FY 2023 earnings

Analyst and Investor Meetings

13 March 2024

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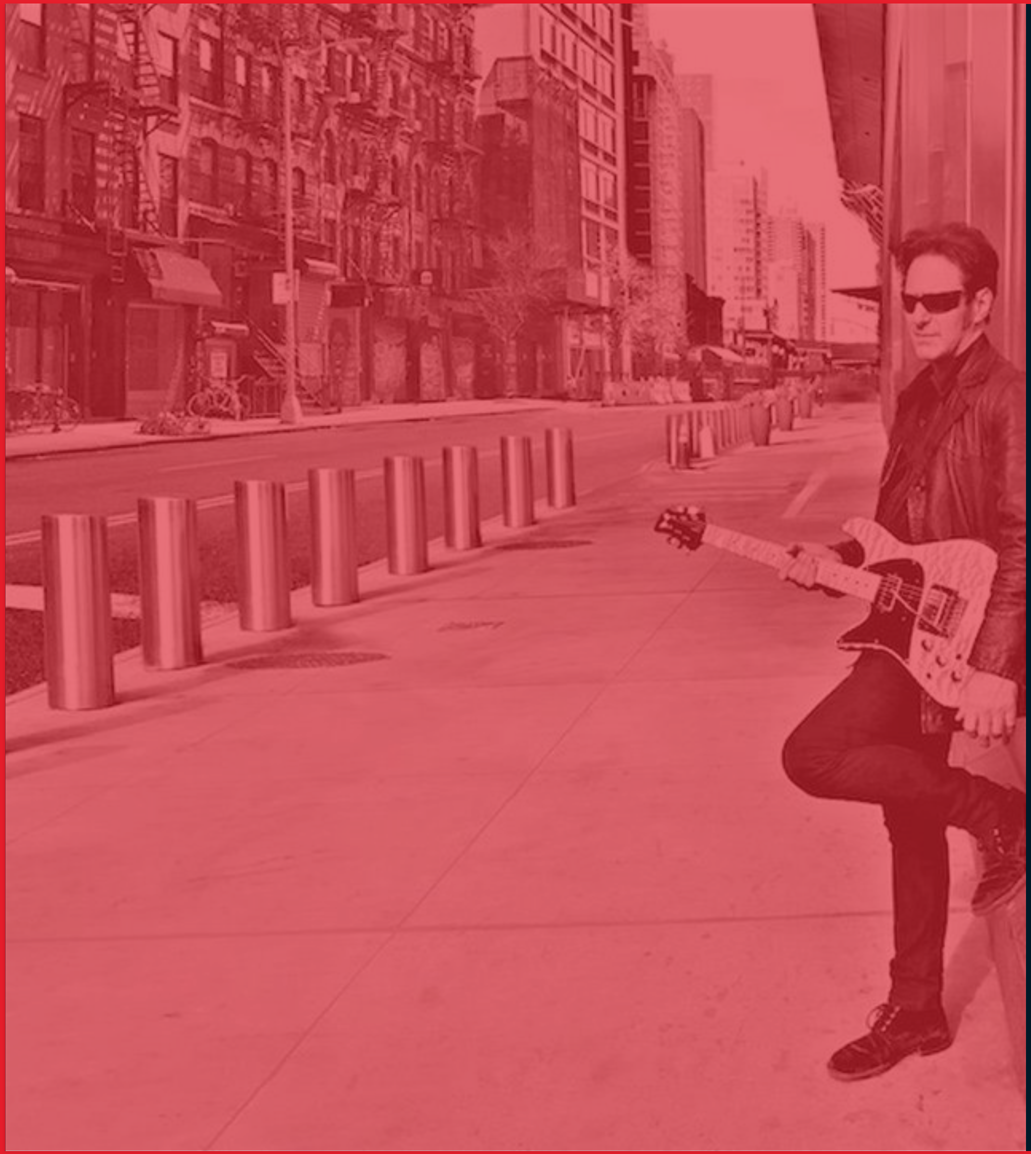

Forward Looking Statement

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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. 2024 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

Continuing to invest and innovate to build the best platform
While increasing profitability

Continuing to build the best artist & label development platform

- Investing in strong local teams to source, develop & break artists to the top
- Creating more value for artists and labels at all levels
- Differentiating through innovation in product, technology and people training

Delivering on growth & profitability thanks to ability to adapt investments to growth

- Adjusted organic growth of +19.5% (organic growth 14.4%, embedded market FX of -5.1%)
  - Supported by resilient structural growth trends for paid streaming
  - In adverse ad-funded streaming market and currency evolution
- Adjusted EBITDA margin of 5.7%, up +110bps YoY

WeRenoi

Rap – France

+4.0 million Spotify monthly listeners

FY'23 highlights: on track to build the best technology-enabled music company

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Building market share at the top across a greater variety of music genres in European countries

Believe's differentiated approach to artists development acknowledged by the music industry and listeners

France: 42 albums in Top200 in the annual local charts

Germany: 48 Singles in Top100 in the local charts in their release week

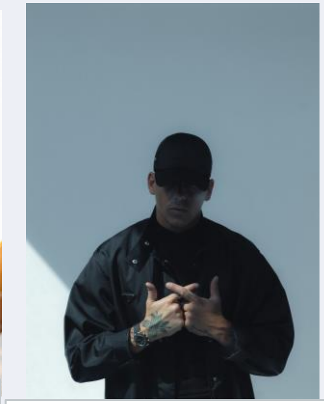
UK: consumption up +394%, 30m singles sold, 35bn streams

Spain: #1 Global Spotify charts for Iñigo Quintero song "Si no Estás"

Eastern Europe: strong pipe of new signings and renewals with increased number of artists entering top charts.

Vianney – *French Pop*

Iñigo Quintero – *Spain Pop*



Raf Camora – *German Rap*

Tzanca Uraganu– *Romania – Pop folk*

WeRenoi – French Rap

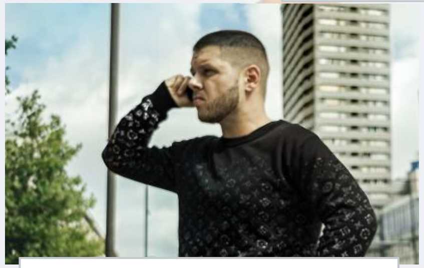
Joe Bonamassa– German Blues

Azariah – *Hungary Pop*

Chloe Adams – *UK Pop*

Doro – *German Metal*

Pip Millet – *UK Soul*



Kaz Balagane– Polish Hip Hop

Celebrating 1st decade in Asia by expanding footprint in Q4’23

Strengthening a leadership position already at scale

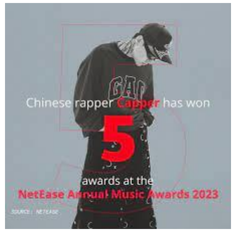
Expanding capabilities in China

2023 outcome from accelerated investment

Believe Team of 80 people in 5 offices across the market’s largest cities, representing:

300 labels, including the largest independent label by catalog and size and **above 250 artists**

5 NetEase music awards for the Chinese rapper Capper



Confirming leadership in India

Key 2023 data

192,842 album releases

72.5bn streams

66 unique songs in local charts across all language charts & apps

Reinforcing leadersip in the 2nd largest Indian (Punjabi) genre with **the acquisition of White Hill Music’s catalog** in Dec’23

