

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), Berlin

CONSOLIDATED BALANCE SHEET as at 31 December 2024

ASSETS				30.6.2024	LIABILITIES				30.6.2024
	€	€	€	in thousand €		€	€	in thousand €	
A. Fixed assets					A. Equity				
I. Intangible assets					I. Share capital	12.275.563,00			12.275
1. Concessions purchased, industrial property rights and similar rights and assets and licences to such rights and assets	163.049,84			264	II. Capital reserve	444.716.971,71			444.717
2. Player registrations	<u>5.036.064,49</u>	5.199.114,33		10.497 (10.761)	III. Consolidated loss carryforward	-480.054.084,14			-446.729
II. Property, plant and equipment					IV. Consolidated net loss/net loss for the year	-9.465.577,31			-33.325
1. Buildings on third-party land	3.191.098,90			3.475	V. Deficit not covered by equity	<u>32.527.126,74</u>		0,00	(0)
2. Operating and office equipment	1.260.678,44			1.396	B. Provisions		12.309.297,18		11.573
3. Payments made on account and assets under construction	<u>13.067,14</u>	4.464.844,48		0 (4.871)	C. Liabilities				
III. Financial assets					1. Bonds	40.000.000,00			40.000
Cooperative shares	<u>27.250,00</u>	9.691.208,81		27 (15.659)	2. Liabilities to banks	0,00			2
B. Current assets					3. Trade payables	6.251.733,17			8.183
I. Inventories					4. Liabilities for player transfers	2.163.582,44			3.895
Goods	1.822.335,55			1.919	5. Other liabilities	<u>5.499.970,63</u>		53.915.286,24	(56.751)
II. Receivables and other assets					D. Deferred income		11.670.588,86		13.421
1. Trade receivables	4.972.178,52			2.194					
2. Receivables from player transfers	9.124.218,21			5.349					
3. Receivables from companies in which investments are held	1.781.969,13			1.994					
4. Other assets	<u>3.344.754,49</u>	19.223.120,35		1.219 (10.756)					
III. Cash on hand, bank balances and checks	<u>10.303.189,48</u>	31.348.645,38		27.528 (40.203)					
C. Deferred income		4.328.191,35		2.821					
D. Deficit not covered by equity		32.527.126,74		23.062					
		<u>77.895.172,28</u>		<u>81.745</u>			<u>77.895.172,28</u>		<u>81.745</u>

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), Berlin

CONSOLIDATED INCOME STATEMENT
for the period from 1 July 2024 to 31 December 2024 [German Commercial Code (HGB)]

	€	€	Prior year in thousand €
1. Sales revenue		45.199.161,76	57.266
2. Other operating income		<u>1.466.159,46</u>	<u>2.018</u>
		46.665.321,22	59.284
3. Cost of materials			
Cost of merchandise purchased		-3.212.915,44	-3.028
4. Personnel expenses			
a) Wages and salaries	-20.511.053,41		-20.452
b) Social security contributions and expenses for pensions and other benefits	<u>-2.366.259,33</u>		<u>-2.654</u>
		-22.877.312,74	-23.106
5. Depreciation and amortisation of intangible assets and property, plant and equipment		-2.395.497,70	-6.130
6. Other operating expenses		<u>-25.716.723,50</u>	<u>-34.152</u>
		-7.537.128,16	-7.132
7. Other interest and similar income		331.936,31	317
- thereof from affiliated companies: € 44,936.41 (prior year: € 48 thousand)			
8. Interest and similar expenses		<u>-2.258.193,84</u>	<u>-3.446</u>
9. <u>Earnings after taxes</u>		-9.463.385,69	-10.261
10. Other taxes		<u>-2.191,62</u>	<u>-2</u>
11. <u>Consolidated net loss</u>		<u><u>-9.465.577,31</u></u>	<u><u>-10.263</u></u>

**Hertha BSC GmbH & Co. Kommanditgesellschaft
auf Aktien (KGaA)
Hanns-Braun-Strasse, Friesenhaus II, 14053 Berlin
District Court of Berlin-Charlottenburg, HRB 84666**

**Notes to the Consolidated Financial Statements for the Period
from 1 July 2024 to 31 December 2024**

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Appendix to the Notes to the Consolidated Financial Statements:

Fixed asset schedule as at 31 December 2024 (consolidated fixed asset schedule)

I. General information on the consolidated interim financial statements and the reporting date for the consolidated financial statements

The consolidated interim financial statements as at 31 December 2024 were prepared in accordance with the rules and regulations of the Third Book of the German Commercial Code [Handelsgesetzbuch (HGB)] for large corporations in association with the Fifth Section of the First Book of the Stock Corporation Act [Aktiengesetz (AktG)].

The prior year figures are indicated for the purpose of comparison.

