2022 Universal registration document

including the Annual financial report

deezer

contents

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including the Annual financial report

Deezer

A French *société anonyme* with a share capital of €1,216,372.48
Registered office: 24, rue de Calais – 75009 Paris
Trade and Companies Register of Paris no. 898 969 852
Universal Registration Document including the annual financial report and the management report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The English version of the universal registration document (the "**Universal Registration Document**") was approved on April 28, 2023 by the French *Autorité des marchés financiers* (the "**AMF**"), as the competent authority under Regulation (EU) 2017/1129.

The AMF approves this Universal Registration Document after having verified that the information it contains is complete, coherent and comprehensible. Universal Registration Document has the following approval number: R.23-023.

This approval should not be considered as a favorable opinion of the AMF on the issuer that is the subject of the Universal Registration Document.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and its supplement(s). The entirety then formed is approved by the AMF in accordance with Regulation (EU) No 2017/1129.

It is valid until April 28, 2024 and, during this period and at the latest at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, will have to be supplemented by a supplement in case of significant new facts or substantial errors or inaccuracies.

This Universal Registration Document includes the annual financial report (*rapport financier annuel*), and the management report (*rapport de gestion*), which includes the corporate governance report (*rapport sur le gouvernement d'entreprise*). Corresponding cross-reference tables are presented in Section 8.8 "*Cross-reference tables*" of this Universal Registration Document.

Copies of this Universal Registration Document may be obtained free of charge at Deezer S.A.'s registered office at 24, rue de Calais – 75009 Paris, as well as on the websites of Deezer S.A. (www.deezer.com) and of the AMF (www.amf-france.org).

This Universal Registration Document also constitutes the annual management report to the Board of Directors of Deezer S.A to be presented to the General Meeting of members approving the financial statements for the financial year ending 31 December 2022.

This version of the Universal Registration Document in PDF format is a free translation of the official French version of the Universal Registration Document in XHTML format, which is available on the website of the Autorité des marchés financiers, as well as on the Company's website.

Key facts and figures

#2
Independent music platform globally[1]

9.4m
Total subscribers[2]

€451m
Total revenue in 2022

45+
B2B partnerships

(1) Based on the latest number of subscribers published by MIDiA (as of June 30, 2022); excludes non-independent players part of larger conglomerates (Apple Music, Amazon Music, YouTube Music, Tencent Music and NetEaase Music).

(2) As of December 31, 2022.

2022 highlights

Successful execution of the strategy

Successful B2C refocus	**+14%** B2C ARPU	**+23%** LTV/SAC
Profitable B2B expansion	**+12%** B2B ARPU	**20.6%** Adj. gross margin (+0.9pt)
Strong revenue growth	**+13%** with all segments & geographies up double digits	
Significant improvement of adjusted EBITDA	**€18m** reduction of adjusted EBITDA loss(1) (-28%)	
Strong balance sheet	**€114m** year-end cash position(2)	

New B2B partnerships

RTL+ MUSIK · bouygues · DAZN · SONOS · Cdiscount

(1) Excluding investments in New Verticals and Driift.
(2) As of December 31, 2022.

Board of directors

Highly skilled, complementary and diversified

10	5	50%	60%
members	nationalities	of women	independent

Iris Knobloch
Chair

Guillaume d'Hauteville
Vice-Chair
Nomination & Remuneration

Mari Thjømøe
Independent
Audit

Sophie Guieysse
Independent
Nomination & Remuneration

Ingrid Bojner
Independent

Valérie Accary
Independent
Nomination & Remuneration

Mark Simonian
Independent
Audit

Stu Bergen
Independent

Matthieu Pigasse

Dr. Hans-Holger Albrecht

Complementary expertise

Music | Media | Brand | Tech | Finance | HR

Executive committee

Renewed and highly experienced

7 members

4 nationalities

43% of women

Jeronimo Folgueira
Chief Executive Officer

Stéphane Rougeot
Deputy CEO & Chief Financial Officer

Gitte Bendzulla
Chief Operating Officer

Maria Garrido
Chief Marketing Officer

Matthieu Gorvan
Chief Product & Technology Officer

Aurélien Hérault
Chief Innovation Officer

Valérie Bernard
Chief Human Resources & Sustainability Officer


BROS OKON
(90s)

Presentation of the Company

1.1 History of the Company

From a French tech start-up created in 2007, Deezer has become one of the earliest French unicorns and the second largest independent music streaming platform globally. Deezer is the Home of Music for fans and artists, and has developed a scalable and differentiated global platform, supported by its state-of-the-art product, and successful hybrid B2B/B2C business model. With its leading technological and research capabilities, a unique track record of partnerships, and its longstanding relationships within the music ecosystem, Deezer is ideally positioned to play a key role in the continued development of the booming music streaming market.

2006
Daniel Marhely creates Blogmusik

2007
Blogmusik becomes Deezer

2009
Launch of paid premium and web offers

2010
Partnership with Orange France

2012
70M€ funding raised

Access Industries becomes shareholder of Deezer

Partnerships with 25+ telecom companies

2013
Deezer service available worldwide

2014
Launch of Flow feature

Partnership with TIM Brazil

Launch of first HiFi offer

2015
Launch of podcasts

2016
100M€ funding raised

Orange becomes shareholder of Deezer

Launch of Deezer Family

2017
Launch of Deezer NEXT

Launch of SongCatcher

Partnership with FNAC Darty

2018
160M€ funding raised

Deezer becomes one of the earliest French unicorn

2019
New brand and logo update

Launch of Spleeter

Deezer becomes a member of the Next40

2020
Launch of podcasts tab

Launch of synchronized lyrics

Launch of country geolocalization

New HQ in Paris

2021
Launch of Deezer for Creators app

Launch of Flow with moods

Appointment of new CEO

2022
Merger with I2PO Spac and listing on Euronext Paris

Partnerships with RTL, Bouygues Telecom, and DAZN

Launch of lyrics translation feature

1.2 Description of the Company's activities

1.2.1 Company overview

Deezer is a leading global provider of music streaming services, with a catalogue of more than 90 million music tracks. Deezer provides millions of subscribers with access to music, as well as live radio and podcasts. Deezer's users, in more than 180 countries, can stream audio content on the device of their choice, including smart speakers, voice assistants, smart watches, smart TVs, connected cars, smartphones, laptops, tablets and other wireless audio systems.

Deezer markets and distributes its service offerings to consumers directly through its mobile application and website, www.deezer.com, and indirectly through B2B partnerships. Deezer's B2B partners mainly include telecommunications, retail and media companies, as well as audio hardware manufacturers. In 2010, Deezer established a long-term partnership with Orange, France's largest telecommunications operator and, in 2014, Deezer entered into a partnership with TIM Brazil, one of the largest mobile telecommunications carriers in Brazil. In 2022, Deezer also entered into a long-term partnership with RTL, Germany's leading broadcast, content and digital media company.

Music streaming is a sizeable and booming market, with retail revenue growing at a 29% compounded annual growth rate ("**CAGR**") between 2016 and 2021, reaching a total market size of approximately $28 billion. Market analysts expect continued subscriber growth at a 12% CAGR between 2021 and 2027, largely due to an expected increase in music streaming subscriber penetration from 10% of worldwide population in 2021 to 15% in 2027 (source: MIDiA Research Global Music Forecasts 2022-2030; retail revenue of subscription and audio ad-supported streaming).

As the world's second largest independent music streaming provider with a state-of-the-art product, leading technological and research capabilities, a unique track record of partnerships, and longstanding relationships within the music ecosystem, Deezer is ideally positioned to play a key role in the continued development of the music streaming market. Deezer intends to continue to grow by focusing on certain large attractive markets, implementing its partnership-led strategy, differentiating through innovation and being the "Home of Music", while maintaining operational excellence.

As of December 31, 2022, Deezer had 9.4 million total subscribers, including 5.6 million Direct – B2C subscribers[(1)] (*i.e.*, who subscribed directly to Deezer's service) and 3.8 million Indirect – B2B subscribers[(2)] (*i.e.*, who subscribed or obtained access to Deezer's service through one of Deezer partners).

Deezer's consolidated revenue amounted to €451.2 million for the year ended December 31, 2022, representing an increase of 12.8% compared to the year ended December 31, 2021.

1.2.2 Deezer service

1.2.2.1 Content offered

Deezer's users have access to a music catalogue of more than 90 million tracks, similar to other global streaming platforms, which covers all genres of music, including worldwide, mainstream popular tracks and specialized local content that enhances the relevance and attractiveness of Deezer's offering in each market it serves. Deezer has worldwide direct agreements with more than 300 rights holders, including major and independent music labels, aggregators, collective societies and publishing rights holders. Deezer's payments to rights holders represented more than 70% (on an adjusted gross profit basis[(3)]) of the associated subscription fees received by Deezer[(4)] for the year ended December 31, 2022.

Deezer's core music streaming offering is supplemented by adjacent audio content, including live radio and podcasts. Podcasts are available worldwide with exclusive productions in specific countries, including France, Brazil and Germany.

As part of its strategy centered on product innovation and brand differentiation as the "Home of Music", Deezer aims at bringing new and innovative features and experiences to its users, as reflected by a number of new and upcoming initiatives to enrich user experiences and build strong connections between fans and artists, notably around communities, gaming, superfans... These new initiatives represent in-app up-sell opportunities to its existing subscriber base. In addition, Deezer aims at expanding through New Verticals and has thus identified new streaming-adjacent products and services, offering cross-sell opportunities to its existing subscriber base, notably around wellbeing (launch of ZEN by Deezer app in

(1) Users that subscribed directly through Deezer's website or mobile application, which pay the subscription price directly to Deezer or through a third-party app store or carrier billing partner. Direct – B2C subscribers include (i) all users that have completed registration and have activated a payment method, therefore including free trialists during their trial period, (ii) all registered accounts in a family plan, *i.e.,* a plan consisting of one primary subscriber and up to five additional sub-accounts, allowing up to six subscribers per family plan, and (iii) subscribers in a grace period of up to 31 days after failing to pay their subscription fee.

(2) Users that have access to Deezer's service through a distribution partner, including users in standalone and bundle offers. Standalone subscribers are recorded based on the number of provisioned accounts, namely the accounts on which a revenue is paid by the distribution partner. Bundle subscribers are recorded on a deal by deal basis depending on the contracts' arrangements, which can be based on either provisioned accounts, linked accounts or monthly active users. Indirect – B2B subscribers include (i) free trialists during their trial period and (ii) all registered accounts in a family plan.

(3) Please refer to Section 5.1.4.1 *"Adjusted gross profit"* of this Universal Registration Document for a definition of this financial indicator.

(4) Defined as cost of revenue excluding other costs of sales and exceptional (minimum guarantee expenses and share based expenses related to license agreements) divided by total revenue.

December 2022 and full commercial launch scheduled for June 1st, 2023), e-learning, and livestreaming (reinforced capability following Driift/Dreamstage transaction in September 2022).

1.2.2.2 User interface

Users can stream Deezer's audio content on their device of choice including smart speakers, voice assistants, smart watches, smart TVs, connected cars, smartphones, laptops, tablets and other wireless audio systems. Deezer's user interfaces and integrations were developed and are maintained by its in-house team of engineers and product designers and, in some cases, in conjunction with Deezer's partners, particularly where Deezer offerings are integrated within a partner's application, such as the RTL+ offering.

Deezer's user interface is designed to be easy-to-use, intuitive, and engaging. It is displayed in 27 languages, offers 25 payment solutions in 52 currencies and is accessible in over 180 countries as of December 31, 2022.

1.2.2.3 Product features

- **Synchronization across devices**. Users can synchronize their personal audio library on Deezer's platform and have access to their listening history across all their devices. Users can save audio content to their libraries by marking tracks, artists, albums, playlists and podcasts as favorites, making it easy to return to all the content that they appreciate.
- **Flow**. Deezer's "Flow" feature provides users with a customized, continuous music stream that is based on a user's individual preferences and can be tailored to the user's mood. Deezer's proprietary Flow algorithm analyzes saved music, previously streamed music, stated genre and artist preferences, usage and preference data from Deezer's broader user base, recent suggestions from Deezer's local music editors and tags from Deezer's in-house tagging algorithm that categorizes music based on a number of subjective criteria to play a never-ending mix of algorithm-identified new and previously consumed content. Like Deezer's personalized recommendations, as the user adds more songs as favorites and/or skips songs, the Flow algorithm learns the user's preferences and enriches that user's music stream accordingly. In 2022, Deezer added a new discovery mode to Flow, now allowing listeners either to get recommendations for new music with a stronger admixture of favorites or to reduce the favorites and embark on a journey of discovery.
- **Flow Moods**. "Flow Moods" is an additional feature, which enables users to select playlists from six different "moods"—motivation, chill, melancholy, focus, party and you & me (romance)—with Flow then playing music tailored to the user specified mood. This feature is also designed to be flexible and customizable according to markets or events, including, for instance, through the addition of new moods like "Christmas" during the year-end holidays.
- **Personalized music recommendations**. Through a combination of advanced algorithm-based recommendation tools, data analytics and human editor-curated music selections, Deezer tailors its streaming experience to each user. Deezer makes personalized recommendations that become better-tailored to a user's musical tastes as the user streams additional content and aggregates a broader data set of liked and disliked tracks, artists and playlists, generating more comprehensive algorithm inputs. Deezer's personalized home page provides access to a continuously updated selection of artists, playlists and albums that are curated to suit the user's preferences and tastes.
- **Individual customized and themed playlists**. Playlists are an important driver of user engagement. Users can browse a variety of playlists to discover music in a more targeted fashion. This includes playlists created by Deezer's proprietary algorithm technology, which uses its tagging engine to categorize audio content based on a number of objective and subjective criteria and characteristics, as well as playlists created by other Deezer's users (who have the option to then make them public, to other users), and playlists curated by Deezer's music editors. Playlists can be categorized by genre, mood or other specialized categories (*e.g.*, Monday discovery, Friday releases, Sunday chill) to help users quickly find content that interests them. Users can also create their own personalized playlists which are stored in the user's personal library and can be re-accessed whenever the user logs on to Deezer.
- **Music editors**. Deezer has an experienced team of local music editors around the world who select tracks, albums and playlists to recommend them to users. These editorial recommendations are presented to users based on their streaming interests and also provide important data for Deezer's Flow algorithms. Deezer focuses on a "local hero" approach—meaning that music editors are experts in Deezer's local markets and have a solid understanding of the trends and tastes of users in these markets. Users can visit each editor's profile on Deezer and view his or her library and favorite albums, playlists, artists and songs, which allows for further content exploration. Deezer believes that its human curation and recommendation function complements its proprietary algorithm-based personalization technology and is a key value-added element to the user experience. Music editors' recommendations are less closely related to a user's historical preferences and therefore provide unexpected new musical discoveries. Editorial curation also permits Deezer to encourage users to listen to compelling new content and provides a brand building tool for artists and content providers.
- **SongCatcher**. SongCatcher is a feature that uses technology to quickly identify and save music that is playing in the vicinity of the user, without leaving Deezer's application. The tool uses the microphone on the user's device to hear a playing song and, if a match is found in Deezer's catalogue, SongCatcher provides the user with the name of the song and the artist's name. SongCatcher also grants the user the option to add the identified song directly to the user's favorite tracks or library. In 2022, Deezer added a new humming feature to SongCatcher, allowing users to identify a track by just humming, singing or whistling parts of it and to add it directly to their Deezer playlists. Deezer is the only music streaming service in the world with a track recognition feature that includes humming, singing and whistling as a part of its in-app search functionality.

- **Lyrics**. Deezer has integrated synchronized lyric streaming technology to its user interface, which enables users to see lyrics of streamed tracks in real time. In addition, the web version of Deezer's service allows users to search for a song track in Deezer's catalogue using as few as four words from the lyrics of the song. In 2022, Deezer launched a new in-app lyrics translation feature, an industry first, allowing users to view lyric translations of the most popular English songs in French, German, Spanish and Portuguese.

- **Import My Library**. Deezer's service embodies a solution allowing the users to import their existing library from any other audio streaming services in only a few clicks. This feature is particularly important to attract new users from other music streaming platforms by freeing them from the technical challenge to transfer their existing library on Deezer's platform.

- **Radio fingerprinting**. When Deezer's users are listening to a local radio, Deezer provides a fingerprinting feature that identifies in real time the song played and allows users to add it to their personal library.

- **Sharing and social media**. Deezer's integration with popular social networks, such as Facebook, Instagram, Twitter and TikTok, provides users with additional avenues to express themselves. Deezer's Facebook Stories feature is available globally and allows users to share a 30 second preview of any song directly to their Facebook stories and customize their post using the Facebook Story's features. Deezer's Instagram integration allows users to instantly post song lyrics to their Instagram stories and similarly customize their post using Instagram Story's features. In each case, followers who are also Deezer's users can listen to the posted track on Deezer directly from their friend's shared stories.

- **Access to other categories of audio content**. In addition to Deezer's music catalogue including more than 90 million music tracks, users also have access to podcasts and live radio.

- **Music quiz**. As part of its ambition to offer new music experiences, Deezer added, in 2022, a new music quiz feature, allowing users to challenge themselves with over a hundred in-app music quizzes available, based on artists, genres, fun themes and seasonal topics. Deezer is the first major global music streaming platform to add a music quiz functionality.

1.2.2.4 Consumer offerings

A. Premium

Premium subscription is Deezer's flagship offering. Consumers may subscribe to premium, directly on Deezer's website or through its mobile application, as well as indirectly through selected distribution partners. Premium subscribers have access to the full range of premium-quality, personalized audio content. Premium subscribers have unlimited access to Deezer's catalogue on a wide range of connected devices, provided that listening to content is limited to one device at a time.

When premium service is sold directly to consumers, Deezer charges, for so long as they are subscribers, a fixed monthly or yearly subscription fee, which varies regionally, through stored payment card details or a wide range of alternative supported payment methods, including direct debit, PayPal and in-app purchases. Subscribers that opt for a yearly subscription typically receive a discount.

When premium is distributed by Deezer's partners, the retail price for a subscription is typically set by the distribution partner, and may be charged as a separate fee or as a component of a fee charged by the distribution partner.

Deezer's premium service offering provides users with a full suite of the functionalities available on Deezer's feature-rich user interface:

- **Advertising-free listening**. Users with access to Deezer's premium service offerings are able to listen to their favorite tracks and playlists, as well as radio and, podcasts, all without interruption from video or audio advertising. Deezer believes that advertising-free content is a primary benefit of a paid music streaming subscription for a large portion of streaming service users.

- **Unlimited on-demand music and browsing**. Deezer's premium service offering gives its users the freedom to determine their listening experience. Users can search and manually select songs, albums and playlists from Deezer's audio catalogue without any restrictions. The catalogue search function provides users with real-time suggestions as the user inputs search terms and also allows the user to see a full list of results within the catalogue to help them locate and navigate content. Premium users can skip an unlimited number of songs and can manually stream individual songs from playlists. Premium subscribers have complete control over their content with the ability to enjoy the curated music selected by Deezer's recommendation services and to actively choose content to create their own customized playlists. The flexibility afforded by the premium service provides a differentiated listening experience compared to online, satellite and terrestrial radio, which does not allow listeners to select or skip specific content.

- **Sound quality**. Premium subscribers benefit from significantly higher quality audio playback than users of Deezer's free advertising-supported service, including HiFi sound quality of up to 16-bit Free Lossless Audio Codec (FLAC).

- **Offline listening**. Deezer premium subscribers can listen to unlimited audio content offline by temporarily saving the selected content to the device's memory, provided that offline listening is limited to three devices maximum by user's account. This affords subscribers access to their favorite audio content anytime, anywhere, even when network connectivity is limited or unavailable. Moreover, offline listening allows a more sustainable use as it reduces the data load of using the service, while also enabling lower cost and better performance on a low mobile data plan. The audio content selected by a subscriber for offline listening is programmed to remain on that subscriber's device memory for so long as the user has access to a paid subscription offer and is automatically erased thereafter.

B. Family

Deezer's family subscription service provides the same features as the premium subscription service, but for up to six total family member accounts, allowing each family-member user to benefit from the personalized benefits of the premium service.

The family-member can be a separate profile from the same Deezer account or a separate Deezer account. The "master" account has additional capabilities to flag a profile as "Kid" and to activate limitations for the explicit content. Kid profiles also benefit from a tailored editorialization to highlight content adapted to this audience.

C. Student

The "Deezer Student" offer provides the benefits of the premium subscription service at a reduced rate for college and university students in certain countries. A student can benefit from the offer for up to four years.

D. Free service

Deezer provides an advertising-supported free service offering that includes most of the features of its paid service offerings at no cost to consumers. Although certain optimized features are reserved for Deezer's premium service, users of Deezer's free streaming service have access to the full Deezer's music catalogue, personalized content features, Deezer Flow, SongCatcher, Lyrics, and more. Deezer's free service generates revenue from third-party advertisements. Traditional media placements are played in the form of display, audio or video ads between tracks for a maximum of 30 seconds and shown as banners on Deezer's user interface. Sponsored placements take the form of sponsored sessions, editorial and playlists. Deezer also offers innovative and tailor-made experiences for brands by acting as a creative agency and studio. In addition, Deezer uses gift codes or subsidized trials models to secure upfront payments from partners.

While users of Deezer's free service drive advertising revenue, the main purpose of the free service is to attract new users that may ultimately be converted to paying premium subscribers. In addition to the presence of third-party advertising, the free service has limitations on functionalities as compared to Deezer's premium service which encourage users to subscribe to Deezer's paid subscription service.

Deezer's free service is characterized by the following limitations on features otherwise available to premium subscribers:

- **Desktop on demand and mobile free service**. While free service users are able to stream unlimited on-demand content, this feature is only available to users through Deezer's desktop interface. From Deezer's mobile interface, free service users can access only Flow and a modified playlist feature. When free service users search for and select content on mobile devices, Deezer's service automatically plays a playlist algorithmically tailored based on that selection, but does not immediately play the selected track. Users of the free service are provided access to 15 "smart tracks", which is a playlist composed of 10 tracks selected by Deezer's editorial team and five tracks that are generated by Deezer's proprietary algorithms specifically for the user. Except for these smart tracks, over which the user has full control, users of the free service have access to the Flow feature, but are limited to skipping six tracks per hour on their mobile device.
- **No offline music**. Unlike the premium service, free service users are not able to listen to content offline.
- **Sound quality**. Deezer's free service streams at a lower sound quality than the premium service.

E. Specific partner offerings

In addition to the above standard offerings, Deezer has developed bespoke service offerings in collaboration with distribution partners in various geographical markets. Deezer's partnered offerings include free services offered through leading telecom companies and local mobile providers, including:

- **Deezer Single-Device**. Deezer Single-Device is available as part of mobile phone plans from TIM Brazil and Tigo (a Millicom brand) in Brazil and Paraguay. Deezer Single-Device subscribers have access to music content from one device only.
- **Deezer Go**. Deezer Go is offered by the Brazilian telecom service provider TIM Brazil, and allows mobile device users to benefit from all features of Deezer's free service, but with a maximum of fifteen seconds audio auto-promotion interruptions per day.

1.2.3 Distribution channels

1.2.3.1 Channels overview

Deezer generates subscription revenue from the sale of its music streaming service. Subscription revenue is generated directly from end users (Direct – B2C) and through partners who are generally telecommunication and media companies or audio equipment manufacturers that collect payment for the standalone subscriptions from their end customers or bundle the subscription with their own goods and services (Indirect – B2B).

Deezer has historically tracked its subscriber count based on billing accounts. Such methodology gives the number of subscriber accounts that are billed directly by Deezer or indirectly as reported by its partners. Deezer's reporting on subscriber count has been adjusted in this Universal Registration Document to align with market practice. The number of subscribers (including the number of indirect subscribers) described herein now count every family account user and trial offer user as a subscriber based on Deezer's own databases. Consequently, indirect subscriber count described herein might differ from the reporting of Deezer's partners.

Deezer's subscriber base is broken down into two categories:

- **Direct – B2C:** Users that subscribed directly through Deezer's website or mobile application, which pay the subscription price directly to Deezer or through a third-party app store or carrier billing partner. Direct – B2C subscribers include (i) all users that have completed registration and have activated a payment method, therefore including free trialists during their trial period and users who are paying a discounted price during the trial period, (ii) all registered accounts in a family plan, *i.e.*, a plan consisting of one primary subscriber and up to five additional sub-accounts, allowing up to six subscribers per family plan, and (iii) subscribers in a grace period of up to 31 days after failing to pay their subscription fee.
- **Indirect – B2B:** Users that have access to Deezer's service through a distribution partner, including users in standalone and bundle offers. Standalone subscribers are recorded based on the number of provisioned accounts, namely the accounts on which a revenue is paid by the distribution partner. Bundle subscribers are recorded on a deal by deal basis depending on the contracts' arrangements, which can be based on either provisioned accounts, linked accounts or monthly active users. Indirect – B2B subscribers include (i) free trialists during their trial period and (ii) all registered accounts in a family plan.

The table below provides the split of subscribers by segment as at December 31, 2022 and 2021:

	December 31,	
(in millions)	2022	2021
Direct – B2C	5.6	5.7
Indirect – B2B	3.8	4.0
Total subscribers	**9.4**	**9.6**

The revenue related to subscriptions generated through Deezer's distribution partners (both bundled subscriptions and indirect standalone subscriptions) varies depending on the terms and conditions of the agreement entered into between Deezer and the relevant distribution partner.

Deezer receives fees directly from its Direct – B2C subscribers. As far as Indirect – B2B subscribers are concerned, (i) indirect standalone subscribers typically pay Deezer's distribution partner, which remits a majority of the standalone subscription fee to Deezer, while (ii) for bundled offers, Deezer is typically paid a monthly fee by the distribution partner, which may be based on the total number of bundle subscribers (both active and inactive), the number of monthly active subscribers, or a combination of these metrics.

Deezer primarily built its subscriber base and brand awareness in France and Brazil through partnerships. Once these markets had been efficiently penetrated *via* a sizeable partnership and Deezer's brand awareness had increased locally, Deezer started acquiring Direct – B2C subscribers to its service. Deezer intends to replicate this indirect-first strategy to successfully grow in selected markets where its market share is currently limited.

1.2.3.2 Direct B2C distribution

As Deezer's business has grown and matured, it has attracted a growing number of subscribers directly through its website and mobile application. As a result, Deezer Direct – B2C subscription revenue represents the majority of its sources of revenue. For the year ended December 31, 2022, the Direct – B2C channel recorded revenue of €317.2 million, representing 70% of Deezer's revenue.

To attract subscribers through the Direct – B2C distribution channel, Deezer typically offers consumers a free trial of its premium package without advertising for a period of one to three months. To benefit from a free trial, consumers must enroll in a payment method at the beginning of the trial. At the end of the trial, users automatically convert to a full-price subscription or, to the extent that they cancel the subscription during the free trial period, are shifted to Deezer's free advertising-supported service.

Deezer receives the full subscription fee paid by users who subscribe through its website or its mobile application. Deezer's payment providers store the subscribers' payment information and process their subscription fees automatically each month, in consideration of which Deezer pays such payment providers a commission. Users may also purchase subscriptions as an "in-app" purchase through Deezer's mobile application with payment being processed by the third-party platform. For instance, Apple charges a 30% billing fee for the first 12 months and a 15% billing fee thereafter through the Apple App Store, and Google charges a 10% billing fee for all subscriptions made through its payment system Google Play Billing. In certain circumstances, Deezer may be able to subtract a portion of the amount paid for these fees from its revenue for purposes of calculating revenue-sharing payments to certain content rights holders, which may partially offset the impact of such fees on its financial results. See Section 1.7.3 "*Content licensing*" below for further discussion.

Deezer also attracts Direct – B2C subscribers through its arrangements with certain retail companies (*e.g.* Fnac-Darty), or mobile device and hardware manufacturers. Such subscriptions are sold at the full local retail price, often with an extended trial offer, the cost of which is partially or fully borne by the relevant partner. Deezer handles billing and customer service for these subscriptions. In certain instances, Deezer may agree to limited exclusivity with consumer electronics partners and promotional free trial offers that partners are permitted to offer customers who purchase specific products during a defined multi-month period. These limited exclusivity provisions are applicable within a delineated territory and Deezer may not launch comparable standalone promotional offers with competing device or equipment manufacturers during the specified time period.

1.2.3.3 Indirect B2B distribution through partnerships

Deezer has historically built its success through its Indirect – B2B channel, including, in particular, key partnerships it entered into with Orange in France, TIM Brazil in Brazil, and more recently, RTL in Germany:

- **Orange.** In 2020, Deezer renewed its long-term partnership with Orange, France's top telecommunications operator, which historically began in 2010. The partnership with Orange is currently under discussion for the renewal of its terms for 2 additional years.
- **TIM Brazil.** The partnership with TIM Brazil, one of the largest mobile telecommunications carriers in Brazil runs until December 31, 2023.
- **RTL.** Deezer also has a long-term partnership with RTL, Germany's leading broadcast, content and digital media company. The partnership with RTL runs until April 30, 2027.

For the year ended December 31, 2022, the Indirect – B2B channel recorded revenue of €118.5 million, representing 26% of Deezer's revenue.

Deezer's partnerships create meaningful benefits for both Deezer and its partners. Deezer gets access to its partners' established customer bases, which provides a cost-effective means to attract subscribers to Deezer's service and improve its brand awareness. Furthermore, billing integration with telecommunication partners (broadband and phone subscriptions, and television bills) has proven to be an efficient way to bill consumers who may not all have access to credit cards or prefer to have multiple services billed through one source to facilitate sign up and management of payments. Deezer's partners, in turn, are able to improve their customer acquisition, churn and revenue as well as their brand perception by offering access to Deezer's streaming service and, as such, expect increased revenue.

Deezer is able to easily work with partners to develop and integrate its offering within its partners' operational systems. Deezer and its partners have developed and launched specific service offerings and promotional offers that are not available through its website or application.

A. General terms

Deezer's partnership agreements with telecommunications, media and other companies have a term of two years on average, with the notable exception of the partnership with RTL, which is five years long and shall last until 2027. The agreements may typically be terminated by either party with cause (such as a breach by the other party of any of its material obligations or the occurrence of an insolvency or bankruptcy event) upon relatively short notice (*e.g.*, one month on average). Some of these partnership agreements can also be terminated in the event of a change of control of Deezer. However, in some cases, this provision is limited to changes of control to the benefit of a competitor of the concerned partner. Additionally, some of the partnership agreements can be terminated in the event certain specific labels or specifically identified publishers were to withdraw their products from Deezer's service. Finally, the TIM Brazil partnership may be terminated by either party without cause, subject to a minimum 6-month notice period and, in case such termination is initiated by TIM Brazil, the payment of an indemnity.

Under these agreements, Deezer and the respective partner are jointly responsible for technical integration, Deezer being in addition responsible for the quality of its service as well as the negotiation and settlement of content licensing costs with the relevant rights holders. Deezer's partners are usually responsible for acting as the direct point of contact for subscribers, which includes providing customer service support and being in charge of the billing of subscription fees to subscribers.

Both parties generally have obligations with respect to marketing and promoting Deezer's service. Standalone offers are structured as paid subscriptions with monthly renewals. Deezer generally agrees on the timing and nature of any promotional and trial offers with its partners, which can take many forms. Certain partners offer short or extended free trials of Deezer's service. In some cases, partners make a promotional offer of a subscription at a discount to retail price for three to twelve months. At the end of the free trial or discounted promotional offer, the customer is automatically converted to a full-price paid subscription, unless she or he opts out and therefore receives the free service. Deezer often accepts lower compensation per subscriber for the duration of the promotional offer, while typically the partner bears most of the cost of the promotional offering.

In order to maximize the impact of its marketing efforts, Deezer makes sure to coordinate its marketing campaigns with the ones of its partners'. Deezer also provides materials such as logos, demos or illustrative content to support marketing and promotion of co-branded services. In some instances, Deezer may also agree to invest a minimum amount in marketing campaigns.

B. Partnership service plans

In Deezer's early years, Deezer's subscriber base consisted mostly of bundle subscribers acquired through its distribution partnerships with telecommunications and Internet service providers. As Deezer's business has matured, a growing number of subscribers have been acquired through standalone offerings or have migrated from bundled subscriptions to standalone subscriptions.

Under the terms of its distribution partnership agreements, Deezer agrees to market and distribute two broad categories of Indirect – B2B subscriptions:

- **Standalone subscriptions**. For standalone offers, customers must opt to subscribe separately to Deezer's service, the price of which is defined by each partner but is usually aligned with Deezer's Direct – B2C offering and charged in addition to the normal price the customer would pay to receive only the partner's service. Deezer is typically paid either a fixed fee per subscriber or a fixed percentage of the aggregate subscription fees received by its partners. Deezer generally receives higher per subscriber revenue from its standalone offers than from its bundled offers. Deezer often offers incentives to its partners or their sales teams to promote its standalone offering.

- **Bundled subscriptions**. Deezer has developed both hard- and soft-bundled offers together with its telecommunications and Internet service provider partners. Hard-bundled offers are commercialized at a single retail price together with a mobile phone or Internet service plan, allowing the customer to benefit from access to Deezer's service at no additional cost. Under the terms of partnership agreements, subscribers of a hard-bundled offer automatically have access to Deezer's service for as long as they are subscribed to the associated mobile phone or Internet service plan. Under a soft-bundled offer, subscribers are offered the option to choose from a number of services or features which include Deezer's service. For most bundled offers (hard and soft), Deezer is paid a fixed fee per user with access to its service, whether or not they are active during a given month. In a number of cases, however, Deezer is instead paid fees based on a combination of the total number of monthly active and inactive subscribers, or just on the number of monthly active subscribers.

When Deezer products are integrated into its partners' services, such as in the context of the RTL partnership, subscribers are automatically granted access to certain Deezer services at no additional cost so long as they subscribe to the partner's application (except for RTL+ users subscribing through Deutsche Telekom for which Deezer's music catalogue is available at an additional cost). Under such offers, Deezer is paid a fixed fee per user with access to its offer.

C. Payment terms

For its Indirect – B2B subscriptions acquired through telecommunications and Internet service providers, Deezer's partners generally handle the billing and collection of subscription fees from customers and provide sales reports to Deezer, which Deezer then uses to calculate the fees payable by the partner under the partnership agreements. Deezer's partners pay such fees on a monthly basis, generally within 30 to 60 days of receipt or transmission of Deezer's invoice. Deezer is entitled to audit partners' systems to ensure the accurate reporting of the elements needed to calculate the compensation under the partnership agreement.

As part of Deezer's partnership agreements, Deezer can potentially receive a minimum guaranteed payment for all or part of its services for the term of the agreement, which provides Deezer some visibility on its future revenue streams under each contract. The amount of these minimum guaranteed payments varies among the different partnerships based on a variety of factors, including the size and strategic focus of the partnership, the commercial relationship with the partner and general supply and demand dynamics in the local market.

D. Technical integration and performance

Deezer is responsible for providing the toolkit (*i.e.*, SDKs and APIs) enabling Deezer's service integration within partners' product and strives to provide a seamless experience to users. Deezer has also developed tools for its partners to create dedicated mobile or other device applications which feature both Deezer's and its partner's services. With its team of developers and programmers and its extensive experience in providing turnkey technical integration solutions to its partners, Deezer is able to proceed with the full integration of its service within its partner's technology and platform within a few months.

After launch, Deezer handles the maintenance and ensures support of its toolkit provided to partners. Its partnership agreements typically include service level obligations. Where applicable, Deezer is required to meet a target rate of availability of the service, usually expressed as a number of minutes during which the service is not available during the month (excluding Internet connectivity issues and scheduled maintenance that has been notified to the partner). Deezer is also required, where applicable, to meet an efficiency target rate, which is typically defined as its capacity to deliver a service within a certain timeframe, and commits to certain minimum time requirements for addressing major technical issues depending on their seriousness. In partnerships where Deezer products are integrated into a partner's services, such as the RTL partnership, Deezer is required to ensure the content it is provided meets certain criteria, including similarity with content provided in Direct – B2C offers. Failure to meet these rates or criteria may result in penalties and/or the early termination of the relevant contract.

1.2.4 Marketing

Deezer's marketing team designs and executes a multi-channel customer acquisition strategy focused on both Direct – B2C and Indirect – B2B channels. Deezer engages in direct brand building campaigns, both online and through traditional media like television and radio, to enhance brand awareness. In 2022, Deezer launched a new 360° marketing campaign around the theme of "The Power of Music" in France, Germany and Brazil to address new audiences with refreshment of Deezer brand positioning. In addition, Deezer was the official music partner of the GP Explorer event in Le Mans (France), a formula 4 race gathering some of the biggest French influencers and livestreamed on Twitch.

Deezer also pursues marketing campaigns to increase platform traffic through search engine marketing and social media. In addition to direct marketing spend, Deezer attracts new subscribers by financing promotional or free trial offers of its service through distribution partners and directly.

In addition, Deezer uses direct marketing tools deployed through its user interface to convert registered free users into paying users. When mobile users on Deezer's free service are facing a constraint or limitation specific to the free tier (notably when being displayed an advertising, when attempting to skip more than the allocated number of songs, when attempting to play music on demand, or when attempting to download audio content), a pop-up invites them to subscribe and describes the benefits of a paid access. Deezer also sometimes sends to its free users a direct and personalized message, notably through email, push notification, SMS, or content card in order to encourage conversion. Deezer continuously evaluates its registered free user conversion strategy to ensure that it is effectively marketing its subscription service at times when it would be most appealing to free users.

Deezer's distribution partnerships with telecommunications, media and other companies are also a particularly important marketing channel to build a subscriber base and increase Deezer local brand awareness. These partnerships provide Deezer with access to partners' established customer bases and the opportunity to attract paying subscribers through promotional offers. Partnership contracts typically contain marketing commitments and/or minimum guaranteed payments to Deezer that require or incentivize partners to promote Deezer's service to their customers. In addition, Deezer has in the past created dedicated co-branded services with partners to enhance and align their combined efforts.

1.3 Markets and competitive position

1.3.1 Music streaming industry

1.3.1.1 A sizeable and booming market

The global music recording industry has seen a recent recovery. Although the industry experienced a period of decline in the early 2000s, the advent of music streaming has contributed to the industry steadily achieving positive growth. According to the International Federation of Phonographic Industry (IFPI), after nearly two decades of decline, mainly driven by piracy, which saw the industry reaching its lowest global revenue with $13.6 billion in 2014, recorded music revenue returned to growth in 2015. Since that time, the industry has grown to $26.2 billion in revenue in 2022. The industry, bolstered by music streaming, has now experienced eight years of positive growth (source: IFPI Global Music Report 2023; all figures based on trade values).

The return to growth of the global recording industry over the 2015-2022 period was primarily driven by streaming, which made up for the decline in physical music sales. Streaming represented 67.0% of global recorded music revenue in 2022, while physical sales and digital download revenue in 2022 were 17.5% and 3.6% of global recorded music revenue, respectively (source: IFPI Global Music Report 2023; all figures based on trade values). Global music streaming revenue grew from $8.0 billion in 2016 to $28.2 billion in 2021. 2021 was a strong year for the industry with 26.2% industry revenue growth (source: MIDiA; retail revenue of subscription and audio ad-supported streaming).

1.3.1.2 Global trends in music streaming

Increasing music streaming adoption. According to MIDiA (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values), worldwide music streaming subscription penetration rate is still low, at 10% of the worldwide population in 2021. There is thus potential for growth. For instance, in the Nordic countries, the penetration rate is significantly higher (50% in Norway and 51% in Sweden in 2021). This growth potential is expected to result in the number of music streaming subscribers worldwide almost doubling from present levels to 975 million in 2027. Total music streaming market revenue (subscriptions and ad-supported audio) is expected to reach $54.7 billion by 2027, representing 12% CAGR as compared to 2021.

Increasing consumer engagement. According to the IFPI (source: IFPI Engaging with Music 2022), fans are enjoying more music today than ever before. On average, in 2022 people spent 20.1 hours a week listening to music, up from 18.4 hours in 2021. This is the equivalent of listening to an additional 34 3-minute songs per week in 2022. Deezer believes the more people engage with music, the more likely they are to convert from free products to audio streaming subscriptions and the less likely they are to churn.

Growth in smartphone penetration. According to the Global System for Mobile Communications Association (GSMA; source: The Mobile Economy 2022), global smartphone sales have been growing steadily for the past years with total number of mobile subscribers reaching 5.3 billion at end 2021, representing a 67% population penetration rate. Mobile subscribers are expected to increase by nearly half a billion by 2025, taking total number of subscribers to 5.7 billion, representing 70% of the global population. Also, smartphone connections are expected to represent an increasing share of the total mobile connections, from 75% in 2021 to 84% in 2025. Deezer believes music streaming will benefit from this increasing usage of smartphones.

Resilient industry. The COVID-19 pandemic has increased the impact and importance of music streaming, as digital delivery platforms allowed uninterrupted use while other activities were disrupted by government shutdowns and social distancing. According to MIDiA, the music streaming market (retail revenue of subscription and audio ad-supported streaming) has particularly shown strong resilience and reached $22.4 billion in 2020, a 24.1% increase compared to $18.0 billion in 2019. Growth continued in 2021, with the music streaming market reaching $28.2 billion, a 26.2% increase compared to 2020.

New forms of monetizing recorded music. The digital music market is also expected to grow thanks to the emergence of new forms of monetization of recorded music on social media and live streaming platforms, as well as the launch of new in-app features offering upsell opportunities to existing subscribers, which could foster ARPU growth.

1.3.1.3 Music streaming in specific markets

France. France's recorded music market is the fifth largest market in the world, with revenue of $2.3 billion in 2021, which represents an annual growth rate of 20.4% (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values). Growth in 2021 was driven by the music streaming market (subscriptions and ad-supported audio), which had retail revenue of $959 million, representing an increase of 11.5% over 2020. Since 2016, when music streaming generated $311 million in revenue, the market share of music streaming as a portion of the total recorded music market increased from 23% to 41%. The music streaming market in France (subscriptions and ad-supported audio) is expected to continue to grow to up to $1.8 billion of retail revenue in 2027, representing a 11% CAGR from 2021 to 2027, with penetration rate predicted to reach 31% in 2027 compared to 21% in 2021 and 7% in 2016 (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values). In France, Deezer managed to grow its subscriber base from 1.8 million in December 31, 2016 to 4.5 million in December 31, 2022 while revenue grew from €108 million for the year ended December 31, 2016 to €273 million for the year ended December 31, 2022. Deezer's share of music streaming subscribers in France was 28% as of June 30, 2022, with competitors capturing the following market shares: Spotify 40%, Apple Music 16%, Amazon Music 9%, YouTube Music 7%, and Other 1% (source: MIDiA - Music market subscriber shares 2022).

Brazil. Brazil's recorded music market is the largest market in Latin America and the tenth largest in the world, with $881 million in revenue in 2021, which represents an annual growth rate of 29.6% (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values). In 2021, growth has been primarily driven by revenue generated from the music streaming market (subscriptions and ad-supported audio) amounting to $532 million and representing a 27.9% growth rate. Since 2016, when music streaming generated $131 million in revenue, the market share of music streaming as a portion of the total recorded music market increased from 39% to 60%. The music streaming market in Brazil (subscriptions and ad-supported audio) is expected to continue to grow to up to $1.1 billion of revenue in 2027, representing a 14% CAGR from 2021 to 2027, with penetration rate predicted to reach 18% in 2027 compared to 12% in 2021 and 2% in 2016 (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values). Deezer's latest market share of music streaming subscribers in Brazil was 12%, as of June 30, 2022, with competitors capturing the following market shares: Spotify 55%, YouTube Music 17%, Amazon Music 9%, Apple Music 4%, and Other 3% (source: MIDiA - Music market subscriber shares 2022).

Germany. Germany's recorded music market is the fourth largest market in the world, with $3.1 billion in revenue in 2021, which represented an annual growth rate of 19.8% (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values). In 2021, growth has been primarily driven by retail revenue generated from the music streaming market (subscriptions and ad-supported audio) amounting to $1.6 billion and representing a 22.2% growth rate. Since 2016, when music streaming generated $389 million in revenue, the market share of music streaming as a portion of the total recorded music market increased from 19% to 53%. The music streaming market in Germany (subscriptions and ad-supported audio) is expected to continue to grow to up to $2.8 billion of retail revenue in 2027, representing a 10% CAGR from 2021 to 2027, with penetration rate predicted to reach 49% in 2027 compared to 35% in 2021 and 8% in 2016 (Source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values).

United States. The US recorded music market is the largest market in the world, with $20.3 billion in revenue in 2021, which represented an annual growth rate of 24.8% (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values). In 2021, growth has been primarily driven by retail revenue generated from the music streaming market (subscriptions and ad-supported audio) amounting to $11.6 billion and representing a 26.1% growth rate. Since 2016, when music streaming generated $3.5 billion revenue, the market share of music streaming as a portion of the total recorded music market increased 35% to 57%. The music streaming market in the United States (subscriptions and ad-supported audio) is expected to continue to grow to up to $20.9 billion of retail revenue in 2027, representing a 10% CAGR from 2021 to 2027, with penetration rate predicted to reach 49% in 2027 compared to 40% in 2021 and 14% in 2016 (source: MIDiA Research Global Music Forecasts 2022-2030; all figures based on retail values).

1.3.2 Deezer's competition

Deezer competes for the time and attention of its users across different forms of media, including traditional broadcast, terrestrial, satellite, and Internet radio, other providers of on-demand audio streaming services (*e.g.*, Spotify, YouTube Music, Apple Music, Amazon Music, SoundCloud, Tidal, Napster, Resso), and other providers of in-home and mobile entertainment such as cable television, video streaming services, social media and networking websites. Deezer competes to attract, engage, and retain users with other content providers based on a number of factors, including price, quality of user experience, features (such as content recommendations, live radio, podcasts and livestreaming), amount, quality and relevance of content, ease of use of its application, accessibility, perceptions of advertising load on its ad-supported free service, brand awareness, and reputation.

Many of Deezer's competitors enjoy competitive advantages such as greater name recognition, greater scale and geographic coverage, better access to content or more favorable pricing and economic arrangements, larger marketing budgets, captured subscriber bases due to their other product and service offerings, as well as greater financial, technical, human, and other resources. In addition, some competitors, including Google, Apple, and Amazon have developed, and continue to develop, devices for which their music streaming service is preloaded, creating a visibility advantage.

Additionally, Deezer competes to attract and retain advertisers and a share of their advertising spend for its ad-supported free service. Deezer believes its ability to compete depends primarily on the reputation and strength of its brand as well as its reach and ability to deliver a strong return on investment to its advertisers, which is driven by the size of its ad-supported free user database, its advertising products, its targeting, delivery and measurement capabilities, and other tools.

Deezer also competes to attract and retain highly talented individuals, including data scientists, engineers, product designers, and product managers. Its ability to attract and retain personnel is driven by compensation, culture, and the reputation and strength of its brand. Deezer believes it provides competitive compensation packages and fosters a team-oriented culture where each employee is encouraged to have a meaningful contribution. Deezer also believes the reputation and strength of its brand helps it attract individuals that are passionate about its brand.

Over time, Deezer expects that the music ecosystem will favor multiple pure play streaming services of scale. This is primarily driven by a need on the supply side not to have any one single distribution channel in a controlling or dominant position, and particularly a need to have several pure play options that share the rights holders' interests in upholding the value of music. Moreover, Deezer believes that music listening is not a one-size-fits-all experience, and therefore multiple streaming services will be needed to cater to diverse consumer tastes.

Deezer believes that significant investments, know-how and relationships are required to build a position in the streaming market and a state-of-the-art streaming product. Market participants must develop a competitive service offering, and experience is needed to develop and run a complex product technology and perform data analysis. Several years are needed to build both a competitive catalogue and the know-how in managing agreements with rights holders. Scale is also needed to satisfy minimum revenue requirements from rights holders.

1.4 Competitive strengths and advantages

1.4.1 State-of-the-art product

Through extensive market research and the capabilities of its technology and editorial teams, Deezer has created an intuitive, user-friendly and personalized product. Deezer's service includes several innovative features such as the "Flow" one-click radio, a customized mood-adjustable streaming mix accessed with a single click from the home screen; synchronized lyric displays (complemented by a new lyrics translation feature in 2022); CD-sound quality (HiFi) streaming; SongCatcher, a feature designed to identify the name and the artist of any music track played on an external device (complemented with a new humming feature in 2022); and radio fingerprinting, a feature allowing users to identify the song played when listening to the radio through Deezer's application. Deezer has often been amongst the first in its industry to launch these new features. For example, Deezer launched HiFi-tier streaming in 2014 compared to launches in 2019 for Amazon Music, and in 2021 for Apple Music, while Spotify does not offer a HiFi-tier to date. Deezer is still the only music streaming service to include in-app features such as "Flow", SongCatcher or radio fingerprinting.

Deezer provides a seamless experience to its users thanks to more than 80 hardware partnerships. These partnerships allow Deezer's users to stream music through smart speakers, voice assistants, smart watches, smart TVs, connected cars, smartphones, laptops, tablets and other wireless audio systems.

Deezer has adopted a localized approach with respect to its customer experience. This approach is executed in the form of deep local curation with playlists available in all relevant local sub-genres as well as in event-driven local content activations. Deezer distributes content which is relevant to its local customers, as illustrated by the overperformance of streams from local genres compared to competitors across markets.

Deezer's platform provides each user with a unique set of features, seamless integration to third party hardware and a fully-customized experience as a result of greater local content and the "Flow" mix feature. Deezer's product quality is illustrated by best-in-class ratings. Deezer's application is ranked #2 in the Google Play store and #2 in the Apple App Store (source: Data.ai, based on global rating of current version *vs.* Spotify, Apple Music, Prime Music, YouTube Music and Tidal, as of January 2, 2023). Deezer is also the top grossing music streaming application in Europe on iOS (source: Data.ai, monetization based on a comparison for the last 180 days of Deezer, Amazon Music, Spotify and YouTube Music as of January 2, 2023).

1.4.2 Leading technological and research capabilities

Deezer has leading technological and research capabilities, which rely primarily on highly talented data scientists, engineers, product designers, and product managers who helped to build Deezer's state-of-the-art product along with the complex infrastructure needed to operate a global subscription-based music streaming platform. As at December 31, 2022, Deezer had 295 employees in technology roles such as data scientists, engineers, product designers, and product managers, which was about half of its total headcount. Deezer believes its compensation policy, culture, the reputation and strength of its brand, and an environment that fosters teamwork, empowers employees and encourages innovation allow it to attract and retain key technology talent and to continuously improve its platform.

Deezer has also established strong partnerships with research laboratories in France (CNRS, LIP6, Polytechnic Institute of Advanced Sciences, Télécom Paris) and participates in research programs with European universities. Deezer is also part of the European consortium of research MIP Frontiers, a multidisciplinary, transnational and cross-sectoral European training network that aims at training a new generation of MIR (Music Information Research) researchers. Since 2017, Deezer has published more than 50 scientific papers in the most prestigious scientific conferences around the world (ICML, AAAI, ISMIR, Recsys). By staying at the forefront of the research, Deezer keeps building competitive and innovative products.

Most notably, Deezer is at the forefront of innovation with respect to the automatic analysis of very large and diverse collections of sounds. This field, known as "Music Information Retrieval", encompasses tasks such as explicit lyrics detection, language identification, automatic lyrics synchronization and music classification. Music recordings are usually a mix of several individual instrument tracks (*e.g.*, vocals, drums, bass, piano, etc.). Deezer has developed its own system to separate these tracks in an integrated mix. This technology has many potential applications, including remixes, up-mixing, active listening, and educational purposes that could be potentially used by Deezer to spur further innovation, invent new ways of consuming music or launch new apps. Deezer has released an open-source version of this system called "Spleeter" which is being used externally in professional audio software, DJ workstations and other industrial applications.

1.4.3 Hybrid B2B/B2C strategy

Deezer's unique hybrid B2B/B2C strategy provides it with a cost-effective way to enter new markets, quickly gain market share and build brand equity, allowing for a transition from Indirect – B2B to Direct – B2C with optimized marketing investments. Deezer has reached leading positions in France and Brazil, with market shares reaching of 28% and 12% respectively, in part due to its partnerships in those geographies (source: MIDiA; number of subscribers as of June 30, 2022). Deezer is currently replicating this strategy in Germany after entering into a partnership with RTL in 2022.

Deezer provides meaningful benefits to its partners, which can offer Deezer's service as a bundled package with their own telecommunications, video streaming, cable television or gaming services in order to lower the churn of their subscriber base, improve their acquisition efforts and increase their own revenue per user by upselling Deezer's service.

Deezer believes it is the ideal music streaming partner for a wide variety of telecommunications and media companies, which are increasingly eager to bundle their services with music streaming, in light of its position as the second largest independent audio subscription service worldwide(1), its strong track record of partnerships, and its extensive audio catalogue accessible through a state-of-the-art, innovative and reliable product. Spotify has in particular shown very limited interest in tailor-made partnerships and other audio streaming competitors, such as Apple, Amazon and Google, are directly and increasingly competing with video streaming, cable television, other media or gaming companies, which limits their prospects for potential partnerships.

Deezer uses its technological capabilities to serve its partners' needs. For example, Deezer has developed a toolkit composed of Software Development Kits (**SDK**) and Application Programming Interfaces (**API**) readily available for its partners or third-parties. The primary goal of this toolkit is to allow Deezer's commercial partners' users to easily access Deezer's service, through an external application. This toolkit enables partners' customers to potentially stream the full range of Deezer catalog, including music, podcasts, and live radio, while benefiting from the main Deezer functionalities. This type of integration has been implemented in cooperation with RTL to offer Deezer's music service through the RTL+ application. Deezer also offers tailored services, such as Deezer Go developed for the prepaid segment of TIM Brazil mobile operator.

1.4.4 Longstanding relationships with the music ecosystem

Many years are needed to build a competitive catalogue and the know-how to manage agreements with rights holders. Deezer has currently direct agreements with more than 300 rights holders worldwide, including major and independent music labels, aggregators, collective societies and publishing rights holders.

Deezer's music catalogue of more than 90 million tracks covers all genres of music, including, mainstream popular tracks and specialized local content that enhances the relevance and attractiveness of Deezer's service in each market it serves. Deezer's reputation and longstanding relationships with local music ecosystems allow it to benefit from privileged relationships with rights holders and cooperate with artists to create original content only available on Deezer.

Additionally, Deezer is an active participant in the design and implementation of new regulatory measures to make sure that the market is running efficiently. Deezer is in constant communication with the local regulators and governments in the relevant markets and representatives in Brussels through the Digital Music Europe (DME) initiative.

Lastly, as part of its strategy centered on product innovation and brand differentiation as the "Home of Music", Deezer has been developing new and innovative features to enrich user experiences and build strong connections between fans and artists, representing additional upsell opportunities which will benefit the music ecosystem.

(1) Based on the latest reported number of subscribers published by MIDiA (as of June 2022); excludes non-independent players being part of larger conglomerates (Apple Music, Amazon Music, YouTube Music, Tencent Music and NetEase Music).

1.5 Strategy and objectives

1.5.1 Profitable growth strategy

Deezer's strategy is centered around its key competitive strengths with the objective to grow the scale and profitability of Deezer. Its four strategic pillars are as follows:

1.5.1.1 Focus on large attractive markets

Deezer intends to focus its strategy on selected, large music streaming markets with consumers showing a strong willingness to pay for music streaming services and attractive economics in terms of acquisition costs, churn and average revenue per user (ARPU).

The music streaming industry is highly concentrated with the top 10 largest music streaming markets (the United States, China, Japan, the United Kingdom, Australia, Germany, France, South Korea, Canada and Brazil) expected to represent 75% of the global music streaming market in 2027[(1)]. Deezer's main competitors have a global footprint and, as a consequence, Deezer believes the competition is equally fierce in most countries across the world.

Deezer considers there is no significant difference in time and effort needed to operate a local partnership, irrespective of the scale of the partnership, its attractiveness or the size of the local music streaming market.

As a result, Deezer believes it is more beneficial to concentrate its efforts on the most appealing countries in terms of market size and user economics and where capturing even a small share of the market will have a highly positive impact on Deezer's financial performance.

1.5.1.2 Partnership-led growth

Deezer's go-to-market strategy is to replicate its historical partnership-led success in France and Brazil in other attractive music streaming markets.

Deezer's partnership deals provide it with access to its partners' established customer bases, which in turn provides a cost-effective means to attract subscribers to Deezer's service and improve its brand awareness. Deezer has historically built its business and reputation by capitalizing on the distribution opportunities offered by partnerships with leading telecommunications and media companies, such as Orange in France and TIM Brazil in Brazil. Next to these partnerships, Deezer is able to increase its local market presence by developing its Direct – B2C subscriber base with optimized customer acquisition costs thanks to its improved local brand awareness.

In 2022, Deezer entered into a significant partnership with RTL, the largest broadcaster in Germany, to bundle Deezer's service within RTL+, *i.e.*, the RTL group's multi-content streaming service which is targeting 10 million subscribers by 2026[(2)]. This partnership places Deezer in a strong position to increase its share of the German music streaming market.

Deezer has identified a selection of key large attractive countries where it intends to leverage distribution partnerships to enter or achieve greater penetration, such as the United States, the United Kingdom, Canada, Italy and Spain. These countries are expected to collectively represent an estimated $29.7 billion in retail subscription and audio ad-supported streaming revenue by 2027 (source: MIDiA), comprised of $20.9 billion for the United States (49% penetration), $3.6 billion for the United Kingdom (52% penetration), $1.5 billion for Canada (47% penetration), $2.2 billion for Italy (24% penetration) and $1.4 billion for Spain (16% penetration).

1.5.1.3 Differentiation through innovation and positioning as the Home of Music

Deezer believes music streaming is not a one-product-fits-all market and, as such, believes its purpose is greater than just replicating the offering of its main competitors or offering music service as a by-product. Deezer aims to unlock the full potential of music through technology to truly become the "Home of Music" for fans and artists.

Deezer is a music companion for its users in their everyday life. In October 2021, Deezer enhanced its signature feature "Flow", an infinite mix of recommended tracks based on a proprietary algorithm, with "Flow Moods", an emotional jukebox that plays music tailored to users' selected mood. Each mood is uniquely matched to users' listening preferences using data, smart algorithms and suggestions from Deezer's editors.

Deezer also cooperates with artists to create original music content only available on Deezer over a short period of time, thereby providing its users with exclusive and locally relevant content.

In addition, Deezer aims at bringing new and innovative features and experiences to its users, as reflected by a number of new and upcoming initiatives to enrich user experiences and build strong connections between fans and artists, notably around communities, gaming, superfans etc.

(1) Based on subscriptions and audio ad supported revenue (source: MIDiA).
(2) As publicly disclosed.

Furthermore, Deezer makes its best efforts to offer a universal music streaming platform so that any of its users, regardless of race, ethnicity, age, religion, sexual orientation, or gender identity or expression, can feel at home while streaming content on Deezer. Deezer does its utmost to ban hatred, violence, sexually explicit material, and illegal content from its platform, notably thanks to regular audits from curators and heightened attention to feedbacks received from users, employees and other stakeholders such as non-governmental organizations. In 2021, Deezer promoted original playlists advocating for a more inclusive society such as "Women of Music" celebrating International Women's Day or "It's raining them" celebrating non-binary, transgender, and gender-nonconforming artists.

Deezer is the home of all music, and is notably known as having spearheaded the User Centric Payment System (UCPS) initiative on a global basis, which aims at a fairer distribution of streaming revenue by supporting niche genres and more broadly music diversity.

Deezer believes it brings its customers a unique music streaming value proposition through a mix of product excellence, local content and innovative features to provide its customers with differentiated music experiences. Deezer intends to maintain these key differentiating factors through leading technology and research capabilities, building on its expertise, and continuing to invent new features and new ways for its users to enjoy music.

1.5.1.4 Operational excellence

Operational excellence within the organization is a key pillar of Deezer's strategy. Deezer's decision-making processes are all data and return-on-investment (ROI) driven to ensure profitable growth. In that respect, the management of Deezer has launched a number of initiatives dedicated to optimize operations.

- **Dynamic pricing**. After a thoughtful review of its pricing strategy in 2021, Deezer increased the price of various subscription packages to its service in select countries, the results of which showed limited cancellation rates. In 2022, Deezer continued to successfully roll out new price increases globally including in France. As at December 31, 2022, price increases have been implemented to approximately 94% of Deezer's B2C subscriber base with no impact on churn. Deezer will continuously monitor its pricing policy to gauge potential for further price increases in order to maximize revenue growth.
- **Launch of New Verticals**. In order to improve its profitability and accelerate its path to profitability, Deezer is planning to cross-sell additional services to its existing subscriber base. Deezer has thus identified several streaming-adjacent products for which it believes it has the expertise to build a competitive service offering, notably around wellbeing, e-learning and livestreaming. In December 2022, Deezer launched "ZEN by Deezer" in France, a new holistic paid subscription app bringing users more than 2,000 wellbeing guides exercises and other content, including exclusive video and audio focused on sleep, meditation, mental wellbeing, personal development, yoga, nutritional advice or fitness. This app also features adaptive music and audio experiences for sleep and relaxation, with access to seven different relaxing themes. The full commercial launch of this app is scheduled for June 1st, 2023. In addition, Deezer further reinforced its livestreaming capabilities through the Driift/Dreamstage transaction that occurred in September 2022, bringing together Driift's production capabilities with Dreamstage's technology and sales platform to create a new leader in livestreamed music experiences, with Deezer as main shareholder (for more information, see paragraph 1.7.1.2 "*External growth transactions*" of this Universal Registration Document).
- **Optimized allocation of resources**. Deezer's entire organization was designed to maximize consistency, focus and speed of execution. This is reflected in the centralization of resources in Deezer's core countries and also around key return-on-investment drivers (teams dedicated to sales, marketing and innovation) as well as the implementation of clear and measurable objectives for all employees, aligned with Deezer's growth strategy. Deezer optimizes its marketing investments by targeting the best performing markets and channels while continuously testing its pricing and offering to maximize profitability.

Deezer continuously examines potential opportunities for external growth where it can cost effectively broaden available content, service capabilities or geographical penetration. For example, Deezer has opportunistically invested in adjacent services with complementary business lines (such as live streaming) or competencies.

1.5.2 Information on trends and medium-term objectives

1.5.2.1 Business trends

A detailed description of Deezer's results for the year ended December 31, 2022 is contained in Chapter 5 "*Management report*" of this Universal Registration Document.

1.5.2.2 Medium-term objectives

The objectives and trends presented below are based on data, assumptions and estimates, particularly in terms of economic outlook, which Deezer considers reasonable as at the date of this Universal Registration Document.

These outlook and objectives, which result from Deezer's strategic guidelines, do not constitute profit forecasts or estimates. The figures, data, assumptions, estimates and objectives presented below may change or be modified in an unforeseeable manner, depending, among other things, on changes in the economic, financial, competitive, legal, regulatory, accounting and tax environment or on other factors of which Deezer is not aware as at the date of this Universal Registration Document.

In addition, the materialization of certain risks described in Chapter 2 "*Risk factors and risk management*" of this Universal Registration Document could have an adverse effect on Deezer's business, financial position, market situation, results or outlook, and therefore prevent Deezer to achieve the objectives presented below.

Furthermore, the achievement of these objectives requires the success of Deezer's strategy and its implementation.

Therefore, Deezer does not make any commitment or give any guarantee that the objectives in this section will be achieved.

Outlook for the evolution of the Group's activities and financial objectives

The outlook for Deezer's activities and the financial objectives presented below are based primarily on the market trends and prospects in line with those set out in Section 1.3 "*Markets and competitive position*" of this Universal Registration Document.

With respect to 2023, in order to mitigate execution risks in the current market conditions and secure its path to profitability by 2025, Deezer has decided to prioritize profitability, while still delivering double-digit revenue growth compared to 2022[1].

In 2023, the Group will continue to execute on its profitable growth strategy with the following priorities:

- new feature development in the product to fuel differentiation and further monetization;
- further acceleration of profitable B2B expansion on the back of recently announced partnerships such as Sonos (US), RTL (Germany) and DAZN (Italy);
- ramp-up of New Verticals to reach breakeven as of H2 and drive profitability improvement;
- strict management of cost base to keep staff and G&A expenses flat.

Consequently, Deezer expects for 2023:

- double-digit revenue growth, in excess of 10% compared to 2022, mainly driven by the further expansion of the B2B segment;
- a further significant reduction in adjusted EBITDA[2] loss compared to 2022.

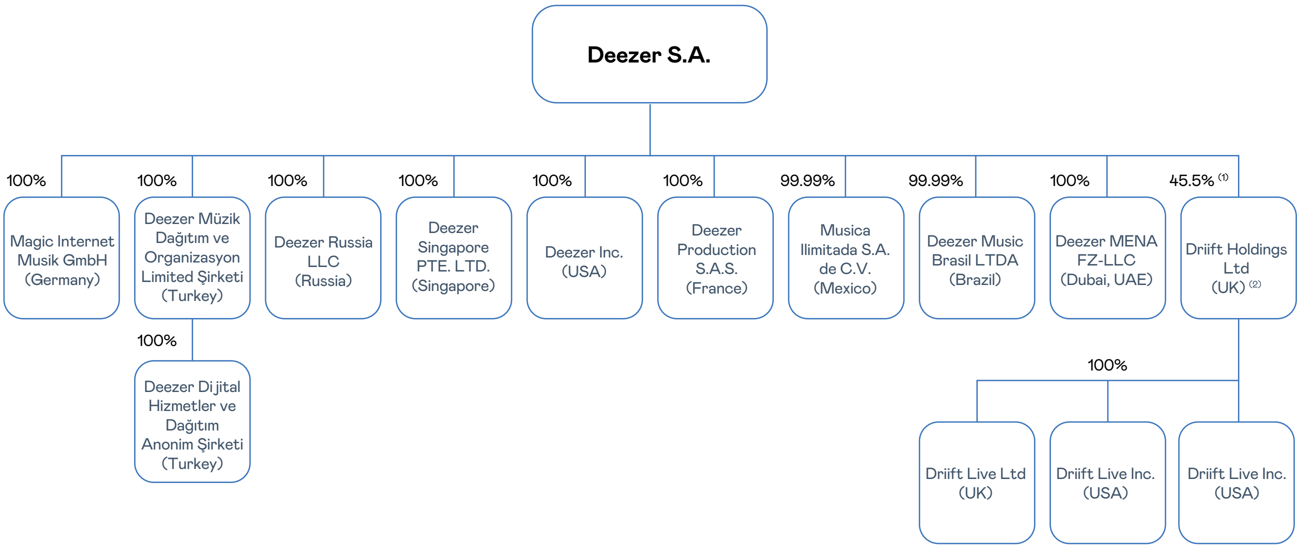
Given its focus on profitable growth, Deezer confirms it remains on a path to generate a positive cash flow[3] in 2024 and achieve a positive adjusted EBITDA in 2025, while delivering double-digit annual revenue growth over the period.

(1) Refer to the press release published by Deezer on January 11, 2023.
(2) As defined in Section 5.1.4.2 *"Adjusted EBITDA"* of this Universal Registration Document.
(3) Cash flow pre-funding (prior to any potential increase of share capital of and/or potential debt repayment by Deezer which may occur).

1.6 Organizational structure of the Company

1.6.1 Simplified organizational chart

The below organizational chart presents the legal organization of the Company and its main subsidiaries as of December 31, 2022 (all percentages referring to the holding in share capital and voting rights of the relevant entities). See also Note 29 of the consolidated financial statements, enclosed in Chapter 6 “Financial statements” of this Universal Registration Document, which sets out the Group’s scope of consolidation.



(1) On a non-diluted basis
(2) Driift Holdings Ltd is also owned by All Things Considered PLC (UK) (32.46%), Beggars Group Limited (UK) (9.63%), the founder (7.47%), and Dreamstage Inc. former convertible holders receiving preferred shares on the closing of the Driift/Dreamstage transaction in September 2022 (4.93% - See Section 1.7.1.2. “External growth transactions” of this Universal Registration Document) (on a non-diluted basis).

1.6.2 List of the main subsidiaries

As at the date of this Universal Registration Document, the primary activity of the principal direct and indirect subsidiaries of the Company, which are described below, consists in the development of the business internationally:

- **Magic Internet Musik GmbH**, a German limited liability company (Gesellschaft mit beschränkter Haftung) whose registered office is located at c/o Deezer S.A., Neue Schönhauser Straße 9, 10178 Berlin, Germany and which is registered with the commercial register (Handelsregister) of local court Charlottenburg under number HRB 146886 B. The Company directly holds 100% of Magic Internet Musik GmbH’s share capital and voting rights;
- **Deezer Müzik Dağıtım ve Organizasyon Limited Şirketi**, a Turkish limited company whose registered office is located at Alt Zeren Sok No. 7, 34330, Levent, Istanbul and which is registered with the Istanbul Trade Registry under number 303425-5. Deezer directly holds 100% of Deezer Müzik Dağıtım ve Organizasyon Limited Şirketi’s share capital and voting rights;
- **Deezer Dijital Hizmetler ve Dağıtım Anonim Şirketi**, a Turkish joint stock company whose registered office is located at Alt Zeren Sok No. 7, 34330, Levent, Istanbul and which is registered with the Istanbul Trade Registry under number 311859-5. Deezer Müzik Dağıtım ve Organizasyon Limited Şirketi directly holds 100% of Deezer Dijital Hizmetler ve Dağıtım Anonim Şirketi’s share capital and voting rights;
- **Deezer Russia LLC**, a Russian limited liability company whose registered office is located at 4 Masterkova street, floor 12, premise I, room 18, Moscow 115280, Russian Federation and which is registered under OGRN number 1177746250285. Deezer directly holds 100% of Deezer Russia LLC’s share capital and voting rights[1];
- **Deezer Singapore PTE. LTD.**, a Singaporean private company limited by shares with UEN number 201330419W and whose registered office is located at 4 Battery Road, 25-01 Bank of China Building, Singapore (049908). Deezer directly holds 100% of Deezer Singapore PTE. LTD’s share capital and voting rights;

(1) Being provided that this subsidiary is being wound up.

- **Deezer Inc.**, a Delaware corporation whose registered office is located at c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States of America and which is registered under Employer Identification Number (EIN) 46-2655795. Deezer directly holds 100% of Deezer Inc.'s share capital and voting rights;
- **Musica Ilimitada S.A. de C.V.**, a Mexican sociedad anónima de capital variable whose registered office is located at Lago Alberto 442, interior 403, suite 535, Anahuac I Seccion, Miguel Hidalgo, 11320 Mexico City, Mexico and which is registered under RFC number MIL131017I31. Deezer directly holds 99.99% of Musica Ilimitada S.A. de C.V.'s share capital and voting rights. Deezer Inc. holds the remaining 0.01% of the share capital and voting rights of Musica Ilimitada S.A. de C.V.;
- **Deezer Music Brasil LTDA**, a Brazilian sociedade empresária limitada whose registered office is located at Rua Francisco Leitão, No. 653, Pinheiros, CEP 05414-025, Sao Paulo, Sao Paulo, Brazil and which is registered with the Cadastro Nacional da Pessoa Jurídica (CNPJ) under number 18.111.886/0001-06. Deezer directly holds 100% of Deezer Music Brasil LTDA.'s share capital and voting rights;
- **Deezer MENA FZ-LLC**, a Dubai Internet City registered Free Zone Limited Liability Company whose registered office is located at DMC-BLD05-DQ-F02-025, Second Floor, Building 05, Dubai Media City, Dubai, United Arab Emirates and which is registered under license number 95478. Deezer directly holds 100% of Deezer MENA FZ-LLC's share capital and voting rights.

As at the date of this Universal Registration Document, the following subsidiaries offer live streaming services and/or content production activities:

- **Driift Holdings Ltd**, a private company limited by shares registered in England and Wales whose registered office is located at The Hat Factory, 166-168 Camden Street, London NW1 9PT, United Kingdom and which is registered under company number 12995010. Driift Holdings Ltd is the parent company of Driift Live Ltd (United Kingdom), Driift Live Inc. (United States of America) and Dreamstage Inc. (United States of America). The Company directly holds 46.3%[1] of Driift Holdings Ltd's share capital and voting rights (on a non-diluted basis) and has entered with the other shareholders of Driift Holdings Ltd into shareholders' agreements or other arrangements providing for liquidity clauses, whose terms and conditions are customary;
- **Deezer Production**, a French *société par actions simplifiée* whose registered office is located at 24, rue de Calais, 75009 Paris and which is registered with the Trade and Companies Register of Paris under number 911 804 656. Deezer directly holds 100% of Deezer Production's share capital and voting rights.

In addition, as at the date of this Universal Registration Document, the Company has a registered branch in the United Kingdom.

1.7 Other information

1.7.1 Investments

1.7.1.1 Operational investments

Deezer invests resources mainly to continuously improve its music streaming platform as well as to acquire new customers.

Costs to improve the platform mainly reflect product and development expenses, which primarily comprise personnel costs and subcontractors' fees for the research and development teams.

Customer acquisition costs mainly reflect sales and marketing expenses, which primarily comprise personnel costs assigned to central and local marketing teams, customer support teams and advertising sales. They also include subscriber acquisition costs, communication expenses, as well as the costs of providing free trials of Deezer's subscriptions.

Apart from these costs, Deezer does not require large investments to run its activities. Purchases of property and equipment and intangible assets amounted to €3.1 million for the year ended December 31, 2022 compared to €2.1 million for the year ended December 31, 2021, representing approximately 0.7% and 0.5% of the Group's consolidated revenue respectively.

As of the date of this Universal Registration Document, Deezer has no plans to make (i) any operational investments that are different in nature from the above or (ii) any operational investments for a significant amount.

1.7.1.2 External growth transactions

In recent years, Deezer invested in live streaming businesses and other assets that complement and expand its service offerings:

- on May 26, 2020, Deezer acquired certain assets of Mugo, Inc., a Delaware corporation, including software applications, database suites, domain names, social media accounts, format rights and intellectual property rights related thereto. In exchange, Deezer paid Mugo €1.4 million in cash and issued 124,631 class B preferred shares to Mugo. Mugo develops and operates a social network mobile application focused on listening to, and sharing, music.
- on April 30, 2021, Deezer purchased from Dreamstage Inc., a Delaware corporation, 11,179,429 shares of Dreamstage's series A-1 preferred stock for an aggregate consideration of

(1) Compared to 45.5% as at December 31, 2022. On March 31, 2023, the Company bought 2,400 shares from the founder of Driift Holding Ltd (representing 0.8% of Driift Holdings Ltd's share capital and voting rights).

US$6 million. Dreamstage is the developer of a paid streaming platform intended to host live performances. Dreamstage's platform offers artists the opportunity to live stream their musical performances and allows merchandise sales, provides exclusive experiences and raises donations, which enable artists to monetize their talents regardless of geographic limitations.

- on August 31, 2021, Deezer purchased from Driift Holdings Ltd, a limited private company organized under the laws of the United Kingdom, 299 series A shares of Driift for an aggregate consideration of £2 million. Driift is an organizer, producer and marketer of live streaming events. Pursuant to a partnering agreement entered into between Driift and Dreamstage on August 31, 2021.
- on May 24, 2022, Deezer entered into a second investment agreement with Dreamstage, Inc. Under this investment contract, Deezer subscribed to a share capital increase of US$2 million granting the Company a total ownership of 77.2%, in terms of share capital and vote rights.
- on September 29, 2022, Deezer acquired additional minority shares of Dreamstage Inc. and strengthened its majority shareholder position with a total ownership of 86.0% in terms of share capital and vote rights. The Company sold its investment in Dreamstage Inc. in exchange for shares of Driift Holdings Limited and subscribed to a share capital increase of £4 million of Driift Holdings Limited. As a result of the additional investment and the business combination, Deezer became the largest shareholder of Driift Holdings Limited with a 45.5% ownership, and became the indirect majority shareholder of Dreamstage Inc., fully owned by Driift Holdings Limited since then. The transaction brings together Driift production capabilities with Dreamstage technology and commerce platform.

1.7.2 Information technology and intellectual property

Deezer has established a scalable IT system to support its operations and has developed innovative proprietary software, applications and databases for its website interface, mobile application and royalty payments. Deezer has strong in-house expertise to maintain its highly sophisticated IT infrastructure and systems, with a view to ensuring efficient and cost-effective IT operations.

1.7.2.1 Servers

Deezer's worldwide network architecture is designed to provide reliable and secure service to its users around the world. The main infrastructure is running on one single point of presence split between two datacenters in Paris, France. Deezer owns almost all of the 950 specialized servers that support its network architecture, including the dedicated Netapp servers that store its audio files and extensive system log data in use on its platform. Audio content on Deezer's servers represents the single largest component of Deezer's data storage needs, requiring an estimated 7.2 petabytes (one petabyte equals 1,000,000 gigabytes) of storage capacity. All of Deezer's servers are maintained in data centers with access limitations, and particular attention is given to maintaining the appropriate levels of data protection in respect of its audio content.

In the past years, Deezer has been progressively moving to a service-oriented architecture based on Kubernetes and cloud services (Google Cloud Platform and Amazon Web Services). The entire data cluster is hosted on Google Cloud Platform to ensure better scalability as the volume of storage needed and computation complexity increases over time.

Deezer maintains full backup systems for all information in different locations, such as its web and mobile application platforms, images, graphics, databases and codes. Deezer maintains full redundancy systems for its sizeable audio content catalogue, with full backup of all audio content in all formats (MP3 128, MP3 320, and FLAC).

Deezer has developed relationships with various third-party providers to ensure the smooth and efficient functioning of its systems. Deezer's hosting service provider ensures server maintenance, repair and security solutions, monitors Deezer's servers and rolls out the necessary updates to its servers. The service provider has a team dedicated to the Deezer account that collaborates directly with Deezer IT team on an ongoing basis. This close relationship is designed to enhance Deezer's reactivity to security threats and cyber-attacks. In addition, Deezer uses Akamai and Verizon Edgecast CDN providers to deliver static and media assets quickly all over the world. Deezer also uses the Akamai Dynamic Site Accelerator (DSA) and Verizon Edgecast Application Delivery Network (ADN) features to accelerate the dynamic requests from Deezer's users.

Deezer hosts 1 million users simultaneously (approximately 56,000 requests per second on front-end servers at peak). Audience peaks on New Year's Eve and the load on Deezer's servers are significantly higher than on a standard day. Deezer ensures the scalability of its infrastructure by having three times the capacity of the average load of its servers at all times.

The infrastructure availability of the production platform served to Deezer's customers over 2022 was 99.993%.

1.7.2.2 Proprietary algorithms and mobile application

Deezer's developer team has developed many of the major aspects of its software and systems in-house, including its website, mobile application, hardware integrations, partnership integrations, internal security solutions and content recommendation algorithms. Engineers are divided between front-end developers, who develop Deezer's website and mobile application, and back-end developers who build the systems and servers that support its operations and ensure the smooth functioning of its user-facing systems. The majority of Deezer's systems is based on open source software, modified by its in-house engineers to cater for its specific needs. To help minimize software bugs that may lead to security or other operational issues, Deezer's IT team has instituted protocols of peer review of code for all elements of its infrastructure and systems that are developed in-house.

Deezer's engineers have developed its audio content recommendation algorithms, which are continuously evaluated and enhanced. The Group employs specialists in data science to evaluate the functioning of its algorithms and develop improvements to its service, including its in-house business intelligence engine developed to help identify in-demand tracks that are not in its catalogue.

1.7.2.3 SDK & API

Deezer has developed a toolkit composed of Software Development Kits (SDK) and Application Programing Interfaces (API) readily available for its partners or third-parties. The primary goal of this toolkit is to allow Deezer's commercial partners to integrate Deezer's service within a third-party application or relevant device. In practice, the APIs:

- allow these partners to manage the full subscription lifecycle from offer provisioning and the creation of Deezer accounts until the end of the customer subscription. This type of integration is currently implemented by most of Deezer's partners such as Orange or TIM Brazil, which are distributing subscriptions granting access to the existing Deezer application;
- allow these partners to access metadata of Deezer's catalog to be then used with Deezer toolkit's SDKs, enabling the partners to stream Deezer's content, and the partners' users to listen to such content.

This toolkit offers the possibility for Deezer's partners to distribute Deezer's service outside of Deezer's existing application, either within an already existing application or through a newly-built one. The SDKs are available across all major platforms (Android, iOS and Web) and enable partners' customers to stream the full range of Deezer catalog such as music, podcasts, and live radio. Deezer's toolkit enables partners' customers to benefit from the main Deezer functionalities, including, among others, user's favorites management, access to metadata catalog, search engine, algorithmic recommendations, and a secured music player. This type of integration has been implemented in cooperation with RTL to offer Deezer's service within the RTL+ music application.

Finally, this toolkit can also be used to create new listening experiences for Deezer users and drive innovation in the audio streaming industry. Deezer's SDKs and APIs allow third-parties to build their own services to invent new ways to consume, share or present Deezer's catalog and functionalities. Use cases could include, among others, hardware integration or applications such as blind tests or audio analytics.

On top of this toolkit, Deezer provides support to its partners to develop optimized user listening experiences and subscription journeys. The use of these SDKs and APIs are subject to conditions and potential compliance controls by Deezer. Experiments or applications created by partners or third-parties are open only to users benefiting from offers authorizing their use.

1.7.2.4 Data analysis

Deezer's network contains dedicated system log servers that record and track all usage data on its platform in real time. Such servers collect data on what songs are streamed by Deezer's users, the length of the streams, when songs are tagged as favorite or skipped, user navigation, user interaction with products and more, recording around one billion user actions per day on average in December 2022, and providing Deezer with rich insight into the functioning of its service and ways to improve it. Log data analysis is also crucial to Deezer's ability to calculate royalties to be paid to content providers, which is an immensely complex process due to the volume of data and variability involved.

1.7.2.5 Partnership and content integration

Deezer's in-house partnership integration team has developed a dedicated toolkit through which its telecom and other partners can access Deezer's platform. The standardization of this interface allows Deezer to easily integrate new partners into its system and allows such partners to control access to Deezer's platform for users of its service.

Deezer has also set up a dedicated point of entry into the network for content providers to upload content quickly and easily into its data storage environment.

1.7.2.6 Dependence on patents, licenses and commercial contracts

Deezer's activities are not dependent on third-party patents. Deezer's activities are dependent on obtaining licenses from music and other audio content rights holders and entering into contracts with telecommunication companies and other distribution partners, although it is not dependent on any single license or partnership agreement individually. See Sections 1.2.3. "*Distribution channels*" and 1.7.3. "*Content licensing*" of this Universal Registration Document. Some partnership agreements and licenses may be more important to Deezer's business than others.

1.7.2.7 Intellectual Property

Deezer relies on the protection by copyright for its creations (i.e. proprietary software, mobile application and databases). In addition, Deezer is setting in place adequate measures, such as the execution of confidentiality undertakings, with contractors having access to its confidential information or technology. Deezer also files trademark applications on the main signs that are used in relation to its activities (in particular the name used to designate its services, podcasts, playlists and any other proprietary content on which Deezer focuses its advertisement campaigns).

1.7.3 Content licensing

Deezer has built one of the world's largest catalogues of audio content, with its library of more than 90 million music tracks as well as live radio and podcasts.

To maintain a catalogue that includes the latest and most popular audio content and to ensure access to local content in the various geographic markets where it operates, Deezer has built in-house expertise in the negotiation of commercial and licensing arrangements with a wide variety of content rights holders, including major record labels, independent record labels, publishers, collective societies and podcast producers.

There are generally two broad categories of rights holders for each track of recorded music streamed on Deezer's platform (and on any music streaming platform generally), *i.e.*, the publishing rights holders (songwriters, composers and publishers of the lyrics and melodies) and the recording right holders (record labels that produce the master and the performing artists such as singers and session musicians).

In the course of its day-to-day operations, Deezer enters into significant licensing agreements with (i) record labels (in particular with the three major record labels – Sony Music Entertainment, Universal Music Group and Warner Music Group – as well as with Music and Entertainment Rights Licensing Independent Network Limited ("**Merlin**") which acts on behalf of a group of record labels), which act on their own behalf, and on behalf of the performing artists, and (ii) publishing rights collecting societies and publishers, all of whom are owed royalty payments for the streaming of their content on Deezer's platform.

1.7.3.1 Record labels

A. Overview

Deezer has historically maintained contractual arrangements with the four recording providers it considers to be the most prominent, (including the three major record labels – Sony Music Entertainment, Universal Music Group and Warner Music Group – as well as Merlin which licenses the rights of a group of independent record labels and distributors). As the most listened-to content on Deezer's platform, music licensed by the major record labels and Merlin is a key component of Deezer's service offering.

