



FY 2022 earnings

Analyst and Investor Meetings

15 March 2023

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Forward Looking Statement

IMPORTANT NOTICE YOU MUST READ THE FOLLOWING BEFORE CONTINUING

The following applies to this document, the oral presentation of the information in this document by Believe (the "Company") or any person on behalf of the Company and any question-and-answer session that follows the oral presentation,

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors' behaviors. Any forward-looking statements made in this document are statements about Believe's beliefs and expectations and should be evaluated as such.

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All amounts are presented in € million with only one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables. 2023 objectives are expressed at constant scope and exchange rates and according to Group's accounting standards. Believe does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law.

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Today's presenters



Denis Ladegaillerie

**Founder & Chief Executive
Officer**



Xavier Dumont

**Chief Financial and Strategy
Officer**

A portrait of the artist Nej, a woman with long, wavy brown hair, wearing a black turtleneck and a pearl headband. She is looking slightly to the left with a soft expression. The background is a solid dark blue.

Nej

Urban Pop - France

+203M streams in FY'22, 442M views cumulated on YouTube

**Every day Believe is
successfully building the best
music company for digital
artists**

**Differentiated Positioning
Digital Innovation
Operational Control**

Strong market share gains coupled with operational control to deliver mid-term financial objectives 2-years ahead of IPO Plan

Strong market share growth driven by:

- **A differentiated positioning** at the center of local independent music markets with a multi-tier offering covering DIY to established to top artists and labels.
- **Digital innovation** to support superior artist development on streaming services through expertise, technology, data and a partnership-driven approach: **revenues** grew twice as fast as the digital music market.

High-level of control in:

- **Investments in target market segments** to drive profitable segment level-growth in a great variety of segments and geographies.
- **Central platform investments** leveraging technology to achieve operational efficiencies.

Multi-tier positioning combined with digital innovation structurally deliver stronger than market growth, strengthening artist and label attractivity

Number of artists served in c.50 geographies



>1
million

As of Dec'21

> 1.3
million

As of Dec'22

Group's Digital Music Sales surpassing €1Bn



924M€

FY'21

1,134M€

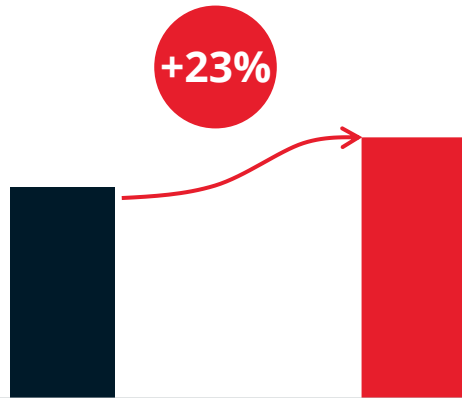
FY'22

Strong performances from the existing roster reflecting Believe's expertise in maximizing audiences and monetization in the digital ecosystem

Driving labels partnering with Believe to outperform the market

Labels partnering with Believe grow faster

Performance of labels partnering with Believe versus market growth in FY'22



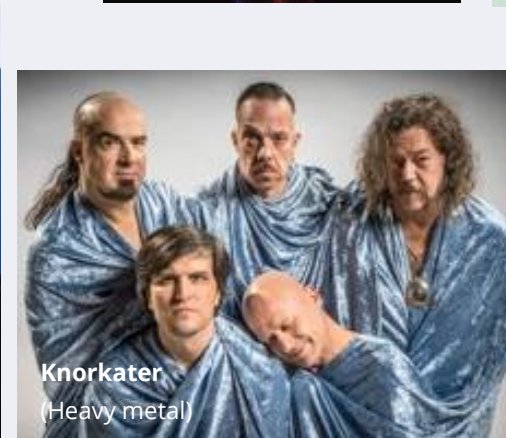
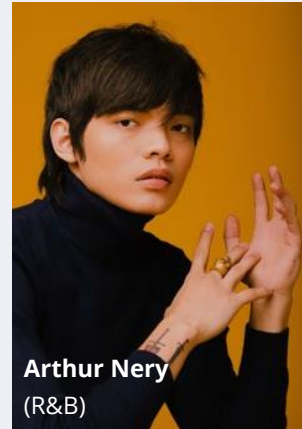
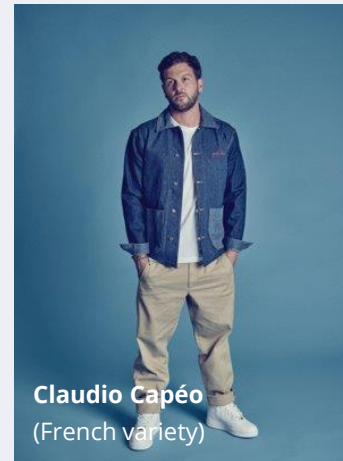
Digital market growth

Digital revenue growth of Labels* partnering with Believe

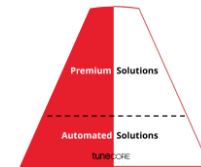
**Labels served by Believe's Label and Artist Solutions (excl. contracts that were terminated in FY'21v & FY'22)*

Developing Artists' audiences in a wider variety of music genres

Examples of Top Charting Artists in Europe & Asia FY'22



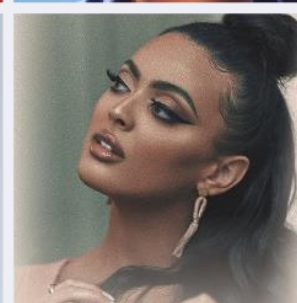
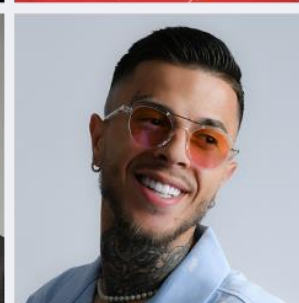
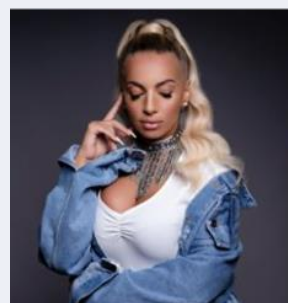
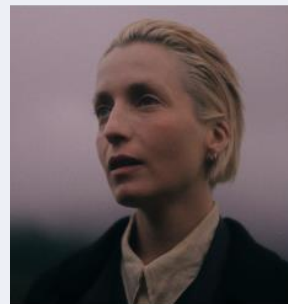
Believe in France: 2nd largest music company in the 5th largest music market- On digital local repertoire



