RBB BUSINESS ADVISORS ERNST & YOUNG Audit

Deezer

Years ended December 31, 2019, 2020 and 2021

Statutory auditors' report on the consolidated financial statements

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Deezer

Years ended December 31, 2019, 2020 and 2021

Statutory auditors' report on the consolidated financial statements

To the Board of Directors,

In our capacity as statutory auditors of Deezer and in accordance with Commission Regulation (UE) 2017/1129 supplemented by Commission Delegated Regulation (EU) n°2019/980 in the context of a business combination agreement with a Euronext listed company and for the purposes of the merger prospectus subject to approval by the Autorité des marchés financiers ("AMF"), we have audited the accompanying consolidated financial statements prepared for the purpose of the Prospectus under International Financial Reporting Standards ("IFRS") as adopted by the European Union for the years ended December 31, 2019, 2020 and 2021 (thereafter the "Consolidated Financial Statements").

Due to the global crisis related to the Covid-19 pandemic, the Consolidated Financial Statements have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

The preparation of these Consolidated Financial Statements are the responsibility of the Board of Directors. Our role is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, by audit sampling and other testing, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements prepared for the purpose of the prospectus, present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at December 31, 2019, 2020 and 2021, and the results of its operations for the years then ended in accordance with IFRS as adopted by the European Union.

Without modifying our opinion, we draw your attention to the matters described in Note 4 "Restatement of the consolidated financial statements" which sets out the restatements and reclassifications on consolidated income statements, consolidated statements of financial position and consolidated statements of cash flows as compared to the consolidated financial statements originally published.

Paris and Paris-La Défense, April 11, 2022

The Statutory Auditors

RBB BUSINESS ADVISORS

Jean-Baptiste Bonnefoux

ERNST & YOUNG Audit

Frédéric Martineau

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CONSOLIDATED INCOME STATEMENTS

(IN THOUSANDS OF EUROS)

	Note	For the year ended December 31, 2021	2020*	2019*
Revenue	**4, 6**	**400 019**	**379 191**	**381 010**
Cost of Revenue	**6**	(351 490)	(317 531)	(311 213)
Gross Profit		**48 529**	**61 660**	**69 797**
Product and Development	**7.1**	(25 620)	(22 511)	(21 380)
Sales and Marketing	**7.1**	(94 702)	(84 860)	(94 288)
General and Administrative	**7.1**	(48 761)	(42 568)	(36 826)
Operating loss		**(120 554)**	**(88 279)**	**(82 697)**
Finance income	**9**	1 526	1 024	1 054
Finance costs	**9**	(2 304)	(7 962)	(1 330)
Finance costs - net		**(778)**	**(6 938)**	**(276)**
Loss before income tax		**(121 332)**	**(95 217)**	**(82 973)**
Income tax expense	**10**	(72)	(144)	(130)
Share of loss of equity affiliates	**15**	(1 854)	-	-
Net loss for the year		**(123 258)**	**(95 361)**	**(83 103)**
Of which attribuable to owners of the parent		**(123 258)**	**(95 361)**	**(83 103)**
Net loss per share attribuable to owners of the parent				
Basic	**11**	(4,33)	(3,44)	(3,33)
Diluted	**11**	(4,33)	(3,44)	(3,33)
Weighted-average ordinary shares				
Basic	**11**	28 497 083	27 749 979	24 979 248
Diluted	**11**	28 497 083	27 749 979	24 979 248

The accompanying notes form an integral part of these financial statements

* As described in Note 2 (a) (iv) - Preparation and approval of the consolidated financial statements and in Note 4 - Restatement of the consolidated financial statements, the historical consolidated financial statements have been restated to take into account restatements and reclassifications.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(IN THOUSANDS OF EUROS)

		For the year ended December 31,		
	Note	**2021**	**2020***	**2019***
Net loss for the year		**(123 258)**	**(95 361)**	**(83 103)**
Other comprehensive income/(loss) :				
Items that may be subsequently reclassified to consolidated statement of operations (net of tax):				
Currency translation adjustments		(175)	4 969	(94)
Items not to be subsequently reclassified to consolidated statement of operations (net of tax):				
Actuarial gains and losses on defined benefit plans	**23**	14	-	(123)
Other comprehensive income/(loss) (net of tax)		**(161)**	**4 969**	**(217)**
Total comprehensive loss for the year		**(123 419)**	**(90 392)**	**(83 320)**
Of which attributable to owners of the parent		*(123 419)*	*(90 392)*	*(83 320)*

The accompanying notes form an integral part of these financial statements

* As described in Note 2 (a) (iv) - Preparation and approval of the consolidated financial statements and in Note 4 - Restatement of the consolidated financial statements, the historical consolidated financial statements have been restated to take into account restatements and reclassifications.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(IN THOUSANDS OF EUROS)

	Note	As of December 31, 2021	2020*	2019*
Assets				
Non-current assets				
Goodwill	**12**	7 487	7 487	7 487
Intangible assets	**12**	1 427	6 090	1 710
Property and equipment	**13**	5 838	6 573	3 536
Right-of-use assets	**14**	24 663	26 597	33 764
Investments in equity affiliates	**15**	5 500	-	-
Non-current financial assets	**16**	5 321	5 034	8 746
Other non-current assets	**17**	2 284	7 437	16 528
Total non-current assets		**52 520**	**59 218**	**71 771**
Current assets				
Trade and other receivables	**18**	33 986	29 842	50 253
Other current assets	**19**	12 877	11 465	12 659
Cash and cash equivalents	**27**	35 097	52 440	73 843
Total current assets		**81 960**	**93 747**	**136 755**
Total assets		**134 480**	**152 965**	**208 526**
Equity and liabilities				
Equity				
Share capital	**20**	290	283	276
Share premium	**20**	369 125	364 007	359 299
Consolidated reserves		(463 490)	(400 133)	(336 136)
Net loss		(123 258)	(95 361)	(83 103)
Equity attribuable to owners of the parent		**(217 333)**	**(131 204)**	**(59 664)**
Non-current liabilities				
Provisions for risks		-	-	-
Provision for employee benefits	**23**	1 043	852	654
Lease liabilities	**14**	21 454	23 617	28 950
Financial liabilities	**27**	25 000	-	5 316
Total non-current liabilities		**47 497**	**24 469**	**34 920**
Current liabilities				
Provisions for risks	**22**	11 585	4 850	6 210
Lease liabilities	**14**	5 001	4 632	4 632
Financial liabilities	**27**	112	-	245
Trade payables and related accrued expenses	**24**	235 551	195 356	173 995
Tax and employee-related liabilities	**25**	32 870	36 752	30 079
Deferred income	**4**	16 960	15 761	15 962
Other liabilities	**26**	2 236	2 349	2 147
Total current liabilities		**304 316**	**259 700**	**233 270**
Total liabilities		**351 813**	**284 169**	**268 190**
Total equity and liabilities		**134 480**	**152 965**	**208 526**

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

* As described in Note 2 (a) (iv) - Preparation and approval of the consolidated financial statements and in Note 4 - Restatement of the consolidated financial statements, the historical consolidated financial statements have been restated to take into account restatements and reclassifications.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(IN THOUSANDS OF EUROS, EXCEPT SHARE NUMBERS)

	Note	Number of shares	Share capital	Share premium	Consolidated reserves	Net loss	Total
Balance at January 1, 2019 (*)		**24 879 939**	**249**	**345 892**	**(248 869)**	**(91 026)**	**6 246**
Net loss						(83 103)	(83 103)
Other comprehensive income					(217)		(217)
Appropriation of prior year net loss					(91 026)	91 026	-
Issuance of ordinary shares granted to employees	**20,21**	24 025	-	-			-
Issuance of ordinary shares upon exercise of warrants	**20**	2 693 665	27	13 407			13 434
Share-based payments	**21**				4 008		4 008
Other					(32)		(32)
Balance at December 31, 2019 (*)		**27 597 629**	**276**	**359 299**	**(336 136)**	**(83 103)**	**(59 664)**
Net loss						(95 361)	(95 361)
Other comprehensive income					4 969		4 969
Appropriation of prior year net loss					(83 103)	83 103	-
Issuance of ordinary shares granted to employees	**20,21**	114 755	1	(1)			-
Issuance of ordinary shares in relation to assets acquired	**20**	124 631	1	4 709			4 710
Issuance of ordinary shares upon exercise of warrants	**20**	462 444	5				5
Share-based payments	**21**				14 101		14 101
Other					36		36
Balance at December 31, 2020		**28 299 459**	**283**	**364 007**	**(400 133)**	**(95 361)**	**(131 204)**
Net loss						(123 258)	(123 258)
Other comprehensive income					(161)		(161)
Appropriation of prior year net loss					(95 361)	95 361	-
Issuance of ordinary shares granted to employees	**20,21**	206 292	2	(2)			-
Issuance of warrants	**20**			40			40
Issuance of ordinary shares upon exercise of warrants	**20**	488 494	5	5 080			5 085
Share-based payments	**21**				32 165		32 165
Balance at December 31, 2021		**28 994 245**	**290**	**369 125**	**(463 490)**	**(123 258)**	**(217 333)**

The accompanying notes form an integral part of these financial statements

* As described in Note 2 (a) (iv) - Preparation and approval of the consolidated financial statements and in Note 4 - Restatement of the consolidated financial statements, the historical consolidated financial statements have been restated to take into account restatements and reclassifications.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS OF EUROS)

	Note	For the year ended December 31, 2021	2020*	2019*
Operating activities				
Net loss		(123 258)	(95 361)	(83 103)
Adjustements for:				
- Depreciation and amortization (excluding those related to current assets)	**12, 13, 14**	11 854	9 909	6 624
- Provisions	**22, 23**	6 933	(1 145)	1 432
- Unrealized gains and losses on fair value operations	**9**	-	-	(274)
- Share-based payments	**21**	32 165	8 785	4 008
- Gains and losses on disposals	**14**	1 493	3 175	1 554
- Share of Loss of Equity Affiliates (net of dividends distributed)	**15**	1 854	-	-
- Discounting profits and losses	**23**	7	-	-
- Net debt costs (including interest on lease liabilities)		631	694	246
- Income tax	**10**	72	144	130
Changes in working capital:				
- (Increase) / decrease in trade receivables and other assets		(263)	27 905	7 493
- Increase / (decrease) in trade and other liabilities		36 925	37 114	20 519
Income tax paid		(52)	(154)	12
Net cash flows used in operating activities		**(31 639)**	**(8 934)**	**(41 359)**
Investing activities				
Purchases of property and equipment and intangible assets	**12, 13**	(2 054)	(6 744)	(2 379)
Purchases of non-current financial assets	**16**	(543)	(78)	(5 768)
Proceeds from the disposal of intangible and tangible assets		28	-	-
Proceeds from the disposal of non-current financial assets	**16**	240	3 943	663
Impact of changes in the scope of consolidation	**15**	(7 297)	-	-
Net cash flows used in investing activities		**(9 626)**	**(2 879)**	**(7 484)**
Financing activities				
Increase in share capital and share premium (net of costs)	**20**	5 125	(238)	13 434
Proceeds from issuance of long-term debt	**27**	25 000	-	-
Repayment of lease liabilities	**14**	(5 773)	(7 165)	(5 311)
Net interest paid (including finance leases)	**9**	(519)	(694)	(246)
Net cash flows (used in)/from financing activities		**23 833**	**(8 097)**	**7 877**
Effect of foreign exchange rate changes on cash and cash equivalents		89	(1 493)	(68)
Change in net cash position		**(17 343)**	**(21 403)**	**(41 034)**
Cash and cash equivalents at the beginning of the year	**27**	52 440	73 843	114 877
Cash and cash equivalents at the end of the year	**27**	35 097	52 440	73 843
Change in net cash position		**(17 343)**	**(21 403)**	**(41 034)**

The accompanying notes form an integral part of these financial statements

* As described in Note 2 (a) (iv) - Preparation and approval of the consolidated financial statements and in Note 4 - Restatement of the consolidated financial statements, the historical consolidated financial statements have been restated to take into account restatements and reclassifications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Company information

(a) Company information

Deezer S.A. (the "Company" or "Parent") is a private limited company incorporated and domiciled in France. The Company's registered office is 24 Rue de Calais 75009 Paris.

The Group comprises Deezer S.A. and its subsidiaries. Deezer S.A. 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. Main entities owned by the Company are listed in Note 30.

Deezer Group makes more than 90 million musical titles available to its customers.

The main activities of the Group's companies are:

- An online music listening service, by way of subscriptions taken out by end users directly (Direct Revenue – B2C) or through distribution partners (Indirect Revenue – B2B) or provided free of charge to users (financed by advertising);
- Advertising sales (sale of advertising space online).

(b) Significant events

During the presented periods, the Group started offering Deezer services in the Middle East and Northern Africa countries and incorporated a subsidiary in the United Arab Emirates and two subsidiaries in Turkey.

In May 2020, the Company entered into a media-for-equity agreement with Estudios Azteca, S.A. de C.V., a Mexican company, whereby the Company purchased a certain media volume paid by equity warrants. This media volume can be utilized over a two-year period and aims at increasing the number of subscribers in Mexico.

In January 2021, as part of the Covid 19 French governmental measures, the Company entered into three state-guaranteed loans totalling €25 million with BNP Paribas, HSBC Continental Europe and Bpifrance for an initial period of one year and then opted for an extension of these loans for an additional period of five years. The extension was effective on September 21, 2021 with BNP Paribas, on October 18, 2021 with Bpifrance and on November 30, 2021 for HSBC Continental Europe. These loans will be reimbursed from January 2023 to January 2027.

Mr. Hans-Holger Albrecht resigned from his mandate as the Company's Chief Executive Officer with effect on July 1, 2021 and maintained his mandate as Director. Mr. Jeronimo Folgueira was appointed Company's Chief Executive Officer for an indefinite period from July 1, 2021.

In November 2021, the Company announced a long-term strategic partnership with RTL Deutschland, the leading German media group with a focus on broadcast, streaming and digital entertainment. Deezer will be the music, audio book and radio play partner for the cross-media extension of RTL+ service, which will be launched in the course of 2022.

