

# TRANSPARENCY REPORT 2023



## Introduction

The Transparency Report provides a detailed description of Gramex's operations in a form required by legislation. This summary page contains extracts from the Report. We hope that with the summary it will be easier to understand the comprehensive content of the Transparency Report. If you have any questions,

we would be happy to help.

Gramex Communications

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## Gramex's mission

Gramex is a non-profit association whose purpose is to administer and promote the rights of performing artists and producers of phonograms as prescribed by copyright law. Gramex's operation involves phonogram licensing and the collection of the remunerations referred to in the Copyright Act and their secure investment and distribution to rightsholders.

## Licensing

Gramex grants licenses for the use of phonograms and music videos and collects remuneration for their use.

At the end of 2023, the number Gramex's music user customers with phonogram music licences was approximately 34,000. Background music customers receive music use agreements and music licences through GT Music Licences Ltd. Media licensing customers get them directly from Gramex.

Gramex receives licensing income from radio and television use, retransmission, background music, internet and network use, audio and video recording use, private copying compensation and the use of music videos.

Gramex's licensing operations are based partly on law and partly on client agreements. The Ministry of Education and Culture has approved Gramex to collect remunerations for the use of phonograms as referred to in section 47, subsection 1, points 1 and 2 of the Copyright Act and distribute them to performing artists and phonogram producers, and to collect remunerations for the use of music recordings containing images as referred to in section 47, subsection 3 of the Copyright Act and distribute them to the performers of musical works. This approval is valid until the end of 2025.

## Board of Directors and administration

The Board of Directors of Gramex consists of the Chairperson and six other members. Three of the members of the Board of Directors are elected from among phonogram producers and three from among performing artists. The Chairperson of the Board of Directors must be familiar with copyright issues and may not represent either of the rightsholder groups. Gramex's council decides on certain matters specified in the by-laws. The council consists of three representatives for phonogram producers and three representatives for performing artists. Management of Gramex's office is the responsibility of the Managing Director.

## Client authorisation

By a client agreement, the rightsholders represented by Gramex authorise Gramex to manage the types of use of phonograms and music videos defined therein and the related rights of the performing artist and phonogram producer, and to collect remunerations. The content of the client agreement is confirmed in the annual general meeting. Anyone entitled to remuneration collected by Gramex has the right to become a rightsholder client of Gramex.

## Distribution of remuneration

Funds paid to rightsholders during the financial period amounted to EUR 21.5 million. Remunerations were paid out four times.

Gramex distributes part of the collected remuneration directly to rightsholders and part to foreign copyright organisations representing rightsholders. Performance remuneration was paid out as follows: remunerations collected in July–December 2022 were paid out in March 2023, remunerations collected in January–March 2023 were paid out in June 2023, remunerations collected in April–June 2023 were paid out in October 2023, and remunerations collected in July–September 2023 were paid out in December 2023. Thus, some of the remunerations are paid out during the year of their collection. Most of the remaining remuneration is distributed within the next three years, which is a standard duration for a distribution and payment process.

If there are any deficiencies in the data of played phonograms or remuneration recipients preventing the distribution of remuneration, the deficiencies are investigated as required in the Act on Collective Management of Copyright, even for several years where necessary. If the investigations are inconclusive, the general meeting of Gramex decides on how such funds (statute-barred remunerations) are used to promote music in accordance with Gramex's by-laws.

Investment income of 1.5% will be allocated to the copyright income collected in 2023.

## Operating costs

In 2023, Gramex's operating costs amounted to EUR 3.963 (3.763) million. On 31 December 2023, Gramex employed 22 (21) people.

The administration expenses deduction for the year 2023 corresponds to Gramex's administration costs, EUR 3.963 (3.763) million.

## Rights revenue 2023 (€)

Radio and television use	8,050,990
Retransmission	30,111
Background music	10,157,856
Internet and data network	4,740,731
Audio and video recordings	1,061,711
Private copying compensation	1,206,723
Music videos	15,615
Annual supplementary remuneration	100,013
Remuneration from abroad	689,956
<b>TOTAL</b>	<b>26,053,706</b>

On May 6th 2024, the Annual General Meeting of Gramex approves the Transparency Report.

This is an unofficial translation of the text of the original document written in Finnish. In case of conflicts between the different language versions, the Finnish version is correct and valid.

Layout Lauri Kaira. Photos: Pond 5 and Unsplash.



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# 1 TASE

(Annex to the Directive, point 1. a)

	BALANCE SHEET 31 December 2023 EUR	BALANCE SHEET 31 December 2022 EUR
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
IT systems	347,103.77	126,015.80
Major improvements	0.00	0.00
<b>Intangible assets total</b>	<b>347,103.77</b>	<b>126,015.80</b>
<b>Tangible assets</b>		
Machinery and equipment	153,638.63	193,699.27
Other tangible assets	550.00	550.00
<b>Tangible assets total</b>	<b>154,188.63</b>	<b>194,249.27</b>
<b>Investments</b>		
Shares and similar rights of ownership	1,433,100.03	1,433,100.03
Investment portfolios	22,719,546.64	23,898,057.49
Reserves	0.00	102,668.22
<b>Total investments</b>	<b>24,152,646.67</b>	<b>25,433,825.74</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24,653,939.07</b>	<b>25,754,090.81</b>
<b>CURRENT ASSETS</b>		
<b>Non-current receivables</b>		
Loan receivables	0.00	0.00
Other receivables	79,126.00	79,126.00
<b>Total non-current receivables</b>	<b>79,126.00</b>	<b>79,126.00</b>
<b>Current receivables</b>		
Accounts receivable	2,083,083.01	1,705,149.23
Prepayments and accrued income	712,402.22	1,890,244.61
<b>Total current receivables</b>	<b>2,795,485.23</b>	<b>3,595,393.84</b>
<b>Financial securities</b>		
Other securities	0.00	106,699.01
<b>Total financial securities</b>	<b>0.00</b>	<b>106,699.01</b>
<b>Cash at bank and in hand</b>		
Total cash at bank and in hand	3,304,941.52	2,722,514.86
<b>TOTAL CURRENT ASSETS</b>	<b>6,179,552.75</b>	<b>6,503,733.71</b>
<b>TOTAL ASSETS</b>	<b>30,833,491.82</b>	<b>32,257,824.52</b>

## EQUITY AND LIABILITIES

	BALANCE SHEET 31 December 2023 EUR	BALANCE SHEET 31 December 2022 EUR
<b>CAPITAL AND RESERVES</b>		
<b>Promotion activities reserves</b>		
Promotion activities reserves	413,268,41	525,102.04
<b>Total promotion activities reserves</b>	<b>413,268,41</b>	<b>525,102.04</b>
<b>TOTAL CAPITAL AND RESERVES</b>	<b>413,268,41</b>	<b>525,102.04</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Remuneration liability (invoiced, investment income)	10,607,850,52	14,667,382.63
Remuneration liability in payment process	18,264,642,39	15,342,444.69
Accounts payable	148,518,57	148,367.74
Other liabilities	680,440,40	780,015.04
Accrued expenses and liabilities	718,771,53	794,512.38
<b>Total current liabilities</b>	<b>30,420,223,41</b>	<b>31,732,722.48</b>
<b>TOTAL LIABILITIES</b>	<b>30,420,223,41</b>	<b>31,732,722.48</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,833,491,82</b>	<b>32,257,824.52</b>

# 2 PROFIT AND LOSS STATEMENT AND CASH FLOW STATEMENT

(Annex to the Directive, point 1. a)

