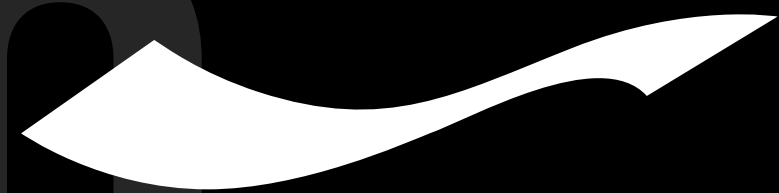


20
YEARS



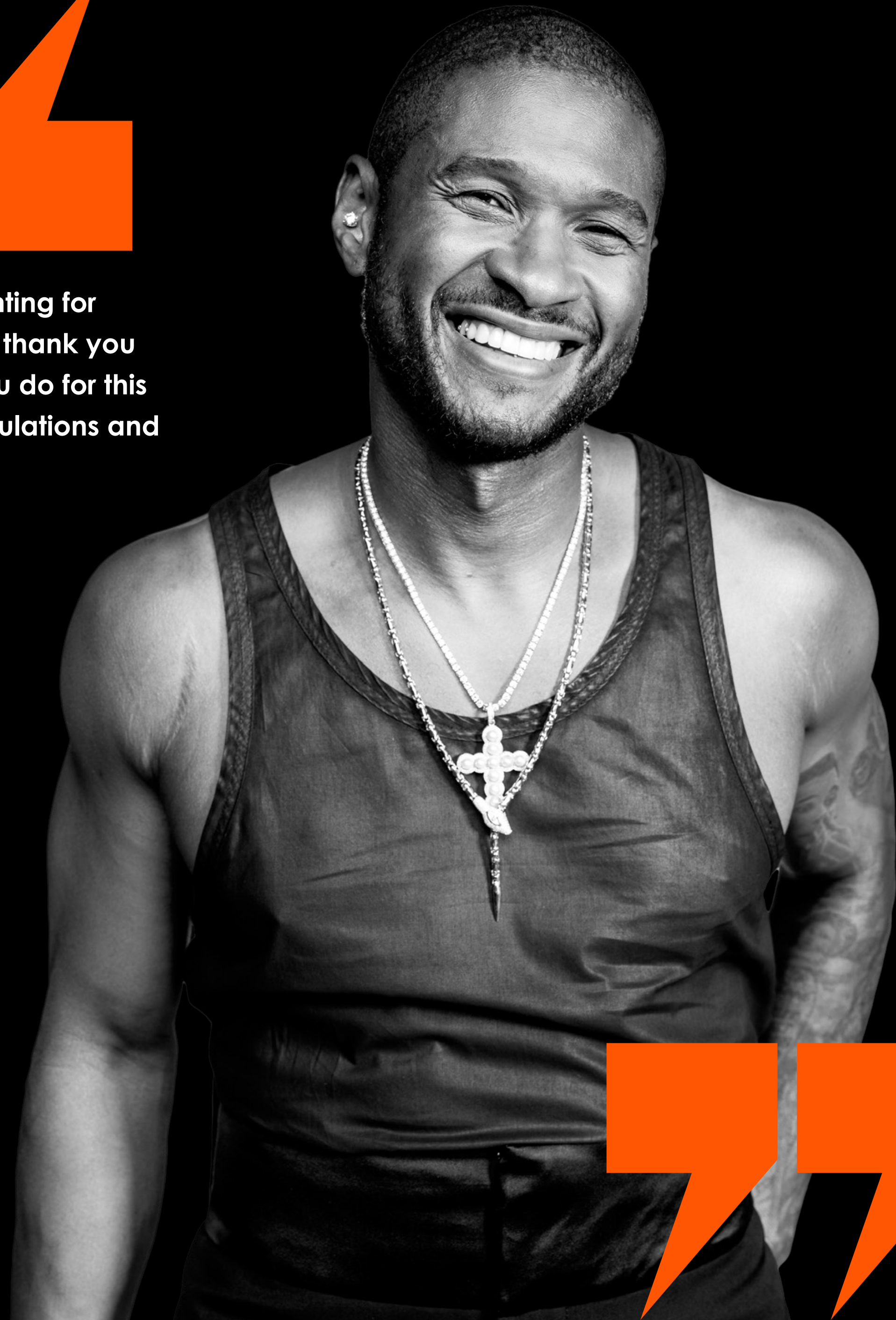
SOUND
EXCHANGE



Thank you for fighting for music rights, and thank you for everything you do for this industry. Congratulations and happy birthday.

