

ANNUAL REPORT 2020//TONO

TRANSPARENCY REPORT • INCOME STATEMENT





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TRANSPARENCY REPORT

TONO is a cooperative society, owned and controlled by composers, lyricists and music publishers which manages the performance rights for musical works in Norway and collects fees for their public performance. TONO licenses the public performance of copyrighted music on the radio, TV, internet, at concerts and the cinema, etc., upon payment. Each year, it transfers its financial profit from music that has been played in public to the music rights holders.

TONO has more than 36,000 members, and also manages the rights, in Norwegian territory, of millions of creators and music publishers belonging to TONO's sister companies in countries across the globe.

The EU's Directive on collective management of copyright and related rights (2014/26/EU) was adopted in 2014, and will be incorporated into Norwegian law in 2021. The law will require the production of an annual transparency report. TONO welcomes the directive and the requirement relating to the production of a transparency report. TONO has elected to produce an annual report for the 2020 financial year that includes the information we believe the directive requires.

TONO would like the annual and transparency report to provide a deeper insight into and greater understanding of TONO's nature, operations, finances and management among our members, sister companies, customers, other members of the music industry and other interested parties.

MESSAGE FROM THE CEO

A difficult year for TONO's members.

In June 2020, when TONO published its annual report for 2019, it was with pride in having a fantastic result. Nevertheless, that feeling was naturally overshadowed by the crisis that the arts in general, and TONO's members in particular, found themselves. Unfortunately, we are still struggling with that crisis, and 2021 will be no better than 2020. In fact, as we write this in May 2021, things look set to get worse.

Since 12 March 2020, TONO's employees have managed operations from their own homes. Despite this, all distributions and bursary awards to members have taken place on time and as planned for a normal year.

The area hit hardest by the disastrous year of 2020 was the concert segment, the most important source of income for a large proportion of TONO's members. The reopening of the cultural sector still seems a long way off, and activity in our sector is lower than ever.

In the spring of 2020, artists responded with a series of creative initiatives, including live-streamed concerts. Here, TONO quickly established licensing solutions that inspired sister societies to do the same. Initially, the live-streamed concert phenomenon was characterised by makeshift and literally "DIY" solutions. They generated far less income than would normally be the case. As the year progressed, live-streamed concerts have become more professional in form, although we cannot say that this has in any way lifted concert earnings from rock bottom.

Throughout 2020, TONO has worked to establish arrangements that could compensate for some of the losses our members have suffered. It has not been easy to make the Ministry of Cultural understand the complexity of the creator

economy, which includes both creators and music publishers. The compensation schemes and financial stimulus packages established by the authorities fell largely wide of the mark as far as our members were concerned. The sense of falling through the cracks was keenly felt.

In the autumn of 2020, however, after discussions with Norway's Culture Minister Abid Q. Raja himself and key government authorities, we succeeded in establishing a basic understanding of how the creator economy works. TONO's estimates of lost income formed the basis for what was, in the new year, made tangible by the Norwegian Ministry of Culture in the form of NOK 30.5 million in state aid. These are funds which TONO will distribute in the manner specified in the Ministry of Culture's appropriation letter. The funds will be distributed to Norwegian members working in Norway, on the basis of established distribution principles. Up to NOK 600,000 may be deducted to cover costs. The normal cultural fund levies will not have to be deducted from the grant.

It is clear that TONO's members have made good use of the lockdown period. The number of works registered in 2020 increased by 17 per cent from the previous year, and the number of new members was higher than ever before.

Overall, TONO's annual profit was far better than we feared halfway through 2020. Budget targets were reached.

It should be mentioned that Norwegian rights holders' works are also popular outside the country. Income from abroad rose by 46 per cent compared with 2019, to NOK 95.7 million.

At the same time, TONO's administration managed to reduce costs by NOK 4.5 million. At the close of the year, the cost ratio stood at 13.8 per cent, which was lower than budgeted.

Regrettably, we believe that 2021 will be an even more difficult year. We doubt that the high level of international income we saw in 2020 will be repeated in 2021, since all our sister companies are reporting a significant slump in revenue. Nor can we expect, as things stand today, that the concert market will fully reopen this year.

TONO has argued that the Ministry of Culture must give priority to compensation schemes in 2021 rather than financial stimulus packages. Stimulus packages have proved to be imprecise and of limited value. In addition, they have been complex and have failed to meet the needs of the creator economy. We believe that the Ministry has seen the limitations inherent in stimulus packages and will prioritise compensation schemes going forward.

TONO will continue its endeavours to ensure that our members receive compensation for the losses they are suffering as a result of Covid restrictions. We believe the government's understanding of the creator economy is now well established. We hope this will make work on compensation schemes and stimulus packages less complicated this year.

Yours sincerely,
Cato Strøm
CEO



DIRECTORS' REPORT // 2020

Current status and future development of the business

TONO SA (TONO) is a cooperative society that manages performing and recording rights relating to music. In addition to individual collection contracts with 35,910 rights holders, TONO has reciprocal representation agreements with 76 international sister companies, and thereby also manages their rights in Norwegian territory. TONO has delegated management of its rights holders' recording rights to the Nordic Copyright Bureau (NCB) in Copenhagen, which is jointly owned by the Nordic collection companies Koda (Denmark), Stim (Sweden), STEF (Iceland), Teosto (Finland) and TONO.

TONO is operated from Oslo. Its office address is Tøyenbekken 21, NO-0134 Oslo, Norway.

In 2020, the board of directors held nine meetings, while board committees held 12 meetings.

Collection contracts

As at 31 December 2020, TONO had collection contracts with 35,910 rights holders. In 2020, 1,678 new rights holders were added, 18 of whom were music publishers.

By comparison, TONO had 34,233 rights holders as at 31 December 2019. In 2019, 1,650 new rights holders were added, 12 of whom were music publishers.

20 per cent of TONO's members are women and 80 per cent men.

Music publishers comprise 1 per cent of TONO's membership.

Unit holders

As at 31 December 2020, TONO had a total of 1,828 registered unit holders.

As at 31 December 2019, TONO had 1,752 unit holders. Of the unit holders who are also creators, 16.6 per cent are women.

One per cent of TONO's unit holders are music publishers.

Financial performance

TONO generated gross revenues of NOK 712,485,596 in 2020. This is a decrease of 7.61 per cent compared with 2019. After a 2 per cent deduction payable to the Norwegian Composers' Fund, as well as losses and administrative costs, TONO had NOK 598,117,715 for distribution to rights holders, a decrease of 11.29 per cent compared with 2019. For the business as a whole, expenses accounted for 13.83 per cent.

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998, and comply with prevailing laws, regulations and generally accepted accounting practice. The Accounting Act of 1998 caused material changes in the way pension costs were recognised in 1999. As a result, TONO's recognised equity is negative. The original effect of this was a liability in the amount of NOK -11,026,446. As at 31 December 2020, the total effect of liabilities recognised in equity came to NOK -11,807,960. The year before, the liability totalled NOK -11,387,128.

Since TONO's distributable income each year amounts to 85-90 per cent of its revenues, and the distributable income is the sum remaining after all costs have been deducted, the board of directors considers that TONO's financial result for 2020 is good. This is particularly true in light of the fact that Norway was hard hit by the Covid-19 pandemic in 2020, and that the business's overall financial position is strong. Continuation as

a going concern is therefore without risk. There is a strong likelihood that TONO's operations will achieve a good result in 2021, although it is expected that part of TONO's business will be negatively affected by the Covid-19 pandemic.

TONO has at all times a large and liquid cash management portfolio. The objective is to achieve the highest possible return on investment at the lowest possible risk. TONO's conservative investment strategy secures stable returns. Each individual investment shall be made among those with the lowest risk in their asset class. Risk is further reduced through a broadly composed portfolio, and TONO employs multiple financial services providers to reduce the management risk.

TONO administers ownership of the business's premises in Sameiet Galleriet through the wholly owned subsidiary Harmoni AS.

Market developments

Norway was hard hit by the Covid-19 pandemic in 2020. The wide-ranging measures implemented to reduce the spread of the virus have severely impacted large portions of Norway's business community and, not least, many of TONO's members. TONO's financial results for 2020 show an overall decline of 7.61 per cent from 2019. It must be mentioned in this context that the financial statements for 2019 were significantly boosted by an extraordinary payment in arrears of NOK 100.5 million from RiksTV.

Within the individual business areas, we see a Covid-related decrease in income particularly in the cinema, concert and variety sectors, but also to some extent in the area of background music, which covers hotels, restaurants, cafés, etc. We also see a decrease in royalties from TV broadcasts. However, this is because the 2019 result was exceptionally high as

→ DIRECTORS' REPORT

// 2020

a result of the settlement of a long-running legal dispute with Riks-TV.

Losses within the above-mentioned areas are significant, but their overall impact on TONO's income has been lessened by a significant boost in the online area, particularly driven by growth in film streaming services, as well as performances of TONO members' music abroad. International income rose by 46.21 per cent from 2019 to NOK 95.72 million in 2020. This is the highest ever level of international income for TONO.

Throughout the fourth quarter 2020, TONO has engaged in a constructive dialogue with the Norwegian Ministry of Culture with respect to compensation for losses incurred by TONO's members as a result of the national lockdown.

This resulted in an application for state aid by TONO. On 12 March 2021, the Ministry of Culture notified TONO that it would grant NOK 30,500,000 in state aid to TONO's members, for distribution via TONO. The ministry will set out the principles for allocating this aid in a letter which, as at 15 March, TONO had not yet received.

TONO's members will be notified via TONO's website and in an e-mail of how and when the distribution of funds will actually take place.

TONO has continued to see good growth in its membership in 2020, and few members resign their membership. The trend towards direct licensing in the online area continues internationally. In the same way as many of TONO's sister companies license their repertoires directly to streaming services without TONO's help, TONO also licences its repertoire directly to the major music streaming services in conjunction with TONO's sister companies Koda, Teosto and STEF, through the com-

pany Polaris Hub AB. TONO does not expect any particular changes in its rights portfolio in the current year.

After implementing a variety of measures to limit the spread of the virus, our human resources situation is stable, with staff working from home, and with tasks being performed more or less normally.

NCB

NCB is an independent legal entity, which is led by a board elected by Koda, Teosto, Stim, STEF and TONO. NCB's operations are performed by Koda. This has proved to be an efficient solution for NCB as an organisation, as well as its owners.

NCB made an operating profit of DKK 5.8 million in 2020. This has been transferred to equity, which totalled DKK 48.7 million as at 31 December 2020. Overall phonogram sales are declining in line with increasing use of digital services, and NCB has adapted to the market situation, with a considerably reduced turnover.

TONO's workforce

At the close of 2020, TONO had 65 permanent employees, of whom three work part time. In 2019, TONO had 60 permanent employees, of whom three worked part time.

It is TONO's ambition that there shall be full equality between men and women. This means that there shall be no difference in the way men and women are treated with respect to salary, promotion and recruitment, for example. TONO's workforce comprises 33 women and 32 men. Two men and one woman are employed on a part-time basis. The average age of the entire workforce is 46 (45.5 years for women and 46.5 years for men).

The average gross monthly salary for all female employees at the close of 2020, including managers, came to NOK 52,358. The average gross monthly salary for male employees, including managers, came to NOK 64,076. The higher average salary for men is attributable to the higher proportion of men in senior positions.

Internal control, HSE (health, safety and the environment)

The organisation's HSE activities are systematised through the Works Committee (AMU). The Works Committee holds regular meetings. Efforts relating to sickness absence shall be discussed at at least two meetings per year.

TONO has had its own Inclusive Working Life (IA) agreement with the Norwegian Labour and Welfare Administration (NAV) for many years. The IA Agreement's main objective was to foster the inclusion of everyone who is willing and able to work, either full time or part time. With effect from 2019, the IA Agreement has been extended to cover the entire labour market and is therefore no longer entered into with the individual enterprise.

In 2020, the sickness absence rate totalled 2.23 per cent, compared with 4.44 per cent the year before. Sickness absence is followed up in accordance with the IA Agreement and the provisions of the Norwegian Working Environment Act.

TONO does not engage in business activities that can pollute the external environment.

The employer's duty to promote equality and prevent discrimination

TONO's Code of Conduct, which all its employees have signed, contains the following provisions:

→ DIRECTORS' REPORT

// 2020

"TONO shall be a workplace with an inclusive working environment. Employees shall treat each other and those with whom they come into contact through their work with respect and integrity. TONO shall facilitate a working environment free from discrimination on the grounds of religion, skin colour, gender, sexual orientation, age, nationality or ethnic origin, or disability. TONO's employees shall also contribute to a working environment free from bullying, abuse, harassment, etc. TONO will not tolerate any behaviour that may be perceived as degrading or threatening." 00105}

Over time, it has been TONO's goal to achieve a near equal distribution in the number of men and women in its workforce. As at 31 December 2020, women made up 51 per cent of its employees, while men made up 49 per cent. Men and

women in comparable jobs receive the same salary.

Three employees work part time at their own request, partly due to the need to provide care at home and partly due to reduced capacity for work.