	1.1.-31.12.2023 EUR	1.1.-31.12.2022 EUR
<b>PROFIT AND LOSS STATEMENT</b>		
<b>ORDINARY OPERATIONS</b>		
<b>Revenue</b>		
Other revenue	700,121.83	262,040.68
Administration expenses deduction	3,962,791.95	3,763,430.41
<b>Total revenue</b>	<b>4,662,913.78</b>	<b>4,025,471.09</b>
<b>Expenses</b>		
Personnel expenses	-1,922,425.13	-1,777,397.86
Depreciation and amortisation	-157,727.20	-135,999.07
Other expenses	-2,582,761.45	-2,112,074.16
<b>Total expenses</b>	<b>-4,662,913.78</b>	<b>-4,025,471.09</b>
<b>Promotion activities</b>		
<b>Revenue</b>		
Statute-barred remuneration liabilities	3,451,419.29	3,767,591.74
<b>Total revenue</b>	<b>3,451,419.29</b>	<b>3,767,591.74</b>
<b>Expenses</b>		
Other expenses related to promotion activities	-3,572,197.35	-3,599,140.53
Transfer from investments and financing activities	8,944.43	-10,874.53
<b>Total expenses</b>	<b>-3,563,252.92</b>	<b>-3,610,015.06</b>
<b>Total expenses for promotion activities</b>	<b>-111,833.63</b>	<b>157,576.68</b>
<b>Covered by promotion activities reserve</b>	<b>111,833.63</b>	<b>-157,576.68</b>
	0.00	0.00
<b>Investment and financing activities</b>		
<b>Revenue</b>		
Interest revenue	42,835.82	38,144.45
Dividend revenue	15,385.75	15,239.65
Capital gains	220,082.15	454,784.50
Reversals of reductions in value	1,152,627.27	738,648.89
Other revenue	16,556.22	19,061.06
<b>Total revenue</b>	<b>1,447,487.21</b>	<b>1,265,878.55</b>
<b>Expenses</b>		
Loss on disposal	-201,253.24	-123,332.36
Reduction in value	-409,884.00	-2,060,263.68
Other expenses	-81,269.42	-59,953.16
<b>Total expenses</b>	<b>-692,406.66</b>	<b>-2,243,549.20</b>
<b>Investment and financing activities total</b>	<b>755,080.55</b>	<b>-977,670.65</b>
<b>Surplus/deficit</b>	<b>755,080.55</b>	<b>-977,670.65</b>
Transfer to remuneration payments	-488,181.50	591,109.43
Transfer to later conclusion	-257,954.62	375,686.69
Transfer to the promotion activities reserve	-8,944.43	10,874.53
<b>Transfers total</b>	<b>-755,080.55</b>	<b>977,670.65</b>
<b>SURPLUS (DEFICIT) FOR THE FINANCIAL PERIOD</b>	<b>0.00</b>	<b>0.00</b>

# 3 ANNUAL REPORT

(Annex to the Directive, point 1. b)

	2023 EUR	2022 EUR
<b>CASH FLOW STATEMENT</b>		
<b>Cash flows from operating activities</b>		
Payments received from copyright royalties	26,272,232.64	27,145,423.03
Payments for operating expenses (incl. tax withholding)	-6,083,199.52	-5,777,551.37
<b>Cash flows from operating activities</b>	<b>20,189,033.13</b>	<b>21,367,871.66</b>
<b>Cash flows from investments</b>		
Investments in tangible and intangible assets	-385,160.16	-111,910.48
Investments in other investments	-75,000.00	-4,000,000.00
Payments received from investments	2,273,120.07	4,780,527.25
<b>Cash flows from investments</b>	<b>1,812,959.92</b>	<b>668,616.77</b>
<b>Cash flows from operations and investments</b>	<b>22,001,993.04</b>	<b>22,036,488.43</b>
<b>Cash flow from distributions and promotion activities:</b>		
Distribution to domestic and foreign rightsholders (net)	-20,249,566.38	-20,049,594.59
Promotion activities	-1,170,000.00	-1,083,084.79
<b>Change in cash and cash equivalents</b>	<b>582,426.66</b>	<b>903,809.05</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>2,722,514.86</b>	<b>1,818,705.81</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>3,304,941.52</b>	<b>2,722,514.86</b>
	<b>582,426.66</b>	<b>903,809.05</b>

2023 was a year of several development projects, which set its challenges for administration expenses. In terms of accrued remuneration, we were slightly short of our goal as there was a decrease in remuneration from abroad.

With regard to development projects, we continued working on the VRDB and RDx data hub integrations. This major project, encompassing the entire organisation, constitutes a complete overhaul of our communications. Our goal was to revise our communication means and tools for rightsholders, clients as well as other stakeholders and society at large. During the year, we built new a website and web services as well as automation-enabled communication systems and converted our printed GramexPress into a fully digital media. Another major development project worth a mention is the new identification system that shall replace the old Ratko system.

Remunerations collected during January–September 2023 were distributed during the same year, amounting to a total of EUR 21.5 million (21.0 million in 2022). Of this sum, EUR 9.3 million was paid to performer customers and EUR 12.2 million to producer customers. Gramex’s remuneration accrual totalled EUR 26.054 million (26.422 million in 2022).

At the end of the financial period, Gramex had 64,164 rightsholder customers. At the end of year, Gramex’s music user customers had approximately 34,000 valid phonogram music licences. Media customers are mainly served directly by Gramex and background music customers are mainly served by GT Music Licences Ltd.

No significant operational risks are foreseeable in the coming year. System development projects carried out or initiated in the previous year are continued. They will be completed, and the new practices they enable will be implemented. Inflation still poses challenges to the accrual of remuneration and costs. Foreign income is expected take a turn for the better, and the same should happen to accrued remuneration in general. Expenses should remain at a normal level. We are not expecting to see any immediate risks related to legislation. In the longer term, risks may be related to technical development, legislation and consumption habits as well as changes in the level of YLE’s funding and the resulting changes of operating levels, but these are not currently foreseeable.

## 3.1. LICENSING AND POSSIBLE REFUSAL TO LICENSE

(Annex to the Directive, point 1. c)

Gramex grants licenses for the use of phonograms and music videos and collects remuneration for their use.

On 31 December 2023, Gramex had approximately 34,000 valid phonogram music licences. Background music customers receive music use agreements and music licences through GT Music Licences Ltd. Media licensing customers get them directly from Gramex.

Gramex receives licensing income from radio and television use, retransmission, background music, internet and network use, audio and video recording use, private copying compensation and the use of music videos.

Gramex operates within the mandate under the Finnish Copyright Act and the mandate it has received from its rightsholders by agreement. During the business year, Gramex has not refused to grant licences to uses covered by its mandate.

## 3.2. GRAMEX’S LEGAL AND GOVERNANCE STRUCTURE

(Annex to the Directive, point 1. d)

Gramex is a non-profit association whose purpose is to administer and promote the rights of performing artists and producers of phonograms as prescribed by copyright law. Gramex’s operation involves phonogram licensing and the collection of the remunerations referred to in the Copyright Act and their secure investment and distribution to rightsholders.

The Board of Directors of Gramex consists of the Chairperson and six other members. Three of the members of the Board of Directors are elected from among pho-

nogram producers and three from among performing artists. The Chairperson of the Board of Directors must be familiar with copyright issues and may not represent either of the rightsholder groups. Gramex’s council decides on certain matters specified in the by-laws. The council consists of three representatives for phonogram producers and three representatives for performing artists. Management of Gramex’s office is the responsibility of the Managing Director.

Gramex’s licensing operations are based partly on law and partly on client agreements. The Ministry of Education and Culture has approved Gramex to collect remunerations for the use of phonograms as referred to in section 47, subsection 1, points 1 and 2 of the Copyright Act and distribute them to performing artists and phonogram producers, and to collect remunerations for the use of music recordings containing images as referred to in section 47, subsection 3 of the Copyright Act and distribute them to the performers of musi-

Gramex customers by role (rightsholders)	
Performer	42,121
Producer	3,731
Music video producer	217
Performer and producer	17,301
Performer and music video producer	56
Producer and music video producer	322
Performer & producer & music video producer	416
<b>Total</b>	<b>64,164</b>

cal works. This approval is valid until the end of 2025.

By a client agreement, the rightsholders represented by Gramex authorise Gramex to manage the types of use of phonograms and music videos defined therein and the related rights of the performing artist and phonogram producer, and to collect remunerations. The content of the client agreement is confirmed in the annual general meeting. Anyone entitled to remuneration collected by Gramex has the right to become a rightsholder client of Gramex.

