

Annual Report **2020**



Koda is a non-profit music rights organisation which ensures that composers, songwriters and publishers get paid when their music is used in public – meaning in contexts that go beyond private use. The revenues come from music being played in cafés and restaurants, at concerts and public events, and on TV, radio and streaming services in Denmark, as well as from the use of Koda members’ music abroad. All the revenues collected, less approximately 10 per cent for administration, are distributed to the rightsholders whose music generated this income. After the administration costs have been deducted, up to 10 per cent of the revenues are allocated to cultural contributions.

Photo, cover and back: Anya Berkut

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Niels Rønsholdt
Chairman of the
Koda Board of
Directors



Photo: Lars Svankjær

Crises and upheavals have shown the strength of our community

Much has been said about 2020, and not much of it good. A veritable annus horribilis – in the world of music, too.

Many have felt their foundations crumble beneath them. Live music, which is at the heart of so many composers and songwriters' opportunities for making a living, was shut down for most of the year. The same applies to many other parts of life where people meet around music, and where our music helps generate value in

cafés, bars, restaurants, shops, cinemas and so on.

All this has caused a huge decline in revenues and shaken our industry to the core, prompting anxiety about the future.

In 2020, much of the work done by us at Koda centred around the consequences and after-effects of the corona pandemic. Right from the first day of the shutdown, we have worked to help our members and

customers through the crisis – and the list of efforts includes intense political and technical work aimed at having revenues for copyright holders included in the Danish national compensation schemes, introducing opportunities for receiving distributions in advance, and engaging in conversations with the hardest-hit parts of the market.

We are not through the woods yet – the shutdown continues into 2021. But we can now glimpse a future when we will be able to gather around music again – to dance, sing, listen and let ourselves be carried away together by the magic of music.

"Koda is all of us. And while we may feel very different as songwriters, composers, publishers and producers, this is where we come together and stand together."

As we all know, a crisis is also a potential turning point. New formats and opportunities emerge, and we have seen – for example in the digital area – that listeners find ways to connect with music no matter what. In times of crisis, we turn to art, and music is a key element of our overall consumption of culture – sometimes we seek it out to find answers, sometimes to forget and sometimes simply for entertainment.

The year 2020 also brought other shocks. Revelations of abuses of power, sexism, harassment and racism in many industries, including the music industry, gave rise to an urgent and crucially important discussion on equality – including gender equality – and general behaviour. A discussion about the structures that are embedded in our industry and which favour some over others. In order for an industry to be healthy, it needs to be sustainable and fair, and we at Koda will support an informed debate by supplying facts and contribute to the future development of the industry through targeted cultural efforts where diversity and equality take centre stage. Our concrete steps taken in 2020 include compiling gender statistics on the earnings among Koda's members – a report which has

resonated both nationally and internationally, and which we will go on to prepare and publish annually so that we can follow the overall developments through our data.

The crises and upheavals in 2020 have shown the strength inherent in our community – perhaps more than ever. The collective management carried out by Koda is based on us all standing firm together, pooling our rights in one place. This strong community makes us extremely well equipped for a future with fierce competition and pressure on rights-related payments. We insist on fair payment to those who create content. Sometimes, such insistence leads to conflict – as it did in 2020, for example, in regard to the YouTube agreement. Persistent efforts by Koda's team and outstanding support from members and rightsholders showed that we do not bow down to unreasonable demands from those who make money from our content.

Looking ahead to the market of the future, a range of aspects will be of key importance: fairness, transparency and proper conduct in our management. We have come a long way in recent years – and we are compliant with international rules and recommendations.

Koda must be at the forefront of good governance and efficiency and be a leading example of excellent collective management in a modern, digital reality.

This applies to our business and to our systems. But also to our cultural work: in the lead-up to our next general meeting, we are working on a new model for our cultural contributions to ensure that more resources go out to our members while also enabling us to increase our focus on cultural and business policy efforts to nurture a strong music scene and market in Denmark.

Koda is all of us. And while we may feel very different as songwriters, composers, publishers and producers, this is where we come together and stand together. To safeguard our rights and our opportunities.



