

buma  where the music is



Annual report

Vereniging Buma

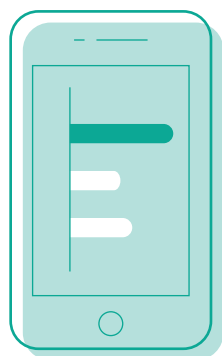
2023

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Key figures of Buma

Fees collected Buma (x € 1,000)



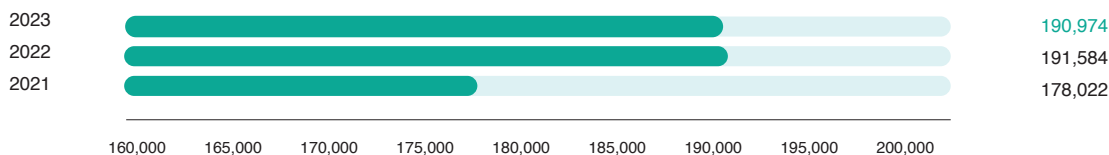
235,343 | 2023
218,669 | 2022
164,489 | 2021

Number of FTEs



2023 139.7
2022 123.6
2021 121.1

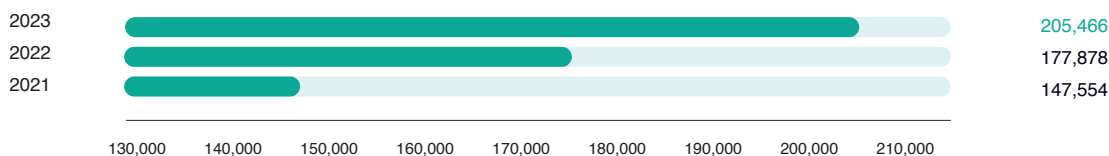
Copyright royalties to be distributed (x € 1,000)



Management Costs (x € 1,000)



Distributions (x € 1,000)



Key figures

(x € 1,000)

	2023	2022	2021	2020	2019	2018
Copyright royalties received/receivable						
Radio, TV and Network Providers	76,372	74,650	72,663	67,854	71,175	71,430
Live performances	47,271	35,698	6,423	16,045	35,179	34,065
Restaurants and bars	15,907	13,415	7,780	9,057	15,190	14,891
Work spaces	24,653	19,960	16,449	17,265	17,209	17,171
Shops and stores	13,848	13,237	11,521	12,159	13,450	13,234
Online	39,867	42,762	36,050	29,856	18,964	13,681
Music use in the Netherlands	217,918	199,722	150,886	152,236	171,166	164,471
Music use abroad	17,425	18,947	13,603	15,235	16,367	16,492
Total	235,343	218,669	164,489	167,471	187,533	180,963
Distributions						
Rights owners	133,801	108,399	87,489	95,513	95,270	87,262
CMOs Abroad	59,848	58,853	52,116	57,468	55,025	57,855
Addition to Fund for Social and Cultural Purposes	11,817	10,626	7,949	8,593	10,863	10,456
Total	205,466	177,878	147,554	161,574	161,158	155,573
Copyright royalties to be distributed						
Copyright royalties to be distributed at end of financial year	190,974	191,584	178,022	187,279	201,121	192,011
Fund for Social and Cultural Purposes						
Disbursements in financial year	12,680	10,316	7,988	9,198	11,530	10,587
Funds available at end of financial year	1,191	2,654	3,458	3,497	4,102	4,766
Operating statement						
Administration fee on collection financial year	30,487	27,229	20,763	14,938	14,695	18,323
Administration fee on distribution financial year	-	-	-	4,801	4,390	4,426
Administration fee on gross copyright royalties to be distributed at the end of 2020 (once due to change in methodology)	-	-	5,430	-	-	-
Other income	1,434	1,141	1,085	1,033	963	885
Total income	31,921	28,370	27,278	20,772	20,048	23,634
Management costs	-29,516	-25,908	-23,156	-22,698	-21,769	-25,913
Total expenses *	-29,516	-25,908	-23,156	-22,698	-21,769	-25,913
Balance of financial income and expenses *	2,405	2,462	4,122	-1,926	-1,721	-2,279
Financial income and expenses	14,587	-27,089	6,596	8,655	15,401	-7,908
Balance cost coverage**	16,992	-24,627	10,718	6,729	13,680	-10,187

* 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

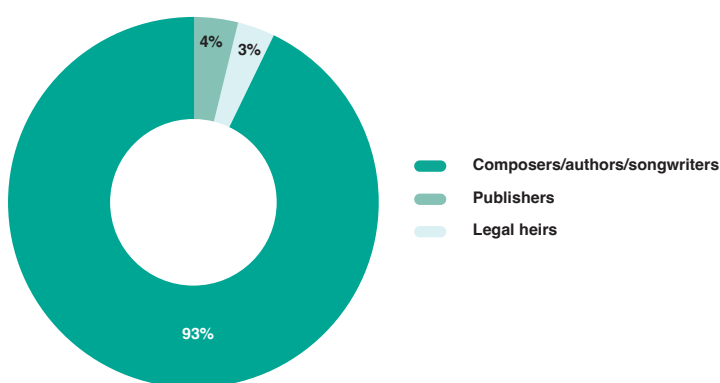
Key figures

	2023	2022	2021	2020	2019	2018
Actual cost percentage withheld for Online streaming and download	10.0%	10.0%	10.0%	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	14.8%	14.0%	14.0%	12.2%	9.7%	12.2%
Average actual percentage withheld (administration fees as a percentage of fees collected)	13.0%	12.5%	12.6%	11.8%	10.2%	12.6%
Management costs (gross) as a percentage of total royalties received/receivable	12.5%	11.8%	14.1%	13.6%	11.6%	14.3%
Annual movement in operating costs	13.9%	11.9%	2.0%	4.3%	-16.0%	-1.9%
Derived consumer price index	3.8%	10.0%	2.7%	1.3%	2.6%	1.7%
Number of members and participants	40,285	37,846	36,105	33,255	31,237	29,761
Number of invoiced users	90,867	93,769	93,756	100,738	106,580	108,495
Number of employees in FTEs*	139.7	123.6	121.1	123.7	122.3	122.8

* The employees also work on behalf of Stemra

Participants 2023

Composers/authors/songwriters	37,597
Publishers	1,707
Legal heirs	981
Total	40,285



Live performances

73,000 performances were licensed.

Shops and Stores, Restaurants and Bars and Work Spaces

148,000 locations were licensed.

Online

789 licences were concluded. Distributions were made for 3.9 billion streams.

RTV

In total, 364 licences were concluded. Distributions were made for 2.0 billion seconds.



Directors' Report

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1. Directors' Report

1.1. Explanation from 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 40,000 musicians affiliated with us. We also grant appropriate licences for music use and support the collective ambitions of our members.

After the years 2020 to 2022, the year 2023 was the first year without Covid-19 measures. This has helped us to take further steps in realising our strategy.

Results

Last year, Buma again collected more licence fees: € 235 million compared to € 219 million the year before. That's more than ever. As a collective management organisation, the members and participants are our *raison d'être*: since its founding in 1913 (one year after the introduction of the Copyright Act), Buma has ensured that those who listen to and enjoy music pay fair compensation to the creator.

One of the reasons that the fees for the use of music (the *collection*) were up last year, were higher ticket prices for live performances. In addition, Buma has ensured the timely processing of a significantly increased number of events. The *distribution* (the payment of the fees) increased from € 178 million to € 205 million. Last year, in 2022, the distribution was incidentally higher due to the payment of an extra 'annual tranche'. In 2023, we were able to pay out an even higher amount, partly as a result of new IT systems being taken into service. Another reason for the higher distribution was that festivals had a 'normal' year for the first time after the coronavirus in 2022; the resulting distributions were paid out in 2023.

Costs were higher last year and the expense ratio (costs divided by collection) increased as well, from 11.8% to 12.5%. The increase in costs is caused by higher wage costs, as a result of both high inflation and more staff. Both the costs and the expense ratio remained within budget and the expense ratio remained well below the 15% that we use as a maximum.

Investments

The investment result for 2023 was € 14.6 million positive, while this was still negative in 2022: -€ 26.7 million. Last year's recovery can be attributed to higher share prices, especially at the end of the year. The loss for 2022 was caused by a combination of falling share prices and rapidly rising interest rates. This increase in interest rates continued in 2023, but to a lesser extent and had less impact on investment results.

The positive result was added to the provision for temporary differences in cost coverage. Thanks to the investment results, we can compensate for the monetary depreciation in the period in which we have already received the licence fees, but do not know yet for which rights owners the royalties are intended. The investment income also covers part of the administration costs, which means that the cost deductions are lower than they would have been without investing.

Following the negative investment result in 2022, the question was raised during the General Members' Meeting whether Buma should be investing at all. Sensible and responsible investing is in line with our objective of creating returns for our members and participants in order to maintain the value of the royalties collected and to cover part of the management costs. Buma continuously manages cash and cash equivalents (cash in hand) that can only be distributed to the rights owners at a later time, because it takes time to determine whom the royalties are intended for. The collected royalties can be held in a savings account or in a money market fund, but over the long term, investing is necessary to achieve the return necessary to maintain the value of the collected royalties.

Even savings are not without risk, because savings interest rates can become negative and savings balances are only guaranteed up to € 100,000 per bank. By opting for a 'defensive' investment profile, we find the risks associated with investing funds acceptable.

Dutch music abroad

In 2023, research conducted by Perfect & More on behalf of Buma Cultuur showed that the export value of Dutch pop music increased by 15% compared to 2022, which means the upward trend continues. This concerns the proceeds from rights, recordings and performances. The increased number of live performances in particular boosted the export value. Growth markets included China, Saudi Arabia, the United Arab Emirates, Singapore, Chile and Colombia. Dutch dance made a major contribution accounting for a share of 66%. At this rate, the Netherlands could become one of the largest music-exporting countries in the European Union.

Temporary replacement of Bernard Kobes

On 8 December 2023, the General Members' Meeting appointed Marcel Gelauff as interim CEO of Buma. He replaces our current chairman Bernard Kobes, who is incapacitated due to illness. This is referred to as 'prevented from acting', a legal term indicating that Bernard is incapacitated, but is still part of the Management Board. With Marcel Gelauff on board, we guarantee Buma's continuity in the boardroom.

Strategy

Buma's strategy for 2020 was *To the Beat of The Drum*. Buma has since implemented this strategy. This strategy will be evaluated in 2024 and adjusted where necessary. This is due to ongoing digitalisation and internationalisation, to which we must continue to respond. The current strategy focuses on four choices. First: making our services future-proof. Second: our growth ambition, both in results and volumes, as well as in quality of service. Third: collectivity. Fourth and final point: strengthening the organisation. An important element therein was replacing the outdated IT infrastructure with modern, cloud-based solutions. That process is expected to be completed in 2025. The culture programme completed last year, which focused on ownership and more customer-oriented working, a new leadership programme and a focus on vitality (see later in this directors' report) all help making Buma future-proof.

To visualise our progress, a new corporate identity and logo will be presented in 2023. The new website went live and not only does it look attractive, it also offers new functionalities. Such as a licence guide that helps corporate licensees through the process of applying for the correct licence.

Technology & Innovation

Earlier in this directors' report, we mentioned that parts of the new IT system had been taken into service. Specifically, it concerns an IT environment that provides *online* support (streaming music) and *international collection and payment* support (granting licences and collection and distribution via foreign collective management organisations) to business units. Buma carries out both collection and payment of these components itself, instead of outsourcing it. This provides more opportunities to accurately match online and international music use with our affiliated musicians and publishers. The online environment was already live but in 2023, we could connect new streaming providers (also called DSPs or Digital Service Providers). International collection and payment will be launched partly in 2023 and partly in 2024.

We receive large amounts of data from the DSPs and we will use this as a basis for additional services for our members and participants. In 2023, we worked hard on the MBS Roadmap, i.e. the further development of the online environment called MyBumaStemra. Via the MyBumaStemra portal (MBS), the user can now increasingly see where his or her music (and similar music) is popular. This can help in the promotion and tour planning, for example. One of the newly developed features for musicians is the option to immediately upload the set list after live performances, so that registration and therefore also collection and distribution proceed faster. The MBS portal has also become available for publishers in 2023. We will continue to implement new functionalities in the portal each year. The continuity of services with regard to copyright has become less certain, because continuation of the contract with the current copyright service provider is uncertain. We have therefore started researching and weighing up alternatives and have begun developing a different copyright system to ensure the continuity of our services.

AI

A development that has been going on for some time is the rise of artificial intelligence. Buma sees AI as an opportunity and a threat. An opportunity is that it can help improve processes. For example, matching music using self-learning systems can lead to greater efficiency. The position of rights owners may be compromised by AI, for example because it is unclear who owns an AI-generated song. If AI creates a new piece of music based on existing material, it raises the question of where is the line between originality and plagiarism? At the end of 2023, a survey was conducted among Buma affiliates (with a high response rate), which clarifies how current concerns about AI are. We will follow up on this in 2024.

Because AI is a global phenomenon, we have joined forces with umbrella organisations such as Cisac, Gesac and BIEM. Buma is part of various AI working groups in which insights and experiences are shared. On behalf of our members and participants, we lobby for adequate regulations in this area, because there is still a lot of uncertainty about how AI relates to copyright laws. We explicitly include the topic in negotiations with the DSPs.

Online

In 2023, Buma concluded new licensing agreements with Spotify, YouTube and Meta (the parent company of Facebook and Instagram). Thanks to these agreements, licensees can continue to listen to the repertoire of musicians affiliated with Buma on the platforms, while composers, lyricists and music publishers receive fair compensation. Our members and participants have an increasingly better understanding of where in the world their music is streamed and how often, because we have now concluded deals with DSPs for almost all countries in the world and because we can make that information more and more transparent thanks to our new IT systems.

Organisation: culture program, leadership and vitality

Buma and Stemra are set up as a single organisation and in addition to the Management Board, the Management Team (MT) too manages the implementation of the strategic objectives on a daily basis. In addition to the members of the Management Board, the MT consists of the managers and directors responsible for Members & Markets, Operations, IT, Finance, Risk, Human Resources (HR), Legal, Communications & Marketing and Lobby. In 2023, Buma will focus on further developing and professionalising the organisation, its managers and its employees. A cultural programme started in 2022 was completed in 2023. This programme has made employees more aware of the need to apply a customer-oriented approach in their work and to take 'ownership' of their work more. Positive internal collaboration will remain a priority in 2024. The aim is for our people to increasingly adapt to changes in the market. Last year, a programme for managers was introduced, while the budget that employees can spend on their professional development was increased. A lot of attention has been paid to the physical and mental fitness of our employees, because the many changes in both the market and within Buma is putting a strain on our people. As a good employer and with a view to continuity, it is very important that our employees enjoy their work. To increase the fitness of our

people, Buma participated in the National Vitality Week and we launched a lease bicycle scheme. The good news is that the sickness absence rate decreased by one and a half percentage points last year.

Job market

We put a lot of energy into recruiting the right people available on the labour market. In 2023, we managed to hire new employees in the field of IT, despite the tight labour market. Filling some staff positions, for example in the areas of Finance and HR, remains a challenge. We are working on our brand experience through the new website and social media and we continue to share Buma's mission and vision as clearly as possible in our labour market communications. We also see our own people as important ambassadors in that. For example, we introduced a referral fee for employees who introduced new colleagues.

Sustainability, diversity and inclusion

Music is an important part of many people's lives and as an organisation we are at the heart of society. Buma also wants to take responsibility for themes that are relevant to society. That is why we choose to include topics such as sustainability, diversity and inclusion in our strategic choices. Sustainability was also the subject of the annual training day of the Management Board, the Supervisory Board, the Council of Rights Owners and the Works Council of Buma.

In 2023, it was decided to link our own sustainability goals to those of the United Nations: the Sustainable Development Goals (SDGs). One of the 17 SDGs is responsible consumption and production; for Buma, this means that we encourage the use of green energy and hybrid generators at live events. SDG 7 is affordable and sustainable energy, which for us means that we encourage employees to come to work by public transport or by bicycle. SDG 5 is gender equality, which means ensuring that our workforce is diverse in composition. There is still much to be gained in the distribution between the number of men and women who are members of Buma: only 14% are women. With our Rise Up! programme we work to strengthen the position of women in the music sector through network meetings and a podcast.

Safety in the workplace

Safety in the workplace is a topic that deserves a lot of attention in the music world. As a central player in the music industry, Buma wants to lead by example on this subject. The aim is to make the music industry more diverse, inclusive and safe.

Buma is co-founder of Task Force GO!: a group of fourteen professionals from the music industry that wants to promote safety and inclusion in the industry. Our Marketing, Communications & PR manager Annabel Heijen chaired this task force last year. At the Eurosonic Noorderslag Festival, she presented an investigation conducted by the Movisie agency which shows that transgressive behaviour in the music sector is a regular occurrence. Half of the participants in the study had been confronted with intimidating or emotionally inappropriate behaviour, whereas a third had faced sexually inappropriate behaviour at some point. With the campaign called 'Change your tune', bystanders or witnesses of inappropriate behaviour are called on to speak out or intervene. Partly also because bystanders were present in more than half of the incidents in the study.

Naturally, this subject is also given the necessary attention at Buma internally. We have drawn up a code of conduct, both an internal and external confidential advisor is on hand and, in 2023, we for the first time included the subject of social safety in our employee satisfaction survey. Based on the results, we will be tightening the policy where necessary.

Risks

Buma is a collective management organisation. In light of the fact that Buma manages rights owners' money, a moderate risk profile is appropriate. Buma translates this moderate risk profile into three core domains: Finance, IT and Legal Affairs. In line with the core values and vision on the subject of risk & compliance, we opt for a moderate risk profile. Reports on how we mitigate risks are periodically discussed between the Management Board and the Supervisory Board. Buma gained better insight into these risks based on scenarios and heat maps (visually showing the areas in which Buma is exposed to risks). Buma distinguishes a variety of risks, such as financial risks, strategic risks and business

risks, operational risks, legal risks and integrity and behavioural risks.

The most important financial risks are collection and investment risks. The financial risks are addressed by transparent accountability of income and expenditure in extensive internal monthly financial reports, monthly discussions of the figures and analyses with the Management Team, controllers and the Management Board. In terms of investments, we opt for a defensive profile, in which we apply the principle of passive and cost-efficient investing. To compensate for the varying investment results, we use a buffer: a provision for temporary differences in cost coverage.

