

GWFF

GESELLSCHAFT ZUR WAHRNEHMUNG
VON FILM- UND FERNSEHRECHTEN MBH

*Gesellschaft zur Wahrnehmung von
Film- und Fernsehrechten mbH*

**GWFF Gesellschaft zur Wahrnehmung
von Film- und Fernsehrechten mbH**
Munich

Transparency Report for the fiscal year 2018
--non binding convenience translation--

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A. ANNUAL FINANCIAL STATEMENTS INCLUDING CASH FLOW STATEMENT FOR THE FISCAL YEAR 2018

I. Balance Sheet

ASSETS	Dec 31, 2018 EUR	Dec 31, 2017 EUR
A. Fixed assets		
I. Intangible assets		
Software	102,023.00	100,926.00
II. Tangible assets		
1. Leasehold improvements	375.00	639.00
2. Office equipment	15,874.00	21,290.00
	<u>16,249.00</u>	<u>21,929.00</u>
III. Financial assets		
Shares in affiliated companies	880,375.12	908,424.12
	<u>998,647.12</u>	<u>1,031,279.12</u>
B. Current assets		
I. Accounts receivable and other assets		
1. Accounts receivable from affiliated companies	59,500.00	11,900.00
2. Other assets	584,581.22	177,783.45
	<u>644,081.22</u>	<u>189,683.45</u>
II. Cash on hand and cash in banks	<u>36,612,838.17</u>	<u>44,749,724.40</u>
C. Deferred charges	21,533.83	21,626.75
	<u>38,277,100.34</u>	<u>45,992,313.72</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	Dec 31, 2018	Dec 31, 2017
	EUR	EUR
A. Shareholders' equity		
Capital subscribed	103,000.00	103,000.00
B. Reserves and accrued liabilities		
1. Pension reserves	326,076.00	305,819.00
2. Reserves for the entitled persons	37,645,417.61	44,840,494.76
3. Other accrued liabilities	160,000.00	156,000.00
	<u>38,131,493.61</u>	<u>45,302,313.76</u>
C. Liabilities		
1. Accounts payable	0.00	57,958.84
2. Other liabilities	42,606.73	529,041.12
	<u>42,606.73</u>	<u>586,999.96</u>
	<u>38,277,100.34</u>	<u>45,992,313.72</u>

II. Profit and Loss Statement

	2018 EUR	2017 EUR
1. Revenue	32,035,709.68	87,455,193.75
2. Other operating income	12,072.58	12,368.28
3. Personnel expenses		
a) Salaries	-963,573.22	-910,489.52
b) Social security, pension benefit plans	-175,454.02	-167,459.33
--thereof for pension benefit plans		
EUR 10,116.00 (2017: EUR 9,426.00)--		
4. Depreciation and amortization	-50,738.43	-51,510.33
5. Other operation expenses	-714,277.00	-740,416.37
6. Interest income	10,263.51	77,011.62
7. Depreciation on investment	-28,049.00	0.00
8. Interest expenses	-103,409.81	-111,595.31
9. Result	30,022,544.29	85,563,102.79
10. Provisions for reserves for the entitled persons	-30,022,544.29	-85,563,102.79
11. Net income	0.00	0.00

III. Cash Flow Statement

The following cash flow statement, which illustrates the change in cash and cash equivalent (change in liquidity), provides information about the liquidity situation and the financial development. In this context, the payment flows are assigned to the areas business operation, investment and finance.

	2018	2017
	EUR	EUR
Net income	0k	0k
+/- Depreciation and amortization of fixed assets	79k	51k
+/- Increase/decrease of reserves and accrued liabilities	-7,171k	18,531k
-/+ Increase/decrease of accounts receivable and other assets, not assignable to investing or financing activities	-455k	718k
+/- Increase/decrease of accounts payable and other liabilities, not assignable to investing or financing activities	-544k	-6,555k
= Cash flow from operating activities	<u>-8,091k</u>	<u>12,745k</u>
- Additions to intangible assets	-42k	-31k
- Additions to tangible assets	-4k	-21k
- Additions to financial assets	0k	-15k
= Cash flow from investing activities	<u>-46k</u>	<u>-67k</u>
Cash flow from financing activities	<u>0k</u>	<u>0k</u>
= Change in cash and cash equivalents	-8,137k	12,678k
+ Cash and cash equivalents at the beginning of period	<u>44,750k</u>	<u>32,072k</u>
= Cash and cash equivalents at the end of period	<u><u>36,613k</u></u>	<u><u>44,750k</u></u>

IV. Notes for the fiscal year 2018

1. Application of the Handelsgesetzbuch [*German Commercial Code (HGB)*] and the Verwertungsgesellschaftengesetz [*German Collecting Societies Act (VGG)*]

GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH having its registered office in Munich is entered under No. HRB 69235 in the Commercial Register at the Amtsgericht München [*Local Court Munich*].

The accounting, audit and publication regulations pursuant to Section 57 VGG and Sections 238 et seq. HGB and especially Sections 264 et seq. HGB apply to the Company except where the particularities resulting from the tasks of a collecting society do have to be considered. Like in the previous year, this results in the full application of the current accounting regulations of commercial law applicable to large companies.

The Bilanzrichtlinie-Umsetzungsgesetz [*Accounting Directive Implementation Act (BilRUG)*] has been applied from the commencement of the fiscal year 2016. The classification of the profit and loss statement has been adjusted accordingly to the new regulation. The total cost method applied so far has been maintained for the profit and loss statement.

2. Accounting and valuation principles

The intangible assets and tangible fixed assets are carried at acquisition cost less scheduled depreciation according to use. Depreciation is recorded straight-line pro rata temporis over a useful life of three (3) to thirteen (13) years, low-value fixed assets with a value up to EUR 250.00 (until 2017 EUR 150.00) are fully written off in the year of acquisition, low-value fixed assets (compound item) with acquisition cost between EUR 250.00 (until 2017 EUR 150.00) and EUR 1,000.00 are recorded straight-line pro rata temporis over a useful life of five (5) years. Foreign currency additions are converted at the exchange rates applicable at the time of payment. Financial assets are carried at acquisition cost and/or at the lower value to be assessed.

The accounts receivable, other assets, cash on hand and cash in banks are carried at their nominal value.

The deferred charges contain expenses in 2018 which constitute expenditure after the balance sheet date.

The pension reserves correspond to the settlement amount pursuant to Section 253(1), second sentence, HGB. The bases for calculation are the "Heubeck guiding tables 2018 G". The entry-age normal method has been applied and a salary and pension trend of 0.0% has been taken as a basis. The actuarial interest rate is 3.21% per annum.

The reserves for the entitled persons take account of distribution commitments to the entitled persons and liabilities of still uncertain amount, the latter estimated in accordance with prudent business principles.

The fulfillment amounts required according to prudent business principles are taken as a basis for all reserves/provisions for all identifiable risks and contingent liabilities.

In the case of reserves/provisions with a remaining term of more than one (1) year, the assessment pursuant to Section 253(2), first sentence, HGB has no effect in terms of amount since, because of the non-profit nature of the Company prescribed in Article 2 paragraph 2 of its Statutes, such interest income must be added to the respective reserves for distribution to the entitled persons. The respective interest income is set off against the respective expenditure incurred for the addition to the reserves so as to give a true and fair view of the earnings situation of the Company.

The liabilities are carried at their fulfillment amount.

To the extent that revenues were received in foreign currency, they were converted at the exchange rates applicable at the time of receipt. Accounts receivable in foreign currency were converted at the official mean rate of exchange as of the balance sheet date.

3. Notes to the financial statements

Balance sheet

The development of the fixed assets is represented in the statement of fixed assets.

The accounts receivable as well as the VAT claim for refund within the other assets are due and payable within one (1) year. The other assets include the cash surrender value of a reinsurance policy in the amount of EUR 169k (2017: EUR 158k) and the investment for rent deposit in the amount of EUR 20k (2017: EUR 20k), each with a term between one (1) and five (5) years.

The nominal capital entered in the Commercial Register amounts to EUR 103,000. It is fully paid in.

The fulfillment amount of the granted pension promises on the basis of the 10-year average with an assumed remaining term of fifteen (15) years (interest rate 3.21%) is EUR 326k. In application of the 7-year average and a remaining term of fifteen (15) years (interest rate 2.32%), the fulfillment amount would have been EUR 330k. Hence, the difference from the changed interest rate is EUR 4k. This difference is subject to a distribution ban, that does not have an impact on the Company, because in accordance to the law as well as the Statutes the Company does not realize profits and therefore is not entitled to distribute profits.

The reserves for the entitled persons are obligations to the entitled persons including the social fund and the film promotion fund. The other reserves in the amount of EUR 160k (2017: EUR 156k) relate to vacation reserves and reserves for unrecorded liabilities.

The other liabilities are due and payable within one (1) year and include:

	Dec 31, 2018	Dec 31, 2017
	EUR	EUR
Liabilities for taxes		
VAT	0k	423k
tax deduction on the basis of Section 50a EStG [<i>German Income Tax Act</i>]	29k	93k
wage and church tax	14k	13k
	<u>43k</u>	<u>529k</u>

Profit and loss statement

The revenue includes:

	2018	2017
	EUR	EUR
Remuneration pursuant § 54 UrhG domestic	21,240k	78,725k
Remuneration pursuant to § 27 UrhG domestic	997k	310k
Remuneration for cable retransmission domestic	5,334k	5,196k
Rights revenue domestic	<u>27,571k</u>	<u>84,231k</u>
Remuneration for storage media levy abroad	1,494k	1,004k
Remuneration for cable retransmission abroad	2,564k	1,888k
Remuneration for teaching and research abroad	129k	94k
Rights revenue abroad	<u>4,187k</u>	<u>2,986k</u>
Rights revenue total	31,758	87,217k
Received cost refunds domestic	278k	238k
	<u>32,036k</u>	<u>87,455k</u>

Because of the business activity of GWFF most of the revenues are relating to different periods. The revenues from countries which withhold non-refundable withholding tax according to the DTC (Double Taxation Convention) applicable from time to time between Germany and the respective country have been shown after deduction of such withholding tax for the sake of clarity; this concerns Australia.

