



MUSIC MOVES OUR WORLD

2021

ANNUAL REPORT

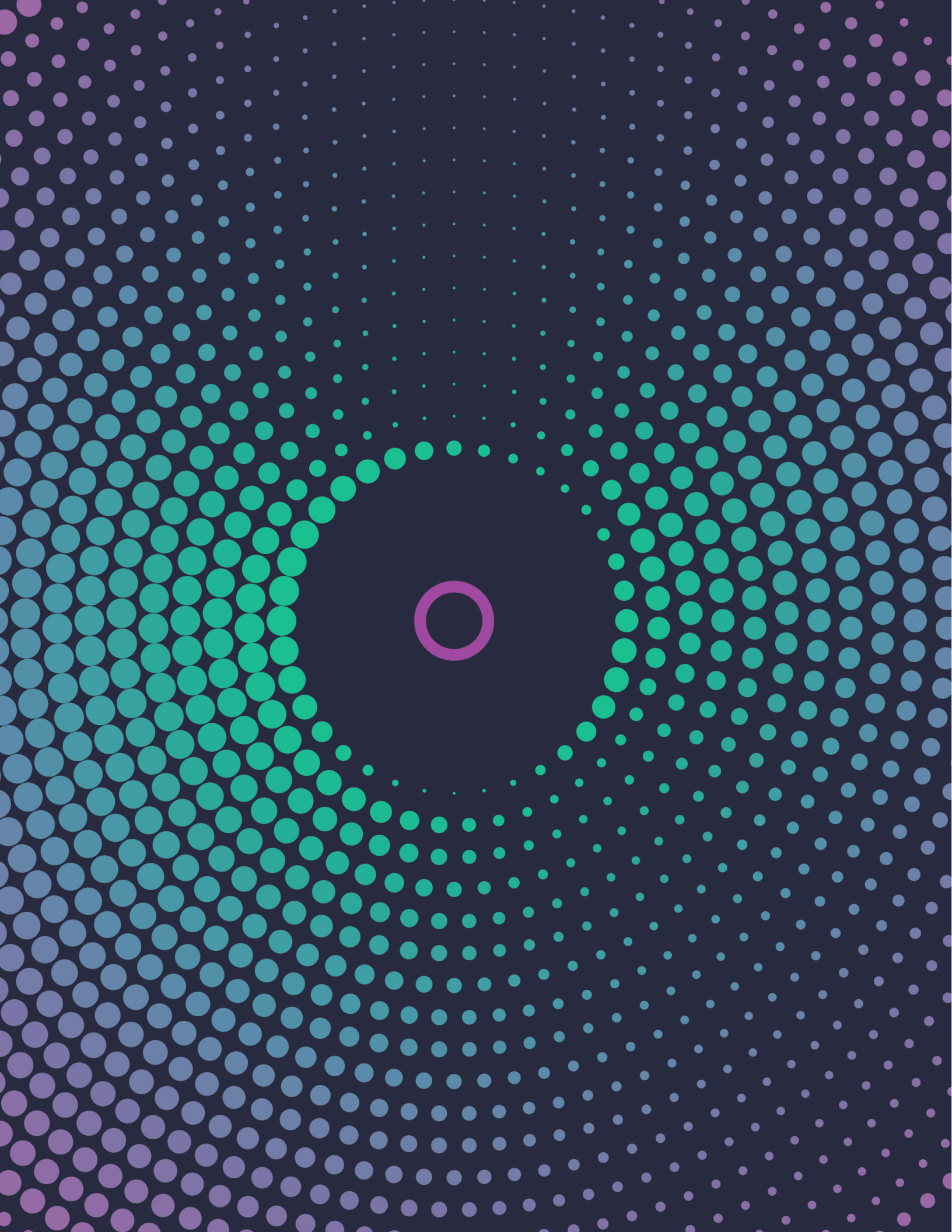




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BOARD OF DIRECTORS



CAROLINE BEASLEY
CHAIRPERSON & CEO
BMI BOARD OF DIRECTORS
CEO
BEASLEY MEDIA GROUP, LLC
BMI DIRECTOR SINCE 2014



MICHAEL J. FIORILE
PRESIDING DIRECTOR
BMI BOARD OF DIRECTORS
BMI DIRECTOR SINCE 2010



MICHAEL O'NEILL
PRESIDENT & CEO
BMI
BMI DIRECTOR SINCE 2013



GREG ASHLOCK
CEO
IHEARTMEDIA MULTI-PLATFORM
GROUP
BMI DIRECTOR SINCE 2015



**SUSAN DAVENPORT
AUSTIN**
CFO
GRACE CHURCH SCHOOL
BMI DIRECTOR SINCE 2007



AMADOR BUSTOS
PRESIDENT & CEO
BUSTOS MEDIA HOLDINGS, LLC
BMI DIRECTOR SINCE 2002



REBECCA CAMPBELL
CHAIRMAN, INTERNATIONAL
OPERATIONS & DIRECT-TO-
CONSUMER
THE WALT DISNEY COMPANY
BMI DIRECTOR SINCE 2015



BILL HOFFMAN
PRESIDENT
HOFFMAN COMMUNICATIONS, INC.
BMI DIRECTOR SINCE 2014



CATHERINE L. HUGHES
FOUNDER & CHAIRPERSON
URBAN ONE, INC.
BMI DIRECTOR SINCE 2002



PHILIP A. JONES*
BMI DIRECTOR SINCE 1991



PAUL KARPOWICZ
RETIRED PRESIDENT,
MEREDITH LOCAL MEDIA GROUP
BMI DIRECTOR SINCE 2007



JEROME L. KERSTING
BMI DIRECTOR SINCE 2001



ALFRED C. LIGGINS, III
CHIEF EXECUTIVE OFFICER
URBAN ONE, INC.
BMI DIRECTOR SINCE 2021



DAVE LOUGEE
PRESIDENT & CEO
TEGNA, INC.
BMI DIRECTOR SINCE 2013



VIRGINIA HUBBARD MORRIS
VICE PRESIDENT
HUBBARD BROADCASTING, INC.
CHAIR & CEO
HUBBARD RADIO, LLC
BMI DIRECTOR SINCE 2005



MARK PEDOWITZ
CHAIRMAN & CEO
THE CW NETWORK
BMI DIRECTOR SINCE 2006



CRAIG ROBINSON
EXECUTIVE VICE PRESIDENT AND
CHIEF DIVERSITY OFFICER
NBCUNIVERSAL
BMI DIRECTOR SINCE 2021



G. NEIL SMITH
PRESIDENT
GNS MEDIA, LLC
BMI DIRECTOR SINCE 1995



PERRY SOOK
CHAIRMAN & CEO
NEXSTAR MEDIA GROUP, INC.
BMI DIRECTOR SINCE 2020

* HONORARY DIRECTOR

PRESIDENT AND CEO REPORT



Mike O'Neill, BMI President & CEO

Although the challenges of the global pandemic continued this year, BMI grew revenue and distributions to record-setting levels, emerging stronger, more resilient and deeply committed to delivering value to our creative and business communities.

I am very pleased to share that for the fiscal year ended June 30, 2021, BMI generated unprecedented revenues of \$1.409 billion,* an increase of \$98 million, or 7%, over the prior year. BMI also distributed and administered a landmark \$1.335 billion to our songwriters, composers and publishers, \$102 million more than last year, or an 8% increase. For the sixth consecutive year, BMI's results represent the highest reported public performance revenues and royalty distributions of any music rights organization in the world. This achievement underscores BMI's integral role in supporting the continued creation of music, to the benefit of our affiliates and licensees alike.

BMI's total distributions of \$1.335 billion include domestic and international royalties as well as distributions from direct deals that BMI administers for its publisher and digital service provider clients. Those direct deals, which make up approximately 6% of BMI's overall distribution, totaled \$85 million, marking a \$14 million increase over the previous year.

BMI's continued focus on revenue diversification led to the Company's historic performance. Notably, for the first time BMI surpassed \$1 billion in domestic revenue, which was powered by phenomenal growth in the Digital sector. With this exceptional growth, the Company was able to offset declines across Media Licensing and General Licensing due to the pandemic. Revenue generated from digital sources came in at \$448 million,* an increase of \$144 million, or 47%, over last year.

Total domestic Media Licensing posted an 11% decline to \$469 million.* Revenue delivered from cable and satellite sources comprised the largest portion at \$269 million, essentially flat compared to last year. Radio posted a \$50 million decline year-to-year, due to a combination of the ongoing impact of the pandemic on advertising and the one-time retroactive payment included in last year's radio total that resulted from BMI's rate court settlement with the industry. Broadcast television came in at \$95 million, down 6% from last year.

General Licensing, along with other income, was down 2% year-to-year for a total of \$127 million. The category, which saw a 23% decline last year, is starting to rebuild as businesses continue to reopen across the country. Powered by the global strength of the Company's repertoire, BMI's international revenue grew to \$365 million,* a \$15 million, or 4%, increase over last year.

The Company's achievements are directly due to BMI's unrivaled repertoire and its extraordinary worldwide appeal. Throughout the year, the creativity and resilience of our songwriters and composers, and the momentum of their incomparable music, have been unstoppable and truly inspiring. BMI affiliates across genres achieved massive success and garnered top-tier accolades. Highlights included global star Taylor Swift winning GRAMMY gold for Album of the Year for *folklore*, making her the first woman to win the prestigious award

three times; rap sensation Megan Thee Stallion winning three GRAMMYS, including Best New Artist; and Latin star Residente earning multiple Latin GRAMMYS, including Song of the Year. On the country scene, Dolly Parton, Carrie Underwood and Miranda Lambert all released exciting new projects, including music specials on Netflix, HBO Max, and Apple TV, respectively, aligning with the ever-increasing appetite for audiovisual entertainment on digital platforms.

BMI's remarkable composers scored 54% of the top 50 films of the past year at the box office, many of which were independent releases. In-demand composer Atticus Ross had an outstanding year with his memorable music in the animated film *Soul*, which earned him the Academy Award, Golden Globe and BAFTA for Best Original Score. Academy Award-winning composer Hildur Guðnadóttir won the GRAMMY for Best Score Soundtrack for Visual Media for her work in the blockbuster film, *Joker*. Other major films such as *Tenet* (Ludwig Göransson), *Judas and the Black Messiah* (Mark Isham) and *Croods: A New Age* (Mark Mothersbaugh) featured compelling BMI music. In addition, over 60% of this season's primetime network TV shows featured themes and/or scores written by BMI composers, such as *Chicago PD* (Atli Örvarsson), *Bull* (Sean Callery) and *9-1-1* (Mac Quayle). On the streaming front, Carlos Rafael Rivera scored the acclaimed Netflix series, *The Queen's Gambit*, Nicholas Britell created music for HBO's award-winning hit, *Succession*, Matthew Head scored Starz's drama, *P-Valley*, and Jongnic Bontemps composed the score for the moving Netflix documentary, *Murder to Mercy: The Cyntoia Brown Story*, to name a few.

