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This financial report was approved by the Board of Directors of Highlight Event and Entertainment AG on August 13, 2020.

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President and member of the Board of Directors

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (condensed)

in CHF thousand	June 30, 2020	Dec. 31, 2019
	<i>unaudited</i>	<i>audited</i>
Cash and cash equivalents	39,033	55,266
Receivables	106,805	124,770
Inventories	8,080	7,187
Other financial assets	14	14
Contract assets	14,600	18,626
Current assets	168,532	205,863
Film assets	185,926	174,673
Property, plant and equipment	14,321	14,691
Right-of-use assets	40,135	38,236
Intangible assets	382,199	384,586
Goodwill	117,566	117,566
Other financial assets	6,291	6,945
Investments in associated companies	53	54
Non-current receivables	14,723	17,321
Deferred tax assets	12,296	13,534
Non-current assets	773,510	767,606
ASSETS	942,042	973,469
Current liabilities	132,108	151,503
Financial liabilities	164,275	139,086
Lease liabilities	8,954	8,046
Current tax liabilities	4,588	5,818
Contract liabilities	5,677	7,401
Advance payments received	43,413	57,487
Provisions	2,762	4,572
Current liabilities	361,777	373,913
Non-current liabilities	306	311
Financial liabilities	112,336	130,314
Lease liabilities	32,261	31,904
Benefit plan liabilities	6,134	6,609
Deferred tax liabilities	71,333	69,987
Non-current liabilities	222,370	239,125
Liabilities	584,147	613,038
Share capital	77,400	77,400
Treasury shares	0	0
Reserves	15,967	16,398
Equity attributable to the shareholders of HLEE	93,367	93,798
Non-controlling interests	264,528	266,633
Equity	357,895	360,431
EQUITY AND LIABILITIES	942,042	973,469

The notes on pages 6 – 11 are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (condensed)

in CHF thousand	Jan. 1 to June 30, 2020	Jan. 1 to June 30, 2019
	<i>unaudited</i>	<i>unaudited</i>
Revenue	172,315	235,829
Capitalized film production costs and other own work capitalized	38,970	48,884
Gross profit	211,285	284,713
Other operating income	7,775	12,033
Costs for licenses, commissions and materials	-20,150	-27,183
Cost of purchased services	-67,128	-99,144
Cost of materials and licenses	-87,278	-126,327
Staff costs	-73,624	-83,458
Other operating expenses	-24,714	-38,039
Amortization, depreciation and impairment	-22,903	-55,600
Impairment/reversal on financial assets	477	307
Losses/gains on the derecognition of financial assets (AC)	-10	-3
Operating result (EBIT)	11,008	-6,374
Interest income and other financial income	1,921	2,432
Interest expense and other finance cost	-6,935	-7,468
Earnings before taxes	5,994	-11,410
Current taxes	-2,835	-1,855
Deferred taxes	-2,030	686
Consolidated net income	1,129	-12,579
<i>Other comprehensive income/loss not reclassified to profit or loss</i>		
Gains/losses from financial assets at fair value	0	-3,327
Pension plan remeasurement (after taxes)	385	-605
<i>Other comprehensive income/loss reclassified to profit or loss</i>		
Currency translation differences	-1,928	-574
Gains/losses from cash flow hedges	55	-118
Other comprehensive income including taxes	-1,488	-4,624
Total comprehensive income	-359	-17,203
<i>Consolidated net income attributable to:</i>		
Shareholders of Highlight Event & Entertainment AG	392	-5,784
Non-controlling interests	737	-6,795
<i>Total comprehensive income attributable to:</i>		
Shareholders of Highlight Event & Entertainment AG	-170	-9,017
Non-controlling interests	-189	-8,186
Diluted and basic earnings per share (CHF)	0,05	-0,68
Weighted number of shares outstanding	8,599,979	8,504,618

The notes on pages 6 – 11 are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (condensed)

