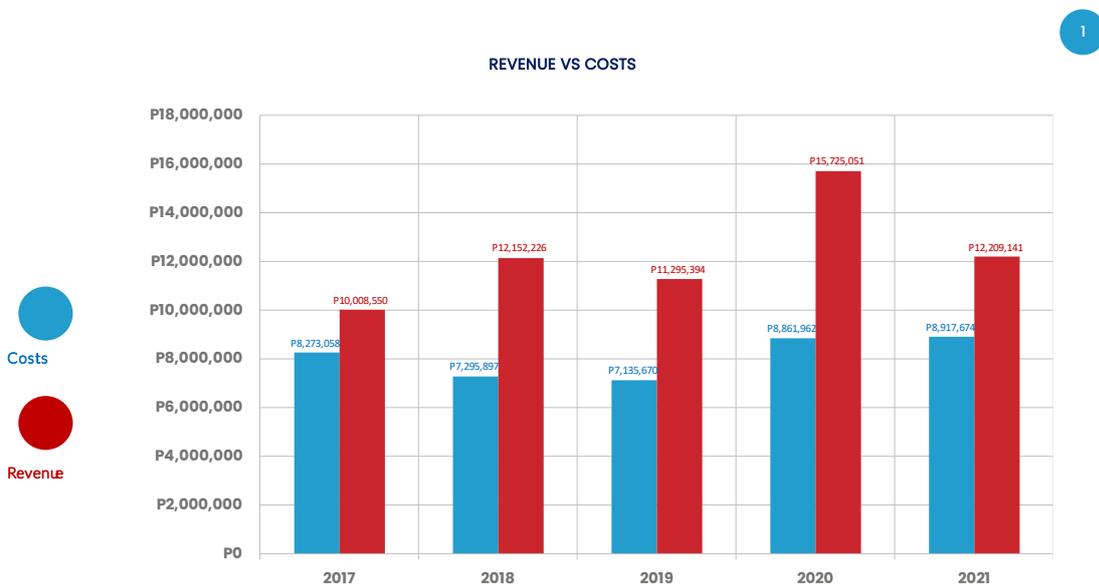


## CEO'S REPORT

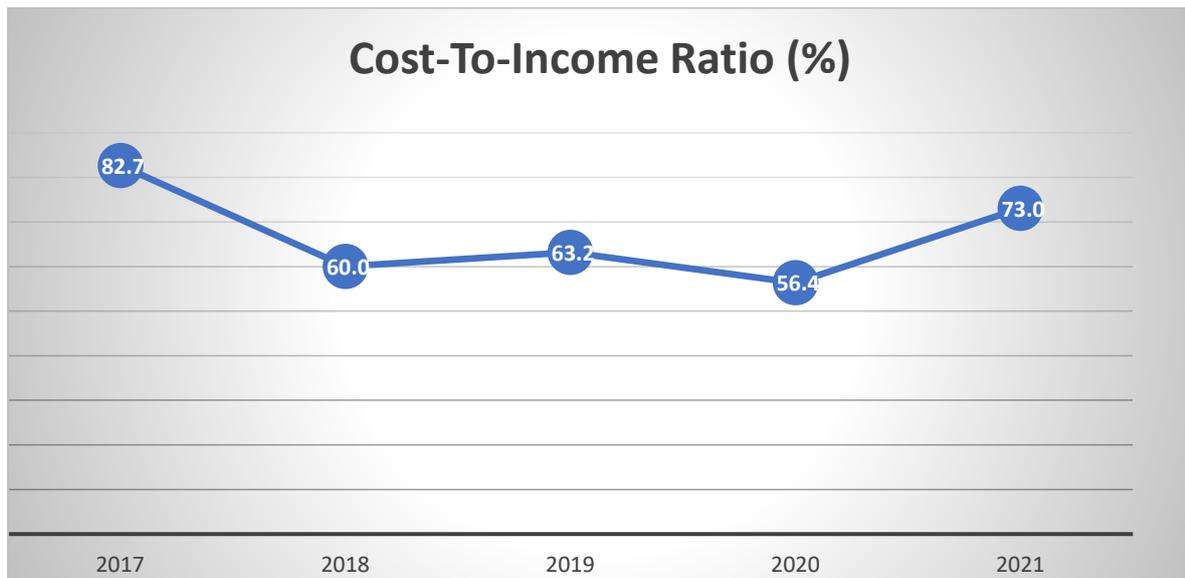
Like the preceding year, 2021 was strongly affected by the COVID-19 pandemic. For the first few months of the year, the creative and cultural scene was still under hard COVID restrictions. Adapting to the constraints required by the anti-pandemic measures has posed many challenges for COSBOTS's members and customers. For COSBOTS, the pandemic resulted in a loss of revenues. If we compare COSBOTS's revenues in 2020 with 2021, COSBOTS has missed out on a total of P3 million over the course of the year due to the effects of the pandemic.



The Company's licensing income is dependent on the bundle of rights that it administers. The basics of course, include ensuring your royalties are paid quickly, accurately, and as efficiently as possible.

