

Q3 2021 revenues

3 November 2021

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.

Forward-looking statements include statements that may relate to Believe's plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the IPO Registration Document filed with the Autorité des marchés financiers (AMF) on May 7, 2021 under the approval number: I. 21-018.

All amounts are presented in € million without decimal. This may in certain circumstances lead to nonmaterial differences between the sum of the figures and the subtotals that appear in the tables. 2021 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 Operating Officer &
Chief Financial Officer**

Our Mission

Develop independent local artists & labels

We focus on developing local artists and labels across all genres of music with local teams.

With solutions best adapted to each stage of their career and development

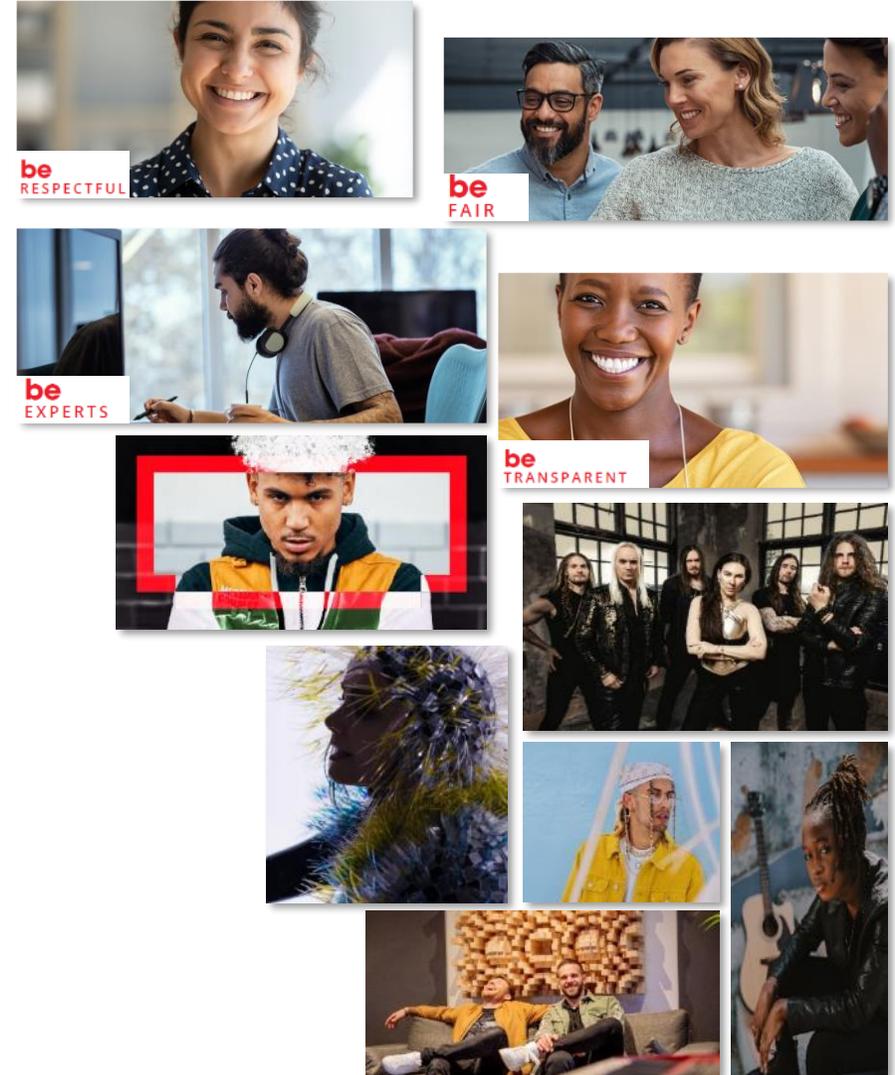
Our obsession is our artists and our labels : we strive to build the best solution and the most adapted to each of them.

And to the digital age

Digital music means digital artist development. We are experts at digital artist development.

With respect, fairness and transparency

These values are the foundation of trust in our relationships with artists, labels and our partners. We apply them in all aspects of our activities.