The total fee charged by the auditor for the fiscal year 2018 is composed of EUR 15k for auditing services and EUR 7k for other certification services.

The interest expenses include an interest loss of EUR 10k (2017: EUR 11k).

The provision for reserves for the entitled persons, shown in a separate item of the profit and loss statement, corresponds to the addition to reserves for the entitled persons for obligations to the entitled persons. An amount of EUR 36,941k (2017: EUR 73,389k) was paid to the entitled persons in the year under review. An amount of EUR 252k (2017: EUR 277k) was used for film promotion purposes and an amount of EUR 25k (2017: EUR 62k) for social purposes.

4. Other information

Management

The Managing Directors holding power of individual representation are Prof. Dr. Ronald Frohne, Rechtsanwalt [*attorney-at-Law*], Berlin, and Dr. Gertraude Müller-Ernstberger, Rechtsanwältin [*attorney-at-Law*], Munich.

In the fiscal year 2018 the remuneration of the management amounted to EUR 230k (2017: EUR 229k).

Supervisory board

The following six (6) members have been elected at the shareholders' meeting of December 1, 2016 pursuant to Section 22 VGG and to Article 9 of the Statutes:

- Dr. Christian Hauptmann,
deputy head of legal department of UFA Film and Fernseh GmbH, Cologne
(elected chairman on April 25, 2018)
- Chris Marcich,
adviser to Motion Picture Association of America, Brussels/Belgium
(elected vice chairman on April 25, 2018)
- Nikolaus Brudny,
lawyer, Taurus Lizenz Beteiligungs GmbH, Unterföhring
- Martin Choroba,
TELLUX Beteiligungsgesellschaft mbH, Munich
- Michael Fuehr,
managing director of Metropolitan, Import-Export Brackel GmbH & Co. KG, Munich
- Philip Löhr,
head of legal department of Tele-München Fernseh-GmbH & Co. Produktions-
gesellschaft, Munich

The members of the supervisory board serve in an honorary capacity and therefore have not received remuneration in the fiscal year.

Advisory board

In accordance with the Statutes, the Company has an honorary advisory board composed of six (6) persons. The members of the advisory board serve in an honorary capacity and therefore have not received remuneration in the fiscal year.

Employees

The Company had 18 (2017: 18) salaried employees, thereof 5 (2017: 5) part-time, and additionally 3 (2017: 3) temporary staff on the average in the fiscal year 2018.

Other financial obligations

There are other financial obligations in the amount of EUR 284k for the office rent agreed until December 31, 2021.

Shareholding

Shares within the meaning of Section 285(11) HGB are held in AGICOA Urheberrechtsschutz GmbH, Munich. As of December 31, 2018, the Company holds 51% of the shares of the nominal capital (= equity) in the amount of DEM 50k (EUR 26k). The financial statements for the year ending December 31, 2018 show a net income for the year of EUR 0 in accordance with the Statutes.

The Company holds 100% of the shares in GWFF USA, Inc., Santa Monica, California, U.S.A. which was formed in the fiscal year 2003 with a common stock of US\$ 1,000k. The financial statements for the year ending December 31, 2018 show an equity amounting to USD 985k and a net income of USD 33k.

In addition, the Company holds 51% of the shares in ISAN Gesellschaft zur Registrierung von Film- und Fernsehwerken mbH, Munich which was formed in the fiscal year 2006 with a nominal capital of EUR 25k. The company's financial statements show a negative equity of EUR -3k and a net loss of EUR 23k for the year ending December 31, 2018. Due to ongoing losses the investment a depreciation of EUR 28,049.00 down to EUR 1.00.

Appropriation of net income

In accordance with the object and purpose of a collecting society, the Company showed no net income in the year under review. The amounts not yet distributed to the entitled persons or the like are included in the reserves established for this purpose (see above).

Munich, June 28, 2019

GWFF Gesellschaft zur Wahrnehmung
von Film- und Fernsehrechten mbH
Managing directors

Prof. Dr. Ronald Frohne

Dr. Gertraude Müller-Ernstberger

Statement of fixed assets in the fiscal year 2018

	At cost				Accumulated depreciation				Net book value	
	Jan 1, 2018	additions	disposal	Dec 31, 2018	Jan 1, 2018	depreciation of the fiscal year	disposal	Dec 31, 2018	Dec 31, 2018	Dec 31, 2017
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets										
Software	463,187.68	42,368.43	0.00	505,556.11	362,261.68	41,271.43	0.00	403,433.11	102,023.00	100,926.00
II. Tangible assets										
1. Leasehold improvements	29,823.31	0.00	0.00	29,823.31	29,184.31	264.00	0.00	29,448.31	375.00	639.00
2. Office equipment	278,427.20	3,787.00	0.00	282,214.20	257,137.20	9,203.00	0.00	266,340.20	15,874.00	21,290.00
	308,250.51	3,787.00	0.00	312,037.51	286,321.51	9,467.00	0.00	294,788.51	16,249.00	21,929.00
III. Financial assets										
Shares in affiliated companies	908,424.12	0.00	0.00	908,424.12	0.00	28,049.00	0.00	28,049.00	880,375.12	908,424.12
	1,679,862.31	46,155.43	0.00	1,726,017.74	648,583.19	78,787.43	0.00	727,370.62	998,647.12	1,031,279.12

B. MANAGEMENT REPORT FOR THE FISCAL YEAR 2018

GENERAL CONDITIONS AND BUSINESS

1. Economic environment

According to the Annual Economic Report 2019 of the German Federal Ministry for Economic Affairs and Energy, the German economy was still on a growth path last year with a 1.5% growth rate; however, that growth is less than in the high growth years 2016 and 2017 in which the gross domestic product increased by 2.2% respectively.

As a result of the deterioration of the global economic prospects, the German Federal Government expects a slowdown in economic growth in 2019 compared with 2018 and thus an increase of only 1% in the price-adjusted gross domestic product. There has been a positive development in the labor market also in 2018 and, in 2018, the number of gainfully employed persons was the highest number since the German reunification.

The inflation slightly increased in Germany in 2018. According to the German Federal Statistical Office, the prices rose 1.9% in 2018 (1.8% in the previous year) and the price increase was thus only slightly higher than in 2017, albeit it represented the highest price rise since 2012. This price dynamics, which has primarily been prompted by the rise in energy prices, was however still below the target of the European Central Bank (ECB) which considers an inflation rate of almost 2% to be ideal for the economy in the eurozone.

The ECB continues its expansive monetary policy. The deposit rate amounting to -0.40% was still negative as has been the case since March 2016.

2. Development of the equipment industry

As collecting society, GWFF also depends on the electronics industry when asserting the copyright remuneration claims for audiovisual works represented by GWFF.

According to the ZVEI (Zentralverband Elektrotechnik und Elektronikindustrie e.V. [*Central Association of the Electrical Engineering and Electronics Industry*]), the industry-wide sales have increased from EUR 1,893.4 billion to EUR 1,936.9 billion in 2018 which means a 2.3% increase from 2017.

The market for home electronics products (HE) realized total sales of EUR 42.388 billion compared with EUR 41.819 billion in 2017 which means a sales increase of 1.4%. However, the classical consumer electronics devices included therein which are relevant in terms of remuneration decreased by 6.6% to EUR 9.297 billion in 2018 compared with 2017.

The sales of set-top boxes for example decreased by 37.1% and the MP3 player sales declined by 14.7% compared with 2017. The sales of storage media such as blanks (-14%), memory cards (-8.6%), USB sticks (-4.7%) and hard disks (-8.2%) are declining as well. Moreover, the sales of PCs (-5.9%), tablets (-0.8%) and mobile phones (-6.2%) are still falling.

3. Legal outline conditions

On March 1, 2018, the ‘Gesetz zur Angleichung des Urheberrechts an die aktuellen Erfordernisse der Wissensgesellschaft’ (UrhWissG) [*German Act on the Alignment of Copyright Law with the current Requirements of Knowledge Society*] came into force. It has been transposed into German law by the new Sections 60a et seq. UrhG [*German Copyright Act*]. The purpose of the UrhWissG is to establish an “exception for educational and scientific purposes” [*Bildungs- und Wissenschaftsschranke*] and it serves to restructure the current statutory exception regarding acts of use in education and science

This concerns, for example, the use of copyrighted texts, images and films in schools, universities and libraries. As far as permitted reproductions within the scope of the exception are concerned, such reproductions are subject to remuneration pursuant to Section 54 through Section 54c UrhG.

Since May 25, 2018, comprehensive requirements regarding the establishment of data protection concepts as well as the documentation of the organization of such data through manuals apply in Germany on the basis of the General Data Protection Regulation of the European Union (GDPR) and the ensuing German federal and state data protection laws (FDPA, SDPA). They have been implemented by GWFF in a timely manner. Furthermore, GWFF has appointed a data protection officer and has arranged for the training of its staff regarding the new data protection requirements by an external data protection expert.

GWFF also informs the entitled persons on its website about the new data protection provisions. By these measures, GWFF minimizes the risk of violation of the data protection regulations of the GDPR which is subject to fines of up to EUR 20 million or in an amount equal to up to 4% of the annual turnover.

In 2018, there have been further consultations on the proposal of the Commission for a Directive on copyright and neighboring rights in the digital single market.

The purpose of this Directive (EU) 2019/790 is to bring the copyright law of the European Union into line with the requirements of the digital society. It has been adopted on 15 April 2019 despite heavy protests – especially against Article 17 (former Article 13 of the proposal) which provides for “upload filters” to prevent copyright infringement and for a licensing obligation. The Directive must be transposed into national law by June 7, 2021.