Throughout the year, BMI increased our efforts to mitigate the financial impact of the pandemic on our creative community, taking several effective measures. We continued to distribute royalties earlier than scheduled in September of 2020, as we did for two quarters last year, in an effort to help support our affiliates. In January of 2021, BMI distributed retroactive royalties from 2017-2019 that were produced by the settlement agreement between BMI

and the Radio Music Licensing Committee (RMLC). The Company also announced a new royalty distribution schedule that will start in 2022, which will better serve our songwriters, composers and publishers, with one distribution per calendar quarter and slightly accelerated payments from time of performance. To shift to this new schedule, BMI will implement a one-time fifth distribution in November 2021 that will maximize our affiliates' royalties during this difficult year. Notably, BMI's June 2020 royalty distribution was the largest in the Company's history.

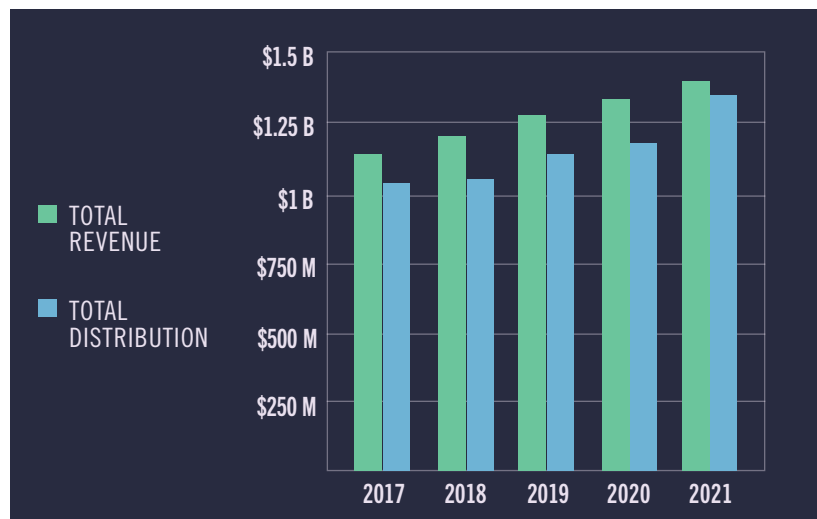
Concurrently, BMI developed new virtual ways to celebrate our songwriters and composers and their outstanding music, while providing valuable promotional opportunities. From our annual awards shows, to mentoring workshops, social media activations, and beyond, BMI adapted from in-person to virtual events in a dynamic way that provided a sense of community and engagement for our affiliates. Additional information about these initiatives can be found in our "Roster & Repertoire" section.

This year, BMI's membership increased by 11%, bringing our new total of creators and copyright owners to 1.2 million. BMI also saw our number of licensed musical works grow to 18.7 million, up 10% over last year. Moreover, BMI

processed 1.98 trillion performances this year, of which 1.95 trillion were digital, reflecting a 13% increase in total performances processed from the year prior. The Company continued to improve our operations, systems and processes this year to effectively, efficiently and accurately manage these vast volumes of data.

BMI has long advocated for the modernization of our consent decree, and this year the U.S. Department of Justice (DOJ) concluded its two-year review of the PRO decrees, deciding to take no action to modify or terminate them but leaving open the possibility of changes in the future. While we were disappointed that no action was ultimately taken, we were encouraged by several pivotal statements made by the DOJ, all points which BMI has championed: Songwriters are the backbone of the music marketplace and must be paid fairly; blanket licensing is incredibly efficient; ASCAP and BMI are innovating to serve the needs of the industry; greater competition, rather than compulsory licensing, is the answer; and the value of music is best decided in the free market. These remarks are promising in terms of the DOJ's approach to these issues in the future. The conclusion of the DOJ's latest review means BMI can put this matter behind us for the near future and continue to advocate on behalf of our affiliates, protect the value

TOTAL REVENUE AND ROYALTY DISTRIBUTION



*FY21 revenue total is reported as \$1.361 billion under ASC 606 guidance.

SENIOR MANAGEMENT



MICHAEL COLLINS
VICE PRESIDENT
GOVERNMENT RELATIONS



SHOUVIK DAS
SENIOR VICE PRESIDENT
DISTRIBUTION, PUBLISHER RELATIONS &
ADMINISTRATION SERVICES



BRUCE A. ESORTHY
SENIOR VICE PRESIDENT
FINANCE & ADMINISTRATION,
CHIEF FINANCIAL OFFICER



LIZ FISCHER
SENIOR VICE PRESIDENT
CORPORATE COMMUNICATIONS
& MARKETING



ALEX FLORES
SENIOR VICE PRESIDENT
CREATIVE



GLENDA HART
VICE PRESIDENT
SPECIAL PROJECTS



NADA LATTO
SENIOR VICE PRESIDENT &
CHIEF HUMAN RESOURCES OFFICER



DAVID LEVIN
SENIOR VICE PRESIDENT
LICENSING



STUART ROSEN
SENIOR VICE PRESIDENT &
GENERAL COUNSEL



JODI SAAL
VICE PRESIDENT
CORPORATE PLANNING



ALISON SMITH
EXECUTIVE VICE PRESIDENT
DISTRIBUTION, PUBLISHER RELATIONS
& ADMINISTRATION SERVICES



MICHAEL G. STEINBERG
EXECUTIVE VICE PRESIDENT
CREATIVE & LICENSING



ANN SWEENEY
SENIOR VICE PRESIDENT
INTERNATIONAL & GLOBAL POLICY



SANDYE TAYLOR
VICE PRESIDENT
CHIEF DIVERSITY, EQUITY & INCLUSION OFFICER



MIKE WEST
SENIOR VICE PRESIDENT
CHIEF INFORMATION OFFICER



**OVER THE PAST YEAR, BMI
REINFORCED OUR COMMITMENT TO
DIVERSITY, EQUITY AND INCLUSION,
BOTH IN OUR WORKPLACE AND IN OUR
COMMUNITIES.**



of their creative work, and partner with our licensees to help ensure music is delivered to the public.

As the second year of the pandemic continued to impact creators' livelihoods, BMI intensified our focus in Washington, D.C., urging U.S. lawmakers to include financial assistance for songwriters and composers in federal relief packages. We also joined together with other songwriter organizations to petition Congress and amplify our collective voice in this urgent matter. BMI was gratified to see that both COVID-19 stimulus packages, in December 2020 and March 2021, contained several provisions that benefited the creative community. Further detail on this topic and the DOJ outcome is available in our "Protecting the Future of Music" section.

BMI continued to pave the way for greater data transparency in the industry with the successful launch of the initial phase of Songview, our joint data platform with ASCAP, in December of 2020. This comprehensive platform offers a combined view of copyright information for over 20 million musical works in the BMI and ASCAP repertoires, providing an accessible, accurate and reliable breakdown of song ownership shares and other important data. Songview has been well received by the industry, and we look forward to continuing to expand on the possibilities of this innovative platform in the future.

Over the past year, BMI reinforced our commitment to diversity, equity and inclusion, both in our workplace and in our communities.

I'm pleased to share that Sandye Taylor joined as BMI's Chief Diversity, Equity & Inclusion Officer in March of 2021. Sandye will lead our efforts in this area, and her expertise and insights are already making a meaningful impact. Greater detail about BMI's critical DE&I work is available in our "Diversity, Equity & Inclusion" section.

We also welcomed BMI's new Vice President of Creative, Latin, Jesus Gonzalez, in March. With extensive experience on both the creative and business sides of the industry, Jesus will be an incredible support to BMI's current and future Latin songwriters. I'm also happy to share that Nada Latto was promoted to Senior Vice President and Chief Human Resources Officer. As the BMI team prepares to transition back into the office, in accordance with CDC, state and local guidelines, Nada will be essential to that process.

As we know, last October Caroline Beasley was elected Chairperson of BMI's Board of Directors and I would like to personally thank Caroline for her exceptional leadership and vision, which have been invaluable to BMI as we navigated the challenges of the pandemic. I would also like to take this opportunity to thank the entire BMI Board of Directors and the Senior Management team for all of their exceptional efforts this year that resulted in BMI's record-setting performance.

BMI is encouraged about the promising signs of recovery in the industry, such as the return of live music, the reopening of numerous bars and restaurants across the country, the rebound of

advertising revenue in the radio industry, and beyond, which will renew opportunities for both our creative and business communities. We are optimistic about the future and dedicated to our role as an unwavering partner to our songwriters, composers, publishers and licensees as we chart the course ahead together.

I invite you to read the report that follows. It provides an overview of BMI's business operations during the last year and celebrates the music that both brought us all together and keeps us moving forward.

Sincerely,

**BMI adopted new ASC 606 accounting guidance in fiscal year 2021, which modified BMI's revenue recognition policies. As a result, any revenue earned by BMI in a previous fiscal year, but that was collected and distributed in the current fiscal year, does not factor into the final reported revenue total. As such, certain figures will be reported differently: total revenue as \$1.361 billion, digital as \$423 million, total media licensing as \$472 million, and international as \$339 million. The ASC 606 accounting guidance has no impact on the \$1.335 billion that BMI distributed and administered to its affiliates this year. This will be explained in further detail in the "Revenue Performance" section of this Report.*

DIVERSITY, EQUITY, AND INCLUSION



SANDYE TAYLOR
BMI CHIEF DIVERSITY, EQUITY & INCLUSION OFFICER

BMI was founded on the principle of inclusion and that commitment continues to guide us today. We have always been proud to represent all genres of music and welcome all songwriters and composers, whose creativity has broken ground in many ways and helped inspire important social change. This year, BMI continued to build on our diversity, equity and inclusion efforts, which uphold and align with the Company's Core Values, taking meaningful action both internally and externally to help drive long overdue change.