in CHF thousand	Jan. 1 to June 30, 2020	Jan. 1 to June 30, 2019
	<i>unaudited</i>	<i>unaudited</i>
Consolidated net income	1,129	-12,579
Deferred taxes	2,030	-686
Income taxes	2,835	1,855
Net finance cost	5,142	5,243
Amortization and depreciation	22,902	55,601
Other non-cash income and expenses	246	3,256
Interest received	97	107
Interest paid	-4,285	-2,410
Taxes received	195	277
Taxes paid	-4,016	-3,326
Increase (-)/decrease (+) in assets attributable to operating activities	35,977	13,696
Increase (+)/decrease (-) in liabilities attributable to operating activities	-45,510	-47,359
Cash flow from operating activities	16,742	13,675
Change in cash and cash equivalents due to acquisitions	-634	0
Acquisition of property, plant and equipment	-2,231	-2,979
Disposal of property, plant and equipment	203	2,782
Acquisition of intangible assets	-985	-2,189
Acquisition of film assets	-28,152	-45,121
Disposal of film assets	0	1,017
Acquisition of right-of-use assets	-477	0
Acquisition of financial assets	-1,060	-1,638
Cash flow from investing activities	-33,336	-48,128
Acquisition of treasury shares	0	-423
Payment for the acquisition of non-controlling interests	-1,205	-1,207
Increase in current financial liabilities	27,812	41,558
Repayment of current financial liabilities	-19,833	-8,422
Repayment of lease liabilities	-4,173	-4,396
Dividend payments	-1,176	-1,247
Cash flow from financing activities	1,425	25,863
Net change in cash and cash equivalents	-15,169	-8,590
Cash and cash equivalents as of January 1	55,266	59,340
Effect of exchange rate differences	-1,064	-583
Cash and cash equivalents as of June 30	39,033	50,167

The notes on pages 6 – 11 are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (condensed)

Changes in equity in 2020 in CHF thousand <i>Unaudited</i>				Equity attributable	Non-controlling	Total HLEE
	Share capital	Reserves	Treasury shares	to the shareholders of HLEE	interests	
January 1, 2020	77,400	16,398	0	93,798	266,633	360,431
Consolidated net income Jan. 1 to June 30, 2020		392		392	737	1,129
Other comprehensive income/loss Jan. 1 to June 30, 2020		-562		-562	-926	-1,488
Total comprehensive income		-170		-170	-189	-359
Acquisition of treasury shares		0	0	0	0	0
Dividend payments		0		0	-1,176	-1,176
Change in non-controlling interests		-261		-261	-740	-1,001
Change in consolidated group		0		0	0	0
June 30, 2020	77,400	15,967	0	93,367	264,528	357,895

Changes in equity in 2019 in CHF thousand <i>Unaudited</i>				Equity attributable	Non-controlling	Total HLEE
	Share capital	Reserves	Treasury shares	to the shareholders of HLEE	interests	
January 1, 2019	77,400	61,241	-1,697	136,944	254,395	391,339
Consolidated net income Jan. 1 to June 30, 2019		-5,784		-5,784	-6,795	-12,579
Other comprehensive income/loss Jan. 1 to June 30, 2019		-3,233		-3,233	-1,391	-4,624
Total comprehensive income		-9,017		-9,017	-8,186	-17,203
Acquisition of treasury shares		0	-423	-423		-423
Dividend payments		0		0	-1,247	-1,247
Change in non-controlling interests		-679		-679	-528	-1,207
Change in consolidated group		-25,385		-25,385	25,385	0
June 30, 2019	77,400	26,160	-2,120	101,440	269,819	371,259

The notes on pages 6 – 11 are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
as of June 30, 2020 (unaudited) – Highlight Event and Entertainment AG, Pratteln

1. GENERAL INFORMATION ON THE GROUP

The parent company of the Group, Highlight Event and Entertainment AG, has its registered office in Netzibodenstrasse 23b, Pratteln/Switzerland.

The Board of Directors of Highlight Event and Entertainment AG authorized the publication of these unaudited, condensed consolidated interim financial statements on August 13, 2020.

2. ACCOUNTING AND VALUATION PRINCIPLES

The unaudited, condensed consolidated interim financial statements for the period from January 1 to June 30, 2020 have been prepared in accordance with the International Accounting Standard on Interim Financial Reporting (IAS 34).

The condensed consolidated interim financial statements do not include all explanations and disclosures required for the financial statements for the full fiscal year and should be read in conjunction with the consolidated financial statements of the company as of December 31, 2019.

The accounting and valuation policies applied when preparing the condensed consolidated interim financial statements remained consistent with those applied in the consolidated financial statements for fiscal year 2019 (see 2019 annual report, notes to the consolidated financial statements, note 4).

The condensed consolidated interim financial statements have been prepared in Swiss francs, which is the functional and reporting currency of the Group's parent company. Amounts are reported in thousands of Swiss francs (TCHF) unless stated otherwise.

The Film and Sports segments are subject to seasonal fluctuations. The Film segment's sales depend on the respective theatrical release dates and the subsequent exploitation chain. The Sports segment generates lower sales in the summer months due to lower advertising income, which depends on broadcasting rights to sporting events. This leads to fluctuations in terms of sales and segment earnings in the quarters of the fiscal year.

