
2020

**ANNUAL REPORT
WITH TRANSPARENCY REPORT**

AT A GLANCE

↔ T.01

	2020 in €'000s	2019 in €'000s
Income	958,838	1,069,377
Expenses	152,354	163,743
Distributable amount	806,484	905,634
Cost rate	15.9 %	15.3 %
Operating cost rate	14.9 %	13.4 %
Income		
Breakdown by collection category		
Regional office collections	230,137	407,438
Reproduction sector collections	48,585	61,119
International collections	62,712	69,344
Broadcasting collections	285,407	295,180
Online collections	179,464	181,860
Remuneration rights	141,732	44,082
Other collection categories	10,802	10,355
Amounts by categories	958,839	1,069,377
Expenses		
Staff costs	62,500	65,025
Material costs	89,854	98,718
	152,354	163,743

↔ T.01

Rights category	Type of use	2020 in €'000s	2019 in €'000s
Reproduction and distribution	Sound recordings	29,948	38,476
	Audiovisual recordings	5,709	6,536
	Total	35,657	45,012
Performance	Music events	62,739	145,862
Online	Internet broadcasting	473	546
	Download	20,146	8,745
	Streaming	153,770	172,704
	Total	174,389	181,995
Broadcasting	Radio	45,314	52,686
	TV	163,126	170,006
	Cable retransmission	16,657	15,673
	Total	225,097	238,365
Communication to the public	Mechanical reproduction	92,241	149,558
Presentation	Presentation	5,118	10,903
Statutory remuneration rights	of which s. 27 (1) UrhG [German Copyright Act]	176	250
	of which s. 27 (2) UrhG	-153	1,178
	of which s. 60h (1) UrhG	1,780	654
	of which s. 54 (1) UrhG	138,833	42,249
	Total	140,636	44,331
International income	A AR	41,162	46,654
	A VR	11,612	12,404
	KRA and KFSa	9,938	10,286
	Total	62,712	69,344
Collection mandates	Total	145,719	164,552
Other income		14,531	19,455
Total		958,839	1,069,377

Rarely before has music been as valuable to society as it is in these challenging times. More than ever, it is food for the soul and a source of strength for many people. The creations of GEMA members have been and remain the glue that holds society together, especially in times of social and cultural deprivation.

DR. HARALD HEKER, CEO AND CHAIRMAN OF THE MANAGING COMMITTEE

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LETTER TO OUR MEMBERS

*Dear GEMA members,
dear readers,*

We look back on a year of crisis, unparalleled in recent history. The outbreak of the COVID-19 pandemic in early 2020 brought social and cultural life largely to a standstill. To this day, people have to forego live concerts, public festivities and many other things in the battle against the virus. This is an existential catastrophe for music creators in this country. For more than a year, they have been denied virtually all stages, thus a large part of their sources of income has dried up.

The pandemic has cut creatives to the quick, emotionally and materially. The impact on their creative work and their income situation is dramatic. However, the past year has also shown the strength that resides in GEMA. The community of solidarity among music authors was able to show its full strength during the crisis. First and foremost with a comprehensive aid programme, set up at short notice, for members who were particularly affected, but also with reliable distributions and pragmatic handling of advance payments in cases of hardship. We are going to continue and even partially expand these effective measures in order to cushion the sometimes existential hardships of composers and lyricists. The fact that GEMA is able to do this demonstrates that our community is helpful and resilient, even and especially under conditions of extreme stress.

However, the pandemic has left deep marks on GEMA's balance sheet for 2020. Total revenues have fallen by around €110 million to €959 million, compared to the previous year. Especially in the regional offices, the far-reaching lockdown ordered by the authorities had a negative financial impact. Due to nationwide event cancellations and the nationwide closure of gastronomy, hotels and shops, licensing income fell by 43 percent, from €407 million to just €230 million in one year. In the traditionally strongest segment of our business, we thus had to cope with a minus of around €177 million. The restrictions in retail also sped up the decline in earnings in an already strongly declining sound recordings market which dwindled by €12.5 million compared to the previous year.

In 2020, revenues in the broadcasting sector and from international rights exploitation were also lower. In contrast, our online business remained more or less stable in the past year of the crisis; revenues declined only slightly to just under €180 million. In view of the fact that, unlike in 2019, no additional back payments from previous years were included in total income in the reporting year, this is a very pleasing result. It reflects that the pandemic has given the digital use of music an additional boost. In contrast to further declining downloads, it was streaming of musical works in particular that increased dynamically.



DR. HARALD HEKER
CEO AND CHAIRMAN OF THE MANAGING COMMITTEE

It should not be ignored that the overall satisfactory annual result in view of the situation is also due to special effects. Thanks to royalties paid to GEMA for previous years by the Zentralstelle für private Überspielungsrechte (ZPÜ), the joint association of German collective management organisations, income in this area rose by €98 million to €142 million compared with 2019. The increase in income stems from retroactive conclusions of contracts relating to entertainment electronics products and delayed incoming payments for music use on mobile phones and PCs. These one-off special distributions from ZPÜ meant that GEMA was able to absorb about half of the revenue losses in the areas particularly affected by the COVID-19 crisis.

In summary, GEMA was able to hold its own comparatively well given the stressful conditions during the pandemic. A contributory factor was also that the expenditure policy was adapted to the situation. As a consequence, due to the impact of the COVID-19 crisis, we scaled back our planning at an early stage, which enabled us to keep the cost rate below 16 per cent.

All in all, the 2020 business balance sheet cannot hide the fact that the situation remains extremely tense for the time being. The enormous gaps that the pandemic has torn in GEMA's collections will severely reduce the distributions to many music creators in the current year and probably also in the coming year.

As a community of solidarity and representative of interests, GEMA is going to continue supporting authors and their publishers through this challenging phase. In 2021, we will not only keep the 'Schutzschirm', our 'protective shield' campaign open for our members, but we will also continue to speak out clearly to politicians in favour of sustainable support for composers and lyricists in the crisis. For their creations have been and remain the glue that holds society together, especially in times of social and cultural deprivation. In this context, I would like to express my gratitude to our staff members who, under difficult conditions, have pledged their hearts and their expertise to GEMA and its now more than 80,000 members.

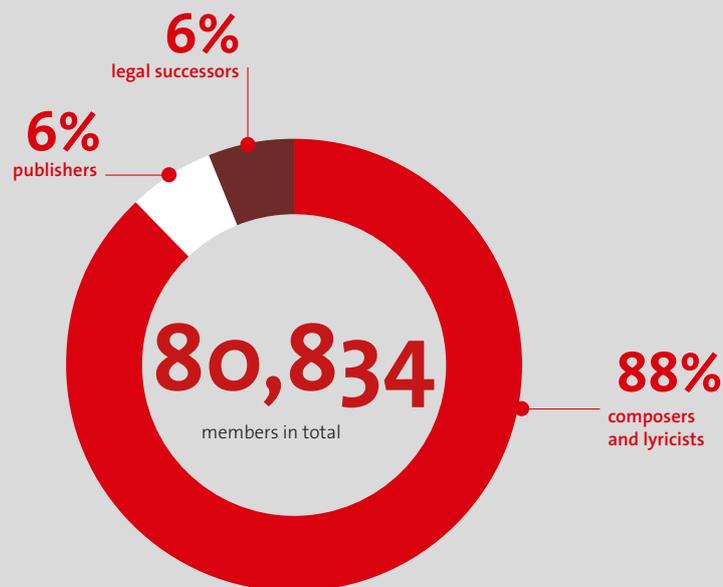
Dr. Harald Heker
CEO and Chairman of the Managing
Committee

MEMBERSHIP NUMBERS

MEMBERSHIP DEVELOPMENT AND CATEGORISATION

→ T.02

	31/12/2020	31/12/2019
Composers and lyricists	71,248	66,969
of which full composer members	3,194	3,151
of which full lyricist members	512	506
of which associate members	5,764	5,715
of which affiliated members	61,778	57,597
Publishers	4,962	5,016
of which full members	576	575
of which associate members	194	197
of which affiliated members	4,192	4,244
Legal successors	4,624	4,504
of which full composer members	17	17
of which full lyricist members	10	10
of which associate members	0	1
of which affiliated members	4,597	4,476
Total	80,834	76,489
of which full members	4,309	4,259
of which associate members	5,958	5,913
of which affiliated members	70,567	66,317



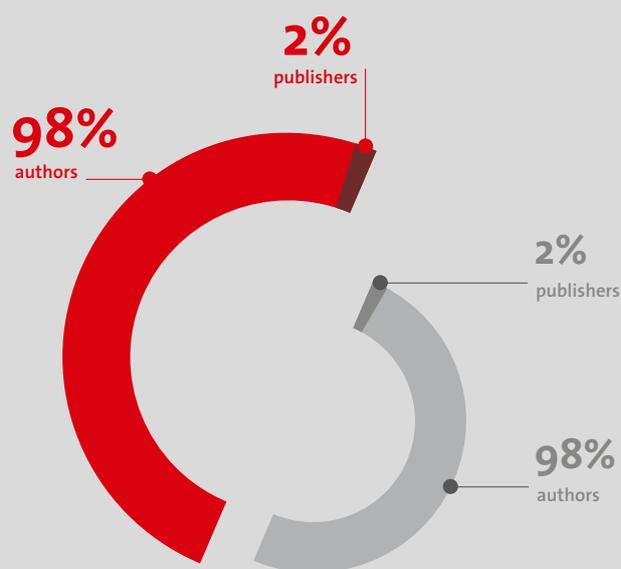
Membership development and categorisation 2020

ADMISSION OF NEW MEMBERS

→ T.03

	31/12/2020	31/12/2019
Authors (composers and lyricists)	5,285	3,615
Publishers	106	86
Total	5,391	3,701

Membership totals increased by 4,345 altogether, compared to 5,391 new admissions. The difference between the increase and the number of new admissions is a result of membership terminations and members' early withdrawals.



Admission of new members
2020/2019 comparison

GEMA looks back on the year 2020 which has plunged us into a deep crisis because of the COVID-19 pandemic, not only from a health policy perspective, but also culturally, socially and economically. Hardly any other sector has suffered such high losses during the COVID-19 crisis as the cultural and creative industries. The economic existence of many musicians and creatives is threatened in the long term.

31%

loss of turnover compared to 2019 was felt by the European culture and creative sector in 2020 (a net decline of EUR 199bn compared to 2019), thus recording a sharper decline in turnover than the tourism and automotive industries (-27% and -25% respectively).¹



1000



live concerts (courtyard concerts, drive-in concerts, concerts at drive-in cinemas etc.) were reported to GEMA in April 2020 (1st to 30th April). In April 2019, there were 21,100 live concerts.



ABOUT 177 MILLION

euros in regional office collections were missed out on due to business closures designed to stop the spread of coronavirus.³

71.5%

of music collections were generated by online music use in 2020. In 2019, it was still 64.4%. The format with the highest turnover continues to be audio streaming, growing dynamically at a high level.⁴



References:
1) www.rebuilding-europe.eu
2) GEMA internal figures
3) See p. 56
4) www.musikindustrie.de

From the end of March 2020, GEMA began providing swift and unbureaucratic assistance to its 80,000 members with an emergency relief package. The wide appreciation we received for this emergency support strengthens us as a community of solidarity.



€ 5 m

was paid out to GEMA members under the COVID-19 relief fund.

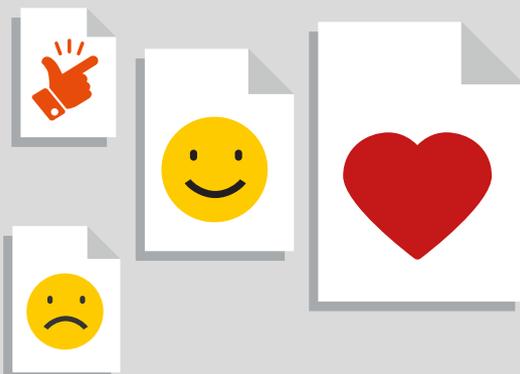
2,376

member applications were approved in total.²

15

Across a total of

weekly pay-out dates, monies could be transferred to the members affected in a swift manner (from 4/4/2020).²



GEMA received numerous and sometimes very touching letters of thanks.²

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board held meetings on 13 days during the 2020 financial year: on 18/19 March, 11 May, 17 and 22/23 June, 28 and 30 September, 1 and 7/8 October and 9/10 December 2020. Moreover, regular meetings of the committees formed by the Supervisory Board (such as the Tariff Committee, Distribution Plan Committee and Programme Committees) as well as the Rating Committees, the Assessment Committee for arrangers and the Works Committee took place regularly. During joint meetings with the Managing Committee, the Supervisory Board addressed GEMA's overall situation, business performance and business policies on the basis of written and verbal reports by the Managing Committee, which formed the basis for discussions with the Managing Committee.

During the 2020 financial year, the Finance Committee of the Supervisory Board met on 17 March and on 24 November. The respective results were reported back to the Supervisory Board. Furthermore, the Finance Committee dealt with the Managing Committee's annual report for 2020 during its meeting on 23 March 2021 and reported the outcome to the Supervisory Board during its meeting on 20/21 April 2021.



DR. RALF WEIGAND
CHAIRMAN OF THE SUPERVISORY BOARD

The appointed auditors, KPMG AG Wirtschaftsprüfungsgesellschaft [auditing company], Berlin, audited the 2020 annual financial statements prepared by the Managing Committee, including the accounts and the management report, and issued an auditors' report without reservation. The Supervisory Board discussed the auditors' report at its meeting on 20/21 April 2021 and raised no objections to the audit result and the management report of the Managing Committee. It approved the annual financial statements which are thereby endorsed.

The following individuals were members of the Supervisory Board in the 2020 reporting year:

For the professional category of composers Jörg Evers, Matthias Hornschuh, Micki Meuser, Jochen Schmidt-Hambrock, Dr. Charlotte Seither, Dr. Ralf Weigand as well as Prof. Dr. Enjott Schneider (until 14 July) and Michelle Leonard (from 14 July), and Alexander Zuckowski as deputies; for the professional category of lyricists Burkhard Brozat, Rudolf Müssig († 14 February 2021), Frank Ramond, Stefan Waggerhausen as well as Tobias Künzel and Pe Werner as deputies; for the professional category of publishers Jörg Fukking, Hans-Peter Malten, Michael

Ohst, Patrick Strauch, Dr. Götz von Einem as well as Winfried Jacobs and Diana Muñoz as deputies.

Dr. Ralf Weigand was Chairman, Deputy Chairmen were Stefan Waggerhausen and Hans-Peter Malten.