Launching full Offer in Japan

Key Highlights

Establishment of **Believe’s Japanese subsidiary** in Tokyo and **launch of Premium Solutions** in October

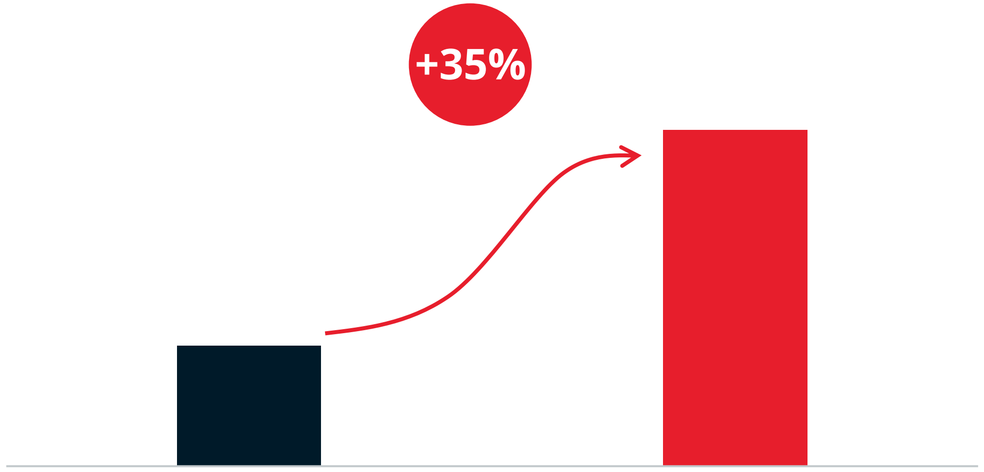
Launch of ‘PLAYCODE’, a new imprint dedicated to the growing Japanese hip-hop music scene

Signing some Japan’s leading acts: **¥ellow Bucks, Red Eye**, and **Issei Uno Fifth**

High-quality of service driving strong performance of labels served by Believe, and secure solid level of renewals and new signings

Labels served by Believe grew faster than the market

Performance of labels partnering with Believe
versus market growth in FY'23



Digital market growth | Digital revenue growth of Labels partnering with Believe

**Labels served by Believe's Label and Artist Solutions (excl. contracts that have been terminated since January 2022 and the contracts on boarded since January 2023)*

Examples of Tier1 labels signings – across regions and across music genres

LINE – France
Techno label
234 tracks in back catalog

Royal Otis -UK
Pop indie label
2,2m monthly listeners

Mahagony - UK
YT channel, record label
917,000 subscribers

DK Produções – Brazil
Funk label
5m monthly listeners

Insync - Indonesia
Pop label of the local diva
Rossa

Zero to infinity
Largest Phonk label WW
5m monthly listeners

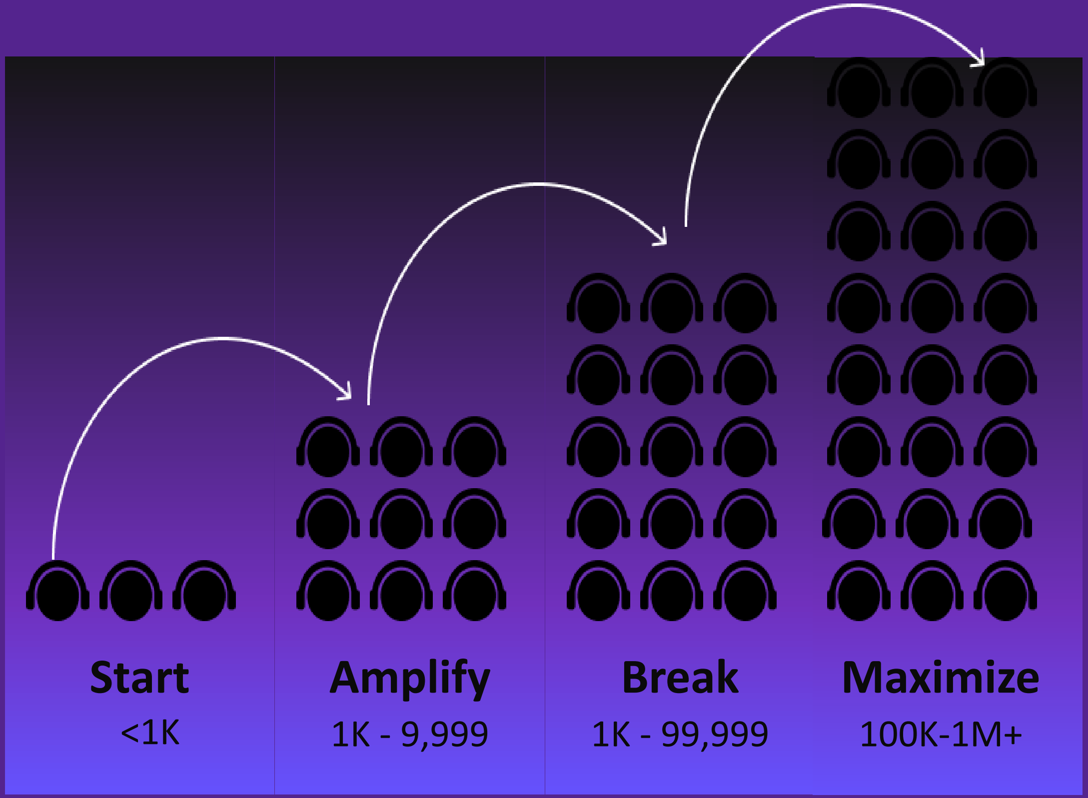
TuneCore Accelerator Program: a new marketing program launched Q4'23 designed to support self-releasing artists development

01 Drive music discovery

02 Expand audiences

03 Deepen engagement

Enabling self-releasing artists to access more rapidly the upper segment



In line with its CSR program *Shaping Music for Good,* Believe is committed to develop a diverse and inclusive work environment

GENDER REPRESENTATIVITY

50%
Female comex members

39%
Female Managers

SPEAK-UP & MENTAL HEALTH SUPPORT

8.6/10
"At Believe, people of all backgrounds are accepted for who they are"
Your Voice 4 results – Dec 2023

EQUAL & FAIR RECOGNITION

99/100
2024 Gender Index France results (2023 data) – 3rd year in the row

EDUCATION AND DEVELOPMENT

94%
Training rate – in average 11 hours per trained employee

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Idgitaf

Pop Folk – Indonesia

5.6 million monthly listeners on Spotify

FY’23 financials: delivering on revenue growth and profitability improvement in a context impacted by currency headwinds

FY'23 key financial indicators: an annual performance affected by currency headwinds but delivering on objectives presented at the IPO

+15.7% Revenue Growth

- Recovery of organic growth in Q4'23, in line with expectations with still currency headwinds.
- Positive paid streaming trends enhanced by price increases at several large DSPs and improved comparison base for ad-funded streaming.

Adjusted organic growth of +19.5% in FY'23

- Embedded FX market effect of -5.1% in FY'23, reaching a peak in Q3 and declining since then.
- Organic growth of +14.4%,
- CAGR 2021-2023: +23.5%

5.7% Adjusted EBITDA margin

- Margin up +110bps vs. FY'22, at mid-term objective level.
- Improved segments' margin (+40bps), better Central Platform optimization thanks to controlled investment and efficiency actions.

