



Q1 2022 earnings

May 4, 2022

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Forward Looking Statement

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Today's presenters



**Denis
Ladegaillerie**

**Founder & Chief Executive
Officer**



**Xavier
Dumont**

**Chief Operating Officer &
Chief Financial Officer**

**A strong Q1 2022 performance
driven by positive market trends
and by the attractivity to artists
and labels of Believe's platform
model**

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Key achievements in line with Believe's strategy presented at the IPO

- **Strong attractivity of Believe for artists and labels across all segments and geographies**
- **Driven by continued investment in local sales and marketing and in central platform strengthening competitive edge in digital**
- **Digital first approach and expertise driving strong and profitable growth in all markets**
- **Further progress in the deployment of its *Shaping Music for Good* program as demonstrated by our results in improving gender equality**

New Top Local Artists signings illustrating the strong attractivity of Believe

Signing Top Artists in all regions



Developing artists that put their confidence in Believe⁽¹⁾

Top charting artists in Q1'22

- **ZKR - Cameleo** (*Urban, France*)
- **Yanns - Clic clic Pan Pan** (*Urban, France*)
- **Emma Peters** (*Pop, France*)
- **Miksy / Macloud - Sehnsucht** (*Pop, Germany*)
- **OG Keemo - Mann beisst hund** (*Urban, Germany*)
- **Alligatoah - Rotz & Wasser** (*Urban, Germany*)
- **Kaydy Cain** (*Urban, Spain*)
- **James Morrison - greatest hits** (*Pop, UK*)
- **Saran - Hurt** (*Urban, Thailand*)
- **Yura Yunita - Tutur Batin** (*Pop, Indonesia*)
- **Idgitaf - Takut - Semoga Sembugh** (*Pop, Indonesia*)
- **Gaz Mawete - Puzzle** (*Urban, Congo*)

Note

1. artists that put confidence in Believe directly or via their labels

Illustrating Investment and Profitable Growth strategy: China



Accelerating investment since 2018 to generate strong and profitable growth, as the market was maturing:

- **Gradual and organic investment** to accompany the switch of the Chinese market to a more sustainable model and to address all market segments when they become digital
- **Significant investment in local sales, marketing and support teams** to reach c. 60 employees at year end 2021 (10 consultants in 2018). Roll out of Artist Services in FY21 alongside Label & Artists Solutions.
- **Building local presence across the market's largest cities**

Thousands of artists and hundreds of labels put their confidence in Believe

Key producers confirming their confidence in Believe during Q1'22

- HL Entertainment
- Modern sky
- Quianhesihiji
- Sanbao
-

New key signings in Q1'22

- Capper
- Cheerful music
- Z-global

Most famous Chinese hip hop artist, songwriter, and music video director, released **his first full album Young Captain's Music World in 2021 with Believe** signed under Artist Services

An outstanding digital success since the release of the album "Young Captain's Music World" in 2021:

- Fanbase grew from 300k to 2.7 million user on NetEase and from 50K to 1 million on TME
- Record of 200 chart entries on TME's 3 platforms

Collaborating with all local significant players of the digital music industry in China in addition to international DSP, offering wider monetization opportunities to artists and labels



while leveraging innovative solutions and tools developed by the central platform to support artists' by helping them execute efficient go-to-market and audience development strategies

Reinforcing global attractivity of Believe for our two hearts, our artists and our employees

Active development of new innovative tools to support the development of artists at all stages of their career

Ongoing deployment of a new playlist monitoring tool, allowing to:

- Track results on retail partners' editorial placements over time and evaluate impact on streams
- Maximize reporting capabilities on editorial, marketing and promotion performance by scanning thousands of playlists
- Externalize editorial and marketing achievements by reporting results accurately to customers

Already deployed on all global stores, ongoing roll-out on additional stores for a global and optimized coverage

Active policy towards promoting gender equality at all levels of the Group:

- **54% of women in the Executive Committee**
- **40% of women at the Group's level**
- **45% of women of all new recruits in the last 2 years**

Actively working on all measures of gender equality

- A committed salary policy to guarantee an equitable remuneration
- Controlling gender equality during annual salary review (raises, promotion)
- Raising woman's salary upon their return from maternity leave

