

Smilet i Ditt Eget Speil with Chris Holsten is the most played song with Norwegian lyrics in 2021. It had 256 hours, 36 minutes and 6 seconds of airplay on Norwegian radio.

Photo: Emma Sukalic

Annual report
2021

“There’s nothing so
brutish or stubborn
or angry that music
won’t soften it for
a while.”

William Shakespeare

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A word from our Managing Director

Dear reader

In this annual report we can present the best result in Gramo's history. Our revenues are record high even though the year was highly affected by the pandemic. This year's result means that almost NOK 180 million will be distributed to our rights holders and to Fond for utøvende kunstnere. We hope that this will contribute positively to our rights holders who have been hit hard by the restrictions of the last two years.

Longer periods of shutdown have led to reduced remuneration income from the public performance sector, including restaurants, hotels and shops. For 2021, the Ministry of Culture and Equality has allocated NOK 5.5 million in compensation to Norwegian rights holders for this. Gramo will distribute and pay out the compensation before the summer.

Gramo's core business is the collection of remuneration and the subsequent individual distribution of these revenues. Individual distribution of remuneration requires correct and accurate processing of large amounts of data. Gramo has developed its own system called Echo for this. This development has cost a lot of resources, both in terms of money and working hours. The further development is still costly, but this is largely done in order for Gramo to be a collection society that operates within the requirements set out in law and regulations, for the benefit of our rights holders.

Our history shows us what technical development, both internally and externally, has meant for Gramo.

- The annual report for 2010 stated that the main settlement that year was done in record time in June; the first time rights holders received payment before the summer holidays.
- In 2010, Gramo had 13,900 members, while the number at the end of 2021 is 42,407.
- The number of processed recordings in 2021 is close to 50% higher than in 2010.
- From 2010 to 2021, revenues have increased by 32%, while the proportion that is not linked to individual licensees has decreased by 33%.
- In 2010 Gramo had 26 employees, while at the end of 2021 Gramo had 26 employees!

I feel that Gramo is in an advantageous position in terms of new requirements and opportunities, in accordance with the law on collective management. Increased focus on individual distribution with transparent systems are in line with our objectives and strategy.

In conclusion, I would like to thank all the employees at Gramo for their commitment and excellent work.

For additional information about the past year, I refer to the following pages in this annual report.



Lars Bakketun
Managing Director



New offices



In the summer of 2021 Gramo moved to new premises in St. Olavs gate 28.



How does Gramo work?

Gramo is there for artists, musicians and record companies that invest talent, time and money to get paid when their recorded music is used on the radio or in the public space.

Gramo is the link between those who have made the music and those who use the music, so that a new agreement is not needed every time someone wants to use a recording.



Radio stations, cafés, shops and others using music in the public space pay remuneration to Gramo.



Gramo manages broadcasting reports from music users and connect them to its recording database.



Gramo pays remuneration individually to record company/master owner and artists/musicians participating on airplayed recordings.

§21

Gramo operates in accordance with the Copyright Act §21.



Gramo is there for members



30 489

performers

+ 2 798 i 2021



11 918

record companies and producers

+1 331 i 2021



95,5%

is very pleased or pleased with our service after contacting us

+3% fra 2017



1 188

answered phone calls in 2021



6 136

answered emails in 2021



1 226

answered chat messages in 2021



802 906

recordings in total



68 344

recordings matched and settled in 2021



148 115

hours of radio played music managed in 2021

Clarion Hotel

“To create the right atmosphere and give the feeling we seek at Clarion, sound and music are extremely important. We have developed our own playlists that ensure the right type of music at the right time of day. The volume is preprogrammed for the various departments so that it never is too noisy or too quiet. Music clearly makes a difference for the atmosphere here, and with the right use, the guests will have a better experience and a more comfortable stay.

We actively use music as a tool for well-being and creating an atmosphere, whether in the lobby where guests will calm down if the music is right, or at breakfast where you need a great start to the day. In the bar we have live music and intimate concerts, as this creates a completely different atmosphere. DJs on the weekends is necessary for us, and we see that this increases our popularity and traffic from the outside, thus increasing our turnover. Music creates moods and is one of the most important elements for the overall experience for the guests.”

