



Annual report

Vereniging Buma

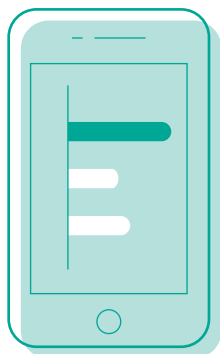
2022

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Key figures Buma

Collection Buma (x € 1,000)



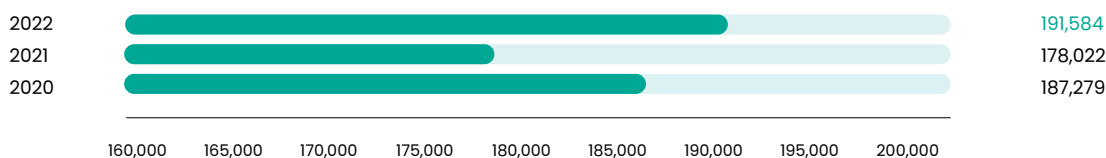
218,669 | 2022
164,489 | 2021
167,471 | 2020

Number of FTEs



2022 **123.6**
2021 121.1
2020 123.7

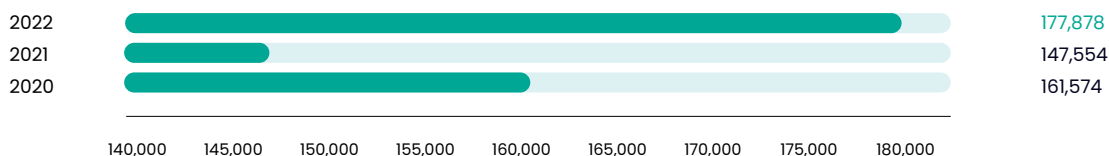
Copyright royalties to be distributed (x € 1,000)



Management costs (x € 1,000)



Distributions (x € 1,000)



Key figures

(x € 1,000)

	2022	2021	2020	2019	2018	2017
Copyright royalties received/receivable						
Radio, TV and Network Providers	74,650	72,663	67,854	71,175	71,430	68,177
Live performances	35,698	6,423	16,045	35,179	34,065	30,698
Restaurants and bars	13,415	7,780	9,057	15,190	14,891	14,294
Work spaces	19,960	16,449	17,265	17,209	17,171	17,392
Shops and stores	13,237	11,521	12,159	13,450	13,234	13,509
Online	42,762	36,050	29,856	18,964	13,681	13,618
Music use in the Netherlands	199,722	150,886	152,236	171,166	164,471	157,688
Music use abroad	18,947	13,603	15,235	16,367	16,492	14,723
Total	218,669	164,489	167,471	187,533	180,963	172,411
Distributions						
Rights owners	108,399	87,489	95,513	95,270	87,262	84,348
CMOs Abroad	58,853	52,116	57,468	55,025	57,855	53,503
Addition to Fund for Social and Cultural Purposes	10,626	7,949	8,593	10,863	10,456	9,896
Total	177,878	147,554	161,574	161,158	155,573	147,747
Copyright royalties to be distributed						
Copyright royalties to be distributed at end of financial year	191,584	178,022	187,279	201,121	192,011	189,371
Fund for Social and Cultural Purposes						
Disbursements in financial year	10,316	7,988	9,198	11,530	10,587	9,704
Funds available at end of financial year	2,654	3,458	3,497	4,102	4,766	4,897
Operating statement						
Administration fee on collection financial year	27,229	20,763	14,938	14,695	18,323	18,411
Administration fee on distribution financial year	-	-	4,801	4,390	4,426	3,589
Administration fee on gross copyright royalties to be distributed at the end of 2020 (one-off due to change of methodology)	-	5,430	-	-	-	-
Other income	1,141	1,085	1,033	963	885	868
Total income	28,370	27,278	20,772	20,048	23,634	22,868
Management costs	-25,908	-23,156	-22,698	-21,769	-25,913	-26,418
Total expenses *	-25,908	-23,156	-22,698	-21,769	-25,913	-26,418
Balance of financial income and expenses *	2,462	4,122	-1,926	-1,721	-2,279	-3,550
Financial income and expenses	-27,089	6,596	8,655	15,401	-7,908	10,408
Balance cost absorption **	-24,627	10,718	6,729	13,680	-10,187	6,858

* In 2019, Stichting Buma Beleggingsfonds merged into Vereniging Buma. The 2018 key figures have been adjusted to the 2019 methodology for comparison purposes. Earlier years are in accordance with annual reports published previously.

** Available for appropriated reserve up to and including 2020.

Key figures

Key figures

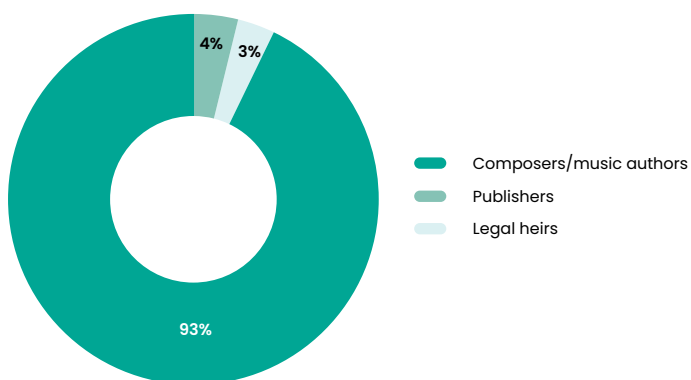
Actual cost percentage withheld for Online streaming and download	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%
Actual cost percentage withheld for Abroad	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Actual cost percentage withheld for Foreign Network Providers	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Actual cost percentage withheld for Other categories	14.0%	14.0%	12.2%	9.7%	12.2%	12.8%
Average actual percentage withheld (administration fees as a percentage of fees collected)	12.5%	12.6%	11.8%	10.2%	12.6%	12.8%
Management costs (gross) as a percentage of total royalties received/receivable	11.8%	14.1%	13.6%	11.6%	14.3%	15.3%
Management costs (gross) as a percentage of total copyright royalties distributed (including administration fees withheld)	12.6%	13.8%	1.5%	11.8%	14.5%	15.9%
Annual movement in operating costs	11.9%	2.0%	4.3%	-16.0%	-1.9%	5.3%
Derived consumer price index	10.0%	2.7%	1.3%	2.6%	1.7%	1.4%
Number of members and participants	37,846	36,105	33,255	31,237	29,761	28,386
Number of invoiced users	93,769	93,756	100,738	106,580	108,495	109,200
Number of employees in FTEs*	123.6	121.1	123.7	122.3	122.8	141.3

	2022	2021	2020	2019	2018	2017
Actual cost percentage withheld for Online streaming and download	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%
Actual cost percentage withheld for Abroad	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Actual cost percentage withheld for Foreign Network Providers	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Actual cost percentage withheld for Other categories	14.0%	14.0%	12.2%	9.7%	12.2%	12.8%
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Management costs (gross) as a percentage of total copyright royalties distributed (including administration fees withheld)	12.6%	13.8%	1.5%	11.8%	14.5%	15.9%
Annual movement in operating costs	11.9%	2.0%	4.3%	-16.0%	-1.9%	5.3%
Derived consumer price index	10.0%	2.7%	1.3%	2.6%	1.7%	1.4%
Number of members and participants	37,846	36,105	33,255	31,237	29,761	28,386
Number of invoiced users	93,769	93,756	100,738	106,580	108,495	109,200
Number of employees in FTEs*	123.6	121.1	123.7	122.3	122.8	141.3

*The employees also work on behalf of Stemra

Members 2022

Composers/music authors	35,175
Publishers	1,677
Legal Heirs	994
Total	37,846



Live performances

55,000 performances were licensed.

Shops and Stores, Restaurants and Bars and Work Spaces

143,000 locations were licensed.

Online

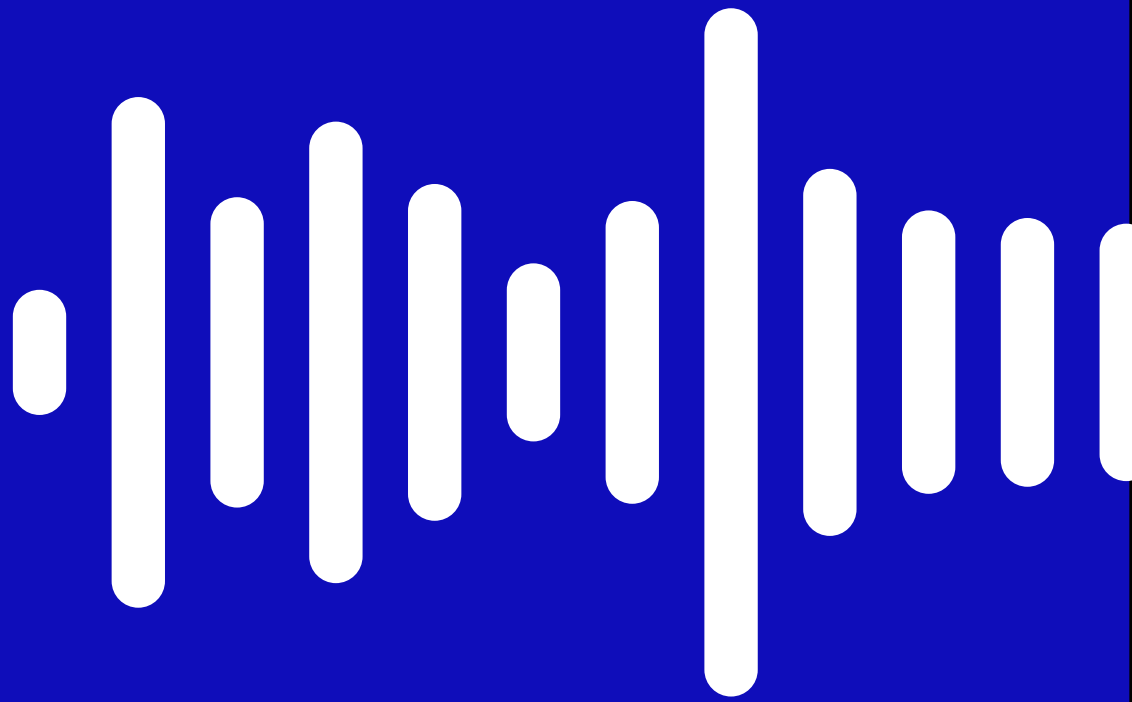
Distributions were made for 6.6 million downloads.

Distributions were made for 91.7 billion streams.

RTV

In total, 293 licences were concluded.

Distributions were made for 1.9 billion seconds.



Directors' Report

1

I. Directors' Report

1.1. Explanation by the Management Board

Introduction

Vereniging Buma is the organisation of and for all musicians and publishers in the Netherlands. We exploit the copyrights for approximately 38,000 musicians affiliated with us. We also grant appropriate licences for music use and support the collective ambitions of our members.

After 2020 and 2021 which saw significant COVID-19 measures, 2022 was a year in which the impact of the virus on the world in general and the music industry in particular diminished. It meant more income from copyright and also that we were able to take big steps in the realisation of the strategy.

Results

In the 2020 and 2021 annual reports we wrote about 'special and challenging circumstances', but 2022 was another excellent year for the music industry, for our members and also for Buma itself. Buma collected € 219 million and paid out € 178 million in copyright royalties. Both the collection and the payment of copyright royalties (the 'distribution') were higher than ever for BumaStemra combined. Online income in particular has shown good growth in recent years and now that income from live performances and income from restaurants and bars and work spaces reached the level of 2019 while RTV income remained stable, we will end 2022 with a 17% higher collection than the last pre-COVID year 2019.

An important reason why the distribution in 2022 was higher than ever was that we analysed the copyrights received in 2021 and 2022, after which we concluded that we could pay out a substantial amount (once only). We realise these incidentally higher payments do not mean a structurally higher distribution.

The management costs rose by € 2.8 million last year, due to the investments in the realisation of the strategy, including the IT replacement. However, management costs were lower than we had budgeted because we were unable to recruit the right people for a number of key positions. The cost ratio was 11.8% and lower than last year, mainly due to the significantly higher collection.

The investment result was negative: the investment portfolio achieved a net income of € 26.7 million in 2022. The negative investment result for 2022 is absorbed in the provision for temporary differences in cost absorption and is in line with the overall development of the investment markets, which experienced a bad year due to, among other things, the war in Ukraine and the rise in interest rates.

'Physically' instead of via screens

The share of live music has increased spectacularly after the lockdown: we have licensed over 45,000 performances. The Buma Awards and the General Members' Meeting (GMM) could once again take place physically instead of via screens. Just some numbers: the Amsterdam Dance Event (of which Buma Cultuur is the founding partner) attracted 450,000 visitors. With the Music Rights on Tour educational project, we reached more than a thousand up-and-coming musicians. Two thousand new musicians and publishers joined us last year, for a total membership of 38,000. 40% are under the age of 25 and 23% of new members are women, almost 10% more than in 2018.

Online

Traditionally, our work focused on regions, but now it is more and more about repertoire. There are no monopolies in the online segment of the music industry, which means we continue to cooperate in part with sister societies in other countries, but compete with them when it comes to online. For our members, we negotiate directly with parties such as Spotify for several countries. Musicians do not automatically join BumaStemra for the online segment: they choose the party that serves them best and offers the most user-friendly service. We want to be that party.

New agreements

One of the reasons why collection rose so fast was that we were able to conclude new agreements with music users. We extended and improved deals with, among others, Koninklijke Horeca Nederland, Netflix and Tiktok, and concluded an agreement with Snapchat for the first time. The deal with YouTube was extended to Brazil, where we now collect mechanical rights directly. That means our members receive their royalties faster and at a lower cost. This new agreement underlines our growing international presence.

Dutch music abroad

A study commissioned by Buma Cultuur showed that the export value of Dutch music was more than twice as high last year as in the corona years 2020 and 2021, mainly due to more foreign performances by Dutch artists. Successes in 2022 included Kizzo (for his work as a songwriter and producer on Jon Batiste's album *We Are*) and Roselilah (best rap performance) being proud winners of a Grammy Award, Martin Garrix being chosen by DJ Mag as number 1 DJ, and *In the Dark* by Purple Disco Machine (co-written by BumaStemra member Tom Enzy) becoming a European hit. Trumpeter Saskia Laroo gave 68 concerts in the United States, India and Thailand, among others. A guitar solo by Amsterdam producer and musician Ramon Ginton could be heard on a track on Canadian superstar Drake's album *Honestly, Nevermind*, released last year.

Strategy: to the Beat of the Drum

For those who don't remember: the strategy comprises four strategic choices, the first of which is that we will make our services future-proof. BumaStemra used to be a monopolist operating within national borders, but now we operate worldwide and in a competitive environment. That demands something from our organisation and from our people.

Choice two within the strategy is that we aim for growth. By that we mean growth in results and volumes, as well as in quality of service.

The third choice is that we focus on collectivity. Our membership base is extremely diverse and ranges from classical musicians to DJs and from low earners to high earners; BumaStemra is committed to everyone. In bad times we share the pain, in good times we share the profit. The Investment Fund for Music also fits in with this idea of unity, in which BumaStemra, together with the Ministry of Education, Culture and Science, made contributions available to all composers, lyricists and music publishers who needed them in times of corona.

The last of the four strategic choices is to strengthen the organisation, which means, among other things, that we are in the process of replacing our outdated IT infrastructure with modern, cloud-based solutions.

The fact that the cost ratio (costs divided by collection) in 2022 for BumaStemra together was almost 2 percentage points lower also sounds positive, but we would like to add a comment. We were unable to recruit enough permanent employees for all positions. This reduced the (permanent) personnel costs, but we do need those new people to be able to implement our strategy. To the beat of the drum is the name of the strategy announced at the beginning of 2021 and after two years of corona, we have now really started rolling it out. We would like to thank all BumaStemra employees for their enormous efforts, because it is thanks to them that BumaStemra can always take the next step.

Music investment fund

Since the start of the corona crisis, the music sector has been hit hard. Theatres and music venues often had to close their doors, there were hardly any festivals and assignments to make music declined. Many musicians were left without work and income, and the creative process came to a partial standstill.

In 2020, with the support of the Ministry of Education, Culture and Science (€ 2.5 million), BumaStemra started the Music Investment Fund Part 1.

New initiatives in the creation of music were stimulated from this fund. In 2021, a second round of support was provided to the rights sector, from which Music Investment Fund Part 2 could be opened. As a result, money could be made available to Buma Cultuur, which commissioned a number of specific composition assignments in various genres (for a total amount of € 3.8 million).

Due to the ongoing corona measures, the ministry has granted a third tranche of support in 2022. This has started an Music Investment Fund Part 3 and a Musicians' Day Support Fund. Shortly after the opening of Music Investment Fund Part 3, this fund was already overdrawn. With a remainder from the emergency fund, Music Investment Fund Part 3 made a total of € 3,063,500 available to 578 people. This once again made it possible to make an important contribution to the continuity of the creative process and the creation of new cultural productions.

IT: BumaStemra's backbone

In 2023, we will continue to replace our IT systems. The complete IT transformation within BumaStemra was originally scheduled for two years, but that has been adjusted to three. Partly caused by Corona, partly because it is now becoming clear how large and complex the problems with the current systems appear to be. More time means more costs and that is why the budget has been adjusted slightly upwards.

Faster, better, more is the motto, which means copyrights on music use are processed faster and paid out faster, and more accurately, thanks to the new IT landscape. That IT environment must also be scalable, which means it must be prepared for growth.

In 2022, we made an important step in the field of IT by launching a module as result of which the processing of online music use is no longer outsourced, but is done in-house. Processing is therefore faster and more efficient, provided the work is registered by the members. BumaStemra has drawn attention to this via the long-read From play to pay.

In 2022, we made the strategic choice to purchase the application we are developing with the IT supplier as software and to transfer ownership. Our expectation is that this will make us more future-proof than if we took on the further development ourselves. As a result, we expect higher copyright income and a larger market share in the long term.

Part of the new landscape is also a new data platform. In 2023, we will thus lay the foundation for making our services not only faster but also smarter in the coming years. By collecting, combining and analysing more data, we can provide our members with new insights. Examples include a combination of the location where their own music is played (which is now also available via MyBumaStemra) with, for example, figures about growth patterns in that region.

MyBumaStemra

Another important step in 2022 was the going live of the renewed publishing environment, as part of MyBumaStemra. Compared to the old and dated portal, the new environment offers publishers more extensive options for registering works and contracts. They also gain more insight into their payments. In 2023, we will continue to build and ensure that MyBumaStemra is optimised even further.

Bandwidth for provision for temporary differences in cost absorption

During the May 2022 GMM, we determined a lower and an upper limit (the bandwidth) for our buffers for differences in cost absorption and for absorbing risks in the investment portfolio. We will test the level of the provision for temporary differences in cost absorption against these upper and lower limits at the end of the year. During the autumn 2021 GMM, we determined how to deal with a position below the lower limit or above the upper limit.

The purpose of the provision is to limit fluctuations in the cost deduction percentages, the deduction from the collection to cover the management costs, as much as possible.

Risks

A moderate risk profile is appropriate for a collective management organisation such as BumaStemra. Reports on findings and how we mitigate risks are periodically discussed by BumaStemra's Management Board and the Supervisory Board.

BumaStemra distinguishes financial risks, strategic risks & business risks, operational risks, legal risks and integrity and behavioural risks. At a strategic level, BumaStemra is exposed to various risks due to emerging market trends and technological developments. The key strategic risks include: having an insufficient response to increasing competition, loss of repertoire, insufficient collectivity and insufficient innovative strength. We recognise and 'mitigate' (reduce) these risks through our strategy. BumaStemra recognises as its main financial risks: collection and investment risks. Financial risks are mitigated by sound and transparent accounting of income and expenditure and strict internal control, led by both members of the Management Board. They are assisted by other managers and specialists within the organisation and informed via an extensive internal monthly financial report. In terms of investments, we opt for a risk-averse profile, applying the principle of basic, passive and cost-efficient investing in order to mitigate financial risks.

The set of key operational risks include: loss of critical knowledge, incorrect management information, complex IT architecture, insufficient use of disruptive technology and external fraud (including cyber-attacks). The collection process towards users and the distribution process to rights owners form the backbone of our organisation. We absolutely want to avoid disruption of these processes; that is why we started replacing the current IT landscape in 2020. Ease of use and efficiency are important, but we also keep a close eye on the security of our data flows. We have appointed an (external) Security Officer for this. The IT programme is managed by the Management Board and the Supervisory Board, with an overarching steering committee and a programme manager for day-to-day operations. In the field of compliance, a range of laws and regulations must be complied with, both with regard to collection and distribution, as well as all supporting financial processes. A Privacy Officer, a Confidential Advisor for Undesirable Behaviour & Integrity, a Complaints Committee and an internal Compliance Officer monitor compliance with laws and regulations within our organisation. The Secretariat of the Board and HR monitor the implementation of our code of conduct and HR monitors compliance with the rules regarding other positions. In addition to wanting to comply with laws and regulations, we also want to be a reliable player in society outside the legal framework, an association that is really there for its members, and a responsible and inspiring employer.

In Chapter 1.2.9, we will discuss in more detail the different types of risks that BumaStemra takes into account in its business operations.

Cultural change and new look & feel

Our employees are working in an increasingly customer-oriented way, adopt a more proactive attitude and acknowledge 'ownership' in their work. From the moment we were allowed to return to the office, we started the BumaStemra cultural programme that should further strengthen that mentality among our people. The number of complaints has fallen again in 2022, but the ambition must be: zero complaints. BumaStemra may not (at the moment) be the largest collective management organisation in the world, but we do want to be the best. That is why we will continue to reshape the organisation, for example, by having the commercial teams serve both members and customers. By keeping that in a single unit, we create win-win situations for musicians, publishers and music users. In terms of marketing, we will announce a new look & feel in 2023, which means, among other things: a new logo and a new corporate style that are more in line with the modern company we want to be.

Diversity, inclusion and safety

In the fields of diversity and inclusion, BumaStemra has committed itself to the position of women in the Dutch music sector in 2022, realising that diversity and inclusion go further than just a distinction in gender. We see this as our first steps of this process. More than half of our staff are women, making us a good example for the rest of the music industry. The Rise up! programme we launched a day after the revelations about sexual misconduct behind the scenes at The Voice of Holland. That was a coincidence, but it emphasised the need for changes. Rise up! consists of a series of panels and round-table discussions, including during the Amsterdam Dance Event and Noorderslag Eurosonic, and a podcast series.

BumaStemra has reached hundreds of people with whom we will make the music industry more diverse and inclusive.

In addition, a special GO! task force was created, which BumaStemra forms a part of, with the help of which we want to offer a diverse, inclusive and safe working environment within the music industry and therefore also BumaStemra. Within the music industry, we will investigate sexual harassment and we will join a special hotline for the culture and entertainment sectors. Step by step, we are expanding the scope of this task force to include discrimination based on gender identity, cultural origin and neurodiversity.

As a major player in the music industry, BumaStemra believes our responsibility goes beyond collection and payment: we want to set an example within the music industry when it comes to inclusivity and safety.

Prospects and opportunities

We have now truly started to roll out our strategy. We are well on track with rolling out our IT transition. In addition, we have started other initiatives to implement the strategy with the aim of getting music users and musicians to join us because we provide the desired service.

We will keep our strategy alive and ensure that in 2023, together with our Supervisory Board, we continue to identify strategic, operational, financial risks and opportunities and adjust our plans where necessary. Everything with the aim of satisfying our rights owners.

BumaStemra looks forward to ensuring that fair compensation is paid to musicians in 2023 and that all those musicians are allowed to be who they are. We will continue to increase support for Dutch music culture throughout the world and contribute to a world full of music. Because a world full of music is a more beautiful world.

We look back on a good year and look forward to a future with many opportunities. We are aware, however, that we live in a time of many uncertainties, such as the impact of the climate crisis, the convulsions of the corona crisis, a possible recession and a war nearby in Ukraine. It is good to realise that music connects and blurs differences. We remain alert and continue to roll out our strategy.

Hoofddorp, 17 April 2023

Management Board:

Bernard Kobes, Chief Executive Officer

Marleen Kloppers, Chief Financial Officer

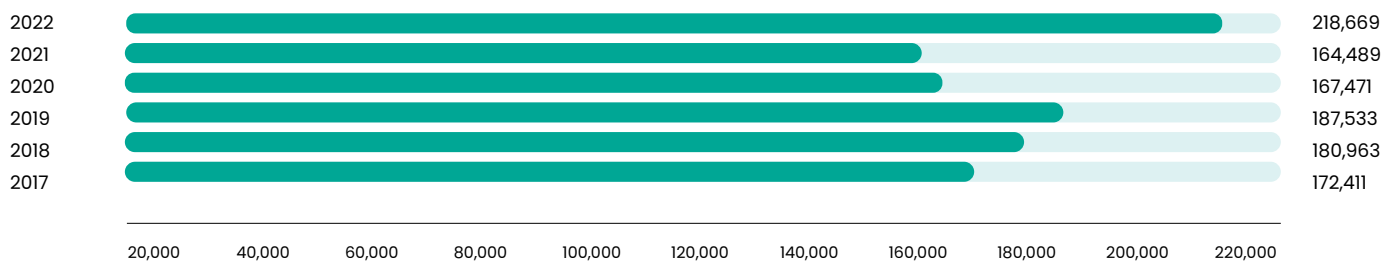
1.2 Financial results and risk management

1.2.1 Copyright royalties received/receivable

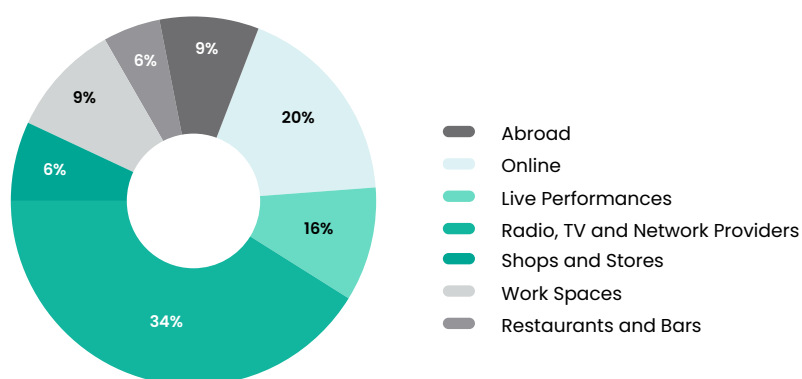
The copyright royalties were received from the following categories:

(x € 1,000)	2022	2021
Restaurants and Bars	13,415	7,780
Work Spaces	19,960	16,449
Shops and Stores	13,237	11,521
Total General Licences	46,612	35,750
Radio, TV and Network Providers	74,649	72,663
Live performances	35,698	6,423
Online	42,762	36,050
Abroad	18,947	13,603
Total	218,669	164,489

Development of collection (x € 1,000)



Composition of collection



The table and bar chart show that Buma collected € 218.7 million in 2022, an increase compared to previous years, including the years before the impact of the COVID-19 outbreak became visible. The increase compared to 2021 is equal to € 54.2 million (+32.9%). The increase in collection figures can be seen in all segments, with the largest at Live Performances (€ +29.3 million). The royalties from Online (€ +6.7 million), Restaurants and Bars (€ +5.6 million), Abroad (€ +5.4 million), Work Spaces and Shops and Stores (€ +5.2 million) and from Radio, TV and Network Providers (€ +2.0 million) also experienced growth compared to last year. For the Restaurants and Bars market segment, this means an increase that is lower than budgeted, the collection in all other segments rose faster in 2022 than previously expected.

