

ANNUAL REPORT 2021 | TONO

TRANSPARENCY REPORT • INCOME STATEMENT





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ANNUAL REPORT FOR 2021

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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 37,000 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 was incorporated into Norwegian law 1 July 2021. The law requires the production of an annual transparency report. In practice, this requirement will cover TONO's activities from and including the financial year 2022. TONO has nevertheless elected to produce an annual report for the 2021 financial year that is in close accordance with the requirements for a transparency report.

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 societies, customers, other members of the music industry and other interested parties.

MESSAGE FROM THE CEO

2021 – Another difficult year for most of TONO's members

In May 2021, when we wrote the annual report for 2020, we predicted that 2021 would probably be as difficult a year for TONO's members as 2020.

Sadly, that prediction proved all too accurate. Although TONO as a company had a very good year from a financial perspective, with record-high revenues of NOK 844 million, compared with NOK 712 million in 2020, and an administrative expenses ratio of 10.66 per cent, this was overshadowed by the sad fact that most of our members were prevented from exercising their profession or having their works played as a result of Covid-related lockdowns.

Through most of 2021, TONO's staff worked from home. We have established good procedures, which ensured that all settlements and bursary payments to members were disbursed at the right time and as planned for a normal year.

The crisis years of 2020 and 2021 have primarily impacted the concert sector, the most important source of income for a large proportion of TONO's members. The first three months of 2022 have not shown signs of a return to "normal" either. Yet we can feel a growing optimism, which augurs well for the next three quarters.

We are often asked whether live-streamed concerts have taken over some of the "concert market". The answer is probably not. Live-streamed concerts were a welcome opportunity for

rights holders and performers to reach out to audiences, even though most did not generate a great deal of income. In hindsight, we see that this can be a supplement to the traditional live market.

In our discussions with the cultural authorities over the past two years, we note that they have gained a deeper understanding of what we call the rights-holder economy, which includes both music creators and music publishers. After a somewhat fumbling start on the part of the cultural authorities in 2020, we should pay tribute to both the previous and the sitting government for showing the willingness and ability to immerse themselves in the rights-holder economy's complex structure, as a result of which the Norwegian Ministry of Culture accepted TONO's application for state aid. This has provided compensation in those areas in which our members have suffered the largest losses due to the stringent public health restrictions imposed by the authorities. For 2021, the Ministry of Culture has decided to provide NOK 34 million in compensation to TONO's Norwegian members. These are funds that will be paid to TONO's Norwegian members in accordance with the criteria laid down by the Ministry of Culture in its Letter of Appropriation. A scant 1.76 per cent will be deducted to cover allocation costs, and no cultural funds may be deducted.

Compared with other collective management organisations (CMO) worldwide, we have got off lightly. Many CMOs have seen their revenues drop by 30 per cent or more and have had to substantially reduce their workforce. TONO's members continue to do well outside of Norway's

borders. In 2020, revenues from abroad reached an all-time high. To a great extent, this was probably because many fellow CMOs made an effort to track down money and get it to rights holders the world over. Income from abroad for 2021 is back at pre-pandemic levels.

In addition to the traditional revenues from its sister companies, TONO now has considerable income from other countries and territories because we have started pan-European direct licensing of Norwegian members' works through Polaris HUB. We are now also direct licensing territories outside Europe, and more territories are lined up.

We started 2022 with the sale of TONO's premises in Tøyenbekken 21 and our relocation to modern offices in Møllergata 4, right beside the Glassmagasinet retail store and Oslo Cathedral. The property is owned by Møller Eiendom AS.

Best regards,

Cato Strøm
CEO



Photo: Kristian Dugstad/TONO

DIRECTORS' REPORT | 2021

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 37,439 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 2021, the board of directors held nine meetings, while board committees held ten meetings.

TONO has purchased directors and officers (D&O) liability insurance pursuant to Section 3-3a of the Norwegian Accounting Act. Coverage amounts to NOK 5 million.

