

2022
ANNUAL
REPORT

POWERING THE FUTURE OF MUSIC





STATEMENTS CONTENTS

02	President's Message
07	Championing Creators
12	Standing Up for Fairness... Wherever Music Is Played
15	Exploring Music's Frontiers
16	Highlighting SoundExchange Creators
18	Collecting International Royalties
20	Leadership and Board of Directors

BUILDING A FAIRER MUSIC INDUSTRY

A Message from President and CEO Michael Huppe



Dear SoundExchange Community,

2022 was a remarkable year for the music industry with a resurgent return to live music, historic levels of new music played across a range of platforms, and substantial progress on advancing fairness for creators in the U.S. Congress.

4
AT SOUNDEXCHANGE, OUR
FOCUS IS RESHAPING THE
BUSINESS OF MUSIC SO
CREATORS CAN THRIVE
FOR THE NEXT FIVE, TEN,
TWENTY YEARS AND
BEYOND — TO ENSURE THAT
CREATORS RECEIVE A FAIR
DEAL, NO MATTER WHERE
THEIR MUSIC IS PLAYED.

It was a tremendous year for SoundExchange. Living up to our mission to foster an equitable music industry where all creators can thrive, the company collected \$1.017 billion digital royalties from more than 3,600 digital streaming platforms and distributed them to more than 600,000 creators and rights holders. In doing so, the company crossed the \$9 billion threshold for distributing royalty payments since its inception in 2003.

We also unveiled a suite of next-generation solutions to make the business of music easier and fairer — including a new look, a new website that serves as a resource for creators, publishers, and digital service providers, and a mobile app to give creators easy on-the-go access to their accounts. We became the first industry organization of our kind to offer creators the option to receive their monthly payments through services like CashApp and Zelle. And we also unified and upgraded our publisher services offering to build an integrated global publisher services administration and licensing division called SX Works Global Publisher Services (SX Works).

The music industry is always changing and 2022 was no different. We continued to make investments in technology and data that will be critical to building a more fair and efficient industry in the future. For example, the company honed its best-in-class, artificial intelligence (AI)-enabled, and patented matching technology to process billions of lines of data transactions each month.

Looking ahead, we are energized by where the music industry is headed. Creators are embracing tools that diversify their revenue streams, deepen their fanbases, and encourage collaboration. Through the use of data, SoundExchange is making it easier for digital service providers to fulfill their obligations to pay creators fully and fairly for their work.

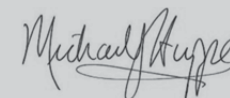
And SoundExchange is driving policy efforts to ensure artists are treated with respect both at home and abroad. In the United States, as a leader in the musicFIRST Coalition, the company is working to get the American Music Fairness Act passed so that all creators are finally paid when their songs are played on AM/FM radio. In Europe, SoundExchange is focused on supporting “national treatment” and ending discrimination against creators who receive nothing for their work simply because of their nationality. Through these efforts, creators in America and around the world will finally receive the respect of being paid fairly for their work.

Looking forward, SoundExchange is adapting to technologies that are once again raising key questions, such as: How do we value music? Who owns what? And who decides? Whether its AI, Web3, or other new innovations, SoundExchange is working closely with creators and other industry leaders to ensure these technologies are responsibly incorporated into the business of music.

At SoundExchange, our focus is reshaping the business of music so creators can thrive for the next five, ten, twenty years and beyond — to ensure that creators receive a fair deal, no matter where their music is played. The road ahead requires hard work. As we enter our 20th anniversary year in 2023, we look forward to enabling even more value for creators.

Working together, we can create a stronger, more resilient industry that better serves the creators who make the music we love.

With gratitude,



Michael Huppe
President and CEO

HIGHLIGHTS

Operated (and matched) in
**THE LARGEST MUSIC
MARKET IN THE WORLD,**
across 3,600 licensees, more than 600,000
accounts and a database of 93 million
unique sound recordings

2022 AT A GLANCE

\$1.1 BILLION

Consolidated Royalty Collections

\$1.014 BILLION

Consolidated Royalty Distributions

Collected from

3,600+

digital streaming platforms

More than

600,000

creator and rights owner
accounts, with over

400,000

international mandates

Surpassed

\$9B

SoundExchange distribution
milestone to date

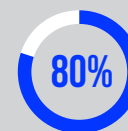
Administered over

50

reciprocal agreements
around the globe



Paid out monthly
with 90% of royalties
distributed within
45 days



Covered 80% of
the neighboring
rights market
outside of the U.S.

