

2019

**ANNUAL
REPORT**
ABRAMUS

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EDITORIAL

Abramus celebrated its 37th year in 2019, retaining its position as the country's largest copyright association in the number of members, representing over 76,000 members in Brazil and abroad.

New memberships grew by 13%, concluding the year with 9,057 new members, consolidating the efficient services of the Artists and Repertoire (A&R) department and all other departments that work towards the solid work accomplished.

The increased use of information technology tools in 2019 remained a key focus to optimize the work performed by all Abramus departments and to provide benefits to members. Some of the things made available included online registries of works and recordings, online membership and a revamp of the networks, servers, and provision of services in our database, which led to significant improvements in internal work.

These improvements were reflected in the Documentation department. The Online Works and Recordings Registration platform streamlined registrations and, with updated repertoires, rights holders can now quickly and accurately obtain economic returns for their productions.

In the International Authorial Department, Abramus received R\$2,845,184.61 from the execution of works by rights holders abroad, continuing the steady increase over recent years. Abramus remitted R\$24,006,125.44 abroad to partner societies and to directly affiliated foreign rights holders, an increase of 6.7% over 2018. The year ended with 85 signed contracts and rights holders represented over 200 territories.

In the International Connection department, revenues collected from abroad for the year amounted to R\$402,000, which benefited more than 1,500 Brazilian rights holders. Around R\$25 million for foreign repertoire was distributed to 65 organizations, a 47% increase over the previous year. Abramus also hosted the 44th Annual General Meeting of SCAPR in São Paulo, attended by over 100 guests from various countries and 45 companies.

Abramus, along with SCAPR member societies, began using VRDB – a tool designed to improve the distribution of related copyrights. Abramus is the sole Brazilian society involved in the project and has been an active participant in discussion and development groups.

The Performing Arts department had 331 requests for assembly, of which 391 were authorized and around 137 contracts were finalized. This endeavor resulted in revenues of R\$1.3 million.

The Communications Department maintained its focus on information and gaining a closer relationship with its associates. Social networks saw relevant growth and higher participation by the public. Abramus has been a part of various events, consolidating major partnerships.

Despite being an atypical year, there was a 67% rise in the total revenues in AUTVIS. It was the highest domestic income since the beginning of AUTVIS's activities. This also marked the first year that AUTVIS's licensing operation became 100% online. Additionally, the AIR – Automated Image Recognition – program began to be used. It was developed by a group of societies to automate the enforcement and collection for the use of protected images in the digital environment.

Details on the outcome from the work in

2019 are available on the upcoming pages. We appreciate the confidence you have in our work and we are committed to doing more and getting even better with every year. We will continue to plow ahead and meet our goals on behalf of copyright holders.

Roberto Mello
CEO

Abramus is the largest copyright association in the country in terms of the number of members from a variety of areas, and this number continues to steadily climb.

2019 ended with Abramus representing more than 76 thousand rights holders in Brazil and abroad. There is a great amount of responsibility and ethics behind the work performed, which is always conducted with the utmost transparency and professionalism.

The Finance Department is tasked with distributing the money coming from the public performance of musical works in Brazil and throughout the globe. This distribution is the result of a production chain, which involves all Abramus departments and ensures that these payments are accurate and correct.

Abramus has spent time adapting and optimizing its tools so that it can offer the best service to its members and ensure that royalties are accurately distributed. Facing the challenge of keeping the

payment schedule consistently up to date, as it has been successfully doing for years, the team, divided between Abramus units in Rio de Janeiro and São Paulo, count on the persistent support of the Information Technology Department, the area responsible for system and information processing.

Members can gain access to receipts, ECAD payment statements, and payment summary statements on the Abramus Portal, providing greater transparency, dynamism, and interaction for each member. This process has optimized the work of the department, resulting in a decreased flow of e-mails and correspondences, along with reducing operating costs.

The financial statement is audited by external companies, who confirm the excellent work Abramus has been performing throughout the fiscal year.

02

FINANCIAL

76.000

rights holders in Brazil
and abroad.

37 years

ensuring copyright
distribution.

2019 witnessed the strengthening of the digital music market in Brazil.

Virtually all of the major Global Music and content platforms (Spotify, Apple Music, Netflix, Amazon, and others) are now active in Brazil and our market has become a key anchor for the growth and development of this industry in Latin America

It was also the year in which the number of subscribers to premium music services (with a monthly subscription) posted solid growth, allowing the revenues distributed by platforms to rights holders to rise expressively and become more relevant to the entire music chain. On top of the new services that began operating in Brazil, giants Spotify and YouTube have become an important source of revenue in this burgeoning market.