The Ministry of Education and Culture has approved Gramex to operate as an extended collective licence organisation as follows:

- Recording for educational activities (Copyright Act, section 14). This approval is valid until the end of 2026.
- Ephemeral recording (Copyright Act, section 25 f). This approval was valid until the end of 2023. Gramex has received an approval decision for the years 2024–2028 as well.
- Online storage service for television programmes (Copyright Act, section 25 l). This approval is valid until the end of 2024.

Gramex is involved in arrangements of international co-operation bodies of performing artists and phonogram producers concerning international licensing and distribution of remunerations. Within the International Federation of Phonographic Industry (IFPI), the following framework agreements enabling cross-border licensing, which Gramex has joined, have been concluded:

- Agreement on Reciprocal Representation to License Simulcast;
- Agreement on Reciprocal Representation to License Certain Webcasting;
- Protocol to Extend the Agreement on Reciprocal Representation to License



- Certain Webcasts; and
- Agreement on Reciprocal Representation to License certain On-Demand offerings of Audio and Audiovisual Programs.

Within the Societies' Council for the Collective Management of Performers' Rights (SCAPR), Gramex is a party to, inter alia, various VRDB2 and IPD Systems and services supporting the international distribution and payment of remunerations.

### 3.3. INFORMATION ON ENTITIES OWNED OR CONTROLLED BY GRAMEX

(Annex to the Directive, point 1. e)

Gramex has a joint venture GT Music Licences Ltd (2647504-7) with Teosto for the purpose of the sale and customer service of background music licences. Gramex owns 50% of it. The joint venture collected approximately EUR 10.0 million for Gramex rightsholders in 2023.

Gramex has co-founded the Finnish Music Foundation MES (Musikin edistämissäätiö sr, 2502897-4) together with Teosto. Gramex appoints half of the members of its Board and the Chair together with Teosto. Gramex is one of the fifteen member associations of the Copyright Information and

Anti-Piracy Centre (Tekijänoikeuden tiedotus ja valvontakeskus ry, 1926210-7) and has one seat on its Board. Gramex is also one of the thirteen members of Luovan työn tekijät ja yrittäjät ry - Luovat ry (2297190-8) and holds one seat on its Board.

In addition, Gramex owns a share in the Sport Institute in Vierumäki (0861730-4, Vierumäen Loma-aika Oy).

### 3.4. REMUNERATION AND BENEFITS OF BOARD MEMBERS AND MANAGING DIRECTOR

(Annex to the Directive, point 1. f)

During the business year, the Board of Directors elected by the organisation's general meeting comprised of Chairperson Tuija Brax and of ordinary members Antti Kotilainen, Mirrka Kivilehto, Mikko Manninen (until February 28, 2023), Niko Nordström (February 28 - November 1, 2023), Tuomas Hämäläinen (from November 1, 2023), Pekka Lehti, Kimmo Valtanen and Ahti Vääntinen. The Board convened 11 times. Managing Director of the society is Ilmo Laevuo. Remuneration and benefits paid out to the Board of Directors and the Managing Director totalled EUR 252,827.20.

### 3.5. DEDUCTIONS FOR THE PURPOSE OF SOCIAL, CULTURAL AND EDUCATIONAL SERVICES

(Annex to the Directive, points 1. f and 3. a and b)

During the financial year, no deductions were made from rights revenues for social, cultural or educational purposes.

### 3.6. FINANCIAL INFORMATION

(Annex to the Directive, point 1. g)

#### 3.6.1. RIGHTS REVENUE

(Annex to the Directive, points 2. a, b, i and vi)

Gramex invoiced a total of EUR 26.054 (26.422) million in remuneration during the financial year. Gramex acts as an intermediary which means that the remuneration is not entered as income in Gramex's financial statements. Revenue breakdown by type of use is presented in the table below. All rights related to each type of use are specified in Gramex's client agreement.

#### 3.6.2. INVESTMENT INCOME

(Annex to the Directive, point 2. a)

In the long term, the objective of the investment plan approved by the general meeting of Gramex is to ensure appropriate, profitable and secure investment while accounting for the profit level, the accepted risk level and the sustainability of the investment activities as well as liquidity.

The net book result from investment and financing activities in 2023 was EUR 0.755 (-0.978) million. Investment income of 1.5% will be allocated to the copyright income collected in 2023. The remainder will be transferred to the interest reserves

for coming years. Investment income will not be subject to any administration expenses deduction. Before investment income is allocated, it is subject to deduction of expenses for investment activities and investment losses. In 2023, expenses for investment activities and investment losses amounted to EUR 0.692 million.

The result from investment activities was allocated as follows: EUR 0.488 (-0.591) million to the investment income of the distribution, EUR 0.258 (-0.376) million to funds to be distributed later, and EUR 0.009 (-0.011) million to promotion activities.

#### 3.6.3. - 3.6.4. ADMINISTRATION EXPENSES

(Annex to the Directive, points 2. b, i, ii, iii and iv).

In 2023, Gramex's operating costs amounted to EUR 3.963 (3.763) million. On 31 December 2023, Gramex employed 22 (21) people.

The administration expenses deduction for the year 2023 corresponds to Gramex's administration costs, EUR 3.963 (3.763) million.

Rights revenue 2023		Administration expenses
Radio and television use	8,050,990 €	-1,257,874 €
Retransmission	30,111 €	-4,704 €
Background music	10,157,856 €	-1,587,047 €
Internet and data network	4,740,731 €	-740,684 €
Audio and video recordings	1,061,711 €	-165,880 €
Private copying compensation	1,206,723 €	-188,537 €
Music videos	15,615 €	-2,440 €
Annual supplementary remuneration	100,013 €	-15,626 €
Remuneration from abroad	689,956 €	
<b>TOTAL</b>	<b>26,053,706 €</b>	<b>-3,962,792 €</b>

In 2023, the amount of remuneration subject to the expenses deduction was EUR 25.364 (24.556) million. In 2023, administration costs totalled EUR 3.963 million. Thus, percentage share of the administration expenses deduction for remuneration collected in 2023 was 15.6%.

With a corresponding calculation method, percentage share for remuneration collected in 2022 was 15.3%.

Rights revenues are used to cover the costs of rights management services offered to rightsholders. No other deductions will be made from rights revenue, with the exception of the administration expenses deduction as per the administration expenses percentage rate. Gramex does not allocate costs from the management of rightsholders' rights per category. Instead, Gramex uses the annually determined percentage rate for all categories of managed rights.

The administration expense percentage rate for 2023 was calculated with the following method:

- A: Net operating costs in 2023
- B: Amount of remuneration collected in 2023 subject to expenses deduction
- C: Administration expenses percentage =  $A/B \times 100$

Gramex only provides services related to rights management. This means that Gramex does not have any operating or financial costs with regard to services other than the management of rights, as referred to in point 2. b iii of the Annex to the Collective Rights Management Directive.

### 3.7. FUNDS DUE TO RIGHTSHOLDERS

(Annex to the Directive, point 2. c)

Gramex distributes part of the collected remuneration directly to rightsholders

and part to foreign copyright organisations representing rightsholders. Performance remuneration was paid out as follows: remunerations collected in July–December 2022 were paid out in March 2023, remunerations collected in January–March 2023 were paid out in June 2023, remunerations collected in April–June 2023 were paid out in October 2023, and remunerations collected in July–September 2023 were paid out in December 2023. Thus, some of the remunerations are paid out during the year of their collection. Most of the remaining remuneration is distributed within the next three years, which is a standard duration for a distribution and payment process.

If there are any deficiencies in the data of played phonograms or remuneration recipients preventing the distribution of remuneration, the deficiencies are investigated as required in the Act on Collective Management of Copyright, even for several years where necessary. If the investigations are inconclusive, the general meeting of Gramex decides on how such funds (statute-barred remunerations) are used to promote music in accordance with Gramex's by-laws.

Below is a breakdown of funds in the various stages of this process as well as investigations and other measures relating to them, broken down in accordance with the Annex to the Directive 2014/26/EU of the European Parliament and of the Council. It should be noted that some of the categories set out in the Directive partially overlap with each other.