Confirming position as 2nd largest player for new releases for local repertoire

- 2nd largest player in the Top 200 streaming album chart
- 2nd for the Top 200 catalogue streaming album chart
- 2nd largest for the Top 200 single chart

Demonstrating a unique capacity to develop artist at any stage of their career in various music genres



Successfully developing new artists to top charting positions

Supporting top artists confirm leading positions

Growing artists' success among partners' labels

Believe in Germany: 3rd largest music company in the 4th largest music market- On digital local repertoire



Reaching 3rd ranking for local repertoire thanks to consistent local investment since 2009

- **Deploying the full range of services** and brands
- Validating strategy to **focus on German artists and labels**
- Progressively addressing a growing number of music genres, as a wider variety of genres is accelerating their digitalization

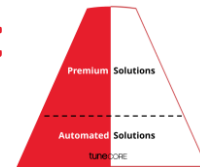
Addressing all artists needs at any stage of their career

Supporting artists to reach new heights

Developing emerging artists to enhance promotional activations

Believe in Asia: aiming for #1 position in the world's future largest music market

Illustrating the strength of the model in pure digital markets.



Depth (Thailand)



Mahalini (Indonesia)



Chombi (Malaysia)



Arthur Ney (Phillipines)



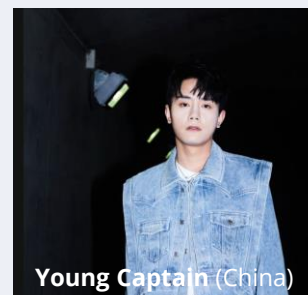
Deployment of the full range of services and products positioning Believe as a global leader in Asia with leadership positions in 14 countries:

- **Strong pipeline of investments in India, South-East Asia and China since FY'21** to deploy progressively all business lines
- **Significant investment in local sales, marketing and support teams in FY'22:** reinforced management team, increase in local capabilities, headcount of c. 370 at year end, o/w c. 80 in China
- **Focus on local artists and labels and digital expertise** strongly supporting Group's fast development in the region

A strong position setting the foundation for the next 10 years for local artists, partners and labels to reach new heights.



Asen (China)



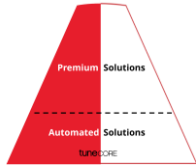
Young Captain (China)

A solid level of signings in China

- 333 labels, o/w the #1 label in the region
- 255 artists



Continuous investment in tech-enabled products and solutions to guarantee the highest level of service for all artists at any stage of their career

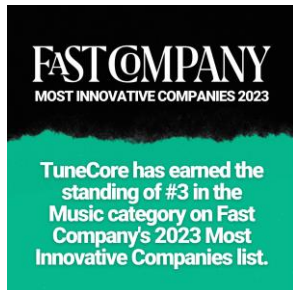


Launch of the "Unlimited Pricing" offer

NEW ARTIST	RISING ARTIST	BREAKOUT ARTIST	PROFESSIONAL
FREE	\$ 14.99 /year	\$ 29.99 /year	\$ 49.99 /year
Kick-start your career with unlimited releases to Social Platforms.	The essential distribution plan. Release unlimited music to 150+ Digital Stores across the globe.	Release unlimited music plus advanced features to customize your releases.	The premier plan for labels and industry pros. Release unlimited music plus access to premium products and services.
GET STARTED	GET STARTED	GET STARTED	GET STARTED

New Split functionalities for paid "Unlimited Pricing" subscribers of TuneCore

Album	Single
Endless Dream Main Artist Release Type: Album Release date: 02/08/2023 UPC: + Add Stores Split Royalties	Sorry Madness Main Artist Release Type: Single Release date: 02/08/2023 UPC: + Add Stores Edit Split



TuneCore made Fast Company's 10 Most Innovative Music Companies list



Spotify testimonial

"Believe is a valued partner and we congratulate them on this incredible milestone. Enabling artists to live off their work is core to our mission at Spotify, and we're proud to have played a part in helping Believe artists find, connect with, and grow their fan bases around the world works"

Jeremy Erlich, Vice president & Global head of Music (on DMS achievement)



YouTube testimonial

"This milestone is huge! It is yet another sign of Believe's commitment to build a sustainable digital ecosystem for every artist in the world -- a mission that we not only honor but also share through our long-term partnership. We are proud to work alongside Believe and look forward to continuing to innovate together, bringing music to fans everywhere."

Congratulations!"

Lyor Cohen, Global head of Music (on DMS achievement)

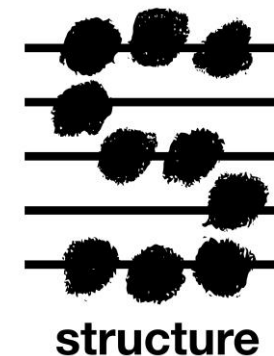
Strong appeal to highly successful talent producers: enlarging Believe market by addressing new traditional genres, helping their digital transition



- Exclusive agreement with Panorama Music, a new Indian label founded by a prominent producer behind several recent Bollywood blockbusters.
- **Objective:** accelerate the expansion in the new Bollywood OST market, the country's largest music segment which is progressively switching to digital.



- Investment in a new French pop label partnering with two successful producers, who are behind the recent success of several multi-platinum French pop artists.
- **Objective:** further expand Believe's sourcing capacities and its penetration of the French pop music initiated in Q4'21 with the strategic partnership with PlayTwo and Jo&Co.



- Investment in Madizin, a well-established German label standing for German language music as Pop and modern Schlager.
- Schlager music (similar to Folk/Country in US) is the most popular traditional genre in Germany (c.15% of market).
- **Objective:** offer a unique talent platform blending Madizin attraction to artists with Believe's expertise in developing them in the digital world. Madizin Music is the label by artists for artists and believes in the success of German-language music in the digital world.