Decision to draw inspiration from the French index model to progressively extend the measurement of gender equality



Another quarter of strong revenue growth, driven by outstanding digital sales

Year-over-year revenue growth

+30.9%

+35.3%

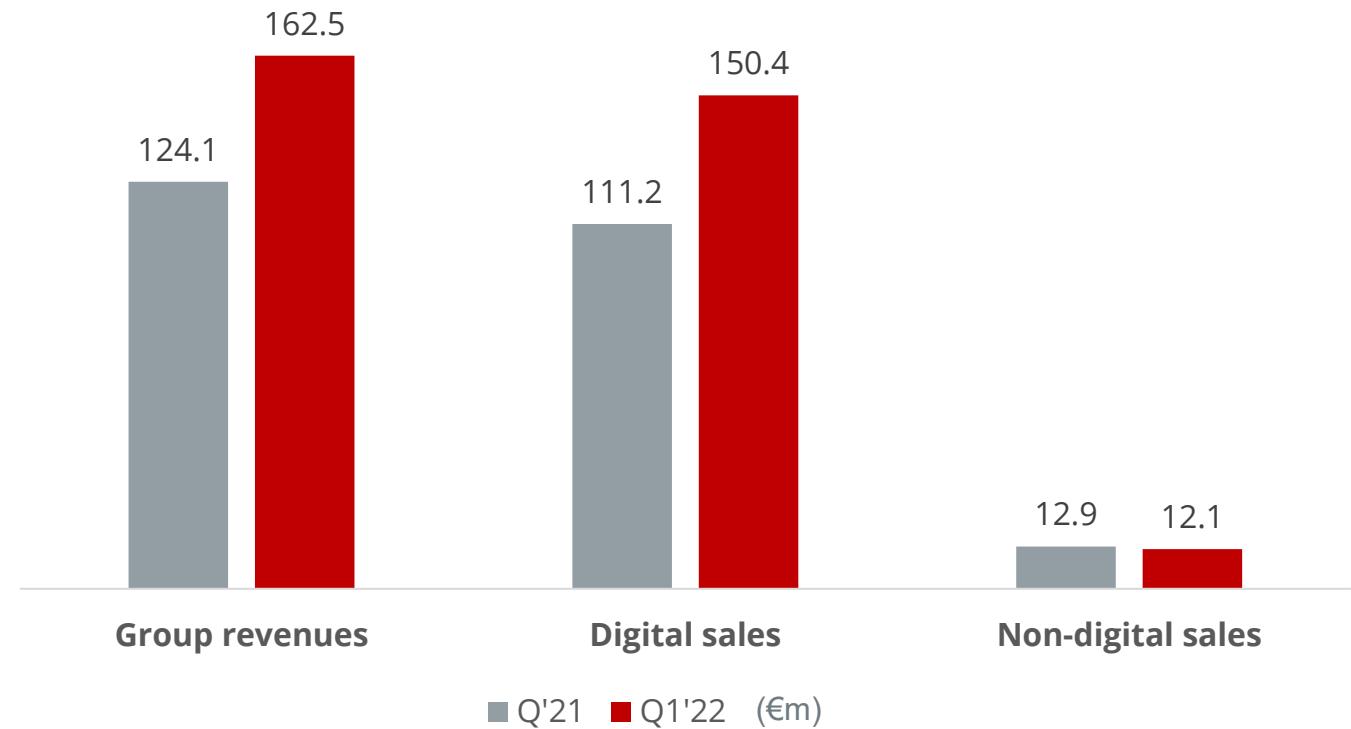
(6.5)%

Revenues (€m)

Digital Sales significantly up +35.3% in Q1'22, reflecting positive market trends and solid investment in local teams completed over the past 24 months

Non-digital sales down 6.5%, largely reflecting the ongoing curtailing of physical heavy contracts in Germany not yet completed

