CONSTANTIN
MEDIEN AG

Q2 INTERIM FINANCIAL REPORT 2019

CONTENT

Forward-looking statements

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Forward-looking statements are not historical facts. They are subject to risks, uncertainties and factors, of which most are difficult to assess and which in general are beyond the control of the Management Board. Should one or more of these risks or uncertainties materialize, or underlying expectations or assumpt-ions should not occur or prove to be incorrect, the actual results, performance or achievements of the Constantin Medien Group may differ significantly from those described explicitly or implicitly in the forward-looking statements. The Constantin Medien AG does not intend to continuously update the forward-looking statements contained in this document.

Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations are reasonable, no liability or warranty as to the completeness, correct-ness, adequacy and/or accuracy of any forward-looking statements in this document is assumed.

Rounding differences of +/- one unit may occur in the tables for computational reasons and the percentages shown may not precisely reflect the absolute figures that they represent.

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Imprint

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KEY FIGURES

Key Figures in EUR million		
	6/30/2019	12/31/2018
Balance sheet total	**93.6**	91.0
Subscribed capital	**93.6**	93.6
Equity	**52.4**	60.2
Equity ratio (in percent)	**56.0%**	66.1%
Net debt/liquidity	**-3.5**	12.4
	1/1 to 6/30/2019	1/1 to 6/30/2018
Revenues	**50.0**	60.5
Earnings before interest, taxes depreciation and amortization (EBITDA)	**-0.9**	-3.0
Loss from operations (EBIT)	**-5.0**	-4.8
Net loss	**-4.4**	-6.4
Net loss attributable to shareholders	**-4.1**	-6.4
Cash flows from operating activities	**2.3**	-4.9
Cash flows from investing activities	**-5.1**	69.2
Cash flows from financing activities	**-2.2**	-64.0
	6/30/2019	12/31/2018
Shares outstanding in million	**93.6**	93.6
Share price in EUR	**2.29**	1.90
Market capitalization (based on shares outstanding)	**214.3**	177.8
	1/1 to 6/30/2019	1/1 to 6/30/2018
Average number of shares outstanding (basic) in million	**93.6**	93.6
Earnings per share (basic) in EUR	**-0.04**	-0.07
Earnings per share (diluted) in EUR	**-0.04**	-0.07
Employees including freelancers (at closing)	**479**	545

INTERIM GROUP MANAGEMENT REPORT

Constantin Medien AG is an internationally operating media company based in Ismaning near Munich. Its business activities comprise the Sports division with the companies Sport1 GmbH, Sport1 Media GmbH, Magic Sports Media GmbH, Match IQ GmbH, PLAZAMEDIA GmbH and LEITMOTIF Creators GmbH. Through its wholly-owned subsidiary Constantin Sport Holding GmbH, Constantin Medien AG holds 100 percent of the shares in these companies, respectively, and 50.1 percent in Match IQ GmbH.

Constantin Medien AG is included in the consolidated financial statements of the direct parent company Highlight Communications AG, Pratteln/Switzerland, and of the ultimate parent company Highlight Event and Entertainment AG, Pratteln/Switzerland.

1. Financial performance indicators

For the 2019 financial year, revenues and earnings attributable to shareholders are used as key performance indicators in the Group. For control and management purposes, the non-essential indicators operating income (EBIT), operating income before depreciation, amortization and impairment (EBITDA), operating cash flow and net liquidity or debt (cash and cash equivalents minus financial liabilities) are determined on a regular basis. Constantin Medien AG is managed on the basis of the annual result.

2. Business performance in the first half of 2019

2.1 Overall economic conditions in the first half of 2019

- In the first half of 2019, the global economy as a whole developed at a subdued pace, primarily due to actual or imminent trade restrictions imposed by the USA. For this reason, the International Monetary Fund (IMF) reduced its expectations from April of this year by 0.1 percentage points to 3.2 percent in July.
- In Germany, falling demand from abroad, which resulted in fewer investments, had a weakening effect compared with the previous quarter.
- The GfK Consumer Climate Index, which measures the propensity of private households to consume in Germany, reached its highest level in February at 10.8. Since then, it has been declining steadily until it reached 10.1 in June. The reasons for this were the cooling economic expectations and the falling income mood in June. These negative indicators were offset by gains in the „propensity to buy“ indicator.

Sources: International Monetary Fund (IMF), World Economic Outlook, Update July 2019, July 23, 2019; Statista 2019: GfK Consumer Climate Index from June 2018 to June 2019 and forecast for July 2019; GfK SE, press release, results of the GfK Consumer Climate Survey for June 2019, June 26, 2019.

2.2 Sector-specific general conditions, operating performance and analysis of non-financial performance indicators

2.2.1 Sector-specific general conditions in the Sports division

- According to Nielsen Holdings plc, a measurement and data analysis company, the overall advertising trend shows slight growth for the first time after the first half of 2019 (+0.1 percent) compared to the same period last year, thanks to a successful June for the advertising industry.
- The main winners in the first half of the year were the out-of-home marketers, who once again grew significantly year-on-year in June and recorded growth of almost nine percent in the first half of the year. Online is the second strongest media class with growth of almost seven percent in the first half of the year. Viewed separately, the Mobile segment in the Online segment continued to show the strongest growth in the first half of the year with 24.1 percent. The only other genre with a slight plus (+0.9 percent) is radio. All other media groups recorded a decline in advertising revenues in the first half of 2019: TV recorded -1.3 percent, newspapers -1.7 percent, general-interest magazines -3.5 percent, trade magazines and cinema -3.6 percent each.

Source: Nielsen, adjusted advertising trend, data as at July 12, 2019.

– In the second quarter of 2019, high-resolution technologies (such as 4K, 8K or HDR) will continue to be one of the key topics in the production market. Although it will be some time before the UHD/4K standard is established on the end consumer side, manufacturers of TV sets, production and camera technology are already increasingly focusing on expanding their product ranges to include products based on the next development stage 8k.

Sources: IBC, „New at NAB: From 4K to 8K capture", April 9, 2019; TechRadar, „4K vs 8K: Is it worth upgrading to ‚Full' UHD?", May 13,2019.

– In addition to high-resolution technologies, this year's NAB (National Association of Broadcasters) Show in Las Vegas, the largest trade fair for media, entertainment and technologies, was once again dominated by major trends such as 5G, Virtual and Augmented Reality, OTT/OVP and Artificial Intelligence (AI). The focus was on the use of IP-based production solutions and cloud technology for more efficient and flexible production processes.

Source: film-tv-video.de, „NAB2019: A little bit of everything", 29. Mai 2019; mebucom.de, „Artificial Intelligence in the Broadcast Industry", June 17, 2019.

2.2.2 Operating performance in the Sports division

– In the first half of the year, expansion of the program portfolio for the SPORT1 platforms, including the following rights: in soccer matches of the UEFA U21 European Championship, the German Championships for A and B Juniors and the DFB Cup Final for Juniors, in volleyball the DVV Cup Final, in beach volleyball the FIVB Beach Volleyball World Cup 2019, in motorsports the Porsche Mobil 1 Supercup, the Audi Sport Seyffarth R8 LMS Cup as well as highlight rights to the DTM, in handball international games of the German Handball Federation (DHB), in American Football the German Bowl until 2024 as well as at the multisports events European Games 2019 and Ruhr Games 2019. With the new docutainment format „Operation Auto" launched in April, SPORT1 expanded its commitment to docutainment, followed in June by the new format „Die PS PROFIS – Fahrschule". For the 2019 IIHF Ice Hockey World Championship, SPORT1 also started „N.ICE – Goldis Eishockey-Welt", a ten-part documentary with expert Rick Goldmann.

– On January 24, 2019, eSPORTS1, the first eSports channel in the German-speaking region, successfully went on-air. The program contains at least 1,200 live hours per year of international and national top events as well as highlight broadcasts and self-produced magazines. The new pay-TV channel reports 24/7 on the most well-known titles such as League of Legends, Dota 2, Counter-Strike, Overwatch, Hearthstone, Fortnite and FIFA 19. With ESL, Blizzard Entertainment, FIFA, DFL Deutsche Fußball Liga (German Soccer League) or Sportradar, top-class content partners are on board. Since its launch, eSPORTS1 has been offered via the platforms of Vodafone Germany, Telekom, Unitymedia, 1&1, T-Mobile Austria, A1 Telekom, UPC Switzerland and Zattoo as well as via the new eSPORTS1 App.
– SPORT1 and DreamHack signed a cooperation agreement in the first half of the year: High-class Counter-Strike and Rocket League events can now be seen live on eSPORTS1.
– SPORT1 and the Fédération Internationale de Football Association (FIFA) continue their successful cooperation in the field of eSports: Sport1 GmbH acquired rights at the EA SPORTS FIFA 19 Global Series and the FIFA eWorld Cup 2019.

– In addition, Sport1 GmbH has been a shareholder of AGF Videoforschung since April and is thus the tenth shareholder to be part of the group of shareholders.

– In terms of marketing, SPORT1 MEDIA won advertising clients ŠKODA, Unibet, Mäurer & Wirtz, LIQUI MOLY and Bratislavská organizácia in the first half of the year on the occasion of the 2019 IIHF Ice Hockey World Championship.
– SPORT1 MEDIA further expanded its partnership with Telefónica Deutschland: Since January, the highlight magazine „Bundesliga Pur – Lunchtime" broadcast every Sunday from Germany's highest TV studio in Munich's O_2 Tower.

