



Transparency Report 2021



Introduction

Koda's transparency report contains all the information required by the Danish Act on Collective Rights Management, which was adopted in 2016, and is based on the accounting information stated in Koda's audited financial statements for 2021.

The report contains an activity report reviewing key events of the year. This is followed by two sections detailing how Koda's revenues, generated by the use of music in public, are distributed amongst rightsholders in Denmark and abroad. Koda's distribution of cultural contributions is described in section four. Section five and six provide descriptions of when and how Koda can refuse to license a musical work as well as a brief description of Koda's legal set-up and the context wherein Koda operates. The final section of the report consists of Koda's financial statements for 2021.

Koda, April 2022

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1. Activity report

2021 was yet another year strongly affected by the COVID-19 pandemic. For the first five months of the year, most of society was shut down, and the year ended with another lockdown of the cultural scene. All this has been tough for Koda members and customers alike, who have had to adapt to the many constraints imposed by anti-pandemic measures. At the same time, the pandemic has created uncertainty about the future and made planning for even the near future difficult.

For Koda, the lockdown brought losses of revenue, but overall the year was satisfactory in financial terms. This is partly due to the fact that a number of negotiations with other rightsholders were concluded in 2021, prompting arrears payments for the use of music in previous years. At the same time, areas such as streaming of series and films as well as music streaming abroad saw positive growth.

Key figures for 2021

- Koda's turnover: EUR 138.8 million (EUR 129.9 million in 2020)
- Amount to be distributed after deductions for administration: EUR 113.7 million (EUR 106.4 million in 2020)
- Total deduction for administration: EUR 15 million (EUR 14.8 million in 2020)
- Administration rate: 10.8 per cent (11.4 per cent in 2020)

The turnover of EUR 138.8 million is Koda's highest ever, EUR 0.8 million higher than in 2017, which previously held the record for the highest turnover in Koda's history. The total result for the year yielded EUR 113.7 million for distribution among rightsholders, partly in the form of individual distributions and partly in the form of cultural contributions.

Koda's revenues come from music played in Denmark and from Koda members' music played abroad. Revenues for music use in Denmark increased by EUR 8.5 million, landing at EUR 126.6 million. After deduction of administration costs, these funds are distributed among members of Koda and rightsholders who are members of collective rights management societies abroad. Koda's total revenues from abroad increased by EUR 0.4 million compared to the previous year, landing at EUR 12.2 million for distribution among members of Koda.

The total deduction for administration costs amounts to EUR 15 million, corresponding to an administration rate of 10.8 per cent, which is slightly lower than last year.

General public performances: the COVID-19 pandemic affected all areas

The lockdowns due to COVID restrictions once again had a negative impact on this year's revenue in the overall area 'General public performance', which covers revenues from concerts, cinema and background music. The total revenues landed at EUR 17.9 million, a decrease of EUR 2.3 million. This corresponds to a decrease of 12 per cent compared to 2020 and of 40 per cent compared to 2019, the most recent COVID-free year.

After several years of growth in the area for small and big concerts from 2016 to 2019, this area was hit hard by the lockdown periods. First in 2020, where revenues dropped by 53 per cent, and then in 2021, where revenues dropped by eight per cent, corresponding to a decrease of EUR 0.5 million from 2020 to 2021.

Cinemas were also hit hard by lockdown restrictions: here revenues fell by EUR 0.3 million, corresponding to a 24 per cent decline. The year before, in 2020, revenues in the area dropped by 33 per cent. Finally, revenues from the use of background music were also affected by the closure of shops, cafés, restaurants, hotels and so on. Here, the total turnover came to EUR 10.9 million, corresponding to a 10 per cent decline compared to the previous year. From 2019 to 2020, the area saw a 12 per cent decline.

Despite times of lockdown and restrictions in many areas, there were relatively few bankruptcies among Koda's customers in 2021. At the same time, agreements have been entered into with new customers in this area.

Performances on Radio and TV: Stable revenues

With a two per cent increase in total revenues from Radio and TV, respectively, revenues have been stable and are, overall, on a par with last year.

However, when considering Radio and TV separately, one sees a decline in the field of Radio and growth in the field of TV. Revenues from radio have dropped by EUR 2.1 million, corresponding to an eight per cent decline. However, this decrease is not due to revenues being particularly low in 2021, but rather that revenues in 2020 were relatively high due to the receipt of arrears payment from DR (the Danish broadcasting corporation) for music use in previous years.

Revenues from TV have gone up by eight per cent, corresponding to an increase of EUR 3 million. The growth is a result of new agreements on revenue splits with other rightsholders, giving rise to Koda receiving payment for performances from previous years.

Online: Growth within streaming of series and films

In a year strongly affected by lockdown and strict restrictions on social distancing, affecting how we interact in public spaces, Koda saw a 33 per cent growth in revenues from the 'Online' field, which primarily covers streaming of TV, series, films and music. There are three main reasons for the growth:

- Revenues from interactive TV services increased significantly as this area included a substantial single payment for music used in previous years.
- Growing revenues in the market for film and series, where revenues increased by EUR 3.5 million, corresponding to an increase of 26 per cent. The increase is primarily due to the Danes subscribing to more series and film services during the year.

- The total revenue from music streaming services has gone up by 16 per cent, corresponding to revenue increase of EUR 1.9 million. This increase is due to growing revenues from streaming abroad, as will be described in greater detail in the following section on revenues from abroad. Looking only at music streaming in Denmark, the years saw a small decline in revenues of four per cent.

Record-breaking revenues from abroad

The total revenues from abroad reached EUR 12.2 million in 2021, the highest income level ever. The total revenues generated abroad consists primarily of EUR 8.9 million from Koda works performed abroad and EUR 2.6 million from 'Streaming directly licensed abroad'. Finally, the total revenues from abroad also include the smaller categories 'TV DK channels abroad' and 'TV DK channels uplinked from the UK'.

The overall growth in revenues from abroad is primarily due to a marked growth in revenues from music streaming, occasioned by an ever-increasing part of this income coming via the joint Nordic Polaris Hub. In practice, this means that Koda receives payment directly from the music services rather than through the collective rights management societies abroad. Such direct licensing and closer contact with the music services increases the accuracy of the funds distributed to Koda, leading to higher distributions overall, which is a very positive development for Koda's members. The significantly higher revenues are also due to the fact that the funds reach Koda much faster through direct licensing, so in 2021, Koda has benefited extraordinary from receiving funds both through the societies abroad and via the Polaris Hub.

Although Koda saw increased revenues from streaming abroad overall, the revenues not derived from streaming dropped by 17 per cent in 2021 compared to 2020. The difference is partly due to the fact that Koda's revenues were extraordinarily high in 2020, and at the same time revenues from abroad have been adversely affected by pandemic-related restrictions abroad. For example, Koda's revenue for concerts abroad dropped by EUR 1.1 million.

Firm foundations for the future

The ability to take advantage of the opportunities offered by rapid technological developments will be crucial for future rights management. To ensure that Koda has the necessary digital foundations, we have taken steps to replace our IT platform. Among other things, our new platform must be able to handle the enormous increase in data volumes seen in recent years. In 2021, a tender process was carried out in collaboration with our Finnish, Norwegian and Irish sister societies, and implementation is scheduled to begin in 2022. The project, which constitutes the largest single strategic investment in Koda's history, will provide us with a future-proof core system that will serve as a basis for our future development of Koda.

Koda's members

A total of 1,547 rightsholders joined Koda in 2021. All in all, Koda had a total of 48,799 members at the end of 2021, comprising 48,162 authors and 637 music publishers.

The members registered 71,298 new works, bringing the total number of works registered by Koda members up to 1,559,573 works. The number of works in Koda's international works database increased by 3,058,184 works, bringing the total to 31,796,107 works.

In 2021, we conducted a major qualitative membership survey that mapped the challenges members face in relation to their work as either music creators or music publishers. The objective was to better understand the needs and requirements that members may have in relation to Koda, both now and in the future. The survey showed general satisfaction with Koda, and the results will serve as key input when working on Koda's upcoming business strategy.

Highest-earning members generate most of the revenues

Looking at Koda's total revenues, the picture remained the same as in past years: a few high-earning members accounted for the vast majority of the earnings.

