Annual Report 2023

eventim

KEY GROUP FIGURES

	2023	2022	2021	2020
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Revenue	2,358,552	1,925,803	407,821	256,840
EBITDA[3]	493,959	375,108 [1]	203,082	-7,116
EBITDA margin	20.9%	19.5% [1]	49.8%	-2.8%
EBIT	402,324	314,419 [1,2]	147,581	-62,933
EBIT margin	17.1%	16.3% [1,2]	36.2%	-24.5%
Normalised EBITDA	501,422	380,065 [1]	207,982	-2,940
Normalised EBIT before amortisation and impairment from purchase price allocation	440,536	329,391 [1,2]	164,566	-46,185
Normalised EBITDA margin	*21.3%*	*19.7%* [1]	*51.0%*	*-1.1%*
Normalised EBIT margin before amortisation and impairment from purchase price allocation	*18.7%*	*17.1%* [1,2]	*40.4%*	*-18.0%*
Non-recurring items[4]	7,463	4,957	4,899	4,175
Amortisation and impairment resulting from purchase price allocation	30,749	10,015 [2]	12,085	12,573
Earnings before taxes (EBT)	409,104	341,197 [2]	141,104	-102,028
Net result attributable to shareholders of CTS KGaA	274,641	203,748 [2]	87,909	-82,259
	[EUR]	[EUR]	[EUR]	[EUR]
Earnings per share[5], undiluted (= diluted)	2.86	2.12	0.92	-0.86
	[Qty.]	[Qty.]	[Qty.]	[Qty.]
Internet ticket volume (in million)	82.9	69.3	32.0	17.4
Number of employees[6]	4,060	3,503	2,813	2,409
Of which temporary	(525)	(477)	(250)	(153)

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements
[3] EBITDA: Earnings before financial result, taxes, depreciation and amortisation, impairment and reversals
[4] Detailed information of non-recurring items in chapter 4.1.2 Earnings performance
[5] Number of shares: 96 million
[6] Number of employees at end of year (active workforce)

CONTENT

1. LETTER TO THE SHAREHOLDERS

Klaus-Peter Schulenberg
Chief Executive Officer

Ladies and gentlemen,

Since 2023 at the latest, live entertainment has once again been the driving force behind the cultural and creative industries. People are attending concerts, festivals and theatres as they did before the pandemic, and demand is rising continuously. Catch-up effects like those seen in 2022 are barely noticeable, and all signs point to growth.

As a result, 2023 was another record year for the CTS Group. Our annual revenue broke through the EUR 2 billion barrier for the first time, and normalised EBITDA also exceeded half a billion euros for the first time. Although the considerable increase in procurement prices had a negative impact on our Live Entertainment segment in particular, it was possible to control this well through active cost management, partially passing on costs to the market, and significant revenue growth. We expect the recent significant drop in inflation to provide new, consumption-driven impetus for growth in the future.

We continued to drive forward our international expansion strategy during the year under review. In our Ticketing segment, we acquired the providers Punto Ticket (Chile) and Teleticket (Peru), together with our joint venture partner Sony Music Latin Iberia. That investment has made the CTS Group the market leader in two more of South America's largest entertainment markets since November 2023. The agreed majority takeover of the French market leader France Billet will also strengthen our market presence in Central Europe. Furthermore, our entry into the US ticketing market will gain additional momentum thanks to our recently announced ticketing partnership with the 2028 Olympic and Paralympic Games in Los Angeles.

The U.S. was also one of the CTS Group's focal points in our Live Entertainment segment during the year under review. Thanks to partnerships with the renowned concert and tour organisers MAMMOTH, INC. and AG ENTERTAINMENT, we were able to further expand our presence in North America, and have also become an efficient provider of national and international touring projects for renowned artists on the other side of the Atlantic. By jointly founding THE TOURING CO., we have entered into a close partnership with the young, up-and-coming U.S. promoter Walter McDonald. At the end of the reporting year, the EVENTIM LIVE Group also united 39 promoters worldwide under one strong umbrella.

In addition to our traditional concert and touring business, our Immersive Touring Exhibitions division is also developing into a real crowd-puller with exhibitions such as "Harry Potter: The Exhibition" and "DISNEY100".

We intend to expand our Venue Management division – which already includes iconic venues such as the EVENTIM Apollo in London, the LANXESS arena in Cologne, and the Waldbühne in Berlin – into a third pillar of the CTS Group.

In November 2023, the official ground-breaking ceremony for the ARENA FOR MILAN took place together with Milan's mayor Giuseppe Sala and star architect Sir David Chipperfield. Upon completion in autumn 2025, it will not only be the largest and most innovative, but also the most sustainable multi-purpose arena in Italy. Following the 2026 Milano-Cortina Olympic and Paralympic Winter Games, whose ice hockey competitions will be held in the arena, CTS EVENTIM will take over its subsequent operations.

Our complementary business areas also developed extremely well in 2023: our cosmetics brand KESS, launched as an online brand, is about to make the leap into bricks-and-mortar retail. In addition, our hotel booking service EVENTIM.Travel was able to significantly increase its booking figures. Both are successful examples of the extension of our value chain, which also includes traditional retail, and of the success of our ongoing diversification strategy.

Our objective is to continue to grow dynamically, both organically within the scope of our existing business activities and through new acquisitions and partnerships, and to consistently expand the synergies within our Group. We will continue to develop our technologies and internal processes in order to remain the benchmark for performance and reliability in the future. We will also strive to strengthen the protection of fans against fraud and abuse, and effectively combat the unauthorised secondary market in the interests of all market participants.

In addition, we will expand our initiatives to transform our extensive and high-quality data pool into new sales potential, both in existing and new business areas. Thanks to the almost complete digitalisation of our processes and the use of innovative AI technologies, we are now able to gain valuable insights even faster and identify target groups and products with even greater accuracy. AI is also playing a key role in customer interaction, and will take both our product range and service to a whole new level.

Our combination of the greatest possible marketing and sales power for event organisers, maximum reliability, and an outstanding fan experience, remains the basis of our continued success.

Together with our experienced team of experts, our unique artists, our business partners, and you, our shareholders, we will continue to vigorously drive the growth of the CTS Group in 2024.

Stay tuned!

Your sincerely,

Klaus-Peter Schulenberg

Chief Executive Officer

EVENTIM Management AG,

general partner of

CTS Eventim AG & Co. KGaA

2. REPORT OF THE SUPERVISORY BOARD

Dr. Bernd Kundrun
Chairman of the Supervisory Board

REPORT OF THE SUPERVISORY BOARD OF CTS EVENTIM AG & CO. KGaA (HEREINAFTER: CTS KGaA OR COMPANY) ON THE ANNUAL FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT FOR THE COMPANY AND THE GROUP FOR THE FINANCIAL YEAR FROM 1 JANUARY 2023 TO 31 DECEMBER 2023.

I. During the entire period under review, the Supervisory Board comprised Dr. Bernd Kundrun (Hamburg/Germany), Dr. Cornelius Baur (Munich/Germany) and Mr. Philipp Westermeyer (Hamburg/Germany) as well as Dr. Juliane Schulenberg (Hamburg/Germany).

Dr. Kundrun chaired the Supervisory Board during the entire period under review and Dr. Baur was Vice Chairman. Dr. Kundrun and Dr. Baur were members of the Supervisory Board's Audit Committee, which was chaired by Dr. Baur. On 15 May 2023, the Supervisory Board established a Personnel and Nomination Committee, with Dr. Schulenberg as Chairwoman and Dr. Kundrun as a member.

II. During the reporting year, the Supervisory Board fulfilled its responsibilities under the law, the Company's articles of association and rules of procedure. It was regularly, promptly, and extensively informed by the Executive Board of CTS KGaA's general partner, EVENTIM Management AG, Hamburg, Germany – (hereinafter: the "Management Board" or general partner) – both in writing and verbally, about all issues related to corporate planning and strategic development, about the course of business, and about the situation of the Group. The reports to the Supervisory Board also included information on the risk and opportunity situation and risk and compliance management at the Company.

The Supervisory Board regularly provided the Management Board with advice concerning the management of the Company and monitored the management of the Company and the Group. It ensured itself that corporate governance at the Company was in compliance with the law and was involved in all decisions of fundamental importance for the Company. After thorough review and discussion, the Supervisory Board voted on the Management Board’s reports and proposals for resolutions whenever required by law or by the provisions of the articles of association. Resolutions were also adopted by written procedure whenever necessary.

During the reporting year, the Supervisory Board met on 16 March 2023 (the “financial statements meeting”), 15 May 2023, 21 August 2023, and 14 November 2023. The Management Board also took part in those meetings and had the opportunity to discuss matters of importance to the Company. On 14 November 2023, an additional, dedicated strategy meeting was also held between the Supervisory Board and the Management Board. Where necessary, the Supervisory Board met without the presence of the Management Board and also coordinated internally whenever necessary. The Supervisory Board was kept informed by the Management Board not only at Supervisory Board meetings, but also outside of the meetings, for instance in the case of matters of special importance or urgency.

All members of the Supervisory Board took part in all meetings held during the year under review, with the exception of the meeting on 14 November 2023, at which Dr. Schulenberg was unable to take part due to illness.

The Supervisory Board reviewed the general business trend of the Company and its Group companies on the basis of the reports submitted to it by the Management Board, among other things, thereby placing special focus on meeting the targeted key performance indicators for revenue and earnings as well as on the performance of cash flows and significant projects of the Company and the Group.

The Supervisory Board’s Audit Committee met four times during the reporting period. All Committee members took part in the meetings.

The Personnel and Nomination Committee of the Supervisory Board met once during the reporting period. All members of the committee took part in the meeting at which an adjustment to the compensation system for the Executive Board was decided.

III. KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, (hereinafter: auditor) was appointed to audit the annual financial statements as at 31 December 2023 and the consolidated financial statements as at 31 December 2023 at the Company's Annual Shareholders' Meeting, which was held on 16 May 2023. The audit mandate was duly awarded by the Chairman of the Supervisory Board on behalf of all members of the Supervisory Board.

At its meeting on 14 November 2023, the Supervisory Board’s Audit Committee held detailed discussions with the auditor on the subject of the audit, the audit schedule, the audit scope, and key audit areas with respect to the audit of the annual financial statements and the consolidated financial statements as at 31 December 2023.

The 2023 annual financial statements, the 2023 consolidated financial statements, and the combined management report were prepared by the general partner in compliance with the statutory regulations and were provided with unqualified audit opinions by the auditor. The Management Board submitted the financial statements and the combined management report to the Supervisory Board along with the corresponding audit reports in a timely manner.

The Supervisory Board’s Audit Committee examined the 2023 annual financial statements, the 2023 consolidated financial statements and the corresponding audit reports from the auditor, upon which it recommended that they be approved by the Supervisory Board at its meeting of 13 March 2024. At the Supervisory Board meeting held on 13 March 2024, the Supervisory Board and the Management Board held detailed discussions on the annual financial statements and the consolidated financial statements for 2023, the combined management report, and the general partner's proposal for appropriation of net profit. The Audit Committee and the Supervisory Board were able to confer with the auditors, who were also present at the meeting.

Based on its final review, the Supervisory Board raised no objections to the annual financial statements prepared by the general partner for financial year 2023 and hereby recommends that they be approved by the Annual Shareholders' Meeting. The Supervisory Board has moreover approved the consolidated financial statements prepared by the general partner for the 2023 financial year, to which it raised no objections either. The Supervisory Board reviewed and concurred with the general partner's proposal for the appropriation of net profit as it finds that the proposal appropriately reflects the interests of the Company and its shareholders.

IV. The remuneration report for the financial year 2023 pursuant to § 162 of the German Stock Corporation Act (AktG) was duly prepared by the Management Board and the Supervisory Board and was examined by the auditor. The note on the audit of the remuneration report was attached to the remuneration report. The remuneration report for the financial year 2022 was approved by the Company's Annual Shareholders’ Meeting on 16 May 2023 in accordance with § 120a (4) German Stock Corporation Act.

V. The general partner prepared a report on related parties pursuant to § 312 of the Stock Corporation Act for the financial year from 1 January to 31 December 2023. The report states that on the basis of the circumstances known to the general partner at the time of undertaking legal transactions requiring disclosure, the Company had received adequate consideration in each case and that no measures requiring disclosure were either undertaken or omitted at the behest of, or in the interest of, related parties within the meaning of § 312 of the Stock Corporation Act during the financial year 2023.

The auditor issued an unqualified audit opinion regarding the findings from its audit of the report on related parties. The Supervisory Board also examined the report on related parties and has concurred with the audit findings. Based on the Supervisory Board's final review, it has no objections to the closing statements made by the general partner in the report.

VI. The CTS Group prepares a separate report on its non-financial activities based on implementation in Germany of the CSR Directive in the form of an Act intended to improve non-financial reporting at companies (Gesetz zur Stärkung der nichtfinanziellen Berichterstattung der Unternehmen). In accordance with its legal options, the Company decided to prepare a separate non-financial corporate report for the Group outside of the combined Management Report pursuant to § 315b and § 315c of the German Commercial Code (HGB) in conjunction with § 289c–289e of the Commercial Code. The non-financial corporate report is published on the Company’s website.

In December 2023, the Supervisory Board engaged the auditor to perform a limited assurance audit of the Group’s non-financial corporate report. Based on its audit, the auditor issued an unqualified audit opinion. This means that on the basis of the audit procedures performed and the evidence obtained, the auditor did not become aware of any circumstances that would lead it to believe that the Group’s non-financial corporate statement for the period from 1 January to 31 December 2023 had not been prepared in compliance with § 315b and 315c of the Commercial Code in conjunction with § 289c–289e of the Commercial Code.

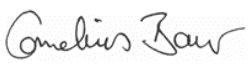
The non-financial corporate report for the Group and the audit opinion issued by the auditor were submitted in a timely manner to the members of the Supervisory Board. In its meeting of 13 March 2024, the Supervisory Board examined the Group’s non-financial corporate report, discussed it in detail, and approved it. It found no indications of any grounds for objecting to the non-financial corporate report issued by the Group or to the assessment of the audit findings of the auditor.

VII. The Supervisory Board’s activities during the reporting year included keeping abreast of the relevant publications to identify any changes or additions to the responsibilities of or requirements placed on supervisory board members and was adequately supported by the Company. The Supervisory Board and Audit Committee carry out self-assessments at regular intervals on how effectively they carry out their tasks. The efficiency of the activities of the Supervisory Board and the Audit Committee as well as the required independence from their members were confirmed in the last efficiency audit. No conflicts of interest as defined in the German Corporate Governance Code arose among the members of the Supervisory Board during the reporting year. On 14 November 2023, the Supervisory Board and the general partner issued their most recently updated joint declaration of compliance with the German Corporate Governance Code in accordance with § 161 of the Stock Corporation Act. The declaration was published on the Company’s website at https://corporate.eventim.de/en/investor-relations/corporate-governance/.

The Supervisory Board would like to thank the Management Board and all Company employees worldwide for their great personal commitment, their ongoing commitment and their achievements in the financial year 2023.

20 March 2024

Dr. Bernd Kundrun
Chairman



Dr. Cornelius Baur
Vice Chairman

Dr. Juliane Schulenberg

Philipp Westermeyer

3. CTS EVENTIM SHARES

The European equity markets experienced a number of challenges and developments in 2023, which were influenced by both internal dynamics within the European Union and global events. One of the defining factors for the equity markets in 2023 was the rise in interest rates. The European Central Bank, as well as other central banks around the world, responded to persistent inflation, fuelled in part by the recovery from the COVID-19 pandemic and supply chain issues, by raising interest rates.

The year 2023 was also characterised by geopolitical tensions and uncertainties. Crises, such as ongoing conflicts in various parts of the world and political uncertainties within the European Union, also had an impact on the stock markets, which was primarily reflected in corresponding volatility. In this challenging market environment, the performance of CTS EVENTIM shares in the financial year 2023 was on a par with the MDAX. Both, CTS EVENTIM shares and the index, closed the financial year with a performance in the mid-single-digit percentage range. In contrast to their benchmark index, however, CTS EVENTIM shares clearly outperformed in the first few weeks of the financial year 2024, primarily due to the publication of preliminary results for the financial year 2023 on 7 February 2024. Despite ongoing uncertainty on the global stock markets, the CTS Group thus provided early proof of its consistently strong business performance.

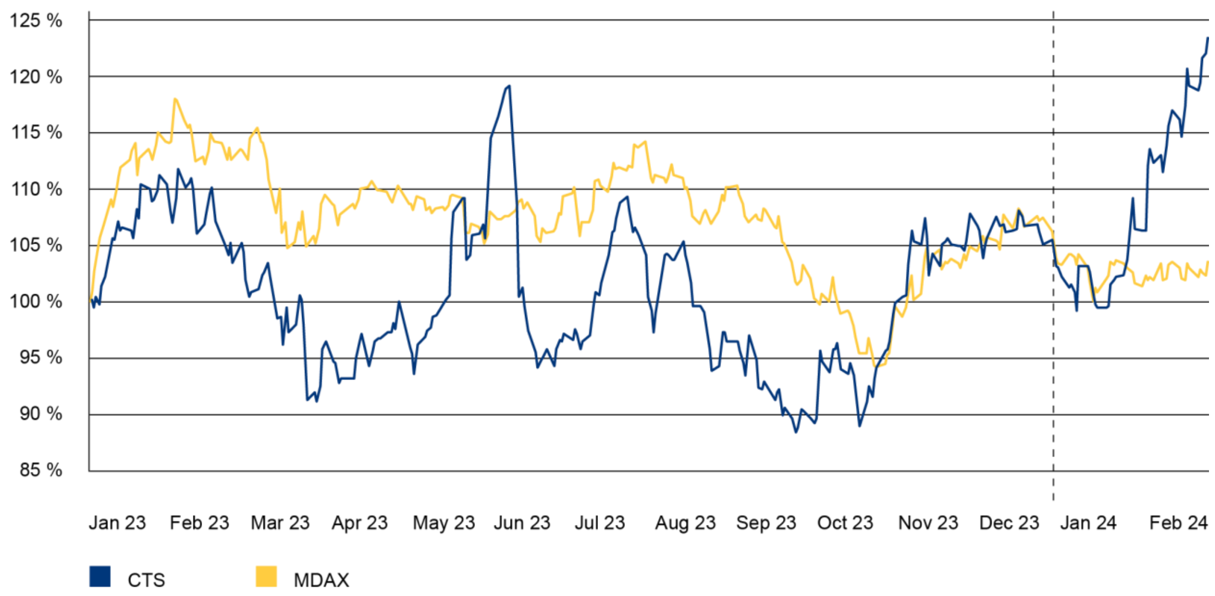
CTS KGaA continues to enjoy a high level of interest among various investment banks in the capital markets. Various analysts follow CTS EVENTIM shares on an ongoing basis and give their investment recommendations. There are currently recommendations from Baader Helvea, BNP Paribas, Berenberg, DZ Bank, Jeffries, JP Morgan, Kepler Cheuvreux, Oddo BHF, Redburn, Societe Generale and SHR Alster Research. Eight banks have issued 'buy' recommendations and three have issued 'hold' recommendations.

In the financial year 2023, CTS KGaA once again presented itself to a large number of international and domestic investors. CTS KGaA will continue to maintain its direct dialog with all capital market participants in the future. In particular, the CTS Group's successful business model and its sustained growth have continuously increased awareness of and interest in CTS KGaA among national and international investors. The investor relations strategy of CTS Eventim will continue to focus on intensifying those excellent relationships in the future.

Type of shares	No-par value ordinary bearer shares
ISIN number	DE 000 547 030 6
Symbol	EVD
First listed	01/02/2000
Stock exchange segment	Prime Standard
Indices	MDAX; Prime All Share
Sectoral index	Prime Media

	2023	2022
	EUR	EUR
Earnings per share	2.86	2.12
High (Xetra)	71.00	70.20
Low (Xetra)	52.70	40.32
Year-end-price (Xetra)	62.60	64.94
Market capitalisation (based on year-end-price)	6,009,600,000	6,234,240,000
Shares outstanding on 31.12.	96,000,000	96,000,000
Share capital after IPO	12,000,000	12,000,000

THE CTS SHARE PRICE (1 JANUARY 2023 TO 29 FEBRUARY 2024 – INDEXED)



CHANGES IN COMPANY SHARES OR FINANCIAL DERIVATIVES RELATING TO SUCH SHARES ON THE PART OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

No transactions involving no-par-value bearer shares in the Company were carried out in financial year 2023 by members of CTS KGaA’s corporate bodies.

4. COMBINED MANAGEMENT REPORT

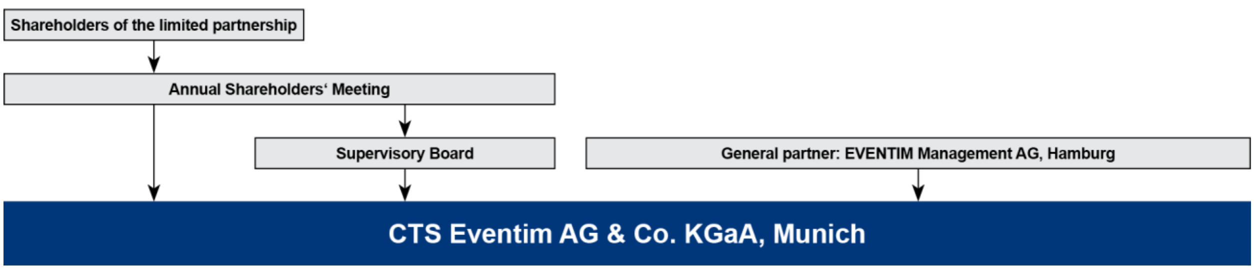
1. PRELIMINARY STATEMENTS

In addition to the annual financial statements for CTS Eventim AG & Co. KGaA, Munich (hereinafter: CTS KGaA) in accordance with the accounting legislation in the German Commercial Code (Handelsgesetzbuch - HGB), the Management Board has also prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), complying thereby with all IFRS and IFRIC interpretations as applicable in the European Union (EU) on the balance sheet date.

The management report of CTS KGaA and the Group management report have been combined. The information contained in this combined management report relates to the financial situation and business development of the Group. These essentially also apply to CTS KGaA. Further information on the financial situation and business development of CTS KGaA as a standalone company is provided in separate sections of this report or is indicated as such by a reference to 'CTS KGaA'.

2. EXPLANATION OF CORPORATE AND ORGANISATIONAL STRUCTURE OF CTS KGaA

The organisational structure of CTS KGaA is as follows:



EVENTIM Management AG, Hamburg, as general partner, is responsible for the management of CTS KGaA. EVENTIM Management AG is represented by its legal representatives.

In addition to managing its own operating business, the most important tasks of CTS KGaA as the parent company include corporate strategy, risk management and financial management of the CTS Group.

According to the articles of association, CTS KGaA as the parent company has its registered office in Munich; the administrative head office is located in Bremen.

3. BUSINESS AND MACROENVIRONMENT
3.1 BUSINESS OPERATIONS AND CORPORATE STRUCTURE
3.1.1 BUSINESS OPERATIONS AND SEGMENTS

The CTS Group is one of the leading international providers in the ticketing and live entertainment sectors and operates in the leisure events market. With a powerful ticketing platform and a comprehensive and multilayered distribution network, the Group enables promoters to sell tickets through a high-performance system. The CTS Group offers ticket buyers a wide range of options for purchasing event tickets. In the area of live entertainment, the CTS Group also plans, organises and implements live events itself and thus also provides content for ticketing.

Thus, the CTS Group offers all services related to concert events from planning, organisation and settlement up to sales and distribution from one source.

The Group companies are assigned to two segments, Ticketing and Live Entertainment. CTS KGaA, the parent Company of the Group, is itself operationally active in ticketing and, as the company with the highest turnover, is the most important company in this segment. Statements made in respect of the Ticketing segment therefore apply specifically to CTS KGaA as well.

SEGMENT TICKETING

The Ticketing segment’s purpose is to produce, sell, broker, distribute and market tickets for concert, festival, theatre, musicals, trade fairs, art, cinema, exhibitions, edutainment, sports and other events as well as Ticketing for venues in Germany and abroad. The event tickets are professionally marketed via stationary and online distribution (EVENTIM.Net), the inhouse ticketing product for classical music and theatre (EVENTIM.Inhouse), the sports ticketing product (EVENTIM.Tixx) and the self-service product for promoters (EVENTIM.Light). This possibility of offering across all platforms enables promoters to achieve high levels of attendance at events by selling all available ticket quotas quickly on a broad scale. Due to the networking of individual ticketing software systems and their internationalisation, it is also possible for tickets to be offered across the border in a standardised global ticketing system. For cinema operators the software 'kinoheld' and for the resale of tickets from end customer to end customer the platform 'fanSALE' is offered internationally.

The extensive range of activities in online sales are continuously developed and expanded specifically to meet the needs of 'networked consumers', namely by

- online reservation of specific seats by means of an interactive venue plan,
- mobile ticket sales via innovative Apps,
- additional social media activities, especially Facebook, Instagram, WhatsApp, X (formerly: Twitter) and TikTok.

The CTS Group is superbly positioned in the market. The CTS Group's powerful **ticketing systems**, which are constantly optimised and further developed in accordance with the state of the art, are the foundation for the Ticketing segment's success.

Furthermore, a wide-ranging distribution structure with a nationwide network of box offices and sales via call centres from various online ticket shops ensure the strong market position in ticketing. In addition to ongoing ticket sales, the CTS Group is also a regular ticketing partner for major national and international sports events.

The CTS Group's **box office network** offers numerous points of contact to meet customers' various purchasing patterns. In addition to growing e-commerce, the high number of physical points of sale around the world continues to remain a key sales pillar.

The focus of **online ticket distribution** remains on maximum reach, constant availability at all times even when demand is high and peak and optimising the user experience for customers and thereby increasing sales across all touch points. The use of relevant data is of particular importance here in order to provide users of the various platforms with even more relevant offers and support partners in optimising their planning and campaigns. The reach of the Group's shop platforms is therefore constantly extended by means of comprehensive search engine optimisation and marketing measures, along with data-driven marketing campaigns. At the same time, the shop platforms are optimised and further developed in a customer-centric manner in order to continuously expand the conversion power of all touchpoints and maximise ticket sales.

With **EVENTIM.Light**, the CTS Group has successfully established a product that is specifically tailored to the needs of online-affine long-tail promoters on the international markets. The ticketing system is optimised for mobile devices and can be operated intuitively. As a self-service, promoters can create their own ticket shop free of charge with just a few clicks and sell tickets for their own events of any kind through this and/or the EVENTIM network.

The CTS Group offers **cinema ticketing** in Italy, Spain and via kinoheld GmbH, Munich, also in Germany. This commitment is in the strategic context of the continuous expansion of CTS EVENTIM's customer reach.

In the field of **sports,** the CTS Group offers a ticket management system to major sports clubs based on its **EVENTIM.Tixx** software solution. With this system sports clubs in Germany, Spain, Austria and Switzerland can use the entire sales power of the CTS Group. In addition, the CTS Group supports sports clubs and promoters in their digitalisation efforts and also offers customer relationship management systems and online merchandising shops in addition to ticketing.

In the **cultural field**, leading European promoters and institutions in this segment use the individualised ticketing solutions **EVENTIM.Inhouse** and JetTicket to not only optimally design the extensive ticket and visitor management in theaters, opera houses, concert halls and festival halls and beyond, but also to use the reach of the EVENTIM sales network.

The CTS Group offers its partners an intuitive easy-to-use tool to access information on ticket sales in practically real time with disguised, demographic and geographic data on the associated customer groups with its highly specialised reporting solution **EVENTIM.Analytics**. This enables the data-driven evaluation and optimisation of events.

EVENTIM.Access, an access control service, rounds off the EVENTIM ticketing platform portfolio. The control, payment, ordering and customer loyalty solutions as well as hardware such as scanners with stands and turnstiles are used with a large number of well-known customers, such as the Olympic Stadium in Berlin, the LANXESS arena in Cologne or the Deutsche Bank Park in Frankfurt.

In addition to the German market, the Group’s Ticketing segment also operates in Brazil, Bulgaria, Chile, Denmark, Finland, France, Israel, Italy, Canada, Croatia, the Netherlands, Norway, Austria, Peru, Poland, Romania, Sweden, Switzerland, Slovenia, Spain, the United Kingdom, Hungary and in the USA.

SEGMENT LIVE ENTERTAINMENT

The objects of the Live Entertainment segment are to plan, prepare and perform tours, events and festivals, especially in the music and concert sector, and to market music productions. The CTS Group also operates some of the most successful venues in Europe — the Waldbühne in Berlin, the Eventim Apollo in London, the K.B. Halls in Copenhagen and the LANXESS arena in Cologne. In addition, the CTS Group began construction of the ARENA FOR MILAN in May 2023, which the Group will also operate from 2026 upon completion.

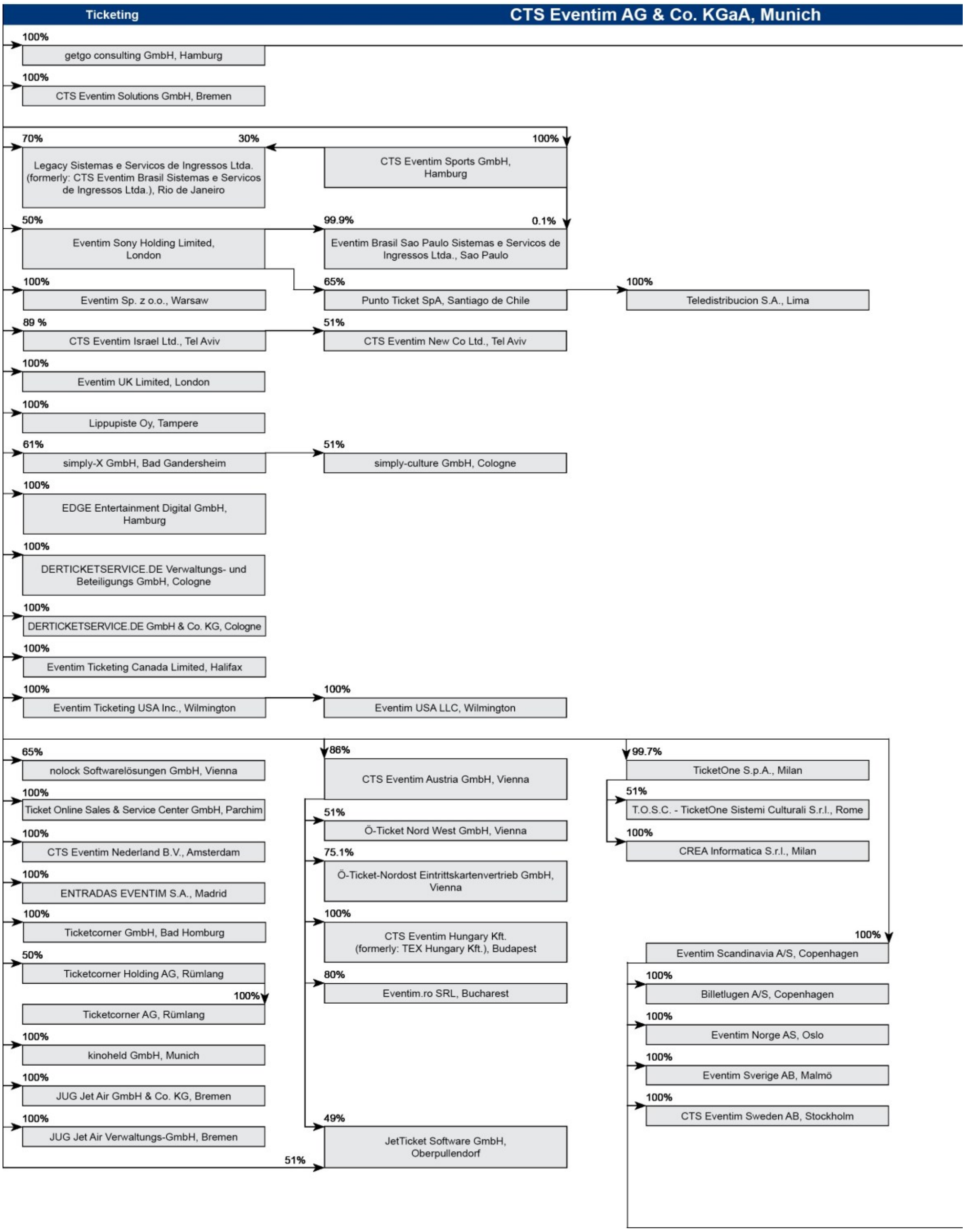
The offering of attractive events and an exclusive portfolio of prestigious venues are the key factors for success in the segment. The Group will continue to pursue the national and international expansion of this business area to grow a global promoter network and to acquire additional market share. The close partnership established over many years with promoters, artists and their agents is being constantly expanded.

In the Live Entertainment segment, the Group operates in addition to the German market in Asia, Belgium, Denmark, Finland, France, Italy, the Netherlands, North America, Norway, Austria, Poland, Sweden, Switzerland, Spain, Czechia and the United Kingdom.

3.1.2 CORPORATE STRUCTURE

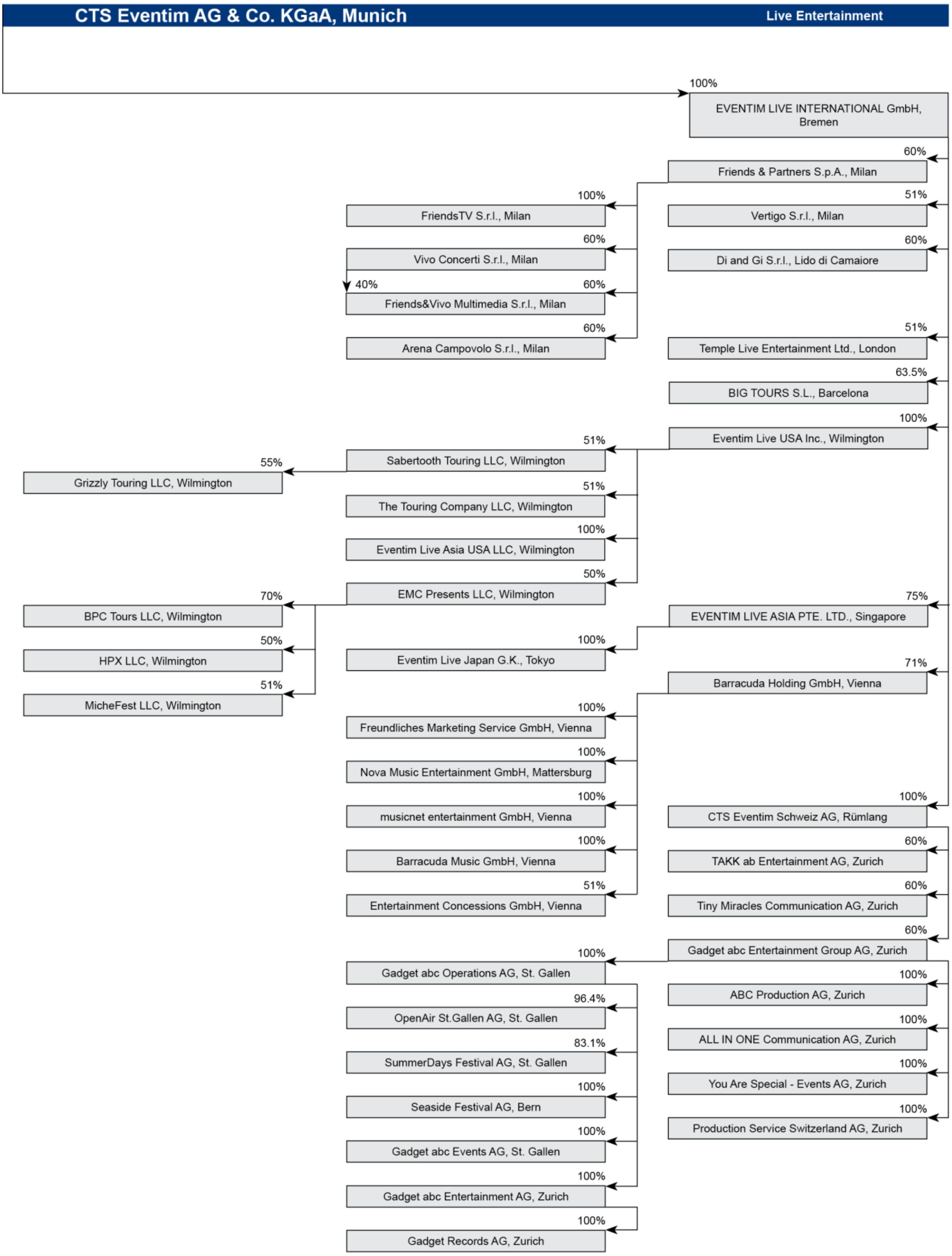
In addition to CTS KGaA as parent Company, the consolidated financial statements also include all relevant subsidiaries. The CTS Group is managed on a decentralised basis to ensure a high degree of proximity to the market and a fast response to potential changes in the respective markets. This means that the subsidiaries have considerable discretion in all market and customer-related activities. The management and control structures as well as the renumeration system are compliant with statutory requirements and are managed centrally by CTS KGaA.

The following overview includes all companies comprises in the consolidated financial statements by means of full consolidation as at 31 December 2023:



eventim

CTS Eventim AG & Co. KGaA, Munich
Live Entertainment
100%
EVD Holding GmbH, Hamburg
100%
EVD Milan S.r.l., Milan
100%
Arena Holding GmbH, Cologne
100%
Arena Management GmbH, Cologne
100%
Arena Event GmbH, Cologne
100%
FKP Scorpio Czechia s.r.o., Prague
60%
FKP Scorpio UK Ltd., London
100%
FKP Scorpio Entertainment Ltd., London
100%
FKP Scorpio Poland Sp. z o. o., Warsaw
100%
FKP Immobilien GmbH, Hamburg
50%
ESK Events & Promotion GmbH, Hamburg
100%
Indian Summer Festival B.V., Langedijk
51%
FKP Scorpio Belgium B.V., Antwerp
100%
FKP Scorpio Nordic AB, Stockholm
51%
FKP Scorpio Sverige AB, Stockholm
66.7%
FKP Scorpio Norge AS, Oslo
90%
Fullsteam Agency Oy, Helsinki
65%
Seinäjoki Festivals Oy, Seinäjoki
51%
Smash!Bang!Pow! ApS, Copenhagen
100%
Palazzo Produktionen GmbH, Hamburg
100%
Palazzo Produktionen GmbH, Vienna
100%
Palazzo Producties B.V., Amsterdam
60%
FKP Area One GmbH, Berlin
92.5%
FKP Show Creations GmbH, Hamburg
100%
Friendly Fire B.V., Amsterdam
75%
Friendly Fire Theater B.V., Amsterdam
60%
HBFS B.V., Utrecht
75%
Tuckerville B.V., Amsterdam
100%
Arena Management Cph A/S, Frederiksberg
100%
Eventim Marketing und Sponsoring GmbH, Hamburg
100%
EVENTIM Popkurs Hamburg gemeinnützige GmbH, Hamburg
94.4%
EVENTIM LIVE GmbH, Bremen
50.2%
FKP SCORPIO Konzertproduktionen GmbH, Hamburg
100%
eventimpresents GmbH & Co. KG, Bremen
100%
Marek Lieberberg Konzertagentur Holding GmbH, Bremen
100%
eventimpresents Verwaltungs GmbH, Bremen
10%
73%
Dirk Becker Entertainment GmbH, Cologne
51.1%
SEEKERS EVENT GmbH, Jena
65.2%
Semmel Concerts Entertainment GmbH, Bayreuth
85%
Vaddi Concerts GmbH, Freiburg im Breisgau
100%
Show-Factory Entertainment GmbH, Vienna
100%
Arena Berlin Betriebs GmbH, Berlin
25.2%
37.4%
PGM Promoters Group Munich Konzertagentur GmbH, Munich
37.4%
50.2%
ARGO Konzerte GmbH, Würzburg
100%
Peter Rieger Konzertagentur GmbH, Cologne
100%
HOI Touring Productions B.V., Amsterdam
100%
Holiday on Ice Trademark B.V., Amsterdam
100%
Holiday on Ice Productions B.V., Amsterdam
100%
Holiday on Ice Services B.V., Amsterdam
100%
HOI Productions Germany GmbH, Hamburg
100%
HOI Productions France SAS, Paris
51%
ALDA Germany GmbH, Hamburg
51%
act entertainment ag, Basel
51%
All Artists Agency GmbH, Berlin
75%
DreamHaus GmbH, Berlin


CTS Eventim AG & Co. KGaA, Munich
Live Entertainment
100%
EVENTIM LIVE INTERNATIONAL GmbH, Bremen
60%
Friends & Partners S.p.A., Milan
100%
FriendsTV S.r.l., Milan
51%
Vertigo S.r.l., Milan
60%
Vivo Concerti S.r.l., Milan
60%
Di and Gi S.r.l., Lido di Camaiore
40%
60%
Friends&Vivo Multimedia S.r.l., Milan
60%
Arena Campovolo S.r.l., Milan
51%
Temple Live Entertainment Ltd., London
63.5%
BIG TOURS S.L., Barcelona
100%
Eventim Live USA Inc., Wilmington
51%
Sabertooth Touring LLC, Wilmington
55%
Grizzly Touring LLC, Wilmington
51%
The Touring Company LLC, Wilmington
100%
Eventim Live Asia USA LLC, Wilmington
50%
EMC Presents LLC, Wilmington
70%
BPC Tours LLC, Wilmington
75%
EVENTIM LIVE ASIA PTE. LTD., Singapore
50%
HPX LLC, Wilmington
100%
Eventim Live Japan G.K., Tokyo
51%
MicheFest LLC, Wilmington
71%
Barracuda Holding GmbH, Vienna
100%
Freundliches Marketing Service GmbH, Vienna
100%
Nova Music Entertainment GmbH, Mattersburg
100%
musicnet entertainment GmbH, Vienna
100%
CTS Eventim Schweiz AG, Rümlang
100%
Barracuda Music GmbH, Vienna
60%
TAKK ab Entertainment AG, Zurich
51%
Entertainment Concessions GmbH, Vienna
60%
Tiny Miracles Communication AG, Zurich
60%
Gadget abc Entertainment Group AG, Zurich
100%
Gadget abc Operations AG, St. Gallen
100%
ABC Production AG, Zurich
96.4%
OpenAir St.Gallen AG, St. Gallen
100%
ALL IN ONE Communication AG, Zurich
83.1%
SummerDays Festival AG, St. Gallen
100%
You Are Special - Events AG, Zurich
100%
Seaside Festival AG, Bern
100%
Production Service Switzerland AG, Zurich
100%
Gadget abc Events AG, St. Gallen
100%
Gadget abc Entertainment AG, Zurich
100%
Gadget Records AG, Zurich

CHANGES TO THE GROUP STRUCTURE

In the 2023 reporting period, the following changes in the structure of the Group occurred:

TICKETING

With contract dated 15 November 2023, Eventim Sony Holding Limited, London, acquired 65% of the shares in Punkto Ticket SpA (hereinafter: Puntoticket), Chile, and its wholly owned subsidiary Teledistribucion S.A. (hereinafter: Teleticket), Peru. The company operates in the entertainment industry and provides ticketing, payment methods, ticket insurance, other additional services for events, thus covering all areas of ticketing.

LIVE ENTERTAINMENT

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. AG Entertainment Touring LLC owns 45% of the shares in Grizzly Touring LLC. 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 LLC, Wilmington, USA (hereinafter: 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.

By contract dated 6 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.

CHANGES TO THE GROUP STRUCTURE SUBJECT TO APPROVAL

On 2 August 2023, CTS KGaA declared the exercise of the call option for a further 17% of the shares in France Billet SAS (hereinafter: France Billet), Bagnolet, France, to Fnac Darty SA, Ivry-sur-Seine, France. 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%.

3.1.3 SUSTAINABILITY INFORMATION[1]

The Supervisory Board, Executive Board, and employees of the CTS Group share the conviction that sustainable, responsible behaviour is an important prerequisite for long-term economic success and assume social responsibility. As an international corporation in the ticketing and live entertainment industry, the Company maintains a wide variety of contacts with various stakeholders. These include artists, promoters, ticket vendors, and existing and potential employees, as well as stakeholders in civil society and the environment as such.

[1] This paragraph is not subject of the group audit.

From the financial year 2024, the CTS Group will be obliged to report in accordance with the Corporate Sustainability Reporting Directive. The CTS Group considers it not only as a special obligation, but also as an opportunity to provide information about key figures, measures and progress in its key areas of action. This makes it possible to derive valuable insights into the risks and opportunities that the group's entrepreneurial value creation entails.

For the non-financial corporate report in the previous year 2022, the materiality analysis was re-evaluated and audited due to the restart of business after the pandemic-related measures were lifted. The topic overview of the upcoming Corporate Sustainability Reporting Directive/European Sustainability Reporting Standards (CSRD/ESRS) has already been integrated as a starting point. The materiality topics according to the CSR Directive Implementation Act/Non-Financial Reporting Directive (CSR-RUG/NFRD) are the topics relevant to the CTS Group: consumers and end users, governance, ethical business practices, data protection and information security.

These topics will continue to be reported on in the combined non-financial corporate report.

The individual results are presented in the combined non-financial corporate report. On 26 March 2024, CTS KGaA will publish sustainability information in a separate report for the Group for the 2023 financial year on the Company website at https://corporate.eventim.de/en/investor-relations/corporate-governance/.

A new materiality analysis will be carried out in advance for the 2024 financial year in order to comply with the current requirements of the CSRD.

[1] This paragraph is not subject of the group audit.

3.2 CORPORATE MANAGEMENT

The corporate strategy of the Group is focused on sustained value growth for the Company.

In order to manage the Group according to value-based principles, a system of performance indicators is used to measure the success of the Company's strategy.

The key criteria (key financial figures) for assessing the value growth of the operating business on Group level and for each segment, are sustained increase in revenue, EBITDA (Earnings before interest, taxes, depreciation and amortisation; the EBITDA includes impairments and reversals) normalised EBITDA (Earnings before interest, taxes, depreciation and amortisation and non-recurring items), EBIT (Earnings before interest and taxes; operating result), normalised EBIT before amortisation and impairment from purchase price allocation (Earnings before interest and taxes; operating result and non-recurring items).

Non-recurring items are removed from normalised EBITDA using a pre-defined catalogue. These items mainly relate to legal and consulting fees for the performance of due diligence for planned and carried out acquisitions. Since the 2020 financial year, due to the structure of a transaction, expenses were incurred for the first time from allocations of purchase prices for Company acquisitions that are not classified as business combinations under IFRS 3, in connection with the acquisition of control in companies. These expenses are comparable with the depreciation, amortisation and similar expenses arising from purchase price allocations, but are reported in EBITDA. In this respect, these expenses are adjusted as non-recurring items to be normalised in EBITDA since the 2020 financial year. For the 2020 financial year, the Management Board has adjusted the guideline regarding the scope of non-recurring items accordingly, so that the key figures normalised EBITDA and normalised EBIT before amortisation and impairment from purchase price allocation will continue to be the basis for assessing operating earnings performance.

The above-mentioned non-recurring items and amortisation and impairment resulting from purchase price allocations are removed from normalised EBIT before amortisation and impairment resulting from purchase price allocations. The economic aid programmes in connection with the COVID-19 pandemic have not been adjusted, as these relate to damages payments and refunds for fixed costs which arose from operating activities. When purchase price allocation is conducted in accordance with IFRS, certain the intangible assets of the acquisition companies, in particular trademarks, customer base and software, must be remeasured with their fair values as at the date of first inclusion in consolidation within the Group and amortised on the basis of redefined useful lives.

The amount of internet tickets was defined as non-financial key figure in the Ticketing segment and for CTS KGaA. Internet ticket volume includes the number of tickets sold over the internet.

From the 2024 financial year, the key financial figures for assessing the value growth of the operating business at Group level and for each segment will include sustained increase in revenue, EBIT and adjusted EBITDA. In adjusted EBITDA, the EBITDA reported in the consolidated financial statements is adjusted for significant non-recurring items and is therefore particularly suitable for assessing the economic development in the reporting period. Material non-recurring items result from certain unscheduled amortisation and depreciation, from the allocation of purchase prices for company acquisitions that are not classified as business combinations in accordance with IFRS 3, from one-off expenses and income incurred in connection with the acquisition of control of companies that are not related to business operations as well as other significant one-off effects that are not directly related to the operating result of the reporting period.

Non-recurring items are material if they individually exceed the previous year's EBITDA by 1% or the balance sheet total by 0.5%. In contrast to normalised EBITDA, adjusted EBITDA now includes all special items that are not attributable to the operating result and which exceed the aforementioned threshold values.

3.3 RESEARCH AND DEVELOPMENT

Due to its business model, the CTS Group does not pursue research and development in a narrow sense. There is, therefore, no separate disclosure of research and development expenses in the income statement.

Nevertheless, further developments in the software area are constantly being pushed forward in order to continuously optimise the EVENTIM ticketing platforms and -systems, further expand its functionality and scale it in line with business growth. In this way, the range of services relating to ticket sales will be expanded, existing reach channels will be optimised, additional sales channels will be connected and new requirements from promoters, box offices and end customers will be implemented. Another focus is on maintaining the high availability and security of the systems.

Software development services are generally capitalised in the annual financial statements of CTS KGaA and in the consolidated financial statements if the requirements of HGB or IAS 38 are met. The capitalised software development services are amortised on a straight-line basis; amortisation is generally broken down into the cost of sales.

During the year under review, investments of EUR 15,131 thousand were made in further developing the ticket distribution systems (previous year: EUR 14,519 thousand) and these were capitalised. During the year under review, the amortisation of capitalised development costs amounted to EUR 13,376 thousand (previous year: EUR 14,332 thousand). The number of employees in software development, operations, and professional services (e.g. IT Consulting and Technical Services) is 380 (previous year: 354).

The CTS Group has an Information Science department for company-wide, data-driven value creation. In addition to operating and continuing to develop a data protection-compliant infrastructure for data management (EVENTIM.DataWarehouse), efforts are also focused on the creation and servicing operation of an internationally oriented competence centre staffed with highly skilled experts for analytical solutions. These include aspects such as analytical CRM and marketing automation (EVENTIM.Campaign), business intelligence (EVENTIM.BusinessIntelligence with reporting and a comprehensive web analytics suite), and analytical services for B2B partners (EVENTIM.Analytics).

A focus topic is the analysis of data for tailor-made offers to end customers, e.g. by using machine learning to recommend events (recommendation engine EVENTIM.Evita) at the relevant touchpoints email, mobile app and web shop. Another aspect is the Yield management, in order to design optimal price categories, initial price points and dynamic price development over the course of sales for the respective venue based on past sales data. The first available product feature is the HeatSeatMap as a premium service in Eventim.Analytics. In addition, the use of AI-supported algorithms and processes is evaluated and their implementation is prepared.

In addition, the range of digital tickets was expanded and scaling processes were created around EVENTIM.Pass, the latest digital ticket, which, in addition to electronic issuance, also enables traceable and secure transfers and resales in a closed system, thus making an important contribution to avoiding an unauthorized secondary market performs.

The use and activity of the EVENTIM.mobile app was again systematically expanded in 2023. As a mobile sales touchpoint, the app has developed into a strong customer loyalty channel with increasing conversion power and valuable customer communication potential. Consequently, the Group plans to invest in its further development by significantly expanding the app’s range of personalised offers over time. Various concepts and technologies are being tested and standardised for that purpose.

