

**we think
of music**

OSA 2021 YEARBOOK



we think
of music

19
million
CZK

1,000
authors

HELP FOR OUR CLIENTS HIT BY THE CORONAVIRUS CRISIS

Authors

Since the beginning of the pandemic, we have paid out a total of CZK 19 mil. in the form of non-repayable aid to almost 1,000 authors affected by the prohibition on holding concerts.

Music users

Establishments did not pay royalties for the days for which they were closed.

We provided advice and suggestions for authors and users with respect to OSA compensations and government support programs in a **special section of OSA's website**.

For details see page 42

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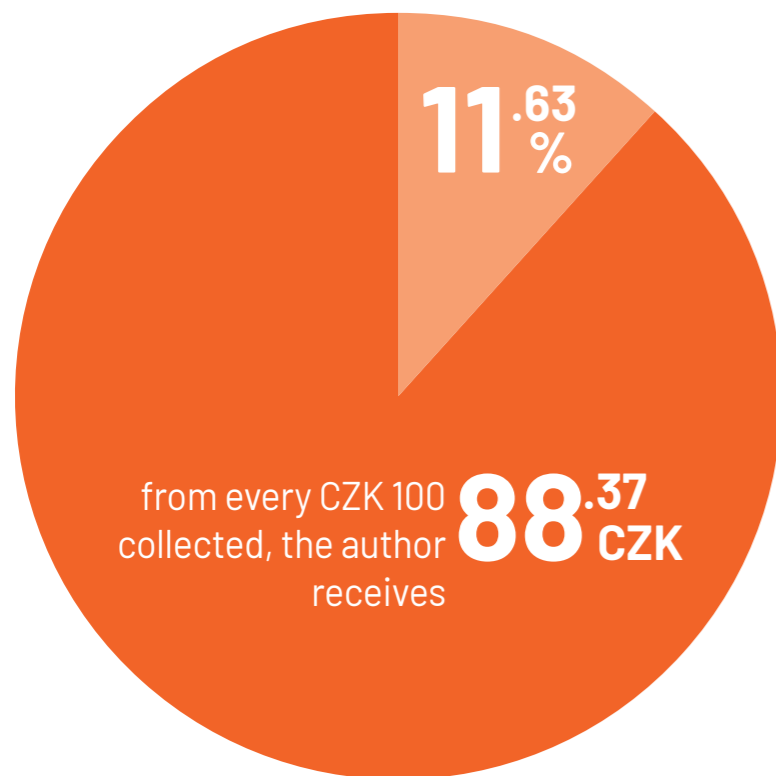


**OSA
IN 2021
FIGURES**

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

CZK 1,104,755,000

average cost deduction to cover OSA's costs



YEAR-ON-YEAR COMPARISON OF PRINCIPAL ECONOMIC INDICATORS 2021/2020

	CZK	CZK	
REVENUES COLLECTED FOR OSA AND FOREIGN RIGHTS HOLDERS	1,104,755,000	+117,464,000	+11.90% ↑
TOTAL REVENUES COLLECTED FOR ALL COLLECTIVE MANAGEMENT ORGANIZATIONS	1,313,412,000	+160,664,000	+13.94% ↑
TOTAL REVENUES COLLECTED FOR ALL COLLECTIVE MANAGEMENT ORGANIZATIONS - net of extraordinary supplementary payments*	1,091,272,000	CZK -61,476,000	-5.33% ↓
TOTAL COSTS	CZK 152,806,000	CZK -2,619,000	-1.69%
COSTS AS A PERCENTAGE	11.63%		-1.85%

* In 2021, OSA received extraordinary supplementary payments on the basis of settlement agreements with satellite operators for the period from 2014, with television broadcasters for the period from 2013, and with the Czech Association of Hotels and Restaurants for accommodation facilities in the total amount of CZK 222,140,000.

STRUCTURE OF REVENUES OF AUTHORS AND PUBLISHERS:

	2021	2021/2020 difference in CZK in %	
Public performances in total	197,716,000	-23,929,000	-10.80% ↓
Live performances	52,238,000	-42,631,000	-44.94%
Background music	136,609,000	+17,175,000	+14.38%
Cinemas	8,869,000	+1,527,000	+20.80%
Broadcasts and online media in total	732,767,000	+160,228,000	+27.99% ↑
Radio broadcasts	77,664,000	+1,583,000	+2.08%
Television broadcasts	300,425,000	-9,856,000	-3.18%
Cable retransmission	245,481,000	+141,031,000	+135.02%
Internet, mobile and similar networks, ringtones	109,197,000	+27,470,000	+33.61%
Mechanics and audiovision in total	110,080,000	+6,373,000	+6.15% ↑
Physical media	13,799,000	-1,211,000	-8.07%
Renting and leasing	5,073,000	+193,000	+3.95%
Private copying	91,208,000	+7,391,000	+8.82%
Agency representation of authors in total	3,769,000	-2,229,000	-37.16% ↓
Synchronization	1,415,000	-1,207,000	-46.03%
Theater performances	1,723,000	-1,330,000	-43.56%
Other (sheet music, concerts etc.)	631,000	+308,000	+95.36%
Collected from abroad	52,507,000	-23,146,000	-30.59% ↓
Other income	7,916,000	+167,000	+2.16% ↑

MACROECONOMIC VIEW



MACROECONOMIC VIEW, IMPACT OF THE COVID-19 PANDEMIC ON CZECH ECONOMY AND AVERAGE EXPENSES OF THE POPULATION ON MUSIC ROYALTIES IN 2021

Copyrights are reflected in final prices in various economic sectors. As far as the collection of OSA royalties is concerned, in terms of macroeconomic indicators, we can say that in 2021, each Czech household spent CZK 24.07 per month, including 21% VAT, on music royalties or that the average monthly spending on music royalties per economically active inhabitant of the Czech Republic in productive age, i.e. aged 20–64, amounted to CZK 21.45, including 21% VAT.

In comparison – a full price public transport ticket for 30 minutes on a business day in Prague cost CZK 30, and a similar ticket for 45 minutes in Ostrava cost CZK 25. In 2021, the average prices of Natural 95 petrol and diesel were CZK 32.69 per liter and CZK 31.16 per liter respectively. And, for example, the average price of bottled draught beer (formerly 10° beer) in shops amounted to CZK

CZK 24.07

This is the monthly spending of a Czech household on music royalties in 2021.

10.83 in 2021. In 2021, the minimum wage was CZK 15,200 which translates to an hourly rate of CZK 90.50 for a 40-hour weekly working time. An employee working for a minimum wage had to work 14 minutes and 13 seconds a month to cover the average royalty expense. The average wage reached CZK 37,839 for the whole of 2021. A person working for the average wage had to work 5 minutes and 42 seconds a month to cover music royalties in 2021.

In 2021, the Czech economy grew by 3.3% according to preliminary estimates (calculated on the basis of GDP). The growth followed the economic downturn by 5.6% the year before, which had been the biggest drop during the existence of the independent Czech Republic. The greatest contributions to the growth came from household final consumption expenditure and changes in stocks by which companies secured themselves at times of non-functioning supply chains. There was, in particular, an increase in investments in housing and means of transport. Foreign demand, on the contrary, had a negative

CZK 37,839

average monthly wage in 2021

+3.3%

GDP growth

effect. Eurostat assumes on the basis of preliminary estimates that the growth in EU countries as well as the growth in the euro area reached 5.2%. Therefore, the Czech Republic performed worse than the European Union or the euro area as a whole.

The all-year results indicate that the Czech economy coped with the second year of the pandemic quite well, despite significant problems in the domestic automotive sector in the second half of the last year. The Czech economy managed to make up for approximately a half of the downturn experienced in the pandemic year 2020.

Economic growth was evident throughout the national economy. The growth in gross value added was most affected by developments in industry, in the group of sectors including trade, transport, accommodation and food service activities, and in the group of sectors including public administration, education, and health and social care. After the previous drop by more than 7%, the industrial production grew by 6.4% in 2021. Compared to the previous year, the vast majority of industrial sectors increased their production volumes. The industry, however, failed to return to the pre-pandemic level, mainly due to problems in the manufacture of motor vehicles and downstream sectors (lack of chips, problems in supply chains etc.). A slight increase was experienced by the construction sector which, in addition to shortage in labor, had to deal in particular with the extraordinary increase in prices. Foreign trade ended in a deficit in 2021. For the first time since 2010, the price of goods imported to the Czech Republic exceeded the price of goods exported therefrom.

Retail has been one of the sectors most affected by the anti-pandemic government measures since 2020. Last year, retail proceeds in the Czech Republic increased in real terms by 4.5% compared to 2020 and by 3.7% compared to the pre-Covid year 2019. But the

developments in individual sectors differed greatly. For example, the sales of online shops were higher by almost 50% compared to 2019, while the sales of clothing and footwear stores did not reach three quarters of the 2019 sales. Last year, the greatest year-on-year increase occurred in the sales of goods sold on the internet or via mail-order services (by 16%). Sales higher than in 2020 were generated by all non-food assortment groups, for example computer stores and beauty products stores (by 6%), clothing and homeware stores (by 5%) or stores of pharmaceutical and medical goods (by 4%). On the contrary, the sales of non-specialized grocery stores fell by 0.5% year-on-year. The sales of fuels were higher by 3.4%. The 2021 sales of service providers increased in real terms by 7.2% year-on-year. Nevertheless, the sales in the service sector did not reach the 2019 level, decreasing by 5.2% compared to the pre-Covid year 2019, without netting out. There was a year-on-year growth in all segments of economic activities in the service sector, the highest growth being experienced by transport and storage (by 13%) which are most significant in terms of volume. The sales in air transport increased by 43.8% year-on-year. The sales of travel agencies, tour operators and other booking companies grew by 58% year-on-year. The sales of service providers increased by 5.1% in food service activities and by 3% in accommodation. The film and music industry did well, reporting an increase in sales by more than 40%.

The average wage amounted to CZK 37,839 in 2021, which means an increase of CZK 2,177 (6.1%) in a year-on-year comparison. If we take into account the increase in consumer prices, the real wage strengthened by 2.2%. The number of working people increased by 43 thousand to 5,259.4 thousand (by 0.8%). The number of entrepreneurs dropped while the number of employees increased. General unemployment rate in the age group of 15–64 reached

3.8%

2021 average
inflation rate

2.2% at the end of the year, decreasing by 1.1% year-on-year. The number of unemployed people registered with employment offices as of 31 December 2021 fell by 33,804 year-on-year to 258,173 applicants. In international comparison, the Czech Republic maintained the lowest unemployment rate in the whole EU at the end of the year. It has held the first place since summer 2016. In 2021, the average inflation rate reached 3.8%, i.e. by 0.6% more than in 2020. It is the highest inflation rate since 2008. Last year, the inflation was affected by the increase in prices in the sector of transport (where the prices of fuels and oils increased by 14.6%), housing incl. energies (by 2.8%) and alcoholic beverages and tobacco (by 8.4%). The increase in prices in most other sectors affected the inflation to a lesser degree. There was, for example, a year-on-year increase in the prices of food service activities by 4.8%, accommodation services by 0.9%, and recreation and culture by 3%.

2022 OUTLOOK

It seems that in 2022, the development of the Czech (but also the European) economy, which is slowly recovering from the Covid-19 crisis, will be influenced in particular by combating the accelerating inflation and by the effects of the war in Ukraine (packages of sanctions, energy crisis, migration policy, impact on consumer confidence, disruptions in supply chains etc.). Shortage of components from countries affected by the armed conflict, rise in the prices of inputs as well as the renewed spread of the coronavirus in China will, during the year, partially bring down the recovery of industry,

which has started to pick up steam over the last few months thanks, in part, to the fading problems in supply chains. In addition, the good state of labor markets, prospective growth of employment and high savings rate of the population are good attributes for increased consumption that might drive the economy; on the other hand, however, consumer confidence of households and firms in the euro area as well as at home will be curbed by the accelerating price growth and the effects of the war conflict in Ukraine. According to the latest predictions of the governor of the Czech National Bank, inflation in the Czech Republic can be expected to further increase, peaking at 13-14% in summer. The use of considerable foreign-exchange reserves is an obvious instrument for stabilizing the crown exchange rate as well as a short-term tool for fighting the inflation. The governor of the Czech National Bank estimates that the impact of high price dynamics on consumption together with the conflict in Ukraine will dramatically slow down economic growth in the Czech Republic which might head to zero at the end of the year; a downturn of the Czech and European economies is possible too. There is talk of stagflation, which means a period of high inflation accompanied by very weak growth. Yet only in February, in its prognosis before the invasion of Ukraine, the Czech National Bank expected the GDP in the Czech Republic to grow by 3%, the inflation to cumulate at around 10% in summer and decline to around 5% at the end of the year.