Robert Holan
General Manager
Clarion Hotel Oslo

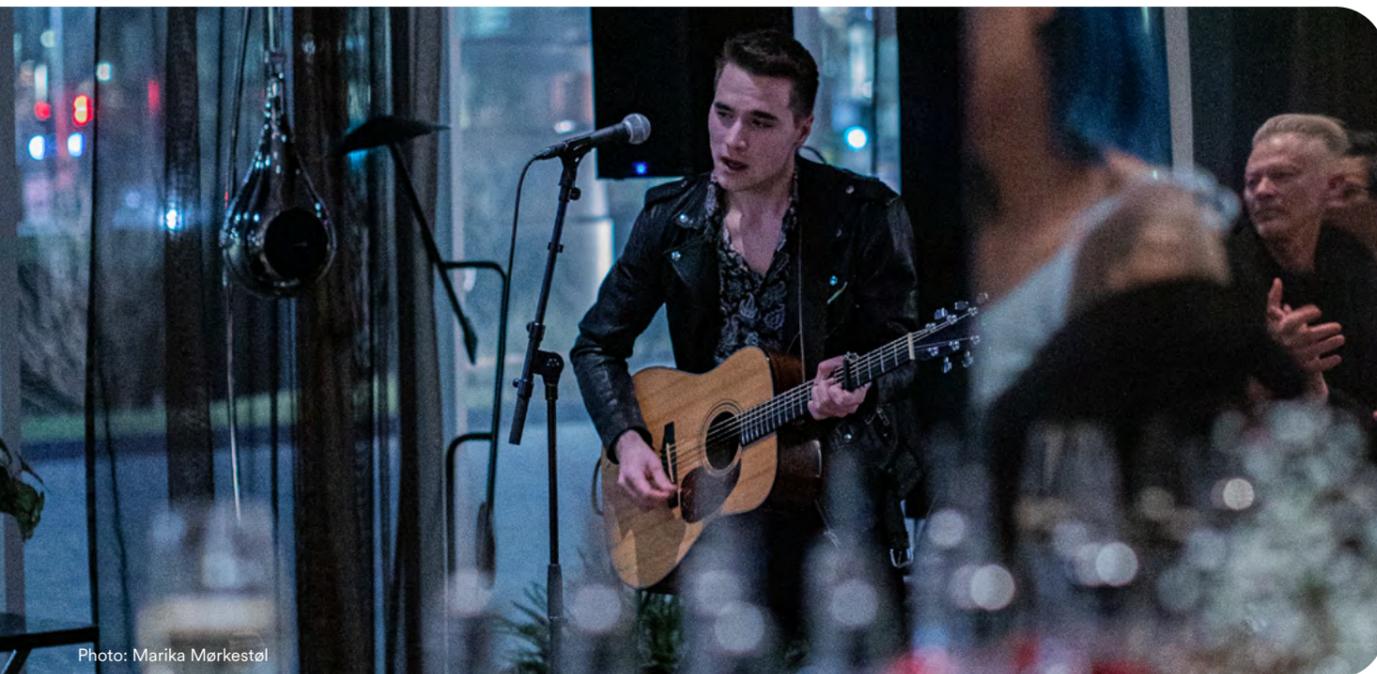


Photo: Marika Mørkestøl

Number of agreements

2021

Customer areas	5704	Waiting areas / on-hold music	348
Licensed trade	3489	Other businesses	333
Hairdresser and tanning salons	2653	Shopping centres	135
Accommodation	1435	Theatres	106
Gyms	1022	Cinemas	77
Municipalities / county municipalities	367	Transport	77
Number of agreements in total		15 746	

Gramo is there for radio stations and businesses



34

nationwide radio channels



300

local and district radio channels



17

web radio stations



15 649

number of businesses



1 081

new business agreements in 2021



78%

of the businesses find our coworkers professional and were pleased with the customer service



1 329

answered phone calls in 2021



2 887

answered emails in 2021



577

answered chat messages in 2021

Gramo's income

Remuneration for broadcasting

In the broadcasting area, Gramo has agreements with NRK, P4, Radio Norway, local radio stations and webcasters. The agreement between NRK and Gramo also includes consent to the use of recordings in podcasts and radio on-demand. The agreement has been approved by the Ministry of Culture under the general agreement license, cf. the Copyright Act §63, 2nd paragraph.

kr 102.571.085

Remuneration for public performance

Gramo has a total of 16,000 agreements with hotels, shops, restaurants, theatres and others who use music in public spaces. In addition to contacting new establishments to enter agreements, Gramo carries out extensive checks for both Gramo and TONO. The control work is important both in terms of communication and the conclusion of agreements. More than half of the agreements entered each year are the result of controls.

kr 60.367.846

International remuneration

Through international agreements with sister organisations, members who participate or release Norwegian recordings can receive remuneration for airplay abroad. Similarly, foreign rights holders receive remuneration from Gramo for airplay in Norway.

kr 6.560.101

Other income

Gramo's systems make it possible to distribute individual settlements and payments on behalf of third parties. In 2020, Gramo made settlements for FONONO, Gramart and Creo. These assignments are done on market terms and give Gramo extra income that benefits the licensee.

kr 559.713

Corona compensation

The corona situation has led to a reduction in remuneration of NOK 7,8 million in 2021, compared to expected remuneration without control measures. The decline is mainly due to periodic closures of businesses in the area of public performance. Gramo applied to the Ministry of Culture for compensation and has been awarded a one-time grant. The money will be distributed according to music use in 2021 and will be paid to performers and record companies / master owners who live and work in Norway.

kr 5.500.000

Fee to Fond for utøvende kunstnere

On behalf of Fond for utøvende kunstnere, Gramo collects a fee for use of non-protected recordings in broadcast and public performance. The paid fee will be transferred to the fund in full.

Kr 42.125.489

SUM

kr 217.684.234



Cost percent per type of income

2021

Income type	Income in NOK	Cost in NOK	Cost in %	For settlement
Nationwide broadcast	88 796 383	20 374 237	22,94 %	68 422 146
Public performance	65 867 845	17 608 576	26,73 %	48 259 269
Local radio	7 122 788	2 151 375	30,20 %	4 971 413
Remuneration from abroad	6 560 101	-	0,00 %	6 560 101
OnDemand	5 000 000	502 903	10,06 %	4 497 097
Other remuneration	1 651 914	292 067	17,68 %	1 359 847
Other services	422 600	422 600	100,00 %	-
Other income	137 743	137 743	100,00 %	-
Finance	3 309 614	35 147	1,06 %	3 274 467
In total	178 868 988	41 524 648	23,22 %	137 344 340
				-
Fees to FFUK	42 125 489	-	0,00 %	42 125 489
				-
Sum	220 994 477	41 524 648	18,79 %	179 469 829