In 2022, the events market has shown a faster recovery than expected. Income from the Live Performances market segment amounted to € 35.7 million in 2022. This is a small increase (€ +0.5 million) compared to 2019 (the last year without COVID-19 impact) and a large increase compared to last year (€ +29.3 million), when the events market was still suffering from a large number of cancelled and postponed performances and events. The number of licensed performances and events increased from 17,600 in 2021 to 55,000 in 2022.

The share of this market in Buma's total collection increased from 4% in 2021 to 16% in 2022.

Royalties in the Online market segment increased further to € 42.8 million in 2022. That is an increase of 19% compared to 2021 and more

than double compared to 2019, for both Video on Demand and streaming and downloads.

Due to the recovery in other market segments (especially Live Performances), the share of Online in the total collection of Buma fell from 22% in 2021 to 20% in 2022.

As with Live Performances, general licences also showed a recovery in 2022. Compared to 2021, royalties for this income category have increased by € 10.8 million. The Restaurants and Bars market segment was hit hardest by the COVID-19 measures and in 2022 saw an increase in royalties of € 5.6 million to € 13.4 million. This is € 1.8 million less than in 2019. The expectation is that royalties in 2023 will exceed the level of 2019. Revenues from Work Spaces and Shops and Stores increased by € 5.2 million to € 33.2 million. This is € 2.5 million more than in 2019.

Royalties from abroad increased by € 5.3 million in 2022 compared to 2021. The recovery that was visible in various market segments at Buma can also be seen at the sister societies.

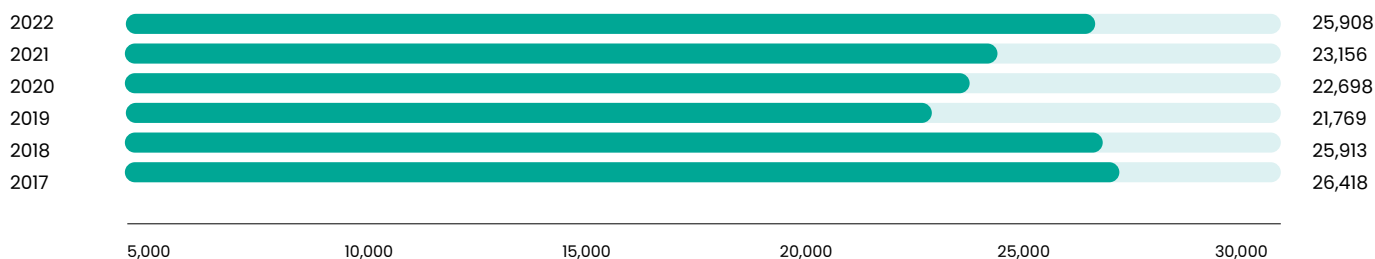
The Radio, TV and Providers market segment grew from € 2.0 million to € 74.7 million. This market had already recovered from the COVID-19 impact in 2021 and, at 34% in 2022, will remain the market segment with the largest share in Buma's total collection.

1.2.2 Management costs

Buma's expenses can be specified as follows

(x € 1,000)	2022	2021
Personnel costs	11,853	10,309
Accommodation costs	731	717
Amortisation and depreciation	1,509	1,678
Other expenses	11,815	10,452
Total Buma	25,908	23,156

Development of management costs (x € 1,000)



* In 2019, the development of the management costs decreases due to the fact that the 2019 allocation key for the costs between Buma and Stemra was adjusted from 90/10 to 83/17 in that year based on a cost allocation model.

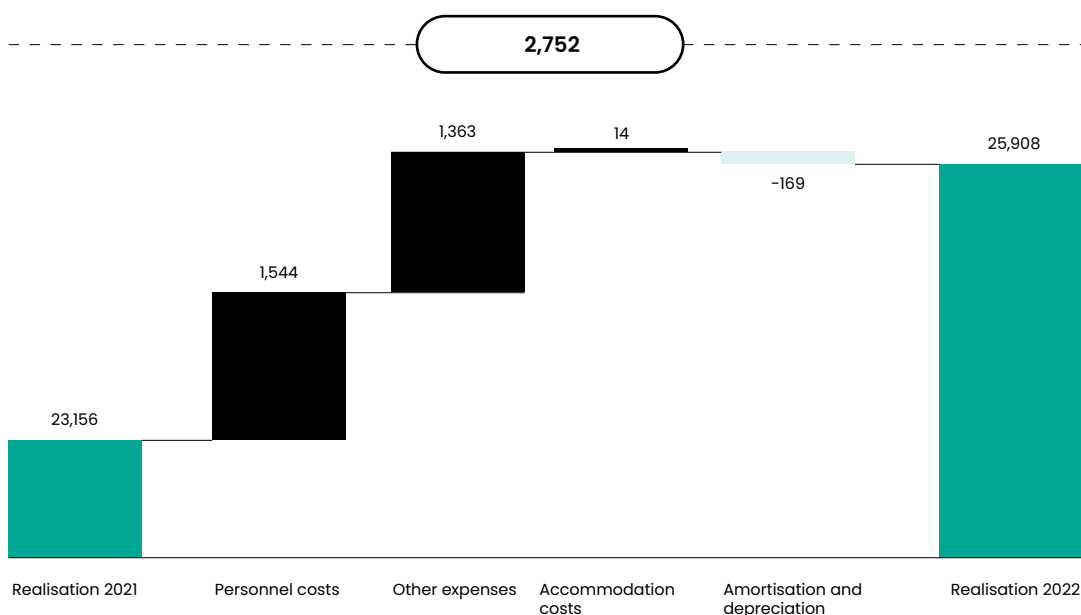
Buma's management costs increased by € 2.8 million in 2022 to € 25.9 million. This was € 1.5 million lower than the budget for 2022. The allocation key of 83/17 (BumaStemra) has remained unchanged compared to previous years. Personnel costs allocated to Buma increased by € 1.5 million and other general costs fell by € 1.4 million. Accommodation costs were virtually the same and amortisation and depreciation decreased by almost € 0.2 million.

To implement the strategy, Buma has budgeted for a growth in FTEs for 2022. This growth in FTEs was only partly achieved. Due to the shortage in the labour market, not all vacancies budgeted for 2022 were filled with permanent employees and a temporary hired worker was chosen for several permanent positions, which entailed more costs. The increase in personnel costs is mainly due to an increase in the costs of hiring external personnel (€ 1.2 million). Due to the tight labour market, the average number of internal FTEs at Buma rose less than budgeted but in 2022, it was higher than the average for 2021 (123.6 FTEs in 2022, compared to 121.1 FTEs in 2021). The increase in personnel costs can

therefore also partly be attributed to the increase in the number of FTEs. Salaries, increased by social security contributions, and travel expenses increased by € 0.6 million in 2022. On the other hand, in 2022, € 0.4 million more in personnel costs will be charged, including to the Fund for Social and Cultural Purposes.

The increase in other expenses of € 1.4 million mainly relates to the programme to replace the IT system (Pyramid) and to higher costs for outsourcing. Variable costs for outsourcing the processing of online music use rose in line with growth in this market segment.

The decrease in amortisation and depreciation compared to 2021 amounted to € 0.2 million. This is mainly due to the fact that an increasing part of the fixed assets in use in the field of IT has now been fully written off. The fixed assets for the new IT environment were only depreciated to a limited extent until 2022, because most parts have not yet been (fully) put into use.



1.2.3 Financial income and expenses

Since the 1990s, royalties that cannot yet be distributed to rights owners are invested. The aim is to achieve a return responsibly that partly covers the management costs and that allows Buma to charge lower administration fees, thus placing less pressure on the copyright royalties to be distributed. This way, the return that is achieved ultimately benefits the rights owners. Our investment profile is risk-averse and thus our portfolio is characterised by a wide spread and a limited position in equities. Asset management was assigned to ABN AMRO MeesPierson (AAB) in 2019, changing our Asset Liability Management (ALM). The Strategic Asset Allocation (SAA) determined upon transition is still in effect as from 31 December 2022.

The SAA is the breakdown between different types of asset classes and determines the ratio between the anticipated return and the anticipated risk. The SAA can temporarily be deviated from as a result of market movements, after which the portfolio will be rebalanced if it moves outside the bandwidth mentioned below.

At the end of 2022, the fixed income portfolio had a strategic weighting of 69.9%, comprising government bonds with a credit rating of AA or higher (15.3%), a fund investing in emerging market government bonds (9.7%), a corporate bond fund (33.7%) and a mortgage fund (11.2%).

At year-end 2022, the shares portfolio had a weighting of 20.1% and was invested through an equity fund in a portfolio with a global spread. In managing that portfolio, the criteria for corporate social responsibility according to the United Nations Global Compact principles were taken into account. In 2022, the investment portfolio had a net loss of € 26.7 million. Both the return on equity investments (-19.1%) and the return on fixed-income securities (-13.8%) were negative. The negative investment result for 2022 is in line with the overall development of the investment markets, which experienced a bad year due to, among other things, the war in Ukraine and the rise in interest rates.

The investment portfolio largely consists of directly tradeable securities and/or funds and is mainly held in euros. Investments other than in euros are hedged in said currency. Buma also uses several deposit facilities.

The composition of investments can be presented as follows:

	Strategic Asset Allocation (SAA) 2022	Bandwidth
Cash and cash equivalents	10%	0% – 20%
Equities	20%	15% – 25%
Fixed-income securities	70%	65% – 75%

Coverage of the management costs

(x € 1,000)	Realisation 2022	Budget 2022	Realisation 2021
Management costs	-25,908	-27,418	-23,156
(1) Contributions and registration fees	1,078	950	1,030
(2) Other income	63	-	55
(3) Investment results	-26,689	2,333	6,923
(4) Balance of other financial income and expenses	-400	-323	-327
(5) Administration fee withheld upon collection	27,229	23,660	20,763
Regular coverage	1,281	26,620	28,445
Balance regular cost absorption	-24,627	-798	5,288
One-off: administration fee deducted from collection previous years that had not yet been withheld	-	-	5,430
Balance cost absorption	-24,627	-798	10,718

1.2.4 Coverage of the management costs

Buma does not have a profit motive. The management costs of Buma are covered from five sources of income:

1. contributions and registration fees,
2. other income,
3. return on investments,
4. balance of other financial income and expenses,
5. withholding administration fee.

From 2021, the administration fees to be withheld will be determined in a different way on the basis of the amended Distribution Rules.

Previously, the coverage of the management costs at the end of the financial year was exactly balanced by means of a variable administration fee calculated in arrears on the largest part of the rights revenue. The standard investment result was (and is) taken into account in the calculation: the return expected prior to a year on the available investments and cash and cash equivalents.

Because the variable deduction was determined subsequently, at the end of the financial year, it was not until after the financial statements had been adopted that it became clear which net amount would be available for distribution. Under the methodology from 2021 onwards, all deduction percentages are determined in advance, as part of the budget. As a result, it is known earlier which net amount of collected rights revenue is available for distribution. This amendment to the Distribution Rules enables us to pay out more quickly: we do not have to wait for the end of the financial year for all categories of rights revenue.

With the old method, a predetermined percentage was deducted from a limited number of categories of rights revenue (Online, Abroad and Foreign Network Providers), but this deduction only took place at the time of distribution.

The table below shows the realised cost absorption for 2022 compared to the budgeted adjustment to temporary differences in cost absorption and compared to the realisation in the previous year. The regular cost absorption in 2022 is € 23.8 million lower than budgeted. This is largely due to the negative investment result, which was € 29.0 million lower than budgeted. On the other hand, the management costs compared to the budget are € 1.5 million lower and the withheld administration fees are € 3.6 million higher. The latter is mainly explained by the fact that royalties in 2022 are € 30.9 million higher than budgeted. The average withholding percentage for 2022 is 12.5% (budgeted: 13.0%).

The budget is based on the aforementioned normative investment result. The system of normative investment result ensures an even contribution to the coverage of the management costs. However, the actual investment result fluctuates from year to year. In years with high investment income (higher than the normative return), we create a buffer that can be used in years with lower investment income (lower than the normative return).

Up to and including 2020, the difference between the actual investment result and the predetermined normative investment result was added to or deducted from the appropriated reserve. With the new method from 2021, the difference between the actual investment result and the normative investment result is part of the cost absorption balance, which is added to or deducted from the provision for temporary differences in cost absorption. The balance of cost absorption in 2022, (€ -24.6 million) plus the provision of € 44.6 million available at the end of 2021, together form the € 19.9 million provision for temporary differences in cost absorption at the end of 2022.

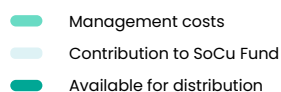
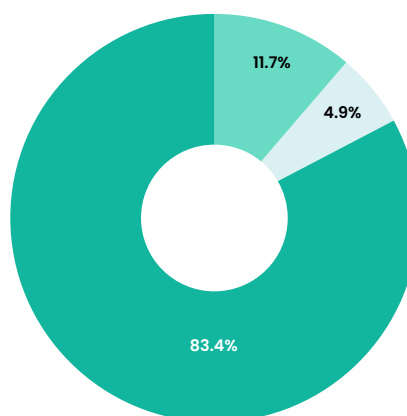
1.2.5 Use of collected copyright royalties

After deduction of costs to cover the management costs and the annual addition to the Fund for Social and Cultural Purposes (or 'SoCu Fund'), the collected copyright royalties are made available for distribution. The annual addition to the SoCu Fund concerns funds that are intended on the one hand to provide the rights owners with a social arrangement such as the old-age provision and on the other, to invest in the music sector in general. The latter concerns forms of education and the organisation of events. We make these investments because a thriving music world is of great importance to all rights owners, as well as to Buma itself.

Due to the increased collection of copyright royalties, the management costs compared to royalties fell from 14.1% to 11.7% in comparison with the previous year. After deduction for the SoCu Fund, 83.4% was available for distribution by Buma in 2022.

Distribution of royalties collected in 2022

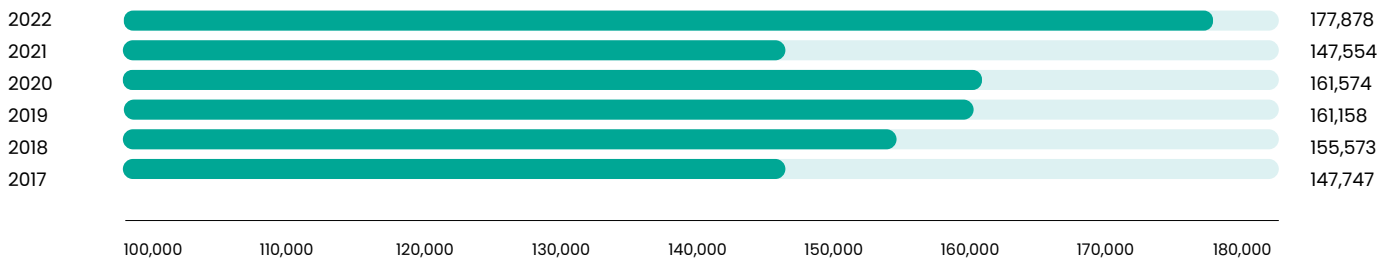
The graph below shows the distribution of the collected royalties.



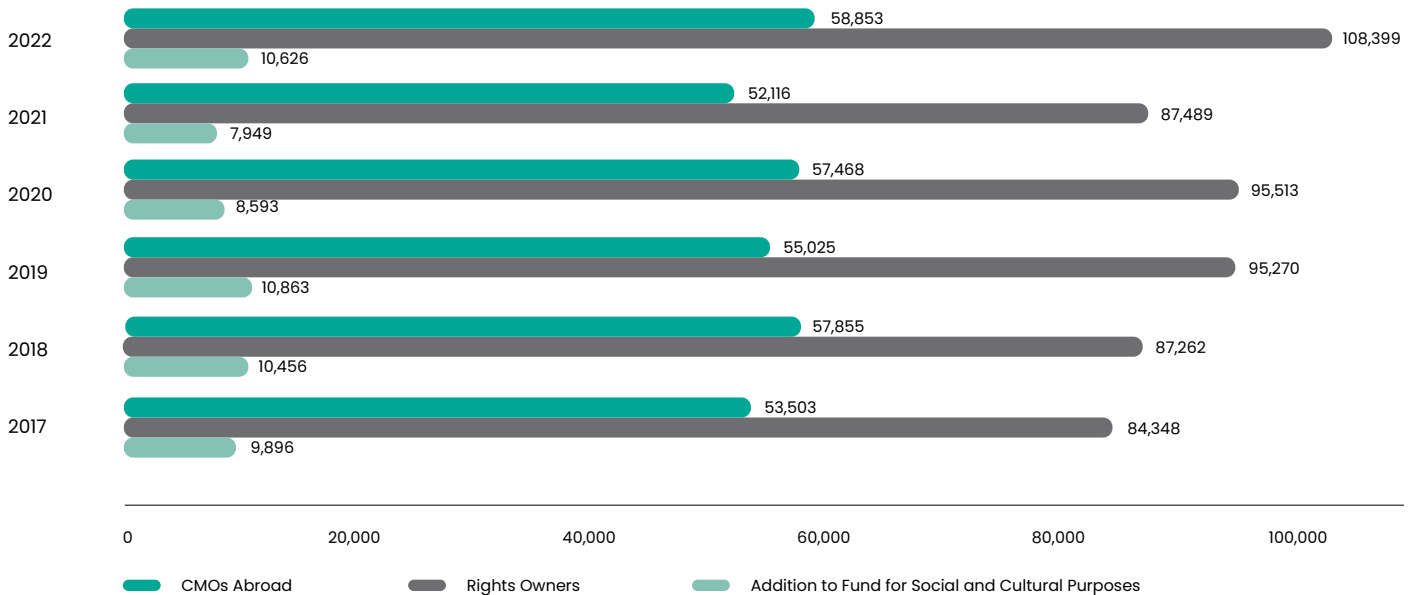
1.2.6 Distributions

Due to the rising collection in all market segments in 2022, the distribution in 2022 will be higher than in 2021:

Changes in distributions total (x € 1,000)



Changes in distributions (x € 1,000)



In 2022, Buma distributed € 177.9 million to affiliated rights owners and organisations with which it has a reciprocity contract. The distribution for 2021 was lower than in previous years because royalties in the years 2020 and 2021 had decreased due to the impact of the COVID-19 measures. Compared to last year, an increase of € 30.3 million was achieved.

This is partly caused by a one-off distribution of an extra annual tranche from the undistributed royalties. In addition, distribution was higher thanks to the positive development of the collection figures and the fact that Buma was able to accelerate distributions in 2022.

1.2.7 Cost standard

Since the introduction of the Supervision Act in July 2013, the government has imposed three cost standards for collective management organisations. Although the implementation decree has formally expired since 2020, it was continued until the new assessment framework came into effect on 1 January 2023 (for that financial year). That is why, if the cost standards up to and including 2022 are exceeded, reasons are still given as to what caused this transgression. These cost standards are deemed to have been exceeded if:

- the (gross) management costs in the year to which the annual report pertains are higher than 15% of the amount that was collected in that year (the collection/royalties),

- the (gross) management costs in the year to which the annual report pertains are higher than 15% of the amount that was distributed in that year (the distribution),
- the management costs in the year to which the annual report pertains have risen more in relation to the management costs in the previous year than the consumer price index of the year to which the annual report pertains.

In conjunction with Section 1(1)(a-c) of the Decree implementing the Collective Management Organisations for Copyright and Neighbouring Rights (Supervision and Dispute Resolution) Act
<http://wetten.overheid.nl/BWBR0033622/2016-12-21>

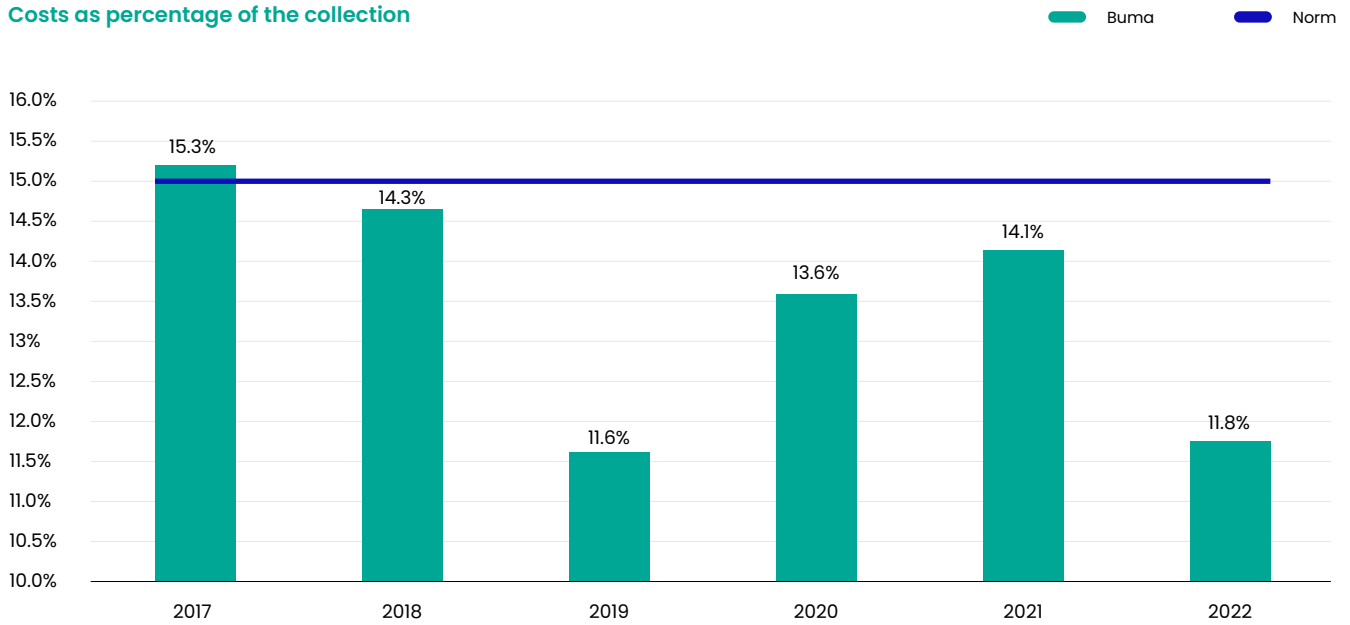
Cost percentages

(x € 1,000)	2022	2021
Collection by Buma	218,669	164,489
Distribution by Buma	177,878	147,554
Costs of Buma	25,908	23,156
Costs of Buma as % of the collection (gross)	11.8%	14.1%
Costs of Buma as % of the distribution (gross)*	12.6%	13.8%
Movement in costs of Buma compared to previous year	11.9%	2.0%
Average actual percentage withheld by Buma (net)**	12.5%	12.6%

* As Buma applies a system of settlement of the administration fee upon collection, the distributed royalties presented in the financial statements concern the net distribution. To determine the costs as a percentage of the distribution, the administration fees withheld in the year of collection (in the methodology up to and including 2020 for distribution) have been added to the distributed royalties.

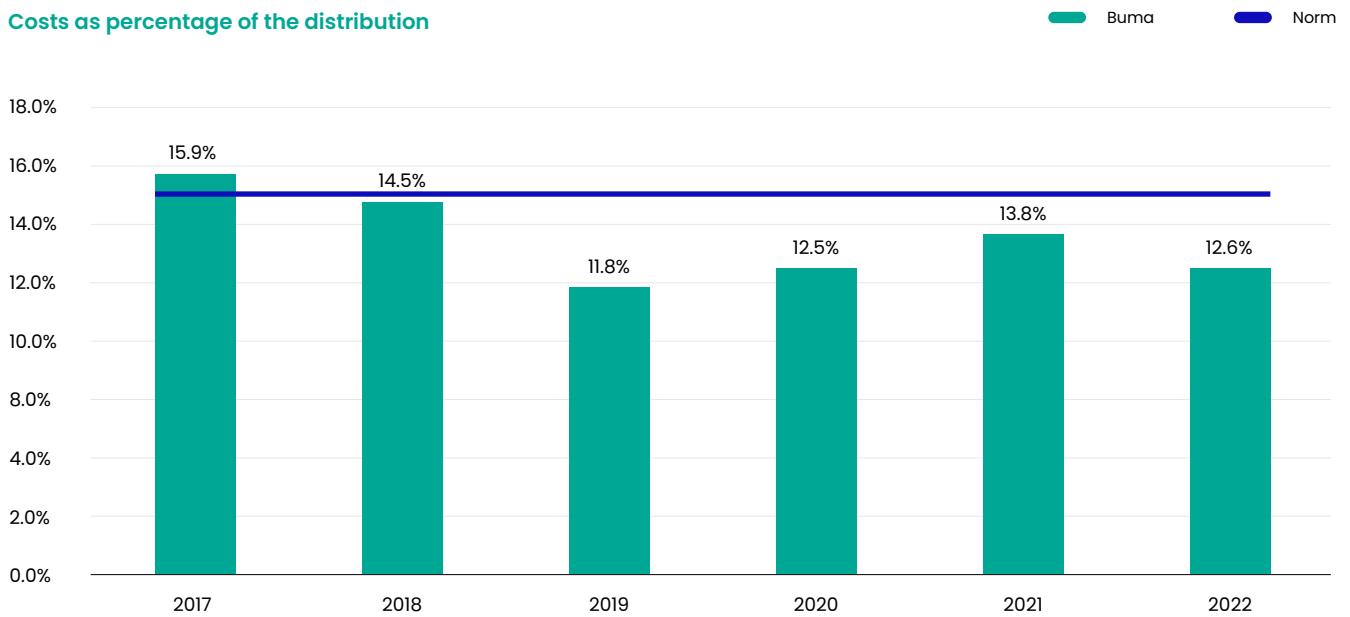
** The withholding percentage that is effectively charged to the rights owners deviates from the cost percentages for which the standards of the Copyright Board have been set. This is mainly because less costs are charged to rights owners due to other income.

