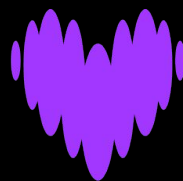


Half-Year 2024 Results



DEEZER

31 July 2024

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Speakers



**Stephane
Rougeot**
*Deputy CEO
& CFO*



**Stu
Bergen**
Interim CEO



**Carl
de Place**
*Appointed CFO
as of 1st August*

Record results in H1 2024, reflected by accelerated improvement in adjusted EBITDA ...

Strong revenue growth in line with plan

+14.9% to €267.9 million

ARPU improvement

both in Direct (+6.0%) & in Partnership (+3.5%)

Subscriber base at 10.5 million

+1.3 million YoY (+13.7% YoY)

Accelerated improvement of adj. EBITDA

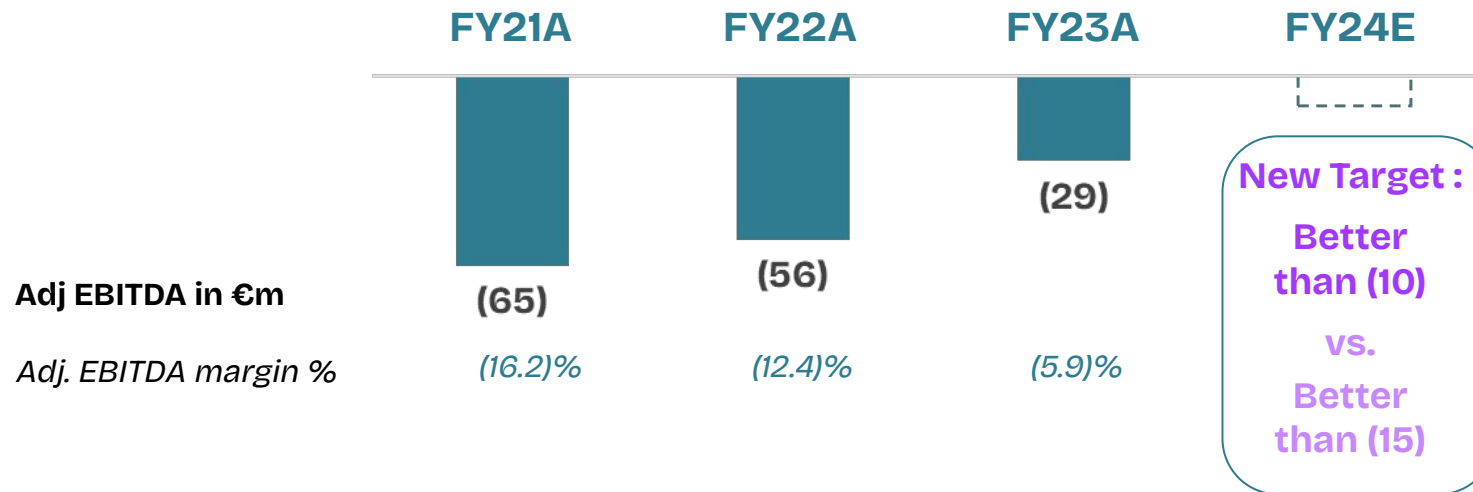
to €(5) million benefiting from improved labels conditions

FCF positive in H1

€65.1m cash position in June-24

...bringing Deezer even closer to profitability

2024 adjusted EBITDA target improved



Path to profitability in 2025
driven by:

- Revenue **growth**
- **New terms** with labels
- Sound **Partnerships'** profitability
- Targeted and **efficient marketing & brand investments**
- Continued **strict cost control**

Confirmation of other
2024 targets

Revenue growth to reach 10% in 2024

Positive free cash flow¹

1. Free cash flow: adjusted EBITDA - change in working capital - capex - leases and net interests.

H1 2024 Highlights

Business Highlights

Enhancing value for artists and rights holders

Renewal of partnership with Merlin in Mar-24, integrating Deezer's artist centric royalty model with Merlin's dynamic membership of independent rights holders

Strong commitment to summer music festivals in France, offering robust support to partners and dedication to live music experiences



Sustaining partnerships growth

Roll-out of Meli+ in Chile in Feb-24, following Brazil & Mexico in Q3 2023

Renewal of key partnerships with TIM and FNAC-Darty in early 2024

Start of licensing of Zen well-being content to multiple partners



Rolling-out our ESP plan

Launch of "Purple Club" in May-24, inviting fans to discover and access exclusive and intimate experiences

Global beta launch of "Playlist with AI" in Jul-24, a new AI-powered playlist generator



