



Very dynamic Q1 driven by Believe's attractiveness to artists and labels demonstrating Believe's strong digital platform model

Revenue growth: +30.9% with digital sales growth up +35.3%

Organic revenue growth: +31.4%

FY 2022 guidance: organic growth +25% outside the Russia and Ukraine business units (c.+20% organic growth for the full group), Adjusted EBITDA margin in line with FY 2021 level

Paris, May 3, 2022 – Believe (Ticker: BLV, ISIN: FRO014003FE9), one of the world's leading global digital music companies, published today its revenue for the first quarter of 2022.

Denis Ladegaillerie, founder and CEO said: *"We started the year on a strong quarter and further demonstrated the attractiveness of our model and the strength of our focus around local acts. The current world situation softened our pace of growth in the first quarter, but the impact was minimal. We anticipate repercussions will be more important from Q2 onwards. However, we will keep on growing profitably. The resilience of our model will allow us to remain on a solid trajectory and our investments in the central platform and in local teams will enable us to leverage the long-term growth and transformation of the digital music market."*

<i>in € million</i>	Q1 2021	Q1 2022	<i>Change YoY</i>	<i>Organic change¹</i>
Group Revenues	124.1	162.5	+30.9%	+31.4%
<i>Premium Solutions</i>	115.6	151.1	+30.7%	+31.6%
<i>Automated Solutions</i>	8.5	11.4	+33.6%	+28.6%

Key highlights

Believe delivered a strong performance in Q1 2022 as the Group further benefitted from its positioning **at the core of the digital music revolution** and from the **unparalleled attractiveness of its digital platform model for artists and labels** looking for digital solutions and expertise, at each stage of their career.

Digital revenues were up +35.3% reflecting positive market dynamics across the board as a result of **favorable market trends, as well as strong and profitable investment in local teams**, notably across Asia and Europe.

More specifically Believe also reinforced local management in the UK in order to accelerate growth in the 3rd largest recorded music market in the world². This market has become an import-first market, with streaming reshaping music consumption dynamics and international artists gaining further and further market share locally. Supporting UK local artists and labels in their own market with Believe's unparalleled digital know-how and expertise is a key differentiator in the country.

The Group was also active in renewing or signing **partnerships with key players of the music digital ecosystem**, therefore supporting the development of artists and labels in the key markets addressed by the Group. As an example, Believe became one of the first companies to make available daily streams statistics from NetEase Cloud Music and Tencent Music Entertainment (TME), thus allowing its labels and artists in China and abroad to monitor their performance on the platforms in real time. In the past decade,

¹ Organic change accounts for revenue growth at a like-for-like perimeter and at constant exchange rate.

² Source : 2022 Global Music report, IFPI (March 2022)

the Chinese music industry has undertaken a profound change towards a more structured ecosystem supporting music creation, fighting against piracy and offering greater transparency. Alongside players such as TME, NetEase Cloud Music and ByteDance, Believe has been at the forefront of this evolution, accompanying the switch of the Chinese music market toward a sustainable business model through its licensing approach and philosophy of supporting local artists.

Believe further consolidated its market position and achieved several milestones during the quarter. The **digital know-how and expertise** of Believe resulted in strong and profitable growth and ensured a solid performance of the Group's roster. Nuclear Blast, the metal label owned by the Group allowed Believe to land its first Number 1 UK Album with Don Broco's 'Amazing Things' in February 2022. Believe had artists gaining top ranking in their local markets in several European countries including France, Germany, Spain as well as in multiple Southeast Asian markets including Thailand and Indonesia. Since the external growth transaction completed in the Philippines in Q4 2021, Believe helped Viva Music & Artist Group (VMAG) to significantly increase monetization on YouTube and to secure the acquisition of a major catalogue and future new releases of Up Dharma Down, one of the largest music bands of the country. Believe also had several artists entering the top 100 videos on YouTube global charts, including the video clip of the Indonesian top artist Tulus ranking #10 worldwide.

The strategic initiatives implemented at TuneCore (Automated Solutions) including the new distribution service Social Platforms introduced last November and additional localization met significant success as demonstrated by the solid growth recorded during the quarter. In addition, the Group demonstrated it can **successfully develop artists at any stage of their career** as illustrated by the record-breaking milestone of \$2.5 billion paid to music creators as of today since inception (in 2006). Committed to the development of music creators, TuneCore is currently testing a new pricing structure in two selected markets in order to better support music creators who want to release music constantly. As music consumption through digital has grown, today's artists and music creators are indeed releasing more often throughout the year. The new pricing structure is therefore needed to support how artists release music today and aims at reaching younger music creators who are more price sensitive, therefore expanding further the addressable market of the automated platform.

Believe continued **rolling out best-in-class solutions and technology** to develop artists at any stage of their career. The Group deployed a new playlist monitoring tool during the quarter, which allows Believe to track results on retail partners' editorial placements and evaluate impact on streams. In addition, the tool maximizes reporting capabilities on Believe's editorial and marketing performance by scanning thousands of playlists.

