

Artist Portal - Definitions and FAQ v.1

Definitions on data points in Artist Portal

Introduction

Welcome to the Epidemic Sound Artist Portal! This is where you will find data on the success of the great music you are creating and how much money you have earned per track since January 2022 from fixed fees, royalties, and soundtrack bonus. You will find performance data on downloads made by Epidemic Sound's customers as well as on streams from the largest DSPs. By zooming in on specific tracks you will also find information about your co-creators and Epidemic Sound team.

Definitions

Definition. Fixed fee

This is the fee paid to you when Epidemic Sound acquires a track. We showcase the share of the fee that you personally receive and which month we have registered the track as "ready" in our systems. The Portal will only include data on fixed fees for tracks acquired from January 2022 and onwards.

Definition. DSP Royalties and Soundtrack Bonus

This is the sum of DSP Royalties from DSPs and Soundtrack Bonus earned by you during the applicable period. We showcase the share of the royalties and bonuses that you personally receive.

Definition. DSP Royalties

This includes your share of the revenues received from DSPs (i.e. your DSP Royalties Split, see definition below) where Epidemic Sound distributes your music. DSP is an abbreviation for Digital Service Provider and includes various audio streaming and download platforms where Epidemic Sound distributes tracks such as Spotify, Apple Music, and Amazon Music. Epidemic Sound collects DSP royalties on both master and publishing rights, and splits royalties between the different contributor roles (composer, producer, vocalist, session musician, etc.) based on the royalty splits in your transfer agreements. We are currently distributing your music and collecting royalties from more than 40 DSPs.

Definition. Soundtrack Bonus

The Soundtrack Bonus aims to recognise the tracks in Epidemic Sound's music catalog that resonate most with our customers and reward you as artists who have contributed to the

creation of those tracks accordingly. We believe the best way to measure if a track resonates with a customer is by how many times it gets downloaded from the Epidemic Player and how much revenue it has generated from claimed usage on YouTube*. See detailed information about the Soundtrack Bonus and how it is calculated below.

**Claimed usage on YouTube entails that a track is used by a creator without a license. When that happens, Epidemic Sound “claims” the video and collects ad revenues connected to it so we can ensure that revenues from unlicensed usage go back to investing in our artists and our soundtrack bonus pool.*

Definition. DSP streams

DSP is an abbreviation for Digital Service Provider and includes various audio streaming and download platforms where Epidemic distributes tracks. Epidemic’s ambition is to have our catalog available on as many DSPs around the globe as possible going forward. For the largest DSPs (Spotify, Apple Music, Amazon Music and YouTube Music), we report the number of streams per DSP. DSP Royalties (see definition above) however includes aggregated data from all DSPs that we have received royalties from.

Definition. Downloads

Number of downloads by subscribers in the Epidemic Sound Player and App during the applicable period. This metric is particularly important since it impacts the distribution of the Soundtrack Bonus Pool.

Definition. Reach

The reach metric currently includes data on DSP streams and Epidemic Sound Player and App downloads. We hope to add more data here in the future, such as data on views and videos on video platforms such as YouTube.

Definition. Tracks and Releases

A Track is an individual piece of music, whereas a Release is a product that may include more tracks, for example a single, EP, or album.

Definition. DSP Royalties Split

Epidemic Sound splits royalties for each track that is distributed on DSPs 50/50 with the contributors of the track. If you are the sole contributor to a track you will receive the full 50%, but if several people have contributed, the split for a specific track depends on your role on that specific track, and how many other contributors are involved and are entitled royalties from sales in relation to a specific track as specified in your transfer agreements.

Definition. Contribution

If there are several contributors to a track you will find them listed here along with what share of DSP Royalties and Soundtrack Bonus you receive in relation to other contributors.

Definition. Your Epidemic Sound Team

The A&R, Artist Product Manager and Rights Manager at Epidemic Sound who supported you in creating and releasing this track.

Artist Portal Q&A

Could be published

Why can I not see any data from before 2022?

Due to data limitations, we are not able to share any data older than 2022 in the Artist Portal. Please reach out if you have any specific questions regarding data older than this.

Which DSPs can I see data from?