Despite the expressive growth, it is still minor compared to the potential that the Brazilian market holds. For instance, in a country with over 200 million inhabitants, 2019 ended with nearly 10 million subscribers to Spotify's premium service. With the consumption of music today relying more and more on digital distribution, we still see enormous growth potential with these platforms.

The prospects are even more optimistic for 2020. In addition to the natural growth of the sector, new platforms and models of consuming music in the digital environment are expected to begin operating in the Brazilian market in 2020. In addition to the increasingly simple and intuitive consumer model designed for the user's taste, one of the primary attractions of the digital market is the democratization of the business model and interaction with social networks, which are pushing to raise the experience of music consumption to a whole other level.

Abramus, through Abramus Digital, has been keeping track of this market and is working in conjunction with Publishers in Brazil and abroad to facilitate access to this increasingly relevant revenue. To find out more, contact Abramus and learn about the solutions we can offer.

We are anticipating a highly successful 2020 and beyond, in which the music industry within digital environments will play an ever-growing prominent role, leading to an increasingly expressive distribution to copyright holders in Brazil and throughout the world.

03

NEW BUSINESSES
& DIGITAL

Abramus, through Abramus Digital, has been keeping track of this market and is working in conjunction with Publishers in Brazil and abroad to facilitate access to this increasingly relevant revenue. To find out more, contact Abramus and learn about the solutions we can offer.

PICTURE: FIXELGRAPHY

It has been a spectacular year for the Information Technology department in making innovations available to our copyright holders.

We continue to focus on practicality-speed-transparency by establishing robust foundations in our infrastructures, thereby giving us the ability to continue extending positive experiences to our internal and external customers.

Access and connectivity are key components in providing technology services. To meet this requirement, we have completely overhauled our networks, servers, and database services. Also, covering all the principles of risk reduction and information security, we rolled out a new system for a modern, fast, and reliable backup, providing assurances in the event of any serious issues.

Permitting works and recordings to be registered online has long been a glimmer of hope at Abramus. Last year, we initiated our march towards online tools by

working on tools that not only functioned in browsers but also via our proprietary application for cell phones and tablets. In addition to registrations, all relationships with Abramus are now found right on the palm of the copyright holders' hands: Directory searches, access to income, and news services represent just a few of the features that have been implemented.

Building a robust data warehouse with information on rights holders' earnings was a first step towards creating our Business Intelligence environment. Graphs and data segments enable our customers to quickly analyze more profitable works and recordings, which states or categories their songs are most played on, income progression over the last 3 years, and others. At last, a genuine control panel for copyright holders to manage their careers.

Working in close collaboration with SCAPR, we are fully integrated with VRDB2. It is a tool that allows a unique identification of one track of music in the world, facilitating the exchange of income between several countries.

Various tools are being modernized through partnerships with CISAC and other global associations, such as UP, AVR, AVINDEX, CWR, AIR, all in a continuing effort to improve the income of our copyright holders.

The focus in 2020 is on enhancing the new tools through innovations and rewriting internal systems to update the tools and improve internal processes.

04

INFORMATION
TECHNOLOGY

05 PERFORMING ARTS

Over the last few years, the area of Performing Arts has devised a working methodology based on transparency and productivity that adheres to the consistent process of adapting to improve activities.

Because of these actions, Abramus can be currently viewed as not simply working with the collection and distribution of rights: We are practically an agent for authors by constantly seeking to publicize their works, both in the domestic and international markets.

We continue working with about 300 national authors, including Manuel Bandeira, Cecília Meireles, Carlos Drummond de Andrade, Luis Fernando Verissimo, Ariano Suassuna, Nelson Rodrigues, along with other renowned names, without any casualties.

In 2019, we had 331 requests for assembly, of which 391 were authorized and around 137 contracts were finalized. This endeavor resulted in revenues of R\$1.3 million. We had major plays that were a hit with audiences during that period. In addition to Nelson Rodrigues' plays – unquestionably our major star – there were international plays such as "A Streetcar Named Desire", "The Mountaintop", "The Accidental Death of an Anarchist" and "I Musicanti" which continue to be represented through a great number of productions throughout Brazil.

