

Deezer accelerates growth with double-digit revenue increase in H1 2022

- Sales in H1 2022 at €219 million, with +12% increase as reported, and +10% at constant currency vs. H1 2021
- Strong performance in France, with sales growing +11% vs. 2021, driven primarily by B2C subscriber growth (+11%)
- Solid growth in the rest of the world, with sales reaching +14% as reported (+8% at constant FX) vs. 2021, thanks to a good momentum of B2B sales, in line with Deezer's new B2B partnership strategy
- Strong balance sheet after successful listing on Euronext Paris, following completion of the merger of Deezer with I2PO, allowing the Group to execute on its business plan until 2025
- Launch of the RTL+ Musik app in Germany, to further accelerate B2B growth as of H2, 2022
- Confirmation of 2022 revenue guidance of €455 million, +14% YoY

Paris, August 24, 2022 – Deezer (Euronext: DEEZR), the world's second largest independent music streaming platform, present in over 180 countries, today published its sales for the six-month period, ending June 30, 2022. The financial information set forth in this press release was reviewed by its Board of Directors. It is part of the 2022 half-year financial statements of Deezer, which are currently being subject to a limited review from its statutory auditors, and should be approved by its board of directors on September 21st, 2022, and communicated to the public directly after.

Commenting on the results, Jeronimo Folgueira, CEO of Deezer, said, "Deezer's growth has accelerated, and we are now back to double-digit growth. We are particularly happy with the strong performance in France, where our subscriber base has grown sharply. In the first half of 2022, we executed our strategy to focus the business on key markets, increased ARPU, and greatly improved the efficiency of our marketing spend across all markets. Our B2B revenues grew again on the back of new deals, and the recently launched partnership with RTL in Germany should accelerate our B2B growth in H2, and beyond."

Continuing his comments, Jeronimo Folgueira said, "This positive momentum shows the strength of Deezer's unique B2B/B2C strategy, as well as our capacity to capture the global growth of the music streaming industry. The success of our initial public offering on Euronext Paris is a major milestone, which gives us the resources to continue the successful expansion of Deezer. With a highly competitive product, a clear strategy, a renewed and experienced management team, supported by a strong new Board of Directors, I am very confident that we are now perfectly positioned to accelerate our growth, and deliver substantial value for all our stakeholders."

H1 2022 REVENUE

<i>in € million</i>	H1 2022	H1 2021	Change YoY	Change at constant FX
Total Revenue	219.4	195.8	12.1%	9.9%

BY SEGMENT

Direct - B2C	155.0	138.1	12.2%	10.8%
Indirect - B2B	57.6	53.3	7.9%	4.4%
Other	6.8	4.3	58.3%	50.3%

BY GEOGRAPHIES

France	132.4	119.2	11.1%	11.1%
Rest of World	87.0	76.6	13.6%	8.1%

H1 2022 KEY PERFORMANCE INDICATORS

	H1 2022	H1 2021	Change YoY
Total Subscribers (As of June 30, in millions)	9.4	9.7	(2.9)%
Direct - B2C	5.6	5.8	(3.4)%
<i>o/w France</i>	3.3	3.0	10.7%
<i>o/w Rest of World</i>	2.3	2.8	(18.1)%
Indirect - B2B	3.8	3.9	(2.1)%
ARPU (in €)	3.9	3.4	12.4%
<i>Direct - B2C</i>	4.6	4.1	13.2%
<i>Indirect - B2B</i>	2.5	2.3	7.2%

H1 2022 REVENUE PERFORMANCE

Solid growth in all segments

In H1 2022, Deezer continued to successfully deploy its unique B2C/B2B strategy, directing efforts towards large attractive markets, with a partnership-first go-to-market model, focused on product innovation and brand differentiation as the home of music, connecting fans and artists around the world.

H1 2022 Group total revenue grew by 12.1%, reaching €219.4 million (versus €195.8 million in H1 2021), reflecting a positive momentum in the Group's major regions, in particular France (+11.1%) and Brazil (+25% at constant currency), as well as through its two main sales channels: direct B2C and B2B.