Consolidated Admin Rate

7.2%

Processed

BILLIONS

of lines of data transactions
each month

MAINTAINED ONE OF THE MUSIC INDUSTRY'S LOWEST ADMINISTRATION RATES

Consolidated figures encompass SoundExchange and its subsidiaries (including SX Works and CMRRA). All other figures are SoundExchange only.



**THE WORK THAT SOUNDEXCHANGE
DOES ENSURES THAT ARTISTS
CAN FOCUS ON MAKING MUSIC
THAT INSPIRES, AND THAT ALL
MEMBERS OF THE CREATIVE
PROCESS ARE VALUED,
RESPECTED, AND SUPPORTED
FOR THEIR WORK.**



BILLIE EILISH

SoundExchange Artist

DIGITAL INNOVATORS



Like the creators we champion, we want to rock every performance. We are always looking for the next big thing, innovative tech, or pioneering partnership that will push us forward. We stay nimble, curious, and resourceful.

NEW TOOLS AND PARTNERSHIPS

Accurate and efficient royalty payments are critical to our community.

In 2022, we continued to lead the Digital Data Exchange (DDEX) because strong standards will lead to swift payments throughout the global digital music ecosystem. We also dramatically shifted how we identify credits, interact with creators, and distribute payments.

We gave creators the power to manage their business on the go with our first-ever mobile app. And our revamped website became a trusted online resource for navigating the music business.

Our pursuit of excellence led us to improve our products, enabling companies, managers, and digital service providers to do their jobs and fulfill their obligations.


SOUNDEXCHANGE
DIRECT


SOUNDEXCHANGE
LICENSEE DIRECT


SOUNDEXCHANGE
ISRC SEARCH


MDX MUSIC DATA
EXCHANGE

We also know our service is only as good as our data.

So we partnered with music credits platforms Sound Credit and VEVA Sound to optimize our contributor credit data. Our monthly distributions are streamlined because we know who is owed a royalty payment before a recording is even played.



Finally, a new generation of creators want payments deposited directly in their bank accounts.

That's why, in 2022, we became one of the only organizations of our kind to offer payment options through CashApp and Zelle®. Fast payments enable creators to receive their earnings quickly, better manage their cash flow, and plan for future expenses.

WE ALWAYS STRIVE TO MEET CREATORS WHERE THEY ARE WITH EASY, ACCESSIBLE TECH SOLUTIONS. I'M PROUD OF THE WORK WE HAVE ACCOMPLISHED THIS PAST YEAR TO OFFER CREATORS THE PAYMENT OPTIONS THEY USE MOST.

