

**we think
of music**

OSA 2022 YEARBOOK



Aid to Ukrainian musicians

CZK 621 400
paid in total

CZK 420 100
paid to 28 Ukrainian
authors or their families
in the Czech Republic

CZK 201 300
sent to Ukraine
to our partner
copyright organization
NGO UACRR

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For details see page 42

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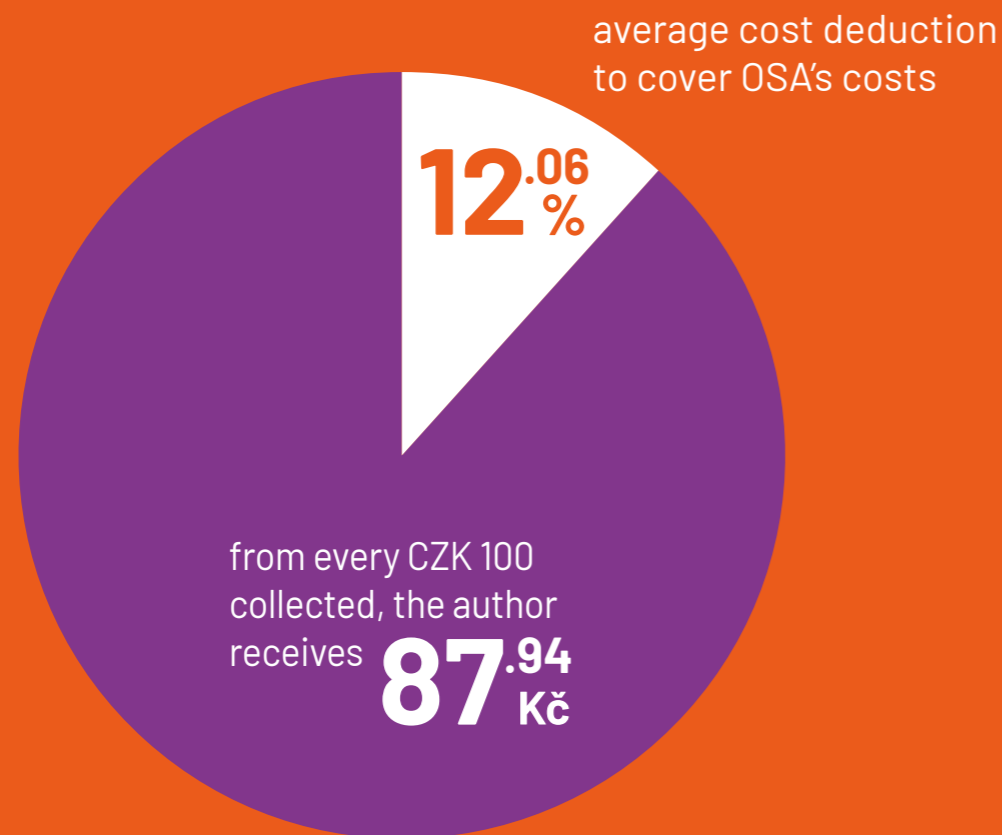
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**OSA
IN 2022
FIGURES**

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







CZK 1,220,221,000



YEAR-ON-YEAR COMPARISON OF PRINCIPAL ECONOMIC INDICATORS 2022/2021

REVENUES COLLECTED FOR OSA AND FOREIGN RIGHTS HOLDERS	CZK	CZK		↗
	1,220,221,000	+115,466,000	+10.45%	
TOTAL REVENUES COLLECTED FOR ALL COLLECTIVE MANAGEMENT ORGANIZATIONS	CZK	CZK		↗
	1,450,480,000	+137,068,000	+10.44%	
TOTAL COSTS	CZK 174,873,000	CZK +22,067,000	+14.44%	
COSTS AS A PERCENTAGE	12.06%		+0.42%	

STRUCTURE OF REVENUES OF AUTHORS AND PUBLISHERS:

	2022	2022/2021 difference		
		in CZK	in %	
 Public performances in total	344,504,000	+146,788,000	+74.24%	↗
Live performances	161,328,000	+109,090,000	+208.83%	
Background music	166,605,000	+29,996,000	+21.96%	
Cinemas	16,571,000	+7,702,000	+86.84%	
 Broadcasts and online media in total	685,130,000	-47,637,000	-6.50%	↘
Radio broadcasts	77,798,000	+134,000	+0.17%	
Television broadcasts	304,648,000	+4,223,000	+1.41%	
Cable retransmission	124,192,000	-121,289,000	-49.41%	
Internet, mobile and similar networks, ringtones	178,492,000	+69,295,000	+63.46%	
 Mechanics and audiovision in total	106,559,000	-3,521,000	-3.20%	↘
Physical media	15,116,000	+1,317,000	+9.54%	
Renting and leasing	5,045,000	-28,000	-0.55%	
Private copying	86,398,000	-4,810,000	-5.27%	
 Agency representation of authors in total	5,973,000	+2,204,000	+58.48%	↗
Synchronization	2,107,000	+692,000	+48.90%	
Theater performances	3,631,000	+1,908,000	+10.74%	
Other (sheet music, concerts etc.)	235,000	-396,000	-62.76%	
 Collected from abroad	59,037,000	+6,530,000	+12.44%	↗
 Other income	19,018,000	+11,102,000	+140.25%	↗

MACROECONOMIC VIEW



MACROECONOMIC VIEW, IMPACT OF THE COVID-19 PANDEMIC ON CZECH ECONOMY AND AVERAGE EXPENSES OF THE POPULATION ON MUSIC ROYALTIES IN 2022

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 2022, each Czech household spent CZK 23.93 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 15–64, amounted to CZK 21.77, including 21% VAT.

For 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 2022, the average prices of Natural 95 petrol and diesel were CZK 41.79 per liter and CZK 43.47 per liter respectively. And, for example, the average price of bottled draught beer (formerly 10° beer) in

CZK 23.93

This is the monthly spending of a Czech household on music royalties in 2022.

shops amounted to CZK 11.32 in 2022. The minimum wage was CZK 16,200 in 2022, which translates to an hourly rate of CZK 96.40 for a 40-hour weekly working time. An employee working for a minimum wage had to work 13 minutes and 33 seconds a month to cover the average royalty expense. The average wage reached CZK 40,353 for the whole of 2022. A person working for the average wage had to work 5 minutes and 26 seconds a month to cover music royalties in 2022.

The Czech economy grew by 2.4% last year (based on GDP performance). This was driven mainly by capital expenditure (growth was experienced in particular in investments in other buildings and structures and means of transport) and foreign demand. By contrast, domestic consumption declined last year. The external balance also turned negative for the first time in 19 years. GDP growth gradually slowed down in each quarter of the year. In the second half of the year, year-on-year economic growth was supported mainly by foreign demand, the

CZK 40,353

average monthly wage in 2022

+2.4%

GDP growth

positive impact of capital spending diminished and the decline in domestic consumption deepened. It was the decline in household consumption that was the main cause of the Czech economy's fall into a technical recession in Q4. Three other EU countries were in recession at the end of the year, namely Estonia, Hungary and Finland. For the whole of last year, the economy of the euro area and the EU as a whole grew by 3.5%, according to Eurostat. The level of GDP in the Czech Republic fell to 91% of the EU average last year. Only five other European countries experienced a similar decline.

The economic growth was felt across the entire national economy. Gross value added (GVA) growth was driven mainly by services, while various problems persisted in industry, such as disruptions in the supply of components and rising energy and raw material prices. The strongest contributions to growth came from developments in manufacturing (driven by favorable performance in motor vehicle manufacturing and associated segments) and the trade, transport, accommodation and food services group of sectors. However, industry as a whole grew at a lower rate. At the end of the year, GVA grew the most year-on-year in manufacturing, while it declined in the major grouping of trade, transport, accommodation and food services. The state budget ended last year with a deficit of CZK 360.4 billion. The effects of the war in Ukraine, i.e. the acceleration of the rise in energy and fuel prices and the costs associated with the refugee wave, initially had a negative impact on the expenditure side of the budget. At the end of the year, however, their negative impact became increasingly apparent also in respect of budget revenues, especially indirect taxes.

Retail sales in the Czech Republic fell by 3.6% in real terms last year compared to 2021. Although

households paid more in shops year-on-year, they brought home fewer goods in real terms. Food sales fell year-on-year by 5.1% and sales of non-food goods by 2.9%. Retailers earned 1.5% less than in 2021 for fuel and 4.2% less for motor vehicle sales and repairs. Service providers' revenues were up 8.1% year-on-year in real terms in 2022. The increase was mainly driven by the transport and storage sector, which was the largest in terms of volume, with sales up 10.6% year-on-year, and the administrative activities sector, with sales up 15.1% (within this, travel agencies and other booking activities grew the most, with sales up 120.8%). However, all service sectors improved in sales last year, which is also due to the low base of comparison from 2021. But sales started to decline since the second quarter of the last year and this decline intensified in the last quarter (the largest year-on-year increase in sales in the autumn was seen in accommodation and food service activities, up 8.8%). Lower sales in services and retail trade in Q4 were also behind the economic downturn at the end of the last year.

The average gross monthly wage in 2022 reached CZK 40,353, an increase of CZK 2,450 (6.5%) year-on-year. However, due to strong consumer price growth, it fell by 7.5% in real terms. The number of working people increased by 45.2 thousand year-on-year to 5,193.9 thousand (by 1.0%). There was an increase in the number of employees (by 26.2 thousand) and entrepreneurs without employees (by 26.5 thousand), while the number of entrepreneurs with employees decreased (by 9.8 thousand). The general unemployment rate for 15–64 year olds was 2.2% at the end of the year, down by 0.1% year-on-year. The number of unemployed persons registered with employment offices as of 31 December 2022

15.1%

2022 average
inflation rate

increased by 13,630 (0.2%) year-on-year to 271,803 applicants. In international comparison, the Czech Republic continued to have the lowest unemployment rate in the EU at the end of 2022, having held the first place since the summer of 2016. The average inflation rate in 2022 was 15.1%, 11.3% higher than in 2021. This is the second highest inflation rate in the history of the independent Czech Republic (the only year not surpassed is 1993, when the inflation rate reached 20.8%). Price growth was across the board last year, with double-digit growth in 7 out of 12 consumer basket sections. The development of inflation was mainly influenced by price increases in the sections of housing including energies (of which electricity prices increased by 15.9%, natural gas by 66.6%, solid fuels by 41.0% and heat and hot water by 19.7%), food and non-alcoholic beverages (by 16.7%) and transport (of which fuel and oil prices rose by 30.8%). Growth in food accelerated in the second half of the year, while it slowed down in housing and energies and transport. In most other sections, price growth was at work to a lesser extent. For example, prices of food services rose by 21.6%, accommodation services by 16.7% and prices in recreation and culture by 11.4% year-on-year. In terms of quality of life (according to the Prosperity Index), the Czech Republic was the 13th most developed country in the EU last year (with the second highest prosperity in the post-communist Europe after Estonia).

