

Strong start to the year for Believe with organic revenue up +22.8% in Q1'23, reflecting further market share gains and resilient paid streaming

Paris, France – April 27, 2023

Q1 2023 Key Figures¹

- Revenues of €198.6 million, up +22.2% at current rate, mostly reflecting an organic growth of +22.8%.
- Digital revenue growth of +22.2% reflecting resilient paid streaming, further market share gains and low single-digit growth rate in line with expectations for ad-funded activities at main stores.
- Non-digital sales up +21.8% driven by branding and merchandising activities, which fully offset the decline in physical sales.

Q1 2023 Highlights

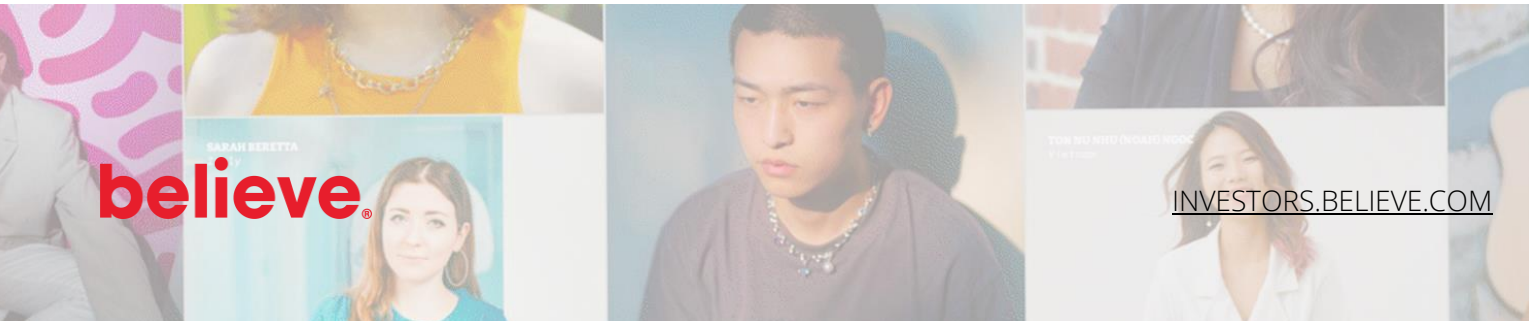
- Solid organic revenue growth reflecting the strength of the Group's multi-tier model and strategy to build leading market positions in its key markets.
- An ever-growing portfolio of artists and labels across key markets that benefits from Believe's expertise in digital development.
- Acquisition of Sentric as a first step in building a global and comprehensive publishing offer.
- Further aligning CSR indicators with Believe's strategy to *Shape Music for Good*.

2023 Outlook

- For FY'23, the Group is organized to deliver profitable growth in a base scenario of a degraded economic environment. Believe is also ready to accelerate investments in case of better macro-economic conditions. Given the economic uncertainties and notwithstanding a stronger Q1'23 than expected, Believe maintains the assumptions underlying its growth scenario for FY'23, e.g. continued increase in paid streaming, continued market share gains and challenging ad-funded streaming monetization. These assumptions translate into:
 - Organic growth of +18%
 - Further progressive improvement in Adjusted EBITDA margin: c. 5.0%
 - Positive free cash flow
- Believe expects to leverage its cash to pursue its acquisition strategy in FY'23, driven by opportunities created by current market conditions.

Denis Ladegaillerie, Founder and CEO said: *"This great start to the year, marked by strong operational milestones and solid organic performance, shows that we are well on track to deliver another year of profitable growth. Quarter after quarter, we are reinforcing our leadership in digital music, strengthening our appeal to artists and labels by the addition of value-added solutions and tools, increasing our global reach through a successful investment strategy, and training our teams, artists and labels to thrive in the digital ecosystem. This quarter is no exception, and it marks another step towards our ambition to be the best company at developing digital artists at each stage of their career."*

¹ Alternative performance indicators are presented, defined and reconciled with IFRS in appendices 1 of this press release (page 6).