Munich, 21 April 2021

Dr. Ralf Weigand
Chairman of the Supervisory Board

HONORARY PRESIDENTS AND HONORARY MEMBERS

Honorary Presidents

Prof. Dr. Reinhold Kreile

Prof. Dr. jur. h. c. Erich Schulze †

Honorary Members

Prof. Harald Banter

Prof. Christian Bruhn

Klaus Doldinger

Dr. Peter Hanser-Strecker

Karl-Heinz Klempnow

Prof. Karl Heinz Wahren

Hartmut Westphal

Bruno Balz †

Richard Bars †

Prof. Jürg Baur †

Prof. Werner Egk †

Dr. Hans Gerig †

Prof. Dr. Dr. h. c. Joseph Haas †

Hans Hee †

Kurt Hertha †

Heinz Korn †

Peter Jona Korn †

Eduard Künneke †

Jo Plée †

Dr. Willy Richartz †

Prof. Dr. Georg Schumann †

Günther Schwenn †

Dr. Hans Sikorski †

Prof. Dr. Hans Wilfred Sikorski †

Dr. Dr. h. c. Ludwig Strecker †

INTERNATIONAL ORGANISATIONS

CISAC

Confédération Internationale des Sociétés d'Auteurs et Compositeurs, Paris

Member of the Board of Directors

Dr. Harald Heker

Member of CIAM

(International Council of Music Creators)

Jörg Evers

Member of the Legal Committee

Dr. Tobias Holzmüller

BIEM

Bureau International des Sociétés gérant les Droits d'Enregistrement et de Reproduction Mécanique, Paris

Honorary Presidents

Prof. Dr. Reinhold Kreile

Prof. Dr. jur. h. c. Erich Schulze †

Prof. Dr. Hans Wilfred Sikorski †

President of the Management Committee

Georg Oeller

GESAC

Groupement Européen des Sociétés d'Auteurs et Compositeurs, Brussels

Vice President

Dr. Harald Heker

FASTTRACK

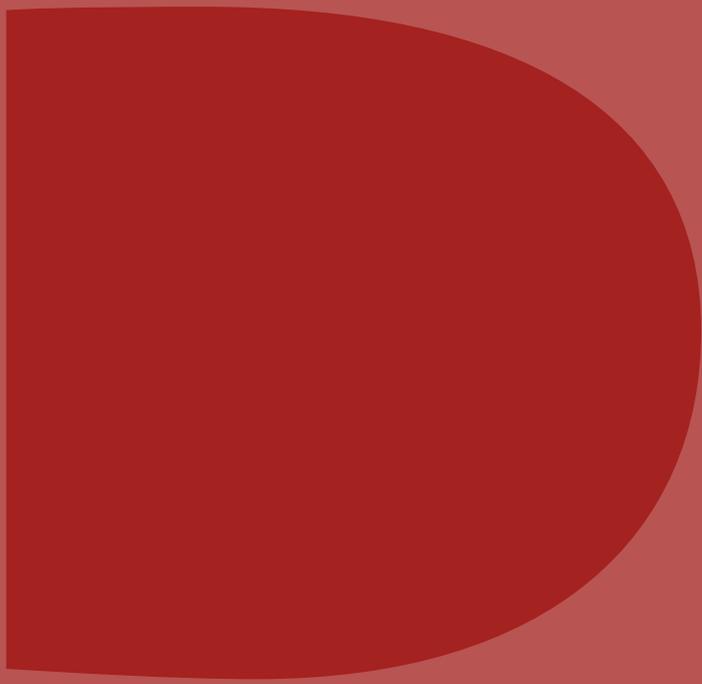
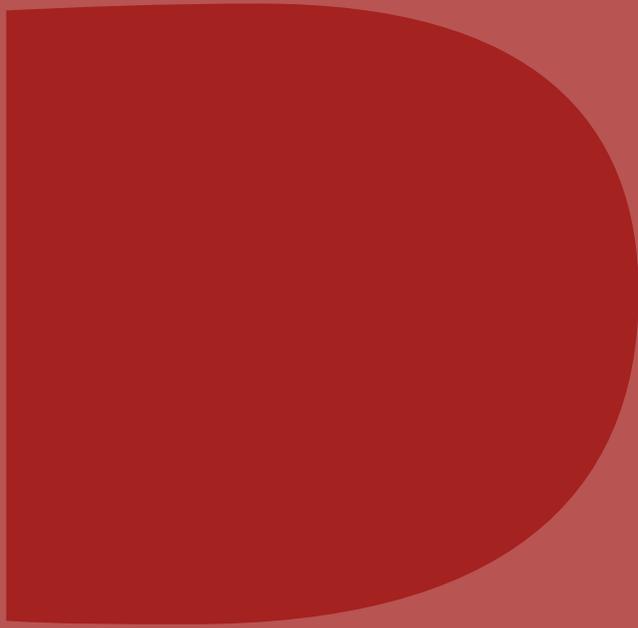
The Digital Copyright Network SAS, Paris

Member of the Board of Directors

Dr. Harald Heker

Member of the Executive Committee

Thimo Prziklang



Transparency Report

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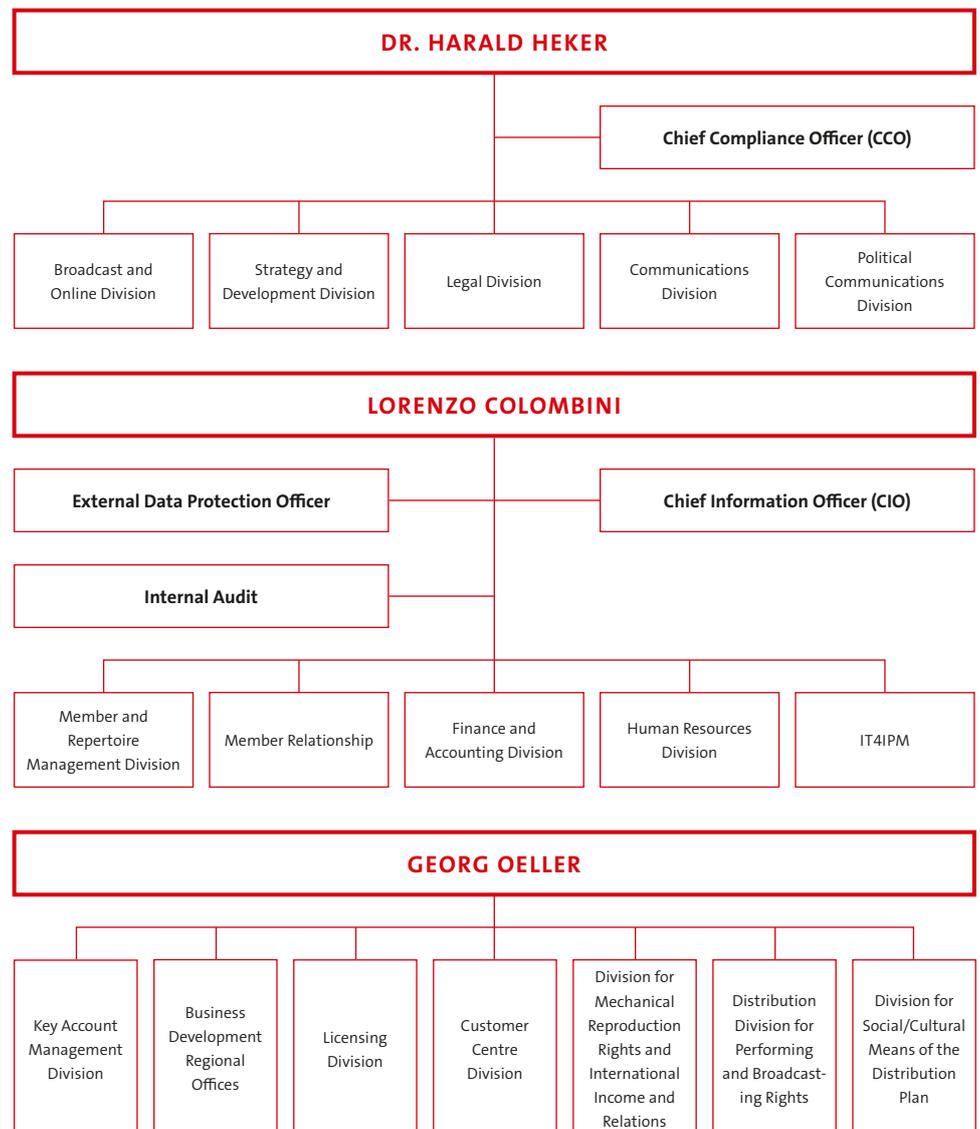
LEGAL STRUCTURE / ORGANISATIONAL STRUCTURE

Pursuant to Art. 1 of its Statutes, GEMA (society for musical performing and mechanical reproduction rights), Berlin, has the legal form of a commercial association whose legal capacity is granted by charter pursuant to s. 22 German Civil Code (BGB).

Governing bodies of GEMA pursuant to Art. 5 of the Statutes are:

- the assembly of full members,
- the Supervisory Board,
- the Managing Committee within the meaning of the BGB.

GEMA is a collective management organisation within the meaning of s. 2 VGG [CMO Act] and is under institutional supervision by the German Patent and Trade Mark Office, Munich.



GEMA SOCIAL FUND

The GEMA social fund was established by way of resolution of the Members' Assembly as of 1 January 1957. It creates legally dependent special funds of GEMA for the purpose of supporting its members and thus conforms to welfare and assistance schemes as designated in s. 32 (2) VGG.

The GEMA social fund has its own Statutes and comprises three independent sections (composers, lyricists and music publishers).

The services to be rendered by the GEMA social fund are regulated by its Statutes.

Composers' section	Ralf Hoyer Christoph Rinnert Rainer Rubbert	Managing Director and curator
Lyricists' section	Klaus Pelizaeus Tobias Reitz Jutta Staudenmayer	Managing Director and curator
Publishers' section	Andreas Meurer Thomas Tietze Marcus Zander	Managing Director and curator

As at 31/12/2020

HOLDINGS AND AFFILIATED COMPANIES

ARESA GmbH, Munich

Purpose: national and multinational licensing of musical works in the online sector

Registered number

HRB 197896

Associate

GEMA

GEMA Immobilien GmbH, Munich

Purpose: property management

Registered number

HRB 214398

Associate

GEMA

GEMA Immobilienverwaltung wirtschaftlicher Verein & Co. KG, Munich

Purpose: property management

Registered number

HRA 103041

Associates

GEMA (general partner)

GEMA Immobilien GmbH (limited partner)

GEMA Unterstützungskasse GmbH, Munich

Purpose: running of a benevolent fund for pension liabilities

Registered number

HRB 223307

Associate

GEMA

GEMA ZB GmbH, Munich

Purpose: acquisition, retention, management and sale of shareholdings, especially in companies active in the music industry

Registered number

HRB 252099

Associate

GEMA

ICE Operations AB, Stockholm

Purpose: holding company of ICE International Copyright Enterprise Germany GmbH

Registered number

556723-5907

Associates

PRS for Music Ltd., Föreningen Svenska Tonsättares Internationella Musikbyrå (STIM) u. p. a., GEMA

ICE International Copyright Enterprise Germany GmbH, Berlin

Purpose: provision of services within the framework of the documentation of works with a musical component, evaluation of usage reports and usage allocation as well as operation and maintenance of the systems and processes required for this purpose

Registered number

HRB 162426

Associate

ICE Operations AB

International Copyright Enterprise Services Ltd., London

Purpose: pan-European licensing of musical works in the online sector

Registered number

8983089

Associates

PRS for Music Ltd., Föreningen Svenska Tonsättares Internationella Musikbyrå (STIM) u. p. a., GEMA

iSYS Software GmbH, Munich

Purpose: IT services for companies

Registered number

HRB 111760

Associates

Prof. Dr. Peter Mandl, Michael Sailer, Hans-Joachim Marienfeld, Hausbank München eG Bank für Haus- und Grundbesitz, GEMA

IT for Intellectual Property Management GmbH, Munich

Purpose: IT services for collective management organisations

Registered number

HRB 211469

Associate

GEMA

SOLAR-Music Rights Management GmbH i. L., Munich

Purpose: holding company for SOLAR Music Rights Management Ltd.

Registered number

HRB 165199

Associates

PRS for Music Ltd., GEMA

SOLAR Music Rights Management Ltd., London

Purpose: pan-European licensing of musical works in the online sector

Registered number

8983482

Associate

SOLAR-Music Rights Management GmbH i. L.

Zentralstelle Bibliothekstantieme GbR (ZBT), Munich

Purpose: assertion of entitlements pursuant to s. 27 (2) and s. 60h (1) German Copyright Act (UrhG)

Associates

VG Wort, VG Bild-Kunst, VG Musikedition, GEMA, GVL, VGF, GWFF, VFF

Zentralstelle für private Überspielungsrechte GbR (ZPÜ), Munich

Purpose: assertion of entitlements for remuneration, information and notification for reproductions of audio works and audiovisual works pursuant to s. 53 (1) to (2) UrhG

Associates

GEMA, GVL, VG Wort, GÜFA, GWFF, VG Bild-Kunst, VFF, VGF, TWF

ZPÜ-Service GmbH, Munich

Purpose: GEMA service provider as managing associate of the ZPÜ GbR

Registered number

HRB 209577

Associate

GEMA

MANAGING COMMITTEE

**DR. HARALD HEKER (* 1958)****CEO AND CHAIRMAN OF THE MANAGING COMMITTEE**

Dr. Harald Heker has been GEMA CEO and Chairman of the Managing Committee since 1 January 2007.

He studied law in Munich and completed his doctorate in Freiburg im Breisgau. From 1988 to 1990, he worked as a lawyer and managing director at the Institute for Copyright and Media Law in Munich. From 1990 to 2000, he was legal adviser to the Börsenverein des Deutschen Buchhandels [German Publishers and Booksellers Association] and co-director of Ausstellungs- und Messe GmbH [the exhibition and trade fair arm of said Association]. From 2001 to 2005, he was managing director of the Börsenverein and since 2003, he has also held the position of speaker for the management committee of Börsenverein Beteiligungsgesellschaft mbH, an affiliated company to the Börsenverein, under whose umbrella the Börsenverein pools its economic activities such as the organisation of the Frankfurt Book Fair. In 2006, Dr. Harald Heker joined GEMA as a member of the Managing Committee before becoming CEO and Chairman of the Managing Committee in 2007.

**LORENZO COLOMBINI (* 1972)****MEMBER OF THE MANAGING COMMITTEE**

Lorenzo Colombini was appointed GEMA CFO and member of the Managing Committee on 1 July 2012.