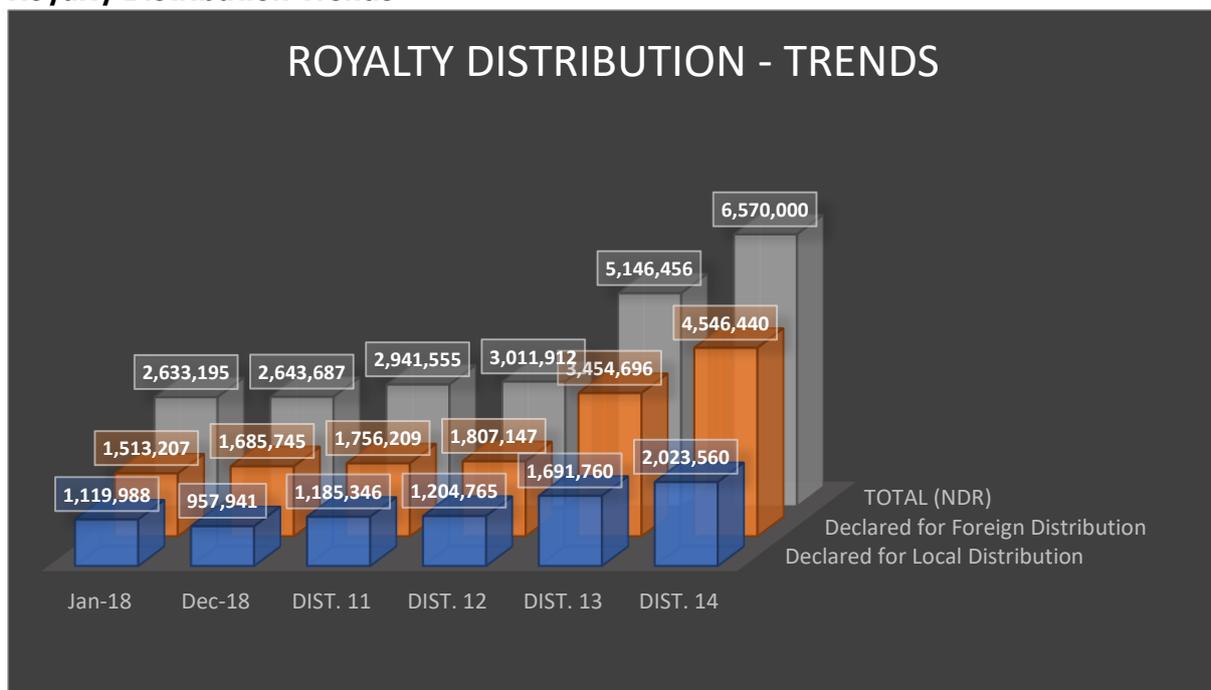
The area hit hardest by the disastrous year of 2021 was the concert segment, which is the most important source of income for a large proportion of COSBOTS members.

## Cost to income ratio



We have kept expenses relatively constant since 2017, while driving up income. In commercial terms, this points to improved efficiencies. Containment of costs has been and still is of utmost importance to COSBOTS Board and Management.

