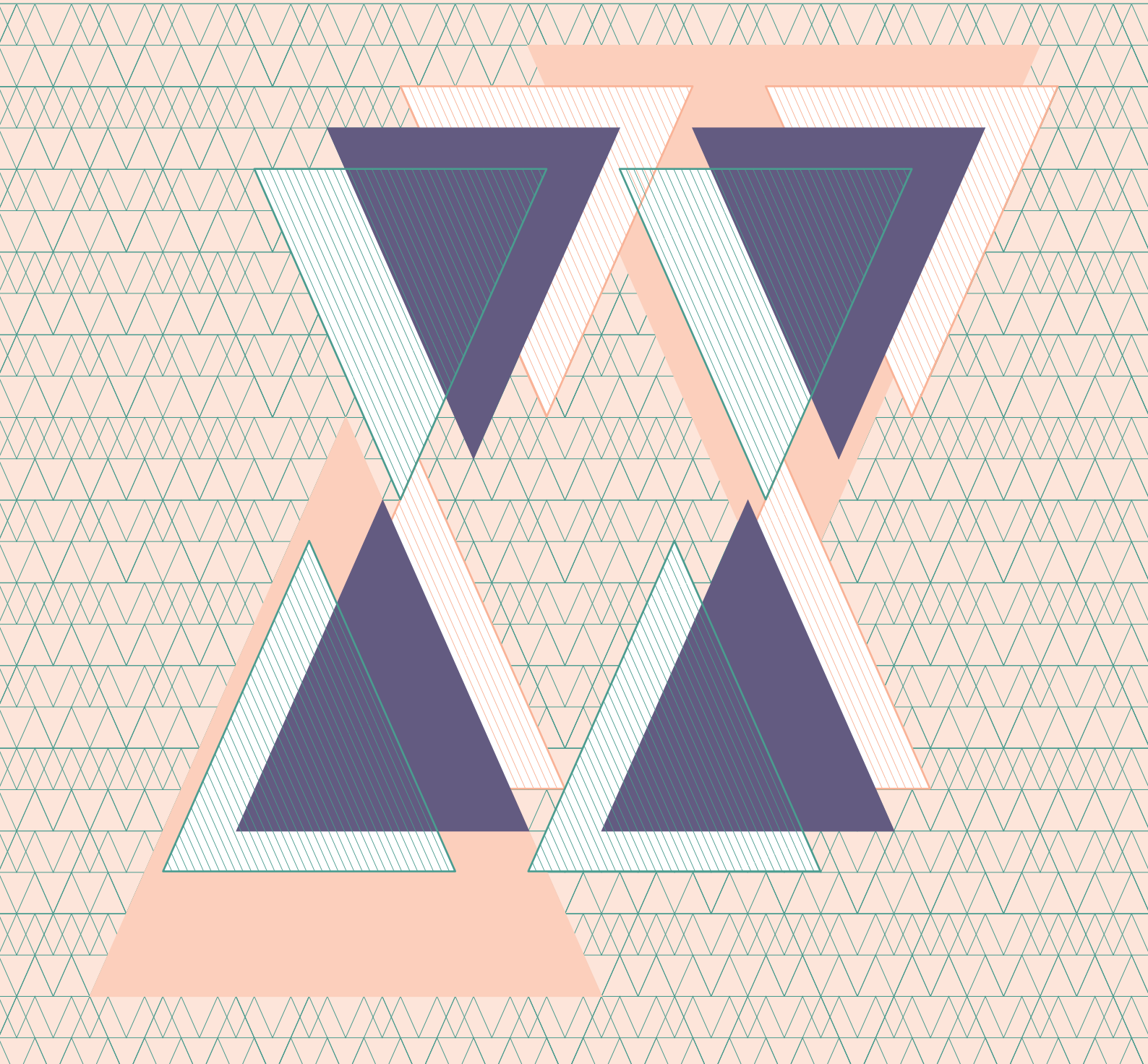


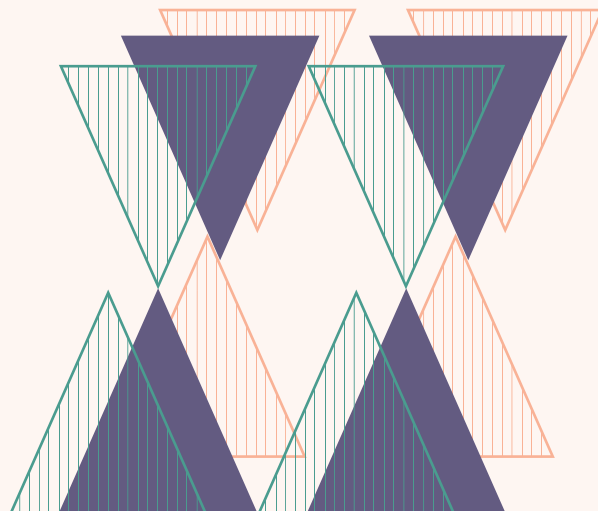


AIPA ANNUAL REPORT 2020





AIPA
ANNUAL REPORT 2020



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1. LETTER FROM THE MANAGING DIRECTOR

In all honesty, at the beginning of 2020, I said to myself: "This will be a fantastic jubilee year, full of positivity, with a pivotal international event in the late fall, a symposium for the 10th anniversary of AIPA at which we will host representatives of all international umbrella organisations for a few days. I had based my optimism at the beginning of 2020 on the business results the year prior, stable revenues and the collection of private copying remuneration, established anew after a decade."