The Group also plans to step up its development of new technologies for the online reservation system, the distribution network and the sales platform. The objective is the proprietary development of an advanced and performant ticketing platforms, the further advancement of specific seat reservations, mobile ticketing and electronic access control systems. Furthermore, additional developments, such as solutions and services for mapping the value chains at the event locations with powerful POS systems, as well as extended functions for personalising tickets are in focus. Along with the further functional development of the ticketing platform, the CTS Group is also planning significant investments in the stability, scalability and security of its ticketing systems. They include topics such as modularisation, the provision of product services, security audits and the ongoing further development of scaling algorithms that ensure maximised resource management and, thereby, a high-performance sales process.

3.4 OVERVIEW OF THE COURSE OF THE BUSINESS

3.4.1 MACROECONOMIC CONDITIONS

The International Monetary Fund (IMF) has identified a high level of resilience among the major economies. The recovery seen following the pandemic, the Russian invasion of Ukraine, and the sharp rise in the cost of living, is proving to be surprisingly resilient. Inflation is falling faster than expected, and the impact on the labour market has been less than feared. Although the central banks' high interest rate policy is having an impact on inflation, it is also weighing on growth in 2024, as the high cost of credit is dampening demand. The IMF has recently raised its forecast for global gross domestic product (GDP) growth in 2024, which is now 0.2 percentage points higher than forecast in the World Economic Outlook (WEO) from October 2023. For the global economy, the IMF is forecasting growth of 3.1% in 2024, and 3.2% in 2025. Nevertheless, the forecast for global growth in 2024 and 2025 is below the historical annual average (2000 - 2019) of 3.8%, which is due to a restrictive monetary policy, the withdrawal of fiscal support, and low productivity growth. Growth of 0.9% is now forecast for the eurozone in 2024, and 1.7% in 2025. For Germany, the IMF experts expect growth of 0.5% (2024) and 1.6% (2025), after economic output fell by 0.3% in 2023, according to initial calculations by the Federal Statistical Office.

Despite the economic recovery forecast in Germany, the ifo Institute's Business Climate Index and the GfK Consumer Climate Index are on a downward trend at the start of 2024. According to the ifo Institute, the mood among companies deteriorated further at the start of 2024, with companies assessing their current situation as having worsened. Expectations for the coming months were also more pessimistic once again. According to the ifo Institute, the German economy is stuck in recession.

According to GfK, economic and income expectations as well as the propensity to buy also declined at the start of 2024. Among other things, the increased propensity to save contributed to the decline in consumer sentiment. Crises and wars unsettled consumers, as well as persistently high inflation. The economic outlook for the year as a whole was also assessed more pessimistically in January 2024.

3.4.2 INDUSTRY CONDITIONS

The auditing firm PricewaterhouseCoopers (hereinafter: PwC) expects growth in the German entertainment and media industry to slow down in 2023, with total revenues increasing by 4.2% to EUR 68.8 billion. For the forecast period up to 2027, PwC calculates average growth of 2.1% per year and total revenues of EUR 73.1 billion for 2027. The current forecast therefore falls short of the expectations expressed in the previous year, which still assumed total revenues of EUR 75.0 billion for as early as 2026. Although the majority of revenue is still expected to be generated from non-digital sales in 2027, it is the digital sector that is driving the industry's growth. Digital revenues will increase by an average of 4.8% per year to EUR 30.3 billion by 2027, while non-digital revenues will only grow by 0.3% per year over the same period to EUR 42.8 billion in 2027. For the live music segment, PwC predicts average growth of 4.0% for the years up to 2027, which is almost double the industry average.

With regard to live entertainment, the use of AI (artificial intelligence) and VR (virtual reality) technologies, among other things, offers new potential – especially in light of the increasing availability of high-speed mobile internet. For example, the growing spread of the current 5G mobile communications standard will simplify and accelerate access to media content. In addition, 5G will further accelerate the trend toward the personalisation of offers and content. In general, personalisation is one of the major topics of the future in the live entertainment segment. There are also AI-supported processes in data management, marketing and service that are capable of exerting a positive impact on profitability and the overall fan experience.

The above developments offer the ticketing industry, and in particular international and integrated companies and technology leaders, a wide range of opportunities to take advantage of the changing consumer habits of their end customers as a result of digitalisation. This includes, for example, announcing relevant events, providing additional offers relating to event attendance, using data for new business areas in compliance with data protection regulations, increasing user-friendliness and direct communication with existing and potential users, and much more. The ability to analyse and utilise large volumes of data will thus have particular potential in the future.

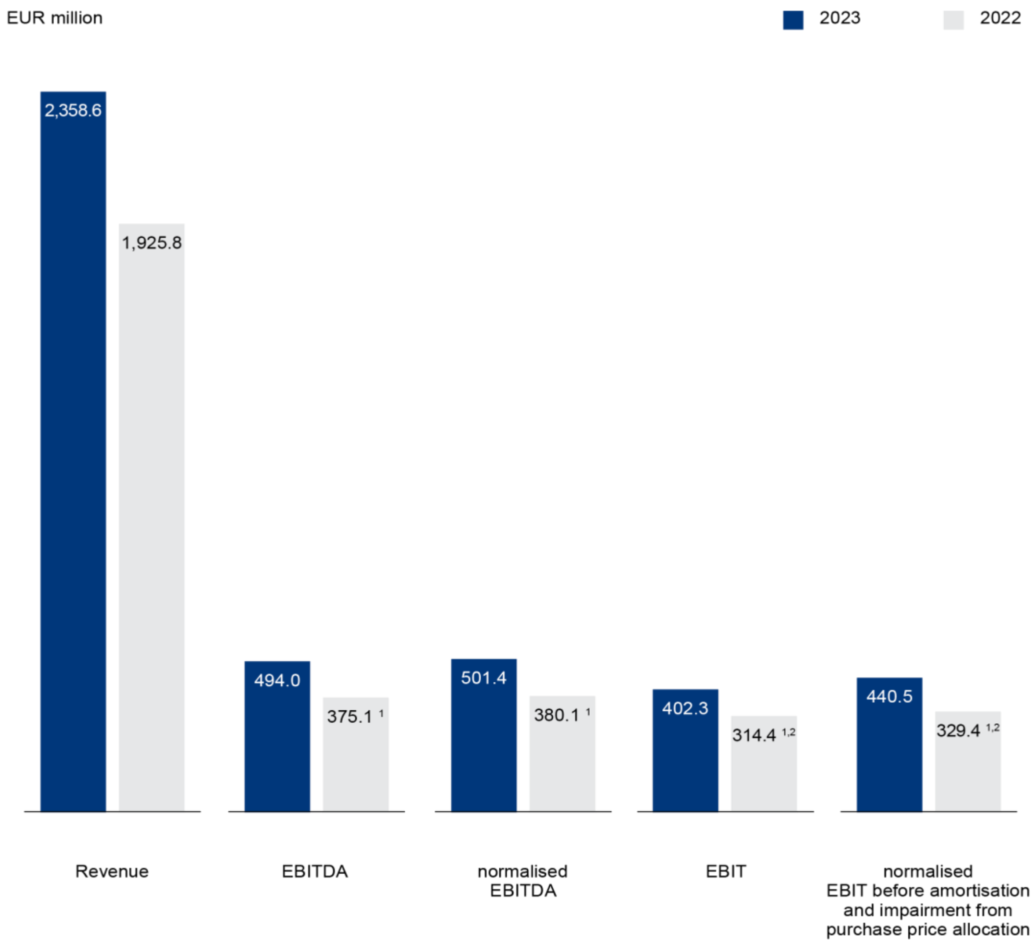
3.4.3 BUSINESS PERFORMANCE OF THE CTS GROUP

The effects of the COVID-19 pandemic were barely noticeable in 2023. Concerts and festivals were well attended. Popular artists found it particularly easy to build on their successes before the pandemic, whereas smaller and medium-sized acts sometimes found it more difficult. Business performance was largely unaffected by the current geopolitical crises. Although high price increases were one of the challenges for the CTS Group's operating activities, as in other sectors, they were controlled through active cost management and adjustments on the supply side.

In addition to strong underlying growth from a wide range of live entertainment and sporting events, growth in the 2023 financial year was driven in particular by presales for tours in 2024 with stars and superstars, such as Taylor Swift, Paul McCartney, and Coldplay, as well as the expansion of the global ticketing and live entertainment network.

KEY GROUP FIGURES

Key financial Group figures are shown in the table below:



[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements

[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

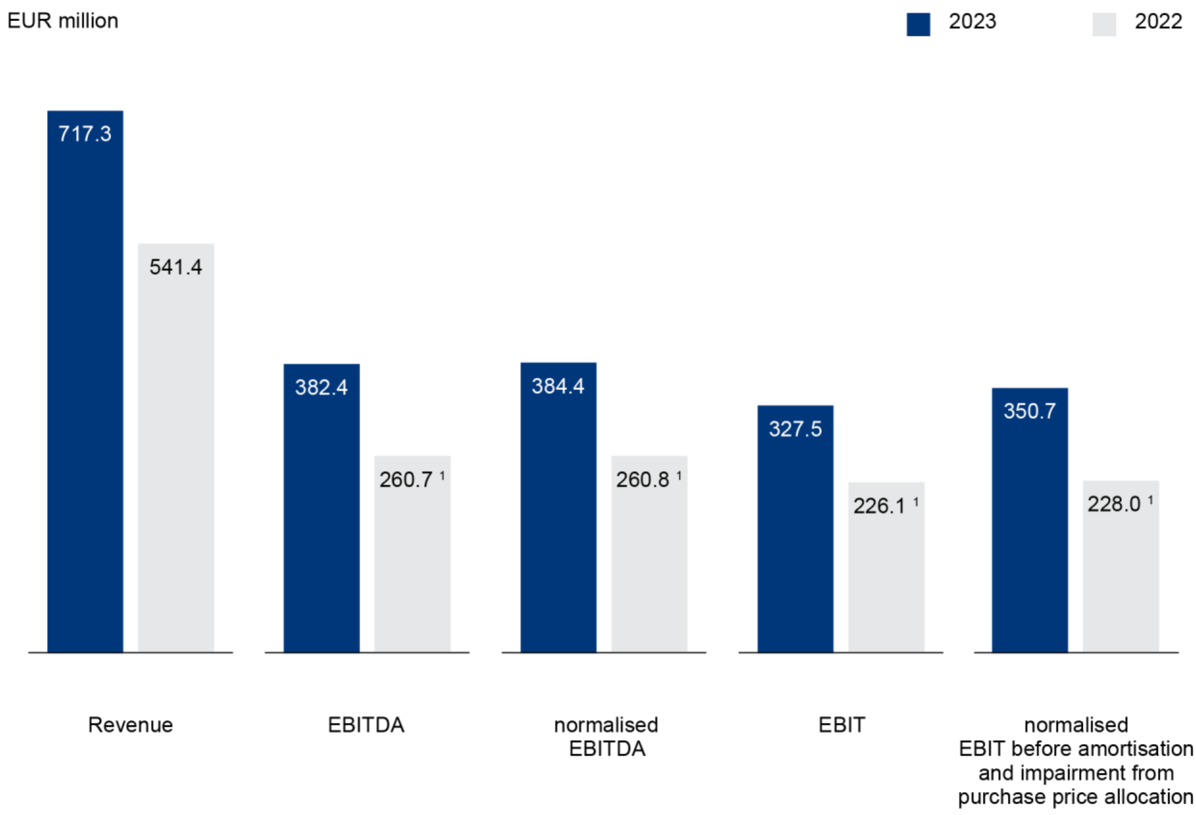
Group earnings per share (EPS) increased from EUR 2.12 to EUR 2.86 during the year under review.

SEGMENT KEY FIGURES

Segment revenue is reported after consolidation within the segments, but before consolidation between the segments.

In the **Ticketing segment** revenue improved in the reporting period particularly due to a significant increase in the number of tickets sold online. The increase in EBITDA in the 2023 financial year is partly due to income directly attributable to CTS Group companies from the joint venture company autoTicket GmbH, Berlin, (hereinafter: autoTicket), which resulted from compensation from the Federal Republic of Germany due to the termination of the car toll arbitration proceedings.

Key financial figures in the Ticketing segment are shown in the table below:

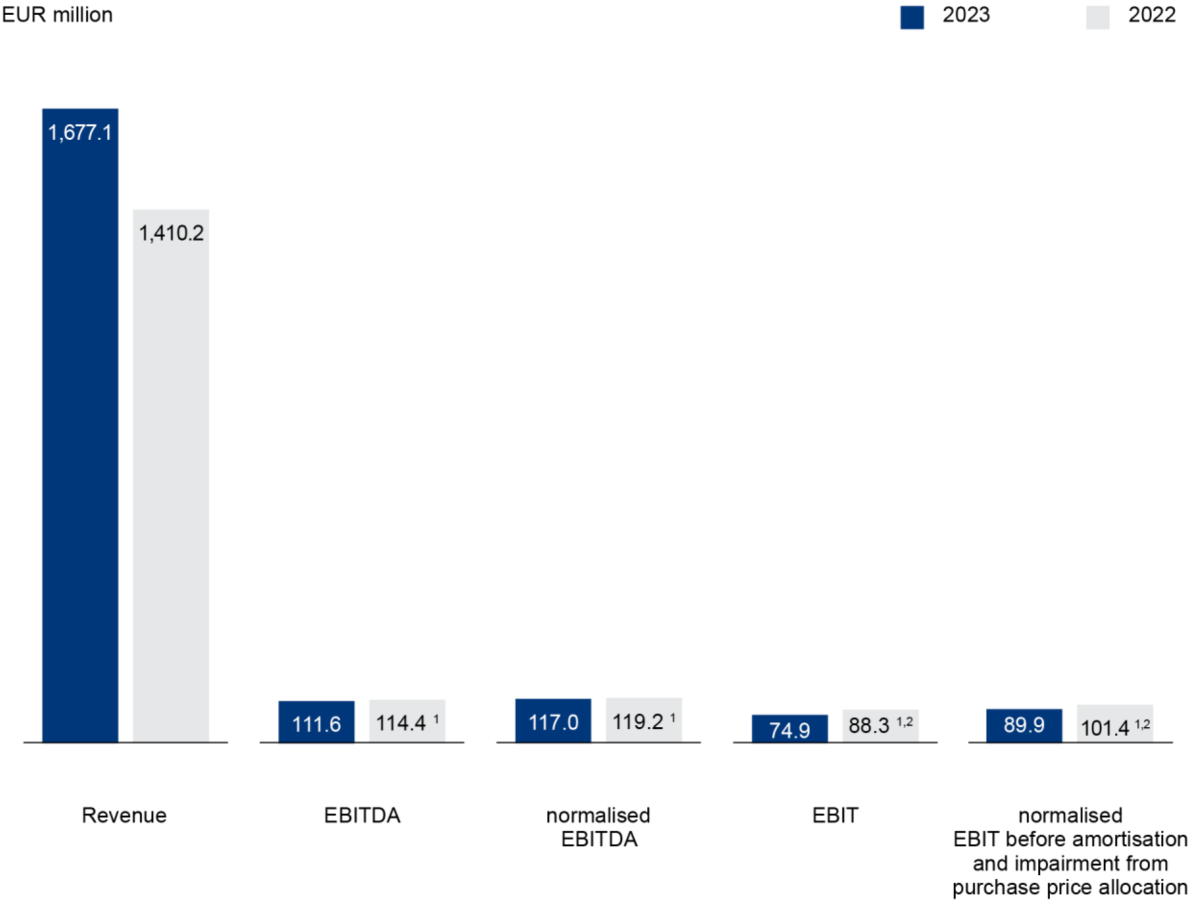


[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements

The internet ticket volume (non-financial key figure) increased by 19.6% to 82.9 million tickets, up from 69.3 million tickets in the previous year. The increase in internet ticket volume was in particular the result of presales for concerts given by international top artists.

Business performance in the **Live Entertainment segment** was impacted by the increase in the number of events and tours as well as by the change in the scope of consolidation.

Key financial figures in the Live Entertainment segment are shown in the table below:



[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

3.4.4 GENERAL ASSESSMENT OF THE GROUP'S BUSINESS SITUATION

The year 2023 was largely unaffected by the effects of the COVID-19 pandemic. There were no more restrictions, and there were no more catch-up effects as in the previous year. The demand pattern is back in line with that experienced before the pandemic, reflected by a very strong fourth quarter.

The forecast published in the 2023 annual report was based on the assumption that the ongoing geopolitical crises would not have an increasing impact on economic developments, and that there would thus be planning certainty for concertgoers, promoters, and artists.

In the forecast for the 2023 financial year, the term 'key earnings figures' is used for the two key figures normalised EBITDA and normalised EBIT.

Target/actual comparison for the forecast for financial year 2023:

	Forecast (Annual Report 2022)	Group interim report 30 Jun 2023	Ad hoc Announcement 5 Oct 2023	Group Quarterly Statement 30 Sept 2023	Actual 2023 vs 2022[1]
CTS Group					
Revenue	on prior-year level	Moderately higher	Significantly above EUR 2,000 million	Significantly above EUR 2,000 million	+22% (moderately higher)
Earnings figures	on prior-year level	on prior-year level up to moderately higher	Normalised EBITDA significantly above EUR 400 million	Normalised EBITDA significantly above EUR 400 million	EUR +111 Mio. or EUR +121 Mio. (each significantly higher)
Earnings figures excl. Corona subsidies	Significantly higher	Significantly higher	./.	./.	EUR +159 Mio. or EUR +169 Mio. (each significantly higher)
Segment Ticketing					
Revenue	Moderately higher	Moderately higher	./.	Moderately higher	+33% (significantly higher)
Earnings figures	Moderately higher	Significantly higher	./.	Significantly higher	EUR +123 Mio. or EUR +124 Mio. (each significantly higher)
Earnings figures excl. Corona subsidies	Moderately higher	./.	./.	./.	EUR +123 Mio. or EUR +124 Mio. (each significantly higher)
Internet ticket volume	Moderately higher	Moderately higher	./.	Moderately higher	+20% (moderately higher)
Segment Live Entertainment					
Revenue	Moderately lower	Moderately higher	./.	Moderately higher	+19% (moderately higher)
Earnings figures	Moderately lower	Moderately to significantly lower	./.	Moderately lower	EUR -12 Mio. (moderately lower) or EUR -2 Mio. (on prior-year level)
Earnings figures excl. Corona subsidies	Moderately higher	Moderately higher	./.	Moderately higher	EUR +36 Mio. or EUR +46 Mio. (each significantly higher)

./. = no information

[1] 2023 including income from autoTicket compensation of EUR 37.4 million at the Group and Ticketing segment levels

Target/actual comparison for the forecast of CTS KGaA for financial year 2023:

	Forecast (Annual Report 2022)	Group interim report 30 Jun 2023	Ad hoc Announcement 5 Oct 2023	Group Quarterly Statement 30 Sept 2023	Actual 2023 vs 2022
CTS KGaA					
Revenue	Moderately higher	Moderately higher	./.	Moderately higher	+39% (significantly higher)
Earnings figures	Moderately higher	Moderately higher	./.	Moderately higher	EUR +55 Mio. or EUR +56 Mio. (each significantly higher)
Earnings figures excl. Corona subsidies	Moderately higher	Moderately higher	./.	Moderately higher	EUR +57 Mio. (significantly higher)

./. = no information

3.4.5 CTS EVENTIM SHARES PERFORMANCE

The European equity markets experienced a number of challenges and developments in 2023, which were influenced by both internal dynamics within the European Union and global events. One of the defining factors for the equity markets in 2023 was the rise in interest rates. The European Central Bank, as well as other central banks around the world, responded to persistent inflation, fuelled in part by the recovery from the COVID-19 pandemic and supply chain issues, by raising interest rates.

The year 2023 was also characterised by geopolitical tensions and uncertainties. Crises, such as ongoing conflicts in various parts of the world and political uncertainties within the European Union, also had an impact on the stock markets, which was primarily reflected in corresponding volatility. In this challenging market environment, the performance of CTS EVENTIM shares in the financial year 2023 was on a par with the MDAX. Both, CTS EVENTIM shares and the index, closed the financial year with a performance in the mid-single-digit percentage range. In contrast to their benchmark index, however, CTS EVENTIM shares clearly outperformed in the first few weeks of the financial year 2024, primarily due to the publication of preliminary results for the financial year 2023 on 7 February 2024. Despite ongoing uncertainty on the global stock markets, the CTS Group thus provided early proof of its consistently strong business performance.

CTS KGaA continues to enjoy a high level of interest among various investment banks in the capital markets. Various analysts follow CTS EVENTIM shares on an ongoing basis and give their investment recommendations. There are currently recommendations from Baader Helvea, BNP Paribas, Berenberg, DZ Bank, Jeffries, JP Morgan, Kepler Cheuvreux, Oddo BHF, Redburn, Societe Generale and SHR Alster Research. Eight banks have issued ‘buy’ recommendations and three have issued ‘hold’ recommendations.

In the financial year 2023, CTS KGaA once again presented itself to a large number of international and domestic investors. CTS KGaA will continue to maintain its direct dialog with all capital market participants in the future. In particular, the CTS Group’s successful business model and its sustained growth have continuously increased awareness of and interest in CTS KGaA among national and international investors. The investor relations strategy of CTS Eventim will continue to focus on intensifying those excellent relationships in the future.

4. CTS GROUP: EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASH FLOW
4.1 EARNINGS PERFORMANCE

The 2023 financial year was characterised by a wide variety of live and sporting events. In particular, presales for tours in 2024 made by superstars such as Taylor Swift, Paul McCartney, and Coldplay, as well as the change in the scope of consolidation contributed to an increase in CTS Group's earnings. Accordingly, consolidated revenue rose to EUR 2,358,552 thousand. Group EBITDA increased to EUR 493,959 thousand, primarily due to earnings contributions from presales and the staging of events as well as income directly due to the CTS Group companies from the joint venture company autoTicket, which result from compensation from the Federal Republic of Germany due to the termination of the car toll arbitration proceedings.

The earnings performance of the CTS Group is as follows:

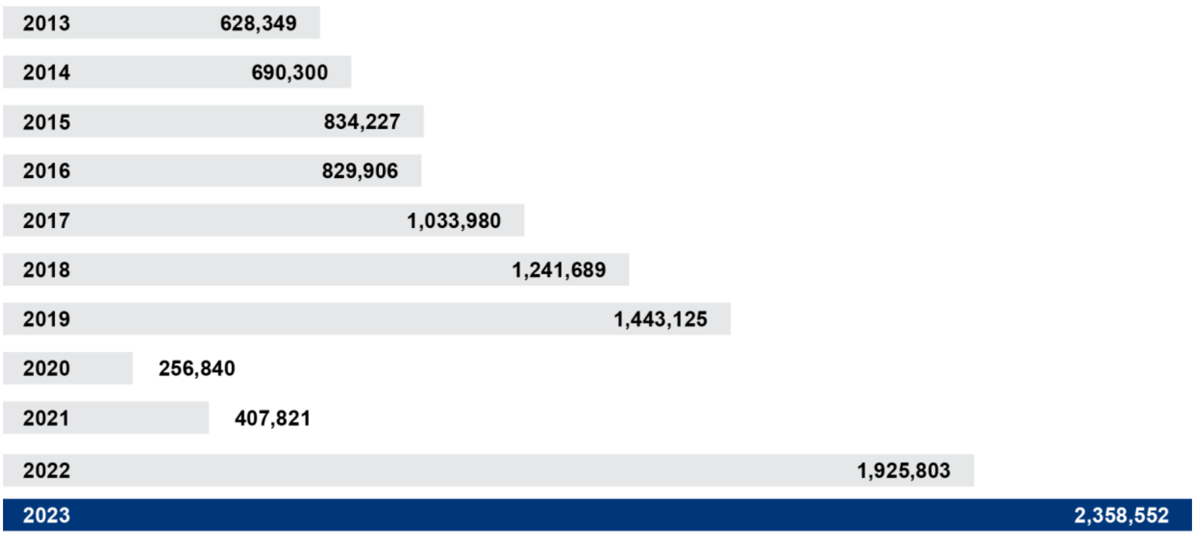
	2023	2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**2,358,552**	**1,925,803**	**432,749**	**22.5**
EBITDA	**493,959**	**375,108** [1]	**118,852**	**31.7**
Depreciation, amortisation and impairment	**-91,635**	**-60,689** [2]	**-30,946**	**51.0**
EBIT	**402,324**	**314,419** [1,2]	**87,905**	**28.0**
Financial result	6,780	26,778 [1,2]	-19,999	-74.7
Earnings before taxes (EBT)	**409,104**	**341,197** [2]	**67,906**	**19.9**
Taxes	-135,580	-87,473 [2]	-48,107	55.0
Net result attributable to shareholders of CTS KGaA	**274,641**	**203,748** [2]	**70,894**	**34.8**
Net result attributable to non-controlling interests	-1,118	49,977	-51,095	<-100.0

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

4.1.1 REVENUE PERFORMANCE

Group revenue[1] development is shown in the following table:

in [EUR'000]



During the period under review, consolidated revenue increased by EUR 432,749 thousand, to EUR 2,358,552 thousand (previous year: EUR 1,925,803 thousand). Revenue (before consolidation between segments) breaks down into EUR 717,322 thousand (previous year: EUR 541,408 thousand) in the Ticketing segment and EUR 1,677,064 thousand (previous year: EUR 1,410,228 thousand) in the Live Entertainment segment.

[1] Revenue 2012-2016 was not part of the audit of the consolidated financial statements.

The following table shows revenue by geographic distribution:

	2023	2022
	[EUR'000]	[EUR'000]
Germany	1,087,605	893,342
Italy	501,563	395,818
USA	176,007	48,617
Switzerland	164,001	149,762
Austria	155,290	145,228
Netherlands	51,061	14,385
Finland	37,555	42,029
Spain	37,174	27,838
Sweden	33,695	48,976
UK	26,726	63,302
Brasil	24,401	21,035
Denmark	14,705	23,087
Other countries	48,771	52,384
	2,358,552	**1,925,803**

Revenue growth in Germany, Italy, Spain and the USA resulted primarily from the Live Entertainment segment. While the increase in revenue in Germany, Austria, Switzerland and Italy in the Ticketing segment have also risen sharply.

In the **Ticketing segment**, revenue increased by EUR 175,914 thousand, or 32.5% to EUR 717,322 thousand (previous year: EUR 541,408 thousand). This was primarily driven by the jump of 13.6 million in the numbers of tickets sold online, to 82.9 million tickets, up from 69.3 million tickets in the previous year.

In the **Live Entertainment segment**, revenue increased by EUR 266,836 thousand (+18.9%) to EUR 1,677,064 thousand (previous year: EUR 1,410,228 thousand). Revenue growth resulted from an increase in the number of events and tours as well as the change in the scope of consolidation.

4.1.2 EARNINGS PERFORMANCE

NORMALISED EBITDA / EBITDA

In normalised EBITDA, the non-recurring items are adjusted. The normalised EBIT before amortisation and impairment from purchase price allocations is adjusted for non-recurring items and the amortisation and impairment from purchase price allocations.

	2023	2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
EBITDA	**493,959**	**375,108** [1]	**118,852**	**31.7**
Non-recurring items:	7,463	4,957	2,506	50.6
Legal and consulting fees for planned and completed acquisitions	2,266	911	1,354	>100.0
Legal and consulting fees related to infrastructure charge	146	19	127	>100.0
Expenses from allocations of purchase prices for acquisitions that are not classified as business combinations according to IFRS 3	5,052	4,027	1,025	25.4
Normalised EBITDA	**501,422**	**380,065** [1]	**121,357**	**31.9**
Depreciation, amortisation and impairment	-91,635	-60,689 [2]	-30,946	51.0
thereof amortisation and impairment from purchase price allocation	-30,749	-10,015 [2]	-20,735	>100.0
Normalised EBIT before amortisation and impairment from purchase price allocation	**440,536**	**329,391** [1,2]	**111,146**	**33.7**

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

The **CTS Group's** normalised EBITDA increased by EUR 121,357 thousand to EUR 501,422 thousand (previous year: EUR 380,065 thousand). The increase is mainly due to the earnings contributions from presales and the staging of events. Furthermore, the EUR 37,408 thousand in income directly due to the CTS group companies from the joint venture company autoTicket, which results from compensation from the Federal Republic of Germany, is included. This was offset by lower income for Corona economic aid programmes in Germany and abroad, which is primarily a compensation for expenses incurred due to events cancelled or held with reduced capacity due to COVID-19 by EUR 45,437 thousand to EUR 11,718 thousand (previous year: EUR 57,155 thousand). The change in normalised EBITDA breaks down into EUR 123,589 thousand in the Ticketing segment and EUR -2,194 thousand in the Live Entertainment segment. The normalised EBITDA margin was 21.3% (previous year: 19.7%).

Group EBITDA increased by EUR 118,852 thousand to EUR 493,959 thousand (previous year: EUR 375,108 thousand). The change in EBITDA breaks down into EUR 121,622 thousand in the Ticketing segment and EUR -2,733 thousand in the Live Entertainment segment. The Group EBITDA margin amounts up to 20.9% (previous year: 19.5%).

Normalised EBITDA in the **Ticketing segment** increased by EUR 123,589 thousand to EUR 384,414 thousand, up from EUR 260,825 thousand. The normalised EBITDA margin amounted to 53.6% (previous year: 48.2%). 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. Furthermore, the EUR 37,408 thousand in income directly due to the CTS group companies from the joint venture company autoTicket is included.

EBITDA in the Ticketing segment increased by EUR 121,622 thousand to EUR 382,370 thousand, up from EUR 260,747 thousand during the previous year. The EBITDA margin amounted to 53.3% (previous year: 48.2%).

In the **Live Entertainment segment**, normalised EBITDA decreased by EUR 2,194 thousand to EUR 117,036 thousand, down from EUR 119,230 thousand in the previous year. The normalised EBITDA margin decreased to 7.0% (previous year: 8.5%). The reduction of normalised EBITDA is mainly due to lower income from Corona economic aid programmes provided in Germany and abroad (EUR -44,378 thousand) and higher preproduction costs and expense for holding events.

EBITDA in the Live Entertainment segment decreased by EUR 2,733 thousand to EUR 111,617 thousand, down from EUR 114,350 thousand in the previous year. The EBITDA margin was 6.7% (previous year: 8.1%).

NON-RECURRING ITEMS

In the period under review, the CTS Group's earnings were impacted by non-recurring items of EUR 5,419 thousand (previous year: EUR 4,880 thousand) in the Live Entertainment segment, mainly in connection with expenses from purchase price allocations for acquisitions not classified as a business combination under IFRS 3 (EUR 5,052 thousand; previous year: EUR 4,027 thousand), as well as by other non-recurring items in connection with completed and planned acquisitions (mainly legal and consulting fees from due diligence). In the Ticketing segment, non-recurring items of EUR 2,045 thousand were recorded (previous year: EUR 77 thousand), primarily due to legal and consulting fees, including for due diligence.

NORMALISED EBIT BEFORE AMORTISATION AND IMPAIRMENT FROM PURCHASE PRICE ALLOCATION / EBIT

Normalised EBIT before amortisation and impairment from purchase price allocation in the **CTS Group** increased by EUR 111,146 thousand to EUR 440,536 thousand, up from EUR 329,391 thousand in the previous year. The normalised EBIT margin increased to 18.7% (previous year: 17.1%). At EUR 402,324 thousand, Group EBIT figure was EUR 87,905 thousand higher than in the previous year (EUR 314,419 thousand). The EBIT margin increased to 17.1% (previous year: 16.3%).

Total depreciation and amortisation in the **CTS Group** was EUR 91,635 thousand (previous year: EUR 60,689 thousand). Amortisation and impairment from purchase price allocations increased to EUR 30,749 thousand (previous year: EUR 10,015 thousand). Due to an indication that the ticket distribution rights at CTS Eventim New Co. Ltd., Tel Aviv, Israel, may be impaired an impairment test was performed which led to impairment losses totalling EUR 19,023 thousand. At EUR 60,886 thousand, the amortisation of intangible assets and the depreciation of property, plant and equipment were above the previous year's level (previous year: EUR 50,674 thousand).

In the **Ticketing segment**, normalised EBIT before amortisation and impairment from purchase price allocation increased by EUR 122,733 thousand to EUR 350,701 thousand, up from EUR 227,968 thousand. The normalised EBIT margin was 48.9%, up from 42.1% in the previous year. EBIT increased by EUR 101,375 thousand to EUR 327,492 thousand, up from EUR 226,118 thousand. The EBIT margin increased to 45.7%, compared to 41.8% in the previous year.

The **Live Entertainment segment,** normalised EBIT before amortisation and impairment from purchase price allocation was EUR 89,863 thousand, down from EUR 101,412 thousand in the previous year. The normalised EBIT margin decreased slightly to 5.4% (previous year: 7.2%). EBIT decreased by EUR 13,431 thousand to EUR 74,859 thousand, down from EUR 88,291 thousand in the previous year. The EBIT margin was 4.5% (previous year: 6.3%).

FINANCIAL RESULT

The financial result fell by EUR 19,999 thousand to EUR 6,780 thousand, down from EUR 26,778 thousand in the previous year. The decline is mainly due to an increase in financial expenses. In contrast, financial income and investment income from companies accounted for using the equity method increased which was improved in particular by positive effects from autoTicket's claims for damages.

The increase in financial expenses from EUR 19,744 thousand by EUR 47,747 thousand to EUR 67,491 thousand mainly relates to updated measurements of financial liabilities from put options and earn-out agreements (EUR +26,008 thousand) and from valuations on loans amounting to EUR 14,300 thousand. Furthermore, the revaluation of the equity share in HPX due to the transition from the equity method to full consolidation results in financial expense of EUR 5,816 thousand.

The increase in financial income from EUR 33,669 thousand by EUR 1,371 thousand to EUR 35,040 thousand mainly relates to higher interest income of EUR 27,196 thousand and by EUR 26,378 thousand of higher investment income from companies accounted for using the equity method. This is offset by lower income from updated measurements of financial liabilities from put options and earn-out agreements (EUR 10,105 thousand) and lower income from foreign currency translation of loans (EUR 5,701 thousand). Compared to the previous year, lower financial income from the revaluation of the equity share in BPC due to the transition from the equity method to full consolidation amounts to EUR 4,390 thousand. Another negative effect in the financial income relates from the sale of shares in a subsidiary in the Live Entertainment segment in the amount of EUR 6,475 thousand in the same period of the previous year.

TAXES

Taxes in the reporting year include tax expenses of EUR 135,580 thousand (previous year: EUR 87,473 thousand). The EUR 48,107 thousand increase in taxes is mainly due to the increased operating result. Taxes include deferred tax income of EUR 9,432 thousand (previous year: deferred tax expenses EUR 9,202 thousand) and the current income tax expenses of consolidated entities of EUR 145,012 thousand (previous year: EUR 78,270 thousand).

NET RESULT ATTRIBUTABLE TO SHAREHOLDERS OF CTS KGaA

After deducting tax expenses and non-controlling interests, the net result attributable to the shareholders of CTS KGaA was EUR 274,641 thousand (previous year: EUR 203,748 thousand). Earnings per share (EPS) increased to EUR 2.86 (previous year: EUR 2.12).

NET RESULT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net result attributable to non-controlling interests decreased by EUR 51,095 thousand to EUR -1,118 thousand (previous year: EUR 49,977 thousand). The main drivers of the decline are negative annual results from companies with high non-controlling interest ratios, particularly in North America due to start-up losses and in Israel. In contrast, there are positive annual results from companies with high non-controlling interest in the Live Entertainment and Ticketing segment.

4.1.3 ADDITIONAL NOTES TO SINGLE ITEMS IN THE CONSOLIDATED INCOME STATEMENT

	2023	2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Selling expenses	125,063	101,182 [1,2]	23,881	23.6
General administrative expenses	119,023	96,537 [1,2]	22,487	23.3
Other operating income	84,319	105,415 [1]	-21,096	-20.0
Other operating expenses	34,446	33,885 [1,2]	561	1.7
thereof non-recurring items	*7,463*	*4,957*	*2,506*	50.6

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

SELLING EXPENSES

Selling expenses increased by EUR 23,881 thousand to EUR 125,063 thousand. The increase in selling expenses can primarily be attributed to higher personnel expenses (EUR +11,827 thousand; see section 4.1.4 Personnel) and to higher depreciation and amortisation (EUR +9,095 thousand).

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses increased by EUR 22,487 thousand to EUR 119,023 thousand. The increase can primarily be attributed to higher personnel expenses (EUR +14,209 thousand; see section 4.1.4 Personnel), to higher depreciation and amortisation (EUR +5,164 thousand) and to higher other operating expenses. The increase of other operating expenses (EUR +5,044 thousand) is mainly due to higher expenses for external services.

OTHER OPERATING INCOME

Other operating income decreased by EUR 21,096 thousand to EUR 84,319 thousand from EUR 105,415 thousand in the previous year. The decrease was largely attributable to lower income as part of the economic aid programmes provided in Germany and abroad in connection with the COVID-19 pandemic, which decreased by EUR 45,437 thousand to EUR 11,718 thousand. On the other hand, there is higher income from compensation for damages compared to the same period last year (EUR +39,884 thousand), in particular income from the autoTicket joint venture.

OTHER OPERATING EXPENSES

Other operating expenses increased by EUR 561 thousand to EUR 34,446 thousand. The increase can particularly be attributed to higher expenses for external services (EUR +3,899 thousand) and passed on expenses (EUR +3,872 thousand) as well as higher currency translation expenses resulting from the translation of receivables and liabilities, especially US dollar (EUR +2,207 thousand). Furthermore, depreciation and amortisation decreased by EUR 2,338 thousand.

4.1.4 PERSONNEL

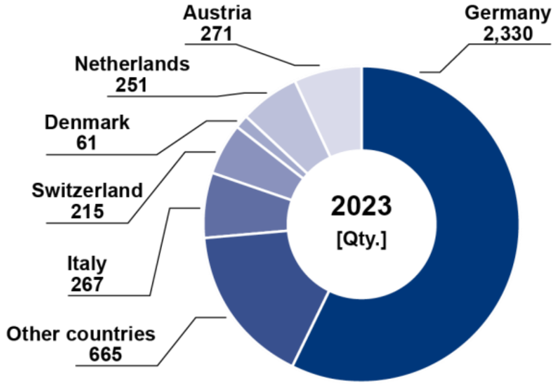
Personnel expenses increased by EUR 41,830 thousand, or 19.5%, to EUR 255,880 thousand (previous year: EUR 214,050 thousand). Of the increase in personnel expenses, EUR 25,459 thousand was attributable to the Live Entertainment segment and EUR 16,371 thousand to the Ticketing segment. The increase in personnel expenses is due, among other things, to a larger number of employees (among other things from the expansion of the scope of consolidation) and one-off payments and additional salary payments based on the good results in both the Live Entertainment and Ticketing segments in the reporting year.

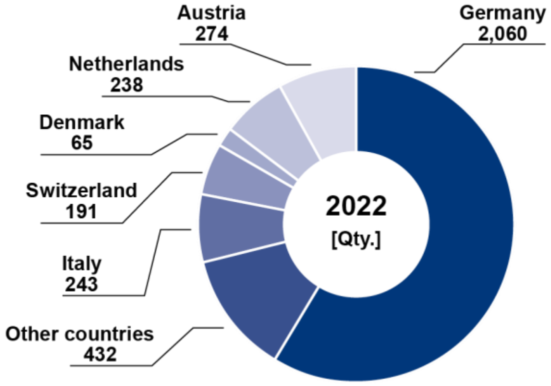
Breakdown of workforce by segment (permanent and temporary employees), year-end figures:

	2023	2022	Change	
	[Qty.]	[Qty.]	[Qty.]	[in %]
Ticketing	2,124	1,824	300	16.4
Live Entertainment	1,936	1,679	257	15.3
Total	**4,060**	**3,503**	**557**	**15.9**

The increase in staff in both segments resulted in particular from the recovery of business activity after a two-year pandemic-related break.

Breakdown of workforce by region (year-end figures):





In 2023, the Group employed an average of 646 more employees than in the 2022 financial year.

4.1.5 PERFORMANCE OF THE TICKETING AND LIVE ENTERTAINMENT SEGMENTS

TICKETING

	2020	2021	2022	2023
	[EUR million]	[EUR million]	[EUR million]	[EUR million]
Revenue	126.6	224.1	541.4	717.3
EBITDA	-24.1	176.5	260.8 [1]	382.4
EBITDA margin	-19.1%	78.8%	48.2% [1]	53.3%
Normalised EBITDA	-23.6	177.1	260.8 [1]	384.4
Normalised EBITDA margin	-18.7%	79.0%	48.2% [1]	53.6%
EBIT	-57.8	143.2	226.1 [1]	327.5
EBIT margin	-45.6%	63.9%	41.8% [1]	45.7%
Normalised EBIT before amortisation and impairment from purchase price allocation	-50.8	149.9	228.0 [1]	350.7
Normalised EBIT margin before amortisation and impairment from purchase price allocation	-40.1%	66.9%	42.1% [1]	48.9%

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements

The increase in revenue during the financial year 2023 was characterised by the rise in ticket presales on the internet for future events. Of the segment revenue in the 2023 reporting year, EUR 615,501 thousand (previous year: EUR 473,779 thousand) was attributable to internet sales. This corresponds to a share of 85.8% (previous year: 87.5%).

The key figures were burdened in the financial years 2020 and 2021 due to the COVID 19 pandemic, whereby the income for Corona economic aid in Germany and abroad increased EBITDA, normalised EBITDA, EBIT and normalised EBIT before amortisation and impairment from purchase price allocation in the financial year 2021.

LIVE ENTERTAINMENT

	2020	2021	2022	2023
	[EUR million]	[EUR million]	[EUR million]	[EUR million]
Revenue	136.8	191.1	1,410.2	1,677.1
EBITDA	17.0	26.5	114.4 [1]	111.6
EBITDA margin	12.4%	13.9%	8.1% [1]	6.7%
Normalised EBITDA	20.7	30.9	119.2 [1]	117.0
Normalised EBITDA margin	15.1%	16.2%	8.5% [1]	7.0%
EBIT	-5.2	4.3	88.3 [1,2]	74.9
EBIT margin	-3.8%	2.3%	6.3% [1,2]	4.5%
Normalised EBIT before amortisation and impairment from purchase price allocation	4.6	14.7	101.4 [1,2]	89.9
Normalised EBIT margin before amortisation and impairment from purchase price allocation	3.4%	7.7%	7.2% [1,2]	5.4%

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

The increase in revenue in 2023 is mainly the result of a high number of events and tours as well as the expansion of the scope of consolidation.

The key figures were burdened in the financial year 2020 and 2021 due to the COVID 19 pandemic, whereby the income for Corona economic aid in Germany and abroad increased EBITDA, normalised EBITDA, EBIT and normalised EBIT before amortisation and impairment from purchase price allocation in the 2021 financial year.

4.2 FINANCIAL POSITION
4.2.1 GROUP FINANCIAL POSITION

	31 Dec 2023		31 Dec 2022		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current assets					
Cash and cash equivalents	1,028,493	32.2	1,148,850	44.0 [2]	-120,356
Marketable securities and other investments	646,355	20.2	163,621	6.3	482,734
Trade receivables	121,558	3.8	113,393	4.3	8,165
Receivables from related parties	5,162	0.2	3,807	0.1	1,355
Inventories	14,245	0.4	5,027	0.2	9,217
Advances paid	133,811	4.2	133,457	5.1	355
Other financial assets	97,951	3.1	90,130	3.5 [2]	7,821
Other non-financial assets	102,124	3.2	77,958	3.0	24,166
Total current assets	**2,149,699**	**67.3**	**1,736,243**	**66.5**	**413,456**
Non-current assets					
Goodwill	387,692	12.1	361,739	13.9	25,954
Fixed assets	582,333	18.2	460,808	17.7 [1]	121,525
Trade receivables	82	0.0	151	0.0	-69
Advances paid	1,937	0.1	2,299	0.1	-361
Other financial assets	28,490	0.9	8,393	0.3	20,097
Other non-financial assets	12,154	0.4	14,189	0.5	-2,035
Deferred tax assets	32,952	1.0	25,356	1.0	7,596
Total non-current assets	**1,045,640**	**32.7**	**872,933**	**33.5** [1]	**172,706**
Total assets	**3,195,339**	**100.0**	**2,609,176**	**100.0** [1]	**586,163**

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

	31 Dec 2023		31 Dec 2022		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current liabilities					
Financial liabilities	11,626	0.4	2,118	0.1	9,508
Trade payables	283,259	8.9	232,622	8.9	50,637
Payables to related parties	9,138	0.3	8,154	0.3	984
Advance payments received	665,681	20.8	524,855	20.1	140,826
Other provisions	28,955	0.9	39,762	1.5	-10,808
Tax debts	77,559	2.4	91,980	3.5	-14,421
Other financial liabilities	698,530	21.9	557,987	21.4	140,543
Lease liabilities	21,105	0.7	18,049	0.7	3,056
Other non-financial liabilities	149,914	4.7	117,963	4.5	31,951
Total current liabilities	**1,945,767**	**60.9**	**1,593,491**	**61.1**	**352,276**
Non-current liabilities					
Financial liabilities	57,781	1.8	14,873	0.6	42,908
Trade payables	9,387	0.3	1,303	0.0	8,084
Advanced payments received	4,147	0.1	12,052	0.5	-7,905
Provisions	3,973	0.1	4,957	0.2	-984
Other financial liabilities	15,708	0.5	9,217	0.4	6,490
Lease liabilities	100,327	3.1	102,889	3.9	-2,562
Pension provisions	9,978	0.3	6,000	0.2	3,979
Deferred tax liabilities	33,707	1.1	27,022	1.0 [1]	6,685
Total non-current liabilities	**235,008**	**7.4**	**178,313**	**6.8** [1]	**56,694**
Equity					
Share capital	96,000	3.0	96,000	3.7	0
Capital reserve	1,890	0.1	1,890	0.1	0
Statutory reserve	7,200	0.2	7,200	0.3	0
Retained earnings	788,421	24.7	629,447	24.1 [1]	158,974
Other reserves	3,355	0.1	-2,915	-0.1 [1]	6,270
Treasury shares	-52	0.0	-52	0.0	0
Total equity attributable to shareholders of CTS KGaA	**896,814**	**28.1**	**731,570**	**28.0** [1]	**165,244**
Non-controlling interests	117,750	3.7	105,802	4.1	11,948
Total equity	**1,014,564**	**31.8**	**837,372**	**32.1** [1]	**177,192**
Total equity and liabilities	**3,195,339**	**100.0**	**2,609,176**	**100.0** [1]	**586,163**

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

The CTS Group's total assets increased in the reporting year, primarily due to increased liabilities from ticket money received and advance payments received. As of the 31 December 2023 reporting date, total assets amounted to EUR 3,195,339 thousand and thus EUR 586,163 thousand or 22.5% higher compared to the previous year. The equity ratio decreased by -0.3 percentage points to 31.8%. Working capital (current assets less current liabilities) changed by EUR 61,180 thousand, rising from EUR 142,752 thousand in the previous year to EUR 203,932 thousand.

CURRENT ASSETS increased by EUR 413,456 thousand to EUR 2,149,699 thousand, in particular due to increases in marketable securities and other investments (EUR + 482,734 thousand) and in other financial assets (EUR +7,821 thousand) and other non-financial assets (EUR + 24,166 thousand). In contrast, there was a decline in cash and cash equivalents (EUR -120,356 thousand).

Cash and cash equivalents were down by EUR 120,356 thousand compared with 31 December 2022. Cash and cash equivalents, came to EUR 1,028,493 thousand (previous year: EUR 1,148,850 thousand) and included ticket money from ticket presales for events that have not yet been settled (ticket money received that has not yet been settled with promoters, particularly in the Ticketing segment), which are reported in other financial liabilities (EUR 650,162 thousand; previous year: EUR 507,697 thousand). Other financial assets also include ticket money receivables from presales in the Ticketing segment (EUR 44,777 thousand; previous year: EUR 44,985 thousand).

Marketable securities and other investments rose by EUR 482,734 thousand, in particular due to time deposits, Commercial paper and bearer bonds.

The increase in current **other financial assets** (EUR +7,821 thousand) was mainly due to higher interest receivables (EUR +6,991 thousand) and receivables to promoter (EUR +12,656 thousand). In contrast, receivables from companies accounted for at equity decreased by EUR -11,175 thousand.

NON-CURRENT ASSETS increased by EUR 172,706 thousand to EUR 1,045,640 thousand mainly due to an increase in goodwill (EUR +25,954 thousand), property, plant and equipment (EUR +121,525 thousand) and other financial assets (EUR +20,097 thousand).

The rise in **fixed assets** (EUR +121,525 thousand) was mainly due to advance payments made in property, plant and equipment of EUR 86,898 thousand especially for the construction of the ARENA FOR MILAN in Italy and for entertainment exhibition inventory of event formats. Furthermore, the investments in associates accounted for at equity decreased by EUR 25,077 thousand; mainly due to the transition from the at equity method to the full consolidation of HPX LLC, Wilmington, USA (hereinafter: HPX). The company produces a large global entertainment exhibition with current focuses on the USA and Europe.

The increase in **other financial assets** by EUR 20,097 thousand results from receivables from event promoter, which increased due to increased business activities in the USA.

The ratio of non-current assets to total assets was 32.7% (previous year: 33.5%).

CURRENT LIABILITIES increased by EUR 352,276 thousand to EUR 1,945,767 thousand. The increase was mainly attributable to higher trade payables (EUR +50,637 thousand), advance payments received (EUR 140,826 thousand) and other financial liabilities (EUR +140,543 thousand).

Trade payables increased by EUR 50,637 thousand mainly due to increase in business activity.

The current **advance payments received** increased by EUR 140,826 thousand mainly due to ticket money from presale of future events in the Live Entertainment segment.

Current **other financial liabilities** (EUR +140,543 thousand) increased mainly due to the build-up of liabilities from ticket money received that has not yet been settled with promoters in the Ticketing segment.

NON-CURRENT LIABILITIES totalled EUR 235,008 thousand at the reporting date, up 31.8%, or EUR 56,694 thousand (previous year: EUR 178,313 thousand). The increase is mainly due to higher financial liabilities (EUR +42,908 thousand) and trade payables (EUR +8,084 thousand). Financial liabilities increased primarily due to the revaluation of put options and earn-out agreements (EUR +39,781 thousand). The exercise of the call option for a further 17% of the shares in France Billet, which triggered a requirement for the other shareholder to exercise a put option for the remaining 35% of the shares, led to the recognition of that put option of EUR +9,350 thousand. Furthermore, a put option amounting to EUR 16,111 thousand was recorded as part of the acquisition of Punto Ticket. The updated valuation of the put option on shares in fully consolidated companies increased financial liabilities by EUR 11,819 thousand. Deferred tax liabilities also increased, in particular due to the expansion of the scope of consolidation (EUR +6,685 thousand). In contrast, non-current advance payments received in the Live Entertainment segment decreased due to reclassification into current liabilities.

EQUITY increased by EUR 177,192 thousand to EUR 1,014,564 thousand. The net result attributable to shareholders of CTS KGaA increased by EUR 70,894 thousand to EUR 274,641 thousand compared to financial year 2022. 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.

The equity ratio (equity/total assets) of 31.8% is on previous year's level of 32.1%. The return on equity (net income/equity) is 27.1%, compared to 24.3% in the previous year.

4.2.2 FINANCIAL MANAGEMENT

The year 2023 was largely unaffected by the effects of the COVID-19 pandemic. There were no more restrictions, and there were no more catch-up effects as in the previous year. Instead, the economic situation reflects the real growth in demand for live entertainment. The seasonal demand pattern is back in line with that experienced before the pandemic, reflected by a very strong fourth quarter.

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

Financial management is intended to ensure solvency at all times and maintain financial balance within the Group. The objective of the CTS Group's financial policy is to keep the Group's financial strength at a high level, thereby preserving the Company's financial independence by ensuring sufficient liquidity. The approach involves avoiding risks to a great extent or effectively counteracting risks.