Royalty data includes all DSPs where we have received royalties from. For the largest DSPs (Spotify, Apple Music, Amazon Music and YouTube Music) we also report the number of streams per DSP.

Why are you not showcasing any data from YouTube, such as the number of videos and/or views?

We hope to add data on YouTube videos and views in the future, but this requires significant technical and analytical development work. If you have any further questions or thoughts on Youtube or other video platforms or other data sources you feel are missing from the Artist Portal, please reach out to us.

Are there any thresholds that impact my royalties?

Epidemic Sound has two different types of thresholds when it comes to royalty payouts. They are as follows:

- A \$1 USD per revenue-generating-track threshold in order to enjoy the payout an individual track generates. This is due to the fact that small per-track earnings result in mathematical division inaccuracies, so Epidemic Sound waits until this threshold is reached before your earnings become visible in your report. Rest assured your money is not lost, it accumulates in your 'wallet' in the meantime.
- A \$50 USD minimum threshold in order for our Finance department to process a royalty payout. This takes into account the totality of your royalty payment, rather than on a per-track basis. Rest assured your money is not lost, it accumulates in your 'wallet' in the meantime.

Can I share screenshots of these numbers externally (eg. with my fans)?

A: It depends on what number is included in the screenshot. Certain confidentiality obligations apply with reference to the agreements that artists and Epidemic have entered into with respect to the tracks Epidemic has acquired. Information and data received pursuant to those agreements, including in any rate card, reports received outlining fixed fees, royalties and/or soundtrack bonus or as displayed in this Portal are confidential information due to its

commercially sensitive nature and may not be disclosed or shared with anyone. There are however a few exceptions to the foregoing, which are set out explicitly in the confidentiality clause of those specific agreements, e.g. if the information is or becomes known to the public without the involvement of the artist or otherwise is lawfully received from a third party (e.g. a information received from a DSP directly) under no confidentiality obligation with respect to such information. Given the foregoing, you may share data on your performance streams externally if the performance streams are also made available to you or to the public directly by the relevant platform, but you may not, without a written approval from Epidemic, share information that relates to downloads in the Epidemic catalog.

Royalties & Soundtrack Bonus FAQ

Definitions

Definition. Payee / Contributor

A payee and/or contributor refers to the various roles assigned to each element of a track that could grant rights to receive royalties. These are composer, producer, lead vocalist, session musician and arranger. Please see your respective agreements with Epidemic Sound to understand if you are entitled to royalties on a track, and the agreed splits.

Definition. DSP

Abbreviation for Digital Service Provider and includes various B2C (business to consumer) audio streaming and download platforms, such as Apple Music, Spotify, Amazon Music, YouTube Music, Tidal, Pandora, Deezer, and Napster where Epidemic distributes tracks. Epidemic's ambition is to have our catalog available at as many DSPs around the globe as possible going forward.

Definition. Sales

A combination of streams and/or downloads on eligible DSPs, that generates revenue that can be attributed to a specific track.

Royalties FAQ

How often do I get paid?

At Epidemic, we are processing royalties every quarter. Sales occurring and/or reported to Epidemic Sound in Q1 will be processed by our Finance department by the beginning of Q3,

and sales occurring and/or reported to Epidemic Sound in Q2 will be processed by the beginning of Q4, and so forth.

What is the split between contributors and Epidemic Sound for DSP revenues?

We are splitting DSP royalties/DSP revenues for each track that is distributed on DSPs 50/50 with the contributors of the track. The minimum amount we currently support for payout is 50USD, so in the case of your eligible royalty share being less than 50 USD, we will withhold any payments until your earnings reach 50 USD.

What split am I entitled to?

The split for a specific track depends on your role(s) on that specific track, and how many other contributors are involved and are entitled royalties from sales in relation to a specific track. The split between the different contributors is set out in the agreement between you and Epidemic Sound. If you have any questions in regards to track specific splits, please review your agreements. Should you have any additional questions in this regard, please do not hesitate to reach out to royalties@epidemicsound.com

How often do DSPs report sales and pay out earnings?

