



sabam



**Transparency  
Report for 2021**

## **TRANSPARENCY REPORT FOR 2021**

**Sabam sc Belgian Society of Authors, Composers and Publishers**

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1. Article 22 DIRECTIVE 2014/26/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 February 2014 on collective management of copyright and related royalties and multi-territorial licensing of royalties in musical works for online use in the internal market

# 1. Overview of developments and results

## 1.1. Discussion of the Balance Sheet

### 1.1.1. Figures

ASSETS		Codes	Year	Previous year
START-UP EXPENSES	6.1.	20	0	0
<b>FIXED ASSETS</b>		<b>21/28</b>	<b>18,329,384</b>	<b>18,490,312</b>
Intangible fixed assets	6.2.	21	5,103,984	4,932,335
Tangible fixed assets	6.3.	22/27	13,106,897	13,439,475
Financial fixed assets	6.4./6.5.1.	28	118,503	118,503
<b>CURRENT ASSETS</b>		<b>29/58</b>	<b>307,516,116</b>	<b>294,198,026</b>
Receivables due within one year		40/41 (1/2)	2,736,303	2,312,644
Cash investments	6.5.1./6.6.	50/53	240,182,970	233,097,342
Cash & banks		54/58	24,706,647	17,245,304
Receivables relating to royalty management			38,767,131	40,322,050
Accrued income and deferred charges	6.6.	490/1	1,123,065	1,220,686
<b>TOTAL ASSETS</b>		<b>20/58</b>	<b>325,845,500</b>	<b>312,688,338</b>

EQUITY & LIABILITIES		Codes	Year	Previous year
<b>EQUITY</b>		<b>10/15</b>	<b>6,908,685</b>	<b>10,077,454</b>
Contribution	6.7.1.	10/11	1,808,080	1,751,250
Revaluation gains		12	9,689,565	9,689,565
Reserves		13	151,891	151,891
Profit (Loss) brought forward	€(+)/(-)	14	-4,740,851	-1,515,253
<b>PROVISIONS AND DEFERRED TAXES</b>		<b>16</b>	<b>3,812,181</b>	<b>4,710,797</b>
Provisions for liabilities and charges		160/5	3,812,181	4,710,797
<b>DEBTS</b>		<b>17/49</b>	<b>315,124,633</b>	<b>297,900,087</b>
Debts due within one year	6.9	42/48 (1/2)	24,478,855	7,811,616
<b>Debts relating to royalty management</b>	<b>6.9 bis</b>		<b>281,322,448</b>	<b>284,389,504</b>
Debts on more than one year		17 (2/2)	70,098,402	70,859,774
Debts due within one year		42/48 (2/2)	211,224,047	213,529,730
Accrued charges and deferred income	6.9	492/3	9,323,330	5,698,967
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>10/49</b>	<b>325,845,500</b>	<b>312,688,337</b>

### 1.1.2. Explanation

#### ASSETS

The assets consist of everything Sabam owns: buildings, amounts in current and investment accounts, etc. The fixed assets remain within Sabam for more than one year. Current assets can in principle be sold or used for payment within one year.

#### A. Fixed assets

The **intangible fixed assets** are for software purchased and developed in-house. In 2021, €2.4 million was invested in the development of new software, including €1.6 million for BOOST, a new innovative modular platform that should lead to the gradual replacement of the current SIS collection and distribution software. In addition to the investments in BOOST, an supplementary €0.8 million was invested in various new digitisation and other projects.

The **tangible fixed assets** have decreased slightly and are mainly related to land, buildings and ICT equipment. The investments of the year mainly concern ICT equipment (€0.2 million).

The **financial fixed assets** at the end of 2021 only concern participations in other management companies.

## B. Current assets

The **receivables due within one year** 1.9 million of VAT to be recovered, in line with the previous year.

The **receivables relating to royalty management** relate to outstanding receivables as a result of Sabam's normal activities. This Balance Sheet item shows a decrease of €1.6 million compared to last year, even though outgoing billing has increased from €151.9 million in 2020 to €158.8 million in 2021. The decrease in receivables on royalties is due to the restart of the regular reminder and dunning procedure in the second half of the year. In 2020, these activities were temporarily halted due to COVID-19.

Total investments and cash & banks can be detailed as follows compared to last year:

	(1)	(2)	(3)	
INVESTMENTS (in €)	31/12/2021	31/12/2020	(1)-(2)	(3)/(2)
Copyright investments	172,986,775	165,690,811	7,295,964	4%
Social fund investments	67,196,195	67,406,531	210,336	0%
<b>Total</b>	<b>240,182,970</b>	<b>233,097,342</b>	<b>7,085,628</b>	<b>3%</b>
CASH & BANKS (in €)				
Copyright	17,329,737	12,113,074	5,216,663	43%
Social Fund	3,257,158	3,171,484	85,673	3%
Sabam	4,119,753	1,960,746	2,159,006	110%
<b>Total</b>	<b>24,706,647</b>	<b>17,245,304</b>	<b>7,461,343</b>	<b>43%</b>
<b>TOTAL</b>	<b>264,889,617</b>	<b>250,342,646</b>	<b>14,546,971</b>	<b>6%</b>

Cash & banks increased by €14.5 million compared to the previous year, which is largely due to an increase in collections, an undistributed part of the government compensation (€7.3 million) that will only have to be paid back to the government in February 2022, and an advance of €5.6 million received from the sale of the land and building.

Accrued income and deferred charges include €0.7 million of interests still to be received and €0.4 million of expenses to deferred to next year.

## EQUITY & LIABILITIES

Equity & liabilities consist of the sources to finance the assets which consist of equity and debts, e.g. loans, accounts payable etc.

### A. EQUITY

The decrease in **equity** is mainly due to the loss of €3.2 million for the year, partly compensated by the shares subscribed by new shareholders.

### B. Provisions and deferred taxes

The **provisions and deferred taxes break** down as follows:

Provisions for liabilities and charges	2021	2020	Difference
Pensions and similar commitments	789,750	1,463,010	-673,260
Other risks and expenses - litigation	756,000	905,000	-149,000
Other risks and expenses - reorganisation	2,266,431	2,342,787	-76,356
	<b>3,812,181</b>	<b>4,710,797</b>	<b>-898,616</b>

Provisions and deferred taxes increased overall by €0.9 million compared to the previous year, mainly due to a settlement with various former employees who were able to claim a supplement in their group insurance (€0.4 million) and a decrease in the provision for sundry risks and expenses (€0.2 million) because some long-standing disputes could be closed.

The provisions for reorganisation expenses include, in addition to the reorganisation expenses of 2022 (€1.1 million), a still pending procedure before the Court of Appeal in Brussels, arising from the 2018 reorganisation at the level of the Management Board (€1.2 million), the judgement of which is expected in 2023.

### C. Debts

The **debts due within one year** consist of trade debts, income taxes, remuneration and social security contributions and other short-term debts.

Trade debts increased by €0.4 million compared to last year, mainly due to the recovery of economic activity in the second half of the year as well as significant investments in the development of new software.

Remuneration and social security charges mainly include the provision for vacation pay (€2.9 million), withholding tax debt (€1.8 million) and compensation in lieu of notice debt (€1.0 million).

The advances received relate solely to the advance received for the sale of the current building and related land (€5.6 million).

Other liabilities include the part of the government compensation of €16.0 million that could not be redistributed due to various legal restrictions in the allocation to the different categories of beneficiaries (€7.3 million). This balance was returned at the end of February 2022.

**Debts relating to royalty management due in more than one year** (IX bis long term) are mainly composed of the social and cultural fund of Sabam. For more details, we refer to the chapter on the social and cultural fund.

**Debts relating to royalty management due within one year**, so-called “short-term IX bis”, are royalties that have not yet been distributed or that may have already been allocated to a specific beneficiary, but have not yet been paid out. This item is posted without future commissions.

This account break down as follows:

	31/12/2021	31/12/2020	Difference 2021-2020
<b>A Debts on royalties pending collection</b>	<b>35,224,655</b>	<b>35,026,749</b>	<b>197,906</b>
<b>B Royalties collected to be distributed</b>	<b>138,481,069</b>	<b>139,348,600</b>	<b>-867,531</b>
B1 1. Royalties collected to be distributed, not reserved	86,936,023	84,953,290	1,982,733
B2 2. Royalties collected to be allocated, reserved	32,185,129	37,718,154	-5,533,024
B3 3. Royalties collected to be distributed that are subject to dispute	19,359,917	16,677,156	2,682,761
<b>C Royalties collected and distributed pending payment.....</b>	<b>33,662,866</b>	<b>32,030,759</b>	<b>1,632,107</b>
C1 1. Unchallenged distributed royalties collected	10,251,982	10,613,560	-361,578
C2 2. Royalties collected and distributed and disputed	22,901,625	20,560,147	2,341,478
C3 3. Non-distributable royalties collected	509,259	857,052	-347,793
<b>D Financial revenue from the management of royalties collected</b>	<b>3,855,457</b>	<b>7,123,623</b>	<b>-3,268,166</b>
	<b>211,224,047</b>	<b>213,529,730</b>	<b>-2,305,684</b>

### A. Debts on royalties pending collection

These are royalties that have been invoiced through 31/12/2021, but have not yet been received. The increase in 0.2 million € compared to the previous year is the result of higher invoicing of royalties, largely offset by a decrease in unpaid claims on royalties thanks to the restarting of regular reminder and dunning procedures and the processing of reduction requests with various industry federations.