Developing a music industry diverse and inclusive for all stakeholders – *“It is with our artists and collaborators that we are Shaping Music for Good”*



Building trusted relationships

A year of milestones demonstrating **commitment to value sharing with our two hearts**

\$3bn distributed to self-releasing artists and music creators by TuneCore since its creation

€1.1bn Digital Music Sales generated by artists and labels in the roster

Implementation of a second LTI Plan for key executives and success of the **1st Employee Shareholding Plan named B. shares**

Implementation of a **capital gain value sharing agreement between the CEO and the Company** to the benefits of the employees



Developing diverse and local talent

Actively promoting gender diversity in the music industry and across the Group

Strong commitment to **create a more gender representative and inclusive music industry** by supporting major international initiatives in favor of DEI (Be the Change study, KeyChange, Women in Music)

Local teams strongly committed to female or minority artists

Strong commitment to **promote gender equality across Believe's organization**, with **Women** representing in FY'22 **50% of the Board, 50% of the Executive committee, 38% of the managers** and **43% of the total headcount**

Maintaining a **French gender equality remuneration index of 99/100 for the 2nd year in a row** and extending the measurement of gender equal remuneration to other key countries





SARAN

Urban hip hop – Thailand

1bn streams in 2022

FY'22 financials: a set of results above IPO commitment reflecting Believe's appeal to artists and labels

Strong FY'22 operational and financial performance on track to reach mid-term objectives 2 years ahead of IPO plan

€1.1Bn Digital Music Sales & 760.8M€ Revenues

- Digital Music Sales performance mostly driven **by success of Premium Solutions**
- Revenues breakdown: **92% digital, non digital 8%**

+33.8% Digital Revenue Growth

- **Driving revenue performance throughout the year**
- **Outpacing global market streaming growth**

+32.2% Organic⁽¹⁾ Growth

- **Strong organic growth every quarter,**
- **Growth rate decline in Q4** due to more challenging ad-funded streaming
- Growing organically **in all regions**

4.6% Adjusted EBITDA margin

- **Gradual progression versus FY'21** in line with IPO commitments
- Better amortization of the central platform drove profitability improvement

52M€ positive Free Cash Flow

- **Strong performance** driven by Adj. EBITDA increase, lower capex & positive WCR variation enhanced by a 20M€ one-off payment⁽²⁾
- Back to positive FCF generation ahead of schedule

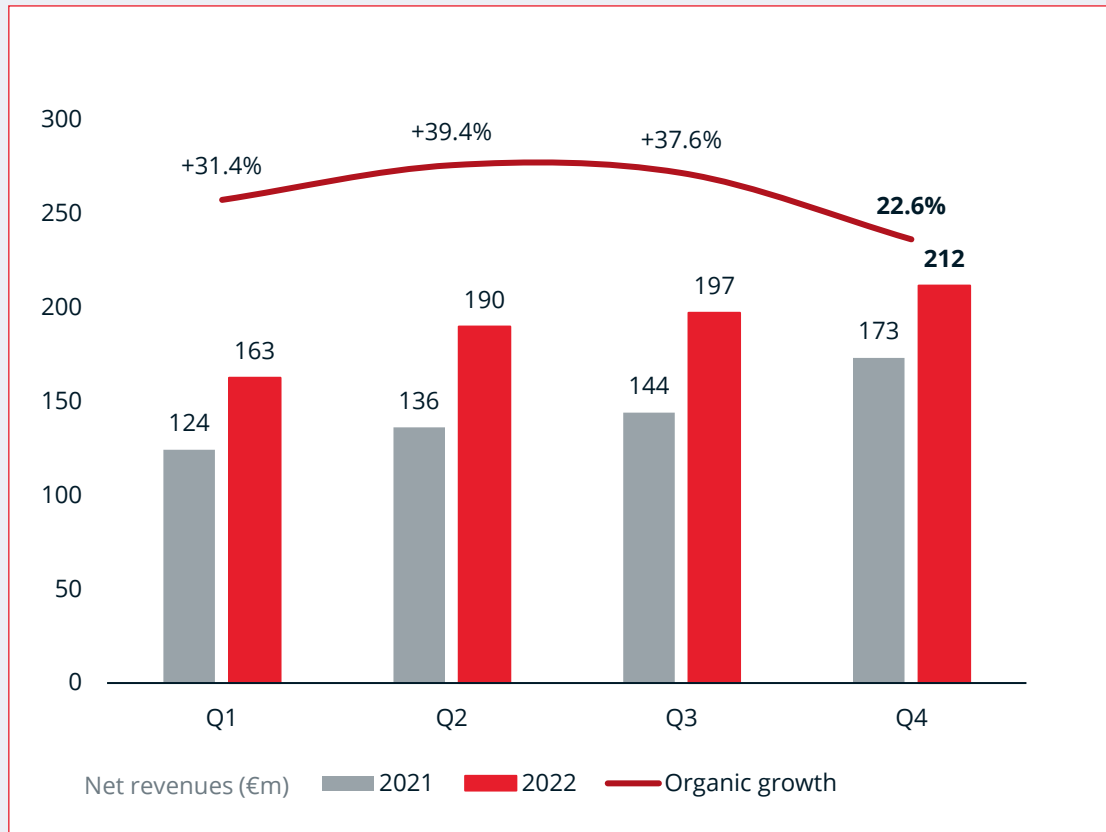
Note

1. Organic growth: revenue growth at constant perimeter and constant exchange rate

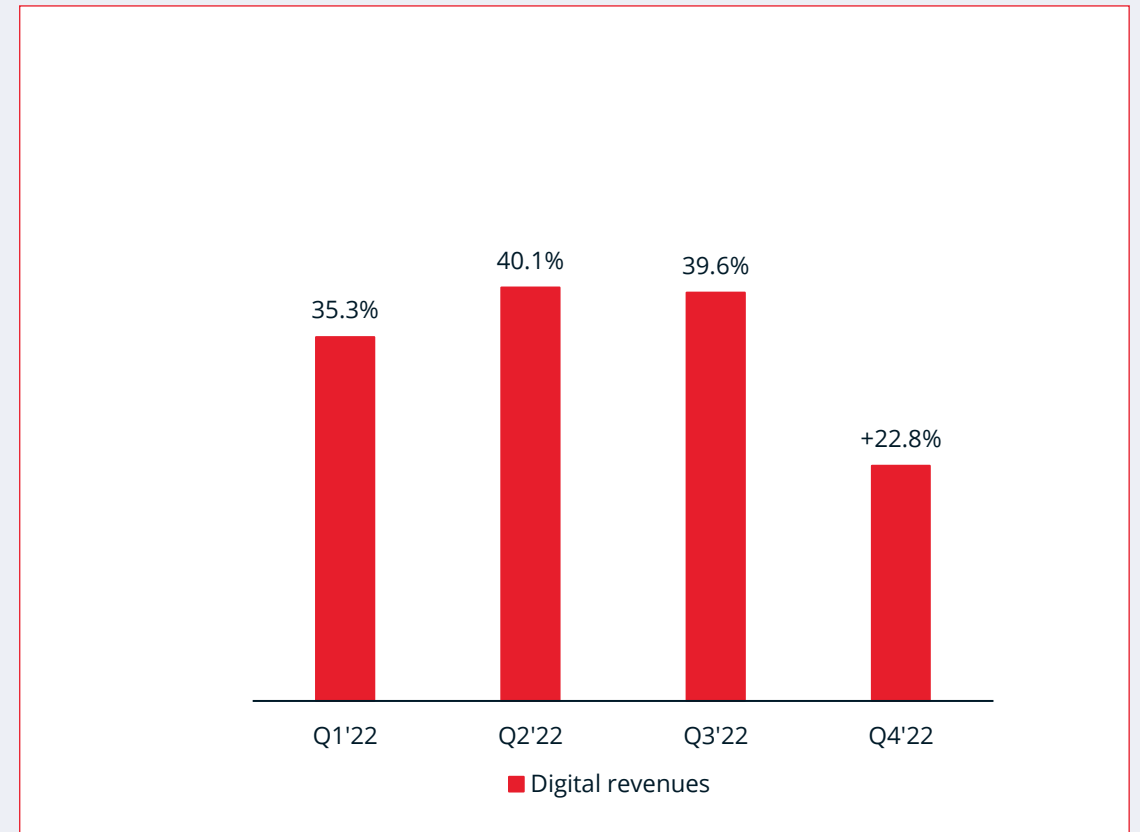
2. The €20 million installment is related to the renewal of one Digital Partner which was renewed in Q3'22 and switched from quarterly to annual payment in advance.

