



*Gesellschaft zur Wahrnehmung von
Film- und Fernsehrechten mbH*

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

Transparency Report for the fiscal year 2019
--non-binding convenience translation--

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A. ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2019**I. Balance Sheet**

ASSETS	Dec 31, 2019 EUR	Dec 31, 2018 EUR
A. Fixed assets		
I. Intangible assets		
Software	101,930.00	102,023.00
II. Tangible assets		
1. Leasehold improvements	111.00	375.00
2. Office equipment	19,468.00	15,874.00
	19,579.00	16,249.00
III. Financial assets		
Shares in affiliated companies	880,375.12	880,375.12
	1,001,884.12	998,647.12
B. Current assets		
I. Accounts receivable and other assets		
1. Accounts receivable from affiliated companies	21,420.00	59,500.00
2. Other assets	201,152.39	584,581.22
	222,572.39	644,081.22
II. Cash on hand and cash in banks	43,788,139.42	36,612,838.17
C. Deferred charges	21,586.30	21,533.83
	45,034,182.23	38,277,100.34
LIABILITIES AND SHAREHOLDERS' EQUITY	Dec 31, 2019	Dec 31, 2018
	EUR	EUR
A. Shareholders' equity		
Capital subscribed	103,000.00	103,000.00
B. Reserves and accrued liabilities		
1. Reserves for entitled persons	44,345,376.49	37,645,417.61
2. Pension reserves	345,687.00	326,076.00
3. Other accrued liabilities	169,000.00	160,000.00
	44,860,063.49	38,131,493.61
C. Liabilities		
Other liabilities	71,118.74	42,606.73
	45,034,182.23	38,277,100.34

II. Profit and Loss Statement

	2019	2018
	EUR	EUR
1. Royalties collected for authors' and neighboring rights	46,194,430.38	31,757,909.68
2. Other operating income	278,818.23	289,872.58
3. Personnel expenses		
a) Salaries	-980,411.83	-963,573.22
b) Social security, pension benefit plans	-185,251.80	-175,454.02
--thereof for pension benefit plans		
EUR 10,490.00 (2018: EUR 10,116.00)--		
4. Depreciation and amortization	-50,171.02	-50,738.43
5. Other operation expenses	-781,353.98	-714,277.00
6. Interest income	694,708.54	10,263.51
7. Depreciation on investment	0.00	-28,049.00
8. Interest expenses	-151,130.39	-103,409.81
9. Result	45,019,638.13	30,022,544.29
10. Addition to reserves for entitled persons	-45,019,638.13	-30,022,544.29
11. Net result	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.

	2019	2018
	EUR	EUR
Addition to reserves for entitled persons	45,020k	30,023k
+ Depreciation and amortization of fixed assets	50k	79k
-/+ Increase/decrease of Assets		
Receivables from affiliated companies	38k	-48k
Other assets	383k	-407k
Deferred charges	0k	0k
+/- Increase/decrease of Liabilities		
Pension reserves	20k	20k
Other accrued liabilities	9k	4k
Accounts payable	0k	-58k
Other liabilities	28k	-486k
= Cash flow from operating activities before distribution	45,548k	29,127k
- Payments to entitled persons	-37,975	-36,941k
- Payments out of social fund	-54k	-25k
- Payments out of promotion fund	-291k	-252k
= Cash flow from distributions	-38,320k	-37,218k
- Additions to fixed assets	-53k	-46k
= Cash flow from investing activities	-53k	-46k
Cash flow from financing activities	0k	0k
= Change in cash and cash equivalents	7,175k	-8,137k
+ Cash and cash equivalents at the beginning of period	36,613k	44,750k
= Cash and cash equivalents at the end of period	43,788k	36,613k

IV. Notes for the Fiscal Year 2019

1. Principal legal bases

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*].

These annual financial statements have been prepared in accordance with the regulations applicable to collecting societies and in compliance with Section 57(1), first sentence, VGG. The provisions of the HGB on large corporations are thus applying. In addition, the pertinent provisions of the German Limited Liability Companies Act [*GmbHG*] must be observed. Particularities of collecting societies have been taken into account by showing additional items (Section 265(5) HGB) and/or by adjusting the designation of items (Section 265(6) HGB).

The format of the balance sheet is in compliance with Section 266(2) and (3) HGB. In application of Section 265(5) HGB, the reserves have further been broken down by showing the additional item "reserves for entitled persons". As from the fiscal year 2019, these reserves will be shown in the first place pursuant to Section 265(6) HGB because they are typical of and material to the financial situation of a collecting society.

The format of the profit and loss statement is based on the total cost method pursuant to Section 275(2) HGB. In application of Section 265(6) HGB, the former item "revenues" will be designated as "royalties collected for authors' and neighboring rights" and the former additional item "provisions for reserves for the entitled persons" shown in application of Section 265(5) HGB will be designated as "addition to reserves for entitled persons" as from the fiscal year 2019 for the sake of clarity. In addition, other revenues from received cost refunds are no longer reported under revenues or royalties collected for authors' and neighboring rights, as in the past, but under other operating income. The designation "net result" will be used in lieu of the designation "net income" as in the previous years.

