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This financial report was approved by the Board of Directors
of Highlight Event and Entertainment AG on August 31, 2017.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (condensed)

in CHF thousand	Note	June 30, 2017	Dec. 31, 2016
		<i>unaudited</i>	<i>audited</i>
Cash and cash equivalents		10,995	3,721
Receivables		859	979
Prepaid expenses		2,079	233
Current assets		13,933	4,933
Property, plant and equipment		18	16
Intangible assets		850	600
Investments in associated companies	2	89,894	0
Other financial assets		9,368	9,368
Financial assets	2	62,460	28,354
Non-current receivables		1,600	1,600
Deferred tax assets		98	100
Non-current assets		164,288	40,038
ASSETS		178,221	44,971
Current liabilities		92,704	1,626
Financial liabilities		16,500	16,500
Deferred income		1,889	607
Current liabilities	4.1	111,093	18,733
Non-current liabilities		0	340
Benefit plan liabilities		1,131	1,165
Financial liabilities		9,555	0
Non-current liabilities	4.2	10,686	1,505
Liabilities		121,779	20,238
Share capital		15,593	15,593
Treasury shares		-786	-786
Advance payment share capital	5.3	53,502	16,399
Reserves		-11,010	-6,489
Equity attributable to the shareholders of HLEE		57,299	24,717
Non-controlling interests		-857	16
Equity		56,442	24,733
EQUITY AND LIABILITIES		178,221	44,971

The notes on pages 6 – 9 are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (condensed)

in CHF thousand	Note	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
		<i>unaudited</i>	<i>unaudited</i>
Net income		1,502	1,724
Cost of products and services sold		-95	0
Other operating income		42	114
Gross profit		1,449	1,838
Personnel expenses		-1,009	-763
Other operating expenses	4.5	-3,032	-1,539
Amortization, depreciation and impairment		-2	-6
EBIT		-2,594	-470
Earnings from investments in associated companies		183	0
Interest income and other financial income	4.4	15	2
Interest expense and other finance cost	4.4	-446	-54
Profit before taxes		-2,842	-522
Taxes		-2	-9
Consolidated net profit for the period		-2,844	-531
<i>Other income not reclassified through profit or loss</i>			
Gains/losses from financial assets at fair value	6	-2,997	0
Pension plan remeasurement (after taxes)	4.2	157	-398
Total comprehensive income		-5,684	-929
<i>Net income from continuing operations is attributable to:</i>			
Shareholders of Highlight Event & Entertainment AG		-1,971	-531
Non-controlling interests		-873	0
<i>Total comprehensive income is attributable to:</i>			
Shareholders of Highlight Event & Entertainment AG		-4,811	-929
Non-controlling interests		-873	0
Diluted and basic earnings per share (CHF)		-1.17	-0.31

The notes on pages 6 – 9 are an integral part of these consolidated interim financial statements.

CONSOLIDATED CASH FLOW STATEMENTS (condensed)

in CHF thousand	Note	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
		<i>unaudited</i>	<i>unaudited</i>
Consolidated net profit for the period	3.1 / 3.2	-2,844	-531
Deferred taxes		2	-1
Income taxes		0	9
Net finance result		432	52
Amortization, depreciation and write-downs		2	6
Other non-cash income and expenses		-43	-35
Earnings from investments in associated companies		-183	0
Interest received		8	2
Interest paid		-408	0
Taxes paid		0	-71
Increase in assets attributable to operating activities		-1,726	-1,415
Increase in liabilities attributable to operating activities		18,776	499
Cash flow from operating activities		14,016	-1,485
Acquisition of property, plant and equipment		-4	0
Acquisition of intangible assets		-250	0
Acquisition of financial assets	2	-16,000	-32,525
Cash flow from investing activities		-16,254	-32,525
Purchase of treasury shares	5.1	0	-452
Increase in non-current financial liabilities	4.2	9,845	32,879
Repayment of non-current liabilities		-340	0
Cash flow from financing activities		9,505	32,427
Net change in cash and cash equivalents		7,267	-1,583
Cash and cash equivalents as of January 1		3,721	12,620
Effect of exchange rate differences		7	-2
Cash and cash equivalents as of June 30		10,995	11,035

The notes on pages 6 – 9 are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (condensed)

Changes in equity 2017 in CHF thousand <i>unaudited</i>	Share capital	Advance pay- ment share capital	Reserves	Treasury shares	Equity attributable to shareholders of HLEE	Non-controlling interests	Total equity
January 1, 2017	15,593	16,399	-6,489	-786	24,717	16	24,733
Consolidated net income Jan. 1 to June 30, 2017			-1,971		-1,971	-873	-2,844
Other comprehensive income Jan. 1 to June 30, 2017			-2,840		-2,840		-2,840
Total comprehensive income			-4,811		-4,811	-873	-5,684
Convertible loan			290		290		290
Capital increase (contribution in kind)		37,103			37,103		37,103
June 30, 2017	15,593	53,502	-11,010	-786	57,299	-857	56,422

Changes in equity 2016 in CHF thousand <i>unaudited</i>	Share capital		Reserves	Treasury shares	Equity attributable to shareholders of HLEE		Total equity
January 1, 2016	15,593		3,376	0	18,969		18,969
Consolidated net income Jan. 1 to June 30, 2016			-531		-531		-531
Other comprehensive income Jan. 1 to June 30, 2016			-398		-398		-398
Total comprehensive income			-929		-929		-929
Purchase of treasury shares			0	-452	-452		-452
June 30, 2016	15,593		2,447	-452	17,588		17,588

The notes on pages 6 – 9 are an integral part of these consolidated interim financial statements.