As noted, in March of 2021, Sandye Taylor joined BMI as Chief Diversity, Equity & Inclusion Officer to build on the Company's initiatives

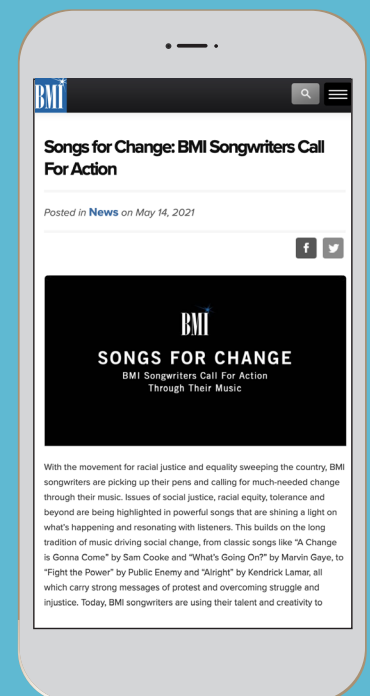
in this area. Taylor has defined BMI's DE&I strategy, which is outlined in three key pillars: Workforce – Accelerate and diversify team member career advancement opportunities and enhance team member DE&I knowledge and understanding; Workplace – Build a more inclusive culture that values and celebrates difference; and Marketplace – Be recognized as a DE&I leader in the music community. These strategic priorities will guide us as we move forward and inform BMI's actions in this vital area.

Prior to Taylor joining BMI, the Company had formed an interim Diversity, Equity & Inclusion Task Force, developed a team member volunteer program to help inspire change in our communities, and welcomed on board Gospel legend and longtime BMI affiliate BeBe Winans as a consultant to lend his perspective and help improve our DE&I efforts. In addition, BMI donated \$275,000 to organizations selected by the Task Force that are dedicated to advancing racial equity, voting rights and social justice.

In January of 2021, BMI conducted an all-employee survey to solicit feedback on our DE&I initiatives and workplace experiences, and also launched inclusion training across the Company in May. This spring, BMI conducted a series of team member DE&I focus groups, led by BMI President & CEO Mike O'Neill along with

Taylor, to gather additional feedback. Based on the Task Force's findings, and confirmed with feedback from the focus groups, BMI is also in the process of forming team member employee resource groups.

To further our internal efforts, BMI partnered with OUT Leadership this year, a global business networking organization that focuses on advancing LGBTQ+ inclusion around the



world. In recognition of Pride month in June, BMI organized a virtual fireside chat for the BMI team, featuring an engaging conversation between Dan Reynolds, lead singer/songwriter of Imagine Dragons, and Todd Sears, the founder and CEO of OUT Leadership. Both shared their commitment, endeavors and guidance in support of the LGBTQ+ community. Another partner that BMI added is Coqual, an advisory group that provides research and actionable solutions to accelerate equity in the workplace.

In our communities, BMI was proud to be a founding sponsor of the National Museum of African American Music (NMAAM) in Nashville, which opened on Martin Luther King, Jr. Day. It is the only museum in the world dedicated to preserving and celebrating more than 50 music genres and styles that were created, influenced or inspired by Black Americans. BMI's Vice President of Creative, Atlanta, Catherine Brewton, serves on the NMAAM Board of Directors and has been instrumental in providing photos from the BMI archives for a new BMI boardroom within the museum. In Atlanta, BMI supported the creation of the Black Music & Entertainment Walk of Fame, which preserves, protects and promotes the legacy and future of authentic Black American Music. The Walk of Fame honored several BMI affiliates this year in an inaugural ceremony, including Big Boi, the late James Brown, Kirk Franklin, the late Michael Jackson, and the late Otis Redding.

Throughout the year, BMI continued to update our Guide to Create Change on our website, adding resources that support emotional and mental health, which are particularly relevant in our current times. As BMI songwriters continued to write powerful songs that called for action and change, such as BeBe Winans' "Black Lives Matter," John Legend's "Never Break," Mickey Guyton's "Black Like Me" and Maren Morris' "Better Than We Found It," BMI featured them on our website and social media platforms to shine a light on the need to create



BMI IS A PROUD FOUNDING SPONSOR OF THE NATIONAL MUSEUM OF AFRICAN AMERICAN MUSIC.

BMI Music Moves Our Week: Todd G. Sears and Dan Reynolds
 Mon June 28th 1pm ET

Todd Sears
 Founder and CEO,
 Out Leadership

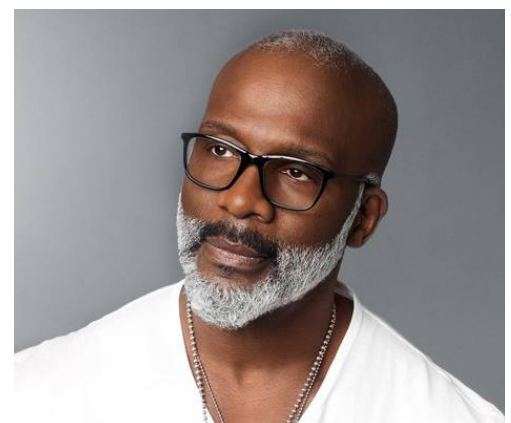
Dan Reynolds
 Singer, Songwriter, Producer
 Imagine Dragons

PROUDLY RESILIENT 2021

BMI AFFILIATE DAN REYNOLDS SPOKE WITH OUT LEADERSHIP CEO TODD SEARS ABOUT LGBTQ+ INCLUSION.

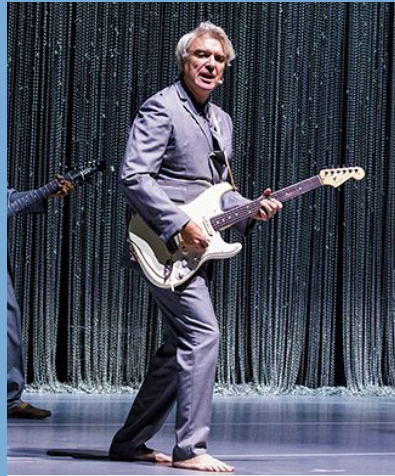
a better world. Furthermore, BMI celebrated Black Music Month, Black History Month, Women's History Month, Asian American Pacific Islander Heritage Month, Pride Month, and National Hip-Hop Day on our website and social media platforms to honor the diversity among our outstanding affiliates.

While we are pleased with the progress we are making, we know there is much more important work to be done, and this remains a key priority for BMI. We look forward to continuing to strengthen our efforts to advance our critical diversity, equity and inclusion work to make BMI a stronger company.



GOSPEL MUSIC LUMINARY BEBE WINANS JOINED BMI AS A DE&I ADVISOR IN NOVEMBER OF 2020.

ROSTER AND REPERTOIRE



DAVID BYRNE'S *AMERICAN UTOPIA* WINS A TONY AWARD.



LIL NAS X RECEIVED A LOT OF ATTENTION LAST YEAR FOR HIS HIT SONG, "OLD TOWN ROAD."

BMI's incomparable affiliates once again had an extraordinary year under the most challenging of circumstances. Their groundbreaking creativity, incredible talent and unwavering resilience resulted in the world's most influential and in-demand music, which united and uplifted us all. Simultaneously, BMI intensified our support of our creative community, strengthening relationships at a time when engagement was more important than ever, continuing to foster career development, and providing valuable virtual promotional opportunities. Notably, BMI's Creative team aggressively expanded the Company's market share throughout the year, affiliating many top-charting creators as well as up-and-coming buzzworthy talent, while retaining our key songwriters and composers across genres. Raising the bar for artistry and vision, BMI's dynamic roster of music creators and copyright owners truly defined the year's electrifying music landscape.

Highlights of the year included BMI creators garnering the industry's most coveted awards, breaking records and making history. Global superstar Taylor Swift won the GRAMMY for Album of the Year for *folklore*, making her the first woman to win the prestigious award three times. *Folklore* was her seventh #1 album and the best-selling album of 2020. In addition, Swift released her acclaimed #1 album, *evermore*, just five months after *folklore*. Among her many firsts, this year Swift became the first woman, first non-English artist, and youngest person ever to receive the BRIT's Global Icon Award.

Acclaimed composer Atticus Ross also saw incredible success, winning the Academy Award, Golden Globe and BAFTA for Best Original Score for his music in *Soul*, which also took the Oscar for Best Animated Film. In 2020, country star Mickey Guyton became the first Black woman to perform solo at the ACM Awards. She is also the first Black woman to receive a GRAMMY nomination in a country category for her powerful song "Black Like Me." Rap sensation Megan Thee Stallion won three GRAMMYS, including Best New Artist, and also became the first woman to have three #1s on the Streaming Songs chart in a single year. Latin star Karol G became the first woman, unaccompanied by another artist, to reach #1 on the Latin Airplay chart this decade with "Ay, Dios Mio!" International star J Balvin extended his winning streak of #1s, marking his 28th with "Tu Veneno," also on the Latin Airplay chart, and maintaining his record as the reggaeton artist with the most #1s.

Country legend Dolly Parton had a landmark year with the release of her bestselling book, *Dolly Parton, Songteller: My Life in Lyrics*, a Christmas album and film, a concert special in her honor on Netflix, a CBS TV special, a Super Bowl commercial featuring a new spin on her classic hit "9 to 5," all in addition to her generous humanitarian work, donating \$1 million to Vanderbilt University to help fund COVID-19 vaccine research.

With more content than ever being consumed on audiovisual streaming platforms, BMI

affiliates were featured across the board. Pop icon P!nk released a concert documentary on Amazon Prime Video called *P!nk: All I Know So Far*. The life, career and tragic passing of Latin star Selena Quintanilla-Perez was immortalized this year in Netflix's *Selena: The Series*, leading to streams of her music skyrocketing. Reggaeton star J Balvin gave fans a look into his life and his 2019 homecoming concert with the Amazon Prime documentary, *The Boy From Medellin*. Renowned rock icon Tina Turner's life was explored in her documentary, *Tina*, which premiered on HBO earlier this year. Additionally, country royalty Carrie Underwood released a holiday special on HBO Max, while fellow country star Miranda Lambert released a music film, *The Marfa Tapes*, on Apple TV.

In the musical theater world, David Byrne's critically acclaimed Broadway show, *American Utopia*, won a special Tony Award, while BMI's outstanding classical composers received multiple high honors including several Guggenheim Fellowships and numerous other awards from the American Academy of Arts and Letters. These are just a few of the remarkable achievements by BMI's affiliates across genres.

In addition, some of the most performed songs of the year were written by Camila Cabello, J. Cole, Luke Combs, Ross Copperman, Kirk Franklin, Nicole Galyon, Halsey, H.E.R., Ethan Hulse, DJ Khaled, Khalid, Donald Lawrence, Lil Nas X, Julia Michaels, Maren Morris, Ozuna, Horacio Palencia and Kanye West. Moreover,



LATIN STARS J BALVIN AND KAROL G BOTH HAD OUTSTANDING YEARS.

BMI composers scored many of the year’s most successful films, television, cable and streaming series, including Nathan Barr, Sean Callery, James Newton Howard, Christopher Lennertz, Nami Melumad, Thomas Newman, Atli Örvarsson and Brian Tyler, among many others.