– In Q2 2019, PLAZAMEDIA took over the realization of studio productions for sixx on behalf of Fischwillwurm GmbH, in addition to the personality show „Ringlstetter", the comedy show „Mittermeier!" and the „Gesundheitsshow" of Bayerischer Rundfunk.
– In addition, PLAZAMEDIA provided production services for ZDF as part of the Bundesliga and the UEFA U21 European Championship as well as extensive serial production services for Amazon, DAZN and SPORT1.

- In the event location ziegelei101 operated by PLAZAMEDIA, SportScheck honored the sports personalities of the year at the premiere of the MADE FOR MORE AWARD 2019 in February. SPORT1 broadcast the award ceremony with more than 500 guests from sports, media and business, which was staged by the largest German TV production company Constantin Entertainment with the support of PLAZAMEDIA in the studio production area, live on free-TV and on YouTube.
- In addition, the event location ziegelei101 hosted numerous events for other well-known customers, including the Munich Marketing Week 2019 on behalf of the publishing house Werben & Verkaufen and the DekaBank Trade Day.
- LEiTMOTiF‘s successful cooperation with PV Automotive was extended to include STAHLGRUBER: in January, the consulting unit realized STAHLGRUBER‘s „Ignition Night“ at ziegelei101 for the wholesaler of automotive parts, accessories and workshop equipment.

- In March, the full-service event and sports consulting agency Match IQ entered into a cooperation agreement with Hertha BSC. In May 2019, a tour of the USA with two friendly games in the US states of Minnesota and Wisconsin was organized for the Bundesliga club. Match IQ also organized FC St. Pauli‘s USA tour from May 21 to 27 with test matches against New York Cosmos and Buffalo FC. Match IQ also arranged the match between the two Bundesliga teams VfL Wolfsburg and Eintracht Frankfurt on May 24 in Foshan, China, which was also broadcast live on SPORT1.

2.2.3 Analysis of non-financial performance indicators in the Sports division

- As expected, the market shares of SPORT1‘s free-TV offering declined in the first half of 2019 among viewers aged three and older (Z3+) and in the core target group of men aged 14 to 59, in particular due to the discontinuation of the UEFA Europa League. The upward trend in ice hockey with the 2019 IIHF Ice Hockey World Championship, the DEL and the Champions Hockey League as well as the stable Bundesliga Sundays with the „CHECK24 Doppelpass“, „Bundesliga Pur“ and „Bundesliga Pur – Lunchtime“ had a positive effect.
- Rating highlights in free-TV in the first six months of 2019 were in particular the final of the World Darts Championship on January 1, the Ice Hockey World Championship in May and the Bundesliga formats – above all „Der CHECK24 Doppelpass“, which closed with a strong seasonal average of 950,000 viewers (Z3+).

SPORT1 I Free TV in %

	H1 2019	H1 2018	Change
Market share/Z3+ (Ø/month)	**0.7**	0.8	-13%
Market share//M14-59 (Ø/month)	**1.2**	1.3	-8%

Source: AGF video research in cooperation with GfK, videoSCOPE 1.1, January 1 to June 30, 2018/2019, market standard: TV.

- Distribution of SPORT1 HD: As of June 30, 2019, a total of 8.38 million subscribers had subscribed to SPORT1 in HD quality via the various platform partners (June 30, 2018: 8.47 million) – in each case excluding the subscribers who receive SPORT1 HD via Telekom‘s Magenta TV.
- Pay-TV distribution remained at a high level as of June 30, 2019 with a total of 2.35 million subscribers on SPORT1+ (June 30, 2018: 2.10 million) and 1.14 million subscribers on eSPORTS1, which was launched on January 24, 2019.

  Source: Figures based on the reports of the cable network and platform operators.

- In the Digital area, the comparability of the performance indicators 2019 and 2018 was influenced on the one hand by the thematically strong year 2018 with the Olympic Games and the FIFA World Cup, in which SPORT1 acquired rights to highlight clips of all World Cup matches for its digital platforms, as well as the live and highlight rights to the UEFA Europa League up to and including the 2017/18 season, which generated correspondingly high coverage. On the other hand, the measurement method was adjusted in July 2018, which means that there is no comparability between the corresponding periods 2019 and 2018. Adjusted for these extraordinary effects, the individual performance indicators developed in line with expectations.

– Visits in the mobile area were almost at the level of H1 2018 over the first half of the year.

SPORT1 I Mobile in million

	H1 2019	H1 2018	Change
Visits (Ø/month)	**69.0**	69.8	-1%
Page Impressions (Ø/month)	**572.1**	652.4	-12%

Source: IVW (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V., German Information Association for the Ascertainment of Distribution of Advertising Media) January 2018 to June 2018, Mobile incl. MEW, SPORT1 News App, Video App, Darts App and SPORT1.fm App; IVW January 2019 to June 2019, Mobile incl. MEW, SPORT1 News App, Video App, Darts App.

– As expected, visits in the online area declined year-on-year in the first half of 2018 due to the shift in content usage from online to mobile as well as the global sports events.

SPORT1 I Online in million

	H1 2019	H1 2018	Change
Visits (Ø/month)	**12.4**	14.6	-15%
Page Impressions (Ø/month)	**80.9**	97.1	-17%

Source: IVW (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V., German Information Association for the Ascertainment of Distribution of Advertising Media) January 2018 to June 2018 incl. SPORT1.de, tv.sport1.de, tippspiel.sport1.de, wmtippspiel.sport1.de; IVW January 2019 to June 2019 incl. SPORT1.de, tv.sport1. de.

– The number of unique users was lower than in the same period of the previous year, both due to the aforementioned thematic differences and the change in the unique user measurement in the mobile web area.

SPORT1 I Unique User in million

	H1 2019	H1 2018	Change
Unique User (Ø/month)	**7.3**	8.1	-10%

Source: agof daily digital facts SPORT1.de + SPORT1 Mobile (media combination from Mobile Total + InStream) (Basis: 16+) January 2018, agof daily digital facts SPORT1.de + SPORT1 Mobile (media combination from Mobile Total + InStream + iPad App) (Basis: 16+) February to June 2018, January to June 2019.

– Video views on the SPORT1 platforms (video-on-demand and livestream) decreased in H1 2019 compared to the same period of the previous year, while video views on YouTube continued to increase in the first half of 2019 compared to the same period of the previous year.

SPORT1 I Video in million

	H1 2019	H1 2018	Change
Video Views (Ø/month) All SPORT1 platforms	**12.4**	13.3	-7%
Video Views (Ø/month) SPORT1 YouTube channels	**16.4**	16.1	2%

Source: Video Views SPORT1 platforms incl. livestream, without YouTube: DoubleClick/ Google Analytics, January to June 2018, Content Network Glomex and e-Player DAZN, since February 2018*; Video Views SPORT1 platforms incl. livestream, without YouTube: Google Analytics, January to May 2019; Video Views SPORT1 platforms incl. livestream, without YouTube: AT Internet, June 2019; YouTube Content Management System, January to June 2018, YouTube Analytics, January to June 2019.

*2018, the data from the content network Glomex and the DAZN e-Player will flow into the SPORT1 platforms as new sources from February 2018. A direct comparison with the current year is therefore not possible.

2.2.4 Legal activities

Changes compared to the legal activities described in the Combined Group Management Report and Management Report of the Annual Report 2018 of Constantin Medien AG (chapter 2.3.4) in the reporting period.

Effective July 7, 2019, Constantin Medien AG concluded a legally binding settlement with a legal counsel sued by Constantin Medien AG. The object of the lawsuit was the repayment of attorney fees paid during and after the Supervisory Board activities of the legal counsel for Constantin Medien AG. Among other things, the settlement provides for the reimbursement of legal consulting fees of EUR 207 thousand to Constantin Medien AG. In addition, claims in the amount of EUR 15 thousand asserted against the Company in other proceedings will not be pursued further.

2.3 Results of operations, net assets and financial position of the Constantin Medien Group

2.3.1 Overall assessment of the reporting period

Constantin Medien Group I Business development in EUR million

	1/1 to 6/30/2019	1/1 to 6/30/2018	Change	**4/1 to 6/30/2019**	4/1 to 6/30/2018	Change
Revenues	**50.0**	60.5	-17.4%	**25.2**	32.0	-21.3%
Operating result before depreciation/ amortization and impairment (EBITDA)	**-0.9**	-3.0	70.0%	**1.1**	-1.3	184.6%
Operating result (EBIT)	**-5.0**	-4.8	-4.2%	**-0.9**	-2.2	59.1%
Financial result	**0.9**	-0.5	280.0%	**1.0**	0.7	42.9%
Earnings attributable to shareholders	**-4.1**	-6.4	35.9%	**0.0**	-1.6	–

