INTERIM FINANCIAL REVIEW

For the six month period ended June 30, 2026

UNIVERSAL

UNIVERSAL MUSIC GROUP

EARNINGS ANALYSIS

UMG Results

	Six Months Ended June 30,	
(in millions of euros, number of shares in millions, data per share in euros)	2026	2025
	(unaudited)	*(unaudited)*
Revenue	6,194	5,881
EBITDA[1]	1,181	1,214
Adjusted EBITDA[1]	1,310	1,336
Operating profit	901	947
Net profit attributable to equity holders of the parent	222	1,432
Adjusted net profit[1]	863	882
Net cash provided by operating activities before income tax paid	408	488
Free cash flow[1,2]	24	163
Weighted average number of shares outstanding	1,831	1,831
Earnings per share		
Earnings attributable to UMG N.V. shareowners per share - basic	0.12	0.78
Earnings attributable to UMG N.V. shareowners per share - diluted	0.12	0.77
Adjusted net profit per share[1]		
Adjusted net profit per share - basic	0.47	0.48
Adjusted net profit per share - diluted	0.47	0.48

	As at	
(in millions of euros)	June 30, 2026	December 31, 2025
	(unaudited)	*(audited)*
Financial Net Debt[1]	4,131	2,390

1. *Non-IFRS measures*
2. *During Q2 2026, UMG revised how it defines Free Cash Flow to better reflect the cash generated by its business that is available for strategic investments and capital return. Following this change in definition, the HY25 Free Cash Flow has been restated. See the Financial Review Appendix for the full definition description.*

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 2025 Annual Report.

Analysis of Operating Results

Revenues for the first half of 2026 were €6,194 million, up 5.3% compared to the first half of 2025 and up 10.8% at constant currency. This increase was driven by the consolidation of Downtown Music Holdings ("Downtown"), and underlying growth in the Recorded Music and Music Publishing segments. Recorded Music grew 12.7% at constant currency compared to the first half of 2025 and Music Publishing was up 8.4% at constant currency.

For a detailed analysis of revenues by business segment, please refer to the press release dated July 30, 2026 (the "press release") and to Note 3 to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended June 30, 2026.

(in millions of euros)	Six Months Ended June 30, 2026	2025
	(unaudited)	*(unaudited)*
Artist costs	3,045	2,795
Product costs	577	546
Cost of Revenues	3,622	3,341

Cost of Revenues grew by €281 million to €3,622 million in the first half of 2026 from €3,341 million in the first half of 2025 reflecting the increase in revenues including the consolidation of Downtown. Cost of revenues as a percentage of revenues increased to 58.5% from 56.8% due to higher relative artist costs driven by the consolidation of Downtown. Excluding Downtown, cost of revenues as a percentage of revenues was 57.1%.

Artist costs increased by €250 million from €2,795 million in the first half of 2025 to €3,045 million in the first half of 2026 driven by the increase in revenues. As a percentage of revenues, artist costs increased to 49.2% in the first half of 2026 from 47.5% in the first half of 2025 driven by the addition of Downtown which has higher relative artist costs. Excluding Downtown, artist costs as a percentage of revenues were 47.3%.

Product costs increased by €31 million to €577 million in the first 6 months of 2026 from €546 million in the first 6 months of 2025 reflecting the growth in revenues. Product costs as a percentage of revenues remained consistent at 9.3%. Excluding Downtown, product costs as a percentage of revenues increased to 9.8% due to greater a proportion of physical sales as well as costs associated with live and related revenues and audiovisual income.

Selling, general and administrative expenses increased by €58 million to €1,487 million in the first half of 2026 from €1,429 million in the first half of 2025 and decreased as a percentage of revenues to 24.0% in first half of 2026 from 24.3% in first half of 2025. Selling, general and administrative expenses in the first half of 2026 included €105 million in non-cash share-based compensation expense while in the first half of 2025, selling, general and administrative expenses included €110 million in non-cash share-based compensation expense. Additionally selling, general and administrative expenses for the first 6 months of 2026 included €26 million restructuring charges compared to €49 million restructuring charges in the first 6 months of 2025.

Operating profit was €901 million in the first half of 2026, compared to €947 million for the first half of 2025, a decrease of €46 million, or 4.9%, or 0.6% at constant currency. As a percentage of revenues, operating profit decreased to 14.5% in the first half of 2026 from 16.1% in the first half of 2025 due primarily to the higher relative cost of revenues.

Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA

(in millions of euros)	Six Months Ended June 30, 2026	2025
	(unaudited)	*(unaudited)*
Operating profit	901	947
Adjustments		
Amortisation and depreciation expense	254	220
Restructuring expenses	26	49
(Gain)/loss on sale of assets	–	(4)
Impairment on intangible assets	–	2
EBITDA	1,181	1,214
Non-cash share-based compensation expense	105	110
Integration and business transformation costs[1]	24	12
Adjusted EBITDA	1,310	1,336

1 Includes integration costs related to the Downtown transaction, previously committed US listing preparation costs and certain other business transformation and capital advisory costs.

EBITDA decreased by €33 million, or 2.7%, but increased 1.8% at constant currency to €1,181 million in the first half of 2026 compared to €1,214 million in the first half of 2025. EBITDA margin decreased by 1.5pp to 19.1% in the first 6 months of 2026 compared to 20.6% in the first 6 months of 2025.

Adjusted EBITDA was €1,310 million in the first half of 2026 down €26 million, or 1.9% compared to €1,336 million in the first half of 2025 but increased by 2.7% at constant currency. Adjusted EBITDA margin decreased by 1.6pp to 21.1% in the first 6 months of 2026 from 22.7% in the first 6 months of 2025 driven by the consolidation of Downtown, pressure from revenue and repertoire mix in Recorded Music, and a loss in Merchandising.

For a detailed analysis of Adjusted 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, 2026.

Financial results

Financial income and financial expenses were a net expense of €602 million in the first half of 2026, compared to a net income of €1,006 million in the first half of 2025, a decline of €1,608 million. For the first half of 2026, the revaluation of the investments in listed and other companies including Spotify and Tencent Music Entertainment was a net expense amount of €505 million, compared to a net income of €1,067 million for the first half of 2025, a decline of €1,572 million.

Income taxes

For the first half of 2026, income tax expense was €117 million, compared to an expense of €509 million in the first half of 2025. This decrease notably reflected the net decrease in the deferred and current tax charges relating to the revaluation of the investments in listed companies including Spotify and Tencent Music Entertainment (€119 million income, compared to €267 million expense for first half of 2025).

Non-controlling interests

For the first half of 2026, earnings attributable to non-controlling interests were €1 million, slightly lower than the €3 million for the first half of 2025.

Net profit attributable to equity holders of the parent

For the first 6 months of 2026, net profit attributable to equity holders of the parent amounted to a profit of €222 million (or €0.12 per share - basic), compared to €1,432 million for the first 6 months of 2025 (or €0.78 per share - basic). Net profit attributable to equity holders of the parent decreased by €1,210 million, reflecting:

- the decline in operating profit (-€46 million) driven by higher relative cost of revenues in the first half 2026 and unfavourable foreign exchange movements; and
- the decline in financial income and financial expenses (-€1,608 million) driven by the unfavourable variance in the revaluation of the investments in listed and other companies including Spotify and Tencent Music Entertainment (-€1,572 million);

partially offset by:

- the decrease in income tax charges (+€392 million) due to the lower profit before income taxes including the net decrease in current and deferred tax charges relating to the revaluation of the investments in listed companies (+€386 million); and
- the increase in income from equity affiliates (+€50 million).

