



koda[®]

***KODA
ANNUAL REPORT
2017***

Contents

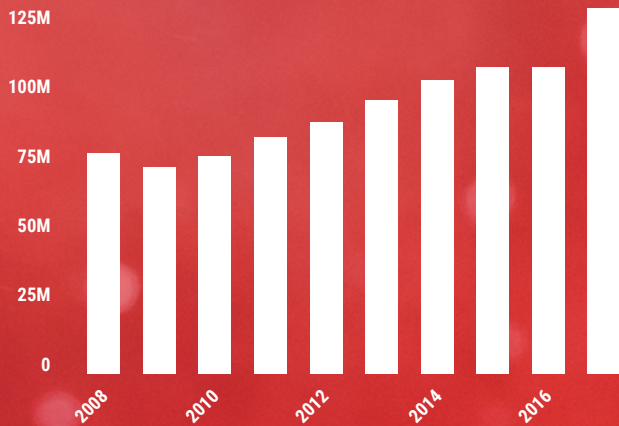
Key figures	1
The Chairman's Report	3
The Managing Director's Report	6
Straight talk about streaming	9
Koda leads the way with digital strategy	13
Ruling the Danish charts	17
Koda's cultural contributions 2017	20

→ Download Koda's Transparency Report 2017
www.koda.dk/transparencyreport2017

→ Download Koda's Financial Statements 2017
www.koda.dk/financialstatements2017

Key figures 2017

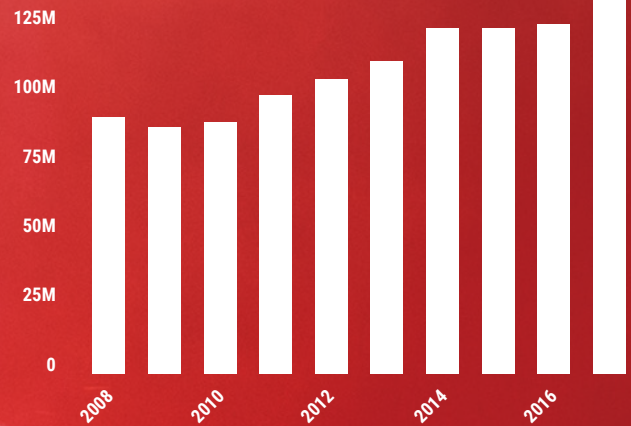
KODA'S TOTAL INCOME



Turnover exceeding one billion DKK

In 2017, Koda's turnover exceeded DKK one billion (138 million EUR) for the first time ever. The rise in revenues was partly due to a backlog of four years' worth of TV distribution income that was finally paid out this year. But even without this backlog, all areas show growth – including revenues from abroad and from the market

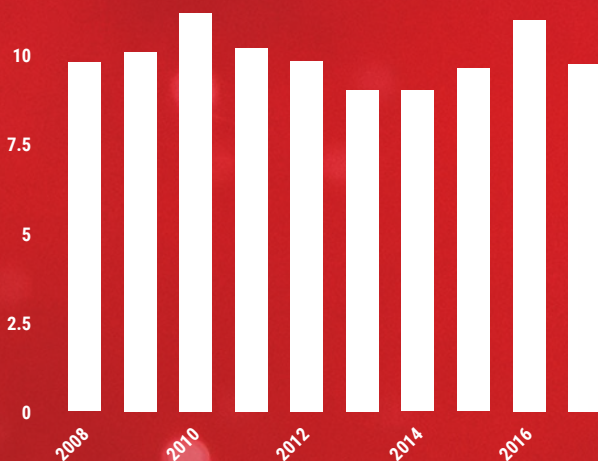
NET DISTRIBUTIONS



125 million EUR for music

Koda's activities in 2017 have yielded 125 million EUR for distribution among rightsholders.

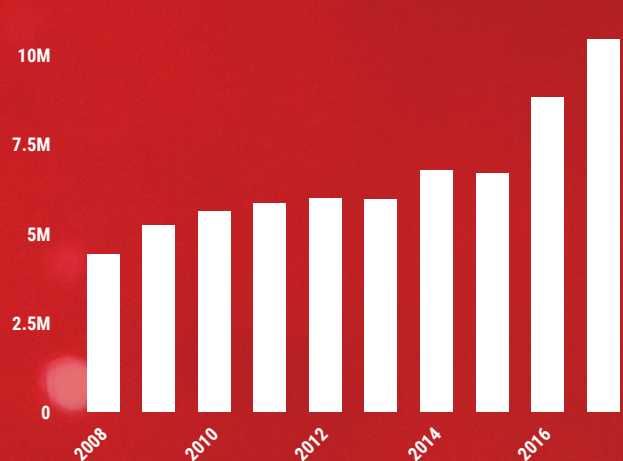
KODA'S ADMINISTRATION COSTS



Koda's administration costs of 9.8

In 2017, less than 10 per cent of Koda's revenues was spent on administration. This means that Koda still has one of the lowest administration rates in the world and is able to distribute more than 90 per cents of the money collected onwards to music creators.

KODA MEMBERS' MUSIC ABROAD



Increasing revenues from abroad

The recent years of concerted efforts to collect revenues for the use of Koda members' music abroad have proved successful. The revenues within this area reached almost 11 million EUR in 2017, corresponding to approximately eight per cent of Koda's total revenue.

RATIO OF DISTRIBUTIONS TO KODA MEMBERS AND NON-KODA MEMBERS



■ Koda members: 31 %
 ■ Abroad (and others): 69 %

69 per cent is sent abroad

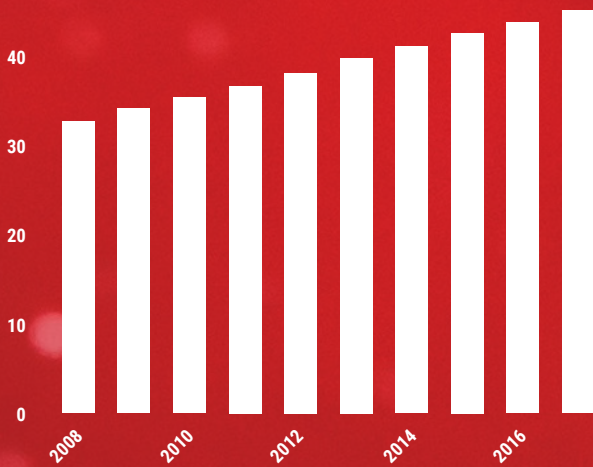
Koda makes distributions for all music used in Denmark. In 2017, 69 per cent of the total distributions made by Koda were remunerations for the use of foreign music played in Denmark. In recent years, distributions to other societies abroad have been on the rise for Koda.