Some DSPs report sales and pay out earnings to Epidemic Sound in a timely manner, whereas others operate with longer lead times. This means that sales and earnings reported to Epidemic Sound in Q1 2024 might contain or relate to sales and earnings occurring in Q1 2024, as well as retroactive sales. This is something that Epidemic cannot control, and we are bound to work with various reporting time frames based on the applied structure by each respective DSP. Epidemic Sound's ambition is to work to reduce those time frames as much as possible, but we are unable to control them fully.

What are DSP royalty earnings based on?

All royalties are based upon revenue actually received by Epidemic Sound for each track from the DSPs where the track is distributed. Epidemic Sound collects revenues from DSPs on the master and publishing side. The split between the different contributors is set out in the agreement that you and Epidemic Sound have entered into. Partners that Epidemic Sound work with, such as aggregators, distributors, and/or streaming/download platforms may deduct various commission from sales before paying Epidemic Sound its eligible share of revenues from arising sales.

How much does a download or a stream pay?

The value of a stream and/or a download (the "sale") constantly fluctuates, with many factors affecting the end result. A Sale value depends on factors such as (but not limited to) local currencies, international conversion rates, pricing to/from DSPs, revenue collected by DSPs, free tiers, premium subscribers, non-interactive streams, DSPs ad revenue, etc. As such, it is not possible to define nor communicate a fixed value of what a Sale would equal in value, as it constantly shifts.

My tracks seem to perform well. When will I receive these royalties?

Epidemic Sound process royalties every quarter. Should you receive a payout from a quarter depends on the following factors:

- DSPs have various reporting periods. Depending on when we receive DSP reports will decide when we are able to distribute these royalties to our artists.
- Sales reports from DSPs have various lags, which means that royalties tend to reach our artists at least 3-6 months after the stream/download on a DSP actually occurred, and in some cases it might even take more time than 6-9 months.
- Tracks with many contributors “dilutes” the value of earnings per person as there are many payees eligible for royalties.
- Unless your eligible royalty is 50 USD or higher, Epidemic Sound will withhold your royalties until the 50 USD payout threshold is reached.

What royalty eligible DSPs are Epidemic delivering music to?

Our distribution amongst DSPs spans globally, and we service more than 50 DSPs with our music. Below are examples of DSPs we service.

Please note that DSPs might be added or removed at Epidemic Sound’s discretion and that the list below might change from time to time. We currently support royalty payouts for all of the below and always endeavor to grow our global coverage with more DSPs whenever the opportunity presents itself.

Amazon Music	JioSaavn	SoundCloud
Anghami	KKBox	Spotify
Apple Music	Line Music	Tencent (QQ Music, Kugou, Kuwo)
Beatport	Melon	Tidal
Boomplay	Naver Music	Yandex Music
Deezer	NetEase Music	YouTube Music
FLO	Pandora	
Genie	Qobuz	
iHeartRadio	Resso	
iMusica	Rhapsody/Napster	
iTunes	Simfy Africa	

Soundtrack Bonus FAQ

Soundtrack Bonus 2023

The Soundtrack Bonus aims to recognise the tracks in Epidemic Sound’s music catalog that resonate most with our customers and reward you as artists who have contributed to the

creation of a track accordingly. We believe the best way to measure if a track resonates with a customer is by its popularity by way of how many times a track gets downloaded from our Epidemic Player.

This document briefly describes the principles of allocation, calculation and payout which Epidemic Sound has determined for the Soundtrack Bonus 2023.

Eligible artists

For the purpose of the Soundtrack Bonus, artists eligible for Soundtrack Bonus are contributing composers, performing artists and producers (“artists”) to a track published in the Epidemic Sound Player (the “Track”), which is downloaded during a Bonus Period, as defined below. This means that artists actively working with Epidemic Sound as well as artists not actively working with Epidemic Sound are eligible to receive Soundtrack Bonus.

The Soundtrack Bonus Pool and how it is distributed

The Soundtrack Bonus Pool is set yearly by Epidemic Sound at Epidemic Sound’s discretion and will be distributed equally across a determined period of time (the “Bonus Period(s)”) of the relevant year, as communicated by Epidemic Sound from time to time.

The Soundtrack Bonus for 2023 is set to USD 2,500,000* and there are currently four Bonus Periods that match the four calendar quarters of 2023. The Soundtrack Bonus to an artist will be based on the distribution mechanism outlined below.