I could not have been more wrong.

The COVID-19 epidemic has cut deep into the fabric of both personal and professional lives. Overnight, we were forced to adopt new ways of working and communicating.

The need for adaptation has stepped into the forefront. Thankfully, AIPA had no problem adapting, particularly thanks to many challenges – even crises – in the past decade, which we have successfully overcome. The key common denominators of successful crisis management at AIPA are the trust and cooperation among the employees and between the board members and the management. I am happy to see that AIPA has both of those deeply encoded in its DNA.

The COVID-19 epidemic has brought about a crisis (which is definitely not only an economic one), and this has, in turn, revealed that companies with focused employees, capable of

critical thinking based on professional know-how, and companies that trust their employees without the need for controlling their comings and goings have had no trouble adopting a new way of working.

Because AIPA has been betting on positive communication and building trust among stakeholders since 2010, we were able to adapt to the new reality in a matter of a few weeks. The results are there, and they speak for themselves. We have (again) achieved a record year.

I believe that at some point, the COVID-19 epidemic will be a matter of the past. However, I also believe that the working processes will never be the same as before 2020. Two things will undoubtedly remain: a lot more work done from home or at a distance and a lot less travelling and meetings in person. I hope that the previously mentioned DNA code will remain.

That being said, I also hope that we will cherish more deeply the opportunities for meeting in person in the future.

On that note, I wish you all the best until we meet again!

Gregor Štibernik



2. BASIC INFORMATION ON AIPA, K.O.

2.1 THE ORGANISATIONAL STRUCTURE AND MANNER OF MANAGING AND SUPERVISING THE COLLECTIVE MANAGEMENT ORGANISATION

AIPA, K. O.

COLLECTING SOCIETY OF AUTHORS, PERFORMERS AND FILM PRODUCERS OF AUDIOVISUAL WORKS OF SLOVENIA, K.O.

On the basis of the Copyright and Related Rights Act, the Slovenian Intellectual Property Office (SIPO) granted AIPA, k.o. the **Licence No. 31227-1/2008-129 dated on 11 October 2010.**

The main goal and activity of the collective management organisation is the collective management and protection of rights of authors, performers and producers of audiovisual works.

- AIPA COLLECTIVELY MANAGES THE FOLLOWING RIGHTS FOR:
1. **co-authors of audiovisual works, that is, the author of the adaptation, the author of the screenplay, the author of the dialogues, the director of photography, the principal director, the composer of the film music especially created for use in the audiovisual work, and the principal animator, if animation is an essential element in the audiovisual work:** the right to equitable remuneration for making sound or visual fixations of audiovisual works done within the scope of private or other internal use, and the right of broadcasting retransmission in case of cable retransmission of audiovisual works;
 2. **performers whose performances are used in audiovisual works:** the right to equitable remuneration for making sound or visual fixations of their performances in audiovisual works done within the scope of private or other internal use;
 3. **film producers:** the right to equitable remuneration for making sound or visual fixations of audiovisual works on videograms done within the scope of private or other internal use.

ESTABLISHED ON 22 JUNE 2007 | ENTERED INTO THE COURT REGISTRY 31 DECEMBER 2007

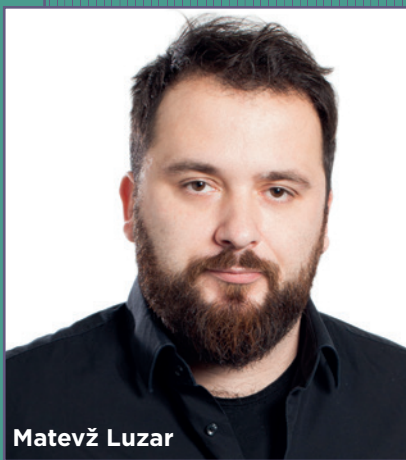
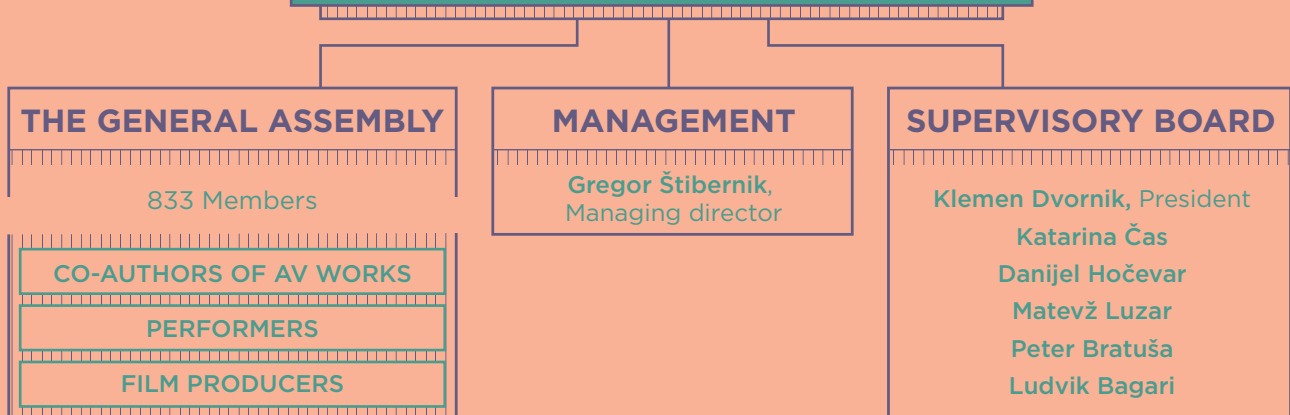
AIPA, k. o.