### B1. Royalties collected to be distributed, not reserved

These are royalties that have already been paid by the user to Sabam, but which have not yet been allocated on an individual basis to a rightholder. These claims consist of amounts to be distributed that are not reserved by Sabam and are not subject to dispute. The majority of these are musical performance royalties which can only be distributed in the year following collection, after receipt of the lists of works played.

The increase of B1 by €2.0 million compared to last year is mainly explained by the annual billing of Performance royalties, partly compensated by discounts granted to closed shops and catering establishments. In the context of the start-up of the Single Music Platform, only the months related to 2020 were invoiced in 2020 for the annual Performance royalties contracts, so the billing and usage periods for copyright and neighbouring rights were fully synchronised and cover the same period. In 2021, the annual billing will again include 12 regular months, but discounts will be given to businesses and catering establishments closed under COVID-19.



## **B2. Royalties collected to be distributed, reserved**

These are royalties already collected that Sabam has not yet distributed as a precautionary measure. This can be explained by the fact that we are still waiting for information about the works used or that we want to deal with the claims of non-affiliates in the case of legally binding collective management.

The decrease of €5.5 million in B2 compared to last year is the result, on the one hand, of supplementary efforts to receive missing information on the works used and, on the other hand, of a reassessment of the need for established reserves.

## **B3. Royalties collected to be distributed that are subject to dispute**

These are royalties already collected that Sabam cannot yet distribute, according to the principle of equitable and prudent management, following a dispute concerning the validity of the collection by the user who paid the royalties.

The increase of €2.7 million in B3 is largely explained by the registration of a dispute concerning the billing of background music in the Netherlands. Pending an agreement between the users and our Dutch sister association, Sabam will keep these royalties on hold.

## **C1. Unchallenged distributed royalties collected**

These are royalties that have been allocated but cannot be paid out to the rightful owners or to foreign management companies. There may be different reasons for this. For example, not having a correct beneficiary account number. Or the absence of documents/invoices from foreign management organisations. The decrease in C1 of 0.4 million € is mainly due to an increase in contacts in 2021 to obtain missing data from our members. It should be noted that in December 2021, due to technical problems, part of the distribution of the definitively non-distributable royalties could not be completed before the end of the year. The amount of 1.8 million was paid in early January 2022.

## **C2. Royalties collected and distributed and disputed**

These are claims that have been allocated but cannot yet be paid out due to a dispute. The reasons for this are diverse: for example, disputes between beneficiaries or problems related to the documentation of works. The increase of C2 by 2.3 million € compared to last year is mainly due to online royalties, where the share of disputes is significantly higher than for the distribution of performing royalties. A specific project will be implemented in 2022 to address this issue.

## **C3. Non-distributable royalties collected**

These are the definitive non-distributable royalties that will be distributed in 2022. We also refer to the auditor's report attached to this report.

## **D. Financial revenue from the management of the royalties collected**

This is deferred financial revenue that can be used to cover expenses, as required by law. The decrease of €3.3 million in this account is due to lower financial returns on defensive fixed revenue investments as a result of the unfavourable inflation and interest climate in the financial markets.

**Accrued charges and deferred income** is mainly composed of accrued charges relating to distributions to be made.

## 1.2. Profit and loss account

### 1.2.1. Figures

PROFIT AND LOSS ACCOUNT		Codes	Year	Previous year	
<b>Operating revenues</b>		<b>70/76A</b>	<b>26,447,937</b>	<b>23,801,908</b>	
Commissions	6.10	70	22,608,361	20,013,650	
Capitalised production		72	760,118	1,007,035	
Other operating revenue	6.10	74	3,079,459	2,781,224	
Non-recurring operating revenue	6.12	76A	0	0	
<b>Operating expenses</b>		<b>60/66A</b>	<b>34,152,524</b>	<b>32,730,135</b>	
Services and sundry goods		61	7,872,941	6,195,462	
Remuneration, social charges and pensions	6.10	62	19,755,803	19,968,030	
Depreciation and write-offs on expenses formation expenses, intangible and tangible assets		630	2,923,029	2,629,597	
Provisions for liabilities and charges: (allocations, uses and reversals) (+)/(-)	6.10	635/7	-831,875	-183,264	
Other operating expenses	6.10	640/8	1,883,826	2,036,556	
Non-recurring operating expenses	6.12	66A	2,341,140	1,868,065	
<b>Operating profit (+)</b>		<b>9901</b>	<b>0</b>	<b>0</b>	
<b>Operating loss (-)</b>		<b>9901</b>	<b>-7,704,587</b>	<b>-8,928,227</b>	
<b>Financial revenue from own account investment</b>		<b>75/76B</b>	<b>4,610,229</b>	<b>5,189,926</b>	
<b>Total financial revenue</b>			<b>4,610,229</b>	<b>5,189,926</b>	
<b>Recurring financial revenue</b>		<b>75</b>	<b>4,610,229</b>	<b>5,189,926</b>	
Revenue from financial fixed assets		750	0	0	
Revenue from current assets		751	2,962,643	3,518,781	
Other financial revenue	6.11	752/9	1,647,586	1,671,146	
<b>Non-recurring financial revenue</b>	<b>6.12</b>	<b>76B</b>	<b>0</b>	<b>0</b>	
<b>Financial expenses from own-account activities</b>		<b>6.11</b>	<b>65/66B</b>	<b>18,305</b>	<b>7,733</b>
<b>Current profit before taxes (+)</b>		<b>9903</b>	<b>0</b>	<b>0</b>	
<b>Current loss before taxes (-)</b>		<b>9903</b>	<b>-3,112,663</b>	<b>-3,746,033</b>	
<b>Revenue taxes (+)/(-)</b>		<b>6.13</b>	<b>67/77</b>	<b>112,935</b>	<b>-211,288</b>
Taxes		670/3	112,935	122,029	
Tax adjustments and reversals of tax provisions		77	0	333,317	
<b>Profit for the year (+)</b>		<b>9904</b>	<b>0</b>	<b>0</b>	
<b>Loss for the year (-)</b>		<b>9904</b>	<b>-3,225,598</b>	<b>-3,534,745</b>	
<b>Profit for the year to be allocated (+)</b>		<b>9905</b>	<b>0</b>	<b>0</b>	
<b>Loss for the year to be allocated (-)</b>		<b>9905</b>	<b>-3,225,598</b>	<b>-3,534,745</b>	

## 1.2.2. Explanation

### A. Commissions

2021 was the second year in a row in which it was impossible to achieve a break-even result because Sabam works with fixed commission percentages defined before the beginning of the year. Due to COVID-19 and associated reductions to closed sectors, billings and collections remained well below their normal structural levels, resulting in lower commission revenue.

Taking into account the financial revenue from the investment of royalties to be distributed (IX bis in the short term), used to cover operating expenses, the net increase in Sabam's revenue amounts to €2.0 million, rounded, which is in line with the increase in billing from €152.1 million in 2020 to €158.9 million in 2021.

### B. Gross operating expenses

In addition to traditional operating expenses, "gross operating expenses" also include other operating revenue, capitalised production and financial expenses borne by Sabam which can be summarised as follows:

	2021	2020	Difference
Commissions	22,608,361	20,013,650	2,594,711
Financial revenue	4,610,229	5,189,926	-579,697
<b>Total revenue</b>	<b>27,218,590</b>	<b>25,203,576</b>	<b>2,015,013</b>
Personnel - regular	-19,755,803	-19,968,030	212,227
Personnel - severance pay	-2,341,140	-1,868,065	-473,075
Capitalised production	760,118	1,007,035	-246,917
<b>Total personnel</b>	<b>-21,336,825</b>	<b>-20,829,060</b>	<b>-507,765</b>
Services and sundry goods	-7,872,941	-6,195,462	-1,677,479
Depreciation	-2,298,814	-2,662,023	363,208
Other operating expenses	-1,883,826	-2,036,556	152,730
Other operating revenue	3,079,458	2,781,224	298,234
Financial expenses	-18,305	-7,733	-10,572
<b>Total gross operating expenses</b>	<b>-30,331,253</b>	<b>-28,949,609</b>	<b>-1,381,644</b>
Income taxes	-112,935	211,288	-324,223
<b>Result of the year</b>	<b>-3,225,598</b>	<b>-3,534,745</b>	<b>309,146</b>

The above table shows that "gross operating expenses", excluding corporate taxes, increased by €1.4 million compared to the previous year. The major movements from last year are discussed in more detail below.

### Personnel expenses

Expenses for wages, social security and pensions decreased by €0.2 million compared to the previous year. Due to COVID-19, the temporary unemployment system in the second quarter was also used in 2021 (€0.3 million savings in 2021; €1.0 million savings in 2020) and the bonuses for 2021 were set at half of a normal year (€0.4 million savings in 2021; €0.7 million savings in 2020). Despite less compelling savings in 2021, regular personnel expenses have still decreased due to a sharp reduction in FTEs as a result of the performance of the new strategy, which includes efficiency improvements in core business activities.

