



**Q1'24 adjusted organic growth of +16,1%, with digital revenue growth in line with Q4'23
Confirmed outlook with organic growth expected to accelerate in the next quarters**

Paris, France – April 24, 2024

Q1 2024 Key Figures

- Revenue of €230.3 million in Q1'24, up +15.9% at current rate, with organic growth of +12.5% including currency headwinds embedded in Premium solutions digital sales. Quarterly adjusted organic growth¹ amounted to +16.1% in Q1'24.
- Digital sales grew at par with Q4'23 on an organic basis, while non-digital sales were flat during the quarter after strong double-digit growth at the end of last year due to strong live and branding activities.

Q1 2024 Highlights

- Healthy paid streaming growth continued, uplifted by several DSPs' price increases. These positive trends were however mitigated by persistent currency headwinds directly embedded in digital monetization.
- Strong revenue growth in France and Europe driven by success in developing local acts.
- Performance in Asia reflecting the absence of ad-funded streaming recovery, value decrease of several Southeast Asian markets and a soft performance in India at par with the local market.
- Focus on artist development through the launch of new features and development of new solutions.
- Reviewed organization to further increase strategic and execution capabilities and prepare for the next phase of expansion.

2024 Outlook

- Organic growth was in line with expectations in Q1'24 and is anticipated to accelerate in Q2'24. Believe confirms its growth scenario for FY'24: increase in paid streaming driven by volume and price, progressive recovery in ad-funded streaming and additional market share gains. Believe assumes limited currency headwinds embedded in the market (c. -2% expected for FY'24). Believe will further invest in its development during the year, while pursuing efficiency gains. Based on those assumptions, Believe expects:
 - Organic growth of c. +18%. Adjusted organic growth for embedded market FX of c. +20%.
 - Further progress in Adjusted EBITDA margin: c. 6.5%.
- The Group's reinforced appeal is generating a higher level of attractive commercial opportunities and therefore of advances. The Group anticipates that artists and labels' advances will increase in FY'24 in line with revenue, further building its long-term revenue base. Overall, advances will continue impacting free cash flow generation and the Group therefore anticipates free cash flow to be slightly positive in FY'24.

¹ Adjusted organic growth aims at providing a view on Believe's organic revenue growth after neutralizing embedded market forex impact: Believe assesses the forex impact on each digital market served by the Group to estimate the market forex embedded into its digital revenues collected from its digital partners. Digital sales embed currency translation effects as the amounts collected from Subscriptions and Ad-funded by digital stores are in local currencies and perceived by Believe mainly in euros.



Denis Ladegaillerie, Founder and CEO said: *“Despite market headwinds in some of our key geographies, Believe continues to demonstrate its capacity to grow. We are leveraging our innovation and digital expertise to shift the company towards higher market segments. Our attractiveness opens new opportunities and we are well positioned to benefit from the structural trends of the music market.”*

Q1 2024 Revenue

<i>in € million</i>	Q1 2023	Q1 2024	<i>Change YoY</i>	<i>Organic change²</i>
Group Revenues	198.6	230.3	+15.9%	+12.5%
<i>Premium Solutions</i>	186.0	215.3	+15.8%	+12.6%
<i>Automated Solutions</i>	12.7	14.9	+18.2%	+10.8%

Q1 2024 HIGHLIGHTS

Organic revenue growth adjusted from currency headwinds is up c. +16.1%

In Q1'24, Believe recorded as anticipated a lower organic growth than in Q4'23, which benefited from a very strong level of live and branding activities. Revenue was still penalized by negative embedded market FX. As previously described, the Group's organic growth captures currency translation effects directly embedded in the royalties that Believe receives from its digital partners.

Paid streaming trends were solid and uplifted by price increases at several large digital platforms. Ad-funded streaming monetization presented better trends in Europe and Americas but did not yet recover in Asia as expected.

Asia was penalized by the decline of several Southeast Asian music markets due to lower volumes and currency headwinds. The level of activity in India was soft and at par with the local market. With a view to mitigate this impact, the Group pursued its strategy to focus on premium segments and increase the commercial value of artists and labels within these segments.

Q1'24 revenue grew by +15.9% to reach €230.3 million, reflecting organic growth of +12.5%, a positive perimeter effect related to the acquisition of Sentric (music publishing) of +5.1% and a negative forex effect (-1.7%) mostly related to the Turkish lira devaluation. Revenue was also strongly affected by currency headwinds in Q1'24 (-3.6%).

Pursuing investment locally to support artist development and increase artists' commercial value at each stage of their career

In France, the Group pursued its strategy of smart partnerships to consolidate position in specific music genres and offer new discovery and development opportunities. Believe and Kidding Aside concluded a strategic partnership with the creation of All Night Long, a label uniquely positioned to support artists spanning the whole spectrum of electronic music (from underground and mainstream to techno and EDM). The label will provide artists with a personalized comprehensive toolkit, specialized digital know-how, and dedicated promotional and marketing teams tailored to the specificities of electronic music. The first lineup of artists revealed on the label includes NTO, Folamour, TDJ, Urumi, The Acid Arab collective, and Trym. Believe became also the first music company to partner with BeReal in France, opening new avenues for its artists to engage and grow their audiences.