■ Radio & TV - 66 mEUR
 ■ Cinema & movie - projection - 2 mEUR
 ■ Background music - 7 mEUR
 ■ Revenues from abroad - 11 mEUR
 ■ Online - 31 mEUR
 ■ Restaurations & hotels - 7 mEUR
 ■ Concerts & events - 13 mEUR

Where the money comes from

TV and radio continue to be Koda's main source of revenue, followed by online use, which includes film streaming and music streaming.



46,000 MEMBERS

More members share Koda's distributions

In 2017, Koda's membership exceeded 46,000. Of these, almost 24,000 received distributions from Koda. Ten years previously, that figure was less than 13,000. During that same period, the average number of works per members has gone up by 82 per cent. In 2017, Koda had a total of 1.2 million registered works created by Koda members. This figure has doubled over the course of the last ten years.



The Chairman's Report

This has been yet another memorable year in Koda's long history. We currently find ourselves at a crucial turning point in the history of copyright management, a time when streaming, digitisation and free competition completely change the game – and where legislation needs to be changed and updated to match the new developments. It is a time of high-speed change.

“... it is still crucial for us to band together in a society that understands what it means to be part of a market characterised by fierce competition - and a society who approaches this challenge with a professional, business-like outlook

Niels Mosumgaard, Chairman of the Koda Board of Directors

Koda reached a milestone in 2017: achieving a total turnover in excess of one billion Danish kroner (138 million EUR). This is worth celebrating – even if it was partly the result of backlogs and delayed payments within several fields. This result underpins that Koda is exactly where it

should be in order to help the rightsholders for whose works we are responsible. It tells us that Koda is evolving and is a healthy business.

Huge effort was put into implementing the collective rights management directive, we have talked about for so many years now. We were well prepared, which enabled us to present a proposal for new articles of association at the General Meeting in April. Consequently, we experienced a record-breaking turnout at the general meeting, which was held at the Royal Danish Library, and also prompted many qualified candidates to run for the vacant positions on the Board of Directors, which welcomed three new authors and two new publishers. We would like to thank all the candidates who ran.

In 2017, we adopted a new framework for Koda's cultural contributions. This means that all Koda members can now apply for funding to help them create new music. We are still working on making the system simpler and more transparent. The Board of Directors have placed great emphasis on expressing the Koda strategy more clearly through the distribution of the cultural contributions, thereby also making Koda's position as sender more visible.

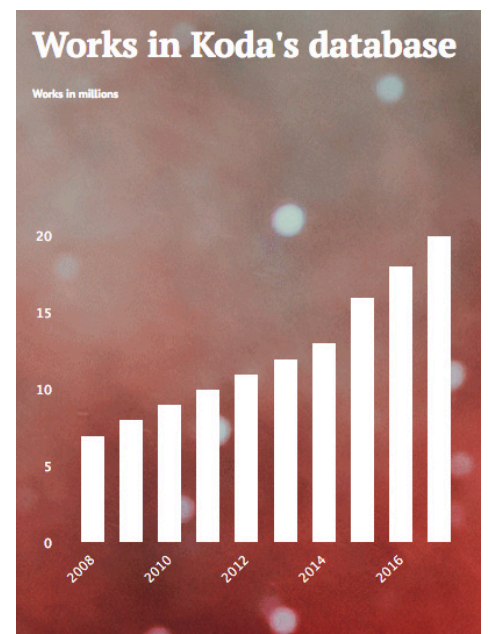
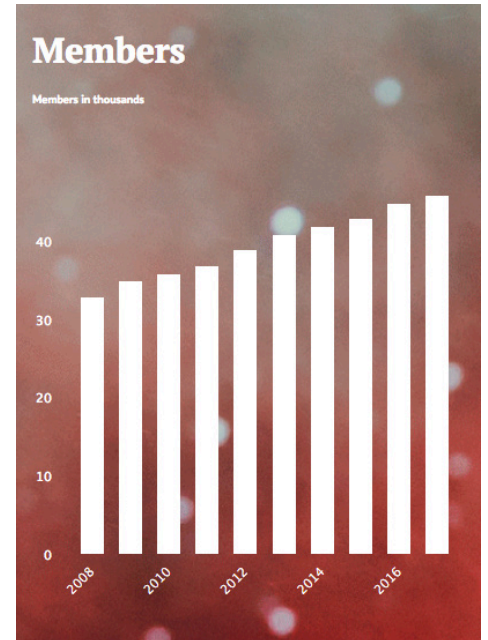
The aforementioned directive stipulates that all collective rights management societies must prepare a transparency report, and in 2017 this task required huge efforts from the Koda staff. Koda was the first collective rights management society in Denmark to produce such a report, meaning no frame of reference was available to support the work. The end result was a carefully crafted piece of work that many other collective rights management societies now look to for inspiration on how to meet the new transparency requirements.

The transparency report offers a window for the outside world to look through at Koda – and a window through which we can look out at the world, comparing ourselves to others. It enables us as rightsholders to determine whether our chosen collective rights management society is the right match for us and our music. Having passed the one billion kroner turnover mark, there can be no doubt that Koda is onto something, even in this new and changing world.

This is important: even though individual music creators may feel the pinch, even though we may sometimes feel that the new streaming economy is pulling the rug away from under us and our work, and even though there are many more of us sharing the new sources of revenue, it is still crucial for us to band together in a society that understands what it means to be part of a market characterised by fierce competition – and a society who approaches this challenge with a professional, business-like outlook.

It is important for Koda to bring the biggest possible repertoire to the table when negotiating agreements.

And in order to retain a large repertoire, rightsholders must feel that Koda really does do something for them. That there is a clear, transparent framework in place for all agreements and for the distribution of money so that everyone understands how the money



is funnelled through the system. The Board of Directors and the Koda administration are keenly aware of the fact that Koda is also an IT enterprise – and an enterprise that must keep evolving.

On behalf of the Board of Directors, I would like to end by saying that we are proud of this year's result, and that we fully realise that such results do not happen on their own. So we would like to warmly thank the management and the entire staff of Koda for this year's efforts. And to thank all Koda members for their extraordinary involvement, commitment and curiosity.