Corporate Highlights

Governance

Renewed
board



Iris Knobloch
Renewed Chairwoman of BoD

New CEO



Alexis Lanternier
as of Sep 2nd

New CFO



Carl de Place
as of Aug 1st

Success of listing
compartment change

Since July 8, 2024

Allowing transactions
from all types
of investors

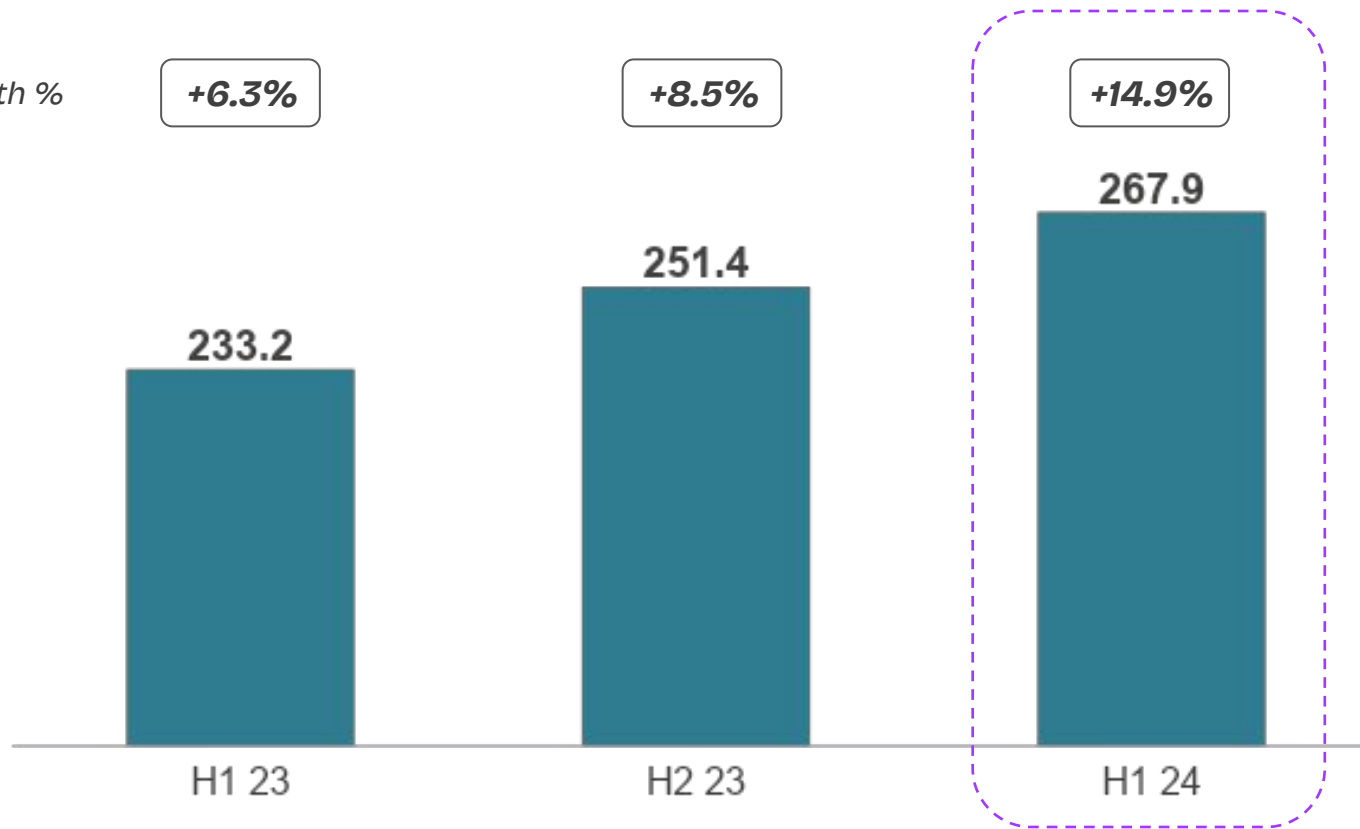
Share buyback

H1 2024 Financial Results

Strong revenue growth in H1-24: +14.9% YoY

Total Revenue
In €m

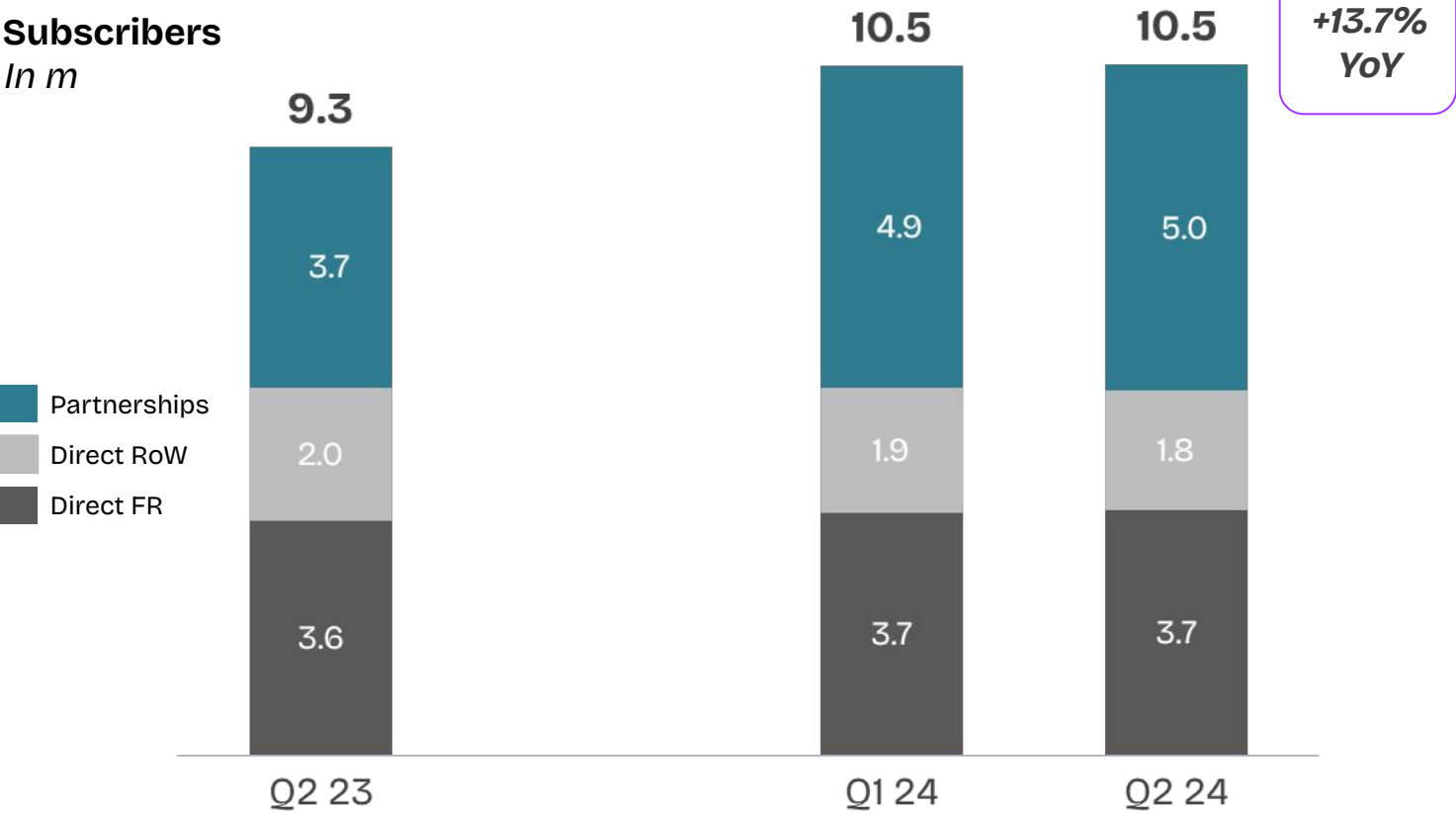
YoY Growth %



Successful execution
of the Group's strategy
directing efforts
toward attractive,
large markets, mainly
through partnerships

Strategic evolution of Subscriber base mix with steadily increasing ARPU

Subscribers
In m



Continued growth in Partnerships

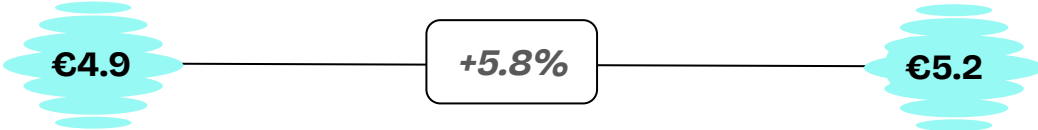
Decrease in Direct RoW in line with strategy

