

SOCIETY ARTISJUS HUNGARIAN BUREAU FOR THE PROTECTION OF AUTHORS'

RIGHTS

BUSINESS REPORT

ON THE YEAR ENDING ON 31 DECEMBER 2025

(all balances are indicated in thousand HUF unless otherwise specified)

**1. The operational environment of Artisjus in 2025**

*1.1 General conditions of the collection of royalties*

A key factor affecting Artisjus's collective management activities in 2024 was the lack of the state approval of tariff charts, which constituted a significant royalty loss for the right holders, considering that royalty adjustments were not made following two years of inflation at 17 per cent and 14 per cent, respectively. In contrast, our tariff charts for 2025 were approved by the Ministry of Justice – following the lawsuit won by Artisjus in October 2024 – meaning that in 2025, we were at least able to reflect the previous year's inflation adjustment in our tariffs.

*1.2 Evolution of the legal environment*

The legal framework governing Artisjus – specifically, the copyright and collective rights management laws – remained essentially unchanged in 2025 with regard to the collective management of music rights.

Act CIII of 2023 on the Digital State and Certain Rules Governing the Provision of Digital Services (DÁP Act), which was significantly amended in 2025, also addresses rules regarding written documentation that can be carried out electronically, which is important to the Association.

In judicial practice related to copyright, the Like Company vs. Google case should be highlighted, which is expected to result in a decision of fundamental importance regarding the relationship between the training of artificial intelligence systems and the rights of publishers – a decision that will also affect other right holders (the case was initiated at the Budapest Environs Regional Court and is currently pending before the European Court of Justice as part of a preliminary ruling procedure).

In agreement with several Hungarian collective management organisations, Artisjus submitted a legislative proposal to the Ministry of Justice in 2025 regarding the introduction of royalties claims for musical works using generative artificial intelligence – which are currently being trained without the right holders' permission – and which are cannibalising music use markets. In the course of 2025, we attempted to present the legal policy and cultural arguments underlying the proposal in the framework of several meetings. We intend to pursue our negotiations about the proposal with the new ministries of justice and cultural affairs to be set up in the spring of 2026.

*1.3 Evolution of our relations with authorities*

Artisjus prepared and submitted for approval its tariff charts serving as the basis for the collection of royalties for the year 2026 before the deadline (1 September 2025). In these, we suggested an inflationary increase of the fees amounting to 3.7 per cent in accordance with the general inflation. As pointed out in the introduction, our tariff charts were approved by the minister of justice without exception.

In the framework of its ordinary supervisory procedure, the Hungarian Intellectual Property Office called on the Society to provide information about the data of unidentified works and right holders with missing data also for other collective management organisations who have a representation agreement with Artisjus by July 2026.

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As described in detail in previous Business Reports, in early 2014, the Hungarian Competition Authority (GVH) initiated a competition procedure against Artisjus regarding the setting of blank carrier fees; in 2018, so-called follow-up proceedings were launched to verify compliance with the commitments made in those proceedings; and in a subsequent judicial review procedure, in February 2025, the administrative court upheld Artisjus's claim and annulled GVH's decision imposing a penalty on Artisjus, without ordering new proceedings, and GVH reimbursed Artisjus the amount of the fine previously paid by Artisjus and its interests.

In connection with this case, the follow-up proceedings, which had been ordered for the remaining two years of the commitment period but had been suspended, were resumed and consolidated; then in 2026, a few days before the closure of the Business Report, the Hungarian Competition Authority definitively terminated the consolidated follow-up proceedings. The competition law case, which had been ongoing for 12 years across several separate proceedings, was thus finally concluded without any adverse legal consequences for the Society.

## 2. Royalty collection and administrative costs in 2025

In the year 2025, the total amount of royalties collected by Artisjus was 33,416,454 thousand HUF, which constituted a 12 per cent increase compared to the reference value of 2024.

Royalty collection and administrative costs			
	<b>2024</b>	<b>2025</b>	%
	(thousand HUF)	(thousand HUF)	
Public performance royalties	7,600,453	9,002,994	118.5
Revenue from broadcasting and cable television	8,275,924	8,762,281	105.9
<i>from which cable television revenue</i>	<i>3,788,271</i>	<i>3,798,595</i>	<i>100</i>
Royalties on blank carriers	9,454,395	11,207,551	118.5
Royalties on mechanical and canned music	132,092	147,109	111.4
Online	2,063,671	2,213,733	107.3
Royalties on reprography	6,925	7,190	103.8
Royalties on foreign broadcasting organisations	1,085,499	1,031,914	95.1
Royalties from abroad	1,335,529	1,043,682	78.1
<b>Total:</b>	<b>29,954,488</b>	<b>33,416,454</b>	<b>112%</b>