Q4'22 Organic growth up +22.6%, a solid trajectory notwithstanding a lower performance than in previous quarters

Strong organic growth throughout FY'22, with a slowdown in Q4...



... reflecting lower growth rate in ad-funded streaming activities



A solid performance driven by organic growth in both segments with further market share gains in Premium Solutions

Premium Solutions

Significant growth in DMS⁽¹⁾ (basis of digital revenues in the segment) reflecting strong performance of the existing roster

With more music genres becoming digital, Believe accelerated its investment in key markets expanding its service offerings and local capabilities since 2020

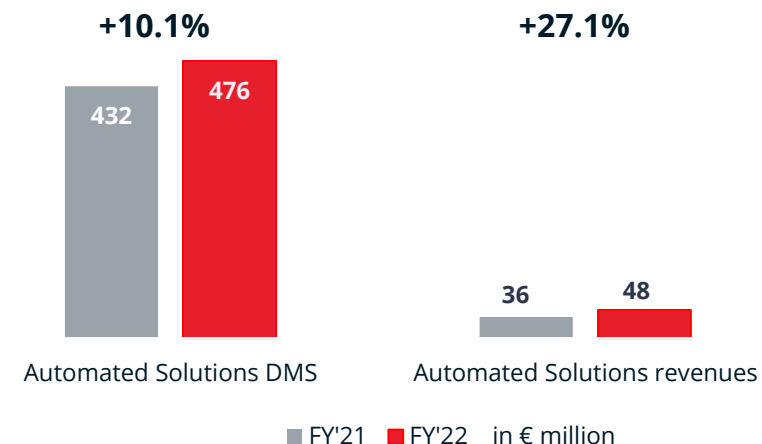
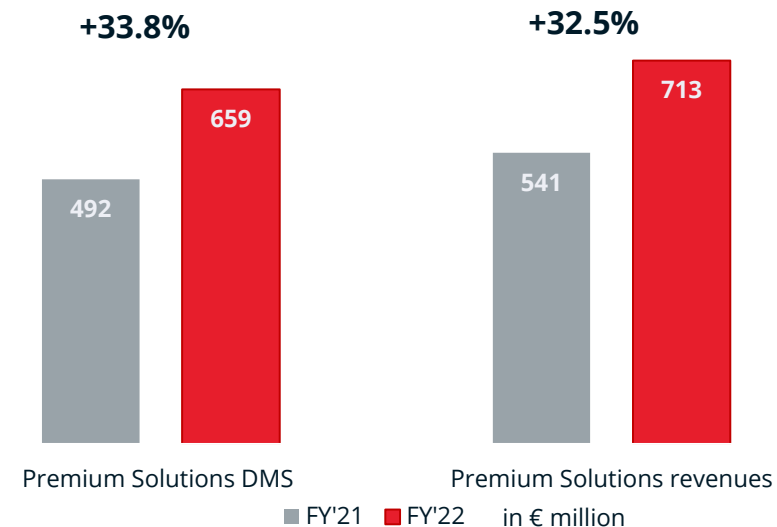
Resulting in a strong performance throughout FY'22 and strengthened market positions in several geographies

Automated Solutions

Successful launch of the new “Unlimited Pricing” plan, driving the level of subscribers up notably with a strong adoption of the new Artist / Social discovery

However, revenue per subscriber is lower and expected to progress in line with the ramp up of the subscription base

Greater global reach of TuneCore thanks to further international deployment and localization efforts, notably in South-East Asia



