

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **March 11, 2022**

RESERVOIR MEDIA, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-39795 (Commission File Number)	83-3584204 (I.R.S. Employer Identification No.)
75 Varick Street 9th Floor New York, New York (Address of principal executive offices)	(212) 675-0541 (Registrant's telephone number, including area code)	10013 (Zip Code)
N/A (Former name or former address, if changed since last report.)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	RSVR	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of common stock at an exercise price of \$11.50 per share	RSVRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒ x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

On March 11, 2022, Reservoir Media, Inc., a Delaware corporation (the “*Company*”), made available an investor presentation on its website at <https://investors.reservoir-media.com/>. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information contained in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), or otherwise subject to the liabilities of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing by the Company with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended, or the Exchange Act, unless the Company expressly sets forth by specific reference in such filing that such information is to be considered “filed” or incorporated by reference therein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1 104	Investor Presentation, dated March 11, 2022. The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

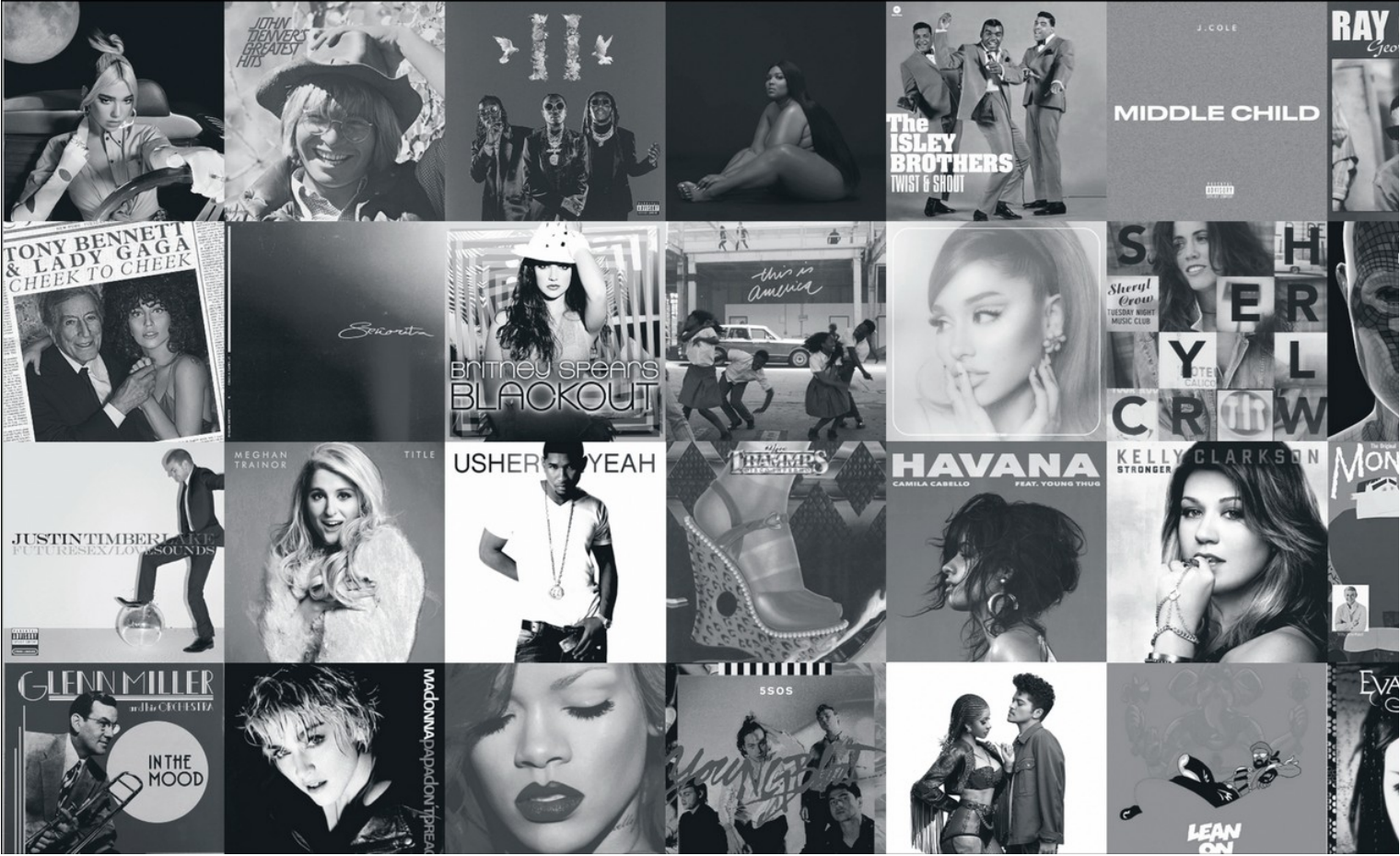
RESERVOIR MEDIA, INC.

Date: March 11, 2022

By: /s/ Golnar Khosrowshahi
Name: Golnar Khosrowshahi
Title: Chief Executive Officer

RESERVOIR

INVESTOR PR



DISCLAIMER

Forward Looking Statements

This presentation contains "forward-looking statements" for purposes of the safe harbor provisions under the U.S. Private securities litigation reform act of 1995, as amended. These forward-looking words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "seem," "seek," "future," "outlook," "model," "target," "goal," "plan," "possible," "potential," "predict," "will" or words of similar meaning that predict or indicate future events or trends or that are not statements of historical facts. These forward-looking statements may include, among other things, statements and results of operations, plans, objectives, strategies, beliefs, expectations and intentions with respect to, among other things, future opportunities for reservoir's business, growth initiatives landscape, prospective performance, revenues, products, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash and capital expenditures. Such forward-looking statements and expectations of reservoir's management and are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies.

Actual results, performance or achievements may differ materially, and potentially adversely, from any forward-looking statements and the assumptions on which these forward-looking statements are based. The information contained in this presentation is reflective of future results, performance and/or achievements to any degree. These forward-looking statements are provided for illustrative purposes only and should not be placed undue reliance on these forward-looking statements as a guarantee, assurance or prediction of future results, performance and/or achievements as these forward-looking statements are whether or not identified in this presentation, that are inherently subject to various significant risks, uncertainties, contingencies and other factors, many of which are difficult to predict and generally may be additional risks and other factors that reservoir does not currently know or that reservoir currently believes are immaterial that could also cause actual results, performance or achievements to differ from those contained in these forward-looking statements. Consequently, there can be no assurance that the actual results, performance and achievements anticipated in this presentation will be realized or, if realized, will have the expected consequences to, or effects on, reservoir. Additional information concerning these and other factors that may impact the business, prospects, financial condition and/or operations of reservoir can be found in reservoir's periodic reports or other filings with the SEC, which are available publicly on the SEC's website at www.sec.gov.

All information set forth in this presentation speaks only as of the date hereof or the date of such information, as applicable, and reservoir expressly disclaims any intention or obligation to update or revise any of the information contained in this presentation. These forward-looking statements should not be relied upon as representing reservoir's assessments as of any date subsequent to the date of this presentation. Accordingly, undue reliance should not be placed upon these forward-looking statements.

Financial Information; Non-GAAP Financial Measures

This presentation contains unaudited financial information of reservoir. The unaudited financial information has been prepared on the same basis as reservoir's audited financial statements and, in accordance with GAAP, reflects all adjustments necessary for the fair presentation of the unaudited financial information. However, the unaudited financial information contained in this presentation is preliminary and may be subject to change. Financial information may be adjusted or may be presented differently in periodic reports or other filings filed by reservoir with the SEC, and such differences may be material. In addition, past performance of future financial condition and/or results of operations and should not be relied upon for such reason.

