

The background of the entire page is a dark, blue-toned photograph of a drummer. The drummer is seen from the back, in silhouette, holding two drumsticks and playing a drum set. The lighting is dramatic, with the drummer's form standing out against a slightly lighter, hazy background.

Koda Annual Report 2016

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Niels Mosumgaard, Chairman of the Koda Board of Directors

The Chairman's Report

On 8 December 2016, Koda's members adopted a new set of articles of association for Koda. The event took place at the second of two extraordinary general meetings, which coincided almost exactly with Koda's 90th anniversary. The new articles of association introduce several fundamental changes that reshape and enhance democracy in Koda.

Koda was originally founded in 1926 by the Danish music publishers in Musikforlæggerforeningen and by the authors of variety show sketches and songs in DPA (Danish Songwriters Guild), then known as Danske Revytekstforfattere. They wanted to establish an agreement with the Danish Broadcast Corporation, Danmarks Radio (DR), which had only just begun operating at the time. In this sense Koda became an add-on to the two associations, a business unit that shared the same members as its founders. It was only natural that the Danish Songwriters Guild – and the composer associations that subsequently joined them, DKF and DJBFA – and the music publishers regarded themselves as the owner-associations within Koda. Historically, this was indeed their business.

However, much has changed since then. In 1960 Koda had just 600 members; today we have 45,000. Koda is a strong business surrounded by a strong members' organisation, so it was high time to introduce a number of changes to our organisational set-up and decision-making processes, allowing a wider circle of voting members to exert influence on Koda.

In April 2016 a new law on the collective management of copyright entered into force in Denmark; a law which we had worked our way towards for some years. When we hold our first general meeting according to our new articles of association on 27 April 2017, that occasion will mark the culmination of a long process of change. A process that has been partly based on a set of new guidelines that we on the Board of Directors have

worked on for a long time, and which certainly had a strong impact on the agendas of this past year. From now on, the four rightsholder associations will continue to hold influence, but as a minority: for the first time ever, five out of nine seats on the Board of Directors will be allocated on the basis of direct election. What is more, Koda members will make a range of important decisions at the general meetings, for example on issues such as remuneration, on the allocation of cultural contributions, on the principles behind Koda's investment policies, and more.

The changes we implemented in 2016 will help ensure that Koda keeps up with the times, that it remains competitive, and that it maintains its status as a democratic and attractive society. For Koda's place in the world has changed. Competition within our field has become fiercer in the last decade, and the largest music publishers and collective rights management societies may now realistically withdraw their repertoire from Koda. Even now we are down to managing less than 50% within the field of digital rights.

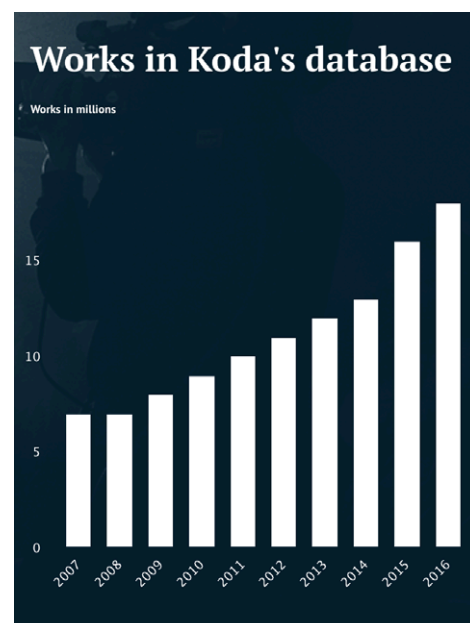
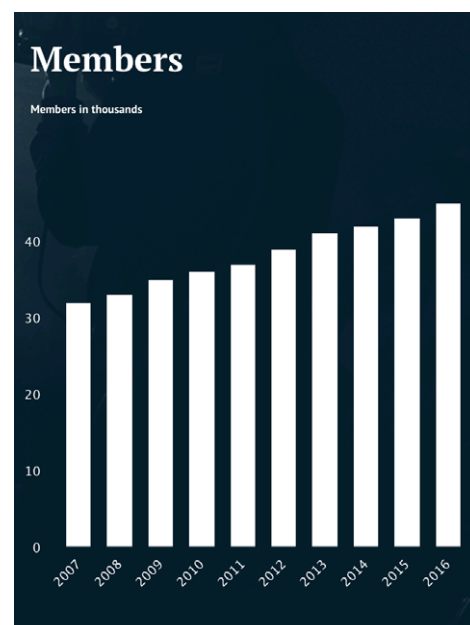
The changes we implemented in 2016 will help ensure that Koda keeps up with the times, that it remains competitive, and that it maintains its status as a democratic and attractive society

Niels Mosumgaard, Chairman of the Koda Board of Directors

If Koda is to continue to be the best negotiation partner for customers, authors and music publishers, Koda must be efficient, transparent and professional in all things.

For example, this means that there must always be a clear link between the use of your music and the money you make. Koda's distribution policies should not seek to compensate for the fact that the most popular music – what get played and performed the most – also makes the most money. Koda should not favour one group of members over another in its distributions.

For this reason it is crucially important that we still have the cultural contributions. They cut across all genres, meaning that they can benefit and support everyone: from very successful music to music that operates outside the mainstream. The changes intro-

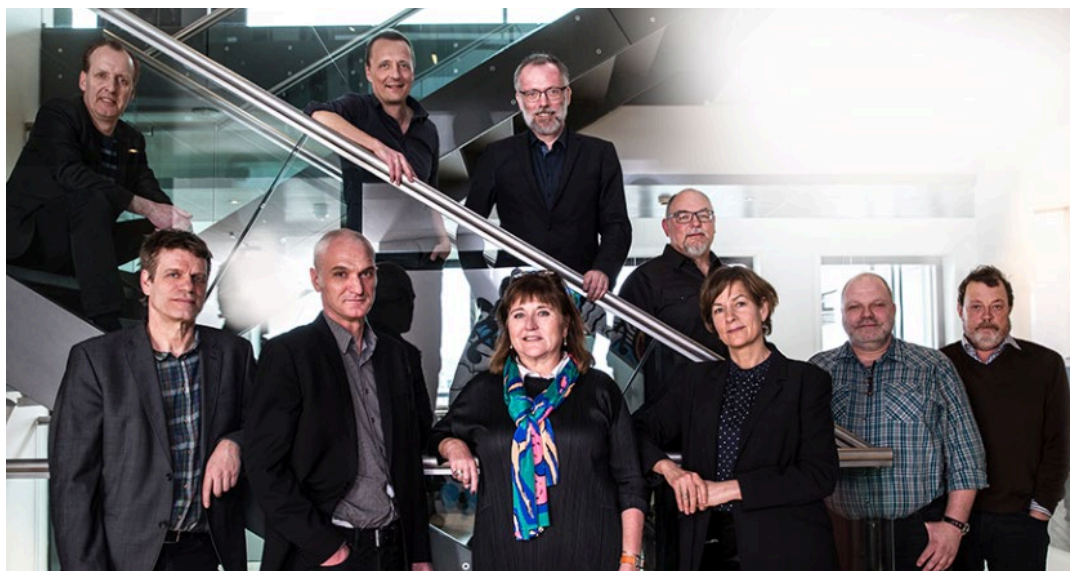


duced in 2016 have made it possible for all members to apply for support via Koda's cultural contributions, and to do so from all four member associations, which continue to be responsible for managing the funds. This means that the professional expertise and insight that each of these associations represents becomes particularly important in the professional assessment of each individual project's potential and requirements. Together, the associations span the entire spectrum from niche art to the commercially popular, and this is an important factor.