Laurent Cordonnier resigned from his mandate as *Directeur Général Délégué* of the Company with effect on December 15, 2021.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Lockdown measures taken by various governments to contain the virus have affected economic activity. The Group has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for employees (such as social distancing and working from home). The Group has implemented certain measures made available on a regulatory and financial level in order to continue its activity and continues to do so (deferred payment of social contributions in 2020 and early 2021 reported in Note 25 and State-guaranteed loans obtained early 2021 as disclosed in Note 27).

2. Summary of significant accounting policies

The consolidated financial statements as of and for the years ended December 31, 2021, 2020 and 2019 were prepared under management's supervision and were authorized for issue by the Board of Directors on March 23, 2022.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements of Deezer S.A. have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") as issued by the International Accounting Standards Board ("IASB") as well as interpretations issued by the IFRS Interpretations Committee ("IFRS-IC") and the Standard Interpretations Committee (the "SIC"), which application is mandatory as of December 31, 2021. The consolidated financial statements are also compliant with IFRS as adopted by the European Union.

The preparation of the consolidated financial statements in conformity with IFRS requires the application of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a greater degree of judgment or complexity, or areas in which assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

The Group is in a net current liability position as at December 31, 2021, 2020 and 2019. On March 23, 2022, the Board of Directors has 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 signing of these financial statements. For this reason, the Group continues to adopt the going concern basis in preparing the financial statements.

(ii) New and amended standards adopted by the Group

The standards, amendments and interpretations applicable, on a mandatory basis, from January 1, 2021 have no impact on the Company's consolidated financial statements as of December 31, 2021. They mainly concern:

- Amendment to IFRS 16 relating to the treatment of rental concessions granted in the context of the Covid-19 health crisis;
- Amendments to IAS 39/IFRS 9, IFRS 16 and IFRS 7 - Phase 2 relating to the consequences of the reform of benchmark rates (IBOR);
- The IFRS IC decision of April 2021 related to IAS 19, concerning the attribution of benefits in the periods of service rendered by beneficiaries of post-employment benefit plans.

(iii) New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(iv) Preparation and approval of the consolidated financial statements

The consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 have been prepared in the context of a business combination agreement with a Euronext listed company and for the purposes of the merger prospectus subject to approval by the Autorité des Marchés Financiers ("AMF").

On March 23, 2022, the Board of Directors authorized for issue the consolidated financial statements for the years ended December 31, 2021, 2020 and 2019. This unique set of consolidated financial statements covering three fiscal years does not replace the historical consolidated financial statements for the year ended December 31, 2020 with 2019 comparatives approved by the combined shareholders'general meeting held on June 30, 2021.

Events that occurred subsequent to those dates of approval are not reflected in these consolidated financial statements, in accordance with the decision of the IASB Interpretation Committee (IFRS IC Rejection - IAS 10 Events After the Reporting Period: Reissuing Previously Issued Financial Statements of May 2013). Therefore, the consolidated financial statements for the year ended December 31, 2020 with 2019 comparatives do not reflect events occurring after June 30, 2021 (date of approval of the historical IFRS financial statements by the combined general meeting).

These audited consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 include the following changes as compared to the consolidated financial statements originally published by the Group:

- For fiscal years 2019 and 2020: restatements to reflect adjustments on tax related provisions, as detailed in Note 4;
- For fiscal years 2019 and 2020: changes in presentation improving the readers' understanding of the consolidated income statements, consolidated statements of financial position and consolidated statements of cash flows, as explained in Note 4.

(b) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Companies, or subsidiaries, over which Deezer S.A. exercises exclusive control are fully consolidated.

Companies, or subsidiaries, over which Deezer SA exercises a significant influence on operational and financial policies are consolidated under equity method.

(c) Foreign currency translation

(i) Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the reporting currency and the functional and presentation currency of the Parent, Deezer S.A.

(ii) Transactions and balances

Transactions in foreign currencies are translated into their respective functional currencies using the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency using the exchange rate effective at that date.

The resulting exchange gains or losses are recorded in the consolidated income statement.

(iii) Group companies

The financial statements of consolidated foreign subsidiaries whose functional currency is not the Euro are translated into Euros:

- for statement of financial position items at the closing exchange rate at the date of the statement of financial position and
- for the income statements, statement of comprehensive loss and statement of cash flows items at the average rate for the period presented,

except where this method cannot be applied due to significant exchange rate fluctuations during the applicable period.

The 2021 closing and average Euro to Brasilian Real exchange rates used in the consolidated financial statements to convert the operations of the Brasilian subsidiary were 6,32 and 6,38 respectively compared with 6,37 and 5,89 in 2020 and 4,51 and 4,41 in 2019 (source: Oanda).

The resulting currency translation adjustments are recorded in other comprehensive income (loss) as a cumulative currency translation adjustment.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Revenue Recognition

Direct Revenue – B2C and Indirect Revenue – B2B

The Group generates subscription revenue from the sale of its streaming music service. Subscription revenue is generated directly from end users ("Direct Revenue – B2C") and through partners who are generally telecommunication and media companies or audio equipment manufacturers that collect payment for the stand-alone subscriptions from their end customers or bundle the subscription with their own goods and services ("Indirect Revenue – B2B"). The Group satisfies its performance obligation, and revenue from these services is recognized over time for the subscription period. Typically, subscriptions are paid for monthly in advance.

(i) **<u>Direct Revenue – B2C and Stand-Alone subscriptions (Indirect Revenue – B2B)</u>**

These subscriptions are taken out directly by the user or through a distribution partner who may be a telecom company or an audio equipment manufacturer for example.

- Subscriptions sold by the group and collected through payment platforms as well as subscriptions taken out through "Stores" (Apple, Android) are recognized for their gross value. The commission charged by the platform is included in "Cost of Revenue";
- For subscriptions subscribed through distribution partners ("Stand-Alone"):
    - Where the Group concludes that it is principal in the transaction with regard to the analysis of the control of services or access rights to services, in particular with regard to the latitude in setting the selling price to the end customer, revenue is recognized for its gross value. If a commission is invoiced by the distributor in accordance with the distribution agreement, it is recorded as an expense in "Sales and Marketing ".
    - Where the Group concludes that the distribution partner is principal in the transaction with regard to the analysis of the control of services or access rights to services, in particular with regard to the latitude in setting the selling price to the end customer, revenue is recognized for its net value, having deducted the sales commission.

Revenue from Direct and Stand-Alone subscriptions, whether recognized gross or net, have one material performance obligation, that being the delivery of the streaming music service.

(ii) **Revenue from Bundle (Indirect Revenue – B2B)**

When the Deezer subscription is included in the service or product sold by the distribution partner, the distribution partner pays the Group based on all subscriptions sold or active subscriptions depending on the terms of the contract (an active subscriber is a user who has listened to music for at least 30 seconds over the last 30 days).

The Group has analysed that the distributor is principal, and the performance obligation is the delivery of the streaming music service. Revenue is recognized on a straight-line basis over the subscription period, for the net amount paid by the distributor.

The Group has signed certain contracts with distribution partners, mostly telecom and media companies, including a minimum guarantee to be received. The revenue recognized corresponds to the monthly sales reported by the distribution partners. If it is estimated that revenue will be below the minimum guarantee, any difference between the actual sales and the minimum guarantee is recognized as revenue, in accordance with the terms and conditions of the contract.

Other Revenue

The Group has two other sources of revenue:

- The Group's advertising revenue is primarily generated through display, audio, and video advertising delivered through impressions on the Deezer free service. The Group enters into arrangements with advertising agencies that purchase advertising on its platform on behalf of the agencies'clients, or enters into arrangements directly with advertisers. These advertising arrangements are typically sold on a cost-per-thousand basis and are evidenced by an Insertion Order ("IO"), a submission of order placements through a self-serve platform that includes the online acceptance of terms and conditions, or contracts that specify the terms of the arrangement such as the type of ad product, pricing, insertion dates, and number of impressions in a stated period. Advertising revenue is recognized in the period in which the advertising service is provided

- Ancillary revenue corresponds to income received by the Deezer Group from partners, in particular from sales of access codes.

The Group's contract liabilities consist primarily of deferred revenue from contracts with customers. Deferred revenue is mainly comprised of subscription fees collected for services not yet performed, and therefore, the revenue has not been recognized. Revenue is recognized over time as the services are performed.

As of December 31, 2021, 2020 and 2019, the Group had deferred income of €16 960 thousands, €15 761 thousands, and €15 962 thousands, respectively.

(e) Cost of revenue

Cost of revenue consists predominantly of royalty and distribution costs related to content streaming.

(i) Royalty and guaranteed minimum costs

Royalty and guaranteed minimum costs include the royalties due to rights holders as a result of content streaming.
Royalties are typically calculated using negotiated rates in accordance with license agreements and are based on either subscription and advertising revenue earned, user/usage measures, or a combination of these. The determination of the amount of the rights holders' costs is based on a number of variables, including the revenue recognized, the type of content streamed and the country in which it is streamed, identification of the appropriate license holder and size of user base. Some rights holders have allowed the use of their content on the platform while negotiations of the terms and conditions or determination of statutory rates are ongoing. In such situations, royalties are calculated using estimated rates. In certain jurisdictions, rights holders have several years to claim royalties for musical compositions, and therefore, estimates of the royalties payable are made until payments are made.

When signing multi-annual royalty contracts with minimum guaranteed amounts the Group assesses the amount of royalties to be consumed over the entire contractual period. Any difference between the guaranteed minimum and the royalties assessed is accrued for under Trade payables and related accrued expenses and this Cost of Revenue is spread over the same period. When the amount of the guaranteed minimum cannot be allocated to accounting periods covered by the term of the contract, this amount is spread *pro rata temporis.*

For onerous contracts, any difference between the guaranteed minimum and the royalties over the entire contractual period assessed on the date on which the contract is signed is recognized as an intangible asset (access right according to the criteria of IAS 38). This intangible asset is amortised over the contract term and the annual amortisation charge is presented under Product and Development.

At the end of each financial year, the Group updates the estimated unused minimum guaranteed. If the new estimate is higher than the initial amount of the intangible asset, a charge in Cost of Revenue is recognized for the difference through an impairment of advance payments on music rights, if any, or through a provision for onerous contract if such difference is higher than advance payments.

(ii) Distribution and other costs

Distribution and other costs of revenue include commissions charged by the sales platforms, server hosting and network bandwidth.

(f) Product and development expenses

Product and development expenses are primarily comprised of costs incurred for the development and improvements of the product and its interfaces. The costs incurred mainly include related salaries and social contributions.

(g) Sales and marketing expenses

Sales and marketing expenses are predominantly comprised of subscriber acquisition costs, communication expenses relating to public relations, commissions paid to distributors, as well as the costs of providing free trials of the Deezer subscriptions. They also include salaries, social contributions and expenses relating to employees assigned to advertising sales, central and local marketing teams, as well as customer support teams. Expenses included in the costs of providing free trials are primarily derived from per user royalty fees determined in accordance with the rights holder agreements.

(h) General and administrative expenses

General and administrative expenses are primarily comprised of salaries, social contributions and expenses relating to employees assigned to management and support functions such as Content, Finance, Human Resources, Legal and Strategy, to the department in charge of relations with the right holders, as well as costs related to premises.

(i) Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statements except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

The current tax represents the amount of income tax based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

(ii) Deferred tax

Deferred income tax is determined using the liability method on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax bases. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

When recognized, deferred tax assets and liabilities are offset only if certain criteria are met, such as when there is a legally enforceable right to offset.

The Company and its subsidiaries have not identified any source of deferred tax liability as at December 31, 2021, December 31, 2020 and December 31, 2019. As the Company and some of its subsidiaries have no taxable profits for fiscal years 2021, 2020, 2019 and past financial years and as future taxable profits are not deemed sufficient to allow all or part of the tax losses to be utilized, no deferred tax assets have been recognized on existing tax losses.

(j) Earnings per share

Basic earnings per share are calculated by dividing profit (loss) for the period by the weighted average number of ordinary shares existing during the period, less the average number of ordinary shares bought and held as treasury shares.

Diluted earnings per share are calculated by dividing profit (loss) for the period by the weighted average number of shares issued or to be issued at the end of the period, excluding treasury shares and including the impact of all potentially dilutive ordinary shares and in particular the exercise of stock options.

(k) Goodwill

Goodwill is the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is not amortized and is tested annually for impairment, or more regularly if certain indicators are present. The value in use is defined as the sum of discounted cash flows generated by the asset's continued use over its useful life. If the recoverable amount of an asset is less than its net carrying amount, an impairment charge is determined.

The key assumptions used for these tests are as follows:

- Business plan prepared by Management on the basis of growth and profitability assumptions;
- Exit revenue multiple;
- Revenue growth rate;
- Gross margin growth rate;
- Discount rate.

(l) Intangible assets

(i) Development costs

Internal development costs may be capitalised when the following criteria are met:

- High probability of technical success allowing the completion of the intangible asset for commissioning or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of appropriate resources (technical, financial and other) to complete the development and use or sell the intangible asset;
- The ability to reliably measure the expenses spent on the intangible asset development.

Some of the above criteria are not met during the presented period. Development costs are therefore recorded as expenses.

(ii) Software and licenses

Acquired software and licenses are recognized at cost and amortised using a straight-line method over their useful life.

(iii) Other intangible assets

Other intangible assets include acquired trademark rights and databases. They are recognized at acquisition cost and are amortised over their useful life.

(iv) Amortisation

Intangible assets with a finite life are amortised over their useful life using a straight-line method. Useful lives are reviewed annually, and any resulting adjustments are recognized prospectively.

Intangible assets with indefinite lives are not amortised and are tested for impairment annually, either individually or as part of the cash generating unit to which they belong.

The estimated useful lives are the following:

▪ Licenses	1 to 3 years
▪ Websites	1 year
▪ Customer database	between 1 and 2 years
▪ Other assets	between 1 and 3 years
▪ Exclusive rights and access rights	term of the contract

(m) Property and equipment

Property and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes any expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group.

When components of property, plant and equipment have different useful lives, they are recognized as separate property and equipment.

Depreciation is recorded using a straight-line basis over the estimated useful life for each component of an item of property and equipment.

The estimated useful lives used are as follows:

▪ Building improvements	5 to 10 years
▪ Technical equipment and tools	3 years
▪ Fixtures and fittings	between 5 and 8 years
▪ Vehicles	5 years
▪ Office and computer equipment	3 years
▪ Furniture	5 years

The carrying amounts of property and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset might be impaired.

