DEEZER

HALF-YEAR FINANCIAL REPORT

For the six months ended June 30, 2024

Deezer S.A.
a French Société anonyme à conseil d'administration
with a share capital of €1,216,376.81
Registered office: 24, rue de Calais, 75009 Paris, France
Trade and Companies Register of Paris: 898 969 852

Half-year financial report

I. Statement of the person responsible for the half-year financial report

I hereby certify that, to the best of my knowledge, the interim condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and provide a faithful representation of the assets, liabilities, financial position and results of Deezer S.A. and all companies included within its scope of consolidation, and that the interim activity report presents a faithful representation of the significant events that occurred in the first six months of the financial year, their impact on the interim financial statements, and the main related party transactions, and it describes the major risks and uncertainties for the remaining six months of the financial year.

Paris, July 30, 2024

Stuart Bergen

Chief Executive Officer

II. Interim activity report

1. Half-year activity

1.1. Company information

Deezer S.A. is a French *société anonyme à conseil d'administration* incorporated on May 4, 2021 and registered in France under number 898 969 852 R.C.S. Paris, with its registered office at 24, rue de Calais, 75009 – Paris (the "Company").

Deezer Group comprises the Company, as holding company of the Group, and its subsidiaries (the "Group"). Deezer Group is one of the world's largest independent music experiences platforms, connecting fans with artists and creating ways for people to "Live the Music". The Company provides access to a full-range catalogue of high-quality music, lossless HiFi audio and industry-defining features on a scalable platform (on Deezer.com website and a mobile application) available in more than 180 countries.

The main activities of the Group's companies are:
- an online music listening service, provided free of charge to users (financed by advertising) or by way of subscriptions;
- advertising sales (sale of advertising space online).

For more information on the Group's activities, please refer to section 1.1 "Description of the Company's activities" of the Universal Registration Document of the Company issued on April 30, 2024 (the "2023 URD").

1.2. Significant events during the six-month period ended June 30, 2024

Significant events having occurred during the six-month period ended June 30, 2024 are detailed in Note 1 to the interim condensed consolidated financial statements thereafter.

1.3. Subsequent events

Material events having occurred after the end of the reporting period are detailed in Note 28 to the interim condensed consolidated financial statements thereafter.

2. Operating and financial review

2.1. Key figures

2.1.1. Breakdown of revenue by segment

The table below provides the split of total revenue by segment for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,			
(in € millions)	**2024**	**2023**	**Change (%)**	**Chg. at constant FX (%)**
Direct	171.5	163.9	+4.6%	+4.6%
Partnerships	86.9	62.4	+39.2%	+38.2%
Other	9.6	6.9	+38.8%	+38.7%
Total revenue	**267.9**	**233.2**	**+14.9%**	**+14.6%**

2.1.2. Breakdown of revenue by geography

The table below provides the split of total revenue by geography for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,			
(in € millions)	**2024**	**2023**	**Change (%)**	**Chg. at constant FX (%)**
France	154.0	142.0	+8.5%	+8.5%
Rest of World	113.9	91.3	+24.8%	+24.1%
Total revenue	**267.9**	**233.2**	**+14.9%**	**+14.6%**

2.1.3. Key performance indicators

The table below provides the split of subscribers by segment as at June 30, 2024 and 2023:

	June 30,		
(in millions)	**2024**	**2023**	**Change (%)**
Direct	5.5	5.6	(1.5)%
o/w France	3.7	3.6	+3.2%
o/w Rest of World	1.8	2.0	(9.8)%
Partnerships	5.0	3.7	+37.1%
Total subscribers	**10.5**	**9.3**	**+13.7%**

The table below provides the average measure of ARPU on a monthly basis for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,		
(in €)	**2024**	**2023**	**Change (%)**
Direct	5.1	4.8	+6.0%
Partnerships	2.9	2.8	+3.5%

2.2. Analysis of consolidated results

2.2.1. Simplified income statement

	Six-month period ended June 30,		
(in € millions)	**2024**	**2023**	**Change (%)**
Total revenue	**267.9**	**233.2**	**+14.9%**
Adjusted gross profit[1]	**64.5**	**51.8**	**+24.6%**
In % of total revenue	*24.1%*	*22.2%*	*+1.9pt*
Adjusted EBITDA[1]	**(5.0)**	**(13.1)**	**(61.8)%**
In % of total revenue	*(1.9)%*	*(5.6)%*	*+3.8pt*
Operating loss (EBIT)	**(21.2)**	**(42.5)**	**(50.1)%**
In % of total revenue	*(7.9)%*	*(18.2)%*	*+10.3pt*
Net loss	**(19.4)**	**(38.4)**	**(49.5)%**

[1] Refer to section 2.4 "Reconciliation of non-IFRS financial indicators".

2.2.2. Consolidated revenue

Consolidated revenue amounted to €267.9 million in the first half of 2024 compared to €233.2 million in the first half of 2023, representing an increase of €34.7 million, or 14.9% (14.6% at constant currency).

This revenue increase mainly reflected the continued ramp-up of recent Partnerships (+39.2%), in line with the Group's strategy to focus its efforts on attractive and large markets, mainly through partners, in addition to the contribution to the new wave of price increases in Direct (+4.6%).

2.2.2.1. Revenue by segment

Direct revenue amounted to €171.5 million in the first half of 2024 compared to €163.9 million in the first half of 2023, representing an increase of €7.6 million, or 4.6% (4.6% at constant currency).

This revenue increase mainly reflected an improvement of Direct ARPU year-on-year (+6.0%) driven by a new round of price increases implemented during the fourth quarter of 2023. Deezer's continued subscriber base expansion in France (+3.2%) was offset by a decline of (9.8)% in the Rest of World as a result of the company's strategy to focus on selected key markets.

Partnerships revenue amounted to €86.9 million in the first half of 2024 compared to €62.4 million in the first half of 2023, representing an increase of €24.4 million, or 39.2% (38.2% at constant currency).

This revenue increase mainly reflected a good performance of new and existing deals with large Telecom operators in the Rest of World, the progressive ramp up of the RTL partnership launched in Q3 2022 and the Mercado Libre partnership launched in Q3 2023.

Other revenue, which is made up of advertising and ancillary revenue, amounted to €9.6 million in the first half of 2024 compared to €6.9 million in the first half of 2023, representing an increase of 38.8% (38.7% at constant currency).

This revenue increase mainly reflected the performance of the Sonos Radio partnership launched in Q2 2023 and New Verticals revenue in Q2 2024.

2.2.2.2. *Revenue by geography*

In France, revenue amounted to €154.0 million in the first half of 2024 compared to €142.0 million in the first half of 2023, representing an increase of €12.1 million, or 8.5%.

This revenue increase mainly reflected the improvement of Direct ARPU as a result of a new wave of price increase implemented in the fourth quarter of 2023, and the continued expansion of Deezer's Direct subscriber base (+3.2%).

In the Rest of World, revenue amounted to €113.9 million in the first half of 2024 compared to €91.3 million in the first half of 2023, representing an increase of €22.6 million, or 24.8% (24.1% at constant currency).

This revenue increase mainly reflected the ongoing profitable Partnerships expansion (+80.3%) with the progressive ramp up of the RTL partnership launched in Q3 2022 and the Mercado Libre partnership launched in Q3 2023, as well as a good performance of New Verticals in Other Revenues (+74.6%) in Q2 2024.

2.2.2.3. *Subscriber base*

The Group's total number of subscribers reached 10.5 million as at June 30, 2024 compared to 9.3 million as at June 30, 2023, representing an increase of +13.7%. This change mainly reflected the continued growth of the Direct subscriber base in France and the Partnerships expansion, which allowed to partly offset a Direct subscriber decline recorded in the Rest of World.

In Direct, the Group's number of subscribers was 5.5 million as at June 30, 2024 compared to 5.6 million as at June 30, 2023, reflecting our strategy to focus our marketing investments on France.

In France, the Direct subscriber base reached 3.7 million at the end of June 2024 (+3.2%).

In the Rest of World, the number of Direct subscribers declined to 1.8 million at end June 2024, representing a decrease of (9.8)%, as the group's strategy to focus on selected key markets led to a significant reduction of unprofitable spend, thus impacting new Direct subscribers.

In Partnerships, the Group's number of subscribers was 5.0 million as at June 30, 2024 compared to 3.7 million as at June 30, 2023, representing an increase of +37.1%. This change mainly reflected the Partnerships expansion with recent deals like RTL and Mercado Libre.

2.2.2.4. *ARPU*

The Group's ARPU stood at €4.1 in the first half of 2024 compared to €4.0 in the first half of 2023, representing an increase of 1.2%.

This change reflected growth across both Direct (+6.0%) and Partnerships (+3.5%) segments, underscoring the relevance and successful execution of a price increase at the end of 2023 as well as the Group's strategy to improve its business economics. It also reflected the increased contribution of Partnerships revenues in the Company's revenue mix.

2.2.2. Cost of revenue

The Cost of Revenue, which mainly includes costs related to licensing rights, costs related to hosting infrastructure servers, network bandwidth costs and commissions charged by sales platforms and payment service providers, amounted to €212.8 million in the first half of 2024 compared to €205.3 million in the first half of 2023, representing an increase of €7.5 million. This change mainly reflected the higher level of activity, partly offset by the optimization of some of the Group's aforementioned costs.

Deezer management uses adjusted Cost of Revenue as described in Section 5.1.4. "*Reconciliation of non-IFRS financial indicators*".

On an adjusted basis, the Cost of Revenue amounted to €203.4 million in the first half of 2024 compared to €181.4 million in the first half of 2023, representing an increase of €22.0 million, or 12.1%.

