

# Annual Report **2019**



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*Photo on front and back: Daniel Tafjord*

**Koda**

Lautrupsgade 9  
2100 København Ø  
Denmark  
Phone: +45 33 30 63 00  
info@koda.dk  
www.koda.dk



# Koda: Stepping into the Future on Strong Legs

Photo: Lars Svankjær

**2019** was another eventful year in Koda and a fantastic year for Koda's revenues to rightsholders. Once again, we passed the magic one-billion kroner turnover mark, which is very impressive in a global market for music rights characterised by fierce competition and constant changes and challenges.

Speaking about 'Koda's revenues' is both true and false. True, because most of the revenues would not be collected and

distributed at all if no one had been around to manage the rights. False, because the revenues weren't really generated by Koda, but by the composers and songwriters who created the music.

In Denmark we have a strong, rich and diverse music culture, which helps to ensure the high revenues generated here. Few places can match the high music consumption rates we see in Denmark. But a strong music culture doesn't simply happen.



On the one hand, it requires the possibility of making money from music: creating music must be financially viable and there must be a dynamic market. But it also requires something more than just commercial market thinking; commercial concerns should not control everything, because then we run the risk of a bland uniformity that would be detrimental to the culture, the music scene and to the market itself in the long term.

In Koda, we reinvest a percentage of the revenues generated in creating new music every year. We do this via the cultural contributions distributed by Koda Kultur, fuelled by an ambition to ensure that a diverse range of music is on offer and to develop and strengthen the music culture and music scene in Denmark.

In that sense, you might say that two tracks run side by side in Koda: business and culture. We need to be constantly vigilant to ensure that it's possible to make money out of making music and that setting up an agreement is simple for those who have to pay for the public use of music. And at the same time, we must work systematically to create fertile soil for a strong and diverse

music scene in the future. That's what we do when we reinvest in music culture.

In 2019, we crafted the first overall cultural strategy for Koda. Conducted as a collaboration between the member associations, Koda's management and the Board of Directors, this work has identified four over-arching areas where we particularly want to make a significant difference: Greater diversity through a better gender balance in music; better conditions for future users and creators of music; exports and international exchanges; and, finally, cultivating our talents and elite. With this cultural strategy, we have defined areas for joint and unified efforts and have all committed to take action and see effects.

**"Koda will not limp into the future; we will dash at it at full speed – on both legs**

2019 was also the year where we got a new CEO in Koda. The changeover has progressed smoothly and well, and Koda has

emerged even stronger with a new man at the helm. Anders Lassen spearheaded a very important transformation and modernisation of Koda and produced great results over a period of nine years. Now the time had come for a change: Gorm Arildsen has taken over the helm and delivered six months of excellent results, driven by ambition, decisiveness and assured confidence. Gorm has set ambitious goals for Koda both internally and externally and will define a new era for Koda.

In 2019, Koda was randomly selected for an audit by the international umbrella organisation for collective rights management societies, CISAC. In this connection, all aspects of Koda's operation were reviewed. The results are very favourable, with Koda receiving high praise: in many respects Koda is lauded as a strong example for others to follow. Sadly, however, there are a few notes of discord, too: on two specific points, Koda does not comply with the clear demands for equal treatment, objectivity and transparency. These two points concern our schemes for first performance awards and concert subsidies.

In response, the Board has proposed a phase

out and reorganisation of the two schemes leading up to 2024, opting instead to focus on supporting the creation of new music and a diverse music culture through the cultural contributions. This will affect many adversely, but we have to relinquish certain inherited privileges in order to secure the legitimacy – and hence the future – of Koda's business and of Koda's cultural work.

Koda strides forth on two legs – one is business, the other is culture. Sometimes the two are close to each other, sometimes they're a bit further apart. But we cannot do without either of them. Legitimacy – in everything we do, both in business and culture – is crucial in order for Koda to maintain its position for the benefit of rightsholders and members of all kinds.

Koda will not limp into the future; we will dash at it at full speed – on both legs.