In 2021, Koda distributed a total of EUR 113 million – of which EUR 51.9 million to Koda members. Of this amount, 77 per cent went to Koda members who make in excess of DKK 100,000 (EUR 13,441) in Koda distributions a year; these were distributed among 497 individual rightsholders and 75 music publishers. A total of 117 individual rightsholders and 28 music publishers received distributions of more than DKK 400,000 in 2021. Approximately 25,545 of Koda's members, corresponding to 91 per cent of all the members to whom Koda has made distributions, received less than DKK 10,000 (EUR 1,344).

High amounts distributed to rightsholders

In 2021, Koda processed and distributed EUR 113 million to rightsholders in Denmark and abroad, covering performances worldwide in 2021 and previous years. The amount was more than EUR 14.8 million greater than in 2020, when the corresponding amount was EUR 97.7 million.

Koda continues its efforts to get the money out to the rightsholders as soon as possible through monthly distributions, an initiative introduced in 2019 for distributions pertaining to concerts, revenues from abroad, radio and TV. Within these areas, it typically only takes two to three months from the time a piece of music is played until the rightsholders receive their distribution from Koda.

Gender imbalances in Danish music

In 2021, Koda published its second gender statistics survey, which confirmed the picture painted by the first survey from 2020: only 20 per cent of Koda's members are women, and they receive only 10 per cent of the distributions made by Koda. However, closer inspection of various distribution areas reveals a minor increase in the total group of female members, who receive a larger share of the distributions made within the fields of concert and radio compared with the previous year. Among the authors who have been members of Koda for up to five years – a group constituting a smaller part of the total membership – the gender ratios have also become more equal. However, this does not fundamentally change the overall imbalance.

In order to assess which efforts may usefully be planned to change this imbalance, Koda joined

Dansk Live and the genre organisations Rosa, Jazz Danmark, SONYK and Tempi in launching a study of the underlying causes of the imbalance. The study was published in 2022 prior to the publication of this report.

Political focus areas in 2021

On 3 June 2021, the amendment to the Danish Copyright Act was finally adopted, concluding many years of efforts in Denmark and at an international level to secure the rights of rightsholders in a global digital market. Following this, Koda's advocacy work has gone on to focus on the Danish government's proposal to levy VAT on royalties collected. The draft bill proposed that, as a result of a ruling from the European Court of Justice, VAT should be imposed on royalties collected, which would put an end to more than 40 years of VAT exemption on royalties.

Koda, alongside several other players in the rights industry, has pushed for artists to continue to be exempt from VAT – and, if possible, for this VAT exemption to extend to collective rights management societies and similar organisations which manage the rights of others. The law is scheduled to enter into force in the spring of 2022 and at the time of this activity report's completion, it is still too early to say what the final legal text will contain.

2021 was also the year in which a long-awaited political agreement was reached on blank media levies. Unfortunately, the new scheme, which entered into force on 1 January 2022, did not take into account the comments made by Koda and others during the Ministry of Culture's consultation process regarding the need to ensure that the scheme distinguishes sufficiently between different technologies, which would have rendered it future-proof.

Koda Kultur

Based on nearly two years of practical experience with Koda's Cultural Strategy, Koda's board adopted a revised strategy for the period 2022-2025 shortly before the end of 2021. The strategy sets out overall directions for the use and prioritisation of Koda's cultural contributions and now has three strategic objectives: gender balance, food chain and international perspective. Within these areas, the cultural contributions must be reinvested in the music scene and contribute to the development of a sustainable music industry, a rich and diverse music culture and Koda's foundations for business in the future.

In 2021, the cultural contributions amounted to EUR 8.7 million. Of this, EUR 1.2 million was spent on administration, EUR 1.3 million went to activities in the fields of cultural politics and business politics, and DKK 49.7 million was distributed in the form of grants and project subsidies.

The 32 grant schemes that accepted applications for grants and project subsidies in 2021 received a total of 8,661 applications, of which 4,023 received a grant.

An annual report on the use of Koda's cultural contribution has been published and can be accessed via the Koda website.

2. Revenues and deductions

The table below lists Koda's revenues by rights category and area of use, relating them directly to the areas in which they are paid out. The table displays Koda's revenues in 2021, which, after deductions and applied interest rates, result in the net amounts to be distributed amongst rightsholders. The methods and principles behind the table are described on page 12 and 13.

Table 2.1 **Revenues and deductions 2021** In thousand EUR

Area of use	Revenue	Interest	Deduction for administration	Deduction for cultural contributions	Contribution to subsidised concert	Distribution of interest	For individual distribution	2020
General Public Performance								
Background - with reporting	5,091		-885	-408	-33	-21	3,743	3,903
Background - no reporting	5,852		-995	-472	-38	-24	4,323	4,843
Cinemas and film screenings	1,076		-187	-86	-7	-5	791	1,024
Concert	5,690		-1,573	-400	-32	-24	3,662	4,051
Major Live Concert	91		-5	-8	-1		77	364
Subsidised concert	52			-5	350		396	378
General Public Performance Total	17,852		-3,645	-1,379	238	-74	12,992	14,564
Broadcast								
Radio	17,437		-2,440	-1,460	-97	-65	13,374	14,625
TV incl TV distribution	40,045		-3,903	-3,514	-141	-157	32,329	29,719
TV distribution - paid out by other societies	4,952		-154	-466		-21	4,311	4,547
Danish TV channels abroad	511		-18				493	482
Danish TV channels uplinked from the UK	177		-19				158	212
Broadcast Total	63,122		-6,534	-5,440	-238	-243	50,666	49,585
Online								
Interactive TV services	16,819		-1,682	-1,102		-70	13,964	8,756
Music streaming	11,633		-1,295*	-670*			9,668	10,302
Music streaming - direct licensing abroad	2,613		-291*	0*			2,322	209
Streaming of series, film and tv	16,584		-1,316	-1,050		-69	14,149	11,336
Online other	905		-225	-54		-4	623	395
Online Total	48,553		-4,808	-2,875		-144	40,727	30,998
Abroad								
Koda works performed abroad	8,918						8,918	10,809
Abroad Total	8,918						8,918	10,809
Out of category								
KulturPlus - Blank Tape Levy (individual)	257		-6				251	295
KulturPlus - Blank Tape Levy (collective)	143						143	150
Interests		-511		50		461	0	
Out of category Total	401	-511	-6	50		461	394	445
Grand Total	138,846	-511	-14,994	-9,645	0	0	113,697	105,082

* This deduction is specified in 'Methods and principles behind Revenues and deductions' on page 12 and 13.

Table 2.2 is a variation of table 2.1 in which deductions and contributions have been listed as percentages. The methods and principles behind the table are described on page 12 and 13.

Table 2.2 **Revenues and deductions 2021 - with deductions and contributions listed as percentages** In thousand EUR

Area of use	Revenue	Interest	Deduction for administration (%)	Deduction for cultural contributions (%)	Contribution to subsidised concert (%)	Distribution of interest	For individual distribution	2020
General Public Performance								
Background - with reporting	5,091		17.4 %	8.0 %	0.7 %	-21	3,743	3,903
Background - no reporting	5,852		17.0 %	8.1 %	0.7 %	-24	4,323	4,843
Cinemas and film screenings	1,076		17.4 %	8.0 %	0.7 %	-5	791	1,024
Concert	5,690		27.6 %	7.0 %	0.6 %	-24	3,662	4,051
Major Live Concert	91		5.6 %	9.2 %	0.6 %		77	364
Subsidised concert	52			9.7 %			396	378
General Public Performance Total	17,852		20.4 %	7.7 %		-74	12,992	14,564
Broadcast								
Radio	17,437		14.0 %	8.4 %	0.6 %	-65	13,374	14,625
TV incl TV distribution	40,045		9.7 %	8.8 %	0.4 %	-157	32,329	29,719
TV distribution - paid out by other societies	4,952		3.1 %	9.4 %		-21	4,311	4,547
Danish TV channels abroad	511		3.5 %				493	482
Danish TV channels uplinked from the UK	177		10.5 %				158	212
Broadcast Total	63,122		10.4 %	8.6 %		-243	50,666	49,585
Online								
Interactive TV services	16,819		10.0 %	6.6 %		-70	13,964	8,756
Music streaming	11,633		11.1 %*	5.8 %*			9,668	10,302
Music streaming - direct licensing abroad	2,613		11.1 %*	0 %*			2,322	209
Streaming of series, film and tv	16,584		7.9 %	6.3 %		-69	14,149	11,336
Online other	905		24.8 %	5.9 %		-4	623	395
Online Total	48,553		9.9 %	5.9 %		-144	40,727	30,998
Abroad								
Koda works performed abroad	8,918						8,918	10,809
Abroad Total	8,918						8,918	10,809
Out of category								
KulturPlus - Blank Tape Levy (individual)	257		2.5 %				251	295
KulturPlus - Blank Tape Levy (collective)	143						143	150
Interests		-511		9.7 %		461	0	
Out of category Total	401	-511	-5.9 %	45.2 %		461	394	445
Grand Total	138,846	-511	10.8 %	7.0 %		0	113,697	105,082

* This deduction is specified in 'Methods and principles behind Revenues and deductions' on page 12 and 13.