2.2.3. Adjusted gross profit and gross profit

	Six-month period ended June 30,		
(in € millions)	**2024**	**2023**	**Change (%)**
Adjusted gross profit	**64.5**	**51.8**	**+24.6%**
In % of total revenue	*24.1%*	*22.2%*	*+1.9pt*
o/w Direct	44.1	38.9	+13.2%
In % of Direct revenue	*25.7%*	*23.8%*	*+1.9pt*
o/w Partnerships	19.2	13.0	+47.2%
In % of Partnerships revenue	*22.1%*	*20.9%*	*+1.2pt*
o/w Other	1.3	(0.2)	(925.4)%

Adjusted gross profit amounted to €64.5 million in the first half of 2024 compared to €51.8 million in the first half of 2023, representing an increase of €12.7 million, or 24.6%.

This change mainly reflected a higher level of activity, improved terms with labels in 2024 and a positive contribution from the licensing of ZEN content to partners.

As a result, adjusted gross profit margin increased from 22.2% in the first half of 2023 to 24.1% in the first half of 2024.

Direct adjusted gross profit amounted to €44.1 million in the first half of 2024 compared to €38.9 million in the first half of 2023, representing an increase of €5.1 million, or 13.2%.

This change mainly reflected Direct revenue growth, improved terms with labels and a more favorable offer mix than last year. As a result, Direct adjusted gross profit margin increased from 23.8% in the first half of 2023 to 25.7% in the first half of 2024.

Partnerships adjusted gross profit amounted to €19.2 million in the first half of 2024 compared to €13.0 million in the first half of 2023, representing an increase of €6.1 million, or 47.2%.

This change mainly reflected a higher level of activity, improved terms with labels, more favorable offer mix, partly offset by a less favorable Partnerships mix. As a result, Partnerships adjusted gross profit margin increased from 20.9% in the first half of 2023 to 22.1% in the first half of 2024.

Adjusted gross profit of the Other segment amounted to €1.3 million in the first half of 2024 compared to €(0.2) million in the first half of 2023, representing an improvement of €1.5 million.

This change mainly reflected a positive contribution from the licensing of ZEN content to partners.

Gross profit amounted to €55.1 million in the first half of 2024 compared to €27.9 million in the first half of 2023, representing an increase of €27.2 million, or 97.6%.

This change mainly reflected a lower level of non-recurring charges included in adjusted items.

Adjusted items amounted to €9.4 million in the first half of 2024 compared to €23.9 million in the first half of 2023, representing a decrease of €14.5 million. This change reflected the decrease in non-recurring charges related to the licensing agreements signed with music labels between the end of 2020 and the beginning of 2021 as these contracts gradually come to an end.

2.2.4. Product and development expenses

Product and development expenses amounted to €16.4 million in the first half of 2024 compared to €18.3 million in the first half of 2023, representing a decrease of €1.9 million, or (10.4)%.

Employee costs decreased by €0.3 million as a result of lower headcount. External expenses decreased by €0.7 million. The amortization charge was lower by €0.9 million.

2.2.5. Sales and marketing expenses

Sales and marketing expenses amounted to €31.7 million in the first half of 2024 compared to €27.0 million in the first half of 2023, representing an increase of €4.7 million, or 17.4%.

Marketing costs increased by €4.8 million to €21.6 million as a result of our continued investment in brand and customer acquisition. Employee costs decreased by €0.1 million as a result of lower headcount, while external expenses grew by €0.1 million. The amortization charge was lower by €0.1 million.

2.2.6. General and administrative expenses

General and administrative expenses amounted to €28.2 million in the first half of 2024 compared to €25.0 million in the first half of 2023, representing an increase of €3.2 million, or 12.6%.

Employee costs decreased by €1.5 million mostly due to lower share-based expenses and lower headcount. External expenses increased by €4.6 million due to a non-recurring provision. The amortization charge was higher by €0.1 million.

2.2.7. Adjusted EBITDA

Adjusted EBITDA[1] amounted to €(5.0) million in the first half of 2024 compared to €(13.1) million in the first half of 2023, representing an improvement of €8.1 million, more than cutting in half the Adjusted EBITDA of 2023.

This change mainly reflected higher adjusted gross profit and a strict management of fixed operating expenses, partly offset by higher marketing expenses in line with our strategy to invest in our brand.

As a result, adjusted EBITDA margin decreased from (5.6)% in the first half of 2023 to (1.9)% in the first half of 2024.

2.2.8. Operating loss (EBIT[2])

Operating loss amounted to €21.2 million in the first half of 2024 compared to an operating loss of €42.5 million in the first half of 2023, representing a decrease of €21.3 million.

This change mainly reflected increased gross profit and lower operating costs, including other non-recurring charges related to the licensing agreements.

Operating margin increased from (18.2)% in the first half of 2023 to (7.9)% in the first half of 2024.

2.2.9. Financial result

[1] Earnings before interest, taxes, depreciation and amortization

[2] Earnings before interest and taxes

Finance income amounted to €2.2 million in the first half of 2024 compared to €5.3 million in the first half of 2023, representing a decrease of €3.1 million.

This change mainly reflected the recognition, in the first half of 2023, of €2.5 million fair value adjustment of financial liabilities related to Market Warrants (A and B BSARs[3]), which were issued by I2PO S.A. concomitantly to the Group's Merger in July 2022, as well as the positive impact of financial interests on cash.

Finance costs amounted to €1.2 million in the first half of 2024 at par with the first half of 2023.

2.2.10. Income tax

Income tax expense amounted to €0.8 million in the first half of 2024 compared to an income tax expense of €0.1 million in the first half of 2023.

2.2.11. Equity affiliates

There was no share of profit/loss of equity affiliates in the first half of 2024 as well as in the first half of 2023.

2.2.12. Net loss

Net loss amounted to €19.4 million in the first half of 2024 compared to a net loss of €38.4 million in the first half of 2023, representing a decrease of €19.0 million.

This change mainly reflected the improved operating loss.

2.3. Cash flows and financial resources

2.3.1. Consolidated cash flows

The following table provides a summary of the cash flows for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,	
(in € millions)	**2024**	**2023**
Net cash flows (used in)/from operating activities	10.6	(17.8)
Net cash flows (used in) investing activities	(2.9)	(1.2)
Net cash flows (used in) financing activities	(5.1)	(4.2)

2.3.1.1. Operating activities

Net cash flows used in operating activities amounted to a positive net cash flow of €10.6 million in the first half of 2024 compared to a negative net cash flows from operating activities of €(17.8) million in the first half of 2023, representing a decrease of €28.4 million.

This change mainly reflected the improved adjusted EBITDA loss and a positive generation of working capital compared to 2023.

2.3.1.2. Investing activities

[3] Bon de Souscription d'Actions Remboursables.

Net cash flows used in investing activities amounted to €2.9 million in the first half of 2024 compared to net cash flows from investing activities of €1.2 million in the first half of 2023, representing an increase of €1.7 million.

In the first half of 2024, the Group's investing activities mainly reflected purchases of property and equipment and intangible assets for €1.1million as well as Driift deconsolidation for €1.9 million.

2.3.1.3. *Financing activities*

Net cash flows used in financing activities amounted to €5.1 million in the first half of 2024 compared to net cash flows used in investing activities of €4.2 million in the first half of 2023, representing an increase of €0.9 million.

In the first half of 2024, the Group's financing activities mainly reflected the reimbursement of its three state-guaranteed loans for €3.9 million, as well as the payment of leases for €2.6 million.

2.3.2. Free cash flow

The following table provides the free cash flow for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,	
(in € millions)	**2024**	**2023**
Adjusted EBITDA	**(5.0)**	**(13.1)**
Change in working capital requirement	21.8	7.7
Capital expenditure	(1.1)	(1.1)
Leases[4]	(1.2)	(3.1)
Others	(7.4)	(12.0)
Free cash flow	**7.3**	**(21.6)**

In the first half of 2024, the Group recorded a positive free cash flow of €7.3 million compared to a negative free cash flow of €21.6 million in the first half of 2023, representing an increase of €28.9 million.

This change mainly reflected the reduction of adjusted EBITDA loss, the higher generation of working capital as compared to 2023, as well as lower other cash items (one-off items including the impact of tax regularizations).

Excluding one-off cash items, change in working capital requirement totaled €21.8 million in the first half of 2024, reflecting the higher level of activity.

2.3.3. Net cash

(in € millions)	**June 30, 2024**	**December 31, 2023**
Cash and cash equivalents	65.1	63.6
Financial debt	(17.1)	(21.0)
Net cash	**47.9**	**42.6**

Cash and cash equivalents amounted to €65.1 million as at June 30, 2024 compared to €63.6 million as at December 31, 2023, representing an increase of €1.5 million.

[4] Including repayment of lease liabilities and net interest paid (including finance leases).

This change mainly reflected the positive free cash flow recorded in the first half of 2024 partly offset by the repayment of its three state-guaranteed loans.

Financial debt amounted to €17.1 million as at June 30, 2024 compared to €21.0 million as at December 31, 2023, representing a decrease of €3.9 million.

As a result, the Group's net cash amounted to €47.9 million as at June 30, 2024 compared to €42.6 million as at December 31, 2023, representing a decrease of €5.4 million.

2.4. Reconciliation of non-IFRS financial indicators

2.4.1. Adjusted gross profit

Adjusted gross profit corresponds to the gross profit (revenue less Cost of Revenue) excluding non-recurring expenses related to license agreements such as costs relating to equity warrants and unused minimum guarantees. The Group excludes non-recurring items from its adjusted gross profit to allow management to more accurately evaluate the gross profit period.

The table below illustrates the reconciliation between gross profit and adjusted gross profit for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,	
(in € millions)	**2024**	**2023**
Gross profit	**55.1**	**27.9**
License agreements non-recurring expenses	9.4	23.9
Adjusted gross profit	**64.5**	**51.8**

2.4.2. Adjusted EBITDA

Adjusted EBITDA corresponds to the operating income/(loss) adjusted for the non-recurring expenses excluded and presented above in Section 5.1.4.1. "*Adjusted gross profit*" and, by certain non-cash items such as depreciation and amortization, share-based expenses and other non-recurring provisions. Management excludes such non-cash items as it believes that they do not reflect the Group's current operating performance.

