



# **TRANSPARENCY REPORT 2021**





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# 1. Introduction

Gramex is a member organisation. Gramex' members are music producers (record companies) and performing artists.

The organisation was founded in 1963 for the purpose of managing the right to remuneration for public performance of published sound recordings on behalf of performing artists and music producers. Gramex is approved by the Ministry of Culture to exercise this management based on the compulsory license in section 68 of the Danish Copyright Act. Gramex may in addition manage rights to the use of published sound recordings based on specific mandates from the music producers and/or the performing artists.

Gramex collects remuneration on behalf of Danish and foreign rightsholders. Gramex is responsible for the collection of remuneration in several areas, in particular in radio and television, while the collection for the public performance of sound recordings that takes place in e.g., shops, restaurants, bars and gyms, is made by Koda on behalf of both Koda and Gramex.

Gramex is chaired by a Board of Directors elected by Gramex' Annual General Meeting. The board has seven members, of which three of the members represent the performing artists, three of the members represent the producers, and one member has special knowledge of copyright law and the function of copyright in society. In addition, one deputy for the producers and one for the performing artists are elected to the board.

The day-to-day operations are managed by a Chief Executive Officer. Gramex has 28 employees in 5 departments: Finance & Administration, Business Development & Communication, Member Services & Repertoire, HR & Legal and IT.

Gramex collects remuneration from various users of music, including radio stations, shops, restaurants, theatres, etc., and distributes the remuneration to the rightsholders. Gramex' collections of remuneration apply to all rightsholders who hold the rights to sound recordings. Gramex has entered into reciprocity agreements with 46 foreign organisations in 34 countries and exchange annually remuneration with foreign sister organisations corresponding the use that has taken place of the repertoire which these organisations represent. Accordingly, Gramex receives remuneration from the use of the repertoire of Gramex' members in the countries with which we have reciprocity agreements. Gramex redistributes this remuneration to Gramex' members.



# 2. Activity report 2021

At the end of 2021, Gramex had approx. 38,500 members, of which approx. 4,500 are music producers and approx. 34,000 are performing artists.

Gramex got off to a rough start in 2021, since remuneration in the first quarter was hit hard by an almost total lockdown of society. The lockdown meant that remuneration from shops, restaurants, hotels, bars, etc. was next to nothing and far below both the budgeted for 2021 and remuneration from the same quarter in 2020.

However, Gramex succeeded at maintaining the remuneration from radio in 2021, and an agreement with Performex on the distribution of income from use of sound recordings in music videos on television led to an extraordinarily large income at the end of the year, which overall means that we in 2021 totalled with an amount to be distributed approx. DKK 10 mio. higher than in 2020.

The year has since been marked by IT development. In June, the Board of Directors decided that Gramex should cooperate with the Austrian company BiConcepts about their IT solution Apollon already used by several foreign sister organisations for the registration of recordings, match claim and distribution functions. The IT project necessitates great focus and draws on many resources in Gramex, but especially on the resources of our member team, which means that in several areas we have had to adjust a little on the level of member service to be able to allocate the necessary hours to the IT project.

We have high expectations for the new IT system, which, together with the further development of the financial system and My Gramex, will mean that Gramex in the long run can offer its members far more details regarding the remuneration they receive than today, and. It will also digitize the organisation further.

During 2021 Gramex has also renegotiated agreements with several customers. Some negotiations continue into 2022, but in 2021 revised agreements have been entered into with more smaller customers, just as agreements have been entered into with brand new customers regarding the use of music.

Finally, in 2021, there has been significant focus on a proposal made by the Ministry of Taxation for the introduction of VAT on the activities carried out by collective management organisations such as Gramex. On the part of the Ministry of Taxation it was originally set up for the introduction of VAT on both Gramex' licensing and remuneration to the rightsholders. However, a collective effort from the collective management organisations has led to the adjustment of the proposal so that the final bill exempts artists from being liable for VAT regardless of income level.

In addition, in 2021, the administration has also been in ongoing dialogue with the Ministry of Culture as a result of the EU decision handed down in 2020 and necessitating a change in the current rules that restricts the scope of the repertoire that Gramex represents; a restriction that is not in line with EU law.

In the financial year 2021, Gramex did not refuse to issue licenses; such a refusal will in the areas that belong under section 68 otherwise not be an option.

Gramex' financial statements, which are approved independently by the Annual General Meeting, is incorporated as appendix A in the transparency report. As appendix B, an overview of remuneration received from and sent to foreign sister organisations in 2021, while an overview of distributed funds in 2021 divided into the individual distribution categories, including a statement of value per minute within the individual distribution categories are presented in Appendix C.



### 3. Management and distribution areas

As mentioned in section 1, Gramex manages the rights under Section 68 of the Danish Copyright Act, which pertains to its public performance of published sound recordings. This is Gramex' most important business area.

In addition, Gramex handles rights in accordance with specific mandates from the music producers (IFPI). This regards, i.e., mandates for the copying done of published sound recordings in the in-store radio area (where a supplier, for example, delivers music to a store) as well as in jukeboxes. Common for the areas is that the copy is made in close proximity to its public performance, which Gramex also collects for.

Also in the theatre area, Gramex has a mandate to handle the copying of sound recordings that takes place on many theatres when a public performance subsequently takes place.

Gramex has been appointed by the Ministry of Culture to handle the so-called 20% pool. When the protection time of recordings was extended from 50 to 70 years, at the same

time a scheme was introduced for an annual supplementary remuneration for performing artists who have been bought out and who thus not without such a separate scheme (20% the pool) would benefit from the extended protection period. The funds come from the music producers' sales, etc. of recordings that would have fallen out of protection, however, where the change in the law has meant that they remain protected.

While Copydan KulturPlus is responsible for the collection of blank media remuneration in Denmark, Gramex is responsible by agreement with several artist organisations for the distribution and payment of the audio share of blank media to Danish and foreign performing artists.

On behalf of Performex, Gramex distributes and pays out remuneration to performing artists in the following areas: retransmission of published sound recordings on both television and radio as well as remuneration for the use of published sound recordings that are part of archive productions, cf. section 30a of the Danish Copyright Act.





## 4. From played recording

to payment

The basis for registration of rights are the studio recordings forms, Gramex receives from the Danish music producers, as well claims received from foreign sister organisations and agents.

In 2021, 5,804 studio recordings forms have been received from Danish music producers and approx. 165,000 claims from foreign sister organisations and agents.

All studio recordings forms are completed on Gramex' web portal My Gramex and received electronically. The studio recordings form contains release information and all tracks, including producer rights and information on the contributing performing artists, their instruments, and roles – e.g., soloist, studio musician, orchestra musician, conductor, etc.

Gramex registers a studio recordings form when Gramex has received a report from a radio/TV channel that a track on the sound recording has been played.

Based on the studio recordings form, we register the producer rights of the recording and all the performing artists track by track. New rightsholders are created and

offered membership by Gramex, and all performing artists are awarded points based on their role on the individual track as indicated on the studio recordings form. Read more about the artists' points system in appendix D.

When a played recording on radio/TV cannot be matched with existing repertoire or a studio recordings form, it is listed on a so-called shortfall list, and we reserve an estimated number of points on the track for a later claim, either in the form of a studio recordings form or a foreign claim.

Foreign claims are received from sister organisations or from agents. Every year they receive a list of all played recordings reported to Gramex. From this list, they submit their claims on behalf of the rightsholders they represent (both producers and performing artists).

When this year's played recordings are recorded, and the minutes and points of the year are in place, annual runs are carried out, where the remuneration for the year is allocated as described under section 5.

Hereafter, they are ready for distribution.





# 5. Distribution policy

Gramex is obliged to carry out individual distribution of the income that is collected in accordance with the compulsory license in section 68 of the Copyright Act. This distribution must be done regularly, carefully and accurately and in accordance with the general distribution policy approved by the Annual General Meeting.

The Annual General Meeting annually adopts the general distribution policy for distribution of the remuneration received. The Board of Directors decides within the framework of the general distribution policy the specific distribution rules.