– Usher

CELEBRATING
20 YEARS 2023 ANNUAL REPORT
OF INNOVATION



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BUILDING A FAIRER MUSIC INDUSTRY

Dear SoundExchange community,

2023 was an exciting year for SoundExchange, one in which we celebrated our 20th anniversary as the premier music tech organization. What began as a non-profit organization created by the industry to help administer royalties for non-interactive streaming has grown into something far bigger and more vital to this industry.

As a technology-forward organization with the mission of powering the future of music, we don't spend a lot of time looking backward. But occasions like these offer the opportunity to think about all the company has accomplished over two decades.

For 20 years, SoundExchange has served creators and rights owners, developing and honing technology to make the music industry better for everyone. Across our history, we have advocated for and won substantial increases in the rates for satellite (+711%), subscription webcasting (+294%), and non-subscription webcasting (+215%) royalties. Those increases led to the 2023 milestone of surpassing \$10 billion in cumulative digital streaming royalty distributions to a creative community more than 675,000 strong.

2023 also marked a new period of growth for the broader music industry. Global recorded music revenue surpassed \$35 billion; iconic artists sold their music catalogs for remarkable sums; and unprecedented concert tours set new records, drove industry growth, and lifted local economies.

The new business models and emerging technologies like artificial intelligence (AI) that defined 2023 will continue to shape music's next chapter. By working together, we can seize this opportunity to build a future for the music industry that is fairer, simpler, and more efficient.

Last year, creators diversified revenue streams: Physical sales continued to rise, merchandise and branding sales generated new profits, and superfan engagement became a key ingredient for success. In the future, creators will continue



“AT SOUNDEXCHANGE, OUR FOCUS IS ON RESHAPING THE BUSINESS OF MUSIC SO CREATORS CAN THRIVE AND ENSURING THAT CREATORS RECEIVE A FAIR DEAL NO MATTER WHERE THEIR MUSIC IS PLAYED.”

to look beyond traditional models to reach fans in new and creative ways.

Like everywhere else, AI has made waves in the industry. The latest in a long line of tech-driven transformations, AI has a unique potential to impact every corner of our industry. This year, we saw AI being used to expand the boundaries of human creativity, and we saw governments worldwide begin to address critical concerns around intellectual property.

Amid these changes, calls for fair compensation grew louder, with SoundExchange at the forefront. We championed a principled approach that focuses on “credit, compensation, and consent” in the age of AI. We advocated for fair pay wherever music is played. We also continued to engage with policymakers and stakeholders to shape a legislative environment that supports a fair and sustainable music ecosystem.

I'm immensely proud of our accomplishments this past year and in the last two decades. Looking ahead, I believe SoundExchange will be an even bigger part of the industry than we are today. We will continue to push the industry forward by doubling down on technology offerings that make the business side of music flow more smoothly so creators can focus on creating.

Thank you for your continued support and partnership.

Sincerely,

Michael Huppe
President and CEO

2023 HIGHLIGHTS

**FOR 20 YEARS,
SOUNDEXCHANGE'S
COMMITMENT TO BUILDING A
FAIRER, SIMPLER, AND MORE
EFFICIENT MUSIC INDUSTRY
HAS SET US APART.**

In 2023, we surpassed \$10 billion in cumulative digital royalty distributions, a major milestone for the creators who trust us with their digital royalty payments in the U.S. and abroad.

As the premier music tech organization, SoundExchange is committed to pioneering tech solutions to ensure that payments are accurate, efficient, and secure.

Our goal is to simplify the business side of music so that creators can focus on making music that moves us.