Q1 2023 KEY FIGURES

<i>in €million</i>	Q1 2022	Q1 2023	Change YoY	Organic change
Group Revenues	162.5	198.6	+ 22.2%	+ 22.8%
<i>Premium Solutions</i>	151.1	186.0	+ 23.0%	+ 23.8%
<i>Automated Solutions</i>	11.4	12.7	+ 11.2%	+ 9.8%

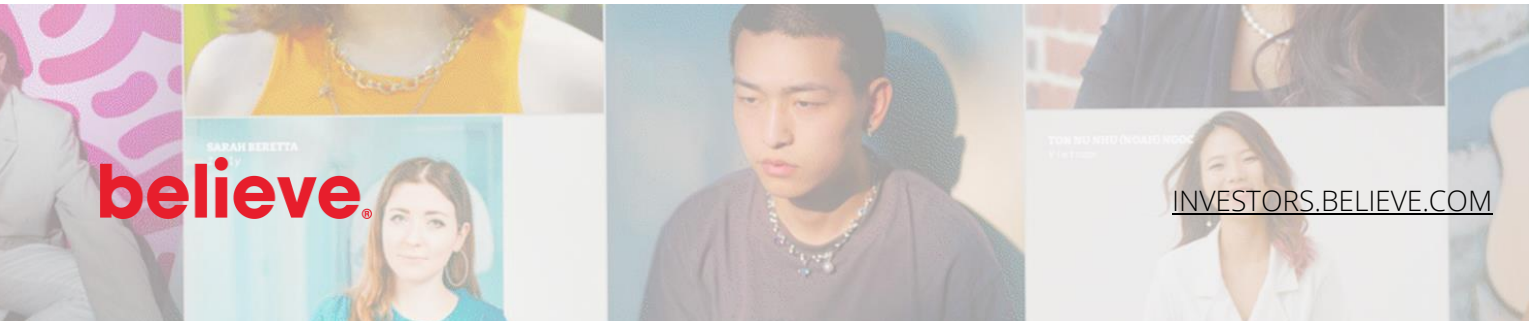
Q1 2023 HIGHLIGHTS

An ever-growing portfolio of artists and labels across key markets that benefits from Believe's expertise in digital development

Believe made strong share gains in all its key countries, as its appeal to artists and labels reached a greater audience due to the growing number of music genres becoming more digital. The Group started the year with a balanced and geographically diverse roster, which recorded a strong performance in Q1'23 despite the lower contribution of ad-funded streaming monetization. All business lines have been growing during the quarter illustrating the strength of Believe's model and strategy to best serve artists and labels at each stage of their career.

Believe's strategic blueprint consists in focusing on music genres where artist promotion and marketing are digital. The launch of b:electronic in Q3'22, a new global imprint dedicated to electronic music illustrates this framework. The imprint further bolsters the offering for artists and labels, helping them reach global audiences thanks to teams with an in-depth understanding of the electronic music scene. Since this launch, the Group signed several long-term label solutions partnerships with renowned brands such as Hospital Records and Rinse in the UK, Big Top Amsterdam, Blackout Music and Mixmash in the Netherlands, Cercle and Roche Musique in France. The labels receive support in growing their international reach through Believe's audience development solutions and tools, including video channel management, strategic support, as well as benefit from Believe's editorial and marketing partnerships with global Digital Service Providers. Believe's commitment to the electronic music genre was also confirmed across its services' offer as illustrated by the recently announced global partnership of TuneCore with Beatport, the global leader in music for DJs, producers, and their fans, enabling TuneCore artists to distribute their songs to the platform.

The investments in new teams addressing the digital segments in fast growing markets in Europe and Asia supercharge the growth of the Group in those markets. As an example, Believe confirmed its leadership in Southeast Asia as its appeal to local artists and labels kept increasing thanks to the investment in local teams and reinforced leadership teams. For example, Believe signed TimeThai, one of the most popular Thai solo artists under the hip-hop imprint Byond launched last year and the duo Reinizra, one of the most promising new pop Thai artist, under the Believe brand in Thailand, the largest Southeast Asian music market in terms of revenue (according to IFPI 2023 survey), which has grown the fastest over the last 5 years driven by ad-support revenue growth and accelerated paid streaming adoption. Another illustration of this strategy is the appeal to top artists in France, with the Artist Services offer. During the quarter, the French teams signed Hamza, a multi-platinum rapper while signing JUL through a new multi-album deal extending his catalog exploitation terms.



Acquisition of Sentric as a first step in building a global and comprehensive publishing offer

Believe is engaged in providing artists and labels with the best level of service in digital to support their development. The acceleration of the digitalization of the €8.5bn² publishing market presented Believe with an attractive opportunity to build a service for songwriters and publishers, in a way that is both innovative and complementary with its core recorded music offering. Sentric's positioning and capabilities represent a unique opportunity to build a leading platform for collection as a key element of that future offering. Sentric's proprietary and innovative platform is one of the most advanced solutions in the market, able to manage publishing for self-releasing artists profitably and at scale, while also offering global publishing deals to rights-holders at each stage of their development. Believe will immediately expand the commercial deployment of Sentric in Automated Solutions and is currently working on the value proposition for Premium Solutions.