All remuneration received on the basis of the compulsory license in section 68 of the Copyright Act, is distributed equally between music producers and performing artists. The remuneration stemming from the management of rights which has been handed over to Gramex by only one rights group (music producers or performing artists) are allocated solely to the respective rights group.

**The income is divided into 3 main groups:**

- a.** Individual funds – income collected in accordance with section 68 of the Copyright Act, and where reports are received from individual customers for their use of music (radio/tv).
- b.** Non-individualized funds – income collected in accordance with section 68 of the Copyright Act, and where no reports are received from individual customers for the use of the music (stores, restaurants, bars, hotels, etc.))
- c.** Direct income – income that is collected either in accordance with section 68 of the Copyright Act or a mandate from one of the rights groups, which are not radio/tv remuneration, and where the individual customers report for the use of music. This group also includes foreign income as well as income that Gramex has not itself collected but has only undertaken to distribute to others on behalf of (e.g., blank media, retransmission, and archive productions).

Before distribution is carried out, administration costs and a reservation amount are deducted to meet any later eligible claims. On the producer side, the reservation amount is 1% of the AOF income (income from shops, bars, restaurants etc.), while on the performing artist side it accounts for 1% of the share of the remuneration attributed to cultural purposes.

Regardless of whether the collection of remuneration takes place pursuant to section 68 or happens according to a specific mandate from either the performing artists or the music producers, the same share is paid the administration cost.

Administrative costs are not deducted from the income received for the use of Danish music abroad, as this income has already been reduced by the costs incurred by the respective foreign sister organisation for collection and distribution. The same goes for the share of the remuneration received from Greenland, respectively and the Faroe Islands, and which are distributed back to Greenlandic and Faroese producers and performing artists.

The net income is then distributed to the rightsholders within the distribution categories to which the remuneration relates to.



# A B C

## Individualized

The individual funds – all of which relate to radio and television – are divided into the following 6 categories that are similar for music producers and performing artists:

- National channels (radio and tv)
- Regional channels
- Commercial national radios
- Commercial local radios
- DAB radio
- Instore radio

## Non-individualized

The non-individualized funds are handled for the producers as a separate distribution by reusing the radio data that has been the basis for the individual distribution.

On the performing artist' side, the non-individualized remuneration is allocated to the individual distribution and distributed proportionally between the categories under the individual distribution.

## Direct income

The direct income is spilt into 4 categories for the music producers and 6 categories for the performing artists.

### Producers:

- Theatres
- Copying, theatres etc.
- Copying, jukeboxes etc.
- International

### Performing artists:

- Theatres
- Blank media
- Retransmission
- 20 % pool
- Archive productions
- International

## Calculation of remuneration within the different distribution categories

The distribution is based on different principles for the music producers and the performing artists.

### Music producers' distribution

The share of music producers is distributed by calculation a minute value within the relevant distribution category. The minute value is obtained by dividing the total number minutes played within the category with the remuneration within the same category. Is the minute value e.g., calculated to be DKK 10, and a recording has been played 10 minutes within a category, the music producer will receive DKK 100 (10x10) for the airplay of this recording within the respective category.

This way of allocating remuneration applies to all distributions to music producers.

### Performing artists' distribution

Performing artists' distribution is not only based on played minutes and the remuneration within the individual category but also on a points system.

The performing artists' points system implies that the individual contributing to a recording is awarded a number of points. The number of points awarded as a contributor depends on the role the artist has on the recording (if the artist is a soloist, guitarist or conductor), whether there are several performing soloists, and whether the artist contributes as part of a group, a band, or a large / small orchestra.

The points system is attached as appendix D.

The performing artists' share of the incoming remuneration is calculated by allocating a minute point value, which is obtained by multiplying the total number played minutes with the total number of points in play within the individual category. The result is divided up into the total remuneration within the individual category, whereby the minute point value appears.

This way of distributing income for the performing artists apply to the individual remuneration, the non-individualized remuneration as well as remuneration relating to retransmission. Remuneration related to blank media is collected by the organization Copydan Kulturplus. Several artists' organisations that receive a share of this remuneration, has entered into an agreement with Gramex to provide the distribution of remuneration. It follows from this agreement that the remuneration is distributed among the 400 most played tracks in the area of radio and television.

In the case of archive productions, which Gramex distributes on behalf of Performex, the distribution is based on the use of music over a 10-year period on DR's TV channels.

Revenue related to the 20% pool must be allocated to the performing artists who contribute to recordings, which has been unprotected but which due to the extension of the term of protection from 50 to 70 years subsequently has become re-protected and which continues to generate sales revenue. The remuneration is distributed solely among performing artists who earlier have received a one-time fee for their contribution to the recording.

The total distribution basis can be found on Gramex' website, where you will also find the annual minute point values within the various distribution categories



## 6. Unallocated remuneration

Non-distributable remuneration may be remuneration, Gramex not have been able to distribute because Gramex has not been able to identify the rightsholders. However, it could also be remuneration to a rightsholder which Gramex has been able to identify but has not been able to get in contact with, or where the rightsholder (on the producer side) despite Gramex' request has decided not to claim their rights.

It follows from Gramex' rules that unallocated / unpaid remuneration expires 3 years after the end of the years to which the remuneration relates. This means that Gramex by the end of 2021 expires remuneration relating to 2018.

On the performing artist's side, DKK 7,808,681 expires by the end of 2021, while on the music producer side DKK 5,362,865 expires.

In accordance with the adopted policy on non-distributable remuneration, the non-distributable remuneration will first be used to cover post-calculations.

On the artist' side, the remaining remuneration is used for social, cultural, and educational purposes, cf. 12.

The music producers' non-distributable funds are distributed based on reported plays of protected recordings on radio, television, and any other source relating to the relevant distribution category. According to the adopted policy for non-distributable funds, the producers' representatives on the board may decide that the non-distributable funds may be wholly or partly used for social, cultural, and educational purposes. Such a decision has, however, not been taken in 2021, which is why the music producers' non-distributable funds for 2021 are set for redistribution.

## 7. Payments

Gramex has 4 annual payments in March, June, September, and December.

The June payout is the main payout of the year. It typically takes place in week 24-25, where last year's distribution is set for payment. Music played in the radio in 2021 will thus be paid out in June 2022. We pay out to Danish and direct foreign members, agents and sister organisations and pays Gramex' remuneration in all 3 main groups (individual, non-individualized and direct remuneration) and retransmission (radio, television, archives) and blank media.

In September, we will pay remuneration from Gramex' foreign sister organisations to Danish and directly foreign members. It is payment for use of their repertoire in the countries outside Denmark with which we have agreements and therefore exchanges repertoire, rights, and remuneration across borders. We also make an adjustment payment of Gramex' funds which we were unable to distribute in June. This may be due to the fact that we lack a signature, a studio recording form, an approval of airplay minutes or any other form of valid documentation of the rights.

The December payout is an adjustment payment of Gramex' funds in all 3 main groups (individual, non-individualized and direct remuneration) as well as retransmission (radio, television, archives) and blank media. There is remuneration for Danish and direct foreign members, agents, and sister organisations.

In March, we will make another an adjustment payment of Gramex' funds and remuneration from Gramex' foreign sister organisations to Danish and directly foreign members for the use of their music abroad.

In all payouts, adjustment payments are made for previous years not previously paid, e.g., because there has been no earlier claim or new information on performers not previously registered



## **8. Deductions for administration costs and costs for cultural purposes**

As stated in section 5, deductions are made for justified and documented administrative costs in a number of categories of remuneration.

In addition, cf. the Act on Collective Management of Copyright section 14, deductions may be made for social, cultural, and educational purposes to the extent this is approved by the Annual General Meeting. However, there can alone be deductions made in income paid to foreign management organisations in accordance with the representation agreement, if the foreign organisation has agreed to this.

As for the performing artists in Gramex, today a deduction is made in the funds for the use of social, cultural, and educational purposes. The deduction, which is 10%, is deducted from the related income to section 68 of the Copyright Act.

Deductions of up to 10% of the remuneration Gramex collects on behalf of the performing artists represented by foreign sister organisations is made to the extent relevant foreign sister organisation has given its express consent thereto.





## 9. Investment and risk management policy

The current investment policy implies that all received and reserved remuneration must be placed properly and in the best possible way. Gramex generally adopts a low-risk and conservative investment policy.

