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Happy New Year from The MLC!

In this edition of the Member newsletter, we'll be recapping our first royalty distribution of 2022, discussing The MLC's data "snapshots" and highlighting the recent release of our 2021 Interim Annual Report. Let's get started!

JANUARY ROYALTY DISTRIBUTION RECAP



The MLC's first royalty distribution of 2022 was completed on January 14, and we started off the New Year with our largest distribution yet!

This month's distribution primarily covered newly reported usage that

took place in October 2021. The total of all royalty pools reported to The MLC for this cycle was **\$60.7 million**. We were able to match **83.5 percent** of that amount to songs currently registered in our database. After deducting royalties for usage covered by voluntary licenses maintained by DSPs with rightsholders, we collected approximately **\$54.5 million** in royalties and distributed over **\$38.5 million** to our Members. The remaining royalties still pending distribution break down as follows:

- \$10 million in royalties for uses we have not been able to match to registered works;
- **\$5.5 million** in royalties for shares of matched works that have not yet been registered (or claimed) by our Members; and
- \$460k in matched royalties that are on hold.

In addition, The MLC also distributed another **\$2.75 million** in royalties from previously unmatched or unclaimed uses that we were able to match – through reprocessing – to data submitted to us after we completed the initial distribution cycle for that usage. That strong number builds on our reprocessing efforts in 2021, which resulted in an additional **\$14 million** in royalties distributed to our Members.

The MLC distributed more than **\$280 million** in digital audio mechanical royalties to our Members in 2021 and in next month's Member newsletter, we will include a detailed recap

with additional metrics of The MLC's nine royalty distributions last year.

HISTORICAL UNMATCHED ROYALTIES UPDATE

As a refresher, while DSPs were required to transfer their historic unmatched royalties to The MLC early last year, they had until last summer to deliver all of the data files associated with those royalties – and those data files are the key to the work The MLC is now doing to try and match those royalties to works in our database. By the end of last summer, The MLC had received more than 4,000 data files from the 21 DSPs that transferred historic unmatched royalties. The MLC then began the methodical process of opening and ingesting each file, one-at-a-time, in order to determine the data each file contained, to identify and address any issues with the data, and then to prepare those files to be ingested into The MLC's internal systems. The MLC's goal was to complete this initial phase of the process by the end of last year. We're pleased to report that we were able to meet that goal for all but a handful of those files. (We are actively working with the relevant DSPs to resolve issues with under a dozen files.)

Read more



As part of our royalty distribution process, The MLC takes a "snapshot" of the musical works data in our database on or about the 10th day of each month. That snapshot is then used in our initial processing of the usage data we receive from DSPs for the previous month.

For example, The MLC will use the snapshot taken on February 10 to process usage that took place in January. The first time The MLC will then distribute royalties to Members associated with those uses will be in our April distribution (approximately 75 days after the end of January).

Why is this important for you? Changes or updates to your musical works data will not impact your royalties until they have been captured in the monthly snapshot we use to process the usage reports we receive from DSPs.

Learn more

INTERIM ANNUAL REPORT NOW AVAILABLE

The MLC has released its 2021 Interim Annual Report, which serves as a comprehensive overview of The MLC's first year of operations. This interim version of the report was compiled in advance of the full report due later this summer, at the request of the U.S. Copyright Office and it is comprised of several in-depth sections that cover:

- · How we manage the collection and distribution of digital audio mechanical royalties;
- The numerous ways in which we support and educate our Members;
- · All of the technology and tools developed by The MLC to-date; and
- Our plans for 2022 and beyond.

The report, which also includes a detailed summary of The MLC's finances and a rundown of key performance metrics from 2021, exemplifies our commitment to providing Members and the general public alike with full transparency regarding our work. We encourage all of our Members to take some time to review the Interim Annual Report, which can be found on the **Governance page of our website**.





The MLC Presents: Making Matches Makes You Money Tuesday, February 15 12 p.m. ET | 11 a.m. CT | 9 a.m. PT <u>Register Here</u>

Have you tried The MLC's Matching Tool yet? If not, we encourage you to join us for a webinar on February 15 for a detailed demonstration of the Matching Tool that will show you how to access it through The MLC Portal to easily search for and "link" unmatched sound recordings to your musical works.

View Upcoming Webinars

The Support Team Is Here For You!

The Support Team is available **Monday - Friday 8 a.m. - 8 p.m. CT**. Please note that The MLC Support Team will be **closed on Monday, February 21**.

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January 2022 Member Updates

Contact Support



The Portal Log-In

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