This presentation also includes certain financial information, such as EBITDA or Adjusted EBITDA, that has not been prepared in accordance with United States generally accepted accounting principles. Management uses these non-GAAP financial measures to evaluate reservoir's operations, measure its performance and make strategic decisions. Reservoir believes that the use of these non-GAAP financial measures provides useful information to investors and others in understanding reservoir's results of operations and trends in the same manner as reservoir's management and in evaluating reservoir's financial measures as compared to other similar companies, many of which present similar non-GAAP financial measures. However, these non-GAAP financial measures are subject to inherent limitations as they reflect the results of operations and are not necessarily indicative of reservoir's performance and, therefore, should not be considered as a substitute for net income, operating income or performance measures calculated in accordance with GAAP. Using such non-GAAP financial measures in isolation to analyze reservoir's business would have material limitations because the determination of reservoir's management regarding the nature and classification of events and circumstances that you may find significant. In addition, although other companies in reservoir's industry use EBITDA or Adjusted EBITDA or similar measures, such non-GAAP financial measures may be calculated differently from how reservoir calculates such non-GAAP financial measures, which reduces their comparability. Because of these limitations, you should consider such non-GAAP financial measures alongside other financial performance measures and other financial results presented in accordance with GAAP in reservoir's audited and unaudited consolidated financial statements contained in its periodic reports or other filings with the SEC.

DISCLAIMER

Industry and Market Data

The information in this Presentation also includes information provided by third parties. None of Reservoir, its affiliates or any third parties, Reservoir or its affiliates, such as market research firms, guarantee the accuracy, completeness, timeliness or availability of any information or omissions (negligent or otherwise), regardless of the cause, or the results obtained from the use of such information. While such information is for informational purposes only, neither Reservoir nor any of its subsidiaries, stockholders, partners, members, affiliates, directors, or representatives or agents makes any representation or warranty with respect to the accuracy of such information.

No Offer or Solicitation

This Presentation is for informational purposes only and is neither an offer to sell or purchase, nor a solicitation of an offer to sell, purchase, recommendation or advice regarding, any securities in any jurisdiction. This Presentation has not been approved or recommended by the U.S. Securities and Exchange Commission (the "SEC") or any other federal or state securities commission or securities regulatory authority or other regulatory body or authorities or authorities passed upon the merits of, or the accuracy and adequacy of, any of the information contained in this Presentation. Any reliance on this information may constitute a criminal offense.

Trademarks, Service Marks and Trade Names

Reservoir and its affiliates own or have rights to various trademarks, service marks and trade names that they use in connection with the operation of their business. The Presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use of trademarks, service marks, trade names or products in this Presentation is not intended to imply a relationship with Reservoir or any of its affiliates or sponsorship by or of Reservoir or any of its affiliates. Solely for convenience, the trademarks, service marks and trade names referred to in this Presentation without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that Reservoir, its affiliates or any third parties own or have rights in these trademarks, service marks or trade names, as the case may be, are referenced herein will not assert, to the fullest extent under applicable law, their rights or the rights of their owners in these trademarks, service marks and trade names.

Additional information with respect to Reservoir may be found in its filings with the SEC available at the SEC's website at www.sec.gov or www.reservoir-media.com.

FIRST U.S.-BASED PUBLICLY TRADED INDEPENDENT MUSIC CO



- **Leading, diversified music publishing and recorded music business**
 - Vast collection of iconic hits across genre, geography, and time period
 - Focused on acquiring catalogs with hit songs and building portfolio diversification
 - Investing in frontline songwriters and artists with potential for success
 - Network of joint venture, administration and distribution partners worldwide
- **Highly accomplished, respected and award-winning platform**
 - Regular Top 10 U.S. Market Share ranking in Billboard's Publishers Quarterly
 - Most recently #10 with 0.81% market share for Hot 100 Songs in Q3 2021
 - Music Week Awards Independent Publisher of the Year 2020
 - Music Business Worldwide's "The A&R Awards Publisher of the Year" 2019 & 2017
 - 17 Songwriter Hall of Fame inductions
- **First female founded and led publicly traded music company in the U.S., led by Golnar Khosrowshahi**
 - Billboard's Women In Music Executive of the Year 2022
 - Billboard's Most Powerful Women in Music 2017, 2018, 2019, 2020
 - Billboard's Power List 2020, 2022
 - Supported by a highly experienced team of music professionals with decades of experience at major music companies such as Universal, Warner, and Sony

¹ Trailing twelve months ended 6-30-21

M
Publ
8

Key Fac

- NASD
- Marke
- Fiscal
- Share
- 140K+
- 36K+
- Office
Lond

COMPELLING INVESTMENT HIGHLIGHTS



Leading Independent Music Company with Proven Platform

- \$600m+ of invested capital since inception
- \$100m+ of that in futures spend with enhanced risk/return profile vs. traditional recorded music



Competitive Advantages & Value Enhancement Capabilities

- Value enhancement efforts lead to industry outgrowth
- Experienced creative team with stellar reputation among artists and key players in the music industry



Proven M&A Platform

- Strong track record, trusted partner to artist community and caretaker of legacy assets
- Deal pipeline includes 200+ potential targets worth over \$3B as of 12-31-21



Evergreen Catalog Contemporary Hit

- 140K+ copyrights and 36K+ hits
- 130+ active songwriters and producers
- 87% of publishing & 100% of Life of Copyright¹



Growing Industry, Powerful Secular

- Supported by rise of digital, streaming markets, and expansion of entertainment monetization platforms
- Music industry projected² to grow 10% through 2030

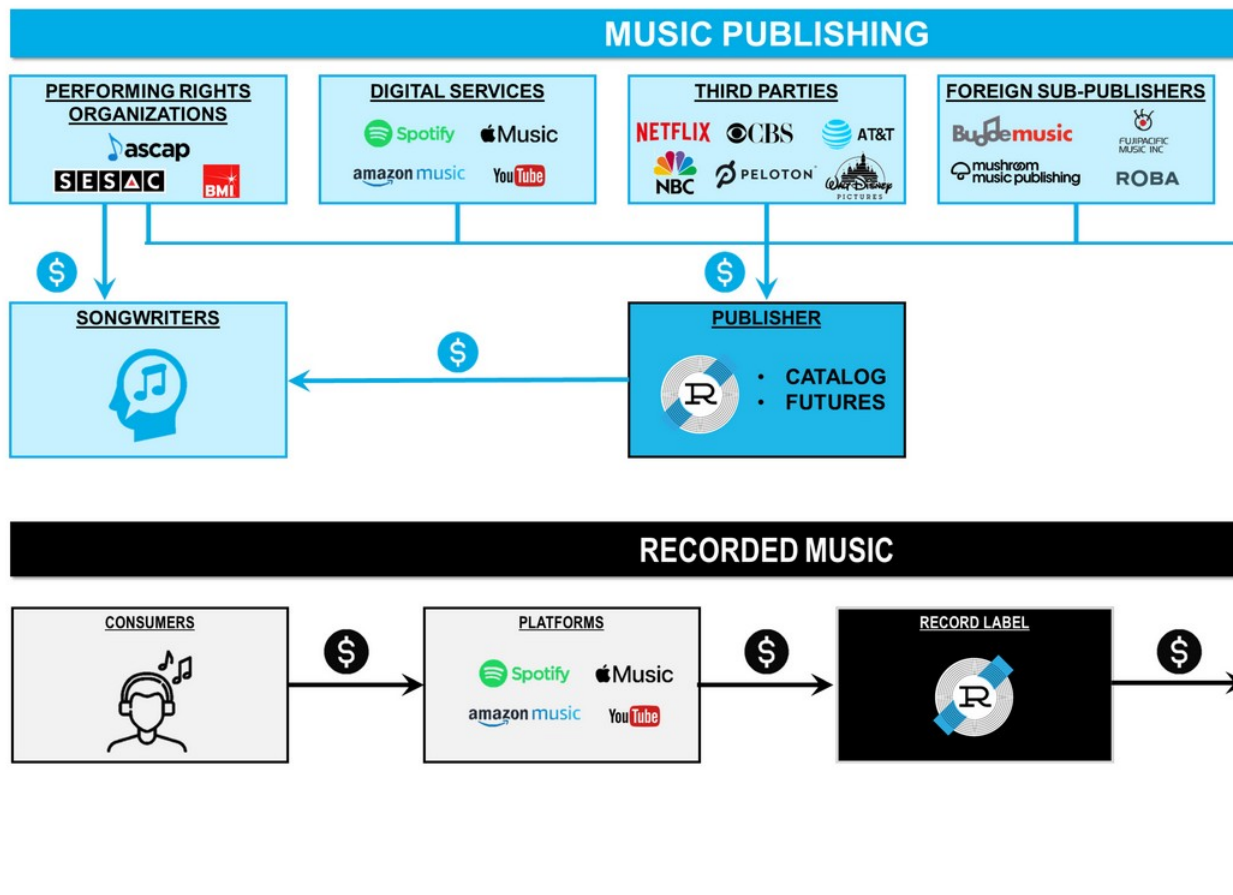


Strong Growth & Leverage Model

- Expected to outgrow music industry in projected FY2021-2025 CAGR
- Significant operating leverage