Niels Rønsholdt
Chairman of the Koda Board of Directors



Gorm Arildsen
CEO

Photo: Jasper Carlberg

Major challenges – and looking ahead

After three years in a row of record-breaking revenues and growth within most of Koda's revenue areas, an entire market and an entire industry was knocked off course when COVID-19 arrived and set a whole new agenda. And while we ended up with a better-than-expected total result for 2020 overall, there can be no doubt that this has been a tough year for members and customers alike.

In response, Koda instigated a number of measures to help keep the hardest hit afloat. For our members, we launched a temporary scheme enabling us to offer distributions in advance and did what we could to ensure that lost rights-related revenues would also be included in the overall considerations behind the national compensation schemes set up in Denmark. As regards our customers, we stopped all invoicing during the shutdown period.

The struggle for reasonable terms and fair payment

The long-term work to ensure our members the best possible terms when others use their music was a major focus area for Koda in 2020. A number of new media agreements were finalised. Among other things, new agreements were entered into with Spotify, Soundcloud, Apple and YouTube via our joint Nordic hub, Polaris. The political work of pushing for a proper implementation of the EU copyright directive in Danish law continued. Finally, a great deal of effort was made to ensure that Koda receives the money to which our members are entitled, including from abroad. For example, an intensive dialogue with the German tax authorities resulted in Koda finally succeeding in recovering a large sum of tax money which had been withheld for a number of years.

YouTube – A matter of principle

Koda has more than 25,000 customers who have entered into individual agreements about their use of music. The vast majority of our negotiations end in agreements. But sometimes the negotiations run aground, and in a few cases it proves necessary to go to court to determine what the music should

cost. At other times, a crisis in negotiations has consequences that reach far beyond the conference room. The latter was the case with Koda's conflict with Google in the summer of 2020, when Google, in the middle of negotiations on a new Nordic joint agreement with YouTube, chose to remove virtually all Danish music on its service until a new agreement was in place.

“In 2020 we truly embarked on working with proper market sensing”

The conflict with Google was, in that sense, about more than usual disagreements one finds in such negotiations, in this case revolving around a temporary contract extension. It was also a matter of principle, a moment of resistance against the growing dominance of one of those tech giants who have, for far too many years now, been free to dictate the rules for the commercial exploitation of creative content on the web.

Digital developments

Digital developments were high on the agenda for Koda in 2020, prompting preparations for a new digital platform to ensure that Koda has the necessary digital basis to keep up with future developments. We also signed and launched a project with Danish tech start-up Trackbit to ensure monitoring and reporting on the use of commercials in Denmark, Norway and Sweden – as a start. Finally, we have continued our work on improving IT security.

High satisfaction rates among customers and members

Not least in light of all the adversity 2020 has offered, it was great to note that overall, there is widespread satisfaction with Koda among both customers and members. Customer satisfaction has never been higher, and the annual service survey among Koda's members also showed record-high satisfaction rates.

This is a favourable and highly motivating starting point for anyone who, like us, has set themselves the goal of wanting to be among the best five and ten years from now – on all the parameters required. In 2020, we truly embarked on the work required to ensure

a systematic, open and sustained focus on proper market sensing and how this will shape our efforts to keep Koda strong in the future.

Thank you for the music

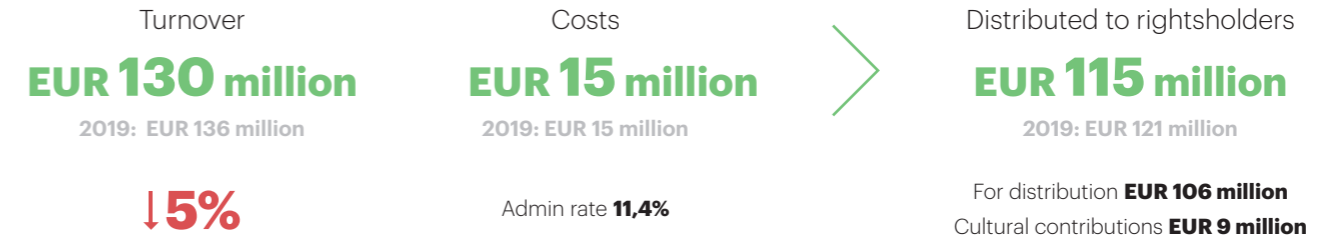
Sadly, 2020 was a year in which we had to say goodbye to two legendary figures of Danish music: Bent Fabricius-Bjerre and Michael Bundesen. Thank you so much for your cheerful dispositions, indomitable energy, and – above all – for the music.


