



**INTERIM FINANCIAL
REVIEW FOR THE
SIX MONTH PERIOD
ENDED JUNE 30, 2024**

EARNINGS ANALYSIS

UMG Results

Six Months Ended June 30,		
(in millions of euros, number of shares in millions, data per share in euros)	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	5,526	5,148
EBITDA ¹	1,069	767
Adjusted EBITDA ¹	1,240	1,112
Operating profit	756	591
Net profit attributable to equity holders of the parent	914	625
Adjusted net profit ^{1,2}	809	765
Net cash provided by operating activities before income tax paid	436	703
Free cash flow ¹	(460)	(13)
Weighted average number of shares outstanding	1,825	1,817
<i>Earnings per share</i>		
Earnings attributable to UMG N.V. shareowners per share - basic	0.50	0.34
Earnings attributable to UMG N.V. shareowners per share - diluted	0.49	0.34
<i>Adjusted net profit per share^{1,2}</i>		
Adjusted net profit per share - basic	0.44	0.42
Adjusted net profit per share - diluted	0.44	0.42

As at		
(in millions of euros)	June 30, 2024	December 31, 2023
	<i>(unaudited)</i>	<i>(audited)</i>
Financial Net Debt ¹	(2,612)	(1,689)

1. *Non-IFRS measures*
2. *Following a change in the definition, the HY23 Adjusted Net Profit has been restated to exclude the impacts of restructuring expenses and related tax impacts.*

This Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements includes certain alternative performance indicators which are not defined in the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board as endorsed by the EU. The descriptions of these alternative performance indicators and reconciliations of non-IFRS to IFRS measures are included in this report and its Appendix. Reference may also be made to the 2023 Annual Report.

Analysis of Operating Results

Revenues for the first half of 2024 were €5,526 million, up 7.3% compared to the first half of 2023 and up 8.8% at constant currency. This increase was driven by improvements across all divisions. Recorded Music grew 6.3% at constant currency compared to the first half of 2023, Music Publishing was up 14.3% at constant currency and Merchandising and Other grew by 29.7% at constant currency.

For a detailed analysis of revenues by business segment, please refer to the press release dated July 24, 2024 (the "press release") and to Note 3 to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended June 30, 2024.

(in millions of euros)	Six Months Ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Artist costs	2,584	2,385
Product costs	529	426
Cost of Revenues	3,113	2,811

Cost of Revenues grew by €302 million to €3,113 million in the first half of 2024 from €2,811 million in the first half of 2023 reflecting the increase in revenues. Cost of revenues as a percentage of revenues increased to 56.3% from 54.6% primarily driven by a greater proportion of Music Publishing and Merchandising and Other revenues, which have higher Cost of revenues compared to Recorded Music and in particular by higher product costs.

Artist costs increased by €199 million from €2,385 million in the first half 2023 to €2,584 million in the first half 2024 driven by the increase in sales. As a percentage of revenues, artists costs increased to 46.8% in the first half 2024 from 46.3% in the first half of 2023 on higher relative costs in both Music Publishing and Merchandising and Other driven by revenue and repertoire mix.

Product costs increased by €103 million to €529 million in the first 6 months of 2024 from €426 million in the first 6 months of 2023 reflecting the growth in revenues. Product costs as a percentage of revenues increased to 9.6% from 8.3% driven primarily by the higher proportion of merchandising sales.

Selling, general and administrative expenses decreased by €99 million to €1,512 million in the first half 2024 from €1,611 million in the first half 2023 and decreased as a percentage of revenues to 27.4% in first half 2024 from 31.3% in first half 2023. Selling, general and administrative expenses in the first half 2024 included €171 million in non-cash share-based compensation expense while in the first half 2023, selling, general and administrative expenses included €345 million in non-cash share-based compensation expenses. However, Selling, general and administrative expenses for the first 6 months of 2024 included €113 million restructuring charges compared to €15 million restructuring charges in the first 6 months of 2023 due to the previously announced strategic organizational redesign.

Operating profit was €756 million in the first half of 2024, compared to €591 million for the first half of 2023, an increase of €165 million (27.9%) or an increase of 32.4% at constant currency, due to the growth in revenues and the lower non-cash share-based compensation expense in the first half of 2024 partly offset by higher restructuring charges. As a percentage of revenues, operating profit improved to 13.7% in the first half 2024 from 11.5% in the first half 2023 due to the lower Selling, general and administrative expenses partially offset by higher relative Cost of revenues.

Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA

(in millions of euros)	Six Months Ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating profit	756	591
<i>Adjustments</i>		
Amortisation and depreciation expense	200	187
Restructuring expenses	113	15
(Gain)/loss on sale of assets	-	(26)
EBITDA	1,069	767
Non-cash share-based compensation expense	171	345
Adjusted EBITDA	1,240	1,112

EBITDA increased by €302 million to €1,069 million in the first half of 2024 compared to €767 million in the first half of 2023 due to the increase in revenues and lower non-cash share-based compensation expense as detailed above. EBITDA margin increased by 4.4pp to 19.3% in the first 6 months of 2024 compared to 14.9% in the first 6 months of 2023.

For a detailed analysis of EBITDA by business segment, please refer to the press release and to Note 3 to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended June 30, 2024.

Adjusted EBITDA was €1,240 million in the first half of 2024 up €128 million compared to €1,112 million in the first half of 2023 due to the improved revenues. Adjusted EBITDA margin increased by 0.8pp to 22.4% in the first 6 months of 2024 from 21.6% in the first 6 months of 2023 driven by the revenue growth and cost savings from the previously announced strategic organizational redesign, partially offset by the higher Cost of revenues.

Financial results

Financial income and Financial expenses were a net income of €515 million in the first half 2024, compared to a net income of €265 million in the first half 2023, an improvement of €250 million. For the first half 2024, the revaluation of the investments in listed and other companies including Spotify and Tencent Music Entertainment was a net income amount of €566 million, compared to a net income of €313 million for the first half 2023, an improvement of €253 million.



Income taxes

For the first half of 2024, income taxes were a net expense of €345 million, compared to a net expense of €227 million in the first half of 2023. This increase notably reflected the improvement in Operating profit and the increase in the deferred tax charge relating to the revaluation of the investments in listed companies including Spotify and Tencent Music Entertainment (€141 million expense, compared to €84 million expense for first half of 2023).

Non-controlling interests

For the first half of 2024, earnings attributable to non-controlling interests were €4 million, slightly higher than the €2 million for the first half of 2023.