Koda is a small society, but nevertheless we enjoy a reputation as one of the best collective rights management societies in the world. That is very helpful when we collaborate with the wider world in order to arrive at the best agreements for everyone. And this has also made it particularly important for Koda to remain at the forefront in our implementation of the new legislation and EU directive. Our strong position enables us to fight to make the other collective rights management societies open and transparent, thereby ensuring that Danish rightsholders receive the distributions they deserve. It is also important when we argue our case before the EU, pointing out that everyone who makes money from the digital distribution of content should be legally obliged to license the music used, thereby helping to ensure that digital distribution does not spell the doom of music, but can provide a range of new sales points instead. We find that our arguments fall on attentive ears – including among politicians.



Niels Mosumgaard, Chairman of the Koda Board of Directors



Koda's Board of Directors

From the top left: Jacob Morild - DPA, Niels Mosumgaard - DPA, Niels Marthinsen - DKF and Ole Dreyer Wogensen - Musikforlæggerne.

From the bottom left: Peter Littauer - Musikforlæggerne, Jens Visby - Medarbejderrepræsentant, Tine Birger Christensen - Musikforlæggerne, Susi Hyldgaard - DJBFA, Morten Alfred Høirup - DJBFA and Bent Sørensen - DKF.



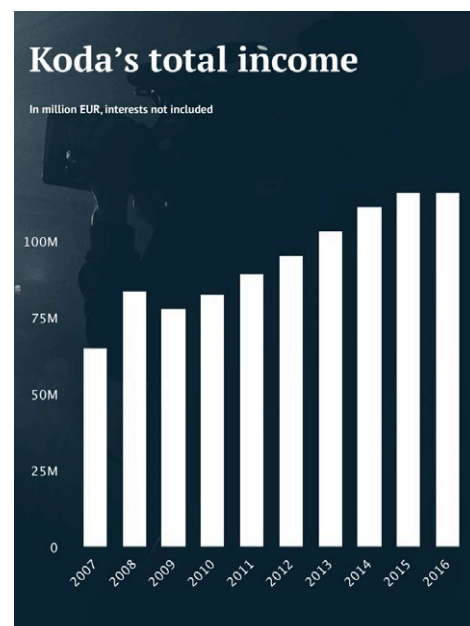
The Managing Director's Report

Last year Koda turned ninety. It was a day for celebration, and we are certainly looking at an unusually spry ninety-year-old here. Koda is in better shape than ever!

Once again, Koda has broken all its own records in terms of the amounts distributable to our rightsholders. No less than 105.5 million EUR finds their way from Koda to composers and music publishers in Denmark and abroad. That is the highest amount ever seen throughout Koda's ninety years in existence. Yet the amount might have been even larger: right now, a considerable sum been frozen under the auspices of Copydan due to disagreements on how they should be distributed.

A substantial part of Koda's income is generated by TV and cable operators. Agreements within this field are negotiated with Copydan – a setup that we are very pleased with, because it makes it easier for clients to licence audio-visual content, which of course encompasses a range of different rights. However, our co-operation with other rightsholders also means that we and they must agree on how the income generated should be distributed. Unfortunately, differences of opinion between us and the other rightsholders currently mean that substantial sums have not yet been distributed, and this has a significant impact on our net results for 2016.

On the plus side, we have seen the income generated by the area general public performance (hotels, restaurants, concerts, etc.) increase even further this year,

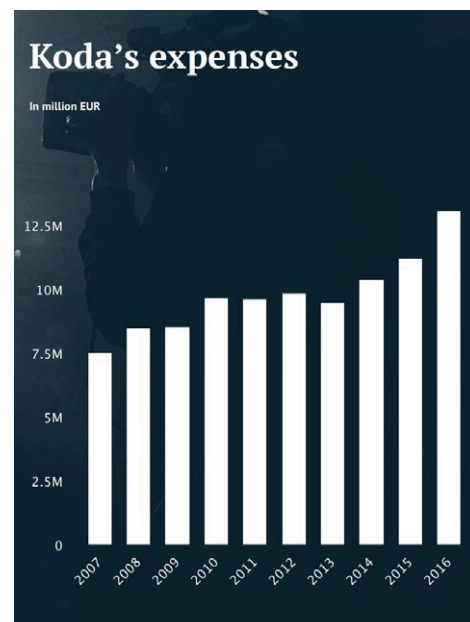


exceeding the 25 million EUR mark, which is a highly positive result. Revenues from abroad are also on the rise: in 2016 we collected more than 9 million EUR from abroad. That is an increase of almost 50% compared to five years ago. Both results can be directly attributed to the resolute efforts made by Koda's staff.

When we receive revenues from our clients it often takes quite a while before we also receive the reports that enable us to make distributions to the relevant rightsholders. This means that at any given time we have a substantial amount of money in our care; money that we must look after until it can be distributed. The returns generated by such funds can vary greatly, but last year we achieved returns of more than 2.5 million EUR, which will of course benefit our members. Even so, we firmly believe that funds should not remain suspended at Koda for long – they should be funnelled on to the rightsholders as soon as possible. To ensure this we have embarked on efforts that will help us distribute funds even more quickly in the future.

Initiatives aimed at optimising Koda's efficiency continue within all areas: Today Koda employs 10% less manpower than we did six years ago – and at the same time we process greater workloads within all areas of our field. This is a direct result of our efforts to ensure that we are as efficient as we can possibly be. Keeping up with the rapid developments within the field of IT requires investments, and this also means that our IT costs have increased compared to previous years. That trend will continue in the years to come. Fortunately, our collaboration with TONO and Teosto in Polaris means that we have someone to share these costs with, enabling us to keep up with the times without having to defray all the costs alone.

Another significant feature of the year was the implementation of new legislation on collective management of copyright. The legislation entered into force on 1 April 2016, and implementing all its regulations in Koda has required tremendous effort. We have changed a wide range of procedures and processes to accommodate the new rules, and this has imposed huge demands on both staff and management in our various departments, requiring them to work closely together in order to complete the process within the deadline stipulated.