Songwriters and composers who emerged as promising new voices to watch included Jessica Agombar and David Stewart, who wrote BTS’s smash #1 hit “Dynamite”; Arlo Parks, whose debut studio album, *Collapsed in Sunbeams*, swept the Brit Awards; and Jivan Ramesh, a 13-year-old cellist and composer who has performed with the New York Philharmonic, to name just a few.

Throughout the year, BMI welcomed many prominent new affiliates such as 5 Seconds of Summer, 808 Melo, Cam, Karol G, Ricardo Montaner, Rosalía, Saweetie, Robin Thicke, Ann Wilson, Steve Van Zandt, and Benny Blanco, who is making his return to BMI. Affiliates who renewed their relationships with BMI included Ingrid Andress, Camila Cabello, Eric Church, J. Cole, Ester Dean, Danny Elfman, Kurt Farquhar, Gaby Music, Teddy Geiger, Halsey, James Newton Howard, Mark Isham, Miranda Lambert, Lil Jon, Lil Nas X, Carole King, Ludacris, Alan Menken, Jake Owen, Horacio Palencia, Rachel Platten, Charlie Puth, Thomas Rhett, Ed Sheeran, Sturgill Simpson, Sting, Brian Tyler, and many others.

INDUSTRY AWARDS

Adding to the accomplishments noted above, BMI’s creative community made a striking impact across top-tier industry awards. GRAMMYs went to H.E.R., D’Mile and Tiara Thomas for Song of the Year for “I Can’t Breathe,” while Andrew Watt claimed Producer of the Year and Miranda Lambert took home the Best Country Album trophy for *Wildcard*. BMI’s own Shannon Sanders, Executive Director of Creative, Nashville, won his third GRAMMY for producing *Celebrating Fisk! (The 150th Anniversary Album)* by The Fisk Jubilee Singers, which won GRAMMY gold for Best Roots Gospel Album. Academy Award-winning composer Hildur Guðnadóttir won the GRAMMY for Best Score Soundtrack for Visual Media for her music in the blockbuster film, *Joker*. Notably, H.E.R., D’Mile and Tiara Thomas also accepted the Academy Award for Best Original Song for “Fight for You” from *Judas and the Black Messiah*.

During the Premio Lo Nuestro Awards, J Balvin, Karol G, Lenin Ramirez, Anuel AA, and Rosalía were honored, while a special Excellence Award was given to Wisin and a Lifetime Achievement Award was presented to Gloria Trevi. BMI affiliates also had a spectacular showing at the CMAs, with multiple wins for Maren Morris and Luke Combs, while Eric Church won Entertainer of the Year for the first time.

BMI AWARDS

The Company was thrilled to launch a new year of virtual celebrations, which garnered tens of thousands of views, as we saluted our unparalleled songwriters, composers and publishers across genres. Affiliates were excited to take part across the board, with many contributing video messages and exclusive performances, making the sites incredibly personal and engaging. Among those who created content for the awards tributes were Edgar Barrera, Ross Copperman, Jose Esparza, Ellie Golding, Ludwig Göransson, Halsey, Niall Horan, Ethan Hulse, Khalid, Donald Lawrence, Maren Morris, Mark Mothersbaugh, Ozuna, Horacio Palencia, Atticus Ross and BeBe Winans.

Several special achievements were highlighted on our online awards shows: This year marked the 20th anniversary of BMI’s R&B/Hip-Hop Awards and our site included memorable messages from affiliates such as H.E.R., Patti LaBelle and Ludacris to recognize this milestone. In addition, three new categories were added to BMI’s Film, TV & Visual Media Awards to reflect the depth and scope of BMI music and our affiliates’ extraordinary creativity. The new categories are festival film, streaming film and streaming documentary, all areas where our composers made a significant impact. Moreover, we were proud to feature a heartfelt tribute to the legendary Dolly Parton on BMI’s Country Awards site, celebrating the launch of her bestselling book, *Dolly Parton, Songteller: My Life in Lyrics*. Country hitmakers such as Kane Brown, Luke Bryan, Ashley McBryde, Thomas Rhett and Carrie Underwood shared their favorite Dolly songs, her impact on the art and craft of

**BMI’S DYNAMIC CREATORS
AND COPYRIGHT OWNERS
TRULY DEFINED THE
YEAR’S ELECTRIFYING
MUSIC LANDSCAPE.**



BMI CONGRATULATES MEGAN THEE STALLION ON HER THREE GRAMMY WINS.



BMI PRESENTS DOLLY PARTON WITH 7 "MILLION-AIR" CERTIFICATES. "I WILL ALWAYS LOVE YOU" RECEIVES 10 MILLION-AIR AWARDS.



BMI CONGRATULATES ATTICUS ROSS ON HIS 2021 GOLDEN GLOBE WIN





songwriting, and just how much she means to them in a candid conversation. Overall, our virtual awards celebrations received positive feedback from our creative community.

FILM, TV & VISUAL MEDIA HIGHLIGHTS

BMI's exceptional family of composers scored 54% of the top 50 films of the past year at the box office, several of which were independent films. In addition to the accolades noted above, major films that included BMI music were *Judas and the Black Messiah* (Mark Isham), *News of the World* (James Newton Howard), *Tenet* (Ludwig Göransson) and *Croods: A New Age* (Mark Mothersbaugh). Several composers who won their first BMI Award this year included Nami Melumad, who scored the moving Academy Award-winning documentary short, *Colette*; Jongnic Bontemps, whose music was featured in *Murder to Mercy: The Cyntoia Brown Story*; and Anthony Willis, who scored the thriller, *Promising Young Woman*.

On the small screen, BMI composers also made their mark, taking multiple Emmys: Ludwig Göransson for Outstanding Music Composition for a Series for his music in Disney's *The Mandalorian*; Daniel Petty for Outstanding Original Song for "Unsaid Emily" from the Netflix series, *Julie and the Phantoms*; Laura Karpman for Outstanding Music Composition for a Documentary Series or Special for *Why*

We Hate; and Atticus Ross for Outstanding Music Composition for a Limited Series, Movie, or Special for his work in *Watchmen*. BMI composers also had award-winning music in hit series such as HBO's *Succession* (Nicholas Britnell) and *The Queen's Gambit* (Carlos Rafael Rivera). In addition, over 60% of this season's primetime network TV shows featured themes and/or scores written by BMI composers, including *9-1-1* (Mac Quayle), *Blue Bloods* (Rob Simonsen), *Bull* (Sean Callery) and *Chicago Fire* (Atli Örvarsson), among many others.

INDUSTRY TRENDS

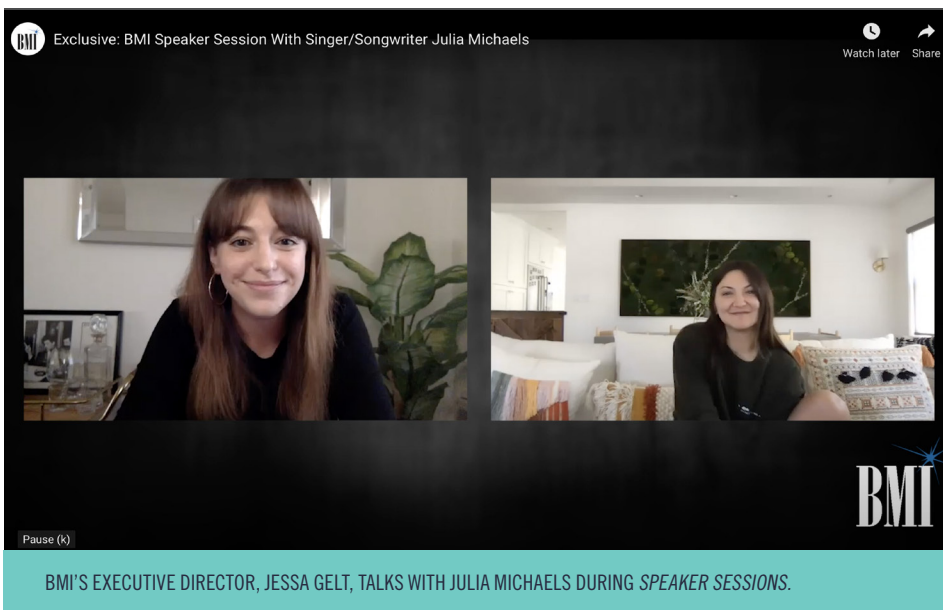
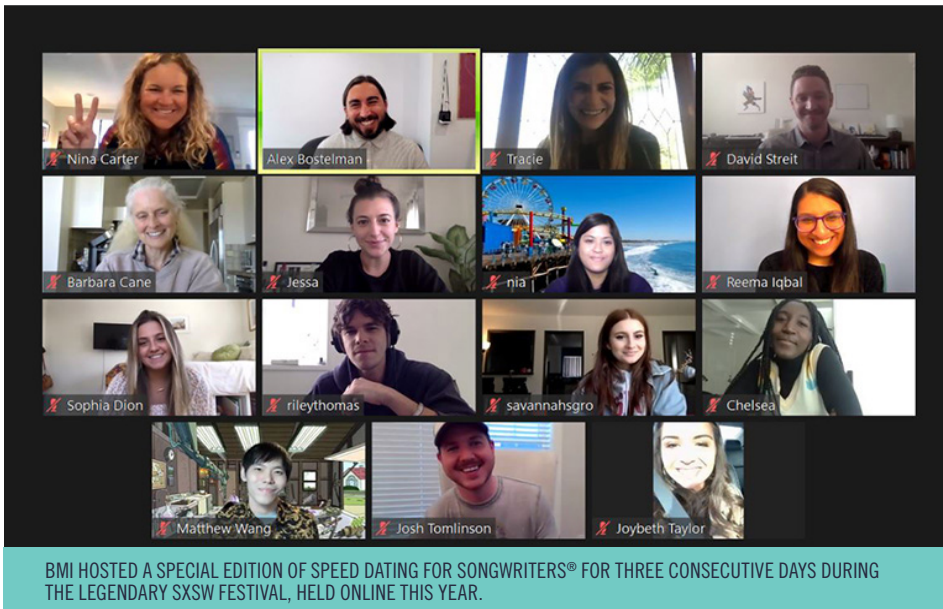
The events of the past year propelled the world into a virtual-first reality. Remote collaborations and online songwriting sessions enabled music creators to continue their craft, while technology also connected singer/songwriters with their audiences. Rather than live performances, BMI affiliates focused on virtual concerts. Country hitmaker Maren Morris performed a sold-out virtual concert live from Nashville's Brooklyn Bowl venue in December 2020, while other affiliates including Florida Georgia Line, Luke Combs, and Brandi Carlile also held popular virtual shows.