Net profit attributable to equity holders of the parent

For the first 6 months of 2024, net profit attributable to equity holders of the parent amounted to a profit of €914 million (or €0.50 per share - basic), compared to €625 million for the first 6 months of 2023 (or €0.34 per share - basic). Net profit attributable to equity holders of the parent increased by €289 million, reflecting:

- the improvement in Operating Profit (+€165 million) driven by higher revenues and the lower non-cash share-based compensation expense in the first half 2024 and despite higher restructuring charges; and
- the improvement in Financial results (+€250 million) driven by the favourable variance in the revaluation of the investments in listed and other companies including Spotify and Tencent Music Entertainment (+€253 million);

partially offset by:

- the increase in Income tax charges (-€118 million) due to the improvement in Operating profit and the increase in deferred tax charge relating to the revaluation of the investments in listed companies (-€57 million).



Adjusted net profit

Reconciliation of Net profit attributable to equity holders of the parent to Adjusted net profit

(in millions of euros)	Six Months Ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit attributable to equity holders of the parent	914	625
Financial income and expenses, excluding interest and income from investments	(553)	(300)
Non-cash share-based compensation expense	171	345
Restructuring expense	113	15
Amortisation of catalogues	121	120
Income tax on adjustments	43	(40)
Adjusted Net Profit¹	809	765

¹ Following a change in the definition, the HY23 Adjusted Net Profit has been restated to exclude the impacts of restructuring expenses and related tax impacts.

Adjusted net profit in the first half 2024 amounted to a profit of €809 million (or €0.44 per share - basic), compared to €765 million for the first half 2023 (or €0.42 per share - basic). Adjusted net profit increased by €44 million, including:

- the growth in Adjusted EBITDA (+€128 million); offset by
- the smaller gain on the disposal of assets in the current period (-€26 million); and
- the increase in income taxes reported to adjusted net profit (-€35 million).

LIQUIDITY AND CAPITAL RESOURCES

Financial Net Debt

(in millions of euros)	As at	
	June 30, 2024	December 31, 2023
	<i>(unaudited)</i>	<i>(audited)</i>
Cash and cash equivalents	438	413
Derivative financial assets	-	2
Bank overdrafts	(24)	(26)
Bonds	(1,808)	(1,808)
Commercial papers	(1,142)	(197)
Other	(76)	(73)
Borrowings at amortised cost	(3,050)	(2,104)
Financial Net Debt	(2,612)	(1,689)

Changes in the Financial Net Debt

As of June 30, 2024, UMG's Financial Net Debt amounted to -€2,612 million compared to Financial Net Debt of -€1,689 million as of December 31, 2023, an increase in net debt of €923 million. This change was mainly attributable to the following:

- UMG paid the final dividend with respect to fiscal year 2023 of which €455 million was paid in June 2024 and the associated withholding tax paid in July 2024;
- Net cash used for investing activities of €615 million, primarily due to the €96 million investment in Music Publishing and Recorded Music catalogues, €70 million net other intangible and capital expenditure and €460 million net purchase of consolidated companies, equity affiliates and financial assets relating to several strategic investments in the period including investments in Chord Music Partners, NTWRK and Mavin Global; and
- repayment of €53 million in relation to lease liabilities and associated interest and €35 million in other net interest payments.

This was partially offset by the following:

- Net cash provided by operating activities of €237 million.

UMG believes that the cash flow generated by its operating activities, its cash surpluses, net of amounts used to reduce UMG's debt, as well as funds available through undrawn bank credit facilities and additional funding opportunities will be sufficient to cover expenses and investments necessary for its operations, its debt service, the payment of income taxes, the distribution of dividends, as well as its investment projects, if any, for the next 12 months.

Equity portfolio

As of June 30, 2024, UMG held a portfolio of listed non-controlling equity interests (including Spotify) with an aggregate market value of approximately €2,066 million (before taxes), compared to €1,227 million as of December 31, 2023. The increase in market value during 2024 was due to the fluctuation in share price of our listed investments most notably of Spotify.

Cash flow analysis

Net cash provided by operating activities before income tax

For the first half of 2024, changes in net cash provided by operating activities before income tax amounted to an inflow of €436 million compared to an inflow of €703 million for the first half of 2023, a decline of €267 million. This decline was mainly attributable to the following items:

- the increase in Royalty advances payments net of recoupments (-€220 million) due to the timing of major artist deal renewals and extensions partly offset by increased recoupment;
- the unfavourable variance in Adjustments (-€167 million) primarily driven by lower non-cash share based compensation expense reflected in Operating profit and offset within Adjustments and higher cash paid to settle employee tax withheld (see breakdown of Adjustments in the Appendix); and
- the unfavourable variance in Other working capital (-€45 million);

partially offset by:

- the increase in Operating profit (+€165 million).

Net cash provided by operating activities

Net cash provided by operating activities in the first 6 months of 2024 amounted to an inflow of €237 million compared to an inflow of €495 million for the first 6 months of 2023, a decline of €258 million due to the €267 million decrease in Net cash provided by operating activities before income tax, only partially offset by the decrease in Income tax paid (+€9 million).

Net cash used for investing activities

Net cash used for investing activities in the first half 2024 was a €615 million net outflow compared to a €423 million net outflow for the first half 2023, an increased outflow of €192 million. Investment in consolidated companies (-€34 million, net) and equity affiliates (-€324 million) in the first half of 2024 were higher than in the first half of 2023 reflecting various strategic investments including the investments in Chord Music Partners, NTRWK and Mavin Global. Investment in financial assets were lower (+€104 million) than in the first half of 2023, whilst Divestitures of financial assets of €77 million in the first half of 2024 included the release of funds, previously paid into escrow, to complete a catalogue acquisition during the period. Catalogue investments were marginally higher (-€7 million) than in the first half of 2023.

Net cash provided by financing activities

Net cash provided by financing activities in the first 6 months of 2024 was a €415 million net inflow compared to a €23 million net outflow for the first 6 months of 2023, an increased inflow of €438 million. This was mainly attributable to the increase in net proceeds from borrowings in the first 6 months of 2024 of €955 million compared to an increase in debt in the first 6 months of 2023 of €516 million (+€439 million). Dividend and interest payments in the first half of 2024 were broadly in line with payments in the first half of 2023.

Reconciliation of cash provided by operating activities to Free Cash Flow

(in millions of euros)	Six Months Ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net cash provided by/(used for) operating activities before income tax paid	436	703
Income tax paid	(199)	(208)
Net cash provided by/(used for) operating activities	237	495
Net cash provided by/(used for) investing activities	(615)	(423)
Repayment of lease liabilities and related interest expenses	(53)	(47)
Interest, net	(35)	(38)
Other cash items related to financing activities	6	-
Free Cash Flow	(460)	(13)

Free Cash Flow

Free Cash Flow in the first half of 2024 was a €460 million net outflow compared to a €13 million net outflow for the first half of 2023, a decrease of €447 million. This decrease was partly due to the decline in Net cash provided by operating activities (-€258 million) in the first half 2024 period compared to the first half of 2023 predominately driven by the increase in Royalty advance payments, net of recoupments. In addition, Net cash used for investing activities was higher than in the first 6 months of 2023 (-€192 million) due to greater strategic investments in the period.