Costs as percentage of the collection



In 2022, we complied with the norm that costs as a rule may not exceed 15% of the collection.

Costs as percentage of the distribution



Buma also complied with the norm that costs may not exceed 15% of the distributed amount.

Increase in costs compared to the CPI

Buma's management costs increased by 11.9% (€ 2.8 million) compared to 2021. Over the same period, the consumer price index increased by 10.0%. With this, Buma does not meet the standard that states that management costs do not rise faster than the consumer price index. This is explained by the fact that Buma will invest in the realisation of the strategy in 2022, which had been postponed in previous years due to Corona.

1.2.8 Assessment of financial position and liquidity position

Calculating solvency by dividing the equity by debts has no direct significance in Buma's case because effectively, no distinction can be made between equity and loan capital. By this we mean that both the reserve (up to and including 2020) and the vast majority of debts on Buma's balance sheet at some point concern an obligation between Buma and its rights owners. Equity is not presented on the balance sheet at the end of 2022: from 2021, the amount in the former appropriated reserve has become part of the provision for temporary differences in cost absorption.

This makes it clearer that this amount will at some point be settled between Buma and its rights owners.

The liquidity ratio indicates to what extent the debts can be serviced in the short term from the receivables (including cash and cash equivalents and securities) of a short-term nature. When the current assets are divided by the current liabilities, Buma's liquidity ratio as at 31 December 2022 is 1.06. As at 31 December 2021, this was still 1.22. The decrease in the liquidity ratio is explained by the significant decrease in the value of the investment portfolio. Buma is aware that the value of the investment portfolio can continue to fluctuate considerably in the future. In 2022, this decrease was equal to € 23.7 million. These negative results were in line with the general trend in investment markets. Such decreases in value are not expected for 2023, so there is no indication that Buma will be unable to meet its obligations in the short term. In addition, Buma takes liquidity into account on the basis of a forecast model when large distributions are planned.

1.2.9 Cash flows and the financing need

The key cash flows for Buma are the copyright royalties collected and distributed during the year, as well as the management costs. Furthermore, purchases and sales are made for the investment portfolio.

Since Buma largely collects the copyright royalties at the beginning of the year, but only distributes it in the next, we have no external financing needs. This is because the above system leads to what is called a base stock of copyright royalties to be distributed, which can be used to finance current expenses and investments.

1.2.10 Risk management

BumaStemra focuses on managing the copyright of affiliated rights owners and issues licences for the use of music. As befits a collective management organisation, BumaStemra is highly prudent in the performance of the tasks entrusted to it. The organisation has to deal with financial risks, strategic risks, business risks, operational risks, legal risks and integrity and behavioural risks. This section mainly discusses the management of the most important (key) risks.

Management of financial risks

Financial risks are managed by means of a planning & control cycle. This cycle ensures the annual updating of the strategic financial objectives and their translation into annual plans, the annual determination of the financial budget based on the annual budget, and the periodical reporting of the progress and state of affairs on the basis of financial and underlying information. An important part of the planning & control cycle are the monthly Business Review Meetings of the Management Board with the various business units. Progress and quality of the activities are discussed in depth during this meeting. Risks and reports are also discussed periodically with the audit committee of the Supervisory Board.

Management of non-financial risks

The management of non-financial risks takes place structurally on the basis of the Risk & Compliance Cycle (R&C cycle). The R&C Cycle is a continuous planning & control cycle, geared to the objectives of BumaStemra, with which we identify, analyse and mitigate risks in a timely manner.

Risk Control Self Assessments (RCSA) have been the basis of this R&C cycle since 2021. An RCSA is a process risk analysis in which it is periodically determined whether controls are functioning properly. The Change Risk Assessment, which proactively identifies and mitigates risks associated with changes, was introduced in 2022.

Reports of findings and recommendations, as well as the follow-up of mitigations are discussed periodically with the Management Board and the audit committee of the Supervisory Board.

Vision on risk management

In line with the core values of BumaStemra and the vision on risk management, a risk approach with a moderate risk profile is central. The Risk & Compliance department facilitates the organisation based on expertise and systematically and objectively assesses the quality of procedures and the internal control of internal business processes. The focus is on a risk-based approach through proactive risk management in which potential problems are anticipated so that the impact of expected and unexpected risks is reduced where possible. Risk ownership is at the heart of the business, including responsibility for sound risk management.

Assessment of the design and operating effectiveness of the internal control

The Risk & Compliance department forms an objective opinion on the quality and effectiveness of the control measures with regard to the primary and supporting business processes, including governance, risk management and internal audit measures.

The activities of Risk & Compliance are carried out systematically according to a three-year plan. A risk profile is drawn up every month and communicated to the Management Team, including the Management Board.

The Risk & Compliance department falls hierarchically under the Chief Financial Officer and has a direct reporting line to the Chief Executive Officer and the audit committee of the Supervisory Board. The Supervisory Board discusses the progress of the annual plan and the results of the risk analyses and control assessments with Risk & Compliance at least once a year. Below is a brief overview of the main risks BumaStemra is exposed to and how we deal with these risks.

Strategic risks & business risks

At a strategic level, BumaStemra is exposed to various risks due to emerging market trends and technological developments. These risks are regularly monitored and discussed at the management meeting. The main strategic risks for BumaStemra are: having an insufficient response to increasing competition, loss of repertoire, insufficient collectivity and insufficient innovative strength. Another strategic risk is the potential impact of a cost ratio that is too high. For BumaStemra, there is a threat of loss of *raison d'être* if these risks are not sufficiently mitigated.

In 2020, the strategic course up to and including 2025 was set. The strategic course reflects BumaStemra's mission and vision, what the objectives are and what choices are made to achieve them. It anticipates external opportunities and threats, taking into account internal strengths and weaknesses.

Financial risks

BumaStemra recognises as its main financial risks: collection and investment risks.

A financial budget is drawn up by the Management Board each year. Based on predetermined budgets, the financial reporting is discussed monthly by the Management Board in Business Review Meetings with the directors of the business units.

A healthy and transparent account of income and expenditure and strict internal control by the entire management on the basis of an extensive internal monthly financial report, reduce the financial risks within our organisation. This internal monthly financial report includes the realisation of funds received versus the budget and the investment results (supplemented with investment reviews) versus the annual investment plan.

In addition, measures such as segregation of duties, authorisation schedules and random checks on outgoing cash flows are in place to mitigate financial risks. These measures apply to actions that create obligations (including purchasing), payment transactions and contract management.

BumaStemra mitigates liquidity risks by means of a monthly liquidity forecast. The liquidity development is influenced mainly by the processing time between the collection and distribution of copyright royalties. Currency and interest rate risks are mitigated by striving for a cash flow (incoming and outgoing cash flows) in euros as much as possible.

In 2019, we switched to a new asset manager for our investments: ABN AMRO MeesPierson.

On average, an Asset Liability Management (ALM) study is conducted every five years on behalf of the Management Board. This was revised in 2019 and, on that basis, the current investment strategy has been reconsidered and continued. As stated previously, we opt for a risk-averse profile in terms of investment policy, applying the principle of basic, passive and cost-efficient investing in order to mitigate financial risks. Buma's investment result for 2022 is negative, in line with the overall development on the investment markets. Given the investment horizon of at least five years, it has been decided not to make any adjustments to our investment strategy despite the bad year. As a main rule, investments are made in euros to limit currency risks.

If investments must be made in other currencies, these investments are

covered with euros by means of hedges within the relevant fund to thus limit market risks.

The equities portfolio is invested passively through a diversified investment fund, in which exclusion conditions are applied in line with sustainable ESG criteria (Environment, Social and Governance). In terms of government bonds, investments are made in individual bonds; more specifically, in European government bonds. We opt for collective investments as regards other bonds.

Operational risks

Possible disruptions in the collection process from users or in the distribution process to rights owners can be the result of operational risks that were mitigated with insufficient effect. The set of key operational risks, which are regularly monitored and discussed at the management meeting, include: loss of critical knowledge, incorrect management information, complex IT architecture, insufficient use of disruptive technology and external fraud (including cyber-attacks). The operational risks and associated controls were taken within in a so-called Risk Management and Control Framework. The set-up and operation of this framework are regularly tested by the Risk & Compliance department. Since 2020, special attention has been paid to possible operational risks as a result of working from home. In 2020 this concerned forced working from home, nowadays hybrid working can no longer be ignored.

The proper functioning of IT systems is an important part of the mitigation of operational risks. In 2020, a start was made on a programme to replace the current IT system for Usage Processing & Distribution with components for Finance and CRM included therein. The programme takes several years to complete. An analysis was made in advance of possible risks associated with developing and implementing the new IT system.

Control measures have been identified and included in the programme. The governance of the entire programme, in which the Supervisory Board and the Council of Rights Owners are also involved, consists, among other things, of an overarching steering committee whom the programme manager reports to. Each sub-project has its own project manager who reports to the programme manager. Risk & Compliance is represented in the overarching steering committee, periodically carries out risk assessments within the programme and discusses risks and mitigation with the Programme Manager every two weeks. Further support is provided by the programme of the external auditor for data integrity and the Software Improvement Group (SIG). Part of the programme is the establishment of effective operational processes with necessary segregation of duties and sound internal control; users are closely involved in this.

Good security and availability of information are crucial for BumaStemra. This applies to all data flows, both physical and digital. A Security Officer has been appointed for information security and the General IT Control Framework for all IT-related processes is audited annually. In the past year, periodic improvement projects were carried out, such as the renewal of the data backup facility, and crisis exercises were held. Since 2022, Cyber Security Monitoring has been provided by Northwave. In support, network scans and penetration tests were performed.

Compliance with laws and regulations

BumaStemra has to deal with a variety of laws and regulations, such as the Supervision Act, Title 9 of Book 2 of the Netherlands Civil Code, relevant governance codes, the CMO guidelines and international agreements in the CISAC context (Confédération Internationale des Sociétés d'Auteurs et Compositeurs). These laws and regulations must be complied with regarding the primary processes (such as collection and distribution) and also the supporting processes (such as financial processes). BumaStemra has a Privacy Officer, a Confidential Advisor for Undesirable Behaviour & Integrity, a Complaints Committee and an internal Compliance Officer, who all guarantee compliance with laws and regulations within our organisation. In addition, the Secretariat of the

Board and HR monitor the implementation of our code of conduct and HR monitors compliance with the rules regarding other positions. Failure to comply with laws and regulations would mean that we run the risk of losing our licence and quality mark. The unqualified auditor's report would not be issued and we would incur reputational damage. The main reason, however, is that BumaStemra aims to be a reliable partner who accepts its responsibility towards musicians and users, its employees and the society in which it operates.

For 2022, BumaStemra once again meets the norms of the CMO quality mark criteria. The associated CMO certificate will be renewed up to and including 2023. Buma's current governance model is in line with the VOI©E Guidelines for Good Governance and Integrity of CMOs. An independent Supervisory Board is in place that supervises the Management Board and a Council of Rights Owners who provides the Management Board with solicited and unsolicited advice.

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Insurance

BumaStemra has an insurance portfolio in which effectively insurable risks have been placed that cannot be prevented by internal control measures. This portfolio includes a third-party liability insurance policy, a supervisory board and management board liability insurance policy, a cyber security policy and a group business travel and accident insurance policy.

Tax matters

BumaStemra operates exclusively in the Netherlands and is subject to the Dutch tax regime. BumaStemra is confronted with foreign withholding taxes for the collection of copyright royalties through foreign sister societies. Tax is levied at normal or reduced rate, depending on the existence of any tax treaties. Discussions are held with the Tax and Customs Administration about the applicability of corporation tax.

1.3 VOI©E quality mark distribution audit

The Association of Organisations that Collectively Administer Intellectual Property, i.e. VOI©E, is the trade association of CMOs for copyrights or neighbouring rights. BumaStemra is a member of this association. Up to and including 2022, the condition VOI©E set for membership is that the CMO meets the criteria of the CMO quality mark. This quality mark contains specific and verifiable norms for transparency and quality. Part of this quality mark is that CMOs must continuously review the distribution rules and board resolutions on the distribution, i.e. every three years. This is done on the basis of a predetermined reassessment calendar.

The review is performed within BumaStemra by the Management Board in various board and committee meetings, partly on the basis of advice from the Council of Rights Owners and the Distribution Committee. The advice and decisions in 2022 with regard to distribution concerned the following topics:

- Different value chains in the area of undistributed amounts
- Private copy in connection with the Reprobelfix
- Distribution method released royalties Buma and Stemra
- Cable fees for public service broadcasting nationally
- Subsequent payment for background music after subsequent use on RTV
- Reassessment calendar 2023

Policy of undistributed royalties in general

Undistributed royalties are royalties that cannot be distributed because the details of rights owners and/or (the use of) works are incomplete. According to the Supervision of Collective Management Organisations Act, these royalties must still be paid out three years after the year of collection. It was therefore decided at the GMM of 10 November 2021 to divide the undistributed royalties among the right owners from the earlier, original years of use and to match the different types of use of music. It has been agreed that the Council of Rights Owners and the Management Board will work out a policy for each value chain. In 2022, the Council of Rights Owners issued an opinion on the following value chains, which have been adopted by the Management Board:

- Undistributed royalties Abroad
- Undistributed royalties Stemra and Private Copy
- Undistributed royalties LIVE: temporary solution 2017-2020

During the elaboration process of the value chains, it became clear that a clear explanation was lacking about how the withholding percentages for the part of undistributed royalties are handled. From the 2021 usage year, BumaStemra will withhold the administration fee at the time of collection on the basis of a fixed withholding percentage. This administration fee is intended to cover the costs involved in redistributing the available funds. This means that with this new method there is no need to withhold an additional administration fee from the distribution of undistributed royalties, as this has already been withheld at the time of collection of the royalties. For the copyright royalties still to be paid out as of 31/12/2020 (including undistributed royalties to be released) that had not yet been withheld, a withholding took place in 2021 in accordance with the applicable administration percentages per distribution category.

Private Copy

Traditionally, both authors and publishers share in the Stemra revenues, including in the revenues from Private Copy and Public Lending Rights. However, on 12 November 2015, the European court ruled in the Reprobelfix judgment that the the Private Copy and Public Lending Rights Royalties accrue to the original authors and cannot be paid out to the publishers without prejudice. This judgment has led to the Stemra Distribution Rules having to be amended. This change (effective per year of use 2015) was included in the Stemra Distribution Rules at the Meeting of Affiliates of Stemra on 26 August 2020.

On 16 December 2020, Article 3 was included in the Copyright Act. Article 3 regulates the Reprobelfix and stipulates that publishers, just as in the situation before the judgment of the European court, may from now on share in the Private Copy and Public Lending Rights Royalties. In consultation with the Council of Rights Owners, it has been decided to return to the regulation as it was before 2015. Since Article 3 of the Copyright Act will enter into force on 1 January 2021, the interim regulation (Article 2A) therefore applies to the usage years 2015 to 2020. The same applies to the undistributed royalties from these categories. The undistributed royalties follow the allocation keys of the corresponding usage years. The Management Board has accepted this advice. The proposal has also been submitted to the GMM of 25 May 2022. The GMM has approved the proposal.

Rights owners have decided to return to the regulation as it was before 2015. Since Article 3 of the Copyright Act will enter into force on 1 January 2021, the interim regulation (Article 2A) therefore applies to the usage years 2015 to 2020. The same applies to the undistributed royalties from

these categories. The undistributed royalties follow the allocation keys of the corresponding usage years. The Management Board has accepted this advice. The proposal has also been submitted to the GMA of 25 May 2022. The GMA has approved the proposal.

Distribution method for release amounts above bandwidths

At the GMM of 10 November 2021, the transition to fixed cost deductions, the method of allocation of investment results and the reserve policy were explained. The members have agreed to the relevant changes in the distribution rules and the transition from existing appropriated reserves to a provision for temporary cost absorption differences. The GMM of 25 May 2022 was then asked to agree with this decision on the ranges proposed at the GMM for the provision for temporary cost absorption differences.

Cable fees for public service broadcasting nationally

As part of the reassessment, the Council of Rights Owners has looked at the cable fees for public service broadcasting nationally (NPO). Here too, the starting point is to pay out 1-on-1 on actual music use as much as possible. For this purpose, a study was conducted into the addition of the collected cable fees for the transmission of NPO radio and television to the NPO categories available for distribution. For the sake of completeness, it is stated that this does not concern the transmission of foreign channels. The licence agreement does not specify a specific amount for the transmission of the broadcast signal. The Council of Rights Owners has advised to maintain the current addition of the NPO-specific cable collection to the NPO distribution categories. This was chosen because there is no identifiable amount, it does not concern specific repertoire (other than the repertoire used by the NPO broadcasters themselves) and because splitting off the cable fees leads to a doubling of distribution activities for the benefit of the NPO categories. The Management Board has accepted this advice.

Subsequent payment for background music after subsequent use on RTV

As of the 2018 usage year, the addition from background music licences to the RTV categories was terminated and these collection flows will be settled separately. As a result of this unbundling, a new cash flow has emerged. The royalties related to radio or television as a source for background music on the basis of the media distribution survey are paid 1-on-1 in a specific category with its own second value for background music. The repertoire on which payment is made is a copy of the usage data from the relevant radio or television stations. A quarterly post-distribution process (a payment regarding resolved outages due to missing copyrights and cue sheets information) takes place on this flow. No formal policy for this payment of subsequent use was in place yet. Up to and including 2018, subsequent use for the background music part was automatically paid via the combined second value for the relevant RTV channel and background music. To meet the situation that has arisen, the component for background music was informally paid out through the service call process up to and including the 2019 usage year. This was done on an individual basis and was random. That is why the Council of Rights Owners has advised that from the 2019 usage year, annual payment is based on the processed seconds of subsequent use from RTV for background music. This is done annually at the end of a full post-distribution period (up to two years after the year of first distribution). The Management Board has adopted this pragmatic solution.

Distribution review calendar 2023

The Board and the Council of Rights Owners have adopted the 2023 reassessment calendar. This is a list with the planning of the distribution subjects to be achieved. With the replacement of AX, extra attention is being paid to how the processes surrounding the subjects to be reassessed best fit or can fit in the new IT system (Pyramid).

1.4 Provisions of the Articles of Association regarding the Supervisory Board and the Management Board

The Buma Supervisory Board consists of nine persons. Only natural persons may be appointed members of the Supervisory Board. Six persons are appointed in the manner referred to in Article 17, paragraph 3, under a and b. Three independent persons, including the independent Chair of the Supervisory Board, are appointed by the members in accordance with Article 17, paragraph 2. A member of the Supervisory Board of Buma must also be a member of the Supervisory Board of Stemra. The profiles of the members of the Supervisory Board are:

- A.** Four musicians who are members or who are musicians within a company that is a member, which musicians are elected by the members/affiliates, including:
 - composers of serious music,
 - composers of entertainment music,
 - composers of media music and
 - songwriters.
- B.** Two persons who are participant publishers (Article 8, paragraph 1) or hold a managerial position in a publishing company that is a participant (Article 9, paragraph 1) and who are elected by the members/affiliates who are publishers.
- C.** Three independent persons, including one independent Chairman, as referred to in Article 13, paragraph 2.

The Management Board consists of at least two Board members, one of which is the Chairman of the Board and one the Financial Director. Members of the Management Board must be natural persons who are not members or participants of Buma and who do not sit on the Supervisory Board of Buma. Members of the Management Board are appointed and dismissed by the General Members' Meeting on the recommendation of the Supervisory Board. On the recommendation of the Supervisory Board, the General Members' Meeting appoints one of the members of the Management Board as Chairman of the Board and one as Financial Director.

The complete provisions in the Articles of Association regarding the Supervisory Board are contained in Article 13 through to Article 19 of the Articles of Association of Buma. The complete provisions in the Articles of Association regarding the Management Board are contained in Article 21 through to Article 24 of the Articles of Association of Buma.

¹ Participant: someone with an operating contract with Buma and/or Stemra

1.5 Transparency report

The Transparency Report (Collective Rights Management Directive) Decree ('Besluit transparantieverlag richtlijn collectief beheer') came into effect on 1 January 2017. This resolution is a further implementation of Section 2q of the Supervision Act, under which the publication of a transparency report has been required from the 2017 reporting year. This annual report includes all components as described in this Act. Appendix 1 contains the reference table regarding the legal obligation to publish a transparency report. The purpose of this table is to make it easy for the reader to find the mandatory elements of the transparency report in this annual report. This chapter contains the mandatory subjects that are not included elsewhere in the annual report:

- refusal of information to grant a licence,
- distribution frequency,
- comments and complaints and
- governance code VOI©E.

Refusal of information to grant a licence

Anyone who reproduces music belonging to the repertoire administered by Buma must obtain prior permission for this from Buma. Provided that certain standard conditions are met, including the payment of a fee, Buma grants this permission in the form of a licence.

Buma does not refuse to grant licences; however, Buma does have the option of suspending its permission if certain contractual obligations, including payment of the fee due, are not met. If music is published or about to be published without the necessary permission, Buma exercises its right of prohibition.

Distribution frequency

The table below shows the distribution frequency per type of use within Buma. RTV, Live Performances, Online and International Royalties are distributed quarterly. The other categories are paid annually, in September:

	Q1	Q2	Q3	Q4
Restaurants and Bars			x	
Work Spaces			x	
Shops and Stores			x	
Radio, TV and Network Providers Live Performances	x	x	x	x
Online	x	x	x	x
Abroad	x	x	x	x

Comments and complaints

Buma regards the number of comments and complaints we receive as a measure of how we have performed in identifying copyrighted work and in the subsequent allocation and distribution of royalties. Not all royalties can be distributed immediately, for example, because work cannot be identified (yet) or because the rights owner is not known (yet). The lower the number of undistributed royalties, the fewer negative comments and complaints. In 2022, 13,060 comments were submitted. Five relations have indicated they wish to submit a complaint but in four cases, this was satisfactorily resolved before the official complaints procedure was started. The complaints procedure has been completed for one relation. This concerned the possibility of paying 1-on-1 for online radio stations. This complaint was rejected on the grounds that costs would exceed income.

Governance code VOI©E

BumaStemra follows the Governance Code CMOs 2021 adopted by VOI©E (hereinafter referred to as GCV), which has been in effect since 1 January 2021. The Management Board embeds the provisions of this code in the organisation. The code consists of four principles, each with its own recommendations.

The four principles are discussed in more detail below. Some recommendations will be clarified with examples of how BumaStemra has addressed them or applied them in 2022.

Principle 1: General provisions

BumaStemra has been following a Supervisory Board model since mid- 2018, in which the Management Board is responsible for day-to-day management and the Supervisory Board is charged with supervision. The powers and responsibilities of both bodies are well anchored in the Articles of Association and regulations. It is important that the members of these bodies act with integrity and avoid conflicts of interest. Both bodies therefore have extensive regulations on this subject. More about the conflict of interest arrangements is described under principle 4. BumaStemra attaches great value to acting with integrity and honesty, not only in its own functioning, but also beyond that. To underline this, BumaStemra has labelled 'integrity' one of its five core values when determining its new strategy. The organisation handles large amounts and that money belongs to the members. They must be able to assume that everything BumaStemra does is done carefully and honestly. BumaStemra's reputation must be impeccable. If there are problems, we must get to the bottom of it. In addition to integrity, 'transparency', 'professionalism', 'connection' and 'enjoyment' are the core values for the organisation's cultural compass. In addition, in 2022 BumaStemra, in collaboration with Ten Have Change management, carefully considered how the culture at BumaStemra is set up. This culture process will be further elaborated in 2023.

When developing new policy or reassessing current policy and working methods, BumaStemra pays a lot of attention to the interests of its rights owners and is open to suggestions. After all, the rights owners are the ones that the organisation revolves around and works for. In addition to the rights owners, BumaStemra has a number of other important stakeholders with whom it is in regular contact:

- professional associations of authors and publishers,
- music users (all legal entities that use music for business purposes and must pay BumaStemra for this. This also includes industry associations and individual licensees),
- the Copyright Board,
- the Supervisory Board, the Council of Rights Owners and the Works Council of BumaStemra,
- VOI©E,
- foreign sister societies,
- umbrella organisations, such as GESAC and CISAC,
- other CMOs, such as Norma and Sena.

Principle 3 looks closer at how contact with a number of these stakeholders has developed over the past year.

Principle 2: Being role-conscious

BumaStemra's directors and supervisors are aware of their own roles and the division of tasks, responsibilities and powers, and act accordingly. The powers and responsibilities are described in the Articles of Association, regulations, profiles, including expertise requirements, power of attorney schedules and process agreements. This provides a clear demarcation. Regular consultations are held, during which the Management Board informs the Supervisory Board in good time and in detail about relevant developments. These discussions are not limited to formal consultations or the limits of the power of attorney schedule.

The two-member Management Board (CEO and CFO) is responsible for the general and day-to-day management, functioning and results of the organisation. On the basis of the planning & control cycle, attention is given to budget control and the progress of the projects is accounted for.

The Supervisory Board performs its supervisory and advisory role in a professional and independent manner. The Supervisory Board evaluates its performance annually, in the absence of the Management Board. In 2022, that evaluation took place under the leadership of Phyleon in the context of the Evaluation Governance. Appendix 2.1 includes an overview of the Supervisory Board meeting dates, the items discussed and the resolutions.

Principle 3: Prudent day-to-day management

The Management Board is assisted in its role by the management team and employees of BumaStemra. In addition, the Management Board follows annual training courses to stay up to date. In addition, the Management Board sees contact with stakeholders as an important value in the proper performance of its function and the it attaches importance to taking the opinions of these stakeholders into account in its deliberations. The Management Board is therefore in regular contact with BumaStemra's stakeholders. For example, the Management Board and the Council of Rights Owners meet up almost every month, during which the Management Board involves the Council of Rights Owners in decision-making. During these meetings, they also discuss developments in the music world. In addition, there is periodic contact with the affiliated professional associations.

