

TRANSPARENCY REPORT

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This transparency report was established in accordance with article R321-14 of the Intellectual Property Code.

1° Accounts for the 2021 financial year

Sacem's financial statements for the year ended December 31, 2021 and the auditor's report on the financial statements (available on Sacem's website).

2° Report on the year's activities

Management report for the year 2021 (available on the Sacem website).

3° Number of refusals to grant an operating permit pursuant to the provisions of the third paragraph of Article L. 324-7 and the main categories of reasons for such refusals

Sacem did not refuse any authorization in fiscal year 2021.

4° Description of the legal structure and governance of the collective management organization

A non-trading entity governed by Articles 1832 et seq. of the French Civil Code and by the provisions of Title II of Book III of the French Intellectual Property Code (CPI). The company is administered by a Board of Directors whose 19 members and one alternate member are elected by the General Assembly.

The Board of Directors appoints a CEO who is the manager of Sacem.

The activities of the Board of Directors and the Chief Executive Officer are supervised by the Supervisory Board, whose six members are also elected by the General Assembly.

5° List of legal entities that the organization controls within the meaning of Article L. 233-16 of the French Commercial Code, as well as the amount of capital, the share of capital held, the results of the last fiscal year, and the net and gross book value of securities held

See Annex 15 of the accounts.

6° Total amount of remuneration paid during the previous year to the persons mentioned in the first paragraph of article L. 323-13 and to the members of the supervisory body, as well as the other benefits granted to them;

See Annexe 12 of the accounts.

7° Amount of revenue from the exploitation of rights, broken down by category of rights managed and by type of use, and the amount of revenue resulting from the investment of this revenue as well as information on the use of this revenue

COLLECTIONS M€		
Mandatory collective management	Private copying	95.4
	Total	95.4
Voluntary collective management	General rights	169.7
	International	80.5
	Online	357.7
	Phono/vidéo	56.1
	TV/Radio	296.9
	Total	961.0
Overall total		1,056.4

Catégories de droits et types of use¹

Sacem manages two types of rights:

- Rights managed legally by collective management
- Rights managed voluntarily by collective management

Types of use depend on the sector of activity.

8° Financial information on the cost of managing rights and other services that the organisation provides to rights holders:

a) Total amount of operating and financial costs, broken down by category of rights managed, and where costs are indirect and cannot be allocated to one or more categories of rights, an explanation of the method used to allocate them is also given.

COSTS M€	
Personnel expenses	124.5
Other operating expenses	55.7
Charges for provisions and depreciation	9.9
Capitalized production and expense transfer	-5.2
Other income	-4.0
Financial result	-24.5
Extraordinary result	-12.7
NET COSTS	143.6

The breakdown of costs by category of rights consists of separating the costs of voluntary collective management from those of mandatory collective management. For the latter category, Sacem essentially manages the distribution of funds. The distribution cost of this mandatory collective management is marginal compared to the costs of voluntary collective management.

b) Amount of operating and financial costs corresponding solely to the management of the rights, broken down by category of rights managed, highlighting the amount of management costs deducted or offset from revenues derived from the exploitation of the rights or income resulting from the investment of such revenues, and where the costs are indirect and cannot be allocated to one or more categories of rights, an explanation of the method used to allocate them is also given

(See. 8 a).

c) Amount of operating and financial costs related to services, other than rights management, including social, cultural and educational services

¹ Définitions selon le règlement N° 2017-07 du 01/12/2017 de l'Autorité des normes Comptables

The amount of operating expenses related to cultural and educational services provided for in article L 324-17 of the CPI is 2M€.

d) Types of resources used to cover the amounts

Operating costs related to rights management are financed as follows:

RESOURCES (M€)	
Deductions on rights	104.4
Variation of deductions on rights pending allocation	4.4
Non-distributables	36.4
Net ressources	145.1
SURPLUS/DEFICIT	1.5

The surplus of resources for the year is charged against the carryover of the previous year's accumulated shortfall of 26.8M€. The accumulated shortfall of €25.3M comes as a first charge to the management account for the following year, unless a decision is made by the General Assembly to distribute it, on the proposal of the Board of Directors, which can only be made on condition that the balance of the management account and the continuity of Sacem's activity are assured. The amount of operating costs relating to cultural and educational services (cf. c) is financed by the amounts derived from article L 324-17 CPI.

e) Amount of deductions made from revenue from the exploitation of rights, broken down by category of rights managed and type of use, and the purpose of such deductions

COSTS M€		
Mandatory collective management	Private Copyine	4.6
	Total	4.6
Gestion collective volontaire	TV/Radio	50.7
	General rights	23.0
	Online	27.5
	International	2.2
	Phono/vidéo	0.8
	Others	0.0
	Total	104.2
Total M€		108.8

These deductions cover the expenses incurred for the collection and distribution activities.

f) The percentage that the cost of rights management and other services provided to rights holders by the organization represents of the revenues derived from the exploitation of the rights for the relevant fiscal year, by category of rights managed; where the costs are indirect and cannot be allocated to one or more categories of rights, an explanation of the method used to allocate such them is also given

The average percentage is 14.8%, calculated according to the methodology presented in Appendix 17-2 of Sacem's accounts. Providing a breakdown of the rights by category is not economically viable due to the marginal cost of mandatory collective management.