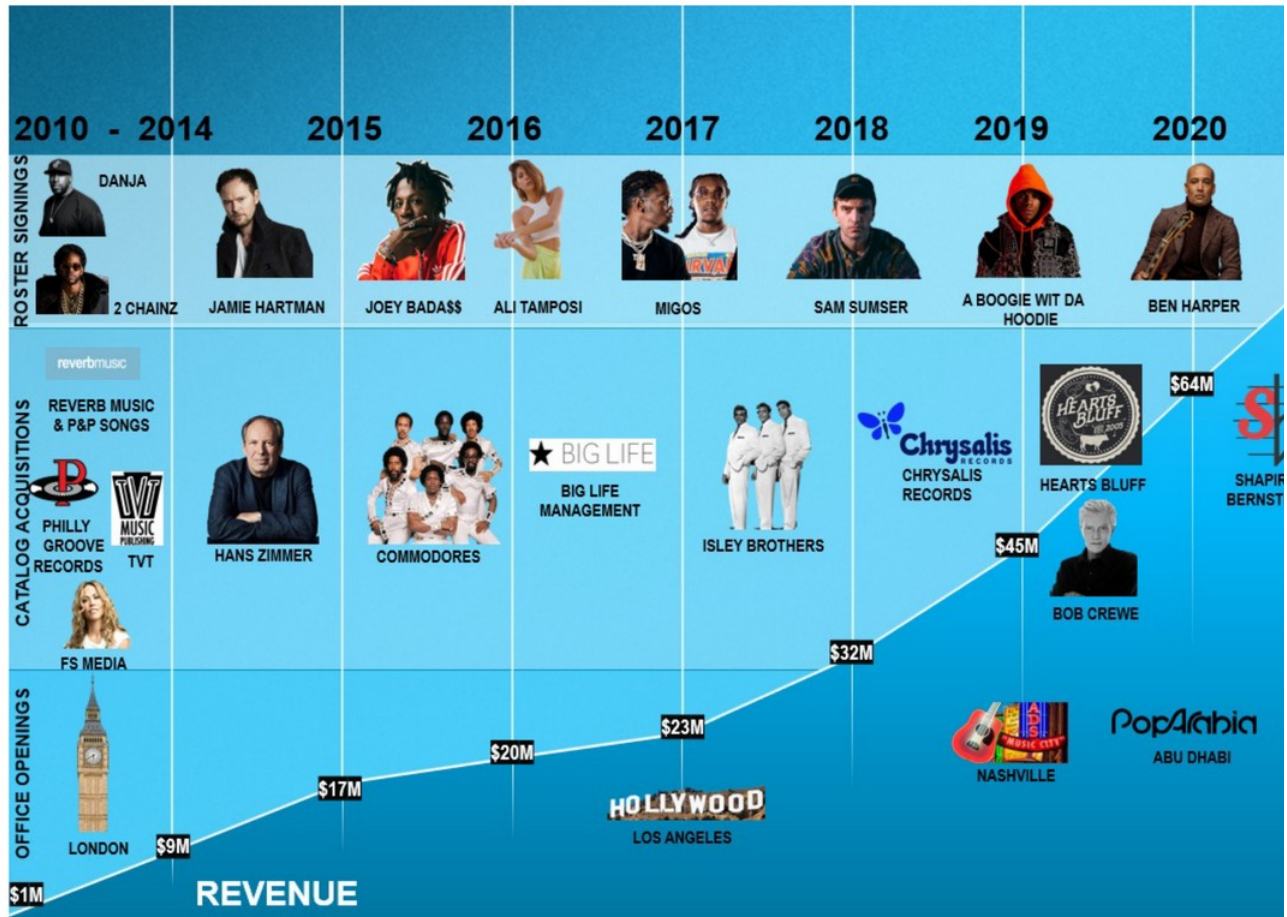
¹ Based on 80% of LTM 12/31/21 Net Publisher Share (NPS) and Net Label Share (NLS); ² Wall Street Research

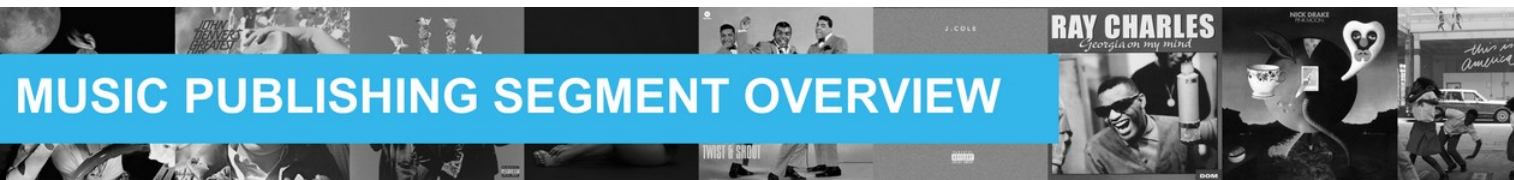
MUSIC 101: WHERE RSVR FITS IN THE INDUSTRY



TONY BENNETT
& LADY GAGA
GET TO CHEEK

RSVR HISTORY OF GROWTH





Music Publishing represented Reservoir's primary focus from its 2007 inception until its large-scale step towards building its Recorded Music business in 2019 with the acquisition of Chrysalis Records.

140K+
Copyrights
(I.E. Ownership Of Musical Composition)

No Musical Composition Accounts for
> 2%
of Revenue

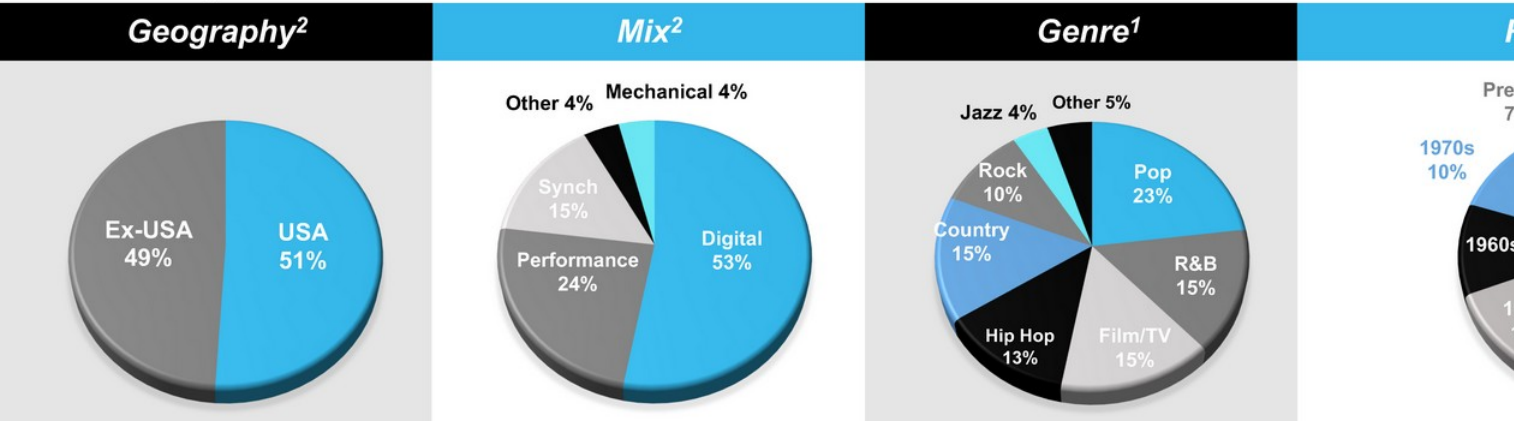
96% of Catalog has a Retention Date of
> 10
Years, with 87% for Life of Copyright¹

CATALOG

Legacy:

- Joni Mitchell
- The Isley Brothers
- John Denver
- Billy Strayhorn
- Commodores

Diversified by....