At a strategic level, Buma monitors changes in the market and technological developments that are relevant to the realisation of the general objective and the strategy. Buma strives to remain ranked among the top 10 collective management organisations in the world. Operating at the forefront of the market, both on the licensee side and on the side of creators and publishers, requires flexibility, time, money and priority. When making choices, we carefully weigh the different options, actively involving risk & compliance and allowing ourselves to be challenged by the Supervisory Board. The most important strategic risks include insufficient response to market demand, loss of valuable repertoire, insufficient recognition of the importance of collectivity and failure to anticipate changes in the music world in a timely manner.

The most important operational risks are loss of crucial knowledge, incorrect management information, complexity of the IT architecture, external fraud (including cybercrime) and a global crisis (for example a new pandemic or a crisis due to climate change).

The IT replacement programme is led by a programme manager and a steering committee, including the programme manager and representatives on behalf of IT, users (employees who will be using the new IT environment), risk & compliance and the Management Board. The Supervisory Board supervises. Ease of use and efficiency are important for the new IT environment, thus enabling us to collect and pay out faster and more accurately, but we also closely monitor the security of our data flows. In the field of cybersecurity, we work with a company called Northwave, which supports Buma in all kinds of ways via a remote CISO (Chief Information Security Officer) (both reactively and proactively). Examples of measures that will be taken include a separation of IT networks and the introduction of two-factor authentication for the MyBumaStemra environment. The latter means that a second layer of security will be added for access to the portal.

Compliance stands for compliance with laws and regulations, which, in the case of Buma, relates to the 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 all monitor compliance with laws and regulations within our organisation. The secretariat of the board and HR monitor the implementation of the code of conduct and HR monitors compliance with the rules regarding other positions.

The workload within Buma remains a key focus area. Although the employee satisfaction survey shows that employees are slightly more positive about this than in 2018, this subject continues to receive our attention.

In Chapter 1.2.10, we will discuss in more detail the different types of risks that Buma takes into account in its business operations.

Governance

In the field of governance (the Management Board of Buma and its supervision) we have welcomed a number of new members to both the Council of Rights Owners and the Supervisory Board. We would like to thank the Supervisory Board, the Council of Rights Owners and the Works Council for their collaboration and trust.

During the General Members' Meeting (GMM), control within Buma was discussed. In 2023, we passed the mark of forty thousand participants, in which participants represent writers, composers and music publishers for whom BumaStemra works worldwide. To become a member of Buma and obtain voting

rights, a musician must receive a certain minimum annual distribution. Some members want the minimum distribution to increase, others argue for a lower amount. As the Management Board, we will further analyse this issue in consultation with the other boards/councils and identify and weigh the different scenarios. We will also be looking at how other collective management organisations in the Netherlands and abroad do this.

We will propose to the GMM to extend the contract with the current auditor for three years. This way we guarantee continuity for the coming years up to and including the annual accounts audit for the 2027 financial year, up to and including the first period after completion of Buma's IT transition.

The Copyright Board (CvTA) has announced in its regular meeting with the Management Board that having such formal meetings with Buma twice a year is no longer considered necessary.

The Management Board sees the less frequent formal coordination as a compliment to us all for the quality that Buma delivers each day and the care with which we work.

During the regular consultations with VOI®E (the trade association of collective management organisations (CMOs) for copyright and neighbouring rights), it emerged that VOI®E continues to draw attention to the CvTA for the regulatory pressure on CMOs. The Management Board too does this during contact and meetings with the CvTA. Buma often experiences that taking initiative and responding flexibly to what comes its way is hampered by existing regulations and regulatory pressure.

At the end of 2023, Cisac's Legal & Policy Committee (LPC) met in Amsterdam at our invitation, which meant an extra effort, especially for our Legal department, the General Council of Buma and the Public Affairs manager. The LPC is an important body for Buma in the development of policy-making. An important topic in the discussions was the impact of AI on the protection of the repertoire of our rights owners. The meeting was noticeably well attended by international sister organisations.

In the spring, the General Assembly of Cisac in Mexico was attended. The General Assembly discussed sustainability, digital licensing and the influence exerted by governments on CMOs.

Our (former) Executive Secretary Hans Eijkelenboom is retiring after 40 years of service at Buma. We are extremely grateful to him for all the years in which he has dedicated himself to Buma. His successor will be Lisette Kirch.

In consultation with Scan and Sena, it was determined that we want to take joint initiatives to further improve the (digital) accessibility of the portals for (new) customers. Possible initiatives for this will be developed during the course of 2024.

Prospects and opportunities

The further roll-out of the new IT environment makes it possible to collect and pay out faster and more accurately. And because we have increasingly larger amounts of data available, we can develop smarter additional services for our members and participants. By adjusting our strategy in 2024, we can respond to the ongoing trends of digitalisation and internationalisation even better. A modern IT environment, a customer-oriented corporate culture, more attention to sustainability, inclusion and safety and a focus on collaboration and vitality ensure that Buma, a collective management organisation with a rich history, is ready for the future.

Gratitude

We conclude with a sincere word of great appreciation to all Buma employees. Thank you for your efforts. As an organisation we can think of and roll out strategies, introduce new IT systems and collect and pay out fees for music use more efficiently and quickly, but for all this we are completely dependent on our people. Your efforts have not gone unnoticed and we want to thank you for that.

Hoofddorp, 26 April 2024

The Management Board:

Marcel Gelauff, Acting Chief Executive Officer

Marleen Kloppers, Chief Financial Officer

Bernard Kobes, Chief Executive Officer (not signing due to long-term absence)

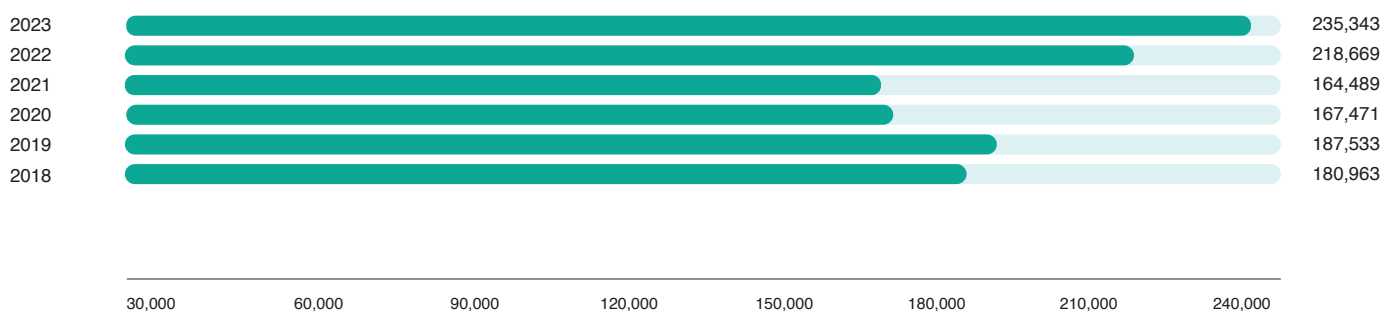
1.2 Financial results and risk management

1.2.1 Copyright royalties (to be) received

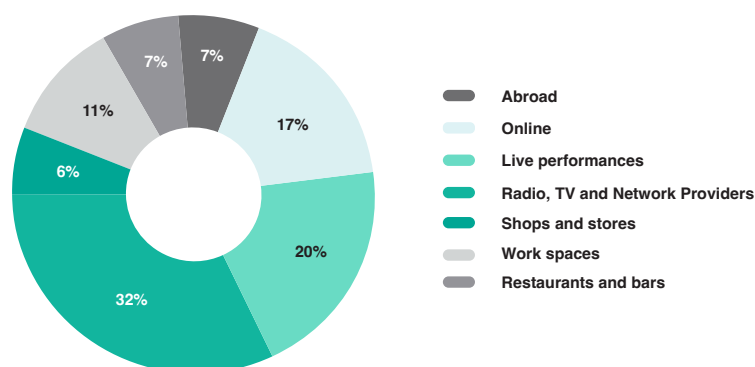
The copyright royalties were received from the following categories:

(x € 1,000)	2023	2022
Restaurants and bars	15,907	13,415
Work spaces	24,653	19,960
Shops and stores	13,848	13,237
Total General Licences	54,408	46,612
Radio, TV and Network Providers	76,372	74,649
Live performances	47,271	35,698
Online	39,867	42,762
Abroad	17,425	18,947
Total	235,343	218,669

Development of collection (x € 1,000)



Composition of collection



The table and bar chart show that Buma collected € 235.3 million in 2023, a further increase compared to previous years. The increase compared to 2022 is € 16.7 million (+7.6%). The increase in collection figures is greatest under Live Performances (€ +11.6 million). Royalties from Work Spaces and Shops and Stores (€ +5.3 million) and from Radio, TV and Network Providers (€ +1.7 million) and Restaurants and Bars (€ +2.5 million) also experienced growth compared to the last year. Royalties from Abroad (€ -1.5 million) and Online (€ -2.9 million) were lower compared to last year.

In 2023, income from the Live Performances market segment amounted to € 47.3 million. This is a large increase compared to last year (€ +11.6 million). This is largely driven by higher ticket prices and an increase in the number of licensed performances and events, which increased from 55,000 in 2022 to 73,000 in 2023. The share of this market in Buma's total collection rose from 16% in 2022 to 20% in 2023.

As with Live Performances, general licences too showed a further rise in 2023. Compared to 2022, the royalties for this category of revenue rose by € 7.8 million. The Restaurants and Bars market segment was hit hardest by the Covid-19 measures and exceeded the 2019 level of royalties for the first time in 2023 (€ 15.9 million). Revenues from Work Spaces and Shops and Stores already showed a full recovery in 2022 and increased further by € 5.2 million to € 38.5 million in 2023.

The Radio, TV and Network Providers market segment experienced growth from € 1.7 million to € 76.4 million. With 32% in 2023, this remains the market segment with the largest share of Buma's total collections.

Royalties from abroad fell by € 1.5 million in 2023 compared to 2022.

Royalties in the Online market segment fell to € 39.9 million in 2023. This is caused by a one-off change in the collection methodology for multi-year contracts; payments without music use cannot yet be recognised under collections. The new methodology will be continued from 2024 and this temporary effect will end. Furthermore, there are a limited number of large contracts for which renegotiations are still ongoing.

Due to the above adjustment, the Online share in Buma's total collection fell from 20% in 2022 to 17% in 2023.

1.2.2 Management costs

Buma's expenses can be specified as follows

(x1,000)	2023	2022
Personnel costs	14,472	11,853
Accommodation costs	830	731
Amortisation and depreciation	2,497	1,509
Other expenses	11,717	11,815
Total Buma	29,516	25,908

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 € 3.6 million to € 29.5 million in 2023. This was € 1.8 million below the budget.

The allocation key of 83/17 (between Buma and Stemra) has remained unchanged compared to previous years. The personnel costs allocated to Buma increased by € 2.6 million, whereas general costs decreased by € 0.1 million. Depreciation/amortisation increased by € 1.0 million and accommodation costs by € 0.1 million.

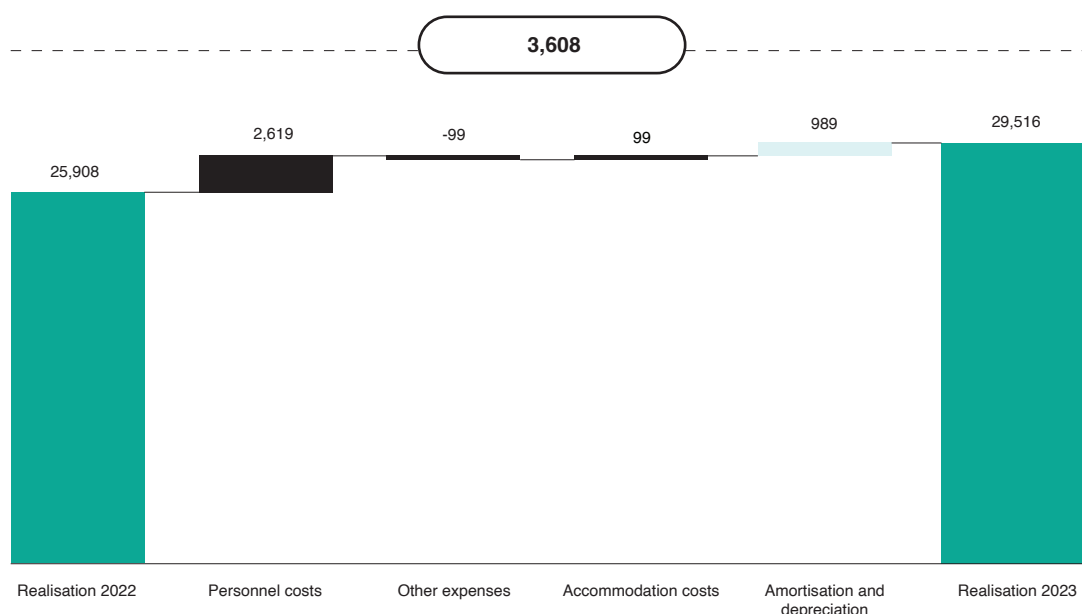
To implement the strategy, Buma had budgeted for a growth in personnel (FTE) for 2023. This was partly achieved. Due to the shortage in the labour market, not all vacancies budgeted for 2023 were filled with permanent employees and temporary hired workers were chosen for several permanent positions, which entailed more costs. A total of € 1.2 million of the overall increase in personnel costs is due to the increase in the costs of hiring external personnel. Due to the tight labour market, the average number of internal FTEs at Buma rose less than budgeted, but in 2023 it was higher than the average for 2022 (139.7 FTEs in 2023, compared to 123.6 FTEs in 2022). The increase in personnel costs can therefore largely be attributed to the increase in the number of FTEs. In 2023, salaries, increased with social security costs, and pension costs increased by €

1.7 million. On the other hand, an additional € 0.8 million in personnel costs were charged on in 2023, mainly to Stemra.

The decrease in other expenses of € 0.1 million is mainly because IT-related project costs and higher costs for management, maintenance and licences for the IT environment are offset by lower costs for outsourcing, as the processing of online music use is now performed in-house.

Compared to 2022, the increase in depreciation/amortisation is € 1.0 million. This is mainly due to the fixed assets for the new IT environment being taken into service and the impairment as stated in the notes to the intangible fixed assets.

The € 0.1 million increase in accommodation costs is caused by indexation.



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 compensate rights owners for later distribution of the royalties. By achieving a return in a responsible manner, administration costs to be deducted can be lower. 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). ALM is a calculation model that links the desired return and the acceptable degree of risk. The Strategic Asset Allocation (SAA) determined upon transition is still in effect as at 31 December 2023. 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 2023, the fixed income portfolio had a strategic weighting of 69.8%, comprising government bonds with a credit rating of AA or higher (14.7%), a fund investing in emerging market government bonds (10.4%), a corporate bond fund (34.3%) and a mortgage fund (10.4%). At year-end 2023, the shares portfolio

had a weighting of 20.6% 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 2023, the investment portfolio achieved a net profit of € 14.6 million. Both the return on investments in shares (21.4%) and the return on investments in fixed-income securities (6.4%) were positive. The positive investment result for 2023 was in line with the overall development of the investment markets, which experienced a strong year due to, among other things, the fall in market 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) 2023	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 2023	Budgeted 2023	Realisation 2022
Management costs	-29,516	-31,360	-25,908
(1) Contributions and registration fees	1,155	950	1,078
(2) Other income	279	-	63
(3) Investment results	14,566	3,109	-26,689
(4) Balance of other financial income and expenses	21	140	-400
(5) Administration fee withheld upon collection	30,487	29,052	27,229
Regular coverage	46,509	33,251	1,281
Net cost effectiveness	16,992	1,891	-24,627

1.2.4 Coverage of management costs

Buma does not have a profit motive. Buma's management costs 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.

In the methodology from 2021, all withholding 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 adjustment to the Distribution Rules allows 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 above shows the realised cost coverage for 2023 compared to the budgeted adjustment to temporary differences in cost coverage and compared to the realisation in the previous year. The regular cost coverage in 2023 was € 15.1 million higher than budgeted. This was largely due to the positive investment result, which was € 11.5 million higher than budgeted. In addition, management costs are € 1.8 million lower compared to the budget, administration fees withheld are € 1.4 million higher and contributions, registration fees and other income are € 0.5 million higher. The higher administration fees can mainly be attributed to the fact that royalties in 2023 were € 16.0 million higher than budgeted. The average withholding percentage for 2023 is 13.0% (budgeted: 13.2%).

The budget is based on the 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 average balance, which is added to or deducted from the provision for temporary differences in cost coverage. The balance of cost coverage in 2023, (€ 17.0 million) plus the provision of € 19.9 million available at the end of 2022, together form the € 36.9 million provision for temporary differences in cost coverage at the end of 2023.

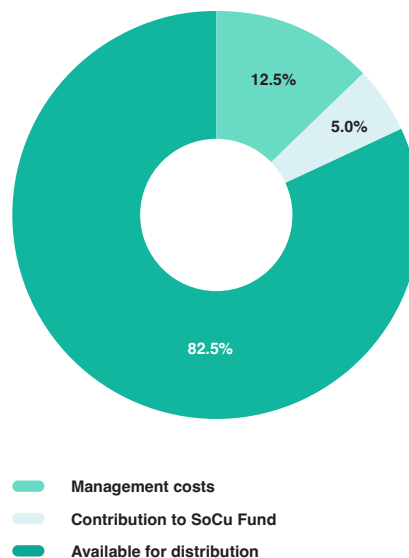
1.2.5 Use of collected copyright royalties

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.

Management costs compared to royalties rose from 11.8% to 12.5% in comparison with the previous year. After deduction for the SoCu Fund, 82.5% was available for distribution by Buma in 2023.

Distribution of royalties collected in 2023

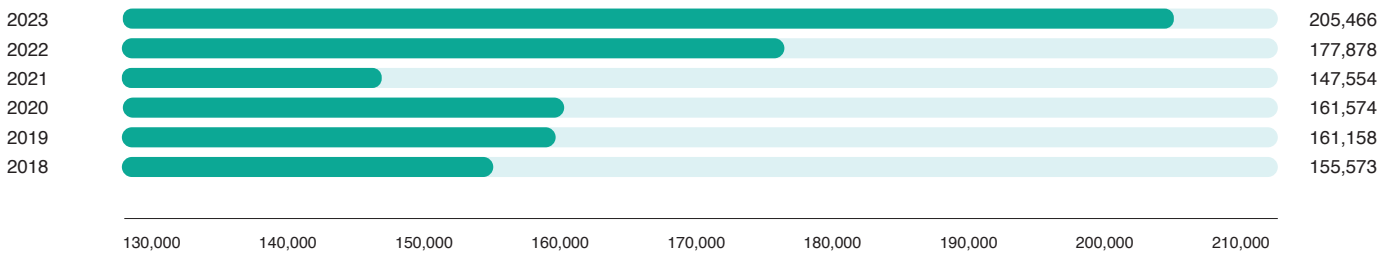
The graph below shows the distribution of the collected royalties.