- The effects of the first-time adoption of IFRS 16 Leases were recognized directly in equity. The previous year‘s figures were not adjusted accordingly. As a result of the first-time adoption of IFRS 16, fixed assets increased by the recognition of right of use assets (EUR +8.8 million) and current and non-current financial liabilities (EUR +8.8 million) on the liabilities side as of the conversion date of January 1, 2019. As of 2019, a large portion of rental and leasing expenses will be reported in the statement of profit or loss under depreciation and amortization instead of other operating expenses, as it was previously the case. The compounding of lease liabilities is recognized in financial expenses.
- Group revenues in the first half of 2019 amounted to EUR 50.0 million (H1 2018: EUR 60.5 million). The 17.4 percent decline in revenues is primarily attributable to lower TV advertising revenues following the discontinuation of the rights to the UEFA Europa League and a general reluctance on the part of advertisers to spend on advertising.
- Operating result before depreciation/amortization and impairment (EBITDA) in the first six months amounted to EUR -0.9 million, compared to EUR -3.0 million in the same period of the previous year, mainly due to the shift of rental and leasing expenses to depreciation and amortization due to the first-time adoption of IFRS 16 Leases as well as lower legal and consulting expenses.
- The operating result (EBIT) for the first six months of 2019 was EUR -5.0 million, compared with EUR -4.8 million in the same period of the previous year. Despite the significant decline in revenues, EBIT was virtually maintained, due to the decline in the cost of materials and licenses.
- The financial result improved significantly in the first half of the year due to the absence of interest expenses of EUR 1.5 million for the 2013/2018 corporate bond, which was fully repaid in April 2018.
- Despite the slight decline in the operating result, consolidated earnings attributable to shareholders improved by EUR 2.3 million, in particular due to the positive financial result and the lower tax expense. The tax expense in the prior-year period was characterized by the reversal of deferred tax assets in the amount of EUR 0.6 million due to the elimination of existing loss carryforwards.
- Despite the revenue decline of EUR 6.8 million in the second quarter of 2019, EBIT increased significantly in the period from April 1 to June 30, 2019 due to lower material and license expenses as well as lower legal and consulting costs. Operating result before depreciation/amortization and impairment (EBITDA) was positive at EUR 1.1 million following EUR -1.3 million in the prior-year quarter due to the first-time adoption of IFRS 16 Leases. At the level of consolidated earnings attributable to shareholders, the second quarter of 2019 was in the black after a loss of EUR 1.6 million in the prior-year quarter.
- Overall, revenues, operating profit and earnings attributable to shareholders for both the first half of 2019 and the second quarter of 2019 were below expectations.

2.3.2 Sports division

Sports division I Development in EUR million	1/1 to 6/30/2019	1/1 to 6/30/2018	Change	4/1 to 6/30/2019	4/1 to 6/30/2018	Change
Revenues	**50.0**	60.5	-17.4%	**25.2**	32.0	-21.3%
Operating result before depreciation/ amortization and impairment (EBITDA)	**0.3**	-0.3	200.0%	**1.6**	0.6	166.7%
Operating result (EBIT)	**-3.7**	-2.1	-76.2%	**-0.4**	-0.3	-33.3%

- At EUR 50.0 million, revenues in the first six months of 2019 were below the previous year‘s level (H1 2018: EUR 60.5 million), in particular due to lower TV advertising revenues following the discontinuation of the rights to the UEFA Europa League, a general reluctance on the part of advertisers to spend on advertising, and restrictive regulatory framework for the Schleswig-Holstein licenses for the organization and thus also for the advertising of online casinos. Since June 27, 2019, it has been possible to advertise online casinos again.
- On the other hand, material and license expenses were reduced significantly by EUR 8.8 million due to the absence of license fees for the UEFA Europa League and general savings in production.
- The decrease in revenues could be compensated in absolute terms in the operating result before depreciation/amortization and impairment (EBITDA), in particular due to the lower license expenses and the shift of rental and leasing expenses to depreciation and amortization (effect from the first-time adoption of IFRS 16 Leases as of January 1, 2019).
- The decline in EBIT by EUR 1.6 million in the first six months of 2019 is primarily attributable to the aforementioned decline in revenue and the non-recurring recognition of expenses for severance payments.
- Overall, revenues and operating results in the Sports division for the first half of 2019 were below expectations.
- Investments, restructuring and the expansion of customer relationships at PLAZAMEDIA GmbH led to EBITDA of EUR 2.2 million in the first six months of 2019, a very significant improvement of EUR 2.3 million over the same period of the previous year. Despite the high depreciation of investments, EBIT at PLAZAMEDIA improved considerably.

2.3.3 Others division

- The six-months operating result of the holding company Constantin Medien AG amounted to EUR -1.3 million (H1 2018: EUR -2.7 million). This improvement is due in particular to lower legal and consulting costs. The operating result of the holding company Constantin Medien AG for the first half of 2019 exceeded expectations.

2.3.4 Sales and earnings development of the Constantin Medien Group

- In addition to the development of revenues as well as the cost of materials and licenses described in chapter 2.3.2, the earnings situation of the Constantin Medien Group was mainly characterized by the following factors in the first six months:
- Other operating income in the first six months of 2019 was at the previous year‘s level.
- Despite a lower number of employees, personnel expenses remained almost at the previous year‘s level due to the recognition of severance payments.
- Other operating expenses fell significantly by EUR 3.7 million in the reporting period. This decrease is mainly due to the reclassification of operating lease expenses (EUR 1.7 million) to depreciation due to the first-time adoption of IFRS 16 Leases and the decrease in legal and consulting costs (EUR 1.0 million).
- The financial result improved by EUR 1.5 million in the reporting period due to the absence of interest expenses for the 2013/2018 corporate bond repaid in April 2018.
- The EUR 0.8 million decrease in tax expenses in the first six months of 2019 is because in the prior-year period the tax result was burdened by a non-recurring expense of EUR 0.6 million due to the reversal of deferred tax assets on loss carryforwards.

2.3.5 Net assets of the Constantin Medien Group

Constantin Medien Group I Consolidated statement of financial position (abbreviated version) in EUR million

	6/30/2019	12/31/2018	Change	Change in %
Non-current assets	**58.9**	54.5	4.4	8.1%
Current assets	**34.7**	36.5	-1.8	-4.9%
Total assets	**93.6**	**91.0**	**2.6**	**2.9%**

- As of June 30, 2019, non-current assets include for the first-time the item right of use assets in the amount of EUR 11.8 million due to the first-time adoption of IFRS 16 Leases, i.e. significant long-term rental and leasing agreements are recognized as of January 1, 2019 and generally depreciated over the lease or rental period.
- The EUR 4.4 million decrease in property, plant and equipment results in particular from the sale of the broadcasting center at PLAZAMEDIA GmbH as part of a sale-and-lease-back agreement (EUR -2.4 million) as well as the reclassification of the assets recognized as of December 31, 2018 from finance leases to the new item right of use assets (EUR -1.2 million).
- The decrease in other non-current financial assets by EUR 3.8 million is due to the change in value of the Highlight Communications AG shares (EUR -4.6 million before deferred taxes), as these are carried at the stock exchange price with recognition in other comprehensive income. The acquisition of 5.56 percent of the shares in AGF Videoforschung GmbH (EUR 0.5 million) and the acquisition of 10 percent of the shares in Summacum GmbH (EUR 0.3 million) had an opposite effect.
- Overall, there were no significant changes in current assets. Within current assets, trade accounts receivable and other receivables increased due to granting a loan to Highlight Event and Entertainment AG (EUR 6 million) and cash and cash equivalents decreased accordingly.

2.3.6 Financial position of the Constantin Medien Group

Constantin Medien Group I Consolidated statement of financial position (abbreviated version) in EUR million

	6/30/2019	12/31/2018	Change	Change in %
Equity attributable to the shareholders	**52.4**	60.0	-7.6	-12.7%
Non-controlling interests	**0.0**	0.2	-0.2	–
Total equity	**52.4**	60.2	-7.8	-13.0%
Non-current liabilities	**9.2**	2.4	6.8	283.3%
Current liabilities	**32.0**	28.4	3.6	12.7%
Total equity and liabilities	**93.6**	**91.0**	**2.6**	**2.9%**

- The principles of Group financing and the Group's financial risks correspond to those of the 2018 financial year (see Annual Report 2018, Combined Group and Management Report, chapter 2.4.6).
- The equity of the Constantin Medien Group as of June 30, 2019 decreased by EUR 7.8 million to EUR 52.4 million (December 31, 2018: EUR 60.2 million). This decrease is attributable to earnings-related factors (EUR -4.4 million) as well as the negative valuation result of the Highlight Communications AG shares (EUR -3.3 million after deduction of deferred taxes).
- The equity ratio (total equity in relation to total assets) amounted to 56.0 percent as of June 30, 2019 compared to 66.1 percent as of December 31, 2018. The decrease in the equity ratio is attributable to the reduction in equity as well as the increase in current and non-current financial liabilities due to the first-time recognition of leases under IFRS 16 Leases.
- The increase in non-current and current liabilities is mainly due to the first-time recognition of lease liabilities due to the first-time adoption of IFRS 16 Leases.

2.3.7 Liquidity development of the Constantin Medien Group

Constantin Medien Group I Consolidated statement of cash flows (abbreviated version) in EUR million

	1/1 to 6/30/2019	1/1 to 6/30/2018	Change	Change in %
Cash flows from operating activities	**2.3**	-4.9	7.2	146.9%
Cash flows from investing activities	**-5.1**	69.2	-74.3	-107.4%
Cash flows from financing activities	**-2.3**	-64.0	61.7	96.4%
Total cash flows	**-5.1**	**0.3**	**-5.4**	**–**

- In the first six months of 2019, the Constantin Medien Group generated a positive cash flow from operating activities of EUR 2.3 million (H1 2018: negative cash flow of EUR 4.9 million). The cash flow from operating activities in the prior-year period included the final interest payment of EUR 4.55 million for the corporate bond 2013/2018. Furthermore, the repayment of lease liabilities due to the first-time adoption of IFRS 16 Leases is now reported in cash flows from financing activities (EUR -2.3 million) in the reporting period.
- Investing activities resulted in a cash outflow of EUR 5.1 million (H1 2018: cash inflow of EUR 69.2 million) due to granting a short-term loan to Highlight Event and Entertainment AG in the amount of EUR 6.0 million. Operating investments in fixed assets amounted to EUR 2.6 million in the reporting period. The proceeds from sale-and-lease-back agreements in the amount of EUR 3.5 million had an opposite effect. The prior-year period included payments received from the sale of Highlight Communications AG shares totaling EUR 75.0 million.
- Net cash used in financing activities amounted to EUR 2.3 million (H1 2018: net cash used of EUR 64.0 million). This cash outflow in the reporting period relates to the repayment of lease liabilities. Due to the first-time adoption of IFRS 16 Leases, these cash outflows are reported in cash flows from financing activities for the first time (previously in cash flows from operating activities). The prior-year period included the full repayment of the corporate bond 2013/2018.
- In total, there was a negative cash flow of EUR 5.1 million in the first six months of 2018 (H1 2018: EUR 0.3 million positive cash flow).