MUSIC PUBLISHING TOP 10 SONGS BY NPS¹

- | | | | | | | | |
|---|--|----|--|---|---|---|---|
| 1 |  <p>"It's Your Thing"
The Isley Brothers
2.0%
(1969)</p> | 2 |  <p>"Take Me Home, Country Roads"
John Denver
1.3%, (1971)</p> | 3 |  <p>"Ring of Fire"
Johnny Cash
1.1%, (1963)</p> | 4 |  |
| 5 |  <p>"Bring Me To Life"
Evanescence
0.8%
(2003)</p> | 6 |  <p>"Nobody But Me"
The Isley Brothers
0.7%
(1962)</p> | 7 |  <p>"Yeah!"
Usher
0.7%
(2004)</p> | 8 |  |
| 9 |  <p>"Monster Mash"
Bobby Pickett
0.6%, (1962)</p> | 10 |  <p>"Georgia On My Mind"
Ray Charles
0.6%, (1930)</p> |  <p>1,167 Songs Accounted for
80% of LTM Net Publisher Share
with No Song Accounting For More Than 0.5%</p> | | | |

¹ LTM Net Publisher Share (NPS) as of 12-31-21



RECORDED MUSIC SEGMENT OVERVIEW

Reservoir's first foray into the recorded music business initially was in 2012 with the acquisition of Philly Groove. Reservoir expanded its recorded music portfolio with the acquisition of Blue Raincoat (incl. Chrysalis Records) in 2019 and Tommy Boy Records in 2021.

36K+
Sound Recording
Copyrights

(I.E. "Master"
Recordings)

100%
Ownership of Each
Master Recording
Typically

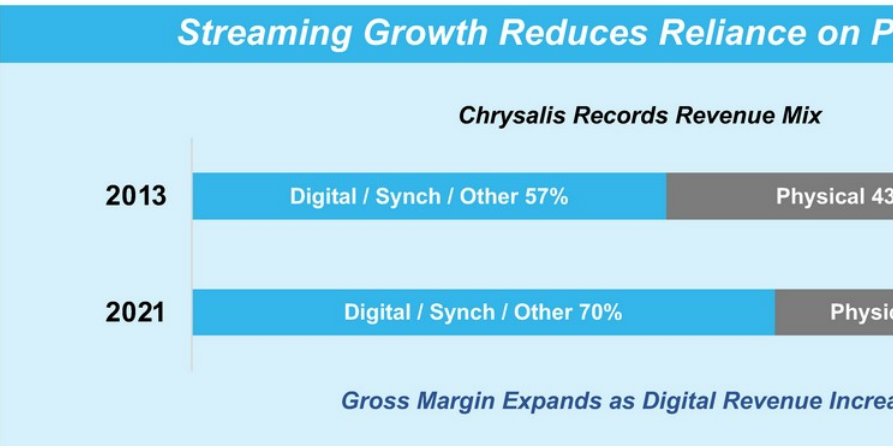
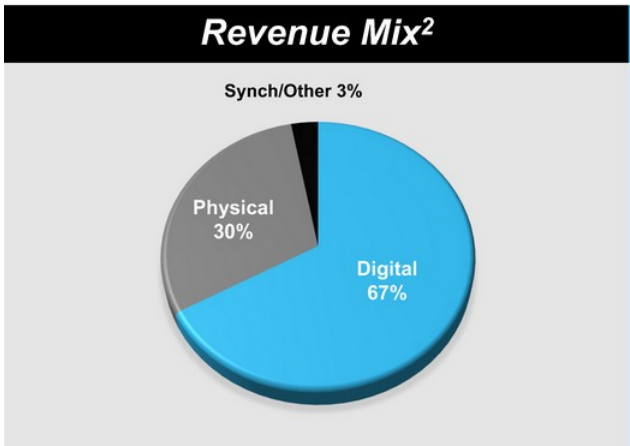
No Master
Recording
Accounts for

> ~7%
of Net Label Share¹

CATALOG

Legacy:

- De La Soul
- Sinéad O'Connor
- Naughty by Nature
- Generation X (Billy Idol)
- The Delfonics



RECORDED MUSIC TOP 10 SONGS BY NLS¹

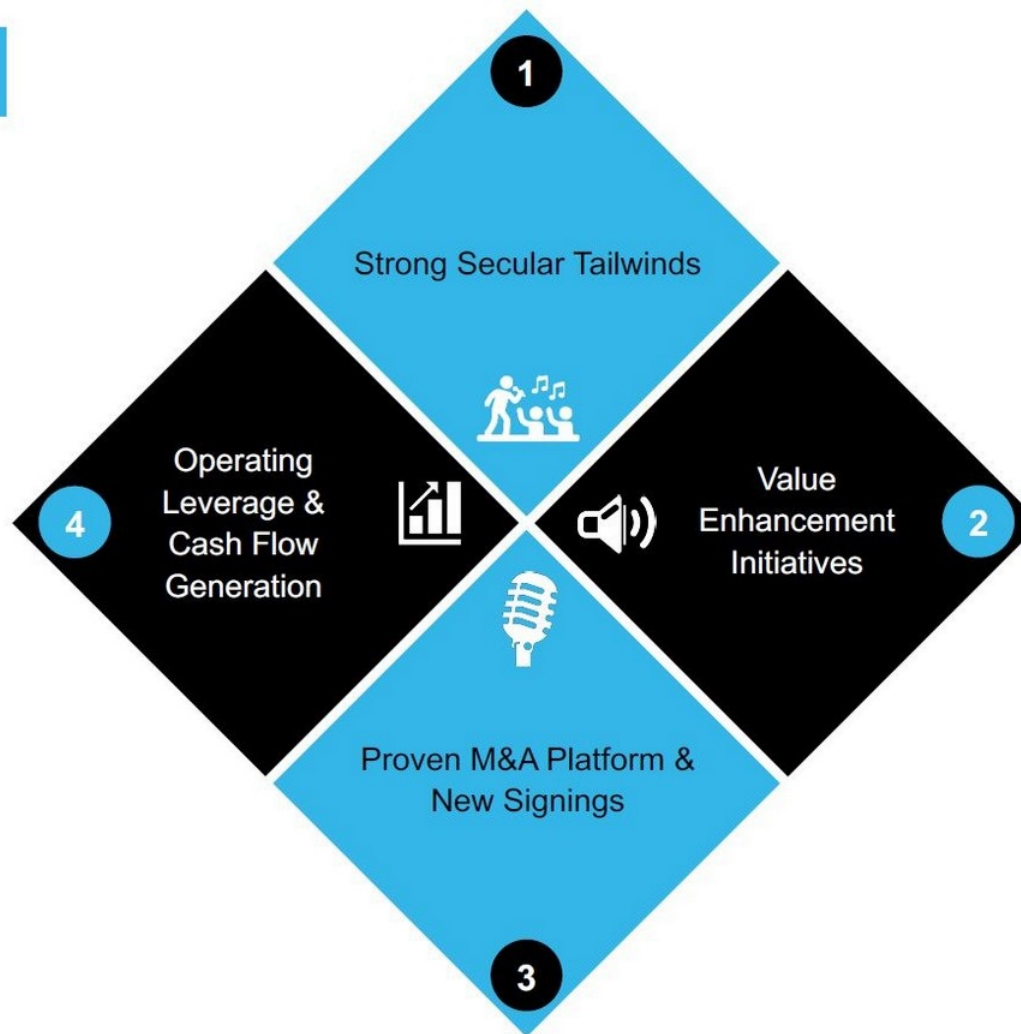
- | | | | | | | | | | | | |
|---|---|---|----|---|--|---|---|---|---|---|--|
| 1 |  | "Gangsta's Paradise"
Coolio
7.4%
(1995) | 2 |  | "Nothing Compares 2 U"
Sinéad O'Connor
5.8%, (1990) | 3 |  | "Jump Around"
House of Pain
3.1%
(1992) | 4 |  | |
| 5 |  | "What It's Like"
Everlast
1.6%
(1998) | 6 |  | "The Whole Of The Moon"
The Waterboys
1.5%, (1985) | 7 |  | "Middle Child"
J. Cole
1.3%, (2019) | 8 |  | |
| 9 |  | "Ghost Town"
The Specials
1.2%
(1981) | 10 |  | "A Message To You Rudy"
The Specials
1.0%, (1981) | | | | | | |

