First Half 2022 Results Presentation

Wednesday, 3rd August 2022

Introduction

Denis Ladegaillerie

Founder &CEO, Believe

Well, good afternoon, everyone. We are delighted to have you for this call to cover our H1 2022 performance, which is a very strong performance.

Accelerated Organic Growth, Increased Profitability, Positive Free Cash Flow

As you can see on the first slide, that is a strong accelerated organic growth in Q1 and Q2 and higher H1; increased profitability; as well as positive free cash flow. So overall, very strong first H1 performance.

Key Achievements in Line with Believe's Profitable Growth Strategy to Build the Best Music Company for Artists and Labels in the Digital World

We can move on to slide four. That strong performance essentially illustrates the strength of the model where Believe is, once again, continuing to drive growth by market share gains in all market segments. Entry level artist with TuneCore, mid-level, top-level artists across all artist segments and all artist genres. The first driver of performance is that ability to both sign new artists and labels as well as continue growing, at a very fast pace, our existing portfolio of artists and labels.

This was supported through H1, both in Q1 and Q2, with very strong market growth, both on the subscription side and advertising side. And as illustrated, increased profitability is really resulting from the scale effect. In a number of territories, we have demonstrated, from a sales standpoint, so many successes, that success is attracting success when we develop key artists. That is driving key artists to us and contributing to accelerated growth. And we are seeing these dynamics play in a number of territories and, obviously, where faster growth and continued investment in local sales team happened. We continue investing in the central platform at a lower rate, that is, as in the previous quarter, increasing profitability and operating margin.

Last important element in H1 is the continuation of the roll out of our *Shaping Music for Good* programme with a focus on a key change, and in a way, that is very consistent with how we operate the core business.

Growth: Strong Organic Growth in H1 2022 with an Acceleration in Q2

Strong growth, moving on to slide five. As you can see there, growth has accelerated pretty much in all quarters since Q3 2021, all the way to Q2 2022, cumulating in Q2 2022, with a 39.4% growth rate in the quarter, a growth rate that is even higher on the digital side. As you know, the digital side is the most significant revenue source for us, with a growth rate of digital revenues up to 40.1%, significantly better than the market, which is an illustration of our ability to continue gaining share, as we have.

New Top Local Artists & Labels Signings Illustrating the Strong Attractivity Of Believe

Moving on to slide six. That gain of market share is happening with the mid-level markets, both on Label and Artist, as well as the top of the market in Artist Services. A couple of illustrations and some of the things that we have seen to illustrate.

In the UK, for example, in Q1 and Q2, we have had more Top 10 billboard charted artists than we have had in the past. One example, Knucks in hip hop, which was previously signed to one of the major record labels, signed to us and we took to number three Billboard charts in the UK. We also had a couple of number 1's during the same period.

And with very strong diversity of artists; of course, Knucks' hip hop in the UK; we could take the example of Tulus, which released an album in Indonesia earlier, that, on the week of release, went to Top 10 most viewed music videos in the world on YouTube; and a number of artists across geographies from Romania to India. And labels that are illustrating the diversity of artist. What you see there is both a mix of regional Mexican artist as well as soundtrack companies like Hitz, for example, in India.

So this is the strength of the model, the diversity, our ability to sign and develop artists and labels across geographies at all levels that is really powering our engine for growth. This is not just about the top. Obviously, the top is contributing more and more, but globally, the diversity, the breadth of signings that we are making across all genres of music and across all geographies.

Profitable Growth Strategy When Developing Our Artist Services Offering Worldwide

Moving on to slide seven, a quick focus. That strategy, as we know, a core part of the strategy has been, as markets develop, more and more signing artists and developing artists to the top of the market, with Artist Services. As a reminder, Artist Services, Believe is deployed on artist services only in 14 countries around the world, where many of these countries where we are still in investment phase, having deployed local teams organically. As you know, with our model, we follow a very standard blueprint of development, of building teams first in one genre of music with four or five people, and then establishing success with signing mid-level and emerging artists that we take to the top. And then once we have demonstrated success, once we have achieved target EBITDA level for these initial teams, we then move onto building additional teams.

And so, as you know, we have significantly invested in Artist Services, building a lot of these teams around the world in 14 countries with a lot of success. In all of the markets that we are operating right now, we have had at least one artist in the Top 100 in each of these geographies. And obviously in geographies like France or Germany or India or Indonesia, just taking as illustration, which will be large Artist Services market. This is not one artist in the Top 100. This is 15 to 20 artists that we are able to take in these markets and competing at the very top of the market.