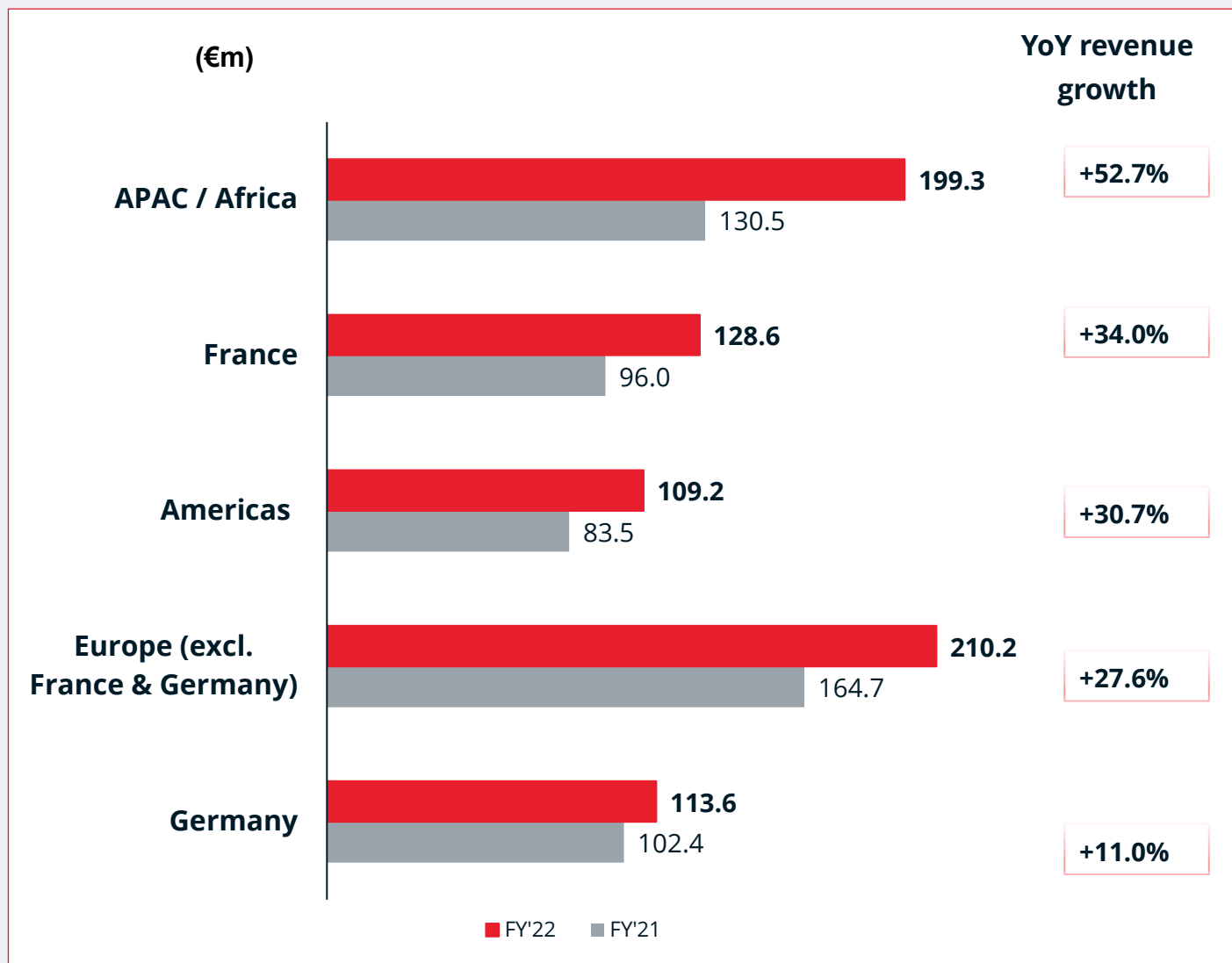
Notes:

1. Digital Music Sales is the revenue generated from digital store partners and social media platforms before royalty payment to artists and labels; 2. organic growth: growth at constant perimeter and constant rate

Growth in all geographies in FY'22 reflecting Believe's appeal to artists and labels across markets thanks to a level of service, well above market standards in digital

Key regional highlights

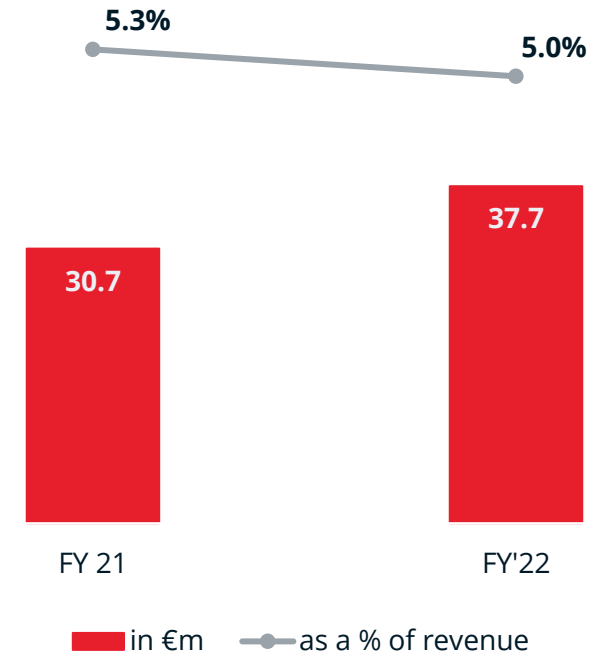
- **APAC & Africa:** strong market dynamics throughout the year despite ad-funded streaming slowdown at year end. Success of organic investment and strategic partnerships
- **France:** performance reflecting Believe's capacity to develop better and further artists, newcomers and catalogues in the digital ecosystem and appeal to a greater variety of music genres
- **Americas:** performance reflecting strong revenue growth in Brazil and the successful deployment of TuneCore's 'Unlimited Pricing' plan notwithstanding an anticipated impact on the revenue per subscriber
- **Europe (excl. France and Germany):** strong growth trajectory in the UK, Italy, Southern Europe and Eastern Europe, offsetting slower growth pace in Turkey and Russia
- **Germany:** performance reflecting strong growth in digital activities above market growth thanks to Believe's success on the local repertoire, mitigated by the decline in physical sales



Continued investment to fuel future profitable growth while lowering Segment margin in the short term

- Continued investment in Automated and Premium Solutions to fuel future profitable growth and increase market share
- Growth investment represented 5% of Group revenues in FY'22, roughly stable versus FY'21
- Level of investment maintained as a wider variety of music genres are accelerating their transition to digital, which generate new growth opportunities
- Investment in Premium Solutions mostly reflecting local capabilities built up in key markets, notably in Asia and Europe

Growth investment in Premium Solutions and Automated Solutions segments



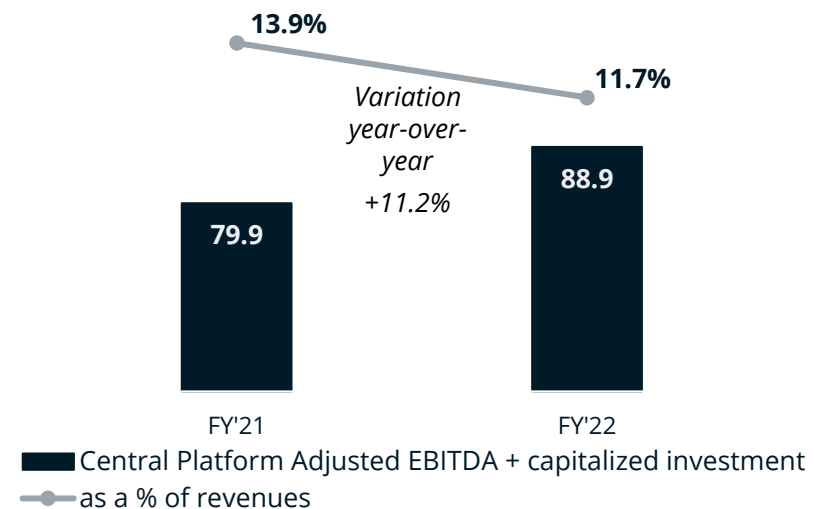
Notes: 1.

Growth investment in the business segments: human resource costs related to the new recruits in Premium Solutions and Automated Solutions, hired in the past 36 months, excluding salary increases. New teams should be break even between 18 to 24 months and take another 12 month to reach target EBITDA margin.