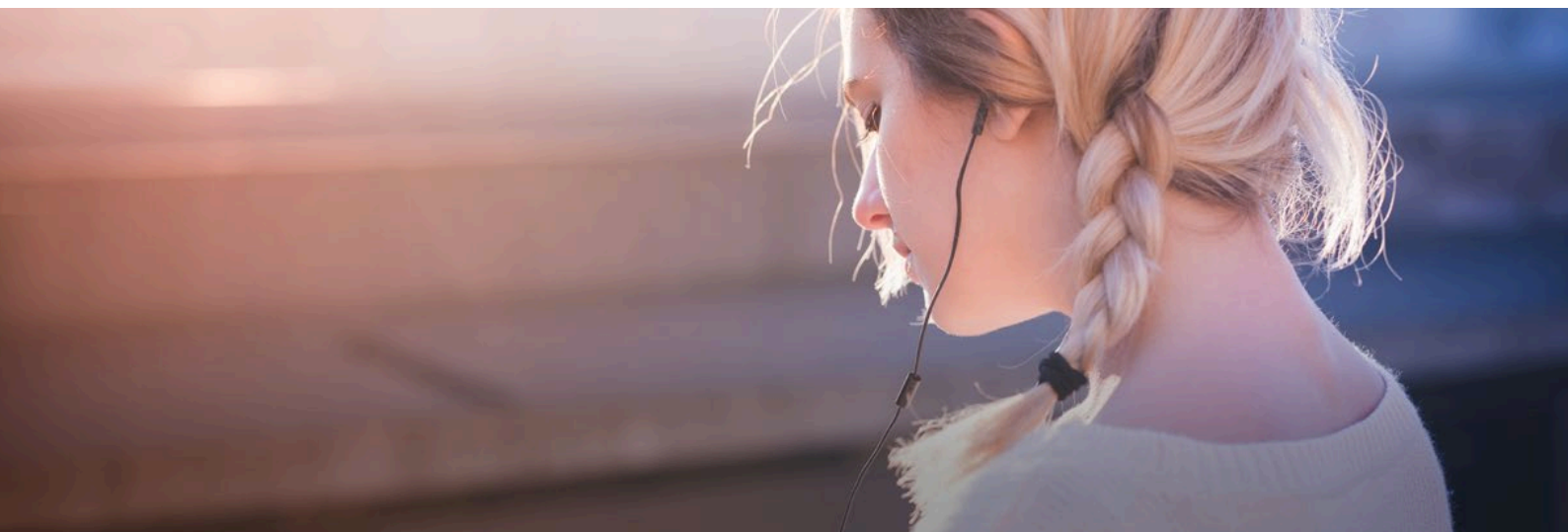


NCB celebrated its centenary in 2015. Unfortunately the decline in mechanical licensing continues, and for this reason the owners of NCB (the Nordic collective rights management societies) decided that major changes must be carried out within NCB. Koda has contributed greatly to this work, which is scheduled to be completed in 2017.

The EU is currently working to bring out new legislation within the field of copyright. Koda has been deeply involved in this work at all levels, engaging in intense lobbying work at the Danish Parliament and in Brussels. The reason is that a range of services, such as YouTube, SoundCloud and others, use a loophole in the current legislation to avoid paying rightsholders for their content. Of course this situation is entirely unacceptable, and we are working both alone and within international forums to change this state of affairs. The struggle is hard, but it is a battle we must fight in order to ensure that Koda can celebrate many anniversaries in the years to come!

A handwritten signature in black ink, appearing to read 'Anders Lassen', with a stylized, cursive script.

Anders Lassen, Managing Director of Koda



Significant increase in streaming revenues

Koda's revenues from streaming went up by 49 per cent in 2016, and there is potential for further growth.

Danish audiences stream music, film and TV content like never before. A study conducted by megafon for IFPI shows that 64 per cent of all Danes aged 16 to 70 use a streaming service to listen to music. The most recent media trend study conducted by the Danish broadcasting corporation, DR, shows that TV streaming services, spearheaded by Netflix and YouTube, continue to gain ground and are particularly popular among the very young.

The popularity of streaming services is also apparent in Koda's revenues. From 2015 to 2016 the revenues generated by streaming went up by approximately 49 per cent, corresponding to an increase from 12 to 18 million EUR. Kaare Struve, head of Koda's Broadcast and Online department, explains that the main reasons behind this growth are a combination of deliberate efforts to enter into agreements with all providers in Denmark and growing music consumption in general:

"We have worked intensively on entering into agreements with all streaming services on the Danish market for some years now. In doing so we have ensured that the rightsholders we represent will get a share of the growing digital consumption of music. Rightsholders are currently beginning to feel the benefits of that work now that the Danes' consumption of music and video streaming services has greatly increased," says Kaare Struve.

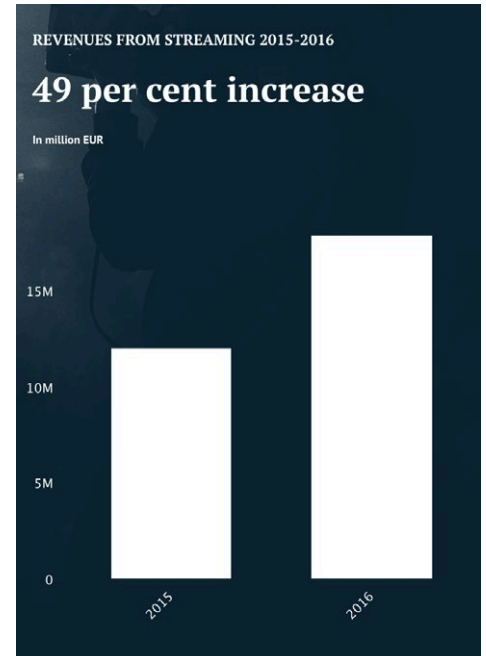
Better agreements and more services

Growing consumption is not the only cause behind the growing revenues generated by streaming. New streaming services have arrived in recent years, and at the same time Koda has succeeded in negotiating better deals with several of the existing streaming services in the market.

“In recent years we have seen several new streaming services set up business on the Danish market. For example, we have entered into an excellent agreement with Apple Music, which has become a key player on the music streaming business in record time. These agreements and new providers have had a strong impact on the results of 2016,” says Kaare Struve.

Of course we are pleased that our efforts within the field of online content are reaping benefits now, but we are not about to rest on our laurels

Anders Lassen, Managing Director of Koda



Still lots to fight for

Even though 2016 showed a substantial increase in streaming income, there is still plenty to fight for in the future:

“Of course we are pleased that our efforts within the field of online content are reaping benefits now, but we are not about to rest on our laurels. There are still plenty of battles that need to be fought. For example, many consumers use the free alternatives provided by streaming services such as Spotify Free. And the area is hampered by obsolete legislation which does not, in its present form, require services such as YouTube, Soundcloud, Facebook and similar platforms to pay for the rightsholders’ content. This means that in several cases the rightsholders we represent do not receive the salary that their work is worth – and that they do not benefit as much from the Danes’ growing digital music

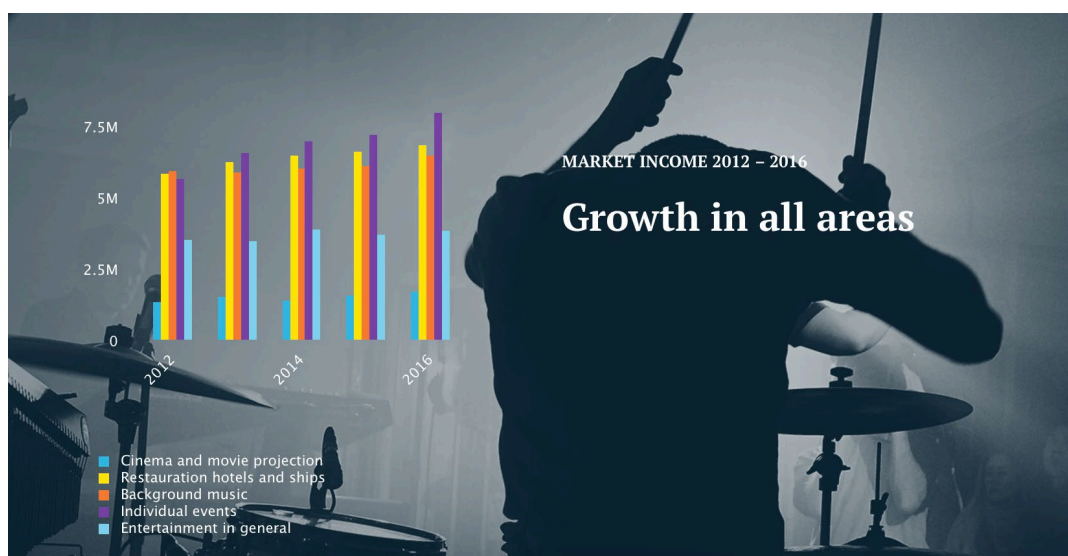


Licensing is on the rise

The Danish experience economy is flourishing, and Koda has upped its focus on licensing agreements for areas such as festivals and music consumption in shops. This has created excellent results for Koda's general in 2016, generating growth of more than six per cent.