Deezer's content licensing agreements with record labels, in particular with those Deezer deems to be most significant to its business (which includes all three major record labels and Merlin), have typically terms of one to three years, with most being one or two years, with the possibility to extend the term, whether automatically or subject to the execution of a renewal agreement, it being noted that the current term of the most significant content licensing agreements for Deezer are set to expire between 2023 and 2024. The agreements may typically only be terminated with cause, including for breach by Deezer of its obligations under the agreement and for some of them, in the event of a change of control of Deezer. Given the relatively short terms of these licensing agreements, Deezer sometimes operates under *ad hoc* arrangements with music labels pending the execution of a definitive renewal agreement.

B. Royalty payments

Royalty payments to the record labels are generally structured as a subscription or advertising revenue sharing arrangement between Deezer and the relevant record label based on how frequently such label's licensed content is streamed on Deezer's platform. Under the terms of the licensing agreements, Deezer typically pays record labels an amount equal to the label's "market share" of certain content streamed on Deezer's platform multiplied by a percentage of all subscription revenue received. For its free advertising-based service, Deezer typically pays record labels an amount equal to the label's "market share" multiplied by a percentage of all advertising revenue received. Payments to the record labels are typically net of certain billing commissions to mobile application stores, third-party payment service providers and advertising agencies. Under these arrangements, the "market share" is the percentage calculated per month, per country and per offer, represented by the number of streams from the relevant record label's catalogue in a given period relative to the number of certain contents streamed on Deezer's platform.

Royalty payments vary depending on the service offering, the distribution channel (Direct – B2C, or Indirect – B2B) and geographic territory. Royalty payments are typically lower for content streamed on Deezer's free advertising-supported service than for its paid subscription service.

Some of Deezer's licensing agreements (including the agreements entered into with the three major record labels) provide for minimum guaranteed payments by Deezer to the record label. The minimum guaranteed payments are offset by the amount of royalty payments payable pursuant to the calculation methodology described above.

Deezer is required to provide periodic reports to the record labels containing extensive information on streaming activity, subscriber base and other metrics necessary for the relevant label to determine the royalty payments due and music usage behaviors. Deezer calculates its subscriber and advertising revenue pursuant to the calculation methodology set forth in the relevant contract and sends a report to the record label setting forth the corresponding amount of royalty payments. On the basis of Deezer's periodic reports, the label then generates an invoice which is sent to Deezer for payment.

C. Content licensing

The content licensing agreements with certain recording labels set forth all or part of a number of provisions relating to Deezer's use of content:

- **Geographic coverage.** The agreements either allow the streaming of the licensed content worldwide in over 180 countries, as of December 31, 2022, or streaming in specified countries.
- **Streaming only.** Deezer's licenses with the record labels strictly limit its exploitation of the content to its streaming service (allowing plays by means of stream and tethered download), and contain restrictions on use of the content for other purposes without label consent. The licenses also typically contain restrictions on making any changes or

alterations to the content, such as cutting or editing the content or sampling. The licenses may also include some specific provisions on when and what may be made available on the Deezer platform.

- **Specific approval of partnership offers**. With limited exceptions, Deezer is required to obtain approval from the record labels for the standalone and bundled offers (Indirect – B2B distribution) that it distributes through its distribution partners.
- **Free trial offers**. Deezer's ability to offer and promote free trials are, in some cases, subject to contractual restrictions the consequence of which is that free trials are used sparingly to drive conversion to Deezer's full paid subscription service.
- **Promotion of licensed content**. Deezer has in some instances agreed to minimum levels of marketing spending to promote its service offering *via* TV, radio or other forms of advertising.
- **Fraudulent activity**. Deezer has in some instances agreed to strict obligations regarding the tackling of fraudulent activities on its service.
- **Technical chart**. Deezer has agreed to comply with specific guidelines to ensure the technical protection of the catalogue of the record labels. In some instances, the protection system set up by Deezer in this context must be validated by the record labels

D. Producers collective societies

Deezer also maintains contractual relationships with certain producers' collective societies, such as the SCPP (*Société civile des producteurs phonographiques*) and SPPF (*Société civile des producteurs de phonogrammes en France) in France, and PPL (Phonographic performance limited*) in the United Kingdom. These organizations administer the producer's rights for certain catalogues with respect to radio and/or preview clip streaming. Deezer's licenses with these collective societies are typically limited to radio and/or preview clip features. Royalty arrangements are set forth in the model agreements of such collective societies.

1.7.3.2 Publishing right holders

A. Overview

Deezer maintains licensing relationships with holders of the copyrights in the lyrics and musical compositions of the tracks in Deezer's catalogue. Holders of these copyrights include publishers and national and regional publishing rights collective societies such as SACEM (*Société des auteurs, compositeurs et éditeurs de musique*), PRS For Music and UBEM (*Uniano brasileia de editoras de musica*). These societies of songwriters, composers, and publishers license copyrights on their members' behalf and administer the distribution of royalties among them. Authorship and publishing rights holders may not be part of collective societies and tend to be dispersed and fragmented, and it may be challenging to identify within Deezer's catalogue of tracks who owns the rights in each instance. As a result, Deezer has entered into licensing agreements with many collective societies and publishers administering copyrights, in each case typically only with respect to a limited geographic market or a relatively small catalogue of content. Deezer's licensing agreements are with dozens of publishers and collective societies around the world and also include the publishing entities of each group owning the three major record labels, Universal Music Publishing Group, Warner/Chappell Music and Sony Music Publishing.

Deezer's license agreements with publishing rights holders have typically terms of one to three years, with the possibility to extend the term, whether automatically of subject to the execution of a renewal agreement. Like Deezer's agreements with record labels, the agreements may typically only be terminated with cause, including, in particular, failure to make payments when due, and security breaches leading to unauthorized access to the rights holder's content or unauthorized use of such content.

B. Royalties

The economic terms of Deezer's agreements with publishing rights holders vary substantially between different publishers or collective societies for a number of reasons, including the rights holders' geographic markets, market shares and the sizes and popularity of the catalogues. The formula for determining revenue is typically similar to that used for record labels, with publishers being entitled to their pro rata share of the higher of (i) a per-unit fee, and (ii) a percentage of all-subscription revenue received. However, the revenue sharing percentage and per-unit fees are significantly lower for publishing rights holders than for sound recording rights holders. Many of the contracts also feature minimum guaranteed payments that are structured similarly to those for record labels but are likewise set at lower levels.

Deezer typically has periodic reporting obligations under publishing contracts. Most publishing rights holders maintain an in-house database of copyrights under management and use this database, together with Deezer's periodic reports, to calculate the royalty payments owed and provide the corresponding invoice to Deezer.

C. Use of content

- **Geographic coverage**. Many publishing rights holders only control copyrights for a few markets. As a result, Deezer is often required to make royalty payments to multiple publishing rights holders in different markets with respect to the same content. The fragmentation of the market can, in some cases, lead to competing royalty claims for the same market, in which case Deezer has worked with the relevant rights holders to resolve any competing claims.
- **Streaming only**. Under the terms of the licensing agreements with publishing rights holders, Deezer is subject to use restrictions on the exploitation of the copyrights (similar to its agreements with the labels, only to be used for music streaming and tethered download). Deezer has obtained approval from many publishing rights holders to display lyrics to songs that are being streamed on its platform.

- **Specific approval of offers**. As is the case for agreements with sound recording rights holders, some publishing rights holders must approve on a case-by-case basis the use of their content in connection with distribution by Deezer's partners. However, the agreements provide in some instances that the rights holder will not unreasonably withhold approval for arrangements similar to those it has already approved, or that, if Deezer notifies the rights holder of the offer and the rights holder does not object, the license is automatically extended to cover the new offer.

1.7.4 Real property

Deezer's principal operational offices are located in Paris, France, under a lease for approximately 5,300 square meters of office space, expiring on December 15, 2028. Deezer also leases offices in Bordeaux (France), Sao Paolo (Brazil), Berlin (Germany), and London (England).

1.7.5 Regulatory environment

The regulatory environment of the Company is characterized by the fact that there is no single harmonized digital law, but a plurality and a tangle of laws applicable to digital. Thus, the regulatory framework is composed of several sets of rules which apply depending on the nature of the relevant content (Internet, audiovisual, music, online activities etc.).

1.7.5.1 Streaming platform

A. Regulatory control

Under French law, audio streaming platform activities are not currently regulated by any dedicated administrative authorities and are, in particular, exempt from the content quota system imposed on radio channel companies and do not need to obtain any special authorization to enter the market.

The French *Autorité de régulation de la communication audiovisuelle et numérique* (ARCOM), created recently as a result of a merger between the *Conseil supérieur de l'audiovisuel* (CSA) and the *Haute autorité pour la diffusion des oeuvres et la protection des droits d'auteur sur Internet* (HADOPI), is tasked with ensuring that online platforms cooperate with legal authorities in moderating and removing illicit online content. To date, and to the Company's knowledge, the ARCOM does not have any project relating to audio streaming platforms.

B. Liability for the distribution of content

In France, "content publishers" (*éditeurs*) may be held liable for the content they distribute on the Internet, including as publishers of illegal content. French case law has not yet ruled on the qualification of music streaming platforms as content publishers but according to French scholars, such a qualification would likely be retained for streaming platforms the content of which has been published in accordance with licenses entered into with right holders, such as Deezer's platform.

The Company could thus be deemed a content publisher and be required to remove content that could be considered illegal (for example, infringing content or content of a racist or denigrating nature or content calling for violence) in the territory in which it is disseminated, or even be subject to civil and/or criminal penalties in this respect. In order to limit this risk, Deezer has put in place internal controls to ensure that the content it distributes is legal and that any illegal content be removed quickly when identified.

Deezer keeps a close watch on the progressive implementation of the Digital Services Act which aims to harmonize the regulations applicable to online platforms and social networks.

1.7.5.2 Personal data and privacy

The protection of personal data in European Union law has been strengthened by the adoption of the European regulation on the protection of personal data of April 27, 2016 known as the "**GDPR**".

The GDPR has, most notably, clarified definitions, strengthened guiding principles, consent and data subjects' rights.

It also strengthens the obligations and sanctions applicable to controllers and processors and creates a liability for processors alongside the liability of controllers.

The GDPR creates new compliance requirements such as the keeping of a record of processing activities, the appointment of a personal Data Protection Officer or the personal data protection impact assessment. In addition, the GDPR strengthens the missions and powers of personal data protection authorities.

The GDPR also significantly increases the level of applicable administrative fines, as the relevant fines can be, depending on the nature of the infringement, as high as the greater of €20 million and 4% of the annual worldwide turnover of the relevant company for the preceding year.

The personal data protection authority in France is the *Commission nationale de l'informatique et des libertés* (CNIL) whose mission is to ensure that data privacy law (including GDPR) is applied to any operation or set of operation (such as the collection, storage, and use of "processing") which is performed on personal data.

Given the nature of its activities in the entertainment and leisure industry, with a focus on the digital sector involving computer processing of personal data, the Company must comply with the GDPR, as well as the national data protection laws implementing the GDPR in the EU Member States where the Company operates – typically, in France, law n°78-17 relating to Information Technology, Data Files and Individual Liberties and its implementing decree.

In addition to the GDPR, Deezer and its subsidiaries may, and, following the Merger, the Company and its subsidiaries may be subject to data protection laws in countries where Deezer's service is provided even when they are not established in such countries, as a result of the extraterritorial reach of certain data protection laws.

Finally, the implementation of unsolicited marketing communications using electronic communication means, as well as the use of cookies and other tracking technologies for purposes such as content customization and targeted advertising in relation to the users of its website, application and/or services, requires the Company, following the Merger, to comply with the provisions of Directive 2002/58/CE relating to the protection of privacy in electronic communications, as implemented in the relevant EU Member States ("**ePrivacy Rules**"). Such implementation legislation often requires obtaining consent from the users before (i) engaging in marketing communications using electronic communication means, and/or (ii) implementing cookies and other tracking technologies that are not strictly necessary for the provision of the online service/content requested by the user. Enforcement by public regulatory authorities in the EU in respect of ePrivacy Rules is increasing and non-compliance with such legal obligations may result in significant fines – as high as the greater of €10 million and 2% of annual worldwide turnover of the undertaking for the preceding year, in the case of non-compliance with the French rules relating to cookies and other tracking technologies.

1.7.5.3 Intellectual property

In its several countries of operation, Deezer is required to comply with the various regulations protecting literary and artistic property, particularly with regard to copyright and neighboring rights which protect the music content and podcasts distributed by it. Copyright includes economic rights and moral rights while neighboring rights refer to the rights granted to those involved in literary and artistic creation such as performing artists, producers of recordings and videograms, audiovisual communication companies and publishers.

In addition, the reproduction, publication and distribution of music content and podcasts on Deezer's platform require prior authorization from the rights holder and respect of the authors' moral rights.

Trademarks are also protected in the entertainment and leisure industry, including the digital sector. In France, Article L. 713-3 of the French Intellectual Property Code specifies that, unless expressly authorized by the owner, "the reproduction, use or affixing of a trademark, as well as the use of a reproduced trademark" are prohibited. The "imitation of a mark and the use of an imitated mark" are also prohibited. Trademark infringement can take various forms in the entertainment and leisure industry, such as the evocation of the trademark in the name of a page or in a user name, a hypertext link to an infringing site, or the use of a tag or keyword.

Operating in the entertainment and leisure industry therefore obliges the Company to comply with intellectual property and trademark legislation.

Several aspects of the technologies developed by Deezer, including the platform distributing online streaming music, may be protected by patents, in France or in other jurisdictions. The protection of the Company's inventions *via* the filing of patent applications may require the expenditure of significant financial and managerial resources.

Moreover, the steps Deezer has taken to protect proprietary inventions might not adequately protect their rights or prevent third parties from infringing or misappropriating their proprietary rights.

The Company also cannot be certain that others will not independently develop, or otherwise acquire, equivalent or superior designs, platforms, websites or other intellectual property rights.

In addition, the Company has been subject to and expects to continue to be subject to, claims and legal proceedings regarding alleged infringement of the intellectual property rights (including patent rights) of third parties. Although the Company considers those claims and legal proceeding to be not significant, such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against the Company, or the payment of damages. The Company may need to obtain licenses from third parties who allege that the Group has infringed their rights, but such licenses may not be available on terms acceptable to the Company, or at all.


ELVIS
"Kissin' Cousins"
SAM KATZMAN

Risk factors and risk management

The Group[1] operates in a changing environment involving risks, some of which are beyond its control.

This Section presents the main risks specific to the Group, based on the risks known by it at the time of this Universal Registration Document.

This Section also describes the risk management mechanisms that the Group is implementing or that it intends to implement.

2.1 Risk factors

Risk assessment methodology

The Group has conducted a review of the main risks specific to it that could have a significant adverse effect on the Group and its respective businesses, financial conditions, operating results, prospects or ability to meet its objectives. As of the date of this Universal Registration Document, the Group is not aware of any other significant risks other than those presented in this Section.

These main risks are grouped into seven categories listed below, it being specified that, within each of these categories, the most important risk factor, based on the Group's assessment as of the date of this Universal Registration Document, is presented first. The most important risk factors have been identified and assessed by considering the likelihood of occurrence and the possible negative effect on the Group, in each case taking also into account corrective actions and risk management measures that have been put in place. Therefore the risks presented are net risks, after taking into account the risk management measures. The occurrence of new events, be they internal or external to the Company, is therefore likely to modify this ranking in the future.

The analysis and presentation of the risk factors referred to below also include the situation in Ukraine and the sanctions against Russia and Belarus and their existing and/or expected impacts as of the date of this Universal Registration Document.

Section	Risk	Likelihood	Impact
2.1.1	**Risks related to the Group's activity**		
2.1.1.1	The Group's services may be disrupted or face heightened competition from audio streaming or other technological players.	Medium	High
2.1.1.2	The Group may not be successful in attracting or retaining consumers to its paid subscription service.	Medium	High
2.1.1.3	The Group's business plan and strategy are subject to change and may yield results that sometimes do not align with the market's expectations.	Medium	High
2.1.1.4	The Group's ability to do business and compete may decline if it is unable to adapt to the complex and evolving regulatory framework governing its activities, including as regards its intellectual property rights and those of others.	Low	Medium
2.1.2	**Risks related to the Group's organization and operations**		
2.1.2.1	The Group relies on its ability to negotiate and maintain license agreements on terms acceptable to it with rights holders.	Low	High
2.1.2.2	The Group's results of operations depend on its ability to establish and maintain relationships on favorable terms with distribution partners that promote and distribute the Group's service as well as with third party service providers that perform certain functions that are important to the functioning of its service and business.	Low	High
2.1.2.3	The Group depends on certain key members of its management team and skilled personnel, and any failure to attract, retain and motivate well-qualified employees could harm its business.	Medium	Medium
2.1.2.4	The Group's international operations and growth strategy expose it to various financial, operational, economic, political, regulatory and other risks in multiple jurisdictions, and failure to effectively manage its overall growth and expansion may negatively affect its financial condition and results of operations.	Low	Medium
2.1.3	**Risks related to data and information technology systems**		
2.1.3.1	Technology issues and disruptions could materially and adversely impact The Group's ability to operate and harm its reputation and business.	Medium	High
2.1.3.2	The Group's reputation and business could be harmed by security breaches and fraudulent activity.	Medium	High

(1) The "Group" means Deezer S.A. and its subsidiaries. The "Company" means Deezer S.A post-Merger.

Section	Risk	Likelihood	Impact
2.1.4	**Financial and market risks**		
2.1.4.1	Given the Group's limited operating history, history of net losses and fluctuating operating results, the Group may not be successful in achieving profitability and generating positive cash-flows in the future, and may require additional funding which may not be available on acceptable terms or at all.	Low	High
2.1.4.2	The Group is subject to payments-related risks and fluctuations in currency exchange rates.	Medium	Medium
2.1.5	**Risks related to the listing of the Company's shares on the Professional Segment of the regulated market of Euronext Paris**		
2.1.5.1	The issue by the Company or the sale by the main shareholders of a significant number of the Company's shares as from the end of the lock-up periods or the possibility of such issues or sales may adversely impact the Company's share price.	Medium	High
2.1.5.2	The volatility and liquidity of the Company's shares may experience significant fluctuation.	Medium	Medium
2.1.5.3	The Company's principal shareholder continues to hold a significant portion of the Company's share capital.	Medium	Medium
2.1.5.4	The Company does not intend to implement a regular dividend payment policy in the near term	High	Low
2.1.5.5	The Company cannot guarantee it will consider a transfer from the Professional Segment of Euronext Paris to another listing venue and securities issued by the Company may therefore be subject to a limited liquidity.	High	Low
2.1.6	**Risks related to the Market Shares and Market Warrants**		
2.1.6.1	The Market Warrants can only be exercised during their exercise period and, to the extent a holder has not exercised its Market Warrants before the end of the exercise period, those Market Warrants will lapse without value.	High	Low
2.1.6.2	The Market Warrants are subject to mandatory redemption and therefore the Company may redeem a holder's unexpired Market Warrants prior to their exercise at a time that is disadvantageous to the holder, thereby making such Market Warrants without value.	High	Low
2.1.6.3	The outstanding Founders' Warrants and Market Warrants will become exercisable in the future, which may increase the number of ordinary shares and result in dilution for the shareholders.	High	Low
2.1.7	**Risks related to taxation**		
2.1.7.1	The use of tax losses carryforwards may be limited as a result of the Merger[(1)], and could be impacted by change of tax law.	Low	Medium
2.1.7.2	Change of tax law in foreign countries and/or newly enacted legislation (including international regulations), targeting particularly the digital sector, may trigger adverse tax consequences for the Group.	Medium	Low
2.1.7.3	The Group business operations may be subject to tax risks.	Medium	Low

(1) "Merger" means the merger of the former Deezer S.A. (511 716 573 RCS Paris) into I2PO on July 5, 2022 followed by the change of the name I2PO into Deezer.

2.1.1 Risks related to the Group's activity

2.1.1.1 The Group's services may be disrupted or face heightened competition from audio streaming or other technological players

Description of the risk

The Group offers two services to its customers, the music platform through Deezer music and an application for audio wellbeing guides and exercises named "ZEN" launched in December 2022 in France and Belgium, The Group's success and continued growth depends on increasing acceptance of audio streaming services by consumers, content producers and distribution partners. New music and audio delivery formats, including formats that do not exist today, may prove to be more successful and attract more listeners than audio streaming. New functionalities may also be quickly created by competitors, forcing the Group to improve its technical level in order to meet its users' expectations. Consumers may also increasingly prefer free pirated content to audio streaming services. If consumers migrate to the audio streaming format more slowly than expected or decide to access audio content in other formats or through other delivery methods, or through piracy, it could make it more difficult for the Group to grow its subscriber base, license attractive content or sign distribution agreements.

In addition, the audio streaming industry may not continue to develop in large or underpenetrated markets, especially in markets where streaming rights are not available. Audio streaming penetration is currently relatively low in most markets compared to Scandinavian levels. Penetration rates are lower in many other large mature audio streaming markets as well as in developing audio streaming markets. For more information, see Section 1.3 "*Markets and competitive position*" of this Universal Registration Document. These penetration rates must continue to increase in order for the anticipated growth of the streaming market to occur. Should the penetration of audio streaming services increase, the Group may be required to make substantial investments and to adapt its service offerings in order to achieve success. If the Group enters new markets and fails to provide an offering that is suited to consumer tastes, it may not earn a sufficient return on or recover these investments.

Furthermore, the audio streaming music market is rapidly evolving, and its characteristics as it matures are uncertain. There is uncertainty regarding future developments in service pricing, service offerings, potential for differentiation of services, and potential consolidation of the audio streaming market. The Group's business model is currently based mainly on paid subscription services offered directly or through partners. The market may move toward other models or formats, bundling of audio and video streaming, or combined offerings with other industries, products, and services. If the other models gain in prominence there can be no assurance that the Group will be able to adapt its business model accordingly.

Certain features may emerge in the streaming market that may prove disadvantageous to the Group. For example, if it becomes more prevalent that content rights are permanently or temporarily granted by rights holders on an exclusive basis to one or a small number of providers, the attractiveness of the Group's service will depend on its ability to secure such exclusive rights. For more information, see paragraph 2.1.2.1 "*The Group relies on its ability to negotiate and maintain license agreements on terms acceptable to it with rights holders*" of this Universal Registration Document. Even if the Group is able to do so, the resulting costs may impact its margins and make it more difficult for the Group to achieve profitability. The Group plans to make substantial investments in marketing in the coming years, but those investments may not provide the anticipated return, or may not be fully recovered, if the Group fails to anticipate the manner in which the streaming industry develops in the markets where the Group operates.

Moreover, the Group operates in an intensely competitive industry, facing significant competition from both established and newly-formed competitors and may face competition from new entrants in the future. It competes to attract, engage, and retain users with other content providers based on a number of factors, including price, quality of the user experience, features (such as content recommendations, live radio, podcasts, audiobooks, and livestream), amount, quality and relevance of content, ease of use of the application, accessibility, perceptions of advertising load on its ad-supported free service, brand awareness, and reputation. Additionally, the Group competes to attract and retain advertisers and a share of their advertising spend for its ad-supported free service.

The Group also competes to attract and retain highly talented individuals, including data scientists, engineers, product designers, and product managers. For more information, see paragraph 2.1.2.3 "*The Group depends on certain key members of its management team and skilled personnel, and any failure to attract, retain and motivate well-qualified employees could harm its business*" of this Universal Registration Document.

The Group may fail to establish or maintain a sustainable competitive advantage in any or all of these categories.

The Group's competitors include:

- other providers of audio streaming services, such as its principal competitors, Spotify, Apple Music, Amazon Music and YouTube Music, as well as SoundCloud, Tidal, Napster and Resso, which all offer content and subscription offerings similar to the Group's;
- online radio services, digital and satellite radio (such as Sirius or Pandora), terrestrial radio broadcasters, digital downloads, traditional physical music sales, and broader entertainment subscription services that offer television and films, such as Netflix, Disney+, Hulu, and other pay TV services, as well as other forms of entertainment; and
- video streaming platforms such as YouTube or TikTok, which distribute uploaded music and video clips along with other forms of entertainment, and are highly popular with younger consumers and have more users than streaming platforms.

For more information, see Section 1.3.2 "*Deezer's competition*" of this Universal Registration Document.

In addition, large e-commerce, Internet services and consumer electronics goods companies may in the future offer audio streaming or digital download services that would compete directly with the Group. Moreover, new market entrants may appear with different competitive advantages or new music delivery formats, or the Group's content providers may choose to expand their operations into audio streaming and compete directly with the Group.

The Group's competitors may enjoy competitive advantages such as greater name recognition, greater scale and geographic coverage, better access to content or more favorable pricing and economic arrangements, larger marketing budgets, captured subscriber bases thanks to their other product and service offerings, as well as greater financial, technical, human, and other resources. In addition, some of the Group's competitors, including Google, Apple, and Amazon have developed, and continue to develop, devices for which their music streaming service is preloaded, creating a visibility advantage.

There can be no assurance that the Group will be able to adapt its business or service offering to compete effectively with its competitors, particularly if the competitors offer similar services at a lower price, develop new added value features or services to improve subscriber engagement, provide enhanced financial opportunities to rights holders or if they achieve market penetration in key geographies more quickly than the Group. If the Group fails to compete effectively in the market for any reason, its business prospects would be adversely affected.

The Group believes that significant investments, know-how and relationships are required to build a position in the streaming market and a state-of-the-art streaming product. Market participants must develop a competitive service offering, and experience is needed to develop and run a complex product technology and perform data analysis. Several years are needed to build a competitive catalogue and build know-how in managing agreements with rights holders. Scale is also needed to satisfy minimum revenue requirements from rights holders.

Management of the risk

In order to stand out from competitors, Deezer relies on its scalable and differentiated global platform. Deezer's platform provides each user with a unique set of innovative features (Deezer being still the only music streaming service to include in-app features such as Flow, SongCatcher or radio fingerprinting), seamless integration to third party hardware equipment (with more than 80 partnerships) and a fully-customized experience thanks to greater local content. Deezer's product quality is illustrated by best-in-class ratings (#2 in the Google Play store and #2 in the Apple App Store).

Deezer also relies on leading technological and research capabilities with half of the Group's headcount in technology roles such as data scientists, engineers, product designers, and product managers who helped to build its state-of-the-art product along with the complex infrastructure needed to operate a global subscription-based music streaming platform. By staying at the forefront of research, Deezer keeps building competitive and innovative products.

Moreover, Deezer relies on a unique and successful hybrid B2B/B2C strategy that provides the Group with a cost-effective way to enter new markets, gain market share and build brand equity, allowing a transition from B2B to B2C with optimized marketing investments. The Group has reached leading positions in France and Brazil in part due to partnerships in those markets and intends to replicate this strategy into other geographies such as Germany, Italy or the US.

Lastly, Deezer relies on longstanding relationships within the music ecosystem, with direct agreements with more than 300 rights holders worldwide, including major and independent music labels, aggregators, collective societies and publishing rights holders.

2.1.1.2 The Group may not be successful in attracting or retaining consumers to its paid subscription service

Description of the risk

In order to achieve its growth objectives and attain profitability, the Group must significantly expand its paying subscriber base. The Group plans to continue investing in marketing to support its brand and acquire new customers, as well as offer free trials and discounted promotional offerings. If these efforts do not succeed at increasing the Group's revenue-generating subscriber base substantially, the Group's revenue will not grow as anticipated, and it might not achieve profitable operations.

If the Group's service is not perceived as appealing or if it does not provide sufficiently attractive promotional offers, subscriber growth may decline. In addition, the Group may fail to attract free and promotional trial users of its service to its full paid subscription offering. For more information, see Section 1.2.2 "*Deezer service*" of this Universal Registration Document. Its ability to do so depends in large part on consumers' perception of the value of audio streaming services and their perception of the quality of the Group's full service offering compared to the Group's free, advertising-supported service and its competitors' service offerings. If users do not perceive the Group's full paid service offering as appealing or if they do not perceive incremental value of a paid subscription to be sufficient, they may decide not to subscribe after the trial or promotional period ends.

In order to attract or retain subscribers, the Group invests marketing campaigns and promotional activities. For more information, see Section 1.2.4 "*Marketing*" of this Universal Registration Document. The Group's direct and indirect marketing efforts may not successfully enhance its brand awareness or result in an increase in the number of subscribers. If the Group fails to promote its brand adequately, or if its efforts are not successful, it may not be able to acquire new subscribers in sufficient numbers to continue to grow its business, or it may be required to incur significantly higher marketing expenses. There can be no assurance that the Group's marketing efforts will be cost-efficient or that revenue from new subscribers will ultimately exceed the costs of acquiring those subscribers. In addition, in markets where the Group has achieved some level of market penetration, acquiring new subscribers may become more difficult and costly than it has been in the past.

Moreover, maintaining and enhancing the "Deezer" brand is critical to expanding the Group's base of subscribers, content providers, advertisers and other partners. For more information, see Section 1.2.4 "*Marketing*" of this Universal Registration Document. The Group's ability to enhance its brand image and brand awareness will depend largely on its ability to deliver a compelling and innovative experience and high-quality content for its subscribers, provide reliable revenue and marketing opportunities for its content providers, and remain a desirable commercial partner for telecom and other companies. The Group may be unsuccessful in achieving any one or more of these objectives in each of the geographies in which it operates, and its brand and reputation may be negatively affected. The Group's brand may also be impaired by a number of factors beyond its control, including Internet service outages, data privacy and security issues, and exploitation of its trademarks by others without permission. For more information, see Section 2.1.3 "*Risks Related to Data and Information Technology Systems*" of this Universal Registration Document.

As the Group expands into new markets and seeks to grow its subscription base in new geographic markets, it may be required to expend greater resources to build and maintain brand awareness. There can be no assurance that such efforts will be successful in maintaining and enhancing the Group's brand, and it may lose existing subscribers, fail to attract new subscribers, lose advertising revenue or fail to attract and maintain distribution partnerships.

As the Group's revenue are partly dependent on maintaining and growing its subscriber base, the Group must also minimize the rate of loss of existing subscribers. Subscribers may cancel their subscriptions for many reasons, including because of the subscription cost, because of any increase in such subscription cost, or inflation rate, or because consumers fail to see the value of a premium service as sufficiently compelling, and under the terms of most standalone subscription plans, subscribers are free to cancel at any time. Particularly, in an economic context of sharply rising inflation, the Group could suffer indirect negative effects resulting from the decrease in the users' purchasing power. In addition, when credit cards of direct subscribers expire, they must enter updated credit card information to continue their subscriptions, effectively requiring them to make a new subscription decision. If significant numbers of the Group's subscribers cancel their plans in a period, or if the Group is unable to attract enough new subscribers to offset the cancellation of subscriptions in the period, its results of operations could be adversely affected. Furthermore, if excessive numbers of subscribers cancel their plans, the Group may incur significantly higher marketing expenditures than it does in the normal course of business, to attract new subscribers to replace these cancelling subscribers.

Furthermore, the Group's audio content catalogue must appeal to a broad range of current and potential subscribers whose preferences are subjective, change rapidly and are difficult to predict. The Group may be unsuccessful in identifying content that will appeal to existing and potential subscribers in a timely manner, which may impact its ability to attract new subscribers or limit the rate of conversion of free users to paid subscriptions. In addition, the Group may be unable to maintain or grow the size of its catalogue, and any failure to do so may make it difficult to compete with competitors who would therefore have a larger or more varied content catalogue. If existing subscribers do not perceive the Group's content catalogue to be sufficiently complete or appealing, the Group may also experience increased churn.

The success of the Group's service is also dependent on successfully predicting which content will match its subscribers' tastes. Subscribers receive recommendations curated by the Group's editorial team and based on its proprietary algorithms. Providing human curated playlists requires a significant investment in human resources, and there is no guarantee that the Group's editors will be effective at recommending music that subscribers like. Similarly, the effectiveness of the Group's proprietary algorithms depends in part on its ability to gather and effectively analyze subscriber usage data and feedback, and there is no assurance that the Group will continue to be able to collect this data or that the algorithm will effectively predict and recommend music that appeals to subscribers. If these recommendation features are not effective or the recommendation features of the Group's direct competitors are more effective at choosing content that subscribers like, the perceived value of Deezer's service may diminish. If competitors introduce new music recommendation capabilities that the Group is unable to match, consumers may decide to subscribe to competing services, which may adversely affect the Group's subscriber base and revenue. In addition, the challenges associated with providing recommendations may increase as the Group expands into new audio content, new genres and new markets where it does not have extensive expertise or available data.

Management of the risk

The Group is particularly attentive to the quality of its services and the satisfaction of its users. Consequently, the Group conducts regular satisfaction surveys to benefit from its users' experience and to improve its offering accordingly.

In addition, the Group invests marketing campaigns and promotional activities. In 2022, the Group launched a 360° marketing campaign around the theme of "The Power of Music" in France, Germany and Brazil to address new audiences with refreshment of Deezer brand positioning. The Group is also developing its marketing campaigns to increase platform traffic through search engine marketing and social media.

The Groups plans to extend its subscriber base by investing in marketing to support its brand and acquire new customers, as well as offer free trials of its service through distribution partners or directly and discounted promotional offerings.

2.1.1.3 The Group's business plan and strategy are subject to change and may yield results that sometimes do not align with the market's expectations

Description of the risk

The Group's business plan and strategy may change as a result of changes in market trends, available capital, its relationship with key distribution partners and rights holders, and its management. The Group is still developing its service offering and may contemplate entering in New Verticals related to audio streaming, but it may not have the data or experience necessary to estimate or project returns from new investments and strategies. There can be no assurance that these strategies will appeal to consumers, that the Group will appropriately price new services or determine the features that should be included, or that competitors will not introduce a superior service. The Group may also choose to target certain geographic markets in its expansion strategy, where the penetration rate of audio streaming services is low compared to other markets. It may be unsuccessful in identifying the appropriate markets on which to focus. Creating new services, implementing new strategies, and expanding into new geographies often requires significant investment, and if the Group's business plan and strategy fail to generate the targeted financial performance, or if it is forced to adjust or abandon strategies, its financial condition may be adversely affected.

In addition, the Group's strategy has been to expand its content offering into new categories of audio content, such as live radio, podcasts, audiobooks, and livestream. For more information, see Section 1.2 "*Description of the Company's activities*" of this Universal Registration Document. Expansion of the Group's operations into the delivery of new categories of audio content involves numerous risks and challenges, including a lack of familiarity with the market and consumer preferences, new competitors and the need to develop new strategic relationships. In certain cases, this expansion may require changes to the Group's existing business model and cost structure, modifications to its infrastructure and exposure to new regulatory and legal risks, any of which may require expertise in areas in which the Group has little or no previous experience. In particular, some categories of audio content (such as live radio and podcasts), which were previously available at little or no cost, could become expensive if the relevant rights holders insist on different arrangements than those currently in place. For more information, see paragraph 2.1.2.1 "*The Group relies on its ability to negotiate and maintain license agreements on terms acceptable to it with rights holders*." Of this Universal Registration Document. In addition, if the Group offers new content that is not accepted by or desirable to consumers and subscribers, its business may be negatively affected. Further, the Group has established a reputation as a music streaming service, and it may face greater challenges in positioning itself in the market as a provider of other categories of audio content, which could adversely affect its revenue and profitability.

Furthermore, the Group's business emphasizes rapid innovation and prioritizes long-term user engagement, growth and profitability over short-term financial condition or results of operations. That strategy may yield results that sometimes do not align with the market's expectations. The Group's business is growing and becoming more complex, and its success depends on the Group's ability to quickly develop and launch new and innovative products. The Group believes its culture fosters this goal. Deezer's focus on complexity and quick reactions could result in unintended outcomes or decisions that are poorly received by its users, advertisers, or partners. The Group has made, and expects to continue to make, significant investments to develop and launch new products, services, and initiatives, which may involve significant risks and uncertainties, including the fact that such offerings may not be commercially viable for an indefinite period of time or at all, or may not result in adequate return of capital on its investments. No assurance can be given that such new offerings will be successful. The Group's business also prioritizes long-term user engagement, growth and profitability over short-term financial condition or results of operations. The Group frequently makes decisions that may reduce its short-term revenue or profitability if it believes that the decisions benefit the aggregate user experience and financial performance over the long term. These decisions may not produce the long-term benefits that the Group expects, in which case the Group's financial condition and prospects would be adversely affected.

Management of the risk

Deezer's Board of Directors and Executive Committee regularly review the Group's business performance and internal team execution against strategic objectives.

In this respect, the Group has implemented a number of measures, supported by dedicated and shared resources, which are regularly monitored, to support the execution of its business plan and strategic goals and ensure objectives are met. For instance, weekly Executive Committee meetings, along with monthly and quarterly business performance reviews, have been set up to follow the execution of ongoing projects and the achievement of related objectives, and also prioritize actions plans. When risks or deficiencies are identified, mitigation plans and other proactive measures are put in place.

The Group is constantly analyzing the market in order to investing on new products which it believes to be commercially viable.

2.1.1.4 The Group's ability to do business and compete may decline if it is unable to adapt to the complex and evolving regulatory framework governing its activities, including as regards its intellectual property rights and those of others

Description of the risk

The Group's music platform service is currently available in more than 180 countries worldwide, and, as such, it is subject to a variety of laws and regulations that involve matters central to its business, including privacy, data protection, content, intellectual property, advertising and marketing, competition, protection of minors, consumer protection, automatic subscription renewals, credit card processing, foreign exchange controls, and taxation. These laws and regulations are constantly evolving, particularly in the new and rapidly evolving industry in which it operates, and may be interpreted, applied, created, or amended in a manner that is inconsistent from country to country and inconsistent with the Group's current policies and practices. Additionally, the introduction of new products or services, the expansion of the Group's activities in certain jurisdictions, the entry into new jurisdictions, or other actions that the Group may take may subject it to additional laws and regulations. The evolution of these laws and regulations, as well as any associated claims, inquiries, or other government actions, especially if occurring in one of its core markets, may subject the Group to increased operating costs, delays or impediments in its business activities, diversion of management time and attention, and remedies that harm its business, including fines or demands or orders that the Group modifies or ceases existing business practices.

The Group is subject to a variety of regulations in connection with its streaming service over the Internet and mobile networks. For more information, see Section 1.7.5 "*Regulatory environment*" of this Universal Registration Document. The adoption or modification of laws or regulations relating to the Internet or other areas of its business could limit or otherwise adversely affect the manner in which it currently conducts its business or even harm its business, if occurring in one of its core markets. In addition, the continued growth and development of the market for online audio streaming may lead to more stringent consumer protection laws, which may impose additional burdens on the Group. If the Group is required to comply with new regulations or legislation or new interpretations of existing regulations or legislation, this compliance could cause it to incur additional expenses or alter its business model. Changes in laws or regulations that adversely affect the growth, popularity or use of the Internet or mobile networks, including laws impacting net neutrality, could decrease the demand for the Group's service and alter the manner in which the Group conducts its business.

The Group is also subject to various legal obligations in the different markets in which it operates regarding the manner in which it treats the data supplied by its subscribers that is collected and utilized in the ordinary course of business, including in connection with providing personalized playlists to subscribers, running advertising and marketing campaigns, and calculating royalties. Increased regulation of data utilization practices, including self-regulation or findings under existing laws that limit the Group's ability to collect and use data, could prevent it from providing a customized user interface to its subscribers and could therefore reduce the perceived value of its service. It could also limit the Group's ability to serve targeted advertisements to users of the free tier of its streaming service or to track and serve targeted advertisements to prospects on the Internet. If the Group were unable to provide content owners with the data related to the streaming of their catalogue, it could be unable to effectively calculate royalties. Content owners may also see the Group's platform as a less attractive channel through which to distribute their materials and may insist on economic terms less favorable to the Group or cease licensing music to it altogether. Any of these events could harm its business, if occurring in one of its core markets. In addition, if the Group discloses data about its subscribers in a manner that is objectionable to them, its reputation could be adversely affected and it could face potential legal claims that could impact its operating results. As the Group's business evolves and as it expands internationally, it may become subject to additional and/or more stringent legal obligations concerning its treatment of customer information. Failure to comply with these obligations, especially in one of its core markets, could subject the Group to liability, and to the extent that it becomes necessary to alter its business model or practices to adapt to these obligations, it could incur additional expenses.

In addition, the Group has relied, and expects to continue to rely, on a combination of trademark, copyright, database rights, technical protection measures and trade secret protection laws to protect its intellectual property and other proprietary rights. The Group may also seek to enforce its intellectual property or proprietary rights through court proceedings. The Group has filed, and expects to file, from time to time, trademark applications. Nevertheless, these applications may not be approved and third parties may challenge any trademarks issued to or held by the Group. Third parties may also, knowingly or unknowingly, infringe the Group's intellectual property rights, and it may not be able to prevent infringement or misappropriation without substantial expense. If the protection of the Group's intellectual property rights is inadequate to prevent unauthorized use or misappropriation by third parties, the value of its brand and other intangible assets may be diminished, competitors may be able to more effectively mimic its service and methods of operations and the perception of its business and service to members which could damage the Group's reputation and brand, and its ability to attract subscribers may be adversely affected.

The Group currently holds various domain names relating to its brand, including "Deezer.com". Failure to protect the Group's domain names could adversely affect its reputation and brand and make it more difficult for users to find its website and its service. The Group may be unable, without significant cost or at all, to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of its trademarks and other proprietary rights. If the Group loses the ability to use a domain name in a particular country, it would be forced either to incur significant additional expenses in connection with marketing the Group's platform within that country or to elect not to provide the service in that country. Moreover, laws and regulations relating to domain names are subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, the Group may not be able to acquire or maintain the domain names that incorporate its brand names in the future, which could have an adverse effect on its business, results of operation, financial condition and prospects.

There are numerous patents that broadly claim means and methods of conducting business on the Internet. Many companies are devoting significant resources to developing and/or acquiring patents that could potentially affect many aspects of the Group's business. While the Group strives to ensure that its intellectual property is sufficient to permit it to provide its service independently, it cannot guarantee that the intellectual property protecting the technology associated with its business will provide adequate protection. Third parties, including the Group's competitors, may develop similar technology, duplicate the Group's functionalities, services or design around its intellectual property. These parties may have patents or pending patent applications, which will later mature into patents or inventions that may affect the Group's ability to operate its system or license its technology. Additionally, in recent years, non-operating companies have purchased and collected intellectual property assets and are monetizing them by bringing infringement claims against companies like the Group's. The sole purpose of such claims is to extract money from the defendant company through settlements or collection of royalties. Even if the Group believes that such claims are without merit, defending against such claims may be time consuming and very expensive. The Group's policy has been to defend against these claims to dissuade additional lawsuits by non-operating companies. Over the past three years, claims filed against the Group has been dismissed without any payment to the plaintiff except for two claims for which the Group has settled with the counter-party. If the Group is unable to convince non-operating companies to drop or to settle such cases, the Group may need to pay negotiated settlement fees or engage in protracted litigation, possibly through trial, which could result in an award of damages against the Group.

To date, the Group has not faced a patent lawsuit brought by a competitor. If a claim from a competitor were successfully upheld, the Group may be required to redesign affected services, enter into costly settlement or license agreements, pay damage awards or unfavorable royalty or license agreements to obtain the right to use technologies, content, or materials, or face a temporary or permanent injunction prohibiting it from providing services. Defending itself against intellectual property claims, whether they are with or without merit and whether or not they are determined in its favor, results in costly litigation and diversion of technical and management personnel. It may also result in the Group's inability to use its platform, streaming technology, recommendation technology or inability to market its service or merchandise its products. As a result of a dispute, the Group may have to develop non-infringing technology, enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials, adjust its marketing activities or take other actions to resolve the claims. These actions, if required, may be costly, cause delays in the provision of services, or be unavailable on terms acceptable to the Group.

Lastly, the Group uses open-source software in its business, including in connection with the development of its website and mobile application. Open-source software is generally made available to the public under license. Such licenses often impose obligations on users such as the Group, in the event that they distribute derivative works of the open-source software. Any non-compliance with licensing terms could be harmful to the Group's business. While the Group constantly strives to select and combine open-source code subject to licensing terms that are compatible with its strategic business objectives and to closely monitor its use of open-source software to ensure that none is used in a manner that would conflict with applicable licensing terms, such use could inadvertently occur. In addition, any modification of the open-source code, even in compliance with the applicable license, could lead to the requirement to publish the Group's proprietary source code, which would then become likely to be copied by its competitors. This may harm the Group's competitive position and adversely affect the performance of the business.

<u>Management of the risk</u>

The Group has put in place internal legal monitoring to monitor the evolution of laws and regulations applicable to its activities. The Group is also taking an active role in several forums aimed at anticipating and limiting the impact of new laws and regulations, *e.g.* by being a member of the Digital Music Europe. Furthermore, the risks with respect to personal data of customer are managed and monitored with the presence of an internal data protection officer (DPO) who is handling the implementation of the data protection obligations among the Group.

Prior to launching a new product or service, the Group thrives to conduct a legal analysis in the main jurisdictions involved to comply with applicable laws and regulations.

Risk management measures set in place with respect to the protection of the Group's trademarks and domain names include the monitoring of third party's rights conducted by external providers to identify potential infringers. This includes a specific monitoring conducted by an external provider to identify any website that would offer content in association with the name "Deezer".

In addition, in order to protect the confidential nature of its technology, the Group includes confidentiality undertaking in employment agreements and in agreements entered into with external providers.

2.1.2 Risks related to the Group's organization and operations

2.1.2.1 The Group relies on its ability to negotiate and maintain license agreements on terms acceptable to it with rights holders

Description of the risk

The Group's ability to provide its users with musical and other audio content depends on reaching agreements with a large number of holders of copyrights for the sound recordings and the musical compositions (including the lyrics and musical scores) of its content. For more information, see Section 1.7.3 "*Content licensing*" of this Universal Registration Document. The Group must devote significant resources to negotiating, establishing and monitoring its various licensing agreements and maintaining good relationships with rights holders, and such efforts may not be successful. The Group is currently operating under *ad hoc* arrangements with some of the labels pending signature of a definitive agreement. If the Group is unsuccessful in negotiating and maintaining licensing agreements with one or more recording rights holders on terms acceptable to it, it could have a significant adverse effect on the Group's ability to provide quality content to users through its music streaming service. In addition, a failure to comply with the terms of the license agreements, including for example, a failure to accurately calculate the royalties owed for music streamed on the music Group's platform, may result in the termination of the agreement or an imposition of penalties or other liquidated damages pursuant to the terms of the contracts. Similarly, disagreements over the interpretation and application of the terms of the license agreements, or an inability to reach agreement on terms and conditions of the licenses, could result in legal claims being brought against the Group by rights holders.

The Group has historically maintained licensing arrangements with global and local labels, including each of the three major music labels (Universal Music Group, Sony Music Entertainment and Warner Music Group) as well as Merlin. As of December 31, 2022, these four recording providers (*i.e.*, Sony, Universal, Warner and Merlin) accounted for approximately 56% of Deezer's catalogue. These agreements typically have terms of one to three years. The music licensed to the Group under its agreements with the three major record labels, and Merlin make up the majority of music consumed on the Group's audio streaming service. For more information, see paragraph 1.7.3.1 "*Record Labels*" of this Universal Registration Document. The Group relies on various rights holders, over whom it has no control, for the content it makes available through its music streaming service. The Group cannot guarantee that these parties will always license to the Group or license to the Group on terms that are acceptable to the Group. If the Group is unable to renew agreements with the major labels on acceptable terms or at all, the loss of content could cause a significant decline in the perceived value of the Group's music service and damage its ability to attract and maintain subscribers. The Group's business may be adversely affected if its access to music is limited or delayed because of deterioration in its relationships with major rights holders. As a limited number of labels make up the majority of music consumed on the Group's audio streaming service, rights holders may attempt to use their position to seek onerous financial or other terms from the Group or otherwise impose restrictions that hinder the Group's ability to further innovate its service offerings.

Given the relatively short terms of its licensing agreements, the Group sometimes operates under short term (*e.g.*, one month) renewal amendments with some of the music labels, pending the execution of a long-term renewal agreement. If the Group does not finalize the negotiation and signature of long-term renewal agreements with the major labels (*i.e.*, one to three years term), it may lose access to content or be subject to varying terms that could impact its costs and margins.

The Group has particular issues in markets of music industry where local content is important and such local content is held by locally relevant labels or even individual artists (*e.g.*, Indonesia, MENA), making it difficult to obtain such local content at all or on economically favorable terms.

In addition, publishers' fractional ownership of shares of musical works enhances their market position. As a result, the loss of rights with respect to a major publisher catalogue would force the Group to take down a significant portion of popular repertoire in the applicable territory or territories, which would significantly disadvantage the Group in such territory or territories. The lack of complete metadata with respect to publisher ownership may also present challenges in taking down all the tracks of a given publisher. Even if the Group is able to secure rights to sound recordings from record labels and other copyright owners, artists and/or artist groups may object and may exert public or private pressure on those record labels or copyright owners or other third parties to discontinue licensing rights to the Group, hold back content from the Group, or increase royalty rates. As a result, the Group's ability to continue to license rights to sound recordings is subject to convincing a broad range of stakeholders of the value and quality of the Group's audio streaming service. To the extent that the Group is unable to license a large amount of content or the content of certain popular artists, its business could be materially harmed.

As mentioned above, access to local content is important to the Group's ability to attract subscribers in many geographical markets, particularly in those where local artists are the most popular. In those markets, obtaining licenses for local music content is vital to the perceived value of the Group's service and subscriber engagement. Negotiating rights for local content may require reaching agreement with numerous rights holders, requiring the Group to devote significant resources to these efforts. In addition, the terms offered by holders of rights for local content may be less favorable than those that the Group obtains for international content. If the Group is unable to negotiate agreements for local content on acceptable terms or at all, it could adversely affect its growth and market share in the relevant jurisdiction.

In addition, holders of copyrights in musical compositions tend to be dispersed and fragmented, and in some cases it can be challenging for the Group to establish and maintain the necessary license agreements. For more information, see paragraph 1.7.3.2 "*Publishing rights holders*" of this Universal Registration Document. The Group may be required to negotiate individually with multiple rights holders to access the same content in several jurisdictions and, accordingly, could incur increased transaction costs.

Moreover, comprehensive and accurate ownership information on the ultimate rights holders for the musical compositions embodied in sound recordings or for the musical works that users stream through the Group's service is often unavailable to the Group or difficult or, in some cases, impossible for the Group to obtain, sometimes because it is withheld by the owners or administrators of such rights. The Group currently relies on the assistance of third parties to determine this information. If the information provided to the Group or obtained by such third parties does not comprehensively or accurately identify the ownership of musical compositions, or if the Group is unable to determine which musical compositions correspond to specific sound recordings, it may be difficult or impossible to identify the appropriate rights holders from whom to obtain licenses or to whom to pay royalties.

This may make it difficult to comply with the obligations of any agreements with those rights holders. This may also make it difficult to identify content for removal from the Group's audio streaming service if the Group loses the rights to such musical compositions. Additionally, if the Group relies on incorrect or incomplete information, the Group may inadvertently fail to obtain all necessary licenses, may be subject to legal claims for any rights it does not obtain in the future or did not obtain in the past or may incur additional expenses to reach license agreements. Moreover, for certain content and geographical markets, the Group may be unable to identify or locate applicable rights holders and may be forced to remove content or provision for future licensing payments. As a result, this may impact the Group's ability to perform its obligations under its licenses, affect the size of its catalog, impact its ability to control content acquisition costs, and lead to potential copyright infringement claims.

The Group may also not be in a position to acquire the rights to stream popular content because of inability to reach agreement with the relevant rights holders. Certain artists, labels and other rights holders in the market have refused to participate in collective licenses and will not license their copyrights to streaming services without significant financial incentives, or at all. Publishing rights holders may insist on receiving a higher percentage of subscription fees or advertising revenue generated from the streaming of content they own or manage. Moreover, in certain cases, rights holders have chosen to provide licenses to some streaming services but not to others, or to provide exclusive licenses. In some cases, these rights holders are particularly popular artists, and the Group's failure to have their music in its catalogue, particularly if competing audio streaming services do, may have an adverse effect on the perceived value of the Group's brand and its popularity. While rights holders' refusal to license content remains infrequent, it could conceivably become more commonplace. In order to secure rights to popular content, the Group may need to offer financial incentives, without any guarantee that it would receive sufficient incremental revenue to offset the cost. The Group may also be unable to acquire licenses for desirable content for many other reasons, including because the content is not available in a technical format that is compatible with the Group's service. If an increasing amount of audio content, or specific content that the Group's subscribers particularly like or enjoy, is or becomes unavailable for streaming on its platform, it may negatively affect the Group's subscriber growth, brand, reputation and revenue.

Additionally, if a significant number of authors, composers and/or artists refuse to be represented by larger record labels or publishers, the Group's transaction costs to acquire content could materially increase, which could negatively impact its business. Certain songwriters, composers and other artists have withdrawn, or may withdraw in the future, from centralized performing rights organizations. Performing rights organizations such as SACEM (*Société des auteurs, compositeurs et éditeurs de musique*) in France manage the collection of performance royalties on behalf of individual rights holders. In the past, certain content and artists' content has been excluded from the licenses granted by these organizations. If significant additional amounts of attractive content are excluded from such licenses, the Group may be forced to incur significantly higher transaction costs in negotiating individual license agreements with a greater number of dispersed rights holders. Such negotiations may be unsuccessful and it may not be economically viable for the Group to negotiate for certain content with dispersed rights holders. In addition, because of the limited information the Group has on all individual rights holders with respect to certain content, it may be difficult for the Group to remove, from its service, musical works for which it has not obtained a license, which may subject it to liability for copyright infringement.

The Group's licenses with the record labels are deemed to include licenses with respect to the performer rights of the musicians who perform on the tracks the label produces. For more information, see paragraph 1.7.3.1 "*Records labels*" of this Universal Registration Document. Consequently, the Group is not supposed to enter into contracts directly with performers' collective societies (such as ADAMI (*Société civile pour l'administration des droits des artistes et musiciens interprètes*) or SPEDIDAM (*Société de perception et de distribution des droits des artistes-interprètes*) in France) which administer the performer rights of their members. Performers' collective societies of a few countries have sometimes challenged this license, arguing that the Group should license performer rights directly from them rather than through licensing agreements with record labels. Further to local judicial proceedings against the Group and/or other music streaming competitors, the Group has been forced to sign direct licenses with AIE in Spain and EJI in Hungary. Moreover, the Group is currently subject to litigation or threatened litigation on such claims in certain markets, and may be subject to additional legal challenges in the future. Notably, the Group is in litigation since 2018 against HUZIP (a Croatian performers' rights collecting society) which challenges the legality of the Group's offer in Croatia in the absence of a license agreement with HUZIP. If such challenges are successful, the Group may be required to separately negotiate contracts with other performers' collective societies and may be unable to do so on attractive terms, or at all. Payments to these societies may be in addition to existing payments to record labels, as it may be challenging to obtain in full reimbursement from such labels, and may increase the Group's costs of revenue and make operation of its service in such markets commercially undesirable.

As part of the terms of the license agreements entered into by the Group with rights holders, the Group's service offerings, including the scope and marketing of the offerings, must typically be approved by content rights holders before their content can be included in that offering. Furthermore, all the B2B partnerships have to be approved by content rights holders, including the provisions on level of marketing commitments. For more information, see paragraph 1.7.3.1 "*Record Labels – Use of Contents*" of this Universal Registration Document. This could limit the Group's flexibility to provide new and innovative offerings to existing and potential subscribers, or to tailor offerings to particular subscriber segments. The Group may also fail to obtain approval for offerings that are economically favorable to it, it may be forced to forego advantageous business opportunities, each of which may adversely affect the Group's revenue growth. Content providers may also seek to discourage audio streaming services from offering free streaming options in the future or grant more advantageous terms to services that exclusively offer paid subscription services, which may require the Group to adjust its service offerings or discontinue its free advertising-based service. The Group may be unsuccessful in convincing content providers to approve strategies and offerings that could increase its subscriber base in new or existing markets, which could adversely affect its subscriber and revenue growth.

Royalty payments to rights holders, which are also negotiated in the license agreements, represent the large majority of the Group's cost of revenue. In 2022, the Group's cost of revenue including music rights were €386 million (representing 86% of revenue) compared to €351 million (representing 88% of revenue) in 2021. Royalty payments for content rights holders are typically calculated on the basis of each holder's "market share" among holders of the same type of rights, or the relative weight of the rights holder's content as a percentage of the total content streamed on the Group's platform. For more information, see paragraph 1.7.3.1 "*Record Labels – Royalty Payments*" of this Universal Registration Document for more information. An increase in the "market share" of a given rights holder could result in an increase in royalty payments due, especially if that rights holder has particularly favorable royalty payment terms under existing arrangements or insists on more favorable terms in the future. Such an increase could adversely affect the Group's financial condition.

Payments under the Group's licensing arrangements and partnership agreements are subject to adjustment following audits. For more information, see paragraph 1.7.3.1 "*Record Labels – Royalty Payments*" of this Universal Registration Document. The Group, its partners and certain content rights holders are granted audit rights under the relevant partnership and licensing agreements, respectively, to ensure the accurate reporting of the elements needed to calculate compensation under such agreements. Under the terms of the licensing agreements, the Group may be required to pay penalties for the late payment and/or underpayment of royalties, or the late reporting of information needed to calculate royalty payments, which could result in increased operating costs and jeopardize the Group's relationships with key content providers. The Group has been subject and may be subject in the near future to several audits from content rights holders. Such audits may result in the Group being required to pay certain amounts in respect of underpaid royalties. An overstatement of royalty payments could result in the Group paying higher royalties, which could also adversely affect the Group's margins. Similarly, an understatement or overstatement of the number or category of subscribers and the distribution channels through which they subscribe (partner's or the Group's website and mobile application) could also result in the Group receiving higher or lower fees from its partner, which could have a material impact on the Group's revenue. Audits may also result in legal disputes as to the accuracy of underlying reporting systems.

In addition, certain of the Group's contracts with rights holders include minimum guaranteed payment requirements, applicable either generally, in specific geographic markets or to specific offers through distribution partners. For more information, see paragraph 1.7.3.1 "*Record Labels – Royalty Payments*" of this Universal Registration Document. Under such provisions, the Group typically pays minimum fees to the rights holder, regardless of the extent to which subscribers and users actually listen to the relevant content, and regardless of the Group's revenue. If the Group does not generate sufficient revenue in a market to cover the minimum guaranteed payments, its margins, operating profitability and cash position will be adversely impacted. The Group is currently subject to minimum guaranteed payment requirements and the Group may agree to substantial new minimum guarantee obligations in the future, including in the event that it expands to new geographic markets or expands its offers through distribution partners. If rights holders demand higher minimum guaranteed payments in exchange for granting licenses to stream content, if the Group incorrectly forecasts its subscriber growth and streaming volume for the period of the contract, or if the Group agrees to additional minimum guarantees in connection with geographic expansion or new distribution offers, the Group may fail to generate revenue sufficient to cover its minimum guaranteed payment obligations.

Furthermore, the Group's royalties payment may increase significantly as it expands to include other categories of audio content (including live radio, podcasts, audiobooks, and livestream) and new video content. New categories of audio and video content may be more costly or difficult to acquire than the music content comprising the majority of the Group's current catalogue. Rights holders for other categories of audio and video content may demand higher revenue sharing percentages, per subscriber fees or other types of compensation than those set forth in the Group's current licensing arrangements, may require large minimum guarantee payments, or may insist on greater control over or place more restrictions on the use of their content. There can be no assurance that revenue will increase sufficiently to offset the incremental cost of acquiring new categories of audio and video content. If not, the Group's expansion into new categories of streaming content could have a negative adverse effect on its results of operations. The Group's royalties payment may also be impacted due to certain mechanisms included in agreements entered into with certain content rights holders according to which the Group would have to pay to such content rights holders more than 100% of their market share.

Finally, the Group may be subject to disputes or liabilities associated with content made available on its streaming services. The various services and products offered by the Group enabling artists, podcasters, and other creators or users to make audio content available on its service may subject the Group to heightened risk of claims of intellectual property infringement by third parties if such creators do not obtain the appropriate authorizations from rights holders. The Group is dependent on those who provide content on its audio streaming service complying with the terms and conditions of any license agreements with the Group and/or its Terms and Conditions of Use, which prohibit providing content that infringes the intellectual property or proprietary rights of third parties or is otherwise legally actionable pursuant to privacy and/or publicity rights. However, the Group cannot guarantee that the creators and users who provide content on the Group's audio streaming service will comply with their obligations, and any failure of creators and users to do so may materially impact the Group's business. In addition, while the Group may avail itself of various legal safe harbors related to third-party content, the Group cannot be certain that courts will always agree that these safe harbors apply. For more information, see Section 1.7.5 "*Regulatory environment*" of this Universal Registration Document. The Group also faces a risk that the laws related to these safe harbors or the removal of content could change. Changes in any such laws that shield the Group from liability could materially harm its business, operating results, and financial condition.

The Group also cannot guarantee the integrity of the content third parties make available on its audio streaming service, which may adversely affect the Group's reputation and business. Given the large volume of content that various third parties, including record labels, distributors, aggregators, podcasters, and the Group's users, make available on the Group's platform, it is challenging for the Group to accurately verify the legitimacy of such content, including their copyright status and whether such content implicates the legal rights of third parties, or review and moderate such content to ensure that it is otherwise in compliance with the Group's policies. If the Group fails to build and maintain an effective system to moderate the content on its platform, its users may lose trust in the Group, the Group's reputation may be impaired and its business may be adversely affected.

Various laws and regulations govern the monitoring of illicit or hateful content. In France, a law reinforcing compliance with the principles of the republic was published on August 25, 2021. If the content third parties made available on the Group's audio streaming service is illicit or hateful, the actions of any users, or of administrative entities or authorities, could adversely affect the Group's reputation.

Management of the risk

To lower the risks of non-renewal of its license agreements entered into with the major rights holders, the Group thrives to maintain a close relationship with the major right holders with which exchanges take place on a regular basis. To date, the Group has always managed to renew the license agreements entered into with the major rights holders. The good relationships maintained by the Group with the major rights holders has always resulted in the finding of amicable solutions when necessary.

2.1.2.2 The Group's results of operations depend on its ability to establish and maintain relationships on favorable terms with distribution partners that promote and distribute the Group's service as well as with third party service providers that perform certain functions that are important to the functioning of its service and business

Description of the risk

Historically, the majority of Deezer's B2B subscribers have been acquired through its various distribution partnerships with leading telecommunications and media companies, particularly its partnerships with Orange S.A. ("**Orange**") in France and TIM Celular S.A. ("**TIM Brazil**") in Brazil. For the fiscal year ended December 31, 2022, 68% of the Group's indirect revenue came from these two partnerships compared to 70% for the fiscal year ended December 31, 2021. For more information, see paragraph 1.5.1.2 "*Partnership-led growth*" of this Universal Registration Document. Such partnerships remain a key part of the Group's sales and distribution channels and growth strategy, as illustrated by the signing, in 2022, of a partnership with RTL Interactive GmbH ("**RTL**") in Germany. Establishing partnerships in new geographical markets is essential to the Group's ability to penetrate those markets. Reaching and maintaining agreements with such partners involves significant investments of time, resources and work in design and integration, and the Group may not be successful in reaching such agreements on acceptable terms, which could adversely affect its business, results of operations and financial condition.

If the Group fails to establish partnerships with leading telecommunications, media and other companies with complementary business activities (such as audio equipment or automobile manufacturers) or geographic reach, the value of the partnerships to the Group may be reduced. Similarly, if the Group's partners lose market share or customers or consumers generally purchase less telecom products and services, the Group's ability to reach potential subscribers may be greatly diminished, which could have an adverse effect on the Group's business, results of operations and financial condition. Some of the Group's partnership arrangements contain exclusivity restrictions with respect to the Group's activities in the geographic market(s) covered by the concerned partnership, which may prevent the Group from entering into agreements with the competitors of its partners.

The Group's partnership arrangements typically provide for the sharing of subscription fees between the Group and its partners (in the case of standalone subscriptions) or the payment by its partners of a monthly fee per subscriber or per active subscriber (in the case of bundled subscriptions). For more information, see paragraph 1.5.1.2 "*Partnership-led growth*" of this Universal Registration Document. If the Group's share of revenue under bundled and standalone offers is insufficient to offset the costs to provide these offers, including in particular the royalty payments to rights holders, the Group's margins could be adversely affected.

While the terms and conditions of the Group's distribution partnerships vary, the majority of the arrangements are relatively short-term (on average one to two years) and can be cancelled with as little as one month's notice in some cases. When the Group's partnership arrangements expire, its partners typically cease acquiring new subscribers (while continuing to provide the Group's service to existing subscribers for a further specified period).

The Group may not succeed in converting bundle subscribers to standalone subscribers before the relevant partnership arrangements expire, which could result in increased subscriber churn and a decrease in the Group's consolidated revenue. The volume of standalone subscriptions that the Group is able to generate through partnerships remains uncertain for a number of reasons, including, competition from promotional offers from other streaming service providers. For more information, see paragraph 2.1.1.1 "*The Group's service may be disrupted or face heightened competition from audio streaming or other technological players*" of this Universal Registration Document.

Furthermore, there can be no assurance that the Group will be able to renew or replace its partnership arrangements as they expire, or that new partnership arrangements will be on equally favorable terms. If not, the impact of the revised terms could have an adverse effect on the Group's business, results operations, financial condition, and prospects.

In key territories (such as in France, Brazil or Germany), any failure of the partnership to achieve expected results, or any failure by the Group to maintain the partnership with the relevant partner on acceptable terms, could adversely affect its business, results operations, financial condition, and prospects, especially with respect to the Group's key partnerships with Orange, TIM Brazil and RTL.

In addition, the success of the Group's bundled and standalone offers through its distribution partners depends on the strength of its partners' brands and brand loyalty in a particularly competitive environment for such partners. Consumer tastes and preferences for Internet, mobile service provider and the brand of mobile device can change in rapid and unpredictable ways. If one or more of the Group's partners are unable to maintain and grow their subscriber base, fail to provide quality services and products to their consumers, are subject to reputational harm, file for bankruptcy or otherwise experience business difficulties, the Group's subscriber base, revenue, brand and reputation could be negatively impacted as well. For bundled offers in particular, any issues with the services of the Group's partner may be attributed by subscribers to the Group (whether properly or improperly), which could harm its reputation and reduce its ability to retain subscribers.

The Group's ability to generate revenue from these partnerships depends in large part on the partners' efforts to promote the Group's service offerings. For more information, see paragraph 1.2.3.3 "*Indirect B2B distribution through partnerships*" of this Universal Registration Document. This is particularly true in cases where the Group's service is offered on a standalone basis, rather than as part of a bundle with the partner's product or service, because a consumer must specifically decide to subscribe to the Group's service and a partner's promotional efforts may have a significant influence on this decision. The Group's partners may have other priorities or may perceive that promoting the Group's offerings is not the best use of their marketing and promotional resources. If the partners do not promote the Group's offerings sufficiently, the Group will have difficulty achieving its growth objectives.

Moreover, the Group relies in part on integration agreements with its distribution partners to be able to offer its service through such partners' operating systems, devices and technological platforms. For more information, see paragraph 1.2.3.3 "*Indirect B2B distribution through partnerships*" of this Universal Registration Document. There is no guarantee that the Group will be successful in integrating and maintaining a service that can be easily integrated into the technology of any of its partners, or that market standards will not change thereby rendering the Group's technology obsolete. The Group also relies on integration agreements with mobile and audio equipment manufacturers to ensure that its mobile application and mobile interfaces are pre-loaded or pre-installed on some popular, or best-selling mobile devices. As the technology evolves and new devices and audio equipment are released into the market, the Group must constantly adapt its technology. Adapting the Group's technology and technical integration processes requires significant investment and may be subject to setbacks and disruptions, including for reasons beyond the Group's control, and changes to the Group's technology and systems, including its mobile application or interface, may be met with resistance or dissatisfaction from consumers. It may become increasingly challenging in the future to adapt the Group's operating systems and technical integration processes.

In addition to its distribution partners, the Group relies on third party service providers to perform certain functions that are important to the functioning of its service and business including: hosting, monitoring and maintaining its storage servers; providing its content distribution network (CDN); programing and maintaining certain software for its servers and internal operating systems; and processing payments. For more information, see Section 1.7.2 "*Information technology and intellectual property*" of this Universal Registration Document. The operation of the Group's service could be impaired if errors or disruptions occur in third-party software and infrastructure, which may occur through no fault of the Group. It may be more difficult for the Group to monitor or address any such defects in third-party software or hardware because the development and maintenance is not within its control. There can be no assurance that any third-party licensors of software and service providers will continue to make their products and services available to the Group on acceptable terms or at all, or to invest the appropriate levels of resources in their products or services to maintain and enhance their capabilities. In addition, any one or more of these service providers may experience business difficulties or other events beyond their control that could make it impossible or commercially infeasible to continue to provide these services, which may require the Group to incur additional expenses to locate replacements. Any disruptions in service may lead to various issues with the Group's operations, including problems with platform availability or security, and damage to its subscriber loyalty. The Group's subscribers are likely to attribute any such failures to the Group, which could damage its reputation and the perceived value of its service.

The Group also depends on hardware providers, who may fail to deliver components according to schedules, prices, quality and volumes that are acceptable to it. The Group's infrastructure contains many physical parts purchased globally from tens of suppliers, including single-source direct suppliers. This exposes the Group to multiple potential sources of component shortages. Unexpected changes in business conditions, materials pricing, labor issues, wars such as the conflict between Russia and Ukraine, trade policies, natural disasters, health epidemics, trade and shipping disruptions, port congestions and other factors beyond the Group's or its suppliers' control could also affect these suppliers' ability to deliver components to the Group or to remain solvent and operational. The unavailability of any component or supplier could result in loss of access to important technology and tools for the Group's business. Moreover, significant increases in the Group's infrastructure have required and may in the future require it to procure additional components in a short amount of time. The Group's suppliers may not be willing or able to sustainably meet its timelines or its cost, quality and volume needs, or to do so may cost the Group more, which may require it to replace them with other sources. There is no assurance that the Group will be able to secure additional or alternate sources for most of its components quickly or at all. Additionally, the Group may be unsuccessful in its continuous efforts to negotiate with existing suppliers to obtain cost reductions and avoid unfavorable changes to terms and source less expensive suppliers for certain parts.

If the Group is unable to accurately match the timing and quantities of component purchases to its actual needs or successfully implement systems to accommodate the increased complexity in its supply chain and parts management, the Group may incur unexpected disruption, storage, transportation and write-off costs.

The Group also relies in part on third-party application stores, such as Apple App Store and Google Play Store, to distribute its mobile application and collect subscription fees. The Group's application is subject to an application developer license agreement. Should any of the operators of popular application stores reject the Group's application from their store or amend the terms of their license in such a way that impedes its ability to distribute its application *via* such stores, its ability to grow its subscriber base and revenue would be adversely affected.

Consumers may subscribe to the Group's service though "in-app purchases" in certain third-party application stores, in which case subscribers are billed directly by the operators of such application stores. These stores typically charge a percentage fee for processing this billing of up to 30% of revenue, which reduces the Group's margin, in some cases significantly, and creates a disadvantage against the streaming services provided by the companies that operate these stores, namely Apple Music and YouTube Music. For more information, see paragraph 1.2.3.2 "*Direct B2C distribution*" of this Universal Registration Document. While there is global pressure for app stores to relax in-app payments, if these fees were to increase, or if a significantly higher portion of the Group's subscribers were to be indirectly billed in this manner, it could reduce the Group's revenue and margins and make it more difficult to achieve profitability.

Management of the risk

The Group has implemented measures to lower the risks of non-renewal of its strategic partnerships. The renewals of strategic partnerships are discussed in advance to ensure the continuity of the relationship. In addition, dedicated account managers are assigned to the relationship with partners such as Orange, TIM Brazil and RTL in order to monitor the relationship and ensure due performance of the parties' obligations.

The Group also benefits from its long-term relationship with its hardware provisions' partner to ensure delivery. However, the Group reduces its dependence to hardware providers by building services in the cloud or on-premises.

The Group also relies on its longstanding relationship and direct and efficient contact with third-party application stores such as Apple and Google in event of validation issues.

2.1.2.3 The Group depends on certain key members of its management team and skilled personnel, and any failure to attract, retain and motivate well-qualified employees could harm its business

Description of the risk

The Group believes that its success has depended, and continues to depend, on the efforts and talents of its management team. The loss of any of the Group's senior management could materially and adversely affect its ability to formulate and implement an effective business plan, and it may be unable to find adequate replacements. The Group's success also depends on the performance of its other employees, particularly those in key strategic functions such as information technology, product development and strategic partnerships. Most of the Group's employees may terminate their employment relationship at any time or subject to a limited notice period, and their knowledge of the Group's business and industry may in some cases be difficult or expensive to replace, or may be used for the benefit of competitors. If the Group fails to properly identify its personnel needs or to locate and attract qualified candidates, it may be more difficult to support its growth. Any failure by the Group to attract, develop, motivate and retain highly qualified personnel may reduce the effectiveness of its organization and its ability to execute its business plan. The Group also faces significant competition for highly qualified personnel and may incur significant costs to attract and retain them.

Management of the risk

The Group benchmarks its compensation package to ensure external competitiveness and be in line with each local market. In order to limit the risk of experienced employees leaving the Group, the Group has implemented bonus policy based on the performance or achievement of KPIs for certain top managers. Moreover, as part of its CSR policy, the Group is committed to supporting the development of its employees throughout their careers, including regular training, and coaching where appropriate, in order to provide them with the best working experience and environment. The Group intends to continue to associate Group's key members of its management team and skilled personnel with free performance share plans, and a variable part in their compensation, the payment of which is conditional on the achievement of quantitative and qualitative performance criteria.

2.1.2.4 The Group's international operations and growth strategy expose it to various financial, operational, economic, political, regulatory and other risks in multiple jurisdictions, and failure to effectively manage its overall growth and expansion may negatively affect its financial condition and results of operations

Description of the risk

If the Group fails to adequately manage the risks associated with its international operations or implementing its international expansion strategy, its reputation and results of operations could be adversely affected. The Deezer's service is currently available in more than 180 countries worldwide. In certain countries, notably the United States and Japan, the Group's service is currently limited to specific service offerings. For more information, see Section 1.2 "*Description of the Company's activities*" of this Universal Registration Document. Targeted international expansion and growth in international markets is a key part of the Group's strategy. Operating internationally and expanding the Group's market share requires significant resources and management attention and exposes it to complexities that increase the risks associated with its business, including:

- differences in music market dynamics, including the relative popularity of streaming services and consumers' willingness to pay for streaming services, and difficulties in tailoring the Group's strategy to such local conditions;
- difficulties and costs associated with staffing and managing foreign operations;
- differing and potentially less favorable markets for content licensing and negotiation with copyright holders;
- the need to adapt the Group's content and user interfaces to local culture, languages and subscriber preferences;
- adverse tax consequences such as those related to repatriation of cash from foreign jurisdictions, changes in tax laws or their interpretations, or the application of judgment in determining the Group's global provision for income taxes and other tax liabilities, as described in more detail in Section 2.1.7 "*Risks related to Taxation*" of this Universal Registration Document;
- fluctuations in currency exchange rates, which could impact revenue and expenses of the Group's international operations and expose it to foreign currency exchange rate risk, as described in more detail in paragraph 2.1.4.2 "*The Group is subject to payments-related risks and fluctuations in currency exchange rates*" of this Universal Registration Document;
- differing payment processing systems as well as consumer use and acceptance of electronic payment methods;
- new and different sources of competition, including competitors who may have greater knowledge of the local market;
- low usage and/or penetration of Internet connected consumer electronic devices;
- availability of reliable broadband and mobile connectivity and wide area networks in targeted areas for expansion; and
- differing, and often more lenient, laws and consumer understanding/attitudes regarding the illegality of piracy.

Additionally, the Group's business must comply with the rules governing streaming platforms, personal data, consumer law, privacy and intellectual property (see Section 1.7.5 "*Regulatory environment*" of this Universal Registration Document). The adoption of new regulations or changes to existing regulations in this area could have a negative impact on the way the Group conducts its business, in particular when such adoptions or changes are unexpected. In addition, the continued growth and development of the online streaming market could lead to increased consumer protection requirements or illicit content prevention, which could impose additional constraints on the Group. If the Group were to comply with demanding new regulations, or new interpretations of existing regulations, this compliance requirement could require it to incur additional costs or change its business model. Similarly, any changes in regulations that negatively impact the growth, popularity or use of the Internet or other electronic communications networks could reduce demand for the Group's service and adversely affect its business, financial condition and results of operations.

Another way in which the Group has expanded and may continue to expand is through the acquisitions of companies or technologies. For more information, see Section 1.7.1 "*Investments*" of this Universal Registration Document. It has in the past and may in the future engage in opportunistic acquisitions of other companies, businesses or assets, including to accelerate its growth in international markets or to improve the quality of its service. The Group may fail to acquire companies whose market power or technology could be important to the future success of its business.

Acquisitions involve numerous risks, including but not limited to:

- difficulties in integrating the technologies, operations, existing contracts and personnel of acquired businesses;
- difficulties in supporting and transitioning customers or suppliers of an acquired company;
- diversion of financial and management resources from existing operations or alternative acquisition opportunities;
- failure to realize the anticipated benefits or synergies of a transaction;
- failure to identify all of the problems, liabilities or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, regulatory compliance, accounting practices or employee or member issues;
- risks of entering new markets in which the Group has limited or no experience;
- potential loss of key employees from the Group's current business or an acquired company's business; inability to generate sufficient net revenue to offset acquisition costs;
- additional costs or equity dilution associated with funding the acquisition; and potential write-offs or impairment charges relating to acquired businesses.

If, in the context of any future acquisition, the Group fails to properly assess the merits of the acquisition target, incurs costs that later prove to be unjustified, fails to integrate the acquisition into its business properly and in a cost-efficient manner, or incurs liabilities that prove to be larger than anticipated, it could have a material and adverse effect on the Group's financial condition.

More globally, the rapid growth of the Group's business to date has placed, and any future growth is expected to continue to place, significant demands on its management, as well as on its operational, administrative and financial resources. The market for streaming music services is rapidly changing and the Group's management team must predict its future business needs and initiate effective plans to provide for sufficient capacity to achieve growth in an uncertain market environment. The Group's growth also increases the complexity of its operations and, in doing so, the difficulty of effectively managing its development. Any failure to accurately foresee the operational or financial requirements of the Group's business, or to successfully implement its growth plans, may result in service interruptions, slower or interrupted growth, or an inefficient or suboptimal allocation of resources. There can be no assurance that the Group will successfully execute its strategies for expansion or properly allocate its resources, or that its strategies will lead to growth or be cost efficient.

Finally, the potential impact of the war in Ukraine (even though the Group has not identified any negative impact on its activities as of the date of this Universal Registration Document) will depend on numerous evolving factors that the Group may not be able to accurately predict and that will vary by market, including the duration and scope of the different crises, the impact of such crises on economic activity, and actions taken by governments, businesses, and individuals in response. Global trade conditions and consumer trends that originated during the pandemic continue to persist, in particular in the context of the situation in Ukraine and may also have a long-lasting adverse impact on the Group and its industry independent of the progress of the different crises. The sanctions against Russia and Belarus have created global shortages of certain goods and raw materials. The instability in Eastern Europe as well as the sanctions against Russia and Belarus have created a certain instability in the financial markets and, more broadly, have restricted access to certain financings. Should such situation last, the Group may encounter some difficulties to finance its activity and development.

Management of the risk

The Group has different expert teams in the main countries where it operates, in order to define the products and services that are in line with the expectations of local markets. The Group's objective is to limit the risks related to international growth by implementing its products or services in several markets with different dynamics.

In 2022, in order to respect the international sanctions put in place against Russia in connection with its invasion of Ukraine, the Group's management decided on the early-termination of the B2B agreements entered into with Russian partners and the non-renewal of end user subscription for subscribers located in Russia.

2.1.3 Risks related to data and information technology systems

2.1.3.1 Technology issues and disruptions could materially and adversely impact the Group's ability to operate and harm its reputation and business

Description of the risk

The Group operates its service through an integrated technology network. For more information, see Section 1.7.2 "*Information technology and intellectual property*" of this Universal Registration Document. The Group has been subject to a few cyber-attacks intended to cause a disruption in service and may be subject to such attacks in the future. Any disruptions in the availability of its networks and systems as a result of cyber-attacks, hacking or sabotage could lead to the Group's service becoming unavailable, which could adversely affect its reputation and cause it to lose subscribers. The Group may also have to incur additional expenses to repair its network and improve its security functions, and such improvements may not be successful in preventing further attacks.

The Group typically agrees to ensure the availability of the standalone and bundled service offerings sold through its partners, in accordance with the service level obligations set forth in its partnership agreements and certain other license agreements. Pursuant to these obligations, the Group is required to meet a target rate of availability of the service and an efficiency target rate. For more information, see paragraph 1.2.3.3 "*Indirect B2B distribution through partnerships*" of this Universal Registration Document. A significant disruption in the Group's platform or user interface, whether as a result of a breach of its security measures (as described above), defects in its operating system and platform technology, failures of its third-party service providers or otherwise, could cause the Group to fall below its agreed service level targets and result in a breach of the relevant obligations under its partnership agreements and certain other license agreements. Losses related to such incidents may not be fully indemnified by third-party service providers or the Group's insurance policies. As a result of any disruptions, the Group may be exposed to increased risk of litigation and other liabilities, harm to its reputation and brand and decreased revenue if consumers cancel their subscriptions as a result of disruptions in the level of service.

Furthermore, as the Group's business and user base grows, it expects to continue to invest significant resources in upgrading and maintaining its information technology platform to handle increases in customer traffic on its website interface and mobile application, expansions of its catalogue of audio content and the processing of subscription fees and royalty payments and other related processes. The Group performs much of the development of its systems in-house, including its website and mobile application, and continued growth will place additional pressure on these systems. In addition, the Group's content licensing agreements are numerous and complex, and require the processing of huge volumes of data to calculate the revenue owed to content suppliers. The Group is continuously upgrading the system used to perform this analysis to more efficiently calculate royalties and process payments while providing scalability for future growth. For more information, see paragraph 1.7.2.4 "*Data analysis*" of this Universal Registration Document. If the Group experiences any disruptions with this system, it may be unable to determine its content costs and pay content rights holders in a timely fashion and may be required to invest additional time and financial resources to improve its systems to maintain its licensing relationships. If the Group miscalculates the royalties owed, it may be subject to penalties and other liquidated damages under its license agreements, which would increase its content costs and adversely affect profitability.

Many of the products the Group offers are highly technical and complex. These products or any other product the Group may introduce in the future may contain undetected software bugs, hardware errors, and other vulnerabilities. These bugs and errors can manifest in any number of ways in the Group's products, including through diminished performance, security vulnerabilities, malfunctions, or even permanently disabled products. The Group has a practice of rapidly updating its products, and as a result some errors in the Group's products may be discovered only after a product has been used by users, and may in some cases be detected only under certain circumstances or after extended use. Additionally, many of the Group's products are available on a variety of operating systems and/or devices offered by different manufacturers, and changes or updates to such operating systems or devices may cause errors or functionality problems in the Group's products, including rendering the Group's products inoperable by some users. The Group's products operate in conjunction with, and the Group is dependent upon, third-party products and services, and any security vulnerability, error, or other bug in one of these third-party products or services could thwart the Group's users' ability to access its products and service and harm its reputation. Additionally, any errors, bugs, or other vulnerabilities discovered in the Group's code or backend after release could damage its reputation, drive away users, allow third parties to manipulate or exploit the Group's software, lower revenue, and expose the Group to claims for damages, any of which could seriously harm the Group's business. Additionally, errors, bugs, or other vulnerabilities may—either directly or if exploited by third parties—affect the Group's ability to make accurate royalty payments. The Group could also face claims for product liability, tort, or breach of warranty. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and seriously harm the Group's reputation and its business. In addition, if the Group's liability insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, the Group's business could be seriously harmed.

The Group also relies on the availability of reliable and cost-effective Internet and mobile networks in the geographies in which it operates to deliver its streaming service to its users. If the Internet or mobile networks in any one or more of the Group's geographies were to experience outages, delays or reductions in speed or availability for any reason, including as a result of damage to infrastructure, adverse weather conditions, natural disasters, terrorist attacks, war, power loss or legal or regulatory changes, the Group's service may not be viable in such markets. Furthermore, for certain geographies, the Internet and mobile network infrastructure may be less developed and service may be less reliable and effective. If the network infrastructure to support the Group's service is not developed and maintained, it may be unable to expand to or remain in certain geographies, which could adversely affect user growth, lower revenue and lead to an inability to achieve profitability.