Niels Mosumgaard, Chairman of the Koda Board of Directors



Koda's Board of Directors by 27 April 2017

From the left on the floor: Jens Visby (employee representative), Frans Bak, Susi Hyldgaard (Chairman of the DPA Board of Directors), Peter Littauer - Musikforlæggerne, Niels Marthinsen - DKF, Niels Mosumgaard (Chairman of the Koda Board of Directors and Chairman of the DPA Board of Directors) og Niels Rønsholdt (Vice Chairman of the Koda Board of Directors).

From the left on the stairs: Bent Sørensen (Chairman of the DKF Board of Directors), Ole Dreyer Wogensen (Vice Chairman of the Koda Board of Directors and Chairman of the Musikforlæggerne Board of Directors) og Søren Winding.



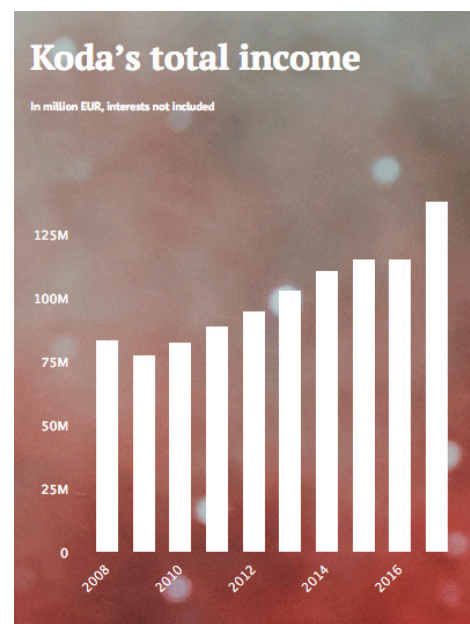
The Managing Director's Report

Nice, round figures have a special magic of their own. That is why it was such a big day for Koda when we realised that in 2017, our turnover would exceed one billion Danish kroner (138 million EUR).

This momentous event was, however, partly fuelled by some very specific circumstances: for the past two years, we had been unable to reach an agreement with the other organisations within the Copydan alliance on how to distribute a range of new income categories. In 2017 we finally reached a resolution, which meant that in one glimpse, money from several years' worth of TV distribution came flooding in all at once – creating a 'ketchup effect'.

Yet even without this backlog of payments, Koda would still have experienced good progress. Our revenues are growing nicely. A few years ago, we decided to devote extra resources to collecting revenues from abroad and to boosting our revenues from general public performance, meaning hotels, restaurants, bars etc. Both endeavours have been successful, and as a result, we can now enjoy record-high turnovers within both areas. This result has been achieved through hard and dedicated work from our employees and management team.

However, we are very much aware that not everyone experience the benefits of these increases. For example, a great many Koda members receive very little revenue from



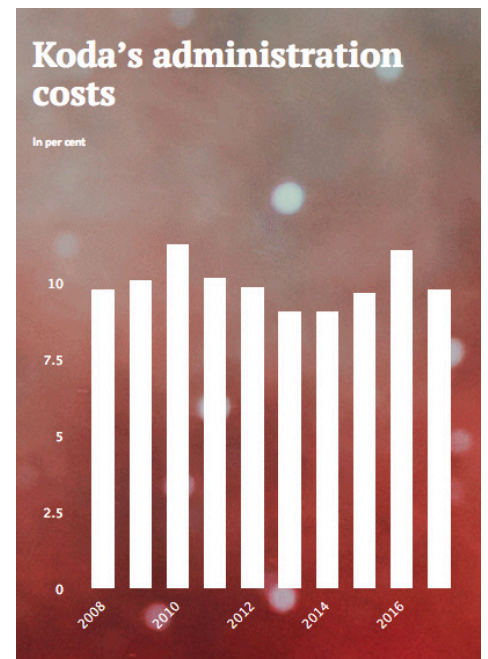
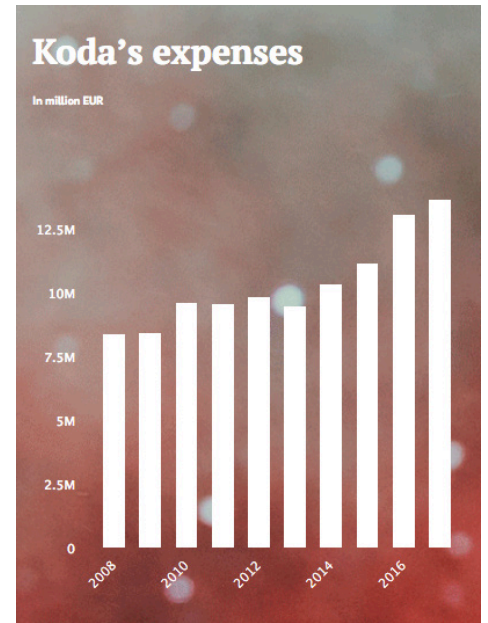
streaming. On the other hand, the idea that no-one makes any money from streaming is a myth. In 2017, almost 500 Danish Koda members received more than 10,000 DKK (1,342 EUR), and around 30 members received distributions of 250,000 DKK (33,557 EUR) on average. Even so, we certainly face a challenge within this field; a challenge that must be resolved through political means. I will return to this point at the end of this report.

Last year, we launched an initiative aimed at ensuring that our members will receive their money at a faster speed. Bearing the working title 'Performed Sunday, paid Monday', the objective of this initiative is to reduce the time elapsing from performance to payment as much as possible. We have embarked on this initiative as it is an important point to our large rightsholders. Moreover, the low to non-existent interest rates paid out today also means that we receive very little interest on the money we keep in trust before they are distributed to our members. Hence, everything points in one direction: the money does more good in our members' pockets than in Koda's.

Reaching such an ambitious goal requires that all of our IT systems need to be revised. Fortunately, our excellent co-operation with our partners in TONO and Teosto means that we can share the costs and draw on specialists working across each other's societies.

2017 was also the year in which the future of NCB was decided upon. After long and careful deliberation, the NCB Board of Directors decided to ask Koda to take over operation of NCB. As a result, the staff of NCB now sit in the Koda office, while the NCB Board of Directors and legal framework remain unchanged. The objective of this solution is to reduce the operating costs while still maintaining suitable levels of service as turnovers within the mechanical field continue to drop.

In terms of political work, we continued the struggle against the fundamental injustices brought about by the transition to online music distribution. At its heart, the problem is that these abrupt developments have taken away the creators' control of the content they create. First, file sharing and piracy services became widespread and generally accepted by the public. Now, services such as YouTube and Facebook have been able to use the 'Safe Harbour' legislation to avoid paying a fair price for rights.