### Non-recurring expenses

Non-recurring expenses relate to severance payments linked to the long-term performance of the strategic vision as well as one-off severance payments linked to changes in the management committee.

### Capitalised production

The capitalised production is largely related to the salary expenses of our own personnel who develop custom software tailored to the company's needs. These expenses are considered as an investment during the year of development and are therefore removed from expenses and recorded in the Balance Sheet as intangible fixed assets. When the software is ready for use, these expenses are amortised over the estimated economic life. The decrease of €0.3 million compared to last year is mainly due to the fact that new developments of the BOOST platform are developed more by external parties than by internal personnel.

### Services and sundry goods

Charges for services and sundry goods relate to charges for utilities, maintenance, royalties, etc.

The increase of these expenses by €1.7 million compared to last year is mainly due to an increase in temporary personnel expenses (€0.4 million), external IT consultants (€0.4 million), software maintenance expenses (€0.4 million) and commission expenses related to online collections via ICE (€0.1 million). In contrast to last year, temporary personnel and external consultants were again used to carry out the strategic developments and focus points.

### Depreciation, write-downs and provisions

The decrease in depreciation, amortisation and provisions of €0.4 million compared to the previous year is mainly due to a net reversal of provisions for pensions and similar obligations and ongoing litigations (€0.7 million), partly compensated by an increase in the classical depreciation of tangible and intangible fixed assets (€-0.3 million).

### Other expenses

Other expenses mainly include expenses for socio-cultural purposes (€1.6 million) such as cash prizes, scholarships and other allowances, as well as expenses for other taxes (€0.5 million). Grants for socio-cultural purposes increased by €0.1 million as more initiatives could be supported in 2021 despite COVID-19.

### Other operating revenue

The other operating revenue mainly relates to the recharging of dunning expenses for late payments (€0.5 million) and the charging of expenses for social and cultural purposes to the social fund (€2.0 million). In addition to cash prizes, scholarships and other allowances, which are included in other expenses, the charges to the social and cultural fund also include the direct personnel expenses (€0.6 million) of the personnel members involved in the social fund and socio-cultural activities.

The increase in other operating revenue is mainly due to a higher recovery of, among other things, dunning expenses, as these procedures could be resumed in the second half of the year after most of the sanitary measures decreed under COVID-19 had been lifted for a sufficient period of time and agreements had been reached with the industry federations regarding discounts due to closure.

## Financial expenses

The financial expenses as shown in the gross operating expenses table are various bank charges specific to Sabam.

### C. Financial revenue

The €4.6 million net financial revenue in 2021 from the investment of royalties (IX bis short term) is used to cover operating expenses.

The net financial revenue from the investments of the social fund is not included in the result and amounts to €0.6 million in 2021 (€1.4 million in 2020).

### D. Income taxes

Corporate income tax expenses relate to a limited extent to a supplementary charge for 2020 and a minimum tax on benefits in kind which cannot be offset against the loss for the year.

### 1.3. Cash flow

Cash flow	2021	2020
Cash investments 1.1	233,097,342	245,614,192
Cash & banks 1.1	17,245,304	24,235,549
	<b>250,342,646</b>	<b>269,849,740</b>
Cash investments 31.12	240,182,970	233,097,342
Cash & banks 31.12	24,706,647	17,245,304
	<b>264,889,617</b>	<b>250,342,646</b>
<b>Increase/(decrease)</b>	<b>14,546,971</b>	<b>-19,507,094</b>
Result for the year	-3,225,598	-3,534,745
Depreciation	2,923,029	2,629,597
Excess depreciation	0	662,697
Losses	207,661	215,690
Provisions	-898,616	1,022,102
<b>Economic cash flow</b>	<b>-993,525</b>	<b>995,342</b>
Investments in fixed assets	-2,762,101	-2,454,173
Advance sale of the building	5,551,200	0
Advance purchase of the building	-250,000	0
<b>Cash flow from investments</b>	<b>2,539,099</b>	<b>-2,454,173</b>
Increase/(decrease) state compensation	7,351,843	0
Decrease/(increase) of royalty receivables	1,347,259	-2,917,662
Increase/(decrease) of royalty debts payable within one year (IX Bis - CT)	-2,305,684	-1,267,272
Increase/(decrease) of royalty debts due after more than one year (IX Bis - LT)	-761,373	-16,669,071
<b>Cash flow from operating activities</b>	<b>5,632,046</b>	<b>-20,854,005</b>
Decrease/(increase) in trade receivables	-379,193	-106,349
Decrease/(increase) in other receivables	205,533	-75,943
Decrease/(increase) in accruals and deferrals (assets)	97,622	408,776
Increase/(decrease) Contribution	56,830	68,371
Increase/(decrease) in trade debts	409,715	-621,206
Increase/(decrease) in tax, salary and social security liabilities	3,358,285	-171,302
Increase/(decrease) in other liabilities	0	80,614
Increase/(decrease) in financial liabilities	-3,804	-511
Increase/(decrease) in accruals and deferrals (liabilities)	3,624,363	3,223,292
<b>Cash flow from working capital</b>	<b>7,369,351</b>	<b>2,805,743</b>
<b>Increase/(decrease)</b>	<b>14,546,970</b>	<b>-19,507,094</b>

## 2. Refusal to grant a licence

In 2021, Sabam did not deny any licenses to users in its directory.

## 3. Legal and administrative structure

Sabam is a cooperative company of shareholders: authors, composers and publishers who have subscribed to a share and signed an affiliation and fiduciary assignment contract. They are represented in the statutory bodies such as the general assembly and the administrative body.

Sabam manages the royalties of more than 45,000 shareholders active in music, film and television, theatre and dance, visual arts and literature. The composition and competences of the various statutory bodies of the company are set out in the Corporate Governance Charter, the text of which can be found on our website.

### 3.1. Governing body

**President:**

- Jan Hautekiet

**Vice President:**

- Team For Action scrl – represented by *Claude Martin*

**Secretary:**

- PMP Music sprl – represented by *Patrick Mortier*

**Directors:**

- Yves Barbieux
- Laurence Bibot
- Ignace Cornelissen
- Pierre Dumoulin
- Luc Gulinck
- Hans Helewaut
- Manu Hermia
- Olivier Monssens
- CTM Entertainment bvba – represented by *Stefaan Moriau*
- Serge Ramaekers
- Bram Renders
- Anthony Sinatra
- Het Gerucht bvba – represented by *Herman Van Laar*

**Chief Executive Officer:**

- Steven De Keyser

## 3.2. Liaison committee

### Delegation of the Board of Directors:

- Ignace Cornelissen
- Pierre Dumoulin
- Hans Helewaut
- Het Gerucht bvba – represented by **Herman Van Laar**

### Management committee delegation:

- Steven De Keyser

### External expert – by invitation:

- Bernard Richelle

## 3.3. Management committee

The management committee implements the decisions of the Board of Directors. CEO Steven De Keyser is assisted by:

- |                       |  |
|-----------------------|--|
| • Steven Desloovere   | Repertoire & Distribution                  |
| • Frederik Gheysens   | Business Technology                        |
| • Olivier Maeterlinck | Corporate Communication & Cultural Affairs |
| • Inge Vanderveken    | Legal & International Affairs              |
| • Stijn Van Reusel    | Finance & Business Controlling             |
| • Sofie Vlaeminck     | Human Resources, Purchase & Facilities     |
| • Serge Vloeberghs    | Licensing                                  |



## 4. Entities owned directly or indirectly by Sabam or under its full or partial control

Entity	Number of shares	Capital (€)
SOLEM Rue d'Arlon 75-77 1040 Brussels	100 shares	109,424
<b>Auvibel scrl</b> <b>Avenue du Port 86c/201a</b>	<b>1 share</b>	<b>2,479</b>
Reprobel scrl Place De Brouckère 12 1000 Brussels	7 shares	1,750
<b>OnlineArt scrl</b> <b>Rue du Prince Royal 87</b> <b>1050 Brussels</b>	<b>5 shares</b>	<b>2,500</b>
company of Audiovisual Authors Rue du Prince Royal 87 1050 Brussels	2.5 shares	1,239
<b>FT The Digital Copyright Network SAS</b> <b>130 Rue Cardinet</b> <b>75017 Paris, France</b>	<b>1,110 shares</b>	<b>1,110</b>

## 5. Amount of remuneration and other services for persons managing Sabam's activities

We refer to page 6.16 of the notes to the annual accounts regarding the remuneration of the Board of Directors and the Board of Directors and former directors, for a total amount of €457,741.

In 2021, the total amount of remuneration for the management committee amounted to €1,522,009.

## 6. Expenditures for social, cultural and educational purposes

Sabam has been supporting its shareholders financially for years, beyond legal or public support measures. Sabam provides social support to its authors through its Pension Plan and cultural support for the promotion of its repertoire.