We are offering the Best Artist-Centric Digital Development Platform

ARTIST MARKET



850K ARTISTS SERVED



Distribution



Funding



Marketing



Promotion



Rights



Booking

ARTIST & LABEL DEVELOPMENT SOLUTIONS

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**BUILD GO-TO-MARKET SOLUTIONS FOR
ARTISTS AND LABELS FOR THE DIGITAL AGE**

DIGITAL MUSIC MARKET

**150+ DIGITAL STORE
PARTNERS**

GLOBAL and LOCAL platforms



**SOCIAL & DIGITAL
ONLINE MEDIA**

GLOBAL and LOCAL platforms



Rise of independent artists

At the heart of massive secular music megatrends



Rapid Growth of streaming

**Positive Q3 developments in line
with Believe's strategy and growth
levers presented at the IPO**

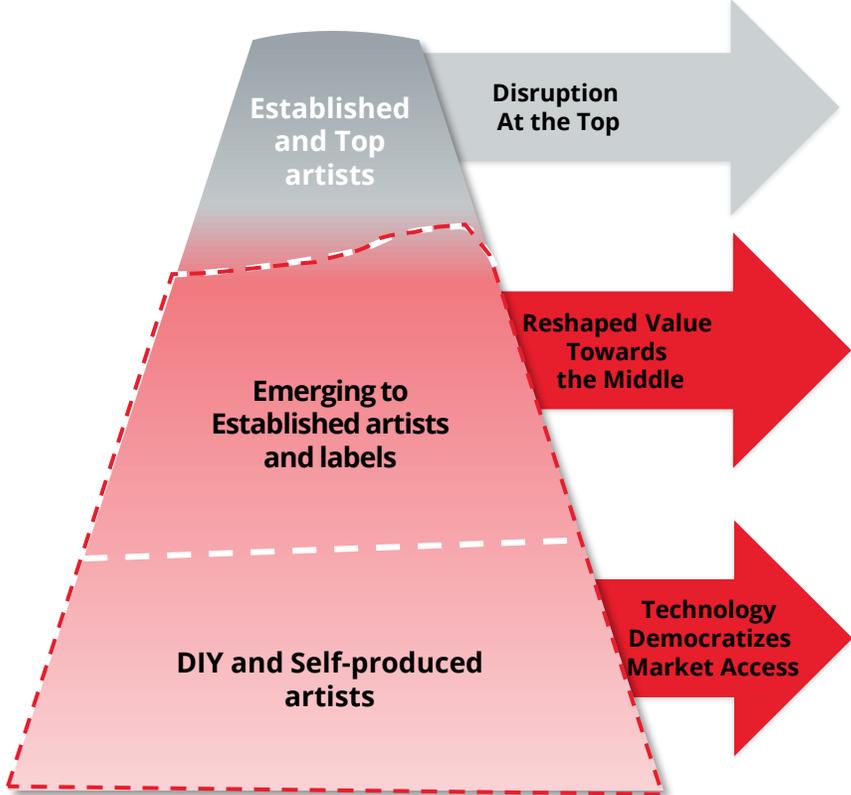
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Key achievements in line with Believe's strategy presented at the IPO

- **Attractivity of Believe for artists and labels** proven by market share gains and by the transaction with Play Two
- **Success of the investment in local sales and marketing** to develop adapted strategies to grow audiences of our artists, at each stage of their development
- **Competitive advantage further reinforced** through technology investment aiming at developing digital audiences and revenues of artists and labels
- **Strong positioning in the fastest growing markets with lower digital penetration (Asia, Europe,...) leveraging early move and digital first approach** to ensure future growth
- **Confirmed commitment to shape music for good** illustrated by 2 partnerships aiming at promoting diversity and inclusion in the music industry

Strong market share gains driven by attractiveness of the model and prior local investment