Constantin Medien Group I Net debt or net liquidity in EUR million

	6/30/2019	12/31/2018	Change	Change in %
Cash and cash equivalents	**8.4**	13.4	-5.0	-37.3%
Current financial liabilities	**4.1**	0.2	3.9	–
Non-current financial liabilities	**7.8**	0.8	7.0	–
Net debt/net liquidity	**-3.5**	**12.4**	**-15.9**	**-128.2%**

- As of June 30, 2019, the Constantin Medien Group reported net debt of EUR 3.5 million (December 31, 2018: net liquidity EUR 12.4 million). The main reason for the net debt is the recognition of current and non-current lease liabilities in the amount of EUR 11.9 million due to the first-time application of IFRS 16 Leases as well as the extension of a current loan to Highlight Event and Entertainment AG in the amount of EUR 6.0 million.

3. Risks and opportunities report

3.1. Risk management

A detailed description of the risk management system and the risk and opportunity profile can be found in chapter 7.2.1 and 7.3.1 of the combined Group and Management Report of the Annual Report 2018 of Constantin Medien AG.

Detailed information on the individual risks and opportunities of Constantin Medien AG in chapters 7.2.2 et seq. and 7.3.2 et seq. and description of the internal control and risk management system related to the Group accounting process in chapter 7.5 of the combined Group Management Report and Management Report of the Annual Report 2018 of Constantin Medien AG.

3.2 Significant changes in risks and opportunities in the reporting period

Changes compared to the risks and opportunities described in the Combined Group Management Report and Management Report of the Annual Report 2018 of Constantin Medien AG for the reporting period.

Legal risks: Action for annulment against resolutions of the Annual General Meeting of August 23, 2017

The action for annulment brought against the resolutions of the 2017 Annual General Meeting (including the resolution on the election of Supervisory Board members) was dismissed in full by the Munich I Regional Court on March 14, 2019. The court ruled in favor of Constantin Medien AG and thus confirmed the effectiveness of the resolutions of the Annual General Meeting. At the beginning of April 2019, the counterparty, KF 15 GmbH, filed an appeal.

Legal risks: Lawsuit brought by a former member of the Management Board for claims for remuneration and severance pay

On June 6, 2019, the Munich Regional Court I dismissed the action of a former member of the Management Board in its entirety. Therefore, Constantin Medien AG had released the corresponding provision in the amount of EUR 0.7 million through profit or loss. The plaintiff filed an appeal on July 5, 2019. Constantin Medien AG considers a victory before the court of appeal to be predominantly probable. There remains the risk that the court of appeal could decide not in favor of Constantin Medien AG and that the EUR 0.7 million would have to be recognized as an expense in the statement of profit or loss.

4. Outlook

4.1 Economic environment

- Although the global economy will continue to grow in mid-2019, the International Monetary Fund (IMF) in its „World Economic Outlook“ of July 2019 rates the pace more subdued than a few months earlier.
  As a result, the IMF is forecasting global growth of 3.2 percent for 2019 and, somewhat faster, 3.5 percent for the following year 2020. In the USA, on the other hand, economic momentum is likely to pick up somewhat more strongly than expected with growth of 2.6 percent in 2019, but will slow to 1.9 percent in 2020.
- With regard to the countries of the euro zone, the IMF continues to forecast below-average growth rates: An increase of 1.3 percent is expected for 2019 and an increase to 1.6 percent for 2020. This represents no change for 2019, but an improvement of 0.1 percentage points compared with the April forecast for 2020.
- With growth of 0.7 percent in 2019, the Monetary Fund expects the German economy to perform below the Euroland comparison. This is likely to be 0.1 percentage points less than expected in the spring, as foreign demand in Germany had weakened more sharply than expected. For 2020, the IMF has raised its forecast for Germany by 0.3 percentage points to 1.7 percent. However, this is only for technical reasons, which lie in a revised basis of comparison. On a comparable basis, the IMF has revised its 2020 forecast downwards by 0.1 percentage points compared with April.

  Source: International Monetary Fund (IMF), World Economic Outlook, Update July 2019, July 23, 2019.

4.2 Sector specific general conditions

- According to its most recent Ad Spend Forecast for 2019, the Dentsu Aegis Network expects a minimal growth in advertising spending of 0.4 percent in Germany, with growth of 0.5 percent expected for 2020. As reasons for the reluctance of German companies to invest, the agency cites uncertain economic expectations of the German economy in addition to the high degree of maturity of the market, which has a dampening effect on total spending. A recovery in the local market is not predicted until 2020, when important political issues such as Brexit and punitive tariffs are regulated.

- Based on the Ad Spend Forecast, advertising spending on digital channels will grow by 7.1 percent in Germany in 2019, but spending on other media will decline more sharply than expected.

- According to Dentsu Aegis Network, the drivers of the German advertising market are online video, addressable TV, digital audio and digital out-of-home. The convergence of channels, especially in the TV and out-of-home business, offers new digital advertising opportunities that will boost growth in the longer term.

  Source: Dentsu Aegis Network, CMO Survey 2019, July 30, 2019; Dentsu Aegis Network, Ad Spend Forecast June 2019, June 12, 2019.

- Based on PwC‘s „German Entertainment and Media Outlook 2018 – 2022“, an average annual growth in advertising revenues of 2.6 percent is expected for Germany until 2022. Digital advertising revenues are also cited here as the growth driver. However, the growth rates are declining (2018: +8.0 percent, 2022: +4.6 percent). The level of classic advertising revenues is expected to remain stable until 2022, with average annual growth of 0.1 percent - significantly influenced by stable developments in television.

  Source: PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, „German Entertainment and Media Outlook 2018 – 2022“, October 2018.

- Based on the assessment of its members, the organization of the media agencies (OMG) even expects a decline in net advertising expenditures (-1 to 2 percent) on television for the first time in 2019. Looking at all genres (including Google and Facebook), the agency bosses continue to expect moderate growth in net advertising expenditure of between 1 and 2 percent, with an increase of between 5 and 6 percent for the online genre compared with the previous year.

  OMG Managing Director Klaus-Peter Schulz sees the reaching of young target groups as a particular challenge for the television category, as the purchase of net reach in young target groups has become extremely expensive. In addition, he sees it as crucial whether the AGF succeeds in fully depicting video usage.

  Source: OMG, OMG PREVIEW 2019, December 13, 2018.

- VAUNET - Verband Privater Medien e.V. forecasts for 2019 in its study „Pay-TV in Deutschland 2019“ for pay-TV and paid-VoD offers in German-speaking countries a growth in total sales of around 13 percent to 4.5 billion euros. The number of pay-TV subscribers in the DACH region will increase from 8.8 million in 2018 to around 9 million in 2019 according to VAUNET forecasts.

  Source: VAUNET - Verband Privater Medien e.V., Study „Pay-TV in Deutschland 2019“, July 25, 2019.

- With regard to the production industry, the UHD/4K standard has not yet been fully accepted by end consumers in the German market – despite its increasing distribution – although consumer goods manufacturers are already pushing for the next development stage 8K. Internationally, there are also isolated 8K productions. In December 2018, for example, the Japanese broadcaster NHK started broadcasting an 8K channel. In Germany, a comprehensive broadcast of corresponding programme material will still take some time.

  Sources: www.ultra-hdtv.net, „8K-TVs: The trend should start in 2019“, January 3, 2019; www.baf-berlin.de/blog, „8K-TV regularly launched in Japan – RTL plans more German 4K productions“, December 19, 2018.

- New technologies in focus are augmented and virtual reality as well as 5G as the new communication standard. In the media industry, these topics will continue to be of great importance in the future as they promote the dissemination of existing services and the creation of new ones. Especially with regard to 5G and the recent auction of 5G frequencies, considerable investments and infrastructure expansion can be expected in the near future.

  Source: PricewaterhouseCoopers, „Global Entertainment and Media Outlook 2019 - 2023“, June 2019; mebucom.de, „5G inspires innovation in the video industry“, July 2019.

4.3 Priorities

- In the 2019 financial year, SPORT1 continues to focus on consistent multimedia content use, distribution and capitalization. The strengthening of its portfolio by acquiring attractive new rights, extending existing partnerships and developing new content cooperations and business areas, as well as exploiting and staging established program pillars across platforms continue to be focal points. This includes soccer – especially with the Bundesliga and 2nd Bundesliga as well as, as of August 2019, the DFB-Pokal (DFB Cup) – motorsports, ice hockey, basketball, volleyball, boxing, darts, tennis, US sports and eSports.

- Against the background of the massively increasing digital and cross-platform use of media offers, in the 2019 business year, Sport1 GmbH will further drive the digital diversification of the SPORT1 brand and at the same time create new content and marketing environments. Priorities include the development of new mobile offers, the intensification of social media activities and the expansion of the video area via own apps, own video brand channels or the use of new social media video offers. In addition, the activities include own offers and formats in the eSports area, which continues to grow rapidly – with further milestones such as the pay-offer eSPORTS1 launched in January and the new eSPORTS1 app.