Consolidation in Direct FR

ARPU
Partnerships

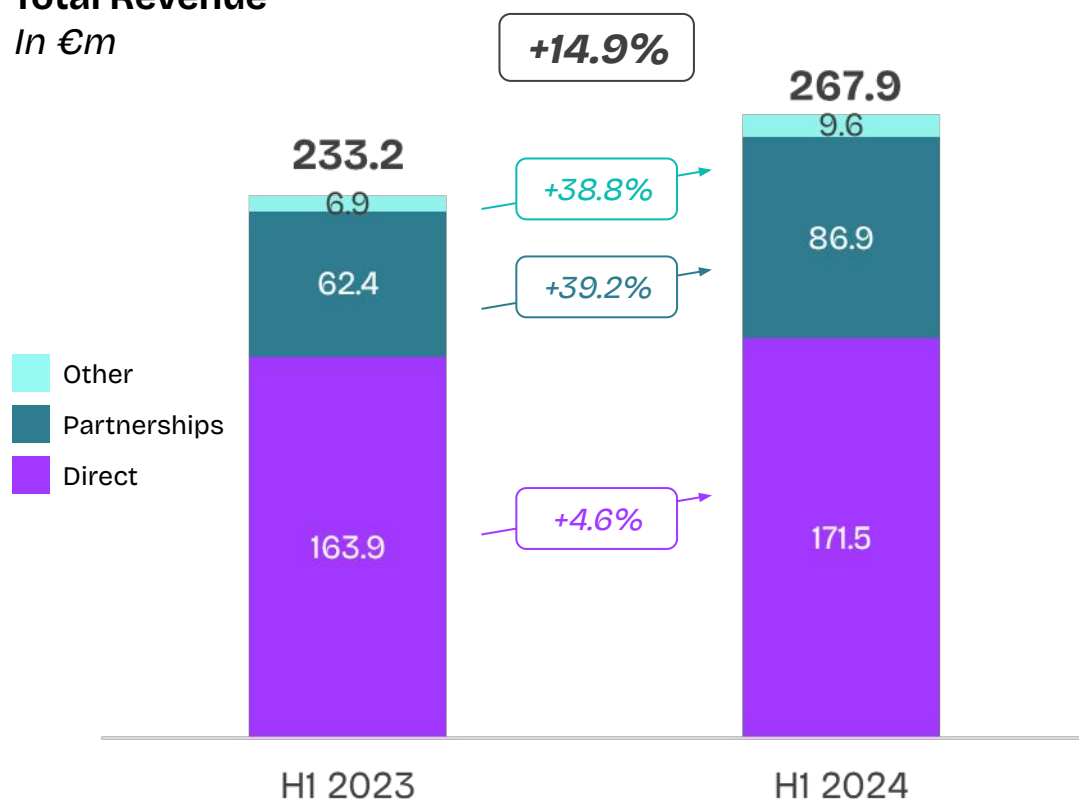


ARPU
Direct

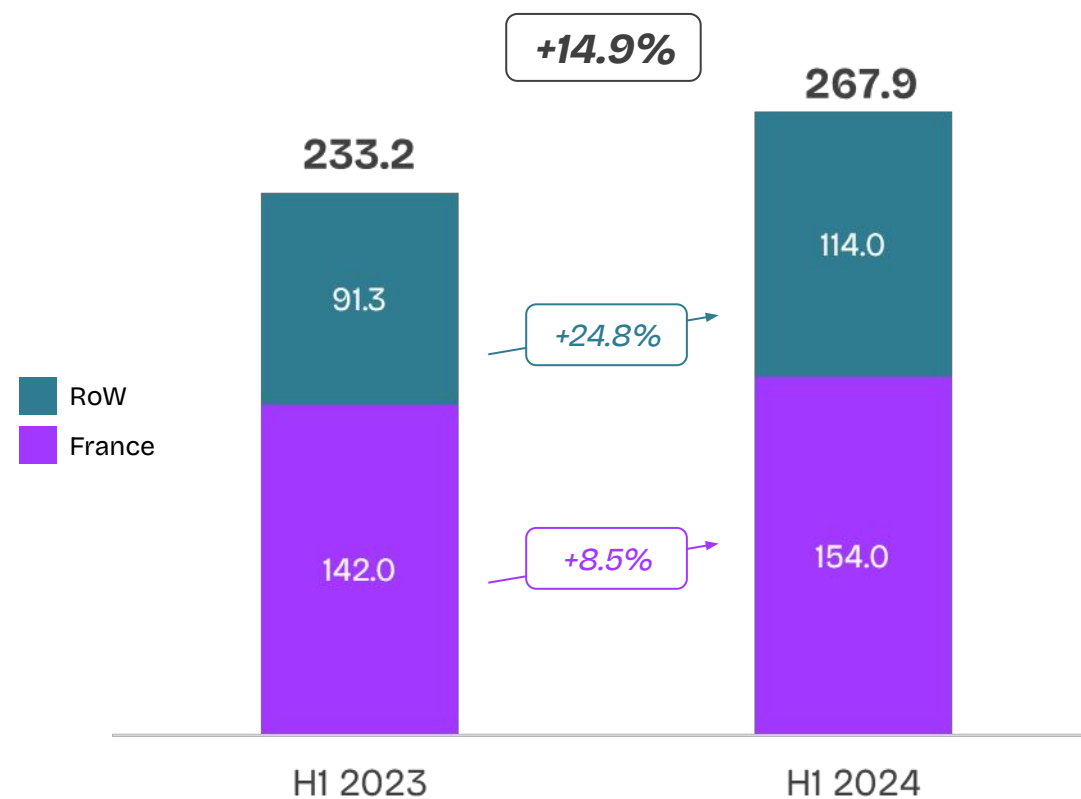


Revenue growth driven by Partnerships at +39%

Total Revenue
In €m



- **Direct:** Subscriber growth in France (+3.2%) and higher ARPU (+6.0%) resulting from price increases
- **Partnerships:** Strong subscriber acquisition (+1.4m YoY) driven by the success of recent deals; higher ARPU (+3.5%) resulting from price increases and improved geographic mix
- **Other:** contribution of launch of a new content licensing deal for Zen



- **France:** Continued subscriber growth on Direct and improvement of ARPU
- **RoW:** Ongoing profitable Partnerships expansion. Anticipated decline in Direct subscribers (-9.8%), in line with refocus of on selected key markets

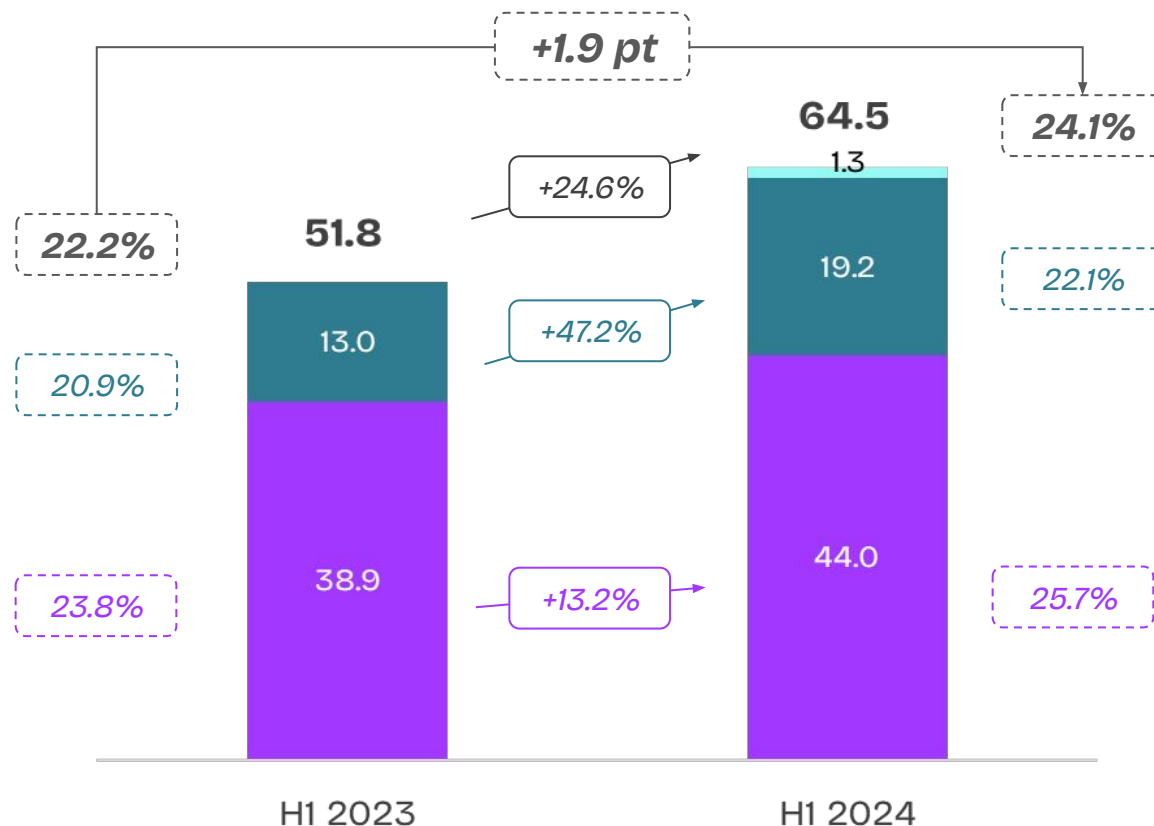
Improvement in adjusted gross profit and margin across all segments

