

Annual Report 2024

SWISSPERFORM – 2024 in brief

Gross tariff revenue 2024

CHF 62'782'545.85

(–0.4%)

Members and principals

26'134

(+4.59%)

Promotion of cultural and social projects

CHF 6'300'206.20

Administrative expense

Net expense ratio: 11.22%

(2023: 9.86%)

Gross expense ratio: 14.91%

(2023: 13.70%)

Employees: on average

36.05

(2023: 34.82)

30.59 Full-time positions

(2023: 29.69)

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members*

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and tariffs*

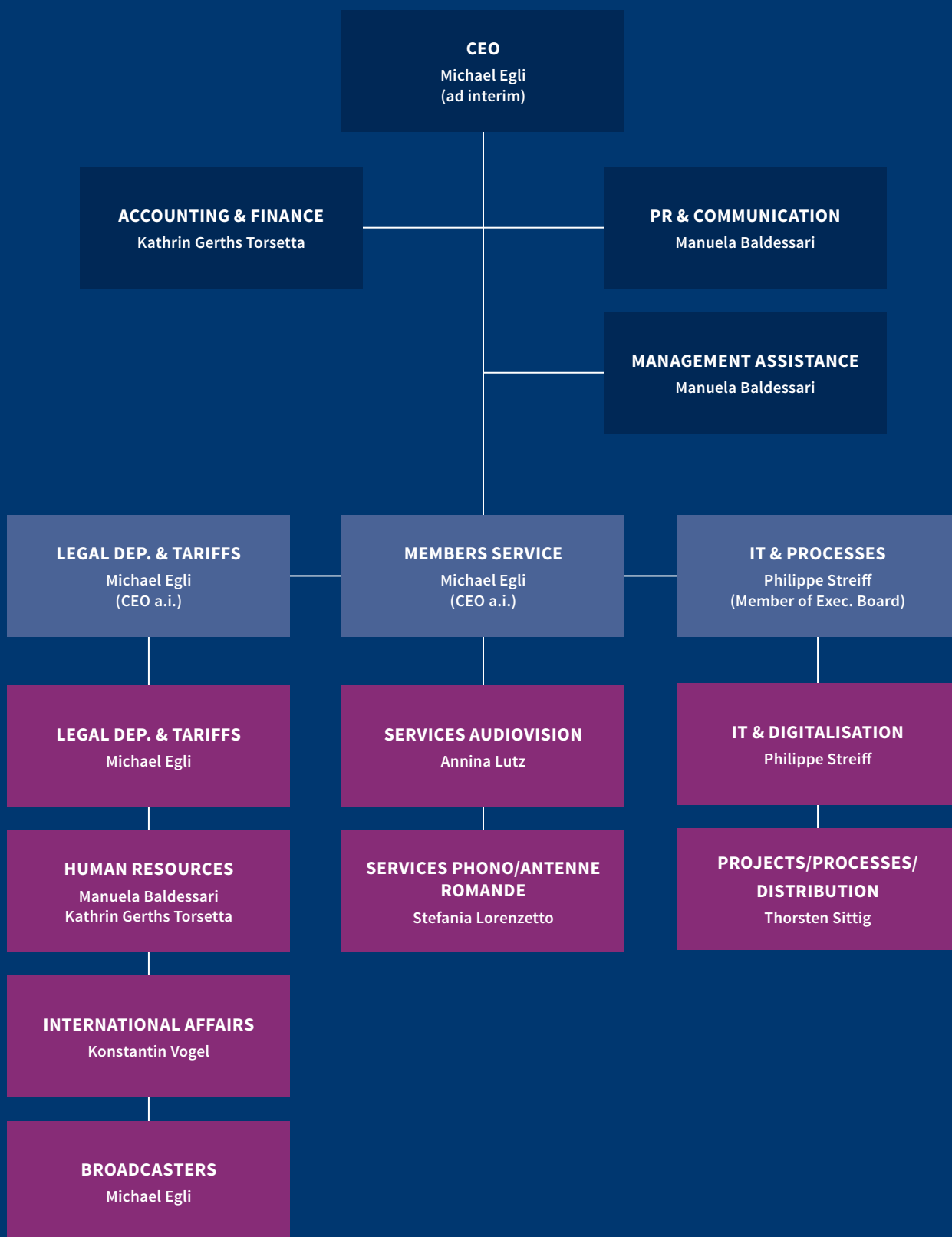
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*Organisation
and members*

Organisational structure of SWISSPERFORM at the end of 2024:



Offices



F.l.t.r.: **Michael Egli** (CEO a.i.) Head of legal department,
Philippe Streiff (Member of the Executive Board) Head of IT & Processes

SWISSPERFORM – because culture is precious.

