

The board of directors of Believe SA met on March 13, 2025, and approved the consolidated financial statements for the fiscal year 2024. The audit procedures on the consolidated accounts have been completed except for the review of the specific verifications required by legal and regulatory texts, which are still being finalized.

Consolidated financial statements at December 31, 2024

Consolidated statement of income

<i>(In € thousands)</i>	Notes	2024	2023
Revenue	4.1	988,827	880,312
Cost of sales	4.2	(655,631)	(596,083)
Sales and marketing expenses	4.3	(203,922)	(192,676)
Technology and product expenses	4.3	(65,951)	(56,520)
General and administrative expenses	4.3	(56,147)	(54,512)
Other operating income (expense)	4.4	(10,110)	1,708
Share of net income (loss) of equity-accounted companies	2.4	820	(301)
Operating income (loss)		(2,115)	(18,072)
Cost of net debt	8.6	1,611	4,230
Other financial income (expense)	8.6	5,682	6,293
Net financial income (expense)		7,293	10,522
Income (loss) before tax		5,178	(7,550)
Income tax	9.1	(4,584)	4,865
Net income (loss)		594	(2,685)
Attributable to:			
• Owners of the parent		(3,054)	(5,482)
• Non-controlling interests		3,647	2,798
Earnings per share attributable to owners of the parent company:	10.4		
• Basic earnings (loss) per share (in €)		(0.03)	(0.06)
• Diluted earnings (loss) per share (in €)		(0.03)	(0.06)

Other comprehensive income

<i>(In € thousands)</i>	2024	2023
Consolidated net income (loss)	594	(2,685)
Translation adjustments	1,964	(13,319)
Other comprehensive income (expense) that may be reclassified subsequently to net income	1,964	(13,319)
Remeasurement of net defined-benefit obligation	(122)	454
Other comprehensive income (expense) that may not be reclassified subsequently to net income	(122)	454
TOTAL COMPREHENSIVE INCOME (EXPENSE)	2,436	(15,549)
Attributable to:		
• Owners of the parent	605	(13,807)
• Non-controlling interests	1,830	(1,743)

Consolidated statement of financial position

<i>(In € thousands)</i>	Notes	December 31, 2024	December 31, 2023
ASSETS			
Goodwill	6.1	147,953	141,196
Other intangible assets	6.2	146,465	135,572
Property, plant and equipment	6.3	40,567	30,960
Advances to artists and labels – non-current portion	4.6	193,260	155,451
Investments in equity-accounted companies	2.4	71,908	48,815
Non-current financial assets	8.1	11,244	9,576
Deferred tax assets	9.2	24,449	20,107
Total non-current assets		635,846	541,677
Inventories	4.7	3,993	4,110
Trade receivables	4.5	249,505	200,203
Advances to artists and labels – current portion	4.6	99,832	103,129
Other current assets	4.5	34,554	38,275
Current tax assets	9.1	4,346	4,074
Current financial assets	8.1	4,036	1,354
Cash and cash equivalents	11.1	139,790	214,221
Total current assets		536,056	565,365
TOTAL ASSETS		1,171,902	1,107,043
EQUITY			
Share capital	10.1	503	485
Share premiums	10.1	480,650	470,334
Treasury shares		-	(1,113)
Reserves and retained earnings		(90,494)	(77,022)
Translation reserve		(31,353)	(21,919)
Equity attributable to owners of the parent		359,306	370,766
Non-controlling interests	10.3	1,213	8,442
TOTAL EQUITY		360,518	379,208
LIABILITIES			
Non-current provisions	7	620	409
Non-current borrowings and debt	8.3	29,300	21,510
Other non-current liabilities	4.10	5,162	16,473
Deferred tax liabilities	9.2	19,822	20,708
Total non-current liabilities		54,905	59,100
Current provisions	7	1,773	1,624
Current borrowings and debt	8.3	10,694	10,381
Trade payables and contract liabilities	4.8	685,959	611,756
Other current liabilities	4.9	53,417	40,616
Current tax liabilities	9.1	4,635	4,357
Total current liabilities		756,479	668,734
TOTAL EQUITY AND LIABILITIES		1,171,902	1,107,043

Consolidated statement of cash flows

<i>(In € thousands)</i>	Notes	2024	2023
OPERATING ACTIVITIES			
Net income (loss)		594	(2,685)
Depreciation, amortization and impairment of non-current assets		50,367	61,301
Share-based payment		8,005	7,983
Cost of net debt		(1,611)	(4,230)
Income tax		4,584	(4,865)
Net charges to provisions and employee benefits		761	180
Share of net income (loss) of equity-accounted companies (incl. dividends received)		1,399	1,120
Elimination of net gains or losses on disposals of assets		(38)	(1,048)
Other items with no cash impact		(8,187)	(15,797)
Income tax collected/paid		(9,369)	(5,568)
Change in operating working capital		(24,573)	(23,682)
Net cash from (used in) operating activities	11.2	21,932	12,709
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment, and intangible assets		(41,590)	(49,217)
Disposals of property, plant and equipment and intangible assets		60	1,242
Acquisitions of subsidiaries, net of cash acquired		(24,899)	(36,640)
Decrease (increase) in loans		(1,777)	(1,678)
Decrease (increase) in non-current financial assets		(2,772)	(597)
Net cash from (used in) investing activities	11.3	(70,978)	(86,890)
FINANCING ACTIVITIES			
Increase in borrowings		35,000	-
Decrease in borrowings		(35,900)	(1,713)
Repayment of lease liabilities		(11,244)	(10,622)
Interest received (paid)		3,442	5,676
Capital increase (decrease) by owners		11,299	1,620
Disposal (acquisition) of treasury shares		488	-
Payments from changes in ownership interests in subsidiaries that do not result in loss of control		(39,275)	-
Net cash from (used in) financing activities	11.4	(36,190)	(5,039)
Cash and cash equivalents, net of bank overdrafts, at beginning of period		214,221	303,345
Net increase (decrease) in cash and cash equivalents net of bank overdrafts, before the impact of changes in foreign exchange rates		(85,236)	(79,220)
Impact of changes in foreign exchange rates		10,805	(9,904)
Cash and cash equivalents, net of bank overdrafts, at end of period	11.1	139,790	214,221
Of which:			
• <i>Cash and cash equivalents</i>		139,790	214,221
• <i>Bank overdrafts</i>		-	-

Consolidated statement of changes in equity

In € thousands, except share data	Attributable to owners of the parent							Non-controlling interests	TOTAL EQUITY
	Number of shares	Share capital	Share premiums	Treasury shares	Reserves and retained earnings	Translation reserve ⁽¹⁾	Equity attributable to owners of the parent		
EQUITY AT JANUARY 1, 2023	96,764,109	484	468,715	(1,358)	(78,787)	(13,143)	375,911	8,951	384,862
Remeasurement of net defined-benefit obligation					454		454		454
reserve						(8,779)	(8,779)	(4,541)	(13,319)
Other comprehensive income		-	-	-	454	(8,779)	(8,324)	(4,541)	(12,865)
Net income (loss) for the year					(5,482)		(5,482)	2,798	(2,685)
Total comprehensive income		-	-	-	(5,028)	(8,779)	(13,807)	(1,743)	(15,549)
Capital increase	322,241	2	1,619				1,620		1,620
Net change in treasury shares				245	(67)		178		178
Share-based payments					7,064		7,064		7,064
Changes in the scope of consolidation ⁽²⁾					(204)	3	(201)	26	(175)
Other ⁽³⁾								1,208	1,208
EQUITY AT DECEMBER 31, 2023	97,086,350	485	470,334	(1,113)	(77,022)	(21,919)	370,766	8,442	379,208
Remeasurement of net defined-benefit obligation					(122)		(122)		(122)
Translation reserve						3,781	3,781	(1,817)	1,964
Other comprehensive income		-	-	-	(122)	3,781	3,659	(1,817)	1,842
Net income (loss) for the year					(3,054)		(3,054)	3,647	594
Total comprehensive income		-	-	-	(3,176)	3,781	605	1,830	2,436
Capital increase ⁽⁴⁾	3,622,437	18	11,281				11,299		11,299
Reduction of share capital ⁽⁵⁾	(90,291)	-	(965)	965			-		-
Net change in treasury shares				148	15		163		163
Share-based payments					6,688		6,688		6,688
Changes in the scope of consolidation ⁽⁶⁾					(16,913)	(13,302)	(30,215)	(9,060)	(39,275)
Other					(86)	86	-	-	-
EQUITY AT DECEMBER 31, 2024	100,618,496	503	480,650	-	(90,494)	(31,353)	359,306	1,213	360,518

(1) Changes in the translation reserve reflect the impact of exchange rate fluctuations on the equity of foreign operations denominated in currencies other than the euro. In 2024, the increase in the translation reserve was mainly due to companies based in the United Kingdom, India and the United States, partially offset by those in Turkey. In 2023, the decrease in the translation reserve was mainly due to companies based in India and Turkey.

In 2023:

(2) The "Changes in the scope of consolidation" item corresponds to the acquisition of an additional 1% of Nuclear Blast GmbH, bringing the Group's stake to 100%.

(3) The "Other" item corresponds to the recognition of the allocation of the final acquisition price of Morning Glory Music (MGM) acquired in 2022.

In 2024:

(4) In the context of the takeover bid, the increase in the number of shares, share capital and issue premium is mainly related to the exercise of all share subscription warrants ("BSAs") and founders' share subscription warrants ("BSPCEs") issued by the Group that had not yet been exercised (see Note 5.4 - Share-based payments), as well as the settlement of the 2021 performance action plan.

(5) The "Reduction of share capital" line corresponds to the cancellation of treasury shares following the termination of the liquidity contract (see Note 8.1 - Current financial assets).

(6) The "Changes in the scope of consolidation" line corresponds primarily to the acquisition of an additional 40% of DMC Müzik Yapım ve Ticaret A.Ş., increasing the Group's stake to 100%, as well as the acquisition of an additional 49% of Jo & Co SAS, bringing its stake to 100%. The consolidation method was unchanged further to these two acquisitions, and both companies continued to be fully consolidated.

Notes to the consolidated financial statements

Presentation of the Group

Believe SA (hereafter the “Company”) was incorporated on April 7, 2005. It is based in France and its registered office is at 24, rue Toulouse Lautrec, 75017 Paris – France.

The Group is a market leader in digital music for independent labels and local artists. The group has solid experience in digital artist development and catalog performance optimization. The Group has built its model to be at the core of the digital music revolution and to benefit from positive structural market trends. The Group’s business model is to share the revenues generated through digital service providers and social media platforms with artists. The growth in this source of revenue is due to the Group’s appeal to local artists and labels as well as to structural changes in the market.

Its international presence is a key differentiator, as the Group began investing very early on, outside of France and particularly in European and Asian markets, where the Group has been able to build strong positions in recent years. While the penetration rate of paid subscription streaming is high in some mature markets such as the Northern Europe countries, it is still relatively low in some other developed countries where the recorded music market is significant. This is the case in Western Europe and certain so-called emerging markets, such as Latin America, Eastern Europe and the Asia-Pacific region, where there is very significant potential for growth.

The Group primarily targets digital music genres, which are promoted and marketed mainly on streaming platforms and social media. The revenue generated on these platforms is also the main source of monetization for artists in the genre in question. Traditional music genres mainly rely on channels such as television and radio for their promotion and marketing. Sales of recorded music in traditional genres continue to have a greater physical component (CD, Vinyl, Merchandising, etc.) than in digital genres. Believe has dedicated offerings for digital artists and labels according to their needs and stages of development. The Group is thus organized as a global digital platform, which develops high value-added technological solutions for all artists, adapted to each stage of their career, whether they are music creators, emerging artists, established artists or top artists. This approach, which makes it possible to cover all artist categories, from the music creator to the top artist, is another differentiating factor, Believe being one of the only music groups to offer solutions adapted to each stage of an artist's career.

The Group has built a unique model based on a scalable central technology platform through the intensive use of data, which allows it to provide the same level of service in all geographies while generating economies of scale. The teams deployed in the local entities rely on the products and solutions developed by the Central Platform to support the development of local artists and labels. This organization enables the Group to conduct its business efficiently and profitably. This organization based on the Central Platform and strong local teams with considerable music and digital expertise and trained in the best use of centrally developed tools and solutions, enables the Group to offer the best possible quality of service.

With 2,037 employees at December 31, 2024 and a presence in more than 50 countries, the Group thus benefits from cutting-edge technological capabilities and provides artists and labels with its expertise in music, digital marketing and data analysis around the world, notably with the support of over 330 product and IT experts. The Group operates several commercial brands including Believe, TuneCore, Nuclear Blast, Naïve, Groove Attack, AllPoints, Ishtar and Byond.

Its main subsidiaries are located in Germany, Canada, China, the United States, France, India, Italy, Japan, Luxembourg, United Kingdom, Russia, Singapore and Turkey.

The Group’s consolidated financial statements include the Company and its subsidiaries (hereafter referred to as the “Group”).

Significant events of the 2024 fiscal year

Simplified tender offer by Upbeat BidCo for the shares of Believe

On February 12, 2024, Denis Ladegaillerie, the EQT X fund ("EQT") and funds advised by TCV (together referred to as "TCV") announced that they have formed a consortium (the "Consortium") with a view to launching, through a dedicated entity (Upbeat BidCo SAS), a tender offer on the shares of the Company Believe at a price per share of €15, following the acquisition of a block representing 71.92% of the share capital and 77.42% of the theoretical voting rights of the Company by buying the shares held by TCV Luxco BD S.à r.l., Ventech and XAnge (see press release issued by the consortium on February 12, 2024, as well as the press release issued by the Company on the same day, available on the Company's corporate website).

The Board of Directors of Believe created an Ad Hoc Committee composed of three independent directors to review the work of the independent expert and prepare a draft reasoned opinion ("avis motivé") on the Offer.

Following the announcement of the Offer by the Consortium, the Company's Board of Directors received an exploratory, preliminary, and non-binding expression of interest from Warner Music Group regarding a potential combination of Believe with Warner Music Group. On April 6, 2024, the Believe Ad-Hoc Committee noted Warner Music Group's decision not to submit a firm offer to merge with Believe, as indicated in the Warner Music Group press release of that same day.

In a press release dated April 12, 2024, the Consortium indicated that it no longer intended to request a squeeze-out as part of the Offer.

The Board of Directors of Believe met on April 18, 2024 and took note in particular of (i) the work and recommendation of the Ad-Hoc Committee, made up of three independent directors, and (ii) the conclusions of the firm Ledouble, appointed as an independent expert on February 11, 2024, whose report concluded that the terms of the Offer were fair from a financial point of view for shareholders voluntarily contributing their shares to the Offer, and that there were no related factors likely to be detrimental to shareholders' interests. The Board of Directors unanimously issued a reasoned opinion in favor of the Offer, considering that it is in the interest of the Company, its employees and its shareholders.

On June 24, 2024, the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) published the result of the simplified tender offer initiated by Upbeat BidCo, a consortium composed of the TCV and EQT X funds and the founder and Chairman and Chief Executive Officer of the Company, Denis Ladegaillerie, for the shares of Believe, following the closure of the Offer on June 21, 2024. Upbeat BidCo acquired 19,619,422 shares in Believe as part of the Offer, which took place from June 3 to June 21, 2024. After the Offer, Upbeat BidCo holds 95,664,106 Believe shares representing 19 voting rights, representing 94.99% of the share capital and at least 94.29% of Believe's gross theoretical voting rights.

At the time of publication of these consolidated financial statements, the consortium held 96.63% of the share capital.

As part of the new shareholding structure further to the simplified tender offer initiated by Upbeat BidCo on the shares of Believe, the company's Board of Directors has changed. Following the departure of Ventech as a director due to the disposal of all the shares held in Believe, the Board of Directors co-opted a new director representing EQT X, Andrew Fisher. The ratification of Andrew Fisher as a director will be put to a vote at the General Meeting to be held in 2025. Andrew Fisher will be appointed to the Audit Committee and the CSR Committee.

The Board of Directors also appointed two non-voting directors, Michael Kalfayan (General Partner at TCV) and Nicolas Brugère (Partner at EQT X, Head of France & Benelux).

Acquisition of DMC, the leading independent label in Turkey

After an initial transaction in which the Group acquired a majority stake of 60% in DMC in 2020, in the second half of 2024, Believe reached an agreement with Doğan group for the exercise of the purchase option to acquire the remaining 40% of DMC's capital, for €38.3 million. This transaction generates a variation in equity of €38.3 million, including €16.1 million in consolidated reserves, €13.3 million in currency translation differences, and €8.9 million in non-controlling interests.

Strategic partnership with leading independent label Global Records

On July 8, 2024, Believe announced the signing of a strategic partnership with Global Records, the largest independent dance music company in Central and Eastern Europe. Believe finalized the acquisition of a 25% stake in Global Records on November 29, 2024. This strategic partnership is part of Believe's strategy of focusing on musical genres for which the development of artists and the consumption of music are focused on digital technology. It also expands the existing relationship between Believe and Global Records, which has led to the regional expansion and development of the Global Records catalog since 2016. This alliance is expected to accelerate Global Records' growth and enable it to become a global leader by combining Believe's expertise in developing musical genres that have transitioned to digital in multiple markets and its unrivaled ability to evolve and grow local businesses, with Global Records' powerful full-service model and its A&R capabilities in dance music.

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NOTE 1 ACCOUNTING POLICIES

1.1. Accounting standards applied and statement of compliance

Background to the publication of the consolidated financial statements

The consolidated financial statements for the fiscal years ended December 31, 2024 and December 31, 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union at December 31, 2024.

International standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), as well as their SIC (Standing Interpretations Committee) interpretations and IFRIC (International Financial Reporting Interpretations Committee) interpretations. All standards adopted by the European Union (EU) can be consulted on the European Commission's website: <http://data.europa.eu/eli/reg/2023/1803/2025-01-01>.

The 2024 consolidated financial statements were approved by the Board of Directors on March 13, 2025.

With regard to events after the reporting period, only events occurring between December 31, 2024 and March 13, 2025, the date on which the financial statements were approved, are accounted for in accordance with IAS 10 – *Events after the reporting period*. These events are described in Note 12.4 – *Events after the reporting period* which details the significant events that occurred during the aforesaid period.