Should any such event or circumstances occur, the recoverable amount of the asset is estimated. The recoverable amount of property and equipment is the higher of the net selling price and the value in use.

(n) Right-of-use assets and lease liabilities

(i) Policy applicable before January 1, 2019

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. The Group leases certain items of property and equipment. Leases in which substantially all the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of operations on a straight-line basis over the period of the leases.

Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the repayment of the liability and finance charges. The corresponding lease obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the consolidated statement of operations over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(ii) Policy applicable from January 1, 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

As a lessee, the Group recognizes:

- an asset corresponding to the right of using such asset during the lease term

  At the effective date of the lease agreement, the right-of-use is measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any leases incentives received, any initial directs costs and restoration costs. The right-of-use is amortized over the useful life of the underlying asset. This useful life always corresponds to the lease contract period, given the nature of assets leased by the Group.

- a lease liability resulting from the obligation to pay this right-of-use

  At the effective date of the lease agreement, the lease liability include the net present value of the fixed payments, less any lease and incentives receivable, variable lease payment that are based on an index or a rate, amounts expected to be payable by the group under residual value guarantees, the exercise price of a purchase option if the group reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease reflects the group exercising that option. Discounting rentals is carried out by using an incremental borrowing rate specific to each country and to each lease term.

  These rates correspond to interest rates which the Group would have to pay in order to borrow, for the same period and with a similar guarantee, the necessary amount to purchase a similar asset in a similar economic environment.

During the lease term, the lease liability and the right-of-use asset may be adjusted based on events resulting in an increase or decrease of the lease term and of the rental.

The duration of the contract considered is the reasonably certain duration including the non-cancellable period, the periods possibly covered by renewal or termination options. This duration is assessed on the date of the lease start and this assessment must consider all the facts or circumstances creating an economic incentive. Main simplified measures allowed by IFRS 16 are used by the Group.

Leases meeting the following conditions are excluded from the scope of IFRS 16:

- Leases in relation to assets with a value lower than €5 000;
- Short-term leases with a term of 12 months or less;
- Leases with a residual term of less than 12 months.

The weighted average incremental borrowing rate applied by the Group is 2,3% as at December 31, 2021 and 2,2% as at December 31, 2020 and December 31, 2019.

Rentals in relation to leases excluded from the scope of IFRS 16 are directly booked as operating costs.

(o) Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in the market in which the entity operates indicate a risk of impairment of tangible and intangible assets, an impairment test is performed to determine whether the carrying amount of the asset remains below its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Prior impairments of non-financial assets other than goodwill are reviewed for possible reversal each reporting period.

(p) Financial instruments

(i) Financial assets

Initial recognition and measurement

The Group's financial assets are comprised of non-current financial assets, other non-current assets, trade and other receivables, other current assets and cash and cash equivalents. All financial assets are recognized initially at fair value plus transaction costs that is attributable to the acquisition of the financial asset. Purchases and sales of financial assets are recognized on the settlement date; the date that the Group receives or delivers the asset. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for those with maturities greater than 12 months after the reporting period.

Factoring

Group companies factored some of their trade receivables until the end of February 2020. Any such assigned receivables continued to be recognized as Trade and other receivables on the Group's consolidated balance sheet until the factor received payment from the client, with a corresponding current financial liability recognized under current Financial liabilities for the financing provided by the factor to the Group.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

Impairment losses are recognized in profit or loss for the amounts deemed unrecoverable, whenever there is objective evidence that the asset has been impaired. The main factors considered when identifying these potential impairment losses include actual financial difficulties of a debtor or payment delays.

(ii) Financial liabilities

Initial recognition and measurement

The Group's financial liabilities are comprised of non-current and current lease liabilities, non-current and current financial liabilities, current liabilities including trade and other payables and contingent consideration and excluding deferred income. All financial liabilities except lease liabilities are recognized initially at fair value.

The Group accounts for some warrants as a financial liability measured at fair value through profit or loss. In accordance with IAS 32, *Financial instruments: Presentation,* the Group determined that the warrants were precluded from equity classification, because they contain no contractual obligation to deliver cash or other financial instruments to the holders other than the Company's own shares.

The Group accounts for contingent consideration as a financial liability measured at fair value through profit or loss. The fair value of the contingent consideration is presented as a component of provisions, accrued expenses and other liabilities on the consolidated statement of financial position. Changes to the fair value of the contingent consideration are recorded as operating expenses within general and administrative expenses.

Subsequent measurements

Other financial liabilities

After initial recognition, payables are subsequently measured at amortized cost using the effective interest method. The effective interest method amortization is included in finance costs in the consolidated statement of operations. Gains and losses are recognized in the consolidated statement of operations when the liabilities are derecognized.

Payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities at fair value through profit or loss

After initial recognition, financial liabilities at fair value through the profit or loss are subsequently re-measured at fair value at the end of each reporting period with changes in fair value recognized in finance income or finance costs in the consolidated statement of operations.

Derecognition

Financial liabilities are derecognized when the obligation under the liability is discharged, cancelled, or expires.

(iii) Fair value measurements

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price the Group would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's market assumptions. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, are described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level l: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which inputs are based on quoted prices for identical or similar instruments in markets that are not active, quoted prices for similar instruments in active markets, and model-based valuation techniques for which ail significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability;

Level 3: techniques which use inputs that have a significant effect on the recognized fair value that require the Group to use its own assumptions about market participant assumptions.

The Group maintains policies and procedures to determine the fair value of financial assets and liabilities using what it considers to be the most relevant and reliable market participant data available. It is the Group's policy to maximize the use of observable inputs in the measurement of its Level 3 fair value measurements. To the extent observable inputs are not available, the Group utilizes unobservable inputs based upon the assumptions market participants would use in valuing the asset or liability. In determining the fair value of financial assets and liabilities employing Level 3 inputs, the Group considers such factors as the current interest rate, equity market, currency and credit environments, expected future cash flows, the probability of certain future events occurring, and other published data. The Group performs a variety of procedures to assess the reasonableness of its fair value determinations including the use of third parties.

(iv) Derivative instruments

The Group does not use any derivatives for operational hedging and management of exposure to exchange rate fluctuations.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, as well as short-term deposits with maturities of three months or less and any money-market investment subject to an insignificant risk of changes in value.

Short-term investments are considered as being held-for-trading and measured at fair value on the closing date. Changes in fair value are recognized in profit or loss.

(r) Share capital

Ordinary shares are classified as equity.

Equity instruments are initially measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

(s) Share-based payments

The Group has plans under which directors, executives and certain employees are granted new shares issued and stock options and certain commercial partners are granted equity warrants.

For equity-settled share-based payment transactions, the Group must measure the goods or services received and the corresponding increase in equity, at the fair value of the goods or services received. If a reliable measurement of the goods or services received is not possible, the Group measures these by determining the fair value of the equity instruments awarded.

The fair value of the stock-options awarded to employees and of some equity warrants granted to commercial partners has been determined using the Black-Scholes model with the following key parameters:

- Valuation of the Company on the date the financial instrument is granted;
- Maturity of the financial instrument (estimated date of its liquidity);
- Government bond yields on the date of valuation of the financial instrument;
- Company volatility index based on comparable companies;
- Exercise value of the financial instrument.

The fair value of free shares granted to employees has been determined based on the Company valuation on the date of grant and on the rights attached to those free shares.

The value of equity instruments awarded to employees is recognized over the vesting period and is recorded under Employee benefit expenses with a corresponding increase in the Group' s equity.

The value of equity instruments paid to directors and employees as consideration of services or goods received and granted to third parties as consideration of commercial partnerships is recognized as a cost in the income statement or as an asset in the balance sheet, with a corresponding increase in Capital reserves in the Group's equity.

(t) Provisions for risks

Provisions are recognized in the consolidated statement of financial position when the Group has a present obligation (legal or implicit) arising from past events, that can be reliably estimated, provided it is probable that an outflow of economic benefits will be required to settle the obligation.

Where there is a significant time value effect, the amount of the provision is determined by discounting expected future cash flows at a rate that reflects current market assessment of the time value of money and, where appropriate, risks specific to this liability.

(u) Provision for employee benefits

The Group's obligations for retirement and similar post-employment benefits relate to defined benefit plans paid at retirement date, in line with relevant legal and regulatory obligations in France. These obligations are measured using the projected unit credit method. Under this method, benefit entitlements are attributed to service periods in accordance with vesting conditions, using a straight-line basis to stagger the expense generated when the entitlement does not vest in a uniform manner over the remaining service periods to retirement.

The amount of future payments is measured on the basis of assumptions including salary increases, retirement age, life expectancy, employee turnover and discounting assumptions for anticipated payments using a rate that reflects the anticipated repayment period.

The variation of provisions resulting from changes in assumptions are recognized in equity.

3. Critical accounting estimates and judgments

Preparing financial statements under IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the amounts of assets and liabilities, income and expenses. The underlying estimates and assumptions are based on past experience and other factors considered reasonable under the circumstances. They act as a basis for making assumptions necessary to the determination of the carrying amount of assets and liabilities, which cannot be obtained directly from other sources. Actual values may differ from these estimates.

The underlying estimates and assumptions are regularly reviewed. The impact of changes in accounting estimates is recognized in the period in which the change is made and in all subsequent affected periods.

Information on the key assumptions underpinning the estimates made in application of the accounting policies, that materially affect the amounts recognized in the financial statements, can be found in the following notes:

(i) Cost of revenue

The Group assesses the royalties over the entire contractual period for license agreements which include a guaranteed minimum. This assessment is based on variables such as forecast revenue and market shares per label. Any difference between the guaranteed minimum and the royalties estimated over the entire contractual period is accrued for under Trade payables and related accrued expenses and this Cost of Revenue is spread over the same period.

The Group measures costs of revenue including costs relating to equity warrants issued in March 2021 and in September 2021, as presented in Notes 20 and 21. These costs are recognized at the fair value of warrants issued by taking into consideration the number of warrants which could be exercised, based on the estimated royalty costs compared to minimum guaranteed costs over the contractual period, and the value per share estimated at the effective date of the contract. The Group has recognized costs amounting to €21 153 thousands for the year ended December 31, 2021.

(ii) Sales and Marketing costs

The Group measures sales and marketing costs including costs relating to a media-for-equity agreement entered into in May 2020 with Estudios Azteca, S.A. de C.V., as presented in Notes 20 and 21. These costs are recognized at the fair value of warrants issued by taking into consideration the number of warrants which could be exercised at termination of the contract and estimated based on new subscribers forecast in Mexico, the value per share estimated at the end of each period, the portion of media used out of a media volume agreed and estimated at €5 549 thousands as at December 31, 2021 and December 31, 2020. At both dates, based on actual figures of new subscribers in Mexico and on a business plan, the Company estimates the number of warrants which could be exercised at 140 494 and has recognized costs amounting to € 2 501 thousands for the year ended December 31, 2021 and to € 1 666 thousands for the year ended December 31, 2020. At both dates, the value per share is estimated at a value similar to the value per share used at the contract signature date.

(iii) Share-based payments

The Group measures the fair value of stock options and warrants granted to certain employees, executives and commercial partners based on actuarial models. These actuarial models require that the Group use certain calculation assumptions with respect to characteristics of the grants (e.g., vesting terms) and market data (e.g., expected share volatility) (see Note 21).

(iv) Goodwill

Assumptions used in the impairment test are based on a business plan reviewed by management. The key assumptions are detailed in Note 2 (k) – Goodwill.

(v) Provisions for claims and litigation

Provisions for claims are analysed on a case-by-case basis and represent the Group's management's assessment of the risk and may differ from the sums claimed by the plaintiff.

(vi) Provisions for the non-use of advances paid to record companies

A provision is recognized when there is a high probability that a contract will result in a loss, i.e. that the minimum guaranteed amounts will be greater than the economic benefits expected from the contract. The provision corresponds to the difference between the contractual obligation (guaranteed minimum) and the proportional rights assessed based on the budget available on the date the financial statements are prepared.

The difference is recognized as a provision for impairment of advance payments on music rights or/and as a provision for onerous contract if it is higher than advance payments or if future payments are forecast.

4. Restatement of the consolidated financial statements

As described in Note 2 (a) (iv) - Preparation and approval of the consolidated financial statements, the historical consolidated financial statements have been restated to take into account restatements and reclassifications on consolidated income statements, consolidated statements of financial position and consolidated statements of cash flows.

The consolidated statements of cash flows for the years 2020 and 2019 have been modified to show depreciation / amortization and provisions on separate lines. In the same way, changes in working capital have been split into two lines: (Increase) / decrease in trade receivables and other assets and Increase / (decrease) in trade and other liabilities. For the year ended December 31, 2020, the line Increase in share capital and share premium (net of costs) has been compensated for €4 953 thousands with the line Purchases of property and equipment and intangible assets to reflect the payment of the intangible assets by the issuance of shares to Mugo Inc. as described in Note 21. The related fees of €244 thousands have been maintained on the line Increase in share capital and share premium (net of costs).

The changes to the consolidated income statements and statements of financial position for the years 2020 and 2019 are presented thereafter.