170 Recordings Acquired
80% of LT
 and 100% are Owned for the Life of

¹ LTM Net Label Share (NLS) as of 12-31-21, pro-forma for acquisition of Tommy Boy

TONY BENNETT
& LADY GAGA
GET TO CHEEK

GROWTH DRIVERS



1. MUSIC INDUSTRY: STRONG SECULAR TAILWINDS

1



Rise of Digital & Availability of Streaming

Digital CAGR:
14% (2010-20)
10% (2020-30)

2



Growth Of Paid Streaming Subscribers

Paid Subs CAGR:
48% (2010-20)
11% (2020-30)

3



Growth Of Emerging Markets

EM to c
30% of su
vs. mid-singl

4



Expansion Of Emerging Music Monetization Platforms

5



Increased Government Intervention

To curb piracy and improve monetization rates for content owners

6



Recovery Across Impacted Sectors

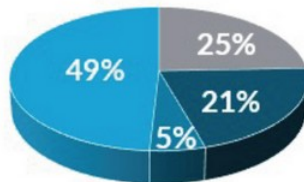
(Gym/Bars/Res
Music Releas

Source: Wall Street Research

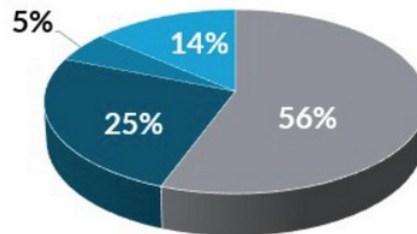
1. MUSIC INDUSTRY: STRONG GROWTH FORECASTED



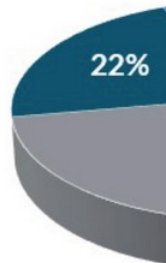
2010



2020



2030



Industry

\$32B

Publishing
Recorded Music
Paid Streaming Subs

\$8B
\$24B
8M

\$50B

\$13B
\$38B
416M

CAGR

5%

5%
4%
49%

\$100B

\$20B
\$80B
1.1B

Digital

Performance

Synch

Physical

¹ Wall Street Research

2. VALUE ENHANCEMENT INITIATIVES



VALUE ENHANCEMENT	
SYNCHRONIZATION	<ul style="list-style-type: none"> Placement of musical compositions into television, film, advertisements, gaming platforms, and toys
DIGITAL LICENSING	<ul style="list-style-type: none"> Digital licensing partnerships with emerging music platforms and in-home fitness brands
SETTLEMENTS	<ul style="list-style-type: none"> Representation on industry boards advocating for creators generates settlements from past infringement and enables collaboration on mechanisms for future licensing
SAMPLING, COVERS, INTERPOLATIONS, REMIXES	<ul style="list-style-type: none"> Extract additional value from high-quality catalogs with proactive pitching
EDUCATIONAL INITIATIVES	<ul style="list-style-type: none"> Development of interactive university courses to enhance brand exposure

Value Enhancement Outgrowth



¹ Organic Revenue of

² Wall Street Research

2. VALUE ENHANCEMENT EXAMPLES & INDUSTRY ADVOCACY



Top Synch Highlights

(click to watch)



Totaling **\$2.7M**
in licensing

Industry Advocacy

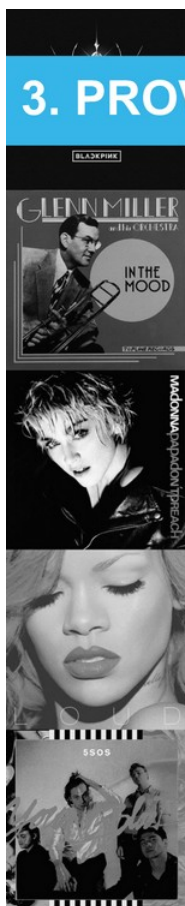
Elected Board



\$13

Generated in Settlement
the Past Four

3. PROVEN M&A PLATFORM



**204 NEW DEALS
CONSIDERED IN FY2020**

80 OFFERS MADE

39%¹

**45 DEALS
INTO
EXCLUSIVITY**

22%¹

**43 DEALS
CLOSED**

21%¹

\$500M+

Capital
Deployed Over Past

14 Years

90%

of Gross Profit &
Cost Synergies Flow
to EBITDA

200+

M&A Targets in Current Pipeline To

\$3B

¹ Based on total offers made, deals into exclusivity, and deals closed as a percentage of new deals considered in FY2020, respectively

² IRR represents a net return on invested capital since inception (2007) by the majority shareholder marking the investment to market upon close of SPAC merger

¹ When purchased, this catalog contained young copyrights, expanding multiples are natural as they mature

3. NEW ROSTER SIGNINGS

Advance money to established songwriters who are then under exclusive contract to Reservoir to create music in which Reservoir will have long-term ownership.

\$100M+

Capital
Deployed

3 Year

Typical Term
Contract

9.6x

Effective Entry
Multiple¹

24.3%

Weighted Average
IRR¹

Notable Signings:

- Ben Harper
- Migos
- 2 Chainz
- Just Blaze
- Ali Tamposi
- Jamie Hartman
- A Boogie Wit Da Hoc
- Breland

Partnered with songw hits by today's bigges including:

- Justin Bieber
- Ed Sheeran
- Ariana Grande
- Bruno Mars

¹ Based on significant writer signings, which include investments of greater than \$2M and are at least two years old

3. NEW ROSTER SIGNINGS

		TOTAL INVESTMENT	FY2021 ¹ NPS/NLS MULTIPLE	UNLEVERED IRR ²
2019	Grammy nominated American rapper, singer and songwriter	\$2.3M	15.2x	23.4%
2018	Grammy Award-winning rapper	\$3.3M	5.0x	27.4%
2018	4x Grammy Award-winning R&B and pop artist	\$8.9M	16.9x	3.9%
2017	Multi-Platinum-selling rap group with several Billboard #1s	\$8.7M	10.7x	44.0%
2016	Billboard #1 topline writer with 30B+ streams to date	\$6.2M	5.6x	23.2%
2014	Ivor Novello-winning songwriter and producer	\$3.4M	4.9x	63.6%
2012	#1 Billboard, multi-Platinum-selling, Grammy Award-winning rapper	\$7.3M	22.9x	22.1%
2011	2x Grammy Award-winning, multi-Platinum-selling producer and songwriter	\$6.5M	10.4x	8.0%

¹ FY2021 figures as of 3-31-21, writer signings greater than two years old, and greater than \$2M invested