Further aligning CSR indicators with Believe's strategy to *Shape Music for Good*

The Group pursued its active policy towards promoting gender diversity and towards training in the music industry and across all levels of its organization. Believe implemented new tools that enrich and facilitate the training of internal teams. The Group also rolled out new actions toward gender diversity promotion. In partnership with Luminare, the Group conducted the survey *Be the Change* for the third year in a row during the quarter. The study provided actionable solutions to drive change and progress across the industry. TuneCore also announced a new partnership with *Gritty in Pink*, an organization working to empower and support women reduce gatekeeping and democratize access to the music industry.

Its strong commitment to gender diversity and training led the Group to set new ambitious targets for its associated CSR indicators, which are applied in the CEO and executives' variable compensation and in the long-term incentive programs. Believe changed one of its CSR indicators for greater internal alignment. As the CSR strategy to *Shape Music for Good* is now pervasive in the organization, the Group decided to replace the Ambassador indicator by an eNPS indicator (Employer Net Promoter Score, measuring employee satisfaction and loyalty within their organization), that will be measured through the annual *Your Voice* survey deployed across the entire Group.

Solid organic revenue growth reflecting the strength of the Group's model and strategy to progressively build leading market positions in its key markets

Q1'23 revenue grew by +22.2% to reach €198.6 million, driven by organic growth of +22.8%. Q1'23 performance is aligned with Q4'22 trends as the Group operated in the same environment of resilient paid-streaming and challenging ad-funded streaming monetization, which grew only single digit at the main stores during the quarter. Its continuous investment in local teams and in the Central Platform secured additional market share gains in key markets, leveraging the ongoing digitalization of additional music genres.

Believe reported revenue growth across regions. Asian markets remained on a strong growth trajectory throughout the quarter despite a lower contribution of ad-funded streaming monetization, as the switch from ad-supported to paid streaming further progressed in these markets. Overall digital revenue grew by +22.2% during the quarter. Non-digital sales increased by +21.8%, mainly driven by the success of a film produced by DMC in Turkey and revenue growth in merchandising, branding and live activities in France and India, which fully offset the decline in physical sales notably in Germany.

² Source: publishing market data extracted from CISAC's Global Collection Report 2022.

Premium Solutions leading the revenue growth, Automated Solutions confirming its leadership for self-releasing artists

In terms of segment, **Premium Solutions** revenues were up +23.0%, mainly driven by organic growth of +23.8% in Q1'23. Believe accelerated its investment over the past years, notably in Asia and Europe, and is now offering its full set of services offer across its key markets. Reinforced local capabilities allowed Believe to address the increased number of digital music genres and artists, while its expertise in audience and monetization development in the digital ecosystem ensured a strong performance of the existing portfolio.

In **Automated Solutions**, revenues were up +11.2%, reflecting organic growth of +9.8% and a positive forex impact of +1.4%. The implementation of the Discovery offer at the end of FY'21 drove the number of subscribers up in H1'22, which resulted in a greater share of ad-funded monetization due to the revenue share model associated to this offer. This greater sensitivity will impact the performance in the short term. After the introduction of the three paid subscription plans of the Unlimited Pricing offer in June, a solid number of creators switched from the Discovery offer to the highest pricing plan in H2'22 and Q1'23. The lower revenue per subscriber compared with the previous price plans impacted the growth rate of the business despite the increasing number of new subscribers, which is still in the ramp up phase.

Growth in all geographies, with a particularly strong increase in Asia Pacific and Africa