TikTok continued to be the dominant platform for music discovery and promotion this year. Pop star Doja Cat demonstrated this with her song, "Streets," that went viral in early 2021

as part of the "silhouette challenge" on TikTok. While not originally scheduled as a single, the track entered the top 20 on the Hot 100. Doja Cat followed that with a collaboration with SZA called "Kiss Me More," which debuted at #7 and climbed the charts after gaining an audience on TikTok. In addition, Pop/R&B star Jason Derulo released the single "Savage Love (Laxed – Siren Beat)" with producer Jawsh 685. It went viral on TikTok and was later remixed by BTS, hitting #1 and becoming Derulo's second chart topping single.

The synergy between music and social media was more evident than ever this year. BMI continued to build on our strong social media following and intensified our efforts over the year to create a highly engaged social media presence. We enhanced our existing social media content, introduced new activations to promote our affiliates and their music, and leveraged new platforms and functions. Notably, BMI's Instagram account hit 200,000 followers, making the Company the first PRO to achieve that milestone. Additionally, BMI's YouTube channel grew by 28% due to engaging new video series such as virtual editions of How I Wrote That Song, How I Wrote That: Behind the Score and performances on BMI's Jam Sessions. Moreover, BMI's Know Them Now Experience, which started as a must-see annual in-person event transformed into a must-see virtual series. As the audio-only app, Clubhouse, grew in popularity, BMI added it to our roster of platforms. We engaged affiliates with a weekly Clubhouse conversation, BMI's How Did I Break, featuring prominent R&B/Hip-Hop and Gospel songwriters and producers sharing their entry into the industry, which garnered great interest among our creative community. This year demonstrated that the music doesn't stop even when we can't be together. BMI is excited to continue many of our successful virtual social media activations that were created this year as we begin to resume in-person events.

ROSTER AND REPERTOIRE



CAREER SUPPORT & OPPORTUNITIES

The Company's commitment to career development, mentorship and meaningful opportunities for our affiliates was ongoing this year, as BMI's Creative team continued to support our songwriters and composers with a robust program of virtual initiatives. BMI's popular Speed Dating for Songwriters event was transformed into a digital format, bringing together writers across genres, countries and time zones. As part of BMI's longstanding partnership with SXSW, the Company hosted a special Zoom edition of Speed Dating for Songwriters, shifting our in-person showcases

into an exclusive three-day virtual event. Each day's session featured six talented songwriters, producers and artists curated by BMI's Creative team. BMI also held a European Speed Dating for Songwriters edition, which, in addition to connecting creators, functioned as another way to distinguish BMI from other PROs and helped attract international writers who are impacting the market.

Transitioning from in-person to virtual mentorship, BMI conducted multiple online workshops this year including BMI Day at Berklee College of Music with BMI's Executive Vice President of Creative & Licensing, Mike

Steinberg, and composer Ludwig Göransson; the BMI/NYU TV Scoring Workshop; and BMI's Jazz Composers Workshop, to name a few. The Company also participated in several online industry events. During Billboard's Latin Music Week, one of the most popular virtual panels was BMI's How I Wrote Song, featuring a dynamic conversation with top-charting Latin songwriters/producers. BMI was also the only PRO supporting the Los Angeles Latino International Film Festival (LALIFF), where we hosted one-on-one sessions for emerging songwriters with BMI's Senior Vice President of Creative, Alex Flores, and BMI's Vice President of Creative, Latin, Jesus Gonzalez, who shared insights on how to break into the industry and get their music in front of decision-makers.

BMI also provided a diverse array of virtual promotional opportunities for our affiliates. We developed a video project called *She Is the Conversation*, in partnership with She Is the Music, an organization dedicated to increasing opportunities for women in the industry. *She Is the Conversation* premiered on BMI's website with five inspiring conversations among songwriters, artists, publishers and producers sharing their experiences and perspectives on driving meaningful change and creating greater visibility for women in the music industry. Participants included Ingrid Andress, Lara Andersson, Kara Dioguardi, Rissi Palmer, Tayla Parx, Alison Russell, Carmen Reece, Jin Jin, Justin Tranter and Katie Vinten. In addition, our exclusive video series, *Speaker Sessions*, featured top songwriters such as Julia Michaels, Jason Evigan and others sharing their creative journeys and offering tips and inspiration to up-and-coming writers.

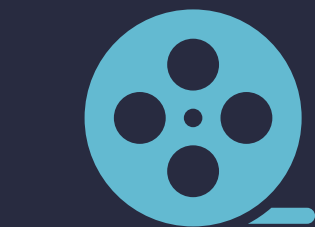
In collaboration with BMI's Digital Licensing team, BMI's Creative team was able to offer special opportunities that benefited the songwriting community, including placement on official playlist programs on major streaming services. During the year, the teams secured Apple Songbooks, Pandora Stories and Behind the Boards with Gary Kemp, Arlo Parks, Linda Perry, Ender Thomas, and many others.



BMI IS THE
FIRST PRO TO HIT
200,000
INSTAGRAM
FOLLOWERS



28%
INCREASE IN
BMI YOUTUBE
SUBSCRIBERS



BMI COMPOSERS SCORED
54%
OF THE TOP 50 FILMS
OF THE PAST YEAR

SPONSORSHIPS & PARTNERSHIPS

BMI's Partnerships & Events team had a productive year working closely with BMI's Creative department, successfully adapting in-person events to the virtual space. In partnership with Taylor Guitars and Shure Microphones, BMI created a new video series, "My #1 Moment," which offers a behind the scenes look into the world of professional songwriting, with some of BMI's biggest hitmakers across genres discussing their first #1 and the song's path from inception to major hit. The series featured Ben Burgess, Devin Dawson, Michael Hardy, Scotty McCreery, Randy Montana, and many more, with total series views exceeding one million.

In partnership with Pinnacle Financial, BMI's #1 Parties, which are traditionally held at the BMI Nashville offices, transitioned to delivery of the #1 cup along with a donation made in the songwriter's name to the charity of their choice. The #1 celebrations continued on BMI's social media channels, recognizing country stars such as Jason Aldean, Luke Bryan, Eric Church, Miranda Lambert, Jake Owen and Blake Shelton, among others.

BMI also partnered with Beasley Media Group and HD Radio to celebrate the 100-year anniversary of the first commercial radio broadcast with a campaign called *One Hundred Years of Radio – 100 Years of Hitmakers*. Top BMI songwriters across genres shared the stories behind the lyrics and their song's path from the writing room to an international hit. The series featured 24 BMI affiliates and was promoted across Beasley, BMI, and HD Radio's digital and social media platforms where it earned over 17 million impressions, with audio content played on 33 stations on Beasley's radio network.

In addition to those mentioned above, we would like to thank all of our partners, including High Brew Coffee, PNC Financial, Samuel Adams, SunTrust Bank, Texas Music Office, Texas Roadhouse Holdings, Tito's Vodka and Topo Chico for their ongoing support.

INTERNATIONAL

The unmatched appeal of the BMI repertoire generated tremendous performances globally. Some of the most-performed songs internationally included "Mood," "Midnight Sky," "Rain on Me," "Dynamite" and "Love Not War," written by dynamic BMI songwriters including 24kGoldn, Miley Cyrus, Lady Gaga, Jessica Agombar, David Stewart and Jason Derulo, respectively. Other hitmakers who continued to contribute to BMI's international success included Ian Kirkpatrick, Ali Tamposi and Omer Fedi, while classic hits from the BMI repertoire such as "Stand By Me," "Daydream Believer," "Higher Love," "Billie Jean" and "I Will Always Love You" continued to resonate with worldwide audiences.

BMI's outstanding composers also created exceptional music for films and series that captivated global viewers, including *Soul* (Atticus Ross), *Tenet* (Ludwig Göransson) and *Croods: A New Age* (Mark Mothersbaugh), to name just a few. Other projects that enjoyed massive global audiences across audiovisual platforms included *Avengers: Endgame* (Alan Silvestri), *Joker* (Hildur Guðnadóttir), *Aladdin* (Alan Menken) and *Frozen 2* (Kristen Anderson-Lopez and Robert Lopez), among many others. Fan-favorite television and cable series such as *NCIS*, *Sportscenter*, *Law & Order: Special Victims Unit*, *Hawaii Five-O*, and *Game of Thrones* remained top exports around the world.

In an increasingly global music landscape, BMI is well prepared to continue serving our affiliates who deliver the world's most creative, innovative and recognizable repertoire.

REVENUE

PERFORMANCE

BMI drove revenue to record-setting levels this year, despite the continued impact of the global pandemic, generating an unprecedented \$1.409 billion for the fiscal year ended June 30, 2021, an increase of \$98 million, or 7%, over the previous year. Due to new ASC 606 accounting guidance, adopted by BMI in fiscal year 2021 and explained further below, BMI will report that number as \$1.361 billion. For the sixth consecutive year, BMI's historic results represent the most public performance revenue reported by any music rights organization in the world. This achievement demonstrates the unmatched strength of the BMI repertoire and the increasing value of the BMI license across categories.

The ASC 606 accounting guidance modified BMI's revenue recognition policies. As a result, any revenue earned by BMI in a previous fiscal year, but that was collected and distributed in the current fiscal year, does not factor into the final reported revenue total. This new accounting guidance primarily affected digital and international revenues and had no impact on the \$1.335 billion that BMI distributed and administered to its affiliates this year. The fiscal year 2021 numbers below reflect the new ASC 606 accounting guidance, unless noted, while prior period amounts continue to reflect historically reported revenue totals.

BMI's continued strategic focus on building a diversified revenue portfolio enabled the Company to reach new milestones that resulted in our record performance. Phenomenal growth in the Digital sector offset declines across Media Licensing and General Licensing due to the pandemic. Notably, BMI surpassed \$1 billion in domestic revenue for the first time. Revenue from digital sources totaled \$448 million, up \$144 million, or 47%, compared to last year. BMI is reporting this number as \$423 million, per ASC 606 accounting guidance.

Total domestic media licensing revenue totaled \$469 million, an 11% decline from the prior year. Due to ASC 606 accounting guidance, BMI will report this number as \$472 million. Of this, cable and satellite-delivered income remained the largest contributor, coming in essentially flat to last year at \$269 million. Radio posted a \$50 million decline year-to-year, due to a combination of the ongoing impact of the pandemic on advertising and the one-time retroactive payment included in last year's radio total that resulted from BMI's rate court settlement with the industry. Broadcast television came in at \$95 million, down 6% from last year. General Licensing, along with other income, was down 2% year-to-year for a total of \$127 million. This category, which saw a 23% decline last year, is starting to

rebuild as businesses continue to reopen across the country. Powered by the strength of the Company's repertoire, BMI's international revenue totaled \$365 million, a \$15 million, or 4%, increase over last year, though the reported number under ASC 606 accounting guidance is \$339 million.