Today, all funds are placed in accounts in nationwide banks either as cash deposits or in bonds and government debt securities.

The Annual General Meeting must annually approve Gramex' investment policy.

## 10. Supervisory function

It is, according to section 6 of the Collective Management Act, Gramex' Annual General Meeting, which must decide on the organisation's risk management policy, acquisition, sale or mortgaging of real estate, mergers and alliances, establishment of subsidiaries, acquisition of shares and rights, raising of loans, granting of loans, or collateral for loans.

In 2021, it has not been relevant for the Annual General Meeting of Gramex to make decisions relating to the above matters.



# 11. Information on relations with other collecting societies

Gramex collaborates with sister organisations in several areas. In relation to the licensing of rights, Koda is the most important partner in Denmark. Koda is responsible for collecting remuneration on behalf of both Koda and Gramex in the area called other public performance (AOF), and which covers the use of music that takes place in shops, restaurants, bars, gyms, hotels, etc.

Koda deducts 7% in administration costs from the remuneration due to Gramex; the remaining amount is paid to Gramex on a quarterly basis.

Gramex also collaborates with Performex. Gramex, on behalf of Performex, is distributing some of the retransmission income that Performex receives from Copydan Verdens TV. In addition, Gramex also distributes income on behalf of Performex in the archive area, which is linked to DR's use of its own archive productions.

Finally, Gramex cooperates with 46 sister organisations, which in each of their territories have undertaken to represent the rights that Gramex manages on behalf of its members.

# 12. Report on the use of deductions for cultural purposes

In accordance with the adopted deduction policy of costs, cf. section 8, Gramex has in the financial year of 2021 made a deduction of a total of DKK 8,558,274 in the artists' income for use in cultural, social, and educational purposes. In addition, in accordance with the general distribution policy and for the purpose of use for the same cultural purposes is allocated an additional DKK 6,101,137, which constitutes unclaimed funds after the 3 years deadline.

The income is paid to the 8 artist organisations, each representing members who exercise activity within Gramex' area. The money is distributed between the 8 organisations as follows:

- Dansk Kapelmesterforening 9,0 %
- Dansk Musiker Forbund 29,25 %
- Korsangernes Fællesråd 8,0 %
- Dansk Artist Forbund 29,25 %
- Dansk Solist Forbund 5,5 %
- Solistforeningen af 1921 8,0 %
- Dansk Skuespillerforbund 9,0 %
- Dansk Organist- og Kantorsamfund 2,0 %

The cultural funds play a crucial factor in developing and strengthening the Danish music scene and does not only contribute to find and develop new talents, but just as much to further train performers in the established music industry. In addition, parts of the cultural funds are allocated to political lobbying in the field of copyright and in general to strengthen copyright protection and law enforcement, which benefits both the Danish and the international music industry.

The 8 organisations prepare an annual report for Gramex, which explains the use of the cultural funds paid out. In 2021, Gramex has received reports on the organisations' use of the funds which was paid to the organisations in 2020 arising from 2019. A comprehensive overview of the application of the cultural funds of the 8 organisations can be seen in appendix E.

No deductions for cultural purposes have been carried out in 2021 in music producers' remuneration.



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## Appendix

- A** Annual accounts 2021
- B** Remuneration to and from abroad
- C** Distribution and payment of 2020 in 2021
- D** The artists' point system
- E** Use of cultural funds





# **Gramex**

**Gammel Kongevej 11  
DK-1610 Copenhagen V**

CVR No 51396715

## **FINANCIAL STATEMENTS AND DISTRIBUTION**

### **REPORT FOR 2021**

#### **Annual Report 2021**

The Financial Statements and Distribution Report were presented and adopted at the Annual General Meeting of the association on 24 May 2022.

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Chairman of the Meeting



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# Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Financial Statements and Distribution Report of Gramex for the financial year 1 January - 31 December 2021.

The Financial Statements and Distribution Report are presented in accordance with the provisions of the Danish Financial Statements Act applicable to enterprises of reporting class A, the Statutes and the rules of distribution as well as section 23(5) of the Danish Act on Collective Management of Copyright.

In our opinion, the Financial Statements and Distribution Report give a true and fair view of the financial position of the association at 31 December 2021 and the results of operations of the association for 2021.

We recommend that the Financial Statements and Distribution Report be approved at the Annual General Meeting.

Copenhagen, 19 April 2022

## Executive Board:

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Anne Sophie Gersdorff Schrøder

Board of Directors:

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Sara Indrio

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Laura Littauer

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Jens Skov Thomsen

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Nanna Klingsholm

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Søren Krogh Thompson

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Jakob Plesner Mathiasen

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Morten Rosenmeier



# Independent Auditor's Report

To the members of Gramex

## Opinion

In our opinion, the Financial Statements and Distribution Report give a true and fair view of the financial position of the Association at 31 December 2021 and of the results of the Association's operations for the financial year 1 January - 31 December 2021 in accordance with the provisions of the Danish Financial Statements Act applicable to enterprises of reporting class A, the statutes and the rules of distribution as well as section 23(5) of the Danish Act on Collective Management of Copyright.

We have audited the Financial Statements and Distribution Report of Gramex for the financial year 1 January - 31 December 2021, which comprise summary of significant accounting policies, income statement, balance sheet, cash flow statement, liabilities to rights holders, notes and distribution information (the "Financial Statements")

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our Report. We are independent of the Association in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements and a Distribution Report that give a true and fair view in accordance with the provisions of the Danish Financial Statements Act applicable to enterprises of reporting class A, the statutes and the rules of distribution and that meet the requirements of section 23(5) of the Danish Act on Collective Management of Copyright, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosure in the notes, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 19 April 2022

**PricewaterhouseCoopers**

Statsautoriseret

Revisionspartnerselskab,

CVR no 33 77 12 31

Jens Olsson, State Authorised Public Accountant

mne 19908



## ***Internal Auditors' Report***

We have audited the Financial Statements for 2021.

The audit has not resulted in any qualification.

Copenhagen, 19 April 2022

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Nick Hasselby

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Daniel Herfort-Bruun



## Information on Gramex

Gramex  
Gammel Kongevej 11, 2nd floor  
DK-1610 Copenhagen V  
CVR No 51396715

### **Executive Board:**

Anne Sophie Gersdorff Schrøder

### **Board of Directors:**

Sara Indrio  
Laura Littauer  
Jens Skov Thomsen  
Nanna Klingsholm  
Søren Krogh Thompson  
Jakob Plesner Mathiasen  
Morten Rosenmeier Morten  
Ingholt (alternate) Jesper  
Løvdal (alternate)

### **Auditors:**

PricewaterhouseCoopers  
Statsautoriseret  
Revisionspartnerselskab

### **Bank:**

Danske Bank

### **Website:**

[www.gramex.dk](http://www.gramex.dk)



## DIRECTORS' REMUNERATION

The agreed distribution of the board remuneration is as follows:

Annual remuneration:

Chairman	DKK 135,000
Deputy Chairman	DKK 100,000
Board member	DKK 70,000
Alternate	DKK 70,000

Remuneration paid to the Board of Directors and alternates in 2021 DKK 706,250

As members of Gramex, the members of the Board of Directors have received the following total remuneration DKK 5,681

## EXECUTIVE BOARD

Remuneration to the Executive Board in 2021 DKK 1,385,455

### OTHER DIRECTORSHIPS AND FINANCIAL INTERESTS OF BOARD MEMBERS

#### LAURA LITTAUER

BOARD MEMBER	IFPI Danmark
BOARD MEMBER	MPO
BOARD MEMBER	IMPALA
CO-OWNER	Sundance, The Scandinavian Music Company ApS

#### SØREN KROGH THOMPSON

CHAIRMAN	Music Export Danmark
CHAIRMAN	MPO
BOARD MEMBER	IFPI Danmark
BOARD MEMBER	Playground Music
BOARD MEMBER	SPOT Festival

#### JAKOB PLESNER MATHIASSEN

BOARD MEMBER	Copydan
BOARD MEMBER	
AND SECRETARY	Danish Society for Copyright
OBSERVER	Copydan World TV
NATIONAL GROUP DIR.	IFPI Danmark
LAWYER	Gorrissen Federspiel