These social, cultural and educational expenses are financed by deductions of up to 10% from the net royalties, i.e. after deduction of the commission (article 48 of the bylaws). This retention amounts to €6,216,550 in 2021 against €8,131,321 in 2020. The decrease is, of course, a result of the decrease in collections and therefore distributions as a result of COVID-19. It should be noted that no deductions were made from the governmental compensation allocations.

The financial situation of the social and cultural fund (in €) can be summarised as follows:

<b>Initial balance</b>	<b>70,830,387</b>
<b>Products</b>	<b>6,784,598</b>
Withholding (art. 48 of the bylaws)	6,216,550
Net financial result	568,048
<b>Expenses</b>	<b>-7,545,971</b>
RD payments	-1,789,656
NR payments	-3,105,660
NR Payments - COVID-19	-551,447
Social fund expenses: cultural and educational expenses	-1,998,854
Social fund expenses	-100,353
<b>Final balance</b>	<b>70,069,014</b>

## 6.1. Social activities

### Social Fund

Sabam has two social support systems: the first based on the old CES (Mutual Aid and Solidarity Fund) regulations and the second based on the Pension Plan (new regulations), which has been in force since 2007. The old regulation is a collective system in phase of extinction while the new regulation is an individualised capitalisation system.

The number of beneficiaries still under the old rules continues to decline from 553 in 2020 to 527 in 2021 (302 common shareholders and 225 surviving spouses).

In order to assist our beneficiaries with the greatest financial need following COVID-19, the early withdrawal requirements of the new regulation have been simplified and reduced in 2020 and this same flexibility has also been maintained in 2021. In 2021, 222 rightful claimants have applied and €551,447 have been paid to them. We will maintain the same flexible terms and conditions in 2022, so that we can continue to provide maximum support to our beneficiaries in these difficult times.

In 2021, an amount of €3,105,660 was paid to the beneficiaries of the new regulation, including profit-sharing and compensation. Included in this amount are the 52 beneficiaries who opted in 2021 for an early payment and/or withdrawal, for an amount of €425,119 (in 2020: 40 beneficiaries for an amount of €394,849).

## 6.2. Cultural and educational activities (Sabam for Culture)

Sabam for Culture plays a crucial and complementary role in supporting the career development of Sabam members.

In 2021, Sabam for Culture supports more than **900 initiatives** with a budget of **€1.5 million**.

- 724 scholarships
- 16 prizes
- 18 support for federations
- 122 projects and events
- 12 donations

### Support for cultural events and projects

Cultural organizers may apply if they promote, disseminate, internationalise or assist in the creation of works by Sabam authors through a specific project or event. Or if the project is about talent development and professionalisation.

All applications are evaluated by an external cultural committee, taking into account evaluation criteria such as NB: to equitable practices, diversity, etc.

Below is an overview of all projects and events that have been approved by the committees.

### MUSIC COMMITTEE

In 2021, Sabam for Culture supports **93 musical events or projects** for a total amount of **€441,700**.

- The World Choir Games
- Amenra plays the mirror at the MOOV Film Festival
- The new light of Studio Brussel
- The Flanders Folk Awards
- Belgian Jazz Meeting
- Belgium Booms at Eurosonic Noordenslag, Jazzahead, MaMa Festival, Womex & Transmusicales
- The Times - Hermes together
- Folkmagazine of Muziekmozaiek
- Gooikoorts folkfestival
- Belgian music for piano and trumpet - S.W.U.K.
- River Jazz
- IAD Music
- The Week of Sound
- Mithra Jazz
- Twintigers, Klara
- De Toots Sessies, Canvas
- Belgian Music Week on Één
- Belgian Night (RTBF)
- The Belgian week (RTBF)
- Aperohit Talks Academy
- VKRS festival
- Les Aralunaires
- Radio Rectangle
- Les femmes s'en mêlent
- Culte.be
- Les Solidarités
- Gaume Jazz Festival
- Podium 19
- Belgian Jazz Weekend
- 69th European Youth Music Festival
- Trix - WE ARE OPEN
- Roomservice
- Sound Track - VI.BE
- Vlapo livestream
- Dinant Jazz Festival
- Happy! (Festival of Wallonia)
- My Garden Festival
- BlueBird Festival
- André Charlier Composition Competition
- Kidzik
- Keep On!
- Festival of Art of Huy
- Music Council (information days, coaching and residencies)
- Les Nuits Botanique
- MUZIK1030
- De Eregalerij van Radio 2
- Théâtre-sur-Mer
- Ham Sessions
- Zwart Goud
- Now Festival
- Osmosis Intermezzo
- Francofauna
- Marni Jazz
- Music Program - Court-Circuit
- MUSIQ3 Festival
- Ronquières Festival
- Micro Festival
- Voix de Femmes
- Esperanzah Festival
- Labelnight Luik Festival
- Belgo Folies
- Jyva'Zik Festival
- Congolisation
- Gate
- Fifty Lab
- Ars Musica
- Ghent Film Festival
- Bijloke Wonderland
- Global Music Sessions
- Boomtown
- 40 Y. - Democrazy
- Belgian music platform Ohlalala
- Rataplan: Connections
- Boterhammen in het (Park)
- Volta - Summer Concerts
- Sentiers sart-risbart
- Durbuy Rock Festival
- La Carrière Festival
- Tremplin Durbuy
- Jeunesses Musicales
- La Guerre des Gaules
- Sounds Jazz Club
- Une chanson peut en cacher une autre
- Urban 32
- Ruiskamer by Miry & Vooruit
- Amok, KAAP
- Belgian soundtracks at the Ghent Film Festival, by Poolneedle & Sonhouse Records
- Production and CD release - FINGERPRINTS#4 - Kunstenpunt
- De Klara's

## GRAND ROYALTIES COMMISSION

In 2021, Sabam for Culture supports **39 events or projects** in the disciplines of audiovisual works, theatre & dance, literature and visual arts for a total amount of **€206,950**.

- Short but trashy
- Anima
- Brussels Short Film Festival
- Make It Short - JEF Festival
- Les Ensors
- Royal Festival Spa
- Festival Film d'amour in Mons
- Fais-moi un conte
- BIFFF & BIFFF Market
- It's time to laugh
- Art Contest
- Miramiro
- Docville
- Cut to: Gent
- Groen Gebladerte, podcast of Radio 1 and Langzullenwelezen
- Een wereld van verschil - Klara
- WAJOW Talent Factory
- Comedy Festival Liege
- International Francophone Film Festival of Namur
- The Belgian Collection Volume 2
- ASA Pitch
- VOO Rire
- Now Festival
- Black Iris
- Théâtre-sur-Mer
- Ghent Film Festival
- Film'On - International Film Festival for Young Audiences
- Het Betere Boek
- Toch Theatre - Opendoek
- De aftocht/der ruckzug - DeBuren
- Wanda: KASK screenings
- Bijloke Wonderland
- Congolisation
- Amok
- International Short Film Festival Louvain's footage
- Museum Night Fever
- Dag van het filmberoep, in collaboration with Unie Van Regisseurs

## Grants to support the creation, dissemination and promotion of works

Sabam for Culture offers a wide range of grants to different artistic disciplines. It thus directly supports its members in the creation, promotion or internationalisation of their works.

In 2021, Sabam for Culture is again investing heavily in this scholarship offering and a record number of scholarships are being awarded.

### MUSIC

- Grant for the promotion of a self-produced album
  - >> 22 grants for an amount of €31,500
- Boost your artistic budget for a concert
  - >> 221 grants for an amount of €77,424
- Grant for a commission for a composition of contemporary classical music
  - >> 7 grants for an amount of €8,750
- Training grant
  - >> 12 grants for an amount of €2,429
- Film music grants
  - >> 17 grants for an amount of €44,770
- Grant for catering establishments and youth centres that organise a concert
  - >> 17 grants for an amount of €8,230
- Support for participation in an international writing session
  - >> 6 grants for an amount of €3,714.52
- Development Grant for a publisher
  - >> 19 grants for an amount of €51,501
- Scholarship for professional activity abroad
  - >> 5 grants for an amount of €1,750
- Residence grant
  - >> 13 grants for an amount of €13,000
- Grant for participation in a foreign tour
  - >> 8 grants for an amount of €13,300
- Export grant for showcase festivals
  - >> 21 grants for an amount of €11,400
- Grant for participation in a foreign tour
  - >> 23 grants for an amount of €50,680
- Support grant for the production of a video clip
  - >> 117 grants for an amount of €108,769

### AUDIOVISUAL

- Grant for the creation of podcasts and audio stories
  - >> 3 grants for an amount of €3,000
- Short Film Development Grant
  - >> 61 grants for an amount of €66,000
- Grant for the research and script of a feature film or series
  - >> 11 grants for an amount of €31,000
- Web series grant
  - >> 4 grants for an amount of €4,000
- Subtitling grant
  - >> 3 grants for an amount of €1,156
- Training grant
  - >> 8 grants for an amount of €5,428
- Author Development Grant: Coaching
  - >> 1 scholarship for an amount of €500
- Promotional grant for international festivals
  - >> 12 grants for an amount of €3,666

### THEATRE AND DANCE

- Boost your artistic budget: open stages, shows, services in the field of live arts
  - >> 11 grants for an amount of 1 €1,300
- Creation grant
  - >> 16 grants for an amount of €36,000
- Stage music grant
  - >> 8 grants for an amount of €17,000
- Coaching
  - >> 2 grants for an amount of €1,000

### LITERATURE

- Grant for the creation of a new work (all genres)
  - >> 10 grants for an amount of €17,500
- Grant for the translation of a literary excerpt
  - >> 4 grants for an amount of €2,330
- Support for vivid readings/presentations of literary texts
  - >> 32 grants for an amount of €3,200

### VISUAL ARTS

- Grant for the creation of a new work
  - >> 1 grant for an amount of €2,000
- Grant for the promotion of visual arts
  - >> 12 grants for an amount of €32,874
- Residence grant
  - >> 3 grants for an amount of €8,200

### Information sessions, workshops & presentations

In the context of its cultural activities, Sabam also invests in the creation of its own activities. These activities focus on talent development, networking and education. They are often organised in collaboration with the events it supports, with professional federations and other cultural partners, or with higher arts education programs in Belgium.