**For 2021 this number was USD 1,000,000, for 2022 it was USD 2,000,000, and for 2023 it was USD 2,500,000*

At the end of a Bonus Period, a Track’s pro rata share of total downloads from Paying Users as well as the share of a Track’s revenue from claimed (unlicensed) usage on YouTube during the relevant Bonus Period is used to calculate an artist's eligible Soundtrack Bonus share of the Soundtrack Bonus Pool. If more than one download of a Track is made by the same Paying User during a Bonus Period, the downloads will be counted as one (1) download during such Bonus Period.

The Soundtrack Bonus Pool is divided into three bonus pools:

- 70% of the yearly Soundtrack Bonus Pool is distributed proportionally based on the number of downloads among artists to all Tracks published in the Epidemic Sound Player regardless of publishing date, and
- 20% of the yearly Soundtrack Bonus Pool is distributed proportionally based on the number of downloads among artists to all Tracks published in the Epidemic Player during the previous 18 months prior to the last day of each Bonus Period of the relevant year, and

- 10% of the yearly Soundtrack Bonus is distributed proportionally based on the share of a Track's revenue from claimed (unlicensed) usage on third party platform YouTube (if your track is used by a creator without a license we claim the video to ensure no music or sound is used incorrectly, this way we can ensure that all revenues goes back to investing in the Soundtrack Bonus pool).

This means that contributing artists to all Tracks in the Epidemic Sound Player will be qualified for a Soundtrack Bonus, and that one and the same Track may be qualified for both bonus pools, depending on when the Track was published in the Epidemic Sound Player.

If multiple artists have contributed to the same Track, the Soundtrack Bonus will be shared equally between the artists contributing to the master/recording and the artists contributing to the composition of the Track respectively. By way of example, for a vocal Track with two contributing composers, 50 % of Soundtrack Bonus will be shared equally between the producer and lead vocalist, and 50 % of the Soundtrack Bonus will be shared equally between the composers.

Soundtrack Bonus Disclaimer

For the sake of clarity, Epidemic Sound may, at its sole discretion change and/or update the applicable principles from time to time with respect to the Soundtrack Bonus, such as, without limitation, the level of Soundtrack Bonus Pool from year to year, extending the scope of eligible artists, and the time periods and calculation basis according to which the Soundtrack Bonus is allocated and/or paid out.

Invoicing and Payout

Your DSP Royalties and Soundtrack Bonus share will be communicated to you by Epidemic Sound and paid out against invoice in accordance with Epidemic Sound's current invoice policy. Epidemic Sound shall have the right to, on a "self-bill" basis, issue such invoice in the artist's company's name as instructed to Epidemic Sound. The way we will do this is by generating the invoice (your invoice) on the artist's behalf in our system, a so-called self-bill, and sending it over to the artist for review and acceptance. The actual payment will be handled by a third party on behalf of Epidemic Sound, from whom you can expect an email for further instructions on how to receive your payment.

Questions? royalties@epidemicsound.com

DSPs for Artists

Spotify

New account

Desktop

Create a free Spotify account that is not connected to your personal account. It is suggested for it to be your artist name.

App

Log into the Spotify for Artists app using the credentials linked to your official Artist Profile. Find your artist profile and hit “claim.”

Verify socials

Enter contact information and social media profiles (suggested: Instagram, Twitter, Facebook) to further verify your profile.

Add Epidemic Sound

Upon verification, add streaming@epidemicsound.com as an Admin. This allows Epidemic Sound to help manage the profile, upload profile pics and headers.

Apple Music

New account

Desktop

Go to artists.apple.com. Sign up and sign in with Apple ID. If you don't have an Apple ID, you can create one at appleid.apple.com. Click Request Artist Access.

App

Sign in to the Apple Music for Artists app on your iPhone with your Apple ID. If you don't have an Apple ID, you can create one at appleid.apple.com. Tap Request Artist Access.

Verify socials

Enter contact information and social media profiles (suggested: Instagram, Twitter, Facebook) to further verify your profile.

Add Epidemic Sound

Upon verification, add streaming@epidemicsound.com as an Admin. This allows Epidemic Sound to help manage the profile, upload profile pics and headers.