Methods and principles behind 'Revenues and deductions'

The following is a description of the method and assumptions underlying table 2.1 on page 10 and table 2.2 on page 11. Koda's revenues are divided into rights categories, which are further subdivided into a number of areas of use. The breakdown is based on the registration of income in Koda's account plan and follows the order of presentation provided in note 1 of the financial statements in Koda's annual report.

Like the financial statements, the accounting period follows the calendar year.

For each area of use, a deduction is made to cover administrative costs. The deduction for each area is calculated on the basis of the actual resource consumption associated with that individual area. For example, this may involve resources associated with collecting licensing fees, processing music report data and distribution processing. The deductions also cover the resources demanded by each area in terms of joint functions and staff functions. No deductions for administration costs are made from revenue received by Koda from abroad for performances of Koda members' music. This is due to the fact that these revenues have already been subject to deductions to cover the administrative costs of the relevant foreign society.

For each area of use, a deduction is made for Koda's cultural contributions. In accordance with Koda's Articles of Association, the deduction is calculated on the basis of the total income for public performance per type of use after the deduction for administration costs has been made. No deductions for cultural contributions are made from payments regarding mechanical rights, from income from abroad, or from KulturPlus income. For certain areas of use, a deduction has also been made to cover the cost of the subsidised concert reserve and of first performance awards for performances within the subsidised concert reserve. These deductions follow Koda's general distribution policy. First performance awards within other sections (TV, radio and concert) are calculated within the section where the relevant amount is charged and included in the same way as other parameters within the individual areas. The grouping of individual areas within the areas of use 'Broadcast' and 'Online' has been updated as of 2021. In response to this change, the figures for 2020 have been made comparable to those of 2021.

The deductions for administration and cultural contributions associated with the section 'Music streaming' are accrued according to a different principle than the deductions for administration and cultural contributions in all other areas. As regards 'Music streaming', the deductions are calculated on the basis of the distributed amounts for the year, which also include distributed amounts from previous income years. Thus, the deductions and revenues are calculated on the basis of different periods, which means that the calculated deduction rates deviate from the actual fixed rates that apply in the area. In actual fact, for 'Music streaming' a total of ten per cent is deducted for administration costs, and out of the amount left after deduction for administration costs, ten per cent is deducted for cultural contributions from the part of the amount that can be attributed to performance rights.

'Music streaming' includes Koda's revenues from music services and social media received via Polaris Hub, which has, on behalf of Koda, TONO and Teosto, entered into multi-territorial agree-

ments with these services. The agreements also cover the use of Koda members' works abroad, which were previously licensed through Koda's affiliated societies in the other countries but are now licensed directly through Polaris Hub. In the table, these revenues are specified under the area 'Music streaming - direct licensing abroad'.

Multi-territorial on-account revenues which at the time of invoicing are not specified per territory are included under 'Music streaming'.

Table 3.1 'Distributed, paid and for distribution 2021' on page 18 shows the share of the amount 'For individual distribution' distributed in 2021, as well as the share that was still due for distribution as of 31 December 2021.

Correlations between Financial Statements and Transparency Report

The grand totals listed in Tables 2.1 and 2.2, 'Revenues and deductions 2021', on pages 10 and 11 have been calculated and reconciled with Koda's Financial Statements for 2021. The correlations are shown in this overview:

Table 2.3 **Correlations between definitions in Financial Statements and Transparency Report**

Financial Statements for 2021	Transparency Report - Revenues and deductions 2021
Income Statement - Total music revenue	= Revenue
Income Statement - Net financial income and expenses	= Interest
Administrative expenses + Depreciation, amortisation and impairment losses	= Deduction for administration
Note 2 - Distribution to rights holders	= For distribution after deduction of administration
Note 2 - Calculated funds for cultural contributions for the year	= Deduction for cultural contributions
Note 10 - Provision for distribution for the year	= For individual distribution (except KulturPlus (collective distribution) TEUR 143)

The adjustment of provision for bad debts stated in the financial statements in Koda's annual report for 2021 is not specified by individual areas of revenue, but can be broken down as shown in the second column of Table 2.4.

- The individual areas of use under 'Revenues and deductions 2021' comprise the categories 'Broadcast', 'General public performance', 'Online', 'Abroad' and finally 'Out of category'.
- The category 'Broadcast' under 'Revenues and deductions 2021' includes all revenues from 'Primary transmission on radio and TV and retransmission' in note 1 to the financial statements as well as an amount listed under 'Abroad' in note 1 of the financial statements, covering amounts distributed by Koda on behalf of foreign collective rights management societies for performances on Danish TV channels retransmitted abroad.

- The category 'General public performance' under 'Revenues and deductions 2021' includes all revenues listed in note 1 to the financial statements regarding 'Hotels and restaurants', 'Background music' and 'Concerts, events, etc'. In addition to this, 'Cinemas and films' from note 1 to the financial statements is also considered part of 'General public performance'.
- Amounts listed as 'Online' in the table 'Revenues and deductions 2021' are the amounts listed as 'Internet and On Demand' in note 1 to the financial statements.
- The category 'Abroad' in the table 'Revenues and deductions 2021' comprises the part of the revenues listed under 'Abroad' in note 1 to the financial statements which concerns Danish performances abroad. A minor part of the revenues listed under 'Abroad' in note 1 pertain to 'Broadcast', see table 2.4..
- The category 'Out of category' under 'Revenues and deductions 2021' covers revenues from KulturPlus (collective and individual distribution).

Table 2.4 Correlations between amounts in Financial Statement and Transparency Report In thousand EUR

FINANCIAL STATEMENTS			TRANSPARENCY REPORT			
Note 1	Amount	Adjustment of provision for bad debts	Revenue	Rights category from Revenues & deductions	Area of use - Revenues and deductions	Revenue
Primary transmission on radio and TV and retransmission	62,440	-7	62,434			62,434
				Broadcast	Radio	17,437
				Broadcast	TV incl TV distribution	40,045
				Broadcast	TV distribution - distributed by other societies	4,952
KulturPlus	401		401			401
				Out of category	KulturPlus - Blank Tape Levy (individual)	257
				Out of category	KulturPlus - Blank Tape Levy (collective)	143
Internet and On Demand	48,541	12	48,553			48,553
				Online	Interactive TV services	16,819
				Online	Music streaming	11,633
				Online	Music streaming - direct licensing abroad	2,613
				Online	Streaming of series, film and tv	16,584
				Online	Online other	905
Concerts and Background total	17,711	141	17,852			17,852
Hotels and restaurants	4,824	86		General Public Performance	Background - with reporting	5,091
Background music	5,859	1		General Public Performance	Background - no reporting	5,852
Concerts, events, etc	6,129	62		General Public Performance	Concert	5,690
Cinemas and films	900	-7		General Public Performance	Major Live Concert	91
				General Public Performance	Subsidised concert	52
				General Public Performance	Cinemas and films	1,076
Abroad	9,607		9,607			9,607
				Broadcast	Danish TV channels uplinked from the UK	511
				Broadcast	Danish TV channels abroad	177
				Abroad	Koda works performed abroad	8,918
Adjustment of provision for bad debts total	146	-146	0			
Total	138,846		138,846			138,846

Revenues from other collective rights management societies

The table below displays the part of Koda's total revenue in 2021 received from other collective rights management societies. The table adheres to the same method and principles as tables 2.1 and 2.2, described in 'Methods and principles behind 'Revenues and deductions'' on page 12 and 13.