In 2021, Sabam for Culture visits several music and audiovisual training institutes in Belgium to inform students about copyright and collective management (e.g. in collaboration with PXL music, RITCS, LUCA School of arts, IAD, INSASS and INRACI).

Sabam for Culture does the same in coaching programs for new talent (e.g. in collaboration with Sound Track, Nuff Said's Get Up Stand Up, Make It Short at JEF Festival, the Times - Hermes Ensemble, WAJOW Talent Factory, PlayRight, Court-Circuit and Urban32).

Next, Sabam for Culture is also attentive to issues that are not directly related to copyright. We have organised screenwriting workshops, learning how to pitch as a director/writer, learning about music in theatre, etc.

Finally, Sabam for Culture is heavily involved in pitching and networking events where talented authors present their work to producers, other authors, international agents, etc. In 2021, this happens, in particular, in collaboration with the International Short Film Festival of Leuven, the Ghent Film Festival, Théâtre-sur-Mer and the Théâtre Transversal of Avignon.

### Support for professional federations

Interest groups and professional federations can apply for structural support from Sabam for Culture. In this context, the Music Commission and the Major Royalties Commission also examine the extent to which the federation defends the interests of authors, works to professionalize the cultural sector in Belgium and sets up activities for its members.

In 2021, Sabam for Culture supports **18 professional federations** for a total amount of **€90,174**.

- Association of Belgian writers of French language
- Belgian World Music Network
- Composers' Forum
- Federation of Authors, Composers and Performers
- Hortense's Mondays
- FrancAuteurs
- BMPA
- Belgian screen composers
- COMAV - Componisten Archipel Vlaanderen
- VLAPO
- ASA - association of audiovisual scriptwriters
- FBPH - Belgian Federation of Humor Professionals
- ARRF - The Association of French-speaking Directors
- Unie van regisseurs
- Screenwriters Guild
- Klankverbond
- VAV - Vlaamse Auteursvereniging
- De Muziekgilde

## Prizes

In addition to concrete support through grants, federations and projects, Sabam for Culture grants or dedicates each year the work of confirmed or promising talents.

In 2021, Sabam for Culture awards **16 prizes** for a total amount of **€45,500**.

- Sabam for Culture literature prize, awarded to Gaea Schoeters and Carl Norac
- Sabam for Culture Award for Best Director, awarded to Eva Cools and Ben Stassen
- Sabam for Culture Award for Best Writer, awarded to Hyun Lories
- Laureate National Court Mais Trash Award, awarded to Yoann Stehr
- Anima Prize for the best Belgian animated short film, awarded to Nicolas Keppens for *Easter Eggs*
- Best Flanders Folk Network album, awarded to Trio Dhoore for *August*
- Sabam for Culture Prize for the best musical creation in the context of La Semaine du Son, awarded to Segundo de Chomon for *The Elusive Pickpocket (3'38" - 1908)*
- Third Prize Art Contest, awarded to Juana Soria
- Best Belgian documentary on Docville, awarded to Liesbeth De Ceulaer for *Holgut*
- The Willy Vandersteen Prize, awarded to Judith Vanistendael (drawings) and Zidrou (scenario) for *The whale library*
- Best First Film at the International Short Film Festival of Leuven, awarded to Lennert Madou for *High Jump*
- Next generation prize at BSFF, awarded to Bertille Estramon for *DOG*
- The short says it all, awarded to Julien Henry for *Lynx*
- Urban 32 PRIZE, awarded to KENIIX

## Fund for Belgian Music

Together with PlayRight+, Galm and Facir, Sabam is one of the founders of the Fund for Belgian Music, which operates under the aegis of the King Baudouin Foundation to acquire essential resources.

In 2021, €50,000 was paid to the Fund for Belgian Music because of the persistent difficulties of the music sector due to the COVID-19. In 2021, through the Fund for Belgian Music, Sabam is launching a call for projects to financially support the creation of new music recordings. A total of 52 files are approved for a total amount of 120.000 €.

## Charitable donations

Through cultural and social activities, Sabam also supports a number of charities each year when they are associated with the creation of cultural events.

In 2021, Sabam for Culture is making a donation to **12 charities** for a total amount of **€26,000**.

## 7. Details of amounts collected in 2021

### Breakdown of net royalties collected by collection category, by year of operation and by geographical origin

	Works							Services			
	Indefinite	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Performance Audio	Audiovisual	Fixation Audio	Audiovisual
<b>Net royalties collected by collection category with geographical breakdown</b>											
<b>Net royalties collected by collection category Belgium</b>											
A Reproduction	2,450		78,286	2,249,676	72,360	578,254				715,820	
B Adaptation/ translation											
C Com publ	69,894,379			4,501,311						239,468	
D Deployment				49,563		55,545					
E Rental											
F Educational lending rights											
G Distribution											
H Resale rights						1,461,324					
I Cable retransmission	17,028,415					21					
J Satellite											
K representation							1,497,673				
L publication			59,083								
M Supplementary annual remuneration											
N Direct injection											
O Databases											
P Reproduction by publishers	9,107		12,064	57,254							
Q Reprographics			371,414	103,170		487,925					
R Equitable remuneration								11,905,218		11,922,687	
S Public lending rights for educational/ cultural purposes	59,649		303,352	50,324		237,842					
T Private copying			112,024	2,249,931	1,001,821	236,630					
U Private copying by publishers			1,977	32,692							
V Teaching & research Sc.	4,542		160,802	67,548		108,484					







The percentage of expenses to receipts over the last 3 years is as follows:

	2021	2020	2019
Sabam receipts	130,825,227	122,693,769	156,452,134
UPM receipts (Simim-Playright)	24,077,251	22,346,723	3,421,825
<b>Receipts</b>	<b>154,902,478</b>	<b>145,040,492</b>	<b>159,873,959</b>
Average of the last 3 years	153,272,310	152,397,519	156,386,709
Gross operating expenses excluding taxes	30,331,253	28,949,609	30,485,261
<b>Percentage of expenses/average receipts</b>	<b>19.8%</b>	<b>19.0%</b>	<b>19.5%</b>







## Breakdown of royalties paid

	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Services			
							Performance		Fixation	
							Audio	Audiovisual	Audio	Audiovisual
<b>B. Royalties paid by collection category in 2021 from royalties collected in 2020</b>										
<b>B.1. Royalties paid by collection category to the Belgium</b>										
A Reproduction		3	684,062	405	53,073	0			371,344	
B Adaptation/translation										
C Com publ		101,569	15,692,880	3,499,353	43,983	70,910				
D Deployment			709,936		6,578					
E Rental										
F Educational lending rights										
G Distribution										
H Resale rights					180,989					
I Cable retransmission		17,219	4,802,455	2,121,836	83,287	22,663				
J Satellite										
K representation		3	837	0		132,330				
L publication		512								
M Supplementary annual remuneration										
N Direct injection										
O Databases										
P Reproduction by publishers		4,402	24,269							
Q Reprographics		124,643	18,922		154,219					
R Equitable remuneration										
S Public lending rights for educational/cultural purposes		127,376	1,807		17,655					
T Private copying		560	126,937	442,591	12,425	1,293				
U Private copying by publishers										
V Teaching & research Sc.		23,442	15,240		27,532					

## Breakdown of royalties paid

	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Services			
							Performance		Fixation	
							Audio	Audiovisual	Audio	Audiovisual
<b>B.2.Duties paid by collection heading to Europe</b>										
A Reproduction		1	293,488	174	22,770	0			11,389	
B Adaptation/translation										
C Com publ		43,577	6,732,833	1,501,353	18,871	30,423				
D Deployment			304,589		2,822					
E Rental										
F Educational lending rights										
G Distribution										
H Resale rights					77,651					
I Cable retransmission		7,387	2,060,433	910,347	35,733	9,723				
J Satellite										
K representation		1	359	0		56,774				
L publication		220								
M Supplementary annual remuneration										
N Direct injection										
O Databases										
P Reproduction by publishers		1,889	10,412							
Q Reprographics		53,477	8,118		66,166					
R Equitable remuneration										
S Public lending rights for educational/cultural purposes		54,649	775		7,575					
T Private copying		240	54,461	189,888	5,331	555				
U Private copying by publishers										
V Teaching & research Sc.		10,058	6,539		11,812					



