



Dear BMI Songwriters, Composers & Publishers,

I hope you and your loved ones are staying safe and healthy. Here at BMI, we're continuing to ensure that we can deliver your royalty payments efficiently, accurately, and on time, as always. To that end, I'm writing today to reassure you that while BMI expects to feel the effects of the COVID-19 crisis like everybody else in the industry, our goal is to minimize its financial impact on you.

As I've already shared, BMI's royalty distributions will not be affected by the pandemic in the near future. However, we do anticipate an impact in January 2021, when today's performances and corresponding licensing dollars (2nd quarter 2020) will be reflected in your royalty distributions. While you may see a lower distribution that quarter than you might typically receive under ordinary circumstances, given BMI's business model, we have the time and ability to plan for this outcome. We're taking a number of steps to mitigate the situation.

First, we're expecting retroactive payments from BMI's recent settlement with the Radio Industry. Since it benefits all of us that radio remains a strong and vital platform for your music, we will be working with radio stations over the coming months to help them spread out their settlement fees owed to BMI. Not only will this help lessen the impact of COVID-19 on their business, but it also allows us to spread those payments out and deliver them to you beginning in early 2021.

Secondly, we're seeing growth in domestic revenue generated from subscription streaming services that feature TV shows, movies and music. As more and more people are following the recommendations and staying home, they are turning to indoor entertainment and that is translating to increases in viewers and listeners. Keep in mind that thanks to the diversification of BMI's revenue portfolio, 30% of BMI's domestic revenue now comes from digital sources.

We expect that both of these avenues, Radio and Digital, will help offset some of the current downturn in areas like General Licensing, where concerts, bars, restaurants, gyms, hotels and other local businesses are taking a hit, as well as International income, which is being impacted by COVID-19 shutdowns.

So, while we will see an impact to our revenue and your royalties, we hope it assures you to know that we anticipate BMI's Fiscal Year 2021 will be similar to BMI's revenues and distributions from 2019, which was a record-setting year for us at the time. We're also taking steps to ensure that our expenses for FY 2021 are in keeping with 2019 levels. We've already put cost-cutting measures in place to get us to that number.

As you know, we sent out our March royalty distribution early this year to offer you a small measure of comfort, and while the next distribution is scheduled for June 19, we're aiming once again to send it out slightly earlier. Please know that we do not expect any delays in your royalty distributions going forward.

We hope that this advance notice of what's to come is helpful and that you also take the time to plan and prepare.

Together, we will be ready for this and manage through. What truly inspires me and all the people working at BMI during this challenging time is how creative and resilient all of you are, and I know that we will come through this stronger than before.

Be well,

A handwritten signature in black ink that reads "Mike O'Neill".

Mike O'Neill  
President and CEO  
BMI