So what is a 'fair price'? Well, it's a price that both parties agree to. The buyer and seller of any commodity must always be able to refuse a deal – otherwise it isn't fair. But in this case, piracy and the misapplication of 'Safe Harbour' legislation have removed our ability to say no. These factors have resulted in completely unreasonable pricing trends within the digital field, and this drives prices down – also for the subscription-based services such as Spotify and Apple Music.

In 2017, Koda continued its efforts to change this state of affairs – both in the EU and in Denmark. It is of utmost importance that we create a digital market where those who create the content which drives a substantial part of all online traffic, also receive a fair share of the value generated by their content.

A handwritten signature in black ink, appearing to read 'Anders Lassen', written in a cursive style.

Anders Lassen, direktør



Straight talk about streaming

Koda's revenues from streaming continued to rise in 2017, providing those members whose music gets streamed the most with a lucrative income. However, distributions remain modest for members whose streaming audiences fall into the medium category, and Koda's Managing Director is unable to promise golden days ahead.

Koda's revenues from streaming have grown significantly over the last decade. Online consumption of music has boomed. Partly because we listen to music via services such as Spotify, and partly because we watch film and TV series on services such as Netflix – and that content includes plenty of music too.

Streaming is not amongst Koda's primary sources of revenue: it accounts for approximately 13 per cent of the total turnover. However, this area is a particular cause of frustration among Koda's members.

Koda's Managing Director, Anders Lassen, certainly understands the dissatisfaction amongst those members who receive very small distributions within the online area – or none at all. However, he is keen to dispel one particular myth:

“There's this myth that no-one makes any money from streaming. That's simply not true. For example, Koda receives approximately 12 per cent of the funds distributed by Spotify here in Denmark. We pass that money on to our members. As far as streaming is concerned, approximately 30 Danish Koda members received an average sum of DKK 250,000 (EUR 33.557) in 2017 from streaming alone. And around 500 Danish members received more than DKK 10,000 (EUR 1.342),” Anders Lassen states.

It is true that it takes a lot of air plays on various music and film services before a track yields any substantial earnings for those who created the music. In Koda, a rule of thumb states that one play on a streaming service will yield DKK 0.01 or 0.02.

A reviled distribution

“You might say that streaming is only a significant source of income for composers and songwriters with an international hit. Most of our members only receive negligible amounts. Around 18,000 members receive an average of DKK 60 (EUR 8) a year,” says Anders Lassen.

That is also why streaming has become a much-reviled phenomenon among many of those music creators who occupy the middle strata of the business in purely financial terms, i.e. those who previously could make a decent living from releasing albums on a regular basis. According to Koda’s Managing Director, the streaming era has turned many things upside down. Summing up the developments, he explains:

“The music business experienced a huge economic boom with the advent of the compact disc in the 1980s, when everyone was busy replacing their vinyl albums with CDs. That’s why the vast decrease in sales was extraordinary when the file sharing service Napster arrived on the scene in 1999. File sharing and home copying was rife, and an entire generation got used to thinking that music is free. But, in the noughties it turned out that many consumers were willing to pay for legal downloads. Apple’s iTunes helped pave the way, and eventually the streaming area gained ground with services such as TDC Play and Spotify. However, the days of the lucrative album release economy were over. We now use and consume music in entirely new ways. In the past, we paid considerable sums for an album – or gave CDs to others as gifts – and might end up listening only to a few tracks. Downloads minimised the risk of wasting money on music you would never listen to anyway. Streaming eliminated the risk altogether: music has become something we rent rather than own. Legal downloads and streaming meant that the music business started making money again. However, just when things were beginning to look brighter, YouTube had a massive breakthrough with a portal where users could watch video clips for free. It became an attractive alternative to streaming services such as Spotify. Sadly, this brought us right back to a state of affairs similar to the time when Napster and piracy had such a major negative impact on the

REVENUE: STREAMING

Koda members’ revenues from streaming

This table shows the number of Koda members who have received distributions from streaming services, categorised by type of income, from 2015 to 2017.

In DKK

Income brackets	2015	2016	2017
1 - 1.000	10.445	11.759	11.881
1.001 - 5.000	725	948	929
5.001 - 10.000	195	243	296
10.001 - 30.000	197	270	249
30.001 - 50.000	59	77	87
50.001 - 75.000	33	38	54
75.001 - 150.000	31	43	48
150.001 -	16	22	33
Total	11.701	13.400	13.577

business,” says Anders Lassen.

Loophole in the law must be closed

For some years, Koda has engaged directly with online tech giants such as YouTube who benefit financially from cultural content, including music. Still, these businesses avoid paying fair remuneration to those who create that content. YouTube and others exploit an old loophole in the EU legislation; a loophole that releases them of all responsibility for the content uploaded by their users.

“It’s a huge problem. It completely distorts the streaming market,” Anders Lassen states and continues: “When we negotiate with YouTube, they can practically name their own price. If we refuse their offer, they might choose to pay nothing at all, pointing to the so-called ‘Safe Harbour’ exemption. But the Safe Harbour rule is completely obsolete and out of date with our present situation. There can be no doubt that YouTube mediates cultural content just like other media. This also means that they should abide by the same rules as other media. Koda and our fellow collective rights management societies have pushed for changes to the legislation for years now. The year 2018 may provide decisive for us; many signs suggest that the European Union is about to finalise the legislation on copyright. We have enjoyed constructive dialogue with politicians in the Danish and European Parliaments, so I have every faith that this loophole will be closed. Even so, it may take a long time for such changes to enter into force. In the meantime, our members miss out on several millions every year,” explains Anders Lassen.

Price dumping

Koda’s members are not the only ones who suffer here. The same holds true for services such as Spotify and iTunes, who fairly and honourably send most of their turnover onwards to those who created the music.

“When YouTube refuse to pay reasonable fees, they drive down the prices within the entire industry. Spotify hesitate to raise their prices when consumers have access to a free alternative,” says Kaare Struve, Head of Broadcast and Online at Koda. He would

REVENUES: KODA AND NCB

Koda members’ income in 2017 in DKK

The table shows the number of Koda members belonging in different income brackets. The table covers all areas of revenue, including streaming.