Within that, the ratios of the royalties collected on behalf of right holders represented directly by Artisjus, on that of Hungarian collective management organisations representing other right holders and of foreign television channels represented by Artisjus were the following:

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The rate of the royalties collected on behalf of right holders represented directly by Artisjus, on that of Hungarian collective management organisations representing other right holders and of foreign television channels represented by Artisjus				
	<b>2024 (thousand HUF)</b>	<b>%</b>	<b>2025 (thousand HUF)</b>	<b>%</b>
Those represented by ARTISJUS	18,889,417	63.06	20,750,594	62.10
Those represented by HUNGART, FILMJUS, EJI and MAHASZ	9,979,572	33.32	11,633,946	34.82
Foreign broadcasting organisations	1,085,499	3.62	1,031,914	3.09
<b>Total</b>	<b>29,954,488</b>	<b>100.00</b>	<b>33,416,454</b>	<b>100.00</b>

Artisjus successfully achieved its Financial Plan proposed for the year 2025.

*2.1 Live and canned music public performance market*

The public performance royalties market closed the year 2025 with an overall 18.5 per cent increase. Within that, revenues from live music royalties surpassed the reference value of 2024 by 16.4 per cent. In comparison: the amount of royalties billed for musical events in 2025 was more than the double of the amount billed in the last year before COVID (2019). At the same time, the catering live music revenues dropped behind the reference value (which can be imputed to capacity limits and a greater public demand for larger events).

Canned music revenues grew by 10.4 per cent compared to the reference value. It is important to note that in this branch of revenues, changes in tariff charts play a fundamental role in the amount of revenues, as the rate of the tariffs is calculated item by item with a unit price (as opposed to a percentage rate), therefore implementing inflation-adjusted tariffs in this area is elemental. In the retail segment, which is a major source of revenue from background music royalties, the number of retail units typically continues to decline, and sales are gradually shifting towards online services. In the case of catering royalties, a sort of slow concentration can be observed, similarly to the previous time periods, in favour of bigger and more-frequented venues.

In comparison with previous years, when it came to willingness to pay, there was an increase in the number of those reluctant to pay and faced with royalties collection, but voluntary compliance still remains well above 90 per cent.

*2.2 Broadcasting and cable television market*

In 2025, the sum of royalties collected from radios, television broadcasting and cable televisions (broadcasting) attained 105.9 per cent of the reference level of 2025.

The most significant event in the media market in 2025 was the market-leading position achieved by the consolidating 4iG (One, Digi, Antenna Hungária) group in the distribution market – as a result, Magyar Telekom, which had been the leader for many years, was pushed to second place in the broadcasting market.

The above royalty revenue figure is in line with the slightly increasing trend of revenues among the stakeholders of the broadcasting and distribution market. At the same time, linear media services continued to fall back (“cord-cutting”), but this phenomenon was more common among the customers of smaller providers.

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In 2025 we conducted audits at 15 programme providers. Financial audits were performed at 5 radio and 10 television programme providers on behalf of Artisjus. The results were satisfying, as no significant discrepancies were found between the data declared and the figures revealed during the audits.

*2.3 Private copying fees*

Blank carrier fees collected in 2025 exceeded the amount of royalties collected a year before by 18.5 per cent. The reason for that was, on the one hand, the increase (in line with inflation) of the tariffs that had remained unchanged for several years, and on the other, growing consumption primarily in the case of those devices that yield a substantial part of our royalties (mobiles, tablets, memory cards, USB sticks). Our revenue was further bolstered by our audits carried out at larger companies operating online marketplaces, followed by efforts to identify shortcomings and, subsequently, to foster cooperation and ensure compliance with the law. In addition to that, the market of conventional PCs and laptops stopped shrinking, and it is currently characterised by stagnation. The tablet market continues to be cyclical: whereas we saw a drop in our revenues in 2023, there was a significant increase in 2024. This trend – even if to a lesser extent – persisted in 2025 as well.

*2.4 The (offline mechanical) market of the collection of rights on sound recordings*

The traditional audio recording market, which had seen better days, grew by 11.4 per cent in 2025 compared to the 2024 reference value. Although the increase appears significant in light of recent years, it is not due to market expansion but rather to rising royalty tariffs: the domestic mechanical market continues to stagnate, and its structure has remained unchanged compared to the previous years.