The table below illustrates the reconciliation between operating loss and adjusted EBITDA for the six-month periods ended June 30, 2024 and 2023:

	Six-month period ended June 30,	
(in € millions)	**2024**	**2023**
Operating loss	**(21.2)**	**(42.5)**
Gross profit adjustments	9.4	23.9
Depreciation and amortization	3.7	4.7
Share-based expenses	1.2	1.9
Other non-recurring provisions	1.8	(1.2)
Adjusted EBITDA	**(5.0)**	**(13.1)**

2.5. 2024 priorities and outlook

Following strong revenue growth in the first semester, the Group confirms its objective to achieve 10% revenue growth in 2024, taking into account the strong comparative base in H2 2023.
The significant reduction of adjusted EBITDA loss during this semester also allows the Group to improve its adjusted EBITDA target, now expected to be better than €(10) million in 2024 (previously expected to be better than €(15)million). This will represent a very significant reduction from €(29) million in 2023 and €(56) million in 2022 and pave the way to positive adjusted EBITDA in 2025.
Finally, given the strong profitability improvements already achieved and positive free cash flow generation in H1 2024, Deezer confirms its ambition to achieve positive free cash flow in 2024.

3. Major risks and uncertainties

The principal risks and uncertainties to which the Group believes it is exposed are described in detail in Section 2.1 "Risk factors" of the 2023 URD. The 2023 URD was approved by the Autorité des marchés financiers (AMF) on April 30, 2024 under the approval number R.24-007, and is available on the Company's website (www.deezer-investors.com) and on the AMF's website (www.amf-france.org).

The descriptions contained in the aforementioned section of the 2023 URD remain valid in all material respects at the date of the publication of this half-year financial report regarding the appreciation of the principal risks and uncertainties affecting the Group on June 30, 2024, or which the Company's management expects could affect the Group during the remainder of 2024. The information provided in the 2023 URD, in particular under Section 2.1.5 "Risks related to the listing of the Company's shares on the Professional Segment of Euronext Paris", should be read in conjunction with the following developments regarding the transfer of all of the ordinary shares composing the share capital of the Company, which were listed and admitted to trading on the regulated market of Euronext Paris, from the professional segment (*compartiment professionnel*) to the general segment (*compartiment général*) of Euronext Paris, effective on July 8, 2024 (the "Euronext Segment Transfer").

- *A liquid market for the Company's ordinary shares may not develop or persist despite the completion of the Euronext Segment Transfer*

Between the completion of the merger of Deezer S.A. (511 716 573 R.C.S. Paris) with and into I2PO S.A. (i.e., the Company) on July 5, 2022 and June 28, 2024, the average daily trading volume of the Company's ordinary share on Euronext Paris amounted to approximately 10,300 ordinary shares per trading day, representing less than 0.01% of the total number of the Company's ordinary shares.

While the trading of the Company's ordinary shares on the professional segment (*compartiment professionnel*) of Euronext Paris imposed certain restrictions on the ability of retail (non-qualified) investors to invest in the ordinary shares, there can be no guarantee that the Euronext Segment Transfer, which became effective on July 8, 2024, will be sufficient to develop a liquid trading market for the Company's ordinary shares. Since the creation of the professional segment of Euronext Paris, none of the shares admitted to trading thereon have been transferred to the general segment (*compartiment général*) of Euronext Paris, which makes the consequences of the Euronext Segment Transfer on the market for the Company's ordinary shares difficult to predict with any certainty.

Furthermore, the number of ordinary shares of the Company that were offered in the recently completed Offering, described in note 27 of Section III "Consolidated financial statements" of this half-year financial report, represents approximately 0.1% of the share capital of the Company on a non-diluted basis. Given the limited number of ordinary shares so offered, it is unlikely that the Offering expanded the shareholder base of the Company and increased the liquidity of its ordinary shares in any material respect.

Therefore, there can be no guarantee that a liquid trading market will develop for the Company's ordinary shares or, if such a market develops, that it will persist. If a liquid trading market does not develop, the liquidity and price of the ordinary shares may be adversely affected.

- *The potential sale by the Company's main shareholders of a significant number of the Company's ordinary shares following completion of the Euronext Segment Transfer or the possibility of such issues or sales may adversely affect the Company's ordinary share market price*

Potential sales of substantial amounts of the Company's shares on the market following completion of the Euronext Segment Transfer, or the perception in the market that such a sale is imminent, could lower the market price of the Company's ordinary shares. As of the completion of the Offering (described in note 27 of Section III "Consolidated financial statements" of this half-year financial report) and the Euronext Segment Transfer, institutional investors and founders of the Company held together at least 66.3% of the Company's share capital (on a non-diluted basis). Since the completion of the Offering and the Euronext Segment Transfer, the shareholders of the Company have been free to offer, sell, pledge or otherwise dispose of their ordinary shares. In addition, it remains uncertain how the Euronext Segment Transfer will be perceived in the market due to the lack of examples of transfers of equity securities from the professional segment to the general segment (*compartiment général*) of Euronext Paris, and there is no guarantee that such transfer will not be considered as increasing the likelihood of substantial sales of the Company's shares on the market. All of the foregoing could have an adverse effect on the market price of the Company's ordinary shares.

4. Main transaction with related parties

The main related-party transactions are presented in detail in sections 4.3.2 "Agreements entered into under normal conditions in the ordinary course of business during 2023 fiscal year" and 4.3.3 "Regulated agreements and other agreements active during 2023 fiscal year" of the 2023 URD.

III. Consolidated financial statements

1. Interim condensed consolidated financial statements

1.1 Interim condensed consolidated income statements

(in thousands of euros)	Note	Six months ended June 30, 2024	2023
Revenue	*5*	267,921	233,214
Cost of revenue	*5*	(212,787)	(205,271)
Gross Profit		**55,134**	**27,943**
Product and development	*6.1*	(16,426)	(18,337)
Sales and marketing	*6.1*	(31,728)	(27,030)
General and administrative	*6.1*	(28,192)	(25,035)
Operating loss		**(21,212)**	**(42,459)**
Finance income		2,240	5,344
Finance costs		(1,197)	(1,179)
Financial result - Net	*7*	1,043	4,166
Loss before income tax		**(20,169)**	**(38,294)**
Income tax expense	*8*	760	(144)
Share of loss of equity affiliates		-	-
Net loss for the period		**(19,410)**	**(38,438)**
Of which attributable to owners of the parent		*(19,268)*	*(37,617)*
Of which attributable to non-controlling interests		*(141)*	*(821)*

	Note	Six months ended June 30, 2024	2023
Net loss per share attributable to owners of the parent			
Basic	*9*	(0,16)	(0,35)
Diluted	*9*	(0,16)	(0,35)
Weighted-average ordinary shares			
Basic		121,637,681	108,765,996
Diluted	*9*	121,637,681	108,765,996

The accompanying notes form an integral part of these condensed consolidated financial statements

1.2 Interim condensed consolidated statements of comprehensive loss

	Note	Six months ended June 30, 2024	2023
Net loss for the year		(19,410)	(38,438)
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to consolidated statement of operations (net of tax):			
Currency translation adjustments		1,382	(2,485)
Items not to be subsequently reclassified to consolidated statement of operations (net of tax):			
Actuarial gains and losses on defined benefit plans	*26*	-	-
Other comprehensive income/(loss) (net of tax)		**1,382**	**(2,485)**
Total comprehensive loss for the year		**(18,028)**	**(40,923)**
Of which attributable to owners of the parent		*(17,899)*	*(40,132)*
Of which attributable to non-controlling interests		*(129)*	*(791)*

The accompanying notes form an integral part of these financial statements

1.3 Interim condensed consolidated statements of financial position

(in thousands of euros)	Note	June 30, 2024	December 31, 2023
Assets			
Non-current assets			
Goodwill	*10*	7,487	7,487
Intangible assets	*10*	369	260
Property and equipment	*11*	4,410	4,915
Right-of-use assets	*12*	16,395	16,736
Investments in equity affiliates	*13*	-	-
Non-current financial assets	*14*	5,341	5,337
Other non-current assets	*15*	-	525
Total non-current assets		**34,002**	**35,260**
Current assets			
Trade and other receivables	*16*	69,388	70,362
Other current assets	*17*	19,596	25,769
Cash and cash equivalents	*24*	65,075	63,605
Total current assets		**154,059**	**159,736**
Total assets		**188,061**	**194,996**
Equity and liabilities			
Equity			
Share capital	*18*	1,216	1,216
Share premium	*18*	483,970	483,970
Treasury shares		(375)	(363)
Consolidated reserves		(702,355)	(654,079)
Net loss		(19,268)	(57,666)
Equity attribuable to owners of the parent		**(236,812)**	**(226,922)**
Non-controlling interest reserves		-	940
TOTAL EQUITY		**(236,812)**	**(225,982)**
Non-current liabilities			
Provision for employee benefits	*26*	569	500
Lease liabilities	*12*	16,389	15,097
Financial liabilities	*25*	10,753	13,933
Total non-current liabilities		**27,711**	**29,530**
Current liabilities			
Provisions for risks	*20*	16,190	14,838
Lease liabilities	*12*	2,665	3,676
Financial liabilities	*25*	6,378	7,115
Trade payables and related accrued expenses	*21*	303,132	298,990
Tax and employee-related liabilities	*22*	26,300	31,446
Deferred income		41,823	33,781
Other liabilities	*23*	674	1,602
Total current liabilities		**397,162**	**391,448**
Total liabilities		**424,873**	**420,978**
Total equity and liabilities		**188,061**	**194,996**