Table 2.5

Revenues from other collective rights management societies in 2021

In thousand EUR

Received from	Revenue	Deduction for administration	Deduction for cultural contribution	Contribution to subsidised concert	For distribution
COPYDAN					
AVU-medier*					
General Public Performance					
Background - no reporting	150	-26	-12	-1	111
General Public Performance Total	150	-26	-12	-1	111
Online					
Streaming of series, film and tv	1,598	-160	-105		1,333
Online Total	1,598	-160	-105		1,333
AVU-medier Total	1,748	-185	-117	-1	1,445
KulturPlus					
Out of category					
KulturPlus - Blank Tape Levy (individual)	257	-6			251
KulturPlus - Blank Tape Levy (collective)	143				143
Out of category Total	401	-6			394
Kultur plus Total	401	-6			394
Verdens TV					
Broadcast					
TV incl TV distribution	27,701	-1,373	-2,556	-33	23,739
Broadcast Total	27,701	-1,373	-2,556	-33	23,739
Online					
Interactive TV services	16,819	-1,682	-1,102		14,035
Online Total	16,819	-1,682	-1,102		14,035
Verdens TV Total	44,519	-3,055	-3,658	-33	37,773
COPYDAN Total	46,667	-3,247	-3,774	-34	39,612
Abroad					
Broadcast					
Danish TV channels abroad	511	-18			493
Danish TV channels uplinked from the UK	177	-19			158
Broadcast Total	688	-37			651
Abroad					
Koda works performed abroad	8,918				8,918
Abroad Total	8,918				8,918
Abroad Total	9,607	-37			9,570
Grand total	56,274	-3,283	-3,774	-34	49,182

* NCB has entrusted Koda with the task of receiving and distributing amounts from Copydan AVU-medier. Koda includes such amounts in table 2.5.

3. Distributions from Koda

Distribution frequency and speed

Koda makes monthly distributions within a wide range of areas. This applies to most radio, TV and concert areas and to music played abroad.

For those Radio and TV areas where distributions are made monthly, a performance is typically distributed within two to three months after the performance has taken place. Revenues for concerts are distributed as they are registered and prepared for distribution in Koda's systems, and it can take up to 14 days from the time a concert is held until it is distributed and paid. However, in order to distribute for a concert, Koda must have received full and adequate reporting, payment, and information on the relevant details, such as ticket revenues, from the concert promoter.

The frequency and speed of Koda's distributions have also increased within other areas. Several areas have transitioned from annual to quarterly or bi-annual distributions, and efforts have also been made in these areas to have the reporting processed faster, ensuring that less time elapses between performance and payment. Koda's distribution schedule, which can be found on the Koda website, lists all of Koda's distribution areas, indicating when distributions are made for specific performance periods for each area. You can find Koda's distribution schedule here: www.koda.dk/music-creators/payment-and-distribution/distribution-schedule.

The distribution frequency per area is also stated in Koda's distribution chart, which can be found here: www.koda.dk/music-creators/payment-and-distribution/koda-s-distribution-chart. The distribution chart includes detailed overview of how Koda's revenues are distributed within the individual areas of use.

Koda will continue to optimise the processes on collecting and processing reports, and even more areas will be included in Koda's monthly distributions.

In some situations, distributions may still be delayed, for example due to agreement disputes, lack of reporting, or incomplete work documentation or rightsholder documentation. The reasons for such delays in 2021 are described in greater detail and the amounts specified in Table 3.2 on page 21 and Table 3.3 on page 22.

Distributed, paid and for distribution

Table 3.1 offers an overview of the amounts distributed by Koda during the year and of the amounts that remain to be distributed by the end of the year.

The key figures in the table (the totals in the last column) are specified in Note 11 to the Financial Statements. The various items in the table are explained in the text on the following page after the table.

Table 3.1 **Distributed, paid and for distribution 2021** In thousand EUR

Distributed, paid and for distribution	General Public Performance	Broadcast	Online	Out of category	Abroad	Total	2020
For distribution at the beginning of 2021							
For distribution 2019 income and earlier	1,423	3,120	18,476	-1	1,378	24,396	19,160
For distribution 2020 income	13,359	28,744	24,799	295	2,057	69,254	67,103
Undistributable amounts 2020	351	726	352	2		1,430	722
Distributed - not paid out	1,710	3,357	7,104	-2		12,169	11,743
For distribution at the beginning of 2021	16,842	35,948	50,730	294	3,434	107,249	98,727
Provision for distribution 2021							
Provision for distribution 2021	12,992	50,666	40,727	251	8,918	113,554	106,251
Paid in 2021							
Distributed in 2021 of 2020 income and earlier	-14,954	-30,810	-26,903	-722	-2,669	-76,058	-62,662
Distributed in 2021 of 2021 income	-2,342	-22,526	-6,855		-6,480	-38,204	-36,997
Distributed total	-17,297	-53,336	-33,758	-722	-9,149	-114,262	-99,659
Adjustment of amounts distributed - not paid out	382	1,282	-375	2		1,291	1,856
Returned amounts	0	0	77	427	-40	464	74
Paid out in 2021	-16,915	-52,055	-34,055	-293	-9,189	-112,507	-97,729
For distribution at the end of 2021							
For distribution 2020 income and earlier	178	1,780	16,801	1	725	19,486	24,396
For distribution 2021 income	10,649	28,140	33,872	251	2,438	75,350	69,254
Distributed - not paid out	2,092	4,639	6,729			13,460	13,599
- of which are Undistributable amounts 2021	298	689	775			1,763	1,430
For distribution at the end of 2021	12,919	34,560	57,402	251	3,163	108,296	107,249

Methods and principles behind 'Distributed, paid and for distribution'

The items in the four main parts of Table 3.1 on the previous page are explained below.

For distribution at the beginning of 2021

'For distribution at the beginning of 2021' denotes the amounts, covering music use in 2020 and earlier, that were ready for distribution at the beginning of 2021. The amount is divided into provisions for performances in 2019 and before, and provisions for performances in 2020. At the beginning of 2021, parts of the reporting to be submitted to Koda for music used in 2020 would not yet have been received, so this item is, quite naturally, substantial.

A subset of 'For distribution at the beginning of 2021' comprises amounts that have been processed through Koda's distribution system, but where it has not been possible to carry out the actual payment. These amounts are for the most part associated with the use of music works or rightsholders where there is not sufficient information available to carry out the distribution. This is to say that these amounts are associated with specific performances that are registered and processed in Koda's distribution systems, but await further handling in order to be paid out to rightsholders.

When it has proven impossible to distribute amounts designated as 'Distributed – not paid out' for three full years, these are classified as 'Undistributable' in Koda's accounts. The undistributable funds are portioned out among the following year's distribution areas, meaning that they are included in the ongoing distributions made for each area.

Provision for distribution 2021

'Provision for distribution 2021' covers the revenues that Koda has received in 2021 for music used primarily in 2021 (but also in previous years) less the costs incurred and the funds set aside for cultural contributions. The result is calculated in Koda's Financial Statements (note 2 – Provision for distribution for 2021) and is further itemised by areas of use in Table 2.1 of the Transparency Report. Table 2.1 also includes the amount pertaining to 'KulturPlus – Blank Tape Levy (collective)'. As this income is distributed as collective funds in response to applications, the amount is not included in 'Provision for distribution 2021'.

Paid in 2021

'Paid in 2021' covers the amounts distributed for music use that has been processed through Koda's reporting and distribution system during 2021. The distributed amounts distinguish between distributed revenues for music used in 2020 and earlier and for music used in 2021. A smaller part of the distributed amounts could not be paid out immediately due to incomplete information about works or rightsholders. These amounts are listed as 'Distributed – not paid out' in Table 3.1 and are further specified in Table 3.3.

At the start of the year, some 'Distributed – not paid out' amounts will remain in Koda's systems from previous years. During the course of year, some of these amounts are distributed as Koda

obtains the missing information about works and rightsholders. At the same time, each distribution will give rise to new amounts being set aside because they cannot be paid out due to a lack of information about works and rightsholders. The difference between the new and the resolved provisions is calculated as 'Adjustment of amounts distributed – not paid out'.

When it has proven impossible to distribute amounts designated as 'Distributed – not paid out' for three full years, these are classified in Koda's accounts as 'Undistributable'. The undistributable funds will be portioned out among the following year's distribution areas, meaning that they are included in the ongoing distributions made for each area.

For distribution at the end of 2021

'For distribution at the end of 2021' denotes the amounts, covering music use in 2021 and earlier, that were ready for distribution at the end of 2021. The amount distinguishes between provisions for performances in 2020 and earlier, and provisions for performances in 2021. At the end of 2021, parts of the reporting to be submitted to Koda for music used in 2021 would not yet have been received, so this item is, quite naturally, substantial.