4.1 Changes related to the year 2020

CONSOLIDATED INCOME STATEMENT

(in € thousands)	**For the year ended December 31, 2020**	Free trial costs	Cost of Revenue	Amortisation	Finance costs and income	Tax related provisions and liabilities	**For the year ended December 31, 2020**
	Published	Change of presentation (a)	Change of presentation (b)	Change of presentation (c)	Change of presentation (d)	Adjustments (e)	**Restated**
Revenue	**379 191**						**379 191**
Cost of Revenue - Rights	(304 590)	14 735	289 855				-
Cost of Revenue - Other	(27 676)		27 676				-
Cost of Revenue			(317 531)				(317 531)
Gross Profit	**46 925**	**14 735**	**-**	**-**	**-**		**61 660**
Product and Development	(19 918)			(2 593)			(22 511)
Sales and Marketing	(68 500)	(14 735)		(1 625)			(84 860)
General and Administrative	(36 496)			(5 691)		(381)	(42 568)
Depreciation and Amortisation	(9 909)			9 909			-
Operating loss	**(87 898)**	**-**	**-**	**-**	**-**	**(381)**	**(88 279)**
Net borrowing cost	(694)				694		-
Other finance costs	(6 244)				6 244		-
Finance costs					(7 962)		(7 962)
Finance income					1 024		1 024
Finance costs - net							**(6 938)**
Loss before income tax	**(94 836)**	**-**	**-**	**-**	**-**	**(381)**	**(95 217)**
Income tax expense	(78)					(66)	(144)
Net loss for the period	**(94 914)**	**-**	**-**	**-**	**-**	**(447)**	**(95 361)**
Of which attribuable to owners of the parent company	**(94 914)**	**-**	**-**	**-**	**-**	**(447)**	**(95 361)**

(a) Free trial costs have been reclassified from Cost of Revenue - Rights to Sales and Marketing.
(b) Cost of Revenue - Rights and Cost of Revenue - Other have been mapped to the same line "Cost of Revenue".
(c) Amortisation costs have been reclassified to Product and Development, Sales and Marketing and General and Administrative.
(d) Net borrowing cost and Other finance costs have been presented in Finance costs and Finance income.
(e) The Group revisited its obligations with regards to the tax legislation in the United States of America, the United Kingdom and Germany. It could assess the risks in relation to the Sales tax applicable in the United States of America, to foreign tax penalties and to foreign corporate income tax, after the Board of Directors held on June 8, 2021. Tax related provisions and liabilities were booked as at December 31, 2020.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in € thousands)

Assets	As of December 31, 2020 Published	Change of presentation	Tax related provisions and liabilities Adjustments (d)	As of December 31, 2020 Restated	Note
Non-current assets					
Goodwill	7 487			7 487	
Intangible assets	6 090			6 090	
Property and equipment	6 573			6 573	
Right-of-use assets	26 597			26 597	
Non-current financial assets	5 034			5 034	
Other non-current assets	19 022	(11 585)		7 437	(b)
Total non-current assets	**70 803**	**(11 585)**	**-**	**59 218**	
Current assets					
Advance payments on royalties	440	(440)		-	(a)
Trade and other receivables	29 842			29 842	
Other current assets	11 025	440		11 465	(a)
Cash and cash equivalents	52 440			52 440	
Total current assets	**93 747**			**93 747**	
Total assets	**164 550**	**(11 585)**	**-**	**152 965**	
Equity and liabilities					
Equity					
Share capital	283			283	
Share premium	364 007			364 007	
Consolidated reserves	(399 323)		(810)	(400 133)	
Net loss	(94 914)		(447)	(95 361)	
Equity attributable to owners of the parent	**(129 947)**	**-**	**(1 257)**	**(131 204)**	
Non-current liabilities					
Provision for employee benefits	852			852	
Lease liabilities	23 617			23 617	
Financial liabilities	-			-	
Total non-current liabilities	**24 469**	**-**	**-**	**24 469**	
Current liabilities					
Provisions for risks	15 633	(11 585)	802	4 850	(b)
Lease liabilities	4 632			4 632	
Financial liabilities	-			-	
Trade payables and related accrued expenses	195 772		(416)	195 356	
Tax and employee-related liabilities	35 881		871	36 752	
Deferred income		15 761		15 761	(c)
Other liabilities	18 110	(15 761)		2 349	(c)
Total current liabilities	**270 028**	**(11 585)**	**1 257**	**259 700**	
Total liabilites	**294 497**	**(11 585)**	**1 257**	**284 169**	
Total equity and liabilities	**164 550**	**(11 585)**	**-**	**152 965**	

(a) Current advance payments are reclassified to other current assets.
(b) The provision for onerous contracts relating to the exclusive licence agreement with Rotana is reclassified to other non-current asset as a depreciation.
(c) Deferred income is shown on a dedicated line.
(d) Please refer to adjustments impacting the consolidated income statement for information purposes.

4.2 Changes related to the year 2019

CONSOLIDATED INCOME STATEMENT

(in € thousands)	For the year ended December 31, 2019 Published	Trial costs Change of presentation (a)	Cost of Revenue Change of presentation (b)	Amortisation Change of presentation (c)	Finance costs and income Change of presentation (d)	Tax related provisions and liabilities Adjustments (e)	For the year ended December 31, 2019 Restated
Revenue	**381 010**						**381 010**
Cost of Revenue - Rights	(290 351)	4 418	285 933				-
Cost of Revenue - Other	(25 280)		25 280				-
Cost of Revenue			(311 213)				(311 213)
Gross Profit	**65 379**	**4 418**	**-**	**-**	**-**	**-**	**69 797**
Product and Development	(18 751)			(2 629)			(21 380)
Sales and Marketing	(89 592)	(4 418)		(278)			(94 288)
General and Administrative	(32 945)			(3 719)		(162)	(36 826)
Depreciation and Amortisation	(6 626)			6 626			-
Operating loss	**(82 535)**	**-**	**-**	**-**	**-**	**(162)**	**(82 697)**
Net borrowing cost	28				(28)		-
Other finance costs	(303)				303		-
Finance costs					(1 330)		(1 330)
Finance income					1 054		1 054
Finance costs - net							**(276)**
Loss before income tax	**(82 810)**	**-**	**-**	**-**	**-**	**(162)**	**(82 973)**
Income tax expense	(70)					(60)	(130)
Net loss for the period	**(82 880)**	**-**	**-**	**-**	**-**	**(222)**	**(83 102)**
Of which attributable to owners of the parent company	**(82 880)**	**-**	**-**	**-**	**-**	**(222)**	**(83 102)**

(a) Free trial costs have been reclassified from Cost of Revenue - Rights to Sales and Marketing.
(b) Cost of Revenue - Rights and Cost of Revenue - Other have been mapped to the same line "Cost of Revenue".
(c) Amortisation costs have been reclassified to Product and Development, Sales and Marketing and General and Administrative.
(d) Net borrowing cost and Other finance costs have been presented in Finance costs and Finance income.
(e) The Group revisited its obligations with regards to the tax legislation in the United States of America, the United Kingdom and Germany. It could assess the risks in relation to the Sales tax applicable in the United States of America, to foreign tax penalties and to foreign corporate income tax, after the Board of Directors held on June 8, 2021. Tax related provisions and liabilities were booked as at December 31, 2019.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in € thousands)

Assets	As of December 31, 2019 Published	Change of presentation	Tax related provisions and liabilities Adjustments (d)	As of December 31, 2019 Restated	Note
Non-current assets					
Goodwill	7 487			7 487	
Intangible assets	1 710			1 710	
Property and equipment	3 536			3 536	
Right-of-use assets	33 764			33 764	
Non-current financial assets	8 746			8 746	
Other non-current assets	22 410	(5 882)		16 528	(b)
Total non-current assets	**77 653**	**(5 882)**		**71 771**	
Current assets					
Advance payments on royalties	2 781	(2 781)		-	(a)
Trade and other receivables	50 253			50 253	
Other current assets	9 879	2 781		12 659	(a)
Cash and cash equivalents	73 843			73 843	
Total current assets	**136 755**	**-**		**136 755**	
Total assets	**214 408**	**(5 882)**		**208 526**	
Equity and liabilities					
Equity					
Share capital	276			276	
Share premium	359 299			359 299	
Consolidated reserves	(335 549)		(587)	(336 136)	
Net loss	(82 880)		(223)	(83 103)	(d)
Equity attributable to owners of the parent	**(58 854)**		**(810)**	**(59 664)**	
Non-current liabilities					
Provisions for risks				0	
Provision for employee benefits	654			654	
Lease liabilities	28 950			28 950	
Financial liabilities	5 316			5 316	
Total non-current liabilities	**34 920**	**-**	**-**	**34 920**	
Current liabilities					
Provisions for risks	11 671	(5 882)	421	6 210	(b)
Lease liabilities	4 632			4 632	
Financial liabilities	245			245	
Trade payables and related accrued expenses	173 995			173 995	
Tax and employee-related liabilities	29 690		389	30 079	
Deferred income		15 962		15 962	(c)
Other liabilities	18 109	(15 962)		2 147	(c)
Total current liabilities	**238 342**	**(5 882)**	**810**	**233 270**	
Total liabilites	**273 262**	**(5 882)**	**810**	**268 190**	
Total equity and liabilities	**214 408**	**(5 882)**	**-**	**208 526**	

(a) Current advance payments are reclassified to other current assets.
(b) The provision for onerous contracts relating to the exclusive licence agreement with Rotana is reclassified to other non-current asset as a depreciation.
(c) Deferred income is shown on a dedicated line.
(d) Please refer to adjustments impacting the consolidated income statement for information purposes.

5. Business combinations and equity investments

On April 30, 2021, the Company entered into an investment agreement with Dreamstage Inc. incorporated in the United States of America, developing and operating a live streaming platform, which allows artists to organise live stream concerts. Under this investment contract, the Company subscribed to a share capital increase of US$6 million granting the Company 40.9% of share capital and vote rights of Dreamstage Inc. on a non-diluted basis.

On August 31, 2021, the Company entered into an investment agreement with Driift Holdings Limited, a company incorporated in the United Kingdom and specialized in the production and promotion of live streaming events. Under this investment contract, the Company subscribed to a share capital increase of GBP 2 million, as a result of which the Company holds approximately 17.4% of the share capital of Driift Holdings Limited on a non-diluted basis.

The Group did not acquire any business during the years ended December 31, 2020 and 2019.

6. Segment information

Segment financial information is presented in accordance with IFRS 8 - Operating Segments and is based solely on the internal reporting (or "adjusted data") used by Deezer's 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 – B2C: Subscriptions to the Deezer service are taken out directly by users.
- Indirect – B2B: 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.

For the year ended, December 31,		**Revenue**	**Cost of revenue**	**Gross Profit**
			(in € thousands)	
2021	Direct – B2C	282 719	(186 186)	96 532
	Indirect – B2B	107 393	(83 999)	23 393
	Other	9 907	(16 818)	(6 910)
	Other cost of sales		(28 925)	(28 925)
	Total adjusted	**400 019**	**(315 928)**	**84 090**
	Adjustments	-	(35 562)	(35 562)
	Total consolidated	**400 019**	**(351 490)**	**48 529**
2020	Direct – B2C	261 579	(173 763)	87 816
	Indirect – B2B	109 146	(86 486)	22 660
	Other	8 466	(17 002)	(8 536)
	Other cost of sales		(27 676)	(27 676)
	Total adjusted	**379 191**	**(304 927)**	**74 264**
	Adjustments	-	(12 604)	(12 604)
	Total consolidated	**379 191**	**(317 531)**	**61 660**
2019	Direct – B2C	247 583	(167 573)	80 010
	Indirect – B2B	121 751	(98 304)	23 447
	Other	11 676	(18 257)	(6 581)
	Other cost of sales		(25 280)	(25 280)
	Total adjusted	**381 010**	**(309 414)**	**71 596**
	Adjustments	-	(1 799)	(1 799)
	Total consolidated	**381 010**	**(311 213)**	**69 797**

Other cost of sales includes commissions charged by sales platforms and payment service providers, hosting infrastructure servers and network bandwidth costs. These costs are not split per segment.

Main adjustments in Cost of revenue comprise (i) non-recurring expenses related to licence agreements, such as royalty audits (in 2020) or costs relating to equity warrants (in 2021), (ii) licence agreements unused minimum guarantees (in 2021) and (iii) onerous contract related depreciation (in 2021, 2020 and 2019). These adjustments are not included in the adjusted Gross Profit.

Revenue by geographical area breakdowns as follows:

	2021	2020	2019
	(in € thousands)		
France	242 646	225 494	208 733
Rest of the world	157 373	153 697	172 277
	400 019	**379 191**	**381 010**

7. Operating expenses

7.1 Expenses per nature

Costs by nature comprise the following items:

2021

	Product and Development	Sales and Marketing	General and Administrative	Total
	(in € thousands)			
Employee costs	(19 909)	(16 517)	(31 534)	(67 960)
External expenses	(1 715)	(1 027)	(10 496)	(13 237)
Marketing costs	-	(73 220)	-	(73 220)
Miscellaneous taxes	(320)	(201)	(2 290)	(2 811)
Amortization	(3 676)	(3 737)	(4 441)	(11 854)
	(25 620)	**(94 702)**	**(48 761)**	**(169 083)**

2020

	Product and Development	Sales and Marketing	General and Administrative	Total
	(in € thousands)			
Employee costs	(18 877)	(18 758)	(25 089)	(62 724)
External expenses	(724)	(2 839)	(9 752)	(13 315)
Marketing costs	-	(61 489)	-	(61 489)
Miscellaneous taxes	(317)	(149)	(2 036)	(2 502)
Amortization	(2 593)	(1 625)	(5 691)	(9 909)
	(22 511)	**(84 860)**	**(42 568)**	**(149 939)**

2019

	Product and Development	Sales and Marketing	General and Administrative	Total
	(in € thousands)			
Employee costs	(17 650)	(16 434)	(18 416)	(52 500)
External expenses	(921)	(3 397)	(12 909)	(17 226)
Marketing costs	-	(74 038)	(14)	(74 053)
Miscellaneous taxes	(180)	(140)	(1 768)	(2 089)
Amortization	(2 629)	(278)	(3 719)	(6 626)
	(21 380)	**(94 288)**	**(36 826)**	**(152 494)**

7.2 Personnel expenses

Employee costs per nature breaks down as follows:

	2021	2020	2019
		(in € thousands)	
Wages and salaries	(41 471)	(39 402)	(34 521)
Social costs	(17 779)	(15 953)	(13 878)
Share-based compensation	(8 511)	(7 171)	(3 937)
Employee retirement benefits costs	(199)	(198)	(164)
	(67 960)	**(62 724)**	**(52 500)**
Average headcount	**575**	**563**	**516**

During the year ended December 31, 2021, the Company booked a €520 thousands French tax credit relating to research and development in respect of 2020 expenses. The research and development expenses incurred by the Company in 2021 will give rise to a French tax credit to be assessed and recorded in 2022.

During the year ended December 31, 2020, the Company booked a €1 004 thousands French tax credit relating to research and development in respect of 2017 (€240 thousands), 2018 (€349 thousands) and 2019 expenses (€415 thousands).

During the year ended December 31, 2019, the Company recognized a French tax credit in respect of 2016 research and development expenses (€202 thousands).