When preparing the condensed consolidated interim financial statements, the management is required to make estimates and assumptions that affect the reported assets, liabilities, contingent liabilities and contingent assets at the balance sheet date, as well as income and expenses of the reporting period (see 2019 annual report, notes to the consolidated financial statements, note 5).

3. CHANGES TO ACCOUNTING POLICIES

3.1 Relevant standards and interpretations applied for the first time

COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The changes in "COVID-19-Related Rent Concessions (Amendment to IFRS 16)" amend IFRS 16 "Leases" to:

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior-period figures.

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted, including for interim reports. Having opted for the early application of the amendment, the HLEE Group has recognized TCHF 65 thousand in other operating expenses as negative variable lease payments.

3.2 Relevant standards, revised standards and interpretations published but not yet adopted

The HLEE Group waived the early adoption of the other new and revised standards and interpretations whose adoption is not yet required for Highlight Event and Entertainment AG. The Group considers the impact of these new standards and interpretations on current or future reporting periods and foreseeable future transactions to be immaterial.

4. CHANGES IN THE SCOPE OF CONSOLIDATION

By way of agreement dated and effective January 1, 2020, Highlight Communications AG, Pratteln, acquired 100 % of the shares in Highlight Event AG, Emmen, from Highlight Event and Entertainment AG, Pratteln, for a purchase price of TCHF 9,000. An advance payment for the acquisition in the amount of TCHF 8,000 was made in December 2019. In the previous year, the HLEE Group reported Highlight Event AG in the Event Marketing segment. Following the intragroup disposal, the company is reported in the Sports- and Event-Marketing segment of Highlight Communications AG.

A 3.5 % investment in Prestige Media Group S.A. was acquired on March 4, 2020. The purchase price was TCHF 267. The company performs media services.

The consolidated company Constantin Entertainment Israel Ltd., Tel Aviv, was liquidated on June 25, 2020.

In the first half of 2020, Highlight Communications AG increased its shareholding in Sport1 Medien AG, which was already fully consolidated, from 94.18 % to 94.71 %. This is a transaction between equity providers that reduced equity by TCHF 1,205.

In the first half of 2020, Highlight Event and Entertainment AG increased its shareholding in Highlight Communications AG, which was already fully consolidated, from 45.19 % to 45.49 %. This is a transaction between equity providers that reduced equity by TCHF 793.

5. EXPLANATORY NOTES TO SELECTED ITEMS OF THE BALANCE SHEET AND THE INCOME STATEMENT

5.1 Film assets

As of June 30, 2020, film assets increased by TCHF 11,253 compared with December 31, 2019. Third-party productions declined by TCHF 1,911, while in-house productions rose by a total of TCHF 13,164. This increase was primarily due to the fact that amortization and impairment on film assets was lower than the level of investments.

5.2 Contract assets

The carrying amount of contract assets declined from TCHF 18,626 to TCHF 14,600.

5.3 Cash and cash equivalents

Cash and cash equivalents fell from TCHF 55,266 to TCHF 39,033 as of June 30, 2020. Financing activities resulted in a cash inflow of TCHF 1,425, primarily as a result of the repayment of current financial liabilities. The Group's investing activities used cash of TCHF 33,336, which was essentially due to payments for film assets. Operating activities generated a positive cash flow of TCHF 16,742.

5.4 Equity

The increase in the equity investments in Sport1 Medien AG from 94.18 % to 94.71 % and Highlight Communications AG from 45.19 % to 45.49 %, which were recognized in equity, led to a reduction in capital reserves of TCHF 261 and a reduction in non-controlling interests of TCHF 740.

The remeasurement of pension obligations led to a TCHF 385 increase in retained earnings as a result of the higher discount rate in particular.

5.5 Lease liabilities

In the first half of 2020, PLAZAMEDIA GmbH concluded several new leases for the expansion of the broadcasting center. The monthly lease installments total TEUR 40. The lease term is 44 or 45 months. In this context, Sport1 Medien AG assumed a directly enforceable guarantee for all liabilities of PLAZAMEDIA GmbH arising from each of these agreements. The guarantees are perpetual and are capped at TEUR 2,357. The leases each contain a purchase option (totalling TEUR 86) to buy back assets after the end of the lease. It is reasonably certain that the options will be exercised.

In addition, PLAZAMEDIA GmbH has concluded a lease for servers and similar equipment. The monthly lease installments total TEUR 19. The lease term is 36 months. A payment of TEUR 450 was made prior to the provision date. This payment was classified as a cash flow from investing activities as it constitutes a payment for the acquisition of the right-of-use asset. This lease contains a purchase option (TEUR 180) to buy back assets after the end of the lease. It is reasonably certain that the option will be exercised.

