August 16, 2023

SiriusXM

SiriusXM Statement on SoundExchange Litigation

In connection with the lawsuit filed by SoundExchange today, SiriusXM (NASDAQ: SIRI) made the following statement:

August 16th - We were surprised to see the press release from SoundExchange that it had filed a suit against SiriusXM this morning in the United States District Court for the Eastern District of Virginia. SiriusXM has always respected the rights of creators and artists, and over the past ten years has paid SoundExchange royalties of over $5 billion dollars. Today, royalty payments from SiriusXM represent over 80% the statutory royalties that SoundExchange distributes to record labels and performers.

At the heart of today's suit by SoundExchange are ordinary course disputes – an audit matter and an allocation of revenue from bundled products, specifically where subscribers pay for a package providing both our satellite radio product and the ability to stream our service. The regulations issued by the Copyright Royalty Board (CRB) governing SiriusXM's royalty payments for satellite radio are carefully tailored with respect to such packages. The CRB requires SiriusXM to only pay royalties on revenue it earns for performances of sound recordings on its satellite service. Those same regulations require the Company to exclude from the royalty base revenue earned for activities that are covered by other licenses, including streaming.

SiriusXM has simply adhered to that clear regulatory framework, using a rigorous, tested and fair methodology to identify and allocate revenue for the streaming component of its bundled packages—a methodology completely consistent with precedent from the CRB. Furthermore, SiriusXM has been transparent with SoundExchange from the start on its methodology.

While we are disappointed with the actions taken by SoundExchange today, we remain committed to paying artists fairly for their work, and will continue to work collaboratively with SoundExchange, as we have for decades, to ensure they are paid properly under the governing regulations.

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