

Q1 Revenue 2023

Investor Meetings

27 April 2023

**shape.
empower.
believe.**

Q1 Revenue 2023

Investor Meetings

27 April 2023

**shape.
empower.
believe.**

Q1 Revenue 2023

Investor Meetings

27 April 2023

**shape.
empower.
believe.**

Q1 Revenue 2023

Investor Meetings

27 April 2023

**shape.
empower.
believe.**



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 Universal Registration Document filed with the Autorité des marchés financiers (AMF) on April 20 2023 under the approval number: R.23-012.

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.

shape.
empower.
believe®

Today's presenters



Denis Ladegaillerie

**Founder & Chief Executive
Officer**



Xavier Dumont

**Chief Financial and Strategy
Officer**



ANAÏS

Emerging Lifted Program – Germany

+16 million streams, with over 400 playlists inclusions

**A strong start to FY 2023
thanks to Believe's
expertise on digital
artists and music genres**

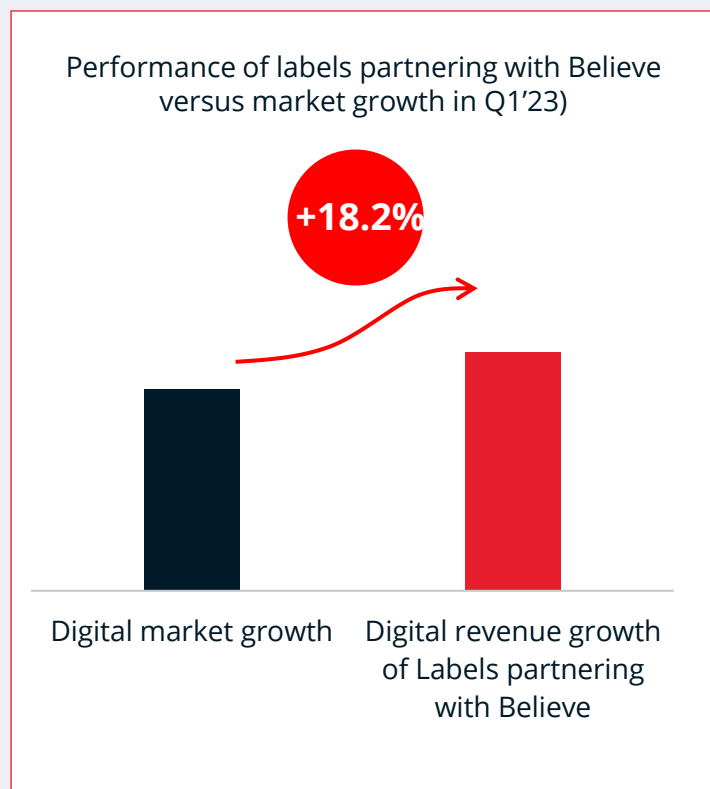
A good start to the year for Believe with revenue growth above +20%

- A solid growth trajectory in Q1 2023 reflecting resilient paid streaming and market share gains driven by the Group's strategy build leading position in key markets.
 - A growing portfolio of artists and labels to benefit from Believe's digital expertise as more and more music genres are becoming digital.
 - Expanding into publishing with Sentric acquisition, a new business line for the Group, resuming the external growth strategy, one of the drivers to reach Group's ambition to the best music company for digital artist and labels at each stage of their career.
- The Group continued to roll out the strategic roadmap presented at the IPO and progress towards its long-term objectives.