Collection contracts

As at 31 December 2021, TONO had collection contracts with 37,439 rights holders. In 2021, 1,549 new rights holders were added, 13 of whom were music publishers.

By comparison, TONO had 35,910 rights holders as at 31 December 2021. In 2020, 1,678 new rights holders were added, 26 of whom were music publishers.

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

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

Unit holders

As at 31 December 2021, TONO had 1,917 unit holders. As at 31 December 2020, TONO had a total of 1,828 registered unit holders.

Of the unit holders who are also creators, 18.5 per cent are women. One per cent of TONO's unit holders are music publishers.

Financial performance

TONO generated gross revenues of NOK 843,967,603 in 2021. This is an increase of 18.47 per cent compared with 2020. After a 2 per cent deduction payable to the Norwegian Composers' Fund, as well as losses and administrative costs, TONO had NOK 737,508,715 for distribution to rights holders. This is an increase of NOK 139,391,000 or 23.3 per cent compared with 2020. Expenses totalled 10.66 per cent of revenues in 2021.

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 are recognised. 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 2021, the total effect of liabilities recognised in equity came to NOK -11,741,423. The year before, the liability totalled NOK -11,807,960.

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 2021 is good. This is particularly true in light of the fact that Norway was hard hit by the Covid-19 pandemic in 2021, 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 will 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 hit hard by the Covid-19 pandemic in 2020. The wide-ranging measures implemented to reduce the spread of the virus severely impacted large portions of Norway's business community and, not least, many of TONO's members. Overall, TONO's result in 2021 increased substantially - particularly in the online area, including broadcasting.

Within the individual business areas, we have seen 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 noted a decrease in the distribution of television broadcasts.

The losses experienced in the above-mentioned areas were considerable. However, their impact was cushioned by a significant increase in revenue in the online and broadcasting areas. This was driven in particular by the growth of film streaming services.

Throughout 2021, TONO 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 20 March this year, the Ministry of Culture notified TONO that it would grant NOK 34 million 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 21 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 take place.

The trend towards direct licensing in the online area continues internationally. In the same way as many of TONO's sister societies license their repertoires directly to streaming services without TONO's help, TONO also licenses its repertoire directly to the major music streaming services in conjunction with TONO's sister societies Koda, Teosto and STEF, through the company Polaris Hub AB. TONO does not expect any changes in its rights portfolio in the current year.

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's operations in 2021 made a profit of DKK 8.522 million, compared with DKK 5.8 million in 2020. This has been transferred to equity, which totalled DKK 57.222 million as at 31 December 2021. 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 2021, TONO had 65 permanent employees, of whom three work part time. In 2020, TONO had 65 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 will be no difference in the way men and women are treated with respect to such factors as salary, promotion and recruitment. TONO's workforce comprises 35 women and 30 men. Two men and one woman are employed on a part-time basis. The average age of the entire workforce is 47 (46.0 years for women and 47.5 years for men).

The average gross monthly salary for all female employees at the close of 2021, including managers, came to NOK 55,171. The average gross monthly salary for male employees, including managers, came to NOK 67,623. 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 a minimum of 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 2021, the sickness absence rate totalled 3.07 per cent, compared with 2.23 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:

"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 2021, 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 Cooperative 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, 23 March 2022




Jørgen Karlstrøm
Chair



Kai Robøle
Vice Chair



Tove Bøygard



Stian Westerhus



Stine Sørli



Ine Kristine Hoem



Ole Henrik Antonsen



Unni Boretti



Henrik Petersheim
Employee representative



Ida Otterstad
Employee representative



Håvard Offer-Ohlson
Employee representative



Cato Bjørn Strøm
CEO

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, in 2021:

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

At the close of 2021, TONO was represented on the boards of the following organisations:

- Norwaco
- Norcode
- Samvirkene
- NCB
- Polaris Hub AB
- Polaris AS



Photo: Kristian Dugstad/TONO

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 2021, TONO did not refuse to grant a licence in any other cases than those mentioned.