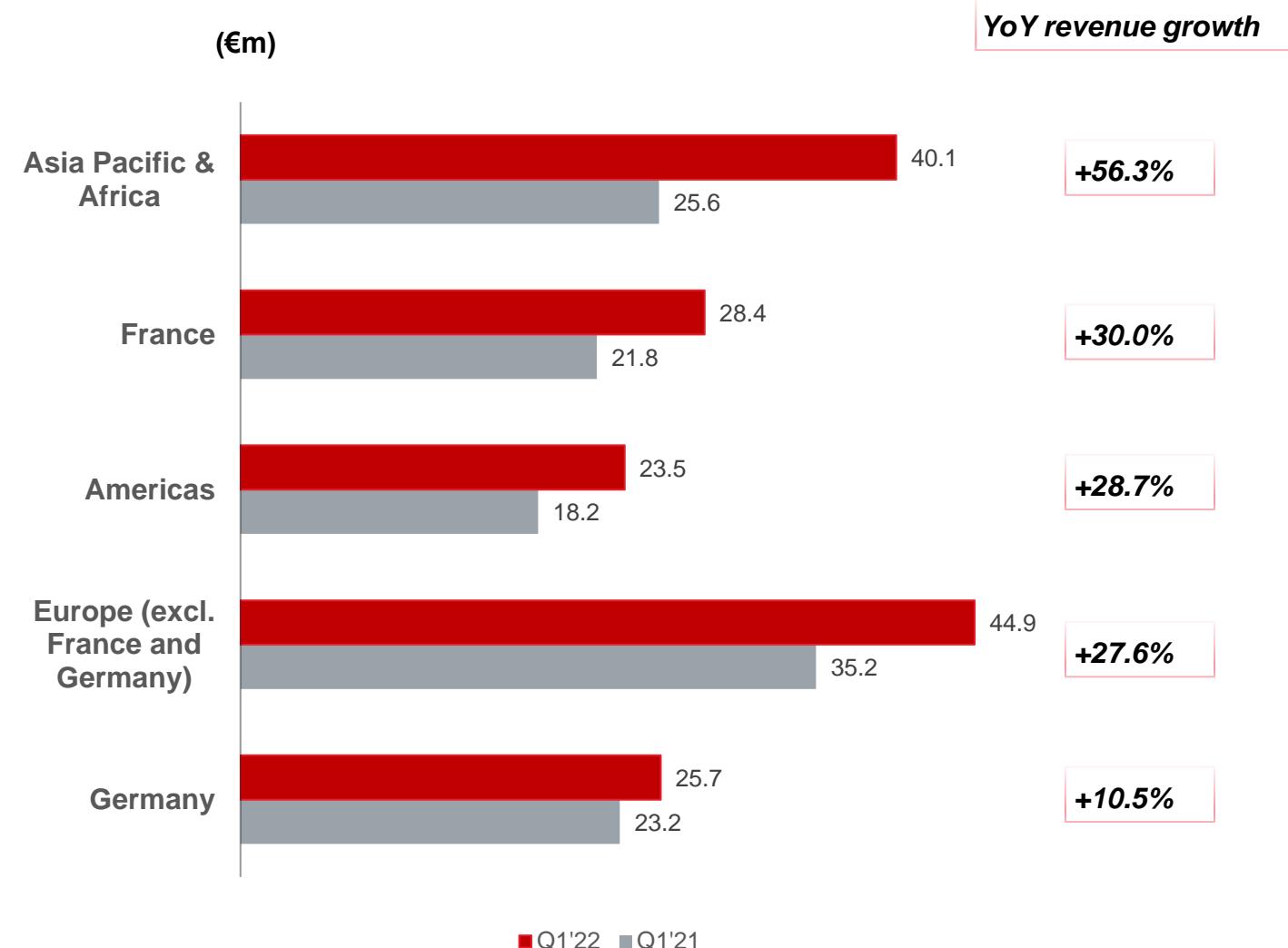
Revenue growth exceeded +30% in Q1'22, notwithstanding the impact of the ongoing Russia-Ukraine crisis



Growth in all Geographies in Q1'22, with continuous fast growth in Asia

Key regional highlights

- APAC & Africa recording another quarter of fast-growth, reflecting strong underlying market growth and market share gains
- France up +30.0%, reflecting strong performance of digital sales in all activities and contribution of the extended service agreements with Play Two and Jo&Co
- Americas up strongly, resulting from strong activity in Latin America thanks to past investment in local teams and solid growth in the US for TuneCore
- Europe (excl. France & Germany) up significantly driven by various markets, including more mature markets. Solid level of growth despite devaluation in Turkey and impact of the Russia-Ukraine crisis
- Germany up +10.5% as non-digital sales were affected by ongoing actions to reduce exposure to physical heavy contracts; digital sales up double digit