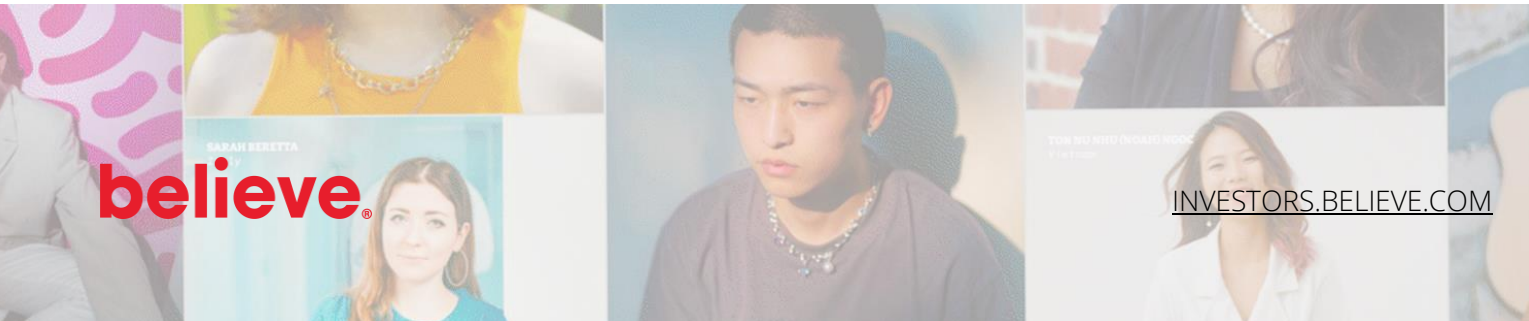
In Q1'23, revenue growth reached +40% in **Asia Pacific and Africa**, which represented 28.2% of Group revenues (versus 24.7% in Q1'22). Market dynamics were strong in the first quarter across all Asian markets. Believe's roster in the region grew significantly over the past few years thanks to the continuous investment in local teams and the deployment of the full services' offer in most markets. The Group recorded strong growth in India, Greater China and Southeast Asia alike.

<i>in € million</i>	Q1 2022	Q1 2023	Change YoY
APAC / Africa	40.1	56.1	+40.0%
Americas	23.5	29.4	+25.2%
Europe (excl. France & Germany)	44.9	54.4	+21.1%
France	28.4	32.1	+13.2%
Germany	25.7	26.6	+3.7%
Total	162.5	198.6	+22.2%

Americas grew by +25.2% and represented 14.8% of Group revenues. Believe benefitted from a strong level of activity in Latin America, notably in Brazil where the Group was particularly successful during the quarter. TuneCore pursued its positive trajectory, but the dynamic is mitigated by lower ad-funded streaming monetization and a revenue per user that is still impacted by the introduction of the new pricing offer in this ramp up phase.

Europe (excluding France and Germany) recorded revenue growth of +21.1% and represented 27.4% of Group revenues in Q1'23. The fastest growing countries were in Southern Europe and Eastern Europe. Turkey returned to strong growth during the quarter, with revenue growth significantly uplifted by the success of a film produced by DMC. Overall, the level of activity remained dynamic but was affected by lower ad-supported streaming monetization.

In **France**, revenues increased by +13.2% in Q1'23 and represented 16.2% of Group revenues. Believe continues gaining digital market share but market dynamics have been weaker. Believe is now serving a wider diversity of music genres in the country, notably through greater exposure to pop music. The rise of top artists in the French portfolio translated into a strong level of synchronization, branding and merchandising activities during the quarter.



In **Germany**, revenues increased by +3.7% in Q1'23 and represented 13.4% of Group revenues. Digital sales continued growing double digits at a solid pace, driven by the success of Believe on local repertoire. The performance was however affected by a strong decline in physical sales linked to the lowered exposure to physical sales-heavy contracts.

FY'23 OUTLOOK AND MID-TERM OBJECTIVES

In FY'23, the Group continues to drive a profitable growth trajectory towards its long-term profitability objective of 15%. The Group is thus organized to deliver such profitable growth in a scenario of degraded economic environment impacting ad-funded streaming activities. Believe is also ready to accelerate its investments if macro-economic conditions enable the Group to generate stronger growth.