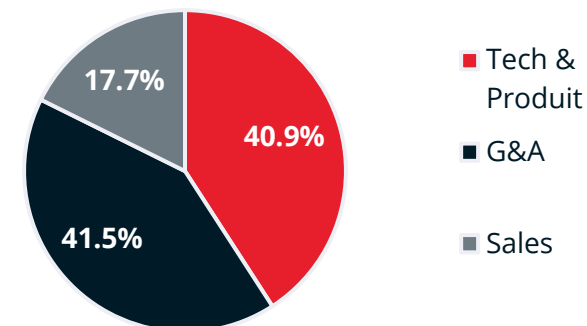
Better amortization of the Central Platform notwithstanding continuous investment to further reinforce the Group's appeal

- **Continued investment in Central Platform in FY'22** with Adjusted EBITDA and capitalized investment up +11.2% compared with organic growth of +32.2%
- Decrease less pronounced of the P&L costs which represented 9.6% of Group revenue versus 10.4% in FY'21 due to a lower capitalization rate mostly related to the nature of tech and IT projects (cloud and data based)
- Steady investment in tech & product to remain at the forefront of digital innovation and permanently upgrade the level of service
- G&A spending reflecting business lines structuring across multi-countries as well as corporate listed company
- Central sales function reinforced to accompany the new phase of growth and expansion in a wider variety of genres

Total investment in the Central Platform (in € million)



Breakdown of the Central Platform investment



Group's Adjusted EBITDA margin improvement – on track to achieve mid-term objective in FY'23, 2 years ahead of IPO plan

Group Adjusted EBITDA up 60bps at 4.6%, a sustained year-over-year increase reflecting:

- Continued investment in central platform, but at a lower pace since FY20
- Continued stable Business Segment Adjusted EBITDA margin reflecting continuous investment to deploy services and build up local capabilities to source and serve on a wider variety of music genres
- On trajectory to achieve mid-term profitability objective two years ahead IPO plan (Group Adjusted EBITDA margin: 5% to 7%)

Group's Adjusted EBITDA margin

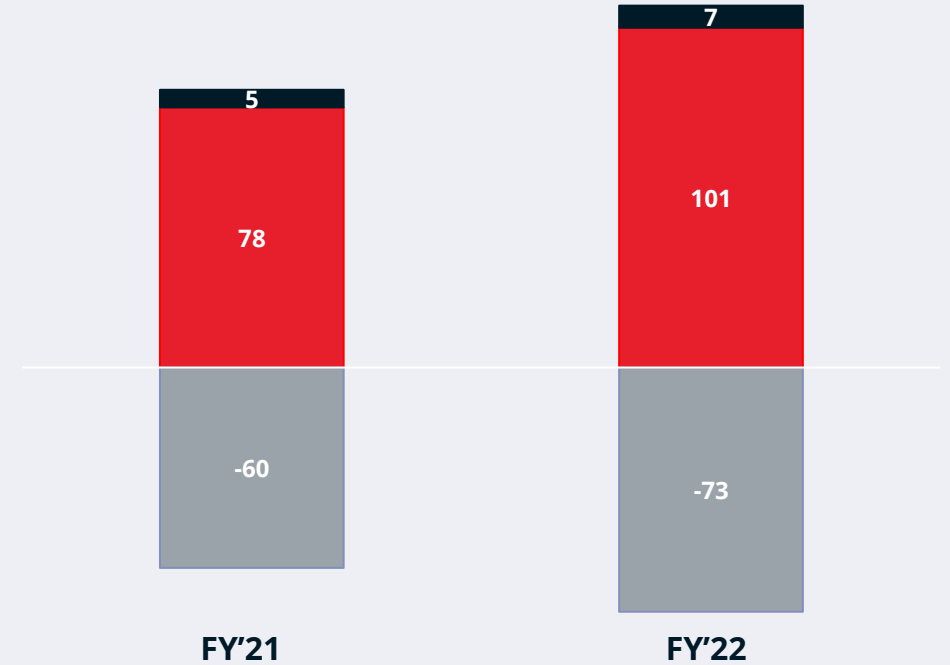
4.0%

4.6%

Adjusted EBITDA margin pre-central platform costs

14.4%

14.2%



Positive Free Cash Flow generation demonstrating the efficiency of the financial model and supporting our targeted M&A strategy

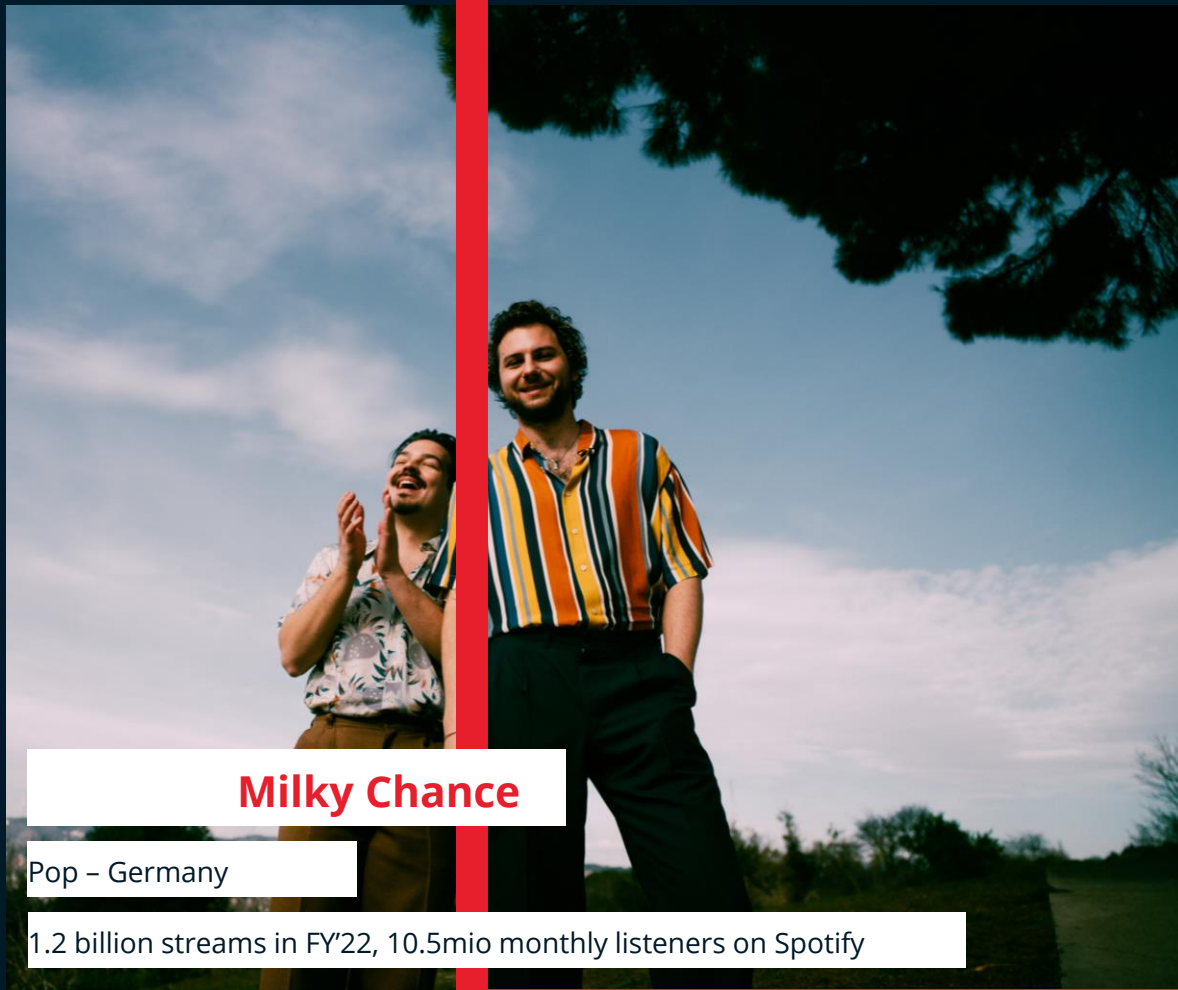
Positive free cash flow of €52million, a steep improvement reflecting:

- **Positive net working capital variation compared with FY'21**
 - ✓ Artist and label advances progressed but not impacted by longer term contracts as in FY'21.
 - ✓ Payment of c. 20M€ related to the renewal of one digital partner who switched from quarterly to annual payment in advance (second payment due in July 2023).
- **Increased Adjusted EBITDA and lower capex compared to FY'21**
 - ✓ Adj. EBITDA at €34.7 million compared to €23.3m, reflecting strong organic growth and operating leverage.
 - ✓ Capex down year-over-year representing 3.3% of revenues (versus 4.6% in FY'21) due to a lower capitalization rate regarding development costs of the central platform.

	FY'21	FY'22
Operating cash flow before working capital variation	7.8	20.2
Δ in net working capital	(15.5)	53.4
Operating cash flow (or net cash from operating activities)	(7.7)	73.7
Capex	(26.7)	(25.5)
less acquisition-related amounts	3.6	3.8
Free cash flow	(30.7)	52.0

Focus on customer advances – *balance sheet*

Assets (€m)	End of December 2021	End of December 2022
Artist and label advances	166.0	178.5
o/w current advance (recoupable within 1y)	53%	51%



Milky Chance

Pop – Germany

1.2 billion streams in FY'22, 10.5mio monthly listeners on Spotify

FY 2023 outlook and mid-term objectives

FY'23 guidance: driving a profitable growth strategy towards long-term Adjusted EBITDA margin of 15%

1. Continuing to drive organic growth in a scenario of degraded economic environment

- FY'23 Organic growth for the Group anticipated around +18% in FY'23:
 - Reflecting resilient paid streaming which will pursue its strong growth trajectory, with emerging markets progressively switching from ad-supported to paid streaming model
 - Additional market share gains, notably in Premium Solutions given continued investment in local teams
 - Ad-funded activities to be penalized by the current environment in the short term
 - CAGR organic growth for the period 2021-2023: c.+25%

2. Pursuing investment in future growth, while further improving profitability and generating positive free cash flow

- FY'23 Adjusted EBITDA margin expected c. 5.0% thanks to better amortization of central platform costs
- Maintained focus on investment in the Central Platform and in local sales & marketing teams to drive future profitable growth, while monitoring actively investment pace and focusing on operational efficiency
- Positive and solid free cash flow generation in FY'23 with the second installment of c. €20million (renewal in Q3'22 for 2 years of a digital partner which opted for an upfront annual payment versus quarterly).
- Leverage cash to resume acquisition strategy in FY'23 driven by opportunities created by market conditions

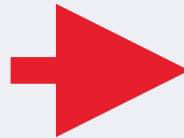
On track to deliver on Mid-term objectives – further building scale in Premium and Automated Solutions to **reach 15% Adjusted EBITDA margin after hyper growth phase**

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 already completed: 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
2021-2025 objective:**
+22% - +25%

**Adjusted EBITDA margin
by 2025: 5% to 7%**

**Long term Adjusted
EBITDA margin: 15%**



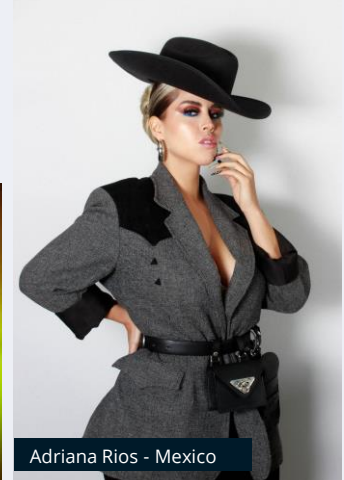
Jeanne Added - France



Qujia - China



Kweku Flick - Ghana



Adriana Rios - Mexico

FY'23 top objectives to build the best music company for digital artists

Our mission remained unchanged: be the best music company at developing artists and labels at each stage of their career in the digital world. In all local markets around the world. With expertise, respect, fairness and transparency. We mean every word.

3 high-level objectives for FY'23 to fulfil this mission:

- Expand leadership and innovation with digital partners
- Further increase the Value-Add for our artists and labels by further combining technology and people
- Invest efficiently in the Central Platform to drive scale effects by leveraging product and technology

Our priority: contribute to shape a fair, balanced and diverse digital artist market.