² Organic growth accounts for revenue at constant perimeter and constant exchange reports



In addition, Believe demonstrated its ability to develop innovative solutions to promote the development of artists and their engagement with their fans, as illustrated by the launch of 'The Girliverse' in the UK, the brand new interactive online experience of alt-pop sensation Girli.

With sustained growth in the past few years, Believe is now positioned in Brazil as one of the country's leading music companies, supporting a growing number of artists across all music genres and stages of their career. During the quarter, the Group further supported Brazil's music scene growth by strengthening its investment locally and adding to its roster several top names from Brazil's rap music scene, including Cryzin, Grego, Marquinho No Beat, Giana Mello and Slim Rimografia. These signings confirmed Believe's global leadership in this fully digital music genre.

New partnership to support the development of self-releasing artists

At the end of Q1'24, TuneCore successfully launched an integrated partnership with Presonus®' digital audio workstation Studio One®. The partnership will allow Studio One® users to send their music to stores and streaming platforms as soon as they finish the recording process and will drastically enhance the user experience by simplifying the distribution process for self-releasing artists.

Reviewed organization to prepare the next phase of expansion

Believe shaped a new organization to improve its strategic and execution capabilities with two notable changes: the introduction of a new role of Global head of music and an increased focus on regionalization.

The Global Head of Music is responsible for designing Believe's global music strategy, overseeing the acceleration in Artist Services which has been deployed in over 14 countries in the past few years and the full deployment of a value-based strategy for Label & Artist Solutions. This will be key to further growing the commercial value of artists and labels at any stage of their career.

The Group also implemented a regional organization for the local teams. On the back of his success in developing Believe in France, Romain Vivien was promoted to the new role of Global head of Music and President Europe, covering France, Germany and the UK. Sylvain Delange will continue overseeing the Asia Pacific region that notably includes Japan, China and India, 3 out of the top 10 global music markets, while Viktoria Siniavskaia added new regional responsibilities covering the other markets (Southern and Eastern Europe, Middle East, Africa), to ensure a consistent deployment of the strategy focused on developing commercial value of artists and labels in all top 15-30 global music markets.

Q1 2024 FINANCIALS

Solid trends in Premium and Automated Solutions despite persistent currency headwinds

In **Premium Solutions**, revenues amounted to €215.3 million, up +15.8% at current rate. Believe faced persistent currency headwinds, which affected digital monetization of the segment. Organic growth adjusted for estimated embedded market FX amounted to +16.5%, resulting from organic growth amounting to +12.6%. Revenue included a perimeter effect of +4.8% driven by the acquisition of Sentric in April 2023. Music publishing activities performed well and benefited from the switch to SACEM as digital partner for collection at better terms than previous arrangements. The Group continued to gain market share in most key countries and continued to outperform in Europe and Americas in the quarter. The level of activity in Asia was however less buoyant as the ad-funded streaming did not recover yet in the region and several Southeast Asian markets recorded a significant value decrease compared with last year, reflecting lower volumes and currency headwinds.



Automated Solutions revenues amounted to €14.9 million, up +18.2% year-over-year reflecting organic growth of +10.8% and a perimeter effect linked to Sentric acquisition of +9.9%. These positive effects were however mitigated by a negative forex impact of -2.6% mostly related to the Japanese yen weakening versus the euro. After a successful launch in Q4'23 as a free trial, the new artist and audience development program, TuneCore Accelerator, started contributing revenue. The program serves artists at different stages of their career and was created in direct response to self-releasing artists' growing need for a better way to find and develop their audiences, especially in the early phases of their career. Separately, TuneCore's price increases enacted in December '23 will be accounted for over the year and therefore had a limited positive impact in Q1'24. Finally, TuneCore rolled out a comprehensive suite of music publishing services to help independent songwriters increase their earnings in over 200 countries, creating a more efficient and greatly enhanced user experience.

Strong growth in Europe and France

Revenue growth amounted to +41.0% in **Europe (excluding France and Germany)** and represented 33.3% of total revenues in Q1'24. The performance was enhanced by a perimeter effect (which positively impacted the UK performance) related to the integration of Sentric in the region for the last quarter as the acquisition took place in April'23. Revenue growth was strong in Southern Europe, Eastern Europe and Turkey.

<i>in € million</i>	Q1 2023	Q1 2024	Change YoY
Europe (excl. France & Germany)	54.4	76.8	+41.0%
France	32.1	38.6	+20.0%
Americas	29.4	32.7	+11.2%
Asia Pacific / Africa	56.1	56.3	+0.5%
Germany	26.6	26.0	-2.5%
Total	198.6	230.3	+15.9%

In **France**, revenues were strongly up in Q1'24 and represented 16.7% of Group revenues. The Group continued to gain market share thanks to the greater diversification of the roster and maintained its leadership in rap music. Believe also launched All Night Long with the artist management agency Kidding Aside, a label dedicated to electronic music, as the Group is building its global position in this music genre. Believe also benefited from strong non digital sales as its position among the top 3 players for local acts resulted in a strong level of live and merchandising activities for top acts.