#### Division of Gramex's operations as per the Directive (some overlapping categories)

- 3.7.1. Collected funds: collected remuneration invoiced in 2023 and earlier amounted to EUR 28.872 million in the financial statements dated 31 December 2023
- 3.7.2. Funds attributed to phonograms (placeholders): EUR 15,281,950.46 has been attributed to phonograms with incomplete phonogram or rightsholder information still preventing allocation to rightsholders
- 3.7.3. Funds attributed to rightsholders: EUR 2,982,691.93 has been allocated to rightsholders and is waiting to be distributed as no payment has yet been made
- 3.7.4. Funds paid to rightsholders: EUR 21,539,029.99 was paid out to rightsholders in 2023
- 3.7.6. Undistributed funds: Under the Directive, EUR 3.742 million are undistributed funds which Gramex has been unable to pay to rightsholders during the standard three-year process

# 4 TABLES AND OTHER TEXT IN THE TRANSPARENCY REPORT

## 4.1. COLLECTED FUNDS

(Annex to the Directive, points 2. c, iv)

Collected but as yet undistributed remuneration is presented in Gramex's financial statements as undistributed remuneration liabilities. Gramex's financial statements contain EUR 28.87 (30.01) million in undistributed remuneration liabilities:

- Remuneration liability awaiting the distribution process amounts to EUR 10.61 million.
- Remuneration liability (placeholder

and remuneration waiting for payment) in the distribution system amounts to EUR 18.26 million.

Funds allocated to phonograms are addressed in more detail in section 4.2. In Gramex's processes, funds allocated to phonograms and remuneration liability waiting for the distribution process form the funds referred to in points 2. c and iv of the Annex to the Directive.

Gramex invoiced a total of EUR 26.054 million in remuneration during the financial

year 2023. Of the remuneration invoiced in 2023, a total of EUR 8.195 million was waiting to enter the distribution process at the end of the year. Of the remuneration invoiced in 2023, a total of EUR 3.995 million was in placeholder status at the end of the year. Of the remuneration invoiced during the financial period 2023, a total of EUR 13.864 million was allocated to rightsholders. Of the remuneration invoiced during the financial period 2023, a total of EUR 12.190 million had not yet been allocated to rightsholders by the end of the year.

### Funds collected but not yet allocated to rightsholders

	2017	2018	2019	2020	2021	2022	2023	Total
Radio and television use	0.00	0.00	1,746.16	872,789.86	1,148,633.791	416,990.294	888,415.44	8,328,575.53
Background music	0.00	0.00	0.00	717,004.94	887,371.33	2,128,670.74	4,801,466.69	8,534,513.70
Internet and data network	60,030.49	45,242.89	22,771.64	587,351.37	1,129,998.15	1,814,299.77	1,274,240.05	4,933,934.36
Audio or video recordings	0.00	5,229.38	0.00	204,765.86	247,568.97	318,495.24	522,912.21	1,298,971.66
Private copying compensations	0.00	0.00	0.00	75,148.19	0.00	53,108.53	212,399.483	40,656.19
Music videos	0.00	0.00	0.00	5,695.14	1,783.72	20,227.94	4,063.98	31,770.78
Annual supplementary remuneration	0.00	0.00	34,464.88	46,924.81	133,777.09	87,460.71	100,013.05	402,640.54
Remuneration from abroad	0.00	0.00	0.00	0.00	0.00	0.00	379,332.17	379,332.17
Investment income	0.00	0.00	0.00	0.00	0.00	0.00	1,205,049.13	1,205,049.13
Foreign representation agreements	0.00	0.00	129.71	6,931.80	3,822.45	2,799.67	3,158.34	16,841.98
Back to distribution	0.00	0.00	0.00	417,514.95	0.00	0.00	0.00	417,514.95
<b>Total</b>	<b>60,030.49</b>	<b>50,472.27</b>	<b>59,112.39</b>	<b>2,934,126.91</b>	<b>3,552,955.51</b>	<b>5,842,052.88</b>	<b>13,391,050.54</b>	<b>2,5889,800.98</b>

## 4.2. FUNDS ATTRIBUTED TO PHONOGRAMS (PLACEHOLDERS) (Annex to the Directive, points 2. c and vi).

All phonogram use reported during the calendar year is pre-processed in the phonogram identification phase. This determines the protected phonograms which Gramex has collected remunerations for. Distribution calculations for the collected remunerations are made for phonograms which are included in the distribution of each collection period. This calculation includes any administration expenses deductions and additional return on investment for the year of collection.

Once the remuneration for an individual phonogram has been calculated as described, the accrued remuneration for the phonogram is allocated and paid to relevant rightsholders.

If Gramex does not have the required phonogram identification or rightsholder information, remuneration that has been processed for distribution and calculated for a phonogram has to wait for information on the rightsholder or their representative.

Such a phonogram is in placeholder status and considered an 'unidentified phonogram.' In other words, these phonograms have been used in Finland and reported to

Gramex and their remuneration has already been individually calculated and allocated, however, the phonograms are missing accurate phonogram or rightsholder information in whole or in part. Gramex tries to establish the data of such phonograms as required under the Act on Collective Management of Copyright and the Collective Rights Management Directive.

Funds allocated to such phonograms, i.e. collected remunerations in placeholder status, amounted to EUR 15.282 million at the end of the financial period on 31 December 2023. A detailed breakdown is provided in the tables below:

Placeholder/producers: Collection period	2017	2018	2019	2020	2021	2022	2023	Total	Placeholder/ total:	Total
Radio and television use			223.76	310,799.03	393,380.85	536,018.71	500,290.50	1,740,712.86	Radio and television use	4,312,652.68
Background music				240,541.82	328,574.30	764,407.24	955,174.64	2,288,697.98	Background music	5,582,678.49
Internet and data network	59,232.26	44,823.91	21,264.19	489,958.93	916,388.58	1,399,363.93	376,199.56	3,307,231.36	Internet and data network	3,921,144.10
Audio or video recordings		4,843.27		202,401.80	245,213.15	249,835.87	122,412.62	824,706.71	Audio or video recordings	832,306.12
Private copying compensations				32,906.95	0.00	0.00	0.00	32,906.95	Private copying compensations	193,117.01
Music videos				5,695.14	0.00	0.00	0.00	5,695.14	Music videos	5,695.14
Foreign representation agreements			129.71	6,931.80	3,822.45	2,799.67	3,158.34	16,841.98	Foreign representation agreements	16,841.98
Others								0.00	Others	0.00
Back to distribution				417,514.95				417,514.95	Back to distribution	417,514.95
	59,232.26	49,667.18	21,617.66	1,706,750.42	1,887,379.33	2,952,425.42	1,957,235.66	8 634 307.93		15,281,950.46
Placeholder/performers: Collection period	2017	2018	2019	2020	2021	2022	2023	Total		
Radio and television use			1,522.40	561,990.83	654,965.70	701,242.26	652,218.63	2,571,939.82	Radio and television use	2,571,939.82
Background music				476,463.12	558,797.03	1,024,964.17	1,233,756.18	3,293,980.50	Background music	3,293,980.50
Internet and data network	798.23	418.98	1,507.45	97,392.44	105,298.94	326,756.18	81,740.52	613,912.74	Internet and data network	613,912.74
Audio or video recordings		386.11		2,364.06	2,355.82	1,304.83	1,188.58	7,599.41	Audio or video recordings	7,599.41
Private copying compensations				42,241.24		53,108.53	64,860.30	160,210.06	Private copying compensations	160,210.06
Music videos									Music videos	
Foreign representation agreements									Foreign representation agreements	
Others									Others	
Back to distribution									Back to distribution	
	798.23	805.09	3,029.85	1,180,451.68	1,321,417.50	2,107,375.98	2,033,764.22	6,647,642.53		

## Delays and related measures

Placeholder phonograms ('unidentified phonograms') are mostly foreign phonograms for which Gramex is usually missing correct rightsholder information, real-time licence holder information or detailed identification data.