- At PLAZAMEDIA, in 2019, the focus will also include the implementation of extensive and complex live sports productions and non-live formats, the development and further development of innovative production technologies, content management solutions and production technology content distribution. In the context of expanding the PLAZAMEDIA portfolio, priorities in the 2019 business year will be alongside the traditional broadcasting activities, particularly the further development and the development of new digital production activities, products and services. In this area, partnerships with various renowned partners are opening up access to new markets and players. In the 2019 financial year, it is the aim to expand existing business relationships based on the varied range of services, to add new business areas and customer groups and to create a considerably broader customer basis overall.

- At the other subsidiaries of Constantin Medien AG in the Sports division, too, the focus is on maintaining and expanding existing customer relationships as well as establishing new ones. Special focus is placed on the best possible utilization of synergies in the Sports division, in which the subsidiaries cover the entire value chain and correspondingly are able to provide integrated, comprehensive services for partners and customers.

4.4 Financial targets

From today‘s perspective, the Management Board confirms its previous financial targets for 2019 as a whole:

- Group revenues between EUR 105 million and EUR 125 million.
- Earnings attributable to shareholders of between EUR +0.5 million and EUR -3.0 million, considering holding costs as well as financial result and taxes.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January 1 to June 30, 2019 in EUR '000	1/1 to 6/30/2019	4/1 to 6/30/2019	1/1 to 6/30/2018	4/1 to 6/30/2018
Revenues	**49,979**	**25,154**	60,521	31,982
Capitalized own work	**1,480**	**886**	1,661	884
Other operating income	**2,781**	**1,893**	2,918	1,191
Costs for licenses, commissions and materials	**-14,259**	**-6,669**	-19,486	-9,670
Costs for purchased services	**-15,982**	**-7,820**	-19,595	-10,599
Cost of materials and licenses	**-30,241**	**-14,489**	-39,081	-20,269
Salaries	**-14,718**	**-7,093**	-14,725	-7,447
Social security	**-2,514**	**-1,245**	-2,452	-1,248
Expenses for pensions	**-6**	**-3**	-4	-2
Personnel expenses	**-17,238**	**-8,341**	-17,181	-8,697
Other operating expenses	**-7,896**	**-4,013**	-11,580	-6,129
Impairment/reversal of impairment on financial assets	**222**	**43**	-270	-218
Losses/gains from the derecognition of financial assets measu-red at amortized costs	**-3**	**-3**	-3	-3
Earnings before interest, taxes, depreciation and amortization	**-916**	**1,130**	-3,015	-1,259
Amortization/depreciation and impairment of intangible assets and property, plant and equipment	**-2,032**	**-955**	-1,811	-895
Amortization of right of use assets	**-2,100**	**-1,027**	0	0
Impairment of goodwill	**0**	**0**	0	0
Amortization, deprecation and impairment	**-4,132**	**-1,982**	-1,811	-895
Earnings before interest and taxes	**-5,048**	-852	-4,826	-2,154
Result from investments in associated companies	**0**	**0**	0	0
Financial income	**1,234**	**1,165**	1,087	1,076
Financial expenses	**-286**	**-171**	-1,604	-334
Financial result	**948**	**994**	-517	742
Earnings before tax	**-4,100**	**142**	-5,343	-1,412
Income taxes	**-3**	**-2**	-14	0
Deferred taxes	**-284**	**-209**	-1,055	-156
Taxes	**-287**	**-211**	-1,069	-156
Consolidated net earnings for the first half year	**-4,387**	**-69**	-6,412	-1,568
thereof attributable to non-controlling interests	**-243**	**-109**	0	0
thereof attributable to shareholders	**-4,144**	**40**	-6,412	-1,568

January 1 to June 30, 2019	**1/1 to 6/30/2019**	1/1 to 6/30/2018
Earnings per share		
Earnings per share attributable to shareholders, basic (in EUR)	**-0.04**	-0.07
Earnings per share attributable to shareholders, diluted (in EUR)	**-0.04**	-0.07
Weighted average of shares outstanding (basic)	**93,599,838**	93,599,838
Weighted average of shares outstanding (diluted)	**93,599,838**	93,599,838

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to June 30, 2019 in EUR '000	**1/1 to 6/30/2019**	**4/1 to 6/30/2019**	1/1 to 6/30/2018	4/1 to 6/30/2018
Consolidated net earnings for the first half year	**-4,387**	**-69**	-6,412	-1,568
Currency translation differences	**4**	**2**	3	4
Items that may be reclassified into the statement of profit or loss in subsequent periods	**4**	**2**	3	4
Result from the remeasurement of equity instruments	**-3,323**	**-1,258**	2,952	1,252
Items that will not be reclassified into the statement of profit or loss in subsequent periods	**-3,323**	**-1,258**	2,952	1,252
Other comprehensive income, net of tax	**-3,319**	**-1,256**	2,955	1,256
Total comprehensive income for the first half year	**-7,706**	**-1,325**	-3,457	-312
thereof attributable to non-controlling interests	**-243**	**-109**	0	0
thereof attributable to shareholders	**-7,463**	**-1,216**	-3,457	-312

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets as of June 30, 2019 in EUR '000	6/30/2019	12/31/2018
Non-current assets		
Intangible assets	**4,278**	4,227
Goodwill	**8,710**	8,710
Property, plant and equipment	**5,891**	10,302
Right of use assets	**11,819**	–
Other financial assets	**27,484**	31,292
Deferred tax assets	**753**	10
	58,935	54,541
Current assets		
Inventories	**129**	129
Trade accounts receivable and other receivables	**23,358**	18,643
Contract assets	**2,675**	4,202
Income tax receivables	**107**	85
Cash and cash equivalents	**8,381**	13,438
	34,650	36,497
Total assets	**93,585**	91,038

Equity/Liabilities as of June 30, 2019 in EUR '000

	6/30/2019	12/31/2018
Equity		
Subscribed capital	**93,600**	93,600
Treasury shares	**0**	0
Capital reserve	**-75,283**	-75,283
Other reserves	**30,045**	34,620
Accumulated other components of equity	**-3,379**	-60
Retained earnings	**11,625**	11,392
Earnings attributable to shareholders	**-4,144**	-4,342
Equity attributable to shareholders	**52,464**	59,927
Non-controlling interests	**-20**	223
	52,444	60,150
Non-current liabilities		
Financial liabilities	**7,761**	829
Other liabilities	**85**	85
Deferred tax liabilities	**1,308**	1,533
	9,154	2,447
Current liabilities		
Financial liabilities	**4,129**	218
Trade accounts payable and other liabilities	**20,661**	19,444
Contract liabilities	**3,468**	2,756
Provisions	**3,557**	5,847
Income tax liabilities	**172**	176
	31,987	28,441
Total equity and liabilities	**93,585**	91,038

CONSOLIDATED STATEMENT OF CASH FLOWS

January 1 to June 30, 2019 in EUR '000	1/1 to 6/30/2019	1/1 to 6/30/2018
Consolidated net income for the first half year	**-4,387**	-6,412
Deferred taxes	**284**	1,055
Income taxes	**3**	14
Financial result	**-862**	488
Result from investments in associated companies	**0**	0
Amortization, depreciation, impairment and reversal of impairment of fixed assets	**4,132**	1,811
Profit (–) / loss (+) from the disposal of fixed assets	**9**	-1
Other non-cash items	**-491**	1,640
Increase (-) / decrease (+) in inventories, trade accounts receivable and other assets not attributable to investing or financing activities	**2,589**	7,916
Decrease (-) / increase (+) in trade accounts payable and other liabilities not attributable to investing or financing activities	**1,042**	-7,901
Dividends received	**0**	1,066
Interest paid	**-17**	-4,511
Interest received	**3**	0
Income taxes paid	**-28**	-78
Income taxes received	**0**	0
Cash flows from operating activities	**2,277**	-4,913
Change in cash and cash equivalents due to acquisitions of companies/shares in companies, net	**0**	-3
Payments for intangible assets	**-1,508**	-1,691
Payments for property, plant and equipment	**-668**	-4,104
Payments for financial assets	**-464**	0
Payment for loans to related parties	**-6,000**	0
Proceeds/payments due to sale of companies/shares in companies	**0**	0
Proceeds from disposals of intangible assets	**901**	0
Proceeds from disposals of property, plant and equipment	**2,648**	8
Proceeds from disposal of financial assets	**0**	74,971
Cash flows from investing activities	**-5,091**	69,181

January 1 to June 30, 2019 in EUR '000	**1/1 to 6/30/2019**	1/1 to 6/30/2018
Proceeds from capital increases and issuance of equity instruments	**0**	0
Payments for the purchase of treasury shares	**0**	0
Proceeds from the sale of treasury shares	**0**	0
Payments for the purchase of non-controlling interests	**0**	0
Proceeds from the sale of non-controlling interests	**0**	0
Payments for repayment and repurchase of non-current financial liabilities	**0**	0
Payments for repayment and repurchase of current financial liabilities	**-2,249**	-64,000
Proceeds from non-current financial liabilities	**0**	0
Proceeds from current financial liabilities	**0**	0
Payment of dividends	**0**	0
Cash flows from financing activities	**-2,249**	-64,000
Cash flows for the reporting period	**-5,063**	268
Financial funds at the beginning of reporting period	**13,438**	20,845
Effects of exchange rate differences	**6**	6
Financial funds at the end of reporting period	**8,381**	21,119
Change in financial funds	**-5,063**	268