Seat: Ljubljana
 Business address: Dvořakova ulica 5, Ljubljana
 Registration No.: 2346907000
 Tax ID: SI93521812

THE ACTIVITIES OF AIPA:

94,990
 ACTIVITIES OF OTHERWISE UNCLASSIFIED
 MEMBERSHIP ORGANISATIONS.

THE MANAGEMENT BODIES OF AIPA



2.2 REPORT ON ACTIVITIES IN THE FINANCIAL YEAR

The COVID-19 epidemic, which reached Slovenia at the beginning of the year, significantly impacted the planned activities, particularly events. We were, therefore, unable to organise the traditional expert meeting, which we have been organising in cooperation with the SAA and FERA every March since 2017. Because the situation had not improved towards the end of the year, the only meeting in person was the General Assembly session (and even that on a reduced scale). In contrast, all the other meetings were held online.

AIPA – 10 years

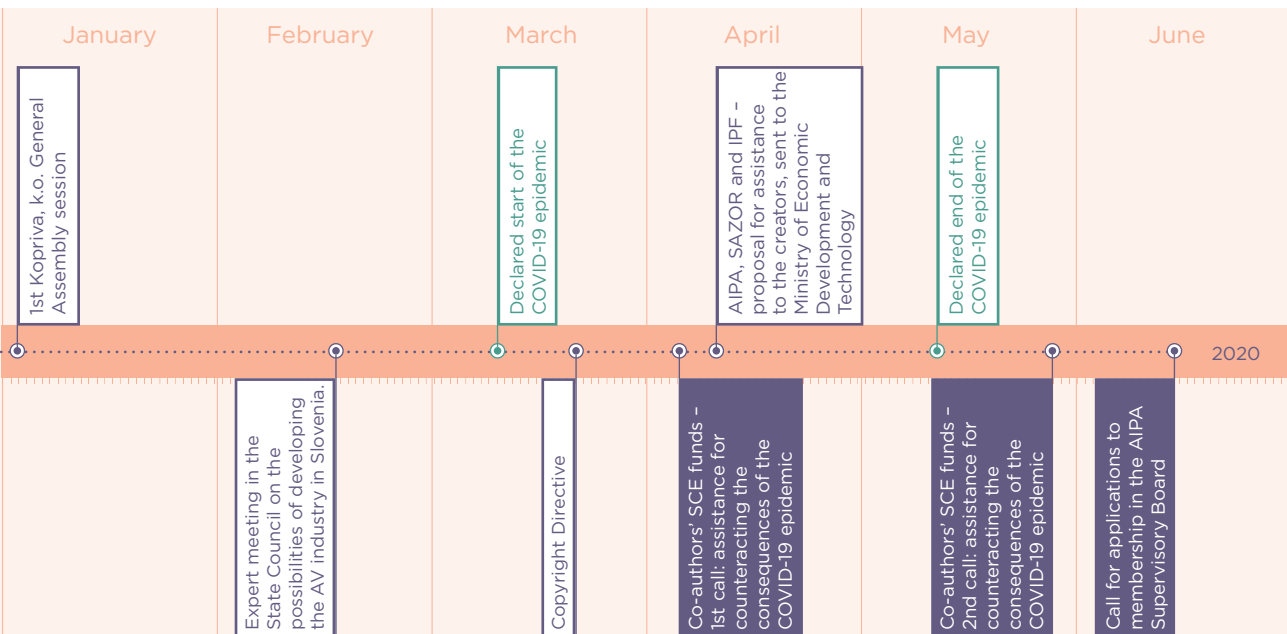
On 11 October 2020, we marked the 10th anniversary of the authorisation granted for the collective management of the rights of authors, performers and producers of audiovisual works.

On 12 October 2020, we hosted a press conference at which the managing director Gregor Štibernik and AIPA members (Klemen Dvornik,

Danijel Hočevár and Maja Sever) presented the goals achieved in these ten years and the future challenges.

In light of the 10th anniversary, on 14 October 2020, AIPA hosted an international online conference entitled The Management of Audiovisual Rights in the Next Decade. In attendance were representatives of international umbrella organisations of which AIPA is a member: SAA, AEPO-ARTIS, AGICOA, SCAPR, FERA, and CISAC W&DW.

From 15 to 17 September 2020, we hosted talks with co-authors, performers, film producers, legal experts and administrative employees about the various topics that were the subject of AIPA's activities in its first ten years. Gregor Štibernik hosted the talks. The talks were recorded in printed (a special edition of Megafon, Coffee talks – celebrating AIPA's anniversary) and audiovisual form.



The Directive of the European Parliament and the Council on copyright in the digital single market

The Member States of the EU adopted the Directive on copyright in the digital single market (“Copyright Directive”) on 26 March 2019. It was adopted with nineteen votes for and six against (Finland, Italy, Luxembourg, the Netherlands, Poland and Sweden), while three states abstained (Belgium, Estonia and Slovenia). The Member States must incorporate the Directive into their national legislation by 7 June 2021.

Copyright has thus entered the digital age since the Directive calls for fair remuneration for creators and the responsibility of internet platforms. Creators must be fairly remunerated for their work since this is the foundation for further creative work.