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

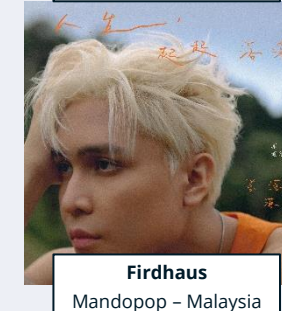
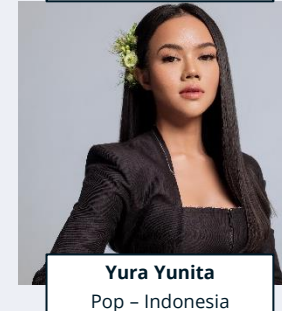
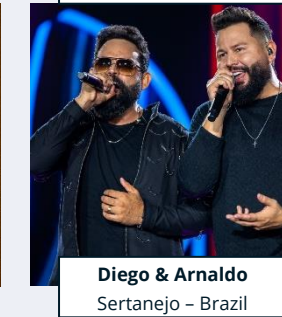
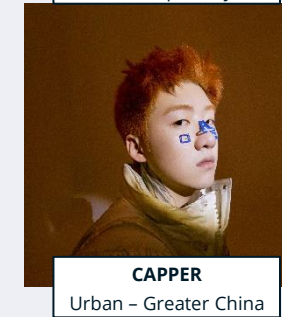
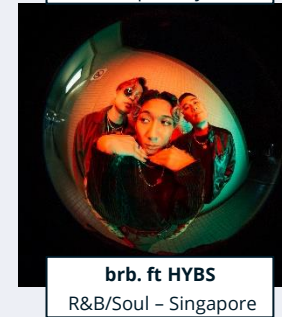
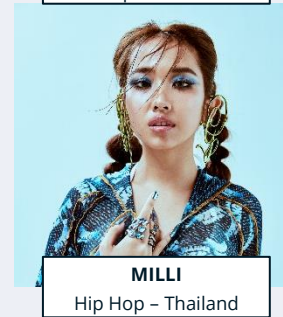
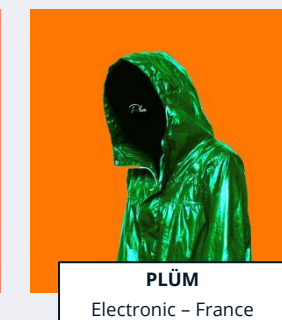
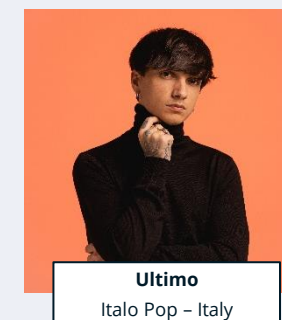
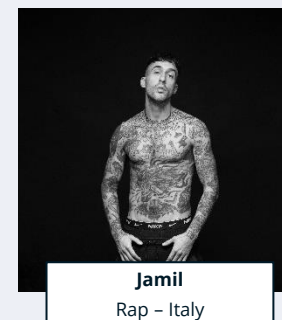
Driving Labels partnering with Believe to outperform the market

Labels partnering with Believe grow faster



Developing audiences of Artists that put their confidence in Believe¹

Examples of Top Charting Artists in Q1 2023



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

Strong level of signing as Believe attracts more and more digital artists and labels across all genres