These tax credits are included in wages and salaries.

8. Auditor remuneration

		2021	2020	2019
			(in € thousands)	
Ernst & Young Audit	Audit of the Company's and the Group's financial statements	230	235	234
	Other work and services directly related to the responsibilities of Statutory Auditors	862	-	-
Expertise Diagnostic Audit	Audit of the Company's and the Group's financial statements	-	99	93
RBB Business Advisors	Audit of the Company's and the Group's financial statements	98	-	-
	Other work and services directly related to the responsibilities of Statutory Auditors	40	-	-
		1 230	**334**	**327**

In 2021, Deezer S.A. appointed RBB Business Advisors as statutory auditors in replacement of Expertise Diagnostic Audit.

9. Finance costs – net

	2021	2020	2019
		(in € thousands)	
Finance income			
Interest from short-term security deposits	133	51	-
Foreign exchange gain	1 393	904	780
Fair value adjustment of financial liabilities	-	-	274
Other	-	69	-
Total	**1 526**	**1 024**	**1 054**
Finance costs			
Interest on financial liabilities	(112)	-	-
Factoring fees	-	-	(31)
Interest on lease liabilities	(620)	(694)	(246)
Foreign exchange loss	(1 565)	(7 268)	(1 052)
Discounting charges	(7)	-	-
Total	**(2 304)**	**(7 962)**	**(1 330)**
Finance costs - Net	**(778)**	**(6 938)**	**(276)**

	2021	2020	2019
		(in € thousands)	
Net interest paid (including finance leases)	(519)	(694)	(246)

Gains and losses relating to bank accounts in currencies other than Euro, to intercompany loans and current accounts between the Company and its subsidiaries are included in the foreign exchange gain and loss.

The net foreign exchange loss of €172 thousands in 2021 is mainly explained by the revaluation of bank accounts and intercompany current accounts denominated in foreign currencies.

The foreign exchange loss of €7 268 thousands in 2020 is mainly explained by the revaluation of intercompany debts expressed in Euros of Deezer Music Brasil LTDA whose functional currency is Brazilian Real (€5 029 thousands).

10. Income tax expense

	2021	2020	2019
		(in € thousands)	
Current tax expense	(72)	(144)	(130)
Income tax expense	**(72)**	**(144)**	**(130)**

A reconciliation between the reported tax expense for the year and the theoretical tax expense that would arise when applying the statutory tax rate in France of 27,5%, 28% and 31% to the consolidated loss before taxes for the years ended December 31, 2021, 2020, and 2019, respectively, is shown in the table below:

	2021	2020	2019
		(in € thousands)	
Loss before tax	**(121 332)**	**(95 217)**	**(82 973)**
Theoretical income tax rate	27,5%	28,0%	31,0%
Theoretical tax income	**33 366**	**26 661**	**25 722**
Permanent differences	1 359	(1 266)	(34)
Effect of tax rates in foreign jurisdictions	(1 119)	(1 245)	(1 327)
Share-based payments	(6 824)	(1 089)	(1 242)
Deferred tax not recognized	1 860	23	4 733
Deezer SA's tax losses not giving rise to deferred tax asset	(27 390)	(21 451)	(26 248)
Subsidiaries' tax losses not giving rise to deferred tax asset	(1 582)	(1 616)	(1 779)
Other	258	(161)	45
Effective tax charge	**(72)**	**(144)**	**(130)**
Effective income tax rate	0%	0%	0%

The Group's accumulated tax losses not giving rise to deferred tax assets amount to €603 445, €504 153 thousands and €430 950 thousands as at December 31, 2021, December 31, 2020 and December 31, 2019 respectively.

Tax loss carry-forwards	**31/12/2021**	**31/12/2020**	**31/12/2019**
		(in € thousands)	
France	572 243	482 441	410 794
Brazil	25 353	16 021	14 527
Germany	5 523	5 508	5 420
Russia	327	184	209
	603 445	**504 153**	**430 950**

Above tax loss carry-forwards are reportable over an unlimited period of time.

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

An examination was carried out by the French tax authorities on the Company's accounts for fiscal tax years 2015-2019. The tax audit was closed in September 2021. The French tax authorities issued their tax reassessment notice in November 2021 which outcome resulted solely in a potential reduction of tax losses available to carry forward for fiscal years 2018 and 2019. The Company filed its response to the French tax authorities in January 2022. The French tax authorities' reply issued in March 2022 to the Company's observation does not affect the accounting election at December 31, 2021.

Deezer Music Brasil LTDA has not been under examination during and after the presented period.

11. 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. The computation of loss per share for the respective periods is as follows:

	2021	2020	2019
	(in € thousands, except share and per share data)		
Basic loss per share			
Net loss attributable to owners of the parent	(123 258)	(95 361)	(83 103)
Shares used in computation:			
Weighted-average ordinary shares outstanding	28 497 083	27 749 979	24 979 248
Basic net loss per share attributable to owners of the parent	**(4,33)**	**(3,44)**	**(3,33)**
Diluted loss per share			
Net loss attributable to owners of the parent	(123 258)	(95 361)	(83 103)
Shares used in computation:			
Weighted-average ordinary shares outstanding	28 497 083	27 749 979	24 979 248
Diluted weighted average ordinary shares	**28 497 083**	**27 749 979**	**24 979 248**
Diluted net loss per share attributable to owners of the parent	**(4,33)**	**(3,44)**	**(3,33)**

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

	2021	2020	2019
Free shares	1 217 358	1 011 824	1 130 454
Stock-options	706 072	751 571	754 109
Warrants	1 996 996	892 070	2 003 949
	3 920 426	**2 655 465**	**3 888 512**

12. Goodwill and intangible assets

(in € thousands)	Licenses	Exclusive rights and access rights	Customer Database	Other	Intangible assets in progress	Total	Goodwill	Total
Cost								
At January 1, 2019	**5 569**	**1 441**	**4 438**	**11 392**	**341**	**23 181**	**7 487**	**30 668**
Additions	392	-	-	-	9	401	-	401
Reclassification	285	-	-	-	(285)	-	-	-
At December 31, 2019	**6 246**	**1 441**	**4 438**	**11 392**	**65**	**23 582**	**7 487**	**31 069**
Additions	7	-	2 702	3 603	174	6 486	-	6 486
Reclassification	1 313	-	-	(1 271)	(63)	(21)	-	(21)
Exchange differences	(4)	-	-	-	(2)	(6)	-	(6)
At December 31, 2020	**7 562**	**1 441**	**7 140**	**13 724**	**174**	**30 041**	**7 487**	**37 528**
Additions	10	-	-	-	46	56	-	56
Exchange differences	2	-	-	-	-	2	-	2
At December 31, 2021	**7 574**	**1 441**	**7 140**	**13 724**	**220**	**30 099**	**7 487**	**37 586**
Accumulated amortization	**0**	-	-	-	-	-	-	-
At January 1, 2019	**(5 409)**	**(72)**	**(4 438)**	**(11 323)**	**-**	**(21 242)**	**-**	**(21 242)**
Amortization charge	(343)	(287)	-	-	-	(630)	-	(630)
At December 31, 2019	**(5 752)**	**(359)**	**(4 438)**	**(11 323)**	**-**	**(21 872)**	**-**	**(21 872)**
Amortization charge	(279)	(289)	(676)	(811)	-	(2 055)	-	(2 055)
Reclassification	(1 229)	-	-	1 202	-	(27)	-	(27)
Exchange differences	3	-	-	-	-	3	-	3
At December 31, 2020	**(7 257)**	**(648)**	**(5 114)**	**(10 932)**	**-**	**(23 951)**	**-**	**(23 951)**
Amortization charge	(243)	(288)	(2 026)	(2 163)	-	(4 720)	-	(4 720)
Exchange differences	(1)	-	-	-	-	(1)	-	(1)
At December 31, 2021	**(7 501)**	**(936)**	**(7 140)**	**(13 095)**	**-**	**(28 672)**	**-**	**(28 672)**
Costs, net accumulated amortization	**0**	-	-	-	-	-	-	-
At December 31, 2019	**494**	**1 082**	**-**	**69**	**65**	**1 710**	**7 487**	**9 197**
At December 31, 2020	**305**	**793**	**2 026**	**2 792**	**174**	**6 090**	**7 487**	**13 577**
At December 31, 2021	**73**	**505**	**-**	**629**	**220**	**1 427**	**7 487**	**8 914**

The exclusive rights and access rights of €1 441 thousands correspond to the Company's assessment of the unused guaranteed minimum at the effective date of the licence agreement with Rotana Studios FZ-LLC.

The €2 702 thousands and €3 603 thousands increases in Customer Database and in Other in 2020 corresponds to the acquisition of main intangible assets of Mugo Inc.:

- €2 702 thousands in respect of the customer database
- €1 081 thousands in respect of the Mugo application
- €2 522 thousands in respect of Mugo TV show format rights

The Intangible assets in progress relate to the implementation of new software used internally.

The €7 487 thousands goodwill arose from the acquisition of Magic Internet Musik GmbH from the ProSieben media group in August 2014. The entity acquired operated a music streaming service in Germany called "Ampya". The entity valued at € 20 million included a contract with a telecom company, a right to use TV advertising spots on the German TV channel, ProSieben TV, up to 2019.

As payment of this consideration, the Company issued 870 000 warrants whose subscription by ProSieben was subject to revenue performance conditions (see Note 27).

The €7 487 thousands goodwill was tested for impairment in accordance with the method described in Note2. (k) - Goodwill. These tests did not lead to the recognition of an impairment as at December 31, 2021, December 31, 2020 and December 31, 2019.

The key assumptions used for these tests are as follows:

- Business plan prepared by Management on the basis of growth and profitability assumptions;
- Multiple of 3 used for terminal revenue;
- Revenue growth rate from 9% in 2022 to 3% in 2026;
- Stable gross margin;
- Discount rate of 12%.

In addition, a sensitivity analysis was carried out on the following assumptions:

- Nil revenue growth rate
- Nil gross margin growth rate

Based on this analysis, the recoverable amount exceeds the €7 487 thousands carrying value as at December 31, 2021, December 31, 2020 and December 31, 2019.

13. 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, 2019	**8 452**	**2 823**	**1 919**	**-**	**13 194**
Additions	898	689	106	282	1 975
Disposals - Write-offs			-	-	-
Reclassification		1	(1)		-
Exchange differences	-	-	1	-	1
At December 31, 2019	**9 350**	**3 513**	**2 025**	**282**	**15 170**
Additions	2 098	604	2 410	-	5 112
Disposals - Write-offs	(549)	-	(607)	-	(1 156)
Reclassification	(202)	(19)	490	(276)	(7)
Exchange differences	(1)	(25)	(32)	(6)	(64)
At December 31, 2020	**10 696**	**4 073**	**4 286**	**-**	**19 055**
Additions	1 254	557	136	51	1 998
Disposals - Write-offs	-	(350)	(209)	-	(559)
Reclassification	87	(107)	19	-	(1)
Exchange differences	1	4	25	-	30
At December 31, 2021	**12 038**	**4 177**	**4 257**	**51**	**20 523**
Accumulated amortization					
At January 1, 2019	**(6 668)**	**(1 644)**	**(902)**	**-**	**(9 214)**
Depreciation charge	(1 242)	(684)	(494)	-	(2 420)
Reclassification	-	(9)	9		
At December 31, 2019	**(7 910)**	**(2 337)**	**(1 387)**	**-**	**(11 634)**
Depreciation charge	(990)	(764)	(274)	-	(2 028)
Disposals - Write-offs	549	-	607	-	1 156
Reclassification	220	21	(242)	-	(1)
Exchange differences	1	14	10	-	25
At December 31, 2020	**(8 130)**	**(3 066)**	**(1 286)**	**-**	**(12 482)**
Depreciation charge	(1 288)	(658)	(797)	-	(2 743)
Disposals - Write-offs	-	350	209	-	559
Reclassification	(14)	17	(3)	-	-
Exchange differences	(1)	(3)	(15)	-	(19)
At December 31, 2021	**(9 433)**	**(3 360)**	**(1 892)**	**-**	**(14 685)**
Costs, net accumulated amortization					
At December 31, 2019	**1 440**	**1 176**	**638**	**282**	**3 536**
At December 31, 2020	**2 566**	**1 007**	**3 000**	**-**	**6 573**
At December 31, 2021	**2 605**	**817**	**2 365**	**51**	**5 838**

In 2021, the Company disposed off some IT equipments and wrote-off some leasehold improvements in relation to an office no longer rented.

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

(in € thousands)	2021	2020	2019
Intangible asset additions	(56)	(6 486)	(401)
Tangible asset additions	(1 998)	(5 112)	(1 975)
Capital increase to pay Intangible assets	-	4 953	-
Variation in trade payables in relation to fixed-assets	-	99	3
Purchases of property and equipment and intangible assets - Cash flow impact	**(2 054)**	**(6 744)**	**(2 379)**

14. Right-of-used assets and lease liabilities

On January 1, 2019, the Group adopted IFRS 16 using the simplified transition method under which right-of-use assets and lease liabilities were recognized for the same amounts. The Group did not restate comparative amounts for the year prior to first adoption. The table below reconciles operating lease commitments disclosed as at December 31, 2018 to the lease liabilities recognized as at January 1, 2019.