The Group also pursued its **focus on parity which is a key pillar of its CSR strategy**. Thanks to an active policy towards promoting gender equality at all levels, Believe made significant progress and reached an excellent result of 99/100 for the French metric "Gender Equality index" for France in 2022. Believe decided to draw inspiration from the French index model to progressively extend the measurement of gender equality to other countries where the Group operates.

Revenues

Q1 2022 revenues grew by 30.9% compared to Q1 2021 to reach €162.5 million, mostly reflecting strong organic growth of +31.4%. Organic growth included additional organic revenues from the extended service agreements, which were part of the strategic M&A transactions concluded in Q4 2021 (adding +1.7% of organic growth). The start of the year was in line with Q4 2021 performance (Q4 organic growth: +32.3%). The outbreak of the Russia-Ukraine crisis affected the level of activity in March of the local business unit, resulting into a slower pace of growth for the Group compared to January and February. The favorable structural trends in the digital industry continued supporting strong growth outside Russia and Ukraine, while Believe further leveraged its past investment in local sales and marketing and gained additional market share in several territories.

Organic growth was solid throughout the quarter outside Russia and Ukraine, and several emerging markets notably in Asia and Latin America remained on fast growth aligned with last year trends thanks to increased paid streaming and better monetization of ad-funded streaming services. Non-digital revenues were down during the quarter versus prior year, with physical revenues declining single digit notwithstanding progress in the ongoing curtailing of physical heavy contracts in Germany.

Revenues by geography: growth in all geographies

In Q1 2022, revenues in **Asia Pacific and Africa** grew again strongly at +56.3% compared to last year and represented 24.7% of Group revenues. Market dynamics remained strong across the various regions and growth was particularly strong in China, India and the Philippines. The Group further consolidated its market position in Asia thanks to significant investment in local teams and to the strengthening of premium services offering. Organic revenues were also uplifted by the extended service agreements with Think Music and VMAG, which were part of the transactions signed with Believe in Q4 2021.

<i>in € million</i>	Q1 2021	Q1 2022	Change YoY
APAC / Africa	25.6	40.1	+56.3%
France	21.8	28.4	+30.0%
Americas	18.2	23.5	+28.7%
Europe (excl. France & Germany)	35.2	44.9	+27.6%
Germany	23.2	25.7	+10.5%
Total	124.1	162.5	+30.9%

In **France**, revenues increased by +30.0% in Q1 2022, driven by a strong performance of digital sales recorded across all activities, largely compensating a drop in non-digital sales. Organic revenues were uplifted by the extended service agreements with Play Two and Jo&Co, the two independent French labels which entered in strategic partnership with Believe in Q4 2021. France represented 17.5% of Group's revenues.

Americas grew by +28.7% and represented 14.4% of total revenues, resulting from strong activity level in Latin America notably in Argentina and Brazil thanks to solid investment in local sales and marketing and solid growth in the United States reflecting TuneCore performance.

Europe (excluding France and Germany) reported revenue growth of +27.6% and represented 27.7% of total revenues in Q1 2022. The level of activity outside Russia and Ukraine remained very dynamic and particularly sustained in the UK and in the Nordics where paid streaming penetration is relatively mature. After a strong start of the year, revenues generated by the Russian and Ukrainian business declined in March affecting revenue growth in the region at the end of the quarter.

In **Germany**, revenues grew by +10.5% compared with last year and represented 15.8% of Group revenues over the quarter. Digital revenues grew significantly but the overall performance was impacted by the reorganization to reduce exposure to physical heavy contracts which is not yet completed.

Revenues by segment

In terms of segment, **Premium Solutions** revenues amounted to €151.1 million in Q1 2022, or an increase of +30.7% compared with last year, reflecting strong organic growth. Believe further benefitted from favorable underlying trends across all regions, while further leveraging its previous investment in local teams and the expansion of its service offerings in several regions, notably in Asia and Europe. The level of activity remained on Q4 2021 trajectory (+32.7%) in the beginning of the year but witnessed a slower pace of growth at the end of the quarter due to the Russia-Ukraine crisis which affected the business in these two countries.

Automated Solutions returned to a more normalized pace of growth in Q1 2022. Revenues amounted to €11.4 million and grew by +33.6% compared with prior year, mainly driven by strong organic growth and positive forex impact related to the US dollar appreciation versus the euro. The introduction of the new discovery service on social platforms met a large success and attracted particularly a younger audience. Additional localization and past investment reinforced the overall attractiveness of TuneCore offering. As a result of these various initiatives, the addition of new customers was particularly solid during the quarter.

FY 2022 outlook update

The start of the year was very dynamic at +30.9% but revenues were impacted by the Russia-Ukraine crisis at the end of the quarter, with revenues of the Russian-Ukrainian business unit down around 20% in March and further decreasing while entering in the second quarter.