CAUTIONARY STATEMENTS

Risk and uncertainties

The 2023 Annual Report on pages 118 to 136 outlines a number of risk factors which UMG still believes are the key risks and uncertainties concerning the business and industry in which UMG operates, and that alone or in combination with other events or circumstances, could have a material adverse effect on UMG's business, results and financial position.

External auditors' involvement

The Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements have not been audited by UMG's external auditors.

Related party transactions

Please refer to Note 12 of the Unaudited Condensed Consolidated Interim Financial Statements for details on related party transactions.

Forward-looking statements

These Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements may contain statements that constitute forward-looking statements with respect to UMG's financial condition, results of operations, business, strategy and plans. Such forward-looking statements may be identified by the use of words such as 'profit forecast', 'expect', 'estimate', 'project', 'anticipate', 'should', 'intend', 'plan', 'probability', 'risk', 'target', 'goal', 'objective', 'will', 'endeavour', 'optimistic', 'prospects' and similar expressions or variations on such expressions. Although UMG believes that such forward-looking statements are based on reasonable assumptions, they are not guarantees of future performance. Actual results may differ materially from such forward-looking statements as a result of a number of risks and uncertainties, many of which are related to factors that are outside UMG's control, including, but not limited to, UMG's inability to compete successfully and to identify, attract, sign and retain successful recording artists and songwriters, failure of streaming and subscription adoption or revenue to grow or to grow less rapidly than anticipated, UMG's reliance on digital service providers, UMG's inability to execute its business strategy, the global nature of UMG's operations, UMG's inability to protect its intellectual property and against piracy, UMG's inability to attract and retain key personnel, changes in laws and regulations and the other risks that have been described in UMG's 2023 annual report. Accordingly, UMG cautions readers against placing undue reliance on such forward-looking statements. Such forward-looking statements are made as of the date of these Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements. UMG disclaims any intention or obligation to provide, update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.



Responsibility statement

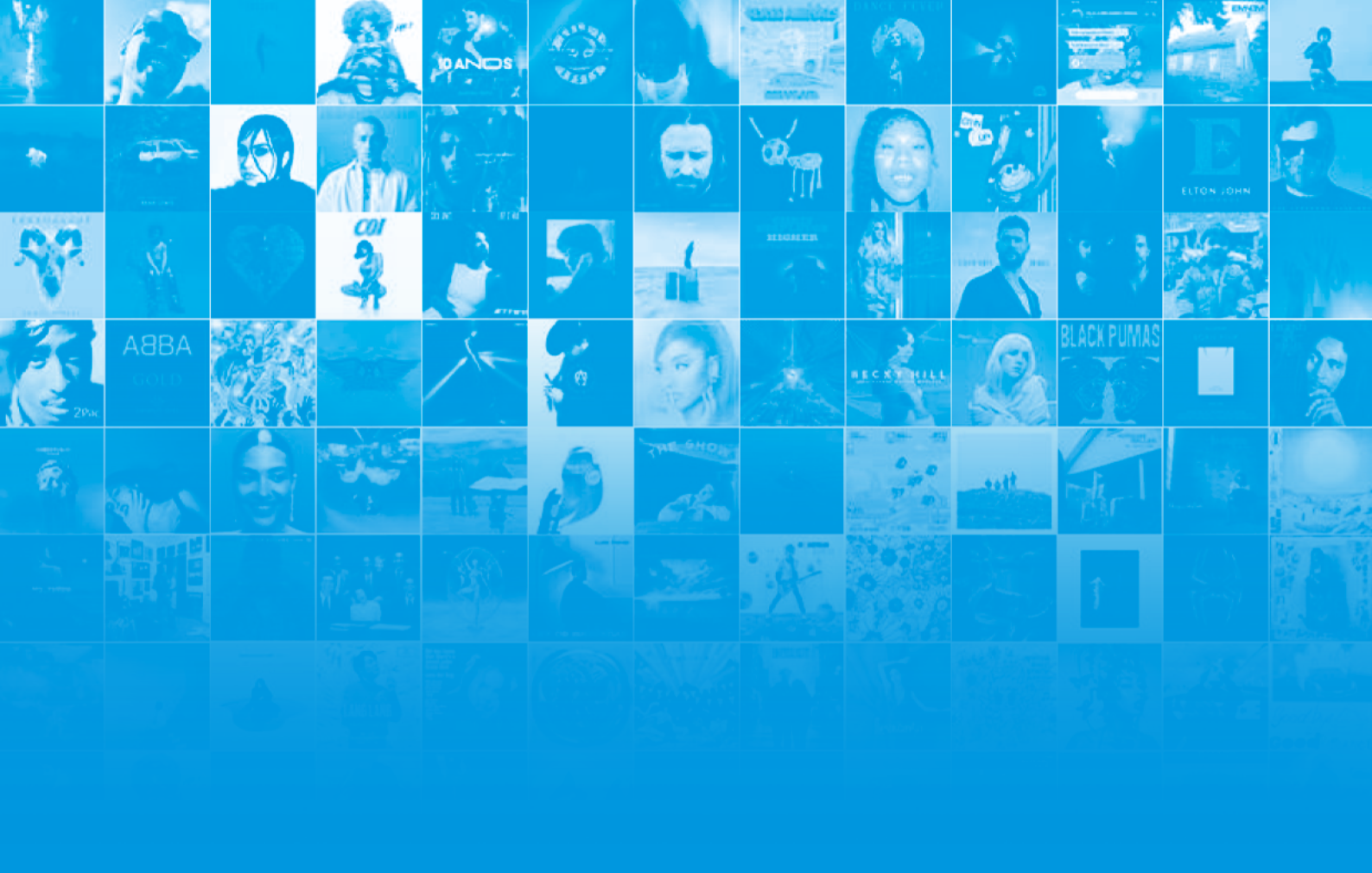
In accordance with article 5:25d(2)(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), we confirm that, to the best of our knowledge:

- the Unaudited Condensed Consolidated Interim Financial Statements for the six-month period ended June 30, 2024, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and result of the Company and the undertakings included in the consolidation as a whole;
- the Interim Financial Review provides a true and fair view of the important events that have occurred during the first six months of the financial year, and their impact on the Unaudited Condensed Consolidated Interim Financial Statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year, as well as of the major related parties transactions.