Source: Czech Statistical Office, Employment Office of the Czech Republic, Czech News Agency, Investičníweb.cz, Kurzy.cz, Czech Economic Outlook for 2021 (a Deloitte analysis)

To earn CZK 15,200 a month, i.e. the minimum wage in 2021, for their works, an author needs to reach:



minimum monthly wage

CZK 15,200



14,831
carriers sold
a month



2,000,000
new views on the
internet a month



10,571
downloads
sold a month



7,795
replays on radio
stations a month

For the royalties to reach the , in 2021, authors would have to sell either **14,831 carriers** a month (calculated based on the assumption that the author has 1 piece of music on a CD with 12 pieces) or the piece of music would have to get **2,000,000 new views** a month. This means that if the piece of music had no new views in the previous month, the platform pays no royalty to the author.

As concerns music downloads, the piece of music would have to be sold **10,571 times**. And private national and regional stations, including the stations of the Czech Radio, would have to **play it 7,795 times** (calculation based on the average revenues collected from individual stations).

Model examples are based on the assumption that both music and lyrics were written by one author.

**REPORT OF THE
SUPERVISORY
BOARD**



DEAR COLLEAGUES,

This activity report of the Supervisory Board covers the fiscal period of 2021.

Introductory information: In 2021, OSA Supervisory Board met at the total of 12 sessions. It has to be said that serious health problems of the Supervisory Board chairman, Luboš Andršt, unfortunately still did not get better in the early months of 2021. It was necessary to elect a new chairman in accordance with Article 7.3.2. of OSA Articles which provides that membership in the Supervisory Board shall terminate with respect to each member of the Supervisory Board who did not (could not) attend the Supervisory Board's meetings for more than 5 months. Ivan Kurz was elected by secret ballot and replaced the current chairman, Luboš Andršt, from 1 May 2021. Martin Kratochvíl became a new member of the Supervisory Board as a properly elected substitute. Members of the three-member OSA Management Board and vice-chairmen of the Supervisory Board remained unchanged. On 21 December 2021, Luboš Andršt died and, as if that was not enough, Juraj Filas passed away on 31 December 2021.

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 proper audit was carried out by the independent company PKF APOGEO Audit, s.r.o., which did not find any deficiencies in OSA's accounting for the year 2021, and the information in the annual report of OSA Management Board complies with the financial statements in all respects.

Economic results: Last year, we managed to collect the second highest revenues in OSA's history in the amount of CZK 1,313,412,000. Total revenues collected increased by 13.94%, i.e. CZK 160.7 mil. OSA achieved the result despite the ongoing pandemic situation. We managed to achieve the outstanding result thanks to settlement of legal cases and conclusion of settlement agreements with respect to prior periods. On this basis, we collected a lump sum of more than CZK 222 mil. These were agreements with satellite operators, television

broadcasters and, last but not least, the Czech Association of Hotels and Restaurants.

Revenues for granted licenses collected only for music authors amounted to CZK 1,104,755,000, which means an increase by CZK 117.5 mil., i.e. 11.90%, year-on-year. In 2021, OSA's costs were lower by CZK 2.6 mil. year-on-year, the average cost deduction (cost to revenue ratio) thus reaching 11.63%. For further information and details please refer to the chapter Economic Results of OSA in 2021 on pages 62-71.

Member base: As of 31 December 2021, OSA represented on a contractual basis a total of 10,530 rights holders, 7,373 of whom were living authors, 2,999 heirs and 158 publishers. In the course of the year, OSA agreed to represent 468 new authors and 10 new publishers. As of 31 December 2021, OSA had 593 members, of which 427 composers, 92 lyricists, 28 publishers and 46 heirs. Nineteen members died in the course of 2021. 23 new members have been accepted since 1 January 2022. For more information, please see chapter OSA Clients on page 32.

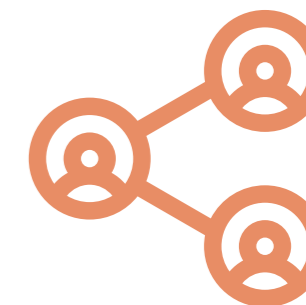
Of those who met the conditions for membership, 10 authors (9 popular music authors and 1 lyricist) and 1 heir have filed a membership application this year. This year's General Assembly of OSA members will decide on those applications.

Supervisory Board activities: Similar to 2020, the entire year 2021 was marked by the Covid-19 pandemic. The situation naturally affected activities of the Supervisory Board which had to deal with issues of support for authors, demonstration of mutual solidarity in relation to organizers of music performances as well as music users on a commercial basis.

The Supervisory Board continuously, and as a matter of priority, addressed topical issues relating to the needs of authors and publishers and its decisions aimed to bring maximum possible positive results. For example, the Supervisory Board approved the rules for payment and settlement of full-year advances for the royalties to be paid out, on the basis of the proposal submitted by the Distribution Committee, discussed issues relating to the waiver of license fees payable by entrepreneurs hit by the crisis – these are only some examples of the

10,350

As of 31 December 2021, OSA represented 10,350 rights holders, 7,373 of whom were living authors, 2,999 heirs and 158 publishers.

**CZK -2.6 million**

year-on-year decrease in costs

Supervisory Board's efforts to help the Czech musical culture.

The Supervisory Board, in cooperation with the Management Board, took great care in preparing and addressing all topical issues relating to copyright matters.

The Supervisory Board discussed and prepared the requisite supporting documents for the voting at this year's meeting of the General Assembly. For example, upon the initiative of the Distribution Committee, a proposal was approved to amend the Distribution Rules with respect to the distribution of royalties for the so-called non-personalized stream (it is proposed to logically distribute royalties for streaming services according to the revenues from streaming services distributed on a personalized basis in accordance with the reports of works used); upon the initiative of the Committee for Creativity Affairs, a proposal was approved to change the coefficient for categories 3 and 5 (the reason for the approved proposal is some fluctuation in revenues from public performances of pieces of music in the two aforementioned categories); we could continue but these issues are discussed in other supporting documents for the General Assembly – please refer to the next agenda item.

Since the General Assembly is not held until the end of May, **activities of the Supervisory Board** logically **continue into the next calendar year** (let us give a few examples):

It is, for example, the discussion of the amendment to the Copyright Act in the Parliament of the Czech Republic (this means that the position of authors in further negotiations will depend on the degree and quality of implementation within the process of approval of the relevant amendment – we need to be ready).

As concerns OSA's application (of 26 May 2021) for aid under the scheme COVID – Culture 3.3, where we claimed maximum state compensation in the amount of CZK 10 mil., the application was eventually granted. On 30 December 2021, we were informed by the Ministry of Industry and Trade that the

compensation had been granted in full. OSA received the amount on the next day, i.e. on 31 December 2021.

The last state of emergency in 2021 was declared in the Czech Republic (still by the government of Andrej Babiš) for the period from 26 November 2021 to 26 December 2021. Presence of the public in food service facilities, clubs etc. was once again restricted. Rules for holding mass events were tightened. Unfortunately, those facts are highly likely to affect the royalties in 2022. In this context, in the light of the restrictions on music performances in the period from November 2021 to February 2022, OSA Supervisory Board decided to pay out another extraordinary aid. With this aid, we would like to at least partially compensate the shortfall of royalties occurred as a result of the Covid-19 pandemic (the contribution will be paid out on the basis of individual requests).

Other events which, of course, fall beyond the scope of the 2021 report but for which it is good to be prepared, are linked to possible economic problems caused by the pandemic, the war in Ukraine as well as other problems of our ailing world.

To conclude, I would like to say that OSA Supervisory Board worked in a great, helpful environment and friendly atmosphere throughout 2021. I want to take this opportunity to thank all members of the Supervisory Board and members of the Management Board for professional quality cooperation and helpfulness and for their considerable understanding in the performance of work tasks throughout the year. On behalf of the Supervisory Board, I want to express profound respect and thanks to the deceased members of the Supervisory Board – Luboš Andršt and Juraj Filas. We honor their memory! I am very grateful to Šárka Jančíková for the perfect organization of all work meetings and for the meticulous administration of the extensive paperwork of the Supervisory Board.

The only path I can see is to avoid harboring any inclinations to division, free ourselves of them and cherish cooperation and mutual assistance.

For the Supervisory Board
Ivan Kurz, Chairman of the Supervisory Board

OSA SUPERVISORY BOARD DECIDED TO PAY OUT ANOTHER EXTRAORDINARY AID TO PARTIALLY COMPENSATE THE ROYALTY SHORTFALL IN CONNECTION WITH THE COVID-19 EPIDEMIC IN THE PERIOD FROM NOVEMBER 2021 TO FEBRUARY 2022.



**2021 AS SEEN BY THE
CHAIRMAN OF THE
MANAGEMENT BOARD**

TOWARDS A HEALTHY MUSICAL ECOSYSTEM

Same as 2020, the last year was influenced by lockdowns and anti-Covid sanitary measures for most of the year. Concert productions were considerably restricted compared to the pre-Covid years. Authors and publishers are summing up their losses which have reached the total amount of CZK 480 mil. over the last 2 years. The biggest decline in revenues logically occurred in concert productions. According to calculations including concerts of foreign bands, music authors lost more than CZK 250 mil. in royalties. This is one of the reasons why OSA continued to follow the principle of solidarity last year and at the beginning of this year. Over the 2 years, we have paid out Covid aids in the amount of CZK 19 mil. in addition to regular royalties to about a thousand authors affected by the ban on concerts.

Despite the ongoing pandemic situation, OSA achieved the second best economic result in its history. Last year and the year before, we managed to settle legal cases and enter into agreements with large users with respect to prior periods. In total, the amount exceeded CZK 222 mil. Revenues for granted licenses collected for music authors thus reached the amount of CZK 1.1 billion in 2021. The costs incurred were by CZK 2.6 mil. lower year-on-year, the average cost deduction (cost to revenue ratio) thus reaching 11.6%. As a result, OSA is one of the best managed music collecting societies in the world.

The end of the last year brought very sad news which affected the work of OSA Supervisory Board. In December, two longtime members

of the Supervisory Board passed away – Luboš Andršt and Juraj Filas. Luboš Andršt had participated in the transformation of OSA since after the Velvet Revolution as he had been elected a committee member in 1990. He was the chairman of OSA Supervisory Board without interruption from 2010 until he got ill and was replaced in the Supervisory Board by Martin Kratochvíl in spring 2021. He greatly contributed to the modernization of OSA, its Distribution Rules and Articles. Another member of the Supervisory Board, professor Juraj Filas, died at the age of 66 at the end of the year. I believe that he can be rightly considered one of the most played authors of contemporary classical music in the world.

Last year, we accelerated the payment of royalties which are paid out on a monthly basis. Modernization of OSA continues and acceleration of the payment of royalties to our authors and publishers is an integral part of this process. Our priorities also include making it easier to obtain a license to use music in public establishments. On our website, we have been developing our online store where public establishment operators can buy licenses for playing music just as easily as buying any other type of goods or services.

This year's development of authors' and publishers' revenues from the performance of their musical works remains unclear. The world has not recovered from economic and social losses caused by the Covid-19 pandemic and it already faces economic tensions which are partially the result of the previous 2 years. The

inflationary spiral has been set in motion in a very dangerous way. To fight the rising inflation, the Czech National Bank has chosen to solely increase interest rates. This will inter alia put pressure on households with mortgages. The energy crisis, strengthened by the war conflict in Ukraine, will undoubtedly translate into a rise of prices of services and goods and, as a result, into a decline in purchasing power of the population.

We are about to witness two competing effects which have accumulated over the past months and years. One is optimistic and will benefit from the unmet demand of music fans for concerts, resulting in gradual return to the pre-Covid cultural and social life. On the other side, there will be bad mood in the form of reduced purchasing power of the Czech population. When the economic situation worsens, the first cut made in family budgets is usually the expenditure on culture. We must hope in positive trends with people wanting to have their souls caressed by their favorite music.

With one year delay compared to other EU countries, the discussion and approval of an amendment to the Copyright Act, which is to implement two EU directives into the Czech law, were finally put on the agenda of the Parliament of the Czech Republic. One of the directives aims at simplifying the settlement of rights with respect to broadcasters and retransmission. The other is crucial to achieving balance between authors and artists on the internet in relation to technological giants such as Google or Facebook. There will be great

debate on filtering illegally uploaded copyright content. Creation of a fair environment on the internet will be beneficial to the entire society. People are creative creatures and, therefore, I am convinced that fair conditions in the virtual space will produce additional legal and innovative services that will offer the much needed space for young and aspiring artists.

Only a healthy musical ecosystem where it goes without saying that authors get back the money they spent, can help the domestic music scene stand up to the growing international competition. It can help the Czech music become an interesting export product once again. I believe that OSA has proved, not only at the time of the Covid-19 pandemic, that it is an integral and useful part of such a healthy musical ecosystem.

I look forward to new musical pieces written by our authors. I know thanks to our Partnership project, which has been providing financial contributions for new music projects to authors for many years, that authors were not idle at the time of the pandemic. They wrote new pieces for us, recorded new studio albums and made music videos. I believe that there is a lot to look forward to. The world is much more colorful and cheerful than the picture presented in the media. We shouldn't let the information vacuum of the media and social networks get us down, we just need to look around and watch what is really going on around us.