Insofar as these placeholder phonograms include Finnish phonograms, it is a matter of Gramex not receiving a phonogram report indicating relevant phonogram information and its rightsholders. As for collected remuneration calculated for phonograms in placeholder status, the process is as follows:

- Information regarding performers' placeholder phonograms that have resulted from 2023 distribution is delivered to foreign copyright organisations that have a representation agreement with Gramex and shall represent performers starting March 2024.

The data is delivered using files created from reports of phonogram use. As a result of the exchange of information with the foreign organisation, Gramex obtains more detailed information about the phonogram and the role and representation (organisation representing the performing artist) of the artist performing on the phonogram. Next, the remuneration calculated in the distribution process is distributed and paid out to the correct rightsholder based on the data received. Exchange of information and payment of remuneration with foreign organisations for the use of phonograms in 2022 was mainly carried out during 2023. Remuneration for the use of phonograms in January–June and July–December/2023 shall be mainly paid out during 2024, assuming that the foreign organisations are able to process the data regarding use in Finland.

- As of the beginning of 2024, information regarding producers' placeholder phonograms that have resulted from 2023 distri-



bution is delivered to producers who have a client agreement with Gramex. Phonogram lists are delivered to producers in file format. The producers shall reply to Gramex with claims regarding the phonograms they represent and up-to-date information on the rightsholder or licence holder. For Finnish phonograms, the producers shall provide phonogram reports which also indicate the artists performing on the phonogram. Placeholder phonograms that have resulted from 2022 and 2023 distributions (collected mainly in 2021 and 2022) have been published on Gramex's website in December 2023. The data on the website is always updated after distributions and payments.

- Gramex's distribution process works in real time: every time the system receives new phonogram or rightsholder data either from foreign organisations or from Gramex's direct customers through automated or manual exchange of information, the relevant remuneration sum concerning the phonogram and the rightsholder is transferred from placeholder status to a phase where it awaits payment. In this phase, remuneration for an individual rightsholder is combined into a total sum from various types of use and phonograms.

#### Awaiting payment/producers:

Collection period	2017	2018	2019	2020	2021	2022	2023	Total
Radio and television use			995.15	129,972.68	142,093.04	121,562.25	93,432.20	488,055.32
Background music				128,460.05	135,515.99	142,408.03	124,021.99	530,406.07
Internet and data network	13,723.24	18,413.46	9,099.63	119,993.80	112,484.46	138,744.68	34,947.28	447,406.54
Audio or video recordings		2,239.85		56,180.11	37,182.15	34,938.28	11,989.05	142,529.44
Private copying compensations				30,690.79		6,138.04	1,359.22	38,188.06
Music videos				1.45	40.81	-1.92	0.87	41.20
Foreign representation agreements			10.59	819.93	-26.75	237.89	215.59	1 257.26
Others								
Back to distribution				184,616.80		35,892.75	4,388.57	224,898.11
	13,723.24	20,653.31	10,105.37	650,735.60	427,289.70	479,920.01	270,354.78	1,872,782.00

#### Assets allocated to rightsholders and transferred to phase where it awaits payment between 1 January and 31 December 2023

Type of use	Producers	Performers	Total
Radio and television use	3,518,848.07	3,338,812.61	6,857,660.67
Background music	4,242,294.77	3,904,623.44	8,146,918.21
Internet and data network	1,872,712.70	1,041,429.06	2,914,141.76
Audio or video recordings	422,227.82	129,875.32	552,103.14
Private copying compensations	582,665.85	374,139.50	956,805.36
Music videos	8,393.51	0.00	8,393.51
Foreign representation agreements	57,562.42	494,958.83	552,521.25
Others	65,968.07	84,448.83	150,416.90
Back to distribution	1,753,009.62	2,109.08	1,755,118.71
<b>Total</b>	<b>12,523,682.84</b>	<b>9,370,396.67</b>	<b>21,894,079.51</b>

#### 4.3. FUNDS ATTRIBUTED TO RIGHTSHOLDERS (Annex to the Directive, points 2. c, i and iv)

Remuneration collected based on data on the use of identified phonograms shall be allocated to artists performing on the phonogram and producers of the phonogram. Once remuneration has been calculated and remunerations have been combined to an individual rightsholder, the outstanding remuneration enters a phase where it awaits payment.

In this phase, sums due to an individual rightsholder for different phonograms are combined and the remuneration is transferred to a balance payable to the individual rightsholders, waiting for the payout. The remuneration sums transferred to the rightsholder are simultaneously automatically removed from the balances of individual phonograms (placeholders).

Remuneration that is awaiting payment requires that the recipients' payment details and tax status of each rightsholder receiving

payment is checked, among others: one example is checking for the correct withholding tax rate of foreign recipients.

On 31 December 2023, Gramex had collected a total of EUR 2.983 million in remuneration which had been individually allocated to rightsholders but were still awaiting payment. Gramex makes no difference between sums attributed to rightsholders and sums attributed to but not yet distributed to rightsholders, as stipulated in the Collective Rights Management Directive. They are divided as presented in the tables below:



Awaiting payment/performers

Collection period	2017	2018	2019	2020	2021	2022	2023	Total
Radio and television use			533.87	59,841.25	71,783.59	82,480.89	80,960.78	295,600.39
Background music				77,762.28	88,380.93	107,642.49	111,589.53	385,375.24
Internet and data network	1,703.65	1,277.92	1,174.34	56,345.62	66,496.37	81,511.93	31,899.69	240,409.51
Audio or video recordings		260.75		5,942.89	3,506.72	4,322.85	1,351.23	15,384.45
Private copying compensations				17,410.07		19,817.57	23,379.14	60,606.78
Music videos								0.00
Foreign representation agreements				9,502.89	11,195.61	39,119.11	27,471.11	87,288.72
Others				3,675.70	2,180.95	7,683.77	11,704.42	25,244.85
Back to distribution								
	1,703.65	1,538.67	1,708.21	230,480.71	243,544.17	342,578.62	288,355.90	1,109,909.93

Awaiting payment/total:

Collection period	Total
Radio and television use	783,655,71
Background music	915,781,31
Internet and data network	687,816,05
Audio or video recordings	157,913,88
Private copying compensations	98,794,84
Music videos	41,20
Foreign representation agreements	88,545,98
Others	25,244,85
Back to distribution	224,898,11
	2 982 691,93

#### 4.4. FUNDS PAID TO RIGHTSHOLDERS

(Annex to the Directive, points 2. c and ii).

Funds paid to rightsholders during the financial period amounted to EUR 21.539 million.

In Gramex's distribution and payment process, remuneration is paid to rightsholders in what is called the payment phase. During the calendar year 2023, Gramex paid the following collected remunerations as categorised by type of use and rightsholder group:

##### Paid/producers:

Collection period	2017	2018	2019	2020	2021	2022	2023	Total
Radio and television use			-327.73	-28,407.55	-82,129.18	-1,447,937.60	-1,874,174.74	-3,432,976.79
Background music				-27,256.02	-68,184.72	-1,738,370.50	-2,287,782.68	-4,121,593.91
Internet and data network	-1,627.93	-835.57	-816.59	-20,547.81	-63,930.94	-944,590.29	-749,813.25	-1,782,162.39
Audio or video recordings		-708.29		-13,416.93	-20,269.77	-231,494.47	-143,950.22	-409,839.68
Private copying compensations			-0.15	-4,475.17		-450.33	-580,360.46	-585,286.11
Music videos				-1,420.30			-6,972.34	-8,392.65
Foreign representation agreements				-477.24	-1,480.74	-5,433.81	-50,108.47	-57,500.26
Others								
Back to distribution				-19,462.97		-2,717.08	-1,795,611.43	-1,817,791.48
	-1,627.93	-1,543.86	-1,144.47	-115,463.98	-235,995.36	-4,370,994.09	-7,488,773.58	-12,215,543.29