As you know, in the strategy there is a mix of building up organically as well as making targeted acquisitions to complete when we feel new segments are becoming more digital. And, obviously, as I was illustrating earlier, as the market is getting more digital every day, our target market and addressable markets are enlarging. And this is one of the reason why we are continuing to invest in building local teams as a core part of our strategy.

Fuelling TuneCore growth: 'Unlimited Pricing' Programme Launch

Moving on to slide eight, another segment where we have seen strong growth in the first half of the year is the segment of new artist, where, with the launch of a new pricing model, we have been able to see the early signs of accelerated growth. We launched new pricing in those territories for a couple of reasons.

One was to enlarge our addressable market with four tiers, starting with the free tier for the new generation of new music creators that is very large in terms of numbers, with some of these creators making it progressively to a mid-level and the top, that we are then upselling to Believe Artist Services or Label and Artist solutions.

The re-launch of that new pricing has received very strong positive feedback from the artists' community. This is very aligned with how, one, the increase of the number of music creators. The fact that as we analyse the market, that segment of music creators is capturing every year, year after year, more and more dollar value and streaming value. In many markets now, that segment is capturing between 55% to 25% of the volume of streams in the market. And this is why this remains a core area of investments for us.

And launching with the new pricing, with artists releasing tracks on a very regular basis, is really in sync with what artists in that market segments are requesting. And where we are also seeing there, the benefit of some of the especially traditional players playing in that market that recently decided to pull out of the market, creating more opportunities for us.

So really strong H1 2022 growth, which we expect to play through the rest of the year.

Reinforcing Global Attractivity of Believe for Our Two Hearts, Our Artists and Our People

Last area of focus for us has been on slide nine, continuing to build our CSR strategy. As you know, our CSR strategy, and as is illustrated on the right-hand side of the slide, has really been thought to be fully aligned with the essence of our model so that it actually supports our economic model. Two initiatives to point in the first half of the year, Believe and TuneCore funded the expansion of US organisation of Keychange, which is a global non-profit organisation that is fighting for gender equity and supporting underrepresented artists. We are monitoring some KPIs, especially around diversity under the number of women artists, female artists, which we have seen grow significantly due to a number of efforts that we have done in this area.

And the publication of the MIDiA Research, *Be the Change: Women in Music*, which is a study meant to be able to measure the progress in the industry, both in the industry as well on the creators side, so that we can contribute as a company to progressively help the industry generally. And us alleviate these barriers and make for a better, more diverse, more balanced industry. And once again, that remains a core priority for us.

So, in summary, and I will be brief and let Xavier take you through the financials, great performance in H1 2022, very in line with what we communicated at the time of the IPO. And with what we have indicated would be the core model and where the growth would be coming from.

Xavier, do you want to jump into the numbers to illustrate this?

H1 2022 Financial Review

Xavier Dumont

CFO, Believe

Delivering Strong Growth with Q2 Acceleration While Demonstrating Operating Leverage and Generating Positive Free Cash Flow

Thank you, Denis, and thank you all for connecting to our call. So the H1 2022 demonstrates, as Denis illustrated, the performance of our model. We are driving profitable organic growth, quarter after quarter, at a faster rate than the market and we leverage our model to increase the digital monetisation for our labels and artists.

That translates into, of course, a very strong digital focus. Digital represent 92% of our revenue, and very strong digital revenue growth, which is at almost 38% for this semester. That leads to a very strong organic growth at 35.6%, and that organic growth comes from the fact that we are investing very consistently in a very profitable and controlled way. We deploy new solutions and new teams that leverage these solutions. And these solutions are a mix of technology and services to help artists and labels to grow.

During the semester, we increased again our EBITDA margin by almost 50 bps while continuing the investment. And we have a positive free cash flow of €10.8 million in H1 2022. That is driven by a positive working cap and improved profitability. And we will get back to that in a moment.

Strong Growth in All Segments in H1

So going to the next page, page 12. So, as Denis said, the Q2 growth was stronger than Q1. Organic growth in Q2 was 39.4% versus 31.4% in Q1. Premium Solutions accelerated its growth to 40.2% in Q2, despite a slowdown during the month of June in ad-supported monetisation. And that performance was achieved thanks to very strong market share gains in all major DSPs and also positive non-digital sales in Q2 versus Q1.

That performance was also achieved while Russia and Ukraine revenue growth slowdown activities have been more limited than expected due mainly to the strength of the rouble during the semester.