**Niels Rønsholdt**  
**Chairman of the Koda Board of Directors**

*"We know that we must be really good at adapting to the changes that will face us"*

# A Change of Direction

Halfway through 2019, we at Koda took our first steps in what we might call a strategic change of direction. For the times are changing, and so too are the conditions for collective rights management and, hence, Koda's task and role in the world. If we want to still be among the best collective rights management societies in the world five and ten years from now, we need to understand that what qualifies us for that position today may not be what qualifies us in the future.

When we compare ourselves with other collective rights management societies today, we evaluate ourselves and them by means of some very classic benchmarks and parameters: Revenues, revenues per capita, administration cost rates, distribution speed, customer satisfaction, member satisfaction. But what will good collective rights management entail in a future global digital ecosystem? What does it take to attract and maintain a large repertoire in a market where rights may be sold piecemeal in tiny slices? What should we do to ensure that we can

price the rights we trade at the value we think they are worth? What should we offer – and what should we stand for – in order to be the first choice?

We do not know, and this is where the strategic change of direction takes its beginning. Because that's exactly what we need to find out. But we do know one thing: we know that we must be really good at adapting to the changes that will face us on a regular basis. We know that we need to develop and deepen our relationships with our members, customers and partners so that we understand the needs we should meet. We know that we must develop our technological platforms and our skills - continuously and in a timely manner. And we must apply an open, global outlook and constantly strive to leave a strong cultural and political imprint, including outside our own little corner of the world.

Based on this, 2019 saw us formulating a development project that will be set in motion in 2020. Taking a new organisational structure as our springboard, we will act on the basis of three strategic focus areas: 1) Attracting and maintaining repertoire, 2)

Market development and licensing, and 3) Relations.

In that sense, Koda is in a fantastically exciting place right now. There is plenty of potential and a lot to fight for. And when we look back on the year gone by, we look back on yet another year of great results.

## **"There is plenty of potential and a lot to fight for"**

On the political arena, strong collaboration among the Danish stakeholders, politicians and GESAC (the umbrella organisation for European CMO's) led to a breakthrough in 2019 when we succeeded in getting the Copyright Directive approved. We hope that with this directive in place, we will be able to embark on a journey towards fairer payment to our members from the major international services who have enjoyed safe harbour for years, having no real incentive to enter into fair agreements.

Extensive development work led to the launch of monthly distributions in 2019, which means that revenue is now passed on to those who earned it much faster than before.

In 2019, we were also able to finally launch the Dashboard that many of you – in particular music publishers and major members – have been asking for in order to get a better overview. As far as Koda's customers are concerned, we launched, in collaboration with Gramex, a new product that better matches the needs of very large customers with large businesses. Members and customers both rewarded these efforts by reporting higher satisfaction rates in 2019.

A number of pilot projects have helped us uncover and assess the value of new technology. By continuously working with carefully delimited tests, we can ensure that we only invest in what creates real value for the business. A few examples from the past year include the implementation of two types of artificial intelligence: Machine Learning, which will help us reduce manual work associated with music reporting, and a Chatbot feature that answers customer

inquiries 24/7. Most recently, we have launched a project on better monitoring and tracking of commercials. .

Finally, in collaboration with Teosto (Finland), we have embarked on the first phase of preparing to replace our entire digital platform. The new platform will become the basis for ensuring that five and ten years from now, we still have the best possible foundation for servicing our members and customers.

And the development efforts continue. I would like to take this opportunity to thank our members, customers and partners for a great year, where we also took the time to gaze into a future we will all shape together.