When Koda's head of general licensing, Camilla Kjær, describes her department's results for 2016 as "highly satisfactory", she is certainly not boasting.

In 2016 the general licensing department saw growth of 6.2 per cent compared to the previous year, generating total revenues in excess of 25 million EUR for the first time ever in the history of Koda. This made a very substantial contribution to Koda's total turnover of 116 million EUR in 2016.



All revenue categories that fall within the auspices of Koda's general licensing department showed growth in 2016 compared to 2015: 'Cinema and film screenings' (an eight per cent increase), 'Hotels, restaurants, ships' (three per cent), 'Background music' (six per cent) and 'Other entertainment' (three per cent).

The most impressive growth rates of all are found within the category 'Individual events (concerts, festivals etc.)', which has seen an increase of eleven per cent compared to 2015 – and jumping by no less than 41 per cent since 2012.



If you are looking for evidence that the Danish experience economy is a real, tangible thing – not just a buzzword – you need look no further than this particular corner of Koda's activities.

Festival fever

"We Danes are eager to go out and have experiences. We go to the cinema, to concerts – for example at the new multifunctional arenas around the country – and visit festivals. All this serves to increase music consumption throughout the country, and that translates into revenues for the rightsholders Koda represents," states Camilla Kjær, head of licensing.

Music festivals and open air events are becoming increasingly popular in Denmark, making a positive contribution to our turnover

Camilla Kjær, Head of general licensing

"Music festivals and open air events are becoming increasingly popular in Denmark, making a positive contribution to our turnover in 2016. This is partly caused by the recent arrival of festivals such as Copenhell, Northside and Tinderbox, and there is nothing to suggest that

we have reached saturation point as far as live music is concerned. The year 2016 saw the launch of yet another new festival – Heartland on Funen – and in 2017 we will see the first instalment of the Haven Festival on Refshaleøen. To this we can add two new festivals at Kongens Have in Copenhagen. In 2017 the Copenhagen area will also see the arrival of the Royal Arena, where an impressive number of events will take place," says Camilla Kjær.

For Koda's general licensing department, it is all about keeping up with the times and monitoring all developments closely.

"As far as live music is concerned, our strategy is to engage promoters and event-makers behind upcoming festivals and cultural events in an ongoing dialogue at a very early stage.

We must spot them well in advance, catching up with them long before they go live so that they get their licenses in order well in time before the actual event,” says Camilla Kjær.

Fruitful dialogue with customers

Many entrepreneurs who open their own shops, hotels or restaurants know nothing about Koda in advance. At the same time these markets are facing considerable pressure in some parts of Denmark, but even so Koda has succeeded in creating growth within this area. This has been achieved through focused efforts – and Koda’s consultants are very aware of maintaining an open, direct and down-to-earth dialogue with business owners when they visit them.

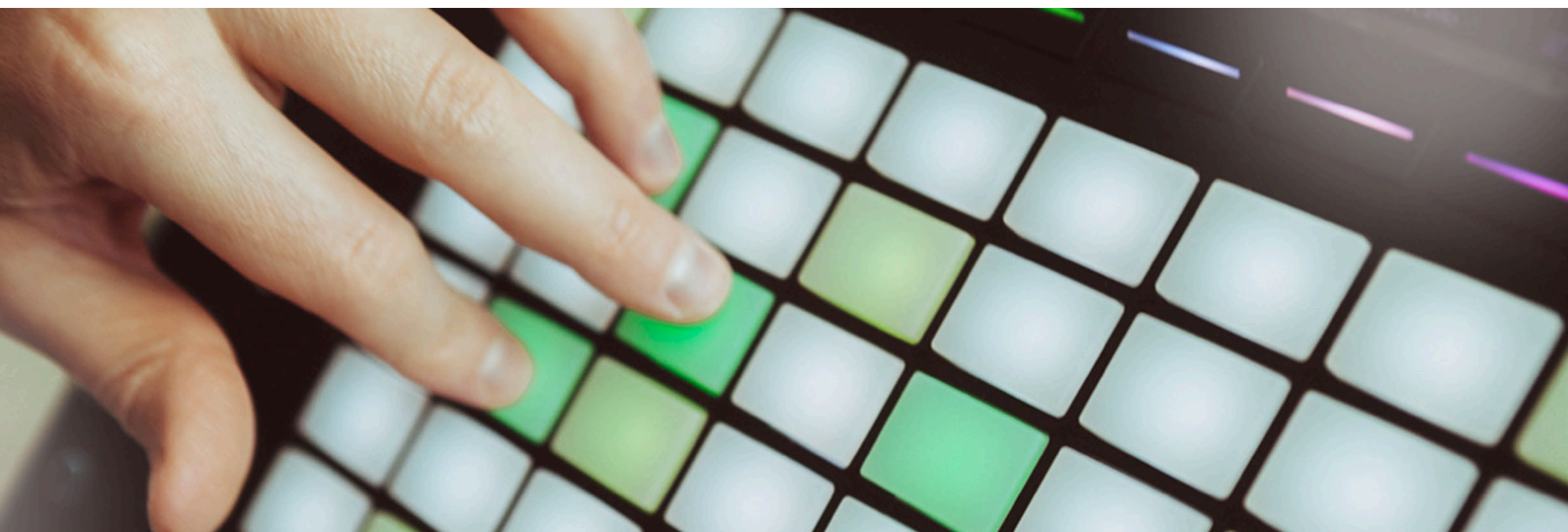
“It is hugely important to maintain the right kind of dialogue and communication, showing that we understand our customers and their needs, and I think we’ve succeeded in that strategy. When we meet and talk to our clients we take great care to explain what their money is used for, how it contributes – and most people are quite understanding when they hear this. For example, we inform them that we are a non-profit organisation and that the funds we receive are very carefully distributed to the relevant creators of music, enabling them to make a living from creating music. This promotes a positive atmosphere and willingness to pay,” explains Camilla Kjær, who can also take pleasure in the fact that the growing customer satisfaction is also reflected in survey statistics:

“Last year, the share of ‘highly satisfied’ customers went up to 43 per cent. At the same time our employee satisfaction rates are also very high, and we have very skilled and committed teams. All my co-workers are proud to say that they work for Koda – even to their hairdressers who are about to set up a licensing agreement with us. We enjoy a positive image – in-house and out there in the world,” says Camilla Kjær.