Revenues generated in Russia and Ukraine were around €50 million in FY 2021 and are now anticipated to record a decrease comprised between 30% and 40% in FY 2022 compared with prior year. Most of international digital service providers (DSPs) stopped monetization in Russia, which will negatively impact

revenues generated locally. Business with local DSPs is also indirectly affected by the ruble depreciation, partially compensated by increased monetization. Believe operates with full compliance with international sanctions and recommendations and is closely monitoring their evolution to take any new required actions.

Outside Russia and Ukraine, business dynamics remained strong. Believe anticipates benefitting from positive structural market trends and continues to leverage the attractiveness of its global digital platform model to nurture strong and profitable organic growth. As revenue growth presented some bumps in 2021 due to a comparison basis impacted by the Covid-19 pandemic and a decelerating market growth, the Group anticipates a more normalized growth rate in FY 2022. Believe expects organic growth to reach +25% outside the Russia-Ukraine business, at the top end of the range announced for the 2021-2025 period at the IPO and an organic growth for the full Group of c.+20% in FY 2022. This includes a positive impact of around 2% related to the extension of service agreements concerning Play Two, Jo&Co, Think Music and VMAG, which have been concluded as part of the strategic partnerships signed with these companies in Q4 2021.

The Group is currently investing in the central platform and in its local teams and will continue throughout FY 2022 to fuel future profitable growth, while actively managing its investment cycle in the current environment. Priority remains to invest in reinforcing market position as the digitalization of the music market is growing. Believe anticipates therefore to maintain its Adjusted EBITDA margin around last year's level (4%).

Overall, the Group is on track with its strategic roadmap to build the best development platform and confirms its mid-term trajectory, including a CAGR 2021-2025 comprised between +22% to +25% and Group Adjusted EBITDA of 5% to 7% by 2025, implying an Adjusted EBITDA margin of segments of 15%-16%, which corresponds to a 'high-growth period' margin as revenue increase is largely reinvested. Believe remains confident in its capacity to achieve its long-term objective to reach Group Adjusted EBITDA margin of 15%.

Webcast:

We will host a webcast <https://edge.media-server.com/mmc/p/tboi3p5s> and conference call on Wednesday, May 4 starting at 9:00 a.m. CET. Denis Ladegaillerie, our Founder and CEO, and Xavier Dumont, our Chief Operating Officer and Chief Financial Officer, will present Q1 2022 revenues and answer questions addressed in the call or submitted through the webcast. All information related to the interim results are available on our investor website: [Financials | Believe](#)

Conference call details:

France, Paris: +33 (0)1 70 91 87 04; United Kingdom, London: +44 121 281 80 04; United States, New York: +1 718 705 8796

Conference ID: No conference ID needed; participants will be greeted by an operator.

2022 financial agenda:

20 June 2022: Annual Shareholders' Meeting

3 August 2022: H1 2022 earnings - Press release to be issued after market close

3 November 2022: Q3 2022 revenues - Press release to be issued after market close

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Appendix

1. Revenue breakdown between digital and non-digital sales

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Digital sales	90%	92%	92%	90%	93%
Non-digital sales	10%	8%	8%	10%	7%

2. Digital sales growth

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Digital sales	+26.0%	+41.7%	+30.4%	+35.9%	+35.3%
Non-digital sales	+29.6%	+17.2%	-1.5%	-3.1%	-6.5%

About Believe

Believe is one of the world's leading digital music companies. Believe's mission is to develop independent artists and labels in the digital world by providing them the solutions they need to grow their audience at each stage of their career and development. Believe's passionate team of digital music experts around the world leverages the Group's global technology platform to advise artists and labels, distribute and promote their music. Its 1,430 employees in more than 50 countries aim to support independent artists and labels with a unique digital expertise, respect, fairness and transparency. Believe offers its various solutions through a portfolio of brands including TuneCore, Nuclear Blast, Naïve, Groove Attack and AllPoints. Believe is listed on compartment A of the regulated market of Euronext Paris (Ticker: BLV. ISIN: FR0014003FE9).

www.believe.com

Forward Looking statement

This press release contains forward-looking statements regarding the prospects and growth strategies of Believe and its subsidiaries (the "Group"). These statements include statements relating to the Group's intentions, strategies, growth prospects, and trends in its results of operations, financial situation and liquidity. Although such statements are based on data, assumptions and estimates that the Group considers reasonable, they are subject to numerous risks and uncertainties and actual results could differ from those anticipated in such statements due to a variety of factors, including those discussed in the Group's filings with the French Autorité des Marchés Financiers (AMF) which are available on the website of Believe (www.believe.com). Prospective information contained in this press release is given only as of the date hereof. Other than as required by law, the Group expressly disclaims any obligation to update its forward-looking statements in light of new information or future developments.

Some of the financial information contained in this press release is not IFRS (International Financial Reporting Standards) accounting measures.