Signings or renewals across regions and genres

Artist Services



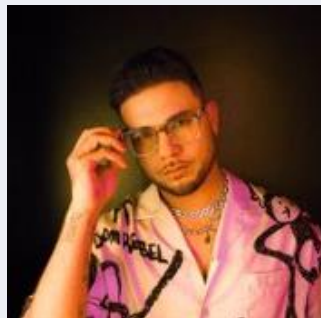
JUL - Hip-hop - France

Launch of his album Coeur Blanc
Renewed his contract for the 5th time
in Q1 2023



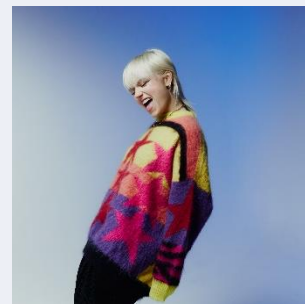
Hamza - France - Rap

Signed a multi-year contract for the
1st time under AllPoints in Q1 2023



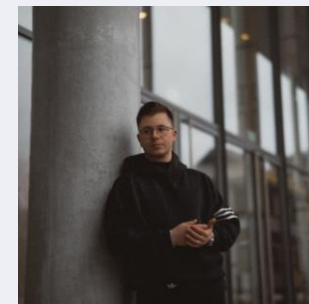
Mickey Singh - India - R&B

Signed a multi-year contract for the 1st
time in Q1 2023



Sody - UK Pop

Signed a multi-year contract for the 1st
time in Q1 2023



Fabian Wegener - Germany Pop

Transferred from Label & Artist
Solutions to Artist Services in Q1 2023



TimeThai - Thailand Hip-hop

Signed under the bYOND brand
dedicated to hip-hop in Q1 2023

Label & Artist Solutions



Leandro Borges - Brazil Gospel

Renewal via a multi-year contact
signed in Q1 2023



FATA - Italy Urban pop

Signed a multi-year contract for the 1st
time in Q1 2023



Carson Coma - Hungary Alternative

Signed multi-year contracts for their
first engagement outside their label



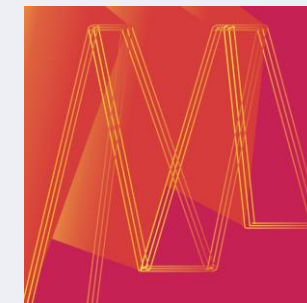
ForceParkBois Malaysia - Hip Hop

Signed a multi-year contract for the 1st
time in Q1 2023



Hikoon - Greater China

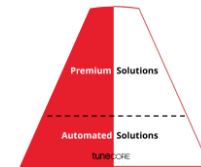
Signed a multi-year contract for the 1st
time in Q1 2023



Interbyte Media dn Bhd - Malaysia - Chinese music

Renewal signed in Q1 2023 after a 1st
signing with Believe in 2015

Launched in Q3'22, b:electronic is helping local artists and labels reach global audiences in the global electronic music world



b:electronic

- Launch in Q3 2022 of **b:electronic** to develop electronic artists and labels.
- Tailor-made strategies leveraging **Believe's unique expertise in video & social media and digital development** on top of strong relationships with digital streaming services.
- **Several long-term partnerships signed** since the creation of the imprint with key players of the electronic music scene:
 - Hospital Records and Rinse in the UK,
 - Big Top Amsterdam, Blackout Music and Mixmach in the Netherlands,
 - Cercle and Roche Musique in France.

tuneCORE ×  **Beatport**

- Group's commitment toward the electronic music genre also illustrated by the global partnership between **TuneCore and Beatport**, the world's largest music platform for DJs.
- Partnership allowing TuneCore's subscribers to benefit from Beatport's **robust user base of electronic music fans, tastemakers & professional DJs.**



Acquisition of Sentric to develop new opportunities for artists and labels with a first step in the digital publishing market

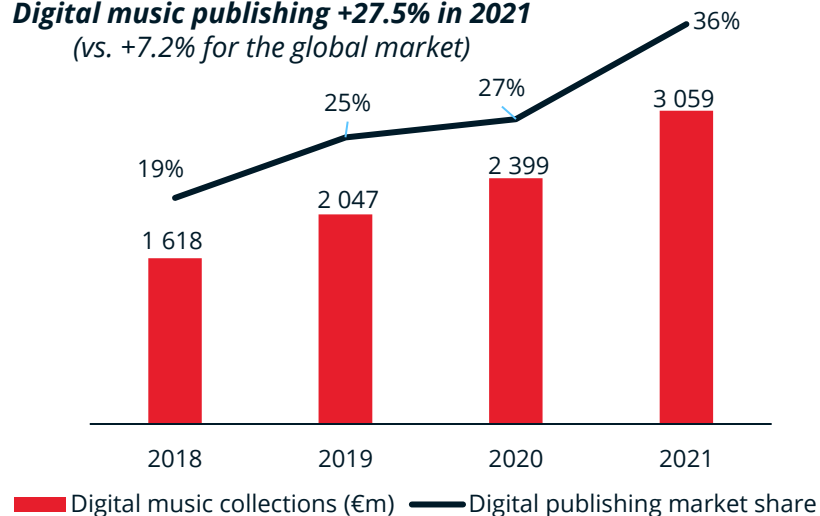


Opening the door of the publishing market at the right time

A first step to build a **complete and comprehensive publishing offer** when the digitalization of the publishing market is accelerating.