2023 OUTLOOK

The three main factors that affected the Czech economy last year will continue to

affect it this year: the energy crisis, problems in chains and high inflation. The Czech National Bank (CNB) expects GDP to decline by 0.3% for the whole of this year, while the Ministry of Finance estimates a 0.5% decline. According to economists' forecasts, the economic slowdown will be concentrated mainly in the first half of the year. The deteriorating financial situations of households, the slowdown in foreign demand growth and the lingering problems in global logistics will have a negative impact on the economy. The second half of the year should see a modest economic recovery, supported in particular by higher export activity. This should partly cushion the impact of weak domestic demand. According to the CNB's estimates, private consumption will also recover at the turn of this year and the next year thanks to the waning of high inflation and the resumption of real wage growth. Household consumption will remain the main sore spot of the Czech economy in 2023. High inflation, which reduces the real purchasing power of the population, will continue to reduce household purchases of goods and services. Average real wages are also expected to fall this year, following a fall in 2022. From Q2, inflation should start to gradually weaken, with the average annual inflation rate expected to slow down to 10.8% according to the CNB, and to 10.4% according to the Ministry of Finance.

Source: Czech Statistical Office, Employment Office of the Czech Republic, Czech News Agency, Czech National Bank, Ministry of Finance of the Czech Republic, Investičníweb.cz, Kurzy.cz



To earn CZK 16,200 a month, i.e. the minimum wage in 2022, for their works, an author needs to reach:

CZK 16,200



15,403
carriers sold
a month



1,636,364
new views on the
internet a month



26,214
downloads
sold a month



7,451
replays on radio
stations a month

For the royalties to reach the minimum monthly wage in 2022, authors would have to sell either **15,403 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 **1,636,364 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 **26,214 times**. And private national and regional stations, including the stations of the Czech Radio, would have to **play it 7,451 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 2022.

Introductory information The OSA Supervisory Board held a total of 11 meetings in the past year 2022. The year 2022 was an election year. (The General Assembly was held at Hotel International Prague, Koulova 1501/15, Prague 6 on 30 May 2022. Until the 2022 OSA General Assembly, the Supervisory Board with its original members had met five times. After the General Assembly – between June and December, the Supervisory Board with newly elected members met six times.)

The newly elected OSA Supervisory Board with mandate from 30 May 2022 until the 2025 OSA General Assembly:

For the professional group of composers:

Jan Hála
Martin Kratochvíl
Ivan Kurz
Lukáš Matoušek
Michal Prokop
Ondřej Soukup
Boris Urbánek as substitute 1
Karel Holas as substitute 2

For the professional group of lyricists:

Dan Bárta
Michael Prostějovský
Tomáš Roreček
Jan Krůta as substitute 1

For the professional group of publishers

Zdeněk Nedvěd
ProVox Music Publishing, s. r. o.,
with Jiří Paulů elected as its representative
Schubert Music Publishing, s. r. o.,
with Jiřina Petrová elected as its representative
Universal Music Publishing, s. r. o.,
with Jolana Zemanová elected as its representative

The first meeting of the newly elected OSA

Supervisory Board took place on 6 June 2022. At the meeting, the election of the **chairman and vice-chairman of the Supervisory Board** was held **by secret ballot**. Ivan Kurz was elected chairman, Michael Prostějovský (for the professional group of lyricists) and Jolana Zemanová (for the professional group of publishers) were elected vice-chairmen.

In addition, **the members of individual Supervisory Board committees were elected** for the next three-year term of office.

Economic Committee

On the basis of a secret ballot, the Supervisory Board appointed the following members of the Economic Committee: Dan Bárta, Tomáš Doležal, ProVox Music Publishing, s. r. o. – Jiří Paulů, František Táborský, Universal Music Publishing, s. r. o. – Jolana Zemanová.

Distribution Committee

On the basis of a secret ballot, the Supervisory Board appointed the following members of the Distribution Committee: Martin Kratochvíl, Michael Prostějovský, Miroslav Pudlák, Schubert Music Publishing, s. r. o. – Jiřina Petrová.

In relation to the appointment of the members of the Committee for Creativity Affairs (CCA), the Supervisory Board approved the following amendment to Article 2.1 of the CCA Rules of Procedure:

2.1 The committee has up to 7 members – composers (4 of classical music and 3 of popular music).

Committee for Creativity Affairs

On the basis of a secret ballot, the Supervisory Board appointed the following members of the Committee for Creativity Affairs:

- for popular music composers: Jan Hála, Vladimír Popelka, Emil Viklický;
- for classical music composers: Lukáš Hurník, Lukáš Matoušek, Michal Košut.

Jan Kučera and Boris Urbánek were appointed as substitutes.



Partnership Committee

On the basis of a secret ballot, the Supervisory Board appointed the following members of the Partnership Committee: Chevaliere, s. r. o. – Helena Rytířová, Jiří Gemrot, Karel Holas, Ivan Kurz, Martin Němec, Tomáš Roreček, Milan Svoboda.

Author In Editorial Board

On the basis of a secret ballot, the Supervisory Board appointed the following members of the editorial board: Jan Krůta, Zdeněk Nedvěd, Michal Prokop, Tomáš Roreček.

OSA Awards Committee

On the basis of a secret ballot, the Supervisory Board appointed the following members of the OSA Awards Committee: Lukáš Matoušek, Michal Prokop, Michael Prostějovský, Universal Music Publishing, s. r. o. – Jolana Zemanová.

Audit

The association's Management Board is responsible for compiling the financial statements. The Supervisory Board is responsible for overseeing the financial reporting process. A proper audit conducted by the independent



304,648,000

Television broadcasts were the largest source of revenues.

178,492,000

revenues from digital platforms

11,005

As of 31 December 2022, OSA administered on a contractual basis the copyrights of a total of 11,005 rights holders, including 7,864 living authors, 2,974 heirs and 167 publishers.

company APOGEO Audit, s. r. o. did not identify any deficiencies in OSA's 2022 accounts and the information presented in the OSA Board of Management's annual report is consistent in all respects with the financial statements.

2022 economic results

Despite the very difficult circumstances of our current times, the financial situation of OSA has not been disrupted. For this we are especially grateful to the OSA Management Board headed by Ing. Roman Strejček. The Supervisory Board and its individual committees (in particular the Economic Committee and the Distribution Committee) have also proved their worth.

In terms of revenues for music authors, last year was the most successful year ever for OSA. The total revenues surpassed the mark of CZK 1.4 billion. After deducting revenues collected for other collective management organizations (INTERGRAM, DILIA, OOA-S, OAZA), the CZK 1.2 billion mark was exceeded. Similarly to the previous year, television broadcasts were the largest source of revenues – CZK 304.6 million, followed by revenues from digital platforms – a total of CZK 178.5 million; revenues from background music in restaurants, shops etc. amounted to CZK 166.7 million. In aggregate, this is an increase of 10.44%. The cost deduction amounted to 12.06%. For further information and details, please see the chapter Economic Results of OSA in 2022 on pages 62–71.

Member base

As of 31 December 2022, OSA administered on a contractual basis the copyrights of a total of 11,005 rights holders, including 7,864 living authors, 2,974 heirs and 167 publishers. In the course of the year, OSA agreed to represent 462 new authors and 9 new publishers.

As of 31 December 2022, OSA had **595 members**, including 366 popular music composers, 63 classical music composers, 91 lyricists, 46 heirs and 29 publishers. As for the breakdown of members by **professional group**, the current numbers are the following: **467 composers, 99 lyricists, 29 publishers**. For detailed information, please see the chapter OSA Clients on page 30.

This year, the conditions for members were met by 52 authors, 5 heirs and 4 publishers. As of 31 March 2023, 18 authors, 2 publishers and 5 heirs have applied for membership.

Supervisory Board activities

The elected Supervisory Board is committed to OSA members to make every effort to achieve the best possible result in the work for those they represent in the coming years of their term of office. For this reason, these are the issues that the Supervisory Board has been primarily concerned with throughout 2022. The Supervisory Board's work has been based on a supportive collaboration between the various professional groups and a consistent effort to ensure fair royalties

and continued sensitive approach to social issues. Close cooperation with OSA Management Board was a natural prerequisite for this.

For the meeting of this year's OSA General Assembly, the Supervisory Board discussed and prepared the necessary documents for the General Assembly vote.

In addition to the proposals prepared for the vote at the General Assembly, the Supervisory Board naturally addressed other topics: appreciation of funds (through safe, interest-bearing term deposits), legal issues in connection with the amendment to the Copyright Act, social issues, issues related to IT developments (improvement of the INFOSA information system, improvement of services for users – work on the e-shop and other functions in this area), issues related to the maintenance of OSA's real estate and other current issues related to copyright matters (annual report of the Management Board, audit opinion, annual financial statements, profit/loss from OSA's agency activities etc.).

Other important topics in the past year included:

Amendment to the Copyright Act – OSA did not base its position on anything less important than the Charter of

Fundamental Rights and Freedoms and the Universal Declaration of Human Rights. Despite the fact that the amendment was passed in Parliament in autumn 2022, we believe that the impact will not be too significant.

Social issues – as we all know, the first third of 2022 was still very much marked by the infectious covid wave. At the same time (February 2022), the war in Ukraine, unleashed by the Russia's aggression, entered our reality. Both of these factors greatly underlined the importance of the social agenda that OSA, and consequently the Supervisory Board, devoted itself to in 2022 (support from the Solidarity Fund, support for authors' work from the Cultural and Educational Fund, setting up a collection on the Donio.cz platform for the benefit of Ukrainian authors + setting up a collection on a transparent account etc.).

Overall, it can be stated that the work of the OSA Supervisory Board was carried out throughout 2022 in good, friendly cooperation combined with the energy of positive human relations, with the will to do the maximum for the successful resolution of the discussed topics and tasks. I would like to thank all members of the Supervisory Board as well as the OSA Management Board for their exemplary professional, work-related as well as personal commitment. This was, of course, one of the prerequisites for the successful resolution of ongoing issues and the achievement of exceptional economic results. Let us recall once again that 2022 was the most successful year even in terms of authors' revenues. This is (especially in view of the very complex circumstances of our current times) a quite extraordinary result, which did not arise as a matter of course or an expected matter but as the result of a high level of effort by all those involved, led by the OSA Management Board. Thank you also for the exemplary handling of the working meetings and the extensive administrative work associated with the Supervisory Board meeting days.

For OSA Supervisory Board
Ivan Kurz





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

HEY SIRI OR PREPARING FOR LIFE WITH ARTIFICIAL INTELLIGENCE

Before I take a look into the future, let me give you a brief glimpse into the rearview mirror of 2022.