Gorm Arildsen
Direktør

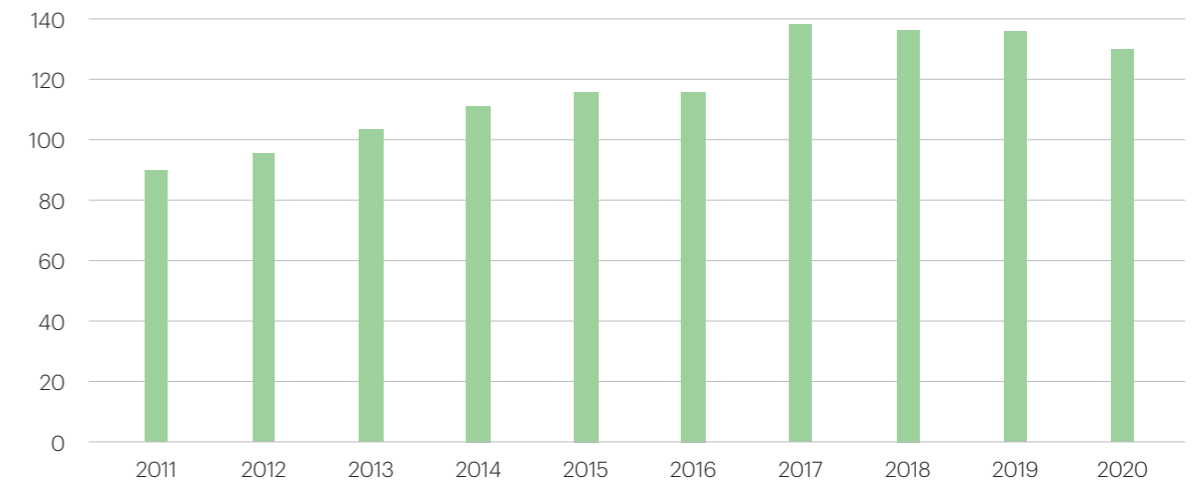
Only minor drop in revenues despite COVID losses

For Koda as for so many others, the COVID-19 pandemic loomed large over 2020. In particular, the shutdown of the market for background music (cafés and restaurants, hotels and retail) and the cancellation of concerts resulted in a significant loss of revenue. Even so, the overall turnover ended up being higher than was initially feared; this is primarily due to the fact that part of the COVID-related revenue losses were offset by specific, major payments pertaining to the past.

