incentives for CTS EVENTIM to improve its services and systems. Feedback from individual customers can be widely disseminated on rating platforms and social media based, for example, upon approximately 672,000 followers on Facebook.

The enormous number of postponed or canceled events due to the COVID-19 pandemic meant that customer service was also faced with a very large number of customer inquiries in 2021 as well. As of December 2021, approximately 80 percent of ticket holders for postponed events retained their tickets. Approximately 8 percent of ticket buyers for postponed or canceled events received a credit voucher, while some 12 percent received a cash refund. These reverse transactions and the notification of customers of all of the postponed or cancelled events involved significant organisational effort, process modifications, and a great deal of customer communication.



6. Safety Concepts for Events



The safety and security of guests and attendees at the Company's own events is a top priority for CTS EVENTIM. The Company therefore prepares individualised safety concepts for its events, which are tailored to the local circumstances (infrastructure, building, personnel resources, attendee structure, other external and internal influential factors). The need for such concepts was of course minimal in 2021 as well due to the COVID-19 pandemic. In view of the massive effects of COVID-19 infections on the event business, however, stringent hygiene measures have received a new high priority as part of the safety concept since 2020, since lacking or flawed concepts entail significant risks for the health of event attendees and also for business operations.

As in the previous year, the LANXESS arena operated by CTS EVENTIM provided its expertise to external event organisers and helped in preparing safety and hygiene concepts, as well as dealing with officials in the event permitting process. A number of events were therefore conducted under German 3G (vaccinated, recovered or negative test result), 2G (vaccinated or recovered), and 2G+ (vaccinated or recovered plus negative test result) rules, depending upon the pandemic conditions, without the detection of any infection clusters.

The ventilation system installed in the LANXESS arena played a central role in the permitting and performance of events during the pandemic. Operating the system at

full load, i.e. extracting air upwards with a simultaneous horizontal fresh air supply, ensured a continuous interior air exchange. Additionally, in contrast to non-pandemic times, the system was set to 100% fresh air supply without any recirculated air.

During all phases when rapid antigen tests were an important component in hygiene concepts and admission rules, LANXESS arena operated and continues to operate a rapid antigen test centre on its grounds. This has allowed attendees, event organisers, employees, and crews to be tested quickly and easily on the way to work or to the event.

Several summer concerts were held in 2021 with observance of special hygiene conditions at the Berliner Waldbühne, which is also operated by CTS EVENTIM. These included the concert by the Berlin Philharmonic, which was approved by the Senate Departments of Culture and Health as a "BärCode (digital certification for rapid antigen tests and COVID-19 vaccines) only" pilot project. Held at the end of June with 6,150 guests, this was the first major cultural event, held under strict conditions, in which personalised tickets, booking of family group seating, or digital verification requirement via BärCODE were implemented. Another seven open air shows with a maximum of 10,000 attendees each were also conducted, thanks to comprehensive on-site hygiene and communication measures.

The team at FKP Scorpio has five taskforces working on new health protection concepts. They focus on adaptive infection safety and hygiene concepts, secure contact data tracing, cashless payment, and communication with the public and guests.

To ensure that FKP Scorpio is also practically in a position to prepare an appropriate hygiene concept for each of the thousands of events per year, or to review existing concepts for each of the playing venues, ten employees have received advanced training as hygiene officers. They are therefore trained in the epidemiological and medical areas relevant to event planning. This enables the Company to work together with experts and in compliance with the respective COVID-19 ordinances of the various states and the federal government to prepare and implement effective safety concepts.

With three indoor festivals at Weissenhäuser Strand on the Baltic Sea, FKP Scorpio has proven that cultural events are also possible during the pandemic: Plage Noire, Rolling Stone Beach, and Metal Hammer Paradise were held on the Baltic Sea coast on three successive weekends from the end of October through the middle of November, with approximately 4,000 music fans in attendance at each event.

Apart from the examples of hygiene and health protection concepts by event organisers and in playing venues operated by CTS EVENTIM, section 43 of the

Model Assembly Ordinance (MVStättVO) in Germany generally requires event organisers, operators, and the authorities responsible for order and safety to agree on a safety concept. In Germany, this agreement is a requirement for the issuance of an official “permit for conducting the event.”