Automated Solutions grew by 28.1% organic, which is the same growth in Q2 as in Q1 if we exclude the Russian and the Ukraine impact. As presented by Denis, TuneCore benefited from the rollout of several new commercial offers that allowed TuneCore to enlarge its addressable market and fuel the future growth of this business unit.

Growth in All Geographies Thanks To an Efficient Organic and External Development Strategy

Going now to page 13. So what we see in page 13 is a demonstration of the way our model works, which is that we focus on the geographies that have the stronger market growth, and we deploy our model to be very strong market share, as indicated by Denis. In each of these geographies, we are piggybacking on the fact that the digital market are enlarging. So our key geographies are Asia and Europe because those two geographies would be the two largest music markets in a few years.

So we are gaining market share in all our geographies, including in Germany where we have very strong market share gains on digital market, and even if, as you know, the revenues are still affected by the ongoing reduction of the exposure to physical sales.

Continued Investment to Fuel Future Profitable Growth While Lowering Margin in the Short Term

If we go page 14, we wanted to illustrate how the investment by the Group works to fuel our future profitable growth. Our investments are twofold. The first investment we make are on local teams, mostly sales and marketing. That investment is very significant; as you can see, as illustrated, it represents more than 5% of revenue, both for H1 2022 and financial year 2021.

The way it works is that because the digital markets are growing in each country we operate in, we constantly assess new opportunities, such as new genres to address, new tiering of artists and labels, new services. And we make these investments in a controlled way because first, we invest in very small teams of a few individuals, usually less than five. And we have, as Denis have mentioned, a very clear blueprint, both in terms of operational and financial KPIs, which will imply that a team must reach breakeven between 18 to 24 months. And then it will take another 12 months to reach the target profitability.

And so that is the way we invest, very consistently, quarter after quarter, year after year, measuring, each time, whether we get to our level of profitability and capturing new market opportunities as the digital market enlarges.

The second type of investment is the Central Platform. The Central Platform is mostly fixed costs and they regroup the teams that are in charge of structuring the business and developing new solutions. We keep investing because new solutions are a key recipe for us and they explain a lot of our commercial performance in the countries in the digital world. And as we said, the Central Platform is decreasing as a percentage of sales. And the target is the Central Platform reach historical level as a percentage of revenue.

Slight Increase in Group's Adjusted EBITDA Margin with Significant Investments

Going page 15, the results of what we explained in the previous slide demonstrate that the Group profitability has a very clear path. The Group profitability is, first, the segment profitability, the adjusted EBITDA pre-Central Platform cost. That profitability is stable because we reinvest all the extra margin into new teams to capture profitable market opportunities.

Then the Group EBITDA margin, its increase comes from the leverage provided by the scale effect on the Central Platform investments. We manage the Central Platform investments on a cash basis, adding the EBITDA plus CAPEX. And as you saw in the previous page, we decreased, significantly, the investment of the revenue coming from 14.6% last year to 12.4% at the end of the semester.

Positive Free Cash Flow

Going to page 16, on the free cash flow. So we have a positive free cash flow during H1. That comes from improved profitability and better amortisation of the Central Platform. That comes also from the superior growth in digital music sales that leads to higher creators and that comes also from increased advances to artists and labels, but at a lower rate than H1 last year. You may remember that H1 2021 was marked by longer-than-expected contracts with some labels and so we had a very strong [inaudible]. And the H1 2022 advances are more aligned with H2 2022 as a percentage of revenue. We confirmed that we have not changed our financial policies towards the artists and label in terms of customer advances.

FY'22 Guidance – Organic Growth Revision Upwards, Continued Focus on Investment

If we go page 18 on the guidance. Because we have very strong results, we are revising our guidance as well. So we now plan for an organic growth for the Group at circa 29% in financial year 2022. Our previous guidance was at 20%.

That guidance is based on two main assumptions. The first one is the resilience of the paid streaming, as mentioned by Denis, and on the fact that the ad streaming revenue had slowed down. So the slowdown happened in June, for the full month, but the growth for ad streaming in the June is the same in July, so we took that assumption that that growth was now stable around the level of June and to beat our revenue expectations. We took also the assumption that Russia and Ukraine would be stable in full year 2022, following the strong rouble. And the organic growth for the Group, excluding Russia and Ukraine, is now set at +31% for the whole year.

The second element in our guidance is that we want to continue to invest in a controlled way, as we have been demonstrating quarter-after-quarter that we can do in a very profitable way. We plan for a stable EBITDA margin at 4%, the same guidance as the one we gave at the beginning of the year. And we plan also for positive free cash flow generation for the full year 2022 after turning positive in H1 2022.