Direct B2C revenue amounted to €155 million (versus €138.1 million in H1 2021), a growth of 12.2% or 10.8% at constant currency. This reflects an increase in the Direct – B2C ARPU from €4.1 to €4.6, as a result of price increases, and a change in geographical mix in line with Deezer new strategy to focus on selected key markets. B2C subscriber base saw a solid growth in France and a decline in the rest of the world, in line with this new strategy.

Indirect B2B revenue reached €57.6 million in H1 (versus €53.3 million in H1 2021), a growth of 7.9% or 4.4% at constant currency. This reflects an increase of our revenue from the launch of recent partnerships with SFR (France), Globo (Brazil), and A1 (Europe) in particular.

Other revenue, which is made up of advertising and ancillary revenue (3% of Group's total revenue) generated a growth of €2.5m mostly due to a one-off revenue from a hardware company partnership.

Robust growth in main markets

Total revenue in France grew by 11.1% compared to last year and represented 60% of group revenue. This solid increase was driven by a continued growth of the B2C subscriber base, which increased by 10.7%, reaching 3.3 million, and growth in B2C ARPU due to price increases partly compensated by an increase in family mix.

The rest of the world showed revenue growth of 13.6% (8.1% at constant currency), and represented 40% of total revenue. The level of activity was dynamic for B2B sales, reflecting the growth of certain existing partnerships and more recent B2B deals in Brazil (Globo) and Europe (A1). On B2C, in H1 2022 Deezer stopped unprofitable spend in long-tail markets in line with its new strategy to focus on selected key markets. This led to a decline of the subscriber base in rest of the world markets which was more than compensated by an improvement in B2C ARPU. We expect this trend to continue into H2 2022.

H1 2022 Subscriber base evolution

France recorded double-digit growth in the number of B2C subscribers, which rose from 3.0 million to 3.3 million, thanks to an increase in family mix, continued acquisition funnel optimization, and lower churn rate than last year despite the price increases. The B2B subscriber base was slightly growing in France as well, thanks to the addition of new partners.

In the **rest of the world**, the change in the Group's strategy to focus on selected key markets led to a significant reduction of unprofitable spend in non-core long tail markets, therefore impacting the acquisition of new subscribers in these markets. Deezer subscriber base was also negatively impacted by the Group's decision to exit from the Russian market at the end of Q1 2022 (impact of 104k subscribers). Therefore, the number of B2C subscribers in the rest of the world decreased to 2.3 million (-18%), while having limited impact on topline revenues. Total number of subscribers decreased slightly by 2.9% to 9.4 million as of June 30, 2022, vs. 9.7 million as of June 30, 2021.

BUSINESS HIGHLIGHTS

In H1 2022 Deezer delivered on many strategic fronts. Regarding partnerships, Deezer expanded its integration with Sonos, with two major updates; Sonos Voice Control, and a brand new Deezer interface on the Sonos App. The updated Deezer interface includes improved user experience, with access to the Deezer-exclusive recommendation feature, Flow. Additional partnership highlights include the launch of the RTL+ Musik app in mid-August in Germany.

On the product front, Deezer launched in-app lyrics translation in April, as the first DSP to provide such a feature. In June, Deezer launched its first major in-app livestream, with over 170,000 unique viewers, as French rapper Jul took to the stage in Marseille, at a sold-out concert in front of 60,000 people, arranged by Believe.

As part of Deezer's home of music differentiation, the company also developed a new brand positioning targeting Gen Z, supported by a new brand campaign and theme ("The power of music"), launched on August 22nd in core markets (France, Brazil, and Germany).

Deezer developed ZEN by Deezer, a new wellbeing app focused on sleep and meditation, currently being tested with small user groups to prepare for a launch in early 2023. Deezer is also developing several other apps, to further expand its diversification portfolio and drive profitable cross-sell opportunities.

The management team was further strengthened with appointments of Stéphane Rougeot as Deputy CEO and CFO in January, and Gitte Bendzulla, as the new COO of the Group in May.