To reduce safety risks at events, CTS EVENTIM relies on both event organisers and cross-sector collaborations. One example in Germany is the “Festival” workshop, hosted by one of the participating police stations in the federal cooperative network of authorities and organisations responsible for safety.

As part of the safety concepts for their events, organisers of large festivals – such as FKP Scorpio and Argo Konzerte GmbH – form a coordinating group with all event organisers participating in the respective Festival and external experts in order to ensure safety at the festival. When events occur, the committee meets several times per year to coordinate safety topics across the different festivals and to develop common recommendations for action. The goal is to implement standardised processes that will apply independently of the respective festival.

7. Compliance Management



CTS EVENTIM acts according to acknowledged principles of good corporate governance, as also specified in the Declaration of Compliance with the German Corporate Governance Code pursuant to section 161 AktG. The Company respects the rights of its customers, employees, and business partners, strives for fair competition, and requires all employees to obey applicable legal and statutory requirements. This also includes the observance of human rights as they relate to employee issues and social issues (cf. also employee issues and safety/security concepts). Ethical corporate conduct is an important factor for recognition as a trustworthy business partner and employer.

Compliance is a fundamental responsibility at CTS EVENTIM. It is considered a fundamental element in functional and ethical corporate governance. CTS EVENTIM has also defined relevant objectives for CMS that are aligned with the corporate culture.

The Group operates a compliance management system (CMS) to ensure adherence to the compliance requirements that are essential for the Group. This system was designed in accordance with the “generally accepted standards for the audit of compliance management systems” established by the Institut der Wirtschaftsprüfer (German Institute of Public Accountants), IDW PS 980. The organisational structures and procedures of the CMS are continuously refined based upon these standards.

OBJECTIVES AND CULTURE

The purpose of the CMS is to prevent violations of applicable laws and ethical principles by CTS EVENTIM and its employees in business transactions. The CMS pursues the following general objectives:

- Maintaining trust in the Company and upholding its reputation
- Orientation and empowerment of employees
- Protecting enterprise value
- Fulfilling legal obligations

CTS EVENTIM has codified its understanding of ethical conduct in a binding group-wide Code of Conduct. This Code of Conduct serves as a central guideline for all professional activities and business relationships. It sets standards for ethical conduct that transcend national borders, company regulations, and legal systems. The Code of Conduct therefore serves as a guideline for the entire Group and contains, among other things, regulations concerning conduct with business partners to prevent corruption and conflicts of interest, as well as rules on environmental and climate protection. All employees of the Group are required to observe these principles

of conduct. Employees are encouraged to raise awareness of these principles among their business partners and suppliers as well.

In addition to the general objectives and corporate culture principles of the Code of Conduct, the Executive Board also formulated definitive goals for 2021 in the form of a compliance program:

- Strengthening anticorruption measures by
 - performing a risk analysis with a focus on anticorruption
 - updating and publishing the Group’s “Anticorruption” guideline
 - developing and publishing guidelines on “Gifts and Invitations” in the core Ticketing markets of Germany, Austria, Switzerland, Italy, and Spain
- Performing the “management sign-off”
- Raising awareness in the newly consolidated companies
- Updating and publishing additional Group compliance guidelines

- Implementing the requirements of the EU Whistleblower Directive and the national implementing legislation for whistleblower protection planned for 2021.

ORGANISATIONAL STRUCTURES AND PROCEDURES

The Executive Board bears overall responsibility for compliance. This includes the introduction, regular monitoring, and continuous improvement of the CMS. The Executive Board ensures the appropriate availability of resources and supervises the implementation of compliance measures. It appointed a compliance officer for CTS EVENTIM AG & Co. KGaA, who coordinates the implementation and refinement of the CMS within the Group. The compliance officer reports directly to the Executive Board. Compliance coordinators were also appointed in the controlled subsidiaries.

In addition to the Code of Conduct, Group guidelines for the areas of anticorruption/conflicts of interest, competition and antitrust law, capital market compliance, and data protection and information security were created and published in the controlled subsidiaries. All Group compliance guidelines were subjected to a comprehensive review in 2021. In this context, Group guidelines on guideline management were created and published for the first time in order to enhance the formal framework here as well. Based upon a group-wide risk assessment

with a focus on anticorruption, local guidelines on gifts and invitations were also developed at the level of the Ticketing companies. These were implemented in the Ticketing segment to address the increasing importance of anticorruption measures.