Welfare and care leave is divided equally between the sexes, but there is a higher level of sickness absence among the women than the men.

TONO pays attention to the issue of equality, and the statistics show that the Gender Equality Act's requirements have been met.

TONO abides by the provisions of the Norwegian Coop-

erative Societies Act with respect to board representation. These require that both genders shall have at least 40 per cent representation on TONO's board of directors.

TONO's 65 employees are an ethnically diverse group. We have employees from all the Scandinavian countries, from elsewhere in Europe, as well as Africa, Asia and the USA.

We are therefore of the opinion that TONO promotes equality in accordance with the purpose of the Act.

Oslo, 24 March 2021

Jørgen Karlstrøm
Chair of the
Board of Directors

Kai Robøle
Deputy Chair

Tove Bøygard

Stian Westerhus

Stine Sørli

Ine Kristine Hoem

Ole Henrik Antonsen

Unni Boretti

Jonas Risting
Employee director

Ida Otterstad
Employee director

Håvard Offer-Ohlsen
Employee director

Cato Bjørn Strøm
Chief Executive Officer

TONO'S LEGAL AND ADMINISTRATIVE STRUCTURE

TONO SA is a non-profit cooperative society, whose primary object is to manage and protect rights to musical works on behalf of composers, lyricists and music publishers. TONO's highest decision-making authority is the Annual General Meeting (AGM), at which TONO SA's members elect representatives to TONO's board of directors and other bodies. TONO's board exercises overall supervision of TONO's administration and employs TONO's CEO.

TONO's AGM is held once a year.

TONO operates under a licence granted by the Norwegian Ministry of Culture under the Act relating to the Norwegian Composers' Fund of 1965. The Act states that companies which engage in activities in Norway as an intermediary for creators for the collection of royalties due to creators for the recording, public performance or public broadcasting of musical works have a duty to pay a levy to the Norwegian Composers' Fund. The annual levy amounts to 2 per cent of TONO's gross revenues.

Details of companies which are directly or indirectly owned or controlled, in part or in whole, by TONO:

- Nordisk Copyright Bureau (NCB)
- Network of Music Partners (NMP)
- Polaris Nordic AS
- Polaris Hub AB
- Harmoni AS

At the close of 2020, TONO was represented on the boards of the following organisations:

- Norwaco
- Norcode
- Samvirkene



Foto: Shutterstock

INFORMATION ON LICENCE REFUSALS

No licence (TONO permit) will be granted in the following circumstances:

- Cases where there are no grounds for granting a licence, e.g. because TONO does not consider that it relates to the public performance of music (performances in the private sphere, for example).
- Cases where the publicly performed music is not protected by copyright, e.g. because the copyright period has expired.
- Cases where the licence application relates to rights which TONO does not administer, e.g. performing musicians' rights, graphic rights (scores, printed lyrics), etc.

Moreover, TONO may refuse to issue a licence if a music user repeatedly fails to comply with contract terms, e.g. by failing to pay the TONO invoice.

In 2020, TONO did not refuse to grant a licence in any other cases than those mentioned.

BOARD OF DIRECTORS

// 2020-2021

Board members are elected by TONO's AGM for a period of two years. Board members' terms of office overlap in accordance with Article 31(1) of TONO's Articles of Association. Employee representatives are elected by TONO's administrative staff.

JØRGEN KARLSTRØM

Chair // Norwegian Society of Composers (NKF)

KAI ROBØLE

Deputy Chair // Norwegian Music Publishers Association (NMPA)

UNNI BORETTI

Norwegian Music Publishers Association (NMPA)

TOVE BØYGARD

NOPA

OLE HENRIK ANTONSEN

NOPA

STINE SØRLIE

Norwegian Society of Composers (NKF)

STIAN WESTERHUS

Independent

INE KRISTINE HOEM

Independent

IDA OTTERSTAD

Employee representative

JONAS RISTING

Employee representative

HÅVARD OFFER-OHLSSEN

Employee representative

DEPUTY

NOPA: Jon-Willy Rydningen (1)

Arvid Wam Solvang (2)

NKF: Knut Olaf Sunde (1)

Kristin Bolstad (2)

NMPA: Jan Stefan Bengtsson (1)

Tonje Hovde (2)

Independent: Halvard Rundberg (1)

Natali Garner Abrahamsen (2)

Employees: Lina Marie Langøien (1)

Ingrid Elise Østgård (2)

Herman Foss (3)

Øystein Haugland (4)

Hege Dreyer Harstad (5)

ADMINISTRATION

CATO STRØM

CEO

TOMMY TANGLØKKEN

Market Director

GEIR GAARDER

Director of Negotiations

KJETIL LARSEN

Chief Information Officer

KÅRE S. VIKEN

Finance Director

INGER ELISE MEY

Director of Broadcast, Online and International

WILLY MARTINSEN

Director of Communications

SVEIN KORSHAMN

Deputy Director

CHRISTIAN ONSHUS

Membership Director

JANNE SIEVERS

Head of HR & Project

SPECIAL REPORT ON SOCIAL, CULTURAL AND EDUCATIONAL SERVICES

Pursuant to Article 58 of TONO's articles of association, which relates to social, cultural and educational services, up to one tenth shall be deducted from the total distribution before allocation of the net amount to each rights holder who has a management contract with TONO, and from the distributions to companies with which TONO has reciprocal agreements. These funds are used for purposes relating to national music culture and bursaries.

National music culture

Two thirds of the deducted funds are used to promote national music culture through the Norwegian Society of Composers (Norsk Komponistforening), the Norwegian Society of Composers and Lyricists (NOPA) and the Norwegian Music Publishers Association (Norsk Musikkforleggerforening). The funds shall be used for activities intended to promote Norwegian musical creation and Norwegian musical works, as well as for other particular purposes. The funds are allocated according to the following formula: NOPA 45%, the Norwegian Society of Composers (NSC) 35%, and the Norwegian Music Publishers Association (NMPA) 20%.

Before the amount is paid out, the associations shall provide a written outline of what the funds are to be used for, and attach their annual reports and financial statements for the previous year. The board of directors may request additional details before any funds are disbursed. Verification of how the funds are used falls within the remit of the audit committee, see Articles 53(5)(c) of TONO's articles of association.

Bursaries

One third of the deducted funds shall be used for bursaries. One eighth of the amount shall be distributed via the Norwegian Music Publishers Association's bursary scheme, with the remaining seven eighths distributed through TONO itself.

TONO's board of directors appoints one creator to sit on the Norwegian Music Publishers Association's four-member bursary allocation board.

TONO's bursary committee comprises two members, with personal deputies, from NOPA; two members, with personal deputies, from the NSC; one member, with a personal deputy, representing members of the NMPA; and two TONO unit holders, with personal deputies, who are not members of any of the above-mentioned associations.



The funds available
for cultural purposes in
2020 derived from TONO's
income in 2019, and totalled
NOK 52 591 133.

CULTURAL FUNDS

// NATIONAL MUSIC CULTURE

National music culture

The cultural funds constitute one of the sources of income for NOPA, Norwegian Society of Composers (NKF) and Norwegian Music Publishers Association (NMPA), in addition to membership fees, seminar charges and other financial grants. The organisations' use of the cultural funds is presented below. Any financial surplus relates to other items of income.



Norwegian Music Publishers Association (NMPA)

The association endeavours to highlight and strengthen Norwegian music publishers by protecting their professional, legal and financial interests. In 2020, these efforts focused on lobbying the political authorities in connection with losses incurred by Norwegian music publishers as a result of the Covid-19 pandemic. The association also strengthened its administration with the addition of a new position, in the form of a communications manager, to further intensify these efforts.

A new scheme, called "creative initiatives", was established in 2020. The funds benefited Norwegian music publishers and/or Norwegian creators, and promoted creative activity and the production of new music, including projects directly relating to the absence of normal activity, as well as alternative solutions therefor. A total of NOK 715,000 was allocated to 18 projects.



NOPA

In 2020, NOPA endeavoured to obtain good arrangements for creators affected by the Covid-19 pandemic. This included a considerable effort to influence government ministers, legislators, public officials and other relevant bodies. NOPA has also provided input for the political parties' election manifestos. Information work directed at creators was given a high priority. Throughout the year, NOPA has offered new insights through open webinars and seminars, and has reached out to the entire country through a series of digital events.

NOPA contributed funds to TONO's Young Talent bursary scheme, as well as an application process for project grants in support of, among other things, digital concerts, podcasts and songwriting workshops. In addition, NOPA awarded a number of prizes over the course of the year. In 2020, the organisation also offered a mentoring scheme and an advisory service relating to compensation schemes and other opportunities to apply for funding, as well as work-related accommodation for creators.



Norwegian Society of Composers (NKF)

In 2020, the Norwegian Society of Composers gave priority to its financial support schemes and lobbying efforts. From March 2020, NKF helped to survey the pandemic's impact on the classical music field, communicate needs and propose specific solutions. Together with its sister organisations, NKF worked to ensure that creators would be covered by various compensation and support schemes. In August, the society organised a major professional seminar, which was held in person, while a number of other webinars took place online, enabling broad participation nationwide. Experience gained from multiple digital meeting channels will be included in the society's further work.

NKF established new support schemes, while certain existing schemes were adapted to the new situation. It was made possible to apply for support to adapt works and perform concerts online, and greater resources were devoted to the mentoring scheme for composers' further development. As a result of the Covid-19 pandemic, funds for approved projects were not used. NKF therefore ended the year with a larger financial surplus than planned. These funds will be channelled into new initiatives in 2021. In the period 2021-2023, NKF will strive to improve composers' framework conditions, strengthen their areas of income and increase the use of Norwegian music. It will also endeavour to implement initiatives made necessary by the pandemic.

CULTURAL FUNDS

// BURSARIES

TONO's bursaries

In 2020, TONO had a total of NOK 15,170,000 to allocate; NOK 13,950,000 for the TONO bursary and NOK 1,220,000 for the Young Talent bursary. NOPA provided NOK 360,000 to the latter scheme. A total of 802 bursaries were granted, 558 of which were TONO bursaries and 244 Young Talent bursaries.

TONO bursaries

The TONO bursary scheme is intended to promote the creation of new musical works by providing the support necessary to realise projects that will lead to new music being created. The TONO bursary primarily addresses TONO members engaged in the actual professional composition of music and/or the creation of musical lyrics. TONO Bursaries are normally granted in standard amounts of NOK 100,000, NOK 50,000 or NOK 25,000. However, to ensure that as many TONO members as possible would receive a bursary in a year when the Covid-19 pandemic had led to a crisis in the industry, the bursary committee decided that all grants should be for the same amount. The committee awarded a total of 558 TONO bursaries of NOK 25,000 each.

Young Talent

TONO's Young Talent bursary is intended to promote the creation of new music by younger TONO members. The only application criterion in 2020 was that the applicant should have a management contract with TONO and be aged 17-23. The jury is the same as for the TONO bursary, and the funds are allocated through TONO in a similar way as for the TONO bursary. In 2020, a total of NOK 1,220,000 was awarded under the Young Talent bursary scheme, NOK 360,000 of which was provided by NOPA. As with the main bursary scheme, it was decided to operate a solidarity policy with respect to the allocation of funds, and the majority of applicants were granted bursaries. The committee awarded a total of 244 bursaries of NOK 5,000 each.

TONO's bursary committee

The committee is elected by the AGM for a term of two years, with three seats coming up for election in one year and four seats coming up for election the next. Pursuant to TONO's articles of association, the committee comprises two members, with personal deputies, from NOPA; two members, with personal deputies, from the NSC; one member, with a personal deputy, from the NMPA; and two TONO unit holders, with personal deputies, who are not members of any of the above-mentioned associations. In 2020, the committee comprised: Morten Lorentzen and Tonje Unstad from NOPA, Kari Beate Tandberg and Jon Øivind Ness from the NSC, Kaja Gunnufsen and Ole Børud (independents), and Steinar Fjeld from the NMPA.

Music publishers' bursaries

Including previous funds, the NMPA awarded NOK 1,374,970 in bursaries to Norwegian music publishers in 2020. The funds were awarded to 58 projects at 28 music publishers on the basis of 69 applications. NOK 130,000 was awarded in the form of ad hoc funds. NOK 500,000 was provided for joint initiatives, of which NOK 350,000 to the Music Publishers' Award 2021. A 5 per cent provision (NOK 109,565) was made with respect to administrative expenses. The financial surplus was transferred to 2021.

TONO'S BURSARY COMMITTEE 2020-21

The Bursary Committee is elected by TONO's AGM for a period of two years, pursuant to Section 53(1)-(3) of TONO's Articles of Association.