Revenues by segment in Q1'22

Revenues (€m)

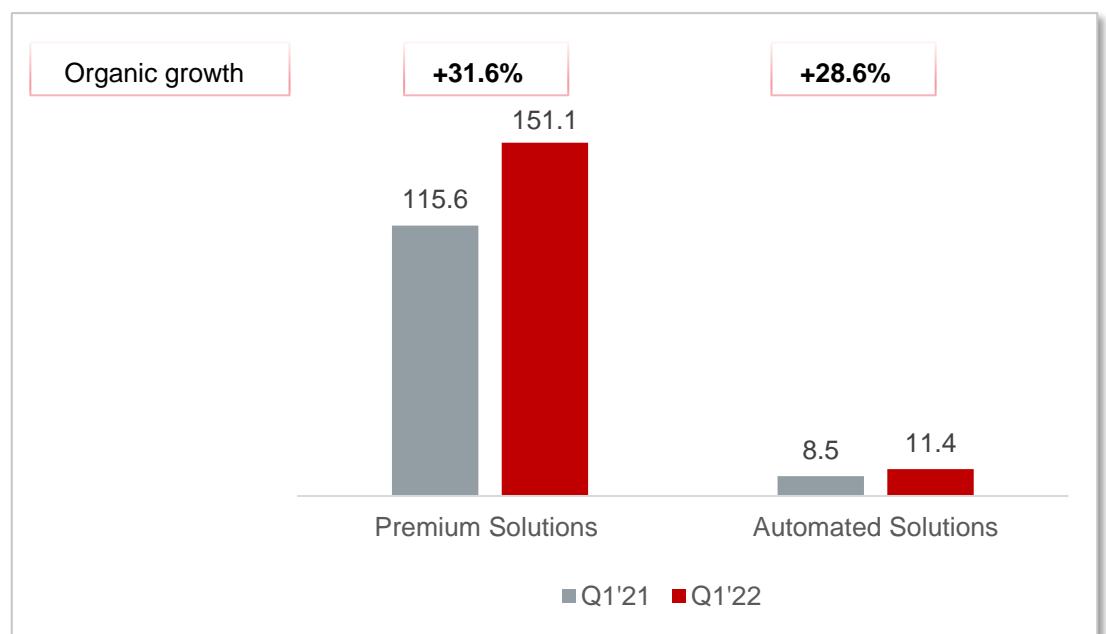
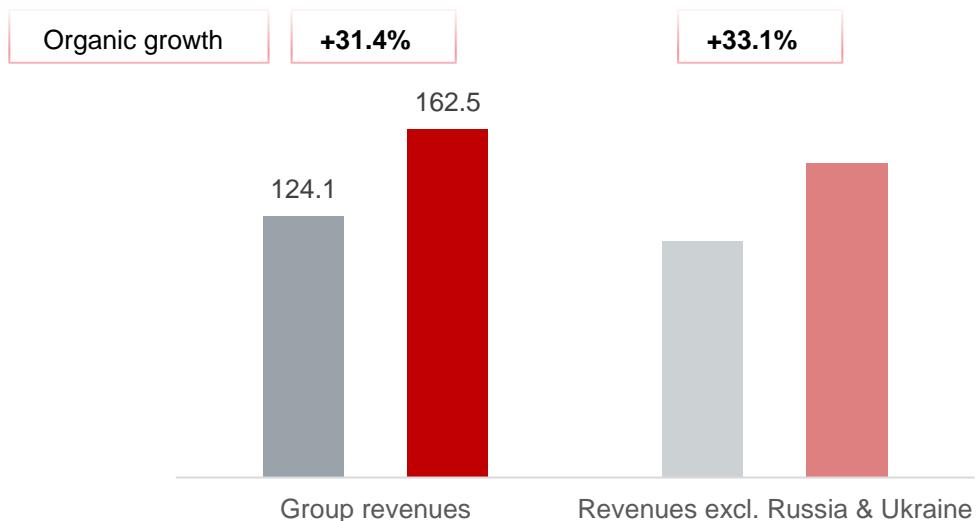
Organic growth exceeding +30% in Q1'22, reflecting a strong start of the year and a high level of activity outside Russia & Ukraine