On Track to deliver Mid-term objectives

Regarding the mid-term objectives, page 19, we confirmed them as we have been operating very successfully since the IPO. So we confirm all our mid-term objectives, both in terms of growth, EBITDA margin and also, our long-term adjusted EBITDA margin of 15% for the whole Group.

I will let Denis to the conclusion.

Conclusion

Denis Ladegaillerie

CEO, Believe

On the right track to build the best Digital Music Company for Artists & Labels

Thank you very much, Xavier. Well, as a conclusion, I think, as you know, our key objective is to build basically the best digital music company for artists and labels for the digital world. Every day that passes, the world is becoming more digital and that is strengthening our conviction that artists are not acting in the same way in the digital world as they were in the traditional world, and that we are very well-positioned to offer them more adapted, better solution and help them to succeed.

So that is our goal. As Xavier was illustrating, the way we are going to translate into investment in H2 2022 and going forward is continuing to do what we have been doing, which is identify the market segments that are becoming digital as our targetable market enlarges. And then taking a very disciplined financial approach to investing in these market segments, establishing leadership in these segments, signing artists, taking them to the top, developing and taking share, segment after segment, country after country. That remains the core of our strategy.

And continuing to invest in our Central Platform to be able to be smarter at leveraging data to develop artists, to be smarter and more efficient at marketing for artists in the digital world. Ultimately, that is where the key to success is. And that is leading us to really continue basically building the best digital music strategy, where the strategy that is a profitable growth strategy, continuing to invest in sales and marketing, to continuing to invest in the Central Platform, while, at the same time, progressively increasing levels of profitability, as we have done in the past.

So, expect in H2 2022, the same thing that we have been doing in H2 2021, and accelerated in H1 2022, as the core of our strategy going forward.

And I think we will now open to questions.

Q&A

Nicolas Cote-Colisson (HSBC): Three short questions. First, to come back on your working capital requirement dynamics. I thought it had to be structurally negative. So how should we consider it looking forward to your positive contribution in H1?

Second question is I am interested in an update on TikTok monetisation. And third, it seems that you keep gaining market shares across regions. So I wonder if you are facing any increase in churn on the premium side of the business. Do you feel that growth may be more expensive in the future on the back of more intense competition? Or is it quite the opposite?

Denis Ladegaillerie: Okay. You want to take the first one and then I will take the two other ones?

Xavier Dumont: Okay. So working capital. Basically, as you know, the working cap is made up of the two main drivers. The first driver is the creators' part, that is directly linked with the growth of digital music sales. And that is, of course, a positive element in the mix. And so, the faster we grow in digital music sales, the more cash we receive through the creators during the year.

Then afterwards, there is the advanced part. And the advanced part is much more dependent on, basically, the level of advance that you are going to pay, depending on the duration of the contract and the size of the contract. So, I would say H1 2022 has been on the low side in terms of advances versus revenue. But because also our revenue has increased very significantly, and you saw that last year, we had quite a big difference between H1 and H2 in terms of movement of advances.

So I would say moving forward, I do not have a very detailed target on this. What I can just say is that we get some high-level objectives in terms of percentage of advance versus growth of revenue. And this is the guidance that we give to be able to have a better view on the working capital.

Denis Ladegaillerie: Thanks, Xavier. Nicolas, on the question on TikTok, we essentially put TikTok in the categories of companies that are essentially social media, for which the core usage is really about using music to enrich their user experience, so in the same category as Meta or Instagram.

What we expect there, and the signals that we are hearing from these companies, is as they are getting out of their early beta phase, which was the case for Meta, they see the value of music because they see that every user experience that is being enriched by music, creates stronger user engagement on their platform. And as that usage develops, they want to expand them. And for us, that essentially translates into follow-up deals in the beta phase that are better monetised.

So we expect from TikTok, from Meta, deals that we are in discussions to increase monetisation going forward as usage expands and as monetisation expands.

With regards to market share gains, it is very simple. The market share gain is a result of two things. It is the result of the ability to grow and retain your existing portfolio of artists and labels. And as the market is being more digital and as we are doing a better and better job at developing artists and labels to the next stage, your rate of retention actually increases. It increases because when you contribute very significantly to develop artists or labels, they tend to be very happy with the services and they tend to stick. So the answer is no, we are not seeing stronger churn on our existing portfolio of clients.