For the purpose of clarity, the explanatory notes concerning the balance sheet and the income statement items, as well as the explanations that may be presented in either the balance sheet, the income statement or the notes, have all been presented in the notes to the annual financial statements.

In accordance with Section 265 (5) HGB, classification items specific to the Company (player registrations as intangible fixed assets, receivables from transfers and liabilities for transfers or trade receivables and trade payables) have been disclosed on the balance sheet and in the fixed asset schedule.

The income statement was prepared using the total cost method in accordance with Section 275 (2) HGB.

II. Information on the group of entities consolidated

Disclosures on the names and legal seats of companies included in the consolidation

<u>Name, legal seat</u>	<u>Shareholding in %</u>
Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), Berlin	(parent company)
Hertha BSC Lizenz GmbH, Berlin *)	100
Hertha BSC Transfer GmbH & Co. KG, Berlin *)	100
Hertha BSC Infrastruktur GmbH, Berlin	100
SWC GmbH, Berlin *)	100
Hertha BSC Stadion GmbH, Berlin	100

*) The company has a reporting date that differs from the reporting date for the consolidated interim financial statements and has been consolidated in the consolidated interim financial statements on the basis of the separate interim financial statements prepared.

III. Disclosure of the consolidation methods applied

1. Capital consolidation

The book value method (Section 301 (1) No. 1 HGB) was applied for consolidating capital (full consolidation). The shareholdings of the parent company were offset against the pro rata equity of the subsidiaries (pursuant to Section 301 (2) sentence 1 HGB) on the basis of the book values as at 30 June 2010, the point in time the subsidiaries were initially consolidated (if acquired at a later point in time, then the point in time of the respective inclusion in the consolidated interim financial statements).

2. Debt consolidation

Debts were consolidated in accordance with Section 303 (1) HGB by eliminating intercompany receivables with the respective intercompany liabilities of the entities included in the consolidated interim financial statements. No offset differences resulted.

3. Revenue and expense consolidation

Revenue and expenses were consolidated by applying Section 305 (1) HGB by offsetting intercompany revenue and intercompany operating income shown in other operating income of the entities consolidated with the expenses allocated to them. This same procedure was also applied to other interest and similar income, which were offset against the respective expenses.

The transfers of profit or loss based on the terms of the existing profit transfer agreements as well as the portion of the profit generated by Group partnerships were eliminated.

4. Foreign currency translation

The separate annual financial statements of the subsidiaries consolidated were prepared in euros. No translation differences resulted thereby.

IV. Accounting and valuation principles

As of 31 December 2024, the group reports a loss not covered by equity of € 32,527 thousand. In view of the financing that has been negotiated with several partners and the closing of contract that is soon expected to take place, we assume that the parent company and the group will be solvent at all times beyond the forecast period of 30 June 2026. The consolidated interim financial statements as at 31 December 2024 were thus prepared under the assumption of the Group continuing as a going concern.

The significant accounting policies and measurement methods applied in the financial year are presented in the following:

Intangible assets purchased are capitalised at their acquisition costs less scheduled amortisation. They are amortised over their expected useful lives by applying the straight-line amortisation method. Player registrations are amortised over each player's contractual term. Impairment losses will be recognised for player registrations that are expected to be permanently impaired.

Tangible assets are measured at acquisition or production costs – to the extent they are subject to wear and tear – by using the straight-line depreciation method based on the expected useful lives of the assets.

If long-term, formally non-interest-bearing terms of payment are agreed for additions to fixed assets, the initial measurement of the assets and the corresponding liabilities shall take place using the net present value of the agreed payments. The net present value is determined taking the incremental borrowing rate into consideration. In subsequent periods, the discount on liabilities is unwound using the effective interest method.

Depreciation of additions to tangible assets is generally performed pro rata temporis.

Financial assets are recognised at the lower of acquisition cost or fair value.

Inventories are recognised at the lower of acquisition cost or market value. All identified risks in inventory assets resulting from slow moving items, impaired usability or obsolescence or for other reasons are considered by making appropriate write-downs.

Receivables and other assets are recognised at their nominal values. Specific risks identified are subject to impairment. General credit and interest risks are considered by setting up a bad debt allowance for receivables not individually impaired.

Liquid assets are recognised at their nominal values.

Prepaid expenses and deferred income are set up for accruing payment transactions or for allocating expenses/income to the respective reporting period.

Provisions are recognised at the settlement amounts required by using prudent judgement in order to recognise all identified risks and contingent liabilities.

Liabilities are recognised at their settlement amounts.

Foreign currencies are translated throughout the year at their average exchange rates. Current receivables and liabilities are valued at the spot exchange rate prevailing at the balance sheet date.