The accompanying notes form an integral part of these financial statements

1.4 Interim condensed consolidated statements of changes in shareholders' equity

	Note	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves	Total shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2023	*18*	**121,087,670**	**1,211**	**483,976**	**(320)**	**(669,554)**	**(184,687)**	**2,866**	**(181,821)**
Net loss		-	-	-	-	(37,617)	(37,617)	(820)	(38,437)
Other comprehensive income		-	-	-	-	(2,515)	(2,515)	30	(2,485)
Total Comprehensive income		***-***	***-***	***-***	***-***	***(40,132)***	***(40,132)***	***(790)***	***(40,922)***
Issuance of ordinary shares granted to employees	*18, 19*	549,578	5	(187)	-	-	(182)	-	**(182)**
Treasury shares		-	-	-	93	-	93	-	**93**
Capital Increase	18	-	-	-	-	-	-	-	**-**
'Share-based payments (Including listing service cost)	19	-	-	-	-	11,822	11,822	-	**11,822**
Changes in the scope of consolidation	4	-	-	-	-	(41)	(41)	(41)	**(82)**
Other		-	-	-	-	(383)	(383)	601	**218**
Balance at June 30, 2023		**121,637,248**	**1,216**	**483,789**	**(227)**	**(698,288)**	**(213,510)**	**2,636**	**(210,874)**
Balance at January 1, 2024		**121,637,681**	**1,216**	**483,970**	**(363)**	**(711,745)**	**(226,922)**	**940**	**(225,982)**
Net loss		-	-	-	-	(19,268)	(19,268)	(141)	(19,410)
Other comprehensive income		-	-	-	-	1,370	1,370	12	1,384
Total Comprehensive income		***-***	***-***	***-***	***-***	***(17,898)***	***(17,898)***	***(129)***	***(18,027)***
Treasury shares		-	-	-	(10)	-	(10)	-	(10)
Share-based payments	19	-	-	-	-	8,017	8,017	-	8,017
Changes in the scope of consolidation	4	-	-	-	-	-	-	(811)	(811)
Balance at June 30, 2024		**121,637,681**	**1,216**	**484,970**	**(373)**	**(721,626)**	**(236,813)**	**0**	**(236,813)**

The accompanying notes form an integral part of these financial statements

1.5 Interim condensed consolidated statements of cash flows

	Note	Six months ended June 30, 2024	2023
Operating activities			
Net loss		**(19,410)**	**(38,437)**
Adjustments for:			
- Depreciation and amortization (excluding those related to current assets)	*10,11,12*	3,735	4,701
- Provisions	*20, 26*	1,413	934
- Unrealized gains and losses on fair value operations		-	-
- Share-based compensation expense	*19*	8,017	11,822
- Gains and losses on disposals		886	-
- Discounting profits and losses		8	(2,521)
- Net debt costs (including interest on lease liabilities)		(1,403)	528
- Income tax paid	*8*	(760)	144
Changes in working capital:			
- (Increase) / decrease in trade receivables and other assets		13,517	(24,118)
- Increase / (decrease) in trade and other liabilities		4,878	31,823
Income tax paid		(274)	(844)
Net cash flows from operating activities		**10,607**	**(17,837)**
Investing activities:			
Purchases of property and equipment and intangible assets	*10,11*	(1,070)	(1,160)
Release of the escrow account and Other		(467)	-
Proceeds from the disposal of non-current financial assets	*14*	457	71
Impact of changes in the scope of consolidation	*13*	(1,865)	(129)
Net cash flows used in investing activities		**(2,945)**	**(1,218)**
Financing activities:			
Increase in share capital and share premium (net of costs)	*18*	-	37
Repayments on short-term debt	*24*	(3,913)	(2,005)
Repurchases of ordinary shares		(11)	93
Proceeds from issuance of long-term debt	*25*	-	747
Repayment of lease liabilities	*12*	(2,581)	(2,550)
Net interest paid (including finance leases)		1,398	(528)
Net cash flows (used in)/from financing activities		**(5,107)**	**(4,206)**
Effect of foreign exchange rate changes on cash and cash equivalents		(1,086)	518
Change in net cash position		**1,469**	**(22,743)**
Cash and cash equivalents at the beginning of the period	*25*	63,605	113,610
Cash and cash equivalents at the end of the period	*25*	65,075	90,868
Change in net cash position		**1,470**	**(22,742)**

The accompanying notes form an integral part of these financial statements

2. Notes to the interim condensed consolidated financial statements

Note 1. Company information

(a) Company information

Deezer SA is a French *société anonyme à conseil d'administration* incorporated on May 4, 2021 and registered in France under number 898 969 852 R.C.S Paris, with its registered office at 24, rue de Calais, 75009 - Paris.

The group comprises the Company and its subsidiaries (the "Group"). The Company is the holding company of the Group that operates a streaming music service through the Deezer.com website and a mobile application and operates in more than 180 countries.

Deezer Group makes more than 120 million music tracks available to its customers.

The main activities of the Group's companies are:

- An online music listening service, provided free of charge to users (financed by advertising) or by way of subscriptions;
- Advertising sales (sale of advertising space online).

(b) Events of the period

On January 17, 2024, the Company and Fnac Darty announced the renewal of their long standing partnership.

On January 23, 2024, the Company and TIM Brazil announced the renewal of their long term partnership in Brazil.

On March 4, 2024, Deezer Russia LLC has been closed. This liquidation is not material in the Company's financial statements.

On March 5, 2024, the Company decided to relinquish certain rights which gave to the Company the ability to consolidate Driift Holdings Limited in its financial statements. As a consequence, Drift Holdings Limited is accounted for under the equity method in the Company's financial statements since this date. This change in consolidation method is not material in the Company's financial statements.

On March 13, 2024, the Company announced the appointment of Stuart Bergen as interim Chief Executive Officer, effective April 1, 2024, following the announcement on February 28, 2024 of the resignation of Jeronimo Folgueira as Chief Executive Officer, effective March 31, 2024.

On March 21, 2024, the Company and Merlin, the independent's digital music licensing partner, announced the renewal of their partnership.

On June 13, 2024, the Company announced the renewal of the terms of office of Iris Knobloch as director and Chair of the Board of directors, and of Combat Holding (represented by Matthieu Pigasse) and Mark Simonian as directors. The Company also announced the appointment of Carl de Place, current Deputy Chief Financial Officer, as Chief Financial Officer effective August 1st, 2024, in replacement of Stéphane Rougeot.

Note 2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", a standard within the IFRS (International Financial Reporting Standards), as endorsed by the European Union, which provides for the presentation of selected explanatory notes. They do not include all the information required for complete annual financial statements and should be read in conjunction with the Group financial statements for the fiscal year ended December 31, 2023

They were approved by the Board of Directors on July 30, 2024, after the completion of the limited review by the Company's statutory auditors.

The interim condensed consolidated financial statements are presented in thousands of euros.

On July 30, 2024, the Board of Directors have reviewed the financial position of the Group, together with its forecast cash flows and financing facilities available and have a reasonable expectation that the Group has adequate resources to continue in operational existence for a minimum of 12 months following the preparation of these interim condensed consolidated financial statements. For this reason, the Group continues to adopt the going concern as a basis in preparing the financial statements.

(i) New and amended standards and interpretations adopted by the Group

At the end of the accounting period, there are no differences between the reference standards used and the standards adopted by the IASB, whose application is mandatory for the accounting period presented.

The main accounting standards and methods applied in the half-year financial statements are similar to those applied by the Group in the consolidated financial statements at December 31, 2023, with the exception of the standards, amendments and interpretations adopted by the European Union, applicable from January 1st, 2024, and described below:

- Amendments to IFRS 16: "Lease Liability in a Sale and Leaseback"
- Amendments to IAS 1:
  - "Classification of Liabilities as Current or Non-current Date".
  - "Classification of Liabilities as Current or Non-current - Deferral of Effective Date".
  - "Non-current Liabilities with Covenants".
- Amendments to IAS 7 and IFRS 7: "Supplier Finance Arrangements"

These standards do not have a material impact on the Group's half-year consolidated financial statements as of June 30, 2024.

(ii) New standards and interpretations issued not yet effective

Newly published IFRS standards, amendments and interpretations published with mandatory application for accounting periods beginning after January 1st, 2024, and not early adopted by the Group, which may have an impact on its consolidated financial statements are as follows:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" (*)
- Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" (*)
- IFRS 18 Presentation and Disclosure in Financial Statements (*)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (*).

(*) Standard not yet adopted by the European Union.

Note 3. Critical accounting estimates and judgments

(a) Use of estimates and judgment

The preparation of consolidated financial statements requires management to make judgments and estimates and apply assumptions that can affect the carrying amounts of assets, liabilities, income and expenses, as well as the information presented in the accompanying notes. Actual reported values may differ from the accounting estimates made.

Except as noted below, in preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2023.

(b) Specific disclosure requirements for interim condensed consolidated financial statements

(i) *Seasonality of operations*

Company's operations are not subject to material seasonal fluctuations.

(ii) *Income tax*

Income tax is recognized in the consolidated financial statements for each interim period. The amount corresponds to a best estimate calculated by applying the expected weighted average tax rate for the entire year.

Income tax expense is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. For both six-month periods ended June 30, 2023 and 2024, the effective tax rate estimated by management was nil.

Note 4. Changes in scope of consolidation

On 5 March 2024, Deezer gave notice to its principal co-shareholders in Driift Holdings Ltd, who were signatories to the Investment Agreement governing the governance of the company, to waive certain of its powers on the Board of Directors, such as :

- The appointment and dismissal of the CEO or CFO ;
- The adoption of the Business Plan and Budget ;
- Any material change to the Business Plan or Budget.

From that date, Deezer members will only have simple voting rights on the Board for these decisions.

As a consequence, Drift Holdings Limited is accounted for under the equity method in the Company's financial statements since this date.

Note 5. Segment information

Segment financial information is presented in accordance with IFRS 8 - Operating Segments and is based solely on the internal reporting ("Adjusted EBITDA" and "Adjusted Gross Profit") used by the Board of Directors – considered to be the Company's chief operating decision maker within the meaning of IFRS 8 – to make decisions about resources to be allocated to the segments and assess their performances. These segments reflect the basis on which management analyses the business.