#### MORTEN INGHOLT (alternate)

BOARD MEMBER	MPO
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#### JESPER LØVDAL (alternate)

CHAIRMAN	Ben Webster Foundation
BOARD MEMBER	DMF
ALTERNATE FOR THE	
BOARD OF DIRECTORS	Danish Jazz Musicians' association
OWNER	Lovedale Music

#### SARA INDRIØ

CHAIRMAN DEPUTY	Danish Artists' Union
CHAIRMAN	Performex
BOARD MEMBER	Copydan AVU-media
BOARD MEMBER	Council of Danish Artists
BOARD MEMBER	IAO
BOARD MEMBER	FIA
BOARD MEMBER	FH
OBSERVER	Copydan CulturePlus
OBSERVER	Filmex

#### JENS SKOV THOMSEN

BOARD MEMBER	Copydan World TV
EXECUTIVE	VETO ApS

#### NANNA KLINGSHOLM

CHAIRMAN	Duus Partners P/S
BOARD MEMBER	The Danish confederation of public employees of 2010

#### MORTEN ROSENMEIER

CHAIRMAN	Authors' management organisation
CHAIRMAN	UBVA
CHAIRMAN	Danish Society for Copyright
CHAIRMAN	Committee for the distribution of funds available for music
CHAIRMAN	Copydan Writing
BOARD MEMBER	Foreningen Designnævnet
BOARD MEMBER	VISDA
BOARD MEMBER	Copydan Archives
BOARD MEMBER	Labour Law Research Foundation
	- the Hasselbalch Foundation
Consultant to the Board of Directors	The Danish Language and Literature Society

# Accounting Policies

## General comments

The Financial Statements and Distribution Report of Gramex for 2021 are presented in accordance with the provisions of the Danish Financial Statements Act applicable to enterprises of reporting class A, the statutes and the rules of distribution as well as section 23(5) of the Danish Act on Collective Management of Copyright.

The accounting policies have been changed since 2020.

The recognition of other public performance has been changed to the effect that Koda's commission is offset against Koda's income, and the commission is therefore no longer included in the Gramex expenses. Therefore, a decrease is observed both in income and expenses corresponding to the amount of the commission, but the change has no impact on the results. Comparative figures for 2020 have been restated, meaning that the commission of DKK 5,930,447 has been transferred from Expenses (note 2) to Statement of income from other public performance (note 4) with the following adjustment of figures for other public performance and expenses in the income statement for 2020. The reason for the change is that it provides a truer and fairer view of Gramex' actual revenue and expenses incurred.

The accounting policies remain unchanged in other areas compared to 2020.

## Income statement

*Income for distribution* includes remuneration collected on behalf of rights holders from both radio and television broadcasting, as well as other public performance of phonograms relating to the year.

*Income from affiliated organisations abroad* is recognised upon receipt thereof.

*Expenses for distribution* include costs for the Association's administrative staff, management, offices, office costs and other administrative expenses incurred in connection with the management of rights.

*Financial income and expenses* contain interest and capital gains realised on bond holdings.

## Balance sheet

### *Custody account*

The custody account is recognised at market value at 31 December 2021

*IT equipment, fixtures and fittings and IT development* are recognised at cost less straight-line depreciation over five years. Certain minor assets, leasehold improvements and software are written off in the year of acquisition.

### *Receivables*

Income from radio stations, etc. receivable is measured on the basis of an individual assessment, and provisions for bad debts are made for the receivables which are estimated to pose a loss risk.

The determination of receivables via Koda is as a general rule performed according to the invoicing principle. However, this implies that the entire amount receivable is included in the financial statements, however, reduced as follows: in terms of receivables older than 60 days, a provision of 25% is made, older than 90 days 50%, older than 180 days 75% and older than 720 days 100%.



## **Distribution**

The amount available for distribution for the year will be distributed to rights holders in accordance with the distribution principles laid down by the rights groups.

## **Cash flow statement**

The cash flow statement shows the Association's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Association's cash and cash equivalents at the beginning and end of the year.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### **Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of property, plant and equipment, intangible assets as well as fixed asset investments.

### **Cash flows from financing activities**

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from rights holders.

### **Cash and cash equivalents**

Cash and cash equivalents comprise "Cash at bank and in hand" and "Custody account".

The cash flow statement cannot be immediately derived from the published financial records.

# Income Statement

## 1 January - 31 December 2021

	Note	Producers' share	Artists' share	2021 DKK	2020 DKK
Income from radio stations	1	53,616,755	62,681,121	116,297,876	117,578,516
Other public performance	2	30,945,566	30,945,566	61,891,131	71,322,738
Own agreements, section 68	3	1,424,838	1,424,838	2,849,676	2,817,420
Copying	3	2,937,993	0	2,937,993	3,229,357
Distribution agreements	3	0	29,344,305	29,344,305	6,272,211
<b>Income for distribution</b>		<b>88,925,152</b>	<b>124,395,829</b>	<b>213,320,982</b>	<b>201,220,241</b>
<b>Expenses for distribution</b>					
Administrative expenses	4	9,542,913	12,389,626	21,932,539	23,083,537
Amortisation and depreciation	5	285,020	370,043	655,063	920,143
<b>Expenses before interest</b>		<b>9,827,933</b>	<b>12,759,669</b>	<b>22,587,602</b>	<b>24,003,680</b>
Interest, etc.	6	737,655	1,342,637	2,080,292	53,638
<b>Total expenses for distribution</b>		<b>10,565,588</b>	<b>14,102,306</b>	<b>24,667,894</b>	<b>23,950,042</b>
<b>Total amount available for distribution for the year</b>		<b>78,359,564</b>	<b>110,293,523</b>	<b>188,653,088</b>	<b>177,270,199</b>
Transferred from rights holders' liability accounts 2018	14	5,362,865	7,808,681	13,171,546	15,976,951
<b>Total</b>		<b>5,362,865</b>	<b>7,808,681</b>	<b>13,171,546</b>	<b>15,976,951</b>
For distribution		<b>83,722,429</b>	<b>118,102,204</b>	<b>201,824,634</b>	<b>193,247,150</b>
<b>which breaks down as follows:</b>					
<b>Producers</b>					
Individualised remuneration amounts, distribution		55,774,898		55,774,898	84,201,170
Non-individualised remuneration amounts, distribution		25,637,515		25,637,515	0
Direct distribution		2,015,442		2,015,442	2,215,474
Reserved		294,576		294,576	324,665
<b>Performing artists</b>					
Individualised distribution			65,758,590	65,758,590	67,821,622
Distribution for collective purposes			14,512,817	14,512,817	18,856,858
Direct distribution			37,684,203	37,684,203	19,636,888
Reserved			146,594	146,594	190,473
		<b>83,722,429</b>	<b>118,102,204</b>	<b>201,824,634</b>	<b>193,247,150</b>



## Balance Sheet

### 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
IT equipment, fixtures and fittings	7	4,243,454	1,593,512
<b>Property, plant and equipment</b>		<b>4,243,454</b>	<b>1,593,512</b>
<b>Total fixed assets</b>		<b>4,243,454</b>	<b>1,593,512</b>
<b>Current assets</b>			
<b>Receivables</b>			
Deposits		761,785	761,785
Prepayments		264,014	296,258
Receivables, Koda	8	2,250,258	2,825,274
Other receivables	9	10,375,653	9,832,915
<b>Receivables</b>		<b>13,651,710</b>	<b>13,716,232</b>
<b>Custody account</b>	10	<b>126,632,601</b>	<b>154,397,954</b>
<b>Cash</b>			
Cash balance		26,884	26,844
Bank deposits	11	72,314,641	17,325,987
<b>Cash</b>		<b>72,341,525</b>	<b>17,352,832</b>
<b>Total current assets</b>		<b>212,625,836</b>	<b>185,467,018</b>
<b>Total assets</b>		<b>216,869,290</b>	<b>187,060,530</b>
<b>Equity and liabilities</b>			
<b>Debt</b>			
Distributions payable	12	4,105,377	5,466,428
Sundry payables	13	1,801,902	4,761,376
Liabilities to rights holders	14	210,962,011	176,832,725
<b>Total liabilities</b>		<b>216,869,290</b>	<b>187,060,530</b>
<b>Total equity and liabilities</b>		<b>216,869,290</b>	<b>187,060,530</b>
Contingent liabilities etc.	15		
Association tax	16		