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




2023 AT A GLANCE

\$10B

 SURPASSED \$10B
CUMULATIVE
SOUNDEXCHANGE
DISTRIBUTIONS TO DATE

90%


 90
PAID OUT MORE THAN
90% OF ROYALTIES
COLLECTED WITHIN
45 DAYS


\$1.2B

 CONSOLIDATED
ROYALTIES COLLECTED

\$1.1B

 CONSOLIDATED GROSS
ROYALTIES DISTRIBUTED


 4.9%
CONSOLIDATED
ADMIN RATE

 MAINTAINED ONE
OF THE MUSIC
INDUSTRY'S **LOWEST**
ADMINISTRATION RATES

MORE THAN
675,000
CREATOR AND RIGHTS
OWNER ACCOUNTS

MORE THAN
474,000
CREATORS COLLECTING
WORLDWIDE WITH
SOUNDEXCHANGE

MORE THAN
3,200
LICENSEES

 **119M**
UNIQUE SOUND
RECORDINGS

 **44M**
UNIQUE MUSICAL
WORKS



GLORIA ESTEFAN

“I want to wish SoundExchange a very happy 20th anniversary!”



ARMANI WHITE

“Happy 20th birthday. We got a lot of money to make together. I’m gonna take a little bit of the money that you already gave me and get you some cake, cupcakes, ice cream, candles — we gonna celebrate together.”



KELLY CLARKSON

“SoundExchange, we’ve had such an amazing partnership. Thank you so much for all the work. Also, congratulations, happy birthday! Very excited for y’all!”



JONAS BROTHERS

“Twenty years of kicking major ass! Thank you for all of your love and support.”

2003-2023: TWO DECADES OF EXCELLENCE

SoundExchange is the only organization designated by the U.S. government to administer performance licenses for the use of sound recordings via non-interactive digital radio. Today, SoundExchange collects and distributes digital performance royalties in the U.S. and overseas on behalf of more than 675,000 performers and copyright holders.

2003

Independently forms

2007

Achieves \$100 million cumulative distribution milestone

2012

Achieves \$1 billion cumulative distribution milestone

2014

Enables monthly payments
—
Launches SX Direct for easier royalty management

2016

Launches global sound recording database

2017

Acquires Canadian Musical Reproduction Rights Agency (CMRRA)
—
Surpasses \$5 billion cumulative distribution milestone

2018

Introduces data sharing solution for record labels and publishers (MDX)
—
Champions Music Modernization Act

2019

Enhances SX Direct portal to enable greater transparency

2020

Designated as authoritative source of International Standard Recording Code (ISRC) data in the U.S.

2022

Unifies global publisher services
—
Achieves \$9 billion cumulative distribution milestone

2023

Celebrates 20th anniversary
—
Achieves \$10 billion cumulative distribution milestone

SOUNDEXCHANGE TOP...

Pulling from 12 months of non-interactive streaming data from more than 3,200 digital service providers, here are SoundExchange's top 20 tracks and breakout creators in 2023.

20

TRACKS OF 2023



"Flowers"
– Miley Cyrus

"Kill Bill"
– SZA

"Cuff It"
– Beyoncé

"I'm Good (Blue)"
– Bebe Rexha & David Guetta

"Anti-Hero"
– Taylor Swift

"Creepin'"
– Metro Boomin, The Weeknd, 21 Savage

"Unholy"
– Sam Smith & Kim Petras

"Made You Look"
– Meghan Trainor

"Fast Car"
– Luke Combs

"Players"
– Coi Leray

"As It Was"
– Harry Styles

"Escapism"
– RAYE featuring 070 Shake

"Snooze"
– SZA

"All My Life"
– Lil Durk featuring J. Cole

"Just Wanna Rock"
– Lil Uzi Vert

"Last Night"
– Morgan Wallen

"Boy's a Liar Pt. 2"
– Ice Spice & PinkPantheress

"Lavender Haze"
– Taylor Swift

"About Damn Time"
– Lizzo

"Going, Going, Gone"
– Luke Combs

20

BREAKOUT CREATORS OF 2023

Peso Pluma
Fifty Fifty
Austin Snell
070 Shake
Lu Kala
Superstar Pride
David Kushner
iCandy
Sleep Theory
Tyla
BigXthePlug
Crash Adams
Libianca
Griffen Palmer
J.K. Mac
Reneé Rapp
Tigirlily Gold
Cian Ducrot
Lavi\$h
Sleep Token



EMPOWERING CREATORS

SUPPORTING THE ENTIRE DIGITAL MUSIC ECOSYSTEM

We are the engine that powers the digital music ecosystem, and data is our fuel.

Our services make it easier ...

FOR CREATORS

to identify, track, and review payments.

FOR PUBLISHERS

and the self-published community to search for unpaid digital uses of their repertoire.

