



gramex

GRAMEX
TRANS-
PARENCY-
REPORT
2020

MUSIC MAKES
GOOD THINGS HAPPEN



INTRODUCTION

The Transparency Report describes Gramex's operations in detail and in accordance with the Directive. This page contains extracts from the Report's text as a summary of 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 will be happy to help.

Gramex Communications
Tel. +358 50 518 9894

Gramex's mission

Gramex is a non-profit association whose purpose is to supervise and promote the rights of performing artists and producers of phonograms prescribed in copyright legislation. Gramex's operations involve the licensing of phonogram use and the collection of the remunerations referred to in the Copyright Act and their prudent investment and distribution to rightsholders.

Board of Directors and administration

The Board of Directors of Gramex consists of a chairman 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 chair of the Board of Directors must be familiar with copyright issues and may not represent either of the rightsholder groups. Gramex's delegates decide on certain matters laid down in the by-laws. The delegates include three delegates representing phonogram producers and three delegates representing performing artists. The Managing Director is responsible for the management of Gramex's office.

Client authorisation

By a client agreement, the rightsholders represented by Gramex authorise Gramex to manage the forms 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 has been confirmed in the organisation's meeting.

Everyone entitled to remunerations collected by Gramex has the right to become Gramex's client.

Licensing

Gramex grants licences to use phonograms and music videos and collects remunerations for their use.

Gramex has approximately 31 000 customers who use phonograms in their business. Background music customers receive their music licence agreements and music licences through GT Music Licences Ltd. Media licensing customers receive them directly from Gramex.

Gramex receives licensing proceeds from radio and television use, retransmission, background music, internet and network use, audio fixation and audiovisual programme use, private copying levies and 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(1) paragraphs (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(3) of the Copyright Act and distribute them to the performers of musical works. This approval is valid until the end of the year 2025.

Rights revenue 2020 (€)

Radio and television use	8 100 573
Retransmission	95 114
Background music	7 975 152
Internet and data network	3 394 625
Audio fixations and audiovisual programs	954 532
Private copying levies	1 076 656
Music videos	42 519
Term of protection	45 925
Remuneration from abroad	818 935
TOTAL	22 504 031

Distribution of remunerations

The funds paid to rightsholders during the financial period amounted to EUR 19.3 million.

Gramex distributes part of the collected remunerations directly to rightsholders and part to foreign copyright organisations representing rightsholders. Remunerations collected for performances in July-December 2019 were paid in April 2020, and remunerations collected for performances in January-June 2020 were paid in December 2020. Part of the remunerations are thus paid during the year of their collection. Most of the remaining remunerations will reach their destinations within the next three years, which is how long the normal distribution and payment process lasts.

Investigation of incomplete data

If any deficiencies preventing the distribution of remunerations occur in the data concerning the played phonograms or recipients of the remuneration, they will be investigated as required under the Act on Collective Management of Copyright, for several years if necessary. If the investigations are inconclusive, the general assembly of Gramex will decide on how these funds (statute-barred remunerations) will be used to promote music in accordance with Gramex's rules.

Operating costs

The costs of Gramex's operations amounted to EUR 3.51 (3.75) million in 2020. On 31 December 2020, Gramex employed 21 (20) people. The administration expenses deduction for the year 2020 is an amount corresponding to the costs arising from Gramex's administration, EUR 3.515 (3.753) million.

An investment income of 1.5 per cent will be allocated to the rights revenues collected in 2020.

CONTENTS

1. Balance sheet
2. Income and expenditure account and cash-flow statement
3. Annual report
 - 3.1. Licensing and refusals to grant licence
 - 3.2. Legal and governance structure
 - 3.3. Information on entities owned or controlled by Gramex
 - 3.4. Remunerations and benefits of board members and managing director
 - 3.5. Deductions for the purposes of social, cultural and educational services
 - 3.6. Financial information
 1. Rights revenue
 2. Investment income
 3. Administration expenses
 4. Resources used to cover costs
 - 3.7. Funds due to rightsholders

4. Tables and other text of the transparency report
 - 4.1. Collected funds
 - 4.2. Funds attributed to phonograms ('placeholders')
 - 4.3. Funds attributed to rightsholders (awaiting payment)
 - 4.4. Funds paid to rightsholders
 - 4.5. Distribution schedule
 - 4.6. Undistributed funds
 - 4.7. Information on amounts received from and paid to other collective management organisations
 - 4.8. Management fees and other deductions from rights revenue due to other collective management organisations
 - 4.9. Management fees from the amounts paid by other collective management organisations
5. Auditor's report

TRANSPARENCY REPORT 2020

BALANCE SHEET

1. BALANCE SHEET (Annex to the Directive, point 1 (a))

	BALANCE SHEET 31.12.2020 EUR	BALANCE SHEET 31.12.2019 EUR
ASSETS		
FIXED ASSETS		
Intangible assets		
IT systems	189 859,12	274 563,64
Major improvements	5 451,22	19 837,30
Intangible assets total	<u>195 310,34</u>	<u>294 400,94</u>
Tangible assets		
Machinery and equipment	86 226,11	114 968,15
Other tangible assets	550,00	550,00
Tangible assets total	<u>86 776,11</u>	<u>115 518,15</u>
Investments		
Shares and equity	483 100,03	483 100,03
Investment portfolios	24 461 020,39	25 938 061,94
Real estate funds	0,00	2 142 134,54
Total investments	<u>24 944 120,42</u>	<u>28 563 296,51</u>
TOTAL FIXED ASSETS	<u>25 226 206,87</u>	<u>28 973 215,60</u>
CURRENT ASSETS		
Long-term receivables		
Loan receivables	950 000,00	1 250 000,00
Total long-term receivables	<u>950 000,00</u>	<u>1 250 000,00</u>
Short-term receivables		
Accounts receivable	1 315 537,17	2 316 782,57
Loan receivables	300 000,00	0,00
Short-term investments	0,00	309 348,00
Other receivables	35 164,83	14 527,21
Accrued income	1 489 408,15	1 679 548,16
Total short-term receivables	<u>3 140 110,15</u>	<u>4 320 205,94</u>
Bank and cash	<u>5 338 277,90</u>	<u>1 929 406,43</u>
TOTAL CURRENT ASSETS	<u>9 428 388,05</u>	<u>7 499 612,37</u>
TOTAL ASSETS	<u>34 654 594,92</u>	<u>36 472 827,97</u>
EQUITY AND LIABILITIES		
EQUITY		
Promotion activities reserves		
Promotion activities reserves	267 888,51	563 618,60
Total promotion activities reserves	<u>267 888,51</u>	<u>563 618,60</u>
TOTAL EQUITY	<u>267 888,51</u>	<u>563 618,60</u>
LIABILITIES		
Short-term liabilities		
Remuneration liabilities (invoiced, investment income)	17 844 024,19	18 854 966,94
Remuneration liabilities in payment process	15 123 237,52	15 634 959,94
Accounts payable	105 341,62	120 997,17
Other liabilities	824 654,95	927 304,93
Accrued expenses and liabilities	489 448,13	370 980,39
Total short-term liabilities	<u>34 386 706,41</u>	<u>35 909 209,37</u>
TOTAL LIABILITIES	<u>34 386 706,41</u>	<u>35 909 209,37</u>
TOTAL EQUITY AND LIABILITIES	<u>34 654 594,92</u>	<u>36 472 827,97</u>