A General Members' Meeting was held in 2022. Members were able to follow the GMM both live and digitally, during which they could vote on a number of important decisions and ask questions to the Management Board, the Supervisory Board and the Council of Rights Owners. In the past year, BumaStemra informed and involved its members and affiliates through various channels, at different times and aimed at various sub-target groups.

Rise Up

With Rise Up, we are committed to breaking through ideas that are focused on traditional divisions of roles in the music industry. Ideally, every female creator should be able to participate professionally in the creative industry without hindrance.

The programme focuses on solutions: what specific action must be taken to improve the chances of girls and women in the Dutch music industry? To find solutions, it is important to raise awareness about prejudice and discrimination. Rise Up contributes to this by stimulating the dialogue, offering a platform to role models and offering networking opportunities. That is why we organised a network meeting during Eurosonic Noorderslag, a round-table discussion with female creators and a network meeting and panel during ADE.

Rise Up podcast

In 2021, we launched a podcast series. This series can be enjoyed at bumastemra.nl/riseup. In the Rise Up Podcast: Women in music will talk to guests about the question: what action must be taken to increase the chances of women in the Dutch music industry? With talk to people from the music industry about topics such as education, programming and media music. We talk about what women encounter, but especially about solutions.

Muziek Werk

The knowledge platform 'Muziek Werk' inspires entrepreneurs to look for the best application of music in their company. To encourage them to do so, we publish relevant research results, we conduct our own research, we publish current news items and testimonials from entrepreneurs. Muziek Werk is an initiative of BumaStemra and Sena.

Compensation

The government's decision to oblige entrepreneurs to close their doors due to COVID-19 caused acute financial problems. This concerned both the members of BumaStemra and entrepreneurs. This unprecedented situation called for solidarity. VOI@E members Buma, Sena and Videma decided, in consultation with VNO/NCW and MKB Nederland, to fully or partially exempt companies, institutions and shops with commercially accessible space that were closed as a result of these measures or were closed on their own initiative, from making payments during this closing period.

This compensation scheme has been implemented through the relevant industry organisations. Individual licensees received the information about the compensation scheme through SCAN.

Study

In 2022, BumaStemra studied the added value of our services according to customers. Members and affiliates, as well as music users are involved in this study, so we can make a maximum contribution to the success of creators and entrepreneurs.

Music Rights on Tour

Together with Sena and NORMA, we present the Music Rights on Tour knowledge programme. With this programme we want to reach as many starting and young musicians, producers, composers and authors as possible and familiarise them with the music industry in a simple way. We explain everything about music rights, how you can claim money and how you can do business as a creator and what and who you may encounter on your journey.

Pulse

The purpose of the online question time called 'Pulse' is to stay in touch with our supporters. BumaStemra wants to know what is going on among our supporters and inform them about various topics. During the Pulse sessions, participants can make comments and ask questions in the chat function. The sessions remain available afterwards. Three sessions took place in 2022.

In carrying out its activities and developing policy, the Management Board is supported by (approximately) 160 BumaStemra employees. The Management Board considers it important that they can carry out their work in a good and safe working environment and that they know what is going on in the company. The tradition of town hall meetings that has emerged, as introduced during the pandemic, turned out to be a pleasant way to inform the company and its employees of important developments at BumaStemra. In 2022, the town hall meetings offered both digital and physical attendance.

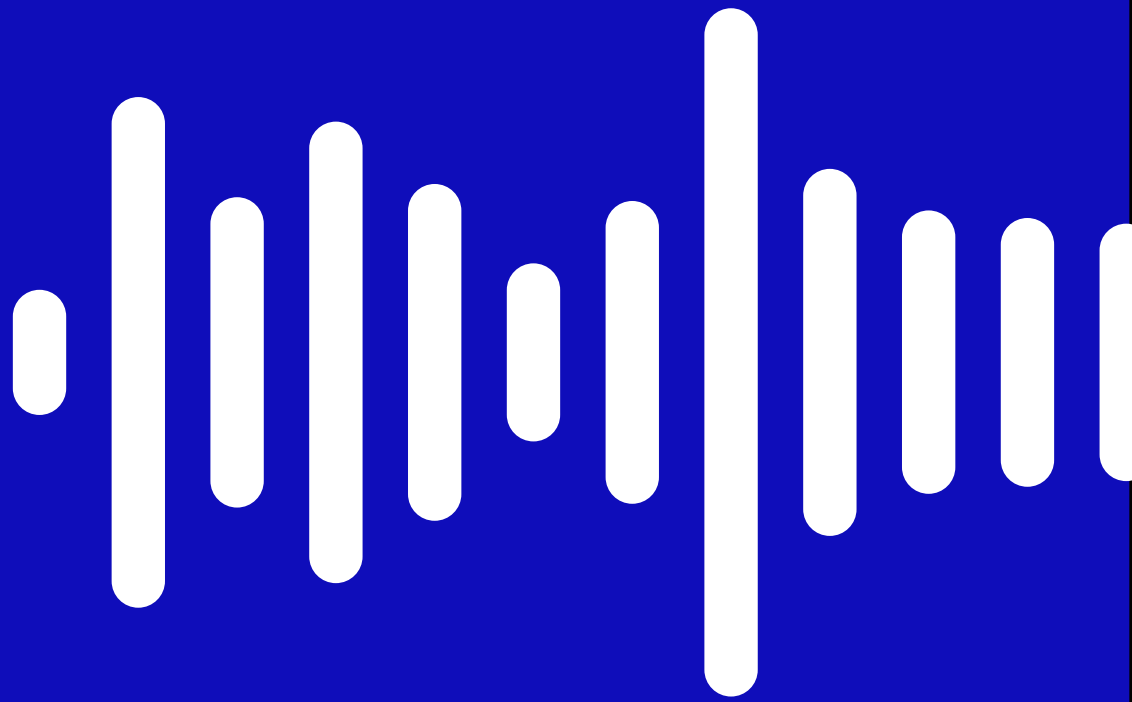
For the internal audit of the activities and processes, the Management Board is assisted by the Risk & Compliance Officer Manager, who has been employed by BumaStemra since 2021. The Risk & Compliance Manager reports to the Management Board and the audit committee of the Supervisory Board.

Principle 4: Exercising good supervision

Supervisors are independent (in their performance) and act with integrity. They are alert to an (apparent) conflict of interest and transparently and diligently deal with conflicts of interest. Both the Articles of Association and regulations contain extensive regulations on how the Supervisory Board and the Management Board deal with these kinds of issues. The regulations are designed in such a way that an (apparent) a conflict of interest is identified and dealt with at the earliest possible stage. For example, the Supervisory Board applies the rule that accepting other positions is reported in advance. Individual members of the Supervisory Board and the Management Board must also report annually to the General Members' Meeting regarding conflicts of interest. BumaStemra has also set up an informal complaints procedure, pending a sector-wide VOI@E complaints procedure. Any direct stakeholder can file a complaint regarding the integrity of the Boards or any member thereof.

The Supervisory Board consists of nine members, three of whom are independent. The other six members are rights owners, but they do exercise their duties as supervisors independently. This means these six members make decisions without carrying the burden of consultation with the supporters who nominated them. In practice, this does not mean there is no contact whatsoever with our supporters, nor that they cannot put forward the perspective of their knowledge and experience in the field. It does mean, however, that during the decision-making process, members focus on the interests of BumaStemra and the company or organisation associated with BumaStemra. To this end, they carefully weigh up what is called 'the eligible interests of stakeholders involved in BumaStemra'.

The chair of the Supervisory Board regularly draws attention to this theme, to ensure that the assessment and decision-making processes take place carefully. The subject of 'how to deal with the supporters that you nominated' was also an important theme in the Governance Evaluation at the end of 2022 in the context of the theme 'the role of rights owners in the Supervisory Board'.



Report
Supervisory Board

2

2. Supervisory Board report

Introduction

Since the General Members' Meeting of 2018, BumaStemra has a Management Board that bears final responsibility for BumaStemra and a Supervisory Board that is charged with supervising the board. The powers and responsibilities of both bodies are well anchored in the Articles of Association and regulations. Throughout the year, the Supervisory Board discussed the strategy and policy pursued with the Management Board. Advice is given both reactively (solicited) and proactively (unsolicited). The general course of affairs within BumaStemra was also supervised.

The Supervisory Board has two committees: the audit committee and the remuneration committee. These committees explore and prepare important topics ahead of a broader exchange of views in the Supervisory Board meeting.

In 2022, the Supervisory Board paid particular attention to the realisation of BumaStemra's strategic and operational objectives, the progress of implementation and further elaboration of the new strategy and the IT transformation, the provision for temporary differences in cost absorption, market developments, risk management, the evaluation of governance and compliance with laws and regulations. In this report from the Supervisory Board, the Supervisory Board provides an explanation of the themes that received attention, which issues played a role, which considerations were made, how aspects were weighted and which choices were made.

The Supervisory Board has invited the Management Board to develop scenarios for these specific subjects and to provide insight into the considerations made by the Management Board. The Supervisory Board has assessed whether the considerations made by the Management Board have been carefully considered and whether the interests of all stakeholders have been sufficiently weighted. The short and long-term effects of decisions were also examined. The IT issue is a clear example of such an exchange of views between the Management Board and the Supervisory Board.

Specific goals

Based on the established strategy, the Management Board, in consultation with the Works Council and the Council of Rights Owners of BumaStemra, has formulated several specific goals. The Supervisory Board has challenged the Management Board on these goals. Questions that were asked include: do the goals indeed contribute to the realisation of the strategy? Are they specific? Are they measurable and can they be reported on? Can they be realised? How many people and resources can BumaStemra deploy for this? A key question, of course, was: what's in it for the rights owner? One of the specific goals is to be in the top 10 of collective management organisations operating worldwide. BumaStemra wants to be the best when it comes to speed and completeness of the payment of copyright royalties and we want our brand to evoke positive associations with our members, with potential future members and in the entire music industry.

The Supervisory Board and the Management Board have paid particular attention to social developments (such as COVID-19, the war in Ukraine and the climate crisis) and what they mean for BumaStemra, for the rights owners and for other stakeholders.

We live in a world adrift and BumaStemra itself is also in the middle of a number of change processes. To be able to successfully implement the strategy, BumaStemra must carry out the processes of collection and distribution very accurately, tightly organised, transparently and customer-oriented. BumaStemra will have to be flexible, innovative and enterprising to be able to respond to the changes in the music industry,

the needs of the rights owners, digital developments and changes in the playing field of collective management organisations. This requires a change in behaviour and competencies of BumaStemra employees and attention is paid to this in BumaStemra's culture programme. The necessary change processes and the resources required to successfully implement the strategy were important topics during discussions between the Supervisory Board and the Management Board. It was also examined whether BumaStemra as an organisation can actually handle the degree of change that is required. This will remain a positive challenge in the coming years.

Risks and opportunities

The Management Board and the Supervisory Board have jointly identified the strategic, operational and financial risks and opportunities for BumaStemra. A distinction has been made between risks and opportunities associated with BumaStemra itself, and risks and opportunities associated with market developments and developments in society. We discussed the most important risks for BumaStemra with the Management Board, as well as the opportunities in the fields of technology, internationalisation, digitisation and HR.

Risk management within BumaStemra means that we look at what can impede or strengthen us in the implementation of our strategy. New techniques, such as advanced software, can lead to risks if they do not work optimally, such as the risk of cybercrime or errors in the collection or payment. If they do work optimally, they form the basis for the viability of BumaStemra. The right technical solutions can be an important reason for musicians or licensees to join our organisation. Risk management within BumaStemra serves on the one hand to protect anything of value to the organisation, but on the other hand we also use it as a basis to create value.

Another risk that was discussed in this context was the shortage in the labour market and the replacement of the IT environment. While finding the right people for various vacancies within BumaStemra remains a challenge, the first important steps have been taken in the field of IT transformation. We need the right people and the technical capabilities to realise our ambitious strategy. If we are honest and compare our mission to a mountain climb, we are not yet at the top, but we have started well from base camp. Everyone is on board and those who fell could often get back up. There is certainly reason for optimism.

Financial results

The financial results for 2022 are very good. These favourable results were partly achieved by a one-off payment of € 11.5 million in undistributed royalties. We do not know whether the sharp increase in payments to our members will last. What is certain is that after two difficult corona years, the additional payment was very welcome.

After the lockdown, at the beginning of the year, artists were finally able to perform again. The music market recovered, but the extent to which rights owners benefited from that recovery differed. For many musicians, the recovery has not come and they are still struggling.

As a collective management organisation, BumaStemra is there to support all musicians in 2023 and the following years within the realms of possibility. Partly for this reason, Music Investment Fund Part 3 started at the beginning of 2022, making more than three million euros available to a total of 578 musicians.

Online music use rose unabated in 2022, with the result that the collection on online music use also increased. In terms of distribution, we succeeded in paying out copyright royalties faster and more accurately and also making this more transparent. But as far as BumaStemra is concerned, it can and must be done even faster, more precise and more transparent.

Provision for temporary differences in cost absorption

The provision for temporary differences in cost absorption was an important topic of discussion for the Supervisory Board in 2022. BumaStemra aims to distribute copyright royalties to rights owners as much as possible and as quickly as possible. In addition, BumaStemra wants to limit fluctuations in the administration fee paid by rights owners to BumaStemra as much as possible. This administration fee, together with the revenues from the investment portfolio, covers the costs of BumaStemra's business operations. The amount of these revenues varies each year and BumaStemra wants to limit large fluctuations in cost deductions to cover administration costs as much as possible. For that reason, BumaStemra uses a buffer to absorb fluctuations in investment income and administration fees: money is reserved in a provision. It must have sufficient bandwidth (bandwidth means: a minimum and maximum level) and for 2022, this will be set for Buma and for Stemra.

Nature of the discussions with the Management Board, governance

The intensified supervision of the Copyrights Supervisory Board will be phased out in 2021. Since 2022, there has been 'regular supervision'. The end of intensified supervision does not mean we have rested on our laurels in terms of governance.

Open and probing discussions about governance within BumaStemra and everyone's roles in this have led to the role of the Supervisory Board being clarified for the Management Board in 2022 as well. The nature of the discussions between the Supervisory Board and the Management Board has changed as a result. The Management Board involves the Supervisory Board in themes earlier, develops scenarios and provides more detailed insight into the considerations underlying proposals. When it comes to the change processes and the new IT infrastructure and regular matters, such as establishing and approving the budget, annual accounts and audit plan, the Supervisory Board and the Management Board have jointly examined the role in which they should enter into dialogue with each other in order to support decision-making within BumaStemra. The outcome of this is that the Supervisory Board is involved earlier, more broadly and more deeply in decisions made by the Management Board. This outcome is elaborated by the Supervisory Board in the so-called 'supervisory vision'.

The role of the Council of Rights Owners has also been evaluated. Being a member of that council can be challenging, because the interests of rights owners are sometimes not the same as the long-term interests of BumaStemra as a whole. How to deal with this has been the subject of extensive discussion.

The dynamics of the discussions between the Supervisory Board and the Management Board changed throughout the year: at the beginning of 2022, the Supervisory Board suggested to the Management Board to increase the annual budget for 2022, in order to implement the business operations and strategy optimally and possibly accelerated, even in challenging market conditions. At the end of the year, we were fully engaged in the roll-out of the strategy and we discussed what was required for this organisationally and what strategic choices had to be made by the Management Board.

Course

In 2021, the Supervisory Board took the initiative for a course within BumaStemra: the 'Good Governance course'. This course was set up in consultation with the Council of Rights Owners and consultancy firm crmLiNK. The course consists of two parts: a general part, which is open to all rights owners with an interest, and a second part, which is open to new members of the Supervisory Board and of the Council of Rights Owners. The first part of the course aims to give

potential candidates for the Supervisory Board and the Council of Rights Owners the opportunity to gain insight into the role, responsibility and task of a supervisor. Participants will have the opportunity to find out whether this matches their personal motives and values. This first part provides basic knowledge. The second part, intended for those who actually sit on the Supervisory Board or Council of Rights Owners, is more specifically about BumaStemra. The course provides a common frame of reference regarding the roles, responsibilities and tasks of the Supervisory Board, the Council of Rights Owners, the Management Board and possibly also of participants from the professional associations. This enhances the possibility of collaboration.

Employees

The tight labour market also has an effect on BumaStemra. Because it is difficult to find the right people for the right positions due to the tight labour market, BumaStemra has to deal with a relatively high number of external employees. Their efforts are highly appreciated, but keeping the day-to-day operations running, especially in the areas of Finance and IT, requires the necessary adaptability from permanent staff. The resilience shown by BumaStemra employees in 2022 is admirable as far as the Supervisory Board is concerned: despite the fluctuating staffing, there were no gaps and the processes remained stable.

IT

If BumaStemra were a car, a lot of maintenance would have been required under the hood in 2022 to start up the processes behind our services or to keep them running properly. In consultation with the Management Board, the Supervisory Board has worked hard to keep its finger on the pulse of the replacement and reinforcement of the IT environment and creating a stable and strategic backbone. In 2022, BumaStemra will continue to replace the old IT landscape. An important step that was taken this year is the live implementation of a module that means that the processing of online music use is no longer outsourced, but is done in-house.

There was extensive discussion with the Management Board about an important strategic choice: will BumaStemra continue to develop this back-end software itself (in collaboration with an IT supplier) or will we purchase the entire application as Software-As-A-Service (and transfer the responsibility for innovation and further development to a specialist IT supplier in the music industry).

Software-as-a-service (SaaS) is a technical term that means that the supplier (in this case an English IT company called Salt) gets ownership of the application and will make it available for several customers (CBOs, but also publishers). Due to their specialisation in the industry and expertise in software product development, the software is expected to develop faster and to be more future-proof than if BumaStemra were to do the further development itself. The strategic choice made leads to higher costs at the start, but because the Salt environment can develop faster and smarter, we expect higher revenues and a larger market share in the longer term. In making this choice, the Supervisory Board weighed risks and costs against the need for BumaStemra to be an innovative organisation that leads the way when it comes to offering efficient services.

To replace the IT and build a powerful IT backbone, external advice is obtained and the accountant also monitors to hold a mirror up to the Management Board and Supervisory Board when necessary. Due to the complexity of the IT operation, three years have now been allocated instead of two years, although it is clear that the development of IT does not stop after that, but is an ongoing process.

Culture

One condition for the success of our strategy is the mindset of our employees. In 2022, from the moment employees were allowed to return to the office, progress was made with the internal cultural programme. This programme strengthens the customer-friendliness and customer focus of our employees. If BumaStemra wants to offer its members, affiliates and customers the best possible service, the urgency to do so must be felt and propagated throughout the organisation.

Inclusivity

Last year, BumaStemra committed itself to the position of women in the Dutch music sector. Under the name Rise up! BumaStemra organised panels and round-table discussions, reaching hundreds of people with whom it wants to make the music industry more diverse and inclusive. A special task force started by the music industry (Taskforce GO!), of which BumaStemra is a part, strives to provide a diverse, inclusive and safe working environment throughout the industry and therefore also within BumaStemra.

The Supervisory Board welcomes this effort and considers it necessary. In the music sector in particular, it is unacceptable that a distinction is made between people on the basis of irrelevant characteristics. Music connects all people. That is why BumaStemra, the organisation for all musicians and publishers in the Netherlands, also wants to connect all people, regardless of sex, gender identity, cultural origin, age and whether someone has a disability. Every person is of value and has the right to a safe working environment in which they can be themselves.

Inclusivity and safety are also important for the functioning of the Supervisory Board and the other boards within BumaStemra. In 2022, we asked ourselves how we can establish good connections with each other and with respect to the other boards and employees. How do we ensure that members of the Supervisory Board are able to perform their supervisory duties as effectively and accurately as possible, independently and authentically, i.e. completely as themselves?

To achieve this, honest, incisive dialogues are needed on an ongoing basis, which will continue in 2023 and beyond. Achieving an organisation and a music industry in which everyone is welcome is not a simple task. You have to work for that. And we intend to do so, in 2023 and in the years ahead.

Gratitude

The Supervisory Board would like to thank the members of the Management Board, the Council of Rights Owners, the Works Council and all employees and other stakeholders for the pleasant and constructive collaboration.

Membership of Committees

The audit committee consists of:

- Jolanda Messerschmidt
- Ruud Hopstaken
- Marc Swemle
- Alexander Beets

The remuneration committee consists of:

- Ruud Hopstaken
- Arriën Molema
- Josephine de Zwaan
- Edith Severs
- Piet-Jan van Rossum

Appendices 2.2 and 2.3 provide an overview of the meeting dates and the items discussed in both committees. During the meetings, no items

were discussed that could have led to a conflict of interest for the members of the Supervisory Board.

General Member's Meeting

The General Member's Meeting was held on 25 May 2022. In addition to adopting the minutes of the previous General Members' Meeting, the following items were on the agenda

- The transparency report including the 2021 financial statements of Stemra
- Update last year and preview
- Explanation budget 2022
- Approval of the bandwidth of the provision for temporary differences in cost absorption
- Approval of the payment of the amounts above the bandwidth of the provision for temporary differences in cost absorption
- The appointment or reappointment of six members of the Supervisory Board
- The appointment or reappointment of five members of the Council of Rights Owners
- The appointment of three members of Buma Cultuur
- The role of the Council of Rights Owners

The General Members' Meeting adopted the following resolutions:

- Approval of the 2021 financial statements of Stemra
- Discharging the Management Board and the Supervisory Board of Stemra from all liability
- Approval of the proposed bandwidth of the provision for temporary differences in cost absorption
- Consent to the payment of the amounts above the bandwidth of the provision for temporary differences in cost absorption
- The appointment or reappointment of six members of the Supervisory Board
- The appointment or reappointment of five members of the Council of Rights Owners

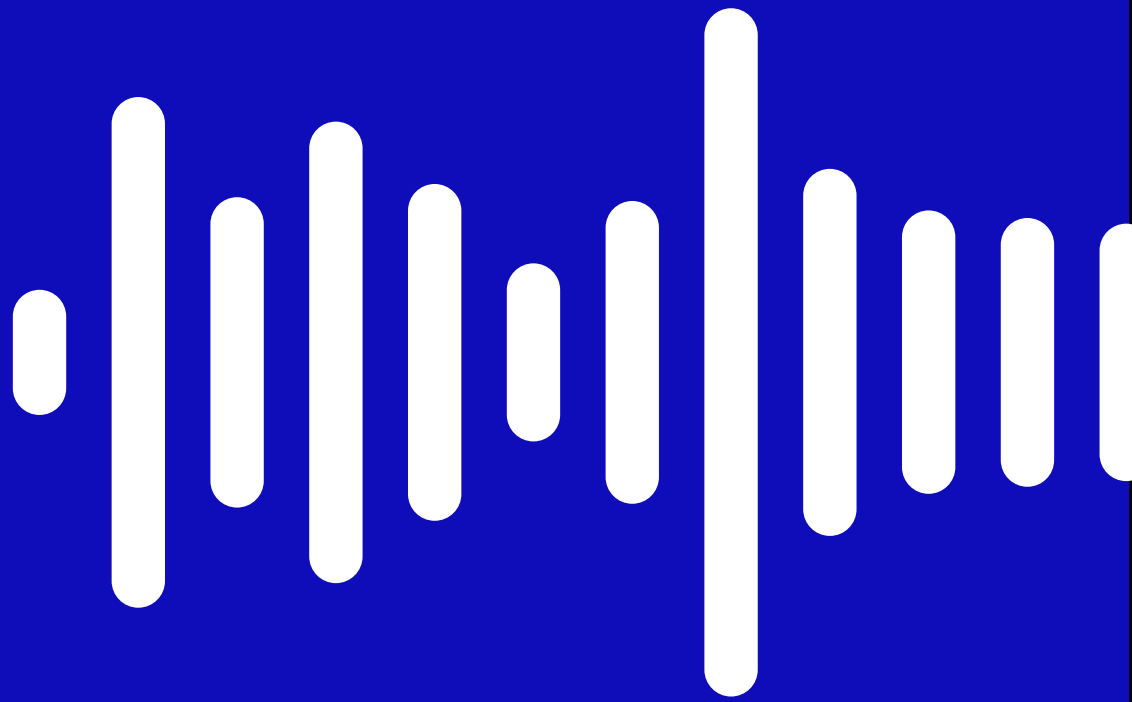
Draft of annual report and management letter, adoption by the Supervisory Board

The draft 2022 annual report and the management letter were discussed with the audit committee on 06 April 2023 and with the full Supervisory Board on 17 April 2023, both times in the presence of the auditor.

Retirement schedule

On 26 September 2022, the Supervisory Board adopted a retirement schedule that provides for members taking office and retiring in phases. This schedule was adhered to in 2022, resulting in the current composition:

Alexander Beets
Ruud Hopstaken
Jolanda Messerschmidt
Arriën Molema, vice-chair
Piet-Jan van Rossum
Edith Severs
Marc Swemle
Niels Walboomers
Josephine de Zwaan, chair



**Report from
the Council of
Rights owners**

3

3. Report from the Council of Rights Owners

Introduction

After two critical corona years, the Council of Rights Owners was pleased to see that the music sector managed to get back on its feet in 2022. Not only did live sector flourish, a lot of new music was also created. This is partly thanks to the investment funds BumaStemra has been able to launch in recent years; the Council of Rights Owners was actively involved in the realisation of this. Music Investment Fund Part 3 started in 2022; new music is currently being created and released.

The Council of Rights Owners held eight regular meetings in 2022 and also participated in a strategy session, a training day, a four-council consultation and two three-council meetings. A delegation from the Council of Rights Owners participated in the evaluation of the governance (the way in which BumaStemra is managed), more about this later. The Council of Rights Owners also held a 'Pulse session' for members of BumaStemra in 2022: an online question session for members. A presentation was given and there was ample time to deal with the many questions. This session was well attended and provided input that the Council of Rights Owners took into account in its work.

In 2022, the Council of Rights Owners issued solicited advice 19 times and unsolicited advice twice to the Management Board. The Management Board has accepted all advice. The unsolicited advice concerned distribution abroad and policy making for the distribution of podcasts, see also Appendix 2.4.

Evaluation of Governance

In 2022, an evaluation of BumaStemra's governance was started under the leadership of consultancy firm Phyleon. After a joint session on the training day with the four councils of BumaStemra, a delegation from the Council of Rights Owners is further involved in this evaluation.