FOR DIGITAL SERVICE PROVIDERS

to fulfill their legal requirement to pay performance royalties for the music they play.

We work worldwide, helping creators collect royalties when their music is played overseas.

More than 474,000 performers and rights owners trust us to collect international royalties on their behalf. We cover 81% of the neighboring rights market outside of the United States, distribute the most cross-border payments in our space, and are constantly honing our AI-enabled matching technology by processing billions of performances every month in any language.

We do all this while operating under one of the lowest administration rates in the industry. That means more money in creators' pockets.

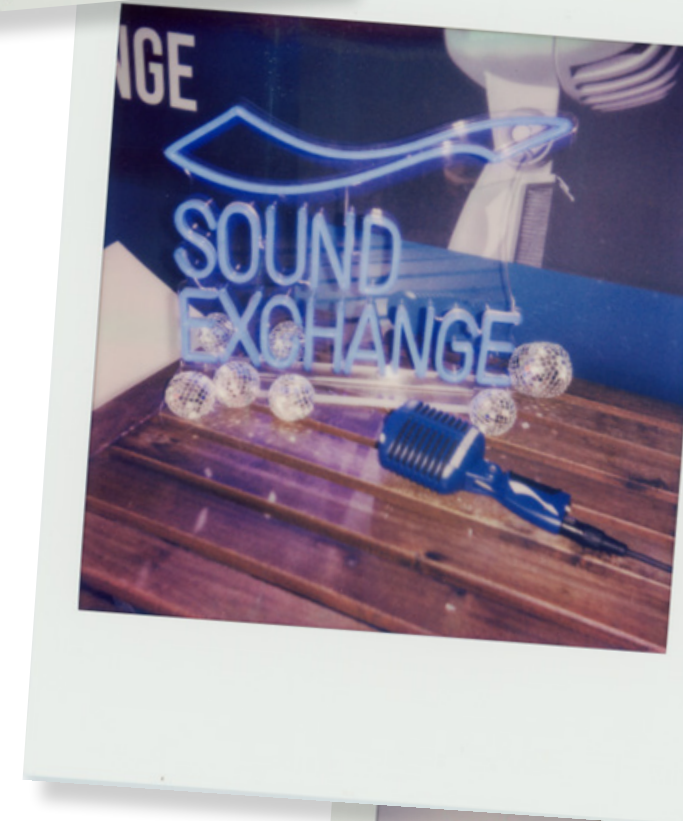


STREAMLINING DIGITAL ROYALTY PAYMENTS

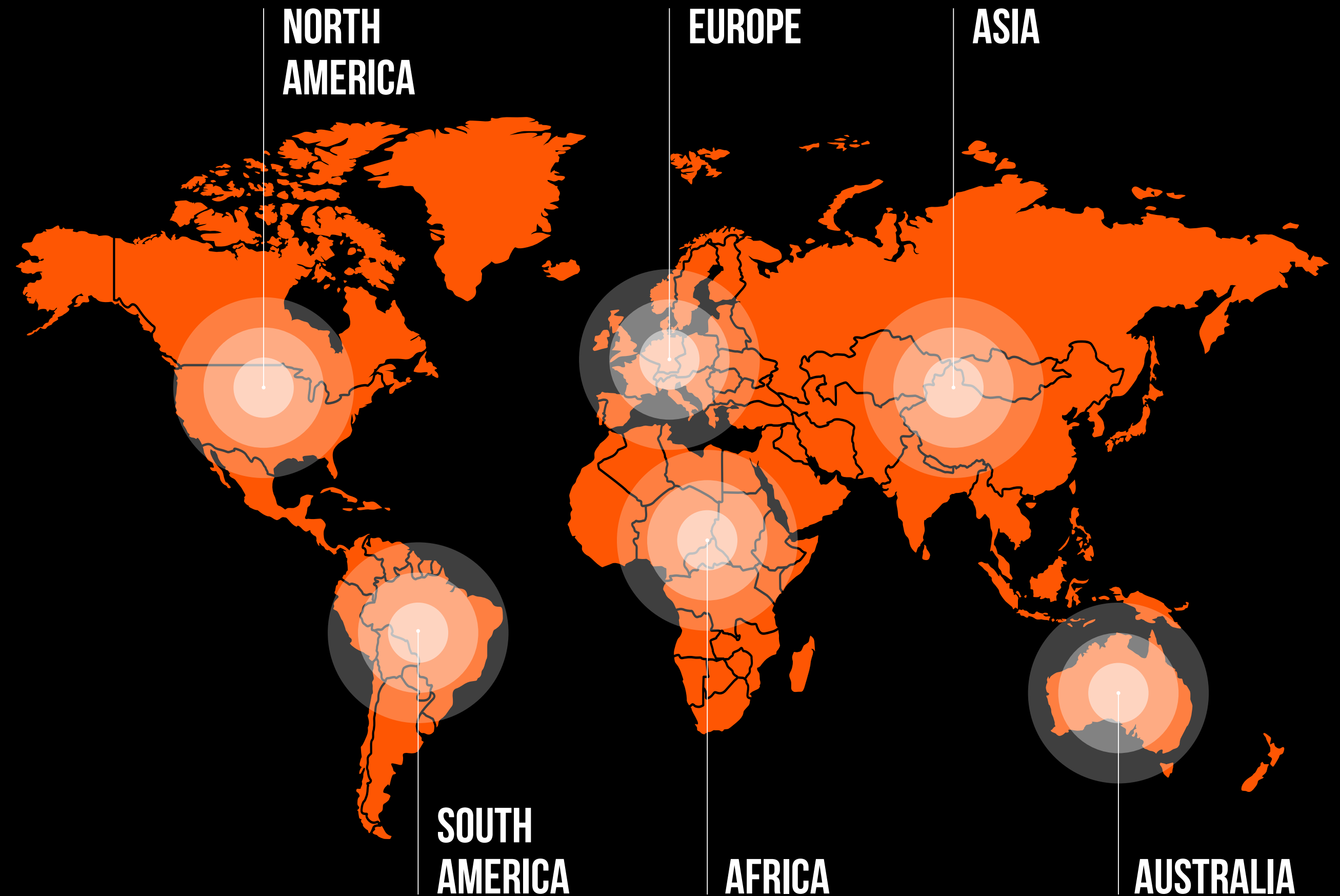
From the working musician to the rising star to the festival headliner, we make every play count for our creators. We are constantly looking for the next innovation or partnership to ensure digital royalty payments are efficient, transparent, and painstakingly accurate.

In 2023, we added PayPal and Venmo as royalty distribution payment options, cementing our status as the only organization of our kind to offer payment via mobile payment apps on a monthly basis.

We also entered into a new partnership with Music Story, the latest in a series of data partnerships enhancing our authoritative sound recordings database and minimizing the need for manual claiming.



GLOBAL NEIGHBORING RIGHTS



MORE THAN
474,000
CREATORS TRUST SOUNDEXCHANGE TO
COLLECT THEIR INTERNATIONAL ROYALTIES

60+ 
International agreements
covering 81% of the
global neighboring rights
market (outside of the U.S.)