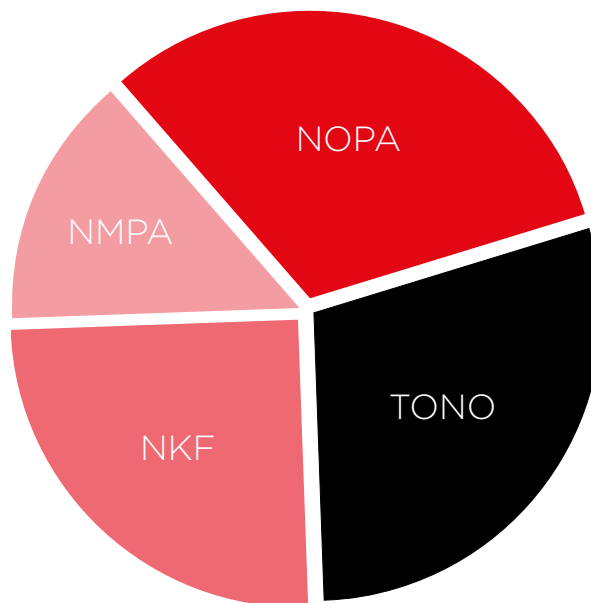
	MEMBER	DEPUTY
NOPA	Morten Lorentzen	Tore Thomassen
	Tove Kragset	Hanna Paulsberg
NKF	Jon Øivind Ness	Rune Rebne
	Anne Hytta	Hilde Marie Olsen
NMPA	Stine Lieng	Anthony Smith
UAVHENGIG	Ole Børud	André Roligheten
	Kaja Gunnufsen	Sanskriti Shresta

CULTURAL FUNDS

// ALLOCATION

ALLOCATED TO TONO AND THE MEMBER ASSOCIATIONS

NOPA	16 653 859
Norwegian Society of Composers (NKF)	13 147 783
Norwegian Music Publishers Association (NMPA)	7 450 410
TONO	15 339 081
Total	52 591 133



ALLOCATED TO MUSIC CULTURE

Grants and prizes	7 850 671
Professional initiatives, seminars, events	4 277 814
Cultural policy and communication activities	8 457 152
Accommodation	775 828
Salary, admin. operating costs	9 164 528
Other	444 008
Not allocated to an area	1 090 754
Provision for additional initiatives for Norwegian music in 2021-2022	3 000 000
Total	35 060 755

ALLOCATED TO BURSARIES

Bursaries	16 544 970
EDVARD prizes	350 000
Bursary admin.	376 252
Change in unallocated bursary funds 31 Dec	259 156
Total	17 530 378

DISTRIBUTION

The term distribution means the process whereby TONO allocates payments to music rights holders for the public use of musical works that has been reported and paid for.

Payment of accrued royalties is based on TONO's articles of association, allocation plan and calculation model, as determined by TONO's AGM, which also determines overarching guidelines for the calculation of royalties, and decisions made by TONO's board of directors and CEO.

Accrued royalties are individually paid directly to TONO's members, and to international sister companies with which TONO has reciprocal representation agreements, for further distribution to the respective sister companies' members.

TONO calculates and pays royalties four times a year.

Apart from that specified in the table above, distributions are also calculated for the transmission of international TV channels on Norwegian cable networks, in-store music and several other smaller areas that do not necessarily have a fixed position in the annual schedule.

All distributions also contain any arrears and adjustments, as well as direct distributions (theatre, variety, major rights, etc).

Distribution area	Distribution date
Broadcasting in Norway (radio, TV, internet)	March, June, September, December
TV transmission via Norwegian cable networks	March, June, September, December
Online – music streaming in the Nordic region	March, June, September, December
Online – video-on-demand services in Norway	March, June, September, December
Concerts in Norway	September
Mega-concerts, variety, theatre	March, June, September, December
Cinema	June
Background music in shops, etc.	June, September
Private copying	March
Debut performances	December
Mechanical rights in relation to the physical sale of CDs, DVDs, etc., and audiovisual synchronisation	June, December
International distribution	March, June, September, December

MORE DETAILS

// SEE NOTE 11 TO THE FINANCIAL STATEMENTS

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DISTRIBUTIONS

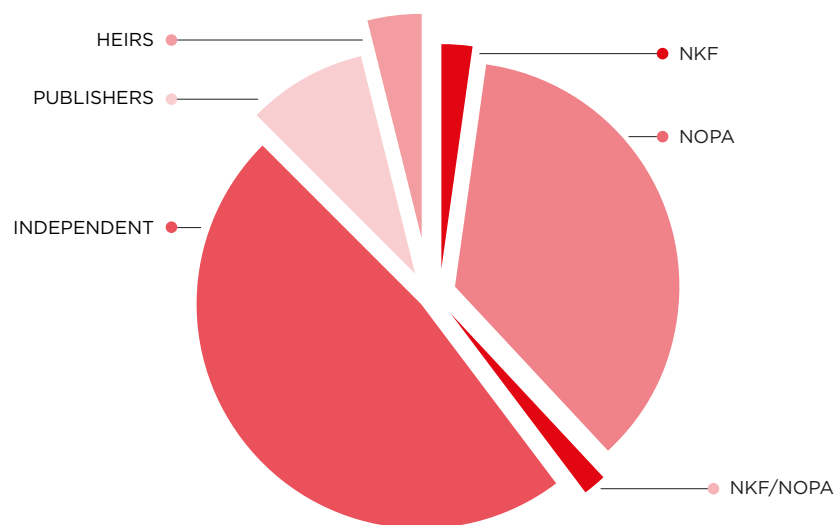
BY MEMBERSHIP GROUP

The following shows a breakdown of distributions made to different groups within TONO in 2020.

In accordance with established terminology, those who have a management contract with TONO and earnings entitling them to vote at TONO's annual general meeting are referred to as "unit holders". Those with management contracts who do not have voting rights are referred to as "ordinary members". In this presentation the term "organised" means creators with links to the Norwegian Society of Composers and Lyricists (NOPA) and the Norwegian Society of Composers (NKF).

DISTRIBUTIONS TO UNIT HOLDERS AND ORDINARY MEMBERS	Amount	No.	Average
Unit holders	190 908 362	1 808	105 591
Ordinary members	86 749 277	24 141	3 593
Total	277 657 638	25 949	10 700

DISTRIBUTIONS BY MEMBERSHIP GROUP	Amount	No.	Average
Organised NKF	6 971 993	266	26 210
Organised NOPA	98 936 623	1 312	75 409
Organised NKF/NOPA (double membership)	4 746 953	82	57 890
Independent	132 348 740	22 562	5 866
Publishers	23 886 652	248	96 317
Heirs	10 766 678	1 479	7 280
Total	277 657 638	25 949	10 700



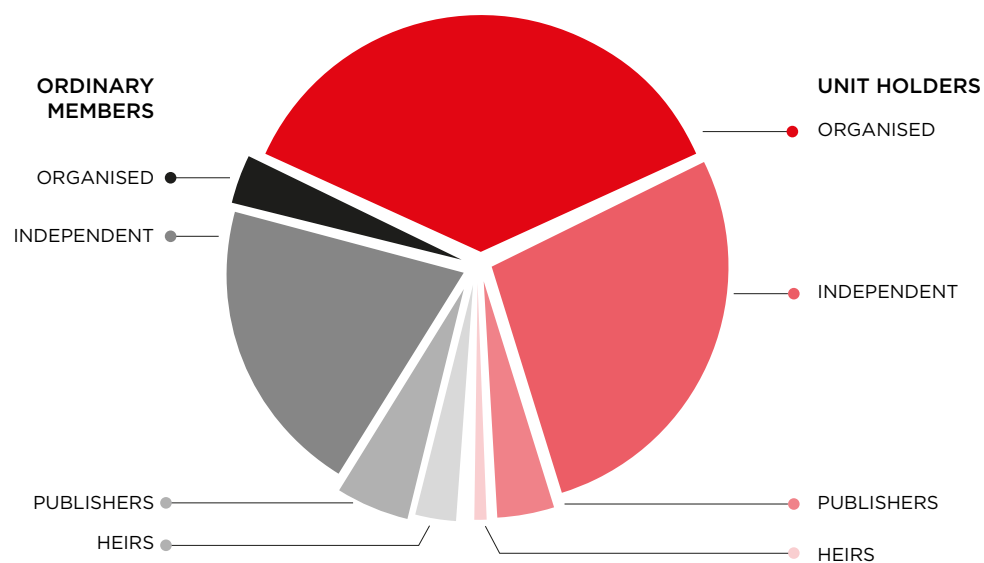
DISTRIBUTION BY PERFORMANCE AREA	2020	2019
Radio	25 940 132	30 267 083
TV	12 757 258	10 846 796
Online	46 392 607	35 543 468
Concert/live event	89 326 285	77 270 783
Cinema	950 368	1 131 984
Abroad	86 651 055	52 421 695
First performance	14 736 585	14 652 480
Other	903 348	896 044
Total	277 657 638	223 030 334

→ DISTRIBUTIONS BY MEMBERSHIP GROUP

MEMBERSHIP
GROUP

DISTRIBUTIONS TO ORDINARY MEMBERS	Amount	No.	Average
Organised	8 963 263	684	13 104
Independent	56 355 682	21 774	2 588
Publishers	13 459 701	230	58 520
Heirs	7 970 631	1 453	5 486
Total, ordinary members	86 749 277	24 141	3 593

DISTRIBUTIONS TO UNIT HOLDERS	Amount	No.	Average
Organised	101 692 306	976	104 193
Independent	75 993 058	788	96 438
Publishers	10 426 951	18	579 275
Heirs	2 796 047	26	107 540
Total, unit holders	190 908 362	1 808	105 591



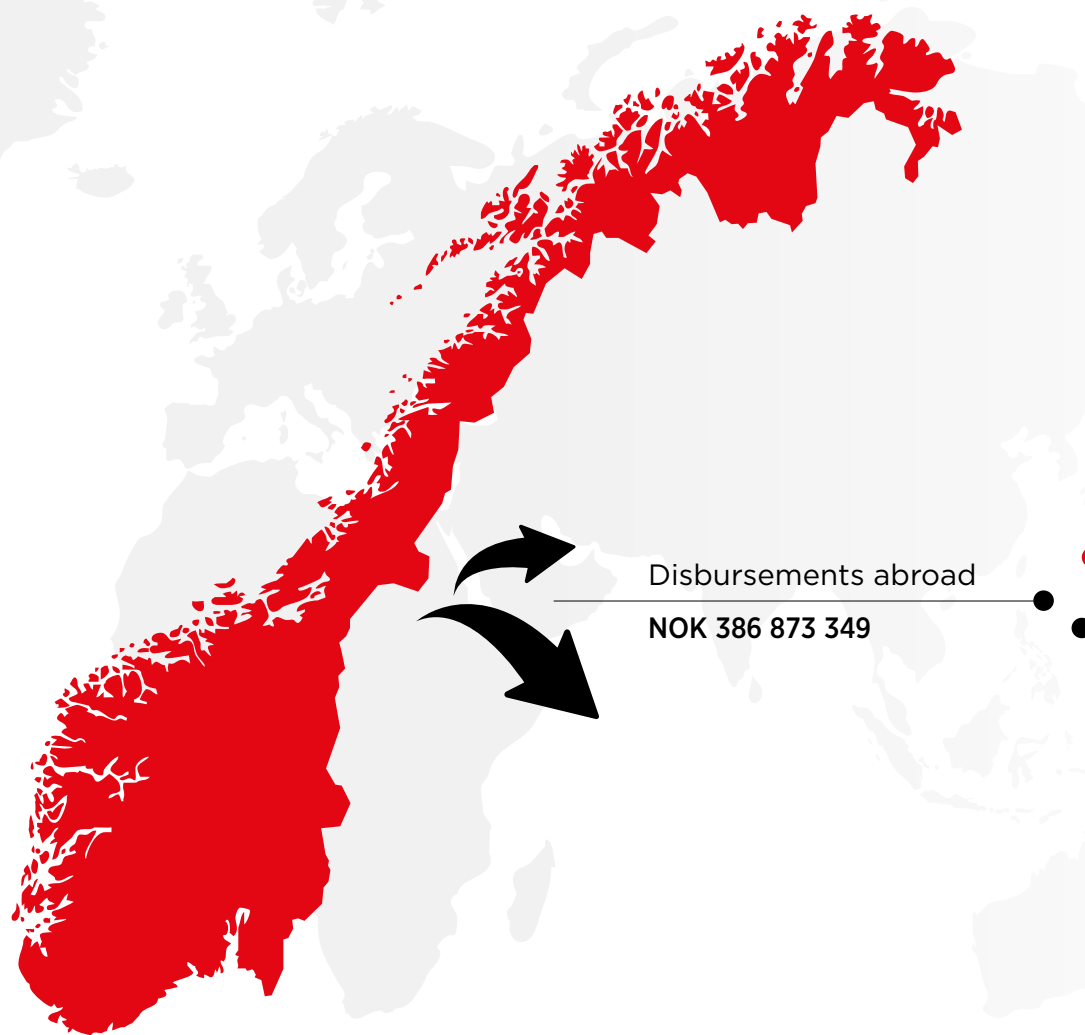
DISBURSEMENTS ABROAD

// 2020

TONO has reciprocal agreements with sister companies in a large number of countries worldwide. As a result of these reciprocal agreements, TONO manages the other companies' repertoires in Norway and vice versa. Some sister companies manage a number of territories.