In the event that mobile and Internet network operators implement usage-based pricing, including imposing meaningful bandwidth caps, or otherwise try to monetize access to their networks by data providers, the Group could be forced to incur greater operating expenses, increase prices and its user acquisition and retention could be negatively impacted. Furthermore, to the extent network operators create tiers of Internet access service and either charge the Group for, or prohibit it from, being available through certain tiers, its ability to stream content and its business could be negatively impacted. Because of the costs associated with the infrastructure to support increased bandwidth and the relatively data-heavy nature of the Group's service, many network operators have an incentive to use their network infrastructure and price their services in a manner adverse to the Group's interests. While the Group has agreements with certain network providers, it may encounter pricing pressure or access difficulties on non-affiliated service networks, which could adversely affect its ability to provide its service.

In addition, the Group stores its data, which principally comprises its audio content of 7.2 petabytes, in three physical data centers located near Paris, France. For more information, see paragraph 1.7.2.1 "*Servers*" of this Universal Registration Document. Due to evolutions in digital audio technology and the different types of audio files that the Group must maintain for its various service offerings, the data storage capacity required to effectively operate a multi-tier service offering is large and increasing. In addition, as the Group increases the size of its audio catalogue, its data storage and processing requirements are growing, and there is no guarantee that the Group will be able to obtain sufficient storage without a significant increase in data storage costs.

The Group's audio data and system log information is almost exclusively stored on Netapp servers that it owns, which are hosted, monitored and maintained by a third-party service provider, Iguane Solutions. The Group's integrated system architecture has been designed around the availability of this data. Any disruption in access to this data, or any loss of this data, could limit the Group's ability to provide content, to track activity in sufficient detail to meet its contractual obligations to rights holders, and to continue to offer its service. The Group's network hardware is vulnerable in the event of any damage to or destruction of the data centers where it is housed, including as a result of natural disasters, terrorist attacks, fires, or structural or systems issues. Any losses resulting from damage to its network infrastructure may not be fully covered by the Group's insurance or by its service providers under the relevant service contracts. In addition, because of the huge volume of data associated with its extensive audio library, any lost data would likely require a significant time to replace on its system and any disruption or loss could cause significant service disruptions or delays, which would have an adverse impact the Group's operations.

In parallel, the Group is in the process of transitioning part of its data storage (including data of users and rights holders) from its own servers to Google Cloud Platform ("**GCP**"), notably to operate certain aspects of its business, and to process and store data. For more information, see paragraph 1.7.2.1 "*Servers*" of this Universal Registration Document. GCP provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a cloud computing service. Any disruption of, or interference with, the Group's transition and its use of GCP could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has implemented a Disaster Recovery Plan ("**DRP**") to mitigate the risk of damage to or destruction of the data centers where the Group's network hardware is housed, including as a result of natural disasters, terrorist attacks, fires, floods, or structure or system issues. The DRP is designed to ensure the recovery of a minimum service in a cloud infrastructure in less than 24 hours. This minimum service may be limited in terms of content or functionality, performance or loading time, or availability. This minimum service does not include certain features, such as the Group's recommendation engine, the possibility for the user to pay for their subscription, the calculation of royalties, notifications, and the management of the audio catalog. This minimum service also makes it impossible for the Group to update the code of its application. The Group cannot guarantee that the recovery of a minimum service in the cloud infrastructure will be achieved in a 24-hour timeframe or at all, nor that users will be satisfied with this minimum service. Failure to recover a minimum service in the cloud infrastructure would result in the impossibility for the Group to provide any service to the users, which would adversely affect its reputation and cause it to lose users. Failure to recover an optimal service rapidly may leave users dissatisfied and result in the cancellation of their subscriptions or the deletion of their accounts. Failure to calculate the royalties owed for music streamed on the Group's platform may result in the termination of the agreements entered into with the right owners, an imposition of penalties or other liquidated damages pursuant to the terms of these agreements, and/or liability claims from said right owners. The Group may also have to incur additional expenses to restore its network hardware completely and recover an optimal service. The Group is in the process of updating its DRP with the aim of being able to provide optimal service in a cloud infrastructure within 24 hours of the incident. The update and enhancement of the DRP are underway and expected to continue through 2023. The Group cannot guarantee that the DRP will allow for optimal service in 2023 given the many constraints and technical difficulties to be resolved.

Management of the risk

The Group closely monitors its levels of service and ensures that the service agreements it enters into with its partners are in accordance with its actual levels of service. To further improve its levels of service, the Group has increased the staff in charge of managing its infrastructure since the Merger.

To reduce this risk of miscalculation, the Group's royalties calculation solution is audited each year. Knowledge attached to this royalties calculation software is ensured through dedicated teams and relevant succession plans. Knowledge maintenance and transmission is audited each year.

The robustness and reliability of the source code of the Group's product is ensured through a secure coding policy, which requires developers to manage, document, evaluate, review and maintain such source code.

The Group has engaged two different providers to ensure content delivery network (in case of a critical network disturbance, the Group can route traffic from one provider to the other) and has improved the resilience of its servers storing audio contents, via the replication of these contents in two different data centers (in case of a failure of a data center, the Group can route the traffic to the other).

2.1.3.2 The Group's reputation and business could be harmed by security breaches and fraudulent activity

Description of the risk

Security breaches resulting in unauthorized access to or disclosure of user data could damage the Group's reputation. The Group collects, maintains, transmits and stores information about its business, users, content providers and other parties, which is in many cases confidential and proprietary data. The Group also employs third-party service providers, including online payment processing partners that store, process and/or transmit data, including in some cases proprietary, personal and confidential information on its behalf. In addition, the Group uses freely available software, email accounts, cloud storage services to perform and support various business functions. For more information, see Section 1.7.2 "*Information technology and intellectual property*" of this Universal Registration Document. Although the Group and its service providers take steps to protect the security, integrity and confidentiality of confidential information they collect, store and transmit, they may be subject to attempts to break into its systems and access such data. Data and information transmitted or stored on systems with lower security safeguards may be particularly vulnerable to attack or compromise. The Group and its service providers may not have the resources or technical sophistication to anticipate or continue to prevent all types of attacks and techniques used to sabotage or obtain unauthorized access to its systems, particularly because such techniques change frequently and may not be known until launched against its systems or those of its third-party service providers. Advances in computer capabilities, new technological discoveries or other developments could increase the frequency or likelihood of security breaches. In addition, security breaches can occur as a result of non-technical issues, including intentional or inadvertent breaches by the Group's employees or by persons with whom it has commercial relationships. The Group cannot guarantee that inadvertent or unauthorized use or access to sensitive user data (particularly payment information) or to the Group's website, mobile application, networks and systems will not occur, or that third parties will not gain unauthorized access to sensitive information despite the Group's efforts and investments to safeguard this information.

Any breaches of the Group's security measures or those of its third-party service providers or other cyber security incidents could result in unauthorized access to, and misappropriation of, users' personally identifiable information or personal data, including payment details, or other confidential or proprietary information about the Group or third parties. Unauthorized use or access to user information could violate applicable privacy, data security and other laws, and cause significant legal and financial risks, adverse publicity, and a potentially severe loss of confidence in the Group's security measures among consumers and damage to its brand and reputation. Potential users may become unwilling to provide the Group with the information necessary for them to become users, and existing users may cancel their subscriptions. The Group may also be required to expend significant capital and other resources to address such breaches. The Group's cybersecurity insurance policies may not cover all types and occurrences of cybersecurity events that the Group may have to face, and the Group's exposure to cybersecurity events may result in increased costs for the Group's cybersecurity insurance premiums and even affect the ability of the Group to contract or maintain cybersecurity insurance. Actual or anticipated attacks may cause the Group to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. Any resources devoted to investigating, alleviating and/or preventing such breaches will be diverted from the Group's business purposes.

Any breaches of the Group's security measures or those of its third-party service providers or other security incidents resulting in unauthorized access to, and misappropriation of, users personally identifiable information or personal data may also constitute an infringement of the regulations on the protection of personal data, including the European General Data Protection Regulation, and give rise to the application of administrative or criminal sanctions by the authorities, including monetary fines.

In addition to such security breaches, the Group is also at risk of attempts at unauthorized access to its service, and may have difficulty effectively preventing and remediating such attempts. Unauthorized access to its service may cause the Group to misstate key performance indicators, which once discovered, corrected, and disclosed, could undermine investor confidence in the integrity of its key performance indicators and could, if and when listed, cause its stock price to drop significantly.

The Group has in the past been, and continues to be, impacted by attempts by third parties to gaining unauthorized access to its service, notably to provide users a means to enjoy the Group's paid service for free and suppress advertisements without payment.

In November 2022, the Group learned that one of its former service providers had suffered a security incident in 2019 that resulted in a data leak involving approximately 200 million users, and that this data was subsequently offered for sale on a hacker forum in November 2022. The data offered for sale included email addresses, usernames, genders, dates of birth/age, account information (such as registration date, type of account, internal identifier) and user preferences (such as number of favorite tracks, communication preferences, etc.). Although the Group did not have access to the file offered for sale on the pirate forum, it estimates that the number of paying customers affected is around 5 million. The Group immediately triggered its incident response plan, notified the CNIL of the incident, and performed a risk analysis for the fundamental rights and freedoms of the data subjects. This risk analysis – based on the standard defined by the European Union Agency for Cybersecurity (ENISA) as recommended by the European Data Protection Board (EDPB) in its Guidelines 9/2022 on personal data breach notification under GDPR of October 10, 2022 – confirmed that (i) the incident did not occur in the Group's systems but in those of a former service provider, which the Company ceased to use in 2020, and (ii) the risks for the data subjects were limited, since no passwords, payment data and more generally no sensitive data were affected by the leak. In order to limit the risks for the persons concerned, the Group published an information note on the data leak on its support site and then sent individual information by email to the persons concerned. The Group also filed a complaint with the *Procureur de la République* in January 2023. In terms of preventive measures, the Group is working on the analysis of the security measures put in place by its current and future providers. The Group has received approximately 1,000 complaints from its users, and only a few customers have initiated legal action against the Group in Germany to obtain compensation for the damage resulting from the leakage of their data. The Company benefits from a cyber insurance policy up to €5,000,000 covering damages resulting from data leakage with €500,000 deductible. At 31 December 2022, the Company registered a provision of €500,000 for potential costs connected to litigation costs and customer claims.

If in the future the Group fails to successfully detect and address such issues, it may have artificial impacts on its key performance indicators, which may harm the Group's relationship with advertisers and rights holders. This may impact the Group's results of operations, and could expose the Group to claims for damages including, but not limited to, from rights holders, any of which could seriously harm its business. Additionally, individuals using unauthorized versions of the Group's paid service are unlikely to convert to the Group's subscribers. Moreover, once the Group detects and corrects such unauthorized access and any key performance indicators, investor confidence in the integrity of the Group's key performance indicators could be undermined.

The Group has also been in the past, and continues to be, impacted by attempts by third parties to artificially manipulate stream counts, notably to generate revenue for rights holders or to influence placement of content on the Group's platform (*e.g.*, create fake user accounts to stream songs repeatedly to generate revenue or utilize fake user accounts to stream specific content). Even if the Group deploys means to detect fraudulent streams, it may not be successful in detecting, removing, and addressing all fraudulent streams and any related user accounts. If in the future the Group fails to successfully detect, remove, and address fraudulent streams and associated user accounts, it may result in the manipulation of its data, including the key performance indicators, which may harm the Group's relationship with advertisers and rights holders, and which could expose the Group to the risk of litigation. In addition, once the Group detects, corrects, and discloses fraudulent streams and associated user accounts and the key performance indicators they affect, investor confidence in the integrity of its key performance indicators could be undermined.

<u>Management of the risk</u>

The Group's information system is an essential asset necessary for conducting its business activities and subject to considerable legal and regulatory constraints. The effective protection of this asset is of major importance to the Group. Vulnerability scans and penetration tests are conducted several times a year. In 2022, the Group conducted 8 internal or external penetration tests and a third-party vulnerability scan. The Company's employees are aware of the challenges of IT security and of cybersecurity (*e.g.*, through phishing campaigns). Finally, the Company carries out review of its systems with its insurers to prevent potential risks.

The Group has increased its monitoring and surveillance capabilities to detect any suspicious activity. Specifically, to fight against any fraudulent use of its customers' accounts, the Group has implemented the following security measures:

- isolation of login credentials (password) in a separate database, with restricted access;
- use of Captcha and Bot Manager systems to identify login attempts by bots;
- sending an email informing the user of the connection on a new device;
- requirement to enter a code addressed to the user's current email address to validate email address or password changes; and
- sending an email and displaying a message in the application to prompt the user to change password when a suspicious activity is noticed on the Company's platform.

2.1.4 Financial and market risks

2.1.4.1 Given the Group's limited operating history, history of net losses and fluctuating operating results, the Group may not be successful in achieving profitability and generating positive cash-flows in the future, and may require additional funding which may not be available on acceptable terms or at all

Description of the risk

The Group's rapidly evolving business and its relatively limited operating history may not provide an adequate basis for evaluating its business prospects and financial performance, and makes it difficult to predict future results of operations. The Group's business and prospects should be considered in light of the risks, expenses and difficulties encountered by companies in their early stage of development. The Group has experienced significant net losses since its inception and it may be unable to increase revenue or control costs to levels necessary to generate profit or positive cash-flows in the future. In addition, once it does generate profit and positive cash-flows, there can be no assurance that the Group will be able to sustain or increase its margins and cash-flows. To achieve and sustain profitability and positive cash-flows, the Group must accomplish numerous objectives, the main ones being detailed in Section 1.5.2 "*Information on trends and medium-term objectives*" which notably include a successful execution of Indirect – B2B strategy and partnership with RTL, the launch of New Verticals, an effective management of cost base and working capital. Failure by the Group to achieve any of these objectives could negatively impact its ability to generate profit and positive cash-flows.

In addition, the Group intends to continue to make investments to support its business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance its existing service, expand into additional markets around the world, improve its infrastructure, or acquire complementary businesses and technologies. Accordingly, the Group has in the past engaged and may in the future engage, in equity and debt financings to secure additional funds. If the Group raises additional funds through future issuances of equity or convertible debt securities, the existing shareholders of the Company could suffer significant dilution, and any new equity securities it issues could have rights, preferences and privileges superior to those of holders of ordinary shares of the relevant issuer. Any debt financing the Group secures in the future could also contain restrictive covenants relating to its capital-raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and pursue business opportunities, including potential acquisitions. The Group may not be able to obtain additional financing on terms favorable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it when required, its ability to continue to support its business growth, acquire or retain users, and to respond to business challenges could be significantly impaired, and its business may be harmed.

To finance its business growth, in 2021, the Group entered into €25 million of loans guaranteed by the French government (*prêts garantis par l'État*). The Group has benefited, on July 5, 2022 (the date of completion of the Merger into I2PO S.A.) from the cash held by the SPAC I2PO, notably in its IPO escrow account, and from the cash raised through the PIPE transaction. The use of the PIPE funds, which amounted to €119 million and I2PO S.A. available cash flow will allow the Group to pursue its growth strategy. The Group's cash and cash equivalents amounted to €113.6 million as at December 31, 2022 as a result of the funds raised as part of the Merger. Nevertheless, the Group may in the future seek to refinance its existing debt, or incur new debt, to, among other things, finance its continuing operations and provide cash for acquisitions. For more information, see Section 8.6 "*Material contracts*" of this Universal Registration Document. No assurance can be given that financing will be available in the future on terms acceptable to the Group, or at all.

If the Group increases its indebtedness, that will pose additional risks to the Group's business. A high degree of leverage could have important consequences for the Group. For example, it could:

- increase the Group's vulnerability to adverse economic and industry conditions;
- require the Group to dedicate a substantial portion of cash from operations to the payment of debt service, thereby reducing the availability of cash to fund working capital, capital expenditures and other general corporate purposes;
- limit the Group's ability to obtain additional financing for working capital, capital expenditures, general corporate purposes or acquisitions;
- place the Group at a disadvantage compared to its competitors that are less leveraged;
- limit the Group's flexibility in planning for, or reacting to, changes in its business and in its industry; and
- make the Group vulnerable to increases in interest rates.

The Group's ability to make payments on and refinance its current debt and any future debt that it may incur will depend on its ability to generate cash in the future from operations, financings or asset sales. The Group's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that the Group cannot control. If the Group cannot service its debt or repay or refinance its debt as it becomes due, the Group may be forced to sell assets or take other disadvantageous actions, including (a) reducing financing in the future for working capital, capital expenditures and other general corporate purposes or (b) dedicating an unsustainable level of its cash flow from operations to the payment of principal and interest on the Group's indebtedness. The lenders or other investors who hold debt that the Group fails to service or on which the Group otherwise defaults could also accelerate amounts due, which could in such an instance potentially trigger a default or acceleration of other debt the Group may incur.

In addition, the Group's revenue and operating results could vary from quarter to quarter and year to year due to a variety of factors, many of which are outside of its control, and which make the Group's business difficult to predict. As a result, comparing its operating results on a period-to-period basis may not be straight-forward. Factors that may contribute to the variability of the Group's quarterly and annual results include its ability to pursue, and the timing of, entry into and growth in new geographic markets, the Group's ability to more effectively monetize its service on mobile and other connected devices, subscriber churn and conversion rates, the effect of increased competition in the Group's business, an increase in royalty payments and research and development, marketing, sales and other operating expenses, the timing of recognitions or reversals of its provisions related to minimum guarantee payments under its licensing agreements, the impact of general economic conditions on the Group's revenue and expenses and on the sales of its standalone and bundled offers through its partners and changes in government regulation affecting its business. Seasonal variations in subscriber and advertising behavior may also cause fluctuations in the Group's financial results. There can typically be a peak in subscriber acquisition rates during the holiday season supported by higher marketing investments. Seasonal peaks or lows may have a disproportionate effect on consolidated revenue quarter-on-quarter or year-on-year. Any factor that negatively affects revenue during a period during which the Group generally generates a larger portion of revenue may have a disproportionately negative effect on overall consolidated revenue.

Moreover, the Group currently benefits from structurally negative working capital as a result of the time lag between the time its customers stream audio and the date on which payments are made to rights holders. As the streaming market becomes more mature and the Group and content rights holders refine their respective processes, it is likely that the delay could be reduced and the Group's negative working capital position would decline. Rights holders, including major record labels, might also require that the Group makes all royalty payments in advance of processing streaming data (with adjustments after the data has been processed), whereas currently only some of the royalty payments are paid periodically in advance. For more information, see paragraph 1.7.3.1 "*Record labels – Royalty payments*" of this Universal Registration Document. If major record labels and notably other content rights holders' royalty payment processing systems become more efficient or they demand higher advance royalty payments, the Group may need to access funding sources in order to finance working capital. Financing for working capital needs may not be available on reasonable terms or at all. If it is obtained, the cost of such financing will affect the Group's results of operations.

The Group's performance depends on global and regional economic conditions, which have historically shown significant volatility. Adverse economic developments, including those caused by the conflict between Russia and Ukraine, typically have a negative impact on discretionary consumer spending, and spending on entertainment services that the Group sells may be particularly sensitive to this effect. In economic downturns, free streaming and music entertainment services (such as YouTube or TikTok) may attract more users than paid subscriptions offerings, which could adversely affect the Group's business and results of operations given that its revenue are generated principally from paid subscription fees. In addition, economic downturns may negatively impact the Group's partners in the telecommunications, Internet, mobile and consumer electronics industries, which, in turn, may have an adverse effect on the Group's revenue from distribution partnerships. Furthermore, economic downturns may negatively impact advertising budgets globally, which, in turn, may have an adverse effect on the Group's revenue from advertising. Any of these developments could negatively impact the Group's ability to implement its business plan or achieve its performance objectives.

Finally, the growth outlook for the Group's activities and financial objectives for 2023 and over the medium term presented in this Universal Registration Document are based on numerous variables and assumptions which are inherently uncertain and beyond the Company's control. These variables and assumptions may vary, including as a result of the factors described above, or may prove to be inaccurate. As a result, the forward-looking statements presented in this Universal Registration Document may not be realized.

<u>Management of the risk</u>

The successful implementation of the Group's profitable growth strategy together with a greater focus on cost and cash management as well as its strengthened financial structure allow the Group to consistently improve its financial profile:

- In 2022, Deezer successfully executed on its four strategic priorities, directing its efforts towards large, attractive markets, further expanding its profitable B2B business, driving its product and brand differentiation around new music experiences and innovation, and continuing to foster operational excellence to improve profitability.
  - As a result of the successful execution of this strategy, the Group was able to deliver substantial revenue growth (an increase of 12.8% in 2022 compared to 2021), while recording a significant improvement in adjusted EBITDA loss (at €(55.7) million in 2022, a reduction of €8.9 million compared to 2021).
- With respect to 2023, the Group will continue to execute on its profitable growth strategy and expects to further reduce its adjusted EBITDA loss, notably thanks to the strict management of its cost base with an aim to keep staff and G&A costs flat year-over-year, setting a clear path to profitability.
- Following the Merger and the PIPE transaction, Deezer has strengthened its financial structure, as reflected by cash and cash equivalents amounting to €113.6 million as at December 31, 2022. In order to optimize the management of its cash position, the Group has implemented several measures aiming at closely monitoring its working capital.

2.1.4.2 The Group is subject to payments-related risks and fluctuations in currency exchange rates

Description of the risk

The Group accepts payments using a variety of methods, including credit and debit card transactions. For credit and debit card payments, the Group pays interchange and other transaction fees, which may increase over time. An increase in those fees would require the Group to either increase the prices it charges for its premium service, which could cause the Group to lose premium subscribers and subscription revenue, or suffer an increase in the Group's costs without a corresponding increase in the price it charges for its premium service, either of which could harm the Group's business, operating results, and financial condition. The Group relies on third-party service providers for payment processing services, including the processing of credit and debit cards. The Group's business could be materially disrupted if these third-party service providers become unwilling or unable to provide these services. If the Group or its service providers for payment processing services have problems with its billing software, or the billing software malfunctions, it could have a material adverse effect on the Group's user satisfaction and could cause one or more of the major credit and debit card companies to disallow the Group's continued use of their payment products. In addition, if the Group's billing software fails to work properly and, as a result, the Group does not automatically charge its premium subscribers' credit or debit cards on a timely basis or at all, the Group's business, operating results, and financial condition could be materially adversely affected.

The Group is also subject to payment card association operating rules, certification requirements, and rules governing electronic funds transfers, including the Payment Card Industry Data Security Standard v3.2.1, which could change or be reinterpreted to make it more difficult for the Group to comply. Any failure to comply with these rules or requirements may subject the Group to higher transaction fees, fines, penalties, damages, and civil liability, and may result in the loss of the Group's ability to accept credit and debit card payments. Further, there is no guarantee that, even if the Group complies with such rules or requirements, such compliance will prevent illegal or improper use of the Group's payment systems or the theft, loss, or misuse of data pertaining to credit and debit cards, credit and debit card holders, and credit and debit card transactions. Certain payment card associations have proposed additional requirements for trial offers for automatic renewal subscription services, which may hinder the Group's ability to attract or retain premium subscribers.

If the Group fails to adequately control fraudulent credit or debit card transactions, the Group may face civil liability, diminished public perception of its security measures, and significantly higher credit card-related costs. If the Group is unable to maintain its chargeback rate or refund rates at acceptable levels, credit card and debit card companies may increase the Group's transaction fees or terminate their relationships with the Group. The termination of the Group's ability to process payments on any major credit or debit card would significantly impair the Group's ability to operate its business.

In addition to these payment-related risks, as the Group's international operations continue to grow, foreign exchange fluctuations could affect its results of operations and financial condition, as a result of settlement risk impacting income and expenses incurred in foreign currencies and risks relating to the translation into euros of the balance sheets and income statements of the Group's subsidiaries outside the eurozone. The Group seeks to pay most of its content costs and operating expenses for such subsidiaries in the same currency as the reporting currency for such subsidiaries in order to hedge against the impact of exchange rate fluctuations on its gross margin and operating income.

The Group is also exposed to euro exchange rate fluctuations in respect of the direct and indirect distribution of its service. The Group receives direct subscription fees in currencies other than the euro that are settled through the Group's bank accounts in the local countries and the Group's accounts with payment processing providers such as Adyen or PayPal or mobile app stores such as the Apple App Store. The Group also receives payback revenue from distribution partners in local currencies other than the Euro.

The Group's exposure to foreign exchange risk could increase as its international operations come to represent a greater share of its overall activities.

Management of the risk

In 2021 and 2022, although the Group has not taken out any currency hedges with a banking institution, a large part of the disbursements in USD and GBP are offset by receipts in these two currencies.

2.1.5 Risks related to the listing on the professional segment of Euronext Paris

2.1.5.1 The issue by the Company or the sale by the main shareholders of a significant number of the Company's shares as from the end of the lock-up period or the possibility of such issues or sales may adversely impact the Company's share price

Description of the risk

The lock-up undertaking granted by certain shareholders to the joint lead managers expired on April 5, 2023. As a consequence, the shareholders of the Company could decide to sell, directly or indirectly, on the market or by mutual agreement all or part of their shareholding, which could have an adverse effect on the share price of the Company.

Management of the risk

In order to mitigate this risk, the Company's shareholders representing, in the aggregate, 75% of the Company's share capital as of December 31, 2022 (on a non-diluted basis), have agreed to be bound by a coordinated sales agreement. The parties to the coordinated sales agreement undertake that stock transfers on the market (but not off market) shall be made through a placement agent (or sale agent) under conditions provided for in the agreement. The sale agent shall act independently from the Company, which may not give it any instructions. Sale requests made by any selling shareholder to the sale agent shall be irrevocable and shall state only the number of shares that the selling shareholder wishes to sell. The sale agent will use its best efforts to ensure the proper execution of sale requests provided that the resulting transfers do not have a significant adverse impact on the price of the Company's shares considering the then prevailing market conditions.

Sales made on the market in execution to such request shall not be effected at a discount greater than 5% to the volume-weighted average price (VWAP) of the shares over the last three trading days preceding such sale, each shareholder being able to communicate to the sale agent a higher floor price. Daily sales of shares effective on a specific trading day shall never exceed 25% of the Company shares' daily trading volume during such trading day (30% if the daily trading volume on such specific trading day represents more than twice their average daily trading volumes over the previous 20 trading days).

For more information on the coordinated sales agreement, please refer to Section 8.6.3 "*Material contracts signed in 2023*" of this Universal Registration Document.

2.1.5.2 The volatility and liquidity of the Company's shares may experience significant fluctuation

Stock markets generally have experienced significant fluctuations in recent years, that have not always been related to the performance or prospects of the specific companies whose shares are traded. Market fluctuations and economic conditions could increase the volatility of the Company's shares. The market price of the Company's Shares may experience significant volatility and may fluctuate significantly due to a variety of factors, which may include risk factors described in Sections 2.1.4 *"Financial and market risks"* to 2.1.5 *"Risks related to the listing on the professional segment of Euronext Paris"* of this Universal Registration Document, many of which are beyond the Company's control.

In addition, although the Company's shares are listed on the Professional Segment (*Compartiment Professionnel*) of the regulated market of Euronext Paris, the Company cannot assure investors that an active or liquid trading market will develop for its shares or, if such a market develops, that it will persist.

2.1.5.3 The Group's principal shareholder holds a significant portion of the Company's share capital

Description of the risk

As of December 31, 2022, AI European Holdings Sàrl held approximately 38.45% of the Company's voting rights. As a result, AI European Holdings Sàrl could, depending on the attendance of AI European Holdings Sàrl and other shareholders, have a significant influence on resolutions submitted to the approval of the shareholders during the Company's ordinary shareholders' meeting, such as the appointment of members of the Board of Directors, the approval of annual financial statements and the distribution of dividends, as well as, depending on the attendance of AI European Holdings Sàrl and the other shareholders, on resolutions submitted to the approval of the shareholders during the Company's extraordinary shareholders' meeting, such as changes to the Company's share capital and articles of association.

Management of the risk

The Group has implemented measures, notably through its corporate governance, to ensure that any potential control is not abused. Those measures include in particular: (i) the presence on the Board of Directors of more than half of independent directors; (ii) the existence of specialized committees (Audit Committee and Nomination and Remuneration Committee); (iii) the Audit Committee is chaired by an independent director (Mari Thjømøe) and is composed of two independent directors; (iv) the Nomination and Remuneration Committee is chaired by an independent director (Sophie Guieysse) and includes two-thirds of independent directors; and (v) Article 4.3 of the internal rules of the Board of Directors stipulate that each director shall not, in any event, act in its own interests against the interests of the Group. Pursuant to same article, each director has an obligation to notify the Board of Directors of any situation of conflict of interest, even potential, and must abstain from participating in any debate or voting in the corresponding deliberation, and in extreme cases, resign from its directors' position.

2.1.5.4 The Company does not intend to implement a regular dividend payment policy in the near term

The Company has not paid any dividends on its shares to date.

The payment of dividends by the Company will be subject to the availability of distributable profits, premium or reserves. Such availability will depend on the Company's revenue and earnings, if any, its capital and legal reserve requirements and its general financial condition. The Company does not intend to pay dividends in the short or medium term, as the Company's available cash will be used to support its growth strategy.

In accordance with French laws and regulations and the articles of association of the Company, payment of dividends, if any, will be proposed by the Company's Board of Directors to the ordinary general meeting of shareholders, which will have the final vote as to whether a dividend will be paid or not. Dividends that are not claimed within five (5) years after having been declared will be transferred to the French State as required by French law.

2.1.5.5 The Company cannot guarantee it will consider a transfer from the Professional Segment of Euronext Paris to another listing venue and, if it does, that it will meet the criteria for such a transfer and securities issued by the Company may therefore be subject to a limited liquidity

If the Company wanted to transfer its securities from the Professional Segment of the regulated market of Euronext Paris to one of the general segments of the regulated market of Euronext Paris, there can be no guarantee that the Company would meet the then applicable eligibility criteria or that such a transfer could be achieved.

If the Company's ordinary shares and other securities remain listed on the Professional Segment of Euronext Paris, taking in account restrictions applicable to non-qualified investors who trade securities on the Professional Segment of Euronext Paris, outstanding securities issued by the Company may then be subject to a limited liquidity.

2.1.6 Risks related to the market warrants

2.1.6.1 The Market Warrants can only be exercised during their Exercise Period and, to the extent a holder has not exercised its Market Warrants before the end of the Exercise Period, those Market Warrants will lapse without value

The subscription rights attached to the Market Warrants are exercisable only during the period beginning from July 5, 2022, the date of completion of the Merger and expiring at the close of trading on Euronext Paris (5:30 p.m., Central European time) on the first business day after the fifth anniversary of the date of completion of the Merger or earlier upon (i) redemption, or (ii) liquidation of the Company (the "**Exercise Period**") with three (3) Market Warrants giving the right to their holder to purchase one (1) new Ordinary Share of the Company for an overall exercise price of €11.50 per new Ordinary Share (subject to any adjustment in accordance with the terms and conditions of the Market Warrants). To the extent a holder of Market Warrants has not exercised his/her/its Market Warrants before the end of the Exercise Period those Market Warrants will lapse without value. Any Market Warrant not exercised on or before the final exercise date for the Market Warrants will lapse without any payment being made to the holders of such Market Warrants and will, effectively, result in the loss of the holder's entire investment in relation to the Market Warrants. The market price of the Market Warrants may be volatile and there is a risk that they may become valueless.

2.1.6.2 The Market Warrants are subject to mandatory redemption and therefore the Company may redeem a holder's unexpired Market Warrants prior to their exercise at a time that is disadvantageous to the holder, thereby making such Market Warrants without value

The Market Warrants are subject to mandatory redemption at any time during the Exercise Period, at a price of €0.01 per Market Warrant (i) if at any time the last trading price of the Ordinary Shares equals or exceeds €18 per Ordinary Share for any period of 20 trading days within a 30 consecutive trading day period ending three Business Days before the Company sends the notice of redemption notice, in which case holders of the Market Warrants may exercise them after such redemption notice is given at the three to one exercise ratio or (ii) if the closing price of the Ordinary Shares equals or exceeds €11.50 per Ordinary Share but is less than €18.00 per Ordinary Share, for any 20 trading days within a 30 consecutive trading day period ending three Business Days before the Company sends a redemption notice, in which case holders of the Market Warrants may exercise them after such redemption notice is given at a modified "make-whole" exercise ratio. Following the notice of redemption, mandatory redemption of the outstanding Market Warrants could force a holder of Market Warrants (i) to exercise its Market Warrants and pay the exercise price therefor at a time when it may be disadvantageous for the holder to do so, (ii) to sell its Market Warrants at the then-current market price when he might otherwise wish to hold its Market Warrants or (iii) to accept the above redemption price which, at the time the outstanding Market Warrants are called for redemption, is likely to be substantially less than the market value of such Market Warrants.

2.1.6.3 The outstanding Founders' Warrants and Market Warrants will become exercisable in the future, which may increase the number of Ordinary Shares and result in dilution for the shareholders

Warrants were delivered to the founders of I2PO S.A. (the "**Founders' Warrants**") and to market shareholders (the "**Market Warrants**") when I2PO S.A. went public in July 2021. Founders' Warrants and Market Warrants are securities giving access to the share capital within the meaning of Articles L. 228-91 *et seq.* of the French Commercial Code issued in accordance with French laws and regulations. It being specified that the Founders' Warrants and the Market Warrants became exercisable as from the date of completion of the Merger and certain still outstanding. As of the date of this Universal Registration Document, 659,130 Founders' Warrants and 27,500,000 Market Warrants were held. To the extent that all outstanding Founders' Warrants and Market Warrants were exercised and based on an Ordinary Share price of €11.50, the Company's share capital would increase by 9,386,376 Ordinary Shares (assuming all Founders Warrants being held by a sole entity, creating no fractional shares) the total aggregate number of Ordinary Shares outstanding, diluting all shareholders of the Company accordingly. Alternatively, shareholders who would not exercise their Market Warrants or who would sell their Market Warrants could experience an additional dilution resulting from the exercise of Founders' Warrants and Market Warrants.

2.1.7 Risks related to taxation

2.1.7.1 The use of tax losses carryforwards may be limited as a result of the Merger, and could be impacted by change of tax law

As of December 31, 2022, the Group reported a tax loss available for carryforward of €675 million in France, including €572.2 million of tax losses initially generated by Deezer S.A. whose transfer has been submitted for approval (tax ruling) by I2PO S.A. and Deezer S.A. (511 716 573 RCS Paris) in May 2022 before the French tax authorities. The use of tax loss carryforwards in France is capped at €1 million per year, plus 50% of the portion of profits in excess of that limit. The unused loss balance can be carried forward to upcoming periods under the same conditions for an unlimited period. Specific rules may apply to carry limited amounts back. It is possible that, due to upcoming changes in corporate taxation rules applicable in France, the use of previous, existing or future tax loss carryforwards will be limited.

2.1.7.2 Change of tax law in foreign countries and/or newly-enacted legislation (including international regulations), targeting particularly the digital sector, may trigger adverse tax consequences for the Group

<u>Description of the risk</u>

Due to the global nature of the Internet, it is possible that certain jurisdictions impose new or revised regulations on the business of the Group and its subsidiaries, or additional or new taxes or contributions based notably on business income or sales. Tax authorities worldwide are currently reviewing the appropriate treatment of companies engaged in the digital sector. The Company and its subsidiaries cannot predict the effect of such initiatives. New or revised taxes, and in particular withholding tax, VAT, sales tax and similar taxes, or the limitation of any favorable tax regime, would likely increase the cost of doing business online or decrease margins. New taxes could also create significant increases in the Group's internal costs to capture required data, collect, declare and remit the relevant taxes. Any of these events could adversely affect the Group's business (*e.g.*, the termination of a contractual relationship), and thus the financial results of the Group.

Newly implemented taxes in certain jurisdictions, modification of territoriality rules as well as interpretation by tax authorities of taxes applicable to cross-border services may lead to adjustments or reassessments of the Company's and its subsidiaries' tax position and liabilities, for past and current periods. The Group's service is potentially subject to several sector-specific taxes and levies, the interpretation of which is not always clear. Such taxes and levies may sometimes apply in addition to VAT or other similar indirect taxes (such as taxes related to digital services). In certain jurisdictions, the registration process and the payment process also remain uncertain. As a result, these matters can generally lead to higher legal and tax advisory costs, and create significant uncertainty for the Group in several jurisdictions.

Furthermore, tax laws and regulations may change, as well as their interpretation and application by the relevant authorities, especially in the context of international and European initiatives (*e.g.*, OECD and in particular BEPS initiatives, G-20, EU directives and regulations). The occurrence of any of the preceding factors may result in an increase in the tax burden of the Group that could adversely affect the Group business and thus the financial results of the Group.

<u>Management of the risk</u>

The Group conducts tax review of local VAT legislation applicable in countries where Deezer is broadcasted and regular monitoring on change of law in the world thanks to subscription to international tax-related database.

2.1.7.3 The Group business operations may be subject to tax risks

Description of the risk

As an international group doing business in several countries, the Group has structured its commercial and financial activities in light of diverse regulatory requirements and its commercial and financial objectives. As such, the structure of the Group is subject to change in light of developments in the Group's activities, most notably, its international expansion. Since laws, regulations and case law in France and in the various jurisdictions in which the Group operates and in which the Company's subsidiaries are located or operate or may in the future be located or operate may not provide clear-cut or definitive guidelines, the tax regime applied to intra-group transactions, to third-party's transactions or to transactions in the frame of reorganizations, as well as the tax and social regime applied to incentive plans is or may sometimes be based on the Group's interpretation of French or foreign tax laws and regulations.

The Group cannot guarantee that the relevant tax authorities will not question such interpretation. More generally, any failure to comply with the tax laws or regulations of the countries in which the Group or its subsidiaries are located or operate may result in reassessments, late payment interests, fines and penalties.

The Group and its subsidiaries are generally subject to periodic review and audit by domestic and foreign tax authorities. Tax authorities may challenge certain positions the Group or its subsidiaries have or will take, and any adverse outcome of such a review or audit could have a negative effect on the Group's or its subsidiaries' business, and thus on the financial results of the Group or its subsidiaries.

Management of the risk

The Group commits to complying with all applicable laws and regulations in the countries in which it operates along with applicable international standards. This means:

- preparing and filing tax returns in an accurate and timely manner, in accordance with applicable regulations;
- understanding how and where value is created and ensuring that transfer pricing reflects this;
- employing appropriately qualified and trained tax professionals, in close contact with business operations and working with operating teams.

2.2 Risk management and insurance

Risk management is closely monitored within the Group, with the involvement of the management and Board of Directors including its Audit Committee.

Two (2) permanent committees of the Board of Directors will be functional: the Audit Committee (*Comité d'Audit*) and the Nomination and Remuneration Committee (*Comité des Nominations et des Rémunérations*). For more information, see Section 4.1.4 "*Committees of the Board of Directors*" of this Universal Registration Document.

The main mission of risk management is to identify, evaluate and prioritize (based on potential impact and probability of occurrence) risks, as well as to assist Group management in choosing the most appropriate risk management strategy and, in order to limit the remaining significant risks, to define and monitor the related action plans.

2.2.1 Organizational framework

The identification, assessment, prioritization and management of the risks faced by the Group are closely and regularly monitored by senior management under the supervision and responsibility of the Board of Directors and its Audit Committee. In order to adequately monitor the Group's risks and the implementation of mitigating measures, the Board of Directors meets at least every quarter, with additional meetings convened when necessary, to discuss year-to-date activity and results, risk management, external audits, specific operations and ongoing material litigation. The Audit Committee meets at least once a year, with additional meetings convened when necessary, to review annual financial statements and specific operations before approval by the Board of Directors.

Members of the Group's management team, in departments such as Finance, Legal, Tax, Human Resources, Commercial, Marketing, Innovation, Product & Technology, Contents and Strategy amongst others, may, at the request of the Board of Directors', present risks identified in their respective scope and suggest solution and implementation plan to the Board of Directors.

In addition, the Group has appointed a Data Protection Officer, which role is to Inform and advise the Group and its employees who carry out processing of personal data of their obligations pursuant to applicable data protection regulations, monitor compliance with applicable data protection regulations and with the Group's policies in relation to the protection of personal data (including related audits), provide advice where requested as regards the data protection impact assessment and monitor its performance, and act as the contact point for competent supervisory authorities on issues relating to processing of personal data.

General principles adopted to proceed to risk assessment and mitigation are the following:

- description and assessment of the risks faced by the Group (for example, business (including license agreements with right holders and distribution agreements with partners), operational (including product and technology), or finance (including debt and tax));
- mitigating measures being contemplated or taken to prevent or offset such risks (including internal policies and insurance policies);
- prioritization and implementation of such mitigating measures;
- regular reporting on the status of new or on-going external audits and/or threatened or on-going litigation; and
- frequent assessment of the level of the Group's exposure in relation to such audits or litigation.

Members of the Group's management teams are in charge of identifying, addressing and monitoring risks in relation to their respective scope, reporting them and designing and implementing mitigating measures.

2.2.2 Internal control and compliance principles

Internal control and compliance monitoring in place are based upon:

- delegation of authority through matrixes which set out when authority from certain individuals is needed before certain actions can be taken;
- budget and reforecast procedures including the approval of the annual budget and reforecasts by the Board of Directors;
- review of cash forecasts for the next 4, 12 or 24 months by members of the Group's management team before presentation to the Board of Directors;
- presentation of annual financial statements and specific operations to the Audit Committee before approval by the Board of Directors;
- centralization of the finance, compliance, and legal functions (including accounting, financial controlling and finance planning & analysis, tax matters, and personal data protection) within the Group's Parisian headquarters;
- appointment of a Compliance Officer and a Data Protection Officer, in the person of the Group's General Vice-President of Corporate and Compliance;
- cooperation with external legal advisors to ensure compliance with local regulations;
- cooperation with external tax advisors to ensure compliance with French and foreign tax regulations and assistance from those advisors in the event of a tax audit;
- common finance IT systems used by the Company and its wholly-owned subsidiaries; and
- common reporting procedures for the Company and its wholly-owned subsidiaries (including monthly and year-end closing procedures).

2.2.3 Insurance

The implementation and management of the Group's insurance policies, on its own behalf and on behalf of its subsidiaries, is mainly coordinated by the legal department, acting with the support of the relevant operational departments which provide the necessary information to identify and qualify the insurable risks. On this basis, the legal department, with the assistance of a broker, negotiates annually with internationally recognized insurance companies in order to implement the most appropriate coverage for these risks.

The Group adapts its insurance coverage according to the evolution of risks related to its activities, and believes that its insurance policies offer a reasonable protection against the risk incurred in the course of the Group's operations. The definition of the policies terms is based on an evaluation of the level of coverage necessary to meet the reasonably-estimated occurrence of liability, damage or risks. Potential uninsured risks are those for which there is no offer of coverage available on the current insurance market, or for which the offer of coverage and/or its costs is not commensurate with the potential benefit of insurance, or for which the Group considers that the risk does not need insurance coverage.

The Group's primary insurance policies entail a group-wide master insurance policy, which covers the Group for professional and general liabilities, and provides for a worldwide coverage for the Group and its wholly-owned subsidiaries. Where appropriate for risk management purposes or when required by local laws, the Group has also subscribed to local insurance policies. In case where local policies are in place, the latter shall cover smaller claims while the master insurance policy shall cover damages in excess of local policies limits and claims not covered by the local policies (subject so sublimit and exclusions).

The Group has also subscribed to an insurance policy covering directors' and corporate officers' liability, a cyber insurance policy, and specific insurances in relation to its IT hardware, data centers and premises.

Non-financial performance statement

3.1 Presentation of Deezer and its business model

3.1.1 Company overview

Deezer is a leading global provider of music streaming services, with a catalogue of more than 90 million music tracks. Deezer provides millions of subscribers with access to music, as well as live radio and podcasts. Deezer's users, in more than 180 countries, can stream audio content on the device of their choice, including smart speakers, voice assistants, smart watches, smart TVs, connected cars, smartphones, laptops, tablets, and other wireless audio systems.

Deezer's catalogue covers all genres of music, including worldwide, mainstream popular tracks and specialized local content that enhances the relevance and attractiveness of Deezer's offering in each market it serves. Deezer has worldwide direct agreements with more than 300 rights holders, including major, independent music labels, aggregators, collective societies and publishing rights holders.

Through extensive market research capable technology and editorial teams, Deezer has created an intuitive, user-friendly and personalized product. Deezer's service includes several innovative features such as "Flow Mood", a customized mood-adjustable streaming mix accessed with a single click from the home screen; synchronized lyric displays; CD-sound quality (HiFi) streaming; "SongCatcher", a feature designed to identify the name and the artist of any music track played on an external device; and radio fingerprinting, a feature allowing users to identify songs played when listening to the radio using the Deezer application. Deezer is still the only music streaming service to include features such as Flow Mood, SongCatcher or radio fingerprinting.

Deezer markets and distributes its service offerings to consumers directly through its mobile application and website, www.deezer.com, and indirectly through B2B partnerships. Deezer's partners include telecommunications, media and retail companies, as well as a smart device and other audio hardware manufacturers.

As of December 31, 2022, the Group had 605 employees (including permanent and fixed term contracts) compared to 563 employees as of December 31, 2021. For the purpose of Chapter 3 of this Universal Registration Document, the Group's scope excludes Driift Holdings Ltd., which is not a company wholly-owned by the Group.

As of December 31, 2022, Deezer had 9.4 million total subscribers, including 5.6 million Direct – B2C subscribers (*i.e.*, who subscribed directly to Deezer's service) and 3.8 million Indirect – B2B subscribers (*i.e.*, who subscribed or obtained access to Deezer's service through one of Deezer's partners).

Deezer's consolidated revenue amounted to €451.2 million for the year ended December 31, 2022 compared to €400.0 million for the year ended December 31, 2021, representing an increase of 12.8%.

For more information, see Section 1.2 "*Description of the Company's activities*" of this Universal Registration Document.

3.1.2 A service geared towards artist and creator communities and the Group's users

Sixteen years after its creation, Deezer's ambition remains unchanged: revolutionize the way music is consumed with the dual objective to (i) create more value for artists and creators, and (ii) offer the best possible user experience.

3.1.2.1 Value added to artists and creators

After nearly two decades of decline, mainly due to piracy, which saw the global recorded music industry reaching its lowest global revenue in 2014, the market returned to growth in 2015 and has continued expanding since then, primarily driven by streaming, which made up for the decline in physical music sales.

As the world's second-largest independent music streaming provider, Deezer is ideally positioned to play a key role in the continued development of the booming music streaming market.

In this context, Deezer fulfills its support role to the music industry, and more specifically to artists and creators.

By way of illustration, Deezer launched Deezer for Creators in 2021, a new mobile application to help musicians and content creators improve their reach and performance with personalized insights and meaningful statistics. More specifically, this application includes listening trends, audience details and other tools to optimize visibility and content performance.

Lastly, as part of its strategy centered on product innovation and brand differentiation as the "Home of Music", Deezer has been developing new and innovative features to enrich user experiences and build strong connections between fans and artists, representing additional monetization opportunities that will benefit artists and the music ecosystem.

3.1.2.2 Value added to users

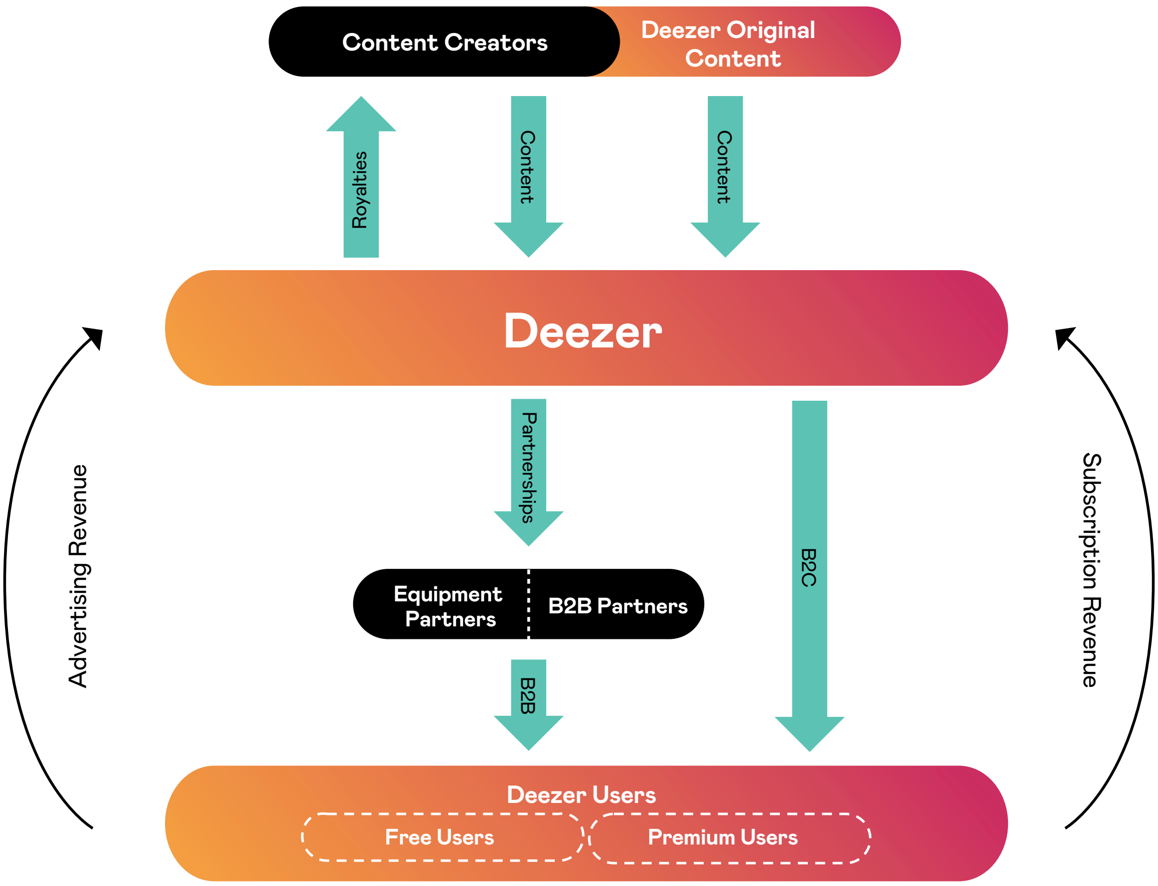
Deezer has been continuously innovating to offer best-in-class listening and music discovery experiences through its intuitive, user-friendly and personalized product. Deezer's key innovative features include High Fidelity-sound quality streaming, synchronized lyric displays, recommendations and personalized playlists which can be tailored to users' moods (Flow Moods), identification of the name and the artist of any music track played on an external device (SongCatcher) or live radio (Fingerprinting), among others. Deezer's application is also integrated into devices of more than 80 consumer brands, allowing users to listen their favorite content on smart speakers, voice assistants, smart watches, smart TVs, connected cars, smartphones, laptops, tablets, and other wireless audio systems.

In terms of consumer offerings, Deezer's flagship offering is the premium subscription, which provides subscribers with access to the Company's full range of premium-quality, personalized audio content and unlimited access to its catalogue on a wide range of connected devices, as well as to the full suite of functionalities available on its feature-rich user interface. It is supplemented by the family subscription service, which provides the same features as the premium subscription service, but for up to six total family member accounts, as well as by the student offer, providing the same benefits at a reduced rate. In addition, Deezer provides an advertising-supported free service offering that includes most of the features of its paid service offerings at no cost to consumers.

3.1.3 Deezer business model

Deezer generates subscription revenue from the sale of its music streaming service either directly from end users (Direct – B2C) or through partners (Indirect – B2B). In addition, Deezer generates advertising revenue relating to the monetization of its free service and other revenue such as the sale of access codes.

Deezer's business model is based first and foremost on the close ties its platform has with its users as well as with the community of artists and creators and can be presented schematically as follows:



CSR ambitions

As a musical companion, Deezer has accompanied its users on a daily basis for the past 16 years, with an average of more than one hour of listening time each day. Deezer is aware of its influence and the responsibilities stemming from it and is thus committed to being transparent and respectful of society.

Therefore, since the creation of Deezer, Corporate Social Responsibility ("**CSR**") has been at the heart of its business model.

3.2 Main non-financial risks and policies identified by the Company

In the preparation of this 2022 Non-Financial Performance Statement ("**NFPS**"), Deezer reviewed the primary non-financial risks specific to its business, taking into account their materiality and relevance for the Group.

The risks identified were then divided into four main areas, namely (A) social responsibility, (B) environment, (C) governance responsibility, and (D) relationship with stakeholders as follows:

CSR component considered	Main inherent risks identified	KPI/Policy	NFPS reference
A – Labor component	• Risk related to talent attraction and retention (absenteeism, employees' leave, lack of attraction of the Company).	• Turnover rate • Number of internally promoted employees • Absenteeism rate	3.2.1.1. "Talent development and engagement"
	• Psychological risk in relation to well-being at work (mental health, psychosocial risk in the workplace).	• Psychological hotline and Work in Confidence platform • Number of work-related accidents • Absenteeism rate	3.2.1.2. "Health, safety and well-being"
	• Risk in mastering diversity and inclusion issues (including risks related to discrimination and safety at work and unequal treatment between employees and between applicants).	• Percentage of employees with disabilities • Percentage of women in the total workforce • Percentage of women on the executive committee • Percentage of women on the Board of Directors • Gender equality index	3.2.1.3. "Diversity and inclusion"
B – Environmental component	• Risk related to the non-control of energy, water and raw material consumption (data centers only) (including risks related to energy consumption of buildings, pollution, social impact, and increase of carbon footprint). • Risk related to the failure to consider environmental impacts in the design of the Group's services/products (including risks related to environmental pollution, reputation and non-compliance with ESG policy). • Risk related to greenhouse gas emissions in connection with the use of the Group's service and products and digital activity (data centers, cloud providers, etc.) (including risks related to the Group's environmental impact and non-compliance with applicable regulations).	• Group policy regarding energy consumption and carbon footprint of data centers • Group policy regarding waste recycling • Distance traveled by employees (Air) km • Tons of CO2 produced in connection with the Group travel policies • Annual energy consumption per site and per type of energy in kWh	3.2.2. "Environmental responsibility"
C – Governance responsibility	• Risk related to maintaining impeccable business ethics and governance (including risks related to reputation and failures in the implementation of measures to detect corruption, non-compliance of employees or business partners with international regulations).	• The Group's policies in terms of prevention of conflicts of interest, anti-corruption, anti-money laundering and prevention of tax evasion • The Group's compliance with economic sanctions regulations • The Group's actions in favor of human rights	3.2.3.1. "Business ethics and the fight against corruption, anti-money laundering and tax evasion"
D – Stakeholder component	• Risk related to personal data management (including risks related to breach in security related data, non-compliance with application regulation, and potential litigations).	• The Group's policy in terms of protection of personal data	3.2.4.1.2. "Protection of personal data"
	• Risk related to computer infrastructure security (risks related to cybersecurity, network failures, slowdown, or interruptions of the Company's information system)	• The Group's policy in terms of information security • Number of penetration tests and vulnerability scans	3.2.4.1.3. "Information security"
	• Risk related to subscriber acquisition and churn (including risks related to subscriber satisfaction, the quality of products or services, reputation and loss of customers and market share).	• The Group's policy in terms of subscriber satisfaction • Satisfaction rate among users	3.2.4.1.1. "Subscriber satisfaction"

CSR component considered	Main inherent risks identified	KPI/Policy	NFPS reference
	• Risks related to third-party providers (including risks related to non-compliance by third-party providers with laws, regulations, conventions or code of ethics and reputation). • Risks related to partnerships (Telecom and Equipment) (including risks related to reputation and non-compliance of the partners with laws, regulations, conventions and the Group's ESG policy or code of ethics).	• The Group's policy in terms of relationships with suppliers, subcontractors and partners	3.2.4.2. "Management of relationships with suppliers, subcontractors and partners"

3.2.1 Social responsibility

The Group considers its employees as its first and most important asset; thus, keeping them engaged and helping them learn and develop is at the heart of the human resources strategy and policies.

The Group's human resources team strives to create and maintain a passionate and inclusive workplace, making every day an opportunity for its employees to grow and make an impact.

In line with the Group strategic vision and growth objectives, the human resources department focuses on an ambitious policy around talent engagement and development, with a particular focus on the physical and psychological well-being and personal growth of employees, as well as making sure everyone can be their true self through a voluntary diversity and inclusion program. The positive impact of the Group culture and human resources policies shows in the overall engagement of employees, with 82% of them recommending Deezer as a great place to work.

3.2.1.1 Talent development and engagement

3.2.1.1.1 Employment data

As of December 31, 2022, the Group[1] had 605 employees (including permanent and fixed-term contracts), including 531 in France.

The table below shows the headcount (permanent and fixed-term contracts) at the end of each year, over the past three financial years, by geography:

	Workforce at December 31		
	2020	2021	2022
France	447	460	531
Brazil	17	15	20
Germany	24	20	17
United Kingdom	55	44	32
United States	7	7	2
Other countries	21	17	3
Total	**571**	**563**	**605**

The table below shows the headcount (permanent and fixed-term contracts) at the end of each year, over the past three financial years, by type of contract:

	Workforce at December 31		
	2020	2021	2022
Permanent contracts	**554**	**551**	**590**
Women	207	202	219
Men	347	349	371
Fixed-term contracts	**17**	**12**	**15**
Women	11	9	7
Men	6	3	8
Total	**571**	**563**	**605**

The table below shows the headcount (permanent contract only) at the end of each year, over the past two financial years, by activity:

	Workforce at December 31	
	2021	2022
Research & Development	**266**	**295**
Women	56	64
Men	210	231
Sales & Marketing	**113**	**114**
Women	70	71
Men	43	43
Content Production & Customer Service	**93**	**100**
Women	33	39
Men	60	61
General & Administrative	**79**	**81**
Women	43	45
Men	36	36
Total	**551**	**590**
Women	202	219
Men	349	371

The average age of employees is 34 years, which is stable compared to 2021 (*i.e.*, 34 years).

(1) Excluding, for the purpose of the paragraph 3.2.1.1 and following, Driift Holdings Ltd., which is not a company wholly-owned by the Group.

Breakdown of headcount by age group
(permanent and fixed-terms contracts)

	2022
Under 30	**178**
Women	71
Men	107
30 to 50 years	**413**
Women	153
Men	260
Over 50 years	**14**
Women	2
Men	12
Total	**605**

3.2.1.1.2 Staff turnover

In a highly dynamic job market, in particular in the tech sector, attracting, engaging and retaining talent is a major challenge. The Group intends to do its utmost efforts to limit its staff turnover.

In fiscal year 2022, 149 employees left the Group (compared to 119 in 2021) while 188 employees joined its ranks (compared to 115 in 2021), resulting in a turnover rate of 26.6% in 2022 (as compared to 21.2% in 2021).(1)

The Group's strategy of refocusing its activity on a selected number of key markets in 2022 has led to a 17% decrease in its workforce outside France (compared to a 3% growth in its workforce in France for the same year).

The Group primarily recruits permanent contracts, and uses fixed-term contracts only in rare occasions to provide temporary replacements of employees.

The Group also pays particular attention to creating the space for feedback and development conversations between employees and managers. The bi-annual performance management reviews and career interviews allow employees to better define their aspirations and career development goals. This also favors career opportunities and internal mobility. As an example, 140 employees(2) were promoted in 2022 (compared to 97 in 2021).

Breakdown of hires by geographical area
(permanent employees)

	2021	2022
France	93	160
Brazil	6	8
Germany	0	9
United Kingdom	10	11
United States	1	0
Other countries	5	0
Total	**115**	**188**

Breakdown of hires in 2022 by gender and age (permanent employees)

	Total	Under 30	30 to 50 years	Over 50 years
Women	84	46	38	0
Men	104	50	51	3
Total	**188**	**96**	**89**	**3**

Breakdown of departures of staff by geographical area (permanent employees)

	2021	2022
France	79	92
Brazil	8	3
Germany	2	13
United Kingdom	20	22
United States	1	5
Other countries	9	14
Total	**119**	**149**

Turnover rate

	2021	2022
Turnover rate	**21.2%**	**26.6%**

After two years of job market inertia, impacted by the COVID crisis, the tech sector resumed high growth in 2022, with new financing opportunities in the market in France and job offers reaching new heights.

As a result, and as expected, the turnover rate rose to pre-COVID levels in 2022. While the Group faced more departures, it has continuously been able to attract talent relevant to the needs of its strategy (in particular, data analysts, B2B commercial or digital marketing hires).

(1) "Turnover" is calculated by dividing (i) the number of departures of employees with unlimited-term contracts during the year by (ii) the average number of employees with unlimited-term contracts during the year.
(2) Excluding contractors.

Breakdown of hires by type of contract

	2021	2022
Permanent contracts	115	188
Fixed-term contracts	19	22
Total	**134**	**210**

Breakdown of departures of staff by type of contract

	2021	2022
Permanent contracts	119	149
Fixed-term contracts	23	19
Total	**142**	**168**

Average seniority (permanent employees)

	2021	2022
Average seniority (in years and months)	**3 years, 5 months**	**3 years, 3 months**
Women	2 years, 11 months	2 years, 8 months
Men	3 years, 8 months	3 years, 7 months

The decrease in the average seniority of women is the result of an increase of the number of women recruited in 2022.

Number of internally promoted employees by gender (excluding contractors)

	2021	2022
Number of internally promoted employees	**97**	**140**
Women	47	57
Men	50	83

3.2.1.1.3 Training policy

The Group believes that a strong learning culture is essential for the engagement, retention and performance of employees and has invested in a solid Learning and Development plan. Each employee is the owner of their learning journey and the Group provides the frame for learning to happen every day in all shapes and forms.

To support the development of growing international teams, and as a testament to the Group commitment towards a more diverse workforce, it has focused global investment on a language-learning platform for all employees, extensive external management training as well as a variety of internal trainings to support an inclusive and collaborative culture. In line with rapid changes in the environment and in the organizational structure, a specific focus was put on management training for senior leaders as well as remote management to help everyone engage in hybrid ways of working, blending work from home and from the office and helping remote teams work better together.

The Group also ensures to offer a variety of learning formats, from on-site trainings to online courses and from regular outside speakers to companywide sharing opportunities.

In 2022, the Group has striven to offer learning to a larger base of employees than the previous years, to make sure a maximum of employees had access to development opportunities. This has resulted in investing more globally on learning topics for everyone and for every manager. The total number of external training hours amounted to 4,512.5 hours (compared to 5,248 hours in 2021). In addition, 863 hours of training were provided *via* the Group's e-learning platform in 2022 (compared to 880 hours in 2021). On top of these trainings, the Group also invested in internal trainings such as gender bias training (approximately 150 hours in 2022) and tech internal trainings modules throughout the year.

Number and percentage of permanent employees with external training action

Division	Number of employees with at least one external learning and development action	Total number of training action
Commercial	12	23
Content	34	45
Corporate	19	24
Innovation	28	45
Management	7	8
Marketing	42	56
Operations	37	52
People	10	20
Product & Tech	126	204
Total	**315**	**477**

3.2.1.1.4 Compensation policy

The Group believes that compensation is key to attract and retain employees. As part of the admission of the Company's shares to trading on the professional compartment of the regulated market of Euronext Paris, the Group decided to reward its employees by granting 1,000 free shares of the Company to all employees (permanent, fixed-terms and apprentices) present in July 2022.

In 2022, the Group has realized that the actual impact of bonuses on performance, engagement and retention was actually low and decided to reintegrate bonuses into fixed compensation for all employees except for employees in the Sales and Executives division, who have bonuses related to their KPIs. The Group instead focused on hiring high performing candidates, structuring performance reviews and creating the environment and workplace to engage employees.

The Group believes it is important for the Group to ensure both internal consistency and external competitiveness. Therefore, as a first step to a solid compensation structure, the Group rebuilt its grading system in 2021 and implemented it in 2022. This enables the Group to check internal equity and correct discrepancies.

The Group also benchmarks its compensation package to ensure external competitiveness. The Group's objective is to move forward on pay transparency by establishing pay ranges to be able to communicate them internally and in its future hirings.

3.2.1.1.5 Social dialogue

The Group's employees are represented by the works' council (*Comité social et économique* ("**CSE**")), set up at the Company level. The current CSE was elected in November 2021 and is composed of 14 members.

At least six CSE meetings are held annually, and four of these meetings are entirely or partially dedicated to the health, safety and working conditions responsibilities of the CSE.

Extraordinary meetings of the CSE may be held at the initiative of its Chairman or at the request of at least half of its tenured members. During the year, the CSE reunites for different kinds of meetings such as "recurring consultations" and one-off consultations. The former are distinguished into three types: the consultation on the strategic orientations, the consultation on the economic and financial situation and the consultation on the social policy of the Company. For those three consultations, the CSE hear company's representatives explain the reasons behind the results or the achievements of objectives. Then, they will, during another meeting, deliver their feedback on the subject whether it is positive or negative.

As part of its prerogatives in economic matters, the CSE is consulted each year on the economic and financial situation of the Group. To this end, the CSE can be assisted by an accountant at the Group's expenses. In 2022, the CSE used this faculty and appointed an accountant to assist it in its review of the 2021 statutory and consolidated financial statements.

In addition, two members of the CSE attend the meetings of the Board of Directors in accordance with applicable French laws, which enables employees to be involved in the definition of the Group's strategy.

The Group's human resources department and management team maintain a permanent and constructive dialogue with the CSE. The CSE met notably in 2022 on the following subjects:

- the Merger;
- the strategic orientations of the Group;
- the economic and financial situation of the Group;
- the social politic including the gender equality plan, diversity and inclusion initiatives and the gender equality index;
- the Group's environmental strategy;
- the value-sharing bonus, formerly known as the "*Prime Macron*";
- the change of health insurance; and
- the use of video surveillance on the Group's premises.

Number of meetings with staff representatives in France

	2020	2021	2022
France	13	20	13

3.2.1.2 Health, safety and well-being

The Group employees spend a large part of their day at work, which is why taking into account their physical and psychological well-being is one of the pillars of the Group's human resources policy. As such, the Group has implemented:

- a psychological hotline;
- a "Work in Confidence" platform;
- remote working;
- a safe workplace; and
- others specific measures.

3.2.1.2.1 Psychological hotline

A psychological hotline managed by a third-party service provider enables employees to access a free psychological support platform 24 hours a day and 7 days a week with guaranteed confidentiality.

Since 2020, all the Group employees have had free, no-obligation access to psychological assistance. With the support of a partner company, a telephone hotline has been established to provide support in the local language. The use of a third-party service provider ensures total confidentiality of exchanges, and the guarantee of impartial, independent assistance adapted to each individual situation.

3.2.1.2.2 "Work in Confidence" platform

A "Work In Confidence" platform managed by a third-party service provider enables employees to provide feedback or raise any concerns within the organization with guaranteed confidentiality.

3.2.1.2.3 Remote working

The Group's remote working policy allows employees to benefit from more flexible and autonomous working conditions, while supporting them to shape a proper remote working environment and preserving the Group's corporate culture and team spirit at all times.

In the context of the increasing digitalization of society and longer commuting times, telecommuting is a real opportunity for the Group – a source of greater flexibility and autonomy for its employees.

The Group built on the experience gained from the first government mandated home confinements associated with the COVID-19 pandemic to formalize, in 2021, a Group telecommuting charter. This charter allows its employees to benefit from more flexible working conditions offered by telecommuting, while providing them with guidance and support in defining an appropriate teleworking environment, and in preserving team spirit and the corporate culture.

The Group's absenteeism rate increased to 2.3% in 2022 compared to 1.9% in 2021. This can be explained by an increase of long sick leaves.

	2021	2022
Absenteeism rate*	1.9%	2.3%

* Methodology: Number of hours of absence due to sickness, work related and life events on the number of hours that should have been worked worldwide.

3.2.1.2.4 Safe workplace

The Group takes the safety of its employees very seriously as reflected in the limited number of work-related accidents (one in 2022, one in 2021, three in 2020, including one occupational disease in 2020). For this reason, a fire crisis management system has been put in place, meeting the highest safety standards. The Group has also made available to each employee a shared space with various tips on how to adopt the best possible ergonomic position during their workday.

Number of work-related accidents

	2020	2021	2022
Total	**3***	**4**	**3**
Work-related accidents	*3**	*1*	*1*
Commute related accidents	*0*	*3*	*2*

* Including one occupational disease.

Given the low number of work-related accidents (including occupational disease) and their low severity, the Group believes that the calculation of the frequency rate and severity rate is not relevant.

3.2.1.2.5 Others

- Deezer's employees benefit from various other cultural activities (such as theaters, etc.), offered at reduced prices through financing from the works' council (CSE) of the Company.
- The Group also promotes employee well-being through sports activities at a reduced cost, in particular through subsidies paid by its CSE. The Group's employees may subscribe to various courses (pilates, boxing, etc.) taking place at its offices or may use the headquarters' gym for their individual sports practice.

3.2.1.3 Diversity and inclusion

The Group focuses on its employees by ensuring that everyone feels fulfilled in their work environment and in the Group in general. The Group makes every effort to recognize, appreciate and respect the diversity of its employees, so everyone can be their true, full self at work.

3.2.1.3.1 Diversity & inclusion program

The global diversity and inclusion program, "Every voice matters", was launched in December 2020 and, in particular, focuses on three main goals: raise awareness, inspire and act.

The Group is committed to raising awareness through educating their employees on the impact of bias and discrimination and the necessity of developing inclusive behaviors. Through global internal communication campaigns, e-learning programs for all employees starting from onboarding and specifically designed internal workshops, the Group aims to train everyone on diversity and inclusion in the workplace. As an example, nine monthly workshops on gender bias have been held in 2022, mandatory for managers and open to all. Those workshops gathered an average of 11 employees per session, with a total of 111 participants on the whole year, and were also attended by managers of the Group.

The Group's employees have the opportunity to participate in action plans over the year on gender inclusion, disability, ethnicity & culture and LGBTQ+ visibility and inclusion. In that matter, the Group believes continuous action is key, rather than one shot, and aims to have initiatives all year long.

In 2022, these actions ranged from inspiring conferences (both on-site and streamed online) with external speakers on women in leadership to LGBTQ+ visibility, or education campaign on deaf awareness month, the launch of an intercompany mixed gender football tournament (Dare To Play) promoting women representation. More than 25% of the employees participated in these actions in 2022.

The Group is attentive to the concerns of its employees and has set up a dedicated, secure tool allowing employees to confidentially share at-risk situations and behaviors (particularly with regard to discrimination and harassment).

Finally, the Group is committed to employing and integrating people with disabilities, as outlined by the table below, and to combatting discrimination against them. As outlined by the table below, the number is increasing although, still under the legal 6% headcount required. Therefore, the Company contributes in return to the annual "Agefiph" contribution.

	2020	2021	2022
Number of employees with disabilities*	1	2	3
Percentage of employees with disabilities	0,2%	0,4%	0,5%

* Employees declared by the Group in its mandatory declaration of employment of disabled employees (*Déclaration obligatoire d'emploi des travailleurs handicapés* (DOETH)).

3.2.1.3.2 Gender equality

The Group actively develops a gender equality policy to fight against the under-representation of women in the tech industry, with a view to increase the proportion of women overall and in particular in the Group's Product & Development division.

Today, the Group cultivates an active policy of gender equality translating into a proportion of 37% women in its workforce in 2022.

Women represent 21.1% of the Group's Product and Tech headcount in 2022 (compared to 20.7% in 2021) and the Group aspires for this figure to reach 25% at least by 2025, while ultimately aiming for gender parity in its overall workforce. The under-representation of women is characteristic of the digital industry in which the Group operates and is explained, in particular, by the under-representation of women in engineering schools.

The Group has reviewed its hiring process and dedicates continuous efforts on recruiting and integrating women, partnering with engineering schools and associations promoting women in tech roles, making sure job ads are gender neutral, and educating hiring managers on bias. For example, the job descriptions are carefully drafted in order to attract more women candidates and are submitted to a "Gender Decoder" to check whether it contains gender-coded words that might discourage candidates. The Group also organized a webinar with Social Builder, the first association specialized in the support and inclusion of women in tech, on how to look and apply for jobs in tech, and have had meet-ups for Women in Data and Women in Product in its Paris headquarters.

As a result of this continuous focus, 49% of total job offers made in 2022 were addressed to female candidates. Specifically, on the tech functions, the Group made progress in the hiring of women with 39% of job offers for Product and Tech division roles made to female candidates, compared to the 21% ratio of women in the current Product & Tech headcount.

This effort also needs to show from the top and in 2022, the Group is happy to count three women out of seven members of the C-suite while the Board of Directors of the Company is led by a Chairwoman and composed of five women out of a total of ten members.

The Group also pays particular attention to gender equality when it comes to employees' compensation. During each salary review, the Company specifically checks the employee's compensation from a gender perspective. The salaries are compared by gender according to the grade and to the benchmarked position to identify and correct any anomalies. Women on maternity leave are always included in the salary review and they at least benefit from the average percentage of salary increase.

The Group uses the "Pénicaud-Schiappa" gender equality index. Deezer scored 75 out of 100 in 2022 compared to 88 in 2021. This decrease was driven by more actions towards women, impacting the overall score as this index assesses equality more than equity. The Group is confident that the voluntary effort towards equity and the necessary adjustments towards market and internally across genders will set a more equal basis for the next salary reviews.

	2020	2021	2022
% of women in the total workforce[(1)]	34%	37%	37%
% of women on the executive committee	13%	25%	38%
% of women on the Board of Directors[(2)]	30%	40%	50%
Gender equality index	89	88	75

(1) Total workforce: permanent and fixed-term contracts.

(2) At December 31, for Deezer S.A. (511 716 573 RCS Paris) for fiscal years 2020 and 2021 and for Deezer S.A. (898 969 852 RCS Paris) for fiscal year 2022.

3.2.1.3.3 Others

The Group also supports diversity and inclusion through the creation of exclusive content supporting the LGBTQ+ community.

In 2022, a dedicated employee resource group was formed and kicked off with an external speaker conference, collaborating with other LGBTQ+ representatives in the tech and music industry.

The Group also sponsored and partnered Pride events, such as the Disney Pride Parade in June 2022 and has a permanent dedicated "Queer Culture" channel on the stream platform, featuring artists such as Christine and the Queens, Bilal Hassani, Hoshi and Eddy de Pretto *via* personalized playlists, podcast recommendations and exclusive live sessions.

3.2.2 Environmental responsibility

The Group conducts a number of initiatives to reduce the environmental impact of its employees and business.

The Group made environmental concerns a major issue of its CSR policy. Throughout the year, the Group takes concrete actions to actively participate in environmental protection. Its objectives in this area are especially targeted at limiting the environmental impact of (i) its activities, and (ii) its premises.

3.2.2.1 Main environmental risks related to the Company's business

Although the Group's activities have, by their very nature, only a limited impact on the environment, ecological considerations are nevertheless at the heart of its thinking in defining its strategy and managing its day-to-day business.

The main environmental risks identified in connection with the Group's activity concern its energy consumption and associated greenhouse gas emissions. The scope of analysis of energy consumption and gas emissions concerns Deezer S.A. and its subsidiaries, excluding Driift Holdings Ltd which is not a company wholly-owned by the Group.

More concretely, this concerns (i) the energy consumption of the data centers used by the Group and (ii) the environmental risks related to its employees, mainly with regard to their travel and the equipment provided to them in the course of their duties within the Group. The Group must also comply with (iii) non-financial information disclosure obligations in accordance with the European taxonomy regulation.

3.2.2.1.1 Energy consumption and carbon footprint of data centers

The operation of the Group's music streaming platform is based on infrastructures comprised, primarily, of two data centers located in the Paris region, belonging to external service providers, as well as a share of Cloud services associated with its activities.

As these infrastructures represent one of the Group's main environmental impacts, the Group initiated, in 2021, an initiative concerning the monitoring of the energy consumption of its data centers and Cloud services, as well as the level of greenhouse gas emissions and the related carbon footprint. In particular, the Group has begun to measure the energy consumption of the IT equipment (servers, racks, network equipment) in the data centers it uses (Equinix PA6, Interxion PAR8, Scaleway DC3), as well as the energy consumption of Cloud services provided by Google and Amazon. Following the recommendation of the French government regarding the Energy Saving Plan (*Plan de sobriété énergétique*), the Group managed to reduce the power consumption of its infrastructure by approximately 13% in its main data center, and by approximately 8% in all its data centers, by stopping more than 85 servers. In 2022, the Group has also started to move IT equipment to the new data center – PAR8, operated by Interxion – which presents an excellent energy efficiency index (PUE for "Power usage effectiveness") of 1.25 to 1.30. Scaleway DC3, and Equinix PA6, the two other data centers hosting the Group's IT equipment, also present excellent PUE respectively of 1.35 in 2022 and 1.48 in 2021. For comparison, only 19% of data centers located in France present a PUE below 1.6.

The Group is aware that given the continued growth of its activities, it is inevitable that its energy consumption will continue to increase in the future. The Group will therefore continue its efforts to reduce its electricity consumption in 2023, by installing a "metered PDU", equipment that will allow the Group to follow the evolution of relevant indicators to better control its consumption and, as far as possible, to reduce it.

Regarding its carbon footprint, the Group launched an initiative in 2022 that will be implemented in 2023, consisting of (i) measuring the Group's carbon footprint (with the support of Impakt) and (ii) training 5 employees of the Group on related issues (with the support of Carbone 4).

3.2.2.1.2 Travel policies

The Group encourages its employees to avoid unnecessary or polluting travelling, and to prefer video-conferencing or train travelling. The Group also encourages the use of public transportation for its employee's daily commute, the cost of which it partially subsidizes. In order to assess the effectiveness of this travel policy, the Group annually tracks the distances travelled by its employees for national and international business trips. In 2022, the Group's employees travelled 948,000 km by plane.

The Group overhauled its employee travel policy in 2022 to reduce travel as much as possible and to be as neutral as possible in terms of CO_2 emissions.

As far as business travel is concerned, the Group encourages its employees to use videoconferencing to avoid unnecessary travel, especially by plane. If a physical meeting is strictly necessary, the Group encourages its employees to use the train whenever possible. However, the Group's travel policy provides that when a trip by train exceeds 5 hours, air travel can be used.

The Group also encourages the use of alternatives to the use of cars for its employees' commutes. Its offices are, therefore, located in areas that are easily accessible by public transportation, and the Company subsidizes the cost of public transportation to promote its use. To limit the use of cars by employees, access to the headquarters' parking lot is limited and is reserved, in priority, for two-wheel vehicles.

	2019*	2020	2021	2022
Distance traveled by employees (Air) in thousands of km	2,2M	468K	163.7K	948K
Tons of CO_2 produced	1,600	346.6	93.4	592

* Due to the traveling restrictions during the COVID-19 pandemic, comparison between 2019 and 2021 is more relevant than between 2020 and 2022.

3.2.2.1.3 Awareness-raising programs

The Group regularly conducts information and other awareness-raising programs with its employees (*e.g.*, an environmental preservation webinar on the Earth Day and a food management program on World Food Day).

Education is certainly the most effective tool at the Group's disposal to change individual habits.

The Group regularly conducts informational and awareness-raising activities for its employees on subjects such as environmental preservation on Earth Day, food management on World Food Day, and various green initiatives carried out within the Company (for example, the Group's financing of beehives installed on the "green roofs" of its Paris headquarters, which helped save 40,000 bees).

3.2.2.1.4 Hardware recycling

The recycling of the Group's computer equipment, qualified as Waste Electrical and Electronic Equipment ("**WEEE**"), is entrusted to associations and eco-responsible companies specialized in the recycling of WEEE. These partners allow us to ensure the reinsertion of a maximum of products on the market to fight against waste and to promote a circular economy. Any hardware that is considered obsolete is recycled *via* this network of certified partners, which ensures equipment dismantling as well as the extraction and reuse of raw materials. In 2022, such actions permitted the recycling of 1.195 kg of WEEE. Furthermore, the Group tries to limit its ecological footprint by systematically subscribing to product warranties (up to 5 years of warranty), allowing the use of hardware equipment for their maximum life span.

In addition to these recycling actions, the Group has committed to donating approximately 100 servers to Resto du Coeur, an association recognized as being of public interest, in 2023.

3.2.2.2 Main environmental risks related to the Company's sites

With respect to the Group's corporate real estate, its environmental efforts are focused on (i) its premises, and (ii) the management and recycling of its waste.

3.2.2.2.1 Headquarters

In 2020, the Group moved its headquarters to a new location in Paris, which is certified under the French High Environmental Quality standard (*Norme Française Haute Qualité Environnementale* or "NF HQE"). This building, which houses the bulk of the Group's headcount, has been designed to limit its environmental impact, including, in particular, thanks to several "green roofs", a better thermal insulation preventing loss of heating or air conditioning, an optimized rainwater management system, and general LED lighting. The Group's office management policy favors the use of agile solutions such as videoconferencing and co-working, with the opening of any new office being conditioned upon solid business prospects in the relevant country and the use of eco-friendly working environments. Finally, energy audits of the Paris, Bordeaux, Berlin and London offices were completed in 2022 with the aim of identifying intensive energy consumption spots and related solutions to reduce the Group's energy consumption and impact on the environment. The good results of this audit were logged with the ADEME (*Agence de l'environnement et de la maîtrise de l'énergie*) as per requirements. These results also emphasize improvements to be made in rented tertiary spaces, such as the continuing education of the employees on environmentally friendly behaviors.

The building, which houses the majority of the Group's workforce, was designed to limit its environmental impact, in particular:

- smart building with full building management system ("BMS"), which controls the building environment and lighting based on real occupancy and external factors, such as temperature, to reduce power consumption;
- several "green roofs" covered with greenery allow (i) the development of an ecosystem beneficial to the environment, (ii) better insulation, partly avoiding the loss of heating or of air conditioning, (iii) the reduction of carbon emissions, (iv) the better management of rainwater, and (v) an improvement in the surrounding air quality;
- the heating, ventilation and air conditioning system is based upon a geothermal well using ground heat for its operation, thus reducing the premises' energy consumption; and
- the building is lit with very energy efficient 100% LED lights that also adapt luminosity depending on incoming levels of light.

Given the international nature of its activities, the Group also has offices abroad, the primary ones being in Sao Paolo, Berlin and London, and a second office in France, in Bordeaux. This international network is the result of an office management policy favoring the use of agile solutions such as telecommuting and co-working. Under the terms of this policy, the opening of new offices is conditional upon solid business prospects in the country in question and a minimum number of employees attached to the office. When opening an office in a new country, the Group systematically strives to choose environmentally friendly spaces, like its Paris headquarters. The table below represents electricity consumption data for offices in Europe and the United Kingdom. Energy consumption data for the year 2022 will be provided by landlords in the second half of 2023. Furthermore, the breakdown of consumption by site for the year 2020, the only year for which electricity consumption is available for most of the Group's sites, is given below but may not be relevant due to the pandemic crisis and restricted measures, which caused unoccupied buildings.

Europe and UK 2019-2022

Deezer's energy consumption from January 2019 through June 2022 is as follows:

City	Paris	Bordeaux	London	Berlin
Energy source	Electricity	Electricity	Electricity	Electricity
2019	183,073	55,375	-	9,156
2020	346,255	48,862	-	5,943
2021	540,696	47,322	114,426*	4,065
2022 (Jan.-Jun.)	303,130	-	-	-

* From November 18, 2020 to November 25, 2021. Estimated by referencing the Real Estate Environmental Benchmark (REEB) data set for typical practice air-conditioned offices electrical equivalent energy benchmark.

3.2.2.2.2 Waste recycling

The Group takes various actions to limit its waste globally. The Group is, for instance, progressively eliminating single-use consumables by installing water fountains and providing employees with washable cups, and a green welcome kit with eco-friendly products. In addition, the Group promotes a "paperless" approach by closely managing printing consumables and removing individual waste garbage cans.

First, with regard to office waste, the Group has implemented several actions:

- the progressive elimination of single-use consumables by making them available to employees:
  - washable or recyclable cups that can be cleaned and reused indefinitely,
  - water fountains that, since their installation in September 2020, have saved over 20,000 plastic bottles, and
  - a "green" welcome kit containing eco-friendly products (water bottle, reusable cutlery, solar battery, etc.);
- the promotion of "zero paper", which translates into a just-in-time management of printing consumables and the absence of individual waste garbage cans for employees;
- the conclusion, in 2021, of a partnership with a French composting company that now collects the Group's employees' food scraps.

As the production of waste by its employees is unavoidable, the Group combines efforts in terms of office waste management with an active recycling policy, managed in conjunction with specialized partners, which include, in particular, the installation of differentiated bins allowing for recycling on each floor of its premises, according to local specificities for countries other than France.

Finally, the Group is implementing 2023 a new waste reporting with its suppliers to collect data related to tons of recycled waste and tons of avoided CO_2 emissions for the year 2022, which will be available. in the second half of 2023.