Americas grew by +11.2% and represented 14.2% of Group revenues. The Group further developed its presence in the Latin music space, illustrated by a strong level of activity in Mexico and several Latin American markets. In Brazil, revenue growth remained solid, and the team had a strong quarter of new signings. This solid performance also reflected TuneCore's revenue growth, driven notably by the roll out of the new marketing program TuneCore Accelerator.

In Q1'24, revenue growth was up slightly **in Asia Pacific and Africa**, which represented 24.5% of Group revenues. Believe further established its presence in Greater China and had a strong start in Japan with the launch of PLAYCODE. The performance in the region was however affected by the absence of recovery in ad-funded streaming and by value decline in several Southeast Asian markets due to lower volumes and currency headwinds. The performance in India was also soft, at par with the market, which has been affected by some pricing changes implemented by our digital partners.

In **Germany**, revenues were down -2.5% in Q1'24 and represented 11.3% of Group revenues. Digital sales were up during the quarter confirming Q4'23 trends, thanks to the strong positioning on local acts and the ongoing diversification of music genres in the roster. On the back of its strategy to accelerate exit from contracts which were too heavy in physical sales and merchandising, non-digital sales further declined and now represent less than 15% of revenue in the region.



FY 2024 OUTLOOK AND MID-TERM OBJECTIVES

In FY'24, the Group will continue to drive a profitable growth trajectory towards its long-term profitability objective of 15% Adjusted EBITDA margin.

As anticipated, Q1'24 organic growth was below Q4'23 rate, which benefited from a very strong level of live and branding activities while digital revenue growth in Q1'24 was on par with Q4'23. The growth scenario for the rest of the year implies solid paid streaming trends, which will combine new subscribers and price increases at some DSPs and a progressive recovery of ad-funded streaming. Ad-funded streaming is not anticipated to recover in emerging markets before the second half of the year. The growth scenario also implies additional market share gains across regions, and notably in countries where the Group is not yet ranking in the Top 3 for local acts. Believe also anticipates an improved currency environment for digital monetization. The Group assumes that the negative embedded market forex effect will reduce over time and amount to -2% in FY'24, compared with -5.1% in FY'23. Consequently, Believe expects Adjusted Organic growth of c. +20% in FY'24.

The Group will continue to adapt the investment cycle to market growth and will therefore size its investment in each key market. Believe will also continue to optimize investments in the Central Platform and increase efficiency through automatization. The Group will further focus on efficiency during the year, but margin improvement will be lower than in FY'23 due to the higher level of Tech & Product spending. As a result, the Group anticipates an Adjusted EBITDA margin of c. 6.5%.

The Group will continue to allocate cash between advances and acquisitions in the next months. Believe's reinforced appeal to a greater number of artists and labels in a wider variety of music genres and the ongoing industry consolidation provide more attractive opportunities for the Group, which will therefore allocate more cash to internal and external investments going forward.

The Group is on track to deliver on its medium-term trajectory communicated at the IPO, including a 2021-2025 CAGR of between +22% and +25% and a Group Adjusted EBITDA of 5%-7% by 2025, implying a segment Adjusted EBITDA margin of 15%-16% (which is a "high growth period" margin, as the revenue growth is partially reinvested). Believe reiterates its confidence in its ability to achieve its long-term target of at least 15% Group Adjusted EBITDA margin.

Webcast:

We will host a webcast <https://edge.media-server.com/mmc/p/pzqhsc5g> and conference call starting at 6:30 p.m. CET (5:30 p.m. GMT) today. Denis Ladegaillerie, our Founder and CEO, and Xavier Dumont, our Chief Financial and Strategy Officer, will present Q1'24 revenue and answer questions addressed in the call or submitted through the webcast. All information related to Q1'24 revenue is available on our investor website.

Conference call details:

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Conference ID: 88365



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Financial agenda Believe (Ticker: BLV, ISIN: FR0014003FE9):

1st August 2024: H1 2024 earnings – Press release to be issued after market close.

23 October 2024: Q3 2024 revenue – Press release to be issued after market close.



Appendix

1. Revenue breakdown between Digital and non-digital sales growth (as reported)

	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Digital sales	93%	90%	92%	86%	90%	90%
Non-digital sales	7%	10%	8%	14%	10%	10%

2. Revenue breakdown between Digital and non-digital sales growth (as reported)

	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Digital sales	+ 22.2%	+ 11.9%	+ 7.1%	+ 12.3%	+13.0%	+ 12.1%
Non-digital sales	+ 21.8%	+ 42.1%	+ 39.6%	+ 74.6%	+48.2%	+ 64.0%

3. Adjusted Organic Growth (organic growth adjusted from embedded market forex impact)

	Q1'23	Q2'23	Q3'23	Q4'23	FY'23	Q1'24
Adjusted organic growth	+23.1%	+18.0%	+15.4%	+21.8%	+19.5%	+ 16.1%

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 1,919 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 Believe, TuneCore, Nuclear Blast, Naïve, Groove Attack, AllPoints, Ishtar and Byond. Believe is listed on compartment B 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 ([Investors | Believe](#)). 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.