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

HENRIK PETERSHEIM

Employee representative

HÅVARD OFFER-OHLSSEN

Employee representative

DEPUTY

NOPA: Jon-Willy Rydningen (1)

Kate Havnevik (2)

NKF: Knut Olaf Sunde (1)

Gunhild Seim (2)

NMPA: Thomas Wettergreen (1)

Tonje Hovde (2)

Independent: Marie Amdam (for Ine Hoem)

Halvard Rundberg (for Stian Westerhus)

Employees: Audhild Sørsæther (1)

Stian Aarstad (2)

Herman Foss (3)

Jonas Risting (4)

Hege Teig Veiglum (5)

ADMINISTRATION**CATO STRØM**

CEO

SVEIN KORSHAMN

Deputy Director

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

CHRISTIAN ONSHUS

Membership Director

JANNE SIEVERS

Head of HR & Project

ELIN HEER

Head of Reporting Services

JAN ESPEN STORO

Head of Member Services

NCB (NORDISK COPYRIGHT BUREAU)

NCB (Nordisk Copyright Bureau) administers recording rights to music on CD, DVD, vinyl, cassette, film, video, etc., on behalf of TONO. TONO members become members of NCB through their rights management contract.

NCB was established in 1915, and is owned by the Nordic collective management organisations Koda, STEF, STIM, Teosto and TONO. The company is headquartered in Copenhagen and currently has no employees of its own. Since 1 April 2017, the company's services have been provided by KODA, which has 11 full-time employees working solely on NCB-related tasks.

NCB's board of directors comprises five members, one from each of its co-owners KODA, STIM, TEOSTO, TONO and STEF. TONO's CEO Cato Strøm has chaired NCB's board of directors for the past two years. NCB owns 50 per cent of the shares in Network of Music Partners (NMP), a joint venture with the British company PRS for Music, which provides back-office services to copyright management organisations in the field of music.

Development and status

2021 was an extremely satisfactory financial year for NCB, despite the general downturn in the mechanical offline market and the Covid-19 pandemic. Sales of physical music products remain strong in many territories outside the Nordic region.

NCB will continue focusing on optimising its processes and licences to create value for rights holders through the best and most effective administration of mechanical rights.

After a lengthy and laborious process, NCB was finally granted approval by the German tax authorities. As a result, NCB has received the last withheld tax amounts for distribution to members. In conjunction with BIEM, NCB has improved the processes surrounding the company's standard contracts. In

2021, NCB has also worked hard to secure good cooperation with the new mechanical licensing company in the USA, MLC. NCB's collaboration with MLC has so far been a success.

Revenues and royalty payments

NCB collected a total of DKK 119.9 million in royalties in 2021, compared with DKK 86.9 million in 2020. Royalties collected from the Norwegian market totalled DKK 16.3 million.

NCB made a consolidated profit of DKK 8,552,000 in 2021. The company's equity was strengthened and now stands at DKK 57.222 million.

