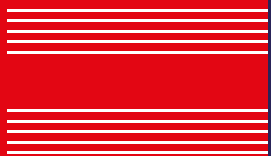
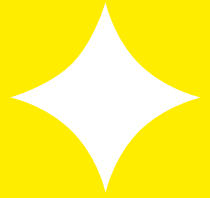


100 YEARS OF OSA



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**OSA
IN NUMBERS
OF 2019**



For Czech and foreign composers, lyricists and music publishers, OSA collected:

CZK 1,118,448,000



YEAR-ON-YEAR COMPARISON OF PRINCIPAL ECONOMIC INDICATORS 2019/2018

REVENUES COLLECTED FOR OSA AND FOREIGN RIGHTS HOLDERS	1,118,448 thous. CZK	+139,335 thous. CZK	+14.23%
TOTAL REVENUES COLLECTED FOR ALL COLLECTIVE MANAGEMENT ORGANIZATIONS	1,386,668 thous. CZK	+144,579 thous. CZK	+11.64%
TOTAL COSTS	168,409 thous. CZK	+21,026 thous. CZK	+14.27%
COSTS AS A PERCENTAGE	12.14%		+0.27%

STRUCTURE OF REVENUES OF AUTHORS AND PUBLISHERS

	2019	difference 2019/2018	
		in CZK	in %
Public performances in total	447,186,000	69,191,000	18.30% ↑
Live performances	199,221,000	32,453,000	19.46%
Background music	229,972,000	34,273,000	17.51%
Cinemas	17,993,000	2,465,000	15.87%
Broadcasts and online media in total	469,832,000	51,926,000	12.43% ↑
Radio broadcasts	76,074,000	-2,724,000	-3.46%
Television broadcasts	237,569,000	20,251,000	9.32%
Cable retransmission	104,310,000	14,578,000	16.25%
Internet, mobile and similar networks	51,879,000	19,821,000	61.83%
Mechanics and audiovision in total	108,143,000	-6,591,000	-5.74% ↓
Physical media	16,847,000	350,000	2.12%
Renting, leasing	4,774,000	-273,000	-5.41%
Private copying	86,522,000	-6,668,000	-7.16%
Agency representation for authors in total	7,094,000	1,682,000	31.08% ↑
Synchronization	1,579,000	872,000	123.34%
Theater performances	5,406,000	852,000	18.71%
Other (sheet music etc.)	109,000	-42,000	-27.81%
Collected from abroad	79,018,000	21,856,000	38.24% ↑
Other income	7,175,000	1,271,000	21.53% ↑

**MACRO-
ECONOMIC
VIEW**



Macroeconomic view and average expenses of population on copyrighted musical rights in 2019

Copyrights reflect into the end prices in various economic areas. As regards the collection of royalties by OSA from the point of view of macroeconomic indicators, one can say that each Czech household spent CZK 23.79 including 21% VAT per month for copyrighted musical works in 2019. Average copyrighted musical works expenditure per economically active member of population of the Czech Republic in productive age, i.e. at the age of 20–64, amounted to CZK 21.20 incl. 21% VAT.

CZK 23.79

was spent by a Czech household on copyrighted musical works per month in 2019.

To compare – the price of a full-tariff ticket for public city transport for 30 minutes on workdays amounted to CZK 24 in Prague and CZK 20 in Ostrava. In 2019, the average price of petrol Natural 95 amounted to CZK 31.87 per liter and CZK 31.67 per liter of diesel. For instance, the average price of bottled beer (earlier 10° beer) in a shop amounted to CZK 11.59 in 2019. In 2019, the minimum wage amounted to CZK 13,350, which means the hourly rate of CZK 79.80 in case of 40 working hours a week. An employee who is paid the minimum wage had to work for 15 minutes 56 seconds per month to cover the average expenditure on copyrights. For 2019 as a whole, the

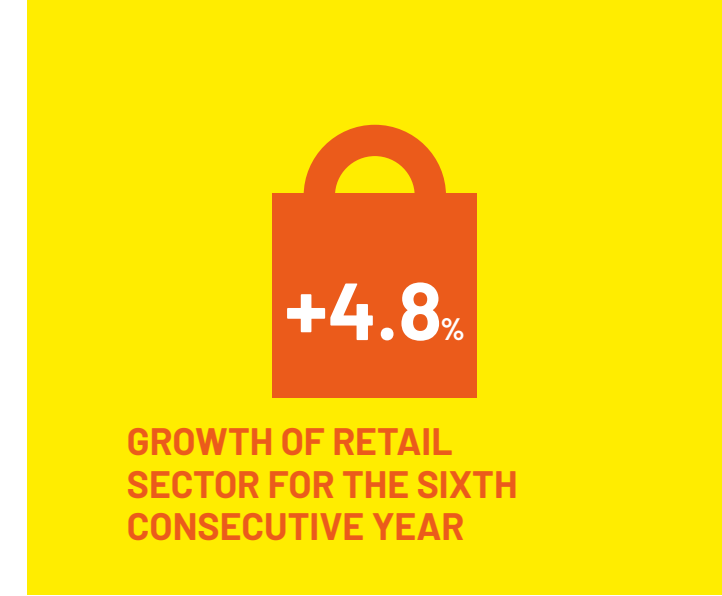
CZK 34,125

average wage in 2019

average wage amounted to CZK 34,125. A person with average wage had to work for 6 minutes 15 seconds for copyrighted musical rights in 2019.

According to the GDP data, last year's growth of the Czech economy was the poorest since 2016 when it also had been equal to 2.4%. Last year, the economy was supported mainly by household consumption and foreign demand. Also, investments experienced a slight growth, in particular investments in buildings and structures and intellectual property.

The economic growth was apparent across all sectors of national economy. Successful sectors included, for example, trade, transport, accommodation and food service activities or information and communication



activities, but also sectors of administrative and professional activities and building industry. Foreign trade also turned into a considerable surplus (both export and import increased year-on-year). Foreign trade was driven in particular by the higher export of motor vehicles. In contrast, after five years, industrial production declined year-on-year in 2019 (by 0.4%). This was affected by manufacture of machinery, metalworking and foundry industry. A slow-down of industrial production in Western Europe, in particular in Germany, was behind the decline in the Czech industry.

Retail sales net of cars grew for the sixth consecutive year as they increased by 4.8% year-on-year. As usual, the increase was most significant with the sales of online shops and mail order services (by 18.3%). The sales of service providers increased by 0.8% year-on-year (e.g. they increased by 1.2% in food service activities and 0.6% in Accommodation). The dynamism of retail sales in the Czech

1.2%

Sales in food service activities increased by 1.2%.

2.8%

average inflation rate in 2019

Republic is twice the average in EU countries. This is related to the still overheated labor market of the domestic economy and the continuing solid growth of wages; nevertheless, households already indicate an effort to save more, whether due to higher inflation or because of the decreasing pace of nominal wage growth.

Last year, an average Czech household spent almost CZK 150,000 per capita; one tenth of the expenditure was spent on holidays and culture. Hence the private household consumption increased by 3.4% year-on-year. In 2019, the average wage amounted to CZK 34,125 which means a year-on-year increase of CZK 2,257 (7.1%). Taking into consideration the increase in consumer prices, the real wage rose by 4.2% year-on-year. The number of the employed decreased by 21.6 thousand to 5,304.7 thousand (by 0.4%). The general unemployment rate for those aged between 15 and 64 was 2.0% (a year-on-year decrease by 0.01). The number of the unemployed who were registered with employment services as at 31 December 2019 dropped year-on-year to 215,532 job applicants, which is the lowest December number

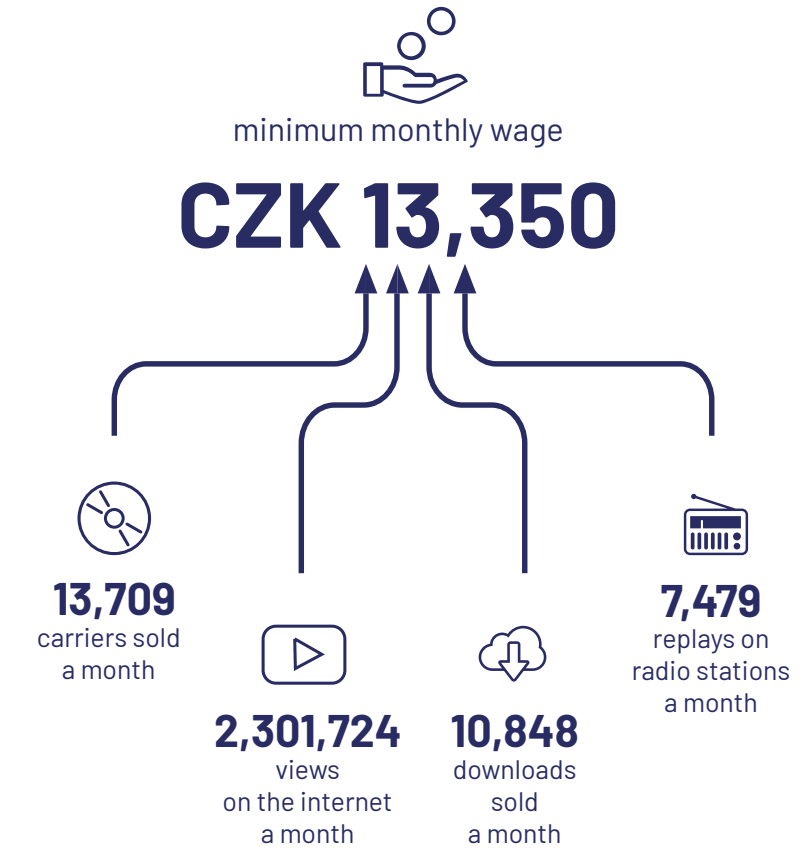
since 1996. The general rate of unemployment in the Czech Republic remains the lowest among the EU states. It has been in the lead since summer 2016. Average inflation rate amounted to 2.8% in 2019, i.e. by 0.7% higher than in 2018. Last year, the inflation was influenced in particular by the increase in housing prices (by 5.3%) and higher prices of food and non-alcoholic beverages (by 2.8%). To a lesser extent, the inflation increase was affected also by the increase in the prices of catering and accommodation (by 4.2%) and other goods and services (by 3.8%). Prices in the field of recreation and culture increased by 1.6% year-on-year.

PROSPECTS FOR 2020

In 2020, the Czech economy will in all probability fall significantly in particular due to the pandemic caused by the new coronavirus. According to analysts, the magnitude of the downfall will depend not only on the development in the Czech Republic but also abroad. The key question is how long the government anti-coronavirus measures will be in place in the Czech Republic and EU countries and how long before the situation returns to normal. If the production of large businesses is suspended, the downturn might be the largest since the 2008/2009 crises.

Source: Czech Statistical Office, Labor Office of the Czech Republic, Investičníweb.cz, Kurzy.cz

To reach the minimum monthly wage, an author has to meet one of the following requirements:



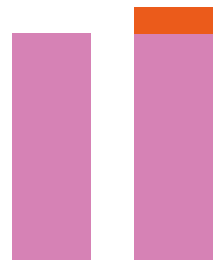
In order for royalties to reach the minimum monthly wage in 2019, authors had to sell either **13,709 carriers** a month (calculated on the basis that the author has 1 piece on a 12-piece CD) or the piece would have to reach **2,301,724 views** a month. In case of music downloads, the piece would have to be **sold 10,848 times**. And the piece would have to be **replayed 7,479 times** on private national and regional stations, including the stations of Český rozhlas (calculated on the basis of the average revenues collected from individual stations).

Our model examples are based on the assumption that both music and lyrics were composed by a single author.



REPORT OF THE SUPERVISORY BOARD

The leitmotif of last year was undoubtedly the preparation and realisation of celebrations of an important anniversary - 100 years since the foundation of OSA. The centrepiece was a gala concert which took place on 9 October 2019 at the Karlín Music Theatre.



11.64%

Total collection increased by 11.64%.

CZK 1,118,448,000

Collected for Czech and foreign composers, lyricists and music publishers.

Dear colleagues,

This report on the activities of the supervisory board pertains to the period from the last general assembly held on 27 May 2019, to the general assembly held on 25 May 2020.