Standards, amendments and interpretations applied by the Group

The Group applies the standards and amendments published in the Official Journal of the European Union and effective for reporting periods beginning on or after January 1, 2024. The following new amendments are effective or may be adopted early for the consolidated financial statements at January 1, 2024:

- amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- amendments to IFRS 16: Lease Liabilities in a Sale and Leaseback.

On December 14, 2022, the European Union adopted a directive implementing the OECD's "Pillar 2" reform. France voted for this transposition as part of the finance law for 2024. The so-called "Pillar 2" rules therefore apply to all entities effectively controlled by Believe. In May 2023, the IASB published an amendment to IAS 12 which includes a mandatory temporary exemption, for the 2023 fiscal year, from the application of IAS 12 to "Pillar 2" calculations. This amendment was formally adopted by the European Union in November 2023 and is therefore fully applicable. The Group has not recorded any deferred tax effects related to the entry into force of "Pillar 2" in its financial statements.

These amendments, standards and interpretations do not have a material impact on the consolidated financial statements for the fiscal year ended December 31, 2024.

Standards, amendments and interpretations adopted by the IASB but not yet adopted by the European Union and not adopted early by the Group at December 31, 2024

The Group has not decided to apply early any standards, amendments or interpretations for the 2024 fiscal year. The following published standards, amendments and interpretations that will be effective after December 31, 2024 may have an impact on the Group's financial statements:

- amendments to IAS 21: [Lack of Exchangeability](#);
- amendments to IFRS 7 and 9: Contracts Referencing Nature-dependent Electricity;
- amendments to IFRS 7 and 9: Classification and Measurement of Financial Instruments;
- IFRS 18: Presentation and Disclosure in Financial Statements;
- amendments to IFRS 19: Subsidiaries without Public Accountability
- annual improvements - Volume 11: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

1.2. Basis of preparation

Unless otherwise indicated, financial information is presented in thousands of euros without decimal places, and the Group's presentation currency is the euro. Rounding to the nearest thousand euros may lead to non-material discrepancies in the totals and subtotals of the tables. The consolidated financial statements have been prepared

on a historical cost basis, with the exception of certain categories of assets and liabilities measured in accordance with IFRS.

Believe presents its consolidated income statement by function: operating expenses are split between “Cost of sales”, “Sales and marketing expenses”, “Technology and product expenses”, “General and administrative expenses” and “Other operating income (expense)”.

The consolidated financial statements provide comparative information with respect to the previous period. The notes to the consolidated financial statements present the accounting principles applied in the same note as the comments on the figures, to enhance the readability of the financial statements.

1.3. Use of judgment and estimates

The preparation of consolidated financial statements requires the use of accounting estimates and judgments to determine the carrying amounts of certain assets, liabilities, income and expenses. These estimates and assumptions are regularly reviewed to ensure that they are reasonable in light of the Group’s history, the economic climate and the information available to the Group. Certain events could result in changes in these estimates and assumptions, which would affect the value of the Group’s assets, liabilities, equity and earnings. In preparing its consolidated financial statements, the Group uses estimates and judgments to:

- determine the term and discount rates of leases;
- determine whether or not to recognize deferred taxes;
- determine the recoverable amount of advances paid to artists and labels;
- estimate revenue;
- calculate the recoverable amount of non-current assets;
- measure the intangible assets acquired as part of a business combination and estimate any earn-out liabilities;
- measure pension obligations and share-based payments.

Leases

The Group assesses each contract to determine whether it is, or contains, a lease.

In applying IFRS 16, the Group uses estimates and judgments to:

- determine the lease term: the lease term adopted represents the non-cancellable term of the lease, plus any periods covered by an extension option if the Group is reasonably certain to exercise that option, plus any periods covered by a termination option if the Group is reasonably certain not to exercise that option. These estimates take account of the IFRIC’s November 2019 agenda decision on lease terms;
- determine the discount rate: where the interest rate implicit in the lease cannot be readily determined, the discount rate used corresponds to the incremental borrowing rate at the lease commencement date. This rate is determined using the Group’s incremental borrowing rate plus a spread in order to reflect the specific economic environment of the country concerned and, where applicable, the risk associated with the entity or leased asset. The discount rates used are adopted so as to reflect the interest rate that the Group would have to pay to borrow money under similar terms, i.e. a rate that reflects the lease term.

Recognition of deferred taxes

Deferred taxes are only recognized to the extent that it is probable that sufficient taxable income will be available or that losses carried forward can be utilized against the taxable temporary differences. Where appropriate, deferred tax assets are only recognized to the extent of any limits imposed by the tax laws applicable to the entity concerned.

Recoverable amount of advances paid to artists and labels

Under certain contracts signed with artists and labels, the Group agrees to pay advances that will be recovered against the amounts payable to them in the future. These advances are recognized as assets when they are paid and are expensed as and when the corresponding amounts are paid to the artists and labels.

At each reporting date, the Group determines the probability that it will recoup these advances, based on estimates of the future performance of the artists and labels that will be used to calculate the amounts due. Future performance is measured by (i) projecting advances recovered for the last three months over the remaining term of the initial agreement, thereby identifying artists and labels for whom the recoverability of advances may be doubtful, and (ii) meetings with operational management to factor in qualitative inputs (e.g. a recent album release that is not yet reflected in the revenues generated over the past quarter, or the launch of a catalog promotional campaign).

Thus, the balance of advances is impaired if future performance is considered not to be sufficient. Advances shown in the statement of financial position are split between a current portion (i.e. the portion that the Group expects to recover within 12 months of the reporting date) and a non-current portion.

Outstanding advances still to be collected are split between a current and a non-current portion using the same method as that used to determine the recoverable amount, i.e. by projecting advances recovered in the last three months. For contracts signed in the year for which no historical recovery statistics exist, the Group applies an average recovery rate based on trends observed over the past five fiscal years. This analysis is updated annually to take account of actual amounts recouped. The current/non-current split is also updated for material advances, taking into account the analysis described above.

Revenue estimates

The Group estimates revenue from sales reports (recorded music business) and royalty statements (music publishing business) not received at the balance sheet date, on the basis of historical observations.

For the recorded music business, the estimation method used is based on the weighted average monthly growth for each platform that has signed a contract with the Group over the last three years, supplemented where necessary by specific elements known for a given platform. At the reporting date, the Group has additional information allowing it to corroborate the estimates made, consisting of (i) sales reports being provided the days preceding or following the reporting date, for which invoices have not yet been issued but for which the invoice amount is already known, and (ii) tools that report estimates from the platforms of revenue financed by advertising. These inputs enable the Group to ensure that its estimates are reliable.

For the music publishing activity, there is no monthly report from the collective management organizations on the use of the artists' music before the receipt of the statement accompanying the payment of the royalty. Consequently, the Group models the expected royalties on the basis of past trends.

Asset impairment tests

In testing its assets for impairment, the Group uses assumptions that are revised at least annually, relative to cash-generating units (CGUs), future cash flows and discount rates. The assumptions used and the results of sensitivity tests of recoverable amounts are described in Note 6.4 – *Impairment tests on non-current assets*.

Measurement of intangible assets acquired as part of a business combination, and estimates of any earn-out liabilities

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 – *Business Combinations*.

The Group recognizes intangible assets acquired as part of a business combination at fair value. These intangible assets are measured using valuation models requiring cash flow assumptions. The intangible assets recognized and the basis of measurement used are described in Note 6.2 – *Other intangible assets*.

The liabilities assumed in connection with earn-out arrangements are recognized at their fair value at the date of the combination.

Climate change and the climate transition plan

The effects of climate change and the climate transition plan described in the sustainability statements do not have a significant impact on the Group's 2024 financial statements.

NOTE 2 SCOPE OF CONSOLIDATION

2.1. Basis of consolidation

Consolidation methods

The consolidated financial statements include the financial statements of companies acquired as from the date on which the Group acquired control, and those of companies sold up to the date on which the Group relinquished control, as well as investments in associates and joint ventures accounted for using the equity method. All companies are consolidated on the basis of their positions at the closing dates presented and restated, where necessary, to comply with the Group's accounting principles. All intragroup transactions and balances are eliminated in full on consolidation, as well as gains and losses on transactions between controlled companies.

Controlled companies

Companies controlled directly or indirectly by the Group are consolidated. The Group controls a company when all of the following conditions are met:

- it has power over the entity;
- it is exposed, or has rights, to variable returns from its involvement with the entity;
- it has the ability to affect the amount of those returns through its power over the entity.

Equity-method accounting for joint ventures and associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually-agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate is a company over which the Group exercises significant influence, defined as the power to participate in the operating and financial policy decisions of an entity, but does not have control or joint control over those policies. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting rights of the entity, unless it can be clearly demonstrated that this is not the case.

Investments in joint ventures and associates are accounted for by the equity method. This method consists in initially recording the investment in joint ventures and associates in the consolidated statement of financial position at acquisition cost, adjusted thereafter for any post-acquisition change in the Group's share of the entity's net assets. Goodwill relating to equity-accounted companies is included as part of the carrying amount of the investments and is not presented separately. As a result, it is not separately tested for impairment in accordance with IAS 36.

The Group's share of the post-acquisition net income (loss) of equity-accounted companies is recognized on a separate line of the consolidated income statement, under "Operating income (loss)".

Foreign currency translation

Translation of subsidiaries' foreign currency financial statements

The financial statements of each of the Group's consolidated companies are prepared in the functional currency, i.e. in the currency of the economic environment in which the Company operates. The Group has two subsidiaries in Turkey, a country considered hyperinflationary as of April 30, 2022.

The functional currency of foreign companies is the local currency of the country. The financial statements of companies denominated in foreign currencies are translated into euros at the closing exchange rate for assets and liabilities on the statement of financial position and at the average exchange rate for the period for income statement and cash flow items in the absence of material changes in exchange rates. The financial statements of subsidiaries located in countries with hyperinflation are an exception to this rule and are translated into euros at the closing exchange rate, in accordance with IAS 21 and IAS 29.

Any resulting translation adjustments are initially recognized within other comprehensive income and maintained within the "Translation reserve" within equity.

Foreign currency transactions

Transactions carried out by a company in a currency other than its functional currency are translated at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities expressed in foreign currencies are translated at the closing exchange rate. Non-monetary assets and liabilities denominated in a foreign currency are recognized at the historical exchange rate prevailing at the transaction date.

Foreign exchange gains and losses are recognized in net financial income (expense).

Transactions involving non-controlling interests

Transactions involving non-controlling interests that do not result in a change of control are recognized in equity. They are considered as transactions between owners, and do not affect goodwill or income. Transactions involving non-controlling interests are shown within cash flows from (used in) financing activities in the statement of cash flows.

2.2. Scope of consolidation

Information on consolidated companies

The Group has control or joint control of, or exercises significant influence over, all of the companies in its scope of consolidation. The table below shows the Group's fully-consolidated and equity-accounted companies:

Company	Country	December 31, 2024		December 31, 2023	
		Consolidation method ⁽¹⁾	% interest	Consolidation method ⁽¹⁾	% interest
Believe SA	France	Parent company		Parent company	
Believe Digital GmbH	Germany	FC	100%	FC	100%
Madizin Music GmbH	Germany	FC	51%	FC	51%
Nuclear Blast GmbH	Germany	FC	100%	FC	100%
Soulfood Music Distribution GmbH	Germany	FC	100%	FC	100%
Believe Digital Canada Inc.	Canada	FC	100%	FC	100%
Believe Music (Shanghai) Company Ltd	China	FC	100%	FC	100%
Believe Digital Holdings Inc.	United States	FC	100%	FC	100%
Believe International Holding Inc.	United States	FC	100%	FC	100%
Believe Music America LLC	United States	FC	100%	FC	100%
Nuclear Blast America Inc.	United States	FC	100%	FC	100%
TuneCore Inc.	United States	FC	100%	FC	100%
6&7 SAS	France	FC	51%	FC	51%
Jo & Co SAS	France	FC	100%	FC	51%
Lili Louise Musique SAS ⁽²⁾	France	EM	45%	EM	49%
Morning Glory Music SAS	France	FC	53%	FC	53%
Play 2 SAS	France	EM	25%	EM	25%
Structure PY SAS ⁽²⁾	France	EM	24%	EM	24%
Believe Digital Private Ltd	India	FC	100%	FC	100%
Canvas Talent Private Ltd	India	FC	100%	FC	100%
Entco Music Private Ltd	India	-	-	FC	100%
SPI Music Private Limited ⁽³⁾	India	FC	100%	FC	100%
PT Believe Music Indonesia	Indonesia	FC	100%	FC	100%
Believe Digital SRL	Italy	FC	100%	FC	100%
Believe Japan GK	Japan	FC	100%	FC	100%
TuneCore Japan KK	Japan	FC	55%	FC	55%
Believe International SARL	Luxembourg	FC	100%	FC	100%
Viva Music and Artists Group Inc. ⁽²⁾	Philippines	EM	15%	EM	15%
Global Records S.R.L. ⁽²⁾	Romania	EM	25%	-	-
Believe Direct Ltd	United Kingdom	FC	100%	FC	100%
GS Believe LLP	United Kingdom	EM	50%	EM	50%
Nuclear Blast (UK) Ltd	United Kingdom	FC	100%	FC	100%
Sentric Music Group Ltd ⁽²⁾	United Kingdom	FC	100%	FC	100%
Believe Digital OOO	Russia	FC	100%	FC	100%
Believe Music Sea Pte Ltd	Singapore	FC	100%	FC	100%
Believe Taiwan Inc.	Taiwan	FC	100%	FC	100%
Believe Digital Holdings (Thailand) Co., Ltd	Thailand	FC	95%	FC	95%
Believe Digital (Thailand) Co., Ltd	Thailand	FC	100%	FC	100%
DMC Müzik Yapım ve Ticaret A.Ş.	Turkey	FC	100%	FC	60%
Netd Müzik Video Dijital Platform ve Ticaret A.Ş.	Turkey	FC	100%	FC	60%

(1) FC: Full consolidation; EM: Equity-accounted companies.
(2) These entities, consolidated in the Group's financial statements, include the companies directly controlled by them.
(3) The Group gained control of SPI Music Private Limited (SPI Music) with an initial stake of 76% and a forward contract for the acquisition of the remaining 24% in 2025 (see Note 4.9 - Other current liabilities). The company has been fully consolidated since this date.

The consolidated financial statements have a reporting date of December 31. The reporting date of all Group companies is December 31 and they all have a 12-month fiscal year, with the exception of companies based in India and Sentric Music Publishing Pty. Ltd (a company directly controlled by Sentric Music Group Ltd) for which the

reporting date is March 31 and June 30 of each year respectively. These companies prepare a statement of financial position at December 31 ensuing the preparation of the Group's consolidated financial statements.

All German subsidiaries listed above and included in the consolidated statement of financial position are exempt from the obligation to publish parent company and consolidated financial statements for the 2024 fiscal year, in accordance with Articles 264, 264b and 291 of the German Commercial Code (Handelsgesetzbuch – HGB) and the obligation to publish (Group) management reports for the 2024 fiscal year, in accordance with Article 325 of said code.

Information on non-consolidated companies

Company	Country	December 31, 2024	December 31, 2023
		% interest	
Phononet GmbH	Germany	0.6%	0.6%
Triller Group Inc.	United States	0.04%	0.3%
IRCAM Amplify SAS	France	9.3%	9.3%
Uni-T SAS	France	22.6%	24.4%
Rapsodie SAS	France	2.9%	2.8%

The value of investments in non-consolidated companies is presented under "Non-current financial assets" in the statement of financial position, and described in further detail in Note 8.1 – *Financial assets and liabilities*.

Changes in the scope of consolidation in 2024

- On February 28, 2024, Entco Music Private Ltd was dissolved;
- On September 24, 2024, the Group acquired an additional 40% of Doğan Müzik Yapım ve Ticaret A.Ş., increasing its stake to 100%, and the company was renamed DMC Müzik Yapım ve Ticaret A.Ş.;
- On November 29, 2024, the Group acquired a 25% stake in the capital of Global Records S.R.L. The company is composed of the following entities in Romania: Quantum Music Records S.R.L., Thrive Records S.R.L., Viva la Vidra Productions S.R.L., Vidra Distribution S.R.L., and Honua Music Group, LLC in the United States. The allocation of the acquisition price will be completed in 2025. This group is accounted using the equity method;
- On December 23, 2024, the Group acquired an additional 49% of Jo & Co SAS, bringing its stake to 100%.

Changes in the scope of consolidation in 2023

- On March 29, 2023, the Group acquired 100% of the share capital of Sentric Music Group Ltd, an independent music publishing platform. The entire Sentric Group (see *Significant events of the 2023 fiscal year*) has been fully consolidated since March 31, 2023;
- On June 2, 2023, the Group subscribed to the capital increase of IRCAM Amplify SAS, a subsidiary of the Institut de Recherche et de Coordination Acoustique / Musique (IRCAM) in charge of creating value from its licenses and expertise, and now holds 9.3% of the company's share capital. The company is not consolidated;
- On August 8, 2023, GoodToGo GmbH, Justbridge Entertainment GmbH and RoughTrade Distribution GmbH merged into Groove Attack GmbH; Groove Attack GmbH then merged into Believe Digital GmbH, with retroactive effect from January 1, 2023;
- On September 12, 2023, Sentric Music Trustees Ltd and RightsApp Ltd were dissolved;
- On September 20, 2023, the Group acquired an additional 1% of Nuclear Blast GmbH for an insignificant amount, bringing its stake to 100%;
- On September 26, 2023, Sentric Music (Canada) Ltd was dissolved;
- On November 27, 2023, Ishtar Music Private Ltd merged into Believe International SARL with retroactive effect from July 1, 2023;
- In addition, during the 2023 fiscal year, the Group created Believe Digital Holdings (Thailand) Co., Ltd, Believe Digital (Thailand) Co., Ltd and Believe Japan GK, which have been fully consolidated since their incorporation by the Group at 95%, 100% and 100% respectively.

2.3. Business combinations

Accounting policies

IFRS 3 defines a business combination as a transaction or other event in which an acquirer obtains control of one or more businesses. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business is composed of inputs and processes that, when applied to these inputs, create outputs. The Group recognizes business combinations using the acquisition method:

- identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair value;
- non-controlling interests in the acquiree are measured either at fair value or at the Group's share in the acquiree's net identifiable assets. This option is available for all business combinations based on a case-by-case analysis of each transaction.