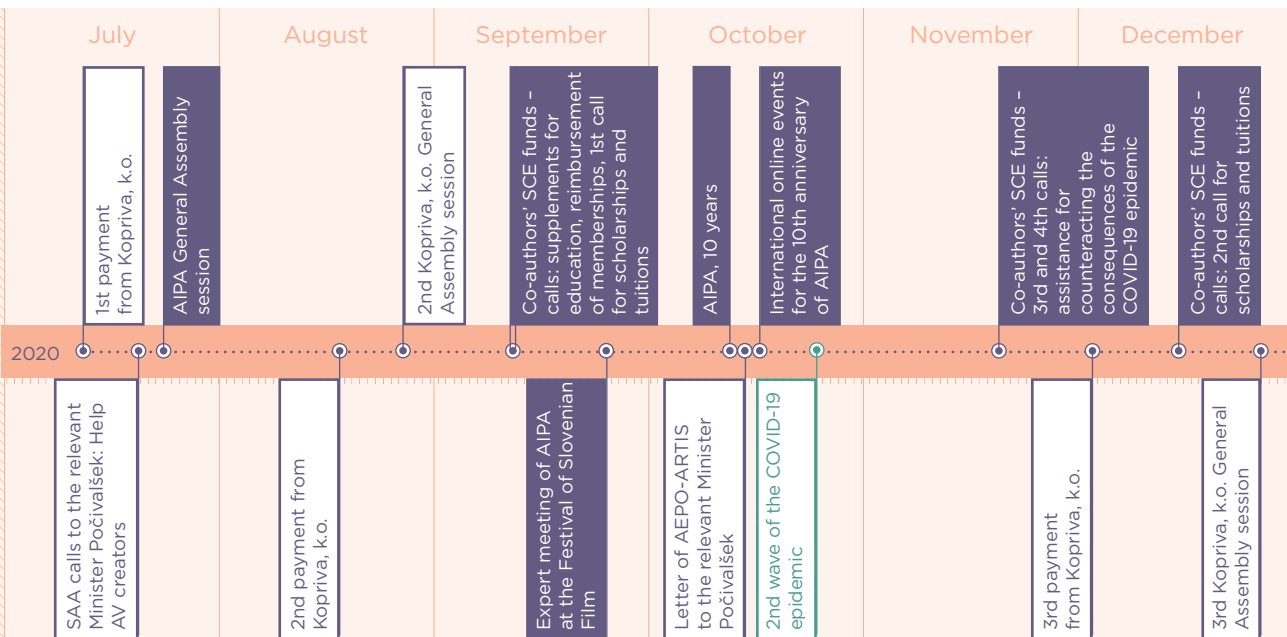
In March 2020, the Ministry of Economic Development and Technology asked the interested expert public to submit written positions regarding the implementation of the Directive (EU) 2019/789 of the European Parliament and of the Council of 17 April 2019

laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes, and amending Council Directive 93/83/EEC, and the implementation of the Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the digital single market and amending Directives 96/9/EC and 2001/29/EC. The due date was 31 March 2020, later extended to 30 April 2020. The submitted positions, including those from AIPA, are published (in Slovenian) on the government website: www.gov.si, tab Novice, Prenos direktiv s področja avtorskega prava (2020-June-5).

No debates, expert conferences or other meetings were organised by the relevant ministry.

Private copying

After a decade, 2020 marks the first continuous collection of remuneration throughout the entire year. This source is a vital stream of revenue for all categories of right holders: actors, producers



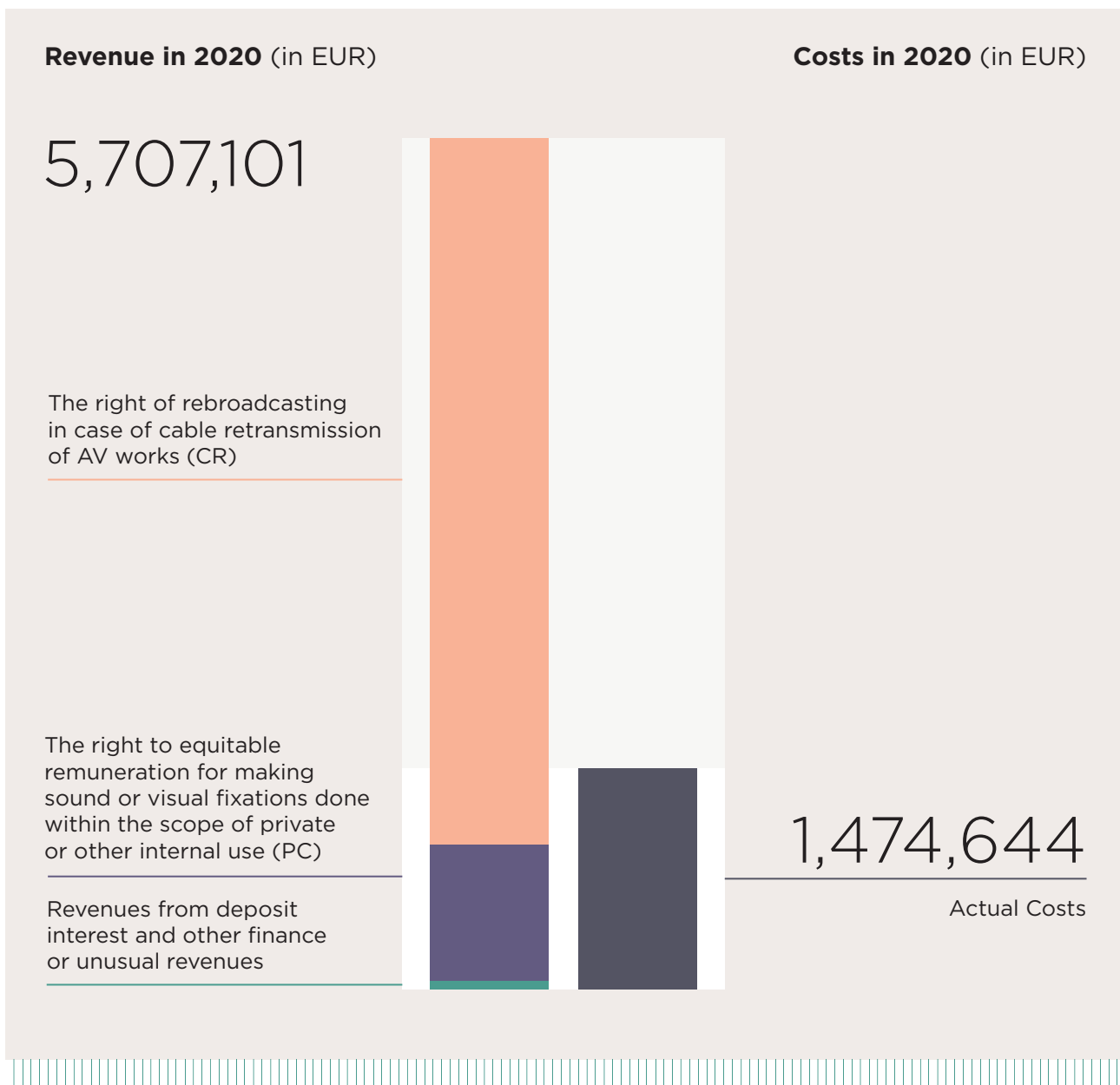
and co-authors of AV works since they represent 20 % of all revenue.