INCOME AND EXPENDITURE ACCOUNT AND CASH-FLOW STATEMENT

2. INCOME AND EXPENDITURE ACCOUNT AND CASH-FLOW STATEMENT (Annex to the Directive, point 1 (a))

INCOME AND EXPENDITURE ACCOUNT

	2020 EUR	2019 EUR
Revenue		
Other revenue	20 261,20	35 810,93
Total revenue	20 261,20	35 810,93
Expenses		
Personnel expenses	-1 590 806,35	-1 615 915,19
Depreciations	-175 526,02	-192 462,71
Other expenses	-1 768 631,99	-1 980 889,31
Total expenses	-3 534 964,36	-3 789 267,21
Administration expenses deduction	3 514 703,16	3 753 456,28
Promotion activities		
Transfer from investments and financing activities	21 973,23	15 658,80
Statute-barred remuneration liabilities	3 547 747,38	2 404 569,00
Other expenses related to promotion activities	-3 865 450,70	-2 481 638,02
Total expenses for promotion activities	-295 730,09	-61 410,22
Covered by promotion activities reserve	295 730,09	61 410,22
SURPLUS/DEFICIT	0,00	0,00
Investment and financing activities		
Income / Expenses	2 042 822,77	1 115 053,64
Transfer to remuneration payments	-1 177 199,95	-651 313,73
Transfer to later conclusion	-843 649,59	-448 081,11
Transfer to the promotion activities reserve	-21 973,23	-15 658,80
	0,00	0,00
SURPLUS (DEFICIT) FOR THE FINANCIAL PERIOD	0,00	0,00

CASH FLOW STATEMENT

	2020 EUR	2019 EUR
Cash flow from operating activities		
Cash receipts from sales	23 573 811,21	23 835 054,40
Payments from operating expenses	<u>-4 882 112,37</u>	<u>-4 981 955,95</u>
Cash flow from operating activities	18 691 698,84	18 853 098,45
Cash flow from investing activities		
Investments in tangible and intangible assets	-50 458,13	-74 342,27
Other investments	-15 710 000,00	-937 606,01
Cash received from investments	<u>21 703 159,49</u>	<u>1 043 555,52</u>
Cash flow from investing activities	5 942 701,36	31 607,24
Cash flow from operating and investing activities	24 634 400,20	18 884 705,69
Cash flow from distributions and promotion activities:		
Distributions to Finnish and foreign rightsholders (net)	-18 072 663,76	-18 507 259,66
Promotion activities	<u>-3 152 864,97</u>	<u>-1 487 818,17</u>
Change in cash and bank	3 408 871,47	-1 110 372,14
Cash and bank in the beginning of the financial period	1 929 406,43	3 039 778,57
Cash and bank at the end of the financial period	<u>5 338 277,90</u>	<u>1 929 406,43</u>
	3 408 871,47	-1 110 372,14



ANNUAL REPORT

3. ANNUAL REPORT

(Annex of the Directive, point 1. (b))

COVID-19 had a significant effect on the finances of the music sector in 2020. Its impact was apparent also in Gramex’s sector. Gramex remunerations amounted to over a million euros less than in the previous year. At the same time, the relative significance of copyright remunerations for recorded music grew because concert and live music revenue collapsed.

Gramex aimed to alleviate the industry’s struggle in several ways. These measures included advance and extra distributions, support provided through foundations in the music field and participation in the supervision of interests partly through Music Finland and partly through the LYHTY network. Temporary cost-saving measures were also taken to enable temporary distribution of more remunerations despite the lower sums collected.

Thanks to the Apollon rightsholder management system, remunerations collected at the beginning of 2020 were distributed in December. Remunerations amounting to altogether EUR 19.3 million were distributed (2019: 19.8 million). EUR 8.5 million of this went to performer and EUR 10.8 million to producer clients. The remunerations collected by Gramex amounted to EUR 22.504 million (2019: 23.609 million).

At the end of the financial year, Gramex had 57 883 rightsholder client agreements. Gramex collected remunerations from a total of approximately 31 000 music user customers. Media customers are mainly served directly by Gramex and background music customers mainly by GT Music Licences Ltd.

Gramex continued its active participation in the development of the international metadata hub (RDx project). Gramex is part of the pilot group and its representative on the project’s Advisory Board. Gramex also took active part in DDEX cooperation. Among copyright organisations, Gramex has been acknowledged as a trailblazer in international development and was preparing to implement the RDx metadata among one of the first organisations around the world.

Gramex’s personnel was working remotely for most of the year. In addition to the pandemic, preparations for the office’s move taking place in March 2021 had its effect on the year under review. Gramex also modernised its official name into the form “Gramex – Collective Management Organisation for Recorded Music”.

The prolonged pandemic brings risks to Gramex’s operations also in the coming year. In the long term, risks may also be associated with technical development, legislation or consumption patterns, but they cannot be anticipated at this point.

3.1. GRAMEX’S LEGAL AND GOVERNANCE (Annex to the Directive, point 1 (d))

Gramex grants licences to use phonograms and music videos and collects remunerations for their use.

Gramex has around 31 000 user customers who use phonograms in their activities. Background music customers receive their music licence agreements and music licences through GT Music Licences Ltd. Media licensing customers receive them directly from Gramex.

Gramex has licensing proceeds from radio and television use, retransmission, background music, internet and network use, audio fixation and audiovisual programme use, private copying levies and use of music videos.

Gramex operates within the mandate provided in the Finnish Copyright Act and given to it by rightsholders under client agreements. During the business year, Gramex has not refused to grant licences to uses covered by its mandate.

Gramex’s customers by role (rightsholders)	
Performer	39 047
Producer	3 547
Music video producer	217
Performer & producer	14 677
Performer & music video producer	19
Producer & music video producer	243
Performer & producer & music video producer	133
Total	57 883

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 prescribed in copyright legislation. Gramex's operation involves phonogram licensing and the collection of the remunerations referred to in the Copyright Act and their prudent investment and distribution to rightsholders.

The Board of Directors of Gramex consists of the Chair 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 Chair 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 of phonogram producers and three representatives of performing artists. The Managing Director is responsible for the management of Gramex's office.

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(1) paragraphs (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(3) of the Copyright Act and distribute them to the performers of musical works. This approval is valid until the end of the year 2025.

By a client agreement, the rightsholders represented by Gramex authorise Gramex to manage the forms of use of phonograms and music videos defined therein and the related rights of the performing artist and phonogram producer, and to collect re-

munerations. The content of the client agreement has been confirmed in the organisation's meeting. Everyone entitled to remunerations collected by Gramex has the right to become a member 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 the year 2021.
- Ephemeral recording (Copyright Act, Section 25 f). This approval is valid until the end of the year 2023.
- Online storage service for television programmes (Copyright Act, Section 25 j). This approval is valid until the end of the year 2024.