Lease liabilities at IFRS 16 adoption	(in € thousands)
Future lease payments at December 31, 2018	**9 450**
Future lease payments in relation to short-term leases and to low-value items	(159)
Future lease payments in relation to leases in the scope of IFRS 16	**9 291**
Impact of discounting future lease payments	(357)
Total lease liabilities at January 1, 2019	**8 934**
- Current lease liabilities	3 885
- Non-current lease liabilities	5 049

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, 2019	**8 934**
New or amended leases	29 958
Leases expired or early terminated	(1 661)
At December 31, 2019	**37 231**
New or amended leases	1 845
Leases expired or early terminated	(7 443)
Exchange differences	(29)
At December 31, 2020	**31 604**
New or amended leases	3 974
Leases expired or early terminated	(3 085)
Exchange differences	25
At December 31, 2021	**32 519**
Accumulated depreciation	
At January 1, 2019	**-**
Depreciation charge	(3 574)
Leases expired or early terminated	107
At December 31, 2019	**(3 467)**
Depreciation charge	(5 826)
Leases expired or early terminated	4 269
Exchange differences	17
At December 31, 2020	**(5 008)**
Depreciation charge	(4 391)
Leases expired or early terminated	1 564
Exchange differences	(21)
At December 31, 2021	**(7 856)**
Cost, net accumulated depreciation	
At December 31, 2019	**33 764**
At December 31, 2020	**26 597**
At December 31, 2021	**24 663**

The below roll-forward shows the variations of lease liabilities during the years ended December 31, 2021, 2020 and 2019:

Lease liabilities	**2021**	**2020**	**2019**
		(in € thousands)	
At January 1	**28 248**	**33 582**	**8 934**
New or amended leases	3 974	1 845	29 958
Repayment of leases (1)	(4 796)	(4 574)	(3 997)
Leases early terminated (1)	(1 598)	(3 285)	(1 560)
Interest (1)	620	694	246
Exchange differences	5	(14)	0
At December 31	**26 454**	**28 248**	**33 582**
Current lease liabilities	5 001	4 632	4 632
Non-current lease liabilities	21 454	23 617	28 950

(1) Included within the consolidated statement of cash flows

Below is the maturity analysis of lease liabilities:

Lease liabilities	**December 31, 2021**
Maturity analysis	**(in € thousands)**
Less than one year	5 001
One to five years	16 710
More than five years	4 743
Total lease liabilities	**26 454**
Current lease liabilities	5 001
Non-current lease liabilities	21 454
Total lease liabilities	**26 454**

Excluded from the lease commitments above are short-term leases and leases in relation to low value assets. Expenses relating to those leases were approximately €244 thousands, €412 thousands and €631 thousand for the year ended December 31, 2021, 2020 and 2019, respectively.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the statement of financial position was 2,3%, 2,2% and 2,2% as of December 31, 2021, December 31, 2020 and December 31, 2019 respectively.

15. Investments in equity affiliates

As described in Note 5 - Business combinations and equity investments, Deezer acquired on April 30, 2021 40,9% of share capital and vote rights of Dreamstage Inc. and on August 31, 2021, 17,4% of Driift Holding Limited. Those companies are consolidated under the equity method.

The equity affiliates amounts are detailed in the roll-forward below:

	(€ thousands)
Carrying amount of investments as of January 1, 2021	-
Dreamstage - Additions	4 970
Driift - Additions	2 330
Dreamstage - Share of loss of equity affiliates	(1 753)
Driift - Share of loss of equity affiliates	(101)
Exchange differences	54
Carrying amount of investments as of December 31, 2021	**5 500**

16. 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.

	2021	**2020**	**2019**
		(in € thousands)	
Deposits	3 902	3 615	5 958
Guarantees	1 419	1 419	2 788
	5 321	**5 034**	**8 746**

17. Other non-current assets

	2021	**2020**	**2019**
		(in € thousands)	
Advance payments on royalties	21 442	19 022	22 410
Provision for impairment of above assets	(19 158)	(11 585)	(5 882)
	2 284	**7 437**	**16 528**

Other non-current assets correspond to advance payments made mainly to Rotana Studios FZ-LLC in respect of the exclusive license agreement disclosed in Note 29 and relating to 5 financial years.

The provision for impairment corresponds to the difference between the contractual obligation (minimum guaranteed amount) and the proportional rights assessed for the 5-year contract term, after deduction of the intangible asset of €1 441 thousands assessed at the effective date of the license agreement (Note 12). The difference is determined based on key assumptions such as revenue and market shares forecast until the end of the contract.

18. Trade and other receivables

	2021	2020	2019
	(in € thousands)		
Trade receivables	22 697	18 229	34 637
Less: allowance for expected credit losses	(697)	(551)	(490)
Trade receivables - net	22 000	17 679	34 147
Unbilled revenue	11 986	12 163	16 106
	33 986	**29 842**	**50 253**

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 higher level of Trade receivables at the end of 2019 is mainly due to some invoices due on December 31, 2019 and collected during the first semester of 2020.

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

	2021	2020	2019
	(in € thousands)		
Current	13 547	12 060	27 445
Overdue 1 - 30 days	2 528	1 563	1 036
Overdue 31 - 60 days	300	368	2 181
Overdue 61 - 90 days	1 181	1 404	592
Overdue more than 90 days	4 443	2 284	2 893
	21 999	**17 679**	**34 147**

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

	2021	2020	2019
	(in € thousands)		
At January 1	**551**	**490**	**333**
Provision for expected credit losses	149	52	175
Reversal of unutilized provisions	-	(3)	-
Receivables writen off	(7)	-	-
Reclassification	-	18	(18)
Exchange differences	4	(6)	-
At December 31	**697**	**551**	**490**

19. Other current assets

	2021	2020	2019
	(in € thousands)		
Advance payments on royalties	1 126	440	2 781
Trade payables - Advance payments	64	340	107
Trade payables - Credit notes to be received	281	268	339
Employees and social contributions	60	54	112
State and local authorities	8 937	8 231	7 842
Sundry debtors	849	778	1 083
Prepaid expenses	2 444	2 555	1 641
Other current assets - Gross	**13 761**	**12 666**	**13 905**
Provision for impairment	(884)	(1 201)	(1 246)
Other current assets - Net	**12 877**	**11 465**	**12 659**

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

	2021	2020	2019
	(in € thousands)		
Deductible VAT on purchases made in France and abroad	5 225	5 728	5 917
Tax receivables relating to research and development	1 524	1 206	202
Tax credit for competitiveness and employment	479	479	902
Withholding tax receivable	1 472	135	134
Other	237	683	687
State and local authorities	**8 937**	**8 231**	**7 842**

Sundry debtors include an aged receivable of €766 thousands at December 31, 2021, December 31, 2020 and December 31, 2019 and factoring reserves for €245 thousands at December 31, 2019.

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

	2021	2020	2019
	(in € thousands)		
Net aged receivable	516	516	516
Deductible VAT on purchases made abroad and whose collection is uncertain	368	685	730
Provision for impairment of other current assest	**884**	**1 201**	**1 246**

The net aged receivable of € 516 thousands is fully impaired at 2021, 2020 and 2019 year-ends.

The collection of deductible VAT on purchases made abroad is deemed uncertain when the period for claiming input VAT is about to expire or when a negative answer is received from local tax authorities.

20. Share capital and share premium

As at December 31, 2021, the Company's share capital was divided into 28 994 245 shares, each with a par value of € 0.01.

The Company has issued class A and class B preferred shares. These have been allocated for the period ended December 31, 2021, 2020 and 2019 as follows:

	2021	**2020**	**2019**
		(in number of shares)	
Class A preferred shares	14 855 210	14 855 210	14 855 210
Class B preferred shares	14 139 035	13 444 249	12 742 419
	28 994 245	**28 299 459**	**27 597 629**

During the fiscal years ended on December 31, 2021, 2020 and 2019, the Company granted free shares to the benefit of certain employees and officers of the Group. The Company also issued equity warrants to the benefit of certain of its commercial partners and directors.

The board of directors of the Company decided the following grants of free class B preferred shares to certain employees and officers of the Group:

- On February, 6, 2019, it granted a total of 13 780 free class B preferred shares, and
- On April 10, 2019, it granted a total of 439 784 free class B preferred shares.

On February 11, 2019 and on June 7, 2019, the *Directeur général* of the Company acknowledged the issuance of 15 080 and 8 945 new class B preferred shares, respectively, granted to certain employees.

On December 11, 2019, the board of directors of the Company acknowledged that, following the exercise of all the equity warrants held by one of its commercial partners, the Company's share capital was increased by a total par value amount of €7 thousands, through the issuance of 664 680 new class B preferred shares with a par value of €0,01 each. In the context of this exercise, this commercial partner paid to the Company a total amount of €3 685 thousands (share premium included).

Also on December 11, 2019, the board of directors decided to grant 431 760 free class B preferred shares to certain employees and officers of the Group.

On December 23, 2019, the *Directeur général délégué* of the Company acknowledged that, following the exercises of all the equity warrants held by three of its commercial partners, the Company's share capital was increased by a total par value amount of €20 thousands, through the issuance of 2 028 985 new class B preferred shares with a par value of €0,01 each. In the context of these exercises, the Company received from these commercial partners a total amount of €9 749 thousands (share premium included).

On February 12, 2020 and on April 15, 2020, the board of directors of the Company acknowledged the issuance of 21 220 and 35 266 new class B preferred shares, respectively, granted to certain employees.

On May 26, 2020, the Company entered into:

- An asset contribution agreement with Mugo, Inc., a U.S. company, regarding the main assets comprising the business of Mugo, Inc., namely the development and operation of a social network mobile application focused on listening to and sharing music. The assets had been contributed to the Company for an aggregate value of €6 305 thousands. In consideration for the contribution, on June 30, 2020, the Company issued to Mugo, Inc. 124 631 new class B preferred shares with a par value of €0,01 each, at a price per share of €39,75 (share premium included), and paid to Mugo, Inc. a cash balance amounting to €1 351 thousands.

- A media-for-equity agreement with Estudios Azteca, S.A. de C.V., a Mexican company, whereby the Company purchased a certain media volume with a net monetary value of €18 015 thousands. In consideration thereof, the Company issued on June 30, 2020, 453 206 equity warrants to Estudios Azteca, S.A. de C.V., each of which giving right to subscribe, under the conditions provided for in the terms and conditions of the equity warrants, to one class B preferred share of the Company at its nominal value.

On June 7, 2020, on October 12, 2020 and on December 14, 2020, the *Directeur général* of the Company acknowledged the issuance of 6 000, 17 633 and 34 636 new class B preferred shares, respectively, granted to certain employees of the Group.

On December 2, 2020, the board of directors of the Company acknowledged that, following the exercise of 462 444 equity warrants held by FEM Media GmbH, the Company's share capital was increased by a total par value amount of €5 thousands, through the issuance of 462 444 new class B preferred shares with a par value of €0,01 each. In the context of this exercise, FEM Media GmbH paid a total amount of €5 thousands (without any share premium).

On February 24, 2021, the board of directors of the Company:

- Acknowledged the issuance of 130 953 new class B preferred shares granted to certain employees of the Group,
- Issued 488 050 equity warrants K (each giving the right to subscribe one class B preferred share of the Company) to one of its commercial partners,
- Issued 6 000 equity warrants (each giving the right to subscribe one class B preferred share of the Company) to a director of the Company,
- Granted 334 490 free class B preferred shares to certain employees and officers of the Group, and
- Granted 27 000 stock options (each giving the right to subscribe one class B preferred share of the Company) to certain employees of the Group.

On April 20, 2021, the *Directeur général* of the Company acknowledged the issuance of 17 633 new class B preferred shares granted to certain employees.

On June 8, 2021, the board of directors decided to grant 200 000 free class B preferred shares to a member of the management team of the Group.

On June 14, 2021, the *Directeur général* of the Company acknowledged the issuance of 22 943 new class B preferred shares granted to certain employees.

On July 21 2021, the board of directors decided to grant 24 152 free class B preferred shares to a member of the management team of the Group.

On August 31, 2021, the board of directors of the Company acknowledged that, following the exercise of 140 494 equity warrants held by Estudios Azteca, S.A. de C.V., the Company's share capital was increased by a total par value amount of €1 thousand, through the issuance of 140 494 new class B preferred shares with a par value of €0,01 each. In the context of this exercise, Estudios Azteca, S.A. de C.V. paid a total amount of €1 thousand (without any share premium).

On September 16, 2021, the board of directors of the Company issued 420 125 equity warrants L and 679 245 equity warrants M (each giving the right to subscribe one class B preferred share of the Company) to two of its commercial partners.

On October 11, 2021, the *Directeur général* of the Company acknowledged the issuance of 17 445 new class B preferred shares granted to certain employees.

On December 15, 2021, the board of directors of the Company acknowledged that, following the exercise of all the equity warrants held by one of its commercial partners, the Company's share capital was increased by a total par value amount of €0.2 thousands, through the issuance of 23 664 new class B preferred shares with a par value of €0,01 each. In the context of this exercise, this commercial partner paid a total amount of €346 thousands (share premium included).

Also on December 15, 2021, the board of directors of the Company acknowledged the issuance of 17 318 new class B preferred shares granted to certain employees.

On December 21, 2021, the *Directeur général* of the Company acknowledged that, following the exercises of all the equity warrants held by two of its commercial partners, the Company's share capital was increased by a total par value amount of €3 thousands, through the issuance of 324 336 new class B preferred shares with a par value of €0,01 each. In the context of these exercises, the Company received from these commercial partners a total amount of to €4 739 thousands (share premium included).

No dividends were proposed or paid in 2019, 2020 or 2021.

All outstanding shares have equal rights to vote at general meetings.

21. Shared-based payments

Free share plans

The Company granted free shares to certain employees and officers of the Group in 2017, 2019 and 2021. 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.

The Company has implemented two main categories of free shares plans.
One category of plans provides for (i) a 3-year acquisition period (i.e., 50% of initial grant as of the first anniversary of the attribution date and 25% of initial grant as of the second and third anniversaries of the attribution date) or (ii) a 4-year acquisition period (whether with a vesting schedule of 25% of initial grant as of each anniversary of the attribution date or with a vesting schedule of 12,5% of initial grant as of each 6-month anniversary of the attribution date).
The other category of plans provides for a vesting at the earliest of the twentieth anniversary of the grant date and the closing of a liquidity event, being provided that 12,5% of initial grant accrues upon each 6-month anniversary of the attribution date until the fourth anniversary of the attribution date (to the extent that the employment agreement or corporate office of the beneficiary is not terminated as at each relevant date).

The fair value of free shares granted is determined based on the fair value of the company's shares of its latest known valuation date, usually its latest fundraising. It is recognized as a compensation cost spread over the vesting period.