Roman Strejček
Chairman of the Management Board

01

ABOUT
OSA



motto:

**we think
of music**

WHAT OSA IS

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 by Karel Barvitius, Rudolf Piskáček, Arnošt Herman, Josef Šváb, František Šmíd, Eduard Joudal, Emil Štolc, Otakar Hanuš and Karel Hašler in 1919.

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

accordance with the Copyright Act. Rights of foreign rights holders are managed by OSA on the basis of reciprocal cooperation agreements entered into 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 the International Bureau of Companies Managing Registration and Mechanical Reproduction Rights (BIEM)(in 1929).

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

WHAT OSA DOES

Through OSA, users obtain licenses to play pieces of four and a half million authors from all around the world, including ten and a half 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 about 300 music projects and various charitable deeds a year.

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 make the music world accessible from a single point.

OPENNESS

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

CLIENTS OF OSA

RIGHTS HOLDERS

composers, lyricists, music publishers and heirs

WHY IS OSA IMPORTANT FOR MUSIC AUTHORS?

With some exceptions, authors do not get paid for writing music or lyrics. They receive their royalties only when their 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 copyright themselves.

We are here to ensure that the authors we represent can work in peace. We manage their rights and pay fair royalties to them on the basis of the data reported by music users.

A) RIGHTS HOLDERS WHO HAVE ENTERED INTO A CONTRACT WITH OSA

OSA distinguishes 2 forms of relationships:

↘ a rights holder who has entered into a contract with OSA

↘ a member (having the advantage of voting rights and the possibility to elect their representatives or to stand as a candidate for the Supervisory Board at the General Assembly of OSA members)*

* membership conditions are defined in Article 3 of OSA Articles

B) RIGHTS HOLDERS WHO HAVE ENTERED INTO A CONTRACT WITH A FOREIGN PARTNER ORGANIZATION WITH WHICH OSA HAS CONCLUDED A RECIPROCAL AGREEMENT

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

4.5 million

represented authors and publishers from all around the world, including 10,530 domestic ones

TOTAL NUMBER OF RIGHTS HOLDERS AS OF 31 DECEMBER 2021 whose rights we manage on the basis of a contractual relationship directly with the rights holder or with a foreign partner organization:

Total domestic rights holders	10,530
Authors	7,373
Heirs	2,999
Publishers	158
Total newly accepted rights holders	478
Authors	468
Publishers	10

* In addition to the above figures, 101 new contracts with copyright heirs were concluded in 2021.

23 NEWLY ACCEPTED MEMBERS IN 2021

(accepted by the General Assembly in 2021 with effect from 1 January 2022)

STRUCTURE OF MEMBERS AS OF 31 DECEMBER 2021

Total members	593
Popular music composers	358
Classical music composers	69
Lyricists	92
Publishers	28
Heirs	46

PROTECTION OF MUSICAL WORKS

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

NEWLY REGISTERED NOTIFICATIONS OF MUSICAL WORKS

Total newly registered notifications	19,756
Popular music composers	16,343
Classical music composers	1,073
Lyricists	2,293
Joint notifications	47

USERS OF MUSIC

entrepreneurs, operators, organizers, professional and general public

WHY IS OSA IMPORTANT FOR USERS OF MUSIC?

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




The user enters into a single license agreement for live and recorded music events with OSA, 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 artists: 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 TRADERS?

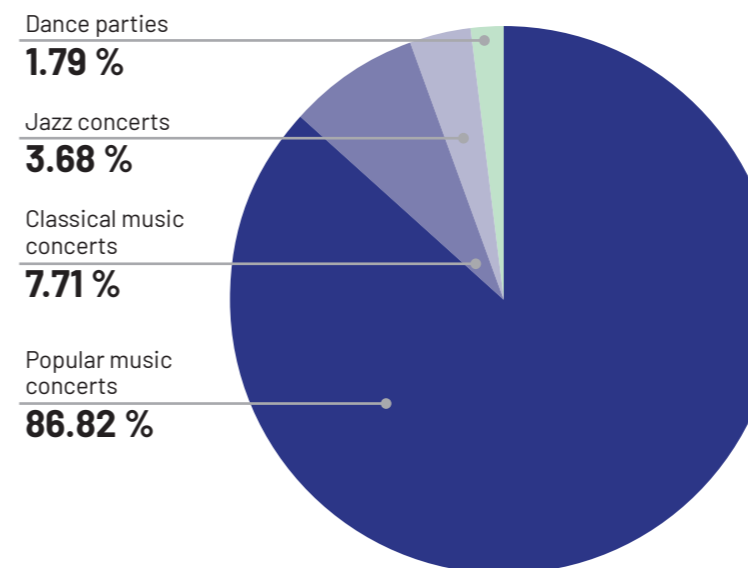
- Music fundamentally affects the shopping behavior and decision-making of customers
- Music can have a favorable effect on the amount of sales
- Music supports positive brand perception
- Appropriately chosen music improves working conditions and performance of employees
- Music shortens the perceived wait time in queue

Source: Ipsos Media, Value of Music, France 2008

IN 2021, WE DISTRIBUTED ROYALTIES TO AUTHORS AND PUBLISHERS IN ACCORDANCE WITH THE LISTS OF MUSICAL WORKS USED SUBMITTED BY:

-  organizers of **16,382** concerts,
-  **46** TV stations that played **123,499** hours of music in 2021,
-  **182** radio stations that played **966,493** hours of music in 2021.

CONCERTS HELD IN 2021



30,333

Total number of business partners in all segments of collection in 2021*

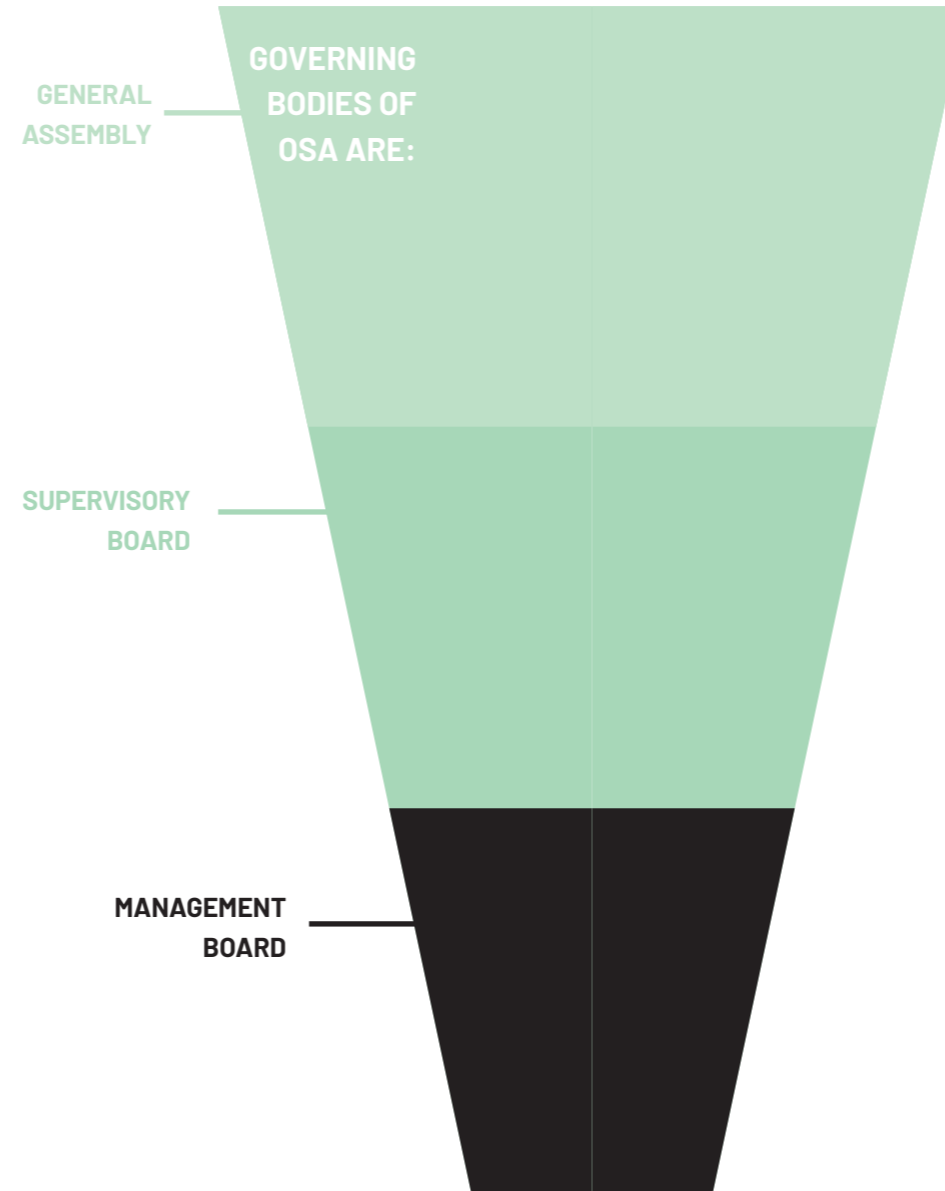
* according to Company ID No.

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 the closure of the books for the previous year. Powers of the General Assembly are set out in OSA Articles, available at www.osa.cz.

Due to the ongoing Covid-19 pandemic, to ensure the protection of public health and health of OSA employees, OSA decided to use its power under Act No. 191/2020 Sb. and hold the General Assembly of OSA members per rollam, as was the case in 2020. Hence decisions of the General Assembly were made without calling a meeting, both in the form of a correspondence vote that took place from 23 April to 24 May 2021, and in the form of an electronic vote (via INFOSA – an OSA information system) that took place from 14 to 18 May 2021.



SUPERVISORY BOARD

Supervisory Board is the management and control body of OSA in between meetings of the General Assembly. It consists of 13 members who have been members of OSA for at least 3 years – 6 composers, 3 lyricists and 4 publishers. Members of the Supervisory Board are elected by the General Assembly for 3 years, with the possibility of re-election. Powers of the Supervisory Board are defined in OSA Articles, available at www.osa.cz.

Twelve meetings of the Supervisory Board were held in 2021. Meetings of the Supervisory Board are attended also by 3 members of the Management Board. On 1 May 2021, Ivan Kurz became the new chairman of the Supervisory Board, replacing the long-term chairman of the Supervisory Board, Luboš Andršt, who had passed away at the end of 2021. The seat vacated by Ivan Kurz was filled by co-opting Martin Kratochvíl as a new member of the Supervisory Board.

SUPERVISORY BOARD MEMBERS AS OF 31 DECEMBER 2021

chairman	Ivan Kurz	composer
vice-chairmen	Michael Prostějovský	lyricist
	Universal Music Publishing s.r.o. – Jolana Zemanová	publisher
members	Jan Hála	composer
	Juraj Filas	composer
	Martin Kratochvíl	composer
	Eduard Krečmar	lyricist
	Lukáš Matoušek	composer
	Zdeněk Nedvěd	publisher
	Michal Prokop	composer
	ProVox Music Publishing, s.r.o. – Jiří Paulů	publisher
	Tomáš Roreček	lyricist
	Schubert Music Publishing s.r.o. – Jiřina Petrová	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 set up the committees. 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 OF 31 DECEMBER 2021

ECONOMIC COMMITTEE

prepares materials, documents and proposals for solutions for the decision-making of the Supervisory Board in the area of OSA management. In particular, it carries out business analyses, collection and cost analyses, looks for savings and deals with tax issues. It monitors tariff levels abroad, economic effects of tariff rates, discusses changes to royalty tariffs and the rate of royalties for new uses of works. In the social area, the committee manages and distributes resources from the Solidarity Fund (as defined in par. 3.2 of the Statutes of OSA Cultural, Social and Educational Fund), and decides on granting social contributions and support and on the amount and pay date of such support. 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 societies of authors abroad (preferentially in EU countries), analyzes the effects of the Distributions Rules on the relations among rights holders whose rights are managed by OSA, addresses the issues of administrative cost deductions together with the Economic Committee. All profession groups must be represented in the Committee.

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

COMMITTEE FOR CREATIVITY AFFAIRS

in particular assigns reported works to the relevant category 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 rights holders who are represented by OSA on a contractual basis, 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 pursues implementation of the OSA Partnership project. On the basis of a written request from the implementer of a particular project, the Committee is authorized to decide on awarding 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 OSA Management Board to reach mutual agreement on strategy and coverage of the spectrum of cultural events within the implementation 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 sees to the balance of published topics with regard to individual profession groups whose rights are managed by OSA.

předseda	rotation principle
členové	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	Míchal 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 accountable to the General Assembly and Supervisory Board for its activities. Powers of the Management Board are set out in OSA Articles, available at www.osa.cz.

