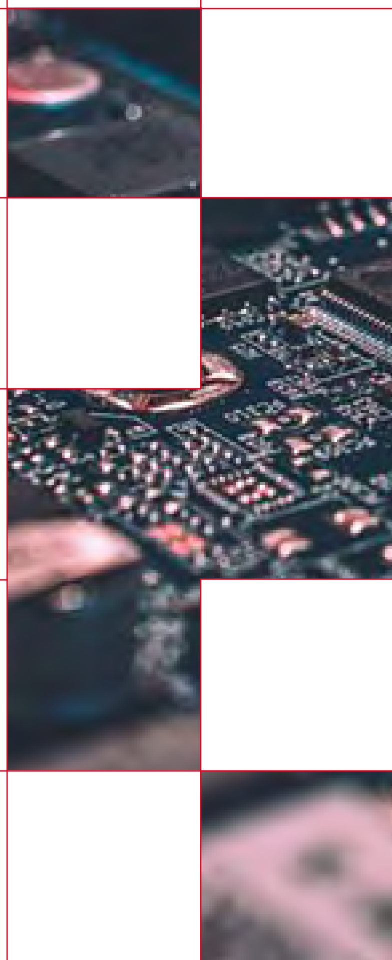
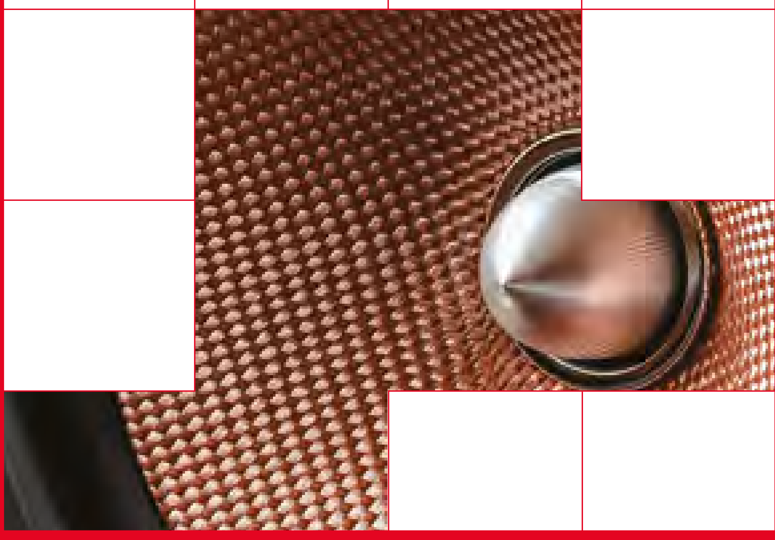
Universal Registration Document

2023





believe

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2023 Universal registration document

Including the annual financial report and the non-financial statement

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on March 26, 2024 under registration number D.24-0181 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

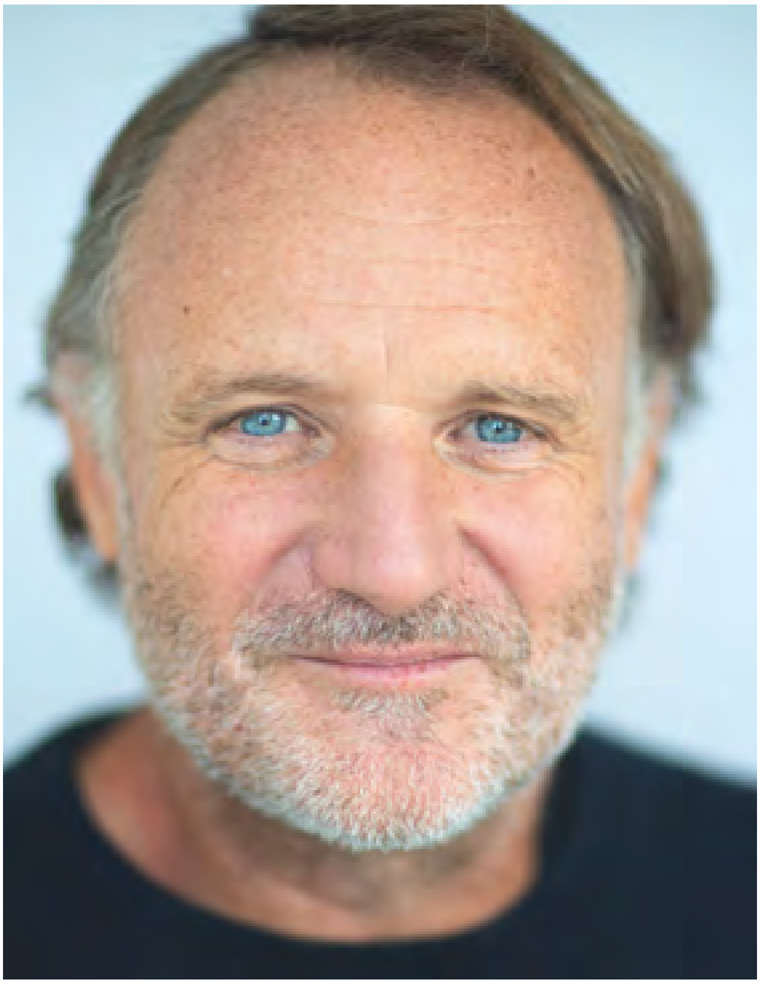
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market, if it is supplemented by a securities note and, if applicable, a summary and the supplements thereto. The resulting package is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document, including the annual financial report, is a reproduction of the official version of the Universal Registration Document, which was prepared in XHTML format and is available on the AMF's website as well as on Believe's institutional website.

believe®

Message from the Chairman and Chief Executive Officer

DENIS LADEGAILLERIE



For the third consecutive year, revenue growth and the improvement in our profitability were again on the agenda in 2023. These results stem from the remarkable work of our teams, in line with our mission to develop artists and labels at each stage of their career, providing expertise, respect, fairness and transparency.

In 2023, we continued to recruit talent, invest in technology and innovate with our partners, with a view to maximizing the commercial value and cultural relevance of the artists and labels who trust us, by supporting their creativity and the development of their audiences. We identify artists and labels early on and help them increase their notoriety, as well as supporting mid-level artists and labels in their growth to become the best in their market segment. Lastly, we help artists and labels already at the top of the music charts to reach new heights.

We contribute to their commercial success. The more value we create in partnership with them, the more we share the value we have created together. Our priority in 2023 - and which will remain the same in 2024: to invest and innovate in order to create more value for our artists and labels and capture more value across all our activities.

“In 2023, we continued to recruit talent, invest in technology and innovate with our partners, with a view to maximizing the commercial value and cultural relevance of the artists and labels who trust us, by supporting their creativity and the development of their audiences.”

In Premium Solutions, our ongoing investments in teams and innovation have enabled our labels to grow faster than the market and launch more artists in the top 200 than ever before in Believe’s history. In Automated Solutions, we launched new functionalities and a unique marketing program called TuneCore Accelerator, which supports the development of self-releasing artists. We also continued to build a leader in Asia, including the launch of the complete Believe offering in Japan.

With the acquisition of Sentric in March 2023, we also achieved a first step in the deployment of a global and comprehensive music publishing offering. We finalized its integration during 2023, with a view to commercially extending this activity across all Believe regions and conducting it on a large scale, as we did for recorded music.

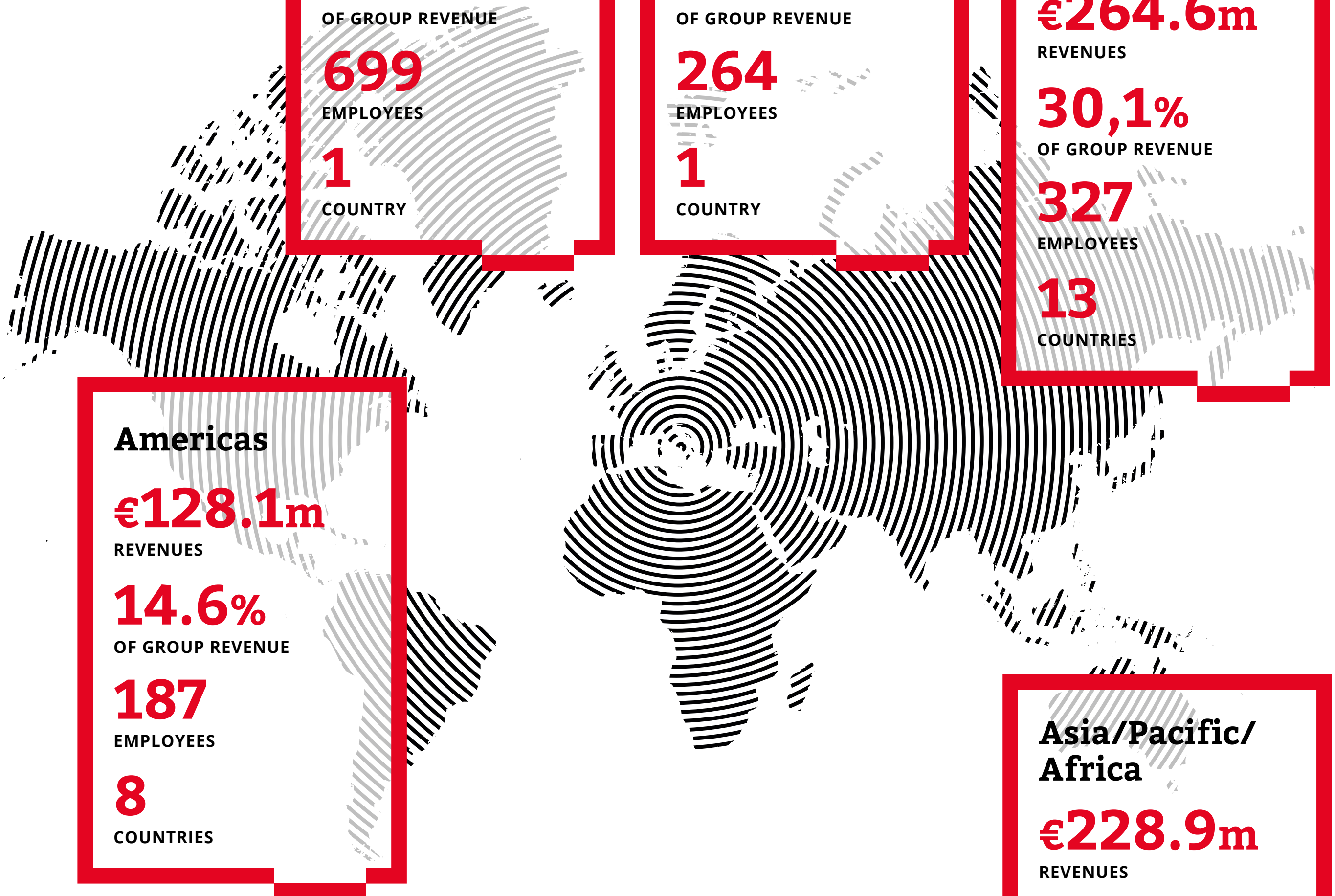
From a financial point of view, our profitable growth strategy resulted in an increase in the adjusted EBITDA profit, reflecting both our investment and the strong positioning of our model, and the continued search for efficiency, which we monitored throughout the year.

Lastly, Believe continued its efforts to promote a fair and equitable ecosystem in the music industry, in line with the goals of the company's "Shaping Music for Good" corporate social responsibility program. This resulted, notably, in the continuous improvement of equality and parity within the Group, with women representing 46% of our headcount. We also supported the fight against streaming fraud, which can only be detrimental to artists.

It is with our artists and employees, our two hearts that beat in unison, that we will pursue our strategy of profitable growth and our investments to support it. It is also with them that we will continue to transform the digital music sector, and develop fair and equitable music ecosystems in each of our markets.

Denis Ladegaillerie
Founder, Chairman and Chief Executive Officer

2023 Key figures



France
€147.8m
REVENUES
16.8%
OF GROUP REVENUE
699
EMPLOYEES
1
COUNTRY

Germany
€110.9m
REVENUES
12.6%
OF GROUP REVENUE
264
EMPLOYEES
1
COUNTRY

Europe
(excluding France and Germany), including Russia and Turkey

€264.6m
REVENUES
30,1%
OF GROUP REVENUE
327
EMPLOYEES
13
COUNTRIES

Americas
€128.1m
REVENUES
14.6%
OF GROUP REVENUE
187
EMPLOYEES
8
COUNTRIES

Asia/Pacific/Africa
€228.9m
REVENUES
26.0%
OF GROUP REVENUE
442
EMPLOYEES
27
COUNTRIES

A TECHNOLOGY CENTRAL PLATFORM IN FRANCE, A FOOTPRINT IN 50 COUNTRIES

€1.2Md
DIGITAL MUSIC SALES

€880.3m
REVENUES

94%
PREMIUM SOLUTIONS

6%
AUTOMATED SOLUTIONS

+15.7%
REVENUE GROWTH

+14.4%
ORGANIC GROWTH

5.7%
ADJUSTED EBITDA MARGIN

1.35 million
ARTISTS DIRECTLY OR TROUGH THEIR LABEL

+100
DIGITAL DISTRIBUTION PLATFORMS
DIGITAL SERVICE PROVIDERS

1,919
EMPLOYEES

1,322
PREMIUM AND AUTOMATED SOLUTIONS

597
CENTRAL PLATFORM

46%
WOMEN

54%
MEN

8%
SHAPERS

94%
TRAINING RATE*

** Employees who attended at least one training course during the year.*

The believe® business
Shaping Music for Good

Believe's mission is to develop artists at every stage of their career and development, in all local markets

1.3 million artists, directly or through their labels

Established and Top Labels & Artists

Emerging and Established Labels & Artists

Music creators and self-distributed artists

PREMIUM SOLUTIONS

ARTISTS SERVICES

Tailored go-to-market and audience development strategies
50% tech / 50% music and digital expertise

Revenue share model

LABEL AND ARTISTS SOLUTIONS

Distribution, marketing and digital promotion
70% tech / 30% music and digital expertise

Revenue share model

AUTOMATED SOLUTIONS

TUNECORE

Tech distribution platform for music creators
100% tech
Subscription model

The Group's Business model is supported by the four priorities of its corporate social

RESSOURCES

HUMAN CAPITAL	CAPITAL TECH & INNOVATION	OPERATING CAPITAL
• 597 experts in the central platform • 1,322 music and digital experts • Training and monitoring • Compliance practices	• Proprietary and scalable technological platforms (Backstage, TuneCore) • Data collection, processing and analysis capacity • Innovation in functionalities & services adapted to new digital practices • Cybersecurity and data protection	• A central platform that develops all solutions and innovations • (products, formalization and deployment strategies for offers, etc.) • A local network deployed in +50 countries

model:

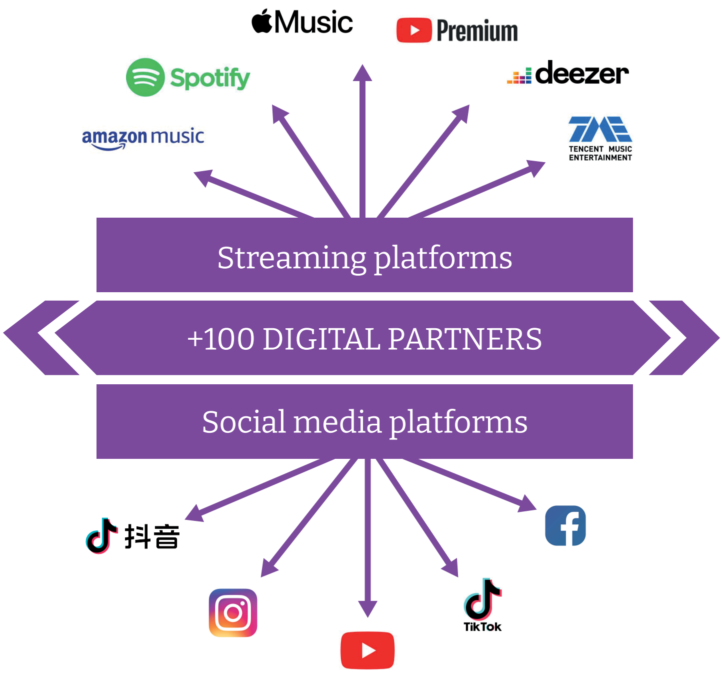
around the world, with respect, expertise, fairness and transparency.

93.7% of revenue

60 to 65% of recording fees collected by Believe through the DSPs paid to artists and labels

6.3% of revenue

80% (freemium model) to 100% (paid model) of royalties paid to creators



responsibility (CSR) strategy: Shaping Music for Good.

GENDER EQUITY · DIVERSITY & INCLUSION · DEVELOPMENT & WELLBEING · PLANET

	SHARED VALUE CREATION WITH OUR VARIOUS STAKEHOLDERS	
FINANCIAL CAPITAL	ARTISTS, LABELS & BUSINESS PARTNERS	LOCAL COMMUNITIES AND THE MUSIC INDUSTRY
• Solidary founding shareholder • 182.3 million in net cash equity • Partnerships with digital service providers (DSP) • Targeted acquisition policy to accelerate growth	• Training & expertise (Artist Resources, TuneCore Rewards and Master Class solutions) • +317 billion streams on the 9 main DSPs • +1,331 billion views on YouTube • +1.2 billion in DMS (Digital Music Sales) • Transparent and fair contracts and compensation • Customer NPS • Tiktok preferred partner	• Around 140 shapers (ambassadors) • +1,000 participants in our solidarity month Shaping Together • "Be the Change" study on women and minorities in the music industry to the internal Your Voice survey • Support for under-represented minorities • 1,265.5 $TeqCo_2$ (scopes 1 & 2) vs 708 $TeqCo_2$ in 2022

SOPHIA STEDILE - ARTIST - BRAZIL

1. Presentation of the Group

1.1 Company history

Founded in 2005 by Denis Ladegaillerie, the Believe Group developed in the digital recorded music sector and quickly began making catalogs of musical tracks available for download on digital platforms (Apple Music, Fnac, Virgin).

In 2007 and 2008 respectively, two French venture capital funds, XAnge and Ventech, invested in the Company, primarily to expand the Group's business internationally.

In 2010, the Group started distributing its catalogs on digital service providers such as Spotify and Deezer. The Group launched Backstage, a unique interface allowing artists and labels to manage, promote and analyze the performance of their music on the platforms served by Believe.

In 2012 and 2013, the Group continued its international expansion, setting up operations in Southeast Asia, Eastern Europe and Latin America, with over 100 employees.

In 2015, US venture capital funds TCV and GP Bullhound invested in the Company as part of a fund-raising operation. The Group's two historical financial shareholders, XAnge and Ventech, also participated, in order to finance growth of the Group's activities and notably its acquisitions.

Through this fundraising exercise, the Company acquired the US company TuneCore in the same year. This acquisition enabled the Group to structure its automated offering for music creators and self-releasing artists and to continue to develop activities in the United States. At the end of 2015, the Company acquired Musicast, a French distribution company specialized in urban music.

In 2016 and 2017, the Group continued to expand its activities, acquiring the independent label Naïve in France (2016), launching the All Points label in France and the United Kingdom (2017), and acquiring the German distributor Soulfood (2017).

In 2018, the Group acquired Groove Attack, an independent German distribution company specialized in hip-hop, as well as Nuclear Blast, the leading international metal label based in Germany. The Group also acquired a 49% stake in Lili Louise Musique, which owns the French label Tôt ou Tard. These labels specialize in traditional music genres (metal and French singer-songwriters), for which the transition to digital is in its early stages.

In 2019, Believe expanded its operations in several emerging countries, such as Chile, Peru, Malaysia and Vietnam. In this context, Believe also acquired three companies in India to strengthen its service offering. The Group thus acquired Venus Music Private Ltd, which includes a catalog of Bollywood music from the 1980s, Entco Music Private Ltd, specialized in the production of live events, and Canvas Talent Private Ltd, specialized in services to artists.

In France, the Group acquired a 49% stake in 6&7 SAS, which operates the label of the same name, specializing in pop music.

In 2020, the Group acquired a minority stake in IRCAM Amplify, a subsidiary of IRCAM (Institute for Research and Coordination in Acoustics/Music), tasked with creating value from its licenses and expertise, and part of which specializes in the enhancement and indexing of music content databases, as well as music content recommendation. Believe also acquired Soundsgood, a French company specializing in innovative digital promotion technologies. In the same year, the Group reinforced its service offering in Turkey with the acquisition of a majority stake in DMC group, a leading label in Turkey.

In 2021, Believe crossed a new threshold in its development by going public. The Group's shares were admitted to trading on the Euronext Paris regulated market (ISIN code FR0014003FE9, ticker symbol BLV) on June 10, 2021. The funds raised provided the means to pursue the strategy of targeted acquisitions and thus accelerate the Group's development.

During the second half of 2021, Believe finalized several acquisitions. The Group took a 25% stake in Play Two, the leading independent label in France and a subsidiary of the TF1 group, as well as a 51% stake in Jo&Co, a label boasting a strong reputation. These transactions diversified Believe's catalog in France with a greater number of music genres in the process of digital transition. The Group continued its expansion in Asia, which is set to become the main recorded music market over the next ten years (sources: MIDiA Research, IFPI). The Group thus acquired a 76% stake in SPI Music. The Group also made an equity investment of 15% in Viva Music and Artists Group, the leading label in the Philippines (a market that is expected to enter the global top 20 in the next few years, according to the Group's estimates) and one of the biggest labels in Southeast Asia.

In 2022, Believe continued to invest in its Central Platform, intrinsic to the Group's business model, and in the development of local teams. After pausing its external growth policy at the end of February in a context of economic downturn, the Group resumed investing at the end of the year in view of the resilience of the music industry and the stability in label valuations. Believe thus set up a joint venture with Madizin in Germany. In France, Believe also entered into a partnership with DJ Bellek, acquiring a stake in its Morning Glory label, and setting up a joint venture with Structure PY alongside Yann Dernaucourt and Pierre Cornet, who have discovered a wealth of new talent on the French scene.

In 2023, Believe acquired Sentric, an independent music publishing technology platform, the first step in the rollout of a comprehensive global music publishing business. The Group also seized catalog acquisition opportunities in France and India.

1.2 Overview of the Group's activities

1.2.1 Believe connects musical artists and digital music platforms

The Group is one of the leaders in the digital music market for independent labels and local artists. The Group has extensive experience in the development of digital artists and optimization of catalogs. The Group has designed its model to be at the core of the digital music revolution and thus in a position to benefit from positive structural market trends.

The Group's business model involves sharing the revenues generated through streaming 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 has built up a solid presence in France, its historical country of operation, and in Germany with the acquisition of the Nuclear Blast label and the distribution company Groove Attack in 2018. These two countries represented respectively 16.8% and 12,6% of consolidated revenue for the fiscal year ended December 31, 2023.

The Group is also present in many European countries other than France and Germany, which together represented 30.1% of consolidated revenue for the fiscal year ended December 31, 2023, including in particular the United Kingdom, Italy and other less mature markets such as Turkey and several Eastern European countries. The Group began investing in Asia 10 years ago, where it occupies a leading position, and is now present in 14 countries. Believe has significant development potential in Asia, Oceania and Africa, which together represent 26.0% of consolidated revenue for the fiscal year ended December 31, 2023. Lastly, the Americas region represents 14.6% of consolidated revenue for the fiscal year ended December 31, 2023.

The Group primarily targets digital music genres, which are mainly promoted and marketed on streaming and social media platforms. 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 have a greater physical component (CD, Vinyl, Merchandising, etc.) than in digital genres.

Believe also provides dedicated offers for digital artists and labels according to their needs and stages of development. The Group is thus organized as a global digital platform that develops high value-added technological solutions for all artists, tailored to each stage of their career, whether they are music creators, emerging artists, established artists or top artists[1]. This approach, which covers all categories of artists, from music creators to top artists, is another differentiating factor, as Believe is one of the only music groups to offer solutions tailored to each stage of the artist's career.

The Group has built a unique model based on a scalable central technology platform through the intensive use of data, which makes it possible to provide the same level of service across all regions while generating economies of scale. The teams deployed in 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 run its businesses efficiently and profitably. This organization, based on a Central Platform and strong local teams with in-depth musical and digital expertise, trained to make the best use of the tools and solutions developed centrally, makes it possible to offer the best possible quality of service.

(1) The Group classifies the artists it serves (directly or via their labels) into music creators, emerging artists, established artists, and top artists according to the revenue they generate. The revenue threshold for each category of artist varies according to the geographic market in question.

With 1,919 employees as of December 31, 2023[(1)] and a presence in more than 50 countries[(2)], the Group benefits from cutting-edge technologies, and is able to offer artists and labels all over the world its expertise in music, digital marketing and data analysis, supported notably by over 250 product and IT experts.[(3)] The Group manages several commercial brands, including Believe, TuneCore, Nuclear Blast, Naïve, Groove Attack, Allpoints, Ishtar and Byond.

This quality of service is reflected in the development of digital audiences in all local markets. In addition, the Group operates with respect, expertise, fairness and transparency, which are the core values of Believe and its corporate project. The Group uses the following breakdown for reporting purposes, corresponding to the two business activities carried out by the Group as part of its offering[(4)]:

- **i) Premium Solutions**, which consists mainly of the sale, promotion, marketing and delivery of digital content provided by labels and artists for which the Group is responsible for developing the catalog on streaming and social media platforms, using a shared revenue business model, as well as, to a lesser extent, solutions to support the development of artists in the areas of physical sales, derivative products, synchronization[(5)] and neighboring rights. Through the acquisition of Sentric, Believe also expanded its music publishing capabilities. The Premium Solutions segment accounted for 61.9% of DMS [(4)], 93.7% of consolidated revenue and 92.1% of the Group's consolidated adjusted EBITDA (excluding the Group's adjusted EBITDA contributed by the Central Platform) for the fiscal year ended December 31, 2023;
- **ii) Automated Solutions,** whereby the Group enables music creators, via its TuneCore digital platform, to distribute their audio content in an automated manner to digital service providers and social media platforms in return for a subscription fee. Access to this platform may, at the choice of the music creator, be supplemented in particular by synchronization and music publishing solutions already based on Sentric, one of the most advanced solutions on the market and capable of managing self-releasing artist rights in a profitable manner. The Automated Solutions segment accounted for 38.1% of DMS, 6.3% of consolidated revenue and 7.9% of the Group's consolidated adjusted EBITDA (excluding the Group's adjusted EBITDA contributed by the Central Platform) for the fiscal year ended December 31, 2023.

The Group develops technological solutions and digital marketing strategies to make available, commercialize and promote audio and video content produced by each tier of the market on digital platforms and social media. In 2023, the content made available by the Group generated more than 317 billion streams on the nine main streaming platforms and more than 1,331 billion views on YouTube.

These streams and views form the basis of the DMS (Digital Music Sales)[(6)] generated by Believe and which correspond to the gross amount before payment to the artists of the sums paid by the streaming and social media platforms. The Group derives the majority of its DMS from licensing digital audio and video content to streaming and social media platforms.

In order to benefit from the rights it distributes, the Group enters into contracts with producers of audio or video content, *i.e.* artists, where the artist concerned has chosen to record and exploit his or her content himself or herself, or labels, which artists may use to record and exploit their content. Under these contracts, an artist or label grants the Group the right to market all or part of its catalog in dematerialized, digital form. When the contract is signed with a label, the Group has no direct contractual relationship with the artists included in the label's catalog.

(1) The Group also relies on the expertise of over 200 external consultants in the countries where it is present.

(2) The countries in which the Group is present are those where the Group has a local presence through its employees and/or external consultants.

(3) Including employees and consultants.

(4) Certain costs of centralized operational functions are also allocated to the Central Platform, which is not an operating segment under IFRS 8 (see Chapter 5, "Review of the Group's financial position and results" in this Universal registration document).

(5) As part of its synchronization solutions, the Group manages the copyrights of artists relating to the use of their music works to enhance an audiovisual work, and collects the associated payments.

(6) "DMS" (Digital Music Sales) are a relevant indicator for the Group of the volume of business generated by streaming and social media platforms and correspond to the gross amount of payments made to the Group by said streaming and social media platforms in return for the provision of audio and video content by the Group (excluding amounts related to music publishing). For a given fiscal year, DMS correspond: (i) for the Premium Solutions segment, to invoices issued and to be issued in respect of the fiscal year in question in return for the provision of audio and video content to streaming and social media platforms (they correspond to the digital revenue of the Premium Solutions segment); (ii) for the Automated Solutions segment, to invoices issued and recognized over the fiscal year in question in return for the provision of audio and video content to streaming and social media platforms. Invoices are prepared on the basis of financial statements provided by the platforms. A portion of the amount of the DMS is then paid to the artists and labels as part of the Premium Solutions. Under Automated Solutions, the entire amount of the DMS is paid to the artists and labels, with a possible margin withheld depending on the type of service. DMS is not an IFRS-defined measure and the definition used by the Group may not be comparable to that used by other companies for similar indicators. This indicator should not be considered as a substitute for revenue presented in the Group's financial statements prepared in accordance with IFRS.

The Group's model is supported by an ambitious Corporate Social Responsibility (CSR) strategy, aligned with Believe's core values and with the objective of having a positive long-term impact in the music industry. The corporate project, named Shaping Music for Good, is based on four pillars:

i) as a priority, develop diverse local talents in their local markets by supporting local artists and labels at every stage of their career thanks to local teams present around the world, placing the emphasis on diversity, inclusion and equity;

ii) cultivate talent for the digital music era by supporting the transition of artists to the digital world by developing and training a new generation of digital market experts;

iii) build trusting relationships through respect, fairness and transparency with all stakeholders to promote and protect the interests of its artists and labels, and those of its employees; and

iv) empower Believe's communities to have a long-term positive impact on society by leveraging technology, reducing their environmental footprint, and rolling out a network of ambassadors for sustainable development.

The CSR strategy is described in detail in Chapter 2 of this Universal registration document.

1.2.2 Its positioning in the industry value chain puts the Group at the core of the digital music revolution

The strong growth of the digital music market and streaming in particular, and the emergence of new digital means of production and distribution for artists and labels, have led to the transformation of the value chain in the music industry. Positioned at the heart of this revolution, the Group believes that it has become a central player in the digital music industry with its offering of high value-added technological solutions adapted to each stage of the development of artists.

In the traditional music industry value chain (before the digital disruption), music production and artist development were typically linked and coordinated by a single player, the artist's record label.

The emergence of digital technology has enabled the development of technological tools that facilitate the creation and production of music by artists. As such, their main needs now relate to obtaining distribution channels and implementing marketing strategies that enable them to share their content quickly, efficiently and widely with their target audiences. The Group aims to meet these needs, while giving artists complete autonomy in their artistic production, by focusing on the development of innovative solutions to develop their careers.

The Group uses digital service providers as its main channel for delivering content. These providers generate their revenue mainly from subscriptions paid by their users, for paid offers, and from advertising remuneration paid by advertisers, for free ad-funded offers. The providers then pay amounts, calculated according to predefined formulas, to the distributors (such as the Group) or, where applicable, to the producers (artists and labels) and the publishers directly, in return for delivering the content.

It is generally estimated that around 50% of the value of the streaming market is thus retained by distributors and producers, via the amounts paid by the platforms, with publishers receiving about 20%, while the remaining 30% is retained by the platforms, as their profit.[(1)]

Licensing contracts with streaming and social media platforms at market standards

The Group enters into license agreements with the digital service providers such as Spotify, YouTube (through Google), Apple Music, Amazon, Tencent Music Entertainment and Deezer, and social media platforms, such as Instagram (through Meta) and TikTok. Under these agreements, it grants these platforms a license for audio or video content for a certain period and within a defined region. These contracts are the basis of solid partnerships with the platforms and include clauses favorable to the development of artists, which is an absolute priority for the Group.

This license allows the platform to exploit the Group's content (including the sound and/or video recording, as well as the accompanying elements and associated metadata) via the services operated by the platform concerned, whether for streaming, download or creating user-generated content.

(1) For example, in 2023, Spotify's cost of sales, which mainly corresponded to the amounts paid to labels and record companies together with other expenses such as credit card payment fees, customer service fees and certain personnel costs, accounted for 73% of its revenue from paid services (source: Spotify 2023 Annual Report - February 2024).

The rights granted to the platforms cover in particular the right for the latter to reproduce the sound and/or video recordings on their servers, the right to communicate them to the public via the platform, and the right to authorize users to reproduce these recordings in videos posted on the platform. For video content sharing platforms, these rights allow users to upload content to said platforms. Identical rights are granted to the platform regarding the elements accompanying recordings, such as the booklet, cover art or the artist's biography.

Each contract also defines the methods for calculating the amounts due to the Group by the platforms.

These calculation methods vary according to the content monetization method used by the platforms depending on whether the monetization is by paid subscription or ad-funded streaming.

Amounts due to the Group are generally structured as a sharing mechanism of revenue generated by streaming or social media platforms, as the case may be, from paid subscriptions by users, or from revenue they earn from advertising, and to a lesser extent, from the sale of music for download.

For digital service providers' subscription-based offerings, the amount due to the Group is generally equal to (i) the market share (based on the number of plays, defined below) of the content made available by the Group on the platform multiplied by (ii) the higher of (a) a fixed amount per user or (b) an amount resulting from the application of a percentage to the revenue generated by the platform from subscription-based offerings.

For download offers, the amount due to the Group is generally equal to a percentage of the amount paid by the end user to acquire the music.

For free ad-funded services, the amount due to the Group is calculated based on how often the content uploaded to the platform is listened to or viewed. In general, it is equal to the market share of the content made available by the Group on the platform, multiplied by an amount resulting from the application of a percentage to the advertising revenue generated by the platform.

For audio and video content, the market share corresponds to a percentage calculated by comparing the number of plays or views generated on the platform over a given period by the content made available by the Group (for example, a stream is generally counted when it lasts more than 30 seconds) with the total number of plays or views generated on the platform over the same period.

Some contracts may also provide for a minimum guarantee payment, which is non-refundable by the Group but generally recoverable, similar to an advance on payments received by the Group, or provide for the payment of additional amounts, conditional on the Group meeting certain qualitative criteria.

The payment terms for amounts due from platforms under the Group's main contracts are generally between 30 and 60 days following receipt of the invoice or the end of the calendar month of the current period.

Contracts with digital service providers are usually concluded for periods of one to three years, with the possibility of renewal. They may be terminated in advance by either party, in particular in the event of a serious breach of their terms, and almost all of them are concluded on a non-exclusive basis.

The contracts entered by the Group generally include an obligation for the streaming and social media platforms to provide the Group with periodic sales reports, including, in particular, the number of streams generated by the content made available by the Group, the number of users of the platform and other information necessary to calculate the amount due.

The Group entity signing the contracts with the platforms is, in most cases, Believe International, a wholly-owned Believe subsidiary, with entitlement to the rights covered by the contract extended to all Group entities.

With the acquisition of Sentric, the Group now signs contracts covering music publishing with its digital partners. When a song is listened to on streaming and social media platforms, the platform, as the exhibitor of the song, must pay to the rights holder(s) and/or to a publisher if the author is represented by a publisher: (i) performance royalties (for the author's share and the publisher's share); and (ii) mechanical royalties.

During the music industry's technological revolution in the early 2000s, traditional publishing rights collection organizations (PROs) struggled to keep up with the explosion of streaming and social media platforms entering the music industry, and therefore specialized digital rights licensing hubs were set up to collect revenues from online use by streaming and social media platforms only. These licensing hubs operate global licenses, which cover several countries for certain types of composition. Due to the complexity of the rules for BIEM authors (International Bureau of Companies Managing Registration and Mechanical Reproduction Rights), the digital licensing hubs only collect revenue for authors of non-BIEM PROs, and BIEM authors receive their mechanical and performance royalties from the use of their work(s) on streaming and social media platforms directly from their respective PROs. Sentric's digital licensing partner was AMRA until December 31, 2023. Sentric changed partner as of January 1, 2024 and now works with SACEM.

1.2.3 Believe is a global digital platform offering a high quality of service thanks to its musical, digital and technological expertise

The Group has built a unique model based on a central, data-driven, scalable technology platform making it possible to guarantee the same level of quality of service across all regions while generating economies of scale.

Technology and data are at the heart of the Group's business model and are used by all Believe's key functions, from the processes of ingesting, controlling, and delivering audio and video content, to the processes of collecting and managing payments, identifying artists, marketing and promotion, and analyzing data. Local teams rely on this leading technological platform to support the development of artists and labels and to conduct their activities efficiently and profitably.

The Group's activities thus require substantial investments in technological tools in order to operate a complex operational model capable of processing high volumes of content and data on a global scale, on a significant number of platforms. These investments support the Group's growth.

The Central Platform developed by the Group gives it a clear competitive advantage, which the Group intends to maintain in the future by continuing to invest in further developing its content management and platform delivery tools, improving its artist and label interfaces (Backstage for Premium Solutions and TuneCore for Automated Solutions), developing its data management and analysis systems in order to improve its ability to identify high-potential artists, and continuing to develop and automate digital marketing and promotion tools.

Finally, the Group intends to invest in the structuring and integration of its proprietary tools with third-party systems, in particular for its support functions such as finance and human resources, in order to further improve its productivity.

A digital DNA providing an unparalleled digital music business intelligence

Data analysis is central to the digital music business.

It improves and further automates the ability to identify talent, providing the Group's sales teams with the tools to detect trends and high-potential artists.

Access to reliable and accurate data analysis tools is also essential to attract and retain artists and labels and optimize their audience. Data analysis also helps the Group to improve its business performance by refining its knowledge of the music landscape, enabling it to better meet the needs of artists and labels. It also allows the Group to define its international expansion strategy and to better respond to the changing requirements of digital service providers.

The Group's data analysis tools provide information on the number of streams of a track, or an album generated on a given platform on a consolidated basis. These tools also make it possible to identify the method of consumption on the platform – for example, a stream generated through a playlist created by the user, through an album or artist page or through a recommendation generated by the platform. Artists also have real-time access to information about the entry of his or her tracks into playlists, with easy access to the name of the playlist, the number of users following this playlist or its listening duration. Artists also have information about their audience, with a breakdown of streams by age group and gender.

Tools for the management and delivery of content to the platforms – evolving technologies to efficiently manage large volumes at scale

The Group relies on sophisticated digital tools and processes for the reception, management and delivery of content, in order to respond to the specificities of each partner platform on the one hand, and to the needs of the artists and labels served through the Premium Solutions or Automated Solutions on the other. These tools make it possible to meet a tight turnaround between the delivery of the masters by the artist and the expected date of delivery to the platforms, or to make last-minute changes to the title of the track.

The tools used by the teams are based on proprietary technologies, developed in-house by the Central Platform teams, and used throughout the audio and video content supply chain. These tools made it possible to make large volumes of content available to digital music platforms in 2023 (around 3.3 million audio files delivered on Spotify and Apple Music in 2023, for example), while at the same time carrying out in-depth processing of each content file, its metadata and the associated accompanying elements such as booklets, cover art and artist biographies. Over 30 data fields (metadata) are checked for each audio file, from title and performer to mood, enabling efficient referencing and optimal visibility by digital service providers.

The audio and video content supply chain comprises three functional blocks:

- **content ingestion and control:** audio content is sent by artists and labels via the Group's intranet to the content ingestion teams, who are responsible for checking it against internal and external guidelines (which depend on both local regulations and the rules specific to each platform), particularly in terms of technical quality and copyright. The Group has developed in-house tools to automate the ingestion of this content, control its technical integrity and, thanks to the proprietary Vool technology, verify its compliance with the quality standards of the platforms, particularly as regards metadata. The Group also relies on a number of external tools, notably automatic audio fingerprinting tools, which identify the unique sound signature of each track and thus facilitate the identification of the content rights chain. Believe is also developing an algorithmic tool, which aims to detect music generated by artificial intelligence, by identifying content that has been produced with the help of artificial intelligence technologies. The process may vary for certain video content. Some of the video content is uploaded directly by the artists or labels to video streaming platforms such as YouTube. The Group then uses a proprietary metadata retrieval, control and enhancement tool for this content. The Group thus stores all content-related metadata internally, enabling a consistent approach across all platforms for each release, but does not store all video content;
- **management and enhancement of audio and video content:** following the ingestion process, content is then stored in an optimal way (see the Section *"Intensive use of technology and data, supported by the Group's servers and IT infrastructure"* on page 17 of this document), allowing the Group's teams to access in real time all content in real time via its intranet. The content is subsequently "enhanced" (notably with the addition of the moods described), in order to meet the quality standards of streaming and social media platforms. For this phase, the Group also uses technologies developed in-house to ensure the integrity, robustness and accessibility of the databases, and constantly monitors their continuous improvement. The number of data fields associated with each content file is steadily increasing;
- **delivery of audio and video content to platforms:** once checked and enhanced, content is made available to over 100 streaming and social media platforms worldwide, using proprietary technological tools developed by the Central Platform. In 2023, Believe decided to focus on the most significant platforms for monetizing the artists served directly by Believe or through their labels, and consequently delisted some 50 platforms worldwide. Around 144,000 audio and video content files were thus made available each month by the Central Platform in 2023. For this phase, the Group mainly uses tools developed in-house by the Central Platform teams, such as Demon, a delivery control and tracking tool, and Store Manager, a management of logistics relations with platforms.

Backstage, a comprehensive distribution software for artists and labels within Premium Solutions – leveraging a unified backbone to deliver best results globally

As part of the Premium Solutions, the Group has invested in a set of proprietary technological solutions enabling artists, labels and the teams responsible for monitoring them within the Group to analyze, manage and promote all the catalogs via a single interface called Backstage.

This interface is available to all artists and labels who have signed a contract with Believe, in all regions where the Group is present. It notably includes the following functionalities:

- a content release creation system;
- a catalog management tool enabling artists and labels to optimize their referencing by including old and new content;
- and content monitoring tools, allowing artists and labels to follow each stage of delivery, check their promotional results, control their rights, read transparent financial reports and obtain payments.

Backstage also offers innovative tools tailored to artists and labels designed to meet all their needs.

Backstage includes an in-depth data analysis platform, Datamusic, allowing artists and labels to analyze trends on a daily basis, with the monitoring of some 15 digital service providers, providing a daily overview of where and when their content is streamed. Datamusic also provides information on the content included in the playlists available on major platforms, as well as information on the demographics and behavior of users. This makes it possible, for example, to identify the time someone spent listening to one track before moving on to another, thus offering better audience targeting. Datamusic also allows artists and labels to follow how the position of their content evolves on different charts, with segmentation by territory. Datamusic is enhanced each year.

In 2023, Believe integrated a performance monitoring system for Believe Catalog Optimization, an algorithmic promotion solution making it possible to optimize the exposure of the artists who use it and to increase their audiences. The Group has also integrated a section dedicated to short-form videos into the platform.

TuneCore, an automated interface for content delivery dedicated to the music creator ecosystem

After creating an account, artists using Automated Solutions send their audio content, the cover art of the track or album and information relating to the release of the track or album. Artists can choose from among more than 100 digital service providers where they wish to distribute their content. The Group makes this content available in accordance with the terms of the contracts entered into with the digital service providers, which stipulate in particular the amount of the payments due to the Group.

As content is streamed or downloaded, the digital service providers pay out the amounts due, which the Group then passes on in full to the artists who have a paying subscription.

Since November 2021, TuneCore has also provided the option, as an initial step, for a Social Discovery offer, which allows music creators to distribute their music on social media without taking out a subscription. The Group pays a share of 80% of the revenues generated on social media to the artists, and the balance of 20% is retained by the Group as a commission.

With the TuneCore interface, self-releasing artists and music creators receive reports that allow them to dynamically analyze the number of streams their content has generated on the major digital platforms (the analysis can be performed by country, by album or by track, for example). Creators of music also receive sales reports reflecting the breakdown of their sales from each digital platform (by country, by platform or by track), on a monthly or quarterly basis (depending on the reporting frequency of the digital platforms).

In 2023, TuneCore developed the TuneCore Accelerator marketing program, which was launched in the last quarter. This flagship program helps artists to find new audiences, promote the discovery of their content and foster a deeper engagement with fans. The program leverages the Group's proprietary algorithmic technologies and artist development expertise, and offers new discovery and growth opportunities, making it easier for TuneCore paid subscribers to move on to the next phase of their development.

Finally, TuneCore interface also allows music creators and self-releasing artists to benefit from a range of additional automated services for an additional subscription fee or a commission on the revenue generated, depending on the services chosen. For example, an artist can benefit from administrative management solutions for their copyrights based on the Sentric platform, which the Group acquired in March 2023 (for all regions served by TuneCore). TuneCore was already providing publishing services based on Sentric platform before its acquisition in March 2023. Some additional services are also provided on a white label basis or through partnerships, in order to provide a complete range of functionalities guaranteeing even greater loyalty among users of the interface. They can thus benefit, among other things, from an evaluation of their content by a community of fans (TuneCore Fan Reviews, in partnership with SoundOut), the manufacture of CDs or LPs (via Disc Makers), and the creation of video clips (via Rotor).

Investing massively in technology and developing proprietary algorithms and applications

The Group has a team of over 250 Product and IT experts mainly dedicated to the development of the Group's internal tools and websites, Backstage, and internal algorithms.

The majority of the Group's systems are based on open-source software and adapted by its teams according to its internal needs.

In order to limit infrastructure failures and obsolescence that could lead to operational or security difficulties, the Group's IT teams have put in place code review protocols for all development and infrastructure items.

Intensive use of technology and data, supported by the Group's IT infrastructure

Believe's business makes intensive use of its IT infrastructures to ingest, manage and publish artists' audio and video files, or to manage artist audience data. To support the growth of its business, which involves ingesting and delivering an increasing amount of content and analyzing a growing volume of data, the Group is investing significantly in storage solutions, in order to find the highest-performing solutions at the best price. The Group is also optimizing its data storage methods in order to further improve efficiency.

It thus has servers located in two data centers in France, currently operated in-house and capable of processing and delivering data 24 hours a day. At the date of this Universal registration document, over 1,300 terabytes of data were stored on these servers, with a total capacity of 3,100 terabytes.

The Group's critical databases are backed up internally on private infrastructures using open-source technologies with proven reliability, such as MariaDB (mySQL) and ColumnStore (infiniDB), and at a competitive cost to the Group.

Since 2021, the Group has significantly increased its use of best-in-class technologies, to benefit from interoperability between private and public clouds, and considerably increase its data processing and storage capacity while making greater use of deep-learning functionalities. Hybrid cloud solutions and the agnostic use of the public cloud also provide greater interoperability with acquired companies. This is notably the case for TuneCore, whose infrastructure is on Amazon Web Services (AWS). All the infrastructure security technologies deployed in the Group's hybrid solutions are leaders and notable benchmarks in their respective markets (Palo Alto, Cisco, F5, Pulse Secure, Splunk). The Group's critical assets are all backed up on the latest generation storage solutions which also provide data security against ransomware.

Targeted investment operations to support growth

The Group's activities are underpinned by investments in its local teams and in the development of the Central Platform and dedicated teams. The development of the Platform seeks on the one hand, to guarantee the reliability and security of content, and, on the other, to continuously improve and enhance the Group's range of solutions. The Group capitalizes part of the development costs, essentially comprising internal and external personnel costs, when they meet certain criteria (detailed in Note 6.2 to the Group's consolidated financial statements for the fiscal years ended December 31, 2023 and 2022 on page 274 of this document), and presents them under acquisitions of intangible assets in the Group's cash flow statement.

Expenditure on the acquisition of property, plant and equipment and intangible assets represented 5.6% of consolidated revenue for the fiscal year ended December 31, 2023, up from 3.3% for the fiscal year ended December 31, 2022. This increase mainly reflects catalog acquisitions in France and India. Organic investments saw their weight decrease over the year due to the efficiency plans implemented during the year, to the postponement of secondary projects and, above all, to a lower development cost capitalization rate in 2023 than in 2022, due in particular to the nature of the projects (increasing number of cloud and digital marketing projects).

The Group also pursues a targeted external growth policy, described in Sections 1.4.5 and 1.5.3 of this document, (on pages 39 and 42 respectively), which supports the Group's future growth.

The table below shows the Group's investment transactions over the last two fiscal years (detailed in Note 11.3 to the financial statements presented in Chapter 6, page 297 of this document):

(In € thousands)	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2022
Acquisitions of property, plant and equipment and intangible assets [(1)]	(49,217)	(25,450)
Acquisitions of subsidiaries, net of cash acquired	(36,640)	(8,717)
Decrease/(increase) in loans and non-current financial assets and disposal of assets	(1,033)	(4,121)
TOTAL	**(86,890)**	**(38,288)**

(1) Includes the capitalization in development costs for intangible assets, respectively and €19.8 million in 2022 and €17.9 million in 2023.

Over the coming fiscal years, Believe will continue its organic and external investment policy to support its growth beyond 2025. Organic investments should remain below the threshold of 4% of revenue, as was already the case in 2022 and 2023.

A development platform for local artists and labels offering them contracts in line with or exceeding market practices

As part of its Premium Solutions offering, the Group signs distribution, promotion and marketing contracts in line with or exceeding market standards in terms of duration and conditions. Artist contracts are usually signed for a term of between three and 15 years (and between three and 10 years for labels) in line with the rest of the industry. They include clauses that the Group considers more favorable, such as the absence of an exclusivity clause on featuring, i.e. the participation of an artist on another artist's album, or durations stipulated in exclusivity clauses at the end of the contract that are much shorter than the average observed, or the absence of a discount on royalty rates.

Furthermore, in order to benefit from the rights on content, the Group enters into digital distribution contracts with artists and labels.

The contracts can cover all recordings or the catalog of an artist or label ("label" or "catalog" contract) or one or more recordings by a particular artist ("artist" or "project" contract).

Under the terms of these contracts, the producer grants the Group the right to market, in digital form and worldwide (in the vast majority of cases), all or part of its catalog or an artist's catalog. This concession covers the rights to reproduce, communicate to the public and make available to the public audio and video content on streaming and social media platforms.

The contracts are entered into on an exclusive basis. The artist or label may not, therefore, throughout the term of the contract and for the territories concerned, grant the rights referred to above to a person other than the Group, or self-release the audio and video content covered by the contract.

The contracts provide for both an exclusivity period ranging from a few months to a few years – covering the period during which the artist or label undertakes to provide the Group with new content – and an exclusive commercial exploitation period of up to 15 years – covering the period during which the Group may market the recordings provided by artists and labels for exclusive use.

The Group pays artists and labels a percentage of the remuneration it receives from the platforms in return for delivery of the audio and video content produced by the artist or label concerned.

Under certain contracts with artists and labels, the Group makes advance payments to them, which are deducted from the amounts paid by the Group to the artist or label during the performance of the contract. The advance is usually paid in several installments, with a first payment on the date of signature of the contract, a second payment when the content is delivered by the artist or the label, and, where applicable, the balance being paid based on the repayment of previously advanced amounts.

If the contract is terminated for the artist's or label's gross negligence, the artist or label is generally required to reimburse the Group for any advances not yet repaid. In addition, the contracts generally contain clauses enabling the Group to continue recovering advances after the expiry of the contract's initial term, for a set period, so long as the advances have not been fully recovered.

The advances are recognized as assets when they are paid and are booked as expenses as the associated rights fall due. They are reviewed at the end of each period to assess whether they are recoupable and are impaired where appropriate. Impairment, if any, is calculated on the basis of an estimate of the amount to be recouped until the end of the contract and is recorded as cost of sales. The advances held as assets are broken down into (i) a current portion (which the Group expects to recover in the 12 months following the closing) and (ii) a non-current portion (see also Section 3.1.4 and Note 4.6 to the Group's consolidated financial statements for the fiscal years ended December 31, 2023 and 2022, on pages 133 and 264 of this document respectively).

The Group is also committed to promoting artists' and labels' recordings to providers.

As part of the Premium Solutions Artist Services offering, the contracts signed with artists and labels also cover additional services such as the definition and execution of the marketing, the promotion and advertising strategy, the creation of visuals, the implementation and management of partnership operations with brands (branding), the synchronization and sale of derivative products or the payment of advances to finance the development of tracks or albums. In this context, agreements can be either digital distribution contracts or licensing agreements. In the case of the latter, the Group, as licensee, assumes all operating costs associated with the recordings, such as manufacturing, marketing and promotion costs. In return for these extra services to artists, the Group receives additional remuneration and benefits from a longer rights exploitation period.

Finally, in addition to digital distribution, promotion and marketing contracts, the Group may enter into contracts for physical sales in certain territories (principally France, Germany and Italy). These contracts are auxiliary to the digital distribution contracts and reserved for artists selected by the Group who wish to continue making and selling physical media.

Moreover, as part of its secondary music production activity, the Group offers artist contracts, concluded through its own labels, to directly produce the recordings of its performing artists. To this end, the Group enters into artist contracts with the latter, through its own labels. In this context, the Group enters into phonographic recording contracts, also known as artist contracts, on an exclusive basis, with performing artists who hold neighboring rights to their performances (see Section 1.3.2 "*Legislative and regulatory environment"* on page 28 of this document), for terms generally exceeding 10 years, in order to market between one and three musical projects, and sometimes more. The Group bears the recording costs, as well as being responsible for the production, promotion and distribution of the recordings. In return for this service, the performing artists assign to the Group the neighboring rights they hold to their performances. In return for the transfer of their rights, performing artists receive remuneration in the form of payments calculated on the basis of a pre-determined percentage of revenues generated by the use of the recordings. In return for the recording service and depending on the recording time, performing artists also receive a fee, with such remuneration considered a wage in France.

For Automated Solutions, artists agree to the general terms and conditions of sale published on the TuneCore website when they subscribe online to the service. Artists who subscribe to one of the paid subscriptions can also opt, in return for additional compensation, for an automated publishing rights management solution based on Sentric's proprietary platform.

1.2.4 Believe provides solutions for artists at each stage of development, from music creators to top artists

The Group relies on an integrated model to offer artists a first-rate quality of service thanks to adapted technological solutions and the digital and music expertise of teams deployed locally in more than 50 countries. Its model makes it possible to offer the same quality of service at each stage of the development of artists, whether they are emerging artists, established artists or top artists[1].

To operate its activities, the Group relies on a leading Central Platform offering a set of innovative digital solutions for the development of artists focused on their needs, including solutions for the provision and marketing of content, financing, marketing, promotion, synchronization, music publishing and the organization of musical events.

The Group offers two ranges of solutions: Premium Solutions and Automated Solutions.

1.2.4.1 Premium Solutions: a customized offering managed by experts in music and data analysis and supported by cutting-edge technology, targeting the needs of all artists, from emerging to established to top artists

A set of flexible solutions that can adapt to the needs of artists and labels

The main priorities of independent artists in the development of their careers are the possibility of keeping creative and commercial control, retaining ownership of their copyrights, making a living from their music, and working with trusted partners *(source: MIDiA, "Independent Artist Survey", January 2020).*

The Group believes that it is in a position to address these priorities with its Premium Solutions offering, which includes a set of marketing and promotion solutions.

This product offering relies on the specific features of the Group's technological and business model, making it perfectly suited to the needs of artists, whether emerging or top:

- providing, marketing and promoting artist and label content on more than 100 audio and video streaming and social media platforms;
- digital solutions leveraging the Group's leading technological expertise to provide digital marketing expertise and a set of marketing tools to help artists grow their audience and income;
- transparent, artist-centric solutions that provide near real-time access to data and advanced analytical tools for catalog performance;
- a local presence in all key geographical areas,[2] in order to establish close proximity to artists and labels and deepen knowledge of local market trends.

The Premium Solutions are dedicated to the development of independent labels or direct artists, through teams specific to each activity.

Premium Solutions mainly comprise Label & Artist Solutions, including the marketing, promotion and provision to streaming and social media platforms of the digital audio and video content of the labels and artists who have entrusted the Group with the marketing and promotion of their catalogs. As part of this offer, labels and artists also benefit from a flexible service for the collection and payment of their royalties, a simplified access in real time to their catalog's audience data and, for certain labels and artists, financial advance solutions.

For top artists, established artists or artists that have recently enjoyed popularity, the Group has also developed Artist Services, an expanded offer which, based on the same core services described in the previous paragraph, aim to provide more advanced promotion and marketing of musical works by accompanying the artists in the definition and execution of "go-to-market" strategies.

(1) The Group classifies the artists it serves (directly or via their labels) into emerging artists, established artists and top artists according to the revenue they generate. The revenue threshold for each category of artist varies according to the geographic market in question.

(2) The geographic markets identified as being key markets by the Group are the markets in which it has the largest local teams or in which it intends to strengthen its local teams in the future, and include France, Germany, the UK, the USA, India, China, Brazil and Japan.

At the discretion of the labels and artists, the Group also offers additional services such as the distribution of their catalogs in physical outlets, and, within the framework of its Artist Services offering, optional services such as the administration of copyrights (publishing), which is set to expand with the integration of Sentric, acquired in March 2023, the use of recorded music in advertising, films and series, video games and television (synchronization), the sale of derivative products, the organization of musical events *(*booking) and the establishment and management of partnerships with brands (branding).

Premium Solutions are based on a revenue-sharing business model, which involves paying artists and labels a share of the revenue generated by making their content available on streaming and social media platforms, with the balance of the share going to the Group. The average payment rate to artists and labels varies according to the type of customer (label or artist) and the level of service provided: on average, it is between approximately 60 and 90% for Label & Artist Solutions and 50 and 70% for Artist Services.

Main teams involved in developing relationships with artists and labels as part of Premium Solutions

The Group leverages the digital audience development expertise of its employees to thoroughly analyze artist performance data, build lasting relationships with all players in the music industry, and maintain the Group's reputation and ability to discover and develop talent.

The Group's Premium Solutions teams, in close contact with artists and labels, include:

- Talent Scouts, responsible for identifying and reaching out to emerging artists who may need support in developing their audience. They do so using data and trend analysis and tracking tools, as well as their strong relationships with the wider music industry and the relationships established with certain high-potential artists through the Automated Solutions offering;
- the teams responsible for commercial follow-up and relationships with artists or labels (Label Managers, Artist Relationship Managers*,* or Project Managers according to the type of offers) take over from the Talent Scouts once the relationship has been initiated, and manage the signing process. These teams, in support of the Talent Scouts, regularly monitor and update a pipeline of potential new artists, drawing on their in-depth knowledge of the music market, and regularly monitor existing relationships with producers in order to build loyalty and provide the offer that is best suited to the needs of artists and labels already signed by the Group. These teams are the main point of contact for artists and labels, responsible for optimizing their catalog, designing their content distribution strategy and developing marketing guidelines for artists and labels;
- the logistical and operational support teams (Support), responsible for the technical ingestion of the content catalog and the resolution of any technical issues;
- the video channel managers, responsible for developing and optimizing durable video content distribution channels on video streaming platforms;
- specialists responsible for negotiating the editorial positioning of the Group's content with digital service providers (particularly within playlists) in order to maximize its visibility and performance.

The Group's operational process for Premium Solutions

The identification, provision and remuneration of audio and video content on streaming and social media platforms involves a series of steps integrated into a structured operational process based on the use of leading technological tools developed by the Central Platform teams:

- a preliminary market analysis phase enables the detection of potential artists, who are approached by the Group's Talent Scouts, with whom the contractual terms of their relationship with the Group are then negotiated. These mainly concern musical content and the duration and financial conditions of the agreement, which are monitored in the Salesforce suite;
- at the end of this preliminary phase, a contract is signed between the artist or label and the Group, directly via the electronic contract management platform rolled out by the Group's Central Platform (see Section 1.2.3 "*Believe is a global digital platform offering a high quality of service thanks to its musical, digital and technological expertise*" on page 15 of this Universal registration document). This contract conforms, as appropriate, to one of the Group's 250 contract templates (the majority of standard contracts signed by the Group with artists and labels) (see Section *"Digital distribution contracts with artists and labels"* on page 17 of this Universal registration document). A producer account is also created (in 2023, more than 33,200 producer accounts were active with the Group);
- the audio and video content of the artist or label is then sent to the Group via its intranet; the content ingestion teams then approve the quality and copyright of the content with respect to internal and external guidelines, which depend both on local regulations and on rules specific to each platform. The technical integrity of the content is checked and enhanced to meet the quality standards of streaming and social media platforms (see Section 1.2.3 "*The Group's technological platform*" on page 15 of this Universal registration document);

- once ingested, controlled and enriched, the content is made available to the streaming and social media platforms using the proprietary technological tools developed by the Central Platform. In 2023, around 80,000 pieces of audio and video content were thus made available on a monthly basis by the Central Platform;
- the streaming and social media platforms then check the content received and may, in certain cases, reject content that they believe violates copyright regulations. The amount of content rejected per month is very low compared to the amount of content uploaded;
- once checked and validated by the streaming and social media platforms, the content is put online and sales reports are sent, usually on a monthly basis, to the Group by the streaming and social media platforms. In 2023, around 4,290 sales reports were processed by a dedicated Group team;
- on the basis of the sales reports received from the streaming and social media platforms, the Group prepares and sends out its invoices. Once these invoices have been paid by the streaming and social media platforms (in most cases within a few days), the Central Platform teams draw up sales reports according to the contractual frequency (in the vast majority of cases every month) for each artist and label, highlighting the number of streams generated by their content and the details of the calculation of the amount due by the Group pursuant to the contractual terms;
- the artist or label, depending on the contractual payment deadlines, can request payment through an electronic invoicing process and receives its payments at the end of the contractual deadlines agreed with the Group.

Main competitors of the Group's Premium Solutions

With regard to Premium Solutions, the Group's main competitors are:

- the three majors (Universal Music Group, Sony Music Entertainment and Warner Music Group), the main companies holding the global music catalog, through either (i) their digital distribution offer proposed through subsidiaries, such as Ingrooves and Virgin Music Label & Artist Services for Universal Music Group; The Orchard and AWAL for Sony Music Entertainment; and ADA for Warner Music Group; or (ii) their artist services offering, with the labels Polydor, Capitol and DefJam for Universal Music Group; Columbia, RCA and Epic for Sony; and Warner, Elektra and Atlantic for Warner Music Group;
- mid-sized players specializing in digital distribution and subsidiaries of large music publishing companies, such as Fuga, a subsidiary of Downtown, or local independent players, such as Idol in France or United Masters in the United States; and
- a number of domestic labels and artist services companies located in the countries where the Group does business.

1.2.4.2 Automated Solutions: a high value-added technological solution targeting the needs of music creators and self-releasing artists

As part of the Automated Solutions, the Group enables music creators and self-releasing artists, via its TuneCore digital platform, to distribute their audio content in an automated manner to digital service providers and social media platforms. The Group is then responsible for collecting from the digital service providers and social media platforms the amounts they owe in return for delivery of the content. These amounts are then paid in full to the artists who have taken out a paying subscription in the case of content made available on audio streaming platforms, and after deduction by the Group of a margin in the case of content made available on video streaming or social media platforms.

Music creators using Automated Solutions, after creating an account, send out their audio content and associated information (such as metadata) via TuneCore. Music creators then choose from among more than 100 digital service providers, where they wish to upload their content.

After these first steps, the TuneCore interface makes it possible to upload content onto all the digital service providers chosen by the artist. The Group makes this content available in accordance with the terms of the contracts entered into with the digital service providers, which stipulate in particular the amount of the payments due to the Group.

As content is streamed or downloaded, digital service providers pay out the amounts due, which are then paid out in full by the Group to artists who have taken out a paying subscription, or, for content made available on video streaming or social media platforms and used for the creation of user-generated content, after deduction of a margin by the Group.

A subscription offering to better meet the expectations of music creators

In June 2022, TuneCore launched a new Unlimited Pricing offer to better meet the expectations of music creators and self-releasing artists. They can now release their music instantly, regularly and transparently with a single annual subscription, enabling unlimited distribution of their music to their audiences.

This new offering includes four subscriptions designed to give a wide choice to music creators and self-releasing artists while meeting their unique needs:

- the New Artist/Social Platforms subscription, which is a unique solution on the market makes it possible to distribute an unlimited number of tracks for free on the music libraries of Instagram, TikTok, Snapchat and YouTube. This package allows music creators and self-releasing artists to distribute their music quickly and free of charge to gain visibility thanks to the sharing of users of these social media platforms. TuneCore allows them to recover 80% of the revenue generated;
- the Essential subscription is among the most affordable on the market. It includes all the options of the New Artist subscription as well as the possibility of distributing an unlimited number of releases on more than 150 online music platforms, such as Spotify, Deezer, Apple Music or Amazon Music by paying 100% of the generated revenues to music creators and self-releasing artists. This subscription also allows for the scheduling of release dates, the official verification of music creators accounts on Spotify and Apple Music, as well as including a response time from the artist support service of less than 72 hours;
- the Semi-Pro subscription includes all the options of the New Artist and Essential subscriptions, as well as access to the Store Automator tool, which automatically integrates the releases of a music creator or self-releasing artist into any new music platforms that TuneCore adds, the detailed performance report, as well as a response time from the artist support service of less than 48 hours;
- the Professional subscription is designed for labels, managers and self-releasing artists who want to master all aspects of music distribution. It has all the functionalities of TuneCore, including advanced sales reports, the ability to customize a UPC code (Universal Product Code) and label name, or to set geographical restrictions. This subscription also offers the possibility of managing several artist profiles on a single account (for an additional billing per artist and per year) as well as a response time from the support service of less than 24 hours.

In addition, all self-releasing artists, regardless of their means, can call on TuneCore's music distribution expertise and benefit from scouting opportunities through the Signed By program, which benefited more than 460 TuneCore artists worldwide to date.

Music creators and self-releasing artists choose one of these annual subscriptions to be able to access TuneCore and make their audio content available on the streaming platforms. The amount of this subscription varies according to the subscription chosen by the artist. Subscription revenues represented 52% of revenue generated by Automated Solutions for the fiscal year ended December 31, 2023.

For content made available on video platforms or social media as part of the Social Platforms offering, the Group deducts a reduced portion of the sums which it then pays to the artists. For content used to create user-generated content, the artists pay an annual subscription to the Group, which also deducts a margin (recorded as revenue) on the amounts it pays to the artists. These compensation methods represented 32% of the revenue generated by Automated Solutions for the fiscal year ended December 31, 2023.

Finally, access to the TuneCore platform can, at the artist's choice, be supplemented by music publishing solutions, financial advances or marketing and promotion tools. In March 2023, the Group acquired the music publishing platform Sentric, which already provided music publishing services for TuneCore's self-releasing artists. The integration of Sentric in the Group enabled a greater penetration of these services and resulted in a significant increase in these revenues. These additional solutions generated 16% of Automated Solutions revenue for the fiscal year ended December 31, 2023, mainly thanks to activities in relation to music publishing rights administration.

A pioneering product offering successfully merged into the Group's overall range of solutions

The Group strengthened its Automated Solutions business with the acquisition and integration in 2015 of TuneCore, a US company founded in 2006, at a time when the streaming market was emerging. The Group believes that its Automated Solutions offering provides a number of competitive advantages that make it one of the leaders in its market. TuneCore is positioned as the leading development partner for self-releasing artists, having paid, in January 2023, more than $3 billion to these artists since its creation in 2006, placing it well ahead of its main competitors.

The Automated Solutions offering is a pioneer in its field, which has enabled it to build a vast community of several hundred thousand self-releasing artists who regularly use the solutions offered. This strong community enables the Group to benefit from natural advertising for this automated offer, also linked to the strong recognition of the TuneCore brand in the market (over 936,200 TuneCore followers on Instagram, Facebook, TikTok, YouTube, etc. in December 2023). The introduction of the new pricing offer and the launch of the New Artist / Social Platforms offering led to growth in the number of subscribers in 2022, which continued into 2023. In addition, the paying subscriber retention rate[(1)] reached 80% in 2023.

TuneCore benefits from the Group’s expertise in branding and artist acquisition, thereby increasing the recognition of the TuneCore brand among music creators and self-releasing artists. The Group also drew on its international experience to successfully structure the roll-out of TuneCore outside the United States, as well as on its privileged relationships with digital service providers, developed as part of its Premium Solutions business, in order to negotiate the most competitive terms with them and facilitate content integration. These relationships enable self-releasing artists to make their content available on major industry platforms such as Spotify, Deezer, Apple Music, Amazon Music or YouTube for audio and video streaming, or TikTok and Instagram for social media.

Automated Solutions offering now benefits from international geographic coverage, with local sales teams (and in some cases a local domain name) located in 17 countries on four continents.

After its roll-out in Brazil, Russia and India in 2020, the Group continued to roll out TuneCore in Africa, Southeast Asia, Latin America and Benelux in 2021. In 2022 and 2023, the Group continued its efforts to localize its Automated Solutions offering, which now covers 17 countries, compared with 14 in 2022. The TuneCore interface has grown significantly in Southeast Asia since the introduction of the Social Platforms revenue-sharing offer, which has enabled music creators to easily distribute their music on key social media platforms and has generated new subscriptions in the region.

TuneCore is also partnering with a global e-payment platform to offer localized payment methods to a growing base of music creators in the region, who prefer alternative payment methods to credit cards. The Group will continue to roll out these programs in countries and regions with similar practices, contributing to the growth of the Automated Solutions international customer base. In 2023, 54% of TuneCore's customers were international[(2)], compared to 51% in 2022. TuneCore also introduced a new feature with the implementation of TuneCore Splits, a tool for automatically distributing streaming and download royalties among the people who helped the music creator or self-releasing artist create his or her music.

In 2023, TuneCore developed the TuneCore Accelerator marketing program, which was launched in the last quarter. This flagship program helps artists to find new audiences, promote the discovery of their content and foster a deeper engagement with fans. The program leverages the Group’s proprietary algorithmic technologies and artist development expertise, and offers new discovery and growth opportunities, making it easier for TuneCore paid subscribers to move on to the next phase of their development.

Main competitors of the Group’s Automated Solutions

In Automated Solutions, the Group's main competitors are CD Baby, Distrokid and Ditto. The majors that had developed competing offerings, such as Spinnup for Universal Music Group or Level for Warner Music Group, decided to exit this market or to reposition their offerings on more established artists.

The Group believes that the specific characteristics of its business and technological model and its geographical coverage give it a unique position in the recorded music market, in particular the digital music sub-segment, which differentiates it from its main competitors.

1.2.4.3 Believe provides artists and labels with the tools and the expertise they need to grow

The Group has developed a set of proprietary marketing tools to support the execution of marketing strategies of labels and artists, with numerous applications such as digital campaign tracking (Backstage Ads), automated content and video generation for promotion (Backstage Creative), Smartlinks generation (Backstage Links 1:1), and online dashboards providing real-time access to artists’ performance and audience results.

The Group is constantly developing new tools to automate key functions to enable artists to gain autonomy and develop more strongly. For example in 2021, the Group invested in a SaaS media buying automation platform, a leading marketing solution to develop and engage the audiences of artists and labels. In 2023, the Group also automated paid promotional campaigns in order to improve efficiency.

(1) Refers to the number of subscribers renewing their TuneCore subscriptions as a percentage of total subscribers.

(2) Refers to customers located outside the United States, based on the country of origin entered online by the user when signing up for a new subscription.

The Group also rolled out a new playlist monitoring tool that enables it to monitor the results of distribution partners' editorial placements and assess the impact on flows. The aim is also to maximize reporting capabilities on editorial and marketing performance by analyzing thousands of playlists. The Group also set up a new royalty calculation and reporting system, offering a solution that makes it possible to easily manage complex cases of distribution between beneficiaries, while standardizing and automating a transparent and reliable calculation process.

In 2023, Believe developed a new tool to identify high-potential artists signed to Label and Artist Solutions and offer them the opportunity to join the Artist Services offering. This offering complements the *Signed By system* and gives the Group an even more effective tool for identifying artists to sign.

Believe also develops algorithmic technologies in-house to predict the virality of a piece of music or to better use the marketing capabilities offered by the Group's digital partners. Believe continues to forge innovative partnerships to develop long-term proprietary technologies, as well as developing tools that optimize the technological and promotional innovations of its partners.

The Group developed its own promotional algorithm, Believe Catalog Optimization, which maximizes the value extracted from personalized algorithmic recommendations, deployed notably on Spotify.

Believe also established partnerships with YouTube, including one concluded in 2021 for the launch of Shorts, and a second one as part of their Creator Music initiative in 2022, as well as participating in their YouTube's Music AI incubator in 2023. The incubator aims to get feedback from artists, songwriters and producers on generative Artificial Intelligence experiments and research under development at YouTube.

The acquisition and integration of Sentric's proprietary music publishing platform in 2023 enable the Group to extend the range of services offered to all the artists served by the Group, regardless of the offering they choose. Until now, Sentric's activity, including the automated offering, was mainly present in the United States and the United Kingdom; its integration in the Group has made it possible to extend this presence to all the regions operated by Believe. Over the year, the Group developed specific offers to target artists and labels in the Premium Solutions segment, whose sales teams were trained in cross-selling recording and music publishing services. The integration of Sentric's teams and systems in the Group should also facilitate the roll-out of its solutions on a large scale.

1.3 Markets and competitive position

The information in this Section 1.3 relating to the market, including sizes and growth prospects, is mainly derived from third-party sources, such as the MIDiA (Global Music Report 2024), MIDiA (notably MIDiA Research Global Music Forecasts, 2023 - 2030, June 2023 and MIDiA Recorded Music Market 2023, March 2024) and Luminate content (see also Section 8.1.3 "Information from third parties, expert declarations and declarations of interests" of this Universal registration document). The data and information presented in this Universal registration document attributed to MIDiA Research reflect the Group's interpretation of the data, research and views expressed in the Global Music Forecasts Report published by the MIDiA Research in June 2023, and have not been reviewed by the MIDiA Research. Any MIDiA Research publication should be read and interpreted as of its original publication date, not as of the date of this Universal registration document. MIDiA and Luminate do not assume responsibility to third parties for information presented in this Section 1.3 as being extracted from studies, reports or other materials prepared by MIDiA, or Luminate The sizes of the various markets presented in this Section 1.3 are, unless otherwise indicated, expressed as the revenue generated by labels and distributors, which is largely equal to the revenue they derive from the sale of audio or video content or from the exploitation of the rights they hold on such content.

1.3.1 The digital recorded music market is growing strongly

Structure of the music market*:* recorded music *versus* published music market

The global music market is made up of the recorded music market and the live music market, two distinct markets with different players. These are the two main markets that enable artists to generate income. These two markets, which account for the majority of monetization in the music industry, are complemented by the music publishing market.

Since its creation, the Group has been positioned in the most significant segment of the global music market, the recorded music market, which amounted to $26 billion in 2022, and focuses on the development of artists' careers through the distribution, promotion, marketing, sale and licensing of neighboring rights to their audio and video recordings.

The live music market, which amounted to approximately $25 billion in 2022, includes all musical performances that artists can physically or virtually perform in public. It is a mainly physical market, led by the American company LiveNation.

Music publishing consists of the acquisition by a publisher of a music composition's copyright (*i.e.* the musical composition and/or the lyrics) in order to disseminate the work as widely as possible and optimize its exploitation. Music publishers are engaged in the business of granting these acquired rights so that they can be used, for example, in phonographic recordings, public performances, scores, translations, films, television programs, video games, websites or advertisements, etc. In return for the use of these rights, the publisher receives remuneration, which is partly paid to the author concerned. This market amounted to approximately $11.5 billion in 2022, positioning itself well behind the recorded and live music markets.

Within the recorded market, the Group is one of the leaders in the digital music segment and, in particular, in the streaming segment, which is showing the highest growth rates in the industry as it becomes increasingly adopted worldwide.

The Group's priority target is the fast-growing segment of local artists and labels that have the potential for local then international development.

The global recorded music market

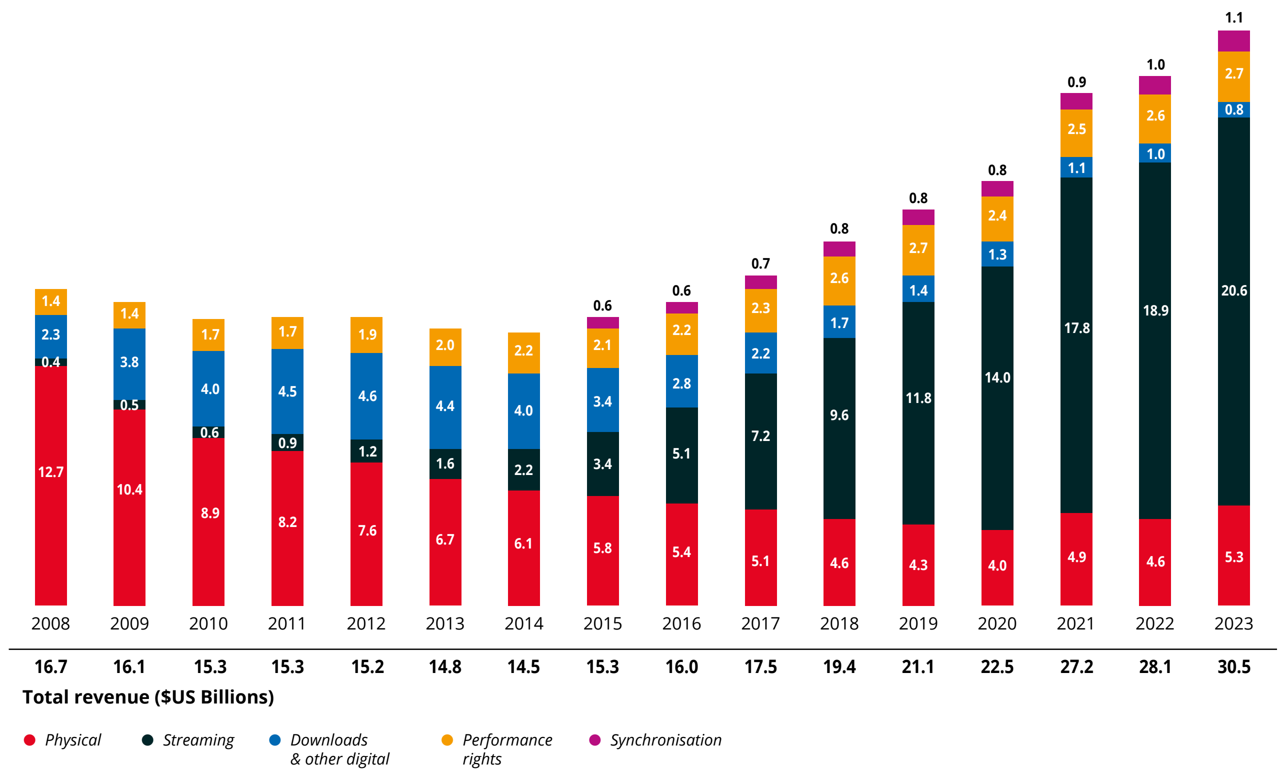
The recorded music market includes all business activities related to making musical recordings available to consumers who want to listen to them.

According to MIDiA the global recorded music market has enjoyed steady growth over the past few years, with revenue rising from $19.4 billion in 2018 to $30.5 billion in 2023, or a CAGR of 11.4% over the 2018–2023 period *(source: MIDiA Music Forecasts Report 2023-2030, June 2023)*. This market is broken down into four segments with different dynamics.

In 2023, the digital music market generated $21.4 billion in revenue, representing 70.3% of the recorded music market, mainly driven by the adoption of streaming, which generated $20.6 billion in revenue, or 67.6% of the market *(source: MIDiA Music Forecasts Report 2023-2030, June 2023).*

The physical music market, which represented 17.4% of the global recorded music market in 2023 (*source: MIDia Music Forecasts Report 2023-2030, June 2023*), increased in 2023. This increase reflects the continued revival of the vinyl format, and expected album releases supporting this market segment. This increase, which does not call into question the structural decline, due in particular to the increasing adoption of streaming, is reflected in a reduction in the number of retail outlets and a decrease in supply (which is accompanied by higher physical distribution costs with, in particular, higher costs for vinyl records, which are experiencing growing consumer preference to the detriment of CDs); and a decline in the popularity of certain artists or genres traditionally distributed in physical format.

Lastly, the neighboring rights market, related to the use of recorded music by broadcasters and in public places, and the synchronization market, related to the use of recorded music in advertising, films, video games and on television, accounted for 8.8% and 3.6% respectively of the global recorded music market in 2023 *(source: MIDiA Music Forecasts Report 2023-2030, June 2023).*



Source: IFPI, Global Music Report 2023.

According to estimates by MIDiA, the recorded music market is expected to continue its strong growth to reach approximately $42.4 billion by 2030 *(source: MIDiA Research Global Music Forecasts, 2023–2030, June 2023)*.

Streaming, a market with strong growth potential

The streaming market has been growing steadily for several years, rising from $5.1 billion in 2016 to $20.6 billion in 2023 *(source: MIDiA Music Forecasts Report 2023-2030, June 2023)*, the main source of growth for the global recorded music market, to the detriment of the traditional physical market. The growing preference of users for this listening format, which allows users to listen to the desired track at any time without restriction through access to an on-demand library that is practically unlimited in terms of choice of content, on almost all types of devices with an Internet connection, and for a relatively inexpensive monthly subscription, if any, has supported the growth of this market.

The streaming market can be broken down into two types of activity: on the one hand, subscription streaming, which involves users taking out a paid subscription with digital service providers and social media platforms, giving them ad-free access to the functionalities of the interface in question; and, on the other, ad-funded streaming, which gives users free access to certain functionalities of the interface, with the regular broadcasting of advertising messages, in return for which advertisers pay royalties to the streaming and social media platforms. A certain number of digital distribution platforms offer their users both types of service. It is estimated that subscription streaming accounted for 48.6% of the global recorded music market in 2023 (*i.e.* around 71.9% of the streaming market), compared with 19.0% for ad-funded streaming (*i.e.* around 28% of the streaming market) *(source: MIDiA Music Forecasts Report 2023-2030, June 2023).*

According to MIDiA, streaming market revenue should reach approximately $26.1 billion by 2025 and $33.9 billion by 2030 (*i.e.* 81% of the global recorded music market), of which the subscription streaming market would represent $23.3 billion *(source: MIDiA Research Global Music Forecasts 2023–2030, June 2023).*

This growth is expected to be supported by several favorable trends, such as the increasing adoption of subscription streaming by users and the further development of ad-funded streaming, including the development of new forms of monetizing recorded music.

Increasing adoption of subscription streaming

According to MIDiA, the number of subscribers to a subscription streaming service jumped from 209 million worldwide in 2017, representing a 3.5% penetration rate, to 663 million single users worldwide in 2022, representing a 10.8% penetration rate, and is expected to exceed one billion users in 2030, a penetration rate of over 17% *(source: MIDiA Research Global Music Forecasts 2023–2030, June 2023)*.

Subscription streaming is expected to enjoy growing user adoption in the next years, particularly among older generations and in geographic markets with high growth potential where the adoption rate of subscription streaming is still low.

Subscription streaming rates are still low in geographic markets with high growth potential

The adoption rate of subscription streaming in certain developed countries, where the recorded music market is significant and where the Group has a strong presence, such as Western European countries[1], remains at a relatively low level (28% in 2022). The rates vary greatly from one country to another with, for example, 38% in Germany, 24% in France and 17% in Italy, levels well below those of more mature markets such as the Nordic countries (notably including Sweden, Spotify's country of origin, at 46% in 2022) and the United States (43% in 2022).

Some so-called emerging markets, such as Latin America[2] (penetration rate of 14% in 2022, including 13% in Brazil and 13% in Mexico), Eastern Europe and Russia[3] (penetration rate of 15% in Russia, for example), and Asia-Pacific[4] (penetration rate of 6% in 2022, with 10% in China, 3% in Thailand, 1% in Indonesia and 1% in India), with low penetration rates, also show high growth potential, with the digital music market still dominated in some countries by other listening formats, such as ad-funded free videos (in India in particular, where pirated music listening is also still widespread) *(source: MIDiA Research Global Music Forecasts, 2023–2030, June 2023).*

This strong potential is expected to result in an estimated near-tripling of the number of streaming subscribers in the above so-called emerging markets, from 303 million in 2022 (*i.e.* 46% of the number of subscribers worldwide) to 669 million in 2030 (*i.e.* 59% of the number of subscribers worldwide), while developed markets[5] are expected to experience more limited growth in subscribers, from 360 million in 2022 to 471 million in 2030 *(source: MIDiA Research Global Music Forecasts 2023–2030, June 2023).*

The Group, which strengthened its presence in emerging countries between 2019 and 2023, with in particular the acquisition of companies in India, the Philippines and Turkey, aims to continue its development in these countries whose structural market trends favor its growth strategy (see also Section 1.5 *"Strategy and objectives"* of this Universal registration document).

The increasing adoption of streaming by older generations

According to one survey, 60% of respondents aged 16 to 24 and 62% of those aged 25-34 indicated that they had used a paid subscription streaming service in the last month. This percentage is 50% for those aged 35-44, 40% for those aged 45-54 and 28% for those aged 55-64 *(source: IFPI, Engaging with Music Report November 2023),* representing the potential for adoption and significant growth in streaming for older users, in particular as artists targeting this audience increasingly move to the use of digital distribution methods, such as those offered by the Group.

(1) The Western European countries surveyed by MIDiA include Ireland, the United Kingdom, Italy, Spain, Austria, Denmark, Finland, Belgium, France, Germany, the Netherlands, Norway and Sweden.

(2) The Latin American countries surveyed by MIDiA include Argentina, Brazil, Colombia and Mexico.

(3) The Eastern European countries surveyed by MIDiA include the countries not among the Western European and Nordic countries.

(4) The Asia-Pacific countries surveyed by MIDiA include Australia, China, India, Indonesia, Japan, South Korea, Taiwan and Thailand.

(5) Notably including North America, Western Europe, Australia, Japan and South Korea.

The continued development of ad-funded streaming and the emergence of new ways to monetize recorded music

Ad-funded streaming is a powerful tool for artists to be discovered and become known to a wider audience. Revenue generated by ad-funded streaming is typically more sensitive to changes in economic conditions, due notably to their impact on the level of advertising spend by companies. The deterioration of economic conditions at the end of 2022 continued in 2023, particularly in emerging countries, and led to a sharp slowdown in the growth of advertising spend over the year.

Over the past few years, the Group recorded significant growth in revenues generated from making audio and video content available on video digital service providers, such as YouTube, which uses a content monetization model based mainly on ad-funded streaming, despite growth in its subscription offering.

The consumption of audio content in the form of videos has been expanding greatly, supported by the emergence of new forms of monetizing recorded music over social media like Facebook, Instagram or TikTok, which allow people to post relatively short, user-generated videos using the audio content of artists. The business model of these platforms and social media is mainly based on free plays and viewing, financed by advertising remuneration paid by advertisers.

These applications offer great potential for mass adoption worldwide, representing an additional opportunity for digital music players such as the Group to make their content widely available, especially to young listeners. From the artists' point of view, these applications represent an opportunity to gain visibility and sometimes even to go from being an emerging artist to a top artist, due to the awareness generated by these means.

The growing market share of independent artists and labels, the Group's core target, in the recorded music market

Historically, the cost for artists of producing, distributing and promoting their content was relatively high, requiring substantial financial and logistical support, which artists sought to obtain from the majors in the music industry.

The historic business model of the majors is based on the identification, production and development of a limited number of artists, and the simultaneous acquisition of the majority of the rights to their catalogs, with an artist development strategy focused on traditional media such as television, radio and print.

The development of technological and digital applications has had a disruptive effect on the music industry. It fostered a burgeoning of new digital tools to aid in the creation of music which then enabled artists to self-produce. This led to the emergence of the digital music market and in particular the market for streaming, which has democratized market access for artists (especially by reducing their distribution costs) and made it easier for the public to learn about them, as well as the emergence of social networks, allowing for more direct contact with artists.

These developments contributed to the emergence of a middle tier of artists who are set to capture a significant share of the recorded music market's value which is now less concentrated than before the emergence of streaming, and spread across a greater number of artists and labels, with the existence of a multitude of music creators contributing to this new distribution of value. For example, in Germany in 2023, it is estimated that Top 100 artists represented 19% of the market, compared to 22% in 2021.Artists from the Top 101 to the Top 10,000 account for 59% of the market, and now capture a significant share of the value generated by artists in the German digital music market. Music creators and self-releasing artists represent 22% of the market, but their number is considerable, with over 45,000 artists referenced in this analysis of the German market (source: Luminate, Believe).

In this context, a growing number of artists are seeking to benefit from high value-added digital solutions focused on their needs, with the objective of retaining the ownership of their copyrights, a rebalanced value sharing and a higher level of transparency and independence from their record companies and partners.

The Group has historically structured its offer by targeting its support to artists in a market that is in the process of being digitalized and in a context where artists are increasingly seeking independence. The Group has positioned itself as a partner to artists for the development of their audiences on digital service providers with an offer currently included in Premium Solutions, before enriching its offer with complementary solutions such as marketing and promotion.

With the acquisition of TuneCore in 2015, the Group enhanced its ability to support artists at each stage of their career, offering solutions for the automated distribution of their content by digital service providers and social media platforms, aimed primarily at artists at the beginning of their career. These solutions are included in the Group's Automated Solutions offering.

This positioning of the Group, which focuses primarily on artists in the process of developing their careers (whether emerging or established), and most often with a local rather than an international reputation, enables it to benefit from the strong growth potential of these market segments, in particular in comparison with the positioning of the majors, which focuses on world renowned top artists.

Thus, in a number of countries in which the Group operates, local artists generally represent a substantial portion of the best-selling albums in the country in question. By way of example, French productions accounted for 81% of the 200 best-selling albums in France in 2023 (source: Top 200 Albums streaming SNEP / OCC).

These trends led to a shift in the distribution of value in the recorded music market between the majors ($22.2 billion in estimated revenue in 2023), direct artists *i.e.* artists without a label ($1.8 billion in estimated revenue in 2023) and independent labels ($11.1 billion in estimated revenue in 2023) *(source: MIDiA "Recorded Music Market 2023", March 2024)*. Over the 2015-2023 period, the 3 Majors' and Merlin's market share on Spotify fell from 87% of total streams in 2017 to 74% in 2023 *(source: Spotify 2023 20-F annual report, February 2024)*, while the number of independent music creators (including podcast creators) whose content is made available on Spotify increased from 3 million in 2018 to over 10 million in 2023 *(source: Spotify "Stream On", March 2023).*

1.3.2 The Group operates in complex legislative and regulatory environments

The Group is subject to various regulations covering its business activities in Europe and the United States as well as other countries where it operates, in particular India and China.

The Group's Legal Department ensures compliance with the legal rules applicable in all countries in which the Group operates. It can also seek external advice.

The regulations are specific:

- to the nature of the Group's business in question;
- to the territory where the Group operates.

The Group's main activities governed by specific regulations are set out below.

Digital sales

The Group specializes in the digital distribution of music and video content. It markets and promotes the recordings of independent producers on online streaming or download platforms. This digital distribution is operated worldwide under the contractual framework described below:

- producers grant the Group the neighboring rights they own to their recordings. The contracts entered into grant the Group the exclusive right to market the recordings concerned on the platforms;
- to distribute its catalog, the Group enters into contracts with digital service providers, such as Spotify or Apple;
- the Group receives the revenues generated by the digital distribution of the recordings from the platforms. In return for the distribution service, it retains a share of these receipts as a commission and then pays the balance to the producers.

Complementary services to artists

The Group also offers producers a wide range of additional services. These services aim to optimize the exposure of recordings and their audience. They make it possible to diversify and increase producers' revenues. Services include:

- the promotion and advertising of recordings;
- the creation of visuals;
- the implementation and management of partnership operations with brands;
- the use of additional rights such as synchronization or the sale of derivative products;
- advances of funds to finance the development of tracks or albums.

In return, the Group receives remuneration.

Music production

Occasionally, the Group produces phonographic recordings. This activity is mainly carried out in France.

The Group enters into exclusive recording contracts with its own performing artists. These assign to the Group all neighboring rights attached to their performances.

The Group fully finances the production, promotion and exploitation of the recordings. As producer, the Group owns the recordings. It pays the performing artists a share of the operating receipts.

In France, the exclusive recording contract is an employment contract. The rules of employment law and social security law govern it. This type of contract is also called an "artist contract" in the music industry.

Music publishing

On a marginal basis, the Group is a music publisher.

In this context, the Group enters into publishing and assignment contracts with songwriters for their musical works. Sometimes, the performing artist is the author of the words of the work and/or the musical composition.

The Group's music publishing business mainly involves authors who are also performing artists.

A publishing contract governs the relationship between the Group and the songwriter. Copyright is applicable to them.

Concert production

In addition, the Group produces concerts and stage services, known as "live productions".

In this context, it can rely on co-producers of shows. It may also use various other parties, such as musicians and technicians. Specific rules apply to them, as in France with the employment scheme for intermittent show business workers.

Operation of websites

Lastly, the Group develops and operates websites:

- to offer and provide online services to users holding exploitation rights to a catalog of recordings. This is the case of TuneCore;
- websites dedicated to the Group's labels or to the artists it produces. Through them, it sells derivative products or "merchandising products".

This activity entails additional obligations for the Group related to content publication responsibility, e-commerce and consumer law.

1.3.2.1 Regulations relating to literary and artistic property

Due to its international presence, the Group is subject to rules that may differ from one territory to another. These regulations all aim to protect copyright and copyright-neighboring rights.

International conventions

The Berne Convention for the Protection of Literary and Artistic Works adopted in 1886 defines the minimum protection that must be granted to authors and their works. The Berne Convention provides creators of music and video content with the means to control how their works can be used, by whom and under what conditions.

The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, adopted in 1961, concerns neighboring rights. It defines the minimum protection that must be granted to performing artists and producers of phonograms.

Europe

The Member States of the European Union have harmonized their national laws on copyright and neighboring rights.

The latest Directive (EU) 2019/790 of April 17, 2019 on copyright and neighboring rights in the digital single market provides for:

- various measures to prevent or stop the use of protected content by online services, including YouTube;
- measures relating to the formalism of contracts concluded with authors and/or performing artists. These written contracts must specify the scope of the rights transferred, and their intended use in terms of territory and duration.

France

In France, the Intellectual Property Code covers most of the rules applicable to copyright and neighboring rights. The provisions relating to neighboring rights are referred to in Articles L. 211-1 to L. 219-4 of the Intellectual Property Code.

Copyright-neighboring rights

The Group is subject to neighboring rights regulations in two respects:

- as part of its digital sales activity: contracts signed with producers;
- as part of its more marginal music production activity: contracts signed with performing artists.

The prerogatives granted by law are comparable to those granted to authors. Performing artists thus enjoy the exclusive right to consent to the use of their performance and the exploitation of the resulting recording. Producers of phonograms and videograms also have the exclusive right to consent to or prohibit the exploitation of recordings.

Neighboring rights are protected for 70 years from the date of registration.

Copyright: moral and economic rights

The provisions relating to copyrights are referred to in Articles L. 111-1 to L. 139-1 of the Intellectual Property Code. The French regulations applicable to copyright also apply to the Group's activity:

- when it acts as a music publisher;
- as part of the visual elements accompanying the recordings it produces. Videos and graphic designs must comply with these rules;
- when it distributes merchandising products.

In France, the creator of an intellectual work benefits from moral and economic rights to their work:

- the author's moral rights are perpetual, inalienable and imprescriptible. The author may not assign or waive them in advance;
- the author's economic rights give him or her the right to authorize the exploitation of their work and to make a financial profit from it. They last the life of the author and for 70 years after his or her death.

Imperative rules govern the validity of copyright assignment contracts. These are always interpreted in favor of the author. In principle, the author's remuneration must be proportional to the revenue generated by the use of the work, except in certain cases where the law provides for flat-rate remuneration.

Other countries of the European Union

In Germany, performing artists enjoy similar protection under the *Urheberrechtsgesetz* (UrhG) copyright act.

In the United Kingdom, Luxembourg and Italy, intellectual property law also has a typology and rules comparable to that of French law with, in particular, protection of exclusive exploitation rights, neighboring rights and copyright.

United States

In the United States, the Group is subject to the United States Copyright Act of 1976. This law provides for a type of economic rights similar to those provided for in France and Europe.

However, this law provides for penalties that include punitive damages in the event of willful infringement, the amount of which is set directly by the wording of the law. Compensation is not limited to the damage suffered. The maximum amount is $150,000 per act of counterfeiting (one copy is equivalent to one act of counterfeiting). Convictions can thus reach higher amounts than in Europe.

According to current practices for download operations in the United States, producers and/or distributors of phonographic recordings:

- have full responsibility for identifying the owners of the rights to the reproduced works available for download;
- must obtain licenses;
- pay the royalties due for mechanical reproduction rights.

Thus, the Group must use external service providers to identify these rights holders and pay the corresponding fees. The risk lies in the failure to identify the beneficiary and the lack of control of the procedures implemented for this purpose.

The US music industry has benefited from positive regulatory developments in recent years. The Music Modernization Act, which came into force in 2018, facilitates the identification of rights holders to musical works. It also promotes the obtaining of licenses by distribution platforms.

As elsewhere in the world, the responsibility for identifying rights holders and obtaining licenses lies with the digital platforms for exploitation by streaming.

Other countries

Due to the Group's global presence, other local laws apply to its activities. These generally have similarities with the regulations applicable in Europe, particularly in terms of types of rights protected. However, they may have certain specificities.

These specificities may lead the Group to change certain contract terms to adapt them to local practices, particularly in India and Russia.

1.3.2.2 Employment law regulation

Any contract for a performing artist is presumed to be an employment contract. Exceptionally, this may be a contract for the provision of services if the artist is registered in the trade and companies register.

When acting in France as a producer, the Group must comply with the rules applicable to employment law. Performing artists are covered by the general social security system. They may, however, be covered by exceptional arrangements such as the intermittent showbusiness regime. These provisions secure the unemployment insurance scheme for intermittent workers and strengthen the protection of the right to compensation for intermittent workers with the lowest incomes.

1.3.2.3 Regulations relating to content

The responsibility of technical intermediaries for hosting content

In the European Union, Directive 2000/31/EC of June 8, 2000, known as the "Directive on e-commerce", provides, under certain conditions, for an exemption from liability of the hosting provider for hosted content.

In France, the Directive on e-commerce was transposed by Law No. 2004-575 of June 21, 2004 for confidence in the digital economy (*"Loi sur l'économie numérique"*, or "Law on the Digital Economy").

The host is under no obligation to filter and/or monitor the hosted content upon publication. It is liable only if it has not acted promptly to withdraw such content as soon as the host becomes aware of its illicit nature. Specifically, if a third party notifies the host of the presence of illegal content, the host must remove it. Failing this, it may be held liable.

The Group provides content to digital service providers. The latter make such content available to the public. The Group does not operate as a hosting provider. The specific liability regime covering this activity does not therefore apply to the Group.

Two European regulations come into force between 2023 and 2024:

- the Digital Services Act applies to any intermediary offering online services on the European market and is designed to impose new compliance obligations in relation to the content it hosts. However, the principle of non-liability of intermediaries is maintained;
- the Digital Markets Act is applicable to certain online platforms that have an economic and technical position that allows them to have a significant impact on the European market and a strong intermediation position between a large user base and many suppliers of goods and services. This regulation prohibits these platforms from setting up preferential treatment for their own products.

In the United States, many texts regulate the liability of online technical platforms for illegal content, particularly counterfeit[1].

Liability for the distribution of content

In France, as a content distributor, the Group must respect the intellectual property rights of third parties. It must also respect their personality rights, in particular their image rights.

The provisions of the law of July 29, 1881 on freedom of the press are also applicable to it. This law lays down the fundamental principle of this freedom and sets out the limits thereof[2]. This press law applies to the Internet.

In the other countries of the European Union, the rules of liability related to the distribution of content are similar.

The Group may be held liable for illegal content that it distributes:

- either itself;
- or indirectly through digital service providers. The Group is bound by contractual guarantees in respect of these liabilities.

The Group could thus be required to remove or have removed content that may be considered illegal (infringing or racist, negationist or incitement to violence, for example) in the territory where it is broadcast. It may incur civil and/or criminal penalties in this respect.

To limit these risks, the Group has put in place internally:

- content legality checks;
- systems and procedures to quickly remove illegal content.

1.3.2.4 Electronic commerce and consumer law regulations

Electronic commerce

Some of the Group's subsidiaries sell products and services on their websites.

American and European regulations relating to e-commerce are applicable to them.

In Europe, the e-commerce directive applies to the Group's e-commerce activities. It establishes a unified legal framework throughout the European Union. In particular, a certain amount of information and statements about the electronic merchant must be communicated to the recipients of the services concerned.

Consumer law

European consumer law applies to the Group's activities aimed directly at consumers. These activities may consist of:

- direct sales to consumers, for example of merchandising products, in particular by the Nuclear Blast subsidiary;
- the organization of competitions.

On the other hand, TuneCore's online services are not subject to consumer law as they are mainly intended for music professionals who use these services for commercial purposes. However, these services may be used to a lesser extent by consumers.

In Europe, Directive 2011/83/EU of October 25, 2011 on consumer rights applies and stipulates that:

- a professional seller must provide the consumer with information prior to the conclusion of any contract;
- a right of withdrawal must be exercisable free of charge by the consumer;
- the practice of unfair terms, *i.e.* those creating a significant imbalance in the respective rights and obligations, is prohibited.

European Directive 2019/2161 of November 27, 2019 strengthened consumer protection rules by imposing:

- increased transparency for consumers when shopping online;
- the application of effective and harmonized sanctions;
- the fight against fake consumer reviews.

It was transposed in France by Order No. 2021-1734 of December 22, 2021, for implementation from May 28, 2022. In the United States, the protection of consumer rights is weaker than in Europe.

(1) Copyright Act of 1976, Digital Millennium Copyright Act (DMCA), Music Modernization Act (MMA), Online Copyright Infringement Liability Limitation Act (OCILLA).

(2) These limits are defamation, insult, incitement to crimes and offenses, and condoning certain crimes.

1.3.2.5 Personal data regulation

In the course of its business, the Group collects and processes personal data. These include data relating to:

- the Group's employees and service providers;
- artists whose recordings the Group distributes;
- consumers who have purchased goods or services through the Group's online sales sites;
- persons who communicated them during sales and marketing operations carried out concerning artists.

In Europe, Regulation (EU) 2016/679 of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR) applies to the Group. It entered into force on May 25, 2018.

The GDPR broadly defines personal data as:

- any information relating to a natural person;
- data that is specifically identified or identifiable directly or indirectly;
- regardless of the person's country of residence or nationality.

The GDPR sets out essential rules and principles, including:

- with regard to the methods of data collection;
- with regard to the information given to the persons whose data are collected;
- use for a specific purpose;
- a limited retention period depending on the type of data and its purpose;
- with regard to the security and confidentiality of the data held;
- with regards to data transfers outside the European Union.

Its field of implementation is wide:

- automated and non-automated processing;
- personal data produced by any entity established in the territory of the European Union; or
- processing carried out by an entity outside the European Union when the processing activities relate to the offering of goods or services to persons within the European Union or to the monitoring of the behavior (targeting) of these persons.

The penalties provided for in the event of non-compliance are significant. The fine incurred is the highest of the greater of €20,000,000 or 4% of annual worldwide revenue.

In its capacity as data controller, the Group is responsible for compliance with legal obligations. It implements the measures necessary to ensure compliance with the GDPR by its relevant entities. In this context, the Group intends to proceed in the near future with the appointment of a Data Protection Officer (DPO).

The Group must also comply with similar laws and regulations in countries outside the European Union. For example and in particular:

- in Brazil: the "Brazil Data Protection Law" incorporates the rules of the GDPR. It entered into force on September 18, 2020;
- in the United States: there is no unified regulation throughout the country. However, certain state laws grant individuals significant rights in terms of personal data. For example, in California, Virginia and Colorado;
- in India, a draft bill, the "Digital Personal Data Protection Act", is under discussion.

1.4 Group strengths and competitive advantages

1.4.1 Believe has a solid positioning at the heart of the digital music revolution, benefiting from the growing adoption of streaming and better sharing of value between artists

Strong long term growth prospects thanks to the growing penetration of streaming

The Group operates in the global recorded music market, with an estimated $35.1 billion generated in revenue in 2023 (source: *MIDia Research 2023 Recorded Music Market, March 2024*)**.** This market has recorded strong growth in recent years, with a CAGR (compound annual growth rate) of 11.4% over the 2018-2023 period *(source: MIDiA Research Music Report 2023-2030, June 2023),* and is expected to reach $42.4 billion by 2030 *(source: MIDiA Research Global Music Forecasts, 2023-2030, June 2023).*

The Group operates mainly in the digital music segment, dominated by streaming, which represented 67.6% of the global recorded music market in 2023 *(source: MIDiA Research Music Forecasts Report 2024).* The streaming segment has enjoyed significant growth in recent years, with a CAGR of 16.5% over the 2018-2023 period, rising from $9.6 billion in 2017 to $20.6 billion in 2023 *(source: MIDiA Research Music Report 2023-2030, June 2023).* This segment is characterized by attractive growth prospects and is expected to reach an estimated market size of $23.4 billion in 2024 and $33.9 billion in 2030, which would then represent 81% of the global recorded music market *(source: MIDiA Research Global Music Forecasts 2023-2030, June 2023).*

This growth is expected to be driven mainly by the growing adoption of paid streaming, the continuing development of ad-funded streaming and the emergence of new forms of monetization of recorded music on social media platforms such as TikTok, Facebook and Instagram or, for example, live-streaming platforms.

The adoption of paid streaming by new generations of users and the increase in monetization should create opportunities in new markets that are still underdeveloped or in market segments that are not very digitalized, such as metal or classical music.

The digital music markets, and in particular streaming, continued their strong growth in 2023. The appreciation, as of the second quarter, of the euro against the dollar and the local currencies of most emerging countries affected the growth of the euro market, but structural trends remained very strong. In 2023, the streaming market grew 9.2% *(source: MIDiA Research Global Music Forecasts, 2023-2030, June 2023),* still driven by favorable structural market trends and the growing preference of users for online consumption.