3.2.2.3 Implementation of the European taxonomy

3.2.2.3.1 Context

The European Green Taxonomy (EU Regulation 2020/852) (the "**European Taxonomy**") seeks to facilitate sustainable investment. To do so, it creates a classification system for economic activities, common to the European Union, to identify economic activities considered "sustainable" from an environmental viewpoint. The European Taxonomy thus defines criteria for assessing the substantial contribution of activities for companies subject to the NFRD, including, in particular, listed companies, to at least one of the environmental objectives, without harming the other objectives and while complying with minimum safeguards.

As part of the implementation of the European Commission's program to achieve carbon neutrality by 2050 in the European Union and the financing plan for the ecological transition, with application from 2022 of the European Taxonomy and in accordance with its Article 8, the Group has carried out an analysis of its activities that (i) may be eligible to the European Taxonomy and (ii) may align with the expected eligibility criteria defined in the Climate Delegated Act (EU 2021/2139). As a non-financial undertaking under the European Taxonomy, the Group is required to publish a number of KPIs based on revenue, capital expenditure (CapEx) and operating expenses (OpEx) provided under Annex I to the Disclosure Delegated Act (EU 2021/2178).

The European Taxonomy sets a framework around six quantitative and qualitative environmental objectives:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of aquatic and marine resources;
- transition to a circular economy, including waste recycling;
- pollution prevention and reduction; and
- protection and restoration of biodiversity and healthy ecosystems.

As of the date of this Universal Registration Document, the Climate Delegated Act includes sustainability criteria only for the "climate change mitigation" and "adaptation to climate change" objectives. The sections below present, as a non-financial parent company, the eligible economic activities and the share of the Group's income, capital expenditure and operating expenses for the 2022 financial year associated with economic activities eligible for the taxonomy and linked to the "climate change mitigation" and "adaptation to climate change" objectives, in accordance with Article 8 of the European Taxonomy and Article 10 (2) of the Climate Delegated Act supplementing Article 8 of the European Taxonomy.

3.2.2.3.2 Eligibility to the European Taxonomy of economic activities operated by the Group

The eligibility is based on the description of the activities, as provided under Annex I and Annex II, as applicable, of the Climate Delegated Act.

Turnover

The turnover associated with the activities of the Group are mainly based on:

- end user subscriptions directly with Deezer (B2C)
- subscriptions through a distribution partner or as part of a service or product sold by the distribution partner (B2B); and
- other sources of turnover, in particular advertisement.

Based on the list of economic activities listed under Annex I regarding "*Technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation*" and Annex II regarding "*Technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change adaptation*" of the Climate Delegated Act, the Group mainly operates activities eligible to the European Taxonomy referenced under Activity 8.3. "Programming and broadcasting activities", in Annex II of the Climate Delegated Act.

In 2022, the turnover for the B2C and B2B activities amounted to €435.748 million (cf. note 5 of the consolidated financial statements enclosed in Chapter 6 "Financial statements" of this Universal Registration Document), corresponding to 96.6% of the consolidated turnover of the Group. These activities are eligible to the European Taxonomy under 8.3 "*Programming and broadcasting activities".*

Other sources of turnover, in particular advertisement amounted to €15.451 million (cf. note 5 of the consolidated financial statements enclosed in Chapter 6 "Financial statements" of this Universal Registration Document), corresponding to 3.4% of the consolidated turnover of the Group. Such activities are not eligible to the European Taxonomy and do not participate in the subscription activities. In this context, the Group does not have to report on CapEx or OpEx associated with these activities.

CapEx

The CapEx undertaken by the Group in 2022 amounted to €4.204 million and broke down as follows:

Type of asset	Amount (in € millions)	Note of the consolidated financial statements enclosed in Chapter 6 "Financial statements" of this Universal Registration Document
Intangible assets	0.468	Note 11
Property and equipment	2.578	Note 12
Right-of-use assets	1.158	Note 13
Total	**4.204**	

The CapEx corresponding to the above-mentioned B2C and B2B activities which are eligible activities amounted to €4.104 million, as there was no CapEx corresponding to other sources of turnover in 2022. Therefore, all CapEx are related to eligible activities.

The Group must also report on CapEx associated with the premises leased by the Group in the scope of IFRS 16 – Leases, related to eligible activity 7.7 "Acquisition and ownership of buildings" under the European Taxonomy. These CapEx are below €0.1 million in 2022, which is not material compared to the total CapEx undertaken by the Group.

OpEx

With respect to KPIs related to OpEx only direct non-capitalized costs that related to R&D, building renovation measures, short-term lease, maintenance and repair and other direct expenditure relate do the day-to-day servicing of assets of property, plant and equipment (operated by the Group and outsourced) that are necessary to ensure the continued and effective functioning, must be taken into account. Such OpEx amount to €39.877 million for the Group and mainly comprises Product and Development costs (€34.025 million) detailed in Note 6.1 of the consolidated financial statements enclosed in Chapter 6 "Financial statements" of this Universal Registration Document. Such amount is not material compared to the total OpEx of €617.944 million, comprising €386.103 million of Cost of revenue and €231.841 million of Operating expenses, respectively detailed in Notes 5 and 6.1 of the consolidated financial statements enclosed in Chapter 6 "Financial statements" of this Universal Registration Document.

Such OpEx are not material for the business model of the Group, because Cost of Revenue, Sales and Marketing costs and General and Administrative costs represent the major portion of the total OpEx. In this context, the OpEx associated with taxonomy-eligible economic activities are equal to zero. As a consequence, the Group benefits from the materiality exemption with respect to reporting on KPIs related to OpEx with respect to the European Taxonomy provide under Article 1.1.3.2 of the Disclosures Delegated Act. The exemption analysis was carried out on the criterion of OPEX in the denominator as defined in the Taxonomy regulation.

3.2.2.3.3 Alignment to the European Taxonomy of economic activities operated by the Group

Alignment of an eligible activity is assessed based on a number of technical screening criteria listed under the Climate Delegated Act.

8.3 "*Programming and broadcasting activities"* is considered by Annex II of the Climate Delegated Act as an "enabling" activity. Pursuant to the definition provided under Article 16 of the European Taxonomy, it that such activity may contribute substantially to one or more of the six, above-listed environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.

In order to determine whether Deezer's programming and broadcasting activities are aligned an enabling activity, it was considered that Deezer subscribers have access to more than 90 million music tracks and audio content such as radio and podcasts, some of which may be relevant to climate change issues. The question is whether those podcasts provide information, or promotes the use of products or services to increase the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; or contribute to adaptation efforts of other people, of nature, of cultural heritage, of assets and of other economic activities

It was determined by Deezer that listening time for podcasts dealing with the environment and climate change adaptation issues represent less than 0.1% of the subscribers' total listening time. In this context, the share of aligned programs and therefore aligned revenue is considered extremely marginal.

As a consequence, Deezer's programming and broadcasting activities are not aligned as an enabling activity under the European Taxonomy.

7.7 "*Acquisition and ownership of buildings"*: While the Group does not own buildings, it must report based on IAS 16 Property, plant and equipment §73, point (i) and point (iii). The alignment analysis for this activity is performed for the Paris headquarter, a building lease by the Group, which amounts for the majority of the CapEx associated with this activity. No material physical risk which would require adaptation solutions to climate change has been identified for this building located in Paris. In addition, this building was built before 31 December 2020 is not within the top 30% of the national building stock expressed an operation Primary Energy Demand. As a consequence, such activity is not aligned with the European Taxonomy and the associated aligned CapEx is zero.

Proportion of revenue from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code	Absolut turnover	Proportion of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		Currency € million	%	%	%	%	%	%	%
A. Taxonomy-eligible activities (in %)									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1	N/A								
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1: 8.3 "Programming and broadcasting activities"	8.3	435.748	96.6%						
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (not Taxonomy-aligned activities) (A.2)									
Total (A.1 + A.2)		**435.748**	**96.6%**						
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible (B)		15.451	3.4%						
Total (A + B)		**451.199**	**100%**						

DNSH criteria ("Does Not Significantly Harm")										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T

3

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code	Absolut turnover	Proportion of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollu-tion	Bio-diversity and eco-systems
		Currency € million	%	%	%	%	%	%	%
A. Taxonomy-eligible activities (in %)									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1	N/A								
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1: 8.3 “Programming and broadcasting activities”	8.3	4.104	97.6%						
Activity 2: 7.7 “Acquisition and ownership of buildings”	7.7	0.1	2.4%						
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (not Taxonomy-aligned activities) (A.2)									
Total (A.1 + A.2)		**4.204**	**100%**						
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible (B)									
Total (A + B)		**4.204**	**100%**						

DNSH criteria ("Does Not Significantly Harm")										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safe-guards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity or)	Category (transi-tional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activities	Code	Absolut turnover	Propor-tion of turnover	Climate change mitigation	Climate change adapta-tion	Water and marine resour-ces	Circular economy	Pollution	Biodiversity and ecosystems
		Currency € million	%	%	%	%	%	%	%
A. Taxonomy-eligible activities (in %)									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Activity 1	N/A								
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Activity 1: 8.3 "Programming and broadcasting activities"	8.3	0							
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (not Taxonomy-aligned activities) (A.2)									
Total (A.1 + A.2)		**0**							
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible (B)									
Total (A + B)		**0**							

DNSH criteria ("Does Not Significantly Harm")										
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity or)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T

3.2.3 Governance responsibility

The Group cultivates a true culture of sharing and transparency toward its employees. To set a good example, the Group has implemented clear and concrete action plans with which its corporate officers and employees must comply. The response to these issues is mainly based upon (i) business ethics and the fight against corruption, anti-money laundering and tax evasion and (ii) consideration of CSR issues in the governance of the Group.

3.2.3.1 Business ethics and the fight against corruption, anti-money laundering and tax evasion

In 2017, the Group introduced a compliance manual describing the requirements and fundamental principles applicable to the way in which it intends to conduct its activities. The Group's policy in this regard consists of maintaining the highest level of professional, ethical and legal standards in conducting the Group's business.

Responsible business practices are indeed essential to ensuring the Group's long-term competitiveness. As the Group grows, it is important that it conducts its daily activities in an ethical and responsible manner to avoid criminal liabilities or lost business opportunities, upholding Deezer's reputation and maintaining stakeholders trust.

These standards may only be achieved and maintained through the efforts of the Group's personnel and its management team. For this reason, any violation of the Group's compliance manual is subject to disciplinary action. In the event of any questions concerning any of these applicable laws or regulations, employees of the Group should contact the Compliance Officer.

To increase the scope of the compliance manual, the Group's compliance manual is widely disseminated and trainings have been conducted on these sensitive subjects in the past and will be stepped-up, particularly for employees who may be exposed to this type of situation (sales, finance or legal functions, in particular). The compliance manual is also sent to each new employee at the time of assumption of his or her duties.

Several topics are addressed in the Group's compliance manual, including (i) prevention of conflicts of interest, (ii) the fight against corruption, (iii) the fight against money laundering and (iv) compliance with economic sanctions regulations.

3.2.3.1.1 Prevention of conflicts of interest

Employees must refrain from participating in any activity that may be contrary to the interests of the Group. For example, employees are asked not to take any action in their capacity as an employee of the Company for personal gain.

3.2.3.1.2 Anti-corruption policy

The Group employees are prohibited from offering items of value or any other form of consideration (such as a bribe or kickback) to a government official to influence that official or to reward him or her for his or her actions. Further the Company shall implement internal measures to fight against corruption, including a new alert procedure in the event of suspected acts of corruption in 2023.

3.2.3.1.3 Anti-money laundering policy

Group employees are prohibited from engaging in or facilitating money laundering activities and, in particular, from attempting to conceal or disguise the source, ownership or control of money through financial transactions or transfers of funds from one financial institution or jurisdiction to another.

Employees must report the transactions that they suspect may be related to money laundering to the Compliance Officer.

3.2.3.1.4 Compliance with economic sanctions regulations

The Group complies with all national and international regulations applicable to its business in terms of economic sanctions and embargoes. Employees are asked not to do business with individuals or entities whose names appear on economic sanctions lists. Verification procedures are in place to ensure that the Company does not enter into business relationships with individuals or entities appearing on these lists.

In 2022, in order to respect the international sanctions put in place against Russia in connection with its invasion of Ukraine, the Group's management decided on the early-termination of the B2B agreements entered into with Russian partners and the non-renewal of end user subscription for subscribers located in Russia. In addition and in support of the Ukrainian people, the management also decided to offer free subscriptions to users located in Ukraine.

3.2.3.1.5 Fight against tax evasion

The Group commits to complying with all applicable laws and regulations in the countries in which it operates along with applicable international standards. This means:

- comply with the tax laws applicable in each country;
- prepare and file tax returns in an accurate and timely manner, in accordance with applicable regulations;
- understand how and where value is created and ensure that transfer pricing reflects this;
- employ appropriately qualified and trained tax professionals with the right levels of tax expertise and understanding of the business.

As a result, the Group pays and collects numerous other taxes and contributions as part of the Group's economic contribution (in additional to corporate income tax).

The Group applies the following principles in tax matters:

- Compliance: support for operational activities in compliance with applicable regulations;

- Transparency: the Group is committed to being open and transparent with tax authorities and to disclosing relevant information to enable them to carry out their work;
- Tax management strategy: tax management that is both proactive and efficient to preserve and maximize the value generated for the Group and its shareholders;
- Accountability & Governance: the Group ensures that, as a business, it has the mechanisms in place to adhere to the above principles.

The Group is vigilant as to the operational and commercial reality of its transactions and refuses to take part in any artificial tax arrangements. The Group only uses tax incentives after considering their impact on its brands and reputation. The Group does not promote any form of tax evasion.

Related-party transactions are done in accordance with the Group's transfer pricing policy, which is based on the arm's length principles and available guidelines.

The tax legislation in the countries in which the Group operates is complex and may be open to interpretation. The Group manages such uncertainties with the support of internal and external tax experts. Tax provisions are measured based on the Group's best estimate using available information.

3.2.3.1.6 Actions in favor of human rights

The Group already promotes and complies with the International Labour Organization's fundamental conventions:

- Freedom of association and collective bargaining

  The Group respects the freedom of association and collective bargaining (see paragraph 3.2.1.1.5 "*Social Dialogue*" of this Universal Registration Document).

- Elimination of discrimination in respect of employment and occupation

  The Group employs talented people from a wide variety of backgrounds (see paragraph 3.2.1.3 "*Diversity and inclusion*" of this Universal Registration Document) and thus endeavors to combat all forms of discrimination by recruiting a diverse range of profiles.

- Abolition of forced labor

  The Group complies with the conventions of the International Labour Organisation and, in particular, undertakes not to use forced labour.

- Effective abolition of child labour

  The Group complies with the United Nations conventions on children's rights and, in particular, undertakes not to use child labour.

In addition the Group promotes a culture of respect of people, and is committed to improving human rights, in particular towards its employees (see paragraph 3.2.1.2 above "*Health, safety and well-being*").

In addition, as part of the update of the Group's compliance manual to be carried out in 2023, the Group will insert a section dedicated to the respect of human rights by its employees.

3.2.3.2 CSR governance

Since the merger with and into I2PO S.A. whose shares were listed on the Professional Segment (*Compartiment Professionnel*) of the regulated market of Euronext Paris, Deezer has changed its governance and aims at aligning with the highest standards of listed companies.

Maintaining good corporate governance helps to prevent financial and accounting issues and exposure to civil or criminal liability, and above all helps to preserve a strong reputation of ethics that is key to maintain the brand of the Group and favor the conclusion of visible business partnerships.

Since the Merger, the Company has appointed 3 new independent directors now reaching a 60% independent directors seating at the Board of Directors. The Nomination and Remuneration Committee is composed of 2/3 of independent directors, and the Audit Committee is comprised of 100% of independent directors, including its President.

3.2.3.2.1 Increasing the role of the Board of Directors in the Corporate social responsibility (CSR) of Deezer

The Governance Code that the Company chose to comply with, the AFEP-MEDEF Code as revised in December 2022 strengthens the Board of Directors' missions to make it the guarantor of the Group's CSR strategy, and recommends that (i) the Board of Directors determine multi-year strategic orientations in these areas, particularly with regard to climate change, for which this strategy must be accompanied by precise objectives; (ii) CSR issues be the subject of preparatory work by a specialized committee of the Board of Directors and (iii) executive compensation include at least one criterion related to climate objectives among the CSR criteria.

As of the date of this Universal Registration Document, the variable compensation of the Chief Executive Officer already includes an ESG dimension but the Company has not created a CSR committee. The Company is therefore exploring the possibility to create such a committee or entrust an existing subcommittee with CRS topics in order to help the Board further develop and include these topics in the strategy of the Company.

3.2.3.2.2 Enhancing the compliance of the Company with the best corporate governance practices

Since the Merger, the Company has significantly improved its governance practices but is still working to implement some of the recommendations of the AFEP-MEDEF Governance Code, such as elaborating a succession plan for its top management. The Company aims to further enhance its compliance with best governance practices. For more details on the Company's compliance with respect to corporate governance, please see Chapter 4 of this Universal Registration Document.

3.2.3.2.3 The Group's shareholder holding a significant portion of the Company's share capital

AI European Holdings Sàrl held approximately 38.45% of the Company's voting rights as of December 31, 2022. Depending on the attending of AI European Holdings Sàrl and other shareholders, AI European Holdings Sàrl could be in position to *de facto* determine the decisions made at ordinary and possibly extraordinary shareholder's meeting of the Company and therefore could be considered as controlling the Company pursuant to Article L. 233-3-I. 3° of the French Commercial Code. Paragraphs 7.3.3 "*Control of the Company*" and 2.1.5.3 "*The Group's principal shareholder holds a significant portion of the Company's share capital*" of this Universal Registration Document respectively includes a presentation of the potential control of the Company and of the associated risks.

The Group has implemented measures, notably through its corporate governance, to ensure that any potential control of AI European Holdings Sàrl is not abused. Those measures include in particular:

- the presence on the Board of Directors of 60% of independent directors;
- the existence of specialized committees (Audit, Nomination and Remuneration Committees);
- the two members of the Audit Committee are independent, including its Chair (Mari Thjømøe);
- The Nomination and Remuneration Committee is chaired by an independent director (Sophie Guieysse) and two-thirds of the directors are independent; and
- Article 4.3 of the internal rules of the Board of Directors stipulates that each director shall not, in any event, act in its own interests against the interests of the Group. Pursuant to same article, each director has an obligation to notify the Board of Directors of any situation of a conflict of interest, even potential conflicts, and must abstain from participating in any debate or voting in corresponding deliberations, and in extreme cases, resign from its directors' position.

3.2.4 Relationships with stakeholders

Through its business, the Group has relationships with a variety of external stakeholders, from its users, to the creators of content on its platform, to its suppliers, subcontractors and partners, to its shareholders and other investors. The Group needs to be transparent and responsive to them, and reflect its CSR considerations and expectations in its dealings with each of them.

More specifically, in CSR matters, the Group has implemented a certain number of measures relating to the management of the relationship with (i) its users, and (ii) its suppliers, subcontractors and partners.

3.2.4.1 Management of relationships with users

3.2.4.1.1 Subscriber satisfaction

The Group is particularly attentive to the quality of its services and the satisfaction of its users. The Group conducts regular satisfaction surveys to benefit from its users' experience and to improve its offering accordingly.

	2020	2021	2022
Number of satisfaction surveys*	5,516	14,993	21,228
Satisfaction rate among users	96.9%	84.8%	81.1%

* Including all users who contacted Deezer Customer Care *via* chat during the periods in all countries in which the Group operates and at all subscription levels. Over the past 3 years, the Group has changed how it measures surveys and satisfaction. As such, the data comparison between years is not consistent. The trend of increased volume of surveys and reduced satisfaction over time is linked to automation of the service experience, allowing for more user requests to be handled.

The Group's target satisfaction score has been set at 80% or more for 2020, 2021 and 2022.

3.2.4.1.2 Protection of personal data

The protection of users' personal data is a key issue for the Group. Beyond simply complying with its legal obligations, the Group is committed to protecting user privacy and ensuring that the collection, use and retention of their data is performed to the highest industry standards.

Internally, the Group has created, and kept current, processes and documentation complying with the provisions of the General Data Protection Regulation ("**GDPR**"), including the appointment of a Data Protection Officer (DPO), the maintenance of a record of processing activities, the application of internal data protection policies and the performance of regular audits.

Externally, the Group strives to be as clear as possible with its users – for example, by providing them with a privacy policy explaining, in plain language and understandable terms, how the Group uses their data and treats their requests in exercising their data rights in an expeditious manner.

Finally, the Group scrupulously respects the strictest personal data processing and protection standards, whether these standards are industry-based (for example, the "Payment Card Industry Data Security Standard" for the processing of banking data) or are defined by certain key players (for example, the "Apple Privacy Framework").

The Group discovered in November 2022 that a former service provider experienced a security incident in 2019 that resulted in a data leak involving approximately 200 million users. Although the leaked data was non-sensitive, the Group reacted by (i) setting up an advisory support on its website to inform users, (ii) contacting users directly by email, (iii) maintaining a constant dialogue with the CNIL and (iv) filing a complaint with the *Procureur de la République* in January 2023. With respect to preventive measures, the Group is working on the analysis of the security measures implemented by its current and future partners. Please see the risk factor presented in Section 2.1.3.2 "*The Group's reputation and business could be harmed by security breaches and fraudulent activity*" of this Universal Registration Document.

3.2.4.1.3 Information security

The Group's information system is an essential asset, necessary for conducting its business activities and achieving its strategic objectives, and subject to considerable legal and regulatory constraints. The effective protection of this asset is of paramount importance to the Group.

Each employee is, therefore, subject to a strict IT policy and undertakes to use the IT resources made available in a vigilant and secure manner, ensuring that the confidentiality necessary to protect the Group's interests is at all times maintained.

Awareness-raising actions are regularly conducted with the Group employees, such as "phishing" campaigns that are conducted with all employees or among different categories of employees (with phishing campaigns targeting specific tools used by the employees) and training on current topics or on more specific themes such as the pitfalls of computer security.

Security awareness training sessions are sent randomly to employees of the Group and carried out through 5-minute long, immersive and interactive chat-based courses.

In addition, the Group conducts a yearly training for PCI DSS certification (Payment Card Industry Data Security Standard) for the employees working notably in the Customer and Monetization Department and Customer Care Department who are likely to handle payment card details. PCI DSS is an information security standard used to handle credit cards from major card brands, and is administered by the Payment Card Industry Security Standards Council in order to better control cardholder data and reduce credit card fraud. In 2022, 55 employees have been trained for PCI DESS certification. The Company is also audited each year by an external Qualified Security Assessor (QSA) in this respect.

Finally, vulnerability scans and penetration tests are conducted several times a year, either by the Company's IT security team or by external auditors. In 2022, the Group conducted 8 internal or external penetration tests and a third-party vulnerability scan.

The Group conducts weekly scans of its IT corporate infrastructure with an ISO 27001-certified third-party solution and quarterly audits of its Active Directory (the global internal directory for the Group's resources).

3.2.4.2 Management of relationships with suppliers, subcontractors and partners

The Group takes particular care in choosing its suppliers, subcontractors and partners by applying specific selection criteria to each business relationship, and by integrating into this selection process the labor and environmental considerations presented in this NFPS.

For example, the selection of service providers for any service related to the Group's offices systematically includes a CSR component. This policy has, for example, led the Group to require its service providers to use green-labeled cleaning products for the maintenance of its premises. Likewise, the Group ensures that its service providers are able to supply it with consumables and office supplies made exclusively from recycled products.

The Group is working on the development of a general purchasing policy, anticipated to be finalized during the 2023 fiscal year. This policy will synthesize practices already applied by the Group's employees and will set labor and environmental criteria to be analyzed in any selection process for its suppliers, subcontractors and service providers.

3.3 Methodological note

This non-financial performance statement, presented in this Universal Registration Document, endeavours to produce the most relevant non-financial information specific to the Group with regard to its business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators, in accordance with the provisions of Articles L. 225-102-1, L. 22-10-36 and R. 225-105 *et seq.* of the French Commercial Code.

Given the Group's activities and the information available to it, certain items mentioned in Articles L. 225-102-1, L. 22-10-36 and R. 225-105 *et seq.* of the French Commercial Code have not been addressed in the NFPS as they are, in this instance, inapplicable or irrelevant. These items include:

- the amount of provisions and guarantees for environmental risks;
- actions to fight against food waste and insecurity;
- actions to fight food insecurity; and
- respect for animal welfare.

To provide transparent and reliable information on the Group's CSR issues, the Group has mandated an independent third-party organization (ITO) to conduct the necessary verifications, in accordance with applicable legal and regulatory provisions.

Main characteristics of the NFPS

NFPS version	Second edition of the Group NFPS. Deezer S.A. has produced the first edition of its NFPS before the Merger with and into I2PO S.A. whose shares are listed on the professional segment of the regulated market of Euronext in Paris.
Reporting period	The information presented covers the period relating to fiscal year 2022, and is compared to information relating to fiscal year 2021 and to fiscal year 2020 for certain data.
Reporting scope	As the Group prepares consolidated financial statements within the meaning of Article L. 233-16 of the French Commercial Code, the NFPS presented to you is a consolidated statement of non-financial performance, including data relating to the entities included in the Group's scope of consolidation.
Stakeholders	The Group has based an assessment of its risks and opportunities in terms of sustainable development thanks to the collaborative work of its internal teams, the Sylvain MARY firm and the PEPS management company.

The methodology used in the development of the NFPS is as follows:

- a questionnaire was distributed to the main representatives involved in any area having an impact on the Group's CSR policies and procedures, based upon relevant market benchmarks in light of the Group's performance, activities and situation, to first gather the information needed to draw up the NFPS, and to define actions undertaken, and prioritize issues, in each CSR area;
- interviews with key employees responsible for various CSR issues were conducted to assess CSR risks and opportunities, and to establish a CSR risk map and associated action plans;
- from the analysis of these questionnaires and interviews, the primary Group CSR risks and opportunities were identified, as well as major issues retained within the framework of the 2022 NFPS. These were treated by theme and globally in the final document. In addition, the Group noted the absence of major changes in the main CSR risks and opportunities compared to fiscal year 2021; and
- the Group has chosen to build its NFPS around four components (labour, environmental, governance and stakeholder relationships), mentioning for each component the primary risks identified and the policies implemented to prevent them or limit their impact.

3.4 Summary of non-financial indicators

The Group measures its progress in terms of CSR around the following four components: labour, environmental, governance and stakeholder relationships. Nineteen quantitative indicators, presented in the table below, were selected and audited by an independent third party.

Category	Indicator
Labour	• Turnover rate • Number of hires and departures of staff • Average seniority • Number of internally promoted employees • Number of permanent employees with external training action • Number of hours of training • Number of meetings with staff representatives in France • Absenteeism rate • Number of work-related accidents • Percentage of workers with disabilities • Percentage of women in the total workforce • Gender equality index
Environmental	• Distance traveled by employees (Air) in km • Tons of CO_2 produced in connection with the Group travel policies • Annual energy consumption per site and per type of energy in kWh
Governance	• Percentage of women on the executive committee • Percentage of women on the Board of Directors
Stakeholder relationships	• Satisfaction rate among users • Number of penetration tests and vulnerability scans

Eight qualitative indicators, presented in the table below, were selected and audited by an independent third party.

Category	Indicator
Labour	• Work in Confidence platform • Gender equality policy
Environmental	• Group policy regarding energy consumption and carbon footprint of data centers • Group policy regarding waste recycling • Travel policy • Participation in "Earth Days"
Governance	• Free share grant to all employees
Stakeholder relationships	• Donation of 100 servers to the *Restos du Coeur*

3.5 Report by the independent third-party on the non-financial performance statement

This is a free English translation of the independent third-party's report on the Group's non-financial performance statement, included in the management report, which is provided solely for the convenience of English-speaking readers. This report should be construed in accordance with, French law and professional standards applicable in France.

DEEZER

A French société anonyme with a capital of 1 211 874,77 euros

Registered office : 24, rue de Calais - 75009 Paris

R.C.S. Paris 898 969 852

Report of the independent third party on the consolidated non-financial performance statement included in the Group's management report

Fiscal year ended December 31, 2022

To the attention of the Shareholders' General Meeting,

In our capacity as a certified accountant, designated as an independent third-party, accredited by COFRAC under number 3-1100 (Accreditation Cofrac Inspection, scope available on the website www.cofrac.fr), we hereby present you our report on the consolidated non-financial performance statement for the fiscal year ended December 31, 2022 (the "Statement"), which is presented in the Group's management report, in accordance with the legal and regulatory requirements provided for in articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French commercial code.

1. Responsibility of the entity

It is the role of the Board of Directors:

- to select or establish appropriate criteria for the preparation of the information provided in the Statement (the "Information");
- to establish a Statement that complies with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by article 8 of (EU) Regulation 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared using the Company's procedures (the "Reporting Framework"), the significant elements of which are set out in the Statement. The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of the Information allows the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

The Statement has been prepared by applying the Company's Reporting Framework as mentioned above.

2. Independence and quality control

Our independence is defined by the provisions of article L. 822-11 of the French commercial code and the professional code of ethics. In addition, we have implemented a quality control system that includes policies and procedures to ensure compliance with ethic rules, professional doctrine and applicable laws and regulations.

3. Responsibility of the independent third party

It is our responsibility, based on our work, to express a reasoned opinion with a moderate level of assurance on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French commercial code;
- the fairness of the Information provided in accordance with the 3rd paragraph of section I and section II of article R. 225-105 of the French commercial code, namely the results of policies, including key performance indicators, and actions relating to the main risks.

However, it is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular with regard to the information required by article 8 of (EU) Regulation 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax evasion;
- the sincerity of the information provided for in article 8 of (EU) Regulation 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

4. Nature and scope of work

Our work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French commercial code, which provides for the terms and conditions under which the independent third-party conducts its mission.

We have conducted procedures to assess the compliance of the Statement with regulatory requirements and the sincerity of the information:

- we have reviewed the activities of all the companies included in the scope of consolidation and the main social and environmental risks associated with these activities;
- we have assessed the appropriateness of the Reporting Framework in terms of relevance, completeness, reliability, neutrality and understandability, considering, where appropriate, best practices in the sector;
- we have verified that the Statement covers each category of information provided for in section III of article L. 225-102-1 with regard to social and environmental issues, human rights and the fight against corruption and tax evasion;
- we have verified that the Statement presents the information required by section II of article R. 225-105, where they are relevant to the main risks, and includes, where appropriate, an explanation justifying the absence of the information required by the 2nd paragraph of section III of article L. 225-102-1;
- we have verified that the Statement presents the business model and a description of the main risks of all the companies included in the scope of consolidation, including, where relevant and proportionate, the risks created by business relationships, products or services, as well as policies, actions and results, including key performance indicators;
- we have assessed the process for selecting and validating the main risks;
- we have enquired about the existence of internal control and risk management procedures implemented by the Company;
- we have assessed the consistency of the results and key performance indicators with the main risks and policies described in the Statement;
- we have verified that the Statement includes a clear and reasoned explanation justifying the absence of a policy concerning one or more of these risks;
- we have verified that the Statement covers the scope of consolidation, *i.e.*, all the companies included in the scope of consolidation in accordance with article L. 233-16, with the limits specified in the Statement;
- we have assessed the data collection implemented by the Company to ensure the completeness and sincerity of the Information;
- for the key performance indicators and other quantitative results that we considered the most important, we have implemented[1]:
  - analytical procedures consisting in verifying the correct integration of the data collected and the consistency of their evolutions over time;
  - detailed testing on samples, to verify the correct application of definitions and procedures and to reconcile data with supporting documents. This work was carried out on a selection of contributing companies and covers between 93% and 100% of the consolidated workforce;
- we have consulted documentation and conducted interviews to corroborate qualitative information (actions and results) that we considered to be the most important[2];
- we have assessed the overall consistency of the Statement in regards to our knowledge of all the companies included in the scope of consolidation.

We believe that the work we have performed in the exercise of our professional judgment enables us to provide a conclusion of moderate assurance; a higher level of assurance would have required more extensive audit work.

(1) Cf. Appendix
(2) Cf. Appendix

5. Means and resources

Our work involved 3 people and was performed between October 2022 and March 2023 over a total intervention period of 2.5 weeks.

We conducted 8 interviews with the persons responsible for the preparation of the Statement.

6. Conclusion

Based on our review, nothing has come to our attention that jeopardizes the compliance of the non-financial performance statement with the applicable regulations, and all Information is fairly presented in accordance with the Reporting Framework.

Without disqualifying the above conclusion, and in accordance with the provisions of article A. 225-3 of the French commercial code, we express the following comment:

As set out in the non-financial performance statement, the main environmental risks identified in relation to the Company's business activity concern its energy consumption and related greenhouse gas emissions. In 2021 and 2022, the Company has started to monitor the energy consumption of its data centers and Cloud services, as well as the related level of greenhouse gas emissions and carbon footprint. Some of the data has been collected and reported in the 2022 Statement, but other information will be available in 2023, notably those related to the carbon footprint. The definition of Deezer's policy regarding the control of its energy consumption and related greenhouse gas emissions could therefore not be completed. It will be finalized during the next fiscal year.

Paris, April 24, 2023

The independent third-party

Aca Nexia

Represented by

Sandrine Gimat

Appendix

Key performance indicators and other quantitative or qualitative results considered most important that have been tested in detail:

Quantitative information
Labour
Turnover rate
Number of hires and departures of staff
Average seniority
Number of internally promoted employees
Number of permanent employees with external training actions
Number of hours of training
Number of meetings with employee representatives in France
Absenteeism rate
Number of work-related accidents
Percentage of workers with disabilities
Percentage of women in the total workforce
Gender equality index
Environmental
Distance traveled by employees (Air) in km
Tones of CO2 produced in connection with the Group's travel policies
Annual energy consumption per site and per type of energy in kWh
Governance
Percentage of women on the executive committee
Percentage of women on the Board of Directors
Stakeholder relationships
Satisfaction rate among users
Number of penetration tests and vulnerability scans

Qualitative information
Labour
Work in Confidence platform
Gender equality policy
Environmental
Group policy regarding energy consumption and carbon footprint of data centers
Group policy regarding waste recycling
Travel policy
Participation in "Earth Days"
Governance
Free share grant to all employees
Stakeholder relationships
Donation of 100 servers to the *Resto du Coeur*

Corporate governance

4.1 Board of Directors

4.1.1 Rules and principles of corporate governance

4.1.1.1 General provisions

This Chapter presents the corporate governance of the Company.

The Merger resulted in the absorption of Deezer S.A. (511 716 573 RCS Paris) with and into I2PO S.A. on July 5, 2022. I2PO S.A. was formed on May 4, 2021 by Groupe Artémis, Iris Knobloch and Matthieu Pigasse, being provided that Groupe Artémis, Ms. Iris Knobloch and Mr. Matthieu Pigasse were acting through and on behalf of their controlled affiliated entities named respectively Artémis 80, SaCh27 and Combat Holding.

The Company's Board of Directors is composed of ten members.

The following information relating to the management of the Company summarizes certain requirements of the French Commercial Code in effect as at the date of this Universal Registration Document and of certain provisions of the Company's articles of association.

This summary does not purport to be complete and is qualified in its entirety by reference to the applicable provisions of the French Commercial Code and to the full articles of association of the Company.

The Company refers to the Corporate Governance Code for listed corporations (*Code de gouvernement d'entreprise des sociétés cotées*), drawn up jointly by the French employers' associations, AFEP (*Association française des entreprises privées*) and MEDEF (*Mouvement des entreprises de France*) (the "**AFEP-MEDEF Code**"), with reference to the version revised and made public on December 2022.

The AFEP-MEDEF Code, as amended in December 2022, and the related Application Guide of the AFEP-MEDEF Code published on June 2022 (*https://hcge.fr/guide-dapplication-du-code-afep-medef/*) can be consulted at www.afep.com (in French and English for the AFEP-MEDEF Code, and in French for the guidelines).

The Company intends to generally comply with the recommendations of the AFEP-MEDEF Code except for the following:

Recommendations of the AFEP-MEDEF Code	Company's practices and justifications
Staggered terms of office for the members of the Board of Directors (Art. 15.2 of the AFEP-MEDEF Code) *"The staggering of terms of office is organized in such a way as to prevent a situation where all terms of office of incumbent members of the Board of Directors would have to be renewed altogether and to promote a harmonious renewal of directors."*	Due to the Merger and the listing of the Company on the professional compartment of the regulated market of Euronext Paris, the Company did not implement a staggered terms policy upon the reconstitution of the Board of Directors. However, three members of the Board of Directors have a different term of office compared to the rest of the members, thereby allowing the Company to comply partially with this recommendation of the AFEP-MEDEF Code.

4.1.1.2 Board of Directors

A. Powers of the Board of Directors

For information regarding the powers of the Board of Directors please see paragraph 4.1.3.1 "*Role and duties of the Board*".

B. Membership structure of the Board of Directors

The articles of association of the Company provide that the Board of Directors is composed of a number of members comprised between three (3) and eighteen (18), who can be individuals or legal entities and can be selected outside the shareholders.

The members of the Board of Directors are appointed and dismissed by decision of the ordinary shareholders' meeting, it being specified that the current Board of Directors was appointed by the combined general meetings of the Company's shareholders dated June 22, 2021 and June 30, 2022, except for three new members of the Board of Directors that were provisionally appointed by the Board of Directors, respectively, on December 13, 2022 and February 28, 2023, with such provisional appointments to be ratified by the ordinary shareholders' meeting that will be called to approve the financial statement for the fiscal year ended December 31, 2022.

The term of office of members of the Board of Directors is three (3) years which shall expire at the end of the annual shareholders' meeting called to approve the financial statements for the previous fiscal year. The members of the Board of Directors may be removed by the ordinary general meeting of the shareholders.

The Board of Directors appoints a Chair (*Président*) and, where applicable, a Vice-Chair (*Vice-Président*) from amongst its members, (respectively the "**Chair of the Board of Directors**" and the "**Vice-Chair of the Board of Directors**"). The Board of Directors sets the terms of office of the Chair of the Board of Directors and, where applicable, the Vice-Chair of the Board of Directors, that may not exceed their respective term of office as members of the Board of Directors.

In accordance with Article L. 225-51-1 of the French Commercial Code, the general management of the Company is carried out under its responsibility either by the Chair of the Board of Directors or by another individual appointed by the Board of Directors and who takes the title of Chief Executive Officer (the "**Chief Executive Officer**").

The Board of Directors may choose between these two methods of exercising general management at any time and, at least, at each expiry of the term of office of the Chief Executive Officer or the term of office of the Chair of the Board of Directors when the latter also assumes general management of the Company. It informs shareholders and third parties in accordance with regulatory requirements. The decision of the Board of Directors on the choice of the method of exercising general management is taken by a majority of the members present or represented. At its meeting of July 5, 2022, the Board of Directors of the Company decided to split the two functions of Chair of the Board of Directors and Chief Executive Officer.

C. Role of the Chair of the Board of Directors and of the Vice-Chair of the Board of Directors

The Chair of the Board of Directors represents the Board of Directors. He/she organizes and directs the work of the Board of Directors and reports thereon to the shareholders' meeting. He/she ensures that the Company's governing bodies function properly and, in particular, that the members of the Board of Directors are able to carry out their duties.

In the event of the absence, incapacity, resignation or dismissal of the Chair of the Board of Directors, the ViceChair of the Board of Directors is called upon to deputize for the Chair of the Board of Directors and shall assume the duties of Chair of the Board of Directors for the duration of the incapacity, or in the other abovementioned cases, until the election of the new Chair of the Board of Directors. In the event of the absence or incapacity of the Chair of the Board of Directors and the ViceChair of the Board of Directors, the Board of Directors shall designate the chair of the meeting.

At the date of this Universal Registration Document, Iris Knobloch serves as Chair of the Board of Directors and Guillaume d'Hauteville serves as Vice-Chair of the Board of Directors, both since January 1, 2023.

D. Role of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He/she exercises these powers within the limits of the corporate purpose, and subject to the powers expressly attributed by law to the shareholders' meeting and the Board of Directors.

He/she represents the Company in its dealings with third parties. The Company is bound even by acts of the Chief Executive Officer that do not fall within its corporate purpose, unless it proves that the third party knew that the act in question exceeded such corporate purpose or that such third party could not have been unaware of it in the circumstances, it being specified that publication of the articles of association of the Company alone is not sufficient to constitute such proof.

In accordance with the provisions of Articles L. 225-149 and L. 232-20 of the French Commercial Code, the Chief Executive Officer is authorized to update the Company's articles of association, upon delegation by the Board of Directors, following a capital increase resulting from the issue of securities or the payment of a dividend in shares.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

At the date of this Universal Registration Document, Jeronimo Folgueira serves as Chief Executive Officer (*Directeur général*).

E. Role of the Deputy Chief Executive Officer

On the proposal of the Chief Executive Officer, whether this function is performed by the Chair or by another person, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer with the title of Deputy Chief Executive Officer. According to the Company's articles of association, the maximum number of Deputy Chief Executive Officers is set at five (5).

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers and determines their compensation. However, when a Deputy Chief Executive Officer is a member of the Board of Directors, his/her term of office as Deputy Chief Executive Officer may not exceed his/her term of office as member of the Board of Directors.

With respect to third parties, the Deputy Chief Executive Officers have the same powers than the Chief Executive Officer.

The Deputy Chief Executive Officer may be dismissed at any time by the Board of Directors.

As of the date of this Universal Registration Document, it is not contemplated that a Deputy Chief Executive Officer of the Company will be appointed.

F. Gender balance

Pursuant to Articles L. 22-10-3 and L. 225-18-1 of the French Commercial Code, the Board of Directors must be comprised of a minimum of forty per cent (40%) of members of each gender.

At the date of this Universal Registration Document, five out of the ten members of the Board of Directors are men and five out of the ten members of the Board of Directors are women, hence ensuring the compliance by the Company with the abovementioned legal requirements.

Upon each appointment or renewal of one or several of its members, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, will proceed with the review of the profiles of potential candidates to ensure a continued compliance with the abovementioned legal requirements.

G. Diversity policy within the Board of Directors

In accordance with its internal rules, the Board of Directors strives to reach the objectives of its diversity policy within the Board of Directors and its Committees through the representation of women and men, nationalities, competence, age, qualifications, professional experience and the appropriate proportion of independent members in accordance with the regulations and provisions of the AFEP-MEDEF Code.

The composition of the Board of Directors and its Committees aims to represent a variety of skills and professional experiences providing a strategic contribution and knowledge in the Company's business sector.

4.1.2 Composition of the Board of Directors

4.1.2.1 List of the members of the Board of Directors

As of the date of this Universal Registration Document, the Board of Directors is comprised of the following ten members.

Name	Position	Gender	Age	Natio-nality	Inde-pend. status	Number of positions held in listed companies outside the Group	Date of appointment	Com-mittee member	End of term	Number of shares held[1]
Iris Knobloch[2]	Chair Member	F	60		No	1	June 22, 2021	-	AGM 2024	2,291,866[3]
Guillaume d'Hauteville	Vice-Chair Member	M	59		No	-	June 30, 2022		AGM 2025	387,778
Combat Holding[4] **(Matthieu Pigasse)**	Member	M	54		No	2	June 22, 2021	-	AGM 2024	2,291,666[5]
Hans-Holger Albrecht	Member	M	59		No	4	June 30, 2022	-	AGM 2025	0[6]
Sophie Guieysse	Member	F	60		Yes	1	June 30, 2022	*	AGM 2025	200
Valérie Accary	Member	F	57		Yes	-	June 30, 2022		AGM 2025	200
Mari Thjømøe	Member	F	60		Yes	2	June 30, 2022	*	AGM 2025	3,200[7]
Ingrid Bojner	Member	F	50		Yes	2	Dec. 13, 2022[8]	-	AGM 2025	1,000
Mark Simonian	Member	M	63		Yes	-	Dec. 13, 2022[8]		AGM 2024	200
Stu Bergen	Member	M	56		Yes	-	Feb. 28, 2023[8]	-	AGM 2025	1,000

(1) On a non-diluted basis.
(2) Iris Knobloch was Chief Executive Officer and Chair of the Board of Directors of I2PO S.A. before the Merger.
(3) Including shareholding held through SaCh27 S.A.S. and the Class A2 Shares and Class A3 Shares.
(4) Combat Holding was a member of the Board of Directors of I2PO S.A. before the Merger.
(5) Including the Class A2 Shares and Class A3 Shares.
(6) Hans-Holger Albrecht will be entitled to acquire 492,425 Ordinary Shares through the final acquisition of free shares at the end of a five-year extension period ending on April 5, 2028 unless he decides to waive this extension, and to subscribe up to 1,570,875 Ordinary Shares through the exercise of stock options.
(7) Including shareholding held through Thjømøekranen AS.
(8) Provisional appointments to be ratified by the ordinary shareholders' meeting that will be called to approve the financial statement for the fiscal year ended December 31, 2022.

Nomination and Remuneration Committee   Audit Committee   * Chair of the relevant Committee

The business address of the directors is 24, rue de Calais, 75009 Paris – France.

4.1.2.2 Independence of the members of the Board of Directors

The criteria for determining the independence of the members of the Board of Directors are set out in the Company's internal rules as adopted by the Board of Directors. These criteria, which comply with the AFEP-MEDEF Code, are as follows:

"A member of the Board of Directors is independent when he/she/it has no relationship of any kind whatsoever with the Company, the Group or the management thereof which may color their judgment. The criteria for a member to qualify as independent are as follows:

1. not to be and not to have been during the course of the previous five years:
   - an employee or executive corporate officer (*dirigeant mandataire social exécutif*) of the Company,
   - an employee, executive corporate officer or director of a company belonging to the Group;
2. not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee designated as such or an executive corporate officer of the Company (currently in office or having held such office during the last five years) is a director;
3. not to be a customer, supplier, commercial banker or investment banker (or be linked directly or indirectly to any of them):
   - that is material to the Company or the Group, or
   - of which the Company or its Group represents a significant part of his/her/its business;
4. not to be related by close family ties to a Company's corporate officer (*mandataire social*);
5. not to have been a statutory auditor of the Company within the previous five years;
6. not to have been a director of the Company for more than 12 years.

Members of the Board of Directors representing shareholders who do not have a controlling interest in the Company are considered independent directors. However, if a member of the Board of Directors represents a shareholder holding more than 10% of the share capital or voting rights, the Board of Directors determines whether that member is an "independent director," based on the written opinion of the Nomination and Remuneration Committee. This opinion takes into account (i) the composition of the Company's share capital and (ii) whether there exists a potential conflict of interest."

Based on the above, and on the criteria set forth by the AFEP-MEDEF Code to assess independence, the Board of Directors of the Company believes that six of the ten members of the Board of Directors are independent and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

Situation of each member of the Board of Directors regarding the independence criteria defined by the AFEP-MEDEF Code:

Member	Not an employee or executive officer	No cross directorship	No significant business relationship	No family ties	Not an auditor	Term has not exceeded 12 years	Does not represent a major shareholder	Independent member
Iris Knobloch	○	●	●	●	●	●	●	○
Guillaume d'Hauteville	●	●	●	●	●	●	○	○
Combat Holding (Matthieu Pigasse)	●	●	○	●	●	●	●	○
Hans-Holger Albrecht	○	●	●	●	●	●	○	○
Sophie Guieysse	●	●	●	●	●	●	●	●
Valérie Accary	●	●	●	●	●	●	●	●
Mari Thjømøe	●	●	●	●	●	●	●	●
Ingrid Bojner	●	●	●	●	●	●	●	●
Mark Simonian	●	●	●	●	●	●	●	●
Stu Bergen	●	●	●	●	●	●	●	●

● When the independence criterion is met.
○ When the independence criterion is not met.

4.1.2.3 Biographies of the members of the Board of Directors

Iris Knobloch

Chair of the Board of Directors

German Citizen

Expertise and Experience

Iris Knobloch is the President of the Cannes Film Festival, Vice-Chairman and Lead independent director of the Board of Directors of AccorHotels, and a member of the Board of Directors of Lazard Bank. She is Governor of the American Hospital in Paris.

She spent 25 years in Senior Leadership positions at Warner Bros, Time Warner and Warner Media, most recently as President of WarnerMedia France, Germany, Benelux, Austria and Switzerland. She was previously President of Warner Bros Entertainment France beginning in 2006. Prior to that, Iris served as Senior Vice-President of Time Warner, in charge of International Relations and Strategic Policy, Europe, and since 1996 has worked in several positions including General Counsel for WB Europe, out of Warner Bros' offices in Los Angeles, London and Paris. Prior to working with Warner Bros, Iris Knobloch was an attorney with Norr, Stiefenhofer & Lutz and O'Melveny & Myers in Munich, New York and Los Angeles.

Iris Knobloch is trilingual in English, German and French. She received a J.D. degree from Ludwig-Maximilians-Universitaet in Munich, Germany in 1987 and an L.L.M. degree from New York University in 1992. She is licensed to practice law in Germany, New York and California.

She was previously a member of the Boards of LVMH, the Axel Springer Group and CME Central European Media Enterprises. In 2008, she was named *Chevalier de la Légion d'honneur*.

Positions currently held (in France)

- Vice-President and Lead independent director of the Board of Directors of AccorHotels
- President of SaCh27

Positions currently held (outside France)

- Member of the Board of Directors of Lazard Bank

Positions previously held (in France) during the past five years

- President, Warner Bros. Entertainment France
- President and country manager, WarnerMedia France, Germany, the Benelux, Austria and Switzerland
- Board member of LVMH

Positions previously held (outside France) during the past five years

- Board Member of Axel Springer
- Board member of CME

Guillaume d'Hauteville

Vice-Chair of the Board of Directors

French Citizen

Expertise and Experience

Guillaume d'Hauteville is Executive Vice-President, Europe of Access Industries and serves notably as Chair of the Board of Directors of Deezer and as director of DAZN Group Limited. He is also the President of STT Properties.

Before joining Access Industries in 2011, Guillaume d'Hauteville has previously worked in Investment Banking for more than 25 years. Guillaume d'Hauteville was Vice Chair of Nomura International and served as Chair and CEO of Banque Lehman Brothers France. He was also a Managing Director of Lehman Brothers Inc. in charge of French investment banking before becoming Vice Chair of Lehman Brothers International. During his career in banking, Guillaume has advised on many transactions in corporate finance, M&A and capital issuances. He has worked in New York, London and Paris.

Guillaume d'Hauteville has also been the Treasurer and General Secretary of the Fondation Hôpital Foch, member of HEC Advisory Board and Board Member of AROP (Opéra de Paris).

Guillaume d'Hauteville graduated from HEC and holds an MBA from Harvard Business School.

Positions currently held (in France)

- None.

Positions currently held (outside France)

- Executive Vice-President, Europe of Access Industries, Inc.
- President of STT Properties
- Director of DAZN Group Limited

Positions previously held (in France) during the past five years

- None.

Positions previously held (outside France) during the past five years

- Chair of the Board of Directors of AINMT Group ASA

Combat Holding represented by Matthieu Pigasse

Member of the Board of Directors

French Citizen

Expertise and Experience

Matthieu Pigasse, who is currently a Partner at Centerview, in charge of France and Continental Europe, previously served as Global Head of Mergers & Acquisitions and Sovereign Advisory of Lazard Group and CEO of Lazard France, has developed a strong financial expertise and worked on the largest recent M&A transactions worldwide and on the largest sovereign debt restructurings including Argentina, Iraq, Greece and Ukraine. During his career, Matthieu advised a large number of clients active in the digital space.

Moreover, Matthieu Pigasse is also the Chair (*Président*) of Les Nouvelles Editions Indépendantes (LNEI), of which he owns 99.89% of the share capital. Through his personal investments, he developed a deep understanding of the media sector. In 2009, he purchased the weekly magazine Les Inrockuptibles of which he is chair of the Board of Directors. Along with Pierre Bergé and Xavier Niel, Matthieu Pigasse became co-owner of Le Monde Group (which controls the daily newspaper, its digital editions, and various magazines) in 2010 and of the French weekly magazine L'Obs in 2014. In 2012, he launched the French edition of the Huffington Post website. In 2015, he acquired Radio Nova. In 2016 he became shareholder of the Vice Media assets in France (TV, digital) alongside Vice Media Group.

Matthieu Pigasse is one of the founders and one of the main shareholders of the first two SPACs created in France with Mediawan and 2MX Organic.

Matthieu Pigasse started his career as the financial and industrial advisor to the French Minister of Economy and Finance, Dominique Strauss-Kahn, from 1997 to 1999, before joining, one year later, Laurent Fabius' cabinet, then Minister of Economy and Finance, as Chief of Staff. As a former Chief of Staff of the French Minister of Economy and Finance, Matthieu Pigasse has an intimate knowledge of the public sector as well as the European regulations. He graduated from *École nationale d'administration*.

Positions currently held (in France)

- Member of the Board of Directors of TERACT S.A.
- Member of the Supervisory Board of Mediawan S.A.S.
- Chair of the Board of Directors of Les Editions Indépendantes S.A.
- President of Combat Holding S.A.S.
- Chair of the Board of Directors of Les Editions Numériques S.A.S.
- Chair of the Board of Directors of Radio Nova SARL
- President of Ysatis S.A.S.
- Member of the Board of Directors of Groupe Derichebourg S.A.
- Member of the Supervisory Board of Société Editrice du Monde S.A.
- Member of the Supervisory Board of Le Nouvel Observateur du Monde S.A.
- Member of the Board of Directors of ETX Studio S.A.

Positions currently held (outside France)

- None.

Positions previously held (in France) during the past five years

- Chief Executive Officer of Lazard France
- Vice-President of the Management Board of Lazard Group
- Vice-President of the Management Board of Lazard Afrique
- Director of Groupe Lucien Barrière
- Director of Relaxnews

Positions previously held (outside France) during the past five years

- Director of BskyB Group

Hans-Holger Albrecht

Member of the Board of Directors

German Citizen

Expertise and Experience

Hans-Holger served as the CEO and Member of the Board of Directors of Deezer between 2015 and 2021.

Prior to joining Deezer, Hans-Holger worked at Millicom where he was President and CEO of the international telecom and media group. Before joining Millicom, Hans-Holger was the President and CEO of Modern Times Group, one of Europe's largest media groups with TV, radio, publishing, production and new media assets and 1,500 employees in over 20 countries. He has also worked for the RTL Group in Luxembourg.

He is currently serving as Chairman of the Board for Scout24 Group, Chairman of the Board for Storytel and non-executive board director for VEON.

Hans-Holger holds a Doctorate from the Ruhr-University of Bochum in Germany and a Master of Law from the University of Freiburg in Germany.

Positions currently held (in France)

- None.

Positions currently held (outside France)

- Chair of the Board of Directors of Storytel AB
- Chair of the Supervisory Board for Scout24 AG
- Non-Executive Board Director of VEON Ltd
- Chair of the Digital & Innovation Committee of VEON Ltd
- Senior Advisor, EQT, Sweden
- Chair of the Board of Directors of Superbet Group

Positions previously held (in France) during the past five years

- CEO of Deezer

Positions previously held (outside France) during the past five years

- President and Member of the Board of Deezer Inc.
- Non-Executive Board Director of AINMT Group ASA
- Chairman of the Board at Ice Group ASA, Norway
- Member of the Digital Expert Board of PostBank, Deutsche Bank AG

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Sophie Guieysse

Member of the Board of Directors

French Citizen

Expertise and Experience

Sophie is an engineer by education having graduated from the Ecole Polytechnique and the Ecole Nationale des Ponts et Chaussées and holds an MBA from the College of Engineers.

After a first part of her career dedicated to urban development and public infrastructure within the Ministry of Public Works and ministerial cabinets, Sophie has been Director of Human Resources in several large French and international companies such as LVMH, CANAL+ and Richemont.

Sophie has also extensive experience as a board member and other specialized committees. Over the past ten years, she has been a member of the boards of GO Sport, Rallye Group, TVN (Poland), Compagnie Financière Richemont (Switzerland) and Maisons du Monde. She is a member of the Board of Directors of ABC Arbitrage and Deezer.

She is also a member of the Remuneration Committees of the Paris 2024 Olympic Games and of the Rugby World Cup 2023.

Positions currently held (in France)

- Managing director of Neomouv S.A.S.
- Member of the Board of Directors of ABC Arbitrage S.A.
- Member of the supervisory board of Promod S.A.S.

Positions currently held (outside France)

- None.

Positions previously held (in France) during the past five years

- Member of the Board of Directors of Maisons du Monde S.A.

Positions previously held (outside France) during the past five years

- Executive Board member of Compagnie Financière Richemont S.A.

Valérie Accary

Member of the Board of Directors

French Citizen

Expertise and Experience

After graduating from ESSEC business school, Valérie entered the advertising industry because it uniquely joined business/brand strategic thinking and creativity. She became a leader in France and a global leader.

After 5 years as MD of CLM BBDO in France, she moved to London and became MD of BBDO EMEA in charge of multinational clients and new business. She led many clients targeting youth, in particular PepsiCo brands at the global level.

As the CEO of BBDO in France for 15 years, she transformed the French agency into an international agency based in Paris. Her three key obsessions have been to recruit and manage a talented multicultural team, to reach global standard creative excellence, and to achieve strong financial results.

More recently the COVID-19 pandemic and her entrepreneurial spirit encouraged her to co-found, in 2021, the non-profit organisation Les MétamorFoses - Sublimer les imperfections dedicated to artistic upcycling.

Positions currently held (in France)

- Independent Member of the Board of Directors of Banque Populaire Rives de Paris
- Independent Member of the Board of the Banque Populaire Rives de Paris Foundation.

Positions currently held (outside France)

- None.

Positions previously held (in France) during the past five years

- Independent Member of the Board of Directors of Holder S.A.S.
- Chair of the Board of Directors and Chief Executive Officer of BBDO S.A.S.

Positions previously held (outside France) during the past five years

- Board Member of BBDO Worldwide

Mari Thjømøe

Member of the Board of Directors

Norwegian Citizen

Expertise and Experience

Mari is an independent non-executive director of Deezer and serves at the Board in a number of large Scandinavian companies. She is Norwegian and amongst others, serves at the Board of the Danish insurance giant Tryg, the leading Norwegian hydro power and electricity transmission Company Hafslund Eco, and the Swedish-based TF Bank.

Mari holds a MSc in Economy and Business Administration from Norwegian School of Management (BI) and American Graduate School of International business, is a Chartered Financial Analyst (CFA) from Norwegian School of Economics and Business Administration (NHH), and has taken the Senior Executive Program at London Business School and Making Corporate Boards More Effective at Harvard Business School.

Mari has extensive senior management and CFO experience from leading Norwegian companies. As an independent board member, she is engaged in developing sustainable businesses and good governance. She runs a consultancy and is a non-executive director and Head of the Audit Committee in several companies.

Mari headed the Norwegian IR associations for ten years and has won the Women's Board Award for Norway.

Positions currently held (in France)

- None.

Positions currently held (outside France)

- Chair of the Board of Directors of Thjømøekranen AS
- Chair of the Board of Directors of Seilsport Maritimt Forlag AS
- Member of the Board of Directors of Tryg A/S & Tryg Forsikring A/S
- Member of the Board of Directors of Hafslund Eco AS
- Member of the Board of Directors of Norconsult AS and Norconsult Holding AS
- Member of the Board of Directors of TF Bank AB
- Member of the Board of Directors of FCG Fonder AB
- Member of the Board of Directors of SINTEF Eiendom Holding AS
- Member of the Board of Directors of Varme & Bad AS

Positions previously held (in France) during the past five years

- None.

Positions previously held (outside France) during the past five years

- Chair of the Board of Directors of Billington Process Technology AS
- Member of the Board of Directors of ICE ASA
- Member of the Board of Directors of Scatec ASA
- Member of the Board of Directors of SINTEF AS and Stiftelsen SINTEF
- Member of the Board of Directors of Nordic Mining ASA

Ingrid Bo jner

Member of the Board of Directors

Swedish Citizen

Expertise and Experience

Ingrid Bo jner currently acts as an angel investor, professional board member and business advisor.

Between 2018 and 2023, she was part of the global management of Storytel, an audiobook and e-book streaming services traded on the Swedish stock exchange, first as CCO - Chief Commercial Officer, and during 2022, as acting CEO turning the company back to positive cash flow and earnings.

From 2013 to 2015, she served as Deputy Chief Executive Officer and Head of Communication, Brand & Strategy at the Stockholm School of Economics, responsible for strategy and transformation process. From 2010 to 2013, she was Vice-President and Head of Sales at Swedish telecom operator Telia Company, in charge of the Nordic and Baltic region. From 1998 to 2010, she served as Associate Principal at global management consulting firm McKinsey & Company, advising clients across diversified industries such as media & entertainment, financial services, retail and real estate.

She holds a MSc in Management & Financial Accounting from the Stockholm School of Economics.

Positions currently held (in France)

- None.

Positions currently held (outside France)

- Board member of Carnegie Investment Bank AB
- Chair of the Board of Directors of New Republic P.A.
- Board member of Falck Group A/S

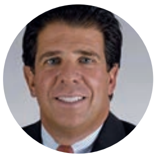
Positions previously held (in France) during the past five years

- None.

Positions previously held (outside France) during the past five years

- CEO of Storytel AB
- CCO of Storytel AB
- Chair of the Board of Directors of Bambuser AB
- Board member of Movestic Llivförsäkring AB

Mark Simonian



Member of the Board of Directors

American Citizen

Expertise and Experience

Mark Simonian currently serves as a Global Merchant Banking Partner at The Consello Group, an Advisory Director to Sentilink, a Senior Executive Advisor to GI Partners Acquisitions and a partner in Clara Vista Investment Partners.

Mark spent 35 years as an investment banker focused on the telecom, media and technology sectors, retiring as chair of Global TMT Investment Banking at Credit Suisse in August 2021. From 2010 to 2018, he served as global co-head of TMT Group at Credit Suisse, with management responsibility for c. 150 professionals worldwide generating on average over US$1 billion in revenue for the firm annually. His client work extended across the TMT space and geographies and included transactions in the media, entertainment, wireless, data center and technology sectors amongst others.

From 1997 to 2010, Mark worked at Citigroup *via* Salomon Brothers, where he served as vice chair and co-head of Global TMT. From 1994 to 1997, he was also one of four principals in ECE Management group that partnered with Goldman Sachs Capital Partners to acquire Diamond Cable Communications PLC, at the time the UK's fifth largest cable television company. Prior to that, he served as a director in the Communications Group at First Boston.

Mark holds an M.B.A from Harvard Business School and a BA from Stanford University.

Positions currently held (in France)

- None.

Positions currently held (outside France)

- Advisory director of Sentilink
- Senior advisory director of GI Partners Acquisitions
- Global Merchant Banking Partner of Consello Group
- Partner of Clara Vista Investment Partners

Positions previously held (in France) during the past five years

- None.

Positions previously held (outside France) during the past five years

- Managing Director of Crédit Suisse

Stu Bergen

Member of the Board of Directors

American Citizen

Expertise and Experience

Stu Bergen is a music industry veteran, having held key leadership positions with multiple record labels in the past three decades, including Warner Music for over 14 years.

Most recently he oversaw Warner Music Group's International Recorded Music operations outside the US and UK as CEO, International and Global Commercial Services. He also managed WEA, WMG's Artist & Label Services division, which includes consumer brands such as EMP, HipHopDX, Songkick and UPROXX. Prior to this, he served as Warner Music Group's President, International, Recorded Music, and before that, he was Executive Vice-President, International & Head of Global Marketing.

Before joining WMG, Stu held key positions at several major record labels, including serving as EVP of Rock Music for Columbia Records, EVP of Island Records, and VP of Promotion for Epic Records. Stu began his music industry career in 1988 at TVT Records, after which he became Director Promotion at Relativity Records.

Stu holds a BA degree from Princeton University.

Positions currently held (in France)

- None.

Positions currently held (outside France)

- Advisory Board member of Jukebox

Positions previously held (in France) during the past five years

- None.

Positions previously held (outside France) during the past five years

- CEO of International and Global Commercial Services Warner Music

4.1.3 Preparation and organization of the work of the Board of Directors

4.1.3.1 Role and duties of the Board

The Board performs the duties and exercises the powers conferred on it by law, the Company's bylaws and the internal rules of the Board.

The Board of Directors determines the orientations of the Company's business and ensures their implementation. Subject to the powers expressly attributed by law to the shareholders' meeting and within the limits of the Company's purpose, it deals with all matters concerning the proper operation of the Company and settles, through its deliberations, matters that concern it.

In particular, the Board of Directors is entrusted with the following duties:

- drawing up the financial statements and the annual management report;
- determining all strategic orientations of the Company's activities and oversee their implementation. It endeavors to promote long-term value creation by the Company. Subject to the powers expressly attributed to the shareholders' meeting and within the limits of the Company's purpose, it deals with any question concerning the proper operation of the Company and settles, through its deliberations, matters that concern it;
- oversee the senior management in the competent and ethical operation of the Company;
- opt for the mode of governance that it deems appropriate from time to time (dissociation or unicity of the functions of Chairman of the Board of Directors and Chief Executive Officer);
- appoint and dismiss the Chairman and Vice-Chairman of the Board of Directors, the Chief Executive Officer and any Deputy Chief Executive Officer and set their respective compensation;
- authorize the related-party agreements and undertakings referred to in Article L. 225-38 of the French Commercial Code; and
- recommend the appointment of the statutory auditors to the shareholders' meeting.

Pursuant to the provisions of Article L. 225-35, paragraph 4 of the French Commercial Code, the Board of Directors must also approve in advance any security (*caution*), endorsement (*aval*) and guarantee proposed to be granted by the Company.

4.1.3.2 Preparation and organization of Board meetings

In accordance with the Board of Directors' internal rules, the Board of Directors meets as often as required at the discretion of the Chair of the Board or upon request of a majority of the directors in office or, if no Board meeting has been held for more than two (2) months, upon request of at least 1/3 of the directors in office. Directors may participate in meetings by video conference or telecommunication. The Board of Directors may also appoint a secretary, chosen from among the directors or not. The Board of Directors shall validly deliberate only if at least half of the members are present. Decisions are taken by a majority of members present or represented. In the event of a tie vote, the Chair of the Board, or the Chair of the meeting in its absence, shall cast the deciding vote.

Furthermore, the Board of Directors' internal rules provide that, at least once a year, the Board shall meet, without any of the executive corporate officers attending. Finally once a year, the Board of Directors shall review its operating methods and, at least once every three years, it shall carry out a formal evaluation with the assistance of an external consultant, if necessary. The purpose of this assessment is also to verify that important issues are properly prepared and debated during the Board of Directors' meetings and to assess the contribution of each director individually to the work of the Board of Directors having regard, in particular, to his or her skills and involvement. According to the AFEP-MEDEF Code, and the Board of Directors' rule, an assessment procedure was developed and validated by the NRC Committee on March 16, 2023, and will be conducted by the Company's Board of Directors in 2023.

4.1.3.3 Information on the work of the Board during the past fiscal year

During the fiscal year ended December 31, 2022, the Board of Directors of the Company has met 9 times[(1)]. The attendance rate of members was 90%. The Board met notably to discuss the following topics:

- the review and approval of the condensed interim financial statements and of the financial statements for the year ended December 31, 2021;
- the review and approval of the half-year financial report and of the annual financial report for the year ended December 31, 2021;
- the review of the independence of directors;
- the prior authorizations for the conclusion of related party agreements;
- M&A strategy and transactions approval, including the realization of the Merger;
- the choice of the mode of governance of the Company and the split of the offices of Chair of the Board and Chief Executive Officer;
- the appointments of the Chair and Vice-Chair of the Board and of the Chief Executive Officer of the Company following the Merger;
- the determination of the compensation of the Chair and Vice-Chair of the Board and of the Chief Executive Officer of the Company following the Merger;
- the modification of the internal rules of the Board and of its committees and appointment of the members of each committee;
- the approval of a liquidity agreement entered into by the Company;
- the drawing-up of performance conditions for the variable component of the Chief Executive Officer's compensation;
- the review and drawing up of the interim financial statements and of the financial report for the first half of 2022;
- the review and approval of the press release relating to the Company's financial results for the first half of 2022.

4.1.4 Committees of the Board of Directors

Pursuant to the articles of association of the Company and its internal rules, the Board of Directors may decide to create permanent or temporary committees of the Board of Directors, setting their composition, attributions and, if applicable, the compensation of its members. Such committees are in charge of reviewing matters submitted by the Board of Directors or the Chair or Vice-Chair of the Board of Directors on a consultative basis. Such committees exercise their activity under the responsibility of the Board of Directors.

The following two (2) permanent committees have been created by the Board of Directors and are functional:

- the Audit Committee (*Comité d'Audit*); and
- the Nomination and Remuneration Committee (*Comité des Nominations et des Rémunérations*).

4.1.4.1 Audit Committee

At the date of this Universal Registration Document, the Audit Committee is composed of the two following independent members of the Board of Directors: Mari Thjømøe (Chair of the Audit Committee) and Mark Simonian.

The composition of the Audit Committee meets the requirement of the AFEP-MEDEF Code regarding the two-third proportion of independent members and the exclusion of any executive directors. The Audit Committee is chaired by Mari Thjømøe (independent), it being specified that the appointment or renewal of the Chair of the Audit Committee, proposed by the Nomination and Remuneration Committee among the independent members of the Board of Directors, will be subject to a specific review by the Board of Directors. The term of office of the Audit Committee's members may not exceed that of their office as members of the Board of Directors.

(1) Taking into account the meetings of the Board of Directors of Deezer S.A. (511 716 573 RCS Paris).

In accordance with the applicable legal provisions, the members of the Audit Committee must possess finance and accounting expertise.

The Audit Committee is in charge of (i) monitoring matters relating to the preparation and the review and control of Company's accounting and financial information and (ii) ensuring the effectiveness of the Company's internal control system.

The Audit Committee shall be responsible for, in particular:

- following up on the preparation of financial information and financial communication and, in particular, ensuring the relevance and consistency of the accounting principles applied when establishing financial statements;
- following up on the effectiveness of internal control and risk management systems; and, where applicable, of the internal audit of the procedures relating to the preparation and processing of financial and extra-financial accounting information;
- reviewing the major risks and off-balance-sheet commitments, assessing the significance of any deficiencies or weaknesses of which it has been notified in that respect and informing the Board of Directors accordingly if necessary;
- following up the work program of the Company's statutory auditors and, more generally, supervising the audit of the statutory and consolidated financial statements by the Company's statutory auditors;
- following up on the independence of the Company's statutory auditors;
- steer the selection, appointment and/or renewal process of the Company's statutory auditors and submit the result of this selection to the Board of Directors;
- reviewing and monitoring the Company's systems and procedures in place to ensure the dissemination and implementation of policies and rules of good practice in areas of ethics, competition, fraud and corruption and, more generally, compliance with applicable regulations; and
- more generally, providing any advice and making any appropriate recommendations in relation with the above matters.

During the fiscal year ended December 31, 2022, the Audit Committee has met 4 times[1]. The attendance rate of members was 100%. The Audit Committee met to discuss the following topics, in order to formulate opinions and recommendations to the Board of Directors:

- presentation of the finance and IT functions of the Group;
- review of the accounting and financial documents for the first half and third quarter of 2022;
- review of accounting and financial documents for the fiscal year 2022, prior to presentation to the Board of Directors;
- preparation of the closing of the fiscal year 2022 and presentation of the scope of work and key focus area of the Company's statutory auditors.

4.1.4.2 Nomination and Remuneration Committee

As of the date of this Universal Registration Document, the Nomination and Remuneration Committee is composed of three members appointed from among the members of the Board of Directors of the Company, namely, Sophie Guieysse (Chair of the Nomination and Remuneration Committee), Valérie Accary and Guillaume d'Hauteville.

The composition of the Nomination and Remuneration Committee meets the requirement of the AFEP-MEDEF Code regarding the majority proportion of independent members and the exclusion of any executive directors. The Nomination and Remuneration Committee is chaired by Sophie Guieysse (independent).

The term of office of the Nomination and Remuneration Committee's members may not exceed that of their office as members of the Board of Directors.

The Nomination and Remuneration Committee shall be responsible for, in particular:

- Appointment matters:
  - providing the Board of Directors with substantiated recommendations on the composition of the Board of Directors and its respective committees;

(1) Taking into account the meetings of the Audit Committee of Deezer S.A. (511 716 573 RCS Paris).

- preparing a list of persons whose appointment as a member of the Board of Directors or observer, as the case may be, may be recommended;
- preparing a list of members of the Board of Directors whose appointment to a committee of the Board of Directors may be recommended;
- on an annual basis, submit to the Board of Directors a list of its members who qualify as independent members in accordance with the criteria set by the AFEP-MEDEF Code;
- preparing a succession plan for the Company's corporate officers (*mandataires sociaux*); and
- providing the Board of Directors with substantiated recommendations on the recruitment of any executive employees (*salariés dirigeants non mandataires sociaux*).

According to article 18.2.2 of the AFEP-MEDEF Code, the NRC Committee has approved on March 16, 2023 a succession plan for the Company's corporate officers.

- Compensation Matters:

  - reviewing the compensation policy as well as the main objectives suggested by the Company's management and formulate recommendations and proposals for the Board of Directors with regard to the compensation of executive and non-executive corporate officers (*mandataires sociaux dirigeants ou non*) and executive employees (*salariés dirigeants non mandataires sociaux*) of the Company including, as the case may be, any fixed and/or variable compensation, grant of stock options, allocation of free shares, retirement and pension schemes, severance pays, non-compete indemnities, benefits in kind or special benefits and any other potential element of direct and indirect compensation of such persons;
  - formulate recommendations and proposals for the Board of Directors with regard to any grant of incentive instruments (such as free shares and stock-options) to the benefit of employees of the Group;
  - reviewing the total amount of compensation of the Board members (including the Chair and Vice-Chair of the Board of Directors) and the rules of allocation thereof among them, as well as the conditions for reimbursing any expenses incurred by the members of the Board of Directors;
  - preparing and submitting reports, if any, required to be provided under the internal rules of the Board of Directors; and
  - preparing any other recommendations that may be requested by the Board of Directors with respect to compensation.

Generally speaking, the Nomination and Remuneration Committee provides advice and makes appropriate recommendations in the areas mentioned above.

During the fiscal year ended December 31, 2022, the Nomination and Remuneration Committee has met 4 times. The attendance rate of members was 100%.

The Nomination and Remuneration Committee met to discuss the following topics, in order to formulate opinions and recommendations to the Board of Directors:

- review and recommendations relating to the compensation package of the Chief Executive Officer;
- proposals relating to the setting of targets for the variable portion of the compensation attributable to the Chief Executive Officer and members of the Executive Committee;
- proposals relating to the compensation of directors;
- implementation of an employee shareholding plan;
- proposals relating to the implementation of the Company's new governance following the IPO;
- proposals relating to the composition of the newly formed Board of Directors after the Company's IPO;
- review of the independence of director candidates.

4.1.5 General management

4.1.5.1 Chief Executive Officer

4.1.5.1.1 Appointment of the Chief Executive Officer

At its meeting of July 5, 2022, the Board of Directors of the Company decided to split the offices of Chair of the Board and Chief Executive Officer of the Company until further decision of the Board to the contrary.

Jeronimo Folgueira was appointed Chief Executive Officer at the Board of Directors' meeting of July 5, 2022, until the end of the ordinary general meeting of the Company called to approve the financial statements for the financial year ended December 31, 2024.

As of the date of the Universal Registration Document, Jeronimo Folgueira holds 588,400 Ordinary Shares.

The business address of the Chief Executive Officer is 24, rue de Calais – 75009 Paris.

4.1.5.1.2 Biography of the Chief Executive Officer

Jeronimo Folgueira

Chief Executive Officer

Spanish Citizen

Expertise and Experience

Jeronimo Folgueira has been the Chief Executive Officer of Deezer S.A. (511 716 573 RCS Paris) since July 2021 and of the Company since July 5, 2022.

Prior to joining Deezer, Jeronimo Folgueira served as Chief Executive Officer and Director of the Board of Spark Networks (Nasdaq:LOV) in Berlin. During that time, he led the transformation of Spark Networks through three strategic M&A transactions, quadrupling the size of the company in four years. He also oversaw the company's listing on the New York Stock Exchange in November 2017. Jeronimo Folgueira has held a number of senior management positions, including at Betfair, Bigpoint and RTL Group.

Jeronimo Folgueira holds an MBA from Columbia Business School and a Bachelor's degree in Economics from University of Navarra.

Positions currently held (in France)
- Chief Executive Officer of Deezer
- President of Deezer Production S.A.S.

Positions currently held (outside France)
- Member of the Board of Directors and Chair of the Audit Committee of Tio Tech A
- President and Sole Director of Deezer Inc.
- Sole Director of Musica Ilimitada S.A. de C.V.
- Managing Director of Magic Internet Musik GmbH
- Sole Director and General manager of Deezer MENA FZ-LLC

Positions previously held (in France) during the past five years
- None.

Positions previously held (outside France) during the past five years
- Chief Executive Officer and Member of the Board of Directors of Spark Networks SE

4.1.5.2 Executive committee

Under the responsibility of the Chief Executive Officer, the Executive Committee constitutes the management body of the Group.

Focused on operations, it steers and ensures the operational implementation of the Group's strategy (as approved by the Board of Directors of the Company), the monitoring of performance and the coordination of projects and priorities in the Group's various operating countries and regions. The Executive Committee notably ensures the adequacy of the organization with respect to changes in the environment and expectations of stakeholders.

The Executive Committee includes 7 members. In addition to the Chief Executive Officer, it is composed of the functional and operational managers of the Group, and namely at Group level, the Deputy Chief Executive Officer and Chief Financial Officer, the Chief Operations Officer, the Chief People Officer, the Chief Product & Technology Officer, the Chief Innovation Officer and the Chief Marketing Officer.

The Executive Committee meets approximately once a week, thus favoring communication, sharing and close exchanges among its members within their respective areas of responsibility.

As of the date of this Universal Registration Document, 43% of the members of the Executive Committee are women, and its composition also reflects the geographical diversity of the Group's geographical regions and markets, since 43% of its members are of foreign nationality (Spanish, American and German). In addition, at December 31, 2022, 30% of the 10% of positions with greater responsibility are held by women.

The Group is very attentive to both the diversity, in all respects, and gender balance of its teams. The diversity policy described in Section 3.2.1.3.2 "*Gender equality*" applies not just to the Executive Committee and the management, but also to all the teams of the Group.

4.2 Compensation and benefits of corporate officers

4.2.1 Compensation policy for the 2023 fiscal year

According to the "say on pay" regime and its internal rules, the Board of Directors shall determine the compensation policy for the corporate officers (*mandataires sociaux*) of the Company based on the recommendations of the Nomination and Remuneration Committee, it being specified that the implementation of such policy remains subject to the prior approval of the shareholders of the Company (vote *ex ante*).

The compensation policy defines all components of the fixed and variable compensation of the corporate officers and the decision-making process followed for its determination, revision and implementation. The policy must be consistent with the Company's corporate interest, contribute to its sustainability and be in line with its strategy. In determining the compensation policy, the Board of Directors takes into account, in particular, the following principles mentioned in the AFEP-MEDEF Code:

- comprehensiveness;
- balance between compensation components;
- comparability;
- consistency;
- understandability of the rules; and
- proportionality.

In application of Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the compensation policy for corporate officers established by the Board of Directors, on the proposal of the Nomination and Remuneration Committee, will be subject to the prior approval of the Company's shareholders meeting that will be called to approve the financial statement for the year ended December 31, 2022 which is contemplated to take place on May 31, 2023.

In accordance with applicable legal and regulatory requirements, the compensation policy for corporate officers will include (i) information relating to all corporate officers and (ii) items specific to each category of corporate officers.

The compensation policy applied to all corporate officers will follow the criteria defined in Article R. 22-10-14 I. of the French Commercial Code. The following developments constitute the compensation policy for the Company's corporate officers.

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4.2.1.1 Compensation of the chair of the Board of Directors

The Chair of the Board of Directors shall receive a compensation in accordance with the principles set forth below.

Compensation elements	Principles	Determining criteria
Fixed compensation	The Chair shall receive a fixed compensation.	This fixed compensation is detailed in paragraph 4.2.1.2 below.
Variable compensation	None.	-
Incentives	The Chair may be granted stock options and/or free shares subject to continued service and performance conditions.	The Company does not plan to grant the Chair any such incentive for the 2023 fiscal year.
Exceptional compensation	None.	-
Benefits in kind	None.	-
Supplementary retirement plan	None.	-

Pursuant to Article L. 22-10-8 of the French Commercial Code, the above principles and amount will be submitted to shareholders' approval during the shareholders' meeting that will be called to approve the financial statement for the year ended December 31, 2022 (vote *ex ante*).

4.2.1.2 Compensation of the members of the Board of Directors

The members of the Board of Directors (*administrateurs*), including for the avoidance of doubt, the Chair and the Vice-Chair, and observers (*censeurs*) (if any) are entitled to compensation within the limits of the global annual amount set by the shareholders' meeting of the Company (compensation for serving on the Board of Directors and each of the committees set up by the Board of Directors – formerly known as attendance fees (*jetons de presence*). The shareholders' meeting of the Company that will be called to approve the financial statement for the year ended December 31, 2022 will be asked to set such amount to an annual aggregate amount of up to €550,000 for fiscal year ending December 31, 2023.

As a reminder, the Board of Directors of October 27, 2022, has determined the amount awarded to each member and observer for the fiscal year 2022.

At its meeting of March 22, 2023, the Board of Directors of the Company has determined the amount awarded to each member and observer for the fiscal year 2023, if any, based on the principles described below and within the limit of the aggregate amount approved by the shareholders' meeting:

Member office(1)	Fixed compensation(2)	Compensation for each attended committee meeting(3)	Compensation for each attended Board meeting(4)	Compensation for each attended update Board meeting(5)
Members of the Board of Directors (excluding the Chief Executive Officer and Deputy Chief Executive Officers (if any) but including, for the avoidance of doubt, the Chair and Vice-Chair of the Board of Directors and observers (if any))	€13,000		€2,500	€1,000
Chair of the Board of Directors	€20,000		€2,500	€1,000
Vice-Chair of the Board of Directors	€10,000		€2,500	€1,000
Chair of the Audit Committee		€4,000		
Member of the Audit Committee		€2,000		
Chair of the Nomination and Remuneration Committee		€4,000		
Member of the Nomination and Remuneration Committee		€2,000		

(1) The following compensation items are cumulative (*e.g.* a director, including the Chair and the Vice-Chair of the Board of Directors of the Company, that has been a member or chair of a committee, shall receive a compensation for his/her role as member of the Board of Directors and chair or member of the relevant committee).

(2) Compensation due for a full year of office, to be adjusted *prorata temporis* should the beneficiary remain in office for a shorter period.

(3) Compensation due for each committee meeting attended by the relevant beneficiary.

(4) Compensation due for each Board meeting attended by the relevant beneficiary, excluding update boards.

(5) Compensation due for each update Board attended by the relevant beneficiary. An update Board is defined as a video meeting, that does not exceed one hour and does not include any votes.

In addition, members and observers, if any, of the Board of Directors may receive a compensation for specific assignments that may be delegated to them by the Board of Directors in accordance with applicable French law. The amount of such compensation will be set by the Board of Directors based on the nature of the specific assignment entrusted to the relevant member or observer, as applicable. The assignments being subject to the French related party agreements procedure, they would need to be approved by the shareholders' meeting.

Furthermore, reasonable travel expenses are reimbursed for each physical attendance upon presentation of an expense report.

Lastly, if it is not remuneration per se, the members of the Board of Directors may be offered the option of subscribing, at fair market value and under market conditions, for warrants (*bons de souscription d'actions*), the issue price of which will be determined on the day of issuance of the warrants on the basis of their characteristics, if necessary with the assistance of an independent expert. The Board of Directors may issue up to 4,500,000 warrants, each warrant giving the right to subscribe for one ordinary share of the Company with a par value of 0.01 euro. Any grant of warrants will be deducted from the common ceiling for the grant of free shares and stock-options, which is also of 4,500,000 shares.

Pursuant to Article L. 22-10-8 of the French Commercial Code, the above principles and amounts will be submitted to shareholders' approval during the shareholders' meeting that will be called to approve the financial statement for the year ended December 31, 2022 (vote *ex ante*), with payment of any variable and exceptional component remaining subject to the shareholders' approval during the next annual shareholders' meeting (vote *ex post*).

4.2.1.3 Compensation of the Chief Executive Officer

The Chief Executive Officer (*Directeur général*) of the Company shall receive compensation solely in his/her capacity as Chief Executive Officer, to the exclusion of any compensation that would be due to him/her in his/her capacity as member of the Board of Directors of the Company.