These figures do not reflect exactly how much of the individual country's repertoire is performed in Norway. For example, a substantial portion of the disbursement to STIM covers an Anglo-American repertoire because this repertoire is sub-published in Sweden. In addition, the table includes remuneration collected through NORWACO and sent, inter alia, to STIM and PRS for disbursement abroad.

The announce does not include online disbursements via NCB.



DISBURSEMENTS ABROAD

// 2020 IN DETAIL

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
ALBANIA	ALBAUTOR	0	320	3	0	0	0	322	0
ALGERIA	ONDA	0	0	1	0	0	0	1	0
ARGENTINA	SADAIC	8 597	10 728	159 186	72 317	80	9 490	260 398	142 853
ARMENIA	ARMAUTHOR	0	8	0	0	0	0	8	0
AUSTRALIA	AMCOS	0	0	136 096	0	0	0	136 096	109 696
AUSTRALIA	APRA	691 344	2 334 805	817 059	522 810	12 472	78 382	4 456 872	2 910 367
AUSTRIA	AKM	42 505	76 864	473 107	331 319	12 405	55 919	992 118	599 065
AUSTRIA	AUSTRO MECHANA	0	0	5 644	0	0	543	6 188	8 011
BARBADOS	COSCAP	0	42	5	0	0	0	47	157
BELARUS	NCIP	0	9	0	0	0	0	9	5
BELGIUM	SABAM	68 527	137 382	132 541	223 112	4 136	16 817	582 515	586 166
BENIN	BUBEDRA	0	10	7	0	0	0	17	18
BOLIVIA	SOBODAYCOM	288	11	61	414	0	0	773	738
BOSNIA AND HERZEGOVINA	AMUS	246	7	73	28	18	73	444	50
BRAZIL	ABRAMUS	3 359	2 643	2 518	877	39	1 378	10 814	10 495
BRAZIL	AMAR	510	395	48	3 039	0	22	4 014	1 604
BRAZIL	ASSIM	9	59	2	0	0	0	70	0
BRAZIL	SADEMBRA	141	133	78	0	0	3	356	181
BRAZIL	SBACEM	1 095	611	566	800	0	1	3 075	3 420
BRAZIL	SICAM	0	3	1	0	0	0	3	0
BRAZIL	SOCINPRO	472	1 213	188	11	0	7	1 892	2 511
BRAZIL	UBC	5 174	10 118	7 399	16 789	2 157	10 826	52 463	36 778
BULGARIA	MUSICAUTOR	76	845	573	655	7	0	2 156	3 136
BURKINA FASO	BBDA	0	23	0	0	0	0	23	0

→ DISBURSEMENTS ABROAD

// 2020 IN DETAIL

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
CANADA	SOCAN	639 075	2 514 271	1 426 823	245 716	58 393	88 251	4 972 529	3 604 858
CANADA	SODRAC	0	0	22 811	0	0	0	22 811	14 715
CHILE	SCD	2 895	5 786	11 271	149	0	1 816	21 917	21 313
CHINA	MCSC	731	804	2 016	495	625	102	4 774	3 697
COLOMBIA	SAYCO	950	741	12 784	1 589	108	716	16 887	16 577
CONGO	SONECA	0	107	7	0	0	0	114	0
COSTA RICA	ACAM	0	19	23	0	0	1	44	11
CROATIA	HDS-ZAMP	589	2 231	1 799	4 030	8 082	4 722	21 452	51 390
CUBA	ACDAM	131	653	421	261	0	17	1 481	7 543
CZECH REPUBLIC	OSA	9 746	34 926	13 733	76 883	4 104	1 695	141 086	151 166
DENMARK	KODA	911 885	8 227 344	4 951 067	2 777 974	310 569	234 552	17 413 390	15 144 406
DOMINICAN REPUBLIC	SGACEDOM	0	0	2	0	0	0	2	0
ECUADOR	SAYCE	116	0	0	0	0	0	116	0
ESTONIA	EAU	4 058	2 950	44 975	32 106	0	1 614	85 704	81 073
FINLAND	TEOSTO	284 607	254 003	644 115	509 386	9 849	24 032	1 725 991	1 595 177
FRANCE	SACEM	582 019	7 408 135	1 828 375	1 141 620	155 804	319 776	11 435 730	7 785 019
GEORGIA	GCA	0	296	449	599	0	0	1 343	543
GERMANY	GEMA	635 804	2 302 177	707 118	1 440 120	108 660	375 158	5 569 037	4 814 723
GREAT BRITAIN	MCPS	0	0	809 959	0	0	15 682	825 640	662 089
GREAT BRITAIN	PRS FOR MUSIC	8 152 178	101 077 203	5 276 963	4 337 368	503 788	615 081	119 962 580	66 744 893
GREECE	AEPI	3 507	4 614	16 080	1 913	0	195	26 309	23 026
GREECE	AUTODIA	7	69	7	0	0	6	90	35
GUATEMALA	AGAYC	0	7	85	0	0	0	92	0
GUINEA	BGDA	0	19	80	0	0	0	99	8

→ DISBURSEMENTS ABROAD

// 2020 IN DETAIL

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
HONG KONG	CASH	16	2 710	11 215	196	83	3 262	17 481	36 583
HUNGARY	ARTISJUS	4 722	2 839	14 670	10 781	23	10 877	43 911	56 476
ICELAND	STEF	21 358	78 306	134 096	82 828	2 908	15 232	334 729	270 279
INDIA	IPRS	77	624	9 202	77	-29 547	725	-18 842	3 666
INDONESIA	KCI	0	2	0	0	0	0	2	0
INDONESIA	WAMI	0	1	0	0	0	0	1	8 588
IRELAND	IMRO	145 871	373 748	79 967	277 723	30 636	23 930	931 875	773 593
ISRAEL	ACUM	4 022	23 077	41 448	3 024	0	597	72 168	69 417
ITALY	SIAE	173 532	244 298	343 455	302 572	28 617	154 347	1 246 820	837 354
IVORY COAST	BURIDA	0	0	3	0	0	0	3	33
JAMAICA	JACAP	78	195	159	339	0	290	1 061	1 217
JAPAN	JASRAC	2 853	57 225	312 568	24 805	11 897	111 769	521 116	296 332
KASAKHSTAN	KAZAC	0	0	7	0	0	0	7	0
KENYA	MCSK	42	148	16	0	0	0	205	267
LATVIA	AKKA/LAA	1 047	8 145	11 239	5 494	8	14 228	40 162	29 933
LITHUANIA	LATGA-A	1 651	960	39 278	6 679	0	240	48 808	51 750
MACEDONIA	ZAMP	66	774	213	0	0	0	1 053	2 261
MADAGASKAR	OMDA	88	0	0	0	0	0	88	44
MALAWI	COSOMA	0	0	0	0	0	5	5	0
MALAYSIA	MACP	0	11 365	430	0	87	4 506	16 389	11 346
MALI	BUMDA	2 897	465	232	0	0	8	3 601	5 441
MEXICO	SACM	7 109	6 591	10 638	34 278	1 262	2 647	62 524	39 191
MONTENEGRO	PAM	0	178	2	0	0	0	179	60
NAMIBIA	NASCAM	0	0	0	0	0	0	0	8 930

→ DISBURSEMENTS ABROAD

// 2020 IN DETAIL

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
NETHERLANDS	BUMA	327 972	263 508	355 694	185 467	5 221	103 652	1 241 514	1 607 511
NETHERLANDS	STEMRA	0	0	187 314	0	0	8 259	195 573	277 566
NEW CALEDONIA	SACENC	0	75	7	0	0	0	82	72
NIGERIA	COSON	86	121	24	0	0	0	231	355
NIGERIA	MCSN	0	0	16	0	0	-3 506	-3 490	0
PANAMA	SPAC	0	18	2	0	0	0	20	0
PARAGUAY	APA	0	3	15	0	0	0	18	0
PERU	APDAYC	1 588	703	1 668	0	0	1	3 960	1 280
POLEN	ZAIS	8 289	21 523	150 591	77 501	2 151	34 916	294 971	188 847
PORTUGAL	SPA	7 686	11 150	4 527	26 333	436	849	50 981	91 079
PUERTO RICO	SPACEM	0	1	0	0	0	0	1	0
ROMANIA	UCMR-ADA	1 001	3 153	9 498	3 902	266	43 168	60 987	25 139
RUSSIA	RAO	14 247	20 962	3 937	54 674	990	69	94 880	50 139
SAINT LUCIA	ECCO	47	0	105	0	0	0	152	143
SENEGAL	SODAV	404	135	1 451	0	0	0	1 990	13 043
SERBIA	SOKOJ	408	3 510	24 447	526	115	877	29 883	27 369
SINGAPORE	COMPASS	0	39 832	1 505	585	0	0	41 922	8 453
SLOVAKIA	SOZA	30	477	454	2 882	1 000	2 299	7 143	9 848
SLOVENIA	SAZAS	1 605	9 158	2 521	537	2	3 501	17 324	24 369
SOUTH AFRICA	SAMRO	5 288	27 345	19 522	4 303	1 521	13 199	71 178	41 975
SOUTH KOREA	KOMCA	7 446	4 231	33 218	3 335	3 656	10 586	62 472	102 009
SPAIN	SGAE	61 141	176 739	434 150	135 655	26 202	94 668	928 556	598 854
SWEDEN	STIM	27 046 536	44 385 801	33 423 937	16 910 009	3 419 804	2 351 257	127 537 343	108 148 151
SWITZERLAND	SUISA	51 289	100 908	144 153	153 624	4 857	39 542	494 374	417 417

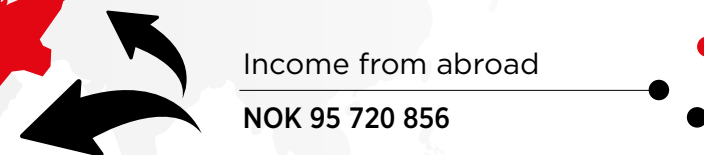
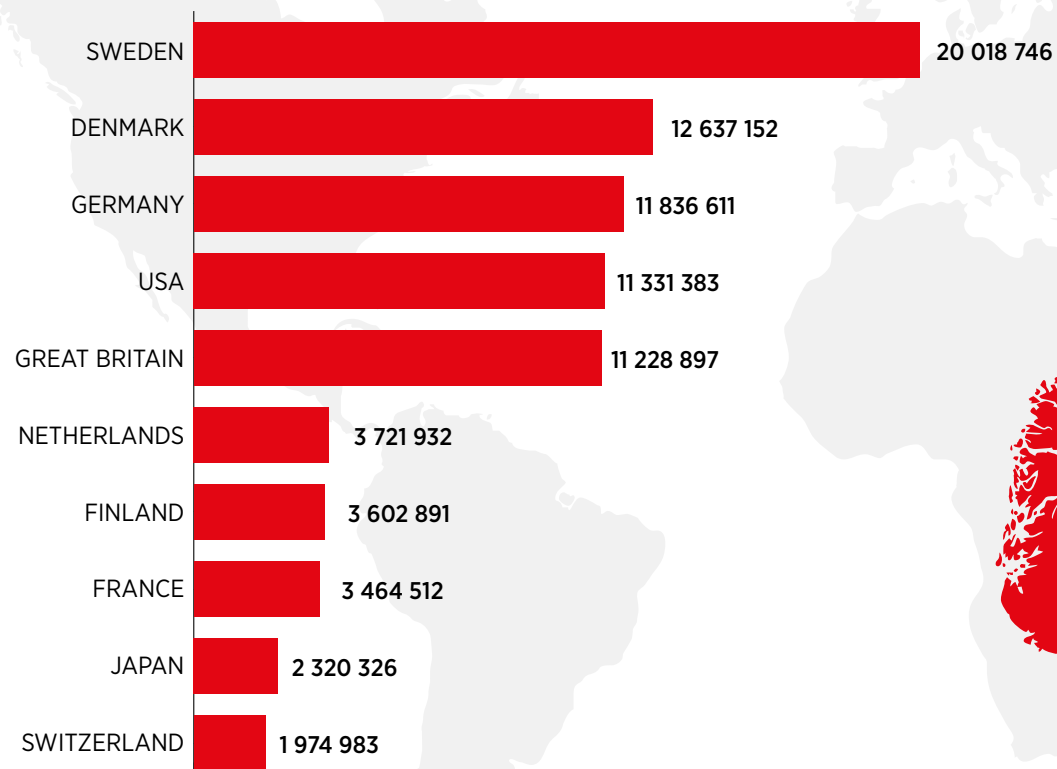
→ DISBURSEMENTS ABROAD