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 other assets are carried at acquisition cost, the cash surrender value of a reinsurance policy at amortized cost (policy reserve including surplus sharing). Cash on hand and cash in banks are carried at their nominal value. In contrast to previous years up until 2016 all claims for which the Company received statements until the preparation of the annual financial statements will be accounted for in the following fiscal year.

The deferred charges contain expenses in 2019 which constitute expenditure for a certain time after the balance sheet date.

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. In the case of reserves 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 the interest income must be added to the relevant distribution reserve in view of the non-profit organization of the Company prescribed in Article 2 paragraph 2 of its Statutes. 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 pension reserves correspond to the settlement amount pursuant to Section 253(1), second sentence, HGB. They have been discounted at the average market interest rate of the previous ten (10) fiscal years pursuant to Section 253(2), first sentence, HGB. The bases for calculation are the "Heubeck guiding tables 2018 G".

The other accrued liabilities comprise all identifiable risks and uncertain obligations in an amount required in accordance with prudent business principles.

The liabilities are carried at their fulfillment amount. In contrast to previous years up until 2016 statements received for accounting periods until the balance sheet date which were paid until the preparation of the annual financial statements are not recorded as liabilities, but are included in the accrued liabilities.

To the extent that royalties collected for authors' and neighboring rights were received in foreign currency, they were converted at the exchange rates applicable at the time of receipt.

3. Notes to the balance sheet

The development of the fixed assets is represented in the statement of fixed assets shown on the following page.

The accounts receivable 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 181k (2018: EUR 169k) and the investment for rent deposit in the amount of EUR 20k (2018: EUR 20k). Other assets amounting to EUR 56k (2018: EUR 0k) are due and payable within one (1) year. The remaining other assets amounting to EUR 145 (2018: EUR 189k) are due and payable with a term between one (1) and five (5) years.

Statement of Fixed Assets in the Fiscal year 2019

	At cost				Accumulated depreciation				Net book value	
	Jan 1, 2019	additions	disposal	Dec 31, 2019	Jan 1, 2019	depreciation of the fiscal year	disposal	Dec 31, 2019	Dec 31, 2019	Dec 31, 2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets										
Software	505,556.11	39,202.32	0.00	544,758.43	403,533.11	39,295.32	0.00	442,828.43	101,930.00	102,023.00
II. Tangible assets										
1. Leasehold improvements	29,823.31	0.00	0.00	29,823.31	29,448.31	264.00	0.00	29,712.31	111.00	375.00
2. Office equipment	282,214.20	14,205.70	0.00	296,419.90	266,340.20	10,611.70	0.00	276,951.90	19,468.00	15,874.00
	312,037.51	14,205.70	0.00	326,243.21	294,788.51	10,875.70	0.00	306,664.21	19,579.00	16,249.00
III. Financial assets										
Shares in affiliated companies	908,424.12	0.00	0.00	908,424.12	28,049.00	0.00	0.00	28,049.00	880,375.12	880,375.12
	1,726,017.74	53,408.02	0.00	1,779,425.76	727,370.62	50,171.02	0.00	777,541.64	1,001,884.12	998,647.12

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

The reserves for entitled persons are obligations to the entitled persons, including the social fund and the promotion fund.

The fulfillment amount of the granted pension promises on the basis of the 10-year average (interest rate 2.71%) is EUR 346k (2018: EUR 326k). In application of the 7-year average (interest rate 1.97%), there is a difference of EUR 2k pursuant to Section 253(6), HGB. 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 other accrued liabilities in the amount of EUR 169k (2018: EUR 160k) relate to financial statement costs as well as the preparation and examination of the transparency report, vacation reserves and reserves for unrecorded liabilities.

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

	Dec 31, 2019 EUR	Dec 31, 2018 EUR
Liabilities for taxes		
VAT	33k	0k
tax deduction on the basis of Section 50a EStG [<i>German Income Tax Act</i>]	24k	29k
wage and church tax	14k	14k
	<u>71k</u>	<u>43k</u>

4. Notes to the profit and loss statement

For the sake of clarity, other income from received cost refunds in the amount of EUR 266k (2018: EUR 278k) from fiscal year 2019 onwards is not reported in the income statement under revenues or royalties collected for authors' and neighboring rights, but under other operating income, with the previous year's amounts being adjusted accordingly. Without this adjustment, revenues or royalties collected for authors' and neighboring rights would have amounted to EUR 32,036k in the previous year and other operating income to EUR 12k.

The royalties collected for authors' and neighboring rights includes:

	2019	2018
	EUR	EUR
Remuneration pursuant § 54 UrhG domestic	35,782k	21,240k
Remuneration pursuant to § 27 UrhG domestic	1,016k	997k
Remuneration for cable retransmission domestic	4,927k	5,334k
Rights revenue domestic	41,725k	27,571k
Remuneration for storage media levy abroad	1,725k	1,494k
Remuneration for cable retransmission abroad	2,595k	2,564k
Remuneration for teaching and research abroad	149k	129k
Rights revenue abroad	4,469k	4,187k
Rights revenue total	46,194k	31,758

Because of the business activity of GWFF most of the royalties collected for authors' and neighboring rights 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 2019 is composed of EUR 15k for auditing services and EUR 10k for other certification services.

The interest expenses include an interest loss of EUR 9k (2018: EUR 10k).