The graduate in business and commerce (University Luigi Bocconi, Milan) has been working as Director for Finance and Accounting since 2009. Since 2002, Lorenzo Colombini, a native of Milan, had been in charge of financial affairs at the publicly listed Constantin Film AG in Munich. Prior to that, he worked for auditing firms KPMG and Ernst & Young.

**GEORG OELLER (* 1964)****MEMBER OF THE MANAGING COMMITTEE**

Georg Oeller was appointed a member of the Managing Committee on 1 August 2009.

Georg Oeller, a trained bank clerk and lawyer has been working for GEMA since 1995. He was Director of the Abrechnung II [Distribution II] and Ausland [International Income and Relations] departments between 2002 and 2009.

SUPERVISORY BOARD

The Supervisory Board is the supervisory body of GEMA pursuant to s. 22 VGG. As per the Statutes, it is made up of 15 members, of which six have to be composers, four lyricists and five publishers. Two deputies can be elected for each professional category.

A new Supervisory Board was elected during GEMA's AGM on 16/17 May 2018. The election of the Chairman and two deputies took place at the Supervisory Board's meeting on 17 May 2018 and, again, at the Supervisory Board's meetings on 25 May 2019 and 1 October 2020.

At the Supervisory Board's meeting on 3 July 2019, a new Deputy Chairman for the professional category of publishers as well as a substitute member and a substitute member as a deputy were elected by the professional category of publishers, as of 14 July 2020, a substitute member as deputy by the professional category of composers.

As of 31 December 2020, the Supervisory Board was hence made up as follows:

Chairman	Dr. Ralf Weigand
Deputy Chairmen	Stefan Waggershausen Hans-Peter Malten
Members of the Supervisory Board	Burkhard Brozat Dr. Götz von Einem Jörg Evers Jörg Fukking Matthias Hornschuh Micki Meuser Rudolf Müssig † Michael Ohst Frank Ramond Jochen Schmidt-Hambrock Dr. Charlotte Seither Patrick Strauch
Deputies	Winfried Jacobs Tobias Künzel Michelle Leonard Diana Muñoz Pe Werner Alexander Zuckowski

As at 31/12/2020

The mandate of the Supervisory Board members is valid from the end of the members' assembly during which their election took

place until the third ordinary members' assembly. Re-election is permitted.



DR. RALF WEIGAND
CHAIRMAN OF THE SUPERVISORY BOARD



STEFAN WAGGERSHAUSEN
DEPUTY CHAIRMAN



HANS-PETER MALTEN
DEPUTY CHAIRMAN

COMMITTEES AND COMMISSIONS

Admissions Committees	Composers Prof. Bernd Wefelmeyer Helmut Zapf	Deputy N.N.
	Lyricists Tobias Reitz Peter Zentner	Deputy Klaus Pelizaeus
	Publishers Andreas Meurer Michael Wewiasinski	Deputy Dr. Thomas Sertl
Communications Committee	Dr. Götz von Einem Jörg Evers Tobias Künzel Micki Meuser Diana Muñoz Frank Ramond	Deputies Burkhard Brozat Matthias Hornschuh Michael Ohst
Culture Committee	Burkhard Brozat Jörg Fukking Matthias Hornschuh Michael Ohst Frank Ramond Dr. Charlotte Seither	Deputies Rudolf Müssig † Diana Muñoz Jochen Schmidt-Hambrock
Complaints Committee	Chairwoman Christel Hengst (presiding judge at the Regional Court Berlin, retired)	Deputy Chairman Prof. Dr. Jan Dirk Harke (Jena University)
	Representatives of the three professional categories	
	Composers Robert HP Platz	Deputy Prof. Harald Banter
	Lyricists Michael Arends	Deputy Peter Zentner
Publishers Yvonne Sill	Deputy Karina Poche	

Radio Committee	Composers Prof. Bernd Wefelmeyer Dr. Ralf Weigand	Deputy Hans Peter Ströer
	Lyricists Klaus Pelizaeus Stefan Waggershausen	Deputy Jutta Staudenmayer
	Publishers Jan Rolf Müller Patrick Strauch	Deputy Stefan Conradi
Programme Committee	Sub-committee serious music Winfried Jacobs Michael Ohst Jochen Schmidt-Hambrock Dr. Charlotte Seither	Deputies Hans-Peter Malten Micki Meuser Experts Prof. Moritz Eggert Johannes Hildebrandt Thomas Tietze
	Sub-committee entertainment music, radio, TV Burkhard Brozat Dr. Götz von Einem Jörg Evers Jörg Fukking Matthias Hornschuh Stefan Waggershausen	Deputies Diana Muñoz Frank Ramond Alexander Zuckowski Expert Prof. Harald Banter
Statutes Committee	Burkhard Brozat Dr. Götz von Einem Jörg Evers	Deputies Rudolf Müssig † Jochen Schmidt-Hambrock Patrick Strauch
Attendance Allowance Committee	Chairwoman Christel Hengst (presiding judge at the Regional Court Berlin, retired)	Deputy Chairman Prof. Dr. Jan Dirk Harke (Jena University)
	Representatives of the three professional categories	
	Composers Wolfgang Lackerschmid	Deputy Annette Focks
Lyricists Johann-Christoph Busse	Deputy Edith Jeske	
Publishers Eckhard Becker	Deputy Sebastian Mohr	

Tariff Committee	Jörg Evers Hans-Peter Malten Rudolf Müssig † Michael Ohst Frank Ramond Dr. Ralf Weigand	Deputies Jörg Fukking Micki Meuser Stefan Waggershausen Expert Patrick Strauch
	Author-Publisher Arbitration Committee	Chairman Prof. Dr. Jan Dirk Harke Deputy Chairwoman Christel Hengst
Representatives of the three professional categories		
	Composers Andreas Weidinger	Deputy Prof. Karim Sebastian Elias
	Lyricists Gregor Rottschalk	Deputy Timothy Touchton
	Publishers Dr. Heinz Stroh	Deputy Arne Björn Segler
Distribution Plan Committee	Composers Jörg Evers Dr. Charlotte Seither Dr. Ralf Weigand	Deputies Jochen Schmidt-Hambrock Alexander Zuckowski
	Lyricists Rudolf Müssig † Stefan Waggershausen	Deputy Frank Ramond
	Publishers Dr. Götz von Einem Patrick Strauch	Deputies Jörg Fukking Hans-Peter Malten Expert Prof. Harald Banter
Election Committee	Composers Thomas Rebensburg	Deputy Prof. Christian Bruhn
	Lyricists Götz von Sydow	Deputy Ulla Meinecke
	Publishers Dr. Sabine Meier	Deputy Sabine Kemna

Works Committee**Composers**

Prof. Martin Christoph Redel
Tobias P. M. Schneid
Hans Peter Ströer
Prof. Bernd Wefelmeyer

Deputies

Dr. Anselm Kreuzer
Alexander von Schlippenbach
Iris ter Schiphorst
N.N.

Lyricists

Klaus Pelizaeus
Jutta Staudenmayer

Deputies

Peter Freudenthaler
Reiner Hömig

Publishers

Jan Rolf Müller

Deputy

Stefan Conradi

Supervisory Board delegate

Jochen Schmidt-Hambrock

Deputy

Dr. Charlotte Seither

Rating Committee for composers and lyricists in the serious music category (E)

Prof. Martin Christoph Redel
Annette Schlünz
Helmut Zapf

Deputies

Detlev Glanert
Babette Koblenz

Expert for choir music cases

Gerhard Rabe

Deputy

Peter Michael Hamel

Delegate of associate and affiliated members

Johannes X. Schachtner

Supervisory Board delegate

Dr. Charlotte Seither

Deputy

Jochen Schmidt-Hambrock

Rating Committee for publishers in the serious music category (E)

Stefan Conradi
Horst Schubert

Deputy

Dr. Peter Hanser-Strecker

Supervisory Board delegate

Michael Ohst

Deputy

Winfried Jacobs

**Rating Committee for
Light and Dance Music (U)**

Composers
Thorsten Brötzmann
Dr. Rainer Fabich
Christoph Rinnert

Deputies
Martina Eisenreich
Christian Neander
Michael Reinecke

Lyricists
Michael Holm
Tobias Reitz
Thomas Woitkewitsch

Deputies
Dr. Manfred Maurenbrecher
Klaus Pelizaeus
Maya Singh

Publishers
Pamela Georgi-Michel
Barbara Krämer
Michael Wewiasinski

Deputies
Lars Ingwersen
Ute Lingner
Jan Rolf Müller

**Delegates of associate
and affiliated members**

**Supervisory Board
delegates**

Composers
Andreas Dombert

Composers
Dr. Ralf Weigand

Deputy
Jörg Evers

Lyricists
Timo Peter

Lyricists
Stefan Waggershausen

Deputy
Burkhard Brozat

Publishers
Thomas Ritter

Publishers
Jörg Fukking

Deputy
Hans-Peter Maltén

**Assessment Committee
for arrangers**

Prof. Wieland Reißmann
Joachim Schmeißer
Lenard Schmidthals
Prof. Bernd Wefelmeyer
N.N.

Deputies
Tina Pepper
Wolfgang Vetter-Lohre
Alfons Weindorf

**Supervisory Board
delegate**
Jörg Evers

Deputy
Micki Meuser

Finance Committee

Burkhard Brozat
Micki Meuser
Diana Muñoz
Michael Ohst
Jochen Schmidt-Hambrock
Stefan Waggershausen

Deputies
Frank Ramond
Dr. Charlotte Seither
Patrick Strauch

Pursuant to Art. 5a of the Statutes, members of the Supervisory Board, the committees and commissions of GEMA merely receive a reimbursement of their travel and cash expenses as well as flat-rate attendance fees at an adequate level for their voluntary activity. The level of attendance fees is determined by the Members' Assembly pursuant to Art. 10 item 6c of the Statutes at the suggestion of the Attendance Allowance Committee.

In 2020, a total of €2,581k was paid to members of the governing bodies in the form of compensation and other benefits pursuant to s. 18 (1) VGG.



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PROFIT AND LOSS STATEMENT

PROFIT AND LOSS STATEMENT FOR THE PERIOD 1 JANUARY TO 31 DECEMBER

[↗ T.04](#)

in €'000s	Note no.	2020	2019
1. Income	27	950,487	1,055,444
<i>of which</i>			
a) Income from copyright exploitation and remuneration rights		944,308	1,049,922
<i>of which income from collection mandates</i>		145,739	164,653
b) Other income		6,179	5,523
2. Other operating income		4,057	10,361
3. Expenses for third-party services	28	- 55,575	- 64,300
4. Staff costs	29	- 62,500	- 65,025
<i>of which</i>			
a) Wages and salaries		- 47,236	- 44,314
b) Social benefits and expenses for social security plans and support programmes		- 15,263	- 20,712
<i>of which pension scheme payments</i>		- 6,631	- 12,295
5. Amortisation of intangible assets in fixed assets and tangible assets		- 11,467	- 9,900
6. Other operating expenses	28	- 21,050	- 23,384
7. Income from holdings		1,164	785
<i>of which holdings in affiliated companies</i>	30	879	752
8. Income from securities and bonds		2,055	2,055
9. Other interest and similar income		1,075	732
<i>of which holdings in affiliated companies</i>		361	0
10. Interest paid and similar expenditure	31	- 1,657	- 872
11. Tax on income and revenue		0	- 127
12. Result after tax		806,589	905,769
13. Other taxes		- 105	- 135
14. Allocations to distribution reserves and accruals	23	- 806,484	- 905,634
15. Result for the year		0	0

BALANCE SHEET AS AT 31 DECEMBER 2020 (87TH FINANCIAL YEAR)

ASSETS

→ T.05

in €'000s		Note no.	As at 31/12/2020	As at 31/12/2019
A. Fixed assets	I. Intangible assets	3/17		
	1. Operating licences, industrial property rights, similar rights and values, as well as licences in such values and rights		45,334	52,554
	2. Prepayments made		36,131	18,607
			81,465	71,161
	II. Tangible assets	4/17		
	1. Properties, leasehold rights and buildings, including buildings on sites not owned by GEMA		14,566	15,165
	2. Other assets, office and business equipment		2,618	3,040
			17,184	18,205
	III. Financial assets	5/17		
	1. Shares in affiliated companies	18	61,507	56,993
	2. Loans to affiliated companies		28,099	21,500
	3. Holdings	19	4,677	4,677
	4. Loans to holdings		11,254	11,429
	5. Fixed asset securities		309,000	287,000
	6. Other loans		1,609	811
			416,146	382,410
			514,795	471,776
B. Current assets	I. Receivables	6/20		
	1. Members		73,427	72,350
	2. Foreign companies		51,548	63,791
	3. Sound recordings and audiovisual media companies		2,853	3,003
	4. Broadcasters		29,213	34,415
	5. Online providers		75,797	121,827
	6. Music promoters		50,536	80,404
	7. Affiliated companies		1,654	2,477
	8. Entities/holdings in which the company has a participating interest		100	590
	9. Others		23,845	22,699
	<i>of which from taxes</i>		7,841	5,726
			308,973	401,556
	II. Cash at bank	7/21		
	1. Fixed-term deposits		0	10,000
	2. Others		287,888	300,896
			287,888	310,896
	III. Cash in hand	7	8	21
			596,869	712,473
C. Accruals and deferred income		8	450	207
D. Deferred tax assets		9	9,018	7,672
E. Trustee receivables		21	1,735	1,759
			1,122,867	1,193,887

LIABILITIES

⇨ T.06

in €'000s	Note no.	As at 31/12/2020	As at 31/12/2019
A. Capital and reserves	22	0	0
B. Reserves and accruals for distribution	10/23		
I. From performance, presentation, broadcasting and communication to the public and remuneration rights			
1. Domestic income		500,806	616,042
2. Collection mandates		31,909	37,068
3. International income		29,537	34,164
		562,252	687,274
II. From reproduction rights and remuneration rights			
1. Domestic income		195,930	243,826
2. Collection mandates		-900	408
3. International income		7,675	10,081
4. Statutory remuneration rights		101,484	0
		304,189	254,315
		866,441	941,589
C. Other reserves	11/24		
1. Reserves for pensions and similar obligations		80,827	76,202
2. Tax accruals		164	2,949
3. Other accruals		50,766	28,362
		131,757	107,513
D. Liabilities	14/25		
1. From royalties distributed			
To members		16,698	10,347
To foreign collective management organisations		9,216	4,414
2. To music promoters		30,371	5,075
3. From deliveries and services		5,373	0
4. To affiliated companies		7,789	6,733
5. To entities/holdings in which the company has a participating interest		25	4
6. Others		12,556	70,845
<i>of which from taxes</i>		977	961
		82,028	97,418
E. Accruals and deferred income	15/26	40,906	45,608
F. Trustee obligations	21	1,735	1,759
		1,122,867	1,193,887