V. Notes on individual items in the consolidated interim financial statements for the period from 1 July 2024 to 31 December 2024

Balance sheet

Explanatory notes in the following are only given for significant items.

1. Fixed assets

The development of fixed assets is presented in the appended consolidated fixed asset schedule; see Appendix 1.3.1. to the notes to the consolidated financial statements.

2. Receivables and other assets

Of the trade and transfer receivables totalling € 14,096 thousand, an amount of € 4,706 thousand was recorded as an inflow of funds since 1 January 2025.

Receivables and other assets contain transfer receivables in the amount of € 747 thousand (prior year: € 220 thousand) with a residual term of more than one year.

3. Cash and cash equivalents at banks

€ 78 thousand of the cash and cash equivalents at banks totalling € 10,303 thousand are not readily available (use earmarked for rental security deposits).

4. Prepaid expenses

Prepaid expenses are shown in the following:

	<u><i>in thousand euros</i></u>
- Prepaid player agent contracts	2,252
- Prepaid player salaries	1,163
- Prepaid insurance premiums	358
- Other	555
Total	<u><u>4,328</u></u>

5. Equity

On 10 March 2023 Hertha BSC GmbH & Co. KGaA concluded an Investment and Shareholders' Agreement with 777 SDL B.V. and resolved to increase the Company's share capital from the current amount of € 7,365,338 by € 4,910,225 to € 12,275,563 in exchange for cash contributions by issuing 4,910,225 new no-par value bearer shares.

As part of this capital increase, the transferees undertook to directly make a further additional payment on an in personam basis in the amount of € 70,090,000 that was transferred to the capital reserve (Section 272 (2) No. 4 HGB). In addition, to offset negative Group equity, further obligations to pay € 4,870,000 into other capital reserves were undertaken as of 31 December 2023.

In the current financial year, this receivable from the shareholder, recognised in the current assets (including the interest accrued) in the amount of € 4,903,000, was fully adjusted for reasons of commercial prudence.

The general partner, Hertha BSC Verwaltung GmbH, Berlin, did not benefit from the assets and earnings of the Group.

	€
Share capital	12,275,563.00
Capital reserve	444,716,971.71
Consolidated loss carryforward	-480,054,084.14
Consolidated net loss	-9,465,577.31
Equity	<u><u>-32,527,126.74</u></u>

6. Provisions

Provisions were set up for the following items:

	<u>in thousand euros</u>
Outstanding bills	7,420
Outstanding salaries/severance payments	3,648
Miscellaneous	1,241
	<u><u>12,309</u></u>

7. Liabilities

Liabilities are listed according to creditors and due dates (residual terms) in the following schedule of liabilities; prior year figures are presented in parentheses.

	Residual terms			
	Total	up to 1 year	1 to 5 years	more than 5 years
	<u>in thousand euros</u>	<u>in thousand euros</u>	<u>in thousand euros</u>	<u>in thousand euros</u>
Bonds	40,000 (40,000)	40,000 (0)	0 (40,000)	0 (0)
Liabilities to banks	0 (2)	0 (2)	0 (0)	0 (0)
Trade payables	6,252 (8,183)	6,095 (8,069)	157 (114)	0 (0)
Liabilities for player transfers	2,163 (3,895)	2,163 (3,395)	0 (500)	0 (0)
Other liabilities	5,500 (4,671)	5,500 (4,671)	0 (0)	0 (0)
Total	<u>53,915</u> <u>(56,751)</u>	<u>53,758</u> <u>(16,137)</u>	<u>157</u> <u>(40,614)</u>	<u>0</u> <u>(0)</u>

The information on bonds relates to the issue value of € 40,000 thousand.

Other liabilities comprise, inter alia, tax liabilities of € 2,289 thousand (prior year: € 1,826 thousand) and liabilities from personnel expenses of € 1,330 thousand (prior year: € 1,179 thousand).

8. Deferred income

This item mainly relates to advance payments by Nike European Operations Netherlands B.V. on the extension of the equipment agreement, payments received from the signing fee of Aramark Restaurations GmbH regarding the extension of the management contract, payments received from the signing fee of our marketing partner Sportfive Germany GmbH in conjunction with modifying and extending the joint cooperation agreement and season tickets sold.

9. Other financial obligations

The breakdown of other financial obligations for rental contracts and leases is as follows:

<u>Description</u>	<u>Due <1 year</u>	<u>Due 1-5 years</u>	<u>Due >5 years</u>	<u>Total</u>
	<i>in thousand euros</i>	<i>in thousand euros</i>	<i>in thousand euros</i>	<i>in thousand euros</i>
Rental contracts (estimated)	5,706	13,543	1,615	20,864
Leasing agree- ments	146	0	0	146
	<u>5,852</u>	<u>13,543</u>	<u>1,615</u>	<u>21,010</u>

The terms and conditions of some of the existing contracts include variable payments so that the figures for the rental contracts are based on estimated amounts for the 2024/2025 financial year.