Introductory information: The staffing in our three-member management board and the composition of the supervisory board have remained unchanged since the elections in the previous year.

Audit: The Association's management board is responsible for compiling the financial statements. The supervisory board is responsible for overseeing the process of financial reporting. A due audit was performed by the independent company APOGEO Audit, s.r.o., which did not find any deficiencies in OSA's accounting for the year 2019, and the information in the annual report of the OSA management board complies with the financial statements in all respects.

Financial results: In 2019, OSA consistently (since 2013) continued in its economic growth. Total collection increased by 11.64%. Hence, in 2019 OSA once again broke historical records to achieve its best financial result ever.

Remember that since 1 January 2018, OSA has been collecting on behalf

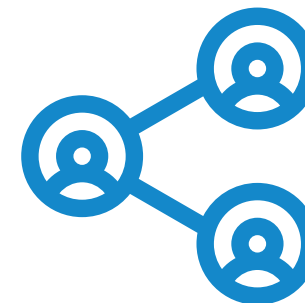
of all the collective managers in the music sector in the area of public operation. However, even after clearing of collection for other collective managers, OSA fared rather well. Our own collection amount to CZK 1,118,448,000. Public operation and broadcasting in particular increased. Revenues from mechanical rights declined again compared to the previous year, as expected. Additional information and details are available in the annual report in the chapter OSA Earning in 2019 on pages 58-65.

Member base: As at 31 December 2019, OSA contractually represented a total of 9,691 rights holders, of which 6,696 living authors, 2,852 heirs and 144 publishers. It accepted 404 new authors and 10 publishers for representation in the course of the year. As at 31 December 2019, the OSA association had 587 members, of which 418 composers, 92 lyricists, 27 publishers and 50 heirs. Since 1 January 2020, 16 new members have been accepted. In the course of 2020, 9 members died as at the date of these minutes. Detailed information is available in the chapter OSA Clients on page 30 of the 2019 Annual Report.

Of those who fulfilled the conditions of members, 21 authors submitted an application this year. Of these, 15 are authors of popular music, 2 com-

587

As at 31 December 2019, the OSA association had 587 members, of which 418 composers, 92 lyricists, 27 publishers and 50 heirs.



9 691

As at 31 December 2019, OSA contractually represented a total of 9,691 rights holders, of which 6,696 living authors, 2,852 heirs and 144 publishers.

posers of classical music and 4 lyricists. One publisher has also applied for acceptance. The general assembly of OSA members held in 2020 will decide about these applications.

Supervisory board activities: The leitmotif of last year was undoubtedly the preparation and realisation of celebrations of an important anniversary - 100 years since the foundation of OSA. The centrepiece was a gala concert which took place on 9 October 2019 at the Karlin Music Theatre. The recorded concert was broadcast by Czech Television and is permanently accessible in the CT archive. On 7 January 2020, with the participation of OSA members, business partners and employees, an exhibition on 100 years of OSA was opened in the new premises of the National Museum - the society hall. The exhibition was open to the public until 28 February 2020.

As part of the same anniversary, we were also active on our website and social networks. Our aim was to inform the public about the history of OSA's foundation and about its current format and activities. We also strove to refute the myths and untruths which circulate about OSA. These projects are still ongoing.

At this year's general assembly, we are not presenting any fundamental changes, except for the point which amends the breakdown of billing for television broadcasting. After many long years, we managed to negotiate a fee with broadcasters for synchronisation as a separate item. For this reason, the fee for synchronisation will once again be a one-off sum and the table for TV should return to its original status of 2006, i.e. without coefficient 5.

This year, we do not expect an increase in the coefficients for concert productions in categories 3, 5 and 6, for which not enough votes were found in the professional group of lyricists even during the second vote last year. A comparison of the billing breakdown simulation for 2019 according to the new and old rules showed often smaller differences - in the order of single percent - than during the first simulation for 2018. We will continue to monitor the development of AO in these categories.

In the course of the past year, we received a notice from the Ministry of Culture on the start of implementation work on EU Directive 2019/789 (directive concerning broadcasting and broadcasting transmission) and 2019/790 (directive on copyright). The directive extends current legal regulations to include copyright on the EU single digital market. Despite controversy around articles 11 and 13, the directive passed through the approval process on 26 March 2019 and the EU member states are obliged to adopt laws to implement this directive within two years. Responsibility for a breach of copyright is factually shifted from users to content sharing services. The

negotiations between OSA and TV NOVA

Before the end of last year, negotiations between OSA and TV NOVA regarding settlement for the year 2016-2019 were successfully concluded.

Ministry will be organising meetings with stakeholders within the framework of public consultations, which will also be attended by OSA.

Before the end of last year, negotiations between OSA and TV NOVA regarding settlement for the year 2016-2019 were successfully concluded. An agreement and licensing contract for the coming years were also signed, under business terms approved by the supervisory board. The lengthy dispute was thus resolved out-of-court.

There was one event which did not cause any joy. The Office for Protection of Competition (ÚOHS) imposed a fine on OSA in the case of taking account of the occupancy of hotel and spa rooms in 2008-2014. The OSA has filed an appeal against this decision. Therefore, the case is not closed and the fine is not in legal force. We have very strong arguments that OSA did not abuse its dominant position. We will continue to defend ourselves.

On Friday, 17 January 2020, a press conference was held with the participation of Minister of Culture Lubomír Zaorálek, to announce the conclusion of a bulk licensing agreement between OSA in representation of all collective managers and the Association of Local Government (SMS) represented by JUDr. Stanislav Polčák. The SMS members will be able to purchase a bundle of licenses, based on which they will be able to organise musical productions in municipalities, with either live music or playback. We hope this friendly gesture will pacify municipalities and their mayors in relation to collectively copyright management.

Authors' Union Coordination Committee: The KVAS platform was created in January 2020. The initiator was Prof. Vadim Petrov and OSA together with Dilia is its founder. The authors' coordination committee is an informal association without legal subjectivity, which will meet maximally four times per year. Its members include the following organisations: Association of Music Artists and Experts – AHUV, Association of Directors, Screenwriters and Script Editors – ARAS, Writers Association – AS, Czech

The KVAS platform was created

in January 2020.



Film and Television Association – FITES, Writers Community – OS, PEN Club and Association of Authors and Interpreters – SAI. The first case in which it will be appropriate to proceed together is the planned amendment to the Copyright Act, which will surely feature many proposals from MPs directed against copyright holders. KVAS has already contacted the current minister of culture, who welcomes the creation of this commenting and advisory body.

State of emergency: We are observing the unfavourable developments around the spread of coronavirus in Europe with some concern. The cancellation of cultural events generates economic losses not only for performing artists but also for authors. During the planned restrictions, we must anticipate a slump in collection, especially in terms of public operation. We can only guess at the impacts, as the duration of these measures is a great unknown. Therefore, we will seek ways to help authors in financial difficulty, for instance through the social fund, advances or payments outside of standard deadlines. I hope we will know more at the time of the GA.

Conclusion: All that is left is to thank the management board and employees of OSA on behalf of the supervisory board for their extraordinary efforts and excellent yearly results. We also hope our employees overcome the “state of emergency” in good health.

The supervisory board thanks you all for your trust and wishes you all further success and plenty of inspiration.

Approved by the supervisory board on
17th March 2020.

Luboš Andršt
Chairman of the Supervisory Board

2019 AS SEEN BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Last year, OSA celebrated 100 years of its existence. However, I dare to say that despite its age it is in great condition.



100 years

OSA celebrated 100 years of its existence in 2019.

Three basic principles of OSA activities

1. quickness and accuracy
2. simplicity of the acquisition of licenses
3. support of new domestic music production

SAECULUM OSA

Last year, OSA celebrated 100 years of its existence. However, I dare to say that despite its age it is in great condition. Although 2019 was a year of retrospection over OSA's right and remarkable history, we looked towards the future with equal intensity in the course of the year. It was instructive for all of us to descend to the roots on which OSA stands as a functional and modern institution. We look to the past without embellishments. A prospective future can only be built on a history that we do not colour or modify to match our idea. Yes, OSA went through some dark time. During the Nazi era, we faced attempts at our dissolution in favour of the Reich's STAGMA organisation. During socialism, on the other hand, political affinity was more important than actual talent. But throughout its hundred-year history, it was more than just a society that collects copyright royalties and subsequently pays them to authors and publishers. Since its foundation, it has been and remains one of the key pillars of mutual solidarity among authors. OSA always helped authors who found themselves in difficult situations in life. We continue to fulfil this dimension to a significant

extent at a time when the COVID-19 pandemic has shaken the world. Within one week from the declaration of a state of emergency, OSA paid out solidary financial assistance worth CZK 4.5 million to authors who were directly affected and lost their work virtually overnight due to the cancellation of all musical events.

In terms of collection, 2019 was the most successful year in history. OSA collect 1 billion 119 million Czech crowns for authors of music. After many years of negotiation with TV Nova, a settlement for past periods was achieved and an agreement on the business terms for 2019 and coming years was reached. Last year, we concluded an agreement with the Chamber of Commerce, which encompassed negotiations on the business terms with broadcasting operators. We still manage to maintain a cost to fee collection ration of 12%, which ranks us among the most economically effective music copyright organisations in Europe.

Our activities are governed by three basic principles: 1. To pay fees to authors and publishers as promptly and accurately as possible; 2. To maximally simplify the acquisition of

licenses to use musical works; 3. To develop projects focussed on supporting new domestic music production.

We strive to follow modern trends and we hope to stay among the leaders on the collective management market. OSA has become an attractive address even for foreign partners. This is because we are transparent and among the fastest in Europe to pay copyright fees! We are testing billing on a monthly basis. We have invested in a new economic system with the hopes of migrating the monthly billing from 2021, at latest 2022.

Keeping overhead costs consistently low is not a simple task. Every year, OSA pays royalties to an increasing number of rights holders. Only last year, there were more than 200,000 authors and publishers from around the world. The fragmentation of music use continues. Millions of hours of music go through the OSA system every year, reported by broadcasters, music carrier retailers, concert organisers, services such as Spotify, Apple, Google, Facebook and Netflix. This requires considerable investments into the automation of data processing.

The creation of a single collection point for all collectively manager in 2018 was warmly welcome by music users. Last year, we took user comfort to another level by launching an e-shop together with the new website. Restaurant or store operators can purchase a license to play music via the internet, and pay immediately via the payment gateway. It's fast and easy. We will be expanding this function to include organising concerts.

The scars of COVID-19 and consequence of the state of emergency will be slow to heal. Nevertheless, our employees are working daily

to make 2020 a financially respectable year for our authors following the highly successful year 2019. I would hereby like to praise their work, for which they deserve my immense gratitude. In cooperation with the OSA supervisory board, we are seeking ways to help authors not only in difficult life situations, but also support projects which are a breeding ground for new domestic production. I believe the result will be new inspiring formats and projects, which will not only bring the music scene back to life but also offer new opportunities. However, this will be very difficult without effective help from the state and mutual society-wide solidary and tolerance.

Copyright creation in the unstable era of the internet, which brought about massive piracy due to the anonymity of cyber-space, is on the brink of another challenge. That is artificial intelligence. Only time will tell whether it will be a help to authors, or become a direct rival in the competitive battle. Culture is the fingerprint of individuals and entire nations. We must not give up on humanity and the human spirit in this battle. Despite its scope, culture is a very fragile vessel, closely linked with many other fields and professions.

We are convinced that OSA is entering a new century with humility, but full of healthy determination to face these challenges.

Roman Strejček
Chairman of the Management Board

e-shop

launching an e-shop for purchasing a license to play music in restaurant or store



01

ABOUT OSA

Through OSA, users obtain licenses to play pieces of almost 4 million authors from all around the world, including more than 9.5 thousand domestic ones. Since 2018, OSA has been a single point of contact for all collective management organizations in the Czech Republic.

1.1 WHAT OSA IS AND WHAT IT DOES

Ochranný svaz autorský (OSA) is a private professional association that follows up the activities of Ochranné sdružení spisovatelů, skladatelů a nakladatelů hudebních děl, zapsané společenstvo s ručením omezeným, which was established in 1919 by Karel Barvitius, Rudolf Piskáček, Arnošt Herman, Josef Šváb, František Šmíd, Eduard Joudal, Emil Štolc, Otakar Hanuš and Karel Hašler.

