

The cover features a vibrant, abstract background composed of various colored rectangles and horizontal stripes. A light pink rectangle is in the top left. The title 'ANNUAL REPORT' is in dark blue, bold, sans-serif font, centered over a background of light blue horizontal stripes. Below the title, the year '2021' is rendered in large white numbers. The '2' is on a background of orange and green horizontal stripes. The '0' is on a dark green background. The first '2' is on a light green background. The '1' is on a background of green and blue horizontal stripes. Below the year, there are more colorful rectangular blocks in shades of orange, blue, purple, green, pink, and red, some with horizontal stripes.

ANNUAL REPORT

2021

CONTENTS

| | |
|----|--|
| 02 | 2021 AT A GLANCE |
| 03 | LIST OF ABBREVIATIONS AND TERMS |
| 04 | EXECUTIVE BOARD REPORT |
| 08 | SUPERVISORY BOARD REPORT |
| 10 | BOARD OF AFFILIATES REPORT |
| 12 | COMPREHENSIVE RISK MANAGEMENT |
| 16 | NOTES TO THE 2021 RESULTS |
| 18 | General Licences |
| 19 | Media |
| 20 | International |
| 22 | Distribution |
| 22 | Private copying |
| 22 | Exploitation |
| 22 | Supervisory Board |
| 23 | Budget 2022 |
| 24 | KEY FIGURES 2021-2017 |
| 26 | ABOUT US |
| 26 | Collection and distribution |
| 27 | Management model and review of distribution regulations |
| 28 | FINANCIAL STATEMENTS 2021 |
| 29 | Balance sheet as at 31 December |
| 30 | Statement of income and expenditure |
| 31 | Cash flow statement 2021 |
| 32 | Statement of movements in distributed licence fees to be distributed |
| 34 | Consolidated accounting principles |
| 38 | Notes to the balance sheet as of 31 December |
| 49 | Notes to the statement of income and expenditure |
| 55 | Notes to the cash flow statement |
| 56 | OTHER INFORMATION |
| 56 | Independent auditor's report |
| 59 | Personal details and relevant activities |
| 66 | APPENDICES |
| 66 | 1. Profile of the Supervisory Board |
| 67 | 2. Profile of the Board of Affiliates |
| 68 | 3. Agreements with international organizations as of December 2021 |
| 74 | 4. Transparency report (reference table) |
| 76 | 5. Transparency report |
| 77 | 6. Sena general information |
| 78 | COLOPHON |

2021 AT A GLANCE

in thousands of euros

| | 2021 | 2020 | |
|---|---------|---------|----------|
| Licence fee income – The Netherlands | | | |
| Invoiced | €59.551 | €53,579 | ▲ +11.1% |
| Received | €52.812 | €56,212 | ▼ -6.0% |
| Licence fee income - International | | | |
| Invoiced | €6,463 | €6,834 | ▼ -5.4% |
| Received | €6,511 | €6,764 | ▼ -3.7% |
| Distribution – Received Licence fee income The Netherlands | | | |
| Gross | €52,395 | €52,436 | ■ 0.0% |
| Cost deduction | €6,631 | €6,289 | ▲ 5.4% |
| Net | €45,764 | €46,147 | ▼ -0.8% |
| Distribution – Received Licence fee income International | | | |
| Gross | €6,084 | €7,666 | ▼ -20.6% |
| Cost deduction | €271 | €342 | ▼ -20.8% |
| Net | €5,813 | €7,324 | ▼ -20.6% |
| Cost deduction percentage | | | |
| Actual ¹ | 11.2% | 13.2% | |
| Applied | 14.5% | 12.0% | |
| Operating expenses | | | |
| Gross | €7,016 | €7,687 | ▼ -8.7% |
| Net | €6,670 | €7,047 | ▼ -5.3% |
| Staff | | | |
| FTE (average) | 42.8 | 42.4 | ▲ +0.9% |

¹ Net operating expenses as a percentage of Dutch licence fee income.

LIST OF ABBREVIATIONS AND TERMS

CMO

Abbreviation for Collective Management Organization. CMOs collectively represent the rights of creators and/or operators on a not-for-profit basis. In Sena's case, these are the rights of, musicians (performers) and record companies (producers).

CvTA

The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) is an external supervisory body charged with monitoring compliance with the Supervision and Dispute Resolution of the Collective Management Organizations Act.

IFPI

The International Federation of the Phonographic Industry (IFPI) is the international umbrella organization representing the interests of record companies. The IFPI organises a Performance Rights Committee meeting (PRC) twice a year for all music licensing companies. Sena is an active member of the PRC meetings.

IRIS

Integrated Repartition Information System (IRIS) is Sena's database and back-office application used to register and process repertoire and personal data. It is also used to link repertoire claims to performance data which is used to calculate payments to be made.

Machine learning

Machine learning is a form of artificial intelligence. A computer programme that can learn from people's data, input and decisions. In other words, self-learning computers.

MLC

MLC stands for Music Licensing Company. This term is used when referring to collective management organizations that (also) work for producers.

Producer

In the context of the annual report, 'producer' means the owner of the master recording of a phonogram. This can be a record or music company, but also a performer if the ownership of the master recording of the phonogram has not been transferred. Or any other party who has financed the master recording of a phonogram and thereby acquired ownership.

RDx

RDx stands for Repertoire Data Exchange and is a portal where music companies (producers) and MLCs can supply and retrieve repertoire data of producers. By having one place where all data is registered in a uniform way, all parties involved will be able to work with the same producer data in the future. In addition to efficiency, this also results in fewer claim disputes and faster payment.

Scan

The Service Centre for Copyright and Neighbouring Rights is a joint venture between Sena and Buma and handles the administration of music licences in the General Licences segment.

SCAPR

Abbreviation for Societies' Council for the Collective Management of Performers' Rights. SCAPR is the international trade association that promotes cooperation between the various rights organizations for performing artists (musicians and actors). Sena is a member of SCAPR and takes part in various working group meetings several times a year.

VOI@E

VOI@E is the Dutch trade association for CMOs such as Sena, Buma and NORMA. VOI@E aims to increase knowledge and understanding of copyright and neighbouring rights and be the point of contact for questions about copyright and neighbouring rights. Sena has been awarded the CMO Quality Mark.

VRDB

VRDB stands for Virtual Repertoire Database. This global recording database is intended to improve the exchange between international sister organizations. VRDB is an initiative of SCAPR, the international trade association for neighbouring rights organizations. Sena plays a very active role in the further development and implementation of the use of VRDB in as many countries as possible.

WIN

The Worldwide Independent Network coordinates and supports the industry associations for *independent* record companies worldwide.

WTCBO

The Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act regulates the supervision of CMOs by the Copyright and Neighbouring Rights Collective Management Organizations Control Board.

W, R and I members

W and R members are directly affiliated with Sena as rightsholders and have respectively given Sena a worldwide (W) or regional (R) mandate. I members are international rightsholders who are affiliated with Sena through an international sister organization.

EXECUTIVE BOARD REPORT

Our rightsholders - performers and producers - had a tough time in 2021. The same was true for our customers, the music users. Both had less income due to cancelled performances, stricter compensation schemes and closures, forced or otherwise. On top of that, many felt the implications of the RAAP-PPI ruling. We have discussed this situation with many rightsholders and music users. Something came through strongly during these conversations: a crisis brings creativity to the surface. We saw so many wonderful and inspiring initiatives emerge. Some came out of pure survival instincts, but always with a passion for music. With or without financial support. Music creators and the people behind the businesses prove to be resilient in times of crisis. We are proud that we could contribute to this in 2021.

Financial results

For the second year in a row, the COVID-19 pandemic has had a major impact on our revenue and distribution. Music users have received compensation for periods of forced closures in accordance with the agreements made with trade organizations. As a result of the RAAP-PPI ruling, a surcharge of 12.5% on the fees for general licences mitigated the decrease in licence fee income by €3.8 million. In addition, there was a €4.5 million release of invoiced licence fee income set aside in previous years as a result of the ruling in the dance case. Our total invoiced licence fee income increased on balance to €66 million (+ 9.3%). Dutch domestic collection increased by 11.1% to €59.6 million. International licence fee income fell by 5.4% to €6.5 million.

Received licence fee income decreased by 5.8% to €59.3 million in 2021. Of this, €52.8 million came from the Netherlands and €6.5 million from overseas. The gross distribution of the Dutch collection remained almost the same (€52.4 million), while the gross distribution of the international collection decreased by 20.6% to €6.1 million. The latter was mainly due to the incidentally higher distribution in 2020.

Net operating expenses in 2021 were 11.2% of Dutch licence fee income; a decrease of 2.0 percentage points compared to 2020. At 14.5%, the withholding rate applied was higher than the cost percentage. This difference is due to the one-off release on the income side relating to the conclusion of the dance case. Income also increased due to the RAAP-PPI additional fee. On the cost side, the final settlement of this long-running legal case has led to a substantial decrease in legal costs. Scan also generated some one-off income. In summary, there were several large one-off items in 2021 that could not be foreseen during the preparation of the 2021 budget, but which have had a significant impact on the results.

European Court of Justice rulings

The RAAP-PPI ruling and the Atresmedia ruling - both delivered by the European Court of Justice (ECJ) in 2020 - have major implications. This could clearly be seen in 2021.

The RAAP-PPI ruling means that rightsholders from non-EEA states can no longer be excluded from the right to equitable remuneration. This includes the United States. In practice, this means that as of 1 January 2021, we will in principle represent the entire American repertoire, in addition to repertoire from countries that have ratified the Treaty of Rome. The impact of this has been experienced by our rightsholders in their distribution. The minute value dropped with the addition of American repertoire. This also explains the increase in the number of rightsholders with distributions in the reporting year. Our customers, music users, were also affected by the RAAP-PPI ruling. The cost for a music licence increased as of 1 January 2021 due to a surcharge of 12.5%. A surcharge of 26.6% will be applied in 2022. In 2021, we reached agreement on this with our partners, VNO-NCW and MKB-Nederland. This is not expected to fully compensate for the decrease in the minute value.

The Atresmedia ruling has taken a heavy toll on the organization. Television stations and distributors took the view that they owed Sena substantially lower fees because they are only broadcasting an audio-visual work and not the phonogram. We have put a lot of energy into creating an 'Atresmedia fix'. This allows customers (television stations and distributors) to arrange permission independently. Meanwhile, a collective arrangement facilitated by an amendment to the exploitation agreement can be used as a step towards obtaining an extended licence. These negotiations could not be concluded in 2021 because the Control Board did not approve the amended exploitation agreement.

At the very end of 2021, a consensus was reached with several parties in the Media sector for a continuation of the existing agreements. The assumption is that the effects of the two rulings offset each other. As a result, the television playlists in question were still included in the December distribution.

In late 2021, a music user questioned whether a payment was due to us as a result of the Atresmedia ruling. This music user has consequently terminated the agreement. We are still in discussion with the music user concerned.

Due to the ongoing court case, it has not yet been possible to discuss the impact of the RAAP-PPI ruling with commercial radio stations.

Continuity

Our assumption is that our ability to continue our business activities in a sustainable way has not been or will not be affected. The number of bankruptcies and business closures due to COVID-19 has been very limited to date. COVID-19 restrictions imposed by the government have had a significant impact on our licence fee income. Sena made a claim for generic government support under the 'NOW' scheme. The NOW grants were not awarded, and we have refunded the amount received. The RAAP-PPI ruling by the ECJ may result in a temporary increase in licence fee income. However, the Atresmedia ruling could have a

negative knock-on effect on licence fee income. On balance, it cannot be ruled out that this will lead to a fundamentally lower licence fee income stream and an associated increase in the cost percentage. The financial statements have been prepared on the premise that continuity can be guaranteed.

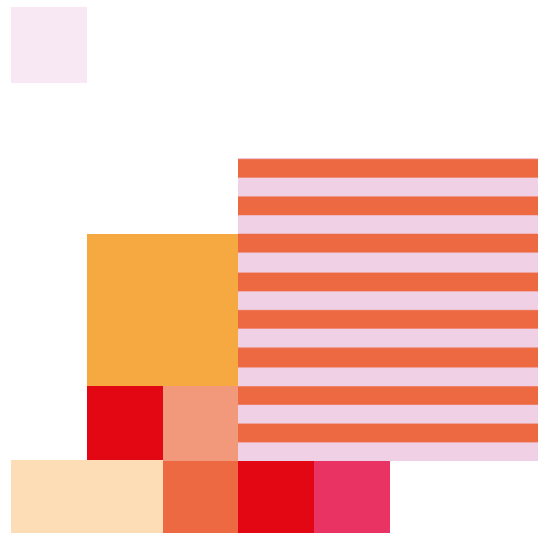
In 2021, our liquidity position decreased by €2 million. At the end of the year, we had €54.9 million in cash and cash equivalents. The payment of advances of €10.5 million made last year has not yet been settled. We were only able to invoice later in the year, partly due to COVID-19 and the RAAP-PPI and Atresmedia rulings. As a result, accounts receivables increased by €4.1 million. The liability regarding distribution stands at €67 million at the end of 2021.

Policy plan period extended

Under normal circumstances, 2021 would be the last year of the 2019–2021 policy period. However, in 2021, with the approval of the Supervisory Board, we decided to add calendar year 2022 to the policy period. The uncertainty about the duration of the COVID-19 crisis and the long-term impact of the European rulings prompted the decision to start drafting a new policy plan for the period 2023–2025 in 2022.

Rights Sector Support Fund

The Rights Sector Support Fund from the Federatie Auteursrechtbelangen (Federation of Copyright Interests) was established in 2020 as a successor to the Emergency Music Fund. The support fund provides financial support for the entire creative sector with contributions distributed by a number of collective management organizations. In 2021, the Ministry of Education, Culture and Science (OCW) awarded a €10 million subsidy for the second phase. Of this, €2.3 million was made available for social-cultural initiatives by our rightsholders. The Nationaal Podiumplan and the Sena Production Fund Producers each received €600,000. An amount of €1.1 million has been made available for the Music Production Fund. A total of 594 new projects were financed from this in 2021. For a complete overview of the Music Production Fund, please see page 43.



IT and Data

We strive for an accurate and finely tuned distribution as possible. Detailed delivery of (management) information is becoming increasingly important. To achieve this, the volume of data we need to process is constantly increasing. In 2021, we improved various internal and external processes, such as the Airplay portal. Rightsholders can listen to unidentified tracks through this portal and claim them where applicable. Only a selection of tracks was available this year, and we aim to make all music categories available in 2022. IRIS Web, our *web-enabled backend system*, has been expanded. This system is fully accessible to our employees remotely; a functionality that is important for working from home. Several new functionalities have also been added, including a 'Customer Relationship Management System'. Registering and following up on enquiries from our rightsholders has become more efficient as a result.

Data security and GDPR compliance are critical success factors for our operations. In 2021, we added additional password criteria and introduced a two-factor authorisation. Data is not stored for longer than strictly necessary and is not accessible to employees unless there is a direct need.

We also took important steps in the international exchange of data in 2021. The Virtual Repertoire Database (VRDB) is now operational. We exchanged data with a number of international sister organizations using the VRDB. In 2022, we expect to be able to use the VRDB to exchange repertoire and playlist data with an increasing number of organizations.

The same applies to the international producers' portal Repertoire Data Exchange (RDx); the central hub where producers can register their repertoire and rights information in one place. We expect to be able to carry out the first, albeit still very limited, exchange of repertoire data using RDx in 2022.

Services

Focus on service is the third pillar of our policy plan. We improved our service on various fronts in 2021. Our rightsholders have a growing need for detailed information. We provide this information on our MySena portal, in the Sena app and through reports on request. In 2021, work began on the construction of a data warehouse which will be accessed in the future using a new reporting tool, PowerBI. This project will continue run throughout 2022. In the meantime, we will continue to use our current management information tool. Real-time access to the current balance has been added to MySena, similar to what was already available in the Sena app. We also introduced a digital version of the POR (formerly the Personal Recording Registration Form) this year. Rightsholders can use a POR to share a registered track with a colleague who worked as a performer on a music recording. This promotes the quick and correct registration of repertoire.

We have been distributing the private copying audio fees on behalf of Stichting NORMA for a long time. In 2021, we had intensive discussions to investigate which of Sena's services could benefit NORMA's rightsholders. On 2 September 2021, we signed a letter of intent to explore further ways to collaborate.

National legal proceedings

In 2021, the legal proceedings between Sena and the organisers of dance festivals finally ended. The issue behind the legal proceeding was the tariff level for dance events. In November 2021, the Supreme Court ruled that dance organisers must pay Sena an equitable remuneration of 1.625% of the ticket price for tickets up to €85* and 1.3% of the ticket price for tickets above €85. These percentages apply when a dance event plays at least 60% of Sena-protected repertoire. This decision does not take into account the consequences of the RAAP-PPI ruling. However, we have been able to release the dance licence income that was partly reserved due to the uncertainty of the outcome of the proceedings.

In October 2021, the District Court of The Hague handed down an (interim) ruling in the proceedings on determining equitable remuneration for commercial radio stations. The Complaints and Disputes Committee is requested to prepare an expert report on the level of equitable remuneration for commercial radio stations. Both Sena and the Commercial Radio Association (VCR) have responded to the questions submitted by the court to the Complaints and Disputes Committee. Marginal progress has been made and could be a precursor to lengthy legal proceedings. Sena tries to avoid this wherever possible.

A long-running procedure was concluded in 2021 by reaching a settlement.

CMO Quality Mark extension

For the eleventh consecutive year, we have been awarded the CBO Quality Mark by VOI@E. This is based on the binding recommendation by the independent Keurmerkinstituut. During its audit on 28 September 2021, the Keurmerkinstituut concluded that we meet all the criteria of the CBO Quality Mark.

Complaints and disputes

We received 104 comments from rightsholders in 2021. We handled 77 of these comments in 2021.

Forty comments concerned the non-payment or incomplete payment of played repertoire. At the end of the year, 37 comments remained open, of which 27 were from 2021 and 10 from 2020. We received three complaints from rightsholders in 2021 (comments that were not resolved to the satisfaction of the rightsholder and thus escalate into a complaint). We dealt with all of them in the reporting year.

Eight music users filed a complaint with us in 2021. Seven of the complaints were resolved.

External developments

The number of bankruptcies in 2021 was at its lowest level in over 30 years: 1,536 companies were declared bankrupt. The number of bankruptcies fell in almost all sectors.¹ Net television media spending rose by 25%, breaking the hitherto magical barrier of €900 million. Never before has spending been so high and viewing time so low. The total TV viewing time of the average Dutch person in 2021 was 200 minutes per day; six minutes less than in 2020. The linear viewing time decreased by seven minutes per day compared to 2020.^{2,3}

Net radio media spend also broke a record: at €209 million, it was higher than in 2021 (+ 23.4%). Listening time remained stable at the high level of 259 minutes per day.⁴

Looking ahead

A second year of COVID-19 restrictions has tested the endurance of many organizations. That was no different for us. The challenges posed by the European Court of Justice rulings compounded the situation. We were forced to increase the fees for music licences with an additional surcharge for customers as well as increasing the withholding percentage on the income for rightsholders.

At the time of writing this annual report, the Dutch government are lifting almost all the COVID-19 restrictions. The lasting impact of the European rulings will become clearer in 2022.

We will resume projects and activities that have been postponed since the outbreak of the pandemic in the coming year.

We continue to strive to collect fair remuneration for the use of the repertoire of the rightsholders we represent at home and abroad. We pay these fees to rightsholders as accurately, quickly and efficiently as possible.

Acknowledgements

2021 was not an easy year for most people in the Netherlands. For the second year in a row, the COVID-19 pandemic resulted in an almost empty festival calendar, restaurants and bars closed for long periods and shopping streets deserted. We have worked as hard as possible to find solutions with respect for each other's interests. We would like to thank our customers and rightsholders for the solidarity shown and our employees for their continued and unwavering commitment during yet another difficult year.

M.J. Bos J.A. Moolhuijsen
CEO CFO

Hilversum, 18 March 2022

* The above ticket prices must be increased annually with the consumer price index (CPI) with effect from 1 January 2015.

¹ Source: Statistics Netherlands, January 2022

² Source: TV report 2021, GroupM, January 2022

³ Source: Annual Overview 2021, Stichting Kijkonderzoek, January 2022

⁴ Source: Annual Report 2021, Audify, March 2022



SUPERVISORY BOARD REPORT

The composition of the Supervisory Board (Raad van Toezicht, RvT) changed in 2021. Aleid Wolfsen stepped down as independent chair after the maximum term of two terms. The Supervisory Board would like to thank him for his substantial contribution, commitment and team spirit. The same is true for Willem Wanrooij, who left the Supervisory Board in June 2021.

New chair and member

Hendrik-Jan de Mooij was appointed independent chair of the Supervisory Board on 1 January 2022. We undertook a thorough recruitment process. In his everyday life, Hendrik-Jan is senior councillor at the Central Appeal Council.

Erwin Angad-Gaur has been appointed a member of the Supervisory Board by the Performers section. Erwin brings with him extensive experience and knowledge of neighbouring rights law. For many years he was chair of the Performers section of the Board of Affiliates.

Meetings in 2021

The Supervisory Board formally met five times in 2021. Digital meetings were also held on an ad hoc basis. In addition to the regular topics, there were a number of special topics on our agenda.

Regular topics

The Supervisory Board approved the financial statements, the 2020 annual report and the 2022 budget. The Supervisory Board also agreed to extend the current policy period to 2022. The Supervisory Board discharged the Executive Board from liability for the adopted policy. The office kept the Supervisory Board regularly informed about ongoing legal proceedings. Positive developments worth noting are the confirmation by the Supreme Court of the dance events tariff, as already set by the Court of Appeal in The Hague after years of legal proceedings. The Supervisory Board also welcomed the fact that a settlement could be reached with all parties involved in this lengthy process.

Special topics

The COVID-19 crisis and, more specifically, the resulting lockdowns have had a major impact on Sena's licence fee income over the past two years. The Executive Board frequently informed the internal supervisors - in addition to the Supervisory Board and the Board of Affiliates - about developments relating to this matter. The task for Sena was further exacerbated by two rulings by the European Court of Justice.

European regulations

The impact of the RAAP-PPI and Atresmedia rulings on Sena has been huge. It became clear that Sena's operations cannot be considered in isolation in the Netherlands. The organization is increasingly facing complex European laws and regulations.

Sector issues

The VOI@E Governance Code for CMOs replaced the Guidelines on Good Governance and Integrity of CMOs in 2021. VOI@E members have committed themselves to comply with the provisions of the code. All provisions are non-statutory. It is a good sign that the sector is taking the initiative itself through self-regulation. Sena plays an active role here.

In response to an amendment to the Supervision Act as of 1 July 2021, a draft Governmental Decree for the assessment of the suitability and reliability of directors and supervisors has been submitted for consultation. Consultations have been held with both the Ministry of Justice and Security and the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA).

Benchmarking

Although cost standardisation is not an obligation arising from the European Directive, the Dutch government has opted to apply a generic cap on the costs of CMOs of 15% by means of an administrative order. The comparison of the costs of CMOs advocated by the CvTA has proved difficult to implement in practice. CMOs affiliated with the sector association VOI@E enforce different laws and therefore have different underlying processes. In 2021, an approach for allowing customised benchmarking was agreed with the CvTA.

Committee meetings

The Supervisory Board has two committees: the Audit Committee and the Remuneration Committee. All committee recommendations were submitted to the Supervisory Board, who then decided to implement the recommendations where applicable.

The Audit Committee met three times in 2021. The 2020 annual accounts, the 2021 audit plan and the management letter were discussed in the presence of auditor PricewaterhouseCoopers. The committee members also discussed the risk matrix, the change to the withholding percentage on the distribution of international income collection and the Scan budget.


Members of the Remuneration Committee met twice in 2021. They discussed organizational developments and succession planning. They also conducted individual appraisals of the two Executive Board members.

In conclusion

The ongoing COVID-19 pandemic and the far-reaching consequences of the two rulings by the European Court of Justice in 2020, made 2021 a year of major challenges for Sena. The consequences of these developments are significant for all parties involved in Sena. Sena continues to hold intensive and frequent discussions with all those involved. The aim is to achieve satisfactory solutions for both rightsholders and music users. Although the different issues are tricky and require a lot of patience, progress has been made on many fronts. The Supervisory Board would like to take this opportunity to express its appreciation for the swift, diligent and effective way in which Sena has responded to the many unexpected developments. Thank you very much to all the staff!