300
national authors

137
contracts finalized

391
authorized assembly

R\$1,3m
in revenues

PICTURE: ERIK MCLEAN

The past few years have posed a challenge for managing the collection of revenues.

Brazil, however, was not the only one to feel the brunt of the difficulties. The repercussions from these challenges can be felt, even from great distances.

The International Department understands and deals with all these situations and events: Things that take place here in Brazil, considering we represent foreign members directly affiliated here, along with the management societies and those that occur around the world when representing our Brazilian rights holders overseas.

Through all this, we continuously aim to reinvent ourselves and try to offer the very best service and best possible work for our rights members, along with the societies that have entrusted us with their representation.

In 2019, we received R\$2,845,184.61 from the performance of our copyright holders' works abroad. We are continuing to sustain the upward trend observed over the last few years.

The societies that remitted the highest amounts were, respectively: SPA (Portugal); ASCAP (U.S.); SIAE (Italy); SGAE (Spain), BUMA (Netherlands), and SCD (Chile).

Last year, we remitted R\$24,006,125.44 to our sister societies and the foreign rights holders directly affiliated to our society. This represented an increase of 6.7% compared to remittances in the previous year.

It is important to emphasize the work we do with the foreign repertoire in Brazil. We not only represent societies but foreign editors and authors who have chosen to join us directly. We work hard to be worthy of the trust they have placed in our work.

We closed out the year with 85 signed contracts. This allows our copyright holders to be represented in over 200 territories. Our rights holders can dedicate themselves to their art, confident that we can represent them throughout the globe.

We continue to invest in technology, which is an essential part of the solid work we are performing.

By 2020, we will have a new system for distributing funds from abroad. Our goal is to distribute more quickly, efficiently, and transparently. We know it will be a long year of hard work, numerous tests, and major challenges. However, we continue to work diligently to conclude another successful year.

06

**INTERNATIONAL
DEPARTMENT
AUTHOR'S RIGHTS**

**Revenue
in 2018
R\$2.845.184,61**

**Revenue
in 2019
R\$24.006.125,44**

**Increase of
6%**

07

INTERNATIONAL DEPARTMENT NEIGHBORING RIGHTS

2019 was marked by the signing of a rather important and long-awaited bilateral agreement with Germany, the largest revenue collector from the SCAPR* community, to gain higher revenues for Brazilian copyright holders and repertoire on the European continent. We also secured another contract with Spain and a contract with Kazakhstan.

Furthermore, we hosted the 44th Annual General Meeting of SCAPR in São Paulo – attended by over 100 guests from various countries and 45 companies – to better understand, discuss and improve the system for managing the collection of revenues worldwide.

In 2019, Abramus, along with the member societies of SCAPR, officially began using VRDB – a tool designed to improve the distribution of related copyrights, facilitating processes and supporting local systems – which has been under development for several years and by many hands.

Abramus is the sole Brazilian society in the project – actively participating in discussion and development groups – and using this tool, our first receipt via VRDB came from Sweden.

Revenues collected from abroad in 2019 came to approximately R\$402,000, with the most substantial amounts coming from Japan, England, and the United States, benefiting more than 1,500 Brazilian copyright holders.

Around R\$25 million for foreign repertoire was distributed to 65 organizations in 26 countries, a 47% increase over the previous year.

There is a forecast in 2020 for growth in receipts from abroad out of Germany and from the use of VRDB by all societies, allowing us to earn more and better represent our Brazilian copyright holders.

Using this tool throughout 2020, we will have the first general growth projections and impressions for the next year.

*Source: SCAPR Annual Report 2018

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DOCUMENTATION

Abramus was an innovator once again in 2019.

Through its expertise and excellence in serving its members, a new registration platform for works and recordings was launched to facilitate and streamline the registration documentation of its copyright artists.

The Online Works and Recordings Registration platform is a state-of-the-art tool that has been developed to add to the other existing methods in which copyright holders can declare their repertoires to ECAD and thus promote the distribution of public performance correctly and accurately adding to the Collective Management of Brazil.

The declaration of repertoires now has a system for sending audio for verification, aside from being modern, online, and allowing new copyright holders who are part of the music and recording industry to join.

Continually maintaining repertoires up-to-date will help to make sure that all rights holders obtain economic returns on their productions, according to their category and extent of their repertoires, meaning have a new option to fulfill the demands of our members.

