



Strong Q3 driven by Believe’s appeal to artists and labels at all stages of their career and in all geographies

Revenue growth: +36.9% in Q3’22 and +35.9% year-to-date

Organic revenue growth: +37.6% in Q3’22 and + 36.3% year-to-date

FY 2022 guidance: Believe now anticipates organic growth in excess of +30%, Adjusted EBITDA margin at c. 4.5% and solid positive free cash flow

Paris, November 3, 2022 – Believe (Ticker: BLV, ISIN: FR0014003FE9), one of the world’s leading global digital music companies, published today its revenue for the third quarter of 2022.

Denis Ladegaillerie, Founder and CEO, said: “Our Q3 performance has been again very strong, with market share gains across all our main countries on all key digital music services. Our unique model built to serve artists and labels at all stages of their careers, is performing extremely well. With the increased penetration of streaming music in all markets, more and more music genres accelerate their digitalization. As a digital first music company, we are well positioned to pursue our profitable growth trajectory. Our expertise in maximizing audiences and monetization of labels and artists in the digital ecosystem unlocks new opportunities every day.”

in € million	Q3 2021	Q3 2022	Change YoY	Organic change ¹
Group Revenues	143.9	197.0	36.9%	37.6%
Premium Solutions	135.3	184.4	36.2%	37.7%
Automated Solutions	8.6	12.6	46.8%	36.1%
in € million	9M 2021	9M 2022	Change YoY	Organic change
Group Revenues	404.1	549.2	35.9%	36.3%
Premium Solutions	378.4	513.6	35.7%	36.7%
Automated Solutions	25.7	35.6	38.9%	30.8%

Key highlights

Believe’s strong growth in Q3’22 once again demonstrated the strength of Believe’s model in the artist and label markets. The Group continued to gain market share across all segments (from music creators to independent labels and top local artists) in all markets around the world.

Believe’s products and solutions allowed to grow artists and labels at a much faster rate on all key digital music services through continued investments. Believe’s priority is to build capacity in its key markets and provide local teams with best-in-class products and solutions, developed by the Group’s Central Platform teams and leveraged across all local entities. The **quality of service** enabled by the model resulted in a strong performance from the existing portfolio of artists and labels during the quarter.

Believe continues its expansion in Asia, which will be the #1 market in the world in the next 10 years, with several initiatives in Southeast Asia. The Group **strengthened its leadership team in the region, with several appointments of Managing Directors at regional and country level (Indonesia, Thailand and Philippines)**. Believe has leadership positions in most of the 8 markets of the region, driving the growth of

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

local acts. The Group operates across all its segments (Premium and Automated) and has invested consistently for the past 10 years, deploying first its Label and Artists Solutions to cater for the emerging and established artists segment in 8 markets, then its Artist Services in 3 markets, addressing the top artists' needs. During the last quarter Believe launched Byond in Thailand, an Artist Services brand to develop and support hip-hop artists and music locally. Sourcing from the existing TuneCore and Label & Artist Solutions roster, Byond has already successfully signed iconic acts including Saran who reached 1 billion of streams in 2022, as well as Zentyarb, K.Aglet, SD Thaitay, Z9, BlackHeart, DIEOUT, Mona V, Cyanide, T-BIGGEST, Pondering and Rap is Now. In addition, aligned with its commitment to offer best-in-class service to music creators, **TuneCore (Automated Solutions) accelerated its localization efforts in Southeast Asia to ensure the most positive user experience.** TuneCore has been growing significantly in the region since the implementation of its Social Platforms' revenue share offer, allowing music creators to easily distribute their music on the predominant social medias, which represents a strong funnel for new subscriptions. TuneCore has partnered with a global financial technology platform in Q3'22 to offer localized payment methods to the growing music creators base in the region, who preferred alternative payments to credit cards. Similar programs will be rolled out in other countries and regions that share like patterns in the coming months.

The Group established new teams and partnerships during the quarter **to address opportunities in music genres that are developing rapidly in digital or currently accelerating their digitalization.** Believe launched b.electronic in October, a global initiative to specifically address the growing number of electronic and dance music labels and artists looking for the right partner to maximize their audience reach at a global scale and optimize the revenue sources. This new solution echoes the fast growth of the global electronic and dance music market, that grew +32% in FY'21 versus +18% for the market according to IMS (International Music Summit, the premier thought leadership platform for electronic music). It responds to specific needs of labels and artists from this genre, inherently targeting audiences beyond their local border. Believe will rely on highly experienced Central and Local teams of experts in key markets who have a global view on the genre to develop the portfolio of labels and artists. The signing of Big Top Amsterdam label, one of the major players in the global dance industry reflects such initiative. Big Top Amsterdam can count on all-stars like Bakermat and Gamper & Dadoni on its roster, each with over a billion streams, as well as creators Supermassive (who have built 1.8 million followers on TikTok and 1.5 million followers on YouTube), and breakthrough Swedish producer Kronan among many other talents. The new-born partnership with Believe will play a crucial role in the international and digital growth of the label and its artists.