Five per cent drop in turnover

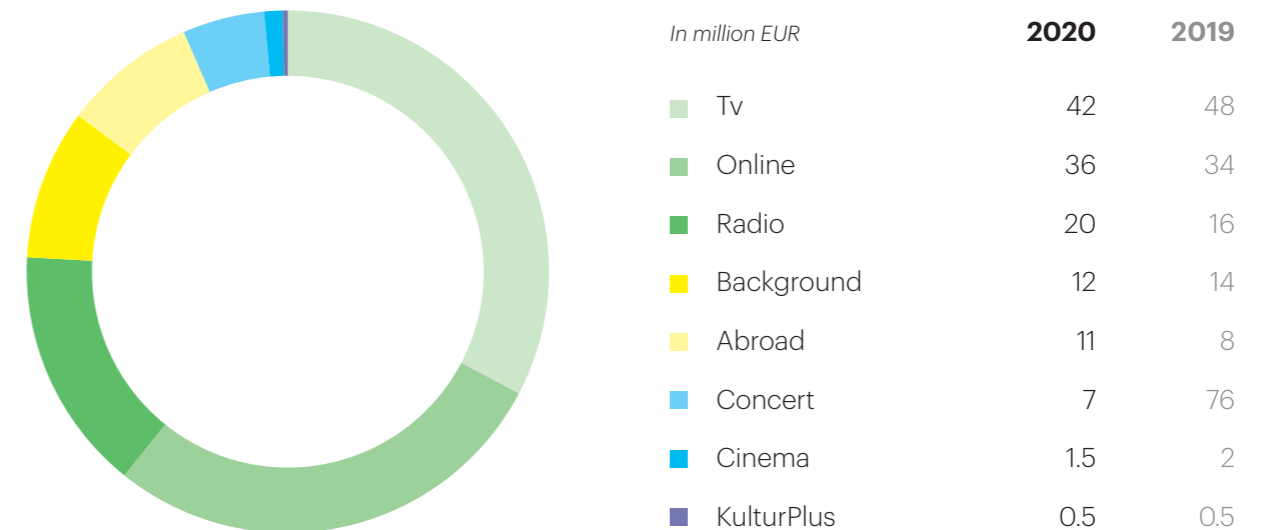


Turnover – last ten years
in million EUR



Turnover – by area

Koda's three main revenue areas (TV, Online, and Radio) have seen a total increase of EUR 0.5 million in turnover from 2019 to 2020 and now account for three-fourths of Koda's total turnover. The greatest loss in revenues is within concerts, which saw a decline of 53 per cent.



Negative consequences of COVID-19

↓ **EUR 10 million**

Decline in revenues

Concerts, background music and cinemas were all hit hard by shutdowns, so revenues within these areas dropped from 2019 to 2020.

↓ **76%**

Distributions for concerts held in 2020

On average, Koda's members received 76 per cent less in distributions for concerts in Denmark in 2020 compared to 2019.



↓ **80%**

Concerts abroad 2020

The number of registered concerts outside Denmark featuring Koda members saw a marked drop in 2020.

↓ **50%**

Small and medium-sized concerts

Within the field of small and medium-sized concerts, Koda's revenues were halved from 2019 to 2020.

↓ **77%**

Mega concerts

Revenues from the largest concerts in Denmark fell drastically due to the pandemic shutdown.

↓ **12%**

Background music

Cafés, shops, gyms, hairdressers etc. have not been obliged to pay Koda during the general shutdown periods, causing Koda to lose revenues within the area of Background music.

↓ **32%**

Cinemas

Danish cinemas have stood empty for much of 2020, which of course affects the revenues generated by the composers behind the film scores.

Positive figures from 2020

↑ **29%**

Abroad

Danish music is still popular abroad, but the main reason for the increase in revenues from abroad is the receipt of arrears payments for previous use of Danish music. These were received from several collective rights management societies abroad

↑ **21%**

Radio

In 2020, Koda received arrears payments for use of music in previous years within the field of Radio. This caused revenues to increase in this area.

↑ **15%**

Video streaming

Consumption on streaming services for movies, TV and series went up in 2020, and at the same time Koda entered into new agreements in the field.

↑ **10%**

Music streaming

Minor growth in the market combined with arrears distributions and direct invoicing of music streaming abroad caused revenues to go up in this field.

1,629
new members

Total **47,255**

79,985
new works from
Koda members

Total **1,488.275**

3,500.000
new works in the global
database of works for
which Koda collects
payment in Denmark

Total **28,700,000**

General drop in work registrations, but growth towards the end of the year

All in all, fewer works were registered in 2020 than in 2019, but in the last four months of the year the registrations grew in number, averaging 4,625 works a month. This is 26 per cent more than in the corresponding months in 2019.

EUR 20 million drop in distributions

In 2020, Koda distributed EUR 46 million to Koda members. The amount covers some of the music performed in 2020, but also includes music performed in 2019 and before. All in all, Koda distributed EUR 99 million to rightsholders in Denmark and abroad, which is EUR 20 million less than the year before. Koda's members saw a EUR 7 million drop in the distributions received in 2020. The decline in the total amounts distributed is primarily caused by the fact that the distributions made in 2019 were unusually high due to Koda's successful efforts to increase its distribution frequency. This meant that in 2019, the distributions covered more periods of music use than the distributions made in 2020.



Exact reporting

93%

of all Koda distributions made in 2020 were based on full and **accurate reporting** of the music played. Seven per cent of the distributions were based on the reuse of representative data or samples of music usage. Koda is always working to **increase the rate of full reporting.**

Breakdown of the distribution figures

The table below provides an overview of the distributions received by Koda members, listed by income bracket.