MANAGEMENT BOARD MEMBERS AS OF 31 DECEMBER 2021

chairman	Roman Strejček
members	Jiřina Barello
	Luboš Tesař

OSA EMPLOYEES

From 2010 to 2014, changes were made to the structure and organization of the association. They resulted in a substantial decrease in the number of employees (from 218 to 153). In the years that followed, the number of employees stabilized at the 2014 level. In 2021, the number of employees decreased by 3 year-on-year. As of 31 December 2021, the total number was 142 full-time employees (excluding 3 members of the Management Board). We also employ 7 people with reduced capacity to work

OSA ACTIVITIES OUTSIDE THE COLLECTIVE MANAGEMENT SYSTEM

OSA AGENCY

In addition to the main activities of a collective management organization, OSA also performs secondary agency activities in accordance with the respective trade license. These include primarily the provision of licenses for use of musical works in the creation of advertisements and audiovisual works (the so-called synchronization rights), and use of musical works in theatre performances. The licenses are granted on the basis of a particular authorization by individual rights holders. The acquired agency status complies with the new European trends which provide space for negotiating such conditions for authors that take into account the market situation.

MUSICJET

MusicJet is a Czech service providing a music library that includes millions of pieces from the biggest international and national publishers. MusicJet was established in the Czech Republic in 2011 as the largest music library of licensed and legally distributed music. It is a joint project of big national publishers (Universal Music, Supraphon), OSA (holding 5% of shares), and Bald Brothers as the majority owner.

It offers recordings for high-quality (FLAC) download or streaming. In addition to an extensive catalogue, it offers technical solutions in digital distribution of music to its partners:

- Music solutions including settlement of license agreements with collective rights management organizations for businesses and chains, restaurants, bars and other environments where music is an indispensable part of pleasant customer atmosphere.
- A streaming platform with an extensive licensed catalogue, which may be implemented in third party projects.
- A catalogue organized by genres based on moods, occasions and specific requirements of the partner.
- A streaming app for Android and iOS.
- Documents and solutions for monitoring of music playing in the media.

www.musicjet.cz

02

WE THINK
OF MUSIC



OSA AID DURING THE COVID-19 CRISIS

Economic implications of government measures taken in connection with the Covid-19 crisis for the Czech culture have been huge, often even existential, not only for musicians, theatre workers or organizers of cultural events but also for shop owners and many other downstream professions and segments that are related to culture. From the beginning of the crisis, OSA seeks to help both authors and publishers, and public users.

SUPPORT FOR AUTHORS

To support some one thousand authors who were directly hit by the ban on live music productions and, as a result, lost a substantial part of revenues from concerts, we have allocated almost CZK 19 mil. over the two Covid years. The financial support was paid out in the form of non-repayable aid from the Cultural, Social and Educational Fund.

OSA received a state compensation under the scheme COVID – Culture 3.3 in the amount of CZK 10 mil. at the end of 2021. At the beginning of 2022, we paid out the amount of CZK 4 mil. in the form of further aid to music authors, and the remaining CZK 6 mil. were returned to the reserves from which money had been drawn earlier during the Covid-19 pandemic.

Authors eligible for the financial aid (since 2021 including publishers) were those who had received from OSA annual royalties from concerts in the minimum amount of CZK 20,000 in at least one of the following years – 2017, 2018 and 2019. The exact aid amounts ranged between CZK 5,000 and CZK 30,000 in each of the four aid rounds held directly by OSA.

HELP FOR MUSIC USERS

Since its establishment in 1919, OSA has been following the principle of solidarity. Music authors and artists were hit by the state of emergency as hard as restaurants, hotels, gyms and other establishments; therefore, we prepared an exemption and compensation scheme for everyone in spring 2020 and followed the scheme also in 2021.

For establishments that had to be closed as a result of government measures and had already paid royalties, we offered the following compensation options:

- refund of the royalties already paid,
- amendment to the existing contract,
- extension of due dates of invoices or arrangement of a payment plan.

We were refunding the paid royalties for the entire duration of the closure of establishments under government measures. In the first wave in spring 2020, we even waived royalties beyond that period. Amendment to the existing contract was offered to those who had entered into a license agreement (which is typically concluded for a one-year period). We entered into amendments to license agreements with these establishments. The amendments provided that it was not necessary to pay royalties for the period for which the particular establishment was closed by a government order. Any royalties already paid were refunded. To all establishments, we offered extension of due dates of invoices for the period when the establishments were already opened. Instead of the regular 30 days, we offered maturity of 90 days so that the owners had enough time to financially recover after reopening their businesses.

SPECIAL SECTION OF OSA WEBSITE

In spring 2020, OSA launched a special section of its website which helped authors and users better understand the current complicated situation. Throughout 2021, we kept providing detailed information in this section on various government compensation schemes for authors, heirs and publishers, including detailed instructions for filing an application for compensation. The section also included practical advice from lawyers and tax advisors. Similarly, we informed and advised public users, such as organizers of cultural events or owners of closed establishments.

ACTIVITIES OF CMC

In response to the dismal situation, a grouping called Czech Music Community (CMC) was formed in the course of 2020 by associations and organization that represent individual fields of the music sector. OSA was part of this initiative from the beginning.

The main focus of CMC is to advocate for interests of the whole music sector across genres and professions, i.e. from music authors and performers, managers, technical professions, music clubs, permanent music venues to organizers of big music festivals.

Long-term objectives include:

1. Mapping the music industry in the Czech Republic
2. Creating a respected environment (infrastructure) of the music sector
3. Creating a base for production of Czech music
4. Presenting Czech music abroad
5. Developing a strategy of investments in the music sector
6. Linking the music sector with other sectors (advertising, film, gaming)

In 2021, CMC continued to drive activities related to the restart of the cultural sector after the pandemic, thus fulfilling its main mission. There were ongoing negotiations with representatives of ministries, government and opposition politicians, and OSA was part of those negotiations.

For more information, see <https://www.ceskaobchudebni.cz/>

SUPPORT FOR PROJECTS AND CULTURAL ACTIVITIES

OSA is an association whose primary interest and mission is the sphere of culture and related activities. As such, it understands its proactive participation in the development of culture and cultivation of cultural awareness as the basic premise of its efforts. It cannot ignore the state of culture not only in the Czech Republic but also abroad, simply because OSA is a comprehensive part (i.e. an association of authors and participants) of the culture and, therefore, a creative agent, bearing its share of responsibility for the state of culture. Through its work, it supports in particular the area of its own activities – music.

OSA PARTNERSHIP GRANT PROJECT

Support for the Czech music scene is the area where positive steps towards our joint vision of cultural and responsible society can be made in the easiest and most tangible way. To this end, the **Partnership project was created in 2010, aimed at supporting authors who are represented by OSA on a contractual basis, and at developing culture not only in the Czech Republic.**

Since 2010, as many as **2,300 music projects** have been supported under **5 schemes** focused on various areas of music activities.



OSA LIVE

support for live music productions (concerts, festivals)



MADE WITH OSA

support for releasing albums, music videos, sheet music or musical theme materials



OSA PREMIERS

support in the introduction of new musical works



OSA HELPS

support for philanthropic and charity events



OSA TALENT

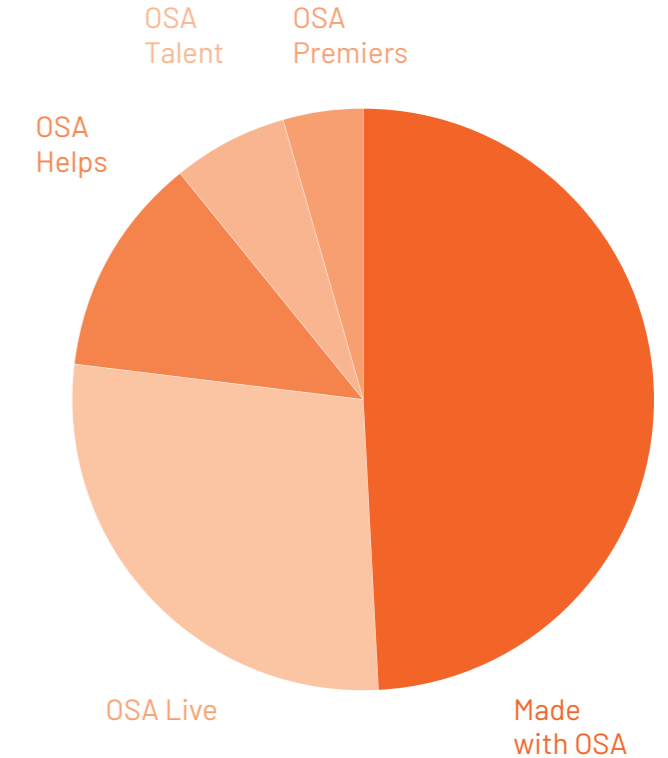
support in the organization of creative competitions and music courses focused in particular on young music authors, concerts and festivals presenting young authors, study stays for music authors involving creation of a copyrighted musical work

Partnership is granted on the basis of a partnership application, which is discussed by the Partnership Committee and OSA Management Board. If the decision on granting support to a given project is positive, a grant agreement is concluded with the applicant. The increasing number of filed applications shows that interest in the grant scheme is growing year by year. We contribute financially both to the regularly supported projects and to emerging endeavors, which are no less interesting. In 2021, the strongest interest came in the category Made with OSA, followed by OSA Live.

WHO IS ELIGIBLE TO APPLY FOR A GRANT

- authors represented by OSA
- organizers of events where music of (not only) Czech contemporary authors is played
- music publishers, publishers of music periodicals or music-themed books

**IN 2021,
315 PROJECTS WERE
SUPPORTED UNDER
OSA PARTNERSHIP.**



Partnership grant scheme	Number of projects
Made with OSA	155
OSA Live	88
OSA Helps	38
OSA Talent	20
OSA Premiers	14
Total	315



The 4th **Songwriting camp CZ powered by OSA** was held with our support, a unique project connecting producers, authors and artists directly in songwriting. Since 2018, the Songwriting camp has proved to be a perfect laboratory that enables Czech authors to move forward and interconnects them with foreign partners through their work. It has become popular also with authors themselves who are increasingly interested in participating in the camp.



The first **FR-CZ Songwriting camp** was held in cooperation among Le Bureau Export, a music export agency, Songwriting CZ, OSA and SoundCzech. It applies the same principle to connect both French and Czech musicians, and the Czech-French music community as a whole.



3. ZÁŘÍ 2021
 19:00 @DEPO2015 PLZEŇ

MIRO ŽBIRKA	MICHAL PROKOP
ANNA K	JOHN WOLFHOOKE
MARPO x TROUBLEGANG	DJ STAGE
MAREK TACLÍK	ŽOFIE DAŘBUJÁNOVÁ

www.anketazebrik.cz

OCHRANNÝ SVAZ AUTORSKÝ
PRO PRÁVA K DÍLŮM HUDEBNÍM, z. s.

VĚNUJE ČÁSTKU

40.000 Kč

NIKOL BÓKOVÉ

ČESTNÝ LIST SOUTĚŽE MLADÝCH JAZZOVÝCH AUTORŮ DO 35 LET
SPOLUŘÍZENOU VE SPOLUPRÁCI S BOHEMIA JAZZFEST

The cooperation and support for music awards **Žebřík** and **Anděl Coca-Cola Awards** continued. As part of **Apollo 2020 Awards**, we presented a check for CZK 40,000 to the winner for the tenth time. In cooperation with Bohemia JazzFest, the traditional **competition for the best jazz piece by a young author under 35** was announced. The award, together with a check from OSA for CZK 40,000, was granted to Nikol Bóková for her piece Prometheus.



VÁNOČNÍ KONCERT

Orkamlitz
filmový
orchestr

Varhan Orchestrovič Bauer

sbor Brécy a hosté

Praha
20.12. 2021 19.21 hod.
kostel sv. Mikuláše, Staroměstské náměstí

originální symfonické koledy a aranžé písní,
filmová a pohádková hudba, nová díla, poeta Mekymu Žbirkové

Jitka Čvančarová / Vanda Šipová / Jan Kopečný / Alice Bauer
Juraj Hnilica / Eva Kalavská / Svetja / Roman Tomeš
Jan Václav Cep / Dominik Svoboda



United Flavour Soundsystem

3. června 2021 od 17:00
Vítězném náměstí Praha 6

www.motol-motolice.cz

30/10/2021
Cappella Mariana (CZ)
fama Q (CZ)
Meitar Ensemble (IL)
Signum Quartett (DE)

Contempuls

Centrum současného umění DOX

11
Pražský festival
souborové hudby
Prague Contemporary
Music Festival

RIHM | NEMTSOV | LEROUX
VETCHÁ | ROMITELLI
SEROUSSI | VOLANS

www.contempuls.cz

*světová premiéra na objednávku festivalu, world premiere commissioned by Contempuls

HUDEBNÍ ROZHLEDY

11/2021 ročník 74 / cena 50 Kč

Svatoludmílský
Nádech věčnosti
Salzburger
Festspiele 2021
Jaroslav Ježek
**Sylvie
Bodorová**

In the category OSA Helps, we supported many concerts to help the southern Moravia that had been hit by a tornado, as well as Prague City Swim, z. s., Junák, Motýlek Community Centre, Post Bellum, Avalone z. s. etc. As usual, we supported the Citizens' Association for the Support of Animated Film, the Academy of Classical Music, Prague Sounds, as well as the Christmas concert of Varhan Orchestrovič Bauer.