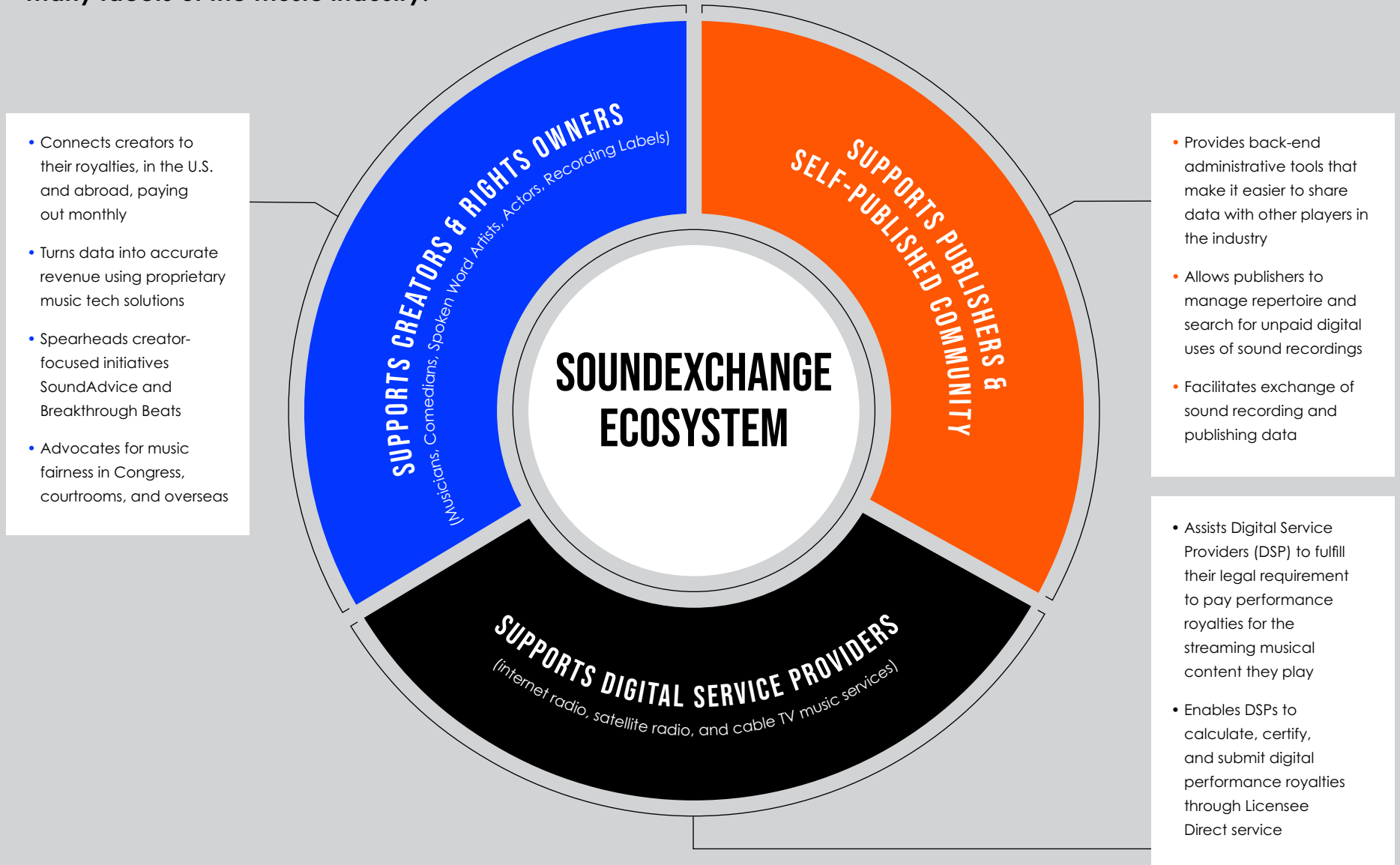
—Anjula Singh, CFO and COO



THE SPEED AND FREQUENCY AT WHICH WE PAY IS UNHEARD OF IN THE MUSIC INDUSTRY—90 PERCENT OF THE ROYALTIES ARE PAID OUT WITHIN 45 DAYS. STRATEGIC INVESTMENTS IN TECHNOLOGY AND PARTNERSHIPS PROPEL OUR BEST-IN-CLASS PLATFORM.

—Luis Bonilla, CTO

Through data, technology, advocacy,
and more, SoundExchange supports
many facets of the music industry.





Powered by SoundExchange's authoritative ISRC and sound recording data and CMRRA's extensive musical works database, SX Works is best positioned to ensure rights holders are accurately compensated for the usage of their music, and users of music have access to reliable data.

—Paul Shaver

President, SX Works and CMRRA



SX WORKS GLOBAL PUBLISHER SERVICES

We also support music publishers and the self-published community. SX Works Global Publisher Services provides administration solutions to enable organizations that own, represent, and/or engage with music to manage their repertoire across the music ecosystem. By leveraging our extensive and integrated musical works and sound recording database, SX Works' experienced team and technology provides partners with access to dependable metadata ensuring musical works can be accurately licensed, identified, and paid for their usage.



4
SOUNDEXCHANGE MAKES IT
EASY TO MANAGE ROYALTIES
FOR ALL OF OUR CLIENTS.
THEY'RE QUICK AND
TRANSPARENT, AND THEIR
ADMINISTRATIVE FEE IS
LOWER THAN ANY OTHER CMO.
THEY REALLY HAVE THE BEST
INTERESTS OF OUR ARTISTS—
ALL ARTISTS—AT HEART.



BEKA TISCHKER

*Wide Eyed
Entertainment*



IF THEIR MUSIC IS PLAYED, CREATORS DESERVE TO GET PAID.

We are unapologetic in the fight for fairness. We stand up for creators wherever music is debated. That includes in Congress, in the courtroom, and on the public stage.





WE BELIEVE EVERY CREATOR IS WORTH FIGHTING FOR. THE AMERICAN MUSIC FAIRNESS ACT STRIKES A FAIR BALANCE BY RESPECTING CREATORS FOR THEIR WORK AND PROTECTING TRULY LOCAL BROADCASTERS. PASSING THIS LEGISLATION IS OUR NUMBER ONE ADVOCACY GOAL IN THE U.S.