All companies that were newly consolidated in 2021 and are operationally active have received these guidelines in the context of the onboarding process and were trained accordingly. Therefore, in addition to “DreamHaus GmbH,” “SimplyX GmbH” and “Eventim Live Asia Pte Ltd.” also received this awareness-raising training in 2021. By signing off on these measures, the respective general managers acknowledged their adherence to the compliance requirements. As soon as the new Ticketing companies in the USA and Canada have started their business operations and the integration of “kölnticket” and “bonnticket” has progressed, company management there will also receive the relevant instruction.

At the end of 2021, CTS EVENTIM also carried out the confirmation process (“sign-off”) already introduced for the controlled subsidiaries in 2019. It plans to have the management of these companies acknowledge the compliance requirements and their adherence to them. The goal of the process is to anchor the compliance principles of the Code of Conduct, as well as the relevant Group guidelines and the similarly applicable requirements for organisational structures and procedures, within the controlled subsidiaries.

Based upon the recommendations of the German Corporate Governance Code, CTS EVENTIM installed an internal whistleblowing management system with a whistleblower committee in order to allow the Company to receive and assess whistleblowing notifications from employees. This simplifies the reporting and resolution of whistleblowing notices for possible breaches of compliance or intentional actions that are damaging to the business, and illegal practices that endanger the Company’s reputation and could lead to financial losses. The basic principles of whistleblowing management therefore include protecting the whistleblower against reprisals. No whistleblowing notifications were received through the whistleblower system during the reporting year. Because the EU Whistleblower Directive was not yet implemented into national law as of the balance sheet date, this measure was postponed to 2022.

Essential training activities were conducted digitally in 2021 due to the pandemic. For example, at the level of the Ticketing Deutschland segment, more than 390 employees were trained concerning the reform of the Group guidelines, and more than 340 employees received awareness-raising instructions on the newly implemented “Gifts and Invitations” guideline. In addition, almost 100 employees in the focus groups “Purchasing,” “Sales,” and “Consulting & Support” and 17 employees at “DreamHaus GmbH” also received more in-depth anticorruption training. Almost 40 new

employees were similarly informed in mid-December 2021 concerning the basics of compliance management as part of their digital onboarding.

In the Ticketing segment, various remote training sessions led by the local compliance coordinators were held internally in the controlled subsidiaries on topics such as the update of guidelines or newly introduced local measures, as well as other awareness-raising measures. In total, more than 580 additional employees were reached through these measures.

The controlled subsidiaries are required to report their operational compliance risks once per quarter using the company-wide risk and opportunity management system, which has been adapted to the new requirements of the IDW audit standard PS 340.

MONITORING AND IMPROVEMENT

One of the principles of CTS EVENTIM is to continuously improve and refine the CMS. The relevant guidelines and compliance measures were also reviewed in 2021. The performed risk assessment is integrated into the audit planning so that risk-oriented compliance audits based upon this can be implemented for 2022. There could also be necessary adaptations based upon the audit results from the internal audit department. During 2021, in the context of the pandemic, the internal

audit department concentrated on the implementation of measures from prior audits in the national companies in addition to finance-related audits, and reviewed the implementation status of previously adopted improvement measures (monitoring). This monitoring is performed every three months.

An aerial, high-angle photograph of a massive concert venue at night. The arena is packed with a dense crowd of people. The stage area is illuminated with vibrant, multi-colored lights (red, purple, blue, and white). Several large, rectangular stage structures are visible, some with bright red lighting. The overall atmosphere is one of a large-scale, high-energy event.

8. Responsibility as an Employer and Career Development

Qualified and motivated employees and junior staff form the basis for the success of CTS EVENTIM. As part of its business activity, CTS EVENTIM also strives to fulfil its responsibility of adherence to human rights. In its group-wide Code of Conduct, CTS EVENTIM has stated that the Company respects internationally acknowledged human rights and rejects any form of forced labour or child labour.