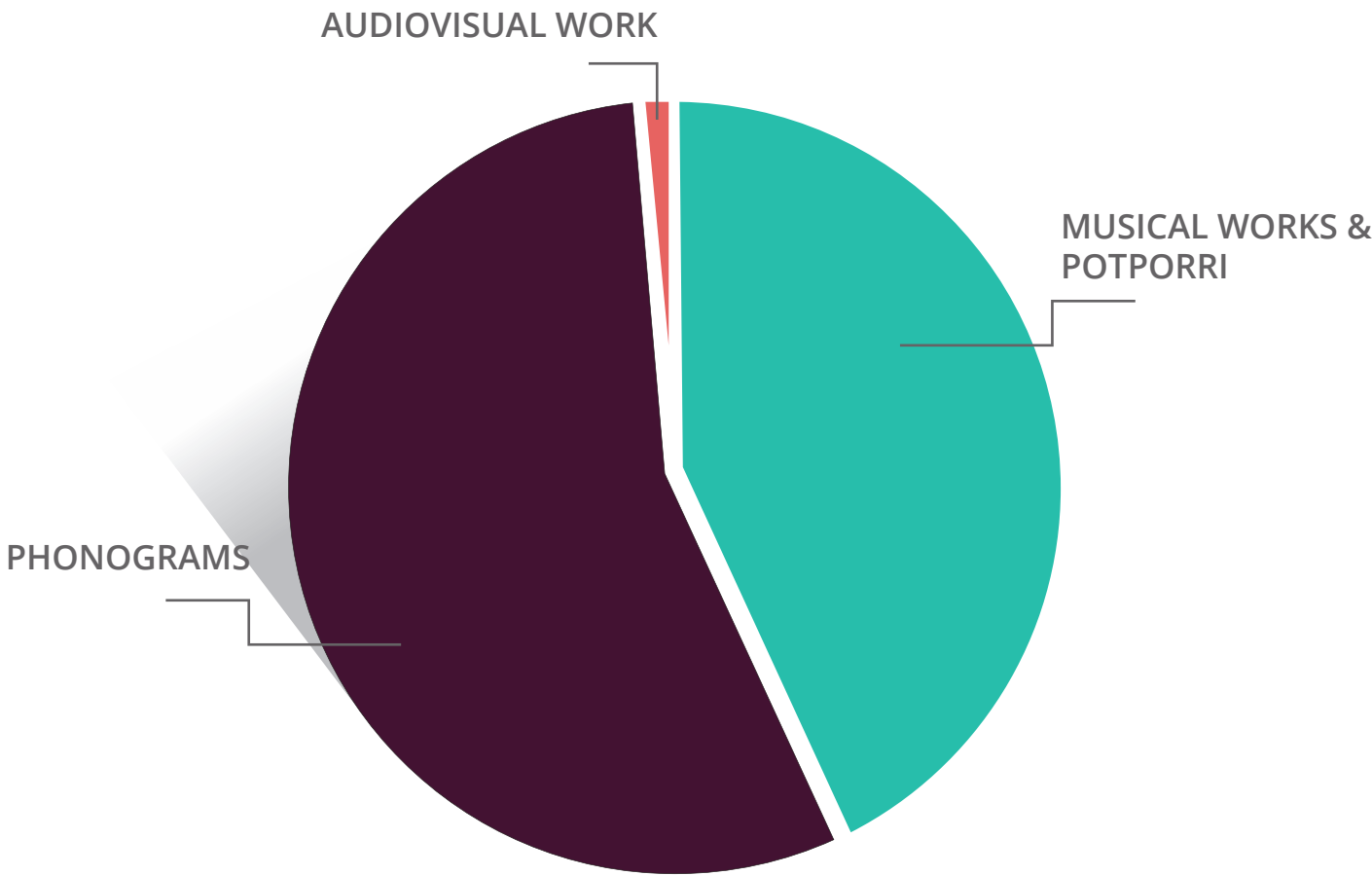
We are continually committed to providing our members with the best. We value the trust and security of information. We aim to comply with Brazilian and foreign legislation, an area in which Abramus is a pioneer, and keep track of the legal changes throughout the world.



PICTURE: AUSTIN NEILL

REGISTRATIONS BY CATEGORIES

REGISTRATIONS	2019
MUSICAL WORKS AND POTPOURRI	832.625
PHONOGRAMS	1.068.941
AUDIOVISUAL WORK	2.900
Total of Registrations	1.904.466



Abramus celebrated its 37th year in 2019, retaining its position as the country's largest copyright association in number of members, representing 76,005 members in Brazil and abroad.