Income, DKK DKK 1 = EUR 0.13	Authors	Publishers	Total	Total amount
1 - 1.000	17.828	175	18.003	3.234.863
1.001 - 5.000	4.175	82	4.257	9.875.112
5.001 - 10.000	1.140	37	1.177	8.327.662
10.001 - 30.000	1.216	43	1.259	21.945.748
30.001 - 50.000	361	25	386	14.869.319
50.001 - 100.000	336	22	358	25.488.294
100.001 - 400.000	345	40	385	74.204.388
400.001 -	100	26	126	186.178.398
Total	25.501	450	25.951	344.123.785

1% of the distributions got out to

18.003

members,
who earn up to DKK 1,000
a year in Koda distributions

76% of the distributions got out to

511

members,
who earn more than DKK 100,000
a year in Koda distributions

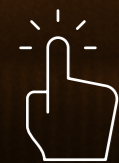
Koda Kultur

At the beginning of 2020, the Koda board of directors adopted Koda's first cultural strategy, which aims to nurture a strong music scene operating at the highest level. The strategy comprises four main focus areas:

- Gender balance, diversity
- Future users and creators of music
- Talent and elite programmes
- Export and exchange

EUR **10.3** million

were allocated to Koda's **cultural contributions** in 2020



You can find a detailed account of the allocation of funds and read more about the cultural strategy in the first annual report for Koda Kultur:

www.koda.dk/kodakulturannualreport2020

Gender balance

In 2020, Koda published its first gender statistics survey. The report documents an imbalance between men and women, both measured by gender ratios in general and in terms of earnings. Among other things, the gender statistics survey reveals that female rightsholders account for only 19 percent of Koda's total membership, and that their share of distributions received from Koda is even smaller. In 2019, the use of music by Koda's female members only qualified them for ten per cent of the total distributions made. Gender imbalance continues to be a high-priority focus area in Koda's cultural strategy.

19%

of all Koda's **members** are women

10%

of all **distributions** are made to women



In 2020, Koda published its first survey of gender statistics. Full data available here

www.koda.dk/gender

The greatest hits in 2020



The Koda Charts 2020 Denmark

This year's list of the Top Ten highest-earning Danish tracks in 2020 contains several familiar faces from past Koda charts in the form of Lukas Graham, Nicklas Sahl, and Mads Langer. This year's number one, 'Paris' by Lord Siva & Vera, was also in last year's chart. Back then, the track was in eighth place, but this year not only marks the first time ever that a track has moved up on Koda's charts from one year to the next: 'Paris' has even reached the very top. The chart lists the top-ten music tracks, created by at least one Koda member, which have generated the highest earnings in Denmark in 2020.

Paris

Lord Siva, Vera

Composer/Writer/Publisher

Andreas Dyre Odbjerg/William Frederik Asingh/
Mads Koch Kjærgaard/Brian Sivabalan
The Bank Music Publishing/One Seven Publishing

Shadows

Alphabeat

Composer/Writer/Publisher

Anders Stig Gehrt-Bendixen/Anders Bønløkke/
Stine Bramsen Simonsen/Troels Hansen/Anders Reinholdt
Rasmussen/Rasmus Nikolaj Nagel
The Bank Music Publishing

Gonzo

Suspekt

Composer/Writer/Publisher

Andreas Bai Duelund/Rune L Rask/Emil Simonsen/
Jonas Vestergaard
Sony Music Publishing

Burnout

Calby

Composer/Writer/Publisher

Mik Thybo/Magnus Larsson/Mark Falgren Petersen/
Morten Ristorp Jensen
Warner Chappell Music

Lovesong

Rasmus Seebach

Composer/Writer/Publisher

Nicolai Seebach/Rasmus Seebach/
Andreas Martin Sommer
Sony Music Publishing

Four Walls

Nicklas Sahl

Composer/Writer/Publisher

Nicklas Sahl Jensen/Birk Stenbæk Kristensen/
Kristoffer Eriksson/Lina Hansson
Universal Music Publishing/Mr Radar Music Group

Lie

Lukas Graham

Composer/Writer/Publisher

Lukas Forchhammer/Stefan Forrest/David LaBrel/
George Tizzard/Jaramye Daniels/Rick Parkhouse
Warner Chappell Music

High Hopes

Panic! At The Disco

Composer/Writer/Publisher

Jonas Jeberg/Ilsey Juber/Jennifer Owen Youngs/
Taylor Monet Parks/Brendon Boyd Urie/
Lauren Pritchard/William Ernest Lobban Bean/
Jake Sinclair/Samuel Hollander
Warner Chappell Music/Sony Music Publishing/BMG/
Kobalt Music Publishing/Hipgnosis/Artist Publishing Group