Goodwill is determined at the acquisition date as the difference between:

- the fair value of the consideration transferred, including any contingent consideration (earn-out), plus the amount of any non-controlling interests;
- the net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

Costs related to the acquisition are expensed under "Other operating income (expense)" in the period in which they are incurred. Any earn-outs for the business combination are measured at fair value on the acquisition date. After the acquisition date, the contingent consideration is remeasured to fair value at each reporting date, unless it relates to an equity instrument.

After expiry of the measurement period for allocating the purchase price (i.e. no more than one year from the acquisition date), any changes in the fair value of the contingent consideration are taken to income. Any changes in the fair value of earn-outs within the measurement period for allocating the purchase price that are expressly attributable to events that occurred after the acquisition date, are shown within "Other operating income (expense)" in the income statement. Other changes are recognized against goodwill.

Assets and liabilities identified

In allocating the purchase price, the Group may recognize:

- an asset in respect of the relationship with artists and labels generally valued using the excess earnings method. This method estimates the present value of the net cash flows expected to be derived from these relationships held by the business acquired, excluding cash flows relating to corporate assets;
- a catalog generally valued using the excess earnings method. This method estimates the present value of the net cash flows expected to be derived from the catalog owned by the acquiree, excluding cash flows relating to corporate assets;
- a brand generally valued using the royalty relief method. This method estimates the present value of royalties expected to be avoided as a result of the acquisition.

No purchase price allocation was made in 2024. In 2023, the final recognition of the Sentric acquisition, net of deferred taxes, was as follows:

	Sentric Music Group
<i>(In € thousands)</i>	
Relationships with artists and labels, net of deferred tax	4,500
Other assets (liabilities) identified	6,829
TOTAL NET ASSETS ACQUIRED (BASED ON 100%) [A]	11,329
Share attributable to Believe (= % x A) [B]	11,329
Acquisition price [C]	47,346
Goodwill [C]-[B]	36,017

Acquisitions in the 2024 fiscal year

In 2024, no purchase price allocation was carried out.

Acquisitions in the 2023 fiscal year

Sentric Music Group

Relationships with artists and labels were recognized as an asset.

The Believe Group acquired 100% of the share capital of Sentric Music Group Ltd for €47,346 thousand. No earn-out is associated with this acquisition.

Cash acquired as part of the acquisition of Sentric amounted to €11,412 thousand.

Contribution of acquisitions

Sentric's contributions to the Group's revenue and consolidated net income at December 31, 2023 are €19,263 thousand and €1,409 thousand, respectively. If the company had been acquired on January 1, 2023, its contribution to the Group's revenue and consolidated net income at December 31, 2023 would have been €27,456 thousand and €1,838 thousand, respectively.

2.4. Equity-accounted companies

Accounting policies

The Group's share of the post-acquisition net income (loss) of equity-accounted companies is recognized on a separate line of the consolidated income statement, under "Operating income (loss)".

Changes in investments in equity-accounted companies

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Investments in equity-accounted companies at January 1	48,815	50,657
Share of net income (loss) from equity-accounted companies	820	(301)
Dividends	(2,219)	(820)
Changes in the scope of consolidation	24,094	-
Translation adjustments and others	398	(722)
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AT DECEMBER 31	71,908	48,815

In 2024, the line "Changes in the scope of consolidation" corresponds mainly to the acquisition of Global Records S.R.L. (see Note 2.2 – Scope of consolidation).

The Group did not identify any evidence that its equity-accounted investments may be impaired.

Information regarding equity-accounted companies

<i>(In € thousands, except % interests)</i>	Country	December 31, 2024		December 31, 2023	
		Carrying amount	% interests	Carrying amount	% interests
Lili Louise Group ⁽¹⁾	France	9,791	45%	10,887	49%
Play 2 SAS	France	12,677	25%	12,345	25%
Structure Group ⁽²⁾	France	1,985	24%	2,518	24%
Viva Music and Artists Group Inc. ⁽³⁾	Philippines	22,525	15%	22,289	15%
Global Records S.R.L. ⁽⁴⁾	Romania	24,914	25%	-	-
GS Believe LLP	United Kingdom	17	50%	777	50%
TOTAL		71,908		48,815	

(1) The Lili Louise Group includes four companies.

(2) The Structure Group includes five companies.

(3) Viva Music and Artists Group Inc. includes 13 companies.

(4) Global Records S.R.L. owns 5 companies.

Financial information regarding equity-accounted companies

The condensed financial information on equity-accounted companies corresponds to the amounts reported in the financial statements of the joint venture or associate. They break down as follows:

(In € thousands)	2024					2023				
	Lili Louise Group	Viva MAG	Play 2	Others	Total	Lili Louise Group	Viva MAG	Play 2	Others	Total
Revenue	32,133	20,516	49,173	1,473	103,295	19,029	18,090	25,790	328	63,238
Net income (loss)	157	3,053	2,826	(1,986)	4050	(287)	2,325	340	(3,155)	(777)
SHARE OF NET INCOME (LOSS)	71	458	706	(416)	820	(141)	349	85	(594)	(301)

(In € thousands)	December 31, 2024					December 31, 2023				
	Lili Louise Group	Viva MAG	Play 2	Other ⁽¹⁾	Total	Lili Louise Group	Viva MAG	Play 2	Others	Total
Non-current assets	23,013	156,934	54,866	110,071	344,885	25,484	156,611	55,568	13,471	251,133
Current assets	16,903	18,864	104,388	7,041	147,196	15,380	17,541	78,945	4,728	116,594
Non-current liabilities	1,230	12,690	7,445	-	21,365	1,558	12,650	7,760	3,125	25,093
Current liabilities	14,735	12,944	101,102	8,007	136,788	14,711	12,911	77,375	3,691	108,687

(1) Data relating to Global Record S.R.L have been included in the "Other" column due to its late acquisition at the end of 2024.

Transactions with equity-accounted companies (as related parties)

The consolidated financial statements include transactions carried out by the Group in the ordinary course of business with equity-accounted companies. These transactions are carried out at arm's length.

(In € thousands)	December 31, 2024	December 31, 2023
Loans	6,701	4,924
Advances to artists and labels	8,239	1,466
Trade receivables	140	132
Trade payables and contract liabilities	29,639	5,773
(In € thousands)	2024	2023
Amounts paid to artists and producers	(28,737)	(20,054)
Sales and marketing expenses	380	-
Other financial income / (expenses)	369	-

NOTE 3 SEGMENT INFORMATION

3.1. Identification of operating segments

Accounting policies

Segment financial information is presented in accordance with IFRS 8 – *Operating Segments* and is based solely on the internal reporting used by Believe's Board of Directors, considered to be the Company's chief operating decision maker within the meaning of IFRS 8, to make decisions about resources to be allocated to the segments and assess their performance. This segmentation reflects the managerial vision.

The Group has identified two operating segments corresponding to Believe's two businesses, which form the basis of its reporting to the Board of Directors.

- **Premium Solutions:** this consists mainly of the sale, promotion and delivery of digital content provided by artists and labels for which the Group is responsible for developing their catalog on digital platforms and social media, as appropriate, using a split revenue model. To a lesser extent, it also includes services supporting the development of artists in terms of physical sales, derivative products, synchronization services and neighboring rights. With the acquisition of Sentic, Believe also expanded its music publishing capabilities;

- **Automated Solutions:** the Group enables artists, via its TuneCore digital platform, to distribute their audio content in an automated manner to streaming and social media platforms in return for a subscription fee or revenue sharing. Access to this platform can, at the choice of the artist, be supplemented by synchronization and music publishing solutions that were already based on Sentic, one of the most advanced solutions on the market and capable of managing self-releasing artist rights in a profitable manner.

The "Central Platform" does not meet the definition of an operating segment under IFRS 8, but is included in internal reporting and regularly monitored and analyzed by the Board of Directors of Believe. It consists of certain centralized operating functions:

- IT, Product and Operations teams, who develop and operate the Group's technology platform, comprising content management and platform delivery tools, interfaces with artists and labels, and data management and analysis systems;
- marketing teams, who develop and leverage promotional tools for artists;
- teams developing and designing sales offers;
- and the various support functions.

3.2. Key segment data

The Group uses the following indicators to assess the performance of the operating segments presented:

- revenue, corresponding to revenue as reported in the consolidated financial statements;
- adjusted EBITDA 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 (expense), and (iv) depreciation of identified assets at the acquisition date, net of deferred taxes, for the share of net income (loss) of equity-accounted companies.

No statement of financial position data broken down by operating segment is presented to the chief operating decision maker.

(In € thousands)	2024		2023	
	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA
Premium Solutions	924,242	142,370	825,119	118,273
Automated Solutions	64,586	12,649	55,193	10,109
Other – Central Platform	-	(87,939)	-	(78,126)
TOTAL	988,827	67,080	880,312	50,256

3.3. Reconciliation with Group financial data

The table below reconciles adjusted EBITDA with operating income (loss):

<i>(In € thousands)</i>	2024	2023
Operating income (loss)	(2,115)	(18,072)
Restatement of depreciation, amortization and impairment expense	50,367	61,301
Restatement of share-based payment including social security contributions and employer contributions	8,005	7,983
Restatement of other operating income (expense)	10,110	(1,708)
Restatement of depreciation and amortization of identified assets at the acquisition date, net of deferred taxes, for the share of net income (loss) of equity-accounted companies	712	753
ADJUSTED EBITDA	67,080	50,256

3.4. Information by geographic area

In accordance with IFRS 8.33, revenue generated in France and abroad is presented below based on the location of the Group's operations:

<i>(In € thousands)</i>		2024	2023
	● 17% France	162,930	147,767
	● 11% Germany	111,304	110,863
	● 33% Europe excluding France and Germany	326,388	264,625
	● 15% Americas	151,185	128,149
	● 24% Asia/Oceania/Africa	237,020	228,907
	TOTAL REVENUE	988,827	880,312

The breakdown of non-current assets (excluding non-current financial assets, non-current portion of advances to artists and labels, deferred tax assets) in France and abroad is presented below on the basis of the location of the legal entity carrying the assets:

<i>(In € thousands)</i>		2024	2023
	● 24% France	96,281	99,865
	● 10% Germany	42,196	45,076
	● 42% Europe excluding France and Germany	170,510	123,691
	● 10% Americas	39,335	35,595
	● 14% Asia/Oceania/Africa	58,570	52,318
	TOTAL NON-CURRENT ASSETS	406,893	356,544

3.5. Major customers

At December 31, 2024, the Group's three largest customers respectively accounted for 30%, 27% and 9% of total revenue; they represented 31%, 28% and 9% of total revenue at December 31, 2023.

NOTE 4 OPERATING DATA

4.1. Revenue

Accounting policies

The Group derives most of its revenue from:

- digital sales;
- other: mainly composed of sales of physical media and music publishing revenues; and for a minority share, revenues from derivative products, synchronization, brand partnerships and related rights.

Revenue is recognized when the performance obligation is satisfied, at the amount of consideration to which the Group expects to be entitled.

Digital sales:

The Group's digital sales are made under two business models:

- Premium Solutions;
- Automated Solutions.

Digital sales in the Premium Solutions segment consist of sales of an intellectual property license to the catalog of musical works to which the Group has the rights. The catalog is defined as all of the works to which the Group has the rights during its contract with the platform (including works to which it will acquire the rights after signing the contract and excluding works to which the Group will no longer hold rights). This license therefore represents a right to access intellectual property as it exists throughout the license period (dynamic license). The Group enters into contracts spanning several years with digital service providers which pay in exchange for the use of its musical catalog. Revenue therefore takes the form of remuneration based on the use of the license by the platforms' end customers. Such remuneration in this case is based on the revenue generated by the platform, both from advertising and from subscriptions. Revenue is recognized as and when the catalog is used, based on reports compiled by the digital platforms.

Some contracts with platforms may provide for the payment of a minimum guarantee. This is non-refundable but can generally be recouped, and is similar to an advance received by the Group. Minimum guarantees are recognized in the same way as the payments to which they relate or are recognized *pro rata temporis* over the term of the contract if the related payments are not sufficient or if pertinent information is not available. Minimum guarantees or advances not yet recognized in revenue represent contract liabilities.

As part of its digital sales activities in its Premium Solutions offering, the Group acts as Principal in its dealings with the digital platform, as it obtains control of the works comprising the catalog through the distribution licenses granted to it. The Group effectively controls the catalog and has the ability to direct its use. Its activity also involves incorporating works into its catalog.

For Automated Solutions, digital sales constitute an intermediation service enabling the producer to distribute its catalog on the platforms of its choice. This service also includes collecting and paying producers amounts attributable to them during the term of their subscription. In this arrangement, the Group acts as Agent and revenue corresponds to subscriptions paid by artists or to the margin if revenue is shared, as it does not obtain control of the works delivered to the platform; the producer has discretion in establishing the price and making other commercial decisions. Revenue is recognized on a straight-line basis over the subscription period, since the producer receives and consumes the benefits as and when the services are provided and the necessary inputs are consumed in a uniform manner over the service period.

Others:

In the course of its business, and depending on the contractual provisions agreed with artists or producers, in the case of physical sales the Group may act as either Agent or Principal.

When the Group acts as a label (i.e. it enters into a recording contract with an artist, or an "artist contract", or a license agreement under which it acts as a licensee for a third-party producer), it carries out the physical sales as a Principal, since it obtains control of the physical recording, makes commercial decisions, and bears the inventory risk. In this case, the Group's customer is the physical distributor.

When the Group acts as distributor, its role is as an Agent as it does not obtain control of the physical recordings, does not and make other commercial decisions, and does not bear the inventory risk.

When the Group acts as Principal, sales of physical media constitute sales of intellectual property licenses for musical works. This license constitutes a right to use the intellectual property as it exists in the physical recording i.e. at a point in time (static license). In this case, revenue, net of any discounts or rebates, is recognized when control of the physical recording is transferred, which generally occurs when the physical recording is delivered to physical stores or, in the event of sales on consignment, when the physical recording is sold to the end customer. In the case of sales on consignment, the physical distributor only obtains control of the physical recording when the product is sold to its customer, and it does not have an unconditional obligation to pay for the product as long as the sale to its customer does not take place.

Estimates of returns are based on historical statistics and forecasts and are deducted from revenue.

When the Group acts as Agent, sales correspond to an intermediary distribution service to the producer and, where appropriate, add-on services such as the manufacture of the different formats. In this case, the Group's customer is the producer and revenue consists only of the fees it earns on distribution. The impact of estimated returns is recognized as a deduction from revenue relating to distribution fees. Estimates of returns are based on historical statistics and forecasts, i.e. using the expected value method.

The Group also provides music publishing services, according to two business models:

- Premium Solutions;
- Automated Solutions.

For Premium solutions, the Group acts as Principal. Its performance obligation consists of the commercial operation of the entire catalog of the beneficiary (artist or producer) over a fixed period. The catalog is understood here as all the musical compositions of the beneficiary. The Group thus takes control of the artist or producer's entire catalog and performs, in addition to administrative services, additional services related to the commercial operation of this catalog. For Automated solutions, the Group acts as an Agent. Its performance obligation consists of the administration of copyrights through the registration of works and the collection of royalties due in respect of reproduction and performance rights, mainly from collective management companies and on behalf of rights holders. The Group's services cover all or part of the artist or producer's catalog. The publishing contract has no fixed term; it may thus be terminated at any time subject to compliance with a notice period. Only the commission for this service is recognized in revenue.

The Group generates revenue on other, more incidental, activities, namely:

- activities involving the sale of derivative products and brand partnerships – corresponding to the sale of derivative products in partnership with a brand – generate revenue which is recognized at the time of the license agreement, or when control of the goods is transferred to the customer. The Group acts as Principal in this arrangement as it obtains control of the goods. It makes commercial decisions, is responsible for sales to the end customer, and bears the inventory risk;
- synchronization services are where a license is granted to an extract from a musical work as it exists at the time the contract is signed, with no changes envisaged. In this case, revenue is recognized when control of the license is transferred, i.e. when the customer obtains the right to use the work;
- neighboring rights relate to incidental copyrights returned to the recording artist and audiovisual producers, as well as to radio or television broadcasting bodies. The Group may be responsible for collecting payments relating to neighboring rights from the competent authorities, and then for paying them over to the artist/producer, less a management fee, where applicable. The Group acts as Agent when it collects such payments and only its fees are recognized as revenue.

BREAKDOWN OF REVENUE BY TYPE

<i>(In € thousands)</i>	2024		2023	
Digital sales	885,042	89.5%	793,064	90.1%
Others ⁽¹⁾	103,785	10.5%	87,248	9.9%
TOTAL REVENUE	988,827	100%	880,312	100%

(1) The amounts shown within "Others" mainly correspond to the physical sales and the administration of music publishing rights.

4.2. Cost of sales

Accounting policies

Cost of sales includes both directly and indirectly costs attributable to products and services sold. Cost of sales mainly relates to amounts paid to artists and labels, production costs and changes in inventories (mainly physical recordings), as well as expenses incurred to organize musical events.

Payments to artists, labels and rights holders are expensed when proceeds from the sales are recognized, less any provision for returns.

4.3. Operating income (expense)

Accounting policies

Sales and marketing expenses

Sales and marketing expenses include all costs relating to internal and external personnel involved in marketing and sales services, along with local operational and support costs attributable to marketing and sales activities. They also include depreciation and amortization charged against the corresponding non-current assets (which mainly comprise capitalized personnel expenses and consultants' fees).

Technology and product expenses

Technology and product expenses include all costs relating to internal and external personnel involved in developing technology platforms for services provided by the Group, and to other internally-developed IT projects, part of which being capitalized. They also include depreciation and amortization charged against property, plant and equipment and intangible assets.

General and administrative expenses

General and administrative expenses include all costs relating to internal and external personnel in operational support and head office teams, along with overheads and miscellaneous fees relating to these support functions. General and administrative expenses also include amortization charged against intangible assets (content and platform delivery management tools, interfaces with artists and labels, data management and analysis systems, etc.) and property, plant and equipment, as well as costs related to post-employment benefits and share-based compensation plans.

Operating income (expense) by nature

Personnel expenses and employee benefits

Personnel expenses and employee benefits are detailed in Note 5.2 – *Employee benefits*.

Depreciation, amortization and impairment expenses

Depreciation, amortization and impairment expenses recognized in the income statement as operating income and expense items are described in Note 6.2 – *Other intangible assets* and in Note 6.3 – *Property, plant and equipment*.

4.4. Other operating income (expense)

Accounting policies

In order to facilitate interpretation of the income statement and Group performance, unusual items that are material to the consolidated financial statements are presented separately as operating income (expense) under "Other operating income (expense)".