Compensation elements	Principles	Determining criteria
Fixed compensation	The Chief Executive Officer shall receive a fixed compensation payable in equal monthly instalments in accordance with the Company's standards.	The gross annual amount of this fixed compensation has been set at €550,000 for the 2023 fiscal year.
Variable compensation	The Chief Executive Officer may receive variable compensation up to 150% of his/her fixed compensation.	The final amount of the variable compensation due to the Chief Executive Officer will be determined by the Board of Directors in accordance with the principles described in Section 4.2.1.4 below.
Incentives	The Chief Executive Officer may be granted stock options and/or free shares subject to continued service and performance conditions.	The final number of free shares granted to the Chief Executive Officer will be determined by the Board of Directors in accordance with the principles described in Section 4.2.1.4 below.
Non-Competition clause	The Chief Executive Officer is bound by an exclusivity and non-competition clause for the duration of his/her office and during a period of 6 months thereafter.	During a 6-month period following the termination of his/her office for any reason (other than for retirement), the Chief Executive Officer is entitled to the payment of a monthly amount equal to 50% of the average of his/her monthly fixed compensation paid to him/her over the last 12 months immediately preceding the effective date of his/her termination, unless the Board of Directors releases the Chief Executive Officer from such non-compete obligation. Such non-compete payment shall not be paid if the officer is over 65 at the time his duties terminate.
Exceptional compensation	The Chief Executive Officer may be awarded exceptional compensation.	This exceptional compensation would be intended to compensate exceptional performance on one or more projects that have a major impact on the Company's development, such as acquisitions, mergers, change of control or any other strategic transaction.
Termination benefits	The Chief Executive Officer may only be awarded an indemnity in the event that the Company does not comply with its six-month notice of termination.	The Chief Executive Officer's office may be terminated at any time, for any reason, with or without cause, and without termination benefits, subject in each case to a six (6) months' written notice, starting from the date of receipt of such notice. However the Board of Directors may determine in its discretion to waive/reduce such 6-month notice period provided that the Company shall pay to the Chief Executive Officer during such notice period a monthly amount equal to the average monthly net fixed compensation paid to him over the last twelve months and his bonus prorated to the period between his last bonus payment and the effective date of his termination.
Benefits in kind	None.	-
Supplementary retirement plan	None.	-

Incentives: the Chief Executive Officer may be granted stock options and/or free shares subject to continued service and performance conditions.

The Chief Executive Officer is required to keep 40% of the shares issued upon exercise or definitive acquisition of such incentives throughout the term of his/her office.

This requirement to hold shares no longer applies when the Chief Executive Officer holds a number of shares of the Company representing an amount equivalent to 300% of his/her yearly fixed annual compensation. The fixed compensation used for that purpose is that for the year during which the Chief Executive Officer intends to sell shares.

In accordance with the AFEP-MEDEF Code, the Chief Executive Officer will have to pledge, until the expiration of his/her term of office, not to use any hedging strategies to manage the risk related to the shares awarded under long-term incentive plans.

Other compensation: the Chief Executive Officer does not receive any compensation of any kind whatsoever in respect of his/her duties within the Company's subsidiaries and does not benefit from a long-term multi-annual compensation mechanism, other than, on a case-by-case basis, the granting of stock options and/or free shares subject to continued service and performance conditions.

Pursuant to Article L. 22-10-8 of the French Commercial Code, the amounts resulting from implementation of the aforementioned compensation policy will be submitted for shareholders' approval during the shareholders' meeting that will be called to approve the financial statement for the year ended December 31, 2022 (vote *ex ante*), with payment of variable and exceptional compensation remaining subject to the shareholders' approval during the next annual shareholders' meeting (vote *ex post*).

4.2.1.4 Annual variable compensation calculation principles

The final amount of the variable compensation due to the Chief Executive Officer, which will be submitted for approval during the shareholders' meeting that will be called to approve the financial statements for the year ended December 31, 2023 (vote *ex post*), shall be determined by the Board of Directors in accordance with the following principles[(1)(2)]:

- **Target**: the annual variable component is equal to 100% of the fixed compensation if targets are achieved in full.
- **Floor**: no annual variable compensation shall be due to the Chief Executive Officer in case he/she is unable to meet at least 80% of the annual objectives set by the Board of Directors.
- **Overperformance**: the percentage of variable compensation attached to each specific annual objective may be increased by the Board of Directors in case of overperformance of the related objective, without the variable compensation being able, in any event, to exceed 150% of the Chief Executive Officer's fixed compensation.
- **Objectives**: the annual variable compensation for 2023 is based on the following criteria:

Objectives	Weighting	Nature
Quantitative (80% of the total)		
Achievement of a certain level of consolidated revenue during FY 2023 set by the Board of Directors in line with the annual budget approved by the board	16%	Financial
Achievement of a certain number of Group subscribers (from BtoC and BtoB channels) at the end of FY 2023	16%	Financial
Achievement of a certain level of consolidated adjusted EBITDA during FY 2023 in line with the annual budget approved by the Board of Directors	16%	Financial
Achievement of a certain level of free cash flow during FY 2023 in line with the annual budget approved by the Board of Directors	32%	Financial
Qualitative (20% of the total)		
(i) implementation of strategy and (ii) ability to get employees to adhere to the Company's project measured through a social climate survey conducted among the Group's employees at least once a year	20%	Non-financial

(1) All such annual variable compensation calculation principles apply for a full year of service as Chief Executive Officer; such annual variable compensation shall be adjusted prorata temporis, should the Chief Executive Officer remain in office for a shorter period.

(2) Which principles will be submitted for shareholders' approval during the shareholders' meeting that will be called to approve the financial statements for the year ended December 31, 2022 (vote ex ante on the compensation policy).

The level of performance required to achieve these objectives is established in a precise, demanding and rigorous manner but cannot be disclosed for confidentiality reasons.

The calculation method and the definition of the assessment scale are reviewed by the Board of Directors at the beginning of each year. They may change from one year to the next to take into account the priorities and specific focuses of the coming year.

To assess the achievement of quantifiable objectives, indicators are calculated by neutralizing factors beyond the Chief Executive Officer's control (such as exchange rate fluctuations).

The Board of Directors will have discretionary powers to adapt and/or modify the calculation grid, upwards or downwards, on the recommendation of the Nomination and Remuneration Committee, in the event of exceptional external circumstances that could not have been anticipated at the date on which the objectives were set.

The Board will ensure that any adaptations or modifications that are made remain aligned with the general principles above. Any such adaptations may not, under any circumstances, lead to an increase in the ceiling represented by the variable annual compensation compared to the fixed compensation. If it uses such abovementioned discretionary powers, the Board of Directors will provide a detailed explanation of the adjustments or changes so made.

The Board of Directors, during its meeting of April 24, 2023, has granted 94,800 free shares to the Chief Executive Officer out of which 79,000 will vest if the actual annual performance for each of the FY 2023, 2024 and 2025 reaches 100% of the target of the annual performance conditions set by the Board of Directors and up to 94,800 will vest provided the actual annual performance for each of the FY 2023, 2024 and 2025 reaches 120% each year of the target of the annual performance conditions set by the Board of Directors). The vesting will take place over 3-year with 100% delivery in the third year. These free shares are not subject to a holding period. These free shares are subject to the following annual performance conditions defined by the Board of Directors and which will be assessed each year:

- The vesting of 80% of these free shares will be calculated on the basis of quantitative financial conditions weighted as follows:
  - 30%: Achievement of a certain level of consolidated revenue during FY 2023, 2024 and 2025;
  - 30%: Achievement of a certain level of consolidated free cash flow at the end of FY 2023, 2024 and 2025;
  - 20%: Achievement of a certain level of shareholder return ranking during FY 2023, 2024 and 2025[(1)]
- The vesting of 20% of the free share grants to be calculated on the basis of qualitative non-financial conditions, *i.e.*:
  - Achievement of a certain level of employees' engagement which is measured through a social climate survey conducted among the Group's employees at least once a year.

Pursuant to Article L. 22-10-8 of the French commercial code, the annual variable compensation will be submitted for shareholders' approval during the shareholders' meeting that will be called to approve the financial statement for the year ended December 31, 2022 (vote ex ante), with payment remaining subject to the shareholders' approval during the next annual shareholders' meeting (vote ex post).

(1) The shareholder return ranking consists in a comparison of the total shareholder return evolution among the following benchmark companies: Euronext Tech Leaders, Nasdaq, Spotify, Anghami, Netflix, RTL Group, Believe, Warner Music, Universal Music Group, Sirius XM and Deezer.

4.2.2 Compensation paid or awarded to corporate officers during the fiscal year ended December 31, 2022

4.2.2.1 Situation of corporate officers

The table below presents the situation of the executive corporate officers of the Company:

Corporate officer	Deezer S.A. (511 716 573 RCS Paris) *From January 1, 2022 to July 5, 2022*	I2PO S.A. *From January 1, 2022 to July 5, 2022*	The Company *From July 5, 2022 to December 31, 2022*	The Company *From January 1, 2023, to the date of this Universal Registration Document*
Iris Knobloch	-	Chief Executive Officer and Chair of the Board of Directors	Vice-Chair of the Board of Directors	Chair of the Board of Directors
Guillaume d'Hauteville	Chair of the Board of Directors	-	Chair of the Board of Directors	Vice-Chair of the Board of Directors
Jeronimo Folgueira	Chief Executive Officer	-	Chief Executive Officer and director*	Chief Executive Officer

* Jeronimo Folgueira resigned from his position as director of the Company on December 13, 2022.

4.2.2.2 Compensation paid or granted to the chair of the Board of Directors for the fiscal year ended December 31, 2022

The compensation paid or granted to the chair of the Board of Directors for the fiscal year ended December 31, 2022 is described in the table below:

Compensation elements	Amounts	Description
Iris Knobloch, Chair of the Board of Directors(1)		
Fixed compensation	€11,342	Prorated fixed compensation due for 2022, paid in 2023 as Vice-Chair of the Company.
Attendance fee and variable compensation	€15,000	Attendance fees to meetings as Vice-Chair of the Company. No variable compensation.
Exceptional compensation	€412,500	Exceptional compensation granted in connection with the completion of the Merger(2)
Total	**€438,842**	-
Guillaume d'Hauteville, Vice-chair of the Board of Directors(3)		
Fixed compensation	€16,274	Prorated fixed compensation due for 2022, paid in 2023
Attendance fee and variable compensation	€15,000	Attendance fees to meetings No variable compensation.
Total	**€31,274**	-

(1) Iris Knobloch served as Chair of the Board of Directors of I2PO S.A. until the Merger on July 5, 2022 and has been reappointed Chair of the Board of Directors of the Company as from January 1, 2023. For the period from July 5, 2022, to December 31, 2022, Iris Knobloch served as Vice-Chair of the Board of Directors of the Company.

(2) It should be noted that (i) the shareholders' meeting of July 5, 2021 of I2PO S.A. decided that the directors would not receive any compensation for their duties until a decision to the contrary is taken by the shareholders' meeting and (ii) the Board of Directors' meeting of June 21, 2021 decided that the Chief Executive Officer of I2PO S.A. would not receive any remuneration for her duties until the completion of a business combination and that, as of that date the compensation of the Chief Executive Officer of I2PO S.A. will be proposed and decided by the competent corporate bodies of I2PO S.A. in accordance with applicable legal regulations, the principles set forth in the AFEP-MEDEF Code and in accordance with market practices for companies of equivalent size operating in similar business sectors. This exceptional remuneration has been calculated as a fixed gross monthly amount of €37,500 multiplied by the number of months between the date of the listing of the shares of I2PO S.A. on the Professional Segment of Euronext Paris and the date of completion of the Merger.

(3) Guillaume d'Hauteville served as Chair of the Board of Directors of Deezer S.A. before the Merger and then became Chair of the Board of Directors of the Company upon the Merger until December 31, 2022. Guillaume d'Hauteville has been serving as Vice-Chair of the Board of Directors of the Company since January 1, 2023.

4.2.2.3 Compensation of the directors for the fiscal year ended December 31, 2022

The table below shows the individual compensation received by the members of the Board of Directors (fixed, variable and exceptional components combined) for their mandate as directors in respect of fiscal years 2021 (*i.e.*, I2PO S.A. before the Merger, and excluding Deezer S.A., 511 716 573 RCS Paris) and 2022 (*i.e.*, I2PO S.A. before the Merger and the Company after the Merger).

Table 3 (AMF nomenclature): compensation received by directors and other compensations received by non-executive officers

(in €)	Independent director	FY 2021[1] Amount granted	FY 2021[1] Amount paid	FY 2022 Amount granted	FY 2022 Amount paid
Iris Knobloch[2]	No	€0[3]	€0[3]	€438,842[4]	€0
Guillaume d'Hauteville[5]	No	N/A	N/A	€31,274	€0
Combat Holding (Matthieu Pigasse)[6]	No	€0[3]	€0[3]	€27,411	€0
Dr. Hans-Holger Albrecht[7]	No	N/A	N/A	€16,411	€0
Sophie Guieysse[8]	Yes	N/A	N/A	€30,911	€0
Valérie Accary[8]	Yes	N/A	N/A	€23,411	€0
Mari Thjømøe[8]	Yes	N/A	N/A	€33,411	€0
Ingrid Bojner[9]	Yes	N/A	N/A	€677	€0
Mark Simonian[9]	Yes	N/A	N/A	€677	€0
Stu Bergen[10]	Yes	N/A	N/A	N/A	N/A
Jeronimo Folgueira[7][9]	No	N/A	N/A	€0	€0
Alban Gréget[9]	Yes	€0[3]	€0[3]	€18,270	€0
Amanda Cameron[10]	No	N/A	N/A	€16,411	€0
Total	-	**€0**	**€0**	**€637,705**	**€0**

(1) The directors, the Chief Executive Officer and the Chair of the Board of Directors of I2PO S.A. had not received any remuneration or benefits in respect of their respective mandates during the financial year ending December 31, 2021.

(2) Iris Knobloch served as Chair of the Board of Directors of I2PO S.A. until the Merger on July 5, 2022 and has been reappointed Chair of the Board of Directors of the Company as from January 1, 2023. For the period from July 5, 2022, to December 31, 2022, Iris Knobloch served as Vice-Chair of the Board of Directors of the Company.

(3) It should be noted that (i) the shareholders' meeting of July 5, 2021 of I2PO S.A. decided that the directors would not receive any compensation for their duties until a decision to the contrary is taken by the shareholders' meeting and (ii) the Board of Directors' meeting of June 21, 2021 decided that the Chief Executive Officer of I2PO S.A. would not receive any remuneration for her duties until the completion of a business combination and that, as of that date the compensation of the Chief Executive Officer of I2PO S.A. will be proposed and decided by the competent corporate bodies of I2PO S.A. in accordance with applicable legal regulations, the principles set forth in the AFEP-MEDEF Code and in accordance with market practices for companies of equivalent size operating in similar business sectors. Consequently, the directors, the Chief Executive Officer and the various Chair of the Board of Directors did not receive any remuneration or benefits in respect of their respective functions during the financial year ended December 31, 2021.

(4) Including the exceptional compensation granted by the Board of Directors at its meeting of June 22, 2021 to Iris Knobloch in connection with the completion of the Merger (see paragraph 4.2.2.2 "*Compensation paid or granted to the chair of the Board of Directors for the fiscal year ended December 31, 2022*").

(5) Guillaume d'Hauteville served as Chair of the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) and became Chair of the Board of Directors of the Company upon the Merger until December 31, 2022. Guillaume d'Hauteville has been serving as Vice-Chair of the Board of Directors of the Company since January 1, 2023.

(6) Combat Holding was a member of the Board of Directors of I2PO S.A. until the Merger and has become member of the Board of Directors of the Company upon the Merger.

(7) Dr. Hans-Holger Albrecht and Jeronimo Folgueira were members of the Board of Directors of Deezer S.A. until the Merger and have become members of the Board of Directors of the Company upon the Merger.

(8) Valérie Accary, Sophie Guieysse and Mari Thjømøe were appointed by the shareholders' general meeting of the Company dated June 30, 2022.

(9) Ingrid Bojner and Mark Simonian were co-opted by the Board of Directors on December 13, 2022 to replace Alban Gréget and Jeronimo Folgueira, who have each resigned from their position as director on December 13, 2022.

(10) Stu Bergen was co-opted by the Board of Directors on February 28, 2023 to replace Amanda Cameron, who has resigned from her position as director on February 28, 2023.

4.2.2.4 Compensation paid or granted to the Chief Executive Officer for the fiscal year ended December 31, 2022

Iris Knobloch was the Chief Executive Officer (*Directeur général*) of the Company until July 4, 2022. She did not receive any fixed or variable compensation for her role as Chief Executive Officer. Nevertheless, she has been granted by the Board of Directors at its meeting of June 22, 2021 an exceptional compensation of €412,500 in connection with the completion of the Merger. Such exceptional compensation has been approved by the annual shareholders' meeting held on June 30, 2022 (vote *ex-ante*) and will be submitted for shareholders' approval during the shareholders' meeting that will be called to approve the financial statement for the year ended December 31, 2022 (vote *ex-post*). For information on the compensation of Iris Knobloch as Vice-Chair of the Board of Directors of the Company for the period from July 5, 2022, to December 31, 2022, please refer to paragraph 4.2.2.2 "*Compensation paid or granted to the chair of the Board of Directors for the fiscal year ended December 31, 2022*" of this Universal Registration Document.

Jeronimo Folgueira was appointed Chief Executive Officer (*Directeur général*) of the Company by the Board of Directors held on July 5, 2022. Prior to such date, he had been Chief Executive Officer of Deezer S.A. (511 716 573 RCS Paris), the absorbed entity at the time of the Merger.

Compensation due or paid post-Merger in respect of the fiscal year 2022 in his capacity of Chief Executive Officer of the Company

- Fixed component

The Board of Directors of the Company held on July 5, 2022, resolved that he will receive for his role as Chief Executive Officer an annual base gross salary of €550,000 (as paid pro-rated from July 5, 2022 to December 31, 2022).

- Variable component

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors held on July 21, 2022, defined the Chief Executive Officer's annual performance-based bonus at a maximum gross amount of €550,000 subject to the achievement of 100% of the following performance conditions which achievement was assessed by the Board of Directors held on March 22, 2023, in accordance with the recommendation of the Nomination and Remuneration Committee, as follows:

- 80% of the 2022 bonus to be calculated on the basis of quantitative financial conditions, *i.e.*:
  - 16%: Achievement of a certain level of revenue (achieved at 99% during the 2022 fiscal year);
  - 16%: Achievement of a certain level of revenue growth year-on-year (achieved at 93% during the 2022 fiscal year);
  - 16%: Achievement of a certain level of adjusted EBITDA margin, aligned with the annual budget approved by the board (achieved at 144% during the 2022 fiscal year);
  - 32%: Achievement of a certain level of free cash flow, aligned with the annual budget approved by the board (achieved at 149% during the 2022 fiscal year);
- 20% of the 2022 bonus to be calculated on the basis of qualitative non-financial conditions, *i.e.*:
  - 20%: Implementation of strategy and employees' engagement which is measured through a satisfaction survey conducted among the Group's employees (achieved at 90%, as approved by the Board of Directors held on March 22, 2023)

Hence, the total achievement of the objectives is 119.4% and the Chief Executive Officer will receive a 2022 bonus of €635,073, prorated as from July 5, 2022 to December 31, 2022, i.e., €313,186. Pursuant to Article L. 22-10-34 of the French Commercial Code, all the items composing the Chief Executive Officer's compensation for the fiscal year ended December 31, 2022, including the grant of performance free shares mentioned below, will be submitted for approval to the shareholders' ordinary annual general meeting called to approve the financial statements for the year 2022, as an "ex post say-on-pay" vote and the Chief Executive Officer's variable compensation shall only be paid until and subject to the favorable vote of the shareholders.

This Board of Directors also granted 216,000 free shares to the Chief Executive Officer under the Company's 2022-1 free share grants' plan on July 21, 2022, and decided that the vesting of the shares is subject to a three-year time vesting and cumulatively to the following performance conditions, with targets for the fiscal year ended December 31, 2022, 2023 and 2024, the achievement of which has been assessed, for the fiscal year ended December 31, 2022, by the Board of Directors of the Company held on March 22, 2023, in accordance with the recommendation of the Nomination and Remuneration Committee, as follows:

- 80% of the free share grants to be calculated on the basis of quantitative financial conditions, i.e.:
  - 30%: Achievement of a certain level of revenue (achieved at 99% during the 2022 fiscal year)
  - 30%: Achievement of a certain level of free cash flow (achieved at 148% during the 2022 fiscal year)
  - 20%: Achievement of a certain level of shareholder return ranking (achieved at 0% during the 2022 fiscal year)[1]

(1) The shareholder return ranking consists in a comparison of the total shareholder return evolution among the following benchmark companies: Euronext Tech Leaders, Nasdaq, Spotify, Anghami, Netflix, RTL Group, Believe, Warner Music, Universal Music Group, Sirius XM and Deezer.

- 20% of the free share grants to be calculated on the basis of qualitative non-financial conditions, i.e.:
  - 10%: employees' engagement which is measured through a social climate survey conducted among the Group's employees (achieved at 90% during the 2022 fiscal year)
  - 10%: target percentage of females in top 50 management (achieved at 81% during the 2022 fiscal year)

Hence, the total achievement of the objectives is 63.15% and the Chief Executive Officer will receive 37,890 free shares for the first year of the 2022-1 free share grants' plan.

Please also refer to table 6 (AMF nomenclature) "*Free shares granted to each corporate officer*" below and the paragraph 7.2.4.3 *"Free shares (attribution d'actions gratuites or AGA)"* of this Universal Registration Document.

4.2.2.5 Equity ratios

Methodology

To build its methodology for the calculation of the ratios required under article L. 22-10-9, I, 6° of the French Commercial Code, the Group referred to the AFEP guidelines on remuneration multiples as updated in February 2021 (the "**AFEP Guidelines**").

In accordance with the AFEP guidelines, the elements included in the calculation of the ratios concern all the elements of compensation, excluding Employer social security contributions, theoretically due, for the concerned fiscal year, to the Chief Executive Officer, the Chair of the Board of Directors and the employees (gross theoretical fixed compensation, gross annual variable (assuming 100% of KPIs achieved), benefits in kind and any other benefit allocated or paid during the fiscal year, and where applicable the amount of stock options or shares awarded recognized under IFRS 2 during the reporting period).

As I2PO S.A. was incorporated on May 4, 2021, and had only one employee during the fiscal year ended December 31, 2021, the comparison of the compensation of corporate officers with the Company's performance and average and median compensation of employees in the table below is only presented for the fiscal year ended December 31, 2022. In addition, the directors, the Chief Executive Officer and the Chair of the Board of Directors of I2PO S.A. had not received any remuneration or benefits in respect of their respective mandates during the financial year ending December 31, 2021.

The calculation of the ratios takes into account only employees of the Company (which absorbed Deezer S.A. (511 716 573 RCS Paris)), under a permanent or fixed-term contracts, who were included in the workforce as at December 31, 2022. The Company has 583 permanent and fixed-term contracts as of December 31, 2022, representing around 96% of the Group's headcount[1] (including permanent and fixed-term contracts) which amounted to 605.

The Group's performance is measured by changes in its "Revenue". This indicator makes it possible to measure the performance of the Chair of the Board and of the Chief Executive Officer on an annual basis.

(1) Excluding Driift Holdings Ltd., which is not a company wholly-owned by the Group.

Comparison of the compensation of corporate officers with the Company's performance and average and median compensation of employees

	2022[1]
Chief Executive Officer[2]	
Change (in %) in the compensation of the Chief Executive Officer	N/A
Information on the Company's scope	
Average compensation of employees	€79,490[1]
Change (in %) in average employee compensation	-
Ratio to average employee compensation	68.81[1][3]
Change in ratio (in %) from previous financial year	-
Median compensation of employees	€58,000
Ratio to median employee compensation	94.30[1][3]
Change in ratio (in %) from previous financial year	-
Chair of the Board of Directors[4]	
Change (in %) in the compensation of the Chair of the Board	-
Information on the Company's scope	
Average compensation of employees	€79,490[1]
Change (in %) in average employee compensation	-
Ratio to average employee compensation	9.69[1]
Change in ratio (in %) from previous financial year	-
Median compensation of employees	€58,000
Ratio to median employee remuneration	13.29[1]
Change in ratio (in %) from previous financial year	-
Performance of the Company	
Total Revenue (in € millions)	451.2
Change (in %) from previous financial year	-

(1) 2022 figures are impacted by the full acceleration of the vesting of free share plans granted in the previous years due to the Merger with I2PO S.A. The total charge of the previous free share plans is accounted for in 2022. The value per share and per free share plan used in the charge booked in 2022 is detailed in note 20 of the consolidated financial statements, enclosed in Chapter 6 "Financial statements" of this Universal Registration Document.

(2) After the completion of the Merger, Jeronimo Folgueira was appointed Chief Executive Officer of the Company by the Board of Directors held on July 5, 2022.

(3) Including the free share plan of 2022 for 216,000 free shares (assuming over-performance) granted to the Chief Executive Officer, and the previous free share plan of 2021 for 200,000 free shares (i.e. corresponding to 588,400 free shares post-Merger). The valuation at the time of grant of these free shares is not representative of the value as at December 31, 2022.

(4) Guillaume d'Hauteville served as Chair of the Board of Directors of the Company from July 5, 2022 to December 31, 2022.

4.2.2.6 Standardized presentation of the compensation of corporate officers

Table 1 (AMF nomenclature): Summary table of the compensation, options and shares granted to each executive corporate officer

	FY 2021	FY 2022
Jeronimo Folgueira, *Chief Executive Officer of the Company since July 5, 2022*(1)		
Compensation due for the year (prorated) *(detailed in Table 2)*	N/A	€584,419
Value of the multi-year variable compensation granted during the financial year	N/A	€0
Value of options granted during the year *(detailed in Table 4)*	N/A	€0
Valuation of free shares allotted (full year) *(including free shares granted in 2022, as detailed in Table 6, and in 2021)*	N/A	€4,369,631(2)
Valuation of other long-term incentive plans	N/A	€0
Total	**N/A**	**€4,954,050**

(1) It should be noted that, before the appointment of Jeronimo Folgueira as Chief Executive Officer of the Company, the Board of Directors' meeting of June 21, 2021 decided that the Chief Executive Officer of I2PO S.A. would not receive any remuneration for duties during the financial year ended December 31, 2021.

(2) 2022 figures are impacted by the full acceleration of the vesting of free share plans granted in the previous years due to the Merger with I2PO S.A. The total charge of the 4-year free share plans is accounted for in 2022. The value per share and per free share plan used in the charge booked in 2022 is detailed in note 20 of the consolidated financial statements, enclosed in Chapter 6 "Financial statements" of this Universal Registration Document.

	FY 2021(2)	FY 2022
Iris Knobloch, *Chair of the Board of Directors*(1)		
Compensation due for the year(3) *(detailed in Table 2)*	€0	€438,842
Value of the multi-year variable compensation granted during the financial year	€0	€0
Value of options granted during the year *(detailed in Table 4)*	€0	€0
Valuation of free shares allotted *(detailed in Table 6)*	€0	€0
Valuation of other long-term incentive plans	€0	€0
Total	**€0**	**€438,842**

(1) Iris Knobloch served as Chief Executive Officer and Chair of the Board of Directors of I2PO S.A. until the Merger on July 5, 2022 and has been reappointed Chair of the Board of Directors of the Company as from January 1, 2023. For the period from July 5, 2022, to December 31, 2022, Iris Knobloch served as Vice-Chair of the Board of Directors of the Company.

(2) It should be noted that (i) the shareholders' meeting of July 5, 2021 of I2PO S.A. decided that the directors would not receive any compensation for their duties until a decision to the contrary is taken by the shareholders' meeting and (ii) the Board of Directors' meeting of June 21, 2021 decided that the Chief Executive Officer of I2PO S.A. would not receive any remuneration for her duties until the completion of a business combination and that, as of that date the compensation of the Chief Executive Officer of I2PO S.A. will be proposed and decided by the competent corporate bodies of I2PO S.A. in accordance with applicable legal regulations, the principles set forth in the AFEP-MEDEF Code and in accordance with market practices for companies of equivalent size operating in similar business sectors. Consequently, the directors, the Chief Executive Officer and the various Chair of the Board of Directors did not receive any remuneration or benefits in respect of their respective functions during the financial year ended December 31, 2021.

(3) Including the exceptional compensation granted by the Board of Directors at its meeting of June 22, 2021 to Iris Knobloch in connection with the completion of the Merger (see paragraph 4.2.2.2 "*Compensation paid or granted to the chair of the Board of Directors for the fiscal year ended December 31, 2022*").

	FY 2021	FY 2022
Guillaume d'Hauteville, *Vice-Chair of the Board of Directors**		
Compensation due for the year *(detailed in Table 2)*	N/A	€31,274
Value of the multi-year variable compensation granted during the financial year	N/A	€0
Value of options granted during the year *(detailed in Table 4)*	N/A	€0
Valuation of free shares allotted *(including free shares granted in 2022, 2021 and 2019)*	N/A	€739,285
Valuation of other long-term incentive plans	N/A	€0
Total	**N/A**	**€770,559**

* Guillaume d'Hauteville was Chair of the Board of Directors of Deezer S.A. until the Merger and has been appointed Chair of the Board of Directors of the Company upon the Merger on July 5, 2022 until December 31, 2022; he became Vice-Chair of the Board of Directors on January 1, 2023.

Table 2 (AMF nomenclature): Summary table of the compensation of each corporate officer

	FY 2021		FY 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jeronimo Folgueira, *Chief Executive Officer of the Company since July 5, 2022*				
Fixed compensation (prorated)	N/A	N/A	€271,233[(1)]	€271,233[(1)]
Annual variable compensation (prorated)	N/A	N/A	€313,186	€0
Multi-year variable compensation	N/A	N/A	€0	€0
Exceptional compensation	N/A	N/A	€0	€0
Directors' fees[(2)]	N/A	N/A	€0	€0
Benefits in kind	N/A	N/A	€0	€0
Total	**N/A**	**N/A**	**€584,419**	**€271,233**

(1) Prorated fixed compensation due in respect of his mandate as Chief Executive Officer of the Company for the period from July 5, 2022 to December 31, 2022.

(2) Jeronimo Folgueira was a member of the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) until the Merger and have become member of the Board of Directors of the Company upon the Merger until December 13, 2022.

	FY 2021[(2)]		FY 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Iris Knobloch, *Chair of the Board of Directors*[(1)]				
Fixed compensation	€0	€0	€0	€0
Annual variable compensation	€0	€0	€0	€0
Multi-year variable compensation	€0	€0	€0	€0
Exceptional compensation	€0	€0	€412,500	€0
Directors' fees	€0	€0	€26,342 composed of fixed compensation (€11,342) and attendance fee and variable compensation (€15,000)[(3)]	€0
Benefits in kind	€0	€0	€0	€0
Total	**€0**	**€0**	**€438,842**	**€0**

(1) Iris Knobloch served as Chair of the Board of Directors of I2PO S.A. until the Merger on July 5, 2022 and has been reappointed Chair of the Board of Directors of the Company as from January 1, 2023. For the period from July 5, 2022, to December 31, 2022, Iris Knobloch served as Vice-Chair of the Board of Directors of the Company.

(2) It should be noted that (i) the shareholders' meeting of July 5, 2021 of I2PO S.A. decided that the directors would not receive any compensation for their duties until a decision to the contrary is taken by the shareholders' meeting and (ii) the Board of Directors' meeting of June 21, 2021 decided that the Chief Executive Officer of I2PO S.A. would not receive any remuneration for her duties until the completion of a business combination and that, as of that date the compensation of the Chief Executive Officer of I2PO S.A. will be proposed and decided by the competent corporate bodies of I2PO S.A. in accordance with applicable legal regulations, the principles set forth in the AFEP-MEDEF Code and in accordance with market practices for companies of equivalent size operating in similar business sectors. Consequently, the directors, the Chief Executive Officer and the various Chair of the Board of Directors did not receive any remuneration or benefits in respect of their respective functions during the financial year ended December 31, 2021.

(3) Compensation due to Iris Knobloch with respect to her mandate as Vice-Chair of the Company from July 5, 2022, to December 31, 2022.

	FY 2021		FY 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Guillaume d'Hauteville, *Vice-Chair of the Board of Directors*(1)				
Fixed compensation	N/A	N/A	€0	€0
Annual variable compensation	N/A	N/A	€0	€0
Multi-year variable compensation	N/A	N/A	€0	€0
Exceptional compensation	N/A	N/A	€0	€0
Directors' fees	N/A	N/A	€31,274 composed of fixed compensation (€16,274(2)) and attendance fee and variable compensation (€15,000)	€0
Benefits in kind	N/A	N/A	€0	€0
Total	**N/A**	**N/A**	**€31,274**	**€0**

(1) Guillaume d'Hauteville was Chair of the Board of Directors of Deezer S.A. until the Merger and has been appointed Chair of the Board of Directors of the Company upon the Merger on July 5, 2022 until December 31, 2022; he became Vice-Chair of the Board of Directors on January 1, 2023.

(2) Prorated fixed compensation due for 2022 and paid in 2023.

Table 4 (AMF nomenclature): Stock options granted during financial year 2022 to each corporate officer by the Company or by any Group company

Not applicable.

Table 5 (AMF nomenclature): Stock options exercised during financial year 2022 by each executive corporate officer

Not applicable.

Table 6 (AMF nomenclature): Free shares granted to each corporate officer during financial year 2022

Free shares allotted by the shareholders' meeting in financial year 2022 to each corporate officer by the Company and by any company of the Group (listed by name)	Number and date of the plan	Number of shares granted in financial year 2022	Valuation of the shares using the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Jeronimo Folgueira, *Chief Executive Officer*(1)	Plan 2022-1 July 21, 2022	216,000(2)	€115,002	72,000 – July 22, 2023 72,000 – July 22, 2024 72,000 – July 22, 2025	144,000 – July 22, 2024 72,000 – July 22, 2025	Yes(2)
Iris Knobloch, *Chair of the Board of Directors*(3)	N/A	N/A	N/A	N/A	N/A	N/A
Guillaume d'Hauteville, *Vice-Chair of the Board of Directors*(4)	N/A	N/A	N/A	N/A	N/A	N/A

(1) Jeronimo Folgueira served as Chief Executive Officer of Deezer S.A. (511 716 573 RCS Paris) until the Merger. On July 5, 2022, Jeronimo Folgueira was appointed Chief Executive Officer of the Company. Jeronimo Folgueira was also a member of the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) until the Merger and have become member of the Board of Directors of the Company upon the Merger until December 13, 2022.

(2) The vesting of the shares is subject to performance conditions linked to quantitative financial conditions defined by the Board of Directors (e.g., achievement of a certain level of revenue, cash flow or shareholders' return ranking) and qualitative conditions (e.g., employees engagement score or a target percentage of females in top management). The grant includes potential overperformance.

(3) Iris Knobloch served as Chair of the Board of Directors of I2PO S.A. until the Merger on July 5, 2022 and has been reappointed Chair of the Board of Directors of the Company as from January 1, 2023. For the period from July 5, 2022, to December 31, 2022, Iris Knobloch served as Vice-Chair of the Board of Directors of the Company.

(4) Guillaume d'Hauteville served as Chair of the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) and became Chair of the Board of Directors of the Company upon the Merger until December 31, 2022. Guillaume d'Hauteville has been serving as Vice-Chair of the Board of Directors of the Company since January 1, 2023.

Table 7 (AMF nomenclature): Free shares granted that became available for the Chief Executive Officer

Free shares granted that became available for each corporate officer	Number and date of the plan	Number of shares that became available in financial year 2022	Vesting conditions
Jeronimo Folgueira, *Chief Executive Officer*(1)	200,000 free shares giving rights to 200,000 class B preferred shares of Deezer S.A. Granted on June 8, 2021	588,400 ordinary shares(2)	Acceleration as a result of the Merger

(1) Jeronimo Folgueira served as Chief Executive Officer of Deezer S.A. (511 716 573 RCS Paris) until the Merger. On July 5, 2022, Jeronimo Folgueira was appointed Chief Executive Officer of the Company. Jeronimo Folgueira was also a member of the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) until the Merger and have become member of the Board of Directors of the Company upon the Merger until December 13, 2022.

(2) Jeronimo Folgueira acquired the first tranche of 50,000 class B preferred shares on June 8, 2022. The vesting of the remaining free shares giving rights to 150,000 class B preferred shares occurred immediately before the Merger, and 200,000 class B preferred shares have been converted into 588,400 ordinary shares by effect of the Merger.

Table 8 (AMF nomenclature): Historical information about stock option allocation

For historical information about stock option allocation, please see paragraph 7.2.4.2 "*Stock options (Options or OSAs)*" of this Universal Registration Document.

Table 9 (AMF nomenclature): Stock options granted to the top ten employees excluding corporate officers and options exercised by said employees:

Not applicable.

Table 10 (AMF nomenclature): Historical information about free share plans

For historical information about free share plans, please see paragraph 7.2.4.3 "*Free shares (attribution d'actions gratuites or AGA)*" of this Universal Registration Document.

Table 11 (AMF nomenclature)

The following table provides details on the terms and conditions of compensation and other benefits for corporate officers:

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due as a result of termination or change of office		Indemnities pursuant to a non-compete clause	
Corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
Jeronimo Folgueira, *Chief Executive Officer*		✓		✓		✓*	✓	
Iris Knobloch, *Chair of the Board of Directors*		✓		✓		✓		✓
Guillaume d'Hauteville, *Vice-Chair of the Board of Directors*		✓		✓		✓		✓

** The Chief Executive Officer may only be awarded an indemnity in the event that the Company does not comply with its six-month notice of termination as described in paragraph 4.2.1.3 "Compensation of the Chief Executive Officer".*

4.3 Other information

4.3.1 Conflicts of interest and statements regarding corporate officers

In accordance with the Board of Directors' internal rules, each member of the Board of Directors has an obligation to inform the Board of Directors of any conflict of interest, including potential conflicts as soon as he/she/it is aware of the conflict or potential conflict of interest.

Participation of the members of the Board of Directors in a transaction in which the Company, or any company of the Group, is directly involved, requires to be brought to the attention of the Board of Directors prior to the completion of the relevant transaction.

As part of an annual declaration, and as soon as he/she/it is aware of such situation, each member of the Board of Directors informs the Board of Directors of the corporate offices and positions he or she holds in other companies and must request the opinion of the Nomination and Remuneration Committee prior to accepting any new directorship. The member of the Board of Directors must, more specifically, make an annual declaration of any conflicts of interest, including potential conflicts, he or she has identified.

In this context, one of the directors has declared that he holds personal passive investments in two of the Group's suppliers. Such situation shall be treated pursuant to the internal rules of the Board of Directors which provide that the relevant director shall draw any appropriate consequence such as abstaining from participating in any vote on a deliberation relating to such suppliers.

In addition, a consulting agreement, effective as of March 29, 2023, entered between the Company as principal and DIRGNI DEVELOPMENT AB[(1)] as consultant. This agreement has been treated by the Company as a regulated agreement (see Section 4.3.3 "Regulated agreements and other agreements").

To the Company's knowledge, with respect to the members of the Board of Directors and the Chief Executive Officer of the Company:

- there are no potential conflicts of interest between the duties to the issuer, and the private interests and/or other duties to third parties, of the corporate officers, subject to the aforementioned declaration of one director;
- none of the corporate officers has a service contract with the Company or any of its subsidiaries providing for the award of benefits at the end of such contract.

To the Company's knowledge, there are no family ties between corporate officers of the Company.

In addition, to the Company's knowledge:

- none of the corporate officers has been convicted of a fraudulent offense in the past five years;
- none of the corporate officers has been associated with bankruptcy, receivership or liquidation as a member of an administrative, management or supervisory body or as Chief Executive Officer within the past five years;
- none of the corporate officers has been publicly charged and/or sanctioned by statutory or regulatory bodies (including designated professional bodies).

To the Company's knowledge, there are no restriction accepted by any member of the Board of Directors or the Chief Executive Officer concerning the sale of the Company's shares they hold, with the exception of:

- rules on the prevention of insider trading;
- the obligations for directors to hold at least 200 shares of the Company (with the exception of directors representing employees and employees shareholders) pursuant to the internal rules of the Board of Directors; and
- the lock-up undertakings described in paragraph 4.3.3.3.2 "*Lock-up undertakings*" below.

4.3.2 Agreements entered into under normal conditions in the ordinary course of business

In order to fulfill the legal requirements set forth in articles L. 22-10-10 and L. 22-10-12 of the French Commercial Code applicable to companies listed on a regulated market regarding related-party agreements entered into under normal conditions in the ordinary course of business (*conventions portant sur des opérations courantes conclues à des conditions normales*), the management of the Company shall inform the Board of Directors on an annual basis on the conclusion of such agreements during the past financial year. The Board shall review the purpose and financial conditions of such agreements and confirm or deny their classification as related-party agreements entered into under normal conditions and in the ordinary course of business.

During the fiscal year ended December 31, 2022, the Company and DAZN (a company organized under the laws of United Kingdom, which is a related party of the Access Group and of which Guillaume d'Hauteville is a director) have entered on November 16, 2022 into a partnership agreement in Italy, falling within the meaning of related-party agreement entered into under normal conditions in the ordinary course of business. In 2022, the Company has also entered into commercial agreements with entities of Warner group that fall within the meaning of related-party agreement entered into under normal conditions in the ordinary course of business.

(1) Ingrid Bojner, a director of the Company, is the managing director of DIRGNI DEVELOPMENT AB, a company organized under the laws of Sweden.

4.3.3 Regulated agreements and other agreements

The content of the agreements and commitments presented in this Section 4.3.3 "*Regulated agreements and other agreements*" is detailed in the special report of the statutory auditors appearing in Section 4.3.4 "*Statutory auditors' report on regulated agreements*" below.

4.3.3.1 General provisions

Pursuant to the articles of association of the Company and to Articles L. 225-38 and L. 225-39 of the French Commercial Code, any agreement entered into directly or through an intermediary, between the Company and its Chief Executive Officer, Deputy Chief Executive Officer(s) (if any) and one of the members of the Board of Directors or one of its shareholders holding more than ten percent (10%) of the voting rights, or in case of a shareholder being a legal entity, the Company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, must be authorized by the Board of Directors.

The same should apply to the agreements in which one of the persons mentioned in the paragraph above has an indirect interest. Prior authorization is also required regarding agreements entered into between the Company and another legal entity if one of the members of the Board of Directors is the owner, a partner, a manager, a director, a member of that legal entity's Supervisory Board or, more generally, a person involved in its management.

The prior authorization from the Board of Directors is justified by the interest of the agreement to the Company. Members of the Board of Directors are also provided with the financial conditions attached to that agreement.

Such prior authorization from the Board of Directors shall apply neither to agreements relating to ordinary transactions conducted under normal conditions, nor to agreements entered into between two (2) companies of which one holds, directly or indirectly, the entirety of the other's share capital, after deducting, as the case may be, the minimum number of shares necessary to the requirement of Article 1832 of the French Civil Code or of Articles L. 225-1, L. 22-10-1, L. 22-10-2 or L. 226-1 of the French Commercial Code.

Pursuant to Article L. 225-40 of the French Commercial Code, the interested person shall inform the Board of Directors as soon as he/she/it is aware of an agreement subject to the prior authorization of the Board of Directors. If he/she/it serves in the Board of Directors, he/she/it cannot take part in the vote regarding the requested authorization in accordance with applicable legal provisions.

The Chair of the Board of Directors informs the statutory auditors of all the related party agreements and submits them to the approval of the shareholders' meeting. The statutory auditors present a special report with respect to such related party agreements to the next shareholders' meeting, which shall then rule on this special report. The interested person may not take part in the vote of the shareholders' meeting and his/her/its shares are not taken into consideration for the calculation of the quorum or the majority.

4.3.3.2 Agreements entered into by the Company after the Merger

4.3.3.2.1 Management agreement entered into by the Company and the Chief Executive Officer of the Company

The management agreement was entered into on July 5, 2022, between the Company and Jeronimo Folgueira, acting as Chief Executive Officer of the Company. This agreement sets out the terms and conditions of the Chief Executive Officer's mandate among which the terms of his compensation described in Sections 4.2.1.3 *"Compensation of the Chief Executive Officer"* and Section 4.3.4 *"Statutory auditors' report on regulated agreements"* of this Universal Registration Document.

This agreement was duly authorized by the Board of Directors of the Company at its meeting held on July 5, 2022, in accordance with Article L. 225-38 of the French Commercial Code.

4.3.3.2.2 Consulting agreement entered into by the Company after the Merger

The consulting agreement, was entered into on March 29, 2023, between the Company as principal and DIRGNI DEVELOPMENT AB[(1)], as consultant. This agreement aims at promoting the strategic development of the Company's business and was duly authorized by its Board of Directors at its meetings of February 28, 2023, in accordance with Article L. 225-38 of the French Commercial Code.

The agreement provides for a compensation of €2,800 (excluding taxes) for each full day during which the consultant shall have rendered consulting services to the Company, up to a maximum of €49,000 (excluding taxes). In addition, the Company shall, in accordance with its policies, reimburse the consultant for any reasonable travel costs, accommodation costs and other external costs incurred by the consultant in connection with the provision of the consulting services.

This agreement, which came into force on March 1, 2023, is effective until June 30, 2023 and does not provide for an automatic renewal.

4.3.3.3 Agreements entered into as part of the Merger

4.3.3.3.1 Underwriting agreement

The Company and Groupe Artémis, Iris Knobloch and Matthieu Pigasse (acting through and on behalf of Artémis 80, SaCh27 and Combat Holding respectively) entered into on July 16, 2021 an underwriting agreement with Deutsche Bank AG, J.P. Morgan AG and Société Générale in connection with the IPO.

Pursuant to the underwriting agreement the Joint Bookrunners have agreed to defer certain of their underwriting commissions. The Company has paid the deferred

(1) Ingrid Bojner, a director of the Company, is the managing director of DIRGNI DEVELOPMENT AB, a company organized under the laws of Sweden.

underwriting commissions to the Joint Bookrunners within thirty days from the date of reception of related invoices.

4.3.3.3.2 Lock-up undertakings

Following the completion of the Merger on July 5, 2022, each of the Founders were bound by a lock-up undertaking with respect to its outstanding (i) Founders' Shares, (ii) securities giving right to Ordinary Shares (including the Founders' Warrants such Founder holds) and (iii) Ordinary Shares resulting from the conversion of his/her/its Founders' Shares and the Ordinary Shares to be received upon exercise of his/her/its Founders' Warrants (if any), pursuant to which all of such outstanding securities subject to the lock-up undertaking will be released upon the first (1st) anniversary of the date of completion of the Merger, it being specified that such Founder may be released from such lock-up undertaking in advance (i) if and when, as from the expiry of the period ending nine (9) months after the date of completion of the Merger, the daily average price of the Ordinary Shares for any 20 trading days out of a 30 consecutive trading day period equals or exceeds €12 or (ii) if the relevant transfer by such Founder of the securities of the Company covered by such lock-up undertaking is completed (x) with the prior written consent of the J.P. Morgan and Société Générale or (y) in favor of its affiliates (where "affiliate" means any entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Founder and "control" has the meaning provided for under Article L. 233-3, I of the French Commercial Code) (a "**Permitted Transferee**"), subject to any such Permitted Transferee agreeing to be bound by the above restriction or (z) in order to participate to any public offer relating to the securities of the Company or to any merger or any partial contribution of assets related to the Company and duly approved by the Board of Directors of the Company.

Following the completion of the Merger and in addition to the above, certain shareholders of the Company, representing, in aggregate, 92% of the Company's share capital, were bound by:

- a lock-up undertaking of nine (9) months with respect to its outstanding (i) Market Shares, (ii) securities giving right to Ordinary Shares (including the Market Warrants Groupe Artémis holds) and (iii) the Ordinary Shares resulting from the conversion of its Market Shares and the Ordinary Shares to be received upon exercise of its Market Warrants (which lapsed on April 5, 2023);
- a lock-up undertaking of six (6) months with respect to the Ordinary Shares to be subscribed in the context of the PIPE (which lapsed on January 5, 2023).

It being specified that each of the abovementioned Deezer's shareholders may be released in advance from his/her/its lock-up undertaking if the relevant transfer by any such Deezer's shareholder of the securities of the Company covered by such lock-up undertaking is completed (x) with the prior written consent of J.P. Morgan and Société Générale or (y) in favor of an affiliates (where "affiliate" means any entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Deezer's shareholder and "control" has the meaning provided for under Article L. 2333, I of the French Commercial Code) or, in case such Deezer's shareholder is a natural person, his/her/its holding company, subject to any such transferee agreeing to be bound by the above restriction or (z) in order to participate to any public offer relating to the securities of the Company or to any merger or any partial contribution of assets related to the Company and duly approved by the Board of Directors of the Company.

4.3.3.4 Other Agreements entered into by I2PO S.A. before the Merger

4.3.3.4.1 Shareholders' Agreement among the founders of I2PO S.A.

Groupe Artémis, Iris Knobloch and Matthieu Pigasse (acting through and on behalf of their controlled affiliated entities Artémis 80, SaCh27 and Combat Holding, respectively), founders of I2PO S.A. (the "**Founders**") entered on July 5, 2021, into a shareholders' agreement (as subsequently amended), in the presence of I2PO S.A. for the purposes of governing the relationships of the Founders in their capacities as shareholders of I2PO S.A.

This shareholders' agreement does not aim to establish a common policy (action de concert) with regards to I2PO S.A. within the meaning of Article L. 233-10 of the French Commercial Code and, accordingly, the Founders do not and shall not act in concert with respect to I2PO S.A.

The shareholders' agreement automatically terminated on July 5, 2022, the date of completion of the Merger, in accordance with its terms.

4.3.3.4.2 Services agreement with Groupe Artémis

I2PO S.A. entered into on July 5, 2021, a services agreement with an affiliated company of Artémis 80, the company Financière Pinault SCA. The conclusion of such a service agreement was authorized, where necessary, by a decision of the Board of Directors of I2PO S.A. dated July 5, 2021, although it does not constitute a regulated related-party agreement within the meaning of article L. 225-38 of the French Commercial Code, as it was concluded in the normal course of business and under customary conditions.

Under this services agreement, Financière Pinault SCA provides advice and assistance to I2PO S.A. in carrying out the day-to-day in administrative, social, tax, accounting, legal and financial matters, in particular with respect to the drafting of corporate documentation, tax returns and the review of annual financial statements.

The remuneration of the services provider thereunder depends of the balance sheet of I2PO S.A. as follows: (i) an annual fee of €2,000 if the total of the balance sheet is less than €1 million, (ii) an annual fee of €10,000 if the total of the balance sheet exceeds €1 million but less than €100 million, (iii) an annual fee of €35,000 if the total of the balance sheet exceeds €100 million but less than €1,000 million and (iv) an annual fee of €100,000 if the total of the balance sheet exceeds €1,000 million. The services agreement has been entered into for a one-year period, renewable. The remuneration to Financière Pinault SCA under such services agreement amounted to €21,659.34 for the fiscal year ended December 31, 2022, and €18,125.20 for the fiscal year ended December 31, 2021.

The abovementioned services agreement terminated by the parties thereto on June 30, 2022, prior to the date of completion of the Merger.

4.3.3.4.3 Fairness opinion from Lazard Frères

In the context of the Merger, I2PO S.A. entered on April 11, 2022, into an agreement with Lazard Frères S.A.S. The conclusion of such agreement was authorized by a decision of the Board of Directors of I2PO S.A. dated April 11, 2022 in accordance with the provisions of Article L. 225-38 of the French Commercial Code

Under this agreement, Lazard Frères S.A.S. has been appointed as financial advisor to I2PO S.A.'s Board of Directors for the purpose of rendering an opinion as to the fairness to I2PO S.A., from a financial standpoint, of the stock consideration to be paid by it in the potential direct or indirect acquisition of Deezer S.A. (511 716 573 RCS Paris), whatever the form or structure of such transaction. The remuneration of such services amounted to €900,000.

No amount was paid by I2PO S.A. and after the Merger, the Company, during the year ended December 31, 2022, to Lazard Frères under this agreement.

4.3.3.4.4 Engagement letter of Centerview Partners France SCS

In the context of the Merger, I2PO S.A. entered on April 18, 2022 into an agreement with Centerview Partners France SCS. The conclusion of such agreement was authorized by a decision of the Board of Directors of the Company date April 18, 2022 in accordance with the provisions of Article L. 225-38 of the French Commercial Code.

Under this agreement, Centerview Partners France SCS has been appointed as financial advisor to I2PO S.A. with respect to the Merger in order to perform, in particular, the following financial advisory services: (i) advise and assist I2PO S.A. in evaluating the Merger, assist I2PO S.A. in negotiating in the financial aspects of the Merger with Deezer S.A. (511 716 573 RCS Paris), its shareholders and their advisors, (iii) assist I2PO S.A. in the presentation of the Merger and its financial implications to its senior management and/or the Board of Directors, (iv) assist I2PO S.A. in coordinating the work of its other advisors in connection with the Merger, (v) advise and assist I2PO S.A. in reviewing the potential options to finance the Merger, (vi) advise and assist I2PO S.A. in developing a strategy to finance the Merger, (vii) advise and assist I2PO S.A. in structuring the financial aspects of the financing of the Merger and (viii) assist I2PO S.A. in preparing the financial aspects of the supporting materials used for its presentation of the Merger to potential third-party investors.

The remuneration of Centerview Partners France SCS for the performance of such services amounts to (i) a base fee of €1,5 million and a discretionary fee of €1 million for M&A advisory services and (ii) a fee of €2 million for the financing structuring advisory services. Such remuneration is contingent upon completion of the Merger and shall be due and payable upon the completion of the Merger.

Under this engagement letter, I2PO S.A. and after the Merger, the Company, paid, during the year ended December 31, 2022, €4,202,435.81 to Centerview Partners France S.A.S.

This engagement letter survives the Merger only for the purposes of the guarantee granted by I2PO S.A. and after the Merger, the Company.

4.3.3.4.5 Company support agreement

The "company support agreement" was entered into on April 18, 2022, between Deezer S.A. (511 716 573 RCS Paris), I2PO S.A. and the principal shareholders of Deezer S.A. (511 716 573 RCS Paris), who together held approximately 69% of Deezer S.A. (511 716 573 RCS Paris) share capital, pursuant to which the main shareholders have undertaken to contribute their shares to the Merger and to vote in favor of the Merger. This agreement has been duly authorized by the Board of Directors at its meeting held on April 14, 2022, in accordance with Article L. 225-38 of the French Commercial Code. L. 225-38 of the French Commercial Code.

This agreement expired on July 5, 2022, date of the completion of the Merger.

4.3.3.5 Agreements entered into by Deezer prior to the Merger

4.3.3.5.1 Consulting agreement with Amanda Cameron

The consulting agreement was entered into on December 1, 2016, as amended on December 15, 2020, between Deezer S.A. (511 716 573 RCS Paris) as principal and Amanda Cameron, a director of Deezer S.A. (511 716 573 RCS Paris), as consultant. This agreement aimed at promoting Deezer S.A. (511 716 573 RCS Paris) international development and was duly authorized by its Board of Directors at its meetings of December 1, 2016 and December 2, 2020, in accordance with Article L. 225-38 of the French Commercial Code.

The consulting agreement was finally terminated by a termination letter dated June 13, 2022.

4.3.3.5.2 License Agreement with Rotana Studios FZ-LLC

The digital streaming and tethered download license agreement (the "**License Agreement**") was entered into on August 1, 2018 (as amended on September 8, 2021, February 25, 2022 and April 1, 2022) between Deezer S.A. (511 716 573 RCS Paris) as licensee and Rotana Studios FZ-LLC, subsidiary of the Rotana group, as licensor. In accordance with Article L. 225-38 of the French Commercial Code, the License Agreement was duly authorized by the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) at its meetings of July 26, 2018, September 16, 2021, March 23, 2022 and April 14, 2022.

Under the terms of the License Agreement, Deezer S.A. (511 716 573 RCS Paris) has been granted exclusive rights to a significant catalog, allowing it to differentiate itself from its competitors in the MENA region. The License Agreement was subsequently assigned by Rotana Studios FZ-LLC to Rotana Audio Visual LLC, also a subsidiary of the Rotana group, under an assignment and assumption agreement dated January 15, 2019.

Since the Merger, the License Agreement has been assumed by the Company.

The amounts paid and received by Deezer S.A. (511 716 573 RCS Paris) and after the Merger, the Company, during the year ended December 31, 2022 under the License Agreement, as amended, were US$133,039 and US$350,000, respectively. Deezer S.A. (511 716 573 RCS Paris) and after the Merger, the Company, also received US$1,332,000 under the sublicense agreement for the year ended December 31, 2022.

4.3.3.5.3 Side letter and tax representation letter

Letters were entered into on April 18, 2022 between Deezer S.A. (511 716 573 RCS Paris) and AI European Holdings Sàrl with respect to the US tax treatment of the Merger. The side letter and the tax representation letter (which was reiterated on July 5, 2022) are still in effect and are assumed by the Company since the Merger.

They have been duly authorized by the Board of Directors of Deezer S.A. (511 716 573 RCS Paris) at its meeting held on April 14, 2022, in accordance with Article L. 225-38 of the Commercial Code.

4.3.4 Statutory auditors' report on regulated agreements

General Meeting for the approval of the financial statements for the year ending 31 December 2022

This is a free translation into English of the Special Report of the Auditors on the Regulated Agreements issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Deezer S.A.,

In our capacity as statutory auditors of your company, we hereby present our report on the regulated agreements.

Based on the information provided to us, it is our responsibility to report to you on the terms and conditions of the related party agreements of which we have been informed or that we may have identified in the course of our engagement, without commenting on their usefulness or appropriateness or without looking for the possible existence of other agreements. It is your responsibility, Under the terms of Article R. 225-21 of the French Commercial Code, it remains your responsibility to determine whether the agreements are appropriate and should be approved.

Moreover, and where applicable, it is our responsibility to provide you with the information provided for in Article R. 225-21 of the French Commercial Code relating to the execution during the past financial year of agreements already approved by the General Meeting.

We remind you that Deezer, registered with the Paris Trade and Companies Register under number 511 716 573 (Deezer pre-merger), was absorbed by I2PO (Paris Trade and Companies Register number 898 969 852) on 5 July 2022. Following this operation, the company I2PO was renamed Deezer.

We performed the procedures that we considered necessary in accordance with the professional standards of the French National Institute of Auditors *"la Compagnie Nationale des Commissaires aux Comptes"* (CNCC) relating to this engagement. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it was extracted.

Agreements to be submitted for approval to the General Meeting

Agreements approved and concluded during the past financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements entered into during the past financial year and which had received the prior approval by your Board of Directors.

Mandate agreement concluded with the managing director of Deezer (formerly I2PO) following the merger

Person concerned: Mr. Jeronimo Folgueira, Managing Director of Deezer (formerly I2PO).

Nature, purpose, terms and reasons: A mandate agreement was entered into on 5 July 2022 between Deezer (post-merger) and Mr. Jeronimo Folgueira, acting in his capacity as managing director of the company. This agreement sets out the terms and conditions of his mandate as managing director, including the terms and conditions of his gross annual fixed remuneration of EUR 550,000 and his gross annual variable remuneration of the same amount, the latter being potentially increased by the Board of Directors to EUR 825,000 according to and dependent on the fulfilment of performance conditions set by said Board of Directors. This agreement also includes the application of a non-competition clause for 6 months following the termination of his duties in return for a monthly indemnity of 50% of the average net monthly salary of the last 12 months unless the non-competition clause is lifted by the Board of Directors within 30 days of the effective termination of Mr. Folgueira's duties.

This agreement was duly approved by the Board of Directors of the company at its meeting of 5 July 2022.

Company support agreement concluded between Deezer (pre-merger), I2PO, and the main shareholders of Deezer (pre-merger)

Persons and shareholders concerned: the main shareholders of Deezer holding approximately 69% of the capital of Deezer (pre-merger).

Nature, purpose, terms and reasons: On 14 April 2022, the Board of Directors of Deezer (pre-merger) approved the signing of the Company support agreement of 18 April 2022 between Deezer (pre-merger), I2PO, and the principal shareholders of Deezer (pre-merger) holding approximately 69% of the share capital of Deezer (pre-merger), under the terms of which the said principal shareholders undertook to contribute their shares to the merger between Deezer and I2PO and to vote in favour of the merger.

This agreement expired on 5 July 2022, the date of the effective completion of the merger of Deezer by I2PO.

Side letter and Tax representation letter concluded between Deezer (pre-merger) and AI European Holdings Sàrl.

Shareholder concerned: *AI European Holdings Sàrl.*

Nature, purpose, terms and reasons: On 14 April 2022, the Board of Directors of Deezer (pre-merger) approved the signing of a side letter and a tax representation letter of 18 April 2022 between Deezer (pre-merger) and AI European Holdings Sàrl. Under the terms of the tax representation letter reiterated on 5 July, 2022, Deezer S.A. undertook, among other things, to guarantee to AI European Holdings Sàrl. that the merger would qualify as a reorganization under U.S. law. Under the terms of the side letter, Deezer S.A. agreed to (i) provide AI European Holding Sàrl. with the tax representation letter and the tax representation letter signed by I2PO S.A., (ii) not to modify the business combination agreement without the consent of Access Industries, Inc. and (iii) to cooperate with Access Industries, Inc. and any relevant affiliates in case of an audit by the US tax authorities.

This side letter and the tax representation letter are still in effect.

Digital streaming and tethered download license agreement between Deezer (pre-merger) and Rotana Studios FZ-LLC, a subsidiary of the Rotana group

Shareholder concerned: Rotana Audio Holding Ltd.

Nature, purpose, terms and reasons: On 26 July 2018, the Board of Directors of Deezer (pre-merger) approved the signing of 1 August 2018 of a license agreement between Deezer (pre-merger) and Rotana Studios FZ-LLC, under the terms of which Deezer (pre-merger) was granted exclusive rights to a significantly sized catalogue allowing it to differentiate itself considerably from its competitors in the MENA region. This license was subsequently assigned by Rotana Studios FZ-LLC to Rotana Audio Visual LLC, also a subsidiary of the Rotana group, under a deed of transfer dated 15 January 2019.

This license agreement was the subject of a first amendment dated 8 September 2021, approved by the Board of Directors of Deezer (pre-merger) on 16 September 2021, under the terms of which certain provisions of the license were specified to enable the parties to better perform their respective contractual obligations.

A further amendment, approved by the Board of Directors of Deezer (pre-merger) on 23 March 2022, was signed on 25 February 2022 by which Deezer (pre-merger) and Rotana Audio Visual LLC decided to extend the agreement entered into on 8 September 2021 to the period from 1 October 2022 to 30 September 2023, thereby allowing Rotana Audio Visual LLC to maintain its catalogue on YouTube Music in return for a payment of $4.15 million to Deezer.

As part of the merger, the license agreement was taken over by I2PO (renamed Deezer).

The amounts paid and received by Deezer (pre-merger) and subsequently post-merger by Deezer (formerly I2PO) during the financial year ended 31 December 2022 under the license agreement and the abovementioned amendment are respectively those of US$ 133,039 and US$ 350,000.

The license was once more the subject of a new amendment dated 1 April 2022, approved by the Board of Directors of Deezer (pre-merger) on 14 April 2022, by which Deezer allowed Rotana Audio Visual LLC to exploit its catalogue in the territory and to sub-license it to third parties in return for a payment of a guaranteed minimum of US$4 million payable in 6 instalments as well as royalties equal to 65% of Rotana's revenues for such exploitation (after deduction of the guaranteed minimum).

Deezer (pre-merger) together with post-merger Deezer (formerly I2PO) received a total of US$1,332,000 under the sublicense agreement for the year ending 31 December 2022.

Agreement approved and entered into since the closing of the last financial year

We have been advised of the following agreement, which has been approved and entered into since the end of the last financial year, which had received prior approval by your Board of Directors.

Consultancy agreement between (i) Deezer (formerly I2PO) on the one hand, and (ii) Dirgni Development AB on the other hand

Person concerned: Ms. Ingrid Bojner, member of the Board of Directors of Deezer (formerly I2PO) since 13 December 2022 and Managing Director of Dirgni Development AB

Nature, purpose, terms and reasons: The Board of Directors' meeting of 28 February 2023 approved the signing, dated 29 March 2023 of a consultancy agreement between (i) Deezer as principal on the one hand, and (ii) Dirgni Development AB as consultant on the other. The purpose of this agreement is to promote the strategic development of the company's activities.

The agreement provides for a remuneration of €2,800 (excluding tax) for each full day of the provision of consulting services by Dirgni Development AB to the company Deezer (formerly I2PO) up to a limit of €49,000 (excluding taxes). In addition, and in accordance with the Company's policy, all reasonable travel, accommodation, and other external costs incurred by the consultant in relation to the provision of the consultancy services, will be reimbursed.

This agreement came into force on 1 March 2023 and will expire on 30 June 2023 (included) and will not be automatically renewed.

Agreements previously approved by the General Meeting

Agreements approved in previous years and which continued to run during the past financial year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements already approved by the general meetings of I2PO (renamed Deezer) in previous years, continued to run in the last financial year.

Shareholders' agreement entered into in the presence of I2PO and Ms. Iris Knobloch, between SaCh27, Combat Holding and Artémis 80 (agreement entered into before the takeover merger of Deezer by I2PO, subsequently renamed Deezer)

Persons and shareholders concerned:

- Ms. Iris Knobloch, Chairwoman of the Board of Directors of Deezer since 1 January 2023, formerly Vice-Chairwoman of the Board of Directors of Deezer, formerly Chairwoman and Chief Executive Officer of I2PO, and Managing Director of SaCh27,
- Mr. Matthieu Pigasse, permanent representative of Combat Holding, Director of Deezer (after the merger) and of I2PO,
- Mr. François Henri Pinault, permanent representative of Artémis 80, formerly Director of I2PO

Nature, purpose, terms and reasons: The Board of Directors' meeting of 21 June 2021 approved the signing, dated 5 July 2021, of a shareholders' agreement between SaCh27, Combat Holding and Artémis 80, for a term expiring on the earlier of (i) the actual completion date of the business combination, or (ii) the deadline for completion of the business combination, subject to the two exceptions stated therein.

The main purpose of this shareholders' agreement being to:

- provide the conditions for the sale of the shares in I2PO held by SaCh27, Combat Holding and Artémis 80,
- define certain undertakings by Ms. Iris Knobloch in her capacity as Chairwoman and CEO of I2PO, and
- clearly determine the undertakings made by SaCh27, Combat Holding and Artémis 80 to I2PO with regard to the management of conflicts of interest, including more particularly a right of first refusal or acceptance of the opportunities for business combinations for the benefit of the Company.

This agreement was the subject of an amendment concluded on July 15, 2021, duly authorized by the Board of Directors of I2PO S.A. at its meeting of July 9, 2021, the purpose of which was to update the information relating to the corporate officers of I2PO S.A. and to the issuance of several categories of preferred shares.

This agreement automatically ended on 5 July 2022 on the completion date of the merger of Deezer by I2PO, which was itself, renamed Deezer on that same day.

Underwriting Agreement drawn up in English and concluded between (i) I2PO, Ms. Iris Knobloch, Mr. Matthieu Pigasse and Artémis 80, on the one hand, and (ii) Deutsche Bank AG, JP Morgan AG and Société Générale on the other hand (agreement entered into prior to the merger of Deezer into I2PO, subsequently renamed Deezer)

Persons concerned:

- Ms. Iris Knobloch, Chairwoman of the Board of Directors of Deezer (formerly I2PO) since 1 January 2023, formerly Vice-Chairwoman of the Board of Directors of Deezer, formerly Chairwoman and Chief Executive Officer of I2PO,
- Mr. Matthieu Pigasse, permanent representative of Combat Holding, Director of Deezer (after the merger) and of I2PO,
- Artémis 80, formerly Director of I2PO.

Nature, object, terms and reasons: The Board of Directors meeting of 9 July 2021 approved the signing on 16 July 2021, of an underwriting agreement (drawn up in English) entitled "Underwriting Agreement" (not constituting a performance guarantee within the meaning of Article L. 225-145 of the French Commercial Code) between (i) I2PO, Ms. Iris Knobloch, Mr. Matthieu Pigasse and Artémis 80 on the one hand, and (ii) Deutsche Bank AG, whose registered office is located at Mainzer Landstrasse 11-17, Frankfurt am Main (Germany), (iii) JP Morgan, whose registered office is at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main (Germany) and (iv) Société Générale, whose registered office is at 29, boulevard Haussmann, 75009 Paris (France) on the other hand.

The main purpose of the Underwriting Agreement was to ensure the successful completion of the issuance of Redeemable Share Warrants (ABSAR B) and the resulting capital increase decided by the 20th resolution of the Combined General Meeting of 5 July 2021. This Underwriting Agreement stipulated the payment of commissions by I2PO to the benefit of the financial institutions referred to above, payable immediately or in the future in the event of the completion of a business combination, for a maximum total amount equal to €14,250,000.00.

During the financial year ending 31 December 2021, I2PO had already paid an amount of €3.937 million in fees under this collateral agreement. Under this same agreement, Deezer (formerly I2PO) paid in 2022 the balance of the commission, i.e. €2.750 million, within the 30 calendar days of the date of issue of the invoices issued by Deutsche Bank AG, J.P. Morgan AG and Société Générale

Consulting agreement between Deezer (pre-merger) as principal and Ms. Amanda Cameron as consultant (agreement concluded prior to the merger of Deezer into I2PO, subsequently renamed Deezer)

Person concerned:

- Ms. Amanda Cameron, member of the Board of Directors of Deezer (before and after the merger) until 28 February 2023.

Nature, purpose, terms and reasons: On 1 December 2016, the Board of Directors of Deezer approved the signing of an agreement on 1 December 2016 between (i) Deezer on the one hand, and (ii) Ms. Amanda Cameron on the other. This contract was the subject of an amendment signed on 15 December 2020, approved by the company's Board of Directors of 2 December 2020. The purpose of this agreement was to promote the international development of Deezer. The monthly fee to be received by Ms. Amanda Cameron as a consultant was €1,666.00 (excluding VAT). This agreement was brought to an end by a letter of termination dated 13 June 2022.

During the year ended 31 December 2022, the total fee expenses for this agreement amounted to 9,023.36 euros.

Agreements approved in the last financial year

We have also been informed of the following agreements which were effective during the past financial year, and which had already been approved by the general meeting of 30 June 2022 of I2PO and upon the special report of the auditors Grant Thornton and Mazars of 29 June 2022.

Agreement concluded between (i) I2PO on the one hand, and (ii) Lazard Frères on the other hand (agreement concluded before the takeover merger of Deezer by I2PO, subsequently renamed Deezer)

Person concerned:

- Ms. Iris Knobloch, Chairwoman of the Board of Directors of Deezer (post-merger), formerly Chairwoman and CEO of I2PO and member of the Board of Directors of Lazard Bank.

Nature, purpose, terms and reasons: The Board of Directors meeting of 11 April 2022 approved the signing on 11 April 2022, of an agreement between (i) I2PO on the one hand, and (ii) Lazard Frères on the other. The purpose of this agreement was (i) to provide financial advice to I2PO in the context of the proposed business combination through the merger of Deezer into I2PO and (ii) to issue a fairness opinion confirming the value of Deezer's pre-money securities. The remuneration of Lazard Frères under this engagement letter is €900,000.00.

No amount was paid by the Company to Lazard Frères during the financial year ended 31 December 2022 under this engagement letter.

Agreement between (i) I2PO on the one hand, and (ii) Centerview Partners France SAS, on the other hand (agreement concluded before the merger of Deezer into I2PO, subsequently renamed Deezer)

Person concerned:

- Mr. Matthieu Pigasse, permanent representative of Combat Holding, Director of Deezer (after the merger) and of I2PO and partner of Centerview Partners SAS.

Nature, purpose, terms and reasons: The Board of Directors meeting of April 18, 2022 approved the signing on the same day of an agreement between (i) I2PO on the one hand, and (ii) Centerview Partners SAS on the other. The purpose of this agreement was (i) to provide financial advice to I2PO in the context of the proposed business combination through the merger of Deezer.

Under this engagement letter, the Company paid €4,202,435.81 to Centerview Partners France SAS during the year ended 31 December 2022.

Issued at Neuilly-sur-Seine and Paris-La Défense,
on 24 April 2023

Statutory auditors

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

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Management report

This chapter should be read in conjunction with free English translation of I2PO S.A.'s annual financial report for the year ended December 31, 2021, and the Section 9 "*Operating and financial review*" of the I2PO S.A.'s merger prospectus approved by the AMF on May 31, 2022, under number 22-184 related to the Merger (both incorporated by reference as mentioned in Section 8.4 "*Information incorporated by reference*" of this Universal Registration Document).

5.1 Comments on consolidated results and financial position

As reported in Note 4.1 of the consolidated financial statements, enclosed in Chapter 6 "*Financial statements*" of this Universal Registration Document, Deezer S.A. is the acquirer of I2PO S.A. for accounting purposes although, from a legal perspective, I2PO S.A. is the surviving entity of the merger. As a result, the comparative financial information relates to the Deezer Group for the year ended December 31, 2021.

5.1.1 Key figures

5.1.1.1 Breakdown of revenue by segment

The table below provides the split of total revenue by segment for the years ended December 31, 2022 and 2021:

	Year Ended December 31,			
(in € millions)	**2022**	**2021**	**Change** (in %)	**Chg. at constant FX** (in %)
B2C	317.2	282.7	+12.2%	+10.8%
B2B	118.5	107.4	+10.4%	+6.6%
Other	15.5	9.9	+56.0%	+48.8%
Total revenue	**451.2**	**400.0**	**+12.8%**	**+10.6%**

5.1.1.2 Breakdown of revenue by geography

The table below provides the split of total revenue by geography for the years ended December 31, 2022 and 2021:

	Year Ended December 31,			
(in € millions)	**2022**	**2021**	**Change** (in %)	**Chg. at constant FX** (in %)
France	273.2	242.6	+12.6%	+12.6%
Rest of World	178.0	157.4	+13.1%	+7.6%
Total revenue	**451.2**	**400.0**	**+12.8%**	**+10.6%**

5.1.1.3 Key performance indicators

The table below provides the split of subscribers by segment as at December 31, 2022 and 2021:

	December 31,		
(in millions)	2022	2021	Change (in %)
B2C	5.6	5.7	(0.1)%
o/w France	3.5	3.2	+8.1%
o/w Rest of World	2.2	2.4	(11.0)%
B2B	3.8	4.0	(5.1)%
Total subscribers	**9.4**	**9.6**	**(2.2)%**

The table below provides the average measure of ARPU on a monthly basis for the years ended December 31, 2022 and 2021:

	Year Ended December 31,		
(in €)	2022	2021	Change (in %)
B2C	4.7	4.1	+13.7%
B2B	2.6	2.3	+11.9%
ARPU	**4.0**	**3.5**	**+14.3%**

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5.1.2 Analysis of consolidated results

5.1.2.1 Simplified income statement

(in € millions)	2022	2021	Change (in %)
Total revenue	451.2	400.0	+12.8%
Adjusted gross profit*	98.0	84.1	+16.5%
In % of total revenue	*21.7%*	*21.0%*	-
Adjusted EBITDA*	(55.7)	(64.6)	n/a
In % of total revenue	*(12.4)%*	*(16.2)%*	-
Operating loss (EBIT)	(166.7)	(120.6)	n/a
In % of total revenue	*(37.0)%*	*(30.1)%*	
Net loss	(168.5)	(123.3)	n/a

* Refer to Section 5.1.4 *"Reconciliation of non-IFRS financial indicators"* of this Universal Registration Document.

5.1.2.2 Consolidated revenue

Consolidated revenue amounted to €451.2 million in 2022 compared to €400.0 million in 2021, representing an increase of €51.2 million, or 12.8% (+10.6% at constant currency). This strong performance was mainly driven by a further expansion of the Group's B2C subscriber base in France (+8.1%), combined with double-digit growth in ARPU (+14.3%) on the back of the price increases implemented throughout the year. The Group recorded double-digit revenue growth across its major regions and its two main sales channels, B2C (+12.2%) and B2B (+10.4%).

A. Revenue by segment

B2C revenue amounted to €317.2 million in 2022 compared to €282.7 million in 2021, representing an increase of €34.5 million, or 12.2% (+10.8% at constant currency). This sustained revenue increase mainly reflected strong ARPU growth (+13.7%), due to price increases and the positive impact of the Group's strategy to focus on selected key markets. The B2C subscriber base continued to grow at a dynamic pace in France (+8.1%), which allowed for a full offset of the decline recorded in the Rest of World (-11.0%) as a result of the Group's strategy to improve economics in this region.

B2B revenue amounted to €118.5 million in 2022 compared to €107.4 million in 2021, representing an increase of €11.1 million, or 10.4% (+6.6% at constant currency). This mainly reflected a good performance of recent deals including SFR (France), Globo (Brazil) and A1 (Europe), the progressive ramp up of the RTL partnership launched in Q3 2022, as well as a double-digit growth in ARPU (+11.9%).

Other revenue, made up of advertising and ancillary revenue, amounted to €15.5 million in 2022 compared to €9.9 million in 2021, representing an increase of €5.6 million, or 56.0% (+48.8% at constant currency). This was mainly due to one-off revenue (notably from a hardware company partnership).

B. Revenue by geography

In France, revenue amounted to €273.2 million in 2022 compared to €242.6 million in 2021, representing an increase of €30.6 million, or 12.6%. This strong performance mainly reflected continued expansion of the Group's B2C subscriber base, as well as a solid growth in ARPU resulting from price increases.

In the Rest of World, revenue amounted to €178.0 million in 2022 compared to €157.4 million in 2021, representing an increase of €20.6 million, or 13.1% (+7.6% at constant currency). B2B revenue grew double-digits over the period, mainly thanks to increased ARPU and revenue growth from the launch of new deals in Brazil and Europe. In B2C, a stronger ARPU, due to price increases, allowed to more than offset a decrease of the subscriber base due to the Group's focus.

C. Subscriber base

The Group's total number of subscribers was 9.4 million as at December 31, 2022 compared to 9.6 million as at December 31, 2021, representing a decrease of 2.2%. The continued subscriber growth in France, driven by B2C, allowed to partly offset a decrease in the Rest of World due to the Group's strategy to focus on selected key markets.

In France, the number of B2C subscribers was 3.5 million as at December 31, 2022 compared to 3.2 million as at December 31, 2021, representing an increase of 8.1%. This strong performance mainly reflected higher family mix, continued acquisition funnel optimization, as well as improved churn rate despite the price increases. In addition, the B2B subscriber base grew slightly mainly due to the addition of new partners.

In the Rest of World, the number of B2C subscribers was 2.2 million as at December 31, 2022 compared to 2.4 million as at December 31, 2021, representing a decrease of 11.0%. This was mainly the result of the Group's strategy which led to a significant reduction of unprofitable spend in non-core long tail markets, thus impacting new B2C subscriber acquisitions. The subscriber base was also affected by the Group's decision to exit from the Russian market at the end of Q1 2022.

5.1.2.3 Cost of revenue

The cost of revenue, which mainly includes costs related to licensing rights, costs related to hosting infrastructure servers, network bandwidth costs and commissions charged by sales platforms and payment service providers, stood at €386.1 million in 2022 compared to €351.5 million in 2021, representing an increase of €34.6 million. This reflects the higher level of activity.

Deezer management uses adjusted cost of revenue as described in Section 5.1.4.1 "*Adjusted gross profit*" of this Universal Registration Document.

On an adjusted basis, the cost of revenue amounted to €353.2 million in 2022 compared to €315.9 million in 2021, representing an increase of €37.3 million, or 11.8%.

5.1.2.4 Adjusted gross profit

(in millions)	December 31, 2022	2021	Change (in %)
Adjusted gross profit	**98.0**	**84.1**	**+16.5%**
In % of total revenue	*21.7%*	*21.0%*	-
o/w B2C	76.5	70.5	+8.5%
In % of B2C revenue	*24.1%*	*24.9%*	-
o/w B2B	24.5	21.2	+15.5%
In % of B2B revenue	*20.6%*	*19.7%*	-
o/w Other	(3.0)	(7.6)	n/a

Adjusted gross profit amounted to €98.0 million in 2022 compared to €84.1 million in 2021, representing an increase of €13.9 million, or 16.5%. This mainly reflected a higher level of activity, more favorable B2B customer offer mix and the positive impact of the shutdown of the Group's freemium service in some countries, offset in part by higher publishing rates and increased content expenses related to the development of New Verticals.

As a result, adjusted gross profit margin increased from 21.0% in 2021 to 21.7% in 2022.

B2C adjusted gross profit amounted to €76.5 million in 2022 compared to €70.5 million in 2021, representing an increase of €6.0 million, or 8.5%. The strong B2C revenue growth was partly offset by increased publishing rates. This led to a slightly lower B2C adjusted gross margin at 24.1% in 2022 compared to 24.9% in 2021.

B2B adjusted gross profit amounted to €24.5 million in 2022 compared to €21.2 million in 2021, representing an increase of €3.3 million, or 15.5%. This was driven by a higher level of activity and more favorable B2B customer offer mix. As a result, B2B adjusted gross margin stood at 20.6% in 2022, up from 19.7% in 2021.

Adjusted gross profit of the Other segment amounted to €(3.0) million in 2022 compared to €(7.6) million in 2021, representing an improvement of €3.6 million. This reflected the positive impact of the shutdown of the Group's freemium service in some countries and a one-off revenue from a hardware company partnership, partly offset by investments in New Verticals.

Gross profit amounted to €65.1 million in 2022 compared to €48.5 million in 2021, representing an increase of €16.6 million, or 34.1%. This reflected a lower level of non-recurring charges included in Adjusted items. In 2022, the Group incurred €32.9 million of other non-recurring charges related to the licensing agreements signed with music labels between the end of 2020 and the beginning of 2021 which include an exceptional allocation of subscription warrants. The other non-recurring charges reflect the valuation of these warrants in accordance with IFRS 2, as well the Group's best estimate of the risk of having to pay music labels an additional amount to meet the guaranteed minimums specified in the contracts. Adjusted items amounted to €35.6 million in 2021, mainly related to non-recurring charges related to licensing agreement, as well as an onerous contract depreciation which was not incurred in 2022.

5.1.2.5 Product and development expenses

Product and development expenses amounted to €34.0 million in 2022 compared to €25.6 million in 2021, representing an increase of €8.4 million.

Employee costs increased by €5.0 million, as a result of higher headcount and increased average compensation. External expenses increased by €3.8 million, mainly reflecting additional investments related to the development of New Verticals. The amortization charge was lower by €0.5 million.

5.1.2.6 Sales and marketing expenses

Sales and marketing expenses amounted to €76.0 million in 2022 compared to €94.7 million in 2021, representing a decrease of €18.7 million.

Marketing costs decreased by €17.3 million to reach €55.9 million in 2022, reflecting the Group's strategy to focus on selected key markets, which led to a significant reduction of spending in non-core markets. External expenses increased by €0.8 million, while employee costs increased by €0.4 million. The amortization charge was lower by €2.6 million compared to 2021, which notably included the amortization of intangible assets acquired from Mugo Inc. in the course of 2020.

5.1.2.7 General and administrative expenses

General and administrative expenses amounted to €121.8 million in 2022 compared to €48.8 million in 2021, representing an increase of €73.1 million.

Employee costs increased by €6.6 million compared to 2021, as result of higher headcount and increased average compensation. External expenses include €68.6 million of share-based expenses, of which a €54.9 million non-cash listing service charge recognized in 2022 as part of the business combination of Deezer S.A. with I2PO S.A.

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5.1.2.8 Adjusted EBITDA

Adjusted EBITDA loss amounted to €55.7 million in 2022 compared to an adjusted EBITDA loss of €64.6 million in 2021, representing an improvement of €8.9 million. This mainly reflected higher adjusted gross profit and lower marketing expenses as a result of the Group's strategy to focus on selected key markets, partly offset by higher employee and general and administrative costs (including additional investments totalling approximately €9 million related to the development of New Verticals and the impact of the consolidation of Driift).

As a result, adjusted EBITDA margin increased from (16.2)% in 2021 to (12.4)% in 2022.

Excluding additional investments related to New Verticals and Driift, adjusted EBITDA improved by approximately €18 million in 2022 compared to 2021.

5.1.2.9 Operating loss (EBIT)

Operating loss amounted to €166.7 million in 2022 compared to an operating loss of €120.6 million in 2021, representing an increase of €46.2 million. This mainly reflected higher operating costs, including a €54.9 million non-cash listing service charge recognized in 2022 as part of the business combination of Deezer S.A. with I2PO S.A., partly offset by increased gross profit.