Guiding principle SWISSPERFORM

SWISSPERFORM ensures that creative artists are adequately remunerated for their works and thus contributes to strengthening culture in Switzerland and the Principality of Liechtenstein.

Mission

We act in the **interest** of our **members**. We **support** and **strengthen** them in exercising their neighbouring rights and ensure an appropriate remuneration. Our key tasks are the conclusion of tariffs and the collection and distribution of the resulting proceeds.

For our **members, partners** and **users** we provide attractive **services**. We recognise the developments in the cultural sector and search for suitable solutions for all parties involved.

We **strengthen culture** and through our work we contribute to making cultural creativity worthwhile. We provide **10%** of our **revenues** for **cultural** and **social purposes**.

We are **service providers in the digital environment**. We seize the opportunities of digitalisation and continuously adapt our services and way of working.

We provide our users with easy **access** to the **repertoire of our members**.

Values

We are loyal: Our members take centre stage; we know the different needs and support them equally.

We are transparent: Our members know and understand what we are doing, and they can review our work. We provide them with all necessary information in this regard.

We are efficient: We act in a targeted, cost-conscious, and performance-oriented manner. We do not aim for profit.

We are curious: We closely follow economic, technological, and legal developments and adapt continuously.

We are attractive: We offer committed employees an interesting working environment at the interface of culture, business and technology and support their development. We show trust and respect to our employees.

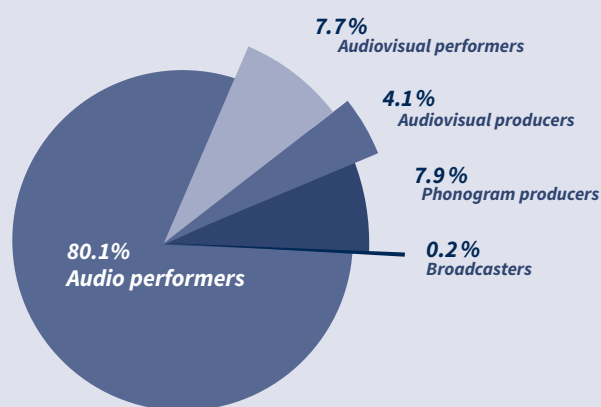
We are networked: We maintain a constant exchange with our partners in Switzerland and abroad and use synergies wherever possible.