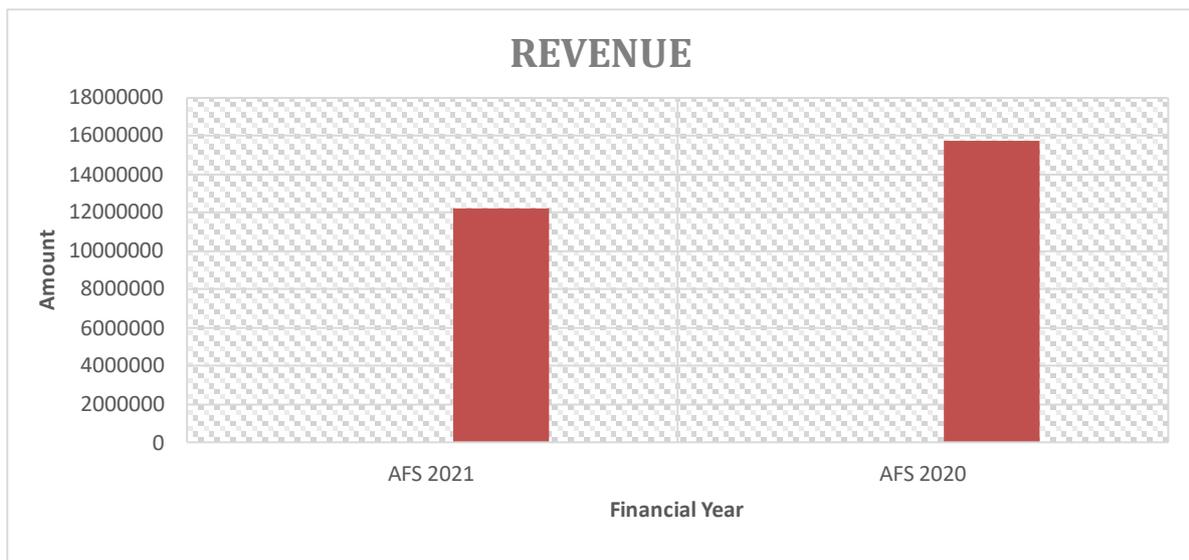
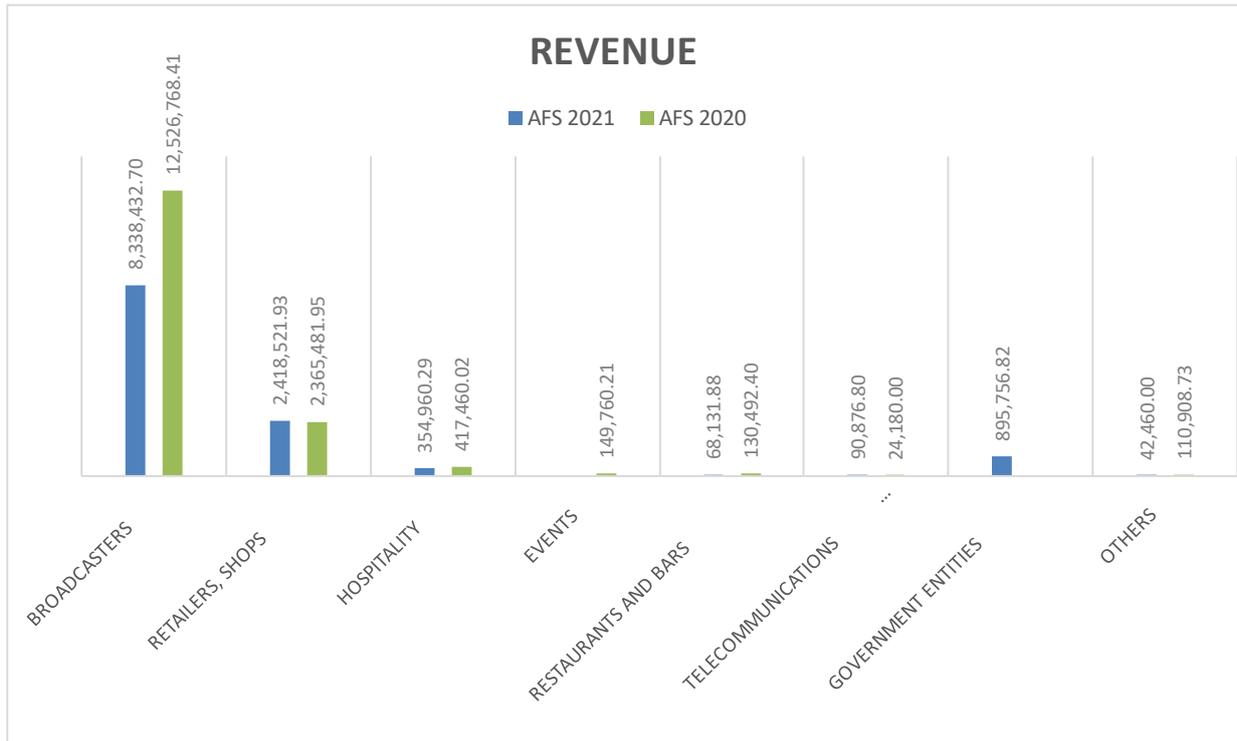
## Royalty Distribution Trends



In a year punctuated by continued uncertainty, COSBOTS delivered yet another significant growth on the total net distributable revenue.

## Licensing Income Sources (%)

Broadcasting as essential users contributes the bulk of the revenue, with public broadcasters at 69% and private broadcasters at 7%. With the new payment plans in place for the private broadcasters we foresee an increase between 15% - 20%. The remaining 24% is categorized by Retailers/Shops, Hospitality, restaurants, and bars etc. The year under review experienced a decline in the hospitality industry due to harsh covid restrictions and lockdown.



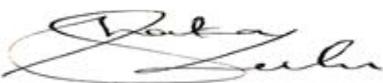
We have also experienced closures by some of retailers, numerous high-end restaurants and clubs also closed due to hardships. The Company had to suspend some of the license renewals due to business closures or pro-rated to only license months when business was operational post COVID lockdown.

### **Our ambitions**

At COSBOTS, we want to be among the best collective rights management societies in five and ten years from now respectively. We have an excellent starting point because our management practices are 'best in class' in relation to international rules and recommendations, and we are, on that basis, a benchmark for other collective rights management societies.

However, what is good today is not necessarily good enough tomorrow. In the future, we must not only work for the continued development of COSBOTS – we must also play an active role, nationally and internationally, in the efforts to resolve challenges with metadata, new business models, new technologies and not least sustainability.

The future development of COSBOTS shall ensure that we continue to have members who are satisfied with COSBOTS's services – and that new members continue to join COSBOTS.



Letlhogonolo Makwinja  
Chief Executive Officer