NOTES to the financial report for the six months to June 30, 2017

1. Accounting policies

The unaudited consolidated interim financial statements for the period from January 1 to June 30, 2017 were prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting standards applied in fiscal 2016 were applied largely unchanged. The new and revised standards that have come into force as of January 1, 2017 did not have any material effect on the net assets, financial position and results of operations of Highlight Event and Entertainment AG.

2. Principles and scope of consolidation

The consolidation principles were unchanged.

The Extraordinary General Meeting of the HLEE Group to resolve an ordinary capital increase was held on May 2, 2017. Part of the capital increase was paid up through the non-cash contribution of 15,076,308 no-par value shares in Constantin Medien AG. The non-cash contribution was recognized in the amount of CHF 37,103 thousand (non-cash transaction). As of June 30, 2017, the equity interest in Constantin Medien AG was 29.759%. This investment was recognized as a financial asset and is not included in the consolidated financial statements as no significant influence exists as of June 30, 2017.

The investment in Highlight Finance Corp. continues to be classified as a financial investment. The HLEE Group has no position on the Board of Directors and, as previously, no significant influence exists. The company is still in the development phase and does not have any operating activities. The Board of Directors is planning to sell a part of the financial investment in the second half of the year in order to hold a share of below 20% by the end of the year.

On June 9, 2017, the HLEE Group acquired an equity interest of 25% (CHF 89,585 thousand) in Highlight Communications AG. The par value of the share capital in the amount of CHF 16 million was paid up. The capital reserves of CHF 73.6 million will be paid up after the block on registration has been lifted, meaning that the obligation is reported as a non-cash transaction in the half-yearly financial statements. The transaction is in preparation for a takeover offer to be extended to the shareholders of Constantin Medien AG. The company is carried as an associated company and included in the consolidated financial statements using the equity method.

Further information on these transactions have been published in an ad hoc disclosure on the HLEE Group's website.

3. Seasonal fluctuations and segment data

The activities of the Highlight Event & Entertainment (HLEE) Group are not subject to any material seasonal fluctuations. The HLEE Group consists of the two reportable segments "Event Marketing" and "Other Business Activities".

Comosa AG was acquired on December 31, 2016. Comosa AG is fully consolidated with an equity interest of 51%. Comosa AG is the organizer of the "World Boxing Super Series". The boxing tournament begins in July 2017 and ends in June 2018. As the operating activities of Comosa AG only begin in the second half of the year, the company is reported in Other Business Activities in the first half of the year.

3.1 Sales and earnings in the first half of 2017

in CHF thousand	Event Marketing	Other Business Activities	TOTAL
Net income	1,501	1	1,502
Other segment income	2	40	42
Segment expenses	-998	-3,140	-4,138
<i>of which scheduled depreciation</i>	-2	0	-2
<i>of which impairment</i>	0	0	0
Profit from continuing operations	505	-3,099	-2,594
Net financial result			-431
Earnings from investments in associated companies			183
EBIT from continuing operations before taxes			-2,842

3.2 Sales and earnings in the first half of 2016

in CHF thousand	Event Marketing	Other Business Activities	TOTAL
Net income	1,722	2	1,724
Other segment income	0	114	114
Segment expenses	-877	-1,431	-2,308
<i>of which scheduled depreciation</i>	0	-6	-6
<i>of which impairment</i>	0	0	0
Profit from continuing operations	845	-1,315	-470
Net financial result			-52
EBIT from continuing operations before taxes			-522

4. Other significant explanations and disclosures

4.1 Current liabilities

The increase is primarily attributable to the acquisition of the 25% equity interest in Highlight Communications AG. The block on registration means the capital increase has not yet been entered in the commercial register. As a result of the subscription, the HLEE Group already holds the voting rights for the equity interest in Highlight Communications AG and is obliged to pay up the shares on registration.

The loan of CHF 16,500 thousand was extended for another year until June 6, 2018. The terms remain unchanged and the interest rate is still 2.5% per year.

4.2 Non-current liabilities

In the first half of 2017, the benefit plan liabilities were reviewed by an independent actuary. Actuarial gains and losses arise from changes in the assumptions made and deviations between the actual and forecast return on plan assets. These are recognized in other comprehensive income (OCI) under "Pension plan remeasurement". A gain of CHF 157 thousand before taxes was recognized in other comprehensive income (OCI) in the period under review (previous year: loss of CHF 405 thousand). The share of Highlight Communications AG is CHF 126 thousand.