The financing structure of the CTS Group comprises debt and equity owed to CTS KGaA's shareholders, which in particular comprises issued shares and retained earnings. The debts are offset by available cash and cash equivalents, resulting in net debt.

When it comes to investing excess liquidity, the emphasis is on short-term availability as opposed to maximising earnings in order to ensure swift access to available liquidity to fund potential acquisitions or large project prefinancing, for example. This approach prioritizes strategic acquisitions and growing the Company over purely financial objectives such as optimising financial income. For that reason, guidelines prohibit speculative investments (e.g. investing in currency instruments or securities and the related forward transactions). Investments are only carried out with counterparties who have an investment grade. When investing with banks, investments with appropriate deposit protection are prioritised. Our liquidity situation is managed and monitored centrally by the Treasury department within our Central Finance division.

Derivative financial instruments are generally only used to hedge exposure from our operating business and not to realise short-term profits. To hedge currency risks, derivatives were used in 2023 for artist contracts concluded in US dollars in our Live Entertainment segment. Financial management focuses among other things on securing the earnings and asset situation in euro, the Group's functional currency. Generally, instruments are entered into that are designed to hedge equity exposure in euro while having a neutral impact on profit or loss. However, instruments are also entered into that are intended to hedge cash flows in foreign currency, which largely minimises the currency risk in the income statement.

The CTS Group manages its capital with the objective of maximising shareholder profits by optimising the equity-to-debt ratio. The Group companies operate under a going concern premise.

STRATEGIC FINANCING MEASURES

In financial year 2023, the operating business, necessary investments, and acquisitions were funded using available liquidity.

CTS KGaA has extended the existing revolving credit facility totalling EUR 150,000 thousand by one year ahead of schedule by exercising a maturity extension option. The remaining term is just over two years. In addition, CTS KGaA has concluded a bilateral working capital facility of EUR 40,000 thousand, with a term agreed to extend until further notice. The financial covenants of the credit facilities continue to include the equity ratio and adjusted net debt. In 2023, the revolving credit facility was only utilised for guarantee and surety agreements. The working capital facility was only utilised to a minor extent. The Group has a good equity ratio of 31.8%. However, the financing strategy also provides for a continuous review and optimisation of the capital structure.

The financial liabilities recognised on the balance sheet date amounting to EUR 69,407 thousand (previous year: EUR 16,991 thousand) include loans of EUR 3,227 thousand (previous year: EUR 354 thousand), call and put options on shares of fully consolidated companies (EUR 39,529 thousand), call and put options on shares of non-consolidated subsidiaries (EUR 18,210 thousand) and third party companies and conditional considerations (purchase price obligations) of EUR 8,441 thousand.

From a risk perspective, a balanced relationship between net debt and equity is to be strived for. In addition to improving leverage and thus optimising the capital structure, a stable equity ratio is the basis for a higher debt potential and financial flexibility, in particular to be able to exploit acquisition opportunities at short notice. The CTS Group therefore keeps the majority of its financing resources in cash and cash equivalents, in addition to isolated investments that can be liquidated in the short to medium term.

The debt ratio is as follows:

	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Debt[1]	860,300	660,148 [3]
Cash and cash equivalents, marketable securities and other investments[2]	-1,674,848	-1,312,470 [3]
Net debt	**-814,548**	**-652,323** [3]
Equity	1,014,564	837,372 [2]
Net debt to equity	-80.3%	-77.9%

[1] Debt is defined as non-current and current financial liabilities (EUR 69,407 thousand; previous year: EUR 16,991 thousand), other non-current and current financial liabilities and non-current and current lease liabilities (EUR 835,670 thousand; previous year: EUR 688,142 thousand). Other financial liabilities were offset against ticket money receivables (EUR 44,777 thousand; previous year: EUR 44,985 thousand).
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements
[3] Adjusted previous year's figures in accordance with IAS 8.41f. see point 1.2 in the notes to the consolidated financial statements

Net debt indicates the amount of debt that would remain if a company used its cash and cash equivalents, marketable securities and other investments to repay all of its financial liabilities. Structurally, negative net debt results mainly from advance payments received for future events in our Live Entertainment segment. The change in net debt results from the increase in marketable securities and other investments.

4.3 CASH FLOW

	2023	2022	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Cash flow from:			
Operating activities	630,119	346,572 [1,2]	283,547
Investing activities	-616,740	-176,965 [2]	-439,775
Financing activities	-141,638	-29,887	-111,751
Net increase / decrease in cash and cash equivalents	**-128,258**	**139,720** [1]	**-267,978**
Net increase / decrease in cash and cash equivalents due to currency translation	7,901	4,474 [1]	3,427
Changes in cash and cash equivalents due to the scope of consolidation	0	-297	297
Cash and cash equivalents at beginning of period	1,148,850	1,004,952 [1]	143,898
Cash and cash equivalents at end of period	**1,028,493**	**1,148,850** [1]	-120,357

[1] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures of marketable securities and other investments in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

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 31 December 2022, cash and cash equivalents decreased by EUR 120,357 thousand from EUR 1,148,850 thousand to EUR 1,028,493 thousand.

Cash and cash equivalents of EUR 1,028,493 thousand (previous year: EUR 1,148,850 thousand) include inter alia ticket money from ticket presales for events 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 in other financial liabilities (EUR 650,162 thousand; previous year: EUR 507,697 thousand). Other financial assets also include ticket money receivables from ticket presales mainly in the Ticketing segment (EUR 44,777 thousand; previous year: EUR 44,985 thousand).

Cash flow from operating activities is derived indirectly from the consolidated net result for the year, whereas cash flow from investing and financing activities is calculated on the basis of payments.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities led to a cash inflow by EUR 283,547 thousand year-on-year from EUR 346,572 thousand to EUR 630,119 thousand. The main reasons for this are the increased annual result in the reporting period and the build-up of advance payments received in the Live Entertainment segment and liabilities from ticket money in the Ticketing segment. In contrast, the increased income taxes paid due to the positive annual result in a negative cash flow effect.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities led to a net cash outflow of EUR 616,740 thousand resulting to an increase by EUR 439,775 thousand compared to EUR 176,965 thousand in the previous year. The increase essentially results from higher payments for investments in property, plant and equipment (mainly for advance payments made for the construction of the ARENA FOR MILAN and exhibition inventory for event formats). The increase is offset by dividends from companies accounted for using the equity method, in particular from autoTicket.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities changed from a net cash outflow of EUR 29,887 thousand in the prior year to a net cash outflow of EUR 141,638 thousand, resulting in increase of EUR 111,751 thousand. The increase compared to the same period last year results primarily from dividend payments to shareholders and higher distributions to non-controlling interests.

Based on its current funding status, the CTS Group is able to meet its financial commitments and fund its planned investments and ongoing operations.

5. CTS KGaA: EARNINGS PERFORMANCE, FINANCIAL POSITION AND CASHFLOW
5.1 EARNINGS PERFORMANCE

In addition to reporting on the CTS Group, the performance of CTS KGaA is explained below. The annual financial statements of CTS KGaA are prepared in accordance with the German Commercial Code (HGB).

	2023	2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	**367,809**	**280,281**	**87,528**	**31.2**
EBITDA	**148,702**	**130,693**	**18,009**	**13.8**
EBIT	**134,197**	**112,114**	**22,084**	**19.7**
Financial result	173,154	46,448	126,706	>100.0
Earnings before taxes (EBT)	**307,351**	**158,562**	**148,790**	**93.8**
Taxes	-85,422	-49,165	-36,257	73.7
Net income for the year	**221,929**	**109,397**	**112,532**	**>100,0**

5.1.1 REVENUE PERFORMANCE

The revenue of CTS KGaA increased by EUR 87,528 thousand, or +31.2%, to EUR 367,809 thousand in financial year 2023, up from EUR 280,281 thousand in the previous year. The increase in revenue resulted from higher event presales. The internet ticket volume increased by 9.3 million tickets, or 40.4%, to 32.3 million tickets, up from 23.0 million tickets in the previous year.

5.1.2 EARNINGS PERFORMANCE

EBITDA

EBITDA increased by EUR 18,009 thousand to EUR 148,702 thousand, up from EUR 130,693 thousand. This positive effect mainly due to the increase in revenue. The EBITDA margin amounts to 40.4% (previous year: 46.6%). In the current year, it was negatively impacted by the impairment of receivables from affiliated companies (EUR 17,958 thousand) and the valuation of a put and a call option in connection with the shares in a company in which a participating interest is held (EUR 15,650 thousand).

EBIT

The EBIT figure for the reporting year increased to EUR 134,197 thousand (previous year: EUR 112,114 thousand), and the EBIT margin was 36.5% (previous year: 40.0%).

FINANCIAL RESULT

The financial result increased by EUR 126,706 thousand to EUR 173,154 thousand, up from EUR 46,448 thousand in the previous year.

The financial result includes effects from profit-and-loss transfer agreements and profit shares in commercial partnerships (EUR 87,136 thousand; previous year: EUR 33,115 thousand), income from participations (EUR 81,996 thousand; previous year: EUR 17,104 thousand), impairment of financial assets (EUR 8,178 thousand; previous year: EUR 3,970 thousand), interest income (EUR 19,821 thousand; previous year: EUR 3,431 thousand), interest expenses (EUR 7,162 thousand; previous year: EUR 2,612 thousand), other financial expenses (EUR 480 thousand; previous year: EUR 619 thousand) and other financial income (EUR 21 thousand, previous year: EUR 0 thousand).

TAXES

The tax expense was EUR 85,422 thousand (previous year: EUR 49,165 thousand). This includes expenses from income taxes of EUR 84,804 thousand (previous year: EUR 36,008 thousand), expenses from deferred taxes of EUR 616 thousand (previous year: EUR 13,153 thousand) and other taxes (EUR 2 thousand; previous year: EUR 4 thousand). The tax rate (income taxes / earnings before taxes) is 27.8% (previous year: 31.0%).

NET RESULT

In the financial year, CTS KGaA recorded net income of EUR 221,929 thousand within the meaning of the German Commercial Code (HGB) (previous year: net income of EUR 109,397 thousand).

5.1.3 ADDITIONAL NOTES TO SINGLE ITEMS IN THE INCOME STATEMENT

	2023	2022	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Selling expenses	60,618	43,833	16,785	**38.3**
General administrative expenses	33,720	28,567	5,153	**18.0**
Other operating income	19,732	18,446	1,286	**7.0**
Other operating expenses	26,215	5,591	20,624	**>100,0**
thereof non-recurring items	*347*	*77*	*270*	***>100,0***

SELLING EXPENSES

Selling expenses increased by EUR 16,785 thousand to EUR 60,618 thousand year on year. The increase was mainly due to the value adjustment of receivables from affiliated companies (EUR +17,958 thousand).

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses also increased, by EUR 5,153 thousand to EUR 33,720 thousand. The increase was mainly due to the proportionate other operating expenses (EUR +3,230 thousand) and the proportionate personnel expenses (EUR +1,087 thousand).

OTHER OPERATING INCOME

Other operating income increased by EUR 1,286 thousand to EUR 19,732 thousand, up from EUR 18,446 thousand in the previous year. Higher income from the reversal of provisions (EUR +5,389 thousand) was offset by lower income from currency translation (EUR -4,642 thousand).

OTHER OPERATING EXPENSES

During financial year 2023, other operating expenses increased by EUR 20,624 thousand to EUR 26,215 thousand, up from EUR 5,591 thousand in the previous year. The increase was mainly due to the valuation of a put and a call option in connection with the shares in a company in which a participating interest is held (EUR +15,650 thousand). The change was also due to higher expenses from currency translation, in particular from the translation of US dollars (EUR +3,483 thousand).

PERSONNEL

Total personnel expenses increased by EUR 5,214 thousand to EUR 42,875 thousand year on year, up from EUR 37,660 thousand in the previous year.

At the end of financial year 2023, CTS KGaA had 422 employees (previous year: 367 employees). The average number of employees over the year increased from 355 in the previous year to 386 in the financial year.

5.2 FINANCIAL POSITION

	31 Dec 2023		31 Dec 2022			Change
	[EUR'000]	[in %]	[EUR'000]	[in %]		[EUR'000]
Current assets						
Cash and cash equivalents	584,450	36.3	575,491	45.2	[1]	8,959
Other securities	103,968	6.5	0	0.0		103,968
Trade receivables	11,330	0.7	8,473	0.7		2,856
Receivables from affiliated companies and participations	228,475	14.2	166,550	13.1		61,925
Inventories	8,578	0.5	3,550	0.3		5,028
Other assets and prepaid expenses	29,045	1.8	17,215	1.4	[1]	11,829
Total current assets	**965,845**	**60.0**	**771,280**	**60.6**		**194,565**
Non-current assets						
Fixed assets	585,426	36.4	460,565	36.2		124,861
Goodwill	0	0.0	0	0.0		0
Receivables from affiliated companies and participations	52,917	3.3	36,525	2.9		16,392
Other assets and prepaid expenses	3,075	0.2	1,744	0.1		1,331
Deferred tax assets	2,335	0.1	2,723	0.2		-388
Total non-current assets	**643,753**	**40.0**	**501,557**	**39.4**		**142,196**
Total assets	**1,609,598**	**100.0**	**1,272,837**	**100.0**		**336,761**

[1] In the previous year, ticket money receivables were reclassified from other assets to cash and cash equivalents (EUR 43,546 thousand).

	31 Dec 2023		31 Dec 2022		Change
	[EUR'000]	[in %]	[EUR'000]	[in %]	[EUR'000]
Current liabilities					
Financial liabilities	16	0.0	20	0.0	-4
Advance payments received on orders	10,193	0.6	5,146	0.4	5,047
Trade payables	12,165	0.8	9,460	0.7	2,705
Payables to affiliated companies and participations	361,516	22.5	257,888	20.3	103,628
Provisions	94,544	5.9	87,257	6.9	7,286
Other liabilities and deferred income	412,471	25.6	322,045	25.3	90,426
Total current liabilities	**890,906**	**55.3**	**681,818**	**53.6**	**209,088**
Non-current liabilities					
Other liabilities	13,757	0.9	6,492	0.5	7,265
Deferred tax liabilities	14,561	0.9	14,333	1.1	229
Total non-current liabilities	**28,319**	**1.8**	**20,825**	**1.6**	**7,494**
Shareholders' equity					
Share capital	96,000	6.0	96,000	7.5	0
less par value of treasury shares	-9	0.0	-9	0.0	0
Capital reserve	2,400	0.1	2,400	0.2	0
Statutory reserve	7,200	0.4	7,200	0.6	0
Balance sheet profit	584,782	36.3	464,604	36.5	120,179
Total shareholders' equity	**690,374**	**42.9**	**570,195**	**44.8**	**120,179**
Total shareholders' equity and liabilities	**1,609,598**	**100.0**	**1,272,837**	**100.0**	**336,761**

CTS KGaA's total assets increased by EUR 336,761 thousand to EUR 1,609,598 thousand year on year.

CURRENT ASSETS increased by EUR 194,565 thousand to EUR 965,845 thousand. The increase was mainly the result of an increase in other securities (EUR +103,968 thousand), receivables from affiliated companies and participations (EUR +61,925 thousand), other assets (EUR +11,829 thousand) and cash and cash equivalents (EUR +8,959 thousand).

The **other securities** (EUR 103,968 thousand) in the current year include newly concluded commercial paper and short-term bearer bonds for short-term investments and liquidity management.

Receivables from affiliated companies and participations increased by EUR 61,925 thousand to EUR 228,475 thousand, up from EUR 166,550 thousand in the previous year. The increase was mainly the result of higher receivables due to profit and loss transfer and income from investments (EUR +50,482 thousand). The receivables from cash pooling also increased (EUR +6,397 thousand).

Other assets increased by EUR 11,829 thousand to EUR 29,045 thousand, up from EUR 17,215 thousand in the previous year. The increase was mainly the result of an increase in interest receivables (EUR +5,795 thousand).

Cash and cash equivalents increased by EUR 8,959 thousand to EUR 584,450 thousand, up from EUR 575,491 thousand in the previous year.

NON-CURRENT ASSETS increased by EUR 142,196 thousand to EUR 643,753 thousand, up from EUR 501,557 thousand in the previous year. The increase was mainly the result of higher fixed assets (EUR +124,861 thousand) and receivables from affiliated companies and participations (EUR +16,392 thousand).

Fixed assets increased by EUR 124,861 thousand to EUR 585,426 thousand, up from EUR 460,565 thousand in the previous year. The increase was mainly the result from payments into the capital reserves of affiliated companies (EUR +136,401 thousand). This was offset by the effects from the valuation of investments (EUR -8,282 thousand).

Receivables from affiliated companies and participations increased by EUR 16,392 thousand to EUR 52,917 thousand, up from EUR 36,525 thousand in the previous year. The increase was mainly the result of higher non-current loan receivables from affiliated companies and participations.

CURRENT LIABILITIES increased by EUR 209,088 thousand to EUR 890,906 thousand. The increase was mainly the result of liabilities to affiliated companies and participations (EUR +103,628 thousand), other liabilities (EUR +90,426 thousand) and provisions (EUR +7,286 thousand).

The EUR 103,628 thousand increase in **Liabilities to affiliated companies and participations** to EUR 361,516 thousand mainly relates to liabilities resulting from the cash pooling (EUR +105,949 thousand).

The increase in **Other liabilities** of EUR 90,426 thousand primarily relates to higher liabilities from ticket money that have not yet been settled with promoters (EUR +80,630 thousand). Voucher liabilities (EUR +8,140 thousand) also increased year on year.

Provisions increased by EUR 7,286 thousand to EUR 94,544 thousand, up from EUR 87,257 thousand in the previous year. This was mainly due to the increase for onerous contracts (EUR +14,683 thousand) compared to the previous year. This was offset by lower tax provisions (EUR -7,685 thousand).

NON-CURRENT LIABILITIES increased by EUR 7,494 thousand to EUR 28,319 thousand. The increase was mainly the result of the increase in other liabilities (EUR +7,265 thousand).

The increase in **Other liabilities** (EUR +7,265 thousand) was due to a decrease in ticket money that had not yet been settled with promoters for events that will not take place until after 31 December 2024.

SHAREHOLDERS' EQUITY increased by EUR 120,179 thousand to EUR 690,374 thousand, up from EUR 570,195 thousand in the previous year. The increase was the result of the net profit (EUR +221,929,385 thousand) less the distribution to the shareholders (EUR -101,751 thousand).

The decrease in the equity ratio (shareholders' equity / total assets) from 44.8% to 42.9% was mainly the result of the increase in liabilities to affiliated companies and participations, in particular due to the increase in liabilities resulting from cash pooling (EUR +105,949 thousand) and the increase of liabilities from ticket money that have not yet been settled with promoters (EUR +87,896 thousand).

The return on equity (net result / shareholders' equity) amounts to 32.2% (previous year: 19.2%).

5.3 CASH FLOW

	2023	2022	Change
	[EUR'000]	[EUR'000]	[EUR'000]
Cash flow from:			
Operating activities	263,707	187,282 [1]	76,425
Investing activities	-251,484	-16,787	-234,698
Financing activities	-2,198	115,701	-117,899
Net increase / decrease in cash and cash equivalents	**10,024**	**286,196**	**-276,171**
Net increase/decrease in cash and cash equivalents due to currency translation	-1,066	199	-1,265
Cash and cash equivalents at beginning of period	575,491	289,096	286,395
Cash and cash equivalents at end of period	**584,450**	**575,491** [1]	**8,959**

[1] In the previous year, ticket money receivables were reclassified from other assets to cash and cash equivalents (EUR 43,546 thousand). Accordingly, cash flow from operating activities decreased and cash and cash equivalents increased.

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 31 December 2022, cash and cash equivalents increased by EUR 8,959 thousand to EUR 584,450 thousand, up from EUR 575,491 thousand in the previous year.

Cash and cash equivalents of EUR 584,450 thousand (previous year: EUR 575,491 thousand) include ticket money from presales for events that have not been settled yet, which are reported under other liabilities (EUR 375,740 thousand; previous year: EUR 287,844 thousand). Other assets also include factoring receivables from ticket money (EUR 12,549 thousand; previous year: EUR 11,904 thousand).

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities increased by EUR 76,425 thousand to EUR 263,707 thousand, up from EUR 187,282 thousand in the previous year. The increase in the cash flow from operating activities was mainly the result of higher presales of events on the net profit for the year, which increased by EUR 112,532 thousand year on year.

CASH FLOW FROM INVESTING ACTIVITIES

Negative **Cash flow from investing activities** increased by EUR 234,698 thousand to EUR -251,484 thousand, up from EUR -16,787 thousand in the previous year. The cash outflows in the financial year were mainly the result from payments into the capital reserves of affiliated companies (EUR 136,401 thousand) and from the short-term investment of funds in marketable securities totalling (EUR 103,968 thousand).

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities decreased by EUR 117,899 thousand to EUR -2,198 thousand, down from EUR 115,701 thousand in the previous year. The decrease was mainly the result of the distribution to the shareholders (EUR 101,751 thousand). In addition, there were lower cash inflows from cash pooling compared to the previous year (EUR -16,148 thousand).

6. APPROPRIATION OF EARNINGS BY CTS KGaA

In the 2022 financial year, CTS KGaA generated a net income (according to HGB) of EUR 109,397 thousand. The Annual Shareholders' Meeting on 16 May 2023 adopted a resolution to distribute EUR 101,751 thousand (EUR 1.06 per eligible share) of the balance sheet profit of EUR 464,604 thousand as at 31 December 2022 to the shareholders. The remaining balance sheet profit of EUR 362,853 thousand was carried forward to the new account.

In the 2023 financial year, CTS KGaA generated a net income (according to HGB) of EUR 221,929 thousand. The Executive Board of the general partner and the Supervisory Board of the Company propose to the Annual Shareholders' Meeting on 16 May 2024 to distribute a dividend of EUR 137,268 thousand (EUR 1,43 per eligible share) out of the balance sheet profit of EUR 584,782 thousand as at 31 December 2023 and to carry forward the remaining amount to the balance to the new account.

7. DEPENDENCY REPORT FOR CTS KGaA

According to § 17(1) AktG, a dependent relationship exists at the closing date with Mr. Klaus-Peter Schulenberg (controlling company) and with companies with which he is associated. A report is therefore being submitted in accordance with § 312 AktG, and was also presented for review to the Supervisory Board and the auditor.

The report pursuant to § 312 AktG ends with the following statement by the Executive Board of EVENTIM Management AG:

“Judging from the circumstances known to the general partner at the time that legal transactions requiring disclosure were conducted, the Company received appropriate consideration in each case for the legal transactions stated in the report on relationships with affiliated companies for the time period of 1 January to 31 December 2023. No reportable measures were either performed or omitted.”

8. RISK AND OPPORTUNITY REPORT

The Group's risk and opportunity policy is fundamentally geared towards recognising at an early stage any developments that could jeopardise the continued existence of the company and counteracting them appropriately, as well as towards continuous growth in enterprise value. It is therefore a major component of the Group's business policy.

Appropriate, manageable, and controllable risks are accepted if they are related to the expansion and exploitation of the Group's core competencies. Assumed risks must presuppose an appropriate increase in value. Risks and opportunities are defined as deviations from planned targets.

The Management Board is guided by the following principles of risk policy:

a) achieving economic success is necessarily associated with assuming risk

b) risks must be associated with a reasonable chance of return

c) no action or decision may entail a risk that threatens the Company's existence as a going concern

d) the extent of the risks to be borne is limited and, if necessary, mitigated by means of suitable instruments

Residual risks are continuously monitored and controlled within the framework of the risk management system. Opportunity and risk management is laid down in a corporate policy and is based on a comprehensive, multi-stage approach that includes operations management of the subsidiaries and segments, control and management systems (risk management in a more limited sense), and internal audit activities.

The CTS Group strives in principle to achieve a balanced relationship between opportunities and risks in order to increase the Company's value.

8.1 STRUCTURE AND OPERATION OF THE RISK MANAGEMENT SYSTEM

The Group operates a systematic and appropriate risk management system in order to identify, assess, manage, and document risks. Operational risk management includes the systematic analysis of business processes. The risk management system is integrated into the business processes as a continuous process with the aim of identifying, assessing, controlling, and documenting material risks at an early stage, as well as risks that threaten the Company's continued existence as a going concern. Risk management is carried out at the operational process, divisional and corporate levels in the segments and subsidiaries.

A risk management guideline informs CTS KGaA and its consolidated subsidiaries about risk policies, risk management principles, operational risk management and risk identification, the structure of the risk management system, the operation of the risk management process, and reporting flows.

All major subsidiaries of the Ticketing and Live Entertainment segments are integrated into the risk management system through a governance model that defines roles and responsibilities. Risk officers must be appointed by all reporting entities. The risk management system is integrated into Group Controlling. A central risk officer is responsible for compliance with processes, systematic refinement of the system, and support of the segments and subsidiaries. The risk committee at CTS KGaA (consisting of the heads of Central Finance, Finance Operations, Group Controlling, Internal Audit & Compliance, as well as the Data Protection Officer) validates and reviews the evaluations and reports regularly to the Management Board. The Supervisory Board is also informed regularly about the risk reports and monitors the efficacy of the system.

Quarterly reports ensure that the Management Board is promptly informed about potential risks and opportunities affecting the Company's future development. These are evaluated based upon their effect and probability of occurrence, possible control options are derived and the status of any actions taken is monitored. The regular reports show the risks and their impact, probabilities of occurrence and expected values as well as the status of measures.

The risk management system operated by the CTS Group therefore not only serves to identify existential risks at an early stage, but also detects any identified risks and opportunities that might materially impair the earnings performance of the Group.

The effectiveness, appropriateness, and functionality of the CTS Group risk management system are reviewed and refined in collaboration with the internal audit.

The auditor evaluates the efficiency of the system for early detection of risks, and reports on the findings to the Management Board and the Supervisory Board after completing the audit of the annual financial statements. The knowledge gained in this process also serves to further improve the early detection and management of risks.

In preparing the consolidated financial statements, sufficient precautions were taken to cover all discernible risks in ongoing business operations, insofar as the conditions for taking account of such risks in the consolidated financial statements have been met. In some cases, risks are transferred to insurers by means of insurance policies with appropriate amounts of coverage. These policies mainly cover property damage and third-party liability claims. Certain specific operational risks are also covered by insurance policies, such as event default insurance. In addition, the Management Board receives extensive advice from both internal and external experts when making important decisions.

Other instruments, such as the reporting system with consolidated budgets, monthly financial statements and regular review meetings, are also used to identify and analyse various risks as well as to inform the Management Board about the course of business in the individual entities.

8.2 MAJOR RISK AREAS

Of all the identified risks facing the Group, the risk areas and individual risks that may have an adverse impact on the financial position, cash flow, and earnings performance based upon the current perspective are described below.

Risk assessment includes the assessment of risks as a negative deviation from the budgeted EBIT with regard to probability of occurrence and a maximum theoretical loss. The budgeted EBIT was calculated based upon the aggregated bottom-up budgets of the subsidiaries. The expected value is the product of the maximum theoretical loss multiplied by the probability of risk occurrence. Risks are classified as follows based upon the respective expected value:

- high risk: Expected value at least 10% of planned EBIT
- medium risk: Expected value between 1% and 10% of planned EBIT
- low risk: Expected value less than 1% of planned EBIT

Risk classification is based on the highest individual risk per risk area.

The following overview shows the current classification of the risk areas and their development. Unless otherwise specified, the risks described below relate to both segments.

Risk categories/risk areas	Classification		Trend
	2024	2023	2024 vs. 2023
1. Strategic risks			
Success risks which represent a significant threat and arise from fundamental, strategic management decisions:			
• Risks relating to future macroeconomic trends	medium	medium	=
• Industry, market and competition	medium	medium	=
2. Market risks			
Risks based on changes in the market through products, services, innovations, business activities and corporate values	low	low	=
3. Performance risks			
Risks related to services provided and the required resources			
• Stability and security of the IT infrastructure being used[1]	low	low	=
• Risks from internet security threats[1]	medium	medium	=
• Procurement	medium	medium	=
• Personnel risks	low	low	=
4. Project risks			
Risks that could arise from larger projects	medium	medium	=
5. Finance risks			
Financially-based risks			
• Liquidity risks	low	low	=
• Default risks	medium	medium	=
• Foreign exchange risks	low	low	=
• Interest risks	low	low	=
• Taxes	low	medium	↓
• Litigations and claims for damages	medium	medium	=
• Risks relating to reporting and budgeting	medium	medium	=
• Capital management	redundant	low	↓
6. Social/political/legal risks			
Risks arising from changes in the social, political or legal framework			
• COVID-19 pandemic	redundant	medium	↓
• Other social, political and legal risks	medium	medium	=
7. Compliance risks			
Risks arising from non-compliance with laws, regulations, industry standards and voluntary commitments	medium	medium	=

[1] in the Ticketing segment

8.2.1 STRATEGIC RISKS

RISKS RELATING TO FUTURE MACROECONOMIC TRENDS

Macroeconomic development worldwide continues to be severely impacted by the effects of the Russian war of aggression in Ukraine, with energy prices rising sharply since the beginning of the war. Nevertheless, the feared energy supply crisis has been successfully averted. Inflation has eased noticeably since the beginning of 2023 and stood at 2.9% in January 2024. The threat to supply chains is still present, but is currently mainly due to attacks by Houthi rebels in the Red Sea. The German Council of Economic Experts sees the greatest obstacles to growth in the coming years in demographic ageing, low productivity growth, outdated capital stock, and the low number of young and innovative companies. It forecasts German gross domestic product growth of 0.7% for 2024. The inflation rate is expected to be 2.6%. The International Monetary Fund (IMF) expects the German economy to grow by 0.5% in 2024, and the eurozone economy to grow by 0.9%.

Should the macroeconomic conditions in Europe worsen or even threaten a recession in Europe or in the core market of Germany, it may be feared that reduced purchasing power and consumer mood could first affect the area of leisure services. In particular, the purchase of high-priced tickets and events that take place far in the future could be affected by a deterioration in overall economic development..

The risk is classified as medium.

INDUSTRY, MARKET AND COMPETITION

The CTS Group is a leading international provider of ticketing services and live entertainment. In providing their services, the Group companies compete with regional and national providers both in Germany and abroad, as well as direct ticket sales by event promoters.

Changes in the competitive environment in the core markets of the Ticketing segment can lead to changes in the market. The results for this may include market regulatory measures, stricter consumer protection laws, competition/antitrust restrictions (of organic and acquisition-based growth), and restrictions on contractual stipulations, new product innovations both on the promoter and consumer side, as well as the risk-related influence of consumer protection organisations and authorities.

Changes in the competitive environment in the core markets of the Live Entertainment segment can lead to changes in the market. Success in the Live Entertainment segment requires on the basis of existing promoters events and tours with appeal as well as cooperations with artists that have grown over the years. The CTS Group has a number of brands, particularly in the area of festivals, well-known venues, extensive contacts with artists and their management, a solid reputation in event management, sales and financial strength.

The risk is classified as medium.

8.2.2 MARKET RISKS

PRODUCTS, SERVICES, INNOVATION, BUSINESS ACTIVITIES AND CORPORATE VALUES

The further development of the CTS ticketing software systems (“Global Ticketing System” and in-house products for sports and culture) is occurring in the context of very rapid changes in information technology, which are producing a constant flow of new industry standards as well as new products and services. It is uncertain whether the CTS Group will always be able to launch new technologies in a timely manner and without impairing the speed and responsiveness of the system. The CTS Group also uses technologies developed by external specialists, from whom licences have been purchased. If the rights to use these technologies are lost, this could delay development and limit the use of the products or could result in the payment of higher licence fees. The CTS Group responds to occasional competitive and price pressures with new industry-specific and/or customer-specific service offerings and sales initiatives.

The Group's business operations and the recoverability of the enterprise value of its assets in the Ticketing segment depend significantly on promoters selling their admission tickets via the CTS distribution network and making ticket allotments available. The Group generally presumes that promoters will continue to use these services in future as well due to the diversified structure of products and their distribution.

The Group's business operations and the recoverability of the enterprise value of its assets in the Live Entertainment segment are largely dependent upon the ability of promoters to continue offering successful national and international artists' and entertainment products in the future, like exhibitions with a high visitor occupancy rate.

Global market uncertainties may have other adverse effects on the market for events and ticketing, and hence on the business development of the CTS Group.

The risk is classified as low.

8.2.3 PERFORMANCE RISKS

STABILITY AND SECURITY OF THE IT INFRASTRUCTURE BEING USED

The availability and security of the software and hardware used in Germany and other countries is a key prerequisite for business success. Malfunctions or failures may cause sustained damage to the Group's internal and external processes or to the services it performs for its customers.

These risks are countered with a number of measures, which are defined, for example in an IT security policy.

Technical and organisational measures are taken to safeguard the availability and security of the platforms operated, the IT infrastructure, and the data stored and processed on those platforms.

To ensure physical security, such as protection against fire, power failures, natural disasters, or burglary, the infrastructure is operated in a modern external data centre that is equipped with multiple redundant power and internet connections, separate fire protection zones, and continuous surveillance.

The operation of the IT systems follows documented processes and regulations. Data protection guidelines, regulations on handling information and on the commissioning and maintenance of systems and networks, employee training, regular risk reports, and emergency plans constitute the core of these measures.

System malfunctions and failures are prevented by a highly redundant system architecture and continuous monitoring of all system components. A mirrored system architecture with multiple redundant system components and backup systems not only guarantees platform availability, but also allows peak loads to be handled by intelligent load distribution algorithms, which can be controlled both automatically and manually. A multi-threaded test environment ensures that changes to software and systems are not transferred to live production unless they have successfully completed quality assurance and load testing procedures and do not compromise productive operation in any way.

A multi-layered security system with firewalls and intrusion detection prevents attacks on the production infrastructure. The security of all platforms is also tested and continuously improved through regular security tests of networks, servers, and software conducted by independent organisations. The CTS Group invests continuously in the performance, security, and stability of the ticketing platform. This included strategically significant enhancements and renovations in the data centre and security infrastructure.

The CTS Group successfully increased the availability and security of Group IT systems by centralising the national companies' office IT infrastructures. Wherever possible, local systems will be either consolidated on the basis of the high-availability data centres in Frankfurt or transferred into them. The CTS Group continues to expand its multi-cloud strategy to systematically increase the scalability and efficiency of its ticketing platforms.

The risk is classified as low in the Ticketing segment.

RISKS FROM INTERNET SECURITY THREATS

Processes within the CTS Group, such as software development, networking of ticketing systems, online ticket distribution, and data exchange between the systems and financial transactions, are dependent on the IT infrastructure and IT applications. Appropriate measures are instituted on an ongoing basis to ensure the security of the information processed within the IT systems.

Unauthorised users may nevertheless attempt to access CTS EVENTIM systems by conducting cyberattacks to perpetrate theft, unauthorised use, or sabotage of intellectual property and/or confidential data. Any infringement of the IT security policy and any abuse or theft could have negative effects on business activities and the financial position, cash flow and earnings performance.

The risk is classified as medium in the Ticketing segment.

PROCUREMENT

As an IT-related service provider, operator, and supplier of ticketing systems and a promoter of live events, the CTS Group works with a wide variety of suppliers.

Both segments are affected by cost increases for externally purchased goods and services - induced by current inflation on the one hand and a shortage of skilled labour on the other.

Potential risks in this area are countered through quality standards in the supply and procurement process, as well as through broadly diversified tenders, insourcing of individual functions and long-term cooperation with existing suppliers and service providers.

The risk is classified as medium.

PERSONNEL RISKS

Comprehensive specialist expertise in the areas of ticketing and live entertainment as well as a high level of commitment in a dynamic environment of employees and managers, are important success factors for the business model of the CTS Group. The CTS Group actively manages the availability of highly qualified employees in Germany and abroad by retaining and developing talent and know-how.

Modern recruiting tools allowing the targeted onboarding of new employees, systematic feedback, fair and market-driven remuneration, contemporary, regular formats for communication and exchange, exciting work content and company-related benefits enable the CTS Group to survive in a competitive talent market. Nevertheless, in view of general market developments and the changing needs of employees, the recruitment of qualified employees will remain a challenge in the future.

Regular surveys make it possible to respond quickly and transparently to employee concerns. The gradual expansion of our IT systems in human resources has also expanded analysis options, allowing developments to be identified at an early stage. The CTS Group is also gradually expanding its corporate benefits programme. For example in the area of company health services or through financial support for individual mobility (e.g. Germany ticket, bike leasing). In addition, various internal formats have been revived that increase internal cohesion and loyalty (e.g. private concerts, summer parties, team events). The company continues to record a low number of resignations and a below-average sickness rate. As part of our new workplace regulations, employees now also have the opportunity to work flexibly and remotely within the EU.

The risk is classified as low.

8.2.4 PROJECT RISKS

Risks may arise in conjunction with larger projects. These relate to cost, time and quality risks, meaning the risk that project objectives cannot be achieved in full. This also includes foreign exchange risks, and political and legal risks. Examples include major projects for customers of theatres and major sports events, IT projects (development, provision, and/or technical handling and implementation of software), the creation of new event formats, and the construction of the new ARENA FOR MILAN in Italy. Project risks are identified and managed with an appropriate system of project management. Project handling often involves having the customer deploy a considerable amount of resources and is subject to a number of risks over which the CTS Group often has no control.

The risk is classified as medium.

8.2.5 FINANCIAL RISKS

LIQUIDITY RISKS

Liquidity risks arise if the Group's payment obligations cannot be covered with available cash or credit lines. Comprehensive strategic and operational liquidity planning and management are in place to ensure sufficient liquidity and a high degree of financial flexibility at all times.

In order to ensure the solvency and financial flexibility of the CTS Group at all times, a liquidity reserve in the form of credit lines, cash, and short-term securities is maintained within the framework of liquidity management. The short-term funds, including available credit lines, available at the end of 2023 totalled EUR 1,172,493 thousand. In addition, CTS KGaA’s syndicated credit line with a volume of EUR 150 million, which has been in place since March 2022, was extended by a further year until March 2026 via an option. The credit line was only utilised to a limited extent in 2023 for the use of guarantee and surety agreements. Adjusted net debt and the equity ratio have been agreed as covenants. In addition to the syndicated credit line, a bilateral line of EUR 40 million was concluded in 2023, which was held exclusively as a liquidity reserve in 2023. The agreed covenants are identical to the covenants of the syndicated credit line mentioned above.

Financing options can be impaired on the one hand by a deterioration in general refinancing conditions or, on the other hand, by an own deterioration in creditworthiness. As a listed company, CTS KGaA is able to take equity measures in the short term, such as a capital increase through the issue of new shares (warrant or convertible bonds up to an amount of EUR 800,000 thousand).

Based upon existing calculations, the CTS Group presumes that the cash and cash equivalents are comfortably sufficient to meet all payment obligations at all time and there are no liquidity risks that could threaten the continued existence of the Company as a going concern.

The risk is classified as low.

DEFAULT RISKS

Default risks exist when there is a risk of debtors being unable to fully or partially settle their debts. The maximum default risk is equal to the value of all receivables minus liabilities owed to the same debtor, if an offset is possible under civil law. Default risks are taken into account in the annual financial statements of CTS KGaA and the Group by means of bad debt allowances. The allowances are calculated based upon historical default rates and supplemented by additional macroeconomic factors pursuant to IFRS. These indications are also based upon intensive contacts with the respective debtors in the context of receivables management.

In addition, in the Live Entertainment segment, there are performance risks on advance payments made by the Group to artists and promoters. This applies in particular to the further expansion of international business activities and the development of new markets. These are also assigned to default risks in the context of the risk management system.

The risk is classified as medium.

FOREIGN EXCHANGE RISKS

The Group's foreign exchange risks result from investments, financing measures, and operational activities in foreign currencies. Within the Group, some contracts with artists and some licence agreements are concluded in foreign currencies.

Foreign exchange risks may also arise when intercompany receivables or liabilities exist in a currency other than the functional currency of the consolidated financial statements.

Foreign exchange risks that do not affect the Group's cash flows (that is, risks that result from translating the financial statements of foreign entities into the Group's reporting currency) are generally unsecured. Foreign exchange risks that may affect the Group's cash flow are reviewed on a regular basis and hedged where necessary. Within the CTS Group, derivatives are used exclusively for risk hedging, and not for speculative purposes.

The risk is classified as low.

INTEREST RISKS

Risks associated with changes in interest rates exist due to potential changes in market interest rates and may lead to a change in fair value in the case of fixed-rate financial instruments, and to variation of interest payments in the case of financial instruments with variable interest rates.

The CTS Group has no significant debt. The existing short-term overdraft facilities were only utilised for guarantees in the period under review, meaning that no significant interest rate risks have arisen from the liabilities side.

Developments on the capital markets led to a dynamic yield curve in 2023. As a result, bank balances in the Group made a significant contribution to our financial result. Available liquidity is held at banks with matching maturities and, to a lesser extent, in the form of interest-bearing securities, so that interest rate risks are minimised. Through active cash management, the CTS Group endeavours to use available liquidity to optimise interest income.

The risk is classified as low.

Further information on liquidity risks, default risks, foreign exchange risks, and interest risks is provided in section 4.2 of the notes to the consolidated financial statements.

TAXES

Current income taxes are calculated based upon the respective national tax results and the regulations for that year. In addition, the current taxes reported in the financial year also include adjustment amounts for any tax payments or refunds for years not yet finally assessed, but exclude interest payments or interest refunds and penalties on back taxes. Tax liabilities are recognised if amounts recognised in the tax returns will probably not be realised (uncertain tax items). The amount is based upon the best possible estimate of the expected tax payment (expected value or most probable value of the tax uncertainty). Tax receivables from uncertain tax items are recognised in the balance sheet if it is probable that they can be realised. If a tax loss carryforward exists, no tax provision or tax receivable is recognised for these uncertain tax items, and the deferred tax asset is instead adjusted for the as yet unused tax loss carryforwards.

The risk has been downgraded to low.

LITIGATION AND CLAIMS FOR DAMAGES

The CTS Group is involved in pending proceedings and litigation as they arise in the ordinary course of business. Administrative proceedings are pending in Germany, Italy and Switzerland, in which the outcomes are still open. It is still possible that antitrust authorities, consumer protection organisations or other institutions will take issue with individual practices or agreements during ongoing or future proceedings and will demand or issue an order for modification.

The risk is classified as medium.

RISKS RELATING TO REPORTING AND BUDGETING

Compliance with all accounting standards applicable to the CTS Group and with all new announcements of relevance is subject to regular review. Future announcements on accounting methods and standards may also have effects on financial information.

Forecasts of future key corporate management figures generally rely on a number of factors and are therefore subject to uncertainty. These factors include social trends, geographical sales markets, seasonal variations, number of events, sales volume per channel, ticket price, genre, market share, budget changes with customers, time slots and assessment during ‘artist booking’ for annually changing content in the Live Entertainment segment, as well as assumptions concerning currencies and interest rates. Several external factors that are particularly noteworthy in terms of their severity are currently affecting the ability of artists and promoters to plan events, and therefore also the business performance of the CTS Group:

- Inflationary trends and their effect on the consumer climate in the respective markets and on future demand for live entertainment events
- Effects of the Russia-Ukraine war and the Middle East conflict on the geopolitical situation and resulting restrictions on touring by international artists

Both a loss of anticipated revenue and large time intervals between the dates of planning and executing an event can lead to fluctuations in operating results if there is a concurrent increase in production costs. The use of estimates by management may have effects on financial position, cash flow and earnings performance.

The risk is classified as medium.

CAPITAL MANAGEMENT

The aim of capital management within the CTS Group is to ensure the efficient control of financial resources within the business units in order to show the maximum possible effect on profitability and shareholder value. As an integral component of the finance policy within the CTS Group, capital management ensures an appropriate equity base, the financing of investments, and the reduction or increase of debt.

The authorisation for approved and contingent capital, which has been extended until 2026, permits the issuance of warrant bonds or convertible bonds up to an amount of EUR 800,000 thousand.

The above risk has been redundant.

8.2.6 SOCIAL/POLITICAL/LEGAL RISKS

COVID-19 PANDEMIC

The effects of the COVID-19 pandemic on the event business were barely noticeable in 2023. Concerts, festivals, sporting events and theaters took place without restrictions.

The risk has been redundant.

OTHER SOCIAL/POLITICAL/LEGAL RISKS

Macroeconomic development worldwide continues to be severely impacted by the effects of the Russian war of aggression in Ukraine, and the ongoing conflict in the Middle East. The threat to supply chains is still present, but is currently mainly due to attacks by Houthi rebels in the Red Sea. Although inflation has eased noticeably since the beginning of 2023, its future course and the resulting impact on the consumer climate is still difficult to predict.

Political/legal risks can arise when structural conditions are prescribed or changed by government actions, especially in the context of legislation. Examples of these include developments in commercial and tax law as well as competition law, measures to regulate the market, tightening of consumer protection laws, tightening of laws and official requirements for the conduct of events due to changes in the security situation (including unrest caused by violence and terrorism), competition law/anti-trust restrictions (of organic and inorganic growth), and restrictions on contract structure, as well as risk-related influences of consumer protection organisations and authorities. In legal matters, ongoing advice is provided by recognised experts.

The risk is classified as medium.

8.2.7 COMPLIANCE RISKS

Compliance risks can arise if applicable laws, regulations, industry standards, and voluntary commitments are not respected. To ensure compliance, a compliance management system (CMS) is operated within the CTS Group based on IDW Auditing Standard 980. The operational implementation and further development of the CMS is carried out by a central Group Compliance, supported by local compliance coordinators in the individual companies. Potential compliance risks are minimized through an organisational and role concept as well as group guidelines aimed at key compliance focus areas.

Employees or third parties, e.g. customers or suppliers, for example, can report confidentially to Group Compliance via a CTS Group web-based whistleblower system. Additional representatives have been appointed for special risk areas (PCI compliance, information security and data protection).

The risk is classified as medium.

8.3 OPPORTUNITY MANAGEMENT

Opportunity management within the CTS Group is aimed at identifying and evaluating opportunities at an early stage and taking appropriate steps to exploit opportunities and achieve commercial success. In contrast to risks, opportunities are regarded as potential positive deviations from planned targets. Risks are not offset against opportunities, however.

Operational managers are responsible for the systematic identification and exploitation of new opportunities.

Of all identified opportunities facing the Group, the areas of opportunity and specific opportunities that may have a positive impact on financial position, cash flow and earnings performance are described below.

The evaluation of opportunities includes assessing opportunities as a positive deviation from the budgeted EBIT at Group level with respect to the probability of occurrence and a theoretical opportunity potential. The expected value is calculated by multiplying the theoretical opportunity potential by the probability of occurrence. Opportunities are classified as follows based upon the respective expected value:

- high opportunity: Expected value at least 10% of planned EBIT
- medium opportunity: Expected value between 1% and 10% of planned EBIT
- low opportunity: Expected value less than 1% of planned EBIT

Opportunities are classified based on the highest possible single opportunity. Unless otherwise specified, the opportunities described below relate to both segments.

Individual growth initiatives are assessed according to strategic and financial criteria based on accounting analyses in the form of contribution margin accounting, investment accounting, and discounted cash flow calculation.

The following overview shows the current classification of the opportunity areas and their development:

Opportunity categories / opportunity areas	Classification		Trend
	2024	2023	2024 vs. 2023
1. Strategic opportunities			
• Industry, market and competition	medium	medium	=
2. Finance opportunities			
• Claims for damages	void (occurred in 2023)	high	./.

8.3.1 STRATEGIC OPPORTUNITIES

INDUSTRY, MARKET, AND COMPETITION

The CTS Group continues to assume that a concentrated movement will take place in both our Live Entertainment and Ticketing segments, particularly in markets with a fragmented structure. In addition to having an organic growth strategy, the CTS Group is therefore closely monitoring market changes and opportunities in order to be able to respond flexibly as part of its merger and acquisition activities.

This opportunity is classified as medium.

8.3.2 FINANCIAL OPPORTUNITIES

CLAIMS FOR DAMAGES

In July 2023, the arbitration tribunal proposed to autoTicket – a Joint Venture between KAPSCH AG and CTS EVENTIM – and its shareholders on the one hand, and the Federal Republic of Germany on the other, to end their car toll arbitration proceedings by agreeing on compensation totalling EUR 243 million, including interest. Both autoTicket and its shareholders, and the Federal Republic of Germany, have agreed to the arbitration court's settlement proposal. In the third quarter of 2023, the compensation payments made by the Federal Government that are directly attributable to CTS Group companies on the part of autoTicket were recognised in income and had a one-off positive effect on EBITDA of EUR 37,408 thousand.

The above opportunity, which was previously classified as high in the 2022 Risk and Opportunity Report, materialised in 2023.

8.4 ASSESSMENT OF THE GROUP'S OPPORTUNITY AND RISK EXPOSURE

At the time of reporting, the Management Board does not believe that the Company is exposed to any risks that threaten its continued existence as a going concern. Based upon the current assessment and current state of knowledge, no liquidity risks can be identified that would threaten the Company's continued existence as a going concern.

It is not out of the question, however, that influential factors that are currently unknown or not yet classified as significant, could influence the continued existence of the CTS Group as a going concern.

9. INTERNAL CONTROL SYSTEM

The internal control system (ICS) comprises the policies, procedures and measures (regulations) introduced by the Management Board which focus on the organisational implementation of management decisions.

Following the revision of the German Corporate Governance Code in April 2022, recommendation A.5 was adjusted, according to which the essential features of the entire ICS (and risk management system) are to be described in the management report and its appropriateness and effectiveness assessed. In the following, the main features of the operational ICS in the CTS Group as a whole, as well as the accounting-related ICS, are therefore discussed. The operational ICS, the accounting-related ICS and the controls of the support processes together form the overall ICS of the CTS Group.

9.1 OPERATIONAL ICS[1]

The objective of the CTS Group's ICS is to ensure the effectiveness and efficiency of our business activities, the regularity and reliability of key business processes and compliance with statutory and internal company requirements. As an integral part of the Company-wide risk management, the ICS is intended to map all significant operational and financial corporate risks and to reduce them to a level that is acceptable for the Company. The CTS Group's ICS thus has a preventive and detective function and supports the optimal flow of the corporate processes.

In order to achieve these goals, the guidelines applicable throughout the Group together with the leading Code of Conduct on the one hand, and a comprehensive system of process-integrated and process-independent control and monitoring measures and numerous organisational measures on the other, form the fundamental elements of the ICS. In addition to manual process controls, which are generally subject to the 'four eyes principle', comprehensive technical IT process controls are an essential part of our process-integrated measures. Authorisation concepts for the IT systems and their continuous monitoring ensure that only authorised groups of people are allowed to carry out transactions and that employees only have access to information that is relevant to them (need-to-know principle). Furthermore, the separation of administrative, executive, accounting and authorisation functions (separation of functions principle) and their performance by different persons or organisational units reduces errors and the possibility of deceptive or fraudulent actions.

In addition to these measures and guidelines, Group companies that operate with a high degree of autonomy in their respective markets are managed and monitored through close operational controls. Such management controls include, among other things, approval reservations for contracts with local business partners, taking into account individual risk profiles and standardised business cases, as well as their regular, as often as weekly, updating and coordination with the responsible managing directors.

A comprehensive, systematic and uniform documentation of the various components of our operational ICS is system-supported and is continually expanded. However, management is furthermore not aware of any issues or indications in any material respects that could have significantly impaired the appropriateness or effectiveness of our operational ICS.

[1]This section is not part of the Group audit.

9.2 ACCOUNTING-RELATED ICS

The accounting-related ICS comprises the policies, procedures, and measures designed to ensure correct and reliable accounting in the Group companies. The measures contained in the accounting-related ICS are intended to ensure that business transactions are recorded promptly and fully, in accordance with statutory regulations and the articles of association. They should also ensure that assets and liabilities are correctly recognised, measured, and reported in the consolidated financial statements.