# Cash Flow Statement

## 1 January – 31 December 2021

	2021	2020
Operating profit/loss	190,733,380	177,216,561
Amortisation, depreciation and impairment losses	655,063	920,143
Provisions and other items with no cash flow effect	13,171,546	15,976,951
	204,559,988	194,113,655
<b>Changes in working capital:</b>		
Trade receivables	32,277	523,526
Deposits	0	0
Prepayments and deferred	32,244	305,600
income Sundry payables	(2,959,474)	2,250,897
Distributions payable	(1,361,051)	(4,587,423)
	(4,256,003)	(1,507,401)
<b>Cash flows from operating activities before financial income and expenses</b>	200,303,985	192,606,255
	(2,080,292)	53,638
Financial income/expenses	198,223,694	192,659,893
<b>Cash flows from operating activities</b>	(3,305,005)	(248,693)
Acquisition of non-current assets	(3,305,005)	(248,693)
<b>Cash flows from investing activities</b>	(13,171,546)	(15,976,951)
Obsolete	(154,523,802)	(205,881,099)
remuneration	(167,695,348)	(221,858,050)
Remuneration paid		
<b>Cash flows from financing activities</b>	27,223,340	(29,446,851)
<b>Change in cash and cash equivalents</b>	171,750,786	201,197,637
Cash and cash equivalents 1 January 2021	198,974,126	171,750,786
<b>Cash and cash equivalents 31 December 2021</b>		
<b>Cash and cash equivalents include:</b>	26,884	26,844
	72,314,641	17,325,987
Cash balance	126,632,601	154,397,954
Bank deposits	198,974,126	171,750,786
Custody account		
Total cash and cash equivalents		



# Notes

	2021 DKK	2020 DKK
<b>1 Income from radio stations</b>		
Income from national radio and television	(89,126,014)	(86,757,049)
Income from local radio and television	(1,995,882)	(1,340,247)
Commercial local radio	(3,187,114)	(2,995,519)
Commercial, with full reporting	(11,187,748)	(10,998,215)
Other income from radio and television	(113,842)	(112,207)
Radio and television, Greenland	(332,628)	(336,483)
Radio and television, the Faroe Islands	(208,386)	(206,187)
Local radio, Greenland	(88,506)	(108,013)
Local radio, the Faroe Islands	(184,562)	(218,653)
Remuneration from abroad - performing artists	(9,468,780)	(13,937,464)
Remuneration from abroad – producers	(404,414)	(568,479)
<b>Total</b>	<b>(116,297,876)</b>	<b>(117,578,516)</b>
<b>2 Other public performance</b>		
Restaurants, hotels and ships	(24,651,233)	(30,216,604)
Other background music	(33,771,570)	(36,667,601)
Association-related events	(1,739,734)	(1,465,694)
Other entertainment	(9,804,822)	(12,479,883)
Adjusted balance at 1 January 2020	2,825,274	3,484,160
Partnership agreement (Horesta)	92,616	92,438
Commission	5,158,338	5,930,447
<b>Total</b>	<b>(61,891,131)</b>	<b>(71,322,738)</b>
<b>3 Other remuneration</b>		
<b>OWN AGREEMENTS, section 68</b>	<b>(2,849,676)</b>	<b>(2,817,420)</b>
<b>Total COPYING</b>		
Copying, theatres, etc.	(10,581)	(2,907)
Copying, background music	(832,311)	(1,063,783)
Copying, jukeboxes, etc.	(1,327,128)	(1,471,762)
Podcasts	(757,835)	(680,803)
Web TV	(10,138)	(10,102)
<b>Total COPYING</b>	<b>(2,937,993)</b>	<b>(3,229,357)</b>
<b>DISTRIBUTION AGREEMENTS</b>		
Performex artists	(28,212,546)	(4,902,577)
Blank media artists	(603,384)	(689,936)
20% pool	(528,375)	(679,698)
<b>Total DISTRIBUTION AGREEMENTS</b>	<b>(29,344,305)</b>	<b>(6,272,211)</b>
<b>Total other remuneration</b>	<b>(35,131,974)</b>	<b>(12,318,987)</b>

	2021 DKK	2020 DKK
<b>4 Administrative expenses</b>		
Wages and salaries	15,412,953	16,169,358
Office supplies	1,404,540	1,325,390
IT costs	1,715,436	2,074,826
Cost of premises	1,888,443	2,057,438
Meetings, travelling and entertainment	57,563	35,783
Annual General Meeting	42,301	29,807
Audit and other assistance	245,000	227,938
Legal fees	210,000	127,875
Commercials, advertisements, marketing, etc.	191,703	55,659
Recruitment expenses, etc.	107,100	273,213
Directors' remuneration	657,500	706,250
<b>Total</b>	<b>21,932,539</b>	<b>23,083,537</b>
<b>5 Depreciation and amortisation, etc.</b>		
Depreciation/Amortisation, development, etc. for the year	655,063	920,143
<b>Total</b>	<b>655,063</b>	<b>920,143</b>
<b>6 Interest, etc.</b>		
Bank deposits	(268,247)	(158,947)
Bonds, interest	917,107	1,483,690
Capital gain/loss on bonds	(2,765,396)	(1,332,272)
Receivables	23,941	40,522
Payables	(573)	0
Other public performance, interest	12,876	20,644
<b>Total</b>	<b>(2,080,292)</b>	<b>53,638</b>



## Notes

	2021 DKK	2020 DKK
<b>7 IT equipment, fixtures and fittings</b>		
Acquisition cost at 1 January 2021	3,647,668	7,277,357
Additions for the year	80,014	248,693
Additions for the year, IT project	3,224,991	0
Disposals for the year	0	(3,878,383)
Acquisition cost at 31 December 2021	6,952,672	3,647,668
Accumulated depreciation at 1 January 2021	(2,054,155)	(5,012,395)
Depreciation for the year	(655,063)	(920,143)
Depreciation for the year, IT project	0	0
Disposals for the year	0	3,878,383
Accumulated depreciation at 31 January 2021	(2,709,218)	(2,054,155)
Carrying amount at 31 December 2021	4,243,454	1,593,512
<b>8 Receivable, Koda</b>		
Balance, beginning of year	2,825,274	3,484,160
Invoiced for the year	67,957,825	78,393,099
Settled for the year	(68,532,841)	(79,051,985)
	2,250,258	2,825,274
Balance at 31 December 2021	2,250,258	2,825,274
<b>9 Other receivables</b>		
Customer receivables	8,932,283	7,926,465
Provision for losses	(112,365)	(261,774)
Accrued receivables invoiced in subsequent years	2,993,454	3,020,494
Invoiced on account	(1,469,479)	(878,337)
Prepaid postage	31,760	26,068
<b>Total</b>	10,375,653	9,832,915
<b>10 Custody account</b>		
Danske Capital	126,632,601	154,397,954
<b>Total</b>	126,632,601	154,397,954
<b>11 Bank deposits</b>		
Danske Bank	72,314,641	17,325,987
<b>Total</b>	72,314,641	17,325,987
<b>12 Distributions payable</b>		
Blank media	525,646	1,024,449
Retransmission, artists	54,239	2,061,269
Distribution reserve	3,406,898	2,295,626
Distribution reserve, non-domestic	118,595	85,084
<b>Total</b>	4,105,377	5,466,428

	2021 DKK	2020 DKK
<b>13 Sundry payables</b>		
ATP and pension payable	53,776	51,862
A tax and labour market contribution payable	465,040	1,457,363
Holiday pay, etc., payable	506,085	1,727,869
Wages and salaries payable, release from duty to work	0	958,180
Accounts payable	777,001	566,102
<b>Total</b>	<b>1,801,902</b>	<b>4,761,376</b>