DEVELOPMENT OF FIXED ASSETS IN 2020

ASSETS: A. FIXED ASSETS

in €'000s	Purchase and production costs				As at 31/12/2020
	As at 01/01/2020	Additions	Transfers	Disposals	
I. Intangible assets					
1. Operating licences, industrial property rights, similar rights and values, as well as licences in such values and rights	85,054	131	3,314	- 14,205	74,294
2. Prepayments made	18,607	20,838	- 3,314	0	36,131
3. Low-value assets	6	1	0	- 6	1
Total	103,667	20,971	0	- 14,211	110,427
II. Tangible assets					
1. Properties, leasehold rights and buildings, including buildings on sites not owned by GEMA	31,637	0	0	0	31,637
2. Other assets, office and business equipment	4,822	71	0	- 27	4,867
3. Low-value assets	546	35	0	- 546	35
Total	37,005	106	0	- 573	36,538
III. Financial assets					
1. Shares in affiliated companies	56,993	4,513	0	0	61,507
2. Loans to affiliated companies	21,500	7,300	0	- 701	28,099
3. Holdings	4,677	0	0	0	4,677
4. Loans to holdings	11,429	2,195	0	- 2,370	11,254
5. Fixed asset securities	287,000	66,000	0	- 44,000	309,000
6. Other loans	811	1,150	0	- 352	1,609
Total	382,410	81,159	0	- 47,422	416,146
Sum total	523,082	102,236	0	- 62,206	563,111

⇒ T.07

	Accumulated amortisation and depreciation			Book values		
	As at 01/01/2020	Additions	Disposals	As at 31/12/2020	As at 31/12/2020	As at 31/12/2019
	32,500	10,340	- 13,879	28,961	45,334	52,554
	0	0	0	0	36,131	18,607
	6	1	- 6	1	0	0
	32,506	10,341	- 13,885	28,962	81,465	71,161
	16,472	598	0	17,071	14,566	15,165
	1,783	492	- 26	2,249	2,618	3,040
	546	35	- 546	35	0	0
	18,801	1,126	- 572	19,354	17,184	18,205
	0	0	0	0	61,507	56,993
	0	0	0	0	28,099	21,500
	0	0	0	0	4,677	4,677
	0	0	0	0	11,254	11,429
	0	0	0	0	309,000	287,000
	0	0	0	0	1,609	811
	0	0	0	0	416,146	382,410
	51,307	11,467	- 14,457	48,316	514,795	471,776

RESERVES AND ACCRUALS FOR DISTRIBUTION IN 2020

LIABILITIES: B. RESERVES AND ACCRUALS FOR DISTRIBUTION

[↪ T.08](#)

in €'000s	As at 01/01/2020	Pay-outs 2020 for previous years and advance pay-outs 2020	Allocations 2020	As at 31/12/2020
I. From performing, presentation, broadcasting and communication to the public and remuneration rights				
1. Domestic income	616,042	494,973	379,737	500,806
2. Collection mandates	37,068	120,567	115,408	31,909
3. International income	34,164	43,665	39,038	29,537
				562,252
II. From reproduction rights and remuneration rights				
1. Domestic income	243,826	176,377	128,481	195,930
2. Collection mandates	408	21,161	19,853	-900
3. International income	10,081	13,851	11,445	7,675
4. Statutory remuneration rights	0	11,038	112,522	101,484
				304,189
Sum total	941,589	881,632	806,484	866,441

NOTES TO THE ACCOUNTS

**For the financial year from
1 January to 31 December 2020**

GOVERNING STATUTORY PROVISIONS

1. The annual financial statements for 2020 were drawn up based on the accounting regulations for collective management organisations pursuant to s. 57 (1) clause 1 VGG (Verwertungsgesellschaftengesetz) [Act on Collective Management Organisations]. This led to a comprehensive application of the accounting regulations of the HGB (Handelsgesetzbuch) [German Commercial Code] for large incorporated enterprises. The specific characteristics of collective management organisations were accommodated by including additional items (s. 265 (5) HGB) and adapting the names of the items (s. 265 (6) HGB). Apart from the annual financial statements, consisting of balance sheet, profit and loss statement, cash flow statement, including the notes to the accounts, a management report was prepared.

ACCOUNTING AND EVALUATION PRINCIPLES

2. The specific characteristics of a collective management organisation are taken into account in the structure of the annual financial statements. Due to the obligation to pay out all collections after deduction of administrative expenses, no equity capital is shown on the balance sheet. Until the pay-out to rightsholders, the income surplus is entered on the liabilities side in the form of a reserve for distribution.

3. Intangible assets were recognised at their acquisition costs and a straight-line depreciation method was applied over their ordinary useful lives of between three and ten years.

4. Tangible assets were valued at their acquisition or production costs. The loss in value will be captured based on scheduled straight-line depreciation. The ordinary asset depreciation range is between three and thirteen years. Buildings are depreciated on a straight-line basis at a rate of 1.5%. Low-value assets (up to €800) are written off in full in the year they were acquired.

5. With respect to the financial assets, shares in affiliated companies, holdings and securities and bonds are usually recognised at their acquisition costs, and loans generally at their nominal value. Regarding the financial assets, cumulative value adjustments for lower year-end rates were waived, provided that the value was expected to recover by the final maturity date (moderate lower of cost or market principle).

6. The assessment of receivables was carried out using the nominal amount; possible shortfall risks were taken into consideration by applying an accumulated depreciation. Receivables arising from the reproduction, international income, broadcasting and online collection categories contained cautious estimates for uses that had occurred in the financial year, but have not yet been distributed. These estimates were based on empirical values from the past. The revenues were realised on the date of the performance delivery or use. All transactions with affiliated companies and holdings have been undertaken at normal market conditions.

7. The assessment of cash in hand and cash at bank was performed using the nominal value.

8. Active accruals and deferred income were set up for prepaid amounts as long as they constitute expenditure for a certain period after the balance sheet date.

9. After netting out deferred tax assets and liabilities, the surplus of assets at the financial statement date was €9,018k (previous year: €7,672k). The increase in deferred tax assets of €1,346k is mainly due to the temporary differences between the tax balance sheet and the commercial balance sheet in relation to the addition of reserves and provisions for pension schemes and the increase in unpaid investment fund income. The profit and loss statement item 'tax on income and revenue' includes income of €1,346k (previous year: €3,124k) from the recognition of deferred taxes as an asset. The valuation of deferred taxes was based on a company-specific tax rate of 31.81% (previous year: 31.74%). The pay-out stoppage is not applied due to the specifics of the company as a collective management organisation.

10. The reserves and accruals for distribution include the amounts to be paid out to the entitled authors and publishers in accordance with the distribution plans in the following year. See [↔ T.08](#)

11. Allocations to the other reserves and accruals take account of all discernible risks and uncertain obligations and are based on reasonable commercial assessment. Long-term reserves and accruals amount to €8,062k and are not discounted.

12. In the reporting year, reserves and provisions for pension schemes were calculated based on the actuarial principles pursuant to s. 253 HGB at an actuarial interest rate of 2.31%. The actuarial interest used is the average market interest published by the Deutsche Bundesbank [German Central Bank] for the last ten financial years, at an assumed residual term of 15 years. Based on the application of an average market interest rate pursuant to the provisions of s. 253 (6) HGB for the past seven financial years for an assumed residual life of 15 years, the result would be an actuarial interest rate of 1.60% (difference

in the liabilities reserve according to assessment of the 7-year compared to the 10-year average interest: €12,526k). The assessment was based on a fluctuation of 2.0%, a salary trend of 2.0% and a pension indexation for pension liabilities of 1.3% p.a. (provided that no other contractual arrangement is in place). The 2018 actuarial life tables by Heubeck Richttafeln GmbH, Cologne, are used.

Exercising the option to disclose or not to disclose an item as a liability resulted in pension liabilities from previous commitments of €22,115k (previous year: €20,603k) that were not reported in the balance sheet on the financial statement date. Furthermore, as at the balance sheet date of 31 December 2020, there are indirect pension commitments (via the GEMA Unterstützungskasse GmbH, Munich) of €23,544k (previous year: €20,204k).

13. The reserves and provisions for staff anniversaries and partial retirement are also determined on the basis of actuarial principles. The assessment of the provisions for anniversary bonuses was based on an assumed interest rate of 1.60% and for partial retirement provisions of 0.48%.

14. Liabilities were set at the level of the settlement amount.

15. Deferred income items were created for income received before the financial statement date as long as the income in question related to a certain period after the financial statement date.

16. Receivables, liabilities and liquid assets in foreign currency were valued using the exchange rate on the settlement date, or using the lower/higher exchange rate on the financial statement date.

DETAILS ON BALANCE SHEET ITEMS

17. The development of individual items relating to fixed assets reflects the depreciation during the financial year and is shown in the schedule of fixed assets. See [↔ T.07](#)

18. Shares in affiliated companies are as follows: see [↔ T.09](#)

19. Shares in holdings are as follows: see [↔ T.10](#)

GEMA is an associate of the Zentralstelle für private Überspielungsrechte GbR, Munich (ZPÜ), [Central Organisation for Private Copying Rights, Munich].

20. All receivables fall due within one year. Receivables from affiliated companies amount to €1,654k (previous year: €2,477k).

Receivables from entities/holdings in which GEMA has a participating interest of €100k (previous year: €590k), are from SOLAR MRM Ltd. (€100k; previous year: €590k).

Other receivables amounting to €23,845k (previous year: €22,699k) mainly relate to receivables from collection mandate grantors amounting to €9,668k (previous year: €11,341k), receivables from tax authorities amounting to €7,841k (previous year: €5,726k) and receivables from advance payments amounting to €1,607k (previous year: €2,421k).

21. The cash at bank amounting to €287,888k (previous year: €310,896k) relates to current giro account balances. Trustee receivables, or trustee obligations, amounted to €1,735k (previous year: €1,759k); they include security deposits from the producers of sound recordings and relate to transitory items from the licensing fees that GEMA collects and administers as a trustee until the distribution to the rightsholders.

22. In terms of accounting, GEMA does not have equity capital or reserves. All proceeds are distributed to those eligible for remuneration (members and other beneficiaries and rightsholders) after expenditures have been defrayed.

SHARES IN AFFILIATED COMPANIES[↔ T.09](#)

Name of the organisation	Share	EC in €'000s	AS in €'000s
ARESA GmbH, Munich*	100%	416	-184
ZPÜ-Service GmbH, Munich*	100%	803	48
IT4IPM GmbH, Munich*	100%	3,482	515
GEMA Immobilien GmbH, Munich*	100%	25	2
GEMA Immobilienverwaltung wirtschaftlicher Verein & Co. KG, Munich*	100%	47,878	280
GEMA Unterstützungskasse GmbH, Munich*	100%	25	0
GEMA ZB GmbH, Munich*	100%	5,438	-587

* Figures for the 2019 financial year
EC = equity capital, AS = annual surplus

SHARES IN HOLDINGS[↔ T.10](#)

Organisation	Share	Pro-rata EC in €'000s	Pro-rata AS in €'000s
SOLAR MRM GmbH i.L., Munich*	50%	90	-6
iSYS Software GmbH, Munich*	24.90%	883	163
ICE Operations AB, Stockholm, Sweden*	33.33%	426	-147
International Copyright Enterprise Services Ltd., London, UK*	33.33%	301	349

* Figures for the 2019 financial year
EC = equity capital, AS = annual surplus

23. A total of €866,441k (previous year: €941,589k) is available for distribution. The amount allocated for 2020 is €806,484k (previous year: €905,634k).

The development of reserves and accruals for distribution is shown in the reserves, accruals and provisions schedule. See [↗ T.08](#)

24. Other reserves and accruals amounting to €131,757k (previous year: €107,513k) mainly include reserves and accruals for pension schemes and similar obligations (€80,827k; previous year: €76,202k). Beyond that, other reserves, accruals and provisions exist for the staff sector (€9,354k; previous year: €11,172k), for legal and court costs (€1,082k; previous year: €665k) as well as for costs related to annual financial statements and tax advice (€167k; previous year: €274k). Reserves and accruals for income adjustments were made for the regional offices (€24,378k; previous year: €0k), broadcasting (€7,687k; previous year: €7,414k), online (€406k; previous year: €3,782k) and sound and audiovisual recordings (€2,100k; previous year: €1,200k) business sectors. The reserves and accruals for the regional offices were created due to the COVID-19 crisis. Licensees have the option to apply for credits for the closures ordered by the authorities.

25. Just like in the previous year, there are no liabilities with a residual maturity in excess of one year. Liabilities to music event organisers mostly consist of liabilities to Gesellschaft zur Verwertung von Leistungsschutzrechten mbH, Berlin (GVL), Verwertungsgesellschaft Wort, Munich (VG WORT), Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH, Berlin (VG Media), Zentralstelle für Videovermietung, Munich (ZWF) and VG Musikedition, Kassel (liabilities from collection mandates amounting to €27,193k; previous year: €38,737k). Compared to the previous year, these liabilities were included in the liabilities to music promoters and not in other liabilities in the interests of better transparency.

Compared to the previous year, liabilities from deliveries of goods and provision of services were reported as such for the first time (€5,373k). In the previous years, these positions (€10,833k) were still included under other liabilities due to GEMA's specific nature. Improved clarity and transparency are taken into account in the process.

26. Deferred income included accrued membership fees, accrued proceeds in connection with regional offices and accrued online revenues.

DETAILS ON ITEMS OF THE PROFIT AND LOSS STATEMENT

27. Income from copyright exploitation and remuneration rights in the financial year was €944,308k (previous year: €1,049,922k). Its composition is as follows: see [↔ T.11](#)

The decline in income in the regional offices sector can be attributed to the COVID-19 crisis and the associated cancellations of events and closures. About half of the loss of income in the areas affected by the COVID-19

crisis was compensated by higher distributions from the Zentralstelle für private Überspielungsrechte (ZPÜ) arising from the distribution of various products since 2008. These catch-up effects from previous years amounted to €68,488k. The income generated by the regional offices includes extraordinary charges amounting to €46,445k. This results mainly from credit items due to the closures ordered by the authorities. The income in the online sector includes catch-up effects from previous years.