In the standalone financial statements of CTS KGaA and the subsidiaries, bookkeeping transactions are mainly recorded using dedicated bookkeeping systems. In order to prepare the consolidated financial statements of the CTS Group, the respective financial statements undergo quality control by the subsidiaries and are approved by local management. The data in these financial statements are also supplemented with further information to produce standardised reporting packages, which are forwarded to Group Accounting at CTS KGaA for consolidation. There, all reporting packages are imported via an interface into the consolidation software from LucaNet AG to produce the consolidated financial statements. The LucaNet consolidation software is used to prepare the consolidated financial statements of the CTS Group. All of the consolidation steps involved in preparing the CTS consolidated financial statements – such as capital consolidation, consolidation of assets and liabilities, or the elimination of intercompany profits and losses, including at-equity measurement – are generated and fully documented in LucaNet.

To ensure compliance with the regulatory accounting requirements, the Accounting Manual is updated annually and made available to the companies in the CTS Group. It includes an updated overview of the new and amended IFRS standards and interpretations by the IASB as applicable in the EU, along with their binding dates of application. The Accounting Manual is the basis for a uniform, orderly, and continuous accounting process in accordance with accounting policies of both the German Commercial Code (HGB) and IFRS. The Accounting Manual includes accounting, measurement, and disclosure rules for the consolidated financial statements of CTS KGaA in accordance with IFRS and for all associated financial information to be reported by the domestic and foreign subsidiaries included in the consolidated financial statements. In addition to defining the scope of consolidation, the accounting rules also contain detailed definitions of the specific elements in the reporting packages to be produced by the Group companies. The formal requirements include the mandatory use of a standardised and complete set of reporting formats.

The centralised performance of impairment tests for specific cash-generating units (CGUs) from the Group's point of view ensures the use of consistent and standardised evaluation criteria. The CGUs correspond to the Ticketing and Live Entertainment segments. The preparation and aggregation of additional data for the preparation of the notes and the combined management report (including significant events after the balance sheet date) are also performed at Group level.

Using the organisational, control and monitoring systems established within the CTS Group, the accounting related ICS enables the recording, processing, and analysis of Company information and its appropriate presentation in Group Accounting. This is intended to avoid, in particular, personal discretionary decisions, incorrectly performed controls, intentional criminal acts or other manipulations as far as possible, even if they can, by their very nature, never be completely ruled out. Even with systems, guidelines and controls implemented throughout the Group, absolute security with regard to the correct, complete and timely recording of circumstances in Group accounting cannot be guaranteed. Therefore, one area of focus is the ongoing assessment of the effectiveness and appropriateness of the ICS and its continuous further development.

Irrespective of the above, management is not currently aware of any matters or indications that could have impaired the appropriateness or effectiveness of our accounting-related ICS.

10. OUTLOOK
10.1 FUTURE MACROECONOMIC ENVIRONMENT

The International Monetary Fund (IMF) has identified a high level of resilience among the major economies. The recovery seen following the pandemic, the Russian invasion of Ukraine, and the sharp rise in the cost of living, is proving to be surprisingly resilient. Inflation is falling faster than expected, and the impact on the labour market has been less than feared. Although the central banks' high interest rate policy is having an impact on inflation, it is also weighing on growth in 2024, as the high cost of credit is dampening demand. The IMF has recently raised its forecast for global gross domestic product (GDP) growth in 2024, which is now 0.2 percentage points higher than forecast in the World Economic Outlook (WEO) from October 2023. For the global economy, the IMF is forecasting growth of 3.1% in 2024, and 3.2% in 2025. Nevertheless, the forecast for global growth in 2024 and 2025 is below the historical annual average (2000 - 2019) of 3.8%, which is due to a restrictive monetary policy, the withdrawal of fiscal support, and low productivity growth. Growth of 0.9% is now forecast for the eurozone in 2024, and 1.7% in 2025. For Germany, the IMF experts expect growth of 0.5% (2024) and 1.6% (2025), after economic output fell by 0.3% in 2023, according to initial calculations by the Federal Statistical Office.

10.2 EXPECTED BUSINESS PERFORMANCE

The continuous supply of live entertainment events and the unbroken demand from fans also provide a promising starting point for the new 2024 financial year.

The basis for the Company's sustained success in its Ticketing segment is the combination of a high-performance ticket distribution system with a diverse range of attractive events in the areas of music, sport, culture, and leisure. Expertise in the areas of big data, marketing partnerships, and long-standing contacts in the event industry, round off the CTS Group's broad portfolio.

The CTS Group will continue to consistently pursue its sustainable growth strategy in the current financial year. On the one hand, we will focus on the continuous expansion of online ticketing in Germany and abroad, as well as on the introduction and further development of innovative products and services.

On the other hand, we are constantly examining the international markets for ticketing and live entertainment for additional cooperation and acquisition opportunities. Internationally, the CTS Group has become the ticketing market leader in two other important entertainment markets in South America through acquisitions in Chile and Peru. EVENTIM LIVE GmbH, Bremen, has also entered into partnerships in the USA with Mammoth Inc., Kansas, and AG Entertainment Touring LLC, Georgia, and has founded The Touring Company LLC, Delaware, together with the US promoter Walter McDonald. The aim is to further develop our position in the US touring market, by strengthening it as a hub for international tours. The above activities will be driven forward in the 2024 financial year as part of our sustainable development strategy.

As a result, the Management Board sees the Company well positioned for future growth.

10.3 EXPECTED CASH FLOW

The financial situation remains very satisfactory. Even without the government aid programs of previous years, cash and cash equivalents as well as marketable securities and other investments increased to EUR 1,674,848 thousand as of 31 December 2023. The main reason is high ticket sales and the associated ticket money as well as deposits received for future events in the Live Entertainment segment. Deposits from the successful conclusion of autoTicket's arbitration proceedings have led to a further increase, while significant advance payments were made for the arena under construction in Milan. The total amount of cash and cash equivalents is sufficient to be able to meet all financial obligations at all times.

Future investments will mostly be financed from operating cash flows and cash and cash equivalents that have been built up. A further source of financing is the existing working capital line of a banking consortium, which was extended by option until March 2026. There is a second option to extend this line for another year in 2024. In addition to the syndicated credit line, a bilateral line of EUR 40 million was concluded in 2023. External financing is still being considered for larger acquisitions and projects.

Furthermore, the resolution of the Annual Shareholders Meeting makes it possible to issue bonds with warrants and convertible bonds of up to EUR 800,000,000 by 12 January 2026 in order to strengthen the financing basis if necessary.

At the time of preparing the consolidated financial statements, the Management Board assumes that liquidity is secured and that there are no liquidity risks that could jeopardise the continued existence of the CTS Group as a going concern. It cannot be ruled out, however, that additional factors will emerge in the future that are not yet known or are currently rated as immaterial and that could jeopardise the continued existence of the CTS Group as a going concern.

10.4 GENERAL ASSESSMENT OF THE PROSPECTIVE DEVELOPMENT OF THE GROUP AND CTS KGaA[1]

After closing the 2023 financial year at a record level, the Group plans to continue its growth path in 2024. Provided that the current geopolitical crises, the development of inflation and the economy do not have a negative impact on consumer behavior with regard to concerts, shows, sports and cultural events, Management Board expects further moderate sales growth for the **CTS Group**. EBIT is expected to be at the level of 2023, although the previous year included one-off income from damages payments from autoTicket and Corona subsidies totaling EUR 49.1 million. Without these non-recurring items, adjusted EBITDA is expected to increase moderately compared to the previous year.

For the **Ticketing segment**, the Management Board expects revenue to increase moderately in the 2024 financial year compared to 2023, given continued high demand. The EBIT is expected to be at the previous year's level, although the previous year's EBIT included one-off income, mainly from damages payments by autoTicket, amounting to EUR 37.4 million. The Management Board expects the adjusted EBITDA to show a moderate increase compared to the previous year when adjusted for these one-off income.

[1] The qualified comparative forecasts are based on changed qualifications from the 2024 financial year. This is intended to take into account the fact that after the Corona crisis, the CTS Group is again in a more stable economic environment and at the same time at a higher level of revenue and earnings. The percentage thresholds for achieving the respective forecast levels were adjusted and reduced appropriately. At the same time, the intensity of forecast changes was sharpened in terms of the grading “at the previous year's level/insignificant”, “moderate”, “significant”, “substantial”.

It is assumed that the **internet ticket volume** will be significantly higher than last year.

Although the summer will be characterized by two major sporting events with the European Football Championship in Germany and the Olympic Games in Paris, a high density of music and festival events can also be expected in 2024. Well-known international artists will perform again in Europe, some of them after a long absence. For the **Live Entertainment segment**, both revenue and EBIT are therefore expected to return to the high level of the previous year. The Management Board expects a moderate increase in adjusted EBITDA compared to the previous year adjusted for Corona subsidies of EUR 10.6 million.

For **CTS KGaA**, the Management Board expects revenue as well as EBIT and adjusted EBITDA (corresponds to EBITDA in 2023) at the previous year's level.

A deterioration in the geopolitical security situation, the risk of stagflation in individual regions, a deteriorating consumer mood and the resulting effects on the event business can have a noticeable impact on the CTS Group's further business development. However, there are currently no signs that these risks will materialise.

Reconciliation from EBITDA to adjusted EBITDA:

	Group	**Segment Ticketing**	**Segment Live Entertainment**
	2023	**2023**	**2023**
	[Million EUR]	**[Million EUR]**	**[Million EUR]**
EBITDA	494.0	382.4	111.6
./. autoTicket compensation	*37.4*	*37.4*	*0.0*
./. Corona grants	*11.7*	*1.1*	*10.6*
Total	**444.9**	**343.9**	**101.0**

Adjusted EBITDA is determined ex post. Extraordinary special effects that could be classified as adjustments are not planned ex ante.

11. DISCLOSURES REQUIRED UNDER TAKEOVER LAW

The following disclosures required under takeover law refer to CTS KGaA in accordance with § 289a and § 315a of the German Commercial Code (HGB).

COMPOSITION OF SHARE CAPITAL; RESTRICTIONS RELATING TO VOTING RIGHTS OR THE TRANSFER OF SHARES

The share capital of CTS KGaA amounts to EUR 96,000,000 and is divided into 96,000,000 no-par value bearer shares. Each share entitles the bearer to one vote.

With the exception of the statutory exclusion of voting rights, management is not aware of any restrictions that affect voting rights or the transfer of shares.

DIRECT OR INDIRECT SHAREHOLDINGS

The general partner is EVENTIM Management AG, which has not made a capital contribution.

Klaus-Peter Schulenberg has an indirect holding in EVENTIM Management AG and CTS KGaA via the KPS Stiftung. On 28 December 2015, Klaus-Peter Schulenberg transferred 48,194,000 shares with voting rights in CTS KGaA (50.2% of share capital) as well as 50,000 shares with voting rights in EVENTIM Management AG (100% of share capital) to KPS Stiftung, with registered office in Hamburg. Klaus-Peter Schulenberg's holdings in CTS KGaA and EVENTIM Management AG are only being converted from a direct into an indirect holding. In April 2017, CTS KGaA was informed by KPS Stiftung that the latter had completed a sale of 6,720,000 shares in CTS KGaA. In November 2019, CTS KGaA was informed by KPS Stiftung that the latter had completed a sale of 4,200,000 shares in CTS KGaA, meaning that since that time KPS Stiftung holds 37,274,000 shares (38.8% of the share capital and voting rights).

The company has no knowledge of any other shareholdings, direct or indirect, that exceed 10% of the voting rights.

HOLDERS OF SHARES WITH SPECIAL RIGHTS

There are no shares with special rights that grant power of control.

PROCEDURES FOR MONITORING VOTING RIGHTS IN THE EVENT OF EMPLOYEE INVESTMENTS IN THE COMPANY

There are no special procedures for monitoring voting rights in the event that employees hold shares in the Company's capital.

LEGAL REGULATIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING THE START AND END OF THE LEGAL STATUS OF THE GENERAL PARTNER AS A MANAGEMENT BODY WITH REPRESENTATION RIGHTS, AND REGARDING CHANGES TO THE ARTICLES OF ASSOCIATION

The general partner, EVENTIM Management AG, is responsible for the management and representation of the Company. That authority only ceases upon its departure as general partner. The departure of the general partner is governed by § 10 of the articles of association of CTS KGaA. Apart from any agreement to that effect, the general partner will cease to be general partner of the Company if and when all shares in the general partner are no longer held directly or indirectly by a person holding more than 10% of the share capital in the Company, directly or indirectly via a controlled enterprise in the sense of § 17 (1) of the German Stock Corporation Act (AktG); this will not apply if and when all shares in the general partner are held directly or indirectly by the Company. In addition, the general partner will cease to be general partner of the Company if the shares in the general partner are acquired by a person who had not, within twelve months after the effectiveness of such acquisition, submitted a voluntary or mandatory takeover offer to the shareholders of the Company according to the provisions of the German Securities Acquisition and Takeover Act (WpÜG) and the requirements detailed in the articles of association.

If the general partner withdraws from the Company or if such withdrawal can be foreseen, the articles of association contain the following clause to prevent the liquidation of CTS KGaA: The Supervisory Board of CTS KGaA is authorised and obliged to admit immediately, or at the time of the withdrawal of the general partner, whose shares are fully owned by CTS KGaA, a new general partner of CTS KGaA. If EVENTIM Management AG withdraws from CTS KGaA as general partner without a new general partner being admitted simultaneously, CTS KGaA will be managed by the shareholders alone during a transitional period. In such case, the Supervisory Board of CTS KGaA shall immediately request the appointment of an emergency representative to represent CTS KGaA until the admission of a new general partner, in particular with respect to the acquisition or formation of such new general partner.

In such case, the Supervisory Board of CTS KGaA is authorised to adjust the wording of the articles of association so as to reflect the change of general partner.

In accordance with § 179 (1) AktG, the articles of association may be amended by a shareholder resolution, which requires a majority equal to at least three-quarters of the registered capital present at voting (§ 179 (2) AktG). § 18 (3) of the articles of association of CTS KGaA makes use of the option provided for in § 179 (2) AktG, setting forth that resolutions may be adopted with a simple majority of votes cast as far as permitted and, if a majority of share capital is required, with a simple majority of the share capital. Shareholder resolutions, for which a qualified majority of votes or share capital is required by law, are adopted at the Annual Shareholders' Meeting by a two-thirds majority unless otherwise stipulated by mandatory statutory provisions. Any decisions on amendments to the articles of association require the approval of the general partner pursuant to § 18 (6) of the articles of association of CTS KGaA.

EVENTIM Management AG is represented both judicially and extra-judicially by its Executive Board.

AUTHORISATION OF THE GENERAL PARTNER TO ISSUE AND BUY BACK SHARES

By resolution of the Annual Shareholders' Meeting on 7 May 2021, the general partner was authorised until 6 May 2026 to purchase treasury shares of CTS KGaA equating to up to 10% of the share capital as at the time such authorisation took effect or as at the time such authorisation is used. The consideration for the purchase of such shares may not exceed the share price by more than 10% and may not be more than 20% below the share price. The applicable share price is defined as the mean closing price for shares on the XETRA trading platform during the last five trading days before publication of the offer to purchase the shares. The volume of the offering may be limited.

By resolution of the Shareholders' Meeting held on 13 January 2021, the general partner was authorised, contingent on Supervisory Board approval, to issue warrant bonds and convertible bonds by 12 January 2026 to a total par value of up to EUR 800,000,000 and with or without a maximum term, and to grant the bearers of warrant bonds options and the bearers of convertible bonds conversion rights on up to 19,200,000 new no-par bearer shares of the Company, equal to share capital of up to EUR 19,200,000 in accordance with the details of the terms of issue of the bonds. The authorisation may be applied in full or in part.

The Shareholders' Meeting on 13 January 2021 also resolved to cancel the contingent capital 2018 and to conditionally increase the Company's share capital by up to EUR 19,200,000, by issuing up to 19,200,000 new no-par value bearer shares (contingent capital 2021). The shares will be issued at the conversion or exercise price to be determined in accordance with the authorisation. The contingent capital increase will only be carried out to the extent that the holders of conversion or warrant rights exercise such rights or fulfil conversion or warrant obligations or the Company exercises its right to grant shares in the Company in full or in part instead of payment of the sum due.

By resolution of the Shareholders' Meeting of 13 January 2021, the general partner is authorised to increase the share capital in the period up to 12 January 2026, with the approval of the Supervisory Board, on one or more occasions by up to EUR 19,200,000 in total by issuing up to 19,200,000 bearer shares against contributions in cash or in kind (approved capital 2021).

MATERIAL AGREEMENTS CONTINGENT ON A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID

Credit agreements concluded with major banks contain 'change of control' clauses, which can lead to the revision of existing credit agreements.

COMPENSATION AGREEMENTS

There are no compensation agreements with management or employees that shall take effect in the event of a takeover bid.

12. CORPORATE GOVERNANCE DECLARATION

The management bodies of CTS KGaA are guided in their actions by the principles of responsible and good corporate governance. On 14 November 2023, the Management Board and Supervisory Board of CTS KGaA issued a declaration of compliance with the recommendations of the German Corporate Governance Code Government Commission in accordance with § 161 AktG, applying the provisions of the German Corporate Governance Code (DCGC). In addition, the Management Board of EVENTIM Management AG reports on corporate governance in a combined declaration in accordance with § 289f and Section 315d HGB. The current and all previous declarations are permanently available on the Internet at https://corporate.eventim.de/en/investor-relations/corporate-governance/.

Bremen, 8 March 2024

CTS Eventim AG & Co. KGaA,

represented by:

EVENTIM Management AG, general partner

The Executive Board

Klaus-Peter Schulenberg	Holger Hohrein	Alexander Ruoff

5. CONSOLIDATED FINANCIAL STATEMENTS 2023

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS		31 Dec 2023	31 Dec 2022	
		[EUR'000]	[EUR'000]	
Current assets				
Cash and cash equivalents	(1)	1,028,493	1,148,850	2
Marketable securities and other investments	(2)	646,355	163,621	
Trade receivables	(3)	121,558	113,393	
Receivables from related parties	(4)	5,162	3,807	
Inventories	(5)	14,245	5,027	
Advances paid	(6)	133,811	133,457	
Receivables from income taxes	(7)	8,872	5,292	
Other financial assets	(8)	97,951	90,130	2
Other non-financial assets	(9)	93,253	72,666	
Total current assets		**2,149,699**	**1,736,243**	
Non-current assets				
Goodwill	(10)	387,692	361,739	
Other intangible assets	(11)	157,132	146,348	1
Property, plant and equipment	(12)	198,234	62,149	
Right-of-use assets from leases	(13)	117,121	117,444	
Investments	(14)	1,611	1,556	
Investments in associates accounted for at equity	(15)	108,234	133,311	
Trade receivables	(3)	82	151	
Advances paid	(6)	1,937	2,299	
Other financial assets	(8)	28,490	8,393	
Other non-financial assets	(9)	12,154	14,189	
Deferred tax assets	(16)	32,952	25,356	
Total non-current assets		**1,045,640**	**872,933**	1
Total assets		**3,195,339**	**2,609,176**	1

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements
[2] Adjusted previous year’s figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

EQUITY AND LIABILITIES		31 Dec 2023	31 Dec 2022
		[EUR'000]	[EUR'000]
Current liabilities			
Financial liabilities	(17)	11,626	2,118
Trade payables	(18)	283,259	232,622
Liabilities to related parties	(4)	9,138	8,154
Advance payments received	(19)	665,681	524,855
Other provisions	(20)	28,955	39,762
Tax debts	(21)	77,559	91,980
Other financial liabilities	(22)	698,530	557,987
Lease liabilities	(23)	21,105	18,049
Other non-financial liabilities	(24)	149,914	117,963
Total current liabilities		**1,945,767**	**1,593,491**
Non-current liabilities			
Financial liabilities	(17)	57,781	14,873
Trade payables	(18)	9,387	1,303
Advance payments received	(19)	4,147	12,052
Other provisions	(20)	3,973	4,957
Other financial liabilities	(22)	15,708	9,217
Lease liabilities	(23)	100,327	102,889
Pension provisions	(25)	9,978	6,000
Deferred tax liabilities	(16)	33,707	27,022 [1]
Total non-current liabilities		**235,008**	**178,313** [1]
Equity			
Share capital		96,000	96,000
Capital reserve		1,890	1,890
Statutory reserve		7,200	7,200
Retained earnings		788,421	629,447 [1]
Other reserves		3,355	-2,915 [1]
Treasury shares		-52	-52
Total equity attributable to shareholders of CTS KGaA	(26)	**896,814**	**731,570** [1]
Non-controlling interests	(27)	117,750	105,802
Total equity		**1,014,564**	**837,372** [1]
Total equity and liabilities		**3,195,339**	**2,609,176** [1]

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA, see point 2.2 in the notes to the consolidated financial statements

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

		1 Jan 2023 - 31 Dec 2023	1 Jan 2022 - 31 Dec 2022
		[EUR'000]	[EUR'000]
Revenue	(1)	2,358,552	1,925,803
Cost of sales	(2)	-1,755,395	-1,477,532 [1]
Gross profit		**603,158**	**448,271** [1]
Selling expenses	(3)	-125,063	-101,182 [1,3]
Result from losses and reversals of impairment of trade receivables and current other financial assets	(4)	-6,620	-7,664 [3]
General administrative expenses		-119,023	-96,537 [1]
Other operating income	(5)	84,319	105,415 [2,3]
Other operating expenses	(6)	-34,446	-33,885 [1,2]
Earnings before interest and taxes (EBIT)		**402,324**	**314,419** [1,2]
Income / expenses from investments in associates accounted for at equity	(7)	39,231	12,853
Financial income	(8)	35,040	33,669 [2]
Financial expenses	(9)	-67,491	-19,744 [2]
Earnings before taxes (EBT)		**409,104**	**341,197** [1]
Taxes	(10)	-135,580	-87,473 [1]
Net result		**273,524**	**253,725** [1]
Net result attributable to			
Shareholders of CTS KGaA		**274,641**	**203,748** [1]
Non-controlling interests		-1,118	49,977
Earnings per share (in EUR); undiluted (= diluted)		2.86	2.12
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 see point 2.2 in the notes to the consolidated financial statements
[2] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets, see point 1.2 in the notes to the consolidated financial statements
[3] The profit and loss statement shows the result from impairments and reversals of impairment losses on trade receivables and services as well as current financial assets in a separate line item. The previous year was adjusted accordingly

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

	1 Jan 2023 - 31 Dec 2023 [EUR'000]	1 Jan 2022 - 31 Dec 2022 [EUR'000]
Net result	273,524	253,725 [1]
Remeasurement of the net defined benefit obligation for pension plans after taxes	-2,899	6,351
Items that will not be reclassified subsequently to profit or loss	**-2,899**	**6,351**
Exchange differences on translating foreign subsidiaries	8,818	-1,714 [1]
Share of other comprehensive income/loss (exchange differences) of associates accounted for at equity	395	-999
Items that will be reclassified subsequently to profit or loss	**9,213**	**-2,713** [1]
Other comprehensive income/loss (net)	**6,314**	**3,638** [1]
Total comprehensive income/loss	**279,838**	**257,363** [1]
Total comprehensive income/loss attributable to		
Shareholders of CTS KGaA	280,911	200,528 [1]
Non-controlling interests	-1,074	56,835

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of CTS KGaA										
					Other reserves						
	Share capital	Capital reserve	Statutory reserve	Retained earnings	Currency translation	Associates accounted for at equity	Remeasurement of the net defined benefit obligation for pension plans	Treasury shares	Total equity attributable to share-holders of CTS KGaA	Non-controlling interests	Total equity
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
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	0	0	0	203,748[1]	0	0	0	0	**203,748[1]**	49,977	**253,725[1]**
Other comprehensive income/loss	0	0	0	0	-5,808	-999	3,587	0	**-3,220**	6,858	**3,638**
Total comprehensive income/loss					**0**	**0**	**0**	**0**	**200,528[1]**	**56,835**	**257,363[1]**
Dividends	0	0	0	0	0	0	0	0	**0**	-6,330	**-6,330**
Changes in the scope of consolidation	0	0	0	542	0	0	0	0	**542**	-550	**-8**
Other changes	0	0	0	548	0	0	0	0	**548**	0	**548**
Balance as at 31 Dec 2022	**96,000**	**1,890**	**7,200**	**629,447[1]**	**-3,087**	**-1,840**	**2,012**	**-52**	**731,570[1]**	**105,802**	**837,372[1]**
Net result	0	0	0	274,641	0	0	0	0	**274,641**	-1,118	**273,524**
Other comprehensive income/loss	0	0	0	0	7,393	395	-1,518	0	**6,270**	44	**6,314**
Total comprehensive income/loss								**0**	**280,912**	**-1,074**	**279,838**
Dividends	0	0	0	-101,751	0	0	0	0	**-101,751**	-29,065	**-130,816**
Changes in the scope of consolidation	0	0	0	-13,866	0	0	0	0	**-13,866**	42,089	**28,223**
Other changes	0	0	0	-50	0	0	0	0	**-50**	-2	**-52**
Balance as at 31 Dec 2023	**96,000**	**1,890**	**7,200**	**788,421**	**4,306**	**-1,445**	**494**	**-52**	**896,814**	**117,750**	**1,014,564**

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

	1 Jan 2023 - 31 Dec 2023	1 Jan 2022 - 31 Dec 2022
A. Cash flow from operating activities	**[EUR'000]**	**[EUR'000]**
Net result	273,524	253,725 [1]
Depreciation, amortisation and impairment	91,635	60,689 [1]
Changes in pension provisions	3,645	-7,511
Deferred tax expenses / income	-9,432	9,202 [1]
Other non-cash transactions	13,772	-16,528
Profit / loss from disposal of fixed assets	-399	-6,324
Interest expenses / Interest income	-25,145	-276
Tax expenses	145,012	78,270
Interest received	26,237	3,631
Interest paid	-6,000	-2,062
Income tax paid	-161,851	-36,545
Increase (-) / decrease (+) in inventories	-2,662	-840
Increase (-) / decrease (+) in advances paid	5,066	34,741
Increase (-) / decrease (+) in receivables and other assets	-19,550	-72,784 [2]
Increase (+) / decrease (-) in provisions	-14,423	15,769
Increase (+) / decrease (-) in liabilities	310,690	33,415
Cash flow from operating activities	**630,119**	**346,572** [2,3]
B. Cash flow from investing activities		
Payments for investments in intangible assets	-31,565	-24,757
Payments for investments in property, plant and equipment	-139,424	-28,766
Payments for investments	-580	-1,079
Payments for investments in associates accounted for at equity	-3,931	-9,045
Payments for the acquisition of marketable securities and other investments	-650,821	-143,009 [3]
Proceeds from sales of intangible assets	39	286
Proceeds from sales of property, plant and equipment	541	106
Proceeds from sales of investments	49	49
Proceeds from the sale/maturity of marketable securities and other investments	168,087	10,045 [3]
Dividends from associates accounted for at equity	28,716	3,732
Payments from the acquisition of consolidated subsidiaries less cash and cash equivalents acquired	12,129	6,098
Proceeds from the disposal of deconsolidated subsidiaries less cash and cash equivalents	21	9,377
Cash flow from investing activities	**-616,740**	**-176,965** [3]
C. Cash flow from financing activities		
Proceeds from equity transfers of non-controlling interests (capital increases)	12,146	0
Payments for redemption of financing loans	-1,183	-4,305
Payments of lease liabilities	-21,784	-19,252
Dividend payments to non-controlling interests	-29,065	-6,330
Dividend payments to shareholders of CTS KGaA	-101,751	0
Cash flow from financing activities	**-141,638**	**-29,887**
D. Net increase / decrease in cash and cash equivalents	**-128,258**	**139,720** [2]
Net increase / decrease in cash and cash equivalents due to currency translation	7,901	4,474
Changes in cash and cash equivalents due to the scope of consolidation	0	-297
Cash and cash equivalents at beginning of period	1,148,850	1,004,952 [2]
E. Cash and cash equivalents at end of period	**1,028,493**	**1,148,850** [2]

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements
[2] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements
[3] Adjusted previous year's figures of marketable securities and other investments in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

CONTENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2023

1. PRINCIPLES

1.1 STRUCTURE AND BUSINESS OPERATIONS OF THE GROUP

The consolidated financial statements include CTS Eventim AG & Co. KGaA (hereinafter: CTS KGaA) as the parent company and its subsidiaries. The CTS KGaA, Rablstraße 26, 81669 Munich, Germany, is registered in the Commercial Register at Munich Local Court under no. HRB 212700. The Company's head office is in Bremen, Germany. CTS KGaA is listed on the Frankfurt Stock Exchange under WKN 547030 and is included in the MDAX.

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

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

The annual financial statements of CTS KGaA, the consolidated financial statements of CTS KGaA and its subsidiaries as well as the combined management report and their electronic reproduction in the 'European Single Electronic Format', audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, are published in the electronic Federal Gazette (Unternehmensregister).

The consolidated financial statements and the combined management report were approved by the Executive Board of EVENTIM Management AG, Hamburg, on 8 March 2024, for presentation to the Supervisory Board. The financial statements were presented for approval at the meeting of the Supervisory Board on 20 March 2024.

1.2 ACCOUNTING PRINCIPLES

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and in accordance with the supplementary provisions under German commercial law pursuant to § 315e (1) of the German Commercial Code (HGB).

A distinction is made in the balance sheet between current and non-current assets and liabilities. The income statement is prepared using the cost of sales method. Expenses incurred are set in relation to the revenue generated and are generally classified according to their function as cost of sales, selling expenses and general administrative expenses.

The comparative figures presented in the balance sheet and the income statement refer to the consolidated financial statements as at 31 December 2022. The reporting of results from foreign currency translation and impairments on loans has been changed. While these results were previously reported in the operating result as other operating income or expenses, they will be reported in the financial result from the second quarter of 2023. The change in reporting results in a better presentation of the CTS Group's operating profitability.

In accordance with the provisions of IAS 1.41, the comparative information for 2022 was adjusted accordingly, meaning that income from foreign currency translation of EUR 6,899 thousand and expenses from foreign currency translation of EUR 2,103 thousand, which had been reported in consolidated financial statements 2022 under other operating income/expenses, have been reclassified to financial result. Of these amounts, income of EUR 4,535 thousand and expenses of EUR 1,924 thousand from foreign currency translation relate to the Ticketing segment and income of EUR 2,364 thousand and expenses of EUR 179 thousand from foreign currency translation relate to the Live Entertainment segment, all of which were 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 impairments on loans were also reclassified to financial result. Of these amounts, income of EUR 150 thousand from reversals of impairments and expenses of EUR 511 thousand for additions to impairments related to the Live Entertainment segment. Expenses of EUR 3 thousand for additions to impairments related to the Ticketing segment. The reclassification impacted neither the profit for the period nor the basic and diluted earnings per share.

The result from losses and reversals of impairment of trade receivables and current other financial assets is shown in a separate line item in the income statement, for an improved presentation of the earnings situation. In accordance with IAS 1.41, an adjustment was made to the comparative information for 2022, so that EUR 9,768 thousand was reclassified from selling expenses and EUR 2,105 thousand from other operating income.

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

ADJUSTMENT ACCORDING TO IAS 8.41 AND IAS 8.42

The balances with payment service providers previously reported as receivables from ticket money and as factoring receivables within other current financial assets were reclassified as cash and cash equivalents in accordance with IAS 8.42 because they meet the definition criteria of cash and cash equivalents.

The change had the following effect through the retroactive adjustment of the affected balance sheet items:

	As previously reported 31 Dec 2022	Adjustment 31 Dec 2022	Adjusted 31 Dec 2022
	[EUR'000]	[EUR'000]	[EUR'000]
Other current financial assets	164,473	-74,343	90,130
thereof ticketmoney receivables from presales	*107,430*	*-62,444*	44,986
thereof factoring receivables	*11,898*	*-11,898*	0
Cash and cash equivalents	1,074,507	74,343	1,148,850
Total	**1,238,980**	**0**	**1,238,980**

	As previously reported 1 Jan 2022	Adjustment 1 Jan 2022	Adjusted 1 Jan 2022
	[EUR'000]	[EUR'000]	[EUR'000]
Other current financial assets	86,489	-39,762	46,727
thereof ticketmoney receivables from presales	*61,525*	*-36,149*	25,376
thereof factoring receivables	*3,613*	*-3,613*	0
Cash and cash equivalents	965,190	39,762	1,004,952
Total	**1,051,679**	**0**	**1,051,679**

The reclassification of the balances with payment service providers shown in receivables from ticket money and factoring receivables increased the cash flow from operating activities and the increase/decrease in cash and cash equivalents by EUR 34,581 thousand, resulting in cash and cash equivalents as of 31 December 2022 after the adjustment of EUR 1,148,850 thousand.

The payments in connection with the purchase and sale of securities and other assets (EUR 132,964 thousand) previously shown in the cash flow from operating activities in the consolidated cash flow statement were reclassified to cash flow from investing activities in accordance with IAS 8.42, as they are not held for trading purposes.

The change in the reporting of balances with payment service providers as well as the change in the reporting of payments in connection with the purchase and sale of securities and other investments had the following effects due to the retroactive adjustment of the affected closing items in the cash flow statement:

	As previously reported	**Adjustment**	**Adjusted**
	2022	**2022**	**2022**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
Cash flow from operating activities	**179,027**	**167,545**	**346,572**
Increase / decrease in marketable securities and other investments	*-132,964*	*132,964*	*0*
Increase / decrease in receivables and other investments	*-107,365*	*34,581*	*-72,784*
Cash flow from investing activities	**-44,001**	**-132,964**	**-176,965**
Payments for the acquisition of marketable securities and other investments	*0*	*-143,009*	*-143,009*
Proceeds from the sale/maturity of marketable securities and other investments	*0*	*10,045*	*10,045*
Net increase / decrease in cash and cash equivalents	**105,140**	**34,581**	**139,721**
Cash and cash equivalents at beginning of period	965,190	39,762	1,004,952
Cash and cash equivalents at end of period	**1,074,507**	**74,343**	**1,148,850**

The reclassifications had no impact on the annual result or the basic and diluted earnings per share or on equity.

1.3 NEW AND AMENDED STANDARDS IN 2023

The following new and amended standards were required to be applied for the first time on or after 1 January 2023:

- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” – Definition of Accounting Estimates
- Amendments to IAS 12 “Income Taxes” – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 “Insurance Contracts” first time application of IFRS 17 and IFRS 9 comparison information

No material effects on the earnings performance, financial position and cash flow from the newly applicable and amended standards and interpretations have been identified.

1.4 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The IASB and the IFRS Interpretations Committee (IFRIC) have adopted additional standards and interpretations that are not yet mandatory for the 2023 financial year and which have not been applied to the consolidated financial statements as at 31 December 2023.

Adopted by the EU law:

Applicable on or after 1 January 2024:

- Amendments to IFRS 16 “Leases” – Lease liability in the event of a sale and leaseback transaction

Not yet adopted by the EU law:

Applicable on or after 1 January 2024:

- Amendments to IAS 1 ‘Presentation of Financial Statements’ – Classification of Liabilities as Current or Non-current with Covenants
- Amendments to IAS 7 and IFRS 7 „Supplier Finance Arrangements“

Applicable on or after 1 January 2025:

- Amendments to IAS 21 “The effect of changes in foreign exchange rates: lack of exchangeability”

Standards that are not applicable until after the balance sheet date have not been adopted early. The effects of the accounting standards not yet adopted on the presentation of earnings performance, financial position and cash flow are currently being reviewed; accordingly, a reliable assessment of these effects is not yet possible.

1.5 SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION PRINCIPLES

The consolidated financial statements include all relevant subsidiaries that are controlled directly or indirectly by CTS KGaA. Control exists where CTS KGaA has power over the relevant activities, is exposed to variable returns and has the ability to affect those variable returns through its power. Power to control is usually based on an indirect or direct majority holding of voting rights that relate to decisions with respect to the relevant activities. If the CTS Group does not hold a majority of voting rights in subsidiaries, the power to control may be governed by contractual arrangements. When evaluating whether control exists, the existence and effect of material potential voting rights that are currently exercisable or convertible are taken into consideration. Consolidation is carried out as at the time of acquisition, when control is acquired, or when the minimum materiality thresholds for inclusion in the scope of consolidation are exceeded.

As a basic principle, the financial statements of the companies included in the consolidated financial statements are prepared in accordance with uniform accounting policies. The balance sheet date of the fully consolidated companies is generally identical to that of CTS KGaA as the parent company. The financial year of the HOI Group and of the Palazzo companies do not correspond to the reporting date of CTS KGaA, but they prepare interim financial statements as at the balance sheet date 31 December.

A joint venture exists if CTS KGaA has joint control of the entity together with one or more partners based on a contractual arrangement and the partners exercising joint management have rights to the net assets of the entity. Joint ventures also include entities in which the CTS Group holds a majority or minority of the voting rights, but decisions regarding relevant activities can only be taken unanimously as a result of contractual arrangements. These joint ventures are accounted for using the equity method.

Participations in companies in which a significant influence can be exercised are measured using the equity method; this is normally the case when voting rights are between 20% and 50%. In addition, there are participations in companies with a share of voting rights greater than 50% in which there is no possibility of control due to contractual agreements.

Associates accounted for at equity are initially recognised at the proportionate interest in the remeasured equity. Changes in the proportionate equity recognised through profit or loss are presented in the income statement in investment results. If the Group's share in losses from an associate accounted for at equity is equal to or greater than the Group's share in that company, plus other non-current loans (the repayment of which cannot be expected in the near future), the Group does not recognise any further losses unless it has entered into obligations in respect of the associate accounted for at equity, or has made payments for the associate accounted for at equity.

Revenues, interim results, expenses and income, as well as receivables and payables between consolidated companies are eliminated.

BUSINESS COMBINATIONS AND NON-CONTROLLING INTERESTS

Business combinations are recognised in accordance with the acquisition method where the purchase price is offset against the revalued net assets of the acquired company on a pro rata basis. In this context, the values at the time of the acquisition – the point in time when the company assumes control of the acquired company – are used as underlying inputs. Any recognisable assets, liabilities and contingent liabilities of the subsidiary are reported in the consolidated balance sheet at fair value irrespective of any existing non-controlling interests. If reference to stock exchange or market prices is not possible, the fair values are determined using the most reliable information available based on market prices for comparable assets or appropriate valuation methods. Intangible assets must be recognised separately if they are clearly distinguishable or their recognition is based on a contractual or other right. Accordingly, they are not included in goodwill.

If the paid purchase price is higher than the revalued pro rata net assets at the time of acquisition, the positive difference is recognised as goodwill. A negative difference is directly recognised in profit or loss following another review of the measurements of assets and liabilities. Non-controlling interests are either measured at cost (partial goodwill method) or at fair value (full goodwill method), and the option can be utilised on a case-by-case basis. The CTS Group generally applies the partial goodwill method.

Transactions with non-controlling interests are classified as transactions with the Group's owners. If, in the context of the acquisition of non-controlling interests, a difference arises between the payment made and the related share in the carrying amount of the subsidiary's net assets, such difference is recognised in equity. Gains and losses from the sale of non-controlling interests are also recognised in equity.

Contracts which require the CTS Group to purchase the equity instruments of its subsidiaries are recognised as liabilities carried at the present value of the purchase price. This also applies when the purchase obligation is conditional on the contractual partner exercising an option and is independent of the probability of such option being actually exercised. This also applies to the forward purchase of non-controlling interests and to put options granted to minority shareholders. The first time recognition of the obligation from put options of minority shareholders is a reduction of the non-controlling interests, if the opportunities and risks have already been transferred to the CTS Group, or as a reduction of equity of the CTS Group's owners if this is not the case. Subject to the exercise of the put options, the liabilities are subsequently recognised at amortised cost using the effective interest rate method. The current interest rate is calculated on the basis of the original effective interest rate. Changes in expected payments due to changed expectations regarding the exercise price lead to an adjustment to the carrying amount of the liabilities, with the adjustment being recognised in profit or loss. The new carrying amount is the present value of the adjusted expected cash flows using the original effective interest rate as the discount rate. If put options are granted as part of a business combination, it will be analysed on a case-by-case basis whether the opportunities and risks arising from these shares are transferred to the CTS Group or remain with the minority shareholders. In the case of fair value options, it is generally assumed that the minority shareholders retain the related opportunities and risks.

CURRENCY TRANSLATION PRINCIPLES

Business transactions made by Group companies in currencies other than the functional currency are translated at the rate applicable on the date of transaction.

The financial statements of foreign subsidiaries whose currency is not the euro are translated using the functional translation method. The functional currency used for entities outside Germany is the local currency in each case due to the business operations of such entities. Accordingly, assets and liabilities of entities outside Germany or outside the eurozone are translated to euro using the exchange rate on the balance sheet date. Income and expenses are translated into euro using the average exchange rate for the respective financial year. Currency translation differences are reported in other reserves.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank balances (including balances with payment service providers, provided the conditions for recognition as cash are met) and cash on hand. Cash equivalents include short-term, highly liquid investments that can be readily converted into cash amounts and are only subject to insignificant risks of changes in value. This is usually fulfilled with remaining terms of three months or less from the date of acquisition. Foreign currency holdings are converted at the relevant closing rate.

TRADE RECEIVABLES

A trade receivable is recognised when there is an unconditional right to consideration from the customer. Trade receivables are recognised at the transaction price, which is the amount of consideration expected by the entity for obligatory deliveries of goods or services to customers. Trade receivables are measured at amortised cost less a provision for expected credit losses.

INVENTORIES

Inventories are carried at cost of purchase, taking ancillary expenses into account and deducting any bonuses or discounts received, or at cost of sales, or at the lower net realisable value on the balance sheet date.

ADVANCES PAID

Advances paid are carried at acquisition cost.

FINANCIAL INSTRUMENTS

The Group's financial instruments include cash and cash equivalents, marketable securities and other investments, trade receivables and payables, receivables from and liabilities to related parties, other financial assets and liabilities as well as investments, financial liabilities and derivatives.

Cash and cash equivalents primarily include cash (bank balances at credit institutions, balances at online payment service providers) and investments that are classified as cash equivalents (e.g. time deposits with a 3-month term).

Marketable securities and other investments mainly comprise securities portfolios, bonds, bearer bonds and commercial paper and time deposits that are not classified as cash equivalents.

Receivables from and liabilities to related parties mainly comprise trade receivables and payables.

Other financial assets include non-derivative financial assets such as ticket money receivables, loan receivables from related parties, receivables from factoring and receivables from promoters. This item also includes positive market values of derivative financial instruments, to the extent existing in the financial year under review.

Other financial liabilities mainly consist of non-derivative financial liabilities from ticket money received that have not yet been settled with promoters. In addition, negative market values of derivative financial instruments are also reported in this item, to the extent existing in the financial year under review.

Investments include shareholdings in companies that are not in the scope of IFRS 10, IFRS 11 and IAS 28.

Financial liabilities primarily comprise financial loans, liabilities from put options on shares in fully consolidated subsidiaries, call and put options on shares in non-consolidated subsidiaries and third party companies, and from contingent consideration (purchase price obligations from acquisitions of shares in already consolidated subsidiaries).

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets are divided into the following measurement categories:

- financial assets that are subsequently measured at fair value (in other comprehensive income or in profit or loss)
- financial assets that are subsequently measured at amortised cost.

Classification is based on the definition of the business model used to manage the financial asset and the analysis of contractual cash flows.

The business model for a financial asset is defined using groups of contracts with similar structures. The business model used to manage a financial asset is characterised by certain defined activities. These include how the performance of the portfolio is assessed and reported to management, which risks impact performance and how these risks are managed. Other aspects in the assessment of the business model include the frequency, volume and timing of sales, as well as the reasons for past sales of financial assets. This results in the following business models:

“Hold to collect”: The aim of this business model is to hold financial assets in order to collect the contractual cash flows.

“Hold to collect and sell”: The aim of this business model is to collect contractual cash flows and sell financial assets.

“Other”: This is a residual category, if the two business models above are not relevant.

Contractual cash flows are analysed at an individual contract level. The financial asset is reviewed to identify whether it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, comparable to a standard loan agreement, or whether the contract includes terms that change the timing or amount of the contractual cash flows so that the aforementioned requirements are not met. The contract is analysed with regard to any advance payment or extension options, variable components and contingent elements.

The determination of the business model and the review of the cash flow criterion results in the following measurement categories for financial assets:

If the financial asset meets the requirements of the “hold to collect” business model and the cash flow criterion is met, it is subsequently measured at amortised cost.

If the financial asset meets the requirements of the “hold to collect and sell” business model and the cash flow criterion is met, it is subsequently measured at fair value directly in equity.

If the financial asset does not meet the cash flow criterion or can only be classified to the business model “other”, it is subsequently measured at fair value through profit or loss.

Equity instruments, by definition, do not meet the cash flow criterion and therefore must be subsequently measured at fair value through profit or loss. There is the option to measure equity instruments at fair value directly in equity; however, the Group does not currently exercise this option. Participations and interests in companies not consolidated due to insignificance, as reported under investments, currently meet the definition of equity instruments.

Non-derivative financial assets are generally recognised at the settlement date. At the initial recognition of financial assets measured at fair value through profit or loss, transaction costs are recognised as expenses in the income statement. The initial recognition of financial assets (directly in equity or at amortised cost) takes place at fair value plus directly attributable transaction costs.

Marketable securities and other investments (securities portfolio) as well as investments are subsequently measured at fair value. Net gains and losses on these financial instruments include interest, dividends and measurement effects at the respective balance sheet date.

Cash and cash equivalents, trade receivables, receivables from related parties, other financial assets, and marketable securities and other investments are measured at amortised cost. Net gains and losses from these financial instruments include interest, currency effects and impairments.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Financial assets are also derecognised when there is no longer a reasonable expectation that the cash flows of the financial asset will be collected. Indications of the latter can include insolvency proceedings, ongoing financial difficulties or high volumes of receivables past due in relation to the contractual partner.

Non-derivative financial liabilities are initially measured at fair value less transaction costs and subsequently at amortised cost using the effective interest method. Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligations are discharged or cancelled or expired. Net gains and losses include interest expenses and foreign currency effects.

Derivative financial instruments are recognised as at the trade date and are measured at fair value through profit or loss. The positive or negative market value as at the reporting date is reported in other financial assets or liabilities. Derivatives from company transactions (e.g. put options) are generally recognised as financial liabilities.

IMPAIRMENT OF FINANCIAL INSTRUMENTS

As part of the requirements concerning impairment, expected credit losses in relation to financial assets measured at amortised cost must be recognised as expenses at initial recognition.

The simplified approach is applied for trade receivables, receivables from related parties (trade receivables) and ticket money receivables. In this approach, the expected credit loss is recognised over the lifetime of the respective financial asset. Expected losses are calculated for each company and past-due period on the basis of historical values from the past three financial years. These figures are then adjusted for macroeconomic factors of the respective country. Receivables that are more than 90 days past due are also subject to a detailed analysis. If there are indications of specific financial difficulties on the part of the debtor, the receivable is partially impaired or completely written off, depending on the circumstances. Under the simplified approach, receivables with an overdue period of up to 90 days are classified as “not credit-impaired”. Receivables that are past due by more than 90 days are classified as “credit-impaired”.

The general approach is applied to any other financial assets measured at amortised cost (cash and cash equivalents, marketable securities and other investments, receivables from related parties (loans), and other financial assets). In this approach, expected losses are calculated for the next 12 months in the case of financial assets that are not subject to a significant increase in credit risk. The expected loss is calculated for the full term of the financial asset as soon as a significant increase in credit risk is determined. This occurs if the contractual partner is past due on a payment by more than 30 days or there are indications of financial difficulties. If the financial difficulties are substantiated by certain objective evidence, the related financial asset is considered to be a credit-impaired financial asset. Rating classes with defined statistical probabilities of default based on external market data are used to calculate expected credit losses.

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets with a definite useful life and property, plant and equipment are carried at cost, minus straight-line depreciation and amortisation.

Development costs for proprietary software are recognised as assets if they meet the criteria specified in IAS 38. The costs of software development are capitalised if the development activities result in new or improved products. Prerequisite for the capitalisation is that the development costs can be reliably determined, the software products/modules are technically and economically feasible, have been completed and used and future benefits are probable. Furthermore, adequate technical, financial and other resources are available to complete the development and use the software products/modules. The costs directly attributable to the software include personnel costs of those involved in the development as well as a reasonable portion of the related overheads. Capitalised development costs for software are amortised over their estimated useful life.

Depreciation and amortisation of intangible assets and property, plant and equipment are mainly based on the following useful economic lives:

- Software, licences and similar rights: between 1 and 17 years and in exceptional cases an unlimited useful life
- Trademarks: between 5 and 18 years
- Customer base: between 5 and 15 years
- Capitalised development costs: between 5 and 10 years
- Land rights and buildings, including buildings on third-party land: between 3 and 33 years
- Technical equipment and machinery: between 3 and 5 years
- Other equipment, operating and office equipment: between 3 and 25 years

In accordance with IAS 36, goodwill is not amortised, but instead is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The goodwill is allocated to those cash-generating units that are expected to derive benefits from the business combination in which the goodwill arose. Within the CTS Group, these cash-generating units correspond to the segments. Goodwill is subject to an impairment test at least once annually as at 31 December and also during the year if there is any indication of impairment.

The Group regularly assesses the carrying amounts of all assets within the scope of IAS 36 for possible impairment. If events or changes in circumstances provide the basis for assuming that the carrying amount of such an asset might no longer reach the fair value, the Group compares the recoverable amount with the carrying amount of the particular asset (impairment test). If the asset is impaired, the Group records an impairment loss so that the asset is written down to the recoverable amount. Impairment losses of goodwill may not be reversed.

As at 31 December 2023, the annual impairment test of goodwill in the two segments Ticketing and Live Entertainment was performed in accordance with IAS 36. Impairment tests were also performed for other intangible assets, e.g. specific customer bases and brands, right-of-use assets for venues as well as for associates accounted for at equity. These did not result in any need for impairment (cf. notes to the consolidated balance sheet, item 10).

LEASES

Assets (right-of-use assets) and financial liabilities (the obligation to pay the lease instalments) are recognised in the balance sheet in accordance with IFRS 16. The standard is only applied to tangible assets at the CTS Group. The capitalisation of the right-of-use assets mainly relates to venues, rented office space or buildings and vehicles for employees.

The CTS Group makes use of the option not to recognise right-of-use assets and obligations as liabilities resulting from short-term leases (terms of one year or less) and leases for low-value assets (assets with a net replacement value of EUR 5,000 or less).

Assets are depreciated over the term of the underlying lease agreements. For certain individual contracts – especially for venues and buildings – extension or termination options exist. If it can be assumed with reasonable certainty, considering all circumstances, that these options will be exercised, they are included in the determination of the lease term. If the assessments regarding options change, the corresponding contracts are remeasured.

A currency-specific incremental borrowing rate is used to calculate the present value of lease liabilities and right-of-use assets for each lease, unless an interest rate on which the lease is based can be determined. To determine the incremental borrowing rates, reference interest rates for a period of up to 30 years were derived from the yields of corporate bonds or, if not available, government bonds. Country-specific risks were also taken into account.

Interest expenses are recognised in the financial result in the income statement.

OPERATING LEASES

Lease transactions with the CTS Group as the lessor are classified exclusively as operating leases. In this case, the leased item remains in the consolidated balance sheet and is subject to depreciation. The lease payments are recognised as income over the term of the lease.