In terms of governance, the most important learning point for the Council of Rights Owners was: obtaining clarity about what the Council of Rights Owners is about and what it is not. It requires discipline from the members of the Council of Rights Owners to only express an opinion on subjects where input from the perspective of the rights owners is necessary. An important function of the Council of Rights Owners will be clearly defined in 2022: the signalling function. Every second meeting, together with the Management Board, time is set aside to discuss matters that the members of the Council of Rights Owners identify in their constituency and in the music sector. For example, the Management Board is well informed about recent, important developments.

Since much attention was paid to the evaluation of governance this year, and the Council of Rights Owners immediately absorbed the learning points, it was decided to postpone the self-evaluation of the Council of Rights Owners to the spring of 2023. By that time, the demarcation of subjects and the way of operating (the signalling function) can immediately be included in the evaluation.

Course

In 2022, the first phase of the course for (future) members of the Council of Rights Owners and the Supervisory Board will have taken place: the 'Good Governance course'. This course was set up by BumaStemra in collaboration with consultancy firm crmLiNK. The aim of the course is to make members and future members of the various boards more skilled in administrative work at BumaStemra. During the first phase of the course, eight members of the Council of Rights Owners followed the

course. A new first phase and a second in-depth phase will follow in 2023, in which many members of the Council of Rights Owners will once again participate.

Unsolicited advice

In 2022, as mentioned earlier, the Council of Rights Owners issued unsolicited advice twice. The first unsolicited advice was about transferring several musical works (compositions) to an international database, making it possible to investigate whether matches could be made with the use of this music abroad. This was already done, of course, but following the recommendations of the Foreign Committee, this is now being done with a larger number of works. Those works must meet the correct requirements, such as being fully registered. The Council of Rights Owners looks forward to seeing how this advice will be followed up.

The second unsolicited advice was about creating new podcast distribution policies. Since there was no policy for this yet, while the podcast market is growing, the Council of Rights Owners has advised to make a separate policy for this. The Management Board has adopted this advice and the distribution committee will start working on it.

Committees

In 2022, the Council of Rights Owners included three standing committees and several temporary committees. The standing committees were: the distribution committee, the communications committee and the GMM committee. The temporary committees were: the Foreign Committee, the Role of the Council of Rights Owners/Evaluation Governance Committee, the Live Committee and the User Generated Content pilot.

The Live Committee started in 2022 to make a critical analysis of the entire process from collection to distribution in the field of live music. The aim was to clarify where matters could be improved, which turned out to be mainly in the area of collecting performance data and set lists. The Council of Rights Owners will further define this in 2023.

IT Transition

In 2022, the Council of Rights Owners in its role, i.e. from the perspective of the rights owners, discussed the IT transition that is under way at BumaStemra. The Council of Rights Owners is pleased with the possibilities the new system will offer with regard to the design of processes. These possibilities are discussed with the distribution committee, the Foreign Committee and the Live Committee, and it became clear where the old IT environment was impeding us. In addition, several members of the Council of Rights Owners participated in the MyBumaStemra test group; they will also do so in the coming year.

Inclusivity and safety

Members of the Council of Rights Owners have contributed to BumaStemra's Rise up! programme, which aims to improve the position of women in the music sector. Members of the Council of Rights Owners also played an important role in the GO! Task Force (established to combat transgressive behaviour). A safe working environment is perhaps more complicated in the music sector than in most other sectors, as there are such large numbers of freelancers, often with precarious positions in the labour market.

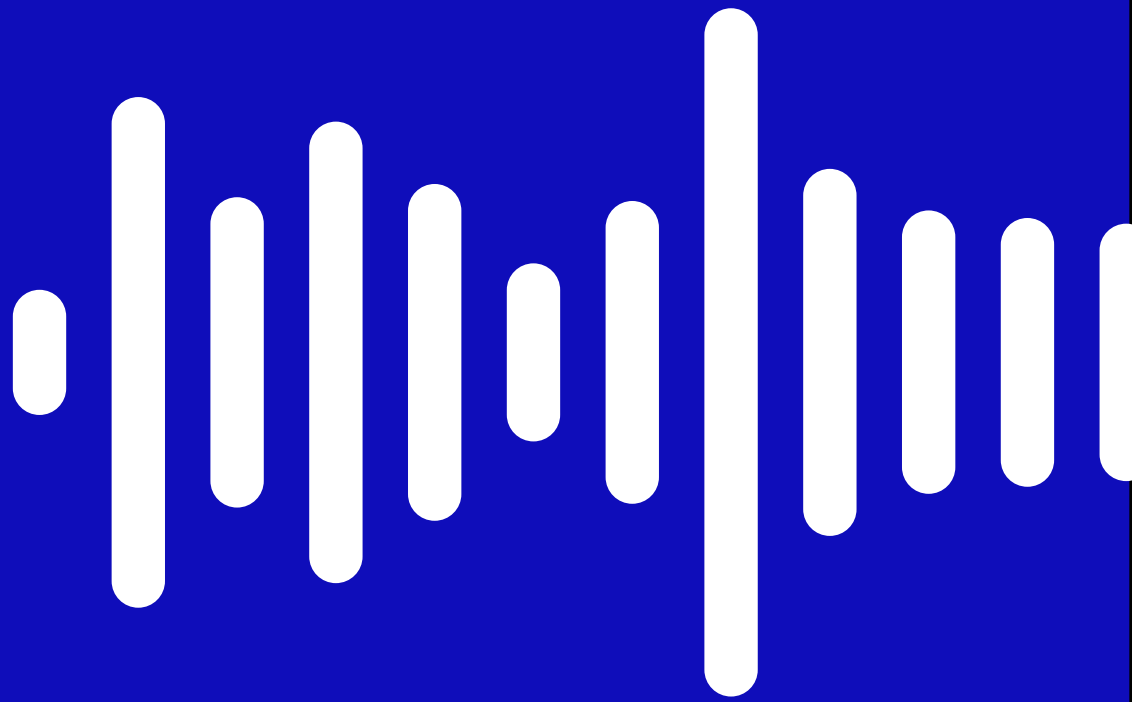
The Fair Practice Code, the code of conduct for doing business and working in 30 - Annual Report 2022 arts, culture and the creative industry, and the Diversity and Inclusion Code, which makes the cultural sector more inclusive, are widely endorsed and closely linked. The Council of Rights Owners is pleased that BumaStemra, as a large organisation, can play a pioneering role in this theme.

Gratitude

The Council of Rights Owners would like to thank the Management Board, the Supervisory Board, the Works Council, the secretariat of the board and all employees of BumaStemra for the pleasant and constructive collaboration. The Council of Rights Owners would also like to thank all members of BumaStemra who came into contact with the council, via the Pulse session, at live events or via the e-mail address. If you have any questions, comments and ideas, please send an e-mail to rvr@bumastemra.nl.

Members of the Council of Rights Owners:

Mark Bremer, Vice-chairman
Wiboud Burkens
Thomas Deuss (from 3 November 2022)
David Dramm
Hans Everling
Darko Esser (from 9 February 2022)
Davo van Peursen
Jitze de Raaff Aafke
Romeijn Martijn
Schimmer
Johan van der Voet
Rita Zipora Verbrugge, chair



Adoption of financial statements

4

4. Adoption of financial statements

After auditing the financial statements of Vereniging Buma, Mazars N.V. issued an unqualified auditor's report in respect of the financial statements. We propose to adopt the Buma 2022 financial statements in accordance with Article 27, paragraph 7, of the Articles of Association and to grant discharge from liability to the members of the Management Board in respect of the performance of their duties in the 2022 financial year.

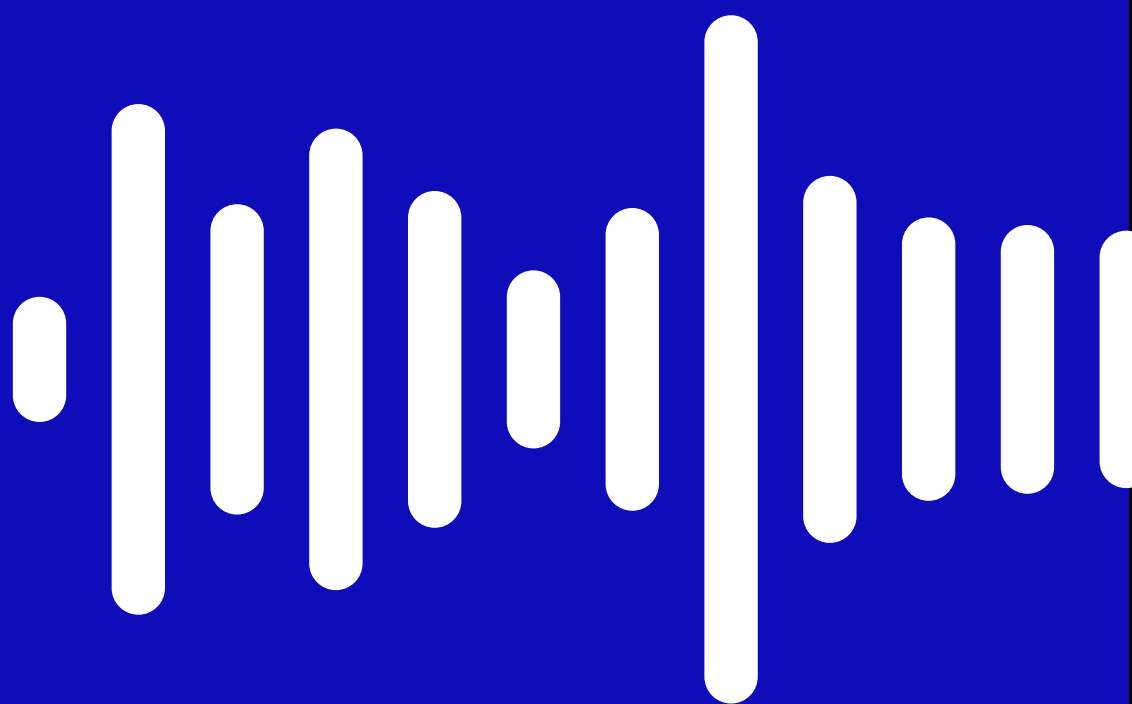
Hoofddorp, 17 April 2023

Members of the Supervisory Board

Josephine de Zwaan	Chair
Alexander Beets	Member of the Supervisory Board
Ruud Hopstaken	Member of the Supervisory Board
Jolanda Messerschmidt	Member of the Supervisory Board
Arriën Molema	Member of the Supervisory Board
Piet-Jan van Rossum	Member of the Supervisory Board
Edith Severs	Member of the Supervisory Board
Marc Swemle	Member of the Supervisory Board
Niels Walboomers	Member of the Supervisory Board

Members of the Management Board

Bernard Kobes	Chief Executive Officer
Marleen Kloppers	Chief Financial Officer



Financial statements

5

5.1 Balance sheet as at 31 December 2022

After appropriation of the result

(x € 1,000)

		31-12-2022	31-12-2021
ASSETS			
Fixed assets			
Intangible fixed assets	(1)	8,224	8,839
Tangible fixed assets	(2)	1,194	1,812
Financial fixed assets	(3)	6,000	-
Current assets			
Receivables			
Accounts receivable	(4)	14,094	12,709
Other receivables	(5)	788	2,273
Taxes and social security contributions		1,912	1,305
Prepayments and accrued income	(6)	2,982	1,975
		19,776	18,262
Securities	(7)	152,486	176,215
Cash and cash equivalents	(8)	56,981	44,863
TOTAL ASSETS		244,661	249,991

(x € 1,000)

		31-12-2022	31-12-2021
LIABILITIES			
Equity			
Appropriated reserve	(9)	-	-
Provisions			
Provision for (temporary) differences in cost absorption	(10)	19,930	44,557
Other provisions	(10)	5,618	6,315
		25,548	50,872
Non-current liabilities	(11)	2,654	3,458
Current liabilities			
Copyright royalties to be distributed	(12)	191,584	178,022
Accounts payable		1,560	571
Taxes and social security contributions		389	253
Other liabilities	(13)	15,787	11,527
Accruals and deferred income	(14)	7,139	5,288
		216,459	195,661
TOTAL LIABILITIES		244,661	249,991

5.2 Operating statement for 2022

(x € 1,000)		2022	2021
Income			
Administration fee withheld in the year of collection		27,229	20,763
Administration fee withheld on gross copyright royalties to be distributed at the end of 2020 (one-off gain)		-	5,430
Contributions and registration fees		1,078	1,030
Other income		63	55
Total income		28,370	27,278
Expenses			
Personnel costs	(16)	11,853	10,309
Accommodation costs		731	716
Amortisation and depreciation	(1 + 2)	1,509	1,679
Other expenses	(17)	11,815	10,452
Total expenses		25,908	23,156
Result from operations		2,462	4,122
Financial income and expenses			
Investment result	(18)	-26,689	6,923
Interest income and similar income		1	-
Interest expenses and similar expenses	(20)	-401	-327
Balance of financial income and expenses		-27,089	6,596
Result before taxes		-24,627	10,718
Movement in provision for temporary differences in cost absorption	(10)	24,627	-44,557
Taxes	(19)	-	-
Result after taxes			-33,839
Appropriation of the result		2022	2021
Addition to/withdrawal from the appropriated reserve		-	-33,839
		-	-33,839

5.3 Cash flow statement for 2022

(x € 1,000)	2022	2021
Result after taxes	-	-33,839
Movement in provision for temporary differences in cost absorption	-24,627	44,557
Financial income and expenses	27,089	-6,596
Result from operations	2,462	4,122
Adjustments for:		
Amortisation intangible fixed assets (1)	791	985
Depreciation tangible fixed assets (2)	718	694
	1,509	1,679
Cash flow from operations	3,971	5,801
Purchase of securities (7)	-9,295	-11,377
Repayments received/sale of securities (7)	6,038	11,914
Financial income and expenses with cash flow	-103	508
Movement in other provisions (10)	-697	-597
Movement in non-current liabilities (11)	-804	-39
Movement in copyright royalties to be distributed (12)	13,562	-9,257
Movement in operating capital	5,722	-10,486
	14,423	-19,334
Cash flow from operating activities	18,394	-13,533
Investments in intangible fixed assets (1)	-6,176	-5,361
Investments in tangible fixed assets (2)	-100	-213
Cash flow from investment activities	-6,276	-5,574
Movement in cash flow	12,118	-19,107
Cash and cash equivalents as at 1 January (8)	44,863	63,970
Cash and cash equivalents as at 31 December (8)	56,981	44,863
Movement in cash and cash equivalents	12,118	-19,107

5.4 Notes to the financial statements

Information about the legal entity

Business address and trade register number

Vereniging Buma has its registered office in Amstelveen and principal place of business at Saturnusstraat 46-62 in Hoofddorp. The company is registered with the Chamber of Commerce in Amsterdam under file number 40530934.

General information

Key activities of the legal entity

The objective of Vereniging Buma (hereinafter also 'Buma') is to promote both the tangible and intangible interests of composers and songwriters and their successors in title and of publishers and publishing companies as a non-profit institution. By law, Buma has been appointed by Royal Decree to represent the aforementioned rights owners in a great number of administration areas. Buma stands for Bureau voor Muziek Auteursrechten (Music Copyright Bureau).

Period under review

These financial statements concern the financial year 2022, which ended at the balance sheet date of 31 December 2022.

Information about group structure

The financial statements of Vereniging Buma concern the company financial statements. The financial data of Vereniging Buma are included in the financial statements in accordance with the Dutch Accounting Standards.

Although Vereniging Buma and Stichting Stemra collaborate in one staffing organisation, there is no intragroup relationship between them, as they are not part of the same economic entity under the relevant statutory provisions, because of the strict segregation between Vereniging Buma and Stichting Stemra.

Information about estimates

In the preparation of the financial statements, the Management Board uses estimates and assumptions when applying the accounting policies and determining the reported amounts for assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors which are considered to be reasonable given the circumstances, and which are assessed periodically. Actual results may differ from these estimates. Changes in estimates are recognised in the period affected by the change.

In the view of the Management Board, the following changes in accounting policies are the most critical to the presentation of the financial position and therefore require estimates and assumptions:

- valuation of accounts receivable,
- actuarially determined provisions, such as the provision for the annual allowances scheme of Stichting Sociaal Fonds Buma, and the provision for long-service awards,
- claims by licence holders and/or rights owners related to the collection and distribution of copyright royalties.

Basis of preparation of the financial statements

Going concern

These financial statements have been prepared based on the going-concern assumption.

Impact of COVID-19 virus

The outbreak of the COVID-19 virus and the preventive measures

taken by the government in 2021 had significant consequences for the economy and therefore also for Buma. In 2022, these measures no longer applied and the economy and therefore also Stemra showed a clear recovery. In 2022, these measures no longer apply and a clear recovery can be seen. Giving a reasonable estimate of the impact of this on Stemra was possible to a limited extent only.

Applied accounting standards

The financial statements have been prepared in accordance with Title 9 of Book 2 of the Netherlands Civil Code, as required by Section 2q(3) of the Collective Management Organisations for Copyright and Neighbouring Rights (Supervision and Dispute Resolution) Act ('Supervision Act'). In addition, the applicable quality mark criteria of VOI@E (Association of Organisations that Collectively Administer Intellectual Property) have been taken into account.

Unless stated otherwise in the explanation of the accounting policies, assets and liabilities are stated at historical cost. An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the organisation and the asset can be measured reliably.

A liability is recognised in the balance sheet when it is probable that its settlement will result in an outflow of resources embodying economic benefits and the amount at which the settlement will take place can be measured reliably.

An asset or liability recognised in the balance sheet remains on the balance sheet when a transaction (with respect to the asset or liability) does not lead to a significant change in the economic substance with respect to the asset or liability. An asset or liability is no longer recognised in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all risks associated with the asset or liability being transferred to a third party or being lost.

Income is recognised in the operating statement when an increase in economic potential associated with an increase in an asset or a decrease in a liability has arisen that can be measured reliably. Expenses are recognised when a decrease in economic potential related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Income and expenses are allocated to the period to which they relate. Revenue is recognised when the services provided in respect of the copyright royalties can be determined reliably.

The functional currency of Vereniging Buma is the euro. Unless stated otherwise, all amounts are rounded to thousands of euros.

Translation of amounts in foreign currency

Transactions denominated in foreign currency are translated into euros at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in foreign currency are translated into euros on the balance sheet date at the exchange rate applicable at this date. Exchange rate differences arising from the settlement of monetary items, or arising from the translation of monetary items into foreign currency, are recognised in the operating statement in the period in which they arise. Non-monetary assets and liabilities in foreign currency that are recognised at historical cost are translated into euros at the exchange rate applicable at the transaction date. The exchange rate differences arising from the translation are recognised in the operating statement.

Leases

Buma can enter into financial and operational lease contracts. A lease agreement where all or substantially all the risks and rewards associated with the ownership of the leased asset are transferred to the lessee

qualifies as a financial lease. All other lease agreements classify as operational leases. The classification of a lease is determined based on the economic substance of the transaction, not its legal form.

Operational leases

If the organisation acts as the lessee in an operational lease, the leased asset is not recognised. Fees received as an incentive to conclude an agreement are recognised as a reduction in the lease costs over the lease period.

Lease payments and fees in respect of operational leases are debited and credited respectively to the operating statement using the straight-line method over the lease period, unless a different allocation system is more representative of the pattern of the benefits to be derived from the use of the leased asset.

Pension plans

Vereniging Buma offers its employees a career average pension plan. This pension scheme is administrated by Pensioenfonds PNO Media. The pension contributions payable for the financial year are recognised as costs. A liability is recognised for unpaid pension contributions as at balance sheet date. As the liabilities in respect of the pension contributions have short terms, they are stated at their nominal value. Wage developments, price indexation and the investment returns on the pension plan assets could lead to future adjustments in the annual contributions to the pension fund. In the event of a shortfall at the industry-wide pension fund, Buma is not obliged to pay additional contributions other than higher future pension contributions.

Financial instruments

Financial instruments only comprise primary instruments (receivables, securities, cash and cash equivalents and liabilities). Financial instruments are initially recognised at fair value, with the directly attributable transaction costs being included in the initial recognition. If, however, financial instruments are subsequently stated at fair value with changes in value being recognised in the operating statement, the directly attributable transaction costs are recognised directly in the operating statement upon initial recognition.

After their initial recognition, financial instruments are measured as follows:

- receivables are recognised at amortised cost using the effective interest rate method. Provisions deemed necessary for the risk of uncollectibility are withheld. These provisions are determined based on individual assessments of the receivables.
- securities (government bonds, bond funds, mortgage funds and equity funds) constitute part of the investment portfolio and are stated at fair value with changes in value being recognised in the operating statement. The fair value is determined based on the listed market price.
- cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not at the free disposal of the organisation, this is taken into account in their valuation. Cash and cash equivalents denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applicable on that date. Reference is made to the pricing principles for foreign currencies.
- liabilities are stated at amortised cost using the effective interest rate method. The effective interest is recognised directly in the operating statement. The repayment obligations for the non-current liabilities in the year ahead are taken to current liabilities.

Principles for the valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are stated at cost of acquisition or manufacture

less cumulative amortisation and impairment. Depreciation charges are calculated as a percentage of the cost of acquisition cost or manufacture using the straight-line method based on the estimated useful life.

Advance payments on tangible fixed assets and assets under construction are not depreciated. Intangible fixed assets are assessed at each balance date for indications that these assets are subject to impairment. If such indications are present, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the value in use and the net realisable value. When the carrying amount of an asset is higher than the recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. For impaired intangible fixed assets that have not yet been taken into use, however, the recoverable amount is determined at each balance sheet date.

The estimated useful life is as follows:

- business information systems 3 – 8 years

Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or manufacture less cumulative depreciation and impairment. Depreciation charges are calculated as a percentage of the cost of acquisition cost or manufacture using the straight-line method based on the estimated useful life. Advance payments on tangible fixed assets and assets under construction are not depreciated. Tangible fixed assets are assessed at each balance date for indications that these assets are subject to impairment. If such indications are present, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the value in use and the net realisable value.

When the carrying amount of an asset is higher than the recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

The estimated useful life is as follows:

- hardware / computer equipment 3 – 5 years
- other operating fixed assets 5 – 10 years

Financial fixed assets

Financial fixed assets are initially recognised at fair value and subsequently measured at amortised cost. Financial fixed assets are assessed at each balance date for indications that these assets are subject to impairment. If such indications are present, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the value in use and the net realisable value. When the carrying amount of an asset is higher than the recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost. Provisions deemed necessary for possible losses on account of uncollectibility are withheld. These provisions are determined based on individual assessments of the receivables.

Securities

Listed shares and bonds are part of a trading portfolio and are stated at their market value at the balance sheet date, with both unrealised and realised changes in value being recognised directly in the operating statement.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not at the free disposal of Stemra, this is taken into account in their valuation.

Provisions

A provision is recognised in the balance sheet for a legally enforceable or actual commitment arising from a past event. Settlement of that event is likely to require an outflow of resources, as well as the possibility of making a reliable estimate of this.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

Provision for (temporary) differences in cost absorption

The provision for (temporary) differences in cost coverage contains the cumulative differences in cost coverage that will be settled with the rights owners in the future. The purpose of this provision is to pay out the fluctuating return on investments in a balanced manner to rights owners and to absorb other types of temporary differences in cost absorption.

Buma does not have a profit motive, so over/underfunding of management costs is by definition of a temporary nature and will (1) disappear over the years (for example, because positive and negative returns on investments compensate each other) or (2) be settled with rights owners.

Provision for long-service awards

The provision for future long-service awards is the provision for future long-service awards to active employees with a permanent employment contract. The provision concerns the estimated amount of the future long-service awards. The calculation is based on the commitments made, employee retention rates and ages.

Provision for annual allowances

The provision for annual allowances concerns a provision for the annual allowances paid to (former) musicians and publishers and their heirs.

Although the obligations are conditional, they are recognised as a constructive obligation based on the agreements entered into and the raised expectations. The provision has been charged to the Fund for Social and Cultural Purposes.

Any release from the provision will therefore be credited to this fund as well. The provision is recognised for the actuarial value of the commitments that have been made. The expenses for the settlement of the provision are incurred via Stichting Sociaal Fonds Buma. Fund for Social and Cultural Purposes

The Fund for Social and Cultural Purposes (SoCu fund) serves to advance the intangible or tangible interests of composers, songwriters and music publishers and to promote the Dutch music scene. The addition to the fund consists of the withholding of a percentage of the copyright royalties that are available for distribution. Pursuant to Article 30, paragraph 4 of the Articles of Association, the percentage is determined annually by the Management Board, subject to a maximum of 10%. The withholding is part of the distribution.

With the approval of the Supervisory Board and with due observance of Article 30, paragraph 3, of the Distribution Rules approved by the Members' Meeting, the Management Board of Buma decides on expenditures and distributions charged to the fund. The resources available in the SoCu Fund are of a long-term nature, as they cannot be claimed within twelve months of the balance sheet date.

Copyright royalties

Buma recognises a receivable in respect of copyright royalties when the amount can be determined reliably, it is probable that it will flow to Buma, and it is enforceable as at balance sheet date.

Copyright royalties received from other, mainly international collective management organisations are generally recognised on a cash basis, as the amount cannot be determined reliably at an earlier time.

Copyright royalties are recognised in the balance sheet in the item 'Copyright royalties to be distributed'. The Distribution Rules set out the

rules for the distribution and payment of music copyright royalties received by Buma to the participants and other stakeholders. The Distribution Rules are reviewed by the Management Board once every three years, partly on the basis of advice from the Council of Rights Owners and the Distribution Committee.

As part of the distribution process, reserves are formed for, among other things:

- works for which Buma has insufficient information to be able to distribute royalties, for example because information on rights owners, copyright details or cue sheets for films, series or commercials is missing,
- works for which the cumulative revenue is lower than the threshold for distribution (non-distributed items),
- claims pertaining to the distribution (also in view of the indemnification that Buma provides to the paying licensee*). The reserve is based on historical data regarding claims paid out per distribution section for comments that were deemed to be justified, and amounts to no more than 2%.

Reserves are periodically reviewed and distributed when the necessary information has been added or, in the case of a non-distributed item, when the threshold for distribution has been attained. Reserves that have not been distributed within three calendar years after the year of collection are distributed proportionally to the various distribution sections via the general distribution in the fourth calendar year after collection. For works that are claimed by multiple rights owners (contradictory claims), no distribution takes place until it is clear who the rights owner is.

A longer reserve period may be used for royalties received from sister societies for which insufficient information has been received to be able to distribute them.