€2.1 million of revenues related to the extended service agreements linked to M&A transactions completed in Q4'21 (or +1.7% of organic growth)

Russia and Ukraine activity penalized as of March'22, resulting in revenue growth of around +15% in Q1'22 in the two countries

Strong growth in Premium Solutions thanks to positive market trends and accelerated investment in local teams in prior years

Automated Solutions back to strong organic growth with recent initiatives driving a large number of new music creators joining TuneCore



FY'22 guidance update and confirmed mid-term targets

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FY'22 guidance

1. CONTINUE DRIVING STRONG ORGANIC GROWTH

- Strong and profitable organic growth and additional market share gains outside Russia and Ukraine driven by **positive structural market trends and reinforcement of Believe's model attractivity**: organic growth of c. +25% outside Russia and Ukraine
- **Organic performance including around 2% by the service agreements** concluded with strategic partnerships completed in Q4'21(Think Music and VMAG in Asia, Play Two and Jo&Co in France)
- Activity in **Russia and Ukraine to be penalized from March given circumstances**: revenues of the business unit anticipated down between 30% and 40% on a yearly basis depending on the ruble depreciation
- Including the Russian-Ukrainian business units, **Group organic growth anticipated around +20%**

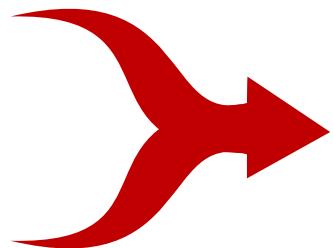
2. CONTINUE INVESTING IN FUTURE GROWTH WHILE CONTROLLING OPERATING LEVERAGE & CASH FLOW

- **Continue Investing in the central platform and in local sales & marketing teams to drive future profitable growth**
- While managing actively investment cycle in the current environment
- Adjusted EBITDA margin anticipated around last year level (4%) as the Group's priority is to invest to build up market positions as digital music market is maturing in various countries

On track to deliver on Mid-term objectives

A STEADY PACE OF INVESTMENT RESULTING IN STRONG REVENUE GROWTH & OPERATING LEVERAGE

- Accelerated investment in local teams across the countries addressed by Believe
- Continuing investment in central platform, but scale up phase secured: investment to progressively decrease as a % of revenue, peak reached end FY'19
- A targeted M&A strategy to accelerate revenue growth



Mid term Organic CAGR objective

+22% - +25% for the period 2021-2025

Mid-term Adjusted EBITDA margin

5% to 7% by 2025

Long term Adjusted EBITDA margin

15%

Note

1. Organic growth accounts for revenue growth at constant perimeter and exchange rates 2, Adjusted EBITDA is calculated based on operating income (loss) before depreciation, amortization and impairment, share-based payments (IFRS 2), other operating income and expense; and included the share of net income (loss) of equity-accounted companies

On the right track to build the #1 Global Artists & Labels Development Platform

- **Strong revenue growth, driven by our attractivity for artists and labels and our unique digital data-driven model**
- **Continuous investment in sales, marketing and technology to fuel strong and profitable growth in the future**
- **Significant business achievements in all regions and with all music genres demonstrating our digital expertise and know-how and our strengthened market position**
- **FY 2022 guidance showing organic growth for the business outside Russia and Ukraine at the top end of the organic growth rate provided at the IPO for the period 2021-2025**