Value split of the music market in digital era

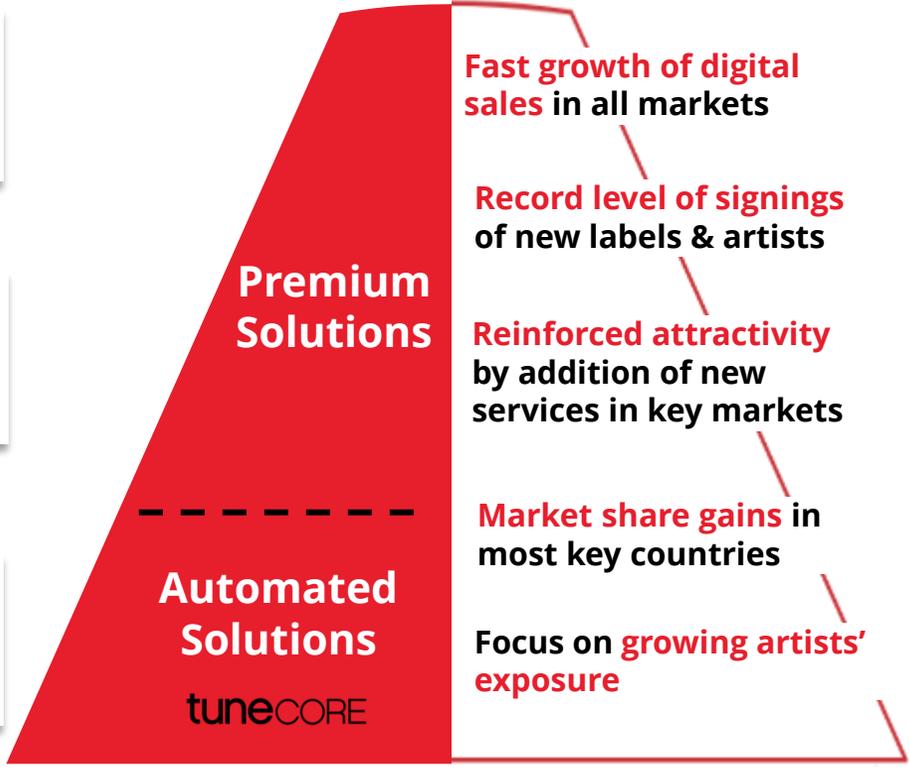


Top artists in digital music market segments are seeking **superior digital expertise**

Lower market segments are a **platform business** driven by **high volume management, technology, and data**

Represents the **fastest growing market segments** and the **majority of the market's value**

Demonstrated attractiveness at all stage of development



Fast growth of digital sales in all markets

Record level of signings of new labels & artists

Reinforced attractiveness by addition of new services in key markets

Market share gains in most key countries

Focus on growing artists' exposure

Premium Solutions

Automated Solutions

tuneCORE

Play Two, a M&A transaction to accelerate growth in France

A key transaction with French 1st independent label

- Global partnership providing strong coverage of the French music market
- A partner with a highly reputed label, significant assets and a strong roster of more than 2,500 references
- Common entrepreneurial spirit and values
- Staged acquisition of Play Two starting by 25% initial investment & options to reach full ownership in the next few years
- Valuation of Play Two below €50m through this transaction (on 100% basis), multiples aligned with Believe's previous deals



Vitaa/Slimane



Indochine



Camélia Jordana



Tayc



91 All Stars



Yannick Noah



Aya Nakamura



Gims



Hatik



Julien Clerc



Kalash



Vincent Niclo

A strategic partnership with solid benefits

play two



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LE GROUPE

- Gain market share in France and diversify music segments (pop, variétés,...) when they switch to digital
- Deploy a highly attractive offering in France for all artists and labels, in all music genres
- Demonstrate Believe's attractiveness for independent labels, which see the benefits of the Group's digital expertise to grow audiences of their artists.
- Creation of synergies on distribution, merch and live businesses

Leveraging increased technology investment with a focus on growing audiences

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Investing in a **media-buying automation platform**

Future proof marketing solutions to develop and engage audiences

Enrichment of a multi-local advertising platform tailored for the music industry to offer a unique solution to artists and labels at any stage of their development

A self-service Ad Platform Believe's artist to help them promote their releases by booking & monitoring paid media campaigns

An exclusive solution for the benefit of Believe's artists and labels already deployed in 12 countries

 **TikTok**

Developing a **tool to predict virality on TikTok**

In-house development of an algorithmic technology aiming at predicting the virality of a track on TikTok

Classification in various categories, that can be used by Believe to alert on existing & emerging opportunities and implement digital strategies to grow audiences

"68% of the time spent on short form video apps involved music-dependent videos" IFPI