DEFERRED TAXES

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts in the consolidated balance sheet and the amounts stated in the related tax base of the individual companies, as well as for tax loss carryforwards. Deferred tax assets are recognised if it is likely that future taxable profit will be available against which the deductible temporary difference or the loss carryforwards can be utilised. An appropriate business-related planning horizon is used per company in particular for tax loss carryforwards. Deferred tax assets and liabilities are measured at the applicable tax rates that must prospectively be applied to the taxable income in those years in which the temporary differences are expected to be recovered or settled. The impact of a changed tax rate on deferred assets and liabilities is recognised in profit or loss.

PROVISIONS

Other provisions were recognised when obligations towards third parties exist that are reasonably likely to require settlement. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Non-current provisions are recognised at present value to the extent that discounting has a significant effect. A risk-free interest rate that matches the corresponding maturity and currency is used. There is no unwinding of the discount on negative interest rates.

Provisions for pensions and similar obligations are recognised for defined benefit plans. These are obligations on the part of the Company resulting from pension entitlements and ongoing benefits paid to eligible employees. The amount of the pension obligations is dependent on years of service and the pay level of the respective employee. Measurement is carried out annually based on actuarial reports. The pension provisions are measured on the basis of actuarial assumptions, using the projected unit credit method. To the extent that assets exist which meet the criteria for plan assets, their fair value is offset against the actuarial liability. The net obligation is recognised as a provision in the balance sheet.

RECOGNITION OF GOVERNMENT GRANTS AND ECONOMIC AID PROGRAMMES

As a result of the COVID-19 pandemic, various government aid programmes were introduced in Germany and abroad which are intended to provide financial support of companies. In cases where a grant is paid as compensation for expenses or losses already incurred or for immediate financial support without expected future related expenses, it is recognised in the income statement at the time the corresponding claim arises, provided there is reasonable assurance that the entity will comply with the related conditions and the grants will be received. Government grants are recognised in the balance sheet as other non-financial assets until they are paid and in other operating income in the income statement.

PRESENTATION OF LEGAL REGULATIONS FOR CANCELLED AND POSTPONED EVENTS

To improve businesses' liquidity positions, legislators in individual markets, such as Germany, Austria and Italy, introduced a voucher solution for promoters in the 2020 financial year. Holders of a ticket for an event which they were unable to attend due to the COVID-19 pandemic, or which they are unable or unwilling to attend at a later date, received a voucher entitling them to attend an event instead of a refund of the ticket price. Should the event not have taken place by a certain date, the holder of the voucher has the right to demand a refund of the ticket price. If the promoter voucher was not redeemed by the end of 2021, ticket holders have been allowed to demand a payout of the amount since 1 January 2022 in Germany. The ticket money affected by this rule was recognised as financial liabilities (for the payout of the voucher) or non-financial liabilities (for the redemption of the voucher), based on current experience as to the extent to which the holders of the vouchers will make use of their right to reclaim the ticket price. In Austria, ticket holders will be entitled to demand repayment from 1 January 2023, depending on the issue date of the voucher. In Italy, the repayment entitlement was extended to a period of 36 months after the issue of the voucher.

CONTINGENT LIABILITIES

Contingent liabilities are present obligations arising from past events that are not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be estimated with sufficient reliability. Contingent liabilities are not recognised in the consolidated balance sheet, but are disclosed and described in the notes to the consolidated financial statements.

RECOGNITION OF REVENUE AND EXPENSES

Revenue from contracts with customers is recognised upon the fulfilment of the service obligations derived from contracts. At the beginning of the contractual relationship, it is determined whether the CTS Group fulfils each identified service obligation over time or at a particular point in time.

Revenue in the ordinary course of business in the Ticketing segment mainly relates to the provision of services. These primarily include the brokering and distribution of tickets, the provision of systems for ticket brokering, and the brokering of insurances. These services are provided to a variety of different parties, including ticket buyers/end customers, box offices, and promoters. Through the provision of these services, the CTS Group generates revenue from ticket fees, licence fees, commissions, and other service charges. In general, the CTS Group provides agency services in the Ticketing segment (broker/commission agent), in which rights of access documented on behalf of a promoter are marketed to end customers (event visitors). Only the broking commission generated by the Group is recognised as revenue and thus reported as a net amount. The services associated with the sale of tickets to end customers are recognised at the point in time at which the ticket is sold or with the provision of services related to the sale of the ticket. Revenue from the provision of systems to box offices and promoters is recognised over the period in which the systems are provided.

Revenue in the ordinary course of business in the Live Entertainment segment mainly relates to the provision of services. Services encompass planning, organising and carrying out concerts, concert tours, festivals and other live events as well as the operation of venues (entertainment services). The CTS Group generally assumes responsibility for providing services. This particularly concerns activities in which the CTS Group operates as a tour promoter, local promoter, or venue operator. To that extent, the CTS Group generally acts as a principal in the Live Entertainment segment and recognises revenue as gross amounts. The received ticket money during the presale period is deferred as advance payments received. These are contract liabilities in accordance with IFRS 15. When the event is subsequently held, these advance payments are reclassified to revenue, and the profits are realised over the time period in which the event is held. In addition, revenue is also generated through sponsoring, the sale of goods, including catering and merchandising products. This revenue is recognised upon sale of the goods and products.

The terms of payment are designed to be short-term as far as possible (payment is due to the end customer immediately; otherwise the payment term is 30 days).

Operating expenses are recognised in profit or loss when the service is used or at the time they are incurred. The expenses are recognised as expenses at the time when the CTS Group obtains the power of disposal over the goods or services used in the context. The Group recognises operating expenses by functional area. User charges are accrued in accordance with the terms of the underlying contract and dividends are recorded at the point in time at which the legal claim to the payment arises. Interest is recognised pro rata temporis, taking into account the effective interest rate.

Income from insurance compensation is recognised when the necessary conditions for receiving the insurance compensation are met and it can be assumed with a high certainty that the compensation will be granted.

PRESENTATION IN CONSOLIDATED CASH FLOW STATEMENT

Interest paid, interest received and cash flows from current marketable securities and other investments with a remaining maturity of more than three months and less than one year at the time of acquisition are allocated to cash flow from operating activities. Dividends are shown in the cash flow from financing activities. Dividends received from companies accounted for at equity are reported in cash flow from investing activities.

SIGNIFICANT JUDGEMENT, ASSUMPTIONS AND ESTIMATES

When preparing the consolidated financial statements, it is necessary to a certain degree to make judgements, estimates and assumptions (measurement uncertainties) that affect the assets and liabilities, the disclosure of contingent liabilities and the presentation of income and expenses during the financial year. Estimates and assumptions are continuously reviewed and adjusted if necessary. Actual amounts may deviate from the respective estimates and assumptions. All estimates and assumptions are based on the circumstances and assessments as at the balance sheet date.

JUDGEMENTS

The judgements made by the Management Board when applying the accounting methods, which can have a significant impact on the valuation of assets and liabilities in the group, essentially concern the following matters:

- Determining when the group controls an investee and initial consolidation must be carried out (see significant accounting policies point 1.5 and scope of consolidation point 2).
- As part of revenue recognition, discretionary decisions may be necessary that relate to determining when a group company acts as an agent or principal in the provision of services (see significant accounting policies point 1.5 and notes to the consolidated income statement point 5).
- The criteria for assessing which category a financial asset should be classified in can be subject to discretion (see significant accounting policies point 1.5 and notes to the consolidated balance sheet point 8).
- The parameters used in the impairment test of goodwill, such as determining the discounted cash flows, the weighted cost of capital and the growth rate, may be subject to judgment (see significant accounting policies point 1.5 and notes to the consolidated balance sheet point 10).
- Determination of the term of the lease as a lessee for contracts with extension or termination options i.e. whether the exercise of extension options is sufficiently certain (see significant accounting policies point 1.5 and notes to the consolidated balance sheet point 13).
- The requirement to incorporate forward-looking information in the assessment of expected bad debts results in judgment regarding the impact of changes in economic factors on expected bad debts (see significant accounting policies point 1.5 and financial risk management 4.2).

ASSUMPTIONS AND ESTIMATES

Assumptions and estimations that are subject to uncertainty, which could give rise to a considerable risk that a significant adjustment to the carrying amounts of the reported assets and liabilities will be necessary within the next financial year, exist as of the balance sheet date as follows:

Assumptions and estimates also relate to the determination of the expected default rates of trade receivables and ticket money receivables. When determining the expected default rates, the CTS Group uses historical information as well as information that contains assumptions about future economic developments. There is uncertainty that the determined default rates might differ from the actual default rates due to market developments. The carrying amounts of trade receivables are disclosed in the notes to the consolidated balance sheet in item 3 and those of ticket money receivables in item 8.

In addition, estimates and assumptions must be made, particularly in connection with the annual impairment test for goodwill and the impairment test of capitalised deferred taxes.

The Group conducts reviews at least annually, in accordance with the accounting policies described above, to determine whether goodwill is impaired. The recoverable amount of cash-generating units was measured on the basis of calculations of the fair value less costs to sell. These calculations must be derived from assumptions based on management estimates. If trends arise that are beyond the control of management, future carrying amounts may deviate from the originally estimated values. If actual developments diverge from expectations, the assumptions and, if necessary, the carrying amounts of goodwill are adjusted accordingly. The carrying amounts of goodwill are disclosed in the notes to the consolidated balance sheet in item 10.

Deferred tax assets in respect of tax loss carryforwards and temporary differences are recognised in the consolidated financial statements. When recognising deferred tax assets, management has to make estimates regarding recoverability. Deferred tax assets are recognised to the extent that it is likely that they can be utilised. The utilisation of deferred tax assets depends on the possibility of generating sufficient taxable income in the respective tax category and in the respective tax jurisdiction. Assessing the likelihood of future utilisation depends on a variety of factors, such as past earnings performance, operating planning, and tax planning strategies. If estimates diverge from actual events, carrying amounts must be adjusted accordingly if there is any doubt. The carrying amounts of deferred taxes are disclosed in the notes to the consolidated balance sheet in item 16.

Conditional purchase price liabilities resulting from business combinations are measured upon initial recognition at fair value at the acquisition date. Upon subsequent measurement, the determination of fair value or amortised cost is subject to an estimation risk within the scope of future business performance. The disclosures regarding purchase price obligations are explained in the notes to the consolidated balance sheet in item 17. The disclosure regarding the call and put options in relation to further shares in France Billet can be found in the notes to the consolidated balance sheet in item 15 with respect to interests in associates accounted for at equity.

Lease liabilities are recognised at the present value of the lease payments not yet made at this time. An incremental borrowing rate is used to measure the lease liabilities. This is the interest rate that the CTS Group would have to pay if the CTS Group were to borrow, for a comparable term and with comparable security, the funds the CTS Group would need in a comparable economic environment for an asset comparable to the right-of-use asset. The incremental borrowing rate therefore requires estimates of what interest the Group would have to pay. In the process, it is necessary to make assumptions concerning factors such as the interest the Group companies would have to pay if there were no observable interest rates available or if adjustments to terms and conditions agreed in individual contracts were necessary. The CTS Group calculates the contract-specific incremental borrowing rate using observable factors such as bond yields and makes adjustments such as applying country risk premiums. The CTS Group determines the term of the lease based on the non-cancellable period of the lease, including periods arising from renewal options, provided that it is reasonably certain that the option will be exercised, along with periods arising from termination options, provided that it is reasonably certain that the option will not be exercised. Many real estate lease agreements contain renewal or termination options. Assessing whether it is reasonably certain that a renewal option will be exercised or a termination option will not be exercised requires judgement. The disclosures regarding lease liabilities are explained in the notes to the consolidated balance sheet in item 23.

Obligations arising from defined benefit pension commitments are determined using actuarial calculations based on the underlying assumptions with regard to long-term pay and pension trends, average life expectancy and the discount rate. The assumptions relating to the pay and pension trends are based on developments observed in the past and take account of the country-specific interest and inflation levels, and of the respective labour market developments. The average life expectancy is estimated based on recognised biometric calculations. The interest rate used to discount the respective future payment obligations is based on the yield for high-quality corporate bonds in the same currency with a comparable term. The disclosures regarding pension provisions are explained in the notes to the consolidated balance sheet in item 25.

2. SCOPE OF CONSOLIDATION

In addition to the parent company's financial statements, the CTS Group comprises the annual financial statements of 158 subsidiaries (previous year: 138).

The number of fully consolidated companies in the Ticketing segment is 45 (previous year: 43). The increase over the previous year results from an acquisition with two companies in South America.

In the Live Entertainment segment, the number of fully consolidated companies is 113 (previous year: 95). The changes are due to newly established companies (inter alia project companies in the USA) and acquisitions as well as transition from the equity method to full consolidation, which affected five companies. In contrast, two companies were liquidated.

In the Live Entertainment segment, one joint venture (previous year: two) and 11 associated companies (previous year: 14) are included in the consolidated financial statements. Due to contractual changes in 2023, EMC Presents LLC, Wilmington, USA (hereinafter: EMC Presents), acquired control of HPX LLC, Wilmington, USA (hereinafter: HPX), without paying a purchase price. This marked the transition from the equity method to the full consolidation of HPX. One material joint venture (Hammersmith Apollo Ltd., London, hereinafter: HAL Apollo) relates to Stage C Ltd. based in United Kingdom. The CTS Group holds 50% stake in Stage C Ltd., London, which holds 100% in HAL Apollo, which is the operating company of the Eventim Apollo venue in London.

In the Ticketing segment, a joint venture (previous year: one) and an associated company (previous year: one) are included in the consolidated financial statements using the equity method. CTS KGaA holds 50% of the joint venture shares in autoTicket GmbH, Berlin (hereinafter: autoTicket). CTS KGaA holds 48% of the shares in the associated company France Billet SAS, Bagnolet, France (hereinafter: France Billet), whose business purpose is the brokerage, distribution and marketing of tickets for concerts, sport events, theatre and other events.

Due to their immateriality, 14 subsidiaries (previous year: 16) are recognised in investments at fair value through profit or loss in the reporting year.

2.1 CHANGES IN THE TICKETING SEGMENT

PRELIMINARY PURCHASE PRICE ALLOCATION PUNTO TICKET CHLE

With contract dated 15. November 2023, Eventim Sony Holding Limited, London, acquired 65% of the shares in Punto Ticket SpA, Chile, and its 100% subsidiary Teledistribucion S.A., Peru, (hereinafter: Punto Ticket) for a purchase price of EUR 21,617 thousand. The companies operate in the entertainment industry and offer the marketing, sale and shipping of tickets, ticket insurance and other additional services for events, thus covering the entire range of ticketing services.

The following overview shows the fair values at the time of initial consolidation of Punto Ticket:

	Fair values at the time of initial consolidation - provisional purchase price allocation - [EUR'000]
Cash and cash equivalents	23,590
Inventories	20
Trade receivables	8,243
Other assets	4,279
Total current assets	**36,132**
Intangible assets	12,436
Property, plant and equipment	967
Deferred tax assets	352
Total non-current assets	**13,755**
Financial liabilities	1,052
Trade payables	1,931
Provisions	390
Other liabilities	30,729
Total non-current liabilities	**34,103**
Deferred tax liabilities	3,352
Financial liabilities	2,993
Total non-current liabilities	**6,344**
Currency translation	-182
Total net assets	**9,622**

Assets and liabilities were measured at fair value within the scope of the provisional purchase price allocation. At the time of initial consolidation, customer bases with a fair value of EUR 11,195 thousand and a useful life of thirteen years and brands with a fair value of EUR 1,218 thousand and a useful life of ten years were recognised. Deferred taxes of EUR 3,352 thousand were formed on the temporary differences from the remeasurement.

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

	[EUR'000]
Consideration transferred	21,617
Total net assets	**9,622**
Pro rata net assets	**6,254**
Goodwill	15,362

The difference between the consideration and the pro rata net assets was assigned to goodwill in the Ticketing segment and mainly reflects future synergy and growth potential. Goodwill is not tax-deductible.

Since the time of initial consolidation, Punto Ticket has generated revenue of EUR 6,912 thousand and a profit for the period before non-controlling interests of EUR 1,402 thousand.

2.2 CHANGES IN THE LIVE ENTERTAINMENT SEGMENT

NEW START-UPS IN THE USA

On 18 January 2023, Eventim Live USA Inc., Wilmington, USA, (a subsidiary of CTS KGaA) together with the US tour operator Mammoth Inc., Lawrence, 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. AG Entertainment Touring has a share of 45% in Grizzly Touring LLC. 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.

FINAL PURCHASE PRICE ALLOCATIONS

FROM AT EQUITY-METHOD TO FULL CONSOLIDATION - BPC TOURS LLC IN THE USA

Due to contractual changes in August 2022, EMC Presents LLC, Wilmington, USA (hereinafter: 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 1,974 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.

FROM AT EQUITY-METHOD TO FULL CONSOLIDATION - HPX IN THE USA

Due to contractual changes dated 20 February 2023 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. The business of HPX includes the worldwide production of the Harry Potter Exhibitions.

The following overview shows the fair values at the time of initial consolidation of HPX:

	Fair values at the time of initial consolidation - final purchase price allocation - [EUR'000]	Fair values at the time of initial consolidation - provisional purchase price allocation - [EUR'000]	Changes between provisional and final purchase price allocation [EUR'000]
Cash and cash equivalents	1	1	0
Inventories	9,709	9,709	0
Trade receivables	11,587	11,587	0
Other assets	5,049	5,049	0
Total current assets	**26,346**	**26,346**	**0**
Intangible assets	26,927	40,678	-13,751
Property, plant and equipment	9,928	9,928	0
Advances paid	2,521	2,521	0
Other assets	14,126	14,126	0
Total non-current assets	**53,502**	**67,252**	**-13,751**
Financial liabilities	22	22	0
Advance payments received	3,952	3,305	647
Trade payables	15,909	15,909	0
Other liabilities	113	113	0
Total current liabilities	**19,996**	**19,349**	**647**
Deferred tax liabilities	6,341	6,998	-657
Total non-current liabilities	**6,341**	**6,998**	**-657**
Currency translation	0	-45	45
Total net assets	**53,511**	**67,296**	**-13,786**

The purchase price allocation was finally completed in the fourth quarter of 2023 in compliance with the 12-month deadline. As part of the revaluation of the shares, assets and liabilities were measured at fair value. At the time of initial consolidation, an exclusivity right with a fair value of EUR 23,416 thousand (preliminary purchase price allocation: EUR 40,678 thousand) and a useful life of six years were recognised. Deferred taxes of EUR 6,341 thousand were formed on the temporary differences from the remeasurement. As part of the final purchase price allocation, the remeasurement of the equity interest in HPX accounted for using the equity method was recognised as financial expense in the consolidated income statement at the fair value of EUR 5,855 thousand (preliminary purchase price allocation: EUR 2,932 thousand).

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

	[EUR'000]
Consideration transferred	31,409
Total net assets	**53,511**
Pro rata net assets	**26,755**
Goodwill	4,653

The difference between the consideration and the pro rata net assets was assigned to goodwill in the Live Entertainment segment and mainly reflects future synergy and growth potential. The consideration transferred is related to the at equity investment. Goodwill is not tax-deductible.

Since the time of initial consolidation, HPX has generated revenue of EUR 38,222 thousand and a profit for the period before non-controlling interests of EUR -11,177 thousand.

FROM AT EQUITY-METHOD TO FULL CONSOLIDATION – FRIENDLY FIRE GROUP

By contract dated 6 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.

The following overview shows the fair values at the time of initial consolidation of Friendly Fire Group:

	Fair values at the time of initial consolidation - final purchase price allocation - [EUR'000]
Cash and cash equivalents	12,896
Inventories	2,310
Trade receivables	4,208
Other assets	1,104
Total current assets	**20,518**
Intangible assets	393
Property, plant and equipment	188
Right-of-use assets from leases	600
Total non-current assets	**1,181**
Advance payments received	9,215
Trade payables	4,550
Provisions	2,674
Other liabilities	1,217
Lease liabilities	119
Total non-current liabilities	**17,775**
Lease liabilities	481
Deferred tax liabilities	115
Total non-current liabilities	**597**
Total net assets	**3,327**

The purchase price allocation was finally completed in the fourth quarter of 2023 in compliance with the 12-month deadline. As part of the revaluation of the shares, assets and liabilities were measured at fair value. At the time of initial consolidation, trademarks in the amount of EUR 393 thousand with a useful life of ten 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.

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

	[EUR'000]
Consideration transferred	6,204
Total net assets	**3,327**
Goodwill	2,877

The consideration transferred consists of a purchase price payment of EUR 4,198 thousand and the revaluation of the at equity shares of EUR 2,006 thousand. The difference between the consideration and the pro rata net assets was assigned to goodwill in the Live Entertainment segment and mainly reflects future synergy and growth potential. The consideration transferred is related to the at equity investment. Goodwill is not tax-deductible.

Since the time of initial consolidation, Friendly Fire Group has generated revenue of EUR 36,356 thousand and a profit for the period before non-controlling interests of EUR 3,239 thousand.

2.3 PRO-FORMA DISCLOSURES

The following pro-forma presentation shows the financial data of the CTS Group, including the consolidated Group companies acquired in the 2023 financial year, under the assumption that they had already been included in the consolidated financial statements at the beginning of the financial year based on the terms and conditions of the actual acquisition.

	2023 [EUR'000]
Revenue	
Reported	2,358,552
Pro-forma	2,410,333
Net result	
Reported	274,060
Pro-forma	282,358

When determining the pro forma figures, the amortisation of the disclosed hidden reserves in the revaluation of the intangible assets and the corresponding deferred taxes were taken into account, among other things. Revenues are recognised taking into account the elimination of significant intercompany relationships for the entire 2023 financial year.

2.4 LIST OF INVESTMENTS

The disclosures pursuant to § 313 (2) HGB have been published on the CTS KGaA website at https://corporate.eventim.de/en/investor-relations/corporate-governance/.

3. NOTES TO THE CONSOLIDATED BALANCE SHEET

CASH AND CASH EQUIVALENTS (1)

Cash and cash equivalents in the amount of EUR 1,028,493 thousand (previous year: EUR 1,148,850 thousand) are predominantly cash balances (EUR 2,084 thousand; previous year: EUR 1,519 thousand) and bank balances (EUR 928,040 thousand; previous year: EUR 1,055,808 thousand) as well as investments that are classified as cash equivalents of EUR 98,369 thousand (previous year: EUR 91,523 thousand) (e.g. time deposits with a 3-month term). Cash and cash equivalents include ticket money from presales for events not yet settled (ticket money receivables that have not yet been settled with promoters in the Ticketing segment) as well as ticket money collected during the presale period in the Live Entertainment segment.

MARKETABLE SECURITIES AND OTHER INVESTMENTS (2)

Marketable securities and other investments in the amount of EUR 646,355 thousand (previous year: EUR 163,621 thousand) mainly relate to the investment of time deposits with terms between 3 and 12 months (EUR 541,591 thousand; previous year: EUR 162,943 thousand), commercial papers (EUR 38,952 thousand; previous year: EUR 0 thousand) and short-term bearer bonds (EUR 65,085; previous year: EUR 0 thousand).

TRADE RECEIVABLES (3)

The current trade receivables refer to gross carrying amounts in the amount of EUR 127,272 thousand (previous year: EUR 118,974 thousand). This is offset by impairments of EUR 5,714 thousand (previous year: EUR 5,580 thousand). Gross carrying amounts of EUR 82 thousand (previous year: EUR 151 thousand) are allocated to non-current trade receivables.

RECEIVABLES FROM RELATED PARTIES / LIABILITIES TO RELATED PARTIES (4)

Receivables from related parties and liabilities to related parties relate to deliveries and services. The increase in receivables from related parties (EUR +1,355 thousand) as well as the increase in liabilities to related parties (EUR +984 thousand) mainly results from an increase in business activities.

INVENTORIES (5)

Inventories comprise the following items:

	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Raw materials and supplies	1,004	930
Work in progress	3,611	1,978
Finished goods and merchandise	9,630	2,120
	14,245	**5,027**

Raw materials and supplies mainly comprise ticket blanks. Work in progress in particular relates to production costs for Holiday on Ice Shows. Finished goods and merchandise mainly include IT hardware, merchandising and catering articles for entertainment exhibitions. The increase in finished products and goods essentially results from the initial consolidation of HPX.

ADVANCES PAID (6)

Current and non-current advances paid in the amount of EUR 135,749 thousand (previous year: EUR 135,755 thousand) pertain to production costs already incurred (e.g. artists' fees) for events taking place mainly in the 2024 financial year in the Live Entertainment segment. Advances paid for future events are expected to be realised in the amount of EUR 1,937 thousand (previous year: EUR 2,299 thousand) after more than 12 months.

RECEIVABLES FROM INCOME TAXES (7)

The receivables from income taxes in the amount of EUR 8,872 thousand (previous year: EUR 5,292 thousand) primarily include receivables due to advance payments for the years 2022 and 2023 made in amounts that were too high.

OTHER FINANCIAL ASSETS (8)

Current other financial assets in the amount of EUR 97,951 thousand (previous year: EUR 90,130 thousand) comprise inter alia ticket money receivables arising in connection with presales in the Ticketing segment of EUR 44,777 thousand (previous year: EUR 44,985 thousand), receivables from promoters of EUR 19,620 thousand (previous year: EUR 6,964 thousand), and receivables from insurance compensations of EUR 1,491 thousand (previous year: EUR 1,067 thousand). Furthermore, loan receivables from associates accounted for at equity amount to EUR 3,310 thousand (previous year: EUR 15,277 thousand). The decrease in these loan receivables results primarily from the repayment of autoTicket's loan in the amount of EUR 11,175 thousand.

Non-current other financial assets totalling EUR 28,490 thousand (previous year: EUR 8,393 thousand) mainly refer to receivables from promoters of EUR 26,259 thousand (previous year: EUR 6,365 thousand), and claims from deposits of EUR 1,631 thousand (previous year: EUR 922 thousand).

As at 31 December 2023 collaterals amounted to EUR 6,723 thousand (previous year: EUR 6,825 thousand), including EUR 2,867 thousand for rental deposits (previous year: EUR 2,561 thousand).

OTHER NON-FINANCIAL ASSETS (9)

Current other non-financial assets totalling EUR 93,253 thousand (previous year: EUR 72,666 thousand) mainly relate to refund claims in respect of value added tax and other taxes of EUR 56,543 thousand (previous year: EUR 28,264 thousand), prepaid expenses in the amount of EUR 19,629 thousand (previous year: EUR 15,983 thousand), which relate, inter alia, to accrued payments for events in the Live Entertainment segment and for IT hardware and software maintenance in the Ticketing segment. Furthermore, receivables from COVID-19-related government subsidies of EUR 5,595 thousand (previous year: EUR 18,437 thousand) are disclosed.

The non-current other non-financial assets of EUR 12,154 thousand (previous year: EUR 14,189 thousand) mainly relate to advance payments in connection with transactions in the Live Entertainment segment that are not classified as business combinations in accordance with IFRS 3, and which are amortised over the agreed contract term.

GOODWILL (10)

	2023 [EUR'000]	2022 [EUR'000]
Historical cost		
1 Jan	364,652	365,553 [1]
Addition from change in scope of consolidation	22,892	3,676
Disposal from change in scope of consolidation	-1,493	-7,973
Currency differences	4,554	3,396
31 Dec	**390,605**	**364,652** [1]
Accumulated impairment		
1 Jan	2,913	2,913 [1]
31 Dec	**2,913**	**2,913** [1]
Carrying value as at 31 Dec	**387,692**	**361,739**

[1] Adjustment of previous year's figures due to standardisation of reporting processes for selected subsidiaries. The adjustment has no impact on the book values

The disclosed goodwill totalling EUR 387,692 thousand (previous year: EUR 361,739 thousand) is attributable to the Ticketing segment in the amount of EUR 276,641 thousand (previous year: EUR 256,937 thousand) and to the Live Entertainment segment in the amount of EUR 111,052 thousand (previous year: EUR 104,802 thousand). Both segments are classified as cash-generating units (CGU) for goodwill impairment testing in accordance with IAS 36.

In the Live Entertainment segment, goodwill decreased by EUR 6,250 thousand, mainly due to the transition from the equity method to full consolidation of the Friendly Fire Group and HPX as well as from currency effects from the valuation as at the closing date of 31 December 2023 (Euro to Swiss francs). The increase of goodwill relating to the Ticketing segment of EUR 19,703 thousand results from the acquisition of Punto Ticket and its subsidiary Teleticket as well as currency effects from the valuation as at the closing date of 31 December 2023 of goodwill denominated in foreign currencies (Euro to Swiss francs).

As part of the impairment test for goodwill, the recoverable amount of a cash-generating unit (CGU), the fair value less costs to sell, is determined. Planning over a total period of five years is used to determine the fair values. The fair value is the best possible estimate of the amount for which an independent third party would acquire the cash-generating unit on the balance sheet date, less its costs to sell. The fair value is calculated on the basis of a discounted cash flow (DCF) valuation model and can be assigned to level three in the fair value hierarchy in accordance with IFRS 13. This procedure and the basic assumptions apply to the two CGUs with goodwill.

As at 31 December 2023, an after-tax discount rate of 11.2% (previous year: 10.8%) was used for the impairment test in the Ticketing segment and 11.1% (previous year 10.7%) in the Live Entertainment Segment. For the 2024 financial year, the EBITDA margin in the Ticketing segment is expected to be comparable to the current high operating level (i.e. adjusted for the income from the autoTicket compensation payment). This level is expected to be maintained on average in subsequent years.

In the 2024 financial year, the EBITDA margin for the Live Entertainment segment is expected to be on a par with the previous year. In subsequent years, the average EBITDA margin is expected to increase slightly due to the roll-out of new formats and a corresponding structural change in the composition of the Live Entertainment offering. However, higher production costs or lower capacity utilisation rates may have a negative impact on the margin compared to planning.

The Group used constant growth rates of 1% (previous year: 1%) to extrapolate the cash flows following the detailed planning period. The growth rate has been derived from past experience and does not exceed the long-term development of the respective markets. The growth rates take into account external macroeconomic data and industry-specific trends. No need to recognise impairment losses was identified as at 31 December 2023 for the goodwill allocated to the individual segments. If the estimated discount rate had been one percentage point higher or the EBITDA margin in the Ticketing segment or the Live Entertainment segment had been 10% lower, there would not have been any need for impairment of goodwill in either segment.

OTHER INTANGIBLE ASSETS (11)

	Software, licences and similar rights	Brands	Capitalised development costs	Customer base	Advances paid / Proprietary software in progress	Total
2022	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Historical cost						
1 Jan	94,280	29,647	139,669	143,191	13,807	420,594
Addition in scope of consolidation	312	2,580	0	4,566	0	7,459
Disposal in scope of consolidation	-416	-131	-112	0	-45	-704
Addition	4,052	1,173	6,867	0	7,653	19,744
Disposal	-2,728	0	-738	-50	-15	-3,531
Reclassification	75	0	15,714	0	-15,789	0
Currency differences	-2,039	-20	475	941	5	-637
31 Dec	**93,536**	**33,249**	**161,876**	**148,648**	**5,616**	**442,925**
Accumulated amortisation						
1 Jan	50,411	21,268	91,454	103,588	40	266,760
Disposal in scope of consolidation	-306	-128	-112	0	-45	-591
Addition	7,354	2,095	14,332	8,867 [1]	0	32,648 [1]
Disposal	-2,524	0	-646	-50	0	-3,220
Reclassification	1,014	0	-1,014	0	0	0
Currency differences	-322	-13	325	986	5	982
31 Dec	**55,627**	**23,222**	**104,340**	**113,390** [1]	**0**	**296,579** [1]
Carrying value as at 31 Dec 2022	**37,909**	**10,027**	**57,536**	**35,259** [1]	**5,616**	**146,346** [1]
2023						
Historical cost						
1 Jan	110,506 [2]	33,830 [2]	183,082 [2]	146,334 [2]	5,616	479,369 [2]
Addition in scope of consolidation	29,113	1,649	0	11,195	0	41,957
Addition	13,692	7	11,958	0	3,174	28,831
Disposal	-1,528	0	-1,452	0	-6	-2,987
Reclassification	41	46	2,475	0	-2,559	3
Currency differences	-1,927	305	1,703	1,240	0	1,321
31 Dec	**149,898**	**35,838**	**197,765**	**158,769**	**6,224**	**548,495**
Accumulated amortisation						
1 Jan	72,597 [2]	23,803 [2]	125,546 [2]	111,074 [2]	0	333,021 [2]
Addition in scope of consolidation	2,653	23	0	0	0	2,675
Addition	14,555	2,492	13,376	5,594	0	36,017
Impairments for the current year	19,023	0	0	0	0	19,023
Disposal	-1,475	0	-1,421	0	0	-2,897
Reclassification	-10	10	0	0	0	0
Currency differences	157	274	1,663	1,430	0	3,524
31 Dec	**107,500**	**26,601**	**139,164**	**118,098**	**0**	**391,363**
Carrying value as at 31 Dec 2023	**42,398**	**9,238**	**58,601**	**40,671**	**6,224**	**157,133**

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

[2] Adjustment of previous year's figures due to standardisation of reporting processes for selected subsidiaries. The adjustment has no impact on the book values

The additions to software, licences and similar rights (EUR 13,692 thousand; previous year: EUR 4,052 thousand) mainly refer to ticket distribution rights as well as licences for third-party software.

Additions to capitalised development costs including advances paid (EUR 15,131 thousand; previous year: EUR 14,519 thousand) primarily relate to the development of ticket distribution systems. Of the capitalised development costs of EUR 11,958 thousand (previous year: EUR 6,867 thousand), EUR 6,071 thousand (previous year: EUR 2,042 thousand) are for proprietary development and EUR 5,887 thousand (previous year: EUR 4,825 thousand) for external services.

The additions from change in the scope of consolidation for software, licenses and similar rights amounting to EUR 29,113 thousand were recorded primarily as part of the reassessment of the transition from equity accounting to the full consolidation of HPX for rights in the context of the HPX exhibitions.

Amortisation and impairment from purchase price allocations amount to EUR 30,749 thousand (previous year: EUR 10,015 thousand). The increase is mainly due to the following business transaction:

As of September 30, 2023, an event-related impairment test of ticket distribution right at CTS Eventim New Co. Ltd., Tel Aviv, Israel, was carried out because, due to the Israel-Gaza-War, there were indications of an impairment. The impairment test was discounted using a country-specific weighted cost of capital rate of 12.1%. The fair values were determined based on discounted cash flow scenarios. To determine the need for impairment of the intangible asset, the fair value corresponding to the term less sales costs was compared with the carrying amount of the assigned cash-generating unit as of the measurement date. There was an impairment of EUR 18,511 thousand. During the impairment test as of 31 December 2023, a country-specific weighted cost of capital rate of 12.5% was used. The impairment increased to EUR 19,023 thousand.

Regardless of whether there are indications of impairment, an impairment test was carried out for other intangible assets with a finite useful life (customer base and brand) as at 31 December 2023 which was based on a country-specific weighted cost of capital of between 10.6% and 12.2%. The fair values were determined using the discounted cash flow method. In order to determine the need for the recognition of impairment losses on an intangible asset, the fair value with matching maturity less costs to sell was compared with the carrying amount of the allocated cash-generating unit on the valuation date. No impairment was identified for these intangible assets.

PROPERTY, PLANT AND EQUIPMENT (12)

	Other real estate, land rights and buildings, including buildings on third-party properties	Technical equipment and machinery	Other equipment, operating and office equipment	Advances paid	Total
2022	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Historical cost					
1 Jan	15,571	4,919	80,359	4,580	105,430
Addition from change in the scope of consolidation	0	0	45	0	45
Disposal from change in the scope of consolidation	0	0	-181	0	-181
Addition	1,495	277	8,398	18,596	28,766
Disposal	-105	-632	-2,119	0	-2,856
Reclassification	505	16	-16	-505	0
Currency differences	45	-15	56	0	84
31 Dec	**17,511**	**4,565**	**86,542**	**22,671**	**131,289**
Accumulated depreciation					
1 Jan	6,183	3,549	53,661	0	63,393
Addition from change in the scope of consolidation	0	0	27	0	27
Disposal from change in the scope of consolidation	0	0	-162	0	-162
Addition	1,673	490	6,400	0	8,564
Disposal	-102	-632	-1,991	0	-2,725
Reclassification	21	4	-25	0	0
Currency differences	23	-10	30	0	43
31 Dec	**7,798**	**3,401**	**57,940**	**0**	**69,139**
Carrying value as at 31 Dec 2022	**9,713**	**1,163**	**28,602**	**22,671**	**62,149**
2023					
Historical cost					
1 Jan	24,957 [1]	6,439 [1]	114,285 [1]	22,671	168,352 [1]
Addition from change in the scope of consolidation	197	130	11,859	2,480	14,667
Addition	22,201	667	11,640	104,916	139,424
Disposal	-1	-4	-6,126	-376	-6,506
Reclassification	-241	3	20,329	-20,094	-3
Currency differences	176	36	313	-28	497
31 Dec	**47,291**	**7,271**	**152,299**	**109,569**	**316,430**
Accumulated depreciation					
1 Jan	15,244 [1]	5,275 [1]	85,683 [1]	0	106,203 [1]
Addition from change in the scope of consolidation	0	-2	1,626	0	1,624
Addition	1,776	547	12,039	0	14,361
Disposal	0	-3	-4,690	0	-4,693
Reclassification	-58	0	58	0	0
Currency differences	107	27	567	0	701
31 Dec	**17,069**	**5,844**	**95,283**	**0**	**118,196**
Carrying value as at 31 Dec 2023	**30,222**	**1,427**	**57,016**	**109,569**	**198,235**

[1] Adjustment of previous year's figures due to standardisation of reporting processes for selected subsidiaries. The adjustment has no impact on the book values

The additions of other real estate, land rights and buildings, including buildings on third-party properties and advances paid are mainly due to the construction of the ARENA FOR MILAN in Italy. Furthermore, investments in entertainment exhibition inventory for different event formats were done.

Additions to other equipment, operating and office equipment mainly relate to hardware for new IT infrastructure, stage and event technology, exhibition inventory as well as office equipment.

Amortisation and depreciation for other intangible assets, property, plant and equipment, and right-of-use assets amounting to EUR 91,635 thousand (previous year: EUR 60,689 thousand) is included in cost of sales, selling and administrative expenses, and other operating expenses.

OPERATING LEASE AS LESSOR

The CTS Group leases, as the lessor, IT hardware to box offices and promoters as well as office space. Of the minimum lease payments from non-cancellable operating leases of EUR 3,269 thousand (previous year: EUR 6,812 thousand), EUR 1,218 thousand (previous year: EUR 1,882 thousand) are due within one year, and EUR 2,051 thousand (previous year: EUR 4,930 thousand) are due between one and five years. In the reporting year, income received from lease payments amounted to EUR 1,208 thousand (previous year: EUR 1,835 thousand).

The carrying amounts of the leased items developed as follows:

	Buildings	Operating and office equipment	Total
2022	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Historical cost			
1 Jan	1,102	4,688	5,790
Addition	0	913	913
Disposal	-60	-40	-100
31 Dec	**1,042**	**5,561**	**6,603**
Accumulated depreciation			
1 Jan	123	4,010	4,132
Addition	150	437	587
Disposal	-60	-40	-100
31 Dec	**213**	**4,407**	**4,619**
Carrying value as at 31 Dec 2022	**829**	**1,154**	**1,983**
2023			
Historical cost			
1 Jan	1,042	5,561	6,603
Addition	0	305	305
Disposal	0	-25	-25
31 Dec	**1,042**	**5,840**	**6,882**
Accumulated depreciation			
1 Jan	213	4,407	4,619
Addition	150	485	636
Disposal	0	-22	-22
31 Dec	**363**	**4,870**	**5,233**
Carrying value as at 31 Dec 2023	**679**	**970**	**1,649**

RIGHT-OF-USE ASSETS FROM LEASES (13)

The following right-of-use assets are presented within property, plant and equipment:

2022	Venues [EUR'000]	Buildings [EUR'000]	Vehicles [EUR'000]	Operating and office equipment [EUR'000]	Total [EUR'000]
Historical cost					
1 Jan	102,754	71,255	3,311	461	177,781
Addition	5,531	1,944	1,126	198	8,799
Disposal	-5	-1,629	-1,095	-176	-2,905
Reassessment	298	-318	253	2	236
Currency differences	0	236	-8	2	231
31 Dec	**108,578**	**71,489**	**3,587**	**487**	**184,141**
Accumulated depreciation					
1 Jan	23,483	24,184	2,075	309	50,051
Addition	8,032	10,243	1,043	159	19,477
Disposal	-5	-1,629	-1,095	-176	-2,905
Currency differences	0	79	-7	1	74
31 Dec	**31,511**	**32,877**	**2,016**	**293**	**66,697**
Carrying value as at 31 Dec 2022	**77,067**	**38,612**	**1,571**	**194**	**117,444**
2023					
Historical cost					
1 Jan	108,578	71,489	3,587	487	184,141
Addition from change in the scope of consolidation	0	1,186	136	0	1,322
Addition	3,815	7,585	1,225	44	12,669
Disposal	0	-4,200	-1,073	-173	-5,446
Reassessment	-337	7,924	129	13	7,729
Currency differences	-101	470	-1	3	372
31 Dec	**111,955**	**84,453**	**4,003**	**375**	**200,787**
Accumulated depreciation					
1 Jan	31,511	32,877	2,016	293	66,697
Addition	10,061	10,915	1,132	128	22,235
Disposal	0	-4,186	-1,073	-173	-5,432
Currency differences	-46	213	-3	1	166
31 Dec	**41,525**	**39,819**	**2,072**	**250**	**83,665**
Carrying value as at 31 Dec 2023	**70,430**	**44,635**	**1,932**	**125**	**117,122**

The leases concluded for venues mainly relate to the LANXESS arena in Cologne, the Waldbühne in Berlin, the Arena Berlin in Berlin and the K.B. Hallen in Copenhagen. The right-of-use assets from leases for buildings mainly relate to rented office space and buildings.

Additions within venues are in respect to the HPX entertainment exhibition in New York, which started in May 2023. Additions in buildings were primarily from newly concluded leases for office spaces in the Live Entertainment segment.

The impairment test conducted as at 31 December 2023 was based on a country-specific weighted cost of capital of 10.5% -10.8%. The fair values were determined using the discounted cash flow method. In order to determine the need for the recognition of impairment losses on right-of-use assets, the fair value was compared with the carrying amount of the allocated cash-generating unit on the valuation date. No impairment was identified.

INVESTMENTS (14)

Investments include participations in the amount of EUR 1,057 thousand (previous year: EUR 1,300 thousand) and shares in subsidiaries that are not consolidated due to immateriality in the amount of EUR 555 thousand (previous year: EUR 256 thousand).

INVESTMENTS IN ASSOCIATES ACCOUNTED FOR AT EQUITY (15)

Net book values of significant investments in associates accounted for at equity have developed as follows:

	HAL Apollo		autoTicket		France Billet		Electric Love		HPX		associated companies		Total	
	2023	2022	2023	2022	2023	2022	2022	2022	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	EUR'000	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Net book value at 1 Jan	**18,769**	**17,693**	**17,183**	**18,625**	**54,886**	**53,837**	**4,864**	**3,707**	**33,183**	**18,087**	**4,427**	**1,846**	**133,311**	**113,795**
Addition	0	0	0	0	0	0	0	0	3,929	8,992	12	483	3,941	9,474
Disposal	0	0	0	0	0	0	0	0	-32,985	0	-1,798	-40	-34,782	-40
Reclassification	0	0	0	0	0	0	0	0	-3,668	0	0	4	-3,668	4
Dividends	0	0	-28,000	0	0	0	0	0	0	0	-716	-3,732	-28,716	-3,732
Proportionate result of the period	2,761	2,093	30,410	-1,443	4,593	1,049	-27	443	0	4,878	473	5,713	38,210	12,732
Proportionate other compre-hensive income	391	-1,016	0	0	0	0	0	714	-460	1,226	7	153	-61	1,076
Net book value at 31 Dec	**21,921**	**18,769**	**19,593**	**17,183**	**59,479**	**54,886**	**4,837**	**4,864**	**0**	**33,183**	**2,311**	**4,427**	**108,234**	**133,311**

The column 'associated companies' includes all investments in associates accounted for at equity which are immaterial.

Due to contractual changes on 20 February 2023, EMC Presents acquired control of HPX without paying a purchase price. This resulted in the transition from the equity method to the full consolidation of HPX.

In August 2023, CTS KGaA exercised the call option (based on a multiple of average EBITDA values) for a further 17% of the shares in France Billet. After completion of the transaction, which is still subject to approval by the competition authority, the shareholding will increase from the current 48% to 65%. This exercise of the call option results in the exercise of a put option by the other shareholder (based on a multiple of average EBITDA values) over the remaining 35% of the shares in France Billet, which was to be valued in the reporting period. The effect from the valuation of the put option was recorded as financial expenses in the amount of EUR 9,350 thousand and the effect of the valuation of the Call Option was recorded in financial expenses in the amount of EUR 6,360 thousand and shown as a non-cash transaction in the cash flow from operating activities.

As at 31 December 2023 an impairment test was carried out regardless of any indications of impairment and a country-specific weighted cost of capital of between 10.1% and 10.8% was used. The fair values were determined on the basis of discounted cash flow scenarios. In order to determine the need for the recognition of impairment losses, the fair value with matching maturity less costs to sell was compared with the carrying amount of the shares accounted for at equity on the valuation date. No impairment was identified.

The key figures below represent the financial information on the basis of a 100% shareholding:

	HAL Apollo		autoTicket		France Billet		Electric Love	
	2023	2022	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Current assets	25,720	15,113	83,849	336	159,881	133,286	4,093	5,032
thereof cash and cash equivalents	24,035	13,396	83,825	318	119,759	93,555	209	1,653
Non-current assets	39,635	39,752	75	57,782	89,729	95,197	158	78
Current liabilities	13,958	9,960	16,671	23,598	202,664	190,798	2,089	3,382
Non-current liabilities	7,373	7,179	71	158	13,921	14,554	0	0
Revenue	16,921	14,441	28	322	35,606	31,407	16,768	14,693
EBITDA	8,359	6,845	85,244	-3,739	16,791	11,336	2,002	1,019
Depreciation and amortisation	-978	-1,120	-92	-109	-5,450	-5,938	-35	-49
Financial result	32	-358	1,899	-275	1,866	107	0	0
Taxes	-1,897	-1,184	-26,230	1,237	-3,313	-2,886	0	-2
Net result	5,516	4,183	60,821	-2,886	9,895	2,620	1,967	967
Other comprehensive income/loss	-2,996	-3,777	0	0	0	0	0	0
Total comprehensive income/loss	2,521	406	60,821	-2,886	9,895	2,620	1,967	967

DEFERRED TAXES (16)

The deferred tax assets, at EUR 32,952 thousand (previous year: EUR 25,356 thousand), pertain to the following:

	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Tax loss carryforwards	18,704	13,224
Temporary differences	14,247	12,132
	32,952	**25,356**

The total amount of unrecognised temporary differences relating to shares in subsidiaries, associated companies and joint ventures amounts to EUR 10,030 thousand (previous year: EUR 8,881 thousand). The Group does not expect any charges from this since there is currently no release of deferred taxes planned due to a disposal or a dividend.

The deferred tax assets and liabilities relate to the following balance sheet items and loss carryforwards:

	31 Dec 2023		31 Dec 2022	
	Deferred tax assets [EUR'000]	Deferred tax liabilities [EUR'000]	Deferred tax assets [EUR'000]	Deferred tax liabilities [EUR'000]
Receivables	1,698	3,104	1,640	1,362
Other assets	7,726	217	5,392	247
Current assets	**9,424**	**3,321**	**7,032**	**1,608**
Property, plant and equipment	35,656	35,169	36,419	36,217
Intangible assets	2,974	32,892	3,123	25,430 [1]
Investments	50	0	32	77
Other assets	658	0	684	0
Non-current assets	**39,337**	**68,060**	**40,258**	**61,724** [1]
Other provisions	153	1,200	1,510	1,536
Other liabilities	3,252	376	1,293	671
Current liabilities	**3,405**	**1,577**	**2,803**	**2,207**
Pension provisions	1,367	34	601	45
Non-current liabilities	**1,367**	**34**	**601**	**45**
Loss carryforwards	18,704	0	13,224	0
Total	**72,237**	**72,992**	**63,918**	**65,584** [1]
Offset	-39,284	-39,284	-38,562	-38,562
Deferred taxes	**32,952**	**33,707**	**25,356**	**27,022** [1]

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

The deferred tax liabilities for intangible assets mainly result from different balance sheet approaches in the IFRS and tax balances due to different useful lives as well as from fair value measurement in the context of purchase price allocations.

The rate of deferred domestic taxes was between 27.7% and 33.0%. This rate includes corporation tax at 15.0%, the solidarity surcharge at 5.5% and municipal trade tax between 11.9% and 17.2%. For foreign subsidiaries, the applicable local tax rate was applied respectively.

As at 31 December 2023, the recognised tax loss carryforwards were as follows:

	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Loss carryforwards international		
up to 5 years	322	597
up to 10 years	5,495	4,263
unlimited	47,385	36,264
	53,202	**41,123**
Loss carryforwards domestic		
Corporate tax (unlimited)	16,699	10,248
Municipal trade tax (unlimited)	16,212	11,731
Total loss carryforwards	**86,113**	**63,102**

It is assumed that the tax loss carryforwards of EUR 86,113 thousand as at 31 December 2023 (previous year: EUR 63,102 thousand) can be used with reasonable probability since the respective companies will generate tax profits of at least the same amount in future periods.

Deferred tax assets were recognised in respect of foreign income tax and domestic corporation tax losses amounting to EUR 8,943 thousand (previous year: EUR 10,268 thousand), and in respect of domestic municipal trade tax losses of EUR 9,405 thousand (previous year: EUR 7,788 thousand), even though the respective companies incurred losses in the current and previous financial years and no corresponding deferred tax liabilities exist. However, positive earnings are budgeted for these companies after start-up losses.

As a result of the history of losses of the respective companies, no deferred tax assets were recognised for domestic municipal trade tax loss carryforwards in the amount of EUR 29,165 thousand (previous year: EUR 24,426 thousand), for corporation tax loss carryforwards in the amount of EUR 32,111 thousand (previous year: EUR 26,721 thousand), and for foreign loss carryforwards of EUR 79,303 thousand (previous year: EUR 77,284 thousand).

Within the next six to ten years, an expiry of unusable loss carryforwards of EUR 22,160 thousand (previous year: EUR 19,003 thousand) that currently cannot be utilised is possible in some european countries and within a period of up to 5 years in the amount of EUR 2,895 thousand (previous year: EUR 5,368 thousand).

As at 31 December 2023, deferred taxes of EUR -267 thousand (previous year: EUR -649 thousand) were recorded in other reserves in equity.

FINANCIAL LIABILITIES (17)

The current and non-current financial liabilities reported as at the balance sheet date in the amount of EUR 69,407 thousand (previous year: EUR 16,991 thousand) comprise put options on shares in fully consolidated subsidiaries amounting to EUR 39,529 thousand (previous year: EUR 11,598 thousand), call and put options on shares in non-consolidated investments and non-Group companies amounting to EUR 18,210 thousand (previous year: EUR 0 thousand) and purchase price obligations from the acquisition of shares in already consolidated subsidiaries amounting to EUR 8,441 thousand (previous year: EUR 5,039 thousand). Furthermore, financial loans of EUR 3,227 thousand (previous year: EUR 354 thousand), of which EUR 1,827 thousand (previous year: EUR 153 thousand) are due in the short term, are reported.