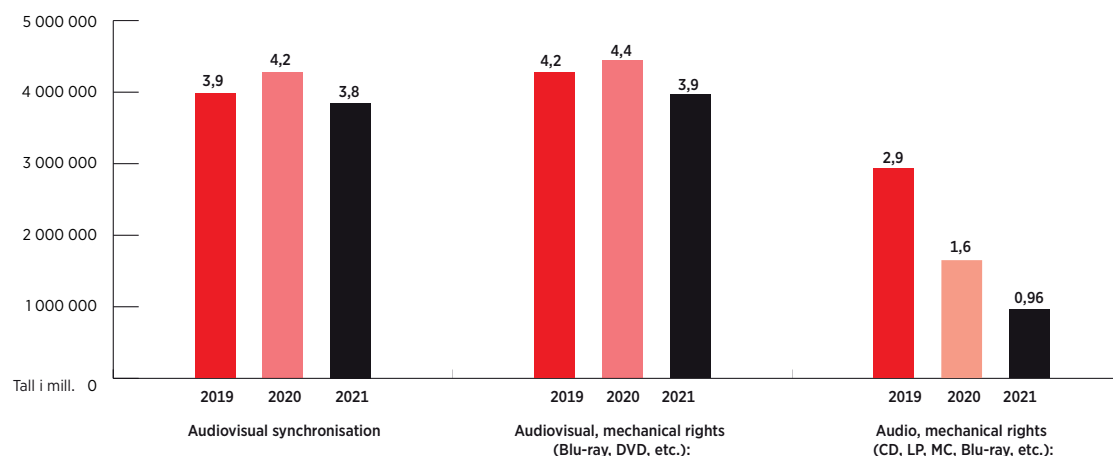
NCB paid out a total of DKK 104.8 million in royalties to rights holders in 2021. DKK 15.1 million of this was paid to TONO's members.

Royalty payments to TONO's members in some NCB areas in the past three years (Totals stated in DKK).



Photo: Kristian Dugstad/TONO

NCB's annual and transparency reports may be viewed in their entirety on NCB's website from the beginning of May.



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 2021 derived
from TONO's income
in 2020, and totalled
NOK 49 005 585

NATIONAL MUSIC CULTURE

The cultural funds from TONO 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 (MF)**

The association endeavours to highlight and strengthen Norwegian music publishers by protecting their professional, legal and financial interests. In the same way as 2020, 2021 was severely impacted by the consequences of the Covid-19 pandemic. The organisation's board and management have worked both internally and through political lobbying to find ways to help and compensate those affected by the losses.

The organisation continued the "creative measures" scheme, which was established in 2020. The funds are intended to benefit Norwegian music publishers and/or Norwegian rights holders, and stimulate activity and the production of new music. A total of NOK 1,200,000 was distributed to 30 projects.

**Norwegian Society of Composers (NKF)**

In 2021, the Norwegian Society of Composers continued to lobby in support of its members and other artists facing uncertainty relating to the pandemic. Together with the Society's sister organisations, work continued to protect the interests of rights holders under various compensation and stimulation schemes. At the same time, the Society had sufficient capacity to work with numerous "ordinary" matters, including an extensive dispute concerning NRK's music profile and coverage of cultural affairs. In this case, the Society filed a complaint against NRK with the Board of Governors of the Norwegian Broadcasting System for failure to fulfil the broadcaster's mandate. The case was widely covered in the media. Later that same year, the Norwegian Media Authority submitted its report on NRK's contribution to media diversity. The Authority reported similar findings and picked up several of the recommendations issued by the Norwegian Society of Composers and other cultural associations.

The starting point for the Society's political lobbying is: "better framework conditions, stronger income opportunities for composers and more use of Norwegian music". This also underpins professional and social initiatives on behalf of members and the surrounding environment. In August, the Society organised a major seminar entitled "Music and ideals – on assessment, selection and relevance in music". Contact with composers through online events was important throughout the year. Our support schemes are constantly adapted and expanded to fit changing circumstances, with the aim of enabling composers to continue working as normally as possible through these challenging times and be well prepared for the reopening of society.

**Norwegian Society of Composers and Lyricists (NOPA)**

In 2021, NOPA engaged in political lobbying to obtain good solutions for rights holders through the pandemic. In addition, information activities to rights holders have been given a high priority. NOPA's lobbying targets civil servants and government ministers, members of Norwegian parliament (the Storting) and other public bodies of importance for rights holders. NOPA works closely with other artists' organisations.

In 2021, NOPA helped to increase artists' knowledge and competence through open webinars and seminars. During the pandemic, we have offered a dedicated advisory service relating to compensation schemes and application opportunities, as well as advice on writing applications.