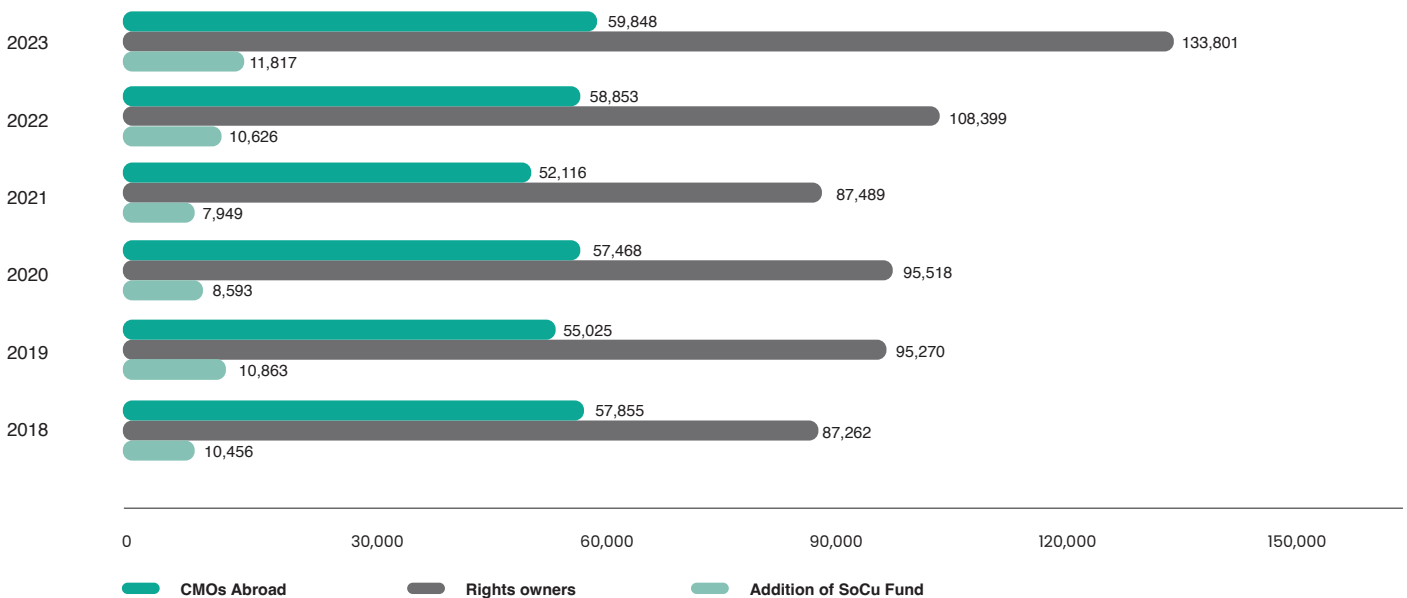
1.2.6 Distributions

As a result of the increasing collection and acceleration of distribution of international royalties, distribution in 2023 will be higher than in 2022:

Changes in distributions total (x € 1,000)



Changes in distributions (x € 1,000)



In 2023, Buma distributed € 205.5 million to affiliated rights owners and organisations with which it has a reciprocity contract. Compared to last year, an increase of € 27.6 million was realised. This is partly driven by the increase in the collection of royalties. In addition, distribution of international royalties was accelerated.

1.2.7 Cost standard

Until 2020, the “Collective Management Organisations for Copyright and Neighbouring Rights (Supervision and Dispute Resolution) Act (‘Supervision Act’)” stipulated that the ratio between management costs and total royalties may not exceed 15%. Since collective management organisations (CMOs) differ greatly in terms of cost structure, this implementation policy has now been changed to an individual cost standard per CMO. This standard is set by the CMO itself in the budget, which is approved by the supervisory body and by the body that represents the members and participants. When accounting for the results of any year, deviations from the individual standard are explained. Buma adheres to the

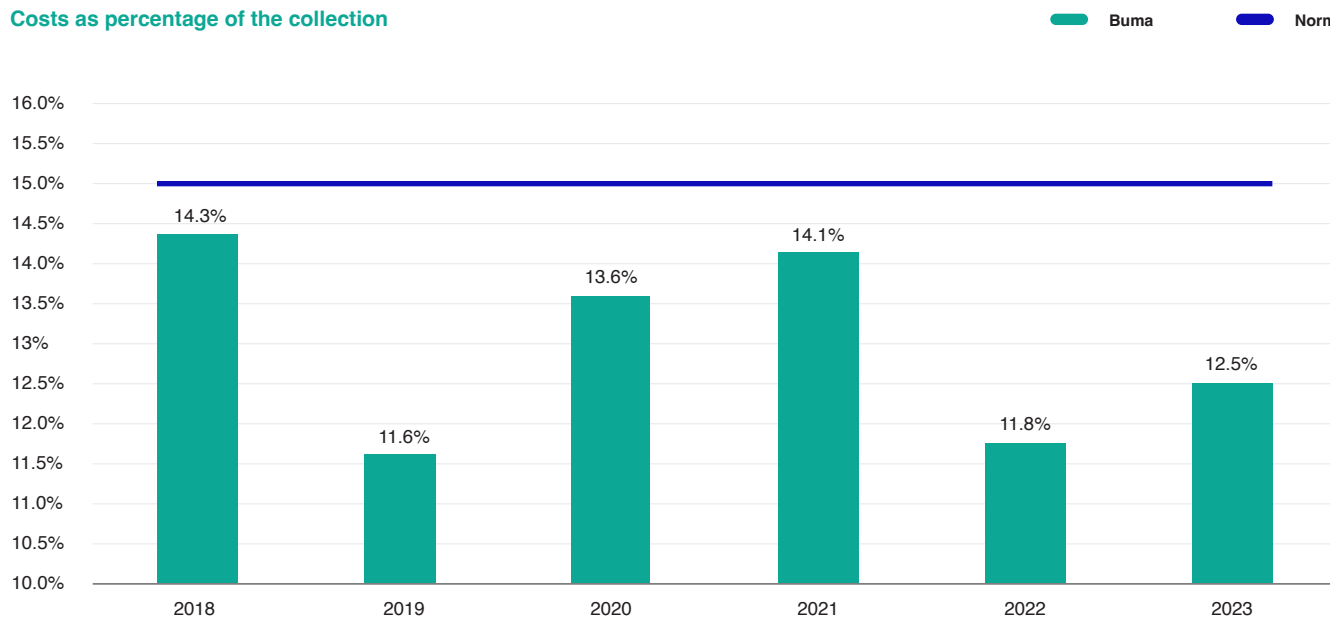
standard of a maximum of 15% between management costs and collection, even now that this is no longer a legal standard. In those cases where we deviate from this, we substantiate the deviation. Buma applies costs compared to collection as the only standard. Now that CMOs can determine their own cost standards, it has been decided to no longer set the costs to distribution ratio as the standard. This was opted for because of the influence that Buma can exert on distribution planning. Otherwise a set standard could be achieved by delaying distribution, which is not in line with our objective of paying out as quickly as possible.

Cost percentages

(x € 1,000)	2023	2022
Collection by Buma	235,343	218,669
Costs of Buma	29,516	25,908
Costs of Buma as % of the collection (gross)	12.5%	11.8%
Change in costs of Buma compared to previous year	13.9%	11.9%
Average actual percentage withheld by Buma (net)*	13.0%	12.5%

* The withholding percentage that is effectively charged to the rights owners deviates from the cost percentages for which we set the internal standard of 15%. This is mainly because less costs are charged to rights owners due to other income.

Costs as percentage of the collection



In 2023, we complied with the norm that costs as a rule may not exceed 15% of the collection.

Increase in costs compared to the consumer price index

Although we no longer use the trend of the consumer price index as a standard for cost trends, it is interesting to follow it. Buma's management costs increased by 13.9% (€ 3.6 million) compared to 2022. Over the same period, the consumer price index increased by 3.8%, which takes the cost increase in 2023 above the annual change in CPI. This is explained by the fact that in 2023 Buma caught up on improvement and change initiatives postponed in previous years, including the replacement of the IT environment.

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. No equity is presented on the balance sheet at the end of 2023: from 2021 onward, the amount in the former appropriated reserve has become part of the provision for temporary differences in cost coverage.

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 2023 is 1.11. As at 31 December 2022, this was still 1.06. The increase in liquidity ratio can largely be explained by the significant increase in the value of the investment portfolio. In 2023, this increase was € 14.0 million. Buma is aware that the value of the investment portfolio can continue to fluctuate considerably in the future. Such a significant decrease in value is not expected for 2024, 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 planning large distributions.

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 very cautious 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). This is a continuous planning & control cycle, tailored to BumaStemra's objectives, with which risks are identified, analysed and mitigated (reduced) in a timely manner.

Risk Control Self Assessments (RCSAs) 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 and risks are sufficiently mitigated. To gain insight, we use 'heat maps' (which visually show which areas of attention you are exposed to and what degree of risk) and various risk scenarios. In 2023, the risk analyses were expanded to include the RCSA chain, in which the entire chain of connected processes from licensing to payment was considered in conjunction. Any risks that may arise from transfer moments between processes have been analysed by all those involved during workshops.

Since 2022, risks associated with changes have been proactively identified and mitigated through change risk assessments. In 2023, risk assessments were added, in which risk appetite is central and is taken into account in decision-making regarding changes. The risk appetite determines how much risk BumaStemra wishes to take.

Reports of findings and recommendations and 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 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 central throughout the organisation, 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. To ensure the effectiveness of BumaStemra's internal control system, the Management Board must be able to rely on adequate line positions, including monitoring, and assurance positions within the organisation. To this end, BumaStemra has adopted the 'three lines' model, with the following division of responsibilities:

- || the department managers and directors of the business units are responsible for proper internal control;
- || Risk & Compliance supports management in identifying and monitoring risks;
- || Finally, the auditor carries out annual interim, hard close and year-end audits. This provides additional certainty about the quality of financial

management and control in particular.

The Risk & Compliance department falls hierarchically under the Chief Financial Officer and maintains a direct reporting line to the Management Board 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 most important strategic risks for BumaStemra, as reassessed by management in 2023, are:

- insufficient response to market demand;
- loss of valuable repertoire;
- insufficient collective interest;
- failing to anticipate the changing music ecosystem in a timely manner.

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 deems collection and investment risks as its main financial 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) compared to 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 2023 is in line with the overall development on the investment markets. In the latter part of 2023, the interest rate risk on bonds was limited by reducing the average term to 1 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 and which were reassessed by management in 2023, include:

- loss of key resources;
- complex IT architecture;
- external fraud (including cyber fraud);
- a global crisis (pandemic, climate crisis).

The operational risks and associated controls were taken within a so-called risk management and control framework. The set-up and operation of this framework are regularly tested by the Risk & Compliance department. 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. This 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 for the programme is provided by 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; the licensees 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. Improvement projects are carried out and crisis exercises are held periodically. Since 2022, cyber security monitoring has been provided by Northwave. In support, network scans and penetration tests have been 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 party that accepts its responsibility towards musicians and licensees, its employees and the society in which it operates. 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.

Emerging themes

As a member of the management team, the Risk & Compliance manager participates in discussions and decision-making on emerging themes such as sustainability, the labour market and workload. This makes risk assessment an automatic part of the decision-making process and enables Risk & Compliance to identify any associated risks and issues at the earliest possible stage.

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 directors' and officers' 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 taking place with the Tax and Customs Administration about the applicability of the Corporation tax. Before each year, the Council of Rights Owners, in consultation with the Management Board, determines a reassessment calendar. This is a list with a schedule of the distribution subjects to be discussed in that relevant year.

The subjects on the reassessment calendar are first dealt with and discussed by the Distribution Committee of the Council of Rights Owners. 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. We will now briefly outline the results.

YouTube General Entertainment

BumaStemra and YouTube have made agreements in their licence about the delivery and payment of music use. In doing so, a distinction is made between:

1. music use: everything that YouTube defines as (commercially) released music;
2. General Entertainment (GE): anything that YouTube fails to identify as (commercially released) music.

Previously, it was decided to add collected GE royalties to royalties processed one-on-one. From the third quarter of 2019, it has been possible to provide (partial) insight into GE music use retroactively via fingerprinting (a technique for digitally detecting and identifying music). The Council of Rights Owners has advised the Management Board to add all GE royalties collected for use in the Netherlands to the use that we can link to this. This means processing the top 1500 videos in the Netherlands per quarter,

1.3 Distribution audit

accounting for approximately 25% of the entire YouTube GE collection. The remaining 75% is divided pro rata between music use and GE.

No distribution for GE was made in the past. BumaStemra has now received 'residual amounts' from YouTube. These are royalties that YouTube pays as a lump sum for unclaimed repertoire. After considering various options, the Council of Rights Owners has advised the Management Board to add these royalties to the Dutch GE.

The Management Board adopted both recommendations of the Council of Rights Owners.

Crematoria

Since 2019, there has been a licensing agreement with the National Association of Crematoria (LVC), which represents approximately 95% of all crematoria in the Netherlands. From 2021, the LVC can supply annually used repertoire from a representative number of locations. Only an annual top 100 is available for the years 2019 and 2020. The Council of Rights Owners has therefore advised the Management Board to base the distribution for the years from 2021 on the actual use of the titles supplied (one-on-one). With regard to the years 2019 and 2020, the Council of Rights Owners has recommended distribution based on the top 100 for those years, supplemented with the other titles (insofar as this concerned repertoire released previously) from 2021. The Management Board has accepted this advice.

Evaluation: distribution for status-2 works

As of the second quarter of 2022, distributions are being made for status-2 works (works that are still 'pending' to be assessed under the ICE agreement). In accordance with the reassessment calendar, this topic was on the agenda as an evaluation item. The impact before and after the policy change was examined. The evaluation shows that this is seen as an improvement on all fronts, while the number of submitted comments also decreased significantly. The Council of Rights Owners has therefore advised the Management Board not to change the current policy. The Management Board has accepted this advice.

Reassessment of Stemra reference repertoire with regard to Media/RTV

For this topic, the model licensing agreement for the use of music in general programs, TV and films was assessed. The Council of Rights Owners has assessed the current composition of the reference repertoire and found that the composition of the reference repertoire is in accordance with the provisions of the model agreement. In other words: the Council of Rights Owners recommends maintaining the current policy on this point. However, the exclusion of productions (films and series) from Australia and New Zealand is unjustified. A reciprocity agreement is in place between Stemra and APRA/AMCOS, under which CMOs may collect and continue to pay on behalf of each other. The Council of Rights Owners has therefore advised to adjust the practical implementation on this point (from year of use 2022). The Management Board has accepted this advice.

Reassessment of background music

The Council of Rights Owners assessed the composition of the reference repertoire for background music, the impact of the points system on the balance of distribution, the impact of the TV repertoire on reference, the evaluation and assessment with regard to the exclusion of design music and the impact of the library repertoire as design music. The Council of Rights Owners recommends maintaining the current system as is. However, the Council of Rights Owners does ask to consider an integral evaluation of the points system. In addition, it was noted that there is no policy in place for works without a specified time period. That is why the Council of Rights Owners advises to use the common denominator for works for which no duration is specified, namely: 36 points. The Management Board has adopted this advice.

Media/RTV: compensation for loss of cable

BumaStemra collects from major cable providers for the retransmission of foreign channels or the retransmission of NPO channels. With regard to foreign channels, Buma pays a portion to its sister societies and adds a portion to its own distribution.

From these royalties, we deduct 10% administration costs, 8% SoCu funds and 15% loss of cable fees for sub-beneficiaries. The reassessment concerns the last 15%. Buma does this because CISAC has an agreement to compensate local sub-publishers who miss out on this. This methodology has been adjusted with the implementation of the quarterly distributions in 2020, as a result of which the scope of the allocation key is no longer in line with the current policy on undistributed rights. There is no one-on-one connection between use and origin of the royalties and retracing why authors/songwriters share in this arrangement is not possible. The Council of Rights Owners has therefore recommended that, in line with the policy, distribution data relating to older years of use should no longer be included in the allocation key. In other words, the scope is restored by using the year of use to which the available funds relate and the years of use from which the allocation key is composed. This way, the one-on-one relationship is restored. With regard to the allocation keys, including the 15% share for authors/songwriters, the Council of Rights Owners recommends maintaining the current methodology. The Management Board has accepted this advice.

Reference repertoire from background music

This section concerns a number of components from the reference repertoire from background music. The Council of Rights Owners has studied this part extensively and weighed up various scenarios. The Council of Rights Owners subsequently advised to maintain the policy regarding TV and Library in reference repertoire as is. In addition, the Council of Rights Owners recommends maintaining the exclusion of tunes and design music in reference repertoire from background music. However, the focus on reducing the collection amount of background music that is distributed on the basis of reference repertoire should be greater, thus increasingly moving towards a one-on-one relationship between collection and

use. Technological solutions will have to be found for this last point. The impact of this will be examined next year.

The Management Board has adopted this advice.

Composition of reference repertoire background music

After discussing the sub-topic 'composition of reference repertoire background music: impact of regional repertoire on the balance of distribution', the Council of Rights Owners concluded that no adjustment should be made in the composition or weighting of reference repertoire from the regional channels on this point. In short, the current methodology must be maintained. This is because changing it would be unjustifiable arbitrarily. The Council of Rights Owners notes that the focus must be on reducing the collection amount of background music that is distributed on the basis of reference repertoire, thus increasingly moving towards a one-on-one relationship between use and collection. The Council of Rights Owners wants to start working on this in the course of 2024.

The Management Board has adopted this advice.

The Council of Rights Owners has also evaluated the subject of composition of reference repertoire background music: evaluating + assessing exclusion of films, series and commercials. The Management Board has been advised to maintain the current policy. This means that films, series and commercials do not form part of the reference repertoire for the distribution of available funds from licences for background music.

The Management Board has accepted this advice.

Evaluation of undistributed policy

The methodology regarding the undistributed policy was revised and adjusted in 2022. Part of the adjustment was that the new methodology was to be evaluated after one year. The Council of Rights Owners has concluded that all components have been implemented without issues and communicated correctly. No complaints about changes in policy have been received. The Council of Rights Owners does indicate, however, that it remains important to reduce the undistributed amount by further improving the collection and thus distribute on a one-on-one basis. This remains a point of attention within the Council of Rights Owners and within BumaStemra as a whole.