On behalf of the Board,

Sir Lucian Grainge, Executive Director, Chairman and Chief Executive Officer

Vincent Vallejo, Executive Director, Deputy Chief Executive Officer



FINANCIAL REVIEW APPENDIX



NON-IFRS ALTERNATIVE PERFORMANCE INDICATORS AND RECONCILIATIONS

UMG results by segment

(in millions of euros)	Six months ended June 30,		%	%
	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>		
Revenues				
Recorded Music	4,190	4,003	4.7%	6.3%
Music Publishing	1,008	889	13.4%	14.3%
Merchandising & Other	341	264	29.2%	29.7%
Corporate Centre	-	-	0.0%	0.0%
Elimination of inter-segment transactions	(13)	(8)		
Total UMG	5,526	5,148	7.3%	8.8%
Adjusted EBITDA				
Recorded Music	1,065	969	9.9%	11.9%
Music Publishing	241	216	11.6%	12.1%
Merchandising & Other	18	20	(10.0%)	(10.0%)
Corporate Centre	(84)	(93)	(9.7%)	(9.7%)
Total UMG	1,240	1,112	11.5%	13.4%

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency. Constant currency change is calculated by taking current year results and comparing against prior year results restated at current year rates.

Recorded Music

(in millions of euros)	Six months ended June 30,		%	%
	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>		
Subscriptions and streaming revenue	2,945	2,755	6.9%	7.9%
<i>of which streaming</i>	685	673	1.8%	2.5%
<i>of which subscription</i>	2,260	2,082	8.5%	9.6%
Downloads and other digital revenue	94	116	(19.0%)	(16.8%)
Physical revenue	612	639	(4.2%)	0.3%
License and other revenue	539	493	9.3%	10.2%
Recorded Music revenues	4,190	4,003	4.7%	6.3%
Adjusted EBITDA	1,065	969	9.9%	11.9%
<i>Adjusted EBITDA margin</i>	<i>25.4%</i>	<i>24.2%</i>	<i>1.2pp</i>	

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency.

Music Publishing

(in millions of euros)	Six months ended June 30,		%	%
	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>		
Performance revenue	214	187	14.4%	15.7%
Synchronisation revenue	124	129	(3.9%)	(3.1%)
Digital revenue	595	495	20.2%	20.7%
Mechanical revenue	51	52	(1.9%)	(1.9%)
Other revenue	24	26	(7.7%)	0.0%
Music Publishing revenues	1,008	889	13.4%	14.3%
Adjusted EBITDA	241	216	11.6%	12.1%
<i>Adjusted EBITDA margin</i>	<i>23.9%</i>	<i>24.3%</i>	<i>(0.4pp)</i>	

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency.

Merchandising and Other

(in millions of euros)	Six months ended June 30,		%	%
	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>		
Merchandising and other revenues	341	264	29.2%	29.7%
Adjusted EBITDA	18	20	(10.0%)	(10.0%)
<i>Adjusted EBITDA margin</i>	<i>5.3%</i>	<i>7.6%</i>	<i>(2.3pp)</i>	

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency.

Net cash provided by operating activities - Adjustments

Operating profit includes certain non-cash items that are adjusted to get to the Net cash provided by operating activities as follows:

(in millions of euros)	Six months ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Amortization and depreciation expense	200	187
Non-cash share-based compensation expense, net of employees tax withheld	(23)	220
Changes in provisions, net	36	(1)
(Gain)/loss on sale of assets	-	(26)
Adjustments	213	380

Adjusted net profit per share

(in millions of euros)	Six months ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Adjusted Net Profit ¹	809	765
<i>Number of shares (in millions)</i>		
Weighted average number of shares outstanding	1,825	1,817
Potential dilutive effects related to sharebased compensation	23	6
Adjusted weighted average number of shares	1,848	1,823
Adjusted net profit per share (in euros)¹		
Adjusted net profit per share - basic	0.44	0.42
Adjusted net profit per share - diluted	0.44	0.42

¹ Following a change in the definition, the HY23 Adjusted Net Profit has been restated to exclude the impacts of restructuring expenses and related tax impacts.

DEFINITIONS

In this Interim Financial Review, UMG presents certain financial measures when discussing UMG's performance that are not measures of financial performance or liquidity under IFRS ("non-IFRS"). These non-IFRS measures (also known as alternative performance indicators) are presented because management considers them important supplemental measures of UMG's performance and believes that they are widely used in the industry in which UMG operates as a means of evaluating a company's operating performance and liquidity. UMG believes that an understanding of its sales performance, profitability, financial strength and funding requirements is enhanced by reporting the following non-IFRS measures. All non-IFRS measures should be considered in addition to, and not as a substitute for, other IFRS measures of operating and financial performance as presented in UMG's Unaudited Condensed Consolidated Interim Financial Statements and the related Notes. In addition, it should be noted that other companies may use definitions and calculations for these non-IFRS measures that differ from those used by UMG, thereby affecting comparability.

EBITDA and EBITDA margin

UMG considers EBITDA and EBITDA margin, non-IFRS measures, to be relevant measures to assess its operating performance and the performance of its operating segments as reported in the segment data. It enables UMG to compare the performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions. It excludes restructuring expenses, which may impact period-to-period comparability. EBITDA margin is EBITDA divided by revenue.

To calculate EBITDA, the accounting impact of the following items is excluded from Operating Profit:

- i. amortisation of intangible assets;
- ii. impairment losses on goodwill and other intangibles;
- iii. depreciation of tangible assets including right of use assets;
- iv. (gains)/losses on the sale of tangible assets, including right of use assets and intangible assets; and
- v. restructuring expenses.

Adjusted EBITDA and Adjusted EBITDA margin

The difference between EBITDA and Adjusted EBITDA consists of non-cash share-based compensation expenses and certain one-time items that are deemed by management to be significant and incidental to normal business activity. Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.

UMG considers Adjusted EBITDA and Adjusted EBITDA margin, non-IFRS measures, to be relevant measures to assess performance of its operating segments excluding items that may be incidental to normal business activity and excluding non-cash share based compensation which may impact period-to-period comparability.

Adjusted Net Profit/Adjusted Net Profit per share

UMG's use of Adjusted net profit is appropriate as UMG uses it as the basis for the Adjusted net profit per share (in EUR) – diluted, both of which are non-IFRS measures. Adjusted net profit may be subject to limitations as an analytical tool for investors, as it excludes certain items and therefore does not reflect the expense associated with such items, which may be significant and have a significant effect on UMG's net profit. During 2024, UMG updated the definition of Adjusted net profit to exclude restructuring expenses.

The accounting impact of the following items is excluded from Net profit attributable to equity holders of the parent:

- i. amortisation of catalogues;
- ii. impairment losses on goodwill and intangible assets;
- iii. financial income and expenses, excluding interest and income from investments;
- iv. restructuring expenses;
- v. earnings from discontinued operations;
- vi. non-cash share-based compensation expense;
- vii. certain one-time items that are deemed by management to be significant and incidental to normal business activity;
- viii. income tax impact on the above adjustments;
- ix. non-recurring tax items; and
- x. adjustments attributable to non-controlling interests.