The year 2022 was the most successful year in terms of revenues collected since we surpassed the CZK 1.45 billion mark. If I subtract the revenues collected for other collective management organizations (INTERGRAM, DILIA, OOA-S and OAZA), then for music authors and music publishers alone we licensed the use of their musical works for CZK 1.22 billion. Television broadcasts remain the strongest source of revenues for music authors, with CZK 304.6 million in revenues collected and a 25.31% share of total revenues collected. After the pandemic, revenues from digital platforms came in second with a total of CZK 178.5 million and a share of 14.83%. Just to illustrate, these revenues were still less than CZK 52 million in 2019. With this trend, OSA confirms its affiliation with Western European economies. Special thanks go to the entire team involved in successful negotiations with the major digital platforms and the processing of reports from these platforms. We are one of the few copyright organizations in Europe that license multinational digital platforms and process their reports of used music from virtually all subscribers worldwide, using our own capacity. Together with HDS (Croatia) and ZAIKS (Poland), we are the only ones in Central and Eastern Europe.

And now let's have a look at the horizons ahead.

We were founded in 1919 with the ambition to create an economically stable environment and help build a music market where composers,

lyricists and music publishers receive a fair return from those who listen to music and use it for their business. **Only when royalties reach the authors themselves can we talk about a healthy music ecosystem.** Effective copyright protection will not only benefit today's authors and consumers of copyrighted works, but it is an essential foundation for future music-making.

These cornerstones should be borne in mind especially by legislators who have rather weakened the rights of authors and artists with the latest amendment to the Copyright Act. The Chamber of Deputies has overwhelmingly approved an amendment to the law prepared by Piráti and co-signed by KDU-ČSL, which is unprecedented in Europe and goes against the principles of intellectual property protection guaranteed by the Universal Declaration of Human Rights, the Berne Convention and the very sources of European law. A number of senators expressed their opposition to the text of the law, but in view of the time pressure the Czech Republic has been under to implement the European directives, the Senate has not adopted any position on the bill, i.e. it has neither approved it nor rejected it. Piráti also brushed aside the spines of the bill which were intended to strengthen the position of authors and artists vis-à-vis digital platforms and repositories. But Piráti took a step in exactly the opposite direction and against the EU's intention. In their efforts, they have been systematically weakening the position of the domestic music scene in favor of multinational corporations and the importation of foreign music that enjoys well-deserved support in their home countries.

Even so, we at OSA constantly think about further upgrading of our systems and services. We build our corporate culture on the foundations of a free

environment and the principles of trust. We believe that the good side of humanity prevails in most people. In doing so, we also place a great deal of personal responsibility on each individual. We strive to put our employees at the heart of the organization so that they feel even more motivated and positively connected to the OSA brand. We are confident that a free society is more creative and idea-rich one and that, as a result, the whole company will benefit, including the authors and music publishers, OSA representing 3.5 million of them worldwide.

I am convinced that we are building a sound foundation for OSA's corporate culture that will help us live in synergy with AI and reap the benefits it undoubtedly brings. I'm a big fan of AI or, let's say, tools and technologies that can communicate and create images or even music with the help of humans. I am talking about tools such as ChatGPT or Midjourney. It is fascinating and frightening at the same time what these systems, for now in a very immature form, can already do. Some will argue that humans have always been able to use great inventions against themselves, whether it be dynamite or nuclear power. Yet even these inventions have brought many more benefits.

Today, the phrase "artificial intelligence" has completely taken over the media space. Speculation is rife about what jobs will disappear. It is not emphasized so much that this technology can replace often tedious and endlessly repetitive tasks or queries. People who work in such positions will gain an amazing tool that will allow them to pursue activities they enjoy. Not to mention the opportunities to bring quality and, where possible, efficient healthcare to remote locations. We should not resist artificial

intelligence, or even fear it a priori, but we should learn to work and collaborate with it effectively. After all, it has been creeping into our lives little by little for many years. I am of the opinion that we need to be well prepared and knowledgeable for life with artificial intelligence. And I believe that we at OSA are doing everything we can to make the most of the positives that this technology brings and to eliminate its negatives. There will certainly be a need to sensitively regulate the use of AI technologies by law. Hopefully, legislators will be more far-sighted than they have been with respect to the internet environment.

Artificial intelligence and its tools will certainly permeate the space of music-making. It is likely that we will be overwhelmed by various attempts to create music based on a simple instruction, just as for example Midjourney creates images. We may be in for a literal tsunami of such "would-be music" without the authorial input of a human being. People will be literally overwhelmed by a cluster of various sounds. But I personally think that this will be the crucial moment for an eruption that will bring to the surface music in its purest form, music full of life, the catharsis of the human soul, in short, music created with a significant contribution of human beings. I am not worried about music written by human composers, it will always find its dignified place and audience. Perhaps it will be music that imprints the human soul and mind on the artificial one in a sustainable symbiosis. New technologies in conjunction with the human soul and emotion may offer an even more colorful world and a new dimension to original music-making. And we at OSA will be ready to offer composers, lyricists and music publishers modern services appropriate for the 21st century.

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 follow 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 **82 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 4.7 million authors from all around the world, including 11 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 **330 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 piece. 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).

4.7 million

represented authors and publishers from all around the world, including **11,005** domestic ones

TOTAL NUMBER OF RIGHTS HOLDERS AS OF 31 DECEMBER 2022 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	11,005
Authors	7,864
Heirs	2,974
Publishers	167

Total newly accepted rights holders	471
Authors	462
Publishers	9

* In addition to the above figures, 118 new contracts with copyright heirs were concluded in 2022.

12 NEWLY ACCEPTED MEMBERS IN 2022

(accepted by the General Assembly in 2022 with effect from 1 January 2023)

STRUCTURE OF MEMBERS AS OF 31 DECEMBER 2022

Total members	595
Popular music composers	366
Classical music composers	63
Lyricists	91
Publishers	29
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	19,625
Popular music composers	16,167
Classical music composers	1,187
Lyricists	2,236
Joint notifications	35

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

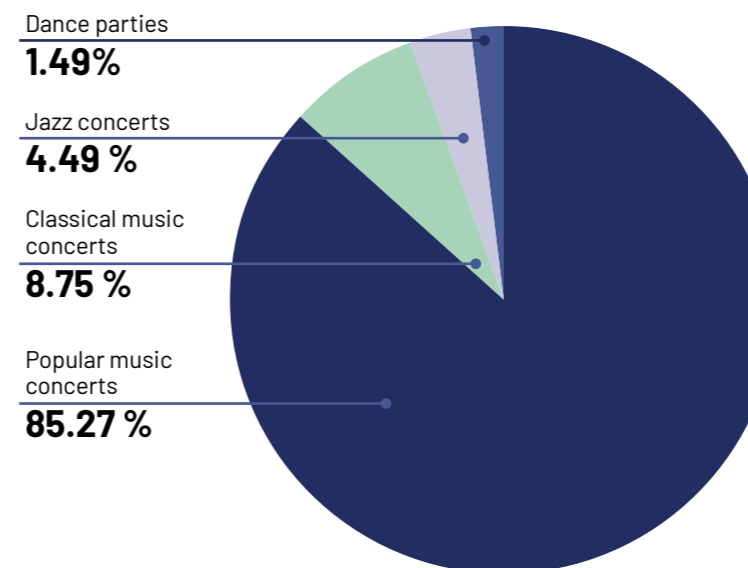
In 2022, we distributed royalties to authors and publishers in accordance with the lists of musical works used submitted by:

 organizers of **25,003** concerts,

 **43** TV stations that played **140,884** hours of music in 2022,

 **186** radio stations that played **931,965** hours of music in 2022.

CONCERTS HELD IN 2022



Total number of business partners in all segments of collection in 2022*:

32,253

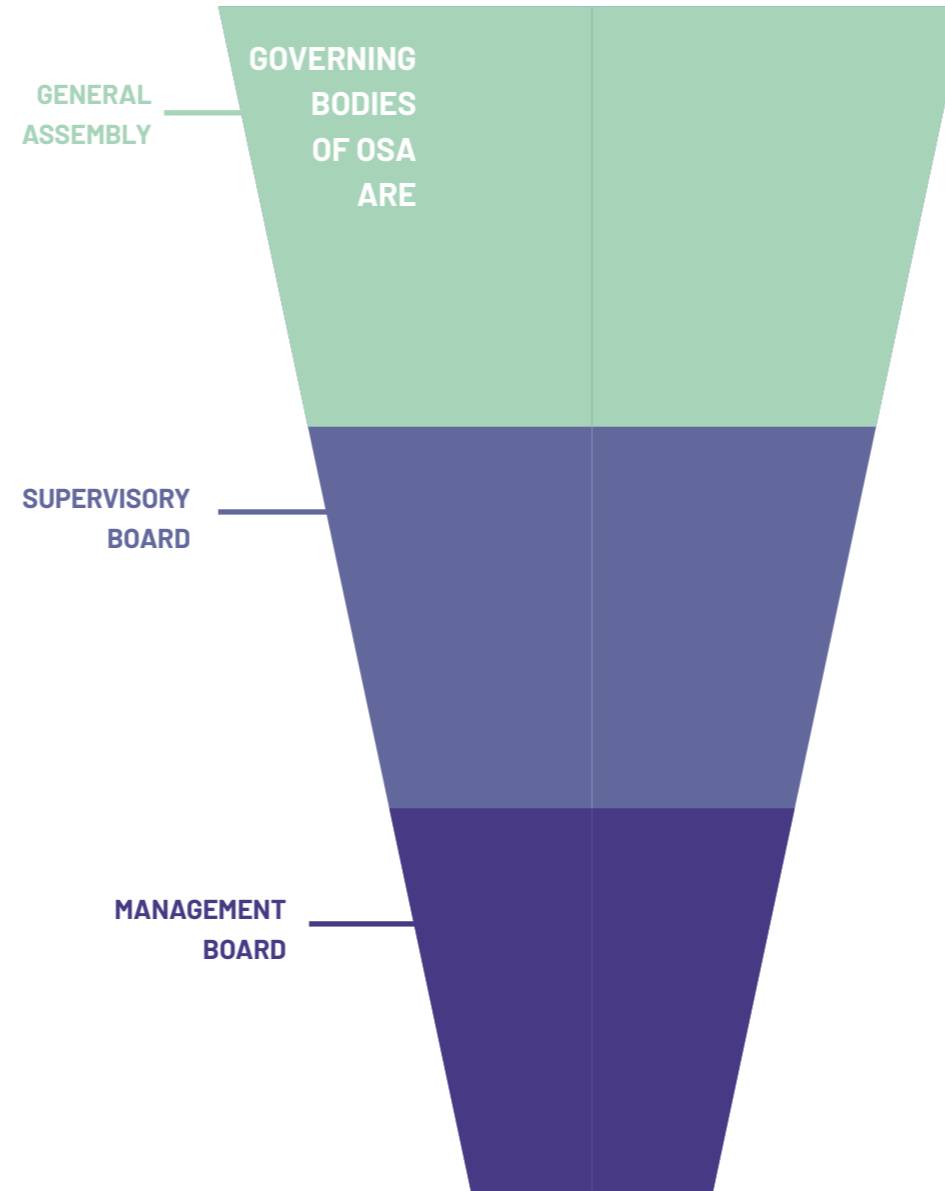
* according to Company ID No.