Publisher trends have not changed much, either, although stagnation has been more typical than the steep decline expected. The slow decline in CD sales continued, while the “vinyl renaissance” persists, and record fairs have reappeared. In the mechanical market, the musical refrigerator magnet and the cotton candy machine pointed the way to the future in 2025 – unfortunately not in terms of sales volume, but rather just as curiosities.

*2.5 Online music market*

Within our online revenues, the amount of multi-domain online royalties was lower than in 2024. The reason for the decline was clearly the amount of royalties received from SACEM, the French collective rights management organisation that enforces our online royalties. In the first quarter of 2025, SACEM notified the Society that, following an interpretation differing from the previous one, the French tax administration deemed it necessary to deduct a 25 per cent withholding tax from the royalties paid to Artisjus (and all of its other partners). SACEM attempted to change this position at the highest levels of the French fiscal authorities. In light of the negotiations, Artisjus temporarily postponed collecting online royalties – in order to avoid the 25 per cent loss – then, in the autumn, the Executive Board decided to request that SACEM transfer the royalties for two quarters, after deduction of the withholding tax, because the distribution of online royalties to our

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rights owners could no longer be postponed in 2025. In the last days of December 2025, SACEM notified us that they had finally reached an agreement with the French tax authorities whereby the majority of the royalties would be automatically exempt from the 25 per cent withholding tax, while a smaller portion of them would fall under the same consideration following the completion of certain administrative procedures. SACEM also informed Artisjus that the Society would be reimbursed the withholding tax already deducted for the royalties that had been transferred by Artisjus for the first two quarters. The detailed settlement of the situation would have to be carried out in 2026, and is still in progress at the closure this Business Report.

However, the negative impact described above was partially offset by SVOD revenues, which continued to grow dynamically, as well as by the successful conclusion of the multi-year negotiation process with RTL Hungary, which had a positive impact on earnings. As a result of the above, our revenues decreased only moderately compared to our expectations.

#### 2.6 Administrative costs

In the year 2023, the administrative costs deducted by Artisjus effectively for its operation (i.e. excluding the obligatory payment of health contribution after copyright) amounted to 17.29 per cent.

Total administrative costs: Indicators of administrative cost effectively deducted for operation			
	2024 (thousand HUF)	2025 (thousand HUF)	%
1 Net sales revenue:	29,818,933	33,292,763	112
2 Accrued administrative costs of the distribution of royalties for the year following the target year:	1,283,170	1,448,384	113
3 Administrative costs for the target year:	4,820,594	5,431,793	113
4 Administrative costs of the distribution of royalties collected in the year prior to the target year:	1,107,578	1,283,170	116
5 *Revenue from miscellaneous sales:	40,037	41,523	
<b>(3+4) 6 Total administrative costs</b>	<b>5,928,172</b>	<b>6,714,963</b>	<b>113</b>
<b>(1+2-4-5) 7 Adjusted net sales revenue</b>	<b>29,954,488</b>	<b>33,416,454</b>	<b>112</b>
8 Authors' healthcare contribution	796,632	937,967	118
<b>(6-8) 9 Operational administrative costs</b>	<b>5,131,540</b>	<b>5,776,996</b>	<b>113</b>
<b>(6/1) 10 Total administrative costs in proportion to net sales revenue</b>	<b>19.88%</b>	<b>20.17%</b>	
<b>(9/7) 11 Operational administrative costs in proportion to corrected sales revenue</b>	<b>17.13%</b>	<b>17.29%</b>	

\* From the financial year of 2018, revenue from re-invoicing and rentals must be indicated in this revenue category

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The ratio of the amount collected and the amount effectively spent on the operation of Artisjus is shown by the so-called **actual operational cost indicator**, calculated with the methodology prescribed by HIPO. Its rate was **15.08 per cent** for the year 2025 (see Point 23 of the supplementary appendix). (When closing this Business Report, we have international comparative data only for the year 2024: according to the figures of CISAC, collective rights management organisations in the East-Central European region operate with a 21.93 per cent administrative cost, and this figure is 17.39 per cent for Europe on the whole.)

The amount deducted for operation but actually unused is distributed in its entirety by the Society among the right holders.

### **3. Relations with members and right holders, communication**

#### 3.1 Membership data

At the end of 2025, the number of Artisjus society members (individuals and music publishers) amounted to 2,089. At the same time, the number of non-society members (individuals and music publishers) entrusting Artisjus with the collective administration of their rights was 29,193. On 31 December 2025, the number of the registered users (individuals and music publishers) of the Artisjus Authors' Information System (AIS) attained 23,919.