On behalf of the Supervisory Board,
Hendrik-Jan de Mooij
Chair

Hilversum, 18 March 2022



The impact of the RAAP-PPI and Atresmedia rulings on Sena has been huge. It became clear that Sena's operations cannot be considered in isolation in the Netherlands.

BOARD OF AFFILIATES REPORT

The Board of Affiliates (RvA) has a great responsibility; as elected representatives on behalf of rightsholders, it provides internal supervision. Even more than in other years, this has led to complicated discussions in 2021, particularly in connection with the RAAP-PPI and Atresmedia rulings, as well as with the ongoing legal proceedings and exploratory talks about strengthening our collaboration with Stichting NORMA. The Board of Affiliates members were given a substantial number of documents to study. Together, the Performers and Producers sections have made every effort to fulfil their supervisory role to the full in terms of representing their interests.

Chair of the Board of Affiliates

The Board of Affiliates appointed Matthijs van Duijvenbode (Performers section) as chair of the Board of Affiliates for the period from 1 July to 10 September 2021. After that, the annual rotating chair was transferred to Peter Boertje (Producers section). On behalf of all Board of Affiliates members, we would like to express our sincere thanks to the outgoing chair, Erwin Angad-Gaur. He has served three terms as a section representative and has been appointed as a member of the Supervisory Board as of 1 July 2021.

Distribution sounding board group

The distribution sounding board group offers rightsholders the opportunity to provide section representatives with input on proposed changes to the distribution regulations. The sounding board group is an important advisory body for the Board of Affiliates. The group met once in 2021 on MS Teams and discussed the point system of the Performers distribution subregulations and the role of the conductor in particular. The definition of a producer and the threshold amounts used by Sena were also discussed.

Allocation of undistributed fees

On 19 March 2021, the section representatives from the Producers and Performers sections decided on the allocation of the undistributed fees from the music year 2017. The Producers section decided to add the undistributed funds, after deduction of €250 thousand for the Social-Cultural Fund, to the funds intended for distribution.

The Performers section decided to distribute half of the undistributed fees equally to all individual performers artists who received at least €100 gross in 2017. The other half has been added to the Social-Cultural Fund.

Topics in 2021

The Board of Affiliates discussed the RAAP-PPI and Atresmedia rulings. The Board of Affiliates supports the lobby to introduce material reciprocity at European level so that the Netherlands can return to the situation prior to 1 January 2021. The Board of Affiliates also agreed to an amendment to the exploitation agreement that partially remedies the Atresmedia ruling. Unfortunately, this did not lead to approval by the CvTA, making negotiations with broadcasters considerably more difficult in 2021.

Sector responsibility

In an effort to provide an efficient service for both customers and rightsholders, Sena looks beyond the borders of its own organization. This led the Executive Board to propose extending the existing collaboration with Stichting NORMA. The Board of Affiliates spent a great deal of time assessing the associated risks. In the last quarter, Sena signed a declaration of intent outlining the concrete steps to be taken to achieve this ambition.

Social, cultural and educational projects

The Rights Sector Support Fund from the Federatie Auteursrechtbelangen (Dutch copyright federation) received €10 million from the Ministry of Education, Culture and Science in 2021. Of this, €2.3 million was allocated to our rightsholders. This has been used to financially support production-related projects, including the Sena (Performers) Music Production Fund.

In 2021, 748 musicians and producers applied for a share of the Music Production Fund (total €3.3 million). 594 applications were approved by advisory committees at a total value of €2.1 million. Two thirds of the amount is in the form of a donation. This is financed with funds received from the Rights Sector Support Fund. The remaining third must be repaid by the applicant to the Sena (Performers) Music Production Fund within two years. The involvement of the Producers section in the Music Production Fund increased further in 2021. We intend to give this joint contribution a more structured format.

The fund awarded three cash prizes to the winners of the Gouden and Zilveren Notekraker (Golden and Silver Nutcracker) and the Humble Heroes Award. Spinvis, Nana Adjoa and Ton Dijkman each received €5,000.

The Producers and Performers sections jointly supported the following projects in 2021: BREIN Foundation, the Gouden Notekraker and the Pop Investment Fund Upstream: Music. The Board of Affiliates decided to continue supporting the latter project in the years 2022 to 2024. The annual contribution of €300,000 is conditional on the Ministry of Education, Culture and Science continuing its contribution to the scheme. Upstream: Music offers mid-career pop artists the opportunity to invest in the further (international) development of their careers. In 2021, 12 artists received a donation from the fund. The decision was also made to turn the Performers Magazine into a joint publication from both sections.


Support

The cultural sector was also hit hard by the lockdowns in 2021. No audiences meant no performances and no income. The Board of Affiliates sympathised with the situation, but of course didn't give in. Every effort has been made to provide financial support wherever possible. Although late in coming, we would like to express our gratitude for the contributions from the Ministry of Education, Culture and Science, totalling €15 million in two instalments, and the partial amount of €2.3 million to be used to support our rightsholders. We sincerely hope that, as a society, we will not face these kinds of restrictions again in the future. Let the music play on again - everywhere!

Peter Boertje
Chair of the Board of Affiliates

Matthijs van Duijvenbode
Vice-Chair of the Board of Affiliates

Hilversum, 18 March 2022



The cultural sector was also hit hard by the lockdowns in 2021. The Board of Affiliates sympathised with the situation, but of course didn't give in.

COMPREHENSIVE RISK MANAGEMENT

Risks are threats to achieving our objectives. The risk management framework describes the integral way that we manage the risks faced by the organization. The Executive Board prepares the risk management framework, keeps it up to date and ensures that it is communicated to employees. The strategic risk analysis is part of the policy plan. The Supervisory Board have approved the risk management framework. Sena has a low-risk appetite.

The key risk management frameworks are:

Structure and governance

- › the articles of association set out in detail the responsibilities and powers of the Executive Board, the Meeting of Affiliates, the Sections, the Board of Affiliates and the Supervisory Board;
- › we have drawn up profiles that are used to guide recruitment for the supervisory bodies;
- › our formal organizational structure reflects the hierarchical and functional relationships between the different positions. Sena's organizational model is guided by the competencies needed to conduct our primary and support processes (process orientation);
- › the processes described show the necessary distinction between functions. A key issue here the separation between granting licences, registering rightsholders, registering playlist data, distribution activities and administration activities;
- › the organization must comply with applicable laws and regulations. The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) supervises compliance.

Desired organizational culture

- › we derive our right to exist from our legal authority to collect and distribute fees for the broadcasting, rebroadcasting or publication by any other means of commercially released phonograms by all performers and producers. Based on this duty and in line with the defined mission, our stakeholders include rightsholders, customers (companies and organizations that broadcast or play music in public), national and international sister organizations, suppliers, our internal and external supervisory authorities and our employees.

Our organizational culture is aimed at representing the interests of our rightsholders by collecting and distributing a fair fee as efficiently and quickly as possible, and to provide transparency in this process. The core elements of the organizational culture needed to serve our stakeholders as effectively as possible are a service-oriented approach, quality and reliability of general and management information and commercial drive. Our core values are Professional, Reliable and Committed.

- › our Complaints and Disputes Committee for rightsholders (Distribution Disputes Committee) processes and handles complaints from our rightsholders, ensuring that any problems relating to our services are taken seriously and learned from;
- › Sena is a voluntary member of the VOI©E industry organization. Our annual CMO Quality Mark accreditation – awarded following an annual audit by an independent certification body (the Keurmerkinstituut quality assurance institute) – is an additional guarantee that any shortcomings in the quality and transparency of Sena's rights management activities and related information services are adequately identified;
- › Sena is a member of SCAPR (Societies' Council for the Collective Management of Performers' Rights), AEPO-ARTIS and actively participates in meetings of the IFPI Performance Rights Committee (International Federation of the Phonographic Industry). Our goal is to make the international exchange between CMOs even more professional.

VOI@E Governance Code

On January 1, 2021, the VOI@E Governance Code came into effect. The Code replaces the Good Governance and Integrity Guidelines from 2011 and is part of the CMO Quality Mark. The Supervisory Board, the Board of Affiliates and Sena's Executive Board have explained in its supervisory vision how the Code will be implemented. In addition the supervision vision, Sena has drawn up a code of conduct for integrity, a reporting regulation for suspected wrongdoing or integrity violations and a regulation for the avoidance of conflicts of interest.

During the year 2021, a report regarding a possible conflict of interest was made. The report was discussed with the person concerned and the outcome was recorded in writing in accordance with Sena's regulations for the avoidance of conflicts of interest.

Required competences

- › the competencies required by employees are further elaborated in job profiles. These profiles are linked to a salary scale, assessment and remuneration system which is administrated by the office manager and adjusted to accommodate changes by the Executive Board;
- › the quality and reliable implementation of the distribution process is crucial to ensure the quality of our data, and we want to provide assurance for our rightsholders. Therefore this process is independently audited, resulting in an ISAE 3402 Type 2 compliance statement. This statement confirms that the management measures put in place were designed and operated effectively with regard to the distribution process for the year under review. This is subject to an annual independent audit by the auditor.

Technology (IT)

- › as Sena is largely dependent on the continuity, reliability and security of automated data processing to achieve its objectives, we has implemented a number of overarching IT measures;
- › IT services are structured based on Information Technology Infrastructure Library (ITIL) principles;
- › the IT modifications are built using the scrum agile method;
- › an independent external audit of the security of the IT infrastructure takes place periodically.

Fraud

Fraud is a major concern and is monitored in various ways. The risk matrix explicitly examines various types of fraud. This is proactively addressed by the control measures in place. The fraud risks are overcome by system monitoring and the separation of functions, as well using trend analysis during the movement of funds.

General Data Protection Regulation (GDPR)

- › as of May 2018, we carefully applied the General Data Protection Regulation to our work processes;
- › a privacy officer is employed within the organization to ensure compliance with GDPR.

Policy plan

We draw up a new policy plan every three years. We update this plan annually during this period. The current multi-year policy plan has been drawn up for the period 2019–2021. In 2021, as a result of COVID-19, we decided to add the calendar year 2022 to this policy period. A new policy plan for the period 2023–2025 will be drawn up in 2022.

Budget

Every year, we draw up a budget that provides insight into the income and costs for the following year. Throughout the calendar year, we compare the actual results against this and account for any deviations.

Annual plans for departments

Each department draws up an annual plan based on the policy plan containing the department's objectives and projects. The annual plans serve as a framework for our efforts to achieve policy objectives, attain the relevant department's service level targets and effectively and efficiently conduct the processes for which the relevant organizational department is responsible. The departmental objectives set are translated into the responsibilities of individual employees. The individual target agreements are determined and monitored in the annual performance reviews (plan-evaluation-assessment).

Operational risk management

The control measures per operational risk and per operational process are laid down in the risk management matrix and the control framework respectively. The matrix and framework are periodically reviewed and, in case of important process changes, evaluated by the process owner and adjusted if necessary.

Duties, responsibilities and roles

The line management (Executive Board and MT) is responsible for risk analysis (the identification and prioritisation of risks), the implementation of control measures and operational monitoring. The F&A department is additionally responsible for monitoring the structure and effectiveness of the administrative organization and internal controls (as described in the AO/IC manual and for ISAE 3402) and for providing advice on the structure and adjustment of control measures within processes.

As an additional safeguard for the adequate functioning of internal controls, external auditors and supervisory authorities act as a third line of defence to monitor and evaluate specific activities and performance of the organization as follows:

- › the external auditor checks the financial statements and the application of the accounting policies (based on Title 9 Book 2 of the Dutch Civil Code, and Directive 640 relating to annual reporting for non-profit making organizations) and reviews the annual report;
- › an external auditor assesses the distribution process and issues an ISAE 3402 Type 2 statement (based on a description of the process and controls);
- › an external consultant is charged with reporting on the security of the ICT infrastructure;
- › CMO Quality Mark audit;
- › annual review by the CvTA.

The Supervisory Board oversees the Executive Board and is charged with aspects such as approving the policy, the budget and strategy (linked to the proposed strategic risk control measures) and the annual report (including the financial statements), which sets out the results of the current policy.

The Board of Affiliates advises on the proposed policy and adopts the distribution regulations, the articles of association, the annual plan, the budget and the annual accounts. The Code of Conduct - Communication Protocol sets out how the various bodies deal with subjects in which they have different interests in terms of communication.

The main strategic risks are defined as follows:

- › changing legislation could impact our exclusive position. Government involvement could extend further to the setting of rates. In addition, the government could force CMOs to intensify their mutual collaboration. This risk category also includes unfavourable legal precedents in other EU Member States;
- › the commercial risks are highly dependent on the reputation and image of CMOs in general. The use of music for which it is disputed whether the right to compensation under Section 7 of the Neighbouring Rights Act (WNR) applies, and decreasing advertising revenues for the traditional RTV stations, partly because of a shift from linear to on-demand media consumption, also play a key role. This also applies to the growing demands from licensees regarding streamlining the distribution process and discussions about equitable fees.

Identified risks related to the relationship with rightsholders are:

- › the loss of international mandates to agents and/or international sister organizations could put pressure on international licence revenue;
- › efforts to safeguard privacy and compliance with the GDPR (through adequate data protection measures) could impede Sena's efforts to comply with legislation in this area;
- › Sena has become responsible for playlist data because of the use of *fingerprinting* data, where agreement has been reached with the relevant licensees;


- › risks have been identified regarding internal organization, including maintaining process control standards and the necessary documentation. The loss of quality marks and/or certifications would have major consequences. We are susceptible to fraud risks, partly because of the large volume of financial transactions. The loss of key personnel from the organization also falls into this risk category;
- › finally, technological risks can result in significant cost increases. A disaster where IT systems are temporarily unavailable presents a risk and another is the loss of data. This risk category also includes the failure to synchronise processes and procedures.

Where possible, response and control measures have been formulated for all identified strategic risks, which are considered adequate by the Executive Board and supervisory bodies.

COVID-19

As explained in the annual report, the COVID-19 outbreak, and measures taken by the government have had a negative impact on Sena. In addition to the effects we already know about, macroeconomic uncertainty distorts economic activity, and it is unknown what the longer-term effects on our business activities might be. The scale and length of this global pandemic remains uncertain, but we expect it to have a long-lasting impact on our business activities. The key risks arising from this are:

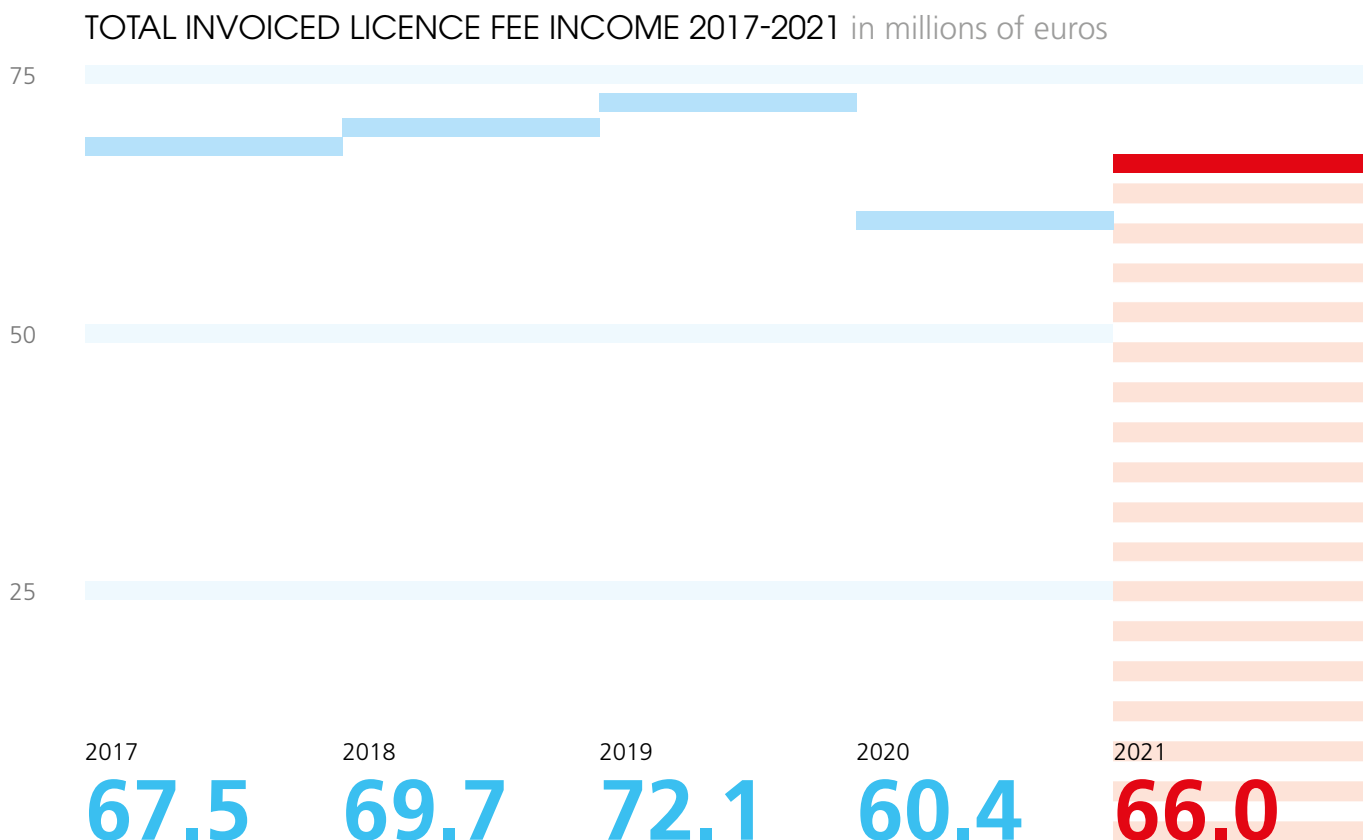
- › licence fee income and withholding percentage: The compulsory closure of restaurants, bars and non-essential shops and the ban on events has led to a material decrease in licence fee income. Decreasing licence fee income means that, with an unchanged withholding percentage, the cover will be lower than Sena's actual operating costs. In the first instance, we will deduct this difference from the 'outstanding amounts' item;
- › internal control: Sena employees will continue to work from home as much as possible. In the Executive Board's opinion, the internal control has remained at an adequate level;
- › continuity: Despite the COVID-19 outbreak, the assumption is that Sena's ability to continue to operate sustainably has not been, or will not be, affected. However, there is continued uncertainty about the size of Sena's licence fee income for as long as the pandemic continues.



Despite the COVID-19 outbreak,
the assumption is that Sena's ability to
continue to operate sustainably has not
been, or will not be, affected.

NOTES TO THE 2021 RESULTS

This annual report was prepared in compliance with the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO) and Title 9, Book 2 of the Dutch Civil Code (BW), as elaborated in guideline RJ640 'Non-profit organizations' of the Dutch Accounting Standards Board.



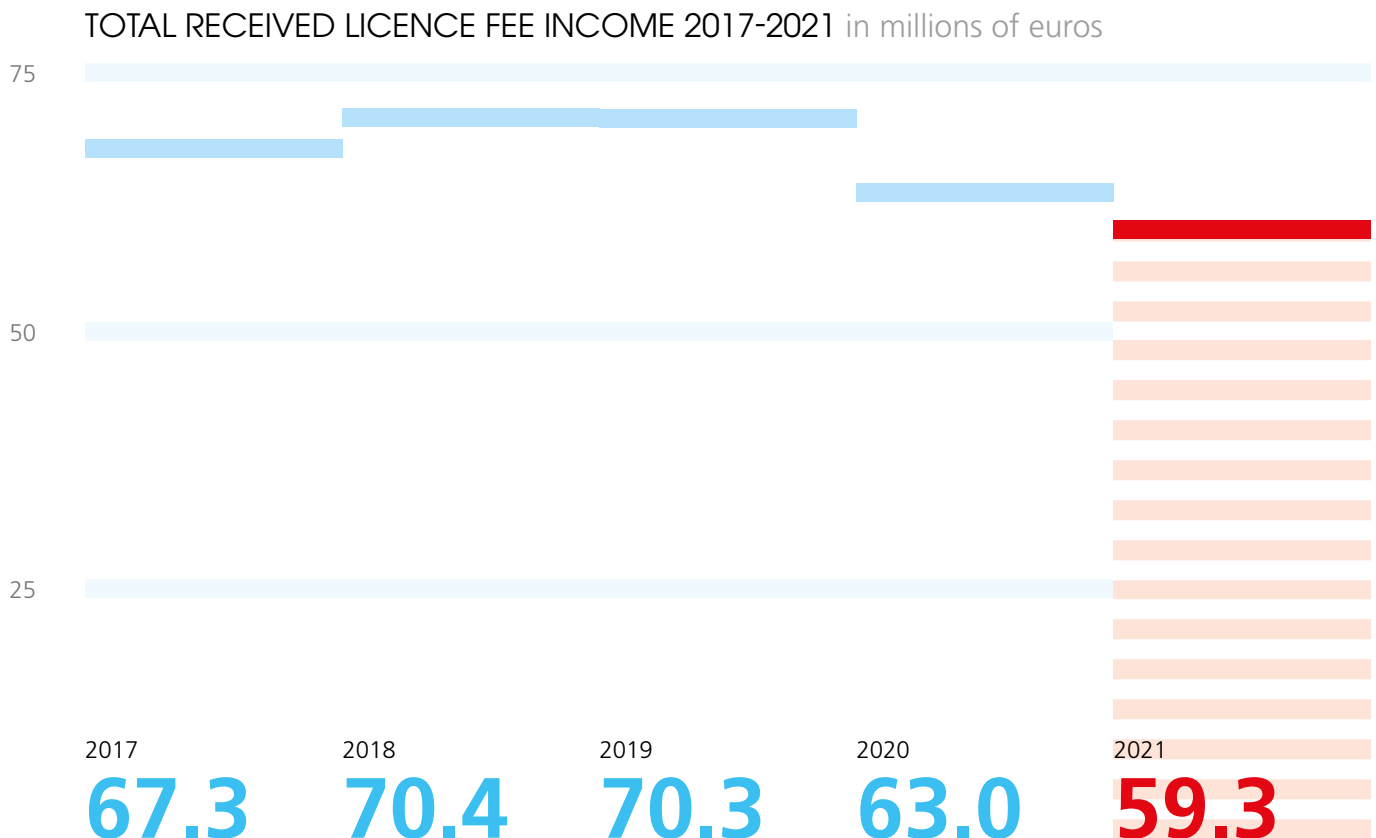
In 2021, the total invoiced licence fee income was €66 million, €5.6 million more than in 2020. The Dutch invoiced licence fee income increased by €6 million to a total of €59.6 million. This includes the release of the reserved dance licence fee income. International invoiced licence fee income decreased by €372,000 to €6.5 million.

In 2021, we received a total of €59.3 million in licence fee income (- €3.7 million). Of this, €52.8 million came from the Netherlands (- €3.4 million) and €6.5 million came from overseas (- €253,000).

Net distributions of Dutch and international fees both decreased compared to 2020, by €383,000 and €1.5 million respectively. The total net distribution amounted to €51.6 million.

Our net operating expenses in 2021 amounted to €6.7 million. This corresponds to 11.2% of the Dutch invoiced licence fee income.

We had to increase the withholding percentage in 2021. The withholding percentage rose from 12% to 14.5% The increase resulted from the prepared 2021 budget. The actual cost percentage was significantly lower due to one-off items.



General licences

General licences consist of individual licences and collective licences. The Service Centre for Copyright and Neighbouring Rights (Scan) is responsible for the licensing administration on our behalf. Scan invoices music users based on agreements made with industry organizations. 2021 started with a hard lockdown for almost all publicly accessible sectors. Non-essential shops, hairdressers and contact professions closed their doors for two and a half months. Cafés, restaurants, sports bars, gyms, libraries, pop venues and many other sectors were shut for as long as five months. Needless to say, there was little music played in public at that time.