As a result, operating margin decreased from (30.1)% in 2021 to (37.0)% in 2022.

5.1.2.10 Financial result

Finance income amounted to €4.3 million in 2022 compared to €1.5 million in 2021, representing an increase of €2.8 million. This mainly reflected higher foreign exchange gain of €2.0 million in 2022 (compared to €1.4 million in 2021), mostly explained by the positive effect of the revaluation of intercompany debts expressed in euros of Deezer Music Brazil LTDA whose functional currency is Brazilian Real, and the recognition, in 2022, of €1.8 million fair value adjustment of financial liabilities related to market warrants (A and B BSARs(1)), which were issued by I2PO S.A. concomitantly to the Group's Merger.

Finance costs amounted to €3.7 million in 2022 compared to €2.3 million in 2021, representing an increase of €1.4 million. This mainly reflected other financial costs of €1.2 million recognized in 2022, comprising interest on extended terms of payment granted before the Merger.

5.1.2.11 Income tax

Income tax expense amounted to €1.0 million in 2022 compared to an income tax expense of €0.1 million in 2021, representing an increase of €0.9 million.

5.1.2.12 Equity affiliates

Share of loss of equity affiliates amounted to €1.4 million in 2022 compared to 1.9 million in 2021, reflecting the consolidation under the equity method of Dreamstage Inc. until May 24, 2022 and of Driift Holdings Limited until September 29, 2022 (both being fully consolidated since these dates respectively).

5.1.2.13 Net loss

Net loss amounted to €168.5 million in 2022 compared to a net loss of €123.3 million in 2021, representing an increase of €45.2 million. This mainly reflected higher operating loss, mostly resulting from a €54.9 million non-cash listing service charge recognized in 2022 as part of the business combination of Deezer S.A. with I2PO S.A.

5.1.3 Cash flows and financial resources

5.1.3.1 Consolidated cash flows

The following table provides a summary of the cash flows for the years ended December 31, 2022 and 2021:

	Year Ended December 31,	
(in € millions)	2022	2021
Net cash flows (used in)/from operating activities	(48.8)	(31.6)
Net cash flows (used in)/from investing activities	279.1	(9.6)
Net cash flows (used in)/from financing activities	(152.5)	23.8

A. Operating activities

Net cash flows used in operating activities amounted to €48.8 million in 2022 compared to net cash flows used in operating activities of €31.6 million in 2021, representing an increase of €17.1 million. This change reflected the improved adjusted EBITDA loss, slightly offset by lower generation of working capital compared to 2021.

(1) Bon de souscription d'actions remboursables.

In 2022, the Group's operating activities mainly reflected a net loss of €168.5 million, or €73.2 million excluding non-cash charges, partly offset by a positive change in working capital of €24.4 million.

In 2021, the Group's operating activities mainly reflected a net loss of €123.3 million, or €68.2 million excluding non-cash charges, partly offset by a positive change in working capital of €36.7 million.

B. Investing activities

Net cash flows from investing activities amounted to €279.1 million in 2022 compared to net cash flows used in investing activities of €9.6 million in 2021, representing an increase of €288.7 million.

In 2022, the Group's investing activities mainly reflected the funds obtained from the release of a €275 million escrow account as a result of the business combination of Deezer S.A. with I2PO S.A., as well as a €7.2 million positive impact of changes in the scope of consolidation related to Dreamstage Inc. and of Driift Holdings Limited, partially offset by purchases of property and equipment and intangible assets for €3.1 million.

In 2021, the Group's investing activities mainly reflected the subscription to share capital increases of Dreamstage Inc. and Driift Holdings Ltd for €5.0 million and €2.3 million respectively, purchases of property and equipment and intangible assets for €2.1 million, and purchases of non-current financial assets for €0.5 million. This was offset by proceeds from the disposal of non-current financial assets for €0.2 million.

C. Financing activities

Net cash flows used in financing activities amounted to €152.5 million in 2022 compared to net cash flows from financing activities of €23.8 million in 2021, representing a decrease of €176.3 million.

In 2022, the Group's financing activities mainly reflected €105.2 million increase in share capital more than offset by €251.3 million liability repayment as part of the business combination of Deezer S.A. with I2PO S.A.

In 2021, the Group's financing activities mainly reflected the subscription of three state-guaranteed loans for €25 million in January 2021.

5.1.3.2 Free cash flow

	Year Ended December 31,	
(in € millions)	2022	2021
Adjusted EBITDA	**(55.7)**	**(64.6)**
Change in working capital requirement	24.4	36.6
Capital expenditure	(3.0)	(2.0)
Leases*	(6.1)	(6.3)
Others	(3.1)	(11.1)
Free cash flow	**(43.6)**	**(47.5)**

* Including repayment of lease liabilities and net interest paid (including finance leases).

The Group recorded a negative free cash flow of €43.6 million in 2022 compared to a negative free cash flow of €47.5 million in 2021, an improvement of €3.9 million. This mainly reflected a reduction of adjusted EBITDA loss, which was slightly offset by a lower generation of working capital as compared to 2021.

5.1.3.3 Net cash

	Year Ended December 31,	
(in € millions)	2022	2021
Cash and cash equivalents	113.6	35.1
Financial debt	(28.3)	(25.1)
Net cash	**85.3**	**10.0**

Cash and cash equivalents amounted to €113.6 million as at December 31, 2022 compared to €35.1 million as at December 31, 2021, as a result of the funds raised as part of the Group's Merger. In July 2022, Deezer S.A. completed a business combination with I2PO S.A. The Group received €143 million of cash allowing it to execute on its business plan until 2025.

Financial debt totalled €28.3 million as at December 31, 2022 compared to €25.1 million as at December 31, 2021, reflecting state-guaranteed loans and related accrued interests. The Group's financial risk management and financial instruments are reported in Note 26 of the consolidated financial statements, enclosed in Chapter 6 "*Financial statements*" of this Universal Registration Document.

As a result, the Group's net cash amounted to €85.3 million as at December 31, 2022 compared to €10.0 million as at December 31, 2021.

5.1.4 Reconciliation of non-IFRS financial indicators

5.1.4.1 Adjusted gross profit

Adjusted gross profit corresponds to the gross profit (revenue less cost of revenue) excluding (i) non-recurring expenses related to license agreements such as costs relating to equity warrants and unused minimum guarantees, and (ii) in 2021, onerous contract depreciation. The Group excludes non-recurring items from its adjusted gross profit to allow management to more accurately evaluate the gross profit period.

The table below illustrates the reconciliation between gross profit and adjusted gross profit for the years ended December 31, 2022 and 2021:

	Year Ended December 31,	
(in € millions)	2022	2021
Gross profit	**65.1**	**48.5**
License agreements non-recurring expenses	32.9	28.0
Onerous contract depreciation	-	7.6
Adjusted gross profit	**98.0**	**84.1**

5.1.4.2 Adjusted EBITDA

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

The table below illustrates the reconciliation between operating loss and adjusted EBITDA for the years ended December 31, 2022 and 2021:

	Year Ended December 31,	
(in € millions)	2022	2021
Operating loss	**(166.7)**	**(120.6)**
Gross profit adjustments	32.9	35.6
Depreciation and amortization	8.7	11.9
Share-based expenses	68.6	10.2
Other non-recurring provisions	0.9	(1.6)
Adjusted EBITDA	**(55.7)**	**(64.6)**

5.2 Comments on Q1 2023 revenue

5.2.1 Key figures

5.2.1.1 Breakdown of revenue by segment

The table below provides the split of total revenue by segment for Q1 2023 and Q1 2022:

(in €millions)	Q1 2023	Q1 2022	Change (in %)	Chg. at constant FX (in %)
B2C	81.7	76.3	+7.2%	+7.3%
B2B	30.8	28.1	+9.8%	+8.5%
Other	2.6	3.9	(32.2)%	(32.9)%
Total revenue	**115.2**	**108.2**	**+6.5%**	**+6.2%**

5.2.1.2 Breakdown of revenue by geography

The table below provides the split of total revenue by geography for Q1 2023 and Q1 2022:

(in € millions)	Q1 2023	Q1 2022	Change (in %)	Chg. at constant FX (in %)
France	70.2	64.6	+8.6%	+8.6%
Rest of World	45.0	43.6	+3.3%	+2.6%
Total revenue	**115.2**	**108.2**	**+6.5%**	**+6.2%**

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5.2.1.3 Key performance indicators

The table below provides the split of subscribers by segment for Q1 2023 and Q1 2022:

(in millions)	Q1 2023	Q1 2022	Change (in %)
B2C	5.6	5.5	+2.3%
o/w France	3.5	3.2	+9.8%
o/w Rest of World	2.1	2.3	(8.1)%
B2B	3.6	4.0	(8.2)%
Total subscribers[1]	**9.3**	**9.5**	**(2.1)%**

(1) As of March 31, in million

The table below provides the average measure of ARPU on a monthly basis for Q1 2023 and Q1 2022:

(in€)	Q1 2023	Q1 2022	Change (in %)
B2C	4.8	4.5	+6.6%
B2B	2.8	2.4	+17.5%
Total	**4.1**	**3.8**	**+9.0%**

5.2.2 Analysis of Q1 2023 consolidated revenue

Consolidated revenue amounted to €115.2 million in the first quarter of 2023, an increase of 6.5% compared to the first quarter of 2022 (+6.2% at constant currency), reflecting solid B2C performance (+7.2%), especially in France, and ongoing profitable B2B expansion (+9.8%), offset in part by lower Other revenue (-32.2%).

A. Revenue by segment

B2C revenue amounted to €81.7 million in the first quarter of 2023 (c. 71% of consolidated revenue), up 7.2% compared to the first quarter of 2022 (+7.3% at constant currency). This revenue increase was primarily driven by a continued expansion of the group's subscriber base in France (+9.8%), which allowed for clearly offsetting a decline in the Rest of World (-8.1%) as a result of Deezer's strategy to focus on selected key markets. B2C ARPU also improved year-over-year (+6.6%), driven by a double-digit growth in the Rest of World on the back of the price increases and the positive impact of the group's refocus on key geographies, and despite the expected gradual end of the price increase effect implemented in France in January 2022.

B2B revenue amounted to €30.8 million in the first quarter of 2023 (c. 27% of consolidated revenue), up 9.8% compared to the first quarter of 2022 (+8.5% at constant currency), mainly as a result of the good performance of existing and new deals with large Telecom operators in France and Brazil and the progressive ramp up of the RTL partnership launched in Q3 2022.

Other revenue, which is mainly made up of advertising and ancillary revenue, amounted to €2.6 million in the first quarter of 2023, down 32.2% compared to the first quarter of 2022 which included a one-off revenue from a hardware company partnership. This decline also reflected lower advertising revenue as Deezer decided to shut down its loss-making freemium service in long-tail countries.

B. Revenue by geography

In France, revenue totaled €70.2 million in the first quarter of 2023 (c. 61% of consolidated revenue), up 8.6% compared to the first quarter of 2022, mainly reflecting the continued expansion of the group's B2C subscriber base (+9.8%).

In the Rest of World, revenue was €45.0 million in the first quarter of 2023 (c. 39% of consolidated revenue), up 3.3% compared to the first quarter of 2022 (+2.6% at constant currency), as a double-digit growth in ARPU allowed to more than offset the decline of the subscriber base resulting from the group's strategy to focus on selected key markets where the unit economics are more attractive for Deezer.

C. Subscriber base

The Group's total number of subscribers reached 9.3 million as at March 31, 2023 compared to 9.5 million as at March 31, 2022, representing a decrease of 2.1%. The continued B2C subscriber growth in France allowed to partly offset a subscriber decline recorded in the Rest of World.

In B2C, the group's number of subscribers totaled 5.6 million as at March 31, 2023, recording an increase of 2.3% compared to March 31, 2022. In France, the B2C subscriber base continued to grow at a dynamic pace, reaching 3.5 million subscribers as at March 31, 2023 (+9.8%). In the Rest of World, the number of B2C subscriber declined to 2.1 million at end March 2023 (-8.1%) as the group's strategy to focus on selected key markets led to a significant reduction of unprofitable spend, thus impacting new B2C subscriber acquisitions throughout 2022.

In B2B, the group's number of subscribers stood at 3.6 million as at March 31, 2023, recording a decrease of 8.2% compared to March 31, 2022, mainly as a result of a decline of the subscriber base in the Rest of World. This decline was driven by a legacy hard-bundled offer in Brazil not included anymore for new customers, with limited impact on revenue given low ARPU.

D. ARPU

ARPU stood at €4.1 in the first quarter of 2023 compared to €3.8 in the first quarter of 2022, representing an increase of 9.0%, with growth across both B2C (+6.6%) and B2B (+17.5%) segments, which underscores the relevance and successful execution of the group's strategy to improve business economics.

5.3 2023 priorities and outlook

With respect to 2023, in order to mitigate execution risks in the current market conditions and secure its path to profitability by 2025, the Group has decided to prioritize profitability, while still delivering double-digit revenue growth compared to 2022[(1)].

In 2023, the Group will continue to execute on its profitable growth strategy with the following priorities:

- new feature development in the product to fuel differentiation and further monetization;
- further acceleration of profitable B2B expansion on the back of recently announced partnerships such as Sonos (US), RTL (Germany) and DAZN (Italy);
- ramp-up of New Verticals to reach breakeven as of H2 and drive profitability improvement;
- strict management of cost base to keep staff and G&A expenses flat.

Consequently, the Group expects for 2023:

- double-digit revenue growth, in excess of 10% compared to 2022, mainly driven by the further expansion of the B2B segment;
- a further significant reduction in adjusted EBITDA[(2)] loss compared to 2022.

Given its focus on profitable growth, the Group confirms it remains on a path to generate a positive cash flow[(3)] in 2024 and achieve a positive adjusted EBITDA in 2025, while delivering double-digit annual revenue growth over the period.

5.4 Subsequent events

On February 16, 2023, Deezer announced a long-term partnership with Sonos to power the brand's streaming radio service Sonos Radio and its subscription service Sonos Radio HD, delivering an expansive catalog of music curated for Sonos customers in 16 countries worldwide. The partnership was launched on April 20, 2023.

On February 28, 2023, Stu Bergen was provisionally appointed by the Board of Directors to replace Amanda Cameron, who resigned from her position as director. The provisional appointment of Stu Bergen as director of the Company will have to be ratified by the next ordinary shareholders' meeting of the Company.

To the Company's knowledge, there were no significant change in the financial situation of the Group since the end of the fiscal year ended December 31, 2022.

(1) Refer to the press release published by Deezer on January 11, 2023.
(2) As defined in Section 5.1.4.2 *"Adjusted EBITDA"* of this Universal Registration Document.
(3) Cash flow pre-funding (prior to any potential increase of share capital of and/or potential debt repayment by Deezer which may occur).

Financial statements

6

6.1 Consolidated financial statements for the fiscal year ended December 31, 2022

Deezer S.A.

A French *société anonyme à conseil d'administration* with share capital of €1,210,876,70 whose registered office is located at 24, rue de Calais, 75009 Paris and registered with the Trade and Companies Register of Paris under number 898 969 852.

6.1.1 Consolidated income statements

(in thousands of euros)	Note	For the year ended December 31, 2022	2021
Revenue	**5**	**451,199**	**400,019**
Cost of revenue	5	(386,103)	(351,490)
Gross Profit		**65,095**	**48,529**
Product and development	6.1	(34,025)	(25,620)
Sales and marketing	6.1	(75,973)	(94,702)
General and administrative	6.1	(121,843)	(48,761)
Operating loss		**(166,746)**	**(120,554)**
Finance income	8	4,319	1,526
Finance costs	8	(3,685)	(2,304)
Financial result - Net		634	(778)
Loss before income tax		**(166,112)**	**(121,332)**
Income tax expense	9	(997)	(72)
Share of loss of equity affiliates	14	(1,368)	(1,854)
Net loss for the year		**(168,477)**	**(123,258)**
of which attributable to owners of the parent		**(167,702)**	**(123,258)**
of which attributable to non-controlling interests		**(775)**	-
Net loss per share attributable to owners of the parent			
Basic	10	(1.55)	(1.33)
Diluted	10	(1.55)	(1.33)
Weighted-average shares			
Basic	10	108,475,324	92,929,080
Diluted	10	108,475,324	92,929,080

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

6.1.2 Consolidated statements of comprehensive loss

(in thousands of euros)	Note	For the year ended December 31, 2022	2021
Net loss for the year		**(168,477)**	**(123,258)**
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to consolidated statement of operations (net of tax):			
Currency translation adjustments		(3,806)	(175)
Items not to be subsequently reclassified to consolidated statement of operations (net of tax):			
Actuarial gains and losses on defined benefit plans	22	583	14
Other comprehensive income/(loss) (net of tax)		**(3,223)**	**(161)**
Total comprehensive loss for the year		**(171,700)**	**(123,419)**
of which attributable to owners of the parent		*(171,011)*	*(123,419)*
of which attributable to non-controlling interests		*(689)*	*0*

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

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6.1.3 Consolidated statements of financial position

(in thousands of euros)	Note	As of December 31, 2022	Restated 2021
Assets			
Non-current assets			
Goodwill	11	15,070	7,487
Intangible assets	11	524	1,427
Property and equipment	12	5,881	5,838
Right-of-use assets	13	21,061	24,663
Investments in equity affiliates	14	-	5,500
Non-current financial assets	15	5,440	5,321
Other non-current assets	16	1,705	2,284
Total non-current assets		**49,681**	**52,520**
Current assets			
Trade and other receivables	17	47,713	33,986
Other current assets	18	23,051	12,877
Cash and cash equivalents	26	113,610	35,097
Total current assets		**184,374**	**81,960**
Total assets		**234,055**	**134,480**
Equity and liabilities			
Equity			
Share capital*	19	1,211	944
Share premium*	19	483,976	368,471
Treasury shares		(320)	-
Consolidated reserves		(501,852)	(463,490)
Net loss		(167,702)	(123,258)
Equity attributable to owners of the parent		**(184,687)**	**(217,333)**
Non-controlling interest reserves		2,866	-
Total Equity		**(181,821)**	**(217,333)**
Non-current liabilities			
Provision for employee benefits	22	692	1,043
Lease liabilities	13	19,040	21,454
Financial liabilities	26	23,288	25,000
Total non-current liabilities		**43,020**	**47,497**
Current liabilities			
Provisions	21	16,018	11,585
Lease liabilities	13	4,060	5,001
Financial liabilities	26	4,988	112
Trade payables and related accrued expenses	23	283,373	235,552
Tax and employee-related liabilities	24	37,990	32,870
Deferred revenue		23,193	16,960
Other liabilities	25	3,234	2,236
Total current liabilities		**372,856**	**304,316**
Total liabilities		**415,876**	**351,813**
Total equity and liabilities		**234,055**	**134,480**

* Share capital and share premium have been restated in order to present the merger impacts as at December 31, 2021, as per Note 19.

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

6.1.4 Consolidated equity

(in thousands of euros, except share numbers)	Note	Number of shares	Share capital	Share premium	Treasury shares	Consolidated reserves	Net loss	Total shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2021 - Restated	**4.1, 19**	**92,342,069**	**923**	**363,367**	**-**	**(400,133)**	**(95,361)**	**(131,204)**	**-**	**(131,204)**
Net loss		-	-	-	-	-	(123,258)	(123,258)	-	(123,258)
Other comprehensive income		-	-	-	-	(161)	-	(161)	-	(161)
Appropriation of prior year net loss		-	-	-	-	(95,361)	95,361	-	-	-
Issuance of ordinary shares granted to employees	19, 20	606,911	6	(6)	-	-	-	-	-	-
Issuance of warrants	19	-	-	40	-	-	-	40	-	40
Issuance of ordinary shares upon exercise of warrants	19	1,437,149	14	5,070	-	-	-	5,085	-	5,085
Share-based payments	20	-	-	-	-	32,165	-	32,165	-	32,165
Balance at December 31, 2021 - Restated	**4.1, 19**	**94,386,129**	**944**	**368,471**	**-**	**(463,490)**	**(123,258)**	**(217,333)**	**-**	**(217,333)**
Net loss		-	-	-	-	-	(167,702)	(167,702)	(775)	(168,477)
Other comprehensive income		-	-	-	-	(3,804)	-	(3,804)	(2)	(3,806)
Appropriation of prior year net loss		-	-	-	-	(123,258)	123,258	-	-	-
Issuance of ordinary shares granted to employees	19, 20	71,055	1	(1)	-	-	-	-	-	-
Treasury shares		-	-	-	(320)	-	-	(320)	-	(320)
Combination between I2PO and Deezer	4.1	11,296,305	113	10,363	-	54,944	-	65,420	-	65,420
Capital increase	19	15,334,181	153	105,142	-	(131)	-	105,165	-	105,165
Share-based payments	20	-	-	-	-	33,291	-	33,291	-	33,291
Actuarial gains and losses on defined benefit plans	22	-	-	-	-	583	-	583	-	583
Changes in the scope of consolidation		-	-	-	-	-	-	-	3,643	3,643
Other		-	-	-	-	13	-	13	0	13
Balance at December 31, 2022		**121,087,670**	**1,211**	**483,976**	**(320)**	**(501,852)**	**(167,702)**	**(184,687)**	**2,866**	**(181,821)**

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

6.1.5 Consolidated statements of cash flows

(in thousands of euros)	Note	For the year ended December 31, 2022	2021
Operating activities:			
Net loss		(168,477)	(123,258)
Adjustments for:			-
• Depreciation and amortization (excluding those related to current assets)	11.12,13	8,780	11,854
• Provisions	21.22	4,649	6,933
• Unrealized gains and losses on fair value operations		-	-
• Share-based compensation expense	20	88,235	32,165
• Gains and losses on disposals	13	(7,449)	1,493
• Share of Loss of Equity Affiliates (net of dividends distributed)	14	360	1,854
• Discounting profits and losses		(1,821)	7
• Net debt costs (including interest on lease liabilities)		1,543	631
• Income tax paid	9	997	72
Changes in working capital:			-
• (Increase)/decrease in trade receivables and other assets		(20,711)	(263)
• Increase/(decrease) in trade and other liabilities		45,122	36,925
Income tax paid		(6)	(52)
Net cash flows from operating activities		**(48,778)**	**(31,639)**
Investing activities:			-
Purchases of property and equipment and intangible assets	11.12	(3,053)	(2,054)
Release of the escrow account and other	15	274,875	(543)
Proceeds from the disposal of intangible and tangible assets		22	28
Proceeds from the disposal of non-current financial assets	15	12	240
Impact of changes in the scope of consolidation	14	7,220	(7,297)
Net cash flows used in investing activities		**279,076**	**(9,626)**
Financing activities:			-
Increase in share capital and share premium (net of costs)	19	105,165	5,125
Repayments on short-term debt	4.1	(251,569)	-
Repurchases of ordinary shares		(390)	-
Proceeds from issuance of long-term debt	26	422	25,000
Repayment of lease liabilities	13	(4,512)	(5,773)
Net interest paid (including finance leases)	8	(1,617)	(519)
Net cash flows (used in)/from financing activities		**(152,501)**	**23,833**
Effect of foreign exchange rate changes on cash and cash equivalents		716	89
Change in net cash position		**78,513**	**(17,343)**
Cash and cash equivalents at the beginning of the period	26	35,097	52,440
Cash and cash equivalents at the end of the period	26	113,610	35,097
Change in net cash position		**78,513**	**(17,343)**

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

6.1.6 Notes to the consolidated financial statements

In the present notes to the consolidated financial statements:

- Deezer S.A. refers to the accounting acquirer before the merger completion on July 5, 2022;
- I2PO S.A. refers to the accounting acquiree before the merger completion on July 5, 2022;
- the Company refers to the combined entity after the merger completion on July 5, 2022.

Note 1 Company information

1.1 Company information

The Company or the Parent is a private limited company incorporated and domiciled in France, with a registered office located 24, rue de Calais 75009 Paris.

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

Deezer Group makes more than 90 million music tracks available to its customers.

The main activities of the Group's companies are:

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

1.2 Significant events

On April 18, 2022, I2PO S.A., a special purpose acquisition company publicly traded company on the professional segment of the regulated market of Euronext Paris, and Deezer S.A. entered into a definitive agreement for a business combination that resulted in the merger of Deezer S.A. with and into I2PO S.A..

On May 24, 2022, Deezer S.A. entered into a second investment agreement with Dreamstage, Inc. Under this investment contract, Deezer S.A. subscribed to a share capital increase of US$2 million granting Deezer S.A. a total ownership of 77.2%, in terms of share capital and vote rights.

On July 5, 2022, Deezer S.A. legally merged with and into I2PO S.A., whose registered office was located 12, rue François 1er, 75008 Paris, France, registered with the *Registre du commerce et des sociétés* under number 898,969,852 RCS Paris.

As part of the merger, Deezer S.A. was dissolved and all its assets and liabilities were automatically transferred to I2PO S.A. by operation of law and I2PO S.A. encompassing the activities and business of Deezer S.A. was renamed "Deezer S.A.".

On the same day, I2PO S.A. received €119 million through subscription agreements ("the PIPE") reserved to existing and new investor.

Concomitantly, the registered office of I2PO S.A. was transferred to 24, rue de Calais, 75009 Paris, France.

On August 3, 2022, the Company released €275 million from its escrow account, redeemed the class B preferred shares held by its dissenting market shareholders for an amount of €251.3 million and repaid this amount to those shareholders. The Company kept €23.7 million in cash at bank.

On August 16, 2022, RTL Deutschland announced the launch of music streaming app RTL+ Musik. Through its partnership with the Company, paying subscribers of RTL+ in Germany have access to 90 million tracks, more than 5,000 curated playlists, and a user-friendly interface with key music streaming features.

On September 7, 2022, the Company announced the conclusion of a partnership with French e-commerce leader Cdiscount.

On September 29, 2022, the Company acquired additional minority shares of Dreamstage Inc. and strengthened its majority shareholder position with a total ownership of 86.0% in terms of share capital and vote rights. The Company sold its investment in Dreamstage Inc. in exchange of shares of Driift Holdings Limited and subscribed to a share capital increase of £4 million of Driift Holdings Limited. As a result of the additional investment and the business combination, the Company became the largest shareholder of Driift Holdings Limited with a 45.5% ownership and became the indirect majority shareholder of Dreamstage Inc. fully owned by Driift Holdings Limited since then. The transaction brings together Driift Holdings Limited's production capabilities with Dreamstage Inc.'s technology and commerce platform.

On December 13, 2022, Ingrid Bojner and Mark Simonian were co-opted by the Board of Directors to replace Alban Gréget and Jeronimo Folgueira, who resigned from their positions as directors. Jeronimo Folgueira, who stepped down in order to allow for an additional independent director to join the Board of Directors, continues his mandate as Chief Executive Officer.

On December 21, 2022, the Company launched ZEN by Deezer in France. The new paid subscription features adaptive music and audio experiences for sleep and relaxation. The app also includes guides, exercises and other content created by psychologists, coaches, teachers and other recognized experts.

On December 31, 2022, Guillaume d'Hauteville resigned from his office as Chairman of the Board of Directors, and Iris Knobloch was appointed chairwoman of the Board, effective January 1, 2023. Following the change, Guillaume d'Hauteville was appointed Vice-Chairman of the Board of Directors, a position previously held by Iris Knobloch.

The Group's operations in Russia and in Ukraine are impacted by the consequences of the war in Ukraine. As these operations are non-significant, their impacts are limited on the consolidated financial statements for the year ended December 31, 2022.

Note 2 Summary of significant accounting policies

The consolidated financial statements as of and for the year ended December 31, 2022 were prepared under management's supervision and were authorized for issue by the Board of Directors on February 28, 2023.

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.

2.1 Basis of preparation

2.1.1 Compliance with IFRS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB) and endorsed by the European Union and whose application is mandatory as of December 31, 2022.

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.

On February 28, 2023, 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 has adopted the going concern basis in preparing the financial statements.

2.1.2 New and amended standards adopted by the Group

The application of standards, amendments to existing standards and interpretations published by the IASB whose application has been mandatory since January 1, 2022 had no significant impact on the Company's consolidated financial statements as of December 31, 2022. They primarily concern:

- amendments to IFRS 3 related to the conceptual framework;
- amendments to IAS 37 related to onerous contracts;
- amendments to IAS 16 related to proceed before intended use;
- IFRIC decision of March 2021 on configuration or customization costs in a cloud computing arrangement (IAS 38).

2.1.3 New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Group:

- IFRS 17, *Insurance contracts and amendments to IFRS 17*;
- amendments to IAS 1, *Classification of liabilities as current or non-current; Disclosure of accounting policies*;
- amendments to IAS 8, *Definition of accounting estimates*;
- amendments to IAS 12 Income Taxes, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*;
- amendments to IFRS 16, *Leases Lease Liability in a Sale and Leaseback*.

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.

2.2 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 the Company exercises exclusive control are fully consolidated.

Companies, or subsidiaries, over which the Company exercises a significant influence on operational and financial strategies are consolidated under equity method.

2.3 Foreign currency translation

2.3.1 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.

2.3.2 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.

2.3.3 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 closing and average Euro to Brazilian Real exchange rates used in the consolidated financial statements to convert the operations of the Brazilian subsidiary have changed significantly in 2022 compared to 2021.

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.

2.4 Revenue Recognition

2.4.1 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.

2.4.2 Direct Revenue – B2C and Stand-Alone subscriptions (Indirect Revenue – B2B)

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.

2.4.3 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 over the remaining years of the contract, in accordance with the terms and conditions of the contract.

2.4.4 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.

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.

2.5 Cost of revenue

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

2.5.1 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 prorata 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 amortized over the contract term and the annual amortization 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.

2.5.2 Distribution and other costs

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

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.9.1 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.

2.9.2 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.

2.10 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.

The calculation of basic earnings per share as a result of the merger is detailed in Note 10 “Loss per share”.

2.11 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, and the cash flow expected from its disposal. 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 of the activity supported by the goodwill prepared by Management on the basis of growth and profitability, and consistent with the Deezer Group’s business plan validated by the Board of Directors;
- exit revenue multiple;
- revenue growth rate;
- gross margin growth rate;
- discount rate.

2.12 Intangible assets

2.12.1 Development costs

Internal development costs may be capitalized 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.

2.12.2 Software and licenses

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

2.12.3 Other intangible assets

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

2.12.4 Amortization

Intangible assets with a finite life are amortized 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 life are not amortized 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.

2.13 Property and equipment

Property and equipment are 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.

2.14 Right-of-use assets and lease liabilities

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 specific to each lessee;

  These rates correspond to interest rates which the lessee 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;

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

2.15 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 are reviewed for possible reversal each reporting period.

2.16 Financial instruments

2.16.1 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 (other than trades receivables) 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.

Derecognition

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

Impairment of financial assets

Financial assets such as trade receivables are impaired according to an impairment model based on expected losses. The Group applies the provisions of IFRS 9 relating to the simplified model of the original provision over the maturity of the instrument.

Credit risk is assessed upon recognition in the balance sheet at each closing date taking into account reasonable and justifiable information available as well as statistics in terms of collection. The main factors considered when identifying these potential impairment losses include actual financial difficulties of a debtor or payment delays.

2.16.2 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, as the BSARs can be converted into a variable number of new ordinary shares, they are accounted for as derivatives at fair value through profit or loss.

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

Financial liabilities at amortized cost

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.

2.16.3 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, and are based on the lowest level input that is significant to the fair value measurement as a whole:

- level 1: 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 all 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 and 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.

2.16.4 Derivative instruments

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

2.17 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.

2.18 Share capital

Ordinary shares are classified as equity.

I2PO S.A. issued shares to its founders that (i) are not convertible into a variable number of equity instruments, and (ii) include no obligation for the company to deliver cash. These shares – *i.e.* the A2 and A3 preferred shares – are therefore classified as equity instruments in accordance with IAS 32.16.

2.19 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 Deezer S.A. 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 Deezer S.A. or 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.

2.20 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.

2.21 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 actuarial assumptions are recognized in other comprehensive income.

Note 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:

3.1 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 19 and 20 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 €20,033 thousands and €21,153 thousands for the years ended December 31, 2022 and 2021, respectively.

3.2 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 19 and 20. 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. Based on actual figures of new subscribers in Mexico and on a business plan, Deezer S.A. estimated the number of warrants which could be exercised at 140,494 and recognized costs amounting to €2,501 thousands for the year ended December 31, 2021. At the contract termination in May 2022, the number of warrants which could be definitively exercised was 140,494 and a cost of €1,566 thousands was recognized during the year ended December 31, 2022. At the warrant exercise date, the value per share was estimated at a value similar to the value per share used at the contract signature date.

3.3 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 20).

3.4 Goodwill

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

3.5 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.

3.6 Provisions for impairment 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.

Note 4 Business combinations and equity investments

4.1 Combination between I2PO S.A. and Deezer S.A.

On April 18, 2022, I2PO S.A. and Deezer S.A. entered into a merger agreement. Pursuant to this agreement, Deezer S.A. merged with and into I2PO S.A. As a result, I2PO S.A. legally acquired all assets and liabilities of Deezer S.A. through the merger and the latest was dissolved. Additionally, I2PO S.A. and Deezer S.A. entered into subscription agreements with Group Artemis, one founder of I2PO S.A., certain shareholders of Deezer S.A. and new investors (the "PIPE investors") for the purpose of a placement reserved to a specific category of investors (the "PIPE"). In return for their investment, the PIPE investors received new ordinary shares of the Company. The merger and the PIPE were completed on July 5, 2022 following the approval of the merger by the shareholders of I2PO S.A. and Deezer S.A.

For accounting purposes, the management of I2PO S.A. and Deezer S.A. first assessed the different factors described in IFRS 3, *Business Combinations*, (in particular paragraphs 6-7 and B13-B18) to determine the accounting treatment of the merger. While the legal acquirer is usually the entity that transfers shares, other pertinent facts and circumstances had to be considered, including the following: (i) Deezer former shareholders having a larger portion of voting rights in the entity after completion of the merger and the PIPE, (ii) Deezer representatives having a larger presence in the governance and senior management of the entity after completion of the merger and the PIPE and (iii) Deezer being the operational entity generating revenue. Based on these assessments, the management of I2PO S.A. and Deezer S.A. concluded that Deezer S.A. was the acquirer of I2PO S.A. for accounting purposes although, from a legal perspective, I2PO S.A. was the surviving entity of the merger.

Furthermore, since I2PO S.A. did not meet the definition of a business in accordance with IFRS 3, the merger was treated as a capital reorganization, which enters in the scope of IFRS 2, *Share-based payments*, and as the reverse acquisition of I2PO S.A.'s assets and liabilities. Accordingly, the merger was treated as the equivalent of Deezer S.A. issuing shares at the closing of the merger in exchange for the assets and liabilities of I2PO S.A. at that date, accompanied by a recapitalization. Any excess of the fair value of Deezer S.A.'s shares deemed to be issued over the fair value of I2PO S.A.'s identifiable net assets acquired represents compensation for the service of a stock exchange listing for its shares and is expensed as incurred at the date of the merger.

After the merger and the redemption, the founders and former shareholders of I2PO S.A. who did not redeem their shares converted all the 2,291,664 class A1 shares and 2,366,819 market shares they hold into ordinary shares of I2PO S.A. and received an aggregate number of 4,658,483 ordinary shares of I2PO S.A. The 4,583,334 remaining class A2 shares and class A3 shares were not converted at the closing of the merger.

The ordinary shares deemed issued were valued at €46.6 million based on a price per share of €10, corresponding to the price per share considered in the merger agreement. Class A2 shares and class A3 shares deemed issued were valued at €18.8 million using the Monte Carlo model.

In exchange for the deemed issue of these shares, from an IFRS standpoint, Deezer S.A. received the net assets of I2PO S.A., a public listed entity. The net assets of I2PO S.A. were valued at €10.5 million. This amount corresponded to current financial assets of €275 million, to current financial liabilities of €251.3 million, to net current assets and liabilities of €8.7 million, to cash and cash equivalent for €0.1 million and to the warrant liability of €4.7 million.

The €275 million escrow account was released to the Company on August 3, 2023 in order to settle the €251.3 million liability to the dissenting shareholders. This settlement occurred on the same day.

IFRS 2 applies to transactions where an entity grants equity instruments in return of goods and service, or where it cannot identify specifically some or all of the goods or service received in return. The fair value of the shares deemed issued was in excess of the fair value of the net assets of I2PO S.A. received.

Based on IFRS 2, this difference corresponded to the deemed cost of the listing service provided by I2PO S.A. to Deezer S.A. and was recognized as a charge.

	Number of shares	Share value (in €)	Total (in € thousands)
Ordinary shares	4,658,483	10.00	46,585
Class A2 shares	2,291,667	4.33	9,923
Class A3 shares	2,291,667	3.88	8,892
Total shares deemed issued		**(a)**	**65,400**
Net assets of I2PO S.A.		**(b)**	**10,456**
Non-cash listing service charge		**(b)-(a)**	**(54,944)**

The €54.9 million non-cash listing service charge is classified under General and administrative external expenses (See Note 6.1 "Expenses per nature") and is shown as part of Combination between I2PO and Deezer in 2022 variations in the consolidated statements of changes in shareholders' equity.

In accordance with IFRS 3, *Business Combinations*, as applied to a reverse acquisition, the share capital shown in the consolidated statements of financial position and in the consolidated statements of changes in shareholders' equity has been restated, in the comparative financial information, in order to reflect the share capital of the legal acquirer, I2PO S.A., with the difference between share capital of the legal acquirer and the accounting acquirer, Deezer S.A., being aggregated and shown as part of share premium (See Note 19 "Share capital and share premium").

4.2 Investments

On May 24, 2022, Deezer S.A. entered into a second investment agreement with Dreamstage, Inc. Under this investment contract, Deezer S.A. subscribed to a share capital increase of US$2 million granting it a total ownership of 77.2%, in terms of share capital and vote rights.

Dreamstage Inc. was consolidated under the equity method in the Group's consolidated financial statements until May 24, 2022. It has been consolidated under the full consolidation method since this date.

On September 29, 2022, the Company acquired additional minority shares of Dreamstage Inc. and strengthened its majority shareholder position with a total ownership of 86.0% in terms of share capital and vote rights. The Company sold its investment in Dreamstage Inc. in exchange of shares of Driift Holdings Limited and subscribed to a share capital increase of £4 million of Driift Holdings Limited. As a result of the additional investment and the business combination, the Company became the largest shareholder of Driift Holdings Limited with a 45.5% ownership and became the indirect majority shareholder of Dreamstage Inc. fully owned by Driift Holdings Limited since then.

Driift Holdings Limited is fully consolidated, according to the criteria of IFRS 10. The Company has the ability to make key decisions relating to the management of Driift Holdings Limited with regard to the appointment of Board members and receives the subsidiary's variable results.

Note 5 Segment information

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

The Group has identified three operating segments:

- Direct – 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.

(in € thousands)		Revenue	Cost of revenue	Gross Profit
	Direct	317,237	(240,786)	76,451
	Indirect	118,511	(94,053)	24,458
	Other	15,451	(18,402)	(2,951)
	Total adjusted	**451,199**	**(353,241)**	**97,958**
	Adjustments	-	(32,863)	(32,863)
Year ended December 31, 2022	**Total consolidated**	**451,199**	**(386,103)**	**65,095**
	Direct	282,719	(212,231)	70,488
	Indirect	107,393	(86,215)	21,177
	Other	9,907	(17,482)	(7,574)
	Total adjusted	**400,019**	**(315,928)**	**84,090**
	Adjustments	-	(35,562)	(35,562)
Year ended December 31, 2021	**Total consolidated**	**400,019**	**(351,490)**	**48,529**

Other cost of sales including commissions charged by sales platforms and payment service providers, hosting infrastructure servers and network bandwidth costs have been split per segment in the above table. These costs were not split per segment in the consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 authorized for issue by the Board of Directors on March 23, 2022.

Main adjustments in Cost of revenue comprise (i) non-recurring expenses related to licence agreements, such as costs relating to equity warrants (in 2022 and 2021), (ii) licence agreements unused minimum guarantees (in 2022 and 2021) and (iii) onerous contract related depreciation (in 2022 and 2021). These adjustments are not included in the adjusted Gross Profit.

Revenue by geographical area breakdowns as follows:

	Year ended December 31,	
(in € thousands)	2022	2021
France	273,192	242,646
Rest of the world	178,007	157,373
	451,199	**400,019**

One distribution partner represents more than 10% of total revenue, both in 2022 and 2021 (See Note 28 “Related party transactions”).

Note 6 Operating expenses

6.1 Expenses per nature

Costs by nature comprise the following items:

2022

(in € thousands)	Product and Development	Sales and Marketing	General and Administrative	Total
Employee costs	(24,889)	(16,891)	(38,077)	(79,856)
External expenses	(5,629)	(1,974)	(75,534)	(83,138)
Marketing costs	(209)	(55,928)	(290)	(56,426)
Miscellaneous taxes	(132)	(69)	(3,510)	(3,710)
Amortization	(3,167)	(1,111)	(4,433)	(8,710)
	(34,025)	**(75,973)**	**(121,843)**	**(231,841)**

General and administrative external expenses include the non-cash listing service charge of €54,944 thousands (see Note 4.1 “Combination between I2PO S.A. and Deezer S.A.”).

2021

(in € thousands)	Product and Development	Sales and Marketing	General and Administrative	Total
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)**

6.2 Personnel expenses

Employee costs per nature breaks down as follows

(in € thousands)	2022	2021
Wages and salaries	(46,655)	(41,471)
Social costs	(21,287)	(17,779)
Share-based compensation	(11,692)	(8,511)
Employee retirement benefit costs	(222)	(199)
	(79,856)	**(67,960)**
Average headcount	**589**	**575**

During the year ended December 31, 2022, the Company booked a €467 thousands French tax credit relating to research and development in respect of 2021 expenses. The research and development expenses incurred by the Company in 2022 will give rise to a French tax credit to be assessed and recorded in 2023.

During the year ended December 31, 2021, Deezer S.A. booked a €520 thousands French tax credit relating to research and development in respect of 2020 expenses.

These tax credits are included in wages and salaries.

Note 7 Auditors' fees

(in € thousands)		2022	2021
Ernst & Young Audit	Audit of the Company's and the Group's annual financial statements and limited review of the Group's interim financial statements	494	-
	Other work and services directly related to the responsibilities of statutory auditors	13	-
Mazars	Audit of the Company's and the Group's annual financial statements and limited review of the Group's interim financial statements	210	23
	Other work and services directly related to the responsibilities of statutory auditors	115	65
Grant Thornton	Audit of the Company's and the Group's annual financial statements and limited review of the Group's interim financial statements	202	23
	Other work and services directly related to the responsibilities of statutory auditors	110	65
		1,143	**176**

On June 30, 2022, Ernst & Young Audit was appointed statutory auditor of I2PO S.A., in addition to Mazars and Grant Thornton.

Ernst & Young Audit's fees amounted to €1,092 thousands for the year ended December 31, 2021: €230 thousands for audit services and €862 thousands for non-audit services.

Note 8 Net finance costs

(in € thousands)	2022	2021
Interest from short-term security deposits	414	133
Foreign exchange gain	2,075	1,393
Fair value adjustment of financial liabilities (A and B BSARs)	1,830	-
Other	-	-
Finance income	**4,319**	**1,526**
Interest on financial liabilities	(264)	(112)
Interest on lease liabilities	(647)	(620)
Foreign exchange loss	(1,564)	(1,565)
Other	(1,210)	-
Finance costs	**(3,685)**	**(2,304)**
Financial result - Net	**634**	**(778)**
Net interest paid (including finance leases)	(1,617)	(519)

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.

In 2022, the foreign exchange gain of €2,075 thousands is mainly explained by the positive effect of the revaluation of intercompany debts expressed in euros of Deezer Music Brazil LTDA whose functional currency is Brazilian Real (€1,484 thousands).

The foreign exchange loss of €1,564 thousands in 2022 is explained by the revaluation of bank accounts and intercompany current accounts denominated in foreign currencies in the Company (€1,551 thousands).

The variation resulting from the A and B BSAR price since June 30, 2022 and July 5, 2022 has given rise to a financial income of €1,830 thousands.

Other financial costs of €1,210 thousands mainly comprise interest on extended terms of payment granted before the merger.

Note 9 Income tax expense

The Company and its subsidiaries have not identified any source of deferred tax liability as at December 31, 2022, and December 31, 2021. As the Company and some of its subsidiaries have no taxable profits for fiscal years 2022, 2021 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.

(in € thousands)	2022	2021
Current tax expense	(997)	(72)
Income tax expense	**(997)**	**(72)**

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 25%, and 27.5% to the consolidated loss before taxes for the years ended December 31, 2022 and 2021, respectively, is shown in the table below:

(in € thousands)	2022	2021
Loss before tax	**(166,112)**	**(121,332)**
Theoretical income tax rate	25.0%	27.5%
Theoretical tax income	**41,528**	**33,366**
Permanent differences	2,345	1,359
Effect of tax rates in foreign jurisdictions	(28)	(1,119)
Share-based payments	(6,880)	(6,824)
Deferred tax not recognized	1,441	1,860
Deezer S.A.'s tax losses not giving rise to deferred tax asset	(26,862)	(27,390)
Subsidiaries' tax losses not giving rise to deferred tax asset	(1,249)	(1,582)
Other	(11,292)	258
Effective tax charge	**(997)**	**(72)**
Effective income tax rate	0.6%	0.0%

The Group's accumulated tax losses not giving rise to deferred tax assets amount to €720,729 thousands and €603,445 thousands as at December 31, 2022 and 2021, respectively.

Tax loss carry-forwards (in € thousands)	31/12/2022	31/12/2021
France	677,710	572,243
Brazil	30,871	25,353
Germany	5,558	5,523
Russia	462	327
Singapore	19	-
United Kingdom	1,887	-
United States of America	4,222	-
	720,729	**603,445**

Above tax losses are available to carry forward over an unlimited period of time, but may be capped in some jurisdictions.

As at December 31, 2022, the Company's accumulated tax losses amount to €674,997 thousands, including €572,243 thousands of tax losses initially generated by Deezer S.A. and for the transfer of which a ruling was filed by I2PO S.A. and Deezer S.A. in May 2022. The ruling request is still being examined by the French tax authorities.

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

An examination was carried out by the French tax authorities on Deezer S.A.'s accounts for fiscal tax years 2015-2019. The tax audit phase ended 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. Deezer S.A. filed its response to the French tax authorities in January 2022. The French tax authorities issued their reply in March 2022 where they accepted Deezer S.A.'s partial challenge of one tax reassessment leading to a reduction of the amount of tax losses challenged. Deezer S.A. accepted the revised consequences of such tax audit which is now closed.

Note 10 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.

For the year ended December 31, 2021, the weighted-average number of shares outstanding was restated for the purpose of comparability before and after the merger. The weighted-average number of 92,929,080 shares was obtained from the number of outstanding shares of Deezer S.A. multiplied by the exchange ratio par category of shares:

- exchange ratio of 4,348 for Class A12 preferred shares;
- exchange ratio of 2,942 for Class A16 Tranche 1 preferred shares;
- exchange ratio of 2,942 for Class A16 Tranche 2 preferred shares;
- exchange ratio of 4,348 for Class A18 preferred shares;
- exchange ratio of 2,942 for Class B preferred shares.

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

(in € thousands, except share and per share data)	2022	Restated 2021
Basic loss per share		
Net loss attributable to owners of the parent	(167,702)	(123,258)
Shares used in computation:		
Weighted-average shares outstanding	108,475,324	92,929,080
Basic net loss per share attributable to owners of the parent	**(1.55)**	**(1.33)**
Diluted loss per share		
Net loss attributable to owners of the parent	(167,702)	(123,258)
Shares used in computation:		
Weighted-average shares outstanding	108,475,324	92,929,080
Diluted weighted average ordinary shares	**108,475,324**	**92,929,080**
Diluted net loss per share attributable to owners of the parent	**(1.55)**	**(1.33)**

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

	2022	2021
Free shares	2,385,634	1,217,358
Warrants	28,676,119	1,996,996
Stock-options	702,572	706,072
	31,764,325	**3,920,426**

Note 11 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, 2021	**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**
Additions	468	-	-	-	-	468	7,712	8,180
Reclassification	221	-	-	-	(220)	1	-	1
Exchange differences	2	-	-	22	-	24	(129)	(105)
At December 31, 2022	**8,265**	**1,441**	**7,140**	**13,746**	**-**	**30,591**	**15,070**	**45,662**
Accumulated amortization								
At January 1, 2021	**(7,257)**	**(648)**	**(5,114)**	**(10,932)**	**-**	**(23,951)**	**-**	**(23,951)**
Amortization charge	(243)	(288)	(2,026)	(2,163)	-	(4,720)	-	(4,720)
Reclassification	-	-	-	-	-	-	-	-
Exchange differences	(1)	-	-	-	-	(1)	-	(1)
At December 31, 2021	**(7,501)**	**(936)**	**(7,140)**	**(13,095)**	**-**	**(28,672)**	**-**	**(28,672)**
Amortization charge	(476)	(288)	-	(631)	-	(1,394)	-	(1,394)
Exchange differences	(2)	-	-	-	-	(2)	-	(2)
At December 31, 2022	**(7,978)**	**(1,224)**	**(7,140)**	**(13,726)**	**-**	**(30,068)**	**-**	**(30,068)**
Costs, net accumulated amortization								
At December 31, 2021	**73**	**505**	**-**	**629**	**220**	**1,427**	**7,487**	**8,914**
At December 31, 2022	**286**	**217**	**-**	**20**	**-**	**523**	**15,070**	**15,594**

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 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 acquired entity 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.

The €7,487 thousands goodwill was tested for impairment in accordance with the method described in Note 2. (k) "Goodwill". Based on the business plan prepared by Management and consistent with the Deezer Group's business plan, the key assumptions used for this test were as follows: multiple of 2.5 on sales used for terminal revenue, margin growth rate at 0% from 2023 and discount rate of 11%. Based on this analysis, the recoverable amount exceeded the €7,487 thousands carrying value as at December 31, 2022.

A €7,712 thousands of preliminary goodwill was recorded to reflect the additional investments in Dreamstage Inc. and in Driift Holdings Limited and its subsidiaries, which have been fully consolidated since May and September 2022, respectively (see Note 4.2).

(in € thousands)	Deezer S.A.	Dreamstage Inc.	Driift Holdings Limited	Total Group
At December 31, 2021	**7,487**	**-**	**-**	**7,487**
Additions	-	2,413	5,299	7,712
Exchange differences	-	144	(273)	(129)
At December 31, 2022	**7,487**	**2,557**	**5,026**	**15,070**

Note 12 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, 2021	**10,696**	**4,073**	**4,286**	**-**	**19,055**
Additions	1,254	557	136	51	5,112
Disposals - Write-offs	-	(350)	(209)	-	(1,156)
Reclassification	87	(107)	19	-	(7)
Exchange differences	1	4	25	-	(64)
At December 31, 2021	**12,038**	**4,177**	**4,257**	**51**	**20,523**
Scope variation	28	-	21	-	49
Additions	1,760	454	266	99	2,578
Disposals – Write-offs	(12)	(2)	(353)	-	(366)
Reclassification	-	-	88	(88)	-
Exchange differences	2	15	29	-	46
At December 31, 2022	**13,816**	**4,645**	**4,307**	**62**	**22,830**
Accumulated amortization					
At January 1, 2021	**(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)**
Depreciation charge	(1,493)	(557)	(507)	-	(2,557)
Scope variation	(8)	-	(6)	-	(14)
Disposals - Write-offs	3	2	340	-	344
Exchange differences	(2)	(10)	(26)	-	(37)
At December 31, 2022	(10,933)	(3,925)	(2,091)	-	(16,950)
Costs, net accumulated amortization					**-**
At December 31, 2021	**2,605**	**817**	**2,365**	**51**	**5,838**
At December 31, 2022	**2,883**	**720**	**2,216**	**62**	**5,881**

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

	Year ended December 31,	
(in € thousands)	2022	2021
Intangible asset additions/disposals	(468)	(56)
Tangible asset additions/disposals	(2,600)	(1,998)
Variation in trade payables in relation to fixed-assets	(15)	-
Purchases of property and equipment and intangible assets - Cash flow impact	**(3,053)**	**(2,054)**

Note 13 Right-of-used assets and lease liabilities

The Group leases certain properties under lease agreements relating to office space and server bays.

The expected lease terms are between one and nine years. The Group currently does not act in the capacity of a lessor.

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

(in € thousands)	Cost
At January 1, 2021	**31,604**
New or amended leases	3,974
Leases expired or early terminated	(3,085)
Exchange differences	25
At December 31, 2021	**32,521**
New or amended leases	1,158
Leases expired or early terminated	-
Exchange differences	(3)
At December 31, 2022	**33,676**
Accumulated depreciation	
At January 1, 2021	**(5,008)**
Depreciation charge	(4,391)
Leases expired or early terminated	1,564
Exchange differences	(21)
At December 31, 2021	**(7,856)**
Depreciation charge	(4,759)
Leases expired or early terminated	-
Exchange differences	-
At December 31, 2022	**(12,615)**
Cost, net accumulated depreciation	
At December 31, 2021	**24,663**
At December 31, 2022	**21,061**

The below roll-forward shows the variations of lease liabilities during the years ended December 31, 2022, and 2021:

Lease liabilities (in € thousands)	2022	2021
At January 1	**26,454**	**28,248**
New or amended leases	1,158	3,974
Repayment of leases*	(5,159)	(4,796)
Leases early terminated*	-	(1,598)
Interest*	647	620
Exchange differences	-	5
At December 31	**23,100**	**26,454**
Current lease liabilities	4,060	5,001
Non-current lease liabilities	19,040	21,454

* Included within the consolidated statement of cash flows.

Below is the maturity analysis of lease liabilities:

Lease liabilities Maturity analysis (in € thousands)	**December 31, 2022**
Less than one year	4,060
One to five years	16,398
More than five years	2,641
Total lease liabilities	**23,100**
Current lease liabilities	4,060
Non-current lease liabilities	19,040
Total lease liabilities	**23,100**

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 €470 thousands and €244 thousands for the years ended December 31, 2022 and 2021, respectively.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the statement of financial position was 2.4%, and 2.3% as of December 31, 2022, and December 31, 2021 respectively.

Note 14 Investments in equity affiliates

As described in Note 4 "Business combinations", Dreamstage Inc. was consolidated using the equity method until May 24, 2022 and has been consolidated using the full consolidation method since that date.

Driift Holdings Limited was consolidated using the equity method until September 29, 2022 and has been fully consolidated since that date.

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

Carrying amount of investments as of January 1, 2021	**-**
Dreamstage - Additions	4,970
Driift - Additions	2,330
Dreamstage – Share of loss in equity affiliates	(1,753)
Driift – Share of loss in equity affiliates	(101)
Exchange differences	54
Carrying amount of investments as of January 1, 2022	**5,500**
Dreamstage - Share of loss of equity affiliates	(299)
Driift - Share of loss of equity affiliates	(60)
Driift - Change of consolidation method	(2,150)
Dreamstage - Change of consolidation method	(2,991)
Exchange differences	1
Carrying amount of investments as of December 31, 2022	**0**

Note 15 Non-current financial assets

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

(in € thousands)	2022	2021
Deposits	4,021	3,903
Guarantees	1,419	1,419
	5,440	**5,321**

At merger completion date, I2PO S.A. had €275 million in an escrow account, which was released on August 3, 2023 in order to settle the €251.3 million liability to the dissenting shareholders. The remaining €23.7 million was transferred to a bank account.

Note 16 Other non-current assets

(in € thousands)	2022	2021
Advance payments on royalties	22,764	21,442
Provision for impairment of above assets	(21,059)	(19,158)
	1,705	**2,284**

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 28 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 11). The difference is determined based on key assumptions such as revenue and market shares forecast until the end of the contract.

Note 17 Trade and other receivables

(in € thousands)	2022	2021
Trade receivables	31,506	22,697
Less: Provision for impairment	(875)	(697)
Trade receivables - net	30,630	22,000
Unbilled revenue	17,083	11,986
	47,713	**33,986**

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

(in € thousands)	2022	2021
Current	21,700	13,548
Overdue 1-30 days	2,053	2,528
Overdue 31-60 days	452	300
Overdue 61-90 days	2,350	1,181
Overdue more than 90 days	4,075	4,443
	30,630	**22,000**

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

(in € thousands)	2022	2021
At January 1, 2022	**(697)**	**(551)**
Provision for impairment	(184)	(149)
Reversal of unutilized provisions	11	-
Receivables written off	-	7
Exchange differences	(5)	(4)
At December 31, 2022	**(875)**	**(697)**

Note 18 Other current assets

(in € thousands)	2022	2021
Advance payments on royalties	-	1,126
Trade payables - Advance payments	6,317	64
Trade payables - Credit notes to be received	306	281
Employees and social contributions	568	60
State and local authorities	14,326	8,937
Sundry debtors	807	849
Prepaid expenses	1,996	2,444
Other current assets - Gross	**24,320**	**13,761**
Provision for impairment	(1,269)	(884)
Other current assets - Net	**23,051**	**12,877**

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

(in € thousands)	2022	2021
Deductible VAT on purchases made in France and abroad	10,070	5,225
Tax receivables relating to research and development	1,750	1,524
Tax credit for competitiveness and employment	-	479
Withholding tax receivables	2,494	1,472
Other	12	237
State and local authorities	**14,326**	**8,937**

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

(in € thousands)	2022	2021
At January 1 2022	**(884)**	**(567)**
Provision for impairment	(397)	48
Reversal for unused provision	11	-
Other current assets written off		(365)
At December 31, 2022	**(1,269)**	**(884)**

Note 19 Share capital and share premium

As at December 31, 2022, the Company's share capital is divided into 121,087,670 shares, each with a par value of €0.01.

In accordance with IFRS 3, *Business Combinations*, as applied to a reverse acquisition, the share capital has been restated and reflects the share capital of the legal acquirer, I2PO S.A., with the difference between share capital of the legal acquirer and the accounting acquirer, Deezer S.A. being aggregated and shown as part of share premium. The restated number of shares as at December 31, 2021 and 2020 has been obtained from the number of outstanding shares of Deezer S.A. multiplied by the exchange ratio per category of shares (see Note 10 "Loss per share").

The Company's share capital is divided in the following classes as of December 31:

(in number of shares)	2022	Restated 2021	Restated 2020
Class A12 preferred shares	-	12,549,684	12,549,684
Class A16 Tranche 1 preferred shares	-	10,068,447	10,068,447
Class A16 Tranche 2 preferred shares	-	10,068,447	10,068,447
Class A18 preferred shares	-	20,102,511	20,102,511
Class B preferred shares	-	41,597,040	39,552,980
Ordinary shares	116,504,336	-	-
Class A2 preferred shares	2,291,667	-	-
Class A3 preferred shares	2,291,667	-	-
	121,087,670	**94,386,129**	**92,342,069**

During the fiscal years ended on December 31, 2022 and 2021, Deezer S.A. before the merger granted free shares to the benefit of certain employees and officers of the Group and also issued equity warrants to the benefit of certain of its commercial partners and directors. During the fiscal year ended on December 31, 2022, the Company granted free shares to the benefit of certain employees and officers of the Group.

The below table shows the variations in number of shares for the years 2022 and 2021:

	2022	2021
At January 1 - Restated	**94,386,129**	**92,342,069**
Ordinary shares issued from the PIPE	11,900,000	-
Ordinary shares issued from the merger	36,429,486	-
Class B preferred shares cancelled from the redemption	(25,133,181)	-
Ordinary shares issued from the vesting of free shares	71,055	606,911
Ordinary shares issued from the exercise of warrants	3,434,181	1,437,149
At December 31 – Not restated/Restated	**121,087,670**	**94,386,129**

On February 24, 2021, the Board of Directors of Deezer S.A.:

- decided the issuance of 130,953 (385,264 using the exchange ratio) new class B preferred shares as a result of the acquisition of free shares granted to certain employees and officer of the Group;
- issued 488,050 equity warrants K (each giving the right to subscribe one class B preferred share of Deezer S.A.) to one of its commercial partners;
- issued 6,000 equity warrants 2021 (each giving the right to subscribe one class B preferred share of Deezer S.A.) to a director of Deezer S.A.;
- granted 334,490 free class B preferred shares to certain employees and officers of the Group; and
- granted 27,000 stock options 18 (each giving the right to subscribe one class B preferred share of Deezer S.A.) to certain employees of the Group.

On April 20, 2021, the *Directeur général* of Deezer S.A. decided the issuance of 17,633 (51,876 shares using the exchange ratio) new class B preferred shares as a result of the acquisition of free shares granted to certain employees of the Group.

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 Deezer S.A. decided the issuance of 22,943 (67,498 shares using the exchange ratio) new class B preferred shares as a result of the acquisition of free shares granted to certain employees of the Group.

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 Deezer S.A. acknowledged that, following the exercise of 140,494 equity warrants held by Estudios Azteca, S.A. de C.V., the share capital was increased by a total par value amount of €1 thousand, through the issuance of 140,494 (413,333 shares using the exchange ratio) 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 Deezer S.A. issued 420,125 equity warrants L and 679,245 equity warrants M (each giving the right to subscribe one class B preferred share of Deezer S.A.) to two of its commercial partners.

On October 11, 2021, the *Directeur général* of Deezer S.A. decided the issuance of 17,445 (51,323 shares using the exchange ratio) new class B preferred shares as a result of the acquisition of free shares granted to certain employees of the Group.

On December 15, 2021, the Board of Directors of Deezer S.A. acknowledged that, following the exercise of all the equity warrants held by one of its commercial partners, the share capital was increased by a total par value amount of €0.2 thousands, through the issuance of 23,664 (69,619 shares using the exchange rate) 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 Deezer S.A. decided the issuance of 17,318 (50,950 shares using the exchange rate) new class B preferred shares as a result of the acquisition of free shares granted to certain employees of the Group.

On December 21, 2021, the *Directeur général* of Deezer S.A. acknowledged that, following the exercise of all the equity warrants held by two of its commercial partners, the share capital was increased by a total par value amount of €3 thousands, through the issuance of 324,336 (954,197 shares using the exchange ratio) new class B preferred shares with a par value of €0.01 each. In the context of this exercise, this commercial partners paid a total amount of €4,739 thousands (share premium included).

On July 5, 2022, 96,440,617 (36,429,486, after restatement of the share capital as of January 1, 2022) new ordinary shares were issued as consideration of net assets transferred by Deezer S.A. merged with and into I2PO S.A..

On the same day, the Company's share capital was increased by a total par value amount of €119 thousands, through the issuance, at a price per share of €10 (share premium included), of 11,900,000 new ordinary shares with a par value of €0.01 each. In the context of the PIPE reserved to existing and new investors, the Company received a total amount of €119 million (share premium included). €13.7 million fees in relation to the PIPE were recognized as a reduction of equity under share premium.

On July 21, 2022, the Board of Directors decided to grant 1,914,130 free shares.

On August 3, 2022, the *Directeur général* decided to proceed with the redemption of the 25,133,181 class B preferred shares whose redemption was requested by the dissenting market shareholders for an amount of €251.3 million, which was recognized as current financial liabilities as at June 30, 2022. The share capital was reduced as a result of the cancellation of the 25,133,181 redeemed class B preferred shares.

On September 21, 2022, the Board of Directors of the Company acknowledged that, following the exercise of 679,245 equity warrants held by one of its commercial partners and giving rise to 679,245 shares of Deezer S.A., the Company's share capital was increased by a total par value amount of €20 thousands, through the issuance of 1,998,338 new ordinary shares with a par value of €0.01 each. In the context of this exercise, the Company received from this commercial partner a total amount of to €7 thousands and deducted €13 thousands from the merger premium to ensure that the 1,998,338 new ordinary shares be fully paid up.

On the same date, the Board of Directors of the Company acknowledged the share capital increase completed through the issuance of 71,055 new ordinary shares as a result of the acquisition on July 21, 2022 of free shares granted to certain employees of the Group.

On October 27, 2022, the Board of Directors decided to grant 24,000 free shares.

On December 13, 2022, the Board of Directors of the Company acknowledged that, following the exercise of 488,050 equity warrants held by one of its commercial partners and giving rise to 488,050 shares of Deezer S.A., the Company's share capital was increased by a total par value amount of €14 thousands, through the issuance of 1,435,843 new ordinary shares with a par value of €0.01 each. In the context of this exercise, the Company received from this commercial partner a total amount of to €14 thousands.

No dividends were proposed or paid in 2021 or 2022.

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

Note 20 Shared-based payments

20.1 Free share plans implemented by Deezer S.A.

Deezer S.A. granted free shares to certain employees and officers of the Group in 2017, 2019, 2021 and 2022 before the merger. 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.

Deezer S.A. 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 Deezer S.A.'s shares of its latest known valuation date, usually its latest fundraising. It is recognized as a compensation cost spread over the vesting period.

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

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

* Plans granted by Deezer S.A. before the merger with I2PO S.A. on July 5, 2022. The number of shares disclosed above is before the merger and is not restated based on the exchange ratio disclosed in Note 4.1.

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 and 2022.

Illiquidity discount rates of 40%, 25% and 25% have been applied on the free share plans initiated in 2019, 2021 and 2022, respectively, as these plans have given rise to class B preferred shares, which has not given 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.

The Company granted free shares to the employees and officers of the Group in 2022 after the merger. The granted shares are legally owned by the beneficiaries at the end of the relevant acquisition period and subject to a continuous presence requirement during this period, and, as the case may be, to performance conditions.

20.2 Free share plans implemented by the Company

The Company has implemented three free shares plans in 2022.

Grant 1 plan concerns all employees (outside of two members of the management team and the top 33 managers) and provides for a 3-year acquisition period with a vesting schedule of 33.33% at each anniversary of the attribution date, subject to a continued presence the Group during the relevant annual reference period; provided that the first annual tranche would only be delivered upon the second anniversary of grant and that no holding period would apply.

Grant 2 plan concerns two members of the management team and provides for a 4-year acquisition period with a vesting schedule of 25% at each anniversary of the attribution date, subject only to the continued presence of the beneficiary within the Group during the relevant annual reference period; provided that the first annual tranche would only be delivered upon the second anniversary of grant and that no holding period would apply.

Grant 3 plan concerns 33 top managers and provides for a 3-year acquisition period with a vesting schedule of 33.33% at each anniversary of the attribution date, subject to a continued presence the Group during the relevant annual reference period; provided that the first annual tranche would only be delivered upon the second anniversary of grant and that no holding period would apply. Grant 3 plan vesting is subject to performance conditions.

The fair value of free shares granted is determined based on the share price as of the grant date. It is recognized as a compensation cost spread over the vesting period.

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

	2022 - Grant 1 free share plan(1)	2022 - Grant 2 free share plan(1)	2022 - Grant 3 free share plan(1)
Grant dates	21/07/2022	21/07/2022	21/07/2022 27/10/2022
Number of shares granted	552,000	477,250	908,880(2)
Outstanding at January 1, 2022	**-**	**-**	**-**
Granted	552,000	477,250	908,880
Lapsed	(49,000)	-	-
Outstanding at December 31, 2022	**503,000**	**477,250**	**908,880**
Key assumptions used in the fair value			
Value per share (in €)	4.59	4.59	4.59
Employee turnover rate	24%	7%	7%
Vesting condition			Performance conditions during 3 years after grant

(1) Plans granted after the merger completed on July 5, 2022.

(2) The number of shares corresponds to the shares which will vest if performance conditions are fully met.

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20.3 Warrants issued by Deezer S.A.

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

Warrants J, 2021, K, L and M have given rise to expenses recognized in the consolidated income statement for the years ended December 31, 2022 and 2021:

- based on the Black-Scholes model for warrants 2021;
- as described in Note 3 (ii) and in Note 19 for Warrants J;
- as described in Note 3 (i) and in Note 19 for Warrants K, L and M.

Movements in warrants outstanding and related information is as follows:

Plans	Warrants 2014*	Warrants G	Warrants H	Warrants 2017	Warrants I
Shareholders' meeting date	22/05/2014	23/12/2016	30/06/2017	23/12/2016	30/06/2017
Board members' meeting date	-	09/02/2017	-	09/02/2017	25/01/2018
Expiry date	31/12/2024	31/12/2021	30/06/2027	30/11/2026	31/12/2021
Number of warrants granted	66,700	23,664	712,404	6,845	324,336
Outstanding at January 1, 2021	**66,700**	**23,664**	**17,319**	**6,845**	**324,336**
Granted	-	-	-	-	-
Exercised	-	(23,664)	-	-	(324,336)
Outstanding at December 31, 2021	**66,700**	**-**	**17,319**	**6,845**	**-**
Exercised	-	-	-	-	-
Outstanding at December 31, 2022	**66,700**	**-**	**17,319**	**6,845**	**-**
Subscription price (in €)	2.59	0.01	0.01	0.01	0.01
Fair value at grant date (in €)	1.42	3.37	5.22	5.20	2.75
Exercise price (in €)	24.25	14.61	14.61	14.61	14.61
Maximum share capital increase (in €) (as at grant date, and before the merger with I2PO S.A.)	667	237	7,124	68	3,243

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

Plans	Warrants J	Warrants 2021	Warrants K	Warrants L	Warrants M
Shareholders' meeting date	30/06/2020	30/06/2020	30/06/2020	30/06/2021	30/06/2021
Board members' meeting date	-	24/02/2021	24/02/2021	16/09/2021	16/09/2021
Expiry date	26/11/2022	31/12/2030	01/05/2027	31/10/2024	31/10/2028
Number of warrants granted	453,206	6,000	488,050	420,125	679,245
Outstanding at January 1, 2021	**453,206**	**-**	**-**	**-**	**-**
Granted	-	6,000	488,050	420,125	679,245
Exercised	(140,494)	-	-		
Outstanding at December 31, 2021	**312,712**	**6,000**	**488,050**	**420,125**	**679,245**
Exercised	-	-	(488,050)	-	(679,245)
Lapsed	(312,712)	-	-	-	-
Outstanding at December 31, 2022	**-**	**6,000**	**-**	**420,125**	**-**
Subscription price (in €)	39.75	3.98	0.01	0.01	0.01
Fair value at grant date (in €)	39.75	10.08	39.75	39.75	39.75
Exercise price (in €)	0.01	39.75	0.01	0.01	0.01
Maximum share capital increase (in €) (as at grant date)	4,532	60	4,881	4,201	6,792
Vesting condition	Performance condition between 26/05/2020 and 26/05/2022		All warrants became exercisable as a result of the merger	Performance condition between 01/02/2021 and 31/01/2024	All warrants became exercisable as a result of the merger

Plans	Warrants 2014	Warrants G	Warrants H	Warrants 2017	Warrants I
Volatility	50.60%	38.40%	35.60%	35.9% to 41.0%	34.70%
Risk-free rate	0.71%	-0.57%	0.26%	0.05% to 0.46%	-0.55%
Expected maturity (years)	4.00	2.45	6.59	5.31 to 6.81	1.97
Turnover rate	10.00%	0.00%	0.00%	0.00%	0.00%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Illiquidity discount rate	0.00%	0.00%	0.00%	0.00%	0.00%

Plans	Warrants J	Warrants 2021	Warrants K	Warrants L	Warrants M
Volatility	N/A*	35.7% to 37.0%	N/A*	N/A*	N/A*
Risk-free rate	N/A*	-0.69% to -0.62%	N/A*	N/A*	N/A*
Expected maturity (years)	2.00	5.05 to 5.61	6.18	3.13	7.13
Turnover rate	N/A*	0.00%	N/A*	N/A*	N/A*
Dividend yield	N/A*	0.00%	N/A*	N/A*	N/A*
Illiquidity discount rate	N/A*	0.00%	N/A*	N/A*	N/A*

* N/A = Not applicable.

20.4 Warrants issued by I2PO S.A.

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

As the BSARs can be converted into a variable number of new ordinary shares, they are accounted for as derivatives at fair value through profit or loss.

I2PO S.A. considered that these instruments had a nil value at the date of the IPO and for as long as no announcement had been made of a planned merger. As the initial business combination relating to the agreement between Deezer S.A. and I2PO S.A. was issued on April 19, 2022, the BSARs were measured at fair value through profit or loss in accordance with IFRS 9 at June 30, 2022. As the price of a BSAR was €0,165 each at June 30, 2022, a €4.65 million impact was recognized in operating expenses with a corresponding adjustment to non-current financial liabilities. As at December 31, 2022, this cost is part of the non-cash listing service charge of €54.9 million and the variation resulting from the BSAR price since June 30, 2022 and July 5, 2022 has given rise to a financial income of €1.8 million.

Plans	A BSARs	B BSARs
Shareholders' meeting date	05/07/2021	05/07/2021
Board members' meeting date	15/07/2021	15/07/2021
Expiry date	5 years*	5 years*
Number of warrants granted	659,130	27,500,000
Outstanding at January 1, 2021	**-**	**-**
Granted	659,130	27,500,000
Exercised	-	-
Outstanding at December 31, 2021	**659,130**	**27,500,000**
Exercised	-	-
Outstanding at December 31, 2022	**659,130**	**27,500,000**
Subscription price (in €)	0.00	0.00
Fair value at the completion date of the Business Combination (in €)	0.17	0.17
Exercise price (in €)	11.50	11.50
Maximum share capital increase (in €) (as at grant date)	2,832	118,158

* Five years from the completion date of the Business Combination.

20.5 Stock-options granted by Deezer S.A.

Deezer S.A. proceeded with grant of stock-options to the benefit of certain employees and officers of the Group. Stock-options granted in 2021 have given rise to expenses recognized in the consolidated income statement for the years ended December 31, 2022 and 2021, based on the Black-Scholes model and on a value per share of €39.75.

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

Plans	Stock-options 14*	Stock-options 15*	Stock-options 15-2*	Stock-options 17	Stock-options 18
Granting dates	22/05/2014 24/10/2014 12/03/2015	23/04/2015	16/07/2015	25/07/2017	24/02/2021
Expiry date	31/12/2024	31/12/2024	31/12/2024	05/01/2023	05/01/2023
Number of stock-options granted	424,299	533,948	72,500	58,250	27,000
Outstanding at January 1, 2021	**55,462**	**533,948**	**58,000**	**31,662**	**-**
Granted	-	-	-	-	27,000
Lapsed	-	-	-	-	-
Outstanding at December 31, 2021	**55,462**	**533,948**	**58,000**	**31,662**	**27,000**
Lapsed	-	-	-	-	(3,500)
Outstanding at December 31, 2022	**55,462**	**533,948**	**58,000**	**31,662**	**23,500**
Exercise price (in €)	24.25	24.25	24.25	14.61	31.31
Maximum share capital increase (in €) (as at grant date)	4,243	5,339	725	583	270

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

Plans	Stock-options 14	Stock-options 15	Stock-options 15-2	Stock-options 17	Stock-options 18
Volatility	50.60%	45.00%	45.00%	35.60% to 42.50%	36.8% to 39.40%
Risk-free rate	0.71%	0.32%	0.32%	-0.04% to 0.26%	-0.69% to -0.62%
Expected maturity (years)	4.00	4.00	4.00	5.06 to 6.56	3.43 to 4.11
Turnover rate	10.00%	22.00%	22.00%	0.00%	0.00%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Illiquidity discount rate	0.00%	0.00%	0.00%	0.00%	0.00%

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

(in € thousands)	2022	2021
Product and development	583	500
Sales and marketing	340	182
General and administrative	10,668	7,615
Sub-Total/Free shares	**11,590**	**8,296**
Cost of revenue	20,033	21,153
Product and development	-	-
Sales and marketing	1,593	2,501
General and administrative	0	30
Sub-Total/Warrants	**21,626**	**23,684**
Product and development	-	-
Sales and marketing	74	185
General and administrative	-	-
Sub-Total/Stock-options	**74**	**185**
Total	**33,291**	**32,165**

Note 21 Provisions

(in € thousands)	Legal contingencies	Indirect tax	Other	Total
Carrying amount at January 1, 2021	**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 January 1, 2022	**1,509**	**4,233**	**5,843**	**11,585**
Charged/(credited) to the consolidated statement of operations:				
Additional provisions	2,081	2,474	1,292	5,847
Reversal of unutilized amounts	(1,015)	(179)	(227)	(1,421)
Exchange differences			7	7
Utilized				-
Carrying amount at December 31, 2022	**2,575**	**6,528**	**6,915**	**16,018**
As at December 31, 2022				
Current portion	*2,575*	*6,528*	*6,915*	*16,018*

21.1 Legal contingencies

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

Regarding the claim filed by HUZIP (Hrvatska Udruga Za Zastitu Izvodackih Prava), Croatian performers' rights collecting society, against Deezer S.A., two hearings were held in February and June 2022 and do not affect the provision booked as at December 31, 2022.

22.2 Taxes

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

22.3 Other

Other provisions mainly relate to commercial risks.

Note 22 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:

	2022	2021
Collective agreement applied	SYNTEC	SYNTEC
Salary increase rate	3% for all years	7.00% for 2022 and 3% for following years
Annual discount rate	3.75%	1.26%
Social contribution rate	50.00%	50.00%
Retirement age	65 years	65 years
Mortality table	INSEE 2015/2017	INSEE 2015/2017
Average turnover rate	0% to 31.2%	0% to 31.2%

As at December 31, 2022 and December 31, 2021, 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:

(in € thousands)	Provision for employee retirement benefits
Carrying amount at January 1, 2021	**852**
Actuarial differences	(14)
Increase	199
Discounting impact	7
Carrying amount at December 31, 2021	**1,043**
Service costs	10
Increase	222
Discounting impact	(583)
Carrying amount at December 31, 2022	**692**

Note 23 Trade payables and related accrued expenses

(in € thousands)	2022	2021
Trade payables	7,091	16,617
Trade accrued expenses	276,282	218,935
	283,373	**235,552**

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

Trade payables breakdown as follows:

(in € thousands)	2022	2021
Marketing, General & Administrative and Other	4,717	6,852
Royalties	2,374	9,765
	7,091	**16,617**

Trade accrued expenses are detailed below:

(in € thousands)	2022	2021
Marketing, General & Administrative and Other	23,181	20,651
Royalties	253,101	198,284
	276,282	**218,935**

Note 24 Tax and employee-related liabilities

(in € thousands)	2022	2021
Employee-related liabilities	4,578	5,168
Social contribution liabilities	5,676	6,228
State, revenue taxes payable	21,014	16,979
Other similar taxes and levies payable	5,254	3,981
Current income tax payable	1,468	514
	37,990	**32,870**

Note 25 Other liabilities

(in € thousands)	2022	2021
Trade receivables - Credit notes to be issued	787	435
Trade receivables with credit balances	93	94
Sundry creditors	897	266
Trade payables in relation to fixed-assets	1,456	1,441
	3,234	**2,236**

All other liabilities are due within a year.

Note 26 Financial risk management and financial instruments

26.1 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.

26.2 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.

26.3 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.

Before the completion of the merger on July 5, 2022, the Group funded its growth through equity capital raises and had not borrowed from banks until January 2021. On July 5, 2022, the Company raised €119 million through subscription agreements reserved to existing and new investors and received €23.7 million corresponding to the cash held in its escrow account net of redemption.

The Group has a positive net cash position at December 31:

(in € thousands)	2022	2021
Interest bearing bank accounts	3,991	4,426
Cash at bank and at hand	109,618	30,671
Cash and cash equivalents	**113,610**	**35,097**

Non-current and current financial liabilities are detailed below:

(in € thousands)	2022	2021
A BSARs and B BSARs	2,816	-
State-guaranteed loans	20,472	25,000
Financial liabilities - non current	**23,288**	**25,000**
State-guaranteed loans	4,949	-
Accrued interests on state-guaranteed loans	38	112
Financial liabilities - current	**4,988**	**112**

Non-current financial liabilities of €2,816 thousands correspond to the value of the A BSARs and B BSARs classified as derivative liabilities at fair value through profit or loss (IFRS 9), *i.e.* measured based on their quoted price as at December 31, 2022 (€0.1).

Based on the 28,159,130 BSARs outstanding at December 31, 2022, the corresponding financial liability recognized amount to €2,816 thousands. The BSARs have been recognized as non-current liabilities because they are exercisable as from the merger completion date until the fifth anniversary of that date.

In January 2021, as part of the COVID-19 French governmental measures, Deezer S.A. 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.

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

Maturity analysis (in € thousands)	2022	2021
Less than one year	4,988	1,161
One to five years	23,288	23,951
Total financial liabilities	**28,276**	**25,112**
Current financial liabilities	4,988	1,161
Non-current financial liabilities	23,288	23,951
Total financial liabilities	**28,276**	**25,112**

26.4 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.

26.4.1 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:

	2022			2021		
(in € thousands)	USD	GBP	BRL	USD	GBP	BRL
Trade receivables	3,829	109	-	14,400	217	-
Trade payables	(117)	(183)	(474)	(524)	(812)	(9)

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

(in € thousands)	2022	2021
Net foreign exchange gain on trade receivables and trade payables	336	552
Foreign exchange loss on revaluation of intercompany accounts included in finance costs	(585)	(225)
Total net foreign exchange (loss)/gain recognized in profit before income tax for the year	**(248)**	**327**

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, 2022, and 2021. 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.

(in € thousands)	(Increase)/ Decrease in loss before tax 2022	2021
BRL/EUR exchange rate - increase 10%	2,341	1,994
BRL/EUR exchange rate - decrease 10%	(1,916)	(1,631)
GBP/EUR exchange rate - increase 10%	(8)	(65)
GBP/EUR exchange rate - decrease 10%	7	53
USD/EUR exchange rate - increase 10%	901	410
USD/EUR exchange rate - decrease 10%	(737)	(334)

The Group's exposure to other foreign exchange movements is not material.

26.4.2 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 €(4) million and €(3.6) million if the Euro weakened by 10% against all translation exposure currencies, based on the exposure at December 31, 2022 and 2021, respectively.

26.5 Interest rate risk management

The interest rate risk is not considered as material for the Group as the interest rate applied on the three state-guaranteed loans effective in 2021 is a fixed interest rate.

26.6 Financial instruments

26.6.1 Fair values

The Group has no financial asset but has one financial liability measured at fair value at December 31, 2022. The different levels have been defined in Note 2.

Financial liabilities by fair value hierarchy level

(in € thousands)	Level 1	Level 2	Level 3	December 31, 2022
Financial liabilities at fair value				
A BSARs and B BSARs	2,816	-	-	-
Total financial liabilities at fair value by level	**2,816**	**-**	**-**	**-**

26.6.2 Recurring fair value measurements

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

(in € thousands)	2022	2021
At January 1	**-**	**-**
Non-cash changes recognized in profit or loss		
Initial recognition	4,646	-
Changes in fair value	(1,830)	-
Issuance of shares upon exercise of warrants	-	-
At December 31	**2,816**	**-**

Note 27 Commitments and contingencies

27.1 Obligations under leases

Obligations resulting from leases in the scope of IFRS 16 are disclosed in Note 13.

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

(in € thousands)	2022	2021
Less than one year	20	23
One to five years	19	-
More than five years	-	-
	39	**23**

27.2 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 right of access of licensed content, as at December 31:

(in € thousands)	2022	2021
No later than one year	185,097	191,193
Later than one year but not more than 5 years	17,596	188,898
	202,693	**380,091**

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

(in € thousands)	2022	2021
No later than one year	826	754
Later than one year but not more than 5 years	-	1,666
	826	**2,420**

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

(in € thousands)	2022	2021
No later than one year	15,136	-
Later than one year but not more than 5 years	159,256	-
	174,392	**-**

27.3 Contingencies

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

Note 28 Related party transactions

28.1 Key management compensation

As of December 31, 2022, and 2021, 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.

	Year ended December 31,	
(in € thousands)	2022	2021
Gross compensation, employer social security contributions and benefits in kind	6,278	5,840
Retirement benefits	28	22
Termination benefits	1,723	541
Share-based payments	11,792	8,877
	19,821	**15,280**

28.2 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:

(in € thousands)	2022	2021
Purchases	1,886	2,309
Sales	77,200	61,876

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

(in € thousands)	2022	2021
Receivables	7,403	6,297
Payables	169	784

28.3 Executive license agreement with Rotana Audio Visual LLC

An exclusive license agreement was entered into on August 1, 2018 between Deezer S.A. 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 Deezer S.A. 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 since then.

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 28, Deezer S.A. paid a net amount of US$2.2 million on September 30, 2021 and Rotana Audio Visual LLC paid a net amount of US$350 thousands on December 27, 2022.