PÁLÍ! 2022 - Rockový kalendář pomoci a naděje

2022

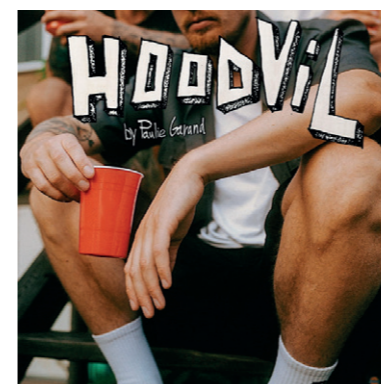
Pomáháme dětem - AVALONE
spolu s Českým národním registrem dárců dřevě, Armádou české republiky a hudebníky.

We continue to cooperate with the pro-export agency **SoundCzech** that focuses on exporting Czech bands, mostly to well-known showcase festivals such as Eurosonic, Womex, Waves Vienna etc. We contributed to the creation of promotional videos of individual artists.

Other annually supported projects include the **Modern Music Institute**, **JazzFestBrno**, **Motol Motolice**, **Magdalena Kožená Endowment Fund - ZUŠ Open**, **Janáček May**, **Bohuslav Martinů Days**, **Berg Orchestra**, **Anifilm**, **Porta Festival**, **Hudební rozhledy** magazine etc.

As concerns newly published CDs and music videos, we supported for example Alena Shirmanová (aka Aiko), Anna Julie Slováčková, Patricie Fuxová, David Stypka, Paulie Garand, Ondřej Fiedler, Sofian Medjmedjov, Milan Peroutka, René Dang, Hugo Toxxx, James Cole, or the bands Colorful People, Wohnout and Tři sestry.

www.osa.cz/granty-partnerstvi



SUPPORT FOR CHARITY PROJECTS

Our association is interested in charity aid and help in need, not only with the framework of one of the Partnership project schemes (OSA Helps) that is focused directly on support for philanthropic and charity events. Again, we express our support and help through language that is closest to our hearts – music.

OSA has a longstanding cooperation with **Diaconia of the Evangelical Church of Czech Brethren**. Diaconia runs more than 100 facilities across the Czech Republic and

HVĚZDY DĚTEM
pořádá

DIVAOLOXIO
Divadlo X10, Praha 1
od 16:00
Nový termín
7.11.2021

Charitativní módní přehlídka

modely návrhářek
Alena Wilson & Renata Glosová ARTEDIVA
a autorské šperky **Ivety Hlobilové – ArtFashion**

v roli modelek herečky, zpěvačky a moderátorky
**Nela Boudová, Bára Šampalíková, Pavla Tomicová,
Kátta, Daniela Šinkorová, Sofie Karochová, Tereza
Mátlová, Marika Procházková, Michaela Nosková,
Denisa Pfaušerová, Lenka Špillarová, Naděžda
Chroboková, Prof. Jana Klíková-Vrabcová, Andrea Ježková**
a mnoho dalších.

Moderuje **Gabriela Filippi** a **Radovan Klučka**, choreograf
Michal Máša, umělecký maskér **Pavel Pavlovský**

Během večera bude bohatý doprovodný program a drážba
modelů návrhářek a autorských šperků. Výtěžek bude věnován
dětem z dětských domovů na podporu jejich zájmů a talentů.

Předprodej **TICKETSTREAM**

its activities are focused on serving people with intellectual and mental disabilities and other people who have found themselves in an adverse life situation. Our cooperation with **Caritas Czech Republic** and **Slezská diakonie** takes place under similar arrangements.

In many cases, OSA reflects the charitable or similar social significance of cultural events in its royalty tariffs, by granting licenses under symbolic or more advantageous conditions. These events include live and recorded music performances. Such contracts have been concluded, for example, with the Association of Workers at Children and Youth Centers, the association Pionýr, Association of Elementary Art Schools, Union of Czech Choirs, Polish Culture and Education Association in the Czech Republic, Folklore Union of Prague and Central Bohemian Region, Haná Folklore Association, Society for Folk Traditions of South Moravian Region, Horní Beřkovice Psychiatric Hospital, Tloskov Social Services Centre or Association of Social Service Providers in the Czech Republic, and authorize the use of reproducing apparatus in the establishments of the aforementioned organizations. Similarly, the association supports Bambifest, an event organized by the Council of Children and Youth of the Moravian-Silesian Region.

The feeling of unity and professional solidarity also motivates OSA to search for ways of supporting its own authors who need help, in particular in the form of financial aid from the solidarity fund.

AUTHOR EDUCATION

Support for education is one of the most efficient and effective tools for supporting development of the musical world that is available to OSA. For this reason, one of the schemes under the aforementioned Partnership project (OSA Talent), intended to support young talents through competitions, courses and study stays, is focused on the very education of authors.

In 2021, as usual, we supported for example the 16th Workshop for the Youngest Composers organized by Association Q, Generation – international competition of composers under 30 organized under the patronage of Janáček May International Music Festival, or Czech Jazz Workshop organized by the Czech Jazz Society. It is a week-long workshop attended each year by tutors from all over the world and is intended for all groups of musicians who wish to improve their musical skills and learn from the best. ZUŠ Open is another project we supported; it had originated under the patronage of Magdalena Kožená Endowment Fund. It is a national happening of elementary art schools in public spaces, aimed at presenting a range of arts and the life at art schools outside the usual sphere and premises of the schools.

The educational element is covered by the cooperation with the Modern Music Institute at music workshops for creative bands. Workshops give their participants the opportunity to improve their stage skills and overall appearance. This year, we supported the winners of the Karlovy Vary contest, Top RoofTop fest – Funky Monx and The Sideways who were lectured by the producer Jean-Pierre Mathieu. OSA continues to support the Institute in the field of elementary school education. These are educational courses where current computer music software is used and children learn to use it to create music. In addition to creating music, children are educated to understand the purpose of intellectual property. After a year of learning, children are able to create a basic piece of music.

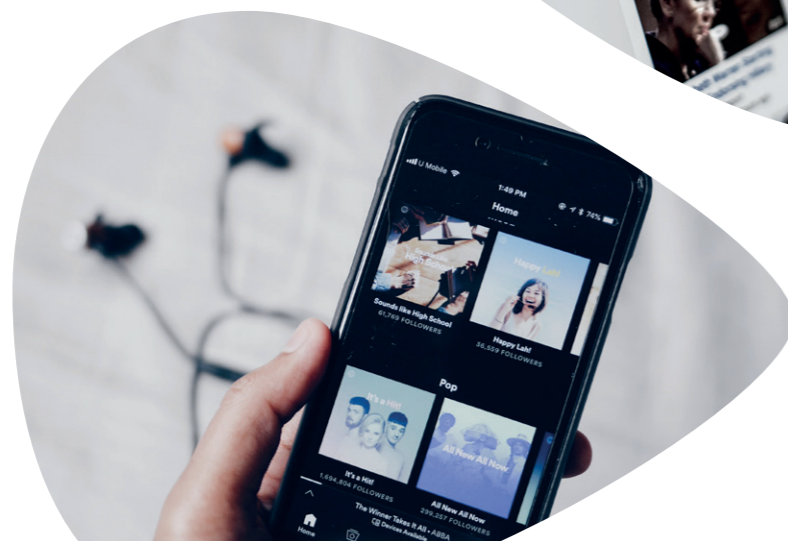
We continued to cooperate with the Nouvelle Prague festival, aimed at creating a unique platform to connect activities of musicians and music industry professionals, support networking, share experience among professionals from all over the world, and introduce new domestic and foreign talents. As part of the festival program, we presented our grant scheme and the use of copyright in practice.

Webinars for authors

In connection with the upcoming amendment to the Copyright Act, OSA held two webinars for authors and publishers last year.

The webinar called Amendment to the Copyright Act or What Is at Stake was focused on changes to the Copyright Act and benefits of implementing two EU directives. The first one, the so-called OnlineSatCab, sets out obligations of broadcasters who provide online transmissions or retransmissions. The other directive on copyright in the Digital Single Market is to ensure protection and licensing of copyright on the internet and fair compensation for authors. We also touched on the subject of collection of royalties for background music in hairdressing salons, shops or restaurants. This subject has been long discussed by politicians who have been trying to curtail or even cancel this substantial part of royalties in the context of amending the Copyright Act.

Music on Online Platforms was the topic of the second webinar. We explained how the business model for music authors works on the internet, how OSA grants licenses and subsequently pays out royalties for the use of works on YouTube, Spotify and other online services and platforms. Or why musicians and authors consider revenues from streaming services to be low and what possible solution is offered by the implementation of the European directive on copyright in the Digital Single Market into the Copyright Act.



CULTURAL ACTIVITIES

OSA ANNUAL AWARDS

OSA has been annually awarding the most successful Czech composers and lyricists in 15 categories for their classical and popular musical works since 2006. Winners of most categories are determined on the basis of OSA's statistics provided by radio and television broadcasters, concert organizers, music online service providers or media producers and sellers. Since 2020, lists of the most successful pieces and authors are put together solely on the basis of the statistics for the last two years. Awards are presented also to young authors under 30 who receive an extra financial prize from OSA to be used for further development of their work.

Categories where the awards are not granted based on data but on the basis of the decision of OSA Supervisory Board include OSA Golden Award for contribution to the Czech Music, OSA Golden Fund for the most played pieces and authors in the long term, and Award for the Promotion and Propagation of Czech Music.





V Ý R O Č N Í C E N Y O S A



16TH OSA ANNUAL AWARDS

No ceremony with audience was held due to the ongoing coronavirus pandemic. The award ceremony had the form of a clip show which could be watched on Czech Television's iVysílání or Óčko Star TV.

Marek Ztracený won two awards – The most successful composer of popular music and The most successful lyricist. The most successful composer of classical music is Jan Zástěra, who composed the cycle České nebe using the texts of the poet Marie Dolistová, and also won the category Classical composition of the year. OSA Golden Award was won by Ondřej Soukup. The piece called Pramínek vlasů by Jiří Suchý, and the composer Ladislav Štáidl, in memoriam, were included in OSA Golden Fund. Award for the Promotion and Propagation of Czech Music went to the opera singer Soňa Červená.

Other winners include Richard Krajčo and Petr Harazin in the category Popular composition of the year, for their song Srdce nehasnou, Petr Lexa and Soňa Vetchá who, in addition to the award for the most successful young author of popular music and the most successful young author of classical music, respectively, received a cash prize of CZK 50 thousand to be used for their new works. Vladimír Suchý and Jiří Trtík became the most successful authors abroad. A-Tempo Verlag spol. s r. o. was the most successful publisher. "Czech music lives and maintains its quality. This is the main message of the 2020 OSA Annual Awards. Each author who finds motivation for further work in these difficult times is a winner this year. I believe and hope that we will hear more and more Czech and new music on the Czech air. The music deserves it," says Roman Strejček, Chairman of OSA Management Board.

Due to the pandemic-related restrictions, the OSA Annual Awards ceremony was designed as a reference

to music programs from the 1990s. Prizewinners were invited one by one to a virtual studio, designed by the graphic designer Kakalík. Iconic music videos were played during the program. "We have already cooperated with Kakalík on the legendary shows Baráž TV Óčko. The unique thing about this project was that the authors who had been awarded a prize by the Supervisory Board visited the studio. We left the virtual studio built in the culture center Vzlet to visit Ondřej Soukup, who won OSA Golden Award, in his studio at Vinohrady, Jiří Suchý, whose piece Pramínek vlasů was included in OSA Golden Fund, in Semafor Theatre and, last but not least, Soňa Červená, whom we delivered Award for the Promotion and Propagation of Czech Music, at the New Stage of the National Theatre," comments Ondřej Cihlář from the theatre VOSTO5 on the concept of OSA Annual Awards; Ondřej Cihlář together with Petr Prokop once again acted as hosts and dramaturges of the show.

At the visits, the hosts of the show were accompanied by Bára Poláková, Ewa Farna and Jana Hrochová. This gave rise to special meetings of generations – the award-winning personalities and the young artists who now build up on the work of their role models in many respects. The program was directed by Vít Bělohradský.

Special thanks for cooperation go to the Czech Television which provided archive materials in the form of music videos of some of the award-winning authors and included the program in its iVysílání on 22 June 2021.

The award statue that is presented to winners was designed by Milan Cais. Media partners include Óčko Star TV which broadcasted the recorded OSA Annual Awards at 8 pm on 24 June and at 12 noon on 27 June (repeat), and radio stations Expres FM a Classic Praha.



WINNERS OF THE 16TH OSA ANNUAL AWARDS:

OSA Golden Award
ONDŘEJ SOUKUP

OSA Golden Fund – author
LADISLAV ŠTAIDL

OSA Golden Fund – composition
PRAMÍNEK VLASŮ
MUSIC AND LYRICS: **JIŘÍ SUCHÝ**

Award for the Promotion and Propagation
of Czech Music
SOŇA ČERVENÁ



Popular composition of the year
SRDCE NEHASNOU
MUSIC AND LYRICS: **RICHARD KRAJČO, PETR HARAZIN**

Classical composition of the year
ČESKÉ NEBE
HUDBA: **JAN ZÁSTĚRA**
TEXT: **MARIE DOLISTOVÁ**



The most successful author of popular music
MAREK ZTRACENÝ

The most successful lyricist
MAREK ZTRACENÝ

The most successful author of classical music
JAN ZÁSTĚRA

The most successful publisher
A-TEMPO VERLAG SPOL. S R. O.