DETAILS ON ITEMS OF THE PROFIT AND LOSS STATEMENT

[↔ T.11](#)

Rights category	Type of use	2020 in €'000s	2019 in €'000s	Difference in €'000s
Reproduction and distribution	Sound recordings	29,948	38,476	- 8,528
	Audiovisual recordings	5,709	6,536	- 827
	Total	35,657	45,012	- 9,355
Performance	Music events	62,739	145,862	- 83,123
Online	Internet broadcasting	473	546	- 73
	Download	20,146	8,745	11,401
	Streaming	153,770	172,704	- 18,934
	Total	174,389	181,995	- 7,606
Broadcasting	Radio	45,314	52,686	- 7,372
	TV	163,126	170,006	- 6,880
	Cable retransmission	16,657	15,673	984
	Total	225,097	238,365	- 13,268
Communication to the public	Mechanical performance	92,241	149,558	- 57,317
Presentation	Presentation	5,118	10,903	- 5,785
Statutory remuneration rights	of which s. 27 (1) UrhG	176	250	- 74
	of which s. 27 (2) UrhG	- 153	1,178	- 1,331
	of which s. 60h (1) UrhG	1,780	654	1,126
	of which s. 54 (1) UrhG	138,833	42,249	96,584
	Total	140,636	44,331	96,305
International income	Performance	41,162	46,654	- 5,492
	Reproduction	11,612	12,404	- 792
	Cable retransmission	9,938	10,286	- 348
	Total	62,712	69,344	- 6,632
Collection mandates	Performance	123,506	141,079	- 17,573
	Reproduction	22,213	23,473	- 1,260
	Total	145,719	164,552	- 18,833
Total	944,308	1,049,922	- 105,614	

28. Expenses for third-party services, other operating expenses and other interest and similar expenditure are made up as follows: see [↔ T.12](#)

IT services are mainly provided by the subsidiary company IT4IPM GmbH. Ancillary costs from collection activities consisted of costs for monitoring of licence registrations of €6,906k (previous year: €8,359k) as well as legal costs of €3,976k (previous year: €3,878k).

29. Staff costs amounted to €62,500k (previous year: €65,025k). The expenses contained therein for pension scheme payments amount to €6,631k (previous year: €12,295k).

The average headcount during the financial year was 777 staff (previous year: 767 staff).

The average number of staff consisted of 612 full-time staff and 165 part-time staff. In addition, there were 26 apprentices and 27 staff in partial retirement on average during the financial year.

30. The revenues from affiliated companies of €879k (previous year: €752k) mainly relate to the profit realised for the period from the shares in GEMA Immobilienverwaltung wirtschaftlicher Verein & Co. KG, Munich, of €513k (previous year: €280k) as well as payouts from IT4IPM GmbH of €258k (previous year: €259k) for the 2019 financial year.

31. The interest expenses pertain mainly to the compounding of the reserves and provisions for pension schemes (€1,555k; previous year: €842k).

[↔ T.12](#)

in €'000s	2020	2019
Expenses for third-party services		
IT services	26,053	31,349
Ancillary costs from collection activities	10,882	12,237
Communication expenditure and marketing activities	7,215	10,393
Other services	11,425	10,321
	55,575	64,300
Other operating expenses		
Other administration costs	4,751	6,047
Fees for consultancy and expert opinions	7,841	8,400
Building and room charges	4,749	4,970
Miscellaneous	3,710	3,967
	21,050	23,384
Interest payable	1,657	872
	78,282	88,556

REPORT ON EVENTS AFTER THE PERIOD SUPPLEMENTARY INFORMATION

32. The multiple lockdown extensions due to rising incidence values and the spread of coronavirus mutations should be named as events of particular importance after the financial statement date. These could, just like in the previous year, have a negative impact on GEMA's net assets, financial and revenue situation and in particular on the regional offices. Revenues from events and long-term uses in sectors such as discotheques would be particularly affected by this. An additional loss of income is expected as a consequence of insolvencies and vacant venues caused by the crisis. However, the extent of the effects of the risk on the net assets, financial and revenue situation of the society is currently difficult to quantify, as the further spread of the virus and the associated effects still cannot be predicted at present.

33. There are other financial liabilities arising from payment obligations from loans and long-term rental contracts amounting to €21,107k (previous year: €16,923k). Of those, €17,068k relates to payment obligations to affiliated companies. The increase compared to the previous year is due to a loan being issued to an affiliated company. Premature demands in this regard are not anticipated.

34. The total cost recorded for the auditor in the 2020 financial year in accordance with s. 285 No. 17 HGB amounts to €461k (previous year: €451k). This includes auditing services amounting to €222k (previous year: €240k) as well as other services amounting to €239k (previous year: €198k) and other certification services of €0k (previous year: €13k).

35. Salaries in 2020 stood at €716k for Dr. Harald Heker; €410k for Lorenzo Colombini and €464k for Georg Oeller. The pension benefits for all members of the Managing Committee came to €704k. Earnings of previous members of the Managing Committee amounted to €364k. Reserves and provisions for pension schemes for this group of persons totalled €4,050k on the financial statement date.

36. The Supervisory Board consists of 15 members in accordance with Art. 13(1) of GEMA's Statutes. Two representatives can be elected for every professional category in accordance with Art. 13(1), clause 2, of the Statutes.

Following the election at the Members' Assembly in 2018 and the election of a substitute member by the professional category of publishers as well as by the professional category of composers as deputies in the Supervisory Board, the Supervisory Board is made up as follows:

Composers	Dr. Ralf Weigand	Chairman
	Jörg Evers	
	Matthias Hornschuh	
	Micki Meuser	
	Jochen Schmidt-Hambrock	
	Dr. Charlotte Seither	
	Michelle Leonard	Deputy
Alexander Zuckowski	Deputy	
Lyricists	Stefan Waggershausen	Deputy Chairman
	Burkhard Brozat	
	Frank Ramond	
	Rudolf Müssig †	
	Tobias Künzel	Deputy
	Pe Werner	Deputy
Publishers	Hans-Peter Malten	Deputy Chairman
	Jörg Fukking	
	Michael Ohst	
	Patrick Strauch	
	Dr. Götz von Einem	
	Winfried Jacobs	Deputy
	Diana Muñoz	Deputy

The members of the Supervisory Board receive expense allowances only. During the 2020 financial year, they totalled €287k (previous year: €240k).

Munich, 22 March 2021



Dr. Harald Heker



Lorenzo Colombini



Georg Oeller

The Managing Committee

CASH FLOW STATEMENT

CASH FLOW STATEMENT

[↗ T.13](#)

in €'000s	2020	2019
Allocation to distribution reserves and accruals	806,484	905,634
Amortisation on fixed asset items	11,467	9,900
Increase/decrease of reserves and accruals	27,743	17,778
Pay-outs to members	-881,631	-850,233
Profit from disposals of fixed asset items	326	-4,492
Increase/decrease of stock, claims from deliveries and services as well as other assets not allocable to investment or financial activities	91,019	-20,878
Increase/decrease of liabilities from deliveries and services as well as other liabilities which are not allocable to investment or financial activities	-23,004	-17,972
Income tax payments	-3,500	0
Cash flow from current business activities	28,904	39,737
Receipts from disposals of tangible asset items/ intangible fixed asset items	0	11,027
Payments for investments in tangible assets/ intangible fixed assets	-18,190	-21,476
Receipts from disposals of financial asset items	2,723	2,039
Payments for investments in financial assets	-36,458	-38,296
Cash flow from investment activities	-51,925	-46,706
Cash flow from finance activities	0	0
Cash changes of the financial resources	-23,021	-6,969
Financial resources at the beginning of the period	310,916	317,886
Financial resources at the end of the period	287,896	310,917

A. GENERAL CONDITIONS AND BUSINESS

1. ECONOMIC ENVIRONMENT

In the year 2020, the gross domestic product decreased by 5.0% (previous year: +0.6%) due to the measures imposed to combat the coronavirus (lockdowns and ordered closures).

Throughout 2020, the labour market was subject to an overall negative development due to the health policy-related restrictions. In terms of the yearly average, around 44.8 million people working in Germany were employed (previous year: 45.3 million). Unemployment rates stood at 5.9% (previous year: 5.0%).

Inflation rates averaged at 0.5% (previous year: 1.4%) and were thus significantly below the target value range of the ECB (European Central Bank).

In principle, GEMA is only marginally dependent on the macroeconomic conditions listed, except for the measures imposed during lockdown to combat the COVID-19 pandemic.

The ECB (European Central Bank) continues to follow an expansionist monetary policy. The interest rate for main refinancing business has been at 0.0% since March 2016. The short-term deposit interest rate continues to stay negative at -0.50% (previous year: -0.50%). As the level of liquid assets in the GEMA Group is high, there is a certain dependence on the future development of the negative interest rate.

2. ORGANISATION OF GEMA

Around 80,000 composers, lyricists and music publishers joined up to form the association GEMA in Germany. As an authors' society for works of music, GEMA manages the rights of music creators in Germany and the rights of rightsholders from all over the world. GEMA ensures that music creators receive an adequate share of the collections arising from the performance of their musical works. It concludes contracts with music users and collects the remuneration. The collections are generated by the Regional Offices, Broadcast and Online, Mechanical Reproduction Rights and International Income and Relations divisions. GEMA then distributes this money as royalties less administrative expenses to its members.

GEMA's governing bodies include the Members' Assembly, the Supervisory Board and the Managing Committee.

3. MUSIC INDUSTRY DEVELOPMENTS

As a collective management organisation, GEMA depends on overall developments in the music industry. In 2020, the following trends could be observed, which may influence market demand as well as the requirements of GEMA.

According to the German Music Industry Association, sales in the German music industry rose by 4.8% in the first half of 2020 compared to the same period in the previous year (first half of 2019: +7.9%) and thus grew despite the difficult situation due to the pandemic. The driving factor behind the positive result is the continued dynamic and high-level growth of audio streaming which increased by 20.7% (2019: 27.0%) and continued to establish its position as the format with the strongest turnover. Video streaming was subject to even more significant growth of 31.3% (2019: +28.4%). Compared to that, the CD (–22.9%; 2019: –10.6%) suffered heavily with a rate of decline that had doubled compared to the previous year due to the crisis-related measures which also affected stationary trade, while vinyl recorded growth (+4.6%; 2019: +13.3%). Downloads continued to decline significantly (–22.5%; 2019: –17.5%).

At 65.7% (2019: 55.1%), audio streaming has the largest share of industry revenue, followed by the CD at 20.0% (2019: 29.0%), downloads at 5.1% (2019: 6.2%) and vinyl LPs with a turnover share of 4.5% (2019: 4.9%).

B. REVENUE, NET ASSETS AND FINANCIAL SITUATION

1. BUSINESS PERFORMANCE OF GEMA

The following explanation provides an overview of the development during the past financial year. Total income¹, total expenses² and cost rate³ are significant financial performance indicators for internal control.

In terms of the revenue, net assets and financial situation, the 2020 financial year has been less successful than previous years for GEMA due to the outbreak of the coronavirus. The reason for this is the measures (closures) decreed by the Federal Government to combat the COVID-19 pandemic. Total revenues declined by €110,539k compared to the previous year (€958,838k; previous year: €1,069,377k). A sharp decline in income was recorded particularly in the regional office sector (€230,137k; previous year: €407,438k) due to the cancellations of events and business closures. Due to the conclusion of contracts with retroactive remuneration from previous years, income in the area of remuneration rights (ZPÜ) increased in the reporting year (€141,732k; previous year: €44,082k). Overall, total income was €32,700k higher than the income budgeted for the 2020 financial year (€926,100k). It should be noted that the budget was adjusted during the year due to the COVID-19 pandemic. Originally, a total income of €1,067,000k had been budgeted.

Total expenses decreased by €11,389k compared to the previous year and amounted to €152,354k in the financial year. The decrease in expenses results mainly from lower costs for IT services (€26,053k; previous year: €31,349k) which can be attributed to a lower project budget, a lower allocation of reserves and provisions for pension schemes (€5,631k; previous year: €11,304k) as well as lower costs for postage, courier services, third-party dispatches and travel due to COVID-19 (€4,678k; previous year: €7,516). Overall, total expenditure was slightly below the adjusted target level (€154,300k). Originally, total expenses of €166,800k had been budgeted. Costs were reduced to a minimum level due to the COVID-19 pandemic. The cost rate including all costs amounted to 15.9% (previous year: 15.3%) and thus was below the budgeted cost rate of 16.7%. Originally, 15.6% had been budgeted.

2. STAFF

The average headcount during the financial year was 777 staff (previous year: 767 staff). The average number of staff consisted of 612 full-time and 165 part-time staff. In addition, there were 26 apprentices and 27 staff in partial retirement on average during the financial year.

3. DETAILS ON THE CASH FLOW STATEMENT

Cash and cash equivalents decreased year-on-year by €23,021k to €287,896k in the financial year. The main changes were due to the significant decrease in cash flow from current business activities amounting to €10,833k. The reason for this is, in particular, the catch-up effects in the online sector (contract conclusion for Subscription Video on Demand) and lower receivables in the regional office sector. Cash flow from investment activities is roughly at the previous year's level (€–51,925k; previous year: €–46,706k). For details, we refer to the attached cash flow statement: see [☞ T.13](#)

1 Total income: all income from the collection sectors, other operating income, income from holdings, income from securities and bonds as well as other interest and similar income

2 Total expenditure: expenses for third-party services, staff costs, amortisation, other operating expenses, interest and similar expenses as well as all tax charges

3 Cost rate: total expenses divided by total income

GEMA's financial position is characterised by reserves for the distribution of €866,441k (previous year: €941,589k). The cash flows are based primarily on expected licence income, expenses for staff and material costs and distributions to members and sister societies. The investment rate stands at 19.9% in the reporting year. In particular, the investment rate includes the acquisition of securities and bonds. Short-term liquidity requirements can, due to the high level of cash and cash equivalents, be satisfied by GEMA's own resources. GEMA is in a position to meet its payment obligations.