Bearing in mind that we made online membership available on our portal in 2019, we saw a 13% boost in new memberships, ending the year with 9,057 new members, all thanks to the efficiency of the Artists and Repertoire department.

2019 was a rather tough year for Collective Management in Brazil. However, thanks to the efficiency of our service departments that involve A&R, IT, Documentation, Operational Support, we were able to handle all the setbacks that arose. We managed to maintain the level of distribution for public performance rights, retaining about 30% of the Brazilian market share.

Abramus has units all over Brazil, carrying out the service directly with the artists through their A&R staff. Our new branch in Fortaleza, Ceará, has established itself as one of the most profitable in 2019.

Abramus' sertanejo music center continues to be our great differentiator. We maintained around 80% control of the music segment, and the leading composers and artists are represented by us.

Due to the importance of collecting revenues from open-air, cable TVs and Cinema, we created the audiovisual department in 2019, which includes professionals who are specialized in music featured in visual presentations: Movies, Series, Soap Operas, Miniseries etc. This department has been growing steadily and looks to be growing even more in 2020. We are working with major film producers, as well as composers of tracks and music for audiovisual.

Although we had only a few agreements in 2019, ECAD and the revenue collection management associations were able to sustain the level of the collection so that they would be able to maintain the level of distribution as well.

Again, in 2019, we were significant participants in events related to the music market, including BRMC (Brazil Music Conference), Rio2C, Exponeja, Music Trends Brasil, SIM São Paulo, BMS Brasil Music Summit, the Rio Music Conference, and Festa Nacional da Música (National Music Festival).

09

ARTISTIC &
ARTISTICS WORKS

13%

boost in new
memberships

76.000

members in
Brazil and abroad

9057

new members

10

COMMUNICATION

The Abramus Communication department upheld its primary focus in 2019 of keeping its associates both informed and connected through its Communication channels.

To keep its associates updated on Abramus' work clearly and effectively as well as issues on copyright and the music market, all communication processes function in an integrated manner.

External Communications operates in several areas, with the primary area being social networks (Facebook, Instagram, Twitter, and YouTube). Abramus also communicates with its target audience through its website, newsletters, magazine and at the events it participates in.

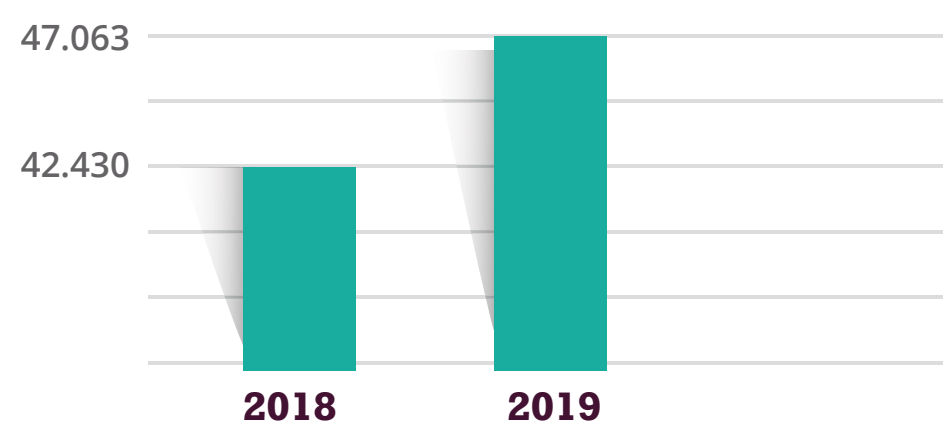
Posts are made on social networks on a daily and weekly basis, and there is a post on the Abramus blog with inbound marketing content. The topics of the posts revolve around the member artists and their works, including royalties, the music market, and digital media.

Followers have steadily increased on all networks, including interactivity between Abramus and the public.



