

## FIVE-YEAR FINANCIAL HIGHLIGHTS

The information in this report reflects SOCAN financial performance over the past five years (2017 – 2021) in terms of domestic and international revenue, expenses before adjustments, and net income available for distribution.

SOCAN's total revenue over the five-year period increased at a Compound Annual Growth Rate of 5.4% and resulted in a 4.2% Compound Annual Growth Rate (CAGR) increase in distributions to members over the same period. This performance indicates how SOCAN consistently increased the revenue it collected on behalf of its members while maintaining expenses (before adjustments) in line with revenue growth through effective cost management.

SOCAN's position as one of the top music rights organizations in the world continues. Our strength in licensing performing rights and reproduction rights, ensures that more royalties have been delivered to the more than 180,000 Canadian songwriters, composers, music publishers and visual artists who we are grateful to call SOCAN members, as well as the millions of rights holders whom we represent in Canada via agreements with 104 societies in 214 countries and dependent territories.

### CHART NO.1 - TOTAL REVENUE

SOCAN Total revenue (MM\$)

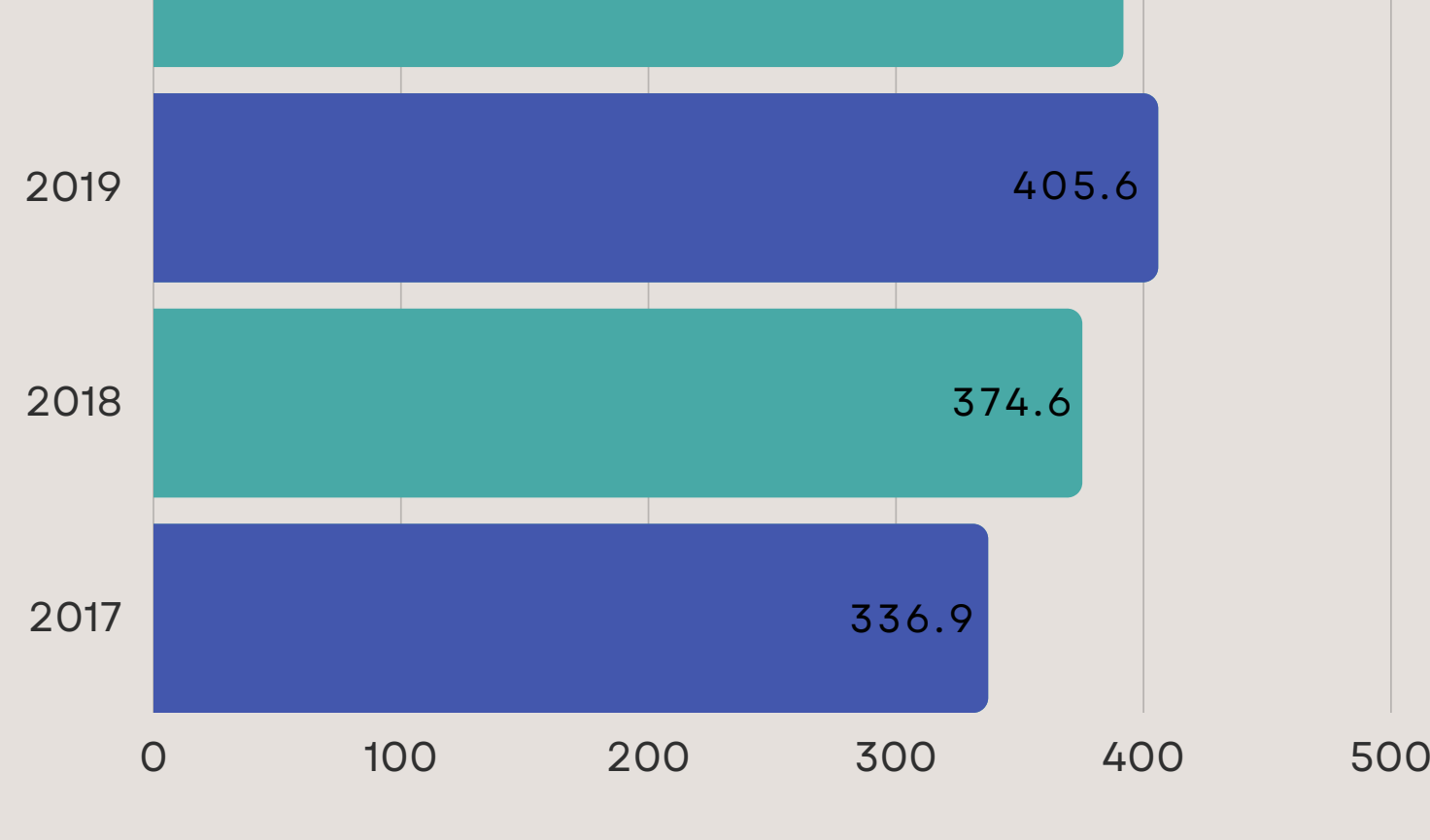


CHART No.1 reflects SOCAN's consistent revenue growth (domestic and international) over the five-year period with 2021 being a record year for total revenue, coming in at \$416 million. Growth in digital revenues led the way, more than offsetting the shortfall in General Licensing and Concert revenue. Internet revenue continues to exhibit impressive growth driven by very strong growth from existing licensed organizations, and new service providers entering Canada, and satellite radio continued to show steady growth. The decrease noted in 2020 vs. 2019 was primarily due to the pandemic, leading to a 70% decrease in General Licensing and Concert Revenue resulting from temporary venue closures, which continued this trend into 2021. Refer to CHART No.2 and CHART No.3 for a detailed breakout of domestic and international performing rights revenue.

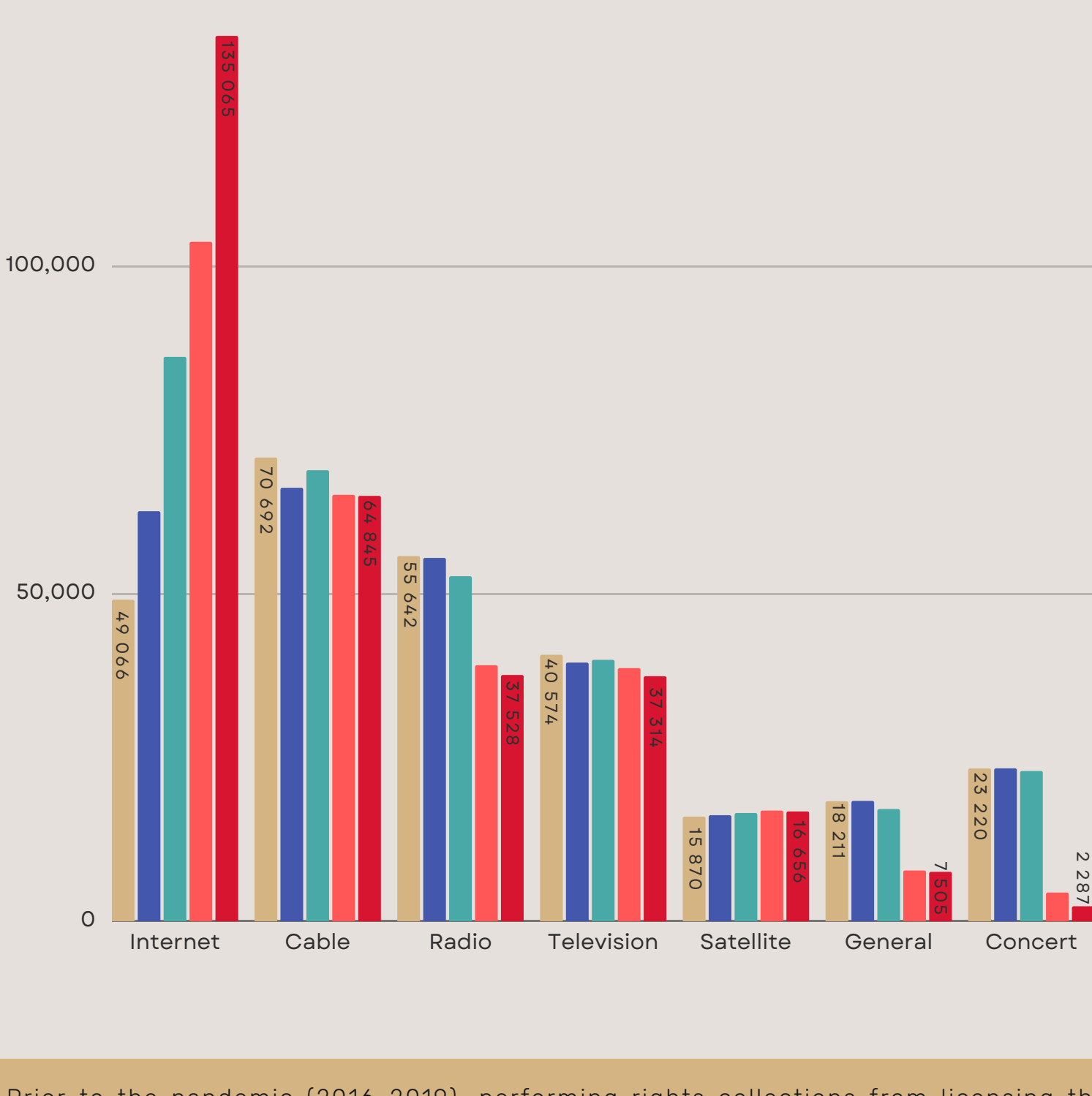
### CHART NO.2 Domestic Performing Rights Revenue