OSA is the so-called collective management organization authorized by the Ministry of Culture of the Czech Republic to represent authors and music publishers in accordance with the

Copyright Act. Rights of foreign rights holders are managed by OSA on the basis of reciprocal agreements with 81 foreign collective management organizations.

It is also one of the founding members of the International Confederation of Societies of Authors and Composers CISAC (in 1926) and Bureau International des sociétés gérant les droits des enregistrements et de reproduction mécanique BIEM (in 1929).

OSA has been a member of the Economic Chamber of the Czech Republic since 2017.

Our motto

We think of music

Our values

COMMUNITY

We are a professional association of composers, lyricists and music publishers.

TRADITION

We have been here for you since 1919.

MUSIC

We share feelings through (our) universal language.

ACCESSIBILITY

We share feelings through (our) universal language.

OPENNESS

We promote transparent attitude to authors as well as to the public.

WHAT OSA DOES

Through OSA, users obtain licenses to play pieces of almost 4 million authors from all around the world, including more than 9.5 thousand domestic ones. Since 2018, OSA has been a single point of contact for all collective management organizations in the Czech Republic. If you run, for example, a restaurant, shop or hairdressing salon, now you need only a single contract from OSA to play music and TV shows for your customers.

OSA makes sure that authors receive royalties for their music which we hear every day from radio and TV, at concerts, in bars and restaurants, or play on the internet or from music carriers.

The principle of mutual solidarity among authors has been one of the building blocks of OSA since the times of the First Republic. Thanks to the Partnership grant scheme, OSA supports approx. 250 music projects and various charitable deeds a year.

1.2 CLIENTS OF OSA

1.2.1 RIGHTS HOLDERS

composers, lyricists, music publishers and heirs

WHY IS OSA IMPORTANT FOR MUSIC AUTHORS?

Authors do not get paid for writing music or lyrics, with some exceptions. They receive their royalties only when the work is used and the royalties are directly proportional to the success of their piece.

If the piece is successful and often played in radios or at concerts, authors are less capable of taking care of their copyrights themselves.

We are here in order to ensure that the authors we represent have peace for their own production. We manage their rights and, on the basis of data reported by music users, we pay fair royalties to the authors.

A) Rights holders that concluded a contract with OSA

OSA distinguishes 2 forms of relationships:

- a rights holder that concluded a contract with OSA
- a member (with the advantage of voting rights and the possibility to elect his representatives or to stand as a candidate for the Supervisory Board in the General Assembly of OSA members)*

* conditions for membership are defined in Art. 3 of the Statutes of OSA

B) Rights holders that concluded a contract with a foreign sister society with which OSA has concluded a reciprocal agreement

In addition, we manage rights by operation of law; for those rights, we pay out royalties to registered rights holders. We do not manage the rights of interpreters of compositions (singers).

Almost 4 million

authors and publishers from all around the world, including **9,691** domestic ones.

TOTAL NUMBER OF RIGHTS HOLDERS AS AT 31 DECEMBER 2019 whose rights we manage on the basis of a Contractual relationship directly with the rights holder or with a foreign sister society:

Total domestic rights holders	9,692
Authors	6,696
Heirs	2,851
Publishers	144
Total newly accepted domestic rights holders	414
Authors	404
Publishers	10

* In addition to the above numbers, 53 new contracts with the heirs of copyrights were signed in 2019.

SIXTEEN NEWLY ACCEPTED MEMBERS IN 2019:

(accepted by the General Assembly with effect from 1 January 2020)

STRUCTURE OF MEMBERS AS OF 31 DECEMBER 2018

Total members	587
Popular music composers	350
Classical music composers	68
Lyricists	92
Publishers	27
Heirs	50

OSA is here so that the authors we represent have peace for their production.

PROTECTION OF MUSICAL WORKS

Musical works are protected from the moment of their registration on the basis of the notification submitted by the author for each musical work.

NEWLY REGISTERED NOTIFICATIONS OF MUSICAL WORKS

Total newly registered notifications	15,592
Popular music composers	12,377
Classical music composers	1,330
Lyricists	1,885

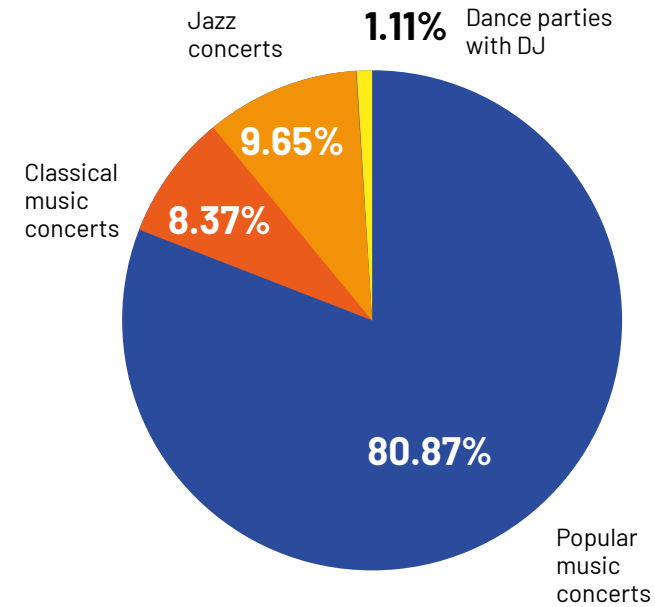
1.2.2 USERS OF MUSIC

entrepreneurs, operators, organizers, professional and non-professional public

WHY IS OSA IMPORTANT FOR USERS OF MUSIC?

Through OSA, users gain access to the legal use of music of all genres from around the world.

The user enters into a single license agreement for events with live and background music with ISA which acts as a single point of contact for all collective management organizations. In the Czech Republic, there are four other organizations managing copyrights of other authors: INTERGRAM (singers, bands, actors, phonogram producers), DILIA (directors, writers, screenwriters, cameramen), OOA-S (authors of graphic works of art and visual elements of audiovisual works), OAZA (production sound designers).



HOW DOES MUSIC AFFECT CUSTOMERS AND HOW DOES IT BENEFIT ENTREPRENEURS AND BUSINESSMEN?

- ♪ Music fundamentally affects the shopping behavior and decision-making of customers.
- ♪ Music can have a favorable effect on the amount of sales
- ♪ Music supports positive brand recognition
- ♪ Appropriately chosen music improves working conditions and performance of employees
- ♪ Music reduces the perception of time spent queueing

Source: Ipsos Media, Value Of Music, France 2008

45,185

Total number of business partners in all segments of collection in 2019* (*according to Company ID-No.)

In 2019, we distributed royalties to authors and publishers in accordance with the lists of musical works used from:

- 🗣️ organizers of 36,970 concerts,
- 📺 43 TV stations that played 133,717 hours of music in 2019,
- 📻 187 radio stations that played 1,009,338 hours of music in 2019 (a 66% increase).

CONCERTS ORGANIZED IN 2019

Popular music concerts	80.87%
Classical music concerts	8.37%
Jazz concerts	9.65%
Dance parties with DJ	1.11%

1.3 SUPPORT TO PROJECTS AND CULTURAL ACTIVITIES

OSA is an association whose primary concern and mission is the field of culture and related activities. On this basis, OSA understands its proactive participation in the development of culture and cultivation of cultural awareness as the fundamental premise of its activities. OSA cannot be indifferent to the state of culture not only in the Czech Republic but also abroad since it is a comprehensive component, i.e. an association of authors and participants, of the culture and, therefore, also the creative element which share responsibility for the state of culture. By its activities, OSA supports in particular its own field of activities, i.e. music.

1.3.1 OSA PARTNERSHIP GRANT PROJECT

Support to the Czech music scene is an area where positive steps towards our common vision of cultural and responsible society can be taken in the easiest and most tangible manner. For this purpose, an ambitious project called Partnership was born in 2010, designed to support the authors represented by OSA based on an agreement and to develop the culture not only in the Czech Republic.

1700 projects

Since 2010, more than 1,700 music projects have been supported under five schemes focused on various fields of music activities.



OSA LIVE
support to live concerts and festivals

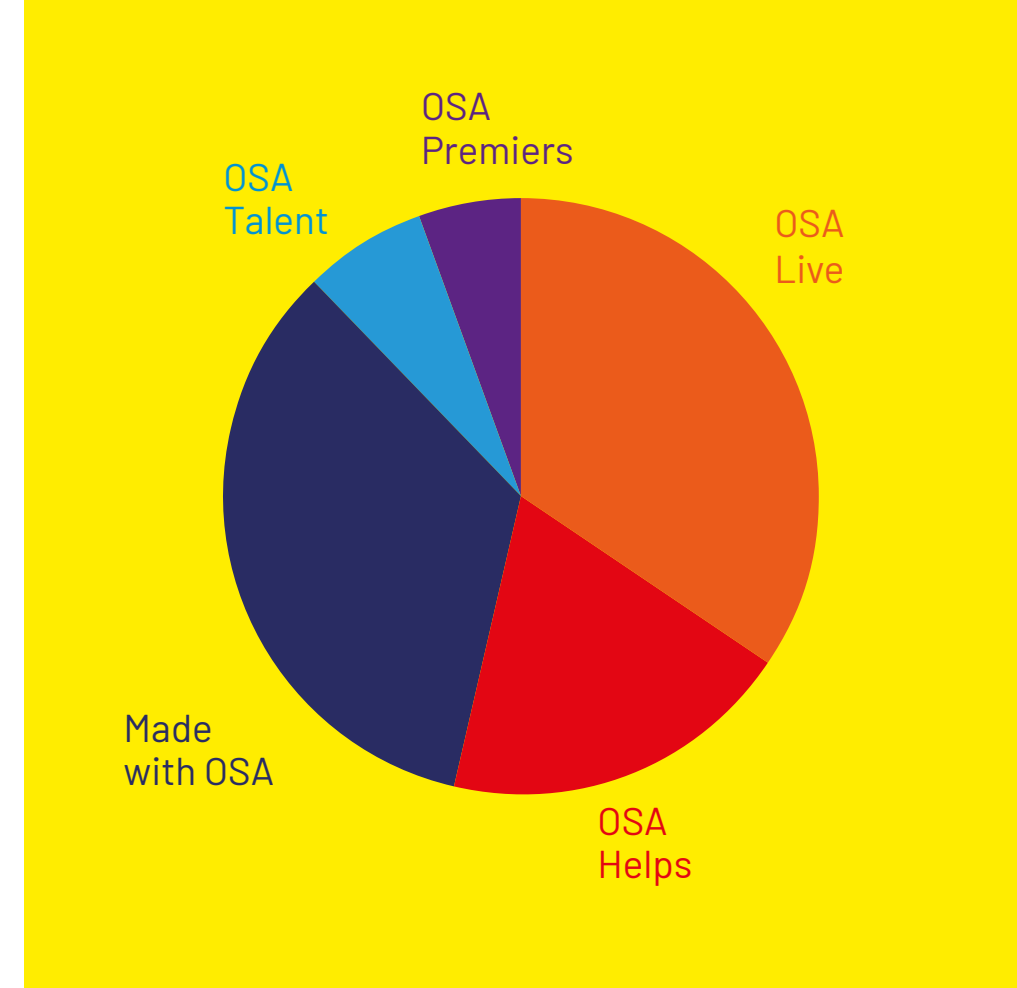
MADE WITH OSA
support to releasing musical works or other musical theme materials

OSA PREMIERES
support in the introduction of new works etc.

OSA HELPS
support to beneficent and charitable events

OSA TALENT
support mainly in the organization of creative contests and music courses focused mostly on young music authors, concerts and festivals presenting young music authors, study trips for music authors involving creation of a musical work protected by copyright

Partnership is granted on the basis of an application for partnership which is discussed by the Partnership committee. Where the decision to support the project is given, a grant contract is entered into with the applicant. The increasing number of applications filed indicates that the interest in the project is growing year by year. We seek to support both regularly organized projects and newly emerging ones which are no less interesting. The categories "OSA Live" and "Made with OSA" attracted most applicants in 2019. But the greatest increase of interest was notes for the category "OSA Helps", under which we support charitable and beneficent events. OSA also supports the starting young artists.