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 13, paragraph 3, under a and b. Three independent persons, including the independent chairman 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 participants or who are musicians within a company that is a participant and who are elected by the members/affiliated musicians (Article 13a, paragraphs 1 and 2 and Article 13b, paragraph 1 under a), including:

- || composers of serious music;
- || composers of entertainment music;
- || composers of media music;
- || 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 (Article 13a, paragraphs 3 and 4 and Article 13b, paragraph 1, under b).

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.

1.5 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;
- || 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, it 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	x	x	x	x
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 2023, 8,621 comments were submitted. The complaints procedure has been completed for one relation. This concerned a complaint about unpaid use during football matches. This complaint was rejected on account of the relevant work not appearing in the clubs' statements.

Governance code VOI©E

BumaStemra follows the Governance Code CMOs 2021 adopted by VOI©E (hereinafter referred to as GCV), which entered force on 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 2023.

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 rules. 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, 'integrity' is one of the five core values in BumaStemra's strategy. The organisation handles large amounts and that money belongs to the participants. 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 2022, BumaStemra, in collaboration with Ten Have Change Management,

started a Culture Programme with the following the central question: what does the BumaStemra DNA look like and how does this relate to the realisation of our strategic ambition in behavioural terms. After all: behaviour is visible, learnable and influenceable. Examples include a pleasant way of working together, i.e. from an integrated perspective, or the way in which we provide our services to make the ambition "To the Beat of the Drum" a reality. During 2023, a number of meetings were held with managers (as a group), teams and employees to think about the question: what does that mean for me or us?

Managers naturally have a very important leading role in matters such as collaboration, service provision and defining the place his or her team has in the chain. One of the last meetings with all employees focused on that exact question: what is my place in the chain and how can I work together with colleagues within and outside my own team even better. Through group simulations, all employees could experience the effect of their actions on the work of a colleague, in a playful way.

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/songwriters 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 2: Being role-conscious

BumaStemra's executive and supervisory directors are aware of their own roles and the mutual division of tasks, responsibilities and powers, and act accordingly. The powers and responsibilities are described in the Articles of Association, rules, 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 (interim 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. Appendix 2.1 includes an overview of the Supervisory Board meeting dates, the items discussed and the resolutions.

In 2023, the Supervisory Board drew up a supervisory vision with the aim of formulating a joint reference framework and making its supervisory ambition visible about how the Supervisory Board wants to shape its supervision.

For example, the supervisory vision describes the various roles of the Supervisory Board. In the exercise of these roles, the main rule is that the Supervisory Board supervises BumaStemra on behalf of the company as a whole and, in particular, for current and future rights owners and other stakeholders. The Supervisory Board strives to provide added value by contributing knowledge and experience and opening up networks. The diversity within the Supervisory Board is a great asset and its strengths must be utilised. The diverse composition of the Supervisory Board creates diversity of perspectives that the Supervisory Board takes advantage of. It is important that the members of the Supervisory Board can perform their roles without mandate or private consultation and that they can act independently of each other, the Management Board and other parts of the organisation. In addition, the Supervisory Board wants to add value by carefully fulfilling its employer role and keeping the Management Board alert. In doing so,

the Supervisory Board acts in the role of critical sparring partner and sounding board for the Management Board.

The Supervisory Board considers it important to have constructive collaboration between the Management Board and the Supervisory Board. The interaction between both bodies is aimed at improving decision-making through involvement, in which probing (derived from Board Interaction Matrix) is used to jointly weigh core dilemmas and interests. Probing means that the interaction between the boards is aimed at dialogue and joint investigation of core dilemmas, and interests and arguments to be considered. This way, the best possible and jointly supported decision is reached.

Finally, the Supervisory Board has formulated a number of principles in its vision that it will apply in its approach:

- the "no surprise principle" - The Supervisory Board is of the opinion that proper supervision can only arise on the basis of a solid relationship of trust between the Management Board and the members of the Supervisory Board and between the members of the Supervisory Board themselves. Close communication is essential to avoid unpleasant surprises. The Supervisory Board sets clear expectations in terms of the information to be provided by the Management Board, in which information being relevant, timely, correct and complete is crucial. The "no surprise principle" contributes to a healthy relationship of trust and promotes open dialogue;
- clear delineation of tasks between the Supervisory Board and the Management Board, which is laid down in the Articles of Association and rules. The principal rule is that the Management Board manages and that the Supervisory Board supervises;
- the supervision is integral. It includes both goal achievement and the general course of affairs. The Supervisory Board thus expresses that its supervision focuses on the extent to which the organisation succeeds in achieving its objectives, but also on the manner in which it does so.

In its meeting of 4 December 2023, the Supervisory Board indicated that it will use the supervisory vision as a guideline and that it will act accordingly. Periodic reassessment of the supervisory vision is part of the Supervisory Board's procedures.

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.

In 2023, two General Members' Meetings were held. Members were able to follow the GMMs 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. Due to the CEO's absence, a second GMM was held at the end of 2023, which focused on the appointment of the interim CEO. In the past year, BumaStemra informed and involved its participants through various channels and at different times, aimed at various sub-target groups.

A new positioning

In 2023, in line with the strategy and in order to be ready for the demands of future rights owners, we subjected our positioning to a critical review. Discussions with various internal and external stakeholders have led to a new brand profile: Where the music is. Our mission, vision, brand commitment and values are united in it. Based on this new positioning, we have adjusted our corporate identity and restyled resources such as our website.

Events

To be 'Where the Music is', BumaStemra is present at all major music events, aimed at the sector. We are founding partners of the Eurosonic Noorderslag Festival and Amsterdam Dance Event. During these events we are in contact with our rights owners and other stakeholders in the form of panels and networking events. This year we have committed ourselves to NoMansLand for the first time, an event aimed at young creators. We work closely with Buma Cultuur on the events.

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/songwriters as possible and familiarise them with the music industry in a simple way. In panels, workshops and guest lessons, often together with well-known musicians, we explain everything about music rights, how you can claim funds, how you can do business as a creator and what and who you may encounter on your journey. In 2023, Music Rights on Tour organised panels at the Eurosonic Noorderslag Festival, Musicians Day, No Man's Land and the Amsterdam Dance Event, among others.

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. In 2023, a Pulse session was organised with the Council of Rights Owners to involve supporters in the processing of copyright from live performances.

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.

Rise Up

With Rise Up, we are committed to breaking through ideas that are focused on traditional divisions of roles in the music industry. Every female creator should be able to participate professionally in the creative industry without hindrance. The programme is aimed at solutions: what specific action must be taken to improve the chances of girls and women in the Dutch music industry? Rise Up contributes to this by stimulating the dialogue, offering a platform to role models and offering networking opportunities. We organised, among other things, a round-table discussion with female creators during the Amsterdam Dance Event.

Task Force GO!

Task Force GO! was founded in response to the abuses in the programme The Voice: a partnership of 14 organisations that are committed to creating a safe and inclusive working environment in the music sector. In 2023, BumaStemra chaired the task force. During the Eurosonic Noorderslag Festival in January 2024, the results of a large-scale study into transgressive behaviour were presented and a campaign was launched aimed at raising awareness and behavioural change.

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 Management Board periodically organises town hall meetings to inform the company and its employees of important developments at BumaStemra. Town hall meetings can be attended both digitally and physically.

For the internal audit of the activities and processes, the Management Board is assisted by the interim Compliance Officer, who has been employed by BumaStemra since 2021. The Compliance Officer 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 (the appearance of) any conflict of interest, avoid unwanted conflicts of interest and diligently deal with conflicts of interest. Both the Articles of Association and rules 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) 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 chairman of the Supervisory Board regularly draws attention to this theme, to ensure that the assessment and decision-making processes take place carefully.



Report Supervisory Board

2

2. Supervisory Board report

Introduction

Since the General Members' Meeting of 2018, Buma has a Management Board that bears final responsibility for Buma and a Supervisory Board that is charged with supervising the Management Board. The powers and responsibilities of both bodies are well anchored in the Articles of Association and rules. Throughout the year, the Supervisory Board discussed the strategy and policy pursued, among other things, with the Management Board. Advice is given both reactively (solicited) and proactively (unsolicited). The general course of affairs within Buma 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 and decision-making in the Supervisory Board meeting. The tasks of these committees are anchored in the rules of these committees.

In 2023, the Supervisory Board paid particular attention to the realisation of Buma's strategic and operational objectives, the progress of implementation and further elaboration of the new strategy and the IT transformation, as well as to the policy regarding liquidity management, market developments, risk management, the evaluation of governance and compliance with legislation and regulations and also ensuring peace and continuity in the event of CEO Bernard Kobes being incapacitated. In this report from the Supervisory Board, the Supervisory Board provides an explanation of the themes that received attention, of issues that played a role, of considerations that were made, as well as how aspects were weighted and which choices were made.

The Supervisory Board has invited the Management Board to develop relevant scenarios for these subjects and to provide insight into the considerations made by the Management Board in order to reach a decision. 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 considered. The short and long-term effects of decisions were also examined. The IT issue and liquidity management are clear examples of themes on which the Management Board and the Supervisory Board have exchanged views.

Temporary replacement of Bernard Kobes

In 2023, CEO Bernard Kobes was temporarily incapacitated due to illness. During his absence he was deemed prevented from acting. The Supervisory Board involved CFO Marleen Kloppers in the decision-making process on how to handle Bernard's temporary absence and developed scenarios for this approach with Marleen Kloppers. The chairman of the Supervisory Board and the CFO subsequently consulted a number of stakeholders and relayed their input to the Supervisory Board. Based on all this information, the Supervisory Board decided to appoint a temporary director. After an extensive search and selection process, it was decided to nominate Marcel Gelauff as a candidate based on selection interviews with a total of four candidates. To summarise, this choice is based on Marcel Gelauff's knowledge and experience in the media domain and on his leadership style. On 8 December 2023, based on information from the search and selection process, the curriculum vitae, the clarification of the interviews and on input provided by the candidate himself, the GMM appointed Marcel Gelauff. The Supervisory Board is confident that, with Marcel Gelauff's appointment, the continuity of Buma has been guaranteed.

Strategy

The Supervisory Board monitors the implementation of the strategy. By opting for the "To the Beat of the Drum" strategy and the implementation thereof, Buma itself also opted for the processing of online music use. That is faster and more efficient; besides, the processing thereof produces data about music use, which enables Buma to develop new services for the rights owners.

Buma is replacing digital services by replacing the old IT infrastructure. This process is monitored by the Supervisory Board. By realising the "To the Beat of the Drum" strategy, new, smart IT solutions must convince musicians to opt for

Buma. In addition, these IT solutions will enable Buma to remain ranked among the top 10 collective management organisations in the world. IT is the backbone of the collection and distribution process. In 2023, the online environment MyBumaStemra was further developed as well. Because the IT infrastructure is replaced and improved at the same time, Buma is taking major steps towards providing improved services. However, this also requires a lot from the organisation, both in terms of financial investments and from the employees. It is a comprehensive and intensive process, but the first results, including the in-house processing of online music use, are very encouraging.

Not only the implementation of the new IT infrastructure, but also other themes relevant to the implementation of the strategy were discussed with the Management Board in 2023. Examples include liquidity management, developments in the music industry, employee satisfaction and vitality.

Risks and opportunities

In 2023, the Supervisory Board discussed the most important risks and opportunities in the areas of technology, internationalisation, digitalisation and HR with the Management Board. The Supervisory Board challenged the Management Board in particular to identify strategic risks and opportunities and to mitigate and promote these where necessary: what can impede us from achieving our strategic goals or what can support the realisation of said goals?

Technology offers many opportunities, but also involves risks. Cyber risks, for example, such as the possibility of a hack. New software and a new portal can improve the ease of use for Buma members and participants, but possibly also pose the risk of errors in collection or payment.

The Supervisory Board has drawn particular attention to the key man risk: when too much knowledge is invested exclusively in one person and Buma therefore becomes dependent on that person. If that person becomes incapacitated, this can lead to serious (continuity) problems in the execution of the necessary tasks and processes within Buma.

The Supervisory Board is monitoring the results of the cultural change initiated in 2022, which involves an increased focus on customer-oriented thinking and collaboration. This programme aims to increase employee involvement and improve both their well-being and contribution.

In 2023, the Management Board launched a crisis management plan with the aim of Buma adequately mitigating (reducing) the most important risks. The Supervisory Board monitors the implementation of this plan.

The Supervisory Board further monitors the financial risks. One of the financial risks is possible losses on investments. Whereas in 2022 the investment result was still negative due to trends in the financial markets, in 2023 Buma achieved a positive investment result. The negative investment result of 2022 led to questions being raised during the 2023 GMM. The Supervisory Board challenged the Management Board to subject Buma's liquidity management to a critical review. Liquidity management is one of Buma's core tasks and provides for the management of the funds by Buma between collection and distribution. The aim of this management is, among other things, to maintain the value of the funds to be distributed. Investing is part of its liquidity management, which means that Buma invests part of these funds it manages to maintain the value thereof. The Supervisory Board has intensively probed the Management Board about this and is of the opinion that the Management Board can reasonably conclude that, in the current context, investing in the long term is in best the interests of our stakeholders (members and participants) to contribute to value retention within liquidity management.

Political developments too can lead to risks and opportunities. The 'basic cultural infrastructure' is determined by the government every four years. This determines how much funds are allocated to the performing arts, museums, visual arts and other disciplines. A new government may involve a different vision on cultural policy which in turn can directly affect our members and participants. At a European level, copyright regulations may change, although there were no significant changes to report in that area in 2023.

Financial results

The Supervisory Board concludes that in 2023 Buma has achieved its goals in terms of collection and distribution, while exceeding the budget. Compared to 2022, both the collection and payment of copyright royalties increased in 2023.

The collection was € 16 million higher, whereas distribution increased by € 27 million. Growth in collections was in particular driven by more live performances in 2023 compared to previous Covid-19 years.

The costs and the expense ratio were also higher in 2023 than in 2022, although costs did not exceed the budget. The higher costs can be explained by the hiring of temporary staff as a result of the tight labour market, the IT transformation and inflation. The Supervisory Board critically monitored this cost development.

Employees

The Supervisory Board has noted that monitoring vitality, retaining staff and recruiting new talent has required a lot of attention from the Management Board. The Supervisory Board questioned and challenged the Management Board on these themes and provided advice and assistance. The Supervisory Board further discussed these themes with the Works Council as part of its regular consultation meetings. These meetings offer the Supervisory Board insight into the Works Council's perspective on these themes and at the same time provide an opportunity to gain more insight into the direct experiences and concerns of employees.

The Supervisory Board further notes that the tightness on the labour market causes major challenges for Buma to recruit the right employees. Like many other organisations, Buma is faced with unfilled vacancies, which can cause existing staff to be overloaded and certain tasks being performed by external staff. The Supervisory Board has taken note of the fact that a number of crucial vacancies were filled at the end of 2023.

Governance

Governance concerns the management of an organisation. Within Buma, the Management Board carries final responsibility, while the Supervisory Board supervises. This supervision is not limited to approving proposals from the Management Board, but rather involves the exploring of scenarios with the Management Board prior to the Management Board making a decision or presenting a proposal. In line with this, supervising also means that the Supervisory Board critically questions the insights or beliefs of the Management Board, adds other insights and requests insight into the considerations underlying the proposals.

The powers and responsibilities of both boards are recorded in the Articles of Association and rules. Throughout the year, the Supervisory Board discussed the strategy and policy pursued with the Management Board. Advice was given, both solicited and unsolicited, also about the general state of affairs within the organisation. The central question was always whether the interests of Buma's stakeholders were served in both the short and the longer term. Naturally, the Supervisory Board monitors the financial parameters that create insight into the soundness of the finances and financial processes, the parameters that create insight into the risks and risk management processes and the realisation of the budget and the annual plan.

In 2023, three new members joined the Supervisory Board on the recommendation of the professional associations: Mark Bremer, Hans Everling and Rita Zipora. All three were previously involved in the governance of Buma, namely in the Council of Rights Owners. Due to this change in their roles, they will need to use their knowledge and experience about the music industry and the state of affairs within Buma in a different way when serving on the Supervisory Board, as the Council of Rights Owners approaches issues mainly from the perspective of the subject of distribution. The Supervisory Board has a completely different function: supervision of the integral management of Buma. In 2023, the new members of the Supervisory Board were assessed by the Copyright Board (CvTA). These meetings were positive yet intense.

Not long after joining the Supervisory Board, Mark Bremer stepped down as director of Universal Music Publishing. Consequently, he has had to give up his seat on the Supervisory Board. During the General Members' Meeting at the end of 2023, it was also announced that Ruud Hopstaken will step down as a member of the Supervisory Board. The Supervisory Board has entered into discussions with the professional association NMUV (Nederlandse Muziek Uitgevers Vereniging) regarding the succession of Mark Bremer. The NMUV has nominated Jitze de Raaff as a temporary member of the Supervisory Board until the GMM of 15 May 2024, during which the GMM will vote on his appointment within the Supervisory Board. A candidate has now been selected for the succession of Ruud Hopstaken, who will be presented to the GMM of 15 May 2024.

Ruud Hopstaken was a supervisory director from the moment a Supervisory

Board was established at Buma.

The Supervisory Board would like to thank Ruud Hopstaken for his enormous efforts, involvement and actual contribution to the quality of supervision at Buma.

The Supervisory Board has two committees: the Audit Committee and the Remuneration Committee. The first is concerned with the supervision of the financial policy, whereas the second is concerned with the remuneration and appointment or reappointment of directors. For example, the intended reappointment of Marleen Kloppers as CFO and Marcel Gelauff as interim CEO of Buma in 2023.

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. In 2023, Buma's Audit Committee consisted of Jolanda Messerschmidt (chairman), Alexander Beets, Ruud Hopstaken and Rita Zipora. Ruud Hopstaken resigned from the Audit Committee in January 2024. In 2023, the Remuneration Committee consisted of Ruud Hopstaken (chairman), Hans Everling, Piet-Jan van Rossum, Edith Severs and Josephine de Zwaan. Josephine de Zwaan is also the independent chairman of the Supervisory Board of Buma.

Importance of knowledge

The Supervisory Board as a whole and its individual members attend training.

In 2018, at the initiative of the Supervisory Board, the "four boards/councils training day" was introduced. In this context, the Works Council, the Council of Rights Owners, the Management Board and the Supervisory Board jointly attend this annual training with the aim of building joint knowledge frameworks. The theme for 2023 was "sustainability". Another initiative is the "three-board/council consultation": Twice a year, the Management Board, the Supervisory Board and the Council of Rights Owners discuss a theme that affects Buma. In 2023, the topics were commercial developments and control within BumaStemra.

