



INFORMATION ON DISCOTHEQUE MONITORING AT GEMA

DISTRIBUTION OF CATEGORIES DK AND DK VR ON JUNE 1ST 2021

GEMA licenses mechanical music reproduction in halls with regular dancing according to the tariff M-CD II 2 as well as the reproduction of musical works of GEMA repertoire for the intended use of public replay according to the tariff VR-Ö:

<https://www.gema.de/musiknutzer/musik-lizenzieren/diskothek-club-mit-tanz>

Most of Germany's around 1.600 recorded dance floors are discotheques, though there are other dance operations with varying musical offerings.

From this heterogeneous collection, a stratified random sampling is created, which provides a representative cross-section of the entire spectrum of music titles played during a year. The dance floors are not weighted by surface or licensing amount. Survey and accounting period is the 2020 calendar year.

The total amount surveyed (the statistical "universe") is the annual sum of all music played in domestic discotheques and discotheque-like operations. A statistical sample is used to calculate a specific musical work's percentage of the total playing time of all music played. By using advanced procedures of mathematical statistic this calculation is quite accurate. Due to the decline of dance floors in Germany, the statistical universe was adjusted as the basis for the extrapolation of the financial year 2020.

For GEMA's disco monitoring, the statistical selection of dance floors for the financial year 2020 is based on four geographical layers by region:

- Hamburg, Bremen, Lower Saxony, Schleswig-Holstein
- Bavaria, Baden-Wuerttemberg
- Hesse, Saarland, Rhineland-Palatinate, North Rhine-Westphalia
- Mecklenburg-West Pomerania, Brandenburg, Berlin, Saxony, Saxony-Anhalt, Thuringia

Additionally occurs a further distinction within those regions between rural (less than 500.000 inhabitants), urban (from 500.000 to 1.000.000 inhabitants) and metropolitan areas (more than 1.000.000 inhabitants). Therefore the sample results in twelve layers. A sample is drawn from each of these layers.

For each of the dance floors selected according to statistical criteria, two hours of music per week are recorded. Once the total playing time of a title per dance floor has been ascertained, the figure for the randomly sampled dance floor of a certain layer then has to be extrapolated for all the dance floors of this layer. The result of the sum

across all layers represents a reliable projection of the annual total playing time of a specific title at all dance floors.

Special recording devices that can be plugged directly into the mixers were developed for this type of disco monitoring. It is impossible to tell whether and when recordings are being made. However, any failures or attempts at manipulation are identified and documented. To improve statistical representativeness, a part of the recording devices is replaced every year in all of the layers.

The recordings were evaluated by a company engaged by GEMA (Yacast, Paris). The statistical sample concept relies on the representation of the sampled population; any complaints relating to date or time are therefore excluded.

Due to the pandemic-related closures of clubs and discotheques in Germany since mid-March, the monitoring procedure in 2020 only took place in the period of regular openings from January to March. Nevertheless, it was possible to carry out the planned statistical extrapolation procedure for this period according to the usual procedures.

The revenues of the financial year 2020 in the discotheque sector could essentially only be achieved in the aforementioned period.

In this respect, the monitoring results available for 2020, which were collected until the discotheques closed in March 2020, are a valid and representative basis for the distribution of the categories DK and DK VR.