IN 2019, 246 PROJECTS WERE SUPPORTED WITHIN THE OSA PARTNERSHIP.

Partnership grant project	Number of projects
OSA Live	85
OSA Helps	47
Made with OSA	84
OSA Talent	17
OSA Premieres	13
Total	246

In the project selection, it is of no importance to the committee whether the applicant is an OSA member. Anyone using the works of authors represented by OSA on the basis of an agreement and wishing to enhance OSA's reputation both with media and general public may apply for partnership.

For the second year running, OSA has been supporting its own project Songwriting Camp CZ. A huge potential and the real importance of the support have been seen here. The camp is aimed at bridging the experience of professional foreign artists and producers and that of Czech artists, sharing the experience at an international level, establishing new cooperation and musical connections, supporting the production and, last but not least, promoting the Czech music and artists abroad. The Czech band Lake Malawi headed by front man Albert Černý reached the Eurovision 2019 finals with the song Friend of a Friend, written at the songwriting camp, and eventually took the eleventh place.

OSA has been supporting, for the second year running, the prestigious Classic Prague Awards, awarded in classical music categories. No such awards have been presented in our country until now. OSA continued to cooperate with

and support the music awards Anděl; thanks to the new production, the quality as well as viewer ratings of the ceremony have been improving. As part of Apollo awards, OSA presented a CZK 40,000 check to the winner for the eighth time. In cooperation with Bohemia JazzFestival, the competition for the best jazz composition of a young author under 35 was traditionally launched. The prize was awarded to Zdeněk Borecký.

Annually supported projects include for example Prague Proms, Avon march, JazzFestBrno, Motol Motolice, Czech Music Crossroads – Colours of Ostrava, Magdalena Kožená Endowment Fund – Art Schools Open, Janáčkův máj, Dny Bohuslava Martinů, Orchestr Berg, Anifilm, Porta festival, Živá ulice, Žebřík music awards, magazine Hudební rozhledy. Also, the charity event Kašpárkohraní where the OSA representatives handed over musical instruments to the association Zdravotní klaun. Newly released CDs and music videos supported by OSA included, for example, the band PSH which released its so far last album called Debut. OSA also supported the albums of the bands Minus123minut, Zvíře jménem podzim, U-Prag, Epoque Quartet; supported artists included Vladimír Mišík, Martin Brunner, Ondra Škoch and Luboš Pospíšil. Last but not least, support was provided to the music video ICE by Klára Vytisková or LPs by Michal Ambrož, Michal Pavlíček and Oceán band.

LINK: www.osa.cz/granty-partnerstvi

SUPPORT TO CHARITABLE PROJECTS

Our association is interested in charitable support and aid in emergency not only as part of one of the schemes of our Partnership project (OSA HELPS), aimed directly at the support of beneficent and charitable events. We express this interest by the language closest to us – by means of music. For instance, OSA has been cooperating with The Tap Tap orchestra for eleven years. During that time, we have helped the band to release three albums and contributed to organizing a number of performances. It is a music band from the Jedlička Institute. In just a few years, the band that performed, among others, also on the occasion of one of the OSA Awards evenings, has

grown to an internationally recognized and successful project. We are proud to be able to help people whose fate was not favorable to them as regards their health but who still remain full of energy and humor.

We have been cooperating with the Diaconia of the Evangelical Church of Czech Brethren for eleven years. The Diaconia runs more than 100 facilities all over the Czech Republic and its activities are focused on serving people suffering from a mental and psychological impairment and other people facing serious difficulties in their lives. Under the same scheme, we cooperate also with the Charity of the Czech Republic or Silesian Diaconia.



MICHAL PAVLÍČEK



Posli Ar Aan!



EDUCATION OF AUTHORS

Promotion of education is of the most effective and most efficient instruments offered by OSA to support the development of the music world. For that reason, one of the schemes of the aforementioned Partnership project (OSA TALENT), designed as an expression of support to young talents in the form of contests, courses or study trips, is focused on the education of authors.

Promotion of education is of the most effective and most efficient instruments offered by OSA to support the development of the music world.

In 2019, we traditionally supported inter alia the project called 14. dílna pro nejmenší skladatele (The Fourteenth Workshop for the Youngest Composers), organized by Association O, the project Generation – an international contest for composers aged 30 and under, organized as a part of Janáčkův Máj International Music Festival, the Composers Contest of Karel Krautgartner or Czech Jazz Workshop, a project organized by the Czech Jazz Association. It is a week-long workshop where lecturers from all around the world gather and which is intended for all groups of musicians who want to learn the craft of music from the best in their field. Another project is called ZUŠ Open (Art Schools Open); it was launched under the auspices of the Magdalena Kožená Endowment Fund. It is a national event of elementary arts schools at public places and it aims to present the entire range of arts and life of the arts schools outside the usual framework and premises of the school.

The educational component is covered by the cooperation with the Institute of Modern Music with respect to music workshops for creative bands. The workshops give the participants the opportunity to improve their stage performance and overall appearance. In addition, OSA supports the Institute in educating the pupils of elementary schools. This includes training courses using the latest computer music programs; children learn to use the programs to write music. In addition to making music, children are taught to understand the meaning of intellectual property. After a year of training, the children are able to write a basic musical composition.



With our support, the signer Thom Artway attended the international music fair DEX in Hungary and represented the Czech music scene as one of the speakers there. The two-day fair offers tens of music lectures and workshops which give participants new inspiration and valuable working contacts. Speakers are musicians from all around Europe. OSA cooperates with the organizing agency Artisjus, in particular with respect to the event promotion at social networks and provision of tickets to its members for a reduced price.

1.3.2 CULTURAL ACTIVITIES

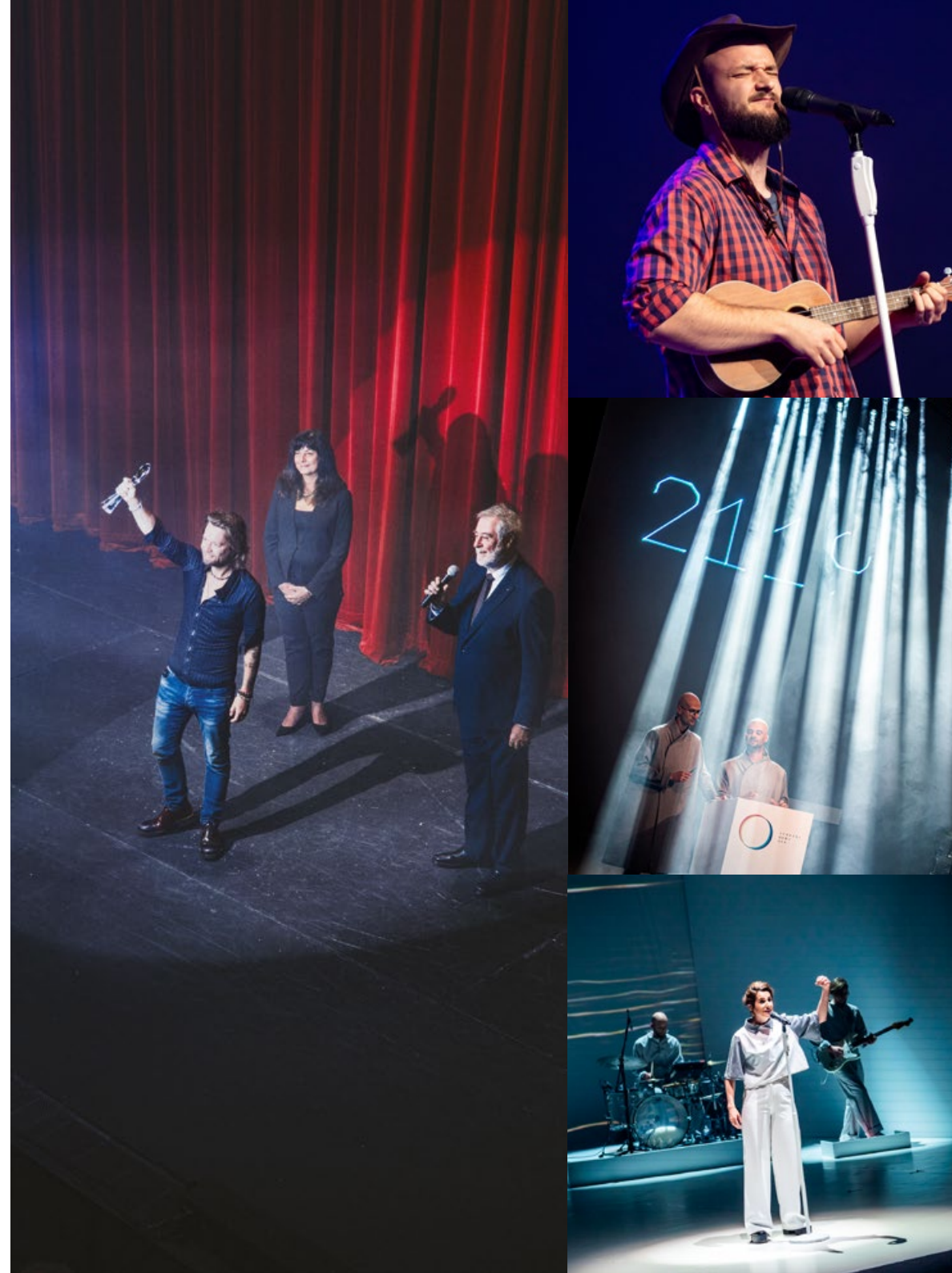
OSA ANNUAL AWARDS

OSA has been presenting annual awards to the most successful Czech music composers and lyricists since 2006. From 2014, it has been awarding those who considerably contribute to the promotion and propagation of Czech music. With the exception of OSA Golden Award, OSA Golden Fund and Award for Promotion and Propagation of Czech Music, OSA Annual Awards are the only awards in the Czech Republic presented on the basis of statistics provided by radio and television broadcasters, concert organizers, music online service providers or carrier producers and sellers. Therefore, they are pieces of music and authors that can be most frequently heard from Czech radios and televisions or which are the most sold. OSA Annual Awards are the only ones to link authors across music genres and they are presented in the total of 15 categories, for the production in both classical and popular music.

On the basis of a decision of OSA's Supervisory Board, the highest awards are presented annually, i.e. OSA Golden Award for contribution to the Czech music, and OSA Golden Fund for the most played pieces in the long term. Awards are presented also to young authors of both classical and popular music aged 30 or under, who in addition receive a financial prize from OSA to be used to develop their further production.

THE 14TH OSA ANNUAL AWARDS

The 14th OSA Annual Awards ceremony was held at Hybernia Theatre on 6 June 2019, in the imaginary scene of the year 2119. The hosts recalled major historical milestones and tried to show what the Czech music might



look like in 100 years. The award-winning authors included, for example Richard Krajčo, the most frequently award-winning author, who was presented an award for the piece Zůstaň tu se mnou together with Nikolaos Grigoriadis. This year, the highest award, i.e. OSA Golden Award, went to Petr Ulrych.

In October 2019, OSA celebrated 100th anniversary of its establishment. Therefore, the script editors of the evening approached the OSA Annual Awards in a non-traditional manner – the awards peeked into the year 2119 and outlined the 200th anniversary of OSA. Two actors from VOSTO5 theater – Ondřej Cihlář and Petr Prokop once again prepared the script and hosted the evening. They gradually took the audience 100 years into the future. The atmosphere of the future was supported by the adjusted stage, futuristic projections and costumes of all participants.

Arranged famous songs which have been accompanying us throughout the well-known history and which reflected the chosen decades were played during the evening. Niagara, the piece which won the award in the category OSA Golden Fund, performed by singer-songwriter Pokáč, took the audience back to the presence and closed the grand ceremony.

This year, just as in 2018, the award-winning authors received a statuette designed by Milan Cais. Young authors in the category of those aged 30 or under were given a check for CZK 50 thousand.

The 14th year was organized under the patronage of the Ministry of Culture of the Czech Republic. The main media partner of the evening was music TV Óčko, which broadcasted the pre-recorded awarding ceremony at Óčko Star. Other media partners included Express FM and Classic Praha.