Note 29 Group information

The Group has control or joint control of, or exercises significant influence over, all of the companies in its scope of consolidation. The table below shows the Group's fully-consolidated ("FC") and equity-accounted ("EM") companies at the reporting dates presented:

	2022		2021	
Name	Consolidation method	Share capital held (in %)	Consolidation method	Share capital held (in %)
Deezer Music Brasil LTDA	FC	99.99%	FC	99.99%
Deezer Russia LLC	FC	100.00%	FC	100.00%
Deezer Inc.	FC	100.00%	FC	100.00%
Musica Ilimitada S.A. de C.V.	FC	99.99%	FC	99.99%
Deezer MENA FZ-LLC	FC	100.00%	FC	100.00%
Deezer Singapore Pte Ltd	FC	100.00%	FC	100.00%
Dreamstage Inc.	FC	45.50%	EM	40.95%
Driift Holding Ltd	FC	45.50%	EM	17.40%
Driift Live Inc.	FC	45.50%	EM	17.40%
Driift Live Ltd	FC	45.50%	EM	17.40%
Deezer Müzik Dağıtım ve Organizasyon Limited Şirketi	FC	100.00%	FC	100.00%
Deezer Di jital Hizmetler ve Dağıtım A.Ş.	FC	100.00%	FC	100.00%
Deezer Production SAS	FC	100.00%	-	-
Magic Internet Musik GmbH	FC	100.00%	FC	100.00%

There is no investment in non-consolidated companies as of December 31, 2022.

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

Note 30 Events after the reporting period

On February 16, 2023, the Company announced a long-term partnership with Sonos to power the brand's streaming radio service Sonos Radio and its subscription service Sonos Radio HD, delivering an expansive catalog of music curated for Sonos customers.

On February 28, 2023, Stu Bergen was provisionally appointed by the Board of Directors to replace Amanda Cameron, who resigned from her position as director. The provisional appointment of Stu Bergen as director of the Company will have to be ratified by the next ordinary shareholders' meeting of the Company.

6.2 Statutory auditors' report on the consolidated financial statements

Year ended December 31st, 2022

To the Annual General Meeting of Deezer S.A.,

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Opinion

In compliance with the engagement entrusted to us by your bylaws and your Annual General Meeting, we have audited the accompanying consolidated financial statements of Deezer S.A. for the year ended December 31st, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31st, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1st, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Cost of revenue and rights holders' liabilities

Notes 2(e) and 23 of the consolidated financial statements

Risk identified

For the year ended December 31, 2022, the Company's cost of revenue was € 386 M. As of December 31, 2022, trade payables and trade accrued expenses to rights holders was € 2,4 M and € 253 M, respectively.

- As explained in Note 2 (e) of the consolidated financial statements, cost of revenue and rights holder liabilities consist predominantly of royalty and distribution costs related to content streaming. 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.
- 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 (or "shortfall") is accrued for under Trade payables and related accrued expenses and this Cost of Revenue is spread over the same period.
- Given the complexity of royalty calculations, the information systems involved, the volume of systems involved, the volume of data and the significant amount of management judgment involved in their determination, we have considered the valuation of cost of sales and liabilities to right holders as a key audit matter.

Our response

In the context of our audit of the consolidated financial statements, our work mainly consisted in performing the following procedures:

- We obtained an understanding and evaluated the design of controls over the Deezer's processes to determine cost of revenue and rights holder liabilities.
- We tested controls specific to the calculation of royalties, calculation variables and IT systems. For IT controls, we tested the automatic calculation of market shares per rights holder and ensured the reliability of listening census.
- We examined estimates and judgments used to determine royalties where rights holders have allowed the use of their content while negotiations or determination of rates are ongoing.
- We examined specific contractual terms and conditions related to minimum guaranteed amounts and assessed projections related to shortfall calculation.
- We recalculated royalty cost amounts, tested calculation variables, and compared royalty rates to agreements, and related amendments, based on a representative sample of contracts.

Recognition of indirect sales from B2B contracts with a guaranteed minimum clause

Notes 2(d), 5 and 28 of the consolidated financial statements

Risk identified

As of December 31, 2022, indirect revenues relating from subscriptions through B2B partners, or included in services or products sold by B2B partners (as part of bundled offers) amounted to € 118,5 M out of total annual revenues of € 451,2 M. As explained in Note 2 (d), 5 and 28 to the financial statements, when the Deezer subscription is included in the service or product sold by the distribution partner, the distribution partner pays Deezer based on all subscriptions sold or active subscriptions under the terms of the contract. The corresponding revenues are recognized on a straight-line basis over the subscription period for the net amount paid by the distribution partner.

Certain contracts with distribution partners include a minimum guarantee receivable. The revenue recognized corresponds to the monthly sales declared by the distribution partners. When management estimates that total revenue will be lower than the minimum guarantee, any difference between actual sales and the minimum guarantee is recognized as revenue over the remaining years of the contract, in accordance with the terms and conditions of the contract.

We consider the recognition of indirect revenue related to B2B contracts with a minimum guarantee clause to be a key audit matter, due to the complexity of the accounting treatment, and as it is based on management's estimates of future revenue per contract.

Our response

In the context of our audit of the annual financial statements, our work mainly consisted of examining the procedures implemented by management to estimate the future revenue of a B2B contract with a minimum guarantee. Then, based on a sample of contracts with a minimum guarantee clause and the analyses performed by management:

- We verified that the accounting treatment is made in accordance with the characteristics of the contracts and the accounting standards, as described in the Note 2 (d) of the Consolidated Financial Statements;
- We corroborated the minimum guaranteed amount taken into account in the management analysis, with the amount defined in the contract;
- We assessed the appropriateness of the revenue estimates over the entire period of the contract through interviews with management, and verified the latest global business plan of the Group approved by the Board of Directors;
- We checked the calculation of the difference between the revenue recognized for the year and the contractually defined minimum guaranteed revenue, and analyzed the corresponding accounting treatment.

We have also verified the appropriateness of the information provided in notes 2 (d), 5 and 28 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Deezer S.A. by the annual general meeting held on June 30th, 2023 for Ernst & Young Audit, and by your bylaws of April 29th, 2021 for Mazars and Grant Thornton.

As at December 31st, 2022, Ernst & Young Audit was in the first year of total uninterrupted engagement, Mazars and Grant Thornton were in the third year of their assignment without interruption, including two years since the Company's shares were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were authorized for issue by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Issued in Neuilly-sur-Seine and Paris-La Défense,
April 24th, 2023

The Statutory Auditors

French original signed by

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

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6.3 Financial statements of the parent company as of and for the year ended December 31, 2022

Deezer S.A.

A French *société anonyme à conseil d'administration* with share capital of €1,210,876,70 whose registered office is located at 24, rue de Calais, 75009 Paris and registered with the Trade and Companies Register of Paris under number 898 969 852

6.3.1 Profit and loss statement

(in thousands of euros)	Note	For the year ended December 31, 2022	For the period from May 16 to December 31, 2021
Revenue	**5**	**415,718**	**-**
Allowances		166	-
Utilisation/reversal of provisions and expenses reclassified		578	-
Other income		933	-
Operating income		**417,395**	**-**
Other purchases and external expenses	6	(111,790)	(1,107)
Tax and duties		(2,761)	(8)
Compensation and other employee costs	6	(44,806)	(8)
Social contribution costs	6	(20,438)	(3)
Amortization, depreciation and provision	6	(546,141)	(477)
Other expenses	6	(315,830)	-
Operating expenses		**(1,041,767)**	**(1,604)**
Operating loss		**(624,372)**	**(1,604)**
Finance income	7	1,553	12
Finance costs	7	(2,923)	-
Net financial income		**(1,370)**	**12**
Extraordinary income	8	6,335	-
Extraordinary costs	8	(11,915)	-
Extraordinary loss		**(5,580)**	**-**
Loss before income tax		**(631,322)**	**(1,591)**
Income tax expense	9	324	-
Net loss for the year		**(630,997)**	**(1,591)**

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

6.3.2 Balance sheet

(in thousands of euros) Assets		As of December 31, 2022 Cost	Accumulated amortization/ depreciation	Net cost	2021 Net cost
Intangible assets	10	1,266,591	(539,327)	727,264	4,910
Property and equipment	11	8,329	(2,495)	5,834	-
Investments	12	10,440	-	10,440	-
Other financial assets	13	5,360	-	5,360	275,000
Non-current assets		**1,290,721**	**(541,822)**	**748,898**	**279,910**
Advanced payments	14	7,213	-	7,213	-
Trade and other receivables	15	35,167	(173)	34,993	-
Other assets	16	10,517	(385)	10,132	480
Cash and cash equivalents	17	101,095	(70)	101,025	442
Current assets		**153,992**	**(629)**	**153,363**	**923**
Prepaid expenses and other	**18**	**29,106**	**-**	**29,106**	**329**
Total assets		**1,473,819**	**(542,451)**	**931,368**	**281,162**

(in thousands of euros) Equity and liabilities		As of December 31, 2022	2021
Share capital	19	1,211	344
Share and merger premiums	19	1,184,406	281,310
Other reserves	19	(1,615)	(24)
Net loss	19	(630,997)	(1,591)
Equity		**553,004**	**280,038**
Provisions for risks	**21**	**37,875**	**-**
Financial liabilities	22	27,010	-
Advanced payments received		94	-
Trade payables and related accrued expenses	23	254,048	1,111
Tax and employee-related liabilities	24	28,603	13
Other liabilities	25	5,285	-
Liabilities		**315,040**	**1,124**
Deferred revenue and other	**26**	**25,449**	**-**
Total equity and liabilities		**931,368**	**281,162**

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

6.3.3 Notes to the financial statements

In the present notes to the statutory financial statements of Deezer S.A. the parent company:

- Deezer S.A. refers to the accounting acquiree before the completion of the merger on July 5, 2022;
- I2PO S.A. refers to the accounting acquirer before the completion of the merger on July 5, 2022;
- the Company refers to the combined entity after the completion of the merger on July 5, 2022.

The present statutory financial statements are those of the Company, which is the surviving entity after the merger with Deezer S.A.

Note 1 Company information

1.1 Company information

The Company or the Parent is a private limited company incorporated and domiciled in France, with a registered office located 24, rue de Calais 75009 Paris.

The Company is the holding and operational company of a Group that operates a streaming music service through the Deezer.com website and a mobile application and operates in more than 180 countries.

Deezer Group makes more than 90 million music tracks available to its customers.

The main activities of the Company are:

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

1.2 Significant events

On April 18, 2022, I2PO S.A., a special purpose acquisition company publicly traded company on the professional segment of the regulated market of Euronext Paris, and Deezer S.A. entered into a definitive agreement for a business combination that resulted in the merger of Deezer S.A. with and into I2PO S.A.

On May 24, 2022, Deezer S.A. entered into a second investment agreement with Dreamstage, Inc. Under this investment contract, Deezer S.A. subscribed to a share capital increase of US$2 million granting Deezer S.A. a total ownership of 77.2%, in terms of share capital and vote rights.

On July 5, 2022, Deezer S.A. legally merged with and into I2PO S.A., whose registered office was located 12, rue François 1er, 75008 Paris, France, registered with the Registre du Commerce et des Sociétés under number 898,969,852 RCS Paris.

As part of the merger, Deezer S.A. was dissolved and all its assets and liabilities were automatically transferred to I2PO S.A. by operation of law and I2PO S.A. encompassing the activities and business of Deezer S.A. was renamed "Deezer S.A.".

On the same day, I2PO S.A. received €119 million through subscription agreements ("the PIPE") reserved to existing and new investor.

Concomitantly, the registered office of I2PO S.A. was transferred to 24, rue de Calais, 75009 Paris, France.

On August 3, 2022, the Company released €275 million from its escrow account, redeemed the class B preferred shares held by its dissenting market shareholders for an amount of €251.3 million and repaid this amount to those shareholders. The Company kept €23.7 million in cash at bank.

On August 16, 2022, RTL Deutschland announced the launch of music streaming app RTL+ Musik. Through its partnership with the Company, paying subscribers of RTL+ in Germany have access to 90 million tracks, more than 5,000 curated playlists, and a user-friendly interface with key music streaming features.

On September 7, 2022, the Company announced the conclusion of a partnership with French e-commerce leader Cdiscount.

On September 29, 2022, the Company acquired additional minority shares of Dreamstage Inc. and strengthened its majority shareholder position with a total ownership of 86.0% in terms of share capital and vote rights. The Company sold its investment in Dreamstage Inc. in exchange of shares of Driift Holdings Limited and subscribed to a share capital increase of £4 million of Driift Holdings Limited. As a result of the additional investment and the business combination, the Company became the largest shareholder of Driift Holdings Limited with a 45.5% ownership and became the indirect majority shareholder of Dreamstage Inc. fully owned by Driift Holdings Limited since then. The transaction brings together Driift Holdings Limited's production capabilities with Dreamstage Inc.'s technology and commerce platform.

On December 13, 2022, Ingrid Bojner and Mark Simonian were co-opted by the Board of Directors to replace Alban Gréget and Jeronimo Folgueira, who resigned from their positions as directors. Jeronimo Folgueira, who stepped down in order to allow for an additional independent director to join the Board of Directors, continues his mandate as Chief Executive Officer.

On December 21, 2022, the Company launched ZEN by Deezer in France. The new paid subscription features adaptive music and audio experiences for sleep and relaxation. The app also includes guides, exercises and other content created by psychologists, coaches, teachers and other recognized experts.

On December 31, 2022, Guillaume d'Hauteville resigned from his office as Chairman of the Board of Directors, and Iris Knobloch was appointed chairwoman of the Board, effective January 1, 2023. Following the change, Guillaume d'Hauteville was appointed Vice-Chairman of the Board of Directors, a position previously held by Iris Knobloch.

The Company's operations in Russia and in Ukraine are impacted by the consequences of the war in Ukraine. As these operations are non-significant, their impacts are limited on the statutory financial statements for the year ended December 31, 2022.

Note 2 Comparability of the financial statements

As a result of the merger of Deezer S.A. with and into I2PO S.A. with effect on January 1, 2022, the statutory financial statements presented in respect of the period ended December 31, 2021 are those of I2PO S.A., the legal acquirer. The statutory financial statements of the Company for the year ended December 31, 2022 are not comparable to those of I2PO S.A. for the period ended December 31, 2021, as the latter entity had no operating activities and had been created with a view to a business combination.

Note 3 Change in accounting policies

The statutory financial statements for the year ended December 31, 2022 have been prepared in accordance with the accounting policies applied by Deezer S.A. until December 31, 2021.

Note 4 Summary of significant accounting policies

The statutory financial statements as of and for the year ended December 31, 2022 were prepared under management's supervision and were authorized for issue by the Board of Directors on February 28, 2023.

The principal accounting policies applied in the preparation of these statutory financial statements are those of the legal acquiree (Deezer S.A.) and are set out below.

4.1 Basis of preparation

The financial statements for the year ended December 31, 2022 have been prepared in accordance with legal and regulatory provisions applicable in France, in accordance with Regulation 2014-03 by the French Accounting Standards Authority ("*Autorité des Normes Comptables*") dated June 5, 2014 and with later opinions and recommendations issued by the French Accounting Standards Authority.

On February 28, 2023, the Board of Directors has reviewed the financial position of the Company, together with its forecast cash flows and financing facilities available and have a reasonable expectation that the Company 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 Company continues to adopt the going concern basis in preparing the financial statements.

4.2 Business combination accounting

On April 18, 2022, I2PO S.A. entered in a combination agreement with Deezer S.A., with I2PO S.A. as the surviving legal entity in the merger.

The main reasons for the merger are the following:

- I2PO S.A. was set up for the purpose of carrying out one or several transactions such as acquisitions, asset transfers, mergers, purchases of equity interests or any other transactions with one or more other legal entities in the entertainment and leisure sector. To this end, I2PO S.A. successfully raised €275 million on July 15, 2021 through an offer to qualified investors in France and abroad.
- Deezer S.A. intends to benefit from the experience and the expertise of the shareholders and founders of I2PO S.A. as a support to its growth and with a view to finance its operations in the mid and long term.

The two entities were under separate control. As the shareholders of Deezer S.A. before the merger became the major shareholders of the combined entity, the merger was qualified as a reverse merger.

Whereas the merger was legally completed on July 5, 2022, the effective accounting date of the merger was January 1, 2022, which resulted in the transfer of all assets and liabilities by the accounting acquiree, Deezer S.A., to the legal and accounting acquirer, I2PO S.A., at this date.

In accordance with the provisions of article 743-3 of the French accounting principles (*Plan comptable général*), when the net book value of the net assets transferred is not sufficient to allow the share capital increase, the net assets are transferred at their fair value.

As Deezer S.A. had a negative equity as of January 1, 2022, its net assets were transferred at their fair value estimated at €1,050 million at this date.

In accordance with accounting rules and policies, and with the assistance of an external expert, the Company carried out an allocation of the preliminary goodwill, arising in the business combination, to the assets and liabilities brought. As a result, new intangible assets were recognized, such as the Deezer brand, relationships with end users, distribution partnerships, technology and a residual goodwill (See paragraph (f) below and Note 10 "Intangible assets").

(in € millions)	As of January 1, 2022
Net equity of Deezer S.A.	(107.1)
Fair value of Deezer S.A.	1,050.0
Preliminary goodwill	**1,157.1**
Deezer trademark	231.0
Relationships with end users	103.6
Distribution partnerships	71.4
Technology	93.0
Residual goodwill	760.1
Net assets adjusted of previous goodwill	(209.1)
Fair value of Deezer S.A.	**1,050.0**

4.3 Revenue Recognition

4.3.1 Direct Revenue – B2C and Indirect Revenue – B2B

The Company 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 Company 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.

4.3.2 Direct Revenue – B2C and Stand-Alone subscriptions (Indirect Revenue – B2B)

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 Company 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 Other purchases and external expenses;
- for subscriptions subscribed through distribution partners ("Stand-Alone"):
  - where the Company 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 Other purchases and external expenses,
  - where the Company 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.

4.3.3 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 Company 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 Company 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 Company 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 and spread over the remaining years of the contract, in accordance with the terms and conditions of the contract.

4.3.4 Other Revenue

The Company has two other sources of revenue:

- Advertising revenue is primarily generated through display, audio, and video advertising delivered through impressions on the Deezer free service. The Company 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 Company from partners, in particular from sales of access codes.

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.

4.4 Extraordinary income and costs

Extraordinary income and costs comprise items which, as unusual or non-recurring, are not considered to be related to operating activities.

4.5 Income tax

The income tax expense comprises corporate income tax and tax credits.

The corporate income tax represents the amount of income tax based on the tax laws enacted or substantively enacted at the end of the reporting period.

4.6 Intangible assets

4.6.1 Licenses and brand

Acquired software and licenses are recognized at cost and amortized using a straight-line method over their useful life, generally between one and three years.

The Deezer trademark is one of the main assets brought by Deezer S.A. to I2PO S.A. at the merger date. Its market value is based on the royalty method. It is amortized using a straight-line method over its useful life estimated at thirty years, based on the business model of Deezer and its brand awareness, and projected revenue.

4.6.2 Technology

The Deezer technology is a key asset brought by Deezer S.A. to I2PO S.A. at the merger date. Its market value is based on the replacement cost method. It is amortized using a straight-line method over its useful life estimated at five years.

Internal development costs may be capitalized 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.

4.6.3 Customer database

Relationships with end-users and distribution partnerships are also main assets brought by Deezer S.A. to I2PO S.A. at the merger date. Their market value is based on the excess profit method. These intangible assets are amortized using a straight-line method over its useful life:

- relationships with end users: thirteen years;
- distribution partnerships: fifteen years.

4.6.4 Other intangible assets

Other intangible assets include the costs incurred for the incorporation and the set-up of I2PO S.A. These assets are recognized at cost and are amortized using a straight-line method over five years.

Other intangible assets also include acquired rights and databases. They are recognized at acquisition cost and are amortized over their useful life, generally between one and three years.

4.6.5 Goodwill

Goodwill is the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is not amortized and is however tested for impairment on an annual basis. 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.

In the event of an impairment, the goodwill depreciation is first recognized on the group of assets it relates to. Any depreciation recognized is definitive and cannot give rise to a reversal.

The key assumptions used for this test are as follows:

- business plan prepared by Management on the basis of growth and profitability assumptions, and aligned with the Group business plan approved by the Board of directors;
- exit revenue multiple;
- revenue growth rate;
- gross margin growth rate;
- discount rate.

A sensitivity test is also performed based on main financial and operating assumptions.

4.7 Property and equipment

Property and equipment are 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 Company.

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.

4.8 Trade and other receivables

Trade and other receivables are recognised at their nominal value. They are impaired, when their recoverable amount becomes lower than their nominal value.

Recoverable amount is determined using various criteria including:

- market value;
- value in use based on forecast discounted cash flows;
- revalued equity.

Assumptions, estimates or appraisals used to determine the recoverable amount are made on the basis of available information and conditions at the end of the financial period presented, which may differ from the reality, particularly in an economically volatile context.

The main factors considered when identifying potential impairment losses include actual financial difficulties of a debtor or payment delays.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, undertakings for collective investments in transferable securities ("UCITS") and treasury shares purchased through a liquidity contract.

Cash at bank and in hand are valued at nominal value.

Undertakings for collective investments in transferable securities are valued at their closing price.

Treasury shares are valued based on the First-In, First-Out ("FIFO") method. If their FIFO value is lower than the closing stock price, a provision for impairment is recognized.

4.10 Provisions for risks

Provisions are recognized in the statutory statement of financial position when the Company 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.

4.11 Operations in foreign currencies

Income and expenses in foreign currencies are accounted for at the exchange rate as of the operation date.

Pursuant to regulation n°2015-5 dated July 2, 2015:

- foreign gains and losses arising from operating activities are recognized in the operating result;
- foreign gains and losses arising from financing activities are recognized in the financial result.

Trade and other receivables and payables expressed in foreign currencies are recognized in the balance sheet for their converted value based on closing exchange rates.

Differences arising from exchange rate variations are recognized under unrealized foreign exchange asset or liability accounts. Unrealized foreign exchange losses give rise to the recognition of a provision for risk.

Note 5 Revenue

Revenue by geographical area breakdowns as follows:

(in € thousands)	For the year ended December 31, 2022	For the period from May 16 to December 31, 2021
France	265,731	-
Rest of the world	149,987	-
	415,718	**-**

Revenue breakdowns in three operating segments:

- Direct: Subscriptions to the Deezer service are taken out directly by users.
- Indirect: 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.

(in € thousands)	For the year ended December 31, 2022	For the period from May 16 to December 31, 2021
Direct	307,989	-
Indirect	92,661	-
Other	15,068	-
	415,718	**-**

Note 6 Operating expenses

Other purchases and external expenses mainly comprise advertising and marketing costs, commissions charged by the sales platforms and payment service providers, accounting, legal and various fees, office rentals and server hosting.

The average headcount was 549 for the year ended December 31, 2022 (2021: 1).

Amortisation, depreciation and provision breakdown as follows:

- intangible asset amortisation: €41,500 thousands (Note 10);
- goodwill impairment: €497,350 thousands (Note 10);
- tangible asset depreciation: €2,501 thousands (Note 11);
- current assets depreciation: €570 thousands (Notes 15 and 16);
- provisions for risks: €4,220 thousands (Note 21).

Other expenses mainly comprise royalty costs related to content streaming and licenses expensed.

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.

When signing multi-annual royalty contracts with minimum guaranteed amounts the Company 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 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*.

Note 7 Net financial income

(in € thousands)	For the year ended December 31, 2022	For the period from May 16 to December 31, 2021
Dividends	130	-
Interest from intercompany loans and current accounts	210	-
Foreign exchange gain	587	-
Reversal of provisions and depreciation	616	-
Other	8	12
Finance income	**1,553**	**12**
Losses on disposals of treasury shares and UCITS	(72)	-
Interest on intercompany loans and current accounts	(5)	-
Foreign exchange loss	(1,377)	-
Other	(1,468)	-
Finance costs	**(2,923)**	**-**
Net financial income	**(1,370)**	**12**

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 in 2022.

Other financial costs of €1,468 thousands mainly comprise interest on extended terms of payment granted before the merger and interest on state-guaranteed loans.

Note 8 Extraordinary income and costs

Extraordinary income includes the gain resulting from the shares of Driift Holdings Limited received in exchange of the investment in Dreamstage Inc. (€3,385 thousands), receivables fully impaired in 2021 and collected in 2022 (€1,078 thousands) and provisions utilized or reversed (€1,227 thousands).

Extraordinary costs mainly comprise the investment in Dreamstage Inc. previously held by the Company and transferred to Driift Holdings Limited (€7,148 thousands) and additional provisions (€4,252 thousands).

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Note 9 Income tax expense

The income tax credit of €324 thousands includes the €467 thousand French research and development tax credit related to 2021 eligible expenses and a €166 thousand charge in respect of the corporate income tax due upon a foreign permanent establishment.

I2PO S.A.'s accumulated tax losses amounted to €1,615 thousands as at December 31, 2021. These tax losses have been lost as a result of the merger of Deezer S.A. with and into I2PO S.A..

As at December 31, 2022, the Company's accumulated tax losses amount to €674,997 thousands, including €572,243 thousands of tax losses initially generated by Deezer S.A. and for the transfer of which a ruling was filed by I2PO S.A. and Deezer S.A. in May 2022. The ruling request is still being examined by the French tax authorities.

Tax losses are available to carry forward over an unlimited period of time but are capped at €1 million per year, plus 50% of the portion of profits in excess of that limit.

An examination was carried out by the French tax authorities on Deezer S.A.'s accounts for fiscal tax years 2015-2019. The tax audit phase ended 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. Deezer S.A. filed its response to the French tax authorities in January 2022. The French tax authorities issued their reply in March 2022 where they accepted Deezer S.A.'s partial challenge of one tax reassessment leading to a reduction of the amount of tax losses challenged. Deezer S.A. accepted the revised consequences of such tax audit which is now closed.

Note 10 Intangible assets

The book value and depreciation of intangible assets are shown in the table below:

(in € thousands)	Licenses and brand	Technology	Customer Database	Other	Intangible assets in progress	Total	Goodwill	Total
Costs								
At January 1, 2022	**-**	**-**	**-**	**5,387**	**-**	**5,387**	**-**	**5,387**
Merger	231,072	93,000	175,000	1,135	221	500,427	760,134	1,260,561
Additions	468	-	-	-	175	644	-	644
Reclassification	221	-	-	-	(221)	-	-	-
Exchange differences	-	-	-	-	-	-	-	-
At December 31, 2022	**231,761**	**93,000**	**175,000**	**6,522**	**175**	**506,458**	**760,134**	**1,266,591**
Accumulated amortization								
At January 1, 2022	**-**	**-**	**-**	**(477)**	**-**	**(477)**	**-**	**(477)**
Merger	-	-	-	-	-	-	-	-
Amortization charge	(8,175)	(18,600)	(12,729)	(1,996)	-	(41,500)	-	(41,500)
Impairment charge	-	-	-	-	-	-	(497,350)	(497,350)
At December 31, 2022	**(8,175)**	**(18,600)**	**(12,729)**	**(2,473)**	**-**	**(41,977)**	**(497,350)**	**(539,327)**
Costs, net accumulated amortization								
At January 1, 2022	**-**	**-**	**-**	**4,910**	**-**	**4,910**	**-**	**4,910**
At December 31, 2022	**223,586**	**74,400**	**162,271**	**4,049**	**175**	**464,481**	**262,784**	**727,264**

As Deezer S.A. brought its net assets at fair value, the following intangible assets were recognized as at January 1, 2022:

- Deezer brand (€231 million);
- technology (€93 million);
- end user relationships (€103.6 million);
- distribution partnerships (€71.4 million); and
- goodwill (€760.1 million).

An impairment test has been carried out as at December 31, 2022.

For this purpose, the recoverable value of Deezer has been determined by an external expert, based on a multi-criteria method and using the income and the market approaches. The business plan has been based on management's forecast for years 2023 to 2025 and on an extrapolation beyond 2025. Assumptions have been considered to build this extrapolation, to reflect the different development path of the business, both in terms of volume through penetration rates increase and distribution partnership creation and in terms of price increase. Key assumptions used were as follows: long-term growth of 2.5% and discount rate of 12%.

Based on these assumptions, the recoverable value of Deezer has been estimated at €553 million. A goodwill impairment of €497.3 million has been recognised at 2022 year-end.

A sensitivity test has been performed based on the following assumptions:

- a 0,5% increase of the discount rate results in a decrease of the recoverable value of €35 million approximately,
- a 0,5% decrease of the long-term growth rate results in a decrease of the recoverable value of €19 million approximately,
- a 0,5% downward variation in sales growth over the business plan results in a decrease of the recoverable value of €18 million approximately,
- a 0,5% downward variation in operating result before amortization, depreciation and provision over the business plan results in a decrease of the recoverable value of €40 million approximately.

Other intangible assets include the costs incurred for the incorporation and the set-up of I2PO S.A. (€5.4 million).

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

Note 11 Property and equipment

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

(in € thousands)	Technical equipment	Office and IT equipment	Other	Tangible assets in progress	Total
Cost					
At January 1, 2022	**-**	**-**	**-**	**-**	**-**
Merger	2,605	1,100	2,016	51	5,772
Additions	1,757	556	239	62	2,614
Disposals - Write-offs	-	(6)	-	-	(6)
Reclassification	-	-	-	(51)	(51)
At December 31, 2022	**4,362**	**1,650**	**2,254**	**62**	**8,329**
Accumulated amortization					
At January 1, 2022	**-**	**-**	**-**	**-**	**-**
Depreciation charge	(1,492)	(638)	(365)	-	(2,495)
Disposals - Write-offs	-	-	-	-	-
At December 31, 2022	**(1,492)**	**(638)**	**(365)**	**-**	**(2,495)**
Cost, net accumulated amortization					
At January 1, 2022	**-**	**-**	**-**	**-**	**-**
At December 31, 2022	**2,871**	**1,012**	**1,889**	**62**	**5,834**

Note 12 Investments

Investments in subsidiaries breakdown as follows:

Subsidiaries (in € thousands)	At December 31, 2021	Merger	Additions	Disposals/ Write-offs	At December 31, 2022
Deezer Inc.	-	77	-	-	77
Deezer Music Brasil LTDA	-	-	-	-	-
Magic Internet Musik GmbH	-	-	-	-	-
Deezer Russia LLC	-	-	-	-	-
Musica Ilimitada S.A. de C.V.	-	3	-	-	3
Deezer Singapore Pte Ltd	-	58		(53)	6
Deezer MENA FZ-LLC	-	12	-	-	12
Deezer Müzik Dagitim Ve Organizasyon Limited Sirketi	-	101	51	-	152
Deezer Production S.A.S.	-	-	10	-	10
Dreamstage Inc.	-	4,970	2,178	(7,148)	-
Driift Holdings Limited	-	2,330	7,851	-	10,181
	-	**7,551**	**10,090**	**(7,200)**	**10,440**

On May 24, 2022, Deezer S.A. entered into a second investment agreement with Dreamstage, Inc. Under this investment contract, Deezer S.A. subscribed to a share capital increase of US$2 million granting it a total ownership of 77.2%, in terms of share capital and vote rights.

On September 29, 2022, the Company acquired additional minority shares of Dreamstage Inc. and strengthened its majority shareholder position with a total ownership of 86.0% in terms of share capital and vote rights. The Company sold its investment in Dreamstage Inc. in exchange of shares of

Driift Holdings Limited and subscribed to a share capital increase of £4 million of Driift Holdings Limited. As a result of the additional investment and the business combination, the Company became the largest shareholder of Driift Holdings Limited with a 45.5% ownership and became the indirect majority shareholder of Dreamstage Inc. fully owned by Driift Holdings Limited since then.

(in € thousands)	Share capital	Share premium and reserves	Share of capital held (in %)	Gross value of investment held	Net value of investment held	Receivable loans or current accounts granted by the Company	2022 Revenue	2022 net result	Dividends paid to the Company in 2022
Magic Internet Musik GmbH	25	(2,972)	100.00%	-	-	14	-	(36)	-
Deezer Singapore Pte Ltd	7	12	100.00%	6	6	-	-	(19)	130
Deezer Inc.	93	687	100.00%	77	77	391	944	24	-
Musica Ilimitada S.A. de C.V.	2	137	99.99%	3	3	1,034	77	(97)	-
Deezer Music Brasil LTDA	54	(34,998)	99.99%	-	-	-	35,367	(985)	-
Deezer Russia LLC	0	(562)	100.00%	-	-	83	6	(77)	-
Deezer MENA FZ-LLC	13	354	100.00%	12	12	525	275	(98)	-
Deezer Müzik Dağıtım ve Organizasyon Limited Şirketi	100	(4)	100.00%	152	152	-	-	(9)	-
Deezer Production SAS	10	10	100.00%	10	10	911	-	(2,712)	-
Driift Holdings Ltd	3	6,228	45.50%	10,181	10,181	-	-	-	-
				10,440	**10,440**				

Note 13 Other financial assets

As at December 31, 2022, deposits mainly relate to office space leases and to a contract with a payment service provider. Bank guarantees relate to office space leases.

As at December 31, 2021, deposits included the €275 million in proceeds received by I2PO S.A. on its initial public offer and placed in an escrow account.

Following the completion of the merger, the funds in the escrow account were released on August 3, 2022 in order to redeem the shares of dissenting shareholders (€251.3 million). The remaining balance of the escrow account (€23.7 million) was transferred to a bank account.

(in € thousands)	As of December 31, 2022	2021
Deposits	3,941	275,000
Guarantees	1,419	-
	5,360	**275,000**

Note 14 Advanced payments

As at December 31, 2022, advance payments mainly relate to music rights paid to trade payables.

Note 15 Trade and other receivables

	As of December 31,	
(in € thousands)	2022	2021
Trade receivables	24,367	-
Less: Provision for impairment	(173)	-
Trade receivables - Net	24,194	-
Unbilled revenue	10,799	-
	34,993	**-**

Trade receivables are non-interest bearing and generally have payment terms of 30 to 60 days.

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

	As of December 31,	
(in € thousands)	2022	2021
Current	16,289	-
Overdue 1-30 days	3,247	-
Overdue 31-60 days	1,370	-
Overdue 61-90 days	(90)	-
Overdue more than 90 days	3,376	-
	24,194	**-**

The movements in the provision for impairment are as follows:

	As of December 31,	
(in € thousands)	2022	2021
At January 1	**-**	**-**
Provision for impairment	184	-
Reversal of unutilized provisions	(11)	-
Receivables written off	-	-
At December 31	**173**	**-**

Note 16 Other assets

Other assets are due within twelve months.

	As of December 31,	
(in € thousands)	2022	2021
Trade payables - Credit notes to be received	54	-
Employees and social contributions	626	-
Tax authorities	6,579	480
Sundry debtors	3,257	-
Other assets - Gross	**10,517**	**480**
Provision for impairment (VAT)	(385)	-
Other assets - Net	**10,132**	**480**

Below is the detail of the receivables from tax authorities:

	As of December 31,	
(in € thousands)	2022	2021
Deductible VAT on purchases made in France and abroad	3,552	480
Tax receivables	1,869	-
Withholding tax receivable	1,158	-
Tax authorities	**6,579**	**480**

The provision for impairment of other assets corresponds to deductible VAT on purchases made abroad and whose collection is uncertain.

Note 17 Cash and cash equivalents

	As of December 31,	
(in € thousands)	2022	2021
Treasury shares	390	-
UCITS	320	-
Cash at bank and at hand	100,385	442
Less: depreciation of treasury shares	(70)	-
Cash and cash equivalents	**101,025**	**442**

The Company holds 109,655 treasury shares as of December 31, 2022.

Note 18 Prepaid expenses and other

This item comprises prepaid expenses and unrealized exchange losses.

Note 19 Share capital and share and merger premiums

As at December 31, 2022, the Company's share capital is divided into 121,087,670 shares, each with a par value of €0.01.

The Company's share capital is divided in the following classes as of December 31:

(in number of shares)	2022	2021
Class A1 preferred shares	-	2,291,664
Class A2 preferred shares	2,291,667	2,291,667
Class A3 preferred shares	2,291,667	2,291,667
Class B preferred shares	-	27,500,000
Ordinary shares	116,504,336	-
	121,087,670	**34,374,998**

On July 5, 2022, 96,440,617 new ordinary shares were issued as consideration of net assets transferred by Deezer S.A. merged with and into I2PO S.A., based on the following exchange ratio by category of shares:

- exchange ratio of 4,348 for Class A12 preferred shares;
- exchange ratio of 2,942 for Class A16 Tranche 1 preferred shares;
- exchange ratio of 2,942 for Class A16 Tranche 2 preferred shares;
- exchange ratio of 4,348 for Class A18 preferred shares;
- exchange ratio of 2,942 for Class B preferred shares.

On the same day, the Company's share capital was increased by a total par value amount of €119 thousands, through the issuance, at a price per share of €10 (share premium included), of 11,900,000 new ordinary shares with a par value of €0.01 each. In the context of the PIPE reserved to existing and new investors, the Company received a total amount of €119 million (share premium included). €13.7 million fees in relation to the PIPE were recognized as a reduction of equity under share premium.

On July 21, 2022, the Board of Directors decided to grant 1,914,130 free shares.

On August 3, 2022, the *Directeur général* decided to proceed with the redemption of the 25,133,181 class B preferred shares whose redemption was requested by the dissenting market shareholders for an amount of €251.3 million. The share capital was reduced as a result of the cancellation of the 25,133,181 redeemed class B preferred shares.

On September 21, 2022, the Board of Directors of the Company acknowledged that, following the exercise of 679,245 equity warrants held by one of its commercial partners and giving rise to 679,245 shares of Deezer S.A., the Company's share capital was increased by a total par value amount of €20 thousands, through the issuance of 1,998,338 new ordinary shares with a par value of €0.01 each. In the context of this exercise, the Company received from this commercial partner a total amount of to €7 thousands and deducted €13 thousands from the merger premium to ensure that the 1,998,338 new ordinary shares be fully paid up.

On the same date, the Board of Directors of the Company acknowledged the share capital increase completed through the issuance of 71,055 new ordinary shares as a result of the acquisition on July 21, 2022 of free shares granted to certain employees of the Group.

On October 27, 2022, the Board of Directors decided to grant 24,000 free shares.

On December 13, 2022, the Board of Directors of the Company acknowledged that, following the exercise of 488,050 equity warrants held by one of its commercial partners and giving rise to 488,050 shares of Deezer S.A., the Company's share capital was increased by a total par value amount of €14 thousands, through the issuance of 1,435,843 new ordinary shares with a par value of €0.01 each. In the context of this exercise, the Company received from this commercial partner a total amount of to €14 thousands.

No dividends were proposed or paid in 2021 or 2022.

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

Movements in equity in 2022 are as follows:

	Number of shares	Share capital	Share and merger premiums	Result carried forward	Net loss	Total Equity
At January 1, 2022	**34,374,998**	**344**	**281,310**	**(24)**	**(1,591)**	**280,038**
Net loss	-	-	-	-	(630,997)	(630,997)
Appropriation of prior year net loss	-	-	-	(1,591)	1,591	-
Ordinary shares issued from the merger	96,440,617	964	1,049,036	-	-	1,050,000
Ordinary shares issued from the fund raising	11,900,000	119	105,155	-	-	105,274
Class B preferred shares cancelled from the redemption	(25,133,181)	(251)	(251,080)	-	-	(251,332)
Ordinary shares issued from the vesting of free shares	71,055	1	(1)	-	-	-
Ordinary shares issued from the exercise of warrants	3,434,181	34	(13)	-	-	21
At December 31, 2022	**121,087,670**	**1,211**	**1,184,406**	**(1,615)**	**(630,997)**	**553,004**

Note 20 Shared-based payments

20.1 Free share plans implemented by Deezer S.A.

Deezer S.A. granted free shares to certain employees and officers of the Group in 2017, 2019, 2021 and 2022 before the merger. 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.

Deezer S.A. 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).

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

	2017 free share plans*	2019 free share plans*	2021 free share plans*	2022 free share plans*
Grant dates	09/02/2017 06/06/2017	06/02/2019 10/04/2019 11/12/2019	24/02/2021 08/06/2021 21/07/2021	23/03/2022
Number of shares granted	384,392	885,324	558,642	21,072
Outstanding at January 1, 2021	**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**	**-**
Granted	-	-	-	21,072
Definitively acquired	(60,420)	(281,850)	(380,228)	-
Lapsed	-	(10,341)	(9,087)	-
Outstanding at December 31, 2022	**29,122**	**344,843**	**101,467**	**21,072**

* Plans granted by Deezer S.A. before the merger with I2PO S.A. on July 5, 2022. The number of shares disclosed above is before the merger and is not calculated based on the exchange ratio disclosed in Note 19.

20.2 Free share plans implemented by the Company

The Company has implemented three free shares plans in 2022.

Grant 1 plan concerns all employees (outside of two members of the management team and the top 33 managers) and provides for a 3-year acquisition period with a vesting schedule of 33.33% at each anniversary of the attribution date, subject to a continued presence the Group during the relevant annual reference period; provided that the first annual tranche would only be delivered upon the second anniversary of grant and that no holding period would apply.

Grant 2 plan concerns two members of the management team and provides for a 4-year acquisition period with a vesting schedule of 25% at each anniversary of the attribution date, subject only to the continued presence of the beneficiary within the Group during the relevant annual reference period; provided that the first annual tranche would only be delivered upon the second anniversary of grant and that no holding period would apply.

Grant 3 plan concerns 33 top managers and provides for a 3-year acquisition period with a vesting schedule of 33.33% at each anniversary of the attribution date, subject to a continued presence the Group during the relevant annual reference period; provided that the first annual tranche would only be delivered upon the second anniversary of grant and that no holding period would apply. Grant 3 plan vesting is subject to performance conditions.

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

	2022 - Grant 1 free share plan(1)	2022 - Grant 2 free share plan(1)	2022 - Grant 3 free share plan(1)
Grant dates	21/07/2022	21/07/2022	21/07/2022 27/10/2022
Number of shares granted	552,000	477,250	908,880(2)
Outstanding at January 1, 2022	**-**	**-**	**-**
Granted	552,000	477,250	908,880
Lapsed	(49,000)	-	-
Outstanding at December 31, 2022	**503,000**	**477,250**	**908,880**

(1) Plans granted after the merger completed on July 5, 2022.

(2) The number of shares corresponds to the shares which will vest if performance conditions are fully met.

20.3 Warrants issued by Deezer S.A.

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

Movements in warrants outstanding and related information is as follows:

Plans	Warrants 2014*	Warrants G	Warrants H	Warrants 2017	Warrants I
Shareholders' meeting date	22/05/2014	23/12/2016	30/06/2017	23/12/2016	30/06/2017
Board members' meeting date	-	09/02/2017	-	09/02/2017	25/01/2018
Expiry date	31/12/2024	31/12/2021	30/06/2027	30/11/2026	31/12/2021
Number of warrants granted	66,700	23,664	712,404	6,845	324,336
Outstanding at January 1, 2021	**66,700**	**23,664**	**17,319**	**6,845**	**324,336**
Granted	-	-	-	-	-
Exercised	-	(23,664)	-	-	(324,336)
Outstanding at December 31, 2021	**66,700**	**-**	**17,319**	**6,845**	**-**
Exercised	-	-	-	-	-
Outstanding at December 31, 2022	**66,700**	**-**	**17,319**	**6,845**	**-**
Subscription price (in €)	2.59	0.01	0.01	0.01	0.01
Exercise price (in €)	24.25	14.61	14.61	14.61	14.61
Maximum share capital increase (in €) (as at grant date, and before the merger with I2PO S.A.)	667	237	7,124	68	3,243

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

Plans	Warrants J	Warrants 2021	Warrants K	Warrants L	Warrants M
Shareholders' meeting date	30/06/2020	30/06/2020	30/06/2020	30/06/2021	30/06/2021
Board members' meeting date	-	24/02/2021	24/02/2021	16/09/2021	16/09/2021
Expiry date	26/11/2022	31/12/2030	01/05/2027	31/10/2024	31/10/2028
Number of warrants granted	453,206	6,000	488,050	420,125	679,245
Outstanding at January 1, 2021	**453,206**	**-**	**-**	**-**	**-**
Granted	-	6,000	488,050	420,125	679,245
Exercised	(140,494)	-	-	-	-
Outstanding at December 31, 2021	**312,712**	**6,000**	**488,050**	**420,125**	**679,245**
Exercised	-	-	(488,050)	-	(679,245)
Lapsed	(312,712)	-	-	-	-
Outstanding at December 31, 2022	**-**	**6,000**	**-**	**420,125**	**-**
Subscription price (in €)	39.75	3.98	0.01	0.01	0.01
Exercise price (in €)	0.01	39.75	0.01	0.01	0.01
Maximum share capital increase (in €) (as at grant date)	4,532	60	4,881	4,201	6,792
Vesting condition	Performance condition between 26/05/2020 and 26/05/2022		All warrants became exercisable as a result of the merger	Performance condition between 01/02/2021 and 31/01/2024	All warrants became exercisable as a result of the merger

20.4 Warrants issued by I2PO S.A.

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

Plans	A BSARs	B BSARs
Shareholders' meeting date	05/07/2021	05/07/2021
Board members' meeting date	15/07/2021	15/07/2021
Expiry date	5 years*	5 years*
Number of warrants granted	659,130	27,500,000
Outstanding at January 1, 2021	**-**	**-**
Granted	659,130	27,500,000
Exercised	-	-
Outstanding at December 31, 2021	**659,130**	**27,500,000**
Exercised	-	-
Outstanding at December 31, 2022	**659,130**	**27,500,000**
Subscription price (in €)	0.00	0.00
Exercise price (in €)	11.50	11.50
Maximum share capital increase (in €) (as at grant date)	2,832	118,158

* Five years from the completion date of the Business Combination.

20.5 Stock-options granted by Deezer S.A.

Deezer S.A. proceeded with grant of stock-options to the benefit of certain employees and officers of the Group.

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

Plans	Stock-options 14*	Stock-options 15*	Stock-options 15-2*	Stock-options 17	Stock-options 18
Granting dates	22/05/2014 24/10/2014 12/03/2015	23/04/2015	16/07/2015	25/07/2017	24/02/2021
Expiry date	31/12/2024	31/12/2024	31/12/2024	31/12/2026	31/12/2027
Number of stock-options granted	424,299	533,948	72,500	58,250	27,000
Outstanding at January 1, 2021	**55,462**	**533,948**	**58,000**	**31,662**	**-**
Granted	-	-	-	-	27,000
Lapsed	-	-	-	-	-
Outstanding at December 31, 2021	**55,462**	**533,948**	**58,000**	**31,662**	**27,000**
Lapsed	-	-	-	-	(3,500)
Outstanding at December 31, 2022	**55,462**	**533,948**	**58,000**	**31,662**	**23,500**
Exercise price (in €)	24.25	24.25	24.25	14.61	31.31
Maximum share capital increase (in €) (as at grant date)	4,243	5,339	725	583	270

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

Note 21 Provisions for risks

(in € thousands)	Loss at completion	Legal contingencies	Indirect tax	Other	Total
At January 1, 2022	**-**	**-**	**-**	**-**	**-**
Merger	19,159	1,509	4,233	6,486	31,387
Additional provisions - Operating	1,900	344	1,262	714	4,220
Additional provisions – Financial	-	-	-	83	83
Additional provisions – Extraordinary	-	2,237	1,213	802	4,252
Provisions utilized	-	(929)	-	(873)	(1,802)
Reversal of unutilized provisions	-	(86)	(179)	-	(265)
At December 31, 2022	**21,059**	**3,075**	**6,529**	**7,212**	**37,875**

21.1 Loss at completion

The provision for loss at completion relates to the exclusive license agreement with Rotana Audio Visual LLC. This provision corresponds to the difference between the contractual minimum guarantee and the royalty costs estimated over the five-year contract. It is based on key assumptions such as revenue and market shares forecast until the end of the contract.

21.2 Legal contingencies

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

Regarding the claim filed by HUZIP (Hrvatska Udruga Za Zastitu Izvodackih Prava), Croatian performers' rights collecting society, against Deezer S.A., two hearings were held in February and June 2022 and do not affect the provision booked as at December 31, 2022.

21.3 Taxes

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

21.4 Other

Other provisions relate to commercial risks and unrealized foreign exchange losses.

Note 22 Financial liabilities

Financial liabilities breakdown as follows:

	At December 31,	
(in € thousands)	2022	2021
State-guaranteed loans	25,422	-
Accrued interests on state-guaranteed loans	38	-
Current accounts	1,550	-
Financial liabilities	**27,010**	**-**

	At December 31,	
Maturity analysis (in € thousands)	2022	2021
Less than one year	6,538	-
One to five years	20,472	-
More than five years	-	-
Total financial liabilities	**27,010**	**-**

Note 23 Trade payables and related accrued expenses

	As of December 31,	
(in € thousands)	2022	2021
Trade payables	7,948	2
Trade accrued expenses	246,100	1,109
	254,048	**1,111**

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

Trade payables breakdown as follows:

	As of December 31,	
(in € thousands)	2022	2021
Marketing, General & Administrative and Other	5,352	2
Royalties	2,596	-
	7,948	**2**

Trade accrued expenses are detailed below:

	As of December 31,	
(in € thousands)	2022	2021
Marketing, General & Administrative and Other	20,671	1,109
Royalties	225,429	-
	246,100	**1,109**

Note 24 Tax and employee-related liabilities

Tax and employee-related liabilities are due within twelve months.

	As of December 31,	
(in € thousands)	2022	2021
Employee-related liabilities	4,518	6
Social contribution liabilities	5,620	5
State, revenue taxes payable	15,966	1
Other similar taxes and levies payable	1,856	1
Current income tax payable	642	-
	28,603	**13**

Note 25 Other liabilities

Other liabilities are due within twelve months.

	As of December 31,	
(in € thousands)	2022	2021
Trade receivables - Credit notes to be issued	440	-
Trade receivables with credit balances	30	-
Sundry creditors	4,815	-
	5,285	**-**

Sundry creditors mainly comprise a liability relating to a license agreement.

Note 26 Deferred revenue and other

This item comprises deferred revenue and unrealized exchange gains.

Note 27 Commitments

27.1 Obligations under leases

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

(in € thousands)	2022	2021
Less than one year	5,395	-
One to five years	8,978	-
More than five years	-	-
	14,373	**-**

27.2 Minimum royalty payments

The Company 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:

(in € thousands)	2022	2021
No later than one year	185,097	-
Later than one year but not more than 5 years	17,596	-
	202,693	**-**

27.3 Non-cancellable purchase commitments

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

(in € thousands)	2022	2021
No later than one year	826	-
Later than one year but not more than 5 years	-	-
	826	**-**

The Company is also subject to the following minimum guarantees to receive from its distribution partners, as at December 31:

(in € thousands)	2022	2021
No later than one year	15,136	-
Later than one year but not more than 5 years	159,256	-
	174,392	**-**

27.4 Retirement benefits

The commitment of the Company 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:

	2022	2021
Collective agreement applied	SYNTEC	Not applicable
Salary increase rate	3%	Not applicable
Annual discount rate	3.75%	Not applicable
Social contribution rate	50.00%	Not applicable
Retirement age	65 years	Not applicable
Mortality table	INSEE 2015/2017	Not applicable
Average turnover rate	0% to 31.2%	Not applicable

As at December 31, 2022, 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 retirement benefit commitment amounts to €692 thousands at that date.

Note 28 Related party transactions

28.1 Transactions with related parties

The financial statements of the parent company include related parties' transactions conducted by the Company with its affiliates 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:

(in € thousands)	2022	2021
Purchases	1,886	-
Sales	77,200	-

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

(in € thousands)	2022	2021
Receivables	7,403	-
Payables	169	-

28.2 Executive license agreement with Rotana Audio Visual LLC

An exclusive license agreement was entered into on August 1, 2018 between Deezer S.A. 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 Deezer S.A. 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 since then.

As per the settlement agreement signed in September 2021 and its amendment signed in February 2022 and in relation to the exclusive licence agreement, Deezer S.A. paid a net amount of US$2.2 million on September 30, 2021 and Rotana Audio Visual LLC paid a net amount of US$350 thousands on December 27, 2022.

Note 29 Subsequent events

On February 16, 2023, the Company announced a long-term partnership with Sonos to power the brand's streaming radio service Sonos Radio and its subscription service Sonos Radio HD, delivering an expansive catalog of music curated for Sonos customers.

On February 28, 2023, Stu Bergen was provisionally appointed by the Board of Directors to replace Amanda Cameron, who resigned from her position as director. The provisional appointment of Stu Bergen as director of the Company will have to be ratified by the next ordinary shareholders' meeting of the Company.

6.4 Statury auditors' report on the parent company financial statements

Year ended December 31st 2022

To the Annual General Meeting of Deezer S.A.,

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Opinion

In compliance with the engagement entrusted to us by your bylaws and your annual general meeting, we have audited the accompanying financial statements of Deezer S.A. for the year ended December 31st, 2022, such as they are enclosed to our report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (*Code de commerce*) and the French Code of ethics (*Code de déontologie de la profession de commissaire aux comptes*) for statutory auditors for the period from January 1st, 2022 to date of our report. We have not provided any services prohibited by the Article 5, paragraph 1, of the EU Regulation n° 537/2014.

Emphasis of Matter

Without qualifying the opinion expressed above, we draw attention to the following matters described in notes 2 "Comparability of the financial statements" and 3 "Change in accounting method" to the financial statements, concerning respectively the impact of the merger of Deezer S.A. into I2PO S.A. on the comparability of the financial statements between the two financial years presented, and the accounting principles according to which Deezer S.A.'s financial statements have been prepared.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements

Cost of revenue and rights holders liabilities

Notes 6 and 23 of the financial statements

Identified risk

For the year ended December 31, 2022, the Company's other expenses were € 316 M and mainly comprise the costs of music rights related to content streaming and licenses expensed. As of December 31, 2022, trade payables and trade accrued expenses to rights holders was € 2,6 M and € 225 M, respectively.

As explained in Note 6 of the financial statements, the costs of music rights 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 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.

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 (or "shortfall) is accrued for under Trade payables and related accrued expenses and this cost of music rights is spread over the same period.

Given the complexity of royalty calculations, the information systems involved, the volume of systems involved, the volume of data and the significant amount of management judgment involved in their determination, we have considered the valuation of costs of music rights and liabilities to right holders as a key audit matter.

Our audit approach

In the context of our audit of the annual financial statements, our work mainly consisted in performing the following procedures:

- We obtained an understanding and evaluated the design of controls over the Deezer's processes to determine cost of revenue and rights holder liabilities.
- We tested controls specific to the calculation of royalties, calculation variables and IT systems. For IT controls, we tested the automatic calculation of market shares per rights holder and ensured the reliability of listening census.
- We examined estimates and judgments used to determine royalties where rights holders have allowed the use of their content while negotiations or determination of rates are ongoing.
- We examined specific contractual terms and conditions related to minimum guaranteed amounts and assessed projections related to shortfall calculation.
- We recalculated royalty cost amounts, tested calculation variables, and compared royalty rates to agreements, and related amendments, based on a representative sample of contracts.

We have also verified the appropriateness of the information provided in notes 6 and 23 to the financial statements.

Recognition of indirect sales from B2B contracts with a guaranteed minimum clause

Notes 4 (c) (iii) et 5 of the financial statements

Identified risk

As of December 31, 2022, indirect revenue relating from subscriptions through B2B partners, or included in services or products sold by B2B partners (as part of bundled offers) amounted to € 92,7 M out of total annual revenues of € 415,7 M.

As explained in Note 4 (c) (iii) to the financial statements, when the Deezer subscription is included in the service or product sold by the distribution partner, the distribution partner pays Deezer based on all subscriptions sold or active subscriptions under the terms of the contract. The corresponding revenue is recognized on a straight-line basis over the subscription period for the net amount paid by the distribution partner.

Certain contracts with distribution partners include a minimum guarantee to be received. The revenue recorded corresponds to the monthly sales declared by the distribution partners. When management estimates that total revenue will be less than the contractual minimum guarantee, any difference between actual sales and the minimum guarantee is recognized as revenue over the remaining years of the contract, in accordance with the terms and conditions of the contract.

We consider the recognition of indirect revenue related to B2B contracts with a minimum guarantee clause to be a key audit matter, due to the complexity of the accounting treatment and management's significant estimates of future revenue per contract.

Our audit approach

In the context of our audit of the annual financial statements, our work mainly consisted in examining the procedures implemented by management to estimate the future revenue of a B2B contract with a minimum guarantee. Then, based on a sample of contracts with a minimum guarantee and the analyses performed by management, we:

- verified that the accounting treatment is made in accordance with the characteristics of the contracts and the accounting standards;
- orroborated the guaranteed minimum amount taken into account in the analysis with the amount defined in the contract;
- reviewed the revenue estimates over the full term of the contracts and verified that the amount of these estimates was consistent with the last Group's overall business plan approved by the Board of Directors;
- verified the calculation of the difference between the revenue recorded for the year and the contractually defined minimum guaranteed turnover and analysed the corresponding accounting treatment.

We have also verified the appropriateness of the information provided in notes 4 (c) (iii) and 5 to the financial statements.

Valuation of the goodwill resulting from the merger

Notes 1 (b), 4 (b) & (f) and 10 of the financial statements

Identified risk	On July 5th 2022, Deezer was merged into I2PO S.A., with retroactive effect to January 1, 2022. As part of the merger, Deezer S.A. was dissolved and all of its assets and liabilities were transferred to I2PO S.A. I2PO S.A., which includes the activities of Deezer, was renamed "Deezer S.A.". The effects of the merger on the financial statements of Deezer S.A. as of December 31, 2022 are presented in note "b) Accounting for the merger" of the section "4) Significant accounting policies" to the financial statements. As the two companies are separately controlled, the transaction was qualified as a reverse merger. As the net book value of the net assets transferred was not sufficient to allow the capital to be paid up, the assets and liabilities were transferred at their real value, estimated at 1,050 million euro. In accordance with accounting rules and methods, the company, with the assistance of an independent expert, has allocated the merger deficit in the context of the transaction to the various identifiable assets and liabilities transferred. As a result, new intangible assets were recognized in the balance sheet for € 499 M, including the Deezer brand, direct customer relationships, partnerships with distributors and application development costs. This allocation led to the recognition of residual goodwill of € 760,1 M. As indicated in note "10) Intangible assets" to the company's financial statements, an impairment test was carried out at December 31, 2022. For this purpose, the recoverable amount of Deezer was estimated by an independent expert using a multi-criteria method and approaches based on results and market data. The assessment of the recoverable amount of this asset includes a significant number of judgments and assumptions, in particular concerning the cash flows forecast, and the discount rates & growth rates used to project these flows. Consequently, a change in these assumptions is likely to affect the recoverable amount of this asset. This test has resulted in the recognition of an impairment of goodwill of € 497,3 M as of December 31, 2022. Given the significant financial implications in the financial statements of Deezer S.A. of the merger transaction and the significant part of estimates of management on the assessment of the recoverable amount of intangible assets, we consider that the recognition and measurement of the recoverable amount of intangible assets is a key audit matter.
Our audit approach	In the context of our audit of the annual financial statements, our work mainly consisted in performing the following procedures. In a first step: • obtain the documentation relating to the merger of Deezer S.A. into I2PO S.A., such as the merger agreement, and meet with management to understand the characteristics of this transaction and verify the compliance of the accounting treatment with French accounting standards; • on the basis of the independent expert's report and with the support of our own valuation experts, assess the scope of his work and the appropriateness of the assumptions and methods used for the valuation of the assets and liabilities acquired with regard to the criteria provided for by the relevant accounting standards; • verify that the appropriate accounting entries have been recorded in the company's financial statements as of January 1, 2022; • assess the accuracy of the arithmetic calculations. In a second step, we examined the methods used to implement the impairment test carried out by the company with the support of their independent expert, and assessed the reasonableness of the main estimates: • reviewing the process implemented by management to perform the impairment test on intangible assets and the methods used to determine the main assumptions; • assessing, with the assistance of our valuation experts, the methodology used to determine the recoverable amount of intangible assets; • assessing the consistency of cash flow forecasts with the business plan prepared on the basis of the forecasts by Management and presented to the Board of Directors; • verifying the reasonableness of key business assumptions (growth prospects), and the growth rate used to extrapolate cash flows beyond the projection period; • assessing the consistency, with the assistance of our valuation experts, of the discount rate used with external market data; • examining the sensitivity analyses presented in the notes to the financial statements and comparing them with our own calculations. We have also verified the appropriateness of the information provided in the notes to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents on the financial situation and the annual financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-6 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

We attest that the non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of this Code, we have verified neither the fairness nor the compliance with the annual accounts of the information contained in this statement and which are subject to a report of an independent third-party..

Report on corporate governance

We hereby attest to the existence, in the Board of Directors' report on corporate governance, of the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the Commercial Code.

Concerning the information provided in accordance with the requirements of article L.22-10-9 of the French commercial code (Code de commerce) relating to remunerations and benefits paid or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the data used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it that are included in the scope of consolidation. On the basis of this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the principal shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other legal and Regulatory Requirements

Format of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included18 in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the English translation of financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Deezer by your general meeting of June 30, 2022 for Ernst & Young Audit and by your bylaws of April 29th, 2021 for Mazars and Grant Thornton.

As of December 31, 2022, Ernst & Young Audit was in the first year of its assignment and Mazars and Grant Thornton were in the third year of their assignment without interruption, including two years since the company's shares were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were authorised for issue by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Issued in Neuilly-sur-Seine and Paris-La Défense,
April 24th, 2023

The Statutory Auditors

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

6.5. Additional information

6.5.1. Company results for the past three financial years

End of the financial year/period	31/12/2022	31/12/2021[1]	15/05/2021[2]
Fiscal year/period in months	12 months	7.5 months	0.4 month
Share capital at the end of the financial year			
Share capital (in euros)	1,210,877	343,750	39,000
Number of shares outstanding	121,087,670	34,374,998	3,900,000
Comprehensive income from operations (in euros)			
Revenue excluding taxes (in euros)	415,718,024	0	0
Net result before tax, employee profit-sharing, depreciation, amortisation, provisions and impairment	(82,853,211)	(1,114,514)	(23,677)
Income tax[3]	324,147	0	0
Employee profit sharing	0	0	0
Net result after tax and employee profit-sharing, but before depreciation, amortisation, provisions and impairment	(82,529,064)	(1,114,514)	(23,677)
Net result after tax, employee profit-sharing, depreciation, amortisation, provisions and impairment	(630,997,405)	(1,591,473)	(23,677)
Distributed income	0	0	0
Earnings per share (in euros)			
Net result after tax and employee profit-sharing, but before depreciation, amortisation, provisions and impairment	(0.68)	(0.03)	(0.01)
Net result after tax, employee profit-sharing, depreciation, amortisation, provisions and impairment	(5.21)	(0.05)	(0.01)
Net dividend paid per share	0	0	0
Employees			
Average headcount	549	0	0
Basic payroll (in euros)	44,806,301	8,250	0
Social contributions (in euros)	20,438,431	3,477	0

(1) Period from May 16 to December 31, 2021.
(2) Period from May 4 to 15, 2021.
(3) Excluding additions, utilisations and reversals of provisions.

6.5.2. Information on payment terms

	Invoices received, due but not paid as at December 31, 2022						Invoices issued, due but not paid as at December 31, 2022					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	>91 days	Total (1 day and over)	*0 day (indicative)*	1 to 30 days	31 to 60 days	61 to 90 days	>91 days	Total (1 day and over)
(A) Late payment tranches												
Number of invoices involved	278					2,915	157					1,865
Total amount of invoices involved including taxes (in € thousands)	6,587	1,390	177	(461)	(2,555)	(1,449)	14,157	4,039	599	37	3,369	8,044
Percentage of total amount of purchases including taxes for the financial year	1.68%	0.35%	0.05%	(0.12%)	(0.65%)	(0.37%)						
Percentage of total amount of revenue including taxes for the financial year							2.99%	0.85%	0.13%	0.01%	0.71%	1.70%
(B) Invoices excluded from (A) in connection with doubtful payables and receivables that are disputed or not recognised												
Number of invoices excluded						0						1
Total amount of invoices excluded, including taxes						0						626
(C) Reference payment terms used (contractual or statutory payment term)												
Reference payment terms used for calculating late payments	• Contractual payment terms: 30 to 60 calendar days • Statutory payment terms: 60 days						• Contractual payment terms: 30 to 60 calendar days • Statutory payment terms: 60 days					

Information about the Company and its capital

7.1 General information and bylaws

7.1.1 Information on the Company

7.1.1.1 Corporate name

As of the date of this Universal Registration Document, the corporate name of the Company is “Deezer S.A.”.

7.1.1.2 Place of registration and registration number

The Company is registered with the Trade and Companies Register of Paris under number 898 969 852.

LEI (Legal Entity Identifier): 969500LM904RGABQUN96.

7.1.1.3 Date of incorporation and term

The Company was incorporated for a term of 99 years from its registration date with the Trade and Companies Register on May 4, 2021, except in the event of early dissolution or extension.

The fiscal year begins on January 1 and ends on December 31 of each year.

7.1.1.4 Registered office and website of Deezer

The Company’s registered office is located at 24, rue de Calais, 75009 Paris, France (Tel: +33 (0)1 84 25 25 00).

The Company’s website address is: www.deezer.com. The information provided on the Company’s website is not part of this Universal Registration Document.

7.1.1.5 Legal form of the Company and legislation under which it operates

On July 5, 2022, the former Deezer company merged with and into I2PO S.A., a special purpose acquisition company listed on the regulated market of Euronext Paris. Following the completion of the Merger, I2PO S.A., the surviving entity was renamed “Deezer S.A.” with a register office transferred to 24, rue de Calais, 75009 Paris. The following paragraphs expose shortly the history of the former Deezer company merged into I2PO S.A.

The former Deezer company was originally founded in 2007 as Blogmusik S.A.S., a pioneer in the music streaming market, by Daniel Marhely and Jonathan Benassaya.

The former Deezer company (formerly Odyssey Music Group) was initially incorporated as a French *société par actions simplifiée* on March 20, 2009, with Blogmusik S.A.S. as its wholly-owned subsidiary.

On July 24, 2009, it was converted into a French *société anonyme à conseil d’administration*.

On September 4, 2015, Blogmusik S.A.S. merged with and into former Deezer company and Odyssey Music Group was renamed “Deezer”.

As of the date of this Universal Registration Document, the Company is a public limited company with a Board of Directors (*société anonyme à conseil d’administration*), governed by French law, including, in particular, Book II of the French Commercial Code.

7.1.2 Articles of association

The articles of association of the Company contain, inter alia, provisions to the following effect.

7.1.2.1 Board of Directors

Under its articles of association, the Company is managed by a Board of Directors (*Conseil d’administration*).

A. Composition of the Board of Directors

As of the date of this Universal Registration Document, the Board of Directors is comprised of ten (10) members.

The articles of association provide that the Board of Directors is composed of a number of members between three (3) and eighteen (18), who may be individuals or legal entities. The members of the Board of Directors who are legal entities shall, at the time of their appointment, designate a permanent representative who is subject to the same conditions and obligations and incurs the same liabilities as if he or she were a member of the Board of Directors in his or her name, without prejudice to the joint and several liability of the legal entity that he or she represents.

The members of the Board of Directors are appointed by the ordinary shareholders’ meeting.

An employee of the Company may be appointed as member of the Board of Directors, it being specified that removal from office as a member of the Board of Directors shall not terminate his/her employment contract.

Members of the Board of Directors shall be appointed for a term of three (3) years. The term of office of members of the Board of Directors shall expire at the end of the ordinary shareholders’ meeting called to approve the accounts for the previous financial year and held in the year in which their term of office expires.

The members of the Board of Directors may be reelected. They may be revoked by the ordinary shareholders’ meeting. In case of vacancy of a position as member of the Board of Directors, the Board of Directors must decide, within three (3) months, whether the vacant position shall be replaced or to amend the number of positions it previously set. The Board of Directors is, however, bound to replace within a period of three (3) months any position whose vacancy would cause the number of members of the Board of Directors to fall below three (3) members. In the event of appointment of a member of the Board of Directors on a provisional basis, this new member shall be appointed for the remaining term of office, subject to ratification of such provisional appointment by the next ordinary shareholders' meeting of the Company.

The number of members of the Board of Directors older than eighty (80) years old shall not exceed one third of the total members of the Board of Directors in office. When this age limit is to be exceeded during the mandate, the member concerned shall be deemed to have resigned at the end of the next ordinary shareholders' meeting.

The ordinary shareholders' meeting may, on the proposal of the Board of Directors, appoint observers (*censeurs*). The Board of Directors may directly appoint one or more observers, subject to ratification by the next shareholders' meeting. The observers are convened and participate without right to vote at all meetings of the Board of Directors, but their absence shall not affect the validity of the deliberations of the Board of Directors. They are appointed for a renewable three-year term. Observers may receive compensation for services rendered, as determined by the Board of Directors. The Board of Directors when appointing one or several observers will consider AMF regulations and recommendations applicable in that respect.

B. Chair of the Board of Directors and Chief Executive Officer

Chair of the Board of Directors

The Board of Directors grants to one of its members the title of Chair of the Board of Directors for a term which may not exceed that of his/her term of office as member of the Board of Directors. If applicable, the Board of Directors also grants to one of its members the title of a Vice-Chair for a term which may not exceed that of his/her term of office as member of the Board of Directors. The Board of Directors may revoke the Chair, and if applicable, the Vice-Chair, at any time.

The Chair of the Board of Directors represents the Board of Directors. He/she organizes and directs the work of the Board of Directors and reports thereon to the shareholders' meeting. He/she ensures that the Company's governing bodies function properly and, in particular, that the members of the Board of Directors are able to carry out their duties.

No person who is over eighty (80) years shall be appointed Chair or Vice-Chair. If the current Chair or Vice-Chair exceeds this age limit, he/she shall be deemed to have resigned. However, his or her term shall continue until the next meeting of the Board of Directors at which time a new Chair or, as the case may be, a new Vice-Chair shall be appointed.

Chief Executive Officer

In accordance with Article L. 225-51-1 of the French Commercial Code, the general management of the Company is carried out under its responsibility either by the Chair of the Board of Directors or by another individual appointed by the Board of Directors and who takes the title of Chief Executive Officer.

The Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He exercises these powers within the limits of the corporate purpose, and subject to the powers expressly attributed by law to the shareholders' meeting and the Board of Directors.

He/she represents the Company in its relations with third parties. The Company is bound even by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it can prove that the third party knew that the act in question exceeded that purpose or that he could not have been unaware of it in view of the circumstances, it being specified that the mere publication of the articles of association is not sufficient to constitute such proof.

In order to perform his duties, the Chief Executive Officer must be less than eighty (80) years. If, during his term, this age limit is reached, the Chief Executive Officer is deemed to have resigned automatically. However, his/her term shall continue until the next meeting of the Board of Directors at which a new Chief Executive Officer shall be appointed.

Deputy Chief Executive Officer

On the proposal of the Chief Executive Officer, whether this function is assumed by the Chair or by another person, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer with the title of Deputy Chief Executive Officer. The number of Deputy Chief Executive Officers may not exceed five.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officer(s) and sets their compensation. However, when a Deputy Chief Executive Officer is a member of the Board of Directors, his or her term as Deputy Chief Executive Officer may not exceed his or her term of office as director.

With respect to third parties, the Deputy Chief Executive Officer(s) shall have the same powers as the Chief Executive Officer.

C. Board of Directors' meeting

The Board of Directors shall meet whenever this is required by the Company's interests, upon convening by its Chair or by at least half of its members, either at the Company's registered office, or in any other place specified in the meeting notice. The meeting may be convened by any means, even orally.

For decisions to be valid, the attendance of at least half of the members of the Board of Directors is required.

Decisions of the Board of Directors shall be adopted by a majority vote. In the event of a tie, the Chair of the Board of Directors, or the Chair of the meeting in case of absence of the Chair of the Board of Directors, shall have a casting vote.

Members of the Board of Directors who attend the meeting by way of videoconference, telecommunication or by any other means allowed by law, shall be deemed to be present for the purposes of calculating the quorum and majority. However, the use of videoconferencing or teleconferencing is not applicable for the closing of the annual accounts, the consolidated accounts and the preparation of the management report and the Group management report.

The decisions of the Board of Directors are recorded in minutes in accordance with law in force and signed by the Chair of the Board of Directors. Copies and excerpts of these minutes are certified by the Chair of the Board of Directors, one of its members, the secretary of the Board of Directors or by any other person designated by the Board of Directors.

D. Share qualification

According to internal rule of the Board of Directors, each member of the Board of Directors shall hold at least 200 shares in the Company throughout his or her term and, in any event, within 6 months of his/her/its appointment. This obligation shall not apply to the directors representing employees of the Company and its subsidiaries (if any) and directors representing shareholders, whose internal procedures prohibit the direct ownership of shares by their representatives. The Company cannot lend shares to its directors.

E. Board of Directors powers

The Board of Directors determines the directions of the Company's activity and ensures their implementation. Within the limit of the Company's corporate purpose and subject to those powers expressly allocated by applicable French laws and regulations to the shareholders' meetings, the Board of Directors deals with any issue concerning the proper operation of the Company and settles, through its deliberations, the matters that concern it.

The Board of Directors carries out the controls and verifications it deems appropriate. The Chair or the Chief Executive Officer of the Company is required to provide each director with all documents and information necessary for the performance of his duties.

The Board of Directors may confer on one or more of its members or on third parties, whether or not they are shareholders, any special mandate for one or more specific purposes.

The Board of Directors may decide to set up committees to study questions that it or its Chair submits for their consideration. It determines the composition and powers of the committees, which carry out their activities under its responsibility.

The Board of Directors decides on the distribution among its members of the compensation allocated to the directors by the shareholders' meeting. The Board of Directors may also grant exceptional compensation to directors in cases and conditions provided for by law.

7.1.2.2 Shareholders' meetings

A. General

In accordance with the French Commercial Code, there are three types of shareholders' meetings: ordinary, extraordinary and special.

Ordinary shareholders' meetings (*assemblées générales ordinaires*) are required for matters such as:

- electing, replacing or removing members of the Board of Directors;
- appointing independent statutory auditors;
- approving the annual accounts of the Company; and
- declaring dividends or authorizing dividends to be paid in shares.

Extraordinary shareholders' meetings (*assemblées générales extraordinaires*) are required for approval of matters such as amendments to the Company's articles of association, including amendments required in connection with extraordinary corporate actions. Extraordinary corporate actions include:

- changing the Company's name or corporate purpose;
- increasing or decreasing its share capital or authorizing the Board of Directors to do so;
- creating a new class of equity securities or authorizing the Board of Directors to do so;
- issuing convertible securities or authorizing the Board of Directors to do so;
- establishing any other rights to equity securities;
- selling or transferring substantially all of the Company's assets; and
- the voluntary liquidation of the Company.

Special shareholders' meetings (*assemblées spéciales*) are required if and when the Company's shares are divided into different classes.

Pursuant to Article L. 225-99 of the French Commercial Code, whenever the extraordinary shareholders' meeting would decide to modify the particular rights attached to a given class of shares, a special shareholders' meeting of the holders of the relevant class of shares shall be required to approve the changes adopted by the extraordinary shareholders' meeting before the latter become effective.

B. Shareholders' meetings

The French Commercial Code requires the Company's Board of Directors to convene an ordinary shareholders' meeting to approve the annual financial statements. This meeting must be held within six (6) months of the end of each fiscal year. This period may be extended by an order of the President of the commercial court (*Tribunal de commerce*).

The Board of Directors may also convene an ordinary shareholders' meeting, an extraordinary shareholders' meeting or a special shareholders' meeting upon proper notice at any time during the year. If the Board of Directors fails to convene a shareholders' meeting, the Company's statutory auditors or a court-appointed agent may convene the meeting. Any of the following may request the court to appoint an agent for the purposes of convening the shareholders' meeting:

- one or several shareholders holding at least 5% of the Company's share capital;
- any interested party or the works' council (*comité social et économique* - CSE) in cases of urgency; or

- duly qualified associations of shareholders who have held their shares in registered form for at least two years and who together hold a minimum number of shares calculated on the basis of a formula relating to the Company's share capital.

In bankruptcy or insolvency proceedings, liquidators or court appointed agents may also convene shareholders' meetings in certain instances.

Shareholders holding the majority of the Company's share capital or voting rights may also convene a shareholders' meeting after the filing of a public offer or the sale of a controlling interest in the Company's share capital.

C. Notice of shareholders' meetings

Under French law, ordinary shareholders' meetings, extraordinary shareholders' meetings and special shareholders' meetings of a listed company must be convened by means of a preliminary notice (*avis de réunion*) published in the BALO (*bulletin des annonces légales obligatoires*) at least 35 calendar days prior to the meeting date and indicating, among other things, general information on the Company, such as its name and address, the meeting agenda, a draft of the resolutions to be submitted to the shareholders by the Board of Directors and the procedure for voting by mail. The preliminary notice is usually first sent to the AMF.

The Company must send a final notice (*avis de convocation*) containing the agenda, type of meeting, date, place and time of the meeting at least 15 calendar days prior to the date set for the meeting and at least 10 calendar days before any second meeting notice. Such final notice must be sent by mail to all registered shareholders who have held shares for more than one month prior to the date of the final notice. The final notice must also be published in the BALO and in a newspaper authorized to publish legal notice in the local administrative department in which the Company is registered, with prior notice to the AMF.

As the final notice must also be published in the BALO, the Company may publish only one notice that serves as both a preliminary and final notice (*avis de réunion valant avis de convocation*). In such event, the meeting agenda may not be amended after the publication of the notice and the notice shall contain all of the information required to be inserted in the final notice.

In general, shareholders can take action at shareholders' meetings only on matters listed on the meeting agenda, except with respect to the dismissal of Board of Directors members. Additional resolutions to be submitted for shareholder approval at the meeting may be proposed to the Board of Directors as from the day of publication of the preliminary notice in the BALO but no later than the 25th calendar day preceding the shareholders' meeting. When the preliminary notice is published more than 45 calendar days before the shareholders' meeting, additional resolutions may be proposed no later than 20 calendar days after the publication of the preliminary notice.

Additional resolutions may be submitted by:

- one or more shareholders holding a specific percentage of shares;
- the works' council no later than 10 calendar days after the publication of the preliminary notice; or
- a duly qualified association of shareholders who have held their shares in registered form for at least two years and who together hold a minimum number of shares calculated on the basis of a formula relating to the Company's share capital.

The Board of Directors must submit properly proposed resolutions to a vote of the shareholders. It may make a recommendation thereon. When a shareholder sends to the Company a blank proxy form without naming a representative, his vote is deemed to be in favor of the resolutions (or amendments) proposed or recommended by the Board of Directors and against all others. Once the final notice is sent and no later than four business days preceding a shareholders' meeting, any shareholder may submit written questions to the Board of Directors relating to the meeting agenda. The Board of Directors must respond to these questions during the meeting.

D. Attendance and voting at shareholders' meetings

In general, each shareholder is entitled to one vote per share at any general or special meeting, it being specified that the articles of association the Company provide for a double voting right is attached to each registered share, held in the name of the same shareholder for at least two years as from July 5, 2022.

Moreover, Class A2 Shares and Class A3 Shares, as defined below in paragraph 7.2.1, do not carry voting rights at general shareholders' meetings. Each Class A2 Share and Class A3 Share respectively entitles the shareholder to participate and vote at a special meeting of shareholders holding Class A2 Share(s) and Class A3 Share(s) under the conditions set forth in applicable laws and regulations and the articles of association of the Company. Please refer to paragraph I. below entitled "*Amendments affecting special shareholder rights – special meetings*".

Shareholders may attend ordinary shareholders' meetings, extraordinary shareholders' meetings and special shareholders' meetings and exercise their voting rights subject to the conditions specified in the French Commercial Code and the Company's articles of association. Under French law, no shareholder may be required to hold a minimum number of shares in order to be allowed to attend or to be represented at an ordinary or extraordinary shareholders' meeting. The foregoing also applies with respect to holders of shares of a particular class in connection with their attending or being represented at the special shareholders' meeting of holders of such shares.

In order to participate in any ordinary shareholders' meeting, extraordinary shareholders' meeting or special shareholders' meeting, shareholders are required to have their shares registered at midnight Paris time two (2) business days before the relevant meeting in their name or in the name of an intermediary registered on their behalf, either in the registered shares shareholder account maintained by Société Générale Securities Services on behalf of the Company or in a bearer shares shareholder account maintained by an accredited financial intermediary.

E. Proxies and votes by mail or telecommunications

In general, all shareholders who have properly registered their shares at midnight Paris time two business day prior to the general or special meeting may participate in the relevant meeting. Shareholders may participate in general and special meetings either in person or by proxy, or by any other means of telecommunications in accordance with current regulations if the Board of Directors provides for such possibility when convening the meeting.

To be counted, proxies must be received at the Company's registered office, or at any other address indicated on the notice convening the meeting, prior to the date of the meeting. A shareholder may grant proxies to his or her civil partner (*partenaire pacsé*) / spouse, another shareholder or any other legal entity or individual he, she or it may choose. Alternatively, the shareholder may send a blank proxy form without nominating any representative. In this case, the chairman of the meeting shall vote those blank proxies in favor of all resolutions (or amendments) proposed or recommended by the Board of Directors and against all others.

With respect to votes by mail, the Company may send voting forms to shareholders if it wishes, and is required to do so upon the request of a shareholder, among other instances. The completed and signed form must be returned to the Company at least three days prior to the date of the shareholders' meeting, unless it is electronic, in which case it must be returned to the Company prior to the date of the shareholders' meeting at 3 p.m. at the latest.

F. Quorum

The French Commercial Code requires that the shareholders together holding at least one-fifth of the shares entitled to vote must be present in person, or vote by mail or by proxy, at an ordinary shareholders' meeting convened on the first notice. There is no quorum requirement on the second notice with respect to an ordinary shareholders' meeting.

The quorum requirement is one-fourth of the shares entitled to vote, for the extraordinary shareholders' meeting on the first notice, and one fifth on the second notice. Notwithstanding the foregoing, an extraordinary shareholders' meeting where only an increase in the Company's share capital is proposed through incorporation of reserves, profits or share premium requires only a quorum of one-fifth of the shares entitled to vote.

If a quorum is not met, the meeting is adjourned. When an adjourned meeting is resumed, there is no quorum requirement for an ordinary shareholders' meeting, or for an extraordinary shareholders' meeting where an increase in the Company's share capital is proposed through incorporation of reserves, profits or share premium. However, only questions that are on the agenda of the adjourned meeting may be discussed and voted upon. In the case of any other reconvened extraordinary shareholders' meeting, shareholders representing at least 20% of outstanding voting rights must be present in person or vote through mail or proxy for a quorum. Any deliberation by the shareholders that takes place without a quorum is void.

G. Majority votes

A simple majority of shareholder votes cast may pass any resolution on matters required to be considered at an ordinary shareholders' meeting, or concerning a share capital increase by incorporation of reserves, profits or share premium at an extraordinary shareholders' meeting. Generally, at any other extraordinary shareholders' meeting, a minimum two-third majority of the shareholder votes cast is required. A unanimous vote of shareholders is required to increase the liabilities of shareholders.

Abstention from voting by those present in person or by means of telecommunications or those represented by proxy or voting mail is disregarded, *i.e.*, not counted either as a vote in favour, or as a vote against, the resolution submitted to the shareholders' vote.

In general, a shareholder is entitled to one vote per share at any shareholder' meeting subject to any potential double voting rights. Under the French Commercial Code, shares of a company held by entities controlled directly or indirectly by that company are not entitled to voting rights and are not counted for majority purposes.

H. Double voting rights

The articles of association of the Company provide, in accordance with the provisions of the third paragraph of Article 225-123 of the French Commercial Code, a double voting right to all fully paid-up shares which have been registered in the name of the same shareholder for at least two years.

In the event of a capital increase by incorporation of reserves, profits or share premiums, this double voting right will be granted, as from their issue date, to the new registered shares allocated free of charge to a shareholder in respect of existing shares for which it, he or she already benefits from this right.

Any share converted into a bearer share or transferred loses the double voting right unless the transfer is the result of an inheritance, the liquidation of community property between spouses or an *inter vivos* gift made by a shareholder to his or her spouse or a relative in the line of succession, or as a result of a transfer resulting from the merger or demerger of a shareholder being a corporate entity.

Any shareholder may, by registered letter with acknowledgement of receipt sent to the Company, temporarily or permanently waive all or part of his double voting rights. This waiver takes effect on the third business day following receipt by the Company of the waiver letter.

I. Amendments affecting special shareholder rights – special meetings

Special shareholder rights can be amended by the extraordinary shareholders' meeting only after a special shareholders' meeting of the class of affected shareholders has taken place. Two thirds of the votes cast of the affected class voting either in person or by mail, proxy or by means of telecommunication must first approve any proposal to amend their rights at a special shareholders' meeting of such shareholders. The voting requirements applicable to special shareholders' meetings are the same as those applicable to an extraordinary general meeting. but the quorum requirements for a special meeting is one-third of the shares of the relevant class entitled to vote on the first notice, and one fifth on the second notice.