Income statement

The income statement was prepared using the total cost method.

1. Sales revenue

	<u>1.7. - 31.12.2024</u>		<u>1.7. - 31.12.2023</u>	
	<i>in thousand euros</i>	<i>%</i>	<i>in thousand euros</i>	<i>%</i>
Match revenue/ticketing	7,459	16.5%	6,518	11.4%
Television subsidies	12,717	28.1%	14,719	25.7%
Advertising	7,060	15.6%	6,128	10.7%
Trade	5,394	11.9%	4,883	8.5%
Transfer revenue	12,082	26.7%	24,438	42.7%
Miscellaneous	487	1.1%	580	1.0%
Total	<u>45,199</u>	<u>100%</u>	<u>57,266</u>	<u>100%</u>

2. Other operating income

The major part of other operating income amounting to € 1,466 thousand (prior year € 2,018 thousand) results from the reverse booking of a previously established adjustment for a receivable due to receipt of full payment and the derecognition of liabilities that no longer exist.

3. Depreciation and amortisation

Depreciation and amortisation are shown in the consolidated fixed asset schedule in Appendix 1.3.1.

In the financial year, impairment losses of € 0 (prior year: € 863 thousand) were recognised for player registrations that are expected to be permanently impaired.

4. Other operating expenses

	<u>1.7. - 31.12.2024</u>		<u>1.7. - 31.12.2023</u>	
	<i>in thousand</i>		<i>in thousand</i>	
	<u>euros</u>	<u>%</u>	<u>euros</u>	<u>%</u>
Match operating expenses	9,198	35.8%	9,695	28.4%
TV/advertising	2,722	10.6%	2,337	6.8%
Transfers	10,061	39.1%	17,391	50.9%
Trade	526	2.0%	606	1.8%
Administration	2,523	9.8%	3,530	10.3%
Amateur and youth football	687	2.7%	593	1.7%
Total	<u>25,717</u>	<u>100%</u>	<u>34,152</u>	<u>100%</u>

5. Other interest and similar income

This item includes income of € 81 thousand (prior year: € 221 thousand) from unwinding the discount on long-term, formally non-interest-bearing receivables.

6. Interest and similar expenses

This item includes expenses of € 34 thousand (prior year: € 93 thousand) from compounding long-term, formally non-interest-bearing liabilities.

VI. Other disclosures

1. Executive bodies

In the reporting period, the following persons were members of the Supervisory Board of Hertha BSC GmbH & Co. KGaA:

- Mr Marius Freiherr Marschall von Bieberstein, entrepreneur, Managing Director and shareholder of evoreal Holding GmbH & Co. KG, Berlin
- Mr Steven William Pasko, entrepreneur, Miami (USA)
- Mr Josh C. Wander, Managing Partner of 777 Partners, Miami (USA)
- Mr Frank Kohler, Chairman of the Board of Sparda-Bank Berlin e.G., Berlin

None of the Supervisory Board members received any remuneration for their services in the reporting year.

Hertha BSC GmbH & Co. KGaA is managed by the general partner, Hertha BSC Verwaltung GmbH, Berlin (share capital: € 25,000.00).

The managing directors of Hertha BSC Verwaltung GmbH during the reporting period were:

- Mr Thomas E. Herrich
- Mr Ralf Huschen

No managing director remuneration disclosures were made in accordance with Section 286 (4) HGB.

2. Employees (headcount)

The breakdown of the number of employees (without the managing directors) was as follows:

	<u>1.7.–</u> <u>31.12.2024</u>	<u>1.7.–</u> <u>31.12.2023</u>
Licensed football players	32	31
Functional team of the licensed football players	32	40
Administrative staff	105	123
Temporary employees	69	52
Amateur Department and Primary Youth Team	87	83
Temporary trainees	6	9
Trainees	3	1
Total	<u>334</u>	<u>339</u>

In addition, a substantial number of short-term staff (security force and cashiers) is employed.