In DKK

Income brackets	Autorer	Forlag	I alt	Kroner
1 - 1.000	13.821	153	13.974	2.841.916
1.001 - 5.000	4.282	67	4.349	10.342.748
5.001 - 10.000	1.363	36	1.399	9.884.250
10.001 - 30.000	1.425	50	1.475	25.387.775
30.001 - 50.000	408	18	426	16.482.114
50.001 - 75.000	296	13	309	19.067.218
75.001 - 150.000	279	15	294	31.002.600
150.001 -	311	51	362	217.963.468
Total	22.185	403	22.588	332.972.090

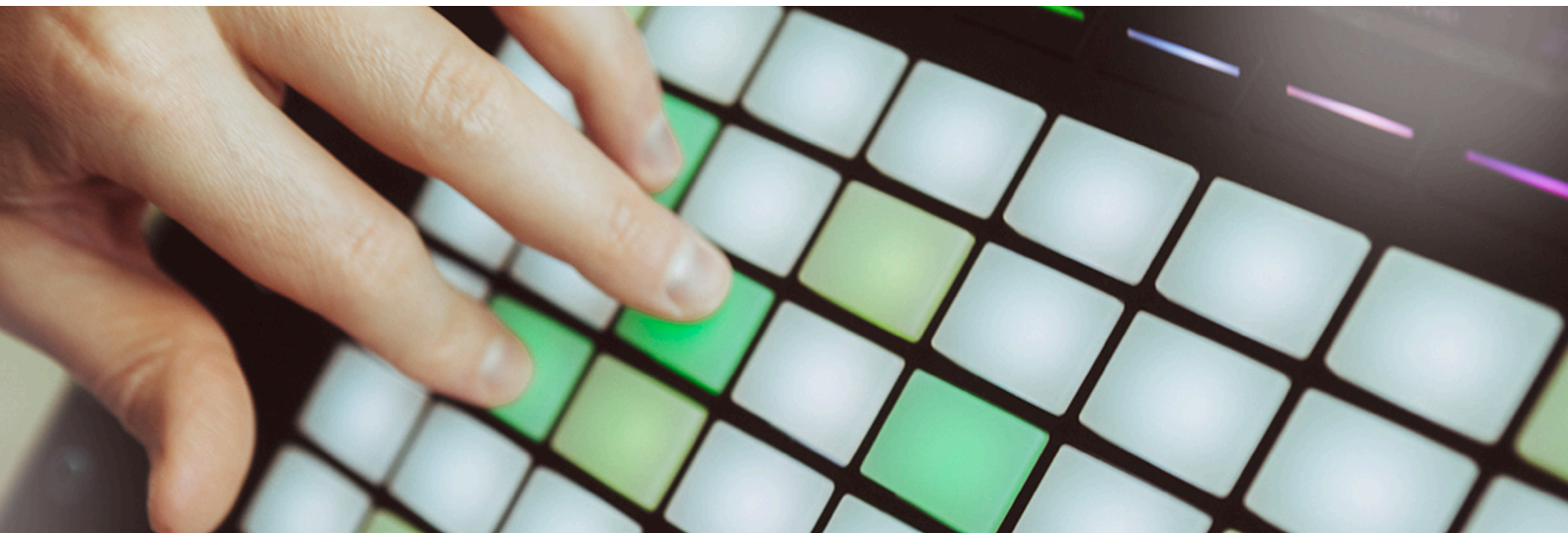
like to see the price of subscription to music streaming services doubled. "The price has remained unchanged for almost ten years. Compare this to a Netflix subscription: the fee has gone up steeply in just a few years, and the consumers aren't leaving. Quite the contrary: more are signing up. Our own studies also show that Danes are willing to pay for streaming music."

"Many pay around DKK 1,000 month to watch TV and films if you include their TV subscription, streaming subscriptions and media licence fees. And - you still don't get access to all TV stations and movies. But a subscription to a music streaming service gives you access to all recorded music for just DKK 99 a month. That price is too low," says Kaare Struve.

Koda's job is to ensure that its members receive the largest possible remuneration for their work. Kaare Struve emphasises that Koda fights to bring about the best possible deals with the online giants. According to him, the objective is to rank among the societies with the best deals in Europe: "We won't avert from difficult negotiations, skirmishes or long legal battles in court," says Kaare Struve.

Being realistic

"However, we and our members must be realistic," adds Anders Lassen: "In the years to come we may indeed see even more money coming in for those members who already receive considerable streaming-related distributions from Koda. But streaming will never become a significant source of income for those who create niche music. This is partly due to the fact that the amount of music on offer has exploded in recent years: recording and publishing music has become cheaper and easier than ever. As a result, Koda's membership is growing rapidly, which means that an ever-growing number of people need to share the revenues generated. Let's imagine a dream scenario: that Spotify's subscription fees double, and Koda successfully negotiates a bigger slice of the streaming cake. Then the 18,000 members who are currently getting around DKK 60 (EUR 8) a year might get DKK 240 (EUR 32) a year instead. Sadly, these are the realities of the situation. We should also remember that Koda only receives between 12 to 15 per cent of the total sum paid out by streaming services such as Spotify. Most of the revenue – approximately 55 per cent – ends up with the music companies. So it's a good idea for any artist to be fully aware of the terms of their contract and how much they get from the company they're with," advises Anders Lassen.



Koda leads the way with digital strategy

Koda has very ambitious goals within the digital field. Better and more strategic utilisation of data will help members and publishers boost their business. Koda also aims to optimise its core service by making lightning-fast distributions: ‘Performed Sunday, paid Monday’ is the working title of this new initiative.

In 2017, Koda took a significant step towards setting a new course for its entire business. “We want to be at the very top of our industry in terms of digital development. We need to be faster, better and cheaper”, Anders Lassen, Managing Director of Koda, sums up.

Koda created an entirely new position within its organisation in 2017 –this being Head of Business Development. The objective is to launch and operate a digital strategy for tomorrow’s Koda. The man chosen for this new position is Carsten Brøns Andersen.

They need to feel that we offer an excellent service, and that we can supply unique data of real value to them

Anders Lassen, Managing Director of Koda

He has previously held senior positions at CSC (now DXC) and Accenture, helping clients derive benefits from the most recent technologies within fields such as CloudComputing, Mobility, Big Data, Data Analytics and Robotics. The overall goal of

adding Carsten to the Koda team is to continue and accelerate the digital development of the business, thereby facilitating better and more user-friendly services. Carsten will also align the digital strategy with Koda’s business strategy.

Competition is inspiring

"In hindsight, I don't think we've been good enough at capturing and incorporating the various new opportunities available", says Anders Lassen. "Our entire industry has been a little slow to respond to new technological developments. Koda is facing increasingly stiff competition; for example, we are up against private corporations with cutting-edge IT solutions that look better and are more user-friendly than what we're currently able to offer. But that's something we can use as motivation. Competition is a good thing – it prompts us to become even better at what we do."