The Group's other operating income (expense) is comprised of the following:

<i>(In € thousands)</i>	2024	2023
Gains (losses) on asset disposals	38	1,048
Acquisition-related income / (costs)	(2,648)	2,610
Other operating income (expense)	(7,500)	(1,950)
TOTAL OTHER OPERATING INCOME (EXPENSE)	(10,110)	1,708

At December 31, 2024, "Other operating income (expenses)" mainly included expenses incurred by Believe on its own account in the amount of €(6.0) million related to the simplified public tender offer initiated by Upbeat BidCo on the shares of Believe (see *Significant events of the 2024 fiscal year*).

At December 31, 2023, the line "Acquisition-related income/(costs)" mainly includes income related to the updating of the estimate of the call-put options and of forward contracts entered into as part of our acquisitions according to the latest available assumptions (see Note 4.9 - *Other current liabilities* and Note 4.10 - *Other non-current liabilities*), offset by acquisition-related costs.

The "Other operating income (expense)" item mainly includes expenses related to the reorganization undertaken in certain countries, partly offset by an income related to the lease renegotiation for the premises of Believe's head office in France.

4.5. Trade receivables and other current assets

Accounting policies

Trade receivables are initially recognized at their transaction price (within the meaning of IFRS 15); these do not include a significant financing component given the short payment terms. Trade receivables are measured at amortized cost less expected losses over the life of the receivable according to the simplified model provided for by IFRS 9.

Expected credit losses are estimated taking into account the history of credit losses, the age of the receivables and a detailed risk estimate. If there is objective evidence of a credit loss at the reporting date (e.g. litigious receivables or difficulties in terms of collection), an additional write down may be recognized on a case-by-case basis in light of information available at the reporting date.

Invoices not yet issued (included in the estimated revenue) at the reporting date pending the final reports from the digital platforms are shown in trade receivables. These relate to revenue recognized when a performance obligation has been satisfied but not yet billed. As well as the estimates made, the Group also receives daily activity reports from major platforms which include key revenue inputs (e.g. listening volume, for example by artist/stream/genre/country). Based on these inputs, the Group considers that it has an unconditional right to consideration since only the passage of time is required before payment of that consideration is due. Furthermore, the payment and amount of these invoices do not depend on the future provision of services.

Trade receivables break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Trade receivables ⁽¹⁾	260,282	209,024
Impairment of trade receivables	(10,777)	(8,822)
TOTAL TRADE RECEIVABLES, NET	249,505	200,203

(1) The amount of invoices not yet issued included within "Trade receivables" was €137.3 million and €123.0 million at December 31, 2024 and 2023. The change in trade receivables is mainly related to the increase in the Group's business.

Age of trade receivables

The age of trade receivables is broken down as follows:

<i>(In € thousands)</i>	December 31, 2024			December 31, 2023		
	Trade receivables	Impairment of trade receivables	Trade receivables, net	Trade receivables	Impairment of trade receivables	Trade receivables, net
Not yet due ⁽¹⁾	241,007	-	241,007	186,711	-	186,711
Less than 90 days past due	5,150	(440)	4,710	7,278	-	7,278
Between 90 and 180 days past due	1,551	(904)	647	4,044	(47)	3,997
More than 180 days past due	12,574	(9,433)	3,141	10,992	(8,775)	2,217
TOTAL TRADE RECEIVABLES, NET	260,282	(10,777)	249,505	209,024	(8,822)	200,203

(1) The amount of invoices not yet issued is included within "Not yet due".

Other current assets

Other current assets break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Tax and social security receivables ⁽¹⁾	17,214	17,688
Prepaid expenses	16,591	16,500
Other receivables	749	4,087
TOTAL OTHER CURRENT ASSETS	34,554	38,275

(1) Tax and social security receivables relate mainly to amounts due to the Group in respect of VAT.

4.6. Advances to artists and labels

Accounting policies

Under certain contracts signed with artists and labels, the Group agrees to pay advances that will be recovered against the amounts payable to them in the future. Advances are recognized as an asset when they are paid and are recognized as an expense as the related rights are due to the artists and labels.

At each reporting date, the Group determines the probability that it will recoup these advances, based on estimates of the future performance of the artists and labels that will be used to calculate the amounts due. Thus, the balance of advances is impaired if future performance is considered not to be sufficient. Any impairment is recognized in cost of sales.

Advances shown in the statement of financial position are split between a current portion (i.e. the portion that the Group expects to recover within 12 months of the reporting date) and a non-current portion.

Advances to artists and labels can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Advances to artists and labels – current portion	99,832	103,129
Advances to artists and labels – non-current portion	193,260	155,451
TOTAL ADVANCES TO ARTISTS AND LABELS, NET	293,092	258,580
<i>Portion of advances paid in less than one year</i>	<i>49%</i>	<i>66%</i>

4.7. Inventories

Accounting policies

Inventories are initially measured at cost. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The Group's inventories mainly consist of physical music recordings held in connection with its label business.

At each reporting date, inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down by means of an impairment loss if their net realizable value is lower than their cost. Any such impairment is reversed as soon as the net realizable value of the inventories once again exceeds their cost.

Inventories break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Gross inventories	6,270	7,282
Impairment	(2,277)	(3,172)
TOTAL INVENTORIES, NET	3,993	4,110

4.8. Trade payables and contract liabilities

Accounting policies

Trade payables and contract liabilities are measured at fair value on initial recognition, and subsequently at amortized cost. These are classified as current liabilities in the statement of financial position with a maturity date of less than one year. Contract liabilities represent consideration received for performance obligations that have not yet been satisfied or have only partly been satisfied. They correspond mainly to:

- advances and minimum guarantees received from digital platforms;
- ticket sales ahead of concerts;
- prepaid income relating to subscriptions paid in full by artists on inception of contracts in the Automated Solutions business but recognized over several reporting periods.

Trade payables and contract liabilities break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Trade payables	605,575	558,403
Contract liabilities ⁽¹⁾	80,385	53,353
TOTAL TRADE PAYABLES AND CONTRACT LIABILITIES	685,959	611,756
<i>(1) The majority of contract liabilities shown at the beginning of each reporting period are reclassified to revenue during that period.</i>		

4.9. Other current liabilities

Other current liabilities break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Tax and social security liabilities	35,912	36,326
Forward contract for the acquisition of the remaining 24% of SPI Music ⁽¹⁾	14,282	-
Other payables	3,223	4,290
TOTAL OTHER CURRENT LIABILITIES	53,417	40,616
<i>(1) The forward contract for the acquisition of the remaining 24% of SPI Music expires in 2025. This liability was previously classified as a non-current liability.</i>		

4.10. Other non-current liabilities

Other non-current liabilities include call-put options and catalog acquisition liabilities. Their estimations are updated according to the latest available assumptions (see Note 4.4 - *Other operating income (expense)* and Note 2.3 - *Business combinations*) and break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Forward contract for the acquisition of the remaining 24% of SPI Music	-	13,204
Call-put option for the acquisition of the remaining 47% of MGM	3,362	3,269
Liabilities related to the acquisition of licenses	1,800	-
TOTAL OTHER NON-CURRENT LIABILITIES	5,162	16,473

NOTE 5 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

5.1. Headcount

The table below shows the Group's average full-time equivalent headcount, including external consultants in the countries in which the Group operates:

<i>(Full-time equivalent)</i>	2024	2023
Average headcount over the year	2,323	2,028

5.2. Employee benefits

Accounting policies

Employee benefits are all forms of compensation granted by the Group for services rendered by its employees or for the termination of their employment. These benefits, measured in accordance with IAS 19 - *Employee benefits*, can be broken down into four categories:

- short-term benefits (paid leave, paid sick leave, bonuses, etc.);
- post-employment benefits (pension benefits, social security benefits and supplementary retirement benefits);
- other long-term benefits (long-service awards, long-service leave, etc.);
- termination benefits.

Short-term benefits are those expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees provide the related services. They are recognized in current liabilities and recorded as expenses when the employee provides the service. Post-employment benefits are described in Note 5.3 - *Pensions and other employee benefit obligations*.

Termination benefits are expensed at the earlier of the following dates: when the Group can no longer withdraw the offer of those benefits, or when the Group recognizes costs for a restructuring plan that is within the scope of IAS 37 and involves the payment of termination benefits.

Personnel expenses are broken down as follows, by type:

<i>(In € thousands)</i>	2024	2023
Wages, salaries and payroll taxes ⁽¹⁾	(165,028)	(143,363)
Post-employment benefit expenses	(132)	(145)
Share-based payments	(8,005)	(7,983)
Other employee benefits ⁽²⁾	(5,783)	(4,940)
TOTAL PERSONNEL EXPENSES	(178,949)	(156,431)
Consultants' fees	(20,350)	(18,070)
Capitalized personnel expenses and consultants' fees ⁽³⁾	16,699	15,584
TOTAL PERSONNEL EXPENSES, INCLUDING CONSULTANCY COSTS, NET OF CAPITALISED PERSONNEL EXPENSES	(182,600)	(158,918)

(1) The "Wages salaries and payroll taxes" item includes bonuses, incentives and profit-sharing payments.

(2) The "Other employee benefits" item includes employer contributions to benefit plans and supplementary health insurance plans.

(3) The "Capitalized personnel expenses and consultants' fees" item includes staff in the IT, Product and Operations teams who develop the Group's technological platform.

5.3. Pensions and other employee benefit obligations

Accounting policies

There are two types of post-employment benefits:

- defined contribution plans, where the Group pays fixed contributions into external funds. Under defined contribution plans, the Group is under no legal or constructive obligation to make further payments if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Payments to defined contribution plans are expensed in the period in which the related services are provided;
- defined benefit plans, under which the Group's obligation is to provide the agreed benefits to current and former employees. These obligations are recognized in liabilities at their present value, where appropriate less the fair value of plan assets in the funds allocated to finance such benefits.

The benefit obligations are assessed by an independent actuary who calculates the present value of the Group's future obligations at each reporting date using the projected unit credit method. Future payments are calculated based on assumptions with respect to salary increases, retirement age, mortality and employee turnover. They are then discounted to their present value based on the yield on high-quality corporate bonds with a term consistent with the estimated average term of the plan in question. The assumptions used for the periods presented are described in this section.

Actuarial gains and losses resulting from changes to the calculation assumptions and experience adjustments are recognized in other comprehensive income.

The net expense for the period, corresponding to current service cost plus past service cost where appropriate, is recognized in operating expenses. The interest cost on the net defined-benefit liability (or asset) is included in net financial income (expense) and corresponds to the impact of unwinding the discount on the obligations.

The Group has defined benefit obligations in six countries: France, Italy, Germany, India, Indonesia and Thailand. The post-employment benefit obligations net of plan assets recognized were respectively €264 thousand and €25 thousand at December 31, 2024 and 2023.

The benefit obligations and plan assets break down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Post-employment benefit obligation at January 1	1,288	1,882
Current service cost	73	86
Interest cost (impact of unwinding the discount)	59	59
Changes in the scope of consolidation	(3)	-
Actuarial losses (gains)	190	(703)
• <i>Of which resulting from experience adjustments</i>	75	(183)
• <i>Of which resulting from changes in assumptions</i>	116	(520)
Benefits paid	(82)	(36)
POST-EMPLOYMENT BENEFIT OBLIGATION AT DECEMBER 31	1,525	1,288

Plan assets

In Germany, companies partially cover their pension obligations with funds outsourced to insurance companies, the present value of which is as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Value of plan assets at January 1	1,263	1,244
Actual return on plan assets	39	45
Contributions paid	-	28
New plans/acquisitions/disposals	-	-
Benefits paid	(41)	(54)
VALUE OF PLAN ASSETS AT DECEMBER 31	1,261	1,263

Defined benefit expense recognized in the income statement

(In € thousands)	2024	2023
Current service cost	73	86
Interest cost	59	59
Notional return on plan assets	-	-
Impact of the asset ceiling	-	-
DEFINED BENEFIT EXPENSE RECOGNIZED IN THE INCOME STATEMENT	132	145

Maturity of benefits payable

Expected disbursements in 2025 are not significant.

Actuarial assumptions

	December 31, 2024		December 31, 2023	
	France-Italy	Germany	France-Italy	Germany
Discount rate/rate of return on plan assets	3.43%	3.40%	4.09%	4.15%
Inflation rate	2.0%	-	2.1%	-
Salary increase rate	4.0% to 6.0%	-	4.0% to 6.0%	-
Average duration	29.3 years	13.9 years	28.8 years	13.7 years

Sensitivity analysis

	December 31, 2024	December 31, 2023
Impact of a 0.5% increase or decrease in employee turnover	-7.5% to 7.1%	-7.8% to 7.5%
Impact of a 0.5% increase or decrease in the salary increase rate	6.8% to -6.3%	7.0% to -6.5%
Impact of a 0.5% increase or decrease in the discount rate	-6.4% to 7.1%	-6.4% to 7.1%

5.4. Share-based payments

Accounting policies

Believe SA granted some of its employees and senior executives (i) founders' warrants (BSPCEs), (ii) share subscription warrants (BSAs) and (iii) Performance Shares (AP). These transactions are settled in equity instruments. In accordance with IFRS 2 - *Share-based payments*, these plans are recognized as expenses over the vesting period of the rights by reference to their fair value determined at the grant date. This expense is included in personnel expenses with a matching entry to equity.

Description of share-based payment arrangements and measurement of the fair value of benefits

Founder's share subscription warrants (BSPCE) and share subscription warrants (BSA)

The terms and conditions for issuing BSAs and BSPCEs are as follows:

Plan	Authorization date	Issue/grant date	Per-option exercise price	Number of options authorized	Number of options granted	Number of options not granted	Number of options canceled	Date of GM for cancellation	Expiry of exercise period ⁽¹⁾		
BSPCE 2011	05/31/2011	07/01/2011	€8.884	156,002	66,860	-	89,142	12/18/2012	July 1, 2023, 2024 or 2025, depending on the tranche		
BSA 2011	05/31/2011	07/01/2011	€8.884	66,858	33,429	-	33,429	12/18/2012			
BSPCE 2012	12/18/2012	11/07/2014	€12.24	89,142	73,542	-	15,600	11/25/2014	11/07/2024		
BSA 2012	12/18/2012	11/07/2014	€12.24	33,429	26,654	-	6,775	11/25/2014	11/07/2024		
BSPCE 2016-1	06/30/2016	06/30/2016	€5.40	853,750	260,000	7,240	-	-	06/30/2026		
BSPCE 2016-2	06/30/2016	06/30/2016	€5.40		155,000		-	-	06/30/2026		
BSA 2016-1	06/30/2016	12/31/2016	€8.57		13,000		-	-	12/31/2026		
BSA 2016-2	06/30/2016	06/30/2016	€5.40		393,210		-	-	06/30/2026		
BSPCE 2017	06/30/2016	09/04/2017	€8.57		10,300		-	-	09/04/2027		
BSA 2017	06/30/2016	09/04/2017	€8.57		15,000		-	-	09/04/2027		
BSPCE 2018-1	10/15/2018	10/19/2018	€9.18		1,951,033		845,000	396,033	-	-	10/19/2028
BSA 2018-1	10/15/2018	10/19/2018	€9.18				480,000		-	-	10/19/2028
BSPCE 2019-1	10/15/2018	05/03/2019	€14.75	190,000		-	-		05/03/2029		
BSA 2019-1	10/15/2018	07/31/2019	€14.75	40,000		-	-		07/31/2029		

(1) Unless otherwise stated, the exercise deadline is 10 years from the grant date of the warrants.

The main data and assumptions underpinning the fair value measurement of benefits awarded under share-based payment arrangements are as follows:

Plan	Grant date	Number of options granted	Exercise price (in €)	Maximum vesting period in years	Value of underlying share (in €)	10-year risk-free rate at maturity	Average target volatility over the period
BSPCE 2016-1	06/30/2016	260,000	5.40	4	5.40	0.05%	52.6%
BSPCE 2016-2	06/30/2016	155,000	5.40	3	5.40	0.05%	52.6%
BSA 2016-1	12/31/2016	13,000	8.57	4	8.57	0.42%	49.7%
BSA 2016-2	06/30/2016	393,210	5.40	3	5.40	0.05%	52.6%
BSPCE 2017	09/04/2017	10,300	8.57	4	8.57	0.51%	47.8%
BSA 2017	09/04/2017	15,000	8.57	3	8.57	0.51%	47.8%
BSPCE 2018-1	10/19/2018	845,000	9.18	4	9.18	0.63%	44.2%
BSA 2018-1	10/19/2018	480,000	9.18	4	9.18	0.63%	44.2%
BSPCE 2019-1	05/03/2019	190,000	14.75	4	15.52	0.19%	40.0%
BSA 2019-1	07/31/2019	40,000	14.75	4	15.52	-0.25%	39.8%

The instruments are valued using a Black-Scholes-type model. Due to the Company's profile, the expected dividend rate was zero, but the calculation took into account a sub-optimal early exercise probability. Expected volatility was determined based on an industry sample of comparable companies using a multi-criteria approach. The risk-free rate used is based on the yield on 10-year eurozone government bonds.

The BSPCE plan of November 7, 2014 provides that in the event of a takeover bid made by a third party for 100% of the share capital and voting rights (on a fully diluted basis), the beneficiaries will have the option, with no lapsing effects, in the event of termination of the duties of employees or corporate officers of the Company, to exercise all of the BSPCEs allocated to them on the day of the final disposal.

The BSA and BSPCE plans from June 30, 2016 provide that in the event of a transfer of Company's shares to one or more third parties or to one or more shareholders, acting alone or in concert within the meaning of Article L.233-10 of the French Commercial Code covering more than 50% of the Company's share capital (hereinafter a "Liquidity Event"):

- BSAs and BSPCEs which are exercisable but not exercised at the latest on the date of occurrence of a Liquidity Event will automatically lapse and be cancelled without formality;
- BSAs and BSPCEs which are not exercisable on the date of the occurrence of a Liquidity Event may not be exercised and will automatically lapse and be cancelled without formality, unless otherwise decided.

By decision of the Board of Directors on April 18, 2024, it was recalled that all the BSA and BSPCE plans granted as of June 30, 2016 may be exercised at any time until their respective exercise deadline.

At December 31, 2024, all of the non-lapsed options under all the BSA and BSPCE plans had been exercised.