AIPA has attended the General Assembly sessions of Kopriva on 8 January 2020, 24 August 2020, and 23 December 2020.

AIPA General Assembly session

Due to the measures against the COVID-19 epidemic, there was only one AIPA General Assembly session on 16 June 2020, at the hotel InterContinental Ljubljana, Slovenska cesta 59, Ljubljana.

2.3 REVENUE AND COSTS IN 2020



Revenue

In 2020, the total revenue of AIPA amounted to 5,707,101 EUR, which is an increase of 1,029,832 EUR (22 %) compared to 2019.

The revenue from cable retransmission in 2020 was higher than revenue in 2019 by 99,955 EUR (2.1 %)

In 2020, for the first time, AIPA also received remuneration for making sound or visual fixations done within the scope of private or other internal use. These revenues totalled 930,509 EUR, which is 16.3 % more than planned.

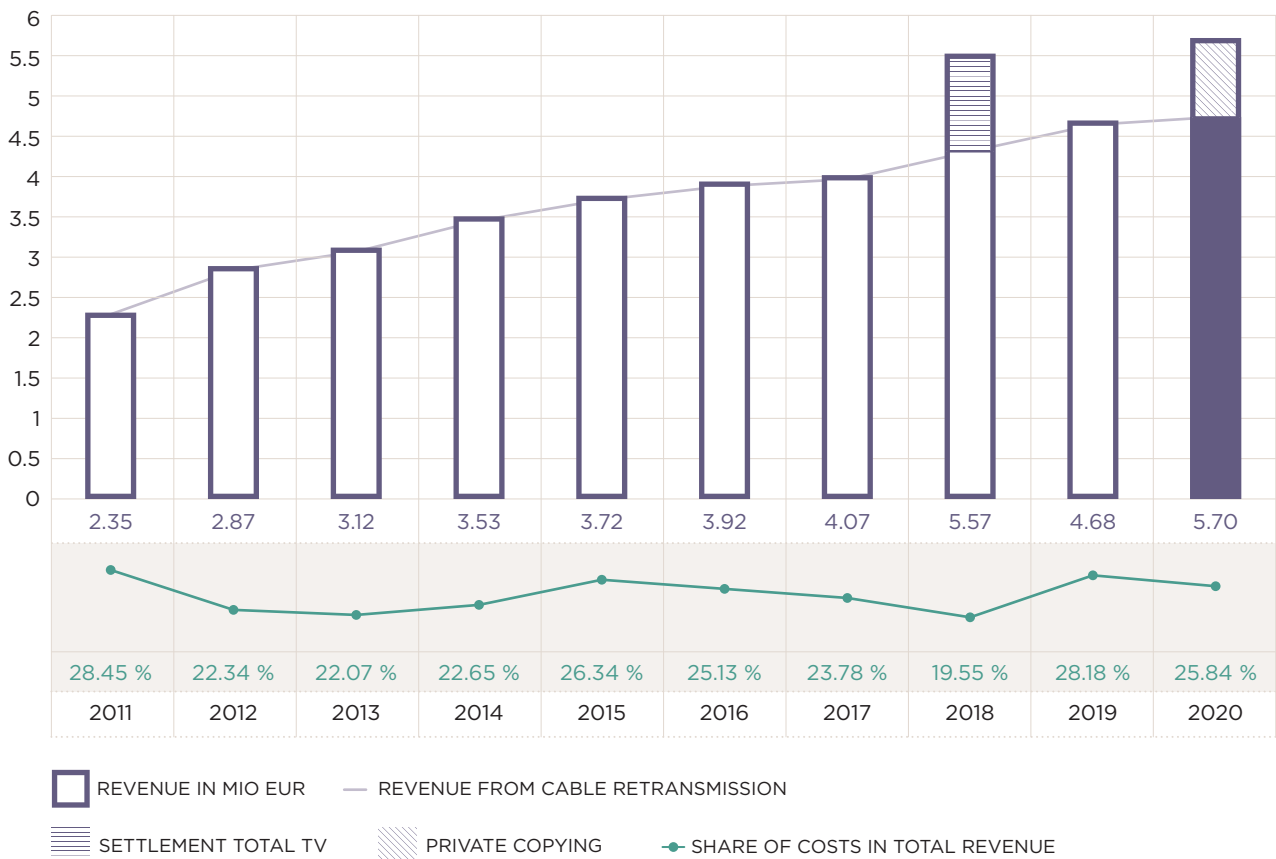
Revenues from deposit interest and other finance or unusual revenues in 2020 were 632 EUR (2.4 %) lower than in 2019. The revenue from