Members

Member statistics 2024

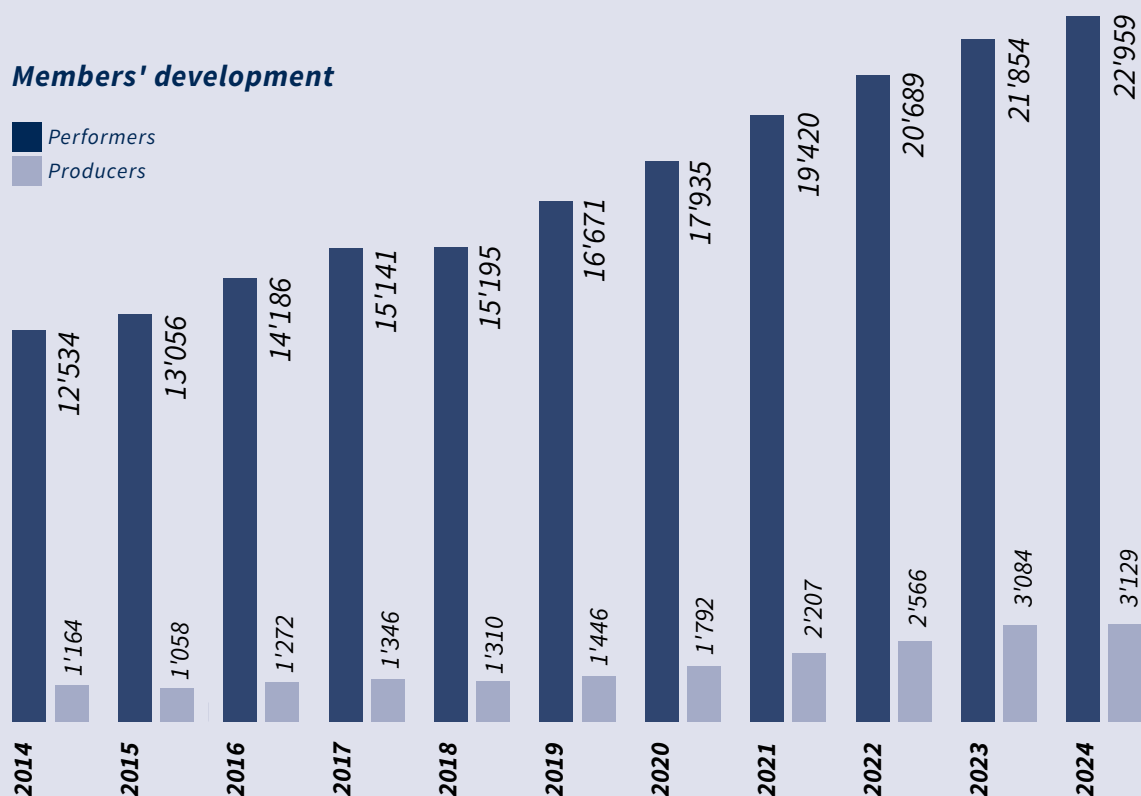
Number of members/principals per group

| | 2024 | 2023 |
|-------------------------|---------------|---------------|
| Audio performers | 20'945 | 19'895 |
| Audiovisual performers | 2'014 | 1'959 |
| Total performers | 22'959 | 21'854 |
| Phonogram producers | 2'064 | 2'046 |
| Audiovisual producers | 1'065 | 1'038 |
| Total producers | 3'129 | 3'084 |
| Broadcasters | 46 | 49 |
| Total | 26'134 | 24'987 |



Members' development

■ Performers
■ Producers



*Collection
and tariffs*



Sam Himself

Collection and tariffs

Tariff negotiations

As in the previous year, the focus of the tariff negotiations in the reporting year was on two main topics: the remuneration for memory and hard disc drives for digital devices and the concert tariff.

At the same time, renegotiations with the private broadcasters began in 2024 (CT S). Also, with respect to the retransmission tariff (CT 1) the collecting societies made initial strategic preparations.

CT 4i

Remuneration on digital storage media integrated in devices

In September 2023, the collecting societies commissioned a demoscopic survey by an independent opinion research institute (GfS) to determine the copying behaviour of end consumers on the various digital devices. Based on the current study results, negotiations continued in the reporting year. The aim was to submit a new blank media tariff to the Federal Arbitration Commission (FAC) for approval at the end of May 2024, valid from 2025, which would also cover copies in the cloud for the first time. The collecting societies had repeatedly emphasised that cloud services should also be subject to a blank media levy in the future, as these are also used for the private copying of protected works.

The negotiations, which lasted from March 2023 to May 2024, finally led to an agreement on 13 May 2024; it provides for a slight reduction in remunerations and a reduction in the cap on hard disk storage capacity. This was necessary because recent studies by GfS have shown that less and less protected content is being copied by end users due to the increasing use of streaming services. The new tariff will apply from 1 January 2025 and is initially intended to be valid for two years, with the option to be extended for another year. Despite the reduction of the tariff rates, the collecting societies are confident that they will be able to compensate for this decline by increasing sales of devices with more storage capacity. On 15 October 2024, the FAC approved the negotiated tariff. The cloud copies could not be included in the negotiations due to disagreements and time pressure.

On 15 November 2024, the collecting societies and user associations met again to discuss the remuneration of cloud services. It is generally agreed that the creation of a separate cloud tariff is associated with disproportionately high implementation costs. Instead, integration into the existing tariff is being examined. Further negotiations for the cloud services are scheduled for 2025.

CT K

Concerts, concert-like performances, shows, ballets, theatre

In 2023, no agreement could be reached on the concert tariff (CT K), which is why a disputed tariff was submitted to the FAC on 23 May 2023. On 23 January 2024, a meeting was held to discuss the submitted tariff before the FAC. The users' associations once again called for a significant reduction in remunerations. The collecting societies pointed out that the organisers' higher costs must not lead to a reduction in remuneration. After hearing both parties, the FAC delivered its decision orally on the same day.