Accelerated adoption of streaming in emerging countries opening new markets where the Group is deeply entrenched

Paid streaming should benefit in particular from a strong acceleration of its adoption in emerging markets.

While subscription streaming penetration rates are high in certain mature markets such as the Nordic countries (including Sweden, the home country of Spotify, 46% in 2022) and the United States (43% in 2022), they are still relatively low in certain other developed countries where the recorded music market is significant in terms of size and the Group has a strong presence, such as Western Europe (28% in 2022), representing significant growth potential in terms of the number of subscribers to a paid streaming service.

In particular, some markets (considered to be “emerging” in this respect), such as Latin America and Asia-Pacific, which have low penetration rates (14% and 6% respectively in 2022), also exhibit high growth potential, as the digital music market in these regions remains dominated by other listening formats, such as ad-funded videos, despite steady growth in subscriptions *(source: MIDiA Research Global Music Forecasts, 2023–2030, June 2023)*.

This growth potential is expected to translate into an approximately 2.2-fold increase in the number of paid streaming subscribers in the emerging markets referred to above, which is expected to rise from 303 million in 2022 to 669 million in 2030, while developed markets are forecast to grow less rapidly, from 360 million subscribers in 2022 to 471 million subscribers in 2030 *(source: MIDiA Research Global Music Forecasts 2023–2030, June 2023).*

The music revolution mix brings with it a new balance that is beneficial to the Group: a rapid rise in independent artists and a value shift towards self-releasing, emerging and established artists

Digital and streaming are leading to structural changes in the artist market, resulting in a higher number of music creators and self-releasing artists with lower production costs, a new value split for the players in the artist market and, in general, different expectations from artists and labels.

Over the 2015-2022 period, the market share of direct artists (*i.e.* artists without labels) and independent labels increased at the expense of that of the majors, rising from 29% in 2015 to 37% in 2023. The independent label segment strongly outperformed the streaming market, increasing by 19.3% in 2023 compared to 2022, while the global streaming market grew by 9.8%. The combined direct artists and independent labels segments represent $12.9 billion and are the largest market segment. This figure does not include the distribution of independent labels by the music industry majors *(source: MIDiA Research, March 2024).*

The rise of the direct artist and independent label segments has been driven by several factors, including: the emergence of new digital tools for music creation allowing artists to produce their own work; a redistribution of market value towards the middle tier of artists, with broader music discovery fostered by streaming services; new expectations by artists in terms of IP retention, fairer sharing of value, and greater transparency and independence from their record labels and partners.

The Group's offering and positioning were initially focused on the market of independent labels and emerging and established local artists.

The Group then addressed the self-releasing artists segment. These two segments, in which the Group believes it has established a leadership position, have grown faster than the majors' market in recent years, given the latter's greater concentration on top artists.

Lastly, the Group more recently rolled out its Artist Services offering, to target the top artist segment.

Today, the Group mainly focuses on digital music genres, *i.e.* genres that are promoted and marketed mainly on streaming and social media platforms. Traditional music genres that are promoted and marketed on traditional channels, such as television and radio, generate a majority of their revenues from physical activities. More and more music genres are gradually switching to digital in the Group's various markets, which represents an important source of growth.

1.4.2 A global digital platform offering top quality service thanks to digital expertise and technology

A unique model with intensive use of technology and data analysis

The Group's entire organization is technology-driven, thanks to a team of more than 250 highly-skilled product and IT experts[1] based at headquarters, supporting the entire Group and, in particular, key functions in the Group's operational and commercial value chain. In addition, the Group has a digital strategy and prioritizes technological innovation. This translated into approximately 40% of central costs being dedicated to products and technological innovation in 2023. The Group also seeks to constantly optimize its technological infrastructure in order to improve efficiency while adapting to the next growth phases.

Technology and data analysis are used throughout the sales process. All the Group's sales teams are equipped with technological tools and dashboards to help them identify artists and labels, sign the best artists for the Group and provide them with the most appropriate solutions for their needs. Financing through advances paid to artists and marketing strategies for artists and labels are also driven by the use of data-powered tools, which enable deeper understanding of artists' audiences and better assessment of their potential for revenue generation.

Furthermore, the Group maintains strong and flexible content management processes, which have enabled it to efficiently ingest, store, enhance and distribute over 3.3 million tracks on Spotify and Apple received from artists and labels who entrusted the Group with the management of their catalog in 2023. The Group has secure and scalable storage capacities for this, enabling it to store more than 1,300 terabytes of data at this time (with a total storage capacity of more than 3,100 terabytes) on its servers currently located in two data centers in France.

(1) Comprising employees and consultants

The Group has developed a culture of continuously reviewing its practices in order to optimize working methods and technological choices, while aiming for the best value for money. In this context, the Group is pursuing its technological transformation.

A digital DNA providing an unparalleled digital music business intelligence

Its data management and analysis capabilities also allow the Group to ingest and process more than 2.5 billion rows of data per day from digital service providers, with an average time to display statistics to artists and labels of nine hours (see also Section 1.2.3 *"Believe is a global digital platform offering a high quality of service thanks to its musical, digital and technological expertise*" on page 14 of this Universal registration document). Thanks to these cutting-edge technological capabilities and in particular to the investments made between 2018 and 2020, the Group has also obtained the status of preferred partner with leading digital service providers. This status of preferred partner allows it to benefit from specific advantages such as privileged access to additional data or the instant validation of works prior to their being made available on the platforms. All these elements represent an essential competitive advantage to identify, attract and retain labels and artists. These elements are also key to developing and growing the audience of artists and labels, and enabling an increasing number of them to reach the heights of their local market.

Strong local teams trained to leverage the tools developed by the Central Platform

The Group operates globally, with a local presence in more than 50 countries and on-the-ground teams and experts committed to the recruitment and development of local artists and labels, in many cases accounting for the lion's share of each market. Thanks to its global geographic footprint, the Group benefits from high development potential in fast-growing markets such as Asia, Oceania and Africa (which together represented 26.0% of the Group's consolidated revenue for the fiscal year ended December 31, 2023) and Europe, excluding France and Germany (which represented 30.1% of its consolidated revenue for the fiscal year ended December 31, 2023).

The Group's strong local presence is evidenced in particular by its robust market share of the digital music market[(1)] in some of its key regions[(2)]. Its estimated digital music market shares are between 15% and 20% in India and around 15% in France. The Group is particularly active in local listings in its various markets. For example, Believe positioned itself as the leading player in the market for French artists in France in 2023, and became the third player in the German streaming market for local listings in 2023.

Local teams are trained to optimize the use of the tools developed by the Central Platform. They provide their expertise in local markets and can adapt solutions to local specificities. By leveraging this operating model worldwide, Believe is able to deliver a strong quality of service to all music creators, artists and labels alike, in all the markets where it operates and at scale.

1.4.3 Believe offers a differentiated model providing tailored high value-added solutions to labels and artists at each stage of their career

An integrated offering to meet the needs of local music creators, artists and labels at every stage of their development

The Group's ambition is to deliver high-end, go-to-market solutions to labels and artists by developing a tiered offering adapted to each artist and label segment.

The Group's offering includes Automated Solutions, mainly dedicated to music creators and self-releasing artists, in part through a subscription model based on the provision of a fully automatised platform (see also Section 1.2.4.2 on page 21 of this Universal registration document), and Premium Solutions, focused on independent labels and local emerging, established and top artists, based on a revenue-sharing model and leveraging the music industry, digital marketing and data analysis expertise of the Group's sales teams and technology to provide solutions through two offerings: Label & Artist Solutions and Artist Services (see also Section 1.2.4.1. *"Premium Solutions: a customized offering managed by experts in music and data analysis and supported by cutting-edge technology, targeting the needs of all artists,*

(1) *Market shares are calculated by dividing the amount of DMS generated by the Group in the relevant country by the total size of said market, as estimated by the Believe teams based on data shared by the DSPs crossed with MIDiA Research studies.*

(2) *The geographic markets identified as being key markets by the Group are the markets in which it has the largest local teams or in which it intends to strengthen its local teams in the future, and include France, Germany, the UK, the USA, India, China, Brazil and Japan.*

from emerging to established to top artists" on page 19 of this Universal registration document). The Group's acquisition of the Sentric publishing platform in 2023 should enable it to offer artists and labels served by Premium and Automated Solution additional monetization opportunities thanks to high-performance technology.

Tools developed to maximize exposure and grow monetization

The Group has developed a set of proprietary marketing tools and technologies in order to support the development of labels' and artists' marketing strategies, with numerous applications such as digital campaign tracking (Backstage Ads), automated content and video generation for promotion (Backstage Creative), smartlink generation (Backstage Links 1:1), and online dashboards providing real-time access to artists' performance and audience results.

The Group has also developed internal up-selling opportunities through its solid presence in each tier of the market (music creators, emerging and established artists, top artists). Believe launched the Signed By program, which enables the most promising music creators to be distributed on the TuneCore platform to accelerate their careers by benefiting from the Premium Solutions offered by the Group. At the end of 2023, over 460 artists and labels worldwide had switched from TuneCore to Believe's Premium Solutions and its various brands (such as Nuclear Blast, Naïve, All Points and Groove Attack). The Group has also set up an analysis tool to automatically identify artists currently signed for Label and Artist Solutions, whose high development potential requires more sustained support and an offering more suited to their needs in order to succeed. The teams can then use this tool to sign the best artists for the Group under Artist Services.

Believe, a trusted partner empowering artists and labels to develop digitally

The Group has built dedicated offers to best serve artists at each stage of their career and development with respect, expertise, fairness and transparency. These values are the foundation of the relationship with the artists and are perfectly aligned with the corporate project *Shaping Music for Good* which supports the commitment to corporate social responsibility, which is presented in Chapter 2 of this Universal registration document.

Believe regularly monitors customer satisfaction to improve and upgrade the level of service. The objective is to make sure their expectations are met. This regular dialogue with artists and labels is then leveraged to optimize Believe's digital high end go-to-market solutions.

1.4.4 A management team led by the founder leads the strategy in line with the corporate project *Shaping Music for Good*

A founder-led management team deeply rooted in music and technology, ready for the next growth phase

The Group's management team is organized around Mr Denis Ladegaillerie, Chairman and Chief Executive Officer and founder of the Group, and comprises managers with many years of experience within the Group, in the music industry, the digital field and technology, who focus on the development of artists in the digital ecosystem, including by providing innovative digital solutions to develop their careers on a local and global scale.

In recent years, the Group's management team has successfully designed and implemented a strategy that has generated steady growth in the Group's revenue and catalog, and has established long-term relationships with artists and labels, and streaming and social media platforms, while establishing a strong musical and digital culture to foster the emergence of new talent with a strong entrepreneurial dynamic. The management team, strengthened in 2022, continued its efforts in terms of innovation and differentiation in 2023, while pursuing the roll-out of the profitable growth strategy.

The involvement of management teams in performance supports the Group's entrepreneurial culture, and has been achieved through the allocation of founders' share subscription warrants (BSPCEs) and share subscription warrants (BSAs) until 2019, as well as through the inclusion of a significant variable component in their total compensation, subject to quantitative and qualitative performance criteria. The Group continued this policy following the admission of the Company's shares to trading on the Euronext Paris regulated market on June 10, 2021, through the implementation of an annual long-term incentive plan. These plans are described in detail in Chapter 4.6.4.4, page 205 of this Universal registration document. In addition, the entrepreneurial momentum also inspired the implementation of a first collective employee shareholding plan in the second half of 2022.

The Group's talent – its employees and its artists – are at the center of its *Shaping Music for Good* CSR strategy, aligned with the Group's values

The Group's mission is to develop all artists and labels in the most appropriate way, at each stage of their development, in all local markets around the world, with respect, expertise, fairness and transparency. These key values are at the heart of the Group's corporate social responsibility programme, Shaping Music for Good, which is fully aligned with its mission. To carry out this strategy, the Group relies on its "two hearts", its employees and its artists.

Shaping Music for Good is based on the following four pillars (described in detail in Chapter 2 of this Universal registration document):

a) as a priority, develop diverse local talents in their local markets by supporting local artists and labels at every stage of their career thanks to Believe's local teams present around the world, placing the emphasis on diversity, equity and inclusion (DEI);

b) cultivate talent for the digital music era by supporting the transition of artists to the digital world by developing and training a new generation of digital market experts;

c) build trusting relationships through respect, fairness and transparency with all of Believe's stakeholders to promote and protect the interests of its artists and labels, and those of its employees;

d) empower Believe's communities to have a long-term positive impact on society by leveraging technology, measuring and reducing their environmental footprint, and rolling out a network of ambassadors for sustainable development.

1.4.5 Believe's model drives strong operating leverage and relies on optimized capital allocation

A strong track record of profitable growth

The Group believes that it has demonstrated its capacity to grow its business consistently, at a sustained rate of growth while maintaining operating profitability despite high levels of investment in its technological platform, significant marketing and commercial efforts and continuous strengthening of its IT teams, sales force and talent scout teams.

Over the 2021-2023 period, the Group recorded strong revenue growth, with a Compound Annual Growth Rate (CAGR) of 23.5%, growing from €577.1 million for the fiscal year ended December 31, 2021 to €880.3 million for the fiscal year ended December 31, 2023. This development is driven by the growing adoption of streaming, the growth and performance of the Group's catalog, and the successful integration of several targeted acquisitions, which contributed to the Group's growth. After a 31.8% increase in revenue in 2022 including the effects of embedded currencies in positive digital monetization, revenue increased by 15.7% in 2023, reflecting resilient growth in paid subscription streaming, with additional market share gains more than offsetting a slowdown in ad-funded streaming resulting from deteriorated economic conditions and negative embedded currency effects related to the strengthening of the euro versus local currencies. Digital sales include embedded currency translation effects, as the amounts from subscriptions and advertising are collected in local currencies by the streaming platforms, which then pay them back mainly in euros to the Group.

A proven external growth strategy and clearly identified roadmap to foster development

The Group draws on its in-depth knowledge of local markets and its proximity to various players, giving it visibility over a number of clearly identified and constantly updated potential targets, while establishing close relationships with potential sellers. This approach supports a policy of targeted external growth, which has successfully contributed to the Group's development.

Thanks to its ability to precisely identify acquisition opportunities and successfully integrate them, the Group believes that it is well positioned to seize other external growth opportunities that should contribute to future revenue growth. Following a pause in 2022 in view of an uncertain economic environment that, ultimately, did not result in a decline in the valuations of private companies, the Group resumed its external growth strategy in 2023 with in particular the acquisition of Sentric in March. The acceleration of the digitization of the music publishing market has offered Believe an exciting opportunity to create a service for songwriters and publishers, in a way that is both innovative and complementary to its core recorded music offering. The acquisition of Sentric is a first step in building a leading collection platform and is a key component of a comprehensive music publishing offering.

See also Section 1.5.3 *"Accelerate revenue growth through a targeted external growth strategy"* on page 42 of this document.

A diversified revenue mix providing adequate visibility over future growth

The Group maintains a large base which, at the end of December 2023, stood at around 1,350,000 artists, either directly or via their labels, and has strong relationships with more than 100 streaming and social media platforms.

The Group estimates that less than 10% of its digital revenue comes from its top 10 artists and labels, for whom the average duration of contracts signed with the Group is around 8.5 years[1]. Furthermore, the Premium Solutions business relies mainly on contracts of three years or more, providing good visibility on the development of the catalog under management.

Lastly, the Group also benefits from a geographically diversified revenue mix, with 16.8% of its consolidated revenue generated in France, 12.6% in Germany, 30.1% in the rest of Europe, 14.6% in the Americas and 26.0% in Asia/Oceania/Africa for the fiscal year ended December 31, 2023.

A financial model offering solid operating leverage

Following a phase of significant investments in the Central Platform from 2018 to 2020 in order to serve more regions with a very high quality of service and meet the demands of streaming platforms, investment is ongoing, although to a lesser degree.

The Group adapts its pace of investment to growth in each of its markets, while improving operational efficiency within the Group. As a result, the costs related to the Central Platform have decreased as a percentage of revenue. This improved amortization of Central Platform costs translated into a continued improvement in the adjusted EBITDA margin, which amounted to 5.7% in 2023, compared to 4.6% in 2022.

The Group also continued to invest in local teams and in the development of new services in key geographical areas. Each year, a significant portion of revenue is reinvested at the segment level to strengthen the teams and prepare for the future growth of its activities.

A strict risk and cash management to support development

The Group manages its contracts according to target EBITDA margins and has set up a central risk control system for all commercial matters. In addition, all digital revenue collection is carried out via a single central point, which facilitates centralized management and control. The Group has also deployed unified tools and procedures in all the countries where it is present thanks to the Central Platform.

Customer advances to artists and labels which are part of the global services are managed centrally. The Group uses a certain number of criteria, including return on assets, adjusted EBITDA margins, return on investment and risk assessment to make its decision regarding customer advances agreed as part of a contract. Over the first half of 2023, the Group had numerous commercial opportunities to renew several contracts for much longer terms and under more attractive financial conditions with several leading labels and established artists. These much longer terms have an impact on the level of annual reconciliation of advances, which automatically decreased over 2023 due to these much longer terms, to stand at 40%, compared to 51% over the fiscal year ended December 31, 2022.

1.5 Strategy and medium- and long-term objectives

The Group's strategy is to build the best artist digital development company by reinforcing and expanding its existing capabilities through investments in the Central Platform (1.5.1), by continuing to invest heavily in the development of its local presence (1.5.2) and by accelerating growth through its targeted external growth strategy (1.5.3).

Moreover, in order to finance its external growth strategy, the Group raised €300 million as part of the capital increase carried out in the context of the admission of the Company's shares to trading on the Euronext Paris regulated market on June 10, 2021. After approximately €60 million in acquisitions in 2021, the Group put its external growth strategy on hold in 2022 due to the high level of economic uncertainties, but resumed it in 2023 with the acquisition of Sentric.

(1) Average duration of the total contractual relationship calculated on the basis of the relationship duration already elapsed and the remaining duration under the terms of the current contract (excluding the exercise of any option(s) or tacit renewal).

1.5.1 Reinforce the Group's appeal by expanding existing capabilities through significant investment in the Central Platform

To sustain its growth, the Group intends to continue investing in the development of its Central Platform. The Group will pursue its innovation efforts to identify the best artists and foster audience development, as well as its automation efforts to optimize operational efficiency. The Group intends to develop new tools and solutions for labels and artists, as well as enhancing its existing products and services. By way of illustration, a new user experience and new distribution functionalities were integrated into the Automated Solutions offering, which is also starting to benefit from greater integration with the Group's technologies. TuneCore switched to the royalty management system rolled out in Premium Solutions between 2021 and 2022. The Group also extended its data analysis and digital marketing capabilities to optimize the detection of artists and labels, and maintain its lead in terms of digital service quality. The Group notably focuses on the development of new audience development solutions and virality tools, while optimizing its detection and assistance solutions in signing the most appropriate contracts for each individual.

The Group also intends to invest in technological innovation in order to continue to develop its partnerships with the main streaming and social media platforms and other fast-growing emerging players offering new forms of music monetization. Believe will also continue the automation of complex internal processes (such as content ingestion, control and validation). The Group will also develop additional data analysis tools to facilitate decision-making on geographic expansion and investments, in order to optimize the execution of its strategy to develop commercial offerings in new geographical areas.

1.5.2 Pursue investment in local teams to support organic growth globally with a rigorous and proven strategy

The Group considers that it has further potential to pursue sales and marketing growth globally, supported by the increasing digitalization of the music market combined with continued market share gains in selected key geographies.

This growth potential is expected to result in an approximately 2.2-fold increase in the number of subscribers to a paid streaming service in emerging markets, which should increase from 303 million in 2022 to 669 million in 2030, while developed markets are expected to experience slower growth in the number of subscribers, which should increase from 360 million in 2022 to 471 million in 2030 *(source: MIDiA Research Global Music Forecasts 2023-2030, June 2023).* Emerging markets are expected to grow faster than developed countries, with the Asia-Pacific region poised to become the largest market in terms of streaming service subscribers. The streaming market in China is expected to grow by more than 120% from 2022 to 2030, while growth for India is expected to be over 200% over the period (see also Section 1.4.1 *"Believe has a solid positioning at the heart of the digital music revolution, providing greater opportunities for monetization in more regions and better sharing of value between artists"* on page 33 of this document).

Moreover, the Group's market share gains in certain key geographic areas[1], despite its solid positioning in a number of countries where it operates, represent significant upside potential for the Group. In 2023, the Group's digital music market share was estimated at between 15% to 20% in India and around 15% in France[2].

The Group intends to rely on several identified levers of development to ramp up in its existing regions to reach or consolidate leadership positions in local markets, such as the expansion into music genres that are shifting to digital, the provision of additional Premium Solutions commercial offers, the roll-out of the Automated Solutions offering in new countries, the enhancement of the Group's offering with new products (including a music publishing offer currently under development) and the completion of synergistic acquisitions.

(1) The geographic markets identified as being key markets by the Group are the markets in which it has the largest local teams or in which it intends to strengthen its local teams in the future, and include France, Germany, the UK, India, China, Brazil and Japan.

(2) Market shares calculated by comparing the amount of DMS generated by the Group in the relevant country to the total size of that market, , as estimated by the Believe teams based on data shared by the DSPs crossed with MIDiA Research studies.

The potential for expansion into new countries is underpinned notably by the global expansion of digital service providers, with a player such as Spotify operating (or having announced its intention to operate) in 184 countries at the date of this Universal registration document *(source: "Spotify 20-F annual report", February 2024).* Already present in 17 countries for its Automated Solutions(1) and in a current total of over 50 countries for its Premium Solutions(2), the Group has thus identified additional potential in many new countries. The 50 countries in which the Group is present account for over 90% of the global music market.

The Group's international expansion is based on a rigorous and proven action plan which consists of identifying countries in which the streaming penetration rate is still low and which present strong growth potential so as to apply a systematic and repeatable development strategy, generally organized around: (i) the launch of a new service layer or a new music genre, with the hiring and training of a dedicated team with strong experience in the local music market, (ii) followed by an 18-to-24-month ramp-up phase with strict performance monitoring, at the end of which the decision is taken by the Group whether or not to make further investments in human resources there, and finally (iii) if a decision is made to make further investments, the reinforcement of local teams through the recruitment of more experienced local managers and/or the strengthening of the growth plan through acquisitions or the development of additional services or offers.

This international expansion strategy has proven effective in the past. The Group set up operations in this way in India in 2013, distributing catalogs of movie soundtracks (mainly "Bollywood" music), before significantly diversifying its catalog into other genres, becoming one of the most recognized players of the local digital music market. In 2019, the Group used external growth to accelerate development in this market, making three acquisitions (Venus, Entco and Canvas), and launching its Automated Solutions offering in 2020. Believe continued to pursue its external growth strategy in the country with the acquisition of SPI Think Music in 2021, increasing its coverage of South India. Locally, the Group relies on an extensive local network with offices in seven regions of the country, as well as in Pakistan and Bangladesh, to best meet the needs of local artists and support the development of local music genres. The Group has developed an excellent reputation in these regions, due in part to a rigorous human resources development process. Thanks to this strong local footprint, the Group believes it is well positioned to source and execute attractive external growth transactions in India and extract meaningful synergies.

More recently, the Group continued its expansion in Asia, which is expected to be the world's largest market within the next 10 years, applying the same strategy. In 2022, the Group strengthened its management team in the region, with several appointments of CEOs at the regional and country level (in Indonesia, Thailand and the Philippines). In 2023, The Group reinforced its capabilities in Greater China and launched its full offering in Japan. Believe occupies market leadership positions in most of the region's eight key territories, supporting their dynamism and the growth of local artists. In this region, the Group operates in all its segments (Premium Solutions and Automated Solutions) and has invested steadily over the last 10 years: firstly deploying Label & Artist Solution by targeting the emerging and established artists segment in eight markets, then by launching Artist Services in three markets to meet the needs of established artists.

1.5.3 Accelerate revenue growth through a targeted external growth strategy

The Group has successfully integrated artist and label services activities, including the acquisition of Nuclear Blast, a leading global metal label, in Germany in 2018; the acquisition that same year of a stake in Tôt ou Tard, a French label; the acquisition of Entco Music and Canvas, specializing respectively in show production and artist services in India, in 2019; the acquisition of a majority stake in DMC, a leading label in Turkey, in 2020; the acquisition in 2021 of a minority stake in Play Two, a leading independent label in France; the acquisition of a minority stake in the leading Philippine label Viva Music and Artists Group; the acquisition in 2021 of a majority stake in Jo & Co, a highly reputed independent label in France; and more recently, the acquisition of Sentric, representing a first step in the development of a leading technology-based music publishing offering.

The Group also creates joint ventures with labels or specialized teams to develop artists in specific genres. In 2022, Believe entered into a partnership with the Madizin label to develop Schlager artists in Germany, and took a stake in Morning Glory Music, DJ Bellek's company, one of the main Hip Hop players in France. In early 2023, the Group invested in Structure, a label launched by two leading French producers who have identified a wealth of talent from the recent French scene.

(1) Countries where the Group has local sales teams (and in some cases a local domain name for TuneCore).

(2) Countries where the Group has a local presence through employees and/or external consultants.

Some acquisitions have also added new marketing and digital promotion solutions to the Group's offering, by strengthening its technological platform. For instance, the Group made the transformational acquisition of TuneCore in the United States in 2015, which enhanced its offering with Automated Solutions for artists, which is now one of the Group's segments. The Group also acquired SoundsGood in 2020, specialized in creating innovative digital marketing tools for artists, and took a minority stake in IRCAM[1] Amplify, IRCAM's commercial entity for audio innovation.

Furthermore, the Group expanded its distribution capabilities with, for example, the acquisition in 2018 of Groove Attack, a leading German independent distributor specialized in hip-hop, and the acquisition in 2015 of Musicast, a French distributor also specialized in hip-hop.

Lastly, the Group may consider acquiring catalogs on an opportunistic basis, as happened with the acquisition in 2016 of Naïve, an independent French label specializing in classical music, or the acquisition of Venus Music Private Ltd in 2019 (renamed Ishtar in 2021), an Indian company with a catalog consisting mainly of "Bollywood" music, the acquisition of SPI Think Music, an Indian company that perpetually holds a dynamic catalog of popular film music and independent artists from South India, or more recently, in 2023, the acquisition of the catalog of White Hill, a leading Punjabi music catalog.

The Group's external growth strategy has benefited from its ability to detect and analyze potential targets based on its in-depth knowledge of local markets. The Group also benefits from its strong brand image, its reputation and its sound financial position, enabling it to carry out transactions at an attractive value and with a satisfactory conversion rate. Once the transaction is completed, the Group implements a well-defined integration plan to ensure that the target's business is managed according to the same vision and values as the Group's.

The Group operates in a fragmented market with hundreds of potential targets. The Group therefore continuously monitors a large number of targets, and aims to conduct a dynamic financial policy taking decisions that favor the most attractive opportunities, both in terms of return on investment and future growth. Artist and label service companies represent more than half of the targets identified by the Group to date, followed by technology and digital marketing companies, opportunistic catalog acquisitions and distribution players.

The acquisition in the UK of Sentric, an advanced technology platform for music publishing, was followed in the second half of 2023 by the roll-out of a comprehensive integration plan, which enabled Sentric's teams to integrate rapidly into the Group both operationally and culturally. Sentric now operates using the Group's systems. Lastly, the integration plan also made it possible to develop a new value proposition to target artists and labels signed under Premium Solutions, as well as all songwriters, while integrating the music publishing offering more widely for self-releasing artists in Automated Solutions.

1.5.4 Medium-term and long-term outlook

The objectives and trends presented below are based on data, assumptions and estimates, particularly in terms of economic outlook, considered reasonable by the Group at the date of this Universal registration document.

These outlook and objectives, which result from the Group's strategic orientation, do not constitute forecasts or estimates of the Group's net income. The figures, data, assumptions, estimates and objectives presented below may change or be modified in an unforeseeable manner, depending, among other things, on changes in the economic, financial, competitive, legal, regulatory, accounting and tax environment or on other factors of which the Group is not aware at the date of this Universal registration document.

In addition, the materialization of certain risks described in Chapter 3 *"Risk factors, internal control and risk management"* of this Universal registration document could have an adverse effect on the Group's business, financial position, market situation, results or outlook, and therefore call into question its ability to achieve the objectives presented below.

Furthermore, the achievement of these objectives requires the success of the Group's strategy and its implementation.

Therefore, the Group does not make any commitment or give any guarantee that the objectives in this Section will be achieved.

Outlook for the evolution of the Group's activities and financial objectives

The outlook for the Group's activities and the financial objectives presented below are based on market trends and prospects in line with those set out in Section 1.3.1 dedicated to market trends in the recorded music industry

(1) Institute for Research and Coordination in Acoustics/Music (Institut de recherche et coordination acoustique/musique).

on page 24 of this Universal registration document and the assumptions presented in Section 5.4.1, page 213, of this Universal registration document (in particular the Group's market share gains in key geographic regions[1]).

Over the 2021-2025 period, the Group's objective is to achieve a CAGR for organic revenue at constant exchange rates[2] of between 22% and 25%. The Group intends to continue to benefit from the growth of the digital music market, which has a favorable outlook, and from continued market share gains in its key geographic markets. Beyond 2025, the Group expects revenue growth (after taking into account acquisitions) to stabilize at around 20%.

Growth in revenue at constant exchange rates is calculated by applying to the revenue for the period and the comparative period of each Group entity expressed in its reporting currency, the average exchange rates for the comparative period. Excluding any exchange rate variances resulting from transactions carried out by reporting entities in currencies other than their operating currency.

Organic revenue growth corresponds to revenue generated in year n by all companies included in the Group's scope of consolidation at December 31 in year n-1 (excluding any contribution from companies acquired during year n), compared to revenue generated in year n-1 by the same companies, regardless of the date on which they entered the Group's scope of consolidation.

The Group also records the currency impacts directly embedded in digital sales. These include embedded currency translation impacts, as the amounts from subscriptions and advertising are collected in local currencies by the streaming platforms, which then pay them mainly in euros to the Group, resulting in currency impacts being included in its organic growth. The Group has set up an in-depth analysis of the impacts of foreign exchange rates on its digital markets and is now also monitoring organic growth adjusted for neutralized embedded currency effects, calculated by adjusting the organic growth of digital sales by the estimated foreign exchange impact for each digital market served by the Group.

In addition, the Group has a strategy of targeted acquisitions in order to accelerate its growth (see Section 1.5. *"Strategy and objectives"* on page 40 of this Universal registration document). After putting its external growth on hold in 2022 in view of an economic environment that had become more uncertain, which could have resulted in a decrease in the valuations of the targets identified, the Group resumed its targeted external growth strategy, notably with the acquisition of Sentric in 2023.

The Group aims to achieve an adjusted EBITDA margin[3] of between 5% and 7% by 2025. The Group intends to benefit from a gradual reduction in its Central Platform costs expressed as a percentage of revenue, under the combined effect of revenue growth over the period, better absorption of fixed costs, and of the continued pursuit of automation efforts, making it possible to continue its significant investment in the development of the Central Platform. The Group will also continue to invest heavily in the development of the commercial and marketing capabilities of its various local entities. The Group anticipates a gradual stabilization of its adjusted EBITDA margin at around 15% at the end of its strong growth phase.

By 2025, the Group's expenditure on property, plant and equipment and intangible assets (excluding expenditure on external growth) is expected to increase in absolute terms, in order to support the growth of its activities, but to decrease as a percentage of revenue, to less than 4% (compared with 5.6% for the fiscal year ended December 31, 2023; this figure includes catalog acquisitions). This trend is expected to continue beyond 2025.

Finally, the Group intends to pursue its strategy of offering financing solutions to certain artists and labels via the payment of advances, in support of its commercial strategy in the Premium Solutions activity. The implementation of this strategy will impact the Group's working capital requirement[4], which should have a negative impact on the Group's cash flows.

(1) *The geographic markets identified as being key markets by the Group are those markets in which it has the largest local teams or in which it intends to strengthen its local teams in the future, and include France, Germany, the UK, India, China, Brazil and Japan.*

(2) *Organic growth at constant exchange rates corresponds to revenue growth at constant exchange rates and on a like-for-like basis.*

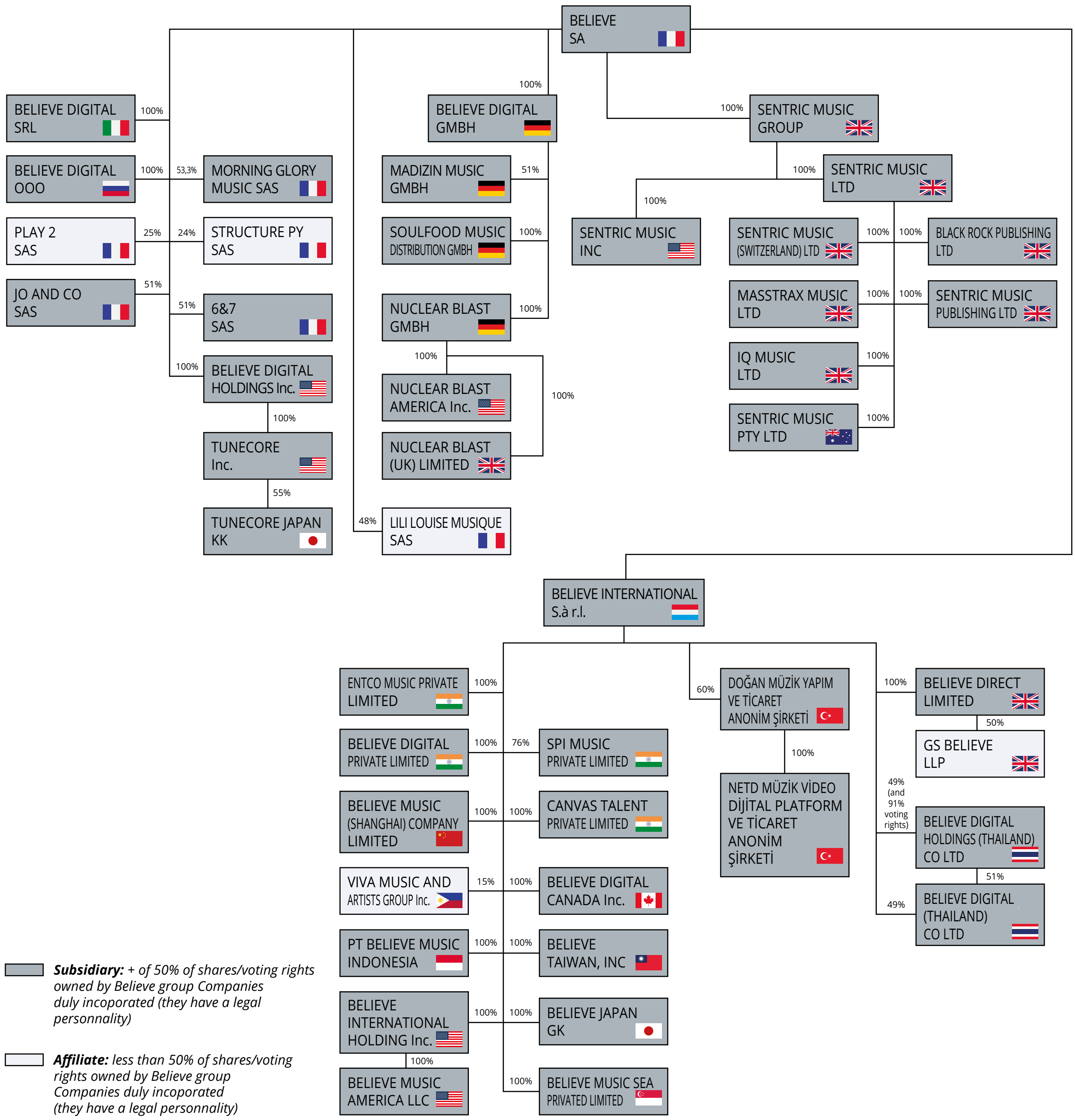
(3) *Corresponds to the ratio of Adjusted EBITDA to revenue. Adjusted EBITDA corresponds to operating income (loss) before depreciation and amortization, share-based payments and other operating income (expense).*

(4) *Working capital requirements correspond mainly to the value of inventories plus trade receivables, advances to artists and labels and other current assets, less trade and other payables and other current liabilities (see also Section 5.3.2.1 "Working capital requirement" of this Universal registration document).*

1.6 The Group's organization and headcount

1.6.1 Simplified organizational chart

The simplified organizational chart below presents the Group's organization and the main countries in which it operates. See also Note 2.2 to the Group's consolidated financial statements for the fiscal years ended December 31, 2023 and 2022, which presents the Group's scope of consolidation on page 250 of this Universal registration document.



1.6.2 Main subsidiaries

The principal direct and indirect subsidiaries of the Company at the date of this Universal registration document are described below:

- **TuneCore Inc.** is a US corporation with share capital of US$1, whose registered office is located at 251, Little Falls Drive, Wilmington, New Castle, Delaware, United States, and is registered under number 4251685 in the Division of Corporations of the State of Delaware. TuneCore Inc. provides services to distribute and collect digital music publishing and licensing rights;
- **Believe International SARL** is a Luxembourg limited liability company, with share capital of €17,312,000, with its registered office at Spaces – 5, Place de la Gare, Bureau 601, L-1616 Luxembourg City, Luxembourg and registered under number B 230.194 in the Luxembourg Trade and Companies Register. Believe International SARL provides services to distribute and promote music content intended for artists and labels;
- **Nuclear Blast GmbH** is a limited liability company under German law, with share capital of €500,100, whose registered office is located at Oeschstrasse 40, 73072 Donzdorf, Germany, and which is registered under number HRB 540822 in Commercial Register B of the District Court of Ulm (*Handelsregister B of the Amtsgerichts Ulm*). Nuclear Blast GmbH is a music label specializing in heavy metal and all its derivatives;

The Group's recent acquisitions and disposals are described in Section 5.1.2.4 on page 214 of this Universal registration document.

1.6.3 Headcount

As at December 31, 2023, the Group had 1,919 employees in the companies included in its scope of consolidation, including 699 in France[1].

For the fiscal year ended December 31, 2023, the Group's payroll amounted to €156 million compared to €135 million for the fiscal year ended December 31, 2022 and €105 million for the fiscal year ended December 31, 2021. The payroll is the sum of all gross salaries and the employer's social security contributions, as well as employee profit-sharing and other personnel costs, paid during each financial year.

The table below shows the change, over the last three fiscal years, in the Group's headcount by reporting segment:

	Employees as of December 31		
Segments	**2023**	**2022**	**2021**
Premium Solutions & Automated Solutions	1,322	1,059	940
Central Platform	597	592	490

The table below shows the change, over the last three fiscal years, in the Group's headcount by geographical area:

	Employees as of December 31		
Geographical areas	**2023**	**2022**	**2021**
France	699	641	559
Germany	264	254	246
Other Europe	327	237	220
Americas	187	177	156
Asia/Oceania/Africa	442	342	249
TOTAL	**1,919**	**1,651**	**1,430**

The number of employees continued to grow in 2023 with an increase of +16.2% compared to 2022, reflecting the acquisition of Sentric and continued investment in local teams, and thus supporting the Group's future profitable growth. Most of the hires took place in the second half of 2023. The number of employees rose sharply in Europe, excluding France and Germany (+38.0%), and in Asia Pacific and Africa (+29.2%), notably with the internalization of positions previously held by consultants and the transfer of certain functions to India.

(1) In this Chapter, the Group's headcount is presented at the end of the period, excluding interns and temporary workers. In addition, the Group relies on the services of external consultants in a number of countries where it operates. These consultants are not counted as employees.

ALISSON SHORE - ARTIST - PHILIPPINES

Non-Financial
Performance
Statement

2.

Corporate social responsibility

For this third publication of its Non-Financial Performance Statement (NFPS), Believe has brought together, in Chapter 2 of its Universal Registration Document (URD), the relevant information regarding the Group's strategy and main non-financial risks and opportunities, their management and their control, as required by the regulatory framework of the NFPS.

In addition to Believe's business model and values presented in Chapter 1 of the URD, Believe publishes in this Chapter 2 (NFPS), useful social, societal and environmental information that is important to understand its CSR approach, Shaping Music for Good. This NFPS presents the initiatives already launched and the improvement focuses to be carried out in the short and medium term.

Section 1 presents Believe's CSR strategy and its place in Believe's business model.

Sections 2 and 3 describe the governance of corporate responsibility, the materiality analysis and the framework of professional ethics. Stakeholder expectations and a summary table of non-financial challenges, risks and opportunities are presented in Section 2.

The commitments made to employees in response to the material risks and opportunities identified are presented in Section 4.

Commitments to artists and labels, the music industry and civil society are set out in Section 5.

Section 6 provides details of our environmental and climate initiatives.

Finally, Section 7 presents the methodology and indicators (key and additional indicators) monitored under this NFPS and the Shaping Music for Good program.

2.1 Shaping Music for Good: a strategy aligned with Believe's values

The concept of social responsibility is embedded in Believe's history and its primary purpose. Since its creation in 2005, the Group has positioned itself with local artists and labels in an inclusive way: giving all the means to access streaming and social media platforms, and to monetize their creations. Whatever the stage of their career, the solutions and tools of Believe's innovative and constantly evolving technological platform enable them to access the power of the digital market.

2.1.1 Shaping Music for Good, a CSR strategy at the heart of Believe's business model

The early 2000s marked a major turning point in the history of the music industry with the arrival of the Internet, digital tools and social networks. Very early on, Believe anticipated and prepared for the rapid evolution of digital uses (streaming, social networks, etc.), from music production to distribution and consumption:

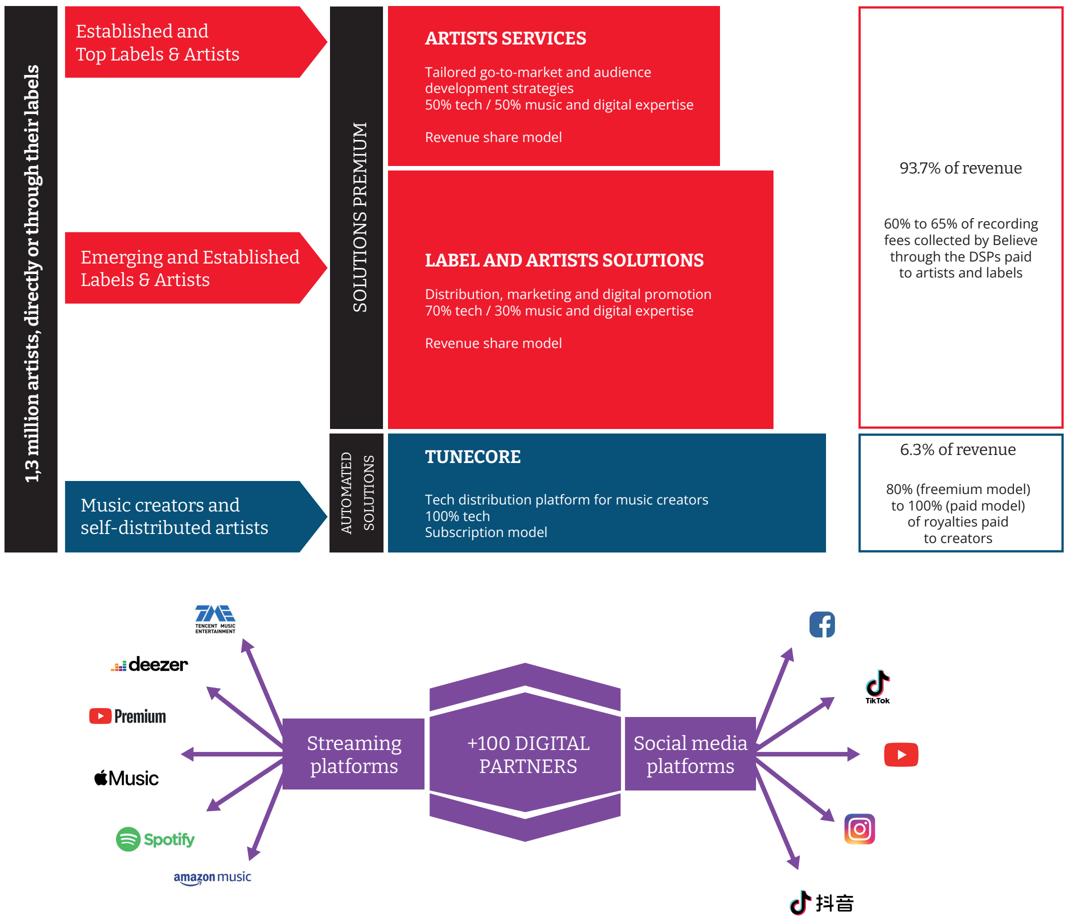
- development of new digital tools to support music creation;
- evolution of the distribution of market value towards the middle class of artists;
- new expectations of artists (control of rights, more transparent value sharing, independence).

Believe offers an alternative that allows artists and labels to lead their careers in a more autonomous, fast and agile way, by assisting them with their promotion and distribution on digital platforms, while respecting their creativity and artistic content. Believe addresses at all types of music (urban, pop, electronic, classical, jazz, indie, traditional local music, etc.).

Chapter 2 of this Universal Registration Document provides a complete and transparent description of Believe's business model and its contribution to the creation of value, in the short and medium term, for the benefit of all its stakeholders.

The believe business model

Believe's mission is to develop artists at every stage of their career and development, in all local markets The Group's around the world, with respect, expertise, fairness and transparency.



The Group's Business model is supported by the four priorities of its corporate social responsibility (CSR) strategy: Shaping Music for Good.

RESSOURCES				SHARED VALUE CREATION WITH OUR VARIOUS STAKEHOLDERS	
HUMAN CAPITAL	CAPITAL TECH & INNOVATION	OPERATING CAPITAL	FINANCIAL CAPITAL	ARTISTS, LABELS & BUSINESS PARTNERS	LOCAL COMMUNITIES AND THE MUSIC INDUSTRY
• 597 experts in the central platform • 1,322 music • and digital experts • Training and monitoring • Compliance practices	• Proprietary and scalable technological platforms (Backstage, TuneCore) • Data collection, processing and analysis capacity • Innovation in functionalities & services adapted to new digital practices • Cybersecurity and data protection	• A central platform that develops all solutions and innovations (products, formalization and deployment strategies for offers, etc.) • A local network deployed in +50 countries	• Solidary founding shareholder • 182.3 million in net cash equity • Partnerships with digital service providers (DSP) • Targeted acquisition policy to accelerate growth	• Training & expertise (Artist Resources, TuneCore Rewards and Master Class solutions) • +317 billion streams on the 9 main DSPs • +1,331 billion views on YouTube • +1.2 billion in DMS (Digital Music Sales) • Transparent and fair contracts and compensation • Customer NPS • Tiktok preferred partner	• Around 140 shapers (ambassadors) • +1,000 participants in our solidarity month Shaping Together • "Be the Change" study on women and minorities in the music industry to the internal Your Voice survey • Support for under-represented minorities • 1,265.5 $TeqCo_2$ (scopes 1 & 2) vs 708 $TeqCo_2$ in 2022

Our corporate social responsibility (CSR) strategy, Shaping Music for Good, is at the heart of Believe's business model and mission: to support local artists and labels at every stage of their careers in the digital world with fairness, expertise, respect and transparency.

Believe's Shaping Music for Good goal is to help "shape the music industry for good" by building trusting relationships with artists and labels, partners and employees. Through its activities, Believe invests in the growth and development of talent in local markets. The Group also strives to give its various stakeholders the means to engage with and have a positive impact on civil society and the music industry.

The Shaping Music for Good approach is structured around four priorities for the benefit of the artists and labels, employees and communities in which the Group operates.

The priorities of Shaping Music for Good, Believe's CSR goal

Gender equity	Diversity, Equity and Inclusion	Well-being and talent development	Environmental sustainability
Mobilize to make the music industry an industry where people can thrive whatever their gender identity might be.	Commit to amplifying under-represented voices and to ensuring respect for all artists and employees.	Create an environment that promotes health and well-being for all, by supporting career paths, skills development and training for employees, artists and partners.	Participate in the collective effort to protect the environment and fight against climate change.

These priorities reflect Believe's commitments and deep convictions: developing a more diverse, inclusive and responsible music industry:

- **developing the diversity of local talent** by supporting artists and labels at each stage of their career thanks to teams present throughout the world;
- **supporting artists' transition to the digital world** by developing and training a new generation of experts in the digital music market. It's also making the most of technology to sustainably develop talent;
- **building trusting relationships** through respect, fairness and transparency. For our artists, it is a matter of respect for their creative independence, their freedom of expression and the protection of their data. For employees, this means promoting and implementing Believe's values across the Group and the music industry;
- **empower Believe's various communities to have a long-term positive impact on society.** Rely on a network of ambassadors at Believe and give employees the opportunity to engage with local communities. It also means taking action to measure and reduce the environmental impact of Believe's activities.

2.1.2 Believe's values

Generating trust for artists and labels, Believe's four values (Driving Forces) empower them while providing them the autonomy they need. For employees, they are also a source of efficiency, openness and trust.

Serving as the foundation of the Shaping Music for Good strategy, they are at the heart of every CSR policy, objective and action.

Believe's values

RESPECT	EXPERTISE	FAIRNESS	TRANSPARENCY
Be respectful to all artists, all labels, and all employees at every stage of their career and in all countries where the Group operates.	Be an expert in developing the expertise of our teams, guaranteeing the effectiveness and excellence of the services we provide to artists & labels.	Be fair in our relations with artists and employees to offer equal opportunities and freedom of choice in terms of personal development.	Be transparent in our projects and contracts, by sharing the necessary information with artists, labels, employees and partners to enable everyone to make informed decisions.

2.1.3 A structured CSR organization

2.1.3.1 From the CSR strategy to steering Shaping Music for Good

Since its IPO in 2021, Believe has formalized and organized its CSR strategy around its "Shaping Music for Good" goal, notably by implementing the following structuring actions:

- strengthen the governance model, with the creation of a CSR Committee within the Board of Directors and the establishment of a CSR Department, reporting to the Group Human Resources Department, overseen by a member of the Executive Committee;
- conduct an extensive consultation and regular dialogue with internal and external stakeholders to better understand their expectations;
- structure the Shaping Music for Good ambition and the CSR strategy to meet the Group's major challenges;
- raise employee awareness of the fundamentals of CSR and develop a network of internal ambassadors known as "Shapers", the intermediaries of Shaping Music for Good;
- establish and disseminate the Diversity, Equity and Inclusion charter;
- carry out an initial assessment of the Group's carbon footprint;
- establish non-financial performance indicators integrated into the annual and long-term variable compensation of the members of the Executive Committee and senior executives of the Group's main subsidiaries, with the exception of the Chairman and Chief Executive Officer's long-term compensation.

In 2022 and 2023, following the CSR Committee recommandation, the Board of Directors confirmed Believe's CSR challenges with regard to the expectations expressed by the various stakeholders and the Group's main CSR priorities, namely:

- **expertise challenges**, with investment in the recruitment of local teams and the development of employee training, to support the Group's growth and ensure a high level of employee expertise at the service of artists and labels. A special effort was also made to integrate recent acquisitions and roll out standardized human resources management processes throughout the Group;
- **challenges regarding gender equity and parity** in Believe's teams, with continued efforts across all human resources processes;
- **diversity and inclusion challenges** in the music industry, with support for local artists and labels, in particular women and under-represented communities in the music industry, and employee training. The objective is also to promote the development of diversified musical production and to showcase local musical heritage, notably through partnerships with local associations;
- **challenges regarding employee involvement** in Believe and local communities, notably through the network of internal ambassadors, the "Shapers", the Shaping Together solidarity program (formerly called Believe Tomorrow) and partnerships with civil society actors;

- **environmental challenges**, with measurement and monitoring of the direct and indirect carbon impact of Believe's activities (Scopes 1 & 2 and partially Scope 3) and the implementation of action plans to reduce energy consumption.

In 2023, Believe reinforced its Shaping Music for Good strategy around four key priorities in view of the Group's values and business model, and the challenges facing the music industry (see Section 2.1.1 "*Shaping Music for Good, a CSR strategy at the heart of Believe's business model*" , page 50):

- gender equity;
- Diversity, Equity and Inclusion;
- well-being and talent development;
- environmental protection.

2.1.3.2 The Group's main non-financial objectives

In view of Believe's challenges, the Group monitors the following indicators in particular:

Challenges	Non-financial indicators	2023 targets	2023 results	2023 NFPS reference
Gender equity	% of women among employees	44%	45.6%	2.4.5 Creating a diverse, inclusive and fair working environment, page 77
Talent development - Training	% of employees trained (and average hours of training per employee)	85% (10h)	94.4% (11h)	2.4.4 Retaining and supporting employees in their careers, page 74
Employee engagement	eNPS (employee Net Promoter Score – Your Voice)	13	15	2.4.8 Ensuring continuous dialogue with the teams and measuring the level of commitment and satisfaction, page 84
Commitment to Shaping Music for Good	% of ambassadors / Shapers among employees	7.5%	~8.3% (around 140 ambassadors/ Shapers)	2.1.3.5 A global network of committed ambassadors, page 56 2.5.2 Leading change in the music industry and developing a culture of engagement with local communities, page 89

The eNPS corresponds to the following question asked as part of the Your Voice 2023 internal barometer: "To what extent would you recommend Believe as an employer?" *Calculation of the eNPS score: % promoters (score 9 and 10) - % detractors (score 0 to 6).*

2.1.3.3 CSR governance system

Driven by Believe' values, the CSR governance enables and encourages the collaboration of all stakeholders to deploy Shaping Music for Good at all levels of the Company.

Built on Believe's two essential components – Artists and Labels, and Employees – the Shaping Music for Good priorities are applied throughout the Group and adapted to various stakeholders internally and externally. These priorities support employee engagement and Believe's overall performance.

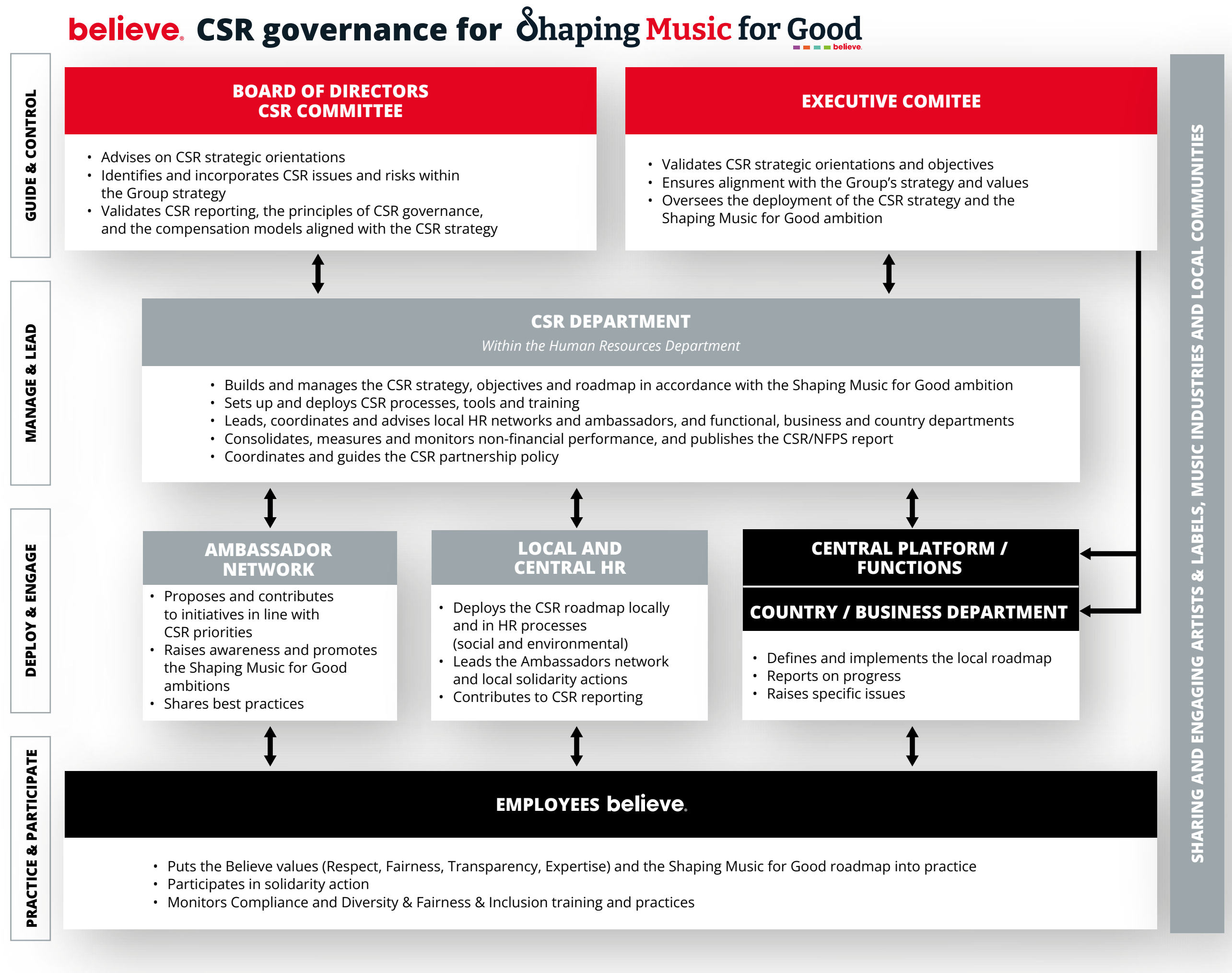
The CSR department reports to the Group Human Resources Department and is supervised by a member of the Executive Committee. This illustrates Believe's desire to make CSR a structuring element for the organization and an engagement driver by directly involving employees.

The CSR Department ensures the operational deployment of the approach, with the full attention of the Board of Directors: the CSR Committee is chaired by an independent member of the Board of Directors. The presence of Denis Ladegaillerie, Chairman and Chief Executive Officer, on this Committee reflects the importance given to social, environmental and governance issues in defining the Group's strategy.

Chapter 4 *"Corporate governance*" of the URD (page 149) presents the composition and functioning of the Committee, and the details of its work during the past fiscal year.

CSR governance at the service of Shaping Music for Good

The diagram below details the role of each body in the steering, implementation and control of the Shaping Music for Good approach.



As part of the Human Resources Department, the Group's CSR Department works closely with several central functions, as well as with the local teams of the function and business lines, in order to:

- roll out the CSR roadmap;
- establish CSR policies and actions;
- measure progress and prepare for regulatory changes and ESG (Environment, Social, Governance) challenges.

The CSR Department also relies on the local CSR steering committees set up in certain countries (France, North America, Latin America, India, Southeast Asia, etc.). These committees are usually composed of the Executive Management of the country and/or the members of the Group's Executive Committee, local human resources teams, and the regional CSR manager.

DEPARTMENTS	CONTRIBUTION TO AND PARTICIPATION IN CSR INITIATIVES AND ESG CHALLENGES
Finance, Internal Control	Align CSR reporting with the financial scope. Carry out the environmental taxonomy analysis. Identify environmental, social and governance risks and opportunities, and their potential financial impacts, in order to integrate them into risk mapping.
Legal, Risks and Compliance	Ensure compliance with applicable local and international regulations. Roll out compliance training for employees, and monitor and address the alert procedures available for artists & labels and employees.
Investor Relations	Roll out consistent communication on Believe's CSR commitments and progress. Understand the expectations of the financial community. Respond to ESG questionnaires. Integrate the Group's CSR strategy into financial communication (messages and materials).
Human Resources	Integrate CSR issues and priorities into all HR processes. Roll out CSR activities at the local level. Contribute to CSR reporting and the CSR report. Define and monitor the CSR criteria for the compensation of the Group's executive director and senior executives (or equivalent).
Information & Technology	Measure part of the environmental impact (data centers, cloud centers, IT equipment).
Communication	Support and promote CSR activities and progress by communicating with employees and stakeholders.
Local "Business" teams with a local CSR Committee	Roll out and monitor the Shaping Music for Good roadmap at the local level and among artists & labels. Implement CSR activities locally with employees and artists & labels. Establish partnerships with organizations and associations in the music industry.

2.1.3.4 Non-financial criteria included in compensation schemes

The Group ensures that management teams are involved in CSR challenges by incorporating non-financial criteria into the compensation policy. The Chairman and Chief Executive Officer's annual variable compensation is thus subject to non-financial criteria. This is also the case for the members of the Executive Committee and the managers of the Group's main subsidiaries, who have a non-financial criterion in their performance evaluation. In addition, free share allocation plans also include a non-financial criterion.

The performance criteria are described in Chapter 4 of the URD (Section 4.6.3 "*Compensation policy for 2024 for the Chairman and Chief Executive Officer, Executive Director*", page 191) for the Chairman and Chief Executive Officer's variable compensation, and for the free share allocation plans (Section 4.6.4.4 "*Principles and rules used for the allocation of free shares*", page 206).

2.1.3.5 A global network of committed ambassadors

Believe ambassadors, known as "Shapers" in reference to the Shaping Music for Good ambition, are employee volunteers who propose and contribute to initiatives that have a positive impact for teams and local communities, in line with the priorities of Shaping Music for Good. The system works collaboratively, in close coordination with regional CSR managers and local human resources teams, and with local management's support.

Created in 2019, at the initiative of employees and with the support of human resources, the ambassadors/ Shapers network has gradually been organized and structured into different communities, addressing Believe's priority topics:

- **People & Parity:** on the topics of gender equality, diversity and inclusion, well-being at work, mentoring and support for local communities;
- **Planet**: on environmental and climate issues.

Ambassadors/Shapers propose initiatives and implement concrete actions in these areas.

The goal is to create and lead communities to share best practices, disseminate and implement the CSR strategy locally in line with the Shaping Music for Good approach.

Examples of the contributions of the Shapers network are detailed in Section 2.5.2.2 "Promoting music as a vehicle for committed messages and responsible practices", page 90. To this end, the Ambassadors / Shapers receive information on the CSR strategy, objectives and resources allocated. They meet regularly at local and regional level to share best practices and define and implement concrete and shared actions on the ground.

The Group has been building and expanding the network of ambassadors/Shapers. In 2023, the Group shifted its focus from increasing the number of participants in this network to enhancing the level of participation and commitment among existing ambassadors. At the end of 2023, the Group had around 140 ambassadors / Shapers in 12 countries, *i.e.* almost 8.3% of employees, exceeding the initial target of 7.5% of ambassadors as a percentage of the Group's total headcount in 2023. This indicator is one of the non-financial criteria included in certain long-term free share allocation plans.

2.2 Analysis of the risks and opportunities related to Governance, Social and Environmental issues

This statement for the 2023 fiscal year is based on a risk analysis, pursuant to Order 2017-1180 of July 19, 2017, in order to reflect the expectations of Believe's main stakeholders regarding the assessment and management of CSR risks and opportunities.

2.2.1 Nurturing the Shaping Music for Good approach through dialogue with stakeholders

2.2.1.1 Believe's stakeholders

Believe attaches the utmost importance to the voices of its stakeholders in line with its values and in accordance with the principle of dual materiality. The Company has identified six categories of stakeholders to ensure that their expectations are taken into account when identifying priority CSR challenges:

- Believe's talent (employees, etc.);
- artists and labels;
- members of governance and financial partners;
- business partners and suppliers;
- the music industry ecosystem;
- other key stakeholders (Board of Directors, shareholders, associations and non-governmental organizations, etc.).

This mapping also involves ensuring regular dialogue between Believe and all players in its ecosystem. It was refined in 2023 with the identification of interdependent relations among Believe and its stakeholders, and will be gradually supplemented by a more in-depth analysis of the risks and opportunities of each of the stakeholders identified below.

Mapping of stakeholders

ARTISTS & LABELS

Music creators - Emerging or established artists - Top artists - Labels

BUSINESS PARTNERS

- Digital Social Platforms
- Social media
- Minority stakes
- Datacenter & cloud providers

OUR TALENTS

- Employees
- Business Consultants
- Candidates
- Shapers / Ambassadors

MUSIC INDUSTRY ECOSYSTEM

- Collective rights authorities
- Professional associations
- Live stakeholders
- Music publishers

GOVERNANCE AND FINANCIAL PARTNERS

- Board of Directors
- Shareholders
- Investors
- Banks

COMMUNITIES

- Associations and NGOs, local communities
- Public authorities and institutions
- Media and influencers
- Associations and NGOs, local communities

BELIEVE'S MAIN STAKEHOLDERS:

Believe's primary stakeholders include the Believe employees, known as "Our talent," who provide vital support to artists and labels by sharing their expertise in music and digital solutions. Additionally, Believe fosters strong relationships with business partners, including streaming platforms and social networks. The Group leverages these privileged relationships with its partners to serve artists and labels, often acting as a "preferred partner." Moreover, technology partners, such as server and cloud providers, play a crucial role in ensuring the optimized and sustainable management of artists' and labels' data to and from the platforms. Finally, Believe actively engages with the music industry ecosystem, aiming to involve all stakeholders in creating a more diverse, inclusive, and sustainable industry.

OTHER BELIEVE STAKEHOLDERS:

Believe also maintains relationships with its financial partners, in the framework of responsible and transparent governance. The Group is also involved with local communities, notably as part of the solidarity activities of the Shaping Music for Good program. Believe does not communicate directly to the general public, but supports artists and labels so that they can expand their audience among music consumers via digital platforms.

2.2.1.2 Consultation with stakeholders

As part of the construction of its CSR strategy - Shaping Music for Good - Believe consulted employees, artists and labels, as well as partner platforms, in 2021.

The results of this consultation made it possible to:

- identify priority materiality challenges;
- strengthen and improve the Shaping Music for Good strategic axes.

This dialogue also gave respondents the opportunity to express their diverse expectations and opinions in terms of social responsibility, in an authentic and personal way.

Results of stakeholder survey with a panel of 320 people in 2021
(employees, artists and labels, platforms...)

SOCIAL
2.42/3

Equal opportunities, diversity and inclusion, fight against discrimination, talent development.

ENVIRONMENT
2.26/3

Reduction of the buildings carbon footprint, digital carbon impact, IT equipment management.

SOLIDARITY
1.33/3

Access to digital technology and monetization for artists, support for local communities.

The Group intends to integrate its values into relations with its stakeholders, and thus best meet their expectations, through the implementation of concrete actions. These challenges are addressed via the Group's human resources and CSR policies, and projects carried out in support of local communities.

MAIN EXPECTATIONS OF BELIEVE STAKEHOLDERS	REFERENCE TO THE POLICIES AND INITIATIVES PUT IN PLACE BY BELIEVE TO MEET THE EXPECTATIONS OF STAKEHOLDERS
Diversity and inclusion within teams	Section 2.4.5 Creating a diverse, inclusive and fair working environment, page 77
The efforts to reduce gender inequalities or those targeting minorities within the music and digital industries	Section 2.4.5 Creating a diverse, inclusive and fair working environment, page 77 Section 2.5.2 Leading change in the music industry and developing a culture of engagement with local communities, page 89
The physical and mental health and well-being of employees and artists	Section 2.4.6, Developing efficient working conditions, well-being and mental health, page 80 Section 2.5.1.4 Training artists and labels in career management, page 87
Equitable and transparent relations with all artists, labels, employees and partners	Section 2.4.7, Deploying a fair compensation system and sharing value creation with employees, page 83 Section 2.5.1.5 Respecting the creative independence and data privacy of artists, page 88
The development of employees and artists, and local communities, notably through training and support in new digital practices	Section 2.5 A committed player serving artists and labels, and local communities, page 85
Measuring and managing the carbon footprint, notably by reducing energy consumption	Section 2.6.1 Formalizing the environmental approach, page 92

2.2.1.3 The Shaping Music for Good goal and Believe's CSR initiatives with regard to the United Nations Sustainable Development Goals

United Nations Sustainable Development Goals

Believe has identified the Sustainable Development Goals (SDGs) defined by the United Nations to which the Group makes a significant contribution, in particular through its Shaping Music for Good program.

SDGs	Believe's priorities and actions
Good health and well-being	Believe deploys a social protection floor for all its employees. The Group offers global and local activities that promote their well-being at work and their physical and mental health.
Quality education	Believe shares its musical and technological expertise with artists, labels and local communities through employee engagement (mentoring) and partnerships (masterclasses, etc.). Numerous partnerships, programs, and events are also organized to promote education through music.
Gender equality & reduced inequalities	The Group ensures the fairness and parity of all its HR and management processes. It trains teams in inclusive practices (including through training on cultural, gender prejudices, etc.), anti-discrimination and anti-harassment practices. Believe is committed to the issues of diversity, equity and inclusion in the music and digital industry ("Be The Change" study, 50InTech partnership), and via the actions of the ambassadors/Shapers (Believe for People/Parity).
Decent work and economic growth	Believe gives its employees, artists and labels the means to develop their careers, ensure their employability and monetize their musical talents. Believe provides them with its digital expertise, innovative technological solutions, as well as a transparent and fair value-sharing system.
Climate action	Believe measures and manages its direct impacts on the environment through concrete actions in its offices via the commitment of its ambassadors (Believe for Planet) and employees. The Group is also beginning to analyze its Scope 3, a still complex exercise that will make it possible to measure the impacts of data centers, the cloud and streaming practices.

2.2.1.4 Ongoing dialogue with the financial community

Since its IPO in June 2021, Believe has communicated regularly and transparently on its activities, strategy and outlook with its individual and institutional shareholders and, more generally, with the financial community (investors, analysts, rating agencies, etc.).

The Group follows the best practices of the profession. Believe's Executive Management and Investor Relations Department maintain a regular dialogue on environmental, social and governance (ESG) issues with the financial community. They take part in roadshows, and other individual meetings and thematic conferences, notably on socially responsible investment (SRI) topics.

In 2023, the Group's Investor Relations Department met with 275 institutions.

On the Group's website, in the "Investors" Section, the following information is available:

- regulated information, of which the effective and complete dissemination is carried out electronically, including on the AMF (*Autorité des Marchés Financiers* - Financial Markets Authority) website, by a professional distributor on the list published by the AMF;
- financial press releases, quarterly results presentations, webcasts and transcripts ("Financial results" Section);
- the financial publications calendar ("Financial results" Section);
- the share price ("Capital & share ownership" Section);
- the capital structure ("Capital & share ownership" Section);
- the possibility of subscribing to the mailing lists and contact details to contact Investor Relations;
- financial press releases, quarterly results presentations in webcast and their transcription;
- the financial publications calendar;
- the share price.

2.2.1.5 Recognized non-financial performance

Believe notably relies on the assessments and comments of non-financial assessment agencies to make progress in the various areas of ESG.

In 2023 (based on 2022 data), Believe improved its MSCI and Gaïa Ethifinance rating versus 2021/2022, and is considered a “low ESG risk” by Morningstar Sustainalytics for its first year of rating.

RATING AGENCY	BELIEVE'S EVALUATION IN 2023	DESCRIPTION
MSCI	**8.2/10** **AA**	*With over 50 years of expertise in research, data and technology, MSCI (Morgan Stanley Capital International) provides in-depth research and analysis on ESG topics on more than 2,900 companies. Its rating system is updated regularly to assess a company's management of financially relevant ESG risks and opportunities in light of regulatory, technical and sectoral developments.*
Gaïa Research by Ethifinance	**58/100** **Bronze**	*Gaïa Research assesses the performance and management of ESG risks and opportunities of small and medium-sized companies listed on European markets. Its rating system is based on more than 140 ESG criteria linked to stakeholders updated annually.*
Morningstar Sustainalytics	Low level of ESG risk **13.7/100**	*Morningstar Sustainalytics is an independent ESG and corporate governance research, rating and analysis firm helping investors develop and implement responsible investment strategies. Their analysis is based on the Sustainalytics methodology and data.*

2.2.2 Policies and actions to address ESG challenges: risk and opportunities table

Non-financial risk analysis methodology:

As part of its CSR strategy, Believe has identified and regularly updates its key environmental, labor, societal and governance (ESG) challenges, risks and opportunities.

This work to identify, analyze and manage ESG risks is carried out in line with the methodology used for Group risk management (Section 3.2.2.2 *"Risk identification and assessment"*, page 145) with the validation of the CSR Committee:

- **setting the context:** ESG challenges, risks and opportunities are identified considering the priorities of the Shaping Music for Good strategy, stakeholder expectations, regulations and best practices in non-financial reporting;
- **identifying and analyzing ESG risks:** identified risks are then assessed and prioritized according to their probability of occurrence and their ESG and/or financial impact. This process is iterative and collaborative, involving the various teams concerned;
- **addressing ESG risks and opportunities:** this component encompasses actions taken within the Group to avoid and limit ESG risks or to take advantage of opportunities, at local and Group level. Corrective policies and actions are implemented at local and Group levels to mitigate the risk identified and reduce it to an acceptable level.

The table of Believe's challenges, risks and opportunities shows:

- the results of the analysis;
- a description of the main ESG risks and opportunities identified with regard to Believe's activities, as well as its challenges and those of the music industry;

This analysis was carried out taking into account:

- the Shaping Music for Good strategy;
- the priorities identified by stakeholders in the context of the music and technology sector;
- regulatory expectations and best practices in non-financial reporting, and the recommendations made by the CSR Committee.

The scope of the ESG risk analysis covers Believe's activities and part of its value chain.

ESG risks and opportunities have been prioritized based on the methodology used by Internal Control to identify the risks to which Believe is exposed, an overview of which is presented in Chapter 3 of the URD.

The Group's main risk factors in Chapter 3 of this document were enhanced in 2022 and 2023 through the work done on the matrix of ESG challenges, to integrate them into the Group's strategic and financial challenges.

This table is organized into three main themes, which cover Believe's main ESG challenges:

- labor, talent development and ethical practices challenges;
- societal challenges, with artists and labels and local communities;
- environmental challenges.

For each of these three themes, the table summarizes:

- risks and opportunities;
- the main policies and action plan implemented to reduce risks and develop opportunities under the prism of the four priorities of the Shaping Music for Good strategy;
- the Sections in which these topics are addressed in this URD, to invite the reader to inform themselves fully;
- an illustration of the United Nations Sustainable Development Goals (SDGs) to which the Group contributes.

At the end of this analysis, it was concluded that the material risks related to relations among Believe and its suppliers and subcontractors were not significant and therefore were not included in this table.

BELIEVE'S ESG CHALLENGES, RISKS AND OPPORTUNITIES MATRIX

CSR ISSUES AND CHALLENGES	RISKS	OPPORTUNITIES	POLICIES AND/OR ACTION PLAN	2023 INDICATORS	SHAPING MUSIC FOR GOOD AND SDG PRIORITIES	NFPS AND URD SECTION
SOCIAL ISSUES AND CHALLENGES - Employees						
Having the skills necessary to maintain our leadership position in a rapidly changing industry and in a highly stressed labor market: ● **Recruiting and retaining the right talent** ● **Having and developing technical and digital marketing skills**	Risk of not being an attractive employer and not retaining the talent needed for growth **Risk level: High** *Corresponding Group risks:* *Risks related to human capital and its development;* *Risks related to managing the rapid growth of the Group and acquisitions*	Developing a strong employer brand and attracting diverse and high-level candidates	● **Developing the visibility of the employer brand** on the Internet and social networks with the Careers website ● **Deploying an effective recruitment policy and tools** (deployment of Smart Recruiter, recruitment training guide, referrals, etc.) ● **Participation in various recruitment fairs and forums** to create a pool of potential candidates ● **Developing partnerships with educational institutions** (universities, schools, etc.)		Gender Equity; Diversity & Inclusion; Development & Wellbeing; 8 Decent work and economic growth; 10 Reduced inequalities	2.4.3, page 72
		Developing effective working conditions, well-being and mental health and creating the conditions for constructive social dialogue in the daily lives of the teams	● **Performing regular surveys of all employees** to measure the various dimensions of their commitment and satisfaction (Your Voice) ● **Supporting employees in the management of their work and their mental health** (stress management, mentoring, external psychological support, etc.) ● **Setting up local activities** to promote well-being and team spirit (sports and physical activities, catering, etc.) ● **Deploying a social protection floor to all employees**	Participation rate in the Your Voice internal barometer	Diversity & Inclusion; Development & Wellbeing; 3 Good health and well-being; 8 Decent work and economic growth; 10 Reduced inequalities	2.4.6, page 80
		Retaining and supporting employees in their career development	● **Supporting their career development and assessing employee performance** ● **Supporting managers and leaders in their** management role (training and coaching) ● **Implementing strategic talent development and succession plans**	% of employees who had at least one career review % of employees who completed at least one training course	Development & Wellbeing; 8 Decent work and economic growth	2.4.4, page 74
	Risk of not providing artists and labels with the most advanced technical and digital marketing skills **Risk level: Medium** *Corresponding Group risks:* *Risks related to human capital and its development.*	Continuously developing the highest level of skills, and training employees in the most recent practices, particularly in technology and digital marketing	● **Deploying skills acquisition methods adapted to the practices of the digital sector,** with updated shared modules and a powerful online platform ● Implementing the **best practices and training in cybersecurity**		Development & Wellbeing; 8 Decent work and economic growth; 10 Reduced inequalities	2.4.4.1, page 74 2.4.4.2, page 75

CSR ISSUES AND CHALLENGES	RISKS	OPPORTUNITIES	POLICIES AND/OR ACTION PLAN		SHAPING MUSIC FOR GOOD AND SDG PRIORITIES	NFPS AND URD SECTION
SOCIAL ISSUES AND CHALLENGES						
Managing the Group's rapid growth and internationalization: ● **Sharing Believe's culture and values: developing a company recognized as diverse, inclusive and fair** ● **Ensuring the local performance of the teams**	Risk of disengagement of employees and non-alignment with Believe's values and compliance practices **Risk level: Medium**	Creating an inclusive environment and making diversity a lever for employee attractiveness, motivation and performance	● **Promoting gender equity and parity** in all HR and management processes ● **Raising employee awareness of inclusive,** anti-bias, anti-discrimination and anti-harassment best practices	% of employees who completed the Be FAIR training Results obtained as part of the internal Your Voice barometer Professional equality index France	GENDER EQUITY DIVERSITY & INCLUSION DEVELOPMENT & WELLBEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	2.4.5, page 77
	Corresponding Group risks: *Risks related to human capital and its development;* *Risks related to fraud, corruption and ethics.*	Engaging and motivating employees thanks to our CSR Shaping Music for Good ambition and by uniting them around strong values	● **Developing an ambassadors/ Shapers network** (Believe for Planet, Believe for People/Parity) ● **Promoting Believe's Driving Forces** (Respect, Expertise, Equity, Transparency) ● **Deploying policies and tools to apply ethics and compliance standards** ● **Communicating on the whistleblowing system among** employees	% of employees who completed at least one of the Compliance training modules % of Shapers among employees	GENDER EQUITY DIVERSITY & INCLUSION DEVELOPMENT & WELLBEING 10 REDUCED INEQUALITIES 13 CLIMATE ACTION	2.1.3.3, page 54 2.3.2, page 67 2.3.3, page 68
	Risk of inconsistency and effectiveness of HR and talent management processes **Risk level: Medium** *Corresponding Group risks:* *Risks related to human capital and its development;* *Risks related to the Group's international development.*	Involving employees in the Company's growth Recognizing talent through compensation Implementing structured and robust HR processes and deploying them across all countries and subsidiaries	● **Deploying a fair and attractive compensation system** ● **Defining central policies applied locally and standardize human resources information systems** (Workday deployment) ● **Developing an attractive and fair employee shareholding program**	% of employees present in the Workday HR tool	DIVERSITY & INCLUSION DEVELOPMENT & WELLBEING 8 DECENT WORK AND ECONOMIC GROWTH	2.4.1, page 69 2.4.7, page 83

CSR ISSUES AND CHALLENGES	RISKS	OPPORTUNITIES	POLICIES AND/OR ACTION PLAN		SHAPING MUSIC FOR GOOD AND SDG PRIORITIES	NFPS AND URD SECTION
SOCIETAL ISSUES AND CHALLENGES - Artists & labels and communities						
Engaging the music industry in favor of diversity, equity and inclusion: ● **Being an inclusive partner for all diverse communities and all types of music genres**	Risk of exclusion for certain communities and music genres, and non-alignment with Believe's values **Risk level: Medium** *Corresponding Group risks:* *Risks related to relationships with artists and labels;* *Risks related to human capital and its development.*	Promoting emerging artists, women and minorities in the music industry	● **Understanding and measuring the challenges faced by women and minorities in the music industry** (Be The Change study) ● Building **partnerships with the music industry and technology for women and minorities** (Key Change, WIM, 50'inTech, etc.) ● **Supporting artists committed** in favor of minorities	Number of participants and participating countries in the Be The Change survey	Gender Equity; Diversity & Inclusion; Development & Wellbeing; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	2.5.2.2, page 90
		Engaging employees and providing the opportunity and framework to participate in solidarity activities	● **Developing solidarity-based activities and building music education programs** (Believe Tomorrow/Shaping Together)	Number of participants and participating countries in Shaping Together / Believe Tomorrow	Gender Equity; Diversity & Inclusion; Development & Wellbeing; 4 Quality Education; 17 Partnerships for the Goals	2.5.2, page 89
Attracting, revealing and supporting local and diverse artists and labels in the development of their music careers through digital technologies and services: ● **Providing easy access to digital music technologies** ● **Mastering new digital music practices for all types of artists and labels (beginners or experienced)**	Risk of digital divide, invisibility and lack of artist skills to make the most of new digital marketing technologies and practices **Risk level: Medium** *Corresponding Group risks:* *Risks related to relationships with artists and labels;* *Risks related to economic conditions and the evolution of the recorded music market.*	Training and supporting artists in the development of their careers and their digital presence by making the most of the latest technologies and digital marketing practices	● **Developing easy-to-use digital platforms and service offerings adapted to the different needs of artists** and at each stage of their career (TuneCore offer) ● **Increasing the level of expertise of artists and labels,** and training them in digital and digital marketing practices (Artist Resources program on Backstage, TuneCore Rewards, MasterClasses, etc.) ● **Providing access to a broad portfolio of reliable digital service providers** to ensure a level of visibility with local communities (150 DSPs assessed according to rigorous criteria, partnerships with DSPs, etc.)	See Chapter 1, Presentation of the Group Number of artists Number of partner DSPs Status of the partnership with the main streaming platforms (preferred partner)	Diversity & Inclusion; Development & Wellbeing; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	2.5.2, page 89
		Developing music education programs for disadvantaged communities and supporting future young musical talents as well as the local musical heritage	● **Developing music education programs for disadvantaged communities and supporting future young musical talents** (BEAMS India, Songwriting camp, Casa Preta Hub, etc.)		Diversity & Inclusion; 4 Quality Education; 10 Reduced Inequalities	2.5.1, page 85

CSR ISSUES AND CHALLENGES	RISKS	OPPORTUNITIES	POLICIES AND/OR ACTION PLAN		SHAPING MUSIC FOR GOOD AND SDG PRIORITIES	NFPS AND URD SECTION
SOCIAL ISSUES AND CHALLENGES						
Maintaining relationships of trust with artists and labels to promote their artistic creativity and financial independence: ● **Being an advisory partner while ensuring the independence and creativity of artists and labels** ● **Helping artists protect their content and monetize their music**	Risk of limiting the freedom of expression and independence of artists and labels, and of not respecting private data **Risk level: Medium** *Corresponding Group risks:* *Risks related to relationships with artists and labels;* *Risks related to relationships with digital service providers and social media platforms;* *Risks related to fraud, corruption and ethics.*	Respecting artists' fundamental rights and their artistic choices	● **Protecting the creative independence of artists and labels** while ensuring compliance with local regulations (monitoring and moderation of content depending on the country, advice and educational role for artists in the event of potentially sensitive content, etc.)		DEVELOPMENT & WELLBEING; 8 DECENT WORK AND ECONOMIC GROWTH	2.5.1.5, page 88
		Sharing value fairly and transparently	● **Establishing a contractual and fair remuneration policy that respects the sharing of value** with the artist according to the development of their career (new TuneCore rates, reduced exclusivity clause)	See Chapter 1, Presentation of the Group	DEVELOPMENT & WELLBEING; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	2.5.1.5, page 88
		Respecting the data privacy of artists and labels	● **Implementing measures and teams in charge of processing and protecting data of artists and labels** (within Believe and in coordination with the DSPs)		DEVELOPMENT & WELLBEING; 8 DECENT WORK AND ECONOMIC GROWTH	2.5.1.5, page 88
ENVIRONMENTAL ISSUES AND CHALLENGES						
Promoting an eco-responsible digital music industry: ● **Ultimately contributing to carbon neutrality for our direct activities** ● **Understanding and limiting the impact of the digital music industry on the environment and climate**	Climate and resource-related risks across the entire digital music and digital value chain (data center, streaming, equipment, etc.) **Risk level: Low**	Reducing the direct environmental impact of our activities	● **Measuring and reducing energy consumption and GHG emissions** from office buildings ● **Measuring and reducing the use of electrical and electronic equipment** by promoting recycling ● **Encouraging low-carbon transport practices** ● **Training and engaging employees** in eco-responsible practices	Energy consumption GHG emissions (Scopes 1&2) % of WEEE recycled[1]	PLANET; 13 CLIMATE ACTION	2.6.2, page 95 2.6.3, page 96
		Contributing to the music industry's efforts around the climate emergency and participating in the mobilization of various stakeholders	● **Assessing the indirect carbon footprint of our activities** (Scope 3 including data centers, cloud, streaming, live, merchandizing…) ● **Identifying Believe's key levers for limiting the physical and transitional risks** associated with climate change. ● **Preparing the definition of a medium** and long-term climate strategy ● **Training and engaging employees in eco-responsible practices** (Shaping Together and Believe for Planet Shapers/ ambassadors)		PLANET; 13 CLIMATE ACTION	2.6.1.1, page 92
			● **Contributing to the discussions and work of the music industry** (Centre National de la Musique[2]) and promoting artists who are committed to environmental protection (Mangroove)		13 CLIMATE ACTION	2.6.3, page 96

(1) WEEE: Waste Electrical and Electronic Equipment.

(2) CNM: The CNM (National Music Centre) is a French public establishment created in 2020 and under the supervision of the Ministry of Culture and Communication.

2.3 An ethics and deontological system as close as possible to employees, artists and labels

Ethics is one of Believe's first requirements daily, in its operations. It is anchored in the Group's history and values: Respect, Expertise, Fairness and Transparency.

Believe has put in place a set of tools and systems described below to promote and ensure the implementation of ethics and compliance principles in its activities. In the Group risk mapping, risks related to fraud, corruption and ethics are classified as medium risks.

"The extraordinary growth that Believe is experiencing is possible because these values are at the heart of our business. Our ethical standards, supported by strict regulations, must be imposed on us all, individually and collectively. Every day we have to make many decisions. Some of them can sometimes raise complex ethics issues that deserve special attention. It is in this context that the Believe Code of ethics was drawn up. It sets out the main standards of conduct applicable to our business and sets out the guidelines that we must follow within Believe when we are required to make decisions. It is the adherence by each one of us to Believe's values that contributes to its success".

Xavier Dumont, Chief Strategy & Finance Officer

2.3.1 Organizing the governance of ethical issues

The Risk and Compliance Department reports directly to a member of the Executive Committee, the Chief Financial & Strategy Officer. This department is responsible for designing and implementing the Group's compliance program. This includes, among other things, ethics, anti-corruption and conflict of interest tools and rules. The Risk and Compliance Director participates in the Ethics Committee to ensure the strict application of procedures by the Group's employees and partners.

The Ethics Committee is dedicated to handling cases involving breaches of the internal rules and codes. Composed of the Group's Chairman and Chief Executive Officer, the Human Resources Department, the Legal Department and the Risk and Compliance Department, it oversees the implementation of the compliance program and, where applicable, the implementation of sanctions. It also handles cases of reported breaches of the internal rules and codes, and reviews the work related to the Sapin II Law and the GDPR (General Data Protection Regulation).

The Ethics Committee is dedicated to handling reports of breaches of internal rules and codes.

This organization allows centralized governance, at Group level, of compliance and ethics issues, controls to be carried out and the management of alerts and risks.

2.3.2 Deploying policies and tools to apply ethics and compliance standards

The compliance program includes several tools, including the Code of Ethics and the Anti-Corruption Code (available in more than ten languages), as well as the conflict of interest procedure and control mechanisms. These Codes are made available on the Group's website (https://www.believe.com/fr/conformite-ethique) and Intranet. They set out the recommended ethical behaviors, those that are prohibited, as well as the sanctions incurred for any reprehensible behavior committed by Believe's directors, shareholders or employees.

Believe has set up a training and awareness program on ethics, compliance and respect for human rights to ensure the permanent application of these rules and procedures by employees. The program also provides for regular updates and training campaign reminders for current employees who completed this training program two or more years ago. This is why specific campaigns were organized in 2021 and 2023, explaining the lower percentage of employees trained in these topics in 2022.

A major online training campaign was launched in 2021 to address these topics as part of the Company's IPO (67% of employees trained). In 2023, Believe conducted a new online training campaign focused specifically on conflict of interests risks, and provided for all Group employees: 78.7% of them participated in this training in 2023.

The Group also runs a training program called "Be FAIR" on Diversity, Equity and Inclusion, which explains the non-discrimination and anti-harassment principles to be respected at Believe, as well as the whistleblowing procedure (see Section 2.4.5.4, "Training and mobilizing employees in the principles of Diversity, Equity and Inclusion and anti-discrimination and anti-harassment" page 79).

Indicator	2023	2022
% of employees having completed the Code of ethics and/or anti-corruption and/or conflict of interests training	78.7%	44%

2.3.3 Setting up and raising awareness on the whisteblowing alert protocol

Since January 2021, the Group has rolled out a whistleblowing system available in five languages, 24/7 and managed by an independent organization. It should enable everyone to report online wrongdoing or inappropriate behavior that does not comply with Believe's Code of Ethics, whether proven or suspected. Employees are encouraged to express themselves confidentially, anonymously or not, depending on their wishes. This procedure enables them to report in good faith a serious breach of the law or of Believe's internal rules.

This whistleblowing platform makes it possible to detect sensitive situations, notably of fraud, corruption, discrimination or harassment, or of non-respect of human rights, throughout the organization and in the various countries where the Group operates.

The whistleblowing platform meets the requirements of the Sapin II Law and is open to all employees and stakeholders, including artists, labels, partners and digital service provider platforms, and suppliers. The platform is available on the Group's website: https://believe.integrityline.org/index.php. It is supported by a whistleblowing management protocol that has been rolled out within the Group. Depending on the type of incident and alert reported, the protocol provides for the opening of an investigation and their rigorous handling:

- alerts relating to labor law, harassment, discrimination, employee health and the working environment are transmitted to and analyzed by the Human Resources Department and the CSR Department. The Human Resources Department then takes the necessary measures or applies appropriate sanctions, where applicable;
- other alerts, notably alerts relating to fraud, corruption, conflicts of interest, tax evasion and non-respect of human rights, are sent to the Risk and Compliance Department;
- alerts with a clear level of seriousness are examined by Believe's Ethics Committee, composed of Believe's Risks and Compliance Department, Human Resources Department, Legal Department, and Chairman and Chief Executive Officer.

Believe is committed to examining all complaints and treating them with respect and confidentiality. The alerts processed are followed-up on through the implementation of measures or sanctions, where necessary, as well as preventive actions.

In accordance with the principles of the Sapin II law, Believe has also set up a third-party assessment process, in particular for its main digital service provider partners (data center or cloud provider, or streaming platform for example).

Lastly, risks related to taxation and changes thereto are addressed through regular tax monitoring and processes to ensure compliance with current regulations.

In 2023, Believe initiated a global communication campaign called "Speak Up" to raise awareness and combat harassment and discrimination. Through diverse communication channels, Believe reaffirmed its commitment to maintaining a "zero tolerance" policy towards all forms of discrimination, moral, or sexual harassment. The campaign also provided avenues for reporting incidents, including an anonymous and confidential whistleblowing platform, direct contact with the human resources network, or reaching out to designated harassment and discrimination officers in specific countries.

Lastly, Believe recalled the provision of psychological assistance (via its partner Eutelmed - see Section 2.4.6.2 "Supporting employees in the management of their work and mental health", page 80).

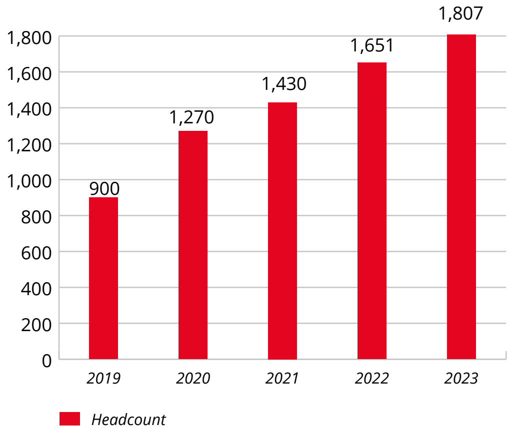
2.4 Employees at the heart of Believe's business model and Shaping Music for Good

As a fast-growing international Group, Believe must be able to attract, recruit, retain and train the right talent at the central and local levels to ensure the development of its activities and remain at the forefront of digital music technology and practices. Employees are one of the key foundations of Believe's expertise. The ability to retain its teams, share the Group's values and its Shaping Music for Good ambition are also key to Believe's success. The risk related to human capital and its development is one of the Group's main risk factors.

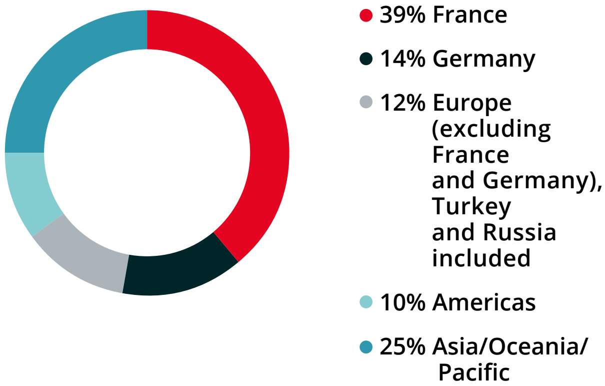
2.4.1 Believe employees in key figures

As of December 31, 2023, the Group had 1,807 employees in the companies included in its CSR reporting scope (1,919 in its scope of consolidation[(1)])

Headcount evolution

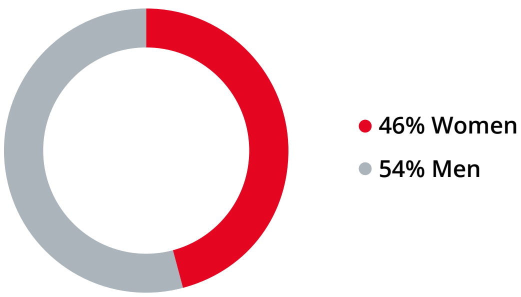


Geographical breakdown of 2023 headcount

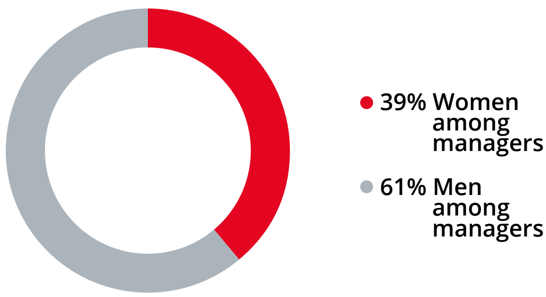


Since 2019, headcount has increased by 101%. In 2023, headcount continued to grow with an increase of 9% compared to 2022 in order to support Believe's growth.

Breakdown of women and men in 2023



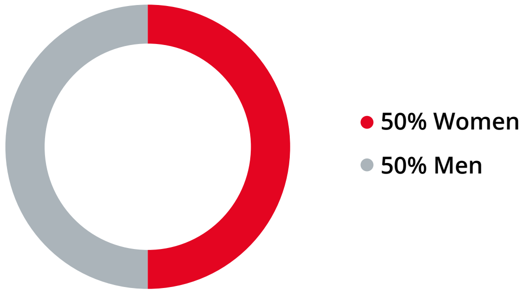
Distribution of men and women among managers[(2)] in 2023



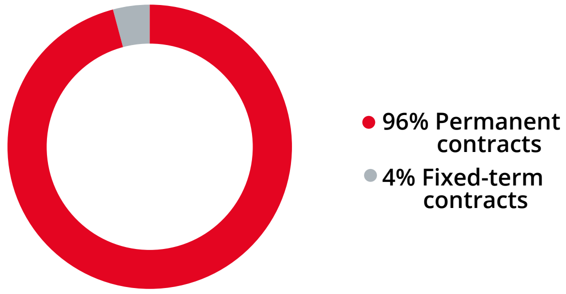
(1) *In this Chapter, the Group's salaried headcount includes all consolidated legal entities with the exception of Sentric (acquired in 2023). Within the scope of CSR reporting, headcount is presented at the end of the period, excluding interns and temporary workers. In addition, the Group relies on the services of external consultants in a number of countries where it operates. These consultants are not counted as employees.*

(2) *The population of managers corresponds to employees with managerial responsibilities, in the "Leaders" Career Path, with internal categories ranging from 5 to 9 (with "direct report").*

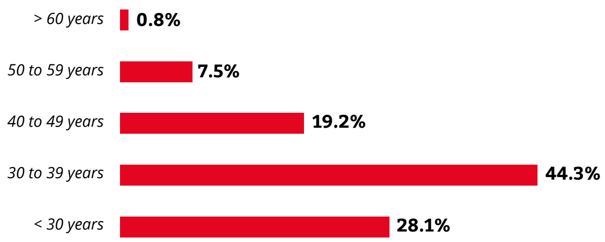
Breakdown of women and men in the Executive Committee in 2023



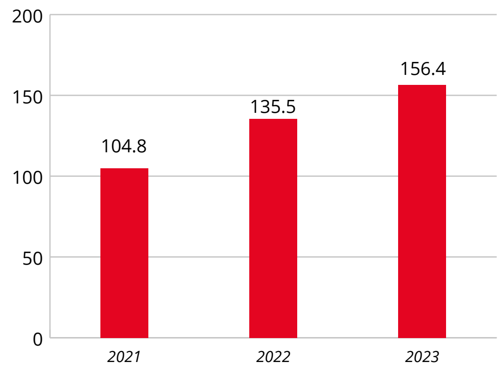
Breakdown of fixed-term/permanent contracts[(1)] in 2023



2023 age pyramid (headcount on permanent contracts)



Change in payroll
(in € million)



(1) The fixed-term contracts considered here include fixed-term contracts and work-study or equivalent contracts. 3.6% of employees were on fixed-term contracts in 2023, i.e. 66 people, including 53 under work-study or equivalent contracts.

2.4.2 A structured human resources organization to support the Group's growth

Believe has put in place structured and robust human resources management processes and tools capable of meeting the following challenges:

- recruiting and integrating a significant number of employees in more than 50 countries, in a context of pressure on available talent in certain segments, particularly in the technological, digital and music industry profiles;
- developing skills and offering career opportunities in a disruptive and rapidly changing industry;
- retaining and supporting employees and managers throughout their careers, in order to meet new expectations in terms of quality of life at work and "purpose";
- developing best managerial practices, and thus ensuring a high level of commitment;
- integrating and developing the resources of the acquired companies, by sharing and applying the Group's values and processes.

In 2023, Believe standardized its Human Resources Information System (HRIS) by gradually rolling out the Workday platform for the main administrative management processes (excluding payroll and time/absence management) and talent management processes among nearly all the Believe teams worldwide. This highly structuring program for the human resources ("HR") function makes it possible to:

- reduce the number of systems and applications and ensure better control of HRIS costs;
- optimize and improve the efficiency of HR processes, and their reliability, as well as the cross-functionality of HR data;
- provide a better "experience" for employees and managers, notably by becoming more autonomous and empowered to manage their development and their teams.

The roll-out of this new information system over a scope covering 95% of the employees included in the CSR reporting scope has been accompanied by a change management program, to ensure its rapid adoption by HR teams and all users. Believe has set up numerous training courses to reinforce the practice of key processes for the performance and development of teams, such as:

- defining and monitoring individual objectives;
- evaluating performance through half-yearly career reviews and;
- using feedback functionalities.

A central team that defines the policies and practices rolled out at the Group:

Believe structured the Human Resources Department into four central departments presented in the table below, which serve the local human resources teams in the regions and countries where the Company operates.

The main role of the central teams is to define the principles, policies and practices, which address the following themes:

- attractiveness, recruitment and retention of teams;
- skills development and support for managers;
- promotion of the Diversity, Equity and Inclusion principles and gender parity;
- well-being at work, and health;
- sharing value and seeking for fair and attractive compensation;
- social dialogue.

They ensure consistency and equity in access to Group programs, tools and reporting.

CENTRAL HR DIVISIONS	MAIN RESPONSIBILITIES AND ACTIVITIES
People Success	Implementing talent acquisition and development policies and strategies, notably training programs and succession plans.
Compensation & Benefits	Define and roll out compensation & benefits policies and tools.
Operations	Set up human resources information systems, in particular the roll-out of Workday in 2023; Centralize and make available HR procedures, dashboards and key HR indicators.
CSR & engagement	Steering the Shaping Music for Good approach, and ESG non-financial performance; Measuring employee engagement and supporting the implementation of action and engagement plans.

Local HR teams that roll out HR processes

The main role of the local human resources teams, with the support of the central teams, is to:

- implement HR principles and policies in the field;
- adapt practices according to country specificities;
- operationally manage talent development and support managers in their role of effectively managing their teams.

This organization is based on an ongoing dialogue among the central and local human resources teams. It makes it possible to:

- consistently and rapidly roll out policies and tools at the Group's entities;
- align and harmonize policies and practices, while pursuing a pragmatic and effective approach on the ground;
- provide local management in countries.

2.4.3 Be an attractive employer: hiring and integrating talent

Believe's business model is essentially based on the expertise of its teams in highly competitive businesses. The ability to attract, recruit and integrate talent is an important issue in supporting the Group's growth.

Every year and on all continents, Believe recruits large numbers of employees with diverse levels of skills and experience. These include experts in the music industry, IT engineering and development, digital and data management and analysis. The job market in the digital world is characterized by strong and global competition, particularly for the "tech" profiles sought by well-known companies.

Believe defined a talent acquisition policy and process aligned with the Group's values. The HR People Success team manages and coordinates the recruitment process in all countries. It ensures successful recruitment and guarantees a transparent, fair and uniform candidate life cycle. Teams dedicated to talent acquisition are set up in countries where the number of hires is particularly high. Believe also strives to increase the visibility and attractiveness of its employer brand in order to attract the best possible candidates.

2.4.3.1 Developing the visibility and attractiveness of the employer brand

For several years, Believe has been developing the visibility and attractiveness of its employer brand by promoting:

- a diverse and inclusive work environment;
- the Group's transparent relationships with its employees;
- the professional opportunities offered throughout the employee's career;
- fair compensation in line with market practices.

In 2022, the Group formalized and rolled out its employer brand, Set the Tone. This effort was supplemented in 2023 by the development of a new website dedicated to recruitment and accessible from the Group's website (https://careers.believe.com/en/). Promoting the Shaping Music for Good approach also contributes to Believe's attractiveness and pride in belonging, particularly among young talent.

Believe's employer brand strategy aims to:

- recruit committed talent in line with Believe's values and culture;
- strengthen Believe's positioning among Tech and music industry candidates, by promoting Believe's initiatives and opportunities, and by emphasizing the Shaping Music for Good program, in particular on the subjects of gender equality and diversity and inclusion;
- engage employees in the recruitment process, in particular via co-optation and promoting the employer brand on social networks;
- increasing the Group's visibility worldwide, notably on specialized job boards and platforms such as Indeed, Welcome to the jungle, Glassdoor, etc.;
- promoting Believe among young talent by developing relationships with schools and by participating in events (recruitment fairs, webinars, mentoring, etc.).

In 2023, Believe continued to set up internal and external initiatives, as described below, and partnership programs with recruitment platforms, target schools and universities, and professional bodies.

The Group's goal is to develop its visibility as an employer, increase its pool of candidates, notably among women, and improve the candidate experience. In 2023, Believe also continued its proactive policy of recruiting women, with 49.7% female hires (women who were hired and effectively joined Believe).

By way of example, Believe set up the following initiatives to promote its visibility and the recruitment of talent from diverse backgrounds:

- communication campaigns with recruitment platforms to promote successful employee career paths, notably with LinkedIn, Welcome to the Jungle and 50inTech;
- partnerships with committed "Tech" and music industry actors, or with LGBTQIA+ communities: 50inTech, Ada Tech School and *Ligue des Jeunes Talents*[1] (France), and Saksham Job Fair (India);
- relations with schools and universities and participation in campuses and recruitment events and fairs, notably in France:
  - organization of webinars with EMIC students,
  - participation in the NovaTech innovation fair of the Centrale-Supélec school,
  - sponsorship of the Campus Live competition among students from top schools on the Cergy campus,
  - participation in recruitment forums: Galileo, CELSA, and employment of people with disabilities in the entertainment sector, etc.
  - welcoming interns and apprentices or candidates who have not yet graduated,
  - solidarity initiatives with associations to support and train young people from disadvantaged backgrounds who can become potential candidates to be hired (see Section 2.5.2 "Leading change in the music industry and developing a culture of engagement with local communities", page 89).

2.4.3.2 Deploying an effective recruitment policy and tools

Believe has implemented and deployed procedures, tools and training for the various stages of recruitment in all countries.

Preparing recruitment:

Recruitment preparation is structured around three major challenges, aligned with Believe's values (expertise, fairness, transparency, respect).