	2017 free share plans	**2019 free share plans**	**2021 free share plans**
Granting 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
Outstanding at January 1, 2019	**276 670**	**-**	**-**
Granted	-	885 324	-
Definitively acquired	(24 025)	-	-
Lapsed	(6 515)	(1 000)	-
Outstanding at December 31, 2019	**246 130**	**884 324**	**-**
Definitively acquired	(21 080)	(93 675)	-
Lapsed	(1 625)	(2 250)	-
Outstanding at December 31, 2020	**223 425**	**788 399**	**-**
Granted	-	-	558 642
Definitively acquired	(133 883)	(72 409)	-
Lapsed	-	(78 956)	(67 860)
Outstanding at December 31, 2021	**89 542**	**637 034**	**490 782**
Key assumptions used in the fair value			
Value per share (in €)	14,61	31,31	39,75
Illiquidity discount rate	0%	40%	25%
Employee turnover rate	0%	0%	7%

The values per share of €14,61 and €31,31 correspond to the Group valuations carried out for the purpose of the €100 million raised in 2016 and the €160,4 million raised in 2018 respectively.

The value per share of €39,75 corresponds to the value per share available at granting dates in 2021.

Illiquidity discount rates of 40% and 25% have been applied on the free share plans initiated in 2019 and in 2021, respectively, as these plans give rise to class B preferred shares, which does not give the same rights as of the class A preferred shares in case of liquidity event.

An employee turnover rate of 7% per annum has been applied on the free share plans initiated in 2021.

Warrants

The Company issued equity warrants to the benefit of certain of its commercial partners and directors.

Warrants H, 2017, J, 2021, K, L and M have given rise to expenses recognized in the consolidated income statement for the years ended December 31, 2021, 2020 and 2019:

- based on the Black-Scholes model for warrants H, 2017, and 2021 ;
- as described in Note 3 (ii) and in Note 20 for Warrants J ;
- as described in Note 3 (i) and in Note 20 for Warrants K, L and M.

Movements in warrants outstanding and related information is as follows:

Plans*	**Warrants 07/09**	**Warrants 2014**	**Warrants 2014-1**	**Warrants O****	**Warrants B****	**Warrants C****	**Warrants D****	**Warrants E****	**Warrants F**
Shareholders' meeting date	24/07/2009	22/05/2014	31/07/2014	04/09/2015 ***	04/09/2015 ***	04/09/2015 ***	04/09/2015 ***	04/09/2015 ***	04/09/2015
Board members' meeting date	-	-	-	-	-	-	-	-	04/09/2015
Expiry date	24/07/2019	31/12/2024	30/12/2020	31/12/2019	31/12/2019	31/12/2019	31/12/2019	31/12/2019	31/12/2019
Number of warrants granted	38 918	66 700	870 000	280 024	279 995	160 080	500 888	59 914	131 863
Outstanding at January 1, 2019	**38 918**	**66 700**	**870 000**	**280 024**	**279 995**	**160 080**	**500 888**	**59 914**	**131 863**
Exercised	-	-	-	(280 024)	(279 995)	(160 080)	(500 888)	(59 914)	(131 863)
Lapsed	(38 918)	-	-	-	-	-	-	-	-
Outstanding at December 31, 2019	-	**66 700**	**870 000**	-	-	-	-	-	-
Granted	-	-	-	-	-	-	-	-	-
Exercised	-	-	(462 444)	-	-	-	-	-	-
Lapsed	-	-	(407 556)	-	-	-	-	-	-
Outstanding at December 31, 2020	-	**66 700**	-	-	-	-	-	-	-
Granted	-	-	-	-	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-
Outstanding at December 31, 2021	-	**66 700**	-	-	-	-	-	-	-
Exercise price (in euros)	3,85	24,25	0,01	11,17	7,42	11,17	9,76	13,57	5,58
Maximum share capital increase (in euros) (as at grant date)	389	667	8 700	5 600	5 600	3 202	10 018	1 198	1 319
Vesting condition			Performance condition between 31/07/2014 and 31/12/2019						

*Information contained herein takes into account the stock split decided by the combined general meeting of Deezer S.A. held on October 9, 2015.
**Each of these warrants gives the right to subscribe for two class B preferred shares of Deezer S.A.
***Date of the transfer of the equity warrants pursuant to the merger of Blogmusik into Odyssey Music Group (former name of Deezer S.A.)

Plans*	Warrants G	Warrants H	Warrants 2017	Warrants I	Warrants J	Warrants 2021	Warrants K	Warrants L	Warrants M
Shareholders' meeting date	23/12/2016	30/06/2017	23/12/2016	30/06/2017	30/06/2020	30/06/2020	30/06/2020	30/06/2021	30/06/2021
Board members' meeting date	09/02/2017	-	09/02/2017	25/01/2018	-	24/02/2021	24/02/2021	16/09/2021	16/09/2021
Expiry date	31/12/2021	30/06/2027	30/11/2026	31/12/2021	26/11/2022	31/12/2030	01/05/2027	31/10/2024	31/10/2028
Number of warrants granted	23 664	712 404	6 845	324 336	453 206	6 000	488 050	420 125	679 245
Outstanding at January 1, 2019	**23 664**	**712 404**	**6 845**	**324 336**	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-
Lapsed	-	-	-	-	-	-	-	-	-
Outstanding at December 31, 2019	**23 664**	**712 404**	**6 845**	**324 336**	-	-	-	-	-
Granted	-	-	-	-	453 206	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-
Lapsed	-	(695 085)	-	-	-	-	-	-	-
Outstanding at December 31, 2020	**23 664**	**17 319**	**6 845**	**324 336**	**453 206**	-	-	-	-
Granted	-	-	-	-	-	6 000	488 050	420 125	679 245
Exercised	(23 664)	-	-	(324 336)	(140 494)				
Outstanding at December 31, 2021	-	**17 319**	**6 845**	-	**312 712**	**6 000**	**488 050**	**420 125**	**679 245**
Exercise price (in euros)	14,61	14,61	14,61	14,61	0,01	39,75	0,01	0,01	0,01
Maximum share capital increase (in euros) (as at grant date)	237	7 124	68	3 243	4 532	60	4 881	4 201	6 792
Vesting condition					Performance condition between 26/05/2020 and 26/05/2022		Performance condition between 01/01/2021 and 31/12/2023	Performance condition between 01/02/2021 and 31/01/2024	Performance condition between 01/11/2020 and 31/10/2023

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

**Each of these warrants gives the right to subscribe for two class B preferred shares of Deezer S.A.

***Date of the transfer of the equity warrants pursuant to the merger of Blogmusik into Odyssey Music Group (former name of Deezer S.A.)

Plans	Warrants 07/09	Warrants 2014	Warrants 2014-1	Warrants O	Warrants B	Warrants C	Warrants D	Warrants E**	Warrants F
Volatility	50,60%	50,60%	N/A*	50,60%	50,60%	50,60%	50,60%	50,60%	50,60%
Risk-free rate	3,05%	0,71%	N/A*	3,07%	2,85%	3,20%	3,20%	3,20%	4,44%
Expected maturity (years)	6,44	4,00	4,00	6,51	6,13	4,00	4,00	4,00	7,42
Turnover rate	0,00%	10,00%	N/A*	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Dividend yield	0,00%	0,00%	N/A*	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Illiquidity discount rate	40,00%	0,00%	N/A*	40,00%	37,00%	50,00%	50,00%	50,00%	54,00%

*N/A = Not applicable

Plans	Warrants G	Warrants H	Warrants 2017	Warrants I	Warrants J	Warrants 2021	Warrants K	Warrants L	Warrants M
Volatility	38,40%	[35,9% to 41,0%]	[35,9% to 41,0%]	34,70%	N/A*	[35,7% to 37,0%]	N/A*	N/A*	N/A*
Risk-free rate	-0,57%	[0,05% to 0,46%]	[0,05% to 0,46%]	-0,55%	N/A*	-0,67%	N/A	N/A	N/A
Expected maturity (years)	2,45	[5,31% to 6,81%]	[5,31% to 6,81%]	1,97	2,00	5,99	6,18	3,13	7,13
Turnover rate	0,00%	0,00%	0,00%	0,00%	N/A*	0,00%	N/A	N/A	N/A
Dividend yield	0,00%	0,00%	0,00%	0,00%	N/A*	0,00%	N/A	N/A	N/A
Illiquidity discount rate	0,00%	0,00%	0,00%	0,00%	N/A*	0,00%	N/A	N/A	N/A

*N/A = Not applicable

Stock-options

The Company proceeded with grant of stock-options to the benefit of certain employees and officers of the Group. Stock-options granted in 2017 and 2021 have given rise to expenses recognized in the consolidated income statement for the years ended December 31, 2021, 2020 and 2019, based on the Black-Scholes model and on a value per share of €14,61 and of €39,75 respectively.

Activity in the stock-options outstanding and related information is as follows:

Plans	Stock-options 10*	Stock-options 10-2*	Stock-options 14*	Stock-options 15*	Stock-options 15-2*	Stock-options 17	Stock-options 18
Granting dates	07/10/2010 03/02/2011 12/05/2011 12/01/2012	30/11/2011 12/01/2012	22/05/2014 24/10/2014 12/03/2015	23/04/2015	16/07/2015	25/07/2017	24/02/2021
Expiry date	31/12/2020	31/12/2020	31/12/2024	31/12/2024	31/12/2024	31/12/2026	31/12/2027
Number of stock-options granted	159 500	89 900	424 299	533 948	72 500	58 250	27 000
Outstanding at January 1, 2019	**29 000**	**43 499**	**55 462**	**533 948**	**58 000**	**58 250**	**-**
Lapsed	-	-	-	-	-	(24 050)	-
Outstanding at December 31, 2019	**29 000**	**43 499**	**55 462**	**533 948**	**58 000**	**34 200**	**-**
Lapsed	-	-	-	-	-	(2 538)	-
Outstanding at December 31, 2020	**29 000**	**43 499**	**55 462**	**533 948**	**58 000**	**31 662**	**0**
Granted							27 000
Lapsed	(29 000)	(43 499)					
Outstanding at December 31, 2021	**-**	**-**	**55 462**	**533 948**	**58 000**	**31 662**	**27 000**
Exercise price (in euros)	3,66	5,31	24,25	24,25	24,25	14,61	31,31
Maximum share capital increase (in euros)	-	-	555	5 339	580	317	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 10	Stock-options 10-2	Stock-options 14	Stock-options 15	Stock-options 15-2	Stock-options 17	Stock-options 18
Volatility	50,60%	50,60%	50,60%	45,00%	45,00%	[35.60% to 42.50%]	40,00%
Risk-free rate	1,87%	3,20%	0,71%	0,32%	0,32%	[-0.04% to 0.26%]	-0.67%
Expected maturity (years)	5,25	4,00	4,00	4,00	4,00	[5.06 to 6.56]	4,18
Turnover rate	43,00%	10,00%	10,00%	22,00%	22,00%	0,00%	7,00%
Dividend yield	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Illiquidity discount rate	30,00%	20,00%	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:

	2021	2020	2019
	(in € thousands)		
Product and Development	500	41	141
Sales and Marketing	182	48	74
General And Administrative	7 615	7 080	3 840
Sub-Total / Free shares	**8 296**	**7 170**	**4 055**
Cost of Revenue	21 153		
Product and Development	0	0	0
Sales and Marketing	2 501	1 614	71
General And Administrative	30	1	5
Sub-Total / Warrants	**23 684**	**1 616**	**76**
Product and Development	0	0	0
Sales and Marketing	185	0	(49)
General And Administrative	0	0	(86)
Sub-Total / Stock-options	**185**	**0**	**(136)**
Total	**32 165**	**8 785**	**3 995**

The €14 101 thousands share-based compensation in the consolidated statements of changes in shareholders' equity in 2020 includes, on top of the amount recognized in the consolidated income statement as detailed above, the non-current financial liabilities (€5 316 thousands) transferred to consolidated reserves as a result of 462 444 warrants exercised by FEM Media GmbH in December 2020 (please refer to Note 27 - Financial risk management and financial instruments).

22. Provisions for risks

	Legal contingencies	Taxes	Other	Total
	(in € thousands)			
Carrying amount at January 1, 2019	**1 249**	**3 694**	**-**	**4 943**
Charged/(credited) to the consolidated statement of operations:				
Additional provisions	638	3 671	571	4 880
Reversal of unutilized amounts	(110)	(1 385)	-	(1 495)
Utilized	(220)	(1 897)	-	(2 117)
Exchange differences	-	-	(2)	(2)
Carrying amount at December 31, 2019	**1 558**	**4 083**	**569**	**6 210**
Charged/(credited) to the consolidated statement of operations:				
Additional provisions	270	818	350	1 438
Reversal of unutilized amounts	-	(1 654)	(20)	(1 674)
Utilized	(277)	-	(830)	(1 107)
Exchange differences	-	-	(17)	(17)
Carrying amount at December 31, 2020	**1 551**	**3 247**	**52**	**4 850**
Charged/(credited) to the consolidated statement of operations:	-	-	-	-
Additional provisions	258	1 222	5 800	7 280
Reversal of unutilized amounts	(300)	(236)	(10)	(546)
Exchange differences	-	-	1	1
Carrying amount at December 31, 2021	**1 509**	**4 233**	**5 843**	**11 585**
As at December 31, 2019				
Current portion	1 558	4 083	569	**6 210**
As at December 31, 2020				
Current portion	1 551	3 247	52	**4 850**
As at December 31, 2021				
Current portion	1 509	4 233	5 843	**11 585**

(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.

On September 23, 2019 DataScape Limited filed an alleged infringement claim against the Company and Deezer Inc. in the U.S. District Court for the Southern District of Florida (Case No. 19:23938-Civ-Scola/Torres). This claim was based on three patents owned by the claimant and relating to media streaming techniques. Data Scape Limited notified the withdrawal of their claim without prejudice on December 13, 2019.

On October 25, 2019 DataScape Limited filed two infringement actions against the Company before the Mannheim District Court asserting the infringement of the European Patents EP 2 249 260 B1 ("EP'260"), Docket No. 2 O 4/20, and EP 2 752 851 B1 ("EP'851"), Docket No. 2 O 119/19. On November 2, 2020 the Company filed two invalidation actions against DataScape Limited with the Federal Patent Court, Docket No. 2 Ni 71/20 (EP'851) and No. 2 Ni 72/20 (EP'260).

The Company and DataScape Limited signed a settlement agreement in April 2021, which releases and forever discharges all actions, claims, rights, demands and set-offs.