1.3 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.

After two previous years when, due to the ongoing Covid-19 pandemic, it had been organized per rollam and the decision-making had taken place outside the meeting, the last General Assembly of the OSA members was held once again in the regular form at the conference room of Hotel International on 30 May 2022. As all members of the Supervisory Board had completed their three-year term, the 2022 General Assembly was an elective meeting and the election of a new Supervisory Board for the next three-year term took place there.



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.

Ten meetings of the Supervisory Board were held in 2022. Meetings of the Supervisory Board are attended also by 3 members of the Management Board. As the Supervisory Board's mandate had expired in 2022, a new Supervisory Board was elected for the upcoming three-year term at the General Assembly held on 30 May 2022. There were two changes to the original members – Ondřej Soukup on behalf of composers, replacing Juraj Filas, and Dan Bárta on behalf of lyricists, replacing Eduard Krečmar, were elected.

SUPERVISORY BOARD MEMBERS AS OF 31 DECEMBER 2022

chairman	Ivan Kurz	composer
vice-chairmen	Michael Prostějovský	lyricist
	Universal Music Publishing, s. r. o. – Jolana Zemanová	publisher
members	Dan Bárta	lyricist
	Jan Hála	composer
	Martin Kratochvíl	composer
	Lukáš Matoušek	composer
	Zdeněk Nedvěď	publisher
	Michal Prokop	composer
	ProVox Music Publishing, s. r. o – Jiří Paulů	publisher
	Tomáš Roreček	lyricist
	Ondřej Soukup	composer
	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 2022

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 dates, 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 part. 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 professional groups of the Supervisory Board must be represented in the committee.

chairwoman	Jolana Zemanová
members	Dan Bárta
	Tomáš Doležal
	Jiří Paulů
	František Táborský

DISTRIBUTION COMMITTEE

prepares in particular proposals for changes to the Distribution Rules, checks all distribution mechanisms, monitors distribution rules of copyright organizations 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 professional groups of the Supervisory Board must be represented in the committee.

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

COMMITTEE FOR CREATIVITY AFFAIRS

in particular classifies compositions on the basis of the score or recoding into the appropriate category according to Annex 1 to the Distribution Rules by genre, form and ensemble for which it is composed. It deals with requests from authors for the inclusion of reported works in a higher category. It comments on disputes over authorship in terms of creativity. It judges the degree of arrangement of works. It assists with the identification of possible plagiarism.

chairman	Emil Víklický
members	Jan Hála
	Lukáš Hurník
	Michal Košut
	Lukáš Matoušek
	Vladimír Popelka

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 a grant for the project implementation. Together with the OSA Management Board, it addresses the strategy and coverage of a spectrum of cultural events within the implementation of the Partnership project. All professional groups of the Supervisory Board must be represented in the committee.

chairman	Ivan Kurz
members	Jiří Gemrot
	Karel Holas
	Martin Němec
	Tomáš Roreček
	Helena Rytířová
	Milan Svoboda

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 professional groups whose rights are managed by OSA.

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

COMMITTEE FOR OSA ANNUAL AWARDS

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

chairman	Michal Prokop
members	Lukáš Matoušek
	Michael Prostějovský
	Jolana Zemanová

MANAGEMENT BOARD

Management Board is the governing and executive body of OSA. It has three members and consists of the chairman and two members. The Management Board is elected and removed by the Supervisory Board. It is 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 2022

chairman	Roman Strejček
members	Jiřina Barello
	Luboš Tesař

OSA EMPLOYEES

The number of employees has been stable since 2014. In 2022, the number of employees increased compared to the previous year by 3 people. The total number of employees as of 31 December 2022 was 145 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



HELPING UKRAINIAN AUTHORS AND ARTISTS

CZK 621,400

the total amount raised
for Ukrainian artists

To help Ukrainian musicians and their family members who have lost their income and homes, OSA launched a fundraising campaign through the Donio platform in early March 2022, a few weeks after the outbreak of the war in Ukraine. By decision of the Supervisory Board, OSA released CZK 500,000 as an initial contribution to this fundraiser. At the same time, it set up a special section on its website that contained detailed information about the fundraiser as well as instructions on how to apply for financial aid.

OSA feels solidarity and did not want to be left out from helping the victims of the war. OSA has been honoring the principle of mutual solidarity among authors since its establishment in 1919, so it decided to launch a fundraiser aimed directly at music authors and their families.

The total amount we raised was an impressive sum of CZK 621,400. We have already sent all the funds to Ukrainian artists.

We supported **28 authors** or their families who had fled the war to the Czech Republic, where they now live, with the amount of **CZK 420,100**. We sent a financial aid of **CZK 201,300** directly to Ukraine to our partner organization **NGO UACRR** to help authors and artists who remained in their country.

CZK 420,100

paid to 28 Ukrainian
authors in the Czech
Republic

CZK 201,300

sent to Ukraine to
our partner copyright
organization NGO
UACRR

Ukrainian musicians were very interested in the financial aid, but unfortunately it was not in our power and capacity to satisfy everyone.

On this account, OSA has also set up a **public fundraiser** to raise funds for social and

humanitarian aid for authors, artists and their families who have been victims to armed conflicts, natural disasters, pandemics, serious illnesses or injuries. The funds raised will be used to cover the cost of basic necessities, healthcare, tools, education and study materials. **Donations can still be made to the transparent account: 123-6412980217/0100.**



**Donations can still be made
to the transparent account:**

123-6412980217/0100

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 **2,700 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

podpora výroby hudebních alb, videoklipů, notových záznamů nebo publikací s hudební tematikou



OSA PREMIERS

support in the introduction of new musical works



OSA HELPS

support for philanthropic and charity events



OSA TALENT

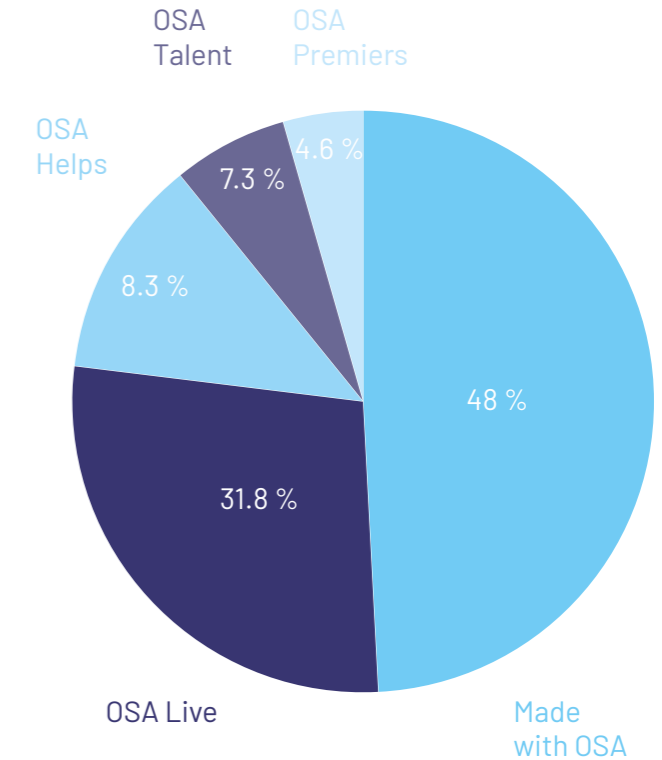
support in the organization of creative competitions and music courses focused in particular on young music authors, concerts and festivals presenting young authors, study stays for music authors involving creation of a copyrighted musical work

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 2022, we saw the highest interest in the category Made with OSA, followed by the category 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

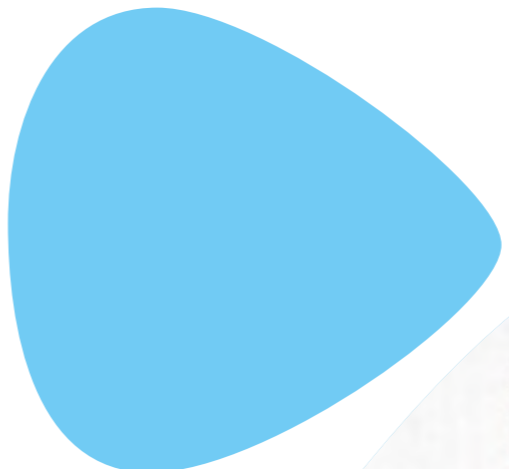
IN 2022, 396 PROJECTS WERE SUPPORTED UNDER OSA PARTNERSHIP.



Partnership grant scheme	Number of projects
Made with OSA	190
OSA Live	126
OSA Helps	33
OSA Talent	29
OSA Premiers	18
Total	396



The 5th **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 very popular also with authors themselves, who are increasingly interested in participating in the camp. A total of 128 songs have been written and 27 of them have been published during the lifetime of this project.



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 presented to Richard Šanda for his piece *The Flower She Loves The Most*. We also financially supported the festival as such.

Composers Summit – the first ever event of this type held in the Czech Republic, where prominent Hollywood composers personally held lectures, workshops and music lessons. During the closing gala film music concert, the OSA Lifetime Achievement Award was presented to Elia Cmiral, a Czech composer.



We continued to cooperate with the pro-export agency **SoundCzech**, which seeks to export Czech bands abroad, especially to well-known showcase festivals such as Eurosonic, Womex, Waves Vienna etc. This year's financial support was especially crucial for the Classical Music Showcase.



Last year, we supported the SoundCzech Mentoring Session scheme. The project is based on individual consultations. Mentors are experts from various music industries from the Czech Republic and abroad. Registered participants choose mentors according to their needs and get professional individual feedback directly for their project. The interest in these consultations is enormous and growing.

In the category OSA Helps, we supported many charity and fundraising events, for example Ples na kolečkách, The Tap Tap - Pojd' dál festival, Avon pochod za zdravá prsa, Společně proti bezmoci, Glorchestra project, Koncert pro Martu or Ceny Paměti národa.



Support for and cooperation with Žebřík, Jantar and Anděl Coca-Cola Music Awards continued in 2022.