PICTURE: 7SHIFTS

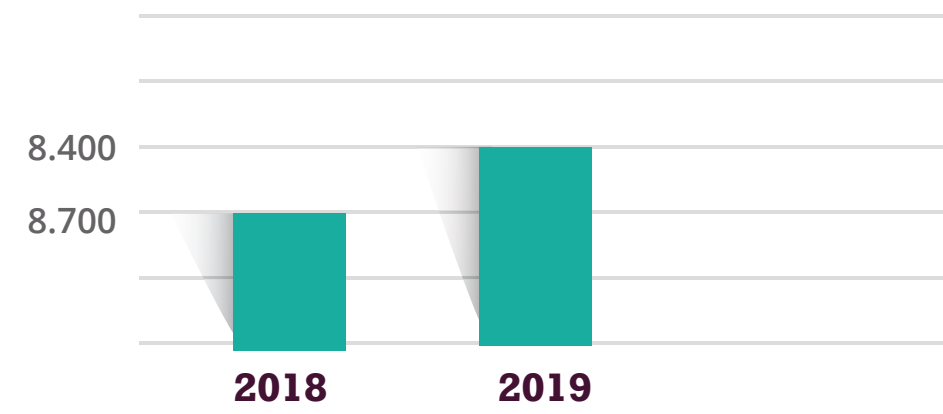
FACEBOOK



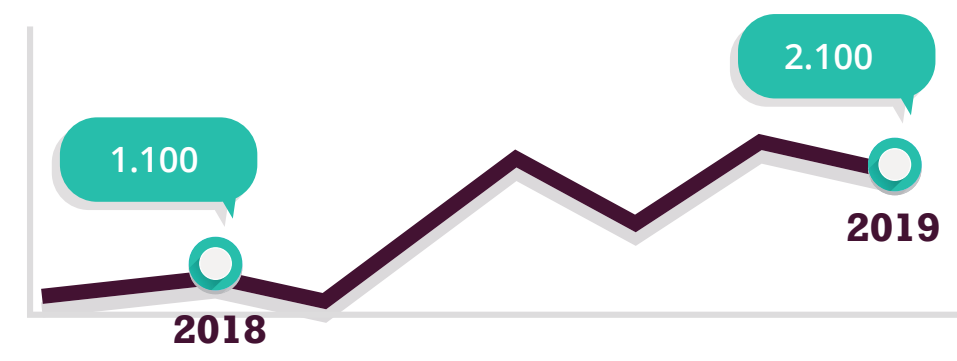
INSTAGRAM



TWITTER



YOUTUBE



EVENTS

Abramus took part in, supported, and promoted several events throughout the year, including major events like BRMC (Brazil Music Conference), Rio2C, Exponeja, Music Trends Brasil, SIM São Paulo, BMS Brasil Music Summit, Rio Music Conference, and Festa Nacional da Música (National Music Festival).

WEBSITE

The Abramus website seeks to offer valuable information and functionality to its members. It provides beneficial content and information related to copyrights. It contains news on music, theater, copyrights, and visual arts.

NEWSLETTER

The Abramus Newsletter is a monthly publication that features the big news from the month.

50.000

Music Contacts

10.000

Theater and
Dance Contacts

7.000

AUTVIS Contacts

MAGAZINE

Abramus Magazine publishes on average 3,000 copies per issue. It features news on Music, Visual Arts, and Drama. There are articles on copyright, artists, and the music industry. There is also a digital version available for reading on the website.



2019 did not see a collection of revenue that it did in 2018, which was atypical, but there was also a significant improvement in the numbers:

- A 67% increase in total revenue compared to 2017, which was a normal year

- The highest domestic revenue since the beginning of the AUTVIS activities

It was also the year in which the AUTVIS licensing process became 100% online, which was a great time saver for both the society and the user.

The most exciting innovation of the year was the launch of the AIR – Automated Image Recognition – program, which was developed by a group of societies to

automate the enforcement and collection for the use of protected images in the digital environment. Only nine countries currently use this technology, and AUTVIS is the only one in Latin America. When operational, this program will enable automatic image recognition in any digital medium: websites, social networks, video streaming platforms etc.

Internationally, AUTVIS has enhanced its prominent role in Latin American societies and takes part in some of the most prestigious industry events around the world.

National revenue in 2019:
R\$1,091,299.68

International revenue in 2019:
R\$248,092.44

Total revenue in 2019: R\$1,339,392.12

Total number of members: 1012

The projects for 2020 are to increase the technological capacity for monitoring and collecting revenues in digital media and to open new areas of activity.

Fabiana Nascimento
Visual Arts Director

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AUTVIS 2019

NATIONAL
REVENUE
2019
R\$ 1.091.299,68

INTERNATIONAL
REVENUE
2019
R\$ 248.092,44

TOTAL REVENUE - 2019
R\$ 1.339.392,12

TOTAL NUMBER OF
REGISTERED MEMBERS
1012