deposit interest was 6,448 EUR (38.3 %) lower due to the lower interest rates. However, other revenues have increased for a sum of 5,816 EUR (38.8 %).

Costs in 2020

Business costs of AIPA in 2020, comparable to the costs in 2019, amounted to 1,351,052 EUR. However, we must add the impairment of receivables from an attorney in the sum of 123,592 EUR, which AIPA has done in line with the Slovene Accounting Standards (see 3.4.2.5). The share of costs, together with the impairment, in total revenue amounted to 25.84 %, which is still lower than the share of costs in 2019. Without the impairment, the share of costs in total revenue would amount to 23.67 %.

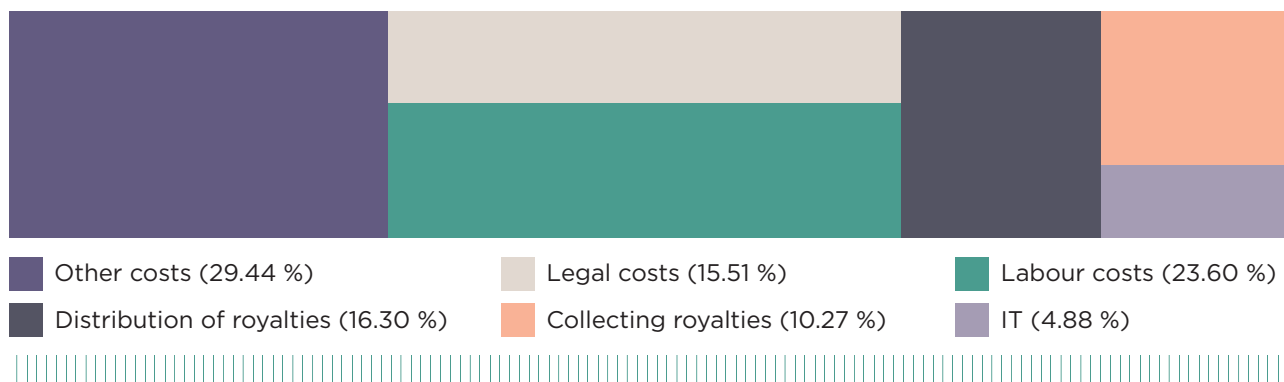
Total revenue and the share of costs in total revenue in the period from 2011 to 2020



Costs breakdown according to the Collective Management of Copyright and Related Rights Act

Type of cost					in EUR	in %
	CR	PC - Co-authors	PC - Performers	PC - Film producers	TOTAL	
Costs related to collecting royalties	128,703	7,571	7,571	7,571	151,416	10.27
Costs related to distribution of royalties	204,326	12,019	12,019	12,019	240,383	16.30
Legal costs	212,976	5,258	5,258	5,258	228,750	15.51
Costs of information technologies	61,138	3,596	3,596	3,596	71,926	4.88
Labour costs	295,784	17,399	17,399	17,399	347,981	23.60
Costs of outsourcing to contractors	0	0	0	0	0	0.00
Other operating costs of the CMO	395,110	13,026	13,026	13,026	434,188	29.44
Total	1,298,037	58,869	58,869	58,869	1,474,644	100.00

Business costs by type in 2020



3. FINANCIAL STATEMENTS

3.1 BALANCE SHEET AS AT 31 DECEMBER 2020

Item	Note	in EUR	
		31 Dec. 2020	31 Dec. 2019
ASSETS		15,113,898	12,578,812
A. LONG-TERM ASSETS		3,699,057	249,330
I. Intangible assets and long-term deferred expenses	3.4.2.1	42,214	60,971
1. Long-term property rights		445	4,065
2. Long-term deferred expenses		41,769	56,906
II. Property, plant and equipment	3.4.2.2	155,604	187,120
1. Buildings		92,552	104,165
2. Other equipment, small inventory and other tangible fixed assets		63,052	82,955
3. Tangible fixed assets in building or production		0	0
4. Advances to obtain tangible fixed assets		0	0
IV. Long-term financial investments	3.4.2.3	3,501,239	1,239
1. Long-term financial investments excluding loans		1,239	1,239
2. Long-term loans		3,500,000	0
B. SHORT-TERM ASSETS		11,396,285	12,306,460
III. Short-term financial investments	3.4.2.4	6,605,880	8,223,783
1. Short-term financial investments excluding loans		0	0
2. Short-term loans		6,605,880	8,223,783
IV. Short-term operating receivables	3.4.2.5	1,404,732	990,530
V. Cash	3.4.2.6	3,385,673	3,092,147
C. SHORT-TERM DEFERRED EXPENSES AND ACCRUED REVENUES	3.4.2.7	18,556	23,022
LIABILITIES		15,113,898	12,578,812
B. PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUES		50,000	50,000
1. Provisions	3.4.2.8	50,000	50,000
C. LONG-TERM LIABILITIES		0	0
II. Long-term operating liabilities		0	0
Č. SHORT-TERM LIABILITIES		2,063,635	1,670,228
III. Short-term operating liabilities	3.4.2.9	2,063,635	1,670,228
D. SHORT-TERM ACCRUED EXPENSES AND DEFERRED REVENUES	3.4.2.10	13,000,263	10,858,584