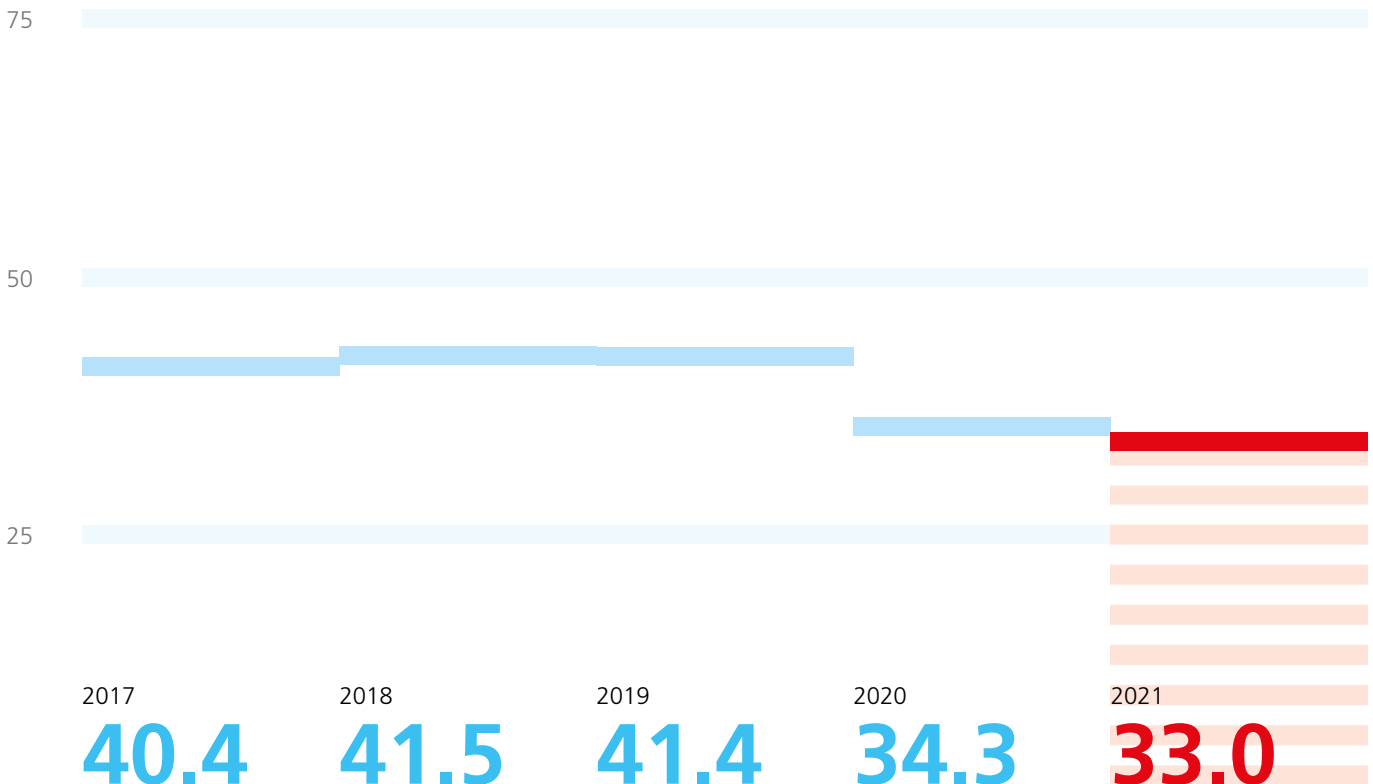
Together with Buma and Videma, we have once again held talks with the Copyright Committee (CAR) of VNO-NCW and the MKD-Nederland. The resulting covenant outlines the agreements made for compensation. Based on these agreements, Scan resumed invoicing after the hard lockdown.

We also spoke to CAR about the RAAP-PPI ruling and the change in Dutch law on 1 January 2021. The interests of both music users and rightsholders were central to the discussions. In July, we reached a commercial agreement for 2021 and 2022. For these years, a surcharge of 12.5% and 26.6% respectively of the applicable general licence fees applies.

We received €33 million from the general licences segment; €1.3 million less than in 2020.

Collective licences decreased by €1.8 million. On the other hand, individual licence fee income increased by €504,000. The annual indexation of the licence fees was 1.9% based on the derivative consumer price index (CPI).

RECEIVED LICENCE FEE INCOME GENERAL LICENCES 2017-2021 in millions of euros



Media

The adverse effects of the COVID-19 crisis were felt particularly in the dance and background music suppliers media segments.

The hospitality and retail sectors suffered from periods of closure and events were barely possible. We have not charged licence fees for hospitality and retail businesses that had to close their doors following government restrictions. Years of legal proceedings between (dance) organisers and Sena came to an end in November 2021. As a result, we posted a one-off release of reserved licence fees from 2014.

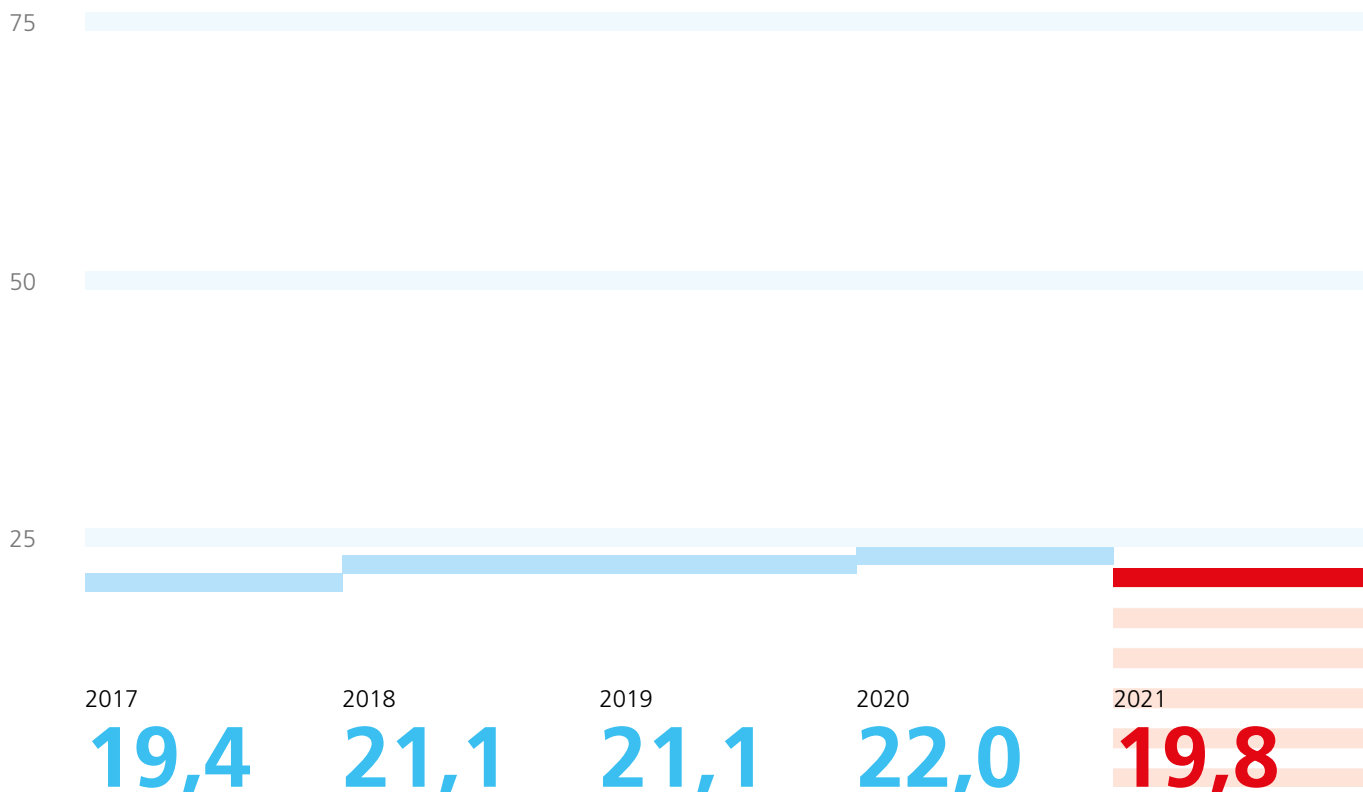
The recovery of advertising revenue at commercial RTV companies in 2020 - commercial national television in particular - resulted in higher advance billing and settlements for 2020 in 2021.

Licence fee income for online music use rose slightly. The cable segment remained virtually unchanged from 2020.

We discussed the consequences of the RAAP-PPI and Atresmedia rulings with many media parties and relevant industry associations. The agreements with the television stations and distributors for 2021 have been continued based on the current agreements. The implications of the RAAP-PPI judgement will be considered in the ongoing court proceedings on setting a tariff for commercial radio stations as soon as possible.

The invoiced licence fee income from the media segment increased by €5.7 million in 2021 to a total of €25.8 million. The one-off release of €4.5 million from the reserved dance fees from 2014 is the main reason for this. It is not easy for dance organisers to pay these fees; after all, their cash flow has come to a standstill because hardly any events could be organised. Nevertheless, we have agreed on a monthly payment arrangement with the dance organisers to Sena. This is partly why the received media licence fee income fell by €2.2 million to €19.8 million.

RECEIVED LICENCE FEE INCOME MEDIA 2017-2021 in millions of euros



International

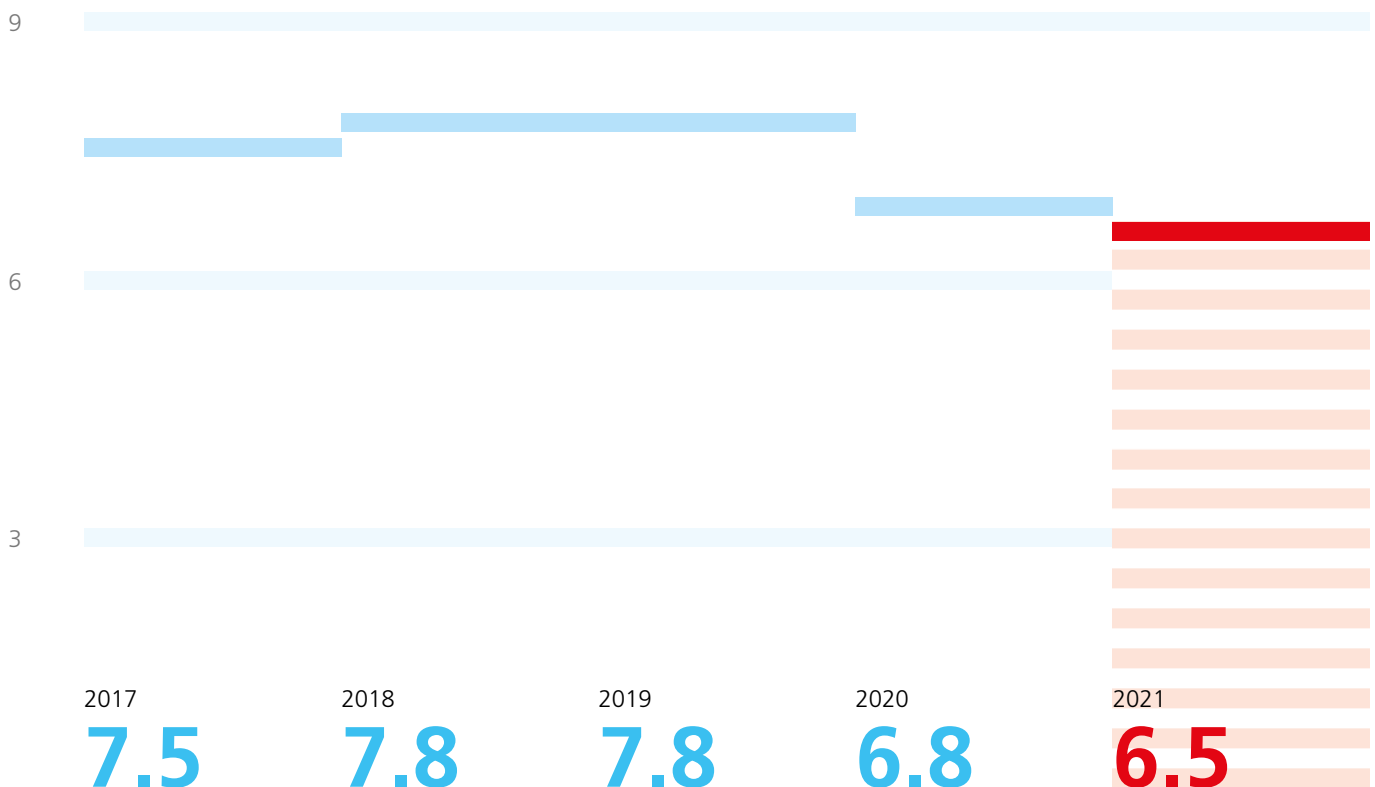
Our licence fee income from overseas decreased by €254,000 to a total of €6.5 million. This is the result of COVID-19 and the loss of some international mandates.

We entered bilateral agreements with two new sister organizations in 2021: AMANAT from Kazakhstan and ISRA from India. We expect to make the first exchange in 2022.

The correct registration of the 'rights per title per country' in MySena is essential for the collection of the overseas fees for producers. We can only make international claims by recording these rights.

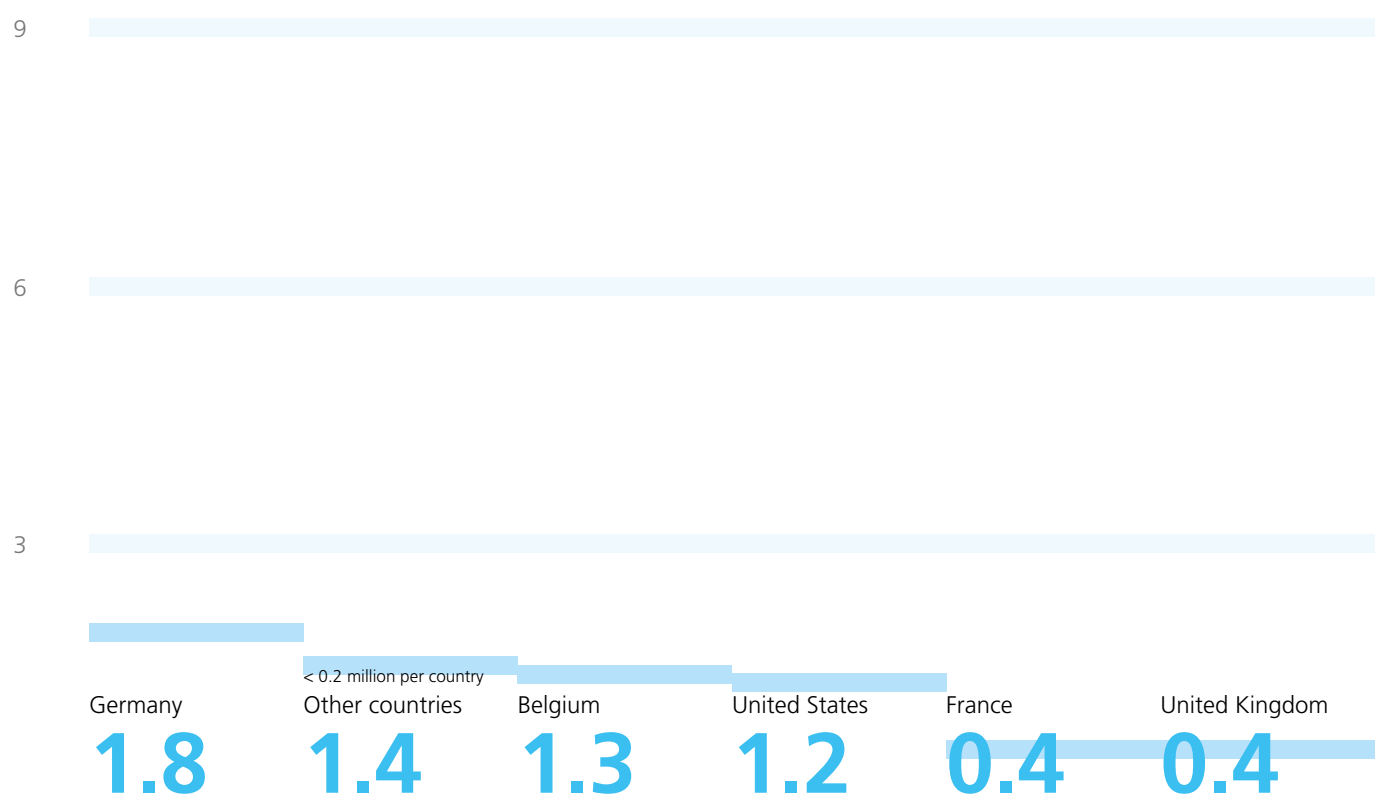
We exchanged the first playlists and repertoire data with international sister organizations via the Virtual Repertoire Database (VRDB) in 2021. The more countries that do this, the more accurate and complete the distributions will be.

RECEIVED LICENCE FEE INCOME INTERNATIONAL 2017-2021 in millions of euros





RECEIVED LICENCE FEE INCOME PER COUNTRY 2021 total €6.5 million



Distribution

We distributed €58.5 million gross to rightsholders in 2021. This is €1.6 million less than in 2020. The gross distribution of Dutch and international fees decreased by €41,000 and €1.6 million respectively.

Net payments also decreased by €1.9 million to a total of €51.6 million.

Private copying

We handle the international collection of private copying audio fees for Stichting NORMA. We distribute these fees to the performer rightsholders, provided they are known to us. In 2021, we paid €951,000 to performers.

Exploitation

Our gross operating expenses in 2021 totalled €7.0 million (- 8.7%). The decrease is mainly due to one-off effects within the legal expenses item. We concluded two legal proceedings. As a result, we received a substantial contribution for costs incurred in the past. Also, reserves on the balance sheet were released. Both matters have led to negative costs.

The sale of software equipment provided a one-off income within the Mailing and Collection costs item. The other cost items have not changed compared to 2020.

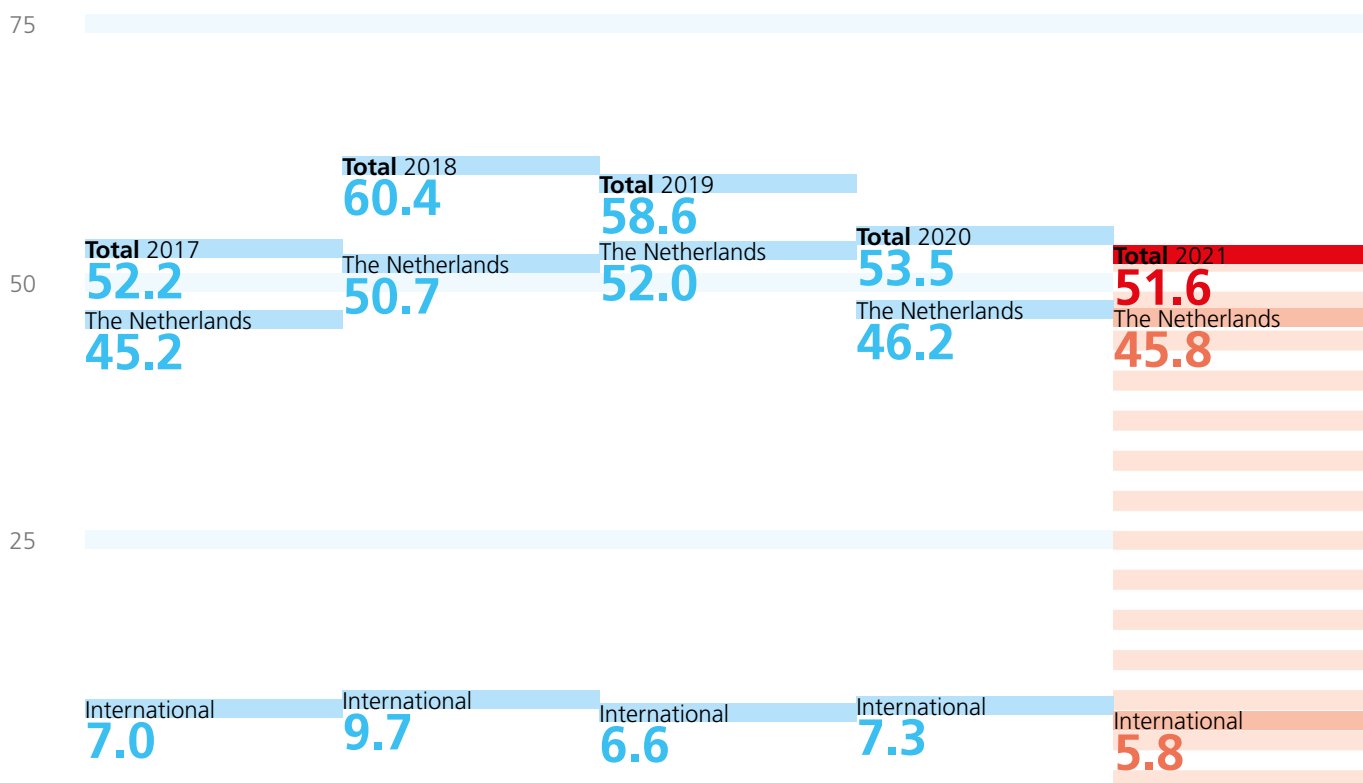
Net operating expenses (adjusted for financial result and other income) decreased by 5.3% to a total of €6.7 million.

Control Board

The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) supervises correct compliance with the Collective Management Organizations Supervision and Dispute Settlement Act. This Act also includes several 'comply or explain' provisions.

Our gross operating expenses, expressed as a percentage of total invoiced licence fee income, were at the level of 10.6% in 2021. Expressed as a percentage of the distribution, including the addition from the Social-Cultural Fund, the gross operating expenses were 11.5%. This meets the criterion of the Governmental Decree (AMvB) dated 12 December 2016. This stipulates that the percentage of costs based on fees and distribution may not exceed 15% *.

NET DISTRIBUTION 2017-2021 in millions of euros



A second comply or explain criterion is that the gross operating expenses may not increase by more than the consumer price index (CPI: 2.7%). Due to the delay and/or cancellation of a number of projects, implemented budget cuts and the one-off release effects, we also meet this criterion.

A third criterion is that investments that exceed 5% of the invoiced licence fee income require the prior approval of the CvTA. Our investments (€142,000) remained well below this limit in 2021.

Budget 2022

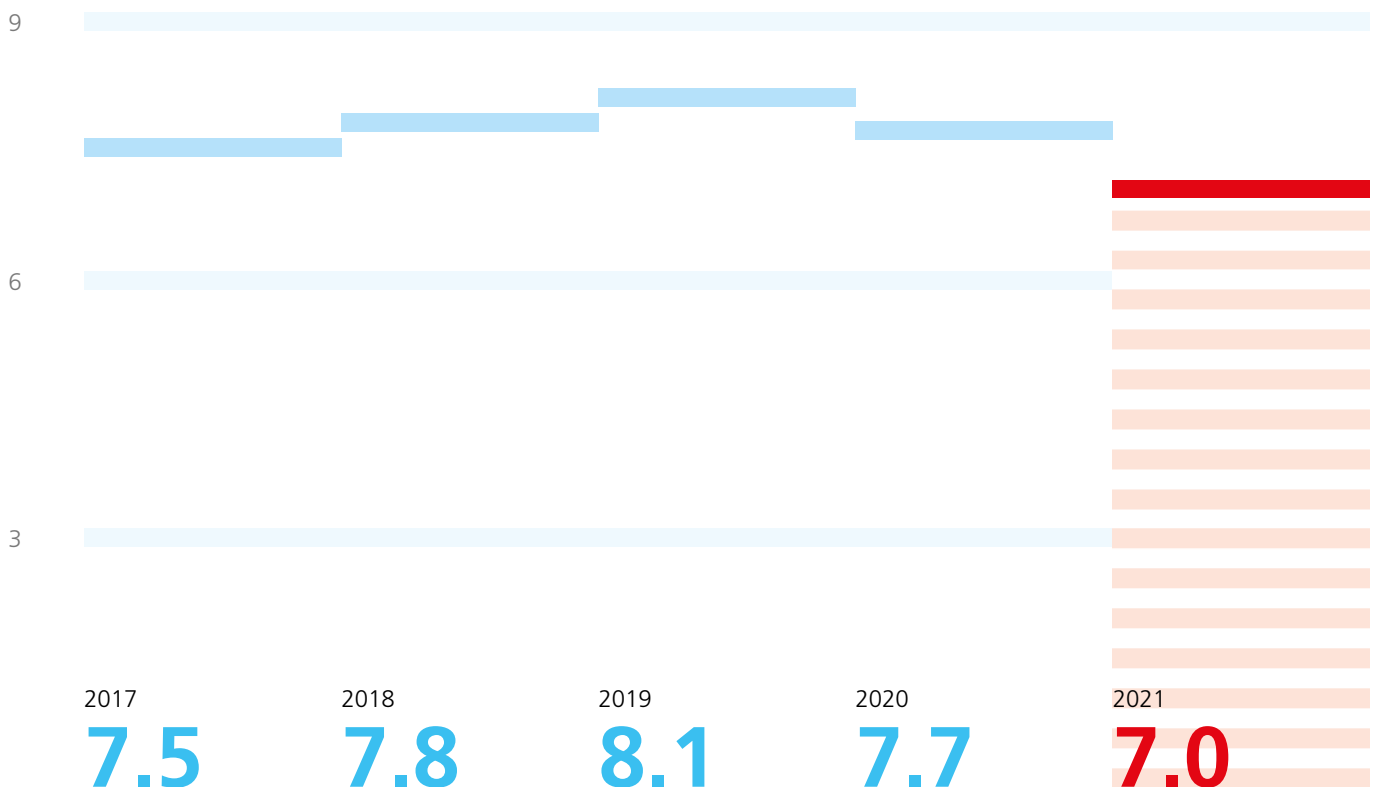
In 2021, we decided to add calendar year 2022 to the existing 2019–2021 policy plan. As a result of the COVID-19 crisis, a number of initiatives have been delayed or scaled down. In 2022, we will start drafting a new policy plan for the years 2023–2025.