Financial Net Debt

UMG considers Financial Net Debt, a non-IFRS measure, to be a relevant indicator of its liquidity and capital resources. UMG management uses this indicator for reporting, management and planning purposes. Financial Net Debt is calculated as the sum of:

- i. cash and cash equivalents, as reported in the Consolidated Statement of Financial Position, including (i) cash in banks and deposits, whether or not compensated, corresponding to cash, and (ii) money market funds
- ii. cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7
- iii. derivative financial instruments, net (assets and liabilities) where the underlying instruments are Financial Net Debt items, as well as cash deposits securing borrowings included in the Consolidated Statement of Financial Position under "financial assets"

less:

- i. the value of borrowings at amortised cost as reported in the Consolidated Statement of Financial Position



Free Cash Flow

UMG defines Free Cash Flow as net cash provided by/(used for) operating activities plus net cash provided by/(used for) investing activities, less repayment of lease liabilities, interest paid, net and other cash items related to financing activities. UMG considers Free Cash Flow, a non-IFRS measure, to be a relevant indicator of its cash flow generated to fund dividend payments and repayment of debt. Free Cash Flow is not a measure of performance calculated in accordance with IFRS and therefore it should not be considered in isolation of, or as a substitute for cash flow provided by operating activities as a measure of liquidity. Free Cash Flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, Free Cash Flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs.



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDED JUNE 30, 2024

Condensed Consolidated Interim Statement of Profit or Loss

(in millions of euros)	Note	Six months ended June 30,	
		2024	2023
		<i>(unaudited)</i>	<i>(unaudited)</i>
Revenues	3	5,526	5,148
Cost of revenues		(3,113)	(2,811)
Selling, general and administrative expenses		(1,512)	(1,611)
Amortisation and impairment losses on intangible assets		(145)	(135)
Operating profit		756	591
Financial income	5	596	339
Financial expenses	5	(81)	(74)
		515	265
Income/(loss) from equity affiliates		(8)	(2)
Profit before income taxes		1,263	854
Income taxes	6	(345)	(227)
Net profit		918	627
Of which:			
Net profit attributable to equity holders of the parent		914	625
Net profit attributable to non-controlling interests		4	2
Earnings per share (in euros)			
Earnings for the period attributable to equity holders of the parent - basic		0.50	0.34
Earnings for the period attributable to equity holders of the parent - diluted		0.49	0.34



Condensed Consolidated Interim Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit	918	627
Actuarial gains/(losses) related to employee defined benefit plans, net of tax	-	-
Financial assets at fair value through other comprehensive income, net of tax	(3)	(1)
Items not subsequently reclassified to profit or loss, net of tax	(3)	(1)
Foreign currency translation adjustments	79	(134)
Other comprehensive income/(loss) from equity affiliates, net of tax	6	(3)
Net gain/(loss) on hedge of net investment	8	7
Items to be subsequently reclassified to profit or loss, net of tax	93	(130)
Other comprehensive income/(loss), net of tax	90	(131)
Total comprehensive income, net of tax	1,008	496
<i>Of which</i>		
<i>Total comprehensive income attributable to equity holders of the parent</i>	<i>1,004</i>	<i>494</i>
<i>Total comprehensive income attributable to non-controlling interests</i>	<i>4</i>	<i>2</i>



Condensed Consolidated Interim Statement of Financial Position

(in millions of euros)	Note	June 30, 2024	December 31, 2023
		<i>(unaudited)</i>	<i>(audited)</i>
Goodwill		1,722	1,624
Non-current royalty advances	7	1,854	1,574
Catalogues	7	3,052	3,020
Other intangible assets	7	203	180
Property, plant and equipment		191	177
Right of use assets		461	316
Investments in equity affiliates		595	222
Non-current financial assets	9	2,300	1,436
Deferred tax assets		570	479
Other non-current assets		6	7
Non-current assets		10,954	9,035
Inventories		244	210
Current tax receivables		49	36
Current royalty advances	7	1,154	1,060
Other current financial assets	9	19	91
Trade and other receivables		2,307	2,246
Cash and cash equivalents	8	438	413
Current assets		4,211	4,056
TOTAL ASSETS		15,165	13,091
Shareowners equity		3,429	2,962
Non-controlling interests		42	21
Total equity		3,471	2,983
Non-current provisions		297	300
Long-term borrowings and other financial liabilities	8	1,824	1,826
Deferred tax liabilities		913	676
Long-term lease liabilities		482	324
Other non-current liabilities	9	978	715
Non-current liabilities		4,494	3,841
Current provisions		169	122
Short-term borrowings and other financial liabilities	8	1,226	278
Trade and other payables		5,634	5,711
Short-term lease liabilities		70	86
Current tax payables		101	70
Current liabilities		7,200	6,267
Total liabilities		11,694	10,108
TOTAL EQUITY AND LIABILITIES		15,165	13,091

Condensed Consolidated Interim Statement of Cash Flows

(in millions of euros)	Note	Six months ended June 30,	
		2024	2023
		<i>(unaudited)</i>	<i>(unaudited)</i>
Operating activities			
Operating profit		756	591
Adjustments		213	380
Royalty advances payments, net of recoupments		(315)	(95)
Gross cash provided by operating activities before income tax paid		654	876
Other changes in net working capital		(218)	(173)
Net cash provided by operating activities before income tax paid		436	703
Income tax paid		(199)	(208)
Net cash provided by/(used for) operating activities		237	495
Investing activities			
Catalogue investments		(96)	(89)
Other intangible assets investments		(43)	(32)
Capital expenditures		(28)	(22)
Purchases of consolidated companies, after acquired cash		(111)	(78)
Investments in equity affiliates		(385)	(61)
Purchase of financial assets		(41)	(145)
Investments		(704)	(427)
Proceeds from sales of property, plant, equipment and intangible assets		1	-
Proceeds from sales of consolidated companies, after divested cash		-	1
Proceeds from sale of financial assets		77	-
Divestitures		78	1
Dividends received from equity affiliates		8	3
Dividends received from investments		3	-
Net cash provided by/(used for) investing activities		(615)	(423)
Financing activities			
Distributions to shareowners	10	(455)	(453)
Dividends paid by consolidated companies to their non-controlling interests		(3)	(1)
Transactions with shareowners		(458)	(454)
Proceeds from borrowings		2,326	4,776
Repayments of borrowings		(1,371)	(4,260)
Interest, net		(35)	(38)
Other cash items related to financing activities		6	-
Transactions on borrowings and other financial liabilities		926	478
Repayment of lease liabilities		(43)	(40)
Payment of interest of lease liabilities		(10)	(7)
Net cash provided by/(used for) financing activities		415	(23)
Net change in cash and cash equivalents		37	49
Foreign currency translation adjustments		(10)	(27)
Change in cash and cash equivalents	8	27	22
Cash and cash equivalents			
At beginning of the period	8	387	438
At end of the period	8	414	460