CHALLENGES	MAIN ACTIONS TO PREPARE RECRUITMENT
Training to recruit	• Training HR managers on recruitment; • Training and supporting managers by providing recruitment guidelines and training, as well as the employer brand's value proposition; • Incorporating the principles of diversity, equity and inclusion, and an understanding of conscious and unconscious biases, into the recruitment process (see Section 2.4.5 "Creating a diverse, inclusive and fair working environment", page 77).
Positioning the job clearly	• Defining the content of the position and the profile sought by sharing a set of objectives and skills; • Calibrating positions in relation to market prices, using internal compensation grids and recognized external benchmarks, such as that of Towers Watson; • Publishing attractive job offers, clear on roles and responsibilities, and faithful to the reality of the position and respecting the principles of gender equality and inclusiveness.
Generating a pool of candidates in line with Believe's culture and values	• Communicating on Shaping Music for Good and positive impact initiatives launched locally. Through the "Life at Believe" LinkedIn pages, candidates can project and learn more about Believe; • Presenting careers in the music and "Tech" industry to young people and professionals with various profiles (Duo Day); • Creating and leading talent communities to which people interested in Believe can subscribe and indicate their business interests to receive communications from the Company; • Rolling out a referral program, "Spread the Melody", allowing the employee to win prizes if the recommended candidate is actually recruited.

(1) *Young Talents' League.*

Interviewing and assessing candidates:

Believe defined the best practices and key steps to be implemented during the interview and selection process, in order to ensure the best possible recruitment success in the shortest possible time:

- transparently explaining to the candidate the various stages of recruitment, as well as the benefits and challenges of joining Believe;
- clearly presenting working conditions and compensation to potential candidates, as well as Believe's values and culture, and thus ensuring the success of recruitment;
- preparing the interviews in order to assess candidates optimally, equitably and fairly;
- assessing the candidate in the most objective and unbiased way possible, in particular through the upstream training of managers and recruiters on the conscious and unconscious influence of each person's biases;
- testing and assessing the suitability of the candidate with Believe's "culture" and values, in particular through a profile test specific to Believe;
- identifying and explaining to the candidate career development and skills enhancement opportunities.

Believe also set up a system enabling the continuous assessment of the level of satisfaction at each stage of the recruitment process, both from the point of view of the recruited candidate and that of the recruiter-manager.

Rolled out since January 2023, this system makes it possible to assess the quality of the feedback received by candidates, by recruiter-managers, and by the Talent Acquisition team. The Group ensures that Believe's values are respected throughout the recruitment process, and identifies areas for improvement.

2.4.3.3 Offering effective and rapid onboarding of new employees

The onboarding process is essential to ensure the new employees have a successful experience at Believe from the start and allows them to efficiently integrate within the organization.

The first onboarding step is offered online and starts before the employees arrive at Believe. This is followed by additional online as well as face-to-face onboarding steps.

This process facilitates the integration of new joiners and shares the fundamentals of Believe's culture and values from the outset.

This onboarding phase includes:

- the management of administrative matters (contract, equipment, social benefits, organization, etc.);
- the presentation of the Group, its activities and its values;
- the first mandatory training courses (Code of Ethics, Anti-Corruption and Conflicts of Interest, Be FAIR on diversity, equity and inclusion, GDPR…). These Group-wide training modules are supplemented by business-specific training courses;
- interviews at 30 days and 90 days after a hire, carried out with local HR, make it possible to measure the level of employee satisfaction and to complete the onboarding process if necessary (reinforce a subject, facilitate internal contacts, etc.).

2.4.4 Retaining and supporting employees in their careers

In the ever-changing music and technology industries, it is essential for Believe to continuously maintain a high level of skills among its employees, by promoting the development of individual skills. This means training the next generation of digital music leaders and experts, who will offer a high level of service to artists and labels.

The Group's ability to meet the new expectations of employees, to retain them, and to develop their professional competencies is a major asset in supporting its growth and its innovation policy, which are necessary for its success. The ability of the human resources teams to adapt to diverse and evolving contexts to maintain its employees' skills and know-how at a high level is a strong lever for differentiating themselves from other players in the "Tech" sector and the digital music industry, which are Believe's competitors in the talent market.

2.4.4.1 Supporting career development and employee performance

In the technology and digital music industries, and more generally in fast-growing companies, employees have high expectations in terms of career development and mobility. Believe, therefore, deploys precise management of employee performance. Robust tools assist them throughout their career. Believe also offers mobility and development opportunities to retain its talents.

By way of illustration, since 2020, Believe has implemented a "career review" process (career interview) structured and common to the entire Group. This process is an essential and indispensable tool in employee career management and professional development. This system is implemented in each country where the Group operates so that each employee benefits from at least one career interview per year, via the Workday software.

This interview allows employees and their line managers to review the assignments carried out, and the achievement of the objectives set. Employees also identify their needs for individual support and training, and share their wishes for professional development with their line manager. At that occasion, the line manager may propose development or support plans to the employee where applicable, after consulting the human resources teams.

To ensure the smooth running and effectiveness of career interviews, training and awareness-raising campaigns for employees (including managers) are organized twice a year. They make it possible to communicate on the process, to recall the objectives of the interviews, and to prepare for their work.

Indicator	2023	2022
% of employees who participated in at least one career review during the year	98%	97%

2.4.4.2 Rolling out training and development programs adapted to employees and our business sector

Believe provides a wide range of training programs to all employees so that they can maintain or raise their expert status on topics specific to their field and business.

The purpose of these training courses is twofold:

- strengthen or acquire managerial and/or personal development skills, and the fundamentals of Believe (compliance, Be FAIR on issues of diversity, equity and inclusion, onboarding, etc.);
- develop expertise on rapidly evolving or disruptive subjects (IT development, data analysis, digital marketing, etc.).

Each employee is encouraged to follow the training courses that best meet their needs and the changes in Believe's activities. Training is thus one of the non-financial criteria included in the annual and long-term variable compensation of the members of the Executive Committee, of the managers of the Group's main subsidiaries, and of the Chairman and CEO's variable compensation in 2023 (See Section 4.6.4.2.2 "Variable compensation in 2023", page 198).

The content offer, the methods of acquiring skills and their results are managed within the Believe Academy and Business Campus online platforms. Digitization enables each employee to follow their training path, according to their own organization, and to know the mandatory and recommended modules adapted to their profile.

Online training programs, supplemented by face-to-face training more specific to a department or business, cover the following areas:

- personal development;
- support for managers;
- business line expertise;
- Believe fundamentals (compliance, Be FAIR on diversity, equity and inclusion, onboarding, etc.).

Believe partners with specialist and recognized training platforms to provide a catalog adapted to the Company's various business lines and selected for their quality. The development of the online modules available in adapted, educational and varied formats (interactive, of different lengths, etc.) provides great flexibility for employees and facilitates self-learning. In order to best meet the specific expectations of each employee and their professional lifestyle, the content formats available to them are multiple (tutorials, videos, webinars, personalized training, e-books and podcasts). Some training is certifying, notably in relation to "Tech" professions.

Since January 2023, Believe has partnered with leading institutions that enable high-level, internationally recognized skills to be acquired online, such as: MIT, Harvard Business School, ESSEC, HEC, Singapore University, AWS certification.

The People Success team manages the quality of training and verifies that the content and teaching methods are in line with market expectations and new practices. It conducts regular surveys to determine the satisfaction rate among employees.

These training programs and tools demonstrate Believe's desire to invest in the development of its employees and to support them in their career and employability. This training policy is part of the career development plan for each employee, which is drawn up during career review sessions.

Indicator	2023	2022
% of employees who attended at least one training course during the year (in number of hours per person)	94,4% (11h)	90.6%

2.4.4.3 Supporting managers and preparing a talent pool

Believe is very committed to supporting its managers, who are often young or junior in their roles, and who assume their responsibilities in a fast-paced and fast-growing environment. The objective is to:

- prepare them to take up their duties;
- support them in their day-to-day management role, and;
- build a career plan with them.

The Executive Committee and managers receive the support of the central and local human resources teams on a daily basis. Together, they monitor recruitment, half-yearly and annual reviews, salary reviews, the review of objectives, and support measures for the development of their teams. Working closely, they define and implement specific action plans based on the results of satisfaction surveys (see Section 2.4.8 "Ensuring continuous dialogue with the teams and measuring the level of commitment and satisfaction", page 84).

All managers and leaders benefit from a training offering dedicated to the development of their managerial skills.

This offering includes several learning formats, such as quarterly seminars, practice workshops, online modules, podcasts, virtual videos and books, coaching, etc. The variety of formats allows each manager to choose the format(s) best suited to their personal objectives and those of their team.

Several topics are addressed by these training courses to improve and managerial practices, which are as follow:

- conflict management;
- career and salary reviews;
- the definition of performance objectives;
- career development;
- time and workload management;
- a feedback culture;
- change management, etc.

2.4.4.4 Implement strategic talent development and succession plans

In 2022, Believe defined and formalized a strategic talent development planning process that will be gradually rolled out throughout the Group in order to cover a larger scope over the coming years.

This structured process aims to:

- identify critical positions and key experts for the Group's activities today and tomorrow;
- support the individuals identified to retain and develop their potential;
- define succession plans in the event of departure or absence in order to ensure business continuity;
- prepare potential future leaders.

Applied since early 2023 for the members of the Executive Committee and the managers of the main subsidiaries, this work focused on the organization of a continuity plan in the event of an unexpected absence or departure among the Group's executive directors and managers in each country and department. This plan enables the Group to:

- anticipate the intentions of employees identified as key people;
- identify future potential leaders for each key position;
- confirm their ambitions within the Group;
- and prepare them for their future responsibilities and duties.

Succession plans are reviewed annually and updated as necessary in Workday to ensure that their content remains relevant and aligned with Believe's strategic guidelines.

2.4.5 Creating a diverse, inclusive and fair working environment

Operating in over 50 countries and with more than one million artists served directly or via their labels, diversity is part of the daily life of Believe's employees. The Group promotes and supports diversity in all its forms – gender, ethnicity, nationality, religious beliefs, sexual orientation, disability, age – as a source of creativity, innovation, and individual and collective development.

"Being surrounded by people who think differently constantly challenges you and makes you grow. Diversity is key to offering the best solutions to our artists and labels in a constantly evolving environment. Equity and inclusion are essential drivers of our employees' well-being and commitment. Believe's goal is to be an inclusive, responsible and example-setting player in order to be one of the top employers in the music industry".

Denis Ladegaillerie, Chairman and Chief Executive Officer and Founder of Believe

The Group thus attaches particular importance to promoting Diversity, Equity and Inclusion (DEI), both among artists and labels and among employees. Believe is particularly committed to gender equity and also actively fights against sexism, racism and all forms of discrimination and harassment. Aligned with the Group's values, these DEI principles are deployed in all human resources processes and among managers. The ambassadors/Shapers also help to promote these principles, which are put into practice by all employees.

2.4.5.1 Formalizing our commitment with the Diversity, Equity and Inclusion Charter

Believe established a Diversity, Equity and Inclusion Charter for its employees. This charter was widely distributed among all employees when it was created in 2021, through a dedicated communication campaign. It is also included in the Be FAIR online training module dedicated to diversity, equity and inclusion, which is mandatory as part of the onboarding program for new joiners.

The principles of Believe's Diversity, Equity & Inclusion (DEI) Charter	Believe's practices and actions in terms of Diversity, Equity & Inclusion (DEI)
Ensuring equal opportunity within the recruitment, development and promotion processes.	The recruitment process, career development and training systems have been designed to be objective, fair, and thus avoid any discrimination.
Ensure fair compensation for equal work, performance and skills.	Pay equity is guaranteed by a guide for the various positions and levels of responsibility with internal and external compensation guidelines. In addition, compensation is reviewed at least once a year.
Raising awareness of unconscious bias and discrimination and educating employees about legal implications to promote inclusive and respectful behavior in everyday life.	Dedicated workshops on diversity and inclusion were rolled out across the Group from 2021, and then again in certain key countries in 2022 and 2023 (*e.g.* United States, France, Italy, United Kingdom, India, etc.). In addition, a Be Fair online training course on diversity and inclusion and the fight against stereotypes was set up in 2021, and made mandatory in 2022 for newcomers as part of their onboarding program. This Be Fair online training module was updated in 2023. In 2023, an interactive webinar was also organized to explain diversity, equity and inclusion challenges to employees and give them the keys to fostering an inclusive work environment.
Creating an environment where people can express themselves safely.	A whistleblowing protocol to manage discrimination complaints has been implemented in 50 countries. For Believe, it is essential that everyone feels safe, heard and, above all, accepted.
Encouraging employees to join ambassador/Shaper communities in order to propose, promote and implement concrete initiatives in favor of Diversity, Equity and Inclusion.	Volunteer employees around the world have formed local ambassador/Shaper groups organized around diversity and inclusion issues, and working for the planet.
Proposing, promoting and implementing concrete initiatives for diversity and inclusion in the workplace and in the music industry.	These actions have been rolled out for all employees, artists and partners regardless of their gender, ethnicity, religious beliefs, sexual orientation, disability or age, in all countries where Believe operates.

2.4.5.2 Promoting gender equity and parity

Believe attaches particular importance to gender equity and parity, in particular through the recruitment and promotion of women within the Executive Committee, among managers and for all employees.

Building increasingly gender-balanced teams and implementing fairness practices on a daily basis:

At December 31, 2023, 50% of the Executive Committee was made up of women, well ahead of the quotas imposed by the Rixain law, and 50% of the Board of Directors were women. Three independent women directors chaired the three specialized Committees: Audit, Nomination & Compensation and CSR, thus exceeding the legal minimum.

Beyond the management bodies, the Group has set itself an ambitious goal of gender parity, with an indicator of the percentage of women among all employees as a non-financial indicator included in the annual and long-term variable compensation of management teams.

The Group is working on its ability to attract and recruit female talent, and on its ability to retain and develop the potential of female employees.

This work has borne fruit because, at the end of 2023, 45.6% of all Believe employees were women. The proportion of women in the Group's headcount increased by 2.6 points compared to 2022, and by 4.6 points compared to 2021 (40%).

The increase in the proportion of women in the workforce stems from the commitment of the entire Executive Committee, a successful proactive policy to attract female talent, and the creation of a more equitable and inclusive working environment.

Indicator (CSR reporting scope)	2023	2022	2021
% of women among employees	45,6%	43%	40%
% of women among managers (levels 5 to 9)[1]	38.9%	37%	34%
% of women on management teams (representing the positions with the highest levels of responsibility)[2]	44.5%	42.9%	41.8%
% of women on the Executive Committee at December 31, 2023	50%	50%	54%
% of women on the Board of Directors	50%	57%	50%
% of women recruited	49.7%	51%	45%

(1) The population of managers corresponds to employees with managerial responsibilities, in the "Leaders" Career Path, with internal categories ranging from 5 to 9 (with "direct report" for 2023 and 2022 excluding Sentric; "with/without direct report" for 2021).

(2) The population of management teams corresponds to internal categories from levels 9 to 12 (including the "Executive" and "Leaders" Career Paths and excluding level 13, which corresponds to the Chairperson position). In 2023, 53 women were a part thereof, out of a total of 119 positions of high responsibility (representing 6.6% of the headcount. See Section 4.3.3, page 186).

2.4.5.3 Attracting and recruiting female talent

As part of the equitable recruitment process, gendered terms in job advertisements are removed and the list of successful candidates must contain female profiles.

The results are convincing: in 2023, the recruitment rate of female employees was 49.7%[1] (51% in 2022), a sign of the Group's development compared to 2021 (45%).

The Group is also focusing its efforts on the "tech-IT" population, where the number of women in the business lines is still limited.

- since 2021, Believe has been committed to 50inTech, a global organization promoting gender equality in science, engineering and mathematics (STEM), sectors where women are still unrepresented and receive little support. On its website, the organization underlines the robustness of Believe's inclusion and diversity system, in all of its dimensions. In 2023, Believe obtained a score of 90/100 in the Gender Score by 50inTech, one of the best scores, and an improvement compared to 2021 and 2022 (85/100). Scores between 80 and 100 are awarded to companies considered "Pioneers" in terms of inclusion, equity and safety for women in technology;
- Believe has also developed a partnership with the Ada Tech School, which offers an alternative learning model in technology. The goal is to train a new generation of diverse talent through an open pedagogy that fosters collaboration and promotes gender diversity in the technology sector. In 2023, two apprentices benefited from an apprenticeship at Believe.

Retaining and developing female talent:

Believe regularly measures employee attrition and monitors the evolution of female versus male employee attrition.

In 2023, female attrition decreased significantly (14.8% versus 16.1% in 2022) and likewise the gap with male attrition (1.4 more points for women compared to male attrition in 2023, versus 3.8 more points in 2022).

(1) The recruitment rate corresponds to the number of women hired and who joined Believe out of the total number of people hired and who joined Believe.

Believe strives to integrate the principles of gender equality into all human resources processes, and to promote a diverse and inclusive work environment. The Group closely monitors the level of satisfaction and commitment of its female employees, as well as any disparities between men and women, through the annual Your Voice internal survey (see Section 2.4.8 "Ensuring continuous dialogue with the teams and measuring the level of commitment and satisfaction", page 84).

The gender equality index:

In terms of professional equality, Believe publishes its gender equality index for France, established on the basis of five criteria: the proportion of women among the various levels of responsibility and by age group, salary increases, promotions, the number of women among the 10 highest paid employees, the number of women receiving an increase upon return from maternity leave.

The continuous and remarkable improvement of this index in France from 2018 to 2023 demonstrates the Group's commitment to equity. Believe has gone from a rating of 56/100 in 2018 to 99/100 over three consecutive years from 2022 to 2024). This progress can be explained notably by better monitoring of equity practices in all human resources processes: recruitment, compensation, development, promotion, return from maternity leave.

The Group also monitors potential gender gaps in terms of remuneration and promotions in the main countries where the Group operates (UK, Germany, India, China and the United States) and monitors the progress made and the actions implemented.

EVOLUTION OF THE GENDER EQUALITY INDEX:

Index France	2024 2023 data	2023 2022 data	2022 2021 data	2021 2020 data
Believe France rating	99/100	99/100	99/100	97/100

2.4.5.4 Training and mobilizing employees in the principles of Diversity, Equity and Inclusion (DEI) and anti-discrimination and anti-harassment

For several years now, Believe has been running a Be FAIR training program to promote diversity, equity and inclusion which is rolled out in all the countries where the Group operates.

This program was designed in-house, starting in 2021 and updated in 2023, to help employees further develop inclusive behaviors and inform them about applicable legislation.

From 2021, training was also provided to recruitment teams and managers on these principles of Diversity, Equity and Inclusion and possible bias in recruitment.

Available on Believe Academy, the Be FAIR program is one of the mandatory training modules in the onboarding process of new hires.

The main content of the Be FAIR training modules relates to:

- the principles of Diversity, Equity and Inclusion at Believe, and their implementation;
- conscious and unconscious cultural biases and how to spot them in order to adapt one's behavior to the situation;
- the fight against discrimination and harassment, and the means to report any inappropriate behavior.

Believe regularly reiterates its desire to fight against all forms of discrimination, sexism and harassment. The Group monitors all sensitive situations through the whistleblowing protocol and local human resources teams, and implements the necessary investigation procedures.

In 2023, the Group rolled out a large internal communication campaign called "Speak Up!", available in several languages.

Its goal is to explain the various forms of discrimination and harassment, and to remind employees of the procedures and tools made available to employees to report any sensitive situation and obtain the necessary support:

- the anonymous and confidential external whistleblowing platform EQS integrity line (Section 2.3.3 "Setting up and publicizing the whistleblowing system", page 68);
- local HR teams and harassment officers in certain countries;
- psychological support services via the partner Eutelmed (see Section 2.4.6.2 "Supporting employees in the management of their work and their mental health", page 80).

In addition, Believe uses the results of the annual Your Voice internal survey to identify sensitive situations of discrimination, harassment or inappropriate behavior, in order to implement the necessary measures. A module of Your Voice questions is dedicated to employees' experience of Diversity, Equity & Inclusion and well-being at work.

The results obtained in 2022 and 2023 illustrate the Group's success in creating and maintaining a diverse and inclusive environment.

Indeed, in 2022, 97.6% of survey respondents said ***"I feel comfortable being myself at work"*** and 95.1% said ***"Believe facilitates the acceptance of people from different backgrounds and contexts".***

In 2023, the questionnaire changed slightly: some questions were reformulated. On these same inclusion topics, results remain positive.

Believe was rated 8.6/10 on the question ***"At Believe, people from all backgrounds are accepted as they are"*** and 8.3/10 on the question ***"I know I won't be discriminated against at Believe".***

2.4.5.5 Employment and integration of people with disabilities

The Group strives to contribute to the integration and maintain the employability of people with disabilities.

However, the number of employees with disabilities remains very limited, notably due to the following challenges:

- a limited pool of candidates with the necessary skills for the digital music industry;
- country-specific regulations, preventing the implementation of Group-wide monitoring indicators;
- a reluctance by employees to report their disability.

In 2023, only 0.6% of employees in France shared their disability with the HR department.

The Human Resources Department therefore raises employee awareness and promotes the professions in our industry by taking part in Duo Day[1] (since 2021) and trade fairs dedicated to professionals with disabilities.

Whenever possible, in France, General Services & Office Department also favors the use of companies in the protected worker sector. This is notably the case for the maintenance of green spaces on the terrace, and waste management in the offices.

Other initiatives are organized at the local level, such as in Italy, where Believe uses a service provider employing people with disabilities for reception staff. In China, for example, employees took part in music therapy sessions for children on autism spectrum.

2.4.6 Developing efficient working conditions, well-being and mental health

Believe is committed to providing working conditions that are conducive to the well-being of its employees in all countries. This approach focuses in particular on the organization and working environment, personalized support for employees, work/life balance and social protection. These elements are important for retaining employees and attracting candidates.

2.4.6.1 Ensuring a social protection floor for all employees

Believe aims to offer its employees safety and protection, so that they can work with confidence. The Group is committed to providing everyone with a good level of protection against health, disability and invalidity risks, taking into account the socio-economic environment of each country. To this end, the Group works with service providers to implement the necessary systems in a harmonized way, adapted to the local legal and socio-economic market context.

2.4.6.2 Supporting employees in the management of their work and their mental health

Believe is attentive to the well-being and mental health of its employees, to risky situations and to their work-life balance. The various initiatives put in place help to improve the performance of teams, increase their engagement and retention, and contribute positively to Believe's employer brand.

Supporting employees in terms of their mental health and well-being:

Since 2020, Believe has partnered with the international care and quality of life at work operator Eutelmed, to provide psychological support to all employees worldwide who seek it. This allows to prevent psychosocial risks and support employees in situations of stress, anxiety and tension, or with high workloads.

(1) Duo Day is a European initiative taking place every year since 2011 during the European Week for the Employment of People with Disabilities. It allows professionals to spend a day paired up with people with disabilities to help them discover their profession

Through this partnership, employees benefit from online conferences and workshops, documentation and advice on stress and psychosocial risk management. Employees can also self-assess their stress and anxiety levels anonymously, free of charge, via an online test. Psychological help is available free of charge 24/7. Finally, Believe fully finances consultations with a dedicated psychologist (3 to 5 sessions per year) for employees who feel the need for one. Believe has entrusted the management to Eutelmed, a third-party organization outside the Group, in order to guarantee enhanced confidentiality for employees, in addition to the professional secrecy imposed on psychologists.

On a daily basis, the local Human Resources teams provide local support and personalized monitoring of employees and managers. High-risk situations, such as periods of more intense work or the taking on of new functions, are supported by managers and human resources teams in a proactive manner in most situations.

In addition to the psychological support platform rolled out worldwide, Believe implements actions at the global and local level. Some of these initiatives are adapted to a country's specific local and geopolitical context, and defined according to the results of the Your Voice internal barometer as part of an improvement action plan.

Type of actions	Examples of initiatives in different countries to promote employee well-being and mental health
Training & awareness-raising on psychosocial risks	● Webinars on psychological risks and other mental well-being risk factors, including stress: risk identification methods, prevention and solutions. Modules dedicated to managers were also organized to disseminate best practices (worldwide). ● Webinar on managing relationships with artists, which can lead to stressful situations (global). ● Webinar led by the artist Shalmali Kholgade on how to support artists in order to promote their mental health (India). ● In total, more than 200 employees took part in these training sessions and awareness-raising actions.
Psychological support	● Eutelmed psychological support platform (see above), supplemented by local services, notably in the United States (Paradigm), Germany and India. ● Information webinar on Eutelmed's services. ● Special psychological support for teams faced with exceptional situations in relation to natural disasters (Turkey, Morocco) or tense geopolitical situations and conflicts (Ukraine, Middle East, etc.). ● Individual coaching and mentoring, where necessary.
Well-being & sport	● Global sports challenge (via the SquadEasy app - twice in 2023) to encourage employees to walk, run and cycle (see Section 2.4.6.3 "Engaging and motivating employees through our SMFG goal: local activities that promote well-being and team spirit", page 82). ● Individual Shiatsu sessions (France) promoting stress management and prevention, and physical and mental recovery; or through an app (CalmApp in North America and Latin America). ● Sports and yoga activities set up in certain Believe offices and/or in partnership with external service providers (Paris, New York).

Providing a flexible work organization:

In all countries, Believe provides a flexible work organization, which promotes the commitment and performance of teams, in compliance with local regulations. Given the strong digital component of the Group's activities, teleworking is a tool popular with teams, who are used to working remotely. The work tools available to employees are designed for the organization of meetings and for collaborative online work.

In this spirit, the teleworking agreement signed in December 2021 in France was renewed in 2022 with the possibility of two days of teleworking per week. Depending on personal circumstances, Believe can offer a more flexible work organization.

In 2023, the absenteeism rate was 2.1%. This low level of absenteeism corresponds to tertiary activities, and can also be explained by the success of the measures put in place to promote the well-being and mental health of employees. In addition, as in the service sector, Believe records few absences due to work-related accidents.

Indicator	2023	2022
Absenteeism rate (1)	2.1%	3%

(1) Absence due to an accident or occupational illness, any other illness, or a family event during the period. The absenteeism ratio compares the number of days of absence (excluding parental leave) and the number of theoretical days worked. The calculation includes employees who left the company during the fiscal year.

2.4.6.3 Engaging and motivating employees through our Shaping Music for Good goal: local activities that promote well-being and team spirit

Activities promoting well-being and conviviality:

Numerous initiatives are implemented locally to create an inclusive, collaborative working environment conducive to well-being. These actions also contribute to developing a team spirit, a sense of belonging to the Group and employee satisfaction.

The local human resources, CSR and communication teams organize these initiatives, in coordination with the Ambassadors/Shapers network, which is a source of proposals.

Some examples of local initiatives:

Employees can take part in social events (afterworks, lunch and learns, children's day, group sports classes, massages) in several countries (France, Italy, UK, United States, etc.).

They are also authorized to take their dog to their workplace in the UK and Russia, a system particularly appreciated by the teams.

In China, they take advantage of therapy sessions to relieve body pain and promote restorative sleep.

In France, artist showcases and specific workshops (maintenance of plants on terraces, nutrition classes, creation of bouquets of flowers, etc.) are organized as part of the "Pause" program. The company canteen was also involved. It now offers a wider variety of meals, including vegetarian, balanced and seasonal menus. In addition, at the suggestion of the network of ambassadors/Shapers, a breastfeeding room and gender-neutral toilets have been set up, and sanitary pads are available free of charge.

Believe also promotes sports and solidarity practices, both locally and globally:

- in France, for example, a gym has been open since 2022 and the Social and Economic Committee (SEC) offers subscriptions to gyms and online training platforms at negotiated prices;
- globally, Believe rolled out the SquadEasy application in 2022 and 2023, promoting walking, running and cycling as part of a solidarity challenge organized for all Believe employees. During the two challenges organized in 2023, 976 participants covered almost 150,000 kilometers on foot or by bike (95,000 in May and 53,000 in September). They also answered questionnaires on quality of life at work, well-being and mental health (in May-June 2023) and best environmental practices in their profession and daily life (in September-October 2023). The sharing of photos and comments fostered a strong team spirit. The challenge's fun, sporting and mutually supportive dimension was very popular. At the end of this operation, the Group financed environmental and solidarity projects led by Reforest'Action (in the following countries: Brazil, Indonesia, Morocco, Nigeria, Peru) and provided massage vouchers to the winning teams.

Lastly, activities as part of the Shaping Together solidarity month (see Section 2.5.2.2 "Promoting music as a vehicle for committed messages and responsible practices", page 90) and the ambassadors/Shapers program contribute to creating convivial moments, team spirit and pride in belonging to the Group.

2.4.7 Deploying a fair compensation system and sharing value creation with employees

Believe pays particular attention to the overall coordination of its compensation policy, based on internal equity, performance and attractiveness.

To this end, the Group relies on structured and robust processes, deployed in all countries.

2.4.7.1 Applying a fair, consistent and attractive compensation policy

Since 2020, the Group has used an internal business line framework to structure compensation in a consistent manner according to the type of position and level of responsibility, and country. The guidelines establish a minimum, median and maximum level of compensation for each job level based on Believe's and local market practices.

When a position is created, the process includes an assessment to determine its level of contribution.

Believe's compensation policy is, therefore, based on the level of skills and contribution expected for a position. No discrimination of any kind is applied.

Compensation is reviewed annually to recognize the performance and contribution of each person while ensuring that compensation is competitive with the market. Each year, the Group participates in compensation surveys relevant to its sector of activity. These benchmark data are used to update the internal compensation grids. Where appropriate, "catch-up" increases are applied, notably to ensure equal compensation for men and women.

The level of employee satisfaction on compensation is monitored during career reviews (dedicated question) and through the internal Your Voice survey.

The Group also verifies gender equality in terms of compensation, salary increases and promotions (see Section 2.4.5.2 "*Promoting gender equity and parity*", page 78).

Believe's first employee shareholding plan: *b.shares*

Believe is committed to involving its employees in the Group's development and value creation. In 2022, the Group set up its first global employee shareholding plan, called ***b.shares***, which was rolled out in its six main countries (France, Germany, United States, India, UK and China), representing 80% of the Group's employees in 2022.

This plan was built in order to offer as many employees as possible the possibility of subscribing to it, for all income levels:

- a maximum investment to ensure the consistency of personal investment amounts and thus guarantee equity between employees;
- a matching incentive and threshold to promote access to all eligible employees;
- a 20% share price discount applied to the entire investment.

The results were very satisfactory, with a subscription rate of 40% among eligible employees.

From this first edition, the ***b.shares*** offer enabled the Group to reach, by 2022, a rate of employee shareholders of 31%, holding 0.35% of the Company's capital directly or through the Believe shares company mutual fund (FCPE).

At December 31, 2023, employee shareholding represented 0.29% of Believe's capital.

2.4.7.2 Sharing value creation with employees: the commitment of the Chairman and Chief Executive Officer

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, 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.

2.4.8 Ensuring continuous dialogue with the teams and measuring the level of commitment and satisfaction

High-quality social dialogue is an essential component of Believe's model. It illustrates the Group's desire to involve employees in its development and fully reflects its values of respect, expertise, fairness and transparency. In each country, the proximity and accessibility of managers and human resources teams enable employees to express any concerns. The annual internal Your Voice survey also makes it possible to collect expectations, feed into discussions and adjust the Group's actions (see below).

In addition, Believe has put in place a strategy with tools and internal communication means, in order to share and make accessible the necessary information for all employees, in particular via global webcasts.

During these events, the Chairman and Chief Executive Officer and members of the Executive Committee present the Group's strategy and performance to all employees. They also communicate via regular newsletters and an online information platform called Believe Insider.

In France, Believe has had a SEC since 2019, which replaced the single employee representative body (*délégation unique du personnel* – DUP). Regular and transparent dialogue allows for very constructive discussions on all subjects affecting the life of the Group and its employees.

Since the creation of the SEC, two collective agreements have been signed in France, on employee profit-sharing and teleworking.

Employee representative bodies are also in place in Luxembourg and Germany. The ambassadors/Shapers program is also involved in social dialogue in the field.

The Your Voice internal barometer to measure employee commitment and satisfaction

The Group gives all employees the opportunity to give their opinion and their feelings during the annual internal Your Voice survey. This social barometer is carried out on a voluntary, anonymous and confidential basis, and administered by a third-party service provider. The detailed questionnaire measures the various dimensions of employee engagement and satisfaction worldwide. Set up in 2021, these surveys are an important steering and management tool for measuring progress and implementing action plans specific to the various departments and countries.

Following Your Voice #3 (December 2022), nearly a hundred actions were implemented at local and central level, covering four main themes:

- professional development;
- recognition;
- collaboration and process efficiency;
- internal communication.

Renewed in November 2023 and rolled out on a new online platform, the Your Voice questionnaire covers various topics related to engagement, well-being and health, diversity and inclusion, as well as transformation and change management:

- understanding of the Group's strategy, communication and change management;
- sense of belonging and contributing to the Group's success;
- relationships with managers and among teams;
- working conditions and employee satisfaction;
- recognition, and personal and skills development opportunities;
- diversity, equity and inclusion by putting Believe's values into practice;
- recommending Believe as an employer.

The response rate in November 2023 increased compared to 2022, as indicated in the table below, and provided relevant and representative feedback. Results were then communicated and analyzed with the management teams, and then shared with all employees. Action plans will be defined and implemented in 2024 within each entity and country in cooperation with the teams.

Indicator	2023	2022
Participation rate in the Your Voice internal barometer	79.8%	78%

2.5 A committed player serving artists and labels, and local communities

Aligned with its Shaping Music for Good ambition, Believe's mission is to best serve local artists and labels at all stages of their development in the digital ecosystem with fairness, expertise, respect and transparency.

The Group is driven by strong convictions about the future of the music industry and its role in serving artists and labels. In more than 50 countries, Believe offers local teams who are experts in their field. They share the Group's vision of a more diverse and inclusive music industry and contribute to the life of local communities.

Its policies and action plans aim to:

- consider each artist as different and unique;
- serve as a priority local and independent artists and labels;
- put all the opportunities of digital development at the service of artists;
- build relationships of trust by sharing our values;
- build unique partnerships with digital service providers for artists and labels.

2.5.1 Nurturing relationships of trust and supporting creativity with our artists and labels, and our stakeholders

Thanks to its local teams and its digital solutions, Believe now supports more than one million artists around the world directly or via their labels, with an offering adapted to the needs of each artist and label, according to their stage of development. The Group offers them a wide range of services based on cutting-edge technologies, local experts and unique partnerships with digital service providers.

As part of certain contracts and the Solution Premium offering, artists and labels may also benefit from financial advances by the Group. These make it possible to finance the development of their musical projects (songs, albums).

The objective is to:

- enable each artist to learn and master all the specificities of the digital music market;
- create new opportunities for the emergence of local artists and all music genres.

2.5.1.1 Promoting diverse and local music through access to the digital market

Music reflects the changes in societies and contributes to the richness and cultural heritage of the world. Access to digital enables artists from different communities and representing diverse music styles to make their voices heard and contribute to a diverse and inclusive world.

With this conviction, Believe is committed to promoting access to the digital music market for all types of local artists, especially female artists and artists from minority backgrounds, as well as those from under-represented styles, and to helping them develop their talents.

Believe's commitment to a responsible, diverse and inclusive music industry is reflected in:

- an effective, targeted broadcasting policy which enables artists and labels to step up their exposure and monetize their creation, whatever the stage of their career development;
- a fair compensation policy that respects the sharing of value with the artist according to the levels of career development and services used by the artists and labels;
- local teams, that are experts in their area, serving artists located directly in the main cities and regions for music production;
- a local recruitment program for artists and training initiatives for artists and labels to support them in their development.

The Group invests in markets where the penetration rate of streaming is still low. Through digitization, Believe makes new music catalogs available on platforms, which would otherwise risk disappearing in the long term. It thus promotes the preservation and transmission of the local musical heritage.

"When we expand into a new market in Asia, for example, we set up a local team, recruiting local experts in the music industry. Through this proximity, these experts understand the culture, local specificities and trends, and ensure a better approach with artists and labels."

Sylvain Delange, Managing Director Asia-Pacific.

"In Africa, many artists didn't have the means to distribute their music on the Internet. Today, thanks to social networks, such as TikTok, the musical works of these artists can go viral overnight. Believe offers them a support solution, in order to give them all the keys to understanding the various digital diffusion platforms".

Andreea Gleeson, Managing Director TuneCore

Examples of initiatives among local communities to promote access to the digital music sector and to serve musical heritage:

- the **Believe for Educational Advancement through Music Scholarship (BEAMS)** program was set up in 2022 in India, in collaboration with the Manzil Mystic organization. Created by Believe, this three-year scholarship program supports around ten young people from disadvantaged backgrounds, giving them the opportunity and a favorable environment to study different professions in the music industry. Equally, 150 students were able to participate in three months of classes on the monetization of their musical talent, audiovisual production, and the use of social networks. Lastly, more than 3,000 children attending local public schools took part in music workshops;
- in April 2023, TuneCore, a subsidiary of Believe in the United States, launched its micro-grants program for non-governmental organizations (NGOs) working for a more responsible and inclusive music industry. Thus, USD 22,000 was donated to 11 NGOs providing, for example, extracurricular music education programs for low-income young people, or recording time in studios dedicated to gender minorities. The NGOs were chosen by the local network of Believe ambassadors / Shapers;
- the **Amplify Music Incubator** (India) is designed to promote independent artists from minorities through a thoughtfully curated 6 weeks rigorous program to enhance their knowledge on digital distribution, music business education etc. Industry experts and artists conduct these sessions. In 2023, 35 artists, including 18 women, benefited from development programs, opportunities for showcases and public performances, contributions to music market studies, etc.

2.5.1.2 Developing unique and innovative partnerships with local digital service providers

Believe strengthens its relationships with major local and global music, social media and entertainment platforms every day. The ability to develop partnership relationships with these platforms is key to ensuring the distribution, promotion and visibility of local artists. Today, Believe has over 100 partnerships from global and local platforms, and is present in 50 countries.

The quality and reliability of the partnerships established with the platforms are at the heart of the Group's development model. They are a guarantee of innovation, responsible risk management and protection of artists. Believe has implemented a rigorous process to assess and select digital service providers based on three main criteria:

- interest for the artist: potential audience, potential revenue and competitive advantage;
- the reliability of the platform: financial robustness, seniority, potential for development, profile of managers, corruption risks, illicit activities or financial irregularities;
- digital security: digital quality relating to content security processes and protection against fraudulent content (streaming). The contracts include content protection clauses against fraudulent distribution and server attacks, as well as clauses on technical quality standards in line with Believe's requirements.

The Group assesses the level and progress made by the main platforms regarding these criteria, through quarterly and/or half-yearly reviews.

Believe is also developing highly innovative partnerships with the most recognized platforms (such as Spotify, Apple Music, YouTube, TikTok, etc.). The Group thus enables its artists and labels to benefit from its capacity for partnership and innovation to increase their visibility, audience and monetization. Believe can thus offer its artists and labels the benefit of its position as a preferred partner of Spotify and Apple Music notably (see Chapter 1 of the URD).

2.5.1.3 Being at the cutting-edge of technology and innovations for artists and labels

Digital technology and practices on social networks and platforms are constantly evolving. As a result, Believe is particularly attentive to the latest innovations and technical and regulatory developments in the market. This ongoing monitoring work enables it to anticipate opportunities and risks, and to adapt its range of services and technological solutions.

Innovation and the deployment of the most current and relevant technologies are carried out in partnership with leading platforms. Their purpose is to allow artists to better exploit digital marketing capabilities in order to be more visible. This increases their ability to monetize their music, including for emerging creators and artists. Believe's ability to develop an attractive and differentiating technological offering helps to increase the visibility of artists and labels and to perpetuate their activities and those of Believe.

The tools provided by Backstage Promotion make it a key tool for our artists and labels, nearly 70% of whom used the resources in 2023 (among producers with a release planned over the same period).

This solution allows artists and labels distributed by Believe to:

- promote their releases and develop their audience by providing the best solutions to manage their promotion agenda;
- design promotional visuals for social networks and DSPs, to engage their fanbase and redirect it to streaming platforms;
- train to remain at the cutting edge of marketing best practices and music industry news.

It differs from other distribution services by its extensive range of marketing solutions, covering the multiple facets of a comprehensive marketing campaign.

Some examples of innovations implemented on the Backstage Promotion platform in 2023:

- Backstage Promotion launched its promotional tool creation system, Backstage Creatives. It allows artists to create unique visuals and stand out, notably on Spotify. In 2023, nearly 80,000 creations were downloaded by artists and labels;
- Backstage Promotions is also the first smartlink solution to automatically retrieve TikTok Use My Sound URLs. In addition, artist and label URLs can also be fully customized through the new Unique Slug Domain feature. As a result, nearly 169,000 links were created *via* Backstage Promotion in 2023, totaling more than 22 million visits by fans;
- with the “Follow Playlist” option created for our artists, fans can now automatically follow the playlists of their favorite artists by pre-saving their new releases, and they can do so on all platforms.

Believe’s approach to the use of artificial intelligence in the music industry:

Believe is convinced that artificial intelligence (AI)-based technologies, whether generative or not, are shifting the music industry into a new era of creativity and discovery:

- generative AI creates very significant opportunities for artists to create more and better music;
- AI promotes discovery by enabling artists to expand their audiences and increase their visibility.

Believe advocates for a responsible approach to AI, based on four principles:

- consent: the artist must be able to give his or her consent for the use of his or her voice, lyrics and music composition, etc.;
- control: the artist must be able to control how these elements will be used in music productions by generative AI;
- compensation: opportunities for monetization of a generative AI music production must be shared fairly and proportionately among the artist and the various players;
- transparency: the artist and music consumers must be transparently informed about the use of generative AI for each song and playback.

2.5.1.4 Training artists and labels in digital technology and career management

Believe has always put the development of artists at the center of its missions through personalized support and training. These missions, which constitute the Group's strength and uniqueness, are based on a wide range of training, information and support programs that enable artists to learn, understand and empower themselves to take advantage of their digital environment and talent.

In 2010, Believe developed the Backstage platform, a global distribution interface for artists and labels available as part of Premium Solutions. Via Backstage, Believe provides artists and labels with functionalities, content and services to help them manage their digital careers:

- statistics and analysis of online track performance and revenue generated by playback on streaming and social media platforms;
- tools for promoting their content on social platforms and networks (visuals for social networks, notifications, direct alerts to fans, etc.). Artists and labels can manage communication campaigns on social networks directly from the Promotion Section of Backstage;
- unique educational content and training programs aimed at increasing artists’ expertise in digital marketing and making them increasingly autonomous and independent.

Automated solutions also provides artists and labels with reports enabling them to analyze the number of streams and sales generated by their content on the main digital platforms (see Section 1.2.3 “Believe is a global digital platform offering a high quality of service thanks to its musical, digital and technological expertise”, page 15).

With TuneCore Accelerator, launched in 2023, artists and labels are able to reach more fans and increase their streams on streaming and social networking platforms. It is a powerful program that helps artists find new audiences and drive fan discovery at every stage of development. The program leverages industry-leading services powered by TuneCore’s promotion teams, marketing programs and innovative products.

Believe offers two main training programs for artists, labels, and music creators:

- Artist Resources is a training program for artists and labels as part of Premium Solutions. Launched in 2021 and enhanced in 2022 and 2023, it has more than 300 articles, written by Believe experts. These articles, in the form of tutorials, provide an understanding of the use of social networks and video platforms, streaming, optimization of sales processes, etc. The training provided can be validated by two certifications (Social Networks, Streaming Platforms) since the launch of the platform. Today, over 2,000 of our artists are certified;
- TuneCore Rewards is a training program for music creators. Launched in 2021, it covers a wide range of themes, such as social media, release planning and music promotion on the Internet. Structured into several levels, it offers, *inter alia*, educational videos produced by experts in the sector allowing artists to get familiar with best industry practices. At the end of each level of training, artists receive bonuses and discounts, before obtaining a VIP status, allowing them to become increasingly expert and independent.

"Believe's tools and training help artists to better manage their development and their fans. Whether on advertising optimization platforms or social networks, the approach is to constantly develop the profile of artists to enable them to set up a complete digital presence. At the local level, promotion mainly takes place through social networks. Then, the work to promote artists on advertising optimization platforms ensures the migration of subscribers to musical streaming platforms".

Céline Hitti, Head of Artists Services

2.5.1.5 Respecting the creative independence and data privacy of artists

Believe is committed every day to defending the fundamental rights of its artists and labels. The Group encourages and protects the creative independence and freedom of expression of its artists. It ensures that their data is respected and protected.

Respecting creative independence and freedom of expression

Believe is convinced that artists must own their art and remain free to make their artistic choices, in total independence. The Group also ensures the delicate balance between freedom of expression and compliance with applicable laws.

In the event of controversy over content produced and/or distributed by Believe, the Group investigates and ensures that local laws and platform guidelines have been complied with. If the content does not comply with the law, it is removed from the platforms in the territory or territories concerned; this withdrawal may be made at the initiative of the platforms themselves or at the initiative of Believe.

If the infringement of the law is not obvious, or if the content is sensitive without violating an applicable law, discussions with the artist may be necessary. This exchange allows us to clarify our intentions, explain the legal framework, and adjust communications on this sensitive content.

The Group's primary approach is not to remove or modify the texts or music or to interfere with the artist's talent, but to adopt a pedagogical approach and dialogue with artists, and to encourage them to explain their approach to the general public.

"We place a special focus on compliance with the regulations of the various sales platforms. We explain to our artists the importance of following the rules, and the risks and consequences for their careers. We maintain dialogue with our artists to empower them."

Claire Weill, VP Business & Legal Affairs

Respecting the data privacy of artists and labels, and employees

Respecting the data privacy of artists and labels is a crucial issue for Believe.

The Group has implemented measures to protect the data privacy of artists, labels and music creators, as well as that of employees.

The main data protection measures deployed at Believe are as follows:

- a privacy policy and a policy on the management of cookies are available in over 10 languages and are updated on a regular basis;
- a team within the Technology Department ensures the protection of personal data processed by Believe;
- the Group has set up a register of personal data processing. This register, which is based on a solution provided by a specialized third party, ensures that data is processed in compliance with the General Data Protection Regulation (GDPR). This solution also makes it possible to process the Impact Analyzes required under the GDPR;
- an Intranet module dedicated to compliance with procedures and forms is available to employees;
- the induction program includes compliance training modules, and will be supplemented by a data protection module in 2024.

Believe also works closely with some of the most important global platforms to protect artists data. With them, the Group develops solutions that offer artists the option of sharing their information or not. Believe has established due diligence procedures to evaluate platforms on a set of compliance criteria.

Distributing value fairly and transparently with artists and labels

Since its creation, Believe has aimed to build and develop relationships of trust with artists and labels. This results in a fair distribution of value among artists and labels, in the framework of simple and clear contracts (see Section 1.4.3 "Believe offers distinct and high value-added solutions to labels and artists at each stage of their development", page 38).

These values of fairness and transparency form the basis of the remuneration system for artists proposed by the Group as part of its Premium Solutions. The contracts that Believe signs with its artists and labels are consistent with market standards or superior to these practices. The Group offers more favorable clauses, such as the absence of rebates, much shorter periods of exclusivity for new albums at the end of the contract, or non-exclusivity on featuring.

Almost all artists can thus access information concerning their remuneration, their content as well as all data relating to their relationship with Believe, via the interfaces offered by the Group. These simple and educational interfaces are a differentiating element of Believe. Artists can consult their data and analyze it independently.

With TuneCore, Believe provides music creators with solutions tailored to the level of their career development. They choose the level of service they wish, with transparent pricing.

Believe is committed to fighting stream fraud:

In addition, Believe is firmly committed to fighting streaming fraud, which has a negative impact on artists and their compensation. In 2023, Believe played a leading role as one of the founding members of the Music Fights Fraud Alliance. The Group has established processes and tools to identify fraud or suspected fraud on digital platforms. Internal teams were trained to educate and empower artists and labels about streaming fraud, including artificial streaming. Lastly, Believe regularly informs artists and labels of the risks incurred in the event of abnormal activities and prohibited behaviors.

In line with its values and the Shaping Music for Good goal, Believe is committed to helping make the music industry more equitable by developing effective ways to put an end to streaming fraud, through ongoing dialogue with digital service providers and educational action with its artists and labels.

2.5.2 Leading change in the music industry and developing a culture of engagement with local communities

Believe is committed to using its technology and expertise to serve a diverse, inclusive and responsible music industry. This ambition has been integrated into its business model since its creation and in line with its Shaping Music for Good ambition.

The Group engages the various players in this industry, artists and labels, as well as its employees, on themes that are close to its heart, such as diversity, equity and inclusion, the promotion of women, education through music and respect for the environment.

2.5.2.1 Building partnerships with the music industry and the tech sector for women and under-represented minorities

As part of its commitment to Diversity, Equity and Inclusion and gender parity, Believe pays particular attention to the promotion of women and under-represented communities, as artists and more broadly within the music industry.

Believe supports internationally recognized initiatives - such as Keychange, Women in Music, and the Be the Change study - as well as more local actions to support and train women artists in their musical careers.

All Access Music:

Believe supports this French music industry initiative to promote gender equality, equal opportunities, inclusion in general and ethics. In 2023, Believe participated in two programs:

- ALL ACCESS MENTORING: mentoring and masterclass for professional women in the music industry. A Believe employee is part of the program as a mentee;
- ALL ACCESS EQUAL OPPORTUNITIES: scholarships to support students in their studies in the music industry. This year, Believe is funding two scholarships in the amount of €10,000 per scholarship and is providing follow-up support for scholarship students by offering them internships or integration in Believe at the end of their course.

Keychange:

Since 2021, Believe has also been a signatory of the Keychange initiative, a global organization working for equity in the music industry and talent development. Andreea Gleeson, Chief Executive Officer of TuneCore, is an ambassador for Keychange and actively contributes to its development in the United States. Believe and TuneCore also contribute financially to the creation of the KeyChange branch in the United States.

Women in Music:

Believe, through its subsidiary TuneCore, is a partner of Women in Music. This organization supports women artists through numerous initiatives and events organized in the United States and around the world. Believe and TuneCore employees are members of this organization.

BE THE CHANGE study:

Since 2020, Believe and its subsidiary TuneCore have partnered with recognized partners to conduct the global BE THE CHANGE study. This annual survey helps to understand the discrimination and obstacles faced by women and under-represented communities in the music industry. Believe is committed to broadly disseminating the findings of this study and to engaging the industry's various players in implementing action levers to develop a more diverse and inclusive music industry.

The BE THE CHANGE survey: the main results of the 2022-2023 edition

- Nearly 60% of the artists and professional respondents believe that gender discrimination is still a major problem in the music industry. Among them, 34% of women, 42% of transgender people and 43% of non-binary people report experiencing harassment or sexual violence in their workplace in the music industry.
- 76% of women, 89% of non-binary people and 82% of transgender people respondents believe they have faced mental health issues since entering the music industry.
- 58% of respondents do not believe that there is equal opportunity for success in the sector.
- There are also barriers to entry into the music industry: only 41% of respondents recommend pursuing a career in the music industry today.

In the light of these findings, the study recommends solutions at various levels: for the music industry, for industry executives, and for creators.

They are detailed in the report published by Believe, TuneCore and Luminate: https://www.tunecore.com/wp-content/uploads/sites/12/2023/03/FR_Gender-Equality-in-the-Music-Industry-Executive-Summary.pdf.

In March 2024, Believe and TuneCore, in partnership with MIDia Research, a media and technology research and analysis body, will publish the results of the BE THE CHANGE 2023-2024 study. This year, the study focused on designers.

2.5.2.2 Promoting music as a vehicle for committed messages and responsible practices

Music is both a reflection of its time and a powerful tool for conveying committed messages reaching a very large audience. This is why the Group intends to leverage its role in the music and digital industry, in order to engage various stakeholders in working towards a diverse, responsible and sustainable industry.

Supporting employee engagement with local communities:

- as part of the deployment of Shaping Music for Good, Believe asks its employees to propose and lead initiatives in two areas;
- make a positive impact on local communities, and;
- promote the Group's values, both internally and among external players in the music industry.

The Shaping Together program enabled more than 1,000 participants to get involved in causes aligned with their values and those of Believe.

The Shaping Together solidarity month:

Since 2021, Believe has implemented the Shaping Together program. This brings together employees around civic and solidarity activities that are close to their heart and in line with the priorities of Shaping Music for Good. On a voluntary basis, employees can contribute and participate in activities organized by the Human Resources and CSR teams and the ambassador/Shapers network.

The main investments were as follows:

- commit to social and environmental causes;
- have a direct and tangible impact on local communities;
- raise awareness among employees;
- develop a better understanding of labor, societal and environmental issues.

Shaping Together contributes to increasing employee engagement and a sense of belonging to the Group, pride and cohesion. It positions Believe as a responsible and determined company.

For the Shaping Together 2023 edition, over 1,000 Believers in 46 countries took part in at least one virtual or face-to-face activity.

Four global webinars were organized to raise awareness among 725 employees on the priorities of Shaping Music for Good, and to address the themes of gender equality, diversity, inclusion, mental health and the planet.

Through 52 local activities organized, 29 associations and non-governmental organizations were supported worldwide. As part of these Shaping Together activities, over 3,000 hours of volunteer work were carried out by employees.

Some examples of Shaping Together activities in different countries:

In North and South America, Believers helped prepare over 600 meals for Lotus House Miami and Manos Amigues Mexico. The teams helped provide access to music education to over 60 children through three events in collaboration with the Notes for Notes organization. They also celebrated the cultural heritage of the Latin American community at the Cultura en Concierto concert: Celebrating Hispanic Heritage Month[1].

In the Asia-Pacific region, other activities were organized, for example:

- in Indonesia, three conferences were organized to give the floor to accomplished professionals in the music industry. Topics covered included: how to navigate the industry as a woman, monetizing musical talent, and collaborating with existing players;
- employees in China, Japan and Indonesia collected waste and were made aware of the impact of waste on the environment and recycling;
- in India, 4,000 trees were planted by Believers under the supervision of the Tree Plantation association;
- in Singapore, in collaboration with the La Salle School of Contemporary Music, a round table was organized to discuss ways of integrating the music market in Southeast Asia for young artists. Local artists and business executives from the industry were among the participants.

In France, for example, employees were involved in:

- distributing over 700 meals with Restos du Cœur;
- participating in Odysséa women's cancer Charity run;
- encouraging students from priority education areas to discover jobs in the music industry (supported by the Culture Prioritaire association).

In Italy, with Sea Shepherd volunteers, Believers contributed to the preservation of the marine flora and fauna of the Plemmirio nature reserve.

Shaping Together is thus a way for Believe and its employees to engage in a civic and solidarity-based manner with civil society and local communities (see also Section 2.6.2 "*Supporting the engagement of employees and the music and digital industry to the environment*", page 95).

Moreover, the Group was not able to implement any specific actions to promote the nation-army bond and to support the engagement of employee-citizens in the reserves. As it is established in more than 50 countries, Believe considers that it is not appropriate to roll out this type of action among employees. To date, the Group has not received any requests on this topic but undertakes to examine favorably any request submitted to it by an employee in France, notably from reservists or persons performing a service for the Nation.

2.6 Actions on the ground in favor of the environment

Believe is a company aware of the role it must play and the responsibility it must assume in the fight against climate change and in the protection of the environment.

As a player in the digital and music sectors, Believe's impacts on the planet take on several dimensions. In line with its Shaping Music for Good ambition, the Group intends to play its role as a responsible company by gradually approaching its environmental impacts through three complementary approaches:

- measuring the direct and indirect impact of activities, defining and managing a long-term environmental policy;
- raising awareness among and training employee on climate change issues and best environmental practices;
- using the influential power of music, in particular through artists and labels, to change the behavior of employees and various players in the industry.

(1) Culture in Concert: a celebration of Hispanic Heritage Month

2.6.1 Formalizing the environmental approach

Believe's environmental approach is managed by the CSR Department and reviewed by the Board of Directors' CSR Committee. It defines the policies and action plans to be rolled out at the Group and locally.

The approach is based on Group indicators, which are structured and enhanced each year. The measurement scope is also broadened in order to match the financial scope as closely as possible. It gradually takes into account the more recently acquired entities.

Environmental reporting aims to:

- report to management and stakeholders on Believe's environmental performance;
- manage the policies and action plans implemented and define objectives.

The CSR teams work closely with the human resources and general services teams to monitor buildings. The IT, merchandising, distribution and "live" teams contribute to the other dimensions. The ambassadors / Shapers for Planet are also called upon and involved in contributing to progress in awareness-raising and implementation efforts on the ground.

2.6.1.1 Mapping to better understand Believe's carbon and environmental impact

In 2021, the Group carried out an initial carbon footprint assessment on 2020 data for its direct (Scopes 1 and 2) and indirect (Scope 3) activities, using the GHG Protocol international carbon accounting methodology.

This first exercise provided a better understanding of the various direct and indirect carbon impacts of Believe's activities. This was followed by the formalization of reporting processes based on available data for Scopes 1 and 2, in preparation for the first publication of the Group's greenhouse gas (GHG) emissions in the 2022 Non-Financial Performance Statement (NFPS).

The annual reporting set up in 2021 and enhanced in 2022 and 2023 extended the scope on which the Group's Scopes 1 and 2 GHG emissions are assessed, notably with the inclusion of legal entities in Turkey (DMC and NetD), in Japan (TuneCore Japan), and in France (6&7, Jo&Co and Morning Glory).

New indicators and data collection procedures are added every year to make environmental reporting more exhaustive and precise.

This environmental reporting makes it possible to carry out an increasingly detailed analysis of emission factors and to define objectives and action plans for Scopes 1 and 2.

In 2023, Believe continued the Scope 3 analysis in order to prepare its climate strategy in the context of the future European CSRD regulation. With the support of Carbone4, a recognized expert, Believe set up an adapted project organization to define the main sources of emissions on Scopes 1, 2 and 3, and identify risks and opportunities as well as the impacts for Believe and for civil society across its entire value chain. This analysis will make it possible to determine the major direct and indirect levers available to Believe, and to define short, medium and long-term targets.

FIRST MAPPING OF THE CARBON IMPACT OF BELIEVE'S ACTIVITIES ACROSS THE THREE SCOPES (SCOPE 1, 2 AND 3)

Scopes 1 and 2	• Offices and buildings: energy used for electricity, heating and air conditioning, and the operation of IT equipment, as well as refrigerants. Buildings are the main source of greenhouse gas emissions for Believe's direct activities. • 18 company vehicles.
Scope 3	• Upstream transport: employee commuting (emissions mapped but not measured in 2023). • Downstream transport: business travel for employees and artists (emissions measured over an extended scope in 2023 compared to 2022)[1], the transport of physical and merchandizing products or equipment for artists and events (emissions mapped but not measured in 2023). • Production of merchandizing items and CDs and LPs for artists. • Waste from the use of cardboard, paper, packaging, etc., in offices or for activities with artists (events, promotional campaigns). • IT equipment (computers, screens, printers, etc.). • Data centers and cloud services. They host the technological platforms of Backstage and TuneCore, and the data of Believe and the artists and labels used for Premium Solutions & Automated Solutions. • Streaming: the dissemination of audio and video files on digital platforms and the use by the end-user of music.

(1) The measurement of GHG emissions related to business travel was carried out for France and Luxembourg in 2022, and for France, Italy, India, Luxembourg and Russia in 2023.

Indicator	2023	2022
Emissions in tons of CO_2 equivalent for Scope 1	127.6	306.18
Emissions in tons of CO_2 equivalent for Scope 2	1137.9	401.86
Emissions in tons of CO_2 equivalent for scopes 1 and 2	1265.5	708.04

All the environmental indicators monitored by Believe are available in Section 2.7 "Methodological note and summary of indicators", page 102.

2.6.1.2 Measuring the main sources of GHG emissions related to the direct (Scopes 1 & 2) and indirect (Scope 3) impacts of Believe's activities

In addition to measuring Scopes 1 & 2, in 2023 Believe measured certain items of GHG emissions linked to its indirect activities (Scope 3) with a view to preparing its climate strategy in the context of future European CSRD regulations.

At this stage, the GHG emissions related to business travel and the transport of physical and merchandizing products or equipment have not been calculated. The Group is working to create and roll out reliable indicators to measure its full carbon footprint and set quantitative emission reduction targets.

GENERAL MAPPING OF THE DIRECT AND INDIRECT CARBON IMPACT OF BELIEVE'S ACTIVITIES (ESTIMATION OF SCOPES 1, 2 AND 3 CARRIED OUT IN 2023):

Scope 1	Scope 2	Scope 3
	GHG emissions in $TeqCO_2$	
Refrigerants 214.5	**Electricity consumption** *(including on-site servers)* 1,064.4	**Paper purchases** 0.6
Company vehicles 50.6	**Urban heating consumption** 73.5	**Water consumption** 16.8
Natural gas consumption 77		**Business travel** 62,579.8
		Waste generation and management 5.9
TOTAL SCOPE 1: 127.6 $TEQCO_2$	**TOTAL SCOPE 2: 1,137.9 $TEQCO_2$**	**TOTAL SCOPE 3: 62,603.1 $TEQCO_2$**

The scopes considered for the data presented in the above table are detailed in Section 2.7 "Methodological note and summary of indicators", page 102.

2.6.1.3 Prioritizing action on Believe's direct carbon and environmental impact

As part of its Shaping Music for Good ambition and with regard to the analysis of its carbon impact, Believe prioritizes actions for which the Group and its employees have a direct leverage on to reduce their environmental impact.

Several projects concerning energy consumption, transport, resources and waste management were launched in 2022 and 2023:

- definition and roll-out of environmental action plans in the Group's four main greenhouse gas emitting countries. France, Germany, India and the United States account for 82.5% of the Group's Scope 1 & 2 greenhouse gas emissions and 77.4% of its headcount (versus 67% and 80% respectively in 2022). The action plans implemented mainly concern the energy performance of the premises;
- development of a travel policy for the management of business travel, recommending the use of low-carbon means of transport, which will be rolled out in 2024.

The pragmatic approach of these action plans combines:

- measures that are quick and easy to implement;
- and more complex, medium and long-term initiatives.

For each action, the general services and human resources teams identify the necessary investments and measure their potential impact in terms of reduced waste production, of resource and energy consumption, and of GHG emissions.

Reducing the energy used in offices

Action plans are gradually being implemented in the main countries where the Group operates. General services identify possible local actions to reduce energy consumption, by involving the building's owners and managers, as well as employees.

The aim is to encourage local teams to:

- set target temperatures for heating and air conditioning, and limit their use outside working hours;
- disseminate best and eco-friendly practices among employees, such as turning off unused electrical appliances or not opening windows blocking the temperature control system;
- review the adaptation and maintenance of equipment with building managers;
- adapt the temperature control in the server rooms, in compliance with the conditions necessary for the proper functioning of the equipment;
- examine the level of environmental certifications (BREEAM, LEED, HQE) of the premises in coordination with the lessor.

2023 results for energy consumption related to offices:

In 2023, energy consumption in terms of intensity per m2 or per employee remained virtually stable compared to 2022.

Nevertheless, total energy consumption in absolute terms increased by 20.6% at Group level *versus* 2022, in a context of Group growth. This was due to three main factors:

- an increase in headcount (+9% from 2022 to 2023);
- the expansion of certain sites, notably in India (Mumbai, 98% increase in electricity consumption);
- the update of emission factors and the improvement of data quality, in particular for the sites in Paris (measurement and integration of greenhouse gas emissions related to the use of urban heating), Brooklyn and Istanbul.

Moreover, the discontinuation of a site in Germany that consumed electricity from renewable sources and the increase in the weight of other sites consuming electricity from non-renewable sources explain the decrease in the share of renewable energies in electricity consumption at Group level in 2023.

Indicator	2023	2022
Total energy consumption in MWh	3,486.7	2,890.5
Total electricity consumption in MWh	2,754.2	1,586.1
Total natural gas consumption in MWh_PCS	360	691.4
Total urban heating consumption	408.4	682.14
Total energy consumption per m^2 of office space in MWh	0.13	0.12
Total energy consumption per employee in MWh	1.9	1.7
% of electricity from renewable energies in total electricity consumption	39%	80%

Breakdown of energy consumption by type of energy in 2023

Adapting the transport policy and promoting low-carbon travel

Believe is gradually introducing low-carbon mobility initiatives for its employees, depending on the location of the site and local regulations:

- shared bicycle system (Germany);
- participation in the purchase of bicycles (France, etc.);
- hybrid and electric company vehicles (Turkey, France). It should be noted that Believe's vehicle fleet is very small (18 vehicles);
- payment of part of the public transport subscription (Germany, China, France, Japan).

Global sporting challenge SquadEasy, which largely motivated employees to replace the use of the car by soft mobility (see Section 2.4.6.3 "*Engaging and motivating employees through our Shaping Music for Good goal: local activities that promote well-being and team spirit*", page 82).

Equally, an internal survey will be gradually rolled out to find out the means of transport used by employees for their commuting.

2.6.1.4 Controlling the need for resources and reducing waste

In addition to climate actions, Believe is also developing initiatives to promote the circular economy and the preservation of resources, mainly in three areas:

- for IT equipment: measuring the recycling rate of waste electrical and electronic equipment in France;
- in offices: limiting the use of single-use products and developing selective sorting and recycling practices;
- for merchandising products for artists: offering eco-designed and recyclable products.

Indicator	2023	2022
% of sites that have implemented eco-responsible practices (selective sorting, recycling, reuse, etc.)	73.9%	70%

Regarding waste of electrical and electronic equipment (WEEE), data collection, monitoring of equipment, as well as the implementation of recycling and reuse practices, are complex to deploy in all countries. However, the Group has been working on implementing monitoring mechanisms adapted to local contexts since the end of 2023. A single site produced WEEE in 2023 (Group head office in Paris). The 75.2 kg produced were stored and will be recycled in 2024.

At the same time, some committed artists wish to offer their listeners and fans eco-designed CDs, vinyls, or accessories (packaging, mugs, t-shirts, tote bags, etc.). Believe then identifies specialized suppliers and defines specifications as part of its merchandising activities on behalf of its customers. In Germany, for example, Believe's subsidiaries propose to artists who so wish to work with manufacturers of vinyls produced from recycled records.

In the offices, local human resources teams, with the support of the Shapers for Planet network, raise employees' awareness of the need to apply eco-responsible practices and gestures on a daily basis (France, Italy, United States, India, China, Indonesia, Thailand, etc.): recycling of waste produced on site, occasional clothing collections, provision and use of water bottles, mugs, etc.

2.6.1.5 Refining the understanding and measurement of our indirect impacts (Scope 3) upstream and downstream

In 2023, Believe continued the Scope 3 analysis in order to prepare its climate strategy in the context of the future European CSRD regulation. With the support of Carbone4, a recognized expert, Believe set up an adapted project organization to define the main sources of emissions on Scopes 1, 2 and 3, and identify risks and opportunities as well as the impacts for Believe and for civil society across its entire value chain.

This analysis will make it possible to:

- measure our indirect GHG emissions (Scope 3) more precisely, notably for commuting, business travel and the transport of goods;
- determine the major direct and indirect levers available to Believe and define a plan to reduce our emissions, with short, medium and long-term targets.

2.6.2 Supporting the engagement of employees and the music and digital industry to the environment

Within the Shaping Music for Good framework, Believe wants to raise awareness and involve its employees and the various players in the music industry in climate and environmental issues through global and local initiatives. These actions also help to strengthen the pride of belonging to the Group and the level of employee engagement, with employees being very committed to these issues.

2.6.2.1 Training and engaging employees in eco-responsible practices

Actions implemented by the local CSR and human resources teams and by the Shapers for Planet ambassadors aim to raise awareness and train employees. The challenge is to promote eco-responsible practices and actions on a daily basis, as an employee and as a citizen.

By way of illustration, these involve activities and initiatives that promote eco-responsible practices and knowledge of environmental issues:

- replacing disposable cups with reusable cups and water bottles;
- waste sorting;
- workshops as part of the Shaping Together solidarity month (including a webinar on the environmental impact of the music industry);
- workshops and excursions to raise awareness of environmental and climate issues;
- soft mobility: SquadEasy challenge to replace the car by walking or cycling with quizzes on the environment;
- financial aid for public transport and bicycle purchases; Coordination of the Shapers for Planet network.

2.6.2.2 Participating in the music industry's mobilization around the climate emergency

Drawing on its leadership in its sector, Believe is convinced of the importance of taking action in concert with all players in the music industry. This is why Believe joined the Music Declares Emergency (MDE) group in 2021. Born in England in 2019, this movement aims to unite the music industry around climate emergency and help reduce its environmental impact. It relies on the ability of music through its cultural influence to change the public opinion and rally support for its cause.

Since 2022, Believe has made a *pro bono* contribution to the Mangroove Music label initiative, in cooperation with the Albert II of Monaco Foundation. The Mangrove Music label is the first music label with a positive social and environmental impact. It finances projects in the field with the support of committed artists.

Believe is providing advice and distributing the track *One Song One Forest* created by one of Believe's artists, Youssoupha, with singer Oumou Sangare (https://www.mangroovemusic.org/). The project raises funds to restore and protect mangroves in West Africa.

Since 2023, Believe has participated in the sectoral working group organized by the Comité National de la Musique (CNM) in France to measure the carbon impact of recorded music and define the levers of the various players to contribute to the fight against global warming.

2.6.3 Applying the principles of the "green taxonomy" to measure its contribution to the EU's climate objectives

Drawing on its environmental, social and societal commitments, Believe fully supports the European Commission in its efforts to guide the investments of public and private players in projects contributing to the transition towards a sustainable and low-carbon economy. This is notably the case in the context of the implementation of the Shaping Music for Good strategy and the ambassadors/Shapers program. Targeted actions are gradually being rolled out to achieve the Group's sustainable development and environmental objectives (see Section 2.6 "Actions on the ground in favor of the environment" on page 91).

The Group also applies the principles of the "green taxonomy" to measure its contribution to the environmental objectives of the European Union. Indeed, the Taxonomy requires companies to publish the shares of their revenues, capital expenditure and operating expenses that contribute substantially to one of the following six environmental objectives: climate change mitigation, adaptation to climate change, protection and sustainable use of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Methodology for the technical assessment of activities

A detailed analysis of all of Believe's activities within the various consolidated entities was carried out jointly by the Finance and CSR Departments, as well as with the operational teams. The identification of eligible activities and the qualification of their level of alignment with the Taxonomy were carried out in accordance with the instructions and criteria of the Taxonomy Regulation, its delegated acts and additional information provided by the European Commission through FAQs.

Pursuant to European Regulation 2020/852 of June 18, 2020 on the establishment of a framework to promote sustainable investments in the European Union (EU), the Group published, in respect of the 2023 fiscal year, the share of its turnover, investments (CapEx) and operating expenses (OpEx) which are aligned, or not aligned but eligible, for two of the six environmental objectives: change climate mitigation and change climate adaptation. It also published the proportion of its turnover, investments (CapEx) and operating expenses (OpEx) which are either eligible or ineligible for the other four environmental objectives, *i.e.* protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, and protection of biodiversity and ecosystems.

The calculation of these ratios involves the analysis of the eligibility of the underlying activities as well as the compliance by these activities with the technical assessment criteria used to qualify their alignment with the Taxonomy.

Status of eligibility

Turnover:

A large part of Believe's activities relate to distribution and artistic promotion. This activity is covered by economic activity 13.3. "Production of motion pictures, videos and television programs; sound recording and music publishing" of the "Climate Change Adaptation" objective.

Over 90% of the Group's consolidated turnover relates to distribution and artistic promotion, but no part actively promotes increased resilience to physical climate risks.

As a result, no turnover was identified as eligible for the sustainable Taxonomy.

OpEx:

On the basis of the OpEx analysis, the considered amount is not material with regard to the Group's materiality thresholds. The OpEx denominator within the framework of the Taxonomy amounted to €1.1 million. It only represents 0.14% of total consolidated OpEx. On the basis of this observation, combined with the fact that the Group's activities are not eligible to date, Believe has applied the exemption provided and not calculated the Taxonomy OpEx indicator in more detail. Operating expenses are not significant in the Group's business model, notably because the Group mainly leases its offices, generating few renovation costs, and mainly correspond to the leasing of data centers.

CapEx:

As regards CapEx, in view of the criteria provided for by the Taxonomy and the activities, the Group identified eligible CapEx for the first objective of climate change mitigation. However, no eligibility was identified for the objectives relating to climate change adaptation, water, pollution, the circular economy and biodiversity. The analysis focused on the identification of "individual measures" - *i.e.* those linked to production purchases by the taxonomy-aligned economic activities and to individual measures enabling targeted activities to be become low-carbon. For Believe, these include acquisitions or long-term leases of buildings, vehicles and IT equipment associated with servers that could offer energy efficiency and greenhouse gas emissions reduction potential.

BREAKDOWN OF BELIEVE'S ELIGIBLE ACTIVITIES

Taxonomy activity (according to the Climate Delegated Act: "climate change mitigation" objective)		Types of Believe CapEx valued
6.5	Transport by motorcycles, passenger cars and light commercial vehicles	Purchase or long-term leasing of vehicles for staff travel
7.7	Acquisition and ownership of buildings	Long-term leasing of buildings
8.1	Data processing, hosting and related activities	Purchase or lease of equipment associated with data management

The denominator of the CapEx indicator within the framework of the taxonomy refers to a company's capital expenditure capitalized on the balance sheet (generally the acquisition of property, plant and equipment and intangible assets) as well as long-term leases. This includes, among other things, the increase in the rights-of-use of leased assets (IFRS 16).

The Group analyzed its acquisitions of property, plant and equipment and intangible assets (IAS 16 and 38), right-of-use assets (IFRS 16) and business combinations (IFRS 3) constituting the Taxonomy CapEx denominator. It amounted to €76.03 million for 2023.

The opening and closing balances:

- of intangible assets are disclosed in Note 6.2 to the Financial Statements;
- of property, plant and equipment and right-of-use assets are disclosed in Note 6.3 to the Financial Statements.

The share of changes relating to acquisitions of fixed assets is not detailed in the Financial Statements. They break down as follows:

- increase in intangible assets: €59.53 million;
- increase in property, plant and equipment and right-of-use assets: €16.5 million.

The CapEx eligibility ratio stands at 19.45%, with €14.79 million of eligible investments out of a total of €76.03 million in 2023. Right-of-use assets represent all eligible investments.

In 2023, this eligibility ratio was 19.45% for Group consolidated CapEx, compared to 14.1% in 2022.

The significance of the eligibility ratio over the period was mainly due to:

- the renegotiation of the lease for Konect's premises in France (the Group's head office) to add an extra floor;
- the acquisition of the Sentric Group and consequently the inclusion in the scope of the lease of its head office in the United Kingdom;
- the signing of new leases in India and Italy.

The methodology used to identify the aligned investments – among the eligible activities – is presented below.

Assessment of technical review criteria

Transport by motorcycles, passenger cars and light commercial vehicles

Believe leases a fleet of service vehicles on a long-term basis. The information reported in the information systems did not make it possible to validate the technical review criteria of the sustainable Taxonomy.

Acquisition and ownership of buildings

Method of analysis

The Finance Department collected information in order to determine whether the real estate CapEx comply with the technical review criteria (substantial contribution and DNSH criteria). None of the leases signed during the period met the technical review criteria.

Data processing, hosting and related activities

There were no new acquisitions or leases of equipment associated with data management over the period.

Assessment of minimum safeguards

The Group conducted an in-depth analysis of its practices with regard to the four themes described in the report (human rights, corruption, taxation and competition law), as well as an analysis of controversies with regard to the criteria for non-alignment described in the report. The results of these analyses show that Believe complies with the minimum guarantee safeguards.

DOCUMENTS AND PROCEDURES ASSOCIATED WITH MINIMUM SAFEGUARDS

Criteria	Detailed criteria	Believe policies and procedures
Due Diligence on Human Rights	The company has put in place an adequate human rights due diligence process, as outlined in the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises.	A Code of Ethics. Alert mechanism to combat all forms of discrimination. Diversity and Inclusion Policy.
Anti-corruption procedures	The company has implemented anti-corruption processes.	Policy on conflicts of interest. Anti-corruption policy. Procedures for compliance with the Sapin II law.
Tax governance	Tax governance and compliance are considered important elements of supervision, and adequate tax risk management strategies and processes are in place.	Existence of a tax policy.
Fair competition procedures	The company educates its employees on the importance of complying with all applicable competition laws and regulations.	Group Code of Ethics.

These policies and procedures, supplemented by the Group tax policy, are in line with the requirements of the European Platform on Sustainable Finance report relating to the implementation of procedures specific to the four themes of minimum guarantees.

Outlook

Improved Taxonomy KPIs

As indicated in this Section 2.6.3, Believe's artistic production and distribution activities are not considered eligible for the Taxonomy. Consequently, no change in Believe's revenue KPI is expected in the coming fiscal years. A possible revision of the delegated acts in the medium term, or clarification from the relevant authorities, could enable this sector to assess and communicate its performance in terms of the fight against climate change under the terms of the Taxonomy. Similarly, the OpEx KPI should remain non-material with regard to the Group's business model. With regard to the CapEx KPI, better integration of energy performance criteria in future investments as well as improvement of the processes for collecting technical information should make it possible to improve the potential level of this indicator.

Regulatory tables

FY 2023				Substantial contribution criteria						Criteria on the absence of significant harm (“DNHS criteria”)									
Economic activities (1)	Code (2)	Turnover (3)	Share of turnover, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of turnover aligned with the taxonomy (A.1.) or eligible for the taxonomy (A.2.), Year N-1 (18)	Category of enabling activity (19)	Category of transitional activity 20)
(in € million)			*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with the taxonomy)																			
Turnover from environmentally sustainable activities (aligned with the taxonomy) (A.1.)		**0**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								*0%*		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
Turnover from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2.)		**0**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**0%**		
A. Turnover from activities eligible for the taxonomy (A.1. + A.2.)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Turnover from activities not eligible for the taxonomy		**880,3**	**100%**																
TOTAL (A.+ B.)		**880,3**	**100%**																

	Share of turnover/total turnover	
	Aligned with the taxonomy by objective	Eligible for the taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

FY 2023				Substantial contribution criteria						Criteria on the absence of significant harm ("DNHS criteria")									
Economic activities (1)	Code (2)	CapEx (3)	Share of CapEx, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of CapEx aligned with the taxonomy (A.1.) or eligible for the taxonomy (A.2.), year N-1 (18)	Category of enabling activity (19)	Category of transitional activity 20)
(in € million)			*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*YES/NO*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with the taxonomy)																			
CapEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1.)		**0**	**0%**														*0,6%*		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
7.7 Acquisition and ownership of buildings	CCM 7.7	14,79	19,45%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**14,1%**		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2.)		**14,79**	**19,45%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**14,1%**		
A. CapEx of activities eligible for the taxonomy (A.1 + A.2)		**14,79**	**19,45%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**14,7%**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
CapEx of activities not eligible for the taxonomy		**61,24**	**80,55%**																
TOTAL (A.+ B.)		**76,03**	**100%**																

	Share of CapEx/Total CapEx	
	Aligned with the taxonomy by objective	Eligible for the taxonomy by objective
CCM	0%	19,45%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

FY 2023				Substantial contribution criteria						Criteria on the absence of significant harm ("DNHS criteria")									
Economic activities (1)	Code (2)	OpEx (3)	Share of OpEx, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of OpEx aligned with the taxonomy (A.1.) or eligible for taxonomy (A.2.), Year N-1 (18)	Category of enabling activity (19)	Category of transitional activity 20)
(in € million)			*%*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES; NO; N/EL*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*YES/ NO*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with the taxonomy)																			
OpEx of environmentally sustainable activities (aligned with the taxonomy) (A.1.)		**0**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								*0%*		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
OpEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2.)		**0**	**0%**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**0%**		
A. OpEx of activities eligible for the taxonomy (A.1 + A.2)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
OpEx of activities not eligible for the taxonomy		**1,1**	**100%**																
TOTAL (A.+ B.)		**1,1**	**100%**																

	Share of OpEx/Total OpEx	
	Aligned with the taxonomy by objective	Eligible for the taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

2.7 Methodological note and summary of indicators

Believe has built its Non-Financial Performance Statement (NFPS) with the aim of ensuring uncompromising standards in terms of non-financial reporting through:

- the strict application of regulatory obligations;
- convergence with existing international standards;

This method makes it possible to implement a continuous improvement approach and to anticipate future European regulatory requirements, such as the CSRD.

Believe's NFPS meets the obligations set out in Articles R.225-105-2 *et seq.* and L.225-102-1 of the French Commercial Code, by presenting information on the way in which Believe takes into account the social and environmental consequences of its activity. A detailed cross-reference table is presented in Section 8.5.3 "*Management Report*", page 368.

In line with regulatory guidelines, the reporting of Believe's non-financial indicators is based on an internal framework specific to its activities, and on the Global Reporting Initiative (GRI) for its areas of application, its performance indicator recommendations and its "GRI GA" guidelines. This is a voluntary framework recognized worldwide.

2.7.1 Scope of the risks covered

This statement for the 2023 fiscal year is based on a risk analysis, in accordance with regulatory obligations, and reflects the expectations of the main stakeholders regarding the assessment and management of CSR risks and opportunities. The description of this analysis is detailed in Section 2.2 "Analysis of the risks and opportunities related to Governance, Social and Environmental issues", page 58.

In the context of the risk mapping task, the following topics were not considered relevant or material with regard to the Group's activities.

Due to its activity, the Believe Group is not directly affected by challenges related to:

- the fight against food waste;
- the fight against food insecurity;
- respect for animal welfare;
- respect for responsible, fair and sustainable food;
- the prevention, reduction or remediation of emissions into the air, water and soil that seriously affect the environment;
- land use;
- the protection of biodiversity.

2.7.2 Reporting period and frequency

The data collected covers the period from 01/01/2023 to 12/31/2023, corresponding to Believe's fiscal year. Unless otherwise stated, societal, social and environmental indicators refer to consolidated data as of December 31, 2023.

2.7.3 Reporting scope

The non-financial reporting scope includes the legal entities consolidated for the 2023 fiscal year, with the exception of companies of the Sentric Group, which was acquired in 2023 and not included in 2023 non-financial reporting (1,807 employees compared to 1,919 employees for the consolidated scope).

Social data represents 100% of the Group's total workforce included in the CSR reporting scope, with the exception of the following four indicators.

Social indicators for a scope excluding certain subsidiaries:

- percentage of women among managers;
- percentage of employees who completed at least one training course during the period;
- percentage of employees who have completed at least one training module on ethics, the fight against corruption or conflicts of interest;
- percentage of employees who validated at least one career review during the period.

This data excludes subsidiaries 6&7, Jo&Co, DMC & NetD, Morning Glory and TuneCore Japan. This is due to the fact that these entities have not yet adopted all the HR data management tools and still use different processes for the collection of indicators. These subsidiaries represent 5% of the Group's total headcount[1].

As regards absenteeism, the ratio compares the number of days of absence (excluding parental leave) and the number of theoretical days worked. The calculation includes employees who left during the fiscal year.

Environmental data excludes the Taipei, Chennai, Hyberabad, Mohali, Jakarta, Bangkok, Syracuse, Montreal and Toronto sites, which are co-working spaces and correspond to 6.9% of the total workforce. The Miami site (where 10 employees of TuneCore and Believe America work, i.e. 0.5% of the total headcount), which exists since February 2023, is also excluded from the environmental reporting scope. Local teams have not yet adopted the environmental reporting tools and processes.

In line with the 2023 CSR reporting procedures:

- headcount is calculated in terms of number of employees (natural persons present at the end of the period) and not in "full-time equivalent";
- as regards our Scope 2 greenhouse gas emissions;
- the electricity consumption at the Brooklyn site (United States) was estimated;
- the Group's total energy consumption excludes the Nashville offices in the United States and Morning Glory in Paris, which represent less than 20 employees (1% of the total headcount).

As regards the partial measurement of our Scope 3 greenhouse gas emissions, we extended the scope for certain indicators compared with 2022 (business travel notably) and/or added their carbon impact in 2023 reporting (water consumption, paper purchases and consumption, waste production and management);

- business travel (new environmental indicator in 2023) includes France, Italy, India, Luxembourg and Russia, with these countries representing 59.3% of the total headcount;
- water consumption includes all countries except Italy and the United States (with these two countries representing 11.7% of the total headcount);
- paper purchases include all countries except China, Singapore, Luxembourg, two sites in the United States (Nashville, Culver City) and two sites in Paris (6&7, Jo&Co);
- waste production and management includes Germany, the United States, France, India and Russia, representing 79.3% of the total headcount.

2.7.4 Non-financial indicators

2.7.4.1 Consolidation and internal control

The protocol of CSR reporting for Believe Group's subsidiaries was implemented in 2021 when the CSR approach was formalized by the Shaping Music for Good strategy. It was updated in 2022 and 2023 to better meet the expectations of the Group's stakeholders and to refine the analysis of data.

This protocol enables the application of unified definitions, data collection, validation and consolidation rules within the Group's entities. To this end, it defines in detail the methodology for calculating and collecting indicators and qualitative information concerning CSR, as well as the scope concerned by the reporting.

Environmental data are reported and consolidated using a data collection system, the Tennaxia Reporting tool. Automatic consistency checks are performed by the tool during data entry.

Social data is uploaded and consolidated at local and central levels using the Workday human resources information system tool, Excel and PowerBI.

Other data is collected directly from local and central contributors.

(1) Total headcount (CSR reporting scope): 1,807 employees.

For each indicator, an initial check is carried out by each subsidiary. These indicators are then aggregated and monitored by the Group's head office. A second validation is carried out at the time of consolidation. Lastly, an analytical review and general control ensure the overall consistency of environmental and social data.

2.7.4.2 External control

Believe's Independent Third-party Body for 2023 is KPMG, which performs the audit mission as defined by Articles L.225-102-1 and R.225-105-2 of the French Commercial Code, consisting of the audit of the compliance and sincerity of the NFPS.

2.7.4.3 Definition of non-financial indicators

In order to better manage its CSR strategy and performance, Believe has identified key non-financial performance indicators. They make it possible to monitor the implementation of the four priorities of Shaping Music for Good and policies and actions to address the Group's non-financial risks.

These indicators are rolled out across the 2023 CSR scope of reporting, which is almost identical to the Group's financial scope of consolidation.

Four of them are included in the variable compensation of the members of the Executive Committee and the executives of the Group's main subsidiaries, or in free performance share allocation plans (% of women among employees, % of ambassadors among employees, % of employees having attended at least one training course during the period, and eNPS) and 13 are considered "priority" because they provide information on key topics for Believe: gender equality, talent attraction and retention, training, reduction of greenhouse gas emissions related to buildings and management of IT equipment.

Certain definitions and methodologies for calculating indicators have evolved during the period (01/01/2023 – 12/31/2023) in order to allow a more accurate and robust measurement.

As part of its active external growth policy, Believe is also committed to gradually integrating new subsidiaries and activities into non-financial reporting.

CSR reporting for 2023 does not take into account Sentric, acquired in 2023, contrary to the Group's financial consolidation scope. The CSR reporting tools and processes have not yet been integrated by this legal entity.

Performance indicators	2023	2022	Definition	Scope
Headcount				
Total workforce (scope of consolidation)	1,919	1,651	Number of Group employees on permanent contracts, fixed-term contracts, work-study and apprenticeship contracts at the end of the reporting period.	2023 financial scope, notably including Sentric.
Total workforce (CSR scope)	1,807	1,651	Number of Group employees on permanent contracts, fixed-term contracts, work-study and apprenticeship contracts at the end of the reporting period.	2023 CSR reporting scope.
% of employees working for the Central Platform among all employees	31.1%	36%	Number of employees working for the Central Platform at the end of the period / total headcount.	2023 financial scope, notably including Sentric.
% of employees working for Premium Solutions and Automated Solutions among all employees	68.9%	64%	Number of employees working for Premium Solutions and Automated Solutions at the end of the period / total headcount.	2023 financial scope, notably including Sentric.
% of employees in France among all employees	38.6%	39%	Number of employees in France at the end of the period / total headcount.	2023 CSR reporting scope.
% of employees in Germany among all employees	14.5%	15%	Number of employees in Germany at the end of the period / total headcount.	2023 CSR reporting scope.

Performance indicators	2023	2022	Definition	Scope
% of employees in Europe, Russia and the Middle East (excluding France and Germany) among all employees	7.6%	14%	Number of employees in Europe, Russia and the Middle East (excluding France and Germany) at the end of the period / total headcount.	2023 CSR reporting scope.
% of employees in North and South America among all employees	10%	11%	Number of employees in North and South America at the end of the period / total headcount.	2023 CSR reporting scope.
% of employees in Asia, Oceania, Africa among all employees	29.3%	21%	Number of employees in Asia, Oceania, Africa at the end of the period / total headcount.	2023 CSR reporting scope.
% of permanent contracts	96.4%	95.6%	% of employees on permanent contracts among the Group's employees on permanent and fixed-term contracts.	2023 CSR reporting scope.
% of fixed-term contracts	3.6%	4.4%	% of employees on fixed-term contracts among the Group's employees on permanent and fixed-term contracts.	2023 CSR reporting scope.
% men	54.3%	56.9%	% male employees among all Group employees.	2023 CSR reporting scope.
% men	54%	56.9%	% male employees among all Group employees.	2023 financial scope, notably including Sentric.
% women *CSR target included in the variable and long-term compensation of the members of the Executive Committee*	45.6%	43.1%	% female employees among all Group employees.	2023 CSR reporting scope.
% women	46%	43.1%	% female employees among all Group employees.	2023 financial scope, notably including Sentric.
% employees among management teams	6.6%	7.2%	Number of employees among management teams at the end of the period / total headcount. The population of management teams corresponds to internal categories from levels 9 to 12 ("Executive" and "Leaders" Career Paths).	2023 scope of CSR reporting (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).
% women in management teams	44.5%	42.9%	Number of women in management teams at the end of the period/ number of employees in management teams. The population of management teams corresponds to internal categories from levels 9 to 12 ("Executive" and "Leaders" Career Paths). It represents 7.3% of the most senior positions.	2023 scope of CSR reporting (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).

Performance indicators	2023	2022	Definition	Scope
% men in management teams	55.5%	57.1%	Number of men among management teams at the end of the period / number of employees in management teams. The population of management teams corresponds to internal categories from levels 9 to 12 ("Executive" and "Leaders" Career Paths).	2023 scope of CSR reporting (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).
% of employees at "Manager" level among all employees	19%	17.3%	Number of "Manager" employees at the end of the period / total headcount. The population of managers corresponds to people with managerial responsibilities in the "Leaders" Career Path, internal categories from levels 5 to 9 (with "direct report").	2023 scope of CSR reporting (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).
% of women among "Managers"	38.9% *(38.5% including Sentric)*	37.1%	Number of female "Manager" employees at the end of the period / "Manager" employees The population of managers corresponds to people with managerial responsibilities in the "Leaders" Career Path, internal categories from levels 5 to 9 (with "direct report").	2023 scope of CSR reporting (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).
% of men among "Managers"	61.1%	62.9%	Number of male "Manager" employees at the end of the period / "Manager" employees. The population of managers corresponds to people with managerial responsibilities in the "Leaders" Career Path, internal categories from levels 5 to 9 (with "direct report").	2023 scope of CSR reporting (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).
% of employees in the "Manager/Leader" Career Path	20%	23.2%	Number of employees in the "Leader" Career Path at the end of the period / total headcount (levels 5 to 9 with and without "direct report").	2023 CSR reporting scope.
% of women in the "Manager/Leader" Career Path	39.1%	37.6%	Number of women in the "Leader" Career Path at the end of the period/number of employees in the "Leader" Career Path (levels 5 to 9 with and without "direct report").	2023 CSR reporting scope.
% of men in the "Manager/Leader" Career Path	61.9%	62.4%	Number of men in the "Leader" Career Path at the end of the period/number of employees in the "Leader" Career Path (levels 5 to 9 with and without "direct report").	2023 CSR reporting scope.

Performance indicators	2023	2022	Definition	Scope
Parity				
Gender equality index (France)	99/100 Pay gap: 39/40 Pay increase gap: 20/20 Promotion gap: 15/15 Maternity leave: 10/10 10 + highest paid employees: 10/10	99/100 Pay gap: 39/40 Pay increase gap: 20/20 Promotion gap: 15/15 Maternity leave: 10/10 10 + highest paid employees: 10/10	Methodology proposed by the French government based on the gender gap for five criteria (pay, salary increases, promotion, salary increase on return from maternity leave, 10 highest salaries).	Believe SA (France).
Executive Committee				
% of women on the Executive Committee	50%	50%	Number of women who are members of the Executive Committee at the end of the period / number of Executive Committee members.	2023 CSR reporting scope. 2023 financial scope, notably including Sentric.
% of male on the Executive Committee	50%	50%	Number of men who are member of the Executive Committee at the end of the period / number of Executive Committee members.	2023 CSR reporting scope. 2023 financial scope, notably including Sentric.
Hires and departures				
Number of employees hired during the period	392	487	Total number of employees hired during the period regardless of their type of contract: permanent, fixed-term, work-study, apprenticeship. A candidate becomes an employee and is considered hired after signing his employment contract and having actually joined the Company.	2023 CSR reporting scope.
% of women among employees hired and who joined Believe during the period	49.7%	43.7%	Total number of female employees hired during the period regardless of their type of contract / number of employees hired during the period.	2023 CSR reporting scope.
% of men among employees hired and who joined Believe during the period	44.9%	56.3%	Total number of male employees hired during the period regardless of their type of contract / number of employees hired during the period.	2023 CSR reporting scope.

Performance indicators	2023	2022	Definition	Scope
Number of voluntary departures	184	188	Number of employees who resigned during the period.	2023 CSR reporting scope.
Number of layoffs and job losses	65	257	This includes departures due to layoffs, end of probationary period at the initiative of the employer.	2023 CSR reporting scope.
Attrition rate	13.9%	16.1%	Total number of departures over the last 12 months / average headcount over the period.	2023 CSR reporting scope.
Turnover rate	20%	26%	The turnover rate measures the rate at which employees leave the company and are replaced. It is calculated by taking into account the total headcount at the beginning of the period (01/01/2023). (Number of voluntary departures during the period + number of layoffs and job losses over the period)/2)/total headcount at 01/01/2023.	2023 CSR reporting scope.
Absenteeism & workplace accidents				
Absenteeism rate	2.1%	3%	Absence due to an accident or occupational illness, any other illness, or a family event during the period. The ratio compares the number of days of absence (excluding parental leave) and the number of theoretical days worked. The calculation includes employees who left during the fiscal year.	2023 CSR reporting scope.
Workplace accident frequency rate	0.27	-	The workplace accident frequency rate is the number of workplace accidents (with lost time of 24 hours or more) occurring during a 12-month period per million hours worked. (Number of workplace accidents with lost time greater than or equal to 24 hours x 1,000,000) / total number of hours worked during the period	2023 CSR reporting scope.
Workplace accident severity rate	0.02	-	The workplace accident severity rate compares the number of days lost and the number of incidents. (Number of working days lost due to workplace accidents and occupational illnesses with lost time x 1,000) / number of hours worked during the period.	2023 CSR reporting scope.

Performance indicators	2023	2022	Definition	Scope
Training				
% of employees having followed at least one training module on ethics, anti-corruption and conflicts of interest	78.7%	44%	Number of employees who started at least one of the online training modules on ethics, anti-corruption and conflicts of interest during the period, regardless of their type of contract (permanent, fixed-term) / total headcount. Employees still under contract at the end of the period are taken into account.	2023 CSR reporting scope.
% of employees who completed at least one training course during the period CSR target included in the variable and long-term compensation of the members of the Executive Committee	94.4%	90.6%	Number of employees who completed at least one online training module during the period regardless of their type of contract (permanent, fixed-term) / total headcount. Employees still under contract at the end of the period are taken into account.	2023 CSR reporting scope (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).
Career reviews				
% of employees who validated at least one career review during the period	98%	97%	Number of employees who validated at least one career review during the period / total headcount. A career review is considered "validated" when a report has been drafted and signed by the employee and their assessor (their manager or one of their managers).	2023 CSR reporting scope (excluding 6&7, DMC & NetD, Jo&Co, Morning Glory, TuneCore Japan).

Environmental indicators

Performance indicator	2023	2022	Definition	Scope
Site description				
Total surface area of sites in m^2	26,220.3	24,351.6	Total surface area of sites where Group employees work (excluding co-working spaces).	2023 CSR reporting scope.
Number of company vehicles	18	51	Number of vehicles allocated to employees as part of their duties, regardless of their type of contract (permanent, fixed-term, work-study, apprenticeship) during or before the period.	2023 CSR reporting scope.
Energy consumption				
Total natural gas consumption in MWh Scope 1	360.05	691.37	Sum of natural gas consumption at all sites where Group employees operate (excluding co-working spaces) during the period.	2023 CSR reporting scope.
Total electricity consumption in MWh Scope 2	2,754.19	1586.14	Sum of electricity consumption at all sites where Group employees operate (excluding co-working spaces*)* during the period.	2023 CSR reporting scope (excluding Miami, Morning Glory in Paris and Nashville sites).
Total electricity consumption/m^2 in MWh Scope 2	105	65.1	Total electricity consumption/Total surface area of sites.	2023 CSR reporting scope.
% of renewable energy in total electricity consumption Scope 2	39	80%	Electricity consumption from renewable energies/Total electricity consumption.	2023 CSR reporting scope.
Total urban heating consumption in MWh Scope 2	408.44	682.14	Urban heating, domestic fuel oil and natural gas consumption in MWh are taken into account (excluding co-working spaces*)* during the period.	2023 CSR reporting scope.
Total energy consumption in MWh Scopes 1 and 2	3,522.68	2505.5	Total energy consumption including electricity, natural gas and urban heating.	2023 CSR reporting scope (excluding Miami, Morning Glory in Paris and Nashville sites).
Total energy consumption in MWh/m^2 Scopes 1 and 2	0.13	0.12	Total energy consumption/Total surface area of sites.	2023 CSR reporting scope.
Total energy consumption per employee in MWh	1.9	1.7	Total energy consumption/Total headcount in the CSR reporting scope.	2023 CSR reporting scope.

Performance indicator	2023	2022	Definition	Scope
GHG emissions in TeqCO2				
GHG emissions – Scope 1	127.6	306.2	GHG emitted by the Group's activities under Scope 1 (company vehicles and natural gas consumption) (in $TeqCO_2$).	2023 CSR reporting scope.
GHG emissions – Scope 2	1,387.9	401.9	GHG emitted by the Group's activities under Scope 2 (indirect emissions related to energy consumption) (in $TeqCO_2$).	2023 CSR reporting scope.
GHG emissions – scopes 1 and 2	1,265.5	708	GHGs emitted by the Group's activities under Scopes 1 & 2.	22023 CSR reporting scope.
GHG emissions - Scopes 1 and 2/m^2	0.05	0.03	GHGs emitted by the Group's activities under Scopes 1&2/Total surface area of sites.	2023 CSR reporting scope.
GHG emissions – Scope 3 – business travel	62,579.8	235.50	GHG emitted by the Group's activities as part of employee business travel (in $TeqCO_2$).	France, Italy, India, Luxembourg, Russia in 2023. France in 2022.
GHG emissions – Scope 3 – paper purchases	0.6	-	GHG emitted by the Group's activities in relation to paper purchases (in $TeqCO_2$).	2023 CSR reporting scope.
GHG emissions – Scope 3 – water consumption	16.8	-	GHG emitted by the Group's activities in relation to water consumption (in $TeqCO_2$).	2023 CSR reporting scope excluding the United States and Italy.
GHG emissions – Scope 3 – waste production and management	5.9	-	GHG emitted by the Group's activities in relation to waste production and management (in $TeqCO_2$).	Germany, United States, France, India, Russia.
GHG emissions – Scope 3 – business travel, waste production and management, water consumption, paper purchases.	62,603.1	-	GHG emitted by the Group's activities as part of employee business travel, for waste production and management, water consumption and paper purchases (in $TeqCO_2$).	2023 CSR reporting scope.
Waste Electrical and Electronic Equipment (WEEE)				
% of WEEE recycled (France)	0% The 75.2 kg of WEEE produced in 2023 were stored for recycling in 2024	100%	Quantity of WEEE recycled by the sites in kilograms/Quantity of WEEE produced by the sites in kilograms.	2023 CSR reporting scope.

2.8 Report of one of the Statutory Auditors, appointed as an independent third-party organization, on the verification of the consolidated Non-Financial Performance Statement

Fiscal year ended December 31, 2023

To the Annual General Meeting,

In our capacity as Statutory Auditors of your Group (hereinafter referred to as the "entity") designated as an independent third-party organization or ITO ("third party"), accredited by COFRAC under number 3-1884[(1)], we have performed procedures to issue a reasoned opinion expressing a conclusion of moderate assurance on the historical information (observed or extrapolated) of the consolidated Non-Financial Performance Statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's management report in accordance with the provisions of Articles L. 225-102-1, R.225-105 and R. 225-105-1 of the French Commercial Code.

Unqualified conclusion

Based on the procedures we performed, as described in the "Nature and scope of procedures" Section, and on the evidence we obtained, nothing has come to our attention that would lead us to believe that the consolidated non-financial statement was not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, was not presented fairly and in accordance with the Guidelines, in all material respects.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following observation:

- Internal control over CSR information should be reinforced as part of the CSRD's future sustainability report.

Non-Financial Performance Statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement (and available on the entity's website or on request from its head office).

Inherent limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

(1) Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

Responsibility of the entity

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by using the entity's Guidelines, as mentioned above

Responsibility of the Statutory Auditor appointed as an independent third-party organization

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R.225-105 of the French Commercial Code;
- the fairness of the information (observed or extrapolated) provided pursuant to part 3 of Sections I and II of Article R. 225-105 of the French Commercial Code, namely the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (notably with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the vigilance plan and the provisions against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (French Institute of Statutory Auditors) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* on the "Intervention of the Statutory Auditor - Intervention of the ITO - Non-Financial Performance Statement", representing the verification program, and international standard ISAE 3000 (revised)[1].

Our independence and quality control

Our independence is defined by the provisions of Article L.822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. In addition, we implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by Compagnie Nationale des Commissaires aux Comptes relating to this engagement.

Means and resources

Our work mobilized the skills of five people and took place from September 2023 to March 2024, over a total intervention period of four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted a dozen interviews with the people responsible for preparing the Statement.

(1) ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- we obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement covers each category of information provided for in Section III of Article L. 225-102-1 on social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion, and includes, where applicable, an explanation of the reasons for the absence of the information required by the 2nd paragraph of Section III of Article L. 225-102-1;
- we verified that the Statement presents the information provided for in Section II of Article R. 225-105 when it is relevant with regard to the main risks;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we verified that the Statement includes a clear and reasoned explanation of the reasons justifying the absence of a policy concerning one or more of these risks in accordance with Section I of Article R. 225-105 of the French Commercial Code;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risks [(1)], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[(2)];
- we verified that the Statement covers the consolidated scope, *i.e.* all the entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code: with the limits specified in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities[4] and covers between 10% and 39% of the consolidated data relating to these tests.
- we assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the *Compagnie Nationale des Commissaires aux Comptes*; a higher level of assurance would have required us to carry out more extensive procedures.

Paris la Défense, March 26, 2024

KPMG S.A.

Jean-Pierre Valensi	Raffaele Gambino
Associate	*ESG expert*

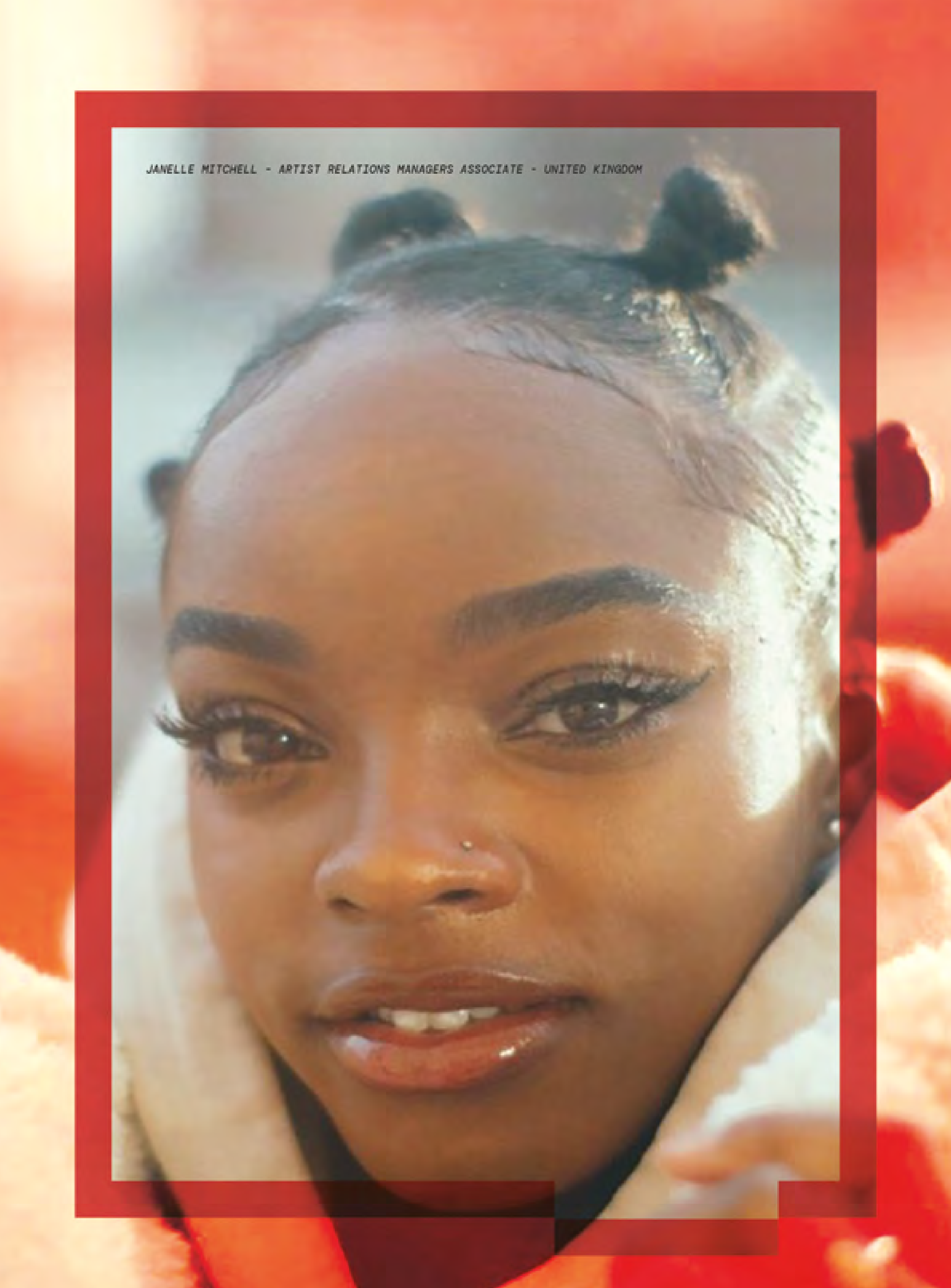
(1) Risk of exclusion for certain communities and music genres, and non-alignment with Believe's values; Risk of inconsistency and effectiveness of HR and talent management processes; Risk of digital divide, invisibility and lack of artist skills to make the most of new digital marketing technologies and practices; Risk of limiting the freedom of expression and independence of artists and labels, and of not respecting private data.