The gross budget for operating expenses in 2022 is €9.0 million. One-off items in 2021 have distorted the nominal increase. In 2022, we foresee a slight increase in personnel costs and additional costs for further refinement of our distribution, including installing music meters in the General Licensing segment.

Our withholding percentage remains unchanged at 14.5% in music year 2022.

* The AMvB applied to CMOs until 1 January 2020. However, the Control Board has stated that it will continue to apply the principles of the decree (AMvB) as long as there is no suitable alternative.

GROSS OPERATING EXPENSES 2017-2021 in millions of euros



KEY FIGURES 2021 – 2017

| <i>Amount in thousands of euros</i> | 2021 | | 2020 | 2019 | 2018 | 2017 |
|---|---------------|----------------|---------------|---------------|---------------|---------------|
| INVOICED LICENCE FEE INCOME | | | | | | |
| Dutch use | 59,551 | +11.1% | 53,579 | 64,455 | 62,356 | 59,409 |
| International CMOs | 6,463 | -5.4% | 6,834 | 7,683 | 7,311 | 8,045 |
| Total | 66,014 | +9.3% | 60,413 | 72,138 | 69,667 | 67,454 |
| DISTRIBUTION | | | | | | |
| Rightsholders | 49,580 | -3.4% | 51,299 | 55,227 | 57,981 | 49,457 |
| International CMOs | 8,899 | +1.1% | 8,803 | 10,629 | 9,956 | 9,433 |
| Subtotal | 58,479 | -2.7% | 60,102 | 65,856 | 67,937 | 58,890 |
| Deduction of costs from distribution | (6,902) | +4.1% | (6,631) | (7,326) | (7,498) | (6,686) |
| Total | 51,577 | -3.5% | 53,471 | 58,530 | 60,439 | 52,204 |
| Distributable licence fee income | 66,975 | +8.1% | 61,931 | 67,485 | 65,053 | 66,189 |
| SOCIAL-CULTURAL FUND | | | | | | |
| Addition | 2,758 | -32.3% | 4,072 | 2,936 | 3,552 | 4,061 |
| Expenditure | (3,282) | -26.0% | (4,434) | (3,193) | (2,906) | (2,591) |
| Available for distribution at the end of the financial year | 3,509 | -13.0% | 4,033 | 4,395 | 4,652 | 4,006 |
| STATEMENT OF INCOME AND EXPENDITURE | | | | | | |
| Dutch income | 6,670 | -5.3% | 7,047 | 7,440 | 7,047 | 6,911 |
| International income | 272 | -20.5% | 342 | 321 | 450 | 298 |
| Miscellaneous income | 290 | -27.0% | 397 | 283 | 266 | 209 |
| Subtotal | 7,232 | -7.1% | 7,786 | 8,044 | 7,763 | 7,418 |
| Operating expenses (gross) | (7,016) | -8.7% | (7,687) | (8,092) | (7,813) | (7,483) |
| Subtotal | 216 | +118.2% | 99 | (48) | (50) | (65) |
| Financial result | (216) | +118.2% | (99) | 48 | 50 | 65 |
| Operating result | - | | - | - | - | - |

| | 2021 | | 2020 | 2019 | 2018 | 2017 |
|--|--------|---------------------|--------|---------|---------|---------|
| KEY FIGURES | | | | | | |
| Dutch licence fee income received | 52,812 | -6.0% | 56,212 | 62,553 | 62,568 | 59,759 |
| International licence fee income received | 6,511 | -3.8% | 6,764 | 7,777 | 7,828 | 7,543 |
| Percentage of actual costs withheld | 14.5% | +2.5% _{pt} | 12.0% | 12.0% | 12.0% | 12.0% |
| Net operating expenses expressed as a percentage of: | | | | | | |
| Total licence fee income | 10.1% | -0.6% _{pt} | 11.7% | 10.3% | 10.1% | 10.2% |
| Dutch licence fee income | 11.2% | -2.0% _{pt} | 13.2% | 11.5% | 11.3% | 11.6% |
| Gross operating expenses expressed as a percentage of: | | | | | | |
| Total licence fee income | 10.6% | -2.1% _{pt} | 12.7% | 11.2% | 11.2% | 11.1% |
| Total gross distribution (including addition to Social-Cultural Fund) | 11.5% | -0.5% _{pt} | 12.0% | 10.8% | 10.9% | 11.9% |
| Annual movements in operating expenses (gross) | (671) | - | (405) | 279 | 330 | (102) |
| Decrease/increase in operating expenses (gross) | (8.7)% | -3.7% _{pt} | -5.0% | 3.6% | 4.4% | -1.3% |
| Derivative consumer price index | +1.9% | +0.5% _{pt} | +1.4% | +1.6% | +1.3% | +1.1% |
| Representation of rightsholders | >90% | 0.0% _{pt} | >90% | >90% | >90% | >90% |
| Number of rightsholders with distributions up to and including reporting year* | 88,717 | +32.4% | 67,005 | 66,145 | 62,401 | 58,707 |
| Number of rightsholders with distributions in reporting year* | 49,813 | +40.3% | 35,512 | 33,512 | 30,971 | 27,001 |
| Number of invoiced users | 89,693 | -6.2% | 95,641 | 100,029 | 101,913 | 104,224 |
| Number of employees in FTE (average) | 42.8 | +0.9% | 42.4 | 42.0 | 41.7 | 42.2 |

* From 2018 onwards, the I members are listed separately in the figures. For reporting years 2017 and earlier, only the W and R members are listed here. W and R members are directly affiliated with Sena as rightsholders and have given Sena a worldwide (W) or regional (R) mandate respectively. I members are international rightsholders who are affiliated with Sena via an international sister organization.

ABOUT US

In 1993, the government appointed Sena - the 'Foundation for the Exploitation of Neighbouring Rights' - to regulate the remuneration rights of all artists and music companies for the broadcasting and rebroadcasting of commercially released music in accordance with the Neighbouring Rights Act. We do this on an exclusive basis in the Netherlands, which means that no other parties are authorised to collect and distribute these fees. We represent almost all Dutch performers and producers as well as some international artists. Our mission is to create greater awareness of the value of music among music users, to ensure fair collection of fees for national and international artists and producers, and to distribute these fees as quickly and accurately as possible at the lowest possible cost.

Collection and distribution

We distribute the collected fees according to our distribution rules. We process the playlists from national radio stations with a market share of at least 0.3%, provided they are members of the National Listening Research (NLO). Playlists from regional radio stations are also processed, if they pay us a fee of at least €30,000 on an annual basis. We process the playlists of national television stations for a minimum fee of €60,000, if reported to Stichting Kijkonderzoek (SKO). We also process playlists from background music suppliers such as Mood Media, DJ Matic and Xenox. These playlists report the music use of approximately 600 cafes in the Netherlands.

For public use, the playlist data is processed if a user pays a fee of at least €30,000 or more for one specific establishment. This is subject to the condition that the party responsible for payment has the producer rights for at least two thirds of the total repertoire played. A complete playlist must also be supplied in accordance with the layout required by Sena.

We aim to increase the number of collection sources for which we distribute fees, at a reasonable cost level. In order to distribute fees as accurately and fairly as possible, we apply a primetime and non-primetime minute value for the nationwide television stations and a 25% reduction is applied to the distribution of tracks used as design music.

The definition of design music is: A track used for identification* and/or to frame radio and television programmes and/or channels. When submitting their repertoire claims in MySena, Sena rightsholders should indicate at track level whether the track is design music.

* tunes, jingles, promos, leaders, bumpers, fillers, station idents, underscores.



Our mission is to create greater awareness of the value of music among music users, to ensure fair collection of fees for national and international artists and producers, and to distribute these fees as quickly and accurately as possible at the lowest possible cost.

We pay a large proportion of the money collected under General Licences based on research carried out twice a year by Intomart GfK, commissioned by Sena and Buma. This survey of 1,200 businesses is conducted by phone. Respondents are asked whether they listen to music, and if so, from which source¹.

Fees are then distributed among the various rightsholders based on a distribution key specified in the distribution rules. Half of the reserved fees per track are paid to producers, the other half to performers. The allocation of fees per phonogram/track are distributed as follows:

- a) The total amount available for distribution to the performers and/or producers is divided by the total number of minutes of actual use of repertoire subject to payment per collection source.
- b) This amount per minute is multiplied by the number of minutes played per track. This creates an amount per track for distribution to the performers, who have participated to the track in question, and to the producers.

For popular repertoire, the performers share the amount available for the title(s) they have contributed to, based on the following scale:

- > main artist: band member (any permanent member of the band) and/or soloist with an artist contract and/or exploitation agreement: 5 points;
- > conductor: the person who leads the orchestra, choir or band by means of physical conducting, determining the rhythm and mood for the performer: 3 points;
- > session musicians: session musicians and/or other performers. A session musician who makes a (supporting) musical contribution to a commercially released phonogram of a main artist: 1 point, on the condition that when session musicians have contributed to the recording, the amount to be distributed among the session musicians will never exceed 50% of the total amount available per title.

For classical repertoire, the performers share the amount available for the title(s) they have contributed to, based on the following scale:

- > main artist: soloist and/or member of an ensemble with an artist contract and/or exploitation agreement: 5 points;
- > conductor: the person who leads the orchestra, choir or band by means of physical conducting, determining the rhythm and mood for the performer: 3 points;
- > orchestra member/choir member: member of an orchestra and/or choir and/or substitute and/or session musicians and/or other performers. The orchestra member/choir member who makes a (supporting) musical contribution to a commercially released phonogram of a main artist: 1 point.

A performer can only receive a score for one role per title (main artist, or conductor, or session musician/orchestra member/choir member).


A SoCu withholding percentage is deducted from the collected fees in addition to a fixed withholding percentage. The withholding percentage for the Dutch licence fee income for the year 2021 was set at 14.5%. In addition, we reserve 3% of the funds intended for performers for social-cultural purposes. The Producers section deducts SoCu fees on a project basis. Joint projects are also supported. The Meeting of Affiliates votes on both the SoCu expenditure and the SoCu policy from the previous financial year.

Management model and review of distribution regulations

In accordance with the CMO Quality Mark and the VOI@E Governance Code, our distribution regulations and management model are assessed every three years to make sure they are up to date and applicable. The most recent review of the articles of association and the distribution regulations started in 2021 and will be completed in 2022.

Our current management model, articles of association and distribution regulations also comply with the VOI@E Governance Code for CMOs which is part of the CMO Quality Mark.

¹ Source: GfK Media distribution survey, 2021



ANNUAL ACCOUNTS

BALANCE SHEET AS AT 31 DECEMBER (after appropriation of results)

| ASSETS | 31 December 2021 | | 31 December 2020 | |
|---|-------------------------|---------------|-------------------------|---------------|
| <i>in thousands of euros</i> | € | € | € | € |
| Fixed assets | | | | |
| Intangible fixed assets ¹ | 177 | | 177 | |
| Tangible fixed assets ² | 224 | | 300 | |
| Financial fixed assets ³ | 10,500 | | 10,500 | |
| | | 10,901 | | 10,977 |
| Current assets | | | | |
| Accounts receivable ⁴ | 11,947 | | 7,826 | |
| Accrued receivables and assets ⁵ | 876 | | 970 | |
| | | 12,823 | | 8,796 |
| Cash and cash equivalents ⁶ | | 54,855 | | 56,868 |
| Total assets | | 78,579 | | 76,641 |

| PASSIVA | 31 December 2021 | | 31 December 2020 | |
|---|-------------------------|---------------|-------------------------|---------------|
| <i>in thousands of euros</i> | € | € | € | € |
| Equity capital | | | | |
| | | - | | - |
| Provisions ⁷ | | 392 | | 557 |
| Non-current liabilities | | | | |
| Social-Cultural Fund ⁸ | | 3,753 | | 4,332 |
| Current liabilities | | | | |
| Provision for claims ⁹ | | | | |
| Payable | 58,302 | | 58,888 | |
| Not yet payable | 6,315 | | 2,071 | |
| Liability regarding distribution | 2,358 | | 972 | |
| | | 66,975 | | 61,931 |
| Other current liabilities | | | | |
| Accounts payable | 541 | | 345 | |
| Tax and social security contributions ¹⁰ | 46 | | 55 | |
| Accrued liabilities ¹¹ | 6,872 | | 9,421 | |
| | | 7,459 | | 9,821 |
| Total liabilities | | 78,579 | | 76,641 |

STATEMENT OF INCOME AND EXPENDITURE

| <i>in thousands of euros</i> | 2021 | | 2020 | |
|---|---------|----------------|---------|----------------|
| | € | € | € | € |
| Income | | | | |
| Dutch income | 6,670 | | 7,047 | |
| International income | 272 | | 342 | |
| Miscellaneous income ¹² | 290 | | 397 | |
| | | 7,232 | | 7,786 |
| Operating expenses (gross) | | | | |
| Salaries ¹³ | (3,350) | | (3,221) | |
| Mailing and collection costs ¹⁴ | (1,868) | | (1,752) | |
| Other operating expenses ¹⁵ | (1,406) | | (2,341) | |
| Depreciation of tangible/ intangible fixed assets ¹⁶ | (218) | | (214) | |
| Supervisory costs ¹⁶ | (174) | | (159) | |
| | | (7,016) | | (7,687) |
| Financial Result ¹⁶ | | (216) | | (99) |
| OPERATING RESULT | | - | | - |
| GROSS OPERATING EXPENSES BUDGET ¹⁷ | | (8,844) | | (8,863) |
| Operating expenses (NET) | | (6,670) | | (7,047) |

Net operating expenses are calculated by adding up the following amounts: gross operating expenses plus international income, miscellaneous income and the financial result.

For a comparison with the 2021 Budget, we refer you to page 54 of this annual report.

CASH FLOW STATEMENT 2021

| | 2021 | | 2020 | |
|--|----------|-----------------|----------|-----------------|
| <i>in thousands of euros</i> | € | € | € | € |
| CASH FLOW FROM LICENCE FEE INCOME, DISTRIBUTIONS AND SOCIAL-CULTURAL FUND EXPENDITURE | | | | |
| LICENCE FEE INCOME | | | | |
| NETHERLANDS | 52,812 | | 56,212 | |
| International | 6,511 | | 6,764 | |
| Total licence fee income received | | 59,323 | | 62,976 |
| DISTRIBUTION (NET) | | | | |
| Netherlands | (45,764) | | (46,147) | |
| International | (5,813) | | (7,324) | |
| Total distribution ¹⁸ | | (51,577) | | (53,471) |
| ADVANCE PAYMENT DISTRIBUTION | | - | | (10,500) |
| EXPENDITURE SOCIAL-CULTURAL FUND | | (3,282) | | (4,434) |
| Total cash flow from licence fee income, distributions and social-cultural fund expenditure | | 4,464 | | (5,429) |
| CASH FLOW FROM OPERATIONAL ACTIVITIES | | | | |
| Operating result | (6,454) | | (6,948) | |
| Depreciation of tangible/ intangible fixed assets | 218 | | 214 | |
| Movements in working capital | 117 | | 491 | |
| CASH FLOW FROM OPERATIONAL ACTIVITIES | | (6,119) | | (6,243) |
| CASH FLOW FROM INVESTMENT ACTIVITY | | (142) | | (124) |
| CASH FLOW FROM FINANCING ACTIVITY | | (216) | | (99) |
| MOVEMENT IN CASH AND CASH EQUIVALENTS | | (2,013) | | (11,895) |
| Cash and cash equivalents as at 31 December | | 54,855 | | 56,868 |
| Cash and cash equivalents as at 1 January | | 56,868 | | 68,763 |
| Movement in cash and cash equivalents | | (2,013) | | (11,895) |

STATEMENT OF MOVEMENTS IN LICENCE FEE INCOME

| | 2021 | | 2020 | |
|---|----------|-----------------|----------|-----------------|
| <i>in thousands of euros</i> | € | € | € | € |
| Balance as at 1 january | | 61,931 | | 67,485 |
| INVOICED LICENCE FEE INCOME | | | | |
| Dutch use | 59,551 | | 53,579 | |
| International CMOs | 6,463 | | 6,834 | |
| Subtotal | | 66,014 | | 60,413 |
| DISTRIBUTION (GROSS) | | | | |
| Rightsholders | (49,580) | | (51,299) | |
| International CMOs | (8,899) | | (8,803) | |
| Subtotal | | (58,479) | | (60,102) |
| OTHER MOVEMENTS | | | | |
| Additions | | | | |
| International income | 272 | | 342 | |
| Miscellaneous income | 290 | | 397 | |
| Deduction of costs from distribution | 6,902 | | 6,631 | |
| Deduction of costs from distribution provision for claims | 3 | | 3 | |
| Release of bad debt provision | 217 | | - | |
| Payable distribution | 6 | | - | |
| Performing Artists Fund | 214 | | 213 | |
| Subtotal | | 7,904 | | 7,586 |
| DEDUCTIONS | | | | |
| Operating expenses (gross) | (7,016) | | (7,687) | |
| Financial result | (216) | | (99) | |
| Withholding tax | (1) | | - | |
| Distributable fees | (44) | | - | |
| Distribution payables | - | | (8) | |
| Allocation to bad debt provision | - | | (1,021) | |
| Allocation to distribution payables provision | (36) | | (106) | |
| Withdrawal for the provision of post-claims (gross) | (79) | | - | |
| Social-Cultural Fund | (2,482) | | (4,188) | |
| Deduction of costs on international distribution | (271) | | (342) | |
| Withdrawal SoCu music year write-off | (250) | | - | |
| Subtotal | | (10,395) | | (13,451) |
| Balance as at 31 december | | 66,975 | | 61,931 |



CONSOLIDATED ACCOUNTING PRINCIPLES

General

Amounts are expressed in thousands of euros, unless otherwise stated. The general principle for valuing the assets and liabilities, and determining the result, is the acquisition or manufacturing cost. Unless otherwise stated, assets and liabilities are shown at face value. We prepare our financial statements in accordance with Title 9, Book 2 of the Dutch Civil Code. We also take into account the provisions of guideline RJ640 of the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

Comparison with previous year

The accounting policies have remained unchanged from the previous year. The figures for 2020 have been reclassified where necessary to allow comparison with 2021. The adjustments made are not material changes.

Estimates

In preparing the financial statements, the Executive Board – in accordance with generally accepted accounting principles – is required to make certain estimates and assumptions that help to determine the amounts presented. The actual results may differ from these estimates.

Foreign currency

Functional currency

The items in Sena's financial statements are measured using the currency of the economic environment in which the company primarily conducts its business activities (the functional currency). The financial statements are drawn up in euros; this is Sena's functional and presentation currency.

Transactions, receivables and liabilities

Transactions in foreign currencies during the reporting period are included in the financial statements at the exchange rate on the transaction date. The foreign currency account is measured at the exchange rate as at year-end. Any measurement differences resulting from the conversion are stated under 'liabilities regarding distribution'. Monetary assets and liabilities in foreign currencies are converted into the functional currency at the exchange rate on the balance sheet date. Non-monetary assets that are measured at cost in a foreign currency are converted.

Operational leases

The company has lease contracts where a large part of the advantages and disadvantages associated with ownership does not lie with the company. These lease contracts are accounted for as operational leases. Lease payments are included in the profit and loss statement on a straight-line basis over the term of the contract, taking into account any fees received from the lessor.

VALUATION PRINCIPLES FOR ASSETS AND LIABILITIES

Intangible and tangible fixed assets

The tangible and intangible fixed assets are carried at acquisition or manufacturing cost, less straight-line depreciation based on the expected economic life and impairments, if applicable.

Development costs

Expenditure on development projects is capitalised as part of the manufacturing cost if it is likely that the project will be commercially and technically successful (i.e. if it is expected that economic benefits will be achieved) and the costs can be reliably determined. For the capitalised development costs, a legal reserve has been created under the 'liabilities regarding distribution' item of the capitalised amount. Amortisation of the capitalised development costs commences as soon as commercial production starts and will be applied on a straight-line basis over the expected future useful life of the asset. Research costs are included in the profit and loss account.

Financial fixed assets

Receivables included in financial fixed assets are initially carried at fair value less transaction costs (if material). These receivables are subsequently measured at amortised cost. The valuation takes into account any impairment losses.

Impairment of fixed assets

For financial assets measured at amortised cost, the amount of impairment is measured as the difference between the book value of the asset and the best estimate of future cash flows discounted at the financial asset's effective interest rate as determined on initial recognition.

The impairment loss previously recognised shall be reversed if the decrease in the impairment loss relates to an objective event occurring after the write-off. The reversal is limited to the maximum amount necessary to value the asset at its amortised cost at the time of the reversal, if no impairment had occurred. The reversed loss is recognised in the profit and loss statement.

Receivables

All receivables have a remaining term of less than one year, unless otherwise stated. The fair value of the receivables is close to the book value, given the short-term nature of the receivables and the fact that bad debt provisions have been created where necessary.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, as well as derivative financial instruments (derivatives). Sena does not use derivative financial instruments. The accounting policies relating to the primary financial instruments are explained in the notes to the individual balance sheet items.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with a term to maturity of less than 12 months. Cash and cash equivalents are carried at nominal value.

Provisions

Provisions are made for legally enforceable or actual liabilities that exist at the balance sheet date, for which it is likely that an outflow of resources will be necessary, and where the extent of which can be reliably estimated.

Pensions

We offer our employees a (*defined contribution*) pension scheme, where the pension payments are based on the available contributions. This pension scheme is administered by an insurance company. The contributions payable over the financial year are recognised as an operating expense. We include a reserve for contributions not yet paid by the balance sheet date. There are no other obligations apart from the contribution payments. As the contributions owed have a short-term nature, they are stated at the nominal value. In the event that the contributions paid out exceed the premiums payable to the pension provider, the surplus is included on the balance sheet as an accrual asset, insofar as the pension provider provides reimbursement or settlement with contributions payable in the future.

Non-current liabilities

Non-current liabilities include liabilities with a remaining term of more than one year. Liabilities are initially carried at fair value and are subsequently measured at amortised cost.

Current liabilities

Current liabilities generally have an expected term of up to one year. Liabilities are initially carried at fair value and are subsequently measured at amortised cost. The amortised cost is equal to the nominal value.

Liabilities regarding distribution

The liabilities regarding distribution to rightsholders are accounted for in accordance with the provisions of the articles of association and the distribution regulations. Invoiced licences are recognised at the time of invoicing if there is certainty of mutual agreement on the invoiced amounts. The 'liabilities regarding distribution' item is carried at nominal value.

Outstanding amounts

The outstanding amounts item is carried at nominal value. This item is created because of the balance between the withholding percentage and the actual cost percentage. The item is calculated by multiplying the applicable cost

withholding percentage by the received licence revenue in the reporting year per music year, minus the net operating expenses. This item also changes due to the unrealised part of the cost deduction of the receivables movement. Any other movements will be clarified in the notes. A positive balance created in the reporting year, if the balance is still positive after five years, can be allocated by the Board of Affiliates (RvA) as follows:

- > Addition to the liability regarding distribution and to the licence year where a positive balance was created at the time;
- > Block for payment until otherwise directed by a decision by the Board of Affiliates;
- > Allocation to the provision for after-claims if it concerns a remaining amount;
- > Allocation for the purpose of SoCu if it concerns a remaining amount.