The change in these options over 2024 and 2023 is detailed below:

Plan	Number of options granted	December 31, 2024				December 31, 2023			
		Number of options lapsed	Number of options exercised	Number of options out-standing	Total subscription amount paid for warrants exercised (in €)	Number of options lapsed	Number of options exercised	Number of options out-standing	Total subscription amount paid for warrants exercised (in €)
BSPCE 2011	66,860	-	66,860	-	€593,984	-	66,860	-	€593,984
BSA 2011	33,429	-	33,429	-	€296,983	-	33,429	-	€296,983
BSPCE 2012	73,542	2,228	71,314	-	€872,883	2,228	37,888	33,426	€463,749
BSA 2012	26,654	-	26,654	-	€326,245	-	26,654	-	€326,245
BSPCE 2016-1	260,000	1,042	258,958	-	€1,398,373	1,042	8,958	250,000	€48,373
BSPCE 2016-2	155,000	4,826	150,174	-	€810,940	4,826	95,674	54,500	€516,640
BSA 2016-1	13,000	7,000	6,000	-	€51,420	7,000	5,000	1,000	€42,850
BSA 2016-2	393,210	183,000	210,210	-	€1,135,134	183,000	182,210	28,000	€983,934
BSPCE 2017	10,300	-	10,300	-	€88,271	-	10,300	-	€88,271
BSA 2017	15,000	15,000	-	-	-	15,000	-	-	-
BSPCE 2018-1	845,000	79,272	765,728	-	€7,029,383	79,272	136,897	628,831	€1,256,714
BSA 2018-1	480,000	107,293	372,707	-	€3,421,450	107,293	109,012	263,695	€1,000,730
BSPCE 2019-1	190,000	70,000	120,000	-	€1,770,000	70,000	59,500	60,500	€877,625
BSA 2019-1	40,000	9,167	30,833	-	€454,787	9,167	30,833	-	€454,787

Each option in the plans listed in the above table confers the right to two ordinary shares, except for the 2011 and 2012 plans, which confer the right to 20 ordinary shares.

Reconciliation of options on shares in issue

The number and weighted average exercise price of stock options under stock option plans and replacement awards are as follows:

(In € thousands)	December 31, 2024		December 31, 2023	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
In issue at January 1	1,319,952	€8.60	1,482,085	€8.70
Lapsed during the period	-	-	(1,013)	€5.40
Exercised during the period	(1,319,952)	€8.60	(161,120)	€10.10
Granted during the period	-	-	-	-
IN ISSUE AT DECEMBER 31	-	-	1,319,952	€8.60
Exercisable at December 31	-	-	1,319,952	€8.60

Performance Shares (AP)

The terms and conditions of the Performance Share issues are presented below:

- on June 21, 2024, the Board of Directors decided to grant 1,090,299 free shares subject to performance conditions to certain Group employees. This number may be increased to a maximum of 1,188,426 in the event of outperformance. These free shares, subject to performance conditions, will vest in four tranches in June 2027 after the Board of Directors has duly noted that the performance conditions have been met;
- on April 27, 2023, the Board of Directors decided to grant 1,071,495 free shares subject to performance conditions to certain Group employees. This number may be increased to a maximum of 1,264,347 in the event of outperformance. These free shares, subject to performance conditions, will vest in four tranches in April 2026 after the Board of Directors has duly noted that the performance conditions have been met;
- on December 9, 2022, the Board of Directors decided to grant 100,000 free shares subject to performance conditions to one Group employee. This number may be increased to a maximum of 113,333 in the event of outperformance. These free shares, subject to performance conditions, will vest in three tranches in September 2025 after the Board of Directors has duly noted that the performance conditions have been met;
- on May 3, 2022, the Board of Directors decided to grant 697,322 free shares subject to performance conditions to certain Group employees. This number may be increased to a maximum of 790,298 in the event of outperformance. These free shares, subject to performance conditions, will vest in three tranches in May 2025 after the Board of Directors has duly noted that the performance conditions have been met;

• on September 15, 2021, the Board of Directors decided to grant 692,254 free shares subject to performance conditions to certain Group employees. This number may be increased to a maximum of 784,543 in the event of outperformance. These free shares, subject to performance conditions, will vest in three tranches in September 2024 after the Board of Directors has duly noted that the performance conditions have been met.

The free performance share allocation plan regulations dated September 15, 2021, May 3 and December 9, 2022 and April 27, 2023 provide that if, during the vesting period, (i) a public tender offer and/or exchange offer is launched on the Company's shares or (ii) a shareholder acting alone or in concert holds more than 30% of the Company's share capital, the Board may, at its discretion, decide to modify the performance conditions in order to assess them at the time of one of the above-mentioned events or to remove any continued employment and/or performance condition and consider that the shares are vested early, subject to compliance with a minimum vesting period of two years. The free performance share allocation plan regulation dated 21 June 2024 stipulate that if, during the vesting period, a public offer including the implementation of a squeeze-out of the Company is announced or filed, the Board of Directors may, at its discretion decide to modify or waive the performance condition(s) and modify or waive any presence and/or performance condition(s) and deem that the shares will vest definitively before the expiry of the vesting period, subject to compliance with a minimum vesting period of one year.

In this context, by decision of the Board of Directors on April 18, 2024, it was decided to accelerate the delivery of the bonus performance share plan dated September 15, 2021 from September to May 2024.

The main data and assumptions underpinning the fair value measurement of benefits awarded under share-based payment arrangements are as follows:

Plan	Grant date	Maximum number of free shares granted subject to performance conditions	Estimated achievement of performance conditions	Fair value per share at the grant date (in €)	Fair value per share valued on the basis of a Monte Carlo model (in €)
AP 2021 - tranche 2	09/15/2021	230,751	N/A	-	13.58
AP 2021 - tranche 1 and 3	09/15/2021	461,503	106% to 100%	18.25	-
AP 2022 - tranche 2	05/03/2022	232,441	N/A	-	8.13
AP 2022 - tranche 1 and 3	05/03/2022	464,881	51% to 100%	11.34	-
AP 2022 - tranche 2	12/09/2022	33,333	N/A	-	6.05
AP 2022 - tranche 1 and 3	12/09/2022	66,667	51% to 100%	10.60	-
AP 2023 - tranche 3	04/27/2023	321,448	N/A	-	5.40
AP 2023 - tranche 1, 2 and 4	04/27/2023	750,047	0% / 120% / 100%	9.70	-
AP 2024 - tranche 1, 2, 3 and 4	06/21/2024	1,090,299	100%	15.00	-

The change in these free shares over 2024 and 2023 is detailed below:

Plan	Number of free shares granted	Maximum number of free shares	December 31, 2024				December 31, 2023			
			Number of free shares lapsed	Number of free shares exercised	Number of free shares out-standing	Maximum number of free shares in issue	Number of free shares lapsed	Number of free shares exercised	Number of free shares out-standing	Maximum number of free shares in issue
AP 2021	692,254	784,543	311,388	380,866	-	-	120,657	-	571,597	571,597
AP 2022	797,322	903,631	51,759	-	745,563	745,563	51,759	-	745,563	745,563
AP 2023	1,071,495	1,264,347	199,072	-	872,423	872,423	84,300	-	987,195	987,195
AP 2024	1,090,299	1,188,426	105,000	-	985,299	985,299	-	-	-	-

Employee shareholding plan: b.shares 2022

In countries that meet the Group's eligibility and local feasibility criteria, the Group offers employee beneficiaries of the offer the opportunity to become shareholders through a special capital increase reserved for them. An employee shareholding plan has been proposed for the second half of 2022. This plan allows them to subscribe for Believe shares through a company mutual fund (FCPE) at a subscription price of €6.90, corresponding to the average of the opening prices of Believe shares on the 20 trading sessions preceding the date of the decision, minus a 20% discount. These shares are unavailable for a period of five years (except in the event of early release provided for by applicable local regulations). Employees bear the risk of a change in the share value in relation to the subscription price. The subscription of shares under the Group savings plan (PEG) allows employees to benefit from a matching contribution from their employer.

A total of 337,457 shares were subscribed at a nominal price of €0.005, representing a capital increase of €1.7 thousand and an increase in share premium of €2,286 thousand on November 3, 2022. The total cost of the b.shares plan amounts to €1,658 thousand, recognized in personnel expenses for the fiscal year ended December 31, 2022, including social security charges and employer contributions. Excluding social security charges and employer contributions, the cost of the b.shares plan amounted to €578 thousand.

On February 12, 2024, a consortium formed of Denis Ladegaillerie, the EQT X fund and funds managed by TCV announced its intention to launch, via a dedicated vehicle, a takeover bid for the entire share capital of the Company. This offer may be followed by a squeeze-out. However, in the event of a takeover bid or public exchange offer for the Company's shares, the FCPE's Supervisory Board is responsible for deciding whether to tender the shares to the offer:

- If the FCPE decides to tender the shares to the offer, the FCPE will receive the total price of the shares in return, which is then reinvested in money-market products. Subject to prior approval by the *Autorité des Marchés Financiers*, the FCPE then merges with the most secure fund offered under the PEG (money-market fund), and the employees' assets remain frozen until the end of the 5-year period (2027).
- If the FCPE decides not to tender the shares to the offer, the FCPE will remain invested in Believe shares.

It should be noted, however, that the FCPE is compelled to sell its shares as part of a squeeze out (which assumes that the initiator of the takeover bid holds at least 90% of the company's capital and voting rights). In this case, the FCPE receives the price of the shares, which is then reinvested in money-market products. Subject to prior approval by the *Autorité des Marchés Financiers*, the FCPE then merges with the most secure fund offered under the PEG (money-market fund), and employees' assets remain frozen until the end of the 5-year period (2027).

Accordingly, the Supervisory Board of the FCPE decided on May 27, 2024 to contribute the Believe shares held via the FCPE to the public tender offer. This decision applied to all shares held by the FCPE, which were tendered on July 4, 2024 (date of settlement/delivery of the Offering).

Expenses recognized in the income statement in respect of share-based payments

Expenses recognized in the income statement in respect of the Group's share-based payment arrangements, excluding social security and employer matching contributions, can be analyzed as follows:

<i>(In € thousands)</i>	2024	2023
BSPCE 2019-1	-	8
AP 2021	2,274	3,035
AP 2022	1,193	2,355
AP 2023	996	1,667
AP 2024	2,225	-
TOTAL SHARE-BASED PAYMENTS	6,688	7,064

5.5. Executive compensation

The compensation of the Group's main executives corresponds to the compensation of corporate officers and independent directors' fees. The Group has one corporate officer.

The amounts presented below in respect of their compensation and recorded in the consolidated income statement correspond to the amounts paid during their terms of office. The key executives have not been granted any post-employment benefits.

<i>(In € thousands)</i>	2024	2023
Compensation in respect of employment	340	387
Benefits in kind	-	-
Share-based payments	-	-
Compensation in respect of corporate officer positions	185	167
TOTAL EXECUTIVE COMPENSATION	525	555

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1. Goodwill

Accounting policies

Goodwill represents the excess of the consideration paid for an acquisition over the fair value of the Group's share of the acquired entity's net identifiable assets at the acquisition date. Goodwill is accounted for as described in Note 2.3 – *Business combinations*.

It is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least once a year and whenever there is evidence that it may be impaired, in accordance with IAS 36 (see Note 6.4 – *Impairment tests on non-current assets*). Impairment charged against goodwill cannot be reversed.

Changes in goodwill can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Goodwill at January 1	141,196	107,705
Changes in the scope of consolidation ⁽¹⁾	-	36,017
Translation adjustments, hyperinflation and others	6,756	(2,525)
GOODWILL AT DECEMBER 31	147,953	141,196

⁽¹⁾ Amounts shown under "Changes in the scope of consolidation" relate to acquisitions completed (See Note 2.3 – *Business combinations*).

6.2. Other intangible assets

Accounting policies

Intangible assets are initially measured:

- at cost when they are separately acquired;
- at fair value, separately from goodwill, when they are acquired as part of a business combination.

The Group's intangible assets include the following items:

- software;
- internally developed software;
- relationships with artists and labels;
- brands;
- catalogs.

Start-up and research costs are directly expensed as in the fiscal year in which they are incurred.

Development costs are recognized within intangible assets if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If the above cannot be demonstrated, the development costs are expensed.

After initial recognition, intangible assets are recognized using the amortized cost model and amortized on a straight-line basis over their estimated useful lives, as follows:

- | | |
|---|----------------|
| • software | 1 year; |
| • internally developed software | 3 years; |
| • relationships with artists and labels | 10 years; |
| • catalogs | 3 to 10 years. |

Since brands have an indefinite useful life, they are not amortized but are tested for impairment at least each year or whenever there is evidence that they may be impaired (see Note 6.4 – *Impairment tests on non-current assets*).

Other intangible assets

Other intangible assets are broken down as follows:

(In € thousands)	December 31, 2024			December 31, 2023		
	Gross value	Depreciation, amortization and impairment	Carrying amount	Gross value	Depreciation, amortization and impairment	Carrying amount
Catalogs ⁽¹⁾	90,581	(38,323)	52,258	70,536	(28,060)	42,476
Concessions, patents and similar rights	3,695	(2,474)	1,221	2,507	(1,663)	844
Software ⁽²⁾	128,919	(104,821)	24,098	117,943	(82,775)	35,168
Brands ⁽³⁾	29,148	(3,898)	25,250	28,017	(3,898)	24,120
Relationships with artists and labels ⁽⁴⁾	61,846	(43,744)	18,102	58,452	(38,158)	20,294
Other intangible assets	3,447	(2,106)	1,341	3,163	(1,723)	1,441
Intangible assets in progress ⁽⁵⁾	24,193	-	24,193	11,229	-	11,229
TOTAL OTHER INTANGIBLE ASSETS	341,830	(195,365)	146,465	291,848	(156,276)	135,572

(1) The increase in catalogs is linked to the acquisition of various catalogs during the year.

(2) The increase in software is mainly attributable to the commissioning of capitalized development costs.

(3) The increase in brands is mainly linked to the favorable impact of hyperinflation in Turkey.

(4) The variation in relationships with artists and labels is mainly linked to the favorable impact of hyperinflation in Turkey.

(5) The remainder primarily relates to capitalized development costs associated with the Group's technology platform.

Changes in other intangible assets

Changes in intangible assets can be analyzed as follows:

(In € thousands)	December 31, 2024	December 31, 2023
At January 1	135,572	121,979
Purchase price allocation ⁽¹⁾	-	9,500
Capitalized development costs ⁽²⁾	18,942	17,931
Other acquisitions/additions	20,598	30,753
Changes in the scope of consolidation ⁽³⁾	-	3,365
Depreciation and amortization	(37,875)	(36,555)
Impairment ⁽⁴⁾	-	(13,276)
Disposals/decreases	(1)	(41)
Translation adjustments and others ⁽⁵⁾	9,229	1,917
AT DECEMBER 31	146,465	135,572

(1) Amounts shown under "Purchase price allocation" relate to acquisitions completed as described in Note 2.3 – Business combinations.

(2) Capitalized development costs primarily relate to the Group's technology platform.

(3) In 2023, the "Changes in the scope of consolidation" item was mainly related to the acquisition of Sentric Music Group.

(4) In 2023, the "Impairment" line included impairment losses on "Brands" and "Relationships with artists and labels" calculated using the latest available assumptions to determine the recoverable amount of these assets (see Note 6.4 - Impairment tests on non-current assets).

(5) Including restatement related to hyperinflation.

6.3. Property, plant and equipment

Reconciliation of carrying amounts

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Property, plant and equipment owned outright	7,064	6,088
Property, plant and equipment – right-of-use assets	33,503	24,872
TOTAL PROPERTY, PLANT AND EQUIPMENT	40,567	30,960

Property, plant and equipment owned outright

Accounting policies

Property, plant and equipment acquired are initially measured at cost, including all expenses directly attributable to the acquisition. Any subsequent costs incurred in respect of property, plant and equipment are expensed as incurred, unless they are designed to extend the asset's useful life. Property, plant and equipment acquired as part of a business combination are recognized at fair value, separately from goodwill.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. These are as follows:

- Fixtures: 1 to 10 years;
 - IT equipment: 3 years;
 - Furniture: 1 to 10 years.
-

Property, plant and equipment owned outright are broken down as follows:

<i>(In € thousands)</i>	December 31, 2024			December 31, 2023		
	Gross value	Depreciation, amortization and impairment	Carrying amount	Gross value	Depreciation, amortization and impairment	Carrying amount
Fixtures, fittings, general and technical installations	9,518	(6,501)	3,017	8,972	(5,037)	3,934
Office equipment	4,805	(4,050)	754	4,609	(3,341)	1,269
IT equipment	3,615	(2,780)	835	2,901	(2,439)	463
Other property, plant and equipment	998	(642)	355	1,214	(826)	387
Property, plant and equipment in progress	2,102	-	2,102	35	-	35
TOTAL PROPERTY, PLANT AND EQUIPMENT OWNED OUTRIGHT	21,038	(13,974)	7,064	17,731	(11,643)	6,088

Table of changes in property, plant and equipment owned outright

Changes in property, plant and equipment can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
At January 1	6,088	6,987
Acquisitions/additions	3,509	1,595
Changes in the scope of consolidation	-	63
Depreciation	(2,707)	(2,518)
Disposals/decreases	(26)	(18)
Translation adjustments and others	201	(21)
AT DECEMBER 31	7,064	6,088

Accounting policies (Group as lessee)

Any lease that grants the lessee the right to control the use of an identified asset for a period of time in exchange for consideration falls within the scope of IFRS 16. The Group's lessee companies recognize all leases as assets in the statement of financial position in the form of a right-of-use asset in exchange for a lease liability, with the exception of leases with a term of less than twelve months, in accordance with the exemption offered by the standard. The lease liability is initially determined on the basis of the present value of unpaid lease payments at that date, discounted at the interest rate implicit in the lease if this rate is readily available, or at the incremental borrowing rate specific to the country, terms and conditions and currency of the contract, adjusted for a risk related to the lessee entity or the leased asset where required. Lease payments include fixed payments, variable payments that depend on an index or a rate, and payments under any options that the Group is reasonably certain to exercise.