The Group has identified three operating segments:

- Direct: Subscriptions to the Deezer service are taken out directly by users.
- Partnerships: Subscriptions to the Deezer service are taken out through a distribution partner or are included in the service or product sold by a distribution partner (as a bundle).
- Other: This segment includes Advertising and Ancillary revenue.

The Group monitors its operations through the use of non-generally accepted accounting principles ("non-GAAP") financial measures: adjusted Cost of Revenue and Gross Profit. These non-GAAP financial measures provide useful and relevant information regarding the Group's operating results and enhance the overall ability to assess its financial performance. They provide comparable measures which facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions. These financial measures may not be comparable to other similarly titled measures of other companies and are not intended to be substitutes for measures of financial performance as prepared in accordance with International Financial Reporting Standards ("IFRS").

Revenue, Cost of revenue and Gross Profit by segment are detailed below with a reconciliation between adjusted data and consolidated accounts.

(in € thousands)		Revenue	Cost of revenue	Gross Profit
Six months ended June 30, 2024	Direct	171,490	(127,435)	**44,055**
	Partnerships	86,855	(67,680)	**19,176**
	Other	9,576	(8,270)	**1,307**
	Total adjusted	**267,921**	**(203,384)**	**64,537**
	Adjustments	-	(9,403)	**(9,403)**
	Total consolidated	**267,921**	**(212,787)**	**55,134**
Six months ended June 30, 2023	Direct	163,897	(124,963)	**38,934**
	Partnerships	62,416	(49,386)	**13,030**
	Other	6,901	(7,059)	**(158)**
	Total adjusted	**233,214**	**(181,408)**	**51,806**
	Adjustments	-	(23,863)	**(23,863)**
	Total consolidated	**233,214**	**(205,271)**	**27,943**

Other costs of sales including commissions charged by sales platforms and payment service providers, hosting infrastructure servers and network bandwidth costs have been split per segment in the above table.

Main adjustments in Cost of revenue comprise (i) non-recurring expenses related to license agreements, such as costs relating to equity warrants, (ii) license agreements unused minimum guarantees and (iii) onerous contract related depreciation. These adjustments are not included in the adjusted Gross Profit.

Revenue by geographical area breakdowns as follows:

	Six months ended June 30,	
(in € thousands)	**2024**	**2023**
France	154,029	141,958
Rest of the world	113,892	91,254
	267,921	**233,215**

Note 6. Operating expenses

6.1 Expenses per nature

Costs by nature comprise the following items:

Six months ended June 30, 2024

(in € thousands)	Product and Development	Sales and Marketing	General and Administrative	Total
Employee costs	(13,688)	(9,139)	(12,180)	**(35,007)**
External expenses	(1,057)	(786)	(9,883)	**(11,727)**
Marketing costs	-	(21,610)	-	**(21,610)**
Miscellaneous taxes	(200)	(109)	(3,959)	**(4,268)**
Amortization	(1,481)	(84)	(2,170)	**(3,735)**
	(16,426)	**(31,728)**	**(28,193)**	**(76,346)**

Marketing costs increased by €4.7 million as a result of our continued investment in brand and customer acquisition.

Six months ended June 30, 2023

(in € thousands)	Product and Development	Sales and Marketing	General and Administrative	Total
Employee costs	(13,983)	(9,259)	(13,693)	**(36,935)**
External expenses	(1,768)	(660)	(7,901)	**(10,329)**
Marketing costs	-	(16,778)	-	**(16,778)**
Miscellaneous taxes	(209)	(108)	(1,341)	**(1,659)**
Amortization	(2,376)	(225)	(2,099)	**(4,701)**
	(18,337)	**(27,030)**	**(25,035)**	**(70,402)**

6.2 Personnel expenses

Employee costs per nature breaks down as follows:

(in € thousands)	2024	2023
Wages and salaries	(23,707)	(24,410)
Social costs	(10,205)	(10,637)
Share-based compensation	(1,046)	(1,806)
Employee retirement benefit costs	(62)	(83)
	(35,019)	**(36,935)**
Average headcount	**585**	**629**

During the six months period ended June 30, 2024, the Company did not record French tax credit relating to research and development in respect of 2023 expenses.

The research and development expenses incurred by the Company in 2024 will give rise to a French tax credit to be assessed and recorded in 2025.

During the six months period ended June 30, 2023, the Company recorded a €525 thousand French tax credit relating to research and development in respect of 2022 expenses.
These tax credits are deducted from the wages and salaries.

Note 7. Net finance costs

(in € thousands)	Six months ended June 30, 2024	2023
Gains on Securities	-	668
Interest from short-term security deposits	2,317	170
Foreign exchange gain	419	2,555
Fair value adjustment of financial liabilities (BSAR)	-	2,534
Other	(496)	(583)
Total Finance income	**2,239**	**5,344**
Interest on financial liabilities	(164)	(137)
Interest on lease liabilities	(249)	(381)
Foreign exchange loss	(790)	(404)
Discounting charges	(8)	(13)
Other	15	(243)
Total Finance costs	**(1,197)**	**(1,179)**
Financial result - Net	**1,042**	**4,166**

(in € thousands)	Six months ended June 30, 2024	2023
Net interest paid (including finance leases)	1,398	(528)

The increase of the interest income from short-term security deposits is related to the increase of the amounts invested in the interest bearing bank accounts (see note 25).

The variation resulting from the A and B BSAR price has not given rise to a financial income in 2024 (€2,534 thousands in 2023).

Note 8. Income tax expense

(in € thousands)	Six months ended June 30, 2024	2023
Current tax expense	760	(144)
Income tax expense	**760**	**(144)**

The income tax expense is only related to subsidiaries of the Company.

As at December 31, 2023 the company's accumulated tax losses amount to €722.383 thousand, including €567.190 thousand of tax losses initially generated by Deezer SA, the transfer of which has been obtained by a ruling dated April 12, 2024.

The Group’s most significant tax jurisdictions are France and Brazil.

Note 9. Loss per share

Basic loss per share is computed using the weighted-average number of outstanding ordinary shares during the period. Diluted loss per share is computed using the treasury stock method to the extent that the effect is dilutive by using the weighted-average number of outstanding ordinary shares and potential ordinary shares during the period. The Group's potential ordinary shares consist of incremental shares issuable upon the assumed exercise of stock options and warrants, and the incremental shares issuable upon the assumed vesting of free shares, excluding all anti-dilutive ordinary shares outstanding during the period. The Group used the if-converted method to calculate the dilutive impact of the warrants and adjusted the numerator for changes in profit or loss.

As a result of the above, the computation of loss per share for the respective periods is as follows:

	Six months ended June 30,	
(in € thousands, except share and per share data)	**2024**	**2023**
Basic loss per share		
Net loss attributable to owners of the parent	(19,270)	(37,617)
Shares used in computation :		
Weighted-average ordinary shares outstanding	121,637,681	108,765,996
Basic net loss per share attributable to owners of the parent	**(0.16)**	**(0.35)**
Diluted loss per share		
Net loss attributable to owners of the parent	(19,270)	(37,617)
Shares used in computation :		
Weighted-average ordinary shares outstanding	121,637,681	108,765,996
Diluted weighted average ordinary shares	**121,637,681**	**108,765,996**
Diluted net loss per share attributable to owners of the parent	**(0.16)**	**(0.35)**

Potential dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows:

	Six months ended June 30,	
	2024	**2023**
Free shares	4,283,620	3,393,188
Warrants	28,674,820	28,676,119
Stock-options	647,410	647,410
	33,605,850	**32,716,717**

Note 10. Goodwill and intangible assets

(in € thousands)	Licenses	Exclusive rights and access rights	Customer Database	Other	Intangible assets in progress	Total	Goodwill	Total
Costs								
At January 1, 2024	**8,771**	**1,441**	**7,140**	**8,924**	**-**	**26,275**	**15,097**	**41,372**
Additions	403				-	403		403
Reclassification	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-		-	194	194
Scope variation (Exit)	-	-	-	-	-	-	(7,804)	(7,804)
At June 30, 2024	**9,174**	**1,441**	**7,140**	**8,924**	**-**	**26,678**	**7,487**	**34,165**
Accumulated amortization								
At January 1, 2024	**(8,512)**	**(1,441)**	**(7,140)**	**(8,924)**	**-**	**(26,019)**	**(7,610)**	**(33,628)**
Amortization charge	(295)	-	-	-	-	(295)	-	(295)
Exchange differences	-	-	-	-	-	-	(194)	(194)
Scope variation (Exit)	-	-	-	-	-	-	7,804	7,804
At June 30, 2024	**(8,807)**	**(1,441)**	**(7,140)**	**(8,924)**	**-**	**(26,314)**	**-**	**(34,116)**
Costs, net of accumulated Amortization								
At January 1, 2024	259	-	-	-	-	**259**	7,487	**7,746**
At June 30, 2024	368	-	-	-	-	**368**	7,487	**7,855**

Goodwill relating to Driift was written off at the date of equity accounting of the shares (€7,804 thousand).

Regarding the €7,487 thousand goodwill related to a contract with a German telecom company, no impairment test was necessary as at June 30, 2024 as there was no indication of impairment for the Company.