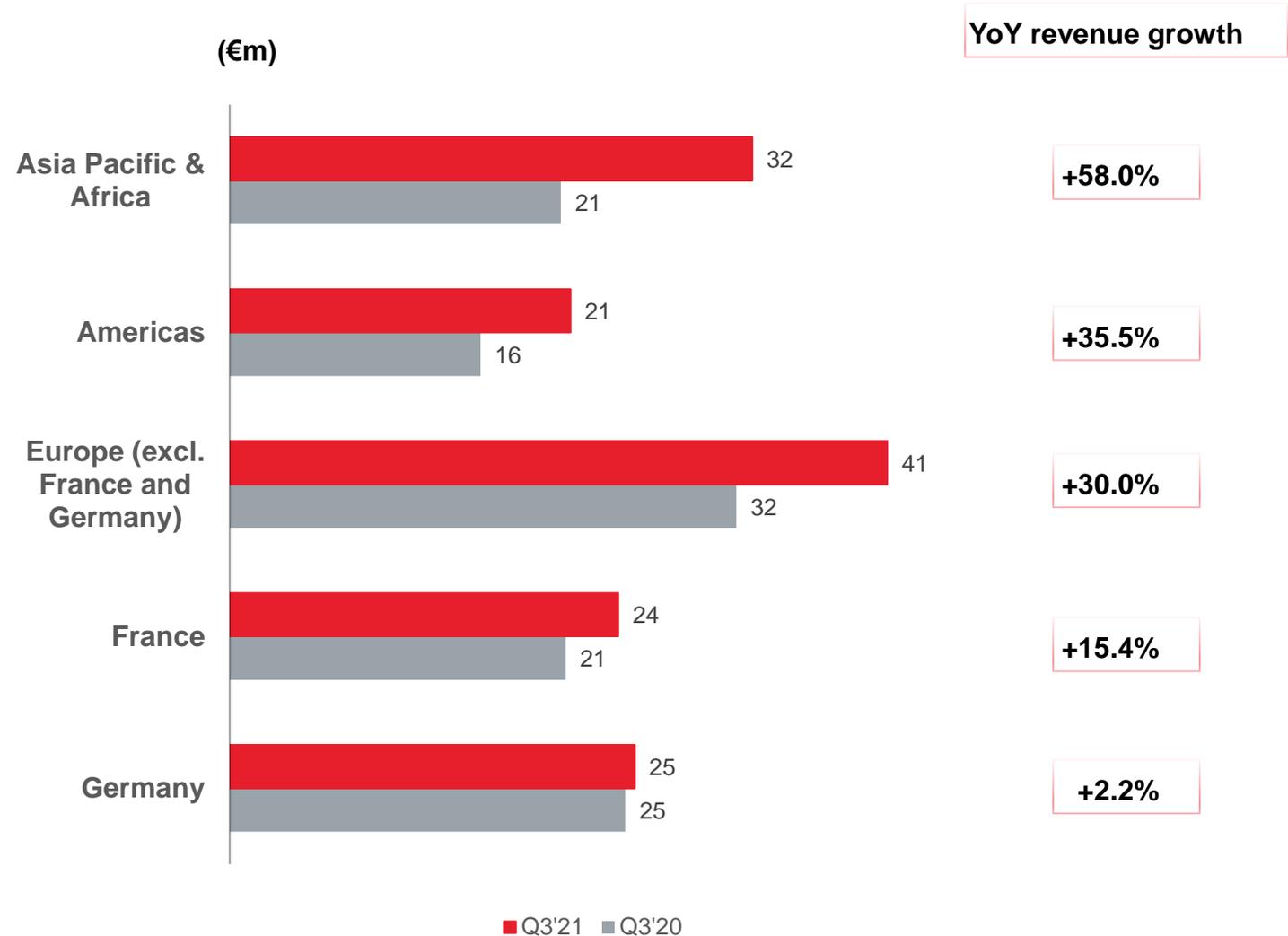
1 billion of users worldwide

"67% agreed or strongly agreed that music is central to what they enjoy about TikTok" IFPI

Growth in all Geographies in Q3'21, with fast growth in emerging markets

Key regional highlights

- APAC & Africa up + 58.0% YoY, reflecting strong underlying market growth and significant market share
- Americas up +35.5%, resulting from strong activity level in Latin America thanks to solid investment in local sales and marketing
- Europe (excl. France & Germany) +30.0%⁽¹⁾ reflecting dynamic market conditions, particularly in Russia and in Turkey
- France up +15.4%, reflecting above market digital sales growth, but overall performance affected by physical sales decline
- Germany up +2.2% as revenues were still affected by ongoing reorganization of the activities to optimize digital solutions and reduce exposure to physical sales