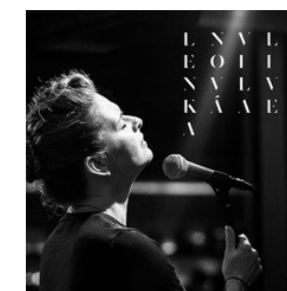
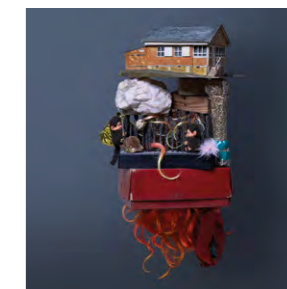
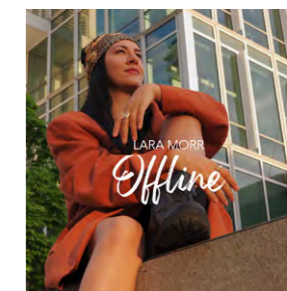
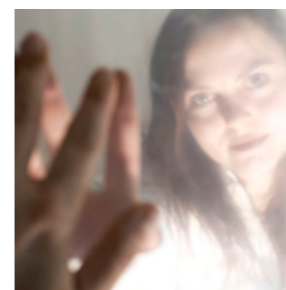
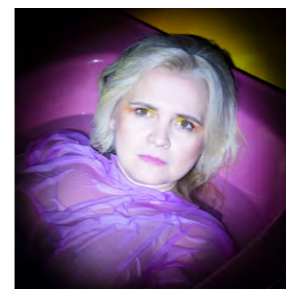
Annually supported projects include JazzFestBrno, Motol Motolice, Společně proti bezmoci, Magdalena Kožená Endowment Fund – ZUŠ Open, international competition for composers under 30 – Generation,

organized by Janáček May, Bohuslav Martinů Days, Berg Orchestra, Anifilm, Porta Festival, Czechoslovak Beat-Festival, Karel Velebný Summer Jazz Workshop, Kubešova Soběslav, Vtelenská dechparáda, Dechovka magazine, to je naše and Fajn Rock Music.



As concerns newly published CDs and music videos, we supported for example Annabelle, Štěpánka Balcarová, Dan Bárta and Illustratosphere, Matěj Belko, René Dang, Paulie Garand, Antonín Gondolán, Beata Hlavenková, Kaczi, Marta Kloučková, Lipo, Barbora Mochová, Ondřej Pivec, Pokáč, Reginald, Jan Spálený and ASPM, Josef Vejvoda, Bára Zmeková, and the bands Deaf Heart, Deloraine, Khoiba, Meta and the Noises, Pio Squad, Razam or The Silver Spoons.

www.osa.cz/granty-partnerství



SUPPORT FOR CHARITY PROJECTS

Our association is interested in charity and help in need, not only within the framework of one of the Partnership project schemes (OSA Helps) that is focused directly on support for philanthropic and charity events. Once 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 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**, **National Section of the International Organization of Folk Art in the Czech Republic** (new since 2022), **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 for example 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 that are available to OSA to support the development of the musical world. For this reason, one of the schemes under the aforementioned Partnership project (OSA Talent), intended to support young talents through competitions, courses or study stays, is focused inter alia on education of authors.

The following projects were traditionally supported in 2022: **17th Workshop for the Youngest Composers** and **25th Composition and Percussion**



Workshop Trstěnice, both organized by Association Q, **Generation – international competition for composers under 30**, organized under the patronage of Janáčkův máj, o.p.s, or **Czech Jazz Workshop**, organized by the Czech Jazz Society. This is a week-long workshop that brings together lecturers from around the world each year and is designed for all groups of musicians who want to learn the craft of music from the best in the field.

Karel Velebný Summer Jazz Workshop is a week-long music seminar founded in 1984 by Karel Velebný, where leading Czech jazz soloists and foreign lecturers pass on their knowledge and experience.

Another project is **ZUŠ Open**, created under the patronage of Magdalena Kožená Endowment Fund. It is a nationwide happening of elementary art schools in public spaces which aims to present the whole range of art and life of art schools outside the usual framework and space of schools.

The educational component is covered by a long-term cooperation with the **Institute of Modern Music** on music workshops for creative bands. The workshops provide participants with the opportunity to improve on stage and in their overall appearance. OSA also supports the Institute in educating elementary school pupils. These are educational courses using up-to-date computer music programs with which children learn to

work and create music. In addition to creating, children are educated to understand the meaning of intellectual property. After a year of learning, children are able to compose basic music.

MenART, another of the supported projects, is also dedicated to the education of young musical talents. This is a scholarship scheme for children and students gifted in artistic fields and their teachers. It enables them to work closely with mentors – prominent personalities of the Czech art scene – for one school year. MenART is implemented in the fields of music (classical and non-genre restricted sections), visual arts, literature and drama, and dance.

We also continued our cooperation with the **Nouvelle Prague** festival, which aims to create a unique platform for connecting musicians with music industry professionals, to support networking, sharing experiences between professionals from all over the world and introducing new talents from home and abroad. As part of the festival program, we presented our digital platforms and participated in a discussion between collective management organizations and music event organizers.

Support for authors studying and interning abroad is possible thanks to the OSA Talent grant scheme, through which we support several dozen young authors each year.

CULTURAL ACTIVITIES

OSA ANNUAL AWARDS

Every year since 2006, OSA has been awarding the most successful Czech composers and lyricists in 15 categories for their work in classical and popular music. The award winners in most categories are decided by OSA statistics from radio and television broadcasters, concert organizers, online music service operators or music media producers and sellers. From 2020 onwards, the charts of the most successful pieces of music and artists are compiled only on the basis of the statistics for the last two years. Young artists under 30 years of age in the field of popular and classical music are also recognized and receive financial awards from OSA to further develop their work.

The categories which are not awarded based on data but by decision of the OSA Supervisory Board include the OSA Golden Award for contribution to Czech music, the OSA Golden Fund for the most played pieces and authors over the long term, and the Award for the Promotion and Propagation of Czech Music.



17TH OSA ANNUAL AWARDS

The OSA Annual Awards recognized the most successful composers and lyricists in popular and classical music in a total of 15 categories. The most successful composer of popular music and the most successful lyricist was Marek Ztracený. The OSA Golden Award for lifetime achievement went to Zdeněk Svěrák. Luboš Andršt (in memoriam) and the song Dej mi víc své lásky by Petr Janda and Pavel Chrastina were entered into the OSA Golden Fund. The Award for the Promotion and Propagation of Czech Music was awarded by the OSA Supervisory Board to Juraj Filas (in memoriam). The evening ceremony at the cultural center Vzlet was hosted by the composer, actor and host Jan Maxián.

The awards are based directly on OSA statistics. According to the rules, they include pieces and authors who, for the first time in the last two years, have had extraordinary success in radio and television broadcasts, concert performances, record sales, on the internet and in other uses of their music, regardless of their date of registration with OSA. The categories which are not awarded on the basis of data but by decision of the OSA Supervisory Board, include the OSA Golden Award for contribution to Czech music, the OSA Golden Fund for the most played pieces or authors over the long term, and the Award for the Promotion and Propagation of Czech Music.

“For the first time this year we have included a category for the Most Successful Streaming Author. The current advanced times basically called for the inclusion of a new category. Playing music from internet music platforms is simply on a huge rise and today’s young generation does not consume music in any other way,” says Michal Prokop, a member of the Supervisory Board, about the inclusion of the new category. The first ever winner was the rapper Yzomandias.

The most successful popular piece was the song I přes to všechno, which was created in collaboration between Mirai Navrátil, Ondřej Fiedler and David Stypka. In the field of classical music, the most successful composition was Zlinské linie by Petr Wajsar and the most successful composer was Jan Zástěra. The OSA Awards also pay

attention to young authors, who receive a glass statuette designed by the renowned musician and artist Milan Cais, in addition to a cheque worth CZK 50,000. The most successful young author of popular music was Viktor Sheen, and Daniel Chudovský was awarded in classical music.

The OSA Awards also look back on the success of Czech authors abroad. The most successful author of popular music abroad was Viliam Béréš and the most successful author of classical music abroad was the composer Varhan Orchestrovič Bauer. Universal Music Publishing was the most successful publisher last year.

This year’s theme was contemporary music with the subtitle “Let’s play more Czech music and especially more new Czech music”. “We wanted to point out that the Czech scene offers an extensive playlist of newly emerging songs. And it’s a pity that they are not played on the radio. The subtitle of this year is a kind of a wish and a message. In the course of the evening, we also heard a small taste of songs that had been created at the Czech Songwriting Camp, which we have been supporting since its beginning. The intention was also to underline the idea of modern songwriting,” comments Roman Strejček, the chairman of the OSA Management Board.

Songs by Czech authors, which had been written mainly in the last year, were performed during the evening. Aiko, Albert Černý, Ewa Farna, Giudi, Dominika Hašková, Marta Jandová, Mirai Navrátil, Michaela Palová and others performed.

This year’s 17th OSA Annual Awards were held under the auspices of the Ministry of Culture.

Media partners include **Óčko Star** TV, which **broadcasted the recorded OSA Annual Awards ceremony at 9 pm on 14 June and 15 June**, and radio stations **Expres FM** and **Classic Praha**.





WINNERS OF THE 17TH OSA ANNUAL AWARDS:

OSA Golden Award
ZDENĚK SVĚRÁK

OSA Golden Fund – author
LUBOŠ ANDRŠT

OSA Golden Fund – composition
**DEJ MI VÍC SVĚ LÁSKY
(PETR JANDA, PAVEL CHRSTINA)**

Award for the Promotion and Propagation of Czech Music
JURAJ FILAS

Popular composition of the year
**I PŘES TO VŠECHNO
(MIRAI NAVRÁTIL, ONDŘEJ FIEDLER,
DAVID STYPKA)**

Classical composition of the year
**ZLÍNSKÉ LINIE
(PETR WAJSAR)**

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
UNIVERSAL MUSIC PUBLISHING

The most successful young author of popular music
VIKTOR SHEEN

The most successful young author of classical music
DANIEL CHUDOVSKÝ

The most successful author of classical music abroad
VARHAN ORCHESTROVIČ BAUER

The most successful author of popular music abroad
VILIAM BĚREŠ

The most successful streaming author
YZOMANDIAS

Concert of the year
NOT AWARDED

www.cenyosa.cz
A recording of the event is available at: <https://www.cenyosa.cz/fotovideo/2022/video/>



03

ECONOMIC
RESULTS



ECONOMIC RESULTS OF OSA IN 2022

MAIN ECONOMIC INDICATORS

	2018	2019	2020 ¹⁾	2021 ²⁾	2022	2022/2021 difference
Total collected revenues	1,242,089	1,386,668	1,152,748	1,313,412	1,450,480	+137,068
Total costs	147,383	168,409	155,425	152,806	174,873	+22,067
Average cost deduction in %	11.87%	12.14%	13.48%	11.63%	12.06%	+0.42%

* in thousands CZK / excl. VAT

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

¹⁾ 2020 costs are costs before recognition of overhead deficit

²⁾ collected revenues of 2021 include extraordinary supplementary payments received by OSA on the basis of the concluded agreements on settlement for previous periods. If not included, the total collected revenues would amount to CZK 1,091,272 thousand.

