



Reservoir Commends U.S. Copyright Royalty Board Phonorecords III Ruling

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Copyright Royalty Board Upholds Increased Streaming Rates for Songwriters and Music Publishers, Denying Digital Service Providers' Appeal

NEW YORK, July 06, 2022 (GLOBE NEWSWIRE) -- Reservoir Media, Inc. (NASDAQ: RSVR) ("Reservoir" or the "Company"), an award-winning independent music company, today commended the U.S. Copyright Royalty Board's (CRB) long-awaited decision to uphold increased mechanical streaming royalty rates for songwriters and music publishers, retroactive to the beginning of 2018. In a ruling issued on July 1, 2022, the CRB reaffirmed raising the minimum statutory mechanical streaming royalty rates incrementally from 10.5% to 15.1% over the years 2018-2022, rejecting an appeal by several digital service providers (DSPs).

The 2018 rate increase was appealed in 2020 by a group of DSPs, including Spotify, Amazon, Google, and Pandora, causing a delay in its implementation, and withholding significant increased royalties that would have been paid to songwriters and music publishers through 2022.

The CRB III decision reinstates the 15.1% increase for the year 2022, and with this decision, the DSPs must now pay music publishers, including Reservoir, the previously withheld revenues. However, the decision overturned Total Content Cost and bundle definitions, reverting them to CRB II levels, both of which are more favorable for DSPs. CRB IV, which will address these issues and also determine mechanical streaming royalty rates for 2023-2027, is currently underway.

On the CRB III decision, Reservoir Founder and CEO Golnar Khosrowshahi said, "This marks a symbolic victory as much as a legal one, and is a hard-fought step toward fairly compensating songwriters, who are the foundation of the music industry. Reservoir strongly supports the court reaffirming their decision, and as both an independent music publisher and a board member of the National Music Publishers' Association, I remain steadfast in my commitment to advocating for songwriters. Thanks to the leadership of David Israelite and the team at the NMPA, I am hopeful that CRB IV will achieve additional and much-needed improvements that continue to level the playing field and address the pressing issues facing songwriters today."

NMPA President and CEO David Israelite added, "Songwriters and music publishers finally can receive the rightful royalty rates from streaming services that they should have been paid years ago. This process was protracted and expensive, and though we are relieved with the outcome, we have spent years fighting a broken system. As an industry, we move forward united as we press for even fairer rates and terms in the next CRB trial."

ABOUT RESERVOIR

Reservoir is an independent music company based in New York City and with offices in Los Angeles, Nashville, Toronto, London, and Abu Dhabi. Reservoir is the first female-founded and led publicly traded independent music company in the U.S. Founded as a family-owned music publisher in 2007, Reservoir has grown to represent over 180,000 copyrights and 36,000 master recordings with titles dating as far back as 1900 and hundreds of #1 releases worldwide. Reservoir holds a regular Top 10 U.S. Market Share according to Billboard's Publishers Quarterly, was twice named Publisher of the Year by Music Business Worldwide's The A&R Awards and won Independent Publisher of the Year at the 2020 and 2022 Music Week Awards.

Reservoir also represents a multitude of recorded music through Chrysalis Records, Tommy Boy Records, and Philly Groove Records and manages artists through its ventures with Blue Raincoat Music and Big Life Management.

Source: Reservoir Media, Inc.

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