Adjusted net profit

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

	Six Months Ended June 30,	
(millions of euros)	2026	2025
	(unaudited)	*(unaudited)*
Net profit attributable to equity holders of the parent	222	1,432
Financial income and expenses, excluding interest and income from investments	551	(1,042)
Non-cash share-based compensation expense	105	110
Restructuring expenses	26	49
Amortisation of catalogues	130	130
Impairment on intangible assets	-	2
Income tax on adjustments	(195)	189
Integration and business transformation costs[1]	24	12
Adjusted Net Profit	863	882

1 Includes integration costs related to the Downtown transaction, previously committed US listing preparation costs and certain other business transformation and capital advisory costs.

Adjusted net profit in the first half of 2026 amounted to a profit of €863 million a decrease of €19 million or 2.2%, compared to €882 million for the first half of 2025 but was up 3.9% at constant currency. Adjusted net profit per share diluted was €0.47 in the first half of 2026 compared to €0.48 per share for the first half of 2025 but was up 4.3% at constant currency. Adjusted net profit as reported decreased due to:

- the decline in operating profit (-€46 million) including unfavourable foreign currency movements;
- the increase in net interest costs (-€16 million); offset by
- the increase in income from equity affiliates (+€50 million).

LIQUIDITY AND CAPITAL RESOURCES

Financial Net Debt

(millions of euros)	As at June 30, 2026	As at December 31, 2025
	(unaudited)	*(audited)*
Cash and cash equivalents	485	451
Derivative financial assets	2	5
Bank overdrafts	(27)	(74)
Drawn revolving credit facilities	(15)	(8)
Bonds	(3,248)	(2,293)
Commercial papers	(1,234)	(384)
Other	(94)	(87)
Borrowings at amortised cost	(4,618)	(2,846)
Financial Net Debt	(4,131)	(2,390)

Changes in the Financial Net Debt

As of June 30, 2026, UMG's Financial Net Debt amounted to -€4,131 million compared to Financial Net Debt of -€2,390 million as of December 31, 2025, i.e., an increase in net debt of €1,741 million. This change was mainly attributable to the following:

- UMG's repurchase of its own shares for €734 million;
- Payment of the final dividend with respect to fiscal year 2025 of €514 million;
- Investments of €806 million, primarily due to the €655 million purchase of consolidated companies, equity affiliates and financial assets including the purchase of Downtown, €46 million investment in Music Publishing and Recorded Music catalogues and €105 million investment in other intangible and capital expenditure; and
- Repayment of €53 million in relation to lease liabilities and associated interest and €93 million in other net interest payments.

This was partially offset by the following:

- Proceeds from divestitures of €387 million being mostly the disposal of a portion of UMG's shareholding in Spotify; and
- Net cash provided by operating activities of €171 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, 2026, UMG held a portfolio of listed non-controlling equity interests (including Spotify) with an aggregate market value of approximately €2,295 million (before taxes), compared to €3,404 million as of December 31, 2025. The decrease in market value during 2026 was due to the fluctuation in share price of our listed investments most notably of Spotify, as well as sale of a portion of the shares held in Spotify. The aggregate market value of our listed equity securities does not reflect costs, including taxes, payments to certain Qualified artists and distributed labels and other transaction expenses, which we account for in our financial statements, that will be payable from the proceeds of any future or completed sales of such equity securities.

Cash flow analysis

Net cash provided by operating activities before income tax

For the first half of 2026, changes in net cash provided by operating activities before income tax amounted to an inflow of €408 million compared to an inflow of €488 million for the first half of 2025, a decrease of of €80 million. This decrease was mainly attributable to the following items:

- the decrease in operating profit (-€46 million); and
- The unfavourable variance in other working capital (-€186 million).

partially offset by:

- the favourable variance in adjustments (+€67 million) (see breakdown of adjustments in the Appendix); and
- the decrease in royalty advances payments net of recoupments (+€85 million) due to the timing of major artist deal renewals and extensions and increased recoupment.

Net cash provided by operating activities

Net cash provided by operating activities in the first 6 months of 2026 amounted to an inflow of €171 million compared to an inflow of €252 million for the first 6 months of 2025, a decrease of €81 million due to the €80 million decrease in net cash provided by operating activities before income tax. Income tax paid was up €1 million on the first 6 months of 2025.

Net cash used for investing activities

Net cash used for investing activities in the first half of 2026 was a €398 million net outflow compared to a €322 million net outflow for the first half of 2025, an increased outflow of €76 million. The purchase of consolidated companies, equity affiliates and financial assets in the first half of 2026 was €524 million higher than in the first half of 2025 due mostly to the purchase of Downtown. However, proceeds from divestitures of €387 million in the first half of 2026 were €354 million higher than in the first half of 2025 due to the disposal of a portion of the Spotify shareholding. Catalogue investments in the first half of 2026 were lower than in the first half of 2025 (+€103 million) but investment in other intangible assets and capital expenditure was slightly higher (-€24 million).

Net cash used for financing activities

Net cash used for financing activities in the first 6 months of 2026 was a €305 million net inflow compared to a €23 million net inflow for the first 6 months of 2025, an increased inflow of €282 million. This was mainly attributable to the increase in net proceeds from borrowings in the first 6 months of 2026 of €1,712 million compared to a net proceeds from borrowings of €594 million in the first 6 months of 2025 (+€1,118 million). This was partly offset by the repurchase of own shares resulting from the share buyback programme in the first half of 2026 for €734 million.

Reconciliation of cash provided by operating activities to Free Cash Flow

	Six Months Ended June 30,	
(millions of euros)	2026	2025
	(unaudited)	*(unaudited)*
Net cash provided by/(used for) operating activities before income tax paid	408	488
Income tax paid	(237)	(236)
Net cash provided by/(used for) operating activities	171	252
Withheld taxes on share based compensation	92	95
Other intangible asset investments	(61)	(58)
Capital expenditures	(44)	(23)
Dividends from unconsolidated investments	21	6
Repayment of lease liabilities and related interest expenses	(53)	(46)
Interest, net	(93)	(66)
Other cash items related to financing activities	(9)	3
Free Cash Flow[1]	24	163

1 During Q2 2026, UMG revised how it defines Free Cash Flow to better reflect the cash generated by its business that is available for strategic investments and capital return. Following this change in definition, the HY25 Free Cash Flow has been restated. See the Financial Review Appendix for the full definition description.

Free Cash Flow

Free Cash Flow in the first half of 2026 was a €24 million net inflow compared to a €163 million net inflow for the first half of 2025, a decrease of €139 million. This is the result of lower net cash provided by operating activities of €81 million than in the first half of 2026 as well as higher interest paid and higher capital expenditure.

CAUTIONARY STATEMENTS

Risk and uncertainties

The 2025 Annual Report on pages 85 to 110 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 13 of the Unaudited Condensed Consolidated Interim Financial Statements for details on related party transactions.