In 2023, the global music industry saw revenue growth in virtually every market and region across all formats of recorded music. Along the way, 474,000 creators trusted SoundExchange to collect international royalties on their behalf, with more than 60 international agreements covering 81% of the global neighboring rights market (outside of the U.S.).



Common



Gloria Estefan



Dionne Warwick

ADVANCING THE FAIR TREATMENT OF CREATORS

We stand up for creators wherever the future of music is debated, fight for music's true value, and ensure that creators get the payments they are due. Hundreds of thousands of music creators rely on SoundExchange to be their respected voice among the lawmakers, policymakers, and judges that shape and govern the business of music. We have earned global respect for our impact on the modernization of the business side of the music industry and for our work to correct outdated and flawed statutes that continue to deprive creators of due pay.

NATIONAL TREATMENT

Today, many countries refuse to pay American musicians performance royalties when their music is played. This discrimination is particularly punitive for American musicians, who lose hundreds of millions of dollars in royalty payments each year. Throughout 2023, we continued to advocate globally for National Treatment, a principle that calls for the end of discrimination based on nationality, so we can put an end to this injustice.

AMERICAN MUSIC FAIRNESS ACT

For decades, AM/FM radio broadcasters have refused to pay artists when their recordings are played on terrestrial radio. In 2023, a bipartisan group of lawmakers reintroduced the American Music Fairness Act, legislation that strikes a fair balance by respecting creators for their work and protecting local broadcasters. SoundExchange has doggedly continued to champion this legislation to create a future where all creators are treated with respect, regardless of where their tracks are played.