5.6 Contract liabilities

The carrying amount of contract liabilities declined from TCHF 7,401 to TCHF 5,677.

5.7 Amortization, depreciation and impairment

(TCHF)	Jan. 1 to June 30, 2020	Jan. 1 to June 30, 2019
Scheduled amortization on film assets	12,404	43,740
Scheduled amortization on intangible assets	3,269	3,205
Scheduled depreciation on property, plant and equipment	2,255	2,526
Scheduled amortization/depreciation on right-of-use assets	4,082	4,102
Scheduled amortization/depreciation	22,010	53,573
Impairment on film assets	893	2,027
Impairment	893	2,027

5.8 Operating expenses

TCHF 971 was deducted from staff costs at Group level for the reimbursement of employer social security contributions relating to short-time working allowances.

5.9 Financial result

Financial income (TCHF)	Jan. 1 to June 30, 2020	Jan. 1 to June 30, 2019
Interest and similar income	101	28
Gains from changes in the fair value of financial instruments	390	1,088
Currency exchange gains	1,430	1,316
Total	1,921	2,432
Financial expenses		
(TCHF)	Jan. 1 to June 30, 2020	Jan. 1 to June 30, 2019
Interest and similar expenses	5,089	5,057
Losses from changes in the fair value of financial instruments	90	805
Currency exchange losses	1,378	1,205
Interest expenses from lease liabilities	378	401
Total	6,935	7,468

6. DISCLOSURES ON FINANCIAL RISK MANAGEMENT

6.1 Fair value of financial assets and liabilities

The following table shows the allocation of financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy:

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Fair value hierarchy

June 30, 2020 (TCHF)		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
	FVTPL/ without category	-	494	-	494
Derivative financial instruments					
Financial assets at fair value through profit or loss	FVTPL	-	-	28	28
Financial assets (equity instruments)	FVTOCI	-	5,397	880	6,277
Financial liabilities measured at fair value					
Financial liabilities with hedging relationships	AC	-	478	-	478
Derivative financial instruments	FLTPL	-	484	-	484
Financial liabilities	FLTPL	-	-	227	227
Dec. 31, 2019 (TCHF)					
Financial assets measured at fair value					
	FVTPL/ without category	-	287	-	287
Derivative financial instruments					
Financial assets at fair value through profit or loss	FVTPL	-	-	28	28
Financial assets (equity instruments)	FVTOCI	-	6,035	896	6,931
Financial liabilities measured at fair value					
Financial liabilities with hedging relationships	AC	-	556	-	556
Derivative financial instruments	FLTPL	-	855	-	855
Financial liabilities	FLTPL	-	-	231	231

AC: Financial assets at amortized cost

FVTOCI: Financial assets at fair value through OCI

FVTPL: Financial assets at fair value through profit or loss

FLTPL: Financial liabilities at fair value through profit or loss

The financial assets measured at fair value and included in Level 1 are measured using stock market prices.

The derivative financial instruments contained in Level 2 are recognized at current market prices. The discounted cash flow method was used to determine the fair value of Level 2 financial instruments.

The shares in Geenee Inc. assigned to level 3 of the fair value hierarchy had already been written down in full in previous years. There were no indications of a reversal of impairment in the reporting period.

There were no reclassifications between the individual levels of the fair value hierarchy. They are reclassified quarterly in each reporting period if circumstances requiring a different classification arise.

6.2 Financial assets and liabilities at amortized cost

Given the short remaining term, the carrying amounts of current financial receivables and liabilities as of the end of the reporting period are approximately the fair value. Non-current receivables are discounted according to their remaining term. Their carrying amounts are therefore also approximately their fair value.

6.3 Fair value of non-financial assets and liabilities

As of June 30, 2020 and December 31, 2019, there were no non-financial assets or liabilities measured at fair value.