A subset of 'For distribution at the end of 2021' comprises amounts that have been processed through Koda's distribution system, but where it has not been possible to carry out the actual payment. These amounts are for the most part associated with the use of music works or rightsholders where there is insufficient information available to carry out the distribution. This is to say that these amounts are associated with specific performances that are registered and processed in Koda's distribution systems, but await further processing in order to be paid out to rightsholders.

When it has proven impossible to distribute amounts designated as 'Distributed - not paid out' for three full years, these are classified in Koda's accounts as 'Undistributable' and are separated out in Table 3.1.

Reasons for delayed distributions

Table 3.1 on page 18 displays the revenues which as per 31 December 2021 was not yet distributed. The majority of these are 2021 revenues, which follows Koda's ordinary payment terms and will therefore be distributed in 2022 within the applicable deadlines for distributions laid down in the Danish Act on Collective Rights Management (section 15(2)). Additionally, the table includes unsettled income from 2020 and before, which, according to the statutory deadlines for distribution, is delayed. The reasons why these revenues were not distributed at the time of calculation are stated in table 3.2 on page 21. Revenues from abroad that Koda receives from foreign collective rights management societies are subject to other deadlines than revenue collected by Koda (The Danish Act on Collective Rights Management, section 18(4)). This means that undistributed revenues from abroad received within the first half of 2021 are also defined as delayed according to law.

Table 3.2 Provisions as of 31 December 2021

In thousand EUR

Reason for delayed distribution	2020 and before	2019 and before (from Koda Transparency Report 2020)
Denmark		
Interim amount that cannot be distributed:		
▪ Delayed due to negotiations between Copydan's member organisations and Koda	14,109*	12,748
▪ Awaiting contractual clarification with music user		
Koda has yet to receive the data necessary for distribution, wholly or in part		
▪ Music user reporting is delayed for technical/practical reasons		
▪ Music user reporting is incomplete; Koda awaits supplementary reporting	1,573	5,257
▪ Remaining amount transferred, in accordance with established practice, to the next year's pool within the same distribution area - including amounts awaiting final settlements and distributions.		
Amounts not yet distributed from retransmission of TV and radio channels with uplinks abroad		
▪ Cannot be sent on because the affiliated society in the relevant uplink country does not license or process reporting for primary transmissions.	490	1,151
From distribution areas managed by NMP/NCB		
▪ Funds where NMP awaits information on the distribution basis, wholly or in part	1,456	2,001
▪ Interim amounts awaiting final distribution at the end of claim period		
▪ Reported tracks that cannot be matched to an ICE work or which await payment from music user	1,132	1,862
Total - Denmark	18,761	23,019
Abroad		
Reason for delayed distribution		
▪ Awaiting processing of reporting	725**	1,378
▪ Awaiting work documentation		
Total - Abroad	725	1,378
Grand Total	19,486	24,396

* Most of this amount was paid out in Koda's March and April distributions in 2022, after completion of the negotiations between Copydan's member organisations and Koda.

** In addition to this revenue from 2020 and before, revenue received from abroad before 30 June 2021 is also delayed according to the deadline stipulated in the Act on Collective Rights Management. This figure amounts to 193 thousand EUR.

Reasons for Koda's provisions

The reasons for Koda's provisions are explained and quantified below. The majority of these consist of revenues that have been processed through Koda's distribution system, however, they cannot be paid to rightsholders due to lack of or unresolved work or rightsholder documentation. These amounts are posted to different accounts, depending on the type of missing documentation involved.

Table 3.3 Provisions as of 31 December 2021

In thousand EUR

Reason for provision	Provisions, Koda	Provisions, NMP/NCB	Undistributable funds - included in the proposal for use presented at the 2022 general assembly	Total	Total 2020
Incomplete work information					
▪ The work has not been clearly and correctly notified with Koda	2,751	436	599	3,787	4,365
Incomplete rightsholder information					
▪ The rightsholder cannot be identified or located, or Koda does not have their account information	2,420	1,404	1,163	4,988	4,531
Reserved due to dispute between rightsholders					
▪ Reserved indefinitely until the dispute is resolved	2,276	281		2,557	2,439
Various corrections and blocked accounts					
▪ Amounts awaiting transfer to affiliated societies					
▪ Amounts awaiting transfer to composers/authors, publishers and heirs	1,083			1,083*	308
Returned shares					
▪ Funds distributed to affiliated societies, but returned to Koda due to differences in work documentation	299			299	621
▪ Mechanical amounts processed by Koda on behalf of NCB					
Awaiting final processing					
▪ This includes amounts that has not been matched to repertoire represented by Koda. Awaits reference distribution.		747		747	1,334
Total	8,830	2,868	1,763	13,460	13,599

* Due to a change in the method of calculation, advances to Koda's members are, as of 2021, no longer deducted from this amount. As stated in the 'Balance sheet at 31 December' under the item 'Advances for members' in Koda's Financial Statements for 2021, this amount comes to EUR - 393 thousand.

Revenues from foreign collective rights management societies

The table below displays the revenues received by Koda from foreign collective rights management societies in 2021. The amounts cover use of Koda members' music outside of Denmark within various performance periods and are listed by society and classified by rights category. Unlike previous years, the table now shows the booked revenues for each society. Prior to this, the table was based on the distributed revenues for each society. The 2020 figures have been updated in this table, making them comparable to the 2021 figures.

Table 3.4 Revenues from foreign collective rights management societies in 2021

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Unknown category / other	Distributed by Koda on behalf of other society	Total	2020
Argentina	SADAIC	2	2	3	0	-	7	10
Australia	APRA	17	44	102	1	-	164	130
Austria	AKM	15	42	5	14	0	76	87
Barbados	COSCAP	-	-	-	-	-	-	0
Belarus	NCIP	-	-	-	3	-	3	2
Belgium	SABAM	42	116	22	24	-	205	85
Brazil	UBC	2	10	18	8	-	38	57
Bulgaria	MUSICAUTOR	0	1	-	0	-	2	-
Canada	SOCAN	2	44	67	0	-	114	127
Chile	SCD	0	5	2	1	-	8	8
China	MCSC	104	2	-	19	-	126	5
Colombia	SAYCO	0	5	2	0	-	8	6
Croatia	HDS-ZAMP	-	-	-	-	-	-	13
Czech Republic	OSA	2	31	2	19	-	54	50
Ecuador	SAYCE	-	-	-	-	-	-	3
Estonia	EAÜ	4	23	0	0	-	26	17
Finland	Teosto	82	1,046	107	38	5	1,278	1,084
France	SACEM	60	225	133	43	-	461	362
Georgia	GCA	-	-	-	-	-	-	1
Germany	GEMA	96	410	290	333	5	1,134	2,342
Greece	AUTODIA	1	2	0	0	-	3	3
Hong Kong	CASH	0	3	11	2	-	16	12
Hungary	ARTISJUS	3	4	1	4	-	12	23
Indonesia	WAMI	-	0	7	1	-	8	7
Ireland	IMRO	2	16	13	1	-	32	34
Israel	ACUM	3	14	5	6	-	27	28
Italy	SIAE	30	62	27	68	-	188	569
Japan	JASRAC	39	84	71	2	-	196	276
Latvia	AKKA-LAA	7	7	0	3	-	17	18
Lithuania	LATGA-A	4	31	-	6	-	41	43
Malaysia	MACP	0	1	3	1	-	6	10
Mexico	SACM	1	7	15	1	-	24	36
Montenegro	PAM	-	0	-	0	-	0	-
Netherlands	BUMA	81	93	69	4	-	247	342
Netherlands	STEMRA	-	-	-	55	-	55	7
North Macedonia	ZAMP	-	1	-	0	-	1	1

Table 3.4 **Continued**

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Unknown category / other	Distributed by Koda on behalf of other society	Total	2020
Norway	TONO	152	554	165	9	168	1,049	1,330
Peru	APDAYC	0	0	2	1	-	3	5
Philippines	FILSCAP	1	11	-	3	-	15	3
Poland	ZAIS	5	27	4	19	-	55	75
Portugal	SPA	6	3	0	7	-	17	28
Romania	UCMR-ADA	0	-	0	8	-	8	71
Serbia	SOKOJ	0	6	0	1	-	7	12
Singapore	COMPASS	0	4	0	8	-	12	30
Slovakia	SOZA	2	10	1	2	-	16	13
Slovenia	SAZAS	4	5	0	0	-	8	6
South Africa	SAMRO	-	9	0	1	-	11	13
South Korea	KOMCA	4	26	154	6	-	191	113
Spain	SGAE	29	31	13	0	-	74	101
Sweden	STIM	64	550	651	45	333	1,644	1,903
Switzerland	SUISA	12	230	70	31	-	342	334
Thailand	MCT	1	0	1	0	-	2	6
Turkey	MESAM	2	3	2	5	-	12	5
United Kingdom	PRS	44	204	244	141	177	810	1,034
Uruguay	LATINAUTOR	-	-	-	-	-	-	1
USA	ASCAP	57	187	181	-10	-	416	374
USA	BMI	3	112	174	46	-	335	281
USA	SESAC	0	1	1	0	-	2	5
Vietnam	VCPMC	1	0	0	0	-	2	3
Total		989	4,310	2,638	982	688	9,607	11,546

Distributions to foreign collective rights management societies

The table below shows the amounts that Koda distributed to foreign collective rights management societies in 2021 for use of their members' music in Denmark. Amounts are listed by society and classified by rights category.