Believe continued to nurture its relationships with major streaming providers and social platforms during the quarter by renewing partnerships with greater benefits for its artists and labels, as well as by **early moving on their new initiatives.** Believe was for example among the first players to participate in YouTube's "Creator Music" initiative, a new digital storefront that allows creators to easily license popular music for use in their videos, generating revenue both for them and music rights holders.

In alignment with its corporate project *Shape Music for Good*, **Believe continued to promote gender parity in the music industry** during the quarter. Believe hosted for the second year in a row the Gender Equality Hub at the Reeperbahn festival in Hamburg (Germany) in partnership with Keychange, the pioneering international initiative aiming at creating a more gender representative and inclusive music industry for present and future generations. The Hub offered masterclasses with key industry leaders who shared their expertise and encouraged women and other underrepresented groups in the music industry to be seen and to become part of the Keychange initiative. Faithful to its driving force of fairness, the Group launched in September its **first collective employee shareholder scheme**, which provides employees with the opportunity to be directly associated with the future of Believe. Participation rate reached 40% in the six countries where the plan was implemented and 57% in France. Believe's commitment to its corporate social responsibility resulted in better ESG performances compared to its industry peers, as reflected by its metric "Gender Equality Index" for France (99/100) and its AA MSCI ESG rating, the highest level reached within the Media index.

Revenues

Q3'22 revenues grew by +36.9% to reach €197.0 million (versus €143.9 million in Q3'21), mainly reflecting strong organic growth (+37.6%). In Q3'22, core digital activities represented 93.7% of Group's revenues and increased by +39.6% year-over-year driven by continued growth in paid streaming, notably in emerging markets, and better monetization of ad-funded streaming services, even if the growth rate of ad-funded revenues has been weaker compared to the previous quarters as expected. The growth was amplified by additional market share gains at largest digital streaming providers both in mature and emerging countries thanks to the built-up of local capabilities and Believe's expertise in developing digital audience and monetizing the artists and labels served by the Group. Non-digital sales grew by 6.1% in Q3'22 mostly thanks to merchandising, live and synchronization notably in France.

Q3'22 performance reflected strong momentum in both segments. **Premium Solutions** revenues amounted to €184.4 million in Q3'22, a year-over-year organic increase of +37.7% compared with Q3'21. The success of Premium Solutions stemmed from the Group's investment over the past 24 to 36 months to strengthen local capabilities and roll out more services in key countries. This allowed the Group to serve a greater number of artists and labels with best-in-class services and to address a wider variety of music genres. **Automated Solutions** revenues reached €12.6 million and grew by +46.8% in Q3'22 compared to last year, mostly reflecting solid organic growth of +36.1% and a positive forex impact related to the dollar appreciation versus the euro. Q3'22 performance reflected the appeal of TuneCore's "Unlimited Pricing" program, which is driving subscription up, with revenue per subscriber on a positive trend as music creators are switching from the discovery offer to the highest pricing plan. Believe recorded solid performances in most markets except in the Russian and Ukrainian business units which grew +8.8% in Q3'22, resulting in an organic growth of +9.0% year-to-date. The Group excluding the two business units grew organically by +40.5% in Q3'22.

Believe has been growing strongly since January with revenues up +35.9% year-to-date mostly reflecting a +36.3% organic growth for the period closing at the end of September (organic growth reached +39.2% outside Russia and Ukraine). Non-digital revenues further recovered notably thanks to merchandising and live activities in France. Overall, Believe continued to outperform the market and further reinforced its position in digital music in both segments and in all regions.

Revenues by geography: growth in all geographies

The level of activity in **Asia Pacific and Africa** remained strongly buoyant with revenues up 61.1% in Q3'22 compared to last year, representing 26.6% of group revenues. Market dynamics remained very strong in India and China and across Southeast Asia, as the Group leveraged the roll-out of all services in most territories and reinforced its local teams. The Group also benefitted from its strategic partnerships signed in Q4'21 in India (Think Music) and in the Philippines (VMAG), which accelerated organic growth in both local markets.