Note 11. Property and equipment

The book value and depreciation of property and equipment are shown in the table below:

(in € thousands)	Technical equipment	Office and IT equipment	Other	Tangible assets in progress	Total
Cost					
At January 1, 2024	**11,002**	**3,534**	**4,419**	**77**	**19,034**
Scope variation (Entry)	-	-	-	-	-
Additions	396	141	108	5	650
Disposals - Write offs	(356)	(1)	(940)	-	(1,297)
Reclassification	-	18	-	(18)	-
Exchange differences	(3)	(19)	(22)	(1)	(45)
Scope variation (Exit)	(20)	-	-	-	(20)
At June 30, 2024	**11,019**	**3,672**	**3,565**	**63**	**18,322**
Accumulated amortization					
At January 1, 2024	**(8,803)**	**(2,911)**	**(2,407)**	**-**	**(14,120)**
Depreciation charge	(665)	(205)	(251)	-	(1,121)
Scope variation (Entry)	-	-	-	-	-
Disposals - Write-offs	356	1	940	-	1,297
Exchange differences	1	14	4	-	19
Scope variation (Exit)	13	-	-	-	13
At June 30, 2024	**(9,098)**	**(3,101)**	**(1,714)**	**-**	**(13,911)**
Costs, net of accumulated amortization					
At January 1, 2024	**2,200**	**623**	**2,012**	**77**	**4,915**
At June 30, 2024	**1,921**	**572**	**1,851**	**63**	**4,411**

The table below details the cash flow impact of the purchases of property and equipment and intangible assets:

(in € thousands)	June 30, 2024	June 30, 2023
Intangible asset additions/disposals	(403)	(82)
Tangible asset additions/disposals	(666)	(1,078)
Purchases of property and equipment and intangible assets – Cash flow impact	**(1,070)**	**(1,160)**

Note 12. Right-of-used assets and lease liabilities

The Group leases certain properties under lease agreements relating to office space and server bays.
The expected lease terms are between one and nine years.
The Group currently does not act in the capacity of a lessor.

The book value and depreciation of right-of-use assets are detailed in the roll-forward below:

(in € thousands)	
Cost	
At January 1, 2024	**33,825**
New or amended leases	2,171
Leases expired or early terminated	(2,854)
Reclassification	13
Exchange differences	-
At June 30, 2024	**33,155**
Accumulated depreciation	**-**
At January 1, 2024	**(17,089)**
Depreciation charge	(2,319)
Leases expired or early terminated	2,648
Exchange differences	-
At June 30, 2024	**(16,760)**
Cost, net of accumulated depreciation	**-**
At January 1, 2024	**16,736**
At June 30, 2024	**16,395**

The below roll-forward shows the variation of lease liabilities:

Lease liabilities *(in € thousands)*	
At January 1, 2024	**18,773**
New or amended leases	2,171
Repayment of leases (1)	(2,830)
Leases early terminated (1)	(187)
Reclassification	879
Interest (1)	249
Exchange differences	-
At June 30, 2024	**19,054**
Current lease liabilities	2,665
Non-current lease liabilities	16,389

(1) Included within the consolidated statement of cash flows

Below is the maturity analysis of lease liabilities:

Maturity analysis *(in € thousands)*	
Less than one year	2,665
One to five years	16,389
More than five years	-
Total lease liabilities	**19,054**
Current lease liabilities	2,665
Non-current lease liabilities	16,389
Total lease liabilities	**19,054**

Note 13. Investments in equity affiliates

Drift Holdings Limited is accounted for under the equity method in the Company's financial statements since March 6, 2024. From that date, these shares have been recorded in Deezer's balance sheet at a value of one GBP.

The cash impact related to the change in the method used to consolidate Driift's accounts from full consolidation to the equity method amounts to €1,865 thousand.

Note 14. Non-current financial assets

Deposits mainly relate to office space leases and to a contract with a payment service provider. Bank guarantees relate to office space leases.

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Deposits	3,923	3,918
Guarantees	1,419	1,419
	5,341	**5,337**

Note 15. Other non-current assets

Other non-current assets correspond to advance payments made mainly to some rights holders, in respect of license agreements.

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Advance payments on royalties	-	-
R&D tax receivables	-	525
Provision for impairment of advance payments on royalties	-	-
	-	**525**

Tax receivables relating to research and development were reclassified under other non-current assets in 2023 on line with the expected payment date. This amount of 525 K€ corresponds to the tax credit amount for the fiscal year 2022.

Financing for this FY 2022 tax credit will be put in place by the end of the year 2024. Therefore this amount has been classified in current assets at June 2024.

Note 16. Trade and other receivables

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Trade receivables	47,193	47,315
Less: Provision for impairment	(1,233)	(1,357)
Trade receivables - net	45,959	45,958
Unbilled revenue	23,428	24,404
	69,388	**70,362**

The ageing of the Group's net trade receivables is as follows:

(in € thousands)	June 30, 2024	December 31, 2023
Trade receivables - Current	20,039	25,013
Trade receivables - Overdue 1 - 30 days	15,174	13,010
Trade receivables - Overdue 31 - 60 days	6,253	1,247
Trade receivables - Overdue 61 - 90 days	70	1,446
Trade receivables - Overdue more than 90 days	4,422	4,252
	45,958	**45,958**

Trade receivables are non-interest bearing and generally have payment terms of 30 to 60 days. Due to their comparatively short maturities, the carrying value of trade and other receivables approximate their fair value.

The movements in the Group's allowance for expected credit losses are as follows:

(in € thousands)	June 30, 2024	December 31, 2023
At January 1	**(1,357)**	**(875)**
Provision for bad debts	-	(578)
Reversal of unutilized provisions	125	37
Receivables written off	-	59
Exchange differences	(2)	-
As of June 30	**1,233**	**(1,357)**

Note 17. Other current assets

(in € thousands)	June 30, 2024	December 31, 2023
Trade payables - Advance payments	9,865	14,631
Trade payables - Credit notes to be received	147	480
Employees and social contributions	75	47
State and local authorities	5,049	7,483
Sundry debtors	1,831	1,481
Prepaid expenses	3,554	2,582
Other current assets – Gross	**20,521**	**26,705**
Provision for impairment	(924)	(936)
Other current assets – Net	**19,597**	**25,769**

Below is the detail of the current receivables from state and local authorities:

(in € thousands)	June 30, 2024	December 31, 2023
Deductible VAT on purchases made in France and abroad	3,688	5,639
Tax receivables relating to research and development	992	467
Tax receivables pledge as security	-	935
Withholding tax receivable	-	145
Other	369	297
State and local authorities	**5,049**	**7,483**

Tax receivables relating to research and development for fiscal year 2021 (467 K€) and fiscal year 2022 (525 K€) will be assigned by the end of 2024.

On April 18, 2023, the Company obtained loans from BPI of respectively € 332 thousands and € 415 thousands ending Dec 1st 2024. Those loans have been secured by transferring R&D tax credit receivables to BPI for the years 2019 and 2020 for 935 K€.

As of June 2024, these tax credits and related loans are settled.

The provision for impairment of other current assets is detailed below:

(in € thousands)	June 30, 2024	December 31, 2023
At January 1	(936)	(1,269)
Provision for expected credit losses	(128)	(118)
Reversal for unused credit losses	139	365
Reclassification	-	86
At June 30	**924**	**(936)**

Note 18. Share capital and share premium

As at June 30, 2024, the Company's share capital is divided into 121,637,681 shares, each with a par value of € 0.01.

The Company's share capital is divided in the following classes as June 30, 2024:

(in number of shares)	June 30, 2024	December 31, 2023
Ordinary shares	117,054,347	117,054,347
Class A2 preferred shares	2,291,667	2,291,667
Class A3 preferred shares	2,291,667	2,291,667
	121,637,681	**121,637,681**

The below table shows the variations in number of shares for six-month periods ended:

(in number of shares)	2024	2023
At January 1	**121,637,681**	**121,087,670**
Class B preferred shares cancelled from the redemption	-	-
Ordinary shares issued from the vesting of free shares	-	549,578
Ordinary shares issued from the exercise of warrants	-	433
At June 30,	**121,637,681**	**121,637,681**

During the six months ended June 30, 2024, the Company did not issue ordinary shares as a result of the acquisition of free shares granted to certain officers or employees of the Group.

During the six months ended June 30, 2024, the Company did not issue new ordinary shares as a result of the exercise of BSAR A or B.

No dividends were proposed or paid in 2023 or 2024.

Each ordinary share carries the right to participate in, and vote at, general meetings. Class A2 and A3 preferred shares do not carry the right to vote at general meetings.

Note 19. Share-based payments

In the present notes to the consolidated financial statements:
- Deezer S.A. refers to the accounting acquirer before the merger completion on July 5, 2022;
- I2PO S.A. refers to the accounting acquiree before the merger completion on July 5, 2022;
- The Company refers to the combined entity after the merger completion on July 5, 2022.

Free share plans implemented by Deezer S.A.

Deezer S.A. granted free shares to certain employees and officers of the Group. The shares granted are legally owned by the beneficiaries at the end of the relevant acquisition period and are subject to a continuous presence requirement during this period.

Movements in free shares outstanding and related information are as follows:

	2017 free share plans**	2019 free share plans**	2021 free share plans**	2022 free share Plan**
Grant dates	09/02/2017 06/06/2017	06/02/2019 10/04/2019 11/12/2019	24/02/2021 08/06/2021 21/07/2021	23/03/2022
Number of shares granted	384,392	885,324	558,642	21,072
Outstanding at January 1, 2022	**89,542**	**637,034**	**490,782**	**-**
Granted	-	-	-	21,072
Definitively acquired	(60,420)	(281,850)	(380,228)	-
Lapsed	-	(10,341)	(9,087)	-
Outstanding at December 31, 2022	**29,122**	**344,843**	**101,467**	**21,072**
Granted	-	-	-	-
Definitively acquired	(29,122)	(344,843)	(101,467)	(21,072)
Lapsed	-	-	-	-
Outstanding at December 31, 2023	**-**	**-**	**-**	**-**
Granted	-	-	-	-
Definitively acquired	-	-	-	-
Lapsed	-	-	-	-
Outstanding at June 30, 2024	**-**	**-**	**-**	**-**
Key assumptions used in the fair value				
Value per share (in €)	14.61	31.31	39.75	39.75
Illiquidity discount rate	0%	40%	25%	25%
Employee turnover rate	0%	0%	7%	0%

Free share plans implemented by the Company

After the Merger completed on July 5th 2022, the Company granted free shares to the employees and officers of the Group in 2022 and 2023. The granted shares are legally owned by the beneficiaries at the end of the relevant acquisition period and subject to a continuous presence requirement during this period, and, as the case may be, to performance conditions.