In accordance with the Statutes, the result after taxes is in full added to the reserves for entitled persons so that a net result of EUR 0.00 is shown. An amount of EUR 37,975k (2018: EUR 36,941k) has been distributed or paid to the entitled persons in the year under review. An amount of EUR 291k (2018: EUR 252k) was used for promotion purposes and an amount of EUR 54k (2018: EUR 25k) for social purposes.

5. 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 2019 the remuneration of the management amounted to EUR 239k (2018: EUR 230k).

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 (until January 30, 2020), Manuel Fuehr (from January 30, 2020),
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 17 (2018: 18) salaried employees, thereof 6 (2018: 5) part-time, and additionally 3 (2018: 3) temporary staff on the average in the fiscal year 2019.

Other financial obligations

There are other financial obligations in the amount of EUR 211k 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, 2019, 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, 2019 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, 2019 show an equity amounting to USD 985k and a net income of USD 28k.

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 -20k and a net loss of EUR 17k for the year ending December 31, 2019. Due to ongoing losses the investment as of December 31, 2018 was impaired by 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).

Supplementary report on events which occurred after the end of the fiscal year

Regarding any potential risks which might have impacted the assessment of the assets, the financial position and the earnings situation of the Company after the balance sheet date as a result of COVID-19, reference is hereby made to the statements in the management report.

Munich, June 17, 2020

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

Prof. Dr. Ronald Frohne

Dr. Gertraude Müller-Ernstberger

B. MANAGEMENT REPORT FOR THE FISCAL YEAR 2019

GENERAL CONDITIONS AND BUSINESS

1. Economic environment

According to the Annual Economic Report published in January 2020 under the title: enhancing growth, competitiveness and productivity - in Germany and in Europe -, the German Federal Government proceeds on the basis of a growth of the price-adjusted gross domestic product (GDP) by 1.1% (1% last year) and a constant unemployment rate of 5% because the number of persons employed will increase to an all-time high of 45.4 million.

The labor market in Germany has also developed positively in 2019. On the annual average, about 45.3 million persons (44.8 million last year) were gainfully employed so that the unemployment rate dropped to 5% in 2019 from 5.2% in 2018.

The inflation rate has decreased to 1.4% in 2019 (1.9% last year) and has thus again been below the target rate of the European Central Bank (ECB) which considers a price increase rate of just under 2% to be ideal for economic activity in the Eurozone.

The ECB continues its expansive monetary policy. The -0.5% interest on deposits e.g. is still negative and has increased by -0.1% from last year.

The COVID-19 pandemic which has been spreading since March 2020 has a great impact on the economic development and the economic activity and might result in a global recession.

In its 2020 spring projection, the German Federal Government expects a decline in the GDP by -6.3% and a sharp rise in short-time work/unemployment.

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 decreased from EUR 1,936.9 billion to EUR 1,905.0 billion in 2019 which means a 1.5% decrease from 2018.

According to the Home Electronics Market Index Germany (HEMIX) published for 2019 by GfK and the Bundesverband Technik des Einzelhandels (BVT [*the Federal Association of Retail Technology*]), the market for home electronic products (HE) grew by 0.6% in 2019 and achieved a total sales volume of EUR 42.6 billion (2018: EUR 42.3 billion). However, the classical consumer electronic devices which are relevant in terms of remuneration decreased by 5.6% from EUR 9.29 billion in 2018 to EUR 8.8 billion in 2019.

The sales of set-top boxes decreased by 34.4%, the sales of DVD- and blue-ray recorders by 11.8% and 22.1% respectively, and the sales of recording media by 4.3%. Telecommunication devices such as mobile phones (-15%) and smartphones are also affected by falling sales figures, with a decline of 4.2%. However, the PC division recorded

a 6.0% increase in sales in 2019, the sales of tablets increased by 12.2%, notebooks by 2.5%, and desktop PCs by 9.3%.

COURSE OF BUSINESS

1. Field of activity

In the fiscal year 2019, 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 as well as §60a ff. UrhWissG 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, Italy and Israel.

2. Revenues

During the period under review, GWFF recorded revenues of EUR 41,725k (2018: EUR 27,571k) for the administration of rights in Germany. Of this amount, EUR 35,782k (2018: EUR 21,240k) are attributable to remuneration pursuant to Section 54 UrhG, EUR 1,016k (2018: EUR 997k) to remuneration pursuant to Section 27 UrhG and EUR 4,927k (2018: EUR 5,334k) to cable retransmission rights in Germany. Compared with the previous year, the domestic revenues have increased by EUR 14,154k. The increase is due to the additional PC-income received in 2019.

The remuneration from abroad has been increased by EUR 282k. The remuneration for cable retransmission rights abroad amounted to EUR 2,595k (2018: EUR 2,564k), thereof EUR 1,131k (2018: EUR 1,413k) for Switzerland and Liechtenstein, EUR 469k (2018: EUR 448k) for Denmark, EUR 81k (2018: EUR 362k) for Austria, EUR 175k (2018: EUR 170k) for Australia, Bosnia, Finland, Great Britain, Ireland, Iceland, Israel, Canada, Latvia, Luxembourg, the Netherlands, Norway, Poland, Portugal, Serbia, Slovenia, Rumania and Hungary, EUR 586k (2018: EUR 13k) for France, EUR 132k (2018: EUR 140k) for Belgium, EUR 10k (2018: EUR 13k) for Spain, EUR 3k (2018: 5k) for Sweden as well as EUR 9k (2018: EUR 0k) for the Netherlands.