  
**Gorm Arildsen**  
CEO



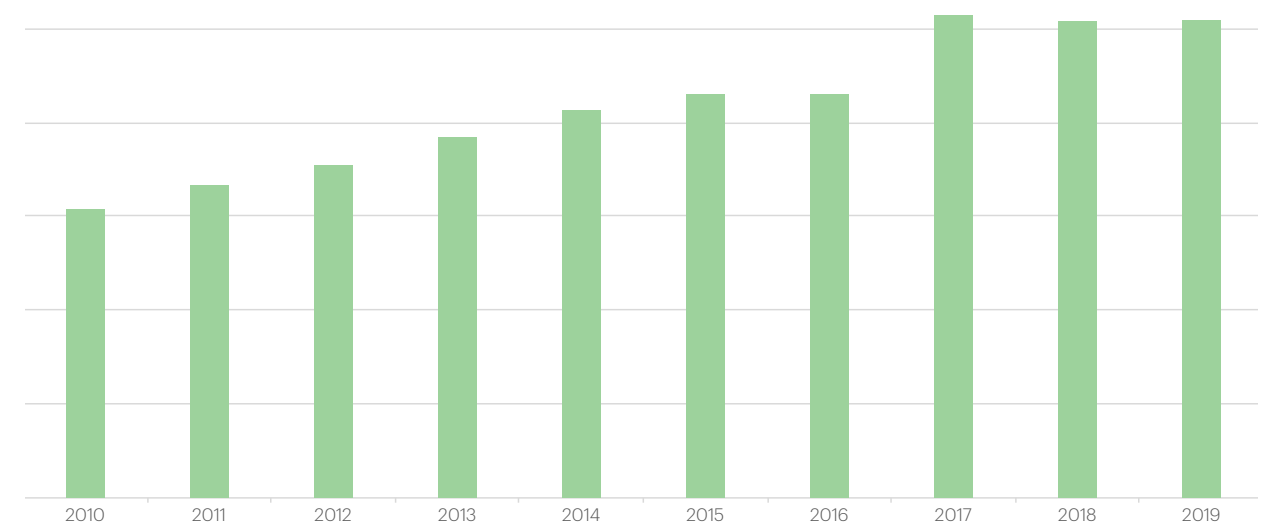
# Highlights from 2019

## Exceeding EUR 135 million for the third year in a row

Turnover  
**EUR 136 million**

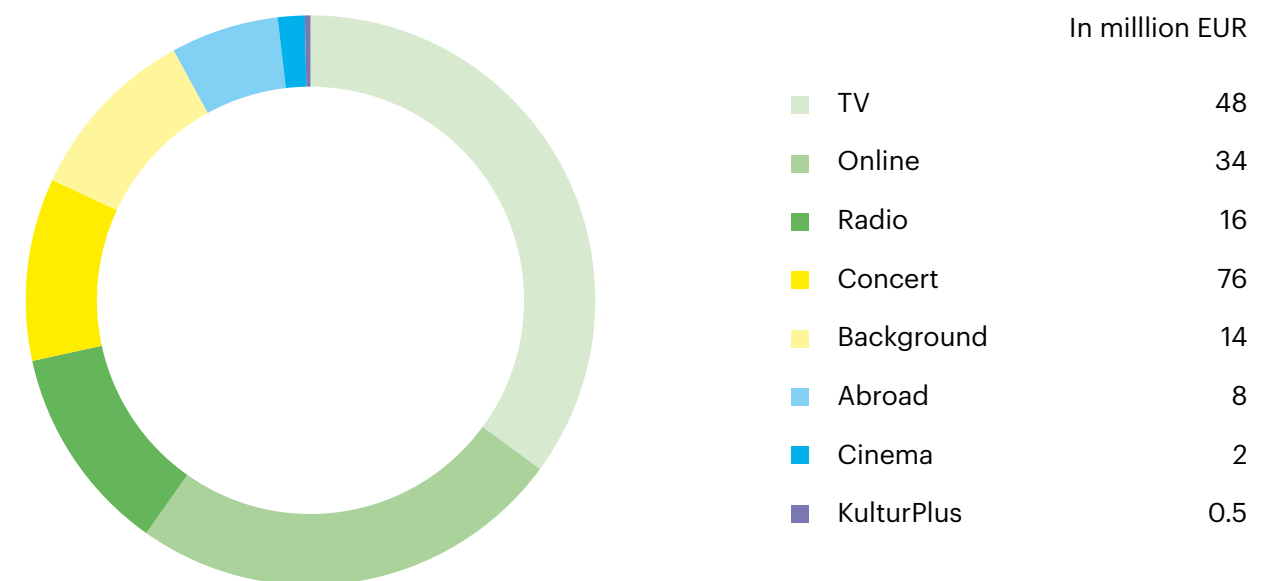
Distributed to rightsholders  
**EUR 121.4 million**