And it is the factor of gaining share through signing new artists and labels and growing them to the top. And basically what we have seen is as market segments become more digital, not only are we able to sign new artists that we are developing to the top, but we are also able to sign artists from traditional labels that are now interested in switching partner and becoming more digital. So I would say the market share, again, dynamics that we have seen, which are really, quite frankly, there has not been any single year in time, in the past 15 years, where Believe has not gained market share. Whether at 0.25%, 0.5%, 1% per year, every single year since the creation of the company, we have gained market share. Because of the power of the model, because being able to serve DIY mid-level and top, we expect this market strength to continue and this strength to play in every markets. But really the way to think about it is our addressable market is increasing every day, and that is creating also new opportunities for us every day.

I hope that answers your questions.

James Tate (Goldman Sachs): Three for me, please. Firstly, you have clearly seen very strong growth in H1, and have raised your full-year guidance quite significantly. But kept the EBITDA done margin guidance the same, so I think increased investment impacts and short-term profitability. And so I was just thinking given this, when should we expect to see a meaningful ramp-up in margin? Will it be in 2023 or do you expect it to be later?

Secondly, on the organic growth guidance, could you give some more colour on the composition of this growth? Are you expecting a greater weighting towards premium or automated revenues?

And finally, you have been very vocal about DSP price increases from the start of the year and we are now in August and have yet to see any meaningful price increases by DSPs. What are your expectations for the rest of the year and going forward into 2023? It would be great to hear your thoughts on that.

Xavier Dumont: Thank you for your questions. So, for EBITDA margin, as you know, we are managing our EBITDA margin with the level of investments that we are making. Our guidance is that, by 2025, we will be between 5% and 7%. And so, the way the model is structured is that the improvement in EBITDA margin comes from the better amortisation of the Central Platform. And this is what is going to drive the EBITDA margin.

And so, the path to increase EBITDA is the amortisation of the Central Platform. We do not expect to have a significant increase in the segment EBITDA margin because we want to reinvest into new sales and marketing teams, as long as we can demonstrate that we are gaining profitable market share. The organic guidance, premium and automated, we think that the breakdown is going to be more or less what it has been so far, i.e., the premium and automated are going to grow roughly at the same speed.

It is true that the premium segment is more sensitive to ad-supported because of the geographical footprint and, more importantly, because of the business model. So the premium is going to have a slower growth in H2 than automated, probably given the assumptions that we took.

Denis Ladegaillerie: Yeah. And to finish on the DSP pricing, we have seen a number of tests actually and a number of price increases. We still expect price increases coming from a number of DSPs, so the message that we got from them at the beginning of the year is not changing from that standpoint.

Eric Ravary (CIC): Two questions from my side. First one is on the advertising funded slowdown. Could you quantify this slowdown? What is the growth that you observed in June and July compared with at the beginning of the year?

And the second question is on your M&A strategy. You have made some acquisitions at the end of 2021. And since that time, you have not announced any new acquisitions. Is it a lack of opportunities? Or do you consider that you should wait for better valuations in the future? Thank you.

Xavier Dumont: So, on the ad streaming, for the moment, what we have is the report monthly on the few DSPs, so I do not have the full picture. But yes, what I can tell you is that it is still growing double digit, but not as fast as it was before, given the fact that, of course, we are gaining market share. So it is also a significant part of the growth that we have. So the stabilisation of the growth that we see in June and July is double digit.

I just want to add that, of course, there are economic uncertainties. As you know, I think the number of DSPs have been vocal on this. Some of them have been more supportive than others because of their business models and because of the opportunity for growth. And we took that also into consideration when we did our guidance for H2.

Denis Ladegaillerie: Thanks, Xavier. And on the M&A side, we see as many targets as before, and we evaluate as many targets as before. Our thinking there is very simple. What we have seen, as you know, M&A is bolt-on. We have always considered M&A as a bolt-on to organic strategy. What we have seen on Artist Services is that we have actually been very successful at building imprints across territories organically. And that is naturally driving us to ask the questions ourselves about where does it make sense for us to accelerate through M&A versus where does it make sense for us to invest more organically, because we know how to do it and we know how to do it successfully and invest organically.

The second area is exactly what you mentioned, which is we have a number of discussions and opportunities where, given the economic outlook and some of the uncertainty in the economic outlook, being a profitable company, we have time and we are looking at what is the right moment to make some of these acquisitions. Rather than will we make them, what is the right moment? And right now, we are pausing some of the conversations more than accelerating them at that stage, to be very pragmatic.