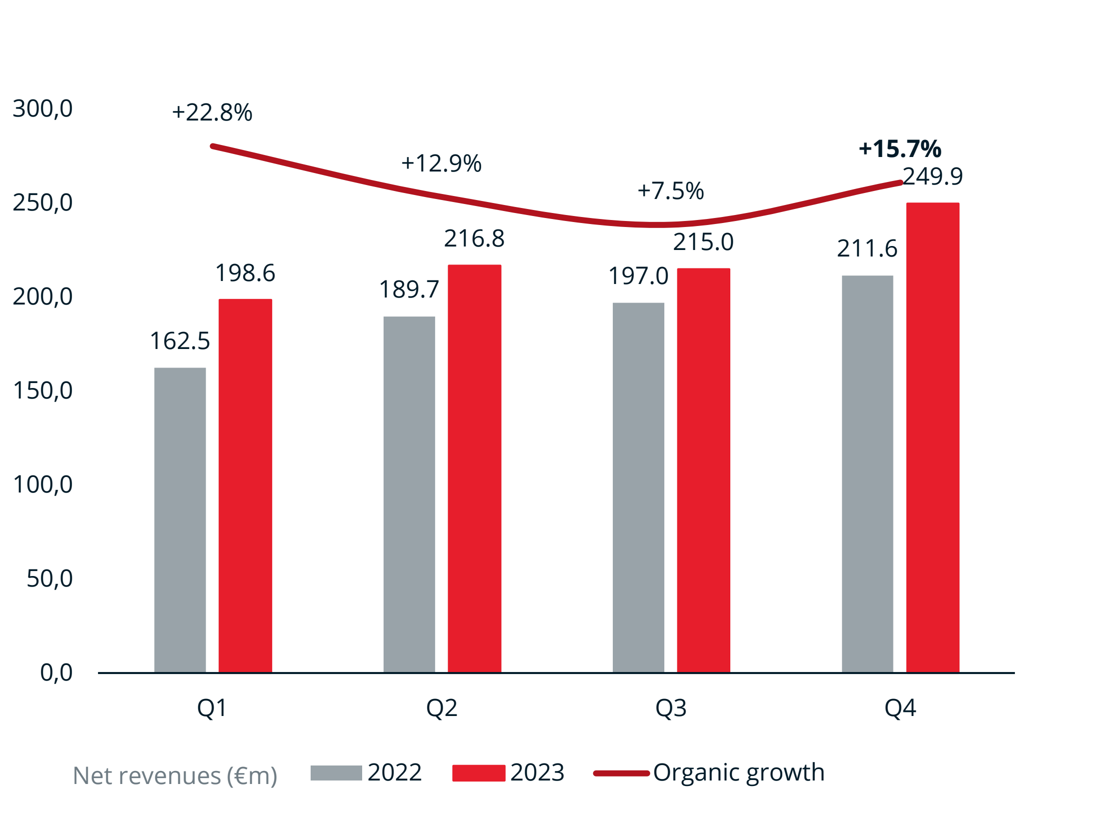
Free Cash Flow almost at breakeven, eg €(3.1)m

- Positive FCF generation in H2'23 partially offsetting the loss recorded in H1'23.
- Artists and Labels advances continuing to progress in H2'23 but at a more normalized pace.

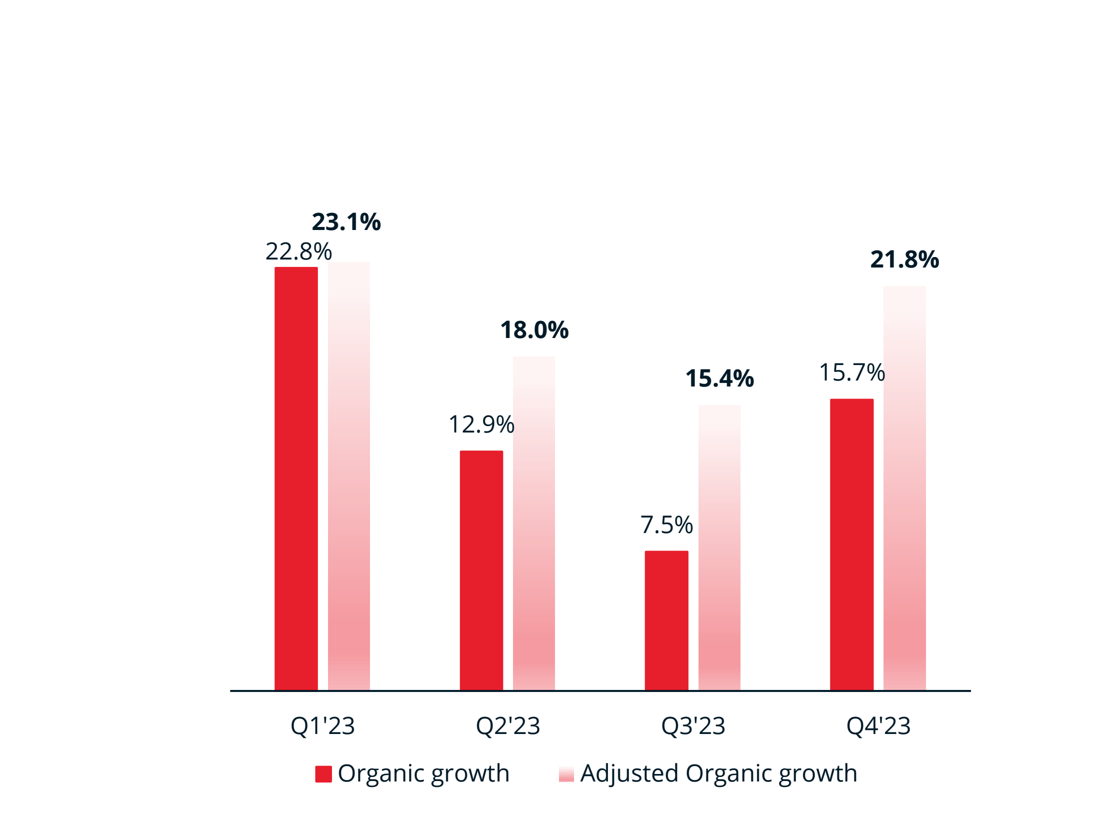
Notes: 1. Organic growth: revenue growth at constant perimeter and constant exchange rate. **2.** Organic adjusted for embedded market FX derived from digital sales adjusted for the forex impact in each digital market in which the Group operates as digital monetization includes currency translation effects. Digital partners collect in local currencies Subscription and Advertising royalties, which are then reversed to Believe in euros.