(2) Believe S.A.

Appendix

Qualitative information (actions and results) considered most important
Employee well-being assessment systems (NPS via the Your Voice survey).
Policy on freedom of expression and artist independence. Risk of not providing artists and labels with the most advanced technical and digital marketing skills.
Systems implemented to improve the organizational management of HR and managerial processes.
Actions to promote and include certain communities and musical genres.
Measures put in place to recycle WEEE.
Policies put in place to guarantee the accessibility of products and services to all customers.

Key performance indicators and other quantitative results considered most important	Assurance level
Absenteeism rate	Moderate
% of attrition	Moderate
% of women among managers	Moderate
% of employees having completed the Code of ethics and/or anti-corruption and/or conflict of interest training	Moderate
% of employees who conducted at least one career review during the year	Moderate
% of employees who attended at least one training course during the year	Moderate
Energy consumption per m2 for offices	Moderate
GHG emissions (Scopes 1 & 2 for offices)	Moderate


JANELLE MITCHELL - ARTIST RELATIONS MANAGERS ASSOCIATE - UNITED KINGDOM

3. Risk factors and risk management

3.1 Main risk factors

Before making their investment decision, investors are encouraged to carefully consider the risks described in this Section as well as all other information contained in this Universal registration document.

In the context of the implementation of Regulation (EU) No. 2017/1129, known as "Prospectus 3", which came into force on July 21st, 2019, the risks presented below are, as of the date of this Universal registration document, the main risks considered to be specific to the Believe Group and/or its securities and which the Group believes could have a material net impact on the Group, its business, financial position, results or outlook. The materialization of one or more of these risks could result in a decrease in the Company's share price and investors could lose all or part of their investment. The Group may be exposed to other risks that are not known or identifiable at the date of this Registration Document, or that it considers insignificant at this date, and which could have a negative impact in the future.

The Group regularly reviews the risk factors that may have a negative impact on its business or results. This review is presented to the Company's Risk Committee and the Audit Committee of the Board of Directors. In addition, the Risk Committee assesses the adequacy of the internal procedures in place in view of the risks to which the Group may be exposed. It reports its main findings and recommendations to the Audit Committee. The risk identification and management policy is described in Section 3.2.2 *"Components of internal control"*, on page 142

The following table classifies the main specific risks to which the Group is exposed into five categories:

- risks related to the Group's industry;
- risks related to the Group's business;
- risks related to the Company;
- financial risks;
- legal risks.

Within each category, the most important risk factors are presented first.

RISK CATEGORY	MAIN RISK FACTORS	IMPACT/LIKELIHOOD
Risks related to the Group's industry	Risks related to the Group's competitive environment	○ ○ ●
	Risks related to changes in the underlying audio and video streaming market	○ ● ○
	Risks related to economic conditions and the evolution of the recorded music market	● ○ ○
Risks related to the Group's business	Risks related to the Group's IT systems (cyberattack, infrastructure reliability and personal data protection) *(*)*	○ ○ ●
	Risks related to managing the rapid growth of the Group and acquisitions	○ ○ ●
	Risks related to relationships with artists and labels *(*)*	○ ● ○
	Risks related to relationships with streaming and social media platforms	○ ● ○
	Risks related to the Group's international development	○ ● ○
	Risks related to fraud, corruption and ethics *(*)*	○ ● ○
Risks related to the Company	Risks related to human capital and its development (management team including the Chairman and Chief Executive Officer and recruitment and retention of experienced employees) *(*)*	○ ● ○
Financial risks	Liquidity and counterparty risks	○ ● ○
	Risks related to foreign exchange rates	○ ● ○
Legal risks	Risks related to intellectual property rights	○ ○ ●
	Risks related to regulations and their evolution	○ ○ ●
	Risks related to applicable taxation regimes and their changes	○ ○ ●

* *Risks detailed in Chapter 2 "Social and environmental responsibility".*

Low *Medium* *High*

As part of its regular review of risk factors, the Group has clearly identified the climate and resource risk. At this stage, the Group considers that this risk is not likely to have a significant negative impact on its activities or results. Nevertheless, the Group measures and monitors the carbon impact of its activities and rolls out actions to reduce energy consumption. The Group has also set up a working group dedicated to the climate as part of the future CSRD regulation, see Section 2.6.1 "Formalizing the environmental approach", p.92

3.1.1 Risks related to the Group’s industry

Risks related to the Group’s competitive environment

RISK DESCRIPTION

The Group operates in a highly competitive industry. Relations with producers (artists or labels) are largely based on exclusive and relatively long-term agreements.

The Group faces increased competition from the music industry Majors in the digital music and services to artists market. Although the majors' offer has historically been focused on international artists, they are also seeking to address the needs of artists that are targeted by the Group, i.e. artists with a local presence. To this end, the Majors draw on substantial financial and commercial resources, and offer digital solutions similar to those of the Group. For example, the Majors have developed digital distribution services through subsidiaries such as Ingrooves, Virgin Music Label & Artist Services and MTO for Universal Music Group; The Orchard and AWAL for Sony Music Entertainment; and ADA for Warner Music Group.

The Group faces increasing competition from local players. These companies can use their presence on the ground and in-depth knowledge of the local music industry to establish special relationships with artists and labels. Competition from local players may divert artists and labels from the services offered by the Group.

The Group may also face an increase in the phenomenon of disintermediation, restricted in scale until now (with the notable exception of China). Disintermediation would involve digital service providers contracting with artists and labels directly, without resorting to the technological solutions offered by the Group. The increasing phenomenon of disintermediation would also affect the sustainability and growth of the Group's catalog.

RISK CONTROL AND MITIGATION MEASURES

In order to stand out from its competitors, the Group relies on its range of leading products and solutions with significant technological content, which are rolled out across all the countries where it operates and its local teams. In order to identify and attract high-potential artists, the Group relies on its powerful digital data analysis tools and the expertise of its local teams. The Group provides artists and their labels with dedicated digital marketing solutions that enable them to maximize their audience.

The Group relies on its unique positioning, focused on the needs of local labels and artists, a field in which it has developed strong expertise. This positioning enables it to stand out from the majors, which are historically focused on top artists with international careers.

With regard to competition from local players, the Group relies on its locally established and respected Talent scouts. The Group relies on its technological expertise in digital music to offer the solutions best suited to the needs of local markets. The Group also seeks to sign contracts with global or local digital service providers. The aim is to offer artists and labels the most appropriate coverage for them and thus strengthen the competitiveness of its offering.

The disintermediation phenomenon has so far remained a limited phenomenon. Indeed, the commercial model of the distribution platforms does not seem to be moving towards the generalization of direct contracts with artists. The diversity of platforms and monetization methods does not favor the establishment of long-term exclusivity relationships with artists and said platforms.

POTENTIAL IMPACTS ON THE GROUP

As a result of increased competitive pressure, the profitability of the contracts entered into by the Group with producers could be affected. Competitive pressure could also lead to the risk of not renewing the contract and of termination of existing relationships. In addition, the commercial policies of the Group’s competitors are difficult to predict. They could affect the Group’s ability to quickly adapt its offering and contractual terms.

To remain competitive and safeguard its catalog, the Group might have to reduce its margin percentage on the amounts paid by streaming platforms.

Increased competitive pressure and disintermediation could lead to a reduction in the Group’s catalog, and therefore of its market share. This could have a material adverse effect on the Group’s results and outlook, as well as on the amount of advances granted and their impact on working capital (see Section 5.3.2.5 “*Working capital requirement*”, page 232).

Risks related to changes in the underlying audio and video streaming market

RISK DESCRIPTION

A significant portion of the Group's revenue comes from payments made by digital service providers[1] in return for the Group providing audio or video content. This content is distributed mainly by streaming on the platforms. For the fiscal year ended December 31, 2023, revenue from the sales of digital audio or video content accounted for 90.1% of the Group's consolidated revenue.

The audio streaming market in particular has experienced significant growth in recent years. The audio streaming market has grown from $0.6 billion in 2012 to $21.9 billion in 2023 *(source: MIDIA Recorded Music Market 2023, March 2024)* (see Section 1.3 *"Markets and competitive position"* on page 26).

However, this growth may not continue in the future, or may slow down in the regions where the Group operates or wishes to expand.

Consumers could lose interest in streaming, opting instead for new formats that do not yet exist, or using existing formats in new ways (*e.g.* short-form video), which could be more successful and attract a wider audience.

These new trends and new user consumption habits, notably due to the development of digital technologies, could impact the Group's growth if streaming and social media platforms encounter difficulties in monetizing the audio and video content of these new formats.

The subscription streaming market may experience limited growth in terms of number of users in certain potentially significant markets. As part of its growth strategy, the Group is targeting markets where the subscription streaming format is not yet widely adopted. For example, the Group has strengthened its presence in India with the acquisition of several local players (see Section 1.1 *"Company history"* on page 10 and Section 1.5 *"Strategy and medium- and long-term objectives"* on page 40 India is a market where the penetration rate of subscription streaming is still low.

More mature markets with a high subscription streaming penetration rate may experience limited development. Part of the growth in these markets stems from a policy of increasing prices for subscriptions or the invoicing of additional services by digital service providers and social media platforms. These pricing changes seem to have had little impact on the growth rate of paying users, but it is difficult to determine what the impact of the platforms' future pricing policy will be on their revenue and number of subscribers.

In some countries, particularly emerging markets, digital service providers may find it difficult to monetize audio and video content. An insufficient base of premium users[2] or advertisers to finance free listening would create monetization difficulties. Similarly, platforms may find it difficult to raise the price of their services in the same way as they do in mature markets. Lastly, in these same markets, the Group may not be able to establish relationships with a sufficient number of reliable local platforms. Such a situation would affect the Group's ability to offer local artists and labels a satisfactory level of distribution, thus affecting its growth in these markets.

Streaming and social media platforms are evolving in a rapidly changing and highly competitive market. Some digital service providers do not belong to large groups that can provide them with financial support. These platforms, including the largest in the sector, have recorded in the past, and continue to record, significant operating losses. They burn through significant amounts of cash on investments in technology, which are constantly increasing. Investments in technology are primarily aimed at acquiring subscribers and hosting content.

RISK CONTROL AND MITIGATION MEASURES

In order to limit the negative impact of unfavorable trends in the streaming market on its activities, the Group is careful to maintain diversified geographical exposure. It operates in both mature and growth markets. Mature markets enable the Group to benefit from a wide distribution of its catalog. The slowdown in growth in mature markets, where the adoption of streaming by users is already high and growing at a slower pace, is offset by growth markets. These offer the Group growth prospects due to a high potential for adoption of this format by more users.

The Group is also seeking to develop the marketing of content on social media offering new ways to use music, such as TikTok or META.

(1) streaming and social media platforms pay the Group in exchange for the Group's delivery of audio or video content distributed through streaming on these platforms. The Group then pays a portion of these amounts to the artists or labels licensing their content. In this Universal registration document, these amounts (whether they are paid by the streaming and social media platforms to the Group or paid by the Group to artists and labels) are referred as "amounts".

(2) The category of premium users of digital service providers generally includes users who have purchased a monthly subscription that gives them access to an interface without visual or audio advertisements.

POTENTIAL IMPACTS ON THE GROUP

The Group could encounter difficulties in distributing its catalog if it was not able to:

- anticipate changes in consumption habits for audio and video content or formats of such content;
- adapt its range of services and technological solutions to market changes.

Such a situation would have a significant adverse effect on the Group's business, results, financial position and prospects.

The Group could be forced to renegotiate its agreements with the platforms on less favorable terms if the latter:

- were unable to adapt to potential changes in the audio and video streaming market;
- had to make significant investments to adapt to possible changes in the audio and video streaming market;
- were to encounter difficulties in profitably operating their business model.

The platforms could be forced to review the amounts paid to the Group, the exclusivity conditions, the duration of the commitments, or even terminate the agreements. These circumstances could have an adverse effect on the Group's business, results, financial position and prospects.

Risks related to economic conditions and the evolution of the recorded music market

RISK DESCRIPTION

The Group's business and results depend partly on local and global economic conditions, which have been especially volatile in the last few years.

A deterioration in economic conditions generally have a negative impact on discretionary consumer spending. As a result, this could affect purchases of subscriptions to digital music distribution platforms.

An unfavorable economy affects the advertising spend of advertisers, leading to a decline in the revenues of video content digital service providers in particular.

A tightening of monetary conditions by central banks, as well as the current inflationary environment, have had a downward impact on the purchasing power of households. The Group operates in several countries that face inflation rates that differ from one country to another. This could have a lasting negative impact on discretionary consumer spending and on advertisers' advertising spend. Video streaming and social media platforms could be impacted.

RISK CONTROL AND MITIGATION MEASURES

The Group is benefiting from the structural growth of the digital recorded music market in which it is positioned. This growth reflects the Group's appeal to the new generation of digital artists seeking marketing solutions and a wide range of expertise.

The Group's international development strategy enables it to dilute its risk because its presence is not concentrated in a single country or geographical area. It also allows the Group to offset any impacts of inflation between countries and geographical areas of development.

POTENTIAL IMPACTS ON THE GROUP

Digital service providers earn revenue mainly from subscriptions, for paid offers, and advertising fees, for free offers. The amounts paid to the Group by the providers are based on these revenues. A decrease (or less growth) in the number of paying users or advertising fees would lead to a decrease in the amounts paid by the digital service providers to the Group.

This could create difficulties for the providers and lead them to renegotiate their agreements on less favorable terms for the Group. Negotiations could be held to review the conditions relating to the percentage to be paid back to the Group, to exclusivity or the duration of commitments. Digital service providers may have to terminate their agreements with the Group. Such events would affect the Group's business activities.

3.1.2 Risks related to the Group's business

Risks related to the Group's IT systems

RISK DESCRIPTION

The development and the provision of a digital platform based on leading technologies are at the heart of the Group's business model. Through this model, Believe looks to offer artists solutions focused on their needs. If the Group were unable to develop and maintain secure and reliable IT systems that address the latest technological developments, it could affect the development of its activities.

Risks related to cyberattacks

As a digital company, the Group is exposed to risks related to cybercrime, which have been on the rise in recent years, with the possession of a significant volume of sensitive data such as artistic content, personal data or banking information. This sensitive data could be stolen or falsified by malicious third parties who might break into the Group's IT systems.

In the current geopolitical context, the Group may attract the interest of groups of hackers related to a cause, or of actors involved in geopolitical tensions (hacktivism).

Third-party intrusions into the Group's IT systems could harm the Group's due functioning, by making its applications inaccessible or by causing service interruptions, which in turn could impact its financial position or reputation.

The Group may not have sufficient technological resources to anticipate and continue to prevent cyberattacks or intrusions by third parties. The techniques used are evolving rapidly and may not be identified before they are applied to the Group.

Risks related to infrastructure reliability and the obsolescence of the Group's technological offering

The Group's technological offering enables it to support the growth of its activities, and meet the changing needs of artists and platforms. The platforms also conduct their businesses in a constantly changing digital environment. The Group is thus exposed to the risk of obsolescence of its IT systems, and of the applications and tools made available to artists and labels.

The Group outsources certain elements of its information systems and its infrastructure (*e.g.* certain hosting services). Its objective is to optimize the management of its resources and improve the efficiency and security of its IT infrastructure. It therefore relies on the quality of the work and expertise of its service providers in this area. Despite the care taken in selecting service providers, the Group is exposed to the risk they may fail to fulfill their obligations.

Some interfaces between the Group's IT applications are processed manually or are not highly automated. This architecture entails a risk of data loss and processing errors. The Group may therefore have to bear significant costs in order to restore its services or make the necessary upgrades.

The Group's activities require significant investments in technological tools to process high volumes of content and data. The Group must be able to implement and operate sophisticated data analysis tools. These tools enable the Group to:

- identify musical trends and high-potential artists and optimize their audience;
- deepen its knowledge of the musical landscape in order to better meet the needs of artists and labels;
- better meet the changing requirements of digital service providers;
- precisely define its international expansion strategy.

Moreover, the Group pays close attention to the location of its infrastructures in order to minimize technical and operational risks (breakdowns, lightning strikes, earthquakes, extreme weather events, etc.).

The Group must be able to operate and develop digital marketing tools to assist artists and labels in their promotion strategies. For example, TikTok, launched in 2016, is increasingly used by artists and labels for digital marketing. The Group is thus exposed to the risk of obsolescence of the applications and tools made available to artists and labels in the event of the emergence of new promotion opportunities in the digital ecosystem.

Risks related to the protection of personal data

The Group collects, stores and processes a large volume of personal data. This data relates in particular to the Group's employees, service providers and artists or their representatives.

The processing of personal data is subject to complex and evolving regulations, which are specific to each country where the Group operates.

As part of its activities within the European Economic Area ("EEA"), the Group notably implements the General Data Protection Regulation ("GDPR"), which is designed to protect individuals as regards the processing of their personal data and the free dissemination of such data. In order to comply with this regulation, the Group keeps a register of the processing of this data. However, it cannot be ruled out that some processing operations may not have been fully reported to the Group, or that some older processing operations may not have been brought up to standard.

In the event of a breach of its provisions, the GDPR provides for substantial fines of up to €20 million or 4% of worldwide revenue, or €35.21 million based on 2023 revenue, it being specified that whichever is higher is applied.

The Group could also be subject to malicious actions and acts of hacking by third parties on the IT systems of digital service providers and social media platforms. The Group has limited control over these actions. Malicious acts may take the form of intrusions into platform servers resulting in leaks of information or content from the Group's catalog. Information leaks could harm the Group's competitive positioning by facilitating access to information on the performance of its catalog. The Group's business and its reputation would be impacted. Moreover, any breach by the platforms of personal data protection regulations would affect the Group's relationship with its artists and damage its reputation.

The Group is also subject to similar laws and regulations in other countries outside the European Union as mentioned in Section 1.3.2.5 "*Personal data regulation",* page 34.

Insufficient knowledge of local regulations or a lack of methodology for monitoring local regulatory changes would have an impact on the Group. Such situations could call into question the Group's ability to identify the specific features of local regulations and comply with them.

More generally, and in view of the rise in malicious IT practices, the Group is exposed to this risk and could suffer, in the event of malicious intent or failure to comply with regulations, various types of damage, such as personal data leaks, which could result in damage to its reputation, loss of revenue, disputes with third parties or the payment of fines.

RISK CONTROL AND MITIGATION MEASURES

The Group has established several actions aimed at strengthening the security and reliability of its infrastructure and hardware. These actions are managed by a dedicated department, the IT Security Department.

The Group has implemented a global security policy and is working to apply best practices and standards for IT security.

The Group put in place an authorization and rights management policy to secure access to its data. Awareness-raising campaigns on cyber risks are run by the IT Security Department through targeted training courses, as well as through the Company's own phishing tests[(1)].

The IT Security Department carried out vulnerability scans and penetration tests on the Group's applications (exposed and linked to the Internet). Workstations and servers are equipped with the latest anti-fraud technology. The Group's major products are protected against distributed denial of service (attack aimed at disrupting the operation of IT systems) and automated attacks by network security equipment. These tools enable the real-time detection of malware and the anticipation of threats and intrusion attempts. Pursuant to the information systems security policy, any failures identified must be the object of updates and/or remediation plans. These actions guarantee a cycle of continuous improvement in the protection of information systems. The Group has taken out insurance covering the risk of cyberattacks.

The Group set up a team in charge of GDPR compliance. In terms of personal data protection, the Group's GDPR policy ensures, among other things, in its relationship with service providers - carrying out data transfers outside the EU - that they sign Contractual Clauses Types compliant with the GDPR. Additional personal data protection measures are put in place through privacy protection and cookie management policies.

To ensure that its technological offering matches the needs of artists and labels, the Group set up a Product team tasked with building a product offering covering the key points in the promotion cycle. This offer, designed around the Backstage software package, among others, aims to support artists and labels in developing their audience and promoting their music.

The Group invests heavily in these areas with the aim of developing proprietary technologies that enable it to offer its partners innovative functionalities.

The Group is constantly studying market trends and the expectations of artists and labels in order to improve this marketing product offering.

(1) Fraudulent technique intended to deceive the Net surfer into communicating personal data (login, password, etc.) and/or banking data.

POTENTIAL IMPACTS ON THE GROUP

Risks related to cyberattacks

A breach of the Group's IT security protocols or cyberattacks could lead to the theft of sensitive data: Group strategy, financial position, commercial operations, and the personal data of artists and labels and Group employees.

The Group could be exposed to:

- the risk of administrative, criminal or financial sanctions;
- a loss of confidence in the security of its IT systems by artists and labels and digital service providers.

Third-party intrusions into the Group's IT systems could also impair its proper functioning. A third-party intrusion could block access to the Group's applications or cause service interruptions. Artists and labels would then be unable to access technological platforms such as Backstage or TuneCore. The latter are essential for the Group to provide its Premium Solutions or Automated Solutions. These events could have an adverse effect on the Group's business, financial position, reputation, results and outlook. Like all companies, the Group manages cyberattack attempts, but it has not been confronted with any direct major incident leading to the interruption of its activities or to personal data leaks or changes.

Risks related to infrastructure reliability and the obsolescence of the Group's technological offering

A lack of reliability in the IT infrastructure or applications on which the Group depends could cause a service interruption. Such a situation could affect the continuation of the Group's activities, its financial position and damage its reputation.

Risks related to managing the Group's rapid growth and external growth strategy

RISK DESCRIPTION

The Group has experienced strong growth in its activities in recent years. Consolidated revenue rose from €441.4 million for the fiscal year ending December 31, 2020 to €880 million for the fiscal year ending December 31, 2023. The average annual growth rate (CAGR) over the period was 25.9%.

The management of the Group's operations, which it implements on an international scale, is becoming more complex, due to the ever-increasing volumes of content made available to platforms. The Group generated 83.2% of its consolidated revenue outside France over the fiscal year ended December 31, 2023. This trend is set to continue in the future, in line with the Group's expansion strategy.

The Group's growth, both organic and external, requires the continuous adaptation of its operating processes, reporting and internal control procedures. In a context of rapid growth, the Group may not be able to process all the data, particularly financial data or data from sales reports provided by digital service providers. Such a situation could lead to decisions being made based on incomplete and/or erroneous information.

In this context, the Group undertook on a recruitment process intended to strengthen its organization and support its development. However, there is a risk to the Group's ability to mobilize sufficient human and operational resources and to prioritize actions to achieve its operational objectives. Group employees may not be able to:

- manage growing complexity;
- deliver their projects on time and to the expected quality.

In order to maintain its growth and innovation capacity, the Group has made substantial investments, with no assurance that it will receive a satisfactory return on these investments.

The Group's success in recent years has been, and will continue to be, based on a Central Platform operating model (see notably Section 5.1.2.5 *"The Group's cost structure"*, page 215 and Section 5.1.3 *"Main income statement items"*, page 217. The Group recorded an increase in its Central Platform costs over the 2021-2023 period. These costs amounted to €78 million in 2023, representing 8.87% of revenue, down 74 basis points on 2022. The Group could encounter difficulties in implementing this operating model if:

- the tools and processes developed by the Central Platform did not meet the relevant needs, in particular local needs;
- the development costs of the Central Platform were too high and the tools developed proved too inflexible and not scalable enough (which might have been avoided with a local design and execution model);
- the teams, particularly local teams, were insufficiently trained to use these tools and implement these processes.

In recent years, and as part of its external growth strategy, the Group has made a number of targeted acquisitions that have contributed significantly to the growth of its business (see in particular Sections 1.5.3. *"Accelerate revenue growth through a targeted external growth strategy",* page 42 and 5.1.2.4 *"External growth transactions",* page 214).

Thus, notably, the Group made the following acquisitions:

- music publishing group Sentric in the United Kingdom, and a catalog of music rights in India in 2023;
- minority stakes in the labels Viva Music and Artists Group in the Philippines and Play Two in France and majority stakes in the labels Jo & Co in France and Think Music in India in 2021;
- a majority stake in the DMC label in Turkey in 2020;
- several companies in India in 2019;
- Nuclear Blast and Groove Attack in Germany in 2018;

The Group intends to continue its development by making potentially significant targeted acquisitions, particularly in strategic countries and new services. The objective is for the Group to expand its geographical footprint and enrich its offering.

In pursuing this external growth strategy, the Group may encounter the following difficulties:

- the integration of new companies could lead to substantial costs, delays or other financial and operational difficulties;
- the assumptions made in the business plans of acquired companies may prove incorrect, particularly in terms of synergies and performance;
- the departure of a portion of the personnel of the acquired company; the violation of non-competition clauses, if any, binding them to the Group; or the emergence of disputes with them;
- acquisitions in a country that is not the Group's home country could involve increased risks;
- the acquisition of new companies could generate unforeseen legal constraints, such as the emergence of liabilities larger than those assessed during the acquisition's due diligence phase;
- recorded goodwill may be subject to impairment due to the occurrence of unfavorable future events. At December 31, 2023, the Group's recorded goodwill amounted to €141.2 million, of which €36 million[1] stemming from acquisitions made over the fiscal year ended December 31, 2023;
- in the context of equity investments, the emergence of disagreements with co-shareholders. Such disagreements could affect the decision-making process and the conduct of business, or even give rise to legal disputes with the co-shareholders.

RISK CONTROL AND MITIGATION MEASURES

Several measures have been implemented by the Group to ensure that its resources and processes can keep up with the strong growth of its activities. Monthly steering committees, and monthly (flash) and quarterly (in-depth) business reviews have been set up. These measures are designed to review the achievement of objectives assigned to ongoing projects and prioritize action plans.

In order to guarantee a sufficient level of skills, several measures have been put in place such as:

- a long-term recruitment plan targeting high value-added profiles;
- training for new employees and for all employees throughout their careers in order to guarantee a high level of expertise;
- training of sales teams to make efficient use of the operational tools made available to them by the Group.

The Group ensures that its procedures and controls allow exhaustive processing of the data it receives in line with the growth of its activities. In this respect, the Group ensures that the size of the finance team is in line with its growth challenges. The Group relies on industry-leading accounting and consolidation tools (notably Oracle Hyperion Financial Management). The Group has strengthened its account closing processes, with the implementation of a rigorous closing schedule and rigorous governance and methodology.

(1) Provisional goodwill.

The Group follows an external growth policy with strict criteria regarding the strategic relevance and value of potential targets. It also ensures that in-depth legal and financial due diligence processes are carried out on targets, with the support of external advisors.

These processes can identify risks upstream (to the target and its environment) and define appropriate action plans to remedy them. These processes also include Know Your Customer compliance checks, to ensure that the values of future partners match those of the Group.

In the event of an integration, the Group defines a governance structure that safeguards its interests and applies the Group's main procedures to the newly integrated entity. An integration department ensures the roll-out of the various target operating models.

POTENTIAL IMPACTS ON THE GROUP

If the Group were unable to respond appropriately to these growth challenges it could have an adverse effect on its business. Its financial position, results, development and outlook would also be impacted.

If the Group's development strategy is not as successful as expected, its competitive position, profitability and growth could be affected.

Risks related to relationships with artists and labels

RISK DESCRIPTION

The growth of the Group's catalog and activities depends in particular on its ability to discover, attract and retain artists and labels. The Group strives to offer them first-rate technological and human solutions adapted to their needs and competitive remuneration structures. Identifying and signing high-potential artists or tier one labels enables the Group to strengthen its brand image.

If the Group does not have access to external databases on artists and the tools to analyze them, the Group may not be able to develop its catalog. The sales teams' access to external and internal databases enables them to qualify artist profiles and anticipate future successes.

The Group may not be able to get artists and labels to adopt its Premium Solutions offering. They might prefer to use the Automated Solutions offering or service providers outside the Group for certain solutions. Such a situation could lead to a decrease in the Group's profitability.

The Group faces competition from players, particularly the music industry majors, with greater financial and commercial resources. The music industry majors have a competitive talent scouting strategy. This competition could limit the Group's ability to attract top artists, historically targeted by the Majors, or local artists and independent labels. Indeed, the Majors are increasingly seeking to position themselves in the segment of local artists and independent labels (see also Section 3.1.1 "*Risks relating to the Group's industry*", page 119).

The Group could have to deal with a change in listening habits, with users turning away from the local artists targeted by the Group. Users could listen to more content produced by international artists. These are not a priority for the Group's talent scouting efforts.

The Group might be unable to provide its services to artists and labels to the requisite standards of quality. The Group may therefore fail to insure:

- the quality and reliability of the content ingestion and delivery process;
- failing to produce complete and accurate sales statements within contractual deadlines. The quality of sales statements also depends on the quality of the information provided by the digital service providers themselves (see *"Risks related to relationships with streaming and social media platforms"*, page 128);
- rigorous implementation of rights management and catalog protection measures;
- continuous provision of innovative technologies and development of the applications best suited to the needs of artists and labels.

A lack of business expertise and know-how on the part of the Group's sales and marketing teams could affect the attractiveness of the Group's offering, consequently affecting its ability to create relationships of trust with artists and support their career development.

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. This exposes the Group to the risk of not recovering these amounts if the value of sales is insufficient. The value of sales is reflected in the number of streams generated by these producers' content made available on the platforms (see Section 1.2.3 *"Believe is a global digital platform offering a high quality of service thanks to its musical, digital and technological expertise"*, page 15, for a description of the contractual mechanism for advances). These advances, recognized as assets on the statement of financial position when paid, 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 current portion corresponds to the portion that the Group expects to recover over the twelve months following the closing date.

Net unrecouped advances amounted to €258.6 million (of which €103.1 million for the current portion and €155.5 million for the non-current portion) at December 31, 2023, compared with €178.5 million (of which €90.7 million for the current portion and €87.8 million for the non-current portion) at December 31, 2022. The 45% increase in unrecouped advances from 2022 to 2023 had an impact on the Group's working capital requirement, which rose from €(162.1) million for the fiscal year ended December 31, 2022 to €(151.8) million for the fiscal year ended December 31, 2023 (see Section 5.3.2.5 *"Working capital requirement"*, page 232). The increase in the amount of unrecovered advances over the last three fiscal years is due to the growth of the Group's activities. This increase is also due to its strategy to offer artists and labels more services. Advance payments are one of the services offered to artists to support their career development. The Group intends to continue this strategy in the future, which will increase the amount of advances and increase the risk described above (see also Sections 3.1.4 *"Financial risks*", page 133, and 5.3.2.1 *"Presentation and analysis of the main categories of cash use of the Group*", page 228).

Furthermore, the Group is required to pay over to artists and labels a percentage of the amounts paid by the streaming and social media platforms 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 historical observation of delays and frequencies of payment requests to artists, which are relatively constant over time.

Lastly, the Group could be held liable for the content it distributes, including content distributed online.

RISK CONTROL AND MITIGATION MEASURES

The Group strives to offer labels and artists the technological and human solutions that best meet their needs and guarantee transparency in their remuneration. The Group has set up an automated contracting solution to ensure that the agreements signed with each artist meet the standards of its contractual policy.

With regard to the content made available, the Group makes every effort to carry out a prior check of the content. These controls aim in particular to ensure that any illegal content is not distributed or can be removed promptly. Examples of illegal content include infringing or racist content or content that incites violence.

In addition, the Group maintains a large and diversified base of artists and labels. During the fiscal year ended December 31, 2023, the Group estimates that it generated less than 10% of its revenue from digital sales with its top 10 producers.

POTENTIAL IMPACTS ON THE GROUP

The occurrence of these risks could lead the Group to offer an unsuitable or inadequate service, thus limiting its ability to attract new artists and labels. The occurrence of these risks could expose the Group to a risk of being in breach of contract with its existing artists and labels. This could lead to the Group being held liable and to the payment of damages to the artists and labels. In addition, these amounts may not be covered by the Group's insurance policies.

If the Group were unable to pay advance amounts that met producers' expectations, this could affect its ability to attract new producers.

The occurrence of these risks could call into question the attractiveness of the Group's offering and/or its profitability.

The Group faces risks related to the distribution of illegal content. The Group could be required to remove or have such content removed or face civil and/or criminal penalties. More generally, the Group's reputation could be affected by unlawful or unethical conduct by the artists or labels with which it works.

Risks related to relationships with digital service providers and social media platforms

RISK DESCRIPTION

The Group is dependent on a limited number of streaming and social media platforms. Over the fiscal year ended December 31, 2023, the Group generated 68% of its revenue from three digital service providers, accounting for 28%, 31% and 9% of consolidated revenue respectively. Even though the Group's positioning in its main markets means that it holds catalogs that are essential to a complete offering by the platforms, this situation limits the Group's ability to negotiate favorable terms with these platforms, notably in terms of the amounts due to the Group. The Group is exposed to a risk of significant loss of revenue if the contract is terminated early or not renewed at maturity. Contracts with streaming and social media platforms are generally concluded for periods of two to three years. Contracts may be terminated in advance by either party in the event of a serious breach of contract (see Section 1.2.3 *"Believe is a global digital platform offering a high quality of service thanks to its musical, digital and technological expertise"*, page 15).

Streaming and social media platforms could review artists' compensation models when their contracts are renewed. These models could become less favorable to the Group's artists, and have a negative effect on the Group's revenue.

The effectiveness of the Group's process for processing payments received from platforms depends in part on the reliability of the sales reports received from the platforms. The Group has little control over the accuracy and exhaustiveness of platform sales reports. Imprecise or inaccurate reports could affect the Group's ability to pay artists and labels the amounts actually due. Such a situation would impact the accounting treatment of the Group's revenues.

If fraud is suspected, the Group has limited contractual means to challenge the legitimacy of content withdrawals decided by the digital service providers. The Group could be exposed to an unjustified removal of content. This would negatively affect its revenues and its relationship with the artists or labels concerned.

Streaming or social media platforms may refuse some of the content offered by the Group if it was already available in another version on the platform in question. The refusal may also be related to an incompatibility of the content with the editorial policy of the digital service provider concerned.

A significant portion of the content listened to on digital service providers' platforms comes from playlists created and updated by the service providers. These playlists are largely created automatically on the basis of proprietary algorithms. The distribution and visibility of the Group's catalog on the platforms are dependent to a certain extent on these algorithms.

The Group may not be able to quickly and sufficiently adapt its tools and processes to changes in the technological and operational requirements of the digital service providers. These requirements concern in particular the policies for:

- management of user-generated content;
- control of video content quality control processes;
- respect for intellectual property rights;
- detection of illegal and inappropriate content.

If the Group is unable to make these adjustments, it could affect its ability to fulfill its contractual obligations with regard to the digital service providers. More generally, such a failure would affect the Group's ability to acquire new market share.

RISK CONTROL AND MITIGATION MEASURES

To limit the consequences of its dependence on the main digital service providers, the Group devotes significant resources to maintaining a good relationship with these service providers. In particular, the Group makes sure its technological solutions meet the requirements of the service providers as well as possible. The Group also ensures that the content offered is in line with their editorial policy. Competent contacts have been identified within the Group who can respond quickly to any questions or operational difficulties raised by the service providers.

The Group has set up a process for validating content before it is delivered to the platforms. There is a dedicated department, which draws on a database to detect any content without valid rights.

With regard to the risk of inaccurate sales reports received from digital service providers, the Group has implemented analytical review and consistency checking processes. The Group endeavors to include audit clauses in its contracts, allowing it to verify the information sent with the service providers, under certain conditions.

The Group employs processes aimed at analyzing platform algorithms. These analyses aim to anticipate the potential positioning of content from the Group's catalog in the platforms' playlists.

POTENTIAL IMPACTS ON THE GROUP

The occurrence of such events could have a material adverse effect on the Group's business, financial position, results, outlook or reputation. Any inability to identify and anticipate platform content requirements could adversely affect the Group's operational efficiency. Serious and repeated breaches of its contractual obligations could prevent the Group from maintaining its status as a preferred partner with some digital service providers. These breaches could even constitute grounds for termination of the contract. Such a situation would affect the Group's revenues and could call into question its ability to develop, support and promote artists.

Risks related to the Group's international development

RISK DESCRIPTION

At December 31, 2023, the Group had a commercial presence[(1)] in over 50 countries, including markets where streaming penetration remains low (see Section 1.3.1 *"The digital recorded music market is growing strongly"*, page 26). As part of its growth strategy, the Group intends to continue developing its activities in its market.

In general, the development of the Group's international activities presents a number of risks, including:

- exposure to various legal regimes offering varying degrees of protection in terms of intellectual property rights. In some countries where the Group operates, copyright regulations and regulations governing the activities of distribution platforms are relatively new. The case law in this area is thus underdeveloped and therefore subject to change. Certain restrictive regulations with regard to the protection of personal data and the control of rights could affect the Group's ability to exploit its rights. Such regulations could increase the risk of litigation. In some jurisdictions, including mature markets, copyright identification is ineffective, thus increasing the risk of litigation (see Section 3.1.5 "*Legal risks"*, page 135);
- difficulties in enforcing contracts or court decisions or difficulties in collecting amounts owed. The Group could also face difficulties in enforcing, or complying with, unclear or ambiguous legal provisions;
- reclassification, by local authorities, of independent consultants with whom the Group contracts in various countries as employees. Such reclassifications could lead to the application of social security contributions and withholding taxes;
- difficulties in recruiting or retaining employees.

In addition, some countries, particularly growing markets, have specific risks including:

- foreign exchange control measures;
- limits on the payment of dividends or any other payment from foreign subsidiaries. The introduction of withholding tax or any other taxes based on payments or investments made by foreign subsidiaries. In general, any other restriction imposed by public authorities that may lead the Group to resort to external financing;
- relative economic, social and political instability and increased risks in terms of corruption and business ethics;
- the well-being, mental health and safety of artists, labels and employees;
- nationalization or expropriation of private property (expropriation without adequate compensation);
- customs duties, protectionist measures and licensing requirements in order to operate;
- large fluctuations in interest and exchange rates;
- the risk of sanctions in some countries;
- acts of terrorism.

Russia-Ukraine crisis

The Believe Group, through its Russian subsidiary, is exposed to the consequences of the Russian-Ukrainian crisis in two ways. On the one hand, via the current and future economic sanctions applied against Russia. And on the other hand via the impacts of this crisis on the growth prospects of the Russian market and their possible repercussions for global economic growth.

As for all companies with operations in Russia, the Group could be affected by the restriction on currency transactions, the economic effect of the devaluation of the ruble and difficulties regarding liquidity circulation.

(1) The Group has a commercial presence in countries where it has employees or external consultants.

RISK CONTROL AND MITIGATION MEASURES

The Group's international development strategy enables it to dilute its risk because its presence is not concentrated in a single country or geographical area. It also allows the Group to offset any impacts between countries and geographical areas of development. Much of the Group's cash inflows and outflows are centralized at global level, enabling effective management of the business. Although it operates in more than 50 countries, the vast majority of the Group's transactions are carried out in a limited number of currencies, which makes it easier to manage foreign exchange impacts.

International development is at the heart of the Group's strategy, which seeks to develop local music operations and talent around the globe.

In this context, the Group has set up dedicated programs to monitor and control risks related to legislative and regulatory changes (see Section 3.1.5 "*Legal risks*", page 135).

The Group relies on local teams who are experts in their sector. They are supported and monitored using standardized tools and processes developed by the Central Platform and supervised by regional and local teams. For example, the Group's HR tools are used in all countries. Teams benefit from the Group's training programs, as well as from programs designed to support their career development. The Group ensures that its values are shared with local teams through its Shaping Music for Good CSR programs. Compliance programs, which include rules on ethics, anti-corruption and conflicts of interest, ensure that common rules are respected.

The Group is carefully monitoring developments in the Russian-Ukrainian crisis, so as to be in a position to take swift decisions in the event of a change in sanctions. To this end, surveillance was set up to monitor the situation in Russia and Ukraine, as well as changes in local regulations, as well as international regulations and sanctions. The Group calls on an external service provider to assist it in this monitoring and in complying with international sanctions that may be imposed on banks, companies or individuals. The Group is also implementing stricter internal "Know your customer" rules for these high-risk territories.

POTENTIAL IMPACTS ON THE GROUP

The Group's activities are not concentrated in a single country. However, the occurrence of unfavorable events or circumstances in one or more countries in which it operates could have an adverse effect on its results and prospects.

Risks related to fraud, corruption and ethics

RISK DESCRIPTION

Fraud

As part of its business activities, the Group is exposed to several types of fraud, including[1]:

- streaming fraud, consisting in the generation of fictitious streams of content by a producer client of the Group. The aim of this type of fraud is to increase the outpayments due by digital service providers, or to artificially improve ranking in the various playlists. The Group's ability to take action against this type of fraud depends in part on the reliability of the reports received from digital service providers. The Group has little control over the accuracy and exhaustiveness of these reports, which may be drawn up using different methods depending on the platform concerned (see notably Section 3.1.2.*"Risks related to relationships with digital service providers and social media platforms"*, page 122);
- digital piracy (see also Section 3.1.5 *"Legal risks"*, page 135) or online extraction (stream ripping[2]) concerning the content in the Group's catalog;
- disclosure of the Group's catalog content, prior to its official release, by a third party or a person within the Group;
- collusion between an artist of the Group and one of its employees so that the employee gets part of the advance paid to the artist. Fraudulent collusion may lead to a system of kickbacks. Collusion could take the form of a conflict of interest. An employee of the Group could be involved in the career development of a Group artist as manager, publisher or producer for example. This employee would thus benefit from the contract signed with the Group;
- payment fraud, whereby third parties could use fraudulent means to modify the bank details of labels and artists. The change in bank details would result in the misappropriation of amounts paid by the Group to labels and artists.

(1) The types of fraud are ranked by decreasing order, in terms of probability of occurrence.

(2) The fraudulent practice of using converters to record a copy of legally streamed content.

Corruption and ethics

In certain countries, the Group may face risks related to corruption.

The Group's CSR policy specifically addresses the promotion of ethics, the prevention of corruption and the fight against corrupt practices. This policy is at the heart of the Group's development strategy (see Section 2.3 "*An ethics and deontological system as close as possible to employees, artists and labels*", page 67). Any breaches in terms of ethics and corruption could therefore affect the credibility of this policy in the eyes of Group employees and third parties alike. Such breaches could damage the Group's reputation and development strategy.

In the normal course of its business, the Group may be involved in a number of legal, administrative or arbitration proceedings. As of the date of this Universal registration document, the Group is not aware of any governmental, legal or arbitration proceedings that have had, or could have, a significant impact on its profitability.

RISK CONTROL AND MITIGATION MEASURES

The main platforms have considerably increased their efforts to detect streaming fraud in recent years, and now report any anomalies detected to the Group. In addition to the demonetization of content, a number of platforms initiated, in 2023, a change in the distribution of the royalty pool, or in certain cases a financial penalty in the event of a repeat offense, which should nullify some of the benefits resulting from the fraud. In the event of suspected fraud, the Group blocks payment to the artists and labels concerned of outpayments relating to fraudulent streams. The Group carries out awareness-raising and training initiatives for producers in the field of artificial streaming.

With regard to the risk of payment fraud, the Group has outsourced its most sensitive payment processes to a global specialist in online financial services. This provider counts world leaders in e-commerce among its customers, and implements processes to identify counterparties. As part of this verification process, the bank details of the artists and labels to which the Group pays payments are checked.

The Group set up fraud awareness-raising training programs for its employees. Through this training, the Group seeks to prevent both internal and external fraud attempts. The Group also conducts simulations of phishing attacks to improve employee reactivity and the escalation of *ad hoc* alerts.

The Group, notably via its Compliance team, pays strict attention to ensuring that its procedures and employee practices comply with applicable regulations(1). The Group thus rolled out Ethics and Anti-Corruption Codes in more than 10 languages, along with associated training courses, and raises employee awareness of the whistleblowing system(2). The Codes and the whistleblowing system are available on the Group's website: https://www.believe.com/ethics-compliance.

These actions fall within the framework of the measures put in place in accordance with the law of December 9, 2016 on transparency, the fight against corruption and influence peddling and the modernization of economic life (known as the "Sapin II" law).

POTENTIAL IMPACTS ON THE GROUP

Fraudulent practices could affect the Group's ability to ensure the integrity of transactions and payments with artists and labels. This could negatively impact the quality of its services, or the perception of the quality of its services by artists and labels. They also reduce the remuneration of legitimate artists and have an adverse effect on the Group's results and business.

Some platforms supplement their systems to combat artificial streaming with financial penalties which are applicable to content owners. If these penalties could not be attributed to the producers concerned, they could have an adverse effect on the Group's results, business, reputation, financial position and outlook.

The Group cannot guarantee that its employees, suppliers, subcontractors or other partners comply with the requirements that the Group imposes on itself and with the regulations in force. If it were unable to enforce its anti-corruption policies and procedures, the Group could be subject to civil and criminal sanctions. The Group could even be excluded from certain markets.

(1) The obligations of Group employees in terms of compliance with applicable laws and regulations are set out in Part 3 "General Ethics Principles" of the Code of Ethics and in Part 2 "Rules to respect and behaviors to avoid" of the Anti-Corruption Code.

(2) Reporting channel enabling employees to confidentially alert Management of acts contrary to the law, the internal rules of an organization or its code of conduct. The Group's whistleblowing system is presented in Section 3.2. "Right to notify" of the Anti-Corruption Code.

3.1.3 Risks related to the Company

Risks related to human capital and its development (management team including the Chairman and Chief Executive Officer and recruitment and retention of experienced employees)

RISK DESCRIPTION

The Group's success and future growth notably depend on the performance of its management team, working with Mr. Denis Ladegaillerie, Chairman and Chief Executive Officer and founder of the Group.

In the event of an accident or the departure of one or more of these key people, the Group may not be able to replace them quickly. Such a situation could affect the Group's operational performance. In the event that its executives, founders or key employees join a competitor or create a competing business, the Group could be adversely affected.

The Group provides high value-added technological and human services that require solid industry expertise. The success of the Group's activities also depends on its ability to identify, attract, train, retain and motivate experienced employees[1]. Its success also depends on its ability to capitalize on solid industry knowledge and high-level skills. The attrition rate[2] among Group employees was 13.9% for the fiscal year ended December 31, 2023 (see Section 2.4.2 *"Believe employees in key figures"*, page 71). It amounted to 16% for the fiscal year ended December 31, 2022. The attrition rate is related to the Group's growth, which entails rapid changes in organization and skills. It is also related to tensions in the labor markets and the scarcity of skills. The Human Resources team continues to reinforce its actions to attract, retain, hire, support and develop the loyalty of employees. If the Group were unable to limit its attrition rate, this could affect the relationship of trust created with artists and the development of an attractive employer brand (see Section 2.4: *"Employees at the heart of Believe's business model and of Shaping Music for Good",* page 69).

The Group faces stiff competition for the recruitment of experienced employees and senior executives. Competitors may have significant financial resources and may capitalize on the reputation of their employer brand with potential candidates. The Group is thus faced with competition from players in the music industry in general. It also competes with leading technology companies in the recruitment of developers. As a result, the Group may not be able to attract, integrate or retain a sufficient number of qualified employees or experienced senior executives. Such a situation could harm its business and development strategy.

The development of the Group's business requires the acquisition, maintenance and renewal of skills in line with market evolutions and expectations. The Group may not be able to find qualified candidates or train its staff in the technological solutions it provides. It may also face difficulties in recruiting and training the executives it requires in the regions or business lines where it is active or wishes to develop.

During this inflationary period, the Group could encounter difficulties in recruiting and retaining qualified personnel on financial terms that are attractive for the Group. Such a situation would represent a risk of increased payroll costs and a decline in the quality of the products it develops.

RISK CONTROL AND MITIGATION MEASURES

In order to limit the risk of departure of its experienced employees, the Group implements a structured bonus policy. This policy is based on objectivity and fairness and aims to align compensation and individual performance. The Group also conducts regular reviews of compensation and benefits in order to guarantee a competitive level of compensation. As part of its CSR policy, the Group also strives to support the development of its employees throughout their careers.

The Your Voice social barometer, carried out annually, measures the various dimensions of employee commitment and satisfaction worldwide. Following this survey, actions are taken by management to meet employee expectations (see Section 2.4.8 *"Ensuring continuous dialogue with the teams and measuring the level of commitment and satisfaction"* page 84).

The Group offers its employees a wide range of training and coaching programs. The Group's objective is to offer its employees the best possible experience and an attractive working environment. The Group oversees the quality of its training programs and ensures that content and teaching methods are in line with market expectations and new practices. The training rate is monitored annually as part of the Group's CSR indicators. Measures put in place to limit human capital risks and improve the working environment are described in Section 2.4 "*Employees at the heart of Believe's business model and of Shaping Music for Good"*, page 69.

(1) In some countries, the Group relies on the expertise of more than 200 external consultants. The Group is exposed to risks related to its ability to maintain a contractual relationship with these consultants. These risks are similar to those presented in Section 3.1.2.

(2) Calculation of the attrition rate: total number of permanent headcount departures/Average permanent annual headcount.

In recent years, the Group has taken great care to strengthen its management team. In order to avoid the risk of departure of members of its management team, the Group associates them with its long-term success and performance.

Before its IPO in June 2021, the Group created share subscription warrants (BSA) and founders' share subscription warrants (BSPCE).

Since its IPO, the Group has set up free performance share programs. The allocation of these free shares encourages the beneficiaries to register their shares over time and represents a significant portion of executive compensation. The vesting of shares is subject, on the one hand, to a condition of presence in the Company for the entire duration of the vesting period and, on the other, to the achievement of long-term performance criteria assessed over a reference period averaging 3 years.

The Group intends to continue to involve executives in the success and performance of the Group, with the implementation of these long-term management incentive plans (notably based on free shares) (see Section 4.6.4.4 *"Principles and rules used for the allocation of free shares",* page 205).

In addition to its executives, the Group involves all its employees in its future development, providing a retention tool to build loyalty. To this end, Believe set up its first employee shareholding plan in 2022. This offer was reserved for employees participating in the Group Savings Plan and the International Group Savings Plan in no fewer than 6 countries, by way of a capital increase. By the end of the offer, almost a third of Group employees had become shareholders. No such transaction took place in 2023.

Furthermore, pursuant to the AFEP-MEDEF Code to which the Group refers in terms of corporate governance, the Group draws up and regularly updates succession plans with a variable timeframe for members of management to offset any vacancies and/or departures (see Sections 2.4.4.4 "*Implementing strategic talent development and succession plans",* page 76 and 4.3.4 "*Succession plans"*, page 186).

POTENTIAL IMPACTS ON THE GROUP

- The development of human capital is a key factor in the Group's development. If the Group fails to meet these challenges, it could face an adverse effect on its results, prospects and reputation as an employer.

3.1.4 Financial risks

Liquidity and counterparty risks

RISK DESCRIPTION

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 amounts if the value of sales is insufficient. The value of sales is notably reflected in the number of streams generated by these producers' content made available on the platforms (see Section 1.2.3 of this Universal registration document for a description of the contractual mechanism for advances). 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 current portion corresponds to the portion that the Group expects to recover over the twelve months following the closing date. Net unrecouped advances amounted to €258.6 million (of which €103.1 million for the current portion and €155.5 million for the non-current portion) at December 31, 2023, compared with €178.5 million (of which €90.7 million for the current portion and €87.8 million for the non-current portion) on December 31st, 2022.

The 45% increase in unrecouped advances from 2022 to 2023 had an impact on the Group's working capital requirement, which rose from €(162.1) million for the fiscal year ended December 31, 2022 to €(151.8) million for the fiscal year ended December 31, 2023 (see Section 5.3.2.5 "*Working capital requirement*", page 232). The increase in the amount of unrecovered advances over the last three fiscal years is due to the growth of the Group's activities. This increase is also due to its strategy to offer artists and labels more services. Advance payments are one of the services offered to artists to support their career development. The Group intends to continue this strategy in the future, which will increase the amount of advances and increase the risk described above (see also Sections 3.1.4 "*Financial risks"*, page 133, and 5.3.2.1 "*Presentation and analysis of the main categories of cash use of the Group*", page 228).

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 Group's cash management assumptions are based on a relatively stable working capital requirement (see Section 5.3.2 *"Cash position and cash flows*", page 228). 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.

Concerning counterparty risk, 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 the amounts paid 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 (see Section 1.2.2 "*Its positioning in the industry value chain puts Believe at the core of the digital music revolution*", page 13).

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.

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

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.

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.

The occurrence of these risks could call into question the attractiveness of the Group's offering and have a material adverse effect on its results and outlook.

Risks related to foreign exchange rates

RISK DESCRIPTION

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 revised regularly in view of market rates. The local currencies in which subscriptions are charged by the platforms to their users could depreciate (or appreciate) against the contractual currency (for example, 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.

POTENTIAL IMPACTS ON THE GROUP

Analysis of the sensitivity of the net foreign currency risk exposure

See Note 8.2 – Management of financial risks on page 283 for a presentation of the sensitivity analysis of net exposure to currency risk in the main currencies and an analysis of the impact of a 5% change in each currency *versus* the euro.

3.1.5 Legal risks

Risks related to intellectual property rights

RISK DESCRIPTION

The success of the Group's business depends in particular on its ability to grow and protect its content catalog. If the measures deployed by the Group to protect its content rights were to prove inadequate, third parties could use its content without its authorization. Such a situation could affect the Group's ability to profitably exploit its catalog and retain artists and labels. The Group might also have to bear significant legal costs to end the unlawful use of its rights. The Group could be sued by the beneficiaries (see also Section 1.3.2.1 *"Regulations relating to literary and artistic property*", page 31).

The content made available by the Group under contracts may include works produced by artists who are not parties to these contracts. The Group cannot ensure that the licenses and authorizations to use these works were granted to the producers with whom the Group has established a contract.

Some rights holders may not be declared by the artists and labels whose content the Group sells. The Group could be held liable for copyright infringement by undeclared copyright owners. They could also sue the platforms that distributed the content. The platforms would then seek the Group's liability through a cascade effect with the contractual relationships among them.

The litigants could seek damages from the Group and the removal of the content in question. Such actions, or even allegations of copyright infringement by the Group, could damage the Group's reputation. This risk is particularly heightened in the United States of America, a country in which the Group operates. The amount of damages that the Group could be ordered to pay by the local courts could be significantly higher than in Europe. In addition to compensation for the damage suffered, these could include punitive damages the amount of which can be directly set by law (statutory damages). Punitive damages can amount to up to $150,000 for each piece of content whose rights have been infringed. The Group's insurance policies may not cover all the indemnities that the Group may be required to pay.

Uses in the United States place the onus on producers or distributors of phonographic recordings to identify the owners of mechanical reproduction rights in the works included in these recordings. Producers or distributors of phonographic recordings must obtain and pay for the licenses to these rights when the recordings are distributed by way of downloads (and not only by way of streaming). It should be noted that the content made available by the Group is mainly distributed by streaming on the platforms. For the Group, downloading is a minority distribution format, used particularly in the United States. The Group uses external service providers to identify the right holders able to provide these licenses. The Group is thus exposed to the risk that certain rights holders may not be identified. It should be noted that, in almost all other countries, this responsibility lies solely with the platforms offering music recordings to end users. The same is true of music streaming in the United States.

The generalization of generative artificial intelligence (generative AI) tools could increase the volume of content submitted to the Group by labels and artists. As a result, the Group could be more exposed to the risk of distributing non-authentic content entirely generated by artificial intelligence, or of using the works of third parties that infringe copyright.

In the normal course of its business, the Group may be involved in legal, administrative or arbitration proceedings, particularly with regard to intellectual property. As of the date of this Universal registration document, the Group is not aware of any governmental, legal or arbitration proceedings likely to have had, or that could have, a significant impact on its profitability. In view of the uncertainty inherent in the procedure for verifying the holders of mechanical reproduction rights, the Group could be subject to claims. Proceedings of this type are frequent in the United States. This risk is increased in certain countries where the Group may use intermediaries to make its catalog available to local platforms. The Group is thus exposed to the risk that these intermediaries will not take adequate measures to safeguard the catalog and associated copyrights.

Digital piracy is an illegal use of the Group's intellectual property rights and content. Digital piracy deprives the Group of the revenue it could derive from the legal use of these rights and content, in particular if:

- it was unable to obtain appropriate legal enforcement in the event of illegal use of the rights and content it represents;
- it was unable to put in place the resources to protect its rights against digital piracy, or;
- public authorities failed to continue implementing anti-piracy measures.

The Group's business depends on its ability to protect its own intellectual property rights (trademarks, software, domain names, know-how and trade secrets). Protection efforts may be insufficient or ineffective in preventing acts of infringement or unauthorized use by third parties. For example, the trademark registration strategy may be insufficient in certain countries in which the Group operates. Third parties could oppose the registration of new trademarks, which would weaken the Group's reputation in the geographical areas concerned. Insufficient protection of the Group's sensitive and strategic information could cause it to lose its competitive advantage resulting from its know-how and trade secrets. The Group's activities on the Internet may also increase the risk of data theft or reverse engineering of technology platforms.

RISK CONTROL AND MITIGATION MEASURES

To limit the risk of infringement by a third party of its intellectual property rights, the Group has implemented strict mechanisms to identify the chain of rights holders. These mechanisms are applicable as soon as contracts with artists and labels are signed. The contracts include stipulations limiting the Group's liability in the event of an alleged infringement of rights.

The Group has put in place mechanisms for the rapid removal of disputed content. This process tends to limit the Group's accountability in the event of an alleged infringement of their rights by third parties.

The guarantees are given by the producer, enabling the Group to hold it liable if the Group were to be sued by rights holders.

The Group is seeking to automate its processes for identifying, handling and following up on claims of alleged intellectual property right infringement. The Group is considering and testing the adaptation of its processes with the arrival of new technologies such as generative artificial intelligence (generative AI).

POTENTIAL IMPACTS ON THE GROUP

Said events could have a significant adverse effect on the Group's business, financial position, reputation, results and prospects.

Risks related to regulations and their evolution

RISK DESCRIPTION

The Group's activities are subject to a number of regulations in the various countries where it operates. The Group is subject to regulations relating to stock market law, intellectual property, the liability rights of technical and e-commerce intermediaries, and to personal data and ESG regulations. A description of the regulations applicable to the Group's activities is presented in Section 1.3.2 *"The Group operates in complex legislative and regulatory environments",* page 30.

Insufficient knowledge of local regulations or a lack of methodology for monitoring local regulatory changes would have an impact on the Group. Such situations could call into question the Group's ability to identify the specific features of local regulations and comply with them.

The Group operates in the digital sector, where the regulatory framework is in the process of being structured and subject to numerous and rapid changes. The Group will have to adapt to these regulatory changes in order to continue developing its business in compliance with applicable regulations. The "Copyright" Directive adopted in 2019 and the draft European regulations known as the "Digital Services Act" and the "Digital Market Act" are recent examples of legislative developments.

Changes in regulations could increase stakeholder expectations in terms of sustainability and environmental commitments. This is notably the case under the CSRD (Corporate Social Responsibility Directive), a new European directive on CSR due to come into force in 2024. Any failure, or perceived failure, by the Group to meet its public ESG commitments to comply fully with developing interpretations of ESG laws and regulations, or to meet the changing and varied expectations and standards of stakeholders, could damage the Group's brand and reputation, and adversely affect the company's relationship with its stakeholders. Achieving such compliance could entail additional costs for the Group, which must comply over a three-year period, or even anticipate new regulatory requirements for its entire value chain.

RISK CONTROL AND MITIGATION MEASURES

The Group's Legal Department regularly monitors changes in local regulations to ensure the compliance of the Group's activities. This work is carried out with the operational departments and subsidiaries, but also in cooperation with local legal advisors.

The Group strives to apply a shared compliance policy across all its subsidiaries. Notably, it seeks to define internal "Know your customer" rules for carrying out checks and collecting the necessary documents from the labels and artists with whom it has contractual agreements. These checks are carried out on the basis of a risk assessment specific to each contract.

With regard to stock market regulations, the Group has established a stock market code of ethics. The objective is to draw the attention of its employees to the principles in force in terms of stock market ethics and the need to comply with them.

The Group has set up an Investor Relations Department in charge of drawing up a timetable summarizing its financial communication obligations. This timetable notably includes the periods during which no transactions on Believe share must be carried out by persons appearing on the list of insiders. The Group has set up an internal and financial control procedure (see Section 3.2 "*Risk management and internal control system*", page 139) to ensure compliance with stock market regulations in terms of accounting and financial reporting.

Under the aegis of the Board of Directors, the CSR and Commitment Department also set up a working group dedicated to the changes and impacts of future CSRD regulations, including on climate issues.

POTENTIAL IMPACTS ON THE GROUP

A change or strengthening of the regulatory systems applicable to the Group's activities could result in additional costs or investments for the Group. These additional costs could have a significant adverse effect on the Group's business, results, financial position and prospects.

Protectionist regulatory changes in countries where state control of economic activities is significant, could limit the Group's ability to continue its development.

If the Group were unable to identify the regulatory changes applicable to its activities, it would be exposed to a risk of breach of the applicable provisions. The Group could then be exposed to criminal, administrative and/or financial sanctions. The sanctions would have a significant adverse effect on the Group's business, results, reputation, financial position and prospects.

Risks related to applicable taxation regimes and their changes

RISK DESCRIPTION

The Group is subject to complex and changing tax legislation in the various countries in which it operates. As a result of its international activities, it is subject to rules relating to transfer pricing, permanent establishments, and value-added tax and other ancillary indirect taxes. These rules can be particularly complex and subject to differing interpretations. Changes in tax legislation and its interpretation could have a significant adverse impact on its tax position and effective tax rate. The same applies to the amount of taxes and other mandatory levies to which the Group is subject.

The rapid development of the global digital economy is leading public authorities to adapt or consider adapting the tax regime applicable to the digital sector. The Group could thus be subject to rapid and unpredictable changes in tax legislation in the countries in which it operates.

In France, a tax on digital services (known as the "GAFA" tax) came into force in July 2019, as well as a tax on music streaming from 2024. Although these taxes do not apply directly to the Group, they do impact certain streaming and social media platforms to which the Group makes content available.

Equally, a reform of the international tax architecture was agreed by more than 135 countries and jurisdictions in October 2021. This reform is built around two pillars. The first pillar aims to implement a new right to tax the profits made by some of the largest multinational companies. The second pillar provides for the introduction of a global minimum effective tax rate of 15%. At European level, the second pillar was adopted by a directive dated December 15, 2022 and must be transposed into the laws of the Member States by December 31, 2023 at the latest, with a view to its first application in 2024. In France, it was transposed by the Finance Act for 2024. It cannot be ruled out that this reform could have an impact on the Group's taxation or have a negative impact on the activities and taxation of the platforms on which the Group makes content available, which in turn could have a significant adverse effect on the Group's business, results, financial position and prospects.

Furthermore, flows related to the Group's activities, and in particular outgoing flows, mainly corresponding to payments made by the Group to artists and labels whose content is made available to digital service providers, are likely to be subject to withholding taxes that, where applicable, must be collected by the Group in the various countries where it operates. The Group's ability to collect these withholding taxes or, where applicable, to benefit from an exemption depends notably on the tax classification of the outgoing flows adopted by the local tax authority and on the communication to the Group of certain documents by the artists and labels concerned. Failure by the Group to collect applicable withholding taxes or its inability to take advantage of applicable withholding tax exemptions (notably if the required documents were not sent to it or if it did not request them) would expose it to the risk of having to pay tax arrears in the event of an adjustment by the competent tax authorities, plus any applicable late payment penalties, which could have a material adverse effect on its financial position.

Furthermore, due to the cross-border nature of the flows related to the Group's activities, a significant portion of its revenue is in principle exempt from the applicable value-added tax. The Group may thus find itself in credit to the local tax authorities in respect of value-added tax. The Group could encounter difficulties in taking advantage of these credit positions or experience delays in securing their reimbursement. These difficulties could be related to the processes specific to the local administration concerned, or to the communication to the Group of incomplete or inaccurate documents by the artists and labels, which could have a negative impact on its cash position.

RISK CONTROL AND MITIGATION MEASURES

The Group maintains a regular tax watch on news that could impact the Group, in particular any news relating to the digital economy. To conduct this tax watch, the Group's Tax Department relies on the subsidiaries, the Finance Department and the assistance of external consultants.

The Group set up processes to ensure compliance with indirect tax collection and invoicing rules, and to reduce the cost of withholding taxes. The Group endeavors to identify its main tax risks in years subject to tax audits, anticipate questions from the tax authorities and document any appropriate responses.

POTENTIAL IMPACTS ON THE GROUP

A challenge to the Group's tax position by the relevant authorities could result in the Group paying additional taxes, potentially incurring substantial reassessments and penalties, or increasing the cost of its products or services in order to pass on its taxes.

Such a situation could have a significant adverse effect on its business, results, financial position and prospects.

3.2 Risk management and internal control system

3.2.1 General organization of internal control

3.2.1.1 Definition and objectives of internal control

The Company has defined and implemented an internal control system that includes a set of processes and controls whose objective is to ensure:

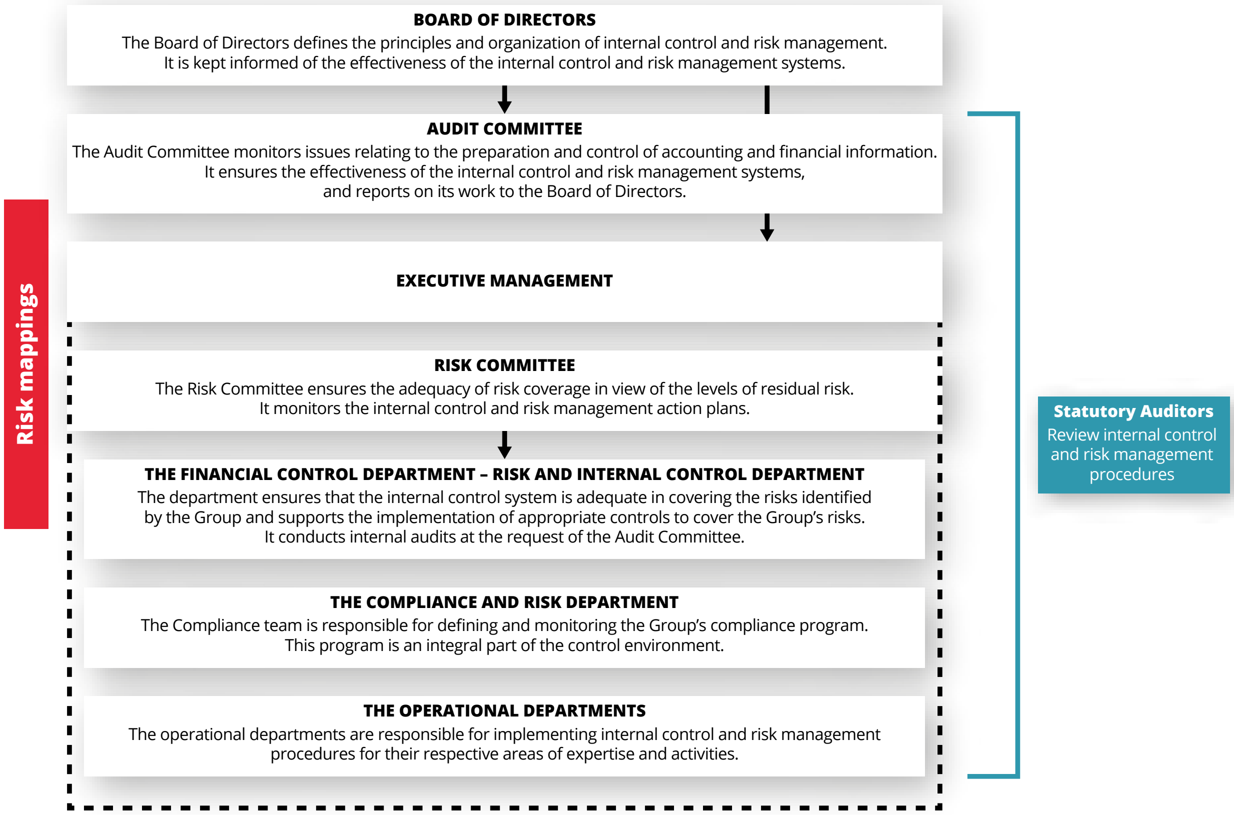
- compliance with laws and regulations;
- the application of instructions and guidelines set by management;
- the smooth operation of the Company's internal processes, particularly those contributing to the protection of its assets;
- the prevention and control of operational risks, financial risks, risks of error, risk of fraud, reputational risks or corporate social responsibility risks;
- the reliability of accounting, financial and management information.

Since its IPO, the Group, in consultation with its Statutory Auditors, has progressively changed its objectives and general principles of internal control. These objectives and principles are largely based on the reference framework and recommendations published by the AMF. These principles are based on:

- a policy that contributes to the development of the internal control culture and the principles of integrity;
- the identification and analysis of risk factors likely to affect the achievement of the Group's objectives;
- an organization and procedures designed to ensure the implementation of the guidelines defined by its management;
- the periodic review of control activities and ongoing search for areas for improvement;
- the process for disseminating information on internal control.

3.2.1.2 Internal control actors

Risk management and internal control is everyone's business, from the governance bodies to all of the Company's employees. The main players in internal control and risk management are:



Governance bodies

The Board of Directors

The Board defines the principles and organization of internal control and risk management. It is informed of the effectiveness of the internal control and risk management systems by the Audit Committee.

The Audit Committee

The Audit Committee's mission is to monitor issues relating to the preparation and control of accounting and financial information. The Audit Committee must ensure the effectiveness of the risk monitoring and internal control system. These missions support the Board of Directors' control and verification duties in this area.

The Audit Committee ensures the relevance, reliability and implementation of the Company's procedures for internal control, identification, coverage and management of risks relating to its activities and to financial and non-financial accounting information. The Committee shall also review the risks, including those of a social and environmental nature, and significant statement of financial position commitments of the Company and its subsidiaries. The Committee regularly reviews the mapping of the Group's risks.

The Audit Committee noted that it will have to ensure the relevance and exhaustiveness of sustainability information with the forthcoming application of the CSRD (Corporate Sustainability Reporting Directive).

In particular, the Audit Committee, in coordination with the CSR Committee, shall oversee the sustainability reporting process, the effectiveness of the control and risk management systems in terms of sustainability reporting and, where applicable, internal audit in this area. The Audit Committee will report the conclusions of its work to the Board of Directors.

Information sessions on CSRD in particular are planned for 2024 or 2025 in order to raise the awareness of Audit Committee members on the increased importance of CSR and climate issues and the concomitant increase in their duties in this field, which goes hand in hand with an increase in their responsibility.

The Audit Committee, chaired by an independent Chairwoman, is 75%-composed of independent members, which exceeds the minimum threshold of two-thirds recommended by the AFEP-MEDEF Code, and does not include any executive directors.

Minutes are drawn up at each Audit Committee meeting, which are then submitted to its members for validation during subsequent meetings, and the Chairwoman of the Committee regularly reports on the work carried out by the Committee to the Board of Directors. The Audit Committee met seven times in 2023. The work and composition of the Audit Committee are described in Section 4.2.7 "*Specialized Committees of the Board of Directors*", page 177.

Management

The Risk Committee

The Risk Committee is made up of the following permanent members:

- the Chief Financial & Strategy Officer;
- the Chief Operating Officer;
- the Chief Financial Control Officer;
- the Head of Management Control;
- the Legal Department;
- the Human Resources Department;
- the Chief Technology Officer;
- the Chief Risk and Compliance Officer;
- the internal control representatives of the subsidiaries;
- the Chief Financial Transformation Officer;
- the Head of Internal Control and Risk.

The committee holds quarterly meetings to monitor internal control and risk management action plans.

The main task of the Risk Committee is to review the adequacy of risk coverage with the level of residual risk.

The Risk Committee met three times in 2023. The main topics discussed included, notably, the monitoring of changes in risks identified in the Group's 2022 risk map, and the updating of the risk map for 2023:

- the follow-up to the discussions of the Audit Committees addressing internal control;
- the monitoring of the cybersecurity activities of the Sapin 2 and GDPR compliance programs;
- the follow-up to the discussions of the Audit Committees addressing internal control;
- the monitoring of the roll-out of the internal control system;
- the results of the testing campaigns and the internal audits carried out by the Internal Control Department;
- the monitoring of the implementation of the recommendations issued by the Statutory Auditors.

Executive Management

Executive Management is responsible for implementing and monitoring the internal control and risk management system. To this end, Executive Management relies mainly on the Financial Control Department.

The Financial Control Department – Risk and Internal Control Department

The Risk and Internal Control Department is part of the Group's Financial Control Department. It is responsible for monitoring the Group's risk management in close collaboration with the Group Risk Committee. The Internal Control Department ensures that an internal control system is in place to address the risks identified by the Group. Operational risk management and internal control are the responsibility of the Group's operational departments and subsidiaries, under the functional control of the Internal Control Department. In each of these departments and subsidiaries, the person responsible for risk management is in charge of verifying the proper application of prevention procedures. This role is generally held by the Department Manager or Chief Financial Officer of the subsidiary, or a person reporting to them. It can also implement new procedures whose application can be extended to the entire Group after review by the Group Risk and Internal Control Department.

The Group Risk and Internal Control Department plays a central role in establishing an internal control framework at Group level. It also defines the appropriate controls to be put in place to address the Group's risks. This framework defines the context within which the operational departments and subsidiaries exercise their risk management and internal control responsibilities. The department also coordinates operations throughout the system.

Lastly, the department carries out internal audits as part of the missions entrusted to it by the members of the Risk Committee and the Audit Committee. Internal audit assignments are validated by the Audit Committee when the department's annual roadmap is presented. The Risk and Internal Control Department is also involved in entities recently acquired by the Group.

The Compliance and Risk Department

The Compliance and Risk Department is part of the Legal Department. It is responsible for defining and monitoring the implementation of the Group's compliance program. This program is an integral part of its control environment. The compliance program aims to protect the Group from risks related in particular to ethics, corruption and non-compliance with personal data protection laws.

3.2.2 Components of internal control

The Group's internal control framework comprises the following five main components, the implementation of which is described below:

- control environment;
- identification and assessment of risks;
- control activities;
- dissemination of information;
- permanent monitoring.

3.2.2.1 Control environment

The purpose of setting up a control environment is to make employees aware of the usefulness and need for internal control. The control environment forms the basis of all its other elements, notably by developing ethics, discipline and organization. The Group's control environment is based on the following elements:

Rules of conduct and ethics

The Group endeavors to take into account all aspects of its corporate responsibility. A dedicated department, the Commitment and CSR Department confirms the Group's commitment to sustainable development. The Group's self-imposed principles of action and behavior are set out in its Code of Ethics. The purpose of the Code of Ethics is to ensure the Group's development in compliance with the rules of law and ethics. The Group's Code of Ethics is based on the values that are at the heart of Believe's culture. It sets the rules of conduct that each employee must comply with in all circumstances when carrying out their work. The Group pays particular attention to compliance with all applicable laws and fundamental rights: fight against discrimination and harassment, occupational health and safety, diversity, gender equality and promotion of work for people with disabilities (see Section 2.4.5 "*Creating a diverse, inclusive and fair working environment*", page 77).

The Code of Ethics also addresses social issues, integrity (and professionalism) in business, the fight against corruption and anti-competitive practices. These values are also reflected in the Anti-Corruption Code and the conflict of interest procedure.

The Code of Ethics and the Conflicts of Interest Procedure are available on the Group's Intranet, translated into over 10 languages in the case of the former and into English in the case of the latter.

Under the aegis of the Compliance and Risks Department, the Group has set up two compliance programs dedicated to fighting corruption and protecting personal data.

The Group's anti-corruption program takes into account the provisions of the Sapin II law and the recommendations *of* the French Anti-Corruption Agency (*Agence française anti-corruption*). It takes the form of various principles, policies, instructions, tools and training programs. This program also takes into account the anti-corruption provisions and laws of all countries in which the Group operates.

In this context, the Group has implemented an Anti-Corruption Code of Conduct (which is part of its Code of Ethics). This Code applies to and is binding for all Group employees, regardless of their status and position. The Group has set up a whistleblowing platform. It enables employees and partners to report any breach (or suspicion) of the rules of conduct and ethics. The whistleblowing system is accessible to employees and external stakeholders through a dedicated and secure platform, available free of charge 24/7. The system makes it possible to launch a detailed, confidential and documented alert by completing a standard questionnaire (available in several languages). This system can be accessed via PC, Smartphone or Tablet using a direct link. A Group-wide roll-out campaign took place in 2021. In 2021, the Group introduced an anti-corruption awareness-raising program for all its employees. In 2023, an anti-discrimination, anti-harassment and whistleblowing communication campaign was rolled out across the Group (see Section 2.3.3 "*Setting up and raising awareness on the whisteblowing alert protocol*", page 68).

The Ethics Committee is composed of the Group's Chairman and Chief Executive Officer, the Human Resources Department, the Legal Department, and the Compliance and Risk Officer. It ensures the implementation of the compliance program and the application of sanctions where applicable.

Personal data protection is a major issue for the Group. It is subject to specific regulations in most of the countries where the Group operates. The personal data protection program was developed in accordance with the General Data Protection Regulation (GDPR). Thus, the Compliance and Risk Department, in coordination with the Head of Information Systems Security, drew up an IT charter. This charter sets out the rules and best practices in terms of personal data protection. A privacy policy has also been put in place. It is accessible to all stakeholders on the Group's website. This policy describes personal data processing practices. It reiterates the importance that the Group places on data security and confidentiality, as well as on the protection of privacy and related rights.

Tax policy

Tax compliance

The Group is committed to full compliance with applicable laws and tax practices in the countries in which it operates. This responsible conduct is implemented in accordance with national, European and international rules and standards and by applying the principles of the OECD to transactions carried out within the Group. Thus, the Group ensures that transactions between the Group's companies are carried out in compliance with the arm's length principle as defined by the OECD and meets the reporting requirements (transfer pricing documentation, etc.).

The Group's policy is not to encourage or promote tax evasion and it does not engage in aggressive tax planning schemes designed to avoid tax. As such, the Group has internal procedures to limit all tax risks and fight against tax evasion.

Tax transparency

The Group favors relations with tax authorities based on exchange and mutual respect.

The Group responds appropriately and in a timely manner to requests from tax authorities in the context of exchanges of information and in accordance with tax treaties.

The Group legitimately applies the most relevant tax treatment, in accordance with economic reality, operational objectives and the laws in force. In a changing international tax environment, the positions taken by the Group may be subject to questions from and tax audits by local authorities. If, during tax audits, the Group's positions are challenged by a tax authority, the Group may be required to defend its interests or interpretation of the law, to prove its good faith and, where applicable, to bring the dispute to court.

Stock market code of ethics

Believe complies with the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse ("MAR"), and with those arising from the delegated and implementing regulations attached to the MAR, with the Guide of French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) relating to ongoing reporting and the management of insider information (DOC-2016-08), with the positions and recommendations of the AMF and ESMA (European Securities and Markets Authority / *Autorité européenne des marchés financiers*), with the AMF General Regulations, and with the recommendations of the AFEP-MEDEF Code.

The Group has put in place a stock market code of ethics to draw the attention of its employees to rules on stock market ethics. The code stipulates that any person who is or is likely to be an insider must refrain from carrying out any transactions on the Company's shares:

- during blackout periods (over the 30 calendar days preceding the publication of the press release announcing annual or half-yearly results, or the calendar days preceding the publication of the press release announcing quarterly revenue, including publication days);
- at any time if insider information is held.

A calendar detailing the blackout periods is available at the Group Legal Department. These periods of abstention from trading in securities are the subject of individual e-mail reminders, sent before the next start of a new identified period.

Executive directors also refrain from carrying out any transactions in the Company's shares when they are in an insider position.

Delegations of authority

The organizational charts drawn up by the Group allow a clear identification of powers and responsibilities. The delegation of authority is the responsibility of the Chairman and Chief Executive Officer. These delegations are regularly updated in line with the changing roles and responsibilities of the delegates. These delegations enable the various operational teams to achieve their objectives. The internal control system is based on the Group's operational organization. The operating principles and rules (with the appropriate delegations of authority) thus define the areas and level of decision-making and control of each department.

Human resources policy

The Group's recruitment, employee training and skills management policies contribute to the enhancement of internal control procedures. These policies ensure those exercising the delegations of authority are adequately resourced. The primary mission of the programs implemented by human resources is to attract, train, retain and motivate employees. These programs offer career development opportunities, individual development plans and appropriate training (see Section 2.4 "*Employees at the heart of Believe's business model and of Shaping Music for Good*", page 69).

Compliance of practices with laws and regulations

The organization and processes of the Group's Legal Department make sure employees are aware of the regulations and laws applying to them. The processes keep them informed in good time of changes to regulations and applicable laws. This process allows the Group to adapt and regularly update its procedures.

Internal control process and guidelines

The Group pays particular attention to the continuous improvement of its processes. This process of improving and standardizing processes contributes to the robustness of its control environment.

The Group's internal control framework is shared with all Group employees. It is reviewed by operational staff, so that it can be owned and enhanced by best operational practices.

3.2.2.2 Risk identification and assessment

Risk management is closely monitored by the Group's management, with close involvement of internal control.

The main mission of risk management is to identify, assess and prioritize risks. Risk management also has a role in assisting management in choosing the most appropriate risk management strategy. The objective is to limit the significant residual risks and to define and follow up the related action plans.

The identification and treatment of the Group's major risks are monitored by a dedicated organization under the supervision of the Risk Committee. The risk assessment is based on a quantitative and qualitative approach, in turn based on the following methodology:

- identification of risks considered significant by the subsidiaries;
- identification of significant central risks;
- consolidation of major central and subsidiary risks;
- prioritization of risks according to the probability of such risks occurring and their impact (financial and/or extra-financial);
- identification of preventive or corrective actions.

In 2022, an update of the Group's risk mapping was carried out. This update was reviewed by the Group's executives, the Risk Committee and the Statutory Auditors. The Group's risk mapping was presented to the Audit Committee.

The main risks identified are described in Section 3.1 *"Main risk factors*", page 118.

3.2.2.3 Control activities

The purpose of control activities is to ensure the application of standards, procedures and recommendations contributing to the implementation of the Group's strategy. The operational departments are responsible for deploying these internal control rules and procedures within their scope. The internal control procedures for cross-functional activities are defined by the functional departments. This mainly concerns the Finance Department, the Human Resources Department, the Legal Department, and the IT Department.

Employees participate in the management of the internal control system by familiarizing themselves with, and applying, all the rules laid down by the Group.

Believe has established an internal control framework listing key control matters. The aim is to provide all Group subsidiaries with a tool enabling them to self-assess and identify areas for improvement in terms of controls.

3.2.2.4 Internal dissemination of information

To communicate to all stakeholders, relevant information must be identified, collected and disseminated. To this end, the Group relies on:

- its organization and IT systems, which facilitate the circulation of the information required for decision-making;
- its intranet site and the documentary databases that enable to share information within the Company. The Company's website includes a presentation of the Group's values, the Anti-Corruption Code and the IT charter on data protection. The conflict of interest procedure as well as the content and the CSR policy are also shared;
- dissemination of its internal control framework.

3.2.2.5 Permanent monitoring

The internal control system is periodically reviewed to assess its effectiveness and qualitative performance, as follows:

- the internal control framework is periodically reviewed by the operational managers of the various departments;
- the Audit Committee is also informed of the progress of internal control work as well as its objectives and priorities.

The results of the internal control test and self-assessment campaigns are reported to Executive Management, the Risk Committee, the Audit Committee and the Statutory Auditors. Appropriate action plans are identified and put in place and are monitored on a quarterly basis by internal control.

3.2.3 Internal control process relating to the preparation and processing of financial and accounting information

The Investor Relations Department is responsible for risk management and internal control relating to accounting and financial information. The Financial Communication Department is also involved in risk management and internal control relating to accounting and financial information.

The Company uses an external framework for implementation of the internal control procedures relating to the production of financial and accounting information. This framework covers all the national accounting laws and regulations that need to be taken into account when preparing the statutory financial statements of the Group's entities. The Group also prepares its consolidated financial statements in accordance with IFRS (International Financial Reporting Standards).

With the support of the other departments of the Financial Control Department, the Accounting and Consolidation Departments are responsible for preparing the Company's annual and consolidated financial statements. They are also responsible for half-yearly and annual reporting, in particular the half-year financial report and the Universal registration document (financial statements, notes Section and management/MD&A reports). The Consolidation Department defines the Group's accounting standards in accordance with IFRS. It ensures their application and helps coordinate the work of the Group's Statutory Auditors.

The Management Control Department is responsible for coordinating the budget process and its re-estimates prepared during the year. It is also in charge of producing and coordinating the five-year strategic plan. The Management Control Department contributes to preparing the monthly management reporting under the responsibility of the Consolidation Department. It is in charge of producing all the analyses required by Executive Management. It also monitors advances paid to producers and produces statistics and specific management indicators. It ensures the relevance of the analytical structure in order to manage the Group's performance. The Management Control Department is, due to its remit and the structure of the reporting it produces, a key player in the internal control and financial risk management system.

The Financial IT Department defines and implements the IT systems required by the financial functions. It ensures the integrity and functionality of the financial IT system solutions. It guarantees the transfers of data between the financial information system solutions and other solutions. It is also responsible for developing the financial information system environment to ensure optimal processing by the teams of the Financial Control Department. It works to strengthen the mechanisms for the segregation of duties and to improve the control of access rights to finance information system solutions.

The Treasury Department is responsible for applying the Group's financial policy. This policy includes the security of banking transactions and the financing strategy for the subsidiaries. It also includes the management of financial expenses and the profitability of cash surpluses and cash investments. A key responsibility of the Treasury Department is centralized management of the Group's cash. It makes sure the cash requirements and short-, medium- and long-term financing needs of the subsidiaries are met. It is also responsible for centralized exchange rate risk management.

The Tax Department ensures compliance with the tax regulations and laws in force and advises the Group's subsidiaries. It proposes tax solutions to support the Group's operational aims. It ensures the harmonization of tax data reporting.

The Investor Relations Department is responsible for coordinating the information disseminated to the financial community. The Investor Relations Department provides the financial community with a clear, transparent and accurate understanding of the Group's performance and outlook. Its role is also to inform Executive Management of the financial community's views of the Company's strategy and positioning. By working closely with the Executive Management and with the various Group departments, it determines the key messages. It ensures its consistency and coordinates its dissemination through various means (annual and half-yearly report, financial presentations, meetings with shareholders or analysts, website, etc.).

For the production of its financial information, the Group relies on leading accounting (SAGE X3) and consolidation tools (Oracle Hyperion Financial Management). The Group continues to deploy its tools within its subsidiaries and ensures that they are kept up to date with the latest developments. In this context, a unified information system contributes to the security of financial reports. As part of its financial reporting production process the Group has implemented an access management policy. This policy secures access to the data used to produce financial information.

3.2.4 Conclusions and outlook

3.2.4.1 The work carried out by the Risk and Internal Control Department in 2023

The Risk and Internal Control Department continued to roll out and implement the Group's internal control system, by structuring its work around three main areas:

- the reinforcement and continuous improvement of the internal control activities at its Believe SA and Believe International entities. This work includes reviewing operational and financial processes, updating risk mapping, and measuring the effectiveness of controls through tests. Proposed recommendations for improving existing processes and controls are shared with Management. The conclusions of the control tests are presented to the Risk Committee, the Audit Committee and the Statutory Auditors;
- the extension of the internal control system to all subsidiaries in which the Group holds a majority stake.

  On the one hand, the roll-out by the internal control teams of the complete internal control framework according to a methodology similar to that applied to Believe SA and Believe International.

  On the other, the introduction of a base of around 40 so-called "*Mandatory Controls*" for subsidiaries not yet affected by the full roll-out of the framework. The "*Mandatory Controls"* framework covers a wide range of high-risk activities, over and above the accounting and finance functions. Their universal nature and their alignment with codes and governance frameworks promote a consistent internal control environment throughout the Group. The "*Mandatory Controls"* approach demonstrates our commitment to the widespread implementation of robust internal controls. The appointment of a network of local focal points within the entities covered by the "*Mandatory Controls"* system plays an important role in the implementation and success of this approach.
- the implementation of internal audits within three entities pursuant to the audit plan approved by the Risk Committee and the Audit Committee. The audit procedures carried out include the performance of tests (tracking and detailed), and interviews with those involved in the audited cycles. A report is drafted after the audit, in which are listed, in the form of recommendations, the areas for improvement for the entity's management, including a precise action plan and detailed implementation monitoring over time.

The Audit Committee is informed on a regular basis of the status and progress of all this work.

3.2.4.2 Outlook and action plans for 2024

In 2024, the Group intends to continue this process of reinforcing and disseminating risk management practices, notably by continuing to raise awareness of internal control and risk management issues, and by making entities more accountable for them.

3.3 Insurance

3.3.1 Determination of insurance policies to be taken out

The Group's Legal Department coordinates the Group's insurance policy, with the support of the operational departments and the Risk and Internal Control Department. Each Group company is responsible for providing the Legal Department with the information necessary to identify and classify the risks to be insured. Once the risks have been identified, the Legal Department negotiates, with the assistance of a broker, the most appropriate policies to cover these risks. The Legal Department conducts these negotiations every year with major insurers.

The implementation of insurance policies is based on the determination of the level of coverage necessary to meet the reasonably-estimated occurrence of liability, damage or other risks. This evaluation takes into account the assessments made by the insurers as underwriters of the risks. Uninsured risks are those for which:

- no cover is offered in the insurance market;
- the cover on offer and/or its cost does not match the potential interest of the insurance.

The Group may also consider that the risk does not require insurance coverage.

3.3.2 Main insurance policies taken out by the Group

The Group's main policies, taken out with internationally renowned insurance companies, include:

- civil liability insurance (particularly in terms of intellectual property, or covering entertainment activities and events);
- property damage and subsequent business interruption insurance;
- cyber insurance;
- civil liability insurance for corporate officers;
- business travel insurance.

Risks not covered by these policies at Group level are insured on a case-by-case basis by policies taken out locally for a subsidiary.

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4.

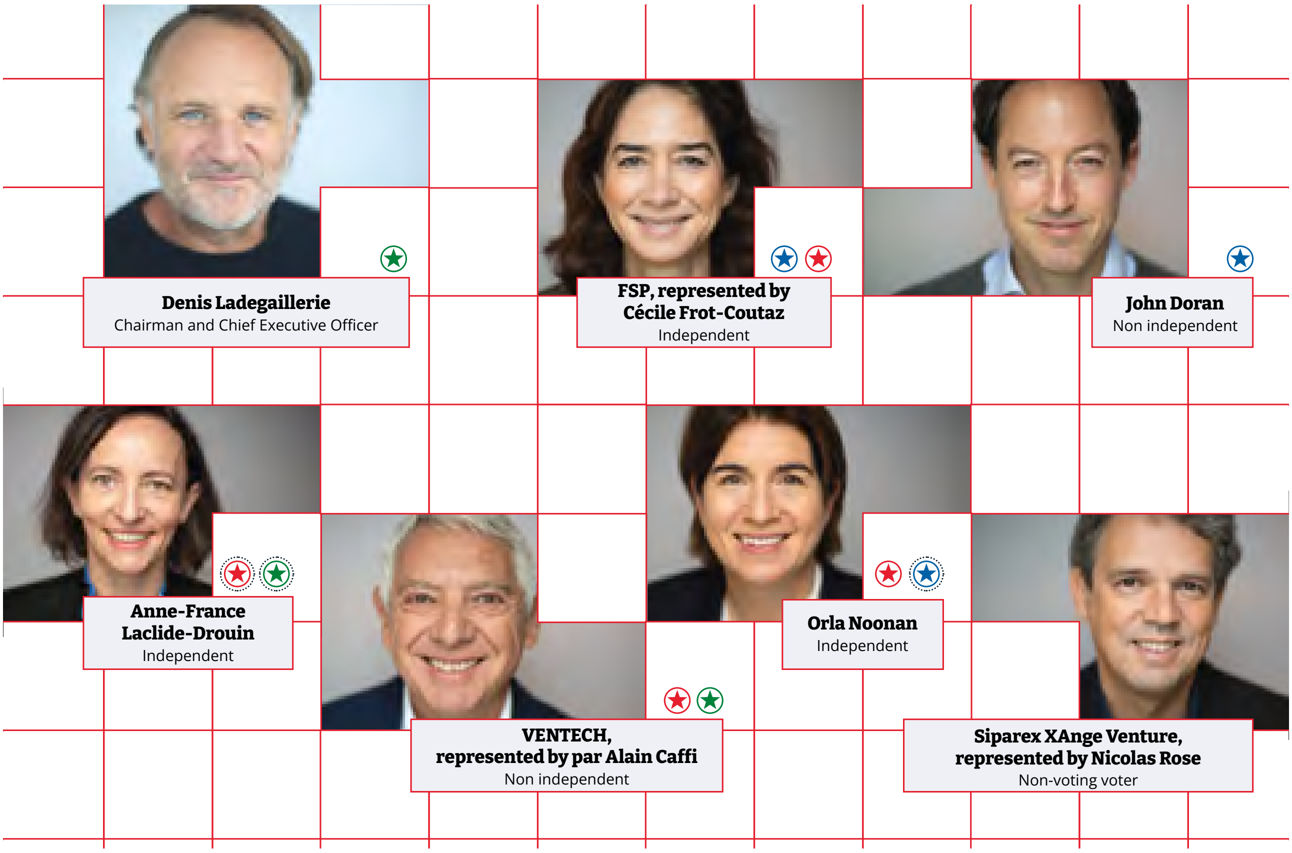
Corporate governance

This Chapter 4 "Corporate governance" represents the report on corporate governance prepared pursuant to the last paragraph of Article L. 225-37 of the French Commercial Code. It includes the information referred to in Articles L. 225-37-4 and L. 22-10-09 to L. 22-10-11 of the French Commercial Code.

This report was prepared under the responsibility of the Board of Directors with the support of Executive Management and the Legal Department, assisted by the Committees of the Board of Directors.

This report was definitively approved by the Board of Directors on March 13, 2024, after the favorable opinion of the Nomination and Compensation Committee of March 12, 2024.

The Board of Directors at December 31, 2023



Audit Committee members — Nomination and Compensation Committee members — CSR Committee members — Committee President

6 MEMBERS (1)

50% INDEPENDENCE RATE (1)

96% ATTENDANCE RATE (1)

50% PERCENTAGE OF WOMEN (1)

35% FOREIGN NATIONALITY (1)

56 AVERAGE AGE (1)

(1) excluding non-voting voter

4.1 Governance

This Section, which is an integral part of the corporate governance report, notably presents:

- the rules and principles of corporate governance applicable to the Company;
- the non-executive governance bodies (Board of Directors and Specialized Committees);
- the executive bodies (Executive Management and Executive Committee); and
- the rules of ethics applicable to the Group's main corporate officers.

4.1.1 Rules and principles of corporate governance

The Company takes great care to apply best practices in terms of corporate governance, in order to achieve the high levels of performance and efficient management that are currently described in this Corporate Governance Report, as transparently as possible, and to fully meet the interests and expectations of its stakeholders.

To this end, the Board relies on the recommendations of the AFEP-MEDEF Governance Code, the work of its Committees and feedback from the dialogue with the main shareholders and the proxy voting agencies. It also follows the recommendations made by the AMF in its annual report on governance and executive compensation, as well as those resulting from the report prepared by the High Committee on Corporate Governance.

It ensures that the governance bodies operate in an effective manner in strict compliance with the balance of powers.

The rules and procedures on the composition and operation of the Board are defined by law, the Company's articles of association, the Board's Internal Rules and the Shareholders' Agreement, as presented below.

The Internal Rules of the Board, whose purpose is to clarify the legal and regulatory provisions or those of the articles of association relating to the composition, organization and operation of the Board and its specialized committees, were adopted at the Board meeting of June 11, 2021.

The Internal Rules are available in full on the Company's institutional website, under the heading "Governance".

The Directors' charter, adopted by the Board at its meeting of July 12, 2021, outlines the duties and obligations with which each member of the Board of Directors must comply within the Company, including non-voting members.

In addition to the governance rules set out above, the Company is also required to comply with additional governance clauses resulting from the Shareholders' Agreement signed on June 9, 2021 between Denis Ladegaillerie and the Company's three historical shareholders, TCV, XAnge and Ventech (see 4.2.3. below).

4.1.1.1 Governance Code

The Company refers to the Corporate Governance Code for listed companies drawn up jointly by Afep and Medef, as revised in December 2022 (the " **AFEP-MEDEF Code**").

The latest updated version of the AFEP-MEDEF Code, revised in December 2022, is available on the Afep website (www.afep.com) or the Medef website (www.medef.com).

Pursuant to the recommendations of the AFEP-MEDEF Code, this Chapter identifies, in a summary table, the provisions of this Code that were not retained and explains the reasons for this choice (see Section 4.1.2).

4.1.1.2 Governance structure

Combined management functions

In May 2021, in order to implement its IPO project, the Company, which until then had the legal form of a French simplified joint-stock company *(société par actions simplifiée),* was transformed into a public limited company *(société anonyme)* with a Board of Directors.

The newly appointed Board of Directors then considered a mode of governance adapted to the specificities of the Company, making it possible to optimize its performance and its long-term strategy, in compliance with rules on balanced governance.

The Board of Directors decided that Denis Ladegaillerie would combine the functions of Chairman of the Board of Directors and Chief Executive Officer for the duration of his term of office, and would then take the title of Chairman and Chief Executive Officer.

Since the Company's IPO in June 2021, the Board of Directors has reviewed, annually, the appropriateness of the governance method used, and whether this option remains appropriate for the Company and its stakeholders and still responds to the reasons that led the Board to combine these two functions.

At its meeting of December 14, 2023, the Board discussed the mode of governance and decided, on the recommendation of the Nomination and Compensation Committee, to maintain the unified functions of Chairman of the Board of Directors and Chief Executive Officer. The combination of these two functions continues to be in the Company's corporate interest and offers, in a context of strong expansion, stability, agility and fluidity in decision-making, as well as proximity for an efficient and dynamic interaction between the Board and Executive Management.

This option is also in line with the desire to maintain a stable managerial framework following the change in the Company's corporate structure, by retaining Denis Ladegaillerie in his functions as director, which he exercised at the Company when it was under its former structure as a French simplified joint-stock company *(société par actions simplifiée)* with a Board of Directors, in his capacity as Chairman of the Company.

This organization guarantees the sustainability of the Group's performance, values and commitments, as well as the quality of its governance.

As a founder, Denis Ladegaillerie's strong involvement and historical knowledge of the Group's activities and strategy are valuable assets, as are his privileged relationships with the historical shareholders who are represented on the Board and who contribute fully to the due operation of the Company.

This mode of governance was also voted in favor of by a majority of the members of the Board of Directors during the second internal assessment on the performance of the Board and its Committees carried out in 2023.

During the same meeting of December 14, 2023, the Board also decided on the possible appointment of a lead director, and which it did not, on the advice of the Nomination and Compensation Committee, consider necessary at this stage.

The Board considers, after reviewing best market practices, that the role and missions of the lead director would be very limited at present, in view of the composition and operation of the Board of Directors, with the high level of involvement of its members and the considerable freedom of speech they enjoy. Moreover, during the second internal assessment of the Board and its Committees, carried out in 2023, the directors expressed their wish to maintain a privileged direct link with the Chairman of the Board of Directors.

In response to market practice concerning the appointment of a lead director specialized in CSR, the Board examined this matter and decided that, in view of the existence of a CSR Committee and the presence of a director with expertise in the field, who naturally chairs the aforementioned Committee, the appointment of a lead director for this specific criterion was not required at this stage.

Moreover, shareholder dialogue is mainly carried out by the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer in charge of Finance and Strategy and the Investor Relations Department.

In view of the above, the appointment of a lead director in 2024 was not considered appropriate given the current composition and performance of the Company's corporate bodies.

Governance issues relating to the unity or separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, and the advisability of appointing a lead director, are discussed annually, notably as part of the evaluation of the Board's performance and composition, and at the time of renewal of the term of office of the Chairman and Chief Executive Officer.

The balance of powers is ensured by the implementation of governance rules

The legal and regulatory provisions of the French Commercial Code, supplemented by the application of a body of internal rules (the articles of association, the Internal Rules of the Board of Directors and its specialized Committees, as well as the Directors' Charter) reflect fundamental principles relating to the balance of powers among the Company's various governance bodies.

The Board of Directors considers that the governance rules adopted and implemented at the Company are in line with best market practices, thus guaranteeing an optimal and efficient organization of the Company's various bodies:

- an independence rate in line with the recommendations of the AFEP-MEDEF Code and with the Shareholders' Agreement at the level of the Board of Directors, as well as the Audit Committee and the Nomination and Compensation Committee, it being specified that the AFEP-MEDEF Code remains silent on the appropriate composition of a CSR Committee;
- a higher rate of female representation than legal requirements;
- the existence of three permanent specialized Committees of the Board of Directors: the Audit Committee, the Nomination and Compensation Committee and the CSR Committee, each with their own missions and prerogatives, to assist the Board of Directors in the performance of its duties;
- the existence of a fourth Committee, an *ad hoc* Committee established on February 11, 2024 in the context of the proposed public tender offer announced on February 12, 2024 by the consortium targeting the entire share capital and voting rights of the Company (see details in Section 4.2.4 "*Changes in the composition of the Board*" of this Universal Registration Document on page 170).
- each Committee is chaired by an independent director;
- the Company's main shareholders are represented on the Board of Directors in accordance with the provisions of the Shareholders' Agreement (see below).

Chairman and Chief Executive Officer

Pursuant to the law and the Company's articles of association, as well as the Internal Rules of the Board of Directors, the Chairman and Chief Executive Officer:

- convenes and chairs the meetings of the Board of Directors;
- organizes and directs the work of the Board of Directors, which it reports on to the General Meeting, ensures the due functioning of the Company's governance bodies, and ensures, in particular, that the directors are able to perform their duties by having access to all necessary information;
- is vested with the broadest powers to act in all circumstances in the name of the Company and within the limits of the corporate purpose, and subject to those expressly granted by law to the General Meetings and the Board of Directors, as well as the limitations of powers provided for in the Internal Rules of the Board of Directors (see below);
- represents the Company in its relations with third parties.

At its meeting of May 25, 2021, the Board of Directors appointed Mr Denis Ladegaillerie as Chairman and Chief Executive Officer for a period equivalent to that of his term of office as Director, *i.e.* four years.

The Board of Directors

The Board performs the duties and exercises the powers conferred on it by law, the Company's articles of association and the Internal Rules of the Board.

The Board determines the Company's business strategies and ensures their implementation, in accordance with its corporate interest, taking into account the social, environmental, cultural and sporting challenges of its business.

Subject to the powers expressly granted to General Meetings and within the limits of the corporate purpose, it addresses all issues relating to the due operation of the Company and settles matters relating thereto through its deliberations.

The Board of Directors carries out the controls and checks it deems appropriate.

Thus, the Board of Directors has the following duties:

- convening General Meetings and setting its agenda;
- reviewing and approving the annual and half-yearly parent company and consolidated financial statements, and preparing the associated annual and half-yearly reports;
- preparing and approving forward-looking management documents and the corresponding reports;
- giving prior authorization to enter into related-party agreements governed by Articles L.225-38 *et seq.* of the French Commercial Code, and annually reviewing the agreements already authorized, as provided for in Article L.225-40-1 of the French Commercial Code;
- co-opting directors;
- selecting the governance method for the Company's Executive Management;
- appointing, replacing and dismissing the Chairman of the Board of Directors and/or the Company's executive corporate officer;
- creating legal or statutory Committees or those set up under the Internal Rules, and appointing their members;
- establishing the compensation policy for corporate officers;
- distributing the total compensation paid to directors in respect of their duties;
- deliberating, on an annual basis, on the Company's policy on equal pay and equal opportunities for all employees and among men and women;
- authorizing sureties, endorsements and guarantees to secure commitments entered into by third parties, as referred to in Article L.225-35 of the French Commercial Code;
- issuing bonds.