	Producers' share	Performing artists' share	Total
<b>14 Liabilities to rights holders</b>			
Balance at 1 January 2021	50,546,459	126,286,266	176,832,725
	(5,200,374)	(10,987,296)	(16,187,671)
Balance for 2018 transferred for distribution	(162,491)	3,178,615	3,016,124
Reserve previous years and adjustment of track value	(5,362,865)	(7,808,681)	(13,171,546)
Transferred from rights holders' liability accounts 2018			
	45,183,594	118,477,585	163,661,179
<b>Total</b>			
Liabilities distributed:			
For distribution according to distribution report, excl. of interest	84,460,084	119,444,841	203,904,926
For distribution, interest	(737,655)	(1,342,637)	(2,080,292)
<b>Total</b>	<b>83,722,429</b>	<b>118,102,204</b>	<b>201,824,634</b>
Paid in 2021	(80,013,139)	(74,510,663)	(154,523,802)
Balance at 31 December 2021	48,892,885	162,069,126	210,962,011

#### 15 Contingent liabilities etc.

Gramex has entered into a tenancy agreement, which is non-terminable by Gramex until 1 May 2023 and by the lessor until May 2025

- At 1 January 2022, the rent is DKK 237,015 per quarter. Moreover, an additional amount of DKK 54,166.67 per quarter must be paid in relation to conversion.

Gramex has entered into a lease for copiers, which expires in 2023. The remaining lease payment constitutes DKK 483 thousand.

Gramex has entered into a car lease, which expires in 2022. The remaining lease payment constitutes DKK 7 thousand.

#### 16 Association tax

The Association is subject to no tax liability for 2021



## Distribution of income and expenses

Income and expenses are distributed among producers and performing artists in accordance with the following principles:

### INCOME

As a rule, all income is distributed by 50 per cent to each rights group. However, there are exceptions with respect to remuneration from abroad and remuneration where the rights holders have given a mandate in areas outside Gramex' usual mandate.

**The following remuneration is distributed in full to the producers:**

Copying, jukeboxes, etc.  
 Copying, theatres, etc.  
 Copying, background music  
 Mechanisation, websites  
 Podcasts  
 Web tv

**The following remuneration is distributed in full to the artists:**

Retransmission  
 Blank media  
 20% pool

### Interest

Distributed in relation to an average of the rights groups' liability accounts at the beginning and end of the year.

	Producers	Performing artists
Liabilities to rights holders at 1 January 2021	50,546,459	126,286,266
Liabilities to rights holders at 31 December 2021, excl. of interest and other distribution	84,460,084	119,444,841
	135,006,543	245,731,108
Average liability balances - 50% of these	67,503,272	122,865,554
Total average liability balances		190,368,825
Percentage, rounded	35.5%	64.5%
Total interest	DKK 2,080,292	
Interest share, DKK	737,655	1,342,637

### COSTS

Operating expenses	43.5%	56.5%
Total annual operating expenses, gross	DKK 22,587,602	
Share of operating expenses, gross, in DKK	9,827,933	12,759,669
Net costs after interest	10,565,588	14,102,306
Share in percentage of net costs	42.8%	57.2%

Net costs are distributed between rights groups in proportion to income divided into the areas individualised, collective and direct.

## DISTRIBUTION OF COSTS

Expenses and interest for distribution between the groups	Total	Producers' share	Performing artists' share
Operating expenses	22,587,602	9,827,933	12,759,669
Interest, etc.	2,080,292	737,655	1,342,637
Net costs	24,667,894	10,565,588	14,102,306

In relation to work associated with areas covered by section 68, expenses must be allocated on a fifty-fifty basis, to be understood as Gramex' total costs.

In relation to mandate areas which a group wants Gramex to manage, the same level of costs (rate of cost) as for the section 68 area will be charged, which lowers the total cost level for both parties.

	Income	Distribution of costs, gross
Section 68 income, artists	85,582,745	9,501,745
Section 68 income, producers	85,582,745	9,501,745
Foreign artists	9,468,780	0
Foreign producers	404,414	0
Distribution, artists	29,344,305	3,257,924
Distribution, producers	0	0
Copying	2,937,993	326,188
Total	213,320,982	22,587,602
Costs	22,587,602	
Total costs artists		12,759,669
Costs producers		9,827,933
Artists' share		56.5%
Producers' share		43.5%

### Distribution of income:

Individualised remuneration amounts	(57,297,913)	(85,155,186)
<b>Non-individualised remuneration amounts:</b>		
Section 68 income – non-individualised remuneration amounts	(27,857,274)	
Copying – non-individualised remuneration amounts	(1,600,284)	
Performex funds for distribution, artists		(28,212,546)
Blank media		(603,384)
<b>Direct distribution:</b>		
Section 68 income – direct distribution	(47,614)	(47,614)
Copying – direct distribution	(1,337,709)	
20% pool		(528,375)
Total	(88,140,793)	(100,034,288)
Remuneration from abroad	(404,414)	(9,468,780)
Funds for cultural purposes		(14,512,817)
Remuneration to Greenland and the Faroe Islands	(379,945)	(379,945)
	(88,925,152)	(124,395,829)
<b>Costs corresponding to:</b>		
Individualised remuneration amounts	6,885,880	10,838,322
<b>Non-individualised remuneration amounts:</b>		
Section 68 income – non-individualised remuneration amounts	3,347,798	0
Copying – non-individualised remuneration amounts	177,670	0
Performex funds for distribution, artists	0	3,132,272
Blank media	0	66,990
<b>Direct distribution:</b>		
Section 68 income – direct distribution	5,722	6,060
Copying – direct distribution	148,518	0
20% pool	0	58,662
Total	10,565,588	14,102,306



# **Gramex**

**Gammel Kongevej 11  
DK-1610 Copenhagen V**

CVR No 51396715

**Distribution Report  
for the financial year 2021**

## Distribution of available funds

<b>Producers (distribution vouchers)</b>	Total	Individualised	Non-individualised	Direct distribution
Individualised distribution	(81,412,412)	(81,412,412)		
<b>Non-individualised for the year:</b>				
Reserve according to operating policy	(294,576)		(294,576)	
<b>Direct distribution:</b>				
Remuneration from abroad	(404,414)			(404,414)
Theatres, etc. foreground music	(41,892)			(41,892)
Copying, theatres, etc.	(9,406)			(9,406)
Copying, jukeboxes, etc.	(1,179,785)			(1,179,785)
Greenland	(169,813)			(169,813)
Faroe Islands	(210,131)			(210,131)
	(83,722,429)	(81,412,412)	(294,576)	(2,015,442)
		Individualised	Non-individualised	Direct distribution
<b>Performing artists (distribution vouchers)</b>				
Individualised distribution	(65,758,590)	(65,758,590)		
<b>Non-individualised for the year:</b>				
For distribution in 2021	(14,512,817)		(14,512,817)	
Reserve according to operating policy	(146,594)		(146,594)	
<b>Direct distribution:</b>				
Remuneration from abroad	(9,468,780)			(9,468,780)
Greenland	(169,813)			(169,813)
Faroe Islands	(210,131)			(210,131)
Performex distribution funds, artists:				
Radio and tv retransmission, artists	(5,053,452)			(5,053,452)
Remuneration related to archives	(106,875)			(106,875)
Music video remuneration	(21,366,273)			(21,366,273)
Blank media	(797,613)			(797,613)
20% pool	(469,713)			(469,713)
Theatres, etc. foreground music	(41,554)			(41,554)
	(118,102,204)	(65,758,590)	(14,659,411)	(37,684,203)
Total distribution	(201,824,634)	(147,171,002)	(14,953,987)	(39,699,645)

## INDIVIDUALISED DISTRIBUTION TO PRODUCERS

### RADIO AND TV NATIONAL CHANNELS, INCL. REGIONAL CHANNELS

INCOME	DKK 30,765,550
SHARE OF COSTS	DKK (3,380,869)
NET AMOUNT FOR DISTRIBUTION	DKK 27,384,681

Share allocated to regional channels is based on reporting of final playback time for 2021, incl. the number of regional channels