Gramex is involved in international arrangements of international co-operation bodies of performing artists and record producers concerning 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 och
- 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 8.1 million for the rightsholders of Gramex in 2020.

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 Chairman 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 six members of Tekijänoikeusakatemia ry (2297190 8) and holds one seat on its Board as well.

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

3.4. REMUNERATIONS AND BENEFITS OF BOARD MEMBERS AND MANAGING DIRECTOR

(Annex to the Directive, point 1 (f))

During the business year, the Board elected by the organisation's meeting comprised of the Chair Tuija Brax and the ordinary members Antti Kotilainen, Matti Lappalainen, Mikko Manninen, Lottaliina Pokkinen, Kimmo Valtanen and Ahti Vääntinen. The Board convened 12 times. The Managing Director of the organisation is Ilmo Laevuo. The remunerations and benefits of the Board of Directors and the Managing Director totalled EUR 234 380.





3.5. DEDUCTIONS FOR THE PURPOSES OF SOCIAL, CULTURAL AND EDUCATIONAL SERVICES (Annex to the Directive, points 1 (h) and 3 (a) & (b))

No deductions were made from rights revenues during the financial year for social, cultural or educational purposes. The practice is that no such deductions are made.

3.6. FINANCIAL INFORMATION (Annex to the Directive, point 1 (g))

Gramex introduced a new client management and distribution system in the spring of 2017. The first distributions made with the new system covered remunerations collected in 2016 for performance and use. Earlier remunerations were distributed and paid using Gramex's old system. As a result, reports still show some distributions and payments made using the old system. In practice, Gramex's system performs distribution calculations and payments of remunerations automatically for three or more previous collection years.

With the new systems, a new categorization of forms of use was also taken into use, and it applies to remunerations collected in 2016 and thereafter.

3.6.1. RIGHTS REVENUE (Annex to the Directive, point 2 (a) and (b) (i)&(vi))

Gramex invoiced a total of EUR 22.5 (23.6) million in remunerations during the financial year. Gramex acts as an intermediary, so the remunerations do not constitute Gramex's income in the financial statements. The breakdown of revenue by form of use is presented in the table below. The rights related to each form of use are specified in Gramex's client agreement.

Rights revenue 2020 (€)

		Administration expenses
Radio and television use	8 100 573	-1 312 934
Retransmission	95 114	-15 416
Background music	7 975 152	-1 292 606
Internet and data network	3 394 625	-550 198
Audio fixations and audiovisual programs	954 532	-154 710
Private copying levies	1 076 656	-174 504
Music videos	42 519	-6 892
Term of protection	45 925	-7 443
Remuneration from abroad	818 935	
TOTAL	22 504 031	-3 514 703

3.6.2. INVESTMENT INCOME (Annex to the Directive, point 2 (a))

The objective of the investment plan approved by the general assembly of Gramex is, on the long term, to ensure appropriate, productive and secure investment while keeping in mind the profit level, the accepted risk level, the accountability of the investment activities, and liquidity.

The net book result from investment and financing activities for 2020 was EUR 2.043 (1.115) million. Investment income of 1.5% will be allocated to the copyright income collected in 2020, and the remainder will be transferred to the interest reserves for coming years. Investment income will not be subject to any administration expenses deduction. Before the allocation of the investment income, the expenses of investment activities and investment losses will be deducted from them. The expenses of investment activities and investment losses were EUR 0.780 million in 2020.

The result from investment activities was allocated as follows: EUR 1.177 (0.651) million to the investment income of the distribution and EUR 0.844 (0.448) million to funds distributed later, EUR 0.022 (0.016) million to promotion activities.

3.6.3. - 3.6.4. ADMINISTRATION EXPENSES (Annex to the Directive, point 2 (b)(i), (ii), (iii) & (iv)).

The costs of Gramex's operations amounted to EUR 3.51 (3.75) million in 2020. On 31 December 2020, Gramex employed 21 (20) people.

The administration expenses deduction for the year 2020 is an amount corresponding to the costs arising from Gramex's administration, EUR 3.515 (3.753) million.

In 2020, the amount of remuneration subject to the expense deduction was EUR 21.685 (23.178) million. The costs arising from administration totalled EUR 3.515 million in 2020. The percentage of the administration expenses deduction for the remunerations collected in 2020 was thus 16.2%. The correspondingly calculated percentage for remunerations collected in 2019 was also 16.2%.

Rights revenues are used to cover the costs of services offered to the rightsholders in relation to the management of rights. No deductions other than the administration expenses deduction as per the administration expenses percentage will be made from rights revenue. Gramex does not allocate the costs arising from the management of rightsholders' rights per category of rights, using instead the annually determined percentage for all categories of managed rights.

The administration expense percentage for 2020 was determined using the following method:

- A: Net expenses of operation for 2020
- B: Amount of remuneration collected in 2020 subject to expenses deduction
- C: Administration expenses percentage = $A/B \times 100$

Gramex only provides services related to rights management, so Gramex does not have any operating and 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 remunerations directly to rightsholders and part to foreign copyright organisations representing rightsholders. Performance remunerations collected in July-December 2019 were paid in April 2020, and performance remunerations collected in January-June 2020 were paid in December 2020. Some of the remunerations are thus paid during the year of their collection. Most of the remaining remunerations will reach their destinations within the next three years, which is how long the normal distribution and payment process lasts.

If any deficiencies preventing the distribution of remunerations occur in the data concerning the played phonograms or recipients of the remuneration, they will be investigated as required under the Act on Collective Management of Copyright, for several years if necessary. If the investigations are inconclusive, the general assembly of Gramex will decide on how these funds (statute-barred remunerations) will be used to promote music in accordance with Gramex's by-laws.

Below is an itemisation 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.