Distribution and **payment**

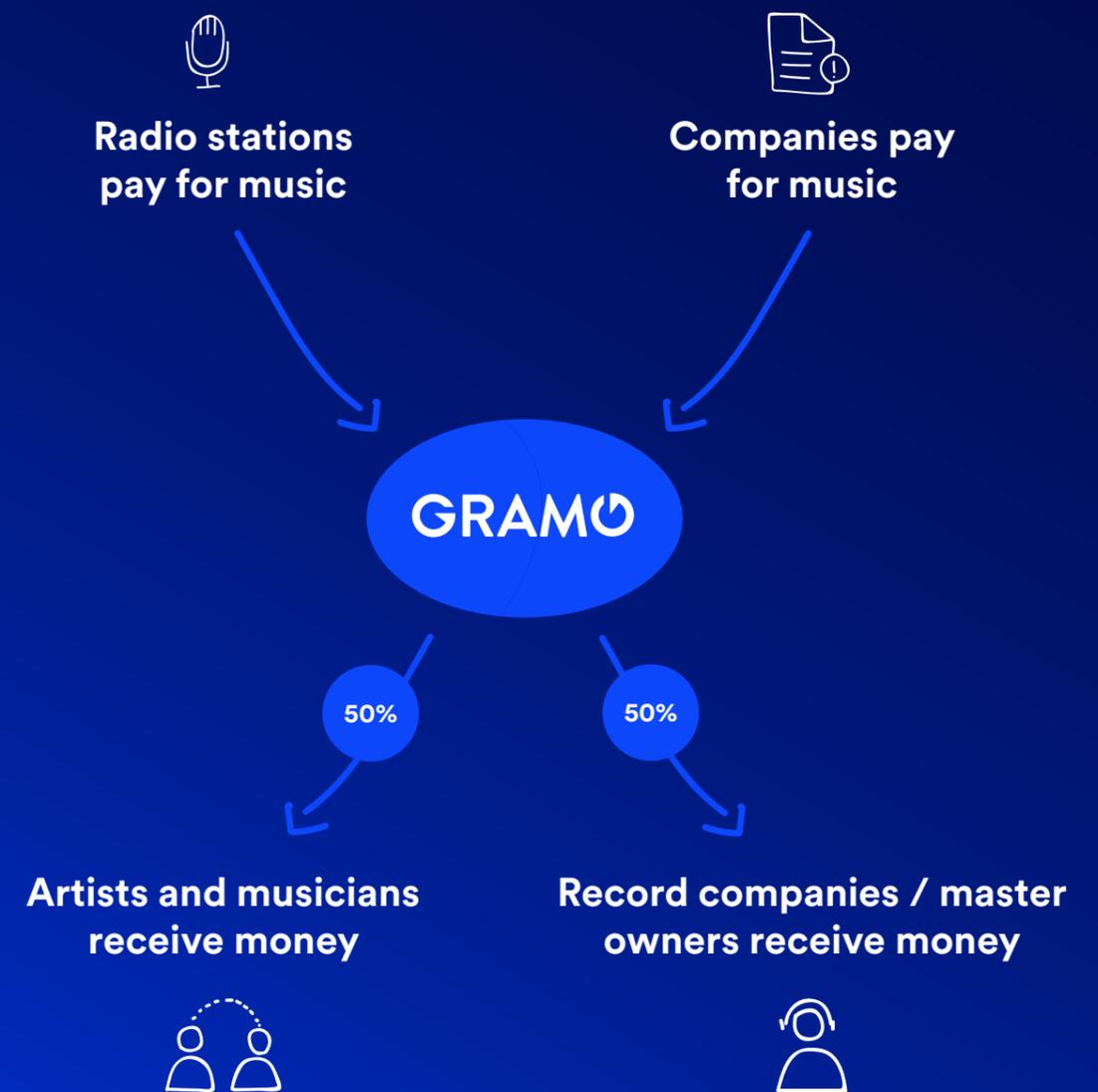
Performers

Paid directly to performers	28 031 005
Paid via agent	13 924 174
Paid via foreign remuneration agencies	16 571 065
Paid in total	58 526 244

Record companies / master owners

Paid directly to record companies /master owners	11 668 451
Paid via FONO and iFPI	53 696 074
Paid via foreign remuneration agencies	901 326
Paid in total	66 265 851

The remuneration is divided equally, one half to the performer, the other half to the record company / master owner. Gramo works continuously to find all eligible contributors on broadcasted recordings entitled to payment. Locating all performers are time consuming, but the money is on hold for 3 years before they are statute-barred and become collective funds (see page 20).



International remuneration

Performers

Country	Organisation	From	To
Belgium	Playright	61 746	-28 037
Brazil	Abramus	41 191	-19 820
Canada	ACTRA	5 122	-228 614
Canada	MROC	-	-211 357
Denmark	GRAMEX	306 783	-392 069
Estonia	EESTI	2 432	0
Finland	GRAMEX	131 004	-144 725
France	ADAMI	627 685	-94 880
Ireland	RAAP	9 442	-582 703
Italy	Nuovo Imaie	97 788	-9 191
The Netherlands	SENA	586 885	-434 717
Spain	AIE	-	-267 813
Great Britain	PPL	720 755	-10 598 372
Sweden	SAMI	1 837 356	-3 132 896
Germany	GVL	242 185	-425 872
SUM PERFORMERS (NOK)		4 670 373	-16 571 065

Producers (record companies/self produced)

Country	Organisation	From	To
Denmark	GRAMEX	250 786	-30 532
Estonia	EESTI	-	-238
Finland	GRAMEX	354 164	-43 606
The Netherlands	SENA	6 355	-69 764
Great Britain	PPL	-	-773 216
Sweden	IFPI	1 271 047	-1 692
SUM PRODUCERS (NOK)		1 882 352	-919 047

International cooperation

Gramo is a member of the following international forums:

The Societies' Council for the Collective Management of Performers' Rights (SCAPR)

The association's task is to work for the coordination of remuneration payments across national borders, and to safeguard performers' rights.