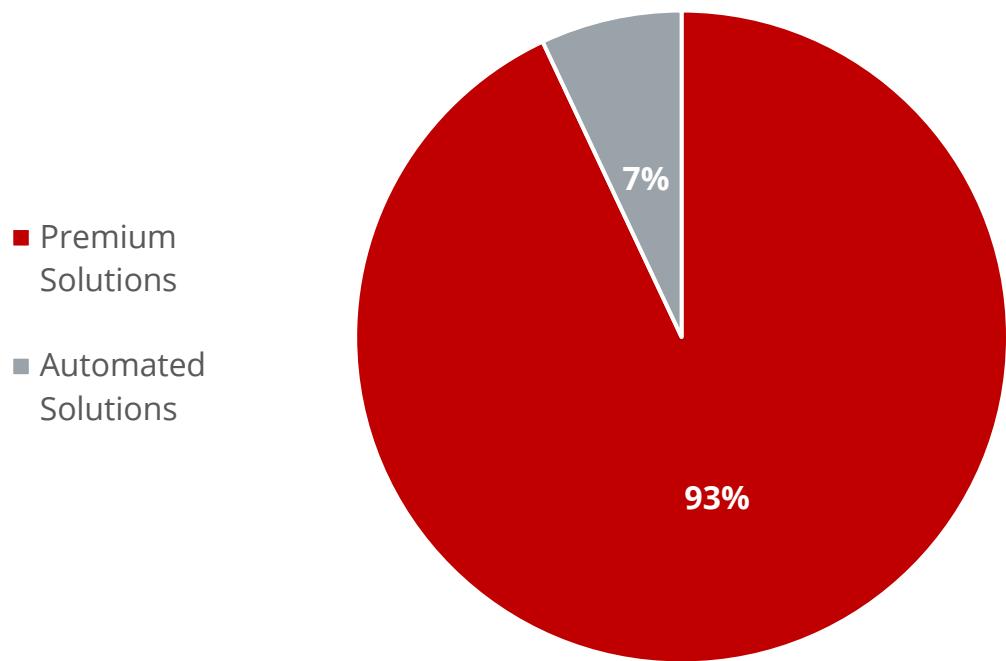


James Morrison

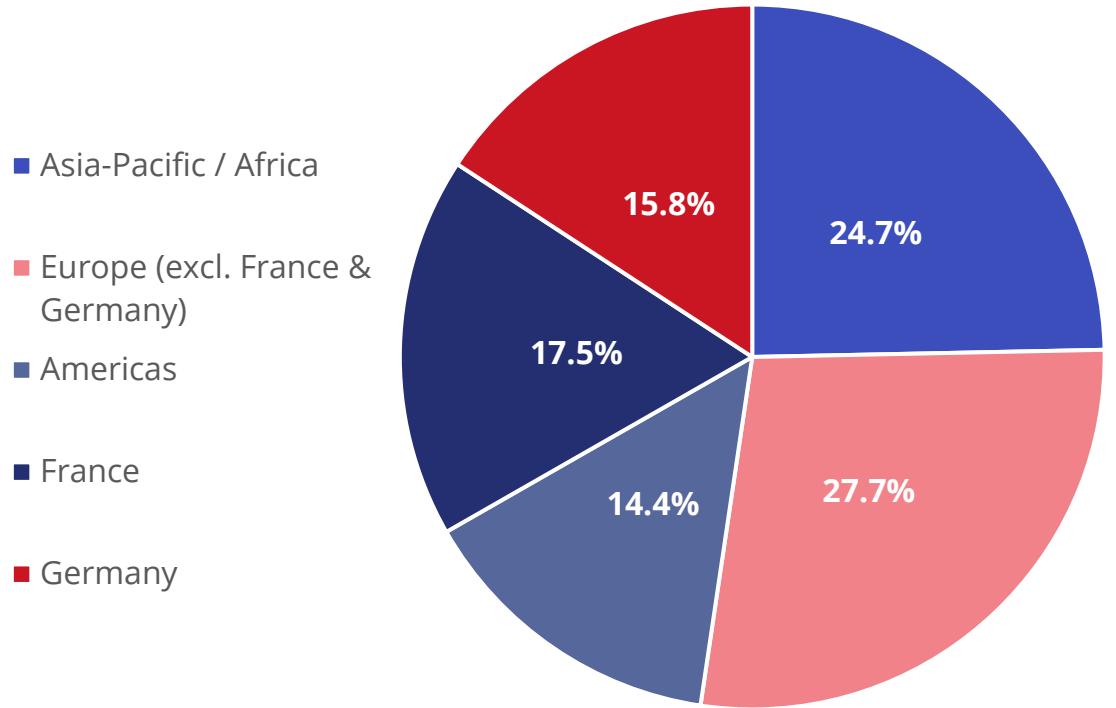
Appendix

Q1'22 Revenue breakdown by Segment and Geographies

Revenue breakdown by segment
(in % of Group revenues)