PRINCIPLES FOR DETERMINING THE RESULT

General

The result is determined as the difference between the turnover and all related costs attributable to the reporting year. The costs are determined in accordance with the aforementioned valuation principles, on a historical basis and allocated to the reporting year to which they relate. Losses are accounted for in the year in which they are foreseeable.

Dutch income

Our services mainly consist of invoicing licence fees, registering repertoire, processing playlists and making distributions to the rightsholders. These activities may take place in a year other than the collection year. Since the result of these services cannot be estimated with reasonable accuracy in the interim, the revenue is recognised at the level of the costs incurred. The difference between the fee deduction and the actual operating expenses is credited or debited directly to the liability regarding distribution.

International income

This item is used to account for the income resulting from the withholding percentage on international distribution.

Other income

This item is used to account for the income generated by other services

Costs

The costs are determined historically and allocated to the reporting year to which they relate.

Periodically payable remunerations

The remuneration owed to staff is included in the statement of income and expenditure based on the terms of employment.

Depreciation

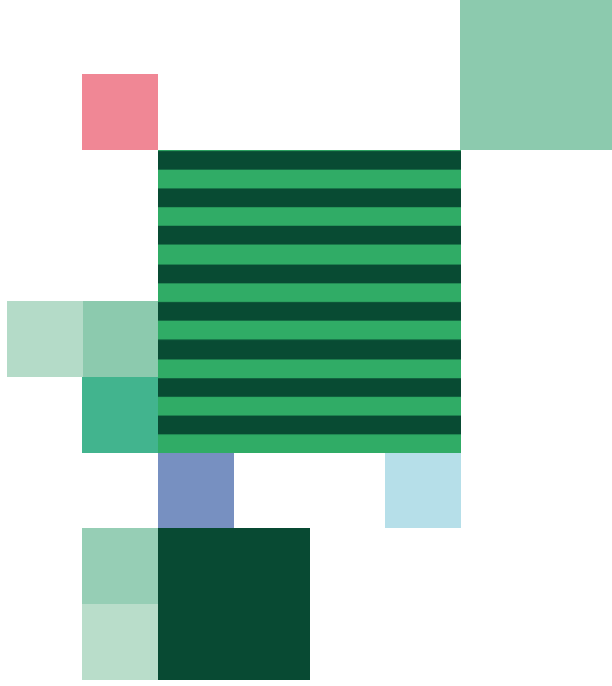
Depreciation is related to the acquisition value of the intangible and tangible fixed assets concerned. Depreciation is based on the estimated economic life and calculated based on a fixed percentage of the acquisition price, taking account any residual value. Depreciation starts from the moment an asset is put into use.

Financial result

Realised financial results relate to funds deposited with banks (deposits, savings accounts and current accounts) and are reported in the year to which they relate. Exchange rate differences that arise during the settlement or currency conversion are recognised in the profit and loss statement in the period in which they occur, unless hedge accounting is used.

CASH FLOW STATEMENT PRINCIPLES

The cash flow statement principles are governed by guideline RJ640 of the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving). However, on some points the legal requirements have been deviated from, because this provides a better insight into Sena's activities. Cash flow from licence fee income, distribution, advance distribution payments and expenditure of the Social-Cultural Fund is prepared using the direct method. Cash flow arising from other operating activities is prepared using the indirect method.



NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER

INTANGIBLE FIXED ASSETS (1)

Movements in this item are as follows:

| | 2021 | 2020 |
|-------------------------------|------------|------------|
| | Software | Software |
| Book value 1 January | 177 | 185 |
| Investments | 67 | 60 |
| Disinvestments | (74) | - |
| Depreciation | (67) | (68) |
| Depreciation of disinvestment | 74 | - |
| Book value 31 December | 177 | 177 |

In 2021, we invested in the continued development of the Sena app and the transition from Qlikview to PowerBI. The disinvestments concern software that we no longer use.

The total acquisition value and depreciation are:

| | 2021 | 2020 |
|-------------------------------|------------|------------|
| Acquisition value | 4,741 | 4,749 |
| Cumulative depreciation | (4,564) | (4,572) |
| Book value 31 December | 177 | 177 |

Depreciation rates

The following depreciation rates are used: software (20%).

TANGIBLE FIXED ASSETS (2)

Movements in this item are as follows:

| | Refurbishment | Fixtures and fittings | Hardware | 2021 | 2020 |
|-------------------------------------|---------------|-----------------------|------------|------------|------------|
| Book value as at 1 January | 15 | 116 | 169 | 300 | 383 |
| Investments | - | 2 | 73 | 75 | 63 |
| Disinvestments | - | (13) | (10) | (23) | (141) |
| Depreciation | (4) | (31) | (116) | (151) | (146) |
| Depreciation of disinvestments | - | 13 | 10 | 23 | 141 |
| Book value as at 31 December | 11 | 87 | 126 | 224 | 300 |

Investments in 2021 were made primarily for the purchase of new servers and laptops. A number of disinvestments were made, mainly for servers that are no longer in use. In addition, disinvestments were made for fully depreciated furniture no longer in use.

The total acquisition value and depreciation are:

| | Refurbishment | Fixtures and fittings | Hardware | 2021 | 2020 |
|-------------------------------|---------------|-----------------------|------------|------------|------------|
| Acquisition value | 164 | 240 | 596 | 1,000 | 949 |
| Cumulative depreciation | (153) | (153) | (470) | (776) | (649) |
| Book value 31 December | 11 | 87 | 126 | 224 | 300 |

Depreciation rates

The following depreciation percentages are used: refurbishment (20%), fixtures and fittings (20%) and hardware (33.33%).

FINANCIAL FIXED ASSETS (3)

The movement in financial fixed assets is specified as follows:

| | 2021 | 2020 |
|---|---------------|---------------|
| Balance as at 1 January | - | - |
| Advance payment issued | 10,500 | 10,500 |
| Settlement of advance with distribution payment | - | - |
| Balance 31 December | 10,500 | 10,500 |

All receivables included in financial fixed assets have a remaining maturity of more than one year.

Furthermore, the advance payment has the following characteristics:

- › Repayment takes place once Sena no longer pays interest on its outstanding balances (the interest rate is greater than or equal to 0%);
- › The advance amount will be set-off against distribution whereby this takes precedence over the distribution payment;
- › Sena has the right, in exceptional situations, to settle the advance amount earlier;
- › No securities have been given for the advance amount paid;
- › 0% interest will be charged on the advance amount and is intended to reduce the balance of Sena's holdings with financial institutions.

ACCOUNTS RECEIVABLE (4)

| | 2021 | 2020 |
|----------------------------------|---------------|--------------|
| Receivables | 12.798 | 8.927 |
| Bad debt provision | (851) | (1.101) |
| Balance as at 31 December | 11.947 | 7.826 |

Movements in receivables and bad debt provision

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| ACCOUNTS RECEIVABLE | | |
| Balance as at 1 January | 8,927 | 10,920 |
| Invoiced licence fee income | 66,014 | 60,413 |
| Revenue | (59,323) | (62,976) |
| Written off against the provision | (33) | (37) |
| Other | (2,787) | 607 |
| Balance as at 31 December | 12,798 | 8,927 |

BAD DEBT PROVISION

| | | |
|----------------------------------|----------------|----------------|
| Balance as at 1 January | (1,101) | (118) |
| Debts written off | 33 | 37 |
| Additions/Release | 217 | (1,020) |
| Balance as at 31 December | (851) | (1,101) |

In 2021, accounts receivable increased by €4.1 million. Part of the invoicing took place later in the year due to COVID-19 and the discussions regarding the RAAP-PPI and Atresmedia rulings. As a result, the revenue will also arrive later.

The 'other' item consists mainly of the change in the 'unrealised licence fee income' item. The previously reserved licence fee income for dance was released in 2021, in line with the legal ruling. The accumulation for release was €4.5 million.

The amount of the provision for receivables was determined partly based on receivables written off in the past. In addition, for the receivables from Scan, the age and expected collectability of the invoices was considered, which resulted in a release of the provision.

ACCRUED RECEIVABLES AND INCOME (5)

| | 2021 | 2020 |
|--|------------|------------|
| Prepaid expenses | 193 | 183 |
| Distribution payables | 374 | 411 |
| Provision for distribution payables | (32) | (27) |
| Unallocated share Ministry of Education, Culture and Science (OCW) | 244 | 299 |
| Other | 97 | 104 |
| Balance as at 31 December | 876 | 970 |

The 'distribution payables' item as of 2021 is €374,000 and concerns claims against rightsholders. This year we have again included a provision for potential irrecoverable debts. The 'other' item consists mainly of amounts to be received relating to matters like *fingerprinting*.

CASH AND CASH EQUIVALENTS (6)

| | 2021 | 2020 |
|----------------------------------|---------------|---------------|
| Savings account/deposit | 18,822 | 26,480 |
| Current account | 36,033 | 30,388 |
| Balance as at 31 December | 54,855 | 56,868 |

Cash and cash equivalents are deposited with various banks (whose ratings fit the investment status).

PROVISIONS (7)

| Staff provisions | 2021 | 2020 |
|----------------------------------|-------------|-------------|
| Anniversary provisions | 77 | 57 |
| Balance as at 31 December | 77 | 57 |

The provision has been created for the purpose of anniversary allowances to employees of Sena, in accordance with the provisions in the personnel manual.

| Provision for claims, disputes and litigation | 2021 | 2020 |
|--|-------------|-------------|
| Legal advice and legal costs | 234 | 479 |
| Balance as at 31 December | 234 | 479 |

In relation to ongoing legal proceedings, a provision has been made for expected costs for legal advice and litigation expenses.

Provision for after-claims

Following a decision by the Performers and Producers sections on 17 March 2017, the “provision for after-claims” item was created. Claims granted that relate to completed music years can be paid from this item. On 10 March 2021, both sections decided to add an additional allocation totalling €79,000 to this provision. In 2021, a total of €19,000 was paid out for old claims.

| | Performers | Producers | 2021 | 2020 |
|----------------------------------|-------------------|------------------|-------------|-------------|
| Balance as at 1 January | 3 | 18 | 21 | 51 |
| Additions | 47 | 32 | 79 | - |
| Subtotal additions | 47 | 32 | 79 | - |
| Payment | (7) | (12) | (19) | (30) |
| Release | - | - | - | - |
| Subtotal withdrawals | (7) | (12) | (19) | (30) |
| Balance as at 31 december | 43 | 38 | 81 | 21 |

| SPECIFICATIONS PER YEAR | Balance as at 1 January | Addition | Withdrawal | Balance as at 31 December |
|--------------------------------|--------------------------------|-----------------|-------------------|----------------------------------|
| t/m 2020 | 21 | - | (19) | 2 |
| 2021 | - | 79 | - | 79 |
| TOTAL | 21 | 79 | (19) | 81 |

This item has a limitation period of three years. If a balance remains after three years, it will be used again for the liability regarding distribution.

SOCIAL-CULTURAL FUND (8)

This item is based on decisions by the respective sections and relates to expenses and/or reserves for social, cultural and/or educational projects. The additions are based on joint financing of projects for the high expenditures. An advance deduction of 3% is also applied to the domestic Dutch collection share for performers. Finally, extra additions are also accounted for by producers based on actual expenditure. The reserves are intended for social, cultural and/or educational projects where the section representatives are responsible for the expenditure. Half of the undistributed funds from the Dutch performers collection for music year 2017 were added to the Social-Cultural Fund in 2021. In addition, half of the undistributed international performers fees for music year 2011 were also added to the Social-Cultural Fund.

| | Performers | Producers | 2021 | 2020 |
|---|----------------|--------------|----------------|----------------|
| Balance as at 1 January | 4,033 | - | 4,033 | 4,395 |
| Additions for joint projects | 271 | 271 | 542 | 1,796 |
| Additions in financial year | 750 | 107 | 857 | 917 |
| Additions of undistributed fees | 1,109 | 250 | 1,359 | 1,359 |
| Subtotal additions | 2,130 | 628 | 2,758 | 4,072 |
| Expenditure on joint projects | (271) | (271) | (542) | (1,796) |
| Expenditure in financial year | (2,383) | (357) | (2,740) | (2,638) |
| Subtotal expenditure | (2,654) | (628) | (3,282) | (4,434) |
| Balance as at 31 December | 3,509 | - | 3,509 | 4,033 |
| Unallocated share Ministry of Education, Culture and Science (OCW) from the Music Production Fund | 244 | - | 244 | 299 |
| Balance as at 31 December | 3,753 | - | 3,753 | 4,332 |

| SPECIFICATIONS PER YEAR | Balance as at 1 January | Addition | Withdrawal | Balance as at 31 December |
|--|----------------------------|--------------|----------------|------------------------------|
| Up to and including 2010 | 2,457 | - | - | 2,457 |
| 2020 | 1,576 | - | (1,576) | - |
| 2021 | - | 1,399 | (1,399) | - |
| 2021 (addition for music year 2018) | - | 1,349 | (307) | 1,042 |
| 2021 (addition for music year 2011 international collection) | - | 10 | - | 10 |
| Total | 4,033 | 2,758 | (3,282) | 3,509 |

This item is mainly long-term as the balance up to and including 2010 (€2.5 million) has no limitation period. The balance remaining after addition in the reporting year has a limitation period of three years.

SOCIAL, CULTURAL AND EDUCATIONAL SERVICES

| | 2021 | 2020 |
|--|--------------|--------------|
| EXPENDITURE (USE) | | |
| Social-Cultural projects | 2,578 | 3,265 |
| Sena Performers Magazine | 87 | 85 |
| Grants by Sena Performers Music Production Fund ¹ | 550 | 1,010 |
| Total use | 3,215 | 4,360 |
| EXPENDITURE (MANAGEMENT) | | |
| Social-Cultural projects | 51 | 55 |
| Sena Performers Music Production Fund | 16 | 19 |
| Total management costs | 67 | 74 |
| Total | 3,282 | 4,434 |

The management costs listed in the overview above only includes out-of-pocket costs. Sena supports the Social-Cultural Fund on an administrative and promotional level. The costs involved are part of the total operating costs.

¹ The total budget for the Sena Performers Music Production Fund in 2021 was €2.2 million (€300.000 allocated from the Social-Cultural Fund, €250.000 in additional allocations from the Producers section from the closure of music year 2017, €1.0 million allocated from the Ministry of Education, Culture and Science (OCW), €353.000 from the Sena Production Fund Producers in connection with undistributed funds (financed from OCW) en €283.000 in repaid loan instalments from the Sena Performers Music Production Fund. Of the available total amount, €2.1 million was awarded to new applications in 2021 (2020: €2.1 million).

MUSIC PRODUCTION FUND

| | Social-Cultural Fund | OCW | 2021 | 2020 |
|--|----------------------|--------------|--------------|--------------|
| Balance as per 1 January | 47 | 299 | 346 | - |
| Performers | 300 | - | 300 | 900 |
| Producers | 250 | - | 250 | 100 |
| Ministry of Education, Culture and Science (OCW) | - | 1,353 | 1,353 | 1,050 |
| Repayment of loan parts | 283 | - | 283 | - |
| Emergency fund balance | - | - | - | 401 |
| TOTAL ADDITIONS | 833 | 1,353 | 2,186 | 2,451 |
| Tranche 1 | 230 | 457 | 687 | 147 |
| Tranche 2 | 226 | 454 | 680 | 831 |
| Tranche 3 | 249 | 497 | 746 | 446 |
| Tranche 4 | - | - | - | 681 |
| Total expenditure | 705 | 1,408 | 2,113 | 2,105 |
| Total | 175 | 244 | 419 | 346 |

LIABILITY REGARDING DISTRIBUTION (9)

The liability regarding distribution is of a long-term but generally current nature. The moment at which this liability is distributed depends on the income from receivables and progress made in distribution to rightsholders. Distribution depends on the status of the distribution process (the moment of processing the rightsholders claims and processing the playlists). The 'Not yet payable' item relates to the receivables position. From 2015 up to and including 2020, Sena has applied differentiated withholding percentages: 12% on domestic licence fee income, 4% on income from EU and EFTA countries and 6% on income from other countries. From the music year 2021, we apply 14.5% for domestic licence fee income and 5.5% for international licence fee income.

| PAYABLE | Netherlands | International | Total 2021 | Netherlands | International | Total 2020 |
|--|--------------------|----------------------|-------------------|--------------------|----------------------|-------------------|
| Balance as at 1 January | 57,049 | 1,839 | 58,888 | 59,012 | 2,741 | 61,753 |
| DISTRIBUTION | | | | | | |
| Gross distribution | (52,395) | (6,084) | (58,479) | (52,436) | (7,666) | (60,102) |
| Cost deduction | 6,631 | 271 | 6,902 | 6,289 | 342 | 6,631 |
| Net distribution | (45,764) | (5,813) | (51,577) | (46,147) | (7,324) | (53,471) |
| SOCIAL-CULTURAL FUND | | | | | | |
| Gross deduction | (2,850) | (11) | (2,861) | (4,759) | - | (4,759) |
| Cost deduction | 378 | 1 | 379 | 571 | - | 571 |
| Net deduction | (2,472) | (10) | (2,482) | (4,188) | - | (4,188) |
| INVOICED LICENCE FEE INCOME | | | | | | |
| Invoiced licence fee income | 59,551 | 6,463 | 66,014 | 53,579 | 6,834 | 60,413 |
| Movement in receivables | (6,739) | 48 | (6,691) | 2,633 | (70) | 2,563 |
| Total received licence fee income | 52,812 | 6,511 | 59,323 | 56,212 | 6,764 | 62,976 |
| Movement in receivable licence fee income | 2,851 | - | 2,851 | (674) | - | (674) |
| Movement in other receivables items | (64) | - | (64) | 66 | - | 66 |
| Movement in outstanding amounts | (1,386) | - | (1,386) | 1,766 | - | 1,766 |
| Operating expenses (net) | (6,670) | - | (6,670) | (7,047) | - | (7,047) |
| Deduction of withholding tax | - | (1) | (1) | - | - | - |
| International deduction of costs | - | (271) | (271) | - | (342) | (342) |
| Deduction of costs for provision of claims | 3 | - | 3 | 3 | - | 3 |
| Withdrawal under provision of claims | (79) | - | (79) | - | - | - |
| Addition to Performers Fund | 214 | - | 214 | 213 | - | 213 |
| Additional liability for various claims and titles | (44) | - | (44) | - | - | - |
| Ruling settlement 12 March 2019 | 18 | (18) | - | - | - | - |
| Currency gains/losses | (250) | - | - | - | - | - |
| Movement in distribution payables | 6 | - | 6 | (8) | - | (8) |
| Addition of provision for distribution payables | (36) | - | (36) | (106) | - | (106) |
| Received payment for ruling settlement** | 200 | - | 200 | - | - | - |
| Distributed payment for ruling settlement** | (200) | - | (200) | - | - | - |
| Reclassification of unrealised licence fee income | (123) | - | (123) | (2,053) | - | (2,053) |
| Other movements | (5,560) | (290) | (5,850) | (7,840) | (342) | (8,182) |
| Balance as at 31 December | 56,065 | 2,237 | 58,302 | 57,049 | 1,839 | 58,888 |

** An additional payment took place in the wake of the settlement of a long-running procedure.

| NOT YET PAYABLE | Netherlands | | International | | Total 2021 | | Netherlands | | International | | Total 2020 | |
|---|--------------------|-----------|----------------------|--------------|-------------------|--------------|--------------------|--|----------------------|--|-------------------|--|
| Balance as at 1 January | 1,997 | 74 | 2,071 | 2,990 | 4 | 2,994 | | | | | | |
| Movement in receivables | 4,169 | (48) | 4,121 | (3,046) | 70 | (2,976) | | | | | | |
| Reclassification of unrealised licence fee income | 123 | - | 123 | 2,053 | - | 2,053 | | | | | | |
| Balance as at 31 December | 6,289 | 26 | 6,315 | 1,997 | 74 | 2,071 | | | | | | |

| OUTSTANDING AMOUNTS | Netherlands | | International | | Total 2021 | | Netherlands | | International | | Total 2020 | |
|---|--------------------|--------------|----------------------|---------------|-------------------|---------------|--------------------|--|----------------------|--|-------------------|--|
| Balance as at 1 January | 972 | - | 972 | 2,738 | - | 2,738 | | | | | | |
| 16% deduction of costs from Dutch licence fee income received | 2 | - | 2 | 11 | - | 11 | | | | | | |
| 12% deduction of costs from Dutch licence fee income received | 395 | - | 395 | 6,737 | - | 6,737 | | | | | | |
| 14,5% deduction of costs from Dutch licence fee income received | 7,179 | - | 7,179 | | | | | | | | | |
| Operating expenses (net) | (6,670) | - | (6,670) | (7,047) | - | (7,047) | | | | | | |
| After-claim | 22 | - | 22 | (1,005) | - | (1,005) | | | | | | |
| Other movements | 458 | - | 458 | (462) | - | (462) | | | | | | |
| Balance as at 31 December | 2,358 | - | 2,358 | 972 | - | 972 | | | | | | |
| Liability regarding distribution | 64,712 | 2,263 | 2,358 | 60,018 | 1,913 | 61,931 | | | | | | |

The distribution and payment of the fees took place based on the distribution regulations (see explanation in the chapter 'About us'). Due to the difference in music years, two different cost deductions have also been used above. The 'Netherlands' column also includes the addition (€214,000) and the distribution (€170,000) from the Performers Fund. The work in progress balance for the Performers Fund is therefore €204,000 at the end of 2021.

The 'other movements' item relates to the withholding costs for debtors' movement (€555,000), the movement in the balance of double claims from closed years (€2,000), the movement in other debtors (- €100,000) and the movement in the reserve for the Social-Cultural Fund (€14,000).

The intangible assets include an item for development costs of the Sena app.

THE NETHERLANDS

The overview below shows the payable component of the liabilities, divided by music year. This breakdown of the distribution obligation is a requirement set by the Copyright and Neighbouring Rights Collective Management Organizations Control Board well as being one of the criteria for the CMO Quality Mark.

| | Age | Licence fee income | Double claims | Total |
|-------------------------------------|----------------|--------------------|---------------|---------------|
| Up to and including 2016 | ≥5 year | 4,056 | 340 | 4,396 |
| 2017 | <5 and ≥3 year | 1,979 | 117 | 2,096 |
| 2018 | <3 year | 5,220 | - | 5,220 |
| 2019 | <3 year | 7,568 | - | 7,568 |
| 2020 | <3 year | 12,631 | - | 12,631 |
| 2021 | <1 year | 24,154 | - | 24,154 |
| Total net distributable fees | | 55,608 | 457 | 56,065 |

Since 2009, the reservation period has been three years after the end of a music year. Music year 2017 will be closed in 2021. The remaining balance of undistributed fees has been distributed in accordance with the decision by the section delegates as follows: the producer share was largely distributed to the producers (€1.7 million gross) with an extra payment made to the Social-Cultural Fund (€250,000). 50% (€1.3 million gross) of the performers' share was paid to the performers and 50% was added to the Social-Cultural Fund (€1.1 million after deduction of costs and VAT). The remaining balance for music year 2017 in the above table consists of double claims and reservations for licence fee income to be realised. We will process the final claims for music year 2018 in the first quarter of 2022, so that this music year can be closed during 2022.

Our mission statement says that we aim to distribute fees as quickly and as accurately as possible. The law states that in accordance with Section 2i (3) of the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act, we must distribute fees within nine months of the end of the collection year, unless there are reasonable grounds for not doing so. We more than fulfil this requirement for most of our distribution activities as we are one of the few collective management organizations who are able to distribute licence fees to rightsholders in the year of collection. On 30 September 2021, the balance from 2020 was €15.4 million, taking into account the distribution period of nine months after the collection year. Objective reasons for the part that we are unable to pay within the stipulated period include delayed delivery of playlists, repertoire played but not (yet) claimed and rightsholders who have not (yet) registered. These rightsholders have the option to register and/or claim repertoire within a three-year period after the end of the collection year. We make every effort to trace rightful rightsholders. We do this using internet searches, enquiring with rightsholders known to us and suggestions on our online portal MySena and the Sena app. We also actively participate in VDRB and RDx. Despite these efforts, it is not always possible to find the rightsholders within three years. After this period has expired, the fees not paid out are designated as undistributed fees and submitted for a decision by the section representatives of the Producers section and the Performers section.