## Breakdown of royalties paid

	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Services			
							Performance		Fixation	
							Audio	Audiovisual	Audio	Audiovisual
<b>B.3. Royalties paid by collection category to the Rest of the world</b>										
A Reproduction		1	286,856	170	22,256	0				
B Adaptation/translation										
C Com publ		42,592	6,580,693	1,467,428	18,444	29,736				
D Deployment			297,706		2,758					
E Rental										
F Educational lending rights										
G Distribution										
H Resale rights					75,896					
I Cable retransmission		7,221	2,013,874	889,776	34,926	9,503				
J Satellite										
K representation		1	351	0		55,491				
L publication		215								
M Supplementary annual remuneration										
N Direct injection										
O Databases										
P Reproduction by publishers		1,846	10,177							
Q Reprographics		52,268	7,935		64,671					
R Equitable remuneration										
S Public lending rights for educational/cultural purposes		53,414	758		7,404					
T Private copying		235	53,230	185,597	5,210	542				
U Private copying by publishers										
V Teaching & research Sc.		9,830	6,391		11,545					

## Breakdown of royalties paid

	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Services			
							Performance		Fixation	
							Audio	Audiovisual	Audio	Audiovisual
<b>C. Royalties paid by collection category in 2021 from royalties collected before 2020</b>										
<b>C.1. Royalties paid by collection category to the Belgium</b>										
A Reproduction		29	803,383	1	274,623	5				
B Adaptation/translation										
C Com publ		26,068	5,124,268	1,806,245	336	14,632				
D Deployment			342,322		9,477					
E Rental										
F Educational lending rights										
G Distribution										
H Resale rights					-23,212					
I Cable retransmission		10,257	1,355,105	875,619	45,568	8,602				
J Satellite										
K representation			7			100,725				
L publication										
M Supplementary annual remuneration										
N Direct injection										
O Databases										
P Reproduction by publishers										
Q Reprographics		70,739	32,419		70,866					
R Equitable remuneration										
S Public lending rights for educational/cultural purposes		224,368	30,219	20,063	9,284	7				
T Private copying		13,425	992,197	218,235		982				
U Private copying by publishers										
V Teaching & research Sc.		30,256	17,507		27,159					

## Breakdown of royalties paid

	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Services			
							Performance		Fixation	
							Audio	Audiovisual	Audio	Audiovisual
<b>C.2. Duties paid by collection heading to Europe</b>										
A Reproduction		12	344,682	0	123,645	2				
B Adaptation/translation										
C Com publ		11,184	2,198,503	774,947	144	6,278				
D Deployment			146,869		-1,755					
E Rental										
F Educational lending rights										
G Distribution										
H Resale rights					-9,959					
I Cable retransmission		4,401	581,391	375,673	19,550	3,691				
J Satellite										
K representation			3			43,215				
L publication										
M Supplementary annual remuneration										
N Direct injection										
O Databases										
P Reproduction by publishers										
Q Reprographics		30,350	13,909		30,404					
R Equitable remuneration										
S Public lending rights for educational/cultural purposes		96,262	12,965	8,608	3,983	3				
T Private copying		5,760	425,689	93,631		421				
U Private copying by publishers										
V Teaching & research Sc.		12,981	7,511		11,652					

## Breakdown of royalties paid

	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Services			
							Performance		Fixation	
							Audio	Audiovisual	Audio	Audiovisual
<b>C.3. Royalties paid by collection category to the Rest of the world</b>										
A Reproduction		12	336,893	0	120,851	2				
B Adaptation/translation										
C Com publ		10,932	2,148,824	757,436	141	6,136				
D Deployment			143,550		-1,716					
E Rental										
F Educational lending rights										
G Distribution										
H Resale rights					-9,734					
I Cable retransmission		4,301	568,253	367,184	19,109	3,607				
J Satellite										
K representation			3			42,238				
L publication										
M Supplementary annual remuneration										
N Direct injection										
O Databases										
P Reproduction by publishers										
Q Reprographics		29,664	13,595		29,717					
R Equitable remuneration										
S Public lending rights for educational/cultural purposes		94,087	12,672	8,413	3,893	3				
T Private copying		5,630	416,070	91,515		412				
U Private copying by publishers										
V Teaching & research Sc.		12,688	7,342		11,389					

## Breakdown of royalties paid

							Services			
							Performance		Fixation	
	Archi & AA	Literary	Sound	Audiovisual	Graphic/plastic	Arts & performing arts	Audio	Audiovisual	Audio	Audiovisual
A Reproduction	0	61	5,947,973	58,183	995,137	10	0	0	1,074,355	0
B Adaptation/translation	0	0	0	0	0	0	0	0	0	0
C Com publ	0	261,956	42,057,374	12,493,115	212,328	178,225	0	0	240,039	0
D Deployment	0	0	3,334,374	938	53,338	0	0	0	0	0
E Rental	0	0	0	0	0	0	0	0	0	0
F Educational lending rights	0	0	0	0	0	0	0	0	0	0
G Distribution	0	0	0	0	0	0	0	0	0	0
H Resale rights	0	0	0	0	1,332,720	0	0	0	0	0
I Cable retransmission	0	54,103	17,522,555	5,945,020	420,501	60,469	0	0	0	0
J Satellite	0	0	0	0	0	0	0	0	0	0
K representation	0	5	1,560	0	0	1,291,537	0	0	0	0
L publication	0	87,604	0	0	0	0	0	0	0	0
M Supplementary annual remuneration	0	0	0	0	0	0	0	0	0	0
N Direct injection	0	0	0	0	0	0	0	0	0	0
O Databases	0	0	0	0	0	0	0	0	0	0
P Reproduction by publishers	0	8,137	44,858	0	0	0	0	0	0	0
Q Reprographics	0	361,141	94,899	0	416,043	0	0	0	0	0
R Equitable remuneration	0	0	0	0	0	0	11,909,872	0	11,927,341	0
S Public lending rights for educational/cultural purposes	0	675,540	140,682	43,308	54,024	18	0	0	0	0
T Private copying	0	50,087	3,520,958	1,349,457	183,317	5,562	0	0	0	0
U Private copying by publishers	0	0	0	0	0	0	0	0	0	0
V Teaching & research Sc.	0	99,255	60,530	0	101,090	0	0	0	0	0
	0	<b>1,597,888</b>	<b>72,725,762</b>	<b>19,890,021</b>	<b>3,768,497</b>	<b>1,535,820</b>	<b>11,909,872</b>	<b>0</b>	<b>13,241,734</b>	<b>0</b>
				<b>9,129,236</b>	<b>UE+RM</b>					
				for SAA						

## 9. Timetable of the distribution of royalties

Budget year	% distributed				
	2017	2018	2019	2020	2021
2017	24.92%	81.43%	85.60%	87.92%	94.89%
2018		26.10%	83.66%	88.47%	91.06%
2019			24.95%	80.48%	86.51%
2020				27.62%	82.16%
2021					21.80%

The above table shows that by the end of 2021, approximately 22% of the royalties received in 2021 had already been effectively distributed among its members (figures excluding neighbouring rights in the context of the Single Music Platform). The decrease from previous years (28% in 2020) is primarily due to a decrease in collections related to festivals and & dance theatre, royalties that are normally distributed during the collection year. Due to COVID-19, these revenues have decreased significantly and negatively affect the ratio. For the 2020 collections, 82% had already been distributed to the rightful owners. This is a slight improvement over the previous year, as 2020 was negatively impacted by the late delivery of some programs by our users. As a result, a higher operational reserve (B2) than in previous years was established in 2020 (+€4.3 million).

18% of the 2020 royalties have therefore not yet been distributed and allocated to individual beneficiaries, but 100% have already been distributed for the first time. In other words, Sabam has already attempted to distribute the royalties received, but has not yet been able to effectively complete the process for 3 reasons:

- for 13% of the royalties, we do not have enough information for distribution because of late or incomplete playlists. These royalties therefore remain “reserved royalties collected to be distributed (B1/B2)”;
- of the users contest 1% of the royalties, which are therefore included in the “royalties collected to be distributed and contested (B3)”. This mainly concerns part of the royalties for background music in the Netherlands and part of the royalties for concerts and festivals, due to the ongoing dispute over the new tariff;
- 4% of the royalties have been distributed but are disputed by the recipient due to a dispute between rightholders or incomplete documentation of the works (we also refer to point 1, discussion of the royalties to be distributed). These royalties therefore remain under the heading “Royalties collected apportioned and disputed (C2)”.

We note that the above timetable only concerns royalties, and therefore not the amounts distributed to Simim and PlayRight in the context of the Single Music Platform. These royalties are paid to both parties within one week of collection.

## 10. Relations with other management companies or collective management organisations

The copyrights of our shareholders are managed abroad by the local authors' societies with which Sabam has concluded reciprocal contracts. In practical terms, this means that foreign authors' societies do everything possible to ensure that these royalties are invoiced when the works are exploited on their territory. These royalties are then paid back to Sabam in order to pay its shareholders.