Adj. Gross profit

In €m

% of rev.

Other
Partnerships
Direct



Adjusted gross profit reached €64.5 million in H1 2024

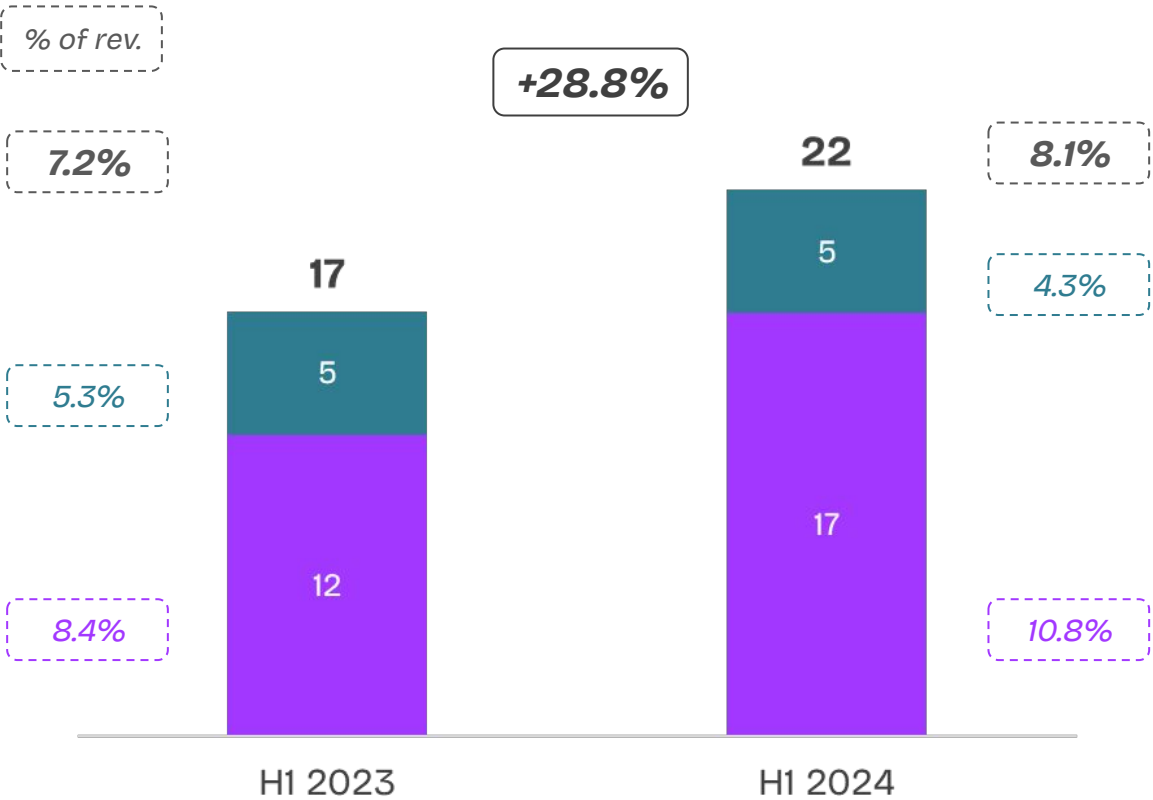
(+24.6% vs H1 23), driven by:

- Higher level of activity
- Improved terms with labels
- Positive contribution from Zen licensing

As a result, adjusted gross profit margin increased by 187 basis points vs H1 2023 and reached 24.1% in H1 2024

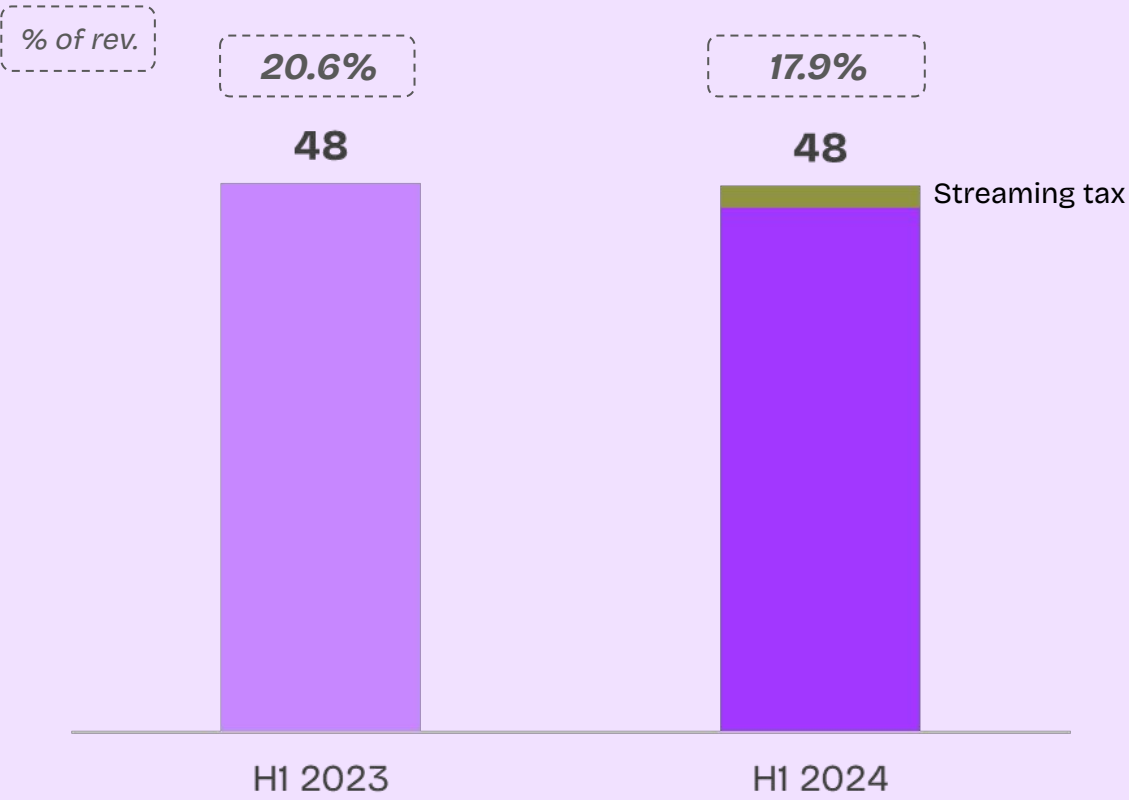
Consistent operational excellence with continued investment in brand and customer acquisition