The most successful young author of popular music
PETR LEXA

The most successful young author of classical music
SOŇA VETCHÁ

The most successful author of classical music abroad
JIŘÍ TRTÍK

The most successful author of popular music abroad
VLADIMÍR SUCHÝ



Concert of the year
PRIZE NOT AWARDED

www.cenyosa.cz
The program is listed here: <https://www.cenyosa.cz/fotovideo/2021/video/>

03

ECONOMIC
RESULTS



ECONOMIC RESULTS OF OSA IN 2021

MAIN ECONOMIC INDICATORS

	2017	2018	2019	2020***	2021****	2021/2020 difference
Total collected revenues	1,045,285	1,242,089	1,386,668	1,152,748	1,313,412	+160,664
Total costs	151,596	147,383	168,409	155,425	152,806	-2,619
Average cost deduction in %	14.50%	11.87%	12.14%	13.48%	11.63%	-1.85%

* in thousands CZK / excl. VAT

** costs stated this report are always quoted net of income tax

*** 2020 costs are costs before recognition of overhead deficit

**** collected revenues of 2021 include extraordinary supplementary payments received by OSA on the basis of the concluded agreements on settlement for previous periods

	incl. extraordinary supplementary payments	excl. extraordinary supplementary payments**
License revenues	1,305,496	1,083,356
Other collected revenues	7,916	7,916
Total collected revenues	1,313,412	1,091,272
2021/2020 comparison (in %)	+13.94%	-5.33%
2021/2020 comparison (in CZK)	+160,664	-61,476

* in thousands CZK / excl. VAT

** In 2021, OSA received extraordinary supplementary payments on the basis of settlement agreements with satellite operators for the period from 2014, with television broadcasters for the period from 2013, and with the Czech Association of Hotels and Restaurants for accommodation facilities in the total amount of CZK 222,140,000. Without taking into account those one-time supplementary payments, the revenues collected by OSA decreased year-on-year.

COLLECTED REVENUES, COSTS AND AVERAGE COST DEDUCTIONS

Category of rights	Collected revenues	Costs	Average cost deduction in %
Live public performances	52,238	9,071	17.37%
Background music in public premises	145,478	27,212	18.71%
Radio broadcasts	77,664	11,101	14.29%
Television broadcasts	300,425	43,056	14.33%
Cable retransmission	245,481	23,497	9.57%
Internet, mobile and similar networks	109,197	10,349	9.48%
Physical media	13,799	846	6.13%
Renting and leasing	5,073	146	2.88%
Private copying	91,208	6,906	7.57%
From foreign collective management organizations	52,507	2,709	5.16%
For domestic collective management organizations	208,657	17,567	8.42%
Total for collective management	1,301,727	152,460	11.71%
Agency representation of authors	3,769	346	9.18%
Total incl. agency representation of authors	1,305,496	152,806	11.70%
Other income	7,916		
Total incl. agency representation of authors and other income	1,313,412	152,806	11.63%
Total incl. agency representation of authors and other income - net of extraordinary supplementary payments***	1,091,272		

* in thousands CZK / excl. VAT

** costs are net of income tax and before recognition of overhead deficit

*** net of extraordinary supplementary payments received on the basis of concluded agreements on settlement for previous periods

The whole year 2021 was again marked by the fight against the Covid-19 pandemic which has been unprecedentedly affecting not only the Czech and global economy but all public and private life in our country and abroad, including the cultural life, since February/March 2020. In 2021, the state of emergency in the Czech Republic lasted for four and a half months. At the times outside the state of emergency,

government anti-pandemic measures were ordered which, to a greater or lesser degree, restricted the economic, cultural and private life in the Czech Republic throughout the year. The first outdoor cultural events with very limited numbers of attendees were permitted only in the second half of May. The permitted numbers of attendees were increased and other related restrictions applicable to mass cultural

events (concerts, festivals, clubs) were relaxed gradually, in particular in the period from June to August. After the maximum relaxation in August, it was permitted to have 7,000 attenders at outdoor events and 3,000 attenders indoors. As concerns background music, the opening of restaurants and bars (at first without live music performances and dancing), music clubs and discos occurred only at the beginning of June and cinemas opened (after having been closed for 223 days) only a week earlier. Unlike the year before, there was no general closure of shops and service establishments. Many exceptions were granted but only provided that various conditions and limitations were complied with. The last month of the year once again ended with the declaration of a state of emergency.

Despite all the obstacles brought about by the pandemic year 2021, OSA managed to increase its total collected revenues (incl. non-license income) by 13.94% compared to the previous pandemic year, which represents an increase in collected revenues of CZK 160,664,000 year-on-year. Therefore, last year, OSA generated almost 95% of the revenues for the last pre-pandemic year 2019. At first glance, this is a remarkable result under the circumstances. The total collected revenues in the amount of CZK 1,313,412,000 already include royalties collected on the basis of the authorization by other domestic collective management organizations which had, in 2018, granted OSA the status of a single point of contact and collection for public performance licensing, for example in restaurants, shops or service establishments, via audio and audio-visual equipment. Revenues for granted licenses collected solely for music authors increased by CZK 117,297,000, i.e. by 11.97% in 2021.

On closer examination of OSA's economic results, however, we can see that the exceptional result was achieved only thanks to the additional contribution of the retroactive settlements for previous periods, which represent more than CZK 222 mil. in total. After many years of negotiations and legal disputes, we managed to reach a settlement agreement with satellite operators for the period from 2014, with television

broadcasters for a similar period and, last but not least, we have reached an agreement with the Czech Association of Hotels and Restaurants for the years 2019 (i.e. pre-covid period) and 2020. In 2021, OSA's costs saving increased by 1.69% year-on-year. For the first time since 1993, the calculated average cost deduction (cost to revenue ratio) was well below 12%, namely at 11.63%, thus confirming our top position among the best managed music collecting societies..

The anti-epidemic government measures had a tragic impact in particular on public music performances. The segment that was hit the hardest by the pandemic crisis is the licensing of live music productions which declined again by huge 45% year-on-year. Compared to the last pre-pandemic year 2019, it is a nominal decline by CZK 147 mil. Revenues collected for live music has reached only 26% of the revenues collected before the pandemic. Background music (including cinemas and jukeboxes and including revenues collected for other domestic collective management organizations) has improved by 20% year-on-year thanks to the low baseline in 2020, but it still remains at only 63% of the revenues collected in 2019, falling behind by CZK 174 mil. In total, revenues collected by OSA for public music performances in 2021 are higher by CZK 7,186,000 year-on-year, which means a slight 2% increase year-on-year but, compared to 2019, it still represents a 48% decline in the nominal amount of CZK 321,464,000.

On the other hand, the internet sector has been, by its very nature, continuously benefiting the most from the coronavirus crises (i.e. the social life moving into people's

homes), with a year-on-year increase in the revenues collected of CZK 27,754,000 which represents a further increase by 34% compared to 2020. In comparison with the pre-pandemic year 2019, this music sector has more than doubled (growing by more than CZK 57 mil.). The upward trend of 2021 was caused by a significant increase in the users of some streaming services. But the highest year-on-year increase of collected revenues in nominal amounts was reached by the segment of cable retransmission in 2021. The segment increased by CZK 141,031,000 year-on-year, in particular thanks to the aforementioned one-time settlement for prior periods with satellite operators but also thanks to the higher

number of connections or the rates increased by inflation.

The resulting structure of revenues collected for granted licenses (incl. revenues collected for other domestic collective management organizations) in 2021 was the following: broadcasting and online media: 56.13% (50.00% in 2020), public performances: 26.61% (29.71%), mechanics and audiovision: 12.95% (13.16%), from abroad: 4.02% (6.61%), and agency representation of authors: 0.29% (0.52%).

* all figures in the text are stated net of VAT

BASIC STRUCTURE OF LICENSE REVENUES

	2017	2018	2019	2020	2021	2021/2020 difference
Public performances	381,257	377,995	447,186	221,645	197,716	-23,929
Broadcasts and online media	408,671	417,906	469,832	572,539	732,767	160,228
Mechanics and audiovision	98,879	114,734	108,143	103,707	110,080	6,373
From abroad	63,875	57,162	79,018	75,653	52,507	-23,146
Agency representation of authors	6,457	5,412	7,094	5,998	3,769	-2,229
Total for OSA and foreign rights holders	959,139	973,209	1,111,273	979,542	1,096,839	117,297
Collected for other domestic collective management organizations	80,080	262,976	268,220	165,457	208,657	43,200
Total incl. other domestic collective management organizations	1,039,219	1,236,185	1,379,493	1,144,999	1,305,496**	160,497

* in thousands CZK / excl. VAT

** The collected revenues include an extraordinary supplementary payment in the total amount of CZK 137,075,000, received by OSA in 2021 on the basis of settlement agreements concluded with satellite operators for the period from 2014, a supplementary payment of CZK 39 mil. received under the settlement agreement concluded with television broadcasters for the period from 2013, and a supplementary payment for 2019 in the amount of CZK 44,065,000 for accommodation facilities, received on the basis of the agreement concluded with the Czech Association of Hotels and Restaurants.

Public performances in 2021

As in the previous year, the declared state of emergency and announced government measures had the most critical effect on the segment of public music performances, of all uses of music in 2021. Bans or restrictions on mass events according to the number of attenders, space per attender or venue (outdoor vs indoor events), and closures or other announced restrictions on and conditions for the functioning of shops and service establishments lasted almost all year round and, therefore, severely affected the results of public performance licensing.

In 2021, we collected CZK 347,331,000 in total for public music performances (incl. revenues collected for other domestic collective management organizations), i.e. by 2% more year-on-year compared to 2020 and by 48% less than in the last non-Covid year 2019. Of this amount, revenues collected for music authors amounted to CZK 197,716,000 (i.e. by CZK 23,929,000 less year-on-year), and revenues collected for other domestic collective management organizations amounted to CZK 149,615,000 (i.e. by CZK 31,115,000 less year-on-year).

PUBLIC PERFORMANCES

	2017	2018	2019	2020	2021	2021/2020 difference
Live performances	147,653	166,768	199,221	94,869	52,238	-42,631
Background music (excl. cinemas and jukeboxes)	218,266	194,711	229,101	118,990	136,510	17,520
Cinemas	13,832	15,528	17,993	7,342	8,869	1,527
Jukeboxes	1,506	988	871	444	99	-345
Total for OSA and foreign rights holders	381,257	377,995	447,186	221,645	197,716	-23,929
Collected for other domestic collective management organizations	43,593	202,947	221,609	118,500	149,615	31,115
Total incl. other domestic collective management organizations	424,850	580,942	668,795	340,145	347,331	7,186

* in thousands CZK / excl. VAT

The severe drop in OSA's revenues for the licensing of live music productions continued. In 2021, revenues collected for live performances were lower by CZK 42,631,000 year-on-year, which means another huge fall by 45%. Hence revenues for live performances have fallen during the two-year Covid-19 crisis by an unbelievable 74%. This points to another fact. The time delay between the moment when the concert is held and the moment when the organizer makes payment sometimes leads to a delay of several months which has, to a certain extent, resulted in overstatement of the figures for 2020 when we received payments for concerts held in 2019. The segment of background music licensing (excl. cinemas and jukeboxes), since 2018 with a single point of contact and collection for all other domestic collective management organizations (DILIA, Intergram, OAZA and OOA-S), did better than last year. Revenues collected for background music (incl. revenues collected for other domestic collective management organizations) were higher by CZK 985,000, i.e. by 21% year-on-year, down by 36% compared to the pre-pandemic year 2019. The amount collected by OSA for background music (excl. cinemas and jukeboxes) for music authors was higher by CZK 17,520,000 year-on-year, the amount for the same segment for other domestic collective management organizations was higher by CZK 31,465,000.

* figures in the text are stated net of VAT

Broadcasts, online media and mechanics in 2021

In 2021, the sector of broadcasts, online media and mechanics contributed the aggregate amount of CZK 901,889,000 (incl. revenues collected for other domestic collective management organizations) to OSA's total licensing revenues collected. The collected revenues of this segment increased by 25%, i.e. by CZK 178,686,000 year-on-year.

* all figures in the text are stated net of VAT

Broadcasts and online media

Revenues collected for broadcasts and online media in 2021 once again confirmed their long-term upward trend. The total collected amount of CZK 732,767,000 represents an increase by 28%, i.e. CZK 160,228,000 year-on-year.