In **France**, revenues represented 17.3% of Group revenues and increased by +41.2% in Q3, driven by the strong performance of the existing catalogue of artist and labels and the strategic partnerships signed with Play Two and Jo&Co which allowed Believe to represent a wider variety of music genres in the market. Digital revenues were firmly up, but revenues also benefitted from a strong catch up of live and merchandising activities.

In **Americas**, revenues grew by +35.1% and represented 14.5% of Group revenues, resulting from a strong activity level in Latin America notably in Brazil, and a firm acceleration in Automated Solutions following early success of TuneCore's new Unlimited Pricing plans.

In **Europe** (excluding France and Germany), revenues grew by +29.8% and represented 27.0% of total revenues in Q3'22. The level of activity was particularly sustained in the UK and in Italy, and on a strong growth trajectory in South Europe and Eastern Europe. Revenues in the region were nevertheless affected by a slower pace of growth in Russia and in Turkey.

<i>in € million</i>	Q3 2021	Q3 2022	Change YoY
APAC / Africa	32.5	52.3	61.1%
France	24.2	34.1	41.2%
Americas	21.2	28.6	35.1%
Europe (excl. France & Germany)	40.9	53.1	29.8%
Germany	25.2	28.8	14.4%
Total	143.9	197.0	36.9%

In **Germany**, revenues grew by +14.4% compared to last year and represented 14.6% of revenues. Non-digital revenues still dragged down on the overall performance, while digital revenues were up very strongly during the quarter, reflecting the expertise of Believe in developing monetization for artists and labels in the digital ecosystem.

FY 2022 outlook and organic growth guidance update

In Q3'22, Believe remained on H1'22 solid organic growth trajectory. Paid streaming demonstrated its resilience and grew strongly in most of the Group's key markets. Growth in ad-supported streaming revenue decelerated compared to H1'22, stabilizing around June's level as expected. The switch from ad-supported to paid streaming in emerging markets is progressing steadily. The Group expects the music industry to continue to show resilience and that paid streaming will continue its global deployment.

Believe now expects FY22 organic growth to exceed +30% for the Group, above prior expectations provided on August 3, 2022 (c. +29%) and above the range for the period 2021-2025 presented at the IPO (+22% to +25%). This target assumes that revenue growth in the Russian and Ukrainian units remains in line with the level achieved in Q3'22. It also includes a positive impact of around 2% linked to the extension of the services agreements concerning Play Two, Jo&Co (France), Think Music (India) and VMAG (the Philippines), which were concluded as part of the strategic partnerships signed with these companies in Q4'21.

Based on higher organic growth than initially anticipated, Believe now expects an adjusted EBITDA margin of c. 4.5% above prior expectations of a stable margin year-over-year (FY'21: 4%), as Central Platform costs will be better amortized. As the focus remains on accelerating investments, the annual margin improvement remains gradual. Believe intends to continue to invest significantly in Central Platform and local teams in the coming years to fuel future profitable growth, while actively managing the investment cycle with the objective of further improving efficiency.

The Group also confirms that it will generate positive and solid free cash flow for the full year. This will result from a positive change in working capital and lower capital expenditure as a % of revenues. In addition, free cash flow will benefit from an annual installment of approximately €20 million from one of its digital partners, which was renewed in Q3'22.

Overall, the Group is on track with its strategic roadmap to build the best digital music company and 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, with revenue growth largely reinvested. Believe remains confident in its ability to achieve its long-term target of a 15% Group Adjusted EBITDA margin.

Webcast:

We will host a webcast <https://edge.media-server.com/mmc/p/vkdevk96> and conference call starting at 6:30 p.m. CET today. Denis Ladegaillerie, our Founder and CEO, and Xavier Dumont, our Chief Operating & Strategy Officer, will present Q3 and Year-to-date 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: [Believe - Investors Website - Financials](#)

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: 555964

2023 financial agenda:

15 March 2023: FY 2022 revenues and earnings - Press release to be issued after market close

27 April 2023: Q1 2023 revenues - Press release to be issued after market close

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

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

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Appendix

1. Revenue breakdown between digital and non-digital sales

	Q1'21	Q2'21	Q3'21	Q1'22	Q2'22	Q3'22	9M'21	9M'22
Digital sales	90%	92%	92%	93%	92%	94%	91%	93%
Non-digital sales	10%	8%	8%	7%	8%	6%	9%	7%

2. Digital and non-digital sales growth

	Q1'22	Q2'22	H1'22	Q3'22	9M'22
Digital sales	+35.3%	+40.1%	+37.8%	+39.6%	+38.5%
Non-digital sales	-6.5%	+32.1%	+11.4%	+6.1%	+9.7%

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 1,610 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.