Anders Lassen explains that the increased focus on digital services is part of the strategic changes seen in Koda in recent years. "Not that long ago, the relationship between Koda and Koda's members essentially consisted of the members receiving money at various times. Of course, that was all very nice, but our members didn't always know exactly where or when that money was actually made. Today, Koda is the primary source of income for many people, and this imposes a new set of demands on our business. That

We want to be at the very top of our industry in terms of digital development. We need to be faster, better and cheaper

Anders Lassen, Managing Director of Koda

is why we, in recent years, have worked towards a fundamental change in direction – we've moved away from a somewhat narrow focus on collecting and distributing money towards establishing deeper relationships

with our members and customers. They need to feel that we offer an excellent service, and that we can supply unique data of real value to them. We have conducted surveys amongst our members, customers and other stakeholders which exposed a marked demand for more information and insight."

Entirely new services

Koda's new Head of Business Development, Carsten Brøns Andersen, adds: "members can be compared to self-employed individuals and small corporations on varying scales. They may do roughly the same thing, but even so their businesses are widely different, which also means that their particular needs can vary greatly. If we are to supply services that are relevant and have real value to them in future, we must maintain a close dialogue with them so we know what they need, what works for them and what doesn't. Of course, this means that we must be able to collect and present data that will give our members real-time insight into their business; insight that actually enables them to do useful strategic work."

Great benefits from big data

He provides the following takes on services that Koda might provide to members in future:

"Our data can give Koda members an idea of what platforms to choose in order to reach their audience. We can help identify the types of users who make playlists that feature

their music. We hope at some point to be able to offer an analytical tool that can help plan the best timing for album releases, based on Koda's insight into past sales and market behaviour. That sort of insight might, for example, be combined with external data on which parts of the world are best suited to live concerts featuring that member's kind of music – or with meteorological reports about the regions you're planning to do concerts in. Koda aims to contribute with unique, processed data that will prove useful to members – regardless of whether you're a big, established name or part of the young, rising generation of music creators."

No gambling with Koda revenues

Koda will be able to supply some types of data on its own; others will require partnerships with other businesses or start-ups. Anders Lassen points out how this is a key feature of Koda's strategy for business development:

"We want to be leaders within our own industry, but we do not aim to spearhead the development of new technology. That would be a far too expensive and far too risky way to spend our members' money. Our task is to make our organisation as flexible and agile as possible, enabling us to regularly take on board solutions – or parts of solutions – that we see working well in other industries, testing and adapting them to suit our specific business. We may have tended to see our own particular business as unique, as something that couldn't really be compared to other businesses. However, we essentially deal with data, so we have a lot to learn from other data-intensive industries such as the realms of banking and insurance."

Faster distributions

'Performed Sunday, paid Monday'. That is the working title and headline of one of the challenges that Koda has set up for itself in its new strategic objectives. Whether this ambitious goal can in fact be put into practice has yet to be seen, but Koda is currently working to shed light on this matter. The ambition of enabling day-to-day distributions is a good example of the kind of project that involves and interacts with the entire organisation – and reaches far beyond Koda itself.

"We have just set up a partnership with IBM," says Carsten Brøns Andersen, "to look at how the particular subset of artificial intelligence known as Machine Learning might help improve our in-house data processing. Concurrently with this, we co-operate with Teosto from Finland and TONO from Norway in our joint Polaris Future Lab, aiming to streamline the entire data flow across our societies. This is also a prerequisite for increasing our distribution speed. Finally, we also depend on getting even more efficient reporting from external sources – whether from radio stations, streaming services or affiliated collective rights management society. We have set a goal for 2018: transitioning to monthly distributions within certain areas. That alone will be a major step forward compared to before."

Less but more

Koda's Managing Director Anders Lassen recalls that Koda had 120 employees when he joined Koda in 2010. Back then, the organisation's annual turnover was half a billion Danish kroner.

"Now, in 2017, our turnover exceeded one billion Danish kroner, and we've seen huge increases in membership and in the quantities of data processed. Even so, there are actually slightly fewer people working here at Koda now than in 2010," says Anders Lassen and goes on to explain: 'We have done a lot to make our organisation even more efficient. We celebrated our 90th anniversary in 2016, and we are keen to still be here 90 years from now - we believe that there are many advantages to collective rights management. For example, an entirely new member will receive the same amount of money for a single instance of airplay of their music that Paul McCartney gets. That wouldn't necessarily be the case without collective rights management. It also helps safeguard our cultural contributions, which are crucially important to the emerging music scene. But in order to maintain collective rights management in future, we need to be competitive. We hope that our new strategy for digital development can help safeguard Koda in the future.'



Ruling the Danish charts

Danish singer MØ has soared the charts in recent years - and she is prominently featured in Koda's two lists of the highest-earning tracks of 2017.

Danish music continues to do well within its domestic market, and Danish acts have been involved in no less than six of the top ten entries on the list of the highest-earning music works in Denmark in 2017.

However, the top spot is held by an American act accompanied by a flock of shock-haired trolls. Justin Timberlake's high-octane dance track 'Can't Stop the Feeling!' from the animated feature film 'Trolls' topped charts across the globe, and it also hit the number one spot in Denmark.

In second place, we find the first Danish entry in the top ten: MØ's 'Final Song'. The track has achieved platinum status in several countries, and MØ is also involved in yet another song on the list of the highest-earning songs in Denmark in 2017: Major Lazer's smash hit 'Cold Water', where Justin Bieber and MØ supply the vocals. That song comes in at number nine.

In third place we find the teen wonder of pop, Shawn Mendes, with 'Treat You Better'; this Canadian singer-songwriter clearly appeals to a wide Danish audience.

Number four is a Danish track, 'All I Wanna Do', by the DJ and producer Martin Jensen. Sixth place belongs to Phlake with 'Angel Zoo', a track that was also very popular when this Danish duo opened the largest stage at the Roskilde Festival last year.

The seventh and eighth positions are also occupied by two Danish tracks: Blak's 'Nede Mette' and Volbeat's 'For evigt'.

Graham still at the top

Even so, the top position of list of the top five highest-earning Koda works abroad in 2017 belongs to another Danish act – the same band who held first place on the list of highest earners abroad in 2016: Lukas Graham with the soul-pop ballad '7 Years'. That song earned a prominent place in Danish music history by reaching second place on the US Billboard Hot 100.

The song remains incredibly popular internationally, allowing Lukas Graham to keep their top position on the Koda list.

Here, too, we find Mø grabbing no less than two slots in the top five. In second place we find 'Lean On', a dance track from 2015 which saw Major Lazer collaborate with Mø. The song has become something of a modern classic, and according to Wikipedia more than 13 million copies of the single have been sold. We find Mø again in fourth place with her 'Final Song'.