// 2020 IN DETAIL

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
TAIWAN	MÜST	0	35	58	661	0	0	753	0
TANZANIA	COSOTA	0	2	0	0	0	0	2	0
THAILAND	MCT	14	222	59	0	0	10 985	11 280	192
THE PHILIPPINES	FILSCAP	323	55	139	0	0	0	517	2 554
TRINIDAD AND TOBAGO	COTT	60	834	1 162	4	0	0	2 062	4 025
TURKEY	MESAM	597	910	2 358	99	0	127	4 092	5 484
TURKEY	MSG	2 239	1 077	35 772	0	0	0	39 088	27 553
UGANDA	UPRS	0	0	37	0	0	0	37	19
UKRAINE	UACRR	0	430	23	297	0	0	750	3 286
URUGUAY	AGADU	136	1 001	1 355	476	282	541	3 791	2 489
USA	AMRA	343 573	42 407	187 028	76 541	2 571	18 529	670 649	611 059
USA	ASCAP	6 297 323	13 188 727	13 571 781	4 614 046	1 596 594	429 554	39 698 025	29 401 614
USA	BMI	6 203 142	10 926 416	16 799 828	2 820 662	1 624 466	290 681	38 665 195	30 199 279
USA	SESAC	480 550	1 256 316	2 312 111	294 863	199 587	14 643	4 558 070	3 173 869
VENEZUELA	SACVEN	0	104	94	421	0	0	619	411
VIETNAM	VCPMC	0	8	210	0	0	1 680	1 898	96
ZAMBIA	ZAMCOPS	0	0	108	0	0	2	110	72
ZIMBABWE	ZIMURA	899	9	0	201	0	0	1 108	124
TOTAL		53 279 989	195 712 142	86 225 831	37 858 777	8 126 990	5 669 620	386 873 349	282 706 017

INCOME FROM ABROAD

// 2020



INCOME FROM ABROAD

// 2020 DETAILS

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
ARGENTINA	SADAIC	2 216	18 328	29 724	382	0	25 603	76 252	140 427
AUSTRALIA	APRA	107 980	103 499	795 489	13 570	15 635	160 543	1 196 716	1 201 574
AUSTRIA	AKM	524 654	139 865	72 919	119 612	17 441	76 820	951 311	884 024
BARBADOS	COSCAP	0	0	0	0	0	0	0	478
BELARUS	NCIP	51 829	9 718	0	1 468	0	0	63 014	88 728
BELGIUM	SABAM	269 476	313 981	138 442	177 142	23 753	361 993	1 284 787	1 158 868
BRAZIL	UBC	70 600	78 301	119 619	24 450	5 970	81 045	379 984	424 938
CANADA	SOCAN	113 562	85 560	512 473	7 285	2 029	417 503	1 138 413	540 126
CHILE	SCD	0	0	0	0	0	0	0	261 151
CHINA	MCSC	8 691	4 009	0	0	0	158 145	170 845	184 681
COLOMBIA	SAYCO	3 116	18 350	16 914	0	2	14 903	53 284	25 458
COSTA RICA	ACAM	0	0	0	0	0	0	0	1 722
CROATIA	HDS-ZAMP	23 314	6 177	0	0	0	47 183	76 674	288 076
CZECH REPUBLIC	OSA	11 006	34 926	29 304	422 115	1 091	22 560	521 001	231 695
DENMARK	KODA	589 779	9 642 657	840 833	899 537	29 746	634 600	12 637 152	6 327 106
ESTLAND	EAU	27 248	14 698	0	17 324	0	32 010	91 279	194 947
FINLAND	TEOSTO (1)	543 531	1 735 905	390 977	260 655	4 312	667 510	3 602 891	3 230 309
FRANCE	SACEM	309 487	1 073 060	799 826	285 024	52 586	944 529	3 464 512	3 568 663
GEORGIA	GCA	3 701	2 042	0	0	0	0	5 743	8 295
GERMANY	GEMA	2 791 291	2 299 157	4 051 126	355 648	37 307	2 302 083	11 836 611	9 834 952
GREAT BRITAIN	PRS FOR MUSIC	1 282 226	1 220 558	4 506 593	1 564 087	72 945	2 582 487	11 228 897	3 646 621
HONG KONG	CASH	9 287	16 910	87 547	0	0	39 864	153 607	127 858
HUNGARY	ARTISJUS	12 823	36 007	11 018	51 729	1 013	64 855	177 445	179 214

→ INCOME FROM ABROAD

// 2020 DETAILS

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
INDONESIA	WAMI	0	8 146	53 727	0	0	140 120	201 993	0
IRELAND	IMRO	47 351	42 528	97 642	137 383	50 154	23 809	398 867	431 213
ISRAEL	ACUM	18 370	27 670	63 515	12 330	1 440	55 993	179 318	116 292
ITALY	SIAE	190 570	321 723	235 678	600 129	80 453	219 110	1 647 663	1 662 118
JAMAICA	JACAP	142	0	0	578	0	3 547	4 267	0
JAPAN	JASRAC	210 150	410 847	1 088 809	512 501	2 271	95 748	2 320 326	2 112 840
LATVIA	AKKA/LAA	8 768	13 493	351	14 870	3 750	17 931	59 163	50 260
LITHUANIA	LATGA-A	47 561	17 430	0	13 168	1 211	25 249	104 620	103 905
MALAYSIA	MACP	444	28 627	80 589	0	2 434	32 252	144 346	115 917
MEXICO	SACM	4 688	13 461	183 005	20 055	44 960	5 482	271 650	196 580
NETHERLANDS	BUMA	339 668	798 881	1 082 623	407 518	86 919	1 006 323	3 721 932	2 739 784
PHILIPPINES	FILSCAP	9 792	0	9 238	964	0	0	19 993	49 178
POLAND	ZAIS	147 808	167 016	108 107	205 656	30 900	88 494	747 981	642 415
PORTUGAL	SPA	16 958	29 027	387	25 049	186	72 269	143 875	148 952
ROMANIA	UCMR-ADA	42 949	68 917	10 166	368 560	4 583	490 267	985 442	350 757
RUSSIA	RAO	0	0	0	0	0	0	0	57 031
SERBIA	SOKOJ	5 109	13 986	0	0	0	0	19 095	49 494
SEVERAL	Latinautor (2)	0	0	0	0	0	14 929	14 929	0
SLOVAKIA	SOZA	72 137	17 277	39	6 923	1 695	1 012	99 082	72 612
SLOVENIA	SAZAS	16 243	6 647	120	27 050	0	17 639	67 699	60 333
SOUTH AFRICA	SAMRO	71 101	7 063	13 625	105	1 331	2	93 227	78 638
SOUTH KOREA	KOMCA	5 494	182 238	518 850	19 749	0	39 082	765 414	613 412
SPAIN	SGAE	231 527	196 334	246 719	130 605	27 973	277 671	1 110 829	2 189 793

→ INCOME FROM ABROAD

// 2020 DETAILS

COUNTRY	COMPANY	Radio	TV	Online	Concerts	Cinema	Other	Total 2020	Total 2019
SWEDEN	STIM	1 363 302	5 968 035	11 831 338	784 899	153 357	-82 186	20 018 746	12 210 100
SWITZERLAND	SUISA	842 017	269 172	368 101	239 248	14 868	241 577	1 974 983	1 989 310
THAILAND	MCT	3 897	4 092	33 399	8 446	0	18 097	67 932	32 853
TURKEY	MESAM	8 328	7 132	3 242	3 907	0	22 809	45 417	79 173
USA	ASCAP	3 381 348	742 697	3 541 942	707 363	0	58 937	8 432 287	4 863 287
USA	BMI	272 870	455 070	859 648	1 397	0	1 310 111	2 899 096	1 865 900
USA	SESAC	0	0	0	0	0	0	0	3 382
VIETNAM	VCPMC	738	437	6 835	11 722	0	30 534	50 266	34 458
TOTAL		14 115 147	26 671 654	32 840 498	8 460 202	772 315	12 861 039	95 720 856	65 469 898

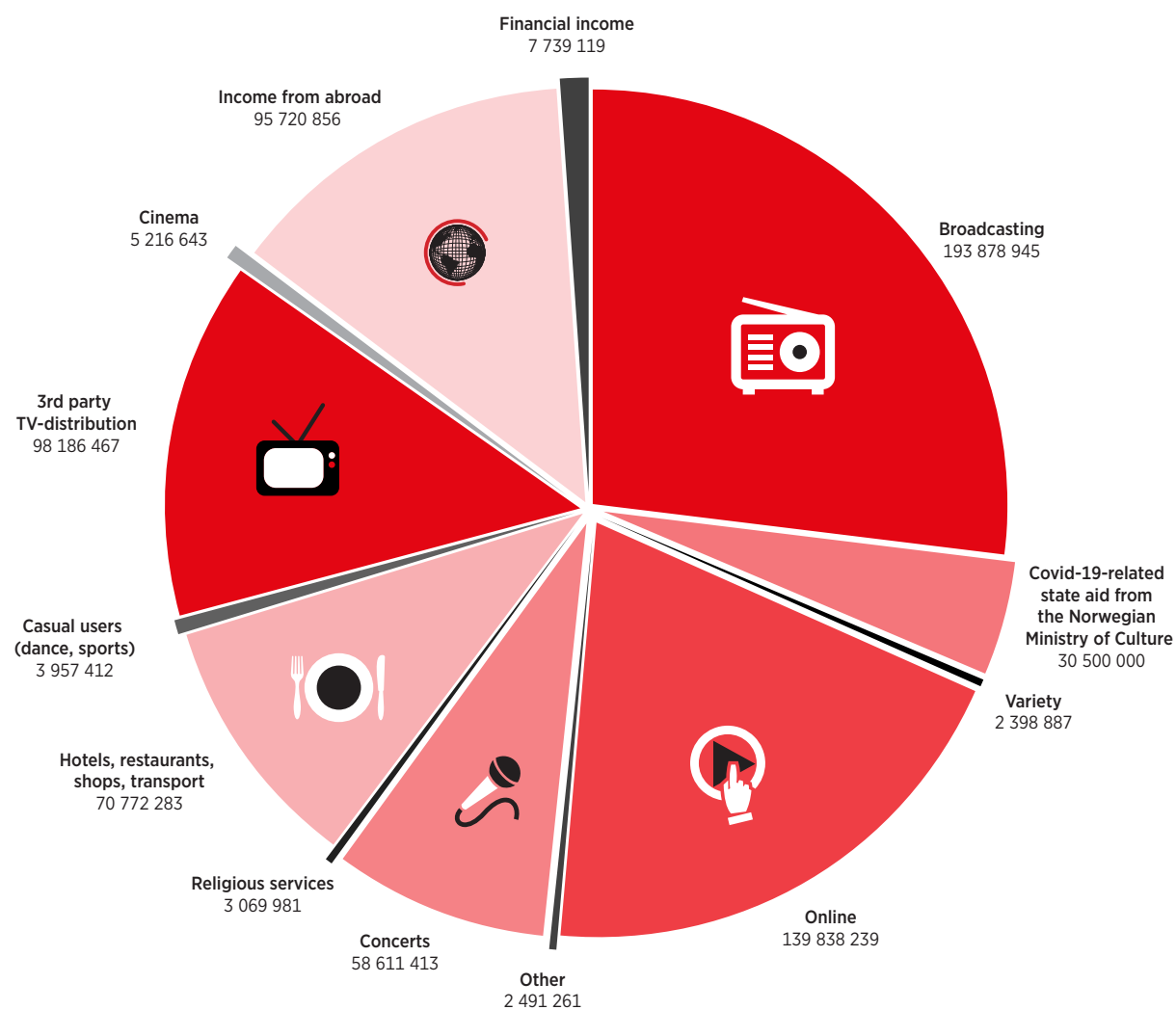
(1) For Teosto, the amount is NOK 53,586.37 too high, due to an error that will be corrected in the 2021 financial statements.

(2) Latinautor represents companies in a number of territories in Central and South America. In 2020, we received royalties from Bolivia, the Dominican Republic and Nicaragua.

(3) The item Other includes both distributions to other areas and distributions that are not specified by area.