Notes: 1. including DMC label (Turkey) consolidated in August 2020

Shaping music for good - Promoting diversity and parity in the music industry

Believe's 4 CSR pillars



DEVELOPING DIVERSE & LOCAL TALENT in local markets first



Cultivating talent for THE DIGITAL MUSIC ERA



BUILDING TRUSTING RELATIONSHIPS through respect, fairness and transparency



Empowering our community to have a LONG TERM POSITIVE IMPACT

2 partnerships aligned with our pillar *Developing diverse & local talent*



Supported by the Creative Europe Programme of the EU, it regroups key partners collaborating from 12 different countries, working proactively to achieve this change

A global network and movement working to a total restructure of the music industry to reach full gender equality



The unique space where woman in tech and game changers meet, share & build an inclusive tech industry together with the objective of a 50% representation of women in tech by 2050

A new route into the tech ecosystem to accelerate business, talent and innovation with women in tech

**Key financial highlights –
Strong growth momentum
confirmed in Q3'21**

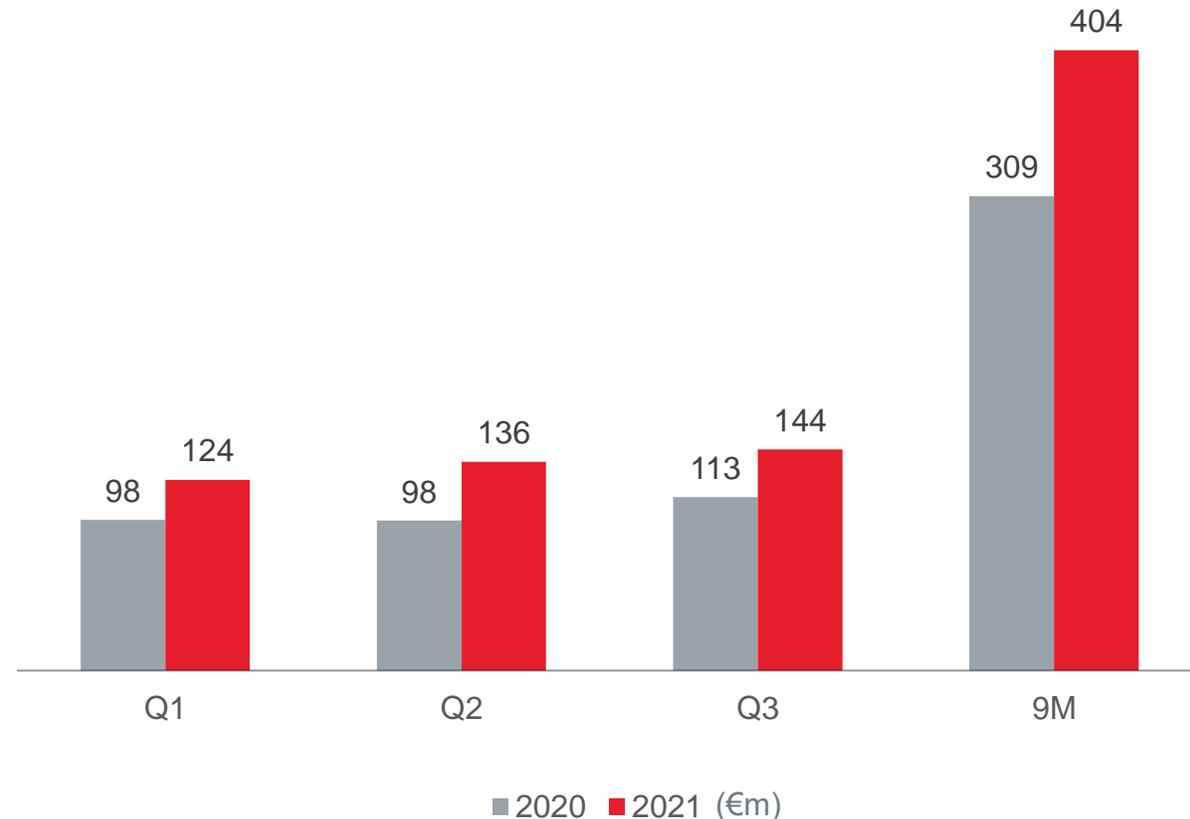
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Revenue growth by quarter – Organic growth on a strong trajectory



Top line drivers for Q3'21

- Organic growth driven by structural market trends and significant market share gains
- Digital sales outperforming the market every quarter
- Expansion of artists & services offering in new territories and strong performance of the roster
- Growth rate slowing down vs. Q2'21 YoY, reflecting a less favorable comparison basis for Premium Services (Q2'20 largely affected by covid-19 pandemic)