On 21 June 2024, the FAC's decision was served on the parties with written reasons. Although there were minor changes to the tariff, the massive reduction in remunerations as demanded by the users was rejected. In addition, the appropriateness of the tariff was confirmed, and the applicable gross principle was not called into question. Therefore, the collecting societies saw no reason to contest the decision, especially as they could assume that their revenues would remain stable.

However, the users' associations lodged an appeal with the Federal Administrative Court on 28 August 2024. Following an additional exchange regarding the amount in dispute (which was decided in favour of the collecting societies) and a supplementary submission to the appeal by the appellant, the collecting societies submitted their response to the appeal on 29 November 2024. At the express request of the appellant, there was a second exchange of briefs (voluntary reply and rejoinder). The last submission by the collecting societies was filed on 16 January 2025. A judgement by the Federal Administrative Court is expected in the first half of 2025.

CT S

Private TV stations

Experience has shown that negotiations with private broadcasters are very time-consuming, as users are represented by numerous associations with different interests. In addition, close coordination between SWISSPERFORM and SUISA is required, as the negotiations on the CT S are not conducted by SWISSPERFORM's internal legal department, but by the external lawyers Stephan Beutler and Fabian Wigger. This is necessary because the broadcasting organisations act both as users and as right holders of SWISSPERFORM.

Before the start of the tariff negotiations on 26 September 2024, extensive internal meetings were held to ensure optimal preparation. The users' associations argue that their income would decrease, but the remunerations of the collecting societies would increase. However, this argument can be put into perspective by current figures. The users' demand that fewer revenue items be considered «relevant» in the tariff was also raised again. Negotiations will continue in 2025 with the aim of reaching an agreement by May 2025 so that the new tariff can enter into force on 1 January 2026.

CT 1

Re-transmission rights

The tariff for retransmission must be renegotiated with effect from January 1, 2027, so a new CT 1 must be submitted by May 2026. As this tariff is very important in financial terms, initial strategic considerations were already made among the collecting societies at the end of 2024. These will be discussed in more detail in 2025. Suissimage will take the lead in these negotiations.

Tariff revenues

In the reporting year 2024, SWISSPERFORM generated tariff income of CHF 62.8 million. This corresponds to a decrease of CHF 0.3 million or 0.4% compared to the previous year.

The development of the individual rights sectors shows the following picture:

Re-transmission rights: The development from linear to non-linear has been predicted for years. Regardless of this prediction, revenues from retransmission rights remain stable and at a high level. The largest tariff, CT 1 (retransmission of programmes via cable), generated revenues of CHF 22.8 million, which corresponds to a decrease of around CHF 434,000 or 1.9% compared to the previous year.

Performance rights: The positive trend in performance rights observed in 2023 continued, at least in part, in 2024. Revenues from key tariffs with an audience continued to increase, albeit to a lesser extent than in the previous year: CT E film screenings +21.4%, CT H dance and entertainment in the hospitality industry +9.5%, CT Hb dance and entertainment +75.9% and CT K concerts and concert-like performances +36.8%. The most important tariff, CT 3a (background entertainment), saw a decrease in revenue of around CHF 611,000; this corresponds to a drop of 7.2% (radio) and 10.2% (TV). However, this is due to a change in the collection mode at SUISA, which also handles the collection of remunerations in favour of SWISSPERFORM. This decline in income in CT 3a is therefore only a one-off, which is why a significant increase in this tariff revenue is forecast for 2025.

Blank media levy: The development in blank media remuneration was slightly positive. Following the market slump in laptops and external hard drives in 2023, sales recovered again in 2024. Revenue of around CHF 1.1 million (+51.8%) was generated for laptops and revenue of around CHF 427,000 (+13%) for external hard drives. By contrast, revenue from smartphones (-17.5%) and tablets (-29.5%) decreased.

Broadcasting rights: In the segment of broadcasting rights, revenues in 2024 totalled CHF 12.4 million, thus maintaining the previous year's level.