The remuneration for blank tape levy abroad amounted to EUR 1,725k (2018: EUR 1,494k), thereof EUR 70k (2018: EUR 488k) for France, EUR 1,444k (2018: EUR 606k) for Switzerland and Liechtenstein, EUR 188k (2018: EUR 252k) for Belgium, EUR 1k (2018: EUR 1k) for Denmark and EUR 21k (2018: EUR 27k) for Norway.

In addition, an amount of EUR 149k (2018: EUR 129k) has been received for use at schools abroad, thereof EUR 109k (2018: EUR 53k) for Switzerland and Liechtenstein, EUR 18k (2018: EUR 17k) for Austria and EUR 22k (2018: EUR 9k) 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 2019 banks have charged negative interest/deposit charges on money in the bank amounting to EUR -142k (2018: EUR -93k). On the other hand the Company was able to earn interest income from the ZPÜ of EUR 695k (2018: EUR 10k).

4. Expenses

The operating expenses amounted to EUR 1,727k (2018: EUR 1,652k) (netted against other operating income). The cost rate of the Company is 3.7% related to the rights revenue and 4.6% 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 17 people (2018: 18) on the average in 2019, thereof 6 part-time and additionally 3 temporary staff.

6. Entitled persons

It has been possible to increase the number of the entitled persons of GWFF also in the fiscal year 2019.

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 (late claims 2005 – 2007), burners, hard disks, blanks 2008 - 2017, music performer share 2005 - 2017, performer share 2008 - 2017, settlement of equipment levy for French screenwriters 2017 - 2018 and government rights 2012, 2016, 2018.

Foreign blank tape revenues for France, Switzerland, Rumania, Belgium, Denmark, Norway, Sweden and Italy have been distributed for various years from 2008 through 2017 as well as remuneration for public reproduction in hotels in Denmark, Spain and Portugal for the years 2009 – 2017.

Foreign remuneration for cable retransmission rights in Bosnia, Belgium, Canada, Denmark, Spain, France, Hungary, Ireland, Israel, Iceland, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Sweden and Slovenia for various years 1986 through 2017 has been paid.

For the revenues from cable retransmission rights in Germany, distributions for the broadcasting year 2018 as well as late claims for 2015 through 2017 have been made to the U.S. Guild of Directors (DGA) and the U.S. Guild of Writers (WGA).

In addition revenues for Film Stills 2017 as well as for the use of audiovisual works for teaching and research in Australia for the years 2011 - 2018 have also been distributed.

A total amount of EUR 37,975k (2018: EUR 36,941k) has been distributed to the entitled persons in the fiscal year 2019.

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 2019, 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. In the fiscal year under review, prizes for the Best First Feature national and international were awarded for the first time at the Jerusalem Film Festival with a total amount of EUR 25k.

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. 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 Screen Actors Guild (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 royalties collected for authors' and neighboring rights 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 45,020k; 2018: EUR 30,023k) is, as provision for reserves for the entitled persons, shown in full as reserves for 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 43,788k; 2018: EUR 36,613k) while fixed assets (EUR 1,002k; 2018: EUR 999k) and the remaining current assets as well as the deferred items (EUR 244k; 2018: EUR 666k) are of secondary importance. The main items on the liabilities side are the reserves for entitled persons (EUR 44,345k; 2018: EUR 37,645k) 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. 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 charged 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 2019.

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 due to the growing market and the wide range of video streaming services.

In addition to established platform operators Netflix and Amazon, media companies such as Disney, Warner Media and Joyn (joint venture of ProSiebenSat1 Media and Discovery) are increasingly appearing as players in the video streaming market with so-called "originals" (in-house productions). These originals will be removed from the existing platforms (e.g. Netflix) and offered together with other in-house productions exclusively on their own streaming services.

It can be assumed that video streaming use, which according to a study by Bitkom (*Zukunft der Consumer Technologie [The Future of Consumer Technology]*) will increase from 37% to 42% in 2019, and the increased use of the broadcasters' media libraries, which will increase by 4% in 2019 to 65% compared to the previous year, may lead to declining revenues for the Company.

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.

The management continuously monitors all of the above-mentioned risks in order to be able to take appropriate measures to minimize risks if necessary.

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. COVID-19 pandemic

The spreading of COVID-19 and the associated recession might impact the financial position and earnings situation of the Company due to payment default by the chargeable entertainment industry and a decline in equipment sales.

The spreading of the virus and the associated economic effects can currently not be foreseen, but the ZPÜ nevertheless expects the remuneration volume to decrease by 14% in 2020.

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 particular its formulation of Section 60a et seq. UrhG (school use), which is subject to the obligation of a collecting society, will show in practice whether this might have a positive impact on the remuneration volume of GWFF.

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 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 royalties collected for authors' and neighboring rights 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 and the effects of the corona crisis. A partial compensation is expected because of joint contract concluded in May 2019 with ZVEI (Zentralverband Elektronik und Elektronikindustrie [*Central Association of the Electrical Engineering and Electronics Industry*]).