A convertible loan of CHF 9,845 thousand was taken out on May 22, 2017 in order to enable the HLEE Group to meet its financial commitments at all times. The investor has the option of purchasing shares in Highlight Event and Entertainment AG by converting the loan within the next five years.

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The loan is convertible from June 26, 2017 to April 22, 2022. The interest rate during the term of the convertible loan is 6%. If the option is not exercised by the investor, the convertible loan must be repaid on May 26, 2022. As of June 30, 2017, the equity component (call) in accordance with IAS 32 amounted to CHF 290 thousand.

4.3 Related party transactions

in CHF thousand

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
Expenses	0	0
Income	0	0
	June 30, 2017	Dec. 31, 2016
Receivables	0	0
Liabilities	17.349	1.399

The company maintains relationships with entities controlled by members of the Board of Directors in the course of ordinary business activities. The Highlight Group was a related party until December 31, 2016. Highlight Communications AG was classified as an associated company as of June 30, 2017 following the acquisition of the 25% equity interest.

4.4 Net financial result

in CHF thousand

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
Interest income	8	2
Interest expense	-408	-52
Effect of currency translation differences on cash and cash equivalents	7	-2
Effect of currency translation differences on receivables	-38	0
Net financial result	-431	-52

The capital increase has not yet been entered in the commercial register on account of the block on registration, meaning that the HLEE Group is required to continue making interest payments on the convertible loan.

4.5 Other operating expenses

Higher legal and consulting costs were incurred in the period under review due to the capital measures. The "World Boxing Super Series" (WBSS) project is in the development phase and expenses for WBSS were made in addition.

5. Data per share

5.1 Number of bearer shares each with a nominal value of CHF 9

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
	Number	Number
Shares outstanding at beginning of the reporting period	1,681,123	1,732,500
Shares outstanding at end of the reporting period	1,681,123	1,700,430
Treasury shares at beginning of the reporting period	51,377	0
Treasury shares at end of the reporting period	51,377	32,070
Weighted average number of shares outstanding (diluted and basic)	1,681,123	1,710,826

5.2 Earnings per bearer share each with a nominal value of CHF 9

	Jan. 1 to June 30, 2017	Jan. 1 to June 30, 2016
in CHF thousand		
Net income attributable to shareholders of HLEE	-1,971	-531
Earnings per share outstanding	(CHF) -1.17	-0.31

5.3 Capital structure

An ordinary capital increase was resolved at the Extraordinary General Meeting. The block on registration means the capital increase has not yet been entered in the commercial register. The capital increase was implemented by way of the non-cash contribution of shares in Constantin Medien in the amount of CHF 37,103 thousand.

On May 23, 2017, the company published an ad hoc disclosure on the "implementation of an ordinary capital increase by way of a subscription rights offer" to the existing shareholders in which the capital increase is described in detail.

6. Financial instruments

Financial assets and liabilities measured at fair value are assigned to the following hierarchical levels for measurement purposes:

- › Level 1: Quoted, unchanged prices for identical assets and liabilities in active markets
- › Level 2: Measurement methods for which all input parameters with a significant influence on fair value are based on directly or indirectly observable market data
- › Level 3: Measurement methods for which input parameters with a significant influence on fair value are not based on observable market data

	June 30, 2017			Dec. 31, 2016		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets measured at fair value						
Financial assets	62,460	0	62,460	28,354	0	28,354
Financial assets measured (total)	62,460	0	62,460	28,354	0	28,354

As of June 30, 2017, non-current financial assets included shares in Constantin Medien AG of CHF 62,460 thousand assigned to Level 1. As of June 30, 2017, there was a value adjustment of CHF 2,997 thousand to measure fair value through other comprehensive income (OCI).

7. Report on risks and opportunities

The Annual General Meeting of Constantin Medien AG, in which HLEE holds a significant equity interest, was held on August 23, 2017. Unlike the Annual General Meetings on July 6, 2016 and November 9/10, 2016, this year's Annual General Meeting was conducted in compliance with the law, meaning that the company was permitted to participate in full and exercise all its voting rights. In this context, the Chairman of the Supervisory Board, Dieter Hahn (who was illegally elected in the company's view), and all the other members resigned from the Supervisory Board of Constantin Medien AG, and the Annual General Meeting elected the candidates proposed by HLEE to the Supervisory Board. The legal compliance of the executive bodies of Constantin Medien AG at the Annual General Meeting on August 23, 2017 and the new appointments to the Supervisory Board have yet to result in any change in the legal dispute between HLEE and Constantin Medien AG relating to the preceding Annual General Meetings. However, the company is confident that the basic conditions for potential settlement negotiations in the near future have now been put in place.

8. Events after the balance sheet date

19.99% of the shares in 5EL SA, quoted on the SIX Swiss Exchange, were purchased in July 2017.

At the Annual General Meeting of Constantin Medien AG on August 23, 2017, all Supervisory Board members and the Chairman of the Management Board were voted out. The individuals proposed by Highlight Event and Entertainment AG were elected to the Supervisory Board.