The director of Human Resources reports directly to the CEO. The HR strategy is refined in consultation with the Executive Board. In this way, employee-related issues are directly integrated into the central decision-making processes. The Human Resources (HR) area is an internal service provider for all subsidiaries from the Ticketing segment. HR also performs a consulting function for the Live Entertainment segment and the international organization.

HR management of the international subsidiaries is based upon a uniform framework, which the subsidiaries use to structure their respective HR management processes. The subsidiaries are responsible for the initiation and implementation of HR measures, since their local presence allows them to be aware of their employees' needs.

During the COVID-19 pandemic, the HR area is responsible for protecting and supporting the 2,813 employees throughout the Group (as of December 31, 2021), as

well as retaining talent within the Company. The tasks of HR management include implementing innovative concepts and providing digital solutions for employees to facilitate their day-to-day work. One significant contribution in this regard is the introduction of HR software that provides various self-service functions and information to managers and employees. The purpose is to promote a workplace culture that embodies the central values of performance, customer focus, individual initiative, creativity, and entrepreneurship.

Particularly during the global COVID-19 pandemic, CTS EVENTIM considers itself obligated to support its employees. Short-time work is in effect until June 30 in order to preserve jobs. As an employer, CTS EVENTIM is taking the opportunity to increase the short-time allowance to 90% and to provide a special COVID-19 payment. These are intended to minimise the financial losses suffered by employees and to retain talent at the Company.

A comprehensive hygiene concept within the office and the opportunity to receive first and second vaccine shots, as well as boosters, should reduce the risk of infection for our employees. Since 2018, the Company has given employees flexibility in choosing their working hours and work locations. As a result, many employees worked from home throughout 2021.

To ensure market-rate compensation for labour markets with a high level of demand, such as the IT professions, the Company regularly prepares internal and cross-market benchmarks. Internationally, the compensation structure is managed based upon budgets oriented to the regional markets. These measures are monitored and coordinated by the HR area in the course of their daily duties. In 2021, we used this benchmarking in Ticketing Deutschland, for example, as a reference when making a salary adjustment for top performers.

The focus on continuing professional and personal development of managers and employees is affirmed by the goal formulated in the Leadership@EVENTIM management approach and expanded in 2019: In this approach, managers are encouraged to give their employees creative leeway to take on ambitious and multifaceted tasks. Managers should also show that they value their employees, actively solicit feedback from them, and serve as examples for a culture of positive approach to errors, where one can learn and improve. This concept was the basis for developing feedback formats to support the further development of employees. These formats include the 360° Feedback system, particularly for employees in the Ticketing segment in Germany.

Another focus was on giving employees the opportunity to actively participate in cross-function and cross-hierarchy teams aimed at the further development of the

Company and their own work environment. In 2021, the focus was on using experiences from the pandemic to devise new approaches to work within the Company in the future.

In addition, when the infection rates are very high, leadership topics are discussed at CTS EVENTIM by means of virtual experience-sharing events.

To further increase employee satisfaction, it is important to understand their expectations. The Company therefore surveys new and existing employees, as well as employees leaving the company, on a regular basis. In Germany, the company rating portal Kununu is also an important source for CTS EVENTIM to understand how it is perceived as an employer by third parties and how to improve this perception. HR specialists comment on assessments there and individually address criticisms expressed by employees, former employees, or applicants. If necessary, they invite those giving the feedback to engage in a direct dialogue. Significant progress was made in the application process in 2021, and satisfaction scores from applicants on Kununu have increased significantly.

HR management has stayed in particularly close contact with employees during phases of extensive remote work and when personal burdens have been caused by the COVID-19 pandemic. Pulse surveys are sent out every 6 to 8 weeks to collect information on relevant

personal and professional topics and to address them in a specific manner.

The results of the surveys are incorporated into communication with the employees. The HR area organises a variety of exchange and information formats to ensure a two-way flow of communication.

8.1 PERSONAL AND SKILLS DEVELOPMENT

Increasingly short innovation cycles are also changing the work processes in Ticketing and Live Entertainment. To secure growth opportunities for itself using modern HR management concepts, CTS EVENTIM strives to continuously renew and expand the knowledge available within the organisation through recruitment, education and training programs, and the promotion of internal talent.