An **expansion of the addressable market as publishing is the 3rd source of revenue for the music industry**: offering Believe an attractive opportunity in a dynamic market.

Digital music publishing +27.5% in 2021
(vs. +7.2% for the global market)



By acquiring a leading digital publishing platform

A **global independent music publishing platform**, partnering with over 70 collecting societies.

A **proprietary and innovative platform** which is one of the most **advanced solutions in the market**.

A **Partner of TuneCore since 2018**, as best solution to manage publishing for self-releasing artists profitably at scale.



Offering Believe an attractive growth opportunity

A progressive roadmap to penetrate the digital publishing market and build a solid position in the future:

1. **Further deploying commercially Sentric's self-serve offer for the benefit of all TuneCore users.**
2. **Developing a strong value proposal for Premium Solutions artists and labels, but also for songwriters and publishers.**
3. **Gaining additional capabilities to manage and optimize catalogues.**

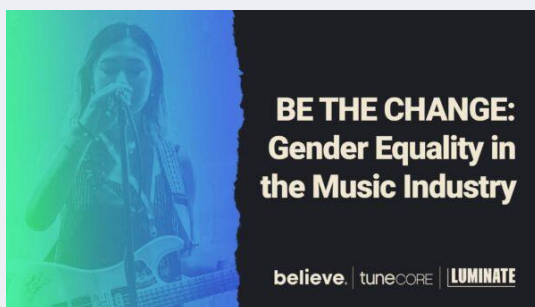
Developing a diverse and inclusive music industry for all stakeholders – “It is with our artists and collaborators that we are Shaping Music for Good”



Pursuing Believe’s policy for a more diverse and inclusive music industry

Strong commitment to **create a more gender representative and inclusive music industry** by supporting major international initiatives in favor of DEI (Diversity Equity Inclusion):

- **Be the Change** study, published for the third year in a row in partnership with Luminate provided **actionable actions for a more diverse and inclusive music industry**.
- **Partnership of TuneCore with Gritty in Pink aiming at** empowering and supporting women reduce gatekeeping and democratize access to the music industry.



Investing in employees to *Shape Music for Good* at all levels of the organization

Investing in Believe’s employees through a reinforced offer of training programs in line with the Group’s main values to **help them thrive in digital and fasten their career**.

bookboon **coursera** **docebo®**



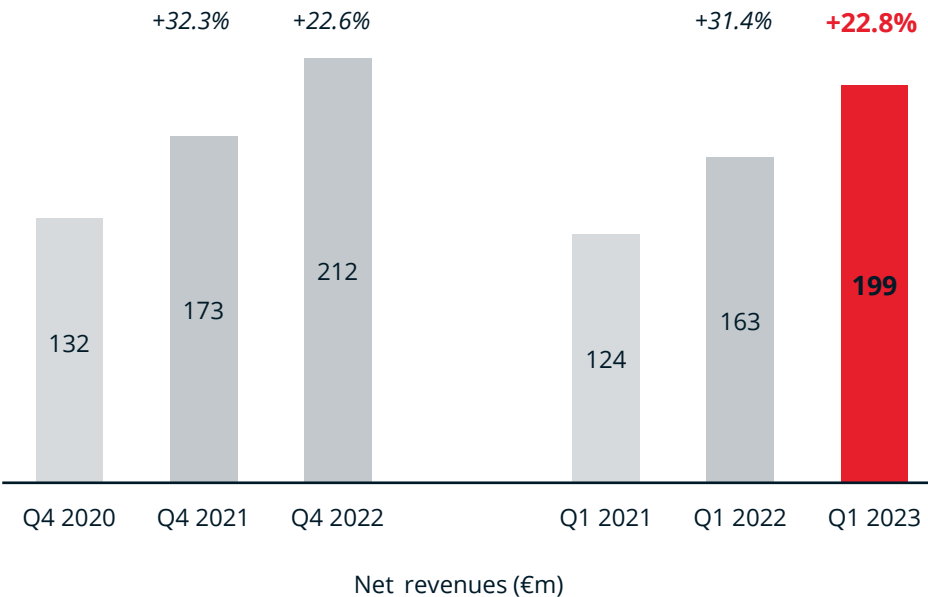
Further aligning CSR indicators in compensation scheme with *Shape Music for Good*

Introduction in the variable compensation of the CEO and executives of an **eNPS indicator (Employer Net Promoter Score) to measure satisfaction & loyalty** to replace the Ambassador indicator.