Notes: 1. organic growth accounts for revenue growth at like-for-like perimeter and constant exchange rates

Revenues by segment - 9M 2021

Organic growth⁽¹⁾

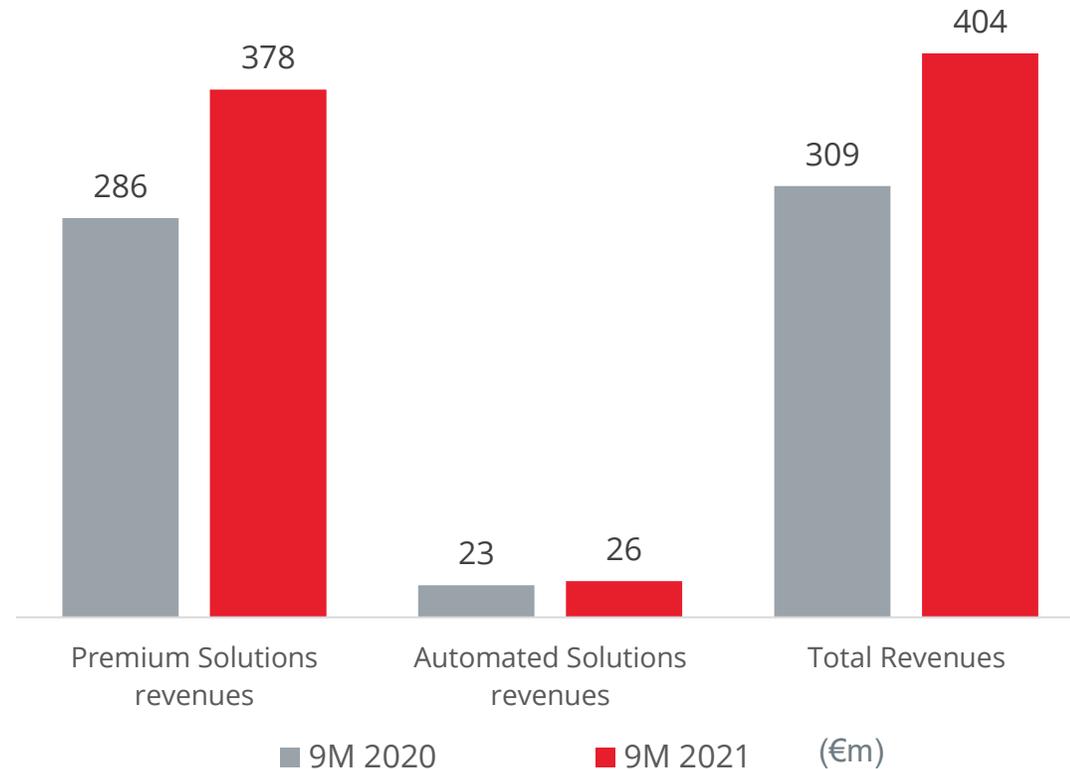
+30%

+17%

+29%

Revenues

- Continuing strong growth in Premium Solutions driven by market share gains, expansion of offering in several countries
- Premium Solutions further leveraging early move in fast growing emerging markets
- Lower growth in Automated Solutions due to unfavorable comparison basis as H2'20 grew strongly
- Lockdown extensions resulting in a surge in new customers with elevated distribution rate in Q3'20 and Q4'20



Notes: 1. organic growth accounts for revenue growth at like-for-like perimeter and constant exchange rates

FY 2021 guidance uplifted on the back of solid growth prospects

	Previous indication	As of November 2021	
Organic Growth⁽¹⁾	At least +23%	At least +27%	<ul style="list-style-type: none"> Based on Q3'21 performance and Q4'21 outlook, annual organic growth rate revised upward, mostly driven by solid market share gains and performance of the roster. Decrease in physical sales less pronounced in H2'21 than previously anticipated
Adjusted EBITDA margin	Slightly above 2020 level (FY'20: 1.7%)	Above 3%, well above 2020 level	<ul style="list-style-type: none"> Margin expansion higher than anticipated reflecting organic growth upgrade Investment in central platform and local sales to be maintained at high level
Free cash flow	NWC to be amplified versus H1	NWC amplification under control	<ul style="list-style-type: none"> Notwithstanding a growing revenue base in H2, net working capital (NWC) change will be equivalent in H2'21 than in H1'21 (around €20m) H2'21 customer advances as a % of revenue are expected to be at the same level as H2'20