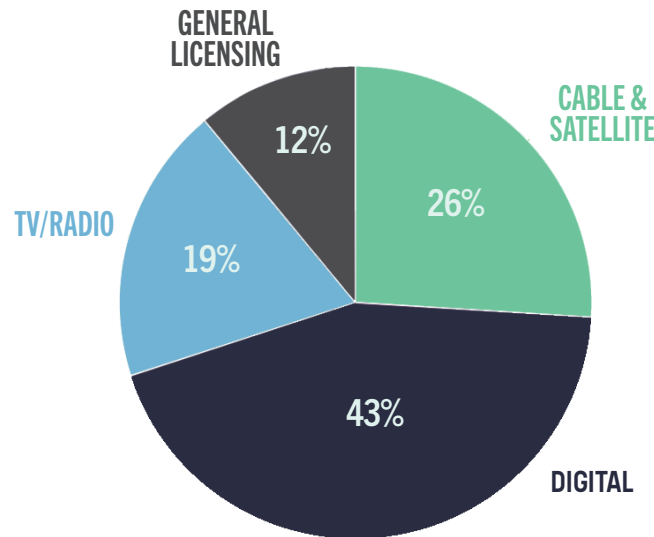
DIGITAL

BMI has the highest market share in the U.S., which resulted in our industry-leading performance in this category. Revenue from digital sources totaled an impressive \$448 million, though as noted above, that number under ASC 606 accounting guidance is \$423 million. BMI's Digital Licensing team ensures that our affiliates are compensated in all aspects of digital usage of their creative work, with licenses in place wherever their music is being performed. To that end, this year BMI continued diversifying into new digital categories, licensing a high volume of virtual concerts and virtual events, including many online concert services that launched during the pandemic. The team also formed productive new relationships with up-and-coming services, as well as services that are expanding their use of music. For instance, this year, BMI signed its first agreement with the juggernaut video game, Fortnite. As these services begin to intentionally integrate music into their platforms, BMI is at the forefront leveraging new licensing opportunities.

Revenue from digital audiovisual sources showed a massive increase this year due to new agreements with FAST (free ad supported TV) services such as XUMO, STIRR, and Samsung, the strong growth of subscription video-on-demand services including Disney+, Netflix, and Hulu, as well as the proliferation of direct-to-streaming film premieres on services such as Apple, Amazon, Disney+, FandangoNOW, and YouTube. Our digital partners continued to

BMI SURPASSED \$1 BILLION IN DOMESTIC REVENUE FOR THE FIRST TIME DUE TO PHENOMENAL GROWTH IN THE DIGITAL SECTOR.

FY21 DOMESTIC REVENUE SOURCES



expand their market reach, and as a result, BMI entered into renewed agreements with Amazon and Apple across their suite of online services. In addition, BMI extended agreements this year with Spotify and Pandora.

MEDIA LICENSING

Revenue from cable and satellite-delivered sources totaled \$269 million, the largest portion of domestic Media Licensing. Per ASC 606 accounting guidance, BMI will report this number as \$272 million. This category sustained its performance during a full fiscal year impacted by the pandemic. Notably, the Company renewed our agreements with Univision and A&E network. On the TV/Radio front, BMI was pleased to extend our licenses with NBC and ABC. As broadcasters have expanded into digital services, such as Peacock and Hulu, BMI has licensed these new digital platforms, strengthening our core business with our broadcasting and cable partners while augmenting our digital portfolio.

GENERAL LICENSING

General Licensing revenue, and other income, came in at \$127 million. Throughout the year, BMI worked closely with our licensees that were impacted by the pandemic. From bars and restaurants, to fitness establishments, and beyond, BMI proactively responded to the changes in music usage by our customers

and ensured continuity of coverage during this period. Though slow, BMI is starting to see growth once again in the General Licensing category as businesses continue to reopen across the country. Notably, as part of BMI's efforts to reignite live music in bars and restaurants, the Company started a partnership with online music marketplace Gigmor, which is off to a strong start. Additional information about Gigmor and other initiatives BMI took to

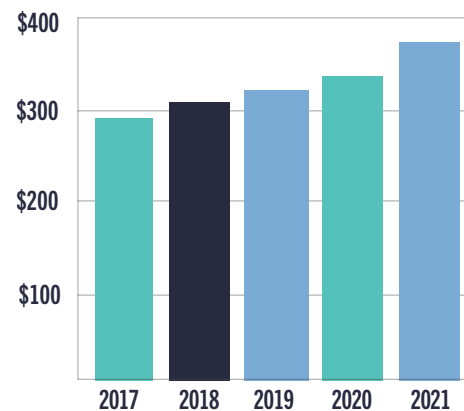
support our licensing customers is available in our "U.S. Customer Relations & International Society Outreach" section.

INTERNATIONAL PERFORMANCE

The worldwide popularity of the BMI repertoire resulted in international revenue coming in at \$365 million, however, due to the previously mentioned ASC 606 accounting guidance, our reported total is \$339 million. During the first half of this year, we continued to collect foreign revenue from performances prior to the pandemic. Starting in January of 2021, we began to see the impact of lockdowns across several key revenue categories that rely on the public performance of music, such as live concerts, General Licensing and cinema. Offsetting these declines, BMI saw significant growth in the digital audiovisual category, with services such as Netflix and others launching in new territories, while music streaming remained stable.

Western Europe continued to be the top earning region, as digital and pan-territorial collections grew. Streaming revenue from Spotify, Google, Apple, and YouTube continued to significantly contribute to digital revenue, while digital audiovisual sources such as Netflix and Amazon Prime gained momentum. The launch of Disney+ and other regional digital audiovisual sources will contribute to an anticipated increase in this category's growth in the next fiscal year.

TOTAL INTERNATIONAL REVENUE (MILLIONS)



*International revenue total is reported as \$339 million under ASC 606 guidance.

U.S. CUSTOMER RELATIONS AND INTERNATIONAL SOCIETY OUTREACH

BMI continued to reinforce our trusted partnerships with state and national associations this year, as they continued their critical outreach to assist their memberships during this difficult time. The Company maintained our tradition of bringing together customers with songwriters, this time in a virtual format, as our partners pivoted to produce online events. BMI affiliates were featured in 42 virtual events across industries, highlighting the mutual value music creators and businesses provide to each other. Notably, BMI's entire Licensing team held multiple sessions with several of our trade association partners to learn how our licensees in the restaurant, hotel and fitness industries were doing during the pandemic and what we could do to help support them. These meetings resulted in meaningful dialogue that informed BMI's actions to assist our business community. In addition, BMI strengthened our relationships with our international society partners, increasing communication and support as their operations were challenged by the ongoing global pandemic, with a shared focus on serving creators and copyright owners around the world.

ASSOCIATION PARTNERSHIPS

Legendary BMI television composer Mike Post highlighted the NAB Sales & Marketing TV Exchange last October by sitting down for a one-on-one online interview that gave executives insight into how he became the most successful composer in TV history. Post told the stories behind some of the iconic themes he wrote for shows such as *Law & Order*, *NYPD Blue*, *The Rockford Files*, *LA Law* and *Hill Street Blues*. In his 50-year career, the award-winning BMI composer has written the music for more than seven thousand hours of TV. The NAB SMTE attracts TV sales executives and general managers from markets ranked 50 and above, who gather annually to learn about strategies to grow their stations' revenue in creative ways.

GRAMMY-winning BMI songwriter Lisa Loeb joined the California Hotel & Lodging Association's Stars of Industry Awards show last November by performing virtually at the pre-show reception for an audience of hotel owners and executives from across the state. Loeb performed several of her hits, including the platinum-selling #1 smash, "Stay," from the film *Reality Bites*. The Dallas native was the first pop musician to have a #1 single while not signed to a recording contract. She followed that remarkable feat with several hit singles and six albums, two of which certified gold. The CH&LA honored 14 hospitality leaders and three outstanding properties during its annual Stars of Industry Awards.

In March, BMI partnered with the Florida Restaurant & Lodging Association on a special virtual concert that paid tribute to the state's hospitality industry. Florida restaurant, hotel and resort owners and executives gathered to watch the virtual performance live streamed from a studio in Nashville. Country hitmaker Easton Corbin performed his #1 songs "Roll With It" and "A Little More Country Than That," showing his appreciation for the support he has received from Florida venues as many of them have continued to feature live music during the pandemic. FRLA President & CEO Carol Dover addressed the audience along with Florida State Senate President Wilton Simpson. BMI awarded Dover with a gold record in 2019 for her longtime support of BMI songwriters.

BMI singer/songwriter Marc Scibilia was the featured entertainment at this year's Alpha Media general manager meeting also held in March via Zoom. Scibilia performed songs from his recent album *Seed of Joy*, which he recorded in his home studio during the pandemic, treating the radio executives to his own acoustic version of "Unforgettable," a song that he collaborated on with German DJ Robin Schulz. Certified



BMI SONGWRITER MARC SCIBILIA WITH BMI'S DAN SPEARS AND ALPHA MEDIA CEO BOB PROFFITT BEFORE HIS PERFORMANCE AT THE ALPHA MEDIA GM MEETING.



BMI SONGWRITER EASTON CORBIN PERFORMS A LIVE STREAMED CONCERT FOR MEMBERS OF THE FLORIDA RESTAURANT & LODGING ASSOCIATION.

Gold, the song has received more than 70 million streams on Spotify. Alpha Media owns or operates 207 radio stations and more than 200 websites serving 44 markets across the US.

In April, the National Restaurant Association's annual Public Affairs Conference went virtual and featured an intimate interview and performance by BMI songwriter Sam Harris of X Ambassadors. The band's lead singer shared stories of the time he spent working in the restaurant industry, while providing some insight into what his life has looked like during the pandemic. Capping off the Q & A session, Harris delivered an acoustic performance of some of the group's biggest hits, including "Renegades" and "Unsteady." The public affairs conference is attended by state association executives and restaurateurs from all 50 states who gathered to hear from political analysts, industry leaders, and lawmakers on key issues impacting the restaurant industry.

In addition, as part of BMI's efforts to help bring live music back to bars and restaurants, the Company entered an exclusive partnership with Gigmor, a live music marketplace where businesses can find, book and pay musicians and bands. A pilot program was launched in Florida, Massachusetts and Texas, where BMI worked with the state restaurant associations to invite local businesses to participate. The Company looks forward to evaluating the success of the program and determining whether to expand it nationwide.