3. Auditor fees

Included in other operating expenses are the following fees for the services of the auditor, Mazars GmbH & Co. KG:

	<i>in thousand euros</i>
Financial statement audit	95
Other attestation services	0
Tax advisory services	145
Other services	0
Total	<u>240</u>

4. Exemption provisions pursuant to Section 264 (3) HGB and Section 264b HGB

As a result of their inclusion in the consolidated financial statements, the exemption provisions pursuant to Section 264 (3) HGB and Section 264b HGB are applied to the following companies with regard to their annual financial statements and, if applicable, their management report:

- Hertha BSC Transfer GmbH & Co. KG, Berlin
- Hertha BSC Infrastruktur GmbH, Berlin
- Hertha BSC Stadion GmbH, Berlin

Berlin, 24 February 2025

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA),
represented by the General Partner of
Hertha BSC Verwaltung GmbH

Thomas E. Herrich
Spokesman of the Management Board

Ralf Huschen
Managing Director

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), Berlin

Fixed Asset Schedule as at 31 December 2024

(Consolidated Fixed Asset Schedule)

	Acquisition and production costs					Accumulated depreciation and amortisation				Carrying amounts	
	1.7.2024	Additions	Reclassifications	Disposals	31.12.2024	1.7.2024	Additions	Disposals	31.12.2024	31.12.2024	30.6.2024
	€	€	€	€	€	€	€	€	€	€	€
I. Intangible assets											
1. Concessions purchased, industrial property rights and similar rights and assets and licences to such rights and assets	3.015.595,06	0,00	0,00	0,00	3.015.595,06	2.751.913,22	100.632,00	0,00	2.852.545,22	163.049,84	263.681,84
2. Player registrations	30.185.877,16	1.120.419,76	0,00	-14.262.857,84	17.043.439,08	19.688.548,07	1.798.428,43	-9.479.601,91	12.007.374,59	5.036.064,49	10.497.329,09
	<u>33.201.472,22</u>	<u>1.120.419,76</u>	<u>0,00</u>	<u>-14.262.857,84</u>	<u>20.059.034,14</u>	<u>22.440.461,29</u>	<u>1.899.060,43</u>	<u>-9.479.601,91</u>	<u>14.859.919,81</u>	<u>5.199.114,33</u>	<u>10.761.010,93</u>
II. Property, plant and equipment											
1. Buildings on third-party land	8.579.694,84	0,00	0,00	0,00	8.579.694,84	5.104.669,94	283.926,00	0,00	5.388.595,94	3.191.098,90	3.475.024,90
2. Operating and office equipment	4.764.471,52	77.466,24	0,00	0,00	4.841.937,76	3.368.748,05	212.511,27	0,00	3.581.259,32	1.260.678,44	1.395.723,47
3. Payments made on account and assets under construction	0,00	13.067,14	0,00	0,00	13.067,14	0,00	0,00	0,00	0,00	13.067,14	0,00
	<u>13.344.166,36</u>	<u>90.533,38</u>	<u>0,00</u>	<u>0,00</u>	<u>13.434.699,74</u>	<u>8.473.417,99</u>	<u>496.437,27</u>	<u>0,00</u>	<u>8.969.855,26</u>	<u>4.464.844,48</u>	<u>4.870.748,37</u>
III. Financial assets											
Cooperative shares	27.250,00	0,00	0,00	0,00	27.250,00	0,00	0,00	0,00	0,00	27.250,00	27.250,00
	<u>46.572.888,58</u>	<u>1.210.953,14</u>	<u>0,00</u>	<u>-14.262.857,84</u>	<u>33.520.983,88</u>	<u>30.913.879,28</u>	<u>2.395.497,70</u>	<u>-9.479.601,91</u>	<u>23.829.775,07</u>	<u>9.691.208,81</u>	<u>15.659.009,30</u>

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), Berlin
Consolidated Statement of Changes in Equity

	Subscribed capital	Capital reserves	Contributions made in order to carry out the approved capital increase	Accumulated loss for the Group	Profit participation capital	Equity	Non-controlling interests	Group equity
	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
30.06.2022	7.365	369.758	0	-347.588	0	29.535	0	29.535
Increase in capital shares	4.911	70.089	0	0	0	75.000	0	75.000
Consolidated profit or loss	0	0	0	-99.142	0	-99.142	0	-99.142
30.06.2023	12.276	439.847	0	-446.730	0	5.393	0	5.393
Increase in capital reserve		4.870	0	0	0	4.870	0	4.870
Consolidated profit or loss	0	0	0	-10.263	0	-10.263	0	-10.263
31.12.2023	12.276	444.717	0	-456.993	0	0	0	0
Consolidated profit or loss	0	0	0	-23.062	0	-23.062	0	-23.062
30.06.2024	12.276	444.717	0	-480.055	0	-23.062	0	-23.062
Consolidated profit or loss	0	0	0	-9.465	0	-9.465	0	-9.465
31.12.2024	12.276	444.717	0	-489.520	0	-32.527	0	-32.527

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), Berlin

**Consolidated Statement of Cash Flows in Accordance with German Accounting Standard 21 (DRS 21)
for the Reporting Period from 1 July 2024 to 31 December 2024**