But I would say, essentially what we think is that we might have a number of targets at more attractive prices, three, four, five, six months or a year down the road than today. But we are not seeing any slowdown in the number of what we think are interesting targets.

Richard Eary (UBS): Couple of questions really on the financial side. First of all, there is a step-up in the minorities. I presume this is just due to the minority interest payments around the M&A that has come through. So just clarity on that. That is the first question.

The second question is that there is a big gain in the accounts on Other financial Income. I am presuming that is related to basically, essentially FX movements on the financials. So I just want to be clear on that.

And then just the third thing is just on M&A. How do we think about M&A contribution for the full year? You said that in the first quarter, it was a 1.7% gain to organic growth. In the second quarter, it was 2%. So actually on a nominal number, just can you help us feel as to what number we think we can get in there from M&A in terms of nominal revenue numbers for the full year?

Denis Ladegaillerie: So Richard, I am afraid I did not heard the full questions that you asked. Can you repeat then the first one? The first one was on financials. Is that correct?

Richard Eary: Yes, the first one, if you look at the financial statements released, then there is a step change in terms of the minority interest payments. I am presuming that is due to obviously the M&A that you have completed last year, where you have not actually take full ownership of the assets, and therefore, we have seen a step-up in M&A. It is quite a material step change. So I was just trying to understand basically what we should expect going forward and whether we should expect basically a doubling of that in the second half as a consequence. That was the first question.

Xavier Dumont: Okay. So the minority interest, yes, it is exactly what you described, which is from the investments we made, for example, in Play 2, in Visa, etc. Then I would say the percentage is going to be the same, unless we do some acquisitions, after what is going to be more around what are the financial profits of those companies for H2. Historically, those companies made more profit in H2 than they made in H1.

Richard Eary: Yes, so it looks as though that the M&A that you required is significantly more profitable than the core business because of obviously the minority interest payments that we have made out.

Xavier Dumont: Yes, because they are labels and it is labelled business, which has a very significant EBITDA margin, if we take, for example, the case of Visa. And so yes, those are very profitable businesses that come and join us to be able to accelerate their growth because usually they are business that are growing less than the Group. So that is usual.

Richard Eary: Okay. And am I correct in terms of just trying to think about it, is that the M&A basically addition that you have done in the first half is around €5 million in revenues. Is that correct? Contribution from additional revenues that are coming from M&A in the half.

Xavier Dumont: So I think top of my head, it is 2% in the organic part and 0.8% from the inorganic part.

Richard Eary: Okay. And what would be the contribution to EBITDA? Because I would imagine that the EBITDA contribution is going to be quite high if the minority interest payments are negative €3.3 million. [Inaudible] some other moving parts.

Xavier Dumont: Yes. So I would say not all acquisitions have very high EBITDA margin. That depends on the acquisitions and the multiple that we pay. And so this is not information that we are communicating.

Richard Eary: Okay. But in relation to the second question I was asking, which is that other financial income was €10.8 million in the first half.

Xavier Dumont: Yes.

Richard Eary: I presume that is related to basically gains on FX movements in terms of financial positions. And I did not know whether that also inflated the minority interest line as well.

Xavier Dumont: No. There are two main amounts, I would say, half and half. Half is the FX and half is the hyperinflation postings that we made on Turkey because you may know that Turkey has become a hyperinflation country. And so under IFRS, we had to take a posting on this.

Richard Eary: Okay. And then just the last question goes back to actually the M&A for the full year. So of the assets that you bought this year in terms of incremental revenues in terms of euro, in terms for the full year, what should we think about putting into the numbers? I mean, if it is 5 or 6 for the first half, should we be thinking it is 12, 13 in there for the full year? I mean for the full year M&A impact on margins.

Xavier Dumont: If we do not do other acquisitions, it is going to be roughly the same in H2 than in H1. If we do not do any other acquisitions.

Nicolas Cote-Colisson: Just a short one on Russia and Ukraine. How can you still get some money from the DSPs locally? I understand from the press release that you are following all the right legislation. So I am just wondering how it is still possible to get the money from there.

Xavier Dumont: The DSPs are not under sanction, so they can make a payment to international companies. And do not forget also that half of the business is monetisation coming outside of Russia and Ukraine, because those are Russian and Ukrainian artists monetising on international stores outside of Russia and Ukraine.

Denis Ladegaillerie: Well, thank you very much, everyone, for attending the call and we will speak to you in the next call. In the meantime, I wish you all a happy summer. Thank you very much, everyone.

Xavier Dumont: Thank you.

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