The Company has implemented three additional free shares plan in 2023:
- Plan 2023-1 and Plan 2023-3 concern members of the management team;
- Plan 2023-2 concerns members of the leadership team;

These plans are subject to performance conditions defined on a yearly basis (1st Jan – 31st Dec) and as per 4 Key performance indicators. Shares are definitely acquired at the end of a 3-year acquisition period, subject to the beneficiary's continued presence.

Movements in free shares outstanding and related information are as follows :

	2022 - Grant 1 free share plan**	2022 - Grant 2 free share plan**	2022 - Grant 3 free share plan**	2023 - 1 free share plan**	2023 - 2 free share plan**	2023 - 3 free share plan**	2024 - 1 free share plan**
Grant dates	21/07/2022	21/07/2022	21/07/2022 27/10/2022	24/04/2023	31/05/2023	26/10/2023	13/03/2024
Number of shares granted	552,000	477,250	908,880	472,800	835,200	75,600	1,557,600
Outstanding at January 1, 2024	**417,992**	**477,250**	**812,160**	**472,800**	**784,800**	**75,600**	
Granted	-	-	-	-	-	-	1,557,600
Definitively acquired	-	-	-	-	-	-	-
Lapsed	(22,011)	-	(178,571)	(94,800)	(19,200)		
Outstanding at June 30, 2024	**395,981**	**477,250**	**633,589**	**378,000**	**765,600**	**75,600**	**1,557,600**
Key assumptions used in the fair value							
Value per share (in €)	4.59	4.59	4.59	1.45	2.09	2.47	2.05
Employee turnover rate	24%	7%	7%	7%	7%	7%	7%
Vesting condition			Performance conditions between 01/01/2022 to 31/12/2024	Performance conditions between 01/01/2023 to 31/12/2025	Performance conditions between 01/01/2023 to 31/12/2025	Performance conditions between 26/10/2023 to 26/10/2026	Performance conditions between 13/03/2024 to 13/03/2027

** Plans granted after the Merger completed on July 5, 2022
*** The number of shares corresponds to the shares which will vest if performance conditions are fully met.

Warrants issued by Deezer S.A.

Deezer S.A. issued equity warrants to the benefit of certain of its commercial partners and directors.

Warrants 2021, and L have given rise to expenses recognized in the consolidated income statement for the years ended December 31, 2023 and 2022 (based on the Black-Scholes model for warrants 2021).

Movements in warrants outstanding and related information is as follows:

Plans	Warrants 2014*	Warrants H	Warrants 2017	Warrants 2021
Shareholders' meeting date	22/05/2014	30/06/2017	23/12/2016	30/06/2020
Board members' meeting date	-	-	09/02/2017	24/02/2021
Expiry date	31/12/2024	30/06/2027	30/11/2026	31/12/2030
Number of warrants granted	66,700	712,404	6,845	6,000
Outstanding at January 1, 2023	**66,700**	**17,319**	**6,845**	**6,000**
Granted	-	-	-	-
Lapsed	-	-	-	-
Outstanding at December 31, 2023	**66,700**	**17,319**	**6,845**	**6,000**
Granted	**-**	**-**	**-**	**-**
Lapsed	**-**	**-**	**-**	**-**
Outstanding at June 30, 2024	**66,700**	**17,319**	**6,845**	**6,000**
Subscription price (in euros)	2.59	0.01	0.01	3.98
Exercise price (in euros)	24.25	14.61	14.61	39.75
Maximum share capital increase (in euros) (as at grant date)	667	7,124	68	60

*Information contained herein takes into account the stock split decided by the combined general meeting of Deezer S.A. held on October 9, 2015.

Plans	Warrants K	Warrants L	Warrants M
Shareholders' meeting date	30/06/2020	30/06/2021	30/06/2021
Board members' meeting date	24/02/2021	16/09/2021	16/09/2021
Expiry date	01/05/2027	31/10/2024	31/10/2028
Number of warrants granted	488,050	420,125	679,245
Outstanding at January 1, 2023	**-**	**420,125**	**-**
Exercised	-	-	-
Lapsed	-	-	-
Outstanding at December 31, 2023	**-**	**420,125**	**-**
Exercised	-	-	-
Lapsed	-	-	-
Outstanding at June 30, 2024	**-**	**420,125**	**-**
Subscription price (in euros)	0.01	0.01	0.01
Exercise price (in euros)	0.01	0.01	0.01
Maximum share capital increase (in euros) (as at grant date)	4,881	4,201	6,792
Vesting condition	All warrants became exercisable as a result of the merger	All warrants became exercisable as a result of the performance condition being met in H1 2024	All warrants became exercisable as a result of the merger

Plans	Warrants 2014	Warrants H	Warrants 2017	Warrants 2021	Warrants K	Warrants L	Warrants M
Volatility	50.60%	35.60%	35.9% to 41.0%	35.7% to 37.0%	N/A*	N/A*	N/A*
Risk-free rate	0.71%	0.26%	0.05% to 0.46%	(0.69)% to (0.62)%	N/A*	N/A*	N/A*
Expected maturity (years)	4	6.59	5.31 to 6.81	5.05 to 5.61	6.18	3.13	7.13
Turnover rate	10.00%	0.00%	0.00%	0.00%	N/A*	N/A*	N/A*
Dividend yield	0.00%	0.00%	0.00%	0.00%	N/A*	N/A*	N/A*
Illiquidity discount rate	0.00%	0.00%	0.00%	0.00%	N/A*	N/A*	N/A*

**N/A = Not applicable*

Warrants issued by I2PO S.A.

Concomitantly to the initial public offering (the "IPO"), the Company issued A BSARs and B BSARs with the B BSARs listed in the professional segment of the regulated market of Euronext Paris. These BSARs entitle their holders to subscribe new ordinary shares of the Company as from the completion date to the merger, i.e July 5, 2022, and they expire five years after this date.

Plans	A BSARs	B BSARs
Shareholders' meeting date	05/07/2021	05/07/2021
Board members' meeting date	15/07/2021	15/07/2021
Expiry date	5 years*	5 years*
Number of warrants granted	659,130	27,500,000
Outstanding at January 1, 2023	**659,130**	**27,500,000**
Granted	-	-
Exercised	-	(1,299)
Outstanding at December 31, 2023	**659,130**	**27,498,701**
Granted	-	-
Exercised	-	-
Outstanding at June 30, 2024	**659,130**	**27 ,498,701**
Subscription price (in euros)	0.00	0.00
Fair value at the completion date of the Business Combination (in euros)	0.17	0.17
Exercise price (in euros)	11.50	11.50
Maximum share capital increase (in euros) (as at grant date)	2,832	118,158

** Five years from the completion date of the Business Merger*

Stock-options granted by Deezer S.A.

The Company proceeded with grant of stock-options to the benefit of certain employees and officers of the Group.
Activity in the stock-options outstanding and related information is as follows:

Plans	Stock-options 14*	Stock-options 15*	Stock-options 15-2*	Stock-options 17	Stock-options 18
Award dates	22/05/2014 24/10/2014 12/03/2015	23/04/2015	16/07/2015	25/07/2017	24/02/2021
Expiry date	31/12/2024	31/12/2024	31/12/2024	31/12/2026	31/12/2027
Number of stock-options granted	424,299	533,948	72,500	58,250	27,000
Outstanding at January 1, 2023	**55,462**	**533,948**	**58,000**	**31,662**	**23,500**
Granted	-	-	-	-	-
Lapsed	-	-	-	(31,662)	-
Definitively acquired	-	-	-	-	(23,500)
Outstanding at December 31, 2023	**55,462**	**533,948**	**58,000**	**-**	**-**
Granted	-	-	-	-	-
Lapsed	-	-	-	-	-
Definitively acquired	-	-	-	-	-
Outstanding at June 30, 2024	**55,462**	**533,948**	**58,000**	**-**	**-**
Exercise price (in euros)	24.25	24.25	24.25	14.61	31.31
Maximum share capital increase (in euros) (as at grant date)	4,243	5,339	725	583	270

**Information contained herein takes into account the stock split decided by the combined general meeting of Deezer S.A. held on October 9, 2015.*

Plans	Stock-options 14	Stock-options 15	Stock-options 15-02	Stock-options 17	Stock-options 18
Volatility	50.60%	45.00%	45.00%	35.60% to 42.50%	36.8% to 39.40%
Risk-free rate	0.71%	0.32%	0.32%	(0.04)% to 0.26%	(0.69)% to (0.62)%
Expected maturity (years)	4	4	4	5.06 to 6.56	3.43 to 4.11
Turnover rate	10.00%	22.00%	22.00%	0.00%	0.00%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Illiquidity discount rate	0.00%	0.00%	0.00%	0.00%	0.00%

The expense recognized in the consolidated income statement for share-based payments is as follows:

	Six months ended June 30,	
(in € thousands)	**2024**	**2023**
Product and Development	155	311
Sales and Marketing	155	203
General And Administrative	735	1,292
Sub-Total / Free shares	**1,046**	**1,806**
Cost of Revenue	6,971	10,017
Product and Development	-	-
Sales and Marketing	-	-
General And Administrative	-	-
Sub-Total / Warrants	**6 ,971**	**10,017**
		-
Product and Development	-	-
Sales and Marketing	-	-
General And Administrative	-	-
Sub-Total / Stock-options	-	-
		-
Total	**8,017**	**11,822**

Note 20. Provisions for risks

(in € thousands)	Legal contingencies	Indirect tax	Other	Total
Carrying amount at January 1, 2024	**2,113**	**6,083**	**6,641**	**14,837**
Charged/(credited) to the consolidated statement of operations:	-	-	-	-
Additional provisions	473	856	437	**1,766**
Reversal of unutilized amounts	(211)-	-	-	**(211)**
Exchange differences	-	-	-	-
Utilized	(204)	-	-	**(204)**
Carrying amount at June 30, 2024	**2,171**	**6,939**	**7,078**	**16,190**
As at June 30, 2024	-	-	-	-

Current portion	*2,171*	*6,939*	*7,089*	*16,190*

(i) *Legal contingencies*

Some legal actions, proceedings, and claims are pending or may be instituted or asserted against the Group. The results of such legal proceedings are difficult to predict and the extent of the Group's financial exposure is difficult to estimate. The Group records a provision for contingent losses when it is both probable that a liability has been incurred, and the amount of the loss can be reasonably estimated.