In 2020, at the initiative of the Supervisory Board, Buma, together with the crmLiNK agency, set up a training programme intended for members of the Supervisory Board and the Council of Rights Owners. The intention is that candidates for the Supervisory Board have completed this training. A second training programme has been set up for new members of the Supervisory Board that provides for extensive onboarding. Both programmes aim to contribute to realising shared basic knowledge within the Supervisory Board (and Council of Rights Owners) and a basic level for supervisory directors.

Sustainability

The Supervisory Board is pleased that the Management Board places sustainability high on the strategic agenda for Buma as well. As a representative of the interests of musicians, the organisation is at the heart of society, with the desire to make a positive contribution to that society, including on ESG themes. The investment policy has created more room for sustainable investing and the annual training day with all boards/councils within Buma (including the Works Council) had sustainability as its theme. In the field of inclusion, Buma, as one of the initiators of Task Force GO!, wants to promote awareness and open up a dialogue about offering a diverse, inclusive and safe working environment throughout the music industry. Promoting this awareness was successful in 2023, given the extensive media attention on this subject. However, raising awareness only really makes sense if people in key positions assume their responsibilities therein. The Supervisory Board welcomes Buma's efforts to encourage directors and others not only to talk about sustainability, inclusion and safety, but also to put their words into action.

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

The 2023 draft annual report and management letter were discussed with the Audit Committee and the full Supervisory Board on 15 April 2024, in the presence of the auditor. The annual report was adopted by the Supervisory Board on 26 April 2024.

General Member's Meeting

In 2023, two General Members' Meetings were held. The first GMM was held on

17 May 2023. In addition to adopting the minutes of the previous General Members' Meeting, the following items were on the agenda:

- || the transparency report including the 2022 financial statements of Buma;
- || the adoption and feedback of the social and cultural policy;
- || explanation of the budget for 2023;
- || reappointment of the CEO;
- || appointment of three members of the Supervisory Board;
- || (re)appointment of four members of the Council of Rights Owners;
- || appointment of three members of Buma Cultuur;
- || (re)appointment of five members of the Council of Rights Owners;
- || appointment of the deputy member of the Supervisory Board in the event of incapacity or absence of the entire Supervisory Board;
- || extension of the term of a member of the Supervisory Board;
- || diversity, inclusion and safety;

The General Members' Meeting adopted the following resolutions:

- || adoption of the 2022 financial statements of Buma;
 - || discharging the Management Board and the Supervisory Board of Buma from all liability;
 - || reappointment of the CEO;
 - || appointment of three members of the Supervisory Board;
 - || (re)appointment of four members of the Council of Rights Owners;
 - || appointment of three members of Buma Cultuur;
 - || (re)appointment of five members of the Council of Rights Owners.
- Appointment of the deputy member of the Supervisory Board in the event of incapacity or absence of the entire Supervisory Board;
- || extension of the term of a member of the Supervisory Board.

The second GMM was held on 8 December 2023. During that meeting, Marcel Gelauff was nominated and appointed as interim CEO of Buma, as a temporary replacement for Bernard Kobes.

Retirement schedule

On 6 September 2021, the Supervisory Board adopted a retirement schedule that provides for members taking office and retiring in phases, which retirement schedule was most recently amended on 25 September 2023. This schedule was adhered to in 2023.

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.

Members of the Supervisory Board:

Josephine de Zwaan, chairman
Piet-Jan van Rossum, vice-chairman
Alexander Beets
Hans Everling
Ruud Hopstaken
Jolanda Messerschmidt
Jitze de Raaff (appointed in the interim on 11 March 2024)
Edith Severs
Rita Zipora Verbrugge



Report Council of Rights Owners

3

3. Report from the Council of Rights owners

Introduction

The Council of Rights Owners consists of members nominated by the various professional associations for musicians and publishers. Together they represent Buma's broad support base and fulfil a monitoring role. The Council of Rights Owners discusses and puts on the agenda problem areas and challenges that musicians and publishers face. In 2023, the Council of Rights Owners met eight times and participated in two 'three-board/council consultations' together with the Management Board and the Supervisory Board. In addition, a training day was held with the three boards/councils and the Works Council. Sustainability was the main theme therein, both in general and with regard to the music world. Last year, the Council of Rights Owners issued a total of 22 recommendations to the Management Board. An overview of these recommendations can be found in Appendix 2.4.

Course

In 2023, a number of members of the Council of Rights Owners completed the first part of the governance course. This course is about good governance and was introduced by Buma in collaboration with crmLiNK consultancy firm. A number of members moved on to the second (and final) part, which focuses on internal governance within Buma. The members of the Council of Rights Owners thought the course was very valuable. We would like to consider covering some elements of the second part as early as the first part. This concerns the basic operation of copyright and the precise task of Buma therein. These are topics that especially benefit new members of the council.

Committees

The Council of Rights Owners has expanded the number of committees, because there are more topics on which the council wants to issue advice. Three committees are already in place:

- the Distribution Committee, which focuses on the payment of copyright royalties. This committee meets more often than the others and issues the most advice, often also on technical matters (such as the use of background music played through sound equipment, the distribution policy for crematoria and 'status-2' distributions);
- the GMM Committee, which prepares the General Members Meeting together with the other boards/councils;
- the Communications Committee, which regularly advises communications staff on how to inform Buma members and participants about certain matters.

In addition, a number of temporary committees have been established:

- the Foreign Affairs Committee, which examines how distribution from abroad can be arranged better and faster;
- the AI Committee, which carefully monitors developments in this area;
- the 'Live' Committee, which investigates how more and more accurate information about the use of live music can be collected;
- the Online Commercials Committee, which examines how copyright royalties can be collected from music used in commercials on platforms such as YouTube.

In addition, there are working groups that deal with artificial intelligence (AI), key accounts (users of music that generate a lot of turnover, such as Meta and Spotify) and online licences.

Recommendations to the Management Board

The Council of Rights Owners provides solicited and unsolicited advice, which is submitted by committee members to the entire Council of Rights Owners first. If the advice is approved by the majority, it is submitted to the Management Board. Last year, the Council of Rights Owners issued unsolicited advice to the Management Board once. This was brought by the 'Live' Committee and concerned performances for which a licence had been requested, but for which

the repertoire list was missing. Because of the latter, the copyright royalties flow to 'undistributed' (a pot from which collected funds are distributed proportionately to all members and participants). In order to better pay members and participants one-on-one, registering repertoire is very important. The Council of Rights Owners advised the Management Board on a number of measures that can lead to better registration of set lists, so that rights owners can be paid more fairly. In October, the council organised an online session with members and participants to discuss the results of the advice. During this 'Pulse session', an appeal was made to musicians to always report set lists or to ensure that the event organiser does so.

Interim CEO

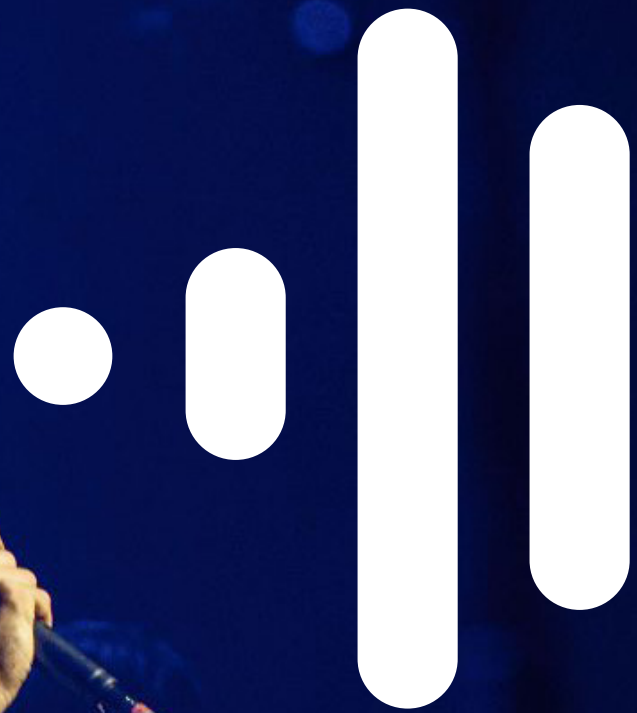
In early 2023, the Council of Rights Owners provided positive advice on the reappointment of CEO Bernard Kobes. Around September, the council was shocked by the news of his illness and the need to temporarily step down. The Council of Rights Owners was subsequently consulted on the appointment of an interim CEO and a positive recommendation was made regarding the appointment of Marcel Gelauff. After the first meetings with Marcel, the council was positive about his valuable input. Although a relative outsider, he has a lot of experience in leading a large organisation.

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 Buma for their pleasant and constructive collaboration. The Council of Rights Owners would also like to thank all Buma members and participants who were contacted during the Pulse session, during live events or via e-mail. Please submit any questions, comments and ideas for the members of the council or one of the committees at rvr@bumastemra.nl.

Members of the Council of Rights Owners:

Davo van Peursen, chairman
Aafke Romeijn, vice-chairman
Wiboud Burkens
Brian Dessaur (joined in the interim on 10 April 2024)
Tomas Deuss
David Damm
Darko Esser
Levy Isabella
Renger Koning
Martijn Schimmer
Johan van der Voet
Savine Warmelink



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 2023 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 2023 financial year.

Hoofddorp, 26 April 2024

Members of the Supervisory Board

Josephine de Zwaan	Chairman
Alexander Beets	Member of the Supervisory Board
Hans Everling	Member of the Supervisory Board
Ruud Hopstaken	Member of the Supervisory Board
Jolanda Messerschmidt	Member of the Supervisory Board
Jitze de Raaff	Member of the Supervisory Board
Piet-Jan van Rossum	Member of the Supervisory Board
Edith Severs	Member of the Supervisory Board
Rita Zipora Verbrugge	Member of the Supervisory Board

Members of the Management Board

Marcel Gelauff	Acting Chief Executive Officer
Marleen Kloppers	Chief Financial Officer
Bernard Kobes	Chief Executive Officer (long term absence)

A photograph of a recording studio. In the foreground, a person in a red Adidas sweatshirt is seen from behind, working at a mixing console. In the background, through a glass partition, a band is performing: a man in a yellow shirt plays a keyboard, a man in a black vest plays a large green drum, and another man is at a drum kit. The studio has wood-paneled walls and professional lighting.

Financial statements

5

5.1 Balance sheet as at 31 December 2023

After appropriation of the result

(x € 1,000)

		31 December 2023	31 December 2022
ASSETS			
Fixed assets			
Intangible fixed assets	(1)	12,202	8,224
Tangible fixed assets	(2)	999	1,194
Financial fixed assets	(3)	5,400	6,000
Current assets			
Receivables			
Accounts receivable	(4)	20,210	14,094
Other receivables	(5)	1,430	788
Taxes and social security contributions		1,717	1,912
Prepayments and accrued income	(6)	3,229	2,982
		26,586	19,776
Securities	(7)	166,489	152,486
Cash and cash equivalents	(8)	57,323	56,981
TOTAL ASSETS		268,998	244,661

(x € 1,000)

		31 December 2023	31 December 2022
LIABILITIES			
Equity			
Appropriated reserve	(9)	-	-
Provisions			
Provision for (temporary) differences in cost coverage	(10)	36,922	19,930
Other provisions	(10)	5,131	5,618
		42,053	25,548
Non-current liabilities	(11)	1,191	2,654
Current liabilities			
Copyright royalties to be distributed	(12)	190,974	191,584
Accounts payable		2,795	1,560
Taxes and social security contributions		407	389
Other liabilities	(13)	22,281	15,787
Accruals and deferred income	(14)	9,297	7,139
		225,754	216,459
TOTAL LIABILITIES		268,998	244,661

5.2 Operating statement for 2023

(x € 1,000)

		2023	2022
Income	(15)		
Administration fee withheld in the year of collection		30,487	27,229
Contributions and registration fees		1,155	1,078
Other income		279	63
Total income		31,922	28,370
Expenses			
Personnel costs	(16)	14,472	11,853
Accommodation costs		830	731
Amortisation and depreciation	(1 + 2)	2,498	1,509
Other expenses	(17)	11,717	11,815
Total expenses		29,516	25,908
Result from operations		2,405	2,462
Financial income and expenses			
Investment result	(18)	14,566	-26,689
Interest income and similar income	(20)	21	1
Interest expenses and similar expenses	(20)	-	-401
Balance of financial income and expenses		14,587	-27,089
Result before taxes		16,992	-24,627
Movement in provision for (temporary) differences in cost coverage	(10)	-16,992	24,627
Taxes	(19)	-	-
Result after taxes		-	-

5.3 Cash flow statement for 2023

(x € 1,000)	2023	2022
Result after taxes	-	-
Movement in provision for (temporary) differences in cost coverage	16,992	24,627
Financial income and expenses	-14,587	27,089
Result from operations	2,405	2,462
Adjustments for:		
Amortisation intangible fixed assets (1)	2,065	791
Depreciation tangible fixed assets (2)	433	718
	2,498	1,509
Cash flow from operations	4,903	3,971
Purchase of securities (7)	-25,380	-9,295
Repayments received/sale of securities (7)	25,410	6,038
Financial income and expenses with cash flow	554	-103
Movement in other provisions (10)	-487	-697
Movement in non-current liabilities (11)	-1,463	-804
Movement in copyright royalties to be distributed (12)	-610	13,562
Movement in operating capital	3,695	5,722
	1,719	14,423
Cash flow from operating activities	6,622	18,394
Investments in intangible fixed assets (1)	-6,042	-6,176
Investments in tangible fixed assets (2)	-238	-100
Cash flow from investment activities	-6,280	-6,276
Movement in cash flow	342	12,118
Cash and cash equivalents as at 1 January (8)	56,981	44,863
Cash and cash equivalents as at 31 December (8)	57,323	56,981
Movement in cash and cash equivalents	342	12,118

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 ('the Association' or '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 2023, which ended on the balance sheet date of 31 December 2023.

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 and the provision for long-service awards;
- || claims by licensees 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.

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, subsection 3 of the Collective Management Organisations for Copyright and Neighbouring Rights (Supervision and Dispute Resolution) Act ('Supervision Act').

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 the 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 coverage

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 coverage.

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.

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 the 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. Until 2020, a variable percentage was withheld from a number of sections in the year of collection, and a fixed percentage was withheld from a number of sections 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.

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 the balance sheet date.

In an advance tax ruling extended until 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 2023. Buma is in discussions with the Tax and Customs Administration about the entity's tax qualification after completion of the advanced tax ruling.

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.

** 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.*

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 2023			
Cost of acquisition/manufacture	12,496	5,937	18,433
Cumulative depreciation	-10,209	-	-10,209
Carrying amount as at 1 January 2023	2,287	5,937	8,224
Movements			
Investments	114	5,928	6,042
Commissioning	2,621	-2,621	-
Depreciation/amortisation and impairment	-1,248	-817	-2,065
Total movements	1,487	2,490	3,977
Balance as at 31 December 2023			
Total cost of acquisition	15,231	9,244	24,475
Cumulative amortisation and impairment	-11,457	-817	-12,273
Carrying amount as at 31 December 2023	3,774	8,428	12,202

The investments made in 2023 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. We have researched and weighed up alternatives and have begun developing a different copyright system to ensure the continuity of our services. This investment was impaired by € 0.8 million, as it is uncertain whether this functionality will in fact be put in full use by Buma.

(2) Tangible fixed assets

The changes in intangible fixed assets are as follows:

(x € 1,000)	Hardware / computer equipment	Other operating assets	Assets under construction	Total
Balance as at 1 January 2023				
Cost of acquisition/manufacture	2,859	1,341	-	4,200
Cumulative depreciation	-2,181	-825	-	-3,006
Carrying amount as at 1 January 2023	678	516	-	1,194
Movements				
Investments	179	59	-	238
Amortisation and depreciation	-296	-136	-	-433
Total movements	-117	-77	-	-195
Balance as at 31 December 2023				
Cost of acquisition/manufacture	3,038	1,400	-	4,438
Cumulative amortisation and impairment	-2,477	-961	-	-3,439
Carrying amount as at 31 December 2023	561	438	-	999

(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 2023		6,000
Movements		
Increase		-
Revaluations		-
Repayments		-
Included under short-term receivables		-600
Total movements		-600
Carrying amount as at 31 December 2023		5,400

(4) Receivables

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 Stichting Service Centrum Auteurs- en Naburige rechten (SCAN) and until 31 December 2022 by Network of Music Partners (NMP).

Receivables from debtors include an amount of € 1.4 million (2022: € 1.2 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 2023 amounts to € 1.1 million (2022: € 1.1 million).

(5) Other receivables

(x € 1,000)		2023	2022
Buma members and participants		773	723
Sociaal Fonds Buma current account		4	11
Other receivables		653	54
Total as at 31 December		1,430	788

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

(6) Prepayments and accrued income

(x € 1,000)		2023	2022
Prepaid pension contribution		1,678	-
Prepaid expenses		1,271	2,344
Other prepayments and accrued income		280	638
Total as at 31 December		3,229	2,982

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

(7) Securities

(x € 1,000)	2023	2022
Fixed-income securities	128,522	118,458
Equity funds	37,967	34,028
Total as at 31 December	166,489	152,486

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 2023	118,458	34,028	152,486
Purchases	6,698	18,682	25,380
Repayments/sales	-3,661	-21,749	-25,410
Changes in value	7,027	7,006	14,033
Total movements	10,064	3,939	14,003
Total as at 31 December 2023	128,522	37,967	166,489

(8) Cash and cash equivalents

(x € 1,000)	2023	2022
Various banks	57,323	56,981
Total as at 31 December	57,323	56,981

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 (2022: € 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 coverage 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 coverage 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 2023.

(10) Provisions

Provision for (temporary) differences in cost coverage

Changes in the provision are as follows:

(x € 1,000)	2023	2022
Balance as at 1 January	19,930	44,557
Movement charged to operating statement	16,992	-24,627
Total as at 31 December	36,922	19,930

The purpose of the provision for temporary differences in cost coverage 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 coverage. 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 coverage for 2023. 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 change in this provision in 2023 concerns the positive balance of cost coverage for 2023: € 17.0 million. This surplus is mainly the result of the positive investment result, which was € 11.5 million higher than budgeted. Furthermore, due to higher royalties, the withheld administration fees were € 1.4 million higher than budgeted. Management costs were € 1.8 million lower than budgeted and (other) financial income together were € 0.3 million higher than budgeted. Because the budget for 2023 already assumed a funding surplus of € 1.9 million, the total funding surplus amounts to € 17.0 million.