Limitations of powers

The Board's Internal Rules provide that certain transactions are subject to prior authorization by the Board, including notably:

- any commitment or investment, excluding advances on repayments, in excess of €10 million, undertaken by the Company or any subsidiary thereof, not included in the annual budget;
- any new loan or borrowing in any form (including bonds, credit facilities, leases), and any guarantee or pledge, in each case undertaken by the Company or any subsidiary thereof, not provided for in the annual budget and (i) the unit amount of which exceeds €10 million or (ii) which increases the Group's total indebtedness, guarantees and pledges outstanding by more than €10 million;
- the acquisition or transfer by the Company or any subsidiary thereof of an interest in a company in an amount exceeding €1 million, except if such transaction is carried out between members of the Group;
- any delegation of authority relating to the issue or repurchase, or the issue or repurchase, of shares or securities giving access to the capital or voting rights of the Company;

- any merger, spin-off, reorganization, dissolution, liquidation, partial contribution of assets, lease of business, transfer of business or key assets of the Company or of any subsidiary whose revenue represented, during the last fiscal year, more than 5% of the Company's consolidated annual revenue, except if such transaction is carried out between members of the Group;
- the Board may grant a blanket authorization to grant sureties, endorsements and guarantees to the Chief Executive Officer within the limits provided for in Articles L. 225-35 and R. 225-28 of the French Commercial Code;

To this end, on October 24, 2023, the Board of Directors renewed the authorization granted to the Chairman and Chief Executive Officer, for a period of one year, to grant letters of comfort and other guarantees, within the limits set by the Board.

All the prior authorizations of the Board of Directors are listed in the Internal Rules of the Board of Directors, which are available on the Company's institutional website under the heading "Governance".

4.1.2 "Comply or explain" rule of the AFEP-MEDEF Code

Under the "comply or explain" rule provided for in Article L.22-10-10, 4° of the French Commercial Code, and Article 28.1 of the AFEP-MEDEF Code, the Company considers that its practices comply with the recommendations of the AFEP-MEDEF Code, with one exception.

The Company reports that a single recommendation of the AFEP-MEDEF Code was set aside or only partially applied during the 2023 fiscal year, and provide the reasons for doing so.

AFEP-MEDEF Code recommendation	Believe explanation
Article 26.1.1 "The compensation [of executive directors] must (...) notably include a criterion related to the Company's climate objectives"	At this stage, the Company still has some way to go before it is in a position to include a climate criterion in the variable compensation of its executive officer. The Company intends to implement this recommendation in the near future by including a climate criterion in the compensation policy for the Chairman and Chief Executive Officer, if possible from 2025. It should be noted that climate issues are not considered to be significantly material with regard to Believe's activities and its business segment. The Company already measures the carbon impact of its direct activities (Scopes 1 and 2), and is currently analyzing its indirect impact (Scope 3) with a view to defining a climate strategy and objectives to combat global warming.

4.2 The Board of Directors

4.2.1 Composition as of December 31, 2023

The Board of Directors is composed of at least three members and a maximum of eighteen members, as well as one or two non-voting members chosen from among the shareholders or not.

Terms of office are for four years, and are renewable.

At December 31, 2023, the Board was composed of seven members, including six directors and one non-voting member.

	Personal information					Experience	Position on the Board				Participation in Board Committees		
	Positions held on the Board	Age	Gender	Nationality	Number of Believe shares	Number of positions held in listed companies[(1)]	Independence	First appointment / Reappointment	End of term	Seniority on the Board[(2)]	Audit Committee	Nomination and Compensation Committee	CSR Committee
Denis Ladegaillerie	Chairman and Chief Executive Officer	54	M	FR	12,101,320	0	N/A	2021	2025	3 years			✓
Ventech represented on a permanent basis by Alain Caffi	Director	70	M	FR	11,684,314[(3)]	0	✗	2021	2025	3 years	✓		✓
John Doran	Director	45	M	IE	0[(3)]	2	✗	2021	2025	3 years		✓	
FSP represented on a permanent basis by Cécile Frot-Coutaz	Independent director	57	F	FR	3,559,433	0	✓	2022	2026	2 years	✓	✓	
Anne-France Laclide-Drouin	Independent director	55	F	FR	150	2	✓	2021	2024	3 years	Chair-woman		Chair-woman
Orla Noonan	Independent director	53	F	IE/FR	5,000[(4)]	3	✓	2021	2025	3 years	✓	Chair-woman	
Nicolas Rose Permanent representative of Siparex Xange Venture	Non-voting member	57	M	FR	6,106,558[(3)]	N/A	N/A	2021	2025	3 years			

(1) Positions held outside the Believe Group.

(2) It should be noted that Denis Ladegaillerie and John Doran, as well as Ventech, represented by Alain Caffi, and Siparex XAnge Venture, represented by Nicolas Rose, have been members of the Board of Directors since its creation in 2014, when the Company was still a French simplified joint-stock company (société par actions simplifiée) with a Board of Directors.

(3) The internal rules of the Board of Directors stipulate that the directors, representing shareholders whose company procedures prohibit the direct holding of shares by their representatives, are not, pursuant to the decision of the Board of Directors, subject to the obligation to hold at least 100 Company shares throughout their term of office. Thus, it should be noted that, for all intents and purposes, Alain Caffi, Ventech's permanent natural person representative, does not hold any shares in a personal capacity and that the 11,684,314 shares are held by the shareholder Ventech. Likewise, John Doran, a natural person director representing the shareholder TCV, does not hold any shares in a personal capacity.

(4) The 5,000 shares are held by Knightly Investments, whose share capital is wholly-owned by Orla Noonan.

4.2.2 List of offices and positions held by members of the Board of Directors as of December 31, 2023

54 years
French

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

May 25, 2021

End of term:

2025

Share ownership:

12,101,320[1]

Expertise:

- Media and Entertainment
- Experience in Management / Governing Body
- Innovation, Digitization and Technology
- Finance / Risk Management
- Strategy
- International experience
- CSR
- Governance, Ethics and Compliance
- In-depth knowledge of the Group as founder of the Company

Denis Ladegaillerie

Chairman and Chief Executive Officer
Member of the CSR Committee

Professional experience/Expertise

A graduate of Sciences-Po Paris, ESCP Europe and Duke University in Durham in the USA. He began his career in 1998 in New York, practicing business law in an international firm. In 2000, he joined Vivendi in Paris as a business analyst and continued his career within the Group in New York as Chief Financial and Strategy Officer for digital activities at Vivendi Universal, until 2004.

On the strength of his past success in online music, in 2005 Denis Ladegaillerie founded the Company. Under the leadership of Denis Ladegaillerie, the Group defined its "Shaping Music for Good" CSR strategy, which was integrated into Believe's business model with a view to developing a diverse, inclusive and sustainable music industry. Denis Ladegaillerie has been a member of the CSR Committee since its creation in 2021 and is involved in various initiatives to foster Diversity, Equity and Inclusion (for further details, see Chapter 2 - Corporate Social Responsibility).

Offices and positions held as of December 31, 2023

Within the Group:

- Believe International S.à r.l. – Manager A
- Believe Digital Holdings Inc.– Director
- Believe International Holding Inc.– Director
- Believe Digital GmbH – Manager
- Believe Music America LLC – *Sole Member of the LLC is Believe International Holding Inc. of which Denis is the Sole Director*

Outside the Group:

- None

Offices and positions held over the past five years but no longer held:

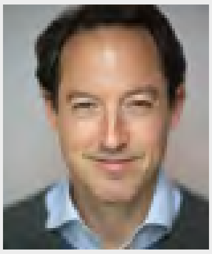
Within the Group:

- Believe Music SEA Private Limited – Director
- Believe Music (Shanghai) Company Limited – Executive Director and Chief Executive Officer
- Believe Digital Private Limited – Director and Chief Executive Officer
- Canvas Talent Private Limited – Director
- Entco Music Private Limited – Director
- Ishtar Music Private Limited (formerly Venus Music Private Limited) – Director
- TuneCore Inc. – Chief Executive Officer
- Believe Digital Canada Inc. – Director and Chairman
- Soundsgoood SAS – Chairman
- Ircam Amplify – Permanent Representative of Believe and member of the Strategic Committee
- Believe Digital SRL – Director and Chairman of the Board of Directors
- Dogan Muzik ve Yapim Ticaret A.S. – Director and Chairman of the Board of Directors
- Believe Digital OOO – Manager
- Believe Direct Limited – Director
- TuneCore Japan KK – Director and Representative Director
- TuneCore Inc. – Director

Outside the Group:

- None

(1) At December 31, 2023, Denis Ladegaillerie held 12.46% of the share capital.



45 years
Irish

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

May 25, 2021

End of term:

2025

Share ownership:

0(1)

Expertise:

- International experience
- Innovation, Digitization and Technology
- Media and Entertainment
- Strategy
- Finance / Risk Management
- Experience in Management / Governing Body
- Governance, Ethics and Compliance
- In-depth knowledge of the Group through his historical presence within the Company's governance bodies

John Doran

Director(1)
Member of the Nomination and Compensation Committee

Professional experience/Expertise

With an MBA from Harvard Business School and a BA in Economics from Harvard College, John Doran began his career in investment banking at Morgan Stanley in London and New York. He then served as Vice President of Summit Partners from 2009 to 2012, where he focused on investments across software, Internet, and financial technology.

In 2012, he joined TCV as General Partner based in London, and also served as a founding member of European Investment Efforts and member of the Executive Committee.

Offices and positions held as of December 31, 2023

Within the Group:

- None

Outside the Group:

- Supervista AG (Brillen.de) – Member of the Supervisory Board
- FlixMobility GmbH – Member of the Supervisory Board
- Grupa Pracuj SA(2) – Member of the Supervisory Board
- Mambu B.V. - Director and member of the Compensation Committee
- Retail Logistics Excellence – RELEX Oy – Director and member of the Audit Committee
- Revolut. Ltd. – Non-voting member
- Sportradar Holding AG(2) – Director and member of the Compensation Committee
- Trade Republic Bank GmbH – Non-voting member
- WorldRemit Limited – Director, member of the Audit Committee and member of the Compensation Committee
- Technology Crossover Ventures UK, LLP – Partner
- Allica Bank Ltd., Non-voting member

Offices and positions held over the past five years but no longer held:

Within the Group:

- None

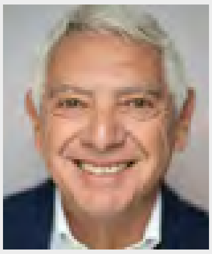
Outside the Group:

- None

(1) Pursuant to the Shareholders' Agreement, John Doran was appointed as a natural person director, on the proposal of TCV, a shareholder which held 41.14% of Believe's share capital as of December 31, 2023.

It should be noted that, for all intents and purposes, John Doran, in accordance with the Internal Rules of the Board of Directors, as a director representing a shareholder whose corporate procedures prohibit the direct holding of shares by their representatives, is not required to hold at least 100 Company shares throughout their term of office. Thus, John Doran, a natural person director representing the shareholder TCV, does not hold any shares in a personal capacity.

(2) Listed company.



71 years
French

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

May 25, 2021

End of term:

2025

Share ownership:

11,684,314[(1)]

Expertise:

- Innovation, Digitization and Technology
- Media and Entertainment
- Strategy
- Experience in Management / Governing Body
- Finance / Risk Management
- International experience
- Governance, Ethics and Compliance
- In-depth knowledge of the Group through his historical presence within the Company's governance bodies

VENTECH represented by Alain Caffi

Director [(1)]
Member of the Audit Committee
Member of the CSR Committee

Professional experience/Expertise

A graduate of Kansas University in Lawrence in the United States, and of the École supérieure de commerce de Clermont Ferrand, Alain Caffi is also a Certified Public Accountant. He joined the private equity industry in 1986 when he joined the Natixis group, as Chief Executive Officer of Sofineti, then as Investment Manager of Natixis Private Equity, and finally as Chief Executive Officer of FSD Capital Dévelopment. In 1998, he founded Ventech, an international venture capital company that invests mainly in post-seed and series A companies, of which he is currently Chief Executive Officer. In addition to his operational activities, he was also director of Natixis Private Equity (5 billion under management) between 1999 and 2007, when Ventech became an independent company.

Offices and positions held as of December 31, 2023

Within the Group:

- None

Outside the Group:

- Ventech – Chief Executive Officer
- Ventech China S.à.r.l.- Manager
- Ventech China lux S.à.r.l.- Manager
- Ventech Global S.à.r.l. – Manager
- Chattermill Analytics Limited – Director
- My Pass Pro – Artur'In – Member of the Board (as representative of Ventech)
- Sebbin – Member of the Strategic Committee (as representative of Ventech)
- SCI CAFFIS II – Manager
- SCI Caffis – Manager
- SARL AGORA – Manager
- CAFFIS Venture – Manager

Offices and positions held over the past five years but no longer held:

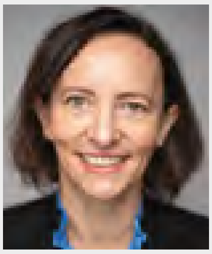
Within the Group:

- None

Outside the Group:

- Mamsy – Board member
- Hostmaker (Flying Jamon) – Investor director
- The Agent – Board member (as representative of Ventech)
- Tell Me Plus – Director (as representative of Ventech)
- Gosu – Observer Advisory Committee (as representative of Ventech)

(1) Pursuant to the Shareholders' Agreement, Ventech was appointed as a director, represented by Alain Caffi on a permanent basis, on the proposal of Ventech, a shareholder which held 41.14% of Believe's share capital at December 31, 2023. It should be noted that, for all intents and purposes, Alain Caffi, in accordance with the Internal Rules of the Board of Directors, as a director permanently representing a shareholder whose corporate procedures prohibit the direct holding of shares by their representatives, is not required to hold at least 100 Company shares throughout their term of office. Thus, Alain Caffi, the permanent representative of Ventech, does not hold any shares in a personal capacity. At December 31, 2023, the 11,684,314 shares were wholly owned and held directly by the funds managed by Ventech, representing a total stake of 12.03% of the share capital.



56 years
French

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

June 11, 2021

End of term:

2024

Share ownership:

150

Expertise:

- Finance / Risk Management
- Experience in Management / Governing Body
- International experience
- Innovation, Digitization and Technology
- CSR
- Governance, Ethics and Compliance

Anne-France Laclide-Drouin

Independent director
Chairwoman of the Audit Committee
Chairwoman of the CSR Committee

Professional experience/Expertise

Anne-France Laclide-Drouin is a graduate of the Institut Commercial de Nancy (ICN) and of the University of Mannheim. She also obtained a postgraduate diploma in accounting and finance.

Anne-France Laclide-Drouin began her career at PricewaterhouseCoopers before holding a number of positions in the finance departments of international groups in various fields such as distribution, luxury goods and optics, enabling her to acquire international experience. From 2001, she successively held the positions of Administrative and Financial Director at Guilbert, then at Staples, AS Watson (Marionnaud) and GrandVision. From 2013 to 2017, Anne-France Laclide-Drouin was Chief Financial Officer of the Idemia group (formerly Oberthur Technologies), responsible for the group's finance and legal functions, then Chief Financial Officer of Consolis Holding SAS and member of the Executive Committee of Consolis Group SAS from 2017 to 2020. From 2021 to 2022, Anne-France Laclide-Drouin served as Chief Financial Officer (CFO) and Chief Compliance Officer of RATP Développement, the international arm of the RATP group. From 2017 until April 2023, Anne-France Laclide-Drouin was an independent member of the Solocal Board of Directors and chaired its Audit Committee.

Since 2017, she has been an independent director on the Board of Directors of CGG and chairs the Audit and Risk Management Committee and is a member of the HSE (Health, Safety and Environment) and Sustainable Development Committee. Since 2023, she has served as Chief Financial Officer (CFO), Chief Corporate Officer (CCO) and member of the Management Committee of Ingenico.

Offices and positions held as of December 31, 2023

Within the Group:

- None

Outside the Group:

- CGG[1] – Director, Chairwoman of the Audit and Risk Management Committee and member of the HSE and Sustainable Development Committee
- Poseidon Bidco SAS (Ingenico) - Group Chief Financial Officer (CFO) and Chief Corporate Officer
- Poseidon Holdco SAS and Poseidon Bidco SAS - Deputy Chief Executive Officer
- Solocal[1] – Director and Chairwoman of the Audit Committee *(until April 2023)*

Offices and positions held over the past five years but no longer held:

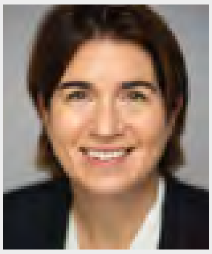
Within the Group:

- None

Outside the Group:

- Consolis Group SAS – Member of the Executive Committee
- Consolis Oy AB – Director
- Parma Oy – Director
- WPS Ujski – Member of the Supervisory Board and Chairwoman
- Philbert Tunisie SA – Director
- ASA Epitoipari Kft – Member of the Supervisory Board
- Compact (BC) SARL – Manager
- Spaencom AS – Director
- Compact (BC) Lux II S.C.A.- Manager
- Spenncon AS – Director
- Bonna Sabla SA – Director
- RATP Développement – Member of the Management Board and Chief Financial Officer
- CGG[1] – Member of the Investment Committee

(1) Listed company.
It should be noted that Anne-France Laclide-Drouin has been a member of the ad hoc Committee since its creation on February 11, 2024.



54 years
Irish and French

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

June 11, 2021

End of term:

2025

Share ownership:

5,000[(1)]

Expertise:

- International experience
- Media and Entertainment
- Experience in Management / Governing Body
- Strategy
- Finance / Risk Management
- Innovation, Digitization and Technology
- Governance, Ethics and Compliance

Orla Noonan

Independent director
Chairwoman of the Nomination and Compensation Committee
Member of the Audit Committee

Professional experience/Expertise

Graduate of HEC Paris (in 1994) and a BA (Economics) from Trinity College in Dublin (in 1992), Orla Noonan has been Chairwoman of the Board of Directors of Adevinta, the world leader in online classifieds since 2018.

Orla Noonan began her career in 1994 in investment banking in London at Salomon Brothers as a financial analyst, notably in the media/telecom sector. She joined the AB group in 1996 as director in charge of business development, M&A and financial communication. She led IPOs in New York and Paris as well as external growth operations, including the acquisitions of the TV channels RTL9 and TMC. She was Chairwoman of the television channel NT1 between 2005 and 2010. Orla Noonan became Executive Vice President of the group in 1999 and a member of its Board of Directors in 2003. Chief Executive Officer of Groupe AB from 2014 to 2018, she pursued a policy of acquiring independent production companies, thus strengthening the group's position as the French leader in the production and distribution of audiovisual content.

Orla Noonan has been an independent director of TF1 since 2022, SMCP since 2017 and Agence France Presse (AFP) since 2019, as well as a member of the Commitment Committee of Investir&+. She has been an independent director of Iliad SA for 12 years (from 2009 to 2021) and of Schibsted Media group between 2017 and 2019.

Offices and positions held as of December 31, 2023

Within the Group:

- None

Outside the Group:

- SMCP[(2)] – Independent director and Chairwoman of the Audit Committee
- AFP – Director and member of the Compensation Committee
- Knightly Investments SAS – Chairwoman
- Adevinta[(2)] – Chairwoman of the Board and the Compensation Committee
- Television France 1 (TF1)[(2)] – Independent director, Chairwoman of the Nomination and Compensation Committee and member of the Audit Committee

Offices and positions held over the past five years but no longer held:

Within the Group:

- None

Outside the Group:

- Illiad – Independent director

(1) The 5,000 shares are held by Knightly Investments, whose share capital is wholly-owned by Ms Orla Noonan.
(2) Listed company.
It should be noted that Orla Noonan has been the Chairwoman of the ad hoc Committee since its creation on February 11, 2024.

FSP, represented by Cécile Frot-Coutaz

57 years
French

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

June 11, 2021: first appointment

January 1, 2022: appointment as permanent representative of FSP

End of term:

2024

Share ownership:

3,559,433[(1)]

Expertise:

- International experience
- Experience in Management / Governing Body
- Finance / Risk Management
- Innovation, Digitization and Technology
- Media and Entertainment
- Strategy

Independent director[(1)]
Member of the Audit Committee
Member of the Nomination and Compensation Committee

Professional experience/Expertise

Cécile Frot-Coutaz holds an MBA from INSEAD and began her media career at Pearson. She helped transform Pearson Television to the leading international producer, later to be known as FremantleMedia. After a short stint in San Francisco creating online and interactive strategies, she joined in 2002 the North American headquarters of FremantleMedia. She had a number of senior roles leading to her promotion to Chief Executive Officer, North America in 2005. She was then promoted to Global Chief Executive Officer of FremantleMedia, a role she occupied until 2018.

After that, Cécile Frot-Coutaz spent close to 3 years at YouTube leading its business in Europe, the Middle East & Africa, in charge of YouTube's business, strategy and content partnerships across complex and ever-changing regions.

In September 2021, Cécile Frot-Coutaz joined the Sky Group as Chief Executive Officer of Sky Studios, the division of the company that is charged with developing, commissioning and producing its scripted and documentary output.

Offices and positions held as of December 31, 2023

Within the Group:

- None

Outside the Group:

- Sky Studios UK – Chairwoman and Chief Executive Officer

Offices and positions held over the past five years but no longer held:

Within the Group:

- None

Outside the Group:

- YouTube UK – VP EMEA
- Fremantle UK – Chairwoman and Chief Executive Officer

(1) Pursuant to the Investment Contract (see below), Fonds Stratégique de Participations (FSP), a shareholder that held a 3.67% stake at December 31, 2023, was appointed director and is represented by Cécile Frot-Coutaz on a permanent basis. It should be noted that, for all intents and purposes, Cécile Frot-Coutaz, in accordance with the Internal Rules of the Board of Directors, as a director permanently representing a shareholder whose corporate procedures prohibit the direct holding of shares by their representatives, is not required to hold at least 100 Company shares throughout their term of office. Thus, Cécile Frot-Coutaz, permanent representative of the director FSP, does not hold any shares in a personal capacity. The 3,559,433 shares were wholly owned by FSP as of December 31, 2023, representing a total stake of 3.67% of the share capital.

It should be noted that the FSP, represented by Cécile Frot-Coutaz, has been a member of the ad hoc Committee since its creation on February 11, 2024.

Non-voting member

57

French

Business address:

24, rue Toulouse-Lautrec
75017 PARIS – FRANCE

First appointed:

June 11, 2021

End of term:

2025

Share ownership:

6,106,558 [(1)]

Expertise useful to the Board:

- Innovation, Digitization and Technology
- Strategy
- In-depth knowledge of the Group through his historical presence within the Company's governance bodies.

Siparex XAnge Venture, represented by Nicolas Rose

Non-voting member

Professional experience/Expertise

A graduate of the University of Michigan in the United States and with a Master of International Business from the École des ponts, Nicolas Rose began his career in 1990 with J.P. Morgan's investment banking division, then, in 1996, he became a financial analyst at Hambrecht & Quist in Europe. He then joined the venture capital industry in 1999 as an associate director at ABN AMRO, and in 2004 at XAnge (Siparex Group), an early-stage investment fund company (through funds managed by the management company), which is a shareholder of Believe. He is currently Managing Partner of XAnge.

(1) It should be noted that the 6,106,558 shares were wholly owned by Siparex XAnge Venture as of December 31, 2023, as Nicolas Rose does not hold any treasury shares.

4.2.3 Rules on the composition and diversity of the Board of Directors

Provisions provided for by the articles of association and the Internal Rules of the Board

The Internal Rules were adopted by the Board of Directors at its meeting of June 11, 2021, and most recently amended by the Board of Directors of December 14, 2023. These Rules are available in full on the Company's institutional website, under the heading "Governance".

Number of directors

The articles of association provide that the Company is governed by a Board of Directors of at least three members and a maximum of eighteen members, save as otherwise provided by law.

The Board may appoint one or two non-voting members, either natural or legal persons, chosen from among the shareholders or from outside that group. Non-voting members are called upon to attend Board meetings as observers and take part in deliberations in an advisory capacity.

A non-voting member serves a term of four years, which is renewable.

It should be noted that, as the Company and Group headcount is below the legal thresholds provided for in Article L.225-27-1 of the French Commercial Code, the Company's Board of Directors does not have any director(s) representing employees. However, pursuant to Article L. 2323-62 of the French Labor Code, two members of the Social and Economic Committee ("SEC") sit on the Board of Directors. It should be noted that these two members of the SEC are not included in the composition of the Board of Directors.

At December 31, 2023, the Board of Directors was composed of seven (7) members, including six (6) directors, the minimum number required under the terms of the Shareholders' Agreement (see below), and one (1) non-voting member.

Appointment method

During the life of the Company, the directors are appointed or reappointed by the Ordinary General Meeting.

Between two General Meetings, and in the event of a vacancy due to death or resignation, the Board may perform temporary appointments; they are then submitted for ratification at the next Ordinary General Meeting.

Term of office

Pursuant to Article 15 of the articles of association, a director serves a term of four years, and may be reappointed.

By exception, the General Meeting may, either institute or maintain staggered renewals on the Board, appoint one or more directors for a different term not exceeding four (4) years or reduce the term of one or more sitting directors to less than four (4) years.

The General Meeting of June 26, 2024 will be asked to renew the term of office of Ms Anne-France Laclide-Drouin, which expires in 2024.

Age limit

Directors may not be over 75 years of age. Moreover, the number of directors over the age of 70 may not exceed one-third of the directors in office.

The Chairman of the Board of Directors may not be more than 75 years old.

As of December 31, 2023, the average age on the Board was 56 and none of the Board members in office were over the age of 75. However, one member is over the age of 70, but the threshold of one-third of directors in office has not been reached.

Multiple offices

The Internal Rules stipulate that accepting the position of member of the Board of Directors implies devoting to this function the time and attention necessary for the lasting and serene exercise of their functions.

In particular, each member of the Board undertakes not to accept more than four (4) other terms of office as a member of the Board of Directors or Supervisory Board in listed companies outside the Group, including abroad, and must keep the Board informed of offices held in other companies, including his or her participation in the Board Committees of these French or foreign companies.

As of December 31, 2023, no Company director held more than four non-executive corporate offices in listed companies outside the Group, both French and/or foreign, which fully meets the recommendations of the AFEP-MEDEF Code. It should be noted that, for all intents and purposes, the director with the most non-executive offices has a 100% attendance rate on the Company bodies of which they are a member.

Share ownership

Each member of the Board must own at least 100 Company shares throughout their term of office and in any event no later than six (6) months after their appointment.

As of December 31, 2023, all directors held at least 100 Company shares.

By way of exception, this obligation does not apply (i) where applicable, to directors representing the Group's employees or (ii) by decision of the Board of Directors, to directors representing shareholders whose internal procedures prohibit the direct ownership of shares by their representatives.

Consequently, pursuant to the second exception set out above, Mr John Doran and Alain Caffi, representing respectively the shareholder companies TCV and Ventech, whose procedures prohibit the company from directly holding shares, is therefore exempted from holding the minimum quota of Believe shares in the framework of the performance of their duties.

Independence of the Board with regard to the criteria defined by the AFEP-MEDEF Code

The Nomination and Compensation Committee annually reviews the status of each member of the Board of Directors with regard to the independence criteria defined by the AFEP-MEDEF Code.

This review is also carried out each time a term of office is renewed or a new Board member is appointed.

After review, the Nomination and Compensation Committee presents its findings to the Board of Directors, which makes a final decision on the independence of its members.

Directors are considered independent when they have no relationship whatsoever with the Company, its Group or its management that could compromise the exercise of their freedom of judgment.

The independence of each member of the Board is assessed based on the following criteria:

- not to be an employee or an executive director of the Company, an employee or executive director or member of the Board of Directors or of the supervisory board of any company which consolidates it, or of a company which is consolidated by it, and must not have held such position within the five previous years;
- not to be an executive director of a company in which the Company is directly or indirectly a member of the Board of Directors or of the supervisory board or, in which an employee appointed as such or an executive director of the Company (either current or within the previous five years), is a member of the Board of Directors;
- not to be a customer, supplier, commercial banker, investment banker or significant professional adviser of the Company, its Group or for whom the Company or its Group represents a significant portion of business (nor to be directly or indirectly related with such person); the assessment of whether or not the relationship with the Company or the Group is significant shall be discussed by the Board and the criteria leading to this assessment explained in the Universal registration document;
- not to have any close family ties with a corporate officer of the Company;
- not to have been a statutory auditor of the Company within the previous five years;
- not to have been a member of the Board of the Company for more than twelve years;
- for Board members holding ten percent (10%) or more of the Company's share capital or voting rights, or representing a legal entity holding such participation, the Board, upon a report by the Nomination and Compensation Committee, shall review the qualification of independence by taking specifically into account the shareholding structure of the Company and the existence of a potential conflict of interest. The AFEP-MEDEF Code specifies that directors representing major shareholders of the Company may be considered as independent if these shareholders do not participate in the control of the Company.

The Board may consider that a Board member who meets the above criteria may not be deemed to be independent considering his or her particular situation or the Company's, with respect to its shareholding or for any other reason.

Each member qualified as independent shall inform the Chairman, as soon as he or she becomes aware of it, of any change in his or her personal situation with respect to such criteria.

To determine whether there are significant relationships likely to affect a director's independence, the Board uses quantitative and qualitative criteria, in particular:

- the amount of revenue generated between Believe and the group to which the director is affiliated; and
- the nature and duration of the relationship.

At its meeting of February 22, 2024, the Nomination and Compensation Committee discussed the definition of independent director with regard to the criteria set out in the AFEP-MEDEF Code.

In order to prepare the annual review of the independence of directors, over the month of January 2024, the Nomination and Compensation Committee sent an independence questionnaire to directors. The Committee then analyzed each director's situation, and collected their responses.

On March 13, 2024, the Board of Directors reviewed the individual situation of each director with regard to the independence criteria defined by the AFEP-MEDEF Code.

At the same meeting, it confirmed, on the advice of the Nomination and Compensation Committee, that three (3) directors out of six (6), namely Cécile Frot-Coutaz, Anne-France Laclide-Drouin and Orla Noonan, could be considered as independent members, thus representing an overall independence rate of 50% on the Board of Directors, the minimum rate required under the terms of the Shareholders' Agreement (see below) and pursuant to the AFEP-MEDEF Code.

The Board of Directors, with the assistance of the Nomination and Compensation Committee, ensures that it complies with the recommendations of the AFEP-MEDEF Code on the independence of its own Committees.

Thus, the Board ensures that at least two-thirds of the members of the Audit Committee and more than half of the members of the Nomination and Compensation Committee and the CSR Committee are independent directors.

The table summarizing the independence criteria defined by the AFEP-MEDEF Code and set out in the Board's Internal Rules sets out the individual situation of each of our directors, as presented below.

SUMMARY TABLE ON THE INDEPENDENCE OF DIRECTORS (EXCLUDING THE NON-VOTING MEMBER)

Independence criteria	Denis Ladegaillerie	Alain Caffi	John Doran	Cécile Frot-Coutaz	Anne-France Laclide-Drouin	Orla Noonan
Criterion 1: Not to be, or not to have been in the last five years, an employee or a corporate officer	N/A	✓	✓	✓	✓	✓
Criterion 2: Absence of cross-directorships	N/A	✓	✓	✓	✓	✓
Criterion 3: No significant business relationships	N/A	✓	✓	✓	✓	✓
Criterion 4: No family ties	N/A	✓	✓	✓	✓	✓
Criterion 5: Not to have been a Statutory Auditor over the previous 5 years	N/A	✓	✓	✓	✓	✓
Criterion 6: Not to have been a member of the Board of Directors for more than 12 years	N/A	✓	✓	✓	✓	✓
Criterion 7: Status of the non-executive corporate officer	N/A	✓	✓	✓	✓	✓
Criterion 8: Status of the major shareholder (⩾ 10% of the share capital or voting rights)	N/A	✗	✗	✓	✓	✓
Conclusion *NI = Non-Independent* *IND = Independent*	**N/A**	**NI**	**NI**	**IND**	**IND**	**IND**

Shareholders' Agreement

In addition to the governance rules set out below, the Company is also required to comply with the governance clauses resulting from the Shareholders' Agreement signed on June 9, 2021 between Denis Ladegaillerie and the companies TCV, XAnge and Ventech, historical shareholders of the Company, which are reproduced below:

- the Board must comprise **at least six members,** and be made up of **at least 50% independent directors** within the meaning of the AFEP-MEDEF Code;

At December 31, 2023, the Board was composed of six directors, half of whom were independent. This commitment is being honored.

- **one seat on the Board must be allocated to Mr Denis Ladegaillerie**, founder of the Group;

Denis Ladegaillerie was appointed Chairman of the Company on May 25, 2021. This commitment is being honored.

- **one seat on the Board must be allocated to candidates recommended by TCV**, provided that TCV (and its affiliates) directly or indirectly hold at least 5% of the Company's share capital; **the director appointed thereby sitting on the Nomination and Compensation Committee;**

At December 31, 2023, TCV held 41.14% of the Company's share capital. John Doran, a natural person director representing the shareholder TCV, sat as a director on the Board of Directors and as a member of the Nomination and Compensation Committee during the 2023 fiscal year and will continue to do so *es-qualites* in 2024. This commitment is being honored.

- **one seat on the Board shall be allocated to candidates recommended by Ventech**, provided that Ventech (and its affiliates) directly or indirectly hold at least 5% of the Company's share capital; **the director appointed thereby sitting on the Audit Committee and the CSR Committee;**

At December 31, 2023, Ventech held 12.03% of the Company's share capital. Alain Caffi served as Ventech's permanent representative on the Board of Directors and as a member of the Audit and CSR Committees in 2023, and will continue to do so *es-qualites* in 2024. This commitment is being honored.

- **one seat of non-voting member will be allocated to XAnge,** provided that XAnge (and its affiliates) directly or indirectly hold at least 5% of the Company's share capital.

At December 31, 2023, XAnge held 6.29% of the Company's share capital. Nicolas Rose was a non-voting member of the Board of Directors in 2023, and will continue to do so *es-qualites* in 2024. This commitment is being honored.

Investment contract

On May 31, 2021, the Company and Fonds Stratégique de Participations (“**FSP**”) entered into an investment contract under which **it was agreed, among other things, that FSP would sit on the Company's Board of Directors as a director,** provided it held a stake of at least 2.5% of the Company's capital.

As of December 31, 2023, FSP held 3.67% of the Company’s share capital, and Cécile Frot-Coutaz served as a permanent representative of FSP on the Board of Directors, and as a member of the Audit Committee and the CSR Committee, over the 2023 fiscal year, and will continue to do so *es-qualities* in 2024. This commitment is being honored.

Diversity policy for the Board of Directors

The Board of Directors strives to reflect a diversity of experience, a high level of competence and expertise, internal and external credibility, and the stability of the Company's governing bodies.

During its meetings, the Board notably ensures that members are given ample opportunity to express their ideas, open up the debate, and engage in reflection to achieve highly qualitative and efficient exchanges, in-depth involvement and exemplary integrity for an efficient and powerful operation.

It ensures that its members are able to represent the interests of all of the Company’s shareholders and, more generally, all stakeholders. This broad vision allows the Company to understand issues in greater detail and potentially anticipate emerging issues to be addressed.

Each year, the Board of Directors considers the desired balance of its membership and that of its Committees, notably in terms of independence and diversity (representation of men and women, nationalities, professional skills and experience, expertise, etc.).

The policy on the diversity of the composition of the Board and its Committees aims to represent a variety of professional skills and experiences, providing strategic input and multidisciplinary knowledge to form an efficient synergy that benefits the Company.

The Board pays particular attention to diversity in terms of nationality and international experience, thus reflecting the variety of cultures and the diversity of the countries in which the Group operates.

In accordance with regulations, the Board also ensures that it implements a policy of balanced representation between women and men in the composition of the Board. It also ensures that this policy is applied to the composition of its Committees.

Lastly, the Board ensures the appropriate proportion of independent members on the Board and its Committees, in accordance with the regulations and the provisions of the AFEP-MEDEF Code (see above).

Balanced representation of women and men on the Board

On January 1, 2023, the composition of the Board of Directors changed from more female to strictly equal representation, following the resignation of Ms Kathleen O'Riordan, which became effective on December 31, 2022, and who has not yet been replaced.

During 2023, there were no changes in the composition of this body, so that the Board of Directors still had a strictly equal number of members at December 31, 2023.

The composition of the Company's Board of Directors is in line with the legal provisions set out in Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code, with 50% women, which is higher than the legal minimum of 40%.

On March 13, 2024, the Board of Directors decided, on the recommendation of the Nomination and Compensation Committee, to propose to the Company’s General Meeting of Shareholders to be held on June 26, 2024 the renewal of the term of office of a female director whose term will end following said Meeting.

At the end of the General Meeting of June 26, 2024, and subject to the approval of the resolution renewing the term of office of this director, the Board of Directors would still be composed, excluding the non-voting member, of six directors, of which three women and three men, *i.e.* a percentage of women higher than the legal rate of 40%.

SUMMARY TABLE OF THE DIVERSITY POLICY APPLIED TO THE BOARD OF DIRECTORS

CRITERIA	POLICY AND OBJECTIVES	IMPLEMENTATION AND RESULTS FOR THE 2023 FISCAL YEAR
Size of the Board of Directors	The articles of association provide for a membership of at least three directors and no more than 18 directors. The Shareholders' Agreement provides for a stricter minimum membership than the articles of association, with the presence of at least six directors.	At 31 December 2023, the Board of Directors was composed of six directors, *i.e.* the minimum required by the Shareholders' Agreement. Year after year, the Board of Directors will continue to assess the size of its membership and decide to include new members when the Company's business so requires. The Board of Directors considers that its membership is balanced, with the presence of three directors with historical knowledge of the Company.
Age limit	The articles of association provide for: ● no director may be over 75; ● the number of directors over the age of 70 may not exceed 1/3 of the directors in office.	As of December 31, 2023: ● the members of the Board of Directors ranged in age from 45 to 70, with an average age of 56; ● one director reached the age of 70, representing a rate of 16.7%, which means that the threshold of one-third (33.33%) of directors in office has not been reached.
Parity **Representation of women and men**	Compliance with legal provisions on gender diversity, which require a minimum of 40% of each gender (L. 22-10-3 and L. 225-18-1 of the French Commercial Code). Desire to maintain or strengthen the gender balance on the Board. Gender balance on the Committees.	As of December 31, 2023, the Board of Directors had a strictly balanced composition (excluding non-voting members) with three women and three men, thus representing a percentage of women of 50%, higher than the legal minimum. The Board of Directors considers the current ratio to be satisfactory. The three Board Committees are each chaired by independent women directors. The Committees are composed of three to four members, with a percentage of women of 75% for the Audit Committee, 67% for the Nomination and Compensation Committee, and 33% for the CSR Committee.
Availability	Regular attendance by members of the Board of Directors to ensure the efficient operation of the Company's corporate bodies.	In 2023, the average attendance rate for Board members was 96% (excluding non-voting members), 100% for the Audit Committee, 92% for the Nomination and Compensation Committee, and 89% for the CSR Committee; these figures reflect the considerable involvement and diligence of the directors.
Professional qualifications and experience **Nationality**	Need for international profiles or profiles with international cultures to support the Company's geographic expansion. Profiles with varied expertise enabling the Company to benefit from additional and/or new skills essential to its activity.	A full biography of each director can be found at the start of this Chapter, and a summary of the skills available on the Board of Directors can be found in the skills matrix below. The Board of Directors considers that the diversity of profiles and the range of skills and competencies represented by its members are satisfactory, but wishes to strengthen and further diversify its composition at the appropriate time, in line with the Group's development.
Independence	Number of independent members equal to or greater than 50% in accordance with the AFEP-MEDEF Code and the Shareholders' Agreement.	At December 31, 2023, the Board was 50% composed (excluding the non-voting member) of independent members, in line with the recommendations of the AFEP-MEDEF Code and the terms of the Shareholders' Agreement.

Diverse representation on the Board

At December 31, 2023, the Board of Directors was composed of six directors, most of whom are French nationals; one member is an Irish national and one member is both an Irish and a French national.

The Board benefits from a variety of high-level skills and highly qualitative experiences acquired in companies with multi-sectoral activities, and with different cultures and practices, all of which combine to provide the Board with a highly valuable complementarity and wealth of skills. The personal skills of each director are presented in the matrix below. They are listed in eight (8) categories and defined below:

- Media and Entertainment;
- Executive Management;
- Finance / Risk Management;
- Strategy;
- International experience;
- Innovation, Digitization and Technology;
- CSR;
- Governance, Ethics and Compliance.

At its meeting of December 14, 2023, the Board of Directors approved the new skills matrix, on the recommendation of the CSR Committee and the Nomination and Compensation Committee, to present in a more detailed and individualized way the skills represented on the Board, notably in terms of CSR, and the overall rate achieved for each of them and per director. In addition to presenting a new, more transparent grid, this new matrix complies with the recommendations of the AFEP-MEDEF Code, the AMF report on Corporate Governance and requests from voting agencies.

In 2023, the proportion of directors with CSR competencies stood at 33%, and the Board, in line with the wishes expressed by directors during the second internal assessment of the Board carried out over the last quarter of 2023, will be organizing information sessions in 2024 or 2025, focusing notably on the CSRD (“Corporate Sustainability Reporting Directive”), to raise members' awareness of the growing importance of CSR and climate issues, and the concomitant increase in their duties in this area, which goes hand in hand with an increase in their responsibilities.

SKILLS MATRIX OF THE BELIEVE BOARD AND COMMITTEES

	Media and Entertainment	Executive Management	Finance / Risk Management	Strategy	International experience	Innovation, Digitization and Technology	CSR	Governance, Ethics and Compliance	TOTAL
Denis Ladegaillerie	▶	▶	▶	▶	▶	▶	▶	▶	**100%**
John Doran	▶	▶	▶	▶	▶	▶	–	▶	**88%**
Alain Caffi	▶	▶	▶	▶	▶	▶	–	▶	**88%**
Anne-France Laclide-Drouin	–	▶	▶	–	▶	▶	▶	▶	**75%**
Orla Noonan	▶	▶	▶	▶	▶	▶	–	▶	**88%**
Cécile Frot-Coutaz	▶	▶	▶	▶	▶	▶	–	–	**75%**
TOTAL	**83%**	**100%**	**100%**	**83%**	**100%**	**100%**	**33%**	**83%**	**–**

Definition of skills:

- **Media & Entertainment**: Significant experience or in-depth knowledge of the media and entertainment industries, including the music industry and digital music platforms.
- **Executive Management:** person holding, or having held, one or more executive corporate offices within one or more management bodies (Chairperson and Chief Executive Officer, Chairperson of the Management Board, Chief Executive Officer, Deputy Chief Executive Officer, member of the Management Board, Vice-Chairperson, executive officer of any entity, etc.) or member of a governing body (Executive Committee, Extended Committee, Management Committee, etc.) or being, or having been, a senior executive with significant experience.
- **Finance / Risk Management**: significant experience in the financial sector (investment, banking, accounting, audit or statutory audit firm, financial market, etc.) and/or having in-depth expertise in and knowledge of financial structuring and restructuring transactions or in risk management and/or holding, or having held, significant positions of senior responsibility in these areas of expertise (financial management position or equivalent).
- **Strategy**: significant experience in the development and management of long-term strategies and/or holding, or having held, significant positions of senior responsibility in this area of expertise (Strategy management position or equivalent).
- **International experience**: any significant assignment with, or having had, an international dimension, or being of foreign nationality or having dual French nationality with that of another country, or having in-depth knowledge of geopolitics and international economics.
- **Innovation, digitization and technology**: significant experience or expertise in digital and/or technological innovation and/or digital technologies, notably an in-depth knowledge of streaming services, social media or digital content, digital platforms, digital promotion or personal data protection and information systems security, and/or holding, or having held, significant positions with senior responsibility in this area of expertise (Innovation, Digitization, Technological, Digital or similar management position).
- **CSR**: significant experience in or knowledge of sustainable development and social, environmental and climate issues and/or holding, or having held, significant positions of senior responsibility in these fields (CSR management position or equivalent)
- **Governance, Ethics and Compliance:** a person who holds, or has held, one or more non-executive corporate offices on one or more governance bodies (board or appointed or *ad hoc* Committee), and/or who has significant experience or in-depth knowledge of ethics and compliance.

The Board's Internal Rules stipulate that all members of the Board must have the following key qualities:

- they must pay careful attention to the corporate interest;
- they must have the quality of judgment, in particular of situations, strategies and people, based in particular on their own experience;
- they must have the ability to anticipate and identify risks and strategic issues;
- they must be honest, present, active and involved.

The Internal Rules of the Nomination and Compensation Committee also specify that the Board and its Committees must be composed of high level, skilled and experienced people in international companies' life, each with the time and the willingness to participate meaningfully and with a high sense of the primacy of social interest, in the development of activities and performances of the Company and its Group.

In 2023, the average attendance rate for the members of the Board of Directors was 96% (excluding non-voting members), stable compared to 2022 (96%); it was, respectively, 100% for the Audit Committee, 92% for the Nomination and Compensation Committee, and 89% for the CSR Committee.

Process for the selection and succession of directors

The process for selecting directors appointed by the General Meeting is managed by the Nomination and Compensation Committee.

The Internal Rules provide that the Nomination and Compensation Committee makes reasoned proposals to the Board, guided by the interests of the shareholders and the Company.

In general, the Committee must strive to reflect a diversity of experience and points of view, while ensuring a high level of expertise, internal and external credibility and stability of the Company's governing bodies.

With regard to the appointment of Board members, the Committee takes into account the following criteria: (i) desired balance of the composition of the Board in light of the composition and evolution of the Company's shareholding structure, (ii) preferred number of independent members, (iii) a balanced representation between men and women in accordance with applicable law, (iv) the opportunity to renew terms of office and (v) integrity, competence, experience and independence of each candidate.

The Nomination and Compensation Committee must organize a procedure to select future independent members and carry out its own studies on potential candidates before approaching them.

When issuing its recommendations, the Nomination and Compensation Committee must ensure that the independent members of the Board and the Committees include at least the number of independent members required by the governance principles to which the Company refers, as well as by the provisions of the Shareholders' Agreement.

In December 2022, the Board, on the proposal of the Nomination and Compensation Committee, adopted the procedure for selecting independent directors. It was thus decided to carry out an assessment with the members of the Board, one year before the end of their term of office, in order to confirm with them their wish to remain, or not, a member of the Board.

In the event of a decision not to renew the term of office, the Nomination and Compensation Committee approves the profile of the future replacement. Recruitment is then launched with the support of a firm specializing in the recruitment of Board members.

The selected candidates are presented to the Nomination and Compensation Committee, which selects the candidates to be presented to the Board for approval. The appointment of the selected candidate is then put to a vote at the General Meeting of Shareholders, on the Board's proposal.

4.2.4 Changes in the composition of the Board

Changes in the composition of the Board of Directors and the Committees in 2023

	DEPARTURE	APPOINTMENT	REAPPOINTMENT
BOARD OF DIRECTORS			
AUDIT COMMITTEE			
NOMINATION AND COMPENSATION COMMITTEE		FSP, represented by Cécile Frot-Coutaz (01.01.2023)[(1)]	
CSR COMMITTEE		Anne-France Laclide-Drouin (01.01.2023)[(1)]	

(1) These two appointments took place as part of the replacement of Kathleen O'Riordan, who resigned with effect from December 31, 2022.

On January 1, 2023, Cécile Frot-Coutaz, permanent representative of the FSP, and Anne-France Laclide-Drouin took up their positions, respectively, as member of the Nomination and Compensation Committee and independent Chairwoman of the CSR Committee, as decided by the Board of Directors at its meeting of December 9, 2022.

No other changes occurred during the 2023 fiscal year.

Changes in the composition of the Board of Directors and the Committees in the first quarter of 2024

In the context 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, targeting the Company's entire share capital and voting rights, and pursuant to stock market regulations, the Board of Directors, at its meeting of February 11, 2024, set up an *ad hoc* Committee. composed of three independent members:

- Orla Noonan, independent director and Chairwoman of the *ad hoc* Committee;
- Anne-France Laclide-Drouin, independent director;
- Cécile Frot-Coutaz, independent director representing FSP on a permanent basis.

The *ad hoc* Committee's duties notably include:

- overseeing the work of Ledouble, an independent expert appointed on February 11, 2024 by the Board of Directors on the proposal of the *ad hoc* Committee;
- presenting a reasoned draft opinion on the merits of the offer and its consequences for the Company, its shareholders and its employees to the Board of Directors; and
- monitoring the development of the consortium's offer as well as any proposal that may lead to another offer likely to be successful, in each case ensuring their compliance with the applicable regulations.

	DEPARTURE	APPOINTMENT	REAPPOINTMENT
BOARD OF DIRECTORS			
AUDIT COMMITTEE			
NOMINATION AND COMPENSATION COMMITTEE			
CSR COMMITTEE			
AD HOC COMMITEE		Chaired by Orla Noonan, Anne-France Laclide-Drouin, Cécile Frot-Coutaz, independent director representing FSP (February 11, 2024)	

Changes to take place in the composition of the Board of Directors and the Committees in 2024

Ms Anne-France Laclide-Drouin's term of office as director expires in 2024 and her re-appointment will be proposed to the Company's General Meeting of Shareholders on June 26, 2024.

Since 2023, Anne-France Laclide-Drouin has held the positions of Chief Administrative and Financial Officer (CFO), Chief Corporate Officer (CCO) and Member of the Management Committee of Ingenico, after having successively held similar positions at Guilbert, then Staples, AS Watson (Marionnaud) and GrandVision. Since 2017, she has been an independent director on the Board of Directors of CGG and chairs the Audit and Risk Management Committee and is a member of the HSE (Health, Safety and Environment) and Sustainable Development Committee. Her full biography is presented in Section 4.2.2 "*Information on the directors*", page 159.

This director, a French national, is an independent member of the Board of Directors and has held the positions of independent Chairwoman of the Audit Committee since 2021 and independent Chairwoman of the CSR Committee since January 1, 2023, replacing Ms Kathleen O'Riordan, who resigned from all the positions she held at the Company with effect from December 31, 2022. Since February 2024, she has been a member of the *ad hoc* Committee (see above).

Ms Anne-France Laclide-Drouin is a director who is very involved in the work of the Committees and brings to the bodies where she sits her international experience, her high level of financial and risk management expertise, as well as her strategic vision and commitment in the field of corporate social responsibility. This expertise is doubly valuable and strategic, because by chairing both the Audit Committee and the CSR Committee, this form of governance will further enhance its efficiency as part of the transposition of the CSRD (Corporate Sustainability Reporting Directive), with an effective link between the two Committees, making for greater simplicity and fluidity.

Since 2021, the year of the Company's IPO, her total attendance at Board meetings has been 100%, and her attendance at the Audit Committee and the CSR Committee, which she chairs, has also been exemplary, at 100%.

On March 13, 2024, the Board of Directors, after reviewing the work carried out by the Nomination and Compensation Committee on the independence of these members and the number of offices outside the Company held by them, approved the results that led the Committee to maintain the independent status of Ms Anne-France Laclide-Drouin, and assessed the number of offices held by her, which meets the requirements of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

The Board of Directors, having taken note of Anne-France Laclide-Drouin's wish to be reappointed, thus decided to propose to the General Meeting of June 26, 2024 that Anne-France Laclide-Drouin be reappointed.

Thus, subject to the approval of the next General Meeting of Shareholders of June 26, Anne-France Laclide-Drouin would retain her position as director, member of the *ad hoc* Committee, and Chairwoman of the Audit Committee and the CSR Committee.

4.2.5 Performance of the Board of Directors

4.2.5.1 Preparation and organization of meetings

The Internal Rules of the Board of Directors specify the operating procedures of the Company's Board of Directors, in addition to the legal and regulatory provisions and the Company's articles of association.

They are in line with industry recommendations designed to ensure compliance with the fundamental principles of corporate governance, and notably those set out in the AFEP-MEDEF Code, to which the Company refers.

The Internal Rules were approved by the Company's Board of Directors at its meeting of June 11, 2021, and amended on December 14, 2023 to clarify the terms of tender for the appointment of a new Statutory Auditor.

The Board of Directors' Internal Rules provide that the Board of Directors must meet as often as the Company's interests require and at least four times a year.

The frequency and duration of the meetings must allow for review and discussion.

Board meetings are called by the Chairman or one of its members by any means, even verbally.

In addition to defining the powers and responsibilities of the Board and its Committees, the Internal Rules also lay down the principle of the confidentiality of information brought to the attention of Board members.

The author of the notice of meeting sets the agenda of the meetings and communicates to the directors all the information required to exercise their duties.

The Internal Rules provide that directors may participate in Board meetings by way of videoconference or telecommunication, including through conference calls.

These means must allow their identification and guarantee their effective participation, under the conditions determined by the regulations in force.

Directors who take part in the Board's deliberations by such means are deemed present for the purpose of calculating the quorum, except for Board meetings relating to the preparation of the separate financial statements and consolidated financial statements and the management report.

Certain decisions of the Board of Directors may, under the conditions provided for by the legal and regulatory provisions in force, be taken by written consultation of the directors.

In 2023, the Board met nine times, with an attendance rate of 96%, including:

- an "executive session" meeting, without the presence of the executive directors, on March 20, 2022, to deliberate on the items of compensation to be paid in respect of 2022 to Denis Ladegaillerie, Chairman and Chief Executive Officer, and set his compensation policy for the 2023 fiscal year; and
- a strategy seminar held on July 11, 2023, during which Board members were given an in-depth presentation by certain members of the Executive Committee of the half-year results for 2023 and initial forecasts for 2024-2026.

During these meetings, the Board of Directors notably discussed the following topics:

WORK CARRIED OUT BY THE BOARD OF DIRECTORS IN 2023

TOPICS	WORK
Activity and Strategy	• Review and approval of the M&A strategy and authorization of external restructuring transactions; • Regular updates on planned acquisitions; • Information technology strategy; • Presentation, during the strategic and executive session of topics on the 2023 half-year review and a first approach of the 2024-2026 strategy.
Finance	• Presentation of investment projects; • Review and adoption of the 2023 budget; • Reviewing and approving the 2022 annual parent company and consolidated financial statements and the half-year and quarterly financial statements for the 2023 financial statements with the corresponding reports; • Review and approval of press releases on the annual, half-yearly and quarterly consolidated financial statements; • Preparation and approval of forward-looking management documents; • Renewal of annual authorization for the Chairman and Chief Executive Officer to issue guarantees and comfort letters; • Annual review of the Contract (as this term is defined below), the only related-party agreement, and review of the procedure for assessing related-party agreements; • Implementation of the share buyback program authorized by the General Meeting; • Review of the recommendations of financial analysts; • Report on the work of the Audit Committee (see below).
Share ownership	• Delegation of authority to the Chairman and Chief Executive Officer to record three capital increases following the exercise of BSA and BSPCE warrants by the beneficiaries.
Corporate governance	• Review and adoption of the diversity policies of the Board and its Committees and of the gender balance of the governing bodies, and approval of the new skills matrix; • Renewal of the sole functions of Chairman of the Board of Directors and the non-appointment of a Lead Director; • Annual review of the independence of Board members; • Meeting of Directors without the presence of executive directors; • Preparation and approval of the questionnaire for the second internal assessment of the operation of the Board and its Committees and review of initial results; • Review of the monitoring of the implementation in 2023 of the recommendations resulting from the first self-assessment of the Board and the Committees conducted in 2022; • Approval of the 2022 Universal registration document; • Preparation and convening of the General Meeting of June 16, 2023; • Approval of the Board of Directors' work program for 2024; • Report on the work of the Nomination and Compensation Committee (see below).
Compensation	• Issuance of a free performance share plan on the basis of the authorization of the General Meeting of June 20, 2022; • Review and adoption of the compensation policies for corporate officers for 2023 (Chairman and Chief Executive Officer and independent directors); • Review and approval of the determination of the variable portion due to the Chairman and Chief Executive Officer in respect of 2022 based on the 2022 compensation policy approved by the General Meeting of June 20, 2022; • Review and approval of the determination of the variable portion due to the independent directors in respect of 2022 based on the 2022 compensation policy approved by the General Meeting of June 20, 2022.
Corporate social responsibility	• Analysis of Chapter 2 “Corporate social responsibility” as part of the review; • Report on the work of the CSR Committee (see below).

It should be noted that, for all intents and purposes, the Board of Directors of March 13, 2024, on the recommendation of the Audit Committee, decided to submit to the vote of the General Meeting of Shareholders of June 26, 2024 the renewal of the term of office of ACA NEXIA as Principal Statutory Auditors, whose term of office expires at the end of the General Meeting called to approve the financial statements for the fiscal year ended December 31, 2023.

Thus, the General Meeting will have to approve the renewal of the term of office of the incumbent Principal Statutory Auditors, ACA NEXIA, for a period of six (6) fiscal years, *i.e.* until the General Meeting called to approve the financial statements for the fiscal year ended June 26, 2029.

However, this same Meeting will be asked not to renew the term of office of the Alternate Statutory Auditors, PIMPANEAU & ASSOCIES, insofar as, pursuant to Article L. 820-1 I of the French Commercial Code, the incumbent Principal Statutory Auditors is a multi-member legal person, and therefore the appointment or renewal of the term of office of an Alternate Statutory Auditors is not required.

Furthermore, at its meeting of February 11, 2024, the Board of Directors decided, in the context 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, targeting the Company's entire share capital and voting rights, to set up an *ad hoc* Committee.

Lastly, the Board of Directors, at its meeting of March 13, 2024, decided to submit to the approval of the General Meeting of June 26, 2024 the appointment of an auditor in charge of certifying the information on sustainability.

Information and training of Board members

In accordance with the Board's Internal Rules:

- the Board and its Committees are composed of high level, skilled and experienced people in international companies' life, each with the time and the willingness to participate meaningfully and with a high sense of the primacy of social interest, in the development of activities and performances of the Company and its Group;
- each Board member may benefit from an additional training about the specifics of the Company and the companies it controls, their activities and business sectors;
- the Chairman shall provide the Board members, within sufficient time and except in case of emergency, with any necessary information or documentation so that they may perform their duties;
- the Board may hear the main executives of the Company and these may be called upon to attend Board meetings;
- the Board and Committees may also hear experts in their respective areas of expertise;
- the Board is regularly informed of the financial position of the Company and the Group. The Chairman and Chief Executive Officer constantly communicates to the directors all information concerning the Company of which they are aware and which they deem useful or relevant;
- each Board member may meet the main managers of the Company, including without the presence of executive directors, subject however to the prior information of the latter;
- at least three meetings of directors without the executive director are organized each year (executive sessions), two of which are devoted to reviewing the performance and the setting of the compensation of the executive director.

SUMMARY TABLE ON THE ATTENDANCE OF THE MEMBERS OF THE BOARD OF DIRECTORS IN 2023

	Board of Directors	Audit Committee	Nomination and Compensation Committee	CSR Committee
Denis LADEGAILLERIE	100%	N/A	N/A	100%
Alain CAFFI	100%	100%	N/A	67%
John DORAN	78%	N/A	100%	N/A
Cécile FROT-COUTAZ	100%	100%	75%	N/A
Anne-France LACLIDE-DROUIN	100%	100%	N/A	100%
Orla NOONAN	100%	100%	100%	N/A
Nicolas ROSE	89%	N/A	N/A	N/A

4.2.6 Assessment of the Board of Directors

The Internal Rules of the Board of Directors, in line with the recommendations of the AFEP-MEDEF Code, stipulate that the Board of Directors must assess its ability to meet shareholders' expectations by periodically analyzing its composition, organization and functioning.

To this end, once a year, the Board must devote an item on its agenda to:

- the assessment of its operating methods;
- ensuring that important issues are properly prepared and discussed within the Board, and
- the effective contribution of each member to the work of the Board with regard to their expertise and involvement in the deliberations.

This assessment shall be made on the basis of the replies to an individual and anonymous inquiry addressed to each Board member once a year.

A formal evaluation shall be performed at least once every three years, possibly under the leadership of an independent Board member, and, when appropriate, with help from an external consultant.

The Board shall assess under the same conditions and under the same frequency the operating methods of the permanent committees set up by it.

Following the Company's IPO in June 2021, the Board of Directors decided to carry out its first internal assessment in 2022, after its members had been in office for a full year, so that they would have an overall view of its composition, organization and operation over a sufficient period of time. The monitoring of the implementation of the recommendations resulting from this first self-assessment over 2023 is presented below.

The Board of Directors, on the advice of the Nomination and Compensation Committee (NCC), decided at its meeting of October 24, 2023, to renew the self-assessment process led by the aforementioned Committee. This second self-assessment was organized under conditions similar to the first, which are presented below.

ASSESSMENT OF THE BOARD OF DIRECTORS

September 2023	October / November 2023	December 2023	February / March 2024
• Update of the questionnaire with market practices, notably the recommendations of the AMF	• NCC: Validation of the questionnaire and the internal assessment procedure • Send questionnaire to members • Collection and initial analysis of responses	• NCC: Presentation of questionnaire results • Board of Directors: presentation of the questionnaire and the internal assessment procedure	• NCC: Detailed report on the internal assessment and presentation of areas for improvement • Board of Directors: Approval of the NCC report Selection of the external consultant

For this second internal assessment of the Board, a digitized questionnaire composed of eight categories, each comprising an average of three questions, was created by the Legal Department and made available to the members of the Board of Directors on a platform to guarantee the anonymity of the responses and comments made by them.

Each member thus expressed their opinion on the composition of the Board, its performance, the relevance of the items on the agenda, the quality of discussions, the amount of information provided, the Group's governance method, the topics to be addressed or further developed, as well as training requests on specific points.

This questionnaire was adapted for the three Board Committees by keeping the same themes grouped into identical categories. Only the members who are part of one or more Committees answered the additional form for Committees, in order to measure their satisfaction with the performance, organization and composition of the bodies to which they belong.

The overall attendance rate was 86%, compared to 75% in 2022. The improvement in this rate was due, on the one hand, to the composition of the Board, which changed from eight members in 2022 to seven in 2023; and, on the other hand, to the fact two members did not take part in the first internal assessment of the Board in 2022, including one voluntarily on the grounds that he or she did not have the necessary hindsight to assess the performance of the Board given his or her recent appointment, against a single member who did not complete the form of the second internal assessment of the Board in 2023.

The responses were then examined by the Nomination and Compensation Committee with the assistance of the Legal Department, in order to prepare a report including a summary of results, a presentation of key points, and areas for improvement. This report was approved by the Board of Directors on March 13, 2024.

Main conclusions in 2023

Overall, the conclusions of this second internal assessment were very positive. The members of the Board expressed a high level of satisfaction with the composition and operation of the Board and the Committees.

The assessment highlighted the following key points:

- the frequency and timing of meetings;
- the availability and responsiveness of Executive Management;
- a very satisfactory level of member interaction and involvement;
- a freedom of speech for members in the various forums;
- the quality and dynamism of exchanges carried out in a climate of trust.

The main areas for improvement identified are as follows:

- in-depth presentation on recruitment and retention policies for the best talent in the music industry;
- in-depth review of all issues arising from the CSRD Directive (Corporate Sustainability Reporting Directive) transposed into French law via Order no. 2023-1142 of December 6, 2023 and its implementing decrees.

Various proposals were examined to address the conclusions of the assessment and, in certain cases, solutions have been selected and already implemented:

- the Board of Directors will further examine Believe's top talent recruitment and retention policies;
- in 2024 or 2025, the members of the Board of Directors will benefit from a specific information on the increasing importance of CSR and climate issues, and more specifically on new challenges in terms of sustainability with the transposition of the European CSRD Directive (Corporate Sustainability Reporting Directive) into French law with the establishment of a sustainability report, which will replace the non-financial performance statement.

Monitoring the implementation in 2023 of the recommendations of the 2022 internal assessment

At its meeting of December 14, 2022, the Board of Directors, on the basis of a report of the Nomination and Compensation Committee, noted that the areas for improvement requested by members during the first internal assessment were implemented during 2023:

- the work program of the Board and the Committees for the following year is presented to the bodies over the fourth quarter of the current year;
- a strategy session was held on July 11, 2023 to address the specificities of the Group's business, its environment and its development;
- at its meeting of December 14, 2023, the Board of Directors discussed the Company's governance structure and decided to maintain the dual roles of Chairman of the Board and Chief Executive Officer (see Section 4.1.1.2 "*Governance structure*");
- at the same meeting, the Board of Directors decided not to appoint a Lead Director at this stage (see Section 4.1.1.2 "*Governance structur*e");
- an improvement in the duration of the transmission of the Board's information.

4.2.7 Specialized Committees of the Board of Directors

The Board decides to set up standing or temporary Committees, intended to facilitate the smooth operation of the Board and contribute effectively to the preparation of its decisions.

These Committees are under the responsibility of the Board.

They are responsible for studying matters that the Board or its Chairman submits for their review in order to prepare the work and decisions of the Board. The composition, powers and operating procedures of these committees are specified by internal rules specific to each committee. It is appended to the Board's internal rules and is available on the Company's institutional website, in the "*Governance*" Section.

To date, the Board has created three specialized Committees:

- Audit Committee;
- Nomination and Compensation Committee; and
- CSR Committee.

In the context 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, targeting the Company's entire share capital and voting rights, and pursuant to stock market regulations, the Board of Directors, at its meeting of February 11, 2024, set up an *ad hoc* Committee made up of three independent members:

- Orla Noonan, independent director and Chairwoman of the *ad hoc* Committee
- Anne-France Laclide-Drouin, independent director;
- Cécile Frot-Coutaz, independent director representing FSP on a permanent basis.

The *ad hoc* Committee's duties notably include:

- overseeing the work of Ledouble, an independent expert appointed on February 11, 2024 by the Board of Directors on the proposal of the *ad hoc* Committee;
- presenting a reasoned draft opinion on the merits of the offer and its consequences for the Company, its shareholders and its employees to the Board of Directors; and
- monitoring the development of the consortium's offer as well as any proposal that may lead to another offer likely to be successful, in each case ensuring their compliance with the applicable regulations.

Common provisions

Any decision of the Board falling within the remit of one of the Committees must be examined by the latter before being submitted to the Board.

Any committee may issue non-binding recommendations to the Board. As part of their duties, the Committees may hear the executives of any Group company.

The Committees meet as often as necessary.

The Audit Committee and the Nomination and Compensation Committee meet at least twice a year.

The CSR Committee meets at least once a year. Committee meetings are called by its Chairman or by any of its members.

The Audit Committee

Pursuant to the Internal rules, the Audit Committee is composed of at least three (3) Board members, at least two-thirds of whom are appointed from among the Board's independent members. They are appointed by the Board, on the proposal of the Nomination and Compensation Committee, and in compliance with the recommendations of the AFEP-MEDEF Code and the provisions of the Shareholders' Agreement.

In particular, the members of the Committee should have particular expertise in financial and/or accounting matters.

All members of the Audit Committee should be briefed on the accounting, financial and operational specifics of the Company upon their appointment.

The Chairman of the Audit Committee is appointed, after special consideration, by the Board upon the proposal of the Nomination and Compensation Committee, from among the independent members. The Audit Committee may not include any executive directors.

Composition of the Audit Committee as of December 31, 2023

Anne France Laclide-Drouin
Independent Chairwoman

Cécile Frot-Coutaz
Independent member

Alain Caffi
Non-independent member

Orla Noonan
Independent member

MAIN INDICATORS

7 MEETINGS

4 MEMBERS

100% ATTENDANCE RATE

1 INDEPENDENT CHAIRWOMAN

75% WOMEN

75% INDEPENDENCE RATE

MAIN ASSIGNMENTS OF THE COMMITTEE

Monitoring of the process for preparing financial information

Prior to their presentation to the Board, the Committee must examine the annual or half-yearly and, where applicable, quarterly consolidated and parent company financial statements. It must ensure the relevance and consistency of the accounting methods used to prepare these financial statements.

Monitoring the effectiveness of internal control and risk management systems

The Committee ensures the relevance, reliability and implementation of the Company's procedures for internal control, identification, coverage and management of risks relating to its activities and to financial and non-financial accounting information.

The Committee shall also review the risks, including those of a social and environmental nature, and significant statement of financial position commitments of the Company and its subsidiaries.

Monitoring of the statutory audit of the consolidated and separate financial statements by the Statutory Auditors

The Committee shall inform itself and follow up with the Company's Statutory Auditors (including without the presence of the executive directors), in particular about their general work schedule and any difficulties encountered in the performance of their duties, changes that they believe should be made to the Company's financial statements, significant risks and uncertainties relating to the preparation and processing of accounting and financial information, and significant weaknesses in internal control that they may have discovered.

Monitoring the independence of the Statutory Auditors

The Committee shall steer the procedure for the selection and renewal of the Statutory Auditors, and submit the result of this selection to the Board.

Compliance

The Committee shall review and monitor the systems and procedures in place to ensure the dissemination and application of best practice policies and rules on ethics, competition, fraud and corruption and, more generally, on compliance with applicable regulations.

MAIN WORK COMPLETED IN 2023

MONITORING OF THE PROCESS FOR PREPARING FINANCIAL INFORMATION

- Review of accounting principles for the 2023 fiscal year
- Review of the parent company and consolidated financial statements for 2022 and the first half of 2023, as well as the first three quarters of 2023, and the related press releases
- Review of the Statutory Auditors' reports on the annual and consolidated financial statements for the 2022 fiscal year and on the half-year financial statements for the 2023 fiscal year
- Review of the annual financial report for 2022 and the half-year financial report for 2023
- Approval of services other than the certification of financial statements
- Renewal of the annual authorization to issue guarantees and comfort letters
- Preparation and approval forward-looking management documents
- Monitoring of the business plan for major acquisitions, goodwill and the impairment of assets
- Strategy and recommendations from investors and brokers
- Review of tax policy
- Coverage by financial analysts
- Review of legal risks, potential litigation and major events likely to have a significant impact on Believe's financial position

MONITORING THE EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

- Review of the 2022 Universal registration document's Chapter on risk factors and risk management, including the risk management and internal control system
- Insurance review and analysis
- Review of risks, including cybersecurity, and the state of internal control, as well as of the roadmap for 2023
- Review of audit and internal control work, including the risk matrix
- Update of the Group's risk matrix.

INDEPENDENCE OF THE STATUTORY AUDITORS

- Review of the independence of the auditors
- Formulation of a recommendation to the Board of Directors on the renewal of the appointment of ACA NEXIA as Statutory Auditors, and review of the current terms of the Statutory Auditors

COMPLIANCE

- Review of current agreements entered into under normal market conditions
- Annual review of related-party agreements
- Review of the progress of the Sapin II and GDPR compliance programs
- Review of information systems security and update of cyber activity.

The Nomination and Compensation Committee

Pursuant to the Internal rules, the Nomination and Compensation Committee is composed of three (3) Board members, two (2) of whom are appointed from among the independent members of the Board. They are appointed by the latter, notably in view of their independence and their expertise in the selection or compensation of executive corporate officers of listed companies, and in compliance with the recommendations of the AFEP-MEDEF Code and the provisions of the Shareholders' Agreement. The Nomination and Compensation Committee may not include any executive directors.

The Chairman of the Nomination and Compensation Committee is appointed from among the independent members by the Board.

Composition of the Nomination and Compensation Committee as of December 31, 2023

Orla Noonan
Independent Chairwoman

Cécile Frot-Coutaz
Independent member

John Doran
Non-independent member

MAIN INDICATORS

4 MEETINGS

3 MEMBERS

92% ATTENDANCE RATE

1 INDEPENDENT CHAIRWOMAN

67% WOMEN

67% INDEPENDENCE RATE

MAIN ASSIGNMENTS OF THE COMMITTEE

Appointments

One of the tasks of the Nomination and Compensation Committee is to make proposals to the Board for the appointment of the members of the Board and the members of Executive Management, as well as the members and the Chairman of the Board Committees.

Each year, the Nomination and Compensation Committee examines, before the publication of the Company's corporate governance report, the situation of each Board member with regard to the independence criteria adopted by the Company, and submits its opinions to the Board with a view to the latter's examination of the situation of each person concerned with regard to these criteria.

Compensation

Recommendation to the Board regarding the compensation of the Group's main executives.

The Committee draws up recommendations that include fixed and variable compensation, but also, where applicable, any other direct or indirect compensation (including long-term) that may constitute the compensation of the members of the Executive Management.

The Committee is consulted on the same elements of the compensation of the Group's main non-corporate leaders and the policies implemented in this respect within the Group.

The Committee monitors the evolution of the fixed and variable portions of the compensation of the members of Executive Management and of the Group's main non-corporate officer executives over several years in relation to the Group's performance.

Examination and proposal to the Board concerning the method of distribution of the overall annual sum allocated to the Board by the General Meeting.

Examination and opinion on the Group's compensation and incentive policy.

Special assignments

The Committee is consulted for recommendations to the Board on any compensation relating to non-current assignments that may be entrusted by the Board to certain of its members.

MAIN WORK COMPLETED IN 2023

GOVERNANCE

- Review of and discussion on the composition of the Board of Directors and its Committees in terms of diversity, skills, gender balance, multiple directorships, experience and independence, and update of the skills matrix of the directors
- Review of the Group's diversity policy, in particular the composition of the Executive Committee and the balanced representation of women and men thereon
- Review of the independence of each director with regard to the AFEP-MEDEF Code criteria

- Oversight of the 2nd annual self-assessment of the performance of the Board and its Committees, conducted over the last quarter of 2023
- Analysis of the results of the 2nd self-assessment of the Board carried out in 2023, and monitoring of the implementation, in 2023, of the recommendations of the 1st self-assessment carried out in 2022
- Proposal to the Board of Directors on the scheduling and holding of executive sessions in 2024
- Review of the corporate governance report for the 2022 fiscal year and other legal documents relating to the General Meeting of June 16, 2023 (notice of meeting, convening notice, GM brochure, etc.)
- Recommendations made to the Board of Directors on various governance issues (combination of the roles of Chairman of the Board of Directors and Chief Executive Officer / possible appointment of a lead director / etc.)

COMPENSATION

- Proposal on the 2023 compensation policy for corporate officers
- Recommendation to the Board of Directors on the items of compensation due to corporate officers in respect of 2022 pursuant to the approved 2022 compensation policies
- First proposal on the structure of the CEO's 2024 annual variable compensation policy (financial and non-financial criteria with their respective weightings)
- Preparation of the 2023 free performance share plan and monitoring of the performance conditions of previous plans.

The CSR Committee

The CSR Committee is composed, in accordance with the provisions of the Internal Rules of the Board of Directors and in compliance with the provisions of the Shareholders' Agreement, of three (3) members of the Board, including the Chairman of the Board of Directors and one member appointed from the independent members of the Board.

The Chairman of the CSR Committee shall be appointed from among the independent members of the Board.

Composition of the CSR Committee as of December 31, 2023

Anne France Laclide-Drouin
Independent Chairwoman

Denis Ladegaillerie
Non-independent member

Alain Caffi
Non-independent member

MAIN INDICATORS

- **3** MEETINGS
- **3** MEMBERS
- **89%** ATTENDANCE RATE
- **1** INDEPENDENT CHAIRWOMAN
- **33%** WOMEN
- **33%** INDEPENDENCE RATE

MAIN ASSIGNMENTS OF THE COMMITTEE

The CSR Committee ensures the governance and monitoring of the Group's social and environmental projects and the preparation of the Board's decisions on environmental and social matters.

In this context, the tasks of the CSR Committee include:

- ensuring that social and environmental responsibility issues (such as diversity and non-discrimination policies and compliance and ethics policies) are taken into account in the Group's strategy and its implementation;
- examining the non-financial performance statement on social and environmental matters provided for in Article L.22-10-36 of the French Commercial Code;
- reviewing the opinions of investors, analysts and other third parties and, where appropriate, the Company's potential action plan to improve the social and environmental issues raised;
- examining and evaluating the relevance of the Group's commitments and strategic orientations in social and environmental matters, with regard to the issues specific to its activity and objectives, and monitor their implementation.

MAIN WORK COMPLETED IN 2023

MONITORING THE PROCESS FOR PREPARING NON-FINANCIAL INFORMATION AND NON-FINANCIAL RISKS

- Review of the preparation of the Non-Financial Performance Statement (NFPS/DPEF) for the 2022 and 2023 Universal registration documents.
- Presentation of changes in regulations relating to non-financial reporting: Corporate Sustainability Reporting Directive (CSRD).
- Review and monitoring of Believe's ESG (Environment - Social - Governance) rating by non-financial agencies.

FREE PERFORMANCE SHARE PLANS / BONUS PLAN FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- Review and recommendations of CSR items in the development of the annual variable compensation policy for the Chairman and Chief Executive Officer for 2023, and monitoring of these conditions during 2023.
- Assessment of the CSR items of the annual variable compensation of the Chairman and Chief Executive Officer for 2022 pursuant to the compensation policy approved in 2022.
- Proposal of CSR items for the 2024 annual variable compensation of the Chairman and CEO and the 2024 LTI plan, and monitoring of the CSR performance conditions for the other ongoing plans.

OTHER TOPICS RELATED TO CORPORATE SOCIAL RESPONSIBILITY

- Roll-out of the gender equality index in 2022, and results.
- Annual review of the composition and diversity of the Board of Directors (new skills matrix), and of the Executive Committee's gender equality policy and situation.
- CSR roadmap review (Shaping Music for Good).
- Review of the Group's environmental results, including the carbon footprint of direct activities (Scopes 1 & 2), and preparation of the future climate strategy (under the new European CSRD regulation).

4.2.8 Ethics and additional information on corporate officers

4.2.8.1 Conflicts of interests *(Article 7 of the Directors' charter)*

Directors shall inform the Board as soon as possible of any conflict of interest in the context of their duties as a director or as a member of a Committee, including potential ones, in which they may be directly or indirectly involved.

They shall refrain from participating in discussions and decision-making on the subjects concerned.

Directors shall also inform the Chairman of the Nomination and Compensation Committee of his or her intention to accept a new term of office in a listed company that does not belong to a group of which he or she is an executive, in order to enable the Board, on the recommendation of the Committee, to decide, where applicable, that such an appointment would be incompatible with the term of office within the Company.

Directors shall inform the Chairman of the Board as soon as possible of any conviction for fraud, any public incrimination and/or sanction, and any ban on managing or administering that has been pronounced against him or her, as well as any bankruptcy, receivership, liquidation or company put into administration with which he or she was associated.

Directors are also required to immediately inform the Board of any ties that may exist between them or the companies in which they have a direct interest and the Company. They must notably inform the Board of any proposed "related-party" agreements governed by Article L. 225-38 of the French Commercial Code, prior to their conclusion. Agreements relating to day-to-day transactions concluded under normal conditions are also communicated to the Chairman of the Board.

The Charter, including these principles, also applies to non-voting members as Board members.

4.2.8.2 Statements regarding corporate officers

To the best of the Company's knowledge, over the past five years, no member of the Board has:

- been convicted of fraud or an offense and/or an official public sanction pronounced by statutory or regulatory authorities;
- been associated as an officer in a bankruptcy, receivership or liquidation;
- been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from managing or conducting business of an issuer.

To the best of the Company's knowledge, at the date of this Universal registration document, there were no potential conflicts of interest between the duty that the members of the Board and the Chairman and Chief Executive Officer have to the Company and their private interests.

In particular, to the best of the Company's knowledge, there are:

- no family ties between the directors;
- no agreements entered into with a major shareholder, a customer, a supplier or any other third party pursuant to which any member of the Board or the Chairman and Chief Executive Officer has been appointed to the Board or as a member of Executive Management, with the exception of what is described in the Section "*Shareholders' Agreement and Investment Contract*" in Section 4.2.3 *"Rules on the composition and diversity of the Board of Directors"*, also described in Section 7.3.6.4 *"Agreements between shareholders of which Believe is aware";*
- no restriction accepted by any member of the Board or the Chairman and Chief Executive Officer concerning the sale of the Company's shares they hold, with the exception of:

- rules on the prevention of insider trading (described in Section 4.2.8.5 "*Prevention of breaches and insider trading*", opposite (Articles 5 and 6 of the Directors' charter)),
- the obligation to hold and retain a minimum of 100 shares throughout the term of office as a member of the Board of Directors, with the exceptions described above,
- Denis Ladegaillerie had subscribed, under the Shareholders' Agreement signed on June 9, 2021 with the main historical shareholders, TCV, XAnge and Ventech, a commitment to retain his shares for a period of three (3) years from the date of signature of the said Agreement, *i.e.* until June 9, 2024. This commitment was recently lifted in order to allow him to declare publicly his intention to participate in the proposed public tender offer for all of Believe's shares (for further details, please refer to Section 7.3.6.4 "*Agreements between shareholders of which Believe is aware*", page 352).

4.2.8.3 Information about service contracts linking members of the Board to the Company or any of its subsidiaries

To the best of the Company's knowledge, as of the date of this Universal registration document, there are no service contracts between the members of the Board and the Company or any of its subsidiaries providing for the granting of benefits.

4.2.8.4 Loans and guarantees granted to Board members

As of the date of presentation of this Universal registration document, the Company has not granted any loans or granted any guarantees to any member of the Board.

4.2.8.5 Prevention of breaches and insider trading *(Articles 5 and 6 of the Directors' charter)*

All directors are required to comply with applicable provisions of the French Monetary and Financial Code, the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers – AMF*) and Regulation (EU) 596/2014 of April 16, 2014 (the "MAR" regulation), as well as those resulting from the delegated and implementing regulations which are attached to the MAR regulation, relating to the disclosure and use of inside information, both as regards Believe shares and as regards the securities of companies on which it has inside information.

In particular, directors shall refrain from trading on the market for Believe shares and similar securities during

i) the 30 calendar days preceding the publication of the annual and half-yearly results of Believe including the day of said publication, and

ii) the 15 calendar days preceding the publication of Believe's quarterly revenue including the day of said publication.

Directors shall refrain from using stock price hedging transactions (particularly via derivatives) linked to Believe shares.

Directors shall inform the Secretary of the Board of any application difficulties they may encounter.

Believe directors must hold their Believe shares in registered form.

The charter, including these principles, also applies to non-voting members as Board members.

Persons with managerial responsibilities as well as persons closely related to them must declare within three business days, to the Company and the AMF, each acquisition, sale, subscription or exchange transaction relating to Believe shares or any other types of financial instruments linked to the Believe share, when the cumulative amount of transactions they carry out exceeds €20,000 per person for the current calendar year.

The AMF makes this information public on its website.

Pursuant to Article 223-26 of the AMF's General Regulations, a table summarizing the transactions carried out on the basis of Article L. 621-18-2 of the French Monetary and Financial Code during the 2023 fiscal year is provided in Section 7.3.5 of this Universal registration document.

4.3 Governing Bodies

4.3.1 Executive Management

See Section 4.1 *"Governance*" of this Universal registration document.

4.3.2 Executive Committee

The Executive Committee is the key body responsible for the implementation of the Group's strategy, monitoring performance and coordinating projects in the Group's various countries and regions.

The Executive Committee is chaired by Denis Ladegaillerie in his capacity as Chairman and Chief Executive Officer of Believe, assisted by the directors in charge of Group functions.

As of March 2024, the composition of the Executive Committee is as follows:

- Denis Ladegaillerie, Chairman and Chief Executive Officer;
- Xavier Dumont, Deputy Chief Executive Officer in charge of Finance and Strategy;
- Béatrice Dumurgier, Deputy Chief Executive Officer in charge of Operations;
- Romain Vivien, Global Head of Music;
- Gideon Mountford, Head of Global Digital Business;
- Andreea Gleeson, Chief Executive Officer of Tunecore;
- Virginie Sautter, Chief Marketing and Communications Officer;
- Anne Adamo, Chief Financial Control Officer;
- Elsa Bahamonde Bourgain, President, Artist Services;
- Romain Becker, President, Label & Artist Solutions;
- Vincent Ducrohet, Chief Product Officer.

4.3.3 Diversity and gender equality policy

Nurtured by Believe's values – Respect, Expertise, Fairness and Transparency – the Group's ambition is to build high-level management teams that reflect diversity (gender, nationality, professional experience, culture).

The Group pays particular attention to gender diversity and a balanced representation of women and men within the Executive Committee, among managers and, more broadly, among all its employees.

Pursuant to the recommendations of the AFEP-MEDEF Code, the Board, on the proposal of Executive Management, the CSR Committee and the Nomination and Compensation Committee, adopted a policy to foster gender parity within the Executive Committee. This policy is reviewed annually by the Board of Directors and by the CSR Committee and the Nomination and Compensation Committee.

In 2023, the Executive Committee was made up of an equal number of men and women, well in excess of the Rixain law's target of 40% women by 2027.

The Group also aims to ensure diversity among senior executives and employees.

As of December 31, 2023, 44.5% of the most senior positions were held by women. Positions with the highest level of responsibility represent 6.6% of the Group's headcount and correspond to the "management teams" category[1]. Due to the size and organization of the Group, it is not relevant to extend the calculation of the positions with the highest responsibilities to 10% of the headcount, as this 10% does not only represent positions with high responsibilities.

The Group also monitors gender diversity among all managers[2], with 38.9% of women at December 31, 2023.

Regarding the total headcount, women represented 45.6% of employees at December 31, 2023, a very significant increase compared to 2021 (40%).

(1) *(The "management teams" category corresponds to the positions of higher responsibility, i.e. employment category level 9 to 12 Managers and Executives (excluding level 13, which corresponds to the position of Chairman), including 53 women out of a total of 119 positions of higher responsibility (excluding Sentric - CSR scope).*

(2) *The population of managers corresponds to employees with managerial responsibilities, in the "Leaders" Career Path, whose internal categories range from 5 to 9 (with "direct report" for 2023 excluding Sentric), i.e. 134 women (38.9%) among 344 managers (19.04% of the headcount excluding Sentric - CSR scope) in the "managers" category.*

As part of its commitment to Diversity, Equity & Inclusion, the Group continues to implement its objectives in terms of equity, diversity and balanced representation of women and men (see also Chapter 2 of this Universal registration document).

Executive Management regularly informs the Board of its progress in integrating new members into the Executive Committee, and annually presents the results achieved in terms of the gender mix employed by the governing bodies and all employees, as well as the methods used to implement its diversity and inclusion policy (see also Chapter 2 of this Universal registration document).

4.3.4 Succession plans

The Internal Rules of the Board of Directors stipulate that the Nomination and Compensation Committee must draw up a succession plan for the Company's and the Group's key executives, so as to be in a position to rapidly propose succession solutions to the Board of Directors, notably in the event of unforeseen vacancies.

In its discussions regarding the Executive Committee succession plan, the Nomination and Compensation Committee also considers the balanced representation of women and men in light of existing profiles.

In 2022, the Nomination and Compensation Committee carried out its initial due diligence on succession plans for the Chairman and Chief Executive Officer, key Group executives and members of the Board of Directors, and reported back to the Board of Directors.

The next review of all succession plans will be carried out in 2024, and will notably include a review of the members of the Executive Committee, which was prepared and revised in 2022 and 2023 by the Human Resources Department with the assistance of the Chairman and Chief Executive Officer.

These plans will be reviewed and updated each year.

4.4 Related-party and current agreements and valuation procedure

Related-party agreements within the meaning of Articles L.225-38 *et seq.*

In accordance with Article L.225-38 of the French Commercial Code, any agreement between the Company and its Chief Executive Officer, one of its directors, one of its shareholders holding a fraction of the voting rights greater than 10% or, in the case of a company shareholder, the Company controlling it within the meaning of Article L.233-3 of the French Commercial Code, must be submitted to the prior authorization of the Board.

For the 2023 fiscal year, no related-party agreement falling within the scope of the aforementioned article was entered into or authorized in advance by the Board of Directors.

However, the capital gains sharing agreement entered into on December 7, 2022 between the Company and Denis Ladegaillerie, in his capacity as Chairman and Chief Executive Officer and a shareholder with over 10% of the voting rights, authorized by the Board of Directors at its meeting of August 3, 2022 and ratified by the Annual General Meeting of June 16, 2023, remained in force during the 2023 fiscal year (the "**Agreement**").

Pursuant to Article L. 225-40-1 of the French Commercial Code, the Board of Directors, at its meeting of March 13, 2024, conducted an annual review of the Agreement and, after considering that the reasons justifying its interests remained relevant, and following the opinion of the Audit Committee and the Nomination and Compensation Committee, decided to maintain its initial decision.

Its main terms are detailed in the Investors Section of the Company's website and in the Statutory Auditors' special report on related-party agreements.

Agreements relating to current transactions entered into under normal conditions

In accordance with Article L.22-10-12 of the French Commercial Code, the Board adopted at its meeting of March 17, 2022 an internal procedure to regularly assess whether agreements relating to current transactions entered into under normal conditions still meet these conditions.

In particular, this procedure provides for an annual review of these agreements by the Audit Committee, which issues its opinion to the Board of Directors, which in turn reviews the criteria used to determine the current nature of transactions and to assess their terms and conditions and ensure they are in line with market practices.

Agreements no longer meeting the aforementioned criteria, which are therefore reclassified as related-party agreements, will then be subject to the authorization of the Board.

The procedure applies prior to the conclusion of an agreement and any modification, renewal or termination, including for agreements considered as current at the time of their conclusion. Persons directly or indirectly concerned by one of these agreements will not participate in this assessment.

4.5 Other information

4.5.1.1 Financial authorizations

See Section 7.2.2 "*Share capital authorized but not issued*" of this Universal registration document.

4.5.1.2 Procedures governing shareholder participation in General Meetings

See Section 7.1.2.2 *"Other provisions in the articles of association, (i) General Meetings (Article 19 of the articles of association)*" of this Universal registration document.

4.5.1.3 Information referred to in Article L.22-10-11 of the French Commercial Code

See Section 7.3.6 "*Information likely to have an impact in the event of a public or exchange offer*" of this Universal registration document.

4.6 Compensation of corporate officers

This section, prepared with the assistance of the Nomination and Compensation Committee, the Human Resources Department, and the Legal Department, presents:

- the compensation policy for 2024 for the Company's corporate officers, drawn up pursuant to Article L. 22-10-8 I of the French Commercial Code;
- the items of the total compensation and benefits of any kind paid during or awarded in respect of the 2023 fiscal year to corporate officers pursuant to Articles L. 22-10-34, I and II and L. 22-10-9, I of the French Commercial Code;
- these compensation policies and components will be submitted for approval to the General Meeting of June 26, 2024;
  - the information mentioned in Section I of Article L. 22-10-9 of the French Commercial Code concerning each corporate officer (Chairman and Chief Executive Officer and the independent members of the Board of Directors),
  - the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to the Executive Director during the past financial year. The allocation and/or payment of these components of compensation will be the subject of a separate resolution for the Chairman and Chief Executive Officer ("*Ex Post*" vote),
  - the ratios between the level of compensation of the Chairman and Chief Executive Officer, employee compensation and the Company's performance over five fiscal years;
- the standardized tables summarizing the information to be included in the Universal registration document on the compensation paid or allocated to corporate officers by the Company and any company included in the scope of consolidation pursuant to Article L.233-16 of the French Commercial Code, in accordance with the AFEP-MEDEF Code and the relevant AMF recommendations ("AMF Tables").

4.6.1 Governance rules on compensation policy

In accordance with the principles defining the compensation policy, the Nomination and Compensation Committee follows a rigorous process in developing the compensation policy for corporate officers.

It enables the Board to issue an opinion in accordance with both the legal and regulatory provisions and best governance and market practices.

It analyzes and proposes the principles and indicators for determining, reviewing and implementing the compensation policy for corporate officers, as well as the general policy for the allocation of stock options or performance shares, if applicable.

Its powers and operating procedures, and the details of its work during the past fiscal year, are described in Section 4.2.7, *"Specialized Committees of the Board of Directors*", of this Chapter.

4.6.2 2024 corporate officer compensation policy

Pursuant to Articles L. 225-45, L. 22-10-8 and L. 22-10-40 of the French Commercial Code, the Board freely allocates, on the proposal of the Nomination and Compensation Committee, the total annual amount allocated to the compensation of its members.

To this end, the Board examines the appropriateness of the level of compensation of the directors with regard to the duties and responsibilities incumbent on each of them.

The Board also relies on comparative studies carried out on companies of a similar size and/or performing similar activities.

Only independent members of the Board, including the non-voting member if he or she is independent, receive compensation for the performance of their duties.

The Chairman of the Board, who is a non-independent member, and the directors qualified as non-independent do not receive any compensation for their office.

As part of its prerogatives, notably with regard to the compensation of corporate officers, the Nomination and Compensation Committee reviewed the compensation policy for corporate officers to ensure that the policy adopted and applied since 2023 still reflected the level of responsibility and involvement of its members, and to confirm that the policy remained in line with market practices.

At its meeting of March 13, 2024, the Board of Directors decided, on the recommendation of the Nomination and Compensation Committee, to maintain the overall annual budget allocated to the members of the Board of Directors, as approved by the General Meeting of June 20, 2022, amounting to €300,000, and to maintain the compensation distribution criteria for the independent members of the Board of Directors and the three specialized Committees to which they belong.

This compensation is composed of:

- a **fixed portion,** linked to their duties as director and non-voting member and, where applicable, as a member or Chairperson of a Committee. This fixed portion is prorated for directors who joined or left the Board during the fiscal year;
- a **predominant variable portion**, based on their actual participation in the meetings of the Board and, if applicable, of the Committees in which they are members.

In addition, the Board may **allocate extraordinary compensation to some of its members** for assignments entrusted to them that do not fall within the normal scope of their mandate and are of a temporary nature. These missions or mandates are, where applicable, subject to the related-party agreement procedure referred to in Article L.225-38 of the French Commercial Code.

To this end, it should be noted that at its meeting of February 11, 2024, the Board of Directors decided, in accordance with stock market regulations, to set up an *ad hoc* Committee to oversee, notably, the entire public tender offer project initiated by the consortium (comprising Denis Ladegaillerie, the EQT X investment fund and funds managed by TCV).

Following the creation of this fourth Committee, the Board of Directors, at its meeting of March 13, 2024, on the recommendation of the Nomination and Compensation Committee, also decided to provide compensation for the three independent members making up the *ad hoc* Committee by granting them **a fixed lump sum amounting to €5,000 for each of the two members** not acting as Chairperson, and **a fixed lump sum amounting to €10,000 for the Chairwoman.**

Whatever the circumstances, in the event of an exception to the implementation of the compensation policy, a publication on the amendment of this policy would be made public.

The compensation of the independent members and the non-voting member, where applicable, of the Board of Directors is based on a calendar year, covering the period from January 1 to December 31.

The compensation due to independent members and the non-voting member, where applicable, in respect of year N is paid to them in year N+1. Thus, the compensation due to the independent members of the Board of Directors in respect of the 2024 fiscal year will be paid to them in 2025.

Each member, including the non-independent members and the non-voting member, is entitled to the reimbursement, on presentation of receipts, of travel expenses incurred by them in the performance of their duties, within the limits set by the applicable policy at the Company.

The **fixed compensation allocated annually** to Board members breaks down as follows:

- each independent member of the Board of Directors receives compensation of €20,000;
- each independent member of the Audit Committee receives additional compensation of €2,500;
- each independent member of the Nomination and Compensation Committee receives additional compensation of €1,250;
- each independent member of the CSR Committee receives additional compensation of €1,250;
- each independent member of the *ad hoc* Committee receives additional compensation of €5,000;
- the independent Chair of the Audit Committee receives compensation of €5,000;
- the independent Chair of the Nomination and Compensation Committee receives compensation of €2,500;
- the independent Chair of the CSR Committee receives compensation of €2,500;
- the independent Chair of the *ad hoc* Committee receives compensation of €10,000.

The **variable compensation awarded annually** to independent members and the non-voting member, where applicable, is calculated on the basis of their attendance at meetings of the Board of Directors and, where applicable, at the Committees of which they are members.

Annual compensation is capped at:

- €25,000 for each independent member of the Board of Directors;
- €2,500 for each independent member of the Audit Committee;
- €1,250 for each independent member of the Nomination and Compensation Committee;
- €1,250 for each independent member of the CSR Committee;
- no variable compensation is allocated to the independent member of the *ad hoc* Committee;
- €5,000 for the independent Chair of the Audit Committee;
- €2,500 for the independent Chair of the Nomination and Compensation Committee;
- €2,500 for the independent Chair of the CSR Committee;
- no variable compensation is allocated to the independent Chair of the *ad hoc* Committee;

SUMMARY TABLE OF THE BREAKDOWN OF THE OVERALL ANNUAL BUDGET ALLOCATED TO THE BOARD OF DIRECTORS

	Chair		Member	
Gross annual amount *(In €)*	Fixed compensation	Variable compensation	Fixed compensation	Variable compensation
Board of Directors	-	-	20,000	25,000
Audit Committee	5,000	5,000	2,500	2,500
Nomination and Compensation Committee	2,500	2,500	1,250	1,250
CSR Committee	2,500	2,500	1,250	1,250
ad hoc Committee	10,000	-	5,000	-

4.6.3 Compensation policy for 2024 for the Chairman and Chief Executive Officer, executive director

4.6.3.1 Principles

The Board of Directors refers to the recommendations of the AFEP-MEDEF Code in setting, reviewing and implementing the compensation granted to executive directors, as well as to the governance reports drawn up by bodies recognized in the market (the report of the High Committee on Corporate Governance, the AMF report on corporate governance and executive compensation, or the recommendations formulated by proxy advisers).

In accordance with these recommendations, it ensures that the compensation policy complies with the principles of comprehensiveness, balance, comparability, consistency, transparency and reasonableness, and takes into account market practices.

The compensation policy is reviewed and discussed by the Board on a regular basis in order to be in line with the Company’s interest, consistent with the Company’s business strategy and to support its sustainability.

The principles of the compensation policy enable the executive to be aligned with the execution of the strategy and the objectives of long-term value creation, by creating strong incentives and by setting ambitious targets.

These principles aim to ensure external competitiveness and reward performance while guaranteeing the external and internal acceptability of compensation. They also guide the structuring of overall compensation, the choice of performance criteria and the setting of targets.

The compensation policy for the Chairman and Chief Executive Officer is based on **two components**: **fixed compensation** and **annual variable compensation**, **both of which are short-term items of compensation**.

Fixed compensation is set by the Board on the recommendation of the Nomination and Compensation Committee in a fair and competitive manner, taking into account the Company's corporate interests.

Fixed compensation reflects the level of responsibility, experience, skills and performance of the Chairman and Chief Executive Officer.

It serves as the basis for calculating the target amount and ceiling of the annual variable portion.

Annual variable compensation is correlated with the market environment and the Group’s strategy and performance.

This variable portion is based on an ambitious and incentivizing balance of performance, combining carefully selected financial and non-financial targets in view of their nature and challenges, notably those related to corporate social responsibility (CSR).

The Chairman and Chief Executive Officer, a significant shareholder of the Company holding 12.46% of the share capital as of December 31, 2023, does not receive long-term variable compensation. His shareholding alone guarantees a long-term commitment in line with the corporate interests of the Company and its stakeholders, including shareholders, of which he is one.

The compensation policy principles adopted by the Board apply in a coherent manner to the Chairman and Chief Executive Officer.

This compensation policy is based on the following pillars:

Alignment with the long-term strategy	The executive compensation policy promotes the achievement of the Group's growth strategy, as well as long-term value creation. This pillar aims to ensure alignment with the interests of the shareholders.
Comparability and competitiveness	Ensure the competitiveness of the total compensation by comparing the compensation levels and structures with a stable and consistent set of companies.
Fairness and internal consistency	Ensure fairness and consistency of the compensation paid within the Group. The Board, on the recommendation of the Nomination and Compensation Committee, ensures that the executive compensation policy is assessed in a consistent and fair manner in line with the general compensation policy applied to all Group employees. As such, it is invited to express its opinion on the Group's general compensation policy and principles and is informed annually of any compensation reviews for the management

The Nomination and Compensation Committee ensures a balance between the Company's corporate interest and the competitiveness of compensation, which is regularly assessed by drawing on external studies conducted by a consulting firm on the basis of a group of comparison of the same size (market value), performance and international dimension.

The Nomination and Compensation Committee, with the assistance of the Legal Department and the Human Resources Department, and in close collaboration with the Audit Committee and the CSR Committee, analyzed the Chairman and Chief Executive Officer's compensation policy in order to verify its alignment with the rules of good governance.

This analysis made it possible to highlight that the overall compensation of the Chairman and Chief Executive Officer represented a substantially lower difference compared to the compensation practices in force on the market.

This finding led the Committee to open a discussion on an increase in the Chairman and Chief Executive Officer's overall compensation, in order to align it with his peers and with the Company's interests and performance.

After due consideration, the Nomination and Compensation Committee decided to postpone this discussion until next year due to (i) the ongoing process regarding the proposed public tender offer initiated by the consortium and other associated issues and (ii) the upcoming renewal of the Chairman and Chief Executive Officer's term of office, which expires in 2025, which provides a more suitable period to review his overall compensation.

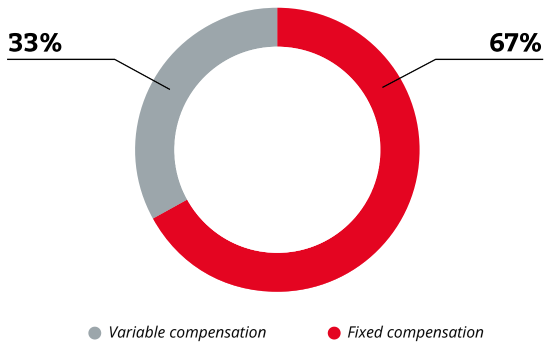
In view of the above, the Committee proposed to the Board of Directors the following compensation policy for the Chairman and Chief Executive Officer for the 2024 fiscal year:

- **retention of the general structure of the Chairman and Chief Executive Officer's compensation** for the 2023 fiscal year, as approved at the General Meeting of June 16, 2023;
- **amendment of two of the quantifiable non-financial criteria** in the annual variable compensation package to bring it further in line with the Company's CSR strategy.

The Board of Directors may depart from these compensation policies by amending, on the advice of the Nomination and Compensation Committee, the targets set and/or some of the criteria applied to the annual variable compensation or long-term compensation packages of corporate officers in the event that such an adjustment of targets and/or amendment of criteria becomes necessary as a result of the occurrence of exceptional circumstances (such as a change in accounting standards, a significant change in the scope of consolidation, the completion of a transformative transaction, a substantial change in market conditions or an unforeseen change in the competitive environment). Any such amendment of the targets and/or criteria that would aim to continue to reflect the actual performance of the Group and the executive would be made public and justified, in particular with regard to the Group's corporate interest. The payment of variable compensation would, under all circumstances, remain subject to shareholder approval.

4.6.3.2 Description of the Chairman and Chief Executive Officer's 2024 compensation policy

Summary of the Chairman and Chief Executive Officer's compensation for 2024



4.6.3.2.1 Fixed compensation in 2024

In his capacity as Chairman and Chief Executive Officer, Denis Ladegaillerie receives gross annual fixed compensation in the amount of €233,333, unchanged since the Company's IPO on Euronext in 2021.

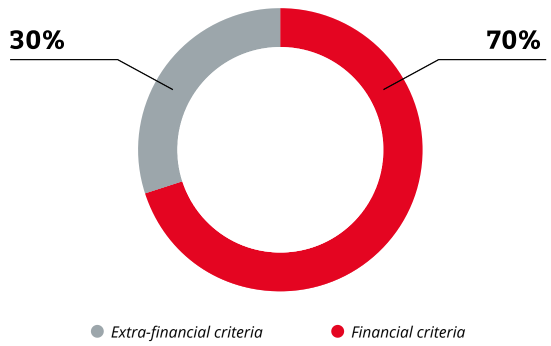
At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the Chairman and Chief Executive Officer's fixed annual compensation at €233,333.

This proposal will be submitted for approval to the General Meeting of June 26, 2024, which will be asked to approve the 2024 compensation policy for the Company's Chairman and Chief Executive Officer.

The Board took note of the opinion of the Nomination and Compensation Committee, according to which the fixed compensation of the Chairman and Chief Executive Officer could be reviewed in 2025 at the same time as the proposal to renew his term of office as director, which expires at the end of the General Meeting called to approve, in 2025, the financial statements for the 2024 fiscal year.

4.6.3.2.2 Variable compensation in 2024

Summary of the Chairman and Chief Executive Officer's annual variable compensation structure for 2024



At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the target amount of variable compensation and the ceiling of annual variable compensation in the event of outperformance.

The **target amount of variable compensation** therefore remains set at 50% of fixed compensation, **representing €116,667, with no guaranteed minimum,** and **the ceiling for the annual variable compensation** remains set at 66% of fixed compensation, **representing €154,000.**

Variable compensation includes:

- **quantifiable financial criteria (70% of the target amount);**
- **quantifiable non-financial criteria (30% of the target amount).**
- **no payment will be made below 80% of the target level.**

All the criteria used, both financial and non-financial, are **of a quantifiable nature**, which goes well beyond the recommendation of the AFEP-MEDEF Code, which provides for a predominant portion of quantifiable criteria.

Quantifiable financial criteria (70% of the target amount)

Financial targets are set and assessed each year by the Board on the proposal of the Nomination and Compensation Committee with the support of the Audit Committee.

At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the same criteria with the same weighting as the previous year, in order to assess their performance over time.

The financial performance criteria are based on two ambitious targets:

i) consolidated revenue with a weighting of 35%;

ii) consolidated adjusted EBITDA with a weighting of 35%.

Variable compensation is paid at a rate of 50% of the target amount for a rate of achievement of 80% of the financial target, and follows a linear interpolation between 80% and 100%.

This compensation may reach 146% of the target amount if 120% of the financial target is achieved.

The three threshold levels (minimum, target and maximum) were set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, but the confidential nature of these thresholds with regard to the budget means it is not possible to disclose this information. However, the landing of these objectives will be communicated to the Annual General Meeting to be held in 2025, the approval of which will be conditional on the payment in 2025 of the annual variable portion.