Q4'23 Organic growth up +15.7%, back to double digit increase despite currency headwinds which are still weighing down on Group's performance

Organic growth profile in line with expectations with return to double digit increase in Q4



Organic growth affected by embedded FY market effect captured in digital monetization



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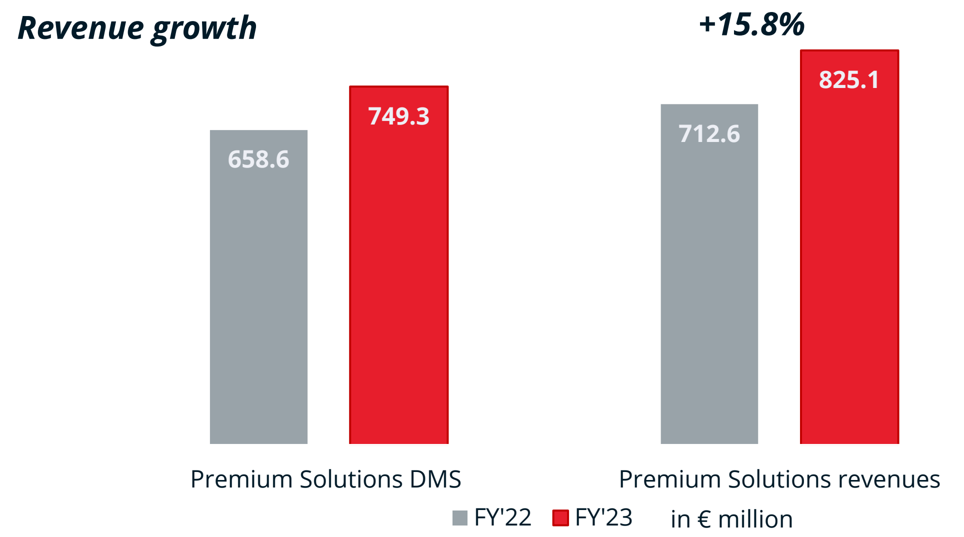
A solid performance driven by organic growth in both segments with further market share gains in Premium Solutions

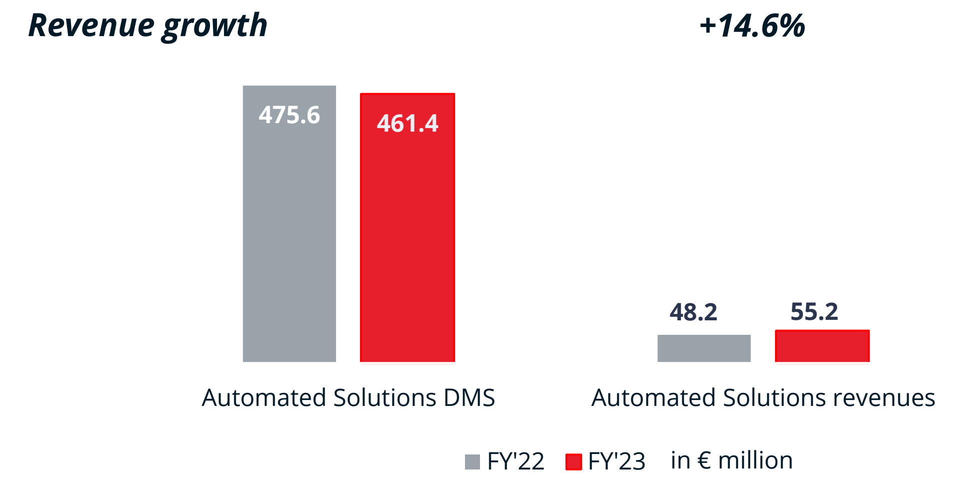
Premium Solution: DMS[1] and revenue performance mostly reflecting solid organic growth notwithstanding embedded FX market

- Organic growth driven by resilient paid streaming, enhanced in Q4'23 by price increases at several large DSPs and additional market share gains as artists and labels continued to outperform their own market.
- Some improvement in ad-funded streaming at year end, but still depressed in emerging markets.
- Significant currency headwinds in digital monetization all year long but showing some improvement in Q4'23.

Automated Solutions: single digit organic growth in line with Group's anticipations and strong contribution of Sentric

- Revenue growth, driven by organic growth (+9.9%) and Sentric integration (+7.6%) but affected by negative FX (-2.9%).
- Negative FX intensified in Q4'23 affecting digital monetization but TuneCore Accelerator marketing program launch in Q3'23 started contributing at the end of Q4'23.
- Strong non-digital sales due to Sentric integration and a catch up in TuneCore own publishing business



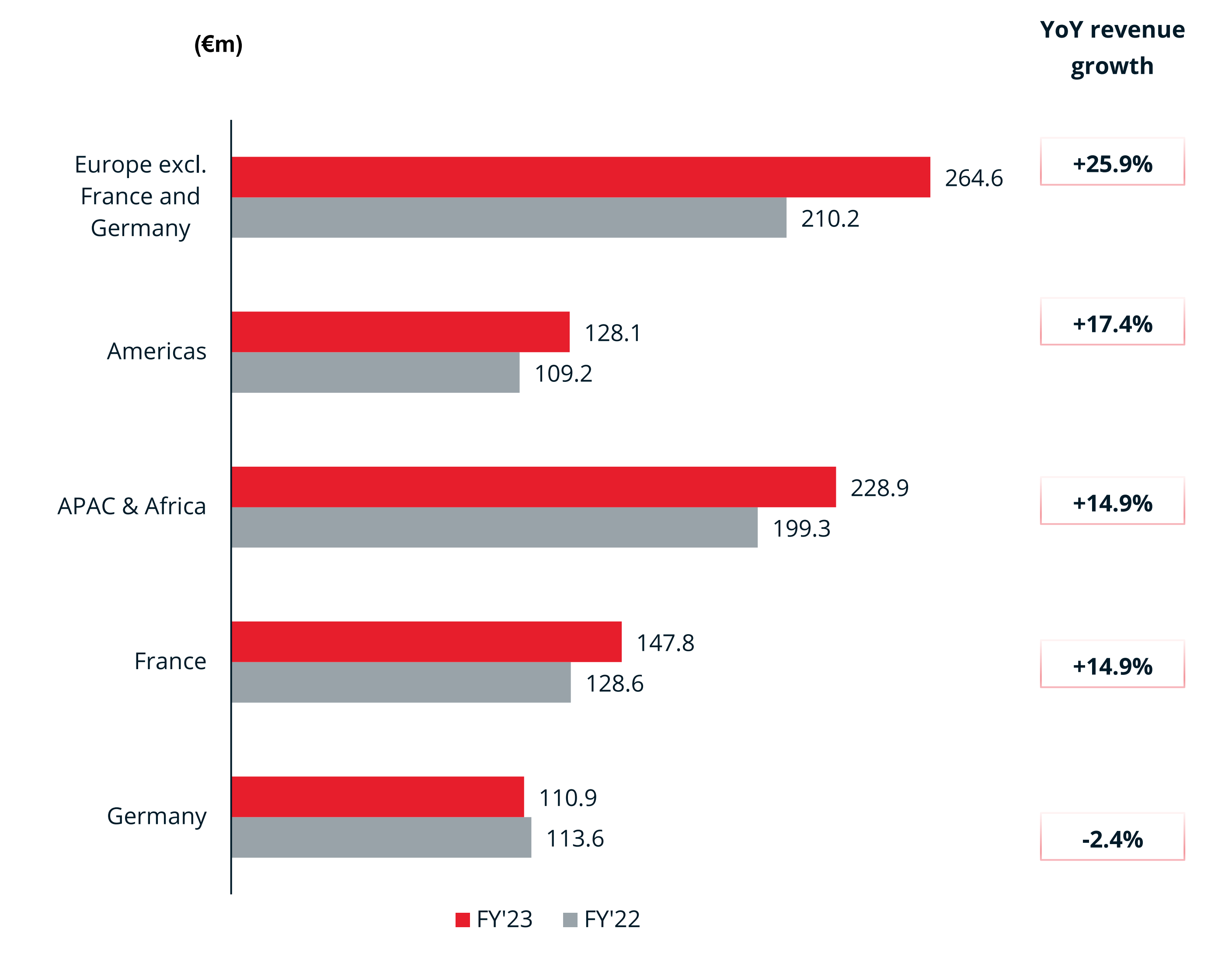


Notes:
1. Digital Music Sales is the revenue generated from digital store partners and social media platforms before royalty payment to artists and labels