COURSE OF BUSINESS

1. Field of activity

In the fiscal year 2018, the activities of the Company comprised, as in the past, the fiduciary administration of the device and storage media remuneration rights and claims for private copying pursuant to Section 54 UrhG [*German Copyright Act*] in Germany in accordance with the Statutes. The rights pursuant to Section 54 UrhG have been administered both in Germany as well as in the area of private copying on the basis of reciprocity agreements with several foreign collecting societies.

In addition, the Company had been entrusted with the administration of the author's claims pursuant to Sections 27, 22, 20b, 19a UrhG in Germany.

On the basis of reciprocity agreements with several foreign collecting societies, GWFF administers blank tape levy rights and rights in the areas of use at schools and cable retransmission abroad. The rights of the entitled persons are now represented in the following countries: Austria, France, Belgium, Spain, Switzerland, Liechtenstein, the Netherlands, Norway, Ireland, Denmark, Australia, Sweden, Canada, Finland, Luxembourg, Great Britain and New Zealand; since 2005, for the first time, also in Bosnia, Bulgaria, Estonia, Latvia, Lithuania, Slovakia, Slovenia, Poland, Ukraine, Romania, Portugal, South Africa, U.S.A., Iceland, Hungary and Italy.

2. Revenues

During the period under review, GWFF recorded revenues of EUR 27,571k (2017: EUR 84,231k) for the administration of rights in Germany. Of this amount, EUR 21,240k (2017: EUR 78.725k) are attributable to remuneration pursuant to Section 54 UrhG, EUR 997k (2017: EUR 310) to remuneration pursuant to Section 27 UrhG and EUR 5,334k (2017: EUR 5,196k) to cable retransmission rights in Germany. Compared with the previous year, the domestic revenues have declined by EUR 56,660k. The decrease is due to the additional distribution of PC-income received in 2017.

The remuneration from abroad has been increased by EUR 1,201k. The remuneration for cable retransmission rights abroad amounted to EUR 2,564k (2017: EUR 1,888k), thereof EUR 1,413k (2017: EUR 1,288k) for Switzerland and Liechtenstein, EUR 448k (2017: EUR 344k) for Denmark, EUR 362 (2017: EUR 0k) for Austria, EUR 170k (2017: EUR 118k) for Australia, Bosnia, Canada, Finland, Great Britain, Hungary, Iceland, Ireland, Israel, Latvia, Luxembourg, the Netherlands, Norway, Poland, Portugal, Rumania, Serbia and Slovenia, EUR 13k (2017: EUR 1k) for France and EUR 140k (2017: EUR 56k) for Belgium, EUR 13k (2017: EUR 22k) for Spain, EUR 5k (2017: 35k) for Sweden as well as EUR 0k (2017: EUR 24k) for the Netherlands.

The remuneration for blank tape levy abroad amounted to EUR 1,494k (2017: EUR 1,004k), thereof EUR 488k (2017: EUR 221k) for France, EUR 606k (2017: EUR 733k) for Switzerland and Liechtenstein, EUR 252k (2017: EUR 0k) for Belgium, EUR 1k (2017: EUR 13k) for Denmark, EUR 27k (2017: EUR 36k) for Norway and EUR 43k (2017: 1k) for Austria as well as for the first time EUR 64k for Italy and EUR 13k for Rumania.

In addition, an amount of EUR 129k (2017: EUR 94k) has been received for use at schools abroad, thereof EUR 50k (2017: EUR 32k) for Australia, EUR 53k (2017: EUR 62k) for Switzerland and Liechtenstein, EUR 17k (2017: EUR 0k) for Austria and EUR 9k (2017: EUR 0k) for Denmark.

The variation in the received revenues on the basis of a year-on-year comparison is mainly due to the accounting method applied by the respective collecting agency.

3. Interest income

In the fiscal year 2018 banks have charged negative interest/deposit charges on money in the bank amounting to EUR -93k (2017: EUR -101k). On the other hand the Company was able to earn interest income of EUR 10k (2017: EUR 77k).

4. Expenses

The operating expenses amounted to EUR 1,652k (2017: EUR 1,631k) (netted against other operating income as well as against received cost refunds included in the revenue). The cost rate of the Company is 5.2% related to the rights revenue and 4.5% related to the amounts paid out in the fiscal year.

5. Staff

GWFF efficiently fulfilled the tasks required by law through a small staff of 18 people on the average in 2018. GWFF is conscious of its social responsibility and employs disabled persons even though, in view of the number of staff members, it is not subject to the requirements of the Disabled Persons Act.

6. Entitled persons

It has been possible to increase the number of the entitled persons of GWFF also in the fiscal year 2018.

7. Distribution of the revenues

During the period under review, quite a few distributions have been made to the entitled persons.

Regarding domestic blank tape revenues: revenues pursuant to Section 54 UrhG from the PC levy, mobile phones, tablets 2014 through 2016, additional payment PC 2008 through 2010, music share 2017, additional payment music share 2008 through 2015, performers share 2010 through 2016 and music performers share 2010 through 2016. Furthermore, solved double registrations 1987 through 2016 were distributed.

Foreign blank tape revenues for Denmark, France, Norway, Austria, Switzerland and Sweden have been distributed for various years from 2005 through 2017.

In addition, remuneration pursuant to Section 27 UrhG 2017 has been distributed in 2018 to producers as well as to U.S. Guilds.

For the revenues from cable retransmission rights in Germany, distributions for the broadcasting year 2017 as well as late claims for 2014 through 2016 have been made to the U.S. Guild of Directors (DGA) and the U.S. Guild of Writers (WGA).

Foreign remuneration for cable retransmission rights in Belgium, Denmark, Finland, France, Ireland, Israel, Canada, Luxembourg, the Netherlands, Norway, Austria, Poland, Portugal, Romania, Sweden, Switzerland, Serbia, Slovenia, Spain and Hungary for various years 1983 through 2017 as well as for cable retransmission of German broadcasters in Austria in 2017 has been paid.

Revenues for Film Stills 2016 as well as for the use of audiovisual works for teaching and research in Australia have also been distributed.

A total amount of EUR 36,941k (2017: EUR 73,389k) has been distributed to the entitled persons in the fiscal year 2018.

8. Promotion

GWFF has, as in the previous years, carried out its sponsoring measures within the framework of the International Film Festival in Berlin (Berlinale) and awarded again the "Best First Feature Award" which was created in 2006. The EUR 50k prize is awarded in equal parts to the producer and the director of the best feature from the program of the Festival, the Panorama, the Forum and the Perspective of the German Film.

In the fiscal year 2018, GWFF awarded the first prize, i.e. EUR 25k, at the Festival Osteuropäischer Film in Cottbus in addition to the so-called small scholarships for the participation of students of German film colleges in study-linked projects. Within the framework of the Berlinale, the Company also awards the student promotion prize to a student from Eastern Europe as well as, within the scope of the Studio Hamburg prize for young talents, the EUR 5k GWFF producer prize for the best production of a graduation film of a graduate from a German, Austrian or Swiss film college.

The film university Babelsberg was sponsored for the grant of „Deutschlandstipendien“. Further sponsoring was provided, in particular, to the Medienboard Berlin-Brandenburg especially for the project “Artist in Residence for Israeli filmmakers in Germany” as well as the International Student Festival “Sehsüchte” and the “Haus der jungen Produzenten”. The Berkshire International Film Festival (with many German films), the Filmmaker Summit and the Berkshire Film & Media Cooperation have been sponsored via GWFF USA, Inc. There has been cooperation with the University of Massachusetts in Amherst for the presentation of DEFA films. Moreover discussions have been made with Leo Beck Foundation and in the “German House New York” with respect to the support of the presentation of German films in the U.S. Furthermore, GWFF USA, Inc. sponsored the Arthur Burns fellowship (scholarships for a stay of German journalists in the U.S. and of U.S. journalists in Germany with focus on media) and, conjoined with Carnegie Hall, a documentary film on the National Youth Orchestra of the United States of America.

9. Other activities

GWFF USA, Inc., which has been operating in the U.S. since 2003, serves the great number of entitled persons in the U.S. especially the members of MPA, IFTA as well as DGA, WGA and SAG.

GWFF holds 51% of the shares of the collecting society AGICOA Urheberrechtsschutz GmbH, Munich, which administers the cable retransmission rights in Germany and abroad. GWFF performs the operational business of AGICOA GmbH for cost refunds. This way substantial synergies and cost savings are realized.

Within the framework of the EUROCOPYA, the Company again took part in the WIPO negotiations and represented the interests of its members vis-à-vis the European Commission.

GWFF was licensed as sole licensed German Agency as ISAN Regional Agency Germany by ISAN International Agency in Geneva, Switzerland. ISAN (International Standard Audiovisual Number) is an ISO certified numbering system to identify audiovisual works. In 2006, GWFF formed a subsidiary which, as ISAN Regional Agency, offers registration services to its entitled persons. Meanwhile GWFF holds 51% of the shares; the collecting societies VFF, VG Bild-Kunst and VG Wort hold the remaining shares.

FINANCIAL AND EARNINGS SITUATION

1. Earnings situation

The earnings situation of the Company is determined by its statutory status as non-profit organization as prescribed by the law for collecting societies. Furthermore, it is inherent in the system that most of the revenues are relating to different periods because the amounts to be distributed are received, and passed on to the Company, by the administering institutions for different periods and the Company then issues the respective statements to the entitled persons with time-lag. The balance arising from all income and expenditure in a fiscal year (EUR 30,023; 2017: EUR 85,563k) is, as provision for reserves for the entitled persons, shown in full as reserves for the entitled persons in accordance with the Statutes.

2. Financial situation

As a result of the requirements of the law, the balance sheet and thus the financial situation of the Company are determined by items in transit. The balance sheet is thus characterized by high cash amounts (EUR 36,613k; 2017: EUR 44,750k) while fixed assets (EUR 999k; 2017: EUR 1,031k) and the remaining current assets as well as the deferred items (EUR 666; 2017: EUR 211k) are of secondary importance. The main items on the liabilities side are the reserves for the entitled persons (EUR 37,645; 2017: EUR 44,840k) while the remaining reserves, liabilities and also the subscribed capital are secondary items.