### COMMERCIAL NATIONAL RADIO STATIONS

INCOME	DKK 17,414,556
SHARE OF COSTS	DKK (1,913,710)
NET AMOUNT FOR DISTRIBUTION	DKK 15,500,846

### COMMERCIAL LOCAL RADIO STATIONS

INCOME	DKK 2,580,922
SHARE OF COSTS	DKK (283,621)
NET AMOUNT FOR DISTRIBUTION	DKK 2,297,301

### DAB

INCOME	DKK 6,733,516
SHARE OF COSTS	DKK (739,955)
NET AMOUNT FOR DISTRIBUTION	DKK 5,993,561

### INSTORE RADIO

INCOME	DKK 5,166,233
SHARE OF COSTS	DKK (567,725)
NET AMOUNT FOR DISTRIBUTION	DKK 4,598,509

<b>TOTAL NET AMOUNT, INDIVIDUALISED DISTRIBUTION TO PRODUCERS</b>	<b>DKK 55,774,898</b>
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## NON-INDIVIDUALISED DISTRIBUTION TO PRODUCERS

INCOME	29,162,983
SHARE OF COSTS	(3,525,468)
NET AMOUNT FOR DISTRIBUTION	25,637,515

Transferred to reserve (1% of net amount for distribution for the year)	294,576
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The net amount is distributed on the basis of the reported number of playbacks from radio stations and any other sources according to the following distribution categories: National channel – radio, regional channel, commercial national radio stations, commercial local radio stations, DAB and Instore Radio. The distribution on the above categories depends on the ratio between them in the final reported number of playbacks for 2021.

<b>TOTAL NET AMOUNT, NON-INDIVIDUALISED DISTRIBUTION TO PRODUCERS</b>	<b>DKK 25,637,515</b>
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## DIRECT DISTRIBUTION TO PRODUCERS

### Theatres, etc. foreground music

INCOME	DKK 47,614
SHARE OF COSTS	DKK (5,722)
NET AMOUNT FOR DISTRIBUTION	DKK 41,892

### Copying, theatres, etc.

INCOME	DKK 10,581
SHARE OF COSTS	DKK (1,175)
NET AMOUNT FOR DISTRIBUTION	DKK 9,406

### Copying, jukeboxes, etc.

INCOME	DKK 1,327,128
SHARE OF COSTS	DKK (147,343)
NET AMOUNT FOR DISTRIBUTION	DKK 1,179,785

Direct distribution, Greenland	DKK 169,813
Direct distribution, the Faroe Islands	DKK 210,131
Direct distribution, non-domestic countries	DKK 404,414

<b>TOTAL DISTRIBUTION TO PRODUCERS</b>	<b>DKK 83,722,429</b>
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## INDIVIDUALISED DISTRIBUTION TO PERFORMING ARTISTS

### RADIO AND TV NATIONAL CHANNELS, INCL. REGIONAL CHANNELS

INCOME	DKK 45,466,896
SHARE OF COSTS	DKK (5,786,903)
SHARE OF 10% DEDUCTION	DKK (4,569,518)
NET AMOUNT FOR DISTRIBUTION	DKK 35,110,474

Share allocated to regional channels is based on reporting of final playback time for 2021, incl. the number of regional channels

### COMMERCIAL NATIONAL RADIO STATIONS

INCOME	DKK 25,094,339
SHARE OF COSTS	DKK (3,193,940)
SHARE OF 10% DEDUCTION	DKK (2,522,034)
NET AMOUNT FOR DISTRIBUTION	DKK 19,378,366

### COMMERCIAL LOCAL RADIO STATIONS

INCOME	DKK 3,719,104
SHARE OF COSTS	DKK (473,357)
SHARE OF 10% DEDUCTION	DKK (373,778)
NET AMOUNT FOR DISTRIBUTION	DKK 2,871,969

### DAB

INCOME	DKK 6,150,771
SHARE OF COSTS	DKK (782,853)
SHARE OF 10% DEDUCTION	DKK (618,165)
NET AMOUNT FOR DISTRIBUTION	DKK 4,749,752

### INSTORE RADIO

INCOME	DKK 4,724,078
SHARE OF COSTS	DKK (601,268)
SHARE OF 10% DEDUCTION	DKK (474,780)
NET AMOUNT FOR DISTRIBUTION	DKK 3,648,030

### TOTAL NET AMOUNT, INDIVIDUALISED DISTRIBUTION TO ARTISTS

**DKK 65,758,590**

## NON-INDIVIDUALISED DISTRIBUTION TO PERFORMING ARTISTS

### INCOME

TIME-BARRED REMUNERATION	6,101,137
10% DEDUCTION	8,558,274
	14,659,411
RESERVE	(146,594)

### FOR DISTRIBUTION BETWEEN 8 PERFORMING ARTISTS' ORGANISATIONS

14,512,817

# DIRECT DISTRIBUTION TO PERFORMING ARTISTS

## Theatres, etc. foreground music

INCOME	47,614
SHARE OF COSTS	(6,060)
NET AMOUNT FOR DISTRIBUTION	41,554

## Blank media

INCOME	603,384
TIME-BARRED REMUNERATION	261,219
SHARE OF COSTS	(66,990)
NET AMOUNT FOR DISTRIBUTION	797,613

## Performex radio and television retransmission, artists

INCOME	4,177,842
TIME-BARRED REMUNERATION	1,339,451
SHARE OF COSTS	(463,841)
NET AMOUNT FOR DISTRIBUTION	5,053,452

## Performex archives remuneration

INCOME	0
TIME-BARRED REMUNERATION	106,875
SHARE OF COSTS	0
NET AMOUNT FOR DISTRIBUTION	106,875

## Performex music video remuneration

INCOME	24,034,703
TIME-BARRED REMUNERATION	0
SHARE OF COSTS	(2,668,431)
NET AMOUNT FOR DISTRIBUTION	21,366,273

## 20% pool

INCOME	528,375
SHARE OF COSTS	(58,662)
NET AMOUNT FOR DISTRIBUTION	469,713

Direct distribution, Greenland	169,813
Direct distribution, the Faroe Islands	210,131
Direct distribution, non-domestic countries	9,468,780

<b>TOTAL DISTRIBUTION TO ARTISTS</b>	<b>118,102,204</b>
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## Rights groups' liability accounts

	Total	Producers' share	Performing artists' share
<b>Summary</b>			
Balance at 1 January 2021	176,832,725	50,546,459	126,286,266
Distribution 2021	201,824,634	83,722,429	118,102,204
Paid in 2021	<u>(154,523,802)</u>	<u>(80,013,139)</u>	<u>(74,510,663)</u>
Balance 31 December 2021, excluding balance of reserve	<u>224,133,557</u>	<u>54,255,749</u>	<u>169,877,807</u>
<b>Breakdown by year</b>			
<b>2018 (for distribution in 2021)</b>			
Non-individualised remuneration amounts	(16,187,671)	(5,200,374)	(10,987,296)
Balance at 31 December 2021	(16,187,671)	(5,200,374)	(10,987,296)
Balance of reserve, producers	(162.491)	(162.491)	0
Balance of reserve, artists	3,178,615	0	3,178,615
For distribution in 2021	<u>(13,171,546)</u>	<u>(5,362,865)</u>	<u>(7,808,681)</u>
Balance 31 December 2021, including balance of reserve	<u>210,962,011</u>	<u>48,892,885</u>	<u>162,069,126</u>
<b>2019</b>			
Non-individualised	<u>0</u>	<u>0</u>	<u>0</u>
Individualised remuneration amounts	<u>26,963,300</u>	<u>8,337,539</u>	<u>18,625,761</u>
	<u>26,963,300</u>	<u>8,337,539</u>	<u>18,625,761</u>
<b>2020</b>			
Non-individualised	<u>0</u>	<u>0</u>	<u>0</u>
Individualised remuneration amounts	<u>30,551,476</u>	<u>11,054,713</u>	<u>19,496,762</u>
	<u>30,551,476</u>	<u>11,054,713</u>	<u>19,496,762</u>
<b>2021</b>			
Non-individualised	14,953,987	294,576	14,659,411
Individualised remuneration amounts	147,171,002	81,412,412	65,758,590
Direct distribution	<u>39,699,645</u>	<u>2,015,442</u>	<u>37,684,203</u>
Paid, including amounts paid on account	<u>(48,377,399)</u>	<u>(54,221,797)</u>	<u>5,844,398</u>
	<u>153,447,235</u>	<u>29,500,632</u>	<u>123,946,603</u>
<b>TOTAL</b>			
Non-individualised	14,953,987	294,576	14,659,411
Individualised remuneration amounts	<u>156,308,379</u>	<u>46,582,867</u>	<u>109,725,512</u>
Direct distribution	<u>39,699,645</u>	<u>2,015,442</u>	<u>37,684,203</u>
	<u>210,962,011</u>	<u>48,892,885</u>	<u>162,069,126</u>