Strong growth in most regions notwithstanding a more challenged environment notably in emerging markets

Key regional highlights

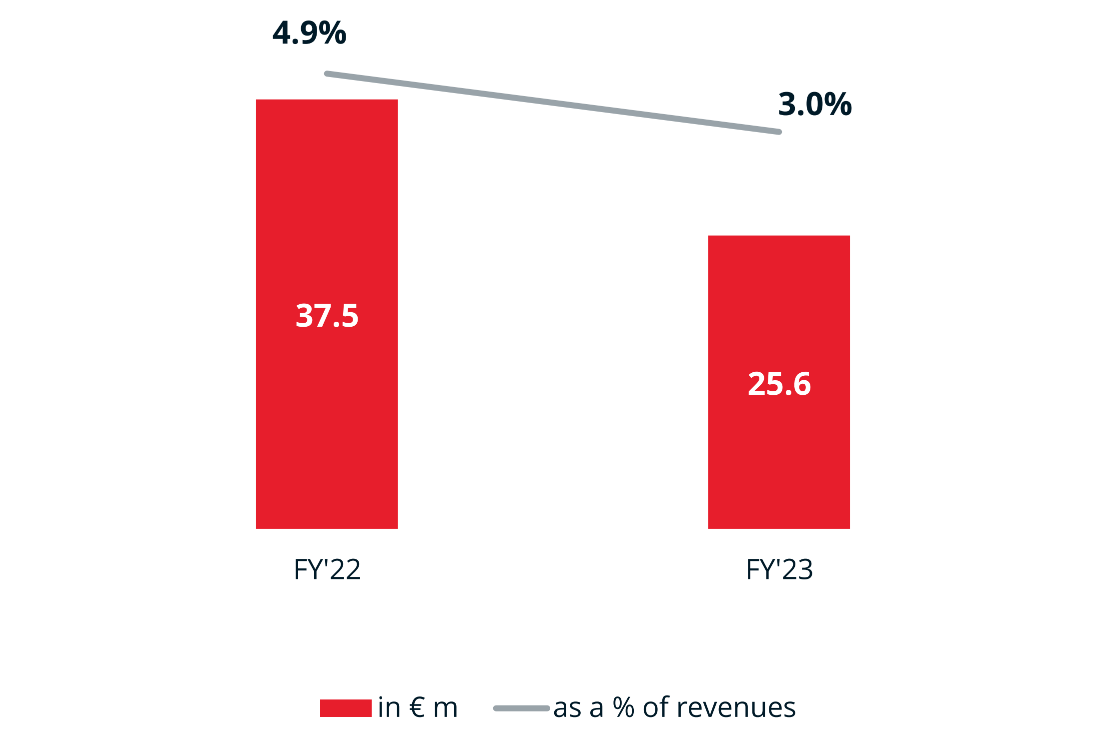
- **Europe (excl. France and Germany): up +25.9%** reflecting strong growth in Southern Europe, notably Spain and Eastern Europe. The performance was also uplifted by Sentric integration.
- **Americas: up +17.4%** reflecting strong level of activity in Brazil and Mexico and strong growth in Q4'23 of TuneCore after some improvement in the first 9 months.
- **APAC & Africa: up +14.9%** reflecting more challenging market conditions due to currency headwinds in digital collection by DSPs and depressed ad-funded streaming. Additional market share gains throughout the year, which was also marked by the launch of the full offer in Japan.
- **France: up +14.9%** reflecting very strong growth in Q4'23 thanks to a strong calendar of new releases and live activities, driving up the annual performance of the division.
- **Germany: down -2.4%** reflecting accelerated decline in physical sales & merch, partially offset by a return to healthy digital growth in Q4'23 after a temporary slowdown in Q3'23.



Continued investment in Automated and Premium Solutions notwithstanding a lower intensity than in previous years aligned with market growth

- Lower growth investment[1] in Premium and Automated as % of revenue as the investment cycle was adapted to market growth
- Increased investment in absolute value in local sales in Premium Solutions in H2'23 as revenue ramp up became clearer.
- Continuous investment, notably in additional sales & marketing capabilities in Europe and Asia including the launch of the full offer and the opening of new offices in Japan.
- Further investment in Automated Solutions in new features and marketing programs, including the launch of TuneCore Accelerator in H2'23 (Q4'23 was the first full quarter after launch).

Growth investment in Premium Solutions and Automated Solutions segments



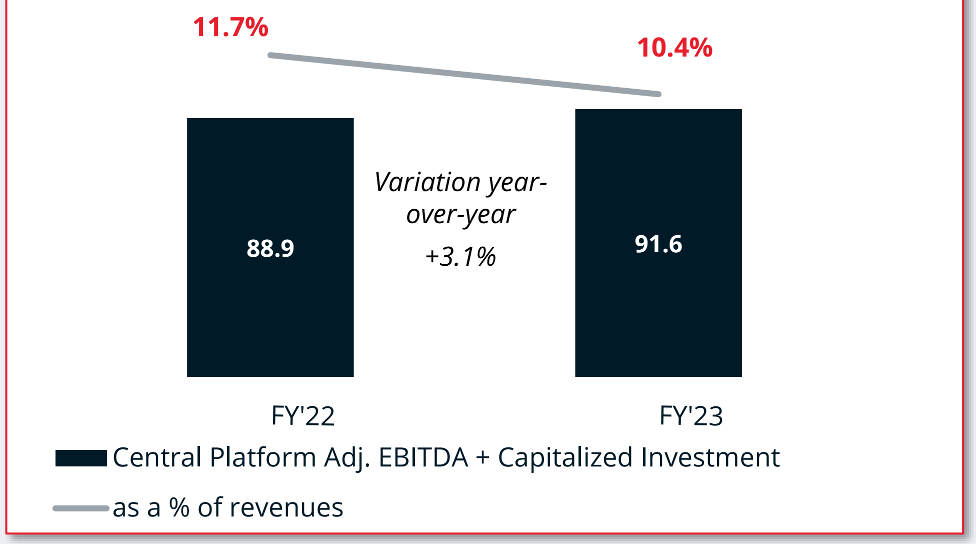
Notes: (1) Growth investment in the business segments: human resource costs related to the new recruits in Premium Solutions and Automated Solutions, hired in the past 36 months, excluding salary increases. New teams should be break even between 18 to 24 months and take another 12 month to reach target EBITDA margin.