Condensed Consolidated Interim Statement of Changes in Equity

Six months ended June 30, 2024 *(unaudited)*

(in millions of euros)	Note	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Shareowners equity	Non-Controlling interest	Total equity
BALANCE AS OF DECEMBER 31, 2023		1,821,665	18,217	14,994	(5)	(30,244)	2,962	21	2,983
Net profit		-	-	-	-	914	914	4	918
Other comprehensive income, net of tax		-	-	-	-	90	90	-	90
TOTAL COMPREHENSIVE INCOME		-	-	-	-	1,004	1,004	4	1,008
<i>Dividends paid and payable by UMG N.V.</i>	10	-	-	-	-	(494)	(494)	(3)	(497)
<i>Share-based compensation plans</i>		7,594	76	47	-	(146)	(23)	-	(23)
<i>NCI on acquired business</i>		-	-	-	-	-	-	20	20
<i>Recognition of put option liability on NCI</i>		-	-	-	-	(20)	(20)	-	(20)
TOTAL CHANGES OVER THE PERIOD		7,594	76	47	-	(660)	(537)	17	(520)
BALANCE AS OF JUNE 30, 2024		1,829,259	18,293	15,041	(5)	(29,900)	3,429	42	3,471

Six months ended June 30, 2023 *(unaudited)*

(in millions of euros)	Note	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Shareowners equity	Non-Controlling interest	Total equity
BALANCE AS OF DECEMBER 31, 2022		1,813,513	18,135	14,935	(5)	(30,714)	2,351	1	2,352
Net profit		-	-	-	-	625	625	2	627
Other comprehensive income, net of tax		-	-	-	-	(131)	(131)	-	(131)
TOTAL COMPREHENSIVE INCOME		-	-	-	-	494	494	2	496
<i>Dividends paid and payable by UMG N.V.</i>		-	-	-	-	(492)	(492)	(1)	(493)
<i>Share-based compensation plans</i>		7,225	72	59	-	88	219	-	219
<i>Recognition of put option liability on NCI</i>		-	-	-	-	(15)	(15)	-	(15)
TOTAL CHANGES OVER THE PERIOD		7,225	72	59	-	(419)	(288)	(1)	(289)
BALANCE AS OF JUNE 30, 2023		1,820,738	18,207	14,994	(5)	(30,639)	2,557	2	2,559

Notes to the Condensed Consolidated Interim Financial Statements

Note 1. General information

Universal Music Group N.V. is a public company with limited liability incorporated under the laws of the Netherlands and listed on Euronext Amsterdam under the symbol 'UMG'. As used herein, the term UMG ("the Group") is used for Universal Music Group N.V. ('the Company') and its subsidiaries within the meaning of Section 2:24b of the Dutch Civil Code. UMG's statutory seat is located in Amsterdam and its principal office is located at:

's-Gravelandseweg 80,
1217 EW Hilversum
The Netherlands

Note 2. Basis of preparation

The Unaudited condensed consolidated interim financial statements ("Condensed consolidated interim financial statements") are presented in millions of euros, unless stated otherwise. The presentation currency of UMG is the euro.

2.1. Statement of compliance

These Condensed consolidated interim financial statements are in compliance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with UMG's annual consolidated financial statements for the year ended December 31, 2023. These Condensed consolidated interim financial statements were prepared by the UMG Board of Management and authorized for issue on July 23, 2024.

The accounting policies adopted in the preparation of the Condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after January 1, 2024. None of these new or amended standards or interpretations had a material impact on adoption.

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified subtotals. It also requires disclosure of management-defined performance measures and includes enhanced requirements for aggregation and disaggregation of financial information in the primary financial statements and the notes. The IASB also issued narrow scope amendments to IAS 7 *Statement of Cash Flows*, and some requirements previously included within IAS 1 have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which has been renamed IAS 8 *Basis of Preparation of Financial Statements*. Other minor amendments were made to other standards. IFRS 18 and the other amendments are effective for reporting periods beginning on or after January 1, 2027 and may be adopted early, subject to EU endorsement. UMG is currently assessing the impact that IFRS 18 and the other amendments will have on UMG's consolidated financial statements.

2.2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. The significant judgments and estimates are consistent with those disclosed in UMG's annual consolidated financial statements for the year ended December 31, 2023.

The income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full year. The accounting policies applied in the Condensed consolidated interim financial statements are consistent with those applied in UMG's annual consolidated financial statements for the year ended December 31, 2023.

Note 3. Segment data

Operating segment data

The following tables present financial information for UMG's operating segments. Corporate centre represents amounts not allocated to the operating segments and includes certain costs related to central activities as well as group enabling functions. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment EBITDA and Adjusted EBITDA are included in these disclosures because they are primary measures of profit or loss used by UMG Management to assess each segment's performance and make decisions about allocating resources. EBITDA and Adjusted EBITDA are non-IFRS measures defined in the Appendix of the 2024 Interim Financial Review.

Main aggregates of the Statement of profit or loss

(in millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Elimination of intersegment transactions	Total
Six months ended June 30, 2024						
External revenue	4,189	1,000	337	-	-	5,526
Intercompany revenue	1	8	4	-	(13)	-
Revenues	4,190	1,008	341	-	(13)	5,526
Adjusted EBITDA	1,065	241	18	(84)	-	1,240
Non-cash share-based compensation expense	(106)	(12)	-	(53)	-	(171)
EBITDA	959	229	18	(137)	-	1,069
Amortisation and depreciation expense	(116)	(80)	(1)	(3)	-	(200)
Restructuring expenses	(95)	(3)	(1)	(14)	-	(113)
Gain/(loss) on sale of assets	-	-	-	-	-	-
Operating profit/(loss)	748	146	16	(154)	-	756
Financial income						596
Financial expenses						(81)
Income/(loss) from equity affiliates						(8)
Profit before income taxes						1,263

(in millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Elimination of intersegment transactions	Total
Six months ended June 30, 2023						
External revenue	4,003	882	263	-	-	5,148
Intercompany revenue	-	7	1	-	(8)	-
Revenues	4,003	889	264	-	(8)	5,148
Adjusted EBITDA	969	216	20	(93)	-	1,112
Non-cash share-based compensation expense	(271)	(30)	(3)	(41)	-	(345)
EBITDA	698	186	17	(134)	-	767
Amortisation and depreciation expense	(105)	(78)	(1)	(3)	-	(187)
Restructuring expenses	(14)	(1)	-	-	-	(15)
Gain/(loss) on sale of assets	-	-	-	26	-	26
Operating profit/(loss)	579	107	16	(111)	-	591
Financial income						339
Financial expenses						(74)
Income/(loss) from equity affiliates						(2)
Profit before income taxes						854

Disaggregated revenue information

Recorded Music

(in millions of euros)	Six months ended June 30,	
	2024	2023
Streaming revenue	685	673
Subscription revenue	2,260	2,082
Downloads and other digital revenue	94	116
Physical revenue	612	639
License and other revenue	539	493
Recorded Music revenue	4,190	4,003

Music Publishing

(in millions of euros)	Six months ended June 30,	
	2024	2023
Performance revenue	214	187
Synchronisation revenue	124	129
Digital revenue	595	495
Mechanical revenue	51	52
Other revenue	24	26
Music Publishing revenue	1,008	889

Subscriptions and streaming represents the largest type of recorded music revenue and is recognised over time and is 53% (54% in HY 2023) of total UMG revenues. Physical recorded music revenues are recognised at a point in time and represent 11% (12% in HY 2023) of total UMG revenues.