Association of European Performers (AEPO)

The organisation works to strengthen performers' rights in relation to the EU / EEA and WIPO (UN Copyright Organization). Gramo's performer sector participates in AEPO.

Performance Right Committee (PRC)

The Committee safeguards manufacturers' rights to the secondary use of phonograms.

New law on collective administration of copyright

The act on collective management of copyright, etc. was passed on 28 May 2021. The purpose of the law is to ensure that collective management of rights is handled in a responsible, efficient and open manner to both rights holders and users. Gramo's routines and systems were already in line with the law in most areas. At the general meeting in 2021, new articles of association were adopted in accordance with the new law. Gramo has registered with the Norwegian Patent Office, which is a supervisory body under the Public Administration Act. This annual report contains information that requires a transparency report.

Echo: Gramo's heart, pumping information, money, and other values.

Echo is the technical system ensuring that Gramo can settle and distribute remuneration individually to the rights holders when, for example, the radio stations use recorded music.

Are you being played on the radio? - Receive money from Gramo

One of Echo's most important tasks is to link broadcasting reports to Gramo's recording database. The money can then be paid out correctly to all rights holders.

If Echo does not find a link, Gramo's employees will find the correct recording with correct rights holders. The next time this recording is used, Echo will be able to connect automatically.

89 radio channels in 2021

In 2021, Echo received reports on music use from 89 radio channels. This is close to a doubling in five years, from 45 channels in 2017.

Music use in shops, hotels, restaurants, etc.

Until now, the money companies pay to Gramo for playing music in their shops, gyms, restaurants etc. has been distributed according to reports from the radio channels. Many companies use sources other than radio to play music. We have upgraded Echo so that from the summer of 2022 we can pay out based on what music the different companies play. This makes the Gramo payment even more accurate.

Connected to the rest of the world

Echo is also connected to the Virtual Recording Database (VRDB) and the International Performers Database (IPD) where many countries now share information about recordings and performers. This enables us to distribute and pay correctly to foreign rights holders in countries with which we have an agreement to exchange remuneration.

Gramo actively participates in the development of these international databases.

Gain access with Min side

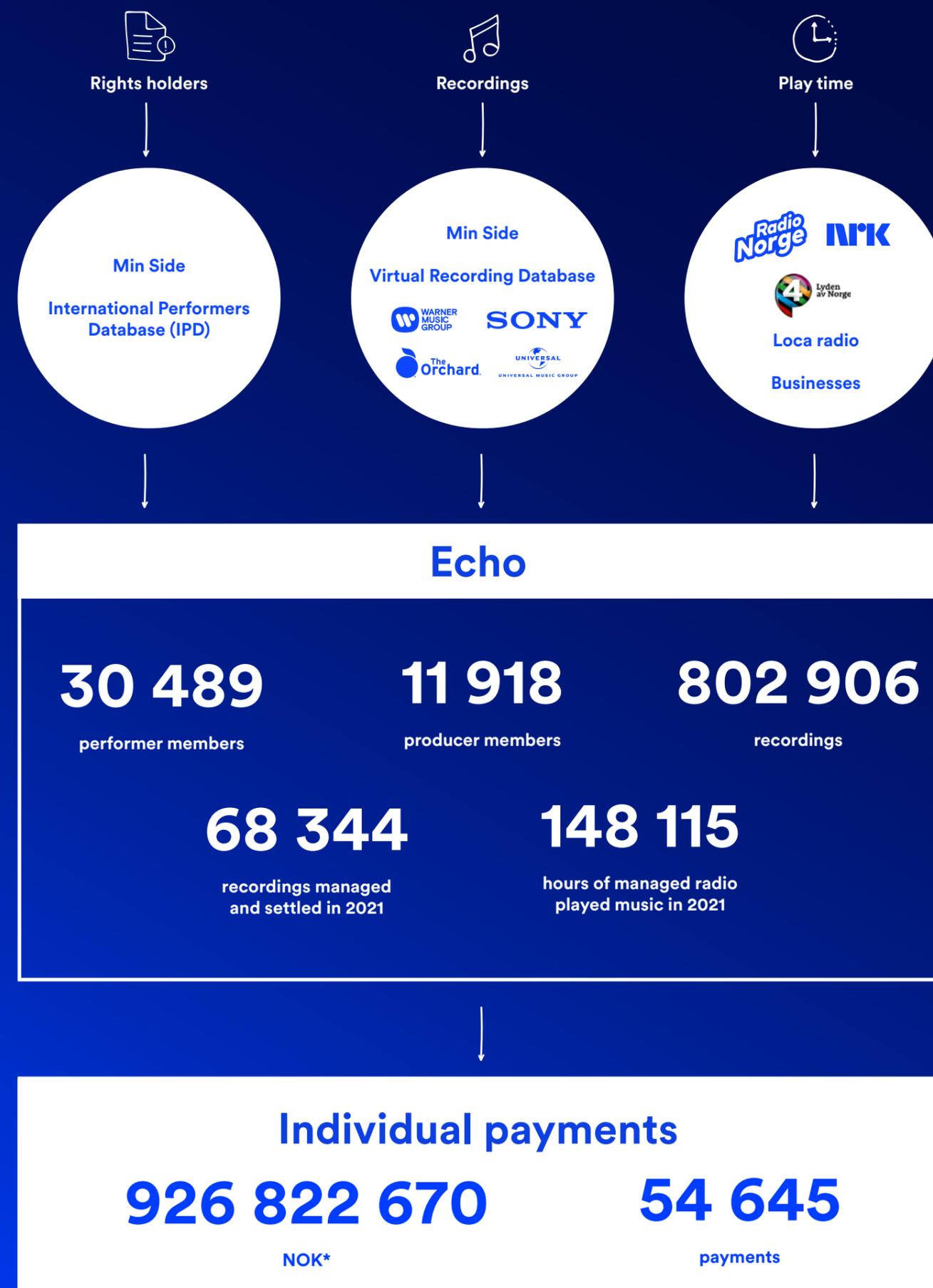
Min Side gives you access to relevant Gramo information. As a member of Gramo, you will, for example, get an overview of discography, payments, which recordings you have been paid for, and where they have been played. Min Side is where you update information about yourself, your company, your recordings and other things relevant to Gramo.