Q1 2023 organic growth up **+22.8%**, a trajectory in line with Q4 2022

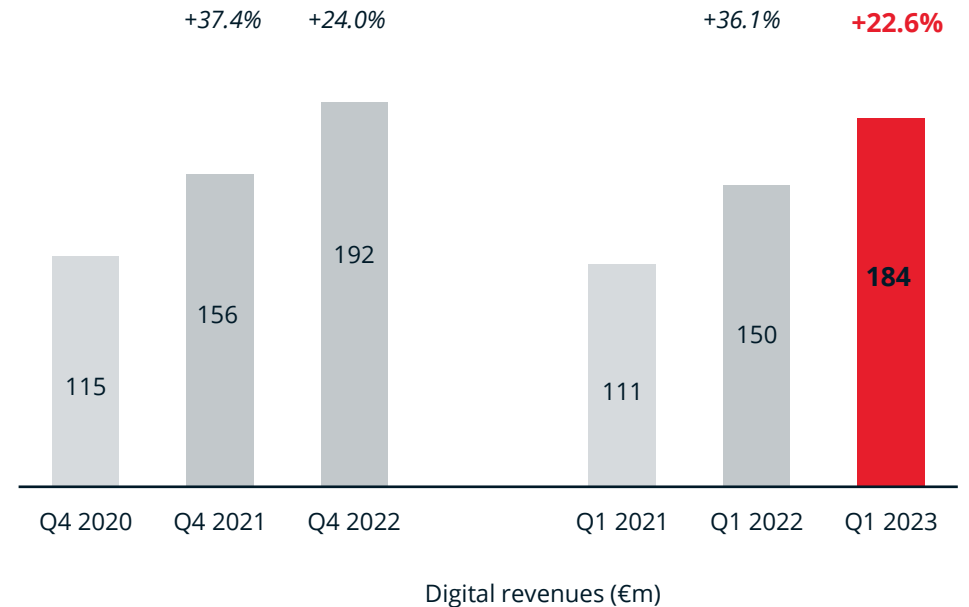
Strong organic growth ⁽¹⁾ in Q1 2023, in line with Q4 2022...

Organic revenue growth



... with digital revenue growth affected by lower ad-funded streaming monetization

Organic digital revenue growth



Note

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

Premium Solutions driving the revenue growth, while Automated Solutions is ramping up following its pricing changes

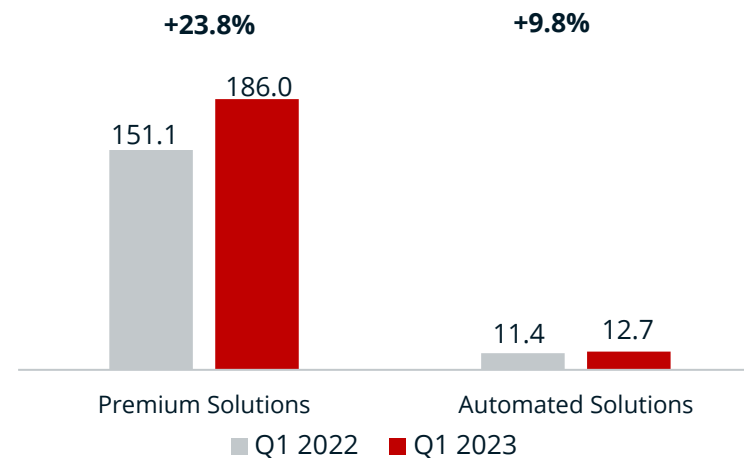
Organic growth in both segments

- Strong growth in **Premium Solutions** reflecting Believe's strong positioning and investments in key markets, mainly Asia and Europe.
- Solid performance in **Automated Solutions** driven by the number of creators switching from the discovery plan to the highest pricing plan in H2'22 and Q1'23.