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January 1 to June 30, 2019 in EUR '000

	Subscribed capital	Treasury shares	Capital reserve	Other reserves
Balance January 1, 2019	93,600	0	-75,283	34,620
Items that may be reclassified into the statement of profit or loss in subsequent periods				
Items that will not be reclassified to the statement of profit or loss in subsequent periods				
Total other comprehensive income	0	0	0	0
Consolidated net earnings for the first half year				
Total comprehensive income for the first half year	0	0	0	0
Reclassification of prior year earnings				
Capital increase				
Change in treasury shares				
Dividend payments				
Change in non-controlling interests				
Transfer of cumulative gain/loss from equity instruments to retained earnings				
Reclassification reserve for shares in a controlling company				-4,575
Other changes				
Balance June 30, 2019	**93,600**	**0**	**-75,283**	**30,045**
Balance January 1, 2018	93,600	0	-75,283	3,336
Adjustment IFRS 9				
Adjustment IFRS 15				
Restated balance January 1, 2018	93,600	0	-75,283	3,336
Items that may be reclassified into the statement of profit or loss in subsequent periods				
Items that will not be reclassified to the statement of profit or loss in subsequent periods				
Total other comprehensive income	0	0	0	0
Consolidated net earnings for the first half year				
Total comprehensive income for the first half year	0	0	0	0
Reclassification of prior year earnings				
Capital increase				
Change in treasury shares				
Dividend payments				
Change in non-controlling interests				
Transfer of cumulative gain/loss from equity instruments to retained earnings				
Reclassification reserve for shares in a controlling company				33,447
Other changes				
Balance June 30, 2018	**93,600**	**0**	**-75,283**	**36,783**

Accumulated other components of equity						
Currency translation differences	Remeasurement of equity instruments	Retained earnings	Earnings attributable to shareholders	**Equity attributable to shareholders**	Non-controlling interests	**Total**
-16	-44	11,392	-4,342	**59,927**	223	**60,150**
4				**4**		**4**
	-3,323			**-3,323**		**-3,323**
4	-3,323	0	0	**-3,319**	0	**-3,319**
			-4,144	**-4,144**	-243	**-4,387**
4	-3,323	0	-4,144	**-7,463**	-243	**-7,706**
		-4,342	4,342	**0**		**0**
				0		**0**
				0		**0**
				0		**0**
				0		**0**
				0		**0**
		4,575		**0**		**0**
				0		**0**
-12	**-3,367**	**11,625**	**-4,144**	**52,464**	**-20**	**52,444**
-27	449	12,967	27,842	**62,884**	0	**62,884**
		64		**64**		**64**
		-71		**-71**		**-71**
-27	449	12,960	27,842	**62,877**	0	**62,877**
3				**3**		**3**
	2,952			**2,952**		**2,952**
3	2,952	0	0	**2,955**	0	**2,955**
			-6,412	**-6,412**		**-6,412**
3	2,952	0	-6,412	**-3,457**	0	**-3,457**
		27,842	-27,842	**0**		**0**
				0		**0**
				0		**0**
				0		**0**
				0		**0**
	-1,874	1,874		**0**		**0**
		-33,447		**0**		**0**
				0		**0**
-24	**1,527**	**9,229**	**-6,412**	**59,420**	**0**	**59,420**

NOTES

1. General information about the Group

Constantin Medien AG (HRB: 148760) as the parent company of the Group has its registered office at Münchener Straße 101g, Ismaning/Germany. At its meeting on August 13, 2019, the Management Board of Constantin Medien AG approved these unaudited, condensed consolidated interim financial statements for publication. Constantin Medien AG is included in the consolidated financial statements of the direct parent company Highlight Communications AG, Pratteln/Switzerland and of the ultimate parent company Highlight Event and Entertainment AG, Pratteln/Switzerland.

2. Accounting and valuation principles

The unaudited, condensed consolidated interim financial statements for the period from January 1 to June 30, 2019 have been prepared in accordance with the International Accounting Standard for Interim Financial Reporting (IAS 34). The condensed interim consolidated financial statements do not include all the notes and disclosures required for the annual financial statements and should be read in conjunction with the consolidated financial statements as of December 31, 2018 as published by the Company.

The accounting policies used in the preparation of the condensed interim consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the fiscal year 2018, except for the adoption of new or amended standards and interpretations discussed in note 3 (see Annual Report 2018, notes to the consolidated financial statements, note 4).

The condensed consolidated interim financial statements have been prepared in euros, which is the functional and reporting currency of the parent company. The amounts are stated in thousands of Euros (EUR'000) unless otherwise stated.

The Sports division is subject to seasonal fluctuations. Revenues in the Sports division are lower in the summer months due to lower advertising revenues, which are dependent on broadcasting rights to sports events. This leads to fluctuations in sales and earnings in the quarters of the fiscal year.

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period (see Annual Report 2018, Notes to the consolidated financial statements, note 5) as well as the additions to note 4 of these condensed interim consolidated financial statements

3. Changes in the accounting principles

The mandatory first-time adoption of the following accounting standards and interpretations as of January 1, 2019 resulted in the following material changes to these condensed consolidated interim financial statements.

3.1 First-time adoption of IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating leases – Incentives and SIC-27 Evaluating the substance of transactions involving the legal form of a leases.

The Standard sets out the principles for recognizing, measuring, presenting and reporting leases and requires lessees to account for most leases using a single accounting model. This model requires the lessee to recognize in the statement of financial position all assets and liabilities arising from leases if the lease term is longer than 12 months or if the asset is not of minor value. For accounting purposes, the lessor continues to distinguish between finance and lease agreements.

The first-time adoption of IFRS 16 Leases was made in accordance with the transitional provisions, modified retrospectively with recognition of the cumulative adjustment effects in equity (IFRS 16.C5, C7). The comparative figures for the 2018 financial year have not been restated. With the first-time adoption of IFRS 16 Leases, the Group recognizes lease liabilities for leases previously classified as operating leases under IAS 17. These liabilities are measured at the present value of the remaining lease payments, discounted at the lessee‘s marginal borrowing rate as of January 1, 2019. The weighted average borrowing rate of the Group applied to the lease liabilities as of January 1, 2019 is 3.23 percent.

The right of use assets are recognized as of January 1, 2019 at the amount of the lease liability, adjusted by the amount of the prepaid or deferred lease payments. In accordance with IFRS 16.C10(d), the initial direct costs were not considered when measuring the right of use assets at the time of first-time adoption. At the time of first-time adoption of IFRS 16, there were no onerous leases, so that it was not necessary to record an impairment on the right of use assets in this respect.

For leases previously classified as finance leases, the carrying amount of the leased asset in accordance with IAS 17 and the carrying amount of the lease liability in accordance with IAS 17 existing immediately before the first-time adoption of IFRS 16 are recognized as the initial carrying amount of the right of use assets and the lease liability in accordance with IFRS 16. The valuation principles of IFRS 16 are only applied thereafter.

The Group has leasing agreements for various plant, machinery, vehicles and real estate. Prior to the adoption of IFRS 16, the Group classified each of its leases (as lessee) at inception as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it is classified as an operating lease. Finance leases were capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. The lease payments were divided into interest (reported as financing costs) and repayment of the lease liability. In the case of an operating lease, the leased asset was not capitalized, and the lease payments were recognized as rental expense in the statement of profit or loss on a straight-line basis over the term of the lease. Any advance rent payments and deferred rents were reported under prepaid expenses or trade payables and other liabilities.

In applying IFRS 16, the Group applies a uniform approach to all leases in which it is the lessee, except for short-term leases, leases for low-value assets and leases for the rental of intangible assets. The Group recognizes lease liabilities for lease payments and right of use assets, which represent the right to use the underlying assets.

The following table shows the reconciliation of the off-balance sheet rental and leasing obligations shown in the notes to the consolidated financial statements as of December 31, 2018 to the statement of financial position leasing liabilities as of January 1, 2019.

Reconciliation of lease liabilities January 1, 2019 in EUR '000	Rents for rooms and buildings	Vehicles	Other	**Total**
Off-balance sheet leasing and rental obligations as of December 31, 2018	**7,848**	**647**	**260**	**8,755**
Rental and leasing obligations as of December 31, 2018 included in other financial obligations	215	0	864	1,079
Discounting	-369	-21	-27	-417
Short-term leases	-42	-23	0	-65
Leases with low-value assets	0	0	-38	-38
Sufficiently secure renewal and termination options	425	0	0	425
Non-leasing components (rental ancillary costs)	-681	0	0	-681
Financing purchases	0	-15	0	-15
Intangible assets	0	0	-223	-223
Lease liabilities due to the first adoption of IFRS 16 as of January 1, 2019	**7,396**	**588**	**836**	**8,820**
Lease liabilities from finance leasing as of January 1, 2019	0	0	1,033	1,033
Total lease liabilities as of January 1, 2019	**7,396**	**588**	**1,869**	**9,853**

The first-time adoption of IFRS 16 resulted in the following adjustments to the statement of financial position as of January 1, 2019.