MUSIC FAIRNESS AWARDS

When we advocate for fairness, we don't do it alone. We rely on courageous creators who are willing to take a stand to advance fairness for all. In 2023, SoundExchange was proud to recognize several artists working to advance the American Music Fairness Act through advocacy:

- Award-winning artist, actor, author, and activist **Common**.
- Eight-time Grammy Award winner **Gloria Estefan**.
- Legendary hitmaker and staunch advocate **Dionne Warwick**.



GLOBAL PUBLISHER SERVICES

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 provide partners with access to dependable metadata, ensuring musical works can be accurately licensed, identified, and paid for their usage.



The Canadian Musical Reproduction Rights Agency Ltd. (CMRRA), a SoundExchange company, represents the vast majority of the music publishers doing business in Canada. CMRRA licenses dozens of digital services, including all the major online music services operating in Canada. It licenses, collects, and distributes royalties for the majority of songs recorded, sold, and broadcast in Canada. In 2023, CMRRA distributed more than US\$58 million dollars of mechanical royalties to its music publisher and self-published songwriter clients, up 5.5% from 2022. For more information, please visit cmrra.ca.



SOUNDEXCHANGE HALL OF FAME

In 2023, we inducted some of the most streamed artists in our 20-year history into the [SoundExchange Hall of Fame](#). These are the icons leaving a lasting impact across genres and generations.

CARRIE UNDERWOOD

IMAGINE DRAGONS

JONAS BROTHERS

LUKE BRYAN

MARC ANTHONY

MARIAH CAREY

METALLICA

ONEREPUBLIC

PRINCE ROYCE

THE BLACK KEYS

TRAIN

USHER



Luke Bryan



Carrie Underwood



Jonas Brothers

SOUNDEXCHANGE HALL OF FAME



The Black Keys



OneRepublic



Usher



Train



Mariah Carey



Metallica



Prince Royce



Marc Anthony



Imagine Dragons

2023 AWARDS

In 2023, our hard work was recognized.

SoundExchange received the Music Business Association's inaugural Impact Award for Technological Excellence. This award is given to a company or individual providing innovative solutions for the music industry.

SoundExchange was named to Fast Company's list of the World's Most Innovative Companies for our efforts to modernize and streamline the music industry.

SoundExchange was recognized with a Top Workplaces - Nonprofit award, a testament to our collective efforts to cultivate a workplace that allows individuals to show up as their authentic selves.





JOJO SIWA

“You all have been such a big part of my career and so many other artists’ ... Thank you for all you do. We appreciate you.”



DIONNE WARWICK

“SoundExchange, you finally did it. Happy anniversary. Twenty years ain’t nothing to sneeze at.”



QUESTLOVE

“Twenty years of service. Thank you, I appreciate it. Happy anniversary!”



DEBBIE GIBSON

“Wishing my friends at SoundExchange a very happy anniversary. Y’all rock — I mean, like, literally.”

SOUNDEXCHANGE LEADERSHIP AND BOARD OF DIRECTORS

LEADERSHIP



MICHAEL HUPPE
President & CEO



ANJULA SINGH
CFO & COO



LUIS BONILLA
CTO



TIM DADSON
General Counsel



EMILY FULP
Senior Vice President,
Executive Office &
Communications



PETER KARAFOTAS
Senior Vice President,
Government Relations
& Public Policy



STEPHANIE WARNER
Senior Vice President,
Brand Marketing &
Industry Engagement



KENYSHA BARTEE
Senior Vice President,
People & Culture



KATHLEEN STROUSE
Senior Vice President,
Operations



BRIANNE JACKSON
Deputy General
Counsel



BOARD OF DIRECTORS

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.

TINO GAGLIARDI

American Federation of Musicians (AFM) of the U.S. & Canada

JON GLASS

Warner Music Group (WMG)

MITCH GLAZIER

Recording Industry Association of America (RIAA)

JESSICA GOLDENBERG

Warner Music Group (WMG)

AARON HARRISON

Universal Music Group (UMG)

MICHAEL HAUSMAN

Michael Hausman Artist Management

ALASDAIR MCMULLAN

Universal Music Group (UMG)

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

VICTOR ZARAYA

Concord



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TikTok, Instagram, YouTube,
LinkedIn, X or Facebook.