3.2 INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

Item	Note	in EUR	
		Amount	
		2020	2019
A. NET SALES REVENUE	3.4.3.1	5,687,732	4,656,865
D. GRANTS, ENDOWMENTS, RECOURSE, COMPENSATIONS AND OTHER BUSINESS RELATED REVENUE	3.4.3.1	14,973	0
E. OTHER OPERATING REVENUE	3.4.3.1	0	9,177
F. GROSS OPERATING INCOME	3.4.3.1	5,702,705	4,666,042
G. OPERATING EXPENSES		5,712,978	4,682,743
I. Costs of goods, materials and services		5,161,607	4,229,264
2. Costs of material	3.4.3.3	16,810	13,890
3. Costs of services	3.4.3.4	5,144,797	4,215,374
II. Labour costs	3.4.3.5	347,982	325,232
1. Wages and salaries		272,381	259,158
2. Pension security costs		24,438	22,939
3. Other social security costs		20,077	18,784
4. Other labour costs		31,086	24,351
III. Write downs		167,955	46,994
1. Depreciation	3.4.3.6	44,363	46,598
3. Revaluation operating expenses related to current assets	3.4.3.7	123,592	396
IV. Other operating expenses	3.4.3.8	35,434	81,253
1. Provisions		0	50,000
2. Other expenses		35,434	31,253
I. SURPLUS OF OPERATING EXPENSES		10,273	16,701
J. FINANCE INCOME	3.4.3.2	10,395	16,824
II. Finance income from loans		10,366	16,814
III. Finance income from operating receivables		29	10
K. FINANCE EXPENSES		122	120
III. Finance expenses from operating liabilities		122	120
L. OTHER INCOME		2	1
M. OTHER EXPENSES		2	4
N. SURPLUS OF INCOME		0	0
O. SURPLUS OF EXPENSES		0	0
P. CURRENT INCOME TAX		22	0
R. DEFERRED INCOME TAX		0	0
S. NET SURPLUS OF INCOME FOR THE YEAR		0	0
Š. NET SURPLUS OF EXPENSES FOR THE YEAR		22	0

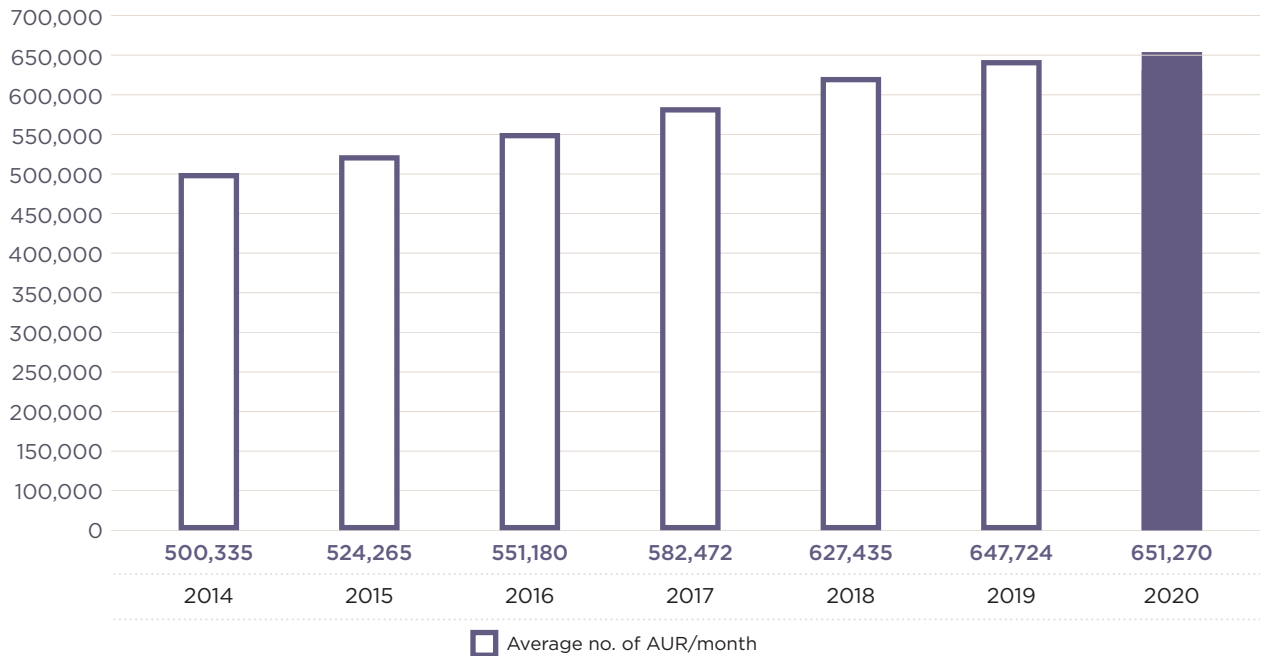
4. TOTAL AMOUNT OF ROYALTIES COLLECTED

Type of right	Type of usage	Business year	Amount of royalties (in EUR)
The right of rebroadcasting in case of cable retransmission of AV works	Cable retransmission (CR)	2020	4,751,222
The right to equitable remuneration for making sound or visual fixations of AV works done within the scope of private or other internal use	Making sound or visual fixations of AV works done within the scope of private or other internal use (PC)	2020	930,509
Total		2020	5,681,731