SOCAN DOMESTIC PERFORMING RIGHTS REVENUES

2017-\$274,866 ; 2018-\$282,268 ; 2019-\$305,029 ; 2020-\$281,996 ; 2021-\$302,187

IN THOUSANDS OF DOLLARS

2017 2018 2019 2020 2021



Prior to the pandemic (2016–2019), performing rights collections from licensing the use of the world's repertoire in Canada increased at a CAGR of 3.9%. As previously mentioned, the pandemic took a significant toll on General Licensing and Concert revenue streams with a combined 70% decrease 2021 versus 2019. This trend was more than offset by the growth in Internet performing rights collections reflecting a 28.8% CAGR over the five-year period (2017 – 2021).

General Licensing and Concerts did not recover from the economic impact of the pandemic in 2021. The changing mandates of closing and reopening as well as capacity restrictions created challenges to business owners and resulted in an overall general concert revenue of \$10.2M. In particular, the Receptions & Conventions tariff has been affected the most by these restrictions with results down by \$1.6M. With the restrictions due to the Pandemic, the decrease in the number of events combined with the reduction of both attendance and venue capacity have negatively impacted revenue.

Performing rights recovery from the pandemic for Television was steady throughout the year and a more substantial growth in the last quarter of the year. Advertisers have returned to do business on broadcast television, and we have seen television declines stabilize in mid-2021.

Radio revenue has been in decline since 2012. The continued popularity of online music streaming services and podcasts negatively affect the performance of radio. Besides a combination of long-term trends and the slow recovery from the economic shock of the COVID-19 pandemic, radio revenue remains stable compared to 2020. Licensing revenue is directly related to radio advertising revenue, so a decrease in advertising revenue impacts licensing revenue. The pandemic did not have as large an impact on the cable revenue stream, most likely due to lockdowns leading to more watching of cable programming. As a result, cable remains stable.

New media continues to push ahead of expectations and drive growth throughout the pandemic. Mature services like Netflix and Apple Music have slowed in growth, potentially seeing the impact of market saturation. There is continued growth in Music on Demand services as platforms find ways to attract and retain their subscriber base. Revenues in user uploaded content (UUC) for ad-funded services (YouTube) have performed well in 2021.

Online audiovisual service revenue continues to grow as this digital market evolves. Smaller services experienced growth throughout the pandemic and the sudden demand for online fitness has continued to support the growth in the online audiovisual service revenue pool.