No payment is planned for less than 80% of the achievement of targets.

Each target is assessed separately so that no compensation between the two is possible.

Quantifiable non-financial criteria (30% of the target amount)

The non-financial criteria are based on quantitative objectives in line with the implementation of the Group's CSR strategy.

The non-financial objectives are set and assessed each year by the Board of Directors on the recommendation of the Nomination and Compensation Committee with the support of the CSR Committee.

At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to:

i) keep three non-financial criteria in the variable portion of the compensation with the same weighting as the previous year, and

ii) replace the targets for gender parity and the training rate among employees **with more targeted and therefore more ambitious targets** based on the **percentage of women managers** and the **training rate for managers**. These new targets are part of the Company's CSR policy, Shaping Music for Good. Believe aims to increase the proportion of women among managers, in order to achieve a level of gender diversity close to that achieved among employees (45.6% in 2023). The Group also wishes to pay particular attention to the training of its managers, who have an important role to play in the management and commitment of the teams and the implementation of the strategy. Lastly, the eNPS criterion, which measures the level of recommendation of Believe as an employer by all employees, is maintained.

The three non-financial performance criteria are therefore based on three incentive targets:

i) Percentage of women managers (10%);

ii) Percentage of managers trained (10%);

iii) eNPS[1] (10%).

The scale for awarding the non-financial performance criterion varies between 0% and 30% of the target amount.

No outperformance as regards non-financial criteria.

Each target is assessed separately so that no compensation between the three is possible.

(1) eNPS = employee Net Promoter Score, recommendation of Believe by employees.

SUMMARY OF THE STRUCTURE OF THE 2024 ANNUAL VARIABLE COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	Weighting	Reference amount *(in €)*	Thresholds *(%)* Min *(%)*	Target *(%)*	Max *(%)*
Quantifiable financial criteria	**70%**	81,666	**80%**	**100%**	**120%**
Consolidated revenue	35%	40,833	N/C	N/C	N/C
consolidated adjusted EBITDA	35%	40,833	N/C	N/C	N/C
Quantifiable non-financial criteria	**30%**	35,000		**100%**	**100%**
Percentage of women managers	10%	11,666	NA	38.9%	38.9%
Percentage of managers trained	10%	11,666	NA	50%	50%
eNPS (employee Net Promoter Score)	10%	11,666	15	16	16
TOTAL	**100%**	**116,667**			

Pursuant to the provisions of Article L. 22 10 34 II. of the French Commercial Code, the annual variable compensation of the Chairman and Chief Executive Officer may only be paid after being approved by the General Meeting.

Long-term variable compensation

The Chairman and Chief Executive Officer, who owns 12.46% of the Company as of December 31, 2023, does not receive long-term variable compensation, in cash or shares.

The Board, on the recommendation of the Nomination and Compensation Committee, considered that alignment with the long-term interests of the Company's shareholders is ensured to the extent that Denis Ladegaillerie is the founder of the Group and a significant shareholder of the Company.

Compensation allocated for the term of office as director

The Chairman and Chief Executive Officer does not receive any compensation for his office as a director of the Company.

Severance pay

The Chairman and Chief Executive Officer will not receive any severance pay.

Non-compete compensation

In order to protect the Group's interests as well as its development in a highly specialized sector, the Chairman and Chief Executive Officer would be subject, in the event of his departure, to a non-compete commitment for a period of 24 months. In this respect, he would receive a monthly lump sum payment equal to 50% of the average monthly fixed and variable compensation received during the 12- and 24-months period preceding the end of his term of office.

Any breach of the non-compete obligation would oblige the Chairman and Chief Executive Officer to repay the monthly non-compete indemnities already received and, where applicable, the Company would no longer be required to pay the monthly non-compete indemnities for the remaining period until the end of the two-year period and would reserve the right to claim damages for unfair competition.

At the termination of the Chairman and Chief Executive Officer's term of office, the Board may decide to waive the non-compete obligation. The Chairman and Chief Executive Officer would then be free from all the constraints of the non-compete obligation and the Company would be released from any commitment to pay the Chairman and Chief Executive Officer any non-compete indemnity.

Other elements of compensation

The Chairman and Chief Executive Officer has no employment contract and does not benefit from any other element of compensation in respect of his office such as:

- multi-year variable compensation;
- exceptional compensation;
- supplementary pension plan.

Benefits in kind

The Chairman and Chief Executive Officer receives no in-kind benefits.

Exceptional circumstances

No element of compensation, benefits or commitments of any kind may be awarded or paid by the Company if it does not comply with the compensation policy approved by the General Meeting of Shareholders.

However, in the event of exceptional circumstances, the Board of Directors may waive the application of the compensation policy. This exemption must then be temporary, in line with the Company's interests and necessary to guarantee the Company's sustainability or viability in accordance with the provisions of ArticleL.22-10-8 of the French Commercial Code.

The Board has decided to include this option in the compensation policy, when these exceptional circumstances arise from external events independent of a decision by the Company and may have an impact on the criteria previously approved by the General Meeting.

The Board, on the proposal of the Nomination and Compensation Committee, may adjust one or more criteria for annual variable compensation.

If such an exemption is used by the Board, the changes will be made public after the Board meeting that approved them. These adjustments must be justified and maintain the alignment of the interests of the shareholders with those of the Chairman and Chief Executive Officer.

In accordance with Article L.22-10-34 of the French Commercial Code, this practice would remain subject to the binding vote of the shareholders and the corresponding variable compensation would only be paid after approval by the next General Meeting.

Claw back clause

The compensation policy does not provide for a specific variable compensation repayment mechanism (claw back).

4.6.4 Compensation paid or awarded to corporate officers during the fiscal year ended December 31, 2023

4.6.4.1 Compensation paid in respect of, or allocated during, the 2023 fiscal year to members of the Board of Directors, non-executive corporate officers

This Section sets out the various items of information referred to in Article L. 22-10-9 of the French Commercial Code for the members of the Board of Directors.

A total gross amount of €167,188, within the limits of the €300,000 budget approved by the General Meeting of June 20, 2022, will be paid to the independent members of the Board of Directors in respect of the 2023 fiscal year.

In 2023, average attendance rates amounted to, respectively, 96% for the Board of Directors, including 100% for independent members, 100% for the Audit Committee, 92% for the Nomination and Compensation Committee, including 87.5% for independent members, and 89% for the CSR Committee, including 100% for the independent Chairwoman.

The compensation due to the independent members of the Board of Directors in respect of the 2023 fiscal year will be paid to them in 2024.

The table, pursuant to the standard format recommended by the AFEP-MEDEF Code and by AMF recommendation no. 2021-02, presents the summary of the compensation that will be paid to the independent members of the Board of Directors in respect of 2023:

		FY 2023		FY 2022	
(in €)	Independent director or non-voting member	Amount granted	Amount paid	Amount granted	Amount paid
Denis Ladegaillerie	No	N/A	N/A	N/A	N/A
Fixed compensation					
Variable compensation					
Alain Caffi, representative of Ventech	No	N/A	N/A	N/A	N/A
Fixed compensation					
Variable compensation					
John Doran	No	N/A	N/A	N/A	N/A
Fixed compensation					
Variable compensation					
Nicolas Rose, representative of XAnge	No	N/A	N/A	N/A	N/A
Fixed compensation					
Variable compensation					
Cécile Frot-Coutaz*, representing FSP	Yes	**52,500**	**52,188**	47,658	47,658
Fixed compensation		23,750	23,750	21,329	21,329
Variable compensation		28,750	28,438	26,329	26,329
Orla Noonan	Yes	**55,000**	**55,000**	55,000	55,000
Fixed compensation		25,000	25,000	25,000	25,000
Variable compensation		30,000	30,000	30,000	30,000
Anne-France Laclide-Drouin	Yes	**60,000**	**60,000**	55,000	55,000
Fixed compensation		27,500	27,500	25,000	25,000
Variable compensation		32,500	32,500	30,000	30,000
Kathleen O'Riordan**				48,021	48,021
Fixed compensation		N/A		23,750	23,750
Variable compensation	Yes		N/A	24,271	24,271
TOTAL		**167,500**	**167,188**	**205,679**	**205,679**

* *Cécile Frot-Coutaz was a non-voting member from January to June 10, 2022 before being appointed director. She attended six meetings of the Board of Directors during the year, three of which as a director. Her compensation as a non-voting member was €21,870, representing 46% of the total amount of compensation she received in 2022.*

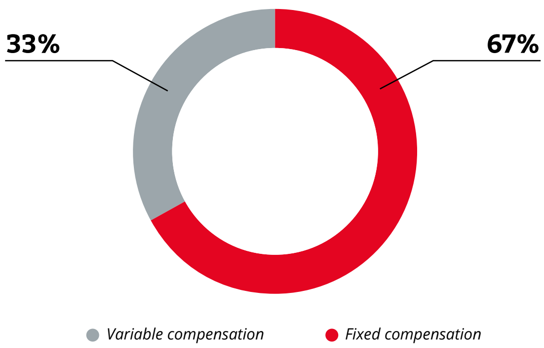
** *Kathleen O'Riordan resigned as a director with effect from December 31, 2022.*

4.6.4.2 Compensation paid in or allocated in respect of the 2023 fiscal year to the Chairman and Chief Executive Officer

This Section includes the information required under Article L. 22-10-9 of the French Commercial Code as regards the total compensation and benefits of any kind paid or granted in respect of the 2023 fiscal year to Denis Ladegaillerie in his capacity as Chairman and Chief Executive Officer of the Company.

At its meeting of 20 March 2023, the Board of Directors, on the recommendation of the CSR Committee and the Nomination and Compensation Committee, approved the 2023 compensation policy for the Chairman and Chief Executive Officer, which was approved, in its 7th Resolution, by the General Meeting of Shareholders of June 16, 2023 to the tune of **99.81%**.

Reminder of the overall structure of the Chairman and Chief Executive Officer's compensation for 2023



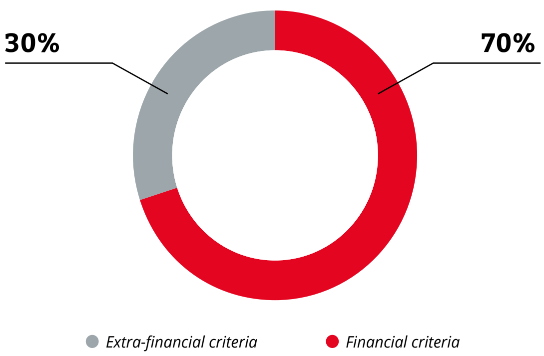
4.6.4.2.1 Fixed compensation

The compensation policy for the 2023 fiscal year, set by the Board of Directors on March 20, 2023 and approved by the General Meeting of June 16, 2023, maintained the amount of the fixed compensation of the Company's Chairman and Chief Executive Officer, unchanged since 2021.

In this respect, Denis Ladegaillerie, Chairman and Chief Executive Officer, was paid **€233,333** in **gross annual fixed compensation** for the 2023 financial year.

4.6.4.2.2 Variable compensation in 2023

Reminder of summary of the structure of the Chairman and Chief Executive Officer's annual variable compensation for 2023



Variable compensation paid in 2023 in respect of the 2022 fiscal year

Pursuant to the *ex-post* "Say on pay" mechanism referred to in Article L.22-10-34, II of the French Commercial Code, the **variable annual compensation** due to Denis Ladegaillerie, Chairman and Chief Executive Officer, in respect of the 2022 fiscal year, which amounted to **€154,000,** was paid to him in 2023 following the approval, by more than **99%,** of the sixth resolution by the General Meeting of June 16, 2023.

The principles and criteria for determining, distributing and awarding the variable items of the annual short-term variable compensation of Denis Ladegaillerie in his capacity as Chairman and Chief Executive Officer were approved by the Board of Directors, on the recommendation of the Nomination and Compensation Committee and the CSR Committee, at its meeting of March 20, 2023, approved by the General Meeting of June 16, 2023.

Under the terms of this policy, the Chairman and Chief Executive Officer's gross annual variable compensation was set at €116,667, representing 50% of fixed compensation, increased to 66% of fixed compensation in the event of outperformance, representing a maximum gross amount of €154,000.

Pursuant to the 2023 variable compensation policy, the Board of Directors, based on the recommendations of the Nomination and Compensation Committee and the CSR Committee, assessed, at its meeting on March 13, 2024, the level of achievement of the financial and non-financial performance criteria in respect of 2023, which led to setting a total amount of **€106,519** as annual variable compensation in respect of the 2023 fiscal year.

Quantitative financial criteria

The two financial criteria represented 70% of annual variable compensation, weighing 35% each, and related to the following economic performance indicators regarding Company:

i) Annual growth of the Group's consolidated revenue;

ii) Group consolidated adjusted EBITDA

For each of these two criteria, an allocation scale based on three threshold levels was established:

- if the minimum threshold is reached: the allocation is equal to 50% of variable compensation;
- if the target threshold is reached: the allocation is equal to 100% of variable compensation;
- in the event of outperformance: the allocation is equal to 146% of variable compensation.

On March 13, 2024, the Board of Directors, on the advice of the Nomination and Compensation Committee, assessed the performance of these two financial criteria, which amounted, respectively, to **15.71%** and **5.71%**, corresponding, by applying the scale, to a total gross amount of **€71,519** for the quantitative financial criteria.

Quantitative non-financial criteria

The three non-financial quantitative criteria represented a weighting of 30% of annual variable compensation for 2023, each representing one-third of non-financial performance, and were based on performance conditions in correlation with the Company's CSR strategy, Shaping Music for Good:

i) **Gender parity**;

ii) **Group learning rate**;

iii) **eNPS** (employee Net Promoter Score - Believe recommendation by employees).

The non-financial eNPS criterion replaced the % of ambassadors[1] criterion in 2023 in the composition of the Chairman and Chief Executive Officer's non-financial variable compensation. The eNPS indicator makes it possible to measure employee engagement in a more holistic way and to motivate management teams more broadly. Nevertheless, the Group continued to coordinate the ambassadors network, a CSR indicator included in the long-term performance share plan for 2021-2023. An allocation scale based on two threshold levels was established:

- if the target threshold is reached: the allocation is equal to 100% of variable compensation;
- no outperformance is applied.

On March 13, 2024, the Board of Directors, on the advice of the Nomination and Compensation Committee, assessed the performance of these three non-financial criteria, which amounted, respectively, to 45.6%, 94.4% and an (eNPS) score of 15, corresponding, by applying the scale, to a total gross amount of **€35,000** for the quantitative non-financial criteria.

SUMMARY OF THE ANNUAL VARIABLE COMPENSATION AWARDED IN RESPECT OF THE 2023 FISCAL YEAR

		Rating			Achievement	
Performance criteria	Weight (%)	Minimum %	Target %	Maximum %	2023 results	Achievement rate (weighted)
Financial performance criteria (as a % of target variable compensation)	**70%**	**50%**	**100%**	**150%**		**87.58%**
Annual growth of the Group's consolidated revenue	35%	+15.47%	+19.34%	+23.21%	15.71%	81.23%
Group consolidated adjusted EBITDA	35%	4.17%	5.21%	6.26%	€M50,2	109.60%
Non-financial criteria (as a % of the target variable compensation)	**30%**	**100%**	**100%**	**100%**	**100%**	**100%**
Gender parity	10%	N/A	44%	44%	45.6%	100%[3]
Group learning rate[1]	10%	N/A	85%	85%	94.4%	100%[3]
Employee Net Promoter Score (eNPS)[2]	10%	9	13	13	15	100%[3]

(1) *Training: % of employees trained with an average of 10 hours of training.*

(2) *eNPS corresponds to the question asked in the internal Your Voice 2023 survey: "To what extent would you recommend Believe as an employer". Calculation of the eNPS score: % promoters (score 9 and 10) - % detractors (score 0 to 6).*

(3) *It should be noted that the 2023 compensation policy for the Chairman and Chief Executive Officer does not provide for any outperformance when non-financial objectives exceed the target level. Thus, in the event of outperformance of these objectives, the award will be equal to the achievement of the target level.*

Long-term variable compensation

Denis Ladegaillerie, Chairman and Chief Executive Officer and shareholder of 12.46% of the share capital as at December 31, 2023, did not receive long-term variable compensation.

Compensation allocated in respect of term of office as member of the Board of Directors

Denis Ladegaillerie did not receive any compensation for his role as a member of the Company's Board of Directors.

Severance pay

In 2023, no amount was due or paid in respect of severance pay to Denis Ladegaillerie.

Non-compete compensation

In 2023, no amount was due or paid in respect of a non-compete indemnity to Denis Ladegaillerie.

(1) *Ambassadors (also called Shapers) are volunteer employees who participate in solidarity activities or in activities to promote the priorities of the Shaping Music for Good CSR strategy.*

Other elements of compensation

Denis Ladegaillerie does not have an employment contract and does not benefit from any form of compensation other than the items described at the start of this Section.

Thus, Denis Ladegaillerie was not allocated or paid any amount in respect of the fiscal year ended December 31, 2023 as:

- multi-year variable compensation;
- exceptional compensation;
- supplementary pension plan.

Benefits in kind

Denis Ladegaillerie did not receive any benefits in kind.

COMPENSATION AND BENEFITS OF ANY KIND PAID IN RESPECT OF THE 2023 FISCAL YEAR TO DENIS LADEGAILLERIE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, EXECUTIVE CORPORATE OFFICER

	Amounts	Description
Fixed compensation	**€233,333**	The gross fixed compensation awarded in 2023 was maintained at its previous amount, unchanged since 2021.
Annual variable compensation	**€106,519**	The target amount of variable compensation for Denis Ladegaillerie is €116,667, *i.e*. 50% of his fixed compensation, and is based on: ● 70% of the target compensation, representing a reference amount of €81,666, is based on two financial criteria linked to 2023 performance: i) annual growth in consolidated revenue for a weighting of 35%, and ii) consolidated Group adjusted EBITDA for a weighting of 35% (see details in Section 4.6.4.2 of the Universal Registration Document); ● 30% of the target compensation, representing a reference amount of €35,000, is based on three non-financial criteria, based on quantitative targets: i) Gender parity for a weighting of 10%, ii) Group training rate for a weighting of 10%, and iii) the eNPS for a weighting of 10% (see details in Section 4.6.4.2 of the Universal Registration Document); ● the amount of annual variable compensation is capped at 66% of fixed compensation, *i.e.* €154,000; ● the achievement rates of the two financial objectives were respectively 81.23% and 109.60%, representing an amount of €71,519, or 87.58% of the reference amount of the financial criteria; ● as the achievement rates of the three non-financial objectives exceeded the target level, compensation in respect of these criteria was capped at 30% of the target amount, *i.e.* €35,000; ● taking into account the achievement rates achieved in 2023, the Denis Ladegaillerie's annual variable compensation amounted to €106,519, representing 91.3% of the target amount and 45.7% of fixed compensation.
Multi-year variable compensation	N/A	No multi-year variable compensation
Stock options, performance shares or any other element of long-term compensation	N/A	No allocation of options or performance shares
Compensation in respect of the office as director	N/A	No compensation is paid in respect of the office as director
Benefits in kind	N/A	No benefits in kind

4.6.4.3 Equity ratios

Methodology

For the calculation of the ratios presented below in accordance with Article L.22-10-9, part I, Section 6, of the French Commercial Code, the Company referred to the AFEP-MEDEF guidelines.

The scope used is that of the French company Believe SA and the subsidiaries included in the scope of consolidation.

France, the country of origin and head office of the Group with nearly 40% of its headcount, is the natural reference scope for determining the ratio.

In accordance with the AFEP-MEDEF recommendations, the elements included in the calculation of the equity ratios concern all the elements of compensation, excluding employer social security contributions, paid during the year to the Chairman and Chief Executive Officer and the employees (fixed compensation, variable, extraordinary or deferred compensation, benefits in kind and any other benefit allocated or paid during the fiscal year, and where applicable the amount of stock options or shares awarded recognized under IFRS 2 during the reporting period).

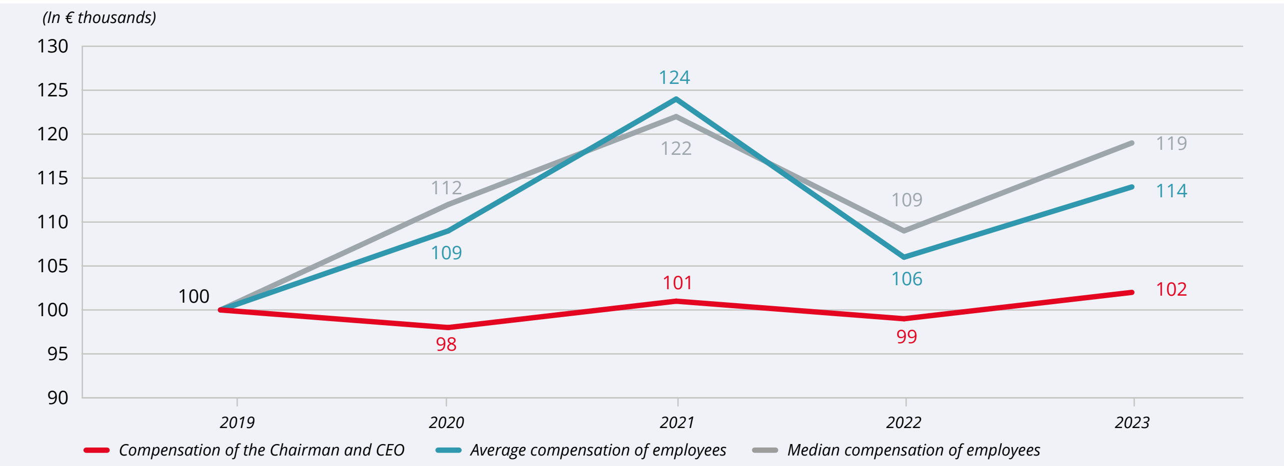
The employees taken into account in the calculation of the ratio are employees who were present and active throughout the year in question, excluding interns, work-study contracts and people on long-term leave. Annual fixed and variable compensation is determined on a full-time basis.

The Company's performance is measured by changes in its revenue and adjusted EBITDA. These two indicators are used to measure the Chairman and Chief Executive Officer's performance on an annual basis.

Change in the annualized gross compensation of the executive director and the employees during the five past years

(in €)	2023	2022	2021	2020	2019
Compensation of the Chairman and Chief Executive Officer	387,333	375,696	383,333	369,286	378,191
Change in the compensation of the Chairman and Chief Executive Officer	3.1%	-2.0%	+3.8%	-2.4%	+34.5%
Average compensation of employees	61,730	57,218	65,836	59,212	54,169
Average ratio of employee compensation	x6.27	x6.57	x5.82	x6.24	x6.98
Median compensation of employees	52,800	48,418	54,966	50 000	44,477
Median ratio of employee compensation	x7.34	x7.76	x6.97	x7.39	x8.50

Evolution of the compensation of the Chairman and Chief Executive Officer, average and median employee compensation

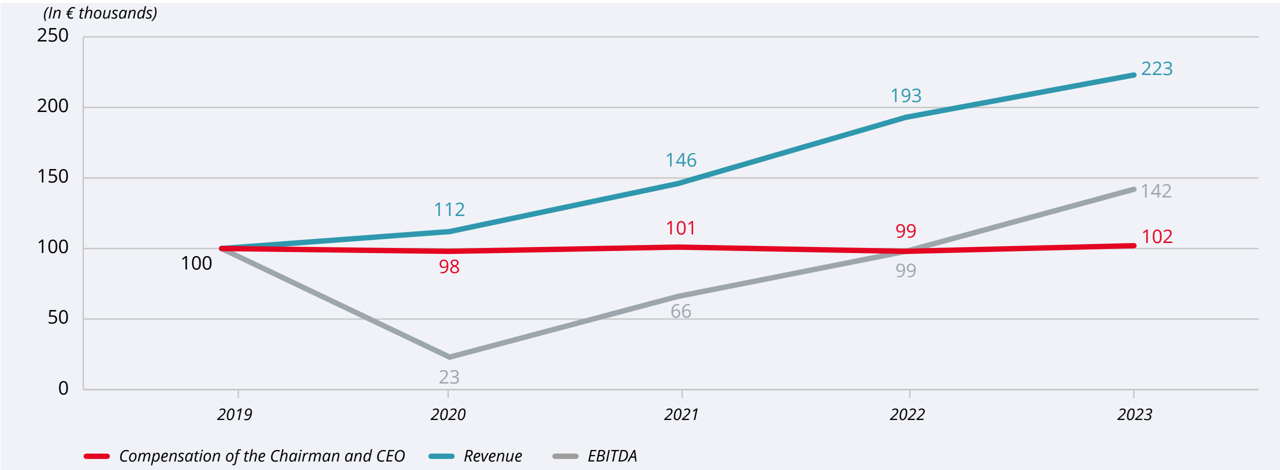


ANNUAL CHANGE IN THE PERFORMANCE OF THE COMPANY, THE TOTAL COMPENSATION OF THE EXECUTIVE DIRECTOR AND THE AVERAGE COMPENSATION OF EMPLOYEES ON A FULL-TIME BASIS OVER FIVE YEARS

Information on the Company's performance *(In €)*	2023	2022	2021	2020	2019
Compensation of the Chairman and Chief Executive Officer	387,333	375,696	383,333	369,286	378,191
Change in the compensation of the Chairman and Chief Executive Officer	3.1%	-2.0%	+3.8%	-2.4%	+34.5%
Change (as a %) in revenue compared to the previous fiscal year	+15.7	+32.8%	+30.7%	+11.9%	+65.7%
Change (as a %) of EBITDA compared to the previous fiscal year	+45%	+48.9%	+202.6%	-78.2%	+42.9%

The performance indicators for the 2019, 2020 and 2021 fiscal years are extracted from the Group's IFRS consolidated financial statements.

Evolution in the compensation in the title instead of change



Standardized tables (AMF tables)

TABLE 1: SUMMARY TABLE OF COMPENSATION AND STOCK OPTIONS AND SHARES GRANTED IN RESPECT OF THE FISCAL YEAR TO THE EXECUTIVE DIRECTOR

(in €)	FY 2023	FY 2022	FY 2021
Denis Ladegaillerie, Chairman and Chief Executive Officer			
Compensation due in respect of the fiscal year (detailed in Table 2)	339,852	375,696	375,696
Value of the multi-year variable compensation granted during the fiscal year	N/A	N/A	N/A
Value of the stock options granted during the fiscal year	N/A	N/A	N/A
Value of the performance shares granted during the fiscal year	N/A	N/A	N/A
Value of other long-term compensation plans	N/A	N/A	N/A

TABLE 2: SUMMARY OF THE COMPENSATION OF THE EXECUTIVE DIRECTOR

	FY 2023		FY 2022		FY 2021
(in €)	**Amount due for the fiscal year**	**Amount paid in 2023**	Amount due for the fiscal year	Amount paid in 2022	Amount due for the fiscal year
Denis Ladegaillerie, Chairman and Chief Executive Officer					
Fixed compensation	233,333	233,333	233,333	233,333	233,333
Annual variable compensation	106,519	154,000	154,000	142,363	142,363
Multi-year variable compensation	N/A	N/A	N/A	N/A	N/A
Extraordinary compensation	N/A	N/A	N/A	N/A	N/A
Director/corporate officer compensation	N/A	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A	N/A
TOTAL	**339,852**	**387,333**	**387,333**	**375,696**	**375,696**

TABLE 4: SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO THE EXECUTIVE DIRECTOR

(in €)	**Plan no. and date**	**Type of stock options (purchase or subscription)**	**Value of the options**	**Number of stock options granted during the fiscal year**	**Exercise price**	**Exercise period**
Denis Ladegaillerie, Chairman and Chief Executive Officer	None	None	None	None	None	None

TABLE 5: SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY THE EXECUTIVE DIRECTOR

(in €)	Plan no. and date	Number of options exercised during the fiscal year	Exercise price
Denis Ladegaillerie, Chairman and Chief Executive Officer	None	None	None

TABLE 6: PERFORMANCE SHARES GRANTED DURING THE FISCAL YEAR TO THE EXECUTIVE DIRECTOR

(in €)	Plan no. and date	Number of shares granted during the fiscal year	Value of the shares as per the method used for the consolidation of the financial statements	Acquisition date	Vesting date	Performance conditions
Denis Ladegaillerie, Chairman and Chief Executive Officer	None	None	None	None	None	None

TABLE 7: PERFORMANCE SHARES OF THE EXECUTIVE DIRECTOR VESTED DURING THE FISCAL YEAR

(in €)	Plan no. and date	Number of shares vesting during the fiscal year
Denis Ladegaillerie, Chairman and Chief Executive Officer	None	None

TABLE 8: HISTORICAL INFORMATION ABOUT SUBSCRIPTION OR PURCHASE OPTIONS GRANTS TO THE EXECUTIVE DIRECTOR

(in €)	Plan
Date of General Meeting	
Date of Board of Directors meeting	
Total number of shares that may be subscribed or purchased by:	
The corporate officer Denis Ladegaillerie	None
Starting date for exercise of stock options	
Expiry date	
Subscription or purchase price	
Terms and conditions	
Number of shares subscribed	
Cumulative number of lapsed and cancelled share subscription or purchase options	
Remaining share subscription or purchase options at year-end	

TABLE 9: SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO THE TOP TEN EMPLOYEES EXCLUDING CORPORATE OFFICERS WHO HAVE RECEIVED THE MOST STOCK OPTIONS, AND STOCK OPTIONS EXERCISED BY SUCH EMPLOYEES

(in €)	Total number of options granted/ exercised	Weighted average price	BSA 2012	BSA 2016-1	BSA 2016-2	BSPCE 2016-2	BSA 2018	BSPCE 2018	BSA 2019	BSPCE 2019
Options granted during the fiscal year by Believe SA to the ten employees of any eligible company with the highest number of shares	None	None								
Options exercised (previously held on Believe SA) by the ten Group employees with the highest number of options exercised	274,898	10.05	5,550	0	25,000	33,000	35,471	85,544	30,833	59,500

TABLE 10: HISTORICAL INFORMATION ABOUT PERFORMANCE SHARE GRANTS

(in €)	Plan
Date of General Meeting	
Date of Board of Directors meeting	
Total number of shares granted, including the number granted to:	
The corporate officer Denis Ladegaillerie	None
Share acquisition date	
End date of lock-up period	
Number of shares vested	
Cumulative number of lapsed and cancelled shares	
Performance shares remaining at year-end	

TABLE 11: CONTRACTUAL SUMMARY AND COMMITMENTS OF THE EXECUTIVE DIRECTOR

Executive directors	Employment contract	Supplementary pension plan	Payments or benefits due or likely to be due owing to termination or change of office	Payments in relation to a non-compete clause
Denis Ladegaillerie, Chairman and Chief Executive Officer	No	No	No	Yes

4.6.4.4 Principles and rules used for the allocation of free shares

As part of the admission of its shares to trading on the Euronext Paris regulated market and pursuant to the Group's compensation policy, Believe implemented a long-term incentive policy for its main senior executives. The Company gives preference to the allocation of shares over compensation paid exclusively or mainly in cash Executives are thus closely involved in long-term growth and value creation objectives.

To this end, the General Meeting held on June 20, 2022 approved in its 22nd resolution, a performance share allocation program for a total of 2.9% of the share capital over a period of 38 months.

These awards will benefit key executives and employees of the Company and its related companies within the meaning of Article L.22-197-2 of the French Commercial Code.

The Chairman and Chief Executive Officer of the Company, the only executive director, is not concerned by this program *(see Section 4.6.4.2).*

Under the terms of the resolution, shares are awarded subject to the presence of the employee concerned and to long-term performance conditions in relation to a revenue growth target, the share price performance relative to a benchmark index, EBITDA growth and CSR targets. Each of the three financial performance conditions represents 30% and the CSR condition represents 10%.

On April 27, 2023, the Board of Directors, using the authorization granted to it by the General Meeting of June 20, 2022, and on the recommendation of the Nomination and Compensation Committee, set up a performance share plan involving a total allocation of 1,071,495 free performance share rights in the event of the target objectives being achieved, representing 1.11% of the share capital, and a total allocation of 1,264,347 free performance shares in the event of the objectives being outperformed, representing 1.31% of the share capital, for the benefit of 35 beneficiaries ("**2023 Plan**").

The vesting of shares of the 2023 Plan is subject, on the one hand, to a condition of presence in the Company for the entire duration of the vesting period, set at three years, and, on the other, to the achievement of four performance criteria, three of which are based on financial criteria, representing a total weighting of 90%, and one non-financial criterion representing a total weighting of 10%, assessed over the 2023-2025 reference period and which are as follows:

- **revenue growth** (30%);
- **performance of the Believe share** compared to the Eurostoxx 600 Technology index (share price change compared to that of Eurostoxx 600 Technology companies) (30%);
- **EBITDA growth** (30%);
- **achievement of the CSR target based on a long-term target related to the training rate of the headcount (10%).**

Under the terms of the rules of the 2023 Plan, it is foreseen that in the event of a change of control of the Company and 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 to vest early, subject to compliance with a minimum two-year vesting period.

4.6.4.5 Employee share ownership

Under the authorization granted by the General Meeting of May 25, 2021, the Company implemented its first employee shareholding transaction in the second half of 2022. Through employee shareholding, the Company aims to strengthen employees' commitment to the "Shaping Music for Good" corporate project, which is based on four values: respect, expertise, fairness and transparency with regard to all stakeholders.

This first transaction was rolled out in six countries, representing nearly 80% of the headcount, up to a limit of 0.5% of the share capital, *i.e.* 480,000 shares. 40% of eligible employees subscribed for 337,457 shares, *i.e.* the equivalent of 0.35% of the Company's share capital.

For the 2023 fiscal year, the Company did not renew the transaction.

SUMMARY OF CURRENT FREE SHARE PLANS AS OF 12/31/2023

(in €)	2023	2022		2021	2020
Date of General Meeting	06/16/2023	06/20/2022	05/25/2021	05/25/2021	N/A
Date of Board of Directors meeting	04/27/2023	12/09/2022	05/03/2022	09/15/2021	
Performance conditions	(2)	(1)	(1)	(1)	
Number of beneficiaries	35	1	27	29	
Executive directors					
Denis Ladegaillerie, Chairman and CEO	N/A	N/A	N/A	N/A	
Type of shares	Ordinary	Ordinary	Ordinary	Ordinary	
Vesting period	3 years	3 years	3 years	3 years	
Lock-up period	0	0	0	0	
Share acquisition date	04/27/2026	12/09/2025	05/03/2025	09/15/2024	
End date of lock-up period	04/27/2026	12/09/2025	05/03/2025	09/15/2024	
Maximum number of shares granted	1,264,347(3)	113,333(3)	790,298(3)	784,543(3)	
Cumulative number of lapsed and cancelled shares	84,300	0	58,660	155,420	
Performance shares remaining at year-end	1,180,047	113,333	731,638	629,123	

(1) One-third of the award is based on revenue growth over three years.
One-third of the award is based on the performance of the Believe share price compared to Eurostoxx 600 Tech.
One-third of the award is based on the Company's three-year CSR indicators.
Gender parity rate, training rate of Believe employees, the rate of participation in ambassador groups on CSR issues.

(2) 30% of the award is based on revenue growth over three years.
30% of the allocation is based on EBITDA growth.
30% of the award is based on the performance of the Believe share price compared to Eurostoxx 600 Tech.
10% of the allocation is based on a social indicator, the training rate.

(3) Maximum number of shares including the shares that may be acquired in the event of outperformance.


TON NU NHU NGOC - ARTIST - VIETNAM

5. Review of the financial position and results

Readers are invited to read the following information on the Group's results together with the Group's consolidated financial statements for the fiscal year ended December 31, 2023, as presented in Chapter 6 of this Universal Registration Document.

The Group's consolidated financial statements for the fiscal year ended December 31, 2023 have been 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, 2023. The audit report from the Statutory Auditors on the Group's consolidated financial statements for the fiscal year ended December 31, 2023 is provided in Section 6.3 of this Universal Registration Document.

5.1 Overview

5.1.1 Introduction

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 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. Believe has also 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 technological and high value-added solutions for all artists, adapted to each stage of their career development, 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 1,919 employees at December 31, 2023 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 250 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, the United Kingdom, Russia, Singapore and Turkey.

The Group's consolidated financial statements include the Company and its subsidiaries (hereafter referred to as the "Group").

The Group has recorded strong business growth during the fiscal year, increasing from consolidated revenue of €760.8 million for the fiscal year ended December 31, 2022 to €880.3 million for the fiscal year ended December 31, 2023, *i.e.* an increase of 15.7%.

The Group uses the following segmentation for its internal reporting needs, corresponding to the two activities carried out by the Group:

- **Premium Solutions,** which mainly include the sales, promotion, marketing and provision of digital content of labels and artists that have entrusted the Group with the development of their catalog on streaming and social media platforms, according to an economic model of revenue-sharing, as well as, to a lesser extent, solutions to support the development of artists in the areas of physical sales, merchandising, synchronization[(1)] and related rights. With the acquisition of Sentric, Believe also expanded its music publishing capabilities. The Premium Solutions business represented 93.7% and 93.7% of the Group's consolidated revenue and 92.1% and 93.9% of the Group's consolidated adjusted EBITDA (excluding the contribution of the Central Platform to the Group's adjusted EBITDA) for the fiscal years ended December 31, 2023 and 2022, respectively;
- **Automated Solutions,** whereby the Group enables music creators, 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. At the choice of the music creator, access to this platform can be supplemented by synchronization and music publishing solutions that were already based on Sentric, one of the most advanced solutions on the market and self-releasing artist rights in a profitable manner. The Automated Solutions business represented 6.3% and 6.3% of consolidated revenue and 7.9% and 6.1% of the Group's consolidated adjusted EBITDA (excluding the contribution of the Central Platform to the Group's adjusted EBITDA) for the fiscal years ended December 31, 2023 and 2022, respectively.

In addition, the Central Platform, which is not an operating segment according to IFRS 8, insofar as it does not generate revenue, but is monitored by the Group for its internal reporting needs and includes the costs of the following centralized operational functions that have not been allocated to the Premium Solutions or Automated Solutions operating segments:

- 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, artist promotion and marketing, and data analysis and management systems;
- teams developing and designing sales offers;
- and various support functions such as finance, legal affairs or human resources.

These teams are dedicated to the design and operation of the tools and processes that enable the Group to deploy its Premium Solutions and Automated Solutions offering to artists and labels, allowing local teams to focus on the relationship aspect with artists and labels (see Section 1.2.3 *"Believe is a digital platform"*). For the fiscal year ended December 31, 2023, the Central Platform's adjusted EBITDA excluding capitalized development costs is made up of "General and administrative expenses" at 41%, "Technology and product expenses" at 40% and "Marketing and sales expenses" at 19%.

The Group has a solid presence in France, its historical country of operation, and in Germany, since the acquisition of the Nuclear Blast and Groove Attack labels in 2018, with these countries having represented respectively 16.8% and 12.6% of its consolidated revenue for the fiscal year ended December 31, 2023. The Group is also present in many other European countries, which together represented 30.1% of its consolidated revenue for the fiscal year ended December 31, 2023, including in particular the United Kingdom, Italy and other less mature markets such as Russia, Turkey and several Eastern European countries.

Because of its global geographic footprint, the Group also has strong development potential in growth markets such as Asia, Oceania and Africa (together representing 26.0% of consolidated revenue for the fiscal year ended December 31, 2023) as well as the Americas (14.6% of consolidated revenue for the fiscal year ended December 31, 2023).

5.1.2 Principal factors influencing results

Certain key factors, past events and transactions have had, and may continue to have, an impact on the Group's business and results presented in this Chapter. The risk factors likely to have an impact on the Group's business are described in Chapter 3 of this Universal Registration Document.

The main factors impacting the Group's results include:

- trends and features of the streaming market;
- the growth and performance of the Group's catalog and the growth in subscriptions to the Group's Automated Solutions offering;

(1) As part of its synchronization solutions, the Group manages the copyrights of artists relating to the use of their music works to enhance an audiovisual work, and collects the associated royalties.

- the Group's remuneration arrangements;
- external growth transactions;
- the Group's cost structure;
- changes in foreign exchange rates;
- taxation; and
- seasonality.

5.1.2.1 Trends and features of the streaming market

Within the Premium Solutions activity, a significant portion of the Group's revenue is drawn from amounts paid by digital service providers that the Group receives in return for providing audio or video content streamed on those platforms.

For the fiscal years ended December 2023 and 2022, revenue from digital sales thus accounted for 90.1% and 92.3% of the Group's consolidated revenue, respectively. The rest of the revenue was mainly generated by sales of physical media (CDs and vinyl records), music publishing rights administration and, to a lesser extent, merchandising, synchronization, brand partnership and music events organization.

The digital music and streaming market, in particular, has seen significant growth in recent years, rising from $7.9 billion (including $5.1 billion for streaming) in 2016 to $21.4 billion (including $20.6 billion for streaming) in 2023 (*source: MIDia Music Forecasts Report 2023-2030; June 2023*), supported by favorable growth trends (see Section 1.3 of this Universal Registration Document).

The growth in the streaming market is thus one of the main factors that contributed positively to the Group's revenue growth, from €760.8 million for the fiscal year ended December 31, 2022 to €880.3 million for the fiscal year ended December 31, 2023.

Most of the Group's revenue is derived from amounts paid by audio streaming platforms such as Spotify, Apple Music or Amazon Music. These platforms generate their own revenues from subscriptions paid by their premium users and, to a lesser extent, fees paid by advertisers to broadcast their advertising messages, and used to finance free plays[(1)]. Revenue generated from subscriptions have grown significantly around the world in recent years, from $3.5 billion in 2016 to $14.8 billion in 2023 (*source: MIDia Music Forecasts Report 2023-2030; June 2023*), and are now the main way to monetize streaming by audio streaming platforms.

The Group also derives some of its revenue from amounts paid by video streaming platforms, such as YouTube, and social media, such as TikTok and META (Facebook, Instagram, etc.), in return for providing video and audio content on these platforms. These video and social media platforms generate their revenue primarily from fees paid by the advertisers that broadcast ads to users of these platforms, who have free access to the platforms in most cases. Some services offered may be covered by subscriptions paid by users, such as the YouTube Premium and YouTube Music Premium offers, which allow video content to be viewed without advertising, to be saved to watch offline or to keep playing in the background without interruption. These services are thus similar to a subscription audio streaming service.

The methods used to monetize streaming by the streaming and social media platforms that the Group delivers content to have a direct impact on the level of the Group's revenue.

As a result, in the case of monetization by paid subscription, pursuant to the distribution agreements signed with the audio and video streaming platforms (the principal terms of which are described in Section 1.2.4 of this Universal Registration Document), the amounts paid by these platforms to the Group is calculated on the basis of several elements, generally comprising the play frequency of the distributed content and a payment rate negotiated with the platforms for the duration of the contract (generally between 1 to 3 years), and applied to the revenue earned by the platform from subscriptions paid by users. Factors such as the platform's distribution method (via partners or directly) and the country in question can also result in variation of the amounts paid by the platforms to the Group.

In the case of monetization of free services that are funded by advertising, under licensing agreements signed with the audio and video digital service providers and social media (the principal terms of which are described in Section 1.2.4 of this Universal Registration Document), the amount paid to the Group is generally calculated on the basis of the ad revenues generated by the platform or a fixed, flat-rate amount defined contractually, to which a percentage is applied which depends primarily on the number of times the content is viewed or played by users.

Some contracts may also provide for a minimum guarantee payment similar to an advance received by the Group, or provide for the payment of additional amounts that depend on the Group meeting certain qualitative criteria.

(1) The category of premium users of the digital service providers generally consists of users who have a monthly subscription enabling them to have an ad-free interface. Users without a subscription can use some features of the interface free of charge but with regular ads, in return for which the advertisers pay fees to the platforms.

In these calculation methods, the amount due is typically lower in the case of content distributed as part of the free services funded by advertising or content distributed as part of promotional offers or discounted trial offers, than for content distributed via subscription services.

In addition, the growth in revenue that the Group earns from amounts paid by the digital service providers on the basis of their revenue from subscription services depends on the ability of these platforms to grow their subscription offering, in volume and value terms, by offering profitable pricing structures that are acceptable to users. The growth and profitability of subscription services could be affected by a number of factors, such as a deterioration in the economic environment, which could have an impact on non-essential expenditure such as entertainment (see Section 3.1.1 of this Universal Registration Document).

Moreover, the growth in revenue that the Group earns from amounts paid by streaming and social media platforms, on the basis of the revenue they earn from free services funded by advertising, depends primarily on the broadcast volumes by advertisers on these platforms and media, which could also be impacted by different factors, including a deterioration in the economic environment (see Section 3.1.1 of this Universal Registration Document).

5.1.2.2 The growth and performance of the Group's catalog and the growth in subscriptions to the Group's Automated Solutions offering

The growth in the Group's Premium Solutions offering in recent fiscal years was driven first by the growth in its catalog of artists and titles, allowing it to offer an increasing amount of content to digital service providers and social media and, second, the performance of its catalog, tied to the success of the content it distributes, which generated a high level of streams; these two factors combined thus generated more payments for the Group.

The growth and performance of the Group's catalog depend on its ability to discover and attract new artists and labels that can generate a high level of streams, and to retain its existing artists and labels by offering leading technology solutions that fully address their needs and competitive remuneration structures. In particular, the identification and signing of high-potential artists, top artists, or tier-one labels enable the Group to strengthen its brand image and visibility among artists and labels, contributing to the growth of its catalog. The growth of the Group's catalog in recent years has also been the result of external growth transactions, which have enabled the Group to obtain the catalogs of acquired labels (see Section 5.1.2.4 "*External growth transactions"* below). To discover and attract new artists and labels and grow its catalog, the Group makes substantial investments, including the regular recruitment of employees in order to expand its sales and marketing teams, which increases the payroll costs included within sales and marketing expenses, and by investing in marketing activities to develop marketing solutions and tools, to promote the content signed, with campaigns on social media and advertising investments, amongst other things. These investments led to an increase in the Group's sales and marketing expenses during the fiscal year, from €164.1 million for the fiscal year ended December 31, 2022 to €192.7 million for the fiscal year ended December 31, 2023.

The growth of the Group's Automated Solutions offering depends primarily on new subscriptions by self-releasing artists and music creators, irrespective of the growth and performance of the catalog of these artists, insofar as the revenue recorded by the Group for this offering is mainly generated from the subscriptions paid annually by the artists to have access to the TuneCore platform, and who then recoup all the amounts paid to the Group by the digital service providers and social media sites in return for the delivery of the content.

5.1.2.3 The Group's remuneration arrangements

The Group's remuneration arrangements vary depending on the methods for delivery of the content. In the case of the Premium Solutions, the remuneration arrangements are based on a shared value model. In the case of Automated Solutions, they are mainly based on a subscription model.

Premium Solutions

As part of its Premium Solutions offering, which represented 93.7% of its revenue for the fiscal year ended December 31, 2023, the Group offers artists and labels digital distribution solutions which consist mainly of sales, marketing and delivering their content to streaming and social media platforms (see Section 1.2.4.1 *"Premium Solutions: a customized offering managed by experts in music and data analysis and supported by cutting-edge technology, targeting the needs of all artists, from emerging to established to top artists*" of this Universal Registration Document), using a revenue-sharing business model. In effect, in return for the delivery of this content, the streaming and social media platforms pay amounts to the Group, which is recognized as revenue in the Group's consolidated income statement. A portion of these amounts is then paid by the Group to the artists and labels concerned, and recognized in cost of sales in the Group's consolidated income statement. Cost of sales also includes, for non-material amounts, other items, such as changes in inventories (mainly physical media and derivative products) related to the Group's label business and musical event production costs. The portion retained by the Group after payments to artists and labels is referred to as "profit" in this Universal Registration Document.

As part of its Premium Solutions activity, the Group also offers physical distribution solutions to artists and labels, consisting mainly of sales, marketing and delivering audio content on a physical medium to physical stores. In this case, revenue consists of the margin deducted by the Group from sales, or, when the Group acts as a label, the selling price of physical media at stores, net of any discounts. Physical sales are primarily made in Germany, a country in which certain music genres in the Group’s catalog of labels, such as metal at Nuclear Blast, continue to be distributed largely in physical format.

Revenue from physical sales is included in revenue from activities other than digital sales of audio and video content. This revenue also includes the administration of music publishing rights and, to a lesser extent, activities including synchronization, related rights and the music events organization. Revenue excluding digital sales represented 9.9% and 7.7% of the Group's consolidated revenue for the fiscal years ended December 31, 2023 and 2022, respectively.

Automated Solutions

As part of its Automated Solutions activity, which represented 6.3% of its revenue for the fiscal year ended December 31, 2023, the Group enables artists, via its digital platform TuneCore, to distribute their audio content directly to streaming and social media platforms (see Section 1.2.4.2 *“Automated Solutions: a high value-added technological solution targeting the needs of music creators and self-releasing artists”* of this Universal Registration Document). The Group then collects from digital and social media platforms the payments due in return for making content available. These amounts are then paid in full to the artists for the content delivered to audio streaming platforms, after the Group deducts a margin for content made available on video streaming or social media platforms and used to create user-generated content. The Group also offers artists additional synchronization solutions.

For content made available on streaming platforms, music creators pay the Group an annual subscription to access TuneCore, which is recognized as revenue in the Group’s consolidated income statement. The amount of this subscription varies depending on whether it is a single track or an album. Revenue from these subscriptions represented 52% of the revenue generated by Automated Solutions for the fiscal year ended December 31, 2023.

For content made available on video or social media platforms and used to create user-generated content, the Group deducts a margin (recorded in revenue) on the sums it pays to the artists. This remuneration method represented 32% of the revenue generated by Automated Solutions for the fiscal year ended December 31, 2023.

Finally, the additional solutions of music publishing or tools to assist with marketing and promotion offered by the Group as part of its Automated Solutions offering generally require a separate subscription. The revenue from these additional solutions represented around 16% of the revenue generated by Automated Solutions for the fiscal year ended December 31, 2023.

Since the Group pays no amounts to artists in return for the subscriptions received (the Group is simply charged with collecting amounts owed to artists by the platform, which it pays to them in full), it records a cost of sales that is generally almost nil for the part of its Automated Solutions segment remunerated essentially by subscription.

The difference in business model between the content delivery solutions offered by the Group (one is based on a shared-value model, and the other on a fixed subscription model) could therefore have an impact on the Group’s profitability, depending on the change in the respective weight of each solution in the Group’s activities.

5.1.2.4 External growth transactions

In recent years, the Group has, as part of its dynamic external growth policy, made a significant number of targeted acquisitions, which have contributed significantly to the growth of its activities. The Group intends to continue its development in the future by making potentially significant and targeted acquisitions, particularly in strategic countries and new services, in order to expand its geographical footprint and enhance its offering.

During the fiscal year ended December 31, 2023, the Group made investments of €81.8 million. The main investments were as follows:

- on March 29, 2023, the Group acquired 100% of the share capital of Sentric Music Group Ltd, an independent music publishing platform, for €48.7 million (€35.9 million net of cash acquired and excluding acquisition costs);
- direct acquisitions of technological assets and catalogs for a total amount of €25.0 million net of acquisition costs;
- advances related to Distribution contracts intended specifically for the acquisition of assets, current account advances or loans granted to acquired companies consolidated using the equity method, and other miscellaneous costs, for a total amount of €8.1 million.

During the fiscal year ended December 31, 2022, the Group made investments of €17.3 million. The main investments were as follows:

- on February 4, 2022, the Group exercised its call option to acquire an additional 2% stake in the share capital of 6&7, previously consolidated using the equity method at 49%, for €0.6 million (€0.1 million net of cash acquired);
- on November 16, 2022, the Group acquired a majority stake of 53% in the share capital of Morning Glory Music SAS, for €4.0 million (€3.9 million excluding acquisition costs);
- on December 19, 2022, the Group subscribed to the capital increase of Structure PY SAS and now holds 24% of the Company's share capital, for an amount of €3.1 million;
- and direct acquisitions of technology assets and catalogs.

5.1.2.5 The Group's cost structure

The Group's variable costs are primarily the cost of sales, most of which are amounts paid by the Group to artists and labels and which vary depending on the value of the contracts signed with the artists and labels and the type of sales made and services rendered.

For digital sales, these amounts are generally calculated on the basis of a fixed percentage negotiated with the artist or label and applied to the amounts paid to the Group by the streaming and social media platforms in return for delivery of the content of the artist or label in question. This percentage varies according to the value of the contracts signed with the artists and labels. Indeed, the revenue generated by a contract depends on the amount of the content catalog covered by the contract. Thus, the payment rate for artists and labels applied to the contracts generating the most revenue is generally negotiated at a higher rate, because it is applied to a broader revenue base. As a result, the contracts signed with the labels, to the extent that the catalog of released content is generally larger than the catalog of content of a single artist, in principle generate more revenue than the contracts signed with a single artist (see Section 1.2.4 of this Universal Registration Document).

For physical sales, since the marketing costs are generally higher, the payments to the artist or label are lower than for digital sales.

The Group also makes significant investments in its sales and marketing development, in particular to continue the growth of its catalog (see Section 5.1.2.2 "*The growth and performance of the Group's catalog and the growth in subscriptions to the Group's Automated Solutions offering*" above). These costs are recognized under "Sales and marketing expenses" in the Group's consolidated income statement and are the most significant for the Group, representing 63.8% and 59.4% of the Group's total operating expenses[1] during the fiscal years ended December 31, 2023 and 2022. They are broken down into personnel and associates (consulting fees, for example), which are generally fixed, and Promotion, Marketing and Distribution costs, which are allocated to dedicated music projects (according to the contracts signed with the artists or labels) and are therefore variable by nature. Marketing and sales expenses incurred by the Central Platform amounted to €15 million and €14 million for the fiscal years ended December 31, 2023 and 2022. They mainly cover the development of marketing tools and solutions developed centrally and then used by the Group's local teams, with the remainder allocated to the Premium Solutions and Automated Solutions segments[2].

The Group's activities also require substantial investments in the development of its technology platform to guarantee the reliability and security of the content and to continually improve and enhance its solutions offering, which mainly involve essentially fixed costs, such as personnel costs, consultant fees and infrastructure costs.

In addition, the day-to-day operational management of this platform mainly involves costs, which are also largely fixed, such as maintenance and service provision costs as well as personnel costs. All of these costs are recognized under "Technology and products" in the Group's consolidated income statement and represented 18.7% and 20.5% of the Group's total operating expenses for the fiscal years ended December 31, 2023 and 2022, respectively. Technology and product expenses incurred by the Central Platform amounted to €25 million and €23 million for the fiscal years ended December 31, 2023 and 2022, respectively. The remainder was allocated to the Premium Solutions and Automated Solutions segments[2].

Internal and external personnel costs other than those related to the research and development projects of the technological platform and to the Group's sales and marketing development are recognized under "General and administrative expenses" in the Group's consolidated income statement and represented 18.1% and 18.3% of the Group's total operating expenses during the fiscal years ended December 31, 2023 and 2022. They mainly include the costs of support services, such as Finance or Human Resources. General and administrative expenses incurred by the Central Platform amounted to €38 million and €36 million for the fiscal years ended December 31, 2023 and 2022, respectively. The remainder was allocated to the Premium Solutions and Automated Solutions segments.

(1) Operating expenses include sales and marketing expenses, technology and product expenses and general and administrative expenses, and other operating income (expense).

(2) Costs used as included in adjusted EBITDA, i.e. operating costs before (i) depreciation, amortization and impairment, (ii) share-based payments (IFRS 2) including social security contributions and employer contributions, (iii) other operating income and expenses, and (iv) 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. Internal and external personnel costs exclude the portion of these costs capitalized as development costs in the statement of financial position. Operating expenses include sales and marketing expenses, technology and product expenses and general and administrative expenses.

The Group's internal and external personnel costs are the most significant component of the Group's cost structure (excluding sales costs), having accounted for 65% and 61% of its operating expenses in the fiscal years ended December 31, 2023 and 2022, respectively[(1)]. In the fiscal year ended December 31, 2023, 62% of the Group's internal and external personnel costs were related to the Group's sales and marketing development, recorded under "Sales and marketing expenses" in the Group's income statement, and 23% were related to the development of the Group's technological platform, recorded under "Technology and product expenses". Internal and external personnel costs other than those mentioned above, *i.e.* 15% of total internal and external personnel costs, were recognized under "General and administrative expenses". During the fiscal year ended December 31, 2023, the Group's internal and external personnel costs were allocated 41% to the Central Platform and 59% to the Premium Solutions and Automated Solutions operating segments.

The Group recorded an increase in its personnel costs during the fiscal year, linked to the increase in its headcount, in order to support the strong growth of its activities. A number of functions previously performed by external consultants have also been brought in-house. Internal and external personnel costs[(2)] of the Group thus increased from €149 million for the fiscal year ended December 31, 2022, to €167 million (including €18.1 million in external personnel costs) for the fiscal year ended December 31, 2023.

5.1.2.6 Change in foreign exchange rates

The Group's consolidated financial statements are presented in euros. However, in each of the countries in which it operates, the Group generally incurs expenses and sometimes makes sales in local currencies. As a result, these transactions must be translated into euros during the preparation of the financial statements. For the income statement, this translation is made at the average rate for each period in question. For the statement of financial position, this translation is made using the foreign exchange rates applicable on the closing date.

The large majority of the Group's sales and expenditures made in currencies other than the euro are made in US dollars. This primarily affects Automated Solutions, as subscriptions to TuneCore are mainly paid in US dollars for a large part and, to a lesser extent, Premium Solutions, for which the amounts paid by streaming and social media platforms to the Group are made in US dollars. Thus, even if the Group has relatively little exposure to the risk of transactions directly carried out in local currencies, exchange rate fluctuations may have an impact on the value in euros of the Group's revenue, expenses and its results (see Section 3.1.4 *"Financial risks"*) . A sensitivity analysis of the net exposure to foreign exchange risk in the statement of financial position is presented in Chapter 6 Note 8.2 to the Group's consolidated financial statements for the fiscal years ended December 31, 2023 and 2022.

Fluctuations in exchange rates could also have an impact on the amounts paid to the Group by digital service providers. Platforms charge their users for subscriptions in local currency and this amount is then converted into the currency applicable to the contract between the Group and the platform (mainly in euros or US dollars) at the applicable exchange rate, revised regularly according to the market rate, in accordance with the applicable contractual provisions. Accordingly, any depreciation against the currency of the contract with the platform of the local currency in which the subscriptions are invoiced by the platform to its users, would have the effect of reducing the revenue base in euros used to calculate the amounts to be paid to the Group, and would therefore reduce those amounts and consequently the Group's revenue.

5.1.2.7 Taxation

Operating in many countries, the Group has to take into account different tax regimes. Differences in tax rates and bases may therefore have an effect on the Group's results. The amount of taxes owed by the Group may also vary significantly from one fiscal year to the next because of the use of tax loss carryforwards or changes in the tax regulations applicable in France or in the countries in which the Group operates, and thus have an impact on the Group's results (see Section 3.1.5 "*Risks related to applicable taxation regimes and their changes*").

5.1.2.8 Seasonality

The Group generally records higher revenue during the final quarter of the fiscal year because of the increase in the activities of distribution platforms and social media, depending on the advertising ahead of the end-of-year celebrations. This leads to growth in their advertising revenue, which increases the revenue base used to calculate the royalties that must be paid to the Group.

(1) Costs retained as included in adjusted EBITDA, i.e. operating costs before (i) depreciation, amortization and impairment, (ii) share-based payments (IFRS 2) including social security contributions and employer contributions, (iii) other operating income and expenses, and (iv) 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. Internal and external personnel costs exclude the portion of these costs capitalized as development costs on the statement of financial position. Operating expenses include sales and marketing expenses, technology and product expenses and general and administrative expenses.

(2) Including the portion of personnel costs recognized as capitalized development costs and excluding share-based payment costs under IFRS 2.

5.1.3 Main income statement items

The main income statement items, which the Group's management uses to analyze its consolidated results, are described below.

Revenue

The Group's revenue-generating activities are mainly digital sales. The Group also carries out other activities mainly including physical sales, administration of music publishing rights and, to a lesser extent, merchandising and brand partnerships, synchronization, musical events organization and neighboring rights.

Revenue is recognized when the performance obligation is met for the amount the Group expects to receive.

Digital sales

In the context of Premium Solutions, digital sales constitute a sale of intellectual property licenses over the catalog of musical works to which the Group holds rights. The catalog is understood to mean all the works to which the Group has rights during the term of the contract with the platform (including works whose rights will be acquired after the signature and excluding works to which the Group would no longer have any 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 *prorata 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 the Group's profit when 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 media, 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, physical sales constitute sales of intellectual property licenses for musical works. This license represents 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 media is transferred, which generally occurs when it is delivered to physical stores or, in the event of sales on consignment, when it 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 entering into 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 granted to the performing artists, audiovisual producers, and radio and television broadcasting organizations. 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.

Cost of sales

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

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

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).

The sales and marketing expenses incurred by the Central Platform amounted to €15 million and €14 million respectively for the fiscal years ended December 31, 2023 and 2022. The remainder was allocated to the Premium Solutions and Automated Solutions segments [1].

Technology and product expenses

Technology and product expenses include all internal and external personnel costs involved in developing technological platforms for services provided by the Group, and to other IT projects developed internally, part of which are capitalized (see Chapter 6, Note 6.2 to the Group's consolidated financial statements for the fiscal year ended December 31, 2023). They also include depreciation and amortization of the corresponding property, plant and equipment and intangible assets, respectively.

The technology and product expenses incurred by the Central Platform represented €25 million and €23 million respectively for the fiscal years ended December 31, 2023 and 2022. The remainder was allocated to the Premium Solutions and Automated Solutions segments[1].

(1) *Costs used as included in adjusted EBITDA, i.e. operating costs before (i) depreciation, amortization and impairment, (ii) share-based payments (IFRS 2) including social security contributions and employer contributions, (iii) other operating income and expenses, and (iv) 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.*

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.

The general and administrative expenses incurred by the Central Platform represented €38 million and €36 million respectively for the fiscal years ended December 31, 2023 and 2022. The remainder was allocated to the Premium Solutions and Automated Solutions segments.

Other operating income (expense)

In order to facilitate interpretation of the income statement and Group performance, unusual items that are material at the consolidated level are identified on the operating income (expense) line entitled *"Other operating income (expense)".*

This item primarily includes:

- gains or losses on asset disposals;
- costs related to acquisitions;
- other operating income (expense), in particular the Group's organizational and legal structuring expenses.

Operating income (loss)

Operating income (loss) represents the difference between revenue and cost of sales, sales and marketing expenses, general and administrative expenses, technology and product expenses, other operating income (expense) and the share of net income (loss) of equity-accounted companies.

Net financial income (expense)

Net financial income (expense) represents the cost of net debt, plus other financial income (expense), such as foreign exchange gains and losses.

The cost of net debt comprises interest expense on borrowings, interest expense on rents, the amortization of bond issue costs and the financial income from cash.

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 operates.

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.

Deferred taxes result from temporary differences between the carrying amounts of assets and liabilities and their tax basis.

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.

5.1.4 Main performance indicators

The Group uses revenue, adjusted EBITDA and Free Cash Flow as its main performance indicators. These performance indicators are monitored regularly by the Group to analyze and assess its businesses and their trends, measure performance, prepare earnings forecasts and make strategic decisions.

(In € million)	Fiscal year ended December 31, 2023	Change	Fiscal year ended December 31, 2022
Revenue	880.3	15.7%	760.8
Adjusted EBITDA	50.3	44.8%	34.7
Free cash flow	(3.1)	(105.9%)	52.0

Adjusted EBITDA is an alternative performance indicator within the meaning of AMF position no. 2015-12. Adjusted EBITDA is not a standardized accounting aggregate that meets a single definition generally accepted by IFRS. It must not be regarded as a substitute for operating income (loss), net income (loss) or cash flows from (used in) operating activities, which are IFRS-defined measures, or even as a measure of liquidity. Other issuers may calculate adjusted EBITDA differently from the definition used by the Group.

Adjusted EBITDA

Adjusted EBITDA is calculated based on operating income (loss) before (i) depreciation, amortization and impairment, (ii) share-based payments (IFRS 2) including social security contributions and employer contributions, (iii) other operating income and expenses, and (iv) 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.

RECONCILIATION OF OPERATING INCOME (LOSS) TO ADJUSTED EBITDA

(In € million)	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2022
Operating income (loss)	**(18.1)**	**(22.3)**
Restatement of depreciation, amortization and impairment expense	61.3	44.9
Restatement of share-based payments including social security contributions and employer contributions	8.0	6.5
Restatement of other operating income (expense)	(1.7)	4.9
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	0.8	0.8
ADJUSTED EBITDA	**50.3**	**34.7**

A detailed discussion of the changes in adjusted EBITDA for the fiscal year ended December 31, 2023 is provided in Section 5.2.12 of this Universal Registration Document.

Free cash flow

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 the consolidated statement of cash flows:

(In € million)	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2022
Net cash from (used in) operating activities	**12.7**	**73.7**
Acquisitions of property, plant and equipment, and intangible assets	(49.2)	(25.5)
Disposals of property, plant and equipment and intangible assets	1.2	-
Restatement of acquisition related costs	1.8	1.6
Restatement of acquisition costs of a group of assets	24.9	2.2
Restatement of advances related to Distribution contracts intended specifically for the acquisition of assets (acquisition of companies, catalogs, etc.)	5.5	-
FREE CASH FLOW	**(3.1)**	**52.0**

A detailed discussion of the change in free cash flow for the fiscal year ended December 31, 2023 is provided in Section 5.3.2.4 of this Universal Registration Document.

5.1.5 Selected financial information

The selected financial information presented below, relating to the fiscal years ended December 31, 2021, 2022 and 2023, is taken from the audited consolidated financial statements. This selected financial information should be read in conjunction with the Group's consolidated financial statements and management report for those fiscal years.

	Fiscal year ended December 31		
(In € million)	2023	2022	2021
Revenue	880.3	760.8	577.2
Operating income (loss)	(18.1)	(22.3)	(19.6)
Net income (loss)	(2.7)	(25.0)	(28.6)
Adjusted EBITDA	50.3	34.7	23.3
Net cash from (used in) operating activities	12.7	73.7	(7.7)
Free cash flow	(3.1)	52.0	(30.7)
Statement of financial position Total	1,107.0	1,004.8	912.8

5.2 Analysis of the results for the fiscal year ended December 31, 2023

The table below presents the Group's consolidated income statement (in € million) for the fiscal years ended December 31, 2023 and 2022.

CONSOLIDATED INCOME STATEMENT

(In € million)	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2022
Revenue	880.3	760.8
Cost of sales	(596.1)	(508.3)
Sales and marketing expenses	(192.7)	(164.1)
Technology and product expenses	(56.5)	(56.7)
General and administrative expenses	(54.5)	(50.4)
Other operating income (expense)	1.7	(4.9)
Share of net income (loss) of equity-accounted companies	(0.3)	1.2
Operating income (loss)	**(18.1)**	**(22.3)**
Cost of net debt	4.2	1.2
Other financial income (expense)	6.3	7.2
Income (loss) before tax	**(7.6)**	**(13.9)**
Income tax	4.9	(11.1)
Net income (loss)	**(2.7)**	**(25.0)**
Net income from non-controlling interests	(2.8)	(4.8)
NET INCOME ATTRIBUTABLE TO THE GROUP	**(5.5)**	**(29.8)**

5.2.1 Revenue

The Group's consolidated revenue increased by €119.5 million, or 15.7%, during the fiscal year ended December 31, 2023, increasing from €760.8 million for the fiscal year ended December 31, 2022 to €880.3 million for the fiscal year ended December 31, 2023.

The table below shows the reconciliation of consolidated revenue to organic revenue at constant exchange rates, as well as the growth rates for the fiscal years ended December 31, 2023 and December 31, 2022:

(In € million)	Fiscal year ended December 31, 2023	Change 2022-2023		Fiscal year ended December 31, 2022
		In € million	*In %*	
Consolidated revenue	**880.3**	119.5	15.7%	**760.8**
Change of perimeter	(19.6)	(19.6)	-	-
Foreign exchange effect	10.9	10.9	-	-
IAS 29 Hyperinflation	(1.3)	(1.3)	-	-
ORGANIC REVENUE AT CONSTANT EXCHANGE RATES	**870.3**	**109.5**	**14.4%**	**760.8**

The breakdown between revenue generated by digital sales and by other activities (consisting primarily of physical sales, the administration of musical publishing rights and, to a lesser extent, merchandising, the music events organization, neighboring rights, synchronization and brand partnerships) is as follows:

(In € million)	Fiscal year ended December 31, 2023	Change 2022-2023		Fiscal year ended December 31, 2022
		In € million	*In %*	
Digital sales	793.1	91.1	13.0%	701.9
Others	87.2	28.4	48.2%	58.9
CONSOLIDATED REVENUE	**880.3**	**119.5**	**15.7%**	**760.8**

The change in consolidated revenue during the fiscal year ended December 31, 2023 is mainly due to:

- organic growth at constant exchange rates[1] of 14.4%, *i.e.* €109.5 million;
- the positive impact mainly related to the acquisition of Sentric in early 2023 for €19.6 million;
- the positive impact related to the treatment of hyperinflation in Turkey for €1.3 million; and
- partially offset by the unfavorable foreign exchange impact of €10.9 million.

The Group reported 13.0% growth in digital revenue compared to the year ended December 31, 2022, reflecting resilient growth in paid subscription streaming, with further market share gains more than offsetting a slowdown in ad-funded streaming growth (recovery in the fourth quarter).

The Group recorded revenue growth from non-digital sales of 48.2% during the fiscal year ended December 31, 2023, mainly related to the integration of Sentric's music publishing activities and the sustained growth of live activities in France and of branding in Turkey.

Fiscal year ended December 31, 2023:

- France accounted for 16.8% of the Group's revenue: the development of organic and external revenue enabled Believe to position itself as the leading market player for French artists in France in 2023;
- Germany accounted for 12.6% of the Group's revenue, which was impacted by the ongoing reorganization of activities to optimize digital distribution and reduce exposure to physical distribution Believe ranked 48 albums in the Top 100 and was number one three times during the year;
- the Americas, Asia/Oceania/Pacific and Rest of Europe regions accounted for 14.6%, 26.0% and 30.1% of the Group's revenue. Revenue growth in the Americas was strong throughout the year, notably in Brazil and Mexico, demonstrating the Group's success in Latin America as well as in the United States, where TuneCore's business is predominant. The Group continued its strategy of building a leader in Asia, and its previous investments made it possible to gain new market share in the region. Business was particularly strong in Greater China and Japan. Revenue growth in the Rest of Europe was driven by the integration of Sentric. Believe remained on a strong growth trajectory in Southern and Eastern Europe. Business remained particularly strong in Turkey, notably in branded activities.

CHANGE IN REVENUE BY OPERATING SEGMENT

(In € million)	Fiscal year ended December 31, 2023	Change 2022-2023		Fiscal year ended December 31, 2022
		In € million	*In %*	
Premium Solutions	825.1	112.5	15.8%	712.6
Automated Solutions	55.2	7.0	14.6%	48.2
CONSOLIDATED REVENUE	**880.3**	**119.5**	**15.7%**	**760.8**

(1) Organic growth at constant exchange rates corresponds to revenue growth on a like-for-like basis, at exchange rates comparable to year N-1, i.e. adjusted for the impact of exchange rate fluctuations and the application of IAS 29 "Hyperinflation".

Premium Solutions

Revenue generated by the Premium Solutions segment increased by €112.5 million during the fiscal year ended December 31, 2023, *i.e.* 15.8%, from €712.6 million for the fiscal year ended December 31, 2022 to €825.1 million for the fiscal year ended December 31, 2023. Adjusted for the negative effect of the exchange rate on digital monetization (appreciation of the euro against the dollar), organic growth was over +20%.

This strong organic performance was driven by market trends that remained favorable throughout the year and Believe's investment in local teams whilst expanding its service offering in several key markets.

Automated Solutions

Revenue generated by the Automated Solutions segment increased by €7.0 million during the fiscal year ended December 31, 2023, *i.e.* 14.6% (or 14.7% at constant exchange rates, as TuneCore revenue is partially recorded in US dollars), from €48.2 million for the fiscal year ended December 31, 2022 to €55.2 million for the fiscal year ended December 31, 2023.

This increase was mainly due to the integration of Sentric's music publishing activities and the new TuneCore Accelerator marketing program launched at the end of 2023.

5.2.2 Cost of sales

The Group's cost of sales increased by €87.8 million, *i.e.* 17.3%, during the fiscal year ended December 31, 2023, from €508.3 million for the fiscal year ended December 31, 2022 to €596.1 million for the fiscal year ended December 31, 2023.

The change in cost of sales during the fiscal year ended December 31, 2023 is mainly due to the increase in the total amounts paid by the Group to artists and labels, in line with the growth in revenue relating to the content of the Group's catalog for the reasons described in Section 5.2.1 *"Revenue"* above.

5.2.3 Sales and marketing expenses

The Group's sales and marketing expenses increased by €28.6 million, *i.e.* 17.4%, during the fiscal year ended December 31, 2023, from €164.1 million for the fiscal year ended December 31, 2022 to €192.7 million for the fiscal year ended December 31, 2023.

The change in sales and marketing expenses during the fiscal year ended December 31, 2023 was mainly due to the continuous investments made by the Group in local teams and in the development of new services in key geographical areas. Each year, a significant portion of revenue is reinvested at the segment level to strengthen the teams and prepare for the growth of its activities.

5.2.4 Technology and product expenses

The Group's technology and product expenses declined by €0.1 million, *i.e.* (0.2)%, during the fiscal year ended December 31, 2023, from €56.7 million for the fiscal year ended December 31, 2022 to €56.5 million for the fiscal year ended December 31, 2023.

The changes in technology and product expenses during the fiscal year ended December 31, 2023 reflect the Group's strategy of optimizing investments. Efficiency plans were carried out during the year and led to the postponement of various secondary projects. As a result, capitalized costs decreased over the year compared to 2022. The main investments made relate notably to data analysis, digital marketing and tools supported by AI for audience discovery and development.

Excluding capitalized costs, technology and product expenses included in EBITDA also fell by 1%.

5.2.5 General and administrative expenses

The Group's general and administrative expenses increased by €4.1 million, *i.e.* 8.1%, during the fiscal year ended December 31, 2023, from €50.4 million for the fiscal year ended December 31, 2022 to €54.5 million for the fiscal year ended December 31, 2023.

The increase in general and administrative expenses during the fiscal year ended December 31, 2023 was mainly due to the continuous investments made by the Group in local teams and in the development of new services in key geographical areas.

The Group adapts its pace of investment to the growth of each of its markets, while improving operational efficiency within the Group. Work efficiency initiatives were launched and have had positive results, notably at the level of the central platform.

5.2.6 Other operating income (expense)

The Group's other operating income (expense) increased by €6.6 million during the fiscal year ended December 31, 2023, from a net expense of €4.9 million for the fiscal year ended December 31, 2022 to a net income of €1.7 million for the fiscal year ended December 31, 2023.

Other operating income and expenses for the fiscal year ended December 31, 2023 include income related to the update of the estimate of the put and call options and the forward contract entered into as part of our acquisitions (according to the latest available assumptions), as well as an income related to the renegotiation of the lease of the premises of Believe's head office in France.

Other operating income (expense) for the fiscal year ended December 31, 2022 mainly includes expenses related to the reorganization undertaken in certain countries for €2.4 million.

5.2.7 Operating income (loss)

The Group's operating income (loss) increased by €4.2 million, *i.e.* 18.8%, during the fiscal year ended December 31, 2023, from €(22.3) million for the fiscal year ended December 31, 2022 to €(18.1) million for the fiscal year ended December 31, 2023.

The increase in the Group's operating income (loss) during the fiscal year ended December 31, 2023 is attributable to the 15.7% increase in the Group's revenue (see Section 5.2.1 *"Revenue"* above), partly offset by the 14.5% increase in operating expenses and cost of sales (see Sections above).

5.2.8 Net financial income (expense)

The Group's net financial income (expense) was income of €10.5 million for the fiscal year ended December 31, 2023, compared to income of €8.4 million for the fiscal year ended December 31, 2022.

(In € million)	December 31, 2023	December 31, 2022
Cost of net debt	4.2	1.2
Other financial income (expense)	6.3	7.2
TOTAL NET FINANCIAL INCOME (EXPENSE)	**10.5**	**8.4**

The change in net financial income (expense) during the fiscal year ended December 31, 2023 is mainly due to the change in financial income (expense) in the amount of €3.0 million and the change in foreign exchange gains and losses for €(1.5) million.

5.2.9 Income (loss) before tax

The Group's income before tax improved by €6.3 million during the fiscal year ended December 31, 2023, from a loss before tax of €13.9 million for the fiscal year ended December 31, 2022 to a loss before tax of €7.5 million for the fiscal year ended December 31, 2023.

The change in income before tax for the fiscal year ended December 31, 2023 was mainly driven by changes in operating income (expense) and net financial income (expense) described in Sections 5.2.7 and 5.2.8 above.

5.2.10 Income tax

The Group's income tax decreased by €16.0 million for the fiscal year ended December 31, 2023, from €11.1 million for the fiscal year ended December 31, 2022 to €(4.9) million for the fiscal year ended December 31, 2023.

For the fiscal year ended December 31, 2023, income tax income was mainly due to deferred tax income, partly resulting from the recognition of prior losses, exceeding tax expense on taxable profits.

For the fiscal year ended December 31, 2022, the income tax expense is mainly due to current tax on the taxable profits of the Group's beneficiary entities, withholding taxes on internal dividends received, and deferred tax expenses on temporary differences.

5.2.11 Net income (loss)

As a result of the changes described in the above Sections, the Group's net income (loss) rose by €22.3 million during the fiscal year ended December 31, 2023, from a net loss of €25.0 million for the fiscal year ended December 31, 2022 to a net loss of €2.7 million for the fiscal year ended December 31, 2023.

5.2.12 Adjusted EBITDA

The Group's adjusted EBITDA increased by €15.5 million during the fiscal year ended December 31, 2023, from €34.7 million for the fiscal year ended December 31, 2022 to €50.3 million, *i.e.* 5.7% of revenue, for the fiscal year ended December 31, 2023.

The change in the Group's adjusted EBITDA during the fiscal year ended December 31, 2023 was mainly due to (i) the strong level of profitability of Automated Solutions, boosted by the integration of the Sentric activities, (ii) the growth recorded by Premium Solutions, as well as (iii) the moderate growth in investments made in the Central Platform.

The increase in the Group's adjusted EBITDA for the fiscal year ended December 31, 2023 is explained by (i) the strong growth in revenue of 15.7%, which rose from €760.8 million for the fiscal year ended December 31, 2022 to €880.3 million for the fiscal year ended December 31, 2023, and (ii) a 14.3% increase in costs, including the full-year effect of substantial investments, which rose from €726.1 million for the fiscal year ended December 31, 2022 to €830.1 million for the fiscal year ended December 31, 2023.

CHANGE IN ADJUSTED EBITDA BY OPERATING SEGMENT

(In € million)	Fiscal year ended December 31, 2023	Change 2022-2023		Fiscal year ended December 31, 2022
		In € million	*In %*	
Premium Solutions	118.3	17.0	16.8%	101.3
Automated Solutions	10.1	3.5	53.0%	6.6
Central Platform [(1)]	(78.1)	(5.0)	6.8%	(73.2)
ADJUSTED EBITDA	**50.3**	**15.5**	**44.8%**	**34.7**

(1) The Central Platform is not an operating segment under IFRS 8, but is monitored by the Group for its internal reporting needs and covers the costs of the following centralized operating functions that have not been allocated to the Premium Solutions or Automated Solutions operating segments: the IT, product and operations teams, who develop and operate the technology related to the platform for distribution to digital service providers and data analysis; the marketing teams, who develop and use the tools to promote artists; the teams who develop and structure the sales offers; and various support functions, such as the finance and human resources teams.

Premium Solutions

The adjusted EBITDA generated by the Premium Solutions segment was up €17.0 million, *i.e.* 16.8%, for the fiscal year ended December 31, 2023, from €101.3 million for the fiscal year ended December 31, 2022 to €118.3 million for the fiscal year ended December 31, 2023.

The change in adjusted EBITDA of the Premium Solutions segment during the fiscal year ended December 31, 2023 is mainly due to the revenue growth of this activity (see Section 5.2.1 *"Revenue"* above), partially offset by the increase in sales and marketing expenses related to the investments made in its local organizations to improve positions in key markets where the digitization of musical genres is accelerating.

Automated Solutions

The adjusted EBITDA generated by the Automated Solutions segment was up €3.5 million, *i.e.* 53.0%, for the fiscal year ended December 31, 2023, from €6.6 million for the fiscal year ended December 31, 2022 to €10.1 million for the fiscal year ended December 31, 2023.

The change in adjusted EBITDA of the Automated Solutions segment during the fiscal year ended December 31, 2023 is explained by the integration of Sentric's music publishing activities, and by a solid level of profitability due to the increase in subscription revenue and the deceleration in capital expenditure.

Central Platform

The Central Platform costs included in the Group's consolidated adjusted EBITDA increased by 6.8% during the fiscal year ended December 31, 2023, from €73.2 million for the fiscal year ended December 31, 2022 to €78.1 million for the fiscal year ended December 31, 2023.

After a phase of significant investments in the Central Platform, notably from 2018 to 2020, to serve more regions with a very high quality of service and to meet the demands of streaming platforms, investments continued to a lesser extent. The Group adapts its pace of investment to the growth of each of its markets, while improving operational efficiency within the Group. As a result, costs related to the Central Platform decreased as a percentage of revenue.

The Central Platform's adjusted EBITDA as a percentage of revenue amounted to 8.9% at December 31, 2023 compared to 9.6% for the fiscal year ended December 31, 2022. Excluding the capitalization effect, Central Platform costs represented 10.4% of revenue, compared to 11.7% for the fiscal year ended December 31, 2022.

5.3 Cash, financial debt and equity

5.3.1 Overview

The main financing needs of the Group include its working capital requirements, capital expenditure (especially in the context of its development and external growth strategy), loan repayments and interest payments. The Group's main sources of liquidity are the following:

- net cash from (used in) operating activities, which amounted to €12.7 million for the fiscal year ended December 31, 2023 and €73.7 million for the fiscal year ended December 31, 2022 (see Section 5.3.2.2 *"Net cash from (used in) operating activities"* of this Universal Registration Document);
- the capital increases carried out in 2023, for a total amount of €1.6 million (share premium included);
- five term loans from Bpifrance for a total of €10 million, maturing between 2022 and 2026, for which the principal remaining due at December 31, 2023 was €2.0 million (see Section 5.3.3.2 *"Loans from Bpifrance"* of this Universal Registration Document).

In addition, the Group has a €170 million credit line undrawn at December 31 (see Section 5.3.3.1 *"Revolving Credit Agreement"* of this Universal Registration Document).

Based on the updated cash flow forecasts, the Group considers that it will be able to meet its liquidity needs during the twelve-month period following the date of this Universal Registration Document, as well as to make interest payments on its debt during that period.

5.3.2 Cash position and cash flows

5.3.2.1 Description and analysis of the main categories of utilization of the Group's cash

Advances to artists and labels

Advances paid by the Group to artists and labels (See Chapter 1, Section 1.2.3 "*A development platform for local artists and labels offering contracts in line with or exceeding market practices*") have a negative impact on its working capital requirement and lead to an immediate use of cash by the Group.

The amount of advances paid by the Group to artists and labels increased over recent years because of the growth in its revenue, but also because of the launch of dedicated sales offers *(Artist Solutions and Artist Services),* the start-up of which resulted in the payment of advances to artists to finance the development of singles or albums (see also Sections 5.3.2.5 "*Working capital requirement*", 3.1.2 "*Risks related to relationships with artists and labels*" and 3.1.4 "*Liquidity risks*" of this Universal Registration Document).

Over the first half of 2023, the Group had numerous commercial opportunities to renew several contracts for much longer terms and under more attractive financial conditions with several leading labels and established artists. These much longer terms have an impact on the level of annual reconciliation of advances, which automatically decreased over 2023 due to these much longer terms, to stand at 40%, compared to 51% over the fiscal year ended December 31, 2022.

The net amount of unrecovered advances to artists was €258.6 million and €178.5 million for the fiscal years ended December 31, 2023 and 2022, respectively.

Investment expenditure

The Group's investment expenditure can be divided into the following categories:

- investments in the development of its technological platform, mainly represented by the capitalized costs of the development of intangible assets;
- the acquisitions of companies or businesses as part of its external growth policy.

Development costs capitalized as intangible assets for the fiscal years ended December 31, 2023 and December 31, 2022 amounted to €17.9 million and €19.8 million, respectively. For more information on the Group's historical, ongoing and future investments, see Chapter 1 Section 1.1 "*Company history*" of this Universal Registration Document (see also Chapter 6 Note 6.2 to the Group's consolidated financial statements for the fiscal years ended December 31, 2023 and 2022 for information on the capitalization of development costs).

Cash outflows related to the acquisition of subsidiaries, net of cash acquired, for the fiscal years ended December 31, 2023 and 2022, amounted to €36.6 million and €8.7 million, respectively. For more information on the acquisitions of companies or activities carried out by the Group over the last three fiscal years, see Section 5.1.2.4 "*External growth transactions*" of this Universal Registration Document.

Payment of interest and repayment of debt

The Group allocates a portion of its cash flows to the servicing and repayment of its debt. The Group received net financial interest in the amount of €5.7 million and €2.0 million for the fiscal years ended December 31, 2023 and 2022, respectively.

In addition, it paid €1.7 million and €1.5 million in loan repayments during the fiscal years ended December 31, 2023 and 2022, respectively.

Lease payments represented €10.6 million and €6.8 million for the fiscal years ended December 31, 2023 and 2022, respectively.

5.3.2.2 Group consolidated cash flows

The table below summarizes the Group's cash flows:

	Fiscal year ended December 31	
(In € million)	**2023**	2022
Net cash from (used in) operating activities	12.7	73.7
Net cash from (used in) investing activities	(86.9)	(38.3)
Net cash from (used in) financing activities	(5.0)	(2.6)
Net increase (decrease) in cash and cash equivalents before the impact of changes in foreign exchange rates	**(79.2)**	**32.8**

(a) Net cash from (used in) operating activities

The following table shows the net cash items from (used in) operating activities:

	Fiscal year ended December 31	
(In € million)	**2023**	2022
Net income (loss)	**(2.7)**	**(25.0)**
Depreciation, amortization and impairment of non-current assets	61.3	44.9
Share-based payment	8.0	6.5
Cost of net debt	(4.2)	(1.2)
Income tax	(4.9)	11.1
Net charges to provisions and employee benefits	0.2	(0.6)
Share of net income (loss) of equity-accounted companies (incl. dividends received)	1.1	(0.4)
Elimination of net gains or losses on disposals of assets	(1.0)	-
Other items with no cash impact	(15.8)	(7.2)
Income tax collected/paid	(5.6)	(7.8)
Change in operating working capital	(23.7)	53.4
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**12.7**	**73.7**

Net cash from (used in) the Group's operating activities amounted to €12.7 million for the fiscal year ended December 31, 2023 and €73.7 million for the fiscal year ended December 31, 2022.

The €(60.9) million change in net cash from (used in) the Group's operating activities during the fiscal year ended December 31, 2023 is due to the following offsetting effects: (i) the €(77.1) million decrease in the Group's working capital requirement (see Section 5.3.2.5 "*Working capital requirement*" of this Universal Registration Document), (ii) the €(13.7) million decrease in the tax expense, net of tax paid, and (iii) the €(8.6) million decrease in other items with no cash impact, (iv) the €22.3 million increase in Group net income (loss) (see Section 5.2.11 "*Net income (loss)*" of this Universal Registration Document), and (v) the €16.4 million increase in depreciation, amortization and impairment of non-current assets.

(b) Net cash from (used in) investing activities

The following table shows the net cash items from (used in) investing activities:

	Fiscal year ended December 31	
(In € million)	**2023**	**2022**
Acquisitions of property, plant and equipment, and intangible assets	(49.2)	(25.5)
Disposals of property, plant and equipment and intangible assets	1.2	-
Acquisitions of subsidiaries, net of cash acquired	(36.6)	(8.7)
Decrease (increase) in loans	(1.7)	(3.2)
Decrease (increase) in non-current financial assets	(0.6)	(0.9)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(86.9)**	**(38.3)**

Net cash from (used in) the Group's investing activities amounted to €(86.9) million for the fiscal year ended December 31, 2023 and €(38.3) million for the fiscal year ended December 31, 2022.

Cash flows from (used in) investing activities decreased by €48.6 million during the fiscal year ended December 31, 2023 mainly due to the €27.9 million increase in cash outflows related to acquisitions of subsidiaries and €23.8 million in cash outflows related to acquisitions of property, plant and equipment and intangible assets.

In 2023, cash outflows related to the acquisition of subsidiaries, net of cash acquired, totaling €36.6 million correspond mainly to the acquisition of 100% of Sentric Music Group for €35.9 million (see Chapter 6 Note 2.2 - *"Scope of consolidation* and *Significant events of the 2023 fiscal year"*).

In 2022, cash outflows related to the acquisition of subsidiaries, net of cash acquired, totaling €8.7 million corresponded in particular to (i) the acquisition of an additional 2% stake in 6&7, (ii) the acquisition of 53% of Morning Glory Music for €3.9 million, and (iii) the acquisition of 24% of Structure PY for €3.1 million (see Chapter 6, Note 2.2 - "*Scope of consolidation*").

5.3.2.3 Net cash from (used in) financing activities

The following table shows the net cash items from (used in) financing activities:

	Fiscal year ended December 31	
(In € million)	**2023**	**2022**
Decrease in borrowings	(1.7)	(1.5)
Repayment of lease liabilities	(10.6)	(6.8)
Interest paid	5.7	2.0
Capital increase (decrease) by owners	1.6	3.7
Disposal (acquisition) of treasury shares	-	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(5.0)**	**(2.6)**

The Group's net cash flows from (used in) financing activities amounted to €(5.0) million for the fiscal year ended December 31, 2023 and €(2.6) million for the fiscal year ended December 31, 2022.

The Group's net cash flows from (used in) financing activities decreased by €2.4 million compared to the fiscal year ended December 31, 2022, mainly due to the increase in repayments of lease liabilities.

Capital increases

In 2023 and 2022, the Group increased its share capital by €1.6 million and €1.4 million, respectively (including share premium) by issuing shares to the Group's employees through the exercise of BSAs and BSPCEs.

In 2022, the Group also carried out a capital increase reserved for employees of €2.3 million (including share premium) as part of the employee shareholding plan: b.shares 2022 (see Chapter 6 Note 5.4 - *"Share-based payments"*).

5.3.2.4 Free cash flow

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 is an alternative performance indicator within the meaning of AMF position No. 2015-12. Free cash flow is not a standardized accounting aggregate with a single definition generally accepted by IFRS. It must not be regarded as a substitute for operating income (loss), net income (loss) or cash flows from (used in) operating activities, which are IFRS-defined measures, or even as a measure of liquidity. Other issuers may calculate free cash flow differently from the definition used by the Group.

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

	Fiscal year ended December 31	
(In € million)	**2023**	2022
Net cash from (used in) operating activities	**12.7**	**73.7**
Acquisitions of property, plant and equipment, and intangible assets	(49.2)	(25.5)
Disposals of property, plant and equipment and intangible assets	1.2	-
Restatement of acquisition related costs	1.8	1.6
Restatement of acquisition costs of a group of assets	24.9	2.2
Restatement of advances related to Distribution contracts intended specifically for the acquisition of assets (acquisition of companies, catalogs, etc.)	5.5	-
FREE CASH FLOW	**(3.1)**	**52.0**

The Group's free cash flow amounted to €(3.1) million and €52.0 million, respectively, for the fiscal years ended December 31, 2023 and 2022.

The change in free cash flow during the fiscal year ended December 31, 2023 is mainly due to the decrease in net cash from (used in) operating activities, which totaled €61.0 million (see also Section 5.3.2.2 "*Net cash from (used in) operating activities*" of this Universal Registration Document.

5.3.2.5 Working capital requirement

The table below shows the change in working capital requirements on the Group's statement of financial position:

	Fiscal year ended December 31	
(In € million)	**2023**	**2022**
Inventories	4.1	5.6
Trade receivables	200.2	158.5
Advances to artists and labels – current and non-current portion	258.6	178.5
Other current assets	38.3	32.1
Current financial assets	1.4	0.9
Current tax assets	4.1	6.3
Trade payables and contract liabilities	(611.8)	(509.3)
Other current liabilities[(1)]	(42.2)	(32.7)
Current tax liabilities	(4.4)	(2.0)
WORKING CAPITAL REQUIREMENT	**(151.7)**	**(162.1)**

(1) Other current liabilities include current provisions.

The working capital requirement corresponds primarily to the value of inventories plus trade receivables, advances to artists and labels and other current assets, minus trade payables, contract liabilities and other current liabilities.

Trade receivables mainly represent the amounts due by the streaming and social media platforms to the Group, as well as the invoices to be issued in the context of estimating revenue at closing.

Advances to artists and labels represent unrecovered amounts of advances paid by the Group to selected artists and labels[(1)].

Other current assets are mainly tax and social security receivables that the Group holds against the tax administrations at the end of the period, including VAT receivables.

Trade payables and contract liabilities correspond mainly to:

- the amount of repayments owed by the Group to artists and labels;
- advances and minimum guarantees received from digital platforms;
- deferred income related to subscriptions paid in full at the beginning of the contract by the artists and spread over several fiscal years, within the context of Automated Solutions.

Contract liabilities amounted to €53.4 million and €51.0 million for the fiscal years ended December 31, 2023 and 2022, respectively.

Other current liabilities include tax and social security liabilities and other debts.

Given the Group's activities, the change in its working capital requirement depends, first, on the net amount of the unrecouped advances granted to artists and labels under contracts signed with them, and second, on the difference that exists between the moment the Group receives the amounts paid by the digital service providers and the moment when the corresponding amounts (for amounts less than the payments collected from streaming and social media platforms in the case of remuneration paid in the Premium Solutions business) are then paid to the artists and labels.

The change in these two items contributes (positively or negatively) to the generation of the Group's cash flows.

Compared to 2022, the working capital requirement for the fiscal year ended December 31, 2023 increased by €10.4 million. This change was notably due to the growth in the Group's activities, leading to an €80.1 million increase in advances to artists and labels, and a €41.7 million rise in trade receivables, offset by a €102.5 million increase in trade payables and contract liabilities.

(1) Under certain contracts with artists and labels, the Group makes advance payments to them. The advances are recognized as assets when they are paid and are booked as expenses as the associated rights fall due. They are reviewed at the end of each period to assess whether they are recoupable and are impaired where appropriate. Impairment, if any, is calculated on the basis of an estimate of the amount to be recouped until the end of the contract and is recorded as cost of sales. Advances maintained as assets are broken down into a current portion (which the Group expects to recover within 12 months of the reporting date) and a non-current portion. See Chapter 1, Section 1.2.3 "A development platform for local artists and labels offering contracts in line with or exceeding market practices" of this Universal Registration Document for a description of the advance mechanism. .

5.3.3 Financial debt and liquidity position

5.3.3.1 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.

(a) Credit line

The Revolving Credit Agreement provides for a €170 million revolving credit line, with 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".

At December 31, 2023, this credit line was undrawn.

(b) 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/ *pro forma* 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 Agreement is based on "Operating income (loss)" as defined in the consolidated financial statement, adjusted mainly by depreciation, amortization and impairment of the Group's assets, "Other operating income (expense)", and shared-based payments.

(c) Commitments and restrictive covenants

The Revolving Credit Agreement contains certain affirmative and negative covenants, including not to:

- create security interests;
- dispose of assets;
- carry out certain mergers, spin-offs, partial contributions of assets and similar transactions; and
- change the nature of the Group's business.

In each case subject to stipulated *de minimis* amounts and/or customary exceptions for this type of financing.

The Revolving Credit Agreement also contains covenants such as compliance with applicable laws and that the loan will rank equally with the Company's other unsecured and unsubordinated debt. Finally, the Revolving Credit Agreement requires compliance with a financial ratio, which will limit the amount of debt that can be taken out by members of the Group. The Group will be required to maintain a leverage ratio (total net debt/pro forma consolidated EBITDA), tested at the end of each half-year and for the first time for the period ending December 31, 2021, of no more than 2.5x until the maturity of the Revolving Credit Agreement.

(d) Mandatory or voluntary prepayment events

The Revolving Credit Agreement authorizes voluntary prepayments subject to prior notice and a minimum amount.

In addition, the Revolving Credit Agreement provides for an early repayment and/or cancellation event if there is a change of control, at the request of any lender within 15 business days of receipt of the notification by the facilities agent from the Company of the occurrence of such an early repayment/cancellation event. The affected undrawn loans shall be cancelled upon receipt by the facilities agent of the request of the affected lender(s) and the affected outstanding drawings shall be repaid within 15 business days of receipt by the facilities agent of the request of the affected lender(s).

On February 12, 2024, the Consortium composed of Denis Ladegaillerie, the EQT X fund and funds advised by TCV 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 foreseen 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 would increase 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*"). Should the Block Acquisitions be completed, the consortium would take control of the Company, thus constituting a change of control under the terms of the Revolving Credit Agreement.

(e) Accelerated prepayment events

The Revolving Credit Agreement provides for a number of events of acceleration that are customary for this type of financing, including, in particular, payment defaults, non-compliance with the financial ratio or any other obligation or declaration, cross-acceleration events, collective proceedings and insolvency, certain pecuniary condemnations or the occurrence of significant adverse events.

5.3.3.2 Loans from Bpifrance

The Company entered into five loan agreements with Bpifrance for a total of €10 million, each with a maturity of seven years, spread between 2022 and 2026 (the "**BPI Loans**").

At December 31, 2023, the total amount outstanding on the Bpifrance loans was €2.0 million.

5.3.4 Equity

At December 31, 2023, the share capital of Believe SA consisted of 97,086,350 fully paid-up shares with a par value of €0.005 each.

CHANGES IN SHARE CAPITAL AND SHARE PREMIUMS

Description	Share capital *(in €)*	Share premiums *(in €)*	Number of shares at €0.005
At January 1, 2022	**480,271**	**464,975,049**	**96,054,202**
Exercise of BSAs/BSPCEs	1,862	1,454,005	372,450
Employee shareholding plan: b.shares 2022	1,687	2,286,122	337,457
BALANCE AT DECEMBER 31, 2022	**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**

5.4 Outlook for 2024

The forecasts for the fiscal year ending December 31, 2024 set out below are based on data, assumptions and estimates considered reasonable by the Group at the date of this Universal Registration Document. These data and assumptions may change or be modified as a result of uncertainties related in particular to the economic, financial, accounting, competitive, regulatory and tax environment or as a result of other factors of which the Group is not aware at the date of this Universal Registration Document. In addition, the occurrence of certain risks described in Chapter 3 *"Risk factors and risk management"* of this Universal Registration Document could have an impact on the Group's business, financial position, results or outlook, and therefore call into question these forecasts. Furthermore, the achievement of the forecasts assumes the success of the Group's strategy. The Group therefore makes no commitment or guarantee that the forecasts in this Section will be achieved.

The forecasts presented below, and the assumptions underlying them, have been prepared in accordance with the provisions of Delegated Regulation (EU) 2019/980 and ESMA recommendations on forecasts.

5.4.1 Assumptions

The Group has developed its forecasts for the fiscal year ending December 31, 2024 in accordance with the accounting policies applied in the Group's consolidated financial statements for the fiscal year ended December 31, 2023. These forecasts are mainly based on the following assumptions for the fiscal year ended December 31, 2024.

Assumptions internal to the Company

- continued implementation of the Group's strategy, as described in Chapter 1, Section 1.5 *"Strategy and medium- and long-term objectives*" of this Universal Registration Document;
- the Group's continued market share gains in most of its key geographic areas[1];
- an increase in the cost of sales at a rate comparable to the increase in revenue, as was the case during the fiscal year ended December 31, 2023;
- the continuation of the Group's significant investment in the development of its commercial and marketing capabilities to support the strong growth of its activities in line with revenue growth and in its Central Platform at a slower pace than sales growth, leading to an increase in its operating expenses.

Major investments

By 2025, the Group's expenditure on property, plant and equipment and intangible fixed assets (excluding expenditure on external growth) is expected to increase in absolute terms, in order to support the growth of its activities, but to decrease as a percentage of revenue, to approximately 4% of revenue (compared with 5.6% for the fiscal year ended December 31, 2023; this figure includes catalog acquisitions). This trend is expected to continue beyond 2025.

Macro-economic and market assumptions

- the growth of the digital music market in line with the outlook presented in Section 1.3.1 of this Universal Registration Document and lower than in 2023;
- no significant changes in the regulatory and fiscal environment existing at the date of this Universal Registration Document;
- an economic environment that remains uncertain and a progressive upturn in the Group's digital sales activity related to free offers financed by advertising;
- the continued decline in physical sales;
- the estimate as of the date of this Universal Registration Document of the consequences of the Ukraine crisis, in particular via the economic sanctions already in place and any potential future sanctions applied against Russia and the impacts of this crisis on the growth prospects of the Russian market and their possible repercussions on global growth;
- the devaluation of the Turkish lira to which the Group is directly exposed and the foreign exchange rate risks of other major countries outside the eurozone in which the Group generates revenue (in particular the euro/dollar exchange rate), compared to those observed during the fiscal year ended December 31, 2023.

(1) The geographic markets identified as key markets by the Group are the markets in which it has the largest local teams or in which it intends to strengthen its local teams in the future, and include France, Germany, the UK, United States, India, China, Brazil and Japan

5.4.2 Group forecasts for the fiscal year ending December 31, 2024

In 2024, Believe expects to remain on a solid organic growth trajectory. Subscription (paid) streaming activities demonstrated their resilience in 2023, growing in all geographical areas despite the high level of economic uncertainties, in particular due to the Ukraine crisis and inflation. In addition, the shift from ad-supported streaming to paid streaming in emerging markets has also increased steadily. These trends are expected to continue in 2024 as demand for paid streaming remains strong even in a more challenging economic environment. However, the Group expects advertising-financed activities to be penalized in the short term. Based on these assumptions, Believe forecasts that organic growth for the Group will be around + 18% in 2024.

Believe also plans to continue to invest in the Central Platform to be at the forefront of innovation. The Group also intends to continue its significant investments in sales and local capabilities to fuel its profitable growth and seize the opportunities offered by the accelerated digitization of a wider variety of music genres. The Group has also committed to gradually increasing its adjusted EBITDA margin, and as such will monitor the pace of investment and focus on improving operational efficiency to achieve an adjusted EBITDA margin of around 6.5% in 2024.

The Group is expected to generate moderately positive free cash flow for the full year of 2024.

Moreover, the discussions under way on a possible change of control of the Group could have an impact on its business and financial position, which the Group cannot estimate at this stage.