On 31 December 2023, the lower limit of the provision was € 25.0 million, whereas the upper limit was € 37.5 million. After the change charged to the operating account, the provision as at 31 December 2023 amounts to € 36.9 million. This is € 11.9 million above the lower limit and € 0.5 million below

the upper limit. Therefore, in accordance with the established reserve policy, there is no need to aim for over/underfunding of management costs for 2024. This policy was adhered to when drawing up the budget for 2024.

Other provisions

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

(x € 1,000)	2023	2022
Buma annual allowance scheme**	4,943	5,432
Long-service awards	188	186
Total as at 31 December	5,131	5,618

** formerly: Stichting Sociaal Fonds Buma payment previous years

Buma annual allowance scheme

Changes in the provision for the Buma annual allowances scheme are as follows:

(x € 1,000)	2023	2022
Balance as at 1 January	5,432	6,118
Interest	174	234
Mortality result	-60	-155
Indexation of annual allowances	-	978
Change in interest rate	180	-1,042
Change in life expectancy	-4	28
Distributions	-779	-729
Balance as at 31 December	4,943	5,432

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. Liquidation was completed in 2023. 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 3.44% (2022: 4.07%). This change in interest rate increases the present value of the annual allowances obligations. Consequently, the expected annual interest payment has decreased.

Long-service awards

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

(x € 1,000)	2023	2022
Balance as at 1 January	186	197
Interest	7	8
Addition debited /release credited to the result	-8	13
Change in interest rate	7	-19
Distributions	-4	-13
Balance as at 31 December	188	186

This provision concerns future long-service awards to employees, and is largely long term.

The provision for long-service awards includes an amount of € 18k (2022: € 3k) 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)	2023	2022
Balance as at 1 January	2,654	3,458
Addition from royalties to be distributed	11,217	9,512
Withdrawals	-12,680	-10,316
Total movements	-1,463	-804
Balance as at 31 December	1,191	2,654

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 2023 (2022: 8.0%). In 2023, the amount added is 17.9% higher than in 2022 due to the increase in royalties from which SoCu contributions are withheld; no SoCu contributions are withheld from Online copyright royalties.

The withdrawals from the SoCu Fund in 2023 can be specified as follows:

(x € 1,000)	2023	2022
Social		
Retirement provisions for musicians and publishers *	6,750	5,314
Movement in provisions for musicians and publishers	-201	-144
Annual allowances commitment *	736	830
Change in provision for annual allowances **	-451	-801
Withdrawals Social	6,834	5,199
Cultural		
Stichting Buma Cultuur commitment *	4,400	4,000
Surcharge Serious *	550	412
Brein *	450	390
Professional associations	264	264
Other	182	51
Withdrawals Cultural	5,846	5,117
Total withdrawals	12,680	10,316

* concerns allocations for distributions in the following financial year

Of the total withdrawals in 2023, € 12.9 million (2022: € 10.9 million) concerns allocations for distributions in the following financial year. The other items were paid out in the relevant financial year or relate to the payments 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.

The basis for the amounts made available for musicians in 2023 is 8.0% (2022: 8.5%) of the copyright royalty fee received through Buma. The music publishers' retirement provision amounts to 50% of the maximum available amount for musicians. For both musicians and publishers, an annual income threshold of € 1,416 (2022: € 1,212) applies.

In 2023, an amount of € 6.8 million was withdrawn from the Socu Fund for the retirement benefits for 2023, which will be paid in 2024.

This amount has been recognised as an obligation under the other liabilities.

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

Stichting Sociaal Fonds Buma was wound up in 2023. 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 2024 of € 4.4 million.

Other

The Surcharge Serious is a withdrawal from the SoCu Fund for the distribution to rights owners in the Serious Music section. 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. The withdrawal in 2023 concerns a commitment for the year 2024.

(12) Copyright royalties to be distributed

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

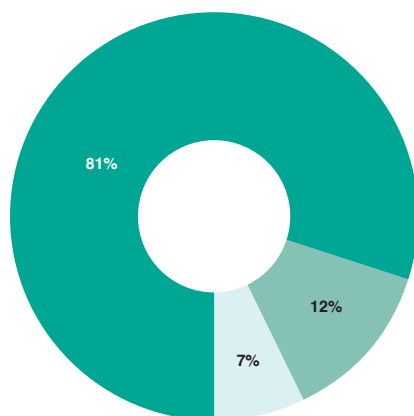
(x € 1,000)	2023	2022
Accrued in financial year	153,862	152,441
Royalties still in progress	25,806	19,386
Accrued in previous years	11,305	19,757
Balance as at 31 December	190,974	191,584

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

(x € 1,000)	2023	2022
Balance as at 1 January	191,584	178,022
Collection:		
Music use in the Netherlands	217,918	199,722
CMOs Abroad	17,425	18,947
	235,343	218,669
Distribution:		
Directly affiliated rights owners	-133,801	-108,399
CMOs Abroad	-59,848	-58,853
Additions to Fund for Social and Cultural Purposes	-11,817	-10,626
	-205,466	-177,878
Withholding administration fee:		
Administration fee withheld upon distribution	-	-
Administration fee withheld in the year of collection	-30,487	-27,229
Administration fee withheld on gross copyright royalties to be distributed at the end of 2020 (one-off gain)	-30,487	-27,229
Balance as at 31 December	190,974	191,584

On balance, the copyright royalties to be distributed decreased by € 0.6 million compared to the previous year. The main reason for this is the higher distribution in 2023. The tables below further discuss the composition of the copyright royalties to be distributed.

Composition of copyright royalties to be distributed for 2023



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

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

(x € 1,000)	2023	2022
1. Accrued in financial year	153,862	152,441
2. Royalties still in progress		
- As-yet unallocated royalties	15,185	11,064
- Warsaw rule	2,377	2,179
- Cable fees from abroad	1,567	1,370
- Contradictory claims	5,602	4,774
- Claim differences	1,075	
Total royalties still in progress	25,806	19,386
3. Accrued in prior financial years	11,305	19,757
Total	190,974	191,584

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 2023. The majority will be paid out during 2024.

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 (€ 153.9 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)	2023	2022
Revenue from copyright royalties	235,343	218,669
Administration fee withheld in the year of collection	-30,487	-27,229
Addition from release of copyright royalty reserves		
Available for Fund for Social and Cultural Purposes	-11,817	-10,626
Subtotal of distribution of received copyright royalties	193,039	180,814
Distributed in financial year *	-39,177	-28,374
Total as at 31 December	153,862	152,440

* this distribution partly consists of royalties accrued in previous years

The collection in 2023 increased by € 16.7 million compared to 2022. The withheld administrative fee of € 30.5 million relates to the deduction from the realised collection. The deduction is approximately € 3.2 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 € 193.0 million net will be made available for distribution in 2023. More than € 39.2 million of this was paid out during the year, after which € 153.9 million remains at the end of 2023 in distributable royalties that have been accrued in the current financial year.

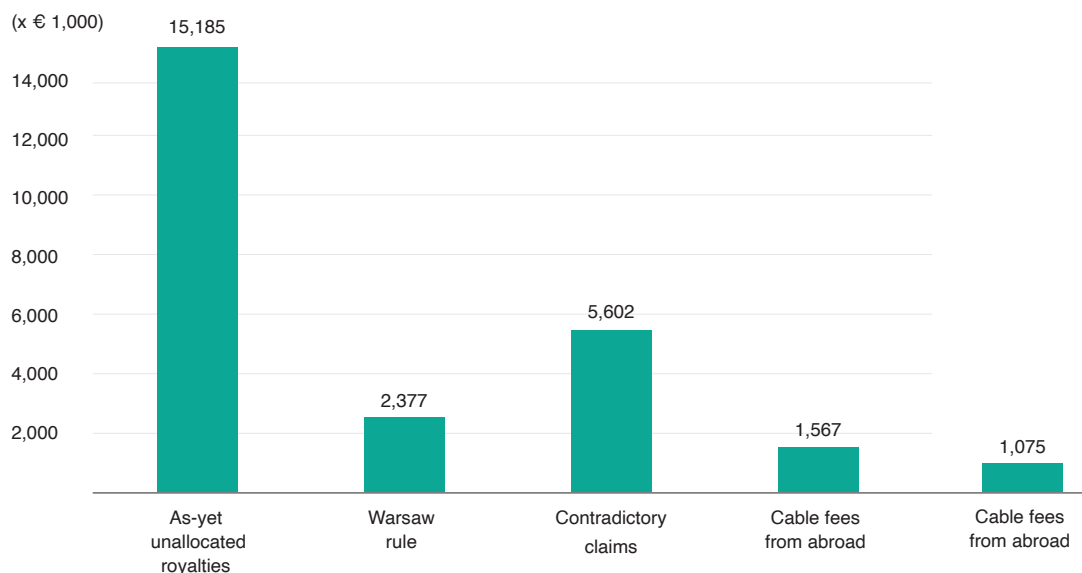
The copyright royalties were received from the following categories:

(x € 1,000)	2023	2022
Radio, TV and Network Providers	76,372	74,650
Live performances	47,271	35,698
Restaurants and bars	15,907	13,415
Work spaces	24,653	19,960
Shops and stores	13,848	13,237
Online	39,867	42,762
Abroad	17,425	18,947
Balance as at 31 December	235,343	218,669

2. Royalties still in progress (€ 25.8 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.

As-yet unallocated royalties (€ 15.2 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 (€ 2.4 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 (€ 5.6 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 (€ 1.6 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.

Claim differences (€ 1.1 million)

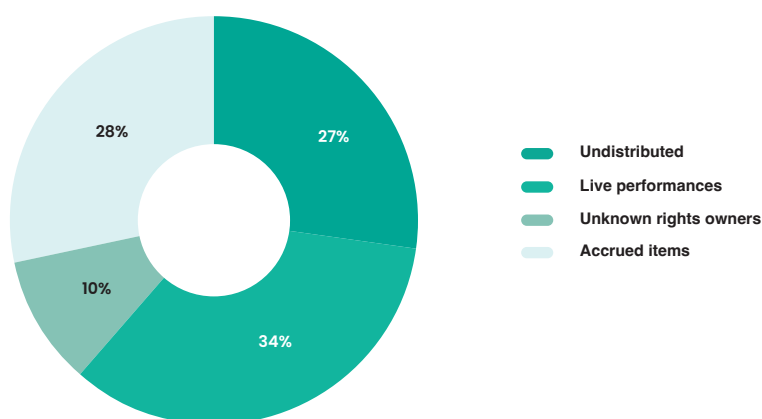
Claim differences arise in two ways:

- difference between share picture at the time of invoicing and at the time of distribution for online;
- difference between share picture provided by sister societies and the share picture in the ice database for international.

Accrued in previous years (€ 11.3 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 (€ 3.1 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 (€ 3.8 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 (€ 1.2 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.

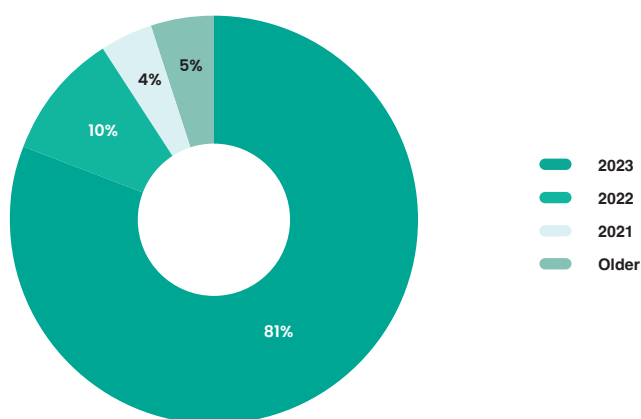
This item partly concerns royalties for which the manual verification process could not be completed in time. It is expected that the processing of these royalties will be completed in 2024, after which they can be distributed.

Accrued items (€ 3.2 million)

This concerns royalties which became available for distribution late in 2023 and which could therefore not be processed in 2023. Most of these royalties will be distributed in 2024.

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	2023	2022	2021	older
Accrued in financial year	153,862	153,862			
Royalties still in progress					
- As-yet unallocated royalties	15,185	-870	9,964	4,154	1,936
- Warsaw rule	2,377	285	703	527	863
- Contradictory claims	5,602	361	1,031	483	3,728
- Cable fees	1,567		1,556	11	
- Claim differences	1,075	299	593	66	117
Accrued in prior financial years *	11,305	121	5,392	2,543	3,249
Total as at 31 December	190,974	154,058	19,240	7,784	9,893

* the amount in annual tranche 2023 was accrued in 2023. 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 unallocated royalties will be negative in 2023 because this shows the basic distribution for 2023 that was distributed in December. This basic distribution is funded from the as-yet unallocated royalties.

In addition to € 6.6 million in royalties still in progress, the total amount from the years before 2021 mainly consists of € 3.2 million available for undistributed.

A considerable percentage of the royalties accrued in previous years are expected to be distributed in 2024. 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)	2023	2022
Obligations in respect of social and cultural purposes	13,508	11,255
Stemra current account	5,247	1,298
SCAN current account	8	7
Buma members and participants	2,827	2,000
Other	691	1,227
Total as at 31 December	22,281	15,787

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

(x € 1,000)	2023	2022
Grant obligations to Stichting Buma Cultuur for 2024 and 2023 financial years	4,050	4,000
Grant obligations to Stichting Buma Cultuur for previous years	254	254
Retirement provisions for musicians and publishers	8,132	6,149
Surcharge Serious	622	462
Grant obligations to Stichting Brein for 2024 and 2023 financial years	450	390
Total as at 31 December	13,508	11,255

(14) Accruals and deferred income

(x € 1,000)	2023	2022
Advances received	2,809	-
Amounts to be credited	2,691	832
Invoices to be paid	328	2,970
Amounts invoiced in advance	1,089	1,023
Holiday allowance and annual leave	1,078	918
Rental payments in coming years	10	35
Other	1,292	1,361
Total as at 31 December	9,297	7,139

No amounts with a term of more than one year were included under accruals and deferred income as at 31 December 2023.

Other prepayments and accrued income as at 31 December 2023 include an amount of € 0.5 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)	2023	2022
Administration fee withheld in the year of collection	30,487	27,229
Contributions and registration fees	1,155	1,078
Other income	279	63
Total as at 31 December	31,922	28,370

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

(16) Personnel costs

(x € 1,000)	2023	2022
Salaries	9,684	8,328
Social security contributions	1,492	1,238
Pension costs	1,122	1,014
Hiring of temporary personnel	2,947	1,788
Remuneration Supervisory Board and Council of Rights Owners	332	314
Reimbursement of travel expenses	451	202
Other personnel costs	909	644
	16,937	13,528
Allocated to related parties	-2,465	-1,675
Total	14,472	11,853

Salaries, increased by social security contributions, are indexed. In addition, an increase in the average number of FTEs has resulted in higher salary costs, a total of € 1.6 million higher compared to 2022. A larger increase in staffing was included in the 2023 budget, but due to a shortage in the labour market, some vacancies were not filled with permanent staff in 2023 to save costs. Due to the shortage, but also because of the hiring of project officers, more temporary staff will be hired in 2023. The costs for this increased by € 1.2 million compared to 2022. Other personnel costs are also higher in total than in 2022, as is the allocation to Stemra and other related parties.

As a result, total personnel costs for 2023 are € 2.6 million above the level of 2022.

The coverage ratio of Pensioenfonds PNO Media as at 31 December 2023 is 113.3% (31 December 2022: 114.7%).

In 2023, the average number of FTEs increased compared to 2022. During the 2023 financial year, the average number of employees converted to FTE was 139.7 (2022: 123.6). 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 to Stemra.

Number of FTEs	2023	2022
Management and secretariat of the Management	4.3	5.2
Secretariat of the Board	2.2	2.4
Legal Affairs & Lobbying	6.8	5.3
General Affairs	32.5	29.9
Front office	24.0	24.8
Back office	69.9	56.0
Total	139.7	123.6

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.

14. 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

Senior management officials with an employment contract, as well those who have served without an employment contract for 13 months or more, including those considered to be senior management officials for another 4 years based on their former position.

The remuneration per individual for 2023 – as defined in the Supervision Act – can be specified as follows (in €)*:

amounts x € 1	B.H. Kobes	M.C. Kloppers
Job details	CEO	CFO
Start and end of the job performance in 2023	01/01 to 31/12	01/01 to 31/12
Scope of employment (as part-time factor in FTE)	1.0	1.0
Employment?	yes	yes
Remuneration		
Remuneration plus taxable expense allowances	203,095	203,177
Post-contract benefits	19,905	19,823
Subtotal	223,000	223,000
Individually applicable maximum remuneration	223,000	223,000
-/- Amount unduly paid and not yet repaid	N/a	N/a
Remuneration	223,000	223,000
The amount of the excess and the reason why the excess is or is not permitted	N/a	N/a
Explanation of the claim for undue payment	N/a	N/a
Data 2022		
amounts x € 1	B.H. Kobes	M.C. Kloppers
Job details	CEO	CFO
Start and end of the job performance in 2023	01/01 to 31/12	01/01 to 31/12
Scope of employment (as part-time factor in FTE)	1.0	1.0
Employment?	yes	yes
Remuneration		
Remuneration plus taxable expense allowances	197,616	197,700
Post-contract benefits	18,384	18,300
Subtotal	216,000	216,000
Individually applicable maximum remuneration	216,000	216,000
Remuneration	216,000	216,000

* This concerns the full remuneration received from Buma (100% of the total remuneration). 17% of the total remuneration was charged to Stemra.

1b. Senior management officials who served without an employment contract in the calendar months 1 to 12

The remuneration per individual for 2023 – as defined in the Supervision Act – can be specified as follows (in €)*:

amounts x € 1	M. Gelauff	
Job details	Acting CEO	
Calendar year	2023	2022
Period of job performance in the calendar year (start - end)	01/11 to 31/12	N/a
Number of calendar months of job performance in the calendar year	2	N/a
Scope of employment in hours per calendar year	343	N/a
Individually applicable maximum remuneration		
Maximum hourly rate in the calendar year	212	206
Maximums based on the standard amounts per month	N/a	N/a
Individually applicable maximum entire period calendar months 1 to 12	59,000	
Remuneration (all amounts excluding VAT)		
Remuneration in the relevant period	59,000	N/a
Remuneration entire period calendar months 1 to 12	59,000	
-/- Amount unduly paid and not yet repaid	N/a	
Remuneration	59,000	
The amount of the excess and the reason why the excess is or is not permitted	N/a	N/a
Explanation of the claim for undue payment	N/a	

* This concerns the full remuneration received from Buma (100% of the total remuneration). 17% of the total remuneration was charged to Stemra.