Moreover, BMI developed a webinar in partnership with the Council of State Restaurant Associations, Texas Restaurant Association and Florida Restaurant & Lodging Association discussing how to safely bring live music back, which was well received. The Company also produced a video highlighting the relationship between the General Licensing community and the songwriters who they help support. The video's intent is to share a "thank you" directly from BMI songwriters to licensing customers, "small business owner to small business owner," and also serves to illustrate where licensing fees go, underscoring BMI's

commitment to educating the market about the benefits music adds to businesses.

INTERNATIONAL SOCIETY OUTREACH

BMI's International team amplified its support to our sister societies around the world as their operations were challenged by the ongoing pandemic, particularly in public performance categories such as live concerts, cinemas, and the general licensing of pubs, restaurants, hotels, salons, and other venues where music is publicly performed. Throughout the pandemic, our sister societies turned to BMI as a trusted partner to assist in litigation support and ongoing assessment of the pandemic impact in the U.S. In parallel, the International team developed and utilized a predictive tool to highlight revenue risks by region, which enabled us to assess the needs of our sister societies and prioritize our outreach action. This is an ongoing process that will lead to a more comprehensive database of crucial information that will guide our work with our overseas partners.

In addition, BMI actively engaged in consistent and meaningful communications with our sister society network, including our attendance at regularly scheduled online CISAC Regional Committee meetings focused on Latin America, Asia, and Europe. The team also participated and took leadership roles in virtual Media and Business Technical committees and working groups, so as to ensure BMI affiliates were accurately compensated in a timely manner for the worldwide use of their music. BMI also conducted virtual technical visits with a broad variety of sister societies, covering topics such as the evolving impact of COVID-19 on local licensing, economic forecasts, and growth in digital services. These online sessions enabled BMI to proactively engage with more societies than usual and generated a more nuanced economic understanding of each region. Throughout the year, BMI and our sister societies learned more about each other and developed an even deeper commitment to candor and information exchange, while strengthening the reciprocal service we provide to one another.



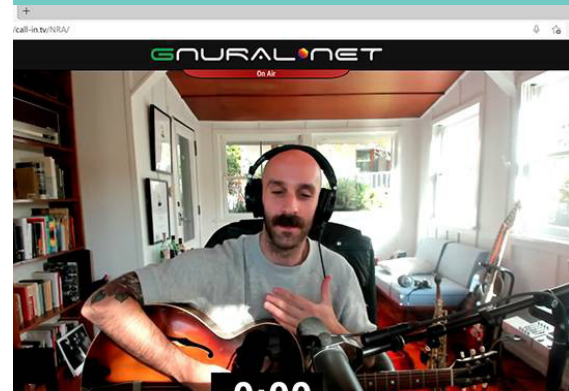
BMI SONGWRITER LISA LOEB PERFORMS AT THE CH&LA STARS OF INDUSTRY AWARDS.



RANDY BACHMAN OF THE GUESS WHO AND BTO PERFORMS AT THE NRA SPRING BOARD MEETING.



LEGENDARY BMI TELEVISION COMPOSER MIKE POST TAKES CENTER STAGE AT THE NAB CONFERENCE, WITH INTERVIEWER MIKE STEINBERG.



BMI BRINGS X AMBASSADORS FRONTMAN SAM HARRIS TO THE 2021 NRA PUBLIC AFFAIRS CONFERENCE

PROTECTING THE FUTURE OF MUSIC

BMI advanced our legal and legislative agenda this year, continuing to advocate on behalf of our affiliates to safeguard their livelihoods and protect the profession of songwriting. The Company has long championed the modernization of our consent decree, and this year the U.S. Department of Justice (DOJ) rendered its decision and provided clarity on the future of our decree. In addition, as we faced the second year of the global pandemic, BMI was once again highly engaged in Washington, D.C. to ensure that lawmakers understood the pressing need for music creators to be included in federal COVID-19 relief packages. Further detail on the DOJ outcome, BMI's successful legislative efforts and other key initiatives is outlined below.

DEPARTMENT OF JUSTICE UPDATE

After initiating a review of the BMI and ASCAP consent decrees two years prior, in January of 2021 the DOJ formally concluded its review, taking no action to modify or terminate the decrees but leaving open the possibility of changes in the future. This marked the conclusion of the second of two separate reviews of the BMI and ASCAP consent decrees by two different DOJ administrations over the past eight years.

To recap, in 2019, the DOJ initiated a review of the PRO consent decrees as part of its broader effort to examine many of the nation's oldest decrees and seek termination of those that

no longer served their intended purpose. While we believe our affiliates deserve to have their creations valued in the free market, we heard the concerns of many of our licensees and joined with ASCAP in an attempt to put forth a proposal to the DOJ and the industry that would facilitate a thoughtful transition to the free market while avoiding potential chaos in the marketplace.

However, it unfortunately became clear that reaching an industry consensus on how to modify the decrees would not be achievable. Some were using the DOJ review to advocate for even greater restrictions in the PRO decrees, either for their own benefit or in an effort to regulate the marketplace as a whole through the BMI and ASCAP decrees. BMI was also concerned that any DOJ action to modify the decrees without industry consensus could lead to even more damaging outcomes, such as a legislative fight in Congress to implement compulsory licensing, or to seek the undoing of BMI's victory in confirming the industry-wide practice of fractional licensing. As a result, while it would have been gratifying to see the decrees modernized and put on a path to eventual termination, the status quo is better than an outcome that would be harmful to our songwriters, composers and publishers.

Importantly, the Company was encouraged to see how the DOJ's approach to these issues had evolved over the years. Several pivotal statements were made in the DOJ's closing remarks, all points which BMI has long

championed: Songwriters are the backbone of the music marketplace and must be paid fairly; blanket licensing is incredibly efficient; ASCAP and BMI are innovating to serve the needs of the industry; greater competition, rather than compulsory licensing, is the answer; and the value of music is best decided in the free market. These remarks are promising in terms of the DOJ's approach to these issues moving forward.

We were buoyed by the DOJ's comments that new market developments could drive a new review of the PRO decrees in the future. However, with the conclusion of the DOJ's latest review, BMI is putting this matter behind us for the near future and continuing to focus on championing the rights of our songwriters, composers and publishers, protecting the value of their creative work, and partnering with our licensees to help ensure music is delivered to the public.

RATE COURT ACTIONS

BMI's rate court action against the North American Concert Promoters Association (NACPA) continues, as BMI seeks rates for live concerts that more fairly reflect the value our affiliates' music brings to the U.S. live concert industry and are more in line with global models. This ongoing matter is scheduled to proceed to trial in early 2022. While BMI is always hopeful that both parties can reach



a satisfactory resolution before proceeding to litigation, BMI is currently preparing for trial.

LEGISLATIVE UPDATE

BMI intensified our efforts on Capitol Hill this year to seek the protections and assistance needed by creators whose livelihoods were impacted by the pandemic. The Company worked with many in the music industry throughout the summer and fall of 2020 to ensure lawmakers understood the contributions of creators and copyright owners to our economy and culture. On December 27, 2020, then-President Trump signed into law a \$900 billion pandemic relief package designed to aid small businesses, unemployed Americans, health care workers, and many others affected by the pandemic. This bipartisan legislation was an important step in addressing some of the needs of music creators and extended several key provisions

established in prior relief packages that specifically helped the creative community. These included economic impact payments, unemployment insurance provisions, paycheck protection program (PPP) funding, and new copyright owner protections. BMI also joined with other music organizations in petitioning Congress regarding the Save Our Stages Act, which ultimately was included in the 2020 stimulus package and provided billions in funding for SBA grants for live venues and cultural institutions.

As the crisis continued to challenge the nation, on March 21, 2021, President Biden signed a \$1.9 trillion pandemic relief package called the American Rescue Plan Act of 2021, offering support to many individuals economically impacted by the pandemic, including music creators, copyright owners, and other small

businesses. This vital legislation once again extended important provisions that helped songwriters and composers, such as direct payments, unemployment insurance extensions, unemployment insurance taxation, as well as the shuttered venue operators grant program and targeted economic injury disaster loan grants, which aim to help small businesses. BMI was pleased with both pandemic relief packages that included several beneficial provisions for the creative community. The Company will continue our efforts on Capitol Hill on behalf of our affiliates to ensure their collective voice is amplified during this difficult time.

U.S. COPYRIGHT OFFICE UPDATE

In September of 2021, Librarian of Congress Dr. Carla Hayden appointed Shira Perlmutter as the new United States Register of Copyrights. Register Perlmutter's experience and extensive background in copyright law and policy guided the office during this time of continuous change, including the ongoing threats to our creators and copyright owners. BMI visited the U.S. Copyright Office this year to meet with Register Perlmutter and champion the importance of protecting the value of our affiliates' musical works. We look forward to continuing to work together with the Copyright Office to promote the creation and delivery of music to the benefit of the American public.

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DECREES MODERNIZED AND PUT ON A PATH TO EVENTUAL
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”

DISTRIBUTION AND ADMINISTRATION

BMI had unmatched royalty distribution success this year due to our extraordinary affiliates delivering the world's most performed music. The Company distributed and administered a landmark \$1.335 billion to our songwriters, composers and publishers, \$102 million more than last year. This figure is comprised of \$1.250 billion in traditional distributions, plus \$85 million in distributions as a result of direct deals that BMI administers on behalf of its publisher and digital service provider (DSP) clients. Our results reflect the highest reported public performance royalty distributions of any music rights organization in the world.

Throughout the year, BMI strengthened our efforts to mitigate the financial impact of the pandemic on our creative community, taking several effective measures. We continued to distribute royalties earlier than scheduled in September of 2020, as we did for two quarters last year, in an effort to help support our affiliates. In addition, in January of 2021, BMI distributed retroactive royalties attributable

to the performance years 2017-2019 which were produced by the settlement agreement between BMI and the Radio Music Licensing Committee (RMLC). Notably, despite the global pandemic, BMI's June 2021 distribution was the largest in the Company's history.

This year, BMI also introduced a new distribution schedule to better serve our songwriters, composers and publishers. Starting in 2022, our quarterly distributions will occur every three months so that there is one distribution per calendar quarter. Moreover, payments will be slightly accelerated, meaning affiliates will receive their royalties about one month faster from performance to payment. In order to transition to this new schedule in 2022, BMI will include a one-time fifth distribution this year in November of 2021 consisting of royalties which would typically have been paid out in January of 2022. Our hope is that this additional distribution maximizes 2021 royalties for our affiliates during this difficult time.

In response to a growing industry need to provide greater transparency around copyright ownership shares, BMI, along with ASCAP, successfully launched the initial phase of Songview in December of 2020. The comprehensive data platform provides a combined authoritative view of copyright information for over 20 million musical works in the BMI and ASCAP repertoires, featuring an accurate and reliable breakdown of song ownership shares and other key data. We are continually updating the platform as new song data becomes available and are exploring the potential of future phases. More detail about this project is available in our "Technology" section.