Better amortization of Central Platform costs thanks to a focus on efficiency plans

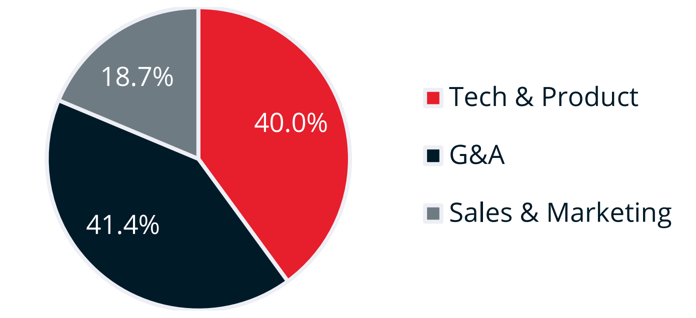
- **Total investment in the Central Platform up +3% YoY,** mainly reflecting focus on optimization and efficiency and the postponement of secondary projects
  - P&L costs up +6.8% and further decreasing as % of total revenue at 8.9% vs. 9.6% in FY'22.
  - Capitalized development of €17.9 million or 2% of total revenue, roughly in line with previous years.
  - Total investment lowered to 10.4% of revenue in FY'23, supporting Believe profitability improvement.

- **Sales & Marketing driving the limited increase in total investment**
  - Additional investment in central sales enablement functions to pursue the ongoing phase of expansion across all artists & labels tiering.
  - Stable Tech & Product, reflecting efficiency plans and postponement of projects to 2024

Total investment in the Central Platform (in € million)



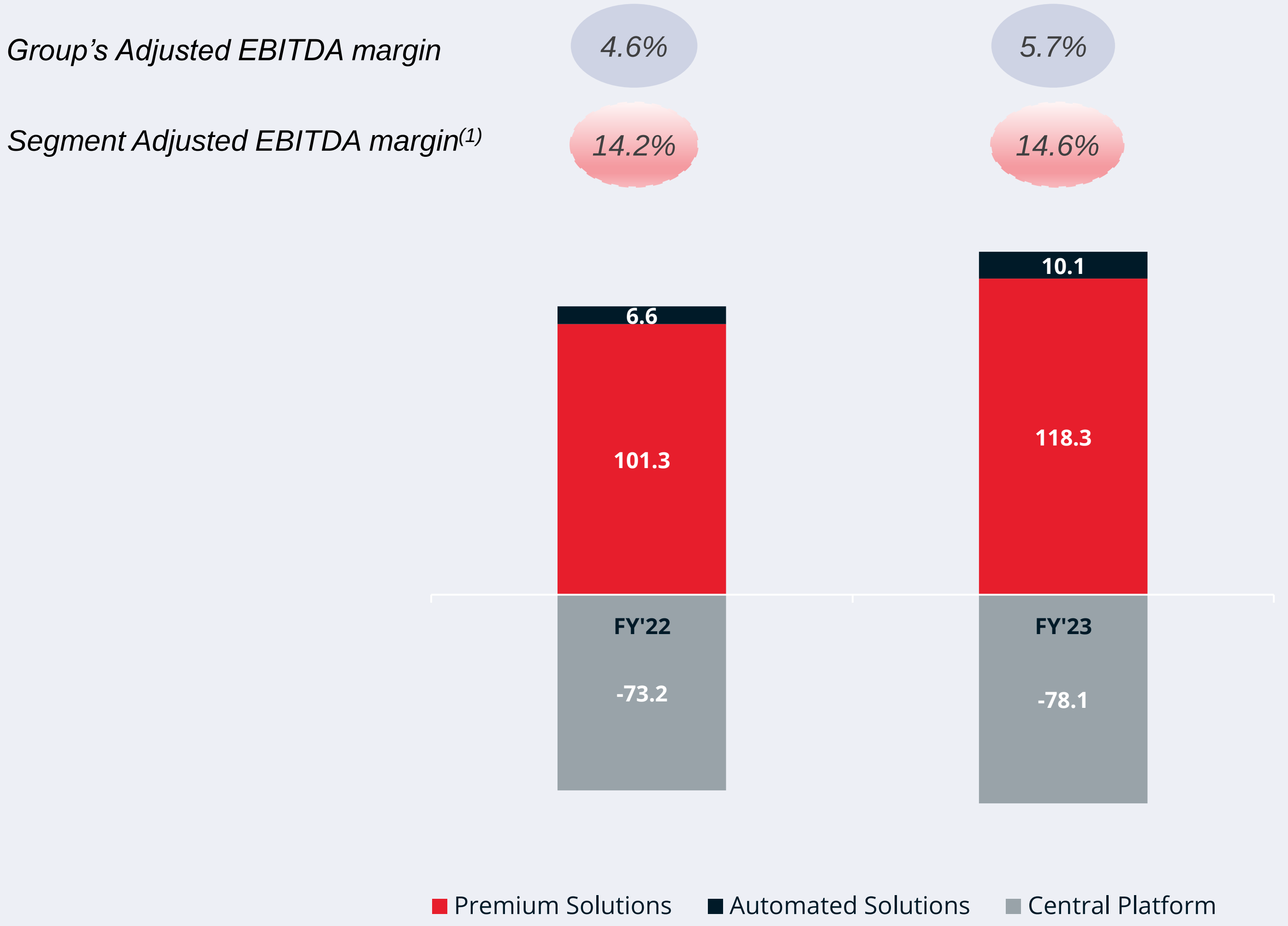
Breakdown of the Central Platform investment



Strong increase in Group's Adjusted EBITDA margin – illustrating focus on efficiency and operating leverage

Group Adjusted EBITDA more than doubled, a strong performance reflecting:

- Investments remained controlled in both segments but resumed at a higher pace in H2'23 as revenue ramp up was clearer – **delivering an increase of +40bps in the Adjusted EBITDA margin pre-Central Platform vs. FY'22.**
- A better cost amortization in the Central Platform in line with efficiency plans – **delivering solid operating leverage in FY'23.**
- **Group Adjusted EBITDA margin of 5.7% , or an increase of 110bps vs FY'22 –** confirming that the mid-term objective is two years ahead IPO plan (Group Adjusted EBITDA margin: 5% to 7% by 2025).



Notes:
1. Segment Adjusted EBITDA is the combined Adjusted EBITDA of Automated Solutions and Premium Solutions before taking into account Central Platform costs, which are costs that cannot be allocated to the business segments.