ANAïs

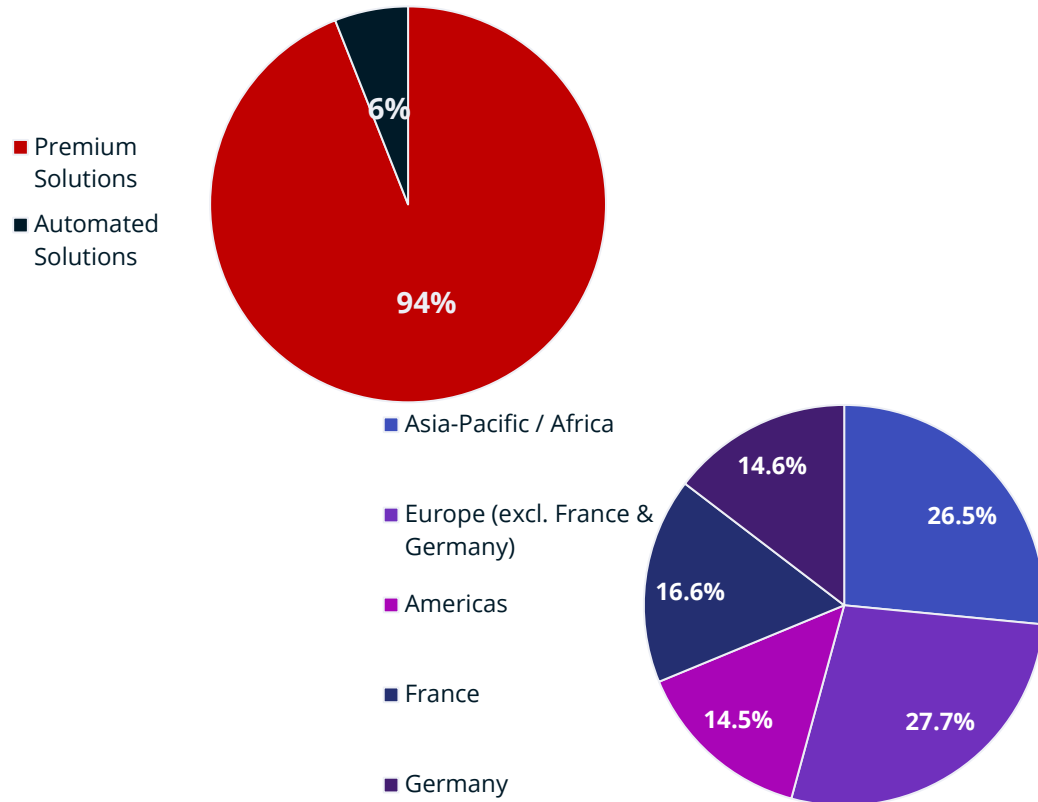
Emerging Lifted Program – Germany

+16 million streams, with over 400 playlists inclusions

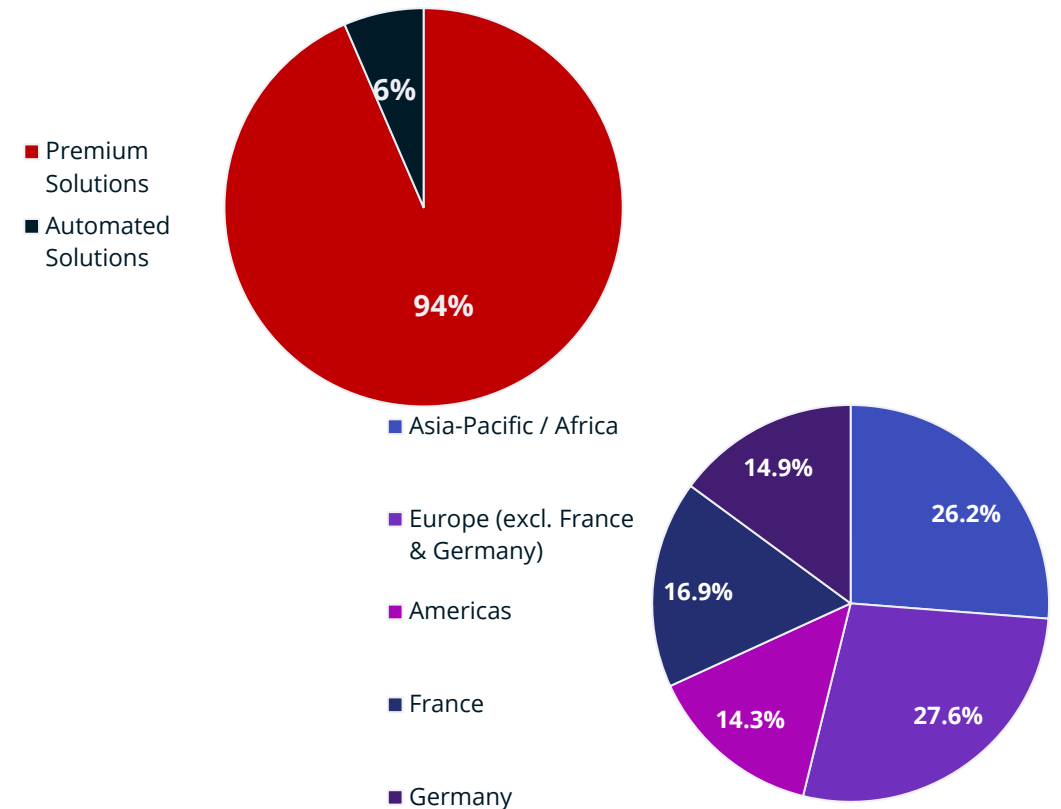
Appendix

Q4'22 and FY'22 revenue breakdown

Q4'22 Revenue breakdown by segment & geography
(in % of Group revenues)



FY'22 Revenue breakdown by segment & geography
(in % of Group revenues)



P&L overview – key definitions

	Automated solutions	Premium solutions	Other (central platform costs)
<div><div></div><div>DMS (Digital Music Sales)¹</div></div>	Royalties paid by the DSPs (Digital Service Providers) primarily based on subscriptions / advertising revenues allocated according to streaming volumes		
	Not correlated to revenue	DMS = revenue for digitally distributed music	
<div><div></div><div>Revenue</div></div>	Mainly subscription fee based	DMS based for digital revenue Other revenues mainly include physical sales and synchronization rights	
<div><div></div><div>Cost of sales</div></div>	Close to nil	Primarily royalties paid to artists	
<div><div></div><div>Gross profit</div></div>	Close to 100%	According to royalty level negotiated in the contract	Primarily relates to investments in Believe's central platform, focusing on developing operating tools (IT, operations, product) as well as structuring, driving and supporting commercial (Sales, Marketing) and corporate functions (Finance, HR)
<div><div></div><div>Opex</div></div>	<ul style="list-style-type: none">• Includes marketing and promotion costs for artist services and distribution costs for physical channels• HR costs for local sales and services• Other opex		
<div><div></div><div>EBITDA</div></div>	Excludes exceptional items and share-based employee compensation		

Note
1. Non GAAP definition

Source: Company Information