##### Paid/performers:

Collection period	2017	2018	2019	2020	2021	2022	2023	Total
Radio and television use	-145.77	-29.31	-722.45	-53,814.66	-117,693.69	-1,403,515.98	-1,734,718.03	-3,310,639.89
Background music	-229.10	-72.07	-88.04	-60,945.72	-114,457.16	-1,649,591.41	-2,021,633.59	-3,847,017.09
Internet and data network	-323.05	-159.69	-124.39	-8,324.91	-27,193.40	-692,120.62	-280,165.51	-1,008,411.56
Audio or video recordings	-0.01	-15.38		-2,421.56	-8,361.31	-88,667.41	-43,765.09	-143,230.77
Private copying compensations	-67.50	-28.17	-21.39	-7,393.13		-15,944.68	-338,126.25	-361,581.12
Music videos								
Foreign representation agreements	-0.02	-0.66		-269.10	-755.76	-107,560.58	-467,487.04	-576,073.15
Others				-278.03	-508.52	-893.07	-74,853.49	-76,533.12
Back to distribution								
	-765.45	-305.29	-956.26	-133,447.11	-268,969.85	-3,958,293.75	-4,960,749.00	-9,323,486.71

##### Paid/total:

	Total
Radio and television use	-6,743,616.68
Background music	-7,968,611.01
Internet and data network	-2,790,573.95
Audio or video recordings	-553,070.45
Private copying compensations	-946,867.24
Music videos	-8,392.65
Foreign representation agreements	-633,573.42
Others	-76,533.12
Back to distribution	-1,817,791.48
	-21,539,029.99

## 4.5. DISTRIBUTION

### SCHEDULE (Annex to the Directive, points 2. c and iii)

During 2023, Gramex made the following main distributions and related payments:

- On 28 March 2023, main distribution and payments were made primarily for the following types of use: radio use, background music, audio and video recordings and internet and data network (main collection period July–December/2022)

- On 13 June 2023, main distribution and payments were made primarily for the following types of use: radio use, background music, audio and video recordings and internet and data network (main collection period January–March/2023)

- On 17 October 2023, main distribution and payments were made primarily for the following types of use: radio use, background music, audio and video recordings and internet and data network (main collection period April–June/2023)

- On 12 December 2023, main distribution and payments were made primarily for the following types of use: radio use, background music, audio and video recordings and internet and data network was made (main collection period July–September/2023)

Remuneration from abroad was also put forward in connection with each payment.

## 4.6. UNDISTRIBUTED

### FUNDS (Annex to the Directive, points 2. c and vii).

Funds which remain undistributed at the end of the financial period as referred to in section 27 of the Act on Collective Management of Copyright amounted to EUR 3.742 million from 2019 and 2020. Performers' share was EUR 1.400 million and produ-

cers' EUR 2.343 million. The general meeting which convenes in the spring of 2024 shall decide on the use of the funds which became statute-barred at the turn of the year 2023/2022.

Gramex's statutory general meeting decides on the use of statute-barred and undistributed funds annually. Gramex has published a list of unidentified phonogram tracks (placeholders) on its website with the purpose of identifying unknown rightsholders.

The annual general meeting of 22 May 2023 decided on the use of funds which remained undistributed on 31 December 2022 and thus becoming statute-barred. It was determined that EUR 0.34 million of the undistributed funds are remunerations for which rightsholders may still be identified, and therefore a reservation was made for them. The performers' share of the statute-barred funds, EUR 1.41 million, was transferred to the promotion activities reserve, and the producers' share, 2.041 million, was returned to the funds to be distributed.

During the business year, Gramex supported the operation of the Performing Music Promotion Centre (ESES) using a total of EUR 1.17 million funds from the promotion activities reserve.

## 4.7. - 4.10. OTHER COLLECTIVE MANAGEMENT ORGANISATIONS (Annex to the Directive, points 2. d, i, ii and iv)

Kopioisto provides licences to retransmit and use certain audio and video recordings on behalf of rightsholders represented by Gramex on the basis of an extended collective licence. Kopioisto forwards the rights revenue from licensing to Gramex.

Gramex provides licences for the online storage services of television programmes.

### Funds collected for Gramex by Finnish collective management organisations

Funds licensed on the basis of an extended collective licence (EUR)		
	KOPIOSTO	Administration Expenses
Retransmission	30,110.54 €	-4,704.42 €
Audio and video recordings	4,361.96 €	-681.51 €
<b>Total</b>	<b>34,472.50 €</b>	<b>-5,385.93 €</b>

Funds licensed by Gramex but invoiced by other collective management organisations (EUR)			
	TEOSTO	KOPIOSTO	Administration Expenses
Background music	179,715.47 €		-28,078.46 €
Internet and data network (online storage service for television programmes)		1,247,212.43 €	-194,862.49 €
<b>Total</b>	<b>179,715.47 €</b>	<b>1,247,212.43 €</b>	<b>-222,940.95 €</b>

Kopioisto invoices any remuneration related to online storage services on behalf of Gramex and forwards them to Gramex.

Gramex provides licences for the use of background music at events. Authorised by Gramex, Teosto takes care of the customer service and remuneration invoicing for background music licences for events. Teosto pays any rights revenue from licensing to Gramex.

Gramex conveyed EUR 2.179 million to foreign sister organisations under representation agreements. Gramex received EUR 0.690 million from foreign sister organisations. Remunerations transferred between foreign organisations and Gramex have been broken down in the following tables.

The first one indicates how much Gramex paid to different organisations in remuneration collected in Finland. The second one indicates how much Gramex received remuneration from foreign organisations and how much of it was allocated to Finnish rightsholders.

Gramex distributes all sums from foreign collective management organisations directly to rightsholders. Sums from Teosto and Kopioisto, deducted by the administrative expense deduction, are distributed directly to rightsholders. To Gramex's best knowledge, foreign collective management organisations distribute any sums Gramex has collected and paid to such organisations directly to rightsholders.