In accordance with Section 25 VGG, the Company has adopted investment guidelines which have been examined by the auditor. According to these guidelines, the Company may only make risk-free investments pursuant to Section 1807(1) BGB [*German Civil Code*] (in particular fixed-interest investments); especially investments in equities are not permitted. Due to the currently low return, the relevant income is very low. Moreover, the banks have started in 2016 to charge negative interest and/or deposit fees on credit balances on accounts.

MATERIAL RISKS AND OPPORTUNITIES

1. Risk management

The primary objective of the risk management is the controlled and effective handling of the business risks in the day-to-day business. Therefore the Company has adopted the general risk management policy in 2016. An immediate reporting of all risks to the supervisory board is implemented. There have been no risks threatening the Company's viability in 2018.

2. Risk report

The main risks which might have a substantial impact on the assets, liabilities, financial position and earnings situation of the Company are set out below. The risk report includes the risk areas business environment, finance, business processes as well as the legal environment, but also the opportunities.

2.1. Business environment

The income of the company depends on the business development of the equipment industry. The discontinuance of the joint contracts with Bitkom represents a major risk. Moreover, the declining sales of remuneration-relevant products (see above: 'Development of the equipment industry') and the possible decrease of foreign income of the Company are also considerable risks.

A further risk regarding the remuneration claim pursuant to Section 54 UrhG consists in a changed user behavior. The private copying behavior is now changing from blank carriers, storage media and private recorders to cloud storage. Without the corrective and balancing action of the legislator, e.g. by introducing a remuneration regulation for cloud copying, this changed recording behavior leads to a substantial decrease in the amounts payable to the entitled persons.

Moreover, the ongoing decline in private copying on remuneration-relevant products is to be feared. The selection of streaming services is manifold and increases steadily.

Besides Amazon Prime Video, Netflix, Apple iTunes Video, Maxdome, Rakuten TV, Videoload, Videobuster, Sky Ticket, also the TV Group ProSiebenSat. 1 announced in Juni 2018 that it intends to establish a further streaming platform in the German market together with the U.S. Media Group Discovery in early 2019. The market entry of further streaming services will lead to an increase in the share of users of these services which was 37% on the average in 2018 according to the study "Die Zukunft der Consumer Technologie 2018" [*The Future of Consumer Technology 2018*].

There is the risk of new collecting societies being formed in future which might lead to a reduction of the Company's share; in particular, because the Collecting Societies Act provides that collecting societies admitted in other EU countries are also admitted in Germany.

It is possible that authors and producers presently represented by GWFF will entrust other collecting societies with their representation.

2.2. Finance

The drop in the interest level, the lower interest income and in particular the negative interest involve risks for the Company. The Company endeavors to avoid the risk of both negative interest and bad debt losses as far as possible through investments in accordance with the general investment policy.

2.3. Business processes

The business processes of the Company are substantially determined by the infrastructure technology. The Company ensures availability of the data and protection from unauthorized access by using modern hardware and software technology. The risk of loss of all data is reduced by data backup measures on a regular basis. After a complete IT hardware and software failure, the Company is able to resume normal work within one week. This is guaranteed by a GWFF IT Risk and Recovery Plan.

As a result of internal controls (e.g. four eyes principle) and an established release procedure before payment of the remuneration to the entitled persons (declarations of release), the risk is being minimized. Moreover, the settlement runs and their compliance with the distribution plan are monitored through internal control systems. In view of the size of the Company no internal audit system has been established.

2.4. Legal environment

While the legal environment involves a persistent exposure, it also provides opportunities. In addition to the legal amendments by the legislator, risks result also from court rulings as well as from the implementation of EU Directives into national legislation.

Moreover, the application of the UrhWissG in practice will show to what extent the reproduction volume covered by the extended statutory exception can increase and whether this might have a positive impact on the remuneration volume of GWFF within the scope of the statutory scheme.

The Company actively monitors the relevant developments and, via ZPÜ and EUROCOPYA, is in contact with the competent bodies to ensure that the interests are safeguarded in the best possible manner.

2.5. Opportunities

The opportunity of the Company consist in the expansion of its fields of activity, in particular the activity for foreign entitled persons, and also in the inclusion of further products which are subject to remuneration. It would e.g. be desirable to subject cloud storage services to remuneration. The legal enforcement of remuneration claims which have not been enforced so far, e.g. for set top boxes, presents further opportunities. The Company may also realize higher interest income if the interest level increases and possibly increase its foreign revenues.

PRESUMABLE DEVELOPMENT

The Company expects a decline in revenues in particular because of the increasing number of streaming services. However, the actual impact cannot be predicted since it depends on the future user behavior. In the fiscal year 2019 a partial compensation is expected because of joint contracts for blank DVDs and DVD recorders.

It is intended also in the years to come to distribute the money to the entitled persons at the earliest possible time. The management will further endeavor to reduce the period between collection and payment of the money.

Munich, June 28, 2019

GWFF Gesellschaft zur Wahrnehmung
von Film- und Fernsehrechten mbH
Managing directors

Prof. Dr. Ronald Frohne

Dr. Gertraude Müller-Ernstberger

C. BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

[reproduction of the original German wording of the unqualified audit opinion, not translated]

An die GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH,
München

Prüfungsurteile

Wir haben den Jahresabschluss der GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, München, -- bestehend aus der Bilanz zum 31. Dezember 2018, der Gewinn- und Verlustrechnung und der Kapitalflussrechnung für das Geschäftsjahr vom 1. Januar 2018 bis 31. Dezember 2018 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden -- geprüft. Darüber hinaus haben wir den Lagebericht der GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH für das Geschäftsjahr vom 1. Januar 2018 bis 31. Dezember 2018 geprüft. Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

- entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften sowie den ergänzenden Bestimmungen des Gesetzes über die Wahrnehmung von Urheberrechten und verwandten Schutzrechten durch Verwertungsgesellschaften (Verwertungsgesellschaftengesetz - VGG) und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. Dezember 2018 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. Januar 2018 bis 31. Dezember 2018 und
- vermittelt der beigefügte Lagebericht insgesamt ein zutreffendes Bild von der Lage der Gesellschaft. In allen wesentlichen Belangen steht dieser Lagebericht in Einklang mit dem Jahresabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses und des Lageberichts geführt hat.

Grundlage für die Prüfungsurteile

Wir haben unsere Prüfung des Jahresabschlusses und des Lageberichts in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht zu dienen.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats für den Jahresabschluss und den Lagebericht

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften sowie den ergänzenden Bestimmungen des Gesetzes über die Wahrnehmung von Urheberrechten und verwandten Schutzrechten durch Verwertungsgesellschaften (Verwertungsgesellschaftengesetz – VGG) in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Außerdem sind die gesetzlichen Vertreter verantwortlich für die Aufstellung des Lageberichts, der insgesamt ein zutreffendes Bild von der Lage der Gesellschaft vermittelt sowie in allen wesentlichen Belangen mit dem Jahresabschluss in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt. Ferner sind die gesetzlichen Vertreter verantwortlich für die Vorkehrungen und Maßnahmen (Systeme), die sie als notwendig erachtet haben, um die Aufstellung eines Lageberichts in Übereinstimmung mit den anzuwendenden deutschen gesetzlichen Vorschriften zu ermöglichen, und um ausreichende geeignete Nachweise für die Aussagen im Lagebericht erbringen zu können.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft zur Aufstellung des Jahresabschlusses und des Lageberichts.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist, und ob der Lagebericht insgesamt ein zutreffendes Bild von der Lage der Gesellschaft vermittelt sowie in allen wesentlichen Belangen mit dem Jahresabschluss sowie mit den bei der Prüfung gewonnenen Erkenntnissen in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses und Lageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher -- beabsichtigter oder unbeabsichtigter -- falscher Darstellungen im Jahresabschluss und im Lagebericht, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Lageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme der Gesellschaft abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss und im Lagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.

- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.
- beurteilen wir den Einklang des Lageberichts mit dem Jahresabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Unternehmens.
- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Lagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrunde liegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Lindau, den 3. Juli 2019

BAY GmbH
Wirtschaftsprüfungsgesellschaft
Rechtsanwalts-gesellschaft

Karl-Christian Bay
Wirtschaftsprüfer

D. REJECTED REQUESTS OF USERS REGARDING THE GRANTING OF RIGHTS OF USE

No requests of users regarding the granting of rights of use have been rejected in the fiscal year 2018.

E. LEGAL FORM AND ORGANIZATIONAL STRUCTURE

I. Legal basis

Formation	The Company exists in the legal form of a GmbH [<i>German limited liability company</i>] since March 19, 1982.
Name	GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH
Seat	Munich
Statutes	The current Statutes are dated November 23, 2016.
Commercial Register	<p>The Company is entered in Section B, No. 69235, of the Commercial Register at the Amtsgericht München [<i>Local Court Munich</i>].</p> <p>The most recent entry was made on March 13, 2017. It comprises the new version of the Statutes in accordance with the shareholder resolution of November 23, 2016.</p>
Purpose	<p>The fiduciary administration of rights and claims in the national territory and abroad which result from the Copyright Act in conjunction with the international and/or bilateral conventions for film producers, television producers, videogram producers, foreign actors and authors or which have been transferred to them, and the distribution of the revenue to the entitled persons.</p> <p>The Company is a collecting society within the meaning of Section 2 VGG [<i>German Collecting Societies Act</i>]. It is not operated for profit.</p> <p>The authorization required for the activity of the Company pursuant to Section 1 UrhWG [<i>German Act on the Administration of Copyright and Neighboring Rights</i>] has been granted by notification of the President of the German Patent Office of August 4, 1982. The Company is subject to supervision by the President of the German Patent and Trademark Office.</p>
Fiscal year	The fiscal year is the calendar year.
Size of the Company	The Company is a middle-sized company within the meaning of Section 267(2) HGB [<i>German Commercial Code</i>]. But according to Section 57(1) VGG, the collecting societies must apply the provisions applicable to large corporations.