On June 3, 2015, HUZIP (Hrvatska Udruga Za Zastitu Izvodackih Prava), Croatian performers' rights collecting society, filed a claim against the Company before the Zagreb High Commercial Court. On respectively May 30, 2018 and August 21, 2020, the Zagreb Commercial Court and High Commercial Court confirmed that Croatian Courts are competent and limited their jurisdiction to damages suffered on the Croatian territory. HDU (local record industry association) and CroCo-Deal (local phonogram producer) requested to the Zagreb Commercial Court the right to become a party to the proceedings. The matter was appealed up to the High Commercial Court. On August 21, 2020, the High Commercial Court issued a favorable decision quashing, further to the appeal launched by Deezer S.A., the Zagreb Commercial Court decision dated June 1, 2018 which had initially denied HDU's and CroCo-Deal's right to intervene. On respectively January 8, 2021 and March 12, 2021, the Zagreb Commercial Court allowed HDU and CroCo-Deal to intervene to the proceedings. A hearing before the Zagreb Commercial Court was held on February 14, 2022 during which one of the three witnesses of HUZIP was heard. Two other witnesses will be heard during the next hearing scheduled on June 13, 2022.

(ii) Taxes

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

(iii) Other

During the second semester of the year ended December 31, 2021, potential commercial risks were identified in some countries and provisions of € 5 800 thousands were raised accordingly.

23. 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:

	2021	**2020**	**2019**
Collective agreement applied	SYNTEC	SYNTEC	SYNTEC
Salary increase rate	7,00% for 2022 and 3% for following years	3,00%	3,00%
Annual discount rate	1,26%	0,95%	0,95%
Social contribution rate	50,00%	50,00%	50,00%
Retirement age	65 years	65 years	65 years
Mortality table	INSEE 2015/2017	TV2013/2015	TV2013/2015
Average turnover rate	0% to 31,2%	0% to 31,2%	0% to 31,2%

As at December 31, 2021, December 31, 2020 and December 31, 2019 a decreasing turnover rate depending on employees' age has been used: from 31.2% for a 20-year old employee to 0% for a 61-year old employee. 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:

	Provision for employee retirement benefits
	(in € thousands)
Carrying amount at January 1, 2019	**368**
Actuarial differences	123
Increase	163
Carrying amount at December 31, 2019	**654**
Increase	198
Carrying amount at December 31, 2020	**852**
Actuarial differences	(14)
Increase	199
Discounting impact	7
Carrying amount at December 31, 2021	**1 043**

24. Trade payables and related accrued expenses

	2021	2020	2019
	(in € thousands)		
Trade payables	16 617	15 232	12 202
Trade accrued expenses	218 935	180 124	161 793
	235 552	**195 356**	**173 995**

Trade payables generally have a 30 to 60-day 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:

	2021	2020	2019
	(in € thousands)		
Marketing, General & Administrative and Other	6 852	3 898	7 531
Royalties	9 765	11 334	4 671
	16 617	**15 232**	**12 202**

Trade accrued expenses are detailed below:

	2021	2020	2019
	(in € thousands)		
Marketing, General & Administrative and Other	20 651	15 809	18 606
Royalties	198 284	164 315	143 187
	218 935	**180 124**	**161 793**

25. Tax and employee-related liabilities

	2021	2020	2019
	(in € thousands)		
Employee-related liabilities	5 168	4 683	4 457
Social contribution liabilities	6 228	8 104	2 975
State, revenue taxes payable	16 979	21 720	20 809
Other similar taxes and levies payable	3 981	1 750	1 449
Current income tax payable	514	495	389
	32 870	**36 752**	**30 079**

Social contribution liabilities have increased at the end of 2020 mainly as a result of longer terms of payment offered by the French authorities to companies following the Covid-19 outbreak.

26. Other liabilities

	2021	2020	2019
	(in € thousands)		
Trade receivables - Credit notes to be issued	435	197	-
Trade receivables with credit balances	94	408	355
Sundry creditors	266	303	251
Trade payables in relation to fixed-assets	1 441	1 441	1 540
	2 236	**2 349**	**2 146**

All other liabilities are due within a year.

27. Financial risk management and financial instruments

Financial risk management

The Group's operations are exposed to financial risks. To manage these risks efficiently, the Group has established guidelines in the form of a treasury policy that serves as a framework for the daily financial operations. The treasury policy stipulates the rules and limitations for the management of financial risks.

Financial risk management is centralized within Treasury who are responsible for the management of financial risks. Treasury manages and executes the financial management activities, including monitoring the exposure of financial risks, cash management, and maintaining a liquidity reserve. Treasury operates within the limits and policies authorized by the Board of Directors.

Credit risk management

The credit risk with respect to the Group's trade receivables is diversified geographically and among a large number of customers, private individuals, as well as companies in various industries, both public and private. The majority of the Group's revenue is paid monthly in advance significantly lowering the credit risk incurred for these specific counterparties.

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 takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from operations.

Since its inception, the Group has funded its growth through equity capital raises and has not borrowed from banks until January 2021 (Note 30).

Furthermore, the Group has a positive net cash position at December 31:

	2021	2020	2019
	(in € thousands)		
Interest bearing bank accounts	4 426	4 250	-
Cash at bank and at hand	30 671	48 190	73 843
Cash and cash equivalents	**35 097**	**52 440**	**73 843**

Non-current and current financial liabilities are detailed below:

	2021	2020	2019
	(in € thousands)		
Warrants to former shareholder's of Magic Internet Music GmbH	-	-	5 316
State-guaranteed loans	25 000	-	-
Financial liabilities - non current	**25 000**	**-**	**5 316**
Liabilities on receivables transferred to a factor	-	-	245
Accrued interests on state-guaranteed loans	112	-	-
Financial liabilities - current	**112**	**-**	**245**

Currency risk management

Transaction exposure relates to business transactions denominated in foreign currency required by operations (purchasing and selling) and/or financing (interest and amortization). The Group does not hedge its transaction exposure.

(i) Transaction exposure sensitivity

In most cases, the Group's customers are billed either in EUR, in USD or in their respective local currency. Royalty payments are primarily in EUR and USD. Payments, such as salaries, consultancy fees, and rental fees are settled in local currencies. In some instances, the Group may need to convert cash at bank in foreign currencies to proceed with payments.

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	2021 (in € thousands)			2020 (in € thousands)			2019 (in € thousands)		
	USD	GBP	BRL	USD	GBP	BRL	USD	GBP	BRL
Trade receivables	14 400	217	-	4 021	225	-	7 290	854	-
Trade payables	(524)	(812)	(9)	(1 015)	(339)	(4)	(2 248)	901	(71)

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	2021	2020	2019
	(in € thousands)		
Net foreign exchange gain on trade receivables and trade payables	552	35	113
Foreign exchange (loss) on revaluation of intercompany accounts included in finance costs	(225)	(5 408)	(286)
Total net foreign exchange gain recognized in profit before income tax for the period	**327**	**(5 373)**	**(173)**

As shown in the table above, the group is primarily exposed to changes in EUR/USD, EUR/GBP and EUR/BRL exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US, GBP and BRL denominated trade receivables, trade payables and current accounts (financial instruments).

The table below shows the immediate impact on net loss before tax of a 10% strengthening and of a 10% weakening in the closing exchange rate of significant currencies to which the Group had exposure, at December 31, 2021, 2020 and 2019. The impact on net loss is due primarily to monetary assets and liabilities in a transactional currency other than the functional currency of a subsidiary within the Group.

	(Increase)/ Decrease in loss before tax		
	2021	2020	2019
	(in € thousands)		
BRL/EUR exchange rate - increase 10%	1 994	1 836	(106)
BRL/EUR exchange rate - decrease 10%	(1 631)	(1 502)	93
GBP/EUR exchange rate - increase 10%	(65)	(5)	(259)
GBP/EUR exchange rate - decrease 10%	53	4	106
USD/EUR exchange rate - increase 10%	410	454	(438)
USD/EUR exchange rate - decrease 10%	(334)	(372)	67

The group’s exposure to other foreign exchange movements is not material.

(ii) Translation exposure sensitivity

Translation exposure exists due to the translation of the results and financial position of all of the Group entities that have a functional currency different from the Euro. The impact on the Group's equity would be approximately €(40) thousands, €(1 380) thousands and €(906) thousands if the Euro weakened by 10% against all translation exposure currencies, based on the exposure at December 31, 2021, 2020 and 2019, respectively.

lnterest rate risk management

The interest rate risk is not considered as material for the Group as there were no borrowings at the end of December 2019 and 2020 and as the interest rate applied on the three state-guaranteed loans effective in 2021 is a fixed interest rate.

Financial instruments

Fair values

The Group has no financial asset but had one financial liability measured at fair value at December 31,2019. The different levels have been defined in Note 2.

Financial liabilities by fair value hierarchy level

	Level 1	Level 2	Level 3	December 31, 2019
	(in € thousands)			
Financial liabilities at fair value				
Warrants 2014-1			5 316	5 316
Total financial liabilities at fair value by level	**-**	**-**	**5 316**	**5 316**

Recurring fair value measurements

Warrants

On August 1, 2014, the Company issued 870 000 warrants to a ProSieben group subsidiary following the acquisition of Magic Internet Music GmbH. The exercise of these warrants 2014-1 was subject to revenue performance conditions measured between July 31, 2014 and December 31, 2019. Based on the proportion of 2019 revenue in Germany versus the group consolidated revenue, 462 444 warrants became exercisable and were exercised on December 1, 2020.

These financial liabilities were transferred to consolidated reserves as a result of 462 444 warrants exercised by FEM Media GmbH in December 2020.

The table below presents the changes in fair value of the warrant liability:

	2021	2020	2019
	(in € thousands)		
January 1	**-**	**5 316**	**5 590**
Non cash changes recognized in profit or loss			
Changes in fair value	-	-	(274)
Issuance of shares upon exercise of warrants	-	(5 316)	-
At December 31	**-**	**-**	**5 316**

28. Commitments and contingencies

Obligations under leases

Obligations resulting from leases under the scope of IFRS 16 from January 1st, 2019 are disclosed in Note 14.

The Group is subject to the following future payments as at December 31:

	December 31, 2021	December 31, 2020	December 31, 2019
		(in € thousands)	
Less than one year	23	43	43
One to five years	-	5	21
More than five years	-	-	-
	23	**48**	**65**

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 licensed content, as at December 31:

	December 31, 2021	December 31, 2020	December 31, 2019
		(in € thousands)	
No later than one year	191 193	189 480	35 444
Later than one year but not more than 5 years	188 898	375 868	6 021
	380 091	**565 348**	**41 465**

The increase of commitments in 2020 mainly results from new licence agreements signed with major recording companies for a 3-year period.

As per the settlement agreement signed in September 2021 and its amendment signed in February 2022 and in relation to the exclusive licence agreement with Rotana Audio Visual LLC disclosed in Note 29, the Company paid a net amount of US$2,2 million on September 30, 2021 and Rotana Audio Visual LLC is due to pay a net amount of US$ 350 thousands on September 30, 2022.

In addition to the minimum guarantees listed above, the Group is subject to various non-cancelable purchase obligations and service agreements with minimum spend commitments, as at December 31:

	December 31, 2021	December 31, 2020	December 31, 2019
		(in € thousands)	
No later than one year	754	175	3 061
Later than one year but not more than 5 years	1 666	-	-
	2 420	**175**	**3 061**

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.

29. Related party transactions

Key management compensation

As of December 31, 2021, 2020 and 2019, key management includes members of the Company's senior management and the Board of Directors. Amounts disclosed are based on the total gross amount recognized as an expense in the consolidated income statement in the respective year.

(in € thousands)	Year ended December 31,		
	2021	2020	2019
Gross compensation, employer social security contributions and benefits in kind	5 840	5 742	6 069
Retirement benefits	22	33	28
Termination benefits	541	372	323
Share-based payments	8 877	7 409	4 303
	15 280	**13 556**	**10 723**

Transactions with related parties

The consolidated financial statements include related parties' transactions conducted by the Group in the normal course of its businesses. These transactions are carried out on an arm's length basis.

Purchases and sales transactions with related parties are as follows:

	2021	2020	2019
	(in € thousands)		
Purchases	2 309	2 221	1 931
Sales	61 876	67 860	64 726

The assets and liabilities transactions with related parties are as follows:

	2021	2020	2019
	(in € thousands)		
Receivables	6 297	6 713	13 813
Payables	784	175	277

Executive license agreement with Rotana Audio Visual LLC

An exclusive license agreement was entered into on August 1, 2018 between the Company as licensee on the one hand and Rotana Studios FZ-LLC as licensor on the other, being specified that Rotana Studios FZ-LLC is affiliated with Rotana Audio Holding, Ltd. which subsequently became a shareholder of the Company following the capital increase on August 20, 2018.

As per this agreement, Rotana Studios FZ-LLC grants the Company exclusive rights to an audio and video catalogue gathering a large number of artists, songs and albums and enabling it to differentiate from its competitors.

This contract was transferred by Rotana Studios FZ-LLC to Rotana Audio Visual LLC, which is also owned by the Rotana group, as per a transfer agreement effective on January 15, 2019 and continued in 2020 and 2021.

30. Group information

The Company's principal subsidiaries are as follows:

Name	Principal activities	Proportion of voting rights and shares held (directly or indirectly)	Country of incorporation
Deezer Music Brasil LTDA	Brazilian operating company	100%	Brazil
Deezer Russia LLC	Russian operating company	100%	Russia
Deezer Inc.	Sales and marketing	100%	USA
Musica Ilimitada SA de CV	Sales and marketing	100%	Mexico
Deezer Mena FZ-LLC	Sales and marketing	100%	UAE
Deezer Singapore Pte Ltd	Sales and marketing	100%	Singapore
Dreamstage Inc.	US operating company	40,9%	USA
Driift Holdings Ltd	UK holding company	17,4%	UK

Deezer Mena FZ-LLC was incorporated on January 15, 2019. Other principal subsidiaries held directly or indirectly at 100% were incorporated before December 31, 2017.

Dreamstage Inc. and Driift Holdings Ltd were acquired in 2021 as described in note 5. Business combinations. Those entities are consolidated under the equity method in the Group's consolidated financial statements.

There are no restrictions on the net assets of the Group companies.

31. Events after the reporting period

The Group’s operations in Russia and in Ukraine may be impacted by the consequences of the war in Ukraine.
As these operations are limited, the Group does not anticipate a significant impact on its consolidated financial statements in 2022.