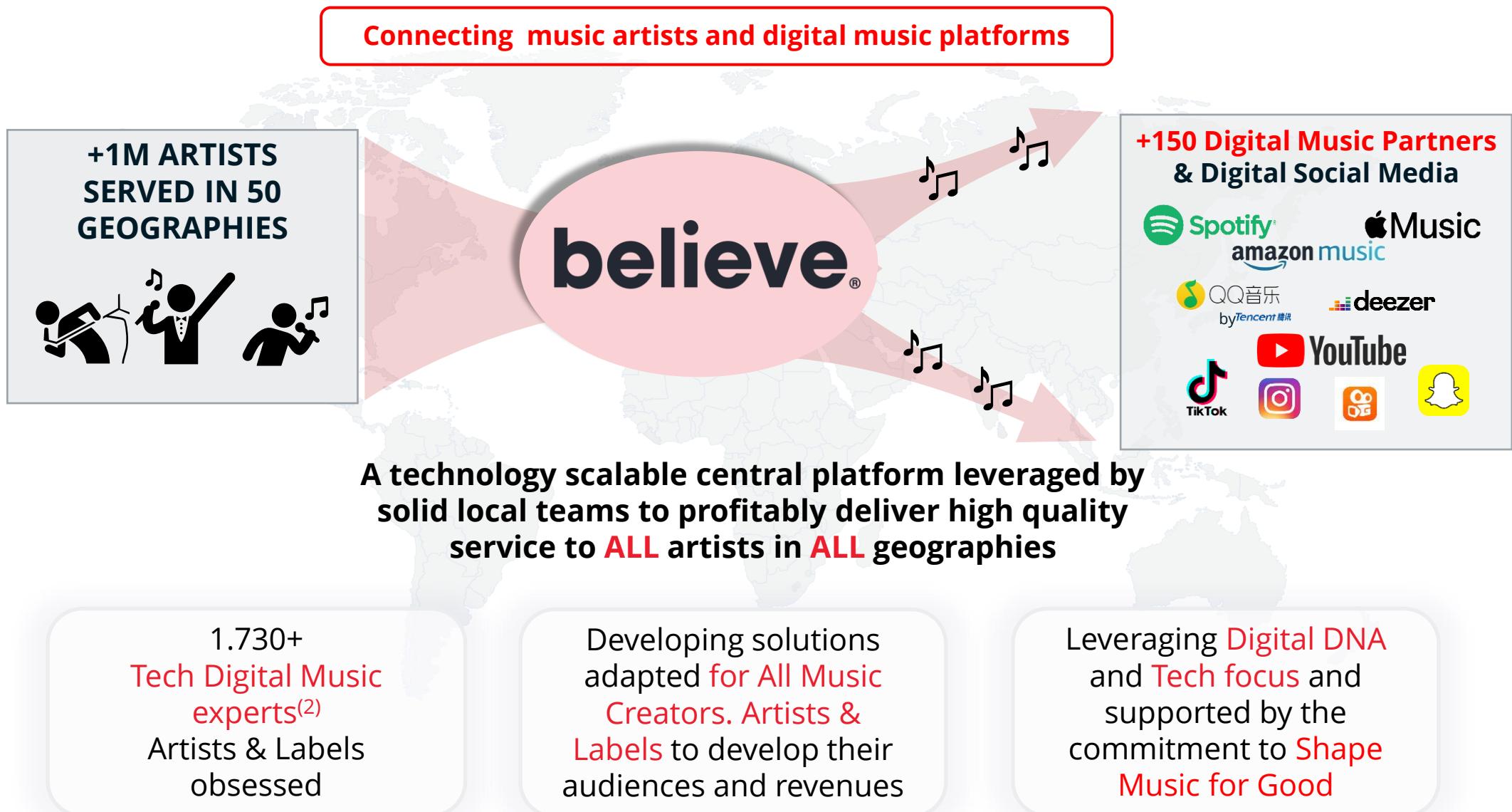
Revenue breakdown by geography
(in % of Group revenues)



**Believe, a unique data driven
model attractive for independent
artists and label**

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Believe. A positioning at the core of the digital music revolution