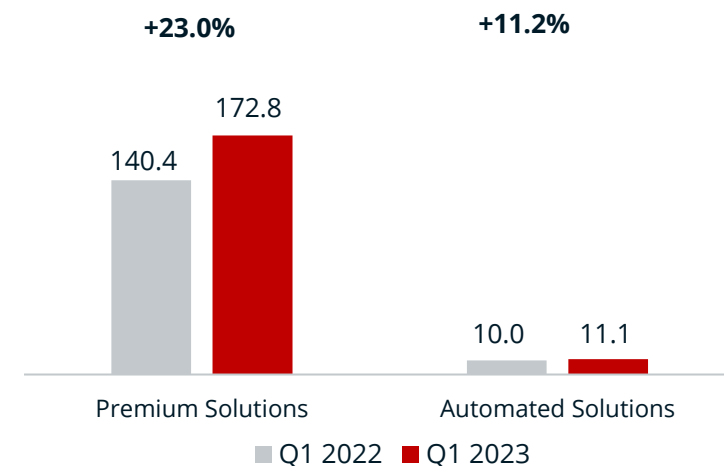
Strength of the Group's model and strategy driving the growth

- **Strong organic growth** reflecting resilient paid-streaming, additional market share gains and challenging ad-funded streaming monetization.
- Revenue driven by **continuous investments in local teams and in Central Platform** ensuring digital market share gains in all key markets.