Other Recorded Music revenues mostly include neighbouring rights income which are recognized over time.

Merchandising revenue is recognised at a point in time. Music Publishing revenue is mostly recognised over time.

Segment assets

Segment assets by Segment

Segment assets that are reported to the executive board include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets mainly comprise of cash and deferred tax assets which are managed at the Group level.

(in millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Total
As of June 30, 2024					
Goodwill	860	760	102	-	1,722
Royalty advances, non-current	1,045	581	228	-	1,854
Catalogues	1,405	1,647	-	-	3,052
Property, plant & equipment	177	4	-	10	191
Other intangible assets	50	36	-	117	203
Right of use relating to leases	456	4	-	1	461
Royalty advances, current	642	448	64	-	1,154
Other assets	3,971	850	105	545	5,471
Total segment assets	8,606	4,330	499	673	14,108
Unallocated assets					1,057
Total assets					15,165
As of December 31, 2023					
Goodwill	779	745	100	-	1,624
Royalty advances, non-current	862	508	204	-	1,574
Catalogues	1,335	1,685	-	-	3,020
Property, plant & equipment	165	4	-	8	177
Other intangible assets	50	31	-	99	180
Right of use relating to leases	310	4	-	2	316
Royalty advances, current	520	481	59	-	1,060
Other assets	3,171	753	54	234	4,212
Total segment assets	7,192	4,211	417	343	12,163
Unallocated assets					928
Total assets					13,091

Content assets by segment

June 30, 2024					
(in millions of euros)	Note	Recorded Music	Music Publishing	Merchandising and other	Total
Catalogues (of music and publishing rights)		1,405	1,647	-	3,052
Royalty advances (to artists and repertoire owners)		1,687	1,029	292	3,008
<i>Of which:</i>					
<i>Non-current</i>		1,045	581	228	1,854
<i>Current</i>		642	448	64	1,154
Content assets, net	7	3,092	2,676	292	6,060
Current content assets		642	448	64	1,154
Non-current content assets		2,450	2,228	228	4,906

December 31, 2023					
(in millions of euros)	Note	Recorded Music	Music Publishing	Merchandising and other	Total
Catalogues (of music and publishing rights)		1,335	1,685	-	3,020
Royalty advances (to artists and repertoire owners)		1,382	989	263	2,634
<i>Of which:</i>					
<i>Non-current</i>		862	508	204	1,574
<i>Current</i>		520	481	59	1,060
Content assets, net	7	2,717	2,674	263	5,654
Current content assets		520	481	59	1,060
Non-current content assets		2,197	2,193	204	4,594

Note 4. Acquisitions and divestments

During the half year 2024, UMG completed investments in Chord Music Partners ("Chord"), NTRK and Mavin Global ("Mavin"). Total cash used for these investments was €476 million. UMG accounts for its investments in Chord and NTRK as associates using the equity method while the investment in Mavin was recognised as a business combination. The NTRK and Chord transactions closed in March 2024 and the Mavin transaction closed in May 2024.

Note 5. Financial income and expenses

(in millions of euros)	Six months ended June 30,	
	2024	2023
Interest income from cash, cash equivalents and other	9	7
Change in fair value of financial instruments through profit or loss	569	327
Gain on derivative instruments at fair value through profit or loss	13	2
Foreign exchange gain	2	3
Income from investments	3	-
Financial income	596	339
Interest expense on borrowings	(50)	(41)
Change in fair value of financial instruments through profit or loss	(3)	(14)
Unwinding of interest component	(1)	(1)
Interest cost related to employee benefit plans	(4)	(3)
Interest expenses on lease liabilities	(10)	(7)
Loss on derivative instruments at fair value through profit or loss	(10)	-
Cost of finance	(3)	(8)
Financial expenses	(81)	(74)
Net total financial income and (expenses)	515	265

Note 6. Income taxes

The income tax expense in the first six months of 2024 increased by €118 million to an income tax expense of €345 million from an income tax expense of €227 million in the corresponding period of the previous year. The increased expense is caused by a mix of higher revaluation gains through profit or loss of the interests in Spotify and other equity holdings and increased operating profit. UMG has determined that the impact for Pillar Two in the first six months of 2024 is not material.

Note 7. Content assets (catalogues and royalty advances) and other intangibles

Net book value

(in millions of euros)	June 30, 2024		
	Asset value, gross	Accumulated amortisation and impairment losses	Net book value
Catalogues (of music and publishing rights)	6,052	(3,000)	3,052
Royalty advances (to artists and repertoire owners)	3,008	-	3,008
Content assets	9,060	(3,000)	6,060
Other intangible assets	618	(415)	203

December 31, 2023			
(in millions of euros)	Asset value, gross	Accumulated amortisation and impairment losses	Net book value
Catalogues (of music and publishing rights)	5,845	(2,825)	3,020
Royalty advances (to artists and repertoire owners)	2,634	-	2,634
Content assets	8,479	(2,825)	5,654
Other intangible assets	585	(405)	180

Note 8. Cash position and borrowings

Cash position

(in millions of euros)	June 30, 2024	December 31, 2023
Cash and cash equivalents	438	413
Bank overdrafts	(24)	(26)
Cash and cash equivalents in the statement of cash flows	414	387

Borrowings and other financial liabilities

(in millions of euros)	June 30, 2024			December 31, 2023		
	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	1,808	1,773	35	1,808	1,774	34
Commercial papers	1,142	-	1,142	197	-	197
Bank overdrafts	24	-	24	26	-	26
Other	76	51	25	73	52	21
Borrowings at amortised cost	3,050	1,824	1,226	2,104	1,826	278
Cash and cash equivalents	(438)	-	(438)	(413)	-	(413)
Derivative financial assets	-	-	-	(2)	-	(2)
Net debt	2,612			1,689		

Note 9. Financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities according to their fair value hierarchy. Based on the nature, maturity or the magnitude of the amounts, UMG considers that the fair value of trade and other receivables, short-term deposits, loans receivable, borrowings, trade and other payables are not materially different from their carrying value.

Fair value hierarchy is based on the transparency of the inputs used and is as follows:

- Level 1: fair value measurement based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value measurement based on observable market data (other than quoted prices included under Level 1), being for example, price on the last transactions on over-the-counter (OTC) markets; and
- Level 3: fair value measurement based on valuation techniques using inputs for the asset or liability that are not based on observable market data.