1c. Senior supervisory officials

Remuneration of the Supervisory Board

The remuneration per individual for 2023 – as defined in the Supervision Act – can be specified as follows (in €)*:

Name	Position	Period served 2023	Total WNT remuneration 2023	WNT maximum 2023	Period served 2022	Total WNT remuneration 2022	WNT maximum 2022
J. de Zwaan	Chairman of the Supervisory Board	1 Jan - 31 Dec	33,450	33,450	1 Jan - 31 Dec	32,400	32,400
A. Beets	Member of the Supervisory Board	1 Jan - 31 Dec	22,300	22,300	1 Jan - 31 Dec	21,600	21,600
R.J.M. Hopstaken	Member of the Supervisory Board	1 Jan - 31 Dec	22,300	22,300	1 Jan - 31 Dec	21,600	21,600
J.P. Messerschmidt	Member of the Supervisory Board	1 Jan - 31 Dec	22,300	22,300	1 Jan - 31 Dec	21,600	21,600
P.J. van Rossum	Member of the Supervisory Board	1 Jan - 31 Dec	22,300	22,300	25 May - 31 Dec	13,078	13,078
E. Severs	Member of the Supervisory Board	1 Jan - 31 Dec	22,300	22,300	1 Jan - 31 Dec	21,600	21,600
A.B. Molema	Member of the Supervisory Board	1 Jan - 17 May	8,370	8,370	1 Jan - 31 Dec	21,600	21,600
M.H. Swemle	Member of the Supervisory Board	1 Jan - 17 May	8,370	8,370	1 Jan - 31 Dec	21,600	21,600
N.M. Walboomers	Member of the Supervisory Board	1 Jan - 17 May	8,370	8,370	1 Jan - 31 Dec	21,600	21,600
M.A. Bremer	Member of the Supervisory Board	18 May - 31 Dec	13,930	13,930	-	-	-
J.M.F. Everling	Member of the Supervisory Board	18 May - 31 Dec	13,930	13,930	-	-	-
R. Zipora Verbrugge	Member of the Supervisory Board	18 May - 31 Dec	13,930	13,930	-	-	-

This concerns the total remuneration received from Buma (100% of the total remuneration); these members of the Supervisory Board do not have an employment contract. 17% of the total remuneration was charged to Stemra.

Remuneration of the Council of Rights Owners

The remuneration per individual for 2023 – as defined in the Supervision Act – can be specified as follows (in €)*:

Name	Position	Period served 2023	Total WNT remuneration 2023	WNT maximum 2023	Period served 2022	Total WNT remuneration 2022	WNT maximum 2022
R. Zipora Verbrugge	Chairman of the Council of Rights Owners	1 Jan - 17 May	4,710	12,555	1 Jan - 31 Dec	14,464	32,400
D. van Peursen	Chairman of the Council of Rights Owners	18 May - 31 Dec	7,840	20,895	-	-	-
D. van Peursen	Member of the Council of Rights Owners	1 Jan - 17 May	3,840	8,370	1 Jan - 31 Dec	10,578	21,600
M.A. Bremer	Vice-chairman of the Council of Rights Owners	1 Jan - 17 May	3,348	8,370	1 Jan - 31 Dec	9,284	21,600
A. Romeijn	Vice-chairman of the Council of Rights Owners	18 May - 31 Dec	6,972	13,930	-	-	-
A. Romeijn	Member of the Council of Rights Owners	1 Jan - 17 May	4,015	8,370	1 Jan - 31 Dec	8,828	21,600
W. Burkens	Member of the Council of Rights Owners	1 Jan - 31 Dec	8,483	22,300	1 Jan - 31 Dec	8,828	21,600
T. Deuss	Member of the Council of Rights Owners	1 Jan - 31 Dec	7,433	22,300	3 Nov - 31 Dec	1,088	3,492
D. Damm	Member of the Council of Rights Owners	1 Jan - 31 Dec	9,183	22,300	1 Jan - 31 Dec	9,178	21,600
D. Esser	Member of the Council of Rights Owners	1 Jan - 31 Dec	8,658	22,300	9 Feb - 31 Dec	7,934	19,292
J.S. de Raaff	Member of the Council of Rights Owners	1 Jan - 31 Dec	8,658	22,300	1 Jan - 31 Dec	7,078	21,600
M. Schimmer	Member of the Council of Rights Owners	1 Jan - 31 Dec	9,358	22,300	1 Jan - 31 Dec	7,953	21,600
J. van der Voet	Member of the Council of Rights Owners	1 Jan - 31 Dec	8,483	22,300	1 Jan - 31 Dec	6,903	21,600
J.M.F. Everling	Member of the Council of Rights Owners	1 Jan - 17 May	3,490	8,370	1 Jan - 31 Dec	8,303	21,600
L. Isabella	Member of the Council of Rights Owners	18 May - 31 Dec	4,818	13,930	-	-	-
R. Koning	Member of the Council of Rights Owners	18 May - 31 Dec	5,168	13,930	-	-	-
S. Warmerlink	Member of the Council of Rights Owners	18 May - 31 Dec	4,818	13,930	-	-	-

This concerns the total remuneration received from Buma (100% of the total remuneration); these members of the Council of Rights Owners do not have an employment contract. 17% of the total remuneration was charged 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 2023.

(17) Other expenses

(x € 1,000)	2023	2022
Service agencies	4,370	4,199
Outsourcing	4,167	5,601
Advisory fees	1,573	1,087
Other IT costs	275	351
Lease & maintenance of IT equipment	2,977	2,082
Commercial expenses	375	277
Office supplies	78	58
Other expenses	1,109	995
	14,924	14,650
Allocated to related and third parties	-3,207	-2,835
Total	11,717	11,815

Other expenses, prior to charging on to related parties and third parties, increased by € 0.3 million in 2023. Buma has charged on 21.5% of other expenses to Stemra, other related parties and third parties.

As in 2022, the joint costs of BumaStemra are divided in the ratio of 83% / 17%.

(18) Investment results

(x € 1,000)	2023	2022
Income from securities	846	602
Changes in value	14,033	-26,986
Asset management costs	-313	-305
	14,566	-26,689
Total	14,566	-26,689

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 € 8.0 million from unrealised exchange results and € 6.0 million from realised exchange results.

(19) Taxes

In an advance tax ruling extended until 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 2023. Buma is in discussions with the Tax and Customs Administration about the entity's tax qualification after completion of the advanced tax ruling.

Other disclosures

(20) Financial instruments

Buma's most important financial instruments concern securities (62% of the balance sheet total; 2022: 62%). 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 (33% of the balance sheet total; 2022: 34%), which are measured 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. There was no negative interest on cash and cash equivalents in 2023 (2022: € 401k).

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 current financial liabilities represent 84% of the balance sheet total (2022: 88%). The main components of this are the copyright royalties to be distributed, which account for 71% (2022: 78%). 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 are related parties of Vereniging Buma: Stichting Stemra, Stichting Buma Cultuur, Stichting Sociaal Fonds Buma (wound up in 2023), 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	Chairman of the Supervisory Board	A
Alexander Beets	Member of the Supervisory Board	B
Hans Everling	Member of the Supervisory Board	D
Ruud Hopstaken	Member of the Supervisory Board	A
Jolanda Messerschmidt	Member of the Supervisory Board	A
Jitze de Raaff	Member of the Supervisory Board	F
Piet-Jan van Rossum	Member of the Supervisory Board	B
Edith Severs	Member of the Supervisory Board	F
Rita Zipora Verbrugge	Member of the Supervisory Board	B
Marcel Gelauff	Director	A
Marleen Kloppers	Director	A
Bernard Kobes	Director (long-term absent)	A

Charge-on to related parties

For the achievement of their objectives, funds are made available to Stichting Buma Cultuur 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 and SCAN for personnel, accommodation and overheads. Charge-on is based on cost.

In addition, SCAN charges € 2.0 million (2022: € 2.0 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)	2023	2022
Stichting Stemra	5,089	4,155
Stichting Buma Cultuur	154	60
Stichting Sociaal Fonds Buma	-	29
SCAN	252	208
Total	5,495	4,452

(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 obligations regarding the rent and leasing have been entered into by Buma; costs are charged on for this 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)	2023	2022
Less than 1 year	321	318
Between 1 and 5 years	408	751
Longer than 5 years	-	-
Total	728	1,069

Long-term liabilities

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

(x € 1,000)	2023	2022
Joint contracts with Stichting Stemra		
Less than 1 year	1,248	1,285
Between 1 and 5 years	22	99
Longer than 5 years		
	1,270	1,384
Contracts entered into independently		
Less than 1 year	1,153	1,137
Between 1 and 5 years	2,398	4,417
Longer than 5 years	-	-
	3,551	5,554
Total as at 31 December	4,820	6,938

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 2023: 83% / 17%). The costs are recognised over the lease period in the operating statement using the straight-line method. The liabilities with a term of less than one year amount to € 0.2 million (2022: € 0.3 million) and the liabilities with a term of between one and five years amount to € 0.2 million (2022: € 0.3 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 2023: 83% / 17%). The liabilities with a term of less than one year amount to € 0.2 million (2022: € 0.2 million) and the liabilities with a term of between one and five years amount to € 0.1 million (2022: € 0.1 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 2023: 83% / 17%). The total rental obligation for the remaining term of the contract amounts to € 2.9 million (2022: € 4.7 million).

Outsourcing of activities – ICE

Buma and Stemra have jointly entered into an obligation to transfer their works database to ICE. The agreement runs until 31 December 2024. The remaining financial liability amounts to € 0.4 million (2022: € 0.5 million). The costs of ICE are divided between Buma and Stemra (in 2023: 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 2024. The remaining financial liability resulting from this amounts to € 0.8 million (2022: € 0.8 million), in addition to a prepaid amount included in the balance sheet). These costs are divided between Buma and Stemra (in 2023: 83% / 17%).

Joint and several liability

Buma is jointly and severally liable for the liabilities resulting from legal acts of Stichting Service Centrum Auteurs en Naburige rechten (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 Stichting Service Centrum Auteurs en Naburige rechten (SCAN) and guarantees the fulfilment of the obligations of SCAN up to a maximum of € 1.0 million.

Hoofddorp, 26 April 2024

Members of the Supervisory Board

Josephine de Zwaan	Chairman
Alexander Beets	Member of the Supervisory Board
Hans Everling	Member of the Supervisory Board
Ruud Hopstaken	Member of the Supervisory Board
Jolanda Messerschmidt	Member of the Supervisory Board
Jitze de Raaff	Member of the Supervisory Board
Piet-Jan van Rossum	Member of the Supervisory Board
Edith Severs	Member of the Supervisory Board
Rita Zipora Verbrugge	Member of the Supervisory Board

Members of the Management Board

Marcel Gelauff	Acting Chief Executive Officer
Marleen Kloppers	Chief Financial Officer
Bernard Kobes	Chief Executive Officer (long term absence)



Other information

6

Independent auditor's report

To the General Assembly of Vereniging Buma.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Vereniging Buma based in Amstelveen. The disclosure relating to the Wet Normering Topinkomens (hereafter: WNT-disclosure) is included in the financial statements. In our opinion:

- || the accompanying financial statements give a true and fair view of the financial position of Vereniging Buma as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code; and
- || the WNT-disclosure of Vereniging Buma for 2023 included in the financial statements of Vereniging Buma is prepared in all material respects in accordance with the provisions under and pursuant to the Wet Normering Topinkomens (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the operating statement for 2023; 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 section 25a of the Collective Management Organisations for Copyright and Related Rights (Supervision and Disputes Settlement) Act (hereafter: 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 for Professional Accountants).

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 verification of whether any senior management official exceeded remuneration standards due to being employed at another institution which is subject to the 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;
- || Directors' report;
- || Report from the Supervisory Board;
- || Report from the Council of the Right Owners;
- || Adoption of 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 all the information regarding the directors' report and the other 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 transparantieverslag richtlijn collectief beheer'.

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 directors' 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 transparantieverslag richtlijn collectief beheer'.

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 section 25a of the Supervision Act.

In this respect, 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 organisation'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 organisation 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 organisation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the organisation'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 organisation'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 organisation'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 organisation 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, 29 April 2024

Mazars N.V.

Original has been signed by: 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	36
2b	Information about refusals to grant a licence on the basis of Section 2l, subsection 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	37
2d	Information on entities directly or indirectly owned or controlled, wholly or in part, by the collective management organisation;	Notes to the financial statements	37
2e	Information on the total amount of remuneration paid in the past financial year to the persons referred to in Section 2e, subsection 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	53 - 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, financial results and risk management, operating statement and notes to the financial statements	7 - 10, 11 - 17, 35, 37 et seq.
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, financial results and risk management, operating statement and notes to the financial statements	7 - 10, 11 - 17, 35, 37 et seq.
	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, subsection 4 and Section 2h, subsections 1-3 of the Supervision Act;	Directors' report, financial results and risk management, operating statement and notes to the financial statements	7 - 10, 11 - 17, 35, 37 et seq.
	3. Operating costs and financial costs for services other than rights management, including social, cultural and educational services;	Notes to the financial statements	44 - 46
	4. Funds used to cover costs;	Coverage of the management costs	14 - 15
	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	14 - 15, 45 - 46
	6. The percentages that represent the costs of the rights management and other services provided by the collective management organisation to rights owners 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 allocated to one or more categories of rights, an explanation of the method used for the attribution of these indirect costs;	Key figures and key indicators	3 - 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	46 - 50
	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	3 - 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	46 - 50

Section	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	46 - 50
	6. If a collective management organisation has not carried out the distribution and payment within the period laid down in Section 2i, subsection 3 of the Supervision Act: the reason for the delay;	Notes to the financial statements, copyright royalties to be distributed	46 - 50
	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	46 - 50
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	3 - 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	3 - 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	3 - 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	3 - 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,	44 - 45
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,	44 - 45

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

2.1 Supervisory Board meeting dates, items discussed and resolutions

Summary of resolutions

Date	Body	Topic	Advisory
30 January 2023	Supervisory Board	<ul style="list-style-type: none"> - Update development of Governance course - Reappointment of CEO - Notification of Supervisory Board candidates to CvTA 	<ul style="list-style-type: none"> - Nomination for reappointment of CEO to GMM.
06 February 2023	Supervisory Board	<ul style="list-style-type: none"> - Update Mizo - Annual Risk & Compliance Plan - Update Pyramid/Salt - Provisional figures 2022 - Withholding percentages Budget for 2023 - Supervisory vision for 2023 - Attendees at 24.1 consultation - Staffing AC and Remco - International/IT developments - Monitoring strategy realisation - Review of 2022 	<ul style="list-style-type: none"> - Annual R&C Plan for 2023 - Attendees at 24.1 consultation with Works Council - Niels Walboomers from the AC and Piet-Jan van Rossum in the Remco
20 March 2023	Supervisory Board	<ul style="list-style-type: none"> - Update Pyramid - Update annual report 2022 - Supervisory vision - Appearance of a conflict of interest - Liability - Deputy incapacity or absence entire Supervisory Board - Message CvTA regarding proposed Supervisory Board appointments - ICE - Changes to indexation rules 	<ul style="list-style-type: none"> - Due to possible appearance of conflict of interest, no joining Remco
17 April 2023	Supervisory Board	<ul style="list-style-type: none"> - Annual documents 2022 - Financials 2023 - Follow-up based on findings Supervision of Collective Management Report - Pyramid/Salt/ICE - Suitability test CvTA - Investigation possibility of 2nd GMM 2023 - Agenda GGM 17 May 2023 	<ul style="list-style-type: none"> - Buma and Stemra annual accounts were signed by the Supervisory Board on 17 April 2023
29 June 2023	Supervisory Board	<ul style="list-style-type: none"> - Copyright services - Pyramid - Appointment of new vice-chairman - Composition of committees 	<ul style="list-style-type: none"> - Appointment of Piet-Jan van Rossum, vice-chairman
20 and 22 September 2023	Supervisory Board	<ul style="list-style-type: none"> - Absence of CEO 	
25 September 2023	Supervisory Board	<ul style="list-style-type: none"> - Decision-making to compensate absence of CEO - Update Pyramid/Salt/ ICE - Finances - Reassessment Strategy - Suitability test CvTA - Filing of the financial statements - Retirement schedule of the Council of Rights Owners/Supervisory Board - Appointment of deputy absence entire Management Board/Supervisory Board - Directors' and officers' liability insurance - Annual planner 2024 - Training Supervisory Board - Event expense claim policy 	<ul style="list-style-type: none"> - Approval listing company in Chamber of Commerce register and filing - financial statements - Retirement schedule of Supervisory Board and Council of Rights Owners - Annual planner 2024
17 October 2023	Supervisory Board	<ul style="list-style-type: none"> - Update ICE/PXB 	<ul style="list-style-type: none"> * Support for investing and further development of PXB
30 October 2023	Supervisory Board	<ul style="list-style-type: none"> - Insight into BumaStemra - Update ICE, Pyramid, Salt - Progress Risk & Compliance Q1-Q3 - Crisis management - a review - Update reassessment of key risk and risk appetite - Evaluation and reappointment of auditor Mazars - Planning (re)appointment of CFO - Confirmation of decision nomination interim CEO 	<ul style="list-style-type: none"> * Support continued development PXB until 1 April 2024 * Reappointment of Auditor * Confirmation of decision interim CEO
04 December 2023	Supervisory Board	<ul style="list-style-type: none"> - Budget 2024 including MBS roadmap 2024 - Investment policy and investment plan 2024 - Cost allocation - Multi-year budget - Pyramid replanning and new budget - Update ICE/PXB - Reassessment strategy - Processing of online use of international publishers - Goals of the Management Board for first half of 2024 - CFO profile - 24.1 consultation meeting participation - Supervisory Vision continued - Election process Supervisory Board members - Remuneration WNT Supervisory Board members - Composition of AC and Remco Committees - Evaluation of 4 boards/councils training day 	<ul style="list-style-type: none"> - Budget 2024 including MBS roadmap - Investment policy and investment plan 2024 - CFO profile - Remuneration Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) 2024 - Pyramid replanning and new budget - Composition of committees - Acting in accordance with the supervisory vision - 24.1 participation