Consolidated statement of financial position as of December 31, 2018 and January 1, 2019 in EUR '000				
	12/31/2018	IFRS 16 Adjustments	IFRS 16 Reclassifications	**1/1/2019**
Non-current assets				
Intangible assets	4,227			**4,227**
Goodwill	8,710			**8,710**
Fixed assets	10,302		-1,190	**9,112**
Right of use assets	-	8,820	1,190	**10,010**
Other financial assets	31,292			**31,292**
Deferred tax assets	10	919		**929**
	54,541	**9,739**	**0**	**64,280**
Current assets				
Inventories	129			**129**
Trade accounts receivable and other receivables	18,643			**18,643**
Contract assets	4,202			**4,202**
Receivables from income taxes	85			**85**
Cash and cash equivalents	13,438			**13,438**
	36,497	**0**	**0**	**36,497**
Total assets	**91,038**	**9,739**	**0**	**100,777**
Equity				
Subscribed capital	93,600			**93,600**
Treasury shares	0			**0**
Capital reserves	-75,283			**-75,283**
Other reserves	34,620			**34,620**
Accumulated other components of equity	-60			**-60**
Retained earnings	11,392			**11,392**
Earnings attributable to shareholders	-4,342			**-4,342**
Equity attributable to shareholders	59,927			**59,927**
Non-controlling interests	223			**223**
	60,150	**0**	**0**	**60,150**

Consolidated statement of financial position as of December 31, 2018 and January 1, 2019 in EUR '000	12/31/2018	IFRS 16 Adjustments	IFRS 16 Reclassifications	1/1/2019
Non-current liabilities				
Financial liabilities	829	5,463		**6,292**
Other liabilities	85			**85**
Deferred tax liabilitiesn	1,533	919		**2,452**
	2,447	**6,382**	**0**	**8,829**
Current liabilities				
Financial liabilities	218	3,357		**3,575**
Trade accounts payable and other liabilities	19,444			**19,444**
Contract liabilities	2,756			**2,756**
Provisions	5,847			**5,847**
Income tax liabilities	176			**176**
	28,441	**3,357**	**0**	**31,798**
Total equity and liabilities	**91,038**	**9,739**	**0**	**100,777**

With the entry into force of IFRS 16 Leases, additional disclosures are also required in the notes. The Constantin Medien Group will fully present these for the first-time in the consolidated financial statements as of December 31, 2019.

3.2 Summary of new accounting policies for leases

3.2.1 Leasing liabilities

At the inception of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any receivables from lease incentives, variable lease payments that depend on an index or interest rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option that can be exercised with reasonable certainty by the Group and penalties for early termination of a lease if the Group exercises the option. Variable lease payments that are not index-linked or price-linked are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate at the inception of the lease if the implied interest rate is not readily determinable. The marginal borrowing rate is the rate that the Group would be required to pay if it had to borrow funds to acquire an asset with a similar value and terms in a similar economic environment.

After the lease commences, the amount of the lease liability is increased by the increase in interest and reduced by the lease payments made. In addition, the carrying amount of the lease liabilities is revalued if there is a change in the lease term, a change in the significant fixed lease payments or a change in the valuation for the acquisition of the leased asset.

3.2.2 Short-term leases and leases for low-value assets

The Group uses the option not to recognize short-term leases (i.e. leases with terms of 12 months or less from the inception date that do not include a purchase option). The Group also does not account for leases of low-value assets that are considered low-value (i.e. generally less than EUR 5 thousand per asset). Lease payments under short-term leases and leases with low-value assets are recognized as other operating expenses on a straight-line basis over the lease term.

3.2.3 Leases for intangible assets

The Group does not make use of the option under IFRS 16.4 concerning intangible assets and continues to account for intangible assets in accordance with the principles of IAS 38. If the hardware and software in the IT area cannot be separated, the leased asset including the software is accounted for in accordance with IFRS 16 Leases.

3.2.4 Multiple components in leasing agreements

Contracts that contain non-leasing components as well as leasing components are not separated. Each leasing component is shown together with the other service components as a leasing relationship. The incidental rental costs are not regarded as a leasing component.

3.2.5 Right of use assets

The Group recognizes right of use assets at the inception of the lease (i.e. when the underlying asset is available for use). Assets with right of use are measured at cost less accumulated depreciation and impairment losses and adjusted for the revaluation of lease liabilities. The cost of an asset with a right of use includes the amount of the lease liability recognized, the direct costs incurred in the initial stages and the lease payments made at or before the inception of the lease, less any incentives received. If the Group is not sufficiently certain that it will acquire ownership of the leased asset at the end of the lease term, the capitalized right of use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

4. Change in the accounting estimates and assumptions

4.1 Leases

The Group determines the lease term as the non-cancellable term of the lease and all periods covered by an option to renew the lease if the exercise of the option is reasonably certain or all periods covered by an option to terminate the lease if the exercise of the option is reasonably certain. The Group assesses at its discretion whether the exercise of the renewal option is reasonably certain. This means that management considers all relevant factors that provide an economic incentive to exercise the extension. After the inception of the lease, the Group reassesses the lease term when a significant event or change in circumstances within its control occurs that affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The renewal options for the lease of vehicles were not included in the lease term as the Group‘s policy is to lease vehicles for a maximum of five years and therefore not exercise renewal options. Extension and termination options for renting premises were not included in the determination of the lease term.

In the case of the sale-and-lease-back transaction for the PLAZAMEDIA GmbH broadcasting center, the exercise of the purchase option after termination of the lease was considered sufficiently certain in the initial measurement of the lease liability and the right of use asset. Therefore, the right of use asset is depreciated over its economic useful life, which is longer than the fixed term of the lease.

5. Explanations to selected items of the consolidated statement of profit or loss and the consolidated statement of financial position

5.1 Revenues from contracts with customers

All revenues from contracts with customers in the reporting period are generated in the Sports division.

Revenues from contracts with customers by categories in EUR'000	1/1 to 6/30/2019	4/1 to 6/30/2019	1/1 to 6/30/2018	4/1 to 6/30/2018
Revenues by categories				
Platforms	**40,398**	**20,687**	50,589	27,066
Services	**9,581**	**4,467**	9,932	4,916
Total	**49,979**	**25,154**	**60,521**	**31,982**
Revenues by timing				
Transferred at a point in time	**28,346**	**14,930**	34,868	18,234
Transferred over time	**21,633**	**10,224**	25,653	13,748
Total	**49,979**	**25,154**	**60,521**	**31,982**

5.2 Other operating income

Other operating income includes an income of EUR 700 thousand from the reversal of a provision for claims for compensation and severance payments of former members of the Management Board. On June 6, 2019, the Munich Regional Court I dismissed the action of a former member of the Management Board in its entirety. The plaintiff filed an appeal on July 5, 2019. Constantin Medien AG considers a victory before the court of appeal to be predominantly probable.

5.3 Depreciation/amortization and impairment of property, plant and equipment, intangible assets and right of use assets

Depreciation, amortization and impairment in EUR '000	1/1 to 6/30/2019	4/1 to 6/30/2019	1/1 to 6/30/2018	4/1 to 6/30/2018
Scheduled amortization of intangible assets	**556**	**212**	599	292
Scheduled depreciation of property, plant and equipment	**1,476**	**743**	1,212	603
Scheduled amortization of right of use assets	**2,100**	**1,027**	–	–
Total	**4,132**	**1,982**	**1,811**	**895**

5.4 Financial result

Financial income in EUR '000	1/1 to 6/30/2019	4/1 to 6/30/2019	1/1 to 6/30/2018	4/1 to 6/30/2018
Currency gains	**122**	**55**	19	10
Gains from changes in the fair value of financial instruments	**0**	**0**	2	0
Dividend equity instruments FVTOCI	**1,109**	**1,109**	1,066	1,066
Other interests and similar income	**3**	**1**	0	0
Total	**1,234**	**1,165**	**1,087**	**1,076**

Financial expenses in EUR '000	1/1 to 6/30/2019	4/1 to 6/30/2019	1/1 to 6/30/2018	4/1 to 6/30/2018
Interest expense corporate bond	**0**	**0**	1,505	296
Currency losses	**36**	**27**	48	19
Losses from changes in the fair value of financial instruments	**43**	**43**	17	7
Interest on leasing liabilities	**190**	**92**	-	-
Other interests and similar expenses	**17**	**9**	34	12
Total	**286**	**171**	**1,604**	**334**

5.5 Leases

The following significant leases were concluded in the reporting period:

PLAZAMEDIA GmbH concluded a sale-and-lease-back agreement for the storage system on January 28, 2019. The selling price is EUR 408 thousand and the monthly lease installment is EUR 7 thousand net. The lease term is 60 months. In this connection, Constantin Medien AG assumed a directly enforceable guarantee for all liabilities of PLAZAMEDIA GmbH resulting from the contract. The guarantee is unlimited in time and limited in amount to EUR 563 thousand.

On January 30, 2019, PLAZAMEDIA GmbH concluded a sale-and-lease-back agreement for part of the new broadcasting center. The sales price amounts to EUR 3,537 thousand and the monthly leasing installment is EUR 63 thousand net. The lease term is 60 months. In this connection, Constantin Medien AG assumed a directly enforceable guarantee for all liabilities of PLAZAMEDIA GmbH resulting from the contract. The guarantee is unlimited in time and limited in amount to EUR 4,930 thousand. This lease includes a purchase option (EUR 177 thousand) to repurchase the equipment after the ordinary expiry of the contract. The exercise of the option is assumed to be sufficiently certain.