Echo makes us able to help others in the industry

Gramo offers its expertise and Echo to do assignments for others in the industry. We already distribute and pay remuneration for, among other things, private copying for Gramart and Creo. Gramo also performs copy settlement on behalf of FONO.

Gramo statistics

To give you an insight into all the data contained in Echo, we annually share statistics on which performers, main artists and songs that have been broadcasted most. We also share statistics that contain information about Norwegian shares, total remuneration payments and more.



*since the first payment through Echo in October 2017

Collective funds

On average, approx. 95% of the remuneration is paid individually to Gramo's members. Settled remuneration to unknown rights holders is paid when Gramo has identified these within the statute of limitations of three years. Remuneration that for various reasons cannot be paid individually after three years, as well as remuneration below the minimum limit, becomes so-called collective funds. The legislation states that collective funds shall be used for organisational support or for purposes for the benefit of Norwegian performing arts. Further regulation is stipulated in Gramo's articles of association and distribution regulations.

Everyone who has received project support has submitted an application with a budget and has been granted support for purposes in accordance with the legislation.

For grants over NOK 100,000, auditorapproved accounts, annual report, and minutes of the annual meeting have been submitted. The documentation has been approved by Gramo's auditor before payment. For grants of less than NOK 100,000, accounts approved by the competent body must be submitted in accordance with the articles of association of the organisation. All recipients of project support must submit an implementation report.

Principles for the distribution of so-called collective funds and actual use, is presented to the annual meeting.



Grants in 2021

Performer sector – support for organisations

Gramart	5 215 364
Creo	1 655 371
Norsk Lektorlag	144 452
Norsk Tonekunstnersamfund	109 359
Folkorg	33 747
Norsk Artistforbund	140
Total organisational support	7 158 433

Performer sector – project support

Gramart	3 030 506
Spellemann 2020	1 150 000
Creo	961 891
Orkestre	572 386
Norcode	500 000
Gramo - Synlighetsprosjektet	500 000
Costs administration	200 000
Norsk Lektorlag	83 937
Norsk Tonekunstnersamfund	63 546
Jørn Dalchow - A&R Guru	50 000
Folkorg	19 609
Norsk Artistforbund	81
Sum project support	7 131 957

Sum performer sector 14 290 390

Producer sector – project support

Spellemann 2020	1 351 000
Hev Stemmen - Universal Music	100 000
Costs administration	40 000
Jørn Dalchow - A&R Guru	40 000
Sum project support	1 531 000

Sum producer sector 1 531 000

Gramo supports new Norwegian music

As part of making the business more visible, Gramo is sponsoring projects to promote new Norwegian music. This is partly financed through collective funds allocated from the sectors. In 2020, Gramo was a sponsor and partner with Spellemann, Jazzintro, Sami Music Week and Vill Vill Vest. Gramo also planned a collaboration with Trondheim Calling, but the event was cancelled because of the Covid pandemic.

Spellemann

Spellemann is an award ceremony for Norwegian music artists who have excelled the previous year. The prize was first awarded in 1973 and has been awarded every year since. The event is arranged by Spellemann AS, which is owned by IFPI Norway and FONO.

Gramo paid NOK 343.750 in sponsor support and awarded the winner of «This Years Breakthrough and Gramo Scholarship» NOK 250 000. The winner of the prize in 2020 was Musti.



Listen to Musti on Spotify.
Scan the code in
the Spotify app.

Vill Vill Vest

The music and industry festival Vill Vill Vest is held in Bergen in September every year. The festival promotes new artists for both the audience and national and international music industry. Vill Vill Vest also arranges a conference section for the industry. Gramo supported it with NOK 100,000 and was the main sponsor of the event.



Sami Music Week

Sami Music Week is an annual event in Alta in connection to the celebration of the Sami people's day in February. Sami Music Week has been a presentation arena and an industry meeting place for music artists since 2011, and presents music from all over Sápmi. Sami Music Week also develops professional programs with seminars, "song-lab" and Sami Music Awards. Gramo supported Sami Music Award with NOK 35 000 prize money for the winner in the open category: Isák.



Listen to Isak on Spotify.
Scan the code in
the Spotify app.

Jazzintro

Gramo collaborates with the Norwegian Jazz Forum on Jazzintro, a launch program for young Norwegian jazz musicians with a potential to further develop their musical skills and ideas. Based on the submitted applications and demo material, a jury of professional jazz musicians selects up to eight bands to participate in the launch program. The jury announced Kongle trio as the winner of Jazzintro 2020 in August 2021. Gramo paid NOK in 50 000 sponsor support and gave the winner a scholarship of NOK 150 000.

«Kongle Trio are extremely grateful for the opportunity the GRAMO scholarship has given us. The scholarship has great value both by recognizing and promoting the music we want to create, and by giving the band and each of us a springboard for the future. It means a lot that the music industry has faith in what we want to do, to shape the Norwegian piano trio art further. The GRAMO scholarship has given us the opportunity to be able to choose more freely and think bigger in order to make our music.»