Table 3.5 **Distribution to foreign collective rights management societies in 2021**

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Out of category	Distributed on behalf of Koda	Total	2020
Albania	ALBAUTOR	0	1	0			1	0
Algeria	ONDA	0	0	0			0	0
Argentina	SADAIC	3	6	14	0		23	22
Armenia	ARMAUTHOR NGO	0	0	0			0	0
Australia	AMCOS			31	0		31	35
Australia	APRA	143	676	231			1,050	1,115
Austria	AKM	21	191	47	1		260	214
Austria	AUME			13	0		13	6
Barbados	COSCAP	0	0	0			0	0
Belarus	NCIP	0	0	0			0	0
Belgium	SABAM	29	45	27	0	1	102	83
Benin	BUBEDRA	0	0	0			0	0
Bolivia	SOBODAYCOM	0	0	0			0	0
Bosnia And Herzegovina	AMUS	0	0	0			0	0
Bosnia And Herzegovina	SQN	0	0	0			0	0
Brazil	ABRAMUS	2	1	1			4	5
Brazil	ADDAF			0			0	0
Brazil	AMAR SOMBRÁS	0	1	0	0		1	1
Brazil	ASSIM	0	0	0			1	0
Brazil	SADEMBRA	0	0	0			0	0
Brazil	SBACEM	0	1	0			1	1
Brazil	SICAM	0	0	0			0	0
Brazil	SOCINPRO	0	0	0			0	0
Brazil	UBC	2	6	2			11	11
Bulgaria	MUSICAUTOR	0	0	0	0		1	0
Burkina Faso	BBDA	0	0				0	0
Canada	SOCAN	144	639	309	3	1	1,096	869
Canada	SODRAC			10	0		10	5
Chile	SCD	0	1	1	0		1	1
China	MCSC	0	1	0			1	1
Colombia	SAYCO	0	2	1			3	2
Congo	BCDA	0	0	0			0	0
Costa Rica	ACAM	0	0	0			0	0
Cote D'Ivoire	BURIDA	0	0	0			0	0
Croatia	HDS-ZAMP	0	6	3	0		10	3
Cuba	ACDAM	0	1	0	0		1	1
Czech Republic	OSA	1	6	5	0		12	7
Democratic Republic Of The Congo	SONECA (SACEM)	0	0	0			0	0
Dominican Republic	SGACEDOM	0	0	0			0	0
Ecuador	SAYCE	0	0	0			0	0

Table 3.5 Continued

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Out of category	Distributed on behalf of Koda	Total	2020
Egypt	SACERAU			0			0	0
Estonia	EAU	26	2	3	0		30	5
Finland	Teosto	28	70	41	0		140	103
France	SACEM	187	1,256	636	9	25	2,112	1,915
France	SACENC		0	0			0	0
Georgia	GCA	0	0	0			0	0
Germany	GEMA	171	758	488	4	1,073	2,493	2,191
Ghana	COSGA	0	0	0			0	0
Greece	AEPI	0	1	1	0		2	3
Greece	AUTODIA	0	0	0			0	0
Guatemala	AEI-GUATEMALA		0	0			0	0
Guatemala	AGAYC	0	0	0			0	0
Guinea	BGDA	0	0	0			0	0
Honduras	AACIMH		0	0			0	0
Hong Kong	CASH	0	3	4	0		6	3
Hungary	ARTISJUS	1	3	5	0		9	4
Iceland	STEF	17	88	35	1		141	58
India	IPRS	0	0	2			2	2
Indonesia	KCI	0	0	0			0	0
Indonesia	WAMI	0	0	0			0	0
Ireland	IMRO	34	128	46	1		210	170
Israel	ACUM	3	16	9	0		27	28
Italy	SIAE	52	181	88	1	1	324	256
Jamaica	JACAP	0	0	0			0	0
Japan	JASRAC	4	20	35	0		59	51
Kazakhstan	KAZAK		0	0			0	0
Kenya	MCSK	0	0	0			0	0
Korea, Republic Of	KOMCA	15	4	6			26	8
Latvia	AKKA-LAA	1	2	3	0		5	3
Lithuania	LATGA	1	1	2	0		3	2
Macedonia, The Former Yugoslav Republic Of	ZAMP Macedonia	0	0	0			0	0
Madagascar	OMDA		0				0	0
Malawi	COSOMA	0					0	0
Malaysia	MACP	0	2	1			3	4
Mali	BUMDA	0	0	0			1	1
Mauritius	MASA	0		0			0	0
Mexico	SACM	5	4	2			11	13
Montenegro	PAM CG	0	0	0			0	1
Nepal	MRCNS			0			0	0
Netherlands	BUMA	76	192	74	1		344	232
Netherlands	STEMRA			29	0		29	20
Nigeria	COSON	0	0	0			0	0
Nigeria	MCSN	0	0	0			0	0
Norway	TONO	139	312	269	4	285	1,009	1,362
Panama	SPAC	0	0	0			0	0
Paraguay	APA	0	0	0			0	0
Peru	APDAYC	0	1	0			2	1

Table 3.5 Continued

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Out of category	Distributed on behalf of Koda	Total	2020
Philippines	FILSCAP	0	0	0			0	0
Poland	ZAIS	3	9	23	0		35	11
Portugal	SPA	2	3	2	0		7	5
Puerto Rico	SPACEM (SACEM)	0	0	0			0	0
Romania	UCMR-ADA	1	1	3	0		5	2
Russian Federation	RAO	2	7	2	0		11	5
Saint Lucia	ECCO	0		3			3	0
Senegal	SODAV	0	1	0			1	1
Serbia	SOKOJ	0	1	1	0		2	2
Singapore	COMPASS	0	1	1			2	5
Slovakia	SOZA	0	0	0	0		0	0
Slovenia	SAZAS	0	1	0	0		1	2
South Africa	SAMRO	2	15	4			22	10
South Africa	SARRAL			0	0		0	0
Spain	SGAE	18	65	102	0		185	190
Sweden	STIM	3,243	10,194	8,131	111	822	22,502	18,652
Switzerland	SUISA	19	45	27	0	13	104	100
Taiwan, Chinese Taipei	MÚST	0	0	0			1	1
Tanzania, United Republic Of	COSOTA	0	0	0			0	0
Thailand	MCT	0	0	0			0	0
Trinidad And Tobago	COTT	0	0	0			1	1
Turkey	MESAM	0	2	2	0		4	2
Turkey	MSG	1	1	17			18	8
Uganda	UPRS		0	0			0	0
Ukraine	NGO-UACRR	0	2	2			4	0
United Kingdom	MCPS			287	1	263	551	449
United Kingdom	PRS	1,382	6,995	2,603	45	2,599	13,625	12,393
United States	AMRA	46	79	27	0		152	104
United States	ASCAP	1,068	3,565	2,079	18		6,729	6,036
United States	BMI	1,159	3,518	2,109	19		6,804	5,943
United States	SESAC	75	215	201	1		491	416
Uruguay	AGADU	0	0	0			1	0
Venezuela	SACVEN	0	0	0			0	0
Viet Nam	VCPMC	0	0	0			0	0
Zambia	ZAMCOPS	0	0	0			0	0
Zimbabwe	ZIMURA	0	0	0			0	0
Total		8,130	29,348	18,101	223	5,082	60,884	53,161

4. Koda's cultural contributions

In 2021, the cultural contributions to be allocated amounted to EUR 8.7 million. The funds were generated in 2020. In addition, cultural contributions totalling EUR 6.6 million have been transferred from previous years, some of which are grants that have been awarded in previous years but not yet paid out. Out of the funds to be allocated in 2021, each of the four associations Autor, DPA, DKF and Musikforlæggerne managed EUR 1.5 million. Koda had EUR 2.4 million at its disposal.