V Ý R O Č N Í
C E N Y
O S A

RESULTS OF THE 14TH OSA ANNUAL AWARDS

OSA Golden Award
PETR ULRYCH

OSA Golden Fund (composition)
NIAGARA
AUTHORS: **EDUARD INGRÍŠ**
JOSEF CHLUMECKÝ

Popular composition of the year
ZŮSTAŇ TU SE MNOU
AUTHORS: **RICHARD KRAJČO**
NIKOLAOS GRIGORIADIS

The most successful author of popular music
PETR JANDA

The most successful author
of classical music
ZDENĚK KRÁL

The most successful young author
of popular music
DANIEL HRDLIČKA

The most successful author
of popular music abroad
JAROMÍR NOHAVICA

Concert of the year
LUCIE

OSA Golden Fund (author)
KAREL RŮŽIČKA

Award for the Promotion and Propagation
of Czech Music
KAREL JANOVICKÝ

Classical composition of the year
ULTRAMARINE
AUTHOR: **MICHAL NEJTEK**

The most successful lyricist
MILAN ŠPALEK

The most successful publisher
IDM MUSIC D.O.O.

The most successful young author
of classical music
JIŘÍ SLABIHOUEK

The most successful author
of classical music abroad
MARTIN SMOLKA

LINKS: www.cenyosa.cz
Edited version of the event available here: www.cenyosa.cz/fotovideo/2019/video/



100 YEARS OF OSA WITH LEADING CZECH AUTHORS

On the occasion of the 100th anniversary, OSA remembered outstanding figures of the Czech music across music genres and professions and awarded a prize to Pavel Chrastina, Marta Jiráčková, Marek Kopelent, Jiří Linha, Jan Slabák, Jiří Smutný, Jan Spálený, Jiří Stivín, Milan Uhde and Zdeněk Zahradník for their contribution to the Czech culture.

From the hands of Jolana Zemanová, vice-chairwoman of OSA Supervisory Board, musician Michal Prokop and composer Lukáš Matoušek, members of OSA Supervisory Board, the music authors received a unique award in the form of the first announcement of their composition which they had, in most cases,

registered with OSA almost 50 years ago.

The longest represented award-winning authors included the composer and pianist Marek Kopelent and the composer and conductor Jiří Smutný who had registered with OSA in 1957. There was one woman among those who won the award – the composer Marta Jiráčková. The award was also received by the former politician, writer and lyricist Milan Uhde, the founding member of Olympic and lyricist Pavel Chrastina, the bandleader and composer of the brass band Moravanka – Jan Slabák, the bluesman and founder of the band ASPM – Jan Spálený, or the jazz musician and composer Jiří Stivín.



100 YEARS OF OSA GALA CONCERT

The OSA gala concert for the 100th anniversary was held on the same day that Ochranný svaz autorský pro práva k dílům hudebním, z.s. (the present name of the organization) had been established, i.e. 9 October, in Karlín Music Theatre. Authors celebrated their day conveniently by music. The following artists performed during the evening with the accompaniment of Epoque Orchestra, conducted by Jan Kučera: Thom Artway, Žofie Dařbujánová, Jiří Hájek, Lukáš Janota, David Koller, Richard Krajčo, Aneta Langerová, Olympic, Ondřej Ruml, Barbora Řeřichová, Skety, Jan Smigmatore, David Stypka and others. The evening was hosted by the professional host and musician Marek Eben.

Marek Eben opened the evening with these words: "We have gathered tonight to celebrate the 100th anniversary of an organization which makes it possible for authors to exist, to have a background and, if their work is successful, to receive just remuneration."

A selection of the Czech classical, popular and film music from individual decades of the past 100 years was played during the evening. The gala evening was opened by Sinfonietta by Leoš Janáček, followed by one of the most famous Czech songs Ta naše písnička česká, written by one of the OSA founders, Karel Hašler. Other songs performed in the auditorium included, for example, Škoda lásky (Jaromír Vejvoda, Václav Zeman) performed by Žofie Dařbujánová, Pramínek vlasů (Jiří Suchý) sung by Jan Smigmatore, Marnivá sestřenice (Jiří Suchý, Jiří Šlitr) by Thom Artway who experienced signing in Czech for a change; the song called Stříhali dohola malého chlapečka (Vladimír Mišík, Josef Kainar) was performed by David Stypka with the accompaniment of guitar player Lukáš Chromek, Jasná zpráva was played by the whole band Olympic, Richard Krajčo sang Cesta and Obchodník s deštěm. Movie tunes performed included, for example, Přednosta stanice (Jára Beneš), Whiskey, to je moje gusto (Vlastimil



Hála, Pavel Kopta) or Kolja (Ondřej Soukup). This is, however, only a short list of songs. The evening was closed by David Koller and his band who sang the unforgettable hits Šrouby do hlavy (Petr and Pavel Orm, Jan Fisher) and Chci zas v tobě spát (Oskar Petr).

"For the next hundred years, I wish our organization the recognition by a respected business partner who fulfills their promises and follows the latest trends, satisfied music authors and business partners and, last but not least, respect for the works of others, because talent is not something to be taken for granted but it needs to be supported, development and in particular protected. There has not been a time in the history when copyrights would be at such risk as is the case today. And it is the Czech music which is at stake, the music we could be always proud of and which has enjoyed great respect also abroad. We hope to maintain your support so that we can continue writing music for your soul and ears!", says Roman Strejček, chairman of OSA's Management Board.

The recording of the gala concert was broadcasted by ČT art on 13 December 2019.



1800—1919

1920—1929

1930—1939

1940—1949

1950—1959

1960—1969

1970—1979

1980—1989

1990—1999

2000—2009

2010—2019



www.100letosa.cz

100 YEARS OF OSA WEBSITE

On the occasion of its 100th anniversary, OSA launched a website at www.100letosa.cz, which describes individual decades of OSA's history, copyright law development and works of artists represented by OSA.

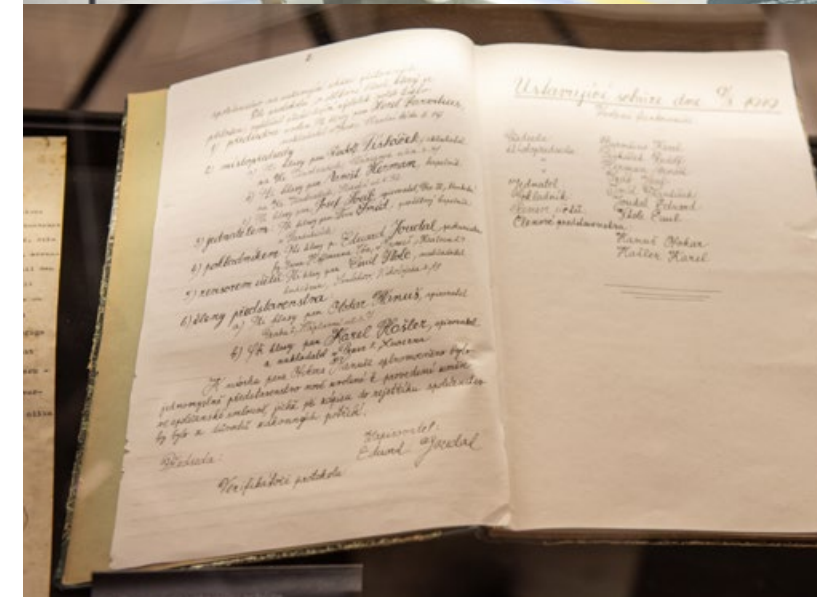
OSA 100 EXHIBITION

To commemorate the 100th anniversary, OSA prepared, in cooperation with the National Museum, an exhibition called OSA 100 which peaked into the history and present situation. The exhibition could be seen in the travertine hall in the New Building of the National Museum for two months.

It offered many interesting things from the music world, unique historical artifacts from the archives of OSA and National Museum. The National Museum provided many objects from its collections documenting the development of technology which enables reproduction of music and spoken word over the past 100 years. The visitors learnt how OSA operates, who the user is and what royalties are.

The exhibition itself is one of the results of mutual cooperation between the National Museum and OSA. Both institutions cooperate in the field of licensing for exhibition and exposition projects of the National Museum.

The exhibition also included period radio sets, song announcements and records.



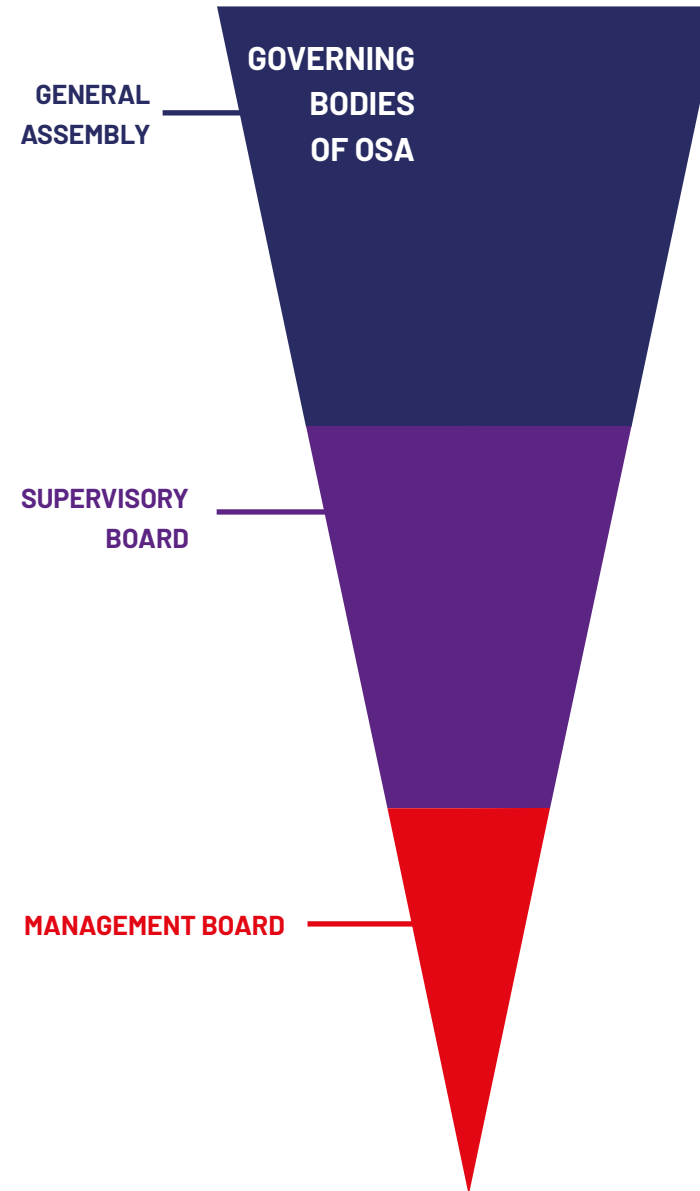
1.4 OSA ACTIVITIES OUTSIDE THE COLLECTIVE MANAGEMENT SYSTEM

OSA AGENCY

In addition to the main activity of a collective management organization, OSA also performs a secondary agency activity on the basis of the relevant trade license. It primarily involves granting of licenses to use musical works in the production of advertising spots and audiovisual works (the so-called synchronization rights) and to use musical works in theatre performances. Such licenses are granted on the basis of individual authorization from particular rights holders. The obtained status of an agency responds to new European trends which enable arrangement of conditions for authors with regard to the situation on the market.

MUSICJET

MusicJet is a Czech service designed primarily for music streaming, but it also works as a digital music store. It is a joint project of major domestic publishers (Universal Music, Supraphon), OSA (holding 5% of shares) and the majority owner – Bald Brothers. MusicJet is the largest Czech digital archive of music with both domestic and foreign catalogues of the most important publishers in the Czech Republic as well as smaller independent domestic and foreign labels.
LINK: www.musicjet.cz



1.5 OSA MANAGEMENT AND EMPLOYEES

GENERAL ASSEMBLY

General Assembly is the supreme body of OSA. It consists of OSA members and is convened at least once a year in the first half of the calendar year after conclusion of economic results for the previous year. Powers of the General Assembly are set out in the Statutes of OSA, available at www.osa.cz.

The latest session of the General Assembly was held in the conference room of Hotel International on 27 May 2019. Since the three-year mandate of all members of the Supervisory Board had expired, the 2019 General Assembly elected a new Supervisory Board for the next three-year period.