	<u>1.7.–31.12.2024</u>	<u>1.7.–31.12.2023</u>
Net result for the period	-9.466	-10.263
+ Depreciation and amortisation of intangible assets and property, plant and equipment	2.396	6.129
+/- Increase/decrease in provisions not attributable to investing activities	736	-570
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-6.103	-3.410
-/+ Decrease/increase in trade payables and other liabilities not attributable to investing or financing activities	-2.664	-5.576
- Proceeds from the outflows of player registrations and fixed assets	-7.191	-12.565
+/- Interest expenses/income	1.926	3.129
+/- Income taxes paid	0	0
= Cash flows from operating activities	-20.366	-23.126
+ Proceeds from player transfers	8.280	12.702
- Outflows for player transfers	-3.074	-2.597
- Outflows for investments in intangible assets	-90	-50
+ Interest income	251	96
= Cash flows from investing activities	5.367	10.151
+ Inflows from equity contributions from shareholders of the parent company	0	21.467
+ Inflows from factoring	0	14.775
- Outflows for the repayment of financial loans	-2	-24.712
- Interest paid	-2.224	-2.788
= Cash flows from financing activities	-2.226	8.742
+ Change in cash and cash equivalents	-17.225	-4.233
+ Cash and cash equivalents at the beginning of the period	27.528	12.744
= Cash and cash equivalents at the end of the period	10.303	8.511

€ 78 thousand of the cash and cash equivalents at banks are not readily available (prior year: € 78 thousand).

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA)

Group Management Report for the Period

from 1 July 2024 to 31 December 2024

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A) Group structure and business activities

The parent company of the Group is Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien KGaA. Included in the consolidated interim financial statements as at 31 December 2024 are not only the parent company but also the subsidiaries Hertha BSC Transfer GmbH & Co. KG, Hertha BSC Lizenz GmbH and Hertha BSC Infrastruktur GmbH, Hertha BSC Stadion GmbH and SWC GmbH.

The business purpose of Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA) is to engage in the sport of professional football by observing and complying with the Statutes of the German Football Association (*Statuten des Deutschen Fußballbundes*) and its classifications as well as participating in the licensed operation of the German football leagues.

The business purpose of Hertha BSC Lizenz GmbH and Hertha BSC Transfer GmbH & Co. KG is to acquire, hold and administer licences or participation rights to transfer revenues for professional football players.

The business purpose of Hertha BSC Infrastruktur GmbH comprises obtaining loans and transferring loan proceeds to Hertha BSC GmbH & Co. KGaA or to Hertha, Berliner Sport-Club (Hertha B.S.C.) e.V. or to their affiliated companies.

The business purpose of Hertha BSC Stadion GmbH is to plan, to construct, to operate and to maintain sports facilities.

The business purposes of SWC GmbH are (i) to organise, market and transmit television programmes via all types of broadcasting media, in particular in conjunction with television financed by subscriber fees; (ii) to produce, acquire, sell, market and broadcast television, cinema, radio and media productions of all types as well as other intangible rights; (iii) to render, procure and market services in the area of communication and electronic media including making available and marketing of connections and broadcasting services; (iv) to be active in merchandising, event and multimedia business areas.

B) Business and framework conditions

1. Development of licensed football

In its study “Annual Review of Football Finance” published in December 2024, the Deloitte Sports Business Group presents the key financial figures for international professional football in the 2022/2023 financial year.

The current study shows that football in Europe broke new revenue records, also due to the complete lifting of the COVID-19 restrictions and the 2022 FIFA World Cup. Compared to the previous season 2021/22, the turnover generated by European football clubs increased by 16% to € 35.3 billion (excluding transfer activities).

In this edition, an analysis focusing on other selected leagues in the DACH region (Germany/Austria/Switzerland) was conducted for the first time, [...]. With a total revenue (excluding transfer activities) of € 741 million, the 2nd German football league Bundesliga 2 generated more than twice as much as the second-placed Austrian ADMIRAL Bundesliga (€ 356 million), followed by the Swiss Credit Suisse Super League (€ 281 million).

“Revenue in the European football market grew by 16% in the 2022/23 season to € 35.3 billion (€ 30.4 billion in the 2021/22 season). In addition to the complete lifting of pandemic restrictions in all ‘big five’ leagues, this revenue growth was also due to the 2022 FIFA World Cup.

In addition, the DFL will create planning security and economic stability from the 2025/26 season onwards as a result of the awarding of national media rights. For the 2025/26 to 2028/29 seasons, the 36 clubs in the German football leagues Bundesliga and Bundesliga 2 can expect to receive average revenues of € 1.1 billion per season. This corresponds to total revenues of € 4.5 billion and an increase of around two percent or € 84 million compared to the previous cycle.”

2. Overview of business development in the first half of the 2024/25 season

The Hertha BSC Group reported a net loss of € 7,537 thousand (prior year: € 7,132,000) before interest and taxes in the first half of the year.