Organic growth



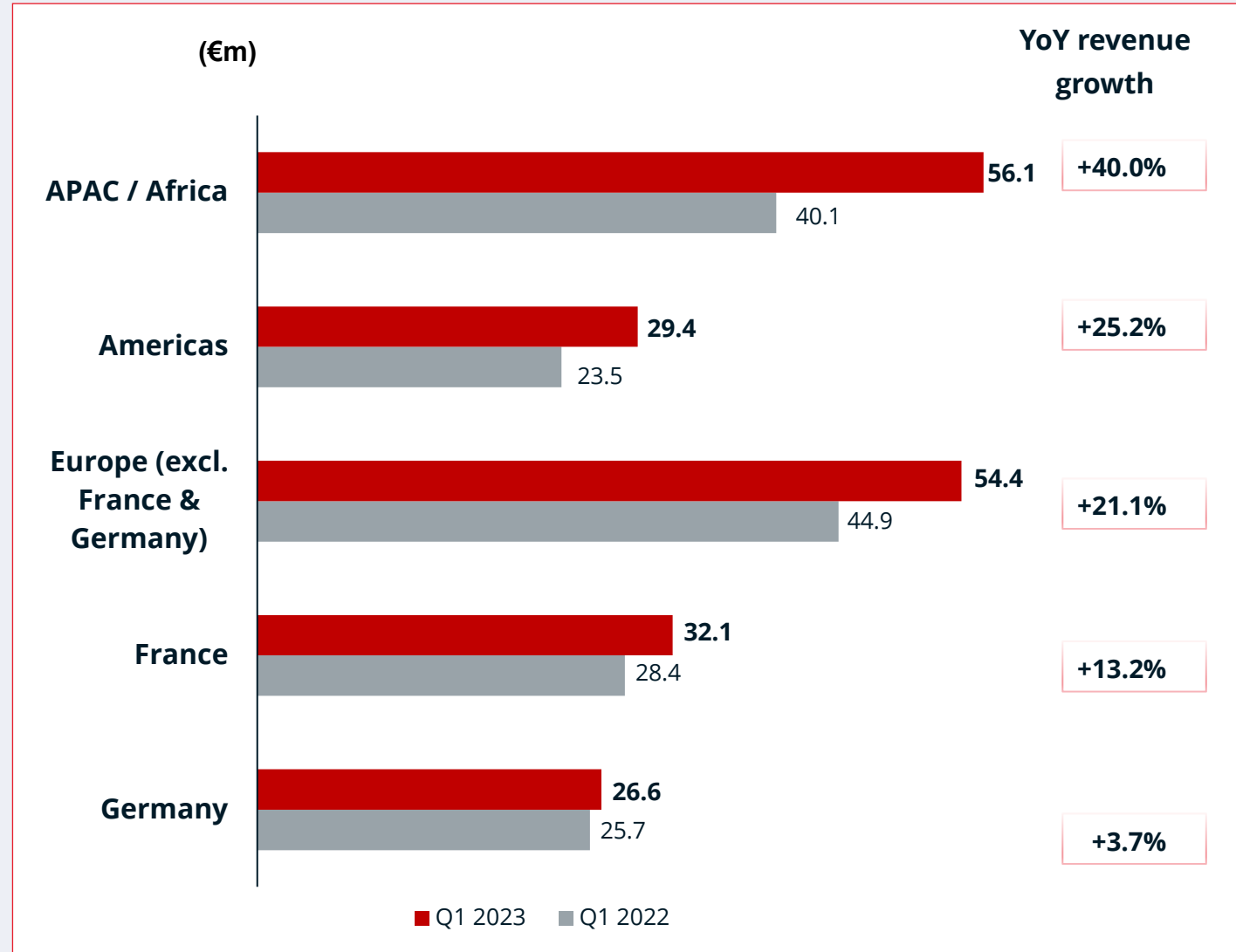
Digital growth



Growth in all geographies in Q1 2023 reflecting Believe's strong position in the digital music industry across the world

Key regional highlights

- **APAC & Africa: up +40.0%** reflecting strong market dynamics across the region and the continuous investment in local teams and the deployment of the full services' offer in most markets.
- **Americas: up +25.2%** driven by strong activity in Latin America notably in Brazil. Positive trajectory from TuneCore despite lower ad-funded streaming revenue.
- **Europe (excl. France and Germany): up +21.1%** reflecting strong revenue growth in Southern Europe and Eastern Europe as well as Turkey returning to strong growth.
- **France: up +13.2%** reflecting its digital leadership in a wider diversity of music genres leading to digital market share gains.
- **Germany up +3.7%** driven by the success of Believe on local repertoire. Double digit digital sales growth was offset by the decline in physical sales.





MC Stan

Hip-Hop - India

+3.5m monthly listeners on Spotify

FY 2023 outlook and mid-term objectives

FY 2023 guidance: driving a profitable growth strategy towards long-term Adjusted EBITDA margin of 15%

1. Maintaining organic growth expectation around +18%, notwithstanding a stronger than expected Q1'23, with unchanged assumptions for the year

- Growth scenario assuming **resilient paid streaming which will pursue its strong growth trajectory**, with the switch from ad-supported to paid streaming model expected to further progress in all markets
- **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 a focus on improving efficiency and monitoring of the investment pace
- **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 free cash flow generation** expected in FY'23
- **Leverage cash to pursue its acquisition strategy** in FY'23 following the acquisition of Sentric in March, which will add around 3% to revenue growth in FY 2023 and slightly uplift Adjusted EBITDA in absolute value (neutral impact on margin after integration costs)

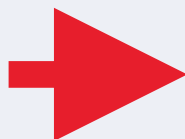
On track to deliver on mid-term objectives – further building scale in Premium and Automated Solutions to reach 15% Adjusted EBITDA margin after hyper growth phase

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 will continue to progressively decrease as a % of revenue, peak reached end FY'19.

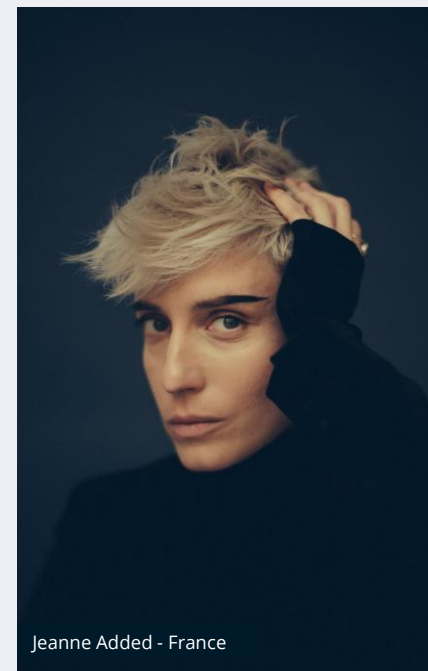
A targeted M&A strategy to accelerate revenue growth.