INTERNATIONAL

There is great divergence in the breakdown of the payments received from international sister organizations partly due to differences in national distribution rules. This can slow down the lead time of processing distributions. Section 2k (5) of the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) stipulates that the collected fees must have been distributed within six months of collection. Furthermore, the settlements usually relate to multiple years, making it difficult to distinguish collection years from music years. For this reason, the outstanding international distributable fees have been shown separately. At the end of 2021, the total amount of international collection still to be distributed is €2.2 million.

| | Age | Collection year | Music year |
|----------------------------|-----------------|------------------------|-------------------|
| 2012 | >5 years | - | 12 |
| 2013 | >5 years | - | 1 |
| 2014 | >5 years | - | (5) |
| 2015 | >5 years | - | 20 |
| 2016 | >5 years | - | 45 |
| 2017 | >3 and ≤5 years | - | 74 |
| 2018 | >1 and ≤3 years | - | 58 |
| 2019 | >1 and ≤3 years | - | 71 |
| 2020 | >1 and ≤3 years | - | 61 |
| 2021 | ≤1 year | 1,892 | 7 |
| Total amount to pay | | 1,892 | 344 |

The above figures show that not all income can be distributed in full within 6 months of receipt. One important reason for this is that we do not always receive the necessary information about relatively old years correctly and/or completely. As a result, it may be that Sena no longer has the mandate for a rightsholder, or that parts of the amount received remained unspecified. As soon as we can process the collected fees through our distribution system, the same reasons apply as to when distribution is not possible as stated in the Dutch collection. Examples of this are unknown rightsholders or not yet claimed repertoire.

In 2021, the year 2011 was closed for international collection. The resulting balance has been offset against old balances. The remainder of €29,000 was partly added to the distribution and partly to the Social-Cultural Fund. The balance shown under collection year 2021 mainly relates to the fees received in November and December 2021.

OTHER CURRENT LIABILITIES

| | 2021 | 2020 |
|---|--------------|--------------|
| Payables | 541 | 345 |
| Tax and social security contributions ¹⁰ | 46 | 55 |
| Accrued liabilities ¹¹ | 6,872 | 9,421 |
| Balance as at 31 December | 7,459 | 9,821 |

The negative items consisting of receivables owed by rightsholders have been removed from the payables balance and presented separately under the 'distribution payables' item under other receivables.

Accrued liabilities

The accrued liabilities mainly consist of reserves for holiday entitlements, holiday pay, external consultants, playlists, invoiced licence fee income and interest costs. The advance on the grant in respect of NOW's fourth application period is also presented here. During 2021, Sena did not meet the conditions and the advances for periods one to three have already been repaid. We will return the advance payments for the fourth period in early 2022. At the end of 2021, the balance sheet also includes an amount of licence fee income that has not yet been realised. The reason for creating this balance sheet item is the lack of mutual agreement on the invoiced amounts. Also included is an item for revenue to be credited due to mandatory closures as a result of the government restrictions taken during the COVID-19 crisis.

LIABILITIES AND RIGHTS NOT SHOWN IN THE BALANCE SHEET

As of 31 December 2021, the following off-balance-sheet liabilities have been undertaken:

| | < 1 year | 1-5 years | > 5 year |
|--|------------|--------------|----------|
| Rent (term up to and including 04-2026) | 244 | 813 | - |
| Lease contracts for cars | 51 | 56 | - |
| Copiers (term up to and including 01-2027) | 4 | 17 | 1 |
| Lessor's bank guarantee | - | 25 | - |
| Guarantee to Scan | - | 1,000 | - |
| Total | 299 | 1,911 | 1 |

At the end of 2021, a dispute arose with a music user as a result of the European Court of Justice ruling concerning Atresmedia/AGEDI and AIE in 2020. Sena will have to defend itself and incur legal costs. Based on legal advice received to date, there is no reason to establish a provision for this in the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, the section representatives of the Producers and Performers section made a decision 18 March 2022 regarding the undistributed funds from 2018. The Producers section decided to add €1 million from the undistributed fees from music year 2018 to the Social-Cultural Fund and to add the remainder to the funds earmarked for distribution. The Performers Section decided that 50% of their share will be added to the fees intended for distribution and the other 50% to the Social-Cultural Fund.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

OTHER INCOME (12)

In the statement of income and expenditure, other income includes fees for our services to NVPI, Stichting NORMA and the fees received from radio and television stations for the use of *fingerprinting*.

SALARIES (13)

| | 2021 | 2020 |
|-------------------------------|--------------|--------------|
| Wages and salaries | 2,574 | 2,477 |
| Social security contributions | 558 | 534 |
| Pension costs | 218 | 210 |
| Total | 3,350 | 3,221 |

In 2021, Sena employed an average of 47.5 people (2020: 47.1), with the average of 42.8 FTEs (2019: 42.4). In 2021, the number of FTEs was broken down as follows: 5.1 FTE board and office management, 6.5 FTE commercial, 12.6 FTE distribution, 1.9 FTE legal positions and 16.7 FTE in IT, data analysis, communication and finance.

Sena had a relatively high turnover of 14.9% in 2021 (7 employees; 2020: 2.1%, 1 employee). A number of vacancies remained open longer than we are used to. For example, the Communication Manager and Account Manager Media & Events vacancies were still open at the end of the year. The sickness absence rate rose slightly from 0.89% in 2020 to 1% in 2021. The sickness reporting frequency fell slightly in 2021 from an average of 0.79 to 0.75.

In 2021, salary costs were €129,000 higher than in 2020. This is mainly due to the increase in FTEs and bonus payments. This did not take place in 2020. In addition, more sick pay was received due to maternity and staff parental leave.

We also made allocations to the reserve for anniversary and holiday allowances. Social security costs increased compared to 2020 due to the higher number of FTEs and higher contributions.

EXECUTIVE BOARD REMUNERATION

| <i>amount in euros</i> | 2021 | | 2020 | |
|---|---|------------------|---|------------------|
| Position | M.J. Bos | J.A. Moolhuijsen | M.J. Bos | J.A. Moolhuijsen |
| Employed | CEO | CFO | CEO | CFO |
| Duration of employment | Yes | Yes | Yes | Yes |
| Extent of employment in FTE | 1/1 – 31/12 | 1/1 – 31/12 | 1/1 – 31/12 | 1/1 – 31/12 |
| Deeltijdfactor in fte | 1.0 | 1.0 | 1.0 | 1.0 |
| Remuneration plus taxable reimbursement of expenses | 202,667 | 180,992 | 213,163 | 179,436 |
| Remuneration payable in the future | 22,976 | 18,240 | 21,640 | 17,817 |
| Total | 225,643 | 199,232 | 234,803 | 197,253 |
| Individually applicable remuneration cap | 209,000 | 209,000 | 201,000 | 201,000 |
| Reason for possible exceeding of this cap* | Transitional scheme under Executives' Pay Act I | | Transitional scheme under Executives' Pay Act I | |

* Based on the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act, a number of paragraphs in the Executives' Pay (Standards) Act (WNT) apply to Sena. The remuneration cap applicable to Sena in 2021 is €209,000 (the general remuneration cap). The exceeding of the individually applicable remuneration cap by the CEO is twofold: Firstly, it concerns transitional rules based on the 'Transitional Scheme Executives' Pay (Standards) Act I'. The maximum remuneration according to the 'Transitional Scheme for Executives' Pay' is €225,106, however, the remaining difference of €537 relates to a payment of the salary for 2020.

In the years 2021 and 2020, the maximum remuneration is calculated according to the phasing out of transitional law with a six-month delay because Sena became subject to the WNT on 1 July 2013.

SUPERVISORY BOARD REMUNERATION

| <i>amount in euros</i> | 2021 | | 2020 | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Position | Chair | Member | Chair | Member |
| Remuneration | 20,000 | 15,000 | 20,000 | 15,000 |
| General applicable remuneration cap | 31,350 | 20,900 | 30,150 | 20,100 |

| Position | Financial expert member | Financial expert member |
|-------------------------------------|-------------------------|-------------------------|
| Remuneration | 17,500 | 17,500 |
| General applicable remuneration cap | 20,900 | 20,100 |

| Member | Position | Length of service | Remuneration 2021 | Remuneration cap | Length of service | Remuneration 2020 | Remuneration cap |
|------------------------|-------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| <i>amount in euros</i> | | | | | | | |
| Mr A. Wolfsen MPA | Independent Chair | 01/01 – 31/12 | 20,000 | 31,350 | 01/01 – 31/12 | 20,000 | 30,150 |
| Ms P.K. van Olphen RA | Independent financial expert member | 01/01 – 31/12 | 17,500 | 20,900 | 01/01 – 31/12 | 17,500 | 20,100 |
| Mr E.R. Angad-Gaur | Member | 01/07 – 31/12 | 7,500 | 10,450 | - | - | - |
| Mr R.A. Gruschke | Member | 01/01 – 31/12 | 15,000 | 20,900 | 01/01 – 31/12 | 15,000 | 20,100 |
| Mr C. van der Hoeven | Member | - | - | - | 01/01 – 30/06 | 7,500 | 10,500 |
| Mr M.R. Jessurun | Member | 01/01 - 31/12 | 15,000 | 20,900 | 01/07 - 31/12 | 7,500 | 10,500 |
| Mr K.P. Ligtermoet | Member | - | - | - | 01/01 – 30/06 | 7,500 | 10,500 |
| Mr W.A.Q. Wanrooij | Member | 01/01 – 30/06 | 7,500 | 10,450 | 01/01 – 31/12 | 15,000 | 20,100 |
| Ms C.L Westbroek RC | Member | 01/01 - 31/12 | 15,000 | 20,900 | 01/07 - 31/12 | 7,500 | 10,500 |

There are no undue payments. The individual remuneration cap for the position of chairman is €31,350 for 2021 and €30,150 for 2020. The individual remuneration cap for the positions of independent financial expert member and member amount to €20,900 for 2021 and €20,100 for 2020. If the position is held for part of the calendar year, the remuneration will be allocated pro rata.

For the sake of transparency, the remuneration paid out from neighbouring rights to the members of the Supervisory Board should be made public. More specifically, this concerns remuneration received from neighbouring rights by a member of the Supervisory Board in person or by legal entities in which the member has a majority interest. The scale below has been used for privacy reasons.

LEVEL OF REMUNERATION RECEIVED FROM NEIGHBOURING RIGHTS ^{IN EUROS}

| | |
|-----------------------------|---|
| No benefits | A |
| Between 0 and 15,000 | B |
| Between 15,000 and 50,000 | C |
| Between 50,000 and 100,000 | D |
| Between 100,000 and 500,000 | E |
| More than 500,000 | F |

OVERVIEW OF REMUNERATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD

| | | |
|-----------------------|--|---|
| Mr A. Wolfsen MPA | Independent Chair of the Supervisory Board | A |
| Ms P.K. van Olphen RA | Independent financial expert member of the Supervisory Board | A |
| Mr E.R. Angad-Gaur | Member of the Supervisory Board | A |
| Mr R.A. Gruschke | Member of the Supervisory Board | B |
| Mr M.R. Jessurun | Member of the Supervisory Board | A |
| Mr W.A.Q. Wanrooij | Member of the Supervisory Board | A |
| Ms C.L. Westbroek | Member of the Supervisory Board | A |
| Mr M.J. Bos | CEO | A |
| Mr J.A. Moolhuijsen | CFO | A |

BOARD OF AFFILIATES REMUNERATION

| <i>amount in euros</i> | 2021 | 2021 | 2020 | 2020 |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Position | (Vice) Chair | Member | (Vice) Chair | Member |
| REMUNERATION | 6,000 | 4,000 | 6,000 | 4,000 |
| General applicable remuneration cap | 20,900 | 20,900 | 20,100 | 20,100 |

| Member | Position | Length of service | 2021 | Remuneration cap 2021 | Length of service | 2020 | Remuneration cap 2020 |
|---------------------------|----------|-------------------|-------|-----------------------|-------------------|-------|-----------------------|
| <i>amount in euros</i> | | | | | | | |
| Mr E.R. Angad-Gaur | Chair | 01/01 – 30/06 | 3,000 | 10,450 | 01/01 – 31/12 | 6,000 | 20,100 |
| Mr M. Beets | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr G. Bleijerveld | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr P. Boertje | Chair | 01/01 – 31/12 | 6,000 | 20,900 | 01/01 – 31/12 | 6,000 | 20,100 |
| Mr R.P. Delfos | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr M.J.T. van Duijvenbode | Member | 01/01 – 30/06 | 2,000 | 10,450 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr M.J.T. van Duijvenbode | Chair | 01/07 – 31/12 | 3,000 | 10,450 | - | - | - |
| Mr J.N. Favié CFM EMFC RC | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr E.J. Loon RA | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr M. Maas | Member | 01/07 – 31/12 | 2,000 | 10,450 | - | - | - |
| Mr F. Merkies | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr C. Muyres | Member | 10-5 – 31/12 | 2,500 | 13,428 | - | - | - |
| Mr O. de Neve | Member | - | - | - | 01/01 – 28/02 | 667 | 3,350 |
| Mr B. van Sandwijk | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | - | 20,100 |
| Mr M.C.J. ten Veen LL.B | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Ms A. Verheggen | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |
| Mr E. Winkelmann | Member | 01/01 – 31/12 | 4,000 | 20,900 | 01/01 – 31/12 | 4,000 | 20,100 |

There are no undue payments. The individual remuneration cap for the positions of chairman and member is €20,900 for 2021 and €20,100 for 2020. If the position is held for part of the calendar year, the remuneration will be allocated pro rata.

One of the positions on the Board of Affiliates from the Producers section was not filled during 2021. For notes on the occupation of positions, please refer to the chapter 'Personal details and relevant activities' on pages 59 to 64. Executive Board and the supervisory bodies salary data is disclosed in line with the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act and the CMO Quality Mark.

The transitional regulation of the WNT applies to the Executive Board. This transitional scheme applies pursuant to Section 25a of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act.

More information about the regular/additional positions on the Supervisory Board, the Board of Affiliates and the Executive Board can be found in the 'Personal details and relevant activities' chapter.

MAILING AND COLLECTION COSTS (14)

The Service Centre for Copyright and Neighbouring Rights (Scan) takes care of the invoicing and collection processes for general licences (individual and collective) and online radio stations up to 100 channels. Scan costs were higher in 2021 than in 2020. In 2020, there was a one-off release from the reserve for collection costs because there were fewer outstanding cases with debt collection agencies. In 2021, Scan resumed part of their debt collection activities. Scan also incurred more IT costs compared to 2020. The resale of Scan's software architecture resulted in a one-off profit.

OTHER OPERATING EXPENSES (15)

| | 2021 | 2020 |
|--------------------------------------|--------------|--------------|
| Other personnel costs | 282 | 337 |
| Accommodation Costs | 255 | 242 |
| IT costs | 235 | 246 |
| Office costs | 52 | 48 |
| Publicity costs | 69 | 91 |
| Advice and services of third parties | (234) | 596 |
| Overheads | 747 | 781 |
| Total | 1,406 | 2,341 |

In 2021, other personnel costs decreased by €55,000. Fewer costs were incurred for hiring external staff, training and staff mileage allowances. The premium for absence insurance was lower as a result of a policy adjustment. However, more costs incurred for the employment of staff.

Higher service costs increased accommodation costs by €13,000 in 2021.

IT costs were €11,000 lower in 2021 than the previous year. In 2021, we paid a lower contribution for the further development of VRDB (including a credit for old years) and had lower costs for the Microsoft licences. In contrast, we paid a higher contribution for the construction of the producer portal (RDx) and incurred higher costs for *machine learning*.

Publicity costs fell by €22,000 as fewer activities took place and no new projects were launched. Consultancy costs and third-party services costs in 2021 were €830,000 lower than in 2020. The main reason for this is the compensation received for the legal costs incurred in previous years. As a result, the provision for future legal costs was removed. The same applied to the legal costs for the dance proceedings (€40,000).

General costs decreased by €34,000 in 2021. There were fewer travel and accommodation expenses compared to the previous year and the contribution to VOI@E was lower. However, we paid a contribution to CvTA for the first time in 2021. A reservation was previously made for the costs of dance playlists which is still in place. No additional allocation was made in 2021.

OTHER OPERATING EXPENSES (16)

The other operating expenses consist of depreciation of tangible and intangible fixed assets, supervisor costs and the financial result. Depreciation was slightly higher in 2021 than in 2020.

The costs for supervisors in 2021 were €15,000 higher than in 2020 because costs were incurred in 2021 for mediation in the recruitment of the chair of the Supervisory Board. The financial result consists almost entirely of interest income and interest costs. Interest rates were negative for the whole of 2021, so we only had to incur interest costs. The total amounted to €216,000.

BUDGETED OPERATING EXPENSES (17)

| | 2021 | Budget |
|--|--------------|--------------|
| Operating expenses (gross) | | |
| Salaries | 3,350 | 3,374 |
| Mailing and collection costs | 1,868 | 2,144 |
| Other operating expenses | 1,406 | 2,895 |
| Depreciation of tangible and intangible fixed assets | 218 | 266 |
| Cost for supervisors | 174 | 165 |
| Total operating expenses | 7,016 | 8,844 |

Gross operating expenses in 2021 were €1.8 million lower than budgeted. The salary costs were €24,000 lower due to the difference of 0.7 FTE compared to the budget. In addition, maternity and parental leave resulted in more sick pay received, but social contributions were higher. Mailing and collection costs were €276,000 lower than budget. This was due to the re-sale of software architecture and a decrease in mailing costs. Other operating costs were €1.5 million lower than budgeted in 2021. This is mainly due to the aforementioned compensation received for legal costs plus the reserve releases derived from this. Cost levels for other staff, representation, publicity, IT, contributions and obtaining playlists also decreased. Depreciation also decreased, which is mainly due to the postponement or delay in starting a number of projects from a cost saving perspective.

Affiliated parties

We have a partnership with Buma called Service Centre for Copyright and Neighbouring Rights (Scan). Scan takes care of the invoicing and collection of the general licences on behalf of Sena and distributes the received fees as quickly as possible. Scan invoices its operating result to both parties each month. Buma and Sena are both members of Scan's board. Both parties have given a guarantee of up to €1 million for the fulfilment of Scan's obligations (see 'Commitments not shown in the balance sheet').



NOTES TO THE CASH FLOW STATEMENT

DISTRIBUTION (18)

The gross and net distribution in 2021 are shown in the tables below. Sena makes a distribution four times a year, at the end of each quarter. The gross and net distribution of the Dutch collection both decreased slightly compared to the previous year (-0.1% and -0.8%). In 2021, €14.5 million was distributed from the domestic Dutch collection for the current music year. In addition, €170,000 was transferred from the Performers Fund (2020: €164,000). The distribution of the Performers Fund is included in the Dutch collection. For the time being, no costs are deducted from this.

Gross and net international distribution both decreased by 20.6% in 2021 compared to 2020. In 2020, we still paid a relatively large amount of money from older years. The current balance relates mainly to receipts from November and December.

| | Netherlands | International | 2021 |
|-------------------------|---------------|---------------|---------------|
| Gross distribution | 52,395 | 6,084 | 58,479 |
| Cost deduction | (6,631) | (271) | (6,902) |
| Net distribution | 45,764 | 5,813 | 51,577 |

| | Netherlands | International | 2020 |
|-------------------------|---------------|---------------|---------------|
| Gross distribution | 52,436 | 7,666 | 60,102 |
| Cost deduction | (6,289) | (342) | (6,631) |
| Net distribution | 46,147 | 7,324 | 53,471 |

Hilversum, 18 March 2022

Executive Board

M.J. Bos
CEO

J.A. Moolhuijsen
CFO

Supervisory Board

H-J. de Mooij
P.K. van Olphen
E.R. Angad-Gaur
R.A. Gruschke
M.R. Jessurun
C.L. Westbroek

INDEPENDENT AUDITOR'S REPORT

To: the Executive Board and the Supervisory Board of the
Foundation for the Exploitation of Neighbouring Rights

REPORT ON THE 2021 FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of the Foundation for the Exploitation of Neighbouring Rights (Sena or 'the Foundation') give a true and fair view of the financial position of the foundation's assets as at 31 December 2021 and of the result for 2021 in accordance with Title 9 Book 2 of the Dutch Civil Code (BW), Guideline 640 for 'Non-profit organisations' of the Dutch Accounting Standards Board (RJ 640) and the provisions under and by virtue of the Wet normering topinkomens (WNT).

What we audited

We audited the 2021 financial statements from Sena, based in Hilversum.

The financial statements consist of:

- > the balance sheet as at December 31;
- > statement of income and expenditure;
- > cash flow statement 2021;
- > statement of movements in distributable licence fee income;
- > consolidated accounting principles;
- > notes to the balance sheet as at December 31;
- > notes to the statement of income and expenditure; and
- > notes to cash flow statement.

The financial reporting system used for the preparation of the financial statements is Title 9 Book 2 of the Dutch Civil Code (BW), RJ 640 and the provisions under and pursuant to the WNT.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch auditing standards and the Regulation on Auditing Protocol WNT 2021. Our responsibilities in this respect are described in the 'Our responsibilities for the audit of the financial statements' section.

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

Independent

We are independent of Sena as required by the Wet toezicht accountantsorganisaties (Wta), the Verordening inzake de Independent van accountants bij assurance- opdrachten (ViO) and other relevant independence regulations rules in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

Compliance with anti-cumulation provision (WNT) not audited

In accordance with the Control Protocol WNT 2021, we have not audited the anti-cumulation provision referred to in article 1.6a WNT and Article 5, paragraph 1, parts n and o, WNT implementation regulations. This means that we have not audited whether there has been an exceeding of the norm by an executive officer due to possible employment as an executive officer at another institution subject to the WNT, nor whether the required disclosure is correct and complete.

Report on other information included in the annual report

The annual report also includes other information. This concerns all information in the annual report other than the financial statements and our audit opinion thereon.

Based on the procedures below, we are of the opinion that the other information:

- > is consistent with the financial statements and contains no material deficiencies;
- > contains all information required by Title 9 Book 2 of the Dutch Civil Code and RJ 640 for the management report;
- > contains all information as required by Articles 2b up to and including 3.d.4 "het besluit transparantieverslag richtlijn collectief beheer".

We have read the other information and based on our knowledge and understanding obtained from the financial statements or otherwise, we have considered whether the other information contains material deficiencies.

With our procedures, we have complied with Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

The Executive Board is responsible for the preparation of the other information, including the management report, in accordance with Title 9 Book 2 of the Dutch Civil Code and RJ 640.

Responsibilities for the financial statements and auditing Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for:

- › the preparation and fair presentation of the financial statements in accordance Title 9, Book 2 of the Dutch Civil Code, the Guideline for annual reporting 640 and
- › the provisions laid down in and pursuant to the WNT; and for such internal control as the Executive Board considers necessary to enable the preparation of the financial statements that are free from material deficiencies, whether due to error or fraud.

In preparing the financial statements, the Executive Board must consider whether the foundation is in a position to continue its operations as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements on the basis of the continuity assumption, unless the Executive Board intends to liquidate the foundation or to cease operations or has no realistic alternative but to do so. The Executive Board must disclose in the financial statements any events and circumstances that could cast reasonable doubt on the foundation's ability to continue its business activities.

The Supervisory Board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and conduct an audit assignment in a manner that allows us to obtain sufficient and appropriate auditing information to give our opinion.

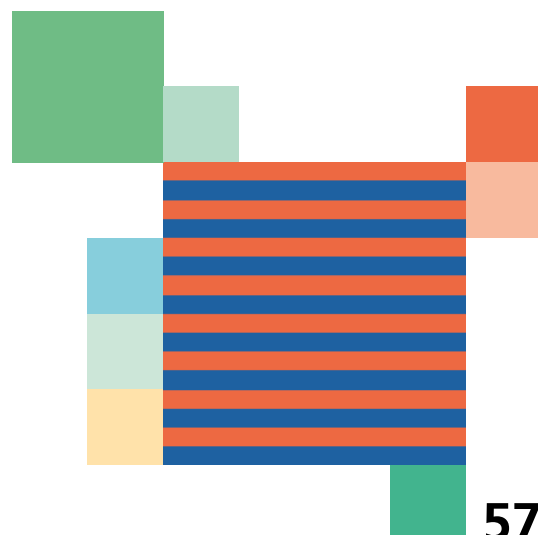
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an audit opinion thereon. A reasonable degree of assurance is a high degree but not an absolute degree of certainty and, consequently, our audit may not detect all material misstatements.

Misstatements may arise from fraud or error and are material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities can be found in the Appendix to our audit report.

Utrecht, 29 March 2022 PricewaterhouseCoopers Accountants N.V.