Forward-looking statements

The Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements may contain statements that constitute forward-looking statements relating to UMG's financial condition, results of operations, business, strategy and plans, and the industry in which UMG operates. 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', 'aspiration', 'objective', 'will', 'endeavour', 'optimistic', 'prospects' and similar expressions or variations on such expressions or the negative of such expressions, or by the forward-looking nature of discussions, or by context. 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, changes in global economic and financial conditions, UMG's inability to protect its intellectual property and against piracy, challenges related to generative AI, UMG's inability to attract and retain key personnel, UMG's restructuring and reorganization activities, UMG's acquisitions and other investments, changes in laws and regulations (and UMG's compliance therewith) and the other risks described in UMG's 2025 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 this 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:

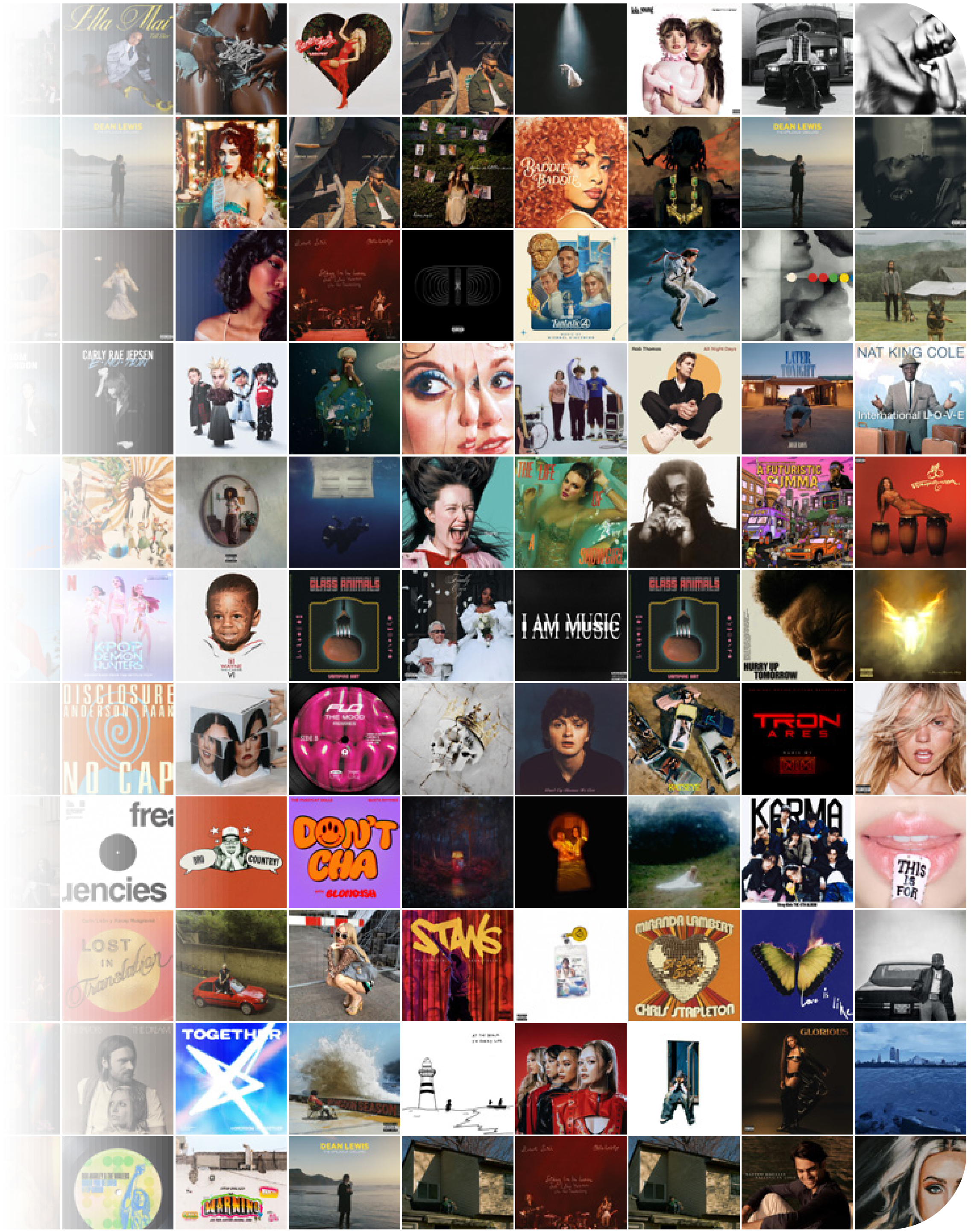
- the Unaudited Condensed Consolidated Interim Financial Statements for the six-month period ended June 30, 2026, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position 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



UNIVERSAL

UNIVERSAL MUSIC GROUP

NON-IFRS ALTERNATIVE PERFORMANCE INDICATORS AND RECONCILIATIONS

UMG results by segment

(millions of euros)	Six months ended June 30, 2026	2025	% YoY	% const.	% const. excl. Downtown[1]
	(unaudited)	*(unaudited)*			
Revenues					
Recorded Music	4,769	4,464	*6.8%*	*12.7%*	*7.1%*
Music Publishing	1,168	1,125	*3.8%*	*8.4%*	*3.4%*
Merchandising & Other	268	305	*(12.1%)*	*(7.6%)*	*(7.6%)*
Corporate Centre	-	-			
Elimination of inter-segment transactions	(11)	(13)			
Total UMG	6,194	5,881	*5.3%*	*10.8%*	*5.7%*
Adjusted EBITDA					
Recorded Music	1,158	1,163	*(0.4%)*	*4.3%*	*3.3%*
Music Publishing	268	259	*3.5%*	*7.6%*	*6.8%*
Merchandising & Other[2]	(14)	(3)	*nm*	*nm*	*nm*
Corporate Centre[2]	(102)	(83)	*nm*	*nm*	*nm*
Total UMG	1,310	1,336	*(1.9%)*	*2.7%*	*1.6%*

1 Downtown results included as from the date of acquisition on February 20, 2026.
2 nm: not meaningful

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

(millions of euros)	Six months ended June 30, 2026	2025	% YoY	% const.	% const. excl. Downtown[1]
	(unaudited)	*(unaudited)*			
Subscriptions and streaming revenue	3,398	3,160	*7.5%*	*13.2%*	*6.0%*
of which subscription	*2,670*	*2,449*	*9.0%*	*14.5%*	*7.3%*
of which streaming	*728*	*711*	*2.4%*	*8.3%*	*1.5%*
Downloads and other digital revenue	72	109	*(33.9%)*	*(30.1%)*	*(36.9%)*
Physical revenue	651	611	*6.5%*	*14.2%*	*14.0%*
License and other revenue	648	584	*11.0%*	*16.3%*	*14.5%*
Recorded Music revenues	4,769	4,464	*6.8%*	*12.7%*	*7.1%*
Adjusted EBITDA	1,158	1,163	*(0.4%)*	*4.3%*	*3.3%*
Adjusted EBITDA margin	*24.3%*	*26.1%*	*(1.8pp)*		

1 Downtown results included as from the date of acquisition on February 20, 2026.

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

Music Publishing

(millions of euros)	Six months ended June 30, 2026	2025	% YoY	% const.	% const. excl. Downtown[1]
	(unaudited)	*(unaudited)*			
Digital revenue	720	690	*4.3%*	*9.4%*	*3.3%*
Performance revenue	238	225	*5.8%*	*9.7%*	*7.4%*
Synchronisation revenue	126	130	*(3.1%)*	*2.4%*	*(0.8%)*
Mechanical revenue	58	54	*7.4%*	*9.4%*	*3.8%*
Other revenue	26	26	*0.0%*	*0.0%*	*(7.7%)*
Music Publishing revenues	1,168	1,125	*3.8%*	*8.4%*	*3.4%*
Adjusted EBITDA	268	259	*3.5%*	*7.6%*	*6.8%*
Adjusted EBITDA margin	*22.9%*	*23.0%*	*(0.1pp)*		

1 Downtown results included as from the date of acquisition on February 20, 2026.

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

Merchandising and Other

(millions of euros)	Six months ended June 30, 2026	2025	% YoY	% const.	% const. excl. Downtown[1]
	(unaudited)	*(unaudited)*			
Merchandising and other revenues	268	305	*(12.1%)*	*(7.6%)*	*(7.6%)*
Adjusted EBITDA[2]	(14)	(3)	*nm*	*nm*	*nm*
Adjusted EBITDA margin	*(5.2%)*	*(1.0%)*	*(4.2pp)*		