**PAID BY GRAMEX TO DIFFERENT ORGANISATIONS**  
**1 January–31 December 2023**

		PERFORMERS						PRODUCERS						
ORGANISATION	COUNTRY	Radio and television use	Internet and data network		Private copying use	Background music	Audio and video recordings	Radio and television use	Internet and data network		Private copying use	Background music	Audio and video recordings	TOTAL
ACTRA	CAN	15,293.99	1,357.61	28.34	2,606.59	18,932.46	33.22							38,252.21
ADAMI	FRA	10,123.51	1,497.65	63.81	935.80	9,249.73	0.66							21,871.16
AFM SAG-AFTRA	USA	2,953.02	375.80		422.77	891.29								4,642.88
AGATA	LTU	1,086.44	255.71		96.03	918.10								2,356.28
AGEDI	ESP							135.29	11.74		42.95	87.80	5.63	283.41
AIE SOCIEDAD DE ARTISTAS DE ARTISTI CANADA	ESP	8,779.14	1,324.35	66.54	1,269.18	12,928.80	2.02							24,370.03
CREDIDAM ROMANIA	CAN	578.34	103.83		43.18	681.52								1,406.87
EEL	ROU	380.43	15.07		43.68	411.66								850.84
EFU VIRO	EST	511.54	155.93	0.30	14.97	331.61	310.58							1,324.93
GDA	EST							1517.40	147.84	37.41	173.44	466.46	5.32	2,347.87
GEIDANKYO	PRT	517.18	168.93	0.48	9.85	456.89								1,153.33
GESELLSCHAFT ZUR VERWERTUNG	JPN	2,010.59	57.15		31.67	150.74								2,250.15
GRAMEX DENMARK	DEU	48,755.11	2,146.58	558.35	6,402.12	48,640.99	40.28							106,543.43
GRAMO	DEN	13,466.67	905.38		1,465.33	14,015.51	5.94	3,058.67	199.12	412.00	292.93	1,693.53	99.31	35,614.39
HUZIP	NOR	4,507.21				13,581.76		13,779.55	1,154.51	4,548.99	2,671.23	23,934.19	2,739.11	66,916.55
INTERGRAM	CRO	105.84	24.43		2.50	130.43								263.20
IPF	CZE	1,046.61	281.20	3.30	12.10	551.49		5,319.68	891.04		445.29	1,943.06		10,493.77
ITSRIGHT S.R.L.	SVN	59.12	21.59		1.37	44.99								127.07
LAIPA	ITA	3,352.23	777.31	0.16	103.29	2,686.61	1.63							6,921.23
LSG	LAT	44.97	13.70		0.04	19.90								78.61
INTERPRETEN GMBH	AUT	2,513.78	497.15		192.96	2,104.52								5,308.41
MROC	CAN	5,855.01	640.33		626.67	8,096.28								15,218.29
NORMA	NLD				1,704.00									1,704.00
NUOVO IMAIE	ITA	6,274.77	610.91	73.02	869.61	6,106.89	17.31							13,952.51
PLAYRIGHT C.V.B.A.	BEL	2,102.38	206.91		305.37	3,628.00	0.54							6,243.20
PPL	GBR	354,555.13	50,920.92	53,615.91	53,299.62	598,139.45	30,804.03	53,331.39	6,978.29	3,666.23	6,198.76	38,476.98	3,186.58	1,253,173.29
R.A.A.P LIMITED	IRL	7,956.48	1,152.83	3.16	1,578.41	20,841.36								31,532.24
SAMI - SVENSKA ARTISTERS OCH SAWP	SWE	142,180.83	20,219.73	13,510.40	16,526.37	178,303.64	11,020.87							381,761.84
SCF S.R.L.	POL	765.27	28.64		210.14	884.90								1,888.95
SENA NETHERLANDS	ITA							658.47	4.69	10.99	108.82	165.99	6.56	955.52
SLOVGRAM	NLD	34,685.31	2,435.16		0.05	42,588.18		5,679.59	886.63	98.62	484.50	4,526.94	298.53	91,683.51
SOUND EXCHANGE INC	SLO	22.81	6.84			11.74								41.39
SPEDIDAM	USA	9,270.92	701.63		24.12	200.18	4.47	17,698.06	15.24	5,890.93	4,666.79	301.15	352.86	39,126.35
STOART - ZWIAZEK ARTYSTOW	FRA	3,755.90	360.85	0.38	402.86	3,590.65								8,110.64
SWISSPERFORM	POL	108.70	28.74	0.04	0.97	52.51								190.96
	SWI	65.03	15.53		1.21	44.98								126.75
<b>TOTAL</b>		<b>683,684.26</b>	<b>87,308.39</b>	<b>67,924.19</b>	<b>89,202.83</b>	<b>989,217.76</b>	<b>42,241.55</b>	<b>101,178.10</b>	<b>10,289.10</b>	<b>14,665.17</b>	<b>15,084.71</b>	<b>71,596.10</b>	<b>6,693.90</b>	<b>2,179,086.06</b>

## REMUNERATION FROM FOREIGN ORGANISATIONS AND ALLOCATION TO RIGHTSHOLDERS 2023

(taulukko sisältää sekä ”oikeudenhaltijoille osoitettuja mutta ei vielä maksettuja” että ”oikeudenhaltijoille maksettuja varoja”)

ORGANISATION	COUNTRY	RECEIVED FROM ORGANISATIONS 1 January–31 December 2023		ATTRIBUTED TO RIGHTSHOLDERS 1 January–31 December 2023	
		PERFORMER	PRODUCER	PERFORMER	PRODUCER
ABRAMUS	BRA	976.56		976.56	
ACTRA	CAN	3,410.36		3,409.36	
ADAMI	FRA	43,041.46		43,041.46	
AFM	USA	8.68			
AGATA	LTU			767.63	
AGED I	ESP		630.74		553.51
AIE	ESP	4,690.22		7,396.93	
CREDIDAM	ROU	18,699.27			
EEL	EST	2,256.6		708.08	
EFU	EST		1,312.09		1,312.09
EJI	HUN	5,805.07		2,912.82	
GDA	PRT			801.78	
GEIDANKYO	JPN	5,906.08		8,929.53	
GRAMEX DK	DEN	36,614.66	2,352.91	27,295.75	
GRAMO	NOR	14,351.02	2,678.95	13,350.36	3,288.66
HUZIP	CRO	1,846.82		2,314.72	
IFPI SE	SWE		39,445.49		35,020.63
INTERGRAM	CZE	7,626.11		7,626.11	12.22
IPF	SVN	2,074.19		807.52	
LAIPA	LVA	1,550.93			
LSG	AUT	11,427.62		11,427.62	
NORMA	NLD	1,850.31		1,850.31	
NORWACO	NOR	2,322.58			
NUOVO IMAIE	ITA	74,132.58		38,735.62	
PLAYRIGHT C.V.B.A.	BEL	9,909.64		9,909.64	
PPL	GBR	48,498.86	7,263.67	50,514.35	8,700.17
RAAP	IRL			408.18	
SAMI	SWE	210,593.65		182,973.80	
SENA	NLD	12,523.17	18,807.41	11,514.43	923.37
SFH	ISL	299.19			
SOUNDEXCHANGE	USA	27,775.58	15,006.82	33,248.25	15,661.40
SPEDIDAM	FRA	4,122.21		14,256.65	
STOART	POL	33,902.02		6,374.31	
SWISSPERFORM	SWI	16,242.54		13,410.95	
<b>TOTAL</b>		<b>602,457.98</b>	<b>87,498.08</b>	<b>494,962.72</b>	<b>65,472.05</b>

The principle for international co-operation of collective management organisations is that the organisation which collects the remuneration deducts administrative expenses, while the distributing organisation makes no such deductions.

Gramex’s administrative expenses deduction is the only deduction made from sums paid to foreign collective management organisations. Sums presented in the table are net sums with administrative expenses deduction applied. The payouts include remuneration collected over several years, deducted by the administration expenses deduction for the respective year (see table below). Sums paid to foreign collective management organisations in 2023 were mainly collected in 2022 and 2023.

Gramex is unable to provide a breakdown of allocations for sums received from foreign organisations per category of right or per type of use as the collective management organisations paying the remunerations do not provide such information. Distribution agreements with foreign collective management organisations concern radio and television use, background music use and private copying compensations. The received remuneration is the total amount of remuneration attributed to particular rightsholders for these types of use. No administration expenses are deducted from sums received from foreign collective management organisations.

General administration expenses for Gramex’s distributions between 2017 and 2023 have been deducted from remunerations collected for phonograms used in Finland during calendar years 2017–2023 and paid during 2023 to rightsholders represented by foreign organisations under representation agreements. Respectively, the investment return credit from the same years has been added.



Collection year -distribution	2017 2018:	2018 2018:	2019 2019:	2020 2020:	2021 2021:	2022 2022:	2023 2023:
Administration expenses percentage rate	16.7 %	17.2 %	16.2 %	16.2 %	15.6 %	15.3 %	15.6 %
Investment income	5.4 %	0.0 %	0.0 %	1.5 %	2.0 %	1.0 %	1.5 %

Gramex does not deduct any management fees from remunerations paid to Gramex by foreign organisations during 2023 on the basis of representation agreements.

Gramex's various representation agreements with different organisations are detailed in the following table.

- 'A' agreements refer to an arrangement where remuneration is distributed from the collecting organisation to another contracting party. In principle, 'A' agreements are bilaterals, meaning that remuneration is transferred to and from both contracting parties.

- In a unilateral version of an 'A' agreement, remuneration is transferred to only one contracting party.

- 'B' agreements refer to an arrangement where collected remuneration remains with the collecting organisation.