Average no. of active subscriptions (AUR)/month in 2020

In 2020, AIPA collected royalties from 32 cable operators for an average total of 651,270 indi-

vidual subscribers, namely households, hotels, hospitality venues, medical facilities and others.



5. DISTRIBUTION IN 2020

To carry out the distribution, we took the total collected royalties and income from bank deposits in the amount of 4,677,269 EUR. From this amount, we deducted the operating expenses in

2019 in the amount of 1,318,243 EUR and the SCE funds (in accordance with the General Assembly decision made on 16 July 2020) in the amount of 400,000 EUR.

			in EUR
The financial year for which the royalties have been collected	2017	2018	2019
Type of right	The right of rebroadcasting in case of cable retransmission of AV works	The right of rebroadcasting in case of cable retransmission of AV works	The right of rebroadcasting in case of cable retransmission of AV works
Type of use	CR	CR	CR
Income after operating expenses	3,105,127	3,436,650	3,359,026
Total amount allocated to SCE funds (decision of AIPA's General Assembly)	300,000	405,000	400,000
Provisions for subsequent payments to unknown beneficiaries	90,000	90,000	/
Total amount of R for distribution - cable retransmission of AV works	2,715,127	2,941,650	2,959,026
R for cinematographic films, television films, AV works for television 1, AV works for television 2, AV works for television 3, and other AV works	2,470,766	2,676,902	2,692,714
R for short music videos	135,756	147,082	147,951
R for advertising films	108,605	117,666	118,361
Total amount allocated to right holders	1,582,019*	2,024,846	2,103,228
Total amount allocated to right holders - paid	1,276,066	1,648,731	1,603,667
Total amount allocated to right holders - not yet paid	305,953	376,114	499,561
Total amount unallocated to right holders (R allocated at the level of each co-author for each individual broadcast of an AV work and provisions for subsequent payments to unknown beneficiaries)	1,223,108**	1,006,804***	855,798

* Includes 5,810 EUR allocated and paid from provisions for subsequent payments.

** Includes provisions for subsequent payments to unknown beneficiaries in the amount of 84,190 EUR.

*** Includes provisions for subsequent payments to unknown beneficiaries in the amount of 90,000 EUR.

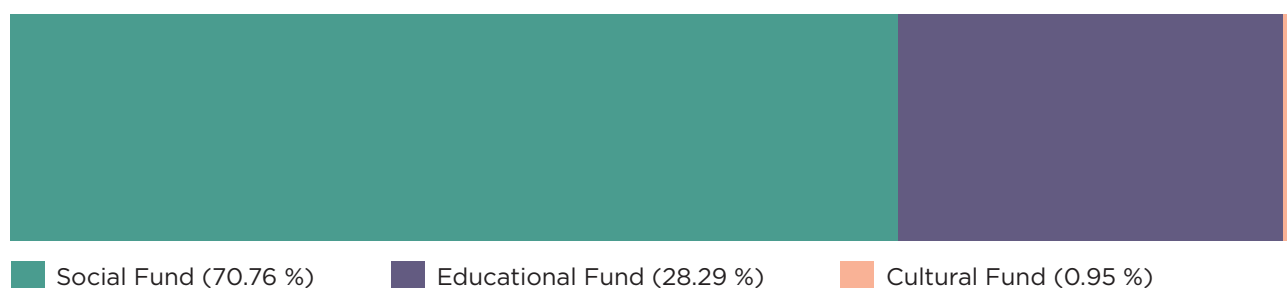
6. SCE FUNDS

SOCIAL FUND (until 7 February 2020) / CO-AUTHORS' DEDICATED FUND FOR SOCIAL PURPOSES (from 8 February 2020)	in EUR
Balance 1 January 2020	41,424
Contributions (from collected royalties for 2019)	250,000
Pay-outs	231,303
Administration costs	0
Balance 31 December 2020	60,121

CULTURAL FUND (until 7 February 2020) / CO-AUTHORS' DEDICATED FUND FOR CULTURAL PURPOSES (from 8 February 2020)	in EUR
Balance 1 January 2020	120,292
Contributions (from collected royalties for 2019)	50,000
Pay-outs	3,107
Administration costs	0
Balance 31 December 2020	167,185

EDUCATIONAL FUND (until 7 February 2020) / CO-AUTHORS' DEDICATED FUND FOR EDUCATIONAL PURPOSES (from 8 February 2020)	in EUR
Balance 1 January 2020	130,049
Contributions (from collected royalties for 2019)	100,000
Pay-outs	92,484
Administration costs	0
Balance 31 December 2020	137,565

Pay-outs from the co-authors' dedicated fund in 2020



AIPA Annual Report 2020

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