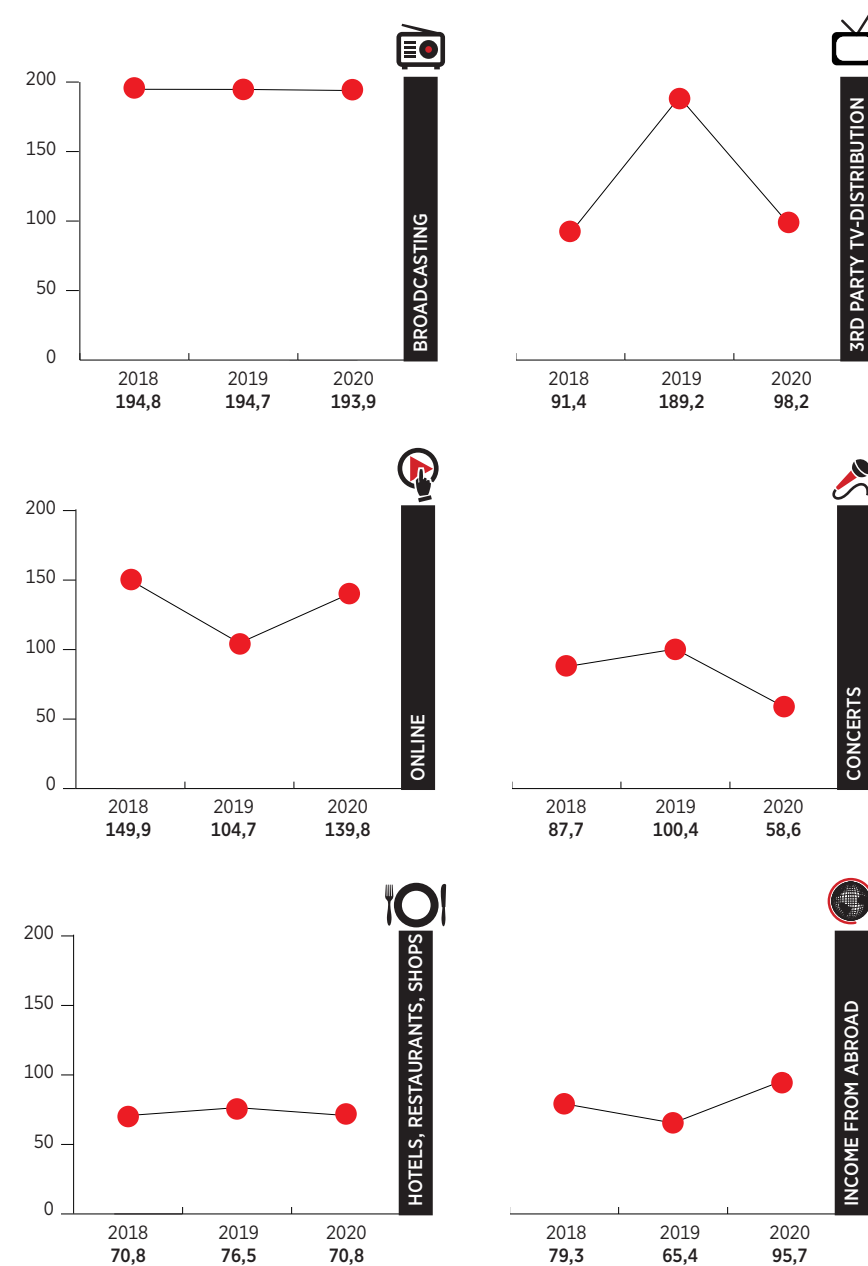
OVERVIEW OF TONO'S INCOME

// 2020



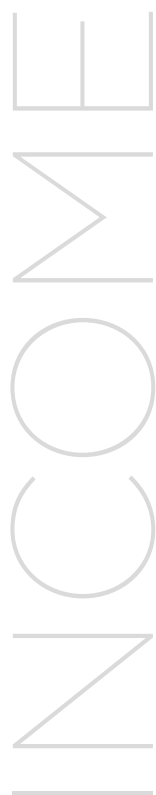
DEVELOPMENT, SOURCES OF INCOME

// Numbers in mill NOK



INCOME STATEMENT

AS AT 31.12.2020



		TONO		Group	
		2020	2019	2020	2019
GROSS REVENUES (before deduction of 2% contribution to DNK and losses)		712 381 506	771 029 047	711 485 596	770 133 153
Revenues	Notes				
Broadcasting		193 878 945	194 734 437	193 878 945	194 734 437
3rd party distribution		98 186 467	189 268 137	98 186 467	189 268 137
Online		139 838 239	104 759 892	139 838 239	104 759 892
Cinema		5 216 643	12 745 938	5 216 643	12 745 938
Concerts		58 611 413	100 472 190	58 611 413	100 472 190
Religious services, etc.		3 069 981	2 988 066	3 069 981	2 988 066
Hotels, restaurants, shops, transport		70 772 283	76 596 394	70 772 283	76 596 394
Casual users – dance, sports, etc.		3 957 412	4 575 314	3 957 412	4 575 314
Variety		2 398 887	3 957 683	2 398 887	3 957 683
Other remuneration		2 491 261	2 171 482	2 491 261	2 171 482
Gross remuneration carried forward		578 421 531	692 269 531	578 421 531	692 269 531
Losses		(4 750 820)	(2 177 775)	(4 750 820)	(2 177 775)
Norwegian Composers Fund (DNK)		(12 033 589)	(13 758 405)	(12 033 589)	(13 758 405)
Net remuneration carried forward		561 637 122	676 333 351	561 637 122	676 333 351
Income from abroad		95 720 856	65 469 898	95 720 856	65 469 898
Other operating revenues	16	30 500 000	-	30 500 000	-
Financial income	13	7 739 119	13 289 618	6 843 209	12 393 724
Total revenues		695 597 097	755 092 866	694 701 187	754 196 972

INCOME STATEMENT

AS AT 31.12.2020

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		TONO		Group	
		2020	2019	2020	2019
EXPENSES	Notes				
Salary/Fees/Payroll costs	12	57 310 217	58 067 370	57 347 789	58 106 306
Dep./amort./write-downs	1	1 023 521	1 145 819	1 253 993	1 376 291
Operating expenses		26 216 505	19 452 354	25 051 255	18 286 588
Expenses re. travel, PR, representation network, etc.		13 379 313	9 290 427	13 379 313	9 290 427
Financial expenses		237 786	220 753	237 786	220 753
Administration fees		(267 129)	(7 475 721)	(267 129)	(7 475 721)
Total expenses		97 900 213	80 701 003	97 003 007	79 804 645
Extraordinary income		-	-	-	-
Extraordinary expenses		-	-	-	-
Profit for alloc. before change in pension liabilities		597 696 883	674 391 863	597 698 179	674 392 327
Change in pension liabilities	7	-420 832	146 065	-420 832	146 065
Tax		-	-	-	-
Profit transferred amounts allocated		598 117 715	674 245 798	598 119 011	674 246 262

DEDUCTIONS FROM REVENUE AREAS

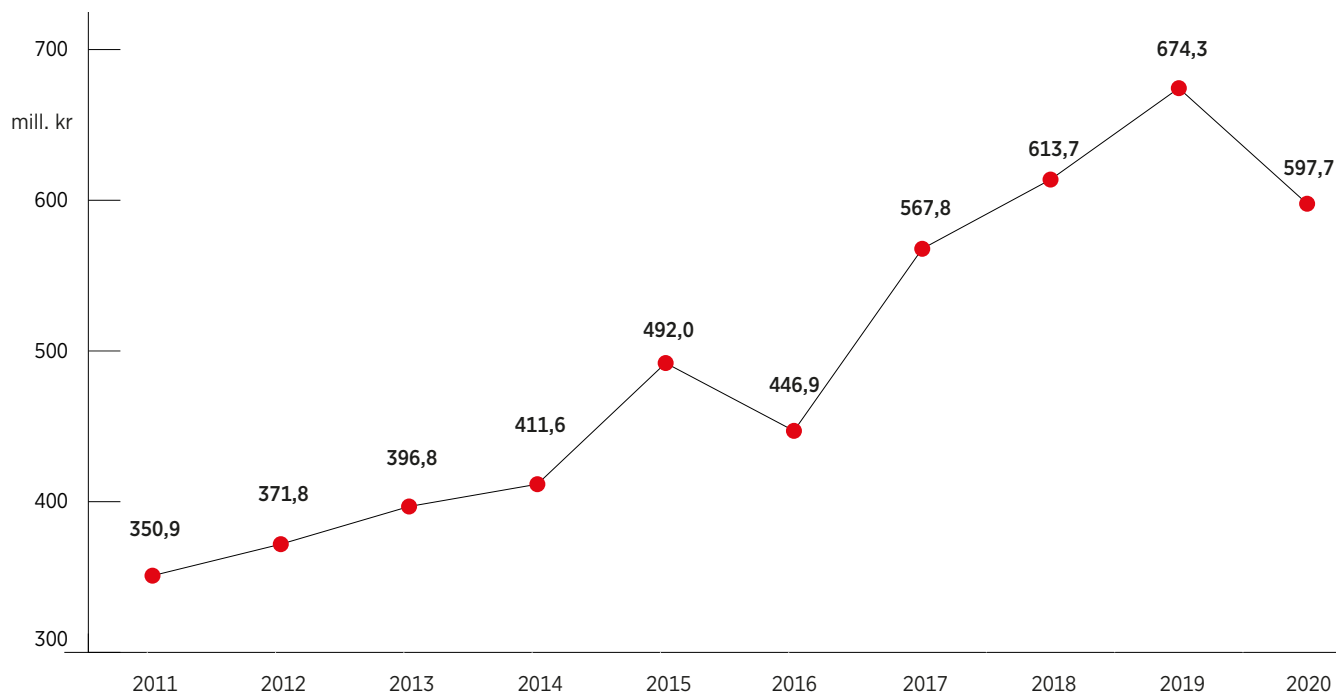
// 2020

Source	Revenue	2% to fund	Cost %	Cost NOK	For allocation incl. cult. funds	Cultural funds	Net allocation
Broadcasting	182 933 950	3 658 679	24,66%	45 114 726	134 160 545	13 416 054	120 744 490
Broadcasting, local	10 944 995	218 900	25,52%	2 793 469	7 932 625	793 263	7 139 363
3rd party distribution	98 186 467	1 963 729	9,75%	9 574 132	86 648 605	8 664 861	77 983 745
Online	139 838 239	2 796 765	3,41%	4 771 468	132 270 006	5 403 003	126 867 004
Cinema	5 216 643	104 333	25,52%	1 331 434	3 780 877	378 088	3 402 789
Concerts	58 611 413	1 172 228	25,46%	14 921 883	42 517 302	4 251 730	38 265 572
Religious services, etc.	3 069 981	61 400	25,52%	783 545	2 225 036	222 504	2 002 533
Hotels, restaurants, shops, transport, etc.	70 772 283	1 415 446	25,32%	17 920 576	51 436 262	5 143 626	46 292 636
Casual users – dance, sports, etc.	3 957 412	79 148	24,75%	979 312	2 898 952	289 895	2 609 056
Variety	2 398 887	47 978	9,80%	235 091	2 115 818	211 582	1 904 236
Financial income	5 900 392	-95 016	-13,99%	-825 587	6 820 995	682 099	6 138 895
Income from abroad	95 720 856	-	0,31%	300 163	95 420 693	-	95 420 693
Total	677 551 518	11 423 589	14,45%	97 900 213	568 227 715	39 456 704	528 771 011
Other operating revenues	30 500 000	610 000	0,00%	-	29 890 000	-	29 890 000
Total	708 051 518	12 033 589	13,83%	97 900 213	598 117 715	39 456 704	558 661 011

DISTRIBUTION

// 2011 – 2020

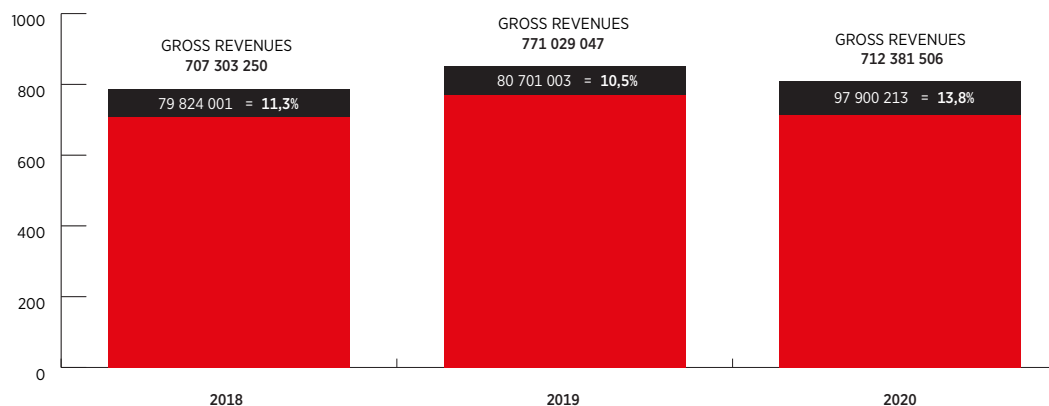
The graph shows performance trends over the past 10 years.
The result is the amount added to the funds available for distribution each year.



TREND IN REVENUES AND EXPENDITURES

// 2018 – 2020

- Revenue before 2% deduction to the Norwegian Composers Fund.
- Expenditures in per cent.