Note

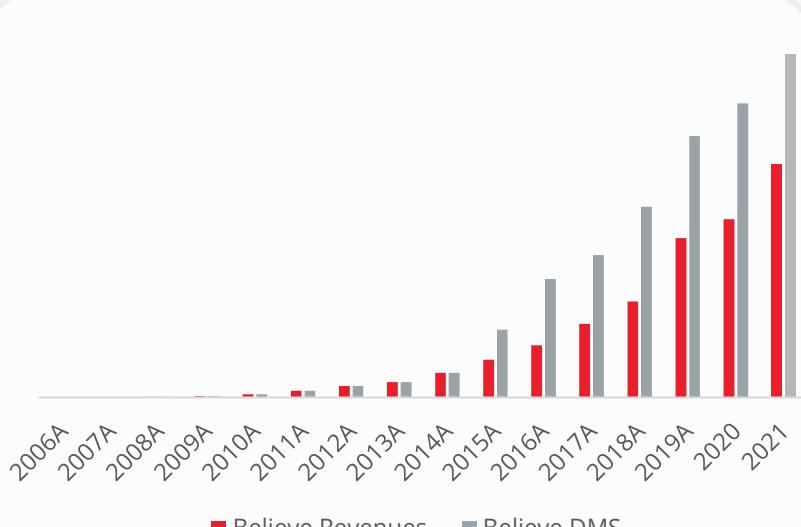
1. Management estimates supported MIDia Research estimates 2. 1500+ employees & 200+ consultants. o/w 1.200+ local teams & 500+ in central platform

A very solid track record of revenue growth and strong growth prospects

BELIEVE'S MODEL IS TO TAKE A SHARE OF THE MUSIC REVENUES GENERATED BY THE ARTISTS VIA THE DIGITAL MUSIC PARTNERS

A RAPIDLY GROWING SHARE DRIVEN BY THE GROUP'S ATTRACTIVITY TO LOCAL ARTISTS AND LABELS AND TO FAVORABLE STRUCTURAL MARKET TRENDS

A solid growth track record



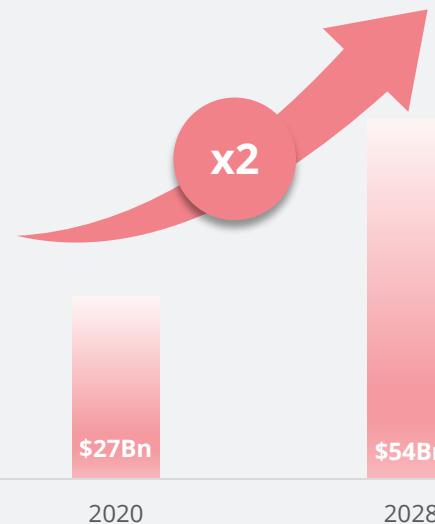
DMS CAGR 2018 - 2021: +22%
Revenue CAGR 2018-2021: +34%

Strong growth prospects supported by structural market trends



Rapid growth of music digital streaming market

CAGR 2020-2028 ⁽¹⁾

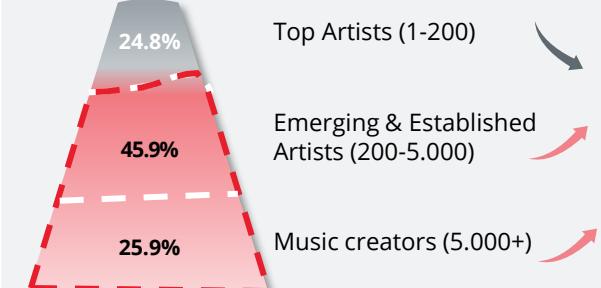


x2



Rise of independent artists

German digital music market split in 2021 (value)



Number of creators (in million) on Spotify 2018 - 2021⁽²⁾

x3.7

A Strategy Focused on Profitable Growth

Pursue our mission to build the best platform

to grow local artists & labels with solutions best adapted to each stage of their career in the digital age with respect, fairness and transparency



Reinforce the Group's attractivity

by supporting organic growth globally with a rigorous and proven strategy as well as expanding existing capabilities through significant investment in the Central Platform



Accelerate revenue growth

with a targeted external growth strategy to support organic growth globally with a rigorous and proven strategy

€300 million raised at the IPO

€57 million spent in relative M&A transactions in H2'21



Further increase our profitability

by progressively improving operating leverage and cash flow profile to 15% Adjusted EBITDA margin post growth target