Admin rate  
**11,1%**

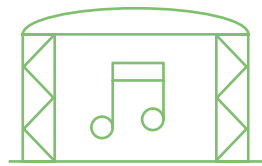


## Turnover – by area

Together, TV and Radio account for more than 40 per cent of Koda's total turnover. Online contributes 25 per cent, while concerts and background music account for just under 10 per cent each.



## Positive trends in Koda's revenues



↑ **87%**

The number of **mega-concerts** rose dramatically in 2019



↑ **45%**

Many blockbusters from 2018 and 2019 brought more Danes to the **cinemas**



↑ **34%**

The use and supply of **video streaming services** continue to rise



↑ **29%**

more people have a subscription to a **music streaming service**

## Members and works

**1,714**

new members

**45,860** in total

**100,000**

new works from Koda members

**1.400.000** in total

**2,600,000**

new works in Koda's total repertoire

**25,200,000** in total

## Reporting rate

**93%**

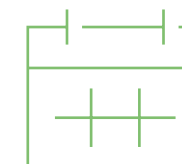
of Koda's distributions are based on full and **accurate reporting** of the music played. Seven per cent of the distributions are based on reused, representative data or samples of music usage. Koda is constantly working to **increase the rate** of full reporting.

## Faster distributions



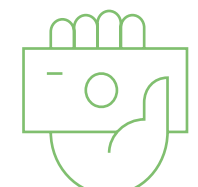
**Paying out twice as fast**

**The time** from performance to payment has been halved for many of Koda's main distribution areas, including TV, Radio and Concert.



**11 distributions a year**

Koda has gone from making **4 annual distributions to 11** – one every month, except in July.



**EUR 14 million**

This is the increase in the distributed **revenues** in 2019 compared to the corresponding performance period the year before.



## Distributions

In 2019, Koda distributed EUR 119 million to Koda members and rightsholders abroad. The year before, Koda distributed EUR 110 million. The increase in 2019 is mainly due to the fact that Koda doubled the speed of its distributions in 2019, transitioning from 4 to 11 annual distributions. As a result, last year, Koda managed to distribute far more of revenues earned during the year than previously. The figure below shows the distributions to Koda's members by income groups in DKK.

**EUR 66 million**  
to rightsholders  
represented by  
**societies abroad**



**EUR 53 million**  
to **Koda members**

**1%**  
of the distributions go out to  
**16,351 members** who earn up  
to DKK 1,000 a year in Koda  
distributions

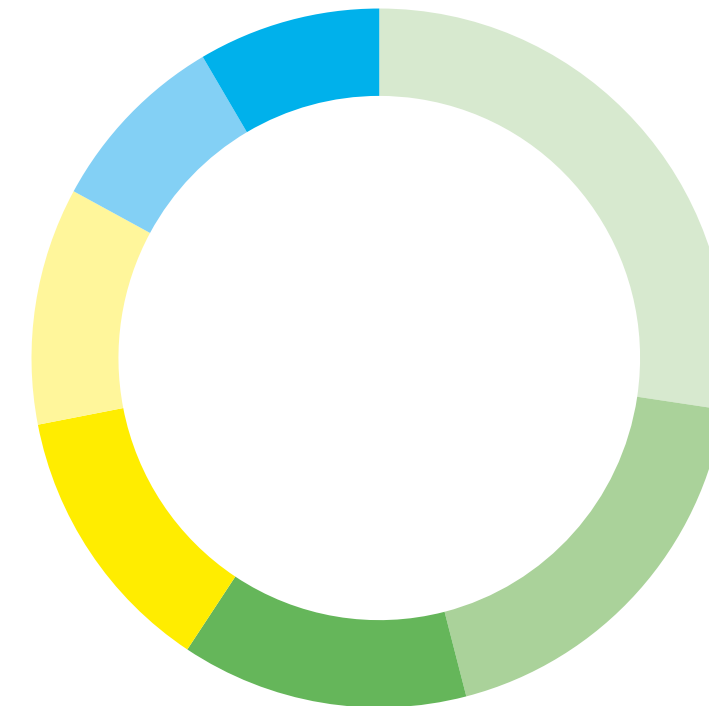
**77%**  
of the distributions go out to  
**566 members** who earn more  
than DKK 100,000 a year in  
Koda distributions