**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

Believe on the right track to build **the best music company for digital artists**

- **Solid revenue growth to continue**, further gaining share in a resilient digital music industry.
- **Continuous investment in local and central sales and resumption of the acquisition strategy** to fuel future profitable and seize the outstanding underlying growth opportunities provided by our digital positioning and expertise.
- A successful investment strategy, which reinforces **the Group's leadership in digital music and appeal to artists and labels every quarter.**
- FY'23 guidance maintained confirming that Believe is on track to complete **its ambition to be the best company for digital artists and to achieve its long-term profitability target of 15%.**



El Pinche Mara

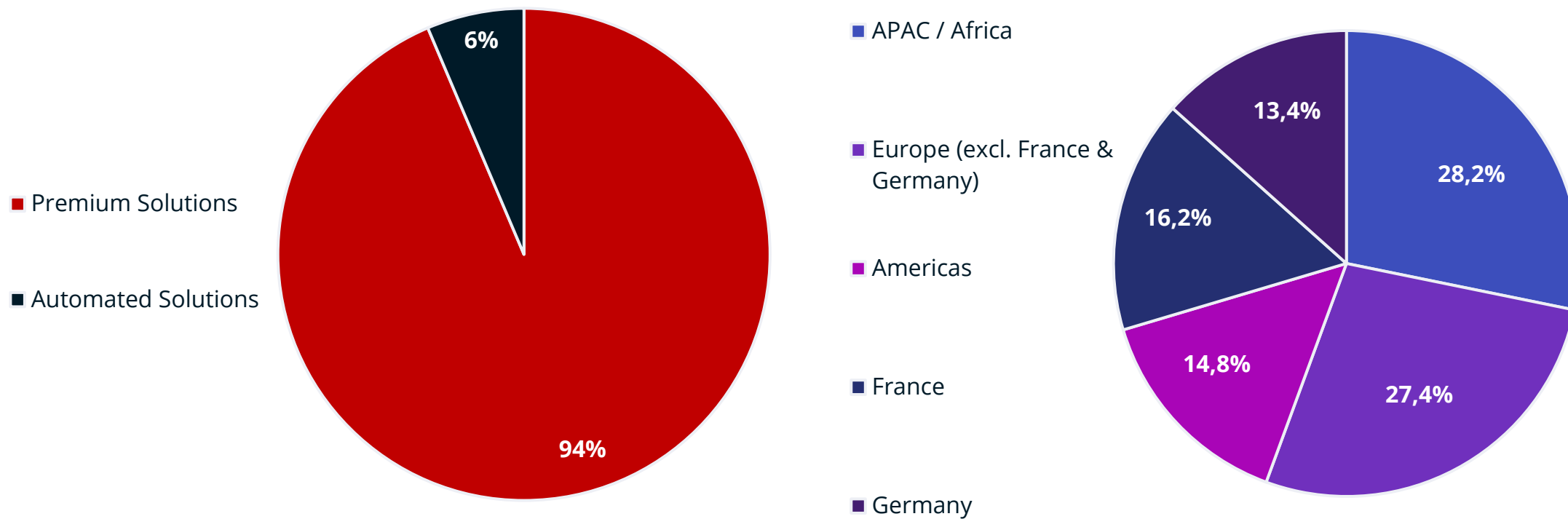
Hip-Hop - Mexico

+1.87m YouTube subscribers

Appendix

Q1 2023 revenue breakdown

Q1 2023 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></div><div>Cost of sales</div></div>	Close to nil	Primarily royalties paid to artists	
<div><div><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></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></div><div>EBITDA</div></div>	Excludes exceptional items and share-based employee compensation		

Note
1. Non GAAP definition

Source: Company Information