—Linda Bloss-Baum, SVP of Government Affairs and Public Affairs

AMERICAN MUSIC FAIRNESS ACT

In 2022, we came closer than ever before to rectifying the decades-old injustice of terrestrial radio not paying creators for the use of their work.

In the 117th Congress, the American Music Fairness Act was introduced in both the House and the Senate, and it was nearly included in a package of initiatives passed on the final days of the session.

Moving forward, we are hopeful and inspired. Our cause is only gaining momentum. And we will keep the pressure on as a driving force behind the musicFIRST Coalition until this common-sense legislation is passed.

NATIONAL TREATMENT

European countries typically pay royalties to international artists, but some use U.S. broadcasters' refusal to pay for AM/FM radio plays as an excuse for denying those royalties to American artists. Some countries do collect royalties on behalf of Americans, but that money never gets to the rightful recipients in the United States.

We estimate more than \$200 million a year isn't being paid to American artists whose music is played overseas. It's also a problem that could be solved quickly if Congress passes the American Music Fairness Act.

Fortunately, progress is being made. The European Court of Justice (ECJ) ruled that all artists, regardless

of nationality, should be paid when their music is played in Europe, citing National Treatment, a principle that states a country must treat foreigners with the same laws they treat their own citizens. As a member of the Fair Trade of Music coalition, we will keep fighting to ensure that Europe treats artists equally, regardless of nationality.

ENFORCING PAYMENT OBLIGATIONS

We also audited and enforced the fair payment of royalties by digital service providers for the use of sound recordings. And when needed, we took companies to court to ensure they fulfilled their royalty payment obligations.



**WE VALUE OUR PARTNERSHIP
WITH SOUNDEXCHANGE
BECAUSE IT SIMPLIFIES THE
COMPLEXITY OF TRACKING
AND MATCHING SONG
PERFORMANCES, WHICH
ALLOWS POLYVINYL'S
ARTISTS TO EFFORTLESSLY
RECEIVE ACCURATE
REPORTING AND PAYMENT.**



MATT LUNSFORD
Polyvinyl Records

THE HISTORY OF MUSIC IS THE HISTORY OF DISRUPTION AS PROGRESS.



The music industry is undergoing rapid change. Our work supports curious and resourceful creators who are charging into music's new frontiers.

—Tommy Korpinen
Chief Business Development Officer

Music has always been the first to embrace new technologies, approaches, and business models.

It's happening now with Web3, NFTs, the metaverse, artificial intelligence, blockchain, and other decentralized technologies. Creators now have more control over their work, deeper relationships with dedicated fans, and more ways to collaborate than ever before.

Music is also becoming more global. Emerging markets are leading to new investments, calls for stronger music licensing, and a need for great data.

Plus, with a much lower barrier to entry to make music, the number of creators will continue to increase, taxing the systems and processes relied upon to facilitate and exchange data, ensure proper payments, and enable the business side of music to succeed.

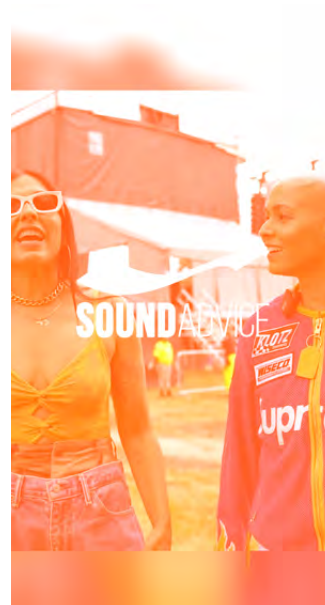
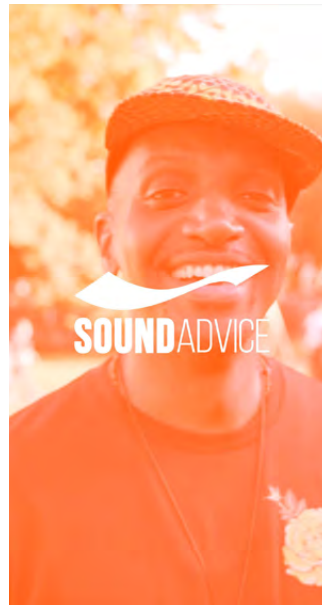
Our role is to help build a future industry that is financially healthy, and fair to the creators who fuel its success. To that end, we are making strategic investments to streamline our credit data, improve our tools and solutions, and continue to build a strong workforce that is committed to making the connection between creators and their payments as seamless as possible.