SUPERVISORY BOARD

Supervisory Board is the management and control body of OSA in the period between sessions of the General Assembly. It consists of 13 members who have been OSA members for at least 3 years – 6 composers, 3 lyricists and 4 publishers. Members of the Supervisory Board are elected by the General Assembly for the period of 3 years and can be re-elected. Powers of the Supervisory Board are set out in the Statutes of OSA, available at www.osa.cz.

In 2019, 11 sessions of the Supervisory Board were held. Sessions of the Supervisory Board are attended also by three members of the

Management Board. Since the mandate of the Supervisory Board had expired in 2019, the General Assembly held on 27 May 2019 elected a new Supervisory Board for the next three-year period. Two changes were made to the original membership. Juraj Filas was elected on behalf of composers and Tomáš Roreček was elected on behalf of lyricists, replacing Martin Kratochvíl and Jan Krůta respectively.

SUPERVISORY BOARD MEMBERS AS AT 31 DECEMBER 2019

chairman	Luboš Andršt	composer
	Michael Prostějovský	lyricist
vice-chairmen	Universal Music Publishing s.r.o. - Jolana Zemanová	music publisher
	Juraj Filas	composer
members	Jan Hála	composer
	Eduard Krečmar	lyricist
	Ivan Kurz	composer
	Lukáš Matoušek	composer
	Zdeněk Nedvěd	music publisher
	Michal Prokop	composer
	ProVox Music Publishing, s.r.o. - Jiří Paulů	music publisher
	Tomáš Roreček	lyricist
	Schubert Music Publishing s.r.o. - Jiřina Petrová	music publisher



SUPERVISORY BOARD COMMITTEES

Committees are only preparatory, consulting and auxiliary bodies in relation to the Supervisory Board. Their members are appointed by the Supervisory Board and the term of office expires upon the expiry of the term of office of the Supervisory Board which appointed the members. Each committee member must be a member of OSA and at least one committee member must be a member of the Supervisory Board.

COMMITTEE MEMBERS AS AT 31 DECEMBER 2019

ECONOMIC COMMITTEE

prepares materials, documents and proposals for solutions for the decision-making by the Supervisory Board in the area of OSA management. In particular, it conducts business analyses, collections and costs analyses, looks for savings and deals with tax issues. It monitors tariff levels abroad, economic effects of tariff rates, discusses changes of royalty tariffs and the rate of royalties for new uses of the works. In the social area, the committee manages and distributes resources from the Solidarity Fund (defined in par. 3.2 of the Statutes of the Cultural, Social and Educational Fund of OSA) and decides on granting social contributions and support and on the amount and pay date thereof. All profession groups of the Supervisory Board must be represented in the Committee.

chairwoman	Jolana Zemanová
members	Tomáš Doležal
	Eduard Krečmar
	Jiří Paulů

DISTRIBUTION COMMITTEE

prepares in particular proposals for changes to the Distribution Rules, checks all distribution mechanisms, monitors Distribution Rules of author's societies abroad (preferentially in EU countries), analyzes impacts of the Distribution Rules on the relations among the rights holders whose rights are managed by OSA, addresses the issue of administrative cost deductions together with the Economic Committee. All professions of the Supervisory Board must be represented in the Committee.

chairman	rotation principle
members	Martin Kratochvíl
	Jiřina Petrová
	Michael Prostějovský
	Miroslav Pudlák

COMMITTEE FOR CREATIVITY AFFAIRS

in particular categorizes the reported works to relevant categories in accordance with Annex 1 to the Distribution Rules in force, comments on disputes of authorship from the creative point of view, assesses the degree of works adaptation and arrangement, deals with authorship disputes of the rights holders whose rights are managed by OSA, identifies possible plagiarism.

chairman	Emil Viklický
members	Juraj Filas
	Jan Hála
	Michal Košut
	Lukáš Matoušek
	Vladimír Popelka
	Zdeněk Zahradník

PARTNERSHIP COMMITTEE

was established by the Supervisory Board in 2010 and it pursues fulfillment of the OSA Partnership project On the basis of a written request of the implementer of a specific project, the Committee is entitled to decide to award OSA partnership in the project implementation. Furthermore, it looks for potential applicants/promoters from individual areas and informs them of the possibilities of partnership. The Committee enters into coordination negotiations with the OSA Management Board to reach mutual agreement on strategy and coverage of the spectrum of cultural events within the frame of fulfillment of the Partnership project. All profession groups of the Supervisory Board must be represented in the Committee.

chairman	Ivan Kurz
members	Jiří Gemrot
	Karel Holas
	Martin Němec
	Helena Rytířová
	Milan Svoboda
	Jaroslav Šprongl

AUTOR IN EDITORIAL BOARD

prepares together with the magazine editors the contents of individual issues and it sees to the balance of published topics with regard to individual profession groups whose rights are managed by OSA.

chairman	rotation principle
members	Jan Krůta
	Zdeněk Nedvěd
	Michal Prokop
	Tomáš Roreček

COMMITTEE FOR OSA ANNUAL AWARDS

A non-permanent committee which focuses on preparation of OSA Annual Awards and other annual events

chairman	Michal Prokop
members	Lukáš Matoušek
	Michael Prostějovský
	Jolana Zemanová

MANAGEMENT BOARD

Management Board is the governing and executive body of OSA. It has three members and consists of the chairman and two members. The Management Board is elected and removed by the Supervisory Board. It is responsible for its activities to the General Assembly and to the Supervisory Board. Powers of the Management Board are set out in the Statutes of OSA, available at www.osa.cz.

chairman	Roman Strejček
members	Jiřina Barello
	Luboš Tesář

OSA EMPLOYEES

Between 2010 and 2014, changes were made to the association structure and organization. The changes resulted in a considerable staff reduction (from 218 to 153). In subsequent years, the number of employees stabilized at the level of 2014. Total number of employees as at 31 December 2019 amounted to 154 full-time employees. We also employ 8 individuals with reduced capacity to work.



02

ECONOMIC RESULTS

Revenues collected by OSA (or revenues from sales of music authors' rights) have been breaking records for six years in a row. This is also the case in the second year after OSA obtained the status of a single point of contact for public performance licensing.

2.1 ECONOMIC INDICATORS

PRINCIPAL ECONOMIC INDICATORS

	2015	2016	2017	2018	2019	2019/2018 difference
Total collected revenues	914,984	1,007,329	1,045,285	1,242,089	1,386,668	+144,579
Total costs	134,699	142,407	151,596	147,383	168,409	+21,026
Average cost deduction in %	14.72 %	14.14 %	14.50 %	11.87 %	12,145	+0.27%

* in thous. CZK / excl. VAT

** costs in this chapter are always quoted net of income tax



2.2 COLLECTED REVENUES, COSTS AND COST DEDUCTION

Category of rights	Collected revenues	Costs	Average cost deduction in %
Live public performances	199,221	27,029	13.57%
Background music in public premises	247,965	55,551	22.40%
Radio broadcasts	76,074	9,845	12.94%
Television broadcasts	237,569	30,779	12.96%
Cable retransmission	104,310	7,690	7.37%
Internet, mobile and similar networks	51,879	4,191	8.08%
Physical media	16,847	841	4.99%
Renting and leasing	4,774	124	2.62%
Private copying	86,522	5,544	6.41%
From foreign collective management organizations	79,018	3,718	4.71%
For domestic collective management organizations	268,220	22,731	8.47%
Total for collective management	1,372,399	168,043	12.24%
Agency activities	7,094	366	5.15%
Total incl. agency representation for authors	1,379,493	168,409	12.21%
Other income	7,175		
Total incl. agency representation for authors and other income	1,386,668	168,409	12.14%

* in thous. CZK / excl. VAT

2019 - record sales

Revenues collected by OSA have been breaking records for six years in a row.

Revenues collected by OSA (or revenues from sales of music authors' rights) have been breaking records for six years in a row. This is also the case in the second year after OSA obtained the status of a single point of contact for licensing of public performances (e.g. in restaurants or shops and service establishments) via audio and audiovisual equipment for all domestic collective management organizations. Together with the royalties collected on the basis of an authorization for other domestic collective management organizations, OSA increased its total income by CZK 144,579 thous.

year-on-year, which represents a 11.64% year-on-year increase. This included revenues collected for music authors which increased by CZK 138,064 thous. At the same time, we managed to keep average cost deduction (costs to revenues collected ratio) at a low level since it did not exceed 12.14% in 2019.

The drivers of 2019 included the area of public music performances (in addition to background music licensing, also the live music performance licensing) with its total year-on-year increase of CZK 87,853 thous. (including revenues collected for other domestic collective management organizations), revenues collected from foreign collective management organizations, the segment of television broadcasts or internet and mobile networks. We

11,64 %

year-on-year increase
of OSA's total income

also achieved very good results in cable retransmission licensing, despite the rate adjustment made on the basis of the mediation with the Economic Chamber. The positive result was achieved in particular thanks to the amicable settlement with some users in the segment of satellite cable retransmission. On the contrary, the biggest decrease by CZK 20,086 thous. (including revenues collected for other documents collective management organizations) occurred in private copying. Some particulars which substantially affected the amount of revenues collected in 2019 are described in detail in relevant chapters.

The resulting structure of license revenues (including revenues collected for other domestic collective management organizations) was the following in 2019: public performances 48.48% (46.99% in 2018), broadcasting and online media 34.06% (33.81 in 2018), mechanics and audiovision 11.22% (14.14% in 2018), from abroad 5.73% (4.62% in 2018) and agency activities 0.51% (0.44% in 2018).

* all amounts referred to in the text are quoted excl. VAT

BASIC STRUCTURE OF LICENSE REVENUES

	2015	2016	2017	2018	2019	2019/2018 difference
Public performances	293,313	358,561	381,257	377,995	44,7186	69,191
Broadcasting and online media	375,443	391,115	408,671	417,906	469,832	51,926
Mechanics and audiovision	96,256	100,580	98,879	114,734	108,143	-6,591
From abroad	59,982	61,706	63,875	57,162	79,018	21,856
Agency representation for authors	4,827	6,323	6,457	5,412	7,094	1,682
Total for OSA and foreign rights holders	829,821	918,285	959,139	973,209	1,111,273	138,064
Collected for other domestic collective management organizations	73,525	77,480	80,080	262,976	268,220	5,244
Total incl. other domestic collective management organizations	903,346	995,765	1,039,219	1,236,185	1,379,493	143,308

* in thous. CZK / excl. VAT

15% year-on-year increase

in public music performances

PUBLIC PERFORMANCES IN 2019

In 2019, OSA collected the total of CZK 668,795 thous. (including revenues collected from other domestic collective management organizations) for public music performances, which means a 15% year-on-year increase. This included revenues collected for music authors in the amount of CZK 447,186 thous. (i.e. a year-on-year increase of CZK 69,191 thous.) and revenues collected for other domestic collective management organizations in the amount of CZK 221,609 thous. (i.e. a year-on-year increase of CZK 18,662 thous.).

In the segment of background music licensing (net of cinemas and jukeboxes), positively influenced by the establishment of a single point of contact and collection for all domestic collective management organizations (DILIA, INTERGRAM, OAZA and OOA-S) in 2018, the income grew by CZK 53,052 thous. year-on-year (including revenues collected for other domestic collective management organizations). The amount collected by OSA for music authors was higher by CZK 34,390 thous. and the amount collected for other domestic collective management organizations was higher by CZK 18,662 thous. Revenues collected for background music were substantially affected by additional payments received for previous periods from the Czech Association of Hotels and Restaurants. OSA also increased its income from live music performance licensing by CZK 32,453 thous. year-on-year, thereby confirming the continuously improving results of this segment.