The segment of cable retransmission, with its increase in collected revenues by CZK 141,031,000, i.e. 135% year-on-year (despite the higher baseline in 2020, including retroactive settlements for previous periods), became the main driver in 2021. Results of this segment were affected, in particular, by the aforementioned retroactive settlement with satellite operators, rates increased by inflation and higher numbers of reported connections. A considerable increase in collected revenues was again experienced by the segment of internet and mobile networks, whose continuous growth has been provably strengthened by the Covid-19 crisis, unlike most other segments. The year-on-year increase of revenues collected for this segment of use (thanks to the surge in users of streaming services) amounted to CZK 27,754,000 (this amount is similar to the one generated in the previous period), which means an increase by 34%. Despite the high baseline from the last year, including considerable retroactive settlements for previous periods, revenues collected for television broadcasts dropped by 3%, which is quite acceptable. In this respect, positive role is played by the transition to a new business model that is based on revenues of broadcasters, but also by the residual retroactive settlements for previous periods.

* all figures in the text are stated net of VAT

BROADCASTS AND ONLINE MEDIA

	2017	2018	2019	2020	2021	2021/2020 difference
Radio broadcasts	76,312	78,798	76,074	76,081	77,664	1,583
Television broadcasts	210,123	217,318	237,569	310,281	300,425	-9,856
Cable retransmission	97,204	89,732	104,310	104,450	245,481	141,031
Internet and mobile networks	24,741	31,673	51,609	81,278	109,032	27,754
Ringtones	291	385	270	449	165	-284
Total for OSA and foreign rights holders	408,671	417,906	469,832	572,539	732,767	160,228

* in thousands CZK / excl. VAT

Mechanics and audiovision

The segment of mechanical rights and audiovisual works licensing (i.e. the segment most affected by the new trends in the music market development which are represented, in particular, by the transition from physical media to new media) has been experiencing the least dynamic development in the long run. In 2021, however, after a two-year period of decline in revenues collected for the uses, we can once again talk about moderate growth thanks to a year-on-year increase in revenues from private copying for music authors (by CZK 7,391,000) and for other collective management organizations (by CZK 12,085,000). But another historic bottom was hit by the revenues collected for music carrier licensing which continue to decline, this time by CZK 1,956,000 year-on-year.

Revenues from compensation paid from blank carriers (CD, USB disks, hard disks) and devices enabling the copying of copyrighted works compensate music authors for the fact that each one of us can get a copy of our favorite album or film for personal use and do so completely legally and without author's consent. These compensations are distributed on the basis of proceeds from the sale of music on physical media and online platforms. We can say that these compensations to some extent help mitigate the decline in authors' income from the sale of music.

In comparison – while in 1998, proceeds from the sale of music and audiovisual carriers for music authors amounted to CZK 126,511,000, it was only CZK 13,799,000 in 2021.

* all figures in the text are stated net of VAT

MECHANICS AND AUDIOVISION

	2017	2018	2019	2020	2021	2021/2020 difference
Music carriers	17,807	15,535	16,240	14,909	12,953	-1,956
Audiovisual carriers	1,112	962	607	101	846	745
Renting and leasing	4,606	5,047	4,774	4,880	5,073	193
Private copying (compensations)	75,354	93,190	86,522	83,817	91,208	7,391
Total for OSA and foreign rights holders	98,879	114,734	108,143	103,707	110,080	6,373
Collected for other domestic collective management organizations	36,487	60,029	46,611	46,957	59,042	12,085
Total incl. other domestic collective management organizations	135,366	174,763	154,754	150,664	169,122	18,458

* in thousands CZK / excl. VAT

Agency representation of authors in 2021

The segment of agency representation of authors generated revenues lower by CZK 2,229,000, i.e. by 37% year-on-year. Revenues from theatre performances and synchronization (in particular production of radio advertising spots) fell by 44% and 46%, respectively, year-on-year. Throughout 2021, theatre activities were significantly negatively affected by government measures (bans on mass events or quantitative limitations of audience at theatre performances) implemented in the context of the Covid-19 pandemic.

* all figures in the text are stated net of VAT

AGENCY REPRESENTATION OF AUTHORS

	2017	2018	2019	2020	2021	2021/2020 difference
Synchronization	1,336	707	1,579	2,622	1,415	-1,207
Theatre performances	5,110	4,554	5,406	3,053	1,723	-1,330
Other (sheet music, concerts etc.)	11	151	109	323	631	308
Total for OSA and foreign rights holders	6,457	5,412	7,094	5,998	3,769	-2,229

* in thousands CZK / excl. VAT

Revenues collected from abroad in 2021

Foreign collective management organizations sent OSA royalties in the amount of CZK 52,507,000 for the OSA repertoire used abroad. After the last two record years, the revenues collected abroad fell by almost 31% year-on-year, to the historically lowest level since 1990. In the long term, overall results of this segment greatly depend on the German collective management organization GEMA. Last year, the royalties we received from GEMA were by almost 46% lower year-on-year, which had a major impact on the overall results of our revenues for the use of musical works of OSA authors abroad. The Covid-19 crisis, which did not affect the revenues from Germany in 2020 at all, has fully hit the last year's revenues due to the time delay between the use of music and the payment from abroad. Year-on-year, the highest increase was seen in revenues collected from the USA, Great Britain and Belgium. On the contrary, in 2021, we saw the largest decrease in foreign revenues collected from Germany, Austria and Serbia. The overall balance of revenues from abroad was also negatively affected by the strengthening of the Czech crown, which is disadvantageous for exporters of goods and services.

* all figures in the text are stated net of VAT

REVENUES COLLECTED FROM ABROAD

	2017	2018	2019	2020	2021	2021/2020 difference
Total for OSA	63,875	57,162	79,018	75,653	52,507	-23,146

* in thousands CZK / excl. VAT

REVENUES FOR DOMESTIC REPERTOIRE USED ABROAD IN 2021

	In thousands CZK / net of VAT	Share in %
Slovakia	14,641	27.88%
Germany	13,813	26.31%
USA	3,553	6.76%
Austria	3,270	6.23%
Hungary	3,211	6.12%
Netherlands	2,676	5.09%
Switzerland	1,984	3.78%
Serbia	1,423	2.71%
Great Britain	1,290	2.46%
Poland	924	1.76%
Other	5,722	10.90%
Total for OSA	52,507	100.00%

* in thousands CZK / excl. VAT

Costs of OSA activities in 2021

In 2021, total costs incurred for OSA activities amounted to CZK 152,806,000, which represents a decrease by 1.69% compared to 2020 as we saved the amount of CZK 2,619,000 year-on-year. Savings were achieved in particular in personnel costs. The 2021 costs were also affected by the fact that a lot of OSA employees could not perform their duties for many months due to impediments to work. To cover at least a part of the expended wage costs for these employees, OSA received a state employment aid under the Antivirus scheme in 2021. The average overhead costs (calculated as the cost to revenues ratio) amounting to 11.63% was by 1.85% lower than in 2020. For the first time since 1993, our average overhead costs were well below 12%, which confirmed our long-term top position among the best managed music collecting societies. Costs of OSA, reduced by costs re-invoiced to other domestic collective management organizations, amounted to CZK 135,239,000.

* after recognition of the overhead deficit, total costs amounted to CZK 153,367,000

COSTS OF OSA

	2017	2018	2019	2020**	2021	2021/2020 difference
Total costs	151,596	147,383	168,409	155,425	152,806	-2,619

* in thousands CZK / excl. VAT

** 2020 costs are costs before recognition of overhead deficit

Structure of OSA's costs in 2021

Services	26,501
Depreciation and provisions	13,807
Other operating costs	4,168
Taxes and fees	55
Materials used	1,541
Energy consumption	1,291
Contributions to BIEM, CISAC	1,574
Total costs net of personnel costs	48,937
Personnel costs incl. benefits and emoluments	79,208
Statutory social security	24,661

* in thousands CZK / excl. VAT / net of income tax

04

DISTRIBUTION AND PAYMENT



ROYALTIES DISTRIBUTED AND COMPENSATIONS PAID

In 2021, OSA distributed to rights holders and transferred to other domestic collective management organizations a total amount of CZK 1,025,847,000 (not counting the drawings on funds and compensations paid out). OSA distributed CZK 834,757,000 to music authors and publishers – CZK 579,013,000 to domestic ones (i.e. up by CZK 45,156,000 year-on-year) and CZK 255,744,000 to foreign ones (i.e. up by CZK 58,430,000 year-on-year). It transferred CZK 191,090,000 (i.e. up by CZK 39,465,000 year-on-year) to other domestic collective management organizations (on the basis of the authorization from those organizations to grant licenses to their repertoires). In 2021, OSA allocated CZK 42,309,000 in non-distributable amounts. The year-on-year decrease in the amount of royalties distributed to domestic authors has a causal link with the decline in the revenues collected for live music performances, which was caused by anti-pandemic government measures that had an enormous impact on the segment of live music performances (concerts, festivals).

In 2021, OSA paid out an aid of CZK 5.5 mil. to music authors affected by the ban on concert activities to compensate the decline in revenues from live music performances. OSA received a state compensation under the scheme COVID – Culture 3.3 in the amount of CZK 10 mil. at the end of 2021. It paid out the amount of CZK 4 mil. in the form of further aid to music authors and publishers, and returned the remaining CZK 6 mil. to the reserves from which almost CZK 15 mil. had been paid out earlier to about one thousand authors and publishers in the form of a one-time aid. The aid amount ranged between CZK 5,000 and CZK 30,000 in each of the four aid rounds held directly by OSA. Authors eligible for the financial aid (since 2021 including publishers) were those who had received from OSA annual royalties from concerts in the minimum amount of CZK 20,000 in at least one of the following years – 2017, 2018 or 2019.

ROYALTIES DISTRIBUTED

	2019	2020	2021	2021/2020 difference
Authors	319,054	298,709	294,574	-4,135
Publishers	258,630	235,148	284,439	49,291
Total domestic rights holders	577,684	533,857	579,013	45,156
To abroad	233,973	197,314	255,744	58,430
Total distributed for OSA and foreign rights holders	811,657	731,171	834,757	103,586
Transferred to other domestic collective management organizations	245,488	151,625	191,090	39,465
Total distributed, incl. royalties for other domestic collective management organizations	1,057,145	882,796	1,025,847	143,051

* in thousands CZK / excl. VAT

NUMBER OF AUTHORS AND PUBLISHERS TO WHOM ROYALTIES WERE DISTRIBUTED

	2019	2020	2021	2021/2020 difference
Domestic	7,474	7,777	8,035	258
Foreign	197,473	188,319	205,712	17,393
Total	204,947	196,096	213,747	17,651

* excl. 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 2021

	2019	2020	2021	2021/2020 difference
Total amount distributed to rights holders for the year*	CZK 811,657,000	CZK 731,171,000	CZK 834,757,000	CZK 103,586,000
Number of rights holders included in distribution for the year**	204,947	196,096	213,747	17,651
Number of distributed musical works for the year***	1,009,212	950,541	1,096,477	145,936
Average amount of royalties distributed per rights holder to whom the royalties were distributed for the year	CZK 3,960	CZK 3,729	CZK 3,905	CZK 177
Average amount of royalties distributed per distributed title for the year	CZK 804	CZK 769	CZK 761	CZK -8

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

** excl. 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

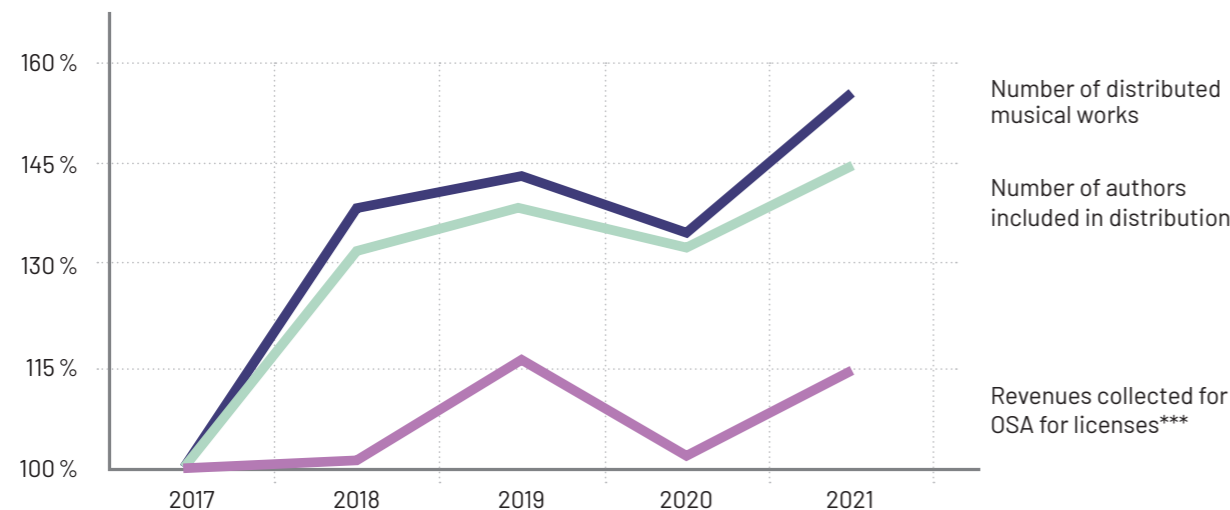
FIVE-YEAR COMPARISON FOR 2017–2021

The number of authors and pieces in OSA statements has been increasing considerably faster in the long term than the revenues collected. Therefore, the same collected amount is distributed to a much higher number of authors and publishers. The number of authors grew the slowest in 2021; it was caused both by the bans and restrictions on live music productions, which in fact eliminated the concert use and hit the hardest mainly domestic authors and domestic creation of musical works, and by an increase in the collected revenues thanks to the extraordinary supplementary payments received by OSA in 2021 on the basis of agreements on settlement for previous periods.