Free Cash Flow reflect leveraging strong commercial opportunities at high ROI

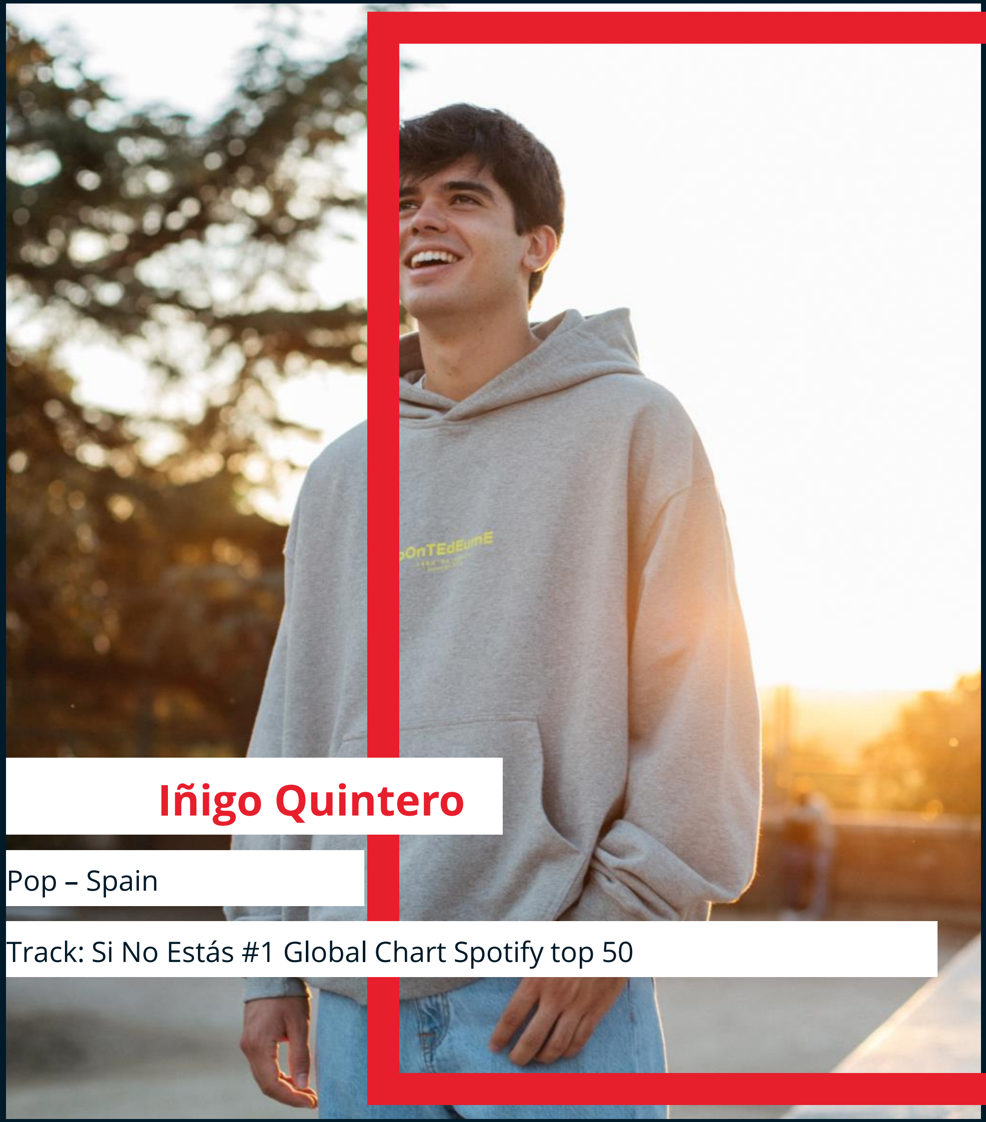
Free cash flow almost at breakeven reflecting:

- **Further increase in artists & labels advances in H2'23, but higher level of recoupment and no demand to sign on longer terms as in H1'23:**
  - ✓ Advances up +€80.1 million at end Dec'23 vs. end December'22, reflecting strong commercial dynamism.
  - ✓ Current portion impacted by the numerous renewals in H1'23 on much longer terms (10-15 years deals).
- **Free cash flow is almost at breakeven thanks to the positive generation in H2'23**
- **Solid cash position at end of Dec'23 of €214.2 million** despite the resumption of the external growth strategy in FY'23.

	FY'22	FY'23
Operating cash flow before working capital variation	20.2	36.4
Δ in net working capital	**53.4**	**(23.7)**
Operating cash flow (or net cash from operating activities)	**73.7**	**12.7**
Capex	**(25.5)**	**(49.2)**
o/w capitalized costs	*(19.8)*	*(17.9)*
Proceeds from sale of assets	-	1.2
less acquisition-related amounts	3.8	32.2
Free cash-flow	**52.0**	**(3.1)**

Focus on customer advances – *balance sheet*

Assets (€m)	December'22	December'23
Artist and label advances	178.5	258.6
o/w current advance (recoupable within 1y)	*51%*	*40%*



Iñigo Quintero

Pop – Spain

Track: Si No Estás #1 Global Chart Spotify top 50

FY 2024 outlook and mid-term objectives

FY 2024 guidance: another step towards long-term Adjusted EBITDA margin of 15%

1. FY'24 Organic Growth expected at c. +18%, assuming a c. -2% embedded FX impact

- Resilient paid streaming to pursue its strong growth trajectory, uplifted by price increases at some large DSPs.
- Ad-funded streaming activities to recover in emerging markets in H2'24.
- Continuous market share gains notably in the countries where Believe is not yet in Top3 for local acts.
- Adjusted Organic Growth: c. +20%.

2. Adjusted EBIDTA margin to pursue its increase in FY'24, expected around 6.5%

- Scale effect and strong operational efficiency contributing to increased EBITDA margin.
- Significant commercial and consolidation opportunities thanks to Believe's reinforced appeal to artists and business profile, which will weigh down on free cash flow.
- Free cash flow expected slightly positive in FY'24.

Believe notes that it is the object of ongoing discussions around a potential change of control of the Group. At this stage, the Company is not in a position to assess the potential impact on its business and financial condition linked to the uncertainties created by the current situation.