On July 5, 2022, Deezer S.A. was merged, by way of absorption, with and into I2PO S.A. whose shares are listed on the professional segment of the regulated market of Euronext in Paris. With this transaction, the combined entity received €143 million of new capital allowing the Group to execute

on its business plan until 2025. This capital funding came from the cash held by I2PO, and from the cash raised through a PIPE subscribed by most of the existing shareholders of Deezer, including Access Industries, UMG, Warner Music, Orange, Kingdom Holding, Eurazeo and Xavier Niel, as well as a selected group of long-term French and international investors, including Groupe Artémis, Bpifrance, and Média Participations.

2022 REVENUE GUIDANCE

While the overall macroeconomic environment remains uncertain, marked by an acceleration of inflation, we saw a strong resilience of our business in the first half of 2022, and we currently do not expect any significant negative impact on our activity or financial performance.

In line with the guidance given at the time of the public listing, Deezer confirms that it expects to generate revenues of approximately €455 million for the financial year ending December 31, 2022, representing approximately a 14% revenue growth compared to the financial year ended December 31, 2021. In the second half, Deezer expects to benefit in particular from the progressive ramp up of the RTL partnership and the incremental impact of price increases implemented throughout 2022.

WEBCAST & CONFERENCE CALL

A webcast and conference call with investors and analysts will be held by CEO Jeronimo Folgueira and CFO Stéphane Rougeot, on **Thursday, August 25th, 2022, 11.00 a.m. (Paris, CET) / 10.00 a.m. (London, GMT)**.

Related slides will also be available on www.deezer-investors.com in the financial information section.

Connect to the live [webcast with this link](#), or via www.deezer-investors.com

Live conference call dial-in options:

France: +33 (0) 1 7037 7166
UK-wide: +44 (0) 33 0551 0200
US: +1 212 999 6659

Password (to be communicated verbally to the operator): "Deezer"

The line will be open 30 minutes before the start of the presentation

Next financial events:

September 21, 2022: H1 results
September 27, 2022: Capital Market Day
October 27, 2022: Q3 revenues

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements relating to the business of Deezer, which shall not be considered *per se* as historical facts, including the ability to manufacture, market, commercialize and achieve market acceptance for specific projects developed by Deezer, estimates for future performance and estimates regarding anticipated operating losses, future revenues, capital requirements, needs for additional financing. In addition, even if the actual results or development of Deezer are consistent with the forward-looking statements contained in this press release, those results or developments of Deezer may not be indicative of their future.

In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words. Although the management of Deezer believes that these forward-looking statements are reasonably made, they are based largely on the current expectations of Deezer as of the date of this press release and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of Deezer could be affected by, among other things, risks and uncertainties developed or identified in any public documents filed by Deezer with the French financial market authority (the *Autorité des marchés financiers* – the “**AMF**”), included those listed in the prospectus approved by the AMF on June 15, 2022 under number 22-216. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this press release will in fact be realized. Notwithstanding the compliance with article 223-1 of the General Regulation of the AMF (the information disclosed must be “accurate, precise and fairly presented”), Deezer is providing the information in this press release as of 24th of August, 2022, and disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

ABOUT DEEZER

Deezer is one of the largest independent music streaming platforms in the world, with more than 90 million tracks available in 180 countries, providing access to lossless HiFi audio, innovative recommendation technology and industry defining features. As the home of music, Deezer brings artists and fans together on a scalable and global platform, to unlock the full potential of music through technology. Founded in 2007 in Paris, Deezer is now a global company with a team of over 600 people based in France, Germany, UK, Brazil and the US, all brought together by their passion for music, technology and innovation. Deezer is listed on the Professional Segment of Euronext Paris (Ticker: DEEZR. ISIN: FR001400AYG6) and is also part of the newly created Euronext Tech Leaders segment, dedicated to European high-growth tech companies, and its associated index.

CONTACTS

Investor Relations

investors@deezer.com

Media

Jesper Wendel

+33679353717

jwendel@deezer.com

Brunswick

Christophe Menger

+33 752 63 00 89

cmenger@brunswickgroup.com

Tristan Roquet-Montegon

+33 637005257

tmontegon@brunswickgroup.com