The general strategic plan aiming to build the best artist development platform is on a positive track, and the Group confirms its mid-term trajectory. The latter presents a 2021-2025 CAGR of between 22% and 25% and an adjusted EBITDA profit of between 5% and 7% for the Group by 2025. This would result in segment profits, prior to taking into account Central Platform costs of 15% to 16%, representing high-growth period profits, with revenue largely reinvested. The Group is confident in its ability to reach this long-term objective of an adjusted Group-wide EBITDA margin of 15%.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6. Financial statements

6.1 Consolidated financial statements at December 31, 2023

Consolidated statement of income

(In € thousands)	Notes	2023	2022
Revenue	*4.1*	880,312	760,805
Cost of sales	*4.2*	(596,083)	(508,269)
Sales and marketing expenses	*4.3*	(192,676)	(164,080)
Technology and product expenses	*4.3*	(56,520)	(56,655)
General and administrative expenses	*4.3*	(54,512)	(50,412)
Other operating income (expense)	*4.4*	1,708	(4,888)
Share of net income (loss) of equity-accounted companies	*2.4*	(301)	1,233
Operating income (loss)		**(18,072)**	**(22,265)**
Cost of net debt	*8.6*	4,230	1,199
Other financial income (expense)	*8.6*	6,293	7,185
Net financial income (expense)		**10,522**	**8,384**
Income (loss) before tax		**(7,550)**	**(13,881)**
Income tax	*9.1*	4,865	(11,089)
Net income (loss)		**(2,685)**	**(24,970)**
Attributable to:			
● Owners of the parent		(5,482)	(29,762)
● Non-controlling interests		2,798	4,792
Earnings per share attributable to owners of the parent company:	**10.4**		
● Basic earnings (loss) per share *(in €)*		(0.06)	(0.31)
● Diluted earnings (loss) per share *(in €)*		(0.06)	(0.31)

Other comprehensive income (expense)

(In € thousands)	2023	2022
Consolidated net income (loss)	**(2,685)**	**(24,970)**
Translation adjustments	(13,319)	(6,047)
Other comprehensive income (expense) that may be reclassified subsequently to net income	**(13,319)**	**(6,047)**
Remeasurement of net defined-benefit obligation	454	264
Other comprehensive income (expense) that may not be reclassified subsequently to net income	**454**	**264**
TOTAL COMPREHENSIVE INCOME (EXPENSE)	**(15,549)**	**(30,753)**
Attributable to:		
● Owners of the parent	(13,807)	(33,901)
● Non-controlling interests	(1,743)	3,148

Consolidated statement of financial position

(In € thousands)	Notes	December 31, 2023	December 31, 2022
ASSETS			
Goodwill	*6.1*	141,196	107,705
Other intangible assets	*6.2*	135,572	121,979
Property, plant and equipment	*6.3*	30,960	27,087
Advances to artists and labels – non-current portion	*4.6*	155,451	87,780
Investments in equity-accounted companies	*2.4*	48,815	50,657
Non-current financial assets	*8.1*	9,576	6,544
Deferred tax assets	*9.2*	20,107	5,664
Total non-current assets		**541,677**	**407,417**
Inventories	*4.7*	4,110	5,626
Trade receivables	*4.5*	200,203	158,456
Advances to artists and labels – current portion	*4.6*	103,129	90,707
Other current assets	*4.5*	38,275	32,087
Current tax assets	*9.1*	4,074	6,257
Current financial assets	*8.1*	1,354	947
Cash and cash equivalents	*11.1*	214,221	303,345
Total current assets		**565,365**	**597,425**
TOTAL ASSETS		**1,107,043**	**1,004,842**
EQUITY			
Share capital	*10.1*	485	484
Share premiums	*10.1*	470,334	468,715
Treasury shares		(1,113)	(1,358)
Reserves and retained earnings		(77,022)	(78,787)
Translation reserve		(21,919)	(13,143)
Equity attributable to owners of the parent		**370,766**	**375,911**
Non-controlling interests	*10.3*	8,442	8,951
TOTAL EQUITY		**379,208**	**384,862**
LIABILITIES			
Non-current provisions	*7*	409	492
Non-current borrowing and debt	*8.3*	21,510	19,663
Other non-current liabilities	*4.10*	16,473	20,446
Deferred tax liabilities	*9.2*	20,708	22,570
Total non-current liabilities		**59,100**	**63,171**
Current provisions	*7*	1,624	748
Current borrowing and debt	*8.3*	10,381	12,811
Trade payables and contract liabilities	*4.8*	611,756	509,336
Other current liabilities	*4.9*	40,616	31,943
Current tax liabilities	*9.1*	4,357	1,970
Total current liabilities		**668,734**	**556,809**
TOTAL EQUITY AND LIABILITIES		**1,107,043**	**1,004,842**

Consolidated statement of cash flows

(In € thousands)	Notes	2023	2022
OPERATING ACTIVITIES			
Net income (loss)		**(2,685)**	**(24,970)**
Depreciation, amortization and impairment of non-current assets		61,301	44,857
Share-based payment		7,983	6,464
Cost of net debt		(4,230)	(1,199)
Income tax		(4,865)	11,089
Net charges to provisions and employee benefits		180	(622)
Share of net income (loss) of equity-accounted companies (incl. dividends received)		1,120	(383)
Elimination of net gains or losses on disposals of assets		(1,048)	20
Other items with no cash impact		(15,797)	(7,210)
Income tax collected/paid		(5,568)	(7,818)
Change in operating working capital		(23,682)	53,427
Net cash from (used in) operating activities	***11.2***	**12,709**	**73,655**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment, and intangible assets		(49,217)	(25,450)
Disposals of property, plant and equipment and intangible assets		1,242	-
Acquisitions of subsidiaries, net of cash acquired		(36,640)	(8,717)
Decrease (increase) in loans		(1,678)	(3,246)
Decrease (increase) in non-current financial assets		(597)	(875)
Net cash from (used in) investing activities	***11.3***	**(86,890)**	**(38,288)**
FINANCING ACTIVITIES			
Increase in borrowings		-	-
Decrease in borrowings		(1,713)	(1,519)
Repayment of lease liabilities		(10,622)	(6,836)
Interest received (paid)		5,676	2,006
Capital increase (decrease) by owners		1,620	3,744
Disposal (acquisition) of treasury shares		-	-
Net cash from (used in) financing activities	***11.4***	**(5,039)**	**(2,605)**
Cash and cash equivalents, net of bank overdrafts, at beginning of period		**303,345**	**262,694**
Net increase (decrease) in cash and cash equivalents net of bank overdrafts, before the impact of changes in foreign exchange rates		(79,220)	32,762
Impact of changes in foreign exchange rates		(9,904)	7,889
Cash and cash equivalents, net of bank overdrafts, at end of period	***11.1***	**214,221**	**303,345**
Of which:			
● *Cash and cash equivalents*		*214,221*	*303,345*
● *Bank overdrafts*		-	-

Consolidated statement of changes in equity

	Attributable to owners of the parent								
In € thousands, except share data	Number of shares	Share capital	Share premiums	Treasury shares	Reserves and retained earnings	Translation reserve[1]	Equity attributable to owners of the parent[2]	Non-controlling interests[3]	TOTAL EQUITY
EQUITY AT JANUARY 1, 2022	**96,054,202**	**480**	**464,975**	**(1,274)**	**(51,054)**	**(8,741)**	**404,386**	**4,423**	**408,809**
Remeasurement of net defined-benefit obligation					264		264		264
Translation adjustments						(4,403)	(4,403)	(1,644)	(6,047)
Other comprehensive income		**-**	**-**	**-**	**264**	**(4,403)**	**(4,139)**	**(1,644)**	**(5,783)**
Net income (loss) for the year					(29,762)		(29,762)	4,792	(24,970)
Total comprehensive income		**-**	**-**	**-**	**(29,498)**	**(4,403)**	**(33,901)**	**3,148**	**(30,753)**
Capital increase	709,907	4	3,740				3,744		3,744
Net change in treasury shares				(83)	(495)		(578)		(578)
Share-based payments					5,045		5,045	3	5,048
Changes in the scope of consolidation					(3,171)		(3,171)	375	(2,796)
Others					386		386	1,002	1,387
EQUITY AT DECEMBER 31, 2022	**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
Translation adjustments						(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					(204)	3	(201)	26	(175)
Others							-	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**

(1) Changes in translation reserve reflect the impact of exchange rate fluctuations on the equity of foreign operations denominated in currencies other than the euro. In 2023, the change in translation reserve is mainly attributable to our companies based in India and Turkey, and in 2022 our companies based in Russia and Turkey, partially offset by those in the United States.

(2) For "Equity attributable to owners of the parent":
- *in 2023, the "Changes in scope of consolidation" item corresponds to the acquisition of an additional 1% of Nuclear Blast GmbH, bringing its stake to 100%;*
- *in 2022, the "Changes in the scope of consolidation" item corresponds to the valuation of the call-put option for the remaining 47% of Morning Glory Music (see Note 2.2 – Scope of consolidation and Note 2.3 – Business combinations);*

(3) For "Non-controlling interests":
- *in 2023, the "Others" item corresponds to the recognition of the allocation of the final acquisition price of Morning Glory Music (MGM) acquired in 2022;*
- *in 2022, the "Changes in the scope of consolidation" item corresponds mainly to the acquisition of an additional 2% stake in the share capital of 6&7, previously consolidated using the equity method at 49%. The company is now fully consolidated at 51% (see Note 2.2 – Scope of consolidation, Note 2.3 – Business combinations and Note 10.3 – Non-controlling interests). The "Others" item corresponds to recognition of the allocation of the final acquisition price of Jo&Co acquired in 2021.*

6.1.1 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 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. Believe has also 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 1,919 employees at December 31, 2023 and a presence in more than 50 countries, the Group thus benefits from cutting-edge technological capabilities and places its expertise in music, digital marketing and data analysis at the service of artists all over the world, notably with the support of more than 250 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 2023 fiscal year

Acquisition of Sentric Music Group

On March 29, 2023, the Group acquired 100% of the capital of Sentric Music Group Ltd, an independent tech-powered music publishing platform (see Note 2.2 – Scope of consolidation and Note 2.3 - Business combinations).

Sentric's proprietary and innovative platform is one of the most advanced solutions in the market, able to manage publishing for self-releasing artists profitably and at scale, while also offering global publishing deals to rights-holders at each stage of their development. Sentric's backend platform offers a publishing infrastructure best fit for digital rights' management, while providing songwriters and publishers with a suite of tools and actionable data to power their strategies through its user portal. Sentric's global team has expertise across payment, activity and usage tracking, rights management and sync, with territory specific knowledge across the board.

Sentric's publishing expertise, industry leading technology and unique platform for collection combined with Believe's digital music expertise and global presence will develop a comprehensive solution for songwriters and publishers at all levels.

The Sentric Group comprised the following entities as of March 29, 2023:

Company	Country
Sentric Music Group Ltd	United Kingdom
Sentric Music Ltd	United Kingdom
Sentric Music Trustees Ltd	United Kingdom
Sentric Music Copyrights Ltd	United Kingdom
RightsApp Ltd	United Kingdom
IQ Music Ltd	United Kingdom
Black Rock Publishing Ltd	United Kingdom
Masstrax Music Ltd	United Kingdom
Sentric Music (Switzerland) Ltd	United Kingdom
Sentric Music (Canada) Ltd	United Kingdom
Sentric Music Publishing Ltd	United Kingdom
Sentric Music Inc.	United States
Sentric Music Publishing Pty.Ltd	Australia

Detailed summary of the notes to the financial statements

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, 2023 and December 31, 2022 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, 2023.

International standards include IFRS (International Financial Reporting Standards), IAS standards (International Accounting Standards), as well as their SIC (Standing Interpretations Committee) 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/oj.

The 2023 consolidated financial statements were approved by the Board of Directors on March 13, 2024.

With regard to events after the reporting period, only events occurring between December 31, 2023 and March 13, 2024, 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, 2023. The following new amendments are effective or may be adopted early for the consolidated financial statements at January 1, 2023:

- amendments to IAS 1: Disclosure of Accounting Policies;
- amendments to IAS 8: Definition of Accounting Estimates;
- amendments to IAS 12: Income Taxes – Deferred taxes related to Assets and Liabilities arising from a Single Transaction;
- amendments to IAS 12: International Tax Reform - Pillar 2 Model Rules.

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. At this stage of our work, we consider that although the Group may be subject to the "Pillar 2" rules from January 1, 2024 in certain jurisdictions, the Group does not expect any material tax consequences on the 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, 2023.

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, 2023

The Group has not decided to apply early any standards, amendments or interpretations for the 2023 fiscal year. The following published standards, amendments and interpretations that will be effective after December 31, 2023 may have an impact on the Group's financial statements:

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

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 recouped against the amounts payable to them in the future. Advances are recognized as assets when they are paid and are recognized as expenses 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. 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).

The carrying amount of the advances is therefore written down if the Group no longer expects to recoup them in full against the future performance of the artists or labels. 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.

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:

		December 31, 2023		December 31, 2022	
Company	Country	Consolidation method[(1)]	% interest	Consolidation method[(1)]	% interest
Believe SA	**France**	**Parent company**		**Parent company**	
Believe Digital GmbH	Germany	FC	100%	FC	100%
GoodToGo GmbH	Germany	-	-	FC	100%
Groove Attack GmbH	Germany	-	-	FC	100%
Justbridge Entertainment GmbH	Germany	-	-	FC	100%
Madizin Music GmbH	Germany	FC	51%	FC	51%
Nuclear Blast GmbH	Germany	FC	100%	FC	99%
Rough Trade Distribution GmbH	Germany	-	-	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	99%

Company	Country	December 31, 2023 Consolidation method[1]	December 31, 2023 % interest	December 31, 2022 Consolidation method[1]	December 31, 2022 % interest
TuneCore Inc.	United States	FC	100%	FC	100%
6&7 SAS	France	FC	51%	FC	51%
Jo&Co SAS	France	FC	51%	FC	51%
Lili Louise Musique SAS[2]	France	EM	49%	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%	FC	100%
Ishtar Music Private Ltd	India	-	-	FC	100%
SPI Music Private Limited	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%	-	-
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%
Believe Direct Ltd	UK	FC	100%	FC	100%
GS Believe LLP	UK	EM	50%	EM	50%
Nuclear Blast (UK) Ltd	UK	FC	100%	FC	99%
Sentric Music Group Ltd[2]	UK	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%	-	-
Believe Digital (Thailand) Co., Ltd	Thailand	FC	100%	-	-
Doğan Müzik Yapım ve Ticaret A.Ş.	Turkey	FC	60%	FC	60%
Netd Müzik Video Dijital Platform ve Ticaret A.Ş.	Turkey	FC	60%	FC	60%

(1) FC: Full consolidation; EM: Equity-accounted companies.

(2) These entities, consolidated in the Group's financial statements, include companies directly controlled by them.

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, whose reporting date is March 31 and 30 June of each year, respectively. These companies prepare a statement of financial position at December 31 ensuring 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 2023 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 2023 fiscal year, in accordance with Article 325 of said code.

Information on non-consolidated companies

Company	Country	December 31, 2023	December 31, 2022
		% interest	
Phononet GmbH	Germany	0.6%	0.6%
Triller Acquisition LLC	United States	0.3%	0.3%
IRCAM Amplify SAS	France	9.3%	6.7%
Uni-T SAS	France	24.4%	24.4%
Rapsodie SAS	France	2.8%	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 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.

Changes in the scope of consolidation in 2022

- On January 1, 2022, the Group sold its stake in Chimperator Productions Verwaltungs GmbH and Chimperator Productions GmbH & Co. KG for an insignificant amount;
- On February 4, 2022, the Group exercised its call option to acquire an additional 2% stake in the share capital of 6&7, previously consolidated using the equity method at 49%. The company has been fully consolidated at 51% since January 1, 2022;
- On July 13, 2022, the Group subscribed to the capital increase of Rapsodie SAS and now holds 2.8% of the company's share capital. The company is not consolidated;
- On October 7, 2022, the Group created Madizin Music GmbH with partners in Germany. The company has been fully consolidated at 51% since that date;
- On November 16, 2022, the Group acquired a majority stake of 53% in the capital of Morning Glory Music SAS ("MGM"). A call-put option on the remaining shares exists with two tranches over two distinct exercise periods. Since that date, the company has been fully consolidated at 53%;
- On December 19, 2022, the Group subscribed to the capital increase of Structure PY SAS and now holds 24% of the Company's share capital. The company has been consolidated using the equity method since December 31, 2022;
- In addition, in the 2022 fiscal year, the Group created Believe Taiwan Inc. and PT Believe Music Indonesia, which have been fully consolidated since their incorporation at 100%.

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.

The table below shows the provisional and final purchase accounting, net of deferred taxes, for entities acquired during the 2022 and 2023 fiscal years:

	Acquisitions in 2023		Acquisitions in 2022		
(In € thousands)	**Sentric Music Group**(2)	**Total**	6&7	Morning Glory Music(1)	**Total**
Brands, net of deferred tax	-	-	846	2,596	3,442
Catalogs, net of deferred tax	-	-	291	-	291
Relationships with artists and labels, net of deferred tax	4,500	4,500	-	-	-
Other assets (liabilities) identified	6,829	6,829	-	(180)	(180)
TOTAL NET ASSETS ACQUIRED (BASED ON 100%) [A]	**11,329**	**11,329**	**1,137**	**2,416**	**3,553**
Share attributable to Believe (= % x A) [B]	11,329	11,329	577	1,288	1,865
Acquisition price [C]	47,346	47,346	2,101	3,942	6,043
Goodwill [C]-[B]	**36,017**	**36,017**	**1,524**	**2,654**	**4,178**

(1) The acquisition of MGM in 2022 resulted in goodwill of €2,654 thousand following the allocation of the final acquisition price. Goodwill as presented and recognized in the consolidated financial statements at December 31, 2022 was €4,032 thousand.
(2) Provisional recognition.

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.

Acquisitions in the 2022 fiscal year

MGM

As the acquisition of the company was completed at the end of the year, the allocation of the purchase price could not be reflected in the consolidated financial statements at December 31, 2022 (valuation in 2023).

The Believe Group acquired 53% of the share capital of Morning Glory Music for €3,942 thousand. A call-put option on the remaining 47% exists with two tranches over two separate exercise periods in 2026 and 2029. The option is valued in the financial statements for €3.2 million at December 31, 2022. No earn-out is associated with this acquisition.

Cash acquired as part of the acquisition of the company is non-material.

Contribution of acquisitions

MGM's contributions to the Group's revenue and consolidated net income at December 31, 2022 were respectively €55 thousand and €(119) thousand. If the company had been acquired on January 1, 2022, its contribution to the Group's revenue and consolidated net income at December 31, 2022 would have been €499 thousand and €(423) thousand, respectively.

6&7

A brand was valued using the royalty relief method. A catalog was also recognized. The equity investment in 6&7 breaks down as follows:

- **initial equity investment** (October 18, 2019): initial stake of 49% concomitantly with the subscription to a capital increase, for a total amount of €1.5 million;
- **additional equity investment** (February 4, 2022): exercise of the call option on an additional 2% stake for €0.6 million.

Cash acquired as part of the acquisition of 6&7 amounted to €479 thousand.

Contribution of acquisitions

The contributions of 6&7 to the Group's revenue and consolidated net income at December 31, 2022 are respectively €248 thousand and €513 thousand. The contribution to the Group revenue does not include the revenue generated by Believe under the distribution contract that existed prior to the acquisition. These figures reflect a contribution to the Group's sales over a 12 month period, as the company has been fully consolidated since January 1, 2022.

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

(In € thousands)	December 31, 2023	December 31, 2022
Investments in equity-accounted companies at January 1	**50,657**	**49,353**
Share of net income (loss) from equity-accounted companies	(301)	1,233
Dividends	(820)	(850)
Changes in the scope of consolidation	-	1,582
Translation adjustments and others	(722)	(660)
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AT DECEMBER 31	**48,815**	**50,657**

In 2022, the item "Changes in the scope of consolidation" corresponds to:

- the acquisition of an additional 2% stake in the share capital of 6&7, previously consolidated using the equity method at 49%. The company is now fully consolidated at 51% (see Note 2.2 – *Scope of consolidation* and Note 2.3 – *Business combinations*);
- the acquisition of Structure PY (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

		December 31, 2023		December 31, 2022	
(In € thousands, except % interests)	Country	Carrying amount	% interests	Carrying amount	% interests
Lili Louise group[(1)]	France	10,887	49%	11,174	49%
Play 2 SAS	France	12,345	25%	12,633	25%
Structure Group[(2)]	France	2,518	24%	3,120	24%
Viva Music and Artists Group Inc.	Philippines	22,289	15%	22,976	15%
GS Believe LLP	UK	777	50%	754	50%
TOTAL		**48,815**		**50,657**	

(1) The Lili Louise Group includes four companies.
(2) The Structure Group includes five 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:

	2023					2022				
(In € thousands)	**Lili Louise group[(1)]**	**Viva MAG**	**Play 2**	**Others**	**Total**	Lili Louise group[(1)]	Viva MAG	Play 2	Others	Total
Revenue	19,029	18,090	25,790	328	**63,238**	15,112	15,333	24,525	-	**54,971**
Net income (loss)	(287)	2,325	340	(3,155)	**(777)**	(224)	3,251	2,747	337	**6,111**
SHARE OF NET INCOME (LOSS)	**(141)**	**349**	**85**	**(594)**	**(301)**	**(110)**	**488**	**687**	**169**	**1,233**

	December 31, 2023					December 31, 2022				
(In € thousands)	**Lili Louise group[(1)]**	**Viva MAG**	**Play 2**	**Others**	**Total**	Lili Louise group[(1)]	Viva MAG	Play 2	Others	Total
Non-current assets	25,484	156,611	55,568	13,471	**251,133**	25,533	157,360	56,286	13,000	**252,179**
Current assets	15,380	17,541	78,945	4,728	**116,594**	15,109	20,553	65,136	1,621	**102,419**
Non-current liabilities	1,558	12,650	7,760	3,125	**25,093**	1,886	13,594	8,062	-	**23,542**
Current liabilities	14,711	12,911	77,375	3,691	**108,687**	13,575	11,146	62,828	113	**87,662**

(1) The Lili Louise Group includes four companies.

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, 2023**	December 31, 2022
Loans	4,924	3,246
Advances to artists and labels	1,466	-
Trade receivables	132	386
Trade payables and contract liabilities	5,773	6,198

(In € thousands)	**2023**	**2022**
Amounts paid to artists and producers	(20,054)	(18,056)
Sales and marketing expenses	-	386

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.

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 Sentric, 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 Sentric, 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.

	2023		2022	
(In € thousands)	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA
Premium Solutions	825,119	118,273	712,641	101,270
Automated Solutions	55,193	10,109	48,165	6,609
Other – Central Platform	-	(78,126)	-	(73,172)
TOTAL	**880,312**	**50,256**	**760,805**	**34,707**

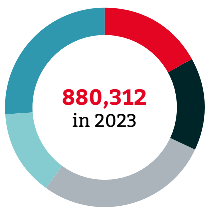
3.3. Reconciliation with Group financial data

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

(In € thousands)	2023	2022
Operating income (loss)	**(18,072)**	**(22,265)**
Restatement of depreciation, amortization and impairment expense	61,301	44,857
Restatement of share-based payment including social security contributions and employer contributions	7,983	6,464
Restatement of other operating income (expense)	(1,708)	4,888
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	753	763
ADJUSTED EBITDA	**50,256**	**34,707**

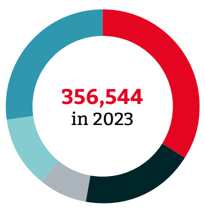
3.4. Information by geographic area

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



(In € thousands)	2023	2022
17% France	147,767	128,604
13% Germany	110,863	113,599
30% Europe excluding France and Germany	264,625	210,177
15% Americas	128,149	109,168
26% Asia/Oceania/Pacific	228,907	199,258
TOTAL REVENUE	**880,312**	**760,805**

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:



(In € thousands)	2023	2022
28% France	99,865	104,725
13% Germany	45,076	57,852
35% Europe excluding France and Germany	123,691	26,104
10% Americas	35,595	37,499
15% Asia/Oceania/Pacific	52,318	81,248
TOTAL NON-CURRENT ASSETS	**356,544**	**307,428**

3.5. Major customers

At December 31, 2023, the Group's three largest customers respectively accounted for 31%, 28% and 9% of total revenue; they represented 30%, 28% and 10% of total revenue at December 31, 2022.

NOTE 4 OPERATING DATA

4.1. Revenue

Accounting policies

The Group derives most of its revenue from:

- digital sales;
- others: mainly consisting of physical sales and, to a lesser extent, revenue derived from derivative products, music publishing, synchronization, brand partnerships and neighboring 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 *prorata 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 entering into 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

(In € thousands)	2023		2022	
Digital sales	793,064	90.1%	701,948	92.3%
Others[(1)]	87,248	9.9%	58,857	7.7%
TOTAL REVENUE	**880,312**	**100%**	**760,805**	**100%**

(1) The amounts shown within "Others" mainly correspond to the physical sales and the administration of music publishing rights in 2023.

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:

(In € thousands)	2023	2022
Gains (losses) on asset disposals	1,048	(20)
Acquisition-related income / (costs)	2,610	(2,173)
Other operating income (expense)	(1,950)	(2,695)
TOTAL OTHER OPERATING INCOME (EXPENSE)	**1,708**	**(4,888)**

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 4.10 - *Other non-current liabilities* and Note 2.3 - *Business combinations*), 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.

At December 31, 2022, the "Other operating income (expense)" item mainly includes expenses related to the reorganization undertaken in certain countries for €(2.4) million.

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. They correspond to revenue recognized when a performance obligation has been met but not yet invoiced. 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:

(In € thousands)	December 31, 2023	December 31, 2022
Trade receivables[(1)]	209,024	166,960
Impairment of trade receivables	(8,822)	(8,504)
TOTAL TRADE RECEIVABLES, NET	**200,203**	**158,456**

(1) The amount of invoices not yet issued included within "Trade receivables" is respectively €123.0 million and € 86.5 million at December 31, 2023 and 2022. 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:

	December 31, 2023			December 31, 2022		
(In € thousands)	Trade receivables	Impairment of trade receivables	Trade receivables, net	Trade receivables	Impairment of trade receivables	Trade receivables, net
Not yet due[(1)]	186,711	-	186,711	140,375	-	140,375
Less than 90 days past due	7,278	-	7,278	11,281	(360)	10,921
Between 90 and 180 days past due	4,044	(47)	3,997	2,514	(18)	2,496
More than 180 days past due	10,992	(8,775)	2,217	12,791	(8,127)	4,664
TOTAL TRADE RECEIVABLES, NET	**209,024**	**(8,822)**	**200,203**	**166,960**	**(8,504)**	**158,456**

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

Other current assets

Other current assets break down as follows:

(In € thousands)	December 31, 2023	December 31, 2022
Tax and social security receivables[(1)]	17,688	19,086
Prepaid expenses	16,500	10,461
Other receivables	4,087	2,540
TOTAL OTHER CURRENT ASSETS	**38,275**	**32,087**

(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. The carrying amount of the advances is thus impaired if the Group no longer expects to recoup them in full against the future performance of the artists or labels. 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:

(In € thousands)	**December 31, 2023**	December 31, 2022
Advances to artists and labels – current portion	103,129	90,707
Advances to artists and labels – non-current portion	155,451	87,780
TOTAL ADVANCES TO ARTISTS AND LABELS, NET	**258,580**	**178,487**
Portion of advances paid in less than one year	*66%*	*52%*

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. Where the net realizable value is less than its costs, an impairment is recognized. 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:

(In € thousands)	**December 31, 2023**	December 31, 2022
Gross inventories	7,282	8,157
Impairment	(3,172)	(2,531)
TOTAL INVENTORIES, NET	**4,110**	**5,626**

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;
- 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:

(In € thousands)	**December 31, 2023**	December 31, 2022
Trade payables	558,403	458,377
Contract liabilities[1]	53,353	50,960
TOTAL TRADE PAYABLES AND CONTRACT LIABILITIES	**611,756**	**509,336**

(1) The majority of contract liabilities shown at the beginning of each reporting period are reclassified to revenue during that period.

4.9. Other current liabilities

Other current liabilities break down as follows:

(In € thousands)	**December 31, 2023**	December 31, 2022
Tax and social security liabilities	36,326	28,935
Other payables	4,290	3,008
TOTAL OTHER CURRENT LIABILITIES	**40,616**	**31,943**

4.10. Other non-current liabilities

Other non-current liabilities include call-put options and forward contracts entered into as part of our acquisitions. 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:

(In € thousands)	**December 31, 2023**	December 31, 2022
Forward contract for the acquisition of the remaining 24% of SPI Music	13,204	12,149
Call-put option for the acquisition of the remaining 49% of Jo&Co	-	5,120
Call-put option for the acquisition of the remaining 47% of MGM	3,269	3,176
TOTAL OTHER NON-CURRENT LIABILITIES[1]	**16,473**	**20,446**

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:

(Full-time equivalent)	2023	2022
Average headcount over the year	2,028	1,846

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:

(In € thousands)	2023	2022
Wages, salaries and payroll taxes(1)	(143,363)	(124,400)
Post-employment benefit expenses	(145)	(131)
Share-based payments	(7,983)	(6,464)
Other employee benefits(2)	(4,940)	(4,412)
TOTAL PERSONNEL EXPENSES	**(156,431)**	**(135,407)**
Consultants' fees	(18,070)	(20,546)
Capitalized personnel expenses and consultants´ fees(3)	15,584	17,033
TOTAL PERSONNEL EXPENSES, INCLUDING CONSULTANTS AND NET OF CAPITALIZED PERSONNEL COSTS	**(158,918)**	**(138,919)**

(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 four countries: France, Italy, Germany and India. The post-employment benefit obligations net of plan assets recognized were respectively €25 thousand and €638 thousand at December 31, 2023 and 2022.

The benefit obligations and plan assets break down as follows:

(In € thousands)	December 31, 2023	December 31, 2022
Post-employment benefit obligation at January 1	**1,882**	**2,092**
Current service cost	86	105
Interest cost (impact of unwinding the discount)	59	26
Changes in the scope of consolidation	-	(5)
Actuarial losses (gains)	(703)	(283)
• *Of which resulting from experience adjustments*	*(183)*	*140*
• *Of which resulting from changes in assumptions*	*(520)*	(423)
Benefits paid	(36)	(53)
POST-EMPLOYMENT BENEFIT OBLIGATION AT DECEMBER 31	**1,288**	**1,882**

Plan assets

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

(In € thousands)	December 31, 2023	December 31, 2022
Value of plan assets at January 1	**1,244**	**1,269**
Actual return on plan assets	45	-
Contributions paid	28	-
New plans/acquisitions/disposals	-	-
Benefits paid	(54)	(26)
VALUE OF PLAN ASSETS AT DECEMBER 31	**1,263**	**1,244**

Defined benefit expense recognized in the income statement

(In € thousands)	2023	2022
Current service cost	86	105
Interest cost	59	26
Notional return on plan assets	-	-
Impact of the asset ceiling	-	-
DEFINED BENEFIT EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**145**	**131**

Maturity of benefits payable

Expected disbursements in 2024 are not significant.

Actuarial assumptions

	December 31, 2023		December 31, 2022	
	France-Italy	Germany	France-Italy	Germany
Discount rate/rate of return on plan assets	4.09%	4.15%	3.68%	not available
Inflation rate	2.1%	-	2.4%	-
Salary increase rate	4.0% to 6.0%	-	2.0% to 8.0%	-
Average duration	28.8 years	13.7 years	29.5 years	not available

Sensitivity analysis

	December 31, 2023	December 31, 2022
Impact of a 0.5% increase or decrease in employee turnover	-7.8% / 7.5%	-7.5% / 2.4%
Impact of a 0.5% increase or decrease in the salary increase rate	7.0% / -6.5%	6.3% / -6.0%
Impact of a 0.5% increase or decrease in the discount rate	-6.4% / 7.1%	-6.9% / 7.6%

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	07/01/2023, 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 period is 10 years from the grant date of the warrants.

The main data and assumptions underpinning the fair value measurement of benefits awarded under the Group's 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.

The change in these options over 2023 and 2022 is detailed below:

		December 31, 2023				December 31, 2022			
Plan	Number of options granted	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	37,888	33,426	€463,749	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	8,958	250,000	€48,373	1,042	8,958	250,000	€48,373
BSPCE 2016-2	155,000	4,826	95,674	54,500	€516,640	3,813	72,687	78,500	€392,510
BSA 2016-1	13,000	7,000	5,000	1,000	€42,850	7,000	5,000	1,000	€42,850
BSA 2016-2	393,210	183,000	182,210	28,000	€983,934	183,000	167,496	42,714	€904,478
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	136,897	628,831	€1,256,714	79,272	90,728	675,000	€832,883
BSA 2018-1	480,000	107,293	109,012	263,695	€1,000,730	107,293	82,707	290,000	€759,250
BSPCE 2019-1	190,000	70,000	59,500	60,500	€877,625	70,000	8,555	111,445	€126,186
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 table above gives the right to two ordinary shares, except for the 2011 and 2012 plans which entitle the holder 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:

	December 31, 2023		December 31, 2022	
(In € thousands)	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
In issue at January 1	**1,482,085**	**€8.7**	**1,642,563**	**€8.9**
Lapsed during the period	(1,013)	€5.4	(15,419)	€12.5
Exercised during the period	(161,120)	€10.1	(145,059)	€10.0
Granted during the period	-	-	-	-
IN ISSUE AT DECEMBER 31	**1,319,952**	**€8.6**	**1,482,085**	**€8.7**
Exercisable at December 31	1,319,952	€8.6	1,469,583	€8.7

Performance Shares (AP)

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

- 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 acknowledges the achievement of the performance conditions;
- 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 main data and assumptions underpinning the fair value measurement of benefits awarded under the Group's 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% / 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	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	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	100%	9.70	-

The change in these options over 2023 and 2022 is detailed below:

			December 31, 2023				December 31, 2022			
Plan	Number of options granted	Maximum number of options	Number of options lapsed	Number of options exercised	Number of options out-standing	Maximum number of options in issue	Number of options lapsed	Number of options exercised	Number of options out-standing	Maximum number of options in issue
AP 2021	692,254	784,543	120,657	-	571,597	571,597	98,696	-	685,847	685,847
AP 2022	797,322	903,631	51,759	-	745,563	745,563	-	-	903,631	903,631
AP 2023	1,071,495	1,264,347	84,300	-	987,195	987,195	-	-	-	-

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 (*see Note 10.1 - Changes in share capital*). 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 de 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 receives 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).

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:

(In € thousands)	2023	2022
BSPCE 2018-1	-	246
BSA 2018-1	-	174
BSPCE 2019-1	8	42
BSA 2019-1	-	(20)
AP 2021	3,035	2,484
AP 2022	2,355	1,543
AP 2023	1,667	-
b.shares 2022	-	578
TOTAL SHARE-BASED PAYMENTS	**7,064**	**5,048**

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.

(In € thousands)	2023	2022
Compensation in respect of employment	387	376
Benefits in kind	-	-
Share-based payments	-	-
Compensation in respect of corporate officer positions	167	206
TOTAL EXECUTIVE COMPENSATION	**555**	**581**

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:

(In € thousands)	December 31, 2023	December 31, 2022
Goodwill at January 1	**107,705**	**98,875**
Changes in the scope of consolidation[(1)]	36,017	5,556
Translation adjustments and others	(2,525)	3,274
GOODWILL AT DECEMBER 31	**141,196**	**107,705**

(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, 2023 Gross value	December 31, 2023 Depreciation, amortization and impairment	December 31, 2023 Carrying amount	December 31, 2022 Gross value	December 31, 2022 Depreciation, amortization and impairment	December 31, 2022 Carrying amount
Catalogs[1]	70,536	(28,060)	42,476	38,074	(21,905)	16,169
Concessions, patents and similar rights	2,507	(1,663)	844	2,409	(1,713)	695
Software[2]	117,943	(82,775)	35,168	92,420	(57,780)	34,641
Brands[3]	28,017	(3,898)	24,120	24,909	-	24,909
Relationships with artists and labels[4]	58,452	(38,158)	20,294	52,633	(23,317)	29,316
Other intangible assets	3,163	(1,723)	1,441	3,127	(1,684)	1,444
Intangible assets in progress[5]	11,229	-	11,229	14,804	-	14,804
TOTAL OTHER INTANGIBLE ASSETS	**291,848**	**(156,276)**	**135,572**	**228,378**	**(106,399)**	**121,979**

(1) The increase in catalogs is mainly related to the acquisition of the White Hill's catalog, a catalog of top Punjabi music.

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

(3) The increase in brands is mainly related to the final allocation of the acquisition price of Morning Glory Music (see Note 2.3 – Business combinations) and the favorable impact of hyperinflation in Turkey.

(4) The change in relationships with artists and labels is mainly related to the provisional allocation of the acquisition price of Sentric Music Group (see Note 2.3 - Business combinations) and 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, 2023	December 31, 2022
At January 1	**121,979**	**118,118**
Purchase price allocation[(1)]	9,500	4,291
Capitalized development costs[(2)]	17,931	19,826
Other acquisitions/additions	30,753	6,030
Changes in the scope of consolidation[(3)]	3,365	170
Depreciation and amortization	(36,555)	(33,412)
Impairment[(4)]	(13,276)	-
Disposals/decreases	(41)	-
Translation adjustments and others[(5)]	1,917	6,956
AT DECEMBER 31	**135,572**	**121,979**

(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) The "Changes in scope" item is mainly related to the acquisition of Sentric Music Group.

(4) The "Impairment" line includes 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

(In € thousands)	December 31, 2023	December 31, 2022
Property, plant and equipment owned outright	6,088	6,987
Property, plant and equipment – right-of-use assets	24,872	20,101
TOTAL PROPERTY, PLANT AND EQUIPMENT	**30,960**	**27,087**

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:

(In € thousands)	December 31, 2023			December 31, 2022		
	Gross value	**Depreciation, amortization and impairment**	**Carrying amount**	Gross value	Depreciation, amortization and impairment	Carrying amount
Fixtures, fittings, general and technical installations	8,972	(5,037)	3,934	8,444	(3,754)	4,690
Office equipment	4,609	(3,341)	1,269	4,159	(2,729)	1,429
IT equipment	2,901	(2,439)	463	2,818	(2,260)	559
Other property, plant and equipment	1,214	(826)	387	930	(683)	248
Property, plant and equipment in progress	35	-	35	61	-	61
TOTAL PROPERTY, PLANT AND EQUIPMENT OWNED OUTRIGHT	**17,731**	**(11,643)**	**6,088**	**16,412**	**(9,426)**	**6,987**

Table of changes in property, plant and equipment owned outright

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

(In € thousands)	**December 31, 2023**	December 31, 2022
At January 1	**6,987**	**8,811**
Acquisitions/additions	1,595	580
Changes in the scope of consolidation	63	64
Depreciation	(2,518)	(2,560)
Disposals/decreases	(18)	(20)
Translation adjustments and others	(21)	111
AT DECEMBER 31	**6,088**	**6,987**

Leases: right-of-use assets

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:

	December 31, 2023			December 31, 2022		
(In € thousands)	Gross value	Depreciation, amortization and impairment	Carrying amount	Gross value	Depreciation, amortization and impairment	Carrying amount
Buildings	41,415	(19,920)	21,495	32,423	(18,162)	14,261
IT equipment	7,600	(4,398)	3,202	10,100	(4,544)	5,556
Vehicles	445	(270)	176	578	(294)	284
TOTAL PROPERTY, PLANT AND EQUIPMENT – RIGHT-OF-USE ASSETS	**49,461**	**(24,588)**	**24,872**	**43,101**	**(23,000)**	**20,101**

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, 2023	December 31, 2022
At January 1	**20,101**	**22,400**
New leases	15,873	6,212
Termination and early termination of leases	(3,054)	-
Depreciation and impairment	(8,953)	(8,885)
Changes in the scope of consolidation	629	-
Translation adjustments and others	277	374
AT DECEMBER 31	**24,872**	**20,101**

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:

(In € thousands)	2023	2022
Amortization of lease rights	(8,953)	(8,885)
Interest expense on lease liabilities	(1,196)	(529)
TOTAL RECOGNIZED IN NET INCOME (LOSS)	**(10,149)**	**(9,414)**

Amounts recognized in the statement of cash flows

Cash outflows attributable to leases represented €10,622 thousand at December 31, 2023 and €6,836 thousand at December 31, 2022.

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, 2023 and December 31, 2023.

Impairment testing approach and assumptions used

The Group tests goodwill for impairment each year, generally at the end of the reporting period. For the 2023 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, 2023	December 31, 2022
Premium Solutions group of CGUs	Discount rate	12.9%	14.3%
	Perpetuity growth rate	1.9%	3.7%
	Carrying amount of goodwill	86,922	89,226
	Carrying amount of brands	17,785	18,346
Automated Solutions group of CGUs	Discount rate	10.7%	10.6%
	Perpetuity growth rate	3.0%	2.8%
	Carrying amount of goodwill	54,274	18,479
	Carrying amount of brands	6,335	6,563

Results of the impairment tests

Between January 1, 2022 and December 31, 2023, no impairments were recognized against CGUs or groups of CGUs.

Sensitivity of impairment tests

At the date of each impairment test (2022 and 2023), 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 1 point in the discount rate and 0.5 point in the perpetuity growth rate, and of 1 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

As of December 31, 2023 and 2022, provisions mainly consist of pension commitments detailed in Note 5.3 - *Pension and other employee benefit obligations*. There was no significant provision for litigation at December 31, 2023 and December 31, 2022.

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:

(In € thousands)	December 31, 2023	December 31, 2022
Investments in non-consolidated companies	1,188	656
Loans, deposits and other financial receivables – non-current portion[1]	8,388	5,888
TOTAL NON-CURRENT FINANCIAL ASSETS	**9,576**	**6,544**

(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 mainly correspond to the liquidity contract and 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 Note 12.4 - *Events after the reporting period*").

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.

- 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

	December 31, 2023						December 31, 2022
(In € thousands)	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	1,188	1,188	1,188	-	-	656
Loans, deposits and other financial receivables – non-current portion	-	8,388	-	-	-	8,388	5,888
Trade receivables	-	200,203	-	-	-	200,203	158,456
Current financial assets	level 1	1,354	1,028	1,028	-	325	947
Cash and cash equivalents	level 1	214,221	214,221	214,221	-	-	303,345
TOTAL FINANCIAL ASSETS		**425,354**	**216,437**	**216,437**	**-**	**208,916**	**469,292**
Bank borrowings and debt – non-current portion	-	536	-	-	-	536	1,178
Other non-current liabilities	level 3	16,473	16,473	16,473	-	-	20,446
Bank borrowings and debt – current portion, including bank overdrafts	-	906	-	-	-	906	1,727
Derivative financial instruments with a negative fair value	level 2	33	33	33	-	-	559
Trade payables	-	558,403	-	-	-	558,403	458,377
TOTAL FINANCIAL LIABILITIES		**576,352**	**16,506**	**16,506**	**-**	**559,846**	**482,287**

There were no changes in the fair value hierarchy in 2022-2023.

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, which are recognized as assets on the statement of financial position when they are paid, may also be subject to impairment. If there is any doubt as to their recoverability, an impairment loss is calculated on the basis of an estimate of the amount to be recovered until the end of the contract.

Advances retained as assets are broken down into a current portion and a non-current portion. The current portion corresponds to the portion that the Group expects to recover within the 12 months following the reporting date. 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. The Group's assumptions are based on the historical observation of payment deadlines and the 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 not able to grant a volume of advances in line with the demand from artists and labels, this could affect its ability to attract new producers. The Group has no contractual obligation towards the artists and labels to grant advances. The occurrence of these risks could call into question the attractiveness of the Group's offering and have a material adverse effect on its results and outlook.

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

Since the second half of 2021 as part of its transactional currency risk management, the Group has set up a risk hedging policy by establishing mirror asset/liability positions for certain currencies, thus limiting its exposure to risk.

Analysis of the sensitivity of the net foreign currency risk exposure

The tables below present the net position, as at December 31, 2023, in the Group's main foreign currencies, along with the impact of a 5% increase or decrease in each currency against the euro:

(In thousands of the currency)	CAD	CNY	GBP	INR	JPY	TRY	USD
Current assets	5,220	37,091	45,553	994,583	5,928,664	275,976	99,040
Current and non-current liabilities	(18,023)	(14,559)	(57,489)	(317,093)	(5,332,861)	(155,668)	(206,652)
Net position before hedging	(12,803)	22,531	(11,937)	677,490	595,804	120,308	(107,613)
Off-balance sheet position[(1)]	-	-	5,300	-	-	-	114,000
Net position after hedging at December 31, 2023	**(12,803)**	**22,531**	**(6,637)**	**677,490**	**595,804**	**120,308**	**6,387**
Rate at December 31, 2023	1.4642	7.8509	0.8691	91.9045	156.3300	32.6531	1.1050
Value *(in € thousands)*	(8,744)	2,870	(7,637)	7,372	3,811	3,684	5,780
5% increase							
Rate assuming 5% increase	1.3945	7.4770	0.8277	87.5281	148.8857	31.0982	1.0524
Value *(in € thousands)*	(9,181)	3,013	(8,019)	7,740	4,002	3,869	6,069
Impact of a 5% increase *(in € thousands)*	(437)	143	(382)	369	191	184	289
5% decrease							
Rate assuming 5% decrease	1.5413	8.2641	0.9148	96.7416	164.5579	34.3717	1.1632
Value *(in € thousands)*	(8,307)	2,726	(7,255)	7,003	3,621	3,500	5,491
Impact of a 5% decrease *(in € thousands)*	437	(143)	383	(369)	(191)	(184)	(289)

(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 does not have any floating-rate debt and is therefore not subject to interest rate risk.

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:

(In € thousands)	December 31, 2023	December 31, 2022
Bank borrowings and debt – non-current portion	900	1,800
Lease liabilities – non-current portion	20,973	18,485
Deferred financing costs	(364)	(622)
TOTAL NON-CURRENT BORROWINGS AND DEBT	**21,510**	**19,663**
Bank borrowings and debt – current portion	1,125	1,937
Lease liabilities – current portion	9,178	10,497
Currency swap[1]	33	559
Deferred financing costs	(255)	(255)
Accrued interest	300	73
Bank overdrafts	-	-
TOTAL CURRENT BORROWINGS AND DEBT	**10,381**	**12,811**
TOTAL GROSS DEBT	**31,891**	**32,474**

(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.

	December 31, 2023				December 31, 2022			
(In € thousands)	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	1,125	900	-	**2,025**	1,937	1,800	-	**3,738**
Lease liabilities	9,178	20,665	308	**30,152**	10,497	18,209	276	**28,982**
TOTAL	**10,303**	**21,565**	**308**	**32,177**	**12,435**	**20,009**	**276**	**32,720**

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".

As of December 31, 2023, 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/ *pro forma* 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 would increase 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*). Should the Block Acquisitions be completed, the consortium would take control of the Company, thus constituting a change of control under the terms of the Revolving Credit Agreement.

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, 2023, 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 grade period.

At December 31, 2023, 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, 2023, undiscounted contractual cash flows relating to these instruments can be analyzed as follows:

		Contractual cash flows						
		Less than 1 year	More than 1 year and less than or equal to 5 years				More than 5 years	
(In € thousands)	Carrying amount	2024	2025	2026	2027	2028	2029 and beyond	Total
Bank borrowings and debt	-	-	-	-	-	-	-	-
BPI loans	2,025	1,075	785	201	-	-	-	**2,060**
Lease liabilities	30,152	11,721	8,030	5,780	5,352	3,525	365	**34,773**
TOTAL	**32,177**	**12,796**	**8,815**	**5,981**	**5,352**	**3,525**	**365**	**36,833**

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:

(In € thousands)	December 31, 2023	December 31, 2022
Fixed-rate bank borrowings and debt	2,025	3,738
Floating-rate bank borrowings and debt	-	-
• *Of which the floating interest rate is hedged*	-	-
• *Of which the floating interest rate is not hedged*	-	-
TOTAL BANK BORROWINGS AND DEBT	**2,025**	**3,738**

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

Changes in borrowings and debt can be analyzed as follows:

(In € thousands)	December 31, 2023	December 31, 2022
At January 1	**32,474**	**33,293**
Increase in borrowings	-	-
Decrease in borrowings	(1,713)	(1,519)
Repayment of lease liabilities	(10,622)	(6,836)
Interest received (paid)	5,676	2,006
Net cash from (used in) financing activities (debt)	**(6,659)**	**(6,349)**
Cost of net debt	(4,230)	(1,199)
Changes in bank overdrafts	-	(11)
Increase in lease liabilities	15,873	6,212
Terminations and early terminations of lease liabilities	(5,962)	-
Changes in the scope of consolidation	710	-
Translation adjustments and others	(314)	527
AT DECEMBER 31	**31,891**	**32,474**

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.

(In € thousands)	December 31, 2023	December 31, 2022
Non-current borrowings and debt	21,510	19,663
Current borrowings and debt	10,381	12,811
Gross debt	**31,891**	**32,474**
Cash and cash equivalents	(214,221)	(303,345)
Net debt	**(182,331)**	**(270,871)**
● *In euros*	*(58,571)*	*(195,274)*
● *In US dollars*	*(59,081)*	(31,453)
● *In other currencies*	*(64,679)*	(44,144)

8.5. Lease liabilities

Lease liabilities by type

(In € thousands)	December 31, 2023	December 31, 2022
Leases of buildings	26,781	23,142
Leases of IT equipment	3,200	5,556
Leases of vehicles	171	284
TOTAL LEASE LIABILITIES	**30,152**	**28,982**
- *Out of which current portion*	*9,178*	*10,497*
- *Out of which non-current portion*	*20,973*	*18,485*

Changes in lease liabilities

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

(In € thousands)	December 31, 2023	December 31, 2022
At January 1	**28,982**	**28,873**
Lease payments	(10,622)	(6,836)
Interest expense on lease liabilities	1,196	529
New leases	15,873	6,212
Termination and early termination of leases	(5,962)	-
Changes in the scope of consolidation	710	-
Translation adjustments and others	(26)	205
AT DECEMBER 31	**30,152**	**28,982**

8.6. Net financial income (expense)

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

(In € thousands)	2023	2022
Interest expense	(531)	(607)
Interest expense on lease liabilities	(1,196)	(529)
Amortization of bond issue costs and others	(258)	(256)
Financial income from cash investments[(1)]	6,215	2,592
Cost of net debt	**4,230**	**1,199**
Other financial income (expense)[(2)]	6,293	7,185
TOTAL NET FINANCIAL INCOME (EXPENSE)	**10,522**	**8,384**

(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 for 2023 and 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)

(In € thousands)	2023	2022
Current tax	(9,944)	(8,928)
Deferred taxes	14,809	(2,161)
TOTAL TAX RECOGNIZED IN NET INCOME (LOSS)	**4,865**	**(11,089)**

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

(In € thousands)	2023	2022
Income (loss) before tax	**(7,550)**	**(13,881)**
Statutory income tax rate	25.83%	25.83%
Theoretical income tax benefit (expense)	**1,950**	**3,585**
Effect of differences in income tax rates	1,345	1,102
Permanent differences	1,438	(1,680)
Effect of changes in tax rates	(438)	146
Unrecognized deferred tax assets	(7,556)	(12,048)
Other taxes not levied on a specific tax base	9,099	(2,349)
Adjustment for prior periods	(972)	155
Others	-	-
TOTAL TAX RECOGNIZED IN NET INCOME (LOSS)	**4,865**	**(11,089)**
Effective tax rate	64.44%	-79.89%

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

(In € thousands)	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)**

(In € thousands)	January 1, 2022	Recognized in income	Recognized in reserves	Fair value through other comprehensive income	Changes in the scope of consolidation	Translation adjustments and others	December 31, 2022
Employee benefits	94	(138)	-	(42)	-	147	62
Lease liabilities[1]	5,504	889	-	-	127	(144)	6,376
Intangible assets and property, plant and equipment	-	(418)	-	-	-	4,002	3,584
Other working capital	378	512	-	-	-	1,420	2,311
Tax loss carryforwards	3,779	(3,287)	-	-	-	(212)	280
Offsetting of deferred tax assets/deferred tax liabilities	(5,692)	(1,256)	-	-	-	-	(6,948)
TOTAL DEFERRED TAX ASSETS	**4,064**	**(3,697)**	**-**	**(42)**	**127**	**5,214**	**5,664**
Intangible assets[2]	16,663	(2,463)	-	-	1,108	4,855	20,163
Property, plant and equipment[1]	5,491	(1,214)	-	-	119	(109)	4,286
Employee benefits	-	(79)	-	56	-	141	117
Other working capital	(13)	3,107	-	-	7	1,452	4,553
Others	53	330	-	-	-	16	398
Offsetting of deferred tax assets/deferred tax liabilities	(5,692)	(1,256)	-	-	-	-	(6,948)
TOTAL DEFERRED TAX LIABILITIES	**16,502**	**(1,576)**	**-**	**56**	**1,234**	**6,355**	**22,570**
TOTAL DEFERRED TAX LIABILITIES, NET	**(12,438)**	**(2,121)**	**-**	**(98)**	**(1,108)**	**(1,141)**	**(16,906)**

(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

(In € thousands)	December 31, 2023	December 31, 2022
Relating to temporary differences	9,755	5,866
Relating to tax loss carryforwards	31,116	27,122
TOTAL UNRECOGNIZED DEFERRED TAX ASSETS	**40,871**	**32,988**

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., Soulfood 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.

At December 31, 2022, the unrecognized deferred tax assets, 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, Believe Digital GmbH, Believe Music America LLC, Believe Digital OOO and Believe Digital SRL. In 2022, Believe SA recorded a tax loss of €9.1 million. These tax losses may be carried forward indefinitely, with the exception of those relating to Indian entities, *i.e.* €1.5 million, which expire between 2028 and 2030.

Tax loss carryforwards recognized

Tax loss carryforwards recognized can be analyzed as follows:

(In € thousands)	December 31, 2023	December 31, 2022
France	-	-
United States	1,506	201
United Kingdom	3,195	-
Italy	644	-
Others	-	80
TOTAL TAX LOSS CARRYFORWARDS RECOGNIZED	**5,346**	**280**

The estimated recovery date for deferred tax assets on tax loss carryforwards is 2025-2027.

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, 2023 or December 31, 2022.

NOTE 10 EQUITY AND EARNINGS PER SHARE

10.1. Changes in share capital

At December 31, 2023, the share capital of Believe SA consisted of 97,086,350 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 *(in €)*	Number of shares at €0.005
Balance at January 1, 2022	**480,271**	**464,975,049**	**96,054,202**
Exercise of BSAs/BSPCEs	1,862	1,454,005	372,450
Employee shareholding plan: b.shares 2022	1,687	2,286,122	337,457
BALANCE AT DECEMBER 31, 2022	**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**

10.2. Dividends

No dividends were paid in respect of the 2023 or 2022 fiscal years.

10.3. Non-controlling interests

Non-controlling interests can be analyzed as follows:

		December 31, 2023		December 31, 2022	
Company	Country	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	(527)	49%	(40)	49%
6&7 SAS	France	183	49%	682	49%
Jo&Co SAS	France	7	49%	981	49%
Morning Glory Music SAS	France	772	47%	(134)	47%
TuneCore Japan KK	Japan	976	45%	593	45%
Dogan Müzik Yapim ve Ticaret A.S.	Turkey	5,995	40%	6,002	40%
Netd Müzik Video Dijital Platform ve Ticaret A.S.	Turkey	1,036	40%	875	40%
Others – not material	-	1	-	(8)	-
TOTAL NON-CONTROLLING INTERESTS		**8,442**		**8,951**	

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

	2023	2022
Net income (loss) attributable to holders of ordinary shares *(in € thousands)*	**(5,482)**	**(29,762)**
Basic earnings (loss) per share *(in €)*	(0.06)	(0.31)
Diluted earnings (loss) per share *(in €)*[1]	(0.06)	(0.31)

(1) In 2023 and 2022, 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, 2023	December 31, 2022
Weighted average number of ordinary shares in issue	**96,818,997**	**96,092,137**
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)	**96,818,997**	**96,092,137**

NOTE 11 CASH FLOW

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. This item also includes the amounts that may be claimed by artists as amounts paid to artists and producers (see Note 4.8 - *Trade payables and contract liabilities*). Cash and cash equivalents presented in the balance sheet and cash flow statement are detailed as follows:

(In € thousands)	**December 31, 2023**	December 31, 2022
Cash at bank and on hand	213,926	302,890
Accrued interest	295	455
Cash and cash equivalents	**214,221**	**303,345**
Bank overdrafts	-	-
Cash and cash equivalents net of bank overdrafts as reported in the statement of cash flows	**214,221**	**303,345**

As of December 31, 2023, cash and cash equivalents included non-available cash amounting to €1.4 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:

(In € thousands)	2023	2022
Change in advances paid to artists and labels	(81,224)	(15,122)
Change in trade payables and contract liabilities	89,581	88,627
Other changes in working capital	(32,039)	(20,078)
Changes in working capital	**(23,682)**	**53,427**

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:

(In € thousands)	Notes	2023	2022
Capitalized development costs	*6.2*	(17,931)	(19,826)
Acquisitions of intangible assets owned outright	*6.2*	(30,753)	(6,030)
Acquisitions of property, plant and equipment owned outright	*6.3*	(1,595)	(580)
Changes in suppliers of non-current assets		1,062	986
TOTAL ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**(49,217)**	**(25,450)**

Acquisitions of subsidiaries, net of cash acquired

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

(In € million)	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**

In 2022, the outflow of €8.7 million relates to acquisitions made, net of cash acquired, and can be analyzed as follows:

(In € million)	Purchase price	Cash acquired	Acquisitions, net of cash acquired
6&7[(1)]	0.6	(0.5)	0.1
SPI Music – Tranche 1[(2)]	1.4	-	1.4
Rapsodie	0.2	-	0.2
Morning Glory Music	3.9	-	3.9
Structure PY	3.1	-	3.1
TOTAL	**9.2**	**(0.5)**	**8.7**

(1) Corresponds to the acquisition of an additional 2% stake in the share capital of 6&7 (see Note 2.2 – Scope of consolidation and Note 2.3 – Business combinations).

(2) Corresponds to the additional payment of Tranche 1 related to the acquisition of an initial 76% stake in the share capital of SPI Think Music for a total amount of €15.8 million, of which €14.3 million paid as of December 31, 2021.

Decrease (increase) in loans

In 2023 and 2022, the outflow corresponds to current account advances with one of our equity-accounted companies for a total amount of €1.7 million net and €3.2 million, of repayments, respectively.

Decrease (increase) in non-current financial assets

In 2023, the change mainly corresponds to guarantee deposits and to a lesser extent to escrow accounts related to Believe's live productions.

In 2022, the change mainly corresponds to escrow accounts related to Believe's live productions.

11.4. Net cash from (used in) financing activities

Increase in borrowings

The Group did not use the revolving credit line in 2023 or 2022 (see Note 8.3 – *Gross debt).*

Decrease in borrowings

In 2023 and 2022, the Group also repaid the BPI loans for the period in the amount of €1.7 million and €1.5 million.

Capital increase by shareholders

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

In 2022, the Group increased its share capital for a total amount of €3.7 million, including share premium, through:

- the issue of shares to the Group's employees by exercising BSAs and BSPCEs for €1.4 million (see Note 10.1 – *Changes in share capital)* and;
- a capital increase reserved for employees of €2.3 million as part of the b.shares employee shareholding plan (see Note 5.4 – *Share-based payments*), net of transaction costs.

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:

(In € thousands)	2023	2022
Net cash from (used in) operating activities	**12,709**	**73,655**
Acquisitions of property, plant and equipment, and intangible assets	(49,217)	(25,450)
Disposals of property, plant and equipment and intangible assets	1,242	-
Restatement of acquisition related costs	1,788	1,600
Restatement of acquisition costs of a group of assets	24,948	2,190
Restatement of advances related to Distribution contracts intended specifically for the acquisition of assets (acquisition of companies, catalogs, etc.)	5,470	-
FREE CASH FLOW	**(3,060)**	**51,995**

NOTE 12 OTHER INFORMATION

12.1. Fees paid to the Statutory Auditors

The table below shows fees paid to the Statutory Auditors:

	2023					2022				
(In € thousands)	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	447	379	**826**	196	**1,022**	389	487	**876**	181	**1,057**
Services other than the certification of financial statements	13	357	**370**	7	**377**	43	75	**118**	16	**134**
TOTAL FEES	**460**	**736**	**1,195**	**203**	**1,399**	**432**	**562**	**994**	**197**	**1,191**

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, 2023 or December 31, 2022.

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.

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 October 30, 2031);
- various general and specific guarantees as part of company acquisitions, see table below:

ACQUISITIONS/ADDITIONS	EXPIRY	TYPES OF GUARANTEE
Jo&Co	12/21/2024 *	General guarantees (including tax guarantees) and specific guarantees (relating to contracts, goods and services, insurance, intellectual property rights)
Play 2	03/31/2025	Social and tax guarantees
Sentric Music Group	03/29/2025	General guarantees
Morning Glory Music	11/16/2025	General guarantees
Structure PY	12/19/2025	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.

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

On 12 February 2024, Denis Ladegaillerie, the EQT X fund ("EQT") and funds advised by TCV (together, "TCV") have announced that they have formed a consortium (the "Consortium") with a view to launching, through a dedicated entity a tender offer on the shares of the Company at a price per share of 15 euros, 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 12 February 2024, as well as the press release issued by the Company on the same day, available on the Company's institutional website*).

As stated in Note 8.3, if these operations were to take place, the consortium would take control of the Company, thus constituting a case of change of control under the Revolving Credit Agreement.

The Board of Directors of Believe has created an *ad hoc* Committee composed of 3 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 has received an exploratory, preliminary, and non-binding expression of interest from Warner Music Group regarding a potential combination of Believe with Warner Music Group. The *ad hoc* Committee will continue to fulfill its mission and keep the market informed in compliance with applicable regulations.

6.2 Parent company financial statements at December 31, 2023

6.2.1 Parent company financial statement

Statement of financial position

	Fiscal year ended December 31, 2023			Fiscal year ended December 31, 2022
Assets *(In € thousands)*	**Gross**	**Amort. prov.**	**Net**	**Net**
NON-CURRENT ASSETS				
Concessions, patents, similar rights	4,248	2,224	2,024	1,406
Goodwill	1,440	1,440	-	-
Other intangible assets	113,137	81,367	31,770	34,453
Other property, plant and equipment	9,357	6,886	2,471	4,061
Intangible assets in progress	7,612	-	7,612	9,521
Equity investments	131,436	15,257	116,179	70,874
Receivables related to equity investments	154,535	14,830	139,705	121,452
Other financial assets	2,998	12	2,986	2,901
Total (I)	**424,764**	**122,016**	**302,748**	**244,668**
CURRENT ASSETS				
Inventories	1,225	489	736	729
Advances and down payments on orders	29,388	5,086	24,302	17,121
Discounts and rebates from suppliers	-	-	-	-
Trade receivables	88,596	1,499	87,097	71,563
Other receivables				
• prepayments to suppliers	5,059	-	5,059	3,953
• personnel	17	-	17	59
• social security	1	-	1	88
• State, income tax	1,695	-	1,695	1,613
• State, tax other than income tax	10,819	-	10,819	7,998
• Other	109,233	3,743	105,490	100,828
Cash at bank and on hand	117,654	-	117,654	229,336
Prepaid expenses	8,895	-	8,895	5,360
Total (II)	**372,582**	**10,817**	**361,765**	**438,648**
Expenses to be spread over several fiscal years (III)	619	-	619	878
Translation adjustments, assets (IV)	12,886	-	12,886	9,848
TOTAL ASSETS (I TO IV)	**810,851**	**132,833**	**678,018**	**694,042**

Liabilities *(In € thousands)*	**Fiscal year ended December 31, 2023**	Fiscal year ended December 31, 2022
EQUITY		
Share or individual capital	485	484
Share, merger and contribution premiums	467,682	466,063
Legal reserve	64	64
Retained earnings	(79,756)	(35,400)
Net income (loss) for the period	(22,248)	(44,357)
Regulated provisions	867	666
Total (I)	**367,093**	**387,520**
PROVISIONS FOR RISKS AND CONTINGENCIES		
Provisions for risks and contingencies	13,667	10,114
Total (II)	**13,667**	**10,114**
BORROWINGS AND DEBT		
Bank borrowings and debt	2,062	3,782
Borrowings and other financial debt	152,465	172,857
Advances and down payments received on orders in progress	2,133	1,570
Trade payables	106,550	91,286
Tax and social security liabilities:		
● Personnel	11,003	8,732
● Social security	8,614	6,794
● State, tax other than income tax	3,892	1,609
● Other taxes and duties	886	1,391
Trade payables on non-current assets	373	763
Other payables	4,098	2,774
Deferred revenue	168	96
Total (III)	**292,243**	**291,655**
Translation adjustments, liabilities (IV)	5,015	4,753
TOTAL LIABILITIES (I TO IV)	**678,018**	**694,042**

Income statement

(In € thousands)	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2022
Sales of goods	11,849	9,783
Sold production (services)	122,708	120,592
Net Revenue	**134,557**	**130,375**
Capitalized production	14,317	16,470
Operating grants received	503	356
Reversals on impairment and provisions, transfers of expenses	967	3,466
Ancillary revenue	99,807	85,093
Other income	3,626	5,172
Total operating income	**253,776**	**240,932**
Other purchases and external expenses	56,356	59,362
Change in inventories	190	(527)
Taxes, duties and similar expenses	1,975	2,614
Payroll expenses	51,638	45,752
Social charges	23,670	21,659
Depreciation of non-current assets	23,948	24,405
Provisions for risks and contingencies	672	266
Depreciation, amortization and other capitalized expenses	258	258
Provisions on current assets	1,976	4,900
Other expenses:	115,769	109,998
● *Payments to producers*	*114,841*	*109,125*
● *Other operating expenses*	*928*	*873*
Total operating expenses	**276,453**	**268,687**
OPERATING RESULTS	**(22,677)**	**(27,755)**
Financial income from equity investments	520	2,462
Other interest and similar income	20,058	10,455
Reversals on provisions and transfers of expenses	10,956	9,052
Positive exchange rate differences	6	10,457
Total financial income	**31,540**	**32,426**
Depreciation, amortization and provisions	16,499	41,184
Interest and similar expenses	8,790	3,253
Negative exchange rate differences	5,684	1,211
Total financial expenses	**30,973**	**45,648**
NET FINANCIAL INCOME (EXPENSE)	**567**	**(13,222)**
Non-current income on operating transactions	317	1,560
Non-current income on equity transactions	-	-
Reversals on provisions and transfers of expenses	-	1,021
Total non-current income	**317**	**2,581**
Non-current expenses on operating transactions	1,370	5,682
Non-current expenses on equity transactions	-	15
Non-current depreciation, amortization and provisions	201	69
Total non-current expenses	**1,571**	**5,766**
NON-CURRENT INCOME (LOSS)	**(1,254)**	**(3,185)**
Income tax	(1,116)	194
NET INCOME (LOSS)	**(22,248)**	**(44,357)**

6.2.2 Appendix

6.2.2.1 Presentation of the Company

Believe was registered on April 7, 2005 and its registered office is located at 24 rue Toulouse Lautrec in the 17th arrondissement of Paris, France.

Believe is one of the leading companies in the digital music market for independent labels and local artists. It has extensive experience in the development of digital artists and optimization of catalogs. It has built its model to be at the heart of the digital music revolution and to benefit from positive structural market trends.

The Company 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. Believe has also dedicated offerings for digital artists and labels according to their needs and stages of development.

Believe 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.

Its main subsidiaries are located in Germany, the United States, France, Italy, Russia, the UK and Luxembourg.

6.2.2.2 Preamble

The 2023 fiscal year covered a 12-month period, from January 1 to December 31, 2023, in the same way as the previous fiscal year.

Before appropriation of income, the statement of financial position totaled €678,018 thousand.

A net accounting loss was recorded in the amount of €22,248 thousand.

The information provided below forms an integral part of the annual financial statements which were approved by the Board of Directors on March 13, 2024.

Unless otherwise indicated, financial information is presented in thousands of euros without decimal places. Rounding to the nearest thousand euros may lead to non-material differences between reported totals and the sum of the reported amounts.

6.2.2.3 Accounting policies

The general rules for the preparation and presentation of the annual financial statements are based on the provisions of ANC Regulation No. 2014-03 of June 5, 2014, as revised to include any additional regulations as of the date of preparation of said annual financial statements.

The financial statements have been prepared and presented in accordance with the accounting principles and policies used by the Company for the financial statements of the fiscal year ended December 31, 2023.

The items recorded in the financial statements were valued on a historical cost basis. In particular, the various items in the annual financial statements were determined by using the valuation methods described below.

The valuation methods used for the fiscal year are identical to those used for previous disclosures.

The principles below have been applied on a prudent basis and in accordance with the following underlying principles:

- going concern;
- consistency of accounting methods over time;
- independence of fiscal years;

and in accordance with the general rules for the preparation and presentation of annual financial statements.

(a) Intangible assets and property, plant and equipment

Intangible assets created internally are recorded at their production cost and relate to clearly individualized projects with a high probability of technical and commercial success.

Intangible assets acquired are recorded at their acquisition cost.

Property, plant and equipment are recognized at their acquisition cost (purchase price and ancillary costs).

Non-current assets are subject to depreciation schedules determined according to the nature, duration and probable conditions of use of the assets.

The most common amortization periods and methods used for the various categories of intangible assets are as follows:

- software: 1 year, straight-line;
- patents: 10 years, straight-line;
- catalogs: 5 to 10 years, straight-line;
- Internet platform development: 3 years, straight-line;
- other intangible assets (clips, masters): 1 to 5 years, straight-line.

The most common depreciation periods and methods used for the various categories of property, plant and equipment are as follows:

- miscellaneous fixtures and fittings: 5 to 8 years, straight-line;
- IT equipment: 3 years, straight-line;
- office furniture: 5 years, straight-line.

(b) Goodwill

Goodwill is recorded at acquisition cost including ancillary costs such as fees and registration costs. On January 1, 2018, Musicast transferred its goodwill to the Company through a universal transfer of assets and liabilities.

Goodwill is fully amortized at December 31, 2023.

(c) Financial assets

Equity investments and other long-term investments are recognized at their acquisition cost. The Company has chosen to include ancillary costs (transfer taxes, fees or commissions and legal costs) in the acquisition cost of equity investments. For tax purposes, these expenses are subject to exceptional depreciation over a period of five years.

When the inventory value is lower than the gross value of the equity securities, an impairment loss is recognized for the difference. The inventory value of equity investments is measured based on the subsidiary's share of net assets or an estimate of the value in use determined on the basis of future cash flows adjusted for net debt.

Receivables related to equity investments are subject to depreciation calculated according to the estimated risk of non-recovery of advances made to the corresponding companies.

(d) Inventories

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.

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.

(e) Advances paid to artists and labels

Under certain contracts signed with artists and labels, the Company is required to pay advances recognized as current assets in "Advances and down payments on orders", which will be recovered against the amounts payable to those artists and labels 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 Company assesses whether or not there is any doubt as to the recoverability of these advances on the basis of estimates of the future performance of the artists and labels which will serve as a basis for the calculation of the amounts paid to artists and producers. Future performance is assessed on the basis of (1) the projected recoveries of the last three months over the remaining term of the initial contract, making it possible to identify the artists and labels for which there may be doubt as to the recoverability of their advances and (2) interviews with operational management to take into account qualitative elements (for example: an album release that has just taken place and which has not yet been reflected in the revenue generated in the last quarter, or the launch of a campaign to boost the catalog). Thus, the balance of advances is impaired if future performance is considered not to be sufficient.

(f) Receivables and related accounts

Trade receivables are initially recognized at their transaction price.

If there is objective evidence of a credit loss at the reporting date (*e.g.* litigious receivables or difficulties in terms of collection), additional impairment 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. The right to consideration is unconditional and only the passage of time is required before payment of that consideration is due.

(g) Accruals and related expenses

Prepaid expenses consist of ordinary expenses whose impact on income (loss) is deferred to a later period.

Borrowing costs are recognized as expenses to be spread over the period corresponding to the contractual term of the loan.

(h) Marketable securities

Marketable securities are recognized at their purchase or subscription cost, excluding incidental expenses. They are subject to impairment if the market value is lower than their carrying amount at the end of the fiscal year.

(i) Provisions for risks and contingencies

The material risks and expenses identified at the reporting date of the financial statements are subject to a provision when, at the end of the fiscal year, there is an obligation of the Company towards a third party which is likely or certain to result in a payment to the third party, with no consideration expected from that party for at least the equivalent amount.

Provisions are booked to take into account financial risks existing at the closing date of the financial statements.

(j) Trade and other payables

Trade and other payables are initially recognized at historical cost, and are classified as liabilities in the statement of financial position with a maturity date of less than one year.

Advances and down payments received represent consideration received for performance obligations that have not yet been satisfied or have only partly been satisfied.

Advances and down payments received relate mainly to discounts, rebates and reductions granted to certain customers, and to advances and minimum guarantees received from digital service providers and the SPPF.

(k) Accruals and liabilities

Prepaid income consists of ordinary income, the impact of which is carried forward to the following period.

(l) Foreign currency transactions

Income and expenses in foreign currencies are recorded using the exchange rates prevailing on the date of the transaction. Payables and receivables, denominated in foreign currencies, are shown in the statement of financial position using the exchange rates prevailing at year-end. The difference resulting from the discounting of payables and receivables in foreign currencies at the latest exchange rate is recorded in the statement of financial position under "Translation adjustments".

Unrealized foreign exchange losses are subject to a provision for foreign exchange losses.

For payables and receivables, currencies that are not hedged are revalued at the closing rate. The exchange rate difference is recognized in the income statement.

Pursuant to ANC Regulation 2015-05 of July 2, 2015, foreign exchange gains and losses on trade receivables and payables are classified as operating income.

(m) Capital increase costs

The Company charges the costs of the capital increase against the amount of the share premiums relating to the increase and, in the event of a shortfall, these costs are recognized as expenses.

(n) Revenue and revenue recognition

The Group derives most of its revenue from:

- digital sales;
- other activities, mainly consisting of physical sales.

Digital sales

Digital sales constitute sales of intellectual property licenses relating to the catalog of musical works for which the Company or its subsidiaries hold rights, but also sales to service providers of catalogs for which the Company does not hold the rights. The Company does not own the intellectual property rights, but has distribution rights for a contractually specified period.

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 Company 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.

Revenue is recognized as and when the catalog is used, based on reports compiled by the digital platforms.

Under certain contracts, the Company can be entitled to payment of a non-refundable minimum guarantee, equivalent in substance to an advance payment received by the Company.

Minimum guarantees are recognized in the same way as the payments to which they relate, or are recognized *prorata temporis* over the term of the contract if pertinent information is not available.

Others

In the case of physical sales, 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.

Revenue estimates

Based on past experience, the Company estimates revenue for sales made, and whose final sales reports are pending at the reporting date, on the basis of historical observations. This mainly concerns revenue from digital activities for all platforms working with the Company.

Revenue is estimated using the weighted average monthly growth of each platform over the past three years, and also takes into account any relevant known factors specific to a given platform

(o) Other operating income

The Company generates other operating income in the context of other, less significant activities, and in particular:

- 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;
- 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 Company may be responsible for collecting payments relating to neighboring rights from the relevant authorities, and then for paying them over to the artist/producer, less a management fee, where applicable;
- the Company also offers additional publishing right administration services, where it collects – mainly from collective management organizations and on behalf of the owners of the rights to the musical works – payments due in respect of the right to reproduce and perform these works;
- revenues related to the transfer pricing policy and management fee revenues.

(p) Other operating expenses

Payments to artists and labels are recognized in other expenses when proceeds from the sales of musical recordings are recognized, less any provision for returns.

(q) Consolidation

Believe SA, the parent company of the Group, prepares consolidated financial statements as at December 31, 2023.

6.2.2.4 Significant events

Acquisitions in the 2023 fiscal year

On March 30, 2023, the Company acquired the Sentric group, an independent music publishing platform, for €47,346 thousand as well as €958 thousand in associated acquisition costs, i.e. for a total amount of €48,304 thousand. It now holds 100% of the company’s share capital.

On June 2, 2023, the Company subscribed to the capital increase of IRCAM Amplify for €531 thousand.

Business related to subsidiaries

Believe Digital GmbH has a negative net worth of €49,549 thousand. Equity investments were impaired over previous fiscal years for an amount of €11,635 thousand and its loan for an amount of €14,830 thousand.

Believe Digital SRL has a positive net worth of € 970 thousand. The recovery in net worth enabled the reversal of impairments of €10 thousand on the shares and € 1,026 thousand on the current account.

Believe Digital OOO has a positive net worth of €982 thousand. In view of the international context, Believe decided to retain the impairments on the shares in the amount of €20 thousand and on its current account in the amount of €3,742 thousand.

6.2.2.5 Information on the statement of financial position

NON-CURRENT ASSETS

Movements during the period are described in the tables below.

Assets *(in € thousands)*	**At opening**	**Increase**	**Decrease**	**At December 31**
Intangible assets	98,549	20,293	18	118,825
Property, plant and equipment	9,357	1	1	9,357
Property, plant and equipment in progress	9,521	13,929	15,838	7,612
Equity investments	82,540	48,896	-	131,436
Financial assets excluding equity investments	139,255	36,723	18,444	157,533
TOTAL	**339,222**	**119,843**	**34,301**	**424,764**

Capitalized production

The Company recognizes as capitalized production mainly development costs.

These are the costs for developing and improving Believe's own technologies and projects to improve the organization, which amounted to €13,476 thousand during the fiscal year, compared with €15,706 thousand in 2022.

The other items recorded as capitalized production are related to the company's label activity. The amount stood at €841 thousand this year compared to €764 thousand in 2022.

Amortization, depreciation and impairment *(in € thousands)*	**At opening**	**Increase**	**Decrease**	**At December 31**
Intangible assets	62,690	22,359	18	85,031
Property, plant and equipment	5,296	1,590	-	6,886
Financial assets	26,567	3,591	60	30,099
TOTAL	**94,554**	**27,539**	**77**	**122,016**

BREAKDOWN OF NON-CURRENT ASSETS AND DEPRECIATION AT THE END OF THE PERIOD, EXCLUDING FINANCIAL ASSETS

Asset type *(in € thousands)*	**Gross value**	**Amortization**	**Carrying amount**
Software & Patents	4,248	2,224	2,024
Catalogs	14,833	8,622	6,211
Application design	91,013	65,667	25,347
Clips, Masters	7,053	6,920	133
Goodwill	1,440	1,440	-
Merger deficit	237	158	79
Miscellaneous fixtures and fittings	5,731	3,857	1,874
Office equipment	764	747	17
IT equipment	53	37	17
Furniture	2,809	2,246	563
Intangible assets in progress	7,612	-	7,612
TOTAL	**135,794**	**91,917**	**43,877**

TABLE OF SUBSIDIARIES AND EQUITY ASSOCIATES

Names *(In € thousands)*	Country	Capital	% holding	Revenue	Net income	Loans and advances	Other Equity	Net value of shares
Believe Digital GmbH	Germany	26	100%	175	(22,189)	91,079	(27,385)	0
Believe Digital SRL	Italy	10	100%	847	860		101	10
Believe International SARL	Luxembourg	17,312	100%	762,407	8,369	84,676	15,565	17,312
Believe Digital OOO	Russia	12	100%	217	4,199	7,573	(3,229)	0
Believe Digital Holding Inc.	United States	14,080	100%	-	2,468	5,040	10,914	14,555
Lili Louise Musique SAS	France	1,000	49%	67	877		1,545	12,300
6&7 SAS	France	81	51%	2,044	(114)	742	351	2,114
Play2 SAS	France	42	25%	26,674	805	4,924	2,384	12,179
Jo&Co SAS	France	10	51%	3,265	40	581	(35)	966
Structure PY SAS	France	0	24%	-	(743)	-	0	3,181
Sentric	UK	2	100%	-	(4)	-	3,360	48,304
Morning Glory Music SAS	France	1	53%	1,060	(768)	930	(166)	4,077

Extraordinary depreciation was recognized in the Company's financial statements for €867 thousand. The charge for the fiscal year amounted to €201 thousand.

ANALYSIS OF RECEIVABLES

(In € thousands)	Gross amount	Less than one year	More than one year
Receivables related to equity associates	154,535	4,976	149,559
Trade receivables outside the Group	35,953	35,953	-
Intragroup trade receivables	52,643	52,643	-
Other receivables on current assets	156,211	136,605	19,606
Prepaid expenses	8,895	5,998	2,897
GROSS TOTAL	**408,238**	**236,176**	**172,062**

Impairment of current assets *(in € thousands)*	At opening	Charges	Reversal used	Unused reversal	At December 31
Inventories	687	18	-	216	489
Advances	3,599	1,487	-	-	5,086
Trade receivables	1,522	471	-	494	1,499
Subsidiary current accounts	4,769	-	-	1,026	3,743
TOTAL	**10,577**	**1,976**	**-**	**1,736**	**10,817**

ACCRUED INCOME

(In € thousands)	Amount
Customer invoices to be issued - Group customers	37,787
Customer invoices to be issued - Third-party customers	9,911
Accrued income	361
TOTAL	**48,059**

PREPAID EXPENSES

(In € thousands)	Amount
Insurance	193
Rent	1,284
Live	606
Label	645
Fees	3,508
Licenses	2,328
Miscellaneous	332
TOTAL	**8,895**

EQUITY

(In € thousands)	At opening	Increase	Decrease	At December 31
Capital	484	1	-	485
Share premium	466,063	1,619	-	467,682
Legal reserve	64	-	-	64
Retained earnings	(35,400)	(44,357)	-	(79,756)
Net income (loss) for the period	(44,357)	(22,248)	(44,357)	(22,248)
Regulated provisions	666	201	-	867
EQUITY AT YEAR-END	**387,520**	**(64,783)**	**(44,357)**	**367,093**

SHARE CAPITAL

Share movements	Decision date	Number	Par value *(in €)*	Share capital (*in €*)
Shares at beginning of year		96,764,109	0.005	483,821
Exercise of BSPCE/BSA	04/30/2023	107,634	0.005	538
Exercise of BSPCE/BSA	06/30/2023	60,872	0.005	304
Exercise of BSPCE/BSA	12/31/2023	153,735	0.005	769
SHARES AT FISCAL YEAR-END		**97,086,350**	**0.005**	**485,432**

Accordingly, at December 31, 2023, the Company's share capital amounted to €485,432, *i.e.* an increase of €1,611, resulting from the completion of the following capital increases:

- on April 30, 2023, the share capital was increased by a nominal amount of €538 by issuing shares for the beneficiaries of the BSA and BSPCE plans who exercised their warrants (issue of 107,634 new shares);
- on June 30, 2023, the share capital was increased by a nominal amount of €304 by issuing shares for the beneficiaries of the BSA and BSPCE plans who exercised their warrants (issue of 60,872 new shares);
- on December 29, 2023, the share capital was increased by a nominal amount of €769 by issuing shares for the beneficiaries of the BSA and BSPCE plans who exercised their warrants (issue of 153,735 new shares).

Characteristics of the share subscription warrants

The terms and conditions of these issues 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
BSPCE 2011	05/31/2011	07/01/2011	€8,884	156,002	66,860	-	89,142	12/18/2012	07/01/2023, 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.

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.

Performance Shares (AP)

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

- 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 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
AP 2021 - tranche 2	09/15/2021	230,751	N/A
AP 2021 - tranche 1 and 3	09/15/2021	461,503	106% / 0%
AP 2022 - tranche 2	05/03/2022	232,441	N/A
AP 2022 - tranche 1 and 3	05/03/2022	464,881	100%
AP 2022 - tranche 2	12/09/2022	33,333	N/A
AP 2022 - tranche 1 and 3	12/09/2022	66,667	100%
AP 2023 - tranche 3	04/27/2023	321,448	N/A
AP 2023 - tranche 1, 2 and 4	04/27/2023	750,047	100%

Treasury shares purchased

As part of the implementation of the liquidity and market screening contract on its ordinary shares, the Company held 105,030 treasury shares at December 31, 2023.

PROVISIONS FOR RISKS AND CONTINGENCIES

(In € thousands)	At opening	Addition	Reversal used	Unused reversal	At December 31
Provisions for risks	266	672	116	42	780
Other prov. for risks and contingencies	-	-	-	-	-
Provisions for foreign exchange risks	9,848	12,886	-	9,848	12,886
TOTAL	**10,114**	**13,558**	**116**	**9,890**	**13,667**

Provisions for foreign exchange risks amounted to €12,886 thousand at the end of 2023 and mainly cover the foreign exchange risk related to current accounts in USD and RUB.

FINANCIAL LIABILITIES

(In € thousands)	At opening	Increase	Decrease	At December 31
Bank borrowings and debt	3,782	37	1,757	2,062
Bank overdrafts	-	-	-	-
Bank borrowings and debt	**3,782**	**37**	**1,757**	**2,062**
Subsidiary current accounts	172,857	26,868	47,260	152,465
Borrowings and other financial debt	**172,857**	**26,868**	**47,260**	**152,465**
TOTAL	**176,639**	**26,905**	**49,018**	**154,526**

ANALYSIS OF PAYABLES

(In € thousands)	Total amount	0 to 1 year	1 to 5 years	More than 5 years
Borrowings and financial debt	2,062	1,162	900	-
Bank overdrafts and facilities	-	-	-	-
Other financial liabilities	152,465	152,465	-	-
Trade receivables, CNI, CNR	2,133	2,133	-	-
Trade payables	106,550	106,550	-	-
Payables to suppliers of non-current assets	373	373	-	-
Tax and social security liabilities	24,395	24,395	-	-
Other payables	4,098	4,098	-	-
Deferred revenue	168	168	-	-
TOTAL	**292,243**	**291,343**	**900**	**-**

ACCRUED EXPENSES

(In € thousands)	Amount
Bank borrowings and debt	37
Trade payables	76,429
Tax and social security liabilities	16,420
TOTAL	**92,886**

6.2.2.6 Information on the income statement

BREAKDOWN OF OPERATING INCOME

(In € thousands)	Amount excl. VAT	%
Sales of goods	11,849	4.7%
Services	122,708	48.4%
Income from ancillary activities and other operating income	119,219	47.0%
TOTAL	**253,776**	**100%**

Sales of goods correspond to the physical distribution activity and Merchandising.

The provision of services relates to digital distribution.

Income from ancillary activities includes in particular invoices to the Company's subsidiaries for management *fees,* the share of distribution fees paid to digital platforms and owed to the Company in accordance with the invoicing terms provided for in the contracts between the Company and its subsidiaries, and capitalized production.

REVENUE BREAKDOWN

(In € thousands)	France	Exports	Total
Sales of goods	11,072	776	11,849
Services	9,269	113,439	122,708
NET REVENUE	**20,341**	**114,216**	**134,557**

TAX BREAKDOWN

Detailed tax expense *(in € thousands)*	2023	2022
Income tax	0	732
Production Tax Credit	(1,012)	(316)
Live performance Tax Credit (*Crédit d'impôt Spectacle Vivant*)	(22)	(162)
Tax loss carryforwards	(82)	(60)
TOTAL	**(1,116)**	**194**

INCREASE AND REDUCTION OF FUTURE TAX LIABILITY

(In € thousands)	Amount	Tax
Increases	**13,753**	**3,438**
Regulated provisions	867	217
Translation adjustments, assets	12,886	3,222
Reductions	**(22,401)**	**(5,600)**
Non-deductible provisions year of recognition	4,283	1,071
Social construction tax	217	54
Provision for foreign exchange losses	12,886	3,222
Translation adjustments, liabilities	5,015	1,254
TOTAL	**(8,648)**	**(2,162)**

The tax rate used to calculate the increase and reduction of the tax liability is 25%.

BREAKDOWN OF CORPORATE INCOME TAX BETWEEN CURRENT INCOME AND NON-CURRENT INCOME

(In € thousands)	Income (loss) before tax	Tax due	Income after tax
Current income	(22,110)	-	(22,110)
Non-current income (loss)	(1,254)	-	(1,254)
Tax loss carryforwards	-	82	1,034
Tax adjustment	-	-	-
Tax credit	-	1,034	82
TOTAL	**(23,364)**	**1,116**	**(22,248)**

EXCEPTIONAL EXPENSES AND INCOME

Exceptional income and expenses mainly comprises:

- non-current income on equity and management transactions, in the amount of €317 thousand, and reversals of provisions and transfers of expenses totaling €0;
- non-current expenses on equity and management transactions, in the amount of €1,370 thousand, and as non-current depreciation, amortization and provisions totaling €201 thousand. This is mainly exceptional expenses related to extraordinary depreciation.

6.2.2.7 Average headcount

Employee categories	Employees
Executives	541
Employees	106
TOTAL	**647**

6.2.2.8 Executive compensation

The compensation of the Group's main executives corresponds to the compensation of corporate officers and independent directors. The amounts presented below in respect of their compensation and recorded in the income statement correspond to the amounts paid during their terms of office. The key executives have not been granted any post-employment benefits.

(In € thousands)	2023	2022
Compensation in respect of employment	387	376
Benefits in kind	-	-
Compensation in respect of corporate officer positions	167	205
TOTAL EXECUTIVE COMPENSATION	**554**	**581**

6.2.2.9 Off-balance sheet commitments

Finance lease liabilities

At December 31, 2023, liabilities associated with finance leases relate to investments in IT equipment by Believe. The commitment stood at €4,241,000 at December 31, 2023.

Lease commitment

In March 2019, the Company entered into a lease, subsequently amended by riders, to establish its registered office in the premises located at 24, rue Toulouse Lautrec in the 17th arrondissement of Paris. It moved to its new premises in November 2019 and the registered office was transferred to this address.

In 2023, the Company and the lessor renegotiated a new lease by mutual agreement that resulted in the early termination of the initial lease, which ended, without compensation and without any other formality, on March 31, 2023.

The new lease was granted for a period of 9 (nine) years with effect from April 1, 2023, and ends on March 31, 2032. In addition to the legal option to terminate the lease at the end of each three-year period, the Company has two options to terminate the lease, on August 31, 2025 or August 31, 2028, subject to complying with the corresponding termination conditions.

The commitment in respect of this lease was €16,368,313 at December 31, 2023.

Other commitments

The list of commitments given breaks down as follows:

- various general and specific guarantees in connection with the acquisitions of Play 2, Jo&Co, Morning Glory Music and Structure PY;
- comfort letters in the context of business continuity for its subsidiaries: Believe SRL, Believe GmbH, Soulfood , Believe Direct Limited and Nuclear Blast GMGH.

Post-employment benefit obligations

Post-employment benefit obligations were estimated at December 31, 2023 using the retrospective method of projected unit credits. This method takes into account the current age and length of service of each employee, their life expectancy based on the INSEE mortality tables, and the probability of being employed by the Company based on employee turnover rates per age group.

The scale used for the number of months of compensation is the one from the Creation and Event collective bargaining agreement; the amount of the retirement benefit is set as follows:

- for employees with between 5 and 8 years of service: 1 month's salary;
- for employees with between 9 and 13 years of service: 2 months' salary;
- for employees with between 14 and 18 years of service: 3 months' salary;
- for employees with between 19 and 23 years of service: 4 months' salary;
- for employees with between 24 and 28 years of service: 5 months' salary;
- for employees with between 29 and 34 years of service: 6 months' salary;
- for employees with more than 35 years of service: 7 months' salary.

The calculation is estimated based on the compensation paid in 2023 and takes into account a turnover rate by age group of between 0% and 24.0%, a discount rate of 4.09%, a salary increase rate by age group of between 2.0% and 8.0%, and a social security contribution rate of 45%.

Off-balance sheet commitments amounted to €105,316 at December 31, 2023, compared to €141,529 at December 31, 2022.

The change during the 2023 fiscal year can be analyzed as follows:

- standard cost of €7,532;
- interest cost on the liability of €5,485;
- actuarial losses of €49,219.

6.2.2.10 Events after the reporting period

On 12 February 2024, Denis Ladegaillerie, the EQT X fund ("EQT") and funds advised by TCV (together, "TCV") have announced that they have formed a consortium (the "Consortium") with a view to launching, through a dedicated entity a tender offer on the shares of the Company at a price per share of 15 euros, 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 12 February 2024, as well as the press release issued by the Company on the same day, available on the Company's institutional website*).

As stated in Note 8.3, if these operations were to take place, the consortium would take control of the Company, thus constituting a case of change of control under the Revolving Credit Agreement.

The Board of Directors of Believe has created an *ad hoc* Committee composed of 3 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 has received an exploratory, preliminary, and non-binding expression of interest from Warner Music Group regarding a potential combination of Believe with Warner Music Group. The *ad hoc* Committee will continue to fulfill its mission and keep the market informed in compliance with applicable regulations.

6.2.3 Other items relating to the 2023 financial statements

6.2.3.1 Overview of the Company financial position and business during the fiscal year

The Company's revenue was up on the previous fiscal year and stood at €134,557 thousand for the fiscal year ended December 31, 2023, compared with €130,375 thousand for the previous fiscal year, *i.e.* an increase of 3%.

The Company's revenue principally stems from the distribution of musical content on the French market, and the provision of services to its subsidiaries through the central technological platform developed by the Company to support the development of artists and labels in all regions.

Operating income amounted to €253,776 thousand, compared to €240,932 thousand in the previous fiscal year. Operating expenses totaled €276,453 thousand compared with €268,687 thousand in the previous fiscal year.

Total payroll amounted to €75,308 thousand, compared to €67,411 thousand for the fiscal year ended December 31, 2022, *i.e.* an increase of 12%.

Recruitment is focused on the following resources: metadata and operations management and developers.

Operating income increased to €(22,677) thousand for the fiscal year ended December 31, 2023, compared to €(27,755) thousand for the previous fiscal year, *i.e.* an increase of 18.3%.

Net financial income was €567 thousand compared to an expense of €13,222 thousand in 2022, due in particular to a positive currency effect of €17,988 thousand, the reduction in provisions for impairment of shares in subsidiaries €(8,074) thousand, a reduction in provisions for group loans of €14,830 thousand, and impairment of current accounts €(5,795) thousand and currency gains and provisions.

Operating income before tax was up compared to the previous fiscal year and stood at €(22,110) thousand for the fiscal year, compared with €(40,977) thousand for the previous fiscal year.

Exceptional income amounted to €(1,254) thousand, compared to €(3,185) thousand at December 31, 2022, mainly comprised in 2023 of a debt write-off in favor of its Italian subsidiary of €(1,000) thousand.

Corporate income tax in 2023 amounted to income of €1,116 thousand, mainly corresponding to the phonographic tax credit, compared with an expense of €194 thousand in 2022.

Business for the fiscal year resulted in a net accounting loss of €(22,248) thousand, compared to a net accounting loss of €(44,357) thousand recognized in the previous fiscal year.

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the below table presents the Company's results for the last five fiscal years:

(In € thousands)	December 2019	December 2020	December 2021	December 2022	December 2023
I. Financial position at year-end					
a) Share capital	400	402	480	484	485
b) Number of shares issued	39,970,901	40,234,421	95,957,102	96,764,109	97,086,350
c) Number of bonds convertible into shares	-	-	-	-	
II. Comprehensive operating income					
a) Revenue excluding tax	254,671	196,472	154,377	130,375	134,557
b) Earnings before tax, depreciation, amortization and provisions	9,842	(1,004)	(2,758)	13,524	8,368
c) Income tax	2,650	(304)	(2,233)	194	(1,116)
d) Earnings after tax, depreciation, amortization and provisions	976	(17,763)	(18,928)	(44,357)	(22,348)
e) Amount of earnings distributed	-	-	-	-	
III. Operating income per share					
a) Earnings after tax, but before depreciation, amortization and provisions in €	0.18	(0.02)	(0.01)	0.14	0.10
b) Earnings after tax, depreciation, amortization and provisions in €	0.02	(0.44)	(0.20)	(0.46)	(0.23)
c) Dividend allocated to each share in €					
IV. Staff					
a) Number of employees	261	391	516	642	675
b) Total payroll	15,100	24,070	34,462	42,311	48,179
c) Amount paid in respect of social benefits (social security, employee social and cultural budget, etc.)	6,702	10,355	15,206	18,661	22,448

The companies controlled by Believe are as follows:

Believe Digital GmbH (Germany)

In 2023, this subsidiary, wholly-owned by the Company, absorbed the Groove Attack group comprising its subsidiaries GoodToGo GmbH, JustBridge Entertainment GmbH and RoughTrade GmbH.

Over the period from January 1, 2023 to December 31, 2023, its revenue amounted to €175 thousand and its net income (loss) resulted in a net accounting loss of €(22,189) thousand.

Believe International SARL (Luxembourg)

This subsidiary, wholly-owned by the Company, reported revenue of €762,407 thousand for the period from January 1, 2023 to December 31, 2023, and net accounting income of €8,369 thousand.

Believe Digital SRL (Italy)

This subsidiary, wholly-owned by the Company over the period from January 1, 2023 to December 31, 2023, presented revenue of €847 thousand and net accounting income of €860 thousand.

Believe Digital OOO (Russia)

This subsidiary, wholly-owned by the Company over the January 1, 2023 to December 31, 2023, presented revenue of €217 thousand and net accounting income of €4,199 thousand.

Believe Digital Holdings Inc (United States)

This subsidiary, wholly-owned by the Company, did not recognize any revenue and net accounting income was €2,468 thousand, resulting from the dividend paid by TuneCore Inc.

Existing branches

As of December 31, 2023, the Company had a representative office in Istanbul, Turkey, as well as two secondary entities located at the Company’s registered office.

6.2.3.2 Significant events during the fiscal year

Acquisitions in the 2023 fiscal year

On March 30, 2023, the company acquired the Sentric group, an independent music publishing platform, for €48,304 thousand. Believe holds 100% of Sentric Music Group's share capital.

On June 2, 2023, the Company subscribed to the capital increase of IRCAM Amplify for an amount of €531 thousand.

Business related to subsidiaries

Believe Digital GmbH had a negative net worth of €49,549 thousand. Equity investments were impaired in the amount of €11,635 and its loan in the amount of €14,830 thousand.

In addition, during the 2023 fiscal year, Believe wrote off a debt of €1,000 thousand in favor of its Italian subsidiary in order to enable the latter to restore its net worth. This company has a positive net worth of €970 thousand.

During the same fiscal year, Believe reversed the impairment of the securities of this subsidiary for €10 thousand and of its current account for an amount of €1,026 thousand.

Believe Digital OOO had a negative net worth of €982 thousand. In view of the international context, Believe decided to maintain the impairment on securities for an amount of €20 thousand and on its current account for €3,742 thousand.

Other information

There is no other relevant information.

6.2.3.3 Company's capital increase

In 2023, the share capital was increased (including share premiums) by a total of €1.6 million by issuing new shares to the beneficiaries the BSA and BSPCE plans who exercised their warrants (see Note 10.1 - Changes in share capital).

6.2.3.4 Equity investments made during the fiscal year

On March 30, 2023, the Company acquired the Sentric group, an independent music publishing platform, for €48,304 thousand. Believe now holds 100% of Sentric Music Group’s share capital.

On June 2, 2023, the Company subscribed to the capital increase of IRCAM Amplify for €531 thousand.

6.2.3.5 Foreseeable development and outlook

For the coming fiscal year, the Company anticipates the following changes:

- continuing its organic international development and external growth transactions in order to strengthen its market share;
- continuing the integration and development of companies acquired in order to optimize synergies and strengthen offers;
- strengthening of technical and operational teams to support growth and technological developments.

6.2.3.6 The Company's research and development activities

During the past fiscal year, the Company recorded research and development expenses in the amount of €15,046 thousand. These are mainly expenses for product and system development projects.

6.2.3.7 Proposed allocation of Company net income

At the General Meeting to be held on June 26, 2024, shareholders will be asked to allocate the income for the fiscal year ended December 31, 2023, namely a net accounting loss of €22,247,581, to "Retained earnings", which, subject to approval by the said Meeting, will changed from €(22,247,581) to €(102,003,922).

6.2.3.8 Information on dividends previously paid

In accordance with the provisions of Article 243 bis of the French General Tax Code, no dividends were paid in respect of the three previous fiscal years.

6.2.3.9 Non-deductible tax expenses

It should be noted that the financial statements for the fiscal year ended December 31, 2023 include non-tax deductible expenses referred to in Article 39-4 of the French General Tax Code, namely an amount of €7.4 thousand for excess depreciation. No tax is due in respect of these expenses.

In addition, the non-deductible reintegrated overheads referred to in Article 39-5 of the French General Tax Code amounted to €0.

6.2.3.10 Information on payment terms

The information relating to Article D. 441-6 of the French Commercial Code is as follows:

The breakdown of the Company's trade payables by maturity date was as follows:

	Article D. 441-6 I-1°: invoices received and not paid at the reporting date and whose term is past due				
(In € thousands)	**1-30 days**	**31-60 days**	**61-90 days**	**More than 90 days**	**Total (1 day or more)**
(A) Past due periods					
Number of invoices involved	10	1	5	390	406
Total amount of invoices including VAT	74	11	24	3,010	3,120
Percentage of total purchases excluding tax for the fiscal year	0.04%	0.01%	0.01%	1.52%	1.57%
(B) Invoices not included in (A) associated with disputed or not recognized debt and receivables					
Number of invoices non included					
Total amount of invoices not included					
(C) Reference payment terms used (contractual or legal – Article L. 441-10 or L. 441-9 of the French Commercial Code)					
Payment terms used to calculate late payments	30 days following the issue of the supplier invoice				

At the reporting date, the breakdown of the Company's trade receivables by maturity date was as follows:

	Article D. 441-6 I-2°: invoices issued but not yet paid at the reporting date whose term is past due				
(In € thousands)	**1-30 days**	**31-60 days**	**61-90 days**	**More than 90 days**	**Total (1 day or more)**
(A) Past due periods					
Number of invoices involved	2,613	140	123	652	3,528
Total amount of invoices including VAT	1,745	37	8	2,127	3,918
Percentage of revenue excl. Tax for the fiscal year	0.95%	0.02%	0.00%	1.15%	13.47%
(B) Invoices not included in (A) associated with disputed or not recognized debt and receivables					
Number of invoices non included					
Total amount of invoices not included					
(C) Reference payment terms used (contractual or legal – Article L. 441-10 or L. 441-9 of the French Commercial Code)					
Payment terms used to calculate late payments	30 days following the issue of the customer invoice				

6.2.3.11 Employee share ownership

Employee profit-sharing is described in Chapter 7 *"Information on the Company and its shareholders"* of this Universal Registration Document, in Section 7.3.4 *"Statement of employee share ownership"*.

6.2.3.12 Agreements covered by Article L. 225-38 of the French Commercial Code

The Statutory Auditors issued a special report on related-party agreements noting the only agreement that continued in force over the 2023 fiscal year, details of which are provided in Section 4.4 "*Related-party and current agreements and valuation procedure*".

For the 2023 fiscal year, no related-party agreement falling within the scope of Article L. 225-38 of the French Commercial Code was signed or authorized in advance by the Board of Directors.

Believe's shareholders will be asked to approve the Statutory Auditors' special report at the General Meeting to be held on June 26, 2024.

6.2.3.13 Terms of office of the executive director, the directors and the Joint Statutory Auditors

(a) Terms of office of executives

Details of the terms of office of the Company's executive director and directors can be found in the corporate governance report (described in Chapter 4 *"Corporate governance*" of this Universal Registration Document).

(b) Terms of office of the Joint Statutory Auditors

The General Meeting of Shareholders held on May 25, 2021 specified that the transformation of the Company into a French public limited company (*société anonyme*) had no impact on the term of office of the Joint Statutory Auditors, who will remain in office for the remaining terms of their respective offices.

As a reminder, ACA NEXIA, Principal Joint Statutory Auditor, and PIMPANEAU & ASSOCIES, Alternate Joint Statutory Auditor, were appointed on December 23, 2020 for the remaining term of office of their predecessors, *i.e.* until the end of the General Meeting called to approve the financial statements for the fiscal year ended December 31, 2023.

As the term of office as Principal Statutory Auditor of ACA NEXIA is expiring, the General Meeting of June 26, 2024 will be asked to renew the term of office of ACA NEXIA as Principal Statutory Auditor for a period of six fiscal years.

As the term of office as Alternate Statutory Auditor of PIMPANEAU & ASSOCIES is expiring, the General Meeting of June 26, 2024 will be asked to not renew this term of office.

In addition, KPMG S.A., Alternate Joint Statutory Auditor, and SALUSTRO REYDEL, Alternate Joint Statutory Auditor, were appointed on June 27, 2019 until the end of the General Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

(c) Appointment of an auditor to certify the information relating to sustainability

It should be noted that, for all practical purposes, the General Meeting of June 26, 2024 will have to vote on the appointment of an auditor responsible for certifying the information relating to sustainability.

For further information, readers are invited to consult the explanatory note associated with the relevant resolution.

6.2.3.14 Reminder of currently valid delegations granted by the General Meeting to the Board of Directors

The reports prepared by the Board of Directors per Articles L. 225-184 and L. 225-197-4 of the French Commercial Code relating, on the one hand, to share subscription and purchase options and, on the other hand, the grant of free shares will be provided to shareholders at the Annual General Meeting of June 26, 2024.

In addition, the General Meetings of June 20, 2022 and June 16, 2023 adopted a certain number of currently valid financial delegations described in Chapter 7 *"Information on the Company and its shareholders*", of this Universal Registration Document under Section 7.2.2 *"Share capital authorized but not issued"*.

6.3 Statutory Auditors’ report on the consolidated financial statements and the separate financial statements at December 31, 2023

6.3.1 Statutory Auditors’ report on the consolidated financial statements at December 31, 2023

Fiscal year ended December 31, 2023

To the General Meeting of Believe,

Opinion

Pursuant to the engagement entrusted to us by your General Meetings, we have audited Believe's consolidated financial statements for the fiscal year ended December 31, 2023, as attached to this report.

We hereby certify that, in accordance with the IFRS standards applicable in the European Union, the consolidated financial statements give a true and fair view of the results of operations for the past fiscal year, as well as of the financial position and the assets and liabilities of the group of persons and entities comprising the scope of consolidation as at the end of the fiscal year.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors’ responsibilities for the audit of the consolidated financial statements" Section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date of our report, and, notably, we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year, as well as how we addressed those risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole and of the formation of our opinion expressed above. We do not express an opinion on these consolidated financial statements taken in isolation.

CHANGE IN ADVANCES PAID TO ARTISTS AND LABELS

Notes 1.3 "Use of judgement and estimates" and 4.6 "Advances to artists and labels" of the Notes to the consolidated financial statements

Key audit matters	Responses provided during our audit
Advances to artists and labels appear on the balance sheet at December 31, 2023 for a net amount of €258,580 thousand, including €103,129 thousand for the current portion and €155,451 thousand for the non-current portion. These advances are recognized as assets when they are paid and are expensed as the related rights are due to the artists and labels. When there is doubt as to the recoverability of these advances, an impairment loss is recognized in cost of sales. The carrying amount of the advances is written down if the Group no longer expects to recoup them in full against the future performance of the artists or labels. 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. We considered that the valuation of advances paid to artists and labels was a key audit matter because of their materiality in the Group's consolidated financial statements and because the determination of future performance and resulting impairment relies on estimates or assessments involving a high degree of judgment on the part of management.	Our work consisted of: ● obtaining an understanding of how management determines the recoverability of advances paid to artists and labels; ● assessing the reasonableness of the quantitative and qualitative factors used by management to evaluate the future performance of artists and labels; ● performing a retrospective analysis of the performance of artists and labels for which (i) there was a doubt, at the end of the previous fiscal year, as to the recoverability of their advances based on the projections for the last three months and (ii) which had not been impaired based on qualitative elements; ● assessing the appropriateness of the information on the accounting principles applied and the significant judgments used by the group.