DKK 1 = EUR 0.13

Income in DKK	Authors	Publishers	Total	DKK, total
1 - 1.000	16.176	175	16.351	3.235.759
1.001 - 5.000	4.592	69	4.661	10.920.902
5.001 - 10.000	1.354	40	1.394	9.988.690
10.001 - 30.000	1.455	47	1.502	26.465.288
30.001 - 50.000	356	16	372	14.345.884
50.001 - 100.000	344	24	368	25.633.277
100.001 - 400.000	366	45	411	80.840.610
400.001 -	124	31	155	223.163.684
<b>Total</b>	<b>24.767</b>	<b>447</b>	<b>25.214</b>	<b>394.594.094</b>

## Koda Kultur invigorated the music scene to the tune of EUR 9.6 million in 2019

The objective of Koda Kultur is to support the development of music and to help nurture a strong music scene operating at the highest level. Each year, up to ten per cent of Koda's net income is allocated to cultural contributions, helping to ensure favourable conditions for a vibrant music scene and to improve the structural conditions underpinning Koda's business. By the end of 2019, Koda's first cultural strategy was adopted. It will determine how this support will be distributed in the future. The figure below shows how the support was allocated to various purposes in 2019.



### Purposes supported by cultural contributions, EUR million

Working grants, study grants and travel grants	2.6	Support for original Danish music	1.2
Production, publication or distribution	1.8	Administration of cultural contributions	1.1
PR activities	1.3	Cultural policy activities	0.8
		Concerts, awards, study grants etc.	0.8

# The greatest hits of 2019



Photos: Lukas Graham: Rasmus Weng Karlisen, Hugo Helmgig: Cecilie Tchikai, Nicklas Sahl: Press photo

## The Koda Chart 2019 Denmark

The Top Ten highest earning Danish tracks in 2019 include several newcomers to the list, specifically Lord Siva & Vera, Nicklas Sahl, Karl William and Christopher. Still, the top slot belongs to an old stalwart of the list: Lukas Graham and the track 'Love Someone'. The Top Ten lists the highest-earning tracks in Denmark in 2019 where at least one Koda member has been involved in its creation.

### Love Someone 1

Lukas Graham

**Composer/Writer**

Jaramye Jael Daniels/Lukas Forchhammer/Stefan Forrest/James Alan Ghaleb/David James Labrel/Morten Pilegaard/Morten Ristorp

### New Eyes 3

Nicklas Sahl

**Composer/Writer**

Birk Stenbæk Kristensen/Nicklas Sahl

### Sun In Our Eyes 5

MØ, Diplo

**Composer/Writer**

Henry Agincourt Allen/John Graham Hill/Ilsey Anna Juber/Karen Marie Ørsted/Thomas Wesley Pentz

### Please Don't Lie 7

Hugo Helmgig

**Composer/Writer**

Hugo Helmgig Toft Simonsen/Emil Sebastian Albæk-Falk

### Samme Vej 9

Karl William, Burhan G

**Composer/Writer**

Karl William Wandahl/Fridolin Nordsøe/Burhan Genc

### Wild 2

Hugo Helmgig

**Composer/Writer**

Hugo Helmgig Toft Simonsen/Emil Sebastian Albæk-Falk/Daniella Binyamin

### The Rascal 4

Phlake

**Composer/Writer**

Jonathan Elkær/Mads Bo Iversen/Troels W P Nielsen/Daniel Maurice Wilson

### High Hopes 6

Panic! At The Disco

**Composer/Writer**

Jonas Jeberg/Samuel Hollander/Ilsey Anna Juber/William Ernest Lobban Bean/Tayla Parx/Lauren Pritchard/Jacob Sinclair/Brendon Boyd Urie/Jenny Owen Youngs