Nominal capital The nominal capital of EUR 103,000 is entered in the Commercial Register and fully paid up.

Shareholders The shareholding is as follows:

	until Feb 8, 18 EUR	since Feb 8, 18 EUR
RA Dr. Dieter Schenk, Munich	51.500	0
Wilhelm-Fraenger-Institut Berlin gemeinnützige GmbH, Berlin	0	47.380
Taurus Lizenz Beteiligungs GmbH, Unterföhring	15.450	15.450
UFA Film- und Fernseh GmbH, Cologne	10.300	10.300
Tellux Beteiligungsgesellschaft mbH, Munich	10.300	10.300
Tele-München Fernseh GmbH & Co. Produktionsgesellschaft, Munich	5.150	9.270
Metropolitan Import-Export Brackel GmbH & Co. KG, Munich	5.150	5.150
MONARDA Arts GmbH, Halle	5.150	5.150
	103.000	103.000
	103.000	103.000

II. Bodies of the Company

Managing directors In the fiscal year 2018, the managing directors were

- Rechtsanwalt [*attorney-at-law*]
Prof. Dr. Ronald Frohne, Berlin
- Rechtsanwältin [*attorney-at-law*]
Dr. Gertraude Müller-Ernstberger, Munich

Each managing director holds power of individual representation.

Shareholders' meeting

The rights and duties of the shareholders' meeting are set forth in Article 8 of the Statutes. The following resolutions have been adopted at the shareholders' meeting of September 28, 2018:

- approval of the financial statements for the year ended December 31, 2017 and the transparency report 2017
- discharge of the management for the fiscal year 2017
- election of the auditor for the fiscal year 2018

In the shareholders' meeting of April 25, 2018, two representatives were renominated to the advisory board.

Supervisory board

In the fiscal year 2016, the Company has established a supervisory board pursuant to Section 22 VGG [*German Collecting Societies Act*] which has six (6) members in accordance with the Statutes. The rights and duties of the supervisory board are set forth in Article 10 of the Statutes.

The following members have been elected at the shareholders' meeting of December 1, 2016 for a term of four (4) years:

- Dr. Christian Hauptmann,
deputy head of legal department UFA Film und Fernseh GmbH, Cologne (elected chairman on April 25, 2018)
- Mr. Chris Marcich,
adviser to Motion Picture Association of America, Brussels/Belgium (elected vice chairman on April 25, 2018)
- Mr. Nikolaus Brudny,
Rechtsanwalt [*lawyer*] Taurus Lizenz Beteiligungs GmbH, Unterföhring
- Mr. Martin Choroba,
TELLUX Beteiligungsgesellschaft mbH, Munich
- Mr. Michael Fuehr,
managing director Metropolitan, Import-Export Brackel GmbH & Co. KG, Munich
- Mr. Philip Löhr,
head of legal department Tele-München Fernseh-GmbH & Co. Produktionsgesellschaft, Munich

Supervisory board meetings were held in the fiscal year 2018 on April 25 and on September 28, 2018.

Advisory board

The advisory board, which is composed of six (6) members in accordance with the Statutes and whose rights and duties are set out in Article 13 of the Statutes, was composed as follows in the fiscal year 2018:

appointed by the shareholders' meeting for a term of four (4) years (renominated on April 25, 2018):

- Prof. Dr. Herbert Kloiber, Munich
- Mr. Nikolaus Brudny, Unterföhring

elected as representatives of the producers at the meeting of the entitled persons of April 25, 2018 for a term of four (4) years:

- Mr. Idzard van der Puyl, Paris/France
- Mr. Chris Marcich, Brussels/Belgium

elected as representatives of the authors at the meeting of the entitled persons of April 25, 2018 for a term of four (4) years:

- Mr. Bob Hadl, Los Angeles/U.S.A.
- Prof. Jürgen Haase, Berlin (since April 25, 2018)
- Dr. Dieter Meier, Bern/Switzerland (until April 25, 2018)

elected as substitute advisory member:

- Mr. Miguel Angel Benzal, Madrid/Spain

The term used to be three (3) years. After introduction of the VGG the Statutes of the Company have been revised and the term for the representatives of the advisory board was increased to four (4) years.

Advisory board meetings were held in the fiscal year 2018 on April 25 and on September 28, 2018.

Meeting of the entitled persons

The last meeting of the entitled persons at which the above-named advisory board members were elected in accordance with the Statutes was held on April 25, 2018.

After introduction of the VGG the Statutes of the Company have been revised and the term for the meeting of the entitled persons has been increased to four (4) years.

III. Entitled persons

Entitled persons (“rightholders“ until the time when the German Collecting Societies Act came into force) are domestic and foreign film producers, television producers, videogram producers, foreign actors and authors.

The entitled persons may transfer the following rights and claims to GWFF for fiduciary administration on the basis of an Administration Agreement:

1. The remuneration claims pursuant to Section 27(1+2) UrhG [*German Copyright Act*] for the rental and the lending of copies including audio-visual carriers.
2. Remuneration claims against the producers, importers or dealers of devices and storage media which, by their nature, may be used, alone or in conjunction with other devices, storage media or equipment, for making reproductions by recording broadcasts on an audiovisual carrier or by transfer from one audio-visual carrier to another (Section 54 UrhG).
3. The remuneration claims for making the works available to the public for teaching and research pursuant to Section 52a UrhG former version (Section 60a UrhG current version).
4. The remuneration claim for making published works available at electronic reading places in public libraries, museums and archives pursuant to Section 52b UrhG (Sections 60e, 60f UrhG current version).
5. The right of reproduction and distribution of copies of a work made for other than gainful purposes for, and the distribution thereof exclusively to, persons for whom access to the work in a form of perception already available is not possible or considerably more difficult due to disability if and to the extent required for enabling access.
6. The right to make individual copies of event-driven, reporting and documenting television programs by recordings on audio-visual carriers for non-commercial educational purposes and to communicate the same in teaching events of educational institutions themselves.
7. The right of simultaneous, unchanged and complete, analog and digital retransmission of broadcasts abroad
 - 7.1. through cable systems or cable-like systems (e.g. broadband, telephone cable, fiber optic cable, open or closed network), IPTV, microwave systems, via satellite, terrestrially, mobile radio (for example, without limitation, GPRS, UMTS, LTE) or other wired or wireless distribution paths;
 - 7.2. as live stream on the Internet or via another computer network (e.g. virtual private network (VPN)). This includes the linking and/or feeding into P2P streaming networks and any other provision of access to the live stream via a computer network for simultaneous reception and any other inclusion and/or any other adoption on websites, irrespective of whether in a separate browser window and regardless of what software is used;

- 7.3. within the scope of an online video recorder (online personal video recorder) and other recording media which are only accessible via the Internet or any other computer network.
8. The right of making online broadcasts available to the public (Section 19a UrhG). This includes, in a supplementary manner, the right of reproduction (Section 16 UrhG) if and to the extent necessary for making the broadcast available to the public (for example, without limitation, instant restart, replay).
9. Other copyright claims which are derived from retransmission and which can only be exercised collectively due to statutory provisions.

The granting of the rights covers all copyrights and neighboring rights (including those of performing artists) to which the entitled person is entitled, originally or derivatively, in films and/or audio-visual carriers.

The granting of these rights is not limited to the territory of the Federal Republic of Germany but can be transferred worldwide or for individual countries.

IV. Organization of the Company

The organization of GWFF is structured in the following areas in accordance with its Statutes:

- administration of the rights transferred to GWFF vis-à-vis the users of those rights
- fiduciary investment and administration of the collected amounts
- preparation and execution of the distribution of the collected amounts to the entitled persons

For the administration of the amounts collected on a fiduciary basis, the shareholders' meeting of GWFF has adopted the investment policy principles on September 12, 2016 and the risk management policy on December 1, 2016 which have been defined in the investment guideline of GWFF.

The Company efficiently fulfills the tasks required by law through a small team.

F. DEPENDENT COLLECTING ENTITIES

GWFF participates in the following civil law partnerships without capital contribution:

- Zentralstelle für private Überspielungsrechte (ZPÜ), Munich, management by GEMA
- Zentralstelle Bibliothekstantieme (ZBT), Munich, management by VG Wort

ZPÜ is an association of nine (9) German collecting societies (GEMA, GÜFA, GVL, GWFF, TWF, VFF, VGF, VG Bild-Kunst, VG Wort) in the legal form of a civil law partnership. The purpose of ZPÜ is the assertion and enforcement of the statutory remuneration claims pursuant to Section 54(1) UrhG [*German Copyright Act*] (device and storage media levy) as well as the collection, administration and distribution of the revenue. ZPÜ prepares a transparency report of its own to which reference is hereby made. The split agreed by all ZPÜ societies on the basis of empirical studies leads to a 7.34% share of GWFF.

ZBT is an association of the collecting societies VG Wort, GEMA, VG Bild-Kunst, GVL, VGF, GWFF, VFF and VG Musikedition in the legal form of a civil law partnership. ZBT is entrusted with the assertion of the claims pursuant to Section 27(2) UrhG [*German Copyright Act*] (library levy) and of the claims pursuant to Section 52a UrhG [*German Copyright Act*] former version (Section 60a UrhG current version) (Intranet use at schools). Regarding ZBT, reference is hereby made to the statements in the transparency report prepared by the managing partner VG Wort. GWFF receives a share of 5.23% of the ZBT revenue pursuant to Section 27(2) UrhG [*German Copyright Act*] and a share of 6.09% pursuant to Section 52a UrhG [*German Copyright Act*] former version (Section 60a UrhG current version).