4. REVENUE SITUATION

Total income, split into the relevant income and collection categories, was as follows: see [T.14](#)

In the broadcasting sector, revenues from private radio and TV channels have dwindled due to their declining advertising revenues, while revenues from public service channels are stable and cable retransmission shows a slight increase in revenues. After a promising start - in the first two months, regional office revenues were significantly above the previous year's level - licensing activities seized up under the influence of the COVID-19-related mandated closure of venues, catering trade, hotels and retail and came to a complete standstill for months in important sub-sectors. For the regional office sector, credit notes and cumulative value adjustments amounting to €46,445k were taken into account in connection with the COVID-19 crisis. Revenues arising from online uses of music

TOTAL INCOME BY COLLECTION CATEGORY

[T.14](#)

in €'000s	2020			Total difference
	Income*	Other income	Total	
Broadcasting collections	285,406	1	285,407	-9,773
Regional office collections	226,608	3,529	230,137	-177,301
Online collections	179,280	184	179,464	-2,395
Remuneration rights	141,732	0	141,732	97,651
International collections	62,712	0	62,712	-6,632
Reproduction sector collections	48,570	15	48,585	-12,535
Other collection categories	0	10,802	10,802	448
Amounts by categories	944,308	14,531	958,839	-110,538

* Income from copyright exploitation and remuneration rights

in €'000s	2019		
	Income*	Other income	Total
Broadcasting collections	295,180	0	295,180
Regional office collections	398,618	8,821	407,438
Online collections	181,580	278	181,860
Remuneration rights	44,082	0	44,082
International collections	69,344	0	69,344
Reproduction sector collections	61,118	1	61,119
Other collection categories	0	10,354	10,354
Amounts by categories	1,049,922	19,455	1,069,377

* Income from copyright exploitation and remuneration rights

declined slightly due to the fact that no one-off financial items were included from previous years in the reporting year. About half of the loss of income in the areas affected by the COVID-19 crisis was compensated by higher distributions from the Zentralstelle für private Überspielungsrechte (ZPÜ) (€141,732k; previous year: €44,082k). This is a result of retroactive contracts concluded on consumer electronics products and delayed incoming payments for mobile phones and PCs. Under the influence of retail closures, the long-time market decline in recorded music gained pace. Other income was subject to a slight increase. It includes mainly service and holdings revenues.

In conclusion, it can be stated that GEMA continued its positive development for the year 2020 despite the COVID-19 pandemic.

GEMA's total expenses and cost rates amounted to €152,354k or 15.9% in the 2020 financial year and thus were slightly below budgeted levels.

In the past two years, staff and material⁴ costs were as follows: see [↔ T.15](#)

The decrease in staff costs amounting to €2,525k mainly resulted from the lower allocation of reserves and provisions for pension schemes of €5,631k (previous year: €11,304k). Due to GEMA's business situation in the reporting year, a voluntary allocation was waived in contrast to the previous year.

Material costs mainly include IT services of €26,053k (previous year: €31,349k), ancillary costs from collection activities of €10,882k (previous year: €12,237k) as well as operating expenses (fees for consultancy and expert opinions, other administration costs, buildings and room charges, miscellaneous) at €21,050k (previous year: €23,384k).

⁴ Material costs: all P&L items with the exception of staff costs

STAFF AND MATERIAL COSTS

[↔ T.15](#)

in €'000s	2020	2019	Difference
Staff costs	62,500	65,025	-2,525
Material costs	89,854	98,718	-8,864
Total expenditure	152,354	163,743	-11,389

5. FINANCIAL SITUATION

Fixed assets in the reporting year amounted to €514,795k (previous year: €471,776k). Intangible fixed assets (€81,465k; previous year: €71,161k) include the software GEMA acquired against payment. The largest increase is in the area of prepayments made. It contains, in particular, the new software for the licensing of sound recordings and the new distribution software. Financial assets (€416,146k; previous year: €382,410k) mainly involve long-term financial assets of GEMA in the form of two special funds (€294,000k; previous year: €272,000k), which were increased in the reporting year due to allocations for pension assets by €22,000k, shares in GEMA Immobilienverwaltung wirtschaftlicher Verein & Co. KG, Munich, amounting to €52,431k (previous year: €47,918), shares in GEMA ZB GmbH amounting to €6,025k (previous year: €6,025k) as well as loans amounting to €40,962k (previous year: €33,741k).

The level of receivables decreased compared to the previous year (€308,973k; previous year: €401,556k). The change stems mainly from the decline in receivables in the online sector and in the music promoter sector, particularly due to lower earnings estimates and cumulative value adjustments in connection with COVID-19. Cumulative value adjustments in the regional office sector which were created in connection with COVID-19, amounted to €22,066k.

Other reserves mainly consist of reserves and provisions for pension schemes of €80,827k (previous year: €76,202k) and other reserves amounting to €50,766k (previous year: €28,362k). Due to the COVID-19 pandemic, other reserves and accruals include reserves for COVID-19 credit notes for the regional office sector amounting to €24,378k.

At the balance sheet date of 31 December 2020, there was a liability from previous commitments amounting to €22,115k (previous year: €20,603k) that had not been previously included in the balance sheet and there were also indirect pension liabilities of €23,544k (previous year: €20,204k).

Liabilities decreased by €15,390k to €82,028k compared to the previous year. The change stems mainly from the decline in the collection mandates sector.

The Managing Committee continues to assess the economic situation both at the end of the reporting period and at the time of preparing the management report as positive. This also applies to the financial and asset situation. Liquidity is still at a comparable level.

C. OPPORTUNITIES AND RISK REPORT

1. RISK MANAGEMENT

Significant risks are identified bi-annually and summarised in a report for the Managing Committee. A direct report featuring all risks is also provided to the Supervisory Board each year. During the financial year, there have been no existential risks.

GEMA continuously monitors the relevant legal and macroeconomic trends as well as the development of the industry-specific environment in order to identify opportunities arising from them.

2. OPPORTUNITIES AND RISK REPORT

Essential opportunities and risks which might have a considerable impact on GEMA's assets, finances and revenue situation are shown in the following risk report. It comprises four risk areas: finances, business processes, industry sectors and the legal environment.

Risks and opportunities are classified as high, medium and low on the basis of their significance for GEMA's revenue, assets and financial situation. The observation and presentation of the effects of risks is carried out under consideration of risk reduction measures (net view). The period under review is one year. The risk level forms the basis for determining the significance of the risks for GEMA.

The risk profile has increased slightly compared with the previous year. Changes are present particularly in the area of financial risks. The increase in the risk situation is mainly due to turnover losses as a result of the COVID-19 pandemic. This is partly compensated by a decrease in risks due to measures taken in the IT and IT security areas, as well as hedging strategies for assets.

2.1 FINANCES

Investments in intangible fixed assets constitute both opportunities and risks for GEMA. With the realignment of the partially outdated IT infrastructure, a low technology risk exists from the failure of individual projects and the lack of stability of central systems. The use of the existing know-how of the subsidiary IT4IPM, the introduction of a central requirements management system, the deployment of an IT roadmap and external service providers create opportunities in particular with regard to ensuring GEMA's long-term competitiveness.

Another low risk for GEMA in the financial area originates from a potential shortfall in issuers of bonds and securities and from exchange losses due to the COVID-19 pandemic. GEMA keeps the risk as low as possible by specifying investment forms in the investment guidelines and using investment and asset managers and a close monitoring process. The small opportunity lies in particular in a rise in the interest rate level so that higher interest income can be recorded in future. Another small opportunity results from the diversification of assets.

Furthermore, there is a medium risk for GEMA in the event of a shortfall of receivables, should customers no longer be able to meet their financial obligations when they are due. In order to control outstanding receivables, GEMA has introduced a debt collection process and an ongoing transfer to attorneys. The risk is also taken into account in the form of cumulative value adjustments. In the reporting year, the risk from insolvencies and delays in payment due to the COVID-19 pandemic was also taken into account. Due to the accounts receivable management at GEMA, there is a small opportunity regarding the payment of receivables that have already been subject to a cumulative value adjustment.

Due to the possible withdrawal of other states from the EU and the monetary union, GEMA is exposed to a low risk of realising asset losses due to rising inflation, debt crises and the loss of single market advantages. Attempts are made to counteract this by selecting a suitable investment strategy.

Due to the coronavirus, there is a great risk that revenues will decline in the major event sector due to measures to contain the virus in the culture industry, as well as in the broadcasting sector due to a decline in the development of advertising markets. In addition, as far as the regional office sector is concerned, the pandemic could lead to behavioural changes of end customers towards adverse music use and, in the recorded music sector, to further disruption of the physical market. This poses a low risk. A medium opportunity is seen in increased demand in the cultural sector and for events as a result of loosening coronavirus-related measures, such as closures.

2.2 BUSINESS PROCESSES

Regular audits of the internal control system (IKS [ICS]) by the independent auditors enable GEMA to optimise and control the respective business processes. By using hardware and software technologies, the availability of data and protection against unauthorised access is ensured. Regular data backups aim to reduce the risk of a significant loss of data. In order to reduce the low risk, an information security strategy will be developed.

2.3 INDUSTRY SECTORS

Opportunities and risks for GEMA can result from new publishing repertoires being transferred or existing publishing repertoires being withdrawn. A loss of the GEMA-Vermutung [GEMA assumption] is therefore categorised as a medium risk for the organisation. Being one of Europe's large collective management organisations, GEMA fundamentally regards the above as a medium opportunity to acquire a new and interesting repertoire and to generate follow-up contracts. Through the acquisition of Zebralution in 2019, there are medium opportunities in particular in terms of successful digital distribution in the music industry.

As a collective management organisation, GEMA depends on the overall trends and developments within the music sector. In addition to developments in the sound recording and online markets, these include developments in live music used for commercial purposes. In the long term, there is a small risk from a further slowdown in the sound recordings market, as well as a decrease in fee collections and advertising revenue income in the broadcasting sector without sustainable offsetting by the online market.

2.4 LEGAL ENVIRONMENT

The legal environment poses both risks and potential opportunities. The conclusion of new general collective agreements and the establishment of new tariffs, for instance, represent small risks as well as small opportunities for the GEMA Group. They depend on changes in the law by the legislator as well as on arbitration board decisions and court rulings.

Furthermore, decisions by competition authorities may affect the collective management market so that a small risk arises with regard to the exclusivity of the assignment of rights to collective management organisations. There were no proceedings affecting GEMA's net assets, financial and revenue situation (European courts, Bundesgerichtshof [Federal Court of Justice], Higher Regional Courts) or changes in legislation in the year under review.

The increased regulatory requirements for the handling of personal data, such as the EU General Data Protection Regulation, for example, could entail risks for GEMA that are classified as low. Through various measures such as establishing a data protection organisation, introducing processes in accordance with data protection law and ensuring adequate documentation, GEMA is countering the risks associated with the entry into force of the General Data Protection Regulation.

2.5 OVERALL VIEW OF THE OPPORTUNITY AND RISK SITUATION

The assessment of the overall opportunity and risk situation is the result of the consolidated consideration of all significant individual risks and opportunities. We are currently not aware of any risks that could threaten the continued existence of the company.

D. OUTLOOK FOR THE 2021 FINANCIAL YEAR – FORECAST REPORT

1. FORECAST FOR MACROECONOMIC DEVELOPMENT

For the whole of 2021, the Federal Government expects an annual average increase in the price-adjusted gross domestic product of 3.0%. Global gross domestic product is expected to grow by 5.3%. The labour market will develop positively again in 2021.

2. FORECAST FOR THE MUSIC BUSINESS

In the music business, the trends of recent years are expected to continue, with further declining turnover and sales figures for sound recordings. Apart from that, further growth is expected in the online sector, particularly in the streaming segment. The measures to contain the spread of the virus will have a negative impact on the live sector in particular.

3. FORECAST FOR THE BUSINESS DEVELOPMENT OF GEMA

We make use of the relief provision of DRS [German Accounting Standard] 20.133 due to the uncertainty of the coronavirus pandemic. The uncertainties result from the unclear measures to contain the coronavirus in the culture industry and the event sector.

GEMA expects a decrease in total income for the 2021 financial year compared to the reporting year.

In terms of total expenses, a cost level on the basis of the previous year's level is expected. This leads to an increase in the cost rate.

In summary, the Managing Committee assesses the future development of GEMA as positive.

Munich, 22 March 2021

Dr. Harald Heker
Lorenzo Colombini
Georg Oeller

The Managing Committee

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To GEMA – Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, Berlin

Audit opinions

We have examined the annual financial statements of GEMA – Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, Berlin – comprising the balance sheet as at 31 December 2020, the profit and loss statement and the cash flow statement for the financial year from 1 January to 31 December 2020 as well as the notes to the accounts, including the presentation of the accounting and evaluation principles and policies. Furthermore, we have audited the management report of GEMA – Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte – for the financial year from 1 January to 31 December 2020.

In our opinion, based on the results of our examination,

- the accompanying annual financial statements comply, in all material aspects, with the provisions of German commercial law applicable to companies with limited liability as well as supplementary provisions of the Act on the Administration of Copyright and Related Rights by collective management organisations (Verwertungsgesellschaftengesetz - VGG) [CMO Act] and, in compliance with the German principles of adequate accounting, give a true and fair view of the assets and financial position of the company as at 31 December 2020 and its revenue situation for the financial year from 1 January to 31 December 2020, and
- the accompanying management report conveys an appropriate view of the company's position. In all material aspects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents opportunities and risks of future development.

Pursuant to s. 322 (3) clause 1 HGB [German Commercial Code], we declare that our audit has not led to any reservations with regard to the legal compliance of the annual financial accounts and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with the provisions of s. 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Our responsibilities under those requirements and principles are further described in the section entitled 'Auditor's responsibilities for the audit of the annual financial statements and of the management report' of our auditor's report. We are independent of the company in accordance with the provisions of German commercial and professional law and have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibility of the management and the Supervisory Board for the annual financial report and the management report

The company's legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the provisions of German commercial law applicable to companies with limited liability as well as supplementary provisions of the Act on the Administration of Copyright and Related Rights by collective management organisations (Verwertungsgesellschaftengesetz – VGG) and for the annual financial statements providing a true and fair view of the net assets, financial position and income situation of the company in compliance with the German principles of adequate accounting. In addition, management is responsible for such internal controls they determined to be necessary in compliance with the German principles of adequate accounting in order to enable the creation of the annual financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters relating to the company's continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle of accounting unless actual or legal circumstances to the contrary exist.

In addition, management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents opportunities and risks of future development. Moreover, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements and to be able to provide sufficient appropriate evidence for the statements in the management report.

The Supervisory Board is responsible for supervising the company's accounting procedure used to prepare the annual financial statements and the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements – whether due to fraud or error – and whether the management report as a whole provides an appropriate view of the company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with s. 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of recipients taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement in the annual financial statements and in the management report, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.
- obtain an understanding of internal control systems relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the company.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of value estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern principle of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances may, however, cause the company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a manner that the annual financial statements give a true and fair view of the net assets, financial position and income situation of the company in compliance with German principles of adequate accounting.
- evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the company's position it provides.
- perform audit procedures on the forward-looking statements presented by management in the management report. On the basis of sufficient, appropriate audit evidence, we evaluate, in particular, the significant assumptions used by management as a basis for the forward-looking statements, and evaluate the proper derivation of the forward-looking statements from these assumptions. We do not express a separate opinion on the forward-looking statements or on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies of the internal control system that we identify during our audit.