Marketing and trials
€m



Higher marketing expenses in line with our **strategy of efficient investment in our Brand in France**

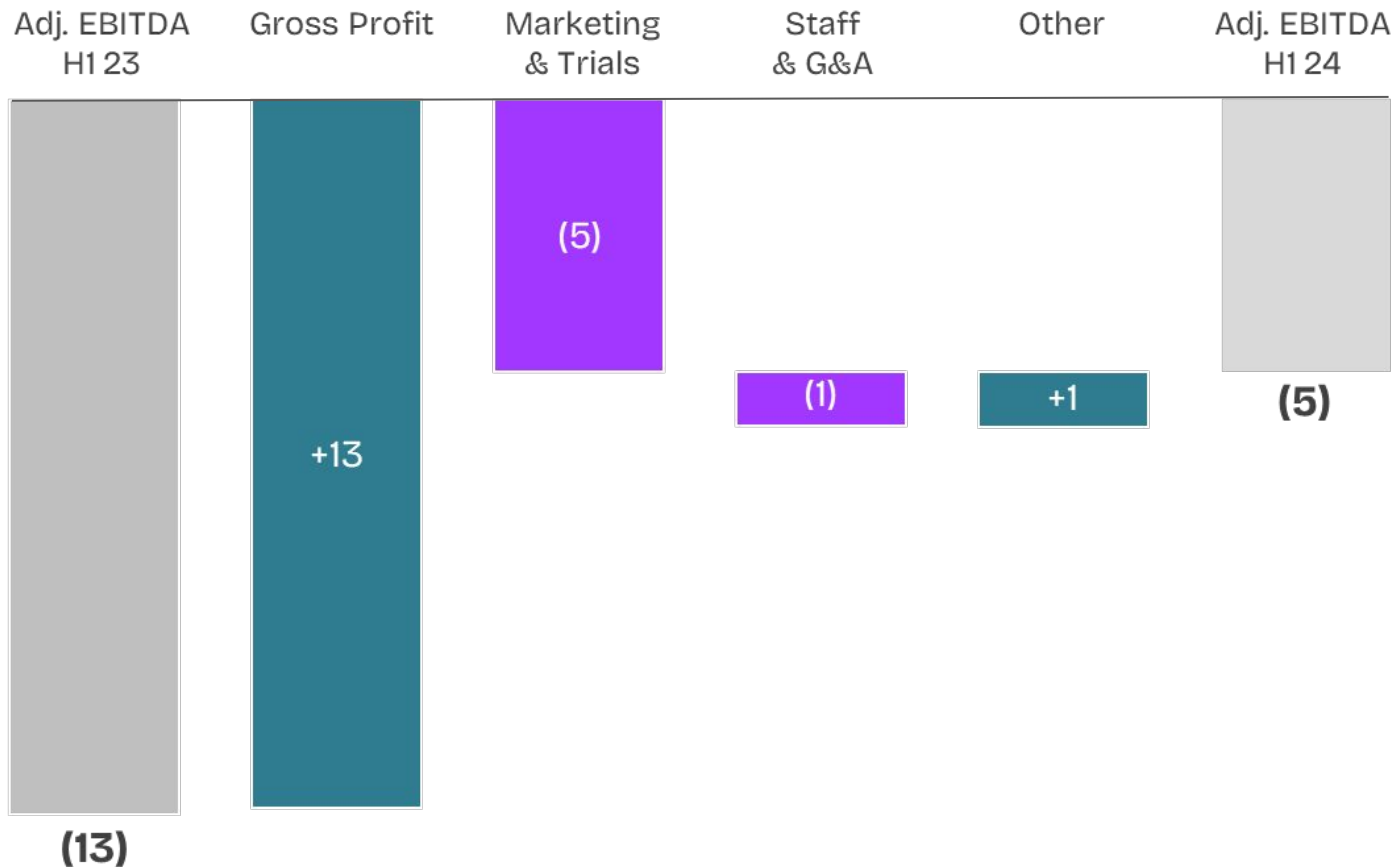
Staff and G&A
€m



Staff and G&A expenses **decreasing in absolute terms excluding impact of streaming tax**

Accelerated improvement of adj. EBITDA to €(5)m

In €m



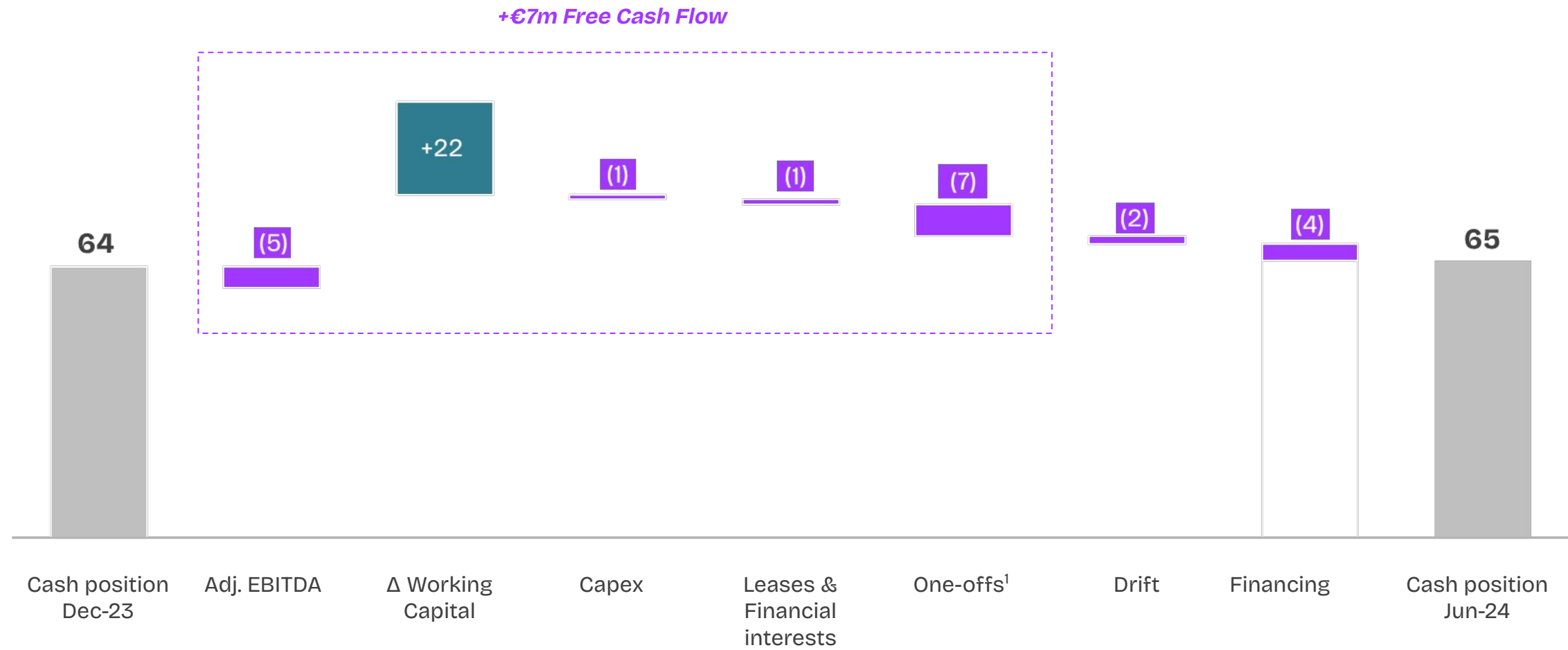
Adj. EBITDA +€8m vs H1 2023:

driven by:

- Higher gross profit +€13m YoY from
 - revenue growth +€8m
 - margin improvement +€5m
- Continued marketing investments €(5)m
- Strict cost control

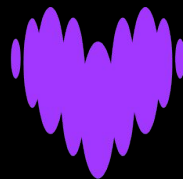
Robust cash position of €65.1m at end-June, with positive FCF in H1 at €7.3m

In €m



1. One-off cash items include exceptional payments that are not related to our normal course of business.

Financial Outlook

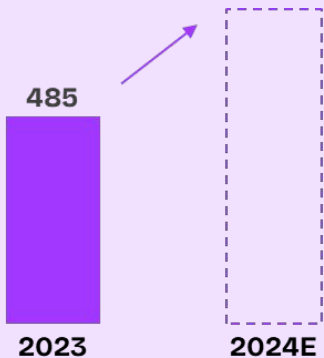


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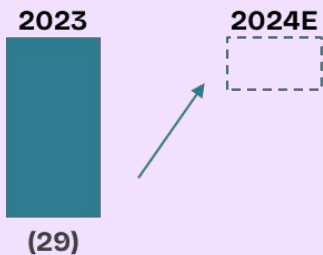
Increased 2024 adjusted EBITDA target reflecting strong financial performance

2024

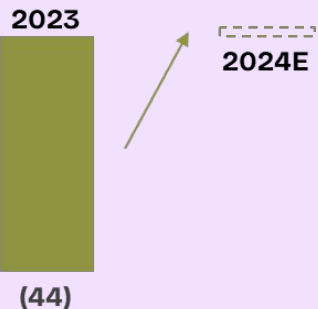
10% revenue growth compared to 2023



NEW
Adjusted EBITDA loss better than €(10)m



Positive free cash flow¹ in 2024

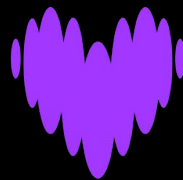


2025

Positive adjusted EBITDA

1. Free cash flow: Adjusted EBITDA - change in working capital - capex - leases and net interests.

Thank you



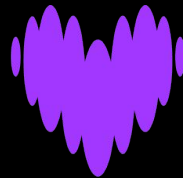
DEEZER

Q

&

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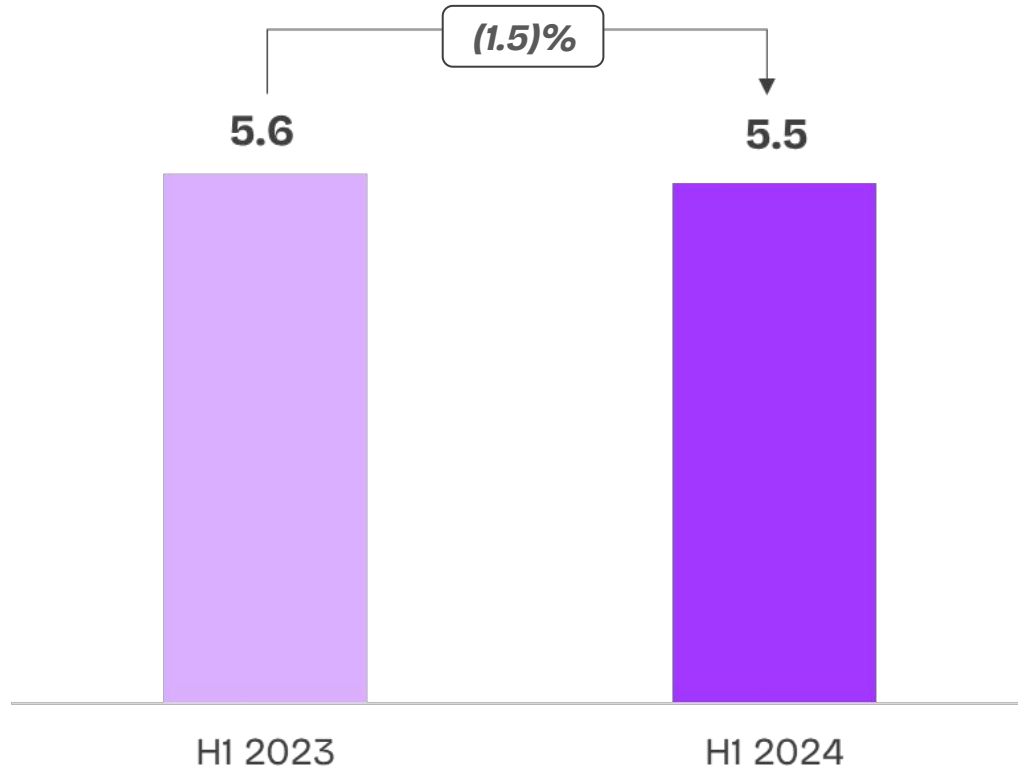
Appendix



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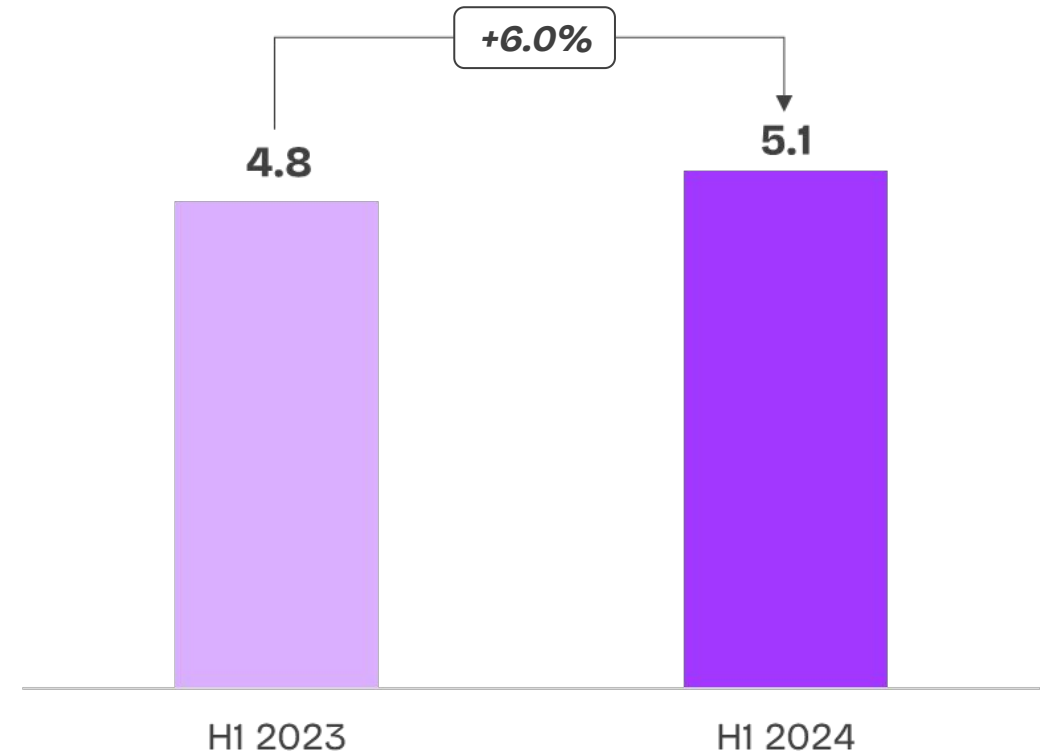
Direct: Subscriber growth in France and ARPU increase