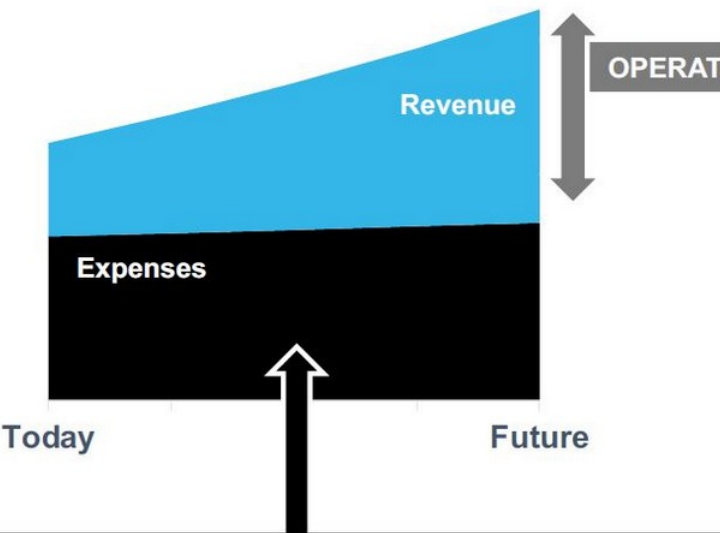
² Based on actual performance to date and projected performance over the next 10 years, including a terminal value if applicable

4. OPERATING LEVERAGE & CASH FLOW GENERATION



Core Infrastructure Provides Substantial Operating Leverage as the Busi

- ✓ Asset light model
- ✓ Limited incremental expenses needed as new catalogs are added
- ✓ Tommy Boy acquisition expanded platform in U.S. for Recorded Music



Three Core Operating Expenses Grow Far Less Than New Revenue		
Corporate	Administration	Value Enhancem
Leadership, Finance, and M&A	Royalty Admin, Copyright, etc.	Synch, Marketing, A&R (rela



Q3 FISCAL YEAR 2022 RESULTS HIGHLIGHTS

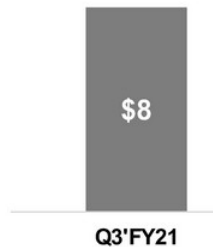


- 26% total revenue growth year-over-year
 - Music Publishing revenue rose 4% year-over-year, and 22% adjusting for a one-time settlement in the prior quarter
 - Recorded music revenue increased by 147% year-over-year
- Increased financial outlook for fiscal year 2022, including over 25% top-line growth for fiscal 2022
- Strengthened reputation as a well-respected caretaker of legacy assets:
 - Catalog acquisitions of Fred Parris, Dallas Austin & Travis Tritt
 - Signed multiple publishing deals including Oak Felder
- Expect to deploy \$200+ million in strategic M&A during the first year as a public company
- Double digit year-over-year improvement in OIBDA, and Adj. EBITDA

Rev



Adjusted



STRONG GROWTH TRACK RECORD

Fiscal 2022 Outlook

Revised Guidance

Prior Guidance

(\$ in millions)

Revenue

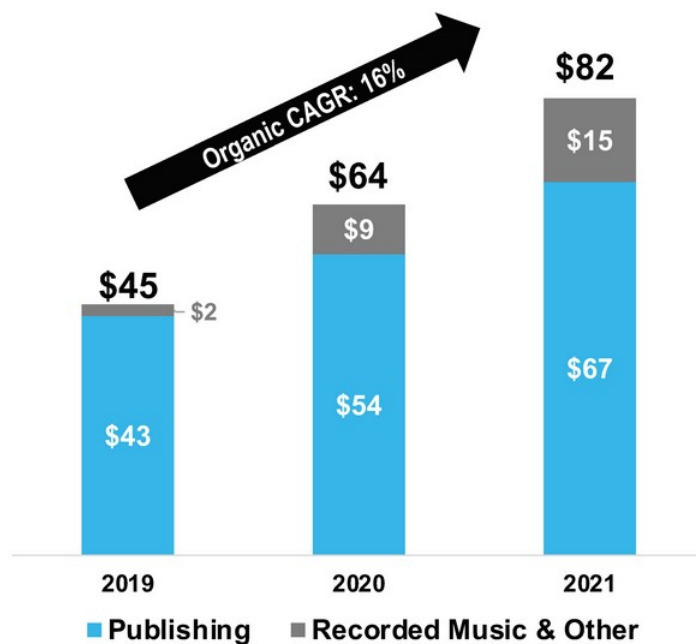
\$103 - \$105

\$100 - \$104

Adjusted EBITDA

\$40 - \$41

\$37 - \$40



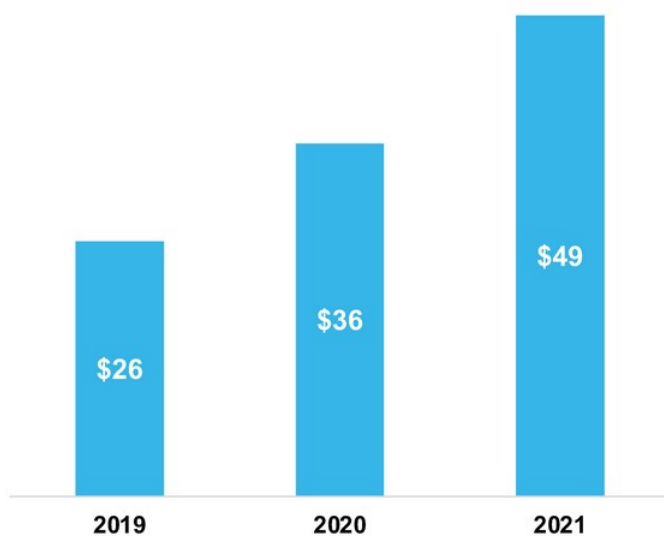
Core D

- Strength & of Catalog
- Value Enh Success
- Strong Ex Futures B
- Smart, Sy M&A Succ

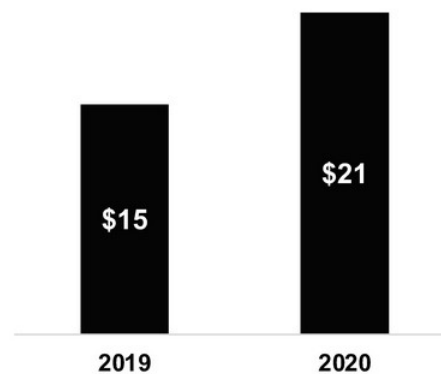
IMPROVING PROFITABILITY & LEVERAGE



Gross Profit



Adjusted EBITDA



Note: Excludes the effect of any non-cash stock-based compensation expense related to the current option plan.
* Includes public company costs of ~\$4M on a pro forma basis for prior historical years

SOLID BALANCE SHEET & STRONG FCF GENERATOR

Adjusted Free Cash Flow¹



Balance Sheet as of 12-31

Total Debt:

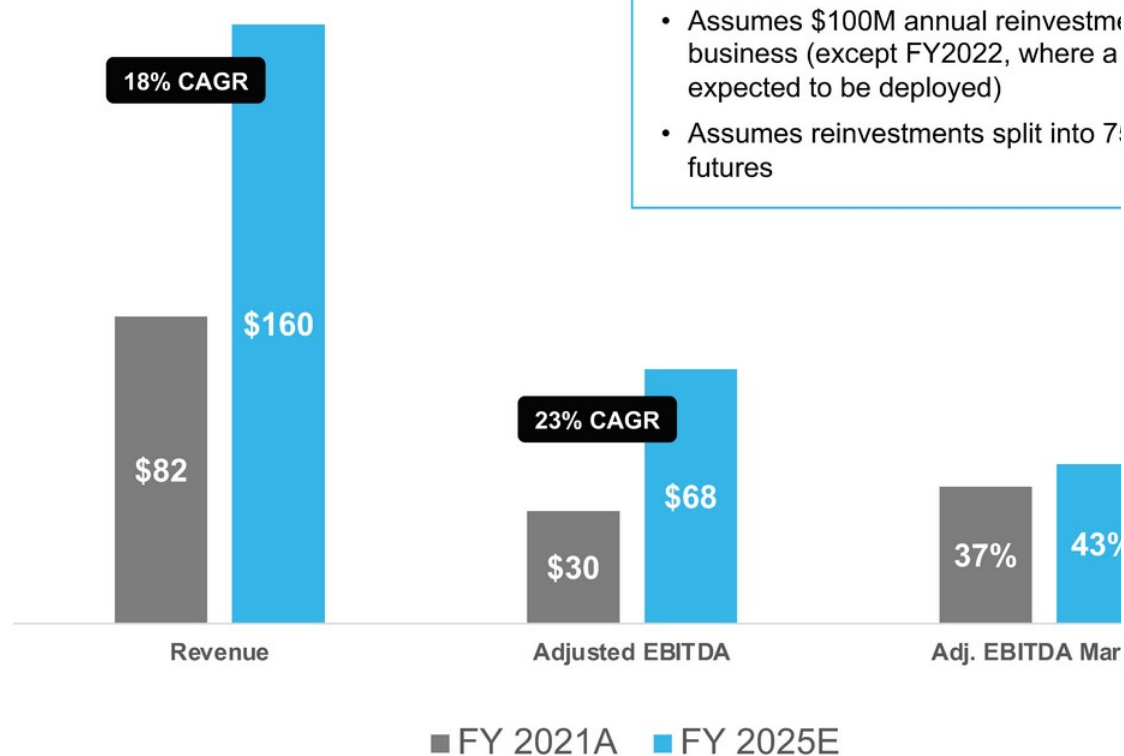
Cash:

Net Debt:

Capacity:

¹ Adjusted Free Cash Flow excludes cash flow used for acquisitions

STRONG GROWTH OUTLOOK & OPERATING LEVERAGE



COMPELLING INVESTMENT HIGHLIGHTS



Leading Independent Music Company with Proven Platform

- \$600m+ of invested capital since inception
- \$100m+ of that in futures spend with enhanced risk/return profile vs. traditional recorded music



Competitive Advantages & Value Enhancement Capabilities

- Value enhancement efforts lead to industry outgrowth
- Experienced creative team with stellar reputation among artists and key players in the music industry



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Evergreen Catalog Contemporary Hits

- 140K+ copyrights and 36K+ releases
- 130+ active songwriters and producers
- 83% of publishing & 100% of net Life of Copyright¹



Growing Industry, Powerful Secular Trends

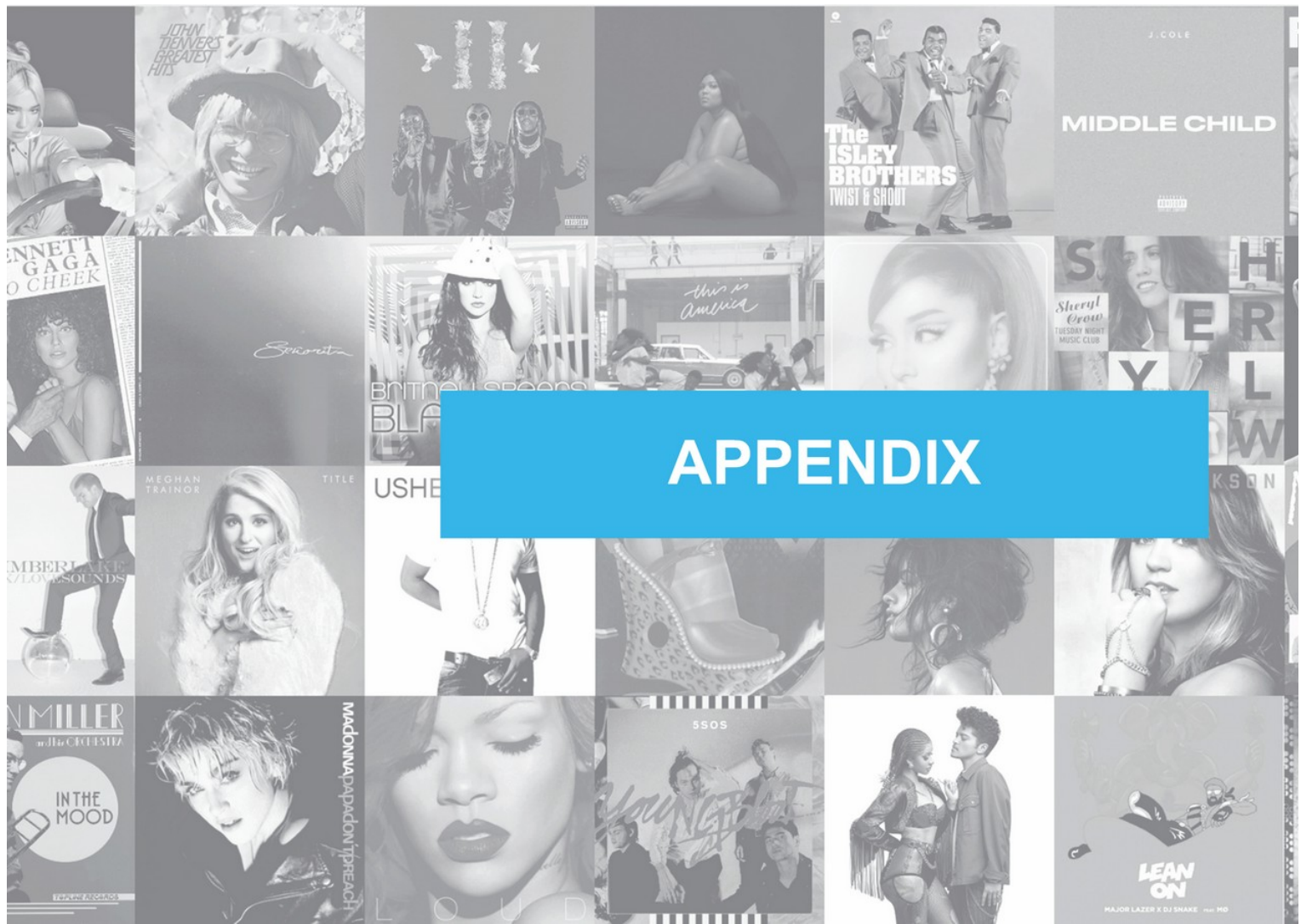
- Supported by rise of digital, streaming markets, and expansion of entertainment monetization platforms
- Music industry projected² to grow through 2030



Strong Growth & Leverage Model

- Expected to outgrow music in projected FY2021-2025 CAGR
- Significant operating leverage

¹ Based on 80% of FY2021 Net Publisher Share (NPS) and Net Label Share (NLS); ² Wall Street Research



MUSIC PUBLISHING 101

IP RIGHTS:

- Songs owned by publisher or songwriter
- **Catalog** = previously released songs
- **Futures** = songwriters under active contract who are writing new songs

PROTECTED ASPECT OF WORK:

- Notes & lyrics

RESPONSIBILITY OF PUBLISHER: *Monetization & Exploitation*

- **Catalog**: identify high-quality legacy catalogs and acquire ownership interest in these catalogs
- **Futures**: find songwriters to sign and develop, nurture their skills and pair them with likeminded collaborators; may either have ownership interest in copyright or perform services under an administration agreement
- **Both**: pitch songs for use in film, tv, advertising, videogames, and others; license the right to use the song; collect royalty fees for usage

INCOME:

- Royalty income paid on every version of the song typically split between publisher (NPS) and songwriter (writer's share/royalties)

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RECORDED MUSIC 101



IP RIGHTS:

- Collection of master recordings owned by a record label or performing artist

PROTECTED ASPECT OF WORK:

- Sound recording of a composition

RESPONSIBILITY OF RECORD LABEL: *Monetization & exploitation*

- Identify songs and work with producers and artists to create, market and promote recordings
- Manufacture and distribute physical product
- Pitch songs for use in film, TV, advertising, videogames and others; license the right to use the recording; collect royalty fees for usage
- Typically owns master recording outright

INCOME:

- Royalty income paid only on specific recording of a song
- Typically split between label (NLS) and performing artist (artist royalties)