Munich, 22 March 2021

KPMG AG

Certified Auditing Company

sgd. Bergler
Auditor

sgd. Simonji-Elias
Auditor

INCOME FROM RIGHTS AND DEDUCTIONS

FINANCIAL INFORMATION PURSUANT TO ITEM 2 OF THE ANNEX TO S. 58 (2) VGG

→ T.16

Rights category	Type of use	Income from rights in €'000s	Income deductions
Reproduction and distribution	Sound recordings	29,948	Deduction of a commission of up to 25% pursuant to Art. 29 para. 4 distribution plan for cost coverage
	Audiovisual recordings	5,709	
		35,658	
Performance	Performance	62,739	Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage and a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan
Online	Internet broadcasting	473	Deduction of a uniform commission of up to 15% pursuant to Art. 29 para. 5 distribution plan for cost coverage and, in the categories of making available to the public and broadcasting, a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan
	Download	20,146	
	Streaming	153,770	
		174,389	
Broadcasting	Radio	45,314	Category R: Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage and a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan; Category R VR: Deduction of a commission of up to 25% pursuant to Art. 29 para. 4 distribution plan for cost coverage
	TV	163,126	Categories FS/TFS: Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage and, in the broadcasting categories, a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan; Categories FS VR/T FS VR: Deduction of a commission of up to 25% pursuant to Art. 29 para. 4 distribution plan for cost coverage
	Cable retransmission	16,657	Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage and a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan
		225,097	

FINANCIAL INFORMATION PURSUANT TO ITEM 2 OF THE ANNEX TO S. 58 (2) VGG

↪ T.16

Rights category	Type of use	Income from rights in €'000s	Income deductions
Communication to the public	Mechanical performance	92,241	Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage, and a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan
Presentation	Presentation	5,118	Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage, and a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan
Statutory remuneration rights			Deductions pursuant to the provisions in the categories to which income from statutory remuneration rights pursuant to Articles 22-25 distribution plan is allocated
	of which s. 27 (1) UrhG	176	
	of which s. 27 (2) UrhG	- 153	
	of which s. 60h (1) UrhG	1,780	
	of which s. 54 (1) UrhG	138,833	
		140,636	
Interests, securities and bonds		3,130	
Income from rights overall		739,007	

After the deductions for administrative expenses and, where applicable, for social and cultural purposes have been made, the income is made available in full for distribution to the rightsholders of GEMA and other collective management organisations that are bound to GEMA under representation agreements.

COSTS OF RIGHTS MANAGEMENT AND OTHER SERVICES

EXPENDITURE

→T.17

	Expenses by usage category in €'000s	Costs in %
Costs of rights management		
Reproduction and distribution	9,449	26.50
Performance	19,362	30.86
Online	26,104	14.97
Broadcasting	28,250	12.55
Communication to the public	26,382	28.60
Presentation	1,773	34.63
Statutory remuneration rights	13,291	9.37
Costs that are not associated with rights management, including such costs for social and cultural purposes		
Other collection categories	27,743	–
All operating and financial costs	152,354	15.89

All costs were covered by income arising from the collection of rights and other revenues.

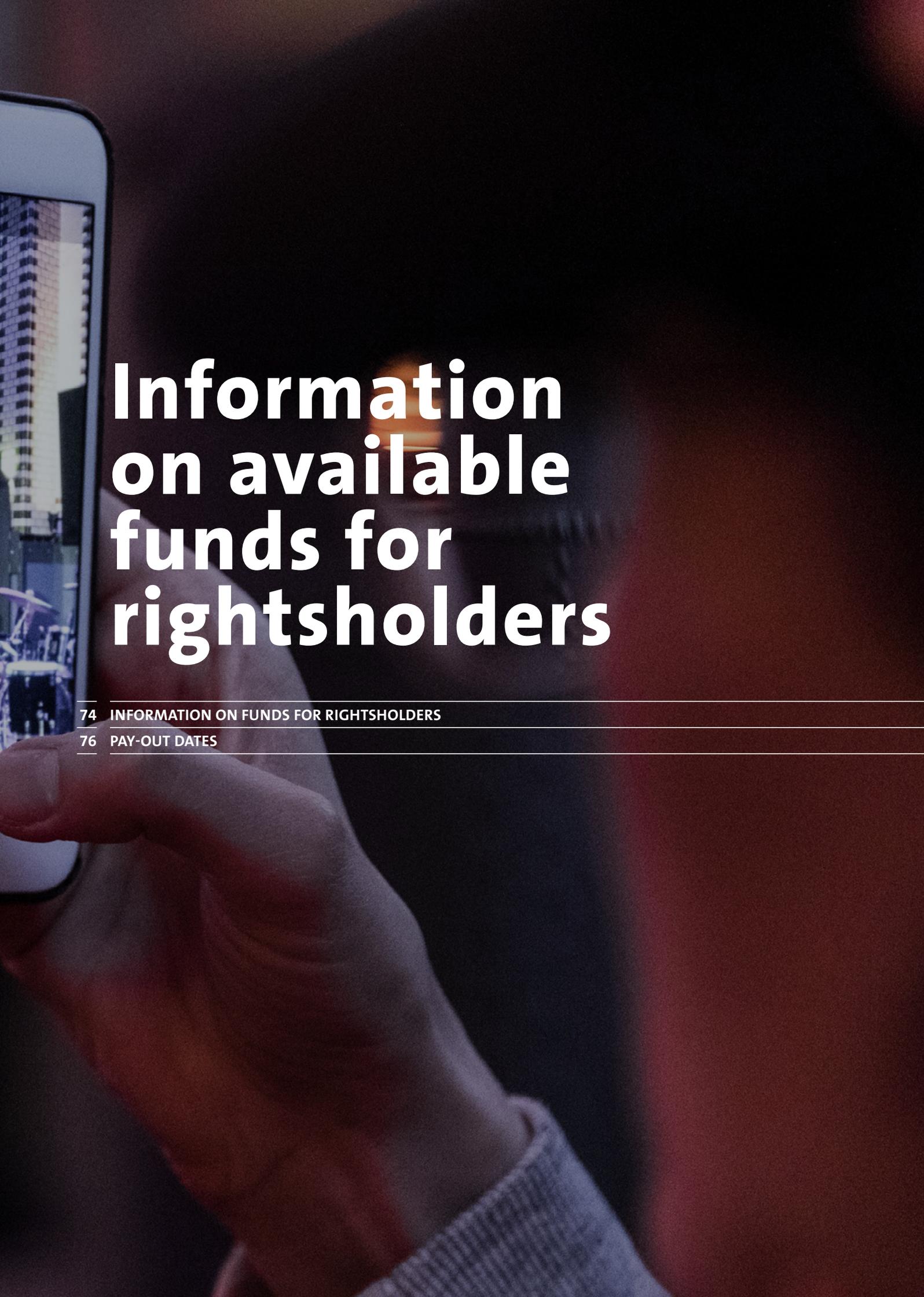
All directly attributable costs were directly allocated to the relevant rights categories. In cases where the costs are not directly attributable, they are allocated to the rights categories on a pro rata basis according to the collected income.

The cost rates shown in percent in this table are not comparable to the previous year due to the coronavirus pandemic and the resulting lower total income.

INFORMATION ON REJECTED USER QUERIES

GEMA has not rejected any user queries in the 2020 financial year.



A hand holding a smartphone displaying a cityscape at night. The background is dark with a warm, reddish glow. The text is overlaid on the image.

Information on available funds for rightsholders

74 INFORMATION ON FUNDS FOR RIGHTSHOLDERS

76 PAY-OUT DATES

INFORMATION ON FUNDS FOR RIGHTSHOLDERS

OVERVIEW OF AVAILABLE FUNDS FOR RIGHTSHOLDERS

Once the funds have been attributed to the categories pursuant to the GEMA distribution plan, they are allocated as follows:
see [☞ T. 18](#)

AVAILABLE FUNDS FOR RIGHTSHOLDERS IN €'000S

→ T.18

Rights category	Type of use	Total sum of amounts in FY 2020, which have not yet been attributed to rightsholders	Total sum of the amounts attributed to rightsholders* in the FY	Total sum of the amounts paid out to rightsholders* in the FY	Total sum of the amounts allocated but not yet paid out to rightsholders*
Reproduction and distribution	Sound recordings	57,905	40,677	39,392	1,285
	Audiovisual recordings	5,464	6,939	6,720	219
		63,369	47,616	46,112	1,504
Performance	Performance	43,076	102,131	98,904	3,227
Online	Download	26,369	9,061	8,775	286
	Streaming	137,185	128,368	124,313	4,055
		163,554	137,429	133,088	4,341
Broadcasting	Radio	66,061	107,200	103,814	3,386
	TV	159,638	163,351	158,191	5,160
	Cable retransmission	11,429	1,525	1,477	48
		237,128	272,076	263,482	8,594
Communication to the public	Mechanical performance	62,821	34,792	33,693	1,099
Presentation	Presentation	4,106	7,093	6,869	224
International income	Category A	39,038	43,801	42,417	1,384
	Category A VR	11,445	13,912	13,473	439
		50,483	57,713	55,890	1,823
Total		624,537	658,850	638,038	20,812

* Including rightsholders of foreign collective management organisations

GEMA generally distributes the revenues arising from rights management no later than nine months after the end of the financial year in which they were collected. Collections from such rights which GEMA has yielded for uses of its repertoire on the basis of representation agreements with other collective management organisations for music copyrights, are distributed to the members no later than six months after they have been received. These deadlines do not apply should GEMA be prevented from carrying out a timely distribution due to objective reasons. Such objective reasons could be that usable usage reports are not yet available, that reserves have to be created due to ongoing legal disputes or that the basis for a supplementary allocation of the collections (e.g. from statutory remuneration rights) has not been established in time.

PAY-OUT DATES

FINANCIAL YEAR 2020

[↗ T.19](#)

Pay-out date	Category	Distribution period
1 January 2021²⁾		
Reproduction and distribution	BT VR, PHONO VR	1st semester 2020
International income	A, A VR	¹⁾
1 April 2021²⁾		
Reproduction and distribution	PHONO VR	Carryover 1st semester 2020
Online	MOD D, MOD D VR, MOD S, MOD S VR, VOD D, VOD D VR, VOD S, VOD S VR, GOP, GOP VR (usage reports)	³⁾
	WEB, WEB VR	2020
International income	A, A VR	¹⁾
1 June 2021		
Performance	BM, E, ED, KI, U, UD	2020
Communication to the public	DK, DK VR, EM, M	2020
1 July 2021²⁾		
Broadcasting	FS, FS VR, R, R VR, T FS, T FS VR	2020
Presentation	T, TD, TD VR	2020
Reproduction and distribution	BT VR, PHONO VR	2nd semester 2020
Online	KMOD, KMOD VR	2020
International income	A, A VR	¹⁾

FINANCIAL YEAR 2020

→ T.19

Pay-out date	Category	Distribution period
1 October 2021²⁾		
Reproduction and distribution	PHONO VR	Carryover 2nd semester 2020
Online	MOD D, MOD D VR, MOD S, MOD S VR, VOD D, VOD D VR, VOD S, VOD S VR, GOP, GOP VR (usage reports)	³⁾
International income	A, A VR	¹⁾
Pension schemes	AS	2020
Assessment procedure	BS	2020
Rating procedure E	WTE	2020
Rating procedure U	WTU	2020
1 December 2021		
Online	GOP, GOP VR (supplementary allocation)	2020

- 1) International income (both rights) is paid out on an ongoing basis upon receipt on the first day of each quarter. Pay-out details including country specifications are available on the GEMA website www.gema.de/auslandsabrechnungen and in 'virtuos' (GEMA magazine).
- 2) Without supplements for statutory remuneration rights. Revenues collected for statutory remuneration rights during the 2020 financial year will be paid out separately as of 1 April 2021 as a supplement to the pay-outs for the 2019 financial year in the relevant categories.
- 3) Rights revenues in the categories MOD D, MOD D VR, MOD S, MOD S VR, VOD D, VOD D VR, VOD S, VOD S VR, GOP, GOP VR will be paid out on an ongoing basis on 1 April and 1 October as payments are received and usage reports are processed. Pay-out details including details of the licensees and usage periods are available on the GEMA website www.gema.de/musikurheber/tantiemen/ and in 'virtuos' (GEMA magazine).

Supplementary distributions (e.g. due to claims pursuant to Art. 59 para. 1 and 2 of the distribution plan) will be made each year as of 1 November in the categories BM, E, ED, EM, M, U, UD.





**Funds
for social
and cultural
purposes**

FUNDS FOR SOCIAL AND CULTURAL PURPOSES

1. AMOUNTS FOR SOCIAL AND CULTURAL PURPOSES DEDUCTED FROM RIGHTS COLLECTIONS

⇒ T.20

Rights category	Type of use	Amounts from 10 per cent deduction in €'000s*
Performance	Performance	4,786
Online	Internet broadcasting	28
	Download	483
	Streaming	9,605
		10,116
Broadcasting	Radio	4,492
	TV	11,638
	Cable retransmission	1,270
		17,399
Communication to the public	Mechanical performance	6,956
Presentation	Presentation	382
Total		39,639
		Other funds in €'000s
Interest income		3,130
Admission fees, membership fees, contractual penalties and other undistributable amounts		9,781
Available funds (total)		52,551

* The 10 per cent deduction is made from collections in the communication to the public rights category pursuant to Art. 30 para. 1 of the distribution plan. In the course of the deductions being carried out, no distinction is made initially with regard to the subsequent intended purpose.

2 . USE OF THE FUNDS FOR SOCIAL AND CULTURAL PURPOSES

The amounts were put to the following use:

⇒ T.21

in €'000s	
Cost deduction	561
Amounts used for social and cultural purposes, of which:	51,990
Rating procedure E	13,378
Rating procedure U	26,102
Assessment procedure for arrangers	1,940
Pension schemes	3,070
GEMA social fund	7,500
Total	52,551

3. USE OF UNDISTRIBUTABLE AMOUNTS PURSUANT TO SS. 29, 30 VGG (DETAILS PURSUANT TO ITEM 2.C) GG) OF THE ANNEX TO S. 58 (1) VGG)

The total sum of undistributable amounts relating to the 2016 financial year pursuant to ss. 29, 30 VGG amounts to €529k.

These undistributable amounts were allocated to social and cultural purposes pursuant to Art. 30 (3) distribution plan.