Division in Gramex's operation in accordance with the Directive (some categories overlap)

- 3.7.1. Collected funds: collected remunerations invoiced in 2020 and earlier amounted to EUR 32.97 million in the financial statements of 31 December 2020
- 3.7.2. Funds attributed to phonograms ('placeholders'): EUR 11 892 698.25 has been attributed to phonograms whose incomplete phonogram or rightsholder information still prevent allocation to rightsholders
- 3.7.3. Funds attributed to rightsholders: EUR 3 118 420.12 has been allocated to rightsholders to wait for distribution but payment has not yet been made
- 3.7.4. Funds paid to rightsholders: EUR 19 263 619.90 was paid out to rightsholders in 2020
- 3.7.6. Undistributed funds: EUR 6.28 million constitute 'undistributed' funds under the Directive, which Gramex has been unable to pay to rightsholders during the usual three-year process



TABLES AND OTHER TEXT OF THE TRANSPARENCY REPORT

Funds collected but not yet allocated to rightsholders	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	0,00	8 189,09	0,00	9 867,75	721 449,99	1 267 896,60	1 470 007,72	6 034 724,11	9 512 135,27
Background music:	0,00	0,00	0,00	10,00	1 200 302,47	1 002 276,00	885 151,39	4 970 456,43	8 058 196,29
Internet and data network:	0,00	0,00	0,00	1 002 697,87	1 020 804,61	1 202 069,31	484 329,15	1 564 355,35	5 274 256,28
Audio fixations and audio-visual programs:	651,17	76,67	15 455,91	288 942,51	233 018,51	289 035,59	261 180,69	527 304,15	1 615 665,21
Private copying levies:	0,00	0,00	0,00	82 344,82	144 368,50	156 617,37	118 144,89	16 531,21	518 006,78
Music videos:	0,00	0,00	0,00	0,00	0,00	7 703,58	4 208,58	22 528,50	34 440,66
Term of protection:	0,00	0,00	0,00	0,00	0,00	0,00	34 464,88	46 924,81	81 389,69
Remuneration from abroad:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	317 194,92	317 194,92
Investment income:	0,00	0,00	0,00	0,00	0,00	0,00	626 234,75	2 020 849,54	2 647 084,29
Foreign representation agreements:	0,00	0,00	0,00	2 783,36	2155,49	4250,28	718,60	580,85	10 488,59
Back to distribution:	30 052,65	0,00	0,00	9 295,96	0,00	232 725,74	141 049,55	0,00	413 123,90
Remuneration liabilities in old financial management system:	0,00	0,00	0,00	0,00	1 254 740,55	0,00	0,00	0,00	1 254 740,55
TOTAL	30 703,82	8 265,76	15 455,91	1 395 942,26	4 576 840,12	4 162 574,48	4 025 490,21	15 521 449,87	29 736 722,44

4. TABLES AND OTHER TEXT OF THE TRANSPARENCY REPORT

4.1. COLLECTED FUNDS

(Annex to the Directive, point 2 (c) (iv))

Collected but as yet undistributed collected remunerations are shown in Gramex's financial statements as undistributed remuneration liabilities. Gramex's financial statements contain EUR 32.97 (34.49) million in undistributed remuneration liabilities:

- Remuneration liability awaiting distribution process amounts to EUR 17.84 million.
- Remuneration liability (placeholders and remunerations waiting for payment) in the distribution system amounts to EUR 15.01 million.
- EUR 0.11 million is in other distribution processes.

Remuneration liabilities in the old financial system cannot be broken down by form of use.

Section 4.2. addresses funds allocated to phonograms in greater detail. In Gramex's processes, funds allocated to phonograms together with remuneration liability waiting for the distribution process form the funds referred to in point 2(c)(iv) of the Annex to the Directive.

Gramex invoiced a total of EUR 22.504 million in remunerations during the financial year 2020. Of the remunerations invoiced in 2020, a total of EUR 12.055 million was waiting to enter the distribution process at the end of the year. Of the remunerations invoiced in 2020, a total of EUR 1.445 million was in placeholder mode at the end of the year. Of the remunerations invoiced during the financial year 2020, a total of EUR 9.004 million was allocated to rightsholders during the year. Of the remunerations invoiced during the financial year 2020, a total of EUR 13.500 million had not yet been allocated to rightsholders by the end of the year.

4.2. FUNDS ATTRIBUTED TO PHONOGRAMS, I.E. 'PLACEHOLDERS'

(Annex to the Directive, point 2(c)(vi)).

All uses of phonograms reported during the calendar year are pre-processed at the stage where the phonograms are identified. Protected phonograms for the use of which Gramex has collected remunerations are examined in this stage. Distribution calculations of the collected remunerations will be made for these phonograms insofar as they are included in the distributions of each collection period. The administration expenses deductions and the added investment income distributions of the collection year are taken into consideration.

Once the remunerations of an individual phonogram have thus been calculated, the remuneration amounts accrued on the phonogram will be allocated and paid to their rightsholders.

If Gramex does not have the phonogram

or rightsholder information of the phonograms, a remuneration that has been through the distribution process and calculated on a phonogram will be left waiting for information on the rightsholder or their representative.

Such a phonogram is said to be in 'placeholder mode' and is considered to constitute an

'unidentified phonogram'. In other words, these are phonograms which have been used in Finland and reported to Gramex and for which the remunerations have already been individually calculated and allocated but which are missing accurate phonogram or rightsholder data 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 mode', amounted to EUR 11,893 million at the end of the financial period on 31 December 2020. A detailed breakdown is provided in the tables below:

Placeholder / producers: Collection period	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	0,00	2 640,53		2 201,36	208 631,36	298 868,27	358 307,91	204 275,33	1 074 924,76
Background music:				0,00	869 738,48	586 355,01	320 789,71	151 968,61	1 928 851,81
Internet and data network:				967 610,10	988 157,48	558 881,20	122 898,19	303 964,40	2 941 511,37
Audio fixations and audiovisual programs:	646,94	75,96	15 316,44	276 905,88	229 440,46	223 282,45	228 767,43	29 995,00	1 004 430,56
Private copying levies:				18 368,94	38 107,31	44 737,19	80 018,11	16 531,21	197 762,75
Music videos:						5 949,31	3 219,42		9 168,73
Foreign representation agreements:				111,76	838,03	4 250,28	718,60	580,85	6 499,52
Abroad (organisations)*									0,00
Others:									0,00
Back to distribution:	30 052,65			9 295,96		232 725,74	141 049,55		413 123,90
	30 699,59	2 716,49	15 316,44	1 274 494,00	2 334 913,12	1 955 049,44	1 255 768,92	707 315,40	7 576 273,40
Placeholder / performers: Collection period	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	0,00	5 548,56		7 666,39	512 818,63	597 217,32	643 259,41	372 104,83	2 138 615,14
Background music:				10,00	330 563,99	415 920,99	564 361,68	319 600,42	1 630 457,08
Internet and data network:				35 087,76	32 647,13	19 168,10	61 310,97	45 025,01	193 238,97
Audio fixations and audiovisual programs:	4,22	0,71	139,47	12 036,63	3 578,06	3 906,58	6 234,94	1 236,50	27 137,12
Private copying levies:				63 975,88	106 261,18	111 880,19	38 126,78		320 244,03
Music videos:						1 754,27	989,16		2 743,43
Foreign representation agreements:				2 671,61	1 317,46				3 989,07
Abroad (organisations)*									0,00
Others:									0,00
Back to distribution:	4,22	5 549,27	139,47	121 448,27	987 186,45	1 149 847,46	1 314 282,95	737 966,75	4 316 424,85

Placeholder / total:	Total
Radio and television use:	3 213 539,90
Background music:	3 559 308,89
Internet and data network:	3 134 750,34
Audio fixations and audiovisual programs:	1 031 567,68
Private copying levies:	518 006,78
Music videos:	11 912,16
Foreign representation agreements:	10 488,59
Abroad (organisations)*	0,00
Others:	0,00
Back to distribution:	413 123,90
	11 892 698,25

Delays and measures

The placeholder phonograms ('unidentified phonograms') mostly consist of foreign phonograms with respect to which Gramex is mainly missing the correct rightsholder information, real-time licence holder information or detailed identification data of the phonograms.