Principles for determining the result

Administration fee

The administration fee withheld is recognised as income in the operating statement. The Distribution Rules stipulate that from 2021, fixed percentages of the collected copyright royalties will be deducted from all sections as an administration fee. Up to and including 2020, a variable percentage was withheld from a number of sections in the year of collection and from some sections, a fixed percentage was withheld in the year of distribution.

Financial income and expenses

Dividends are recognised in the period in which they are made payable. Interest income and expenses from investments are recognised in the period to which they relate. The costs of the investments are recognised in the corresponding investment results. Transaction results are recognised in the period in which the transaction took place. Changes in the fair value of securities are recognised in the operating statement.

Fair value measurement

The fair value of a financial instrument is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

The fair value of listed financial instruments is determined based on the bid price..

* in the agreements that Buma concludes with the licensee, Buma indemnifies the licensee against claims of rights owners affiliated directly or via sister societies. Furthermore, we refer to Section 26 a-c of the Copyright Act, which sets out the provisions for mandatory collective management.

Taxes

Taxes comprise the current income tax payable or recoverable for the reporting period. The taxes are recognised in the operating statement. Current tax comprises the expected tax payable or recoverable in respect of the taxable profit for the financial year, calculated on the basis of tax rates enacted as at balance sheet date.

In an advance tax ruling extended to no later than 31/12/2023, the Dutch Tax and Customs Administration has determined that Vereniging Buma is subject to corporation tax. Deductible foreign withholding taxes and Dutch dividend tax may be deducted up to a maximum equal to the amount of tax due under this advance tax ruling. Consequently, no corporation tax is due for the financial year 2022. Buma is in discussions with the Tax and Customs Administration about the entity's tax qualification from 2024 onward.

Principles for the preparation of the cash flow statement

The cash flow statement has been prepared using the indirect method. Cash flows denominated in foreign currency are converted at an estimated average exchange rate. The purchase and sale of investments, interest and dividends received and interest paid and costs of investments are regarded as cash flows from operating activities. In the presentation of the cash flow statement, the copyright royalties received on behalf of the rights owners and the distributions made to rights owners are not recognised in the cash flow statement. The cash flows associated with the copyright royalties to be distributed by Buma are disclosed separately.

Notes to the specific items of the balance sheet

(1) Intangible fixed assets

The changes in intangible fixed assets are as follows:

(x € 1,000)	Business information systems	Assets under construction	Total
Balance as at 1 January 2022			
Cost of acquisition/manufacture	11,805	6,453	18,258
Cumulative amortisation	-9,419	-	-9,419
Carrying amount as at 1 January 2022	2,386	6,453	8,839
Movements			
Investments	209	5,967	6,176
Commissioning	483	-483	-
Amortisation and depreciation	-791		-791
Disposals cost of acquisition/manufacture		-6,000	-6,000
Disposals, cumulative amortisation			-
Total movements	-99	-516	-615
Balance as at 31 December 2022			
Total cost of acquisition	12,496	5,937	18,433
Cumulative amortisation and impairment	-10,209	-	-10,209
Carrying amount as at 31 December 2022	2,287	5,937	8,224

The investments made in 2022 mainly relate to the IT replacement investment for software for processing and distribution of received licence fees and related (standard) applications for CRM and Finance. This also includes the development of new functionalities for the MyBumaStemra portal. Buma has agreed with the software developer of the software for the processing and distribution of licence fees received that the software developed together with this supplier will be sold to the supplier in exchange for a service fee for use. Buma thus opts for a SaaS (Software as a Service) solution, whereas the initial approach was a PaaS (Platform as a Service) solution. The proceeds of this sale, € 6 million, have been recognised as a divestment.

(2) Tangible fixed assets

The changes in intangible fixed assets are as follows:

(x € 1,000)	Hardware/ Computer systems	Other operating assets	Assets under construction	Total
Balance as at 1 January 2022				
Cost of acquisition/manufacture	2,759	1,341		4,100
Cumulative amortisation	-1,599	-689	-	-2,288
Carrying amount as at 1 January 2022	1,160	652		1,812
Movements				
Investments	100		-	100
Commissioning				-
Amortisation and depreciation	-582	-136	-	-718
Disposals cost of acquisition/manufacture			-	
Disposals, cumulative amortisation			-	
Total movements	-482	-136		-618
Balance as at 31 December 2022				
Cost of acquisition/manufacture	2,859	1,341	-	4,200
Cumulative amortisation and impairment	-2,181	-825	-	-3,006
Carrying amount as at 31 December 2022	678	516	-	1,194

(3) Financial fixed assets

The changes in financial fixed assets are as follows:

(x € 1,000)	Long-term receivables
Carrying amount as at 1 January 2022	-
Movements	
Increase	6,000
Revaluations	-
Repayments	-
Total movements	6,000
Carrying amount as at 31 December 2022	6,000

The increase relates to the sale of the intellectual property of the new IT environment that is currently being developed.

(4) Accounts receivable

The accounts receivable balance as at year-end comprises amounts receivable that are collected directly by Buma and receivables for which the collection is carried out by the Service Centre for Copyright and Neighbouring Rights (SCAN) and until 31 December 2022 by Network of Music Partners (NMP).

Receivables from debtors include an amount of € 1.2 million (2021: € 1.6 million) that has been outstanding for more than one year.

The carrying amount of the recognised receivables corresponds to their fair value, given the short-term nature of the receivables. Provisions for uncollectible amounts have been recognised where necessary. The total provision for bad debts at year-end 2022 amounts to € 1.1 million (2021: € 1.5 million).

(5) Other receivables

(x € 1,000)	2022	2021
Buma members and participants	723	774
Stemra current account	-	1,426
Sociaal Fonds Buma current account	11	-
Other receivables	54	73
Total as at 31 December	788	2,273

The other receivables have a term of less than one year.

(6) Prepayments and accrued income

(x € 1,000)	2022	2021
Prepaid expenses	2,344	1,951
Other prepayments and accrued income	638	24
Total as at 31 December	2,982	1,975

The prepayments and accrued income have a term of less than one year.

(7) Securities

(x € 1,000)	2022	2021
Fixed-income securities	118,458	134,596
Equity funds	34,028	41,619
Total as at 31 December	152,486	176,215

Fixed income securities consist of government bonds, corporate bonds, government bonds from emerging markets and a mortgage fund. The equities in combination with the fixed-income securities have a wide spread, which means that the risk profile as a whole is defensive.

The changes in the separate items are as follows:

(x € 1,000)	Fixed-income securities	Equity funds	Total
Balance as at 1 January 2022	134,596	41,619	176,215
Purchases	6,908	2,387	9,295
Repayments/sales	-3,539	-2,499	-6,038
Changes in value	-19,507	-7,479	-26,986
Total movements	-16,138	-7,591	-23,729
Total as at 31 December	118,458	34,028	152,486

(8) Cash and cash equivalents

(x € 1,000)	2022	2021
Various banks	56,981	44,863
Total as at 31 December	56,981	44,863

The cash and cash equivalents are freely available with the proviso that a bank guarantee of € 0.3 million has been issued for the rent of the business premises (2021: € 0.3 million). The cash and cash equivalents consist of cash held at Dutch system banks. Until September 2022, Buma was confronted with the fact that the negative policy interest rate of the European Central Bank is passed on by the Dutch banks. From October 2022, negative interest will no longer be charged on the liquid assets outstanding by Buma.

(9) Equity

Pursuant to Article 27, paragraph 6, of the Articles of Association of Vereniging Buma, the financial statements are adopted by the General Members' Meeting. On 10 November 2021, the General Members' Meeting had already approved the proposal of the Management Board to keep the buffer for (temporary) differences in cost absorption from 2021 in a provision instead of in the appropriated reserve.

From the 2022 financial year, the operating statement will be brought to zero by updating the (temporary) differences in cost absorption in the provision. This is more in line with the statutory provision that Buma does not have a profit motive. Buma has therefore not applied any movements to the appropriated reserve in 2022.

(10) Provisions

Provision for (temporary) differences in cost absorption

Changes in the provision are as follows:

(x € 1,000)	2022	2021
Balance as at 1 January	44,557	-
Movement charged to operating statement	-24,627	44,557
Total as at 31 December	19,930	44,557

The purpose of this provision is to pay out the fluctuating return on investments in a balanced manner to rights owners from year to year and to absorb other types of temporary differences in cost absorption. Buma does not have a profit motive, so over/underfunding of management costs is by definition of a temporary nature and will (1) disappear over the years (for example, because positive and negative returns on investments compensate each other) or (2) be settled with rights owners.

In accordance with the Distribution Rules, the size of the provision is tested against the intended bandwidth that matches the return risk on the investments and the expected balance of cost absorption for 2022. If the size of the provision falls outside the intended bandwidth, the Management Board will adjust the budget process within three years. In some cases, if the intended bandwidth is exceeded more structurally, the Management Board will submit a proposal to the General Members' Meeting at the same time as the financial statements are presented. The bandwidths of the provision are 15.0% (lower limit) and 22.5% (upper limit) respectively of the value of the securities portfolio.

The movement in this provision in 2022 concerns the negative balance of cost absorption for 2022: € 24.6 million. This is largely due to the negative investment result, which was € 29.0 million lower than budgeted. On the other hand, due to higher royalties, the withheld administration fees were € 3.6 million higher than budgeted. Management costs were € 1.5 million lower than budgeted. Because the budget for 2022 had already assumed a funding shortfall of € 0.8 million, the total funding shortfall amounts to € 24.6 million.

On 31 December 2022, the lower limit of the provision was equal to € 22.9 million, the upper limit equal to € 34.3 million. After the movement charged to the operating statement, the balance of the provision as at 31 December 2022 amounts to € 19.9 million. This is € 3.0 million below the lower limit. In accordance with the established reserve policy, a funding surplus must be budgeted for the next three years, so we can work towards the lower limit of the provision. This policy was adhered to when drawing up the budget for 2023.

Other provisions

The other provisions concern the SFB annual allowances scheme and the provision for long-service awards:

(x € 1,000)	2022	2021
Annual allowances scheme of Stichting Sociaal Fonds Buma	5,432	6,118
Long-service awards	186	197
Total as at 31 December	5,618	6,315

Annual allowances scheme of Stichting Sociaal Fonds Buma

Changes in the provision for the annual allowances scheme of Stichting Sociaal Fonds Buma are as follows:

(x € 1,000)	2022	2021
Balance as at 1 January	6,118	6,718
Interest	234	44
Mortality result	-155	-60
Indexation of annual allowances	978	210
Change in interest rate	-1,042	-75
Change in life expectancy	28	27
Distributions	-729	-746
Balance as at 31 December	5,432	6,118

Buma has made a conditional commitment to pay annual allowances to participants in the annual allowances scheme. Until 31 December 2022, this conditional commitment was administered by Stichting Sociaal Fonds Buma. Stichting Sociaal Fonds Buma has been in liquidation since 25 November 2022. As at 31 December 2022, no liquidation has taken place yet. The foundation has transferred the implementation of the conditional commitment to Buma as of 1 January 2023. It concerns the distribution to the existing group of participants who were allocated an annual allowance before 1 July 1997.

Until now, the conditional annual allowances have been indexed annually based on the consumer price index. As at 31 December, the provision for the annual allowances scheme was determined based on a discount rate of 4.07% (2021: 0.69%). This change in interest rate reduces the present value of the annual allowances obligations. Consequently, the expected annual interest payment has increased.

Long-service awards

Changes in the provision for long-service awards are as follows:

(x € 1,000)	2022	2021
Balance as at 1 January	197	194
Interest	8	2
Addition debited / release credited to the result	13	12
Change in interest rate	-19	-
Change in life expectancy	-	-1
Distributions	-13	-10
Balance as at 31 December	186	197

This provision concerns future long-service awards to employees, and is largely long term. The provision for long-service awards includes an amount of € 3k (2021: € 9k) with a term of less than one year.

(11) Non-current liabilities

Non-current liabilities concern the SoCu Fund, the changes of which are as follows:

(x € 1,000)	2022	2021
Balance as at 1 January	3,458	3,497
Addition from royalties to be distributed	9,512	7,949
Withdrawals	-10,316	-7,988
Total movements	-804	-39
Balance as at 31 December	2,654	3,458

The withholding from the amount of copyright royalties available for distribution for the Netherlands, and thus the addition to the SoCu Fund, was set by the Management Board at 8.0% for 2022 (2021: 8.0%). In 2022, the amount added is 19.7% higher than in 2021 due to the increase in royalties from which SoCu contributions are withheld; no SoCu contributions are withheld from Online royalties.

The withdrawals from the SoCu Fund in 2022 can be specified as follows:

(x € 1,000)	2022	2021
Social		
Retirement provisions for musicians and publishers *	5,314	4,166
Movement in provisions for musicians and publishers	-144	-208
Annual allowances commitment *	830	828
Stichting Sociaal Fonds Buma settlement relating to previous years	-801	-628
Withdrawals Social	5,199	4,158
Cultural		
Stichting Buma Cultuur commitment *	4,000	2,820
Surcharge Serious *	412	300
Brein *	390	379
Professional associations	264	263
Other	51	68
Withdrawals Cultural	5,117	3,830
Total withdrawals	10,316	7,988

Of the withdrawals in 2022, a total of € 10.9 million (2021: € 8.5 million) are grants for distributions in the next financial year (these items are marked with * in the table above). The other items were paid out in the relevant financial year or relate to the settling of grants in previous financial years.

Retirement provisions scheme

The SoCu Fund finances old-age provisions for musicians and publishers affiliated with Buma who meet certain conditions. These funds must be used by musicians and music publishers themselves, for their own retirement provision.

In 2022, the basis for the funds made available to musicians is 8.5% (2021: 8.5%) of the copyright fees received through Buma. The music publishers' retirement provision amounts to 50% of the maximum available amount for musicians. An annual income threshold of € 1,212 (2021: € 1,172) is applied for both musicians and publishers.

In 2022, an amount of € 5.3 million was withdrawn from the Socu Fund for the retirement benefits for 2022, which will be paid in 2023. This amount has been recognised as an obligation under the other liabilities.

Annual allowances commitment (previously: Stichting Sociaal Fonds Buma commitment)

Stichting Sociaal Fonds Buma has been in liquidation since 25 November 2022. The foundation has transferred the implementation of the conditional commitment to Buma as of 1 January 2023.

Stichting Buma Cultuur

Stichting Buma Cultuur supports and promotes Dutch music copyright both in the Netherlands and in the most important export markets for Dutch (not necessarily Dutch-language) music. The aim of Stichting Buma Cultuur is to contribute to defining and implementing Buma's cultural policy and creating and promoting musical works and related cultural expressions, in connection with Dutch music.

The amounts included for the Stichting Buma Cultuur concern the grants subsidies for 2023 of € 4.0 million.

Other

The Surcharge Serious is a withdrawal from the SoCu Fund for the distribution to rights owners in the Serious Music section. The Surcharge Serious was paid out in March 2023. The item 'other' under cultural expenditure mainly concerns expenditure in the context of the protection of copyright.

In 2018, it was agreed that VOI@E will collect the funds provided by the CMOs for the funding of Stichting BREIN for a period of three years. The withdrawal concerns a commitment for the year 2023.

(12) Copyright royalties to be distributed

The composition of the copyright royalties to be distributed at the balance sheet date is as follows:

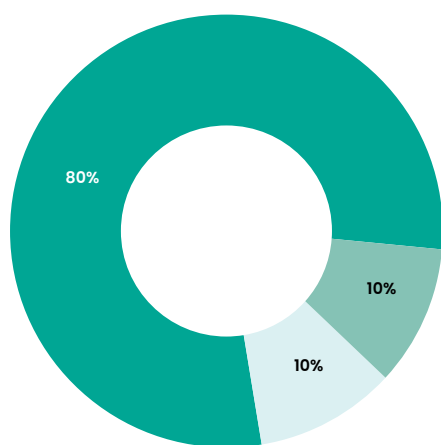
(x € 1,000)	2022	2021
Accrued in financial year	152,441	117,745
Royalties still in progress	19,386	23,491
Accrued in previous years	19,757	36,786
Balance as at 31 December	191,584	178,022

Changes in the royalties to be distributed in the financial year were as follows:

(x € 1,000)	2022	2021
Balance as at 1 January	178,022	187,279
Collection:		
Music use in the Netherlands	199,722	150,886
CMOs Abroad	18,947	13,603
	218,669	164,489
Distribution:		
Directly affiliated rights owners	-108,399	-87,489
CMOs Abroad	-58,853	-52,116
Additions to Fund for Social and Cultural Purposes	-10,626	-7,949
	-177,878	-147,554
Withholding administration fee:		
Administration fee withheld upon distribution	-	-
Administration fee withheld in the year of collection	-27,229	-20,763
Administration fee withheld on gross copyright royalties to be distributed at the end of 2020 (one-off gain)		-5,430
	-27,229	-26,193
Balance as at 31 December	191,584	178,022

On balance, the copyright royalties to be distributed increased by € 13.6 million compared to the previous year. The main reason for this is the higher collection in 2022. The tables below further discuss the composition of the copyright royalties to be distributed.

Composition of copyright royalties to be distributed for 2022



■ Accrued in financial year
■ Royalties still in progress
■ Accrued in prior financial years

The royalties to be distributed as at balance sheet date can be specified as follows:

(x € 1,000)	2022	2021
1. Accrued in financial year	152,441	117,745
2. Royalties still in progress		
- Not yet allocatable royalties	11,064	14,613
- Warsaw rule	2,179	1,737
- Cable fees from abroad	1,370	1,532
- Contradictory claims	4,774	5,609
- Other		
Total royalties still in progress	19,386	23,491
3. Accrued in prior financial years	19,757	36,786
Total	191,584	178,022

The balance of the royalties to be distributed can be divided into three categories. These categories indicate in which phase of the distribution process the royalties are.

The first category concerns the royalties accrued in the financial year. These became available for distribution in the financial year. Some of this was already paid out in 2022. The majority will be paid out during 2023.

The second category concerns the royalties for which the distribution process could not be completed. Buma is committed to ensuring the fair distribution of the collected royalties. The collected royalties must be allocated to the correct rights owners. Sometimes, it is not possible yet to distribute royalties to the correct rights owners, for example because the registration of the copyrights is incomplete, or because there is disagreement between the rights owners on the distribution of the copyright to their works.

The third category concerns royalties accrued in previous years that cannot yet be distributed to the correct rights owners. The following sections provide further information on each category.

1. Copyright royalties accrued in the financial year (€ 152.4 million)

These royalties were accrued in the financial year and became available for distribution in the financial year. This section explains the composition of this category of royalties in more detail.

The composition of the copyright royalties that became available for distribution during the financial year is as follows:

(x € 1,000)	2022	2021
Revenue from copyright royalties	218,669	164,489
Administration fee withheld in the year of collection	-27,229	-20,763
Addition from release of copyright royalty reserves		
Available for Fund for Social and Cultural Purposes	-10,626	-7,949
Subtotal of distribution of received copyright royalties	180,814	135,777
Distributed in financial year *	-28,374	-18,032
Total as at 31 December	152,440	117,745

* this distribution partly consists of royalties accrued in previous years

The collection in 2022 increased by € 54.2 million compared to 2021. The withheld administrative fee of € 27.2 million relates to the deduction from the realised collection. The deduction is approximately € 6.5 million higher than last year.

Due to the transition to the deduction method for direct debit and the reassessment of 'undistributed', the release of reserves from copyright royalties from 2021 will no longer be added to the category 'accrued current financial year', but to the category 'accrued previous financial years'.

A total of € 180.8 million net will be made available for distribution in 2022. € 28.4 million of this was distributed during the year, after which € 152.4 million remains at the end of 2022 in distributable royalties that have been accrued in the current financial year.

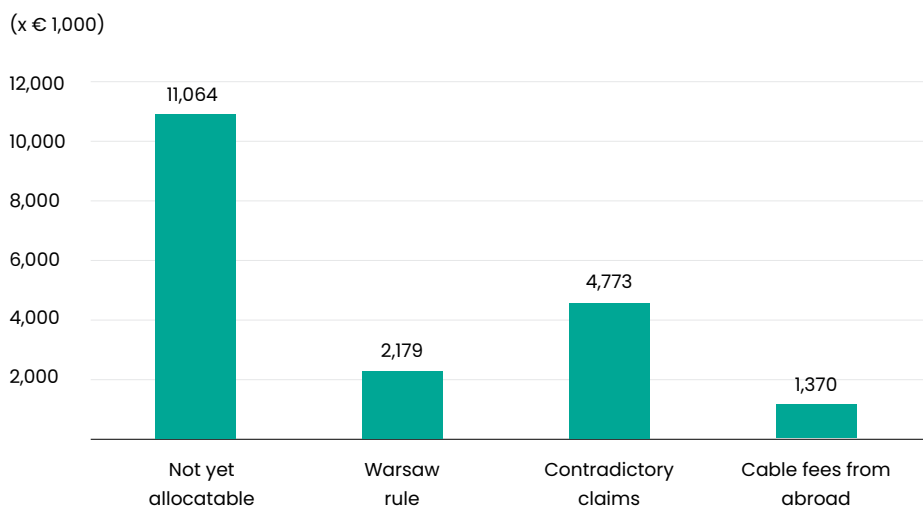
The copyright royalties were received from the following categories:

(x € 1,000)	2022	2021
Radio, TV and Network Providers	74,650	72,663
Live performances	35,698	6,423
Restaurants and bars	13,415	7,780
Work spaces	19,960	16,449
Shops and stores	13,237	11,521
Online	42,762	36,050
Abroad	18,947	13,603
Balance as at 31 December	218,669	164,489

2. Royalties still in progress (€ 19.4 million)

The Supervision Act stipulates terms within which rights revenue received must be distributed by at the latest. The distribution period is set at nine months after the end of the financial year in which the royalties were received. An exception to this is the rights revenue received from other CMOs. This is subject to a period of six months after receipt of the rights revenue. In accordance with the Supervision Act, Buma distributes the copyright royalties received to its rights owners within the stipulated periods, with the exception of a number of situations in which this is not possible. These royalties are referred to as royalties still in progress. The underlying reasons for these different royalties still in progress are explained in more detail in the relevant sections.

Royalties still in progress concern royalties for which the distribution process could not yet be completed. This section explains the composition of this category of royalties in more detail.



There can be various reasons why royalties are included in the category 'Royalties still in progress'. This is explained in the sections below.

Not yet allocatable royalties (€ 11.1 million)

If data is missing or there is uncertainty about the received data, the use of music cannot be allocated to the correct rights owners. This item also includes a reserve for possible subsequent claims. There can be three reasons why music use cannot be allocated to the correct rights owner:

- no detailed data are available about broadcasts or these data are incomplete, which means no or only incomplete information about the musical works used.

- no copyright data is available or this data has not yet been fully processed, which means no active copyright is available that can serve as a basis for the distribution. The data is submitted by the rights owner and is not always correct or complete.
- assessment of royalties received from abroad. After receiving royalties and the associated use from the sister societies, Buma checks the distribution of these royalties as specified by the sister society. Any anomalies must be examined. The royalties are distributed after the necessary checks have been completed.

Warsaw rule (€ 2.2 million)

This concerns a reserve that is recognised if some of the rights owners are not fully identifiable. The unidentifiable portion is distributed or reserved depending on origin of the identified rights owners. If the majority of the known rights owners are affiliates of Buma, the unidentified portion is reserved. If the majority of the known rights owners are affiliated with another CMO, the amount is distributed to the relevant CMO. For example, Buma too receives Warsaw funds from other CMOs for as yet unknown rights owners.

Contradictory claims (€ 4.8 million)

These amounts relate to copyrights for which the rights owners are still in consultation on how these rights should be distributed.

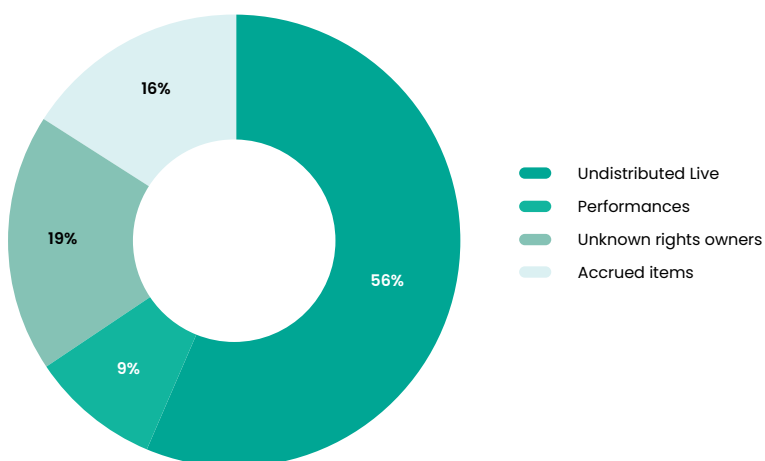
Cable fees from abroad (€ 1.4 million)

This concerns amounts originating from other CMOs that relate to Dutch cable fees for which a distribution is made annually. The accrued cable fees are paid out in the following year.

3. Accrued in previous years (€ 19.8 million)

In addition to the amounts accrued in the financial year and the royalties still in progress, there are also royalties that cannot yet be distributed due to other reasons. The graph below shows the distribution of these royalties.

Composition of royalties accrued in previous years



Undistributed (€ 11.1 million)

Part of the item accrued in previous years relates to undistributed copyright royalties. Up to and including 2020, these undistributed amounts were added to the available copyright royalties in the current financial year. As a result of the transition to fixed administration fees, 'undistributed' has been disconnected from the variable deduction method. From 2021, this item will be presented under: 'accrued in previous years'.

Live performances (€ 1.8 million)

To enable the proper distribution of royalties, not only the collection amounts but also the associated music use needs to be identified. Information about music use associated with royalties received from Live Performances needs to be submitted by the events organisers and rights owners. Buma depends on the organisers and rights owners. This information becomes available in stages. The royalties included in this item relate to music use for which the required information has not yet become available.

Unknown rights owners and Information still to be verified respectively (€ 3.7 million)

The royalties recognised under this item concern royalties for which the rights owners to which the royalties must be distributed have not yet been identified, or for which the information submitted by the sister societies is still to be verified. When the rights owners can be identified or the information submitted by sister societies can be processed, these royalties are paid out.