Familiar music works

In 2016 many new shops chose to become Koda customers and play Koda’s repertoire. And other shops and chains have returned as Koda customers after having left the fold for a while. The new arrivals in 2016 included prominent chains on the Danish market such as Fakta, Lagkagehuset, Burger King and Intersport. Many shops are opting out of royalty-free music – or muzak, if you want to call it that – and they often do so as a direct result of pressure from staff and customers who quite simply can’t stand that kind of elevator music.

“It is important for shoppers and patrons to be greeted by familiar music that they know and might even hum along with, and we offer access to what is virtually the entire music repertoire of the world. Studies have shown that music creates added value for inter alia shops and restaurants: it promotes a pleasant ambience, and patrons quite simply buy more. We have launched a new study that will investigate whether familiar music is better at stimulating sales than unfamiliar music. We expect to see the results of that study in 2017,” concludes Koda’s head of licensing.

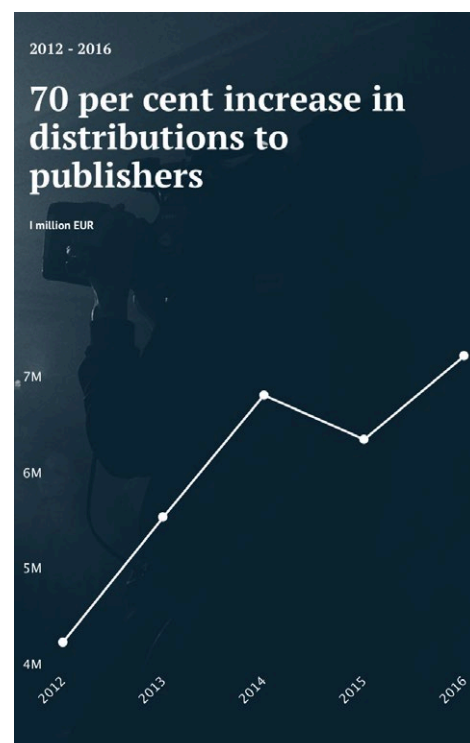


Changes in distribution patterns

In 2016 Koda made its largest-ever distributions to rightsholders. A combination of changes in music consumption, more accurate reporting and modernised distribution policies mean that members may see changes to the amounts they receive.

Koda's 2016 turnover reached 116 million EUR, thereby nearly matching the record-breaking turnovers of 2015, and this means that members have once again received very substantial distributions. The turnover of 2016 has generated distributions of 105.5 million EUR to music creators and publishers in Denmark and abroad. This is the best distribution result ever seen in the history of Koda.

Individual members or publishers may find that their distributions from Koda have gone up or decreased compared to previous years. Today, the group of high-income members share a larger amount than before. The group of low-income members also receive a larger amount as a group, but an increase in the number of recipients means that the average distributions have decreased in size. The general tendency for the group of members in the middle range is that on average, they receive smaller amounts than before.



Publishers have seen a prominent increase in their income in recent years. For example, the total Koda distribution to publishers has gone up by 70 per cent over a five-year period; a development that is partly due to an influx of new publisher members. The total distributions to authors and publishers went up by 12 per cent during the same period.



Growing revenues from TV and online

The reasons for this shift in the revenues generated by Koda members are primarily linked to overall changes in market consumption and use of music.

Revenues from TV and especially online content have gone up, and this affects the rightsholders' distributions

Jens Juel Andersen, Head of distribution

"Koda's distributions to members are partly dictated by market developments and business cycles", says Koda's head of distribution, Jens Juel Andersen, explaining the changes seen in distributions in recent years.

The main increases concerned revenues generated by TV and online content, whereas the increase in e.g. revenues from radio performances is moderate.

"The market has changed. Revenues from TV and especially online content have gone up, and this affects the rightsholders' distributions, as they quite naturally depend on where their works are played and performed," explains Jens Juel Andersen.

The main reason why TV and online revenues in particular have gone up is the extensive work done in recent years on preparing and entering into agreements with several music providers within these fields. TV and online content is also very popular with consumers, and the supply and consumption of TV channels, video streaming services and music

streaming services have grown steadily for years now. The TV category is greatly dominated by works composed for films and series, something that especially benefits the most popular film composers in terms of their income. Consumption of jingles and background music for various TV shows and news broadcasts is also on the rise, benefiting the composers and publishers who specialise in these fields. As regards online consumption we see that even though Danish audiences have access to all the music in the world, the majority listen to the same tracks. Overall, this means that revenues are increasingly funnelled towards the main publishers and towards music creators in Denmark and abroad.

Accurate reporting

The reports provided on music use also affects the distributions made to Koda members. The steady transition to digital data has enabled Koda to obtain increasingly accurate information on the actual use of works, thereby making the distributions correspondingly more accurate. This is very much true of areas such as 'restaurants', 'hotels', and 'background music' where Koda is receiving increasingly accurate information about the actual music consumption.

We must retain the large repertoires, the largest publishers and the most popular authors

Niels Mosumgaard, Chairman of the Board

within these fields increasingly go to those music creators and publishers who have the most popular repertoires. The digital reports are expected to become even more finely meshed in the years to come.

Modernised distribution policies

The more accurate reporting means that there is now less need for distribution policy decisions. As Koda receives increasingly accurate information on the actual music consumption, the need for judgment calls on distribution principles decreases. What is more, three years ago the Koda Board of Directors launched a process aimed at adjusting Koda's distribution principles. The objective was to simplify the set-up so that the revenues generated within a given revenue category are also distributed within that same category, and that the costs associated with the distribution are defrayed within the relevant category.

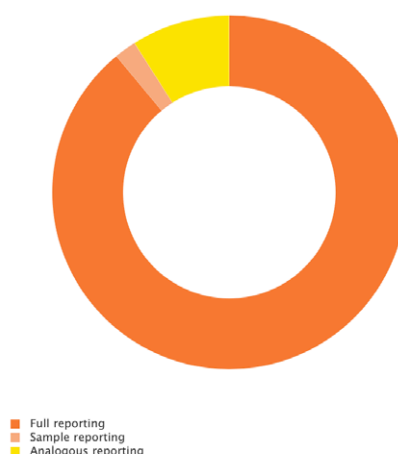
REPORTING RATES 2016

89 per cent full reporting

Full reporting denotes exact reports on the actual use of music.

Analogous reporting involves reusing data within areas where full reports cannot currently be obtained.

Sample reporting applies only to local radio stations, which submit sample reports for two or three weeks over the course of a calendar year.



The use of music in e.g. shops, restaurants and hotels is dominated by Danish and international top 20 artists. Combined with more accurate reporting, this fact means that distributions

Koda's members are beginning to feel the impact of these adjustments, and the overall developments also serve to hone Koda's competitiveness amidst growing international competition and new EU stipulations on transparency.

"Koda's survival depends on our ability to attract and retain the leading publishers and those authors who generate the greatest revenues," says Niels Mosumgaard, chairman of the board at Koda. He continues:

"Today, publishers and authors are free to decide which rights management society they want to manage and sell their rights, so it is important for Koda to remain highly competitive. Another part of the story is that we must retain the large repertoires, the largest publishers and the most popular authors: when combined with the full Koda repertoire they pave the way for the best agreements possibly, thereby pulling the emerging talents with them up. For this reason it is crucial to continue our work to increase efficiency and to ensure very accurate distributions so that the rightsholders receive exact remuneration for the actual use of their music. We must also ensure transparency in our accounts, reports and distributions so that old and new members can all clearly see that they get the best service and the most accurate distributions from Koda."