WE ARE CREATORS' BIGGEST FANS.

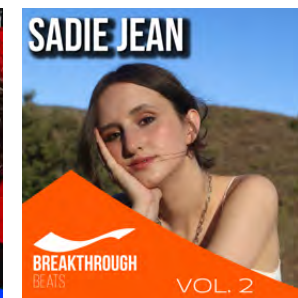
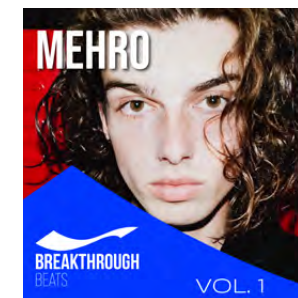
In 2022, we launched two new initiatives to amplify the work of up-and-coming creators across genres.



A CREATOR-GENERATED
VIDEO SERIES FOR AND BY THE
CREATIVE COMMUNITY.



SOUNDEXCHANGE IDENTIFIES
RISING CREATORS THROUGH A
COMBINATION OF STREAMING
DATA AND CAREER INSIGHTS
AND SHINES A SPOTLIGHT ON
THEM THROUGH SOCIAL MEDIA,
LIVE EVENTS, AND MORE.



WE ARE WORLDWIDE



**In 2022, we reached
a new milestone:
more than 400,000
owners trusted us
to manage their
international royalties.**

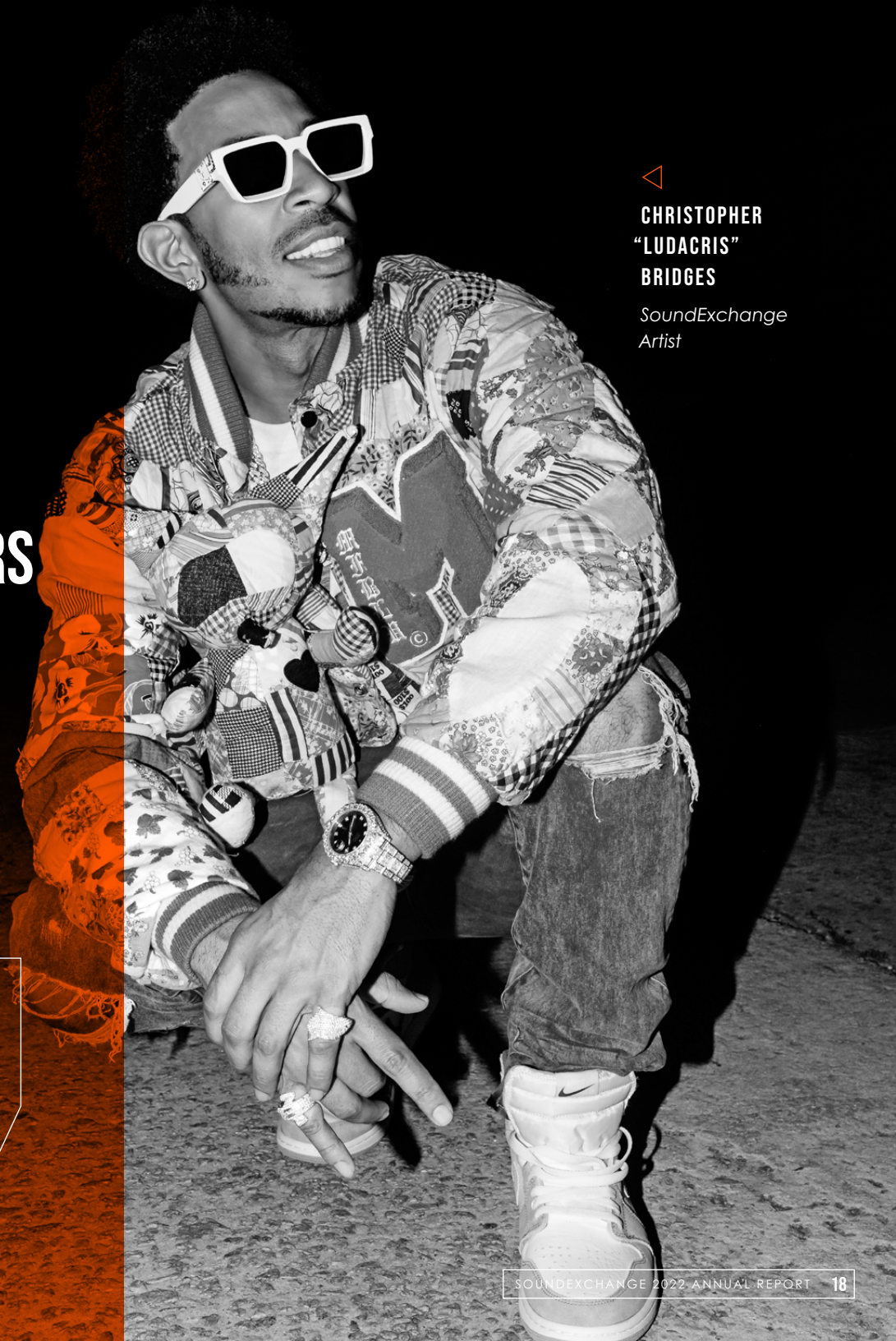
Creators can collect royalties from overseas when their music is played on the radio, performed on TV or in public, or played by a business establishment, including restaurants, shops, and hotels. This is called neighboring rights.