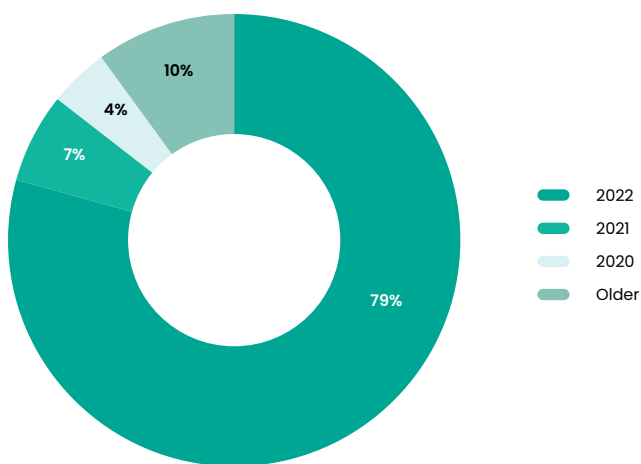
This item partly concerns royalties for which the manual verification process could not be completed in time. It is expected that the processing of these royalties will be completed in 2022, so that they can be distributed.

Accrued items (€ 3.1 million)

This concerns royalties which became available for distribution late in 2022 and which could therefore not be processed in 2022. Most of these royalties will be distributed in 2023.

4. Age of copyright royalties to be distributed

Age of copyright royalties to be distributed



Distributable copyright royalties by annual tranche:

(x € 1,000)	Total	2022	2021	2020	older
Accrued in financial year	152,441	152,441	-	-	-
Royalties still in progress					
- Not yet allocatable royalties	11,064	-786	6,702	4,974	174
- Warsaw rule	2,179	159	522	427	1,071
- Contradictory claims	4,774	90	539	396	3,748
- Cable fees	1,370	-	1,356	14	-
Accrued in prior financial years *	19,757	242	3,248	2,243	14,024
Total as at 31 December	191,584	152,145	12,368	8,054	19,017

* the amount in annual tranche 2022 was accrued in 2022. However, the reason why this amount has not yet been distributed relates to prior financial years.

If royalties cannot be distributed upon the first attempt in the year of collection, they are taken to the item 'Royalties still in progress'. Buma has, for a period of three years, the obligation to identify the rightful owner of these royalties and, if possible, to distribute them. If Buma is unable to do so, these royalties are added to the distribution of the general rights. An exception to this rule applies to contradictory claims.

The as yet unallocatable royalties will be negative in 2022 because this shows the basic distribution for 2022 that was distributed in December. This basic distribution is funded from the not yet allocatable royalties.

In addition to € 2.4 million in royalties still in progress, the total amount from the years before 2020 mainly consists of € 11.6 million available for undistributed.

A considerable percentage of the royalties accrued in previous years are expected to be distributed in 2023. In this respect, Buma depends, among other things, on the successful completion of the recalibration process with regard to 'undistributed', sufficient operational processing capacity and the timely submission of information by third parties. Part of the copyright royalties to be distributed has a long-term character.

(13) Other liabilities

(x € 1,000)	2022	2021
Obligations in respect of social and cultural purposes	11,255	9,012
Stemra current account	1,298	-
SCAN current account	7	111
Sociaal Fonds Buma current account	-	11
Buma members and participants	2,000	1,375
Other	1,227	1,018
Total as at 31 December	15,787	11,527

The obligations in respect of socio-cultural purposes are as follows:

(x € 1,000)	2022	2021
Grant obligations to Stichting Buma Cultuur for 2023 and 2022 financial years	4,000	2,820
Grant obligations to Stichting Buma Cultuur for previous years	254	254
Retirement provisions for musicians and publishers	6,149	5,129
Surcharge Serious	462	347
Grant obligations to Stichting Brein for 2023 and 2022 financial years	390	379
Grant obligations to Stichting Sociaal Fonds Buma for the 2022 financial year	-	83
Total as at 31 December	11,255	9,012

(14) Accruals and deferred income

(x € 1,000)	2022	2021
Invoices to be paid	2,970	1,234
Amounts to be credited	832	-
Amounts invoiced in advance	1,023	974
Holiday allowance and annual leave	918	827
Rental payments in coming years	35	46
Other	1,361	2,207
Total as at 31 December	7,139	5,288

No amounts with a term of more than one year were included under accruals and deferred income as at 31 December 2022.

Other prepayments and accrued income as at 31 December 2022 include an amount of € 0.4 million that is still available for the Music Emergency Fund and Music Investment Fund. These royalties are part of the liquid assets of Buma, which provides the cashier function.

Notes to the operating statement

(15) Income

(x € 1,000)	2022	2021
Administration fee withheld in the year of collection	27,229	20,763
Administration fee withheld on gross copyright royalties to be distributed at the end of 2020 (one-off gain)	-	5,430
Contributions and registration fees	1,078	1,030
Other income	63	55
Total as at 31 December	28,370	27,278

For information on the administration fee, please refer to section 1.2.4 of the Directors' Report.

(16) Personnel costs

(x € 1,000)	2022	2021
Salaries	8,328	7,948
Social security contributions	1,238	1,119
Pension costs	1,014	1,040
Hiring of temporary personnel	1,788	584
Remuneration Supervisory Board and Council of Rights Owners	314	324
Reimbursement of travel expenses	202	89
Other personnel costs	644	456
	13,528	11,560
Allocated to related parties	-1,675	-1,251
Total	11,853	10,309

Salaries, increased by social security contributions, are indexed. In addition, a small increase in the average number of FTEs has resulted in higher salary costs, a total of € 0.5 million higher compared to 2021. A larger increase in staffing was included in the 2022 budget, but due to a shortage in the labour market, the majority of vacancies was not filled with permanent staff in 2022 to save costs. Due to the shortage, but also because of the hiring of project officers, more temporary staff will be hired in 2022. The costs for this increased by € 1.2 million compared to 2021. Other personnel costs are slightly higher in total than in 2021, as is the allocation to Stemra and other related parties.

As a result, total personnel costs for 2022 are € 1.5 million above the level of 2021.

The coverage ratio of Pensioenfondsen PNO Media as at 31 December 2022 is 114.7% (31 December 2021: 111.3%).

In 2022, the average number of FTEs slightly increased compared to 2021. During the 2022 financial year, the average number of employees converted to FTE was 123.6 (2021: 121.1). As shown in the next table, the workforce can be divided into the following personnel categories. This includes employees who work partially for Stemra, by virtue of which part of the costs are charged on to Stemra.

Number of FTEs	2022	2021
Management and secretariat of the Management	5.2	5.7
Secretariat of the Board	2.4	2.4
Legal Affairs & Lobbying	5.3	6.2
General Affairs	29.9	30.0
Front office	24.8	24.5
Back office	56.0	52.3
Total	123.6	121.1

Remuneration of the Management Board, Supervisory Board and Council of Rights Owners

Under the Supervision Act, which came into force on 1 July 2013, a number of paragraphs in the Public and Semi-Public Sector Senior Officials (Standard Remuneration) Act (WNT) have been declared applicable to Collective Management Organisations. Vereniging Buma and Stichting Stemra work together in one staffing organisation under one Management Board, one Supervisory Board and one Council of Rights Owners.

The agreements with the Management Board, the Supervisory Board and the Council of Rights Owners have been entered into jointly by Vereniging Buma and Stichting Stemra. The remuneration of the senior officials of Vereniging Buma can be found in the tables below. The total remuneration for the Supervisory Board and the Council of Rights Owners is fully accounted for in the annual report of Vereniging Buma. The charge-on to Stichting Stemra amounts to 17%. Reference is made to note (17) for a more detailed description of the cost allocation.

The 2021 financial statements contained an overview of the full remuneration received from Vereniging Buma and Stichting Stemra.

1. Remuneration of senior officials

1A. Senior management officials with an employment contract, as well those who have served without an employment contract for 13 months or more

The remuneration per individual for 2022 – as defined in the Supervision Act – can be specified as follows (in €)*:

Name	Position	Employment	Total remuneration plus taxable expense allowance 2022	Post-contract benefits	Total WNT remuneration 2022	WNT maximum 2022
Senior officials with an employment contract						
B.H. Kobes	CEO	1 Jan - 31 Dec 100%	197,616	18,384	216,000	216,000
M.C. Kloppers	CFO	1 jan - 31 dec 100%	197,700	18,300	216,000	216,000

In 2021, it was as follows:

Name	Position	Employment	Total remuneration plus taxable expense allowance 2021	Post-contract benefits	Total WNT remuneration 2021	WNT maximum 2021
Topfunctionarissen met dienstbetrekking						
B.H. Kobes	CEO	1 jan - 31 dec 100%	187,763	21,237	209,000	209,000
M.C. Kloppers	CFO	1 jan - 31 dec 100%	187,818	21,182	209,000	209,000

* This concerns the full remuneration received from BumaStemra (100% of the total remuneration). 17% of the total remuneration is charged on to Stemra.

1B. Senior supervisory officials

Remuneration of the Supervisory Board

The remuneration per individual for 2022 – as defined in the Supervision Act – can be specified as follows (in €)*:

Name	Position	Period served 2022	Total WNT remuneration 2022	WNT maximum 2022	Period served 2021	Total WNT remuneration 2021	WNT maximum 2021
J. de Zwaan	Chair of the Supervisory Board	1 Jan – 31 Dec	32,400	32,400	1 Jan – 31 Dec	31,350	31,350
A. Beets	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
R.J.M. Hopstaken	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
J.P. Messerschmidt	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
A.B. Molema	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
E. Severs	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
M.H. Swemle	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
N.M. Walboomers	Member of the Supervisory Board	1 Jan – 31 Dec	21,600	21,600	1 Jan – 31 Dec	20,900	20,900
M. Krüs	Member of the Supervisory Board	1 Jan – 12 Jan	710	710	1 Jan – 31 Dec	20,900	20,900
P.J. van Rossum	Member of the Supervisory Board	25 May– 31 Dec	13,078	13,078	-	-	-

* This concerns the total remuneration received from BumaStemra (100% of the total remuneration); these have an employment contract. 17% of the total remuneration is charged on to Stemra.

Remuneration of the Council of Rights Owners

The remuneration per individual for 2022 – as defined in the Supervision Act – can be specified as follows (in €)*:

Name	Position	Period served 2022	Total WNT remuneration 2022	WNT maximum 2022	Period served 2021	Total WNT remuneration 2021	WNT maximum 2021
R. Zipora-Verbrugge	Chair of the Council of Rights Owners	1 Jan – 31 Dec	14,464	32,400	1 Jan – 31 Dec	13,205	31,350
M.A. Bremer	Vice-chair of the Council of Rights Owners	1 Jan – 31 Dec	9,284	21,600	1 Jan – 31 Dec	9,809	20,900
W. Burkens	Member of the Council of Rights Owners	1 Jan – 31 Dec	8,828	21,600	1 Jan – 31 Dec	8,338	20,900
T. Deuss	Member of the Council of Rights Owners	3 Nov – 31 Dec	1,088	3,492	-	-	-
D. Dramm	Member of the Council of Rights Owners	1 Jan – 31 Dec	9,178	19,292	1 Jan – 31 Dec	7,988	20,900
D. Esser	Member of the Council of Rights Owners	9 Feb – 31 Dec	7,934	21,600	-	-	-
J.M.F. Everling	Member of the Council of Rights Owners	1 Jan – 31 Dec	8,303	21,600	1 Jan – 31 Dec	9,038	20,900
D. van Peursen	Member of the Council of Rights Owners	1 Jan – 31 Dec	10,578	21,600	1 Jan – 31 Dec	9,563	8,303
J.S. de Raaff	Member of the Council of Rights Owners	1 Jan – 31 Dec	7,078	21,600	1 Jan – 31 Dec	9,563	8,303
A. Romeijn	Member of the Council of Rights Owners	1 Jan – 31 Dec	8,828	21,600	1 Jan – 31 Dec	10,010	8,303
M. Schimmer	Member of the Council of Rights Owners	1 Jan – 31 Dec	7,953	21,600	1 Jan – 31 Dec	10,088	8,303
K. Vergouwen	Member of the Council of Rights Owners	1 Jan – 31 Dec	5,760	16,156	1 Jan – 31 Dec	8,338	8,303
J. van der Voet	Member of the Council of Rights Owners	1 Jan – 31 Dec	6,903	21,600	1 Jan – 31 Dec	7,638	20,900
G. van Offeren	Member of the Council of Rights Owners	-	-	-	1 Jan – 31 Dec	8,863	20,900

* This concerns the total remuneration received from BumaStemra (100% of the total remuneration); these members of the Council of Rights Owners do not have an employment contract. 17% of the total remuneration is charged on to Stemra.

In addition to the senior officials listed above, there are no other employed officials who received remuneration in excess of the individually applicable threshold in 2022.

(17) Other expenses

(x € 1,000)	2022	2021
Service agencies	4,199	3,858
Outsourcing	5,601	5,040
Advisory fees	1,087	1,356
Other IT costs	351	131
Lease & maintenance of IT equipment	2,082	1,485
Commercial expenses	277	179
Office supplies	58	49
Other expenses	995	996
	14,650	13,094
Allocated to related and third parties	-2,835	-2,642
Total	11,815	10,452

In 2022, other expenses, before charging on to related and third parties, increased by € 1.6 million. This is mainly due to the € 0.6 million higher costs for outsourcing, including the costs for outsourced processing of online use of music, which are increasing in line with the growth in this market segment. From 2023, these online processing services will no longer be outsourced.

Buma charged on 19% of other expenses to Stemra, other related and third parties. As in 2021, the joint costs of BumaStemra are divided in the ratio of 83% / 17%.

(18) Investment results

(x € 1,000)	2022	2021
Income from securities	602	1,153
Changes in value	-26,986	6,088
Asset management costs (7)	-305	-318
Total	-26,689	6,923

Income from securities concerns (coupon) interest and dividend received at the bank.

The changes in the value of the fixed-income securities and the shares in the securities portfolio consist of € -27.7 million from unrealised exchange results and € 0.7 million from realised exchange results.

(19) Taxes

In an advance tax ruling extended to no later than 31/12/2023, the Dutch Tax and Customs Administration has determined that Buma is subject to corporation tax. Deductible foreign withholding taxes and Dutch dividend tax may be deducted up to a maximum equal to the amount of tax due under this advance tax ruling. Consequently, no corporation tax is due for the financial year 2022. Buma is in discussions with the Tax and Customs Administration about the entity's tax qualification from 2024 onward.

Other disclosures

(20) Financial instruments

Buma's most important financial instruments concern securities (62% of the balance sheet total; 2021: 70%). Securities are used for the performance of the investment policy, through which royalties that cannot yet be distributed to rights owners are invested. Securities are stated at market value. Buma's investment policy is explained in more detail in the Directors' Report. The interest rate risk on the fixed-income portfolio is discounted in the stock market price of the bonds and bond funds. Investments in equity funds are not subject to a direct interest rate risk.

The other financial instruments included in the assets are financial fixed assets, receivables and cash and cash equivalents (34% of the balance sheet total; 2021: 25%), which are valued at amortised cost and nominal value respectively. In principle, receivables are not interest-bearing, with the exception of the long-term receivable under financial fixed assets. The impact of negative interest on cash and cash equivalents increased to € 401k in 2022 due to a reduction in exempt cash (2021: € 327k); meanwhile, interest rates are positive.

The maximum credit risk with regard to receivables and cash and cash equivalents equals the carrying amount. There is no concentration of the credit risk. The financial liabilities represent 88% of the balance sheet total (2021: 78%). The main component of this are the copyright royalties to be distributed, which account for 78% (2021: 71%). These are stated at cost. The financial liabilities are non-interest-bearing. The fair value of all the financial instruments approximates the carrying amount. There are no financial instruments with a carrying amount exceeding the fair value.

(21) Related parties

The following parties are considered to be related parties of Vereniging Buma: Stichting Stemra, Stichting Buma Cultuur, Stichting Sociaal Fonds Buma, Stichting Service Centrum Auteurs- en Naburige rechten (SCAN) and members of the Management Board, Supervisory Board members and members of the Council of Rights Owners of Vereniging Buma and Stichting Stemra. For more information about remunerations to the members of the Management Board, Supervisory Board members and members of the Council of Rights Owners, reference is made to the relevant notes in the corresponding section. Normal transactions relating to the administration of copyrights involving Supervisory Board members or members of the Council of Rights Owners, or involving related parties of Supervisory Board members or members of the Council of Rights Owners, are not explicitly disclosed in the financial statements.

Any distributions of copyright royalties to Supervisory Board members and members of the Council of Rights Owners, or to related parties of Supervisory Board members or members of the Council of Rights Owners, have been calculated in the same manner as the distributions to all members and have been paid out in accordance with Buma's normal procedures. Due to the close relationships within the sector, Supervisory Board members and members of the Council of Rights Owners can also be related parties as customers of Buma, such as through a music-related service that Buma uses. Transactions with these parties are carried out at arm's length and under conditions that are no different from the conditions that would have been agreed with other parties.

For reasons of transparency, the copyright royalties distributed to members of the Supervisory Board and their companies must be made public. This concerns copyright royalties which Supervisory Board members have received as an individual or through legal entities in which they have a majority interest. For reasons of privacy, only the categories into which the royalties received fall are disclosed.

The copyright royalties received fall into the following categories:

No distribution	A
Between € 0 and € 15k	B
Between € 15k and € 50k	C
Between € 50k and € 0.1 million	D
Between € 0.1 million and € 0.5 million	E
More than € 0.5 million	F

The Supervisory Board members and the Management Board members have the following financial interests:

Name	Position	Buma
Josephine de Zwaan	Chair of the Supervisory Board	A
Alexander Beets	Member of the Supervisory Board	B
Ruud Hopstaken	Member of the Supervisory Board	A
Jolanda Messerschmidt	Member of the Supervisory Board	A
Arriën Molema	Member of the Supervisory Board	B
Piet-Jan van Rossum	Member of the Supervisory Board	B
Edith Severs	Member of the Supervisory Board	F
Marc Swemle	Member of the Supervisory Board	E
Niels Walboomers	Member of the Supervisory Board	B
Bernard Kobes	Director	A
Marleen Kloppers	Director	A

Charge-on to related parties

For the achievement of their objectives, funds are made available to both Stichting Buma Cultuur and Stichting Sociaal Fonds Buma by the Fund for Social and Cultural Purposes (SoCu Fund). For more information, see note (11). Vereniging Buma charges costs to Stichting Stemra, Stichting Buma Cultuur, Stichting Sociaal Fonds and SCAN for personnel, accommodation and overheads. Charge-on is based on cost.

In addition, SCAN charges € 2.0 million (2021: € 1.9 million) to Buma for the performance of its tasks. SCAN is responsible for part of the invoicing and collection on behalf of Buma and Stichting ter Exploitatie van Naburige Rechten. The table below provides an overview of the costs charged on by Buma.

The charged-on costs amount to:

(x € 1,000)	2022	2021
Stichting Stemra	4,155	3,485
Stichting Buma Cultuur	60	45
Stichting Sociaal Fonds Buma	29	29
SCAN	208	249
Total	4,452	3,803

(22) Off-balance sheet assets and liabilities

Buma and Stemra work together in one staffing organisation under one Management Board, one Council of Rights Owners and one Supervisory Board. Off-balance sheet assets and liabilities in connection with the outsourcing, coffee machines and plants have been entered into by Buma and Stemra jointly and are recognised in full by both Buma and Stemra. The allocation of costs between Buma and Stemra for each liability is specified in the notes. The rental and lease obligations have been entered into by Buma; costs are subsequently charged on to Stemra. The amount of the charge-on is disclosed in the notes as an off-balance sheet asset.

Long-term rights

As at 31 December, the off-balance sheet assets had the following terms:

(x € 1,000)	2022	2021
Less than 1 year	318	300
Between 1 and 5 years	751	501
Longer than 5 years	-	119
Total	1,069	920

Long-term liabilities

As at 31 December, the off-balance sheet assets had the following terms:

(x € 1,000)	2022	2021
Joint contracts with Stichting Stemra		
Less than 1 year	1,285	2,397
Between 1 and 5 years	99	349
Longer than 5 years		
	1,384	2,746
Contracts entered into independently		
Less than 1 year	1,137	1,124
Between 1 and 5 years	4,417	2,945
Longer than 5 years	-	701
	5,554	4,770
Total as at 31 December	6,938	7,516

The long-term liabilities in the table above concern lease costs, rental costs and costs for outsourcing activities.

Leasing and software

The operational lease costs for printers, lease cars and software have been assumed by Buma and will be divided between Buma and Stemra (in 2022: 83% / 17%). The costs are recognised over the lease period in the operating statement using the straight-line method. The obligation for less than one year is € 0.3 million (2021: € 0.2 million) and the obligations between one and five years are € 0.3 million (2021: € 0.1 million).

Replacement of IT systems

Buma has entered into contractual obligations for the development of the new IT environment. The costs are divided between Buma and Stemra (in 2022: 83% / 17%). The obligation for less than one year is € 0.2 million (2021: € 0.4 million) and the obligations between one and five years are € 0.1 million (2021: € 0.2 million).

Rent

As from 1 January 2018, a financial liability has been assumed for a period of ten years. The rental obligation has been entered into by Buma. The (annual) rental obligation is divided between Buma and Stemra (in 2022: 83% / 17%). The total rental obligation for the remaining term of the contract amounts to € 4.7 million (2021: € 3.9 million).

Outsourcing of activities – ICE

Buma and Stemra have jointly entered into an obligation to transfer their works database to ICE. The agreement has been terminated and will not be renewed after 1 March 2024. The remaining financial liability amounts to € 0.5 million (2021: € 0.5 million). The costs of ICE are divided between Buma and Stemra (in 2022: 83% / 17%).

Accenture

Buma and Stemra have jointly entered into the contractual obligation to outsource part of the back-office activities to Accenture until the end of December 2023. The remaining financial liability resulting from this amounts to € 0.8 million (2021: € 1.0 million) in addition to an amount paid in advance included on the balance sheet). These costs divided between Buma and Stemra (in 2022: 83% / 17%).

Joint and several liability

Buma is jointly and severally liable for the liabilities resulting from legal acts of the Service Centre for Copyright and Neighbouring Rights (SCAN) and guarantees the fulfilment of the obligations of SCAN up to a maximum of € 1.0 million.

Buma is also jointly and severally liable for any contributions to be recovered by the Ministry of Education, Culture and Science from the Music Investment Fund, if this support measure has not been implemented in accordance with the conditions.

Claims

Buma is jointly and severally liable for the liabilities resulting from legal acts of the Service Centre for Copyright and Neighbouring Rights (SCAN) and guarantees the fulfilment of the obligations of SCAN up to a maximum of € 1.0 million.

Signature

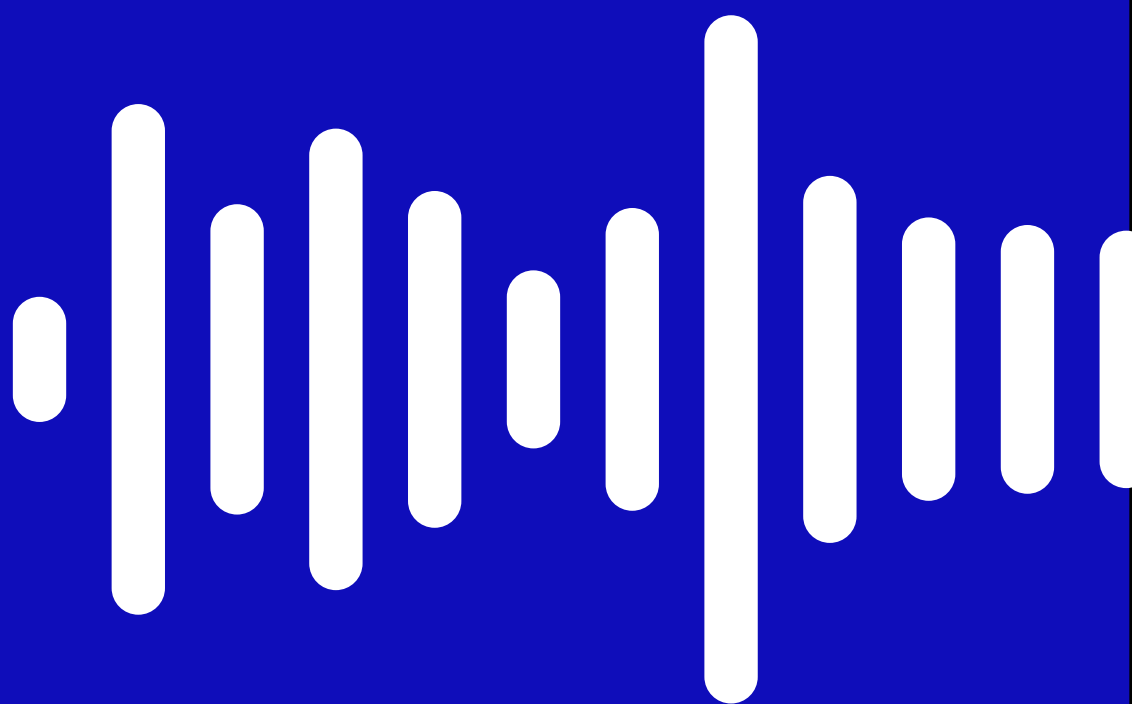
Hoofddorp, 17 april 2023

Members of the Supervisory Board

Josephine de Zwaan	Chair
Alexander Beets	Member of the Supervisory Board
Ruud Hopstaken	Member of the Supervisory Board
Jolanda Messerschmidt	Member of the Supervisory Board
Arriën Molema	Member of the Supervisory Board
Piet-Jan van Rossum	Member of the Supervisory Board
Edith Severs	Member of the Supervisory Board
Marc Swemle	Member of the Supervisory Board
Niels Walboomers	Member of the Supervisory Board

Members of the Management Board

Bernard Kobes	Chief Executive Officer
Marleen Kloppers	Chief Financial Officer



Other information

6

Independent auditor's report

To the General Assembly of Vereniging Buma

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Vereniging Buma, based in Amstelveen.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Vereniging Buma as at 31 December 2022, and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code and section 25a of the Collective Management Organisations for Copyright and Related Rights (Supervision and Disputes Settlement) Act (hereafter: 'Supervision Act').