The results are impacted by the lower transfer revenues compared to the previous season. Other sales revenues were slightly higher than in the prior year.

At € 25,717 thousand, the depreciation and amortisation were significantly below the figure for the prior year (€ 34,152 thousand). In particular, expenses for transfers fell sharply by € 7,330 thousand, € 6,929 thousand of which resulted from lower disposals of residual carrying amounts.

Additionally, it was again possible to realise cost savings across large areas of the business operations.

More detailed disclosures on the results of operations are shown in Section C. Detailed information on the results of operations, financial position and net assets can be found in the appendices to the notes.

The uncommitted television and advertising rights were continuously marketed by SPORTFIVE Germany GmbH.

3. Overview of sport-related developments in the first half of the 2024/25 season

For the new 2024/2025 season, the parent company Hertha BSC GmbH & Co. KGaA engaged the following licensed players:

John Anthony Brooks (free transfer)	free agent
Michael Cuisance	Venezia FC
Diego Demme (free transfer)	SSC Napoli
Kevin Sessa (free transfer)	1. FC Heidenheim
Luca Schuler (free transfer)	1. FC Magdeburg
Jon Dagur Thorsteinsson	OH Leuven

After being loaned out, the following players returned at the start of the season as agreed:

Ensar Aksakal	Göztepe
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In return, the following players were transferred:

Aymen Barkok (end of loan)	1. FSV Mainz 05
Marc Oliver Kempf	Como
Myziane Maolida	Al-Kholood
Suat Serdar	Hellas Verona
Haris Tabakovic	TSG Hoffenheim

The following players have been loaned out for the 2024/2025 season:

Julian Eitschberger	RW Essen
Tim Hoffmann	Erzgebirge Aue
Bradley Ibrahim	Crawley Town
Wilfried Kanga	Cardiff City
Robert Kwasigroch	1. FC Kaiserslautern
Kelian Nsona	FC Emmen
Agustin Rogel	Internacional

The contract with player Peter Pekarik expired at the end of the 2023/2024 season and was not extended.

C) Presentation of the economic development

1. Results of operations

The Hertha BSC Group concluded the first half of the 2024/2025 season with a loss for the year net of interest and taxes amounting to € 9,466 thousand (net loss in the prior year: € 10,263 thousand).

The sales revenue in the first half of the 2024/25 season amounted to € 45,199 thousand (prior year: € 57,266 thousand).

Other operating income amounted to € 1,466 thousand (prior year: € 2,018 thousand) and in particular included income from other periods.

The development of the result is strongly influenced by transfer, trainee and loan income in the amount of € 12,082 thousand. The corresponding income in the prior year totalled € 24,438 thousand. This difference essentially explains the year-on-year fall in turnover.

The other income and expense items do not contain any noteworthy extraordinary effects and essentially reflect the budget figures, which are characterised by normal business operations.

2. Financial position

The planned liquidity trend was exceeded. In addition, it was positively impacted by the unplanned DFB Cup matches. The positive development in player revenues and sponsorship and commercial activities also contributed to this.

Further unplanned positive and negative effects largely balanced each other out.

With regard to the maturity of the bond (Nordic Bond) on 8 November 2025, the parent company Hertha BSC GmbH & Co. KGaA has developed a medium- to long-term concept with several financing partners that is aligned with corporate planning and which, among other things, enables the company to make the bond repayment due in the next 12 months.

Now that the necessary conditions have been created at Hertha BSC, the corresponding agreements are expected to be concluded shortly.

3. Net assets

The player registrations amounting to € 5,036 thousand (30.06.2023: € 10,497 thousand) are recognised as a significant asset. The actual transfer or market values of the players' assets (please refer to the independent valuation conducted by "transfermarkt.de" as at 17.02.2025: market value of € 56.2 million) continue to be significantly above the value accounted for under the players' assets ("Hidden reserves").

Receivables and other assets amounted to € 19,223 thousand (30.06.2024: € 10,756 thousand).

As of the reporting date, the Hertha BSC Group reported a loss not covered by equity in the amount of € 32,527 thousand (loss not covered by equity as at 30.06.2024: € 23.062 thousand).

Liabilities amount to € 53.9 million (30 June 2023: € 56.8 million) and are presented and broken down in the notes to the consolidated interim financial statements.

D) Opportunities and risks of future development

Like the other clubs in Bundesliga 2, the Hertha BSC Group is subject to legal and economic risks which could affect the Company's future development. General risks to be mentioned in this connection are in particular:

- A worldwide pandemic, triggered for example by a virus, can have an impact on economic development. As the current COVID-19 pandemic has shown, this can affect all revenue segments.
- Another global financial and economic crisis, which may have an impact especially in the area of sponsoring, as the expenses of advertising companies in this segment would decrease again.
- The business targets set for income depend on the successes in the sport of football that cannot be planned or budgeted. This also applies to the market development of revenue generated by the marketing activities of the Bundesliga. The most recent relegation in club history at the end of the 2022/2023 season has confirmed this.
- The future development of the transfer market for buying and selling players, including the future salary development of licensed players, cannot be precisely estimated at this time.