G. REMUNERATION OF THE BODIES

In the fiscal year 2018 the remuneration of the management amounted to EUR 230,383.19.

The supervisory board members and the advisory board members serving in an honorary capacity have not received remuneration in the fiscal year 2018.

H. FINANCIAL INFORMATION

I. Rights revenue and use of rights revenue

The rights revenue is composed as follows:

Chart 1: Rights revenue in the fiscal year 2018:

	2018 EUR
a) Domestic	
Remuneration pursuant to Section 54 UrhG (device and storage media levy) from	
ZPÜ for PC revenue	16,270,573.63
GEMA for PC revenue	1,610,624.21
GVL for PC revenue (SAG)	1,845,764.68
VG Bild-Kunst for directors	236,792.28
VG Wort for PC revenue	30,916.71
VG Bild-Kunst for PC revenue	499,196.10
VG Bild-Kunst for PC revenue (Film Stills)	746,582.94
	<u>21,240,450.55</u>
Remuneration pursuant to Section 27 UrhG (video rental levy. library levy) from	
GEMA for video rental levy	41,183.48
VG Wort for video rental levy	35,486.60
VG Bild-Kunst for video rental levy	127,735.58
VG Wort for library levy	792,431.07
	<u>996,836.73</u>
Remuneration for cable retransmission rights from	
AGICOA GmbH for U.S. Guilds	4,601,856.80
VG Wort German broadcasters in Kabel Österreich for U.S. Guilds	731,700.41
	<u>5,333,557.21</u>
Total domestic	<u>27,570,844.49</u>
b) Abroad	
Remuneration for cable retransmission rights	
Switzerland/Liechtenstein (administration by SUISSIMAGE, Bern and SWISSPERFORM, Zurich)	1,412,610.27
Denmark (administration by PRD, Copenhagen)	447,678.00
Austria (administration by VAM, Vienna)	362,094.88
Australia, Bosnia, Finland, Great Britain, Ireland, Iceland, Israel, Canada, Latvia, Luxembourg, the Netherlands, Norway, Poland, Portugal, Serbia, Slovenia, Romänia, Hungary (administration by AGICOA Geneva)	170,200.36
Belgium (administration by AGICOA, Belgium)	140,377.18
France (administration by ANGOA, Paris)	12,987.87
Spain (administration by EGEDA, Madrid)	12,911.54
Sweden (administration by FRF, Stockholm)	4,545.65
Netherlands (administration by VIDEMA, Noordeloos)	32.79
	<u>2,563,438.54</u>
Remuneration for device and storage media levy	
Switzerland/Liechtenstein (administration by SUISSIMAGE, Bern and SWISSPERFORM, Zurich)	605,573.14
France (administration by PROCIREP, Paris)	488,255.15
Belgium (administration by PROCIBEL, Belgium)	251,509.48
Italy (administration by ANICA, Rome)	64,487.58
Austria (administration by VAM, Wien)	43,671.96
Norway (administration by NORWACO, Oslo)	27,075.47
Romania (administration by UPFAR, Bucharest)	12,590.55
Denmark (administration by PRD, Copenhagen)	1,034.43
	<u>1,494,197.76</u>

Remuneration for teaching and research	
Switzerland/Liechtenstein (administration by SUISSIMAGE, Bern and SWISSPERFORM, Zurich)	53,459.35
Australia (administration by Screenrights, Australia)	49,739.33
Austria (administration by VAM, Wien)	17,209.63
Denmark (administration by PRD, Copenhagen)	9,020.58
	<hr/>
	129,428.89
Total abroad	<hr/> 4,187,065.19 <hr/>
Rights revenue	<hr/> 31,757,909.68 <hr/>

The revenue pursuant to the profit and loss statement in the amount of EUR 32,035,709.68 (see page 4) is composed of this rights revenue of EUR 31,757,909.68 and of received cost refunds of EUR 277,800.00 which must be shown as revenue due to the amendment of the law by the Bilanzrichtlinie-Umsetzungsgesetz [*German Accounting Directive Implementation Act (BilRUG)*] even though they do not directly constitute rights revenue. These cost refunds are used to reduce the costs of the Company so that only the netted costs are passed on to the entitled persons.

II. Cost of rights administration

The costs incurred in the fiscal year 2018 and shown in the profit and loss statement (see A. II.) are exclusively generated by the rights administration on behalf of the entitled persons. The Company does not provide any other services or benefits to the entitled persons or members.

The costs are covered by the rights revenue pursuant to Section 31 VGG [*German Collecting Societies Act*]. Article 4 of the Statutes and/or the Distribution Plans. The Company has adopted general principles on the deduction of administrative costs in this regard.

According to the current version of these general principles of September 30, 2016, the Company applies an administrative cost rate determined on the basis of the preceding five (5) fiscal years unless the distributions of the current year justify the application of a lower percentage. The revenues of the Company are subject to deduction of administrative costs at a rate of currently 4.64% and 4.52% since September 2018 in the year of distribution to the entitled persons. As far as the applied administrative cost rate is insufficient to cover the actual costs of any distribution year, the difference shall be taken from the working capital reserve (WCR) set aside by the Company. If the applied administrative cost rate results in amounts exceeding the actual costs in the year of distribution, the difference shall be added to the WCR. In the event that the WCR covers more than the administrative costs of the preceding 24 months, the excess amount shall be distributed to the entitled persons in addition to the next distribution amount. The WCR is established for the first time effective January 1, 2017 amounting to EUR 1.500.000 (shareholder resolution of December 1, 2016).

In view of the size of the Company, the costs are not directly attributed to the individual rights categories. The administrative cost rate is equally applied to all rights categories.

The cost rate of the Company is 5.2% related to the rights revenue in the fiscal year 2018 and 4.5% related to the amounts paid in the fiscal year 2018.

The cost rate calculated on the basis of the above mentioned principles was deducted from the settlement runs [*Abrechnungsläufe*] made in the fiscal year 2018. Therefore, a total amount of EUR 1,638,874.25 was deducted from the gross distribution amounts and added to the WCR. In return the actual cost of the fiscal year 2018 had been financed by disposing from the WCR. The calculation based on the above mentioned principles resulted in an excess amount of EUR 315,756.61 for the WCR as of December 31, 2017, that was added to the settlement runs in the fiscal year 2018. The calculation of a possible surplus of the WCR as of December 31, 2018, according to the principles mentioned above will be performed for the next settlement runs in 2019.

The WCR development is shown in the table of the reserves for the entitled persons (Chart 3) on page 39.

III. Amounts due to the entitled persons

a) Aggregate of the amounts allocated to the entitled persons

The rights revenue is distributed on the basis of the Distribution Plans of the Company. The Distribution Plans of GWFF may be accessed on the website of the Company (www.gwff.de).

Various settlement runs [*Abrechnungsläufe*] have been made in the fiscal year 2018. The amounts allocated to the entitled persons are set out in detail in Chart 2 on page 37.

b) Aggregate of the amounts distributed to the entitled persons

The entitled persons are notified of the respective result of the settlement runs by way of distribution letters. After the formal requirements have been fulfilled (especially reconciliation of the film lists, confirmation and release by the entitled person, verification of the bank account, obtaining tax exemption notices, if any), the remuneration is remitted to the entitled person without undue delay. The fulfillment of the formal requirements by the entitled persons may take some time so that, in those cases, the remittance can only be made after the end of the year in which the settlement run is made.

On the basis of the settlement runs in the fiscal year 2018 referred to above and explained in Chart 2 on page 37, a total amount of EUR 35,068,174.83 has been paid to the entitled persons, which are shown as usage in the reserves statement (Chart 3 on page 39).

For settlement runs 2017 an amount of EUR 1,799,391.78 had been paid out and for settlement runs before 2017 an amount of EUR 73,368.83, which are also shown as usage in the reserves statement (Chart 3 on page 39).

Overall, a total amount of EUR 36,940,935.44 has been paid to the entitled persons.

Details and the composition are also shown in Chart 2 settlement runs in the fiscal year 2018 on page 37 and the reserves statement after H. III. e) (Chart 3 on page 39).

c) Distribution dates

The distribution dates for the settlement runs made in the fiscal year 2018 are also shown in Chart 2, page 37.

Chart 2: Settlement runs in the fiscal year 2018:

Distribution-Date	Rights Category	Dis-tribution-Period	Gross Dis-tribution	Costs	WCR	Deductions for Funds/Reserves	Allocated to the Entitled Persons	thereof paid out in 2018	thereof payment impediment Double Registrations	Withdrawals Legal Examin.	Balance as of Dec 31, 2018 not yet paid out
Distributions pursuant to Distribution Plan Section 54 UrhG:											
Device and storage media remuneration for private copying											
Feb 8, 2018	Performers Share mobile phone, tablets	2010-2014	2,800,225.91								
Feb 12, 2018	Performers Share mobile phone, tablets	2010-2014	860,456.88								
Mar 1, 2018	Performers Share mobile phone, tablets	2015	1,324,505.24								
Mar 2, 2018	Performers Share mobile phone, tablets	2015	433,895.51								
May 24, 2018	Directors' Rights	2008-2016	235,391.55								
Sep 6, 2018	PC-levy Film Stills	2016	603,927.00								
Oct 11, 2018	PC-levy additional payment	2008-2010	6,383,251.07								
Oct 30, 2018	PC-levy, mobile phone, tablets	2017	10,321,967.48								
Oct 14, 2018	PC-levy Music Share	2008-2010	581,233.19								
Dec 5, 2018	Performers Share mobile phone, tablets	2016, 10-15	1.392,313.48								
Dec 6, 2018	Music Performers Share PC mobile tabl.	2016, 10-15	445,114.28								
Dec 14, 2018	PC-levy Music Share	2017	1,026,204.70								
			26,408,486.29	-1,190,689.63	4,291,515.10	-2,264,586.02	27,244,725.74	-25,677,121.10	-671,072.88	-1.36	896,530.40
Distributions pursuant to Distribution Plan Section 27 UrhG:											
Video rental remuneration and library fee											
Aug 27, 2018	Main distribution	2017	1,006,038.45	-46,309.18	182,111.28	-115,308.52	1,026,532.03	-932,173.17	-83,582.58	0.00	10,776.28
Distributions pursuant to Distribution Plan for revenue abroad:											
Device and storage media remuneration abroad											
Mar 1, 2018	France	2005-2016	219,536.80								
Mar 5, 2018	Switzerland (incl. cable retransmission)	2011-2016	2,224,208.16								
Jun 29, 2018	Various countries (incl. cable retrans.)	div. Jahre	666,224.65								
Oct 19, 2018	Switzerland (incl. cable retrans.)	2011-2016	124,931.22								
Cable retransmission abroad											
Dec 12, 2018	German broadcasters in Austria	2017, 14-16	727,456.60								
Dec 14, 2018	Austria	2006-2013	385,395.05								
Use at schools abroad											
Jul 23, 2018	Australia	2006-2017	40,991.00								
			4,388,743.48	-200,662.22	416,630.82	-69,457.56	4,535,254.52	-4,266,020.26	-29,798.18	-13,960.51	225,475.57
Distributions cable retransmission U.S. Guilds											
Sep 21, 2018	Germany: U.S. Guilds	2017	4,336,491.76								
Sep 11, 2018	Germany: U.S. Guilds Late Claims	2014-2016	265,365.04								
			4,601,856.80	-201,213.22	0.00	-206,763.93	4,193,879.65	-4,192,860.30	0.00	0.00	1,019.35
			36,405,125.02	-1,638,874.25	4,890,257.20	-2,656,116.03	37,000,391.94	-35,068,174.83	-784,453.64	-13,961.87	1,133,801.60

d) Aggregate of the amounts not yet allocated to the entitled persons

From the rights revenue received in 2018 an amount of EUR 3,386,282.88 has not yet been allocated. Additionally, the reserves for non-registered works and other claims of third parties in the amount of EUR 11,755,130.20 set up from the gross distribution amounts in accordance with the Distribution Plans have not yet been allocated. Therefore, the aggregate of the amounts not yet allocated to the entitled persons is EUR 15,141,413.08.

e) Aggregate of the amounts allocated, but not yet distributed, to the entitled persons

Reference is made to Chart 2 on page 37 with details of the settlement runs made in the fiscal year 2018.

Moreover, Chart 3 on page 39 shows – in the form of a reserves statement – the development of the reserves for the entitled persons (see balance sheet A. I.). It is composed of the development of the amounts not yet distributed and the development of the social fund, the promotion fund as well as the working capital reserve.

Chart 3: Reserves statement:

	as of Jan 1, 2018	transfers gros distribution	additions to / usage of WCR	deductions for additions to reserves and funds	payments to the entitled persons usage from funds	P U	transfers not yet paid	additions from profit and loss statement 2018	as of Dec 31, 2018
Balance sheet position					-36,940,935.44	P			
„Reserves for the entitled persons“	44,840,494.76	0.00	0.00	0.00	-276,686.00	U	0.00	30,022,544.29	37,645,417.61
Composition:									
- Remaining net total from result 2017	8,354,303.52		0.00	0.00	0.00		0.00	0.00	0.00
-- Allocation revenue 2017 to settlement runs in 18		-8,354,303.52							
- Settlement runs in 2018 (see Chart 2)	0.00	36,405,125.02	-1,638,874.25	-2,656,116.03	-35,068,174.83	P	-784,453.64	0.00	1,133,801.60
		4,890,257.20					-13,961.87		
- Settlement runs in 2017	4,593,711.87	0.00	0.00	0.00	-1,799,391.78	P	-2,794,320.09	0.00	0.00
- Reserves for non-registered works and other claims of third parties (not yet allocated to the entitled persons – see H. III. d) incl. special reserve film compensation (ZPÜ)	12,042,076.27	-2,259,234.99	0.00	1,972,288.92	0.00		0.00	0.00	11,755,130.20
- Double registrations	5,487,003.89	-101,112.39	0.00	0.00	0.00		784,453.64	0.00	6,170,345.14
- Amounts not yet paid for previous years, not yet called for, withdrawals by entitled persons after settle. runs or non-payment due to legal examina- tion of the entitlement, offset with previous years	6,661,395.14	-1,634,609.66 -579,543.55	0.00	0.00	-73,368.83	P	13,961.87 2,794,320.09	0.00	7,182,155.06
SUBTOTAL of already allocated amounts	37,138,490.69	28,366,578.11	-1,638,874.25	-683,827.11	-36,940,935.44		0.00	0.00	26,241,432.00
- Social fund	1,890,756.08	0.00	0.00	172,248.63	-25,000.00	U	0.00	0.00	2,038,004.71
- Promotion fund	2,572,658.80	0.00	0.00	511,578.48	-251,686.00	U	0.00	0.00	2,832,551.28
- Working capital reserve (WCR)	3,238,589.19	237,800.00		0.00	0.00		0.00	0.00	3,147,146.74
-- Release of WCR		-315,756.61							
-- Addition costs deducted in settlement runs 18			1,638,874.25						
-- Usage for actual costs 2018			-1,652,360.09						
- Net total not yet allocated to the entitled persons (see H. III. d)	0.00			0.00	0.00		0.00		3,386,282.88
Addition and allocation of the result of the profit and loss statement 2018 (see A. II.)		-28,288,621.50	1,652,360.09					30,022,544.29	
	44,840,494.76	0.00	0.00	0.00	-276,686.00	U	0.00	30,022,544.29	37,645,417.61

- f) Delays in payment if the collecting society has not made the distribution within the distribution deadline

The distribution periods of nine (9) months after completion of the fiscal year pursuant to Section 28 VGG [*German Collecting Societies Act*] and of six (6) months after receipt of revenues on the basis of representation agreements pursuant to Section 46 VGG [*German Collecting Societies Act*] have been changed in the Distribution Plans on December 1, 2016. The new distribution periods apply from the fiscal year 2017 on.

- g) Aggregate of the non-distributable amounts

There are no non-distributable amounts of the Company.

IV. Relations with other collecting societies

(1) Amounts received from other collecting societies

Regarding the amounts received from other collecting societies, reference is hereby made to Chart 1 rights revenue in H. I. on pages 33-34.

(2) Amounts paid to other collecting societies

The following amounts have been paid to other collecting societies in the fiscal year 2018:

	Payment ¹⁾	Costs	Reserves	Social Fund	Promotion Fund
ANICA, Italy	135,259.36	-5,453.87	-6,356.51	-1,039.53	-3,087.93
EGEDA, Spain	57,388.88	-2,217.82	-2,787.34	-431.36	-1,281.45
FRF, Sweden	284,588.03	-12,660.67	-13,952.35	-2,515.76	-7,472.05
GÜFA, Dusseldorf	11,430.28	-382.28	-407.63	-76.60	-227.65
NORWACO, Norway	9,315.90	-337.92	-574.76	-59.87	-177.93
PACC, Canada	75,255.02	-3,257.74	-3,517.58	-650.57	-1,932.57
PRD, Denmark	81,136.18	-2,684.64	-3,374.18	-517.06	-1,535.84
PROCIREP, France	907,750.01	-39,223.17	-47,075.02	-7,649.90	-22,720.71
Screenrights, Australia	123,356.75	-4,386.02	-4,647.33	-876.01	-2,602.09
SEKAM, the Netherlands	55,742.91	-2,982.01	-3,252.10	-575.11	-1,708.34
SUISSIMAGE, Switzerland	389,941.55	-20,115.45	-21,186.34	-3,927.28	-11,665.07
VAM, Austria	891,405.71	-33,327.89	-35,204.64	-6,629.12	-19,688.75
VFF, Munich	2,255,985.59	-106,243.12	0.00	0.00	0.00
VGF, Munich	74,497.76	-2,779.28	0.00	0.00	0.00

¹⁾ if applicable: amounts before deduction of taxes at source according to Section 50a EStG [*German income tax act*] as well as without VAT

I. SOCIAL AND CULTURAL PROMOTION

The Company is obligated pursuant to Section 32 VGG [*German Collecting Societies Act*] and according to the Statutes and the Distribution Plans of the Company to allocate amounts to the social fund and the promotion fund.

Social fund pursuant to the Distribution Plans of GWFF for the revenue realized in Germany. Part A. General Terms. Article 2 II.:

An amount equal to 1% of the amount to be distributed for the respective rights category must be added to the social fund.

Promotion fund pursuant to the Distribution Plans of GWFF for the revenue realized in Germany. Part A. General Terms. Article 2 III.:

Out of the distribution amount remaining for the respective rights category after the allocation to the social fund, an amount equal to 3% must be added to the promotion fund. Culturally important works or performances and young talents are to be promoted by the fund in accordance with Section 32 VGG [*German Collecting Societies Act*].

The development of the social fund and the promotion fund is shown in the reserves statement on page 39 (Chart 3).

I. Social Fund

In the fiscal year 2018 an amount of EUR 172,248.63 was deducted for and added to the social fund within the scope of the settlement runs 2018.

The following amounts have been used from the social fund in the fiscal year 2018:

	EUR
Medienboard Berlin-Brandenburg: Artists in Residence	10,000.00
Filmfest München: Student Filmfest	10,000.00
Filmuniversität Babelsberg: Sehnsüchte Festival	5,000.00
	<u>25,000.00</u>

II. Promotion fund

In the fiscal year 2018 an amount of EUR 511,578.48 was deducted for and added to the promotion fund within the scope of the settlement runs 2018.