The existing syndicated credit facility (revolving credit facility) in the amount of EUR 150,000 thousand was extended early by one year due to the use of a term extension option. The remaining term of the syndicated credit line is therefore just over two years (plus a further one-year extension option). In addition, a working capital line of EUR 40,000 thousand was concluded. The term of the working capital line is unlimited (until further notice). For both credit lines, the financial covenants include the equity ratio and the adjusted net debt. The syndicated credit line was used in 2023 for the use of guarantee and surety agreements. The working capital line serves as an additional liquidity reserve.

In accordance with IAS 7, the reconciliation of movements in financial and lease liabilities to cash flows from financing activities is shown below:

	Current financial liabilities [EUR'000]	Non-current financial liabilities [EUR'000]	Current lease liabilities [EUR'000]	Non-current lease liabilities [EUR'000]
Balance as at 1 Jan 2023	**2,118**	**14,873**	**18,049**	**102,889**
Proceeds from the change in the shareholding of subsidiaries	1,102	2,968	0	0
Payments for redemption of financing loans	-979	-205	0	0
Payments for the acquisition of consolidated subsidiaries	-1,294	0	0	0
Payments for redemption of lease liabilities	0	0	-21,784	0
Timely reclassifications	2,844	-2,844	0	0
Total change in cash flow from financing activities	**1,673**	**-80**	**-21,784**	**0**
New lease agreements	0	0	4,801	8,233
Additions from the scope of consolidation	0	0	332	989
Changes in fair value or modifications of lease agreements	0	0	2,397	5,299
Changes due to currency translation	-15	-15	0	0
Other non-cash transactions	7,850	43,003	4	222
Timely reclassifications	0	0	17,306	-17,306
Total other changes, referring to financial and lease liabilities	**7,835**	**42,988**	**24,840**	**-2,562**
Balance as at 31 Dec 2023	**11,626**	**57,781**	**21,105**	**100,327**

	Current financial liabilities	Non-current financial liabilities	Current lease liabilities	Non-current lease liabilities
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Balance as at 1 Jan 2022	**9,813**	**18,976**	**17,973**	**113,020**
Payments for redemption of financing loans	-87	-4,218	0	0
Payments for redemption of lease liabilities	0	0	-19,252	0
Total change in cash flow from financing activities	**-87**	**-4,218**	**-19,252**	**0**
New lease agreements	0	0	1,498	7,500
Changes in fair value or modifications of lease agreements	0	0	1,627	-1,600
Other non-cash transactions	-7,609	6,054	8	164
Timely reclassifications	0	0	16,195	-16,195
Total other changes, referring to financial and lease liabilities	**-7,609**	**6,054**	**19,328**	**-10,131**
Balance as at 31 Dec 2022	**2,118**	**20,812**	**18,049**	**102,889**

TRADE PAYABLES (18)

The carrying amounts of the trade payables correspond to the fair values due to their short-term nature.

ADVANCE PAYMENTS RECEIVED (19)

The current and non-current advance payments received of EUR 669,828 thousand (previous year: EUR 536,907 thousand) mainly include ticket money already received for future events in the Live Entertainment segment. The increase is mainly due to the high number of events which will be held in the 2024 financial year. Of the advance payments received, EUR 4,147 thousand (previous year: EUR 12,052 thousand) are non-current.

The following table shows the changes in advance payments received (contract liabilities in accordance with IFRS 15) in the reporting period:

	Advance payments received [EUR'000]
1 Jan 2022	**669,202**
Revenue recognised	-562,618
Addition due to change in the scope of consolidation	4,337
Additions and reductions	425,987
31 Dec 2022	**536,907**
1 Jan 2023	**536,907**
Revenue recognised	-444,069
Addition due to change in the scope of consolidation	13,305
Additions and reductions	563,684
31 Dec 2023	**669,827**

OTHER PROVISIONS (20)

	Promoter voucher [EUR'000]	Maintenance [EUR'000]	Risks from pending transactions [EUR'000]	Other Personnel costs [EUR'000]	Other [EUR'000]	Total [EUR'000]
1 Jan 2022	**16,581**	**6,606**	**2,524**	**129**	**15,748**	**41,587**
Change in the scope of consolidation	0	0	2	0	0	2
Utilisation	-2,009	-108	-1,129	-34	-2,092	-5,372
Reversal	0	-710	0	0	-7,917	-8,627
Addition	1,664	1,277	2,404	172	12,556	18,073
Interest effect	0	-1,058	0	0	0	-1,058
Currency differences	0	0	9	1	104	114
31 Dec 2022	**16,236**	**6,007**	**3,811**	**269**	**18,398**	**44,719**
thereof non-current	0	4,820	0	60	77	4,957
1 Jan 2023	**16,236**	**6,007**	**3,811**	**269**	**18,398**	**44,719**
Change in the scope of consolidation	0	0	0	387	2,122	2,509
Utilisation	-6,911	-1,843	-1,332	-8	-2,691	-12,784
Reversal	0	0	0	-159	-4,743	-4,902
Addition	6	1,798	1,355	96	774	4,030
Interest effect	0	-762	0	0	0	-762
Currency differences	0	0	18	-5	105	118
31 Dec 2023	**9,331**	**5,200**	**3,851**	**581**	**13,966**	**32,928**
thereof non-current	0	3,871	0	92	10	3,973

The provisions for promoter vouchers concern obligations toward ticket holders for events that have been cancelled or postponed due to the COVID-19 pandemic and for which a voucher in the amount of the ticket price was issued instead of a refund of the ticket price. In Austria, ticket holders will be entitled to demand repayment from 1 January 2023, depending on the issue date of the voucher, while in Italy, the repayment entitlement was extended to a period of 36 months after the issue of the voucher. Since 1 January 2022, a payment of the amount can be requested in Germany. The ticket money affected by this regulation, based on current empirical values to what extent the holders of the vouchers make use of their right to reclaim the ticket price, are recorded in financial liabilities or non-financial liabilities (for the redemption of the voucher).

The provisions for maintenance mainly relate to contractual obligations for maintenance and modernisation measures of a venue.

The provisions for risks from pending transactions mainly relate to onerous contracts in the Live Entertainment segment.

The provisions for other personnel costs relate, among other things, to payments to employees on the occasion of the termination of the employment relationship and provisions for anniversary bonuses.

The other provisions relate to possible reclaims of Corona economic aids in Austria due to changed eligibility requirements.

TAX DEBTS (21)

The tax debts of EUR 77,559 thousand (previous year: EUR 91,980 thousand) primarily include municipal trade and corporation tax.

OTHER FINANCIAL LIABILITIES (22)

The current other financial liabilities (EUR 698,530 thousand; previous year: EUR 557,987 thousand) include liabilities from ticket money received that have not yet been settled with promoters of EUR 634,894 thousand (previous year: EUR 500,315 thousand), liabilities from refunds of ticket money to end customers of EUR 16,833 thousand (previous year: EUR 15,575 thousand), liabilities from third-party concerts in the Live Entertainment segment of EUR 6,338 thousand (previous year: EUR 3,594 thousand), liabilities from ticket insurance of EUR 5,740 thousand (previous year: EUR 5,717 thousand) and other financial liabilities of EUR 34,726 thousand (previous year: EUR 32,784 thousand). The non-current other financial liabilities of EUR 15,708 thousand (previous year: EUR 9,217 thousand) mainly include liabilities from ticket money received that have not yet been settled with promoters of EUR 15,268 thousand (previous year: EUR 7,381 thousand).

LEASE LIABILITIES (23)

The current lease liabilities (EUR 21,105 thousand; previous year: EUR 18,049 thousand) and non-current lease liabilities (EUR 100,327 thousand; previous year: EUR 102,889 thousand) mainly relate to lease agreements concluded for venues such as the LANXESS arena in Cologne or the Waldbühne in Berlin, rented office space and buildings, and vehicles for employees.

The following table shows additional information about leases in which the CTS Group is lessee. The following income and expenses are recognised in the income statement for leases:

	Ticketing		Live Entertainment		Group	
	2023 [EUR'000]	2022 [EUR'000]	2023 [EUR'000]	2022 [EUR'000]	2023 [EUR'000]	2022 [EUR'000]
Expense relating to current leases	1,427	1,176	81,211	75,573	82,638	76,749
Expense relating to leases of low-value assets	102	78	216	214	318	292
Expense relating to variable lease payments	49	8	8,204	950	8,253	958
Income from subleasing right-of-use assets	106	106	0	0	106	106
Depreciation of right-of-use assets	7,586	7,340	14,649	12,138	22,235	19,477
Interest expenses on lease liabilities	1,363	913	1,936	1,336	3,299	2,249

In the consolidated cash flow statement, the repayment of lease liabilities is shown in the cash flow from financing activities in the amount of EUR 21,784 thousand (previous year: EUR 19,252 thousand), and the interest payments of EUR 2,934 thousand (previous year: EUR 2,249 thousand) are recorded in the cash flow from operating activities.

In the financial year, additional lease payments of EUR 1,756 thousand (previous year: EUR 1,390 thousand) were not taken into account as part of the measurement of lease liabilities with regard to a renewal option as it is not sufficiently certain whether the lease agreements will be extended or not be terminated, respectively. Leases that the CTS Group entered into but which did not yet start on the balance sheet date include possible future lease payments of EUR 730 thousand (previous year: EUR 75 thousand).

OTHER NON-FINANCIAL LIABILITIES (24)

The current other non-financial liabilities (EUR 149,914 thousand; previous year: EUR 117,963 thousand) result from other tax liabilities of EUR 43,470 thousand (previous year: EUR 28,796 thousand), liabilities from gift vouchers of EUR 52,605 thousand (previous year: EUR 41,757 thousand), liabilities for personnel expenses of EUR 38,795 thousand (previous year: EUR 33,828 thousand), deferred income of EUR 3,289 thousand (previous year: EUR 3,108 thousand), social security liabilities of EUR 3,690 thousand (previous year: EUR 4,787 thousand), and other non-financial liabilities of EUR 8,065 thousand (previous year: EUR 5,685 thousand).

PENSION PROVISIONS (25)

There are pension commitments in the CTS Group that must be classified as defined benefit plans and as defined contribution plans in accordance with IAS 19.

A defined benefit plan exists for one German company in the CTS Group. This plan provides for retirement pensions, early retirement pensions, pensions due to disability, and surviving dependent pensions. The amount of the pension benefit is calculated using the total pension entitlements acquired during continuous employment in the company. In addition, the contributions to the German pension insurance have to be shown as benefits to a defined contribution plan.

The insurance policies used in Switzerland to provide occupational pensions cover all the benefits prescribed by regulation. The invalidity, mortality and longevity risks are fully covered by reinsurance in these pension schemes. The insurers invest the plan assets and provide a 100% guarantee on capital and interest. These “full-cover” BVG plans (BVG: Swiss Federal Law on Occupational, Survivor's and Invalidity Pension Plans) are classified as defined benefit plans within the meaning of IAS 19 because there is no guarantee that the benefit can be continued at the same terms and conditions if the plan is terminated and because different risk and cost premiums can be expected. Benefits due are paid out by the insurance companies directly to the beneficiaries.

The pension obligations in Italy concern 'Trattamento di Fine Rapporto' (TFR) - a form of severance indemnity pursuant to Article 2120 of the Italian Civil Code (Codice Civile - CC). Benefits accrue from TFR in every employment relationship. This is an additional pension entitlement regulated by public law. The TFR is owed 'on termination of employment' (Article 2120 CC). Until 31 December 2006, the severance indemnity scheme in Italy (TFR) was classified as a defined benefit plan. The legislation governing the scheme was revised by the Law No. 296 dated 27 December 2006 (the “Finance Act 2007”) and by subsequent rules and regulations from the first half of 2007. In view of these changes, and with special reference to companies with at least 50 employees, this scheme remains classified as a defined benefit plan only for those benefits for which provisions were recognised prior to 1 January 2007 (and which were still outstanding at the balance sheet date), whereas commitments after that date are classified as a defined contribution plan.

The pension provisions in Austria relate to severance payments. Severance payments are one-off payments when employment ends, except when the employee terminates the employment relationship himself. In accordance with IAS 19, only those employment relationships entered until 31 December 2002 are taken into account when calculating the pension provisions.

In Switzerland, some pension commitments are financed by (re)insurance contracts. There is no quoted market price in an active market for these contracts; instead, they are accounted for at the capitalised value or surrender value calculated by the relevant insurance company.

Service costs are recognised as part of the personnel expenses in the income statement; net interest expense/income is recognised in financial expense/income. Revaluations are recognised in other comprehensive income and are part of the other reserves in equity.

	Defined benefit obligation [EUR'000]	Plan assets [EUR'000]	Pension provision [EUR'000]
Status 1 Jan 2023	**30,158**	**-24,158**	**6,000**
Service costs			
Current service costs	1,371	0	1,371
Past service costs	-133	0	-133
	1,238	**0**	**1,238**
(Net) interest expenses/income	**783**	**-591**	**192**
Remeasurements			
Experience-based gains (-)/losses (+)	2,035	0	2,035
Gain (-)/loss (+) from change in demographic assumptions	194	0	194
Gain (-)/loss (+) from change in financial assumptions	1,419	0	1,419
Plan asset income, not included in interest income	0	322	322
	3,649	**322**	**3,971**
Benefits paid	**-2,209**	**-711**	**-2,920**
Fund allocations			
Employer	0	-1,303	-1,303
Employee	2,392	228	2,620
	2,392	**-1,075**	**1,317**
Currency differences	**1,712**	**-1,531**	**180**
Changes in the scope of consolidation	**0**	**0**	**0**
Status 31 Dec 2023	**37,723**	**-27,744**	**9,978**

	Defined benefit obligation [EUR'000]	Plan assets [EUR'000]	Pension provision [EUR'000]
Status 1 Jan 2022	**33,912**	**-20,710**	**13,201**
Service costs			
Current service costs	1,813	0	1,813
Past service costs	-110	0	-110
	1,703	**0**	**1,703**
(Net) interest expenses/income	**141**	**-65**	**76**
Remeasurements			
Experience-based gains (-)/losses (+)	1,922	0	1,922
Gain (-)/loss (+) from change in financial assumptions	-9,181	0	-9,181
Plan asset income, not included in interest income	0	-862	-862
	-7,259	**-862**	**-8,121**
Benefits paid	**-3,855**	**3,617**	**-238**
Fund allocations			
Employer	0	-1,068	-1,068
Employee	4,052	-4,052	0
	4,052	**-5,120**	**-1,068**
Currency differences	**1,463**	**-1,018**	**445**
Changes in the scope of consolidation	**1**	**0**	**1**
Status 31 Dec 2022	**30,158**	**-24,158**	**6,000**

The defined benefit obligation is allocated as follows:

	2023 [EUR'000]	2022 [EUR'000]
Defined benefit obligation	**37,723**	**30,158**
thereof active employees	35,733	28,371
thereof terminated employees with vested benefits	209	164
thereof retirees	1,781	1,623

The following table shows the regional allocation of obligations, plan assets and provision:

	Defined benefit obligations		Plan assets		Pension provision	
	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Germany	702	542	0	0	702	542
Switzerland	34,032	27,003	-27,744	-24,158	6,287	2,845
Rest of Europe	2,989	2,613	0	0	2,989	2,613

The current 2018 G Heubeck Tables are applicable for demographic assumptions when accounting for pension obligations in Germany. In Switzerland, the generation tables for 2020 in the Swiss Federal Law on Occupational, Survivors' and Disability Pension Plans (BVG) are used. The Pagler & Pagler tables (AVÖ 2018-P 'Employees' - Principles for calculating pension insurance benefit) were used to calculate the pension provisions for the Austrian companies. In Italy, the RG48 tables and a study by the INPS were taken as the basis. In addition, the following key valuation parameters were taken into account.

	Discount rate		Future salary increases		Future pension increases	
	2023	2022	2023	2022	2023	2022
Germany	3.71%	4.29%	2.70%	2.70%	1.00%	1.00%
Switzerland	1.50%	2.30%	1.20%	1.20%	0.00%	0.00%
Rest of Europe	3.61%	4.02%	2.43%	2.29%	0.00%	0.00%

The calculation of the discount rate in Switzerland is based on the return on high quality corporate bonds in Swiss francs. This takes into account bonds with a maturity of 15 to 20 years, which are traded on the Swiss bond market. The basis for the interest rates used in the euro area is the “Mercer yield curve approach”. Under this approach, a spot rate yield curve based on the indices of Thomson Reuters Datastream is created. Solely bonds that do not include interest-distorting options like call or put options are used. Furthermore, bonds that offer much higher or lower interest rates (statistical outliers) compared to the other bonds in their risk rating are also excluded.

The companies are exposed to various risks in connection with the existing pension plans in the CTS Group. The CTS Group is exposed to valuation risks, such as interest rate risk, but also to actual risks such as longevity risk. In addition, there are currency and investment risks.

An increase or decrease in the main actuarial assumptions would have the following effects on the present value of the defined benefit obligation:

2023	Change in assumption	Increase of the assumption	Decrease of the assumption
		[EUR'000]	[EUR'000]
Discount rate	0.50%	-2,636	3,003
Future salary increases	1.00%	619	-385
Future pension increases	1.00%	2,338	0
Life expectancy	1 year	511	-238

2022	Change in assumption	Increase of the assumption	Decrease of the assumption
		[EUR'000]	[EUR'000]
Discount rate	0.50%	-2,049	2,327
Future salary increases	1.00%	341	-356
Future pension increases	1.00%	1,616	0
Life expectancy	1 year	271	-267

The above sensitivity analysis is based on the change in one assumption, with all other assumptions remaining constant. It is unlikely that this scenario would happen in reality because changes in some assumptions could correlate. When calculating the sensitivity of the commitment to actuarial assumptions, the same method was applied as is used to calculate the pension provisions in the balance sheet.

The weighted average residual duration of the obligation as of 31 December 2023 is 14.9 years (previous year: 14.6 years). For the following year, employer contributions to the pension plans in the amount of EUR 1,639 thousand (previous year: EUR 1,381 thousand) are expected.

TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF CTS KGaA (26)

The parent company of the Group has the legal form of a partnership limited by shares. The shareholders are liable only to the extent of their capital contribution.

Reference is made to the consolidated statement of changes in equity.

The **share capital** of CTS KGaA amounts to EUR 96,000,000 and is divided into 96,000,000 no-par value bearer shares. Each share has a voting right and presents an arithmetic share in the share capital of EUR 1.00. All shares are fully paid in. The CTS KGaA holds 8,700 own shares, 95,991,300 shares were outstanding during the entire financial year. Capital and statutory reserves are limited in their use according to the German Stock Corporation Act (AktG).

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

By resolution of the Shareholders' Meeting held on 13 January 2021, the general partner was authorised to issue bonds, contingent on Supervisory Board approval, to issue warrant bonds and convertible bonds by 12 January 2026 to a total par value of up to EUR 800,000,000 and with or without a maximum term, and to grant the bearers of warrant bonds options and the bearers of convertible bonds conversion rights on up to 19,200,000 new no-par bearer shares of the Company, equal to share capital of up to EUR 19,200,000 in accordance with the details of the terms of issue of the bonds. The authorisation may be applied in full or in part.

The Shareholders’ Meeting on 13 January 2021 also resolved to cancel the contingent capital 2018 and to conditionally increase the Company’s share capital by up to EUR 19,200,000, by issuing up to 19,200,000 new no-par value bearer shares (contingent capital 2021). The shares will be issued at the conversion or exercise price to be determined in accordance with the resolution above. The contingent capital increase will only be carried out to the extent that the holders of conversion or warrant rights exercise such rights or fulfil conversion or warrant obligations or the Company exercises its right to grant shares in the Company in full or in part instead of payment of the sum due.

By resolution of the Shareholders’ Meeting of 13 January 2021, the general partner is authorised to increase the share capital in the period up to 12 January 2026, with the approval of the Supervisory Board, on one or more occasions by up to EUR 19,200,000 in total by issuing up to 19,200,000 bearer shares against contributions in cash or in kind (approved capital 2021).

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

There are no shares with special rights that grant power of control. The Executive Board of EVENTIM Management AG, Hamburg, is not aware of any restrictions on voting rights or the transfer of shares.

As at 31 December 2023, the **capital reserve** pursuant to § 272 (2) No. 1 HGB amounts to EUR 2,400 thousand and is subject to a distribution restriction.

In accordance with § 150 AktG, corporations must establish a **statutory reserve,** if the capital reserve does not constitute 10% of the share capital. The annual transfer to the statutory reserve amounts to 5% of net income for the year until 10% of subscribed share capital is covered by the capital reserve and the statutory reserve. In financial year 2015, the statutory reserve was increased by EUR 1,982 thousand for the last time so that the statutory reserve and the capital reserve as at 31 December 2015 totalled 10% of the share capital. The statutory reserve amounts to EUR 7,200 thousand as at 31 December 2022 and is prohibited from being distributed as a dividend.

Treasury shares of EUR 8,700 originally result from 2,175 shares that were purchased on 31 July 2007 at a price of EUR 28.99 per share due to a shareholder resolution pursuant to § 71 (1) No. 8 AktG. As a result of the share capital increase the number of treasury shares currently amounts to 8,700 shares at an appropriate purchase price of EUR 7.25. They represent 0.0090625% of the share capital.

By resolution of the Annual Shareholders' Meeting on 7 May 2021, the general partner was authorised until 6 May 2026 to purchase treasury shares of CTS KGaA equating to up to 10% of the share capital as at the time this authorisation took effect or as at the time this authorisation is used. The consideration for the purchase of these shares may not exceed the share price by more than 10% and may not be more than 20% below the share price. The applicable share price is defined as the mean closing price for shares on the XETRA trading platform during the last five trading days before publication of the offer to purchase the shares. The volume of the offer may be limited.

Based on the election to recognise internally generated intangible assets in accordance with § 248 (2) HGB, as well as the option to capitalise deferred tax assets in accordance with § 274 (1) sentence 2 HGB, which was exercised in the Company's separate financial statements prepared in accordance with the regulations of the German Commercial Code (HGB), there was no amount subject to distribution restrictions in the reporting year (previous year: EUR 9 thousand).

In financial year 2023, retained earnings decreased by EUR 101,751 thousand as a result of the dividend payment to the shareholders and changes in the scope of consolidation and currency translation differences amounting to EUR 13,916 thousand.

NON-CONTROLLING INTERESTS (27)

Both the subgroup Ticketcorner Holding AG, Rümlang (hereinafter: subgroup TC AG), the subgroup Punto Ticket as well as the subgroup CTS Eventim Austria GmbH, Vienna (hereinafter: subgroup Austria), are allocated to the Ticketing segment. The subgroup TC AG includes Ticketcorner Holding AG, Rümlang, and its subsidiary, Ticketcorner AG, Rümlang. The Punto Ticket subgroup refers to Punto Ticket and its subsidiary Teleticket. The subgroup Austria includes CTS Eventim Austria GmbH, Vienna, as the parent company, together with its subsidiaries.

The subgroup EVENTIM LIVE GmbH, Bremen (hereinafter: subgroup EVENTIM LIVE), represents a substantial part of companies that are allocated to the Live Entertainment segment. There are also substantial non-controlling interests in the subgroup EVENTIM LIVE INTERNATIONAL GmbH, Bremen (hereinafter: subgroup EVENTIM LIVE INTERNATIONAL). The subgroup EVENTIM LIVE INTERNATIONAL represents the international companies (in Italy, Austria, Switzerland, Singapore, Spain, the UK and the USA) attributable to the Live Entertainment segment.

Subgroup Punto Ticket		**Participation ratio of non-controlling interests**
Company	**Country**	
Punto Ticket SpA, Santiago de Chile	Chile	67.5%
Teledistribucion S.A., Lima	Peru	67.5%

Supgroup Austria		**Participation ratio of non-controlling interests**
Company	**Country**	
CTS Eventim Austria GmbH, Vienna	Austria	14.0%
Ö-Ticket-Nordost Eintrittskartenvertrieb GmbH, Vienna	Austria	35.5%
Ö-Ticket Nord West GmbH, Vienna	Austria	56.1%
Eventim.ro SRL, Bucharest	Romania	31.2%
CTS Eventim Hungary Kft. (formerly: TEX Hungary Kft.), Budapest	Hungary	14.0%

Subgroup TC AG		**Participation ratio of non-controlling interests**
Company	**Country**	
Ticketcorner Holding AG, Rümlang	Switzerland	50.0%
Ticketcorner AG, Rümlang	Switzerland	50.0%

Supgroup EVENTIM LIVE		Participation ratio of non-controlling interests
Company	**Country**	
ALDA Germany GmbH, Hamburg	Germany	51.9%
All Artists Agency GmbH, Berlin	Germany	51.9%
Arena Berlin Betriebs GmbH, Berlin	Germany	38.5%
ARGO Konzerte GmbH, Würzburg	Germany	52.6%
Dirk Becker Entertainment GmbH, Cologne	Germany	21.7%
DreamHaus GmbH, Berlin	Germany	29.2%
ESK Events & Promotion GmbH, Hamburg	Germany	76.3%
eventimpresents GmbH & Co. KG, Bremen	Germany	5.7%
eventimpresents Verwaltungs GmbH, Bremen	Germany	5.7%
EVENTIM LIVE GmbH, Bremen	Germany	5.7%
FKP Area One GmbH, Berlin	Germany	71.6%
FKP Immobilien GmbH, Hamburg	Germany	52.6%
FKP SCORPIO Konzertproduktionen GmbH, Hamburg	Germany	52.6%
FKP Show Creations GmbH, Hamburg	Germany	56.2%
HOI Productions Germany GmbH, Hamburg	Germany	5.7%
Marek Lieberberg Konzertagentur Holding GmbH, Bremen	Germany	5.7%
Palazzo Produktionen GmbH, Hamburg	Germany	52.6%
Peter Rieger Konzertagentur GmbH, Cologne	Germany	5.7%
PGM Promoters Group Munich Konzertagentur GmbH, Munich	Germany	35.5%
SEEKERS EVENT GmbH, Jena	Germany	51.8%
Semmel Concerts Entertainment GmbH, Bayreuth	Germany	38.5%
Vaddi Concerts GmbH, Freiburg im Breisgau	Germany	19.8%
FKP Scorpio Belgium B.V., Antwerp	Belgium	75.8%
Smash!Bang!Pow! ApS, Copenhagen	Denmark	75.8%
Fullsteam Agency Oy, Helsinki	Finland	57.4%
Seinäjoki Festivals Oy, Seinäjoki	Finland	72.3%
HOI Productions France SAS, Paris	France	5.7%
HOI Touring Productions B.V., Amsterdam	Netherlands	5.7%
Holiday on Ice Productions B.V., Amsterdam	Netherlands	5.7%
Holiday on Ice Services B.V., Amsterdam	Netherlands	5.7%
Holiday on Ice Trademark B.V., Amsterdam	Netherlands	5.7%
Indian Summer Festival B.V., Langedijk	Netherlands	52.6%
Palazzo Producties B.V., Amsterdam	Netherlands	52.6%
Friendly Fire B.V., Amsterdam	Netherlands	52.6%
Friendly Fire Theater B.V., Amsterdam	Netherlands	64.5%
HBFS B.V., Utrecht	Netherlands	71.6%
Tuckerville B.V., Amsterdam	Netherlands	64.5%
FKP Scorpio Norge AS, Oslo	Norway	68.4%
Palazzo Produktionen GmbH, Vienna	Austria	52.6%
Show-Factory Entertainment GmbH, Vienna	Austria	38.5%

Subgroup EVENTIM LIVE		Participation ratio of non-controlling interests
Company	**Country**	
FKP Scorpio Poland Sp. z o. o., Warsaw	Poland	52.6%
FKP Scorpio Nordic AB, Stockholm	Sweden	52.6%
FKP Scorpio Sverige AB, Stockholm	Sweden	75.8%
act entertainment ag, Basel	Switzerland	51.9%
FKP Scorpio Czechia s.r.o., Prague	Czech Republic	52.6%
FKP Scorpio Entertainment Ltd., London	UK	52.6%
FKP Scorpio UK Ltd., London	UK	71.6%

Supgroup EVENTIM LIVE INTERNATIONAL		Participation ratio of non-controlling interests
Company	**Country**	
Arena Campovolo S.r.l., Milan	Italy	64.0%
Di and Gi S.r.l., Lido Di Camaiore	Italy	40.0%
Friends & Partners S.p.A., Milan	Italy	40.0%
FriendsTV S.r.l., Milan	Italy	40.0%
Friends&Vivo Multimedia S.r.l, Milan	Italy	49.6%
Vertigo S.r.l., Milan	Italy	49.0%
Vivo Concerti S.r.l., Milan	Italy	64.0%
Eventim Live Japan G.K., Tokyo	Japan	25.0%
Barracuda Holding GmbH, Vienna	Austria	29.0%
Barracuda Music GmbH, Vienna	Austria	29.0%
Entertainment Concessions GmbH, Vienna	Austria	63.8%
Freundliches Marketing Service GmbH, Vienna	Austria	29.0%
musicnet entertainment GmbH, Vienna	Austria	29.0%
Nova Music Entertainment GmbH, Mattersburg	Austria	29.0%

Supgroup EVENTIM LIVE INTERNATIONAL Company	Country	Participation ratio of non-controlling interests
ABC Production AG, Zurich	Switzerland	40.0%
ALL IN ONE Communication AG, Zurich	Switzerland	40.0%
Gadget abc Entertainment AG, Zurich	Switzerland	40.0%
Gadget abc Entertainment Group AG, Zurich	Switzerland	40.0%
Gadget abc Events AG, St. Gallen	Switzerland	40.0%
Gadget abc Operations AG, St. Gallen	Switzerland	40.0%
Gadget Records AG, Zurich	Switzerland	40.0%
OpenAir St.Gallen AG, St. Gallen	Switzerland	42.5%
Production Service Switzerland AG, Zurich	Switzerland	40.0%
Seaside Festival AG, Bern	Switzerland	40.0%
SummerDays Festival AG, St. Gallen	Switzerland	50.1%
TAKK ab Entertainment AG, Zurich	Switzerland	40.0%
Tiny Miracles Communication AG, Zurich	Switzerland	40.0%
You are Special - Events AG, Zurich	Switzerland	40.0%
EVENTIM LIVE ASIA PTE. LTD., Singapore	Singapore	25.0%
BIG TOURS S.L., Barcelona	Spain	36.5%
Temple Live Entertainment Ltd., London	UK	49.0%
BPC Tours LLC, Wilmington, Delaware	USA	65.0%
EMC Presents LLC, Wilmington, Delaware	USA	50.0%
Grizzly Touring LLC, Wilmington, Delaware	USA	72.0%
HPX LLC, Wilmington, Delaware	USA	75.0%
Sabertooth Touring LLC, Wilmington, Delaware	USA	49.0%
MicheFest LLC, Wilmington, Delaware	USA	74.5%

The following overview shows the participation ratios and non-controlling interests for each subsidiary/subgroup with a non-controlling interest that is material for the Group in 2023.

		Proportional share of non-controlling interests[1]	Net income attributable to non-controlling interests[2]	Net book value of accumulated non-controlling interests[2]	Participation ratio of non-controlling interests[2]
		31 Dec 2023	31 Dec 2023	31 Dec 2023	31 Dec 2023
Name	**Country**		**[EUR'000]**	**[EUR'000]**	
Subgroup TC AG	Switzerland	50.0%	7,841	44,814	50.0%
Subgroup Punto Ticket	Chile	35.0%	946	932	35.0%
Subgroup Austria	Austria	14.0%	2,901	9,788	14,0% - 56,1%
Subgroup EVENTIM LIVE	Germany	5.6%	7,635	11,385	5,6% - 76,3%
Subgroup EVENTIM LIVE INTERNATIONAL	Germany	0.0%	-13,848	35,565	25,0% - 75,0%
Total subgroups				102,484	
Subsidiaries with individually immaterial non-controlling interests				15,266	
Total non-controlling interests				**117,750**	

[1] The proportional share of non-controlling interest includes only the level of the parent company
[2] The amounts include both the non-controlling interests at the level of the parent company as well as other non-controlling interests in the subgroup

The following overview shows the participation ratios and non-controlling interests for each subsidiary/subgroup with a non-controlling interest that is material for the Group in 2022.

		Proportional share of non-controlling interests[1]	Net income attributable to non-controlling interests[2]	Net book value of accumulated non-controlling interests[2]	Participation ratio of non-controlling interests[2]
		31 Dec 2022	**31 Dec 2022**	**31 Dec 2022**	**31 Dec 2022**
Name	**Country**		**[EUR'000]**	**[EUR'000]**	
Subgroup TC AG	Switzerland	50.0%	7,032	35,345	50.0%
Subgroup Austria	Austria	14.0%	1,450	8,515	14,0% - 56,1%
Subgroup EVENTIM LIVE	Germany	5.6%	15,655	23,486	5,6% - 76,3%
Subgroup EVENTIM LIVE INTERNATIONAL	Germany	0.0%	19,922	26,362	25,0% - 65,0%
Total subgroups				93,709	
Subsidiaries with individually immaterial non-controlling interests				12,093	
Total non-controlling interests				**105,802**	

[1] The proportional share of non-controlling interest includes only the level of the parent company
[2] The amounts include both the non-controlling interests at the level of the parent company as well as other non-controlling interests in the subgroup

The summarised financial information for each subsidiary/subgroup with non-controlling interests that is material for the Group is presented in the following tables.

Material non-controlling interests in the Ticketing segment:

Summarised balance sheet:	**Subgroup TC AG**		**Subgroup Austria**	
	31 Dec 2023 [EUR'000]	**31 Dec 2022 [EUR'000]**	**31 Dec 2023 [EUR'000]**	**31 Dec 2022 [EUR'000]**
Current assets	107,428	80,504	107,389	83,536
Non-current assets	79,141	74,177	3,395	3,705
Current liabilities	90,588	80,378	87,858	70,579
Non-current liabilities	7,771	4,729	942	2,184

Summarised income statement:	**Subgroup TC AG**		**Subgroup Austria**	
	31 Dec 2023 [EUR'000]	**31 Dec 2022 [EUR'000]**	**31 Dec 2023 [EUR'000]**	**31 Dec 2022 [EUR'000]**
Revenue	62,554	54,561	42,291	31,893
Taxes	-3,792	-2,815	-5,477	-3,282
Net result	15,682	14,063	18,648	10,793
Net result attributable to non-controlling interest	7,841	7,032	2,901	1,450
Dividend payments to non-controlling interests	0	0	0	-2,253

Summarised cash flow statement:	**Subgroup TC AG**		**Subgroup Austria**	
	31 Dec 2023 [EUR'000]	**31 Dec 2022 [EUR'000]**	**31 Dec 2023 [EUR'000]**	**31 Dec 2022 [EUR'000]**
Cash flow from operating activities	21,707	17,125 [1]	13,944	6,934 [1]
Cash flow from investing activities	-3,384	-1,894 [1]	-391	4,595 [1]
Cash flow from financing activities	-485	-955	-11,635	-13,352
Net increase / decrease in cash and cash equivalents	17,839	14,275 [2]	1,918	-1,822 [2]
Net increase / decrease in cash and cash equivalents due to currency translation	5,520	2,996 [2]	292	-325 [2]
Cash and cash equivalents at beginning of period	73,067	55,796 [2]	16,857	19,005 [2]
Cash and cash equivalents at end of period	96,426	73,067 [2]	19,067	16,857 [2]

[1] Adjusted previous year's figures of marketable securities and other investments in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

[2] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

Summarised balance sheet:	Subgroup Punto Ticket
	31 Dec 2023
	[EUR'000]
Current assets	47,286
Non-current assets	1,405
Current liabilities	44,948
Non-current liabilities	1,887

Summarised income statement:	Subgroup Punto Ticket
	31 Dec 2023
	[EUR'000]
Revenue	6,912
Taxes	-879
Net result	1,402
Net result attributable to non-controlling interest	946
Dividend payments to non-controlling interests	0

Summarised cash flow statement:	Subgroup Punto Ticket
	31 Dec 2023
	[EUR'000]
Cash flow from operating activities	13,214
Cash flow from investing activities	-18
Cash flow from financing activities	-941
Net increase / decrease in cash and cash equivalents	12,255
Net increase / decrease in cash and cash equivalents due to currency translation	-374
Cash and cash equivalents at beginning of period	23,476
Cash and cash equivalents at end of period	35,357

Material non-controlling interests in the Live Entertainment segment:

Summarised balance sheet:	Subgroup EVENTIM LIVE		Subgroup EVENTIM LIVE INTERNATIONAL	
	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Current assets	587,853	505,093	468,196	365,441
Non-current assets	108,531	100,283	192,274	155,502 [1]
Current liabilities	624,630	541,170	526,597	398,159
Non-current liabilities	42,619	29,790	30,882	27,348 [1]

Summarised income statement:	Subgroup EVENTIM LIVE		Subgroup EVENTIM LIVE INTERNATIONAL	
	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Revenue	803,368	780,001	805,690	566,484
Taxes	-17,792	-13,565	-2,722	-4,731 [1]
Net result	12,560	33,920	-16,955	34,697 [1]
Net result attributable to non-controlling interest	7,635	15,655	-13,848	19,922
Dividend payments to non-controlling interests	0	-50	0	-3,866

Summarised cash flow statement:	Subgroup EVENTIM LIVE		Subgroup EVENTIM LIVE INTERNATIONAL	
	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Cash flow from operating activities	127,378	-70,702 [2]	93,653	-45,053 [2]
Cash flow from investing activities	-74,371	-57,716 [2]	-31,387	-11,548 [2]
Cash flow from financing activities	-22,822	-4,246	-10,768	77,399
Net increase / decrease in cash and cash equivalents	30,185	-132,664 [3]	51,498	20,798
Net increase / decrease in cash and cash equivalents due to currency translation	750	-199	1,222	2,837
Net increase / decrease in cash and cash equivalents due to change in scope of consolidation	0	-62	0	-200
Cash and cash equivalents at beginning of period	238,708	371,634	168,814	145,380
Cash and cash equivalents at end of period	269,643	238,708 [3]	221,534	168,814

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

[2] Adjusted previous year's figures of marketable securities and other investments in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

[3] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

4. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
4.1 FINANCIAL INSTRUMENTS

The following table shows the carrying amounts, valuations and fair values of current and non-current financial instruments for the 2023 financial year:

		Balance sheet value according to IFRS 9		
	Carrying value 31 Dec 2023	Fair value through profit and loss	Amortised cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Cash and cash equivalents	1,028,493		1,028,493	1,028,493
Marketable securities and other investments	646,355	104,764	541,591	646,355
Trade receivables	121,640		121,640	121,636
Receivables from related parties	5,162		5,162	5,162
Other financial assets	126,438	4,250	122,188	126,293
thereof receivables from ticket money	*44,777*		*44,777*	*44,777*
thereof receivables from promoter	*45,878*	*4,198*	*41,680*	*45,867*
Derivatives standalone	2	2		2
Investments	1,611	1,611		1,611
Total	**1,929,702**	**110,628**	**1,819,074**	**1,929,552**
LIABILITIES				
Financial liabilities	69,407	34,321	35,086	67,850
thereof call and put option on shares of non-consolidated subsidiaries and third party companies	*18,210*	*18,210*		*18,210*
thereof put options on shares of fully consolidated companies	*39,529*	*16,111*	*23,417*	*38,314*
thereof conditional consideration (purchase price obligations)	*8,441*		*8,441*	*8,041*
Trade payables	292,646		292,646	292,333
Liabilities to related parties	9,138		9,138	9,138
Other financial liabilities	714,230		714,230	713,467
thereof liabilities from ticket money received that have not yet been settled with promoters	*650,162*		*650,162*	*649,654*
Lease liabilities	121,432			121,432
Derivatives standalone	8	8		8
Total	**1,206,861**	**34,329**	**1,051,100**	**1,204,228**

The following table shows the carrying values, valuations and fair values of current and non-current financial instruments for the 2022 financial year:

		Balance sheet value according to IFRS 9		
	Carrying value 31 Dec 2022	Fair value through profit and loss	Amortised cost	Fair value
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
ASSETS				
Cash and cash equivalents	1,148,850 [1]		1,148,850 [1]	1,148,850 [1]
Marketable securities and other investments	163,621	678	162,943	163,621
Trade receivables	113,544		113,544	113,540
Receivables from related parties	3,807		3,807	3,807
Other financial assets	98,523 [1]	897	97,626 [1]	98,400 [1]
thereof receivables from ticket money	*44,985*		*44,985*	*44,985*
thereof receivables from promoter	*13,329*	*564*	*12,764*	*13,221*
Investments	1,556	1,556		1,556
TOTAL	**1,529,900**	**3,131**	**1,526,770**	**1,529,774**
LIABILITIES				
Financial liabilities	16,991		16,991	16,703
thereof put option for shares of fully consolidated subsidiaries	*11,598*		*11,598*	*11,390*
thereof conditional consideration (purchase price obligations)	*5,039*		*5,039*	*4,949*
Trade payables	233,925		233,925	233,901
Liabilities to related parties	8,154		8,154	8,154
Other financial liabilities	567,204		567,204	567,147
thereof liabilities from ticket money received that have not yet been settled with promoters	*507,697*		*507,697*	*507,575*
Lease liabilities	120,938			120,938
TOTAL	**947,213**		**826,274**	**946,843**

[1] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

FAIR VALUE DISCLOSURES

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing and independent parties.

The fair value of cash and cash equivalents and other current non-derivative financial instruments not listed on an active market is not computed, as it is assumed that the carrying amount is a reasonable approximation of the fair value.

Principles and methods used to determine fair values are unchanged compared to the previous year.

If financial instruments are listed on an active market, the respective listed price represents the fair value. In the case of unlisted financial instruments, the fair value is calculated as the present value of the future cash flows, taking interest yield and the rating-dependent credit risk premium of the CTS Group into account.

The fair values of non-current non-derivative financial assets and liabilities not listed on an active market correspond to the present values of the cash flows associated with the financial instruments, taking into account current interest rate parameters.

Excluded from the above are the fair values of certain other non-derivative financial assets, which are calculated using discounted cash flow (DCF) methods. The calculation is based on forecast cash flows resulting from planning over the term of the contracts.

The fair values of the call and put option on the acquisition of further shares in France Billet and Punto Ticket were determined using a mathematical option pricing model.

FAIR VALUE HIERARCHY

In accordance with IFRS 13, the fair values of financial assets and liabilities are classified according to the three levels of the fair value hierarchy. Level 1 contains fair values of financial instruments for which a market price can be directly determined, such as for securities traded on active markets. In Level 2, fair values are based on market data, such as currency rates or yield curves, using market-based valuation techniques (e.g. foreign exchange forwards). Fair values in Level 3 are derived using valuation techniques based on unobservable inputs, as there is no (meaningful) market activity for the measurement parameters.

Reclassifications between the levels of the fair value hierarchy are carried out at the beginning of the quarter in which the reason or the change in circumstances occurs that results in the reclassification. There have been no reclassifications within the fair value hierarchy in the reporting period.

The following table provides an overview of the fair values of financial assets and liabilities and their assignment to the three levels of the fair value hierarchy according to IFRS 13 as at 31 December 2023:

	31 Dec 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
ASSETS				
Marketable securities and other investments	104,764	0	0	104,764
Trade receivables[2]	0	77	0	77
Other financial assets[2]	0	28,293	4,250	32,543
thereof receivables against promoter	*0*	*0*	*4,198*	*4,198*
Derivatives standalone	0	2	0	2
Investments	298	0	1,313 [1]	1,611
	105,062	**28,372**	**5,563**	**138,997**
LIABILITIES				
Financial liabilities	0	33,529	34,321	67,850
thereof call and put option on shares of non-consolidated subsidiaries and third party companies	*0*	*0*	*18,210*	*18,210*
thereof put options on shares of fully consolidated companies	*0*	*22,203*	*16,111*	*38,314*
thereof contingent consideration (purchase price obligations)	*0*	*8,041*	*0*	*8,041*
Trade payables[2]	0	9,074	0	9,074
Other financial liabilities[2]	0	14,945	0	14,945
thereof liabilities from ticket money received that have not yet been settled with promoters[2]	*0*	*14,760*	*0*	*14,760*
Derivatives standalone	0	8	0	8
	0	**57,556**	**34,321**	**91,877**

[1] Investments contain a large number of individual contracts, the additional disclosures on level 3 instruments are not provided for reasons of materiality

[2] For the current part of this item, it is assumed that the carrying amount is a reasonable approximation of the fair value. Therefore, it is not included in the fair value hierarchy

The carrying amount of other financial assets in level 3 increased from EUR 897 thousand to EUR 4,250 thousand. In the reporting year, an addition of EUR 4,250 thousand was recognised, which was offset by a disposal of EUR 897 thousand. The additions relate to a claim against a promoter (EUR 4,198 thousand) and the Punto Ticket call option (EUR 52 thousand).

An addition for put options for further shares in Punto Ticket at a fair value of EUR 16,111 thousand was recognised in level 3 financial liabilities. Further additions relate to the France Billet call option in the amount of EUR 6,360 thousand and the France Billet put option in the amount of EUR 9,350 thousand. The valuation effect for the Punto Ticket call and put option was recognised in retained earnings in the amount of EUR 16,059 thousand. The valuation effect for the call and put option France Billet was recognised in financial expenses.

For the valuation of the remaining other financial assets and financial liabilities in level 3, discount rates between 7.6% and 12.7%, reflecting the specific risks of the respective contract, were used in the DCF method. An adjustment of the applied interest rates by +100 basis points (-100 basis points) would reduce (increase) the fair values of the financial assets by EUR 85 thousand (EUR 286 thousand). If the expected cash flows were adjusted by +10% (-10%), the fair value would increase (decrease) by EUR 423 thousand (by EUR 387 thousand). The underlying cash flows range between EUR 3,863 thousand and EUR 4,673 thousand.

An adjustment of the applied interest rates by +100 basis points (-100 basis points) would increase (reduce) the fair values of the financial liabilities by EUR 2,972 thousand (EUR 5,945 thousand). If the expected cash flows were adjusted by +10% (-10%), the fair value would increase (decrease) by EUR 731 thousand (by EUR 969 thousand). The underlying cash flows range between EUR 30,691 thousand and EUR 32,391 thousand.

The following table provides an overview of the fair values of financial assets and liabilities and their assignment to the three levels of the fair value hierarchy in accordance with IFRS 13 as at 31 December 2022:

	31 Dec 2022			
	Level 1 [EUR'000]	Level 2 [EUR'000]	Level 3 [EUR'000]	Total [EUR'000]
ASSETS				
Marketable securities and other investments	678	0	0	678
Trade receivables[2]	0	147	0	147
Other financial assets[2]	0	7,705	897	8,602
thereof receivables against promoter	*0*	*0*	*564*	*564*
Investments	283	0	1,273 [1]	1,556
	960	**7,852**	**2,170**	**10,983**
LIABILITIES				
Financial liabilities	0	16,703	0	16,703
thereof put option for shares of consolidated subsidiaries	*0*	*11,390*	*0*	*11,390*
thereof contingent consideration (purchase price obligations)	*0*	*4,949*	*0*	*4,949*
Trade payables[2]	0	1,279	0	1,279
Other financial liabilities[2]	0	9,160	0	9,160
thereof liabilities from ticket money received that have not yet been settled with promoters[2]	*0*	*7,260*	*0*	*7,260*
	0	**27,142**	**0**	**27,142**

[1] Investments contain a large number of individual contracts, the additional disclosures on level 3 instruments are not provided for reasons of materiality

[2] For the current part of this item, it is assumed that the carrying amount is a reasonable approximation of the fair value. Therefore, it is not included in the fair value hierarchy

NET RESULTS

The following table provides the net results from financial instruments:

	2023 [EUR'000]	2022 [EUR'000]
Financial assets at amortised cost	4,169	922
Financial assets at fair value through profit and loss	444	-2,448
Financial liabilities at amortised cost	-11,119	5,397
Financial liabilities at fair value through profit and loss	-19,210	5,939
	-25,716	**9,810**

The net results of financial assets at amortised cost consist of interest income (EUR 32,554 thousand; previous year: EUR 5,357 thousand), expenses from negative interest (EUR -62 thousand; previous year: EUR 1,598 thousand), effects from currency translation (EUR 7,142 thousand; previous year: EUR 5,246 thousand) as well as impairments on receivables. Impairments (including reversals of impairment losses) amount to EUR 18,603 thousand (previous year: reversals of impairment losses including impairments EUR 8,083 thousand) and are included in selling expenses, financial expenses, and other operating income. This includes expenses for derecognised receivables of EUR 14,971 thousand (previous year: EUR 6,199 thousand) and for additions to impairments (EUR 15,637 thousand; previous year: EUR 4,139 thousand). The item also comprises income from the reversal of impairments and from derecognised receivables (EUR 12,005 thousand; previous year: EUR 2,255 thousand).

The net results of financial assets measured at fair value through profit or loss comprise income from investments of EUR 536 thousand (previous year: EUR 215 thousand) and effects from fair value measurement in the amount of EUR -36 thousand (previous year: EUR -2,663 thousand). Measurement effects of the previous year include, among other things, expenses from the measurement of the call option for the purchase of additional shares in France Billet in the amount of EUR -1,187 thousand as well as effects from the impairment of investments of EUR -927 thousand.

Net results of financial liabilities at amortised cost include interest expenses (EUR 4,048 thousand; previous year: EUR 1,234 thousand) and currency effects (EUR 1,465 thousand; previous year: EUR 479 thousand), as well as effects from the subsequent measurement of liabilities from put options (EUR -10,606 thousand; previous year: EUR -2,585 thousand) and variable purchase price liabilities (EUR -1,088 thousand; previous year: EUR 2,892 thousand). This was offset by income from derecognised financial liabilities in the amount of EUR 5,878 thousand (previous year: EUR 5,845 thousand). The total interest expense calculated under the effective interest method was EUR 435 thousand (previous year: EUR 391 thousand).

The net results of financial liabilities measured at fair value include expenses from the measurement of the call and put option for the purchase of additional shares in France Billet in the amount EUR -15,710 thousand (previous year: income of EUR 5,939 thousand).

4.2 FINANCIAL RISK MANAGEMENT

DEFAULT RISKS

Default risks exist when there is a risk of debtors being unable to fully or partially settle their liabilities. The maximum default risk exposure is equal to the value of all receivables, minus collaterals or liabilities owed to the same debtor if offsetting is possible under civil law. Receivables management is carried out locally at the Group companies, with indications of risk being derived from this. Default risks are taken into account in the Group through the recognition of impairments on the basis of expected credit losses of financial assets measured at amortised cost upon initial recognition.

In the 2023 financial year, collateral amounting to EUR 12,242 thousand (previous year: EUR 12,256 thousand) was provided to Group companies mainly to hedge the risks in ticket presales by various box offices (EUR 10,710 thousand; previous year: EUR 9,976 thousand). Ticket money receivables and receivables from promoters due from collateral providers amount to EUR 7,401 thousand (gross carrying amounts; previous year: EUR 7,459 thousand).

Moreover, collateral in the amount of EUR 6,723 thousand (previous year: EUR 6,825 thousand) was provided among others as rental deposits for office buildings.