At the end of 2021, the non-distributed funds amounted to EUR 6.1 million. Most of the transferred funds of EUR 6.1 million have already been granted to applicants (EUR 4.4 million) but are not expected to be paid out until 2022. In addition to this, the 2019 General Meeting decided to allocate EUR 1.2 million to subsidised concerts and first performance awards in the years 2022-2024. This will happen when these schemes, from 2022 onwards, no longer form part of Koda's distribution plan, but will instead be handled under the auspices of Koda's cultural contributions. The remaining part of the funds that have not yet been allocated to applicants will be transferred for allocation in 2022.

In accordance with a decision made at Koda's general meeting, each of the four associations will manage a total of 71.2 per cent of the cultural contributions, while Koda will administer 28.8 per cent. Furthermore, the general policy for deductions in rights revenues decrees that Koda and each of the four associations may spend up to 15 per cent on administration of the funds and up to 17 per cent on cultural policy purposes. At least 68 per cent must be allocated to grants awarded upon application; these should support a strong music scene and apply a particular focus on quality, diversity and growth. This part of the funds is distributed in the form of work grants, study grants and travel grants, production cost grants, recording/release grants and PR activities, as well as support for concert activities and projects. The associations' and Koda's expenditure on administration, cultural and business policy efforts and allocated grants are shown in the table below. Accordingly, the table shows the expenditure and distributions made in 2021.

Table 4.1 **How the cultural contributions were spent**

In thousand EUR

Association	Transferred as of 1 January 2021 and internal reallocations	For use in 2021	Spent on: Administration	Spent on: Cultural and business policy efforts	Spent on and distributed: Grants and support	Spent Total in 2021	Total transferred to 1 January 2022
Musikforlæggerne	1,402	1,546	149(10%)	229 (15%)	1,057	1,435	1,512
DKF	704	1,546	225 (15%)	263 (17%)	996	1,484	766
DPA	636	1,546	201 (13%)	261 (17%)	787	1,249	932
Autor	478	1,546	214 (14%)	263 (17%)	1,368	1,844	179
Total – Managed by the associations	3,219	6,184	789 (13%)	1,015 (16%)	4,208	6,012	3,390
Koda	2,064	2,396	359 (15%)	214 (9%)	2,373	2,947	1,514
UR/SUB	1,229		0 (0%)	0 (0%)			1,229
Greenland	43	35	3 (8%)	8 (24%)	59	70	8
Faroe Islands		70	3 (5%)	19 (27%)	48	70	
Total – Managed by Koda	3,337	2,501	366 (15%)	242 (10%)	2,479	3,086	2,751
Total	6,556	8,685	1,155 (13%)	1,257 (14%)	6,687	9,099	6,142

Figures in parentheses indicates the relative share of the 'For use in 2021' in the specific row.

For the second time, Koda is publishing an independent report on the use of cultural contributions. In addition to delving into the individual associations' activities and distribution of cultural funds, the report contains overviews of support and grants awarded in terms of geography, gender and age. Furthermore, the report describes the contents of Koda's cultural strategy and the particular focus areas for 2021.

'Annual report: Koda's Cultural Contributions 2021' can be found at: www.koda.dk/about-us/annual-reports-transparency-report-and-analyses

5. Information on refusal to license

In accordance with firmly established practice, Koda only refuses to issue a licence in three specific cases:

1. In situations where Koda deems that the performance of music cannot be regarded as public, meaning that there is no reason to license such performance.
2. In situations where the publicly performed music is not protected under copyright.
3. In situations where Koda does not have the rightsholder's permission to manage the rights pertaining to the music performed.

However, Koda may, in specific cases where a music user repeatedly fails to meet the terms of their agreement, including payment, refuse to issue a licence as long as the terms of the agreement are not honoured.

In 2021 Koda has only refused to issue licences in cases that belong to one of the three categories listed above.

6. Legal structure of Koda

Koda's legal structure and management structure

Koda is a non-profit members' society. As specified in Koda's articles of association, the main objective of Koda is to manage the rights pertaining to musical works on behalf of composers, songwriters and music publishers. Koda has a board of directors who monitor Koda's overall operation. The board of directors appoint a CEO to whom all other employees within Koda's administrative organisation refer.

Entities owned, directly or indirectly, wholly or partly by Koda at the end of the year

- Nordisk Copyright Bureau
- Network of Music Partners A/S ("NMP")
- Polaris Nordic A/S
- Polaris Hub AB

At the end of the year, Koda was represented on the boards of the following entities

- Copydan Arkiv
- Copydan AVU Medier
- Copydan KulturPlus
- Copydan Verdens TV (observer)
- MXD
- Rettighedsalliancen



Koda

Financial Statements for 2021

CVR No 64 08 69 28

The Financial Statements have been translated from the original in Danish. In case of discrepancy, the Danish version shall prevail.

When translating from DKK into EUR, the exchange rate at the balance sheet date for both current and prior years, ie 743.65, has been used for both income statement and balance sheet items.

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Management's Statement

The Executive Board and the Board of Directors have today considered and adopted the Financial Statements of Koda for the financial year 1 January to 31 December 2021.

The Financial Statements are prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A, the By-laws of Koda as well as section 23(5) of the Danish Act on Collective Management of Copyright. We consider the accounting policies applied appropriate and the estimates made reasonable. Moreover, we consider the overall financial statements presentation true and fair.

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

We recommend that the Financial Statements be adopted at the Ordinary General Meeting of the Society.

Copenhagen, 29 March 2022

Executive Board

Gorm Arildsen

Board of Directors

Niels Rønsholdt
(Chairperson)

Loui Törnqvist
(Deputy Chairperson)

Anna Lidell
(Deputy Chairperson)

Ole Dreyer

Juliana Hodgkinson

Jesper Hansen

Tobias Stenkjær

Søren Winding

Pernille Bévort

Jens Visby
(Employee Representative)

The Financial Statements were presented at the Annual General Meeting of the Society, / 2022

Chairman



Independent Auditor's Report

To the Board of Directors of Koda

Opinion

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

We have audited the Financial Statements of Koda for the financial year 1 January - 31 December 2021, which comprise summary of significant accounting policies, income statement, balance sheet, cash flow statement and notes ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have 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 that give a true and fair view in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A and the By-laws of Koda and which fulfil 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 Society'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 Society 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.



Independent Auditor's Report

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 Society'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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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, 29 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Anders Røjleskov
State Authorised Public Accountant
mne28699

Accounting Policies

The Financial Statements of Koda for 2021 are prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A, the By-laws of Koda as well as section 23(5) of the Danish Act on Collective Management of Copyright.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in EUR thousands.

Recognition and measurement

Music revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Society, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Society, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Accounting Policies

Income Statement

Music revenue

Koda's music revenue is recognised in the income statement under the completed-contract method when music has been used before the balance sheet date, and Koda has acquired the right to the revenue on behalf of its members, and the revenue can be reliably measured.

Music revenue from associates are recognised in the income statement when these are received in Koda.

Administrative expenses

Administrative expenses comprise expenses for staff, premises, office supplies, etc with deduction of reimbursements received. Staff expenses comprise salaries and payroll related expenses.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of projects and operating equipment.

Income from investments in group enterprise

The item "Income from investment in subsidiary" includes the profit/loss for the year.

Financial income and expenses

Financial income and expenses comprise return on portfolios etc and are recognised in the income statement at the amounts relating to the financial year.

Tax

Tax on profit for the year is recognised in the Financial Statements of the Society under the provisions applying to trade associations.

Accounting Policies

Balance Sheet

Receivables

Receivables are recognised at market value, usually corresponding to the invoiced amount. Other receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. The value is reduced by provisions for bad debts according to principles determined on the basis of the Society's experience from past years and of an individual assessment of each receivable.