The following amounts have been used from the social fund in the fiscal year 2018:

	EUR
Berlinale: Sponsoring	92,500.00
Berlinale: Best First Feature Award	50,000.00
Promotion International Standard Audiovisual Number	25,000.00
Studio-Hamburg: House of Young Producers	20,000.00
IUM: contribution	15,000.00
GVU: membership fee	10,800.00
EUROCOPYA: fee	10,500.00
ProduzentenAllianz: promotion international memberships	8,000.00
Studio-Hamburg: GWFF- young talent award	5,000.00
Festival Filmhochschulen: award	5,000.00
Festival Cottbus: international workshop	5,000.00
Students Workshop	4,800.00
Fees, print cost	86.00
	251,686.00

ATTACHMENTS

Attachment 1:	List of abbreviations	45
Attachment 2:	Bescheinigung des Abschlussprüfers zum Transparenzbericht	
	<i>[reproduction of the original German wording of the auditor's certificate, not translated]</i>	48

Attachment 1: List of abbreviations

§	section [used in German Codes]
Abs.	paragraph [<i>used in German Codes</i>]
AG	Aktiengesellschaft [<i>German corporation</i>]
AGICOA Belgium	AGICOA Europe Brussels Scrl, Brüssel/Belgium, Belgian collecting society
AGICOA Geneva	AGICOA Association de Gestion Internationale Collective des Oeuvres Audiovisuelles, Geneva, Switzerland
AGICOA GmbH	AGICOA Urheberrechtsschutz GmbH, Munich, German collecting society
ANGOA	French collecting society
ANICA	Italian collecting society
Aug	August
BGB	Bürgerliches Gesetzbuch [<i>German Civil Code</i>]
BilRUG	Bilanzrichtlinie-Umsetzungsgesetz [<i>German Accounting Directive Implementation Act</i>]
Bitkom	Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V., Berlin
Co.	Compagnie
Dec	December
DEM	Deutsche Mark [<i>former German currency</i>]
DEFA	Deutsche Film AG
DGA	U.S. Directors Guild of America
Dr.	Doctor [<i>German title</i>]
DTC	Double taxation convention, double tax treaty
DVD	Digital Versatile Disc
e.g.	for example
e.V.	eingetragener Verein [<i>German registered association</i>]
ECB	European Central Bank
EGEDA	Spanish collecting society
EStG	Einkommensteuergesetz [<i>German Income Tax Act</i>]
et seq.	and the following
EU	European Union
EUR	Euro [<i>European currency</i>]
EUROCOPYA	European Federation of Joint Management Societies of Producers for Private Audiovisual Copying
FDPA	Bundesdatenschutzgesetz [<i>German Federal Data Protection Act</i>]
Feb	February
FRF	Swedish collecting society
GDPR	EU-Datenschutz-Grundverordnung [<i>EU-General Data Protection Regulations</i>]
GEMA	Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, Berlin German collecting society
GmbH	Gesellschaft mit beschränkter Haftung [<i>German limited company</i>]
GPRS	General Packet Radio Service [<i>mobile radio standard</i>]

GÜFA	Gesellschaft zur Übernahme und Wahrnehmung von Filmaufführungsrechten mbH, Düsseldorf, German collecting society
GVL	Gesellschaft zur Verwertung von Leistungsschutzrechten mbH, Berlin German collecting society
GVU	Gesellschaft zur Verfolgung von Urheberrechtsverletzungen e.V., Hamburg
GWFF	GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, Munich, German collecting society
GWFF USA, Inc.	GWFF USA, Inc., New York City, New York/U.S.A.
HE	home electronics products
HGB	Handelsgesetzbuch [<i>German Commercial Code</i>]
HRB	Handelsregister Abteilung B [<i>Entry in the Commercial Register at the relevant Amtsgericht - Local Court</i>]
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V. [<i>German body of the German chartered accountants</i>]
IFTA	Independent Film & Television Alliance
Inc.	Incorporated
incl.	including
IPTV	Internet Protocol Television
ISAN	International Standard Audiovisual Number
ISAN GmbH	ISAN Gesellschaft zur Registrierung von Film- und Fernsehwerken mbH, Munich
ISO	International Standards Organization
IT	Information technology
IUM	Institut für Urheber- und Medienrecht e.V., Munich
Jan	January
Jun	June
Jul	July
k	1,000
KG	Kommanditgesellschaft [<i>German limited partnership</i>]
LTE	Long Term Evolution [<i>mobile radio standard</i>]
mbH	(company) with limited liability
Mar	March
MP3	MPEG-1 Audio Layer 3 (MPEG: Moving Picture Experts Group)
MPA	Motion Picture Association
NORWACO	Norwegian collecting society
No.	number
Nr.	Nummer [<i>German for number</i>]
Oct	October
P2P	Peer-to-Peer
PACC	Canadian collecting society
PC	Personal Computer
PRD	Danish collecting society
PROCIBEL	Belgian collecting society
PROCIREP	French collecting society
Prof.	Professor [<i>German title</i>]

RA	Rechtsanwalt [<i>German Attorney-at-law</i>]
SAG	Screen Actors Guild of America
Screenrights	Australian collecting society
SDPA	Landesdatenschutzgesetz [<i>German Federal Data Protection Act</i>]
SEKAM	Dutch collecting society
Sep	September
SUISSIMAGE	Swiss collecting society
SWISSPERFORM	Swiss collecting society
TWF	Treuhandgesellschaft Werbefilm mbH, München German collecting society
UMTS	Universal Mobile Telecommunications System [<i>mobile radio standard</i>]
UrhG	Urheberrechtsgesetz [<i>German Copyright Act</i>]
UrhWG	Urheberrechtswahrnehmungsgesetz [<i>German Act on the Administration of Copyright and Neighboring Rights</i>]
UrhWissG	Gesetz zur Angleichung des Urheberrechts an die aktuellen Erfordernisse der Wissensgesellschaft [<i>German Act</i>]
UPFAR	Romanian collecting society
U.S.	United States of America
U.S.A.	United States of America
USA	United States of America
USB	Universal Serial Bus
USD	United States Dollar [<i>U.S. currency</i>]
VAM	Austrian collecting society
VAT	Value-added tax
VFF	Verwertungsgesellschaft der Film- und Fernsehproduzenten mbH, Munich, German collecting society
VG Bild-Kunst	Verwertungsgesellschaft Bild-Kunst, Bonn German collecting society
VGf	Verwertungsgesellschaft für Nutzungsrechte an Filmwerken mbH, Wiesbaden, German collecting society
VGG	Verwertungsgesellschaftengesetz [<i>German Collecting Societies Act</i>]
VG Musikedition	German collecting society
VG Wort	Verwertungsgesellschaft WORT, Munich German collecting society
VIDEMA	Dutch collecting society
VPN	virtual private network
WCR	Working capital reserve
WGA	Writers Guild of America
WIPO	World Intellectual Property Organization
ZBT	Zentralstelle Bibliothekstantieme (administrated by VG Wort)
ZPÜ	Zentralstelle für private Überspielungsrechte (administrated by GEMA)
ZVEI	Zentralverband Elektrotechnik und Elektronikindustrie e.V., Frankfurt [<i>Germany's Central Association of the Electrical Engineering and Electronics Industry</i>]

Attachment 2: Bescheinigung des Abschlussprüfers zum Transparenzbericht
*[reproduction of the original German wording of the auditor's certificate,
not translated]*

An die GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH,
München

Gemäß § 58 Abs. 3 VGG haben wir die in dem jährlichen Transparenzbericht der GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, München, enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 Verwertungsgesellschaftengesetz (VGG) sowie den gesonderten Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG für den Zeitraum vom 1. Januar 2018 bis 31. Dezember 2018 einer prüferischen Durchsicht unterzogen. Die Aufstellung des jährlichen Transparenzberichts nach den Vorschriften des VGG liegt in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Aufgabe ist es, eine Bescheinigung zu den in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie dem gesonderten Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG auf der Grundlage unserer prüferischen Durchsicht abzugeben.

Wir haben die prüferische Durchsicht der in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie des gesonderten Berichts nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze für die prüferische Durchsicht von Abschlüssen vorgenommen. Danach ist die prüferische Durchsicht so zu planen und durchzuführen, dass wir bei kritischer Würdigung mit einer gewissen Sicherheit ausschließen können, dass die in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG oder der gesonderte Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG in wesentlichen Belangen nicht in Übereinstimmung mit den in der Anlage zu § 58 Abs. 2 VGG enthaltenen Vorschriften aufgestellt wurden. Eine prüferische Durchsicht beschränkt sich in erster Linie auf Befragungen von Mitarbeitern der Gesellschaft und auf analytische Beurteilungen und bietet deshalb nicht die durch eine Prüfung erreichbare Sicherheit.

Auf der Grundlage unserer prüferischen Durchsicht sind uns keine Sachverhalte bekannt geworden, die uns zu der Annahme veranlassen, dass die in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG oder der gesonderte Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG in wesentlichen Belangen nicht in Übereinstimmung mit den Vorschriften der Anlage zu § 58 Abs. 2 VGG aufgestellt wurden.

Dem Auftrag, in dessen Erfüllung wir vorstehend benannte Leistungen für die GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH erbracht haben, lagen die Allgemeinen Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften in der vom Institut der Wirtschaftsprüfer e.V. herausgegebenen Fassung vom 1. Januar 2017 zugrunde. Durch Kenntnisnahme und Nutzung der in dieser Bescheinigung enthaltenen Informationen bestätigt der jeweilige Empfänger, die dort getroffenen Regelungen (einschließlich der Haftungsregelungen unter Nr.9 dieser Allgemeinen Auftragsbedingungen sowie der Regelungen im Verhältnis zu Dritten gemäß Nr. 1 Abs. 2 der Allgemeinen Auftragsbedingungen) zur Kenntnis genommen zu haben und erkennt deren Geltung im Verhältnis zu uns an.

Lindau, den 3. Juli 2019

BAY GmbH
Wirtschaftsprüfungsgesellschaft
Rechtsanwaltsgesellschaft

Karl-Christian Bay
Wirtschaftsprüfer