	2021/2017 difference	
Number of authors included in distribution	+65,916	+45%
Number of distributed musical works	+391,353	+56%
Revenues collected for licenses**	CZK +137,700,000	+14%

* reference year 2017 = 100%

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



PAYMENT OF ROYALTIES

In February 2021, the original quarterly payment of royalties was replaced with monthly payments in most categories of use; as a result, we managed to further shorten the period between the use of music and the payment for the use. We provide the monthly payment to domestic rights holders and offer it to foreign collective management organizations. In this respect, OSA sets the trend in the swiftness of royalty payment. We rank among the fastest organizations in international comparison in this area.

WE PAY OUT ROYALTIES ON A MONTHLY BASIS

When were royalties for the use of a piece of music paid out in 2021?	Where was the piece of music used?				
	Live public performances	Background music in public areas	Television	Radio	Internet, mobile and similar networks + carriers*
January	-	-	-	-	-
February	10 Nov – 31 Dec		September	October–November	continuously
March	1 Jan – 9 Feb	4 th quarter	October	December	continuously
April	10 Feb – 9 Mar		November	January	continuously
May	10 Mar – 9 Apr		December	February	continuously
June	10 Apr – 9 May	1 st quarter	January	March	continuously
July	10 May – 9 Jun		February	April	continuously
August	10 Jun – 9 Jul		March	May	continuously
September	10 Jul – 9 Aug	2 nd quarter	April	June	continuously
October	10 Aug – 9 Sep		May	July	continuously
November	10 Sep – 9 Oct		June	August	continuously
December	10 Oct – 9 Nov	3 rd quarter	July	September	continuously

* royalties for online use and for physical media are paid out on a monthly basis depending on the payment and reporting

ROYALTIES DISTRIBUTED ABROAD

THE BIGGEST FOREIGN RECIPIENTS OF ROYALTIES COLLECTED IN THE CZECH REPUBLIC

	in thousands CZK	Share in %
USA	89,638	35.05%
Great Britain	46,982	18.37%
Germany	36,293	14.19%
France	18,902	7.39%
Slovakia	13,344	5.22%
Austria	9,317	3.64%
Canada	7,264	2.84%
Italy	4,743	1.86%
Australia	3,714	1.45%
Poland	3,363	1.32%
Other*	22,184	8.67%
Total	255,744	100.00%

*other – Albania, Algeria, Argentina, Armenia, Azerbaijan, Barbados, Belgium, Belarus, Benin, Bolivia, Bosna and Hercegovina, Brazil, Bulgaria, Burkina Faso, Monte Negro, China, Denmark, Democratic Republic of Kongo, Dominican Republic, Egypt, Ecuador, Estonia, Philippines, Finland, French Polynesia, Ghana, Georgia, Guinea, Hong Kong, Chile, Croatia, India, Indonesia, Ireland, Iceland, Israel, Jamaica, Japan, Republic of South Africa, South Africa, South Korea, Kazakhstan, Kenya, Columbia, Republic of Congo, Costa Rica, Cuba, Kyrgyzstan, Lithuania, Latvia, Madagascar, Hungary, Macedonia, Malaysia, Mali, Mauritius, Mexico, Moldavia, Namibia, Nigeria, Netherlands, Norway, New Caledonia, Panama, Paraguay, Peru, Côte d'Ivoire, Puerto Rico, Portugal, Romania, Russia, Greece, Senegal, Singapore, Slovenia, Serbia, Saint Lucia, Spain, Sweden, Switzerland, Tanzania, Thailand, Taiwan, Trinidad and Tobago, Turkey, Uganda, Ukraine, Uruguay, Venezuela, Vietnam, Zambia, Zimbabwe, incl. other territories administered by partner foreign societies located in the those territories

In 2021, we distributed royalties to **102** countries in the world.

COMPLETE LIST OF PARTNER FOREIGN COLLECTIVE MANAGEMENT ORGANIZATIONS TO WHICH WE SENT ROYALTIES IN 2021 FOR RIGHTS HOLDERS WHOSE RIGHTS THE ORGANIZATIONS MANAGE:

Society	Country
ABRAMUS	Brazil
ACUM	Israel
AGADU	Uruguay
AKKA/LAA	Latvia
AKM	Austria
ALBAUTOR	Albania
AMCOS	Australia + New Zealand
APRA	Australia + New Zealand
ARTISJUS	Hungary
ASCAP	USA
AUME	Austria
BMI	USA
BUMA	Netherlands
CASH	Hong Kong
EAU	Estonia
GEMA	Germany
HDS-ZAMP	Croatia
IMRO	Ireland
JASRAC	Japan
KODA	Denmark
LATGA-A	Lithuania
MCPS	Great Britain
MCSC	China
MESAM	Turkey
MSG	Turkey
MUSICAUTOR	Bulgaria
NCB	Denmark

Společnost	Stát
PRS	Great Britain
RAO	Russia
SABAM	Belgium
SACEM	France
SACM	Mexico
SADAIC	Argentina
SAMRO	South Africa
SAYCO	Columbia
SAZAS	Slovenia
SCD	Chile
SESAC	USA
SGAE	Spain
SIAE	Italy
SOCAN/SODRAC	Canada
SODAV	Senegal
SOKOJ	Serbia
SOZA	Slovakia
SPA	Portugal
STEF	Iceland
STEMRA	Netherlands
STIM	Sweden
SUISA	Switzerland
TEOSTO	Finland
TONO	Norway
UCMR-ADA	Romania
VCPMC	Vietnam
ZAIKS	Poland

05

OSA AND THE LAW



LEGAL RISKS

Legal risks faced with respect to copyright in a broader context consist in several controversial issues. Unfortunately, the text of the Copyright Act still causes difficulties of interpretation which complicate OSA's activities, whether in terms of public performances or use of musical works on the internet where it is necessary to apply traditional principles of copyright law and the existing legislation to the latest technology. One has to be critical of the rules for adoption of royalty tariffs of collective management organizations under the 2017 amendment to the Copyright Act. Although in practice, the parties concerned actively debate the form of the tariff, it appears that any practicable rules for future adoption of tariffs are more likely to come out from lawsuits between users and the Ministry of Culture, with participation of collective management organizations – this in itself proves ambiguity of the rules of the Copyright Act. In the segment of public performances, one can be critical of the ambiguity of the rules and the poor public awareness of the system of extended collective rights management. Therefore, one repeatedly sees incomprehension of the user public and passive approach of rights holders to this concept, which exposes OSA to the risk of increased costs of rights enforcement. Difficulties of interpretation can be seen also in the collection of the so-called compensations where OSA faces the outdated text of the relevant subordinate decree, which, along with technological development, leads to disputes over interpretation with persons obliged to pay the remuneration.

THE TEXT OF THE COPYRIGHT ACT STILL CAUSES DIFFICULTIES OF INTERPRETATION WHICH COMPLICATE OSA'S ACTIVITIES.



LEGISLATION

Other factors contributing to a higher level of legal uncertainty in our sphere of interest include special-purpose initiatives seeking to curb authors' rights. Active players in this respect include not only the users of works concerned but also some legislators who present initiatives to curb authors' rights, as was the case with the approval of the amendment to the Copyright Act by the Parliament of the Czech Republic, or the legislative proposals in Parliamentary Prints No. 400 and 402. After the elections to the Chamber of Deputies, those initiatives were renewed through the legislative proposal presented by the SPD party, Parliamentary Print No. 15, which seeks to dramatically reduce authors' right to remuneration in the operation of television and radio broadcasting of copyrighted works, i.e. in the use of television or radio in service establishments. Some risks in the form of amendments exist with respect to implementation of the new EU copyright directives. In 2019, the Ministry of Culture started work on the implementation; the work was supposed to culminate in 2021 and aims to implement Directive (EU) 2019/789 (the so-called Transmissions and Retransmissions Directive) and Directive (EU) 2019/790 (the so-called Copyright Directive). OSA actively participated in consultations on the draft amendment. The first

version was submitted for comment procedure in November 2020. In April 2021, following incorporation of comments, the text was sent to the Legislative Council of the Government. The final version was approved by the government and forwarded to the Chamber of Deputies in June 2021. Discussions on the proposed amendment were terminated at the end of the parliamentary term of the Chamber of Deputies. However, the outgoing government returned the bill to the newly elected Chamber of Deputies under Parliamentary Print No. 31. The bill can be seen in a relatively positive light even though it is not free from some inaccuracies and errors that will make the application of new rules in practice more difficult. Possible amendments submitted by deputies during the legislators' debate on the bill pose a risk since in the past, such amendments were often characterized by unsystematic interference with the Copyright Act that complicate the protection of copyright and the exercise of collective management. One has to be strongly critical of the fact that the Czech state has missed the implementation deadline for both directives which expired already on 7 June 2021. The state thus contributes to the uneasy position of both rights holders and users of works.

JUDICIAL DECISIONS

Last year, OSA put an end to protracted legal disputes with major satellite transmission operators. The litigations ended by settlement. The dispute with a major Czech television broadcaster also ended by settlement, whereby OSA put an end to disputes relating to the royalty rate for television broadcasting with major Czech television broadcasters in the market.

OSA makes every effort to enforce authors' rights in the online environment, in particular in the context of the long-standing dispute with the operators of Hellshare and Hellsby platforms. An action against the services was filed in 2014. In spring 2019, the Municipal Court in Prague concluded that OSA lacked standing to bring proceedings and dismissed the action, referring inter alia to the fact that even if there was no lack of standing to bring proceedings, it was not obvious that the services in question infringed authors' rights, and that by cancelling the services, authors' rights could be harmed. OSA lodged an appeal against the decision. By its decision No. 3 Co 85/2019, the High Court in Prague upheld the appeal and referred the case back to the Municipal Court in Prague. The High Court clearly stated, in particular, that a collective management organization is entitled to file not only actions for performance but also actions for a prohibitory injunction, i.e. to apply for a ban on the service concerned or on the use of its repertoire in the service concerned. The High Court leaves it to the proceedings before the Municipal Court to examine the substance of the case; the proceedings are still pending. This

example very clearly shows the difficult position of rights holders in the Czech Republic and the not very welcoming attitude of the public to copyright protection.

There is also a dispute pending between OSA and a mobile phone importer concerning the interpretation of Decree No. 488/2006 Sb., which provides for the types of apparatus and media liable to payment of the so-called compensation. Proceedings are currently pending before the High Court in Prague.

OSA is an interested third person in the proceedings in respect of a dispute between the Ministry of Culture and a user, concerning the process of adoption of royalty rates of collective management organizations under Section 98f of the Copyright Act, specifically when the Ministry is obliged to grant consent to increasing a rate by more than the inflation rate for the previous year. The case is pending before the Supreme Administrative Court.

By its decision of 18 December 2019, the Office for the Protection of Competition (OPC) imposed a fine of CZK 10,676,000 on OSA. OPC holds OSA responsible for the fact that in the period from 2008 to 2014, when collecting royalties from accommodation facilities, OSA did not take account of room occupancy, thereby allegedly committing an abuse of dominant position. OSA appealed against the decision but on 23 November 2020, the Chairman of OPC dismissed the appeal and upheld the original decision. Under the decision, OSA was obliged to pay the fine. OSA has contested the OPC's decision by an action in administrative justice; if successful, the fine will be repaid to OSA. To date, the Regional Court in Brno has not heard the action.

The EU Court of Justice has rendered several fundamental decisions by which it completes the copyright law and collective management on European scale. In its decision in Case C-392/19, the Court of Justice for example noted that the embedding, in a third party website page, by means of the technique of framing (i.e. thumbnail of a part of the original website page on another website page), of a work previously communicated on another website with the authorization of the copyright holder, where that embedding circumvents measures adopted to provide protection from framing, constitutes a communication to the public of that work. In its decision in Case C-501/19, the CJEU dealt with the nature of activities of collective management organizations with respect to the value added tax. It confirmed in the decision that the granting of authorization to use a work through a license agreement of a collective management organization constitutes a supply of service and, therefore, is subject to value added tax. The same applies to the relationship between a collective management organization and a rights holder who "charges" the collective management organization. Last time, in Case C-597/19, the CJEU examined the file sharing via torrent clients. It concluded that the sharing of parts of a file, however small, by means of this technology constitutes a communication to the public of that work. The decision also states that a rights holder can in principle collect and process IP addresses of P2P network users provided that national legislation affords an opportunity to restrict the rights of data subjects for such purposes.



OSA PUT AN END TO PROTRACTED LEGAL DISPUTES WITH MAJOR SATELLITE TRANSMISSION OPERATORS.