The impairments developed as follows:

	Simplified approach			General approach	
	Trade receivables	Receivables from related parties	Ticket money receivables	Other financial assets	Total
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Impairments as at 1 Jan 2022	4,576	55	623	2,687	7,942
Usage	-412	0	0	-1,211	-1,623
Net change in impairments	1,416	53	427	1,202	3,098
Impairments as at 31 Dec 2022	**5,580**	**108**	**1,050**	**2,678**	**9,417**
Impairments as at 1 Jan 2023	5,580	108	1,050	2,678	9,417
Change in the scope of consolidation	7	0	0	0	7
Usage	-48	0	-590	0	-638
Net change in impairments	182	88	66	2,802	3,138
Impairments as at 31 Dec 2023	**5,714**	**196**	**526**	**5,480**	**11,917**

The following table shows the risk categories of financial assets used to determine expected credit losses and the associated gross carrying amounts as well as the related impairments as at 31 December 2023, based on the simplified approach:

31 Dec 2023	**Trade receivables**		**Receivables from related parties**		**Ticket money receivables**		**Total**	
Risk categories simplified approach	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	***Gross carry-ing amount***	***thereof impaired***
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Not credit-impaired	121,005	*2,430*	5,330	*186*	45,258	*524*	171,592	*3,139*
Credit-impaired	6,349	*3,284*	27	*11*	45	*2*	6,422	*3,298*
Total	**127,354**	*5,714*	**5,357**	*197*	**45,303**	*526*	**178,014**	*6,437*

The following table shows the risk categories of financial assets used to determine expected credit losses and the associated gross carrying amounts as well as the related impairments as at 31 December 2022, based on the simplified approach:

31 Dec 2022	**Trade receivables**		**Receivables from related parties**		**Ticket money receivables**		**Total**	
Risk categories simplified approach	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	***Gross carry-ing amount***	***thereof impaired***
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Not credit-impaired	111,899	*2,888*	3,587	*22*	45,979 [1]	*1,004*	161,465 [1]	*3,914*
Credit-impaired	7,225	*2,692*	328	*87*	57	*46*	7,610	*2,825*
Total	**119,124**	*5,580*	**3,915**	*108*	**46,035** [1]	*1,050*	**169,075** [1]	*6,739*

[1] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

The following table shows the risk categories of financial assets used to determine expected credit losses and the associated gross carrying amounts as well as the related impairments as at 31 December 2023, based on the general approach:

31 Dec 2023	**Receivables from promoters**		**Other receivables from related parties**		**Other original financial assets**		**Total**	
Risk categories general approach	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Not credit-impaired	28,504	*10*	3,493	*0*	1,600,269	*327*	1,632,266	*338*
Significant increase in credit risk	597	*18*	0	*0*	0	*0*	597	*18*
Credit-impaired	15,939	*3,301*	1,800	*1,501*	323	*323*	18,062	*5,125*
Total	**45,041**	*3,329*	**5,293**	*1,501*	**1,600,592**	*650*	**1,650,926**	*5,480*

The following table shows the risk categories of financial assets used to determine expected credit losses and the associated gross carrying amounts as well as the related impairments as at 31 December 2022, based on the general approach:

31 Dec 2022	**Receivables from promoters**		**Other receivables from related parties**		**Other original financial assets**		**Total**	
Risk categories general approach	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***	**Gross carry-ing amount**	***thereof impaired***
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Not credit-impaired	11,587	*4*	15,733	*8*	1,360,825 [1]	*129*	1,388,144 [1]	*141*
Credit-impaired	1,365	*516*	2,204	*1,690*	330 [1]	*330*	3,899 [1]	*2,537*
Total	**12,952**	*520*	**17,937**	*1,698*	**1,361,155** [1]	*460*	**1,392,044** [1]	*2,678*

[1] Adjusted previous year's figures in accordance with IAS 8.41f, see point 1.2 in the notes to the consolidated financial statements

LIQUIDITY RISKS

Liquidity risks arise if the Group's payment obligations cannot be covered with available cash or existing credit lines. Comprehensive strategic and operational liquidity planning and management are in place to ensure sufficient liquidity and a high degree of financial flexibility at all times.

In order to ensure the solvency and financial flexibility of the CTS Group at all times, a liquidity reserve is maintained in the form of credit lines and cash as well as short-term interest-bearing securities as part of liquidity management. The short-term funds available, including available credit lines, amount to EUR 1,172,493 thousand as of 31 December 2023. In addition, CTS KGaA's syndicated credit line, which has existed since March 2022 with a volume of EUR 150 million, was extended by an option for another year until March 2026. The credit line was only used to a limited extent in 2023 for the use of guarantee and surety agreements. The adjusted net debt and the equity ratio were agreed upon as covenants. In 2023, both covenants were met consistently. In addition to the syndicated credit line, a bilateral line of EUR 40 million was concluded in 2023, which was held exclusively as a liquidity reserve in 2023. The agreed covenants are identical to the covenants of the aforementioned syndicated loan.

Financing options can be impaired on the one hand by a deterioration in general refinancing conditions or, on the other hand, by an own deterioration in creditworthiness. As a listed company, CTS KGaA is able to take equity measures in the short term, such as a capital increase through the issue of new shares (warrant bonds and convertible bonds up to an amount of EUR 800,000 thousand).

As of 31 December 2023, the Group has bank liabilities of EUR 3,227 thousand (previous year: EUR 354 thousand).

The following table presents the contractually agreed (undiscounted) interest and redemption payments for financial liabilities and lease liabilities as at 31 December 2023:

	Carrying amount	Interest and redemption payments			
	31 Dec 2023	**< 1 year**	**< 2 years**	**< 4 years**	**> 4 years**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Financial liabilities	69,407	-11,910	-30,919	-26,862	0
Trade payables	292,646	-283,250	-9,395	0	0
Payables to related parties	9,138	-9,138	0	0	0
Other financial liabilities	714,230	-701,029	-13,210	0	0
thereof liabilities from ticket money received that have not yet been settled with promoters	*650,162*	*-634,813*	*-15,349*	*0*	*0*
Lease liabilities	121,432	-23,951	-19,735	-32,075	-59,335
Derivative standalone	8	-3	0	0	0
	1,206,861	**-1,029,282**	**-73,260**	**-58,936**	**-59,335**

The cash outflow from the foreign exchange forwards is offset by a cash inflow of USD 2,800 thousand in the first half of 2024.

The following table shows the contractually agreed (undiscounted) interest and redemption payments for financial liabilities and lease liabilities as at 31 December 2022:

	Carrying amount	Interest and redemption payments			
	31 Dec 2022	**< 1 year**	**< 2 years**	**< 4 years**	**> 4 years**
	[EUR'000]	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**	**[EUR'000]**
Financial liabilities	16,991	-2,345	-14,533	-126	0
Trade payables	233,925	-232,622	-1,303	0	0
Payables to related parties	8,154	-8,154	0	0	0
Other financial liabilities	567,204	-557,987	-8,398	-193	-626
thereof liabilities from ticket money received that have not yet been settled with promoters	*507,697*	*-500,315*	*-7,381*	*0*	*0*
Lease liabilities	120,938	-20,028	-17,183	-29,507	-64,935
	947,213	**-821,136**	**-41,417**	**-29,827**	**-65,561**

The above table includes all instruments held as at the balance sheet date and for which payments had already been contractually agreed. Budget figures for future new liabilities are not included. Foreign currency amounts are converted at the spot rates applying on the closing date. The variable interest payments from financial instruments were determined taking into account the respective forward interest rates. Financial liabilities that are repayable at any time are always allocated to the earliest time band.

INTEREST RISKS

Existing short-term loans are primarily negotiated through fixed-rate loan agreements. The short-term credit lines are subject to variable interest rates. Moreover, short-term current account credit lines are not used continuously throughout the year. The interest rate in the syndicated credit line is reset with each drawdown in accordance with the contractual agreement.

Risks associated with changes in interest rates exist due to potential changes in market interest rates and may lead to a change in fair value in the case of fixed-rate financial instruments, and to variation of interest payments in the case of financial instruments with variable interest rates.

Variable interest-rate loans and fixed-rate agreements expiring in the short term are regularly reviewed for possible hedging against interest rate changes.

Changes in the market interest rates of non-derivative financial instruments with fixed interest rates affect earnings only when the instruments are accounted for at fair value. Accordingly, all financial instruments with fixed interest rates and recognised at amortised costs are not exposed to any interest rate risks within the meaning of IFRS 7.

Hypothetical changes in market interest rates as at 31 December 2023 would have effects on ongoing interest payments and/or interest income and expenses in the net result. The hypothetical effect on income results from the potential effects from financial assets of EUR 4,489 thousand (previous year: EUR 4,432 thousand). If the level of market interest rates had been 100 basis points higher (lower) as at 31 December 2023, the net result would have been EUR 45 thousand lower (EUR 45 thousand higher).

If the level of market interest rates had been 100 basis points higher (lower) as at 31 December 2022, the net result would have been EUR 42 thousand lower (EUR 43 thousand higher).

The existing liquid assets are invested with interest as part of cash management. The investments currently have a term of up to 12 months and are subject to variable or fixed interest rates. Due to the high level of liquid funds, interest income of EUR 32,554 thousand (previous year: EUR 5,357 thousand) was generated in the 2023 reporting year. The hypothetical impact on earnings results from the potential effects from cash and cash equivalents of EUR 381,705 thousand (previous year: EUR 272,482 thousand). If the market interest rate as of 31 December 2023 had been 100 basis points higher (lower), the annual result would have been EUR 3,817 thousand higher (EUR 3,817 thousand lower). If the market interest rate as of 31 December 2022 had been 100 basis points higher (lower), the annual result would have been EUR 2,725 thousand higher (EUR 2,725 thousand lower).

FOREIGN EXCHANGE RISKS

The Group's foreign exchange risks result from investments, from financing measures and operational activities in foreign currencies. Within the Group, some contracts with artists and some licence agreements are concluded in foreign currencies.

Foreign exchange risks that do not affect the Group's cash flows (that is, risks that result from translating the financial statements of foreign entities into the Group’s reporting currency) are generally unsecured. Foreign exchange risks that may affect the Group’s cash flows are reviewed on a regular basis and hedged where necessary. Within the CTS Group, derivatives are used exclusively for risk hedging, and not for speculative purposes.

Foreign exchange risks may also arise when intercompany receivables or liabilities exist in a currency other than the functional currency of the consolidated financial statements.

In order to disclose foreign exchange risk exposure, the CTS Group generates sensitivity analyses in accordance with IFRS 7, showing the effects that hypothetical appreciation and devaluation of the euro in relation to all other currencies will have on net result and on equity, where relevant. The periodic effects are determined by relating the hypothetical changes in foreign exchange rates to the financial instruments in place as at the reporting date, assuming that the volume of such instruments as at the reporting date is representative for the year as a whole. Currency risks within the meaning of IFRS 7 arise in relation to financial instruments that are denominated in a currency other than the functional currency in which they are measured and that represent monetary items. Exchange rate differences arising from the translation of financial statements into the Group currency are not taken into account.

There were no hypothetical effects on equity as at 31 December 2023 and in the previous year. The effects from the main currencies in the CTS Group on the net result would be as follows:

		31 Dec 2023	**31 Dec 2022**
		Net result	**Net result**
		[EUR'000]	**[EUR'000]**
CHF	+ 10%	-540	-608
	- 10%	540	608
USD	+ 10%	-9,739	-5,238
	- 10%	9,739	5,238
GBP	+ 10%	-91	-279
	- 10%	91	279
BRL	+ 10%	-312	-470
	- 10%	312	470

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

REVENUE (1)

In the reporting period, the Group generated revenue of EUR 2,358,552 thousand (previous year: EUR 1,925,803 thousand).

	2023	2022
	[EUR'000]	[EUR'000]
Ticketing		
Ticket fees	581,300	443,132
Commissions	35,317	32,358
Other service charges	16,653	11,981
Licence fees	14,170	9,565
Other	69,883	44,374
	717,322	**541,408**
Live Entertainment		
Entertainment services	1,507,628	1,308,575
Catering and merchandising	65,273	41,464
Sponsoring	25,590	18,350
Other	78,572	41,839
	1,677,064	**1,410,228**
Intersegment consolidation	-35,833	-25,833
CTS Group	**2,358,552**	**1,925,803**

Of the external revenue generated by the CTS Group, EUR 1,629,709 thousand was recognised over time in accordance with IFRS 15 (previous year: EUR 1,392,632 thousand). Of this amount, EUR 109,186 thousand was attributable to the Ticketing segment (previous year: EUR 78,630 thousand) and EUR 1,520,523 thousand to the Live Entertainment segment (previous year: EUR 1,314,002 thousand). In the Live Entertainment segment, the periods of time over which revenue is recognised are very short and amount to no more than a few days, such as in the case of festivals.

Revenue recognised in the reporting period that was included in the balance of current advance payments received at the beginning of the period amounted to EUR 444,069 thousand (previous year: EUR 562,618 thousand) and was attributable to the Live Entertainment segment. The current advance payments received of EUR 665,681 thousand (previous year: EUR 524,855 thousand) as at 31 December 2023 are likely to result in revenue over the subsequent 12 months.

COST OF SALES (2)

Cost of sales (EUR 1,755,395 thousand; previous year: EUR 1,477,532 thousand) comprise all material expenses (EUR 1,565,114 thousand; previous year: EUR 1,325,787 thousand) as well as pro rata personnel expenses (EUR 115,540 thousand; previous year: EUR 99,699 thousand), depreciation and amortisation (EUR 45,094 thousand; previous year: EUR 26,069 thousand), and other operating expenses (EUR 29,647 thousand; previous year: EUR 25,977 thousand).

SELLING EXPENSES (3)

The selling expenses increased from EUR 101,182 thousand by EUR 23,881 thousand to EUR 125,063 thousand. The increase in selling expenses is primarily due to higher personnel costs (EUR +11,827 thousand) and depreciation and amortisation (EUR +9,095 thousand).

RESULT FROM LOSSES AND REVERSALS OF IMPAIRMENTS OF TRADE RECEIVABLES AND CURRENT OTHER FINANCIAL ASSETS (4)

The expenses from impairments on trade receivables and current assets increased by EUR 2,362 thousand from EUR 9,768 thousand to EUR 12,131 thousand. The reversals of impairment increased by EUR 3,405 thousand from EUR 2,105 thousand to EUR 5,510 thousand.

OTHER OPERATING INCOME (5)

	2023 [EUR'000]	2022 [EUR'000]
Proceeds from compensation	42,855	2,971
Income from coronavirus-related government grants	11,718	57,155
Income from written-off liabilities	6,648	5,938 [1]
Income from insurance compensation	3,896	8,156
Income from currency translation	3,003	4,517 [1]
Income from advertising and marketing	2,889	5,936
Income from passed on expenses	2,854	1,647
Income from the reversal of provisions	0	6,513
Other operating income	10,456	12,582
	84,319	**105,415** [1]

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and financial assets see point 1.2 in the notes to the consolidated financial statements

The income from damages mainly relates to the amounts collected by CTS group companies from the joint venture company autoTicket (EUR 40,121 thousand), which result from compensation from the Federal Republic of Germany, but before being passed on to a related subcontractor (EUR 2,713 thousand). Income for coronavirus-related government grants in Germany and abroad, which was mainly recognised as compensation for expenses incurred due to events cancelled or held at reduced capacity as a result of COVID-19, decreased by EUR 45,437 thousand to EUR 11,718 thousand (previous year: EUR 57,155 thousand). This coronavirus support is still subject to a final review as part of the final settlement, but the relevant conditions for recognition in accordance with IAS 20 have been satisfied.

Due to the cancellation and postponing of events due to the COVID-19 pandemic, income from insurance compensations was recognised mainly in the Live Entertainment segment.

Income from currency translation primarily result from the translation of receivables and bank balances as at the reporting date, especially in US dollars, Swiss Francs and Brasilian Real. The reporting of results from foreign currency translation and loan impairments was changed in the reporting period. While these results were previously reported as other operating income, they will be reported in the financial result from the second quarter of 2023. The change in reporting results in a better presentation and comparability of the CTS Group's operating profitability. In accordance with IAS 8, an adjustment was made to the comparative information for the 2022 financial year, so that the income from foreign currency translation of EUR 6,899 thousand, which was reported in other operating income in the 2022 financial year, was reclassified to the financial result. From the reversal of impairments on loans, other operating income of EUR 150 thousand was reclassified to the financial result.

In the previous year income from the reversal of provisions relates to the reversal of a fine imposed by the Italian Competition and Antitrust Authority, which was set aside by the Italian administrative court in the course of administrative proceedings.

OTHER OPERATING EXPENSES (6)

	2023 [EUR'000]	2022 [EUR'000]
Expenses for third-party services	11,722	7,822
Non-recurring items	7,463	4,957
Currency translation expenses	5,771	3,565 [1]
Expenses passed on from third parties	5,415	1,542
Donations	374	423
Expenses due to changed eligibility requirements for Corona subsidies	0	9,254
Other operating expenses	3,701	6,322 [1]
	34,446	**33,885** [1]

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and financial assets see point 1.2 in the notes to the consolidated financial statements

The increase in external services relates, among other things, to the expansion of the scope of consolidation in the Live Entertainment segment. Non-recurring items in the Live Entertainment segment in the amount of EUR 5,419 thousand (previous year: EUR 4,880 thousand) mainly concern expenses from allocations of purchase prices for acquisitions that are not classified as business combinations in accordance with IFRS 3 (EUR 5,052 thousand; previous year: EUR 4,027 thousand) and expenses in connection with completed and planned acquisitions (mainly legal and consulting fees from due diligence reviews). Non-recurring items recognised in the Ticketing segment amounted to EUR 2,045 thousand (previous year: EUR 77 thousand), primarily resulting from legal and consulting fees, among others from due diligence reviews. Expenses from passed on from third parties mainly relate to GEMA fees and marketing expenses and have increased due, among other things, to the expansion of the scope of consolidation in the Live Entertainment segment. The other expenses include the income directly due to a related company (KPS Group) (EUR 2,713 thousand), which results from compensation from the Federal Republic of Germany.

INCOME / EXPENSES FROM INVESMENTS IN ASSOCIATES ACCOUNTED FOR AT EQUITY (7)

The income/expenses from companies accounted for using the equity method (EUR 39,231 thousand) essentially relate to positive effects from autoTicket's claims for damages.

FINANCIAL INCOME (8)

	1 Jan 2023 - 31 Dec 2023 [EUR'000]	1 Jan 2022 - 31 Dec 2022 [EUR'000]	Change [EUR'000]
Financial income	**35,040**	**33,669** [1]	**1,371**
Interest income	32,554	5,357	27,196
Income / expenses from participations	536	215	320
Other financial income:	1,950	28,096 [1]	-26,146
Updated valuations of put options and earn-out agreements	210	10,315	-10,105
Remeasurement of shares in companies accounted for at equity	0	4,390	-4,390
Currency translation on non-current loans	1,198	6,899 [1]	-5,701
Income of the sale of share in subsidiaries	44	6,475	-6,431
Other financial income	498	17	481

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and financial assets see point 1.2 in the notes to the consolidated financial statements

The updated valuations of put options and earn-out agreements in the previous year mainly relate to the France Billet put option and purchase price agreements of a subsidiary in the Ticketing segment.

The income from the revaluation of shares in companies accounted for using the equity method in the previous year relates to BPC. Financial income from the sale of shares in a subsidiary in the Live Entertainment segment was also recorded in the same period of the previous year.

The reporting of results from foreign currency translation and impairments on loans has been changed. While these results were previously reported in the operating result as other operating income, they will be reported in the financial result in accordance with the provisions of IAS 8, the comparative information for 2022 was adjusted accordingly, meaning that income from foreign currency translation of EUR 6,899 thousand which had been reported under other operating income, have been reclassified to financial result. In the reporting period the income from foreign currency translation decreased to EUR 1,198 thousand.

FINANCIAL EXPENSES (9)

	1 Jan 2023 - 31 Dec 2023 [EUR'000]	1 Jan 2022 - 31 Dec 2022 [EUR'000]	Change [EUR'000]
Financial expenses	**-67,491**	**-19,744** [1]	**-47,747**
Interest expenses	-7,409	-5,081	-2,328
Other financial expenses:	-60,082	-14,662	-45,420
Updated valuations of put options and earn-out agreements	-30,348	-4,339	-26,008
Remeasurement of shares in companies accounted for at equity	-5,816	0	-5,816
Currency translation on non-current loans	-4,228	-2,103 [1]	-2,124
Valutions of loans and other financial assets	-14,893	-593 [1]	-14,300
Impairment of investments	-100	-1,237	1,138
Deconsolidation effects	-4,095	-5,693	1,598
Other financial expenses	-603	-697	94

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and financial assets see point 1.2 in the notes to the consolidated financial statements

The increase in updated valuations of put options and earn-out agreements relates, among other things, to the call and put option France Billet. 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 authority, the shareholding will increase from the current 48% to 65%. This exercise of the call option leads to the activation of a put option by the other shareholder for the remaining 35% of the shares in France Billet, which now had to be valued for the first time in the reporting period. The effects from the valuation of the call option were recorded as financial expenses at EUR 6,360 thousand and those of the put option at EUR 9,350 thousand and shown as a non-cash transaction in the cash flow from operating activities.

The expenses from the revaluation of shares in companies accounted for at equity relate to HPX, which was fully consolidated in the first quarter of 2023.

The reporting of results from foreign currency translation and impairments on loans has been changed. While these results were previously reported in the operating result as other operating expenses, they will be reported in the financial result. In accordance with the provisions of IAS 8, the comparative information for the financial year of 2022 was adjusted accordingly, meaning that expenses from foreign currency translation of EUR 2,103 thousand which had been reported under other operating expenses, have been reclassified to financial result.

The increase in expenses related to the valuation of loans essentially relates to a receivable from a subsidiary in the Live Entertainment segment in the USA.

The effect of deconsolidation affects a company in the Live Entertainment segment.

TAXES (10)

	2023 [EUR'000]	2022 [EUR'000]
Current income taxes	-145,012	-78,270
Deferred taxes	9,432	-9,202 [1]
	-135,580	**-87,473** [1]

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

Current income taxes for the 2023 financial year comprise income of EUR 1,241 thousand (previous year: EUR 10,471 thousand) for current income taxes for previous years.

The deferred tax expense included in the statement of comprehensive income amount to EUR 718 thousand (previous year: EUR 1,833 thousand) for the remeasurement of the net defined benefit obligation for pension plans.

Deferred tax income / expenses developed as follows:

	2023 [EUR'000]	2022 [EUR'000]
Deferred taxes	9,432	-9,202 [1]
thereof:		
from temporary differences	3,888	-7,619 [1]
from tax loss carryforwards	5,544	-1,583

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

Deferred tax income from temporary differences mainly results from the updating and the development of temporary differences on assets and liabilities arising in the purchase price allocations. Deferred tax income from loss carryforwards in the reporting year result from current losses and the associated recognition of deferred tax assets.

The following table shows the reconciliation of tax income/expenses expected in the respective financial year to tax income/expense actually disclosed. To determine the expected tax expense for 2023, an average tax rate of 31.9% (previous year: 31.9%) was multiplied by earnings before taxes. The average tax rate is the tax rate for CTS KGaA, which is composed of German corporation tax at a rate of 15.0% (previous year: 15.0%) plus 5.5% solidarity surcharge, and local municipal trade tax at around 16.1% (previous year: around 16.1%).

	2023 [EUR'000]	2022 [EUR'000]
Earnings before taxes (EBT)	409,104	341,197 [1]
Reconciliation to effective income tax		
Expected income taxes	**-130,627**	**-108,705** [1]
Deviations from average tax rate	5,083	17,935 [1]
Changes in value adjustment of deferred tax assets	0	374
Usage of not capitalised tax loss carryforward	2,657	3,102
Changes of deferred taxes due to changes in tax rates	150	-45
Losses without the formation of deferred tax assets	-6,743	-2,782
Effects due to municipal trade tax additions and reduction	-1,410	-948
Actual and deferred taxes referring to previous years	1,241	1,498
Non-deductible expenses / Non-taxable income	-5,875	1,947 [1]
Other	-56	153
Effective tax expense	**-135,580**	**-87,473** [1]

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

A new law introducing global minimum taxation was passed in Germany. As the new tax law will not apply in Germany until 2024, there will be no impact on the actual tax expense for the 2023 financial year. The Group applied the temporary, mandatory exemption with regard to the recognition of deferred taxes resulting from the introduction of global minimum taxation and recognised these as actual tax expense/income at the respective date of occurrence. A subsidiary in the UK receives government support in the form of additional tax deductions (special depreciation), which could result in the effective tax rate falling below 15%. This would not have resulted in a minimum tax for 2023, as losses were recognised in 2023. In future, however, it is possible that this measure will result in minimum tax.

In the course of the COVID-19 pandemic, a Brazilian subsidiary is utilising the temporarily introduced tax rate of 0% on certain income. This may have an impact on minimum taxation. If the minimum taxation had already applied in the 2023 financial year, the profits from the Group's activities in Brazil amounting to EUR 24,504 thousand would be subject to the minimum tax, with the average tax rate applicable to these profits in 2023 being 11%.

6. OTHER NOTES

6.1 FINANCIAL MANAGEMENT

Financial management is intended to ensure solvency at all times and maintain financial balance within the Group. The objective of the CTS Group's financial policy is to keep the Group's financial strength at a high level, thereby preserving the Company's financial independence by ensuring sufficient liquidity. The approach involves avoiding risks to a great extent or effectively counteracting risks.

The financing structure of the CTS Group comprises debt and equity owed to CTS KGaA’s shareholders, which comprises issued shares and retained earnings in particular. The debts are offset by the available cash and cash equivalents, resulting in the net debt.

When it comes to investing excess liquidity, the emphasis is on short-term availability as opposed to maximising earnings in order to ensure swift access to available liquidity to fund potential acquisitions or large project prefinancings, for example. This approach prioritizes strategic acquisitions and growing the Company over purely financial objectives such as optimising financial income. For that reason, guidelines prohibit speculative investments (e.g. investing in currency instruments or securities and the related forward transactions). Investments are only carried out with addressees who have an investment grade. When investing in banks, investments with appropriate deposit protection are preferred. The liquidity situation is controlled and monitored centrally by the Treasury department within the Central Finance department.

Derivative financial instruments are generally only used to hedge exposure from the operating business and not used to generate short-term profits. To hedge against currency risks, derivatives were used to a small extent in 2023, which were concluded in US dollars for artist contracts in the Live Entertainment segment. Financial management focuses among other things on securing the earnings and asset situation in euro, the Group’s functional currency. Generally, instruments are entered into that are designed to hedge equity exposure in euro while having a neutral impact on profit or loss. However, instruments are also entered into that are intended to hedge cash flows in foreign currency, which largely minimises the currency risk in the income statement.

A key metric used in capital risk management is the gearing ratio, which expresses the ratio of the Group’s net consolidated debt to Group equity pursuant to IFRS. Risk management aims to achieve a balanced ratio between net debt and equity.

The debt ratio is as follows:

	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Debt[1]	860,300	660,148 [3]
Cash and cash equivalents, marketable securities and other investments[2]	-1,674,848	-1,312,470 [3]
Net debt	**-814,548**	**-652,323** [3]
Equity	1,014,564	837,372 [2]
Net debt to equity	-80.3%	-77.9%

[1] Debt is defined as non-current and current financial liabilities (EUR 69,407 thousand; previous year: EUR 16,991 thousand), other non-current and current financial liabilities and non-current and current lease liabilities (EUR 835,670 thousand; previous year: EUR 688,142 thousand). Other financial liabilities were offset against ticket money receivables (EUR 44,777 thousand; previous year: EUR 44,985 thousand).
[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements
[3] Adjusted previous year's figures in accordance with IAS 8.41f. see point 1.2 in the notes to the consolidated financial statements

Net debt indicates the amount of debt that would remain if a company used its cash and cash equivalents, marketable securities and other investments to repay all of its financial liabilities. Structurally, the negative net debt results mainly from the advance payments received for future events in the Live Entertainment segment. The change in net debt results from the increase in cash and cash equivalents as well as marketable securities.

The existing syndicated credit line (revolving credit facility) in the amount of EUR 150,000 thousand was extended early by one year due to the use of a term extension option. The remaining term of the syndicated credit line is therefore just over two years (plus an extension option of one year). In addition, a working capital line of EUR 40,000 thousand was concluded. The term of the working capital line is unlimited (until further notice). For both credit lines, the financial covenants include the equity ratio and the adjusted net debt. The syndicated credit line was used in 2023 for the use of guarantee and surety agreements. The working capital line was used to a very small extent.

6.2 EARNINGS PER SHARE

Earnings per share were calculated according to IAS 33 by dividing the consolidated net result for the year, after deduction of non-controlling interests, by the number of shares outstanding (basic earnings per share). As at the balance sheet date, there is no dilution as a result of convertible bonds, stock options or similar instruments (potential common stock).

The earnings per share are determined as follows:

		2023	2022
Net result attributable to shareholders	[EUR]	274,641,463	203,747,718 [1]
Issued shares	[Qty.]	96,000,000	96,000,000
Treasury shares	[Qty.]	-8,700	-8,700
Outstanding shares	[Qty.]	95,991,300	95,991,300
Earnings per share	[EUR]	**2.86**	**2.12**

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in notes to the consolidated financial statements

At the Annual General Meeting on 16 May 2023, the following dividend of EUR 1.06 per dividend-bearing share was resolved for the 2022 financial year and paid out in the 2023 financial year.

In financial year 2023, CTS KGaA generated net income of EUR 221,929 thousand in accordance with HGB. The Executive Board of the general partner and the Supervisory Board of the Company propose to the Annual Shareholders' Meeting to distribute a dividend of EUR 137,268 thousand (EUR 1.43 per eligible share) out of the balance sheet profit of EUR 584,782 thousand as at 31 December 2023 and to carry forward the remaining amount to the balance to the new account.

6.3 SEGMENT REPORTING

The Group operates in the leisure events market with its Ticketing and Live Entertainment segments. Selling tickets for leisure events is the basic object of the Ticketing segment, which markets events (tickets) using the internet (EVENTIM.Web), its network platform (EVENTIM.Net), the in-house ticketing product (EVENTIM.Inhouse), the sports ticketing product (EVENTIM.Tixx) and a solution for ticket sales and admission control (EVENTIM.Access). The basic object of the Live Entertainment segment is to organise and stage events as well as to operate venues.

The Group's segments are structured on the basis of the internal reports to the chief operating decision maker (Management Board) and include the components required by IFRS 8. The chief operating decision maker is responsible for decisions on the allocation of resources to the operating segments and for assessing their performance.

Intersegment revenue is recognised at arm's length transfer prices.

Segment revenue is reported after consolidation within the segments, but before consolidation between the segments.

The segment-related data were determined using the significant accounting policies described in section 1.5.

Internal revenues between the Group companies in each segment have already been consolidated at segment level. Revenue between the segments is eliminated in the consolidation column. Depending on their economic substance, individual transactions are allocated to the appropriate segment, in deviation from their allocation according to the corporate structure.

Reconciliation of earnings before interest and taxes (EBIT) of the segments to the net result:

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Revenue	717,322	541,408	1,677,064	1,410,228	-35,833	-25,833	2,358,552	1,925,803
EBITDA	382,370	260,747[1]	111,617	114,350[1]	-28	10	493,959	375,108[1]
Depreciation, amortisation and impairment	-54,877	-34,630	-36,758	-26,059[2]	0	0	-91,635	-60,689[2]
EBIT	327,492	226,118[1]	74,859	88,291[1,2]	-28	10	402,324	314,419[1,2]
Financial result							6,780	26,778[1,2]
Earnings before taxes (EBT)							409,104	341,197[2]
Taxes							-135,580	-87,473[2]
Net result before non-controlling interests							273,524	253,725[2]
Thereof attributable to non-controlling interests							1,118	-49,977
Thereof attributable to shareholders of CTS KGaA							274,641	203,748[2]
Average number of employees	2,061	1,759	1,672	1,328			3,733	3,087
Normalised EBITDA	384,414	260,825[1]	117,036	119,230[1]	-28	10	501,422	380,065[1]
Normalised EBIT before amortisation and impairment from purchase price allocation	350,701	227,968[1]	89,863	101,412[1,2]	-28	10	440,536	329,391[1,2]

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets see point 1.2 in the notes to the consolidated financial statements

[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

	Ticketing		Live Entertainment		Intersegment consolidation		Group	
	2023 [EUR'000]	2022 [EUR'000]	2023 [EUR'000]	2022 [EUR'000]	2023 [EUR'000]	2022 [EUR'000]	2023 [EUR'000]	2022 [EUR'000]
EBITDA	**382,370**	**260,747[1]**	**111,617**	**114,350[1]**	**-28**	**10**	**493,959**	**375,108[1]**
Non-recurring items:	2,045	77	5,419	4,880	0	0	7,463	4,957
Legal and consulting fees for planned and carried out acquisitions	1,899	59	367	853	0	0	2,266	911
Legal and consulting fees related to infrastructure charge	146	19	0	0	0	0	146	19
Expenses from allocations of purchase prices for acquisitions that are not classified as business combinations according to IFRS 3	0	0	5,052	4,027	0	0	5,052	4,027
Normalised EBITDA	**384,414**	**260,825[1]**	**117,036**	**119,230[1]**	**-28**	**10**	**501,422**	**380,065[1]**
Amortisation and impairment	-54,877	-34,630	-36,758	-26,059[2]	0	0	-91,635	-60,689[2]
thereof amortisation and impairment resulting from purchase price allocation	21,164	1,773	9,585	8,242[2]	0	0	30,749	10,015[2]
Normalised EBIT before amortisation and impairment from purchase price allocation	**350,701**	**227,968[1]**	**89,863**	**101,412[1,2]**	**-28**	**10**	**440,536**	**329,391[1,2]**

[1] Regarding the change in the disclosure of foreign currency effects and impairment of loans and other financial assets see point 1.2 in the notes to the consolidated financial statements

[2] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

The key criteria (key financial figures) for assessing the value growth of the operating business on Group level and for each segment, are sustained increase in revenue, EBITDA (Earnings before interest, taxes, depreciation and amortisation; for the CTS Group: the EBITDA includes impairments and reversals), normalised EBITDA (Earnings before interest, taxes, depreciation and amortisation and non-recurring items), EBIT (Earnings before interest and taxes; operating result), normalised EBIT before amortisation and impairment from purchase price allocation (Earnings before interest and taxes; operating result and non-recurring items).

Non-recurring items are removed from normalised EBITDA based on a defined catalogue of parameters. These items mainly relate to legal and consulting fees for the performance of due diligence reviews for completed and planned acquisitions. Since the 2020 financial year, due to the structure of transactions, expenses were incurred for the first time from allocations of purchase prices for company acquisitions that are not classified as business combinations under IFRS 3. These expenses are comparable with amortisation and impairment, and similar expenses arising from purchase price allocations, but are reported in EBITDA. Therefore, these expenses have been adjusted as non-recurring items to be normalised in EBITDA since the 2020 financial year. For the 2020 financial year, the Management Board has adjusted the guideline regarding the scope of non-recurring items accordingly, so that the key figures normalised EBITDA and normalised EBIT before amortisation and impairment from purchase price allocation will continue to be the basis for assessing operating earnings performance.

In the period under review, EBITDA in the CTS Group (EUR 493,959 thousand) were negatively affected by non-recurring items in the Live Entertainment segment in the amount of EUR 5,419 thousand (previous year: EUR 4,880 thousand), mainly in relation to expenses from allocations of purchase prices for acquisitions that are not classified as business combinations in accordance with IFRS 3 (EUR 5,052 thousand; previous year: EUR 4,027 thousand) and other non-recurring items in connection with completed and planned acquisitions (mainly legal and consulting fees from due diligence reviews). Non-recurring items recognised in the Ticketing segment amounted to EUR 2,045 thousand (previous year: EUR 77 thousand), primarily resulting from legal and consulting fees, including those incurred for due diligence reviews).

The external and internal revenues of the segments break down as follows:

	Ticketing		Live Entertainment		Total for segment	
	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
External revenue	697,615	524,746	1,660,937	1,401,057	2,358,552	1,925,803
Internal revenue	19,707	16,663	16,126	9,171	35,833	25,833
Revenue after consolidation within the segment	**717,322**	**541,408**	**1,677,064**	**1,410,228**	**2,394,386**	**1,951,636**

GEOGRAPHICAL DISCLOSURES

The following table shows the **external revenue**, broken down by geographical distribution:

	2023	2022
	[EUR'000]	[EUR'000]
Germany	1,087,605	893,342
Italy	501,563	395,818
USA	176,007	48,617
Switzerland	164,001	149,762
Austria	155,290	145,228
Netherlands	51,061	14,385
Finland	37,555	42,029
Spain	37,174	27,838
Sweden	33,695	48,976
UK	26,726	63,302
Brasil	24,401	21,035
Denmark	14,705	23,087
Other countries	48,771	52,384
	2,358,552	**1,925,803**

The **non-current non-financial assets** are shown in the following table according to geographical distribution:

	2023	2022
	[EUR'000]	[EUR'000]
Germany	596,046	554,912
Italy	191,991	89,491
Switzerland	96,453	91,338
USA	45,549	43,407 [1]
UK	13,528	1,712
Israel	8,114	28,815
Denmark	6,488	7,887
Austria	5,128	5,324
Other countries	17,272	12,293
	980,568	**835,179**

[1] Adjusted previous year's figures due to the final purchase price allocation of BPC Tours LLC, Wilmington, USA see point 2.2 in the notes to the consolidated financial statements

The non-current non-financial assets include goodwill, property, plant and equipment, intangible assets, investments in associated companies and non-current other non-financial assets.

6.4 EMPLOYEES

Personnel expenses	2023	2022
	[EUR'000]	[EUR'000]
Wages and salaries	220,137	183,705
Social security contributions and expenses for pension and employee support	35,801	30,500
Income from refunded social security contributions	-58	-154
	255,880	**214,050**

Personnel expenses are mainly included in cost of sales (EUR 115,540 thousand; previous year: EUR 99,699 thousand), in selling expenses (EUR 64,767 thousand; previous year: EUR 52,940 thousand), and in general administrative expenses (EUR 75,547 thousand; previous year: EUR 61,339 thousand).

The employer's contribution to the statutory pension insurance classified as a defined contribution pension scheme amounted to EUR 22,065 thousand (previous year: EUR 17,438 thousand). It is included in social security contributions and expenses for pension and employee support.

On average over the year, 3,733 salaried staff (previous year: 3,087) were employed by the Group, of which 2,108 (previous year: 1,820) were employed in Germany, and 1,625 (previous year: 1,267) outside Germany.

6.5 LITIGATIONS

Administrative proceedings in Switzerland are pending, and the outcome of the proceedings is still uncertain. It cannot be ruled out that antitrust authorities, consumer protection organisations or other institutions will take issue with individual practices or agreements during ongoing or future proceedings, and require, or issue an order for modification.

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 initially 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.

The Group is involved in pending procedures and litigation as they arise in the ordinary course of business. In the opinion of the legal representatives, the settlement of these matters will not have a significant impact on the earnings performance, financial position and cash flow of the Group.

Provisions of EUR 214 thousand (previous year: EUR 3,049 thousand) were recognised for litigation costs at the balance sheet date.

6.6 CONTINGENT LIABILITIES

EVENTIM LIVE GmbH, Bremen, issued a letter of comfort to secure rental payments of up to EUR 492 thousand. This amount is reduced by the monthly rent payment. This letter of comfort not only covers the claims arising from the rental contracts but also all claims for damages that may arise from a culpable breach of duty by the tenant.

CTS KGaA is liable for bank and guarantee credit facilities of subsidiaries in the amount of EUR 47,447 thousand (previous year: EUR 28,627 thousand). As at the reporting date, the utilisation of guarantee facilities amounted to EUR 35,913 thousand (previous year: EUR 18,728 thousand). It is not expected that any claims will be asserted on account of the assumption of liability, given the positive future financial performance and earnings performance of the subsidiaries.

CTS KGaA is also liable for liabilities from outstanding fees of 27 subsidiaries with regard to payment service providers from the settlement of retail payments. A claim is not expected to arise under the arrangement because the payment service providers continuously withhold the fees from the payments processed.

CTS KGaA has issued a guarantee to cover liabilities in the amount of EUR 6,000 thousand for Lippupiste Oy, Tampere, Finland. It is valid until all outstanding payments have been met. A claim is not expected to arise under guarantee, based on the company’s positive corporate planning at the time of preparing the annual financial statements.

CTS KGaA has issued payment guarantees for nine subsidiaries to a payment service provider for the processing of B2B payment processes totalling a maximum of EUR 670 thousand. Due to the positive corporate planning of the companies at the time of preparation, no utilisation is expected.

CTS KGaA has issued a rental guarantee for CTS Eventim Solutions GmbH, Bremen. The total amount of the guarantee is limited to EUR 22 thousand. The guarantee is valid until 31 December 2024. Due to the company's positive corporate planning, no utilization is expected at the time of preparation.

CTS KGaA has issued a guarantee to EVD Milan S.R.L., Milan, Italy to the Comune di Milano, Milan, Italy for EUR 17,730 thousand. This guarantee is related to the construction of the ARENA FOR MILAN in Milan, Italy. No use is expected at the time of preparation.

FKP SCORPIO Konzertproduktionen GmbH, Hamburg, has issued a letter of comfort for liabilities in the amount of EUR 3,200 thousand for Arcadia Live GmbH, Vienna, Austria.

The other financial obligations of EUR 269,789 thousand (previous year: EUR 14,329 thousand) mainly relate to agreements for the construction of the ARENA FOR MILAN in Italy, maintenance and service contracts, contracts for the use of festival sites, and obligations to purchase intangible assets. These have a term of up to one year in the amount of EUR 76,392 thousand (previous year: EUR 8,839 thousand), and a term of more than one year in the amount of EUR 193,397 thousand (previous year: EUR 5,490 thousand).

6.7 EVENTS AFTER THE BALANCE SHEET DATE

No reportable events occurred after the balance sheet date.

6.8 DECLARATION OF COMPLIANCE

On 14 November 2023, the Management Board of the general partner and the Supervisory Board of CTS KGaA released a combined declaration of compliance with the recommendations of the 'Government Commission on the German Corporate Governance Code' pursuant to § 161 AktG, and made the declaration permanently available to shareholders on the CTS KGaA website (https://corporate.eventim.de/en/investor-relations/corporate-governance/).

6.9 UTILISATION OF § 264 (3) HGB AND § 264b HGB

Some corporations and business partnerships that are affiliated consolidated companies of CTS KGaA elected to exercise the exemption option provided for under § 264 (3) HGB and § 264b HGB with regard to the preparation and disclosure of their annual financial statements:

- CTS Eventim Solutions GmbH, Bremen
- Ticket Online Sales & Service Center GmbH, Parchim
- CTS Eventim Sports GmbH, Hamburg
- eventimpresents GmbH & Co. KG, Bremen
- JUG Jet Air GmbH & Co. KG, Bremen
- getgo consulting GmbH, Hamburg
- Arena Management GmbH, Cologne
- Arena Holding GmbH, Cologne
- Arena Event GmbH, Cologne
- DERTICKETSERVICE.DE GmbH & Co. KG, Cologne
- CTS Eventim Nederland B.V., Amsterdam[1]
- HOI Touring Productions B.V., Amsterdam[1]

[1]The use of the exemption is in accordance with Article 2:403 of the Dutch Civil Code

6.10 NOTIFIABLE SECURITIES TRANSACTIONS PURSUANT TO § 19 MAR (MARKET ABUSE REGULATION)

In the 2023 financial year, there were no transactions by members of the executive bodies of CTS KGaA with no-par value bearer shares of the Company (ISIN DE0005470306).

6.11 RELATED PARTY DISCLOSURES

In accordance with IAS 24, companies or persons that exercise control over, or are controlled by the Group must be disclosed unless they have already been included as consolidated companies in the consolidated financial statements of the Group.

The transactions of the CTS Group with related parties (companies and persons) pertain to reciprocal services and were concluded exclusively at the arm's-length conditions which normally apply between third parties. The accounting policies set out in item 1.5 were applied preparing the disclosures.

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

The contractual relationships with related parties resulted in the following goods and services being sold to related parties in the 2023 reporting period:

	Companies not consolidated due to insignificance		Associated companies		Other related parties		Joint ventures		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Supply of ticketing software	691	425	4,894	4,906	324	94	0	0	5,908	5,425
Passing on of operating costs	472	529	1,024	323	321	449	54	66	1,870	1,367
Services related to events	16	12	2,242	852	1,239	16	0	0	3,497	880
Other	102	66	110	71	711	128	40,121	0	41,044	266
	1,281	**1,033**	**8,271**	**6,152**	**2,594**	**687**	**40,175**	**66**	**52,320**	**7,938**

EUR 1,281 thousand (previous year: EUR 1,033 thousand) in goods and services were supplied by the Group to companies not consolidated due to insignificance, EUR 8,271 thousand (previous year: EUR 6,152 thousand) to associates accounted for at equity, EUR 2,594 thousand (previous year: EUR 687 thousand) to other related parties (KPS Group), and EUR 40,175 thousand (previous year: EUR 66) to joint ventures. The increase in income from joint ventures is the result of income from compensation against the Federal Republic of Germany.

In addition, bad debt losses of EUR 26 thousand were recognised in relation to subsidiaries that were not consolidated due to immateriality. On the other hand, there is income from the reversal of individual valuation allowances for companies not consolidated due to insignificance in the amount of EUR 152 thousand.

The contractual relationships with related parties resulted in the following goods and services being received from related parties in the 2023 reporting period:

	Companies not consolidated due to insignificance		Associated companies		Other related parties		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
Fulfilment and customer services, transfer of postage	0	0	0	0	22,445	19,057	22,445	19,057
Tenancy agreements	0	0	104	176	2,418	2,706	2,522	2,881
Payment services	10	0	0	0	2,075	2,073	2,085	2,073
Production costs for events	39	167	399	68	1,686	961	2,123	1,196
Call center operations	6	0	22	62	138	320	166	382
Agency agreements	0	0	22	62	134	296	155	358
Passing on of operating costs	0	0	53	0	17	0	70	0
Other	0	0	131	29	2,715	2	2,847	31
	55	**167**	**731**	**397**	**31,628**	**25,414**	**32,413**	**25,978**

EUR 55 thousand (previous year: EUR 167 thousand) in goods and services were received by the Group from companies not consolidated due to insignificance, EUR 731 thousand (previous year: EUR 397 thousand) from associates accounted for at equity, and EUR 31,628 thousand (previous year: EUR 25,414 thousand) by other related parties (KPS Group).

Receivables from related parties are composed as follows as at 31 December 2023:

	31 Dec 2023	31 Dec 2022
Receivables from	**[EUR'000]**	**[EUR'000]**
Subsidiaries not included in consolidation due to insignificance	3,791	4,700
Associated companies	4,655	3,562
Joint Venture	0	11,175
Other related parties	508	610
	8,955	**20,046**

Liabilities to related companies and persons are composed as follows as at 31 December 2023:

Liabilities to	31 Dec 2023 [EUR'000]	31 Dec 2022 [EUR'000]
Subsidiaries not included in consolidation due to insignificance	5,383	4,237
Associated companies	1,272	1,050
Other related parties	2,604	2,867
	9,259	**8,154**

Liabilities to related parties are unsecured.

Compensation paid to managers in key positions are disclosed under item 6.13 in the notes to the consolidated financial statements.

6.12 AUDITOR EXPENSES

At the Annual Shareholders' Meeting of CTS KGaA in May 2023, KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg (hereinafter: KPMG), was elected as the auditor for the 2023 financial year.

In financial year 2023, the expenses for audit fees amounted to EUR 557 thousand of that amount, EUR 33 thousand was charged for the previous year (previous year: EUR 427 thousand, thereof EUR 6 thousand was charged for the previous year) and for other assurance services EUR 54 thousand (previous year: EUR 52 thousand). The assurance services were provided mainly in connection with the audit of the non-financial Group report and the covenant certificate. There were no expenses for other auditor services in the 2022 and 2023 financial years.

6.13 MANDATES AND REMUNERATION OF MEMBERS OF MANAGEMENT IN KEY POSITIONS

Key management personnel within the CTS Group include members of the Management Board and the Supervisory Board.

The remuneration of the Executive Board, entirely short-term benefits within the meaning of IAS 19, totalled EUR 7,692 thousand (previous year: EUR 7,406 thousand). Expenses for variable remuneration of EUR 1,550 thousand were recorded in the reporting year (previous year: EUR 3,100 thousand). In connection with the extensions of the employment contracts of the CEO and the COO for a further three years, one-off special payments totalling EUR 1,625 thousand were also granted. As of the reporting date, EUR 1,550 thousand (previous year: EUR 3,833 thousand) had not yet been paid. The total Executive Board renumeration pursuant to HGB also came to EUR 7,692 thousand (previous year: EUR 7,406 thousand).

During the reporting year, the members of the Executive Board of EVENTIM Management AG, Hamburg, did not hold any supervisory board positions requiring disclosure.

The remuneration for the members of the Supervisory Board of CTS KGaA, entirely short-term benefits within the meaning of IAS 19, totalled EUR 225 thousand for the financial year 2023 (previous year: EUR 229 thousand). The reimbursement of expenses amount to EUR 9 thousand (previous year: EUR 1 thousand). An amount of EUR 383 thousand (previous year: EUR 263 thousand) had not been paid as at the balance sheet date. This partially refers to remuneration from previous years. As a regular member of the Supervisory Board of CTS KGaA, Dr. Schulenberg waived 50% of her Supervisory Board remuneration for 2017 and all subsequent years in financial year 2019. The total Supervisory Board compensation pursuant to HGB also came to EUR 225 thousand (previous year: EUR 229 thousand).

The members of the Supervisory Board exercised the following mandates in the financial year:

Dr. Bernd Kundrun, Managing Director of Start 2 Ventures GmbH, Hamburg, Germany

– Chairman –

other supervisory board positions and comparable regulatory bodies:

- EVENTIM Management AG, Hamburg, Germany
- Gut.org gemeinnützige Aktiengesellschaft, Berlin, Germany (Honorary Chairman)
- Rivean Capital, Zurich, Switzerland (Member of the Advisory Board)
- Toner Partner GmbH, Hattingen, Germany (Chairman of the Advisory Board)

Dr. Cornelius Baur, CEO – European healthcare Acquisition and Growth Company B.V., Munich, Germany

– Vice Chairman –

other supervisory board positions:

- EVENTIM Management AG, Hamburg, Germany
- Evonik Industries AG, Essen, Germany

Dr. Juliane Schulenberg, Government Director at the Commission for Culture and Media, Hamburg, Germany

other supervisory board positions:

- EVENTIM Management AG, Hamburg, Germany

Philipp Westermeyer, Managing Partner of ramp106 GmbH, Hamburg, Germany

other supervisory board positions and comparable regulatory bodies:

- EVENTIM Management AG, Hamburg, Germany
- HASPA Finanzholding (Member of the Board of Trustees), Hamburg, Germany
- Hamburg Media School Stiftung (Member of the Management Board), Hamburg, Germany

Individualised information on the remuneration of the Executive Board and the Supervisory Board is presented in the remuneration report, which is made permanently available on the CTS KGaA website (https://corporate.eventim.de/en/investor-relations/corporate-governance/).