1 Downtown results included as from the date of acquisition on February 20, 2026.
2 nm: not meaningful

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:

	Six months ended June 30,	
(millions of euros)	2026	2025
	(unaudited)	*(unaudited)*
Amortisation and depreciation expense	254	220
Non-cash share-based compensation expense	105	110
Withheld taxes on share based compensation	(92)	(95)
Changes in provisions, net	(16)	(49)
(Gain)/loss on sale of assets	–	(4)
Impairment on intangible assets	–	2
Adjustments	251	184

Reconciliation of Operating profit to Adjusted net profit

	Six Months Ended June 30,		%	%
(millions of euros)	2026	2025	YoY	const.
	(unaudited)	*(unaudited)*		
Operating Profit	901	947	*(4.9%)*	*(0.6%)*
Non-cash share-based compensation expense	–	–		
Integration and business transformation costs	–	–		
Amortisation of catalogues	130	130		
Restructuring expenses	26	49		
Impairment on intangible assets	–	2		
Income/(loss) from equity affiliates	41	(9)		
Interest expense, net	(54)	(38)		
Income from investments	3	2		
Net profit attributable to non-controlling interests	(1)	(3)		
Adjusted income tax expense	(312)	(320)		
Adjusted Net Profit	863	882	*(2.2%)*	*3.9%*

Adjusted net profit per share

	Six months ended June 30,			
(millions of euros)	2026		2025	
	(unaudited)		*(unaudited)*	
	basic	*diluted*	*basic*	*diluted*
Adjusted net profit	863	863	882	882
Number of shares (in millions)				
Weighted average number of shares outstanding	1,831	1,831	1,831	1,831
Potential dilutive effects related to sharebased compensation	-	15	-	23
Adjusted weighted average number of shares	1,831	1,846	1,831	1,854
Adjusted net profit per share (in euros)	0.47	0.47	0.48	0.48

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, IFRS measures of operating and financial performance as presented in UMG's Unaudited 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. 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 are excluded from Operating Profit:

1. amortisation of intangible assets;
2. impairment of goodwill and other intangibles;
3. depreciation of tangible assets including right of use assets;
4. (gains)/losses on the sale of tangible assets, including right of use assets and intangible assets; and
5. restructuring expenses.

Adjusted EBITDA and Adjusted EBITDA margin

The difference between EBITDA and Adjusted EBITDA consists of non-cash share-based compensation expense, integration and business transformation costs 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 its operating performance and 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 uses Adjusted Net Profit as the basis for Adjusted Net Profit Per Share both of which are non-IFRS financial measures. UMG considers Adjusted Net Profit and Adjusted Net Profit Per Share to be relevant measures to represent profitability as it removes the impact of unusual or non-recurring items. Adjusted net profit and Adjusted Net Profit Per Share may be subject to limitations as an analytical tool for investors, as they exclude certain unusual or non-recurring items or items that impact year on year comparability 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.

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

1. amortisation of catalogues;
2. impairment of goodwill and intangible assets;
3. financial income and expenses, excluding interest and income from investments;
4. restructuring expenses;
5. earnings from discontinued operations;
6. non-cash share-based compensation expense;
7. certain one-time items that are deemed by management to be significant and incidental to normal business activity;

8. income tax impact on the above adjustments;
9. other income taxes adjusting items that are deemed by management to be significant and incidental to normal business activity; and
10. adjustments attributable to non-controlling interests.

Adjusted Net Profit Per Share is defined as Adjusted Net Profit divided by the weighted average number of shares outstanding during the period. UMG presents both basic and diluted Adjusted Net Profit Per Share

Adjusted Net Profit Per Share — basic is calculated by dividing Adjusted Net Profit by the weighted average number of shares outstanding during the period. Adjusted Net Profit Per Share — diluted is calculated by dividing Adjusted Net Profit by the weighted average number of shares outstanding during the period, adjusted for the effects of all potentially dilutive shares, which comprise share rights and options granted to employees.

Financial Net Debt

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

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

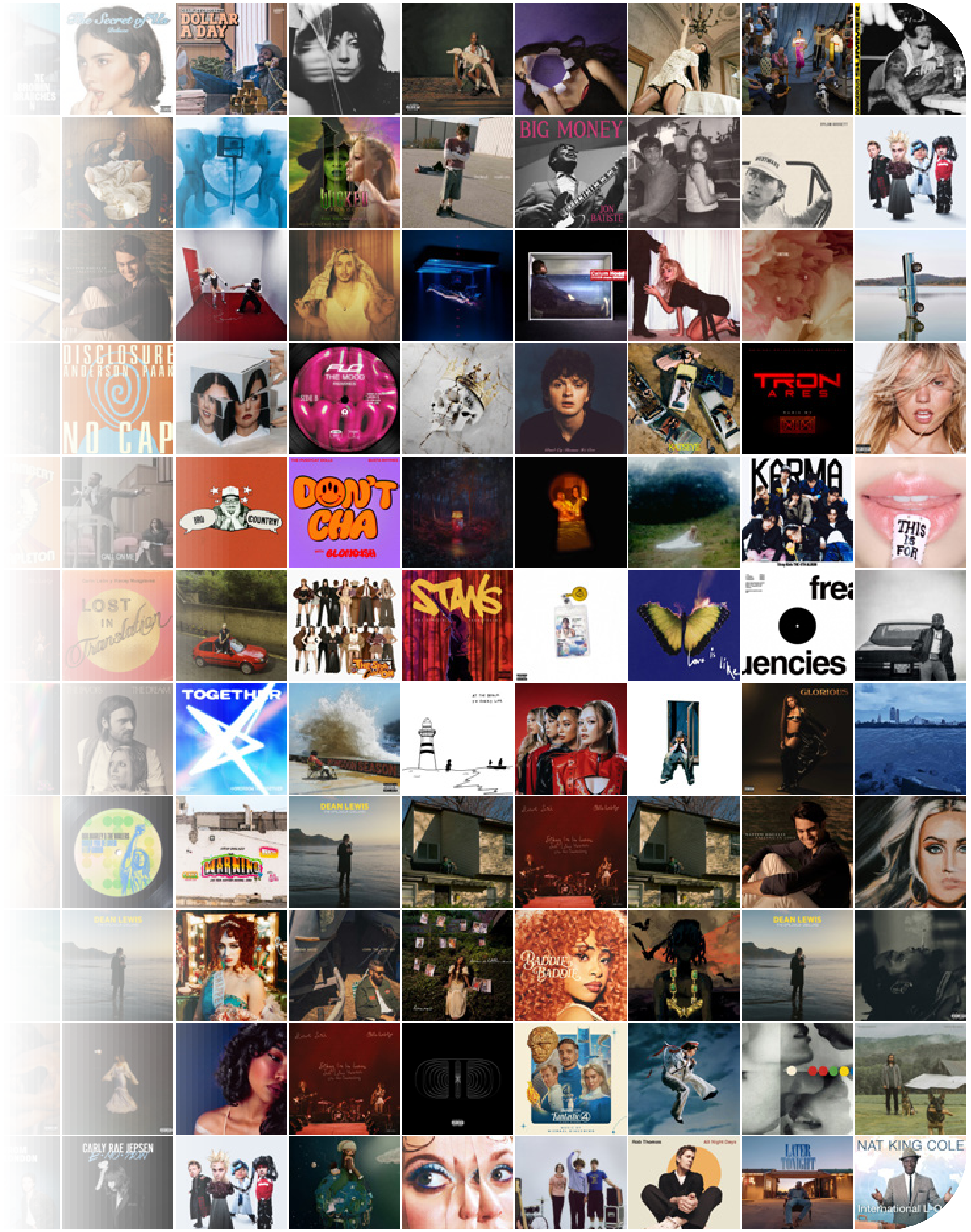
Less the sum of:

1. 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;
2. cash management financial assets, included in the Consolidated Statement of Financial Position under "Other current financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7;
3. 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 "Other current financial assets";

Free Cash Flow

In the second quarter of 2026, UMG revised how it defines Free Cash Flow to better align with our peers and reflect the cash generated by its business that is available for strategic investments and capital return. The prior definition was after strategic investments in catalogue acquisitions, equity investments and M&A. UMG now defines Free Cash Flow as net cash provided by/(used for) operating activities after adding back withheld taxes paid on share based compensation, less capital expenditures and other intangible assets investments, repayment of lease liabilities and payment on interest of lease liabilities, net interest and other cash items related to financing activities and plus dividends received from equity affiliates and investments. UMG considers Free Cash Flow, a non-IFRS measure, to be a relevant indicator of its cash flow generated to fund strategic investments, dividend payments, share repurchases 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



UNIVERSAL MUSIC GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

CONTENTS OF CONDENSED CONSOLIDATED INTERIM STATEMENTS

Condensed Consolidated Interim Statements of Profit or Loss

(millions of euros)	Note	Six months ended June 30, 2026	Six months ended June 30, 2025
		(unaudited)	*(unaudited)*
Revenues	3	**6,194**	**5,881**
Cost of revenues		(3,622)	(3,341)
Selling, general and administrative expenses		(1,487)	(1,429)
Amortisation and impairment losses on intangible assets		(184)	(164)
Operating profit		**901**	**947**
Financial income	5	25	1,099
Financial expenses	5	(627)	(93)
		(602)	1,006
Income/(loss) from equity affiliates		41	(9)
Profit before income taxes		**340**	**1,944**
Income taxes	6	(117)	(509)
Net profit		**223**	**1,435**
Of which:			
Net profit attributable to equity holders of the parent		222	1,432
Net profit attributable to non-controlling interests		1	3
Earnings per share (in euros)			
Earnings for the period attributable to equity holders of the parent - basic		0.12	0.78
Earnings for the period attributable to equity holders of the parent - diluted		0.12	0.77

Condensed Consolidated Interim Statements of Comprehensive Income

	Six months ended June 30,	
(millions of euros)	2026	2025
	(unaudited)	*(unaudited)*
Net profit	223	1,435
Actuarial gains/(losses) related to employee defined benefit plans, net of tax	-	-
Financial assets at fair value through other comprehensive income, net of tax	(4)	(1)
Items not subsequently reclassified to profit or loss, net of tax	(4)	(1)
Foreign currency translation adjustments	108	(531)
Other comprehensive income/(loss) from equity affiliates, net of tax	14	(56)
Net gain/(loss) on hedge of net investment and cash flow hedges	(1)	5
Items to be subsequently reclassified to profit or loss, net of tax	121	(582)
Other comprehensive income/(loss), net of tax	117	(583)
Total comprehensive income, net of tax	340	852
Of which		
Total comprehensive income attributable to equity holders of the parent	339	851
Total comprehensive income attributable to non-controlling interests	1	1

Condensed Consolidated Statements of Financial Position

(millions of euros)	Note	June 30, 2026	December 31, 2025
		(unaudited)	*(audited)*
Goodwill		2,403	1,754
Non-current royalty advances	7	1,937	1,990
Catalogues	7	3,017	3,050
Other intangible assets	7	542	262
Property, plant and equipment		286	255
Right of use assets		822	466
Investments in equity affiliates		787	695
Non-current financial assets	10	2,659	3,743
Deferred income tax assets		563	657
Other non-current assets		11	9
Non-current assets		13,027	12,881
Inventories		273	263
Current tax receivables		76	65
Current royalty advances	7	1,439	1,146
Other current financial assets	10	65	43
Trade and other receivables		3,013	2,607
Cash and cash equivalents	9	485	451
Current assets		5,351	4,575
TOTAL ASSETS		18,378	17,456

(millions of euros)	Note	June 30, 2026	December 31, 2025
		(unaudited)	*(audited)*
Shareowners equity		3,626	4,543
Non-controlling interests		22	25
Total equity		3,648	4,568
Non-current provisions		240	242
Long-term borrowings and other financial liabilities	9	2,804	2,297
Deferred tax liabilities		1,014	1,214
Long-term lease liabilities		855	480
Other non-current liabilities	10	998	1,449
Non-current liabilities		5,911	5,682
Current provisions		173	179
Short-term borrowings and other financial liabilities	9	1,814	549
Trade and other payables		6,579	6,229
Short-term lease liabilities		83	81
Current tax payables		170	168
Current liabilities		8,819	7,206
Total liabilities		14,730	12,888
TOTAL EQUITY AND LIABILITIES		18,378	17,456

Condensed Consolidated Statements of Cash Flows

(millions of euros)	Note	Six months ended June 30, 2026	Six months ended June 30, 2025
		(unaudited)	*(unaudited)*
Operating activities			
Operating profit		901	947
Adjustments	8	251	184
Royalty advances payments, net of recoupments		(292)	(377)
Gross cash provided by/(used for) operating activities before income tax paid		*860*	*754*
Other changes in net working capital		(452)	(266)
Net cash provided by/(used for) operating activities before income tax paid		*408*	*488*
Income tax paid		(237)	(236)
Net cash provided by/(used for) operating activities		171	252
Investing activities			
Catalogue investments		(46)	(149)
Other intangible assets investments		(61)	(58)
Capital expenditures		(44)	(23)
Purchases of consolidated companies, after acquired cash		(564)	(37)
Investments in equity affiliates		(55)	(41)
Purchase of financial assets		(36)	(53)
Investments		*(806)*	*(361)*
Proceeds from sales of property, plant, equipment and intangible assets		-	28
Proceeds from sale of financial assets		387	5
Divestitures		*387*	*33*
Dividends received from equity affiliates		18	4
Dividends received from investments		3	2
Net cash provided by/(used for) investing activities		(398)	(322)

(millions of euros)	Note	Six months ended June 30, 2026	Six months ended June 30, 2025
		(unaudited)	*(unaudited)*
Financing activities			
Distributions to shareowners	11	(514)	(458)
Dividends paid by consolidated companies to their non-controlling interests		(4)	(4)
Repurchase of own shares	11	(734)	-
Transactions with shareowners		*(1,252)*	*(462)*
Proceeds from borrowings		6,188	2,241
Repayments of borrowings		(4,476)	(1,647)
Interest, net		(93)	(66)
Other cash items related to financing activities		(9)	3
Transactions on borrowings and other financial liabilities		*1,610*	*531*
Repayment of lease liabilities		(31)	(35)
Payment of interest of lease liabilities		(22)	(11)
Net cash provided by/(used for) financing activities		305	23
Net change in cash and cash equivalents		78	(47)
Foreign currency translation adjustments		3	(30)
Change in cash and cash equivalents	9	81	(77)
Cash and cash equivalents			
At beginning of the period	9	377	545
At end of the period	9	458	468