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RSVR FINANCIAL MODEL 101

	Music Publishing	Recorded Music
Revenue	Revenue / Gross Royalties	Revenue / Sales /
Cost of Revenue	LESS: Writer Royalties	LESS: Artist Royalties LESS: Manufacturing/Distribution
Gross Profit	Net Publisher Share (NPS)	Net Label Share
Operating Expenses	LESS: OpEx (A&R, Licensing, G&A, Talent Expense)	
EBITDA	EBITDA	

INFRASTRUCTURE PROVIDES SUBSTANTIAL OPERATING LEVERAGE, ALLOWING US TO ACCELERATE THE GROSS PROFIT CONTRIBUTION OF ADDITIONAL CATALOGS WITHOUT INCREMENTAL EXPENSE

INCOME STATEMENT HIGHLIGHTS

FISCAL YEAR END: March 31
(\$ in M)

	2019A	2020A	2021A
Publishing Revenue	\$43	\$54	\$67
Recorded & Other Revenue	\$2	\$9	\$15
Total Revenue	\$45	\$64	\$82
<i>Percentage Growth YoY</i>	40%	41%	28%
Net Publisher Share	\$25	\$29	\$38
Net Label Share & Other	\$2	\$7	\$11
Gross Profit	\$26	\$36	\$49
<i>Gross Margin</i>	58%	57%	60%
Adj. EBITDA¹	\$15	\$21	\$30
<i>Adj. EBITDA Margin</i>	32%	32%	37%

Note: Excludes the effect of any non-cash stock-based compensation expense related to the current option plan

¹ Includes public company costs of \$4M starting FY2022E and on a pro forma basis for prior historical years for comparison

CASH FLOW & BALANCE SHEET HIGHLIGHTS

FISCAL YEAR END: March 31
(\$ in M)

2019A

2020A

2021A

Cash Flow Highlights

Adj. EBITDA	\$15	\$21	\$30
Recoupments	10	14	14
Interest, W/C Changes & Other	(13)	(6)	(9)

Cash From Operations

\$12

\$29

\$34

Acquisitions

(32)

(108)

(120)

Advances & Other

(18)

(22)

(17)

Cash From Investing

(\$50)

(\$130)

(\$137)

Free Cash Flow

(38)

(102)

(103)

Adjusted Free Cash Flow¹

(\$6)

\$7

\$17

Balance Sheet Highlights

Ending Cash

\$9

\$58

\$9

Ending Debt

105

176

213

Net Debt

\$96

\$118

\$204

Gross Leverage

7.2 x

8.5 x

7.1x

Net Leverage

6.6 x

5.7 x

6.8x

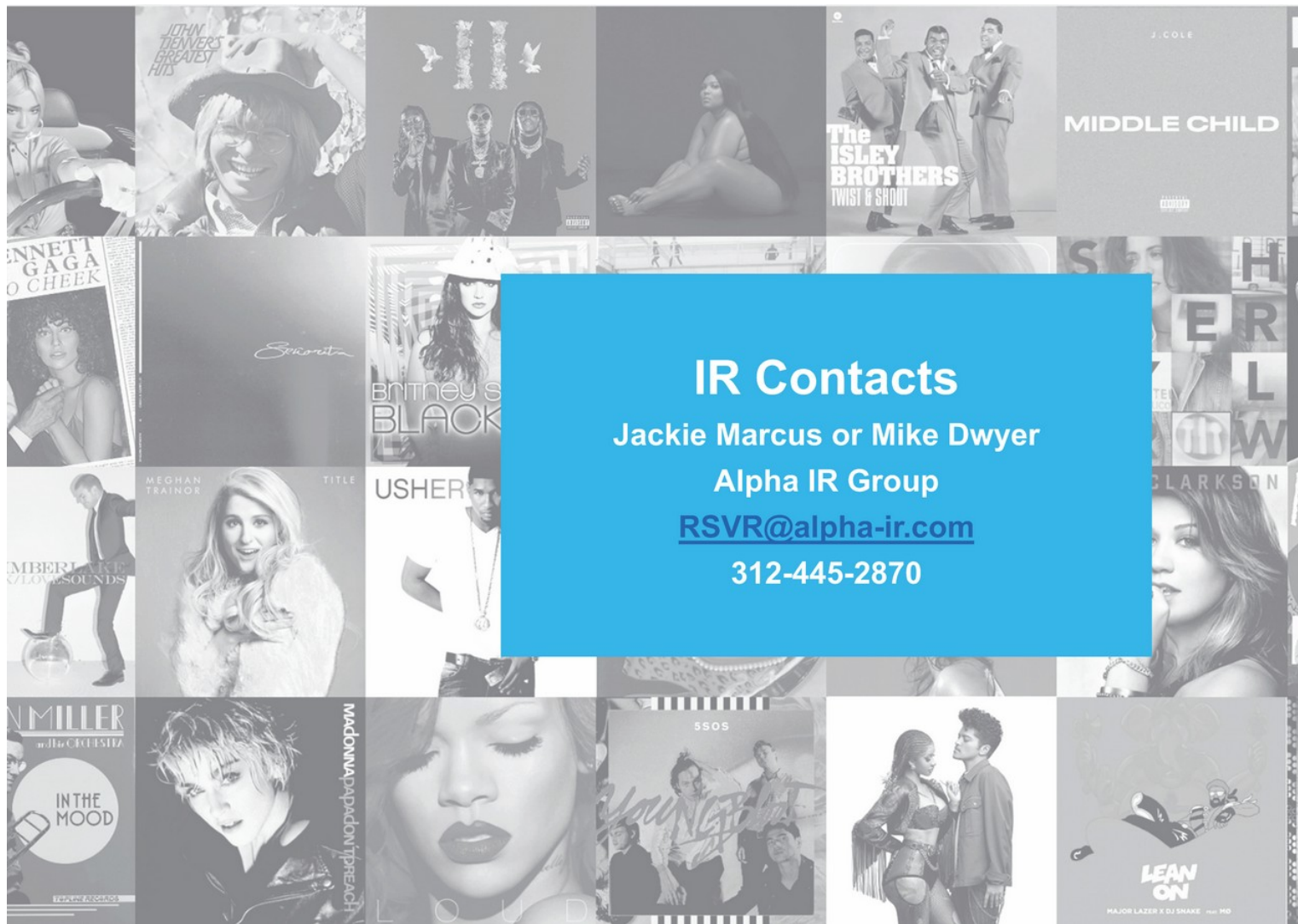
Note: Assumes free cash flow deployed to M&A and futures reinvestment. Assumes excess cash flow used to paydown debt over the projected period. Excludes the effect of any non-cash stock-based compensation expense related to the current option plan

¹ Adjusted Free Cash Flow excludes cash for acquisitions

CONSOLIDATED EBITDA RECONCILIATION

FISCAL YEAR END: March 31 (\$ in M)			
	FY2019	FY2020	FY2021
Net Income	\$ 3.8	\$ 11.5	\$ 10.3
<i>Adjustments</i>			
Depreciation & Amortization	5.9	9.1	14.1
Income Tax Expense / (Benefit)	0.5	2.8	2.5
Interest Expense	6.2	5.8	9.0
EBITDA	\$ 16.4	\$ 29.1	\$ 35.9
<i>Operating Adjustments</i>			
Gain on Debt Extinguishment	0.0	(10.6)	0.0
Exchange (Gain) / Loss	(0.8)	0.1	0.9
Change in Fair Value of IR Swaps	2.8	5.6	(3.0)
Share of Earnings in Equity Affiliate	(0.0)	(0.0)	0.0
Operating EBITDA	\$ 18.3	\$ 24.2	\$ 33.8
<i>Management Adjustments</i>			
Non-Recurring Expenses	0.0	0.2	0.2
Adjusted EBITDA	\$ 18.3	\$ 24.3	\$ 34.0
Public Company Costs	(3.7)	(3.7)	(3.7)
Normalized Adjusted EBITDA	\$ 14.6	\$ 20.6	\$ 30.3

Note: Excludes the effect of any non-cash stock-based compensation expense related to the current option plan



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