### Paris 8

Lord Siva, Vera

**Composer/Writer**

William Frederik Asingh/Brian Sivabalan/Mads Koch Kjærgaard/Andreas Dyre Odbjerg

### Irony 10

Christopher

**Composer/Writer**

Christopher Lund Nissen/Petter Carl Tarland Lambertz/Pär Andreas Westerlund



## The Koda Charts 2019 Danish hits abroad

Lukas Graham are not only prominently featured on the Danish chart: the band is also ranked as both number one and number four on the Top Five of the highest earning tracks abroad in 2019. The chart lists the top-five tracks, created by least one Koda member, which have generated the greatest earnings abroad in 2019.



Lukas Graham is number one and number four on the list of the Koda members' highest-earning tracks abroad.

Photo: Rasmus Weng Karlsen

- 1 **7 Years**  
Lukas Graham  
**Composer/Writer**  
Morten Pilegaard/David James Labrel/Christopher Steven Brown/Lukas Forchhammer/Morten Ristorp/Stefan Forrest
- 2 **Solo Dance**  
Martin Jensen  
**Composer/Writer**  
Peter Bjørnskov/Mads Dyhrberg Hjerl-Hansen/Martin Jensen/Lene Dissing
- 3 **Barbie Girl**  
AQUA  
**Composer/Writer**  
Rene Dif/Claus Norreen/Søren Rasted/Lene Crawford Nystrøm/Karsten Dahlggaard/Johnny Mosegaard Pedersen
- 4 **Love Someone**  
Lukas Graham  
**Composer/Writer**  
Jaramye Jael Daniels/Lukas Forchhammer/Stefan Forrest/James Alan Ghaleb/David James Labrel/Morten Pilegaard/Morten Ristorp
- 5 **Played-A-Live**  
Safri Duo  
**Composer/Writer**  
Michael Parsberg Hansen/Morten Friis/Uffe Savery

## The Koda Charts 2019 Foreign hits in Denmark

All in all, the five tracks on the list of the highest earning foreign hits in Denmark in 2019 were written and composed by a total of 25 different music creators. In first place we find the huge hit 'One Kiss' by Calvin Harris and Dua Lipa - incidentally, this is one track on the list to have the lowest number of creators involved. The chart lists the music tracks created by non-Koda members that have generated the highest income in Denmark in 2019.



Dua Lipa joined Jessie Reyez and Adam Richard Wiles in making the highest-earning foreign hit in Denmark in 2019.

Photo: Hugo Comte

- 1 **One Kiss**  
Calvin Harris, Dua Lipa  
**Composer/Writer**  
Dua Lipa/Jessie Reyez/Adam Richard Wiles
- 2 **These Days**  
Rudimental Feat. Jess Glynne, Macklemore & Dan Caplen  
**Composer/Writer**  
Piers Sean Aggett/Amor Amir/Julian C Bunetta/Daniel Sebastian Caplen/Kesi Dryden/Ben Haggerty/Jamie Scott/Leon Anthony Rolle/John Henry Ryan
- 3 **Shotgun**  
George Ezra  
**Composer/Writer**  
George Ezra Barnett/Joel Laslett Pott/Frederick John Philip Gibson
- 4 **Young Blood**  
5 Seconds Of Summer  
**Composer/Writer**  
Louis Russel Bell/Luke Robert Hemmings/Calum Thomas Hood/Ashton Fletcher Irwin/Ali Tomposi/Andrew Wotman
- 5 **In My Blood**  
Shawn Mendes  
**Composer/Writer**  
Scott Harris Friedman/Teddy Geiger/Shawn Mendes/Geoffrey Elliot Warburton





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