Insofar as placeholder phonograms include Finnish phonograms, it is a question of Gramex not having received the relevant phonogram report indicating the information and rightsholders of the phonogram. As for collected remunerations calculated for phonograms in placeholder mode, the process proceeds as follows:

- The information on performers' placeholder phonograms arising in the distribution during 2020 is delivered to foreign copyright organisations that have concluded a representation agreement with Gramex and represent performers starting from March 2020; information concerning collection periods 1-6 and 7-12 / 2020 will be delivered as of February 2021.

The delivery of the data takes place with files created of reports of use of phonograms. 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 (which organisation represents the performing artist) of the artist performing on the phonogram. Based on such data received, the distribution and payment of the remunerations calculated in the distribution process to the correct rightsholder is carried out next. The exchange of information and payment of remunerations with foreign organisations has mainly been carried out during the year 2020 for the use of phonograms in 2019. The remunerations for the use of phonograms in 1-6 and 7-12 / 2020 will be mainly paid during the year 2021 if the foreign organisations are able to process the data regarding use in Finland.

- As of the beginning of 2021, information concerning producers' placeholder phonograms arising in the distributions of the year 2020 will be delivered to producers who are Gramex's customers. The producers will be provided with lists of the phonograms by means of

files. The producers should present Gramex with claims concerning the phonograms they represent and provide a reply containing up-to-date information on the rightsholder or licenceholder. For Finnish phonograms, the producers will provide phonogram reports also indicating the artists performing on the phonogram. Placeholder phonograms arising from the distributions of 2018 and 2019 (collected mainly in 2017 and 2018) have been published on Gramex's website in December 2019 and 2020. The data on the website is always updated after the distributions and payments.

- Gramex's distribution process works in real time so that every time the system receives new data on a phonogram or rightsholder 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 will transfer from placeholder mode to the phase where it waits for payment, in which the remunerations of an individual rightsholder from various uses and phonograms are combined into total sums.

4.3. FUNDS ATTRIBUTED TO RIGHTSHOLDERS

(Annex to the Directive, point 2 (c)(i) & (v))

Remunerations collected on the basis of data on the use of identified phonograms will be allocated to artists performing on the phonogram and to the producers of the phonogram. Once the calculation of remunerations and the combination of remunerations to an individual rightsholder has been carried out, the outstanding remunerations enter a phase where they wait for payment.

In this stage, the amounts due to an individual rightsholder for different phonograms are combined and the remunerations are transferred to a balance payable to the individual rightsholders to wait for the moment they are paid. The remuneration sums transferred to the rightsholder are simultaneously automatically removed from the balances of individual phonograms (placeholders).

Funds attributed to rightsholders transferred between 1 January and 31 December 2020 to wait for payment

Form of use	Producers	Performers	Total
Radio and television use:	3 277 298,42	3 143 938,83	6 421 237,24
Background music:	3 290 530,35	3 114 325,08	6 404 855,43
Internet and data network:	1 729 756,38	917 872,37	2 647 628,76
Audio fixations and audiovisual programs:	496 935,30	167 809,94	664 745,24
Private copying levies:	974 867,54	368 234,49	1 343 102,03
Music videos:	55 995,97	22 731,62	78 727,59
Foreign representation agreements:	17 451,66	831 189,58	848 641,25
Abroad (organisations):	0,00	0,00	0,00
Others:	637,94	41 368,41	42 006,35
Back to distribution:	1 335 600,76	0,00	1 335 600,76
Transferred from old system:	0,00	318,77	318,77
Total	11 179 074,31	8 607 789,11	19 786 863,42

When the remunerations are waiting for payment, the recipients' payment details and, inter alia, the tax status of each rightsholder receiving payment are checked: for example the correct rate of withholding tax with respect to foreign recipients. On 31 December 2020, Gramex had a total

of EUR 3.118 million in collected remunerations which had been individually allocated to rightsholders but were still waiting for payment. In Gramex's operation, no difference is made between amounts attributed to rightsholders and amounts attributed to but not yet distributed to

rightsholders as referred to in the Collective Rights Management Directive. They are divided as presented in the tables below:

Waiting for payment / producers:

Collection period	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	507,29	958,68		121 149,95	98 612,92	101 828,91	128 798,40	72 792,24	524 648,40
Background music:				132 828,14	134 066,77	118 726,22	125 198,37	72 501,45	583 320,95
Internet and data network:				53 467,19	97 269,66	136 338,36	80 971,99	77 115,56	445 162,75
Audio fixations and audiovisual programs:	79,75	6,23	1 538,01	32 886,56	30 788,35	32 895,42	47 451,68	14 001,19	159 647,20
Private copying levies:				17 047,38	24 013,09	32 884,40	37 411,82	13 723,90	125 080,59
Music videos:				2 311,88		991,55		2,89	3 306,33
Foreign representation agreements:				879,25	892,55	-156,89	154,73	94,31	1 863,95
Abroad (organisations)*									0,00
Others:									0,00
Back to distribution:	18 024,01			3 843,61		65 275,31	40 310,71		127 453,63
Payments from Heureka:									414,26
	18 611,05	964,91	1 538,01	364 413,98	385 643,34	488 783,28	460 297,70	250 231,53	1 970 898,06





Waiting for payment / performers:

Collection period	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	334,35	645,34		69 541,25	66 473,31	78 228,29	97 810,42	71 029,07	384 062,03
Background music:				77 953,67	64 518,80	79 863,46	113 760,12	83 089,03	419 185,07
Internet and data network:				8 046,49	10 391,81	7 083,10	20 130,42	50 326,83	95 978,65
Audio fixations and audiovisual programs:	5,40	0,47	125,24	3 146,76	3 518,27	3 778,02	78 027,20	1 719,61	90 320,97
Private copying levies:				17 529,16	21 777,49	24 132,59	18 887,83		82 327,07
Music videos:						396,80	412,15		808,95
Foreign representation agreements:				574,98	23 708,03	11 626,77	2 446,40	12 567,78	50 923,96
Abroad (organisations)*									0,00
Others:					6 713,31	2 626,79	2 611,94	4 528,00	16 480,05
Back to distribution:									0,00
Payments from Heureka:									7 435,32
	339,75	645,80	125,24	176 792,30	197 101,01	207 735,82	334 086,48	223 260,32	1 147 522,06

Waiting for payment / total:	Total
Radio and television use:	908 710,42
Background music:	1 002 506,02
Internet and data network:	541 141,40
Audio fixations and audiovisual programs:	249 968,17
Private copying levies:	207 407,66
Music videos:	4 115,27
Foreign representation agreements:	52 787,91
Abroad (organisations)*	0,00
Others:	16 480,05
Back to distribution:	127 453,63
Payments from Heureka:	7 849,58
	3 118 420,12

4.4. FUNDS PAID TO RIGHTSHOLDERS

(bilaga till direktivet, punkt 2. c ii).