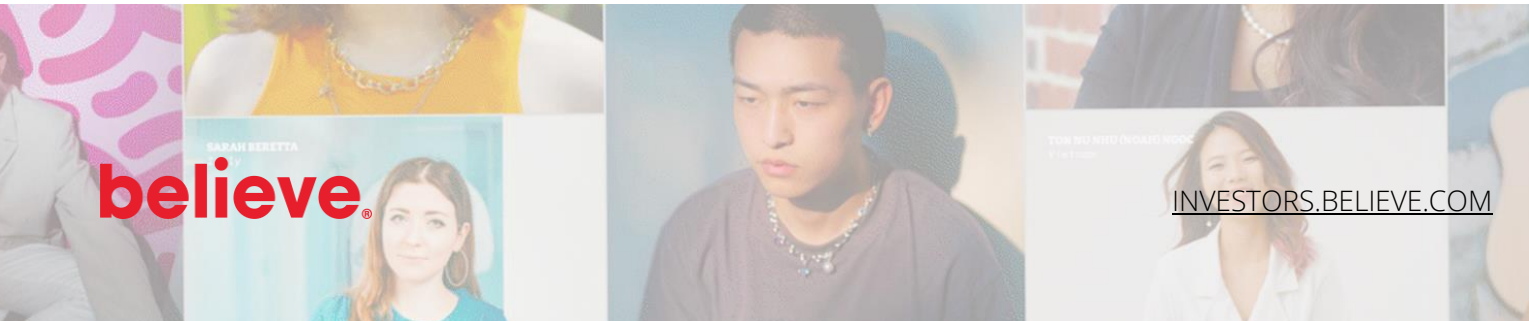
Given the economic uncertainties and notwithstanding a stronger Q1'23 than anticipated by the Group, Believe confirms its growth scenario for FY'23 which implies further increase and deployment of paid streaming, additional market share gains and challenging ad-funded streaming monetization. The switch from ad-supported to paid streaming is also expected to further progress in all markets. Believe therefore maintains its expectations of FY'23 organic growth around +18% for the Group. This would represent an organic CAGR of c. +25% for the period 2021-2023.

The Group also confirms it will pursue its acquisition strategy driven by opportunities created by current market conditions following the acquisition of Sentric late March. The integration of the publishing platform is anticipated to add around 3% to the revenue growth in FY'23. This will also enhance slightly the Adjusted EBITDA with a neutral impact on Adjusted EBITDA margin after accounting for integration costs.

Believe is committed to continue investing in its Central Platform to be at the forefront of innovation. The Group will also pursue its strong investment in local sales and capabilities to fuel its profitable growth and seize opportunities offered by the accelerated digitalization of a wider variety of music genres. The Group is also committed to raising progressively its Adjusted EBITDA margin and will therefore monitor its investment pace and focus on improving efficiency to reach an Adjusted EBITDA margin of c. 5% in FY'23.

The Group also confirms that it expects to generate positive free cash flow for the full year.

Overall, the Group is on track with its strategic roadmap to build the best digital music company to develop digital artists and labels at all stages of their career. Believe confirms 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/4aemxbab> 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 2023 revenue and answer questions addressed in the call or submitted through the webcast. All information related to the annual results are available on our investor website: [Believe - Investors Website - Financials](https://investors.believe.com)

Conference call details:

France, Paris: +33 (0) 1 70 91 87 04

United Kingdom, London: +44 1 212 818 004

United States, New York: +1 718 705 87 96

Conference ID: 88365

2023 financial agenda Believe (Ticker: BLV, ISIN: FR0014003FE9):

16 June 2023: Shareholders' Annual General Meeting - Meeting to start at 2pm CET.

2 August 2023: H1 2023 revenues and earnings - Press release to be issued after market close.

24 October 2023: Q3 2023 revenues - Press release to be issued after market close.

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Appendix

1. Use of Alternative Performance Indicators

To supplement our financial information presented in accordance with IFRS, we use the following non-IFRS financial measures:

- *Organic growth accounts for revenue growth at a like-for-like perimeter and at constant exchange rate.*
- *Adjusted EBITDA is calculated based on operating income (loss) before (i) depreciation, amortization and impairment, (ii) share-based payments (IFRS 2) including social security contributions and employer contributions (iii) other operating income and expense; and (iv) depreciation of assets identified at the acquisition date net of deferred taxes from the share of net income (loss) of equity-accounted companies.*
- *Free cash flow corresponds to net cash flows from operating activities, after taking into account acquisitions and disposals of intangible assets and property, plant and equipment, and restated for (i) costs related to acquisitions, (ii) acquisition costs of a group of assets, that does not meet the definition of a business combination and (iii) advances related to distribution contracts intended specifically for the acquisition of assets (acquisition of companies, catalogs, etc).*

2. Revenue breakdown between digital and non-digital sales

	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23
Digital sales	93%	92%	94%	91%	92%	93%
Non-digital sales	7%	8%	6%	9%	8%	7%

3. Digital and non-digital sales growth (as reported)

	Q1'22	Q2'22	H1'22	Q3'22	Q4'22	H2'22	FY'22	Q1'23
Digital sales	+35.3%	+40.1%	+37.8%	+39.6%	+22.8%	+30.5%	+33.8%	+22.2%
Non-digital sales	-6.5%	+32.1%	+11.4%	+6.1%	+17.6%	+12.9%	+12.2%	+21.8%

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 1,650 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 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.