Online giants under pressure

Koda continues to work hard to ensure that huge corporate online services such as YouTube and Facebook will be obliged to pay for the music that attract so many visitors to the services. Right now, the struggle focuses on an EU proposal on copyright legislation.

In 2016 Koda continued its efforts to make sure that our members receive fair reimbursement when their music is used on the very popular global online services that allow users to upload and share content.

Entities such as YouTube and Facebook generate large parts of their billion-dollar income from cultural content. However, these mammoth online services can exploit a loophole in EU legislation to pay nothing or very little back to those who created the attractive cultural content.

Koda and a range of allies have long sought to close this legal loophole. It was hoped that our efforts would be crowned with success when a proposal on new EU legislation on copyright was presented in September 2016.

Proposal does not meet expectations

"Sadly, that didn't happen. At least not right away," says Koda's managing director, Anders Lassen. He continues:

"It is true that the EU sends a message to the large online services, signalling that they



must start playing by the rules. But regrettably the proposal doesn't meet our expectations: it doesn't oblige these services to pay for their use of music," Anders Lassen explains.

Nevertheless, the battle is far from lost yet. Before the directive is adopted by the EU, which will presumably happen towards the end of 2017, it will be submitted for consultation in e.g. the European Parliament and the Danish parliament.

Seizing this opportunity, Koda is making every effort to ensure that changes are introduced, obliging the online giants to pay for the use of cultural content. Koda has many allies in this endeavour. Koda is teaming up with other European collective rights management societies and with politicians who sympathise with the creative forces who are missing out on billions that are directed elsewhere.

Political support

"Today, huge online services such as YouTube generate more than sixty per cent of their turnover from the use of cultural content, and they pay very little or nothing at all for that content. This is not fair on the composers and songwriters, nor on competing online services such as Spotify, who are committed to paying. We look forward to working

closely with the politicians in 2017, and hopefully our negotiations will help bring about a final directive that puts a firm stop to these conditions, which not only distort competition, but are downright unfair," says managing director Anders Lassen.

Preventing creative people from making a reasonable income can cause major losses of jobs and wasted opportunities for economic growth in Denmark

Anders Lassen, Managing Director of Koda

from both ends of the political spectrum, and calls attention to the fact that far more is at stake here than simply the loss of income for individual composers, artists and directors.

"Preventing creative people such as songwriters and composers from making a reasonable income can in fact cause major losses of jobs and wasted opportunities for economic growth and momentum in Denmark. It is crucially important that those who produce this popular cultural content can make a living from doing so. Right now, the booming creative industry is generating plenty of jobs in Denmark and abroad. According to a previous report, this industry is the third largest in Europe in terms of employment figures. In fact, the cultural and creative industries account for seven million jobs," says Anders Lassen.





Danish hitmakers in Denmark and abroad

Denmark was prominently featured on the worldwide music scene of 2016: Danish artists such as Lukas Graham, MØ and Thomas Troelsen attracted international attention.

Lukas Graham's '7 Years' was a major worldwide hit in 2016. This means that the eminently likable soul-pop ballad tops two lists: the list of the works that generated the highest revenues in Denmark, and the list of the Koda works that generated the highest revenues abroad. This is the first time that Koda presents such lists.

Lukas Graham was already a favourite with Danish audiences when he began attracting international attention, and his '7 Years' was a hit with music lovers worldwide. In 2016 the track went four times platinum in the USA, five times platinum in Australia, and seven times platinum in Sweden.

The song also won itself a prominent position in Danish music history by reaching the top two spot on the US Billboard Hot 100. This was the highest charting achieved since 1961, when Jørgen Ingmann also reached number two with his cover version of 'Apache'. In Australia '7 Years' managed to reach number one on the singles chart.

The Koda Top Ten 2016 - Abroad

The Top Ten lists the musical works created or co-created by a Koda member that generated the greatest revenues abroad in 2016.

No.	Name	Composer/Writer	Artist
1	7 Years	Lukas Forchhammer/Stefan Forrest/Morten Ristorp/Morten Pilegaard	Lukas Graham
2	I Don't Like It, I Love It	Alexander Izquierdo/Bryan Stanley Isaac/Geoffrey Early/Jamie Sanderson/Gary Rafael Hill/Thomas Troelsen/Tramar Dillard/Yoan Chirescu	Flo Rida feat. Robin Thicke & Verdine White
3	Calabria Instrumental Version	Rune Reilly Kolsch	Rune RK
4	Lean On	Thomas Wesley Pentz/Karen Marie Ørsted/William Grigahcine/Philip Meckseper	Major Lazer feat. MØ
5	Sunshine Reggae	John Guldberg/Tim Stahl	Laid Back

Danish dominance

Lukas Graham is joined by three other Danish acts on Koda's list of the works that generated the highest revenues in Denmark in 2016. Music consumers obviously continue to want Danish music.

In second place is one of the most popular Danish-language acts in recent years: Rasmus Seebach, performing his melodic pop song 'Uanset'.

The first foreign act on the Danish top 10 is the American singer Jason Derulo and his toe-tapping 'Want to Want Me'.

In fifth place we find an excellent example of how Danish songwriters, composers and producers can create big hits in co-operation with international acts: Danish singer Mø contributed to a huge hit, 'Lean On', alongside US artist Major Lazer. This stellar pop alliance followed up their success with yet another hit, 'Cold Water', where Justin Bieber joined Mø as guest vocalist.

In sixth place we find Lukas Graham again, this time with 'Strip No More'. However, that song did not have the same international impact as '7 Years'.

A star behind the scenes

'7 years' quite naturally also tops the top 5 of works performed outside of Denmark. It is followed by 'I Don't Like It, I Love It' featuring the American rapper Flo Rida. A disco-infused dance track that is partly the creation of the well-established Danish producer and songwriter Thomas Troelsen.

Operating behind the scenes, he is one of the leading players in Danish pop music, having contributed his services to acts such as Pitbull, Justin Bieber, David Guetta and Meghan Trainor in recent years.

Third on the list is the club hit 'Calabria' by Rune RK, which can now reasonably be called a new evergreen. It is followed by the aforementioned 'Lean On' by Major Lazer featuring Mø.

Eternal sunshine

Number five on the list is a track whose timeless charm has made it a true classic: Laid Back's 'Sunshine Reggae' from 1983, which continues to be extensively played throughout the world.

John Guldberg has previously talked to Koda about the creation of the long-lived summer hit 'Sunshine Reggae':

"That track really bypassed the corporate checks and balances. The record company focused on tracks such as 'High Society Girl', ruining it completely with plenty of eighties embellishments and hit sound. No-one really had faith in 'Sunshine Reggae', so our origi-

nal take survived unscathed. We've always done our best work when we've been the least self-conscious about it, the least calculating," said the singer to Koda in 2009.

The Koda Top Ten 2016 - Denmark

The Top Ten lists the musical works that generated the greatest revenues in Denmark in 2016.