The list also sees a Danish pop classic getting a comeback: Aqua's bubblegum-flavoured 'Barbie Girl' is proving almost as durable as the toy that gives the track its name. Originally from 1997, 'Barbie Girl' continues to reach new generations of children and young people, for example via streaming services.

In fifth place of the list of the highest-earning Koda tracks abroad, we see the return of a track also featured in the 2016 list: the dance track 'I Don't Like It, I Love It' featuring US rapper Flo Rida and singer Robin Thicke. The Danish element was provided by the Danish producer and songwriter Thomas Troelsen.

The Koda Top Ten 2017 - Abroad			
The Top Ten lists the musical works created or co-created by a Koda member that generated the greatest revenues abroad in 2017.			
Place	Name	Composer/Writer	Artist
1	7 Years	Lukas Forchhammer/Stefan Forrest/Morten Ristorp/Morten Pilegaard	Lukas Graham
2	Lean On	Thomas Wesley Pentz/Karen Marie Ørsted/William Grigahcine/Philip Meckseper	Major Lazer feat. MØ
3	Barbie Girl	Søren Rasted/Claus Norreen/Renè Dif/Lene Nystrøm	Aqua
4	Final Song	Karen Marie Ørsted/Jonnali Parmenius/Uzoechi Emenike	MØ
5	I Don't Like It, I Love It	Alexander Izquierdo/Breyan Stanley Isaac/Geoffrey Early/Jamie Sanderson/Gary Rafael Hill/Thomas Troelsen/Tramar Dillard/Yoan Chirescu	Flo Rida Feat. Robin Thicke & Verdine White

The Koda Top Ten 2017 - Denmark

The Top Ten lists the musical works that generated the greatest revenues in Denmark in 2017.

Place	Name	Composer/Writer	Artist
1	Can't Stop The Feeling	Justin Timberlake/Max Martin/Johan Schuster	Justin Timberlake
2	Final Song	Karen Marie Ørsted/Jonnali Parmenius/Uzoechi Emenike	MØ
3	Treat You Better	Shawn Mendes/Teddy Geiger/Scott Harris	Shawn Mendes
4	All I Wanna Do	Martin Jensen/Lene Dissing/Peter Bjørnskov/Mads Hjerl-Hansen	Martin Jensen
5	Love Yourself	Ed Sheeran/Benny Blanco/Justin Bieber	Justin Bieber
6	Angel Zoo	Mads Bo Iversen/Jonathan Elkær/Dani Sanjoto/Gísli Gíslason	Phlake
7	Nede Mette	Besmir Ismaili/Henrik Blak	Blak
8	For Evigt	Michael Schön Poulsen	Volbeat Ft. Johan Olsen
9	Cold Water	Thomas Wesley Pentz/Philip Meckseper/Benjamin Levin/Henry Allen/Justin Bieber/Ed Sheeran/James Christopher Needle/Karen Marie Ørsted	MØ
10	Closer	Andrew Taggart/Frederic Kennett/Shawn Frank	The Chainsmokers Ft. Halsey



Koda's cultural contributions 2017

Koda's cultural contributions distributed 8.8 million EUR in support of the music scene in 2017. The cultural contributions help maintain the conditions required for a vibrant music scene - and improve the conditions for Koda's business overall.

Every year, up to ten per cent of Koda's net revenue is set aside for cultural contributions. The allocation of cultural contributions aims at stimulating and supporting the creation of new music. Through support for composers and songwriters in the form of working grants, production support, songwriter camps, courses, networking initiatives and opportunities for international collaboration, the cultural contributions ensure that every year, part of Koda's revenues are reinvested in the development of the music scene.

Koda's cultural contributions are also part of political and PR-related efforts aiming at improving the basic conditions for Koda members and their business. Hence, the use of cultural contributions is a constant focus area for the Koda Board of Directors. In 2017, the Koda Board of Directors adopted a number of decisions to ensure that the distribution and administration of Koda's cultural contributions will continue to meet the established objectives in the years ahead.

8.8 MILLION EUR SPENT ON CULTURAL CONTRIBUTIONS

Koda's cultural contributions 2017



- Support for the production publication and/or distribution of phonograms
- Production of sheet music
- Working grants study grants and travel grants
- Upkeep of real estate or rental of properties to be used by members
- Concert activities (fees for musicians technical costs PR costs etc.)
- Honorary grants awards and similar distributions (distributed without prior application)
- Courses and similar activities
- PR and similar activities
- Legal assistance for members and resolution of leading cases within copyright law
- Organisational work and other administration costs (maximum 20 per cent)

Unlike previously, all Koda members can now apply for the cultural contributions, not just members of the four associations DJBFA, DKF, DPA and Musikforlæggerne. It has also been adopted that in future, the cultural contributions will be credited and marketed under the common heading Koda Kultur, regardless of whether they are distributed by Koda or by one of the four associations. Furthermore, the board decided to redistribute the cultural contribution funds between the four associations. This means that the allocation of the funds will gradually be changed so that in 2020, each of the four associations will distribute 20 per cent of the cultural distributions while the remaining 20 per cent will be pooled in a shared reserve. Finally, the administration of the cultural contributions will be centralised so that members will be able to apply for cultural contributions from a single, shared portal from 2019 onwards.

As the chart on the right shows, 8.8 million EUR were distributed. The funds were divided up into six parts, one each for Koda, DKF, DPA, DJBFA and Musikforlæggerne, and a shared reserve for the four associations.

The following provides a more detailed account of how the cultural contributions were allocated in 2017.

Koda

Koda, which also facilitates cultural contributions for Greenland and the Faroe Islands, allocated 0.8 million EUR of the total cultural contributions of 2017. Koda partly uses the cultural contributions as a means of raising awareness of Koda in general and partly through the work concerning the framework for copyright legislation. The largest single item of expenditure was legal advice in connection with a range of copyright cases, and the Board of Directors' work on restructuring and reinventing the use of the cultural contributions. Other major items include as the financing of Koda Skolekontakt and support to MXD, Rettighedsalliancen and Spil Dansk.

In Greenland, the main activity was the annual award ceremony 'Koda-prisen' – the Koda Award. On the Faroe Islands, the cultural contributions were spent on grants and other types of support for the local music scene.