The funds paid to rightsholders during the financial period amounted to EUR 19,3 million.

In Gramex's distribution and payment process, the remunerations are paid to the rightsholders in what is called the payment phase. During the calendar year 2020, Gramex paid the following collected remunerations classified by form of use and rightsholder group:

Paid / producers:

Collection period	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	-17,15	-481,92		-7 286,67	-29 687,45	-82 343,26	-1 777 740,59	-1 310 364,46	-3 207 921,50
Background music:				-6 604,60	-58 266,39	-92 256,03	-1 727 068,07	-1 379 701,92	-3 263 897,01
Internet and data network:				-16 147,05	-288 020,72	-91 808,40	-678 721,43	-437 365,93	-1 512 063,53
Audio fixations and audiovisual programs:	-36,87	-1,12	-306,08	-3 228,79	-13 475,93	-15 322,87	-360 467,30	-64 784,82	-457 623,77
Private copying levies:				-3,18	-13 234,72	-20 318,86	-417 638,01	-490 076,48	-941 271,25
Music videos:						-26 771,88	-19 316,54	-8 913,11	-55 001,53
Foreign representation agreements:				-6,03	-1 482,07	-2 073,86	-1 472,93	-14 637,02	-19 671,90
Abroad (organisations)*									0,00
Others:								-637,94	-637,94
Back to distribution:	-946,01			-201,73		-53 847,12	-1 261 961,40		-1 316 956,26
Payments from Heureka:	-1 000,03	-483,04	-306,08	-33 478,05	-404 167,27	-384 742,28	-6 244 386,27	-3 706 481,68	-10 775 046,78

Paid / performers:

Collection period	2013	2014	2015	2016	2017	2018	2019	2020	Total
Radio and television use:	-1,08	-1 178,98	-0,21	-1 753,22	-96 960,45	-142 129,33	-1 682 418,36	-1 144 298,13	-3 068 739,75
Background music:				-666,89	-71 191,56	-158 385,31	-1 636 298,47	-1 201 482,53	-3 068 024,76
Internet and data network:				-3 210,29	-148 050,13	-49 611,65	-293 152,54	-413 317,36	-907 341,98
Audio fixations and audiovisual programs:	-7,05	-0,23	-50,94	-852,14	-2 527,60	-30 533,69	-144 187,84	-26 387,30	-204 546,78
Private copying levies:				-4,72	-19 123,13	-28 925,87	-310 606,27		-358 659,98
Music videos:						-7 497,43	-14 425,24		-21 922,67
Foreign representation agreements:				-57,82	-550,23	-1 610,74	-326,79	-818 456,70	-821 002,28
Abroad (organisations)*							-1 000,00		-1 000,00
Others:							-175,75	-36 840,40	-37 016,15
Back to distribution:									0,00
Payments from Heureka:	-8,13	-1 179,21	-51,15	-6 545,07	-338 403,10	-418 694,02	-4 082 591,27	-3 640 782,41	-8 488 573,12

Paid / total:	Total
Radio and television use:	-6 276 661,25
Background music:	-6 331 921,77
Internet and data network:	-2 419 405,51
Audio fixations and audiovisual programs:	-662 170,55
Private copying levies:	-1 299 931,23
Music videos:	-76 924,20
Foreign representation agreements:	-840 674,18
Abroad (organisations)*	-1 000,00
Others:	-37 654,09
Back to distribution:	-1 316 956,26
Payments from Heureka:	-320,86
	-19 263 619,90

*Breakdown of remunerations paid abroad (organisations) in 2020 (from old system):

	Producer	Performer	Total
INTERGRAM 2015	0,00	1 000,00	1 000,00
	0,00	1 000,00	1 000,00

4.5. DISTRIBUTION SCHEDULE (Annex to the Directive, point 2 (c)(iii))

During 2020, Gramex performed the following main distributions and the related payments:

- 28 April 2020 the main distribution and payment of primarily the forms of use Radio Use, Background Music, Sound and Visual Recordings and Internet and Data Network was made (mainly collected 7-12/2019)
- 25 August 2020 an extra distribution mainly to producers. The remunerations consisted of e.g. statute-barred remunerations returned to distribution and private copying levies to producers.
- 08 December 2020 the main distribution and payment of primarily the forms of use Radio Use, Background Music, Sound and Visual Recordings and Internet and Data Network was made (mainly collected 1-6/2020)

In connection with all distributions, remunerations received from abroad were also forwarded.

4.6. UNDISTRIBUTED FUNDS (Annex to the Directive, point 2 (c)(vii)).

Funds which have remained 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 6.28 million, EUR 1.15 million of which were from 2016 and EUR 5.12 million from 2017. The performers' share was EUR 2.11 million and the producers' share EUR 4.17 million. The general assembly of spring 2021 decides on the use of the funds which have become statute-barred by the turn of the year 2020/2021.

Gramex's statutory general assembly annually decides on the use of statute-barred

and undistributed funds. Gramex has published a list of unidentified phonogram tracks (placeholders) on its website with the aim of identifying unknown rightsholders.

The annual assembly of 12 August 2020 decided on the use of funds which remained undistributed on and had become statute-barred by 31 on 31 December 2019. It was determined that EUR 0.82 million of the undistributed funds constitute remunerations whose rightsholders could still be identified, and a reservation was made for them. The performers' share of the statute-barred funds, EUR 2.22 million, was transferred to the promotion activities reserve and the producers' share, 1.32 million, was returned to the distributed funds.

During the business year, Gramex supported the operation of Esittävän säveltaiteen edistämissäätiö sr (ESES) with the funds from the promotion activities reserve with a total of EUR 2.30 million. In addition, Gramex supported both Esittävän säveltaiteen edistämissäätiö and Musiikkituotannon tuki- ja edistämissäätiö with funds from the promotion activities reserves with a total of EUR 0.15 million each to mitigate the adverse effects of the COVID-19 pandemic. The sums consisted of previously statute-barred funds that had been transferred to the promotion activities reserve.

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

Kopioisto provides licenses to retransmit and use certain audio fixations and audiovisual programs 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 online storage services for television programmes. Kopioisto invoices the remunerations related to online storage services on behalf of Gramex and passes them on to Gramex.

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

Funds collected for Gramex by Finnish collective management organisations

Funds licensed on the basis of an extended collective licences

	KOPIOSTO	Administration expenses
Retransmission	31 579,97 €	-5 118,46 €
Audio fixations and audiovisual programs	27 928,40 €	-4 526,61 €
Total	59 508,37 €	-9 645,07 €

Funds licensed by Gramex but invoiced by other collective management organisations

	TEOSTO	KOPIOSTO	Administration expenses
Background music	97 392,60 €		-15 785,32 €
Internet och datanät (TV-programmens nätupptagningstjänster)		1 459 329,54 €	-236 526,97 €
Sammanlagt	97 392,60 €	1 459 329,54 €	-252 312,29 €

Gramex conveyed EUR 2.238 million to foreign sister organisations under representation agreements. Gramex received EUR 0.819 million from foreign sister organisations. The remunerations transferred between foreign organisations and Gramex are itemised in the following tables. The first one shows how much Gramex paid to different organisations in remuneration collected in Finland. The second one shows how much Gramex received in remunerations from foreign organisations and how much of these remunerations were allocated to Finnish rightsholders.