Place	Name	Composer/Writer	Artist
1	7 Years	Lukas Forchhammer/Stefan Forrest/Morten Ristorp/Morten Pilegaard	Lukas Graham
2	Uanset	Rasmus Seebach/Nicolai Seebach/Lars Ankerstjerne	Rasmus Seebach
3	Want To Want me	Ian Kirkpatrick/Sam Martin/Lindy Robbins/Mitch Allan/Jason Desrouleaux	Jason Derulo
4	Uptown Funk	Jeffrey Bhasker/Devon Gallaspy/Peter Hernandez/Philip Lawrence/Mark Ronson/Lonnie Simmons/Nicholaus Williams/Charles Wilson/Robert Wilson/Ronnie Wilson	Bruno Mars
5	Lean On	Thomas Wesley Pentz/Karen Marie Ørsted/William Grigahcine/Philip Meckseper	Major Lazer feat. MØ
6	Strip No More	Lukas Forchhammer/Stefan Forrest/Morten Ristorp/Morten Pilegaard/Magnus Larsson/Christopher Steven Brown/Mark Falgren/Brandon Beal/Sebastian Fogh	Lukas Graham
7	Hello	Adele Adkins/Greg Kurstin	Adele
8	Marilyn	Morten Pilegaard Jespersen/Patrick Dorgan/Stefan Forrest/Morten Ristorp Jensen	Patrick Dorgan
9	Love Me Like You Do	Ilya/Savan Kotecha/Max Martin/Ali Payami/Tove Lo	Ellie Goulding
10	Stitches	Daniel Parker/Teddy Geiger/Daniel Kyriakides	Shawn Mendez



Widespread support for Koda's core task

The majority of all Danes believe that it is only fair that music creators receive payment when their music is used and performed in public. A new study reveals widespread sympathy for Koda's main objective.

In 2016 Koda turned ninety. The celebrations included a campaign called 'The Power of Music' ('Musikkens Kraft'), which is intended to raise awareness of the objectives that Koda works towards – and why we do it. At the same time, Koda commissioned YouGov to undertake a major research study on the Danish population's awareness of Koda and their attitudes towards music copyright.

The study shows that the Danes generally agree that composers and songwriters should receive royalties when their music is used in public. The study presented a range of statements that respondents ranked in terms of their level of agreement (disagree/agree), thereby indicating to what extent they believed that payments to music creators are reasonable. On a scale from -100 (completely disagree) to +100 (completely agree) the total average ended up at a score of no less than +63.



Support is crucial at this point

The study shows widespread sympathy and support for Koda's core task, which is to ensure that authors receive payment when their music is used and generates value in

public settings. Such support is particularly crucial to rightsholders at this point in time where a large part of the general music consumption in society is conducted via digital services that pay either very little or nothing at all for music content even though that content is instrumental in driving their traffic and business.

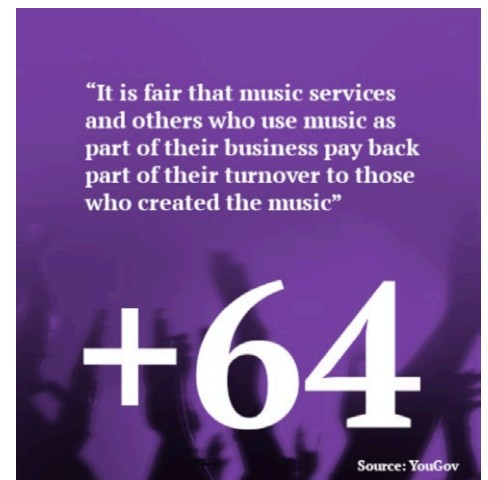
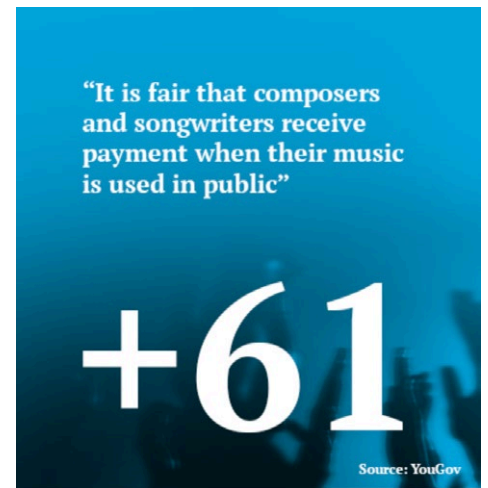
"At Koda we sell access to a product that no-one wants to do without, for music is all about emotions and community. But for those who create it, music is also their livelihood – it's a business, and the new digital modes of distribution have made it harder for many, many of our members to keep that business going at a reasonable level. It is encouraging to see that there is widespread support for our continued struggle to ensure that music creators receive reasonable fees, contributing to ensuring a strong and diverse music scene for many years to come," says managing director of Koda, Anders Lassen.

Knowledge shapes attitudes

The study has also taken a closer look at the Danes' awareness of the work that Koda does and their attitude towards music rights. It shows that the more the respondents know about who pays what to Koda and why, the greater their sympathy with the music copyright struggle.

"It is interesting to see that the respondents' level of sympathy with music rights management is directly linked to their knowledge of Koda's work – the more they know, the more positive they are. This tells us that Koda's work is important in terms of promoting the general willingness to pay, and that rightsholders can tap into a huge potential by raising awareness of Koda's work even further," says Anders Lassen.

Koda's 'The Power of Music' campaign will continue in 2017.





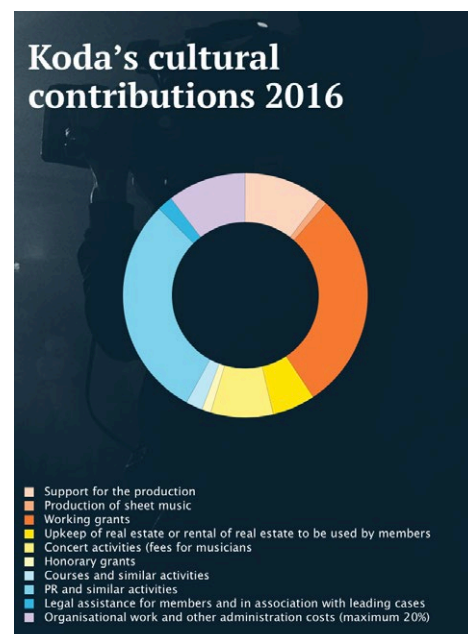
Koda's cultural contributions 2016

In 2016 the Danish music scene received 9.3 million EUR in support from Koda's cultural contributions. This support encompasses everything from production sponsorships and grants to PR and political initiatives aimed at improving conditions for Koda's business and safeguarding the basis of a strong, diverse international music scene.

Every year up to ten per cent of Koda's net income is set aside for cultural contributions. The cultural contributions are allocated to a wide range of activities, the overall objective being partly to stimulate and support the development and production of music, and partly to conduct political lobby work aimed at improving the basic conditions of our business.

Whether the funds are used for working grants, for production support for the development of new music, or to arrange songwriter camps for international professionals, the cultural contributions ensure that every year, part of Koda's revenues are reinvested in the music scene, helping to keep it strong and diverse.