* all amounts referred to in the text are quoted excl. VAT

PUBLIC PERFORMANCES

	2015	2016	2017	2018	2019	2019/2018 difference
Live performances	107,738	143,383	147,653	166,768	199,221	32,453
Background music	173,773	199,211	218,266	194,711	229,101	34,390
Cinemas	9,392	13,539	13,832	15,528	17,993	2,465
Jukeboxes	2,410	2,428	1,506	988	871	-117
Total for OSA and foreign rights holders	293,313	358,561	381,257	377,995	447,186	69,191
Collected for other domestic collective management organizations	40,893	44,243	43,593	202,947	221,609	18,662
Total incl. other domestic collective management organizations	334,206	402,804	424,850	580,942	668,795	87,853

* in thous. CZK / excl. VAT

BROADCASTS, ONLINE MEDIA AND MECHANICS IN 2019

The Broadcasting, Online Media and Mechanics Department contributed the aggregate amount of CZK 624,586 thous. (including revenues collected for other domestic collective management organizations) to the total revenues collected by OSA from licensing activities in 2019. Revenues collected by this department increased by 5 % year-on-year, i.e. by CZK 31,917 thous.

* all amounts referred to in the text are quoted excl. VAT

Total amount of revenues collected represents a year-on-year increase of more than 12%.

BROADCASTS AND ONLINE MEDIA

Revenues collected in 2019 in the segment of broadcasts and online media confirmed once again the long-term trend of growth. The total collections in the amount of CZK 469,832 thous. represent a year-on-year increase of revenues collected of more than 12 %, i.e. CZK 51,926thous.

In 2019, the greatest contribution to this result was made in particular by the segment of television broadcasts licensing with a year-on-year increase of revenues collected of CZK 20,251 thous. and by the continued sharp increase of the segment of internet and mobile networks where revenues collected increased by further CZK 19,936 thous., which means a 63% year-on-year increase (it is in particular internet streaming). Last but not least, there was a considerable year-on-year increase of CZK 14,578 thous. in the revenues collected for cable retransmission licensing. Revenues collected for television broadcasts or cable retransmission were affected by additional payments for previous periods.

* all amounts referred to in the text are quoted excl. VAT

BROADCASTS AND ONLINE MEDIA

	2015	2016	2017	2018	2019	2019/2018 difference
Radio broadcasts	69,183	82,166	76,312	78,798	76,074	-2,724
Television broadcasts	209,824	212,761	210,123	217,318	237,569	20,251
Cable retransmission	85,751	80,232	97,204	89,732	104,310	14,578
Internet and mobile networks	10,286	15,554	24,741	31,673	51,609	19,936
Ringtones	399	402	291	385	270	-115
Total for OSA and foreign rights holders	375,443	391,115	408,671	417,906	469,832	51,926

* in thous. CZK / excl. VAT

MECHANICS AND AUDIOVISION

The area of mechanical rights and audiovisual works licensing has been experiencing the least dynamic development in the long term. This segment is most affected by the latest trends in the development of the music market, represented in particular by the switch from physical music carriers to new media. In year-on-year terms, in 2019 revenues decreased in particular in the segment of revenues from private copying both for music authors (by CZK 6,668 thous.) and for other domestic collective management organizations (by CZK 13,418 thous.). But in the reference year 2018, revenues from private copying collected by OSA on the basis of an authorization for other domestic collective management organizations were largely influenced by the concluded agreements on settlement for the previous periods.

Revenues from private copying compensate music authors for the drop in royalties from sales of physical music carriers which occurred inter alia as a result of the fact that each one of us can, entirely legally and without the consent of the author, make a copy of our favorite album or movie for personal needs. By comparison – while in 1998, revenues from the sale of music and audiovisual carriers for music authors amounted to CZK 124,976 thous. (and revenues from private copying amounted to further CZK 1,267 thous.), the 2019 revenues from private copying for music authors reached the amount of CZK 86,522 thous. (and revenues from the sale of audiovisual and music carriers amounted to further CZK 16,847 thous.).

* all amounts referred to in the text are quoted excl. VAT

MECHANICS AND AUDIOVISION

	2015	2016	2017	2018	2019	2019/2018 difference
Music carriers	17,207	20,441	17,807	15,535	16,240	705
Audiovisual carriers	1,440	874	1,112	962	607	-355
Other use	5,310	4,342	4,606	5,047	4,774	-273
Private copying	72,299	74,923	75,354	93,190	86,522	-6,668
Total for OSA and foreign rights holders	96,256	100,580	98,879	114,734	108,143	-6,591
Collected for other domestic collective management organizations	32,632	33,237	36,487	60,029	46,611	-13,418
Total incl. other domestic collective management organizations	128,888	133,817	135,366	174,763	154,754	-20,009

* in thous. CZK / excl. VAT

Revenues from private copying showed the largest decrease.

Agency activities generated the highest revenues so far.

AGENCY REPRESENTATION FOR AUTHORS IN 2019

In 2019, agency activities generated the highest revenues so far; through the activities, OSA collected an amount higher by CZK 1,682 thous., i.e. 31%, than in 2018. The revenues were collected in particular for synchronization and theater performances licensing.

* all amounts referred to in the text are quoted excl. VAT

AGENCY ACTIVITIES

	2015	2016	2017	2018	2019	2019/2018 difference
Synchronization	1,189	2,104	1,336	707	1,579	872
Theater performances	3,638	4,213	5,110	4,554	5,406	852
Other (sheet music etc.)		6	11	151	109	-42
Total for OSA and foreign rights holders	4,827	6,323	6,457	5,412	7,094	1,682

* in thous. CZK / excl. VAT

ROYALTIES COLLECTED FROM ABROAD IN 2019

For OSA repertoire used abroad in 2019, foreign collective management organizations sent us royalties in the amount higher than in the previous year by CZK 21,586 thous., i.e. by 38% year-on-year. But the increase was half influenced by the additional payment made in 2019 for a part of year 2018 from the German collective management organization GEMA. Thanks to the additional payment, royalties collected from GEMA accounted for almost 46% of the total royalties collected from abroad. In addition to Germany, the largest increase was shown by the royalties collected from Slovakia and Hungary. In contrast, the largest drop of OSA's foreign income was shown by the income from Finland, North Macedonia and Lithuania.

* all amounts referred to in the text are quoted excl. VAT

ROYALTIES FOR DOMESTIC REPERTOIRE USED ABROAD IN 2019

	in thous. CZK / excl. VAT	Share in %
Germany	36,149	45.75%
Slovakia	13,079	16.55%
Austria	7,434	9.41%
Hungary	3,268	4.14%
The Netherlands	2,927	3.70%
France	2,529	3.20%
USA	2,317	2.93%
Switzerland	2,130	2.70%
Great Britain	1,680	2.13%
Poland	1,600	2.02%
Other	5,905	7.47%
Total for OSA	79,018	100.00%

* in thous. CZK / excl. VAT

DEVELOPMENT OF ROYALTIES COLLECTED FROM ABROAD

	2015	2016	2017	2018	2019	2019/2018 difference
Total for OSA	59,982	61,706	63,875	57,162	79,018	21,856

* in thous. CZK / excl. VAT

COSTS OF OSA ACTIVITIES IN 2019

Total costs spent on the activities of OSA in 2019 amounted to CZK 168,409 thous., which represents an increase of more than 14% compared to 2018. Hence the costs incurred by OSA were higher by CZK 21,026 thous. But the higher expenditure was accompanied with an increase of revenues collected by almost 12%. A year-on-year increase was shown in particular by personnel costs, in line with the general trend in the Czech Republic. The gala concert organized on the occasion of the 100th anniversary of OSA's establishment represented an extraordinary cost item. Average cost deduction in the amount of 12.14% was by 0.27% higher year-on-year than in 2018, which confirmed OSA's long-term position as one of the music copyright societies with one of the lowest average cost deductions in Europe. OSA's costs net of costs invoiced to other domestic collective management organizations amounted to CZK 145,678 thous.

**12,14%
cost
deduction**

OSA is a copyright organization with one of the lowest cost deductions in Europe.

COSTS OF OSA

	2015	2016	2017	2018	2019	2019/2018 difference
Total costs	134,699	142,407	151,596	147,383	168,409	21,026

* in thous. CZK / excl. VAT

STRUCTURE OF THE COSTS OF OSA IN 2019

Services	34,243
Depreciation and provisions	9,321
Other operating costs	3,053
Taxes and fees	283
Material consumption	2,043
Energy consumption	1,175
Contributions to BIEM, CISAC	730
Total costs net of personnel costs	50,848
Personnel costs incl. benefits and emoluments	90,626
Statutory social insurance	26,935

* in thous. CZK / excl. VAT and net of income tax



03

DISTRIBUTION

In 2019, OSA distributed to rights holders and transferred to other domestic collective management organizations the total amount of CZK 1,057,145 thous. in royalties (incl. the distributed excess of administrative cost deductions from 2018).

3.1 DISTRIBUTION OF ROYALTIES

In 2019, OSA distributed to rights holders and transferred to other domestic collective management organizations the total amount of CZK 1,057,145 thous. in royalties (incl. the distributed excess of administrative cost deductions from 2018). The amount of CZK 811,657 thous. was distributed to music authors and publishers, including CZK 577,684 thous. to the domestic ones and CZK 233,973 thous. to those from abroad. OSA transferred the amount of CZK 245,488 thous. to other domestic collective management organizations (collections based on mandates to license their repertoire on their behalf). As concerns non-distributable amounts, in 2019, OSA allocated an amount lower than in the previous year by CZK 7,430 thous.

ROYALTIES DISTRIBUTED

	2018	2019	2019/2018 difference
Authors	305,589	319,054	13,465
Publishers	241,752	258,630	16,878
Total domestic rights holders	547,341	577,684	30,343
To abroad	214,435	233,973	19,538
Total distributed to OSA and foreign rights holders	761,776	811,657	49,881
Transferred to other domestic collective management organizations	240,052	245,488	5,436
Total distributed, incl. royalties transferred to other domestic collective management organizations	1,001,828	1,057,145	55,317

* in thous. CZK / excl. VAT

NUMBER OF AUTHORS AND PUBLISHERS TO WHOM ROYALTIES WERE DISTRIBUTED

	2018	2019	2019/2018 difference
Domestic	7,234	7,474	240
Foreign	188,053	197,473	9,420
Total	195,287	204,947	9,660

* without rights holders who have not concluded an agreement with OSA, have not registered themselves or are not represented by any foreign collective management organization

AVERAGE AMOUNT OF ANNUAL ROYALTY IN 2019

	2018	2019	2019/2018 difference
Total amount distributed to rights holders for the year*	CZK 761,776 thous.	CZK 811,657 thous.	+ CZK 49,881 thous.
Number of rights holders included in distribution for the year**	195,287	204,947	+9,660
Number of distributed musical works for the year***	976,512	1,009,212	+32,700
Average amount of the royalty distributed per rights holder to whom the royalty for the year was distributed	CZK 3,901	CZK 3,960	+ CZK 59
Average amount of the royalty distributed per 1 distributed title for the year	CZK 780	CZK 804	+ CZK 24

* net of royalties transferred to other domestic collective management organizations / excl. VAT

** without rights holders who have not concluded an agreement with OSA, have not registered themselves or are not represented by any foreign collective management organization

*** only identified titles are included

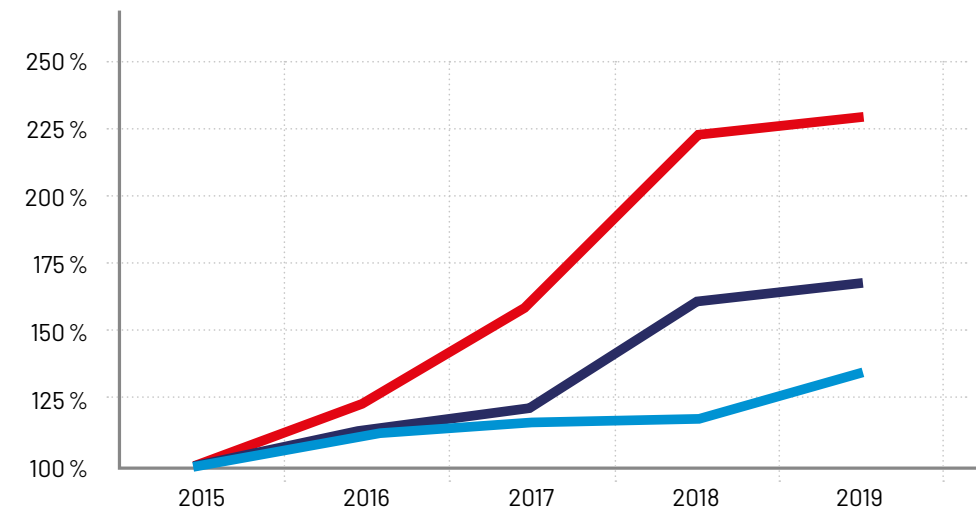
COMPARISON OF THE FIVE-YEAR DEVELOPMENT BETWEEN 2015 AND 2019

In the long term, the number of authors and compositions in OSA's final statement has been growing much more rapidly than the revenues collected. Therefore, the same amount of revenues collected was shared by much more authors and publishers. But in 2019, the trend reversed and the revenues collected increased by three times more than the number of authors and four times more than the number of compositions.