## Appendix B

### REMUNERATION FROM/TO SISTER ORGANIZATIONS

Performing artists	From	To
AGATA, Lithuania	-52.1010	0
EJI, Hungary	-62.617	9.399
LAIPA, Latvia	-17.439	373
SPEDIDAM, France	0	86.125
ACTRA, Canada	-43.664	199.132
EEL, Estonia	-2.744	1.409
CREDIDAM, Romania	0	1.757
SAMI, Sweden	-862.589	2.572.460
LSG, Austria	-124.950	192.939
GRAMO, Norway	-285.711	220.668
ADAMI, France	-291.649	153.341
GVL, Germany	-4.160.223	1.124.458
AIE, Spain	-150.902	248.336
SENA, Netherlands	-403.962	391.123
Gramex, Finland	-122.161	159.038
RAAP, Ireland	-14.912	489.024
Intergram, The Czech Republic	-19.588	58.517
Slovgram, Slovakia	0	552
Swissperform, Switzerland	-300.912	68.070
Abramus, Brazil	-27.854	1.133
PPL, UK	-919.733	10.641.946
CPRA, Japan	-186.692	46.437
SFH, Iceland	0	0
GDA, Portugal	0	5.615
Playright, Belgium	-227.134	46.294
SoundExchange, USA	-627.854	69.095
Stoart, Poland	-185.817	37.976
AFM & SAG-AFTRA Fund, USA	-136.195	158.575
Nuovo Imaie, Italy	-204.038	45.989
IPF, Slovenia	-26.912	175
HUZIP, Croatia	-10.424	0
Artisti, Canada	0	106.153
ItsRight, Italy	0	137.674
MROC, Canada	0	84.690
VOIS, Russia	0	0
<b>Performing artists in total</b>	<b>-9.468.780</b>	<b>17.358.475</b>

Record companies	From	To
AGATA, Lithuania	-7.933	0
GRAMO, Norway	-22.287	183.315
Slovgram, Slovakia	0	0

SENA, Netherlands	-14.558	103.655
Gramex, Finland	-66.609	19.932
EFÜ, Estonia	-16.187	0
PPL, UK	-64.082	1.363.356
GVL, Germany	-127.180	28.192
LAIPA, Latvia	-3.478	94
Abramus, Brazil	-1.713	0
SoundExchange, USA	-13.915	50.602
IPF, Slovenia	-398	739
SCF, Italy	0	15.553
ReSound, Canada	-958	0
<b>Record companies in total</b>	<b>-404.414</b>	<b>1.801.363</b>

All remuneration from abroad is distributed individually without deduction of costs in Gramex.

## Appendix C

Result 2020 – record company distribution and payment in 2021

	<b>Record companies share</b>	<b>Performing artists' share</b>	<b>Total</b>
Revenue from radio	52.104.766	65.473.750	117.578.516
Public performance	38.626.593	38.626.593	77.253.185
Own agreements cf. section 68	1.408.710	1.408.710	2.817.420
Copying	3.229.357	0	3.229.357
Distribution agreements	0	6.272.211	6.272.211
<b>Revenue for distribution</b>	<b>95.369.425</b>	<b>111.781.263</b>	<b>207.150.688</b>
<b>Costs for distribution</b>			
Administrative costs	14.277.852	14.736.132	29.013.984
Depreciation	452.805	467.338	920.143
<b>Costs before interests</b>	<b>14.730.657</b>	<b>15.203.471</b>	<b>29.934.127</b>
Interests etc.	15.761	37.876	53.638
<b>Costs for distribution total</b>	<b>14.714.895</b>	<b>15.203.471</b>	<b>29.934.127</b>
At disposition for the year	80.654.530	96.615.669	177.270.199
Paid to the rightsholders' accounts 2017	6.086.779	9.890.172	15.976.951
<b>For distribution in total</b>	<b>86.741.309</b>	<b>106.505.841</b>	<b>193.247.150</b>



## Point system of the performing artists

Based on a proposal from the performing artists' rights group and as adopted by the executive board, the performing artists' share of income from reported playbacks of protected tracks from radio, television and any other sources is distributed by multiplying in each distribution category the total number of minutes played back by the total number of points for the tracks that have been played back and using this figure to divide the total amount for distribution within that distribution category. This results in a minute points value which is multiplied by the number of points the individual artist has been registered for within that distribution category thus yielding the amount for distribution.

Illustration:     Distribution amount/(Minutes x Points) = Minute points value  
                          Minute points value x the individual artist's points = The artist's amount for distribution

Points are calculated according to the following scale:

C) Soloists ..... 14 points

The number of points obtained is modified when several C soloists perform together, according to the following scale:

2 soloists .....	10.00 points each
3 soloists .....	6.17 points each
4 soloists .....	5.00 points each
5 soloists .....	4.30 points each
6 soloists .....	3.83 points each
7 soloists .....	3.50 points each
8 soloists .....	3.25 points each

A) Studio musicians, backing vocalists or remixers ..... 2 points

E) Groups, small orchestras and small choruses. The number of points obtained is modified when several group members perform together, according to the following scale:

2 group members .....	8.50 points each
3 group members .....	6.17 points each
4 group members .....	5.00 points each
5 group members .....	4.30 points each

6 group members .....	3.83 points each
7 group members .....	3.50 points each
8 group members .....	3.25 points each
9 group members .....	3.06 points each
10 group members .....	2.90 points each
11 group members .....	2.77 points each
12 group members .....	2.67 points each
13 group members .....	2.58 points each
14 group members .....	2.50 points each
15 group members .....	2.43 points each
16 group members .....	2.38 points each
17 group members .....	2.32 points each
18 group members .....	2.28 points each
19 group members .....	2.24 points each

F) Orchestras or choruses from 20 to 50 participants .....22 points

G) Orchestras or choruses with more than 50 participants .....32 points

B) Soloists with an orchestra or a chorus, see F and G .....14 points

D) Featured conductors, see F and G .....14 points

The number of points stated under B) and D) is modified when several B soloists perform together, or when B soloists perform with D featured conductors, according to the following scale:

2 soloists/conductors .....	10.00 points each
3 soloists/conductors .....	6.17 points each
4 soloists/conductors .....	5.00 points each
5 soloists/conductors .....	4.30 points each
6 soloists/conductors .....	3.83 points each
7 soloists/conductors .....	3.50 points each
8 soloists/conductors .....	3.25 points each

D2) Non-featured conductors, see F and G .....3 points

K) Conductors of choruses and orchestras with up to 19 participants .....3 points

## PERFORMING ARTISTS' USE OF CULTURAL FUNDS FOR THE YEAR 2020

MUSIC PROMOTIONAL PURPOSES		kr. 10.842.121
EDUCATIONAL PURPOSES		kr. 2.676.212
SOCIAL AND HUMANITARY PURPOSES		
Honary funds	kr. 73.000	
Grants for holiday and recreation	kr. 306.832	
Pension and welfare	kr. 142.988	kr. 522.820
PUBLICATIONS AND OTHER		
Funds for publications	kr. 1.814.822	
Artists' working conditions and legal status	kr. 1.468.580	
Joint Council for Performing Artists	kr. 0	kr. 3.283.402
SUPPORT TO THE INDIVIDUAL ORGANIZATION		kr. 2.268.161
USED TOTAL		kr. 19.826.147
RECEIVED for the year 2020		kr. 18.856.858
INTEREST		-kr. 52.053
FROM LAST YEAR		kr. 9.873.990
		kr. 28.678.795
FOR USE IN 2022 AND 2023		kr. 8.852.648