DJBFA

DJBFA allocated 3.3 million EUR of Koda's cultural contributions, spending them on a range of initiatives aimed at composers and songwriters. In 2017 DJBFA pooled all these resources to form two large reserves: the Grant Reserve (Legatpuljen) and the Production Reserve (Produktionspuljen). The Grant Reserve handed out a total of 0.8 million EUR. Four application rounds yielded a total of 889 applications, 34.5 per cent of which were rewarded by a grant. A total of 307 grants were handed out, averaging just under 2,600 EUR each. The Production Reserve handed out a total of 0.8 million EUR. Four application rounds yielded a total of 1,359 applications, 56 per cent of which were rewarded by a grant. A total of 607 grants were handed out, averaging approximately 1,300 EUR each. A total of 0.3 million EUR was spent on having a total of 312 composers spend time at one

of DJBFA's nine retreats. Finally, DJBFA spent cultural contribution funds on supporting ten intensive work residencies.

DJBFA placed particular emphasis on two specific areas of cultural policymaking: 1. Music and Health, and 2. Public Service. In addition to this, DJBFA collaborated with various political, cultural and music-related festivals, such as Folkemødet on Bornholm, Spøtfestivalen, Kulturmødet on Mors, Music Days, Nordic and international collaborations and similar. The total expenditure on cultural politics and copyright issues came to 0.4 million EUR.

DJBFA's administration costs came to 0.4 million EUR in 2017.

DKF

Dansk Komponistforening (Danish Composers' Society) works towards developing and strengthening the art of music. In 2017, DKF distributed a total of 1.4 million EUR of Koda's cultural contributions. Of these, 1 million EUR were spent on the creation, production and presentation of new Danish music, mainly via the association's own reserves.

In 2017, the events and activities launched by DKF included network meetings on sound art in Aarhus and Copenhagen, a development project on music drama created in co-operation with marginalised citizens, discussions on sound in public spaces, and art salons where artists working within many different genres spoke about the creative process. Further work was also done on a collaborative scheme with Inter Arts Center Malmö concerning a residency for experimental artists.

In addition to policy-related work done through media, political meetings and negotiations, the DKF also strives to get children and young people involved in live music – as audiences and as composers. In 2017, these efforts gave rise to initiatives such as teaching materials to be used in music lessons in Danish schools, training courses for composers, mentoring courses for music school students with professional composers as mentors, and other teaching courses.

Another key focus area in 2017 was the issue of diversity in classical music; the activities within this field included an international summit. In addition to this, cultural contributions were spent on a public discussion at the popular political festival Folkemødet on Bornholm., addressing the food chain of music and the conditions currently facing professional composers in Denmark. Funds were also allocated to a public hearing in the Danish Parliament on the organisation of orchestras in Denmark and their interaction with the Danish Broadcasting Corporation, DR.

In 2017, DKF spent approximately 0.2 million EUR of their allotted cultural contributions on administration.

DPA

DPA conducts political work aimed at bringing about the best possible conditions and framework for music that is aimed at the market. DPA spent 2.1 million EUR of Koda's cultural contributions. The DPA grant reserve hands out grants four times a year, and in 2017 the total value of these grants came to 1 million EUR, encompassing 583 project grants and travel grants. A total of 597 applications were rejected. The size of the grants issued ranged between DKK 1,600 (215 EUR) and DKK 60,000 (8,054 EUR). DPA's Emergency Export Reserve handed out a total of 69,000 EUR on 69 emergency export grants, each representing a value of between DKK 2,000 (269 EUR) and DKK 20,000 (2,685 EUR).

DPA hands out grants for courses, each worth up to 670 EUR or 80 per cent of the cost of the course. A total of 24 course grants were handed out. DPA entered into collaboration with MXD to offer support to managers who work diligently to promote their songwriters and their tracks abroad; a total of 27,000 EUR was distributed in this context.

DPA gave out 66 grants in the form of residencies in London and Los Angeles.

The DPA's political work aims at creating the best possible conditions for popular music aimed at the commercial market, including the export market. In 2017, these efforts included collecting and sharing information as well as collaboration with other stakeholders in Denmark and internationally. For example, DPA collaborated with the SPOT organisation, placing particular focus on international songwriters. They also worked with festivals such as Campen Aarhus Calling, the popular political festival Folkemødet on Bornholm and Kulturmødet on Mors, focusing on music as an industry and on entrepreneurship on the music scene. DPA spent 0.2 million EUR on political efforts. In addition to this, the DPA board of directors handed out 0.3 million EUR to support the Danish music scene in general.

DPA spent 0.3 million EUR on administrating the cultural contributions.

Musikforlæggerne

Musikforlæggerne (the Danish Music Publishers' Association) allocated 0.9 million EUR out of Koda's cultural contributions. A total of 0.3 million EUR were allocated in the form of production and publication support, divided among 133 different authors associated with 28 different music publishers. A total of 22 composers and songwriters affiliated with various music publishers had their works published as sheet music, requiring a total of 62,013 EUR to support the production of sheet music. A total of 0.1 million EUR was handed out for working grants and travel grants to 21 music publishers and 38 authors. A little more than 28,188 EUR was spent on supporting concerts. A total of 15,500 EUR was spent on courses and similar. Around 4,300 EUR was used to defray the cost of legal assistance associated with a specific leading case.

A total of 0.2 million EUR was spent on PR. This included PR for physical and digital publication, participation in trade fairs and expos, as well as support for the organisations Spil Dansk Sekretariatet and Dansk Musikomsætning.

Musikforlæggerne spent 0.2 million EUR out of Koda's cultural contributions on administration.

Shared reserve

For a number of years now, the four associations closely affiliated with Koda – DJBFA, DKF, DPA and Musikforlæggerne – have worked on a series of shared initiatives funded by a shared reserve set aside from the cultural contributions before the remaining funds are distributed among Koda and the associations. In 2017, this shared reserve amounted to 0.1 million EUR. Like all work associated with cultural contributions, this collaboration is currently in a stage of transition, and for this reason the 2017 initiatives have been cautious in nature.

The two main recipients benefiting from the shared reserve were BFM, Brancheforeningen For Mediekomponister (Danish Film & Media Composers – DFMC), who received 87,000 EUR for 2017 and 2018, and Ophavsret DK, an organisation which works specifically to support copyright and which received 27,000 EUR for 2017 and 2018. In addition to this, 1,300 EUR went towards a survey examining the working conditions of game composers; 9,400 EUR was allocated to the organisation Musik og Erhverv, while around 4,500 EUR was spent on communication within the same setting. Finally, approximately 3,000 EUR were spent on financial matters and facilitating meetings, while 2,000 EUR went towards accounting and auditing services.