Regarding the claim filed by HUZIP (Hrvatska Udruga Za Zastitu Izvodackih Prava), Croatian performers' rights collecting society, against Deezer S.A., two hearings were held in February and June 2022 and do not affect the provision booked as at June 30, 2024. The provision still continues to increase according to the revenue generated from the HUZIP catalog. As of 30/06/2024, the provision has been updated for 80 K€.

(ii) *Tax*

The Group has indirect tax provisions which relate primarily to foreign indirect taxes and tax penalties on these. The Company recognizes provisions for claims or indirect taxes when it determines that an unfavorable outcome is probable and the amount of loss can be reasonably estimated.

(iii) *Other*

Other provisions mainly relate to commercial risks.

Note 21. Trade payables and related accrued expenses

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Trade payables	1,571	4,826
Trade accrued expenses	301,561	294,163
	303,132	**298,989**

Trade payables generally have a 30 to 60 days term and are recognized and carried at their invoiced value, inclusive of any value added tax that may be applicable.

Trade payables breakdown as follows:

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Marketing, General & Administrative and Other	1,088	2,464
Royalties	483	2,361
	1,571	**4,826**

Trade accrued expenses are detailed below:

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Marketing, General & Administrative and Other	21,365	19,247
Royalties	280,196	274,917
	301,561	**294,163**

Royalties accrued expenses relate to fees payable to rights holders. These amounts are reflective of the level of activity of the Company.

Note 22. Tax and employee-related liabilities

(in € thousands)	June 30, 2024	December 31, 2023
Employee-related liabilities	4,728	5,232
Social contribution liabilities	6,000	5,901
State, revenue taxes payable	11,678	16,136
Other similar taxes and levies payable	3,893	3,183
Current income tax payable	1	994
	26,300	**31,446**

Note 23. Other liabilities

(in € thousands)	June 30, 2024	December 31, 2023
Trade receivables - Credit notes to be issued	330	758
Trade receivables with credit balances	94	554
Sundry creditors	249	283
Trade payables in relation to fixed-assets	1	18
	674	**1,602**

All other liabilities are due within a year.

Note 24. Deferred revenue

(in € thousands)	June 30, 2024	December 31, 2023
Deferred revenue	41,823	33,781
	41,823	**33,781**

The increase in deferred revenue is mostly related to an increase in deferred revenue from distribution partners due to a difference between the contractual payments obligations that the distribution partner is subject to and the revenue that is recognized by the Company.

Note 25. Financial risk management and financial instruments

Financial risk management

Through its business activities, the Group is exposed to various types of financial risk: financial risk, credit risk and liquidity risk.

The financial risk and the credit risk are the same as those described in the consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2023, with the exception of the liquidity risk described below.

Liquidity risk management

Liquidity risk is the Group's risk of not being able to meet the short-term payment obligations due to insufficient funds. The Group has internal control processes and contingency plans for managing liquidity risk. The liquidity management considers the maturities of financial assets and financial liabilities and estimates of cash flows from operations.

The Group has a positive net cash position at June 30, 2024 and December 31, 2023:

(in € thousands)	**June 30, 2024**	**December 31, 2023**
Interest bearing bank accounts	40,845	36,401
Cash at bank and at hand	24,230	27,204
Cash and cash equivalents	**65,075**	**63,605**

Non-current and current financial liabilities are detailed below:

	June 30, 2024	**December 31, 2023**
A BSARs and B BSARs	14	14
State-guaranteed loans	10,739	13,919
Financial liabilities - non current	**10,753**	**13,933**
State-guaranteed loans	6,352	6,338
BPI loans	26	30
Accrued interests on state-guaranteed loans	-	747
Financial liabilities - current	**6,377**	**7,115**

Warrants issued by I2PO S.A. (A BSARs and B BSARs)

Concomitantly to the initial public offering (the "IPO"), I2PO S.A. issued A BSARs and B BSARs, with the B BSARs listed in the professional segment of the regulated market of Euronext Paris. These BSARs entitle their holders to subscribe new ordinary shares of the Company as from the completion date of the merger, i.e. July 5, 2022, and they expire five years after this date.

As the BSARs can be converted into a variable number of new ordinary shares, they are accounted for as derivatives at fair value through profit or loss, i.e. measured based on their quoted price as at June 30, 2024 (€ 0.0005).

State-guaranteed loans

In January 2021, as part of the Covid 19 French governmental measures, Deezer S.A. entered into three state-guaranteed loans with BNP Paribas, HSBC Continental Europe and Bpifrance. These loans will be reimbursed from January 2023 to January 2027.

BPI loans

On April 18, 2023, the Company obtained loans from BPI of respectively € 332 thousands and € 415 thousands at Euribor 1 month + 1.7%. Those loans have been secured by transferring R&D tax credit receivables to BPI for respectively €415 thousands for 2019 R&D tax credit and € 520 thousands for 2020 R&D tax credit.

The ageing of the Group's financial liabilities are as follows:

(in € thousands)	June 30, 2024	December 31,2023
Less than one year	6,377	7,115
One to five years	10,753	13,933
Total financial liabilities	**17,131**	**21,047**
Current financial liabilities	6,377	7,115
Non-current financial liabilities	10,753	13,933
Total financial liabilities	**17,131**	**21,047**

Note 26. Provisions for employee benefits

The provision for retirement benefits applicable for employees in France has been estimated on the basis of the projected unit credit method and with the following assumptions:

	June 30, 2024	December 31, 2023
Collective agreement applied	SYNTEC	SYNTEC
Salary increase rate	3% for all years	3% for all years
Annual discount rate	3.12%	3.12%
Social contribution rate	45.00%	45.00%
Retirement age	64 years	64 years
Mortality table	Ined 16-18	Ined 16-18
Average turnover rate	12 % (nil from 55 years old)	12 % (nil from 55 years old)

The provision in the consolidated balance sheet equals the actuarial liability, from the moment there are no plan assets or unrecognized actuarial gains and losses.

The provision changed as follows:

(in € thousands)	Provision for employee retirement benefits
Carrying amount at December 31, 2022	**500**
Actuarial differences	8
Increase	62
Discounting impact	-
Carrying amount at June 30, 2023	**570**

Note 27. Commitments and contingencies

Commitments

The Group is subject to the following minimum guarantees relating to the content on its service, the majority of which relate to minimum royalty payments associated with its license agreements for the use of access of licensed content, as at June 30, 2024 and December 31, 2023:

(in € thousands)	June 30, 2024	December 31, 2023
No later than one year	52,549	80,201
Later than one year but not more than 5 years	86,645	41,435
	139,194	**121,636**

The Group is also subject to the following minimum guarantees to receive from its distribution partners, as at June 30, 2024 and December 31, 2023:

(in € thousands)	June 30, 2024	December 31, 2023
No later than one year	36,739	35,978
Later than one year but not more than 5 years	90,837	97,870
	127,577	**133,848**

Contingencies

Various legal actions, proceedings, and claims are pending or may be instituted or asserted against the Group. These may include but are not limited to matters arising out of alleged infringement of intellectual property; alleged violations of consumer regulations; employment-related matters; and disputes arising out of supplier and other contractual relationships.
As a general matter, the music and other content made available on the Group's service are licensed to the Group by various third parties. Many of these licenses allow rights holders to audit the Group's royalty payments, and any such audit could result in disputes over whether the Group has paid the proper royalties. If such a dispute were to occur, the Group could be required to pay additional royalties, and the amounts involved could be material. The Group expenses legal fees as incurred.
The Group records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. An unfavorable outcome to any legal matter, if material, could have an adverse effect on the Group's operations or its financial position, liquidity, or results of operations.

Note 28. Events after the reporting period

On July 1, 2024, the Company announced the transfer of all of the ordinary shares composing its share capital, which were listed and admitted to trading on the regulated market of Euronext Paris, from the professional segment (compartiment professionnel) to the general segment (compartiment général) of Euronext Paris, effective on July 8, 2024 (the "Euronext Segment Transfer"). For purposes of implementing the Euronext Segment Transfer, 120,000 existing ordinary shares of the Company, initially allocated to the implementation of the liquidity agreement entered into between the Company and BNP Paribas Exane on July 4, 2022, were reallocated to a placement in the context of an offering by the Company to the public in France, by way of fixed price offer at a price equal to €1.66 per ordinary share, and the liquidity agreement was suspended for the duration of the Offering from July 1, 2024 until July 3, 2024 (inclusive). On July 4, 2024, the Company announced the success of the Offering and confirmed the Euronext Segment Transfer, with a settlement and delivery of the Company's shares sold in the Offering effective on July 8, 2024.

On July 25, 2024, the Company announced the appointment of Alexis Lanternier as Chief Executive Officer, effective September 2, 2024.

IV. Statutory auditors' report on the interim condensed consolidated financial statements

For the period from January 1 to June 30, 2024

Statutory auditors' review report on the interim financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Articles of association and your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Deezer for the period from January 1 to June 30, 2024,
- the verification of the information presented in the half-yearly management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 30, 2024

The statutory auditors

GRANT THORNTON French member of Grant Thornton International	FORVIS MAZARS	ERNST & YOUNG Audit
Laurent Bouby	Erwan Candau	Frédéric Martineau

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