License revenues	1,431,462
Other collected revenues	19,018
Total collected revenues	1,450,480
2022/2021 comparison (in %)	+10.44%
2022/2021 comparison (in CZK)	+137,068

* in thousands CZK / excl. VAT

COLLECTED REVENUES, COSTS AND AVERAGE COST DEDUCTION

Category of rights	Collected revenues	Costs	Average deduction cost in %
Live public performances	161,328	22,727	14.09%
Background music in public premises	183,176	36,031	19.67%
Radio broadcasts	77,798	11,379	14.63%
Television broadcasts	304,648	44,606	14.64%
Cable retransmission	124,192	12,147	9.78%
Internet, mobile and similar networks	178,492	17,053	9.55%
Physical media	15,116	922	6.10%
Renting and leasing	5,045	150	2.96%
Private copying	86,398	6,698	7.75%
From foreign collective management organizations	59,037	2,984	5.05%
For domestic collective management organizations	230,259	19,777	8.59%
Total for collective management	1,425,489	174,475	12.24%
Agency representation of authors	5,973	398	6.66%
Total incl. agency representation of authors	1,431,462	174,873	12.22%
Other income	19,018		
Total incl. agency representation and other income	1,450,480	174,873	12.06%

* thousands CZK / excl. VAT

** the costs are net of income tax

After the global pandemic crisis caused by the Covid-19 disease, which, especially in the period 2020-2021, had a severe impact not only on the Czech and global economy but negatively affected also the public and private life of most of us, a strong rational expectation of restarting the economy and social life,

limited by countless anti-pandemic restrictions and constraints, prevailed. While Czech and global society had started to quite successfully deal with the worst effects of the covid crisis since about the second half of 2021 and there was hope that the worst of the covid period was behind us, most national economies faced

further serious global challenges in 2022 – in particular an energy crisis caused by geopolitical influences (the ongoing war in Ukraine) and the globally high inflation rates, largely fueled by disrupted supplier-consumer relations during the pandemic, increased household demand after the pandemic or the aforementioned crisis. The Czech Republic is no exception in terms of facing these new challenges, and due to its high inflation rate, it is even one of the most affected countries in Europe. This is the situation faced by OSA in 2022.

After two difficult covid years, when OSA had experienced a 17% year-on-year decline in revenues collected in 2020 to subsequently achieve year-on-year growth in the following year 2021 only thanks to a substantial contribution from retroactive settlements for previous periods with satellite operators, broadcasters or the Czech Association of Hotels and Restaurants, OSA not only increased its total revenues (including non-license revenues) by 10.44% (i.e. by CZK 137,068 thousand) year-on-year in this economically difficult year 2022, but even surpassed the record pre-covid year 2019 by 4.60% (i.e. by CZK 63,812 thousand). Of this, revenues collected for music authors increased by CZK 104,364 thousand year-on-year, and by CZK 89,930 thousand compared to 2019.

The main driver in 2022 was primarily the area of public music performances with a year-on-year increase in nominal revenues of CZK 175,365 thousand (i.e. 50%). In the two covid years, this area had fallen to half of the pre-covid revenues collected; the significantly increased revenues from public music

performances in 2022 are still 22% (i.e. CZK 146,099 thousand) behind the pre-covid revenues collected. Of the public music performances, the live performances licensing segment, which had been most affected by the anti-pandemic restrictions of all uses of music, experienced a very good recovery in 2022, with a jump in year-on-year revenues collected of 209% (i.e. CZK 109,090 thousand). However, this high figure is significantly affected by the low baseline of the previous year (in 2021, revenues collected for live performances represented only 26% of the revenues collected in the last pre-pandemic year).

The other strong driver in 2022 was the online services licensing segment with a nominal year-on-year increase in revenues collected of CZK 69,278 thousand (i.e. 63%). Compared to the last pre-pandemic year, revenues collected for this type of use increased by CZK 126,701 thousand. However, unlike the public performances sector, the licensing results in this segment do not benefit from a low baseline and we cannot speak of a recovery from the covid crisis either. On the contrary, the covid crisis and the associated increase in users of some streaming services have given this segment an even bigger boost. OSA's revenues from the licensing of online services have been on a long-term upward trend, not only due to the worldwide popularity of streaming services, but also due to the licensing focus and efforts of OSA, which is well aware of the enormous future potential this segment represents. It has to be noted that the traditionally successful Anglo-American repertoire is licensed to most multinational platforms directly by UK and US organizations. In contrast, OSA licenses domestic repertoire worldwide, which also

translates favorably into resulting figures and, in particular, revenues for domestic authors and music publishers.

On the contrary, the most significant nominal decline occurred in the cable retransmission segment, which decreased by CZK 121,289 thousand (i.e. 49%) year-on-year. However, this is only a technical decrease, as in 2021 the revenues collected also included extraordinary supplementary payments for previous periods from satellite operators in the amount of CZK 139,075 thousand. Therefore, if we do not include those retroactive settlements in the

revenues collected in 2021, the sum collected from the operators in 2022 is actually the highest ever amount for the retransmission licenses granted.

The resulting structure of license revenues (including revenues collected for other domestic collective management organizations) in 2022 is the following: broadcasts and online media: 47.86% (56.13% in 2021), public performances: 36.52% (26.61%), mechanics and audiovision: 11.08% (12.95%), from abroad: 4.12% (4.02%) and agency representation of authors: 0.42% (0.29%).

* the amounts collected are stated in the text excl. VAT

BASIC STRUCTURE OF LICENSE REVENUES

	2018	2019	2020	2021 ¹⁾	2022	2022/2021 difference
Public performances	377,995	447,186	221,645	197,716	344,503	146,787
Broadcasts and online media	417,906	469,832	572,539	732,767	685,130	-47,637
Mechanics and audiovision	114,734	108,143	103,707	110,080	106,560	-3,520
From abroad	57,162	79,018	75,653	52,507	59,037	6,530
Agency representation of authors	5,412	7,094	5,998	3,769	5,973	2,204
Total for OSA and foreign rights holders	973,209	1,111,273	979,542	1,096,839	1,201,203	104,364
Collected for other domestic collective management organizations	262,976	268,220	165,457	208,657	230,259	21,602
Total incl. other domestic collective management organizations	1,236,185	1,379,493	1,144,999	1,305,496	1,431,462	125,966

* in thousands CZK / excl. VAT

¹⁾ The revenues collected for 2021 include an extraordinary supplementary payment in the total amount of CZK 139,075 thousand, 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 million received under the settlement agreement concluded with television broadcasters from the period from 2013, and a supplementary payment for 2019 in the amount of CZK 44,065 thousand for accommodation facilities, received on the basis of the agreement concluded with the Czech Association of Hotels and Restaurants.

Public performances in 2022

In 2022, we collected a total of CZK 522,696 thousand for public music performances (including revenues collected for other domestic collective management organizations), i.e. up by 50% year-on-year compared to 2021 but still 22% less than in the last pre-covid year 2019. Of this, the revenues collected for music authors amounted to CZK 344,504 thousand (i.e. up by 146,788 thousand year-on-year) and the revenues collected for other domestic collective management organizations amounted to CZK 178,192 thousand (i.e. up by 28,577 thousand year-on-year).

The society-wide, cultural and economic recovery, which had slowly started to take place since the second half of 2021, had the most positive impact on past year's OSA revenues from licensing of live music productions, i.e. the area most affected by the anti-pandemic measures. In 2022, revenues collected for live performances were higher by CZK 109,090 thousand year-on-year, which represents a jump of 209% in revenues collected. The live performances segment, which had fallen

by a staggering 74% during the two covid-crisis years, thus recovered nicely in 2022, but still falls behind the revenues of the last pre-covid year 2019 by 37,893 thousand (i.e. 19%). 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), improved by CZK 58,568 thousand (i.e. 20%) year-on-year. This result was partly due to the extraordinary retroactive supplementary payment from the Czech Associations of Hotels and Restaurants for 2021. However, the segment still lags behind the revenues collected in the pre-covid year 2019 by CZK 105,245 thousand (i.e. 23%), or by CZK 62,597 thousand (i.e. 27%) if we consider revenues for music authors only. The revenues collected by OSA for music authors for background music (excl. cinemas and jukeboxes) were higher by CZK 29,994 thousand (i.e. 22%) year-on-year and revenues collected for other domestic collective management organizations for the same segment were higher by 28,574 thousand. There was also a significant post-covid recovery for cinemas, with an 87% (i.e. CZK 7,702 thousand) year-on-year increase in revenues collected.

* the amounts collected are stated in the text excl. VAT

PUBLIC PERFORMANCES

	2018	2019	2020	2021	2022	2022/2021 difference
Live performances	166 768	199 221	94 869	52 238	161 328	109 090
Background music (excl. cinemas and jukeboxes)	194 711	229 101	118 990	136 510	166 504	29 994
Cinemas	15 528	17 993	7 342	8 869	16 571	7 702
Jukeboxes	988	871	444	99	101	2
Total for OSA and foreign rights holders	377 995	447 186	221 645	197 716	344 504	146 788
Collected for other domestic collective management organizations	202 947	221 609	118 500	149 615	178 192	28 577
Total incl. other domestic collective management organizations	580 942	668 795	340 145	347 331	522 696	175 365

* in thousands CZK / excl. VAT

Broadcasts, online media and mechanics in 2022

In 2022, the sector of broadcasts, online media and mechanics contributed the aggregate amount of CZK 843,756 thousand (incl. revenues collected for other domestic collective management organizations) to OSA's total licensing revenues collected. The collected revenues of this segment decreased by 6%, i.e. CZK 58,133 thousand year-on-year.

Broadcasts and online media

The best performing segment in 2022 was the internet and mobile network licensing, whose continuous growth had been further boosted by the covid crisis, unlike most other areas. The year-on-year increase in revenues collected for these uses (mainly due to the increase in users of streaming services, licensing of foreign territories or even newly licensed entities) amounted to an impressive amount of CZK 69,278 thousand. This represents a 63% increase. We have also once again seen very good results in the area of cable retransmission, which fell year-on-year by CZK 121,289 thousand only due to the high baseline from the prior year that includes significant retroactive settlements for previous periods. Without taking into account those retroactive supplementary payments, we would also see a 17% (i.e. CZK 17,786 thousand) increase in this use. This result was influenced by the increasing number of reported connections and, as for the other uses, by the rate increased by inflation.

Despite the higher baseline from the previous period, including the supplementary payment from television broadcasters for the previous periods in the amount of CZK 39 million, even the revenues collected for television broadcasts managed to slightly increase. The transition to a new business model is undoubtedly playing a positive role in this respect. The supplementary payment for previous periods also played a positive role.