### CHART NO.3 International Performing Rights Revenue

SOCAN INTERNATIONAL PERFORMING RIGHTS REVENUE BY COUNTRY

2017-\$63,157 ; 2018-\$73,540 ; 2019-\$74,844 ; 2020-\$84,796 ; 2021-\$86,802

IN THOUSANDS OF DOLLARS

2017 2018 2019 2020 2021



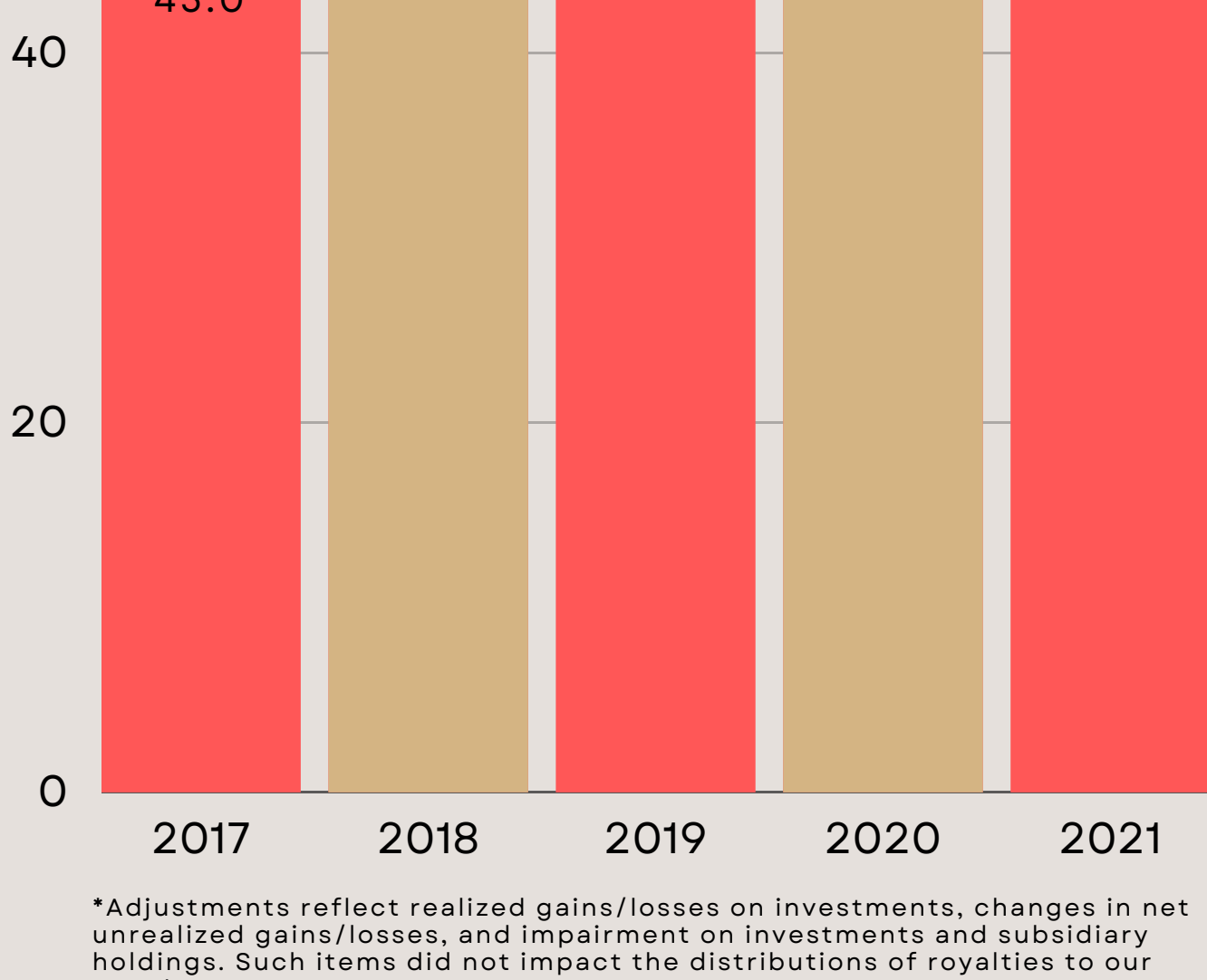
Over the five-year period, SOCAN's International performing rights revenue increased at a Compound Annual Growth Rate of 8.0%, indicating the strong performance of members' repertoire in international territories.

CHART No.3 above shows a breakdown of the international revenue for Performing Rights that SOCAN received from the Top 10 music rights organizations over the past five years. ASCAP and BMI in the United States are the two top-earning international music rights organizations for SOCAN members, receiving approximately \$49.5-million in collections in 2021, and representing 48% of total international royalties. In 2021, the top 10 music rights organizations accounted for 84% of SOCAN's international royalties.

Notwithstanding the impact of the pandemic, our affiliated societies have noted solid revenue growth in areas where our members' repertoire performs strongest: digital audio, digital audiovisual, and television.