Pursuant to the articles of association of the Company, the foregoing shall apply with respect to any special shareholders' meeting of the holders of Market Shares of Class A2 Shares or Class A3 Shares.

7.2 Information on the share capital

7.2.1 Amount and composition of share capital

As of the date of this Universal Registration Document, the Company's share capital amounts to €1,216,372.48 divided into:

- 117,053,914 ordinary shares;
- 2,291,667 class A2 preferred shares with a nominal value of €0.01 ("Class A2 Shares"); and
- 2,291,667 class A3 preferred shares with a nominal value of €0.01 ("Class A3 Shares").

7.2.2 Changes in share capital over the past financial years

I2PO S.A. was a special purpose acquisition company incorporated on May 4, 2021 under the laws of France as a limited liability company with a Board of Directors (*société anonyme à conseil d'administration*) for the social purpose (*objet social*) of acquiring one or more companies or operating businesses with principal business operations in Europe through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. On July 5, 2022, Deezer S.A. (511 716 573 RCS Paris) merged with and into I2PO S.A. I2PO S.A. remained the surviving entity and was named Deezer S.A. Consequently, the table below only shows changes in the Company's share capital since the incorporation of I2PO S.A.:

Date of the decision	Type of transaction	Description of the transaction	Number of shares after the transaction
Before the Merger			
Board of Directors of I2PO S.A. dated July 15, 2021	Share capital increase	I2PO S.A. was listed through the admission to trading of the 27.5 million units making up its equity. In total, I2PO S.A. raised €275 million in a private placement from qualified investors, exceeding the €250 million initially announced during the introductory offer.	-
Board of Directors of I2PO S.A. dated June 30, 2022	Share capital increase	Share capital increase by a nominal amount of €119,000, from €343,749.98 to €462,749.98, through the issuance, at a price per share of €10 (issue premium of €9.99 included), of 11,900,000 new ordinary shares of the Company with a par value of €0.01, representing a total subscription amount, issue premium included, of €119,000,000.	-
During and after the Merger			
Board of Directors of the Company dated July 5, 2022	Merger of Deezer with and into I2PO S.A.	As a result of the completion of the Merger, the following shares have been converted on the date of the completion of the Merger: 2,291,664 existing A1 Shares into 2,291,664 ordinary shares with a nominal value of €0.01 each, and 2,366,819 B Shares into 2,366,819 ordinary shares with a nominal value of €0.01 each, whose redemption has not been requested by their holders.	As the result of the Merger, the capital increase above mentioned dated June 30, 2022 and conversion of A1 Shares and B Shares, the Company's share capital was composed of 142,715,615 shares divided into: • 112,999,100 ordinary shares; • 2,291,667 class A2 preferred shares; • 2,291,667 class A3 preferred shares; and • 25,133,181 class B preferred shares.
Decision of the *Directeur général* dated August 3, 2022	Share capital decrease	The cancellation of all 25,133,181 class B shares has resulted in a reduction of the Company's share capital in accordance with applicable law, in an amount of €251,331.81. The Company's share capital was therefore reduced from €1,427,156.15 to €1,175,824.34 and is divided into 117,582,434 shares with a par value of €0.01 each.	117,582,434 shares divided into: • 112,999,100 ordinary shares; • 2,291,667 class A2 preferred shares; and • 2,291,667 class A3 preferred shares.

Date of the decision	Type of transaction	Description of the transaction	Number of shares after the transaction
Board of Directors of the Company dated September 21, 2022	Share capital increase	In the context of the Merger, further to the acquisition of the free shares granted through the 2021-4 Free Share Plan and the exercise of the Class M Warrants, the share capital has been increased from €1,175,824.34 to €1,196,518.27 and was now divided into 119,651,827 shares with a par value of €0.01 each.	119,651,827 shares, divided into: • 115,068,493 ordinary shares; • 2,291,667 class A2 preferred shares; and • 2,291,667 class A3 preferred shares.
Board of Directors of the Company dated December 13, 2022	Share capital increase	Share capital increase resulting from the exercise of the Class K Warrants.	121,087,670 shares, divided into: • 116,504,336 ordinary shares; • 2,291,667 class A2 preferred shares; and • 2,291,667 class A3 preferred shares.
Board of Directors of the Company dated February 28, 2023	Share capital increase	Share capital increase resulting from the acquisition of the free shares granted through the 2021-1 Free Share Plan.	121,187,477 shares, divided into: • 116,604,143 ordinary shares; • 2,291,667 class A2 preferred shares; and • 2,291,667 class A3 preferred shares.
Board of Directors of the Company dated April 24, 2023	Share capital increase	Share capital increase resulting from the acquisition of the free shares granted through the 2022 Free Share Plan.	121,637,248 shares, divided into: • 117,053,914 ordinary shares; • 2,291,667 class A2 preferred shares; and • 2,291,667 class A3 preferred shares.

7.2.3 Authorized capital not issued

The shareholders' meeting of the Company held on June 30, 2022 has approved the following delegations of authority to the Board of Directors:

	Period of validity/Expiry	Maximum nominal amount	Utilization by the Board of Directors
Combined shareholders' meeting of June 30, 2022			
Authorization to the Board of Directors to intervene on the ordinary shares of the Company (29th resolution)	December 31, 2023	10% of the shares comprising the Company's share capital, at any time	
Authorization to the Board of Directors to decrease the share capital by cancelling treasury shares (30th resolution)	December 31, 2023	10% of the shares comprising the Company's share capital, at any time, per 24-month periods	
Delegation of authority granted to the Board of Directors to decide the increase of the Company's share capital of a nominal amount up to €119,000 through the issue of ordinary shares, without preferential subscription rights and reserved to the benefit of designated persons (33rd resolution)	September 30, 2022	€119,000	Used by the Board of Directors dated June 30, 2022 for the purposes of the PIPE transaction
Delegation of authority granted to the Board of Directors to decide the increase of the Company's share capital of a nominal amount up to €31,000 through the issue of ordinary shares, without preferential subscription rights and reserved to the benefit of certain category of persons meeting specific characteristics (53rd resolution)	September 30, 2022	€31,000	
Delegation of authority granted to the Board of Directors to decide the issuance, with preferential subscription rights, of shares and/or any securities of the Company (60th resolution)	August 31, 2024	€293,956 for shares[(1)] €200,000,000 for debt securities[(2)]	

	Period of validity/Expiry	Maximum nominal amount	Utilization by the Board of Directors
Delegation of authority granted to the Board of Directors to decide the issuance, without preferential subscription rights, of shares and/or any securities of the Company by means of public offers other than those referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (61st resolution)	August 31, 2024	€235,165 for shares(1) €200,000,000 for debt securities(2)	
Delegation of authority granted to the Board of Directors to decide the issuance, without preferential subscription rights, of ordinary shares and/or any securities of the Company by means of public offers referred to in 1° of Article L. 411-2 of the French Monetary and Financial Code (62nd resolution)	August 31, 2024	€235,165 for shares up to 20% of the Company's share capital over a 12-month period(1) €200,000,000 for debt securities(2)	
Delegation of authority granted to the Board of Directors to decide the issuance, without preferential subscription rights, of shares and/or any securities of the Company as consideration for contributions-in-kind relating to equity securities or securities giving access to the capital of third-party companies, outside a public exchange offer (63rd resolution)	August 31, 2024	10% of Company's share capital as at the date of the relevant issuance(1) €200,000,000 for debt securities(2)	
Authorization to be granted to the Board of Directors, in the event of issuance of shares or any other securities giving access to the share capital, without preferential subscription rights, to set the issuance price within the limit of 10% of the share capital and within the limits provided for by the shareholders' meeting (64th resolution)	August 31, 2024	10% of Company's share capital as at the date of the relevant issuance	
Delegation of authority granted to the Board of Directors to decide the issuance of ordinary shares and/or any securities giving access to the share capital of the Company in the event of a public offer including an exchange component initiated by the Company (65th resolution)	August 31, 2024	€235,165 for shares(1) €200,000,000 for debt securities(2)	
Delegation of authority granted to the Board of Directors to decide the increase of the Company's share capital through the issuance, without preferential subscription rights, of ordinary shares and/or any securities of the Company and reserved to the benefit of certain category of persons meeting specific characteristics (*i.e.*, investors with experience in the music, content, entertainment or digital sectors; credit institutions, investment services providers or members of an investment syndicate guaranteeing the completion of the related issue) (66th resolution)	December 31, 2023	€235,165 for shares(1) €200,000,000 for debt securities(2)	
Delegation of authority granted to the Board of Directors to decide the increase of the Company's share capital through the issuance, without preferential subscription rights, of ordinary shares and/or any securities of the Company and reserved to the benefit of certain category of persons meeting specific characteristics (industrial companies, institutions or entities active in the music, content or entertainment and digital sectors) (67th resolution)	December 31, 2023	€235,165 for shares(1) €200,000,000 for debt securities(2)	
Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights (68th resolution)	August 31, 2024	(2)	
Delegation of authority granted to the Board of Directors to increase the Company's share capital by incorporating premiums, reserves, profits or other items (70th resolution)	August 31, 2024	€117,582 for shares(1)	

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	Period of validity/Expiry	Maximum nominal amount	Utilization by the Board of Directors
Authorization granted to the Board of Directors to grant free ordinary shares of the Company, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code, with or without performance conditions, to officers and employees of the Company and its subsidiaries, without preferential subscription rights (71st resolution)	August 31, 2025	€25,000(3)	Used by the Boards of Directors dated July 21, 2022 and October 27, 2022.
Authorization granted to the Board of Directors to grant stock options to eligible employees or officers of the Company and/or its affiliates (72nd resolution)	August 31, 2025	€25,000(3)	
Delegation of authority granted to the Board of Directors to issue and grant warrants to certain members of the Board of Directors or any of its committees or consultants or service providers of the Company (73rd resolution)	December 31, 2023	€25,000(3)	
Delegation of authority granted to the Board of Directors to issue and grant warrants to strategic partners (74th resolution)	December 31, 2023	€25,000	
Delegation of authority granted to the Board of Directors to decide to increase the share capital of the Company through the issuance of ordinary shares and/or any securities of the Company reserved for members of a company savings plan (75th resolution)	August 31, 2024	3% of Company's share capital as at the date of the Board of Directors' meeting deciding such issuance	

(1) These amounts are not cumulative. The global cap for all issues of shares carried out pursuant to the delegations of authority provided for in the 60th, 61st, 62nd, 63rd, 65th, 66th, 67th and 70th resolutions of the combined shareholders' meeting of the Company held on June 30, 2022 is set at €293,956 pursuant to the 69th resolution.

(2) 15% of the initial capital increase decided pursuant to the delegations granted in accordance with the 60th, 61st, 62nd, 63rd, 65th, 66th and 67th resolutions

(3) This amount is a global cap for all issues of shares carried out pursuant to the delegations of authority and authorizations provided for in the 71st, 72nd and 73rd resolutions of the combined shareholders' meeting of the Company to be held on June 30, 2022.

7.2.4 Other securities granting access to the capital

As of the date of this Universal Registration Document, there are three different types of securities and other rights (warrants, stock options and free shares) entitling their holders to a stake in the share capital of Deezer. The amounts and characteristics of these instruments are summarized below.

7.2.4.1 Warrants (*bons de souscription d'actions* or BSA)

Warrants are securities giving access to the share capital within the meaning of Articles L. 228-91 *et seq.* of the French Commercial Code issued in accordance with French laws and regulations. Holders of warrants do not have the rights or privileges of holders of shares (including, without limitation, voting rights or rights to receive dividends or other distributions in respect thereof) until they exercise their warrants and receive Ordinary Shares. The table below presents outstanding warrants granted by I2PO S.A.

In addition, certain warrants were delivered to the founders of I2PO S.A.[1] (the "**Founders' Warrants**") and to market shareholders (the "**Market Warrants**") when I2PO S.A. went public in July 2021. Market Warrants have started trading on the Professional Segment (*compartiment professionnel*) of the regulated market of Euronext Paris on July 20, 2021 under ISIN code FR0014004JF6. As of the date of this Universal Registration Document, 659,130 Founders' Warrants and 27,500,000 Market Warrants are outstanding.

Three (3) Market Warrants will entitle their holder to subscribe for one (1) Ordinary share with a nominal value of €0.01 (the "**Exercise Ratio**"), at an overall exercise price of €11.50 per new ordinary share. The Market Warrants may only be exercised in exchange for a whole number of Ordinary shares. No fractional Ordinary Share will be issued upon exercise of the Market Warrants. If, upon exercise of the Market Warrants, a holder would be entitled to receive a fractional interest in an Ordinary share, (i) the Company will, upon exercise, round down to the nearest whole number the number of Ordinary shares to be issued to the Market Warrants holder and (ii) the Market Warrants holder will receive an amount in cash from the Company equal to the resulting fractional share multiplied by the last quote at the stock exchange session preceding the day of filing of the request to exercise his/her/its Market Warrants.

The Exercise Ratio may be adjusted following transactions implemented by the Company after the IPO, in accordance with applicable French laws and regulations, in order to maintain the rights of the holders of the Market Warrants.

(1) Groupe Artémis, Iris Knobloch and Matthieu Pigasse (acting through and on behalf of their controlled affiliated entities Artémis 80, SaCh27 and Combat Holding, respectively).

The Market Warrants became exercisable as from the July 5, 2022, the date of completion of the Merger. The Market Warrants shall expire at the close of trading on Euronext Paris (5:30 p.m., Central European time) on July 6, 2027 or earlier upon (i) redemption, or (ii) liquidation of the Company.

To exercise Market Warrants, a holder must:

- make the request (i) to its accredited financial intermediary, for the Market Warrants held in bearer form (*forme au porteur*) or in administrative registered form (*forme nominative administrée*), or (ii) to Société Générale Securities Services appointed by the Company, for Market Warrants held in registered form (*forme nominative pure*); and
- pay the amount due to the Company as a result of the exercise of the Market Warrants.

The terms of the Founders' Warrants shall be identical to the terms of the Market Warrants, except that:

- they shall not be redeemable by the Company for so long as they are held by the Founders or their Permitted Transferees; and
- they shall not be listed on the regulated market of Euronext Paris or on any other stock exchange.

In addition, the rules governing the ownership, the transfer and the exercise of the Market Warrants shall not apply with respect to the Founders' Warrants. Founders' Warrants are held in registered form and will be represented by book-entries in accounts maintained by Société Générale, acting through its Securities Services division, for and on behalf of the Company. They will be transferred from account to account and transfer of their ownership shall be deemed effective from the moment they are registered in the name of the acquirer in the above registries. The Founders' Warrants shall not be admitted to Euroclear until their conversion into Ordinary shares.

In order to exercise Founders' Warrants during their Exercise Period, their holder shall send a request directly to the Company and pay the corresponding exercise price to the Company.

As of the date of the Universal Registration Document, there were 28,676,119 outstanding warrants which may give access, in the event of exercise, to a maximum of 10,907,353 Ordinary shares of the Company, corresponding to 9% of the share capital (on a non-diluted basis).

The Warrants granted by Deezer S.A. (511 716 573 RCS Paris) and I2PO S.A., prior to the Merger, are presented in the tables below.

	BSA 2014*	BSA 2017	BSA 2021	BSA H	BSA L	Founders' Warrants	Market Warrants
Date of the shareholders' meeting	**May 22, 2014**	**December 23, 2016**	**June 30, 2020**	**June 30, 2017**	**June 30, 2021**	**July 5, 2021**	**July 5, 2021**
Date of grant by the Board of Directors	**-**	**February 9, 2017**	**February 24, 2021**	**-**	**September 16, 2021**	**July 5, 2021**	**July 5, 2021**
Maximum number of BSAs authorized	66,700	6,845	750,000	712,404	2,600,000	718,263	30,000,000
Total number of BSAs granted	66,700	6,845	6,000	712,404	420,125	659,130	27,500,000
Relevant corporate officers:							N/A**
• Iris Knobloch	-	-	-	-	-	219,710***	
• Guillaume d'Hauteville	-	-	-	-	-	-	
• Combat Holding (Matthieu Pigasse)	-	-	-	-	-	219,710	
• Hans-Holger Albrecht	-	-	-	-	-	-	
• Amanda Cameron****	-	6,845	6,000	-	-	-	
• Sophie Guieysse	-	-	-	-	-	-	
• Valérie Accary	-	-	-	-	-	-	
• Mari Thjømøe	-	-	-	-	-	-	
• Mark Simonian	-	-	-	-	-	-	
• Ingrid Bojner	-	-	-	-	-	-	
• Stuart Bergen	-	-	-	-	-	-	
• Jeronimo Folgueira	-	-	-	-	-	-	
Number of beneficiaries who are not corporate officers	1	1	1	1	1	1	N/A

	BSA 2014*	BSA 2017	BSA 2021	BSA H	BSA L	Founders' Warrants	Market Warrants
Starting date for the exercise of the BSAs	December 16, 2014	December 1, 2017	May 24, 2021	September 5, 2020	April 30, 2024	July 5, 2022	July 5, 2022
BSA expiry date	December 31, 2024	December 1, 2026	December 31, 2030	June 30, 2027	October 31, 2024	July 6, 2027*****	July 6, 2027*****
Issue price per BSA	€2.59	€0.01	€3.98	€0.01	€0.01	-	-
Exercise price per BSA	€24.25	€14.61	€39.75	€14.61	€0.01	€11.50	€11.50
Terms of exercise	(1)	(1)	(1)	(1)	(2)	(3)	(3)
Total number of exercised BSAs as of the date of this Universal Registration Document	-	-	-	-	-	-	-
Total number of voided BSAs as of the date of this Universal Registration Document	-	-	-	695,085	-	-	-
Total number of outstanding BSAs as of the date of this Universal Registration Document	66,700	6,845	6,000	17,319	420,125	659,130	27,500,000
Number of Ordinary shares of the Company that may be subscribed for upon exercise of all outstanding BSAs	196,231	20,137	17,652	50,952	1,236,007******	219,708	9,166,666

* The figures in this column take into account the split by 29 of the nominal value of the shares decided by the combined shareholders' meeting of Deezer on October 9, 2015.

** This information cannot be provided as most Market Warrants are held in bearer form.

*** Held through SaCh27 SAS, an entity controlled by Iris Knobloch.

**** Amanda Cameron resigned from her position as director of the Company on February 28, 2023.

***** Or earlier upon (i) redemption, or (ii) liquidation of the Company.

****** BSA L are exercisable up to 344,654 BSAs L in case of occurrence of a liquidity event (the BSAs L not exercised at the time of such event becoming null and void), it being specified that the Merger did not constitute a liquidity event for the BSA L.

(1) All outstanding BSAs are exercisable as of the date of this Universal Registration Document.

(2) Exercisable as from April 30, 2024, it being specified that the number of exercisable BSA L may decrease up to a limit of 75,471 BSA L, depending on the achievement by Deezer of predefined commercial objectives.

(3) All outstanding warrants are exercisable as of the date of this Universal Registration Document. The exercise of three Founders' warrants or three Market warrants allows to subscribe to one new ordinary share of the Company.

7.2.4.2 Stock options (*Options* or OSAs)

The term of the Options is generally between 9 to 10 years from the date of grant by the Board of Directors; the exercisable Options may be exercised subject to continued service of the Options holder with the Company. According to their general terms, the Options may be exercised by their holders six (6) months as from the death or disability of the holder, failing which the Options will lapse.

As of the date of the Universal Registration Document, there were 647,410 outstanding Options which may give access, in the event of exercise, to a maximum of 1,904,678 Ordinary shares of the Company, corresponding to 1.57% of the share capital (on a non-diluted basis).

The Options granted by Deezer S.A. (511 716 573 RCS Paris), prior to the Merger, are presented in the tables below.

	OSA 14*		OSA 15*	OSA 15-2*
Date of the shareholders' meeting	**May 22, 2014**		**April 23, 2015**	**July 16, 2015**
Date of grant by the Board of Directors	**May 22, 2014**	**March 12, 2015**	**April 23, 2015**	**July 16, 2015**
Total number of OSAs authorized	464,000		533,948	217,500
Total number of OSAs granted	240,700	138,620	533,948	72,500
Relevant corporate officers:				

	OSA 14*		OSA 15*	OSA 15-2*
• Iris Knobloch	-	-	-	-
• Guillaume d'Hauteville	-	-	-	-
• Combat Holding (Matthieu Pigasse)	-	-	-	-
• Hans-Holger Albrecht	-	-	533,948	-
• Sophie Guieysse	-	-	-	-
• Valérie Accary	-	-	-	-
• Mari Thjømøe	-	-	-	-
• Mark Simonian	-	-	-	-
• Ingrid Bojner	-	-	-	-
• Stuart Bergen	-	-	-	-
• Jeronimo Folgueira			-	-
Number of beneficiaries who are not corporate officers	6	31	-	3
Starting date for the exercise of the OSAs	May 22, 2015	(1)	April 23, 2016	July 16, 2016
OSAs expiry date	December 31, 2024	December 31, 2024	December 31, 2024	December 31, 2024
Exercise price per OSAs	€24.25	€24.25	€24.25	€24.25
Terms of exercise	(2)			
Number of shares of Deezer subscribed as of the date of this Universal Registration Document upon exercise of the outstanding OSAs	-	-	-	-
Total number of exercised OSAs as of the date of this Universal Registration Document	-	-	-	-
Total number of voided OSAs as of the date of this Universal Registration Document	211,700	112,158	-	14,500
Total number of outstanding OSAs as of the date of this Universal Registration Document	29,000	26,462	533,948	58,000
Maximum total number of Ordinary shares of the Company that may be subscribed for upon exercise of the outstanding OSAs	85,318	77,849	1,570,875	170,636

* The figures in these columns take into account the split by 29 of the nominal value of the shares decided by the combined shareholders' meeting of Deezer on October 9, 2015.

(1) A part of the OSAs 14 were exercisable as from October 15, 2015, the balance became exercisable on February 1, 2016.

(2) All outstanding OSAs are exercisable as of the date of this Universal Registration Document.

7.2.4.3 Free shares (*attribution d'actions gratuites* or AGA)

The AGA are subject to continued service within the Group during the acquisition period (*période d'acquisition*), at the end of which the AGA will be definitively acquired, it being specified that failing such continued service, the beneficiary definitively and irrevocably loses his or her right to acquire the relevant AGA, unless otherwise decided by the Board of Directors to waive the continuous status as a beneficiary requirement.

As an exception to the continued presence requirement, in the event of disability or death or retirement of a beneficiary before the end of the acquisition period, the relevant free shares shall be definitely acquired at, respectively, the date of disability, the date of the request of allocation made by his or her beneficiary in the context of the inheritance, provided that such request is made within six (6) months from the date of death or, in the event of a retirement, within six (6) months as from the starting date of the retirement.

The AGA definitively acquired by their holders may be subject to a holding period (period starting at the end of the acquisition period when the shares are issued and definitively acquired, and during which the shares may not be transferred).

As of the date of the Universal Registration Document, there were 2,151,828 outstanding AGAs which may give access, in the event of issuance, to a maximum of 2,753,258 Ordinary shares of the Company, corresponding to 2.3% of the share capital (on a non-diluted basis).

The AGA granted by Deezer S.A. (511 716 573 RCS Paris), prior to the Merger, and the Company, after the Merger, are presented in the tables below as of April 6, 2023.

	AGA 2017-1	AGA 2019-3	AGA 2019-6
Date of the shareholders' meeting	**December 23, 2016**	**June 27, 2018**	**June 28, 2019**
Date of grant by the Board of Directors	**February 9, 2017**	**April 10, 2019**	**December 11, 2019**
Total number of AGAs authorized	740,600	535,000	650,000
Total number of AGAs granted	295,420	182,096	293,216
Relevant corporate officers:			
• Iris Knobloch	-	-	-
• Guillaume d'Hauteville	-	-	-
• Combat Holding (Matthieu Pigasse)	-	-	-
• Hans-Holger Albrecht	1,282	83,048	83,048
• Sophie Guieysse	-	-	-
• Valérie Accary	-	-	-
• Mari Thjømøe	-	-	-
• Mark Simonian	-	-	-
• Ingrid Bojner	-	-	-
• Stuart Bergen	-	-	-
• Jeronimo Folgueira	-	-	-
Number of beneficiaries who are not corporate officers and whose AGAs are not definitely acquired as of the date of this Universal Registration Document	1	1	1
Vesting period	(1)	(1)	(1)
Holding period	*	*	*
Total number of delivered AGAs of Deezer as of the date of this Universal Registration Document	227,554	51,024	115,893
Total number of voided AGAs of Deezer as of the date of this Universal Registration Document	38,744	5,184	52,912
Total number of outstanding AGAs as of the date of this Universal Registration Document	29,122	125,888	124,411
Total number of ordinary shares of the Company that may be definitively acquired	85,676	370,362	366,016

* Not currently subject to a holding period with the exception of the shares allocated to Hans-Holger Albrecht for which the Board of Directors held on March 22, 2023, decided to extend the holding period for an additional period of five years from April 5, 2023 (i.e. until April 5, 2028).

(1) The outstanding AGA 2017-1, 2019-3 and 2019-6 which have not already vested will vest on April 5, 2023. However, at its meeting held on March 22, 2023, the Board of Directors decided to amend the outstanding free share plans 2017-1, 2019-3 and 2019-6 to extend for five years from April 5, 2023 (*i.e.* until April 5, 2028), the vesting period of the free shares held by holders residing outside of France, or having resided outside of France at any time since the grant of their free shares. Such change shall only be applicable to the holders of free shares who expressly agree to it in writing and that each holder may early terminate the extension period with immediate effect for himself or herself by written notice to the Company.

	AGA 2021-1	AGA 2022
Date of the shareholders' meeting	**June 30, 2020**	**June 30, 2021**
Date of grant by the Board of Directors	**February 24, 2021**	**March 23, 2022**
Total number of AGAs authorized	1,000,000	1,000,000
Total number of AGAs granted	174,914	21,072
Relevant corporate officers:		
• Iris Knobloch	-	-
• Guillaume d'Hauteville	-	-
• Combat Holding (Matthieu Pigasse)	-	-
• Hans-Holger Albrecht	-	-
• Sophie Guieysse	-	-
• Valérie Accary	-	-
• Mari Thjømøe	-	-
• Mark Simonian	-	-
• Ingrid Bojner	-	-
• Stuart Bergen	-	-
• Jeronimo Folgueira	-	-
Number of beneficiaries who are not corporate officers and whose AGAs are not definitely acquired as of the date of this Universal Registration Document	1	2
During of vesting period	(1)	(2)
Holding period	*	**
Total number of delivered AGAs of Deezer as of the date of this Universal Registration Document	71,190	21,072
Total number of voided AGAs of Deezer as of the date of this Universal Registration Document	73,447	-
Total number of outstanding AGAs as of the date of this Universal Registration Document	30,277	-
Total number of ordinary shares of the Company that may be definitively acquired	89,074	-

* Not currently subject to a holding period.

** Subject to a holding period until March 23, 2024.

(1) The outstanding AGA 2021-1 vested on April 5, 2023.

(2) All the AGA 2022 vested on March 23, 2023, giving right to 61,993 Ordinary shares of the Company.

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	Grant 1 AGA 2022-1	Grant 2 AGA 2022-1	Grant 3 AGA 2022-1	Grant 4 AGA 2022-1
Date of the shareholders' meeting	**June 30, 2022**			
Date of grant by the Board of Directors	**July 21, 2022**			**October 27, 2022**
Total number of AGAs authorized	2,500,000			
Total number of AGAs granted	552,000	477,250	884,880	24,000
Relevant corporate officers:				
• Iris Knobloch	-	-	-	-
• Guillaume d'Hauteville	-	-	-	-
• Combat Holding (Matthieu Pigasse)	-	-	-	-
• Hans-Holger Albrecht	-	-	-	-
• Sophie Guieysse	-	-	-	-
• Valérie Accary	-	-	-	-
• Mari Thjømøe	-	-	-	-
• Mark Simonian	-	-	-	-
• Ingrid Bojner	-	-	-	-
• Stuart Bergen	-	-	-	-
• Jeronimo Folgueira	-	-	216,000[(1)]	-
Number of beneficiaries who are not corporate officers and whose AGAs are not definitely acquired as of the date of this Universal Registration Document	Grant to all employees of the Group outside the CFO, COO and the top 33 managers	2	32	1
During of vesting period	[(2)]	[(3)]	[(2)]	[(2)]
Holding period	*	*	*	*
Total number of delivered AGAs of Deezer as of the date of this Universal Registration Document	-	-	-	-
Total number of voided AGAs of Deezer as of the date of this Universal Registration Document	96,000	-	-	-
Total number of outstanding AGAs as of the date of this Universal Registration Document	456,000	477,250	884,880	24,000
Total number of ordinary shares of the Company that may be definitively acquired	456,000	477,250	884,880	24,000

* Not currently subject to a holding period.

(1) For information on the shares granted to Jeronimo Folgueira, please refer to paragraph 4.2.2.6 "*Standardized presentation of the compensation of the corporate officers*".

(2) Outstanding AGA will vest after a 3-year annual time vesting (1/3 at the end of each year following grant) and the first annual tranche of 2022-1 Free Shares would only be delivered upon the second anniversary of grant. The vesting is subject to a continuous presence requirement condition.

(3) Outstanding AGA will vest after 4-year annual time vesting (25% at the end of each year following grant) and the first annual tranche of 2022-1 Free Shares would only be delivered upon the second anniversary of grant. The vesting is subject to a continuous presence requirement condition.

7.2.5 Acquisition by the Company of its own shares

Shareholders' meeting of the Company held on June 30, 2022 has approved the possibility for the Board of Directors, for a period of eighteen (18) months as from the date of the shareholders' meeting, to implement a share buyback program on the Ordinary Shares in accordance with Articles L. 22-10-62 *et seq.* of the French Commercial Code, the directly applicable provisions of European Commission Regulation no. 2273/2003 of December 22, 2003, the AMF's General regulation and the market practices accepted by the AMF. Such authorization replaced the one granted to the Board of Directors by the 1st resolution of the Company's combined shareholders' meeting held on July 5, 2021.

The main terms of this authorization are as follows:

	Period of validity/Expiry	Maximum repurchase price	Maximum number of Ordinary Shares repurchased
Share buyback program on the Ordinary Shares (29th resolution)	December 31, 2023	€20.00(1)	10% of the shares comprising the Company's share capital at any time(2)

(1) Excluding fees and commissions but as adjusted, as the case may be, to take into account an equity transaction. The maximum amount of funds that may be invested in the redemption of Ordinary Shares will be €6,000,000.

(2) It being specified that (i) when shares are acquired for the purpose of promoting the liquidity of the Company's shares, the number of shares taken into account for the calculation of this limit corresponds to the number of shares purchased less the number of shares resold during the duration of the authorization, and (ii) when they are acquired with a view to hold them and subsequently delivering them in payment or exchange in connection with a merger, split or contribution in kind, the number of shares acquired shall not exceed 5% of the total number of shares as at the date of such transaction.

The Ordinary Shares may be purchased by the Company at any time, excluding the periods for public offers on the Company's share capital, and by all available means, in order to, *inter alia*:

- ensuring the market activity or the liquidity of the Company's share (through buying or selling) by an investment services provider acting independently under a liquidity contract entered into with the Company;
- allocate them to cover stock option plans, free share plans or any other form of equity allowance or compensation linked to the Company's share price, in favor of employees or corporate officers of the Company or of any other affiliated company;
- allocate them to cover debt securities exchangeable for Company shares and, more generally, securities giving right to shares of the Company, in particular by conversion, presentation of a warrant, redemption or exchange;
- cancel them as part of a share capital decrease;
- hold them and consequently deliver them in exchange or as payment in connection with potential external growth transactions up to a limit of 5% of the share capital of the Company; and
- more generally, complete any transaction permitted or that may be authorized by regulations then in force, or which would meet the conditions of a market practice accepted or which would be accepted by the AMF.

The Company entered on July 5, 2022 into a liquidity contract with BNP Paribas Exane in accordance with the provisions of the legal framework in force. For the implementation of this contract, €800,000 in cash were allocated to the liquidity account.

Under this contract, the following resources appeared on the liquidity account as of December 31, 2022:

- 108,534 shares;
- €342,776 in cash.

During the period from July 1, 2022 to December 31, 2022, the following transactions were executed:

- on the buy side, 217,102 shares, for an amount of €889,033 (1,028 transactions);
- on the sell side, 108,568 shares, for an amount of €430,672 (759 transactions).

7.3 Shareholding

7.3.1 Share ownership structure

As of April 6, 2023, the Company is incorporated as a French public limited company (*société anonyme*) with a share capital amounting to €1,216,372.48 divided into 121,637,248 shares (117,053,914 ordinary shares, 2,291,667 Class A2 Shares and 2,291,667 Class A3 Shares).

The table below shows the composition of the Company's share capital on a non-diluted basis as of April 6, 2023:

Shareholders	Number of shares	% of the share capital	Number of voting rights[1]	% of voting rights[1]
Access Industries (AI European Holdings Sàrl)	44,753,926	36.79%	44,753,926	38.27%
Warner (WEA International Inc.)	3,705,334	3.05%	3,705,334	3.17%
Access Industries and Warner	**48,459,260**	**39.84%**	**48,459,260**	**41.44%**
Orange Participations S.A.	9,561,723	7.86%	9,561,723	8.18%
Kingdom 5-KR-272, Ltd	6,364,768	5.23%	6,364,768	5.44%
Rotana Audio Holding, Ltd	6,264,768	5.15%	6,264,768	5.36%
Groupe Artémis[2]	5,291,666	4.35%	3,763,888	3.22%
SaCh27 S.A.S.	2,291,666	1.88%	763,888	0.65%
Combat Holding S.A.S.	2,291,666	1.88%	763,888	0.65%
Other shareholders	40,987,448	33.70%	40,987,448	35.05%
Treasury shares	124,283	0.10%	-	-
Total	**121,637,248**	**100.00%**	**116,929,631**	**100.00%**

(1) Excluding Class A2 and Class A3 preferred shares which are deprived of voting rights, and after deduction of treasury shares.

(2) Through Artémis S.A.S. and Artémis 80 S.A.S. for the ordinary shares of the Company and Artémis 80 S.A.S. for the founders of I2PO' Shares.

The table below shows the composition of the Company's share capital on a diluted basis (excluding dilution from the exercise of the Founders' and Market's warrants) as of April 6, 2023:

Shareholders	Number of shares	% of the share capital	Number of voting rights	% of voting rights
Access Industries (AI European Holdings Sàrl)	44,753,926	35.0%	44,753,926	35.0%
Warner (WEA International Inc.)	4,941,341	3.9%	4,941,341	3.9%
Access Industries and Warner	**49,695,267**	**38.9%**	**49,695,267**	**38.9%**
Orange Participations S.A.	9,561,723	7.5%	9,561,723	7.5%
Kingdom 5-KR-272, Ltd	6,364,768	5.0%	6,364,768	5.0%
Rotana Audio Holding, Ltd	6,264,768	4.9%	6,264,768	4.9%
Groupe Artémis[1]	5,291,666	4.1%	5,291,666	4.1%
SaCh27 S.A.S.	2,291,666	1.8%	2,291,666	1.8%
Combat Holding S.A.S.	2,291,666	1.8%	2,291,666	1.8%
Other shareholders	45,930,356	35.9%	45,930,356	36.0%
Treasury shares	124,283	0.1%	-	-
Total	**127,816,163**	**100.00%**	**127,691,880**	**100.00%**

Note: the exercise of the Founders' and Market Warrants will result in an additional dilution of 7.7% of the Company's share capital.

(1) Through Artémis S.A.S. and Artémis 80 S.A.S. for the ordinary shares of the Company and Artémis 80 S.A.S. for the founders of I2PO' Shares.

As of December 31, 2022, the Company was incorporated as a French public limited company (*société anonyme*) with a share capital amounting to €1,210,876.70 divided into 121,087,670 shares (116,504,336 ordinary shares, 2,291,667 Class A2 Shares and 2,291,667 Class A3 Shares).

The table below shows the composition of the Company's share capital as of December 31, 2022:

Shareholders	Number of shares	% of the share capital	Number of voting rights(1)	% of voting rights(1)
Access Industries (AI European Holdings Sàrl)	44,753,926	36.96%	44,753,926	38.45%
Warner (WEA International Inc.)	3,705,334	3.06%	3,705,334	3.18%
Access Industries and Warner	**48,459,260**	**40,02%**	**48,459,260**	**41,63%**
Orange Participations S.A.	9,561,723	7.90%	9,561,723	8.21%
Kingdom 5-KR-272, Ltd	6,364,768	5.26%	6,364,768	5.47%
Rotana Audio Holding, Ltd	6,264,768	5.17%	6,264,768	5.38%
Groupe Artémis(2)	5,291,666	4.37%	3,763,888	3.23%
SaCh27 S.A.S.	2,291,666	1.89%	763,888	0.66%
Combat Holding S.A.S.	2,291,666	1.89%	763,888	0.66%
Other shareholders	**40,453,619**	**33.41%**	**40,453,619**	**34.76%**
Treasury shares	108,534	0.09%	-	-
Total	**121,087,670**	**100.00%**	**116,395,802**	**100.00%**

(1) Excluding Class A2 and Class A3 preferred shares which are deprived of voting rights, and after deduction of treasury shares.

(2) Through Artémis S.A.S. and Artémis 80 S.A.S. for the ordinary shares of the Company and Artémis 80 S.A.S. for the founders of I2PO Shares.

7.3.2 Disclosure of threshold crossings

The French Commercial Code provides that any individual or entity, acting alone or in concert with others, that becomes the owner, directly or indirectly, of more than 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 2/3, 90% or 95% of the outstanding shares or voting rights of a listed company in France, such as the Company, or that increases or decreases its shareholding or voting rights above or below any of those percentages, must notify that company and the AMF within four (4) trading days of the date on which it crosses such threshold of the total number of shares and voting rights it owns. In addition, it must declare:

- the number of financial instruments that grant access to the Company's share capital and voting rights which it owns; and
- the shares already issued that may be granted to it pursuant to an agreement or a financial instrument mentioned in Article L. 211-1 of the French Monetary and Financial Code, without prejudice to Article L. 233-9, I, 4° and 4° bis of the French Commercial Code. The same applies to voting rights that may be granted to it under the same conditions.

In calculating the aforesaid thresholds, the denominator must take into account the total number of shares making up the share capital to which voting rights are attached, including shares that are disqualified for voting purposes, as published by the Company in accordance with applicable law.

The AMF makes the notification public. If any shareholder fails to comply with the legal notification requirement, shares in excess of the threshold shall be denied voting rights at all shareholders' meetings for a period of two (2) years following the date on which the shareholder shall resume compliance with the notification requirements. In addition, any shareholder who fails to comply with these requirements may have all or part of its voting rights (and not only with respect to the shares in excess of the relevant threshold) suspended for up to five years by the commercial court at the request of the Company's Chief Executive Officer, any shareholder or the AMF, and may be subject to criminal fines.

Any person or entity that fails to comply with such notification requirements, upon the request, recorded in the minutes of the shareholders' meeting, of one or more shareholders holding together at least 5% of the Company's share capital or voting rights, shall be deprived of voting rights with respect to the shares in excess of the relevant threshold for all shareholders' meetings until the end of a two (2) year period following the date on which such person or entity resumes compliance with the notification requirements.

French laws and regulations and the AMF's General regulation impose additional reporting requirements on persons who acquire more than 10%, 15%, 20% or 25% of the outstanding shares or voting rights of a listed company. These persons must file a report with such company and the AMF within five days of the date such threshold is met or crossed. The acquirer must specify in such report whether it is acting alone or in concert with others and specify its intentions for the following six-month period, including whether or not it intends to continue its purchases, to acquire control of such company or to seek nominations to the Board of Directors. The AMF makes the report public. The acquirer must amend its stated intentions within six months of the publication of the report if its intentions change by filing a new report.

In order to allow holders to provide the required notifications and reports, the Company shall publish the total number of its voting rights on a monthly basis and the total number of shares forming its share capital if they have varied in relation to those previously published.

From January 1, 2022 to the date of this Universal Registration Document, the Company received the following legal threshold crossing declarations pursuant to Article L. 233-7 of the French Commercial Code:

Shareholder	Date of crossing	Type of crossing	Threshold crossed	Capital shares	% of share capital	% of voting rights
J.P. Morgan Chase & Co.	January 1, 2022	Legal downward	10%	3,083,341	8.97%	10.35%
J.P. Morgan Chase & Co.	January 14, 2022	Legal upward	10%	3,482,764	10.13%	11.69%
J.P. Morgan Chase & Co.	February 1, 2022	Legal downward	10%	3,092,295	9%	10.38%
J.P. Morgan Chase & Co.	March 7, 2022	Legal upward	10%	4,027,194	11.72%	13.52%
J.P. Morgan Chase & Co.	March 31, 2022	Legal upward	15%	4,825,871	14.04%	16.20%
J.P. Morgan Chase & Co.	April 5, 2022	Legal downward	15%	4,378,835	12.74%	14.70%
Goldman Sachs	April 22, 2022	Legal downward	10%	2,549,915	7.42%	8.56%
Angelo Gordon & Co	April 22, 2022	Legal upward	5%	1,985,121	5.77%	6.66%
Citadel Advisors	April 22, 2022	Legal downward	5%	1,249,999	3.64%	4.20%
J.P. Morgan Chase & Co.	May 9, 2022	Legal downward	10%	2,885,483	8.39%	9.69%
J.P. Morgan Chase & Co.	May 10, 2022	Legal upward	10%	3,385,481	9.85%	11.36%
Goldman Sachs	May 12, 2022	Legal downward	5%	0	0%	0%
Barclays Capital Securities	May 24, 2022	Legal downward	5%	12,218	0.04%	0.04%
J.P. Morgan Chase & Co.	June 8, 2022	Legal downward	10%	2,854,196	8.30%	9.58%
J.P. Morgan Chase & Co.	June 9, 2022	Legal upward	10%	3,630,595	10.56%	12.19%
J.P. Morgan Chase & Co.	June 10, 2022	Legal downward	10%	2,854,196	8.30%	9.58%
J.P. Morgan Chase & Co.	June 28, 2022	Legal downward	10%	1,530,595	4.45%	5.14%
J.P. Morgan Chase & Co.	July 1, 2022	Legal upward	5%	2,730,595	7.94%	9.17%
Concert composed of the companies Kingdom 5-KR-272, Ltd and Rotana Audio Holding	July 5, 2022	Legal upward	5%	12,629,536	8.85%	9.14%
J.P. Morgan Chase & Co.	July 5, 2022	Legal downward	5%	2,730,595	1.91%	1.98%
Orange Participations	July 5, 2022	Legal upward	5%	9,561,723	6.70%	6.92%
Access Industries	August 4, 2022	Legal upward	5%, 10%, 15%, 20%, 25%, 30% and 1/3	48,459,260	33.96%	35.08%
Concert composed of the companies Kingdom 5-KR-272, Ltd and Rotana Audio Holding	August 4, 2022	Legal upward	10%	12,629,536	10.73%	11.17%
Access Industries	August 4, 2022	Legal upward	1/3	48,459,260	41.19%	42.86%
Linden Advisors	August 8, 2022	Legal downward	5%	0	0%	0%

In addition, on April 11, 2023, Guillaume d'Hauteville (Vice-Chair of the Board and Europe executive vice-president of Access Industries) declared to the AMF that as a result of a free allocation of the Company's shares made on April 5, 2023, he held 387,778 shares of the Company; representing the same number of voting rights, *i.e.*, 0.32% of the capital and 0.33% of the voting rights.

On the same day, the concert composed of Guillaume d'Hauteville and Access Industries declared to the AMF that it held directly and indirectly, through companies controlled by Access Industries, 48,847,038 shares of the Company representing the same number of voting rights, i.e., 40.18% of the capital and 41.75% of the voting rights.

7.3.3 Control of the Company

As at the date of this Universal Registration Document, no shareholder controls the Company within the meaning of Article L. 233-3 of the French Commercial Code.

AI European Holdings Sàrl alone hold 38.45% of the Company's voting rights as of December 31, 2022 and, in aggregate with WEA International Inc. (whom could be deemed under French law to act in concert with AI European Holdings Sàrl in application of the legal presumption provided for in Article L. 233-10, I.3° of the French Commercial Code) 41.63% of the voting rights of the Company.

Depending on the attendance of AI European Holdings Sàrl and other shareholders, AI European Holdings Sàrl could therefore be in position to *de facto* determine the decisions made at ordinary and possibly extraordinary shareholders' meeting of the Company and therefore could be considered as controlling the Company pursuant to Article L. 233-3 I. 3° of the French Commercial Code.

In order to ensure that any control of the Company is not exercised in an abusive manner, the Company has implemented governance rules as from the listing of the Company's shares on the regulated market of Euronext Paris. In fact, the Board of Directors is composed of six independent directors, which is more than a third of independent directors in compliance with the recommendations of the AFEP-MEDEF Code. Furthermore, the offices of Chair of the Board of Directors and Chief Executive Officer are held by two distinct persons: Ms. Iris Knobloch and M. Jeronimo Folgueira. For further information, please refer to Chapter 4 "*Corporate governance*" and risk factor 2.1.5.3 "*The Group's principal shareholder holds a significant portion of the Company's share capital*".

7.3.4 Employee shareholding

No employee shareholding agreement, employee profit sharing agreement, or employee savings plans have been implemented by Deezer or any of its subsidiaries as of the date of this Universal Registration Document.

As of December 31, 2022, employee share ownership as defined in Article L. 225-102 of the French Commercial Code represented 1.9% of the Company's share capital.

7.3.5 Information on transactions carried out on the Company's shares by executives and similar persons

The table below presents a summary (Article 223-26 of the AMF Regulation) of the transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the financial year 2022.

First name, Last name, Company name	Position	Financial instrument	Nature of transaction	Date	Price (in €)	Transaction amount (in €)
ARTEMIS, a French simplified joint-stock company, related to Alban Gréget, Director	Director	Share	Acquisition	July 5, 2022	10	15,000,000
Jeronimo Folgueira	Director and Chief Executive Officer	Share	Compensation made in the context of the Merger of Deezer S.A. (511 716 573 RCS Paris) with and into I2PO S.A.	July 5, 2022	10	5,884,000
Stéphane Rougeot	Chief Financial Officer and Deputy-Chief Executive Officer	Share	Acquisition	July 19, 2022	4.79	95,800
Stéphane Rougeot	Chief Financial Officer and Deputy-Chief Executive Officer	Share	Acquisition	July 22, 2022	4.35	43,500
François Breavoine, related to Iris Knobloch, Chair of the Board of Directors*	Director	Share	Acquisition	July 25, 2022	4.27	29,463
Stéphane Rougeot	Chief Financial Officer and Deputy-Chief Executive Officer	Share	Acquisition	March 10, 2023	1.91	20,000

* Iris Knobloch became Chair of the Board of Directors of the Company on January 1, 2023.

7.3.6 Elements liable to have an impact in case of change of control

To the Company's knowledge, at the date of this Universal Registration Document, there is no agreement that could result in a change of control of the Company.

7.4 Stock market information

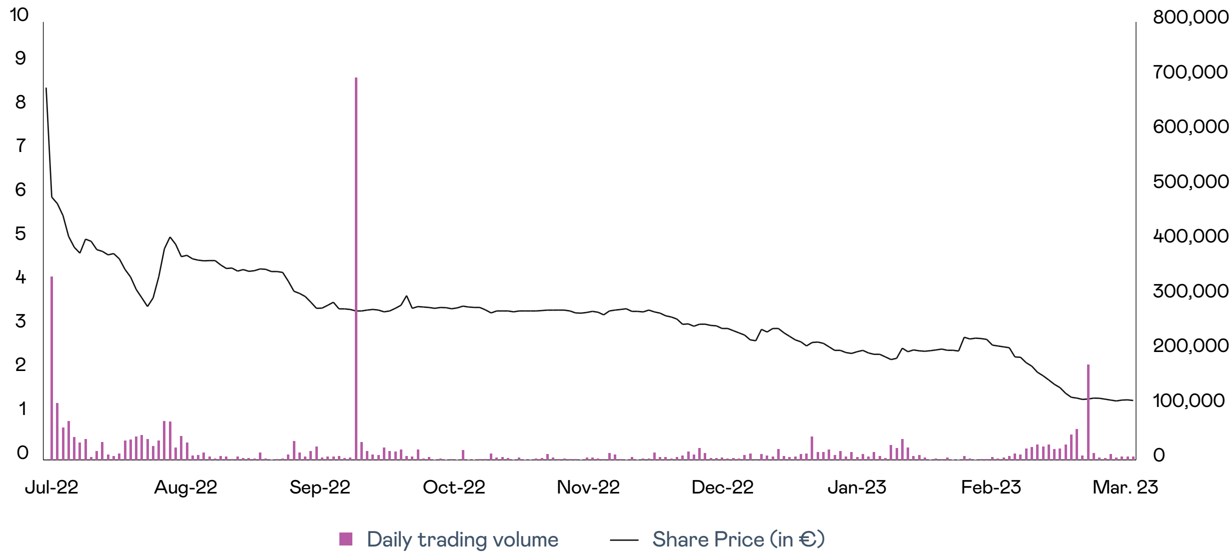
7.4.1 Share information

Type	Stock
Sub-type	Ordinary shares
Market	Euronext Paris
Segment	Professional
Compartment	B (Mid Cap)
ISIN code	FR001400AYG6
Mnemonic	DEEZR
Listing currency	Euro
Quantity notation	Number of units
Trading group	16
Trading type	Continuous
Industry	40 (Consumer Discretionary)
Sector	403010 (Media)
Indices	CAC All Shares, CAC Consumer Discretionary, Euronext Tech Croissance, Euronext Tech Leaders
Listing date	July 5, 2022

7.4.2 Share price performance

Deezer's shares are listed on the Professional Segment of the Euronext Paris regulated market since July 5, 2022. As of December 30, 2022, the Company's share price stood at €2.92 compared to an IPO price of €10.

Evolution of Deezer's share price and daily trading volume since IPO



Source: Euronext Paris

7.4.3 Monthly share price and trading volumes

Month	Number of trading days	Highest price (in €)	Lowest price (in €)	Average closing price (in €)	Trading volume	Turnover (in €)
July 2022	20	8.50	3.35	4.87	984,693	5,284,304
August 2022	23	5.20	3.78	4.49	360,001	1,678,623
September 2022	22	4.30	3.30	3.55	976,992	3,369,759
October 2022	21	3.51	3.29	3.45	88,269	301,643
November 2022	22	3.48	3.15	3.40	72,622	245,185
December 2022	21	3.44	2.72	3.05	155,931	476,489
January 2023	22	3.02	2.28	2.60	271,428	705,435
February 2023	20	2.83	2.30	2.58	135,367	340,525
March 2023	23	2.59	1.33	1.69	556,252	896,843

Source: Euronext Paris.

7.4.4 Dividend policy

The Company paid no dividends on its shares with respect to the financial year ending December 31, 2022.

The Company does not intend to pay dividends in the short or medium term, as the Company's available cash will be used to support its profitable growth strategy.

In accordance with French laws and regulations and the articles of association of the Company, payment of dividends, if any, will be proposed by the Company's Board of Directors to the ordinary general meeting of shareholders, which will have the final vote as to whether a dividend will be paid or not.

Additional information

8.1 Persons responsible

8.1.1 Person responsible for the Universal Registration Document

Jeronimo Folgueira, Chief Executive Officer of the Company.

8.1.2 Declaration by the person responsible for the Universal Registration Document

"*I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contain no omission likely to affect its import.*

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the management report, comprising the items referred to in the cross reference table in Section 8.8.3 of this Universal Registration Document, presents a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the consolidation and describes the main risks and uncertainties with which they are confronted."

Paris, April 28, 2023
Jeronimo Folgueira
Chief Executive Officer

8.1.3 Person responsible for the financial information

Stéphane Rougeot, Deputy Chief Executive Officer and Chief Financial Officer of the Company.

8.2 Information concerning the statutory auditors

The principal statutory auditors appointed by the Company are:

Mazars, a French *société anonyme* with a share capital of €8,320,000, whose head office is located at 61, rue Henri Regnault, 92400 Courbevoie, registered with the Trade and Companies Register of Nanterre under number 784 824 153,

represented by Erwan Candau,

appointed upon incorporation of the Company in its initial articles of association for a term of six years expiring on the close of the ordinary general meeting of the Company's shareholders called to approve the financial statements for the year ending December 31, 2025,

and

Grant Thornton, a French *société par actions simplifiée*, with a share capital of €2,297,184, whose head office is located at 29, rue du Pont, 92200 Neuilly-sur-Seine, registered with the Trade and Companies Register of Nanterre under number 632 013 843,

represented by Laurent Bouby,

appointed upon incorporation of the Company in its initial articles of association for a term of six years expiring on the close of the ordinary general meeting of the Company's shareholders called to approve the financial statements for the year ending December 31, 2025.

and

Ernst & Young Audit, a French *société par actions simplifiée*, with a share capital of €3,044,220, whose head office is located at 1-2 Place des Saisons, Paris la Défense 1, 92400 Courbevoie, registered with the Trade and Companies Register of Nanterre under number 344 366 315,

represented by Frédéric Martineau,

appointed by the general meeting of the Company's shareholders of June 30, 2022, for a period of six years expiring on the close of the ordinary general meeting of the Company's shareholders called to approve the financial statements for the year ending December 31, 2027.

8.3 Investor relations and documents on display

8.3.1 Investor relations

The Investor Relations department is responsible for the Company's financial communication and also manages relations with the financial community, including financial analysts, institutional investors and shareholders.

Since its public listing on the Professional Segment of the regulated market of Euronext Paris on July 5, 2022, the Company has established regular contact with the financial community in order to ensure that the market has the most recent and comprehensive information about its activities, strategy, results and outlook in line with the best market practices and in strict compliance with market regulations.

The Company organizes conference calls and audio webcasts for financial analysts and institutional investors on the occasion of the publication of its quarterly revenue and interim and annual results. In addition, the Company participates to roadshows and conferences organized by financial intermediaries in France and abroad in order to meet with existing shareholders or meet with new institutional investors.

Investor Relations contact

Deezer
24, rue de Calais
75009 Paris, France
Tel.: +33 (0)1 84 25 25 00
Email: investors@deezer.com
Website: https://www.deezer-investors.com/

8.3.2 Financial intermediary for registered shareholders

The Company has entrusted the management of registered shareholder accounts to Société Générale Securities Services.

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES
32, rue du Champ-de-Tir
BP 81236
44312 Nantes Cedex 3, France
Tel.: +33 (0) 2 51 85 50 00
Website: www.securities-services.societegenerale.com

8.3.3 Indicative financial communication calendar

The Company's indicative financial communication calendar for 2023 is as follows:

Date	Event
28/02/2023	Full-year 2022 results
24/04/2023	First-quarter 2023 revenue
31/05/2023	Annual general meeting
02/08/2023	First-half 2023 results
26/10/2023	Third-quarter 2023 revenue

8.3.4 Documents available to the public

The Company's bylaws, minutes of general meetings, and other statutory documents, as well as any assessment or statement made by an independent expert at the Company's request, which must be made available to the shareholders in accordance with applicable regulations, may be consulted at the Company's registered office.

In addition, regulated information within the meaning of the provisions of the *Autorités des marchés financiers* (AMF) General Regulation is also available on the Company's Investor Relations website (https://www.deezer-investors.com/).

8.4 Information incorporated by reference

In accordance with Article 19 of the Regulation (EU) 2017/1129, the following documents and information are incorporated by reference in this Universal Registration Document:

- the free English translation of the I2PO S.A.'s annual financial report for the year ended December 31, 2021 made available by the Company on March 29, 2022 (the "**Annual Financial Report**"); and
- the financial statements under IFRS for the year ended May 15, 2021 of I2PO S.A. as well as the report from the statutory auditors on the financial statements under IFRS for the year ended May 15, 2021 attached as an appendix to the prospectus approved by the AMF on July 13, 2021 under number 21-316 in relation with the admission to trading on the Professional Segment of the regulated market of Euronext Paris of (a) the market shares, (b) the market warrants and (c) the ordinary shares of I2PO S.A. that may result from the (α) automatic conversion of the I2PO S.A. founders' shares and the market shares in the event of the completion of a business combination and (β) the exercise of the I2PO S.A. founders' warrants and the market warrants;
- the Deezer (511 716 573 RCS Paris) consolidated financial statements as of and for the years ended December 31, 2021, 2020 and 2019, and the related audit report by Ernst & Young Audit and RBB Business Advisors figuring, respectively, in schedule 9.2 of the prospectus approved by the AMF on May 31, 2022 under number 22-184 related to the Merger (the "**Merger Prospectus**");
- the Section 9 "*Operating and financial review*" of the Merger Prospectus; and
- information on the Deezer's operating and financial review for the financial years ended December 31, 2021, 2020 and 2019, figuring, respectively, in Section 9.2 of the Merger Prospectus.

8.5 Information from third-parties

This Universal Registration Document contains information about the Group's markets and its competitive position, including the size and outlook of such markets. In addition to internal estimates, the facts on which the Group bases its statements are taken from studies, estimates, research and information of independent third parties and professional organizations as well as figures published by competitors, suppliers and customers.

The Group believes that the market information included in This Universal Registration Document is useful in explaining the major trends in its industry. However, these various studies, estimates, research and information have not been independently verified by the Group or any other person. To the best of the Group's knowledge, no facts have been omitted which would render the information provided inaccurate or misleading. However, the Group cannot guarantee that a third party using other methods to collect, analyze or compile the market data would obtain the same results. The Group's competitors may also define their markets and product categories differently than it does.

In addition, given the rapidly evolving and dynamic industry in which the Group operates, the market or its competitive position may evolve differently from the Group's projections, and some information may prove to be incorrect or outdated. Additionally, the Group's activities may evolve differently from its projections. Investors should thus not place any reliance on the industry or market data included in this Universal Registration Document. The Group undertakes no obligation to publish any updates to the market information contained in this Universal Registration Document unless required by law or stock exchange regulation.

8.6 Material contracts

8.6.1 Material contracts signed in 2021

In 2021, Deezer obtained three state-guaranteed loans (*prêt garanti par l'état*, PGE) totaling €25 million, entered into with BNP Paribas (€10 million), HSBC Continental Europe (€10 million) and Bpifrance (€5 million), for an initial period of one year (respectively, at interest rates of 0%, 0% and 1.85%), then extended 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. For further information, see Note 26 of the consolidated financial statements, enclosed in Chapter 6 "*Financial statements*" of this Universal Registration Document.

In 2021, Deezer renewed its long-term partnership with TIM Brazil, one of the largest mobile telecommunications carriers in Brazil, which historically began in 2014. The partnership with TIM Brazil runs until December 31, 2023. For more information, refer to paragraph 1.2.3.3 "*Indirect B2B distribution through partnerships*" of this Universal Registration Document.

In 2021, Deezer also renewed its content licensing agreements with record labels, particularly those most significant to its business. For more information, please refer to the paragraph 1.7.3.1 "*Records labels*" of this Universal Registration Document.

Please also refer to the paragraph 4.3.3 "*Regulated agreements and other agreements*" of this Universal Registration Document.

8.6.2 Material contracts signed in 2022

The year of 2022 was marked by the Company's Merger and the related financial transactions (the Merger, increases in the Company's share capital and the signing of agreements for private placement) described below.

Business combination agreement

The business combination agreement ("**BCA**") is the framework agreement signed between SPAC and Deezer on April 13, 2022 (the "**Signing Date**") immediately prior to public announcement of the proposed combination. It contemplates the various steps of the proposed combination including the Merger and PIPE financing.

The BCA provides the terms of the Merger, based on a pre-money equity value of Deezer of EUR 1,050 million (on a fully diluted basis), set forth in the Merger Agreement appended in draft form and the conditions for the PIPE. It also provides among others (i) all the rules of governance governing the surviving entity of the Merger (appointment of the CEO and Chairman of the Board of Directors, directors and independent directors) (ii) the customary representations and warranties made by each of SPAC and Deezer respectively to the other party regarding their current situation (capital structure, conformity to tax and labor laws, ownership of IP, absence of litigation, etc.), to be reiterated immediately prior to the vote of their respective shareholders' meeting to approve the Merger and PIPE at closing.

Merger agreement

The Merger Agreement provides the conditions of the Merger. As a result of the completion of the Merger on July 5, 2022, Deezer ceased to exist, and the SPAC continued as the surviving entity of the Merger and change its corporate name to be renamed Deezer as from the completion date of the Merger. As consideration for the transfer of Deezer's assets to SPAC in the context of the Merger, SPAC issued new ordinary shares to the benefit of Deezer's shareholders in exchange for their shares of Deezer. The value of each such new ordinary share for the purpose of determining the exchange ratio amounted to €10.00. Similarly, from the completion of the Merger, all outstanding free shares, stock options and warrants of Deezer allowed their holders to receive or subscribe for ordinary shares of SPAC instead of class B preferred shares of Deezer.

PIPE's subscription agreements

Simultaneously with the completion of the Merger, I2PO S.A. offered up to 15,000,000 of its ordinary shares, by way of a placement, reserved to certain identified persons and, potentially, to certain categories of investors qualifying as qualified investors within the meaning of Article L. 411-2, 1° of the French Monetary and Financial Code, inside and outside of France (the "**PIPE**"). In the context of the PIPE, I2PO S.A. and Deezer S.A. (511 716 573 RCS Paris) have entered into subscription agreements on April 2022 with investors, including existing Deezer (511 716 573 RCS Paris) and I2PO S.A. shareholders (collectively, the "**PIPE Investors**") for a total amount of €119 million. In return for their investment, the PIPE Investors received new ordinary shares of I2PO S.A. offered at €10 per share. These new ordinary shares, once issued by I2PO S.A., have been listed and traded on the professional segment (*compartiment professionnel*) of the regulated market of Euronext Paris on July 5, 2022, the settlement and delivery date of the PIPE. The subscription agreements provide that no investor shall benefit from terms materially more advantageous than other signing investors.

Other agreements

In 2022, Deezer entered into a long-term partnership with RTL, Germany's leading broadcast, content and digital media company. The partnership with RTL runs until April 30, 2027.

For more information, refer to paragraph 1.2.3.3 "*Indirect B2B distribution through partnerships*" of this Universal Registration Document.

8.6.3 Material contracts signed in 2023

In the context of the PIPE and the Merger (the "**Transaction**"), shareholders owning together 75% of the share capital of the Company (on a non-diluted basis) have agreed to be bound by a lock-up on the shares they have received as part as the Transaction. The lock-up undertakings have expired as of the date of this Universal Registration Document. For more information, refer to paragraph 4.3.3.3.2 "*Lock-up undertakings*" of this Universal Registration Document.

These shareholders have entered into the coordinated sales agreement with the Company, on March 31, 2023, to ensure the coordination of any disposal of shares (other than shares subscribed in the PIPE completed concomitantly with the Merger or acquired after that but including any shares resulting from the vesting or exercise of free shares, stock options or warrants) which they may undertake after the expiration of the applicable lock-up period in order to avoid that massive unorderly sales while the liquidity of the Company's shares remains very limited may materially and negatively impact the stock price to the detriment of all shareholders and the Company. The parties undertake that stock transfers on the market (but not off market) shall be made through a placement agent (or sale agent) under conditions provided for in the agreement. The sale agent shall act independently from the Company, which may not give it any instructions. Sale requests made by any selling shareholder to the sale agent shall be irrevocable and shall state only the number of shares that the selling shareholder wishes to sell. The sale agent will use its best efforts to ensure the proper execution of sale requests provided that the resulting transfers do not have a significant adverse impact on the price of the Company's shares considering the then prevailing market conditions. Sales made on the market in execution to such request shall not be effected at a discount greater than 5% to the volume-weighted average price (VWAP) of the shares over the last three trading days preceding such sale, each shareholder being able to communicate to the sale agent a higher floor price. Daily sales of shares effective on a specific trading day shall never exceed 25% of the Company shares' daily trading volume during such trading day (30% if the daily trading volume on such specific trading day represents more than twice their average daily trading volumes over the previous 20 trading days).

The coordinated sales agreement is meant as a framework agreement and was concluded for one (1) year as from the expiry date of the 9-month lock up, with a further one-year extension thereafter unless parties holding a majority of the shares that are subject to this agreement from time to time agree to a shorter extension period, or no extension period.

This agreement was authorized by the Board of Directors' meeting of March 22, 2023, in accordance with the provisions of Article L. 225-38 of the French Commercial Code and will be submitted to the annual shareholders' meeting to be held in 2024.

In connection with the setting up of the procedures contemplated in the coordinated sales agreement, a separate engagement letter has been entered into between the Company and Société Générale which provides for a fixed fee of €250,000 to be paid by the Company. The coordinated sales agreement provides that each shareholder would be solely liable, through a separate agreement entered into with Société Générale, for the variable fees due to Société Générale as sale's agent in relation to the sale of such shareholder's shares. The engagement letter was authorized by the Board of Directors' meeting of March 22, 2023, in accordance with the provisions of Article L. 225-38 of the French Commercial Code and will be submitted to the annual shareholders' meeting to be held in 2024.

8.7 Legal proceedings and arbitration

The Group may be involved in legal, arbitration, administrative or regulatory proceedings in the ordinary course of business, which may notably include disputes with its customers, suppliers, competitors or employees, as well as tax or other authorities.

As of the date of this Universal Registration Document, the Group is not aware of any government, legal or arbitration proceedings, including any proceedings which are ongoing or imminent, that could have or have had, during the last 12 months, a material impact on the financial position or profitability of the Company or the Group.

8.8 Cross-reference tables

8.8.1 Universal Registration Document

This table enables identification of the information specified by Appendices I and II of the Delegated Regulation (EU) 2019/980 of March 14, 2019, as amended (supplementing regulation (EU) 2017/1129 of June 14, 2017, as amended).

Sections of Appendix I of the delegated regulations (EU) 2019/980		Sections of the URD	Sections of the document incorporated by reference
1.	**Persons responsible, information from third parties, expert reports, and approval of the competent authority**		
1.1.	Persons responsible	8.1.1	-
1.2.	Statement of the persons responsible	8.1.2	-
1.3.	Expert statement	N/A	-
1.4.	Statement on the information provided by a third party	8.5	-
1.5.	Statement by the competent authority	Page 1	-
2.	**Statutory auditors**		
2.1.	Identity of the statutory auditors	8.2	-
2.2.	Changes	N/A	-
3.	**Risk factors**	**2.**	**-**
4.	**Information concerning the issuer**		
4.1.	Legal and commercial name	7.1.1.1	-
4.2.	Registration place and number (and Legal Entity Identifier ("LEI"))	7.1.1.2	-
4.3.	Date of constitution and duration of the issuer	7.1.1.3	-
4.4.	Registered office, legal form, applicable legislation and website	7.1.1.4 7.1.1.5	-
5.	**Business overview**		
5.1.	Principal activities	1.2	-
5.1.1.	Type of operations and main activities	1.2	-
5.1.2.	Development of new products and/or services	1.2.2	-
5.2.	Principal markets	1.3.1	-
5.3.	Important events in the development of the issuer's business	1.3.1.1 1.7.1 5.4 6.1.6. Note 1 6.3.3 Note 1 7.1.1.5	Chapter 9 of the Merger Prospectus
5.4.	Strategy and objectives	1.5	-

Sections of Appendix I of the delegated regulations (EU) 2019/980		Sections of the URD	Sections of the document incorporated by reference
5.5.	Dependence of the issuer on patents, licenses, industrial, commercial or financial contracts, or new manufacturing processes	1.7.5 2.1.1 2.1.2.1 2.1.3	-
5.6.	Competitive position	1.3.2 1.4	-
5.7.	Investments	1.7.1	Section 9.4.5. of the Merger Prospectus
5.7.1.	Significant investments completed	1.7.1	-
5.7.2.	Significant investments in progress or firm commitments	1.7.1	-
5.7.3.	Joint ventures and significant interests	N/A	-
5.7.4.	Environmental issues relatives to the utilization of tangible fixed assets	N/A	-
6.	**Organizational structure**		
6.1.	Summary description of the issuer's group	1.6	-
6.2.	List of material subsidiaries	1.6.2	-
7.	**Operating and financial review**		
7.1.	Financial position	5.	-
7.1.1.	Development and performance of the issuer's business and position	5.1	Chapter 9 of the Merger Prospectus
7.1.2.	Future developments and R&D activities	1.4.2 1.5.2.2 6.1.6 Note 6.2 6.1.6 Note 18 6.3.3 Note 9	-
7.2.	Operating results	5.1 6.1 6.3	Chapter 9 of the Merger Prospectus
7.2.1.	Significant factors with a material effect on the issuer's operating income	1.2.3.3 1.7.1.2 2.1.2.1 2.1.2.2 2.1.4.2 5.1.3.3 8.6.1	Section 9.4. of the Merger Prospectus
7.2.2.	Material changes in net sales or revenues	N/A	-
8.	**Capital resources**		
8.1.	Issuer's capital resources	6.1.3 6.1.4 6.3.2 7.2.1 6.3.3 Note 19	-
8.2.	Sources, amount and description of the issuer's cash flows	5.1.3 6.1.5	-
8.3.	Issuer's financing requirements and financing structure	5.1.2 5.1.3 6.1.4	Chapter 9 of the Merger Prospectus
8.4.	Restrictions on the use of capital resources	N/A	-
8.5.	Anticipated sources of financing required to fulfil commitment referred to in item 5.7.2.	1.7.1	-

Sections of Appendix I of the delegated regulations (EU) 2019/980		Sections of the URD	Sections of the document incorporated by reference
9.	**Regulatory environment**		
9.1.	Description of the regulatory environment and external factors affecting the issuer's business	1.7.5	-
10.	**Trend information**		
10.1.	Description on: (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Universal Registration Document; (b) any significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Universal Registration Document (or an appropriate negative statement).	1.5.2	-
10.2.	Information on any known trends, uncertainties, demands, commitments or events that can reasonably be expected to significantly impact the issuer's prospects, at least during the current financial year	1.5.2	-
11.	**Profit forecasts or estimates**		
11.1.	Profit forecast or estimate	N/A	-
11.2.	Main assumptions underlying the profit forecast or estimate	N/A	-
11.3.	Statement on the preparation of the profit forecast or estimate	N/A	-
12.	**Administrative, management and supervisory bodies and senior management**		
12.1.	Information on the members of the Board of Directors and the senior management	4.1.2 4.1.5.1	-
12.2.	Conflicts of interests	4.3.1 4.3.3	-
13.	**Compensation and benefits**		
13.1.	Amount of compensation paid and benefits-in-kind for members of the administrative, management and supervisory bodies	4.2	-
13.2.	Total amounts provisioned or recognized by the issuer or its subsidiaries for the payment of pensions, retirement or other benefits	4.2	-
14.	**Board practices**		
14.1.	Expiration date of the current terms of office	4.1.1 4.1.2	-
14.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment (or an appropriate negative statement)	4.3.1	-
14.3.	Information on the Board committees	4.1.4	-
14.4.	Statement of compliance with the corporate governance regime applicable to the issuer	4.1.1	-
14.5.	Potential material impacts on the corporate governance and future changes in the Board and committees composition	N/A	-
15.	**Employees**		
15.1.	Number of employees	3.2.1.1	-
15.2.	Shareholdings and stock-options held by the members of the Board and by the senior management	4.1.2.1 7.2.4	-
15.3.	Agreements providing for employee profit-sharing in the issuer's share capital	N/A	-

Sections of Appendix I of the delegated regulations (EU) 2019/980		Sections of the URD	Sections of the document incorporated by reference
16.	**Ma jor shareholders**		
16.1.	Shareholders holding over 5% of capital on the date of the Universal Registration Document (or an appropriate negative statement)	7.3.1	-
16.2.	Existence of different voting rights (or an appropriate negative statement)	7.1.2.2	-
16.3.	Ownership or control of the issuer	7.3.1 7.3.3	-
16.4.	Agreements whose implementation could result in a change of control	7.3.6	-
17.	**Related party transactions**		
17.1.	Details of transactions with related parties concluded by the issuer during the period covered by the historical financial information up to the date of the Universal Registration Document	4.3.2 4.3.3 4.3.4	-
18.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information	6. 8.4.	I2PO's 2021 Annual Financial Report Schedule 9.2 of the Merger Prospectus
18.1.1.	Audited historical financial information and audit report(s)	6. 8.4	Chapter 9 of the Merger Prospectus
18.1.2.	Change of accounting reference date	N/A	-
18.1.3.	Accounting standards	6. 8.4	Chapter 9 of the Merger Prospectus
18.1.4.	Change of accounting framework	N/A	-
18.1.5.	Minimum content of audited financial information	N/A	-
18.1.6.	Consolidated financial statements	6.1	Schedule 9.2. of the Merger Prospectus
18.1.7.	Age of financial information	6. 8.4.	-
18.2.	Interim and other financial information	5.2. 8.4	I2PO's 2021 Annual Financial Report Schedule 9.2. of the Merger Prospectus
18.2.1.	Quarterly or half-yearly financial information, where applicable, including audit or examination report(s)	N/A	-
18.3.	Auditing of historical annual financial information	6.	-
18.3.1.	Audit report	6.2. 6.4.	I2PO's 2021 Annual Financial Report Schedule 9.2. of the Merger Prospectus
18.3.2.	Other audited information contained in the Universal Registration Document	8.4.	-
18.3.3.	Non-audited sources of financial information	N/A	-
18.4.	*Pro forma* financial information	N/A	-
18.4.1.	Description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported	N/A	-
18.5.	Dividend policy	7.4.4	-
18.5.1.	Description of the dividend distribution policy and any applicable restrictions	7.4.4	-
18.5.2.	Dividend amount per share	N/A	-
18.6.	Legal and arbitration proceedings	8.7	-

Sections of Appendix I of the delegated regulations (EU) 2019/980	Sections of the URD	Sections of the document incorporated by reference
18.6.1. Administrative, judicial or arbitration procedure that may have significant effects on the financial position or profitability of the issuer	2.1.2.1 6.1.6 Note 21 6.3.3 Note 21	-
18.7. Significant change in the issuer's financial position	5.4	-
18.7.1. Description of any significant change in the financial position of the Group since the end of the last fiscal year for which financial statements were audited or published	N/A	-
19. Additional information		
19.1. Share capital	7.2	-
19.1.1. Amount of issued and authorized capital	7.2.1 7.2.3	-
19.1.2. Shares not representing capital	N/A	-
19.1.3. Shares held by the issuer or its subsidiaries	7.2.5	-
19.1.4. Securities that are convertible, exchangeable or with subscription warrants	7.2.4	-
19.1.5. Conditions that govern all acquisition rights and/or obligations attached to authorized but unissued share capital, or all capital increases	7.2.3	-
19.1.6. Information on the share capital of any Group member, which is subject to an option or a conditional or unconditional agreement	N/A	-
19.1.7. History of share capital	7.2.2	-
19.2. Memorandum and articles of association	7.1.2	-
19.2.1. Register, entry number in the register, and corporate purpose of the issuer	7.1.2	-
19.2.2. Rights, privileges and restrictions attached to each share category	7.1.2	-
19.2.3. Statutory or other provisions that may delay, defer or prevent a change of control	N/A	-
20. Material contracts	**8.6**	**-**
21. Available documents	**8.3.4**	**-**

8.8.2 Annual financial report

The table of concordance below enables identification of the main information specified in the annual financial report required by Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-3 of the General regulation of the AMF.

Headings/Themes	Sections
Annual financial statements	6.3
Consolidated annual financial statements	6.1
Management report (*See concordance table between the Universal Registration Document and the management report*)	
Statement by the person responsible for the annual financial report	8.1.2
Statutory auditors' report on the annual financial statements	6.4
Statutory auditors' report on the consolidated annual financial statements	6.2

8.8.3 Management report

The table of concordance below enables the identification in this Universal Registration Document of the information that is included in the management report in accordance with the applicable legal and regulatory provisions and in particular with Articles L. 225-100 *et seq.* of the French Commercial Code (*Code de commerce*).

Themes		Sections
1.	**Activity**	
	Objective and exhaustive review of the change in business, the result and financial position of the Company and the Group, in particular its indebtedness, in view of its volume and the complexity of its activities	5.1 6.
	Key performance indicators of a financial and, where relevant, non-financial nature, related to the specific activities of the Company, particularly information on environmental and staff issues with reference to the amounts in the annual financial statements and any additional relevant explanations	3.2 3.4 5.1.1.3 5.4
	Significant events for the Company and Group after the year end	5.4 6.1.6 Note 30 6.3.3 Note 29
	List of existing branches	1.6
	Investments in companies with their registered offices on the French Republic's territory	N/A
	Forecast changes for the Company and the Group	1.5 5.3
	Research & development activities of the Company and the Group	1.4.2 6.1.6 Note 6.2 6.1.6 Note 18 6.3.3 Note 9
	Activities and results for the Company, its subsidiaries and companies over which it has control	5.1 6.1
2.	**Risk factors**	
	Principal risks and uncertainties to which the Company and Group are exposed	2.1 3.2
	Company and Group exposure to price, credit, liquidity and cash flow risks	2.1.4 6.1.6 Note 26
	Company and Group objectives and policy in terms of financial risk management, including the hedging policy	2.2 6.1.6 Note 26
	Indications about financial risks related to the effect of climate change and presentation of measures taken by the Company to reduce them while implementing a low-carbon strategy in all aspects of its activities	3.2.2
	Main characteristics of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information	2.2. 6.1.6 Note 26
3.	**Legal and shareholder information**	
	Identity of individuals or companies holding, directly or indirectly, over 5% of the share capital or voting rights	7.3.1 7.3.2
	Structure of and changes in the Company's share capital and treasury shares	7.2.1 7.2.2 7.2.5
	Notification of holding more than 10% of shares in the capital of another company;	N/A
	Information on transactions carried out to regularize cross-shareholdings	N/A
	Information required by article L. 225-211 of the French Commercial Code (*Code de commerce*) in the event of transactions by the Company on its own shares	7.2.5
	Elements of calculation and results of adjustments of the conversion bases and conditions of subscription or exercise of securities giving access to the share capital or of any stock options in the event of share buybacks or financial transactions	N/A
	Statement of employee shareholding as of the last day of the financial year and the proportion of the capital represented by the shares held by the employees of the Company and the Group	7.3.4

Themes		Sections
	Summary statement of transactions by directors, senior executives or persons with whom they are closely associated with on the Company's securities	7.3.5
4.	**Financial information**	
	Table showing the Company's results for the past five years	6.5.1
	Payment terms and breakdown of the balance of trade payables and receivables by maturity date	6.5.2
	Amount of dividends distributed during the past three financial years and amount of distributed income eligible for the tax abatement, as well as the amount of distributed income not eligible for the tax abatement, broken down by share category	N/A
	The amount of loans with a maturity of less than two years granted by the Company, as an accessory to its main activity, to micro-enterprises, SMEs or mid-cap companies with which it has economic ties that justify it	N/A
5.	**Social and environmental information**	
	Information for companies operating at least one facility on the list provided for in in article L. 515-36 of the Environmental Code (*Code de l'environnement*)	N/A
	Non-financial performance statement (*See concordance table between the Universal Registration Document and the non-financial performance statement*)	
	Vigilance plan and report on its effective implementation	N/A

8.8.4 Corporate governance

The table of concordance below enables the identification in this Universal Registration Document of the information that is included in the corporate governance report in accordance with the applicable legal and regulatory provisions.

Themes		Sections
1.	**Corporate Governance Code**	
	Chosen Corporate Governance Code and any discarded provisions of the Code	4.1.1
2.	**Composition and organization of the work of the Board of Directors**	
	Body chosen to exercise the general management of the Company (Chair of the Board of Directors or Chief Executive Officer)	4.1.5.1
	Any limitations that the Board of Directors may impose on the powers of the Chief Executive Officer	N/A
	Composition and conditions for preparing and organizing the work of the Board	4.1.2 4.1.3
	List of mandates and positions held in any Company by each corporate officer during the financial year	4.1.2 4.1.5.1
	Restrictions imposed by the Board of Directors on the exercise of options granted or sale of free shares granted to executives	7.2.4
	Application of the principle of diversity within the Board (balanced representation of women and men, nationalities, age, qualifications and professional experience)	3.2.1.3.2 4.1.2
	Balanced representation of women and men in management bodies that regularly assist general management in the performance of its duties and on the results in terms of gender diversity in the 10% of positions of greatest responsibility	4.1.5.2
	Agreements made, directly or through another party, between one of the corporate officers or a shareholder with a holding of more than 10% and another company in which the former directly or indirectly owns more than half of the capital	N/A
	Description of the procedure for checking on a regular basis whether agreements relating to day-to-day operations and carried out at arm's length meet these conditions and implementation of said procedure.	4.3.2
	Summary table of current delegations granted by the shareholders' meeting with respect to capital increases and showing the use made of these delegations during the year	7.2.3
	Special arrangements for the participation of shareholders in the shareholders' meeting or reference to the provisions of the articles of association which provide for such arrangements	7.1.2.2
	Information concerning items that may have an impact in the event of a tender offer	
	Company share capital structure	7.1.2.2 7.2.1 7.3.1
	Statutory restrictions on the exercise of voting rights and share transfers	7.1.2.2
	Direct or indirect interests in the Company's share capital	7.2.1 7.3.1
	List of holders of any securities with special control rights	7.1.2.2
	Control mechanisms provided for in an employee shareholding system	7.3.4
	Agreements between shareholders which may result in restrictions on the transfer of shares and the exercise of voting rights	4.3.3.3.2 8.6.3
	Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's bylaws	4.1.1.2 7.1.2.2
	Powers of the Board of Directors (specifically with regard to the issue or buyback of shares)	7.2.5
	Agreements entered into by the Company which are amended or terminated in the event of a change of control of the Company, unless such disclosure, other than in the case of a legal obligation to disclose, would seriously harm its interests	N/A
	Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover bid or exchange offer	N/A

Themes		Sections
3.	**Compensation of executives and corporate officers**	
	Principles and criteria for determining, allocating and granting the fixed, variable and exceptional components and exceptional items making up the total compensation and benefits of any kind, attributable to the Chair, Chief Executive Officers or Deputy Chief Executive Officers	4.2.1
	Commitments of any kind made by the Company for the benefit of its corporate officers, corresponding to compensation, indemnities or benefits due or likely to be due as a result of their appointment, termination or change of these functions or subsequent thereto, in particular pension commitments and other lifetime benefits	N/A
	Variable components of compensation for members of the administrative and management bodies based on the application of non-financial performance criteria	4.2.1
	The total amounts set aside or otherwise recognized by the issuer or its subsidiaries for the purpose of providing pensions, retirement or other lifetime benefits	N/A
	Total compensation paid and benefits of any kind to members of the administrative and management bodies, including in the form of equity, debt or equity-linked securities and management bodies, including in the form of equity or debt securities or securities giving access to or securities giving access to the capital or entitling to the allocation of debt securities	4.2.2
	Variable or exceptional compensation awarded during the past financial year to these same executives	4.2.2
	Equity ratio and information on differences in compensation between corporate officers and employees	4.2.2.4

8.8.5 Non-financial performance statement

The cross-reference table below enables to identify in this Universal Registration Document the information that is included in the non-financial performance statement in accordance with the applicable legal and regulatory provisions.

Themes		Sections
1.	**Business model**	**3.1**
2.	**Information on how the Company takes into account the social and environmental consequences of its activity as well as the effects of its activity on the respect of human rights and the fight against corruption and tax evasion**	
2.1.	Description of the main risks associated with the Company's or Group's business, including, where relevant and proportionate, the risks created by business relationships, products or services	3.2
2.2.	Description of the policies applied by the Company or the Group including, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of such risks	3.2
2.3.	Results of these policies, including key performance indicators	3.2 3.3 3.4
3.	**Others information required by L. 225-102-1 of the French Commercial Code (*Code de commerce*)**	
3.1.	Consequences on climate change of the Company's activity and the use of the goods and services it produces	3.2.2
3.2.	Circular economy	3.2.2.1.4 3.2.2.2.2
3.3.	Fight against food waste	N/A
3.4.	Fight against food insecurity and respect for a responsible, fair and sustainable nutrition	N/A
3.5.	Collective agreements concluded in the Company and their impact on the Company's economic performance and on the working conditions of employees	3.2.2.1.5
3.6.	Actions to combat discrimination and promote diversity and measures taken in favor of the disabled	3.2.1.3
3.7.	Societal commitments to sustainable development	3.2.3 3.2.4
3.8.	Respect for animal welfare	N/A
4.	**Revenue, investment spending (CAPEX), exploitation spending (OPEX), economic activity eligible for sustainable taxonomy publishing**	**3.2.2.3**

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