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 17, 2020

**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

Ich habe den Jahresabschluss der GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, München, – bestehend aus der Bilanz zum 31. Dezember 2019, der Gewinn- und Verlustrechnung und der Kapitalflussrechnung für das Geschäftsjahr vom 1. Januar 2019 bis 31. Dezember 2019 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus habe ich den Lagebericht der GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH für das Geschäftsjahr vom 1. Januar 2019 bis 31. Dezember 2019 geprüft.

Nach meiner 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 2019 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. Januar 2019 bis 31. Dezember 2019 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 erkläre ich, dass meine Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses und des Lageberichts geführt hat.

Grundlage für die Prüfungsurteile

Ich habe meine 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. Meine Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt "Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts" meines Bestätigungsvermerks weitergehend beschrieben. Ich bin von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und habe meine sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Ich bin der Auffassung, dass die von mir erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für meine Prüfungsurteile zum Jahresabschluss und zum Lagebericht zu dienen.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich.

Meine Prüfungsurteile zum Jahresabschluss und zum Lagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend gebe ich weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit meiner Prüfung habe ich die Verantwortung, die sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Jahresabschluss, zum Lagebericht oder meinen bei der Prüfung erlangten Kenntnissen aufweisen oder
- anderweitig wesentlich falsch dargestellt erscheinen.

Falls ich auf Grundlage der von mir durchgeführten Arbeiten den Schluss ziehe, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, bin ich verpflichtet, über diese Tatsache zu berichten. Ich habe in diesem Zusammenhang nichts zu berichten.

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

Meine 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 meine 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 übe ich pflichtgemäßes Ermessen aus und bewahre eine kritische Grundhaltung. Darüber hinaus

- identifiziere und beurteile ich die Risiken wesentlicher –beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Jahresabschluss und im Lagebericht, plane und führe Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlange Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für meine 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.
- gewinne ich 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.
- beurteile ich die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehe ich 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 Gegeben-

heiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls ich zu dem Schluss komme, dass eine wesentliche Unsicherheit besteht, bin ich verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss und im Lagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, mein jeweiliges Prüfungsurteil zu modifizieren. Ich ziehe meine Schlussfolgerungen auf der Grundlage der bis zum Datum meines Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.

- beurteile ich 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.
- beurteile ich den Einklang des Lageberichts mit dem Jahresabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Unternehmens.
- führe ich Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Lagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehe ich dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteile die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrunde liegenden Annahmen gebe ich nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Ich erörtere 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 ich während meiner Prüfung feststelle.

München, den 24. Juli 2020

Dr. Dieter Eder
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 2019.

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:

	Dec 31, 2019 EUR
Wilhelm-Fraenger-Institut Berlin gemeinnützige GmbH, Berlin	47.380
Taurus Lizenz Beteiligungs GmbH, Unterföhring	15.450
UFA Film- und Fernseh GmbH, Cologne	10.300
Tellux Beteiligungsgesellschaft mbH, Munich	10.300
Tele-München Fernseh GmbH & Co. Produktionsgesellschaft, Munich	9.270
Metropolitan Import-Export Brackel GmbH & Co. KG, Munich	5.150
MONARDA Arts GmbH, Halle	5.150
	103.000

II. Bodies of the Company

Managing directors In the fiscal year 2019, 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 July 17, 2019:

- approval of the financial statements for the year ended December 31, 2018 and the transparency report 2018
- discharge of the management for the fiscal year 2018
- election of the auditor for the fiscal year 2019

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 (until January 30, 2020), Mr. Manuel Fuehr (from January 30, 2020)
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 2019 on July 19, 2019.

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 2019:

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 2019 on July 19, 2019.

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. GWFF's share of the total volume of ZPÜ in the audio and audiovisual sector is 15.00%.

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 2019 the remuneration of the management amounted to EUR 238,957.79.

The supervisory board members and the advisory board members serving in an honorary capacity have not received remuneration in the fiscal year 2019.

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 2019:

	2019 EUR
a) Domestic	
Remuneration pursuant to Section 54 UrhG (device and storage media levy) from	
ZPÜ for PC revenue	28,996,357.69
GEMA for PC revenue	1,583,791.34
GVL for PC revenue (SAG)	4,549,565.41
VG Bild-Kunst for directors	76,505.51
VG Bild-Kunst for PC revenue	59,428.31
VG Bild-Kunst for PC revenue (Film Stills)	233,181.98
VG Wort for PC revenue	283,382.28
	<u>35,782,212.52</u>
Remuneration pursuant to Section 27 UrhG (video rental levy, library levy) from	
GEMA for video rental levy	22,506.23
VG Wort for video rental levy	52,934.73
VG Bild-Kunst for video rental levy	25,666.55
VG Wort for library levy	792,431.07
VG Wort for public reproduction	122,695.38
	<u>1,016,233.96</u>
Remuneration for cable retransmission rights from	
AGICOA GmbH for U.S. Guilds	3,818,473.43
VG Wort German broadcasters in cable Austria for U.S. Guilds	754,806.82
VG Wort	354,019.77
	<u>4,927,300.02</u>
Total domestic	<u>41,725,746.50</u>
b) Abroad	
Remuneration for cable retransmission rights	
Switzerland/Liechtenstein (administration by SUISSIMAGE, Bern and SWISSPERFORM, Zurich)	1,130,547.96
Denmark (administration by PRD, Copenhagen)	468,679.81
Austria (administration by VAM, Vienna)	80,765.42
Australia, Bosnia, Finland, Great Britain, Ireland, Iceland, Israel, Canada, Latvia, Luxembourg, the Netherlands, Norway, Poland, Portugal, Serbia, Slovenia, Romania, Hungary (administration by AGICOA Geneva)	175,143.65
Belgium (administration by AGICOA, Brussels)	131,604.85
France (administration by ANGOA, Paris)	586,410.62
Spain (administration by EGEDA, Madrid)	9,668.12
Sweden (administration by FRF, Stockholm)	3,116.11
Netherlands (administration by VIDEMA, Noordeloos)	9,256.18
	<u>2,595,192.72</u>
Remuneration for device and storage media levy	
Switzerland/Liechtenstein (administration by SUISSIMAGE, Bern and SWISSPERFORM, Zurich)	1,443,781.88
France (administration by PROCIREP, Paris)	70,289.90
Belgium (administration by PROCIBEL, Brussels)	188,038.62
Norway (administration by NORWACO, Oslo)	21,475.67
Denmark (administration by PRD, Copenhagen)	1,027.28
	<u>1,724,613.35</u>

Remuneration for teaching and research	
Switzerland/Liechtenstein (administration by SUISSIMAGE, Bern and SWISSPERFORM, Zurich)	109,355.16
Austria (administration by VAM, Wien)	18,071.84
Denmark (administration by PRD, Copenhagen)	21,450.81
	<hr/>
	148,877.81
Total abroad	<hr/>
	4,468,683.88
	<hr/>
Rights revenue	<hr/>
	46,194,430.38
	<hr/>

II. Cost of rights administration

The costs incurred in the fiscal year 2019 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 4.52% and 4.02% since July 2019 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 3.7% related to the rights revenue in the fiscal year 2019 and 4.6% related to the amounts paid in the fiscal year 2019.

The cost rate calculated on the basis of the above mentioned principles was deducted from the settlement runs [*Abrechnungsläufe*] made in the fiscal year 2019. Therefore, a total amount of EUR 1,783,535.16 was deducted from the gross distribution amounts and added to the WCR. In return the actual cost of the fiscal year 2019 had been financed by disposing from the WCR. The calculation based on the above mentioned principles did not result in an excess amount for the WCR as of December 31, 2018. The calculation of a possible surplus of the WCR as of December 31, 2019, according to the principles mentioned above will be performed for the next settlement runs in 2020.

The WCR development is shown in the table of the reserves for the entitled persons (Chart 3) on page 38.

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 2019. The amounts allocated to the entitled persons are set out in detail in Chart 2 on page 36.

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 2019 referred to above and explained in Chart 2 on page 36, a total amount of EUR 37,194,040.38 has been paid to the entitled persons, which are shown as usage in the reserves statement (Chart 3 on page 38).

For settlement runs 2018 an amount of EUR 598,647.76 had been paid out and for settlement runs before 2018 an amount of EUR 182,160.11, which are also shown as usage in the reserves statement (Chart 3 on page 38).

Overall, a total amount of EUR 37,974,848.25 has been paid to the entitled persons.

Details and the composition are also shown in Chart 2 settlement runs in the fiscal year 2019 on page 36 and the reserves statement after H. III. e) (Chart 3 on page 38).

c) Distribution dates

The distribution dates for the settlement runs made in the fiscal year 2019 are also shown in Chart 2, page 36.

Chart 2: Settlement runs in the fiscal year 2019:

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 2019	thereof payment impediment Double Registrations	Withdrawals Legal Examin.	Balance as of Dec 31, 2019 not yet paid out
Distributions pursuant to Distribution Plan Section 54 UrhG:											
Device and storage media remuneration for private copying											
Aug 21, 2019	PC-levy Film Stills	2017	254,339.56								
Aug 26, 2019	Directors' Rights	2012, 2016, 2018	1,949.31								
Oct 2, 2019	PC-levy additional payment	2005-2007	4,072,175.18								
Oct 14, 2019	PC-levy burner hard disks	2008-2011	6,863,183.05								
Nov 4, 2019	PC-levy burner hard disks blanks	2012-2017	12,273,405.96								
Nov 20, 2019	Music Performers Share PC additional payment	2005-2007	525,375.78								
Nov 22, 2019	Music Performers Share PC burner hard disks	2008-2011	237,371.13								
Nov 25, 2019	Music Performers Share PC burner hard disks blanks	2012-2017	511,297.07								
Dec 5, 2019	Performers Share PC CD/DVD burner HDD mobile phones tablets	2008-2017	2,806,334.10								
Dec 6, 2019	Performers Share PC CD/DVD burner HDD mobile phones tablets	2010-2017	726,636.90								
Dec 10, 2019	PC-levy burner hard disks tablets blanks mobile phones	2018	6,489,073.17								
Dec 12, 2019	PC-levy tablets burner cable re. etc. author share	2017	434,452.87								
Dec 13, 2019	French Channels in German cable systems author share	2018	120,887.87								
Dec 16, 2019	German broadcasters in various countries author share	2017	49,752.88								
			35,366,234.83	-1,416,784.52	693,511.38	-2,550,974.85	32,091,986.84	-28,929,810.23	-566,754.28	0.00	2,595,422.33
Distributions pursuant to Distribution Plan for revenue abroad:											
Device and storage media remuneration abroad											
Jan 21, 2019	France	2008-2017	465,580.17								
Jan 30, 2019	Switzerland (LK, cable re., use at school)	2012-2017	1,917,500.60								
Mar 13, 2019	Various countries (LK, use at school)	2004-2017	552,427.42								
Sep 6, 2019	Switzerland (LK, cable re., use at school)	2012-2017	480,386.86								
Cable retransmission abroad											
Feb 22, 2019	Various countries	1986-2017	756,692.16								
Aug 8, 2019	German broadcasters in Austria	2015-2018	756,877.24								
Use at schools abroad											
Apr 10, 2019	Australia	2011-2018	16,600.75								
			4,946,065.20	-216,738.96	133,729.19	-72,645.08	4,790,410.35	-4,709,648.41	-23,754.93	0.00	57,007.01
Distributions cable retransmission U.S. Guilds											
Aug 2, 2019	Germany: U.S. Guilds	2018	3,731,633.73								
Aug 28, 2019	Germany: U.S. Guilds Late Claims	2015-2017	86,839.70								
			3,818,473.43	-150,011.68	66,191.72	-179,081.10	3,555,572.37	-3,554,581.74	0.00	0.00	990.63
			44,130,773.46	-1,783,535.16	893,432.29	-2,802,701.03	40,437,969.56	-37,194,040.38	-590,509.21	0.00	2,653,419.97

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

From the rights revenue received in 2019 an amount of EUR 5,709,745.75 has not yet been allocated. Additionally, the reserves for non-registered works and other claims of third parties in the amount of EUR 13,033,278.97 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 18,743,024.72.

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

Reference is made to Chart 2 on page 36 with details of the settlement runs made in the fiscal year 2019.

Moreover, Chart 3 on page 38 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: Statement of the reserves for entitled persons:

	as of Jan 1, 2019	transfers gross 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 2019	as of Dec 31, 2019
Balance sheet position					-37,974,848.25	P			
"Reserves for entitled persons"	37,645,417.61	0.00	0.00	0.00	-344,831.00	U	0.00	45,019,638.13	44,345,376.49
Composition:									
- Remaining net total from result 2018	3,386,282.88		0.00	0.00	0.00		0.00	0.00	0.00
-- Allocation revenue 2018 to settlement runs in 19		-3,386,282.88							
- Settlement runs in 2019 (see Chart 2)	0.00	44,130,773.46	-1,783,535.16	-2,802,701.03	-37,194,040.38	P	-590,509.21	0.00	2,653,419.97
		893,432.29							
- Settlement runs in 2018	1,133,801.60	0.00	0.00	0.00	-598,647.76	P	-535,153.84	0.00	0.00
- Reserves for non-registered works and other claims of third parties (not yet allocated to entitled persons – see H. III. d) incl. special reserve film compensation (ZPÜ)	11,755,130.20	-733,858.83	0.00	2,012,007.60	0.00		0.00	0.00	13,033,278.97
- Double registrations	6,170,345.14	-0.00	0.00	0.00	0.00		590,509.21	0.00	6,760,854.35
- Amounts not yet paid for previous years, not yet called for, withdrawals by entitled persons after settle. runs or non-payment due to legal examination of the entitlement, offset with previous years	7,182,155.06	-953.33	0.00	0.00	-182,160.11	P	0.00	0.00	7,375,575.33
		-158,620.13					535,153.84		
SUBTOTAL of already allocated amounts	29,627,714.88	40,744,490.58	-1,783,535.16	-790,693.3	-37,974,848.25	P	0.00	0.00	29,823,128.62
- Social fund	2,038,004.71	0.00	0.00	199,167.08	-53,600.00	U	0.00	0.00	2,183,571.79
- Promotion fund	2,832,551.28	0.00	0.00	591,526.35	-291,231.00	U	0.00	0.00	3,132,846.63
- Working capital reserve (WCR)	3,147,146.74	277,800.00		0.00	0.00		0.00	0.00	3,496,083.70
-- Addition costs deducted in settlement runs 19			1,783,535.16						
-- Usage for actual costs 2019			-1,712,398.20						
- Net total not yet allocated to entitled persons (see H. III. d)	0.00			0.00	0.00		0.00		5,709,745.75
Addition and allocation of the result of the profit and loss statement 2019 (see A. II.)		-41,022,290.58	1,712,398.20					45,019,638.13	
	37,645,417.61	0.00	0.00	0.00	-344,831.00	U	0.00	45,019,638.13	44,345,376.49

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

a) 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.

b) Amounts paid to other collecting societies

The following amounts have been paid to other collecting societies in the fiscal year 2019:

	Payment ¹⁾	Costs	Reserves	Social Fund	Promotion Fund
ANICA, Italy	14,773.57	-787.95	-809.69	-153.83	-456.90
EGEDA, Spain	105,271.92	-4,726.34	-5,996.61	-1,040.25	-3,090.48
FRF, Sweden	511,972.54	-23,355.00	-28,447.46	-5,281.70	-15,687.30
GÜFA, Dusseldorf	10,352.84	-471.55	-562.94	-105.66	-314.06
NORWACO, Norway	44,156.14	-2,064.92	-2,524.47	-440.90	-1,309.85
PACC, Canada	20,417.72	-934.08	-1,115.22	-203.00	-602.99
PRD, Denmark	66,887.25	-3,371.25	-3,560.70	-676.51	-2,009.29
PROCIREP, France	1,042,303.48	-46,685.89	-59,830.03	-10,408.87	-30,915.48
Screenrights, Australia	96,394.46	-4,381.46	-5,241.00	-991.48	-2,945.40
SEKAM, the Netherlands	42,222.44	-1,838.20	-2,067.99	-377.35	-1,120.91
SUISSIMAGE, Switzerland	144,394.56	-6,547.11	-8,051.67	-1,475.75	-4,384.01
VAM, Austria	1,075,309.20	-49,104.88	-58,620.52	-11,137.51	-33,079.38
VFF, Munich	2,873,723.85	-131,819.44	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

J. 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 38 (Chart 3).

I. Social Fund

In the fiscal year 2019 an amount of EUR 199,167.08 was deducted for and added to the social fund within the scope of the settlement runs 2019.

The following amounts have been used from the social fund in the fiscal year 2019:

	EUR
Medienboard Berlin-Brandenburg: Artist in Residence	20,000.00
Filmuniversität Babelsberg: „Deutschlandstipendien“ 2018 - 2020	10,800.00
Filmfest München: Student Filmfest	10,000.00
Various small scholarships	7,800.00
Filmuniversität Babelsberg: Sehsüchte Festival	5,000.00
	<u>53,600.00</u>

II. Promotion fund

In the fiscal year 2019 an amount of EUR 591,526.35 was deducted for and added to the promotion fund within the scope of the settlement runs 2019.

The following amounts have been used from the social fund in the fiscal year 2019:

	EUR
Berlinale: Sponsoring	92,500.00
Berlinale: Best First Feature Award	50,000.00
Festival Cottbus: Best First Feature Award 2018 und 2019	50,000.00
Jerusalem Filmfestival: Best First Feature Award national and international	25,000.00
Promotion International Standard Audiovisual Number	20,000.00
IUM: contribution	15,000.00
Studio-Hamburg: GWFF-young talent award	15,000.00
EUROCOPYA: fee	10,500.00
Produzenten Allianz: promotion international memberships	8,200.00
Festival Filmhochschule	5,000.00
Fees	31.00
	<u>291,231.00</u>

ATTACHMENTS

Attachment 1:	List of abbreviations	44
Attachment 2:	Bescheinigung des Abschlussprüfers zum Transparenzbericht <i>[reproduction of the original German wording of the auditor's certificate, not translated]</i>	47

Attachment 1: List of abbreviations

§	section [<i>used in German Codes</i>]
Abs.	paragraph [<i>used in German Codes</i>]
AGICOA, Brussels	AGICOA EUROPE BRUSSELS SCRL, Brussels/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
Apr	April
Aug	August
BGB	Bürgerliches Gesetzbuch [<i>German Civil Code</i>]
Bitkom	Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V., Berlin
cable re.	cable retransmission
CD	Compact Disc
Dec	December
DEM	Deutsche Mark [<i>former German currency</i>]
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
Feb	February
FRF	Swedish collecting society
GEMA	Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, Berlin German collecting society
GfK	GfK SE, Nürnberg [<i>german market research institute</i>]
GmbH	Gesellschaft mit beschränkter Haftung [<i>German limited liability 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
GWFF USA, Inc.	GWFF USA, Inc., New York City, New York/U.S.A.
HDD	Hard Disk Drive
HEMIX	Home Electronics Market Index Germany
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
k	1,000
KG	Kommanditgesellschaft [<i>German limited partnership</i>]
LK	blank tapes remuneration [<i>device and storage media remuneration</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
Nov	November
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>]
SAG	Screen Actors Guild of America
Screenrights	Australian collecting society
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>]
U.S.	United States of America
U.S.A.	United States of America
USA	United States of America
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 habe ich 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 die Informationen nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG für den Zeitraum vom 1. Januar 2019 bis 31. Dezember 2019, einer prüferischen Durchsicht unterzogen. Die Aufstellung des jährlichen Transparenzberichts nach § 58 VGG liegt in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Meine 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 die Informationen nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG auf der Grundlage meiner prüferischen Durchsicht abzugeben.

Ich habe die prüferische Durchsicht der in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie die Informationen nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG unter entsprechender 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 ich bei kritischer Würdigung mit einer gewissen Sicherheit ausschließen kann, dass die in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie die Informationen 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 Vorgaben stehen. 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 meiner prüferischen Durchsicht sind mir keine Sachverhalte bekannt geworden, die mich zu der Annahme veranlassen, dass die in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie die Informationen nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG nicht in Übereinstimmung mit den Vorgaben der Anlage zu § 58 Abs. 2 VGG stehen.

Dem Auftrag, in dessen Erfüllung ich vorstehend benannte Leistungen für die GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH erbracht habe, 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 mir an.

München, den 30. Juni 2020

Dr. Dieter Eder
Wirtschaftsprüfer