Condensed Consolidated Interim Statements of Changes in Equity

		Six months ended June 30, 2026 *(unaudited)*							
(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, 2025		1,834,182	18,342	15,094	(5)	(28,888)	4,543	25	4,568
Net profit		–	–	–	–	222	222	1	223
Income and expenses directly recognized in other comprehensive income, net of tax		–	–	–	–	117	117	–	117
TOTAL COMPREHENSIVE INCOME		–	–	–	–	339	339	1	340
Dividends paid by UMG N.V.	11	–	–	–	–	(514)	(514)	(4)	(518)
Repurchase of own shares	11	–	–	–	(754)	–	(754)	–	(754)
Share-based compensation plans		4,345	43	76	14	(121)	12	–	12
TOTAL CHANGES OVER THE PERIOD		4,345	43	76	(740)	(635)	(1,256)	(4)	(1,260)
BALANCE AS OF JUNE 30, 2026		1,838,527	18,385	15,170	(745)	(29,184)	3,626	22	3,648

(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
		Six months ended June 30, 2025 *(unaudited)*							
BALANCE AS OF DECEMBER 31, 2024		1,829,281	18,293	15,041	(5)	(28,803)	4,526	25	4,551
Net profit		–	–	–	–	1,432	1,432	3	1,435
Income and expenses directly recognized in other comprehensive income, net of tax		–	–	–	–	(581)	(581)	(2)	(583)
TOTAL COMPREHENSIVE INCOME		–	–	–	–	851	851	1	852
Dividends paid and payable by UMG N.V.		–	–	–	–	(513)	(513)	(4)	(517)
Share-based compensation plans		4,819	48	52	–	(87)	13	–	13
NCI on acquired business[1]		–	–	–	–	–	–	8	8
TOTAL CHANGES OVER THE PERIOD		4,819	48	52	–	(600)	(500)	4	(496)
BALANCE AS OF JUNE 30, 2025		1,834,100	18,341	15,093	(5)	(28,552)	4,877	30	4,907

1 This line item relates to non-controlling interests arising from business combinations. In some cases, NCI holders are granted put options enabling them to sell their shares to UMG at a specified date or time period.

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'. 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

UMG is the worldwide leader in music, engaged in recorded music, music publishing and merchandising. It owns more than 50 labels covering all music genres. UMG is home to some of the greatest local and international artists of all time, including The Beatles, Rolling Stones, U2, Andrea Bocelli, Lady Gaga, Helene Fischer and more, as well as many of the biggest artists of the year, such as BTS, Olivia Dean, KPop Demon Hunters cast, Taylor Swift and Morgan Wallen.

- The recorded music business discovers and develops recording artists, marketing and promoting their music across a wide array of formats and platforms. Its activities also extend to other areas, such as live events, sponsorship, film and television.

- The music publishing business discovers and develops songwriters and owns and administers the copyright for musical compositions used in recordings, public performances and related uses, such as films and advertisements.

- The merchandising business produces and sells artist-branded and other branded products through multiple sales channels, including fashion retail, concert touring and online. Its activities also extend to other areas, such as brand rights management.

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, 2025. These Condensed consolidated interim financial statements were prepared by the UMG Board of Management and authorized for issue on July 29, 2026.

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 December 31, 2025, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after January 1, 2026. This includes UMG's adoption of Amendments to IFRS 9 Classification and Measurement Requirements and IFRS 7 Disclosures. UMG's adoption of new or amended standards and interpretations effective beginning January 1, 2026 did not have a material impact on these Condensed consolidated interim financial statements. UMG has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed consolidated interim financial statements requires management to make judgements, 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 judgements and estimates are consistent with those disclosed in UMG's annual consolidated financial statements for the year ended December 31, 2025.

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.

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. Management also receives information about segment's revenue and assets. 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 Adjusted EBITDA is included in these disclosures because it is the primary measure of profit or loss used by UMG Management to assess each segment's performance and make decisions about allocating resources. Adjusted EBITDA is a non-IFRS measure. Adjusted EBITDA is calculated as Operating Profit excluding amortisation of intangible assets, impairment of goodwill and other intangibles, depreciation of tangible assets including right of use assets, gains/losses on the sale of tangible assets including right of use assets and intangible assets, restructuring expenses, non-cash share-based compensation expense, integration and business transformation costs and certain one-time items, that are deemed by management to be significant and incidental to normal business activity.

UMG consider Adjusted EBITDA to be a relevant measure to assess performance of UMG's operating activities excluding items that may be incidental to normal business activity and excluding restructuring expenses and non-cash share-based compensation which may impact period-to-period comparability.

Main aggregates of the Statement of profit or loss

(millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Elimination of intersegment transactions	Total
Six months ended June 30, 2026						
External revenue	4,768	1,160	266	–	–	6,194
Intercompany revenue	1	8	2	–	(11)	–
Revenues	4,769	1,168	268	–	(11)	6,194
Operating profit/(loss)	930	176	(16)	(189)	–	901
Amortisation and depreciation expense	136	80	1	37	–	254
Restructuring expenses[1]	18	5	–	3	–	26
(Gain)/loss on sale of tangible and intangible assets	–	–	–	–	–	–
Impairment on intangible assets	–	–	–	–	–	–
Non-cash share-based compensation expense	69	7	1	28	–	105
Integration and business transformation costs[2]	5	–	–	19	–	24
Adjusted EBITDA	1,158	268	(14)	(102)	–	1,310

(millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Elimination of intersegment transactions	Total
Six months ended June 30, 2025						
External revenue	4,462	1,116	303	–	–	5,881
Intercompany revenue	2	9	2	–	(13)	–
Revenues	4,464	1,125	305	–	(13)	5,881
Operating profit/(loss)	946	171	(5)	(165)	–	947
Amortisation and depreciation expense	112	81	1	26	–	220
Restructuring expenses[1]	35	–	–	14	–	49
(Gain)/loss on sale of tangible and intangible assets	(3)	–	–	(1)	–	(4)
Impairment on intangible assets	2	–	–	–	–	2
Non-cash share-based compensation expense	69	7	1	33	–	110
Integration and business transformation costs[2]	2	–	–	10	–	12
Adjusted EBITDA	1,163	259	(3)	(83)	–	1,336

1 Restructuring expenses include employee termination costs and other related expenses that result from a material change in the scope of a UMG business or the manner in which a UMG business is conducted.
2 Includes integration costs related to the Downtown transaction, previously committed US listing preparation costs and certain other business transformation and capital advisory costs.

Disaggregated revenue information

Recorded Music

(millions of euros)	Six months ended June 30, 2026	2025
Subscription revenue	2,670	2,449
Streaming revenue	728	711
Downloads and other digital revenue	72	109
Physical revenue	651	611
License and other revenue	648	584
Recorded Music revenue	4,769	4,464

Music Publishing

(millions of euros)	Six months ended June 30, 2026	2025
Digital revenue	720	690
Performance revenue	238	225
Synchronisation revenue	126	130
Mechanical revenue	58	54
Other revenue	26	26
Music Publishing revenue	1,168	1,125

Subscriptions and streaming represents the largest type of recorded music revenue and is recognised over time and is 55% (54% in HY 2025) of total UMG revenues. Physical recorded music revenues are recognised at a point in time and represent 11% (10% in HY 2025) 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.

(millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Total
As of June 30, 2026					
Goodwill	1,591	714	98	-	2,403
Royalty advances, non-current	1,459	247	231	-	1,937
Catalogues	1,693	1,324	-	-	3,017
Property, plant & equipment	263	7	-	16	286
Other intangible assets	310	37	-	195	542
Right of use relating to leases	812	8	-	2	822
Royalty advances, current	677	669	93	-	1,439
Other assets	4,884	1,117	143	664	6,808
Total segment assets	11,689	4,123	565	877	17,254
Unallocated assets					1,124
Total assets					18,378

(millions of euros)	Recorded Music	Music Publishing	Merchandising and other	Corporate centre	Total
As of December 31, 2025					
Goodwill	959	698	97	-	1,754
Royalty advances, non-current	1,242	566	182	-	1,990
Catalogues	1,696	1,354	-	-	3,050
Property, plant & equipment	238	6	-	11	255
Other intangible assets	50	41	-	171	262
Right of use relating to leases	454	9	-	3	466
Royalty advances, current	580	478	88	-	1,146
Other assets	5,649	909	114	688	7,360
Total segment assets	10,868	4,061	481	873	16,283
Unallocated assets					1,173
Total assets					17,456

Content assets by segment

		June 30, 2026			
(millions of euros)	Note	Recorded Music	Music Publishing	Merchandising and other	Total
Catalogues (of music and publishing rights)		1,693	1,324	-	3,017
Royalty advances (to artists and repertoire owners)		2,136	916	324	3,376
Of which:					
Non-current		1,459	247	231	1,937
Current		677	669	93	1,439
Content assets, net	6	3,829	2,240	324	6,393
Current content assets		677	669	93	1,439
Non-current content assets		3,152	1,571	231	4,954

		December 31, 2025			
(millions of euros)	Note	Recorded Music	Music Publishing	Merchandising and other	Total
Catalogues (of music and publishing rights)		1,696	1,354	-	3,050
Royalty advances (to artists and repertoire owners)		1,822	1,044	270	3,136
Of which:					
Non-current		1,242	566	182	1,990
Current		580	478	88	1,146
Content assets, net	6	3,518	2,398	270	6,186
Current content assets		580	478	88	1,146
Non-current content assets		2,938	1,920	182	5,040

Note 4. Acquisitions and divestments

After receiving transaction approval from the European Commission on February 13, 2026, UMG completed the acquisition of all the issued and outstanding share capital of Downtown Music Holdings LLC ("Downtown") on February 20, 2026. This acquisition resulted in UMG obtaining control of Downtown and its subsidiaries as of that date. Downtown is a global music services business with operations in artist & label services, distribution services, royalties & financial services and music publishing. The Downtown business combination enables UMG to enhance its offerings and capabilities to serve the independent music community.

UMG has provisionally recognised Downtown's identifiable assets and liabilities on acquisition date as follows:

(in millions of euros)	Provisional amount recognised on acquisition
Assets	
Royalty advances	126
Other Intangible assets	261
Trade and other receivables	179
Cash and cash equivalents	78
Other assets	25
Total assets	669
Liabilities	
Borrowings and other financial liabilities	145
Deferred tax liabilities	68
Trade and other payables	403
Other liabilities	12
Total liabilities	628

(in millions of euros)	Provisional amount recognised on acquisition
Downtown identifiable net assets on acquisition date	41
Goodwill arising on the Downtown business combination	580
Purchase consideration transferred	621

Other intangible assets are comprised mainly of technology assets and artist and label relationships. Trade and other receivables include primarily accrued income, and trade and other payables include primarily music royalties to artists and repertoire owners. Long-term borrowings and other financial liabilities are Downtown's third-party borrowings that UMG repaid on the acquisition date (see more information below). UMG is continuing to review the fair values of Downtown's acquisition date assets and liabilities in order to complete the accounting for the business combination.

Total purchase consideration transferred was $730 million (€621 million) cash. Provisional goodwill recognised on the acquisition date was €580 million. Goodwill is mainly attributable to expected synergies and future growth opportunities, as well as an assembled workforce and other intangible assets that do not meet the criteria for separate recognition. None of the goodwill recognised is expected to be deductible for income tax purposes.

In addition to purchase consideration paid, UMG paid $168 million (€145 million) on the acquisition date to Downtown's lenders to settle all acquired third-party borrowings. These payments are not part of Downtown purchase consideration because they did not form part of consideration exchanged by UMG with the selling shareholder to obtain control of Downtown.

To comply with the European Commission's condition for transaction approval, UMG must divest of Downtown's royalty accounting platform Curve Royalty Systems, Ltd. ("Curve"). Curve is immaterial to UMG, and UMG's disposal of Curve is not expected to materially impact UMG.

From the acquisition date, Downtown contributed €288 million of revenue and €0 million to profit before income taxes of the Group. If Downtown was acquired at the beginning of the year, Downtown would have contributed €395 million in revenue and -€4 million profit before income taxes to the Group.

Transaction costs of €33 million were expensed and included in Financial expenses in the year in which they were incurred.

During half year 2025, UMG did not complete any material investments or divestments.

Note 5. Financial income and expenses

		Six months ended June 30,	
(millions of euros)	Note	2026	2025
Interest income from cash, cash equivalents and other		12	13
Change in fair value of financial instruments through profit or loss	10	–	1,067
Gain on derivative instruments at fair value through profit or loss[1]		9	15
Foreign exchange gain		1	2
Income from investments		3	2
Financial income		25	1,099
Interest expense on borrowings		(66)	(51)
Change in fair value of financial instruments through profit or loss	10	(518)	(3)
Unwinding of interest component		–	(1)
Interest cost related to employee benefit plans		(3)	(3)
Interest expenses on lease liabilities		(22)	(11)
Loss on derivative instruments at fair value through profit or loss[1]		(12)	(9)
Cost of finance		(4)	(3)
Other		(2)	(12)
Financial expenses		(627)	(93)
Net total financial income and (expenses)		(602)	1,006

1 The net gain/(loss) on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting.

Note 6. Income taxes

The income tax expense in the first six months of 2026 decreased by €392 million to an income tax expense of €117 million from an income tax expense of €509 million in the corresponding period of the previous year. The decreased expense is caused by a mix of revaluation losses through profit or loss of the interests in Spotify and other equity holdings. UMG has determined that the impact for Pillar Two in the first six months of 2026 is not material.

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

Net book value

(millions of euros)	June 30, 2026 Asset value, gross	Accumulated amortisation and impairment losses	Net book value
Catalogues (of music and publishing rights)	6,353	(3,336)	3,017
Royalty advances (to artists and repertoire owners)	3,376	–	3,376
Content assets	9,729	(3,336)	6,393
Other intangible assets[1]	1,063	(521)	542

1 Includes additions of €261m relating to the acquisition of Downtown, which includes €202m relating to relationships with labels and artists and the remainder is comprised mainly of software and other technology assets.

(millions of euros)	December 31, 2025 Asset value, gross	Accumulated amortisation and impairment losses	Net book value
Catalogues (of music and publishing rights)	6,190	(3,140)	3,050
Royalty advances (to artists and repertoire owners)	3,136	–	3,136
Content assets	9,326	(3,140)	6,186
Other intangible assets	735	(473)	262

Note 8. Reconciliation of net cash flow from operating activities

(millions of euros)	Six Months Ended June 30, 2026	2025
Operating Profit	901	947
Amortisation and depreciation expense	254	220
Non-cash share-based compensation expense	105	110
Withheld taxes on share based compensation	(92)	(95)
Impairment on intangible assets	–	2
Changes in provisions, net	(16)	(49)
(Gain)/loss on sale of assets	–	(4)
Adjustments	251	184
Royalty advances payments, net of recoupments	(292)	(377)
Other changes in net working capital	(452)	(266)
Net cash provided by/(used for) operating activities before income tax paid	408	488
Income tax paid	(237)	(236)
Net cash provided by/(used for) operating activities	171	252

Note 9. Cash position and borrowings

Cash position

(in millions of euros)	June 30, 2026	December 31, 2025
Cash and cash equivalents	485	451
Bank overdrafts	(27)	(74)
Cash and cash equivalents in the statement of cash flows	458	377

Borrowings and other financial liabilities

	June 30, 2026			December 31, 2025		
(millions of euros)	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	3,248	2,743	505	2,293	2,251	42
Drawn revolving credit facilities	15	15	-	8	8	-
Commercial papers	1,234	-	1,234	384	-	384
Bank overdrafts	27	-	27	74	-	74
Other	94	46	48	87	38	49
Borrowings at amortised cost	4,618	2,804	1,814	2,846	2,297	549
Cash and cash equivalents	(485)	-	(485)	(451)	-	(451)
Derivative financial assets	(2)	-	(2)	(5)	-	(5)
Net debt	4,131			2,390		

New borrowings

In March 2026, UMG entered into a bridge financing facility with a total borrowing capacity of €1 billion. In connection with UMG's issuance of senior unsecured notes in June 2026 (described below), UMG repaid all borrowings outstanding on this facility on June 16, 2026 and terminated the facility.