Direct subscribers
In m



- Continued expansion of the Group's subscriber base in France (+3.2%), offsetting the anticipated decline in the Rest of World (-9.8%), according to the Group's refocus on selected key markets

Direct ARPU
In €

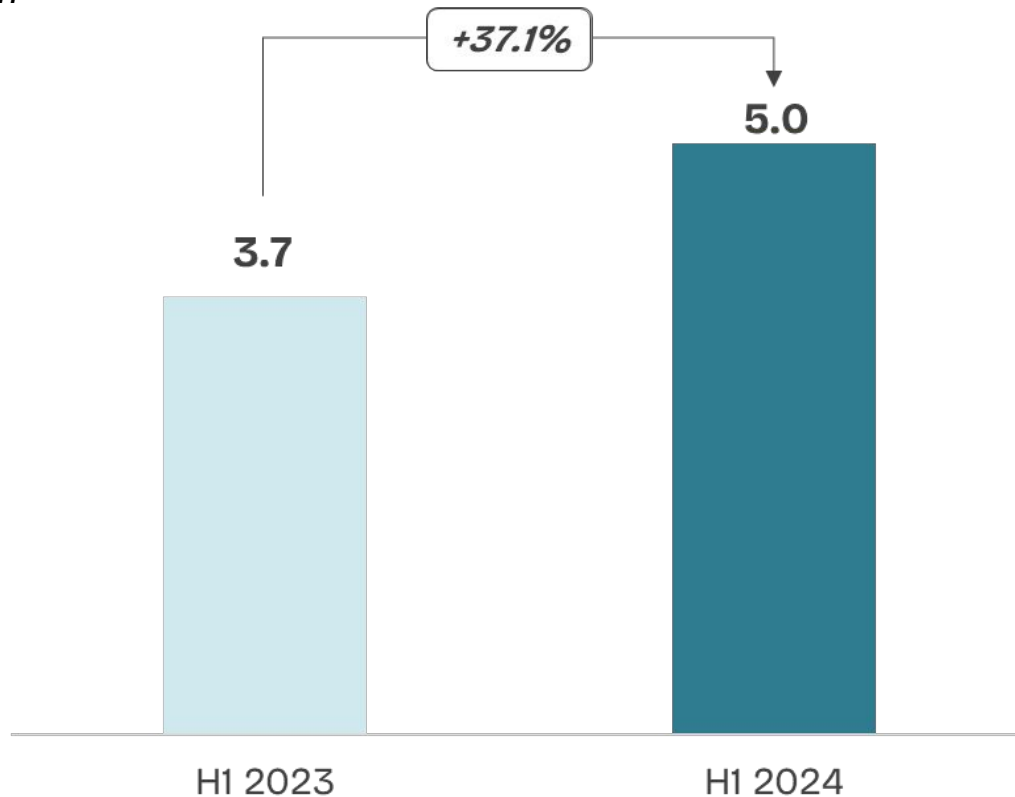


- Price increase drove ARPU growth of +6.0 % to reach €5.1 per subscriber with the addition of the improved geographic mix and the implementation of a more selective strategy

Partnerships: Acceleration in subscribers and ARPU

Partnerships subscribers

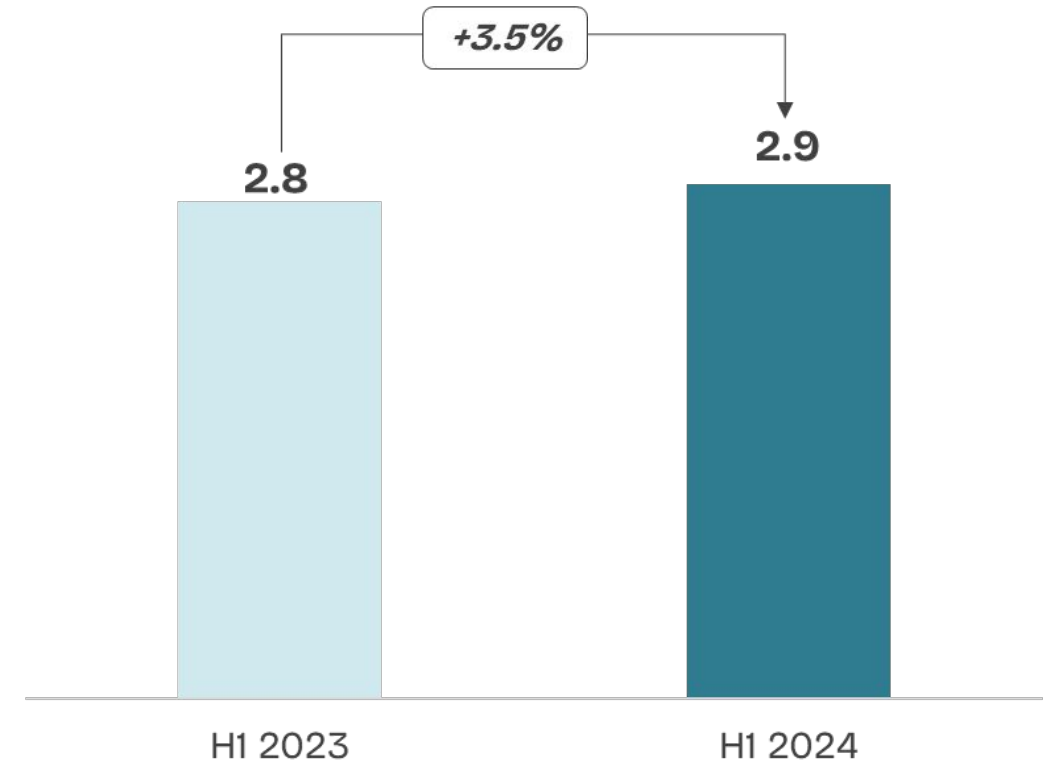
In m



- +1.4m partnerships subscribers (+37.1% YoY), driven by the success of the first months of the Meli+ offering in Brazil and Mexico, as well as the gradual build-up of the RTL partnership, and the initial contribution of the Sonos partnership (launched in Q2 2023)