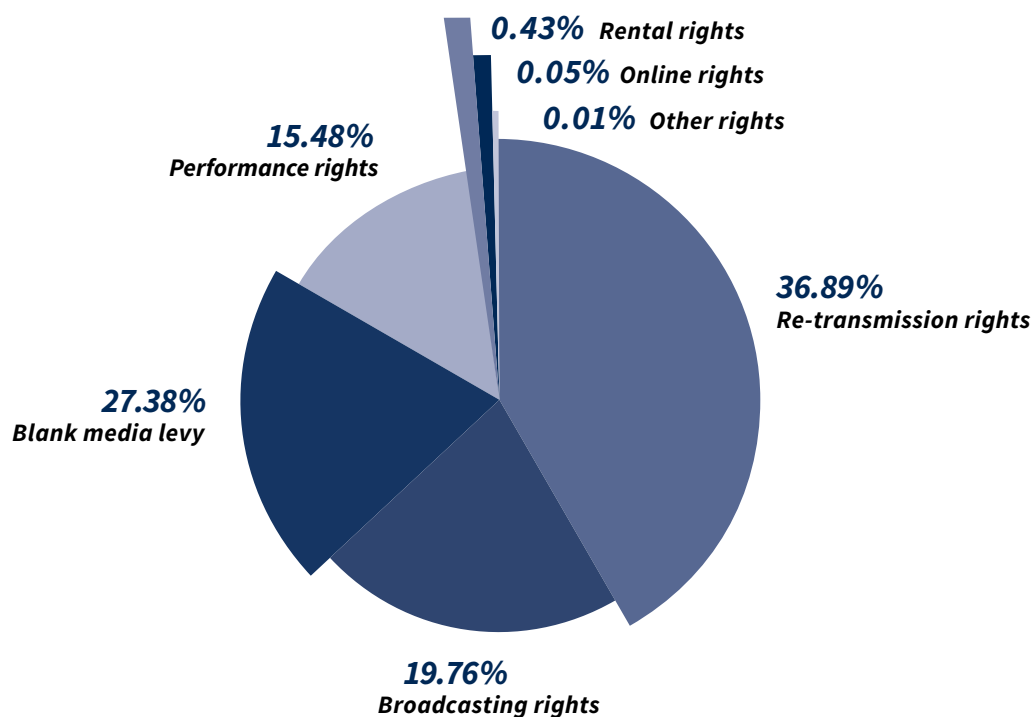
Online rights: In the segment of online rights, revenues (around CHF 261,000) from the new CT 14 (Video On Demand) were recognised for the second time in 2024. This represents a decrease of 8.8% compared to the previous year. This is due to a change in the legal situation for productions from certain countries.

Other sectors: Revenues from the other sectors (rental rights, other individual rates) remain at a very low level, as in previous years.

Tariff revenues from the various rights

| Tariff | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Re-transmission rights | 23'659'772.53 | 23'536'085.02 | 23'759'330.59 | 23'576'256.18 | 23'601'699.20 | 23'160'004.67 |
| Performance rights | 8'283'076.86 | 8'541'213.18 | 7'819'255.81 | 7'726'691.82 | 9'773'115.86 | 9'719'810.01 |
| Blank media levy | 13'654'712.21 | 14'264'702.66 | 16'161'582.25 | 17'611'943.35 | 16'935'767.77 | 17'189'589.09 |
| Rental rights | 9'319.90 | 38'144.90 | 28'930.00 | 29'978.53 | 29'102.60 | 34'158.45 |
| Broadcasting rights* | 12'686'195.31 | 12'785'003.36 | 14'543'394.94* | 12'291'057.40 | 12'408'038.22 | 12'407'432.15 |
| Online rights | 22'360.00 | 8'360.00 | 1'297.15 | 8'720.00 | 294'547.12 | 269'227.78 |
| Other rights | 8'543.60 | 1'349.80 | 8'000.00 | 1'321.15 | 1'304.15 | 2'323.78 |
| Total | 58'323'980.41 | 59'174'858.92 | 62'321'790.74 | 61'245'968.43 | 63'043'574.92 | 62'782'545.85 |
| Administrative costs | 8.33% | 8.68% | 8.43% | 9.29% | 9.86% | 11.22% |

* *Broadcasting rights* incl. extraordinary income/debit for a total of CHF 1'747'463.- (2021)