This year, BMI processed 1.98 trillion performances, up 13% over last year. Of that total, 1.95 trillion were digital plays, highlighting the ongoing exponential growth of the digital sector, especially on audio streaming and audiovisual platforms. BMI also processed 118,000 applications and agreements for new songwriters, composers and publishers, nearly 20% more than the year prior. As a result, BMI's membership increased by 11%, bringing our new total number of BMI affiliates to 1.2 million. We also saw our number of works licensed increase by 10% from last year, with BMI's new total number of licensed musical works now 18.7 million.

Additionally, BMI's Distribution and Technology teams collaborated on continued improvements to our internal identification systems by moving systems and processes to the cloud environment. BMI's Distribution team was also involved in systems analysis to identify system upgrades that will enable performances to be processed more quickly. Further information about these projects is available in the "Technology" section.

Throughout the year, BMI enhanced our service to better serve our affiliates and provide stability through their performance royalties. Looking ahead, BMI will continue to augment our systems and processes to meet the evolving needs of our creative community.

FY21
NUMBER OF AFFILIATES
\$1.2 MILLION



NUMBER OF
LICENSED MUSICAL WORKS
18.7 MILLION



TECHNOLOGY

BMI's technological capabilities are at the core of the service we deliver to our affiliates and licensees, and this year we continued to make advancements to our infrastructure, systems, and operating processes to align with industry growth. During the year, BMI managed more information than ever before from an increasing number of diverse and complex sources. Digital performances remained the fastest growing segment, and we continued to make data volume improvements to keep up with the exponential increases in this category.

BMI's Technology team strengthened its ongoing focus on facilitating reliable and consistent royalty distributions. Extensive work in this area included putting new processes into place to optimize consistent outcomes, as well as the ongoing migration to new system platforms which will require less manual intervention. Another key priority was accelerating the move of our systems off the mainframe and associated platforms into the cloud, which reduces costs and maximizes maintainability.

In December of 2020, BMI delivered the first phase of Songview, the cloud-based comprehensive data platform that provides music users with an authoritative view of copyright ownership and administration shares in the vast majority of music licensed in the U.S. Songview technology allows BMI and ASCAP to seamlessly display an agreed-upon view of detailed, aggregated and reconciled ownership data for performing rights for more than 20 million musical works in our combined repertoires, including a breakdown of shares by each PRO.

Consolidating information for millions of musical works from hundreds of thousands of songwriters and publishers across two different technological platforms was a complex cross-departmental and cross-company effort, requiring tens of thousands of development hours. An entirely new reconciliation system was built from the ground up, offering greater data transparency and accessibility to music users and beyond. The initial phase of Songview has garnered positive industry feedback and we look forward to making continued enhancements to the platform.

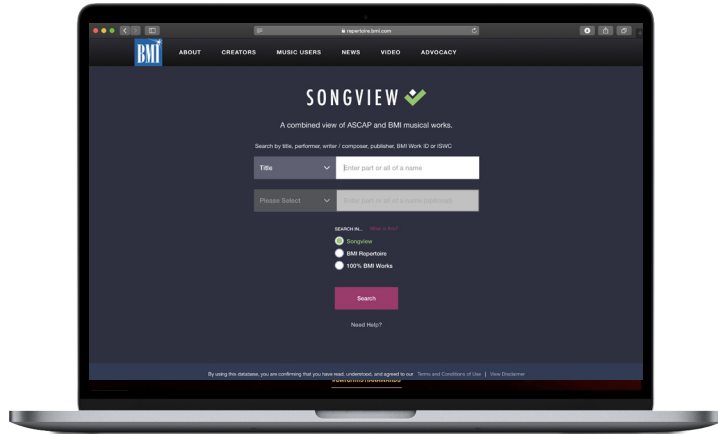
The first version of BMI's Enterprise Identification System was completed last year, and we subsequently moved multiple digital service providers (DSPs) into the cloud. Moreover, BMI is working on an extension of the Enterprise Identification System, a digital audiovisual matching system, in keeping with the ongoing direction of the industry.

The Technology team also continued to work on WPA, our new copyright administration system, which will be faster and more flexible than our legacy copyright administration system.

BMI is also embarking on developing a new Company intranet, which is a cross-departmental effort among teams, including Technology, Corporate Communications & Marketing, and Human Resources. This spring, BMI's Technology team entered the discovery phase and began researching and planning for this project. We anticipate an early 2022 launch for the new intranet, which will offer BMI team members an intuitive, engaging and useful user experience.

System and network security remained a top priority for the Company this year. As part of a security initiative, BMI's Technology team rebuilt 200 servers, a significant undertaking requiring joint efforts across the department.

“
DIGITAL PERFORMANCES REMAINED THE FASTEST GROWING SEGMENT. WE MADE DATA VOLUME IMPROVEMENTS TO KEEP UP WITH THE EXPONENTIAL INCREASES IN THIS CATEGORY.
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Importantly, BMI's security and response protocols include consistently tightening security on servers and networks to combat cyberattacks and ensuring that our network is monitored at all times to stay ahead of any potential threats.

INTERNATIONAL OPERATIONS TECHNOLOGY HIGHLIGHTS

BMI's International Operations and Technology Group (IOTG) has remained fully engaged in customizing BMI's alignment and interface with CISAC's new and modern ISWC (International Standard Musical Work Code) system launched in July 2020. This has produced many benefits to BMI, such as enabling BMI to remain first in overall data quality among all CIS-Net contributors, with 99.5% compliance with established international data standards.

The continued alignment with the ISWC system along with IOTG's active and close collaboration with BMI's Operations and Technology departments, have resulted in ISWC numbers playing a more significant role in the complex, dynamic, and seamless reconciliation of copyright information within Songview. The ongoing collaboration with internal projects

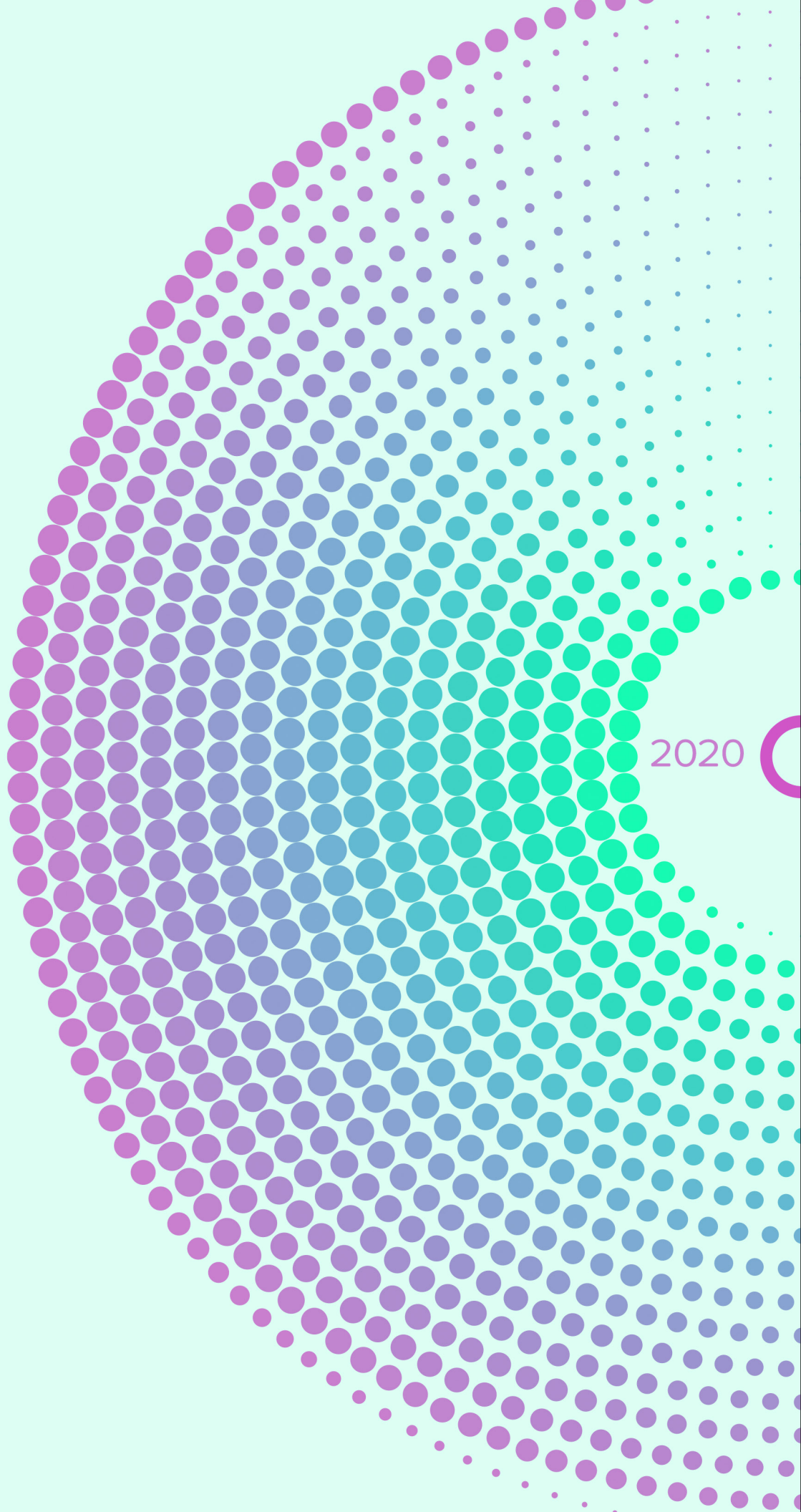
and external systems allows BMI to provide the music industry with the most accurate and transparent copyright information for the BMI repertoire in the U.S. through Songview, as well as globally via CIS-Net.

The continued growth and popularity of music genres across global borders and languages have posed new challenges to the tools and standards that support exchange of copyright information across the music industry. BMI's IOTG has been actively collaborating with the Asian Pacific Societies to scope and plan the necessary modernization of the CISAC tools and standards to support the exchange of non-roman alphabets in musical works, cue sheets and royalty distribution reports. The initiative aims to increase availability and accessibility of non-roman repertoire among various stakeholders by eliminating the technical barriers preventing the exchange of titles and names in alphabets such as Arabic, Chinese, Cyrillic, Greek, Hebrew, Japanese, Korean, Tamil, Thai, to name a few. Globally, BMI is looked upon as a thought leader in identification of musical works, and we are pleased to work together with our society partners in this effort.

During this unprecedented year, BMI leveraged technology solutions to improve business processes and services. Looking ahead, BMI will continue to innovate and deliver increasing value for our creative and business communities, now and into the future.







2020