Partnerships ARPU

In €



- ARPU increase of +3.5% mainly due to improved geographical mix

Key financial indicators

<i>In € million</i>	H1 2024	H1 2023	<i>Change YoY</i>	<i>Change at constant FX</i>
Total revenue	267.9	233.2	+14.9%	+14.6%
By segment				
Direct	171.5	163.9	+4.6%	+4.6%
Partnerships	86.9	62.4	+39.2%	+38.2%
Other	9.6	6.9	+38.8%	+38.7%
By geography				
France	154.0	142.0	+8.5%	+8.5%
Rest of World	113.9	91.3	+24.8%	+24.1%

	H1 2024	H1 2023	<i>Change YoY</i>
Total subscribers⁽¹⁾	10.5	9.3	+13.7%
Direct	5.5	5.6	(1.5)%
o/w France ¹	3.7	3.6	+3.2%
o/w Rest of World	1.8	2.0	(9.8)%
Partnerships	5.0	3.7	+37.1%
ARPU (in €/month excl. VAT)			
Direct	5.1	4.8	+6.0%
Partnerships	2.9	2.8	+3.5%

⁽¹⁾ As of 30 June, in million

Reconciliation of non-IFRS financial indicators

Adjusted gross profit

<i>In € million</i>	H1 2024	H1 2023
Gross profit	55.1	27.9
License agreements non-recurring expenses	9.4	23.9
Adjusted gross profit	64.5	51.8

Adjusted EBITDA

<i>In € million</i>	H1 2024	H1 2023
Operating loss	(21.2)	(42.5)
Gross profit adjustments	9.4	23.9
Depreciation and amortization	3.7	4.7
Share-based expenses	1.2	1.9
Other non-recurring expenses	1.8	(1.2)
Adjusted EBITDA	(5.0)	(13.1)

Free cash flow

<i>In € million</i>	H1 2024	H1 2023
Adjusted EBITDA	(5.0)	(13.1)
Change in working capital requirement	21.8	7.7
Capital expenditure	(1.1)	(1.1)
Leases ¹	(1.2)	(3.1)
Others	(7.4)	(12.0)
Free cash flow	7.3	(21.6)

1. Including repayment of lease liabilities and net interest paid (including finance leases).

Consolidated statement of income

	Six months ended 30 June	
(in thousands of euros)	2024	2023
Revenue	267,921	233,214
Cost of revenue	(212,787)	(205,271)
Gross Profit	55,134	27,943
Product and development	(16,426)	(18,337)
Sales and marketing	(31,728)	(27,030)
General and administrative	(28,192)	(25,035)
Operating loss	(21,212)	(42,459)
Finance income	2,240	5,344
Finance costs	(1,197)	(1,179)
Financial result - Net	1,043	4,166
Loss before income tax	(20,169)	(38,294)
Income tax expense	760	(144)
Share of loss of equity affiliates	-	-
Net loss for the period	(19,410)	(38,438)
Of which attributable to owners of the parent	(19,268)	(37,617)
Non-controlling interests	(141)	(821)
	Six months ended 30 June	
(in thousands of euros)	2024	2023
Net loss per share attributable to owners of the parent		
Basic	(0.16)	(0.35)
Diluted	(0.16)	(0.35)
Weighted-average ordinary shares		
Basic	121,637,681	108,765,996
Diluted	121,637,681	108,765,996

Consolidated statement of financial position (1/2)

(in thousands of euros)	30 June 2024	31 December 2023
Assets		
Goodwill	7,487	7,487
Intangible assets	369	260
Property and equipment	4,410	4,915
Right-of-use assets	16,395	16,736
Non-current financial assets	5,341	5,337
Other non-current assets	-	525
Total non-current assets	34,002	35,260
Trade and other receivables	69,388	70,362
Other current assets	19,596	25,769
Cash and cash equivalents	65,075	63,605
Total current assets	154,059	169,736
Total assets	188,061	194,996

Consolidated statement of financial position (2/2)

<i>(in thousands of euros)</i>	30 June 2024	31 December 2023
Equity and liabilities		
Share capital	1,216	1,216
Share premium	483,970	483,970
Treasury shares	(375)	(363)
Consolidated reserves	(702,355)	(654,079)
Net loss	(19,268)	(57,666)
Equity attributable to owners of the parent	(236,812)	(226,922)
Non-controlling interest reserves	-	940
Total equity	(236,812)	(225,982)
Provision for employee benefits	569	500
Lease liabilities	16,389	15,097
Financial liabilities	10,753	13,933
Total non-current liabilities	27,711	29,530
Provisions for risks	16,190	14,838
Lease liabilities	2,665	3,676
Financial liabilities	6,378	7,115
Trade payables and related accrued expenses	303,132	298,990
Tax and employee-related liabilities	26,300	31,446
Deferred income	41,823	33,781
Other liabilities	674	1,602
Total current liabilities	397,162	391,448
Total liabilities	424,873	420,978
Total equity and liabilities	188,061	194,996

Consolidated statement of cash flows (1/2)

	Six months ended 30 June	
(in thousands of euros)	2024	2023
Operating activities		
Net loss	(19,410)	(38,437)
Adjustments for:		
- Depreciation and amortization (excluding those related to current assets)	3,735	4,701
- Provisions	1,413	(934)
- Share-based compensation expense	8,017	11,822
- Gains and losses on disposals	886	-
- Share of loss of equity affiliates (net of dividends distributed)	-	-
- Discounting profits and losses	8	(2,521)
- Net debt costs (including interest on lease liabilities)	(1,403)	528
- Income tax paid	(760)	144
Changes in working capital:		
- (Increase)/decrease in trade receivables and other assets	13,517	(24,118)
- Increase/(decrease) in trade and other liabilities	4,878	31,823
Income tax paid	(274)	(844)
Net cash flows from/(used in) operating activities	10,607	(17,837)

Consolidated statement of cash flows (2/2)

	Six months ended 30 June	
(in thousands of euros)	2024	2023
Investing activities		
Purchases of property and equipment and intangible assets	(1,070)	(1,160)
Release of the escrow account and other	(467)	-
Proceeds from the disposal of intangible and tangible assets	-	-
Proceeds from the disposal of non-current financial assets	457	71
Impact of changes in the scope of consolidation	(1,865)	(129)
Net cash flows used in investing activities	(2,945)	(1,218)
Financing activities		
Increase in share capital and share premium (net of costs)	-	37
Repayments on short-term debt	(3,913)	(2,005)
Repurchases of ordinary shares	(11)	93
Proceeds from issuance of long-term debt	-	747
Repayment of lease liabilities	(2,581)	(2,550)
Net interest paid (including finance leases)	1,398	(528)
Other cash flows relating to financing activities	-	-
Net cash flows from/(used in) financing activities	(5,107)	(4,206)
Effect of foreign exchange rate changes on cash and cash equivalents	(1,086)	518
Change in net cash position	1,469	(22,743)
Cash and cash equivalents at the beginning of the period	63,605	113,610
Cash and cash equivalents at the end of the period	65,075	90,868
Change in net cash position	1,470	(22,742)