As is indicated in the chart to the right, a total of 9.3 million EUR were spent on cultural contributions in 2016. These funds are allocated into seven portions: one each for Koda, DKF (Danish Composers' Society), DJBFA (Composers and Songwriters), DPA (Danish Songwriters' Guild), Musikforlæggerne (Danish Music Publishers' Association), and for two shared reserves, one shared between the three composers' associations (DAKS) and the other between all four associations.



The distribution of Koda's cultural contributions for 2016 is described in greater detail below.

Koda

Koda, which also distributed for Greenland and the Faroe Islands, spent 1.5 million EUR, corresponding to 16.2 per cent of the total cultural contributions of 2016.

Koda spends cultural contribution funds on raising awareness of Koda in general and to promote Koda's work pertaining to political decision-making and the frameworks of copyright legislation. Up until 1 January 2017 Koda was also in charge of the reserve fund used for applications from Koda members who are not also members of one of the four associations. A total of 232 such grants were made, corresponding to 0.5 million EUR.

Koda spent 20 thousand EUR on administration, corresponding to 1.3 per cent of Koda's total share of the cultural contributions.

DJBFA

DJBFA allocated 35.4 per cent of the cultural contributions, corresponding to 3.3 million EUR. The association gave out work grants, travel grants and working residencies to a total value of 1.2 million EUR, encompassing 632 individual grants.

In addition to this, 265 composers were given the opportunity to stay and work at DJBFA's retreats to a total cost of 0.3 million EUR. DJBFA held network meetings, courses and professional sparring sessions to a total cost of 0.1 million EUR, and spent 0.2 million EUR on publication grants, encompassing 194 grants in all. 0.2 million EUR were spent on funding for tours, festivals and projects, including 80 tours abroad, 28 festivals and 24 innovation projects.

The association spent 0.7 million EUR on cultural politics work with particular emphasis on two main areas: one being Music and Health, the other Public Service. DJBFA held an honorary award celebration where honorary grants to a total value of 15 thousand EUR were handed out. DJBFA has also won a major leading legal case regarding the obligations of publishing houses; the legal fees amounted to 22 thousand EUR.

DJBFA spent 0.36 million EUR on administration, corresponding to 11.2 per cent of DJBFA's total allocation of cultural contributions.

DAKS

DAKS (the collaborative set-up for DKF, DJBFA and DPA) spent 2.1 per cent of the cultural contributions, corresponding to 0.2 million EUR. The organisation continued its work on representing its member organisations in EU contexts, for example in ECSA and at meetings in Brussels. DAKS had a representative in the project group of the Danish national initiative concerning music in public libraries, and the shared project MB2020 was concluded. DAKS also operated Jurakontoret ("The Legal Office"), where members can come for general advice, assistance with their contracts, etc.

DAKS spent 15 thousand EUR on administration, corresponding to 7.4 per cent of the organisation's total allocation of cultural contributions.

Shared reserve

The shared reserves set aside for all four associations amounted to 1.1 per cent of the total cultural contributions, corresponding to 0.1 million EUR. They were spent on numerous activities, for example to support BFM (Danish Film & Media Composers – DFMC) and a major survey of electronic music in Denmark under the auspices of STRØM. An initiative to raise awareness of the work done by composers, songwriters and music publishers was launched in co-operation with the consultancy firm Advice. Some funds were spent on inaugurating the large-scale sound work in the foyer of Koda, a work of art originally commissioned by Musikforlæggerne, DJBFA, DPA and DKF when Koda and the four associations moved to Lautrupsgade in 2014. Finally, the four associations are part of Ophavsret.dk, which serves as the base for political efforts conducted in co-operation with e.g. book publishers, journalists, artists and writers.

The shared reserve spent 5.5 thousand EUR administration, corresponding to 7.4 per cent of its total allocation of cultural contributions.

DKF

DKF distributed 15.0 per cent of the cultural contributions, corresponding to 1.4 million EUR. The association spent 0.2 million EUR on supporting the creation of new music in the form of working grants and working residencies in the association's own properties ("komponistmidlerne"). 0.4 million EUR was spent on production and communication in the form of support for festivals, ensembles and music and cultural organisations from Denmark and abroad; this was done via "Produktionspuljen" (the production reserve). The association spent 45K on networking. In 2016 the association's chief emphasis was placed on education work, for example on developing two new sets of teaching materials for Danish schools, six workshops for composers, four supplementary training courses for music teachers (including music teachers in schools), mentor programmes, and a seminar on gender and music education. The total cost of these education initiatives was 61K. The association also spent 11K on international political work pertaining to music. The association spent 70K on strategic communication.

DKF spent 0.2 million EUR on administration, corresponding to 13.4 per cent of its total allocation of cultural contributions.

DPA

DPA spent 20.9 per cent of the cultural contributions, corresponding to 1.9 million EUR. The association distributed approximately 1 million EUR as grants, encompassing 505 separate grants for projects, study, travel and acute export. A total of 16 thousand EUR was spent on grants for courses. All in all, the total amount allocated to direct grants came to 1 million EUR, corresponding to 52.6% of DPA's total expenditure. The remaining

47.4% of DPA's cultural contributions were spent on grants, support, political work and administration. A total of 240 composers were awarded residencies in DPA's properties to a total cost of 0.1 million EUR.

In 2016 the association rented a house in Los Angeles to be used by commercial songwriters working on projects in the city. The total costs, including set-up costs, rent and operation, were 32.5 thousand EUR. The association arranged professional events, workshops and seminars to a total of 0.2 million EUR, including: Airplay Camp, a seminar on children's music, electronic network meetings, Nashville Masterclass & Writing Camp and a competition for producers. The association supported 34 projects within the Danish music scene, corresponding to total costs of 0.2 million EUR.

All in all, the association supported other activities within the Danish music scene to a total cost of 0.4 million EUR. The association spent 0.1 million EUR on political efforts and lobbying to benefit songwriters, producers, composers and lyricists with particular emphasis on popular and commercial music.

DPA spent 0.2 million EUR on administration, corresponding to 10.4 per cent of its total allocation of cultural contributions.

Musikforlæggerne

Musikforlæggerne/The Danish Music Publishers' Association allocated 9.3 per cent of the cultural contributions, corresponding to 0.9 million EUR. 3 thousand EUR was allocated to defray the cost of legal assistance associated with a specific leading case. The association supported the Carl Prisen (Carl Award) with 80 thousand EUR in order to promote awareness of the work done by authors and music publishers. Musikforlæggerne primarily spent its share of the cultural contributions on supporting works by authors who are under contract with member publishers, allowing those works to be published and more widely distributed.

PR activities for sixty projects received support, corresponding to 0.1 million EUR. 32 thousand EUR was allocated to courses relevant to music publishing, covering five separate projects. Concerts received a total of 9K, also comprising five projects. A total of 0.1 million EUR was allocated to travel costs, study grants and working grants (a total of 48 cases), e.g. to defray travel costs for attending co-writes and similar songwriting sessions abroad, to take part in trade fairs, seminars etc. 60K was allocated to the production of sheet music, encompassing 35 publications. A total of 113 publications (digital as well as physical) received a total of 0.3 million EUR for production, recording and publication. A more detailed account of the distribution of the cultural contributions can be found on the association's website.

Musikforlæggerne spent 0.2 million EUR on administration, corresponding to 20 per cent of the association's total allocation of cultural contributions.