Securities

Securities are measured at market value at the balance sheet date. Unrealised price gains/losses at the balance sheet date and realised price gains/losses from sale are included in the item "Net financial income" in the income statement.

Operating equipment and leasehold improvements

Operating equipment and leasehold improvements are recognised at cost less accumulated depreciation and any impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives which are 3-5 years for operating equipment and 10 years for leasehold improvements.

Accounting Policies

Investment in associates

Investment in associates is recognised at cost. An associate with a negative net asset value is recognised at EUR 0. Any legal or constructive obligation of the Society to cover the negative balance of the enterprise is recognised as a liability.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions, etc.

Financial debts

Loans are measured at amortised cost which substantially corresponds to nominal value.

Cash flow statement

The cash flow statement shows the Society's cash flows for the year broken down by payments received, operating and investing activities, payments made and changes for the year in cash and cash equivalents and securities at the beginning and end of the year.

Income Statement 1 January - 31 December

	Note	2021 EUR '000	2020 EUR '000
Performing rights		119.086	110.592
Mechanical rights		10.153	7.774
Music revenue, abroad		9.607	11.546
Total music revenue	1	138.846	129.912
Distribution to rights holders for the year	2	-123.341	-115.118
Profit before expenses etc		15.505	14.794
Administrative expenses	3	-14.332	-13.736
Profit before depreciation, amortisation and other items		1.173	1.058
Depreciation, amortisation and impairment losses		-662	-1.053
Profit before interest		511	5
Net financial income and expenses	4	-511	-5
Profit before tax		0	0
Corporation tax		0	0
Net profit for the year		0	0

Balance Sheet at 31 December

Assets

	Note	2021 EUR '000	2020 EUR '000
Investment in associates		24	24
Deposits		531	521
Fixed asset investments		555	545
Fixtures and fittings, operating equipment and leasehold improvements	5	786	1.447
Property, plant, equipment and intangible assets		786	1.447
Receivables		7.704	10.075
Advances for members		394	503
Prepayments		100	177
Other receivables		12.792	14.954
Cash at bank and in hand		52.614	50.327
Securities	6	53.826	49.442
Current assets		127.432	125.478
Assets		128.772	127.468
Capital and liabilities			
Funds for cultural contributions	7	15.640	14.906
Collective blank media funds	8	585	531
Other payables and debt	9	2.888	3.392
Reserves special purpose (technology)		1.361	1.389
Provision for distribution	10	108.296	107.248
Capital and liabilities		128.772	127.468
Contingent liabilities	11		

Cash Flow Statement

	2021	2020
	EUR 'ooo	EUR 'ooo
Music revenue received, Denmark		
Music revenue for the year (performing rights and mechanical rights)	129.240	118.366
Change in trade receivables	2.371	-8.808
Change in other receivables	2.162	-1.656
	133.773	107.902
Music revenue received, abroad		
Music revenue for the year, abroad	9.607	11.546
	9.607	11.546
Operating expenses		
Administrative expenses for the year	-14.332	-13.736
Change in payables	-532	-406
Change in associates	0	0
Change in prepayments	75	-53
	-14.789	-14.195
Financial expenses		
Interest expenses for the year	-510	-4
Change in deposits	-10	-10
	-520	-14
Investments		
Development projects and operating equipment	0	-291
	0	-291
Funds for cultural contributions and collective blank media funds		
Funds for cultural contributions and collective blank media funds for the year	-9.791	-8.867
Change in funds for cultural contributions and collective blank media funds	789	2.778
	-9.002	-6.089
Individual contributions		
Individual contributions for the year	-113.554	-106.251
Change in individual contributions	1.047	8.522
	-112.507	-97.729
Advances for members		
Change in advance for members	109	-503
	109	-503
Change in cash and cash equivalents for the year	6.670	626
Securities and cash and cash equivalents, beginning of year	99.770	99.143
Securities and cash and cash equivalents, end of year	106.440	99.769

Notes to the Financial Statements

	2021	2020
	EUR 'ooo	EUR 'ooo
1 Music revenue		
Primary transmission on radio and TV and retransmission KulturPlus	62.440	61.274
Internet and On Demand	401	453
Cinemas and films	48.540	36.459
Hotels and restaurants	900	1.216
Background music	4.824	5.815
Concerts, events, etc	5.859	6.370
Adjustment of provision for bad debts	6.129	6.643
Foreign income from sister societies	146	136
	9.607	11.546
	138.846	129.912
2 Distribution to rights holders for the year		
Distribution to rights holders for the year is allocated as follows:		
Funds for cultural contributions*	9.644	8.717
Collective blank media funds	143	150
Provision for distribution for the year	113.554	106.251
Distribution to rights holders	123.341	115.118

Notes to the Financial Statements

	2021	2020
	EUR '000	EUR '000
3 Administrative expenses		
Staff expenses	-10.237	-10.488
Refunded administrative expenses	1.277	1.424
Fees and comission	-2.298	-2.155
Marketing and PR	-245	-271
Travelling, meetings and entertainment	-122	-151
Rental income	139	90
Rental expenses	-1.332	-952
Property expenses	-267	-264
Office supplies	-514	-462
IT expenses	-1.673	-1.589
Membership fees etc	156	188
Refund of administrative expenses	784	894
	-14.332	-13.736
Remuneration to the Executive Board and the Board of Directors	531	512
Average number of employees	117	122
4 Net financial income		
Return on portfolio	-334	288
Bank and giro accounts	-270	-344
Receivables etc	93	51
	-511	-5

Notes to the Financial Statements

5 Fixtures and fittings, operating equipment and leasehold improvements

	Fixtures and fittings EUR '000	IT equipment EUR '000	IT software EUR '000	Leasehold improvements EUR '000	Total EUR '000
Cost at 1 January	457	1.461	4.772	1.364	8.054
Additions for the year	0	0	0	0	0
Disposals for the year	0	-798	0	0	-798
Cost at 31 December	457	663	4.772	1.364	7.256
Depreciation, amortisation and impairment at 1 January	-457	-1.250	-3.987	-913	-6.607
Impairment losses for the year	0	798	0	0	798
Depreciation and amortisation for the year	0	-79	-441	-141	-661
Depreciation, amortisation and impairment at 31 December	-457	-531	-4.428	-1.054	-6.470
Carrying amount at 31 December	0	132	344	310	786

6 Securities

The portfolio consists of bonds, corporate bonds and mutual fund certificates in distributing mutual funds, where the underlying portfolios consist of bonds. In addition, investments have been made in alternative investments to support the UN's global goals. Investments are made in solar energy, reinsurance and microfinance, which consists of unlisted securities. The investment in securities is in accordance with the association's general investment policy.

Notes to the Financial Statements

	2021	2020
	EUR '000	EUR '000
7 Funds for cultural contributions		
Funds for cultural contributions for the year	9.645	8.717
Funds for cultural contributions, transferred from previous years	5.995	6.189
	15.640	14.906
8 Collective blank media funds		
Collective blank media funds for the year	143	150
Collective blank media funds, transferred from previous years	442	381
	585	531
9 Payables and other debt		
Koda-Dramatik	171	0
Accrued expenses	2.221	1.941
Accrued holiday pay	453	1.408
Social cost	13	14
Prepayments	30	29
	2.888	3.392
10 Provision for distribution		
For distribution, beginning of year	107.249	98.727
Provision for distribution for the year	113.554	106.251
Distribution for the year	-112.507	-97.730
	108.296	107.248
Music revenue to the Executive Board and the Board of Directors of Koda	29	46

Notes to the Financial Statements

11 Contingent liabilities

Rental obligation:

The Society has entered into a rental obligation which is non-cancellable until 1 March 2026. The obligation amounts to EUR 4,687k at 31 December 2021 and part of the lease has been sub-leased on non-cancellable leases totalling EUR 252k.

Lease obligation:

At 31 December 2021, the obligation amounts to EUR 94k.

Other contingent liabilities:

Koda has entered into a contractual obligation with others which has a notice period of 12 months. The obligation amounts to EUR 268k at 31 December 2021.

Polaris Nordic A/S

Together with Tono, Norway, and Teosto, Finland, Koda participates in the jointly owned company Polaris Nordic A/S that has entered into a non-cancellable operating agreement to the end of 2021, afterwards a notice period of 12 months. At 31 December 2021, the future estimated expense for Koda in the contract period amounts to EUR 233k.

Koda

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