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%

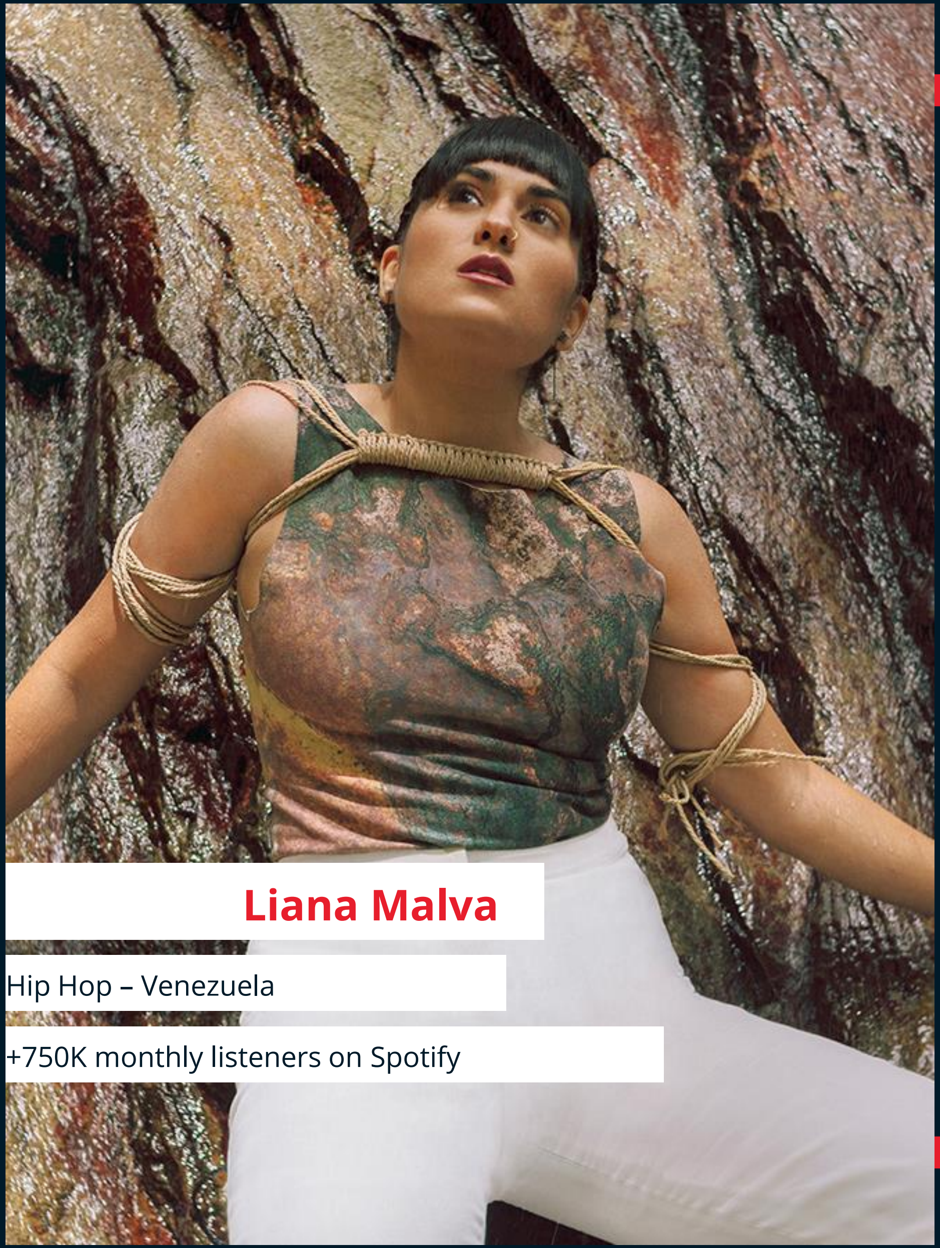
Long term Adjusted EBITDA margin: 15%


Jeanne Added - France


Qujia – China


Kweku Flick – Ghana

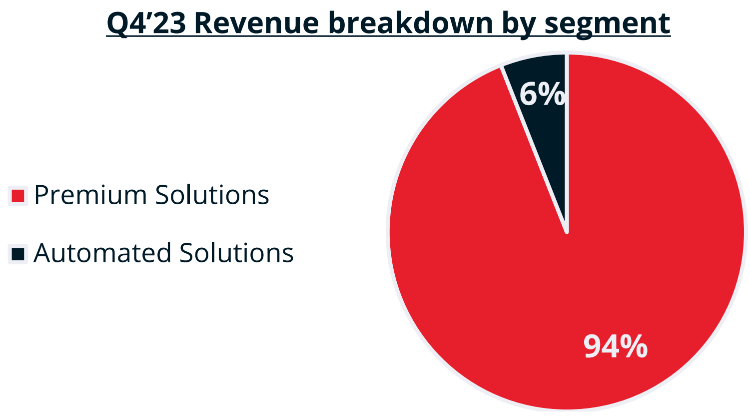

Adriana Rios - Mexico

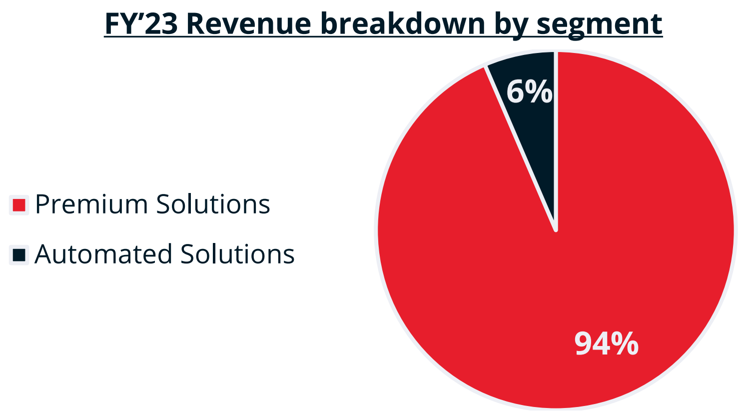

Liana Malva
Hip Hop – Venezuela
+750K monthly listeners on Spotify

Appendix

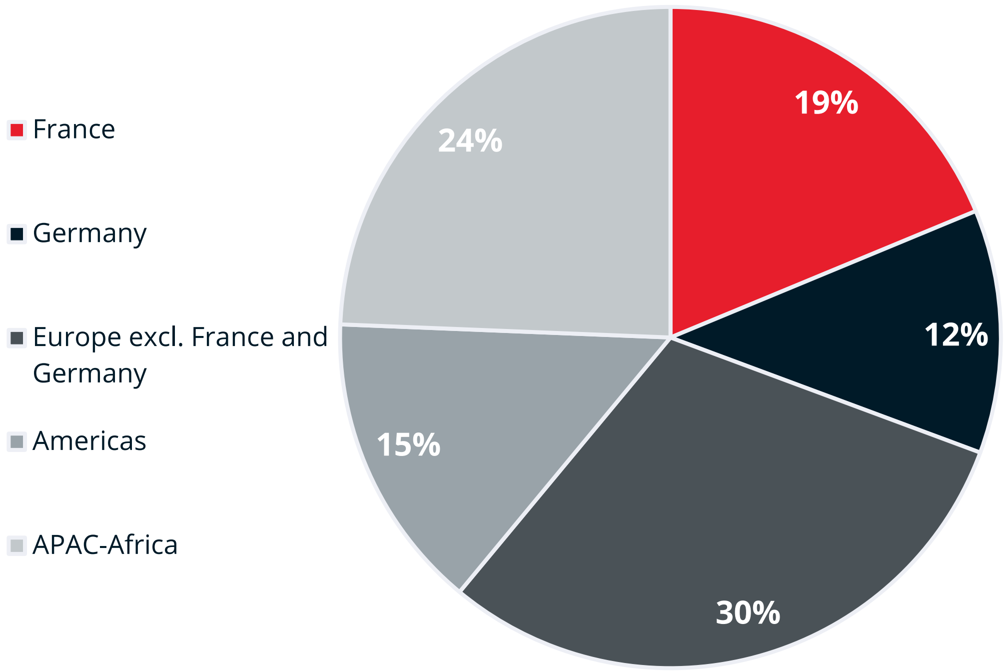
Q4’23 and FY’23 revenue breakdown

Q4’23 and FY’23 Revenue breakdown by segment
(in % of Group revenues)





Q4’23 Revenue breakdown by geography
(in % of Group revenues)



P&L overview – key definitions

	Automated solutions	Premium solutions	Other (central platform costs)
DMS (Digital Music Sales)[1]	Royalties paid by the DSPs (Digital Service Providers) primarily based on subscriptions / advertising revenues allocated according to streaming volumes. DMS only apply to recording and are not an indicator used in publishing.		
	Not correlated to the bulk of revenues , but DMS = revenue generated by 'Social Platforms'	DMS = revenue for digitally distributed music	
Revenue	c. 70% subscription fee based – includes self-served publishing services	DMS based for digital revenue Other revenues mainly include publishing, physical sales and synchronization rights	
− Cost of sales	Close to nil	Primarily royalties paid to artists	
= **Gross profit**	Close to 100%	According to royalty level negotiated in the contract	
− Opex	• Includes marketing and promotion costs for artist services and distribution costs for physical channels • HR costs for local sales and services • Other opex		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)
= **EBITDA**	Excludes exceptional items and share-based employee compensation		

Note
1. Non GAAP definition

Source: Company Information