Please note: all foreign authors' societies act autonomously on the basis of their own national legislation, statutes and regulations. This may result in certain modes of exploitation, certain categories of authors and works not being managed by a foreign company, whereas in Belgium, Sabam does intervene in these cases.

Moreover, foreign authors' societies determine their tariffs independently. This shows that the amount of foreign royalties will not necessarily be identical to the amount received for exploitation in Belgium. The economic situation of the country in question also plays a role. A summary of the countries where Sabam is represented can be found on the website.

The commission rates charged by Sabam on the amounts of royalties collected for the benefit of foreign authors' societies are defined contractually with the latter and correspond for the most part to the commission rates applied by Sabam to its own members.

The commission rate applied by Sabam in 2021 on the amounts of royalties received from foreign authors' societies was 4.5%.

**Provisions of the Royal Decree of 25 April 2014 on the administrative and accounting organisation, internal control, accounting and annual accounts of copyright and neighbouring rights management companies, as well as the information that they must provide**



# 1. Article 23

## A. Reproduction

### 1<sup>st</sup> use type: Mechanical reproduction royalties

royalties collected	6,977,921
Deductions made from royalties collected to finance management costs	35,890
Financial revenue received from the management of royalties collected	88,619
royalties pending collection	784,704
royalties collected and distributed	7,080,582
royalties paid	8,050,378

### 2<sup>nd</sup> use type: Printing and digital reuse

royalties collected	267,776
Deductions made from royalties collected to finance management costs	0
Financial revenue received from the management of royalties collected	3,401
royalties pending collection	39,871
royalties collected and distributed	0
royalties paid	0

### 3<sup>rd</sup> use type: Visual arts

royalties collected	554,645
Deductions made from royalties collected to finance management costs	2,611
Financial revenue received from the management of royalties collected	7,044
royalties pending collection	153,263
royalties collected and distributed	995,137
royalties paid	1,160,416

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	582,941	574,343
2018	420,573	-177,348
2019	454,288	239,082
2020	498,179	36,573
2021	566,889	1,956,190

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	182,894
2018	38,439
2019	109,578
2020	84,511
2021	398,741

### Total non-distributable amounts

Total non-distributable amounts:	18,614
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### C. Public Communication

#### 1<sup>st</sup> use type: Film music

royalties collected	651,411
Deductions made from royalties collected to finance management costs	137,126
Financial revenue received from the management of royalties collected	20,800
royalties pending collection	351,231
royalties collected and distributed	518,469
royalties paid	604,580

#### 2<sup>nd</sup> use type: Live public performance

royalties collected	3,935,299
Deductions made from royalties collected to finance management costs	969,311
Financial revenue received from the management of royalties collected	125,655
royalties pending collection	7,162,776
royalties collected and distributed	3,233,585
royalties paid	3,770,641

#### 3<sup>rd</sup> use type: Public use royalties

royalties collected	39,902,750
Deductions made from royalties collected to finance management costs	7,090,023
Financial revenue received from the management of royalties collected	1,274,108
royalties pending collection	15,859,447
royalties collected and distributed	25,854,288
royalties paid	30,111,275

#### 4<sup>th</sup> use type: TV and radio broadcasters

royalties collected	36,345,205
Deductions made from royalties collected to finance management costs	4,636,735
Financial revenue received from the management of royalties collected	1,160,514
royalties pending collection	2,329,743
royalties collected and distributed	25,836,693
royalties paid	30,127,831

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	1,295,645,29	687,826
2018	5,285,409,26	-45,200
2019	7,584,964,53	703,048
2020	6,489,696,09	1,156,614
2021	1,294,921,64	56,120,376

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	137,367
2018	362,916
2019	573,994
2020	529,552
2021	3,976,350

#### Total non-distributable amounts

Total non-distributable amounts: 407,331

## D. Deployment

### 1<sup>st</sup> use type: Online

royalties collected	9,534,155
Deductions made from royalties collected to finance management costs	2,457,588
Financial revenue received from the management of royalties collected	4,006
royalties pending collection	1,168,475
royalties collected and distributed	3,388,651
royalties paid	3,951,461

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	185,595	83,107
2018	95,571	209,990
2019	101,327	436,013
2020	90,375	653,932
2021	45,703	4,776,108

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	13,669
2018	15,544
2019	27,334
2020	37,862
2021	245,283

### Total non-distributable amounts

Total non-distributable amounts: 77,636

## H. Resale rights

### 1<sup>st</sup> use type: Resale royalty

royalties collected	1,604,099
Deductions made from royalties collected to finance management costs	206,200
Financial revenue received from the management of royalties collected	55,695
royalties pending collection	336,049
royalties collected and distributed	1,332,720
royalties paid	1,554,067

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	516,202	13,282
2018	143,883	17,829
2019	167,921	10,271
2020	128,379	56,007
2021	186,219	181,794

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	49,953
2018	15,256
2019	16,811
2020	17,395
2021	34,719

### Total non-distributable amounts

Total non-distributable amounts: 0

### I. Cable retransmission

#### 1<sup>st</sup> use type: Cable

royalties collected	23,713,408
Deductions made from royalties collected to finance management costs	2,716,574
Financial revenue received from the management of royalties collected	899,574
royalties pending collection	1,711,952
royalties collected and distributed	24,002,647
royalties paid	27,989,174

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	569,771	3,453,925
2018	809,331	-1,086,076
2019	623,298	-1,118,256
2020	2,266,169	147,378
2021	165,296	12,668,422

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	525,450
2018	-36,140
2019	-64,636
2020	315,182
2021	1,675,940

#### Total non-distributable amounts

Total non-distributable amounts: 4,937

## K. Representation

### 1<sup>st</sup> use type: Theatre

royalties collected	1,599,179
Deductions made from royalties collected to finance management costs	263,381
Financial revenue received from the management of royalties collected	0
royalties pending collection	593,182
royalties collected and distributed	1,293,102
royalties paid	1,507,870

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	-1,477	0
2018	2,436	0
2019	3,789	0
2020	5,595	0
2021	5,995	405,336

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	-456
2018	752
2019	1,169
2020	1,727
2021	126,955

### Total non-distributable amounts

Total non-distributable amounts: 687

## L. Publication

### 1<sup>st</sup> use type: Literature

royalties collected	96,334
Deductions made from royalties collected to finance management costs	4,449
Financial revenue received from the management of royalties collected	0
royalties pending collection	15,353
royalties collected and distributed	87,604
royalties paid	102,154

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	0	-33
2018	0	24
2019	0	63
2020	0	0
2021	0	566

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	-464
2018	348
2019	895
2020	0
2021	8,038

### Total non-distributable amounts

Total non-distributable amounts: 0

### P. Reproduction by publishers

#### 1<sup>st</sup> use type: Reprographics

royalties collected	78,426
Deductions made from royalties collected to finance management costs	33,473
Financial revenue received from the management of royalties collected	2,989
royalties pending collection	0
royalties collected and distributed	52,994
royalties paid	61,796

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	0	0
2018	0	0
2019	0	0
2020	610	54,341
2021	0	78,426

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	0
2018	0
2019	0
2020	2,197
2021	3,136

#### Total non-distributable amounts

Total non-distributable amounts: 0



### Q. Reprographics

#### 1<sup>st</sup> use type: Reprographics

royalties collected	962,470
Deductions made from royalties collected to finance management costs	249,003
Financial revenue received from the management of royalties collected	33,471
royalties pending collection	7,476
royalties collected and distributed	872,082
royalties paid	1,016,924

#### 2<sup>nd</sup> use type: Visual arts

royalties collected	92,386
Deductions made from royalties collected to finance management costs	0
Financial revenue received from the management of royalties collected	3,213
royalties pending collection	58
royalties collected and distributed	0
royalties paid	0

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	-21,481	-138,445
2018	1,126	50,810
2019	35,152	104,640
2020	27,981	797,152
2021	0	1,028,715

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	-7,444
2018	2,418
2019	6,507
2020	38,408
2021	47,884

#### Total non-distributable amounts

Total non-distributable amounts:	0
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## R. Equitable remuneration

### 1<sup>st</sup> use type: Public use royalties

royalties collected	23,837,213
Deductions made from royalties collected to finance management costs	2,418,661
Financial revenue received from the management of royalties collected	0
royalties pending collection	4,695,609
royalties collected and distributed	23,837,213
royalties paid	23,730,588

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	0	0
2018	0	0
2019	0	0
2020	0	0
2021	0	0

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	0
2018	0
2019	0
2020	0
2021	103,499

### Total non-distributable amounts

Total non-distributable amounts: 0

### S. Educational/cultural lending rights

#### 1<sup>st</sup> use type: Reprographics

royalties collected	543,224
Deductions made from royalties collected to finance management costs	215,114
Financial revenue received from the management of royalties collected	19,765
royalties pending collection	0
royalties collected and distributed	772,627
royalties paid	900,950

#### 2<sup>nd</sup> use type: Private copying

royalties collected	107,939
Deductions made from royalties collected to finance management costs	21,650
Financial revenue received from the management of royalties collected	3,927
royalties pending collection	-5
royalties collected and distributed	140,946
royalties paid	164,355