BALANCE SHEET, AS AT 31. DECEMBER

// ASSETS

STATEMENTS

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		TONO		Group	
	Notes	2020	2019	2020	2019
NON-CURRENT ASSETS					
Property, plant & equipment					
Intangible assets	1	172 944	247 063	172 944	247 063
Plant & equipment	1	2 526 734	2 792 680	2 526 734	2 792 680
Land, buildings	1	4 000 000	-	26 021 160	26 251 632
Total property, plant & equipment		6 699 678	3 039 743	28 720 838	29 291 375
Non-current financial assets					
Loans to group companies	2	21 906 463	28 000 000	-	-
Investments in subsidiaries	3	100 000	100 000	-	-
Other investments		184 533	184 533	184 533	184 533
Total non-current financial assets		22 190 996	28 284 533	184 533	184 533
Total non-current assets					
		28 890 674	31 324 276	28 905 371	29 475 908
CURRENT ASSETS					
Receivables					
Trade receivables		24 681 574	24 191 604	24 681 574	24 191 604
Other receivables	4	142 574 422	101 033 794	142 574 422	102 682 729
Total receivables		167 255 996	125 225 398	167 255 996	126 874 333
Investments					
Shares in investment funds	5	271 810 050	266 236 867	271 810 050	266 236 867
Cash/bank/postal giro	5	267 394 515	435 922 759	267 394 515	436 135 593
Total current assets		706 460 561	827 385 024	706 460 561	829 246 793
TOTAL ASSETS		735 351 235	858 709 300	735 365 932	858 722 701

BALANCE SHEET, AS AT 31. DECEMBER

// EQUITY AND LIABILITIES

FINANCIAL STATEMENTS

	Notes	TONO		Group	
		2020	2019	2020	2019
EQUITY					
Paid-in equity					
Share capital	6	2 050	2 050	2 050	2 050
Equity before implem. of pension liabilities		2 050	2 050	2 050	2 050
Retained earnings					
Unfunded pension liabilities	6	(11 807 960)	(11 387 128)	(11 807 960)	(11 387 128)
Other equity	6			14 696	13 401
Total retained earnings after pension liab.		(11 807 960)	(11 387 128)	(11 793 264)	(11 373 727)
Total equity after pension liabilities		(11 805 910)	(11 385 078)	(11 791 214)	(11 371 677)
LIABILITIES					
Provisions					
Insured scheme		(6 528 604)	(6 582 972)	(6 528 604)	(6 582 972)
Unfunded pensions		18 336 564	17 970 100	18 336 564	17 970 100
Pension liabilities	7	11 807 960	11 387 128	11 807 960	11 387 128
Current liabilities					
Miscellaneous creditors	8	107 304 995	73 241 321	107 304 995	73 241 321
Tax/Employer's Nat. Ins. Contrib. payable		3 870 618	3 523 082	3 870 618	3 523 082
Miscellaneous provisions	9	31 864 503	29 294 372	31 864 503	29 294 372
Cultural funds	10	39 456 704	56 603 328	39 456 704	56 603 328
Amounts for allocation	11	552 852 365	696 045 146	552 852 365	696 045 146
Total current liabilities		735 349 185	858 707 250	735 349 185	858 707 250
Total liabilities		747 157 145	870 094 378	747 157 145	870 094 378
TOTAL EQUITY AND LIABILITIES		735 351 235	858 709 300	735 365 931	858 722 701

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway

Consolidation principles

The consolidated financial statements cover TONO and the subsidiary Harmoni AS. The consolidated financial statements have been prepared on the basis of uniform accounting principles, in that the subsidiary applies the same accounting principles as the parent company. Internal transactions, receivables and payables are eliminated.

Subsidiaries

The subsidiary is recognised in accordance with the cost method in the company accounts.

Income

Consideration is recognised when the claim is known, the size of the amount is determined and the income is earned. Due to the nature of TONO's activities, the use of rights may have begun, or the performance may even have ended, before we know that rights which we manage and collect payment for have been utilised. In other cases, permission for use may have been granted, but it is not until long after the client notifies us of the size of the income. For some portions of the income therefore, there may be a lengthy gap between the performance and the income for the music's use being recognised in the financial statements.

Classification and assessment of balance sheet items

Current assets and liabilities include items that fall due for payment less than one year after the reporting date. Other items are classified as non-current assets/liabilities. Current assets are recognised at fair value. Current liabilities are recognised at their nominal amount on the date the liability was incurred.

Non-current assets are recognised at acquisition cost, but are written down to fair value if any impairment therein is not expected to be temporary.

Receivables

Trade and other receivables are capitalised at their nominal value less a provision for expected bad debts. Provisions for bad debts are made on the basis of an individual assessment of each receivable.

Short-term investments

Short-term investments (shares and securities defined as current assets) are recognised at fair value on the reporting date.

Cash-generating entities

The statement of cash flow has been drawn up in accordance with the indirect method. Cash and cash equivalents comprise cash and bank deposits.

Property, plant & equipment

Property, plant and equipment is capitalised and depreciated over the asset's economic life.

Intangible assets

Expenses relating to the production of new IT tools are capitalised and depreciated when the development work results in an intangible asset. The depreciation plan will be assessed annually against the value of the asset.

Pensions

Pension costs and pension liabilities are calculated on the basis of a linear accrual profile based on assumptions concerning the discount rate, future adjustments in salaries, pensions and benefits from National Insurance Scheme, future returns on the investment of pension assets, as well as actuarial assumptions concerning mortality, voluntary exit, etc.

Pension assets are recognised at fair value less net pension liabilities in the balance sheet. Changes in pension liabilities and assets caused by changes in or deviations from the assumptions used to calculate them (changes in estimates) are distributed over the assumed average remaining accrual period, if the deviations at the start of the year exceed 10 per cent of the larger of gross pension liabilities and pension assets.

Pensions are recognised on the basis of a linear accrual profile and expected final salary. Changes to the pension plan are expensed over the expected remaining accrual period. The same applies to estimate deviations, to the extent that they exceed 10 per cent of the larger of pension liabilities and pension assets (corridor).

Extraordinary income and expenses

Extraordinary income and expenses are recognised when the underlying transaction is extremely unusual. It must also be of material value.

Tax

The tax expense in the income statement comprises both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at prevailing tax rates based on temporary differences that exist between carrying and taxable values, as well as any tax losses that are carried forward at the end of the financial year.

Tax-increasing and tax-decreasing temporary differences that are reversed or may be reversed in the same period are offset and recognised net. For the sake of prudence, net deferred tax assets are not recognised, since it is uncertain whether there will be an opportunity to offset net negative (tax-reducing) temporary differences.

NOTE 1

// PROPERTY, PLANT & EQUIPMENT

Depreciation of PP&E

TONO applies the reducing balance method of depreciation as an expression of commercial depreciation.

The exception may be intangible assets, where a specific assessment is made in relevant cases.

	TONO			Harmoni		Group
	Inventory, etc.	Intangible assets	Buildings	Buildings	Land	Total
Acquisition cost 1 Jan 2020	8 481 348	3 000 000	-	35 099 653	1 401 291	47 982 292
Year's additions	683 456	-	4 000 000	-	-	683 456
Year's disposals	-707 125	-	-	-2 175 000	-	-707 125
Acquisition cost 31 Dec 2020	8 457 679	3 000 000	4 000 000	32 924 653	1 401 291	47 958 623
Acc. depreciation 1 Jan 2020	5 688 665	2 752 937	-	10 249 312	-	18 690 914
Year's ordinary depreciation	949 402	74 119	-	230 472	-	1 253 993
Disposals Acc. depreciation	-707 125	-	-	-	-	-707 125
Acc. depreciation 31 Dec 2020	5 930 942	2 827 056	-	10 479 784	-	19 237 782
BOOK VALUE 31 DEC 2020	2 526 737	172 944	4 000 000	22 444 869	1 401 291	28 720 841
Depreciation plan	Saldo	Saldo		Lineære		
Depreciation rate	15-30%	30%	0%	0,70%	0%	

NOTE 2

// NON-CURRENT RECEIVABLES

TONO

Receivables maturing in more than one year

	2020	2019
Loans to group companies	21 906 463	28 000 000
Total	21 906 463	28 000 000

NOTES

NOTE 3

// SUBSIDIARIES AND OTHER SHARES

Company	Acquisition date	Registered office	Shareholding	Voting rights
Harmoni AS		Oslo	100 %	100 %
	05.09.1988		50 000	
	23.06.2003		50 000	
		Book value 31 Dec 2020	100 000	
Harmoni AS made a profit of NOK 1,423,655 in 2020. As at 31 Dec 2020, it had equity of NOK 1,437,056.				
Polaris Nordic A/S			33 %	33 %
	06.03.2014		184 533	
		Bokført verdi 31.12.20	184 533	
Polaris Nordic A/S made a profit of DKK 11,842 in 2020. As at 31 Dec 2020, it had equity of DKK 597,195.				

NOTE 4

// OTHER RECEIVABLES

	TONO	Group
DIVERSE DEBTORS	188 626	188 626
NCB/NMP – interim financial statements	109 676 622	109 676 622
Accrued income/prepaid expenses	32 709 174	32 709 174
	142 574 422	142 574 422

NOTE 5

// INVESTMENTS AND RESTRICTED BANK DEPOSITE

The book value of investments increased by NOK 5,573,183 compared with 31 Dec 2019. The shares in NAS were received in settlement of a trade receivable from the company in connection with the plan to save the crisis-hit airline in April 2020. NOK 2,759,585 of TONO's bank deposits comprises restricted tax withholdings.

TONO and the Group	Book value	Fair value	Recognised change in value
Investments	271 135 050	271 135 050	4 898 183
Shares in Norwegian Air Shuttle ASA	675 000	675 000	-2 625 000
	271 810 050	271 810 050	2 273 183

NOTE 6

// EQUITY

As at 31 Dec 2020, TONO had 1,828 unit holders.

See Article 1(2) of TONO's Articles of Association, see also Article 8(1) with respect to the term "shareholder" in relation to the Cooperative Society Act's term "member".

TONO	Share capital	Other equity	Total
Equity as at 31 Dec 1998 under previous legislation	2 050		2 050
Capitalisation of pension liabilities		-11 387 128	-11 387 128
Equity as at 1 Jan 2020	2 050	-11 387 128	-11 385 078
Change in pension liability	-	-420 832	-420 832
Equity 31 Dec 2020	2 050	-11 807 960	-11 805 910

TONO Group	Share capital	Other equity	Other equity	Total
Equity as at 31 Dec 1998 under previous legislation	2 050	6 551		8 601
Capitalisation of pension liabilities			-11 387 128	-11 387 128
Equity 1 Jan 2020	2 050	13 401	-11 387 128	-11 371 677
Change in pension liability	-	-	-420 832	-420 832
Added from the year's profit/loss	-	1 295	-	1 295
Equity 31 Dec 2020	2 050	14 696	-11 807 960	-11 791 214

NOTE 7

// PENSIONS

TONO AND THE GROUP

The company has a pension scheme that encompasses a total of 84 people, 64 of whom are still working. The occupational pension scheme that TONO provides for its employees meets the statutory requirement. The schemes grant the right to defined future benefits. These depend primarily on the number of vested years, salary level at retirement and the size of benefits received from the Norwegian National Insurance Scheme. These obligations are covered through an insurance company.

The actuarial assumptions are based on those normally used within the insurance field with respect to demographic factors and exist.

	2020	2019
Present value of the year's accrued pension entitlements	1 931 260	2 022 288
Interest expense on pension liabilities	854 562	944 688
Return on pension assets	-1 239 955	-1 358 292
Changes in estimates and deviations recognised in profit and loss	576 907	572 106
Employer's NICs on pension costs	273 411	276 907
Admin. expenses	393 220	355 196
Pension cost incl. employer's NICs	2 789 405	2 812 894

	2020	2019
	Estimated	Estimated
Calculated pension liabilities 31 Dec	42 167 011	37 827 769
Pension assets (at fair value) 31 Dec	33 965 303	32 301 366
Employer's NICs on net pension	1 156 441	779 223
Net pension liabilities incl. employer's NICs	(9 358 149)	(6 305 626)
Estimate deviations not recognised in profit and loss	15 886 753	12 888 597
Net pension assets (liabilities)	6 528 604	6 582 971

Financial assumptions:	31.12.2020	31.12.2019
Discount rate	1,70 %	2,30 %
Projected return on fund assets	2,70 %	3,80 %
Expected salary adjustment	2,25 %	2,25 %
Expected adjustment in value of "G" (NIS's basic unit of calculation)	2,00 %	2,00 %
Expected annual adjustment of pensions being paid	0,00 %	0,50 %

→ NOTE 7

// PENSIONS

Pensions through profit and loss

The company has pension schemes for former employees and trustees, which are paid through profit and loss. The schemes grant the right to defined future benefits. These largely depend on the number of vested years, level of salary/fee and benefits received from the Norwegian National Insurance Scheme. This arrangement encompasses three people. An actuarial estimate based on hypothetical criteria would give an incorrect impression of the liability. No actuarial estimate has therefore been carried out, as it has for the other schemes. The recognised liability provides a good impression of the real liability.

Pensions through profit and loss

The company has a pension scheme for the current CEO, which is paid through profit and loss. The schemes grant the right to defined future benefits. This arrangement encompasses one person. Changes in the liability through the year are recognised in profit and loss.