#### 3.2 Communication of Artisjus in 2025

The communication goals for 2025 were set out in the new communication strategy adopted in October 2024, which aims to prepare the Society for the challenges of the age of artificial intelligence.

The annual communication activities centred around the commemoration of the three anniversaries indicated in our strategy, which tied in well with the goals of the Society (Huszka 150, Kodály-Bartók 120, Szőrényi-Bródy 60). By announcing the thematic year "2025: THE YEAR OF HUNGARIAN SONGWRITING" and offering opportunities for organisations and individuals to participate, we sought to reach a broad segment of society and raise awareness to our message, which is as follows: *Songs Have Value*. In the course of 2025, we strove to convey this message to the general public through a variety of communication activities:

- the campaign was launched with an event held at our headquarters on the Day of Hungarian Culture (featuring János Bródy, Zoltán Beck and Ádám Bószé);
- "My Song..." social campaign at the STRAND Festival: the first video series of the "Songs Have Value" campaign, featuring 10 popular performers and running in several phases leading up to Songwriters' Day; in addition, we were present at the festival with the Songwriter Tent, where we held a total of seven discussion programmes, some of which we published as content (e.g. 3 podcasts, interviews, photos) on the Songwriter's platforms;
- in the framework of the series featured on the own social media platforms of Songwriter, pop musicians performing at festivals talked about the Hungarian song that made the most lasting impression on them;
- Songwriter Bookazine: the thematic year made it possible to revamp the design of the Songwriter magazine and to publish it in an unconventional format. We combined the two annual issues, organised around the themes of the Year of the Hungarian Song, and published them in a representative bookazine format that is also available in stores. We timed the release of the bookazine for 8 October, the Day of Hungarian Songwriting, and this included a launch event held at the House of Music Hungary.

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- As the peak of the Year of Hungarian Songwriting (MDÉ) event series, our goal with the campaign focused on Songwriters' Day was to encourage the creation of posts supporting songwriters on 8 October, using the message "I'm writing this song for you" and the MDÉ logo, and by sharing personal photos to create a thematic impact on social media and in other public spaces alike. Several key personalities joined or supported the campaign (including János Bródy, Ákos Kovács, András Lovasi, Gábor Presser and others). More than two hundred authors took an active part in the campaign, and the message "Songs Have Value" reached more than 2.7 million people only on that day.

The Artisjus Mentoring Programme was first launched in 2025, offering young, emerging, and up-and-coming songwriters a free yet effective framework for sharing first-hand professional knowledge. The mentors of 2025 (Bea Palya, Ambrus Tövisházi, iamyank, Márk Járai, Gege, and Krisztián Szűcs) shared their expertise with altogether 18 young people.

In the age of synthetic media, a substantial part of effective and reliable communication is built through native contents by credible sources. Our "Songwriter" media brand, revamped in 2025, ensures that Artisjus can manage and control the information that is important to us on our own platforms for our primary and target audiences, which span multiple generations. One of the novelties for 2025 was the launch of the "Songwriter" podcast, in which we discuss relevant topics – key to the future of authors and copyright as such – with artists and music industry professionals, helping to inform both the artists represented by Artisjus and the general public interested.

We organised our **Membership Reunion** in the Artisjus Theatre Hall on 10 November 2025. All members and clients of Artisjus were invited to this event. Attendees were informed about the key results and changes of the past one year since the last meeting, and they could ask questions of the leaders of the work organisation.

In 2025, the **Artisjus awards** were once again handed over in the House of Music Hungary.

Artisjus was present in the **Valley of Arts Festival** of Kaposcs, once again in the framework of the programme series entitled Völgykomolyzene.

#### **4. Distribution and documentation**

The main amendments to the Society's Distribution Regulation (DR) adopted by the General Assembly in 2025 are as follows:

- **Distribution of canned music and private copying fees for right holders protesting against the collective rights management of online uses:** distribution is performed on the basis of the data provided by the protesting right holder.
- **Simplification of the submission of the declaration of contracts signed with music publishers:** From now on, the declaration of contracts and the list of works can be submitted by both the music publisher and the author unilaterally, provided they take the necessary responsibility (with original or electronic signature). In addition to the declaration of contracts, the submission of the contract signed with the music publisher can also be requested (it can be of help in clarifying the situation in case of disputes, but Artisjus does not examine its contents; in case of contrary contents, the information provided in the declaration of contracts prevails.) We inform the other party about the declaration of contracts submitted, and the other party has the opportunity to dispute it before the deadline expires.