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Cooperation initiatives

85 DEPENDENT COLLECTING INSTITUTIONS

86 COOPERATION INITIATIVES WITH OTHER COLLECTIVE MANAGEMENT ORGANISATIONS

DEPENDENT COLLECTING INSTITUTIONS

GEMA has one subsidiary and holdings in two further companies which qualify as dependent collecting institutions as defined by s.3 VGG: ARESA GmbH, ZPÜ (Zentralstelle für private Überspielungsrechte GbR) [Central Organisation for Private Copying Rights] and ZBT (Zentralstelle Bibliothekstantieme GbR) [Central Organisation for Public Lending Rights]. ARESA GmbH, ZPÜ and ZBT create their own transparency reports to which reference is made at this point.

Apart from that, GEMA has holdings in two joint ventures with foreign collective management organisations: International Copy-

right Enterprise Services Ltd. is a joint venture of GEMA, PRS for Music Ltd. and Föreningen Svenska Tonsättares Internationella Musikbyrå (STIM) u.p.a. SOLAR Music Rights Management Ltd. is a joint venture of GEMA and PRS for Music Ltd. Details of both societies are published in the respective transparency report of the British holding company, PRS for Music Ltd.

COOPERATION INITIATIVES WITH OTHER COLLECTIVE MANAGEMENT ORGANISATIONS

Due to the contractual structure of its network integration, GEMA does not distribute any amounts directly to rightsholders represented by other collective management organisations.

AMOUNTS RECEIVED FROM REPRESENTATION AGREEMENTS WITH DOMESTIC COLLECTIVE MANAGEMENT ORGANISATIONS

↔ T.22

Organisation	Type of use	in €'000s	Deductions
VG Musikedition	Communication to the public	104	Deduction of a uniform cost rate pursuant to Art. 29 para. 9 distribution plan for cost coverage and a deduction of 10% for social and cultural purposes pursuant to Art. 30 para. 1 distribution plan

AMOUNTS RECEIVED FROM DOMESTIC REPRESENTATION AGREEMENTS IN €'000S

↔ T.23

Organisation	Type of use	Commission	Distribution amount
AGICOA	Cable retransmission pursuant to s. 20b UrhG	380	18,652
ARGE	Cable retransmission pursuant to s. 20b UrhG	47	2,315
GÜFA	Cable retransmission pursuant to s. 20b UrhG, remuneration right pursuant to s. 27 (1) UrhG	7	42
GVL	Cable retransmission pursuant to s. 20b UrhG, remuneration right pursuant to s. 27 (1) UrhG, remuneration right pursuant to ss. 78 (2) no. 2, 86 UrhG, remuneration right pursuant to ss. 78 (2) no. 3, 86 UrhG, remuneration right pursuant to ss. 78 (4), 20b UrhG, remuneration right pursuant to ss. 77, 85 (1) UrhG and remuneration right pursuant to ss. 78 (2) no. 2, 86 UrhG (theatre)	4,227	30,130
GWFF	Remuneration right pursuant to s. 54 UrhG and remuneration right pursuant to s. 27 (1) UrhG	6	13,599
TWF	Cable retransmission pursuant to s. 20b UrhG	42	2,199
VFF	Cable retransmission pursuant to s. 20b UrhG, remuneration right pursuant to s. 56 UrhG	368	18,074
VG Bildkunst	Cable retransmission pursuant to s. 20b UrhG, remuneration right pursuant to s. 27 (1) UrhG	78	2,293
VG Musikedition	Remuneration right pursuant to s. 27 (1) UrhG, remuneration right pursuant to s. 54 (1) UrhG, remuneration right pursuant to ss. 16, 70, 71 UrhG	333	3,249
VG Wort	Remuneration right pursuant to s. 27 (1) UrhG, cable retransmission pursuant to 20b UrhG, right of retransmission pursuant to ss. 20, 15 (2) and (3) UrhG, remuneration right pursuant to s. 56 UrhG, literary works set to music, reproduction right pursuant to s. 16 UrhG, communication to the public right pursuant to s. 22 UrhG.	106	13,516
VGF	Cable retransmission pursuant to s. 20b UrhG	67	3,293
VG Media	Right to make broadcasts available to the public pursuant to s. 87 (1) no. 3 UrhG, right of retransmission pursuant to s. 87 (1) no. 1 UrhG	1,766	13,013
ZWF	Cable retransmission and communication to the public of broadcasts pursuant to ss. 20b, 22 UrhG	978	6,849
Overall result		8,407	127,224

AMOUNTS RECEIVED FROM ABROAD IN €'000S

T.24

Organisation	Country	Category A	Category A VR	International cable income	Total
ACUM	Israel	309	48	23	380
AKM	Austria	5,819	0	3,781	9,599
AMCOS	Australia	0	258	0	258
APRA	Australia	679	0	0	679
ARTISJUS	Hungary	550	102	56	708
ASCAP	USA	3,455	0	0	3,455
AUSTRO MECHANA	Austria	0	2,701	0	2,701
BMI	USA	1,061	0	0	1,061
BUMA	Netherlands	1,755	0	2,063	3,818
HARRY FOX AGENCY - VR	USA	0	445	0	445
JASRAC	Japan	1,641	397	0	2,038
KODA	Denmark	680	38	1,215	1,933
KOMCA	South Korea	191	137	0	328
OSA	Czech Republic	828	237	1	1,067
PRS	UK	3,369	0	0	3,369
PRS for MUSIC (MCPS)	UK	0	1,232	0	1,232
SABAM	Belgium	893	390	142	1,424
SACEM	France	3,001	1,696	69	4,766
SACM	Mexico	213	32	7	252
SGAE	Spain	639	169	5	813
SIAE	Italy	3,578	472	31	4,081
SOCAN	Canada	515	0	21	536
SOKOJ	Serbia	226	0	7	233
SOZA	Slovakia	172	52	10	233
STEMRA	Netherlands	0	659	0	659
STIM	Sweden	1,128	509	9	1,646
SUISA	Switzerland	6,340	1,420	1,633	9,393
TEOSTO	Finland	455	3	50	507
TONO	Norway	306	1	21	328
UBC	Brazil	307	72	31	410
UCMR-ADA	Romania	497	20	0	516
ZAIKS	Poland	841	60	546	1,447
Other societies with amounts < €200k		1,715	462	218	2,396
Sum total		41,162	11,612	9,938	62,712

A commission pursuant to Art. 29 para. 7 distribution plan of up to 5% is deducted for all international income.

AMOUNTS PAID TO FOREIGN COLLECTIVE MANAGEMENT ORGANISATIONS IN €'000S

Organisation	Sum total	Reproduction and distribution		Performance	Online	
		Sound recordings	Audiovisual recordings	Performance	Download	Streaming
AKM	12,140	0	0	2,861	18	4,671
AMCOS	318	44	36	0	14	138
AMRA	846	13	1	107	10	270
APRA	4,193	0	0	561	42	1,289
ASCAP	33,464	0	0	5,102	191	8,464
AUME	2,475	689	140	0	120	312
BMI	36,537	0	0	4,616	188	11,395
BUMA	2,506	0	0	634	45	499
IMRO	667	0	0	153	0	43
JASRAC	897	295	85	47	3	298
KODA	1,535	0	0	276	28	471
KOMCA	232	16	0	73	3	90
MCPS	9,148	554	101	0	203	711
NCB	2,771	987	148	0	105	484
OSA	1,120	47	28	444	7	131
PRS	33,252	0	0	5,599	40	2,807
RAO	262	13	0	83	2	45
SABAM	1,097	5	17	232	19	147
SACEM	12,600	534	240	1,873	39	1,184
SADAIC	213	14	2	67	5	50
SDRM	5,949	1	0	0	0	1
SESAC	3,753	48	7	400	45	1,584
SGAE	1,618	100	59	191	12	474
SIAE	3,663	244	7	738	29	283
SOCAN	4,088	0	0	479	32	1,299
STEMRA	1,564	301	20	0	129	344
STIM	4,364	0	0	1,108	8	260
SUISA	4,428	378	80	770	61	475
TEOSTO	858	0	0	257	16	173
TONO	1,077	0	0	149	20	369
ZAIKS	1,134	785	59	44	4	133
Others**	1,989	103	21	365	30	452
	190,759	5,172	1,050	27,230	1,466	39,346

* This relates to central licensing as well as collection activities on behalf of SACEM, AKM and AUME

** 'Others' refers to foreign collective management organisations with a revenue of less than €200k

With regards to pay-outs to foreign collective management organisations, the same deductions for costs and for social and cultural purposes are taken as for pay-outs to rightsholders of GEMA.

International agreements apply to the cost deduction in the context of central licensing (Cannes Agreement).

GEMA does not make pay-outs to rightsholders of other collective management organisations.

 T.25

Broadcasting			Communication to the public	Presentation	International income		International representation agreements*
Radio	TV	Cable retransmission	Mechanical performance	Presentation	Category A	Category A VR	Central licensing and international agreements
14	72	0	0	0	0	0	0
318	77	0	23	26	0	0	0
1,064	1,002	0	74	156	4	0	0
7,211	9,334	20	1,683	1,450	10	0	0
230	673	0	0	0	0	1	310
7,055	10,246	20	1,627	1,389	3	0	0
485	478	77	97	177	15	0	0
230	174	0	14	52	0	0	0
17	98	34	7	6	7	0	0
298	318	5	59	72	7	0	0
10	13	9	1	17	0	0	0
81	300	0	0	0	0	3	7,196
222	205	0	0	0	0	1	621
74	208	15	11	154	1	0	0
11,690	10,175	478	1,007	1,432	25	0	0
66	17	24	6	5	0	0	0
238	138	2	51	66	1	1	180
2,958	3,765	369	307	707	2	21	602
30	20	0	2	23	0	0	0
0	0	0	0	0	0	0	5,946
549	841	1	149	126	1	0	0
290	372	15	49	56	2	0	0
638	791	1	66	207	18	5	636
935	1,075	0	128	135	6	0	0
104	118	0	0	0	0	0	548
1,693	912	0	119	261	2	0	0
466	876	55	103	216	8	1	939
308	67	0	7	29	1	0	0
271	227	0	10	31	0	0	0
27	32	39	1	5	5	0	0
360	294	198	36	80	18	9	22
38,752	45,125	1,525	5,693	7,759	142	42	17,457



VGG [CMO Act] auditors' certification



AUDITORS' CERTIFICATION OF THE GEMA TRANSPARENCY REPORT

CERTIFICATION AFTER THE AUDIT REVIEW

To GEMA – Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, Berlin. Pursuant to s. 58 (3) VGG, we have audited the financial information contained in the annual GEMA transparency report in accordance with no. 1 g of the Annex to s. 58 (2) VGG as well as the information in accordance with no. 1 h of the Annex to s. 58 (2) VGG for the period from 1 January to 31 December 2020. The preparation of the annual transparency report pursuant to s. 58 VGG is the responsibility of the legal representatives of the organisation. It is our duty to issue certification regarding the financial information contained in the annual transparency report in accordance with no. 1 g of the Annex to s. 58 (2) VGG as well as the information in accordance with no. 1 h of the Annex to s. 58 (2) VGG.

We conducted our audit review of the financial information contained in the annual transparency report in accordance with no. 1 g of the Annex to s. 58 (2) VGG as well as the information in accordance with no. 1 h of the Annex to s. 58 (2) VGG and in compliance with the German Generally Accepted Standards for Audit Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). According to these standards, the audit review must be planned and carried out in such a way that, having conducted a critical evaluation, we can rule out with reasonable certainty that the financial information contained in the annual transparency report in accordance with no. 1 g of the Annex to s. 58

(2) VGG as well as the information in accordance with no. 1 h of the Annex to s. 58 (2) VGG do, in material aspects, not comply with the requirements contained in the Annex to s. 58 (2) VGG. An audit review is primarily limited to interviews with employees of the organisation and analytical evaluations and therefore does not provide the assurance attainable in an audit.

On the basis of our audit review, we have not obtained knowledge of any circumstances that give us reason to believe that the financial information contained in the annual transparency report in accordance with no. 1 g of the Annex to s. 58 (2) VGG as well as information in accordance with no. 1 h of the Annex to s. 58 (2) VGG do not comply with the requirements of the Annex to s. 58 (2) VGG.

The engagement is based on the General Engagement Terms and Conditions for German Public Auditors and German Public Auditing Companies in the version dated 1 January 2017, attached as Annex 2. Our liability shall be governed by no. 9 of the General Engagement Terms and Conditions. Nos. 1 (2) and 9 of the General Engagement Terms and Conditions shall apply to third parties.

Munich, 22 April 2021

KPMG AG
Certified Auditing Company

sgd. Bergler
Auditor

sgd. Simonji-Elias
Auditor

COMPLIANCE AND DATA PROTECTION

For GEMA, compliance means first and foremost adhering to laws, regulations and directives and to its self-imposed internal rules. Against this background, the particular aim of compliance management is to create structures and processes which safeguard conduct of governing body members and staff members that is compliant with laws and regulations in their daily work. The emphasis of the activities is on recognising and avoiding conflicts of interest and preventing corruption. This is also intended to avert damage to GEMA's reputation and economic losses that could result from infringements of the rules.

Compliance at GEMA does, however, extend beyond legal issues. Responsible actions, moral and ethical integrity, fairness and transparency when dealing with members, licensees and business partners are also a part of the GEMA compliance programme. Taking into account societal principles and values for entrepreneurial actions and adopting corporate social responsibility are a matter of course for GEMA. In the GEMA whistleblower portal, employees, members, customers and business partners can, confidentially and, if they wish, anonymously, submit information on possible compliance violations, in particular on violations of applicable criminal laws as well as serious misconduct.

Compliance with data protection regulations is of great importance to GEMA. Violations of data protection regulations may result in fines of up to €20m or up to 4% of the Group's annual turnover. Against this background, the focus on data protection was placed on sustainable awareness raising of employees. To this end, regular training sessions were organised for the data protection managers in the individual departments, among other things, and all GEMA employees were trained in the essential aspects of data protection through an online course. In addition, rules of conduct have been introduced for the respective service departments to ensure data protection, especially when dealing with business contacts.

PUBLICATION DETAILS

PUBLISHER

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Pages 18/19 Sebastian Riepp
Pages 37/38 Felix Pitscheneder
Pages 72/73, 78/79 Markus Rex
Pages 90/91 Philipp Lützenburger

PRINTING

MXM Digital Service GmbH, Munich

TRANSLATION

Sabine Jones,
staatl. gepr. und beeid. Übersetzerin
www.sabine-jones-uebersetzungen.de

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