	2019/2015 difference	
Number of authors included in distribution	+82,635	+68%
Number of distributed musical works	+567,857	+129%
Revenues collected for licenses**	+ CZK 281,452 thous.	+34%

* reference year 2015 = 100 %

** net of the revenues collected for other domestic collective management organizations and net of other revenues collected / excl. VAT



3 times more

In 2019, the revenues collected increased by three times more than the number of authors and four times more than the number of compositions.

3.2 PAYMENT OF ROYALTIES

We pay royalties both to domestic and foreign rights holders regularly on four payment dates – in March, June, September and December; in this way, we have managed to reduce the time gap between the use of the music and the payment. Since 2010 when the quarterly final statement was introduced, OSA sets the trend in the swiftness of royalty payment. We rank among the fastest ones in international comparison in this area.

WE PAY THE ROYALTIES FOUR TIMES A YEAR.

	March	June	September	December
Where was the composition used?	When was the composition used?			
Live performances	November–February	February–May	May–August	August–November
Background music	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
TV	September–November	December–February	March–May	June–August
Radio	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
Internet, mobile and similar networks	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter
Physical media	4 th quarter	1 st quarter	2 nd quarter	3 rd quarter

* the table contains information applicable to most uses included in the segments in question, however some other uses can have different final statements

3.3 ROYALTIES DISTRIBUTED ABROAD

THE BIGGEST FOREIGN RECIPIENTS OF ROYALTIES COLLECTED IN THE CZECH REPUBLIC

	in thous. CZK	Share in %
USA	79,943	34.17%
Great Britain	49,002	20.94%
Germany	27,943	11.94%
France	15,647	6.69%
Slovakia	15,360	6.56%
Italy	6,089	2.60%
Austria	5,915	2.53%
Canada	5,373	2.30%
Sweden	4,521	1.93%
Netherlands	3,224	1.38%
Other*	20,956	8.96%
Total	233,973	100.00%

* other –Albania, Algeria, Argentina, Armenia, Australia (+ New Zealand), Azerbaijan, Barbados, Belgium, Belarus, Benin, Bolivia, Bosnia and Herzegovina, Brazil, Bulgaria, Burkina Faso, Monte Negro, China, Denmark, the Democratic Republic of Congo, Dominican Republic, Egypt, Ecuador, Estonia, Philippines, Finland, French Polynesia, Ghana, Georgia, Guatemala, Guinea, Hong Kong, Chile, Croatia, India, Indonesia, Ireland, Iceland, Israel, Jamaica, Japan, South Africa, South Korea, Kazakhstan, Kenya, Columbia, Republic of the Congo, Costa Rica, Cuba, Kyrgyzstan, Lithuania, Latvia, Macao, Madagascar, Hungary, Malaysia, Malawi, Mali, Mauritius, Mexico, Moldavia, Namibia, Nigeria, Norway, New Caledonia, Paraguay, Peru, Poland, Puerto Rico, Portugal, Romania, Russia, Greece, Senegal, North Macedonia, Singapore, Slovenia, Serbia, Saint Lucia, Spain, Switzerland, Tanzania, Thailand, Taiwan, Trinidad and Tobago, Turkey, Uganda, Ukraine, Uruguay, Venezuela, Vietnam, Zambia, Zimbabwe incl. other territories controlled by partner copyright societies residing in the above territories

In 2019, we distributed royalties to
103
countries in the world.

THE COMPLETE LIST OF OUR PARTNER FOREIGN COLLECTIVE MANAGEMENT ORGANIZATIONS TO WHICH WE SENT ROYALTIES IN 2019 FOR RIGHTS HOLDERS WHOSE RIGHTS THEY MANAGE:

Organization	Country	Organization	Country	Organization	Country
ABRAMUS	Brazil	ECCO	Saint Lucia	SADAIC	Argentina
ACDAM	Cuba	GEMA	Germany	SAMRO	South Africa
ACEMLA	Puerto Rico	HARRY FOX	USA	SAYCO	Columbia
ACUM	Israel	HDS-ZAMP	Croatia	SAZAS	Slovenia
AGADU	Uruguay	IMRO	Ireland	SBACEM	Brazil
AKKA/LAA	Latvia	IPRS	India	SCD	Chile
AKM	Austria	JACAP	Jamaica	SESAC	USA
AMCOS	Australia + New Zealand	JASRAC	Japan	SGAE	Spain
AMRA	USA	KODA	Denmark	SIAE	Italy
APRA	Australia + New Zealand	KOMCA	South Korea	SOCAN/SODRAC	Canada
ARTISJUS	Hungary	LATGA-A	Lithuania	SODAV	Senegal
ASCAP	USA	MACP	Malaysia	SOKOJ	Serbia
AUME	Austria	MCPS	Great Britain	SOZA	Slovakia
BBDA	Burkina Faso	MCSC	China	SPA	Portugal
BCDA	Congo	MCSK	Kenya	SPACEM	French Polynesia
BGDA	Guinea	MESAM	Turkey	STEF	Iceland
BMI	USA	MSG	Turkey	STEMRA	Netherlands
BUBEDRA	Benin	MUSICAUTOR	Bulgaria	STIM	Sweden
BUMA	Netherlands	MUST	Taiwan	SUISA	Switzerland
BUMDA	Mali	NCB	Scandinavia	TEOSTO	Finland
CASH	Hong Kong	NGO-UACRR	Ukraine	TONO	Norway
COMPASS	Singapore	OMDA	Madagascar	UBC	Brazil
COSCAP	Barbados	PRS	Great Britain	UCMR-ADA	Romania
COSGA	Ghana	RAO	Russia	UPRS	Uganda
COSOMA	Malawi	SABAM	Belgium	VCPMC	Vietnam
COSON	Nigeria	SACENC	New Caledonia	ZAIS	Poland
COSOTA	Tanzania	SACEM/SDRM	France	ZAMP	North Macedonia
COTT	Trinidad and Tobago	SACERAU	Egypt	ZAMCOPS	Zambia
EAU	Estonia	SACM	Mexiko	ZIMRA	Zimbabwe



04

OSA AND THE LAW

Legal risks to which the area of copyrights is exposed in a broader context consist in several controversial issues. Unclear interpretation of the Copyright Act in fundamental areas considerably contributes to the non-licensing of certain types of use or to the decrease of royalties collected and the increase of costs due to the resolution of disputes through mediators or courts.

LEGAL RISKS

Legal risks to which the area of copyrights is exposed in a broader context consist in several controversial issues. Unclear interpretation of the Copyright Act in fundamental areas considerably contributes to the non-licensing of certain types of use or to the decrease of royalties collected and the increase of costs due to the resolution of disputes through mediators or courts. Vague legal background is another big problem in the use of works protected by copyright on the internet. The situation described has not changed even after the amendment to the Copyright Act because, in spite of the warnings from collective management organizations, the amendment includes provisions having unclear interpretation and, unfortunately, also provisions that could considerably complicate the exercise of collective management. It is in particular the amendment of April 2017, the adopted unclear regulation of the process of negotiating royalty tariffs. Other factors that contribute to the higher degree of legal uncertainty in the sphere of our interest include special-purpose initiatives trying to suppress the rights of authors. Active in this respect are not only the affected users of works but also some representatives of legislative power who submit initiatives limiting the rights of authors as has been shown in particular during the process of approving the amendment to the Copyright Act by the Parliament of the Czech Republic.

IMPLEMENTATION OF EU DIRECTIVES

In 2019, the Ministry of Culture of the Czech Republic commenced implementation work that will culminate next year and that is aimed at implementing Directive (EU) 2019/789 (the so-called Broadcasting and Retransmission Directive) and Directive 2019/790 (the so-called Copyright Directive). The Ministry will organize meetings of stakeholders as part of public consultations and we will be present at those meetings. Given the position of the Pirate Party in the Chamber of Deputies, the negotiations on the form of the law will not be easy.



JUDICIAL DECISIONS

On the basis of appeals filed by both OSA and one of the defendant restaurant operators, the High Court in Prague addressed the issue of calculation of the amount of unjust enrichment based on the royalty at rate B, and the probative value or more precisely frequency of inspection records to prove that musical works had been used over the entire period at issue. By its judgment ref. No. 5Co 47/2018 of 28 January 2019, the court of appeal confirmed that rate A had to be considered the standard rate for the purposes of calculating the amount of unjust enrichment. The court admitted, however, that the royalty proposed in the cases referred to in OSA tariff under rate B may be relevant during the contracting process since a diligent operator is "rewarded" with a lower rate as OSA's costs related to the conclusion of a license agreement are lower. The court did not accept the arguments of the defendant either because a comprehensive set of evidence consisting of inspections in the establishment (specifically on 10 July 2013, 21 March 2014 and 12 February 2015) in conjunction with video and sound recordings and photographs sufficiently prove that the musical works were used in the period at issue from 1 January 2014 to 31 December 2014.

On 19 September 2019, the Constitutional Court made an order under ref. No. I. ÚS 2708/19 by which it dismissed the constitutional complaint of the restaurant operator against the judgment of the Regional Court in Ústí nad Labem and the judgment of the High Court in Prague. Those courts had recognized that OSA was entitled to unjust enrichment for unauthorized performance of musical works via notebook. The Regional Court in Ústí nad Labem carried out extensive taking of evidence. Inspection records and video recordings made during the inspections were the key evidence. As the operator claimed that the video recordings had been additionally edited, it was ordered to prepare an expert opinion; the opinion refuted the claim. OSA also submitted evidence proving that it represented the authors of musical works recorded on the recordings made. The Constitutional Court held that detailed evidence had been taken in the proceedings and on the basis of the evidence, the facts of the case had been sufficiently established, the courts had applied adequate sub-constitutional legislation and properly justified the application thereof. Therefore, the Constitutional Court dismissed the operator's complaint. The decision confirmed the importance of the field work carried out by regional representatives and of making the recordings for the purposes of proving the validity of OSA's claims against users of works.

Another important decision also concerns background music in establishments. OSA filed an action for delivery of unjust enrichment resulting from unauthorized use of musical works via radio in a clothing store in the period between 1 September 2015 and 30 June 2016. The Municipal Court concluded that the use was sufficiently proven by the inspection records and recordings submitted. It held that the use of background music via radio had been established and that audiovisual recordings of the use had been made. The stations broadcasting the music were specified in all records. On the basis of the video recordings, the court considered it proven that it was an establishment of the defendant company and that the music was clearly audible. By its judgment III. ÚS 1598/19 of 27 December 2019, the Constitutional Court annulled the decision of the Municipal Court in Prague. According to the Constitutional Court, it had not been proven in the proceedings before the Municipal Court that the defendant really had made available (or with the maximum possible probability could have made available) the very production of the persons whose copyright was managed by OSA. The finding means higher costs of proving claims made in an action. It is positive in that it is not necessary to establish what music is playing in the rooms of accommodation establishments.

NAME	OSA – Ochranný svaz autorský pro práva k dílům hudebním, z. s.
LEGAL FORM	registered association
REGISTERED OFFICE	Čs. armády 786/20, 160 56 Praha 6, Česká republika
ID	63839997
TAX ID NO.	CZ 63839997
	Registered in the Associations Register kept by the Municipal Court in Prague, Section L, Insert 7277
CALL CENTRE	+420 220 315 111
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AUTOR IN	www.autorin.cz
INFOSA	www.infosa.cz
OSA ANNUAL AWARDS	www.cenyosa.cz
100 YEARS OF OSA	www.100letosa.cz
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TWITTER	twitter.com/OSA_zs
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WE THINK
OF
MUSIC