Did you know that the largest payment from Gramo to a performer in 2021 was **NOK 685.000?**

News on the Copyright Law

Two important cases are being managed at the Ministry of Culture regarding the Copyright Law § 21 and Gramo. One is the question of affiliation in the copyright law § 114, the other being the consequences of the EU Court's verdict in the case C-265/19 (RAAP).

1) The question of affiliation in the Copyright Law § 114

The Copyright law § 114, including § 21, is in effect for

«work produced by

a) norwegian citizen or person living in the country

b) company with a norwegian board and head office in the country.»

The question is how to understand the term “work produced by” in the provision.

Does “work” mean the producer of the sound recording, or a performing artist participating on the sound recording?

The chosen affiliation protects the audio recording meaning that both the producer and all performers participating in the audio recording are entitled to remuneration from Gramo regardless of nationality. If the sound recording is not protected (lack of affiliation), a fee must be paid to the Fond for utøvende kunstnere (FFUK).

Gramo has based the affiliation on whether one or more of the performing artists is a citizen or resident in Norway (§ 114) or another EU / EEA country (regulation § 47).

In the legislative process of a new copyright law in the Storting (The “2018 Act”), the Ministry of Culture was asked to investigate the relationship between the obligation to pay Gramo and the tax liability to FFUK in this matter.

In December 2019, the Ministry of Culture sent out a consultation paper on the protection issue regarding § 114. In the consultation paper, the Ministry proposed an

amendment to the law for § 114 which specifies that the affiliation criterion (the condition for protection) should be based on the producers nationality:

«The provision in § 21 applies to sound recordings where the producer is a person or company as mentioned in the first paragraph. The right to remuneration belongs to both the producer of the recording and the performing artists whose performance is reproduced, regardless of the artists' nationality.»

The clarification means that Gramo's affiliation practice that provides sound recording protection based on the nationality of the performing artist must cease.

The financial consequence of the ministry's affiliation proposal is that Gramos' income will be reduced, while FFUK's income will increase.

The bill is still being considered by the Ministry of Culture.

2) The RAAP verdict

The RAAP verdict concluded that the remuneration provision in the EU Rental Directive (dir. 2016/115) Article 8.2 shall be extended to apply to performers and producers outside the EU / EEA (read: USA). This is due to the fact that the EU and the USA have acceded to the WIPO Performances and Phonograms Treaty (WPPT), which also has a fee provision for audio recordings. Norway has implemented the Rental Directive Article 8.2, but not WPPT. The question is whether Norway is obliged to comply with the RAAP ruling under the EEA Agreement, which extends the scope of the right to remuneration to US manufacturers and practitioners.

It should also be emphasized that the possible significance of the RAAP verdict for the scope of the Norwegian Copyright Act § 21 is independent of the question of affiliation in § 114, described above. The question of affiliation regards what is needed for an audio recording to be protected - based on either the performer's and / or the producer's national affiliation.

If the affiliation is based on the manufacturer's nationality as proposed by the Ministry for § 114 - then the scope of

protection for producers is extended to also apply to US producers if the RAAP verdict is to apply in Norway. The protection of sound recordings then means, as mentioned above, that everyone on the sound recording is entitled to remuneration regardless of nationality.

Professor Ole Andreas Rognstad has, on behalf of the Ministry of Culture, studied the Norwegian consequences of the RAAP ruling regarding the interpretation of the EU Rental Directive, Article 8.2.

The report concludes that Article 8.2 of the Rental Directive cannot be interpreted in accordance with the result of the verdict in an EEA context, when such an

Gramo and VAT

Before Christmas 2021 Gramo informed its members that from Januar 1st 2022 VAT would be added to remuneration. After this, we needed to update the information on this topic, seeing that there would not be VAT on remuneration after all. We understand that this led to some frustration and uncertainty.

History and background

In 2001, a general VAT obligation was introduced for all sales of services in Norway. Gramo addressed an inquiry to the tax authority to clarify whether Gramo's business would be subject to VAT. The conclusion at the time was that this was not the case, and Gramo continued its activities outside the scope of the VAT Act.

In 2014, a producer member of Gramo was audited. This audit concluded that the remuneration the producer (record company) had received from Gramo was to be regarded as subject to VAT. This created an untenable situation as the VAT had not been collected from any end users. Because of this the producer had his remuneration reduced.

For Gramo it was now a priority to clarify with relevant authorities how to relate to the audit. For seven years, we have had correspondence and contact with the Directorate of Taxes, the Ministry of Finance and the Ministry of Culture regarding the case.

interpretation will in fact interfere with Norway's external treaty competence, contrary to the preconditions behind the EEA agreement. Based on this, Professor Rognstad believes that Norway is not obliged to comply with the RAAP ruling.

The financial consequence if the RAAP ruling is applied in Norway is that Gramo's income will increase significantly, while FFUK's income will decrease correspondingly.

The consequences of the ruling are still being considered by the ministry.

Gramo has always said that we will comply with the regulations, but that it must be practically feasible for us when demanding compensation collectively on behalf of others.

VAT is for most people already a complicated issue, but it becomes even more so in connection to collective management. The complexity is evident by the fact that seven years have passed without a final clarification on the issue. Gramo received a clarification from the Directorate of Taxes with a letter on 27 February 2020, concluding that remuneration was not to be regarded as subject to VAT. The Directorate of Taxes sent a new letter on 11 June 2021 in which they withdrew the clarification from February 2020. The new conclusion was to regard remuneration as turnover under the VAT Act.