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7. SEGMENT REPORTING

Segment information Jan. 1 to June 30, 2020

(TCHF)	Film	Sports- and Event- Marketing	Sports	Event Marketing	Other	Reconciliation	Group
External revenue	97,987	31,198	42,820		310	-	172,315
Intragroup revenue	-	-	359		-	-359	-
Total revenue	97,987	31,198	43,179		310	-359	172,315
Other segment income	42,296	384	2,786		1,442	-163	46,745
Segment expenses	-131,483	-16,919	-56,237		-3,935	522	-208,052
<i>of which scheduled amortization and depreciation</i>	<i>-14,628</i>	<i>-839</i>	<i>-6,543</i>		<i>-893</i>	<i>-</i>	<i>-22,903</i>
<i>of which impairment</i>	<i>-893</i>	<i>-</i>	<i>-</i>		<i>-</i>	<i>-</i>	<i>-893</i>
Segment earnings	8,800	14,663	-10,272		-2,183	-	11,008
Time reference of revenue							
Over time	44,135	-	20,924		-	-	65,059
Point in time	53,852	31,198	21,896		310	-	107,256
	97,987	31,198	42,820		310	-	172,315
Revenue by product type							
Film	53,852	-	-		-	-	53,852
Production services	44,135	-	-		-	-	44,135
Sports- and Event-Marketing	-	31,198	-		-	-	31,198
Platform	-	-	33,992		-	-	33,992
Services	-	-	8,828		310	-	9,138
	97,987	31,198	42,820		310	-	172,315

Segment information Jan. 1 to June 30, 2019

(TCHF)	Film	Sports- and Event- Marketing	Sports	Event Marketing	Other	Reconciliation	Group
External revenue	140,852	32,876	60,229	1,680	192	-	235,829
Intragroup revenue	56	-	-		-	-56	-
Total revenue	140,908	32,876	60,229	1,680	192	-56	235,829
Other segment income	52,414	67	4,811	6	3,744	-125	60,917
Segment expenses	-195,869	-16,782	-83,861	-1,292	-5,738	422	-303,120
<i>of which scheduled amortization and depreciation</i>	<i>-45,804</i>	<i>-641</i>	<i>-7,126</i>	<i>-2</i>	<i>-</i>	<i>-</i>	<i>-53,573</i>
<i>of which impairment</i>	<i>-2,027</i>	<i>-</i>	<i>-</i>		<i>-</i>	<i>-</i>	<i>-2,027</i>
Segment earnings	-2,547	16,161	-18,821	394	-1,802	241	-6,374
Time reference of revenue							
Over time	66,099	-	24,430		-	-	90,529
Point in time	74,753	32,876	35,799	1,680	192	-	145,300
	140,852	32,876	60,229	1,680	192	-	235,829
Revenue by product type							
Film	74,753	-	-		-	-	74,753
Production services	66,099	-	-		-	-	66,099
Sports- and Event-Marketing	-	32,876	-		-	-	32,876
Platform	-	-	45,620		-	-	45,620
Services	-	-	14,609	1,680	192	-	16,481
	140,852	32,876	60,229	1,680	192	-	235,829

Highlight Event AG was reported in the Event Marketing segment in the previous year. Following the intragroup disposal, the company has been reported in the Sports- and Event-Marketing segment since January 1, 2020.

The reconciliation row shows the eliminations of the relationships between segments.

8. FINANCIAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER UNRECOGNIZED FINANCIAL OBLIGATIONS

Compared with the consolidated financial statements as of December 31, 2019, financial commitments, contingent liabilities and other unrecognized financial obligations increased by TCHF 109,500 to TCHF 258,306 as of June 30, 2020.

9. RELATED PARTY DISCLOSURES

As part of its normal business activities, the company maintains relations with associated companies, the major shareholder and its subsidiaries in addition to companies controlled by members of the Board of Directors.

Related party disclosures

(TCHF)	June 30, 2020	Dec. 31, 2019
Receivables	-	-
Liabilities	-	57
Current financial liabilities to Swiss International Investment Portfolio AG	54,937	55,914
Non-current financial liabilities to Obotritia Capital KGAA	10,137	10,137

(TCHF)	Jan. 1 to June 30, 2020	Jan. 1 to June 30, 2019
Revenue and other income	-	-
Cost of materials and licenses and other expenses	-	26
Financial expenses for Obotritia Capital KGAA loan	286	304
Financial expenses for Swiss International Investment Portfolio AG loan	1.369	1.611

The financial liabilities of Swiss International Investment Portfolio AG bear interest at a rate of 5 % and the financial liabilities of Obotritia Capital KGAA bear interest at a rate of 6 %.

Related parties include the members of the Board of Directors, the members of Group management and their relatives.

For further information, please refer to the interim report of our subsidiary, Highlight Communications AG, as of June 30, 2020 (<http://www.hlcom.ch/en/Interim-reports.htm>).

10. EVENTS AFTER THE END OF THE REPORTING PERIOD

The new coronavirus strain has continued to spread around the world in the first half of 2020. The Board of Directors is continuing to monitor the situation and has taken the appropriate action. The Board of Directors assumes that the spread of the coronavirus will have repercussions for the HLEE Group.