### CHART NO.4 Expenses Before Adjustments

Expenses Before Adjustments \*

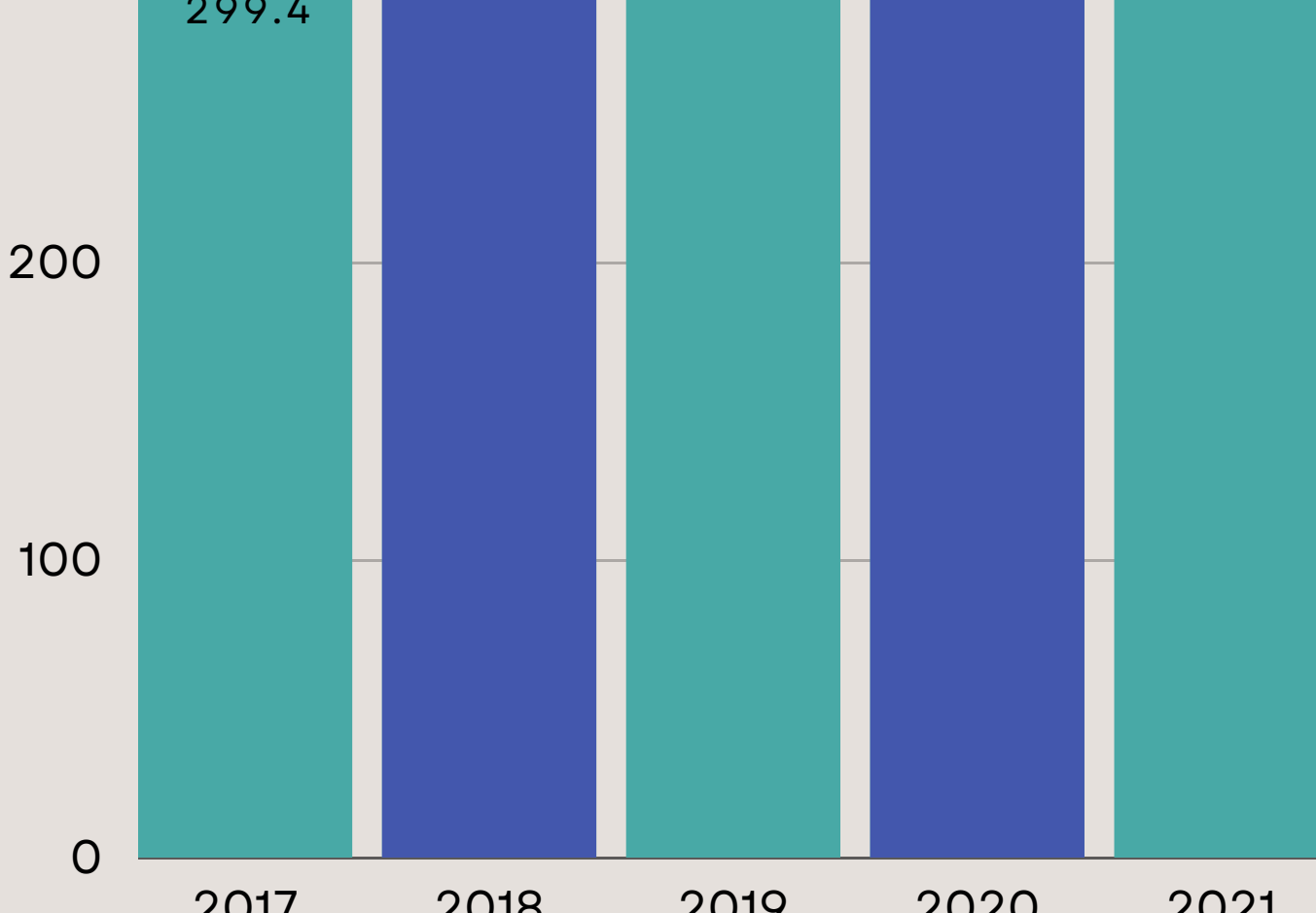


\*Adjustments reflect realized gains/losses on investments, changes in net unrealized gains/losses, and impairment on investments and subsidiary holdings. Such items did not impact the distributions of royalties to our members.

#### Expenses

Administrative expenses reflect the cost of SOCAN's operations. 2021 expenses remained in line with 2020. The increase noted in 2019 versus 2018 is mainly due to the inclusion of Reproduction Rights in SOCAN's operations, and the launch of SOCAN's new enterprise-wide software platform, driving an increase in depreciation expense and systems maintenance costs. Factoring out these items, through cost management, SOCAN has controlled expenses while achieving revenue growth, ensuring that Distributions to Members, all other things being equal, remained in line with revenue growth (refer to Chart No.5).

### CHART NO.5 Distributions to Members



SOCAN's Distributions to Members grew at a Compound Annual Growth Rate of 4.2% over the five-year period. This increase was primarily attributed to improvements realized from the integration and implementation of SOCAN's new enterprise-wide software platform, which allowed for increased distributions in domestic audiovisual uses (Cable & TV), as well as increased processing of international royalties from international affiliated music rights organizations. Distributions for Internet related uses also continue to increase in line with increased collections from these sources.