2.2 Audit Committee meeting dates, items discussed and resolutions

Summary of resolutions

Date	Body	Topic	Advisory
24 January 2023	Audit Committee	<ul style="list-style-type: none"> - Annual Risk & Compliance Plan 2023 - IT update pyramid/Salt 	<ul style="list-style-type: none"> - The AC advises positively to the Supervisory Board with regard to the annual Risk & Compliance Plan 2022
06 April 2023	Audit Committee	<ul style="list-style-type: none"> - Finances <ul style="list-style-type: none"> - Draft audit report + draft management letter, draft annual reports 2022 - Main points financials February YTD - Elaboration of reserve policy at year-end - IT update Pyramid/ Salt 	<ul style="list-style-type: none"> - The AC advises positively to the Supervisory Board with regard to the annual reports 2022
12 September 2023	Audit Committee	<ul style="list-style-type: none"> - Finances <ul style="list-style-type: none"> - Monthly report, latest estimate September 2023/ half-year figures and investment reporting Q2 2023 - Strategic financial topics - Asset liability management - IT update Pyramid 	
17 October 2023	Audit Committee	<ul style="list-style-type: none"> - Update ICE/ PXB - Update IT Pyramid - Finances: <ul style="list-style-type: none"> - Investment report August - Monthly report August including investment overview Q2 - Investment portfolio - Auditor financial statements 2025 - Risk & Compliance -progress R&C Q1 - Q3 	<ul style="list-style-type: none"> - The AC advises positively to the Supervisory Board with regard to the proposal to renew the contract with auditor Mazars
21 November 2023	Audit Committee	<ul style="list-style-type: none"> - Finances: <ul style="list-style-type: none"> - Draft budget 2024 - Investment plan 2024 - Cost allocation model - Roadmap MBS budget 2024 - Planning annual report Supervisory Board - IT <ul style="list-style-type: none"> - Project Pyramid - New budget and planning - Progress Pyramid 	<ul style="list-style-type: none"> - The AC issued positive advice to the Supervisory Board on 4 December 2023 with regard to the draft budget 2024 and MBS roadmap 2024. - The AC issued positive advice to the Supervisory Board on 4 December 2023 with regard to the investment plan and the investment policy 2024 - The AC issued positive advice to the Supervisory Board on 4 December 2023 with regard to the replanning and budget of Pyramid

2.3 Remuneration Committee meeting dates, items discussed and resolutions

Summary of resolutions

Date	Body	Topic	Advisory
26 January 2023	Remuneration Committee	Governance <ul style="list-style-type: none"> - Update development of Governance course (breeding ground) Supervisory Vision Supervisory Board - Reappointment of CEO - Update relevant HR matters - Nomination of Piet-Jan van Rossum as Remco member 	<ul style="list-style-type: none"> - The Remco advises positively to the Supervisory Board with regard to the accession of Piet-Jan from Rossum to the Remco.
30 March 2023	Remuneration Committee	Governance <ul style="list-style-type: none"> - State of affairs assessment of CvTA candidates Supervisory Board and CEO - Introduction of three new members of the Supervisory Board - Conflict of interest Supervisory Board and other position - Update relevant HR matters (progress of annual appraisals, resources for Pyramid) 	
14 September 2023	Remuneration Committee	<ul style="list-style-type: none"> - State of affairs absence of CEO 	
19 October 2023	Remuneration Committee	Governance <ul style="list-style-type: none"> - Temporary replacement of CEO - Suitability matrix - Training - Self-evaluation Supervisory Board - MT report interview cycle - Reappointment CFO process - Results MTO 	
09 November 2023	Remuneration Committee	Governance <ul style="list-style-type: none"> - Start interim CEO - CFO profile - WNT remuneration - MTO follow-up - 24.1 consultation 	<ul style="list-style-type: none"> - The Remco advises positively to the Supervisory Board with regard to the WNT remuneration

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

Summary of advice

Date	Body	Topic	Advisory
08 February 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Update from LIVE Committee - Roadmap MBS - Update Management Board (provisional figures, budget with withholding percentages and highlights '22 and preview '23) - Update Top accounts - start of working group - Discussing elections Supervisory Board and Council of Rights Owners 	
15 March 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee - External representation in Distribution Committee - YouTube General Entertainment - Ending term of conflict works - Changes to indexation rules - Update Technical Online Working Group Europe (TOWGE) - Distribution above Stemra bandwidth - Monitoring role Council of Rights Owners 	<p>Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the YouTube General Entertainment proposal. With regard to the indexation rules, the Council of Rights Owners provides its results and advice more towards the Management Board.</p> <p>- Requested advice: the Council of Rights Owners advises positively to the amount to be distributed from the provision for temporary differences in cost coverage</p>
05 April 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Annual documents 2022 - Deputy Supervisory Board member in connection with incapacity or absence - Evaluation results Governance - Advice LIVE Committee - Temporary chairmanship of the Council of Rights Owners - Pulse session Council of Rights Owners - Extension of term of Supervisory Board member Mr Van Rossum 	<p>- Requested advice: the Council of Rights Owners advises positively with regard to the annual reports 2022, on the condition that the audit committee issues a positive recommendation as well.</p> <p>Requested advice: the Council of Rights Owners advises positively to the Supervisory Board and the GMM regarding the proposal for a replacement member of the Supervisory Board in connection with incapacity or absence</p> <p>Unsolicited advice: the Council of Rights Owners advises the Management Board to adopt the advice of the LIVE committee.</p> <p>Requested advice: the Council of Rights Owners advises positively to the Management Board and the GMM about the extension of the term.</p>
14 June 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Pulse session Council of Rights Owners - Retirement schedule of the Council of Rights Owners - (Vice-)chairmanship - Feedback discussion with Distribution Committee regarding external participation - Commission distribution Council of Rights Owners - Evaluation GMM, BumaAwards, 3-boards/councils consultation and Governance course 	<p>Requested advice: the Council of Rights Owners advises positively 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 advises positively to the Management Board with regard to the distribution method release provision Buma and Stemra.</p> <p>Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the changes to the distribution rules.</p> <p>- Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the annual reports.</p>
13 September 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Update Management Board (half-year figures 2023, follow-up COO) - Public Affairs presentation by lobbyist - Distribution Committee - Background music - Distribution Policy Crematoria - Media/ RTV: reference repertoire Stemra RTV: reassessment of reference repertoire - Evaluation distribution for status-2" - Buma annual allowances rules - Annual planner 2024 - Election of (vice-)chairman - Monitoring role 	<p>Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the proposals for (1) crematoria (+ funerals), (2) status-2 works and (3) the reassessment of the reference repertoire with regard to Media/RTV.</p> <p>Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the proposal for Buma annual allowances rules</p>
11 October 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee - Background music - Media/RTV: compensation for loss of cable - Accelerated payments abroad in connection with advanced tax ruling foreign withholding taxes - Impact of TV repertoire on reference + library as design music + evaluation exclusion design music - Update Management Board (interim CEO and monthly report) - Meeting with interim CEO - Monitoring role - Evaluation of Pulse session Council of Rights Owners 	<p>Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the proposals (1) reassessment Background music, (2) Media/RTV: compensation for loss of cable, (3) TV repertoire on reference + library as design music and (4) to accelerate the payment of Royalties abroad, 2023 in connection with the VSO withholding tax.</p>
29 November 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Distribution Committee - Reassessment calendar 2024 - Composition of reference repertoire AM: impact of regional repertoire on balance of distribution - Composition of reference repertoire AM: evaluate + assess exclusion FSQR - Evaluation of undistributed policy" - GGM 08 December 2023 - Evaluation of 4 boards consultation - Update online commercials - Proposals new COO operations (interim) 	<p>Requested advice: the Council of Rights Owners advises positively to the Management Board with regard to the proposals (1) Reassessment calendar 2024, (2) Composition of reference repertoire AM: impact of regional repertoire on the balance of distribution, (3) Composition of reference repertoire AM: evaluate and assess exclusion FSQR.</p>
20 December 2023	Council of Rights Owners	<ul style="list-style-type: none"> - Forming opinions: basic distribution, contribution and registration fees - Update Management Board (committees, breakthrough goals, retrospective and preview) - MBS Roadmap - Evaluation GGM 08 December - Foreign Affairs Committee - Monitoring role - Reappointment of CFO - Budget 2024 including MBS budget - Remuneration Council of Rights Owners - Appointment chairmen of committees 	<p>Requested advice: the Council of Rights Owners advises positively on the draft budget for 2024 including the withholding percentages applied.</p>

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	Chairman of the Supervisory Board of Fairphone BV	1 Jan - 31 Aug
		Member of the Supervisory Board of Fairphone BV	1 Sep - 31 Dec
		Vice-chairman of the Supervisory Board of Avans University of Applied Sciences	1 Jan - 31 Dec
		Chairman 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
Mr Alexander Beets	Paid	Director / Owner Maxanter Muziek Groep BV	1 Jan - 31 Dec
		Producer of (music) theatre productions	1 Jan - 31 Dec
		International World Jazz saxophonist / improviser / composer	1 Jan - 31 Dec
		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
		General board member of Stichting JazzNL	1 Jan - 31 Dec
		Chairman of Jazz Podium Amersfoort	1 Jan - 31 Dec
		Board Member of VCTN	1 Jan - 31 Dec
Mr Ruud Hopstaken	N/a	No other positions	N/a
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
		Board member of Stichting Shell Pensioenfonds	17 Jan - 31 Dec
		Key jobholder Internal Audit Shell Nederland Pensioenfonds Stichting	10 Jul - 31 Dec
		Owner J. Messerschmidt Beheer BV	1 Jan - 31 Dec
		Member of the Supervisory Board of NV Haagse Milieu Service	1 Jan - 30 Apr
		Member of the Supervisory Board of Krauthammer Investments Holding BV	1 Jan - 31 May
	Unpaid	Member of the Union Council of the Athletics Union	1 Jan - 31 Dec
		Treasurer of Stichting Biesieklette	1 Jan - 31 Dec
Mr Arriën Molema (resigned on 17 May 2023)	Paid	Songwriter / Composer / Producer	1 Jan - 31 Dec
		Guitarist and business manager of Room Eleven	1 Jan - 31 Dec
		Chairman of Beroepsvereniging voor Auteurs-Muzikanten (BAM!)	1 Jan - 31 Dec
		Stage Arts Fund Advisor	1 Jan - 31 Dec
		Member of the Supervisory Board of HKU	1 Jan - 31 Dec
	Unpaid	Vice-President of CIAM (option to claim travel and accommodation costs through BumaStemra)	1 Jan - 31 Dec
		Member of CIAM Executive Committee	15 Jun - 31 Dec

Jitze de Raaff (appointed in the interim on 11 March 2024)	Paid	Owner of CTM Entertainment	1 Jan - 31 Dec
	Unpaid	Chairman of Nederlandse Muziek Uitgevers Vereniging (NMUV) Manager of the books Jaap ter Haar	1 Jan - 31 Dec 1 Jan - 31 Dec
Mr Piet-Jan van Rossum	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 of music publishers Copyright Power International BV DGA Dinamismo Holding B.V.	1 Jan - 31 Dec 1 Jan - 31 Dec
	Unpaid	Vice-chairman of Nederlandse Muziek Uitgevers Vereniging (NMUV)	1 Jan - 31 Dec
Mr Marc Swemle (resigned on 17 May 2023)	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 (resigned on 17 May 2023)	Paid	President Warner Music Benelux Records & Publishing Director/Major Shareholder of Walboomers Publishing BV Director/Major Shareholder of Nelis Holding BV Board member of Donemus	1 Nov - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Oct
	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
Mr Mark Bremer (appointed with effect from 18 May 2023) (resigned on 31 December 2023)	Paid	Managing Director of Universal Music Publishing Benelux	1 Jan - 31 Dec
Mr J.M.F. Everling (appointed with effect from 18 May 2023)	Paid	Director / owner of SOB Audio Imaging BV Vice-chairman of BCMM Director / owner of Haramitsu Holding BV	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec
Ms Rita Zipora Verbrugge (appointed with effect from 18 May 2023)	Paid	Performing musician & songwriter Moderator / presenter of music events Board member of BAM!Popauteurs Lecturer / mentor at Pop Department Amsterdam Academy of Music	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec
	Unpaid	Advisory team Council of Culture	1 Jan - 31 Dec

All members of the Supervisory Board of Vereniging Buma are/were also members of the Supervisory Board of Stichting Stemra.

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

Mark Bremer (resigned on 17 May 2023)	Paid	Managing Director of Universal Music Publishing Benelux	1 Jan - 31 Dec
Wiboud Burkens	Paid	Composer / musician / theatre producer Theatre producer / director The Legends Section head and principal subject lecturer Amsterdam University of the Arts	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec
	Unpaid	Member of the Advisory Board De Concertzender	1 Jan - 31 Dec
David Damm	Paid	Teacher Royal Conservatory The Hague	1 Jan - 31 Dec
	Unpaid	Board member 7090 (musical theatre collective) Board member of Stichting Rodeo of Wonder	1 Jan - 31 Dec 1 Jan - 31 Dec
J.M.F. Everling (resigned on 17 May 2023)	Paid	Director / owner of SOB Audio Imaging BV Vice-chairman of BCMM Director / owner of Haramitsu Holding BV	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec
Darko Esser	Paid	DJ / producer / live performer Sound designer / engineer Owner of Wolfskuil records, BALANS Records & Tripeo Partner in CircularPET Coach HTN Interim Artistic Director at Grenswerk	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec
	Unpaid	Board of Stichting Nachburgemeester Nijmegen	1 Jan - 31 Dec
Tomas Deuss	Paid	Managing director of Albersen Verhuur B.V. Managing director of Deuss Music	1 Jan - 31 Dec 1 Jan - 31 Dec
Davo van Peursen	Paid	Managing Director and Director/Major Shareholder of Donemus Publishing BV Director of NMUV/VMN Lecturer of Enterprise at Amsterdam Academy of Music	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec
	Unpaid	Chairman of Schuldhulpmaatje Rijswijk Administrative secretary of Stichting Donemus Beheer Chairman of Stichting Music Industry Academy Chairman of Stichting Simeon ten Holt	1 Jan - 31 Dec 1 Jan - 31 Dec 1 Jan - 31 Dec 1 Sep - 31 Dec
Levy Isabella (appointed with effect from 18 May 2023)	Paid	Managing Director BMG Benelux	1 Jan - 31 Dec
	Unpaid	Board Member of NMUV	1 Jan - 31 Dec

Renger Koning (appointed with effect from 18 May 2023)	Paid	Director/Owner of Soundbase B.V.	1 Jan - 31 Dec
		Director/Owner of Renger Koning Geluidsonwerp B.V.	1 Jan - 31 Dec
	Unpaid	Board member of BCMM	1 Jan - 31 Dec
		Board member of Stichting MXT	1 Jan - 31 Dec
Jitze de Raaff (resigned on 10 March 2024)	Paid	Owner of CTM Entertainment	1 Jan - 31 Dec
	Unpaid	Chairman of Nederlandse Muziek Uitgevers Vereniging (NMUV)	1 Jan - 31 Dec
		Manager of the books Jaap ter Haar	1 Jan - 31 Dec
Aafke Romeijn	Paid	Musician / Composer / Producer	1 Jan - 31 Dec
		Writer and journalist	1 Jan - 31 Dec
		Board member of BAM! Popauteurs	1 Jan - 31 Dec
		Board member of ECSA (European Composers & Songwriters Alliance)	1 Jan - 31 Dec
		Member of the advisory council for culture of the Municipality of Utrecht	1 Jan - 31 Dec
	Unpaid	Commercial leader at Stichting Babi Pangang Producties	1 Jan - 31 Dec
		Member of Taskforce GO!	1 Jan - 31 Dec
Martijn Schimmer	Paid	Director / owner of TFS Media Group	1 Jan - 31 Dec
		Director / owner of Schimmer Music Productions	1 Jan - 31 Dec
		Partner / owner of Scripted Music B.V.	1 Jan - 31 Dec
		Director / owner of Talents for Brands B.V.	1 Jan - 31 Dec
		Director / owner of Track Media Music Publishing	1 Jan - 31 Dec
		Director / owner of SMP Copyrights B.V.	1 Jan - 31 Dec
		Director / owner of Xusic B.V.	1 Jan - 31 Dec
		Director / owner of Post House Real Estate B.V.	1 Jan - 31 Dec
Johan van der Voet	Paid	Composer/Songwriter/Producer	1 Jan - 31 Dec
		Director/owner of Soundgram Post Production	1 Jan - 31 Dec
		Director/owner of Studio Soundgram & Soundgram Publishing	1 Jan - 31 Dec
		Guest lecturer at various Colleges	1 Jan - 31 Dec
		Director/owner of AV Sound Education	1 Jan - 31 Dec
Rita Zipora Verbrugge (resigned on 17 May 2023)	Paid	Performing musician & songwriter	1 Jan - 31 Dec
		Moderator / presenter of music events	1 Jan - 31 Dec
		Board member of BAM!Popauteurs	1 Jan - 31 Dec
		Lecturer / mentor at Pop Department Amsterdam Academy of Music	1 Jan - 31 Dec
	Unpaid	Advisory team Council of Culture	1 Jan - 31 Dec
Savine Warmerlink (appointed with effect from 18 May 2023)	Paid	Composer/songwriter	1 Jan - 31 Dec
		Self-employed at Savine Music (legal services)	1 Jan - 31 Dec
		Board member of Stichting Randolph Fellowship	1 Jan - 30 Sep

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 (long-term absent)	Paid	Board member and Vice-chairman 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 - 27 Feb
		Board member of Stichting Beheer Rechten Fingerprint	1 Jan - 10 Jan
		Owner of Kobes Beheer BV	1 Jan - 31 Dec
Marcel Gelauff (appointed with effect from 1 November 2023)	Paid	Media trainer via De Trainingsstudio	1 Jan - 31 Dec
		Member of the European research Press Council Sounding Board Group	1 Jan - 31 Dec
	Unpaid	Chairman of the Professional Field Committee of the School of Journalism Utrecht Member of the Journalism Advisory Board, Faculty of Arts, University of Groningen	1 Jan - 31 Dec 1 Jan - 31 Dec
Marleen Kloppers	Paid	Board member of VOI©E Board member of	1 Jan - 31 Dec
		Stichting SCAN	1 Jan - 31 Dec
		Board member of Stichting Buma/Stemra Projecten	1 Jan - 27 Feb
		Board member of Stichting Beheer Rechten Fingerprint Database	1 Jan - 10 Jan
		Member of the Supervisory Board and chairman of the Committee for Finance and	
		Information Provision Rijndam Revalidatie	1 Jan - 31 Dec
		Owner of Hotel Oudegracht	1 Jan - 31 Dec

All members of the Supervisory Board of Vereniging Buma are also members of the Supervisory Board of Stichting Stemra.