Mr J.W. Middelweerd RA



APPENDIX TO OUR CONTROL REPORT ON THE 2021 FINANCIAL STATEMENTS OF THE FOUNDATION FOR THE EXPLOITATION OF NEIGHBOURING RIGHTS (SENA)

In addition to what is stated in our audit report, in this appendix we have explained our responsibilities for the audit of the financial statements and what an audit entails.

The auditor's responsibilities for the audit of the financial statements

We have conducted this audit professionally and applied professional judgement where relevant, in accordance with the Dutch auditing standards, the Regulation on Auditing Protocol WNT 2021, ethical requirements and independence requirements. Our audit included:

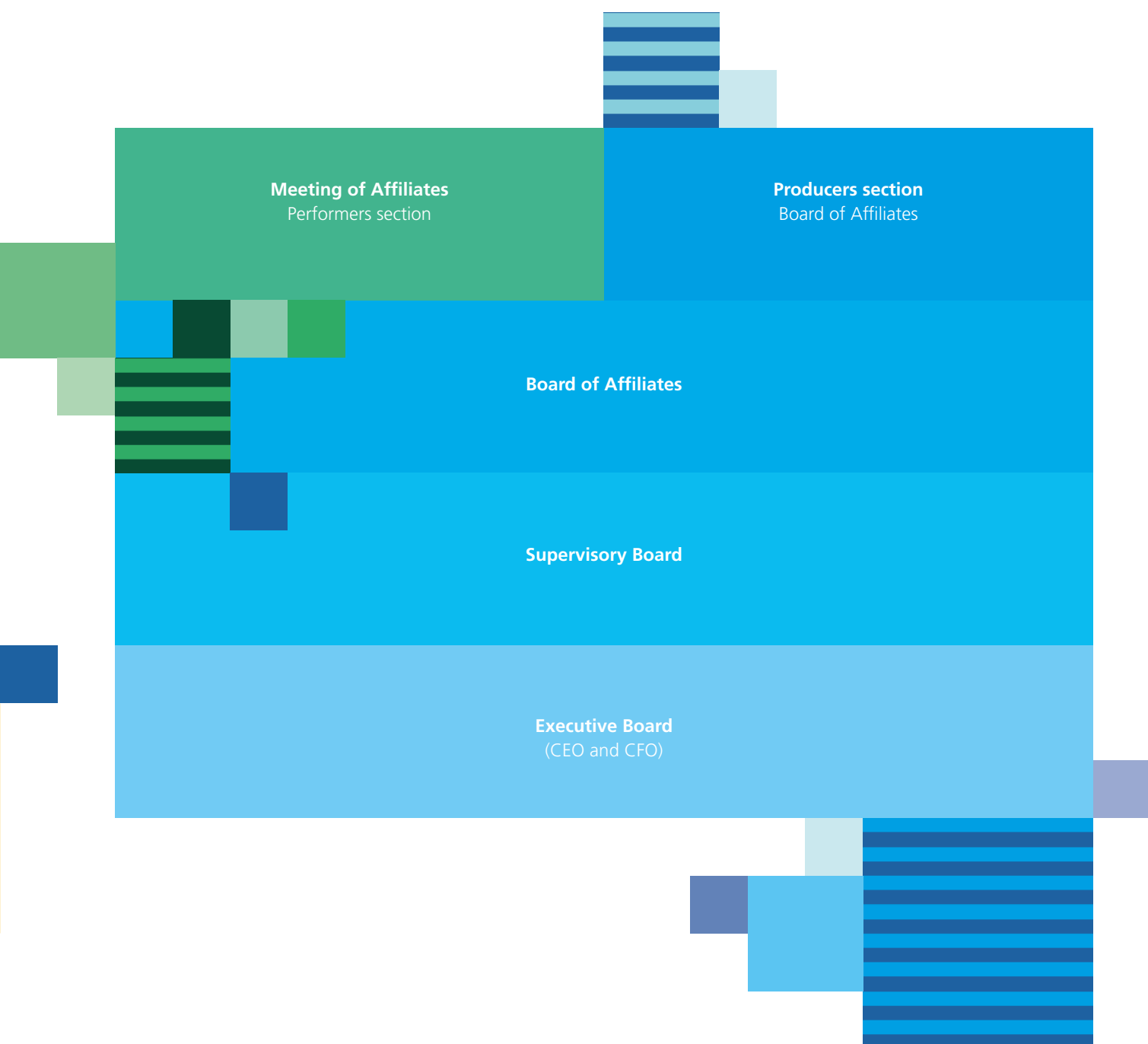
- › Identifying and assessing the risks of material misstatements in the financial statements as a result of error or fraud, determining and performing audit procedures in response to those risks and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In the case of fraud, the risk of not detecting a material misstatement is greater than in the case of errors. Fraud may involve collusion, forgery, intentional failure to record transactions, intentional misrepresentation or the breach of internal controls.
- › Obtaining an understanding of internal control relevant to the audit in order to select audit procedures appropriate to the circumstances. These procedures are not intended to express an opinion on the effectiveness of the foundation's internal control.

- › Evaluating the appropriateness of the accounting policies used and the reasonableness of estimates and disclosures made by the Executive Board in the financial statements.
- › Determining that the going concern assumption used by the Executive Board is acceptable. Also, based on the audit information obtained, determine whether there are events and circumstances that could cast reasonable doubt on the ability of the foundation to continue its business activities as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor report to the relevant related disclosures in the financial statements. We must amend our report if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditor report. However, future events or circumstances may mean that an organisation can no longer continue as a going concern.
- › Evaluating the presentation, structure and content of the financial statements and the notes and evaluating whether the financial statements give a true and fair view of the underlying transactions and events.

We communicate with the Supervisory Board regarding the planned scope and timing of the audit and on the significant findings resulting from our audit, including any significant deficiencies in internal control.

PERSONAL DETAILS AND RELEVANT ACTIVITIES

The day-to-day management of Sena is conducted by the Executive Board (Management Board). The Executive Board is monitored by the Supervisory Board. All important decisions must be adopted by the Board of Affiliates after having been approved by the Supervisory Board. This model meets all the requirements laid down in the Good Governance and Integrity Guidelines and the CMO Quality Mark awarded by VOI©E.



BOARD OF AFFILIATES

Unless stated otherwise, all the members of the Board of Affiliates were in the post throughout 2021. As per 31 December 2021, the Board of Affiliates comprised of the following members:

Mr M. Beets

Chair of the Board of Affiliates / Section representative of the Performers section (paid)

Additional positions:

- › Bassist (paid)
- › Double bass teacher at Codarts Rotterdam (paid)
- › Co-owner, Maxanter Records VOF (paid)
- › Owner, Studio de Smederij, Zeist (paid)
- › Composer, arranger, producer (paid)
- › Co-owner music shop, Zeist (paid)
- › Co-owner Beest-Steffens real estate
- › Stichting Marius Beets

Mr G. Bleijerveld

Member of the Board of Affiliates/ Section representative of the Performers section (paid)

Additional positions:

- › Musician (paid)
- › Lecturer at Inholland in Media Entertainment Management / International Music Management / Creative Business Hogeschool Inholland (paid)
- › Lecturer in Music Publishing course for NMUV/VMN
- › Member of the examination committee Creative Business School Inholland (paid)
- › External member of the examination committee Haarlem Conservatory (paid)
- › Independent legal consultant (paid)
- › Board Member (secretary) Buma Social Fund (paid)
- › Board Member Stichting de ThuisKopie (paid)
- › Board Member (treasurer) Stichting Leenrecht (paid)
- › Vice-Chair of the Visual Works section at Stichting Leenrecht (paid)
- › Board Member (secretary) Popauteurs.nl (paid)
- › BAM Popauteurs consultant (paid)
- › Board Member Platform Makers (paid)
- › Board Member music committee/Ntb Kunstenbond

Mr P. Boertje

Chair of the Board of Affiliates from 10 September 2021 / Vice-Chair of the Board of Affiliates until 10 September 2021 / Chair of the Producers section (paid)

Additional positions:

- › Joint owner of Casual Solution B.V. (paid)
- › Lobbyist for Dierenbescherming South-West region (paid)
- › Chair of STAP (paid)
- › Board Member of STOMP
- › Member of Federatieraad

Mr R.P. Delfos

Member of the Board of Affiliates/ Section representative of the Performers section (paid)

Additional positions:

- › Saxophone teacher of technique and improvisation at the Royal Conservatoire (paid)
- › Saxophone teacher for light music at ArtEZ Zwolle (paid)
- › Performer in various bands (Artvark, Houdini's, Jazzinvaders, Licksandbrains) (paid)
- › Freelance arranger and composer (paid)
- › Radio programme host Dutch Jazz at Sublime FM (paid)
- › Board Member Stichting Dutch Performers House (paid)

Mr M.J.T. van Duijvenbode

Vice-Chair of the Board of Affiliates from 10 September 2021 / Chair of the Board of Affiliates until 10 September 2021 / Chair of the Performers section (paid)

Additional positions:

- › Paloma Music - owner (paid)
- › Via Paloma Music working for:
- › Songwriter (paid)
- › Freelance artist manager (paid)
- › Freelance session musician (paid)
- › Freelance producer (paid)
- › Editor Sena Performers Magazine (paid)

Mr J.N. Favié CFM EMFC RC

Member of the Board of Affiliates/ Section representative of the Producers section (paid)

Additional positions:

- › Managing Director of Promogroup B.V. (paid)
- › Managing Director of Pragmaxflex Holding B.V. (paid)
- › Interim Director U2 Limited (paid)

Mr E.J. Loon

Member of the Board of Affiliates/ Section representative of the Producers section (paid)

Additional positions:

- › Financial controller Universal Music (paid)
- › Board Member of Werkgeversvereniging voor de Media
- › Board Member of Stichting Federatie Muziek Auteurs en Uitgevers

Mr W. Maas

Member of the Board of Affiliates/ Section representative of the Performers section (paid)

Additional positions:

- › Musician, composer, producer and columnist (paid)
- › Teacher at Fontys Rockacademie (paid)
- › Chair of the music Ntb/ Kunstenbond (paid)
- › Chair of VCTN (paid)
- › Treasurer Stichting Nationaal Podiumplan (paid)
- › Member of the Popprijs jury (paid)

Mr F. Merkies

Member of the Board of Affiliates/ Section representative of the Producers section (paid)

Additional positions:

- > Major shareholder and CEO of Studio Fons Merkies (paid)
- > Major shareholder and CEO of Studio Fons Merkies BVBA (Belgium branch, paid)
- > Chair Dutch Film Composers
- > Board Member of BCMM (paid)

Mr C. Muyres

Member of the Board of Affiliates/ Section representative of the Producers section (paid)

Additional positions:

- > Artist manager (paid)
- > Owner Snowstar Records (paid)
- > Board member of MMF NL (Music Managers Forum Nederland)
- > Programmer at LIFF (Leiden International Film Festival) (paid)
- > Founder and programmer at Chasing Reels (paid)

Mr B. van Sandwijk

Member of the Board of Affiliates/ Section representative of the Producers section (paid)

Additional positions:

- > Finance Director Sony Music Entertainment Benelux (paid)
- > Treasurer of STAP
- > Board member of NVPI Audio

Mr M.C.J. ten Veen LL.B

Member of the Board of Affiliates/ Section representative of the Producers section (paid)

Additional positions:

- > Director of Business and Legal Affairs Warner Music Benelux (paid)
- > Member of the Legal Committee at NVPI
- > Board Member of STAP

Ms A. Verheggen

Member of the Board of Affiliates/ Section representative of the Performers section (paid)

Additional positions:

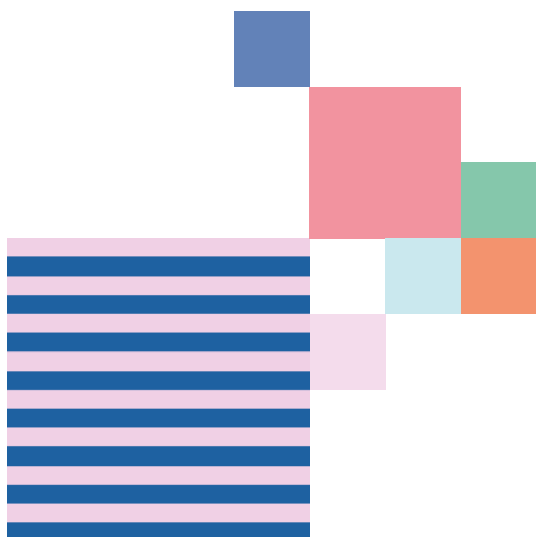
- > Senior policy assistant Kunstenbond/Ntb (paid)
- > Chair of Stichting JA
- > Chair of Stichting Dutch Jazz Competition
- > Secretary of Stichting Jazz NL
- > Editor of Sena Performers Magazine (paid)
- > Chair Stichting Dutch Performers House (paid)
- > Board member of Stichting Nationaal Podium Plan

Mr E. Winkelmann

Member of the Board of Affiliates/ Section representative of the Performers Section (paid)

Additional positions:

- > Bass player with the Metropole Orchestra (paid)
- > Ensemble member of SoWhat (paid)
- > Feldenkrais teacher (paid)



SUPERVISORY BOARD

Mr A. Wolfsen MPA

Independent chair of the Supervisory Board (paid)

Additional positions:

- › Chair of the Supervisory Board of Oasen N.V. (paid)
- › Chair of the Autoriteit Persoonsgegevens (paid)
- › Member of the Supervisory Board of Bartholomeus Gasthuis (paid)
- › Member of the Arbitration Board for the building industry (paid)
- › Chair of the Employment and Remuneration Committee NVTZ (paid)
- › Chair of Stichting Vrienden van de oude hortus Utrecht
- › Chair of the Supervisory and Advisory Board of the Asbestslachtoffers Institute (paid)
- › Chair of the Supervisory Board UtrechtZorg (paid)
- › Chair of the independent advisory committee for external reporting of Apostolic Society (paid)

Ms P.K. van Olphen RA

Independent financial expert member of the Supervisory Board (paid)

Additional positions:

- › CFO of SLTN Ventures B.V. (paid)
- › Member of the Supervisory Board foundation Achmea Rechtsbijstand (paid)

Mr E.R. Angad-Gaur

Member of the Supervisory Board, Performers section (paid)
- from 1 July 2021

Additional positions:

- › Musician / composer / lyricist / publicist (paid)
- › CEO of VCTN (paid)
- › Chair of Platform Makers (paid)
- › Senior advisor Kunstenbond/Ntb (paid)
- › Secretary of Scobema (paid)
- › Board Member of Stichting Leenrecht (paid)
- › Board Member (secretary) of Stichting de Thuis kopie (paid)
- › Board Member of Stichting Cedar (on behalf of Stichting de Thuis kopie, during acting chair)
- › Board Member of Federatie Auteursrechtbelangen (paid)
- › Member of the Commission of interested parties CMO Quality Mark (paid)
- › Member of the Advisory Board of the National Theme Department D66 Culture & Media
- › Member Participants Council of Platform ACCT (paid)
- › Member Steering Committee Creatieve Coalitie

Mr R.A. Gruschke

Member of the Supervisory Board, Producers section (paid)

Additional positions:

- › Vice President Global Collective Rights Beggars Group (paid)
- › Member of the Distribution Committee of PPL
- › Board Member PPL
- › Member of the Executive Board of SIMIM
- › WIN/Impala Performance Rights Group
- › Board Member Repertoire Data Exchange Limited

Mr M.R. Jessurun

Member of the Supervisory Board, Producers section (paid)

Additional positions:

- › President Warner Music Benelux (paid)
- › Board Member NVPI Audio

Ms C.L. Westbroek RC

Member of the Supervisory Board, Performers section (paid)

Additional positions:

- › Finance consultant Eiffel B.V. (paid)
- › Director Stairway to Heaven B.V. (paid)
- › Secretary of Stichting Gezamenlijk horecaondernemers Mariaplaats
- › Board Member of Stichting Nix 18

EXECUTIVE BOARD

Mr M.J. Bos

CEO (paid)

Additional positions:

- › Chair of the Board of the Service Centre Copyright and Neighbouring Rights
- › Treasurer of the Executive Board of VOI©E
- › Board member / Treasurer SCAPR
- › Chair of the Board foundation Podium de Vorstin
- › Board Member of Federatie Auteursrechtbelangen

Mr J.A. Moolhuijsen

CFO (paid)

Additional positions:

- › Board Member of the Board of the Service Centre Copyright and Neighbouring Rights
- › Treasurer of Filmtheater Hilversum

COPYRIGHT AND NEIGHBOURING RIGHTS COLLECTIVE MANAGEMENT ORGANIZATIONS CONTROL BOARD

Chair

Mr A. Koppejan

Members

Ms N. Loonen-van Es RA

Mr M.R. de Zwaan

Director and Secretary

Ms W.E. Hoge

DISTRIBUTION DISPUTES COMMITTEE

Chair

Prof. F.W. Grosheide

Members

Mr B.J. Lenselink

Mr R. Dijkstra

Secretary

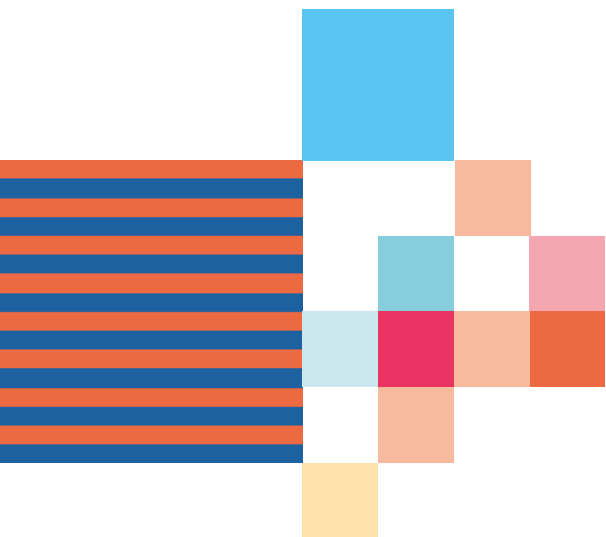
Mr H.W. Roerdink

RESIGNATION ROTA FOR SUPERVISORY BOARD AND BOARD OF AFFILIATES AS FROM 1 JULY 2021

| Name | Body | End of current term |
|---------------------------|--|----------------------------|
| Mr M. Beets | Board of Affiliates, Performers section | 30 June 2022 |
| Mr G. Bleijerveld LLM | Board of Affiliates, Performers section | 30 June 2025 |
| Mr P. Boertje | Board of Affiliates, Producers section | 30 June 2022 |
| Mr R.P. Delfos | Board of Affiliates, Performers section | 30 June 2022 |
| Mr M.J.T. van Duijvenbode | Board of Affiliates, Performers section | 30 June 2025 |
| Mr J.N. Favié CFM EMFC RC | Board of Affiliates, Producers section | 30 June 2024 |
| Mr E.J. Loon | Board of Affiliates, Producers section | 30 June 2022 |
| Mr W. Maas | Board of Affiliates, Performers section | 30 June 2025 |
| Mr F. Merkies | Board of Affiliates, Producers section | 30 June 2022 |
| Mr C. Muyres | Board of Affiliates, Producers section | 30 June 2024 |
| Mr B. van Sandwijk | Board of Affiliates, Producers section | 30 June 2022 |
| Mr M.C.J. ten Veen LLB | Board of Affiliates, Producers section | 30 June 2022 |
| Ms A. Verheggen | Board of Affiliates, Performers section | 30 June 2024 |
| Mr E. Winkelmann | Board of Affiliates, Performers section | 30 June 2024 |
| Mr A. Wolfsen MPA | Supervisory Board, independent Chair | 31 December 2021 |
| Ms P.K. van Olphen RA * | Supervisory Board, independent financial expert member | 19 November 2021 |
| Mr E.R. Angad-Gaur | Supervisory Board, Performers section | 30 June 2025 |
| Mr R.A. Gruschke | Supervisory Board, Producers section | 30 June 2022 |
| Mr M.R. Jessurun | Supervisory Board, Producers section | 30 June 2024 |
| Ms C.L. Westbroek RC | Supervisory Board, Performers section | 30 June 2024 |

* Ms. van Olphen was reappointed as an independent financial expert member after July 1, 2021.





APPENDICES

1. PROFILE OF THE SUPERVISORY BOARD

Sena collects fees on behalf of national and international performers and record producers when their music is played outside the private sphere. This includes the use of music in shops, supermarkets, bars and clubs as well as music broadcast on radio and television stations. Sena was appointed by the Ministry of Security and Justice to implement the Neighbouring Rights Act and has performed this task since 1 July 1993. The income is paid to rightsholder artists and producers at the lowest possible cost based on playlists from radio and television stations and in accordance with legally approved regulations.

Size and composition of the Supervisory Board

The Supervisory Board consists of six members, including an independent chair and an independent financial expert. The members are appointed for a term of four years and can be reappointed twice, as long as the maximum term of office does not exceed eight years. The members of the Supervisory Board cannot be part of the Executive Board or the Board of Affiliates at the same time. The Supervisory Board meets at least four times a year.

Fields of activity of the Supervisory Board

- › Supervising the policy and implementation by the Executive Board's as well as the Sena's general running, taking into account the results, performance and risks;
- › Advising the Executive Board, both on request and on its own initiative, and acting as a sounding board;
- › Reviewing the key strategic, organizational, financial, personnel and performance decisions;
- › Supervising compliance with relevant legislation and regulations;
- › Supervising compliance with the VOI©E Governance Code for CMOs;
- › Ensuring all requirements of financial reporting, internal control and risk management are met;
- › Appointing the independent chair and independent financial expert member of the Supervisory Board;
- › Appointing, suspending and dismissing the Executive Board, as well as acting as an authorised employer of the Executive Board.

Job requirements for members of the Supervisory Board

- › Administrative and supervising qualities and administrative understanding;
- › A keen sense of political and managerial relations;
- › Being able to act broadly as a sounding board for the Executive Board;
- › Knowledge and experience of administrative decision-making processes;
- › Capacity to make an overall assessment of the foundation's results in an independent way;
- › Administrative knowledge and experience;
- › Understanding of strategic considerations;
- › Being able to work in a team;
- › Qualities such as discussion, consultation, decision-making and communication skills.;
- › Interest in the music industry and in copyright and neighbouring rights in general;
- › Experience with (administrative) organizations where large-scale data processing takes place;
- › Affinity with business operations in a (clear) job demarcation between the Supervisory Board and the Executive Board;
- › An academic working and thinking level;
- › Broad social interests;
- › Integrity and independence;
- › Having the (helicopter view) qualities to function as a supervisor of a complex organization.

2. PROFILE OF THE BOARD OF AFFILIATES

Size and composition of the Board of Affiliates

The Board of Affiliates consists of representatives of the Performers section and representatives of the Producers section. Each section has at a minimum of five and maximum of seven section representatives; the number of representatives of both sections should be equal at all times. The current Board of Affiliates consists of 14 section representatives.

The members of the Board of Affiliates are appointed by the Meeting of Affiliates of the respective section for a term of four years and can be reappointed twice for a same term. Nomination of candidates can take place on the recommendation of the founding organizations. Affiliates are also entitled to nominate candidates for free seats and/or to nominate opposing candidates.

In order to enable candidates and opposing candidates to get a picture of the Board of Affiliates' most important fields of activity, the following profile has been prepared, including the most desirable competencies and experience. The members of the Board of Affiliates cannot be part of the Executive Board or the Supervisory Board. The Board of Affiliates meets at least four times a year.

Fields of activity of the Board of Affiliates

- › Overseeing the overall policy on matters of specific importance to the sections;
- › Amending and approving the distribution regulations;
- › Approving the annual financial statements, the annual plan and the budget;
- › Advising the Executive Board, both on request and on its own initiative;
- › Appointing, suspending and dismissing four members of the Supervisory Board (two by the section representatives of the Performers section and two by the section representatives of the Producers section).

Desired competencies for members of the Board of Affiliates

- › Knowledge and experience of administrative decision-making processes;
- › Capacity to make an overall assessment of the foundation's results in an independent way;
- › Understanding of strategic considerations;
- › Being able to work in a team;
- › Qualities such as discussion, consultation, decision-making and communication skills.