DIGITAL REVENUE ESTIMATE RELATED TO FINAL SALES REPORTS NOT RECEIVED AT YEAR END

Notes 1.3 "Use of judgement and estimates" and 4.5 "Trade receivables and other current assets" of the Notes to the consolidated financial statements

Key audit matters	Responses provided during our audit
Based on past experience, the group estimates revenue for sales made for which final sales reports are pending at the reporting date. This mainly concerns revenue from digital activities for all platforms working with the group. 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. Revenue is estimated using the weighted average monthly growth of each platform over the past three years, and also takes into account any relevant known factors specific to a given platform. We considered that Digital revenue estimation related to final sales reports not received at year end from the digital platforms was a key audit matter because of estimates required for the recognition of this revenue.	Our work consisted of: ● obtaining an understanding of the revenue estimation method used by the group for final sales reports not received at year end; ● assessing the compliance of this method with applicable accounting principles; ● for a selection of digital platforms for which final reports were received and for which invoices were issued subsequent to year end, comparing them with the estimates made by the group at year end; ● for digital platforms for which final reports were not received, assessing the correct application of the estimation method defined by the group, and, where applicable, the reasonableness of the known specific factors taken into account for the estimation of invoices to be issued; ● comparing retrospectively the estimates made by the group at previous year-ends with the final sales reports received; ● assessing the appropriateness of the information on the accounting principles applied and the significant judgments used by the Group.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We certify that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code, is included in the Group's information given in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We also verified, in accordance with the professional standards applicable in France regarding the procedures performed by the Statutory Auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code, prepared under the responsibility of Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements in accordance with the single European electronic reporting format, the content of certain tags in the notes may not be rendered identically to the consolidated financial statements attached to this report.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements in accordance with the single European electronic reporting format, the content of certain tags in the notes may not be rendered identically to the consolidated financial statements attached to this report.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Believe's Statutory Auditors by the General Meetings held on June 27, 2019, in the case of KPMG SA, and on December 23, 2020, in the case of Aca Nexia.

As at December 31, 2023, KPMG SA was in the 5th year and of total uninterrupted engagement and Aca Nexia was in the 4th year, including two years each since securities of the Company was admitted to trading on a regulated market.

Furthermore, KPMG Audit IS, member of the KPMG network, was previously Statutory Auditor of the entity from 2013 to 2018.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as internal audit where applicable, with respect to procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality the management of its affairs.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. Furthermore, it:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on said financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration foreseen by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set notably by Articles L. 821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense, March 26, 2024

KPMG SA

Jean-Pierre Valensii
Associate

Jérôme LO IACONO
Associate

Paris, March 26, 2024

Aca Nexia

Olivier Juramie
Associate

6.3.2 Statutory Auditors’ report on the financial statements at December 31, 2023

Fiscal year ended December 31, 2023

To the General Meeting of Believe,

Opinion

Pursuant to the engagement entrusted to us by your General Meetings, we have audited Believe's annual financial statements for the fiscal year ended December 31, 2023, as attached to this report.

We hereby certify that, in accordance with French accounting principles, the annual financial statements give a true and fair view of the results of operations for the past fiscal year, as well as of the Company's financial position and its assets and liabilities as at the end of the fiscal year.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors’ responsibilities for the audit of the annual financial statements" Section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date of our report, and, notably, we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year, as well as how we addressed those risks.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and of the formation of our opinion expressed above. We do not express an opinion on these annual financial statements taken in isolation.

VALUATION OF EQUITY INVESTMENTS AND RELATED RECEIVABLES

Note on "Accounting policies – Financial assets" of the Notes to the annual financial statements

Key audit matters	Responses provided during our audit
The equity investments recorded in the statement of financial position at December 31, 2023 had a net value of €116,179 thousand, while related receivables had a net carrying amount of €139,705 thousand. Equity investments are recognized on their entry date at acquisition cost and impaired on the basis of their value in use. The value in use is estimated by management on the basis of the subsidiary's share of net assets or an estimate of future cash flows corrected for net debt. Receivables related to equity investments are subject to impairment calculated according to the estimated risk of non-recovery of advances made to the corresponding companies. In this context, due to the uncertainties inherent in certain elements and in particular the probability of the realization of the forecasts, and due to their significant importance in the company's financial statements, we considered that the correct valuation of equity interests and related receivables constitutes a key audit matter.	To assess the reasonableness of the estimate of the value in use of equity investments, on the basis of the information communicated to us, our work consisted mainly in verifying that the estimate of these values determined by management is based on an appropriate justification of the valuation method and the figures used and, depending on the investments concerned, to: For valuations based on the share of net assets of the subsidiary: ● check that the shareholders' equity used is consistent with the accounts of the entities that have been the subject of an audit or analytical procedures and that the adjustments made, where applicable, to these shareholders' equity are based on documentary evidence. For forecast-based valuations: ● obtain the cash flow forecasts of the entities concerned and assess their consistency with historical data; ● check the consistency of the assumptions used with the economic environment on the dates of closing and establishment of the financial statements; ● assess the reasonableness of the other assumptions used, such as the perpetual growth rate or the discount rate; ● check that the value resulting from the cash flow forecasts has been adjusted for the amount of debt of the entity in question. Beyond the assessment of the value in use of equity investments, our work also consisted to: ● assess the recoverability of the related receivables with regard to the analyzes carried out on the equity securities; ● check the recognition of a provision for risks in cases where the company is committed to bearing the losses of a subsidiary with negative equity.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the annual financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the annual financial statements provided to shareholders.

We attest to the fair presentation and the consistency with the annual financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on Corporate Governance

We certify that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information provided in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to compensation and benefits received by or awarded to the directors and any other commitments made in their favor, we verified their consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest to the accuracy and fair presentation of this information.

Concerning the information provided in accordance with the requirements of Article L.22-10-11 of the French Commercial Code relating to factors which your Company considers could have an impact in the event of a takeover bid or public exchange offer, we verified its consistency with the documentation from which it has been extracted and which has been provided to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the annual financial statements intended to be included in the annual financial report

We also verified, in accordance with the professional standards applicable in France regarding the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code, prepared under the responsibility of Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Believe's Statutory Auditors by the General Meetings held on June 27, 2019, in the case of KPMG SA, and on December 23, 2020, in the case of Aca Nexia.

As at December 31, 2023, KPMG SA was in the 5th year and of total uninterrupted engagement and Aca Nexia was in the 4th year, including three years each since securities of the Company was admitted to trading on a regulated market.

Furthermore, KPMG Audit IS, member of the KPMG network, was previously Statutory Auditor of the entity from 2013 to 2018.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles and for such internal control as management deems necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as internal audit where applicable, with respect to procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the annual financial statements

Objectives and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality the management of its affairs.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. Furthermore, it:

- identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration foreseen by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set notably by Articles L. 821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense, March 26, 2024		Paris, March 26, 2024
KPMG SA		Aca Nexia
Jean-Pierre Valensi	Jérôme LO IACONO	Olivier Juramie
Associate	*Associate*	*Associate*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7.

Information on the Company and its shareholders

7.1 Information on the Company

7.1.1 General information about the Company

Company name: Believe

Corporate form: French public limited company (*société anonyme*) governed by the provisions of the French Commercial Code.

By decision of the General Meeting of May 25, 2021, the Company adopted the form of a public limited company (société anonyme) with a Board of Directors.

Trade and Companies Register number: 481 625 853 RCS Paris

Registered office: 24 rue Toulouse Lautrec, 75017 Paris, France.

Tel: +33 (0) 1 53 09 34 00

Term of the Company: 99 years as of its registration on April 7, 2005, i.e. until April 7, 2104, except in the case of early dissolution or extension.

Fiscal year: 12 months (begins on January 1 and ends on December 31 of each year).

LEI: 969500WGEAZ8YE4UAI86

Website: www.believe.com.

The information provided on the Company's website does not form part of this Universal Registration Document, unless such information is incorporated by reference into the Universal Registration Document.

7.1.2 Memorandum and articles of association

7.1.2.1 Corporate purpose

The Company's purpose, in France and abroad, is:

- to contribute to fostering and developing the wealth and diversity of cultural creation by facilitating its production, dissemination, promotion and the widest possible distribution;
- the design, creation, development, management and operation of websites for its own account on the Internet;
- the identification, production, promotion, distribution and dissemination of documents, sound recordings, videotapes and all other entertainment materials in all forms (physical, digital, etc.) and on all media (press, Internet, mobile telephony, radio, television, etc.), as well as music publishing;
- the conversion of all documents, sound recordings, videotapes and other entertainment materials from a physical to an electronic medium;
- the dissemination and publication in all forms and on all media of entertainment information;
- the production, organization, operation and dissemination of live shows, especially in the musical field;
- and, more generally, all activities related to entertainment, electronics, computing, the Internet, mobile telephony, audiotel, office automation, production, advertising and marketing and broadcasting; and
- any industrial, commercial, financial, securities or real estate transactions directly or indirectly related to the above-mentioned purpose or likely to promote the Company's development.

7.1.2.2 Other provisions in the articles of association

(i) General Meetings (Article 19 of the articles of association)

Notice, place of meeting

General Meetings are convened under the conditions, in the forms and within the time limits provided for by law.

They are held at the registered office or at any other place indicated in the notice of meeting.

Agenda

The agenda of the meeting appears on the notices of meeting and letters; it is determined by the author of the notice of meeting.

The meeting may only deliberate on the matters on its agenda; nevertheless, it may, under any circumstances, dismiss one or more directors and proceed to their replacement.

One or more shareholders representing at least the percentage of share capital provided for by law, and acting in accordance with the legal conditions and time limits, may request that draft resolutions be included in the agenda.

Access to the meetings

All shareholders have the right to attend General Meetings and to participate in the deliberations, either personally or by proxy.

Any shareholder may participate, personally or by proxy, under the conditions set by the regulations in force, in the meetings upon proof of identity and ownership of his/her/its shares in the form of the accounting registration thereof under the conditions set by the legal and regulatory provisions in force.

If the Board of Directors decides to use telecommunication means, as published in the notice of meeting, shareholders who participate in the meeting by videoconference or by telecommunication means, including the Internet, which allow them to be identified under the conditions provided for by applicable laws and regulations, shall be deemed to be present for the purposes of calculating the quorum and the majority.

Any shareholder may vote by mail or give a proxy in accordance with applicable laws and regulations, by means of a form drawn up by the Company and sent to the latter under the conditions provided for by applicable laws and regulations, including by electronic or remote transmission, upon decision of the Board of Directors. This form must be received by the Company in accordance with the conditions provided by applicable law in order for it to be taken into account.

The minutes of the meeting are drawn up and their copies are certified and delivered in accordance with applicable laws and regulations.

The legal representatives of legally incompetent shareholders and the individuals representing legal entities that are shareholders may participate in the meetings, whether or not they are personally shareholders.

Attendance sheet, bureau, minutes

An attendance sheet containing the information required by law is kept at each General Meeting.

The meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a director delegated for this purpose by the Board. Failing that, the meeting elects its own chairman.

The functions of scrutineers are fulfilled by the two members of the assembly, present and accepting these functions, who have, by themselves or as proxies, the greatest number of votes.

The bureau appoints the secretary, who may be chosen from outside the shareholders.

The members of the bureau are responsible for verifying, certifying and signing the attendance sheet, ensuring the proper conduct of the debates, settling any incidents at the meeting, checking the votes cast, ensuring that they are in order and ensuring that the minutes are drawn up.

The minutes are drawn up and the copies or extracts of the deliberations are issued and certified in accordance with the law.

Ordinary General Meeting

The Ordinary General Meeting is the one called to take all decisions that do not modify the articles of association. It meets at least once a year, within six months from the end of each fiscal year, to approve the financial statements for that year and the consolidated financial statements.

On first call, the Ordinary General Meeting may validly deliberate only if the shareholders present or represented, or having voted by mail, hold at least one-fifth of the shares entitled to vote. No quorum is required on second call.

Decisions are taken by a majority of the votes cast by the shareholders present, represented or having voted by correspondence.

Extraordinary General Meeting

The Extraordinary General Meeting is the only body empowered to amend the articles of association in all their provisions.

It may not, however, under any circumstances, except with the unanimous consent of the shareholders, increase the commitments of the latter, nor affect the equality of their rights, subject to operations resulting from a regularly effected consolidation of shares.

The Extraordinary General Meeting may only validly deliberate if the shareholders present, represented or having voted by correspondence hold at least, on the first call, one quarter of the shares with voting rights and, on the second call, one fifth of the shares with voting rights. If the latter quorum is not reached, the second meeting may be adjourned to a date no later than two months after the date on which it was convened.

Decisions are taken by a two-thirds majority of the votes cast by the shareholders present, represented or having voted by correspondence.

(ii) Payment, form, disposal and transmission of shares (Articles 9 and 10 of the articles of association)

Payment of shares

Shares subscribed for in cash in the course of a capital increase shall be performed in accordance with applicable laws and regulations, as well as with the decisions of the General Meetings and of the Board of Directors of the Company.

Shares representing contributions in kind shall be fully paid up as soon as they are issued.

The shares may not represent industry contributions.

Form of shares

Fully paid-up ordinary shares may be held in registered or bearer form, at the option of the shareholder, in accordance with the conditions set out in applicable laws and regulations.

As long as the Company's shares are admitted to trading on a regulated market, the Company is entitled to request the identification of holders of securities conferring immediate or future voting rights at its shareholders' meetings, as well as the quantities of securities held, under the conditions provided for by applicable laws and regulations.

(iii) Rights and obligations attached to the shares (Article 11 of the articles of association)

Each share gives the right to a share in the profits and the corporate assets of the Company, in proportion to the amount of share capital it represents. In addition, each share gives the right to vote and to be represented at General Meetings, in accordance with legal and statutory requirements.

A double voting right is instituted in favor of fully paid-up shares that have been continuously held in registered form by the same holder for a minimum period of two (2) years. For the purpose of calculating this holding period, the period before the date of admission of the Company's shares to trading on the Euronext Paris market is not taken into account.

In accordance with the provisions of Article L.225-123 of the French Commercial Code, in the event of a capital increase by incorporation of reserves, profits or share premiums, double voting rights are granted as soon as they are issued to the new shares allocated free of charge to a shareholder in respect of existing shares which already bear this entitlement.

This double voting right applies to all General Meetings.

The double voting right automatically ceases when the relating share is converted to a bearer share or transferred to another shareholder.

The shareholders only bear the Company losses up to the amount of their contributions.

The rights and obligations attached to a share shall be transferred to any owner thereof. Ownership of a share automatically entails acceptance of the articles of association and the decisions of the General Meeting.

Whenever it is necessary to own several shares in order to exercise any right, isolated shares or shares held in a number below the requisite do not give their owners any right against the Company, it being up to the shareholders to make, in this case, their own arrangements for the grouping of the necessary number of shares.

Indivisibility of shares – Usufruct (Article 12 of the articles of association)

The shares are indivisible with respect to the Company.

The co-owners of undivided shares shall be represented at General Meetings by one of them or by a single agent. In case of a disagreement, the agent shall be appointed in court at the request of the most diligent co-owner.

If the shares are encumbered by usufruct, their account registration must show the existence of the usufruct. Unless the Company is notified of an agreement to the contrary by registered letter with acknowledgement of receipt, the voting right belong to the usufructuary at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

Transfer and sale of shares (Article 13 of the articles of association)

Ordinary shares, whether registered or bearer, are freely negotiable, unless otherwise provided by law or regulation. They are registered in an account and may be transferred from one account to another, as regards the Company and third parties, in accordance with the procedures set out by applicable laws and regulations.

Disclosure thresholds (Article 14 of the articles of association)

As long as the Company's shares are admitted to trading on a regulated market, in addition to the legal and regulatory thresholds, any individual or legal entity that comes to own directly or indirectly, alone or in concert, a fraction of the share capital or voting rights (calculated in accordance with the provisions of Articles L.233-7 and L.233-9 of the French Commercial Code and the provisions of the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) equal to or greater than 1% of the share capital or voting rights, or any multiple of this percentage, including above the thresholds provided for by applicable laws and regulations, must notify the Company of the total number (i) of shares and voting rights that it holds directly or indirectly, alone or in concert, (ii) of securities giving future access to the Company's share capital that it owns, directly or indirectly, alone or in concert, and of the potential voting rights attached thereto, and (iii) of the shares already issued that this person may acquire by virtue of an agreement or a financial instrument mentioned in Article L.211-1 of the French Monetary and Financial Code. This notification must be made by registered letter with acknowledgement of receipt within four trading days of crossing the threshold.

The obligation to notify the Company also applies, within the same timeframe and under the same conditions, when the shareholder's holding in the share capital or voting rights falls below one of the above-mentioned thresholds.

In the event of failure to comply with the above-mentioned obligation to notify the threshold crossing and upon request, recorded in the minutes of the General Meeting, of one or more shareholders representing at least 3% of the share capital or voting rights, the shares exceeding the fraction that should have been declared shall lose their voting rights until the end of a period of two years following the date of the corrective notification.

The Company reserves the right to inform the public and the shareholders either of the information notified to it, or of any non-compliance with the above obligation by any relevant person.

(iv) Non-voting members (Article 15.1 of the articles of association)

Appointment method and maximum number of non-voting members on the Board

The Board of Directors may appoint up to a maximum of two Non-Voting Members. Non-Voting Members can be natural or legal persons, chosen from among the shareholders or from outside that group. The term of office of Non-Voting Members is four years, except in the event of resignation or early termination by the Board. The procedures for performing the duties of Non-Voting Members, including any compensation, are approved by the Board of Directors. Non-Voting Members may be re-elected. They are invited to Board of Directors' meetings and take part in the deliberations in an advisory capacity.

Qualifications required and role on the Board

Article 2.3 of the Company's internal rules stipulates that Non-Voting Members are subject to the same obligations as directors in terms of conflict(s) of interest.

The Directors' charter is also applicable to Non-Voting Members who are bound by the provisions in force of the French Monetary and Financial Code, the General Regulations of the French Financial Markets Authority (*Autorité des marchés financiers* - AMF) and Regulation (EU) No. 596/2014 of April 16, 2014 on market abuse (the "MAR Regulation") relating to the communication and use of inside information.

Compensation of Non-Voting Members

The compensation of Non-Voting Members was set by a decision of the Nomination and Compensation Committee on September 6, 2021, which provides for fixed and variable compensation calculated on the basis of the Non-Voting Members' attendance at meetings of governance bodies.

In the case of a long-standing investor, having served on the Board and giving the Board the benefit of his or her knowledge of the Company (particularly when more than half of the Board was recently appointed). As an investor, this Non-Voting Member receives no compensation, in accordance with Company policy.

Non-Voting Members can share their experience with the Company and the Board by participating in the work of the Board pending their definitive appointment, thus facilitating their integration.

Nicolas Rose, representative of Siparex/XAnge, a long-standing shareholder of the Group since 2008 and which now holds less than 10% of the share capital, continued to act as a Non-Voting Member in 2023 and will continued to do so *es qualites* in 2024. He does not receive compensation for his office as Non-Voting Member due to his status as an investor.

7.1.3 Events after the reporting period

Receipt by Believe of a consortium offer of €15 per share for all outstanding Believe shares

On February 12, 2024, Denis Ladegaillerie, the investment fund EQT X and funds managed by TCV announced that they had formed a consortium with a view to initiating, through a dedicated vehicle, a public tender offer for the Company's shares at a price of €15 per share, following the acquisition of a block representing 71.92% of the Company's share capital and 77.42% of the theoretical number of voting rights by buying the shares held by TCV Luxco BD S.à r.l., Ventech and XAnge *(see the press release published by the consortium on February 12, 2024, available on the Company's institutional website).*

Transaction details

The consortium decided to acquire the shares of TCV Luxco BD S.à r.l, Ventech and XAnge, historical shareholders of Believe, holding respectively 41.14%, 12.03% and 6.29% of the share capital of Believe, at the Offer Price (the "**Block Acquisitions**").

In addition, it is foreseen that Denis Ladegaillerie will transfer his entire stake in the Company, representing a total of 12.46% of the share capital and 15.59% of theoretical voting rights, to the vehicle created for the purposes of the transaction. This transfer would take place via a contribution transaction (for 11.17% of the share capital) and a disposal transaction (for 1.29% of the share capital). The Consortium also obtained commitments from other Company shareholders to tender their shares in the Offer (representing 3% of the Company's share capital).

Following the Block Acquisitions and the contribution, the consortium plans to file a public tender offer for the remaining outstanding shares (the "**Offer**") with a view to delisting the Company, should the consortium reach the holding levels necessary to initiate a squeeze-out procedure upon completion of the Offer.

The Block Acquisitions, as well as the filing of the Offer, were subject, on the one hand, to obtaining the necessary regulatory authorizations (the "**Regulatory Condition**") and, on the other hand, to the reasoned opinion of Believe's Board of Directors concluding that the Offer is in the interest of the Company, its employees and its shareholders, and recommending that shareholders tender their shares to the Offer (the "**Favorable Opinion of the Board of Directors Condition**"). The reasoned opinion of the Board of Directors will notably be issued following the review of the independent expert's report on the fairness of the financial terms of the Offer and the consultation of Believe's Social and Economic Committee.

Believe's Board of Directors has taken note of the proposal, including all the conditions precedent. It duly noted that the Offer Price was set at €15 per share, representing a premium of +21.0% over the last closing share price prior to the announcement of the Offer, as well as a premium of +43.8% and +52.2% respectively over the volume-weighted average share price over the last 30 and 120 days.

The Board of Directors unanimously welcomed the proposal, without prejudice to the conclusions of its detailed study of the terms and conditions of the transaction, notably in the light of the report to be drawn up by the independent expert, who will rule on the fairness of the Offer Price and the absence of related agreements likely to affect the equal treatment of shareholders.

The Board of Directors set up an *ad hoc* Committee, composed of three independent directors, to monitor the work of the independent expert and prepare a draft reasoned opinion on the Offer. This reasoned opinion will be included in the response note prepared by Believe.

On the proposal of the *ad hoc* Committee, and in accordance with the provisions of Article 261-1 of the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF), the Board of Directors has appointed the firm Ledouble, represented by its partners Agnès Piniot and Romain Delafont, as independent expert, with the task of issuing a report on the financial terms of the Offer (including the possible implementation of a squeeze-out procedure), and the absence of related agreements likely to affect the equal treatment of shareholders. The conclusion of the report will take the form of a fairness opinion.

Citigroup Global Markets Europe AG and Gide Loyrette Nouel are acting respectively as financial and legal advisors to assist Believe and the *ad hoc* Committee of the Board of Directors in their assessment of the Offer.

Expression of interest by Warner Music Group and update on the acquisition by the consortium of a block of 71.92% of Believe's share capital

Following the consortium's announcement, on February 21, 2024, Warner Music Group ("**WMG**") approached the Company to enter into discussions concerning a possible merger of Believe and WMG and to obtain access to confidential information with a view to possibly presenting a more attractive offer to the Company and its shareholders. The *ad hoc* Committee, seeking to assess whether WMG's proposal could constitute an alternative to the bid by Bidco, the consortium's vehicle, on more advantageous financial terms, requested certain clarifications from WMG *(see the press release published by the Company on March 11, 2024 and available on the Company's institutional website).*

On February 27, 2024, WMG informed Believe's directors that, at this stage, it should be able to value Believe's shares at a minimum of €17 per share (dividend coupon attached), based on the public information currently available, while reaffirming that its approach does not constitute an offer, does not imply any obligation to make an offer, and does not constitute a firm intention to make an offer *(see the press release published by Believe on March 11, 2024 and available on its institutional website).*

Following WMG's expression of interest, BidCo informed the Board of Directors, on February 28, 2024, of its unilateral right to waive the Favorable Opinion of the Board of Directors Condition, a waiver option stipulated in the contracts for the Block Acquisitions, as well as of its decision to waive this condition. BidCo also informed the Board of Directors that, as a result, the completion of the Block Acquisitions remained subject exclusively to the Regulatory Condition (under competition law), which BidCo intends to obtain as soon as possible (*see the press release published by Believe on March 11, 2024 and available on its institutional website*).

On February 29, 2024, the consortium published a press release stating that, pursuant to the terms of the acquisition agreements entered into with TCV Luxco BD S.à r.l., XAnge and Ventech, Believe's historical shareholders, BidCo, the consortium's vehicle, had decided to waive the Favorable Opinion of the Board of Directors Condition as provided for in these agreements. As a result, the completion of the Block Acquisitions only remains subject to obtaining merger control authorizations, for which notifications have now been made and which should be obtained as soon as possible *(see the press release issued by the Consortium, notably available on globenewswire).*

In a press release dated March 1, 2024, the Company informed the market that, following the announcement of the Offer by the Consortium on February 12, 2024, the Company's Board of Directors had received an exploratory, preliminary and non-binding expression of interest from an interested party seeking access to confidential information and to enter into a dialogue with a view to potentially formulating a more attractive offer for the Company and its shareholders, keeping the identity of the interested party (WMG) confidential. The *ad hoc* Committee had indicated that it had sought clarifications from the interested party in order to assess whether it could represent an alternative to Bidco's Offer with more favorable financial conditions. The interested party indicated that it should be able to value Believe's shares at a minimum of €17 per share, while stressing that, at this stage, its approach did not constitute an offer, did not involve any obligation to make an offer, and did not represent an intention to make an offer (*see the press release published by the consortium on March 1, 2024*).

In a press release dated March 7, 2024, the interested third party, WMG, publicly reiterated its expression of interest. In this press release, WMG indicated that it was waiting for access to a limited list of key due diligence information to confirm its indicative price of at least €17 per share (coupon attached). In this press release, WMG also specified that it considered the waiver by the consortium of the Favorable Opinion of the Board of Directors Condition was contrary to French stock market regulations, and that the validity of this waiver could be contested (*see the press release published by Warner Music Group on March 7, 2024 and available on its institutional website*).

In response, the Consortium issued a press release on March 8, 2024 stating that, in its opinion, its decision to waive the Favorable Opinion of the Board of Directors Condition was entirely valid and was taken in full compliance with French regulations. The Consortium confirmed that it would file, following the completion of the Block Acquisitions, a mandatory public tender offer to acquire the remaining 28% at the same price of €15 paid to the shareholders selling the blocks, as required by French regulations governing public tender offers (*see the press release published by the consortium on March 8, 2024*).

On March 11, 2024, the *ad hoc* Committee indicated that it had referred the matter to the AMF following the proposal made by WMG and the waiver by the consortium of the Favorable Opinion of the Board of Directors Condition. In doing so, the *ad hoc* Committee asked the AMF whether (i) BidCo was in a position, at the time it did so, to unilaterally waive the Favorable Opinion of the Board of Directors Condition, insofar as this option was provided for in the agreements on the Block Acquisitions, or whether (ii) in view of the Favorable Opinion of the Board of Directors Condition initially provided for and a preliminary proposal from an interested third party at a potentially higher price, the principles of public tender offers, including the principle of the freedom of bids and overbids, would prevent such a waiver of the Favorable Opinion of the Board of Directors Condition. In this context, the *ad hoc* Committee decided not to follow up, at this stage, on WMG’s request to obtain access to certain confidential information (*see the press release published by Believe on March 11, 2024 and available on its institutional website*).

Following receipt of the AMF's letter to the Chairwoman of Believe's *ad hoc* Committee dated March 22, 2024, stating that the Consortium's waiver of the Favorable Opinion of the Board of Directors Condition does not comply with the principles governing public tender offers, the Company indicated (i) that it had taken note of the AMF's position and (ii) that Believe's Board of Directors (with only its independent members participating in its deliberations and vote) had decided to invite WMG to submit a binding, unconditional and fully-funded offer (the "**Binding Offer**") to Believe. The Board of Directors asked WMG to submit its Binding Offer no later than April 7, 2024 (*see the press release published by Believe on March 25, 2024 and available on its institutional website*). "

7.2 Share capital

7.2.1 Share capital and history of its evolution

As at December 31, 2023, the Company's share capital was €485,431.75, divided into 97,086,350 fully paid-up ordinary shares with a par value of half a euro cent (€0.005) each.

During the 2023 fiscal year, the Chairman and Chief Executive Officer, sub-delegated by the Board of Directors, noted the issuance of newly created ordinary shares on three occasions when share subscription warrants (BSAs) and/or founders' share subscription warrants (BSPCEs) were exercised by the beneficiaries.

These three share capital transactions represented a total issue of 322,241 new ordinary shares representing a nominal capital increase, excluding the issue premium, of €1,611.21.

The 322,241 new ordinary shares thus issued carried dividend rights as of the date of their registration in the Company's securities register and are thus assimilated with effect from the same date to existing ordinary shares and subject to all the provisions of the Company's articles of association.

These three transactions are shown in the table below.

CHANGES IN THE SHARE CAPITAL

		Amount		After completion of the transaction		
Date	Nature of transaction	Capital before transaction *(in €)*	Number of shares before transaction	Cumulative number of shares	Par value *(in €)*	Successive capital *(in €)*
03/05/2020	Capital increase (exercise of BSAs)	399,709.01	39,970,901	39,979,401	0.01	399,794.01
05/05/2020	Capital increase (exercise of BSAs and BSPCEs)	399,794.01	39,979,401	40,144,069	0.01	401,440.69
05/15/2020	Capital increase (exercise of BSPCEs)	401,440.69	40,144,069	40,173,444	0.01	401,734.44
11/09/2020	Capital increase (exercise of BSPCEs)	401,734.44	40,173,444	40,180,006	0.01	401,800.06
12/03/2020	Capital increase (exercise of BSAs)	401,800.06	40,180,006	40,234,421	0.01	402,344.21
06/11/2021	Capital increase (IPO)	402,344.21	80,468,842	95,853,458	0.005	479,267.29
11/03/2021	Capital increase (exercise of BSA and BSPCE)	479,267.29	95,853,458	95,957,102	0.005	479,785.51
05/03/2022	Capital increase (exercise of BSA and BSPCE)	479,785.51	95,957,102	96,065,202	0.005	480,326.01
06/30/2022	Capital increase (exercise of BSA and BSPCE)	480,326.01	96,065,202	96,132,702	0.005	480,663.51
11/03/2021	Capital increase (exercise of BSA and BSPCE)	480,663.51	96,132,702	96,238,166	0.005	481,190.83
11/03/2021	Capital increase (Employee shareholding plan)	481,190.83	96,238,166	96,575,623	0.005	482,878.115
12/31/2022	Capital increase (exercise of BSA and BSPCE)	482,878.115	96,575,623	96,764,109	0.005	483,820.55
04/30/2023	Capital increase (exercise of BSA and BSPCE)	483,820.55	96,764,109	96,871,743	0.005	484,358.715
06/30/2023	Capital increase (exercise of BSA and BSPCE)	484,358.715	96,871,743	96,932,615	0.005	484,663.075
12/29/2023	Capital increase (exercise of BSA and BSPCE)	484,663.075	96,932,615	97,086,350	0.005	485,431.75

7.2.2 Share capital authorized but not issued

The following table summarizes the current delegations and powers granted by the General Meetings of June 20 and 16, 2022 and 2023 to the Board of Directors in terms of capital increases. Some of these delegations will be put forward for renewal at the next General Meeting scheduled for June 26, 2024. Readers are invited to familiarize themselves with the agenda and the corresponding draft resolutions.

SUMMARY TABLE OF THE DELEGATIONS OF AUTHORITY AND POWERS CURRENTLY IN FORCE THAT WERE GRANTED BY THE GENERAL MEETINGS OF JUNE 20, 2022 AND JUNE 16, 2023 TO THE BOARD OF DIRECTORS WITH REGARD TO CAPITAL INCREASES

Nature	Resolution no.	Term	Characteristics	Use in 2023
GENERAL MEETING OF JUNE 20, 2022				
Share capital increase			**Overall cap:** • **of the maximum nominal amount: €240 thousand** • **of debt securities: €750 million**	
Share capital increase with PSR(1)	13th	26 months	• Maximum nominal amount: €240 thousand • Maximum nominal amount of debt securities: €750 million • Possibility of subscribing on a reducible basis • Possibility of limiting the increase to 75% and offering to the public all or part of the unsubscribed shares	None
Capital increase without PSR			**Global caps** (except contributions in kind) • **maximum nominal amount of increases without PSR: €96 thousand** • **maximum nominal amount of increases with PSR: €240 thousand**	
Public offering with priority rights	14th	26 months	• Maximum nominal amount: €96 thousand • Maximum nominal amount of debt securities: €750 million	None
Public offering with optional priority rights	15th	26 months	• Maximum nominal amount: €48 thousand • Maximum nominal amount of debt securities: €750 million	None
Private placement as referred to in 1 of Article L. 411-2 1° of the French Monetary and Financial Code	16th	26 months	• Maximum nominal amount: €48 thousand • Maximum nominal amount of debt securities: €750 million	None
Contributions in kind	19th	26 months	• Maximum nominal amount: €48 thousand (legal limit of 10% KS on the date of the Board's decision) • Maximum nominal amount of debt securities: €750 million	None
Greenshoe public offers	17th	26 months	• Within the limit of 10% and subject to the caps on issues set out in the 14th, 15th and 16th resolutions	None
Greenshoe with or without PSR	18th	26 months	• **Within the limit of 15% and subject to the caps on issues set out in the 13th, 14th, 15th and 16th resolutions)**	None
Capital increase by incorporation of reserves, profits and/or premiums	12th	26 months	• Maximum amount: €96 thousand • Broken non-negotiable	None
Capital increase reserved for employees who are members of a company savings plan (PEE)	20th	26 months	**Overall cap (maximum nominal amount) for capital increases with PSR: €240 thousand** • Maximum nominal amount: €24 thousand • Maximum discount of 30% • Possibility of allocating shares to replace the discount and/or the contribution	None
Free shares (including ECOs)(2)	22th	38 months	**Cap: 2.9%** **Sub-cap for EDs: 0.3% of the overall budget**	Two free performance share plans were set up by the Board of Directors on December 9, 2022 and April 27, 2023, respectively (3).
Share subscription or purchase options	23th	38 months	**Cap: 2.9% Sub-cap for EDs: 0.3% of the overall budget**	None
GENERAL MEETING OF JUNE 16, 2023				
Free shares	10th	18 months	**Overall nominal cap: €240 thousand** • Maximum nominal amount: €24 thousand	None

(1) PSR = preferential subscription rights.

(2) ECOs = Executive Corporate Officer as defined by the AFEP-MEDEF Code.

(3) The plan of December 9, 2022, amended by the Board of March 15, 2023, concerns one beneficiary for whom a total of 100,000 share rights were awarded.
The plan of April 27, 2023 concerns 35 beneficiaries for whom a total of 1,071,495 share rights were awarded following the target level being reached, and involving a maximum award of 1,264,347 shares in the event of outperformance of the performance conditions.

7.2.3 Non-equity securities

As at the date of this Universal registration document, the Company had not issued any non-equity securities.

7.2.4 Shares held by the Company or on its own account

Treasury shares

As of December 31, 2023, the Company held 105,030 treasury shares with a par value of €0.005 each, representing 0.11% of the share capital on the same date, including 18,310 shares held under the liquidity contract, representing 0.02% of the share capital.

The market value of the 105,030 treasury shares held, valued at the last listed price in 2023, i.e. €10.50 per share, amounted, at December 31, 2023, to €1,102,815.

Treasury shares

At December 31, 2023, none of the Company's shares were held by any of its subsidiaries.

Share buyback program

The Combined Ordinary and Extraordinary General Meeting of June 16, 2023 authorized the Board of Directors, with powers to subdelegate in accordance with current legal provisions, to acquire, on one or more occasions and at such times as it shall see fit, a number of shares in the Company not exceeding:

i) 10% of the total number of shares making up the share capital, at any time; or

ii) 5% of the total number of shares making up the share capital in the case of shares acquired by the Company with a view to holding them and subsequently delivering them as payment or in exchange as part of a merger, spin-off or contribution transaction.

For a maximum unit purchase price that may not exceed, excluding costs, thirty-nine euros (€39) per share.

It was specified that the number of shares held by the Company may under no circumstances lead the Company to hold at any time more than 10% of the shares comprising its share capital.

The shares may be acquired, by decision of the Board of Directors, in order to:

- stimulate the market for the Company's shares through an independent investment services provider under a liquidity contract in accordance with the Code of Ethics adopted by the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF);
- grant shares to corporate officers and employees of the Company and related companies and groups, and notably as part of:
  - profit-sharing in the Company's results,
  - any Company stock option or share purchase plan, pursuant to the provisions of Articles L. 22-10-56 and L. 225-177 *et seq.* of the French Commercial Code,
  - any company or Group savings plan pursuant to Articles L. 3331-1 *et seq.* of the French Labor Code,
  - any allocation of free shares pursuant to the provisions of Articles L. 225-197-1 *et seq*. of the French Commercial Code,
  - as well as with a view to carrying out any hedging transactions in relation to these transactions, under the conditions provided for by the market authorities and at the times that the Board or the person acting on behalf of the Board deems appropriate;
- deliver the Company's shares upon the exercise of rights attached to securities entitled to allocation of the Company's equity through redemption, conversion, exchange, presentation of a warrant, or in any other manner allowed for by the regulations in force, as well as for the purpose of hedging in relation to such transactions, and to do so in the manner provided by the market authorities and at such times as the Board or a person acting on behalf of the Board may determine;
- hold the Company's shares for subsequent use as payment or exchange in any external growth transaction;
- cancel Company shares in a share capital reduction;
- carry out any market practice accepted by the AMF and, more generally, execute any transaction compliant with regulations in force.

The Board may, however, in the event of transactions impacting the Company's equity (including changes to the share's par value, capital increases through the capitalization of reserves followed by the issue and awarding of free shares, stock splits or reverse stock splits) adjust the maximum price indicated above to reflect the impact of such transactions on the Company's share value.

The purchase, sale or transfer of these shares may be accomplished and settled by any means permitted by applicable regulations, *e.g.* on a regulated market, on a multilateral trading facility, with a systematic internalizer or over the counter, including by the acquisition or sale of blocks of shares, by the use of stock options, other derivative instruments or warrants or equity instruments of the Company in general, and at such times as the Board may determine, excepting when a public offering of the Company's shares is being made.

This authorization was granted for a period of 18 months from June 16, 2023, ending and replacing the authorization for the same purpose granted by the General Meeting of June 20, 2022.

The Board of Directors must inform the General Meeting of the transactions carried out under this authorization.

Thus, over the course of the 2023 fiscal year, and on the basis of the authorizations granted by the General Meetings of June 20, 2022 and June 16, 2023, two share buyback programs for 2022/2023 and 2023/2024 followed one another, enabling the Company to carry out the transactions described below.

Stimulating the market

In 2023, under the liquidity agreement entered into on July 13, 2021 with Natixis and Oddo BHF SCA for a one-year period renewable each year, the Company:

- acquired a total number of 301,079 shares for a total amount of €3,157,971, representing an average price of €10.49 per share;
- sold a total number of 317,805 shares for a total amount of €3,395,931, representing an average price of €10.69 per share.

Pursuant to the regulations in force, the Company published, on January 8, 2024, the half-year report on the liquidity contract as at December 31, 2023 on its institutional website in the Section provided for this purpose in the "Regulated information" tab.

Since February 12, 2024, start date of the pre-offer period targeting the Company's shares (AMF no. 224C0247), and pursuant to Article 5 of AMF decision no. 2021-01 of June 22, 2021, the execution of the liquidity contract was suspended.

Description of the share buyback program submitted to the General Meeting of June 26, 2024

The General Meeting of June 26, 2024 will be asked to renew the Company's authorization to buy back its own shares as follows:

Objectives of the 2024-2025 program:

- ensure liquidity and promote the market for the Company's securities through an investment services provider acting independently under a liquidity contract in accordance with the market practice accepted by the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF);
- allocate shares to corporate officers and employees of the Company and other Group entities, notably as part of (i) profit-sharing schemes, (ii) any Company stock option plan, pursuant to the provisions of Articles L.225-177 *et seq.* and L.22-10-56 of the French Commercial Code, or (iii) any savings plan pursuant to the provisions of Articles L.3331-1 *et seq.* of the French Labor Code, or (iv) any free allocation of shares pursuant to the provisions of Articles L.225-197-1 *et seq.* and L.22-10-59 of the French Commercial Code, as well as to carry out any hedging transactions relating to such transactions, under the conditions stipulated by the market authorities and at such times as the Board of Directors or the person acting on behalf of the Board of Directors may deem appropriate;
- deliver Company shares upon the exercise of rights attached to securities conferring entitlement, directly or indirectly, by redemption, conversion, exchange, presentation of a warrant or any other means, to the allocation of Company shares in accordance with applicable regulations, and to carry out any hedging transactions relating to such transactions, under the conditions stipulated by the market authorities and at such times as the Board of Directors or the person acting on behalf of the Board of Directors deems appropriate;
- hold the Company's shares and subsequently use them as a means of payment or exchange in the context of any acquisition, merger, demerger or contribution transaction;
- cancel all or part of the shares thus purchased, in accordance with the terms of the eleventh resolution of the General Meeting of June 20, 2022 or any other resolution of the same nature;
- implement any market practice that may be permitted by the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) and, more generally, carry out any transaction that complies with the regulations in force.

Characteristics

Maximum share of the capital and maximum number of shares that may be acquired under the buyback program:

i) 10% of the total number of shares making up the share capital, (*i.e.* 9,708,635 shares based on the share capital as at December 31, 2023), it being specified that the Company will have to deduct, on the buyback date, the treasury shares held by the Company, which will automatically reduce this rate by 10%;

ii) 5% of the total number of shares making up the share capital, (*i.e.* 4,854,317 shares based on the share capital as at December 31, 2023), in the case of shares acquired by the Company with a view to holding them and subsequently delivering them as payment or in exchange as part of a merger, spin-off or contribution transaction.

As the Company cannot hold more than 10% of its share capital, in view of the number of treasury shares it holds, the Company will have to restate them, on the buyback date, to determine the actual maximum share of the buyback. Thus, by way of example, bearing in mind that the Company held 104,512 treasury shares at December 31, 2023, *i.e.* around 0.11% of the share capital, the maximum number of shares that could be purchased would be 9,604,123 (representing around 9.89% of the share capital), unless the shares already held were sold or canceled.

Maximum purchase price per share: €39 (excluding acquisition costs), it being specified that the Board of Directors may, in the event of transactions affecting the Company's capital, notably a change in the par value of the share, a capital increase through the capitalization of reserves followed by the creation and allocation of free shares, or a stock split or reverse stock split, adjust the aforementioned maximum purchase price to take account of the impact of such transactions on the value of the Company's shares.

Terms and conditions of share buybacks: the shares may be purchased, sold or transferred by any means permitted by the regulations in force, on a regulated market, on a multilateral trading facility, with a systematic internalizer or over-the-counter, notably through the purchase or sale of blocks of shares, the use of options or other derivative financial instruments, or warrants or, more generally, securities conferring entitlement to Company shares, at such times as the Board of Directors deems appropriate.

Duration of the buyback program

The duration of the authorization, subject to the approval of the General Meeting of June 26, 2024, would be granted for a period of 18 months from the date of this Meeting, *i.e.* until November 30, 2025.

Amendments to the buyback program

While the buyback program is underway, the public should be informed as soon as possible of any change in the information contained in this description, in accordance with the procedures set out in Article 221-3 of the AMF's General Regulations.

Use of the buyback program

It should be noted that this authorization may not be used during any period involving a public tender offer for Believe's shares. It should be recalled that Article 231-40 of the AMF's General Regulation, which requires the company targeted by the offer not to trade in its own shares.

The Company may once again trade in its own shares under this authorization as from the closing of the public tender offer, which will be published on the AMF website.

7.2.5 Other marketable securities and rights giving access to the share capital

Securities

There are no securities conferring access, or likely to confer access, directly or in the short term, to the Company’s share capital.

Share subscription or purchase options

Prior to its IPO in 2021, the Company issued share subscription warrants ("**BSAs**") and founders' share subscription warrants ("**BSPCEs**") to certain employees and corporate officers of the Company or its subsidiaries, in accordance with the provisions of Articles L. 228-92 and L. 225-129 of the French Commercial Code.

Following the stock-split approved by the General Meeting of Shareholders on May 25, 2021, each exercise of a warrant from a BSA or BSPCE plan exercised by a beneficiary gives them two new ordinary shares, with the exception of the 2012 BSPCE plan, which provides that, in the event of the exercise of a warrant under this plan, the beneficiary who exercised the warrant would be allocated twenty shares.

The BSAs and BSPCEs, which become exercisable, may be exercised until their expiry, set on average at ten years from their allocation. They are not transferable.

At December 31, 2023, there were 292,695 BSAs and 1,049,541 BSPCEs, of which 292,695 BSAs and 1,027,257 BSPCEs were exercisable, giving access, if exercised, to 3,241,571 new shares with a par value of €0.005 each, representing a maximum dilution of the share capital of 3.34%, assessed at its amount at December 31, 2023.

Free share allocations

Since the Company's IPO in 2021, the Board of Directors has set up four performance free plans over the last three fiscal years.

Thus, the number of shares that could be created and issued in principle by way of a capital increase on the date of their definitive acquisition by the beneficiaries over the years 2023 to 2025 under the 2021, 2022 and 2023 plans represents a maximum of 2,287,875 shares worth €0.005 each if the target objectives are met, i.e. a dilution of the share capital of 2.36%, assessed at its amount at December 31, 2023.

A detailed description of the BSA and BSPCE plans, as well as the free share allocation plans, can be found in Section 6.1.1 "Notes to *the consolidated financial statements",* Note 5.4. *"Share-based payments"* on page 276. The Board of Directors' reports on share subscription and share purchase options, and on free share grants, are available on the Company's institutional website under "Regulated Information".

7.2.6 Conditions governing any acquisition right and/or obligation attached to capital subscribed but not paid in

None.

7.2.7 Share capital of any Group company which is under option or an agreement to be put under option

None.

7.3 Share ownership

7.3.1 Major shareholders

CHANGES IN SHARE CAPITAL AND VOTING RIGHTS OVER THE LAST THREE FISCAL YEARS

Over the last three fiscal years, the breakdown of the share capital and voting rights has changed as follows:

	Situation as of December 31, 2023				Situation as of December 31, 2022			Situation as of December 31, 2021		
Shareholders	Number of shares	% of capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% of capital	% of theoretical voting rights	Number of shares	% of capital	% of theoretical voting rights
TCV Luxco BD S.à.r.l.	39,942,982	41.14%	51.47%	51.50%	39,942,982	41.28%	41.28%	39,942,982	41.62%	41.62%
Denis Ladegaillerie	12,101,320	12.46%	21.00%	15.60%	12,101,320	12.51%	12.51%	12,168,320	12.68%	12.68%
Investment funds managed by Ventech	11,684,314	12.03%	15.06%	15.06%	16,367,944	16.92%	16.92%	16,367,944	17.06%	17.06%
Investment funds managed by Siparex XAnge Venture	6,106,558	6.29%	3.93%	3.94%	6,106,558	6.31%	6.31%	6,489,068	6.76%	6.76%
Fonds Stratégique de Participations	3,559,433	3.67%	4.60%	4.59%	3,559,433	3.68%	3.68%	3,076,923	3.21%	3.21%
Free float	23,691,743	24.40%	3.94%	9.31%	18,685,872	19.30%	19.30%	20,988,788	21.88%	21.88%
of which treasury shares	*105,030*	*0.11%*	*0.11%*	-	*121,756*	*0.13%*	*0.13%*	*75,876*	*0.10%*	*0.10%*
TOTAL	**97,086,350**	**100%**	**100%**	**100%**	**96,764,109**	**100%**	**100%**	**95,957,102**	**100%**	**100%**

* *The table does not distinguish between theoretical voting rights and voting rights exercisable in 2021 and 2022, insofar as there was no difference, or not a very representative one, between these two categories in the absence of the application of double voting over these two fiscal years. However, the 2023 fiscal year presents exercisable voting rights insofar as, pursuant to the Company's articles of association, each of the shares held in registered form by the same holder since the Company's IPO in June 2021 for a minimum period of two years has double voting rights. Thus, shareholders who have continuously held registered shares since June 21, 2021 were granted, in June 2023, a double voting right attached to each of these shares.*

Pursuant to Article 11 of the Company's articles of association, a double voting right has been introduced in favor of paid-up shares that have been held continuously in registered form by the same holder for a minimum period of at least two (2) years, this period being assessed from June 10, 2021, the date of admission of the Company's shares to trading on the Euronext Paris market. Thus, shareholders who have continuously held registered shares since June 10, 2021 were granted, in June 2023, a double voting right attached to each of these shares.

Thus, the difference between the theoretical voting rights (155,219,948) and the exercisable voting rights (155,114,918), amounting to 105,030, corresponds to the number of treasury shares held by the Company that do not have any voting rights.

The percentage of theoretical voting rights and voting rights exercisable at General Meetings for each shareholder category was determined on the basis of the declaration prepared in accordance with Article L. 228 II of the French Commercial Code as of December 31, 2023, available on the Believe institutional website in the "*Regulated Information*" Section.

It should be noted that, for all intents and purposes, in accordance with the regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers - AMF*), the number of voting rights to be taken into account for declarations of crossing of legal thresholds is a theoretical number that amounted to 155,219,948 at December 31, 2023.

For the disclosure thresholds, the number of voting rights to be taken into consideration is the number of voting rights exercisable at the General Meeting, which amounted to 155,114,918 at December 31, 2023.

The total number of voting rights (theoretical and exercisable) is published every month at the same time as the amount of the share capital, pursuant to Article L. 233-8 II of the French Commercial Code and Article 223-16 of the General Regulations of the French Financial Markets Authority (*Autorité des marchés financiers - AMF*).

Shareholding structure at December 31, 2023

7.3.1.1 TCV Luxco BD S.à.r.l.

To the best of the Company's knowledge, TCV Luxco BD S.à r.l., an entity affiliated with TCMI, Inc. (TCV), held, at December 31, 2023, 41.14% of the Company's share capital and 51.50% of its exercisable voting rights.

Founded in 1995, TCV was established with a clear vision: to capture opportunities in the technology market through a specialized and consistent focus on investing in high-growth companies. Since its inception, the firm has built a track record of successfully backing many businesses that have developed into dominant industry players across the Internet, software and fintechs. Examples of TCV investments include Airbnb, ByteDance, Facebook, GoFundMe, Hotmart, Klarna, Mambu, Mollie, Netflix, Nubank, Payoneer, Peloton, RELEX Solutions, Revolut, Splunk, Sportradar, Spotify, Twilio, WorldRemit and Zillow. TCV has successfully made more than 350 investments of various kinds, including investments mid-stage and late stage, as well as investments in listed companies. TCV has offices in Menlo Park, New York and London.

TCV has more than $21 billion in assets under management across 12 funds. TCV relies on more than 100 employees, including just over 50 in the investment team.

TCV acquired a stake in the Company in 2015.

7.3.1.2 Ventech

To the best of the Company's knowledge, as at December 31, 2023, Ventech held 12.03% of the Company's share capital and 15.06% of its exercisable voting rights.

Having acquired a stake in the Company in 2008, Ventech is an international venture capital company which primarily makes post-seed and series A investments, focusing on the acceleration of digital disruptions and working alongside bold, visionary entrepreneurs, from day one up to a sale or public listing of billions of dollars.

With a team on every continent, Ventech manages €700 million through single-purpose funds, both in Europe (with offices in Paris, Munich, Berlin and Helsinki) and Asia (with offices in Shanghai and Hong Kong).

Since its creation in 1998, Ventech has made more than 200 investments, notably in Mindler (Sweden), Ogury (United Kingdom), Picanova (Germany), SuperMonkey (China), Veo (Denmark), VestiaireCollective (France), and more than 90 exits including Curse/Twitch, StickyADS/Comcast, Webedia/Fimalac and Withings/Nokia, including over twenty IPOs, such as Jumei on the Nasdaq, Meilleurtaux on Euronext and Secoo on the Nasdaq.

7.3.1.3 XAnge

To the best of the Company's knowledge, as at December 31, 2023, XAnge held 6.29% of the Company's share capital and 3.94% of its exercisable voting rights.

Having acquired a stake in the Company in 2007, XAnge is an early-stage investment fund based in Paris and Munich with €500 million under management. Its investment team supports European entrepreneurs trying to change everyday life through technology, by making investments of €500,000 to €10 million, from start-up until Series A and B rounds.

With an investment focus on extending technology to the widest possible public, XAnge invests in deep tech, healthcare, fintechs, SaaS and e-commerce. In addition to Believe, XAnge has supported such companies as Lydia (phone payment), Welcome to the Jungle (human resources), MrSpex (e-commerce), Ledger (cryptocurrencies) and Neolane (marketing automation).

XAnge is the innovation sector brand of the Siparex group.

7.3.1.4 FSP

To the best of the Company's knowledge, as at December 31, 2023, FSP held 3.67% of the Company's share capital and 4.59% of its exercisable voting rights.

Having acquired a stake in the Company in 2021, the FSP (French Fonds Stratégique de Participations) is an investment vehicle whose shareholders and directors are seven major French insurance companies: CNP Assurances, BNP Paribas Cardif, Crédit Agricole Assurances, Groupama, BPCE Assurances, Société Générale Assurances and Suravenir. The aim of the FSP is to provide long-term investment in French companies to support their growth and transition projects. To this end, the FSP acquires significant and "strategic" stakes in the capital of French companies and participates in their governance by sitting on their Boards of Directors or Supervisory Boards. The FSP portfolio, valued at €2.14 billion at December 31, 2022, includes nine equity investments in industry-leading French companies: Seb, Arkéma, Eutelsat Communications, Tikehau Capital, Elior, Neoen, Valeo, Believe and Soitec. The FSP, which was a shareholder and director of Safran, sold its entire stake in the company at the end of 2022.

The FSP, which is managed by ISALT, is registered with the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF).

7.3.1.5 Change in share ownership

Changes in the shareholding structure are described in Section 7.1.3. "*Events after the reporting period*" of this Chapter.

7.3.2 Disclosure thresholds

Date of AMF opinion	AMF opinion no.	Shareholder	Threshold crossed
07/17/2023	223C1107	Ventech acting on behalf of the funds managed by it	crossing below 15% of the share capital and voting rights

7.3.3 Statement regarding the control of the Company

To the best of the Company's knowledge, as at December 31, 2023, there were no agreements whose implementation could result in a change of control at a later date.

Shareholders' Agreement

The founder of the Group, Mr Denis Ladegaillerie, as well as TCV Luxco BD S.à.r.l., Ventech and XAnge are parties to a shareholders' agreement signed on June 9, 2021.

This agreement provides for the following:

- *Governance*:
  - **i)** The Board shall consist of at least six members and include at least 50% of independent directors within the meaning of the AFEP-MEDEF Code;
  - **ii)** One seat on the Board be allocated to Mr Denis Ladegaillerie, Group founder;
  - **iii)** One seat on the Board shall be allocated to candidates recommended by TCV, provided that TCV (and its affiliates) directly or indirectly hold at least 5% of the Company's share capital; the director appointed thereby sitting on the Nomination and Compensation Committee;
  - **iv)** One seat on the Board shall be allocated to candidates recommended by Ventech, provided that Ventech (and its affiliates) directly or indirectly hold at least 5% of the Company's share capital; the director appointed thereby sitting on the Audit Committee and the CSR Committee;
  - **v)** One seat for a non-voting member shall be allocated to XAnge, provided that XAnge (and its affiliates) directly or indirectly hold at least 5% of the Company's share capital.
- *Orderly disposal:*

  The parties to the shareholders' agreement undertake to make their best efforts to ensure that any sale of the Company's shares that they hold is organized in an orderly manner, mainly in the context of private placements by way of accelerated book building or off-market transactions, with the aim of avoiding or limiting as far as possible any disruptive effect on the price of the Company's shares.
- *Specific lock-up commitment made by Mr Denis Ladegaillerie:*

  Mr Denis Ladegaillerie undertakes, for a period of three years from the settlement-delivery of the IPO, not to issue, offer, sell, pledge or sell options or purchase contracts, purchase an option or a sale contract, grant an option, a right or an acquisition right, or directly or indirectly dispose of or transfer shares or other equity securities or securities giving access to share capital of the Company, or enter into derivatives relating to Company shares having a similar effect on the shares or any other equity securities of the Company, nor publicly announce his intention to carry out such transactions without the agreement of the other parties.

This lock-up commitment applies subject to the following exceptions:

i) from the first anniversary of the settlement-delivery of the IPO, the transfer of a total number of shares representing 1% of the share capital or voting rights of the Company;

ii) the transfer of Company shares by inheritance in the event of death;

iii) the transfer of Company shares following retirement or forced retirement or following a second or third category permanent disability within the meaning of Article L.341-4 of the French Social Security Code;

iv) pledges of financial securities accounts opened in the Company's books or pledges of PEA securities accounts on which the Company's shares are registered, provided that, in the event of the pledge being made, the recipient of the shares in the Company agrees to be bound by (i) a lock-up commitment identical to the commitment described above until the first anniversary of the settlement-delivery of the IPO and (ii) by the above stipulations relating to the orderly disposal of the Company's shares;

v) the donation of Company shares for the benefit of direct descendants or spouses, provided that the donee undertakes to be bound by (i) a lock-up commitment identical to the commitment described above for the remaining term of the agreement and (ii) by the above provisions relating to the orderly disposal of the Company's shares;

vi) the donation of Company shares to third parties, provided that the donation does not exceed 20% of the total number of shares held by the Founder after the IPO and that the beneficiary concerned agrees to be bound by (i) a lock-up commitment identical to the commitment described above until the first anniversary of the settlement-delivery of the IPO and (ii) by the above provisions relating to the orderly disposal of the Company shares;

vii) the transfer of Company shares by way of contribution to a holding company or any other entity organized solely for the benefit of Mr Denis Ladegaillerie, his wife and/or his descendants, provided that the transferee undertakes to be bound (i) by a lock-up commitment identical to the commitment described above for the remaining term of the latter and (ii) by the aforementioned provisions relating to the orderly disposal of the Company's shares; and

viii) the sale of Company shares as part of a takeover, exchange, alternative or combined bid.

- *Term of the agreement:*

  The shareholders' agreement is entered into for a period running until the latest of either (i) the fourth anniversary of the settlement-delivery of the IPO, *i.e.* June 11, 2025 or (ii) the date immediately after the General Meeting of Shareholders to be held in 2025 called to approve the financial statements of the Company for the year ending December 31, 2024.

- *Termination:*

  The shareholders' agreement will be automatically terminated early either (i) at the date on which each of TCV, XAnge and Ventech (together with their affiliates) directly or indirectly hold less than 5% of the Company's share capital or (ii) the date on which any entity were to hold more than 50% of the Company's share capital.

  The parties have also declared that this shareholders' agreement does not constitute a concerted action between the parties within the meaning of Article L.233–10 of the French Commercial Code.

It should be noted that, pursuant to this Agreement, Denis Ladegaillerie subscribed to a commitment to retain his shares for a period of three (3) years from the date of signature of the said Agreement, *i.e.* until June 9, 2024.

On February 12, 2024, a consortium composed of TCV, EQT and Denis Ladegaillerie announced its intention to initiate a public tender offer for all of Believe's outstanding shares (the "**Offer**") and its decision to acquire the shares of TCV Luxco BD S.à r.l., Ventech and XAnge, Believe's historical shareholders, holding respectively 41.14%, 12.03% and 6.29% of Believe's share capital, at the Offer price. It was also announced that Denis Ladegaillerie would contribute some of his Company shares to the consortium (representing 11.17% of the share capital) and sell the remaining portion (representing 1.29% of the share capital) (see press release of February 12, 2024 available on the Company's institutional website).

In this context, TCV, XAnge, Ventech and Denis Ladegaillerie signed an agreement under the terms of which they agreed to lift the share lock-up commitment made by Denis Ladegaillerie in order to allow him to publicly announce his intention to participate in the proposed transaction, to finalize this transaction, and to sign all agreements necessary for its implementation.

Investment contract

The Company and FSP entered into an investment agreement on May 31, 2021 under the terms of which it was agreed that the FSP would be appointed as director of the Company, provided that it holds an interest of at least 2.5% of the Company's share capital.

FSP, whose shareholding in the Company is greater than 2.5%, was appointed as a director at the General Meeting of Shareholders of June 20, 2022. In accordance with the investment agreement, the FSP resigned from its duties as non-voting member on the date of this appointment.

7.3.4 Statement of employee share ownership

At December 31, 2023, Group employees held 280,709 shares through the mutual fund, representing 0.29% of the Company's share capital.

7.3.5 Information on transactions carried out on the Company's shares by executives and similar persons

Pursuant to Article 223-26 of the AMF's General Regulations, the table below summarizes the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2023 fiscal year.

SUMMARY STATEMENT ON TRANSACTIONS CARRIED OUT IN BELIEVE SHARES BY CORPORATE OFFICERS OVER THE 2023 FISCAL YEAR

AMF opinion	Persons concerned	Mandate	Nature of the transaction	Type of security	Transaction date	Volume	Unit price	Total amount *(in €)*
2023DD919703	VENTECH OPPORTUNITY PRIMARY FUND 1	Fund managed by VENTECH, a legal entity linked to Alain Caffi, director	Distribution of securities by an FPCI to its investors	Share	07/13/2023	4,227,263	10.242	43,295,627.646
2023DD933766	VENTECH OPPORTUNITY SECONDARY FUND 1	Fund managed by VENTECH, a legal entity linked to Alain Caffi, director	Distribution of securities by an FPCI to its investors	Share	10/13/2023	493,749	7.758	3,830,504.742

7.3.6 Information likely to have an impact in the event of a public or exchange offer

Pursuant to Article L.22-10-11 of the French Commercial Code, the items likely to have an impact in the event of a public tender offer are set out below.

7.3.6.1 Structure of the Company's share capital, and direct and indirect shareholdings in the Company's share capital

The information relating to the capital structure and the direct and indirect stakes in the share capital of which the Company is aware pursuant to Articles L. 233-7 of the French Commercial Code (declaration of crossing of thresholds) and L. 233-12 of the French Commercial Code is described in Sections 7.3.2 and 7.2.1 respectively.

7.3.6.2 Statutory restrictions on the exercise of voting rights and the transfer of shares or clauses of agreements brought to the Company's attention

The Company's articles of association provide for:

- the institution of a double voting right after two (2) years of uninterrupted ownership (see Article 11 of the Company's articles of association);
- an obligation to disclose the crossing of a threshold of 1% of the share capital or voting rights. In the event of non-compliance with this obligation, the shares exceeding the fraction that should have been declared are deprived of voting rights until the end of a two-year period following the date of rectification of the notification (see Article 14 of the Company's articles of association).

The Internal Rules of the Board of Directors provide that each member of the Board of Directors must own at least 100 shares throughout his or her term of office, with the exception of the directors representing the Group's employees and, as decided by the Board of Directors, the directors representing shareholders whose internal procedures prohibit the direct ownership of shares by their representatives (Article 2.10 of the Internal Rules of the Board of Directors).

7.3.6.3 Agreements entered into by the Company that would be amended or terminated in the event of a change of control of the Company or a public offer

Liquidity contract

On July 13, 2021, the Company signed a liquidity contract with Oddo BHF SCA and Natixis SA, to which the amount of €2 million was allocated. The contract entered into force on July 13, 2021 for a period of one year, tacitly renewable.

The execution of the contract is suspended pursuant to the conditions set out in Article 5 of AMF decision No. 2021-01 of June 22, 2021 on the renewal of the introduction of liquidity contracts on equity securities under accepted market practices; as a result, the contract is suspended during a public offer or during a pre-offer period and until the closing of the offer, when the Company is the initiator of the offer or when the securities of the Issuer are involved in the offer.

In view 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.

Financing agreement

There is a change of control clause in the Revolving Facility Agreement entered into between the Company and a syndicate of international banks including BNP Paribas, Caisse d'Épargne et de Prévoyance d'Île-de-France and HSBC Continental Europe and Société Générale on May 6, 2021. The facility agreement provides for an early repayment and/or cancellation event if there is a change of control, at the request of any lender within 15 business days of receipt of the notification by the facilities agent of the notification by the Company to the facilities agent of the occurrence of such an early repayment/cancellation event. The affected undrawn loans shall be cancelled upon receipt by the facilities agent of the request of the affected lender(s) and the affected outstanding drawings shall be repaid within 15 business days of receipt by the facilities agent of the request of the affected lender(s).

On February 12, 2024, the consortium composed of Denis Ladegaillerie, the EQT X fund and funds managed by TCV, announced that it had decided to acquire the shares of TCV Luxco BD S.à r.l., Ventech and XAnge, Believe's historical shareholders, holding respectively 41.14%, 12.03% and 6.29% of Believe's share capital (the "**Block Acquisitions**"). It is also foreseen that Denis Ladegaillerie, founder of Believe, will contribute some of his Company shares 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 would bring the consortium's stake to 71.92% of the share capital (*for further details on these transactions, see Section 7.1.3 "Events after the reporting* *period*"). If the Block Acquisitions were to be carried out, the consortium would take control of the Company, which in turn would represent a change of control under the New Revolving Credit Agreement. In this respect, the Company and the banks which are party to the "Revolving Facility Agreement" conclude an agreement to neutralize the effects of the transaction foreseen by the consortium on said contract.

Free performance share allocation plan

The free performance share allocation plan regulations dated September 15, 2021, May 3, 2022, 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.

BSA/BSPCE plans

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.

7.3.6.4 Agreements between shareholders of which Believe is aware

Pursuant to the Shareholders' Agreement signed on June 9, 2021 by Denis Ladegaillerie and its main historical shareholders, TCV, XAnge and Ventech, the former subscribed to a commitment to retain his shares for a period of three (3) years from the date of signature of the said Agreement, *i.e.* until June 9, 2024.

The shareholders' agreement signed on June 9, 2021 is described in Section 7.3.3 "*Statements regarding the control of the Company*".

On February 12, 2024, a consortium composed of TCV, EQT and Denis Ladegaillerie announced its intention to initiate a public tender offer for all of Believe's outstanding shares and its decision to acquire the shares of TCV Luxco BD S.à r.l., Ventech and XAnge, Believe's historical shareholders, holding respectively 41.14%, 12.03% and 6.29% of Believe's share capital, at the Offer price. It was also announced that Denis Ladegaillerie would contribute some of his Company shares to the consortium (representing 11.17% of the share capital) and sell the remaining portion (representing 1.29% of the share capital) *(see press release of February 12, 2024 available on the Company's institutional website).*

In this context, TCV, XAnge, Ventech and Denis Ladegaillerie signed an agreement under the terms of which they agreed to lift the share lock-up commitment made by Denis Ladegaillerie in order to allow him to publicly announce his intention to participate in the proposed transaction, to finalize this transaction, and to sign all agreements necessary for its implementation.

Moreover, under the terms of this agreement, the latter ceases to have effect:

- on the date on which each of the "Financial Sponsors", together with their affiliates, directly or indirectly holds less than 5% of the Company's share capital;
- on the date on which one of the parties holds, alone or in concert, more than 50% of the Company's share capital;
- on any date agreed by the parties of the said agreement.

This Agreement also terminates with respect to a party when such party and their affiliates cease to hold Company shares.

On the date of completion of the acquisition by the consortium of the shares of TCV Luxco BD S.à r.l., Ventech and XAnge, holding respectively 41.14%, 12.03% and 6.29% of Believe's share capital, the agreement will no longer be valid.

7.3.6.5 Holders of securities with special control rights in Believe

There are no holders of securities with special control rights.

7.3.6.6 Control mechanisms provided for by a possible employee shareholding system

Pursuant to the rules of procedure of the “Believe Shares” corporate mutual fund (French FCPE), the voting rights attached to the shares held by the Group’s employees and former employees are exercised by one or more representatives appointed to represent them at the General Meeting by the Supervisory Board of said fund.

In accordance with the duties assigned to it pursuant to Article L. 214-165 II of the French Monetary and Financial Code, the Supervisory Board decides on the contribution of securities in the event of a tender offer.

As of December 31, 2023, the “Believe Share” mutual fund held 280,709 shares, representing 0.29% of the Company’s share capital and 0.18% of the voting rights at General Meetings.

7.3.6.7 Rules governing the appointment and replacement of members of the Board of Directors, as well as amendments of the articles of association

The rules relating to the appointment and replacement of the members of the Board of Directors are described in Article 15 of the Company’s articles of association and in the Internal Rules of the Board of Directors (available on the Company’s institutional website).

The aforementioned Shareholders’ Agreement and the Financing Agreement provide for governance rules, which are described notably in Section 4.2.3. of this Universal Registration Document.

The rules relating to the amendment of the articles of association are described in Article 19.6 of the Company’s articles of association.

7.3.6.8 Powers of the Board of Directors in the event of a public tender offer

Pursuant to Article 231-40 of the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF), the Company’s authorization to buy back its own shares may not be used during a public tender offer.

Moreover, the Board of Directors may not decide to issue shares and securities with or without preferential subscription rights during the entire period of the public tender offer targeting Believe’s shares.

7.3.6.9 Agreements providing for compensation for Believe employees and managers if they resign or are dismissed without real and serious cause or if their employment ends due to a public tender offer

To the Company’s knowledge, there is no specific agreement providing for compensation for the Chairman and Chief Executive Officer or the Company’s employees in the event of their resignation or if their duties were to be terminated due to a public tender offer.

7.4 Dividend distribution policy

The Group does not intend to pay dividends in the short term, as the Group’s available cash will be used to support its growth strategy.

Accordingly, the Company does not intend to pay dividends in 2024 for the fiscal year ended December 31, 2023.

It should be noted that, for all intents and purposes, the Company has not paid any dividends over the last three fiscal years.

7.5 Stock market information and relations with shareholders and investors

7.5.1 Stock market information

Data sheet

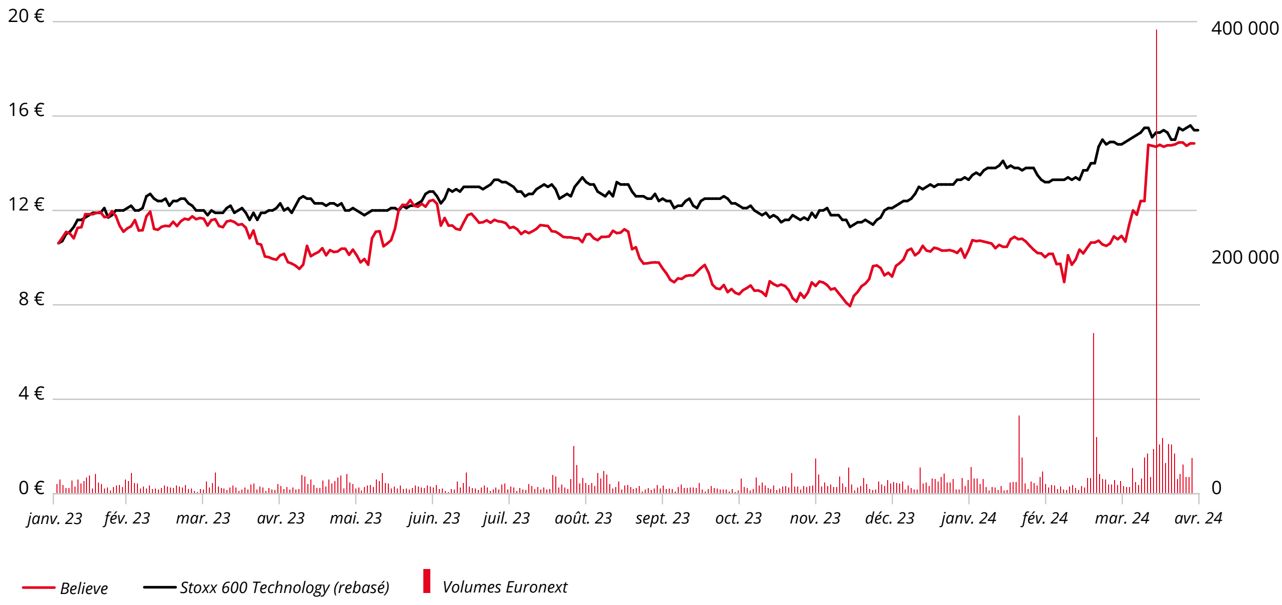
ISIN	FR0014003FE9
Euronext code	FR0014003FE9
Type of instrument	Share
Sub-type instrument	Ordinary share
Segment	*Local securities*
Compartment	Compartment B
Listing frequency	Continuous
Listing group	11
Listing currency	EUR
Quantity expressed in	Currency unit
Total number of shares	97,086,350
Listing date	June 10, 2021

Market capitalization in January 2023 and February 2024:

CHANGE IN SHARE PRICE, VOLUMES AND TURNOVER OF THE BELIEVE SHARE

Date	Opening price *(in €)*	Highest price *(in €)*	Lowest price *(in €)*	Closing price *(in €)*	Average volumes during the month	Average turnover per month	VWAP
Feb. 2024	13.53	14.91	10.94	13.61	144,644	2,057,143	13.58
Jan. 2024	10.22	10.42	9.99	10.21	53,219	529,243	10.22
Dec. 2023	10.58	10.76	10.37	10.59	38,550	404,194	10.57
Nov. 2023	10.00	10.18	9.83	10.04	25,184	251,420	10.01
Oct. 2023	8.58	8.77	8.40	8.63	28,948	250,102	8.61
Sep. 2023	8.75	8.87	8.60	8.69	24,973	218,114	8.71
Aug. 2023	9.81	9.88	9.58	9.69	22,514	216,501	9.70
Jul. 2023	10.99	11.08	10.86	10.96	13,030	143,778	10.98
Jun. 2023	11.39	11.51	11.26	11.40	13,719	156,295	11.38
May 2023	11.72	11.93	11.46	11.69	37,225	440,655	11.68
Apr. 2023	10.19	10.40	10.01	10.21	16,025	164,313	10.20
Mar. 2023	10.67	10.77	10.41	10.57	15,475	163,997	10.58
Feb. 2023	11.50	11.69	11.33	11.51	20,504	235,843	11.51
Jan. 2023	11.38	11.56	11.22	11.42	25,479	292,719	11.40

Change in the Believe share price since January 1, 2023



7.5.2 Relations with investors and financial analysts

7.5.2.1 Accessibility of information

Believe makes all financial information available to shareholders in the Investors Section of its website. The contact details of the Investor Relations team are available there, thus promoting direct contact with shareholders. Lastly, anyone interested in the Group's activities can sign-up to receive free press releases and publications by e-mail. This alert system is accessible through the Investors Section of the website by completing a registration form.

All financial information and financial communication materials are available in electronic format on the Believe website (www.believe.com) in the Investors Section, which includes:

- the Universal registration document (including the annual financial report) filed with the AMF;
- all financial press releases and financial communication materials (publication of results, webcasts, transcripts); and
- documents relating to the General Meeting of Shareholders.

This information can also be sent by mail on request to the Investor Relations Department. Legal information (articles of association, minutes of General Meetings, Statutory Auditors' reports) may also be consulted at the registered office.

7.5.2.2 Relations with institutional investors and financial analysts

Believe regularly communicates on its activities, strategy and outlook to the financial community in accordance with the best practices of the profession. Believe's management and Investor Relations Department place a special focus on dialogue with all shareholders, investors and financial analysts. Since the share's listing, the Executive Management and the Investor Relations Department have participated in numerous meetings with the financial community (financial analysts, institutional investors and individual shareholders), in the form of roadshows and sector and generalist conferences. The Company took part in numerous physical events during the year, and is also continuing its dialogue in a virtual format, enabling it to optimize the geographical coverage of the investor community. Believe participates in both Tech & Media sector conferences and more general conferences bringing together investors from all geographical areas in order to reach the widest possible community and continue its educational efforts. These regular contacts help to build a relationship of trust.

The Company met with more than 271 investment companies during the fiscal year ended December 31, 2023.

As regards the 2023 fiscal year, the financial publication of the annual and half-yearly results, as well as those of the first and third quarters, were presented by Executive Management via webcasts. A replay has been made available as well as the transcript of the conference.

The Believe share is monitored by 11 financial analysis offices.

A dialogue with shareholders on governance issues is also ensured by Executive Management and the Investor Relations Department through discussions with the teams in charge of these issues within the investment companies. Since its listing on the stock market in June 2021, Believe has begun to establish a dialogue with its proxy advisors on governance issues and more broadly on ESG topics. The Company also participates in discussions with ESG rating agencies in order to promote its efforts to the financial community, particularly in terms of diversity and training. The Board is kept regularly informed of the content of these discussions.

7.5.2.3 Financial agenda

Publication of 2023 revenue and results: March 13, 2024, after market close.

Publication of first quarter 2024 revenue: April 24, 2024, after market close.

General Meeting of Shareholders: June 26, 2024 at 9 a.m.

Publication of first-half 2024 results: August 1, 2024, after market close.

Publication of third quarter 2024 revenue: October 23, 2024, after market close.

7.5.2.4 Investor and Shareholder Relations contacts

Believe
24, rue Toulouse Lautrec,
75017 Paris, France
investors@believe.com

FEDERICO FARCOMENI - VIDEO CHANNEL MANAGEMENT LEADER - ITALY

8. Additional information

8.1 Persons responsible

8.1.1 Person responsible for the Universal registration document

Mr Denis Ladegaillerie, Chairman and Chief Executive Officer of the Company.

8.1.2 Statement by the person responsible for the Universal registration document

"I hereby certify that the information contained in this Universal registration document is, to my knowledge, accurate and contains no omission that might alter its scope.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the assets, financial position and results of the Company and of all companies included in the scope of consolidation, and that the management report included in this document presents a true and fair view of the changes in the business, results and financial position of the Company and of all the companies included in the scope of consolidation and describes the main risks and uncertainties they are faced with".

In Paris, France, March 26, 2024
Denis Ladegaillerie
Chairman and Chief Executive Officer

8.1.3 Information from third parties, expert declarations and declarations of interests

This Universal registration document contains information on the Group's markets and its positioning in those markets, including information on the size, competitive environment and dynamics of those markets and their growth outlook. The Group uses estimates that it has made, as well as studies and statistics published by independent third parties and professional organizations, such as IFPI, MIDiA and GFK Entertainments, and data published by the Group's competitors, digital service providers and social media platforms.

To the Company's knowledge, the information extracted from third-party sources has been fairly reproduced in this Universal registration document and no fact that would make this information inaccurate or deceptive has been omitted. The Company cannot, however, guarantee that a third party using different methods to collect, analyze or calculate data on those markets would obtain the same results.

Insight and Analysis - IFPI Secretariat
7 Air Street - London - W1B 5AD
Tel: +44 20 7878 7900
Contact person: David Price info@ifpi.org

Midia Research
79-81 Borough Road - London, SE 1DN
Tel: +44 20 3968 2453
Contact person: Mark Mulligan mark@midiaresearch.com

GFK Entertainment
Lange Strasse 75 Baden-Baden, 76530
Tel: +49 7221/279-400
Contact person: Silke Lotsch silke.lotsch@gfk.com

8.2 Persons responsible for auditing the financial statements

8.2.1 Principal Statutory Auditors

	Appointment	Expiry
KPMG S.A. represented by Jean-Pierre Valensi Tour Eqho 2, avenue Gambetta - 92066 Paris La Défense Cedex Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles	June 27, 2019	**2025**
Aca Nexia represented by Olivier Juramie 31, rue Henri Rochefort - 75017 Paris Member of the Compagnie Régionale des Commissaires aux Comptes de Paris	12/23/2020(1)	**2024**

(1) Appointed by written consultation of the shareholders on December 23, 2020 for the period remaining in the appointment of their predecessor, i.e. until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023. As the term of office as Principal Statutory Auditor of Aca Nexia is expiring, the General Meeting of June 26, 2024 will be asked to renew the term of office of Aca Nexia as Principal Statutory Auditor for a period of six fiscal years.

8.2.2 Alternate Statutory Auditors

	Appointment	Expiry
Salustro Reydel represented by Béatrice de Blauwe Tour Eqho 2, avenue Gambetta - 92066 Paris La Défense Cedex	June 27, 2019	**2025**
Pimpaneau & Associés represented by Olivier Lelong 31, rue Henri Rochefort - 75017 Paris Member of the Compagnie Régionale des Commissaires aux Comptes de Paris	12/23/2020(1)	**2024**

(1) Appointed by written consultation of the shareholders on December 23, 2020 for the period remaining in the appointment of their predecessor, i.e. until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023. As the term of office as Alternate Statutory Auditor of Pimpaneau & Associés is expiring, the General Meeting of June 26, 2024 will not be asked to renew this term of office.

8.3 Documents available to the public

The Company's articles of association, minutes of General Meetings, the parent company and consolidated financial statements for the last three fiscal years, and other Company documents, as well as any expert assessment or statement requested by the Company that must be made available to the shareholders, may be consulted at the Company's registered office.

In addition, regulated information within the meaning of the provisions of the AMF General Regulations is available on the Company's website *(www.believe.com).*

The Board's internal rules are also available on the Company's website *(https://www.believe.com/en/about/our-governance).*

8.4 Glossary

8.4.1 Business-related terms

Advances to artists and labels	Advance payments that may be made to artists or labels under the terms of a contract signed with Believe or one of its competitors. The advances are deducted from the payments made to the artist or label over the life of the contract.
Music catalog	Refers to all musical works by the same artist. Different rights apply to this catalog (including copyright and neighboring rights), belonging to different rights holders (*e.g.* artists - composers, lyricists, performers - producers, publishers, etc.). These rights holders receive the revenue corresponding to their rights, generated each time the catalog is listened to and/or used.
DMS	"**Digital Music Sales".** Volume of business generated on digital service provider and social media platforms, corresponding to the gross amount of payments made to the Group in respect of recording fees by digital service providers and social media platforms in return for the provision of audio and video content by the Group.
DSP	See definition of the term "Digital service providers".
Music publishing	The acquisition by a publisher of copyright relating to a musical work (namely musical composition and/or lyrics) to disseminate the work as much as possible and optimize its exploitation. Music publishers are engaged in the business of granting these rights for use for example, in recordings, public performances, scores, translations, films, television programs, video games, websites or advertisements, etc. In exchange for the use of these rights, the publisher receives remuneration, part of which is paid to the creator.
Label	Structure that manages an artist and/or a catalog of artists. Its main function is the distribution, promotion and marketing of the artist's titles. In some cases, labels may also take on other tasks, such as production. The relationship between the artist and their label is governed by a contract that makes it enable the promotion, marketing, or even production, of one or more musical works. There are different types of contracts with different levels of artist commitment. Generally, the latter sign for several years and agree to several formats (*e.g.* two albums launched in two years).
Majors	The three largest record companies in the music industry, namely Universal Music Group, Sony Music Entertainment and Warner Music Group. Majors are defined as: (i) the concentration, within the same group, of several business lines within the music industry value chain, (ii) the ownership and operation of large catalogs representing more than 70% of the global music market.
Recorded music	All business activities related to making music recordings available to consumers who want to listen to them.
Digital service providers	Streaming platforms or online stores that distribute digital audio or video content to consumers. Also known as DSPs for "Digital Service Providers".
Social media platforms	Refer to all services used to foster conversations and social interactions on the Internet or on the go.
Producer	Refers to a music professional who enables artists to produce recorded music. The producer advances a large part of the expenses related to the promotion and marketing of the music as well as production costs (recording, etc.). As such, they mainly receive payment on sales made.
Automated Solutions	Automated Solutions, which addresses the music creator market and whereby the Group enables music creators, via its TuneCore digital platform, to distribute their content in an automated manner to digital service providers and social media platforms in return for a subscription or revenue sharing. Access to this platform can, at the choice of the music creator, be supplemented by music publishing and synchronization solutions.
Premium Solutions	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 catalogue on digital service provider and social media platforms, as appropriate, using a revenue-sharing model. To a lesser extent, it also includes services supporting the development of artists in terms of physical sales, derivative products, synchronization services, neighboring rights, the production of live events (concerts) and music publishing.
Shapers	Believe volunteer employees, previously referred to as "Ambassadors", who propose and contribute to initiatives in the context of the CSR strategy and the Shaping Music for Good goal. Created in 2019, the network of ambassadors is divided into two communities, addressing Believe's major challenges: ● Believe for People/Parity (gender equality, diversity and inclusion, well-being at work, mentoring and support for local communities); and ● Believe for Planet (environmental topics).

Automated Solutions	Automated Solutions, which addresses the music creator market and whereby the Group enables music creators, via its TuneCore digital platform, to distribute their content in an automated manner to streaming and social media platforms in return for a subscription or revenue sharing. Access to this platform can, at the choice of the music creator, be supplemented by music publishing and synchronization solutions.
Premium Solutions	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 catalogue on the platforms of digital service providers and social media, as appropriate, using a revenue-sharing model. To a lesser extent, it also includes services supporting the development of artists in terms of physical sales, derivative products, synchronization services, neighboring rights, the production of live events (concerts) and music publishing.
Streaming	A method of broadcasting media content via the Internet, enabling instant audio or video streaming. Unlike downloading, it allows you to view content in real time, as it loads as you go.
Stream	Means listening to a track (or musical work) via a digital service provider. For example, plays are counted on Spotify when a person listens to the song or work in question for 30 seconds or more.
UGC	"**User Generated Content"**. Refers to all content created by users on e-commerce or branded sites, as well as content posted on community or discussion spaces such as forums or social media platforms.

8.4.2 Financial terms

Working Capital Requirement	The working capital requirement corresponds to the difference between income and expenditure. This difference can create a temporary need for financing or, if negative, it becomes a financial resource. Working capital requirements correspond mainly to the value of inventories plus trade receivables, advances to artists and labels and other current assets, less trade and other payables and other current liabilities.
Free Cash Flow	Free cash flow corresponds to net cash flows from operating activities, after taking into account acquisitions and disposals of intangible assets and property, plant and equipment, and restated for (i) costs related to acquisitions, (ii) acquisition costs of a group of assets that does not meet the definition of a business combination, and (iii) advances related to distribution contracts intended specifically for the acquisition of assets (acquisition of companies, catalogs, etc.). This indicator, which reflects the Group's capacity to generate cash from its operating activities, is taken into consideration by Executive Management to assess the performance of the operating segments.
Organic Revenue Growth	Corresponds to revenue generated, on a like-for-like basis, in year N by all companies included in the Group's scope of consolidation in the year ended December 31, of year N-1 (excluding any contribution from companies acquired during year N), compared to revenue generated in year N-1 by the same companies, regardless of when they entered the Group's scope of consolidation. Revenue at constant exchange rates is calculated by applying the average exchange rates of the n-1 period to the revenue for the period and for the n-1 period of each Group entity, expressed in its reporting currency. Excluding any exchange rate variances resulting from transactions carried out by reporting entities in currencies other than their operating currency.
Adjusted EBITDA	"**Earnings Before Interest, Taxes, Depreciation, and Amortization"**. Adjusted EBITDA is calculated based on operating income (loss) before (i) depreciation, amortization and impairment, (ii) share-based payments (IFRS 2) including social security contributions and employer contributions, (iii) other operating income (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. 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.
IFRS	"**International Financial Reporting Standards"**. Since 2005, IFRS has been the accounting framework applicable to companies listed on a European market. 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.
CGUs	"**Cash Generating Unit**". It is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

8.5 Cross-reference tables

8.5.1 2023 Universal registration document (URD)

Information required in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 in accordance with the URD format.

		Chapter
1.	**Persons responsible, third-party information, experts' reports and competent authority approval**	
1.1	Identity of person responsible	8.1.1
1.2	Statement by person responsible	8.1.2
1.3	Expert statements	N/A
1.4	Information from third parties	N/A
1.5	Statement without prior approval of the competent authority	AMF insert
2.	**Statutory Auditors**	
2.1	Identity of Principal Statutory Auditors	8.2
2.2	Potential change	NA
3.	**Risk factors**	**3.1**
4.	**Information about the Company**	
4.1	Legal and commercial name	7.1.1
4.2	Registration place and number, LEI	7.1.1
4.3	Date of incorporation and length of life	7.1.1
4.4	Registered office and legal form, jurisdiction, country of incorporation, address, telephone number of the statutory registered office, website with a disclaimer	7.1.1
5.	**Business overview**	
5.1	Principal activities	1.2
5.2	Principal markets	1.3
5.3	Important events	1.1; 6.1.1
5.4	Strategy and objectives	1.5; 2.1; 2.2; 5.4
5.5	Dependence pertaining to patents, licenses, contracts and manufacturing processes	3.1.2; 3.1.5; 6.1.1
5.6	Competitive position statement	1.3.1; 1.4
5.7	Investments	5.3.2.1
5.7.1	Material investments made	1.2.3; 1.4.5; 2.6.3; 5.1.2.4
5.7.2	Principal ongoing or upcoming investments	1.5; 5.4
5.7.3	Information on joint ventures and associated businesses	6.1.1 Notes 2.4 and 12.2
5.7.4	Environmental questions which may affect utilization of tangible fixed assets	2.6.1; 2.6.2
6.	**Organizational structure**	
6.1	Group brief description	1.6.1
6.2	List of significant subsidiaries	1.6.2; 6.1.1 Note 2.2; 6.2.2.5; 6.2.3.1

		Chapter
7.	**Financial situation audit and result**	
7.1	Financial situation	
7.1.1	Results and financial situation evolution, with key performance indicators of financial and where relevant, extra-financial nature	5.1.4; 5.1.5; 5.2; 6.2.3.1
7.1.2	Future development and activities in terms of research and development forecast	1.3; 1.5.4; 5.1.3; 5.2.4; 5.4; 6.2.3.5; 6.2.3.6
7.2	Operating results	
7.2.1	Significant factors, unusual or infrequent events or new developments	5.1.2; 6.1.1
7.2.2	Principal factors influencing changes to net sales or revenues	5.1.2; 6.2.3.1
8	**Treasury and capital**	
8.1	Capital information	5.3.4; 6.1; 6.1.1 Note 10; 6.2.1; 6.2.2.5
8.2	Cash flow	5.1.4; 5.3.2; 6.1; 6.1.1 Note 11
8.3	Financing needs and structure	5.3.1; 5.3.2; 5.3.3; 6.1.1 Note 8; 6.2.2.5
8.4	Capital use restrictions	N/A
8.5	Expected financing sources	N/A
9.	**Regulatory environment**	
	Description of regulatory environment potentially capable of influencing Company business	1.3.2
10.	**Trend information**	
10.1	Description of key trends and all significant changes in Group financial performance since the last fiscal year	1.4.1; 1.5.4; 5.4; 6.2.3.5
10.2	Events capable of perceptibly influencing prospects	1.5; 5.4; 6.2.3.5
11.	**Profit forecasts or estimates**	
11.1	Published profit forecasts or estimates	5.4.2
11.2	Statement enumerating principal forecast assumptions	5.4
11.3	Statement of comparability with historical financial information and accounting policies conformity	5.4.1
12.	**Administrative, management, supervisory and executive management bodies**	
12.1	Information pertaining to members	4.2; 4.3.2
12.2	Conflicts of interests	4.2.8.1; 4.2.8.2
13.	**Remuneration and benefits**	
13.1	Remuneration and benefits in kind	4.6.4.1; 4.6.4.2
13.2	Pension provision and other similar benefits	N/A
14.	**Administration and management functions**	
14.1	Term of office expirations	4.2.1; 4.2.2
14.2	Service contracts binding administrative, management or supervisory members to the Company	4.2.8.3
14.3	Audit and remuneration Committees information	4.2.7
14.4	Statement of abidance to corporate governance regime	4.1.2
14.5	Potential future changes to corporate governance	4.2.4

		Chapter
15.	**Employees**	
	15.1 Number of employees	Introduction; 1.6.3; 2.4.1; 6.1.1 Note 5.1; 6.2.2.7
	15.2 Shareholding and stock options	6.1.1 Note 5.4; 7.2.5
	15.3 Agreement anticipating employee participation in capital	2.4.7.1; 4.6.4.5; 6.1.1 Note 5.4; 6.2.3.11; 7.2.5; 7.3.4
16.	**Major shareholders**	
	16.1 Shareholders holding over 5% of the capital	7.3.1
	16.2 Existence of different voting rights	7.1.2.2; 7.3.1; 7.3.6.2
	16.3 Direct or indirect control	7.3.1; 7.3.3
	16.4 Agreement which when triggered may engender a control amendment	7.3.3
17.	**Related-party transactions**	**6.1.1 Notes 2.4 and 12.2**
18.	**Financial information concerning assets and liabilities, financial position and Company results**	
	18.1 Historical financial information	
	18.1.1 Audited historical financial information over the last three fiscal years and audit report	6
	18.1.2 Change of accounting reference date	N/A
	18.1.3 Accounting standards	6.1.1 Note 1.1; 6.2.2.3
	18.1.4 Change in accounting framework	N/A
	18.1.5 Balance sheet, income statement, changes in equity, cash flow, accounting policies and explanatory notes	6.1; 6.2
	18.1.6 Consolidated financial statements	6.1
	18.1.7 Date of last financial information	6
	18.2 Information pertaining to financial intermediaries and others (audit reports or examinations where relevant)	N/A
	18.3 Auditing of historical annual financial information	
	18.3.1 Independent historical annual financial information audit	6.3
	18.3.2 Other audited information	N/A
	18.3.3 Non-audited financial information	N/A
	18.4 Pro forma financial information	N/A
	18.5 Dividend distribution policy	
	18.5.1 Policy on dividend distribution and all applicable restrictions	6.1.1 Note 10.2; 7.4
	18.5.2 Dividend per share	N/A
	18.6 Administrative, legal and arbitration procedures	6.1.1 Note 7
	18.7 Significant change to financial position	5.2.1; 6.2.3.1

		Chapter
19.	**Additional information**	
	19.1 Information on share capital	
	19.1.1 Subscribed capital, shares issued and fully paid, par value per share and authorized number of shares	7.2
	19.1.2 Information pertaining to shares not representing capital	7.2.3
	19.1.3 Number, book value and nominal value of shares held by the Company	7.2.4
	19.1.4 Convertible securities, exchangeable securities or securities with warrants	7.2.5
	19.1.5 Conditions governing any acquisition rights and/or any subsequent obligation towards unpaid subscribed capital or any other company with the aim of increasing capital	7.2.1; 7.2.5
	19.1.6 Option or conditional or unconditional agreement of any Group member	7.2.7
	19.1.7 Share capital history	7.2.1
	19.2 Memorandum and articles of association	
	19.2.1 Register and corporate purpose	7.1.1; 7.1.2.1
	19.2.2 Rights, preferences and restrictions tied to each share class	7.1.2.2
	19.2.3 Dispositions which may delay, defer or prevent a change in control	7.1.2
20.	**Significant contracts**	**3.1.2**
21.	**Documents available**	**8.3**

8.5.2 Cross-reference table for the Annual Financial Report

Cross-reference table for the Annual Financial Report pursuant to Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) General Regulations.

Headings	Articles	Attendance
ANNUAL FINANCIAL REPORT	L.451-1-2 of the French Monetary and Financial Code; L.222-3 of the AMF General Regulations	
1. ANNUAL STATEMENTS		6.2
2. CONSOLIDATED FINANCIAL STATEMENTS		6.1
3. MANAGEMENT REPORT		See Cross-reference table for the Management Report
4. CORPORATE GOVERNANCE REPORT		See Cross-reference table for the Corporate Governance Report
5. STATEMENT BY THE PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT		8.1.2
6. STATUTORY AUDITORS' REPORTS ON THE PARENT COMPANY FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS		6.3

8.5.3 Management Report

Cross-reference table for the management report - Articles L.22-10-34 *et seq.*, L.232-1 *et seq.* and R.225-102 *et seq.* of the French Commercial Code.

References	Required elements	Chapters/Section
1. COMPANY SITUATION AND ACTIVITY		
French Commercial Code Articles L.225-100-1, I., 1°, L.232-1, II, L.233-6 and L.233-26	Company situation, objective and exhaustive analysis of changes in business, results and financial position, in particular debt position in relation to business volumes and complexity. Activity report (progress and difficulties encountered) and Company results, for each Group subsidiary	1.4.5; 5.1; 5.2; 5.3; 6.1; 6.2
French Commercial Code Article L.225-100-1, I., 2°	Key financial performance indicators	Introduction; 5.1.4; 5.1.5; 5.2
French Commercial Code Article L.225-100-1, I., 2°	Key non-financial performance indicators, pertaining to specific Company activity	Introduction; 2.7.4
French Commercial Code Articles L.232-1, II and L.233-26	Important events occurring between the end of the fiscal year and the management report production date	6.1.1 Note 12.4; 6.2.2.10; 7.1.3
French Commercial Code Article L.232-1, II	Existing branches	6.2.3.1
French Commercial Code Article L.233-6, 1	Significant stakeholding in a company headquartered in France	1.1; 5.1.2.4; 6.1.1 Notes 2.2 and 2.3; 6.2.2.4; 6.2.3.2; 6.2.3.4
French Commercial Code Articles L.233-29, L.233-30 and R.233-19	Notice of holding of over 10% of the capital in another company via shares (alienation of cross participation)	N/A
French Commercial Code Articles L.232-1, II and L.233-26	Company's expected evolution and outlook	1.5.4; 5.4; 6.2.3.5
French Commercial Code Articles L.232-1, II and L.233-26	Research and development activities	6.2.3.6
French Commercial Code Article R.225-102	Table displaying Company results over the last five fiscal years	6.2.3.1
	Fiscal year performance and proposed allocation of the result	6.2.3.7
French Commercial Code Article L.441-14 and D.441-6	Information pertaining to provider and client payment delays	6.2.3.10
2. INTERNAL CONTROL AND RISK MANAGEMENT		
French Commercial Code Article L.225-100-1, I., 3°	Principal risks and uncertainties pertaining to the Company	3.1
French Commercial Code Article L.22-10-35, 1°	Financial risks related to climate change and presentation of measures in place to reduce such impacts	2.6.1
French Commercial Code Article L.22-10-35, 2°	Principal aspects of internal control and risk management procedures pertaining to expanding and processing accounting and financial information	3.2.3
French Commercial Code Article L.225-100-1, I., 4°	Objectives and policy covering Company transactions and exposure to price, credit, liquidity and treasury risks. Indications take into account Company use of financial instruments	3.1.4; 6.1.1 Note 8.2
Law No. 2016-1691 of December 9, 2016 known as the “Sapin II” Law	Anti-corruption system	2.3; 3.1.2; 3.2.2.1
French Commercial Code Article L.225-102-4	Vigilance plan and update on its implementation	N/A

References	Required elements	Chapters/Section
3. SHAREHOLDING AND CAPITAL		
French Commercial Code Article L.233-13	Structure, Company capital evolution, self-holding and threshold crossing	6.1.1 Note 10.1; 6.2.2.5; 6.2.5.3; 7.2; 7.3
French Commercial Code Articles L.225-211 and R.225-160	Company acquisition and sale of its own shares	7.2.4
French Commercial Code Article L.225-102, 1	Statement on employee participation in share capital	2.4.7; 7.3.4
French Commercial Code Articles R.228-90 and R.228-91	Potential amendments to titles or transferable securities providing access to capital in cases of share re-buys or financial operations	N/A
French Monetary and Financial Code Articles L.621-18-2 and R.621-43-1 AMF regulation Article 223-26	Information on executive operations and persons tied to Company shares	7.3.5
French General Tax Code Article 243 bis	Dividends distributed over the past three fiscal years	6.1.1 Note 10.2; 6.2.3.8; 7.4
4. NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)		
French Commercial Code Articles L.225-102-1 and R.225-105	Business model	Introduction; 2.1.1
French Commercial Code Articles L.225-102-1 and R.225-105, I.1°	Principal risks tied to Company activity	2.2.2
French Commercial Code Articles L.225-102-1, III, L. 2-10-36 and R.225-105, I, 2°	Information on the ways the Company takes into account the social and environmental consequences of its activities, and the effects of its activities on human rights, the fight against corruption and tax evasion (description of policies applied by the Company)	2.2.2; 2.3; 2.4; 2.5; 2.6; 3.1.2; 3.1.3; 3.2.2.1
French Commercial Code Articles L.225-102-1 and R.225-105, I.3°	Results of policies applied by the Company or the Group, including key performance indicators	2.3; 2.4; 2.5; 2.6; 2.7.4
French Commercial Code Articles L.225-102-1 and R.225-105, II, A, 1°	Social information (employment, labor organization, health and safety, social relations, training, fairness of treatment, actions to promote physical and sporting activities)	2.4; 2.7.3; 2.7.4.3
French Commercial Code Articles L.225-102-1 and R.225-105, II, A, 2°	Environmental information (general environmental policy pertaining to pollution, circular economy and climate change)	2.6; 2.7.4.3
French Commercial Code Articles L.225-102-1 and R.225-105, II, A, 3°	Societal information (societal engagements favoring sustainability, outsourcing and providers, practice loyalty)	2.3; 2.5; 2.6.2
French Commercial Code Articles L.225-102-1, R.225-105, II, B, 1° and L.22-10-36	Information pertaining to the fight against corruption and measures taken to signal corruption	2.3; 2.6.3; 3.1.2; 3.2.2.1
French Commercial Code Articles L.225-102-1, R.225-105, II, B, 2° and L.22-10-36	Information pertaining to actions promoting human rights	2.3.2; 2.3.3; 2.4.5; 2.5.1.5; 2.5.2.2
French Commercial Code Article L.225-102-2	Information pertaining to SEVESO installations	N/A
Taxonomy regulation 2020/852 Article 8 and delegated act of July 6, 2021	Revenue, investment spending (CAPEX), exploitation spending (OPEX), economic activity eligible for sustainable taxonomy publishing	2.6.3
French Commercial Code Articles L.225-102-1 III and R.225-105-2	Certification of independent third-parties	2.8

References	Required elements	Chapters/Section
5. ADDITIONAL INFORMATION REQUIRED FOR THE PRODUCTION OF THE MANAGEMENT REPORT		
French General Tax Code Articles 223 quater and 223 quinquies	Additional fiscal information (spending and non-deductible expenses)	6.2.3.9
French Commercial Code Article L.464-2	Financial injunctions or sanctions for anticompetitive practices	N/A
French Monetary and Financial Code Articles L.511-6 3 bis, R. 511-2-1-1 and R.511-2-1-3	Information on loans dating less than three years to businesses with a justified economic link	5.1.2.4; 6.1.1 Note 2.4; 6.2.2.5

8.5.4 Report on Corporate Governance

Cross-reference table for the report on corporate governance – Articles L.225-37 *et seq.* of the French Commercial Code.

References	Required elements	Chapters/Section
1. Compensation information		
French Commercial Code Articles L.22-10-8, I., 2 and R.22-10-14	Corporate officer compensation policy	4.6
French Commercial Code Article L.22-10-9, I., 1° and R.22-10-15	Total compensation and all benefits allocated to each corporate officer during the fiscal year	4.6.4
French Commercial Code Article L.22-10-9, I., 2°	Relative proportion of fixed and variable compensation	4.6.3.2; 4.6.4.2
French Commercial Code Article L.22-10-9, I., 3°	Usage of option to request restitution of variable compensation	N/A
French Commercial Code Article L.22-10-9, I., 4°	All engagements taken by the Company to benefit corporate officers	4.6.3.2.2; 4.6.4.2.2
French Commercial Code Article L.22-10-9, I., 5°	Allocated or attributed compensation by a company encompassed in the consolidation scope according to the meaning of Article L.233-16 of the French Commercial Code	N/A
French Commercial Code Article L.22-10-9, I., 6°	Ratios between the compensation of each executive director and the **average** and **median** compensation of the Company's employees	4.6.4.3
French Commercial Code Article L.22-10-9, I., 7°	Annual compensation, Company performance, average employee compensation and ratios evolution over the past five fiscal years	4.6.4.3
French Commercial Code Article L.22-10-9, I., 8°	Explanation of the ways total compensation is aligned with the adopted compensation policy, including the way in which it contributes to long-term Company performance and the way in which performance criteria were applied	4.6.4.1; 4.6.4.2
French Commercial Code Article L.22-10-9, I., 9°	How the vote of the last Ordinary General Meeting was taken into account, as provided for in Section II of Article L. 225-100 (until December 31, 2020) and in Section I of Article L 22-10-34 (from January 1, 2021).	4.6.4.1; 4.6.4.2
French Commercial Code Article L.22-10-9, I., 10°	Gap between enactment of compensation policy and all exemptions	N/A
French Commercial Code Article L.22-10-9, I., 11°	Application of elements of the second indent of Article L.225-45 of the French Commercial Code	N/A
French Commercial Code Articles L.225-185 and L.22-10-57	Allocating and conservation of options by corporate officers	N/A
French Commercial Code Articles L.225-197-1 and L.22-10-59	Allocation and conservation of free shares to executive directors	N/A

References	Required elements	Chapters/Section
2. Governance information		
French Commercial Code Article L.225-37-4, 1°	List of all mandates and functions undertaken in the Company by each corporate officer during the fiscal year	4.2.2
French Commercial Code Article L.225-37-4, 2°	Agreed-upon conventions between a director or significant shareholder and a subsidiary	4.4; 6.1.1 Note 12.3
French Commercial Code Article L.225-37-4, 3°	Summary table of delegations in the process of being approved in line with the general meeting of shareholders pertaining to capital increase	7.2.2
French Commercial Code Article L.225-37-4, 4°	Executive Management leadership	4.1.1.2
French Commercial Code Article L.22-10-10-1°	Composition, preparation and organization conditions of Board projects	4.2.3
French Commercial Code Article L.22-10-10-2°	DEI strategy and policy, and application of gender parity principles within the Board	2.4.5.2; 4.2.3; 4.3.3
French Commercial Code Article L.22-10-10-3°	Potential limits to the Chief Executive Officer’s powers brought on by the Board of Directors	4.1.1.2
French Commercial Code Article L.22-10-10-4°	Reference to corporate governance code and application of the “comply or explain” principle	4.1.1.1; 4.1.2
French Commercial Code Article L.22-10-10-5°	Particular ways in which shareholders partake in the General Meeting	4.5.1.2; 7.1.2.2
French Commercial Code Article L.22-10-10-6°	Evaluation of current conventions and its execution	4.4
3. Information likely to have an impact in the event of a public or exchange offer		
French Commercial Code Article L.22-10-11	Information likely to have an impact in the event of a public or exchange offer	7.3.6

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