The goals of HR management at CTS EVENTIM include systematically recording and promoting all human resources potential throughout the Group. Similarly, “mental monopolies” (i.e., knowledge restricted to a single individual) must be eliminated and open positions should be filled from within the Company’s own ranks.

In the 360° Feedback, managers and peers give assessments of an employee’s performance and

potential. Career development opportunities are then discussed in a one-on-one meeting.

In 2021, continuing education was focused on e-learning. In view of the general circumstances, a variety of opportunities were provided for flexible learning at home.

Even during this crisis, we are remaining true to our training commitments. In-house training is a complementary component for CTS EVENTIM to meet its current and future needs for a qualified workforce.

9. Validation Statement

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR REGARDING THE NON-FINANCIAL REPORT ¹

To CTS EVENTIM AG & Co. KGaA, Munich

We have performed an independent limited assurance engagement on the separate non-financial report of CTS EVENTIM AG & Co. KGaA (further “CTS EVENTIM” or “Company”) for the business year from January 1, 2021 to December 31, 2021.

MANAGEMENT’S RESPONSIBILITY

The legal representatives of the Company are responsible for the preparation of the non-financial report in accordance with §§ 315b, 315c in conjunction with 289c to 289e HGB and with Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (further „EU Taxonomy Regulation“) and the supplementing Delegated Acts as well as the interpretation of the wordings and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the Company as disclosed in Section “Klima-_und_Umweltschutz_-_Neue_Anforderungen_durch_die EU-Taxonomie” of the non-financial report.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of the non-financial report that is free of – intended or unintended – material misstatements.

The EU Taxonomy Regulation and the supplementing Delegated Acts contain wordings and terms that are still subject to substantial uncertainties regarding their interpretation and for which not all clarifications have been published yet. Therefore, the legal representatives have included a description of their interpretation in Section “Klima-_und_Umweltschutz_-_Neue_Anforderungen_durch_die EU-Taxonomie” of the non-financial report. They are responsible for its tenability. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations is subject to uncertainty.

PRACTITIONER’S RESPONSIBILITY

It is our responsibility to express a conclusion on the non-financial report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, published by IAASB.

Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the non-financial report of CTS EVENTIM for the business year from January 1 to December 31, 2021 has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation of the wordings and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the legal representatives as disclosed in Section “Klima-_und_Umweltschutz_-_Neue_Anforderungen_durch_die EU-Taxonomie” of the non-financial report. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a

¹ Our engagement applied to the German version of the non-financial report 2021. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for CTS EVENTIM AG & Co. KGaA
- A risk analysis, including media research, to identify relevant information on CTS EVENTIM AG & Co. KGaA's sustainability performance in the reporting period
- Reviewing the suitability of internally developed Reporting Criteria
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures, including data consolidation, on environmental, employee and social matters, respect for human rights, and anti-corruption and bribery matters
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures
- Inspection of selected internal and external documents
- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites
- Assessment of the overall presentation of the disclosures
- Evaluation of the process for the identification of taxonomy-eligible economic activities and the corresponding disclosures in the non-financial report
- The legal representatives have to interpret vague legal concepts in order to be able to compile the relevant disclosures according to Article 8 of the EU Taxonomy Regulation. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations and, correspondingly, our assurance thereof are subject to uncertainty.

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

INDEPENDENCE AND QUALITY ASSURANCE ON THE PART OF THE AUDITING FIRM

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of CTS EVENTIM AG & Co. KGaA for the business year from January 1 to December 31, 2021 has not been prepared, in all material respects, in accordance with §§ 315b, 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation disclosed in Section “Klima- und Umweltschutz – Neue Anforderungen durch die EU-Taxonomie” of the non-financial report.

RESTRICTION OF USE/GENERAL ENGAGEMENT TERMS

This assurance report is issued for purposes of the Supervisory Board of CTS EVENTIM AG & Co. KGaA, Munich only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of CTS EVENTIM AG & Co. KGaA, Munich, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und

Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of the provisions contained therein including the limitation of our liability as stipulated in No. 9 and accepts the validity of the General Engagement Terms with respect to us.

Hamburg, 11 March 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft

Krause

Mathias

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