5.6 Other financial assets

Other non-current financial assets in EUR '000		
	6/30/2019	12/31/2018
Investment Highlight Communications AG	**26,708**	31,283
Investment Geenee, Inc	**0**	0
Investment AGF Videoforschung GmbH	**464**	–
Investment Summacum GmbH	**303**	–
Other investments	**9**	9
Total	**27,484**	**31,292**

In mid-March 2019, Sport1 GmbH acquired 5.56 percent of the shares in AGF Videoforschung GmbH at a price of EUR 464 thousand. The purchase price was paid in cash. On June 28, 2019, Sport1 GmbH acquired a 10 percent interest in Summacum GmbH. The purchase price was paid in the form of a cash contribution of EUR 3 thousand and a media-for-equity payment of EUR 300 thousand. Both new investments are irrevocably carried at fair value with changes in the fair value through other comprehensive income (FVTOCI). In the fair value hierarchy, these investments are allocated to level 3. These are strategic financial investments and Constantin Medien AG considers this classification more meaningful. In addition, valuation fluctuations have no impact on the earnings attributable to shareholders.

5.7 Non-current financial liabilities

Non-current financial liabilities of EUR 7,761 thousand (December 31, 2018: EUR 829 thousand) relate exclusively to non-current leasing liabilities.

5.8 Current financial liabilities

Current financial liabilities in EUR '000		
	6/30/2019	12/31/2018
Current lease liabilities	**4,116**	204
Liabilities to banks	**13**	14
Total	**4,129**	**218**

6. Disclosures on financial risk management

There were no changes in financial risk management compared with the consolidated financial statements as of December 31, 2018. 4 million Highlight Communications AG shares are pledged for the working capital credit line and the guarantee line of EUR 7,000 thousand each.

Fair value hierarchy

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

Fair value hierarchy as of June 30, 2019 in EUR '000

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	**Total**
Financial assets					
Equity instruments recognized in other comprehensive income	27,484	26,708		776	**27,484**
Derivative financial instruments					**0**
Financial liabilities					
Non-current financial liabilities	7,761		7,399		**7,399**
Derivative financial instruments					**0**

Fair value hierarchy as of December 31, 2018 in EUR '000

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	**Total**
Financial assets					
Equity instruments recognized in other comprehensive income	31,292	31,283		9	**31,292**
Derivative financial instruments	43		43		**43**
Financial liabilities					
Non-current financial liabilities					**0**
Derivative financial instruments					**0**

Disclosures on level 3 financial instruments in EUR '000				
Description of the financial instrument	Investment Geenee, Inc.	Investment AGF Videofor-schung GmbH	Investment Summacum GmbH	Other investments
Fair value as of January 1, 2018	0	–	–	**–**
IFRS 9 adjustments	0	–	–	9
Changes in fair value recognized in other comprehensive income	0	–	–	0
Foreign currency difference recognized in other comprehensive income	0	–	–	0
Fair value as of December 31, 2018	0	–	–	9
Purchase	0	464	303	0
Changes in fair value recognized in other comprehensive income	0	0	0	0
Foreign currency difference recognized in other comprehensive income	0	0	0	0
Fair value as of June 30, 2019	**0**	**464**	**303**	**9**

Fair value of financial assets and liabilities

Financial assets measured at fair value and included in level 1 are determined using market prices. The derivative financial instruments included in level 2 are measured at fair value. A discounted cash flow method was used to determine the fair value of level 2 derivative financial instruments. The investment in Highlight Communications AG (equity instrument recognized in other comprehensive income) is measured at market price. The investment in Geenee, Inc. was fully impaired as of December 31, 2016. The fair value of the investments AGF Videoforschung GmbH and Summacum GmbH still corresponds to the respective purchase price, as these investments were acquired in the first half of 2019. For reasons of materiality, the other equity instruments (totaling EUR 9 thousand) are carried at historical cost. There were no reclassifications between the individual levels of the fair value hierarchy.

Financial assets and liabilities recognized at amortized cost

Due to the short remaining term, the carrying amounts of current financial receivables and liabilities approximate their fair values as of the balance sheet date. The fair value of non-current leasing liabilities carried at amortized cost was determined using the discounted cash flow method. The discount rates assumed correspond to the market yield curve of a German federal bond on the balance sheet date and a risk premium.

Fair value of non-financial assets and liabilities

As of June 30, 2019, no non-financial assets or non-financial liabilities were measured at fair value.

7.Division information

Division information January 1 to June 30, 2019 in EUR '000	Sports	Others	Reconciliation	Group
External revenues	49,979	0	0	49,979
Intercompany revenues	4	0	-4	0
Total revenues	**49,983**	**0**	**-4**	**49,979**
Other income	3,422	2,395	-1,556	4,261
Expenses excluding depreciation, amortization and impairment	-53,118	-3,598	1,560	-55,156
Earnings before depreciation, amortization and impairment	**287**	**-1,203**	**0**	**-916**
Depreciation and amotization	-4,025	-107	0	-4,132
Impairment	0	0	0	0
Result	**-3,738**	**-1,310**	**0**	**-5,048**

Division information January 1 to June 30, 2018 in EUR '000	Sports	Others	Reconciliation	Group
External revenues	60,521	0	0	60,521
Intercompany revenues	0	0	0	0
Total revenues	**60,521**	**0**	**0**	**60,521**
Other income	3,669	2,464	-1,554	4,579
Expenses excluding depreciation, amortization and impairment	-64,498	-5,171	1,554	-68,115
Earnings before depreciation, amortization and impairment	**-308**	**-2,707**	**0**	**-3,015**
Depreciation and amotization	-1,779	-32	0	-1,811
Impairment	0	0	0	0
Result	**-2,087**	**-2,739**	**0**	**-4,826**

8. Contingencies, contingent liabilities, other financial commitments and contingent assets

Compared to the consolidated financial statements as of December 31, 2018, contingent liabilities and other financial commitments decreased by EUR 20,161 thousand to EUR 81,192 thousand as of June 30, 2019.

9. Transactions with related companies and persons

According to IAS 24, related parties of Constantin Medien AG are persons and companies which control the Constantin Medien Group or exercise a significant influence over it or are controlled or significantly influenced by Constantin Medien AG.

For the reporting period, the members of the Management Board and Supervisory Board of Constantin Medien AG as well as Highlight Event and Entertainment AG, Highlight Communications AG, Mr Bernhard Burgener and Ms Rosmarie Burgener were defined as related parties.

Revenues and other operating income of EUR 282 thousand (H1 2018: EUR 224 thousand) were generated with the direct parent company Highlight Communications AG and its subsidiaries as well as with the ultimate parent company Highlight Event and Entertainment AG and its subsidiaries in the period from January 1, 2019 to June 30, 2019 and material and license expenses and other operating expenses of EUR 51 thousand (H1 2018: EUR 50 thousand) were recorded. As of June 30, 2019, there were receivables of EUR 7,170 thousand (December 31, 2018: EUR 52 thousand) and liabilities of EUR 0 thousand (December 31, 2018: EUR 69 thousand). Under receivables, Constantin Medien AG recognized the dividend claim from the shares held in Highlight Communications AG (EUR 1,109 thousand). The dividend payment was made at the beginning of July 2019. On May 10, 2019, Constantin Medien AG issued a short-term loan to its ultimate parent company Highlight Event and Entertainment AG in the amount of EUR 6,000 thousand. The loan bears interest at a rate of 3 percent p.a.

10. Events after the reporting period

Effective July 7, 2019, Constantin Medien AG concluded a legally binding settlement with a legal counsel sued by Constantin Medien AG. The object of the lawsuit was the repayment of attorney fees paid during and after the Supervisory Board activities of the legal counsel for Constantin Medien AG. Among other things, the settlement provides for the reimbursement of legal consulting fees of EUR 207 thousand to Constantin Medien AG. In addition, claims in the amount of EUR 15 thousand asserted against the Company in other proceedings will not be pursued further.

At the Annual General Meeting on July 24, 2019, the shareholders of Constantin Medien AG approved the management‘s proposals with clear majorities. Accordingly, the members of the Management Board and Supervisory Board were discharged for the financial year 2018. The shareholders also approved the change of name to Sport1 Medien AG proposed by the Management Board and Supervisory Board of the Company. It will take effect from January 1, 2020 and reflects the focus on sports as a Group strategy. The change of name is accompanied by a change in the object of the company, which considers the increased activities of the company in the digital sector. In addition to various stock-taking resolutions on the company‘s capitalization, the agenda included several confirmations of previous resolutions of the Annual General Meeting.

On July 28, 2019, the Management Board of Constantin Medien AG resolved, with the approval of the Delisting Special Committee formed by the Supervisory Board of Constantin Medien AG, to conclude a contract with Highlight Communications AG regarding the delisting acquisition offer announced by Highlight Communications AG.

The Management Board and the Supervisory Board of Constantin Medien AG have separately and independently reviewed the Delisting Acquisition Offer of Highlight Communications AG published on July 31, 2019 and issued on August 7, 2019 a jointly reasoned statement pursuant to section 27 WpÜG (Securities Acquisition and Takeover Act). The Management Board and Supervisory Board recommend that Constantin Medien AG shareholders accept the Delisting Acquisition Offer. Furthermore, during the acceptance period expiring on August 28, 2019 and in accordance with the Delisting Agreement with Highlight Communications AG, the Management Board intends to apply to the Frankfurt Stock Exchange for revocation of admission to the regulated market.

Ismaning, August 13, 2019

Constantin Medien AG

Olaf G. Schröder	**Dr Matthias Kirschenhofer**
Chief Executive Officer	Chief Officer Legal and Finance

RESPONSIBILITY STATEMENT

„To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the business.“

Ismaning, August 13, 2019

Constantin Medien AG

Olaf G. Schröder
Chief Executive Officer

Dr Matthias Kirschenhofer
Chief Officer Legal and Finance

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