What now?

The latest feedback from the Norwegian Tax Administration is that they will work on new regulations for our industry. When this will be available is not clear, but the directorate says the second half of 2022 at the earliest. Gramo will contribute to the process if the authorities wishes, in order to get a set of rules that can be followed without excessive costs. Gramo will inform members when new information is available. Until further notice, no VAT will be calculated on Gramo remuneration.

The Gramo board



Catrine Nagell
Chairwoman

Employment: Senior consultant in the consultant company Vilje Prosjekttjenester AS.

Other board positions: Wana AS (chairwoman)

Board fees from Gramo in 2021 (gross before taxes): NOK 87.900

Rights holders remuneration received from Gramo in 2021: NOK 0



Marte Thorsby
1st deputy chairwoman

Employment: Head of legal IFPI Norge AS, partner CMS Kluge advokatfirma AS

Other board positions: Spellemann AS (chairwoman), Norwaco (1st deputy chairwoman), Arthaus (1st deputy chairwoman)

Board fees from Gramo in 2021 (gross before taxes): NOK 127.700

Rights holders remuneration received from Gramo in 2021: NOK 0



Daniel Nordgård
2. deputy chairman

Employment: Senior lecturer, Institute for rhythmic music at the University in Agder

Other board positions: Gramart (board member), Sørnorsk Filmsenter (chairman), Klagenemda for tilskudd til kulturarrangementer (board member)

Board fees from Gramo in 2021 (gross before taxes): NOK 127.700

Rights holders remuneration received from Gramo in 2021: NOK 0



Anne Lise Frøkedal
Member of the board

Employment: Artist og låtskriver

Other board positions: Gramart (1st deputy chairwoman)

Board fees from Gramo in 2021 (gross before taxes): NOK 61.250

Rights holders remuneration received from Gramo in 2021: NOK 4.850



Erling Andersen
Member of the board

Employment: Financial controller in FONØ

Other board positions: Musikkpartner AS (chairman), Norwaco (substitute board member)

Board fees from Gramo in 2021 (gross before taxes): NOK 61.250

Rights holders remuneration received from Gramo in 2021: NOK 6.523,50



Hans Ole Rian
Member of the board

Employment: General secretary in Creo – trade union for art and culture

Other board positions: LO kommune (board member), LOs sekretariat (substitute board member), Forsbergs og Aulies legat (board member), Fordelingsutvalget i Sektor IV Bruk i bibliotek og museer og Sektor V Bruk av TV-selskapers arkivmateriale i Norwaco (board member), Sektor II Undervisningsbruk i Norwaco (board member), Nordisk Union for Musikkutdannere (NUMU) (board member), SafeMUSE (chairman)

Board fees from Gramo in 2021 (gross before taxes): NOK 61.250

Rights holders remuneration received from Gramo in 2021: NOK 0



Eddie Nygren
Member of the board

Employment: CFO Universal Music (Nordic region)

Other board positions: Universal Music AS (chairman), United Stage Artist Norge AS (chairman), IFPI Norge AS (board member), IFPI Norge (board member), Universal Music AB (chairman), Polar Music International AB (chairman), United Stage Artist AB (chairman), United Stage Intressenter AB (chairman), United Stage Holding AB (board member), Universal Music A/S (chairman), Universal Music OY (chairman), Noord Booking A/S (board member), Vitamin AS (board member)

Board fees from Gramo in 2021 (gross before taxes): NOK 61.250

Rights holders remuneration received from Gramo in 2021: NOK 0

Årsberetning 2021

Business

Gramo was founded on June 7, 1989. Gramo's purpose is to monitor, promote and collectively manage the financially related rights of producers of sound recordings and performing artists that Gramo has been authorized to manage by law or by transfer, license or other agreement. Gramo can undertake the practical administration of other areas of copyrights - also for other rights holders.

The offices are in St. Olavs gate 28, 0166 Oslo.

The Board

The following board was elected at the general assembly 1.6.2021:

Independent chairwoman:

Cathrine Nagell (substitute representative Knut Ro)

Members of the board, performer sector:

Daniel Nordgård (substitute member Marius Øvrebø-Engemoen) Hans Ole Rian (substitute member Ingvild Andrea Tellmann) Anne Lise Frøkedal (substitute member Ivar S. Peersen)

Members of the board, performer sector:

Marte Thorsby (substitute member Lena Midtveit) Eddie Nygren (substitute member Ivar Noer) Erling Andersen (substitute member Erik Brataas)

Cathrine Nagell was elected chairwoman at the general assembly. At the statutory board meeting Marte Thorsby and Daniel Nordgård were elected 1st and 2nd deputy chairperson respectively.

Gramo has taken out an insurance for the board covering up to NOK 10 million.

Economic situation

The corona pandemic affected Gramo in 2021 as well, when many industries were completely or partially shut down for parts of the year. This affected the remuneration income from public performances which ended significantly below the levels before the pandemic. Despite this, total remuneration income was significantly higher than the previous year. Remuneration income from broadcasting, including remuneration from abroad, increased by NOK 11.9 million compared to 2020.

Gramo has applied to the Ministry of Culture for compensation for the decrease in remuneration income due to the pandemic. The application has been granted with NOK 5,500,000 to Gramo and NOK 2,000,000 in fees to the Fond for utøvende kunstnere. The compensation amount will be individualised and paid out by the end of June 2022.

Gramo has in recent years had a strong focus on costeffective operations and the board is satisfied with the cost level for 2021. Costs related to personnel and operations are 3.7% higher than the previous year and this is in line with general price development.