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the operating statement for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Supervision Act. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Vereniging Buma in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Compliance with anti-cumulation provision of WNT has not been audited

With regard to the provisions in Section 25a of the Supervision Act, our audit did not include a review of whether any senior management official exceeded remuneration standards due to being employed at another institution which is subject to the Standards for Remuneration Act (WNT), nor did we review the accuracy and completeness of the disclosures required in this respect.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- key figures Buma;
- board report;
- supervisory board report;
- approval on the financial statements;
- other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;

- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code;
- contains the information as required by sections 2b through to 3.d.4 of the 'Besluit transparantieverlag richtlijn collectief beheer'.
- alle informatie bevat die op grond van artikel 2b tot en met artikel 3.d.4 van het besluit transparantieverlag richtlijn collectief beheer is vereist.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, including the board report and supervisory board report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, sections 2b through to till 3.d.4 of the 'Besluit transparantieverlag richtlijn collectief beheer' and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board and the supervisory board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Supervision Act. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the association's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the association's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- concluding on the appropriateness of the board's use of the going concern basis 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 association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organization to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Amsterdam, 28 April 2023
Mazars N.V.

Signed on the original drs. R.C.H.M. Horsmans RA



Appendices

1. Reference table transparency report

Section	Description	Part of the annual report	Page number
Section 2			
2a	Cash flow statement	Cash flow statement	37
2b	Information about refusals to grant a licence on the basis of Article 2(3) of the Supervision Act;		22
2c	A description of the legal and governance structure of the collective management organisation;	Notes to the financial statements	38
2d	Information on entities directly or indirectly owned or controlled, wholly or in part, by the collective management organisation;	Notes to the financial statements	38
2e	Information on the total amount of remuneration paid in the past financial year to the persons referred to in Section 2e(3) and Section 2f of the Supervision Act, and on other benefits granted to them;	Notes to the financial statements, Remuneration of the Management Board, Supervisory Board and Council of Rights Owners	55-56
2f	The financial data referred to in Section 3 of the Transparency Report (Collective Rights Management Directive) Decree	See Section 3	
2g	A special report on the use of amounts withheld for the purposes of social, cultural and educational services, including the information referred to in Section 3 of the aforementioned Decree	See Section 3	
Section 3			
3a	Financial information on rights revenue per category of rights managed and per type of use, including information on the income arising from the investment of rights revenue and the use of this income;	Directors' report, operating statement and notes to the financial statements	10-14, 36, 38 ff.
3b	Financial information on the costs of rights management and other services provided to rights owners by the collective management organisation, including a full description of at least the following items:		
	1. All operating costs and financial costs, with a breakdown per category of rights managed and, in the case of indirect costs that cannot be attributed to one or more categories of rights, an explanation of the method used for the allocation of these indirect costs;	Directors' report, operating statement and notes to the financial statements	10-14, 36, 38 ff.
	2. Operating costs and financial costs, with a breakdown per category of rights managed and, in the case of indirect costs that cannot be attributed to one or more categories of rights, an explanation of the method used for the allocation of these indirect costs, to the extent that these costs relate to the rights management, including the management costs which were deducted from or offset against rights revenue or income arising from the investment of rights revenue in accordance with Section 2g(4) and Section 2h(1-3) of the Supervision Act;	Directors' report, operating statement and notes to the financial statements	10-14, 36, 38 ff.
	3. Operating costs and financial costs for services other than rights management, including social, cultural and educational services;	Notes to the financial statements	45-47
	4. Funds used to cover costs;	Coverage of the management costs	13-14
	5. Amounts that were withheld from rights revenue, with a breakdown per category of rights managed and per type of use, and the purpose of the withholding;	Coverage of the management costs	13-14, 46
	6. The percentages which the costs of the rights management and other services provided by the collective management organisation to rights owners represent compared to the rights revenue in the relevant financial year, per category of rights managed, and, in the case of indirect costs that cannot be attributed to one or more categories of rights, an explanation of the method used for the allocation of these indirect costs;	Key figures and key indicators	4-5
3c	Financial information on the amounts due to rights owners with a full description of at least the following items:		
	1. The total amount attributed to rights owners, with a breakdown per category of rights managed and per type of use;	Notes to the financial statements, copyright royalties to be distributed	48-52
	2. The total amount paid to rights owners, with a breakdown per category of rights managed and per type of use;	Key figures and key indicators	4-5
	3. The frequency of the payments, with a breakdown per category of rights managed and per type of use;		22
	4. The total amount collected but not yet allocated to rights owners, with a breakdown per category of rights managed and per type of use, and indicating in which the financial year these amounts were collected;	Notes to the financial statements, copyright royalties to be distributed	48-52

Artikel	Description	Part of the annual report	Page number
	5. The total amount allocated to but not yet distributed among rights owners, with a breakdown per category of rights managed and per type of use, and specification of the financial year in which these amounts were collected;	Notes to the financial statements, copyright royalties to be distributed	48-52
	6. If a collective management organisation has not carried out the distribution and payment within the period laid down in Section 21(3) of the Supervision Act: the reasons for the delay;	Notes to the financial statements, copyright royalties to be distributed	48-52
	7. The total balance of undistributed amounts, with an explanation of the use of these amounts;	Notes to the financial statements, copyright royalties to be distributed	48-52
3d	Information on the financial relationship with other collective management organisations, with a description of at least the following items:		
	1. Amounts received from other collective management organisations and amounts paid to other collective management organisations, with a breakdown per category of rights managed, per type of use and per organisation;	Key figures and key indicators	4-5
	2. Management costs and other withholdings from the rights revenue due to other collective management organisations, with a breakdown per category of rights, per type of use and per organisation;	Key figures and key indicators	4-5
	3. Management costs and other withholdings from the rights revenue paid by other collective management organisations, with a breakdown per category of rights and per organisation;	Key figures and key indicators	4-5
	4. Amounts distributed directly to rights owners originating from other collective management organisations, with a breakdown per category of rights and per organisation.	Key figures and key indicators	4-5
Section 4			
4a	The amounts withheld in the financial year for the purposes of social, cultural and educational services, with a breakdown per type of purpose and, for each type of purpose, with a breakdown per category of rights managed and per type of use;	Notes to the financial statements,	45-47
4b	An explanation of the use of those amounts, with a breakdown per type of purpose including the costs of managing amounts withheld to fund social, cultural and educational services and of the separate amounts used for social, cultural and educational services.	Notes to the financial statements,	45-47

2. Meetings of the Supervisory Board, committees and Council of Rights Owners

2.1 Supervisory Board meeting dates, items discussed and resolutions passed

Summary of resolutions

Date	Body	Topic	Advisory
14 February 2022	Supervisory Board	<ul style="list-style-type: none"> - Update position BumaStemra (branding/corporate story) - Strategy acceleration with additional resources - Annual Risk & Compliance Plan 2022 - Plan reconsideration investment and buffer policy - Update Salt - Mechanical Licensing Collective (MLC) - Rise Up project 	<ul style="list-style-type: none"> - Strategy acceleration - Annual Risk & Compliance Plan
08 March 2022	Supervisory Board	<ul style="list-style-type: none"> - Update Investment funds in music rights - Follow-up approach Evaluation Governance and Supervision Vision - Nomination reappointment of 2 independent Supervisory Board members for 4 years - Update ICE/Cube - Draft agenda GMM 2022 	<ul style="list-style-type: none"> - Follow-up approach Evaluation Governance and Supervision Vision - Nomination reappointment of 2 independent Supervisory Board members for 4 years
25 April 2022	Supervisory Board	<ul style="list-style-type: none"> - Strategic risks - Draft annual report 2021 Buma and Stemra - Draft audit report 2021 Buma and Stemra - Draft Management Letters 2021 - Overall update BumaStemra - Policy buffers and investments - Assessment provisions against reserve policy at year-end 2021 	<ul style="list-style-type: none"> - Annual report 2021 Buma and Stemra - Policy buffers and investments - Assessment provisions against reserve policy at year-end 2021
24 August 2022	Supervisory Board	Strategy discussion with Management Board	
26 September 2022	Supervisory Board	<ul style="list-style-type: none"> - Budget Pyramid - Slackened regime supervision Supervisory Authority for Collective Management Organisations (Copyright and Neighbouring Rights) - Suitability test of board members and supervisors - Extension Saas (Service as a platform) 	<ul style="list-style-type: none"> - Budget Pyramid
31 October 2022	Supervisory Board	<ul style="list-style-type: none"> - Salt (collaboration with Stage) - Strategy and breakthrough goals - Framework Letter Budget 2023 	<ul style="list-style-type: none"> - Salt (collaboration with Stage)
05 December 2022	Supervisory Board	<ul style="list-style-type: none"> - Strategic developments CBOs - Update important legal files (MIZO) - Budget 2023 and MyBumaStemra roadmap - Investment plan 2023 - Request for dispensation financial limits passive voting rights - Remuneration Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) 2023 	<ul style="list-style-type: none"> - Budget 2023 and MyBumaStemra roadmap - Investment plan 2023 - Request for dispensation financial limits passive voting rights - Remuneration Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) 2023

2.2 Audit committee meeting dates, items discussed and resolutions passed

Summary of resolutions

Date	Body	Topic	Advisory
08 February 2022	Audit Committee	<ul style="list-style-type: none"> - Provisional figures 2022 - Annual Risk & Compliance Plan 2022 - Plan reconsideration investment and buffer policy - Strategy acceleration with additional resources - Update Pyramid 	<ul style="list-style-type: none"> - Positive advice to the Supervisory Board about Annual Risk & Compliance Plan 2022 - Positive advice to the Supervisory Board about the annual Buma and Stemra reports 2021
08 March 2022	Audit Committee	<ul style="list-style-type: none"> - Reserve policy 	None
08 April 2022	Audit Committee	<ul style="list-style-type: none"> - IT Update - Strategic risks - Draft annual report 2021 Buma and Stemra - Draft audit report 2021 Buma and Stemra - Draft Management Letters 2021 - Elaboration of reserve policy at year-end or towards GMM 2022 - Policy with regard to management of fund buffers and investments 	<ul style="list-style-type: none"> - Positive advice to the Supervisory Board regarding the elaboration of reserve policy at year-end or towards GMM 2022
13 September 2022	Audit Committee	<ul style="list-style-type: none"> - Update investments - Update Finance - Update claims & litigations - Update Pyramid and Ice Cube - Increase budget Pyramid+/Salt - Provision Risk & Compliance - Key Risk Selection 	None
22 November 2022	Audit Committee	<ul style="list-style-type: none"> - Budget 2023 - Investment plan 2023 - Update Pyramid 	<ul style="list-style-type: none"> - Positive advice to the Supervisory Board about the Budget 2022 - Positive advice to the Supervisory Board about the Investment Plan 2022

2.3 Remuneration committee meeting dates, items discussed and resolutions passed

Summary of resolutions

Date	Body	Topic	Advisory
19 January 2022	Remuneration Committee	<ul style="list-style-type: none"> - Update HR affairs (human resources) including Employee Satisfaction Survey - Annual meeting Management Board - Course Supervisory Board/Council of Rights Owners - Recruitment managers - Supervision vision 	None
17 February 2022	Remuneration Committee	<ul style="list-style-type: none"> - Update relevant HR matters, including Voice of Holland broadcast and transgressive behaviour - Update approach Evaluation Governance and Supervision Vision 	None
06 April 2022	Remuneration Committee	<ul style="list-style-type: none"> - Update HR affairs including absenteeism due to illness - Feedback annual consultations with the Management Board 	None
08 September 2022	Remuneration Committee	<ul style="list-style-type: none"> - Preparing 4 boards training - Retirement schedule of Supervisory Board - Update HR affairs including start up internal Culture Project - Suitability test of board members and supervisors 	<ul style="list-style-type: none"> - Positive advice to the Supervisory Board about retirement schedule
17 October 2022	Remuneration Committee	<ul style="list-style-type: none"> - Evaluation training day 4 boards - Update Evaluation Governance and Supervision Vision 	None
07 November 2022	Remuneration Committee	<ul style="list-style-type: none"> - Update Suitability test of board members and supervisors - Updatea Course Supervisory Board/Council of Rights Owners - Update HR affairs including staffing at Finance - Remuneration Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) 2023 - Mandatory indexation amounts in articles of association - Job change Supervisory Board member 	<ul style="list-style-type: none"> - Advice to the Supervisory Board regarding WNT 2023 remuneration - Advice to Supervisory Board regarding mandatory indexation

2.4 Council of Rights Owners meeting dates, items discussed and recommendations made

Summary of advice

Date	Body	Topic	Advisory
09 February 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Interim vacancy Council of Rights Owners - Update Pyramid - Introduction CIO - ABN AMRO investments - Low income from Video on Demand - Composition Council of Rights Owners committees - Investment fund 3rd tranche 	
16 March 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee <ul style="list-style-type: none"> - Planning Foreign Committee - Private copy in the context of Reprobefix - Undistributed Stemra and Private Copy - Acquaintance programme manager Pyramid - Update differentiated licence - Update evaluation process Supervisory Board - Role Council of Rights Owners - Update Top accounts - Signalling function Council of Rights Owners - Draft agenda GMM 25 May 2022 - Reappointment Supervisory Board 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to (1) Private Copy Reprobefix, (2) Undistributed policy Stemra and (3) the undistributed policy Private Copy.
13 April 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Annual documents 2021 - Policy regarding buffers and investments - Distribution Committee <ul style="list-style-type: none"> - Continue measures 2021 "Covid impact distribution categories usage year 2020" to 2022 - Reprobefix including distribution rules change - Suspend payments RAO (Russian CBO) - Signalling function 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to the bandwidths to be determined and the one-off distribution of the reserves. - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to the continuation of the COVID measures. - Solicited advice: the Council of Rights Owners advises the Management Board to suspend payments as long as the war lasts. "
15 June 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee <ul style="list-style-type: none"> - Withholding percentage undistributed - Distribution method release provision Buma and Stemra - Update Pyramid - Update Top accounts - Distribution Committee <ul style="list-style-type: none"> - Distribution rules change as a result of Reprobefix - Evaluation GMM - Strategic principles - Retirement schedule of Council of Rights Owners 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board to add a clearer explanation to the distribution rules on how to deal with the withholding percentages for undistributed. The Council of Rights Owners also gives positive advice to the Management Board with regard to the distribution method release provision Buma and Stemra. - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to the changes to the distribution rules. - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to annual reports.
14 September 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee <ul style="list-style-type: none"> - Undistributed abroad " - Update advice Abroad - Update negotiations YouTube - Update Management Board (Pyramid/Salt, Pyramid budget) - Signalling function - Acquaintance public affairs manager 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to the proposed undistributed abroad policy.
12 October 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee <ul style="list-style-type: none"> - Undistributed royalties Live: solution 2017-2020" - Feedback Foreign Committee - Royalty-free service Stemra - Reliability and suitability test board members and supervisors - (Vice) chairmanship - Annual calendar - Update branding 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners advises the Management Board to adopt the decisions relating to the undistributed royalties Live. - Unsolicited advice: the Council of Rights Owners advises the Management Board to adopt the advice from the Foreign Committee and to take this into account in the budget rounds. - Solicited advice: the Council of Rights Owners advises the Management Board on how to deal with the Royalty-free service Stemra
30 November 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Draft budget 2023 - Update Management Board (indexation and update figures) - Follow-up reliability and suitability test - Update pilot User-Generated Content - (Vice) chairmanship - Update course governance - Signalling function - Request policy podcast 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners gives positive advice with regard to the draft budget 2023, including the applicable withholding percentages. - Solicited advice: the Council of Rights Owners advises on which route is most desirable for the GMM of 2023, in consultation with the professional associations. - Unsolicited advice: the Council of Rights Owners advises the Management Board to instruct the distribution committee to draw up a distribution policy on the subject of podcast
14 December 2022	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee <ul style="list-style-type: none"> - Background music: subsequent payment after subsequent use on RTV - Cable fees for public service broadcasting nationally - Reassessment calendar 2023 	<ul style="list-style-type: none"> - Solicited advice: the Council of Rights Owners gives positive advice to the Management Board with regard to (1) the subject of subsequent payment after subsequent use on RTV, (2) cable fees for public service broadcasting nationally and (3) the reassessment calendar.

3. Other positions of the Supervisory Board, Council of Rights Owners and Management Board

Other positions/ occupations of members of the Supervisory Board

Ms Josephine de Zwaan	Paid	Chair of the Supervisory Board of Fairphone BV	1 jan – 31 dec
		Member of the Supervisory Board of Avans University of Applied Sciences	1 jan – 31 dec
		Chair of the Supervisory Board of ROM InWest	1 jan – 31 dec
		Supervisor project Menswaardige governance of MVO Nederland and Goldschmeding Foundation	1 jan – 31 dec
	Unpaid	Secretary of Stichting Academeia	1 jan – 31 dec
		Chair of the Board of Stichting Register Code Sociale Ondernemingen	1 jan – 31 dec
Mr Alexander Beets	Paid	Director / Owner of Maxanter Muziek Groep BV	1 jan – 31 dec
		Producer of (music) theatre productions	1 jan – 31 dec
		International World Jazz saxophonist / improviser / composer Festival director Amersfoort Jazz Festival	1 jan – 31 dec
		Lecturer of Enterprise at Fontys Rock Academy / Head of Business Department	1 jan – 31 dec
	Unpaid	Stage Arts Fund Advisor (Upstream scheme)	1 jan – 31 dec
		Board member of Stichting Promotie Popcultuur Nederland	1 jan – 31 dec
		Treasurer of Stichting JazzNL	1 jan – 31 dec
		Chairman of Jazz Podium Amersfoort	1 jan – 31 dec
		Member of the Music Emergency Fund complaint committee	1 jan – 31 dec
Mr Ruud Hopstaken	Paid	Board member of Eligius B.V.	1 jan – 31 dec
Ms Monique Krüs (retired on 2 January 2022)	Paid	Composer / Producer / Conductor / Soprano / Vocal coach	1 jan – 31 dec
		Vice-chair Nieuw Geneco	1 jan – 31 dec
		Partner at Lunam Publishing	1 jan – 31 dec
Ms Jolanda Messerschmidt CPA	Paid	Director / Owner of TB&E Advice BV	1 jan – 31 dec
		Supervisory Board member of BMW Finance NV	1 jan – 31 dec
		Supervisory Board member of BMW International Investments BV	1 jan – 31 dec
		Owner of J. Messerschmidt Beheer BV	1 jan – 31 dec
		Member of the Supervisory Board of NV Haagse Milieu Service	1 jan – 31 dec
		Member of the Supervisory Board of Krauthammer Investments Holding BV	1 jan – 31 dec
	Unpaid	Member of the Union Council of the Athletics Union	1 jan – 31 dec
		Member of the Accountability Body of Stichting Shell Pensioen Fonds	1 jan – 1 dec
		Treasurer of Stichting Biesieklette	1 jan – 31 dec

Other positions/occupations of members of the Supervisory Board

Mr Arriën Molema	Paid	Songwriter / Composer / Producer Guitarist and business manager Room Eleven Chairman of Beroepsvereniging voor Auteur-Muzikanten (BAM!) Stage Arts Fund Advisor Member of the Supervisory Board of HKU	1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec	
	Unpaid	Vice-President of CIAM (option to claim travel and accommodation costs through BumaStemra) Member of CIAM Executive Committee Board member of ECSA (European Composers & Songwriters Alliance)	1 jan – 31 dec 15 jun – 31 dec 1 jan – 14 feb	
Mr Piet-Jan van Rossum (appointed with effect from 25 May 2022)	Paid	Composer / Performing artist at Buromono Artistic director of HAY! Consortium	1 jan – 31 dec 1 jan – 31 dec	
	Ms Edith Severs	Paid	Director / Owner music publisher Copyright Power International BV Partner Fully Charged Music Group DGA Dinamismo Holding B.V.	1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec
	Unpaid	Vice-chair of Nederlandse Muziek Uitgevers Vereniging (NMUV)	1 jan – 31 dec	
Mr Marc Swemle	Paid	Director / Owner of VaVaVoom! Music Company Director / Owner of Swemle Media Holding B.V. Board member of BCMM	1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec	
	Mr Niels Walboomers	Paid	President of Warner Music Benelux Records & Publishing DGA Walboomers Publishing BV DGA Nelis Holding BV Board member of Cliq Digital AG Board member of Donemus	1 nov – 31 dec 1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 okt 1 jan – 31 dec
	Unpaid	Board member of Nederlandse Muziek Uitgevers Vereniging Board member of BMPA (Belgium Music Public Association) Member Advisory Board Specta Board member of NVPI	1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec 21 nov – 31 dec	

All members of the Supervisory Board of Stichting Stemra must also be a member of the Supervisory Board of Vereniging Buma.

Other positions/occupations of members of the Council of Rights Owners

Mark Bremer	Paid	Managing Director Universal Music Publishing Benelux	1 jan – 31 dec
	Unpaid	Chairman Nederlandse Muziek Uitgevers Vereniging (NMUV)	1 jan – 31 dec
Wiboud Burkens	Paid	Composer / musician / theatre producer / director The Legends Section head and principal subject lecturer Amsterdam University of the Arts	1 jan – 31 dec 1 jan – 31 dec
	Unpaid	Advisory Board De Concertzender	1 jan – 31 dec

Other positions/occupations of members of the Supervisory Board

David Dramm	Paid	Vice-chair of New Geneco Teacher Royal Conservatory The Hague	1 jan – 31 dec 1 jan – 31 dec
	Unpaid	Board member 7090 (music theatre collective) Board member of Stichting Rodeo of Wonder	1 jan – 31 dec 1 jan – 31 dec
Hans Everling	Paid	Director / owner of SOB Audio Imaging BV	1 jan – 31 dec
		Vice-chairman of BCMM	1 jan – 31 dec
		Director / owner of Haramitsu Holding BV	1 jan – 31 dec
Darko Esser (appointed with effect from 9 February 2022)	Paid	DJ / producer / live performer	1 jan – 31 dec
		Sound designer / engineer	1 jan – 31 dec
		Owner of Wolfskuil records, Balans Records & Tripeo	1 jan – 31 dec
		Partner in CircularPET	1 jan – 31 dec
		Coach HTN	1 jan – 31 dec
		Interim Artistic Director at Grenswerk	1 jan – 31 dec
	Unpaid	Nachtraad Nijmegen	1 jan – 31 dec
Tomas Deuss (appointed with effect from 3 November 2022)	Paid	Managing director of Albersen Verhuur B.V.	1 jan – 31 dec
		Managing director of Deuss Music	1 jan – 31 dec
Davo van Peursen	Paid	Managing Director and Director/Major Shareholder of Donemus Publishing BV Director of NMUV/VMN	1 jan – 31 dec 1 jan – 31 dec
		Lecturer of Enterprise at Amsterdam Academy of Music	
	Unpaid	Chairman of Schuldhulpmaatje Rijswijk Board secretary at Stichting Donemus Beheer Chairman Johann A. Alsbach Stichting	1 jan – 31 dec 1 jan – 31 dec 1 jan – 31 dec
Jitze de Raaff	Paid	Owner of CTM Entertainment	1 jan – 31 dec
	Unpaid	Board member of Nederlandse Muziek Uitgevers Vereniging (NMUV) Bookkeeper of Jaap ter Haar	1 jan – 31 dec 1 jan – 31 dec
Aafke Romeijn	Paid	Musician / Composer / Producer	1 jan – 31 dec
		Writer and journalist Board member of BAM! Popauteurs	1 jan – 31 dec 1 jan – 31 dec
		Delegate ECSA (European Composers & Songwriters Alliance)	1 jan – 31 dec
		Member of the Advisory Council for Culture Municipality of Utrecht	1 jan – 31 dec
		Unpaid	Business leader of Stichting Babi Pangang Producties Member of Taskforce GO!
	Martijn Schimmer	Paid	Director / owner of TFS Media Group
Director / owner of Schimmer Music Productions			1 jan – 31 dec
Partner / owner Scripted Music B.V.			1 jan – 31 dec
Director / owner of Talents for Brands B.V. Director / owner of Track Media Music Publishing Director /			1 jan – 31 dec 1 jan – 31 dec
owner of SMP Copyrights B.V.			1 jan – 31 dec
Unpaid			Director / owner of Xusic B.V. Director / owner of Post House Real Estate B.V. Partner / owner of Online Cookie Collective B.V.

Other positions/occupations of members of the Council of Rights Owners

Koen Vergouwen (resigned on 30 September 2022)	Paid	Tierolff Muziekcentrale BV	1 jan – 31 dec
	Unpaid	Board member of VMN	1 jan – 31 dec
Johan van der Voet	Paid	Performing musician & songwriter	1 jan – 31 dec
		Moderator / presenter music events Board	1 jan – 31 dec
		member of BAM!Popauteurs	1 jan – 31 dec
		Lecturer / mentor at Pop Department Amsterdam Academy of Music	1 jan – 31 dec
	Unpaid	Affiliate of Popcoalitie	1 jan – 31 dec
		Committee of Amsterdam Arts Council (expense allowance) Monitoring	1 jan – 31 dec
		Committee of Council for Culture (expense allowance)	1 jan – 31 dec
Rita Zipora Verbrugge	Paid	Performing musician & songwriter	1 jan – 31 dec
		Moderator / presenter music events Board	1 jan – 31 dec
		member of BAM!Popauteurs	1 jan – 31 dec
		Lecturer / mentor at Pop Department Amsterdam Academy of Music	1 jan – 31 dec
		Affiliate of Popcoalitie	
	Unpaid	Committee of Amsterdam Arts Council (expense allowance) Monitoring	1 jan – 31 dec
		Committee of Council for Culture (expense allowance)	1 jan – 31 dec

All members of the Council of Rights Owners are/were also members of the Council of Rights Owners of Stichting Stemra.

Other positions/occupations of members of the Management Board

Bernard Kobes	Paid	Board member and vice-chairman of VOI@E	1 jan – 31 dec
		Board member of StichtingSCAN	1 jan – 31 dec
		Board member of Stichting Buma/Stemra Projecten	1 jan – 31 dec
		Board member of Stichting Beheer Rechten Fingerprint Database	1 jan – 31 dec
		Owner of Kobes Beheer BV	1 jan – 31 dec
		Member of BIEM Management Committee	1 jan – 31 dec
Marleen Kloppers	Paid	Board member of VOI@E	1 jan – 31 dec
		Board member of Stichting SCAN	1 jan – 31 dec
		Board member of Stichting Buma/Stemra Projecten	1 jan – 31 dec
		Board member of Stichting Beheer Rechten Fingerprint Database	1 jan – 31 dec
		Member of the Supervisory Board and chair of the Finance Committee and Information provision Rijndam Revalidatie	1 jan – 31 dec
		Owner of Hotel Oudegracht	1 jan – 31 dec

All members of the Board of Stichting Stemra are also members of the Board of Stichting Stemra.