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- **Introduction of mandatory declaration of genre when submitting the work:** It is the responsibility of the right holder registering the work to specify the genre of the latter. If the registrant fails to do so, the work will be classified as category SZ3 without a separate decision of the Genre Classification Committee (of which the registrant will be duly informed). In justified cases, the Genre Classification Committee may classify the work without requiring a copy thereof, provided that the work meets the requirements and the Committee can identify its genre.
- **Exclusion of uses outside Hungary from distributions for canned music (for online data) and blank carriers:** Both mechanical and blank carrier fees were established with regard to uses in Hungary; therefore, only uses in Hungary may be taken into account in the distributions. In order to ensure that no distribution is made for uses outside Hungary, these uses had to be excluded from the distributions.
- **Deadline for the autumn distribution of entertaining events:** Over the past two years, the number of registered entertainment events became very high, which made it difficult to meet the autumn distribution deadline. By extending the distribution deadline by a month, we have facilitated the mitigation of the above problems.
- **Review of the handling of belated payment of high-amount royalties:** The rules governing the special handling of overdue high-amount royalty payments (Distribution Regulation sections 5.5 and 5.6) include fixed forint limits. They were introduced in 2012 and 2015, due to extraordinary private copying and broadcasting royalty payments. Their review was timely due to the passing of time (inflation, increase of royalty revenues). At the time, these limits corresponded to approximately 4 per cent of the relevant royalty revenues; therefore, the amendment that has come into effect is also based on the 4 per cent rate.
- **Regulation of sources for supplementary royalty payments:** It has become necessary to enact the amendment stating that, if royalty payments are required for internal or external reasons, but the funds to cover such payments cannot be secured or can only be secured at great expense; in such cases, pursuant to the Act on Collective Management of Copyright ("Kjkt."), the payment may be covered by the amount accumulated over five years from the 10 per cent reserve set aside from royalties due to unknown right holders or those residing at an unknown location, or, in exceptional cases, from the administrative costs.
- **Clarification of terminology regarding the regulation of social and cultural deductions:** If the Support Policy regulates the use of funds in the interest of rights holders (within the framework of the Act on Collective Management of Copyright ["Kjkt."]) not only for social or cultural purposes but also for professional purposes, then the basic rules governing deductions had to be adapted to facilitate this.

## 5. Social, cultural and professional activities

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In harmony with the governing legal frameworks from 2012, Artisjus is only entitled to provide allowances through its foundations (Artisjus Music Foundation and Artisjus Literary Foundation) as a supplement to pension or as a social benefit for persons in need. The amounts on classical music deducted for cultural purposes were transferred by Artisjus to the National Cultural Fund in 2025 as well. In accordance with our Support Policy and the provisions of the Act on Authors' Rights ("Szjt.") and the Act on Collective Management of Copyright ("Kjkt."), our professional support activities were carried out directly by the Society.

## **6. International environment**

Artisjus continues to participate in the work of CISAC, the global confederation of rights administrators and the European regional organisation, GESAC. The Artisjus Director General is one of the Vice-Presidents of GESAC, as well as a board member of both organisations, with Gábor Faludi and legal director Eszter Kabai playing an active role in the legal committees of both entities. Péter Benjamin Tóth, Business Transformation Director represents Artisjus in the work of the technical and communications committees, Dávid Kitzinger, Head of Online, Private Copying and Media Department is in the coordination group dealing with European private copying royalties, and his colleagues are part of the Technical Online Working Group Europe (TOWGE).

At the invitation of Artisjus, alongside the Slovak and Bulgarian collective management organisations of musical copyright, and academic participants from Finland, Italy, Slovakia, and the Netherlands (the IVIR Institute at the University of Amsterdam), through colleagues from the Legal Department, Artisjus participated in the EU-funded Open Music Europe (OpenMUSE) project, which concluded at the end of 2025. The project analysed the characteristics of the European music markets (e.g. measuring the local use of small local repertoires, opportunities for increasing their use, evaluating uses, and identifying and quantifying market failures, such as the "value gap" phenomenon).

## **8. Miscellaneous issues**

The Society pursues no research and development.

The Society has a single business location (1016 Budapest, Mészáros utca 15–17.). Moreover, it has local offices in the following towns:

- Debrecen
- Győr
- Miskolc
- Pécs
- Szeged
- Zalaegerszeg

On 31 December 2025, the Society had altogether 180 active full-time employees.

The Society has projected a net royalty income of 28,131,467 thousand HUF (without VAT and basic administrative fee) for the year 2026.

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Budapest, 6 May 2026

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Dr. András Szinger  
Director General