* amounts collected are stated in the text excl. VAT

BROADCASTS AND ONLINE MEDIA

	2018	2019	2020	2021	2022	2022/2021 difference
Radio broadcasts	78,798	76,074	76,081	77,664	77,798	134
Television broadcasts	217,318	237,569	310,281	300,425	304,648	4,223
Cable retransmission	89,732	104,310	104,450	245,481	124,192	-121,289
Internet and mobile networks	31,673	51,609	81,278	109,032	178,310	69,278
Ringtones	385	270	449	165	182	17
Total for OSA and foreign rights holders	417,906	469,832	572,539	732,767	685,130	-47,637

* in thousands CZK / excl. VAT

Mechanics and audiovision

The segment of licensing of mechanical rights and audiovisual works (i.e. the segment most affected by the latest trends in the development of the music market, represented in particular by the transition from physical media to new media) remains the most static in the long term. After a slight growth in 2021, total revenues collected (including revenues collected for other domestic collective management organizations) fell by 6% (i.e. by CZK 10,496 thousand) year-on-year in 2022. This result was mainly due to a year-on-year decrease in revenues from compensations – for music authors by CZK 4,810 thousand and for other collective management organizations by CZK 6,975 thousand.

Revenues from compensation for blank carriers (CDs, USB disks, hard disks) and devices enabling the copying of copyrighted works compensate music authors for the fact that each one of us can legally and without the author's consent make a copy of our favorite album or film for personal use. 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. For comparison – while in 1998, proceeds from the sale of music and audiovisual carriers for music authors had amounted to CZK 126,511 thousand, it was only CZK 15,117 thousand in 2022.

* the amounts collected are stated in the text excl. VAT

MECHANICS AND AUDIOVISION

	2018	2019	2020	2021	2022	2022/2021 difference
Music carriers	15,535	16,240	14,909	12,953	14,737	1,784
Audiovisual carriers	962	607	101	846	379	-467
Renting and leasing	5,047	4,774	4,880	5,073	5,045	-28
Private copying (compensations)	93,190	86,522	83,817	91,208	86,398	-4,810
Total for OSA and foreign rights holders	114,734	108,143	103,707	110,080	106,559	-3,521
Collected for other collective management organizations	60,029	46,611	46,957	59,042	52,067	-6,975
Total incl. other domestic collective management organizations	174,763	154,754	150,664	169,122	158,626	-10,496

* in thousands CZK / excl. VAT

Agency representation of authors in 2022

The segment of agency representation of authors generated revenues higher by CZK 2,204 thousand, i.e. by 58%, year-on-year. Revenues from theatre performances, an area very negatively affected by government measures in the pandemic period, increased by 111% and synchronization revenues by 49% year-on-year.

* the amounts collected are stated in the text excl. VAT

AGENCY REPRESENTATION OF AUTHORS

	2018	2019	2020	2021	2022	2022/2021 difference
Synchronization	707	1,579	2,622	1,415	2,107	692
Theatre performances	4,554	5,406	3,053	1,723	3,631	1,908
Other (sheet music, concerts etc.)	151	109	323	631	235	-396
Total for OSA and foreign rights holders	5,412	7,094	5,998	3,769	5,973	2,204

* in thousands CZK / excl. VAT

Revenues collected from abroad in 2022

This is a picture of how the export of domestic music is doing. For the OSA repertoire used abroad, foreign collective management organizations sent OSA CZK 59,037 thousand in royalties in 2022. This is a 12% year-on-year increase. The overall results of this segment are in the long term fundamentally dependent on the royalties received from the German collective management organization GEMA. Due to the time lag between the use of music and payment from abroad, it can be assumed that the covid crisis, which has not yet had any effect on the revenues from Germany in the first covid year 2020, is still reverberating in GEMA's revenues in 2022. Year-on-year, the revenues collected from Germany, France and Austria increased the most. On the contrary, we saw the largest declines in foreign revenues collected from Slovakia, Belgium and Japan in 2022. The overall balance of revenues from abroad was also negatively affected by the strengthening of the Czech crown, which is disadvantageous for exports of goods and services.

* the amounts collected are stated in the text excl. VAT

REVENUES COLLECTED FROM ABROAD

	2018	2019	2020	2021	2022	2022/2021 difference
Total for OSA	57,162	79,018	75,653	52,507	59,037	6,530

* in thousands CZK / excl. VAT

REVENUES FOR DOMESTIC REPERTOIRE USED ABROAD IN 2022

	in thousands CZK / excl. VAT	Share in %
Germany	16,619	28.15%
Slovakia	12,837	21.74%
Austria	4,320	7.32%
USA	3,887	6.58%
Hungary	3,511	5.95%
Netherlands	3,333	5.65%
Switzerland	2,804	4.75%
France	2,034	3.44%
Serbia	1,428	2.42%
Great Britain	1,164	1.97%
Other	7,100	12.03%
Total for OSA	59,037	100.00%

* in thousands CZK / excl. VAT

Structure of OSA's costs in 2022

Services	27,345
Depreciation and provisions	14,065
Other operating costs	4,341
Taxes and fees	10
Materials used	1,927
Energy consumption	3,054
Contributions to BIEM, CISAC	473
Total costs net of personnel costs	51,215
Personnel costs incl. benefits and emoluments	94,087
Statutory social security	29,571

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

COSTS OF OSA

	2018	2019	2020 ¹⁾	2021	2022	2022/2021 difference
Total costs	147,383	168,409	155,425	152,806	174,873	22,067

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

¹⁾ in 2020, before recognition of overhead deficit

Costs of OSA activities in 2022

In 2022, total costs incurred for OSA activities amounted to CZK 174,873 thousand, which represents a year-on-year increase of more than 14%. However, the higher costs were accompanied by a more than 10% growth in revenues collected. The main factors behind the development of costs in 2022 were the increase in personnel costs (including statutory social insurance), which rose by 19% year-on-year, and energy consumption with a jump of almost 237%. These items most aptly reflect the crisis in which Czech and European societies find themselves in 2022 – personnel costs are responding to the very high inflation rate in the Czech Republic and high energy prices are another major Europe-wide issue. However, given the increase in revenues collected, despite these unfavorable crisis phenomena, we still maintain very low average overhead costs (calculated as the costs to revenues ratio) of 12.06%, which is only 0.43% higher year-on-year than in the record year (since the emergence of the Czech Republic) of 2021, and thus we continue to rank among the best-performing music copyright organizations in Europe. OSA's costs, reduced by costs re-invoiced to other domestic collective management organizations, amounted to CZK 156,924 thousand.

04

**DISTRIBUTION
AND PAYMENT
OF ROYALTIES**



ROYALTIES DISTRIBUTED AND COMPENSATIONS PAID

In 2022, OSA distributed to rights holders and transferred to other domestic collective management organizations a total amount of CZK 1,058,540 thousand (excluding the drawings on funds and compensations paid out). OSA distributed CZK 848,415 thousand to music authors and publishers – CZK 596,259 thousand (i.e. up by CZK 17,246 thousand year-on-year) to domestic ones and CZK 252,156 thousand (i.e. down by 3,588 thousand year-on-year) to foreign ones. It transferred CZK 210,125 thousand (i.e. down by CZK 19,035 thousand 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 2022, OSA allocated

CZK 83,558 thousand in non-distributable amounts. The year-on-year increase in the amount of royalties distributed to domestic authors has a causal link with the revival of the live music segment (concerts, festivals) after the two covid years.

We have allocated a total of CZK 19 million to support authors who have been most affected by the ban on live music productions during the period of the government's anti-pandemic measures between 2020 and 2022, and have thus lost a significant part of their income. Of this amount, we paid out CZK 18 million by the end of 2022.

CZK 18 milion

paid out in 2020-2022 to authors affected by the prohibition on holding concerts

ROYALTIES DISTRIBUTED

	2020	2021	2022	2022/2021 difference
Authors	298,709	294,574	307,475	12,901
Publishers	235,148	284,439	288,784	4,345
Total domestic rights holders	533,857	579,013	596,259	17,246
To abroad	197,314	255,744	252,156	-3,588
Total distributed for OSA and foreign rights holders	731,171	834,757	848,415	13,658
Transferred to other domestic collective management organizations	151,625	191,090	210,125	19,035
Total distributed, incl. royalties for other domestic collective management organizations	882,796	1,025,847	1,058,540	32,693

* in thousands CZK / excl. VAT / excl. the drawings on funds and compensations paid

AVERAGE AMOUNT OF ANNUAL ROYALTY IN 2022

	2019	2020	2021	2022	2022/2021 difference
Total amount distributed to rights holders for the year*	CZK 811,657 thousand	CZK 731,171 thousand	CZK 834,757 thousand	CZK 848,415 thousand	CZK 13,658 thousand
Number of rights holders included in distribution for the year**	204,947	196,096	213,747	204,132	-9,615
Number of distributed musical works for the year***	1,009,212	950,541	1,096,477	1,046,217	-50,260
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 4,156	CZK 251
Average amount of royalties distributed per distributed title for the year	CZK 804	CZK 769	CZK 761	CZK 811	CZK 50

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

** excl. the rights holders who have not entered into a contract with OSA, have not registered themselves or are not represented by any foreign collective management organization

*** only identified titles are included

NUMBER OF AUTHORS AND PUBLISHERS TO WHOM ROYALTIES WERE DISTRIBUTED

	2019	2020	2021	2022	2022/2021 difference
Domestic	7,474	7,777	8,035	8,498	258
Foreign	197,473	188,319	205,712	195,634	17,393
Total	204,947	196,096	213,747	204,132	17,651

* excl. the rights holders who have not entered into a contract with OSA, have not registered themselves or are not represented by any foreign collective management organization

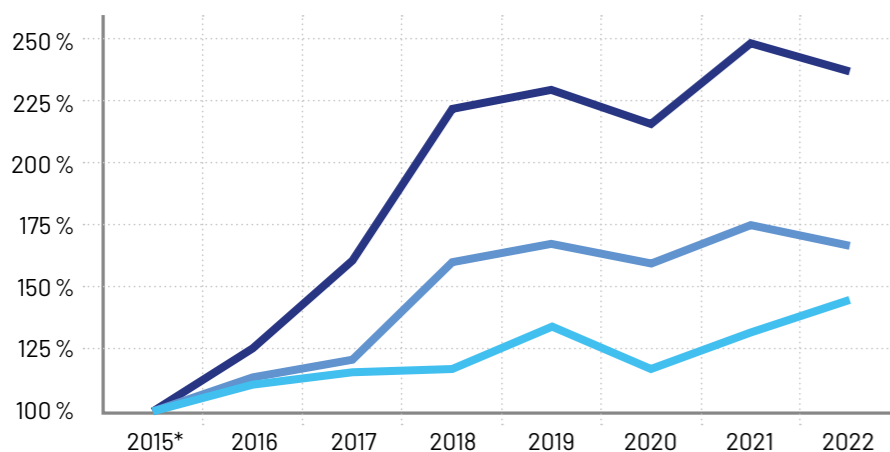
EIGHT-YEAR COMPARISON FOR 2015–2022

In the long term, the number of authors and pieces of music in OSA statements has been growing at a faster rate than revenues collected. Therefore, the same amount of revenues collected is distributed to a higher number of authors and publishers. However, this trend has been interrupted in the last two years. Revenues collected grew more dynamically because OSA was able to resolve years of litigation and, as a result, received significant supplementary payments for previous years. These represented a de facto addition to the royalties already paid to authors. Bans and restrictions on live music productions in the context of the government’s anti-pandemic measures may also have played a role, resulting in a significant change in the impact of concert uses on OSA’s overall results.