6.14 PARTICIPATING PERSONS

The Company received notifications under Section 33 of the German Securities Trading Act (WpHG) concerning shareholdings reaching or exceeding 3% or 5% of the voting rights, and shareholdings exceeding or falling below 3% or 5% of the voting rights.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 23 February 2023 and amounted to 5.32% (5,109,864 voting rights) at that date, and that 5.32% (5,109,864 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 28 February 2023, and amounted to 5.23% (5,019,333 voting rights) at that date, and that 5.23% (5,019,333 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 8 March 2023, and amounted to 5.33% (5,115,117 voting rights) at that date, and that 5.33% (5,115,117 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 9 March 2023, and amounted to 5.22% (5,008,985 voting rights) at that date, and that 5.22% (5,008,985 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 10 March 2023, and amounted to 5.31% (5,092,925 voting rights) at that date, and that 5.31% (5,092,925 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 14 March 2023, and amounted to 5.28% (5,068,496 voting rights) at that date, and that 5.28% (5,068,496 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Ameriprise Financial Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 5 April 2023, and amounted to 3.17% (3,045,921 voting rights) at that date, and that 3.17% (3,045,921 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 25 April 2023, and amounted to 5.22% (5,011,169 voting rights) at that date, and that 5.22% (5,011,169 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The AIM International Mutual Funds (Invesco International Mutual Funds), Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 3% on 9 May 2023, and amounted to 2.96% (2,840,661 voting rights) at that date, and that 2.96% (2,840,661 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Ameriprise Financial Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 3% on 10 May 2023, and amounted to 2.95% (2,828,047 voting rights) at that date, and that 2.95% (2,828,047 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 31 May 2023, and amounted to 5.28% (5,068,804 voting rights) at that date, and that 5.28% (5,068,804 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 2 June 2023, and amounted to 5.32% (5,102,441 voting rights) at that date, and that 5.32% (5,102,441 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 9 June 2023, and amounted to 5.30% (5,084,641 voting rights) at that date, and that 5.30% (5,084,641 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 12 June 2023, and amounted to 5.13% (4,921,503 voting rights) at that date, and that 5.13% (4,921,503 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 5% on 23 June 2023, and amounted to 4.87% (4,672,430 voting rights) at that date, and that 4.87% (4,672,430 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 5% on 29 June 2023, and amounted to 4.55% (4,370,936 voting rights) at that date, and that 4.55% (4,370,936 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 11 August 2023, and amounted to 3.12% (2,990,568 voting rights) at that date, and that 3.12% (2,990,568 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 22 August 2023, and amounted to 3.11% (2,988,028 voting rights) at that date, and that 3.11% (2,988,028 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 30 August 2023, and amounted to 3.11% (2,982,329 voting rights) at that date, and that 3.11% (2,982,329 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 3% on 14 September 2023, and amounted to 2.98% (2,858,819 voting rights) at that date, and that 2.98% (2,858,819 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

On 28 December 2015, Mr. Klaus-Peter Schulenberg transferred his shares in CTS KGaA and his shares in EVENTIM Management AG to KPS Stiftung, Hamburg, Germany. Mr. Klaus-Peter Schulenberg's shareholdings in CTS KGaA and EVENTIM Management AG were merely converted from a direct into an indirect holding and amount to 38.8% of the voting rights in the Company as at 31 December 2023.

7. ASSURANCE BY LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the Group's earnings performance, financial position and cash flow, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the Group’s expected development.

Bremen, 8 March 2024

CTS Eventim AG & Co. KGaA

represented by:

EVENTIM Management AG, general partner

Klaus-Peter Schulenberg | Holger Hohrein | Alexander Ruoff

6. INDEPENDENT AUDITOR'S REPORT

To CTS Eventim AG & Co. KGaA, Munich

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of CTS Eventim AG & Co. KGaA, Munich, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of CTS Eventim AG & Co. KGaA and the Group (combined management report) for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue recognition from the provision of services in the Ticketing and Live Entertainment segments

Please refer to Section 1.5 ("Accounting policies – expense and revenue recognition") in the notes to the consolidation financial statements for further information on the accounting policies used and assumptions made. Disclosures on the amount of revenue in the Ticketing and Live Entertainment segments are contained in the notes to the consolidated financial statements in Section "5. Notes to the consolidated income statement – Revenue (1)" and in the combined management report in Section "3.4.3 Business performance of the CTS Group".

THE FINANCIAL STATEMENT RISK

The Group's revenue amounted to EUR 717.32 million in the Ticketing segment and EUR 1,677.06 million in the Live Entertainment segment in financial year 2023. Revenue in the Ticketing segment is generated mainly from brokering and sending tickets for concerts, theater, art, sports and other events (collectively referred to as "Ticketing services"), for which CTS Eventim earns ticket fees. Revenue in the Live Entertainment segment is generated primarily from planning, preparing and carrying out tours, events and festivals – in particular in the area of music and concerts – as well as from the marketing of concert productions and the operation of event venues (referred to collectively as "Live Entertainment services").

CTS Eventim recognizes revenue upon fulfillment of the performance obligations by transferring the promised tickets and live entertainment services to the end customers. Services in the Ticketing segment in this regard for the sale of tickets to end customers are recognized on the date when the tickets are sold. Ticket fees received in the Live Entertainment segment during advance sales represent contract liabilities according to IFRS 15 and are treated as deferred income under advance payments received. When the Live Entertainment service is rendered, revenue is recognized over the time of the event and, thus, the advance payments received are reclassified as revenue.

The large number of business transactions as well as the deferrals necessary in the Live Entertainment segment concerning advance payments received from end customers mean there is a risk for the financial statements that revenue is not presented in the correct amount and – for the Live Entertainment segment – not presented in the correct period.

OUR AUDIT APPROACH

In order to assess the risks of material misstatement, we initially obtained – with due regard to the industry and the business environment as well as the significant accounting policies – an understanding of the process workflows and the established internal control system in conjunction with the recognition of revenue.

To the extent the internal controls identified by us were relevant for revenue recognition, we examined the design, establishment and effectiveness of these controls. For the Ticketing segment, besides the automatic internal controls concerning the user authorization concept and for accurately calculating the fee components, we also tested the manual internal controls for entering events in the IT system and for the correct and complete transfer between the IT systems. In the Live Entertainment segment we assessed those manual internal controls that show a connection to external proof of performance, invoicing and recognition of revenue on an accrual basis.

Furthermore, based on the contractual agreements, we checked in the Ticketing segment the correct recognition of revenue from ticket sales in the ticketing system and assessed its correct and complete transfer into the accounting system. Moreover, we assessed the existence of revenue from ticket sales by comparing the sales transactions with the event invoices. The basis for this was revenue selected using statistical procedures.

We assessed the revenue of the Live Entertainment segment by comparing event invoicing with the accompanying underlying data of the ticketing providers, receipt of payment for ticket fees and external documentary evidence of event execution and evaluated the requirements for revenue recognition. This was based on revenue recognized during financial year 2023 and selected using a statistical procedure. In addition, for a defined period before the reporting date, we examined revenue postings selected on the basis of a statistical procedure using external sources, such as press reports, corresponding to the period of the services rendered and satisfied ourselves that the revenue and the advance payments received were recognized on an accrual basis.

OUR OBSERVATIONS

The approach adopted by CTS Eventim Group for recognizing revenue in the Ticketing and Live Entertainment segments using the accrual basis of accounting is appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Company's and Group's separate combined non-financial report, which is referred to in the combined management report, and
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and

- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the 'ESEF documents') contained in the electronic file „ESEF20240319051621.zip" (SHA256-Hashwert: 9dd42f7d6cbdcb31c79ee6ef569a2950a31103666170724ccb1cc33e9d311751) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ('ESEF format'). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on May 16, 2023. We were engaged by the Supervisory Board on December 18, 2023. We have been the group auditor of CTS Eventim AG & Co. KGaA without interruption since financial year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (longform audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Frank Thiele.

Hamburg, 20 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Thiele Wirtschaftsprüfer [German Public Auditor]	Dr. Uschkurat Wirtschaftsprüfer [German Public Auditor]

7. FINANCIAL STATEMENTS OF CTS KGaA 2023

BALANCE SHEET OF CTS KGaA AS AT 31 DECEMBER 2023 (HGB)

ASSETS	31 Dec 2023	31 Dec 2022
	[EUR]	[EUR]
A. FIXED ASSETS		
I. Intangible assets		
1. Internally generated industrial property rights and similar rights and assets	0	13,716
2. Aquired concessions, industrial property rights and similar rights and assets, and licences in such right and assets	48,058,507	49,997,822
3. Goodwill	1	1
4. Advances paid	2,527,835	2,978,880
	50,586,342	**52,990,418**
II. Property, plant and equipment		
1. Other real estate, land rights and buildings, including buildings on third-party properties	730,217	1,045,820
2. Other facilities, operating and office equipment	2,890,259	3,429,619
	3,620,476	**4,475,439**
III. Investments		
1. Shares in affiliated companies	442,739,603	314,619,972
2. Participations	88,479,086	88,479,086
	531,218,690	**403,099,059**
B. CURRENT ASSETS		
I. Inventories		
1. Unfinished products, unfinished services	6,482,031	2,142,228
2. Finished products and goods	38,934	80,377
3. Payments on account	2,056,851	1,327,604
	8,577,816	**3,550,209**
II. Receivables and other assets		
1. Trade receivables	11,329,505	8,473,416
2. Receivables from affiliated companies	279,941,529	190,368,058
3. Receivables from participations	1,450,579	12,707,434
4. Other assets	26,906,670	15,853,909 [1]
	319,628,282	**227,402,817**
III. Securities		
Other securities	**103,968,426**	**0**
VI. Cheques, cash in hand and bank balances	**584,449,774**	**575,491,082** [1]
C. PREPAID EXPENSES	**5,213,164**	**3,105,257**
D. DEFERRED TAX ASSETS	**2,335,246**	**2,723,047**
TOTAL ASSETS	**1,609,598,215**	**1,272,837,327**

[1] In the previous year, ticket money receivables were reclassified from other assets to cash and cash equivalents (EUR 43,546 thousand).

SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec 2023	31 Dec 2022
	[EUR]	[EUR]
A. SHAREHOLDERS' EQUITY		
I. Share capital	96,000,000	96,000,000
./. less par value of treasury shares	-8,700	-8,700
II. Capital reserve	2,400,000	2,400,000
III. Statutory reserve	7,200,000	7,200,000
IV. Balance sheet profit	584,782,266	464,603,659
	690,373,566	**570,194,959**
B. PROVISIONS		
1. Tax provisions	39,732,099	47,417,496
2. Other provisions	54,811,762	39,839,974
	94,543,861	**87,257,469**
C. LIABILITIES		
1. Liabilities to banks	15,974	19,892
2. Advance payments received on orders	10,193,331	5,146,278
3. Trade payables	12,165,125	9,460,091
4. Liabilities to affiliated companies	361,516,159	257,888,462
5. Other liabilities	426,228,740	328,537,250
	810,119,329	**601,051,973**
D. DEFERRED INCOME	**0**	**0**
E. DEFERRED TAX LIABILITIES	**14,561,459**	**14,332,926**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,609,598,215**	**1,272,837,327**

INCOME STATEMENT OF CTS KGaA FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023 (HGB)

		1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
		[EUR]	[EUR]
1.	Revenue	367,809,440	280,281,273
2.	Cost of sales	-132,790,746	-108,622,028
3.	**Gross profit**	**235,018,694**	**171,659,244**
4.	Selling expenses	-60,617,733	-43,832,987
5.	General administrative expenses	-33,720,148	-28,567,314
6.	Other operating income thereof from currency translation EUR 1,950,945 (2022: EUR 6,593,275)	19,731,675	18,445,654
7.	Other operating expenses thereof from currency translation EUR 6,229,739 (2022: EUR 2,747,039)	-26,215,133	-5,590,914
8.	Income from participations	81,995,525	17,103,646
9.	Income from profit transfer agreements	87,135,740	36,654,035
10.	Other interest and similar income	19,841,667	3,430,758
11.	Depreciation on financial assets	-8,177,749	-3,970,408
12.	Expenses from loss transfer	0	-3,538,888
13.	Interest and similar expenses	-7,641,125	-3,231,198
14.	Income taxes thereof expenses from deferred taxes EUR -616,333 (2022: EUR -13,152,651)	-85,420,373	-49,160,419
15.	**Profit after taxes**	**221,931,042**	**109,401,210**
16.	Other taxes	-1,657	-4,250
17.	**Net income for the year**	**221,929,385**	**109,396,960**
18.	Profit carried forward from the previous year	362,852,881	355,206,699
19.	Balance sheet profit	584,782,266	464,603,659

NOTES TO THE FINANCIAL STATEMENTS FOR THE 2023 FINANCIAL YEAR

1. PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of CTS KGaA, Munich (registered with the commercial register at the Munich local court under no. HRB 212700) for the 2023 financial year were prepared in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) for large corporations and the supplementary regulations of the Stock Corporation Act (Aktiengesetz). The financial year is the calendar year. The annual financial statements are prepared in euros. All amounts in the balance sheet and income statement are respectively rounded to the nearest euro. All amounts in the notes are respectively rounded to the nearest thousand euros. This may mean that the individual figures do not add up to the totals shown.

CTS KGaA as the ultimate parent company prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*). In addition, the consolidated financial statements are available on the Internet at https://corporate.eventim.de/en/investor-relations/financial-reports/.

2. PROCESSES OF SIGNIFICANT IMPORTANCE

The previous year's figures have been adjusted in the balance sheet. Ticket money receivables were reclassified from other assets to cash and cash equivalents (EUR 43,546 thousand). These are credit balances with operators of online payment services that have a banking licence and receivables from banks that have assumed their customers' payment obligations.

The existing syndicated credit line (revolving credit facility) in the amount of EUR 150,000 thousand was extended prematurely by one year due to the utilisation of a maturity extension option. The remaining term of the syndicated credit line is therefore just over two years (plus a further one-year extension option). In addition, a working capital line of EUR 40,000 thousand was concluded. The term of the working capital line is unlimited (until further notice). The financial covenants for both credit lines include the equity ratio and adjusted net debt. The syndicated credit line was utilised in 2023 for the use of guarantee and surety agreements. The working capital line serves as an additional liquidity reserve.

CTS KGaA holds 50% of the shares in autoTicket, which is recognised as a participation. At the end of December 2018, the Federal Motor Transport Authority (Kraftfahrt-Bundesamt) assigned the company the task of setting up an infrastructure charging system and collecting the infrastructure charge for a period of at least 12 years. In June 2019, the contract for the collection of the German infrastructure charge between the Federal Republic of Germany and the company was terminated by the Federal Ministry for Digital and Transport with effect from 30 September 2019. Following the cancellation of the operating agreement, the shareholders decided in December 2019 to assert the contractually agreed financial claims against the Federal Republic of Germany. In March 2022, the independent arbitration tribunal responsible under the operating agreement confirmed in an interim award that the claims asserted by autoTicket in the arbitration proceedings for compensation for the gross enterprise value and for reimbursement of the costs incurred in connection with the termination of the operating agreement exist on the merits. In July 2023, the arbitration tribunal proposed to autoTicket and its shareholders on the one hand and the Federal Republic of Germany on the other to end the car toll arbitration proceedings by agreeing on compensation totalling EUR 243 million including interest. autoTicket and its shareholders as well as the Federal Republic of Germany have agreed to the arbitration court's settlement proposal. The amount was recognised accordingly in the third quarter of 2023. In the reporting year, CTS KGaA received EUR 28,000 thousand as an advance distribution, which is reported under income from investments. In addition, EUR 1,090 thousand from compensation claims due to the termination of the subcontractor agreement were recognised as compensation for damages in other operating income.

3. ACCOUNTING POLICIES
3.1 GENERAL DISCLOSURES

The structure of the balance sheet complies with that specified in § 266 HGB in conjunction with § 152 AktG; the income statement is presented under the cost of sales format, pursuant to § 275 (3) HGB. The supplementary disclosures pursuant to § 158 AktG are provided in the notes.

The expenses are presented in the income statement according to functions. The income statement is initially prepared under the total cost method and, via a conversion key method of, the cost elements to be assigned, the expense items are reclassified to the functional costs under the cost of sales method. The allocation of the cost types is either done on a 100% basis or allocated according to the number of employees and the personnel costs. Based on this conversion key, the cost of materials, personnel expenses, depreciation, amortisation, and other operating expenses under the total cost method are allocated to cost of sales, selling expenses, general administrative expenses, and other operating expenses.

To enhance clarity and transparency of presentation, the comments to be made in accordance with legal requirements in respect of items in the balance sheet and the income statement, and the comments which may be stated either in the balance sheet or in the income statement, respectively, are mostly presented in the notes.

3.2 RECOGNITION AND MEASUREMENT

Intangible assets acquired for a consideration are recognised at cost. Intangible assets are amortised on a straight-line basis, and on a pro rata temporis basis in the year of acquisition. A useful life of 10 years is assumed for the capitalised releases of the 'Global Ticketing System'. Other intangible assets, such as software and licenses, are amortised over a useful life of between 2 and 10 years. Trademark rights are amortised over 5-10 years.

Property, plant and equipment is measured at cost minus depreciation, if applicable. Depreciation is charged on a straight-line basis using standard useful lives. Depreciation is charged pro rata temporis. Depreciation of other equipment,operating and office equipment is mainly based on useful lives of between 3 and 13 years. Write-downs to the lower fair value are also recognised if necessary. Independently usable, movable items of fixed assets that are subject to depreciation and have been acquired at a cost of no more than EUR 800 are capitalised in the year of acquisition and written off in full.

Investments are recognised at cost or written down to the lower fair value for any reduction in value that is expected to be permanent.

Inventories are measured at cost, taking ancillary expenses into account, or at the lower market prices. The principles of fair value measurement have been taken into account.

Receivables and other assets are measured at their nominal value under consideration of all discernible risks. Specific valuation allowances are recorded to account for any discernible risk exposures due to insolvencies or creditworthiness. General valuation allowances are recognised for 1% of the net amount of receivables. Other assets include factoring receivables against an external service provider that arose in connection with the introduction of new types of payment to secure customer receivables from ticket sales. All material risks and opportunities are transferred in factoring. CTS KGaA does not provide any further services related to sold receivables.

Other securities are recognised at the lower of cost or fair value.

In addition to cash in hand and bank balances, **cheques, cash in hand and bank balances** also include term deposits that are available at any time against payment of a prepayment penalty. These items are recognised at their nominal value on the balance sheet date. This item also includes balances with operators of online payment services that have a banking licence as well as receivables from banks that have assumed their customers' payment obligations. The amounts recognised represent the claim against these service providers as at the reporting date.

Prepaid expenses include payments made before the closing date that represent expenses for a specific period after the reporting date.

Share capital is measured at nominal value. Treasury shares are deducted from share capital and are reported in a separate line item.

Provisions are recognised at the settlement amount and are measured at an appropriate amount that is sufficient to cover discernible risks and contingencies, in accordance with the principles of prudent business judgement. Any future increases in prices and costs were taken into account when determining provisions.

Liabilities are reported at their settlement amount.

Deferred income includes payments made before the reporting date that represent income for a specific period after the reporting date.

Deferred taxes are recognised for temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income, and their respective tax bases, or due to tax loss carryforwards. These deferred taxes are measured at the company-specific tax rates at the time the differences are released. The resulting tax charges and tax benefits are not discounted. Deferred tax assets and liabilities are not offset against each other.

Assets and liabilities denominated in foreign currencies were recognised in principle with the average spot exchange rate converted at the balance sheet date. With a remaining term of more than a year, the principle of realisation (§ 252 (1) no. 4 clause 2 HGB) and the cost of acquisition principle (§ 253 (1) sentence 1 HGB) were observed. The notes on currency translation presented in the income statement include both realised and unrealised exchange rate differences.

All revenue from the sale and rental of products and from the provision of services after deduction of sales deductions and value added tax is recognised under **revenue**, provided that the company has provided its service or a separately billable partial service. In the area of services, the company acts as an agent and recognises the fees associated with the provision of services as revenue.

4. NOTES AND COMMENTS ON SPECIFIC ITEMS OF THE ANNUAL FINANCIAL STATEMENTS
4.1 BALANCE SHEET

ASSETS

Statement of changes in assets for the period from 1 January to 31 December 2023

	Historical cost				
	Status 1 Jan 2023	Addition	Disposal	Reclassifi-cation	Status 31 Dec 2023
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
I. Intangible assets					
1. Internally generated industrial property rights and similar rights and assets	1,062	0	0	0	1,062
2. Aquired concessions, industrial property rights and similar rights and assets, and licences in such rights and assets	154,121	8,790	120	2,402	165,194
3. Goodwill	77,575	0	0	0	77,575
4. Payments on account	2,979	1,951	0	-2,402	2,528
	235,737	**10,741**	**120**	**0**	**246,358**
II. Property, plant and equipment					
1. Other real estate, land rights and buildings, including buildings on third-party properties	2,845	0	0	0	2,845
2. Other property, plant and office equipment	11,700	504	66	0	12,139
	14,545	**504**	**66**	**0**	**14,983**
III. Investments					
1. Shares in affiliated companies	321,146	136,401	104	0	457,443
2. Participations	89,049	0	0	0	89,049
	410,194	**136,401**	**104**	**0**	**546,492**
Total	**660,476**	**147,647**	**290**	**0**	**807,833**

Accumulative depreciation and amortisation					Carrying value	
Status 1 Jan 2023	Addition	Disposal	Reclassifi-cation	Status 31 Dec 2023	Status 31 Dec 2023	Status 31 Dec 2022
[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
1,048	14	0	0	1,062	0	14
104,123	13,132	120	0	117,135	48,059	49,998
77,575	0	0	0	77,575	0	0
0	0	0	0	0	2,528	2,979
182,746	**13,145**	**120**	**0**	**195,772**	**50,586**	**52,990**
1,799	316	0	0	2,114	730	1,046
8,271	1,043	66	0	9,248	2,890	3,430
10,070	**1,359**	**66**	**0**	**11,363**	**3,621**	**4,475**
6,526	8,178	0	0	14,703	442,740	314,620
569	0	0	0	569	88,479	88,479
7,095	**8,178**	**0**	**0**	**15,273**	**531,219**	**403,099**
199,911	**22,682**	**186**	**0**	**222,407**	**585,426**	**460,565**

The additions to **fixed assets** in the amount of EUR 147,646 thousand (previous year: EUR 103,724 thousand) comprise additions to intangible assets (EUR 10,741 thousand; previous year: EUR 11,312 thousand), property, plant and equipment (EUR 504 thousand; previous year: EUR 2,129 thousand) and investments (EUR 136,401 thousand; previous year: EUR 90,283 thousand). Additions to intangible assets, including prepayments, mainly relate the further development of the Global Ticketing System (EUR 10,728 thousand; previous year: EUR 9,265 thousand). Additions to property, plant and equipment mainly comprise IT hardware for the operation of the Global Ticketing System (EUR 75 thousand; previous year: EUR 1,569 thousand), IT hardware equipment (EUR 239 thousand; previous year: EUR 217 thousand) and low-value assets (EUR 158 thousand; previous year: EUR 316 thousand). The additions to financial assets relate to payments into the capital reserves of affiliated companies (EUR 136,401 thousand; previous year: EUR 86,300 thousand). This mainly relates to the payment into the capital reserves of getgo consulting GmbH (EUR 114,255 thousand) and, in the previous year, EVENTIM LIVE INTERNATIONAL GMBH (EUR 86,300 thousand).

Disposals of fixed assets of EUR 290 thousand (previous year: EUR 7,963 thousand) comprise amortised software included in intangible assets (EUR 120 thousand; previous year: EUR 2,145 thousand), depreciated hardware included in property, plant and equipment (EUR 66 thousand; previous year: EUR 645 thousand), as well as the sale of amortised shares in one company (EUR 104 thousand; previous year: EUR 4,546 thousand), included in investments.

Reclassifications within the intangible assets comprise, in particular, software development services put into operation in relation to the Global Ticketing System.

Inventories mainly include work in progress totalling EUR 6,482 thousand (previous year: EUR 2,142 thousand) and advance payments on inventories of EUR 2,057 thousand (previous year: EUR 1,328 thousand).

All **trade receivables** are payable within one year.

Receivables from affiliated companies mainly include trade receivables totalling EUR 10,903 thousand (previous year: EUR 10,868 thousand) and loan receivables of EUR 182,261 thousand (previous year: EUR 129,393 thousand) as well as cash pooling receivables from certain subsidiaries of CTS KGaA of EUR 15,086 thousand (previous year: EUR 8,689 thousand). Receivables of EUR 52,917 thousand (previous year: EUR 36,525 thousand) have a remaining term of more than one year.

The **receivables from participations** include trade receivables of EUR 1,451 thousand (previous year: EUR 1,248 thousand) and loan receivables of EUR 11,459 in the previous year.

Other assets include receivables of EUR 2,552 thousand with a remaining term of one year (previous year: EUR 951 thousand).

The **other securities** include newly concluded commercial paper and short-term bearer bonds for short-term investments and liquidity management totalling EUR 103,968 thousand (previous year: EUR 0 thousand).

Cheques, cash and cash equivalents mainly include bank balances of EUR 137,742 thousand (previous year: EUR 393,021 thousand), term deposits of EUR 415,721 thousand (previous year: EUR 138,881 thousand), balances with payment service providers of EUR 19,079 thousand (previous year: EUR 37,503 thousand) and receivables from banks of EUR 11,888 thousand (previous year: EUR 6,066 thousand). Of the amounts recognised, EUR 28,867 thousand (previous year: EUR 41,531 thousand) are in transit.

Prepaid expenses mainly comprise prepaid licence fees for services provided over time in the amount of EUR 2,466 thousand (previous year: EUR 1,805 thousand), maintenance expenses in the amount of EUR 403 thousand (previous year: EUR 692 thousand), and financing costs of EUR 206 thousand (previous year: EUR 383 thousand).

Deferred tax assets (EUR 2,335 thousand; previous year: EUR 2,723 thousand) mainly resulted from differences between the carrying amounts on the balance sheet under commercial law and the related tax base (EUR 2,099 thousand; previous year: EUR 2,671 thousand).

SHAREHOLDERS' EQUITY AND LIABILITIES

The **share capital** of CTS KGaA amounts to EUR 96,000,000 and is divided into 96,000,000 no-par value bearer shares. Each share grants a voting right and presents an arithmetic share in the share capital of EUR 1.00. All shares are fully paid in. The CTS KGaA holds 8,700 own shares, 95,991,300 shares were in issue during the entire financial year. According to the German Stock Corporation Act (AktG), capital and legal reserves are restricted for use.

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

By resolution of the Shareholders' Meeting held on 13 January 2021, the general partner was authorised to issue bonds, contingent on Supervisory Board approval, to issue warrant bonds and convertible bonds by 12 January 2026 to a total par value of up to EUR 800,000,000 and with or without a maximum term, and to grant the bearers of warrant bonds options and the bearers of convertible bonds conversion rights on up to 19,200,000 new no-par bearer shares of the Company, equal to share capital of up to EUR 19,200,000 in accordance with the details of the terms of issue of the bonds. The authorisation may be applied in full or in part.

The Shareholders' Meeting on 13 January 2021 also resolved to cancel the contingent capital 2018 and to conditionally increase the Company's share capital by up to EUR 19,200,000, by issuing up to 19,200,000 new no-par value bearer shares (contingent capital 2021). The shares will be issued at the conversion or exercise price to be determined in accordance with the resolution above. The contingent capital increase will only be carried out to the extent that the holders of conversion or warrant rights exercise such rights or fulfil conversion or warrant obligations or the Company exercises its right to grant shares in the Company in full or in part instead of payment of the sum due.

By resolution of the Shareholders' Meeting of 13 January 2021, the general partner is authorised to increase the share capital in the period up to 12 January 2026, with the approval of the Supervisory Board, on one or more occasions by up to EUR 19,200,000 in total by issuing up to 19,200,000 bearer shares against contributions in cash or in kind (approved capital 2021).

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

Treasury shares of EUR 8,700 originally result from 2,175 shares that were purchased on 31 July 2007 at a price of EUR 28.99 per share due to a shareholder resolution pursuant to § 71 (1) No. 8 AktG. As a result of share capital increases the number of treasury shares currently amounts to 8,700 shares at an appropriate purchase price of EUR 7.25. They represent 0.0090625% of the share capital.

By resolution of the Annual Shareholders' Meeting on 7 May 2021, the general partner was authorised until 6 May 2026 to purchase treasury shares of CTS KGaA equating to up to 10% of the share capital as at the time this authorisation took effect or as at the time this authorisation is used. The consideration for the purchase of these shares may not exceed the share price by more than 10% and may not be more than 20% below the share price. The applicable share price is defined as the mean closing price for shares on the XETRA trading platform during the last five trading days before publication of the offer to purchase the shares. The volume of the offer may be limited.

There are no shares with special rights that grant power of control. The Executive Board of EVENTIM Management AG, Hamburg, is not aware of any restrictions on voting rights or the transfer of shares.

As at 31 December 2023, the **capital reserve** pursuant to § 272 (2) No. 1 HGB amounts to EUR 2,400 thousand and is subject to a distribution restriction.

In accordance with § 150 AktG, corporations must establish a **legal reserve** if the capital reserve does not constitute 10% of the share capital. The legal reserve and the capital reserve combined amount to 10% of share capital since 31 December 2015. The legal reserve amounts to up to EUR 7,200 thousand as at 31 December 2022 and is locked for distributions.

From the **balance sheet profit** of the previous year in the amount of EUR 464,604 thousand EUR 101,751 thousand was distributed to the shareholders. The remaining net profit of EUR 362,853 thousand was entirely carried forward to new account.

Since the election to recognise internally generated intangible assets pursuant to § 248 (2) HGB and the election to capitalise deferred tax assets pursuant to § 274 (1) sentence 2 HGB were both exercised, the amount subject to a distribution restriction in principle is EUR 0 thousand (previous year: EUR 9 thousand). In the previous year internally generated intangible assets in the amount of EUR 14 thousand were capitalised, while deferred tax liabilities of EUR 4 thousand were recognised on this amount. The deferred tax assets of EUR 2,335 thousand (previous year: EUR 2,723 thousand) less the additional deferred tax liabilities of EUR 14,561 thousand (previous year: EUR 14,329 thousand) do not result in a distribution-restricted excess of deferred tax assets over deferred tax liabilities in the reporting year (previous year: EUR 0 thousand).

Among other things, the **other provisions** include provision for onerous contracts of EUR 16,078 thousand (previous year: EUR 1,395 thousand), outstanding supplier invoices in the amount of EUR 10,253 thousand (previous year: EUR 9,842 thousand), personnel-related provisions of EUR 8,047 thousand (previous year: EUR 9,258 thousand), outstanding commissions of EUR 16,729 thousand (previous year: EUR 15,960 thousand), financial statement preparation and audit costs of EUR 469 thousand (previous year: EUR 321 thousand), and Supervisory Board remuneration of EUR 233 thousand (previous year: EUR 263 thousand).

Liabilities to banks included commitment fees deferred in the current year as in the previous year.

The **liabilities to affiliated companies** include mainly cash pooling liabilities in the amount of EUR 331,417 thousand (previous year: EUR 225,468 thousand), loans of EUR 17,970 thousand (previous year: EUR 13,076 thousand) and trade payables of EUR 4,209 thousand (previous year: EUR 3,672 thousand).

The residual terms of the liabilities as at 31 December 2023 are shown in the following statement of liabilities:

2023	**Carrying value**	**Remaining term**	
	31 Dec 2023	≤ 1 year	> 1 year
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
Liabilities to banks	16	16	0
Advance payments received on orders	10,193	10,193	0
Trade payables	12,165	12,165	0
Payables to affiliated companies	361,499	361,499	0
Payables to associated companies	17	17	0
Other liabilities	426,229	412,471	13,757
Liabilities, total	**810,119**	**796,362**	**13,757**

The residual terms of the liabilities as at 31 December 2022 are shown in the following statement of liabilities:

2022	**Carrying value**	**Remaining term**	
	31 Dec 2022	≤ 1 year	> 1 year
	[EUR'000]	**[EUR'000]**	**[EUR'000]**
Liabilities to banks	20	20	0
Advance payments received on orders	5,146	5,146	0
Trade payables	9,460	9,460	0
Payables to affiliated companies	257,888	257,888	0
Other liabilities	328,537	322,045	6,492
Liabilities, total	**601,052**	**594,560**	**6,492**

As in the previous year, there are no liabilities with a maturity of more than five years.

Other liabilities are mainly comprised of liabilities for ticket monies received that have not yet been settled with promoters, totalling EUR 375,740 thousand (previous year: EUR 287,844 thousand). The liabilities for ticket monies received that have not yet been settled with promoters result primarily from presales for future events and tours. The liabilities for ticket monies received that have not yet been settled with promoters are offset by corresponding bank balances and factoring receivables from ticket monies in the amount of EUR 12,549 thousand (previous year: EUR 11,904 thousand). Other liabilities include EUR 26,795 thousand in liabilities to affiliated companies in respect of ticket monies that have not yet been invoiced (previous year: EUR 26,731 thousand). The non-current other liabilities (EUR 13,757 thousand; previous year: EUR 6,492 thousand) are comprised of ticket monies that have not yet been settled with promoters for events that will only take place after 31 December 2024.

Other liabilities include liabilities from taxes in the amount of EUR 10,094 thousand (previous year: EUR 7,967 thousand). Social security liabilities as at the balance sheet date amount to EUR 78 thousand (previous year: EUR 32 thousand).

Deferred tax liabilities primarily relate from differences between the carrying amounts on the balance sheet under commercial law and the tax base for intangible assets and property, plant and equipment due to different period of use (EUR 13,557 thousand; previous year: EUR 12,894 thousand) and for differences in the measurement of foreign currency receivables as at the reporting date (EUR 1,004 thousand; previous year: EUR 1,351 thousand). Furthermore deferred tax liabilities were recognised in the previous year on differences in the measurement of investments in affiliated companies (EUR 77 thousand) and on the capitalisation of internally generated intangible assets (EUR 4 thousand).

The calculation of deferred taxes is based on an effective taxation rate of 31.9%, derived from a corporation tax rate of 15.0% plus a solidarity surcharge of 5.5% on corporation tax, and a municipal trade tax rate of 16.0%.

4.2 INCOME STATEMENT

Revenue is broken down as follows:

	2023 [EUR'000]	2022 [EUR'000]	Change [EUR'000]
Ticket fees	285,252	204,981	80,272
Licence fees	23,155	19,712	3,443
Other revenues			
Other service charges	8,983	8,680	303
Commissions	16,988	14,868	2,120
Recharged services	10,426	9,469	957
Others	23,006	22,572	434
	367,809	**280,281**	**87,528**

EUR 32,368 thousand (previous year: EUR 29,966 thousand) of revenue was generated abroad, thereof EUR 19,724 thousand (previous year: EUR 17,969 thousand) within the EU.

Material expenses comprise the following items pursuant to § 275 (2) No. 5 HGB:

Material expenses (according to total cost method)	2023 [EUR'000]	2022 [EUR'000]	Change [EUR'000]
Cost of purchased merchandise	1,463	1,034	429
Cost of purchased services	119,642	94,378	25,264
	121,105	**95,411**	**25,694**

Personnel expenses comprise the following items, pursuant to § 275 (2) No. 6 HGB:

Personnel expenses (according to total cost method)	2023 [EUR'000]	2022 [EUR'000]	Change [EUR'000]
Wages and salaries	38,346	33,818	4,529
Social security contributions and expenses for pension and employee support thereof expenses for pension EUR 0 (2022: EUR 0)	4,528	3,843	686
	42,875	**37,660**	**5,214**

Other operating income includes prior-period income, primarily from the release of provisions in the amount of EUR 8,285 thousand (previous year: EUR 2,896 thousand), from the reversal of impairments on receivables in the amount of EUR 1,043 thousand (previous year: EUR 169 thousand) and subsequent cost reimbursements in the amount of EUR 100 thousand (previous year: EUR 12 thousand) as well as proceeds of asset disposals in the amount of EUR 6 thousand (previous year: EUR 19 thousand).

Other operating expenses include prior-period expenses due to subsequent invoices and credit notes issued in the amount of EUR 74 thousand (previous year: EUR 6 thousand).

The **income from participations** of EUR 81,996 thousand (previous year: EUR 17,104 thousand) result from income from affiliated companies in the amount of EUR 53,996 thousand (previous year: EUR 17,104 thousand).

Income from profit transfer agreements in the amoint of EUR 87,136 thousand (previous year: EUR 36,654 thousand) results entirely from affiliated companies.

Other interest and similar income includes EUR 5,526 thousand in income from affiliated companies (previous year: EUR 2,594 thousand).

The **depreciation on financial assets** (EUR 8,178 thousand) result from the remeasurement of investments in affiliated companies (previous year: EUR 3,970 thousand).

The **expenses from loss transfers** of EUR 0 thousand (previous year: EUR 3,539 thousand) entirely result from affiliated companies.

Interest and similar expenses include expenses of affiliated companies amounting to EUR 6,837 thousand (previous year: EUR 1,554 thousand).

Income taxes include trade tax in the amount of EUR 43,679 thousand (previous year: EUR 23,533 thousand), corporation tax of EUR 40,006 thousand (previous year: EUR 21,372 thousand) and the solidarity surcharge on corporation tax for financial year 2023 in the amount of EUR 2,101 thousand (previous year: EUR 1,190 thousand). Income taxes also include expenses for foreign withholding tax in the amount of EUR 410 thousand (previous year: EUR 266 thousand), prior-period expenses for back taxes of previous years in the amount of EUR 19 thousand (previous year: EUR 613 thousand), and prior-period income for tax refunds of previous years in the amount of EUR 1,411 thousand (previous year: EUR 19 thousand) and income relating to other periods from the reversal of tax provisions of EUR 0 thousand (previous year: EUR 10,948 thousand).

Other taxes of EUR 2 thousand (previous year: EUR 4 thousand) consist of motor vehicle taxes, as in the previous year.

5. OTHER DISCLOSURES

5.1 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

As part of the autoTicket operating agreement, the shareholders issued a joint and several liability declaration to the Federal Republic of Germany, represented by the Federal Motor Transport Authority, for a limited amount of EUR 300,000 thousand. The obligation expired with the settlement reached in July 2023 between autoTicket and its shareholders and the Federal Republic of Germany.

To finance the operating company during the arbitration proceedings, the shareholders had agreed a loan agreement with autoTicket for an amount of up to EUR 28,250 thousand, borne equally by both shareholders. This loan was terminated with the settlement and repaid in full.

CTS KGaA is liable for bank and guarantee credit facilities of subsidiaries in the amount of EUR 47,447 thousand (previous year: EUR 28,627 thousand). As at the reporting date, the utilisation of guarantee facilities amounted to EUR 35,913 thousand (previous year: EUR 18,728 thousand). It is not expected that any claims will be asserted on account of the assumption of liability, given the positive future financial performance and earnings performance of the subsidiaries.

CTS KGaA is also liable for liabilities from outstanding fees of 27 subsidiaries with regard to payment service providers from the settlement of retail payments. A claim is not expected to arise under the arrangement because the payment service providers continuously withhold the fees from the payments processed.

CTS KGaA has issued a guarantee to cover liabilities in the amount of EUR 6,000 thousand for Lippupiste Oy, Tampere, Finland. It is valid until all outstanding payments have been met. A claim is not expected to arise under guarantee, based on the company's positive corporate planning at the time of preparing the annual financial statements.

CTS KGaA has issued a guarantee to Arena Management Cph A/S, Frederiksberg, Denmark. With this guarantee, CTS KGaA waives repayments of the outstanding loan in the amount of EUR 2,456 thousand (DKK 18,930 thousand) in 2023. This guarantee is valid until the Annual General Meeting in 2024. A claim is not expected to arise under guarantee based on the companies' positive corporate planning at the time of preparing the annual financial statements.

CTS KGaA has issued payment guarantees for nine subsidiaries to a payment service provider for the processing of B2B payment processes totaling a maximum of EUR 670 thousand. Due to the positive corporate planning of the companies at the time of preparation, no utilisation is expected.

CTS KGaA has issued a rental guarantee for CTS Eventim Solutions GmbH, Bremen. The total amount of the guarantee is limited to EUR 22 thousand. The guarantee is valid until 31 December 2024. Due to the company's positive corporate planning, no utilization is expected at the time of preparation.

CTS KGaA has issued a guarantee to EVD Milan S.R.L., Milan, Italy to the Comune di Milano, Milan, Italy for EUR 17,730 thousand. This guarantee is related to the construction of the ARENA FOR MILAN in Milan, Italy. Due to the company's positive corporate planning, no utilization is expected at the time of preparation.

As at the reporting date, other financial obligations relating to short and medium-term rental, leasing and other contractual agreements amounted to EUR 26,480 thousand (previous year: EUR 22,835 thousand). Thereof, EUR 7,019 thousand (previous year: EUR 6,587 thousand) is due within one year. Future rental obligations account for EUR 19,624 thousand (previous year: EUR 19,505 thousand), lease obligations for EUR 426 thousand (previous year: EUR 202 thousand), and other obligations for EUR 6,430 thousand (previous year: EUR 3,127 thousand). As in the previous year, there are no other financial obligations to affiliated companies. There are also other current financial obligations from financing commitments to affiliated companies in the amount of EUR 21,300 thousand.

5.2 APPROPRIATION OF EARNINGS

In financial year 2023, CTS KGaA generated net income of EUR 221,929 thousand in accordance with HGB. The Executive Board of the general partner and the Supervisory Board of CTS KGaA will propose at Annual General Meeting on 16 May 2024 to distribute a dividend of EUR 137,268 thousand (EUR 1.43 per dividend-bearing share) out of the balance sheet profit as at 31 December 2023 in the amount of EUR 584,782 thousand and the remaining amount be carried forward to new account.

5.3 LIST OF PARTICIPATIONS

A list of shareholdings is published on the Company's website. These disclosures are published on the CTS KGaA website under https://corporate.eventim.de/en/investor-relations/corporate-governance/.

5.4 EXECUTIVE BODIES OF CTS KGaA

The Executive Board of EVENTIM Management AG in the financial year comprised the following members:

Klaus-Peter Schulenberg, Bremen, Germany – Chief Executive Officer –
– Director of Corporate Strategy, New Media and Marketing –

Dipl.-Kaufmann Holger Hohrein, Hamburg, Germany
– Chief Financial Officer –

Dipl.-Betriebswirt Alexander Ruoff, Bremen, Germany
– Chief Operative Officer –

The total Executive Board remuneration was EUR 7,692 thousand (previous year: EUR 7,406 thousand).

The members of the Supervisory Board exercised the following mandates in the financial year:

Dr. Bernd Kundrun, Managing Director of Start 2 Ventures GmbH, Hamburg, Germany

– Chairman –

other supervisory board positions and comparable regulatory bodies:

- EVENTIM Management AG, Hamburg, Germany
- Gut.org Gemeinnützige Aktiengesellschaft, Berlin, Germany (Honorary Chairman)
- Rivian Capital, Zurich, Switzerland (Member of the Advisory Board)
- Toner Partner GmbH, Hattingen, Germany (Chairman of the Advisory Board)

Dr. Cornelius Baur, CEO – European healthcare Acquisition and Growth Company B.V., Munich, Germany

– Vice Chairman –

other supervisory board positions:

- EVENTIM Management AG, Hamburg, Germany
- Evonik Industries AG, Essen, Germany

Dr. Juliane Schulenberg, Government Director at the Commission for Culture and Media, Hamburg, Germany

other supervisory board positions:

- EVENTIM Management AG, Hamburg, Germany

Philipp Westermeyer, Managing Partner of ramp106 GmbH, Hamburg, Germany

Other supervisory board positions and comparable regulatory bodies:

- EVENTIM Management AG, Hamburg, Germany
- HASPA Finanzholding, Hamburg, Germany (Member of the Board of Trustees)
- Hamburg Media School Stiftung, Hamburg, Germany (Member of the Managment Board)

The members of the Supervisory Board of CTS KGaA received emoluments of EUR 225 thousand for financial year 2023 (previous year: EUR 229 thousand) as well as EUR 9 thousand for the reimbursement of expenses (previous year: EUR 1 thousand).

5.5 EMPLOYEES

On average over the year, 386 salaried staff were employed by the Company during the year (previous year: 355). These are exclusively salaried employees

5.6 MINIMUM TAX LAW

A new law was passed in Germany to introduce global minimum taxation. As the new tax law will not apply in Germany until 2024, there will be no impact on the actual tax expense for the 2023 financial year.

CTS KGaA applied the temporary, mandatory exemption regarding the recognition of deferred taxes resulting from the introduction of global minimum taxation and recognises these as actual tax expense/income at the respective time they arise.

A subsidiary in the UK receives government support in the form of additional tax deductions (special depreciation), which could result in the effective tax rate falling below 15%. This would not have resulted in a minimum tax for 2023, as losses were recognised in 2023. In future, however, it is possible that this measure will result in minimum tax.

In the course of the COVID-19 pandemic, a Brazilian subsidiary is utilising the temporarily introduced tax rate of 0% on certain income. This may have an impact on minimum taxation. If the minimum taxation had already applied in the 2023 financial year, the profits from the Group's activities in Brazil totalling EUR 24,504 thousand would be subject to the minimum tax, whereby the average tax rate applicable to these profits in 2023 was 11%.

5.7 DECLARATION CONCERNING THE CORPORATE GOVERNANCE CODE

On 14 November 2023, the Executive Board of the general partner and the Supervisory Board of CTS KGaA released an updated statement of compliance with the recommendations of the “Government Commission on the German Corporate Governance Code” pursuant to Section 161 AktG, which was made available on the CTS KGaA website on the same day (https://corporate.eventim.de/en/investor-relations/corporate-governance/).

5.8 PARTICIPATING PERSONS

The Company received notifications under Section 33 of the German Securities Trading Act (WpHG) concerning shareholdings reaching or exceeding 3% or 5% of the voting rights, and shareholdings exceeding or falling below 3% or 5% of the voting rights.

BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 23 February 2023 and amounted to 5.32% (5,109,864 voting rights) at that date, and that 5.32% (5,109,864 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 28 February 2023, and amounted to 5.23% (5,019,333 voting rights) at that date, and that 5.23% (5,019,333 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 8 March 2023, and amounted to 5.33% (5,115,117 voting rights) at that date, and that 5.33% (5,115,117 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 9 March 2023, and amounted to 5.22% (5,008,985 voting rights) at that date, and that 5.22% (5,008,985 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 10 March 2023, and amounted to 5.31% (5,092,925 voting rights) at that date, and that 5.31% (5,092,925 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 14 March 2023, and amounted to 5.28% (5,068,496 voting rights) at that date, and that 5.28% (5,068,496 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Ameriprise Financial Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 5 April 2023, and amounted to 3.17% (3,045,921 voting rights) at that date, and that 3.17% (3,045,921 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 25 April 2023, and amounted to 5.22% (5,011,169 voting rights) at that date, and that 5.22% (5,011,169 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The AIM International Mutual Funds (Invesco International Mutual Funds), Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 3% on 9 May 2023, and amounted to 2.96% (2,840,661 voting rights) at that date, and that 2.96% (2,840,661 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Ameriprise Financial Inc., Wilmington, Delaware, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 3% on 10 May 2023, and amounted to 2.95% (2,828,047 voting rights) at that date, and that 2.95% (2,828,047 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 31 May 2023, and amounted to 5.28% (5,068,804 voting rights) at that date, and that 5.28% (5,068,804 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 2 June 2023, and amounted to 5.32% (5,102,441 voting rights) at that date, and that 5.32% (5,102,441 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 9 June 2023, and amounted to 5.30% (5,084,641 voting rights) at that date, and that 5.30% (5,084,641 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 5% on 12 June 2023, and amounted to 5.13% (4,921,503 voting rights) at that date, and that 5.13% (4,921,503 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 5% on 23 June 2023, and amounted to 4.87% (4,672,430 voting rights) at that date, and that 4.87% (4,672,430 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The BlackRock Inc., New York, USA, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 5% on 29 June 2023, and amounted to 4.55% (4,370,936 voting rights) at that date, and that 4.55% (4,370,936 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 11 August 2023, and amounted to 3.12% (2,990,568 voting rights) at that date, and that 3.12% (2,990,568 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 22 August 2023, and amounted to 3.11% (2,988,028 voting rights) at that date, and that 3.11% (2,988,028 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA exceeded the threshold of 3% on 30 August 2023, and amounted to 3.11% (2,982,329 voting rights) at that date, and that 3.11% (2,982,329 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

The Invesco Ltd., Hamilton, Bermuda, has notified us pursuant to § 33 WpHG that its percentage of voting rights in CTS KGaA fell below the threshold of 3% on 14 September 2023, and amounted to 2.98% (2,858,819 voting rights) at that date, and that 2.98% (2,858,819 voting rights) thereof are attributed to it pursuant to § 33 and § 34 WpHG.

On 28 December 2015, Mr. Klaus-Peter Schulenberg transferred his shares in CTS KGaA and his shares in EVENTIM Management AG to KPS Stiftung, Hamburg, Germany. Klaus-Peter Schulenberg's shareholdings in CTS KGaA and EVENTIM Management AG were merely converted from a direct into an indirect holding and amount to 38.8% of the voting rights in the Company as at 31 December 2023.

5.9 AUDITOR EXPENSES

Disclosure of the fees paid to the Company's auditor is waived because these details are provided in item 6.12 of the notes to the consolidated financial statements. Fees were paid for the audit and other services in financial year 2023.

5.10 EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, there were no significant changes in the economic environment or our industry situation.

6. ASSURANCE BY LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the Company's earnings performance, financial performance and cash flow, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development.

Bremen, 8 March 2024

CTS EVENTIM AG & Co. KGaA

represented by:

EVENTIM Management AG, general partner

Klaus-Peter Schulenberg   Holger Hohrein   Alexander Ruoff

8. INDEPENDENT AUDITOR'S REPORT

To CTS Eventim AG & Co. KGaA, Munich

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of CTS Eventim AG & Co. KGaA, Munich, which comprise the balance sheet as of December 31, 2023, the income statement for the financial year from January 1 to December 31, 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of CTS Eventim AG & Co. KGaA and the Group (combined management report) for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, in compliance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue recognition from the provision of services in the Ticketing segment

Please refer to the Section 3.2 ("Recognition and measurement") in the notes to the financial statements for information on the accounting principles applied and assumptions made. Section 4.2. ("Income statement") in the notes as well as Section 5.1.1 ("Revenue performance) of the combined management reporting include information on revenue's amount.

THE FINANCIAL STATEMENT RISK

Revenue totaling KEUR 367,809 is presented in the annual financial statements of CTS Eventim AG & Co. KGaA as of December 31, 2023. Revenue is generated mainly from brokering and sending tickets for concerts, theater, art, sports and other events (hereinafter referred to as "services"), for which CTS Eventim earns ticket fees.

CTS Eventim recognizes revenue when the service are rendered. Accordingly, services related to the sale of tickets to customers are recognized on the date when the tickets are sold.

The large number of business transactions means there is a risk for the financial statements that revenue is not presented in the correct amount.

OUR AUDIT APPROACH

In order to assess the risks of material misstatements, we initially obtained – with due regard to the industry and the business environment as well as the significant account policies – an understanding of the process workflows and the established internal control system in conjunction with the recognition of revenue.

To the extent the internal controls identified by us were relevant for revenue recognition, we examined the design, establishment and effectiveness of these controls. In doing so, besides the automatic internal controls concerning the user authorization concept and for accurately calculating the fee components, we also tested the manual internal controls for entering events in the IT system and for the correct and complete transmission between the IT systems.

Furthermore, based on the contractual agreements, we checked the correct recognition of revenue from ticket sales in the ticketing system and assessed its correct and complete transfer into the accounting system. Moreover, we assessed the existence of revenue from ticket fees by comparing the sales transactions with the event invoices. The basis for this was revenue selected using a statistical procedure.

OUR OBSERVATIONS

The approach adopted by CTS Eventim for recognizing revenue is appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Company's and Group's separate combined non-financial report, which is referred to in the combined management report, and
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the annual financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „ctseventimkgaa.xhtml“ (SHA256-Hashwert: 19e16d1be311f4f50d976ed4b2c3eaafd3195ef2427f7481b92c9ead3d47ad75) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the combined management report, contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting on May 16, 2023. We were engaged by the Supervisory Board on December 18, 2023. We have been the auditor of CTS Eventim AG & Co. KGaA without interruption since financial year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long form audit report).

OTHER MATTER – USE OF THE AUDITOR’S REPORT

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Frank Thiele.

Hamburg, 20 March 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Thiele	Dr. Uschkurat
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

FORWARD-LOOKING STATEMENTS

This Annual Report contains forecasts based on assumptions and estimates by the Management Board 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 The Management Board 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 Annual Report. 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 German version of the Annual Report takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded at corporate.eventim.de.

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