Since there is a strong correlation between economic success in the income area (income from games, sponsor payments based on performance, allocation of income from TV advertising) and the developments in the sport of football, economic success can only be planned to a limited extent. In the 2025/2026 season, a marketing contract has been concluded for TV marketing for four seasons so that fixed income from this source can be counted on for the Bundesliga. Income generated by TV marketing of the Bundesliga is thus contractually stipulated until June 2029. Again, this can also only be planned to a limited extent because both depend on the popularity of football as a sport and the development of the TV licence market. Ultimately, Hertha BSC cannot influence the industry risks to which professional football is subject.

We will continue to attempt to hire new players without having to pay any transfer fees. Conversely, Hertha BSC can only plan for revenue from transfer fees to a limited extent. High transfer fees continue to be charged, especially for above-average players, meaning that we could possibly generate high transfer fee revenues. The current development is shown in Section E.

There are opportunities for the Hertha BSC Group to improve its marketing activities and sporting situation (which is associated with the achievement of higher revenue in the long term) as well as for generating transfer revenue.

Because of the high number of above-average, talented players at youth level [presently 20 international players from the U15 up to and including the U21 teams, while a further 15 youth players have been invited to attend football training camps organised by the DFB (German Football Federation)], Hertha BSC continues to assume that the costs of integrating external licensed players will be lower than for other Bundesliga clubs. As we have already successfully integrated our own young players, expenses for training and transfer fees can be kept low in this area. Moreover, additional income can be achieved through the sale of young players (and licensed players). This business avenue is being systematically tracked by the management of the Hertha BSC Group.

E) Changes in the squad in winter 2024/2025

In transfer period II in January 2025, the loan agreement for the player Wilfried Kanga to Cardiff City FC was terminated prematurely. The player then signed in a permanent move for Dinamo Zagreb.

The player Gustav Christensen also went on loan to FC Ingolstadt until the end of the season.

The squad of licensed players therefore currently comprises 41 players including contract players. Their average age is 24.2 years.

Due to the sporting developments, head coach Cristian Fiél was released from his duties on 16.02.2025. Stefan Leitl took over as the new head coach from 17.02.2025.

F) Outlook

After match day 23 (as of 23 February 2025), Hertha BSC occupies 14th place in Bundesliga 2.

The previous plans for the financial year 2024/2025 have been revised.

Current internal planning foresees a deficit of € 0.7 million for the second half of the 2024/25 season, meaning that the Hertha BSC Group is expected to report a net loss for the year of € 8.7 million.

The management of Hertha BSC GmbH & Co. KGaA has made conservative estimates for the years 2025/2026 and thereafter; significantly better annual results may result in the event of sporting success or additional income. Conversely, in the event of sporting failure, worse results than planned may occur.

The following points are significant for the further development:

Through the existing cooperation contract with our long-term business partner Sportfive GmbH Germany, we have a secure contract situation with a competent partner in the sponsoring area.

With the main sponsor CheckCars24.de, equipment supplier NIKE and sleeve logo partner WTG, Hertha BSC has three very strong partners on its side.

Contractual agreements have also been concluded with the co-sponsors – so-called exclusive partners – Autohaus König, Beck's, Coca-Cola and Topradio 94.3 RS2.

Management assumes that the development of the Hertha BSC Group will continue to be successful on a sport and business level because of existing opportunities and the above-average infrastructure (in particular sport and medical facilities and working with young football talents).

The Berlin Olympic Stadium, the best-known German stadium, which was the venue for the finals during the Football World Cup 2006 in addition to four preliminary round matches and a quarter final, remains the home ground of Hertha BSC GmbH & Co. KGaA. It offers 73,856 roofed seats, 52 boxes (approx. 1,000 seats), 13 Sky boxes (approx. 130 seats) and approx.

4,000 business seats. Hertha BSC continues to anticipate possible increases in earnings in this area in the coming years.

The developments of the recent past have shown to a great extent that there is a high degree of dependence on sporting success. Maintaining our course along the lines of the business framework we have set up will result in a positive development of the Company. In Section D we have already pointed out that planning depends on sporting success.

Berlin, 24 February 2025

Hertha BSC GmbH & Co. Kommanditgesellschaft auf Aktien (KGaA), represented by the general partner, Hertha BSC Verwaltung GmbH

Thomas E. Herrich
Spokesman of the Management Board

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