3. AGREEMENTS WITH INTERNATIONAL ORGANIZATIONS AS AT DECEMBER 2021

For the benefit of **performers**, we have made agreements with the following international organizations:

| Country | Organization |
|----------------|----------------------|
| Argentina | AADI |
| Austria | LSG |
| Belgium | Playright |
| Brazil | Abramus |
| Bulgaria | Prophon |
| Canada | ACTRA-RACS |
| Czech Republic | Intergram |
| Croatia | Huzip |
| Denmark | GRAMEX Denmark |
| Estonia | EEL |
| Finland | GRAMEX Finland |
| France | ADAMI |
| France | Spedidam |
| Georgia | GCA |
| Germany | GVL |
| Greece | Apollon |
| Greece | ERATO |
| Hungary | EJI |
| Ireland | RAAP |
| Iceland | SFH |
| India | ISRA |
| Indonesia | SELMI |
| Italy | NUOVO IMAIE |
| Japan | Geidankyo |
| Kazakhstan | AMANAT |
| Latvia | Laipa |
| Lithuania | Agata |
| Norway | Gramo |
| Norway | Norwaco (Thuiskopie) |
| Poland | SAWP |
| Poland | STOART |
| Portuga | GDA |
| Romania | Credidam |
| Russia | VOIS |
| Russia | RUR (Thuiskopie) |
| Serbia | PI |
| Slovenia | IPF |
| Slovakia | SLOVGRAM |
| South Africa | SAMPRA |
| South Korea | FKMP |
| Spain | AIE |
| Sweden | SAMI |
| Switzerland | SWISSPERFORM |
| Ukraine | ULCRR/ULASP |
| Ukraine | UMA |
| United Kingdom | PPL |
| United States | AFM & SAG-AFTRA |
| United States | Sound Exchange |

| Country | Organization | Received licence fee income international | Gross distribution licence fee income international | Cost percentage withheld | Gross distribution licence fee income the Netherlands | Cost percentage withheld |
|-------------------------|-----------------|--|---|--------------------------------|---|--------------------------------|
| Austria | LSG | 106 | - | 5.5% | 13 | 14.5% |
| Belgium | Playright | 555 | - | 5.5% | 131 | 14.5% |
| Brazil | Abramus | 46 | - | 5.5% | (20) | 14.5% |
| Brazil | SBACEM | - | - | 5.5% | 1 | 14.5% |
| Brazil | UBC | - | - | 5.5% | 1 | 14.5% |
| Bulgaria | Prophon | 8 | - | 5.5% | - | 14.5% |
| Canada | ACTRA-RACS | 41 | - | 5.5% | (54) | 14.5% |
| Canada | ARTISTI | - | - | 5.5% | 4 | 14.5% |
| Canada | MROC | - | - | 5.5% | 51 | 14.5% |
| Croatia | Huzip | 12 | - | 5.5% | - | 14.5% |
| Czech Republic | Intergram | 37 | - | 5.5% | 7 | 14.5% |
| Denmark | GRAMEX DK | 66 | - | 5.5% | 59 | 14.5% |
| Estonia | EEL | 2 | - | 5.5% | - | 14.5% |
| Finland | GRAMEX FI | 69 | - | 5.5% | 12 | 14.5% |
| France | ADAMI | 292 | - | 5.5% | 242 | 14.5% |
| France | Spedidam | 100 | - | 5.5% | 132 | 14.5% |
| Germany | GVL | 1,135 | 1 | 5.5% | 393 | 14.5% |
| Greece | Erato | 0 | - | 5.5% | 1 | 14.5% |
| Hungary | EJI | 25 | - | 5.5% | 2 | 14.5% |
| Ireland | RAAP | 7 | - | 5.5% | 134 | 14.5% |
| Italy | ITSRIGHT | - | 9 | 5.5% | 52 | 14.5% |
| Italy | NUOVO IMAIE | 59 | - | 5.5% | 75 | 14.5% |
| Japan | Geidankyo | 111 | - | 5.5% | 15 | 14.5% |
| Korea | FKMP | 2 | - | 5.5% | 8 | 14.5% |
| Latvia | Laipa | 26 | - | 5.5% | - | 14.5% |
| Lithuania | Agata | 8 | - | 5.5% | - | 14.5% |
| Norway | GRAMO | 41 | - | 5.5% | 83 | 14.5% |
| Poland | STOART/SAWP | 147 | - | 5.5% | 4 | 14.5% |
| Portugal | GDA | 2 | - | 5.5% | 5 | 14.5% |
| Romania | Credidam | (2) | - | 5.5% | 5 | 14.5% |
| Russia | VOIS | - | - | 5.5% | 1 | 14.5% |
| Slovenia | IPF | - | - | 5.5% | 1 | 14.5% |
| South Africa | SAMPRA | (26) | - | 5.5% | 2 | 14.5% |
| Spain | AIE | 113 | - | 5.5% | 190 | 14.5% |
| United Kingdom | PPL | 254 | 161 | 5.5% | 4,484 | 14.5% |
| Sweden | SAMI | 117 | 1 | 5.5% | 311 | 14.5% |
| Switzerland | SWISSPERFORM | 84 | - | 5.5% | 8 | 14.5% |
| United States | AARC | - | - | 5.5% | 2 | 14.5% |
| United States | AFM & SAG-AFTRA | 131 | - | 5.5% | 750 | 14.5% |
| United States | Sound Exchange | 652 | 1 | 5.5% | 770 | 14.5% |
| Ukraine | ULCRR/ULASP | 4 | - | 5.5% | - | 14.5% |
| Total Performers | | 4,224 | 173 | | 7,875 | |

From music year 2015 to 2020, we apply a withholding percentage of 12%. Starting from music year 2021, we apply a withholding percentage of 14.5%. When a payment is distributed over older years, we apply the withholding percentage applicable to that year (11%, 12% or 16%). This situation can occur, for example, in the event of a double claim being resolved or an after-claim being honoured.

For performers, we have unilateral agreements with SBACEM (Brazil), UBC (Brazil), ARTISTI (Canada), MROC (Canada) and ITSRIGHT (Italy).

For the benefit of **producers**, we have made agreements with the following international organizations:

| Country | Organization |
|----------------|---------------------|
| Argentina | CAPIF |
| Australia | PPCA |
| Austria | LSG |
| Belgium | SIMIM |
| Brazil | Abramus |
| Bulgaria | Prophon |
| Canada | Re:Sound |
| Czech Republic | Intergram |
| Denmark | GRAMEX Denmark |
| Estonia | EFÜ |
| Finland | GRAMEX Finland |
| France | SCPP |
| France | SPPF |
| Georgia | GCA |
| Germany | GVL |
| Greece | GRAMMO |
| Hungary | MAHASZ |
| Indonesia | SELMI |
| Ireland | PPI |
| Italy | SCF |
| Jamaica | JAMMS |
| Japan | RIAJ |
| Kazakhstan | AMANAT |
| Latvia | Laipa |
| Lithuania | Agata |
| New Zealand | Recorded Music NZ |
| Norway | Gramo |
| Poland | ZPAV |
| Russia | VOIS |
| Serbia | OFPS |
| Slovenia | IPF |
| Spain | Agedi |
| Sweden | IFPI Svenska |
| South Africa | SAMPRA |
| Ukraine | UMA |
| United Kingdom | PPL |
| United States | Sound Exchange |

| Country | Organization | Received licence fee income international | Gross distribution licence fee income international | Cost percentage withheld | Gross distribution licence fee income the Netherlands | Cost percentage withheld |
|------------------------|--------------------|--|---|--------------------------------|---|--------------------------------|
| Australia | PPCA | 47 | - | 5.5% | - | 14.5% |
| Austria | LSG | 13 | - | 5.5% | - | 14.5% |
| Belgium | SIMIM | 444 | - | 5.5% | 25 | 14.5% |
| Brazil | Abramus | 5 | - | 5.5% | - | 14.5% |
| Canada | Re:Sound | 5 | - | 5.5% | - | 14.5% |
| Denmark | GRAMEX DK | - | - | 5.5% | 2 | 14.5% |
| Estonia | EFU | 7 | - | 5.5% | - | 14.5% |
| Finland | GRAMEX FI | 8 | - | 5.5% | 1 | 14.5% |
| France | SCPP | 18 | - | 5.5% | - | 14.5% |
| Germany | GVL/IFPI Duitsland | 123 | - | 5.5% | 20 | 14.5% |
| Hungary | MAHASZ | 10 | - | 5.5% | - | 14.5% |
| Ireland | PPI | 7 | - | 5.5% | 1 | 14.5% |
| Italy | SCF | 29 | - | 5.5% | 16 | 14.5% |
| Japan | RIAJ | 59 | - | 5.5% | - | 14.5% |
| Latvia | Laipa | 2 | - | 5.5% | - | 14.5% |
| Lithuania | Agata | 1 | - | 5.5% | - | 14.5% |
| New Zealand | Recorded Music NZ | 3 | - | 5.5% | - | 14.5% |
| Norway | Gramo | 5 | - | 5.5% | - | 14.5% |
| Poland | ZPAV | 2 | - | 5.5% | - | 14.5% |
| Spain | Agedi | 2 | - | 5.5% | - | 14.5% |
| Sweden | IFPI Svenska | 8 | - | 5.5% | 23 | 14.5% |
| United Kingdom | PPL | 129 | - | 5.5% | 760 | 14.5% |
| United States | Sound Exchange | 433 | - | 5.5% | 3 | 14.5% |
| Total producers | | 1,360 | - | | 851 | |
| Total | | 5,584 | 173 | | 8,726 | |

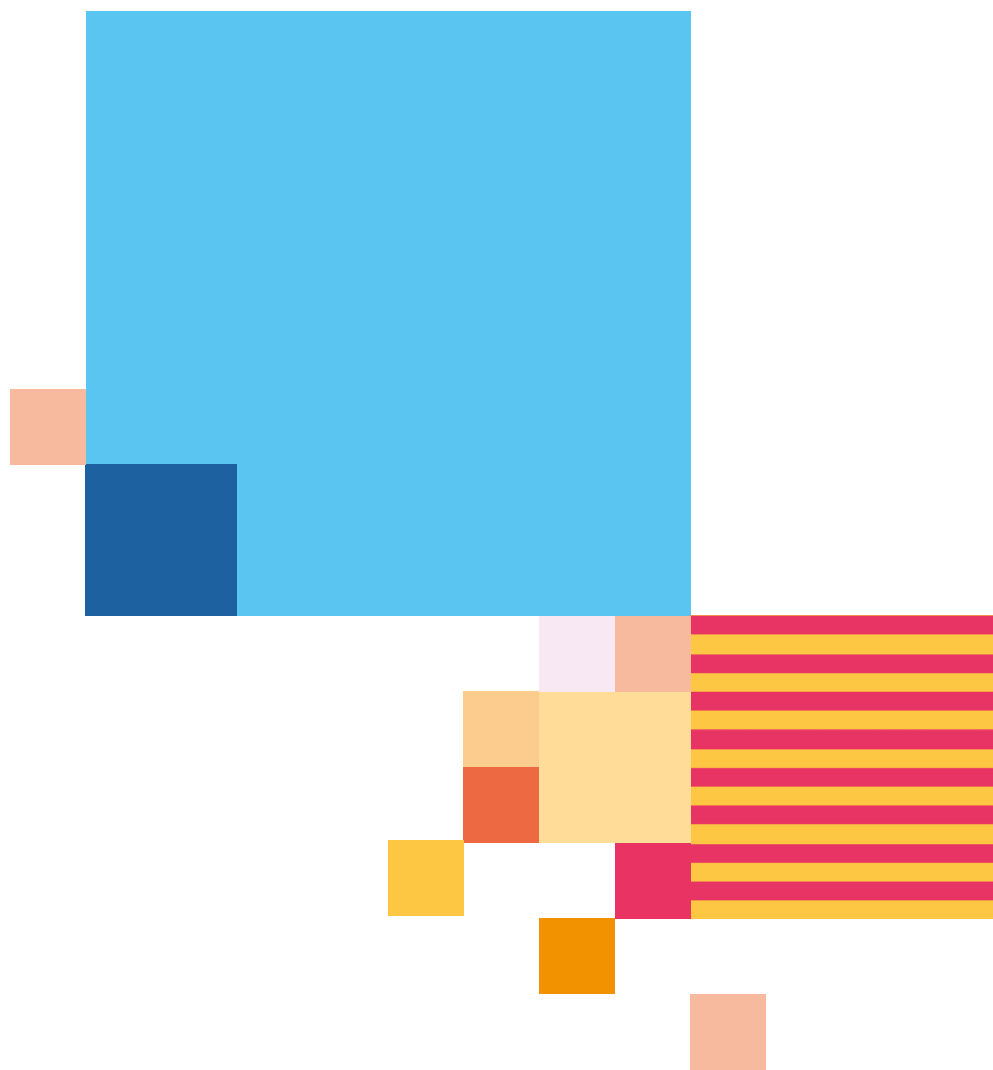
From music year 2015 to 2020, we apply a withholding percentage of 12%. Starting from music year 2021, we apply a withholding percentage of 14.5%. When a payment is distributed over older years, we apply the withholding percentage applicable to that year (11%, 12% or 16%). This situation can occur, for example, in the event of a double claim being resolved or an after-claim being honoured.

Private copying

Stichting NORMA has mandated us to collect audio fees for private copying abroad from its affiliates and to distribute them directly to all entitled performing artists, to the extent known to Sena.

In 2021, we were able to collect €926,000 in private copying audio fees from overseas. In total, Sena was able to distribute a total of €951,000 in audio rights (Dutch collection) in 2021.

| Country | Organization | Received licence fee income international | Gross distribution to rightsholders | Cost percentage withheld |
|--------------|--------------|--|--|-----------------------------|
| Austria | LSG | 6 | 15 | 5.5% |
| Belgium | PLAYRIGHT | 212 | 194 | 5.5% |
| Belgium | SIMIM | 44 | 39 | 5.5% |
| Estonia | EFÜ | 9 | 7 | 5.5% |
| Finland | GRAMEX FI | 7 | 8 | 5.5% |
| France | ADAMI | 20 | 16 | 5.5% |
| France | SPEDIDAM | - | 7 | 5.5% |
| Germany | GVL | 569 | 530 | 5.5% |
| Hungary | MAHASZ | 4 | 3 | 5.5% |
| Italy | NUOVO IMAIE | 21 | 59 | 5.5% |
| Italy | SCF | 32 | 31 | 5.5% |
| Poland | SAWP | 1 | 2 | 5.5% |
| Romania | CREDIDAM | - | 2 | 5.5% |
| Russia | RUR | - | 11 | 5.5% |
| Spain | AIE | - | 20 | 5.5% |
| Sweden | IFPE Svenska | 2 | 1 | 5.5% |
| Switzerland | SWISSPERFORM | - | 6 | 5.5% |
| Total | | 927 | 951 | |



4. TRANSPARENCY REPORT (REFERENCE TABLE)

Please find below the reference table regarding the statutory obligation to publish a transparency report, as referred to in the Transparency Report (Collective Management Directive) Decree and published in the Government Gazette on 23 November 2016. The purpose of this table is to increase the ease for the reader to find the required elements of the transparency report in this annual report.

| | Description | Part of annual report | Page number |
|---|---|--|----------------|
| Section 2 | a cash flow statement; | Cash flow statement | 31 |
| | b information on refusals to grant a licence under Section 2l(3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act; | Transparency report | 76 |
| | c description of the statutory and administrative structure of the collective management organization; | Personal details and relevant activities, Appendices 1 and 2 | 59, 66, 67 |
| | d information on the entities that are directly or indirectly owned by, or are wholly or partially under the supervision of, the collective management organization; | Notes to the statement of income and expenditure; Affiliated parties | 54 |
| | e information on the total remuneration amount that was paid to the persons referred to in Section 2e(3) and Section 2f of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act in the past financial year, including any other benefits granted to such persons; | Notes to the statement of income and expenditure; Executive Board and Supervisory Board remuneration, Personal details and relevant activities | 54, 50, 51, 52 |
| | f the financial information referred to in Section 3 of this Decrees; | See Section 3 | 74 |
| | g a special report on the use of amounts that have been withheld for social cultural, and educational services, in which the information as referred to in Section 3 of this Decree is included; | See Section 3 | 74 |
| Section 3 | a financial information on rights revenue specified by category of managed rights and by type of use, including information on the income from the investment of rights revenue and the use of such revenue; | Report of the Executive Board, Notes to the 2020 results, Appendix 5, Transparency report | 4, 16, 76 |
| | b financial information on the costs of rights management and services provided by the collective management organization to right-holders, with a full description of at least the following items: | | |
| | 1 all operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs; | Appendix 5, Transparency report | 76 |
| | 2 operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs, to the extent that these costs relate to rights management, including the management costs that have been withheld on or compensated with rights revenue or income arising from the investment of rights revenue under Section 2g(4) and Section 2h(1–3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act; | N/A | |
| | 3 operating expenses and financial costs for services other than rights management, including social, cultural and educational services; | Social and cultural projects | 42 |
| | 4 resources that are used to cover costs; | N/A | |
| 5 amounts that have been withheld on rights revenue, specified by category of managed rights, type of use and purpose of the deduction; | Statement of movements in distributable licence fee income. Also see: Notes to the balance sheet; Liability regarding distribution | 32, 44 | |
| 6 the percentages of the costs of the rights management and other services provided by the collective management organization to right-holders in respect of the rights revenue in the relevant financial year, by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs; | Key figures and Appendix 3, Agreements with international organizations as at December 2020 | 24, 68 | |

| | Description | Part of annual report | Page number |
|--|--|---|--------------------|
| Section 3 | c financial information on amounts owed to right-holders, with a full description of at least the following items: | | |
| | 1 the total amount attributed to rightsholders, specified by category of managed rights and type of use; | Notes to the balance sheet; liability regarding distribution | 44 |
| | 2 the total amount paid to rightsholders, specified by category of managed rights and type of use; | Notes to the cash flow statement, Notes to the balance sheet; liability regarding distribution | 55, 44 |
| | 3 the frequency of the payments, specified by category of managed rights and type of use; | Notes to the cash flow statement | 55 |
| | 4 the total amount collected but not yet allocated to rightsholders, specified by category of managed rights and type of use, and an indication of the fiscal year in which these amounts were collected; | Notes to the balance sheet; liability regarding distribution | 44 |
| | 5 the total amount allocated but not yet distributed to rightsholders, specified by category of managed rights and type of use, and an indication of the fiscal year in which these amounts were collected; | Notes to the balance sheet; liability regarding distribution | 44 |
| | 6 if a collective management organization has not carried out the distribution and payment within the period stipulated by Section 2i(3) of the Act, the reasons for this delay; | Notes to the balance sheet; liability regarding distribution | 44 |
| | 7 the total of non-distributable amounts, with an explanatory note on the use of those amounts; | Notes to the balance sheet; liability regarding distribution | 44 |
| | d information on the financial relationship with other collective management organizations, with a description of at least the following items: | | |
| | 1 amounts received from other collective management organizations and amounts paid to other collective management organizations, specified by category of managed rights, type of use and organization; | Transparency report and Appendix 3, Agreements with international organizations as at December 2020 | 76, 68 |
| 2 management costs and other deductions on income from managed rights that are owed to other collective management organizations, specified by category of managed rights, type of use and organization; | Appendix 3, Agreements with international organizations as at December 2020 | 68 | |
| 3 management costs and other deductions on the amounts that have been paid by other collective management organizations, specified by category of managed rights and organization; | Appendix 3, Agreements with international organizations as at December 2020 | 68 | |
| 4 the amounts directly distributed to right-holders that derive from other collective management organizations, specified by category of rights and by organization; | Notes to the cash flow statement | 55 | |
| Section 4 | a the amounts for social, cultural and educational services withheld during the financial year, specified by type of objective, and a specification of each objective by category of managed rights and type of use; | Key figures, Statement of movements in distributable licence fee income, Notes to the balance sheet, Liability regarding distribution | 24, 32, 44 |
| | b a clarification of the use of those amounts, with a specification by type of objective, including the management costs of the withheld amounts for the funding of social, cultural and educational services as well as the individual amounts that have been used for social, cultural and educational services; | Social and cultural projects | 42 |

5. TRANSPARENCY REPORT

Information on refusal to grant a licence

Sena exercises a right to remuneration on behalf of its rightsholders. In principle, it is not possible to withhold, suspend or terminate licences from music users unless a music user refuses to pay the equitable remuneration in accordance with Article 7 of the Neighbouring Rights Act. In that case Sena may claim the right of prohibition. Licences can be terminated at the initiative of the music user, if the latter stops making (protected) mechanical music available to the public and informs Sena of this. If the music user reports that he performs music for which no Sena fee would be due, the music used will be checked for copyright status before proceeding to terminate the licence.

| Rights revenue | | 2021 | | 2020 | |
|---|----------------------------|--------------------|---|---------------|---|
| | | € | € | € | € |
| RIGHTS CATEGORY | TYPE OF USE | | | | |
| Neighbouring rights | Netherlands | 59,551 | | 53,579 | |
| Dutch licence fees | | 59,551 | | 53,579 | |
| RIGHTS CATEGORY | | TYPE OF USE | | | |
| Neighbouring rights | International | 5,536 | | 6,391 | |
| Other rights | International private copy | 927 | | 443 | |
| International licence fees | | 6,463 | | 6,834 | |
| Total rights revenue | | 66,014 | | 60,413 | |
| Income from investment* of rights revenue | | (216) | | (99) | |
| Total rights fees including Income from investment | | 65,798 | | 60,314 | |

* Rights revenue that is not yet payable, in accordance with the investment principles, will be held at banks on savings accounts that yield the highest possible interest. The income from investment outlined here exclusively relates to revenue from interest.

| COSTS | | 2021 | | 2020 | |
|---------------------------------------|----------------------------|--------------|---|--------------|---|
| | | € | € | € | € |
| Rights category – type of use* | | | | | |
| Dutch collection | Operating expenses (gross) | 6,744 | | 7,298 | |
| International collection | Operating expenses (gross) | 272 | | 389 | |
| Total cost allocation | | 7,016 | | 7,687 | |

* the costs for *fingerprinting* are now charged in full to the Dutch collection for both years.

Sena employees do not record their hours. As such, we make no distinction in terms of the hours dedicated to the rights categories listed above. Nevertheless, in order to comply with the requirements of the transparency report, the gross operating result has been charged to the Dutch collection and international collection rights categories based on an estimate of the dedicated hours for each department. This overview is founded on a comprehensive cost calculation, which also includes pro rata rental costs for the premises.

6. GENERAL INFORMATION SENA

On 29 September 1992, Sena (Stichting ter Exploitatie van Naburige Rechten), the Dutch Foundation for the Exploitation of Neighbouring Rights, was established by notarial deed. The foundation has its registered office in Hilversum, the Netherlands. On 24 November 2017, the foundation's articles of association were lastly amended. In its articles of association, the foundation has included the following objective:

"The foundation's objective is to represent, on a non-profit basis, the tangible and intangible interests of performers and producers with respect to the exercise and enforcement of their neighbouring rights."

- 1** The foundation will try to achieve this objective by:
 - a** exercising and enforcing the rights and claims entrusted to the foundation, including the collection and distribution of equitable remuneration within the meaning of Article 7 of the Neighbouring Rights Act;
 - b** aiming to maintain and improve the protection of the neighbouring rights, in the broadest sense, both nationally and internationally, of performers and producers.
- 2** With respect to the acts referred to in Paragraph 1a, the foundation can take legal action in its own name, regardless of the legal basis on which it exploits and enforces the rights and claims entrusted to it.
- 3** To achieve its objective, the foundation is authorized to use the following means:
 - a** in collaboration with the founding organizations, engaging in or causing other parties to engage in activities to improve the social and socioeconomic position of the holders of neighbouring rights, including measures with a cultural or educational goal;
 - b** drawing up distribution regulations with regard to the remuneration referred to in this article and implementing these regulations or having other parties implement them;
 - c** setting up and maintaining an office to conduct the foundation's activities or partly or wholly outsourcing these activities to third parties;
 - d** other means which are conducive to its objective.
- 4** The foundation is authorized to work both inside and outside the Netherlands to achieve its objective.
- 5** The foundation is authorized to enter into agreements with organizations of a similar nature in other countries.
- 6** The foundation is authorized to join national and international organizations relating to intellectual property rights in general and neighbouring rights in particular.

On 1 July 1993, the Dutch Neighbouring Rights Act entered into force by Royal Decree. Among other things, the Neighbouring Rights Act protects the interests of producers and performers of musical works.

The Minister of Justice and Security has designated Sena as the only body authorised to collect and distribute second-use fees under the Neighbouring Rights Act.

COLOPHON

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