*Financial
statements*

Financial statements

Balance of Accounts in TCHF

| | Item in Annex | 2024 | 2023 |
|-----------------------------------|------------------|----------------|----------------|
| Liquid assets | | 29'108 | 29'914 |
| Short-term financial assets | | 4'000 | 7'000 |
| Securities | 1 | 56'234 | 46'578 |
| Accounts receivable rights users | 2 | 771 | 1'091 |
| Other short-term receivables | 3 | 659 | 350 |
| Prepaid expenses | 4 | 591 | 615 |
| Current assets | | 91'363 | 85'547 |
| Property | 5 | 679 | 683 |
| Financial assets | 6 | 14'584 | 19'683 |
| Fixed assets | | 15'263 | 20'366 |
| Assets | | 106'626 | 105'914 |
| Liabilities neighbouring rights | 7 | 1'451 | 1'187 |
| Other short-term liabilities | 8 | 1'478 | 1'479 |
| Short-term provisions | 9 | 59'269 | 59'797 |
| Deferred income | 10 | 1'389 | 831 |
| Short-term liabilities | | 63'588 | 63'294 |
| Long-term provisions | 11 | 43'039 | 42'619 |
| Long-term borrowed capital | | 43'039 | 42'619 |
| Borrowed capital | | 106'626 | 105'914 |
| Basic capital and reserves | 12 | 0 | 0 |
| Equity capital | | 0 | 0 |
| Liabilities | | 106'626 | 105'914 |

Income statement
in TCHF

| | <i>Item in Annex</i> | 2024 | 2023 |
|---|--------------------------|----------------|----------------|
| Revenue from the administration of neighbouring rights in Switzerland | 13 | 65'599 | 65'886 |
| Revenue from the administration of neighbouring rights abroad | 14 | 600 | 658 |
| Other operating income | 15 | -628 | -258 |
| Collection compensation | 16 | -2'817 | -2'842 |
| Deduction for cultural and social purposes | 17 | -6'273 | -6'300 |
| Net proceeds | | 56'481 | 57'143 |
| Distribution neighbouring rights | 18 | -53'595 | -54'155 |
| Bodies and commissions | 19 | -429 | -369 |
| External assignments | 20 | -603 | -413 |
| Personnel expenses | 21 | -4'854 | -4'512 |
| Other general expenses | 22 | -838 | -867 |
| Depreciation of property | 5 | -333 | -110 |
| Operating expenses | | -60'652 | -60'425 |
| Operating result | | -4'171 | -3'283 |
| Financial income | 23 | 4'747 | 4'563 |
| Financial expenses | 24 | -574 | -1'279 |
| Financial result | | 4'173 | 3'285 |
| Ordinary result/earnings before taxes | | 2 | 2 |
| Taxes | | -2 | -2 |
| Annual earnings | | 0 | 0 |

Cash flow analysis

in TCHF

| | | 2024 | 2023 |
|--|----------|---------------|---------------|
| Annual earnings | | 0 | 0 |
| Depreciation of property | + | 333 | 110 |
| Change in provisions | +/- | -109 | -4'651 |
| Value adjustments on securities | +/- | -2'476 | -1'996 |
| Decrease/increase account receivables rights users | +/- | 319 | 6'572 |
| Deacreate/increase other short-term receivables | +/- | -309 | -88 |
| Decrease/increase prepaid expenses | +/- | 24 | 6'962 |
| Decrease/increase liabilities neighbouring rights | +/- | 265 | 83 |
| Decrease/increase other short-term liabilities and deferred income | +/- | 556 | 842 |
| Operating cash flow | = | -1'396 | 7'834 |
| Investments in property | - | -329 | -542 |
| Investments in short-term financial assets | - | 3'000 | -7'000 |
| Investments in financial assets | - | 0 | -2'500 |
| Investments in securities | - | -12'699 | -10'570 |
| Divestments of securities | + | 5'099 | 3'099 |
| Divestments of financial assets | + | 5'519 | 9'634 |
| Cash flow from investment activities | = | 591 | -7'880 |
| Cash flow from financing activities | = | 0 | 0 |
| Change in liquid assets | | -806 | -46 |
| Verification fund: | | | |
| Liquid assets as per 1.1. | | 29'914 | 29'960 |
| Liquid assets as per 31.12. | | 29'108 | 29'914 |
| Change in liquid assets | | -806 | -46 |

Legal Notice

Short version of annual report 2024

Publisher:

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March 31st, 2025

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