#### 3<sup>rd</sup> use type: Visual arts

royalties collected	30,930
Deductions made from royalties collected to finance management costs	0
Financial revenue received from the management of royalties collected	1,125
royalties pending collection	53
royalties collected and distributed	0
royalties paid	0

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	-4,365	118,849
2018	0	-220,496
2019	22,615	36,568
2020	27,548	151,119
2021	9,029	513,174

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	16,095
2018	-30,998
2019	8,320
2020	25,118
2021	73,414

#### Total non-distributable amounts

Total non-distributable amounts: 62

### T. Private copying

#### 1<sup>st</sup> use type: Private copying

royalties collected	3,600,407
Deductions made from royalties collected to finance management costs	1,091,688
Financial revenue received from the management of royalties collected	133,828
royalties pending collection	
royalties collected and distributed	4,961,020
royalties paid	5,784,981

#### 2<sup>nd</sup> use type: Visual arts

royalties collected	91,257
Deductions made from royalties collected to finance management costs	2,878
Financial revenue received from the management of royalties collected	3,392
royalties pending collection	5,042
royalties collected and distributed	148,360
royalties paid	173,000

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	-563,852	-146,523
2018	135,222	251,405
2019	1,001,810	5,147
2020	481,114	389,580
2021	425,824	1,192,929

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	-115,142
2018	62,667
2019	163,214
2020	141,128
2021	262,378

#### Total non-distributable amounts

Total non-distributable amounts: -8

### U. Private copying by publishers

#### 1<sup>st</sup> use type: Private copying

royalties collected	34,669
Deductions made from royalties collected to finance management costs	4,245
Financial revenue received from the management of royalties collected	1,321
royalties pending collection	0
royalties collected and distributed	0
royalties paid	0

#### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	0	0
2018	0	0
2019	0	0
2020	0	14,259
2021	0	34,669

#### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	0
2018	0
2019	0
2020	0
2021	0

#### Total non-distributable amounts

Total non-distributable amounts: 0

## V. Teaching & Scientific research

### 1<sup>st</sup> use type: Reprographics

royalties collected	341,375
Deductions made from royalties collected to finance management costs	51,762
Financial revenue received from the management of royalties collected	13,011
royalties pending collection	10,376
royalties collected and distributed	260,876
royalties paid	304,204

### Total royalties collected but not yet distributed

Total royalties collected but not yet distributed:

Collection year	Undistributed royalties reserved	Undistributed unreserved royalties
2017	0	0
2018	0	0
2019	18,048	-26,870
2020	3,863	144,014
2021	0	341,375

### royalties collected and distributed pending payment

royalties collected and distributed pending payment:

2017	0
2018	0
2019	-482
2020	8,082
2021	18,657

### Total non-distributable amounts

Total non-distributable amounts: 0

(1) Pro-rata allocation of financial revenue by type of operation and by use type according to the allocation schedule. As a reminder, financial revenue is used to cover gross operating expenses.

(2) royalties paid are distributed on a pro rata basis to royalties collected, since detailed information by type of operation and use type is no longer available at this level.

(3) royalties collected and distributed pending payment are prorated based on the total royalties collected and not yet distributed by collection year as this information is no longer available at this level.

## Company expenses

### A. Reproduction

Total expenses (including financial expenses)	2,004,822
royalties related to the management of royalties (including financial royalties)	1,984,794
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	25%

### C. Public communication

Total expenses (including financial expenses)	14,474,599
royalties related to the management of royalties (including financial royalties)	14,330,000
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	18%

### D. Deployment

Total expenses (including financial expenses)	1,159,188
royalties related to the management of royalties (including financial royalties)	1,147,608
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	12%

### H. Resale rights

Total expenses (including financial expenses)	529,285
royalties related to the management of royalties (including financial royalties)	523,998
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	33%

### I. Cable retransmission

Total expenses (including financial expenses)	1,684,998
royalties related to the management of royalties (including financial royalties)	1,668,165
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	7%

### K. Representation

Total expenses (including financial expenses)	1,306,449
royalties related to the management of royalties (including financial royalties)	1,293,397
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	81%

### L. Publication

Total expenses (including financial expenses)	66,568
royalties related to the management of royalties (including financial royalties)	65,903
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	69%

**P. Reproduction by publishers**

Total expenses (including financial expenses)	3,943
royalties related to the management of royalties (including financial royalties)	3,904
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	5%

**Q. Reprographics**

Total expenses (including financial expenses)	360,010
royalties related to the management of royalties (including financial royalties)	356,414
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	34%

**R. Equitable remuneration**

Total expenses (including financial expenses)	3,510,752
royalties related to the management of royalties (including financial royalties)	3,475,680
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	15%

**S. Educational/cultural lending rights**

Total expenses (including financial expenses)	180,360
royalties related to the management of royalties (including financial royalties)	178,558
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	27%

**T. Private copying**

Total expenses (including financial expenses)	452,817
royalties related to the management of royalties (including financial royalties)	448,293
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	12%

**U. Private copying by publishers**

Total expenses (including financial expenses)	4,960
royalties related to the management of royalties (including financial royalties)	4,910
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	14%

**V. Teaching & Scientific research**

Total expenses (including financial expenses)	95,199
royalties related to the management of royalties (including financial royalties)	94,248
Ratio = royalties related to the management of royalties (including financial costs)/royalties collected during the year	28%



# Audit Opinion



SABAM CV  
BE 0400.459.154

## **Statutory Auditor's Report to the general shareholders' meeting of the company SABAM CV for the year ended 31 December 2021**

### **(Statutory Accounts)**

*(FREE TRANSLATION)*

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of CV SABAM (the "Company"). This report includes our report on the annual accounts, as well as other legal and regulatory requirements. The whole is integrated and is indivisible.

We have been appointed as statutory auditor by the general meeting of 17 May 2021, following the proposal formulated by the board of directors the board of directors issued upon presentation by the workers' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2023. We have carried out the statutory audit of the Company's financial statements for four consecutive financial years.

#### **Report on the annual accounts**

##### **Unqualified opinion**

We have performed the statutory audit of the annual accounts of the Company, which comprise the balance sheet as at 31 December 2021, and the profit and loss account for the year then ended, and the notes to the annual accounts, and which show a balance sheet total of € 325.845.499,76 and a profit and loss account with a profit for the year of € 3.225.598,11.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2021, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

##### **Basis for the unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the annual accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

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

##### **Emphasis of matters**

Without prejudice to the opinion expressed above, we draw attention to the note VOL-inb 6.20 of the annual accounts, in which the board of directors justifies the use of the going concern basis of accounting. This justification deals with this aspect solely from the perspective of the liquidity and solvency of the company.



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## Responsibilities of the board of directors for the preparation of annual accounts

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

During the execution of our control, we respect the legal, regulatory and normative framework applicable to the audit of annuals accounts in Belgium. The scope of the statutory audit does not include an assurance on the future viability of the Company or on the efficiency and effectiveness with which the Board of Directors has conducted or will conduct the Company's operations. Our responsibilities regarding the board of directors' use of the going concern basis of accounting are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other legal and regulatory requirements

#### Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the companies' and associations' Code, the Code of Economic Law, Book XI, Title 5, Chapter 9, and with the Company's articles of association.

#### Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (revised version 2020) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report, as well as compliance with the articles of association and certain requirements of the companies' and associations' Code and to report on these matters.

#### Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report, this report is consistent with the annual accounts for the year under audit and is prepared in accordance with the articles 3:5 and 3:6 of the companies' and associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you. We do not express any form of assurance whatsoever on the management report.

#### Statement related to the social balance sheet

The social balance sheet, to be deposited in accordance with article 3:12, § 1, 8° of the companies' and associations' Code, includes, both in terms of form and content, the information required by virtue of the companies' and associations' Code and does not present any material inconsistencies with the information that we have at our disposition during the performance of our mandate. However, we emphasize the following:

- Training effort data is partly based on management estimates.
- Certain data included in the social balance sheet are exclusively derived from information provided by the social office.
- Certain personnel costs were allocated on a flat-rate basis due to the lack of detailed information.

#### Statement related to independence

- Our audit firm and our network did not perform any assignments that are incompatible with the legal audit of the financial statements, and our audit firm remained independent of the company during the course of our mandate.

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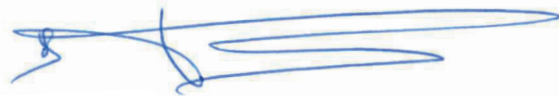
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the companies' and associations' Code are correctly disclosed and itemized in the notes to the annual accounts.

## Other statements

- The financial statements, subject to reclassifications, result from the balance sheet and the income statement. With regard to completeness and the assessment of off-balance sheet liabilities, confirmation from management and third parties is relied upon. Furthermore, without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- We understand that the methodology for organizing the general meeting, convening it and recording the attendance and votes will comply with the regulatory provisions. There are no transactions undertaken or decisions taken in breach of the companies' and associations' Code, that we have to report to you.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.

Brussel, 19 April 2022

MAZARS RÉVISEURS D'ENTREPRISES SRL  
Statutory auditor  
represented by



Dirk Stragier  
Auditor