In June 2026, UMG issued €500 million of senior unsecured notes due on June 16, 2030 with a coupon of 3.375% and €500 million of senior unsecured notes due on June 16, 2036 with a coupon of 4.125%.

Note 10. 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, 2026			
		Fair value		
(millions of euros)	Carrying amount	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Listed equity securities	2,295	2,295	-	-
Other financial assets	148	-	21	127
Financial assets at fair value through other comprehensive income				
Unlisted equity securities	41	-	-	41
Financial assets at amortised cost				
Trade and other receivables	3,013	-	-	-
Other financial assets	240	-	-	-
Total financial assets	5,737	2,295	21	168
Financial liabilities at fair value through profit and loss				
Trade and other payables	(11)	(11)	-	-
Other non-current liabilities	(51)	(4)	-	(47)
Financial liabilities at amortised cost				
Trade and other payables	(6,568)	-	-	-
Bonds	(3,248)	(3,175)	-	-
Borrowings, excluding bank overdrafts and bonds	(1,343)	-	-	-
Other non-current liabilities	(947)	-	-	-
Total financial liabilities	(12,168)	(3,190)	-	(47)

	December 31, 2025			
		Fair value		
(millions of euros)	Carrying amount	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss				
Listed equity securities	3,404	3,404	-	-
Other financial assets	133	-	18	115
Financial assets at fair value through other comprehensive income				
Unlisted equity securities	34	-	-	34
Financial assets at amortised cost				
Trade and other receivables	2,607	-	-	-
Other financial assets	215	-	-	-
Total financial assets	6,393	3,404	18	149
Financial liabilities at fair value through profit and loss				
Trade and other payables	(4)	(4)	-	-
Other non-current liabilities	(51)	(5)	-	(46)
Financial liabilities at amortised cost				
Trade and other payables	(6,225)	-	-	-
Bonds	(2,293)	(2,181)	-	-
Borrowings, excluding bank overdrafts and bonds	(479)	-	-	-
Other non-current liabilities	(1,398)	-	-	-
Total financial liabilities	(10,450)	(2,190)	-	(46)

Listed Equity Portfolio

	Number of shares held	Ownership interest	Average purchase price[1,2]	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)[3]	Sensitivity at +/- 10 pts
	(thousands)		(€/share)		(in millions of euros)			
Spotify	6,487	3.10%	6.58	495.47	3,214	412	3,171	+321/-321
Tencent Music Entertainment	12,246	0.80%	na	14.96	183	49	183	+18/-18
Other					7	(2)	7	
Total at December 31, 2025					3,404	459	3,361	
Spotify[4]	5,487	2.62%	6.58	400.79	2,199	(1,015)	2,163	+220/-220
Tencent Music Entertainment	12,246	0.79%	na	7.29	89	(94)	89	+9/-9
Other					7	0	7	
Total at June 30, 2026					2,295	(1,109)	2,259	

1 Includes acquisition fees and taxes.
2 na: not applicable.
3 Includes net revaluation gains, net of liabilities, of €505 million in HY 2026 (net revaluation gains, net of liabilities, of €1,067 million in HY 2025) as recognised in Note 5.
4 Of the committed shares to be sold, 1 million shares were sold for an average sale price of €403.0 for €403 million.

Note 11. Equity

Treasury Shares

On April 1, 2026, UMG commenced a share buyback program to repurchase its own ordinary shares for an aggregate amount of €500 million. The maximum number of shares to be repurchased under the share buyback programme is 50 million shares. As of June 30, 2026, UMG had repurchased a total of 25,945,861 shares under the program for a total of €485 million. The program is expected to be completed no later than October 1, 2026.

On 4 June 2026, UMG repurchased 14,156,285 of its ordinary shares from Pershing Square funds at a price of €17.66 per share and for a total of €250 million plus applicable withholding taxes.

Dividend Distribution

In May 2026 the proposal submitted to the 2026 Annual General Meeting of Shareholders to pay a cash dividend of €0.28 per ordinary share was approved. This corresponded to a total distribution of €514 million which is included within the Condensed Consolidated Interim Statement of Changes in Equity.

Note 12. Share-based compensation plans

As detailed in UMG's 2025 Annual Report, UMG has granted Restricted Stock Units (RSUs) and Performance Stock Units (PSUs) to senior executives, a number of senior management and certain non-executive Board directors as well as Stock Options (SOs) to two senior executive under the UMG Global Equity Plan.

During the first half of 2026, UMG granted additional RSUs to senior executives, a number of senior management and certain non-executive Board directors. UMG also granted annual PSUs to a number of senior executives and senior management during this period. The total expense recognised in the first half of 2026 for all granted RSUs was €48 million (HY 2025: €53 million) and for all granted PSUs was €39 million (HY 2025: €43 million).

The total equity reserve relating to all granted equity awards was €291 million as at June 30, 2026 (HY 2025: €316 million).

Note 13. 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.

UMG distributes its cash surpluses to shareowners through dividends and share buybacks (please refer to Note 11 *Equity*).

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

	June 30, 2026				
(millions of euros)	Associates	Joint Ventures	Shareholders	Other	Total
Statement of Financial Position					
Assets					
Trade accounts receivable	48	-	-	-	48
Loans and other receivables	19	124	-	-	143
Other financial assets	58	-	-	-	58
Royalty advances	18	-	-	-	18
Liabilities					
Trade accounts payable	(17)	-	-	-	(17)
Lease liabilities	-	(116)	-	-	(116)

	Six months ended June 30, 2026				
(millions of euros)	Associates	Joint Ventures	Shareholders	Other	Total
Statement of Profit or Loss					
Revenue	116	-	-	-	116
Cost of revenues	(51)	-	-	-	(51)
Selling, general and administrative expenses	-	-	-	-	-
Other financial income	2	4	-	-	6
Other financial expenses	-	(3)	-	-	(3)

	December 31, 2025				
(millions of euros)	Associates	Joint Ventures	Shareholders	Other	Total
Statement of Financial Position					
Assets					
Trade accounts receivable	38	-	-	-	38
Loans and other receivables	18	116	-	-	134
Other financial assets	51	-	-	-	51
Royalty advances	17	-	-	-	17
Liabilities					
Trade accounts payable	(13)	-	-	-	(13)
Lease liabilities	-	(116)	-	-	(116)

	Six months ended June 30, 2025				
(millions of euros)	Associates	Joint Ventures	Shareholders	Other	Total
Statement of Profit or Loss					
Revenue	128	–	1	–	129
Cost of revenues	(52)	–	–	–	(52)
Selling, general and administrative expenses	–	–	–	–	–
Other financial income	2	2	–	–	4
Other financial expenses	–	–	–	–	–

Note 14. Subsequent events

The Group has evaluated subsequent events and no events have been identified that could have a material impact on its financial statements.

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