Yet, complex data requirements, claim deadlines, international procedures, and distribution schedules that vary across collective management organizations (CMOs) and from country to country prevent many creators from collecting these royalties.

As the largest neighboring rights organization in the world, SoundExchange:

- **Covers 80% of the neighboring rights market**
- **Administers 50+ collection agreements with counterpart organizations**
- **Streamlines administrative burden for creators as a “one-stop” for paperwork**
- **Makes payments to 106 countries outside the U.S.**
- **Has served as a critical component of the global CMO-to-CMO network for 20 years**
- **Distributes more cross-border payments than any other organization in the space**
- **Operates (and utilizes) foreign mandates covering all forms of sound recording performing rights**

44
SOUNDEXCHANGE IS LEADING
THE WAY TOWARD A FAIRER
MUSIC INDUSTRY BY USING
TECHNOLOGY TO HELP CREATORS
OVERCOME BARRIERS AND
ADVOCATING ON BEHALF OF
ARTISTS FOR LONG OVERDUE
CHANGES THAT WOULD MAKE
SURE CREATORS ARE PAID.
EQUITABLY AND FAIRLY.



CHRISTOPHER
"LUDACRIS"
BRIDGES

*SoundExchange
Artist*

LEADERSHIP



MICHAEL HUPPE

President & CEO



ANJULA SINGH

CFO & COO



LUIS BONILLA

CTO



TIM DADSON

General Counsel



TOMMY KORPINEN

*Chief Business
Development Officer*



LINDA BLOSS-BAUM

*Senior Vice President,
Government and
Public Affairs*



EMILY FULP

*Senior Vice President,
Executive Office &
Communications*



STEPHANIE WARNER

*Senior Vice President,
Brand Marketing and
Industry Engagement*



KENYSHA BARTEE

*Senior Vice President,
People & Culture*



KATHLEEN STROUSE

*Senior Vice President,
Operations*



2022 SOUNDEXCHANGE BOARD OF DIRECTORS

Our board represents record labels and the artist community equally.

Richard Burgess

American Association of
Independent Music (A2IM)

David Byrne

Artist

Jay L. Cooper, Esq.

West Coast Entertainment Practice;
Greenberg Traurig, LLP

Duncan Crabtree-Ireland

Screen Actors Guild-American
Federation of Television and Radio
Artists (SAG-AFTRA)

Andrea Finkelstein

Sony Music Entertainment, Inc.

Jon Glass

Warner Music Group (WMG)

Mitch Glazier

Recording Industry Association
of America (RIAA)

Jessica Goldenberg

Warner Music Group (WMG)

Ray Hair

American Federation of Musicians
(AFM) of the US & Canada

Michael Hausman

Michael Hausman
Artist Management

Alasdair McMullan

Universal Music Group

Kendall Minter

Greenspoon Marder, LLP

Patrick Rains

Patrick Rains & Associates/
PRA Records

Martha Reeves

Artist

Laurie Soriano

King, Holmes, Paterno & Soriano, LLP

Darius Van Arman

Secretly Group and
Secretly Distribution

Jeff Walker

Sony Music Entertainment, Inc.

Victor Zaraya

Concord



733 10th St. NW
10th Floor
Washington, DC 20001
Phone: 202-640-5858

SOUNDEXCHANGE.COM

Social: @soundexchange