Following initial measurement, the lease liability is reduced by the lease payments made and increased by the interest expense. It is remeasured to reflect any modifications to future lease payments in the event of renegotiation with the lessor, a change in the index or the rate or the reassessment of the options. When the lease liability is revalued, the corresponding adjustment is reflected in the right-of-use asset, or the income or loss if the right-of-use asset has already been reduced to zero in the case of a reduction in the rental scope. The right-of-use asset determined at inception comprises the initial lease liability, initial direct costs and any obligations to renovate the asset, less any benefits granted by the lessor. Right-of-use assets are amortized over the term of the contract. A depreciation expense is recognized in the income statement under operating income (loss), while the interest expense is recognized within financial items. To reflect the tax impact of this consolidation adjustment, deferred taxes are recognized.

The lease term used corresponds to the non-cancelable period, together with periods covered by an extension option if the lessee is reasonably certain to exercise that option and by a termination option if the lessee is reasonably certain not to exercise that option.

Property, plant and equipment held in the form of right-of-use assets can be analyzed as follows:

(In € thousands)	December 31, 2024			December 31, 2023		
	Gross value	Depreciation, amortization and impairment	Carrying amount	Gross value	Depreciation, amortization and impairment	Carrying amount
Buildings	50,027	(20,479)	29,548	41,415	(19,920)	21,495
IT equipment	6,500	(2,798)	3,702	7,600	(4,398)	3,202
Vehicles	308	(55)	253	445	(270)	176
TOTAL PROPERTY, PLANT AND EQUIPMENT – RIGHT-OF-USE ASSETS	56,835	(23,332)	33,503	49,461	(24,588)	24,872

Table of changes in right-of-use assets

Right-of-use assets comprise leased premises (primarily the commercial lease of Believe's registered office premises in France), vehicles and IT equipment. Changes in right-of-use assets are broken down as follows:

(In € thousands)	December 31, 2024	December 31, 2023
At January 1	24,872	20,101
New leases	18,719	15,873
Termination and early termination of leases	(776)	(3,054)
Depreciation and impairment	(9,784)	(8,953)
Changes in the scope of consolidation	-	629
Translation adjustments and others	472	277
AT DECEMBER 31	33,503	24,872

Amounts recognized in the income statement in respect of leases

The amounts recognized in net income (loss) in respect of leases can be analyzed as follows:

<i>(In € thousands)</i>	2024	2023
Amortization of lease rights	(9,784)	(8,953)
Interest expense on lease liabilities	(1,577)	(1,196)
TOTAL RECOGNIZED IN NET INCOME (LOSS)	(11,361)	(10,149)

Amounts recognized in the statement of cash flows

Cash outflows attributable to leases represented €11,244 thousand at December 31, 2024 and €10,622 thousand at December 31, 2023.

6.4. Impairment tests on non-current assets

Accounting policies regarding impairment tests

IAS 36 - *Impairment of assets* specifies that an asset is to be impaired when its carrying amount is higher than its recoverable amount, the recoverable amount of an asset or group of assets being the higher of its fair value less costs to sell and its value in use. The value in use is determined on the basis of estimated future cash flow projections (the method known as "discounted cash flows" or "DCF") discounted at a rate that reflects the time value as well as the risks specific to the asset or cash-generating unit tested. The impairment test consists of comparing the recoverable amount of a fixed asset with its net carrying amount and reducing the asset to its recoverable amount by recognizing the impairment.

Non-current assets are grouped into cash-generating units (CGUs) for the purpose of the tests. A CGU is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The CGUs or groups of CGUs to which goodwill has been allocated are tested for impairment at least once a year, or whenever there is evidence that they may be impaired.

CGUs and groups of CGUs tested by the Group

IFRS 8 – Operating segments	CGUs/groups of CGUs
Premium Solutions	Premium Solutions group of CGUs
Automated Solutions	Automated Solutions group of CGUs

Impairment tests

The Group considers that there is no evidence of impairment of property, plant and equipment, intangible assets, right-of-use assets or investments in equity-accounted companies between January 1, 2024 and December 31, 2024.

Impairment testing approach and assumptions used

The Group tests goodwill for impairment each year, generally at the end of the reporting period. For the 2024 reporting period, the recoverable amount of the CGUs and groups of CGUs was determined based on their value in use. This required the Group to make use of assumptions, notably concerning the discount rate, perpetuity growth rate and expected cash flows, depending on the economic environment in which the Group operates.

Cash flow projections are based on five-year financial budgets approved by management. Cash flows beyond this period are extrapolated using the estimated growth rates indicated below. These growth rates are consistent with the forecasts included in the reports for the industries in which the Group does business.

The discount rate corresponds to the weighted average cost of capital (WACC) of the sector for each CGU and group of CGUs and depends on the geographical area(s) in which the transactions occur.

The following table summarizes the key assumptions used, along with the carrying amount of the goodwill and brands tested for impairment as part of the CGU or group of CGUs to which they were allocated (corresponding to the same level as the operating segments):

CGU (or group of CGUs) tested	Key assumptions and carrying amounts (in € thousands)	December 31, 2024	December 31, 2023
Premium Solutions group of CGUs	Discount rate	12.2%	12.9%
	Perpetuity growth rate	2.0%	1.9%
	Carrying amount of goodwill	90,792	86,922
	Carrying amount of brands	18,512	17,785
Automated Solutions group of CGUs	Discount rate	10.5%	10.7%
	Perpetuity growth rate	3.0%	3.0%
	Carrying amount of goodwill	57,161	54,274
	Carrying amount of brands	6,738	6,335

Results of the impairment tests

No impairments were recognized against CGUs or groups of CGUs in 2023 and 2024.

Sensitivity of impairment tests

At the date of each impairment test (2023 and 2024), the Group analyzed the test's sensitivity to changes in the main assumptions used to determine the recoverable amount of the CGUs and groups of CGUs being tested. An increase or decrease of one point in the discount rate and 0.5 point in the perpetuity growth rate, and of one point in the EBITDA margin, and 0.5 point in the revenue growth rate (over the period of the business plan), would not lead to the recognition of any impairment loss.

NOTE 7 PROVISIONS AND CONTINGENT LIABILITIES

Accounting policies

The Group recognizes a provision whenever it has a present legal or constructive obligation arising as a result of a past event which is likely or certain to result in an outflow of resources embodying economic benefits to third parties and can be estimated reliably. Provisions are shown as either current or non-current liabilities, depending on when the underlying event is expected to occur and taking into account the assumptions deemed most likely at the reporting date. A contingent liability corresponds to:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not completely within the control of the Group;
- a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Description of the main provisions and contingent liabilities

In November 2024, UMG Recordings, Inc, Capitol Records, LLC, Capital CMG, Inc, ABKCO Music & Records, Inc, and Concord Music Group, Inc. filed a complaint against certain Group companies alleging widespread copyright infringement. Believe strongly refutes these allegations and the statements made by the plaintiffs and will fight them.

Without commenting on this ongoing dispute, Believe wishes to point out that as an international artist development company working with artists and labels from around the world, it takes copyright very seriously.

Given the complexity of the case and the difficulty in estimating its potential financial impacts, Believe did not record any provision in this respect in its financial statements at December 31, 2024.

As of December 31, 2024 and 2023, provisions mainly consist of pension commitments detailed in Note 5.3 - *Pension and other employee benefit obligations* and provisions for redundancy. There was no significant provision for litigation at December 31, 2024 and December 31, 2023.

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1. Financial assets and liabilities

Accounting policies

The Group recognizes a financial asset or liability when it becomes a party to the contractual provisions of the instrument in accordance with IFRS 9 Financial Instruments. A financial asset (unless it is a trade receivable with no significant financing component) or a financial liability is initially measured at fair value plus, for an item that is not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. Trade receivables with no significant financing component are initially measured at their transaction price as defined by IFRS 15.

Financial assets

On initial recognition, financial assets are classified in one of the three following categories:

- amortized cost;
- fair value through other comprehensive income, separating debt instruments from equity instruments;
- fair value through net income.

This classification depends on:

- the contractual cash flow characteristics of the financial asset;
- the Group's business model for managing the financial asset.

A financial asset is measured at amortized cost and not designated at fair value through net income if both of the following conditions are met:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This is the case of the Group's security deposits and trade receivables. Security deposits are included in non-current assets as they fall due more than 12 months after the reporting date. Trade receivables are included in current assets because they are due within 12 months of the reporting date. To date, the Group does not hold any financial assets at fair value through other comprehensive income.

All financial assets which are not classified at amortized cost or at fair value through other comprehensive income are carried at fair value through net income. This applies to the Group's investments in non-consolidated companies.

Financial liabilities

In accordance with IFRS 9, financial liabilities are classified at amortized cost or at fair value through net income.

Currently, all other financial liabilities are initially recognized at fair value less transaction costs, and subsequently at amortized cost using the effective interest method. They are shown as current or non-current liabilities depending on their maturity. The amount of interest recognized in financial expenses is determined by applying the effective interest rate of the loan to its carrying amount. Current financial liabilities include trade payables.

The Group derecognizes a financial liability when its contractual obligation is discharged or cancelled or expires. A financial liability is also derecognized when there is a substantial modification of its terms which also significantly modify its cash flows, in which case a new financial liability is recognized at fair value. When a financial liability measured at amortized cost is modified without derecognition, a gain or loss is recognized in profit or loss. The gain or loss reflects the difference between the initial contractual cash flows and the present value of the modified cash flows discounted at the original effective interest rate.

Non-current financial assets

The Group's non-current financial assets can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Investments in non-consolidated companies	1,193	1,188
Loans, deposits and other financial receivables – non-current portion ⁽¹⁾	10,050	8,388
TOTAL NON-CURRENT FINANCIAL ASSETS	11,244	9,576

(1) Loans, deposits and other financial receivables consist mainly of security deposits paid under property leases and to loans granted to the Group's associates.

Current financial assets

Current financial assets held by the Group correspond to escrow accounts related to Believe's Live productions.

Believe has appointed NATIXIS and ODDO BHF SCA to implement a liquidity and market screening contract on its ordinary shares, starting on July 13, 2021, for a period of one year tacitly renewable. This contract, renewed in 2022 and 2023, complies with the decision of the French Financial Markets Authority (*Autorité des marchés financiers* - AMF) No. 2021-01 of June 22, 2021. It complies with the Code of Ethics of the *Association française des marchés financiers* (AMAFI). This contract covers the management by ODDO BHF SCA of BELIEVE shares on the regulated market of Euronext Paris.

In view of the filing of the proposed public tender offer announced on February 12, 2024 by the consortium composed of Denis Ladegaillerie, the EQT X fund and funds managed by TCV, the Company suspended the liquidity contract (*see Significant events of the 2024 fiscal year*).

On July 2, 2024, following the simplified tender offer initiated by Upbeat BidCo, Believe decided to terminate the liquidity contract due to very limited market-making possibilities via a liquidity contract given the low level of the free float (*see Note 7.2.4 - Shares held by the Company or on its own account*).

Fair value of financial assets and liabilities

Accounting policies

Fair value is defined as the price that would be received for the sale of an asset or that will be paid for the transfer of a liability in a normal transaction between market participants at the measurement date. Fair value is based on market data and commonly used valuation models and can be confirmed in the case of complex instruments by reference to securities quoted by independent financial institutions.

Fair value measurement hierarchy

IFRS 13 – *Fair Value Measurement* establishes a hierarchy of measurement techniques for financial instruments. The levels are defined as follows:

- Level 1: inputs directly based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: prices established using valuation techniques drawing on unobservable inputs for the asset or liability.

Carrying amount and fair value of financial assets and liabilities by category

(In € thousands)	December 31, 2024						December 31, 2023
	Fair value hierarchy	Carrying amount	Fair value	Fair value through net income	Fair value through other comprehensive income	Assets and liabilities at amortized cost	Carrying amount
Investments in non-consolidated companies	Level 2	1,193	1,193	1,193	-	-	1,188
Loans, deposits and other financial receivables – non-current portion	-	10,050	-	-	-	10,050	8,388
Trade receivables	-	249,505	-	-	-	249,505	200,203
Current financial assets	Level 1	4,036	4,036	4,036	-	-	1,354
Cash and cash equivalents	Level 1	139,790	139,790	139,790	-	-	214,221
TOTAL FINANCIAL ASSETS		404,575	145,020	145,020	-	259,555	425,354
Bank borrowings and debt – non-current portion	-	95	-	-	-	95	536
Other non-current liabilities	Level 3	5,162	5,162	5,162	-	-	16,473
Bank borrowings and debt – current portion, including bank overdrafts	-	701	-	-	-	701	906
Derivative financial instruments with a negative fair value	Level 2	27	27	27	-	-	33
Trade payables	-	605,575	-	-	-	605,575	558,403
Other current financial liabilities ⁽¹⁾	Level 3	14,282	14,282	14,282	-	-	-
TOTAL FINANCIAL LIABILITIES		625,841	19,471	19,471	-	606,371	576,352
<i>(1) The line Other current financial liabilities includes only the forward contract set up for the acquisition of the remaining 24% of SPI Music (see Note 4.9 – Other current liabilities).</i>							

There were no changes in the fair value hierarchy in 2023-2024.

8.2. Management of financial risks

Counterparty risks

The Group may be exposed to the default of one of the bank counterparties that manages its cash or currency swaps.

The Group is a creditor of streaming and social media platforms, which must pay for the content it makes available to them. The payment period for amounts due under the Group's main contracts is generally between 30 and 60 days following receipt of the invoice or the end of the calendar month of the current period.

Risk control and mitigation measures

The Group uses leading financial institutions for its cash investments and swaps. It therefore considers that it does not bear any significant counterparty risk on its cash or financial instruments. The Group regularly monitors receivables from streaming and social media platforms.

Potential impacts on the Group

The Group is also exposed to the risk of default of one or more streaming and social media platforms. These platforms may not pay the amounts due or may pay them outside the deadlines provided for in the contract entered into with the Group.

Liquidity risk

Liquidity risk is the risk of not having funds needed to meet commitments at maturity. This includes, on the one hand, the risk that, if necessary, advances to certain artists may not be recovered quickly. On the other hand, it includes the risk of early repayment of commitments to producers or the risk of an inability to access credit on satisfactory terms.

The Group grants (non-interest-bearing) advances to certain producers, which are recovered in the longer or shorter term from the repayments to be made by the Group. The Group is thus exposed to the risk of not being able to

recover these sums if sales values are insufficient. Sales values are notably reflected in the number of streams generated by the content of these producers made available on the platforms. These advances, recognized as assets on the statement of financial position when paid out, may also be subject to impairment if there is any doubt as to their recoverability. Advances retained as assets are broken down into a current portion and a non-current portion. The increase in the amount of unrecovered advances over the last three financial years is due to the growth of the Group's activities. This increase is also due to its strategy to offer additional services to artists and labels. Advance payments are one of the services offered to artists to support their career development.

The Group intends to continue to apply this strategy in the future, which will have the effect of increasing the amount of advances and amplifying the risk described above.

The Group is required to pay to artists and labels a percentage of the amounts paid by the digital service providers in exchange for delivering content. There is an uncertainty as to the timing and frequency of producers' demands for payment of these amounts. The assumptions made by the Group for cash management are based on the relative stability of the working capital requirement. These assumptions are based on the observation of the historical timing and frequency of payment requests to artists, which are relatively constant over time.

In a crisis context, the Group may not be able to obtain (or obtain under unacceptable terms) the financing or refinancing necessary for its growth.

Risk control and mitigation measures

Advances to artists and labels are subject to a strict analysis and validation process. The objective of this process is to ensure the validity and consistency of the amount to be granted. The Group also monitors the recovery of advances granted to artists and labels on a regular basis.

Potential impacts on the Group

If the Group were unable to grant a volume of advances in line with expectations, this could affect its ability to attract new artists and labels. The Group is under no contractual obligation to artists and labels to grant advances.

Risks related to foreign exchange rates

The Group conducts a significant portion of its business on the international stage. As a result of its exposure to currencies other than the euro, it is therefore subject to foreign exchange risk mainly in respect of its operations. The euro is the functional currency of the Company and is used for the presentation of the Group's consolidated financial statements.

Transaction risk

This risk arises from the existence within Group companies of receivables or payables denominated in a currency different from the functional currency of the subsidiary.

In order to assess this risk globally, short-term payables (liabilities) and receivables (assets) (including cash pooling) in currencies other than the functional currency of the subsidiary.

Financial exchange rate risk

As no subsidiaries carry substantial external bank debt denominated in a currency other than their functional currency, this risk is not considered material.

Fluctuations in exchange rates could also have an impact on the amounts paid to the Group by digital service providers. The digital service providers invoice their end-users for subscriptions in local currencies and this amount is then converted (e.g. into euros) in accordance with the applicable contractual provisions. The exchange rates applied for conversions are regularly reviewed against market rates. The local currencies in which subscriptions are charged by the digital service providers to their users could depreciate (or appreciate) against the contractual currency (e.g. the euro). As a result, the converted revenue base used to calculate the amounts to be paid to the Group would be reduced (or increased). Such a situation would reduce or increase the amount of payments received by the Group and consequently its revenue.

Risk control and mitigation measures

The Group has implemented a foreign exchange risk hedging policy by taking mirror asset/liability positions for certain currencies, thus limiting its exposure to transaction risk.

Analysis of the sensitivity of the net foreign currency risk exposure

The tables below present the net position, as at December 31, 2024, in the Group's main foreign currencies, along with the impact of a 5% increase or decrease in each currency against the euro:

<i>(In thousands of the currency)</i>	CAD	CNY	GBP	INR	JPY	RUB	TRY	USD
Current assets	8,357	36,362	63,920	1,202,942	7,469,331	3,053,356	573,720	65,318
Current and non-current liabilities	(2,447)	(13,652)	(80,449)	(839,953)	(6,525,696)	(2,534,852)	(404,323)	(207,966)
Net position before hedging	5,910	22,710	(16,529)	362,989	943,636	518,505	169,397	(142,647)
Off-balance sheet position ⁽¹⁾	-	-	14,500	-	-	-	-	155,000
Net position after hedging at December 31, 2024	5,910	22,710	(2,029)	362,989	943,636	518,505	169,397	12,353
Rate at December 31, 2024	1.6772	7.5833	0.8292	88.9335	163.0600	113.6462	36.7372	1.0389
Value <i>(in € thousands)</i>	3,524	2,995	(2,446)	4,082	5,787	4,562	4,611	11,890
5% increase								
Rate assuming 5% increase	1.5973	7.2222	0.7897	84.6986	155.2952	108.2344	34.9878	0.9894
Value <i>(in € thousands)</i>	3,700	3,144	(2,569)	4,286	6,076	4,791	4,842	12,485
Impact of a 5% increase <i>(in € thousands)</i>	176	150	(122)	204	289	228	231	595
5% decrease								
Rate assuming 5% decrease	1.7655	7.9824	0.8728	93.6142	171.6421	119.6275	38.6707	1.0936
Value <i>(in € thousands)</i>	3,348	2,845	(2,324)	3,877	5,498	4,334	4,380	11,296
Impact of a 5% decrease <i>(in € thousands)</i>	(176)	(150)	122	(204)	(289)	(228)	(231)	(595)

(1) The Group only uses currency swaps as part of its cash management policy.