June 30, 2024

(in millions of euros)	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Listed equity securities	2,066	2,066	-	-
Other financial assets	75	-	53	22
Trade and other receivables	-	-	-	-
Financial assets at fair value through other comprehensive income				
Unlisted equity securities	19	-	-	19
Financial assets at amortised cost				
Trade and other receivables	2,307	-	-	-
Other financial assets	159	-	-	-
Total financial assets	4,626	2,066	53	41
Financial liabilities at fair value through profit and loss				
Trade and other payables	(4)	(4)	-	-
Other non-current liabilities	(58)	(5)	-	(53)
Financial liabilities at amortised cost				
Trade and other payables	(5,630)	-	-	-
Bonds	(1,808)	(1,768)	-	-
Borrowings, excluding bank overdrafts and bonds	(1,218)	-	-	-
Other non-current liabilities	(920)	-	-	-
Total financial liabilities	(9,638)	(1,777)	-	(53)

December 31, 2023

(in millions of euros)	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Listed equity securities	1,227	1,227	-	-
Other financial assets	75	-	55	20
Trade and other receivables	-	-	-	-
Financial assets at fair value through other comprehensive income				
Unlisted equity securities	20	-	-	20
Financial assets at amortised cost				
Trade and other receivables	2,246	-	-	-
Other financial assets	205	-	-	-
Total financial assets	3,773	1,227	55	40
Financial liabilities at fair value through profit and loss				
Trade and other payables	(4)	(4)	-	-
Other non-current liabilities	(35)	(5)	-	(30)
Financial liabilities at amortised cost				
Trade and other payables	(5,707)	-	-	-
Bonds	(1,808)	(1,808)	-	-
Borrowings, excluding bank overdrafts and bonds	(270)	-	-	-
Other non-current liabilities	(680)	-	-	-
Total financial liabilities	(8,504)	(1,817)	-	(30)

Listed equity portfolio

June 30, 2024

	Number of shares held (in thousands)	Ownership interest	Average purchase price ^{1,2} (€/share)	Stock market price	Carrying value (in millions of euros)	Change in value over the period	Cumulative unrealized capital gain/(loss) ³	Sensitivity at +/- 10 pts
Spotify	6,487	3.21%	6.58	292.05	1,895	783	1,852	+190/-190
Tencent Music Entertainment	12,246	0.79%	na	13.08	160	59	160	+16/-16
Other					11	(3)	11	
Total					2,066	839	2,023	

1 Includes acquisition fees and taxes.

2 na: not applicable.

3 Includes net revaluation gains, net of liabilities, of €566 million in HY 2024 (net revaluation gains, net of liabilities, of €313 million in HY 2023) as recognised in Note 5.

December 31, 2023

	Number of shares held (in thousands)	Ownership interest	Average purchase price ^{1,2} (€/share)	Stock market price	Carrying value (in millions of euros)	Change in value over the period	Cumulative unrealized capital gain/(loss)	Sensitivity at +/- 10 pts
Spotify	6,487	3.27%	6.58	171.36	1,112	629	1,069	+111/-111
Tencent Music Entertainment	12,246	0.78%	na	8.22	101	5	101	+10/-10
Other					14	(4)	14	
Total					1,227	630	1,184	

1 Includes acquisition fees and taxes.

2 na: not applicable.

Note 10. Equity

Dividend Distribution

In May 2024 the proposal submitted to the 2024 Annual General Meeting of Shareholders to pay a cash dividend of €0.27 per ordinary share was approved. This corresponded to a total distribution of €494 million which is included within the Condensed Consolidated Interim Statement of Changes in Equity. The dividend was paid in June 2024 to shareholders, except for withholding tax which was settled in July 2024.

Note 11. Share-based compensation plans

As detailed in UMG's 2023 Annual Report, UMG granted to senior executives and a number of senior management certain Restricted Stock Units (RSUs) and Performance Stock Units (PSUs) as well as Stock Options (SOs) to one senior executive under the UMG Global Equity Plan. During the first half of 2024, UMG granted further RSUs to certain non-executive board directors and a senior executive. UMG also granted annual PSUs to a number of senior executives and senior management during this period. The total expense reflected in the first half of 2024 for all granted RSUs was €122 million (HY 2023: €305 million) and for all granted PSUs was €32 million (HY 2023: €16 million).

During the first half of 2024, 610 thousand SOs were granted to a senior executive with expected vesting periods between 1.9 and 4.0 years and a grant date fair value of €7.60 per option. The total expense reflected in the period for all options was €7 million (HY 2023: €3 million).

The total equity reserve at 30 June 2024 for all granted awards was €249 million (HY 2023: €196 million).

Note 12. Related parties

Related-party transactions

UMG's related parties include:

- companies fully consolidated by UMG. The transactions between these companies have been eliminated for the preparation of UMG's Condensed consolidated interim financial statements;
- companies over which UMG exercises a significant influence or has joint control;
- all companies that are controlled or jointly controlled by Corporate Executives or their close relatives; and
- all companies that have a significant influence over UMG.

As of June 30, 2024, transactions with Vivendi qualify as transactions with related parties under IAS 24.

UMG distributes its cash surpluses to shareowners through dividends (please refer to Note 10 *Equity*). Vivendi and UMG had previously entered into a transition and services agreement in connection with the separation, the terms of which Vivendi and its subsidiaries will provide to UMG, and UMG will provide to Vivendi and its subsidiaries, on an interim, various transitional basis services as applicable, including but not limited to: (i) a limited selection of treasury related services and applications; (ii) a limited selection of accounting services and accounting software related services and applications; (iii) taxation related services; and (iv) certain employee related principles in connection with the direct listing on the Euronext Amsterdam. This transition and services agreement ceased in the first half of 2023.

The balances and transactions with the parties described above are summarised in the table below:

June 30, 2024				
(in millions of euros)	Associates	Shareholders	Other	Total
Statement of Financial Position				
Assets				
Trade accounts receivable	72	2	-	74
Loans and other receivables	106	-	-	106
Other financial assets	32	-	-	32

Six months ended June 30, 2024				
(in millions of euros)	Associates	Shareholders	Other	Total
Statement of Profit or Loss				
Revenue	123	5	-	128
Cost of revenues	-	-	-	-
Selling, general and administrative expenses	(2)	(1)	-	(3)
Other financial income	3	-	-	3

December 31, 2023				
(in millions of euros)	Associates	Shareholders	Other	Total
Statement of Financial Position				
Assets				
Trade accounts receivable	52	4	1	57
Loans receivable	105	-	-	105
Other financial assets	-	-	-	-



Six months ended June 30, 2023				
(in millions of euros)	Associates	Shareholders	Other	Total
<i>Statement of Profit or Loss</i>				
Revenue	123	2	-	125
Cost of revenues	-	-	-	-
Selling, general and administrative expenses	(2)	(1)	-	(3)
Other financial income	-	-	-	-

Note 13. Subsequent events

There have been no material subsequent events.