	2020	2019
	Estimated	Estimated
Underfunded pension liabilities 1 Jan (incl. employer's NICs)	937 965	937 965
Year's pension cost (incl. employer's NICs)	344 556	342 807
Pensions paid	-322 812	-321 279
Employer's NICs paid on pensions paid	-21 744	-21 528
Underfunded pension liabilities 31 Dec	937 965	937 965

	2020	2019
	Estimated	Estimated
Present value of the year's accrued pension entitlements	-	-
Interest expense on pension liabilities	321 178	363 789
Effect of transition to defined contribution scheme in profit and loss	-	-
Changes in estimates and deviations in profit and loss	-	-
Employer's NICS on pension liabilities	45 286	51 294
Year's pension cost	366 464	415 083

	2020	2019
	Estimated	Estimated
Underfunded pension liabilities 1 Jan (incl. employer's NICs)	17 032 132	16 322 750
Actual gains (losses) incl. employer's NICs in profit and loss 1 Jan	-	294 299
Year's pension cost	366 464	415 083
Paid through profit and loss	-	-
Employer's NICs on amount paid	-	-
Underfunded pension liabilities 31 Dec	17 398 596	17 032 132

→ NOTE 7

// PENSIONS

The actuarial assumptions are based on those normally used in the insurance field, with respect to demographic factors and exit.

Defined contribution pension scheme

TONO has had a defined contribution supplementary pension scheme which is entirely paid for and recognised in expenses in the amount of NOK 957,000. As a result, this does not affect the capitalised pension liability, but is charged to profit and loss/allocation of funds for 2020

Financial assumptions:	31.12.2020	31.12.2019
Discount rate	1,70 %	2,30 %
Expected pension adjustment	2,00 %	2,00 %
Expected adjustment in G	2,00 %	2,00 %

The change in the pension liability in profit and loss is arrived at thus:

Increase (-)/decrease (+) in overoverfunding of the insured scheme	54 368
Change in the pension liability through profit and loss	-
Increase in liability relating to executive pensions through profit and loss	366 464
Total	420 832

NOTE 8 //

DIVERSE CREDITORS

	TONO	TONO Group
Trade payables	6 158 249	6 158 249
NKF interim financial statements	13 787 232	13 787 232
NOPA interim financial statements	17 718 666	17 718 666
Norwegian Music Publishers Association	7 878 418	7 878 418
Cultural funds	19 768 605	19 768 605
Outstanding balances Employees	909	909
Norwegian rights holders	41 760 333	41 760 333
Foreign sister companies	232 583	232 583
Total	107 304 995	107 304 995

NOTE 9

// DIVERSE PROVISIONS

	TONO	TONO Group
Accrued holiday pay	4 115 315	4 115 315
Accrued expenses	48 000	48 000
Norwegian Composers' Fund	12 033 589	12 033 589
Norwegian Performing Artists' Fund	-	-
Satellite distribution, sub publishers	13 629 741	13 629 741
Other provisions	2 037 859	2 037 859
Total	31 864 503	31 864 503

NOTE 10

// CULTURAL FUNDS

	TONO and the Group
Balance 1 Jan 2020	56 603 328
Added from online	2 484 810
National funds from dist./residual receivables/bursaries/Edvard/transferred	(59 088 138)
Residuals	-
Added from income in 2020	39 456 704
Balance 31 Dec 2020	39 456 704

NOTE 11

// ALLOCATIONS

Breakdown of operating profit/loss 2020	
NRK (radio and TV)	83 491 309
TV	36 197 082
Radio	21 550 071
Concerts and entertainment	76 298 590
Online	126 867 004
Other (Norwaco, international, cinema, variety, etc.)	184 366 956
Cultural funds	39 456 704
Total profit for allocation	568 227 715
Transferred to cultural funds	(39 456 704)
Total transferred to allocation areas	528 771 011
NRK (radio and TV)	
Total amount for allocation 1 Jan	65 526 647
Distributed/transferred current year	(96 661 932)
Year's net profit	83 491 309
Total amount for allocation 31 Dec	52 356 024
TV	
Total amount for allocation 1 Jan	110 880 681
Distributed/transferred current year	(115 097 670)
Year's net profit	36 197 082
Total amount for allocation 31 Dec	31 980 093
RADIO	
Total amount for allocation 1 Jan	22 673 767
Distributed/transferred current year	(23 168 928)
Year's net profit	21 550 071
Total amount for allocation 31 Dec	21 054 910

→ NOTE 11

// ALLOCATIONS

CONCERTS AND ENTERTAINMENT	
Total amount for allocation 1 Jan	118 251 489
Distributed/transferred current year	(125 349 455)
Year's net profit	76 298 590
Total amount for allocation 31 Dec	69 200 624
ONLINE	
Total amount for allocation 1 Jan	187 566 204
Distributed/transferred current year	(140 768 603)
Year's net profit	126 867 004
Total amount for allocation 31 Dec	173 664 604
OTHER (NORWACO, INTERNATIONAL, CINEMA, VARIETY, ETC.)	
Total amount for allocation 1 Jan	166 556 684
Distributed/transferred current year	(178 336 856)
Year's net profit	184 366 956
Total amount for allocation 31 Dec	172 586 784
TOTAL ALL ALLOCATION AREAS:	
Total amount for allocation 1 Jan	671 455 472
Distributed/transferred current year	(679 383 444)
Year's net profit after cultural funds	528 771 011
Total amount for allocation 31 Dec	520 843 039

→ NOTE 11

// ALLOCATIONS

Undistributed funds due to rights holders (99)

Amount due to rights holders who are either not recognised as members of TONO or any of our international sister companies, or who are confirmed as non-members.

Undistributed funds due to rights holders (9600)

Amounts relating to musical works whose rights holders are actually engaged in a conflict with each other with respect to the allocation of the royalties or to copyright in general or where there is a so-called double claim from a music publisher.

Unregistered musical works (104)

Before TONO can pay royalties for the use of a musical work, the work must be documented (registered) by the rights holder. Undocumented musical works are logged in connection with the compilation of usage reports and royalties subsequently calculated, but the money remains undistributed until documentation has been received.

DISTRIBUTABLE FUNDS/FUNDS DUE TO RIGHTS HOLDERS	
Unallocated funds due to rights holders (99)	
Balance 1 Jan	3 227 486
Added from distributions in 2020	4 287 152
Distributed in 2020	(3 305 120)
Balance 31 Dec	4 209 519
Unallocated funds due to rights holders (9600)	
Balance 1 Jan	18 000 409
Added from distributions in 2020	4 107 711
Distributed in 2020	(1 794 399)
Balance 31 Dec	20 313 720
Unregistered works (104)	
Balance 1 Jan	3 361 781
Added from distributions in 2020	21 021 108
Distributed in 2020	(16 896 802)
Balance 31 Dec	7 486 087
Total for allocation 1 Jan 2020 incl. 99/9600/9000	696 045 148
Total for allocation 31 Dec 2020 incl. 99/9600/9000	552 852 365

NOTE 12

// SALARIES

number of employees, remuneration, employee loans, etc.

Employees

During the year, TONO employed an average of 63 people (60.15 full-time equivalents). The subsidiary has no employees.

Lent to employees

The company has lent a total of NOK 171,085 to its employees. These loans are no larger than NOK 60,813 (3/5 G, in accordance with the collective agreement) per employee, with instalments repayable over periods of up to 1 year. No loans have been extended to and no security has been pledged on behalf of employees, the CEO, the board's chair or other related parties. No agreements have been entered into with senior company officers with respect to compensation in the event of any change in position or termination of the employment relationship.

Auditor

A total of NOK 341,000 in auditing fees for the parent company were recognised in 2020. A further NOK 412,281 was recognised with respect to other assistance, consulting and attendance at meetings. The amounts are stated excl. VAT. In 2019, auditing fees came to NOK 348,250 for the Group, while a further NOK 420,781 was paid for other assistance, consulting and attendance at meetings. The amounts are stated less VAT.

NOTE 13

// FINANCIAL INCOME

NOTE 14

// INTRA-GROUP BALANCES

	TONO		Group	
	2020	2019	2020	2019
PAYROLL COSTS				
Employee salaries	42 853 372	42 015 978	42 863 497	42 026 103
Fees to trustees	2 406 945	2 054 059	2 430 945	2 078 059
Employer's NICs	6 532 317	6 831 945	6 535 764	6 836 756
PENSION COSTS INCL. EMPLOYER'S NICS	4 121 320	4 339 028	4 121 320	4 339 028
Other benefits	1 396 263	2 826 360	1 396 263	2 826 360
Total	57 310 217	58 067 370	57 347 789	58 106 306

REMUNERATION PAID TO SENIOR COMPANY OFFICERS	CEO	Board	CEO	Board
Salary, fees	1 868 250	1 430 712	1 878 375	1 454 712
Pension expenses	470 703	-	470 703	-
Other remuneration	147 055	-	147 055	-

	TONO	Group
FINANCIAL INCOME		
Income from group companies	896 000	-
Other interest income	3 014 562	3 014 652
Net return on and changes in value of investments	2 273 183	2 273 183
Other financial income	1 555 373	1 555 373
Total financial income	7 739 118	6 843 208

	Harmoni	
	2020	2019
RECEIVABLES		
Current receivables	-	-1 648 935
Non-current receivables	21 906 463	28 000 000

NOTE 15

// TAX

*) After the recognised income had been allocated, it was realised that tax payable had not been deducted. Since the amount was small, the allocation for 2020 was not redone.

**) The possibility of applying negative temporary differences is uncertain. Deferred tax assets are therefore not recognised in the company's balance sheet.

	TONO		Group	
THE YEAR'S TAX EXPENSE BREAKS DOWN AS FOLLOWS:	2020	2019	2020	2019
Tax payable on the year's profit/loss, 22%	-	41 843	-	41 843
Unrecognised tax expense *)	-	(41 843)	-	(41 843)
Year's total tax expense		-	-	-
Calculation of the year's tax base:				
Income for allocation before change in pension liability	597 696 883	674 391 863	597 698 179	674 392 328
Transferred for allocation	(598 117 715)	(674 245 798)	(598 227 715)	(674 245 798)
Permanent differences	93 638	(838 682)	1 918 638	(838 682)
Application of tax loss carryforwards	(2 507 831)	-	(2 432 092)	-
Change in temporary differences	3 025 220	(156 558)	1 123 185	(650 610)
Base for tax payable	190 195	(849 175)	190 195	(1 342 762)
Differences that are offset:				
Receivables	(2 562 630)	(105 363)	(2 562 630)	(105 363)
Operating assets	486 518	633 640	8 326 048	6 571 135
Pensions	(11 807 960)	(11 387 128)	(11 807 960)	(11 387 128)
Market-based securities	1 684 823	381 175	1 684 823	381 175
Acc. tax loss	-	(2 507 831)	(6 009 346)	(8 441 438)
Total **)	(12 199 249)	(12 985 507)	(10 369 065)	(12 981 619)

NOTE 16

// OTHER OPERATING INCOME

TONO will receive NOK 30,500,000 in compensation from the Ministry of Culture. The amount will cover a portion of the loss TONO's members have incurred as a result of Covid-related lockdowns.

STATEMENT OF CASH FLOW

// INDIRECT METHOD

Supplementary disclosures

Cash and cash equivalents comprise bank accounts and the tax withholding account. The tax withholding account totalled NOK 2,759,585.

	TONO		Group	
	2020	2019	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/loss	597 696 883	674 391 863	597 698 179	674 392 328
Gain/loss on sale of non-current assets	-	-	-	-
Tax paid during the period	-	-	-	-
Net distributions	-741 420 497	-613 444 318	-741 420 497	-613 444 318
Ordinary depreciation	1 023 521	1 145 819	1 253 993	1 376 291
Change in trade receivables	-489 970	-3 750 890	-489 970	-3 750 890
Change in trade payables, etc.	34 173 674	10 569 716	34 173 674	10 569 716
Difference between expensed pension costs	420 832	-146 065	420 832	-146 065
Change in other time-limited liabilities	-14 228 656	10 906 486	-14 228 656	10 906 486
Change in other time-limited receivables	-41 540 929	68 664 384	-39 891 994	68 433 554
Net cash flow from operating activities	-164 365 142	148 336 995	-162 484 439	148 337 102
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for the purchase of PP&E	-4 683 456	-1 458 052	-683 456	-1 458 052
Sale of non-current assets	-	422 401	-	422 401
Payment for the purchase of shares and other securities	-	-	-	-
Receipts/payments for other investments	-	45 577 011	-	45 577 011
Change in financing and investing activities	-5 573 183	-	-5 573 183	-
Receipts from other investments	-	-	-	-
Loan repayments	6 093 537	-	-	-
Net cash flow from investing activities	-4 163 102	44 541 360	-6 256 639	44 541 360
Net change in cash and cash equivalents	-168 528 244	192 878 355	-168 741 078	192 878 462
Cash and cash equivalents at the start of the period	435 922 759	243 044 404	436 135 593	243 257 131
Cash and cash equivalents at the close of the period	267 394 515	435 922 759	267 394 515	436 135 593

NITSCHKE

To the annual meeting TONO

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TONO showing a profit before allocation totals of kr 598 227 715. For the group kr 598 229 011. The financial statements which comprise the balance sheet as at December 31, 2020, the statement of income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, 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.

Other Information

Management is responsible for the other information. The other information comprises the Board of Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

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

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Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional scepticism 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 Company'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 management's 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

NITSCHKE

Report on Other Legal and Regulatory Requirements for TONO

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Lysaker, 24. March 2021
NITSCHKE AS

Rune Bergseng
State Authorized Public Accountant

Translation has been made for information purposes only