Risks related to interest rates

Risk management

The Group's exposure to interest rate risk is due to the existence of floating-rate debt, the cost of which may vary over the medium term in line with fluctuations in interest rates. Believe has set up a revolving credit line for a total amount of €170 million to finance its expansion strategy. In 2024, this line was drawn down in the amount of €35 million and had been repaid in full as at December 31, 2024. This facility is based on the 3-month Euribor. In the event of a severe and lasting slowdown in the global economy, the Group would be exposed to an increase in interest rates that would negatively affect its financial revenues. However, the Group can benefit from high interest rates through short-term cash investments. A sharp decline in interest rates could affect the Group's ability to profit from its investments and, ultimately, adversely affect its financial result.

8.3. Gross debt

Definition of gross debt

Gross debt includes bank borrowings and debt net of deferred financing costs, lease liabilities, accrued interest not yet due, and bank overdrafts. The Group's gross debt breaks down as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Bank borrowings and debt – non-current portion	200	900
Lease liabilities – non-current portion	29,205	20,973
Deferred financing costs	(105)	(364)
TOTAL NON-CURRENT BORROWINGS AND DEBT	29,300	21,510
Bank borrowings and debt – current portion	925	1,125
Lease liabilities – current portion	9,640	9,178
Currency swap ⁽¹⁾	27	33
Deferred financing costs	(255)	(255)
Accrued interest	358	300
Bank overdrafts	-	-
TOTAL CURRENT BORROWINGS AND DEBT	10,694	10,381
TOTAL GROSS DEBT	39,994	31,891

(1) The Group only uses currency swaps as part of its cash management policy. These swaps do not qualify as hedging contracts.

Bank borrowings and debt and lease liabilities by maturity

The tables below present bank borrowings and debt and lease liabilities by maturity. Deferred financing costs, swaps, bank overdrafts and accrued interest are not included in the table below.

<i>(In € thousands)</i>	December 31, 2024				December 31, 2023			
	Due in less than one year	Due between one and five years	Due in more than five years	Total	Due in less than one year	Due between one and five years	Due in more than five years	Total
BPI loans	925	200	-	1,125	1,125	900	-	2,025
Lease liabilities	9,640	23,282	5,923	38,845	9,178	20,665	308	30,152
TOTAL	10,565	23,482	5,923	39,970	10,303	21,565	308	32,177

Description of bank borrowings and debt

Certain borrowings and debt are subject to covenants. Where applicable, these were complied with in the periods in which the borrowings in question were drawn.

Revolving Credit Agreement

The Group entered into a revolving credit agreement on May 6, 2021 (the "Revolving Credit Agreement") with a syndicate of international banks (the "Lenders"), for a term of five years from the settlement-delivery date of the Company's IPO. The Revolving Credit Agreement is governed by French law. The drawdown of the amounts made available to the Group by the Lenders under the Revolving Credit Agreement is subject to certain conditions.

Credit line

The Revolving Credit Agreement provides for a revolving credit line of €170 million, each drawn amount being repayable at the end of the applicable interest period. Issue costs of €1.3 million were recognized in the consolidated statement of financial position under "Current borrowing and debt" and "Non-current borrowing and debt".

In November and December 2024, the Group made two drawdowns, which had been fully repaid at December 31, 2024.

As of December 31, 2024, this credit line is undrawn.

Interest and fees

The loans under the Revolving Credit Agreement will bear interest at a variable rate indexed to Euribor, plus the applicable margin in each case. The applicable margin is initially set at 0.80% per annum, with an upward or downward ratchet mechanism. The following fees will also be payable: (i) a commitment fee due in respect of each Lender's available credit commitment under the revolving credit line at a rate of 35% of the applicable margin and (ii) a utilization fee due in respect of drawings under the revolving credit line above a certain threshold at a rate of between 0.10% per annum and 0.15% per annum and varying according to the proportion of the revolving credit line drawn.

The table below sets out the spread of the margins for each of the credit facilities based on the Group's total net debt to *pro forma* consolidated EBITDA ratio, as defined in the Revolving Credit Agreement. The margins will be reviewed twice a year by testing the ratio at six-month intervals. The ratio will first be tested exactly six (6) months after the settlement date.

Leverage ratio (total net debt/ <i>pro forma</i> consolidated EBITDA)	Applicable margin
Less than or equal to 0.5x	0.80%
Greater than 0.5x and less than or equal to 1.0x	0.90%
Greater than 1.0x and less than or equal to 1.5x	1.15%
Greater than 1.5x and less than or equal to 2.0x	1.20%
Greater than 2.0x and less than or equal to 2.5x	1.35%

Total net debt is defined in the Revolving Credit Agreement as the Group's consolidated debt, excluding intragroup debt and obligations related to interest rate and currency hedging instruments and after deducting cash and cash equivalents. The definition of *pro forma* consolidated EBITDA provided in the Revolving Credit Facility Agreement is based on "Operating income (loss)", adjusted mainly for depreciation, amortization and impairment of the Group's assets, "Other operating income (expense)", and shared-based payments.

Mandatory or voluntary prepayment events

The Revolving Credit Agreement authorizes voluntary early repayment subject to prior notice and a minimum amount. In addition, the Revolving Credit Agreement provides for early repayment and/or cancellation in the event of a change of control, at the request of any lender within 15 business days of receipt of notification by the Loan Officer to the lenders of notification by the Company to the Loan Officer of the occurrence of such an early repayment/cancellation event. The undrawn loans concerned will be cancelled on receipt by the Credit Officer of the request from the lender(s) concerned, and the outstanding drawings concerned must be repaid within 15 working days of receipt by the Credit Officer of the request from the lender(s) concerned.

On February 12, 2024, the Consortium composed of Denis Ladegaillerie, the EQT X fund and funds advised by TCV has agreed to acquire the stakes of TCV Luxco BD S.à r.l., Ventech and XAnge, historical shareholders of Believe, representing respectively 41.14%, 12.03% and 6.29% of Believe shares ("Acquisition of Blocks"). It is also envisaged that Denis Ladegaillerie, founder of Believe, will contribute part of his shares in the Company to the consortium (representing 11.17% of the share capital) and sell the remaining portion (representing 1.29% of the share capital). These acquisitions and contributions increased the consortium's stake in the Company to 71.92% (*for further details on these transactions, see note 12.4 – Events after the reporting period*). Further to the Block Acquisitions, the consortium took control of the Company, thus constituting a change of control under the terms of the Revolving Credit Agreement.

Prior to the completion of the offer, the company obtained the agreement of the lenders having granted the Revolving Credit Facility not to apply the change of control clause for this transaction.

BPI loans

BPI loan (€5.0 million, 2.82%, due 2023)

In December 2015, the Group was granted a loan from the BPI for €5 million and a term of seven years (the maturity schedule has an initial amortization period of eight quarters), with a fixed annual effective interest rate of 2.82%. This borrowing is subject to financial covenants:

- a guarantee under the French National Guarantee Fund for Equity Loans, representing 70% of the amount outstanding;
- a life insurance policy taken out by Denis Ladegaillerie for €1.6 million;

- an amount of €250,000 has been retained by the Lender as cash collateral on the amount loaned and will be remunerated at the CNO TEC 5 (Constant Maturity Treasury) rate for the month prior to the payment.

At December 31, 2024, the Group had repaid the entire BPI loan of € 5 million.

BPI loan (€500 thousand, interest-free, due 2023)

In April 2017, the Group was granted an interest-free innovation loan by the BPI for €500 thousand and a term of 23 quarters, including an additional grace period.

At December 31, 2024, the Group had repaid the entire BPI loan of €500 thousand.

BPI loan (€1.0 million, 4.03%, due 2024)

In April 2017, the Group was granted a loan from the BPI for €1.0 million and a term of seven years (the maturity schedule has an initial amortization period of eight quarters), with a fixed annual effective interest rate of 4.03%. This borrowing is subject to financial covenants:

- a guarantee under the French National Guarantee Fund for Innovation Loans, representing 30% of the amount outstanding;
- a European Investment Fund (EIF) guarantee representing 50% of the amount outstanding;
- an amount of €50,000 has been retained by the Lender as cash collateral on the amount loaned and will be remunerated at the CNO TEC 5 (Constant Maturity Treasury) rate for the month prior to the payment.

BPI loan (€1.5 million, 1.86%, due 2025)

In December 2018, the Group was granted a loan from the BPI for €1.5 million and a term of seven years (the maturity schedule has an initial amortization period of eight quarters), with a fixed annual effective interest rate of 1.86%. This borrowing is subject to financial covenants:

- a guarantee under the French National Guarantee Fund for Equity Loans, representing 50% of the amount outstanding;
- an amount of €75,000 has been retained by the Lender as cash collateral on the amount loaned and will be remunerated at the CNO TEC 5 (Constant Maturity Treasury) rate for the month prior to the payment.

BPI loan (€2.0 million, 1.86%, due 2026)

In December 2018, the Group was granted a loan from the BPI for €2.0 million and a term of seven years (the maturity schedule has an initial amortization period of eight quarters), with a fixed annual effective interest rate of 1.86%. This borrowing is subject to financial covenants:

- a guarantee under the French National Guarantee Fund Loans Designed to Boost Industry Growth (Prêts Croissance Industrie 2), representing 80% of the amount outstanding;
- an amount of €100,000 has been retained by the Lender as cash collateral on the amount loaned and will be remunerated at the CNO TEC 5 (Constant Maturity Treasury) rate for the month prior to the payment.

Bank borrowings and debt and lease liabilities by contractual maturity

At December 31, 2024, undiscounted contractual cash flows relating to these instruments can be analyzed as follows:

<i>(In € thousands)</i>	Carrying amount	Contractual cash flows						Total
		Less than 1 year	More than 1 year and less than or equal to 5 years				More than 5 years	
			2025	2026	2027	2028		
Bank borrowings and debt	-	-	-	-	-	-	-	-
BPI loans	1,125	935	201	-	-	-	-	1,136
Lease liabilities	38,845	11,582	9,334	8,702	5,586	2,299	6,641	44,145
TOTAL	39,970	12,517	9,535	8,702	5,586	2,299	6,641	45,281

Off-balance sheet commitments relating to Group debt

There were no off-balance sheet items relating to long-term Group debt except for those described in the section discussing loans.

Bank borrowings and debt by currency and interest rate

All banks borrowings and debt are in euros. They can be analyzed as follows by interest rate:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Fixed-rate bank borrowings and debt	1,125	2,025
Floating-rate bank borrowings and debt	-	-
• <i>Of which the floating interest rate is hedged</i>	-	-
• <i>Of which the floating interest rate is not hedged</i>	-	-
TOTAL BANK BORROWINGS AND DEBT	1,125	2,025

Reconciliation of changes in gross debt with net cash from (used in) financing activities

Changes in borrowings and debt can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
At January 1	31,891	32,474
Increase in borrowings	35,000	-
Decrease in borrowings	(35,900)	(1,713)
Repayment of lease liabilities	(11,244)	(10,622)
Interest received (paid)	3,442	5,676
Net cash from (used in) financing activities (debt)	(8,702)	(6,659)
Cost of net debt	(1,611)	(4,230)
Changes in bank overdrafts	-	-
Increase in lease liabilities	18,719	15,873
Terminations and early terminations of lease liabilities	(885)	(5,962)
Changes in the scope of consolidation	-	710
Translation adjustments and others	583	(314)
AT DECEMBER 31	39,994	31,891

8.4. Net debt

Definition of net debt

The Group's net debt corresponds to gross debt less cash and cash equivalents. Cash and cash equivalents comprise marketable securities as well as cash at bank and on hand.

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Non-current borrowings and debt	29,300	21,510
Current borrowings and debt	10,694	10,381
Gross debt	39,994	31,891
Cash and cash equivalents	(139,790)	(214,221)
Net debt	(99,796)	(182,331)
• <i>In euros</i>	(6,863)	(58,571)
• <i>In US dollars</i>	(29,319)	(59,081)
• <i>In other currencies</i>	(63,614)	(64,679)

8.5. Lease liabilities

Lease liabilities by type

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Leases of buildings	34,890	26,781
Leases of IT equipment	3,702	3,200
Leases of vehicles	253	171
TOTAL LEASE LIABILITIES	38,845	30,152
• <i>Of which current liabilities</i>	9,640	9,178
• <i>Of which non-current liabilities</i>	29,205	20,973

Changes in lease liabilities

Changes in the carrying amount of lease liabilities can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
At January 1	30,152	28,982
Lease payments	(11,244)	(10,622)
Interest expense on lease liabilities	1,577	1,196
New leases	18,719	15,873
Termination and early termination of leases	(885)	(5,962)
Changes in the scope of consolidation	-	710
Translation adjustments and others	526	(26)
AT DECEMBER 31	38,845	30,152

8.6. Net financial income (expense)

Net financial income (expense) can be analyzed as follows:

<i>(In € thousands)</i>	2024	2023
Interest expense	(591)	(531)
Interest expense on lease liabilities	(1,577)	(1,196)
Amortization of bond issue costs and others	(259)	(258)
Financial income from cash investments ⁽¹⁾	4,038	6,215
Cost of net debt	1,611	4,230
Other financial income (expense) ⁽²⁾	5,682	6,293
TOTAL NET FINANCIAL INCOME (EXPENSE)	7,293	10,522

(1) The "Financial income from cash investments" item includes interest on term accounts and the terms of currency swaps.

(2) The "Other financial income (expense)" item mainly corresponds to foreign exchange gains and losses and the effects of hyperinflation following the classification of Turkey in the list of hyperinflationary economies on April 30, 2022.

NOTE 9 INCOME TAX

9.1. Income tax

Accounting policies: income tax

Income tax represents the aggregate amount of current and deferred taxes included in the calculation of net income (loss) for the period. Income tax is recognized in the income statement unless it relates to a business combination or to items recognized directly in equity or in other comprehensive income.

Current tax is the amount of income tax payable (recoverable) in respect of taxable income (tax loss) for a given fiscal period, and must be recognized as a liability to the extent that it has not yet been paid. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date in each country in which the Group does business.

As the Group considers the CVAE tax on value added in France to meet the definition of income tax as set out in IAS 12 – *Income Taxes*, CVAE tax is presented on the “Income tax” line in the consolidated income statement.

Breakdown of income tax recognized in net income (loss)

<i>(In € thousands)</i>	2024	2023
Current tax	(9,636)	(9,944)
Deferred taxes	5,052	14,809
TOTAL TAX RECOGNIZED IN NET INCOME (LOSS)	(4,584)	4,865

Reconciliation between the effective tax rate and the applicable tax rate – Analysis of income tax

<i>(In € thousands)</i>	2024	2023
Income (loss) before tax	5,178	(7,550)
Statutory income tax rate	25.83%	25.83%
Theoretical income tax benefit (expense)	(1,337)	1,950
Effect of differences in income tax rates	(570)	1,345
Permanent differences	(2,110)	1,438
Effect of changes in tax rates	(273)	(438)
Unrecognized deferred tax assets	1,491	(7,556)
Other taxes not levied on a specific tax base	(405)	9,099
Adjustment for prior periods	(1,380)	(972)
Others	-	-
TOTAL TAX RECOGNIZED IN NET INCOME (LOSS)	(4,584)	4,865
Effective tax rate	88.53%	64.44%

9.2. Deferred taxes

Accounting policies

Deferred tax results from timing differences between the carrying amount of assets and liabilities and their tax bases. Deferred tax assets and liabilities are assessed at the tax rates expected to apply in the year in which the asset will be realized or the liability settled and that have been enacted or substantively enacted at the reporting date. In the event of a change in tax rates, deferred taxes are adjusted to the new applicable rate and the adjustment is charged to the income statement unless it relates to an item recognized in equity or in other comprehensive income, for example actuarial gains and losses.

Deferred taxes are reviewed at each reporting date to reflect any changes in tax laws and the prospects for recovery of deductible temporary differences. Deferred tax assets are recognized only if it is considered probable that there will be deferred tax liabilities with the same maturity or sufficient future taxable income against which the temporary differences can be utilized in the foreseeable future.

Deferred tax assets and liabilities are not discounted.

Changes in deferred tax balances by category of temporary difference

<i>(In € thousands)</i>	January 1, 2024	Recognized in income	Recognized in reserves	Fair value through other comprehensive income	Changes in the scope of consolidation	Translation adjustments and others	December 31, 2024
Employee benefits	207	33	-	17	-	(4)	253
Lease liabilities ⁽¹⁾	6,862	1,120	-	-	-	13	7,995
Intangible assets and property, plant and equipment	12,475	(803)	-	-	-	2	11,673
Other working capital	2,835	892	-	-	-	(6)	3,721
Tax loss carryforwards	5,346	4,394	-	-	-	213	9,953
Offsetting of deferred tax assets/deferred tax liabilities	(7,618)	(1,528)	-	-	-	-	(9,145)
TOTAL DEFERRED TAX ASSETS	20,107	4,109	-	17	-	218	24,449
Intangible assets ⁽²⁾	15,765	(1,494)	-	-	-	98	14,370
Property, plant and equipment ⁽¹⁾	6,445	806	-	-	-	58	7,308
Employee benefits	294	(81)	-	(34)	-	-	180
Other working capital	5,373	1,265	-	-	-	(75)	6,565
Others	447	90	-	-	-	9	545
Offsetting of deferred tax assets/deferred tax liabilities	(7,618)	(1,528)	-	-	-	-	(9,145)
TOTAL DEFERRED TAX LIABILITIES	20,708	(942)	-	(34)	-	90	19,822
TOTAL DEFERRED TAX LIABILITIES, NET	(601)	5,052	-	50	-	(128)	4,627
<i>(In € thousands)</i>	January 1, 2023	Recognized in income	Recognized in reserves	Fair value through other comprehensive income	Changes in the scope of consolidation	Translation adjustments and others	December 31, 2023
Employee benefits	62	259	-	(105)	-	(9)	207
Lease liabilities ⁽¹⁾	6,376	456	-	-	18	12	6,862
Intangible assets and property, plant and equipment	3,584	8,998	-	-	-	(107)	12,475
Other working capital	2,311	582	-	-	-	(57)	2,835
Tax loss carryforwards	280	1,648	-	-	3,396	22	5,346
Offsetting of deferred tax assets/deferred tax liabilities	(6,948)	(670)	-	-	-	-	(7,618)
TOTAL DEFERRED TAX ASSETS	5,664	11,272	-	(105)	3,414	(139)	20,107
Intangible assets ⁽²⁾	20,163	(6,320)	-	-	2,791	(869)	15,765
Property, plant and equipment ⁽¹⁾	4,286	2,150	-	-	-	8	6,445
Employee benefits	117	152	-	100	-	(76)	294
Other working capital	4,553	1,209	-	-	-	(386)	5,373
Others	398	(58)	-	-	-	107	447
Offsetting of deferred tax assets/deferred tax liabilities	(6,948)	(670)	-	-	-	-	(7,618)
TOTAL DEFERRED TAX LIABILITIES	22,570	(3,537)	-	100	2,791	(1,217)	20,708
TOTAL DEFERRED TAX LIABILITIES, NET	(16,906)	14,809	-	(205)	623	1,078	(601)

(1) Relating mainly to the IFRS 16 adjustment to the "Lease liabilities" item and to the corresponding right-of-use assets within "Property, plant and equipment".