Note: 1. Organic growth accounts for revenue growth on a like-for-like basis and at constant perimeter

Mid Term Targets - Confirmed

		Mid term (2025 target)	Commentary
Organic targets ⁽¹⁾	Revenue	22-25% 2021-2025 CAGR	<ul style="list-style-type: none"> ■ Growth driven by market growth and continued market share gains in key local markets ■ Long term revenue (organic and M&A) CAGR of high-teens to low-20's
	Central platform costs	 In % of revenues	<ul style="list-style-type: none"> ■ Decreasing central platform costs as a % of Group revenue
	Adj. EBITDA	5-7% margin	<ul style="list-style-type: none"> ■ Margin expansion driven by operating leverage ■ ~15% long-term EBITDA margin
M&A contribution	investment	~100M€ p.a. in the next 4 years	<ul style="list-style-type: none"> ■ Targeting each year to add ~€110m yearly revenue (with ~15% YoY growth), realized from H2 2022 onwards
Group level	Other Capex	~4% of revenues	<ul style="list-style-type: none"> ■ Capex increasing towards mid term, reflecting capitalized central platform development costs ■ Long term: decreasing as % of Group revenue
	Net working capital Δ	~5% Δ in revenues (outflow)	<ul style="list-style-type: none"> ■ Negative working capital reflects advances paid to selected labels and artists in Premium Solutions

Note: 1. at constant exchange rates for 2021-2025 revenue CAGR

On the right track to build the #1 Global Artist Development Platform

- **Positive structural market trends** confirmed
- **Strong revenue growth**, driven by our attractivity for artists and labels and our unique digital data-driven model
- **Further investing in sales, marketing and technology** to drive growth while enabling artists and labels to grow at each stage of their development
- **Consolidating market position in France** with Play Two transaction, which is fully aligned with Believe's M&A strategy presented at the IPO and confirming Believe's attractivity to independent labels
- **FY 2021 guidance uplifted** on the back of Q3 performance and strong outlook for Q4 (Q4 2021 publication, 17 March 2022)

imagine.
create.
believe.

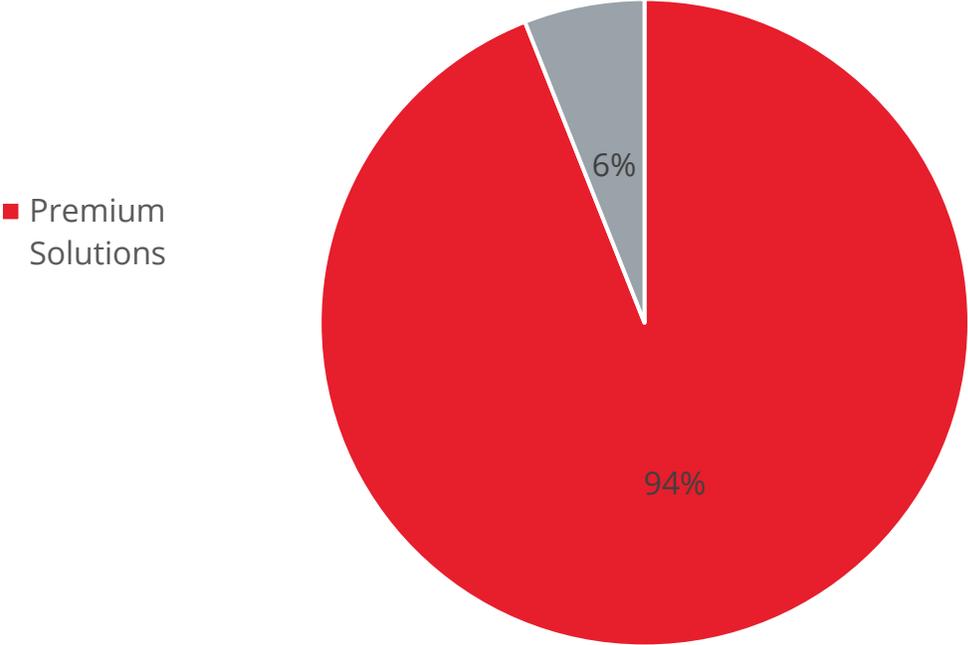


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Appendix

Q3 2021 Revenue breakdown by Segment and Geography

Revenue breakdown by segment
(in % of Group revenues)



Revenue breakdown by geography
(in % of Group revenues)