	2022/2015 difference	
Number of authors included in distribution	+81,820	+67%
Number of distributed musical works	+604,862	+137%
Revenues collected for licenses**	CZK +371,382 thousand	+45%

* reference year 2015 = 100%

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



Number of distributed musical works

Number of authors included in distribution

Revenues collected for OSA for licenses***

PAYMENT OF ROYALTIES

In 2021, we switched from the original quarterly payment of royalties to a monthly payment in most categories of use, which has further reduced the period between the use of music and its payment. We provide monthly payments to domestic rights holders as well as offer it to foreign collective management organizations. OSA thus sets the trend in the swiftness of royalty payment. In international comparison, we rank among the ultimate world leaders in this respect.

WE PAY OUT ROYALTIES ON A MONTHLY BASIS

When to expect payment for the use of music?	Where was the piece of music used?				
	Live public performances	Background music in public areas	Television	Radio	Internet, mobile and similar networks + carriers*
Payment	When was the piece of music used?				
January	17 Nov–14 Dec		September	October	continuously
February	15 Dec–17 Jan		October	November	continuously
March	18 Jan–10 Feb	4 th quarter	November	December	continuously
April	11 Feb–16 Mar		December	January	continuously
May	17 Mar–13 Apr		January	February	continuously
June	14 Apr–17 May	1 st quarter	February	March	continuously
July	18 May–15 Jun		March	April	continuously
August	16 Jun–15 Jul		April	May	continuously
September	16 Jul–5 Aug	2 nd quarter	May	June	continuously
October	6 Aug–5 Sep		June	July	continuously
November	6 Sep–11 Oct		July	August	continuously
December	12 Oct–19 Nov	3 rd quarter	August	September	continuously

* royalties for online use and for physical media are paid out on a monthly basis dependent 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	95,999	38.07%
Great Britain	50,146	19.89%
Germany	28,632	11.35%
France	17,012	6.75%
Slovakia	12,178	4.83%
Italy	6,914	2.74%
Canada	5,565	2.21%
Austria	5,081	2.02%
Sweden	4,389	1.74%
Australia	4,223	1.67%
Other*	22,017	8.73%
Total	252,156	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, South Africa, South Korea, Kazakhstan, Kenya, Columbia, Republic of Congo, Costa Rica, Cuba, Kyrgyzstan, Lithuania, Latvia, Macao, Madagascar, Hungary, Macedonia, Malaysia, Mali, Morocco, Mauritius, Mexico, Moldavia, Namibia, Nigeria, Netherlands, Norway, New Caledonia, Panama, Paraguay, Peru, Côte d'Ivoire, Poland, Puerto Rico, Portugal, Romania, Russia, Greece, Senegal, Singapore, Slovenia, Serbia, Saint Lucia, Spain, Switzerland, Tanzania, Thailand, Taiwan, Trinidad and Tobago, Turkey, Uganda, Ukraine, Uruguay, Venezuela, Vietnam, Zambia, Zimbabwe, incl. other territories administered by partner foreign organizations located in those territories

In 2022, we distributed royalties to **103** countries around the world.

COMPLETE LIST OF PARTNER FOREIGN COLLECTIVE MANAGEMENT ORGANIZATIONS TO WHICH WE SENT ROYALTIES IN 2022 FOR RIGHTS HOLDERS WHOSE RIGHTS THE ORGANIZATIONS MANAGE:

Organization	Country
ABRAMUS	Brazil
ACUM	Israel
AGADU	Uruguay
AKKA/LAA	Latvia
AKM	Austria
AMCOS	Australia + New Zealand
APRA	Australia + New Zealand
ARTISJUS	Hungary
ASCAP	USA
AUME	Austria
AUTODIA	Greece
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

Organization	Country
PRS	Great Britain
SABAM	Belgium
SACEM	France
SACM	Mexico
SAMRO	South Africa
SAZAS	Slovenia
SBACEM	Brazil
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
UBC	Brazil
UCMR-ADA	Romania
VCPMC	Vietnam
ZAIS	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 the area of public performances or the use of musical works on the internet, where it is necessary to apply traditional copyright law principles and existing legislation to the latest technologies. The interpretation difficulties have unfortunately not entirely disappeared even after the adoption of the amendment to Copyright Act No. 429/2022 Sb., and in some areas, they are rather increasing. Thus, the user public is repeatedly confronted with misunderstandings about the legal regulation of live productions. In practice, the public is being misled by some politicians or the media with regard to the licensing of public productions of reproduced music, which exposes OSA, but above all the users themselves, to the risk of increased enforcement costs. The new provisions of the Copyright Act on platforms with user uploaded content or on broadcasting via the so-called direct delivery are welcome in principle, but they are not free from inaccuracies that may have implications for enforcement. Difficulties of interpretation can be seen also in the collection of the so-called compensations where OSA is faced with outdated wording of the relevant subordinate decree, which, together with technological developments, leads to disputes over interpretation with persons liable for payment of such fees.

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



LEGISLATION

A major event of the past year was the adoption of an amendment to the Copyright Act, which was intended to implement European Directives (EU) 2019/789 and (EU) 2019/790 into Czech law. Although the amendment was supposed to be a purely implementing one, it did not escape proposed amendments, which are only a proof of the difficult position of the authors, even though the adoption of the amendment significantly exceeded the implementation deadline, for

which the Czech Republic was at risk of considerable fines from the EU. OSA actively participated in the legislative work in this respect and tried to mitigate attempts to abuse the implementation to introduce further inappropriate adjustments to the Copyright Act. The amendment was adopted in December 2022 and was set to take effect on 5 January 2023.

The amendment was intended primarily to strengthen the position of authors vis-à-vis licensees, which was reflected not only in the modification of the rules of contracting between authors and licensees, but also, from OSA's perspective, primarily in the strengthening of the position of rights holders vis-à-vis platforms with user uploaded content (e.g. YouTube or Ulož.to) and broadcasters who used direct signal delivery technology. In the first case, the amendment establishes that these platforms communicate the protected works to the public and as such need a license that also covers the activities of their users. In the case of direct signal delivery, it stipulates that both the transmitter (e.g. cable or internet television) and the provider of the television signal, who will be regarded as a broadcaster under Article 21 of the Copyright Act, must have a license. In both of those areas, certain inaccuracies or interpretation risks can be found in the amendment to the Copyright Act, but in principle the new regulation is welcome from the perspective of rights holders. Other areas that have been implemented include additional online services of broadcasters (services such as internet archive or catch-up services), where the so-called broadcaster's headquarters theory is newly regulated, allowing for the granting of a Europe-wide license, or a more detailed regulation of the extended collective management, where the obligations of independent rights managers towards collective management organizations are clarified.

In addition to the areas in which the amendment adopts the new requirements of European law, we can unfortunately also find adopted proposed amendments which were announced by their promoters as a limitation to the "malice" of collective management organizations. They concern the restriction of licensing of public music performances in establishments such as hairdressing or hardware stores (the so-called "hardware store law"), and the regulation of situations where the organizer of a live music production is obliged to notify OSA of the production and provide a playlist. In the first case, four conditions have been added to Section 23 of the Copyright Act under which the protected works will not be considered communicated to the public in television or radio broadcasting in the establishments. The promoters announced in this respect that the proposal adopts European case law and will limit the licensing by collective management organizations. These conditions are indeed based on the case law of the CJEU, which OSA respects in its practice. However, the law contains a condition of non-profitability of use which, according to the case law, can in no way serve as a criterion for assessing communication to the public as such. Operators may thus be misled by some politicians into thinking that they do not need a license. In the case of live productions, the regulation newly provides that the operator is not obliged to notify such productions if the only works used are the works of rights holders who do not have a live performance rights management agreement with OSA. Here again, in our view, there is a risk of misjudgment by users since many works have multiple co-authors or are so-called publisher-linked and, therefore, the conditions of this exemption from the reporting obligation will not be met. We cannot but recommend that the organizers of such productions report and communicate to OSA the repertoire used. It is OSA that is able to determine whether or not the music used is represented by OSA.

JUDICIAL DECISIONS

OSA also seeks to enforce authors' rights in the online environment, in particular in the context of a long-running dispute with the operators of Hellshare and Hellspy platforms. The lawsuit against this service was filed in 2014. In spring 2019, the Municipal Court in Prague concluded that OSA lacked standing to bring proceedings and dismissed the lawsuit, pointing out that even if there was no lack of standing to bring proceedings, it was not clear that the service in question infringed the rights of authors and that its cancellation would harm the rights of authors. OSA lodged an appeal against this 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 made it clear that a collective management organization is entitled to file not only actions for performance but also actions seeking an injunctive relief, i.e. to seek a ban on the service concerned or on the use of its repertoire by the service concerned. The High Court left the substantive assessment of the case to the proceedings before the Municipal Court, where the proceedings were stayed in order to allow an out-of-court settlement between the parties. By early 2023, it is already clear that the Hellshare and Hellspy platforms are ceasing operations, so the proceedings will be closed shortly.

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. The case was appealed to the Supreme Court in early 2023.

OSA is an interested third person in the proceedings in respect of a dispute between the Ministry of Culture and a user, which concerns the process of adoption of royalty rates of collective management organizations under Section 98f of the Copyright Act, specifically when the Ministry is required to consent to a rate increase of more than the inflation rate in the preceding 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 thousand on OSA. OPC holds OSA responsible for the fact that in the period between 2008 and 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 required 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 Court of Justice of the EU has also rendered several landmark decisions shaping the copyright law and collective management at the European level. In decision C-433/20 (Austro-Mechana), it established that reproduction for personal use is subject to the payment of fair compensation also in the case of reproduction of a work by uploading it to a cloud server. It is therefore up

to the EU member state to ensure fair compensation in such cases, whether by charging for cloud servers, devices accessing the cloud (mobile phones, computers) or a combination thereof. In decision C-716/20 (RTL), the Court established that the distribution of a television signal to television sets in hotel rooms does not constitute a retransmission of broadcasts. However, in the context of Czech law, it is the normal pursuit of television broadcasting activities within the meaning Section 23 of the Copyright Act. In decision C-263/21 (Ametic), the Court dealt with the powers of a company set up by collective management organizations in Spain to collect and recover fair compensation. It concluded that, in principle, the company enjoys the same powers as the collective management organization itself.

HELLSHARE AND HELLSPY PLATFORMS ARE CEASING OPERATIONS, SO THE PROCEEDINGS WILL BE CLOSED SHORTLY.