(2) The "Intangible assets" item relates mainly to intangible assets identified and recognized as part of business combinations.

Unrecognized tax assets

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Relating to temporary differences	8,494	9,755
Relating to tax loss carryforwards	29,223	31,116
TOTAL UNRECOGNIZED DEFERRED TAX ASSETS	37,717	40,871

At December 31, 2024, deferred tax assets not recognized due to the lack of visibility on the future taxable profits of the entities concerned are mainly related to the tax loss carryforwards of Believe SA, Nuclear Blast America Inc., Madizin Music GmbH, Believe Digital Canada Inc., 6&7 and Soulfod Music Distribution GmbH. In 2024, Believe SA recorded a tax loss of €23.3 million. These tax losses may be carried forward indefinitely, with the exception of those relating to Indian entities, i.e. €0.1 million, which expire between 2028 and 2032.

At December 31, 2023, the unrecognized deferred tax assets, due to the lack of visibility on the future taxable profits of the entities concerned, were mainly related to the tax loss carryforwards of Believe SA, Believe Digital GmbH, Nuclear Blast America Inc., Soulfod Music Distribution GmbH and Believe Digital OOO. Believe SA recorded a €16.7 million tax loss in 2023. These tax losses may be carried forward indefinitely, with the exception of those relating to Indian entities, i.e. €0.6 million, which expire between 2028 and 2031.

Tax loss carryforwards recognized

Tax loss carryforwards recognized can be analyzed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
France	-	-
United States	1,191	1,506
United Kingdom	3,448	3,195
Italy	507	644
Germany	4,595	-
Turkey	211	-
Others	3	-
TOTAL TAX LOSS CARRYFORWARDS RECOGNIZED	9,954	5,346

The estimated recovery date for deferred tax assets on tax loss carryforwards is 2025-2030.

9.3. Uncertain income tax treatments

Accounting policies: uncertain income tax treatments

In accordance with the IFRIC 23 interpretation – Uncertainty over Income Tax Treatments, tax assets or liabilities should be recognized if there is uncertainty over their income tax treatment. The Group recognizes a tax liability whenever it considers the relevant tax authorities are unlikely to accept a given tax treatment and does not take into account the probability that this would not be detected by the tax authorities. Conversely, a tax receivable is recognized if the Group considers the relevant tax authorities are likely to refund tax paid. Assets and liabilities for which tax treatments are uncertain are estimated on a case-by-case basis depending on the most likely amount.

The Group did not identify any material uncertain tax treatments at either December 31, 2024 or December 31, 2023.

NOTE 10 EQUITY AND EARNINGS PER SHARE

10.1. Changes in share capital

At December 31, 2024, the share capital of Believe SA consisted of 100,618,496 shares. All shares have a par value of €0.005 and are fully paid up.

Changes in share capital and share premiums

Description	Share capital (in €)	Share premiums and other reserves (in €)	Number of shares at €0.005
Balance at January 1, 2023	483,821	468,715,176	96,764,109
Exercise of BSAs/BSPCEs	1,611	1,618,729	322,241
BALANCE AT DECEMBER 31, 2023	485,432	470,333,905	97,086,350
Exercise of BSAs/BSPCEs	16,208	11,282,755	3,241,571
Performance Shares - plan of September 15, 2021	1,904	(1,904)	380,866
Reduction of share capital - treasury shares	(451)	(964,819)	(90,291)
BALANCE AT DECEMBER 31, 2024	503,092	480,649,937	100,618,496

10.2. Dividends

No dividends were paid in respect of the 2024 or 2023 fiscal years.

10.3. Non-controlling interests

Non-controlling interests can be analyzed as follows:

Company	Country	December 31, 2024		December 31, 2023	
		Equity - portion of non- controlling interests (In € thousands)	Percentage of non-controlling interests (In %)	Equity - portion of non- controlling interests (In € thousands)	Percentage of non-controlling interests (In %)
Madizin Music GmbH	Germany	(1,225)	49%	(527)	49%
6&7 SAS	France	21	49%	183	49%
Jo & Co SAS ⁽¹⁾	France	-	-	7	49%
Morning Glory Music SAS	France	601	47%	772	47%
TuneCore Japan KK	Japan	1,814	45%	976	45%
DMC Müzik Yapım ve Ticaret A.Ş. ⁽¹⁾	Turkey	-	-	5,995	40%
Netd Müzik Video Dijital Platform ve Ticaret A.S. ⁽¹⁾	Turkey	-	-	1,036	40%
Others - not material	-	1	-	1	-
TOTAL NON-CONTROLLING INTERESTS		1,213		8,442	

⁽¹⁾ In 2024, the Group acquired an additional 40% of DMC Müzik Yapım ve Ticaret A.Ş., increasing its stake to 100%, and an additional 49% of Jo & Co SAS, bringing its stake to 100% (see Note 2.2 - Scope of consolidation).

10.4. Earnings per share

Accounting policies

Basic earnings per share are calculated by dividing net income attributable to owners by the weighted average number of ordinary shares in issue, excluding treasury shares, during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares in issue, excluding treasury shares, to reflect the conversion of dilutive potential ordinary shares.

Earnings (losses) attributable to holders of ordinary shares

	2024	2023
Net income (loss) attributable to holders of ordinary shares (in € thousands)	(3,054)	(5,482)
Basic earnings (loss) per share (in €)	(0.03)	(0.06)
Diluted earnings (loss) per share (in €) ⁽¹⁾	(0.03)	(0.06)

(1) In 2024 and 2023, diluted earnings (loss) per share were equal to basic earnings (loss) per share, as the earnings attributable to holders of ordinary shares represented a loss.

Weighted average number of ordinary shares

	December 31, 2024	December 31, 2023
Weighted average number of ordinary shares in issue	99,032,450	96,818,997
Impact of dilutive instruments on the number of ordinary shares:		
Potential number of dilutive shares relating to BSAs and BSPCEs	-	-
Potential number of dilutive shares relating to Performance Shares	-	-
Weighted average number of ordinary shares in issue (diluted)	99,032,450	96,818,997

NOTE 11 CASH FLOWS

Accounting policies

The Group's statement of cash flows is prepared in accordance with IAS 7 – *Statement of Cash Flows*. It distinguishes between flows related to operating activity and those related to investment and financing transactions:

- cash flows from operating activities are presented using the indirect method. Cash flows from (used in) operating activities are presented using the indirect method, whereby net income (loss) is adjusted for the effects of changes in inventories and operating receivables and payables (working capital) during the period, as well as for the elimination of non-cash items, mainly depreciation, amortization, provisions and deferred taxes.
- cash flows from (used in) investing activities correspond mainly to cash outflows made to acquire non-current assets, cash inflows resulting from disposals of non-current assets, and the impact of acquiring subsidiaries. The impact of acquiring subsidiaries is shown as a net amount and reflects the price effectively paid during the fiscal year, adjusted for cash and cash equivalents acquired.
- cash flows from (used in) relating to financing activities correspond mainly to issues and repayments of loans. Cash flows relating to lease liabilities and associated interest are presented under "Repayment of lease liabilities".

Cash flows relating to foreign currency transactions are recorded in the company's functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the cash flows. Cash flows from income taxes are presented separately and classified as operating cash flows, unless they can be specifically identified with financing and investing activities.

The Group also discloses the items comprising its cash and cash equivalents, including bank overdrafts, and presents a reconciliation between these amounts reported in its statement of cash flows and the equivalent amounts presented in the statement of financial position.

11.1. Components of cash and cash equivalents

Cash and cash equivalents include cash and short-term investments (maturities of no more than three months), which are highly liquid and readily convertible into a known amount of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents presented in the balance sheet and cash flow statement are detailed as follows:

<i>(In € thousands)</i>	December 31, 2024	December 31, 2023
Cash at bank and on hand	139,742	213,926
Accrued interest	48	295
Cash and cash equivalents	139,790	214,221
Bank overdrafts	-	-
Cash and cash equivalents net of bank overdrafts as reported in the statement of cash flows	139,790	214,221

As of December 31, 2024, cash and cash equivalents included non-available cash amounting to €1.6 million. This cash corresponds to the cash and cash equivalents balances held by subsidiaries located in countries where foreign exchange controls or legal constraints do not allow these cash amounts to be made available for use by the Group or by any of its subsidiaries.

11.2. Net cash from (used in) operating activities

Net cash from (used in) operating activities relates to net income items adjusted for the effects of non-cash items, plus changes in working capital requirements and taxes paid. The change in WCR breaks down as follows:

<i>(In € thousands)</i>	2024	2023
Change in advances paid to artists and labels	(38,377)	(81,224)
Change in trade payables and contract liabilities	51,160	89,581
Other changes in working capital	(37,356)	(32,039)
Changes in working capital	(24,573)	(23,682)

11.3. Net cash from (used in) investing activities

Acquisitions and disposals of property, plant and equipment and intangible assets

Net cash outflows relating to acquisitions of property, plant and equipment and intangible assets can be analyzed as follows:

<i>(In € thousands)</i>	Notes	2024	2023
Capitalized development costs	6.2	(18,942)	(17,931)
Acquisitions of intangible assets owned outright	6.2	(20,598)	(30,753)
Acquisitions of property, plant and equipment owned outright	6.3	(3,509)	(1,595)
Changes in suppliers of non-current assets		1,459	1,062
TOTAL ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		(41,590)	(49,217)

Acquisitions of subsidiaries, net of cash acquired

In 2024, the disbursement of €24.9 million corresponds to the acquisition of a 25% stake in the share capital of Global Records S.R.L. (see Note 2.2 - Scope of Consolidation).

In 2023, the outflow of €36.6 million relates to acquisitions made, net of cash acquired, and can be analyzed as follows:

<i>(In € million)</i>	Purchase price	Cash acquired	Acquisitions, net of cash acquired
Sentric Music Group	47.3	(11.4)	35.9
Others	0.7	-	0.7
TOTAL	48.0	(11.4)	36.6

Decrease (increase) in loans

In 2024 and 2023, the outflow corresponds to current account advances net of repayments with the Group's equity-accounted companies for a total amount of €1.8 million and €1.7 million, respectively.

Decrease (increase) in non-current financial assets

In 2024 and 2023, the change corresponds to escrow accounts related to Believe's live activity and security deposits.

11.4. Net cash from (used in) financing activities

Increase in borrowings

In 2024, the Group made two drawdowns on the revolving credit line for €22.0 million and €13.0 million respectively (see Note 8.3 - *Gross debt*).

In 2023, the Group did not use the revolving credit line.

Decrease in borrowings

In 2024, the Group repaid the drawdowns of the revolving credit line for a total amount of €35.0 million and repaid BPI loans for €0.9 million.

In 2023, the Group repaid BPI loans for the period in the amount of €1.7 million.

Capital increase by shareholders

In 2024 and 2023, the Group increased its share capital by a total of €11.3 million and €1.6 million respectively, including share premiums, by issuing shares to Group employees through the exercise of BSAs and BSPCEs (see Note 10.1 - *Changes in share capital*).

Payments from changes in ownership interests in subsidiaries that do not result in loss of control

In 2024, the disbursement of €39.3 million mainly corresponds to the acquisition of an additional 40% stake in DMC Müzik Yapım ve Ticaret A.Ş. and, to a lesser extent, the acquisition of an additional 49% stake in Jo & Co SAS, bringing their respective ownership to 100% (see Note 2.2 - *Scope of Consolidation*).

11.5. Free cash flow

Accounting policies

Free cash flow corresponds to net cash flows from (used in) operating activities, after taking into account acquisitions and disposals of intangible assets and property, plant and equipment, and restated for (i) acquisition costs, (ii) acquisition costs on 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.).

This indicator, which reflects the Group's capacity to generate cash from its operating activities, is taken into consideration by Executive Management to define its investment strategy and financing policy.

Free cash flow and net cash from (used in) operating activities can be reconciled as follows with data from the consolidated statement of cash flows:

<i>(In € thousands)</i>	2024	2023
Net cash from (used in) operating activities	21,932	12,709
Acquisitions of property, plant and equipment, and intangible assets	(41,590)	(49,217)
Disposals of property, plant and equipment and intangible assets	60	1,242
Restatement of acquisition related costs	1,710	1,788
Restatement of acquisition costs of a group of assets	11,457	24,948
Restatement of advances related to Distribution contracts intended specifically for the acquisition of assets (acquisition of companies, catalogs, etc.)	13,504	5,470
FREE CASH FLOW	7,073	(3,060)

NOTE 12 OTHER INFORMATION

12.1. Fees paid to the Statutory Auditors

The table below shows fees paid to the Statutory Auditors:

(In € thousands)	2024					2023				
	KPMG SA	Network	Total KPMG	ACA NEXIA	Total	KPMG SA	Network	Total KPMG	ACA NEXIA	Total
Statutory audit and review of the parent company and consolidated financial statements	341	339	679	187	867	447	379	826	196	1,022
Services other than the certification of financial statements	5	-	5	4	9	13	357	370	7	377
TOTAL FEES	345	339	684	191	876	460	736	1,195	203	1,399

12.2. Related parties

Accounting policies

Under IAS 24 – Related Party Disclosures, a related party is a person or entity that is related to the entity preparing its financial statements. This can be any of the following persons:

- a person or a company that controls the Group;
- an associate of the Group;
- a joint venture;
- an important member of the Group's management team (or a member of his/her family).

A related party transaction is a transfer of resources, services or obligations between the Group and the related party.

Parent company and head of the Group

The Group is consolidated within the consolidated financial statements of Believe SA, whose head office is located at 24, rue Toulouse Lautrec, 75017 Paris, France.

Transactions with key management personnel

With the exception of the compensation described in Note 5.5 – *Executive compensation*, there were no transactions between the Company and its key management personnel.

Transactions with owners

There had been no transactions with owners within the meaning of IAS 24 at either December 31, 2024 or December 31, 2023.

Other related-party transactions

Transactions between Believe and these affiliates or joint ventures are detailed in Note 2.4 - *Equity-accounted companies*. With the exception of these transactions, there are no other transactions with the Group's related parties.

Related-party agreement to provide services

In 2024, a related-party agreement to provide services signed between Upbeat BidCo and Believe on September 23, 2024 was authorized in advance by the Board of Directors at its meeting on September 20, 2024.

The terms of this agreement, including its financial terms and the reasons put forward by the Board of Directors to justify the interest of this agreement for the Company were published on the Company's corporate website and included in the Statutory Auditors' special report on related-party agreements.

This agreement will be subject to the approval of the shareholders at the General Meeting on June 26, 2025.

12.3. Off-balance sheet commitments

Off-balance sheet commitments linked to the scope of consolidation

The list of commitments received is detailed as follows:

- pledge on shares of 6&7 SAS granted to Believe in the context of the acquisition in 2019;
- general and specific guarantees in connection with the catalog acquisitions (schedule through to August 28, 2032);
- various general and specific guarantees as part of company acquisitions, see table below:

ACQUISITIONS/ADDITIONS	EXPIRY	TYPES OF GUARANTEE
Sentric Music Group	03/29/2025	General guarantees
Play 2	03/29/2025	Social and tax guarantees
Morning Glory Music	11/16/2025	General guarantees
Structure PY	12/19/2025	General guarantees (including tax and social guarantees)
Global Records	11/29/2026	General guarantees (including tax and social guarantees)
SPI Music	12/31/2028	Guarantees on intellectual property rights

** Except where specific expiry dates are provided for.*

Off-balance sheet commitments linked to Company financing

Commitments relating to bank debt are detailed in Note 8.3 – *Gross debt*.

Related-party agreement – agreement for the sharing of capital gains on the disposal of shares between the Company and Denis Ladegaillerie

In line with the Group's values, Denis Ladegaillerie, Chairman and Chief Executive Officer and founder of Believe, wished to implement a mechanism for sharing the capital gains on the sale of his Believe shares with employees in addition to employee share ownership. This mechanism, provided for by the Pacte Law of May 22, 2019 on the growth and transformation of companies, offers Believe, under the leadership of Denis Ladegaillerie, the opportunity to strengthen the long-term commitment of its employees and recognize everyone's contribution to the Company's success. It thus offers the possibility to share part of the value created collectively. The sharing of capital gains takes the form of a contract between Denis Ladegaillerie and Believe SA and is the subject of a related-party agreement published on December 7, 2022. This agreement allows Denis Ladegaillerie, in the event of a future sale of his Believe shares, over a long-term time frame of at least three years, to share up to 10% of the capital gains realized with employees who have been with the company for over 2 years.

The agreement for the sharing of capital gains on the disposal of shares signed on December 7, 2022 between the Company and Denis Ladegaillerie, Chairman and Chief Executive Officer and a shareholder, holding more than 10% of the voting rights at the time, previously authorized by the Board of Directors at its meeting of August 3, 2022 and ratified by the General Meeting on June 16, 2023, ended as of right, pursuant to its article 6, when Denis Ladegaillerie transferred all of his shares in kind to Upbeat BidCo on June 24, 2024.

Off-balance sheet commitments linked to the Company's operating activities

There is no other off-balance sheet commitments linked to the Company's operating activities.

12.4. Events after the reporting period

There were no significant events after the reporting period.