Gramex distributes all amounts from foreign collective management organisations directly to rightsholders. Amounts from Teosto and Kopioisto deducted by the management fee deduction are distributed directly to rightsholders. To the best knowledge of Gramex, foreign collective management organisations mainly distribute any amounts collected and paid to such organisations by Gramex directly to rightsholders.

PAID BY GRAMEX TO DIFFERENT ORGANISATIONS 1 January – 31 December 2020

Organisation	Country	PERFORMERS					PRODUCERS					TOTAL			
		Radio and television use	Internet and data network		Private copying levies	Bakgrund music	Audio fixations and audiovisual programs	Radio and television use	Internet and data network		Private copying levies		Bakgrund music	Audio fixations and audiovisual programs	
AARC	USA					5 259,44						20000			25 259,44
ACTRA	CAN	9 399,37	501,76			987,75									20 105,49
ADAMI	FRA	15 919,16	716,31	2,02		3 097,30									30 558,69
AFM SAG-AFTRA	USA	16 715,43	599,58			2 890,86									23 082,83
AGATA	LTU	77,56	1,26			169,02									268,8
AGEDI	ESP								193,17	0,42		100,33	229,24	0,97	524,13
AIE SOCIEDAD DE ARTISTAS DE	ESP	16 511,38	906,86	139,55		2 102,23									33 704,95
ARTISTI CANADA	CAN	1 300,01	50,49			1 016,58									3 715,97
CREDIDAM ROMANIA	ROU	414,26	45,63			12,02									797,25
EEL	EST	1 797,82	132,71	22,06		32,11									3 266,49
EFU VIRO	EST								1 581,50	121,41	624,63	51,25	994,21	816,05	4 189,05
GDA	PRT	628,76	50,58			8,05									758,80
GESELLSCHAFT ZUR VERWERTUNG	DEU	31 015,69	299,76	410,53		4 870,03									66 397,48
GRAMEX DENMARK	DEN	14 408,24	581,28			1 699,60									34 767,62
GRAMO NORWAY	NOR	6 363,67							14 005,06	1078,24	5181,52	2 899,29	27 531,18	3 873,24	67 414,49
HUZIP	CRO	220,82	7,33			147,41									375,56
IFPI SWEDEN	SWE								28 970,64	2 972,38	8 867,44	1 541,91	24 542,83	5 182,57	72 077,77
INTERGRAM	CZE	3 840,80	182	1,44		702,27			3 498,98	475,09	2 035,09	1 032,02	1 611,71	698,71	15 590,96
IPF	SVN	13,9	1,57			0,18									25,21
LAIPA	LAT	43,33	4,38	0,6		0,61									75,52
LSG INTERPRETEN GMBH	AUT	1564,99	105,81			216,8									3 062,16
MROC	CAN	2 736,05	95,69			461,41									5 814,67
NUOVO IMAIE	ITA	3 511,12	152,93	4,26		376,22									7 516,35
PLAYRIGHT C.V.B.A.	BEL	2 681,41	125,49	77,62		550,05									6 722,08
PPL	GBR	426 604,33	30 528,43	118 511,13		53 007,34			44 309,83	3 836,96	28 659,02	16 042,91	41 688,19	22 644,21	1 316 214,23
R.A.A.P LIMITED	IRL	10 702,44	532,2			2 328,56									26 712,01
SAMI - SVENSKA ARTISTERS OCH	SWE	121 354,34	8 738,86	28 843,03		12 925,11									346 106,56
SCF S.R.L.	ITA								108,39	4,28	25	9,01	100,38	26,89	273,95
SENA NETHERLANDS	NLD	33 494,88	1593,76						6 386,39	631,88	2 423,83	1 256,07	5 389,06	1 249,04	86 570,24
SLOVGRAM	SLO	41,18	1,6			0,3									62,72
SOUND EXCHANGE INC	USA	25 830,44	916,67			24,37			44,27	6,51		0,92	32,58	82,84	27 812,94
SPEDIDAM	FRA	3 480,93	107,65	0,68		920,16									7 871,78
STOART - ZWIAZEK ARTYSTOW	POL	11,43	1,82			0,26									21,69
TOTAL		750 683,74	46 982,41	148 012,92		93 806,04	785 216,30	72 277,48	101 170,21	9 246,08	48 533,87	43 195,75	103 575,26	35 017,82	2 237 717,88

REMUNERATIONS FROM FOREIGN ORGANISATIONS AND THEIR ALLOCATION TO RIGHTSHOLDERS 2020 (table contains both "amounts attributed to but not yet paid to rightsholders" and "amounts paid to rightsholders")

ORGANISATION	COUNTRY	RECEIVED FROM ORGANISATIONS 1.1. – 31.12.2020		ATTRIBUTED TO RIGHTSHOLDERS 1.1. – 31.12.2020	
		ARTIST	PRODUCENT	ARTIST	PRODUCENT
ACTRA	CAN	3 896,17		6 666,65	
ADAMI	FRA	70 615,86			
AFM	USA				
AGATA	LTU	57,38		534,67	
AIE	ESP	11 295,11		10 335,39	
EFU	EST				817,91
EEL	EST	1 115,77		3 373,92	
EJI	HUN				
GDA	PRT	206,77		558,73	
GEIDANKYO	JPN	8 677,33		9 018,65	
GRAMEX DK	DNK	44 988,92	2 021,79	41 882,18	4 709,90
GRAMO	NOR	10 781,36	4 587,69	11 581,25	5 557,40
GVL	DEU	302 283,65		302 283,65	
IFPI	SWE		58 446,12		4 928,20
IMAI	ITA			8 517,85	
INTERGRAM	CZE	3 987,75		3 987,75	
IPF	SVN	1 083,95		1 677,97	
LAIPA	LVA	539,09		539,09	
LSG	AUT	7 601,71		7 608,38	
MTU Eesti Fonogrammitootjate	EST		841,29		
NORMA	NLD	4 273,68		4 259,13	
Norwaco	NOR	1 320,47			
PLAYRIGHT C.V.B.A.	BEL	8 628,99		11 038,91	
PPL	GBR	47 015,98	3 299,21	36 839,63	9 984,02
RAAP	IRL	1 298,28		440,62	
SAMI	SWE	68 717,92		222 731,17	
SENA	NLD	22 741,61	43,91	30 480,83	27,76
SLOVGRAM	SVK	470,37		593,57	
SOUNDEXCHANGE	USA	100 013,06	6,93	95 235,86	
SPEDIDAM	FRA	11 723,07			
STOART	POL	8 076,91		4 018,60	
SWISSPERFORM	CHE	8 276,76		16 833,75	
TOTAL		749 687,92	69 246,94	831 038,20	26 025,19



In international co-operation of collective management organisations, the principle is that the organisation collecting the remunerations deducts the administrative expenses while the distributing organisation makes no such deductions.