Gramo has in 2021 continued the development of the core system Echo and Min Side. During the year we have invested NOK 7,5 million including VAT in development. The core system is Gramo's most important asset and is key for individual distribution of collected remuneration.

Gramo's operating result for 2021 is NOK 179.469.829 and will be transferred to settlement for remuneration and taxes on funds in full.

Market prospects and risk

Norway was strongly affected by the pandemic in 2021 and to predict what will happen in 2022 is difficult. At this time, it appears that 2022 will be a year without closedowns, so a gradual increase in Gramos' remuneration revenues is expected.

Gramo always has liquidity that invests conservatively in market funds and low-risk bond funds. The purpose is to keep a low risk, but at the same time achieve a return that is higher than with bank deposits.

Settlement and payments

Three settlements were made in 2021 and these have given payments of NOK 58.5 million to performers and NOK 66.0 million to producers. In addition, NOK 50.8 million has been paid to the Fond for utøvende kunstnere.

Continued operation

The board and the Managing Director confirm that the assumption of continued operation is based on the presentation of the annual accounts.

Staff and organisation

Gramo had 26 employees at the end of 2021. The number of man-years in 2021 was 24,9. The association is organized with the following departments: member, market, IT, finance, communication and staff.

Working environment

Sick leave was 3,6% in 2021 compared to 3,1% in 2020. Long time leave, meaning over 8 weeks, accounts for 2,2% of total leave in 2021.

There were no accidents at work that caused personal injury or property damage.

Gramo conducts an annual work environment survey under the auspices of Great Place To Work. From november 2020 to november 2021 Gramo was certified by Great Place to Work after having met the criteria for a global standard for a good working environment. In november 2021 a measure on the work environment was conducted, not directly comparable with the lager survey. The administration works with measures and will conduct a new survey towards the end of the year with the goal of a new certification.

Effort to promote equality and stop discrimination

Gramo has 15 male and 11 female employees. Three out of four department heads are women. A yearly work environment survey among the employees shows a high degree of positive response to Gramo treating employees equally, regardless of ethnicity, orientation and gender.

We consider the equality issues met, and there are no current or planned concrete measures on this, except from the employers general duty of activity.

Environmental reporting

Gramo's business affects the external environment to a limited extent.

Cathrine Nagell /s/
(chairman)

Marte Thorsby /s/

Daniel Nordgård /s/

Eddie Nygren /s/

Erling Andersen /s/

Anne Lise Frøkedal /s/

Hans Ole Rian /s/

Lars Bakketun /s/
(managing director)

Oslo, 20. april 2022

Profit and loss account 2021

	Note	2021	2020
Operating income			
Income from remuneration, broadcast	1,8	109 131 186	97 216 159
Income from remuneration, public performance	1,8	60 367 846	61 286 347
Compensation following the Corona pandemic	1,12	5 500 000	6 200 000
Collected fund fees	11	42 125 489	39 649 157
Other income	1	559 713	743 235
Sum income		217 684 234	205 094 898
Operating income			
Staff costs	2	23 155 480	21 780 625
Staff costs board / sectors	2	685 307	705 387
Depreciations / write-downs	3	7 707 760	7 022 719
Administration costs	2,4	9 328 661	9 269 707
Administration fees	4	0	-399 191
Loss on claims	5	611 662	-2 707 075
Sum operational costs		41 488 871	35 672 172
Operational result		176 195 363	169 422 726
Financial posts			
Financial income		3 309 614	1 830 172
Financial costs		35 147	72 371
Sum financial posts	6	3 274 466	1 757 801
Result		179 469 829	171 180 527
Dispositions			
Transferred remuneration and fees for settlement	7	179 469 829	171 180 527
Sum dispositions		179 469 829	171 180 527
Result after dispositions		0	0



Balance sheet

	Note	2021	2020
Assets			
Fixed assets			
Operating equipment			
Cars		906 099	684 564
IT equipment		1 105 723	1 244 306
Software		44 276 337	43 581 634
Furnishings etc		297 267	103 235
Sum	3	46 585 426	45 613 739
Sum fixed assets		46 585 426	45 613 739
Current assets			
Short-term claims			
Customer claims	5,11,12	14 037 429	18 642 449
Earned, non-invoiced income	8	21 355 384	20 514 890
Other debtors		2 078 856	962 035
Sum		37 471 670	40 119 374
Financial investments			
Fund investments	9	114 737 607	126 825 575
Sum		114 737 607	126 825 575
Bank deposits, cash			
Funds, bank	10	34 738 296	40 646 949
Sum		34 738 296	40 646 949
Sum current assets		186 947 572	207 591 898
Sum assets		233 532 998	253 205 637

	Note	2021	2020
Equity and debt			
Equity			
Equity		0	0
Sum		0	0
Short term debt			
Remuneration			
Remuneration and fees for settlement	7,11	221 176 756	240 350 938
Sum		221 176 756	240 350 938
Other short-term debt			
Supplier debt		1 297 743	2 261 499
Public dept		2 251 302	2 997 989
Other short-term debt		8 807 196	7 595 211
Sum		12 356 242	12 854 699
Total short-term debt		233 532 998	253 205 637
Total equity and debt		233 532 998	253 205 637

Cathrine Nagell /s/ (chairman)	Marte Thorsby /s/	Daniel Nordgård /s/
Eddie Nygren /s/	Erling Andersen /s/	Anne Lise Frøkedal /s/
Hans Ole Rian /s/	Lars Bakketun /s/ (managing director)	

Oslo, 20. april 2022

“**Music is a way
to breathe**”

Frode Grytten





Gramo is approved by  Kulturdepartementet

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