Eyes Closed

Mads Langer

Composer/Writer/Publisher

Mads Langer Clausen/Francis Anthony White
Universal Music Publishing

En Sang

Emil Stabell, Gucci Mane

Composer/Writer/Publisher

Emil Stabell/Casper Rank/Tais Vestergaard Stausholm/
Christoffer Schlunzen/Malthe Guldborg Sørensen
PanAm Publishing

The Koda Charts 2020 Top-earners abroad

Four of the five tracks on this year's Top Five of the highest-earning tracks abroad in 2020 were also in last year's chart, and for the third year in a row, Lukas Graham's '7 years' is in the top-two. The most notable track on the 2020 chart is in fourth place: 'Please Don't Lie' by Hugo Helmig is the first entirely new track to appear in this list in several years. The chart lists the top five tracks, created by at least one Koda member, which have generated the greatest earnings abroad in 2020.



Lukas Graham holds the top two positions on the list of the Koda members highest-earning tracks abroad.

Photo: Rasmus Weng Karlsen

- 1 **Love Someone**
Lukas Graham
Composer/Writer/Publisher
David Labrel/James Alan/Jaramye Daniels/Lukas Forchhammer/
Morten Pilegaard/Morten Ristorp/Stefan Forrest
Warner Chappell Music/MXM Music
- 2 **7 Years**
Lukas Graham
Composer/Writer/Publisher
Charlie Brown/David LaBrel/Lukas Forchhammer/Morten
Pilegaard/Morten Ristorp/Stefan Forrest
Warner Chappell Music
- 3 **Barbie Girl**
AQUA
Composer/Writer/Publisher
Rene Dif/Claus Norreen/Søren Rasted/Lene Crawford Nystrom/
Karsten Dahlgaard/Johnny Mosegaard Pedersen
Warner Chappell Music/Universal Music Publishing
- 4 **Please Don't Lie**
Hugo Helmig
Composer/Writer/Publisher
Hugo Helmig Toft Simonsen/Emil Sebastian Albæk-Falk
The Bank Music Publishing
- 5 **Solo Dance**
Martin Jensen
Composer/Writer/Publisher
Peter Bjørnskov/Mads Dyhrberg Hjerl-Hansen/
Martin Jensen/Lene Dissing
No Cigar/Warner Chappell Music/One Seven Publishing

The Koda Charts 2020 Foreign hits in Denmark

All the tracks on the list of the highest-earning foreign hits in Denmark in 2020 were written and performed by experienced music creators – except the one holding first place. 'Dance Monkey' by the Australian songwriter and singer Tones And I has literally exploded onto the international music scene. Released as the second single from her debut EP, 'Dance Monkey' has been number one in more than 30 countries, including Denmark, and has at the time of writing had more than 1.5 billion views on YouTube. The chart lists the music tracks created by non-Koda members that have earned the highest earnings in Denmark in 2020.



Toni Watson is the sole composer and songwriter of 'Dance Monkey', which is number one among the Top Five highest-earning foreign hits in Denmark.

Photo: Giulia McGauran

- 1 **Dance Monkey**
Tones And I
Composer/Writer/Publisher
Toni Watson
Warner Chappell Music
- 2 **I Don't Care**
Ed Sheeran, Justin Bieber
Composer/Writer/Publisher
Ed Sheeran/Fred Gibson/Jason Boyd/Justin Bieber/
Max Martin/Shellback
Sony Music Publishing /Universal Music Publishing/BMG/MXM
Music/Promised Land Music
- 3 **Senorita**
Shawn Mendes, Camila Cabello
Composer/Writer/Publisher
Ali Tamposi/Andrew Wotman/Benjamin Levin/Camila Cebello/
Charlotte Emma Aitchison/Jack Patterson/Magnus Høiberg/
Shawn Mendes
Universal Music Publishing/Reservoir/Maidmetal Limited/Sony
Music Publishing/Kobalt Music Publishing
- 4 **Beautiful People (Feat. Khalid)**
Ed Sheeran, Khalid
Composer/Writer/Publisher
Ed Sheeran/Fred Gibson/Khalid Robinson/
Max Martin/Shellback
Sony Music Publishing /MXM Music/Promised Land Music
- 5 **Higher Love**
Kygo, Whitney Houston
Composer/Writer/Publisher
Steve Winwood/Will Jennings
Blue Sky Rider Songs/Hipgnosis



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