## GRAMEX'S REPRESENTATION AGREEMENTS WITH FOREIGN ORGANISATIONS 31 December 2023

Country	PRODUCERS Organisation	Type of agreement	PERFORMERS Organisation	Type of agreement
Argentina			CADIF	B
Brazil	Abramus	A	Abramus	A
Brazil	UBC	A Unilateral model from Finland	UBC	A Unilateral model from Finland
Belgium			PlayRight	A
Bulgaria			Prophon	A
Spain	Agedi	A	AIE	A
The Netherlands	SENA	A	SENA	A
Ireland			RAAP	A
Iceland			SFH	A
Great Britain	PPL	A	PPL	A
Italy	SCF	A	Nuovo IMAE	A
Italy			Its Rights	A Unilateral model from Finland
Austria			LSG	A
Japan			Geidankyo	A
Canada	Re:Sound	A	ACTRA	A
Canada			ARTISTI	A Unilateral model from Finland
Canada			MROC	A
Greece	Grammo	A		
Croatia			Huzip	A
Latvia	LaiPa	A	LaiPa	A
Lithuania	AGATA	agreement negotiations ongoing	AGATA	A
Malaysia			PRISM	B
Norway	Gramo	A	Gramo	A
Norway			Norwaco	A (private copying compensations)
Portugal			GDA	A
Poland			SAWP/STOART	A
France			Adami	A
France	SCPP	A	SPEDIDAM	A
Romania			Credidam	A
Sweden	IFPI Sverige	A	SAMI	A
Germany	GVL	A	GVL	A
Slovakia			Slovgram	A
Slovenia			Zavod IPF	A
Switzerland			Swissperform	A
Denmark	Gramex	A	Gramex	A
The Czech Republic	Integram	A	Integram	A
Ukraine	UMA	A	UMA	A
Ukraine	UMRL	A	UMRL	A
Hungary			EJI	A
Estonia	EFU	A	EEL	A
The United States			AFM & SAG - AFTRA	A
The United States	SoundExchange	A	SoundExchange	A

# 5 AUDITOR'S REPORT

To members of Gramex – The Collective Management Organisation for Recorded Music in Finland

## Audit of the financial statements

### Opinion

We have audited the financial statements of Gramex – The Collective Management Organisation for Recorded Music in Finland (Business ID 0201196-9), for the financial period 1 January–31 December 2023. The financial statements include the balance sheet, the profit and loss statement, the cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the society's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a

true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the society or to cease operations, or there is no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, the auditor must exercise professional judgment and maintain professional scepticism throughout the audit. In addition, the auditor must:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If it is concluded that a material uncertainty exists, the auditor is required to draw attention in its report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify its opinion. The conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including all of the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any sig-

nificant deficiencies in internal control that the auditor identifies during the audit.

#### Other reporting requirements

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. It is also our responsibility to consider whether the Annual Report has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the Annual Report and financial statements is consistent with the information in the financial statements and that the Annual Report has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the information included in the Annual Report, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 4 March 2024

#### AuditPlan Oy

Audit firm

The auditor's report has been signed electronically at the time indicated by the signature identifier.

Janne Immonen

Authorised Public Accountant

## Auditor's report on agreed-upon procedures

### For Gramex – The Collective Management Organisation for Recorded Music in Finland

We have performed the agreed-upon procedures as listed below and related to the 2023 Transparency Report by Gramex – The Collective Management Organisation for Recorded Music in Finland.

The engagement has been carried out in accordance with the International Standard On Related Services ISRS 4400 'Engagements to Perform Agreed-upon Procedures regarding Financial Information.'

The management and the Board of Directors of Gramex – The Collective Management Organisation for Recorded Music in Finland are responsible for the Transparency Report and for ensuring that the information provided are in accordance with the Finnish Act on Collective Management of Copyright. As the procedures listed below do not constitute either an audit in accordance with auditing standards or a review made in accordance with standards on review engagements, we do not express any assurance as the aforementioned standards would require. Had we performed additional procedures related to the Transparency Report or an audit in accordance with auditing standards or a review in accordance with standards on review engagements, other matters might have come to our attention that would have been reported to you.

The following agreed-upon procedures were carried out for the sole purpose of allowing the organisation to assess whether the information presented in the Transparency Report are in accordance with the Act on Collective Management of Copyright and can be reconciled with the organisation's accounts, internal calculations and data in the Apollo system:

- 1) We established that the organisation's transparency reporting contains the information referred to in Article 22, section 2 of the Directive 2014/26/EU.
- 2) We established that the rights revenue for the year 2023 in the transparency reporting is presented in accordance with the nine

specified type of use categories and can be reconciled with the accounts or internal calculations.

3) We established that the Transparency Report contains the 2023 financial statements required under law.

4) We established that the copyright remunerations paid to foreign copyright organisations presented in the transparency reporting are presented as required under the provisions of the Act on Collective Management of Copyright on transparency reporting and the remunerations can be reconciled with the accounts and internal calculations from the Apollo system.

5) We established that the collected funds presented in the transparency reporting are presented in accordance with the provisions of the Act on Collective Management of Copyright on transparency reporting and the collected funds can be reconciled with the accounts and internal calculations.

6) We established that the copyright remunerations received from foreign copyright organisations presented in the transparency reporting and their allocation to rightsholders are presented as required under the provisions of the Act on Collective Management of Copyright on transparency reporting and the remunerations can be reconciled with the accounts and internal calculations from the Apollo system.

7) We established that the percentage rates for administration expenses and the percentage rates for investment income presented in the Transparency Report are based on the figures in the accounts.

8) We established that the funds collected by other Finnish collective management organisations for Gramex presented in the transparency reporting can be reconciled with the accounts and internal calculations.

9) We established that the total sums presented in the transparency reporting for:

- a) placeholder funds attributed to phonograms;
- b) funds attributed to rightsholders and waiting for payment;
- c) funds paid to rightsholders; and
- d) undistributed funds are balanced with the accounts. By way of spot

checks, we further reconciled information specific to type of use categories with the calculations of the Apollo system and the accounts.

With respect to the aforementioned procedures, we have found the following:

- On the basis of procedures under item 1, we found that the organisation's transparency reporting contains the information referred to in Article 22(2) of the Directive.
- On the basis of procedures under item 2, we found that the rights revenue for the year 2023 in the transparency reporting is presented in accordance with the nine specified type of use categories and that the total sums match the accounts and internal calculations.
- On the basis of procedures under item 3, we found that the Transparency Report contains the 2023 financial statements required under law and that a standard Auditor's Report has been issued thereof.
- On the basis of procedures under item 4, we found that the copyright remunerations paid to foreign copyright organisations presented in the transparency reporting are presented as required under the provisions of the Act on Collective Management of Copyright on transparency reporting and, on the basis of spot checks, the remunerations match the accounts and internal calculations from the Apollo system.
- On the basis of procedures under item 5, we found that the collected funds presented in the transparency reporting are presented in accordance with the provisions of the Act on Collective Management of Copyright on transparency reporting and the collected funds can be reconciled with the accounts and internal calculations.
- On the basis of procedures under item 6, we found that the copyright remunerations received from foreign copyright organisations presented in the transparency reporting and their allocation to rightsholders are presented as required under the provisions of the Act on Collective Management of Copyright on transparency reporting and, on the basis of spot checks, the remunerations match the accounts or internal calculations from the Apollo system.
- On the basis of procedures under item 7,

we found that the percentage rates of administration expenses and the percentage rates of investment income presented in the Transparency Report are based on the figures of the accounts and information from the financial statements and the Transparency Report for the financial period and the previous year.

- On the basis of procedures under item 8, we found that the funds collected by other Finnish collective management organisations for Gramex presented in the transparency reporting match the accounts and, on the basis of spot checks, internal calculations.

- On the basis of procedures under item 9, we found that the total sums in the Transparency Report for:

- a) placeholder funds attributed to phonograms matched the accounts and, on the basis of spot checks, information specific to type of use categories in the Apollo system and the calculations of the accounts
- b) funds attributed to rightsholders and waiting for payment matched the accounts and, on the basis of spot checks, information specific to type of use categories in the Apollo system and the calculations of the accounts
- c) funds paid to rightsholders matched the accounts and, on the basis of spot checks, information specific to type of use categories in the Apollo system and the calculations of the accounts
- d) undistributed funds matched the accounts.

Our report is intended solely for the purpose set forth in this report and shall not be used for any other purposes. This report only applies to the Transparency Report specified above and does not extend to the financial statements of Gramex – The Collective Management Organisation for Recorded Music in Finland as a whole.

Helsinki, 24 April 2024

AuditPlan Oy  
Audit firm

Janne Immonen,  
Authorised Public Accountant