No deductions other than Gramex's administrative expense deductions have been made from the amounts paid to foreign collective management organisations. The sums presented in the table are net sums after the administrative expense deduction. The paid amounts include remunerations collected over several years, deducted by the administration expense deduction of the respective year (table below). The amounts paid to foreign collective management organisations in 2020 were mainly collected in 2019. In the 2020 Christmas distribution, remunerations collected in January–June 2020 were also paid.

Gramex is unable to provide a breakdown of the allocations of amounts received from foreign organisations per category of right or per type of use since the collective management organisations paying the remunerations do not provide such information. Distribution agreements concluded with foreign collective management organisations concern radio and television use, background music use and private copying levies. The received remunerations concern these types of use as a total amount

of remuneration attributed to particular rightsholders. No administration expenses are deducted from amounts received from foreign collective management organisations.

General administration expenses concerning Gramex's distributions made between 2013 and 2020 have been deducted from and the investment income of these years has been correspondingly added to remunerations collected for phonograms used during the calendar years 2013–2020 in Finland and paid to rightsholders represented by foreign organisations under representation agreements during 2020.

Gramex does not deduct any management fees from remunerations paid to Gramex by foreign organisations on the basis of representation agreements during the year 2020.

The following table shows what kinds the representation agreements Gramex has with different organisations. "A" agreements mean an arrangement where the remunerations are distributed from the collecting organisation to another contracting party. "A" agreements usually follow a 'bilateral model', meaning that remunerations are transferred to and from both contracting parties. In a unilateral version of an "A" agreement, remunerations are transferred to only one contracting party. "B" agreements refer to an arrangement whereby collected remunerations remain with the collecting organisation.

Collection year -distribution	2013 2014:	2014 2015:	2015 2016:	2016 2017:	2017 2018:	2018 2018:	2019 2019:	2020 2020:
Administration expenses percentage	14,4 %	16,1 %	16,6 %	15,6 %	16,7 %	17,2 %	16,2 %	16,2 %
Investment income	3,2 %	6,5 %	9,3 %	3,0 %	5,4 %	0,0 %	0,0 %	1,5 %

GRAMEX'S REPRESENTATION AGREEMENTS WITH FOREIGN ORGANISATIONS 31.12.2020

Country	Producers Organisation	Type of agreement	Performers Organisation	Type of agreement
Argentina			CADIF	B
Belgium			PlayRight	A
Spain	Agedi	A	AIE	A
Netherlands	SENA	A	SENA	A
Ireland			RAAP	A
Iceland			SFH	A
Great Britain	PPL	A	PPL	A
Italy	SCF	A	Nuovo IMAE	A
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	B – agreement negotiations ongoing (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 levies)
Portugal			GDA	A
Poland			SAWP/STOART	A
France			Adami	A
France	SCPP	agreement negotiations ongoing	SPEDIDAM	B – agreement negotiations ongoing (A)
Romania			Credidam	A
Sweden	IFPI Sverige	A	SAMI	A
Germany	GVL	agreement negotiations ongoing	GVL	A
Slovakia			Slovgram	A
Slovenia			Zavod IPF	A
Switzerland			Swissperform	A
Denmark	Gramex	A	Gramex	A
Czech Republic	Integram	A	Intergram	A
Hungary			EJI	A
Russia	RPA	A		
Estonia	EFU	A	EEL	A
United States	AARC	A (private copying levies)	AARC	A (private copying levies)
United States			AFM & SAG -AFTRA	A
United States	SoundExchange	A	SoundExchange	A
Brazil	Abramus	A	Abramus	A

AUDITOR'S REPORT

5. AUDITOR'S REPORT

To the 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 2020. The financial statements include the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the organisation'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 followed 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 organisation 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 organisation'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 organisation 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 our 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 organisation'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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation 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. We communicate with those charged with

governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

The Board of Directors is responsible for the other information. The other information comprises the report of the Board of Directors. 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 report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and that the report of the Board of Directors 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 in the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 29 March 2021

Deloitte Ltd
Authorised Public Accountants

Antti Rönkkö, Ari Hakkola,
Authorised Authorised
Public Accountant Public Accountant

AUDITOR'S REPORT

Agreed-upon procedures

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

We have performed the agreed-upon procedures listed below relating to the 2020 transparency report of 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 performed for the sole purpose of allowing the organisation to assess whether the data 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 Apollon system:

- 1) We established that the organisation's transparency reporting contains the information referred to in Article 22(2) of the Directive 2014/26/EU.
- 2) We established that the rights revenue for the year 2020 in the transparency reporting are presented as per the nine defined form of use categories and can be reconciled with the accounts or internal calculations.
- 3) We established that the transparency report contains the 2020 financial statement 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 Apollon 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 rightholders 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 Apollon system.
- 7) We established that the administration expenses percentages and the investment income percentages presented in the transparency report are based on the figures of 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 of the account of the transparency reporting on:

- a) 'placeholder' funds attributed to phonograms,
- b) funds attributed to rightholders and waiting for payment,
- c) funds paid to rightholders, and
- d) funds remaining undistributed are balanced with the accounts and reconciled, by way of spot checks, form of use -specific information with the calculations of the Apollon system and the accounts.

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

- 1) 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.
- 2) On the basis of procedures under item 2, we found that the rights revenue for the year 2020 in the transparency reporting are presented as per the nine defined form of use categories and that the total sums match the accounts and internal calculations.
- 3) On the basis of procedures under item 3, we found that the transparency report contains the 2020 financial statement required under law and that a standard auditor's report has been given thereof.
- 4) 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 Apollon system.

5) 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.

6) 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 rightholders 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 Apollon system.

7) On the basis of procedures under item 7, we found that the administration expenses percentages and the investment income percentages presented in the transparency report are based on the figures of the accounts, the financial statements of the previous year and the 2019 transparency report.

8) 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.

9) On the basis of procedures under item 9, we found that the total sums of the account of the transparency report on:

- a) 'placeholder' funds attributed to phonograms matched the accounts and, on the basis of spot checks, form of use -specific information in the Apollon system and the calculations of the accounts,
- b) funds attributed to rightholders and waiting for payment matched the accounts and, on the basis of

spot checks, form of use -specific information in the Apollon system and the calculations of the accounts,

- c) funds paid to rightholders matched the accounts and, on the basis of spot checks, form of use -specific information in the Apollon system and the calculations of the accounts,
- d) funds remaining undistributed matched the accounts.

pen kan avstämmas mot bokföringen.

Our report is intended solely for the purpose set forth in this report and is not to be used for any other purpose. This report relates only 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, 30 April 2021

Deloitte Ltd
Authorised Public Accountants

Ari Hakkola
Authorised Public Accountant