NOPA has disbursed funds through its grant schemes. In 2021, the bursary scheme became NOPA's young talent grant. This comprises funds that were previously disbursed through TONO's Young Talent bursary. Another new arrangement in 2021 was participation in foreign exchange projects, through EEA-funded European collaborations. NOPA awards several prizes through the year and offers a mentoring scheme.

TONO'S BURSARIES

In 2021, TONO had a total of NOK 16 190 000 to allocate; NOK 14 750 000 for the TONO bursary and NOK 1 440 000 for the Young Talent bursary. A total of 782 bursaries were granted, 590 of which were TONO bursaries and 192 Young Talent 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 2021 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 2021, a total of NOK 1,440,000 was awarded under the Young Talent bursary scheme. As with the main bursary

ry 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 192 bursaries of NOK 7,500 each.

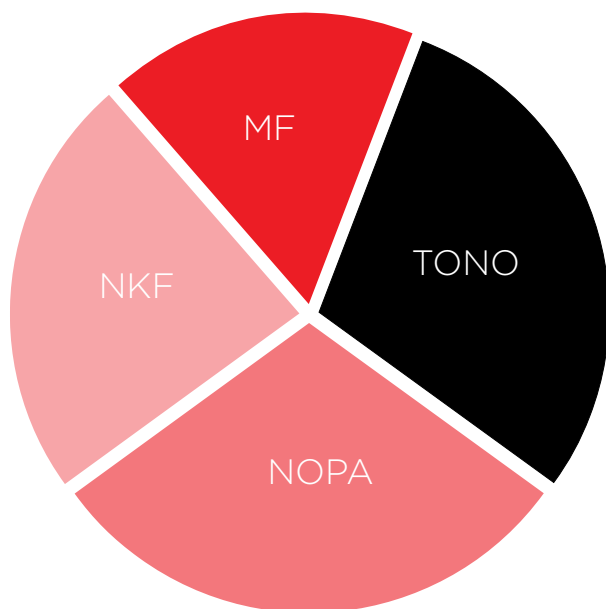
TONO's bursary committee

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 NKF; one member, with a personal deputy, from MF; and two TONO unit holders, with personal deputies, who are not members of any of the above-mentioned associations. In 2021, the committee comprised: Tore Thomassen and Tove Kragset (NOPA), Martin Ødegaard and Anne Hytta (NKF), Ole Børud and Kaja Gunnufsen (independents), and Stine Osmo Lieng (MF).

Music publishers' bursaries

Including previous funds, MF 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.

CULTURAL FUNDS	Amount
NOPA	17 726 441
Norwegian Society of Composers (NKF)	13 787 232
Norwegian Music Publishers Association (MF)	10 340 424
TONO	17 234 041
Total	59 088 138



CULTURAL FUNDS – MUSIC CULTURE	NOPA	MF	NKF	Total
Grants and prizes	3 910 173	1 178 790	4 909 348	9 998 311
Professional initiatives, seminars, events	1 183 269	631 644	803 464	2 618 377
Cultural policy and communication activities	4 536 890	650 738	2 848 004	8 035 632
Creative work project dwellings	556 357	0	107 917	664 274
Salaries, admin. Operating costs	5 369 330	3 867 117	3 069 414	12 305 861
Other	170 422	1 550 129	849 085	2 569 636
Provision for additional initiatives for Norwegian	2 000 000	0	1 200 000	3 200 000
Total				39 392 091
TOTAL	17 726 441	7 878 418	13 787 232	39 392 091

BURSARIES	Amount
Bursaries (TONO and MF)	18 652 006
EDVARD prizes	300 000
Committee work	173 649
Change in unallocated bursary funds per 31.12	570 391
Total	19 696 046

The figures in the table are based on reports from Norwegian Society of Composers and Lyricists (NOPA), The National Music Publishers Association (MF) and The Norwegian Society of Composers (NKF)



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

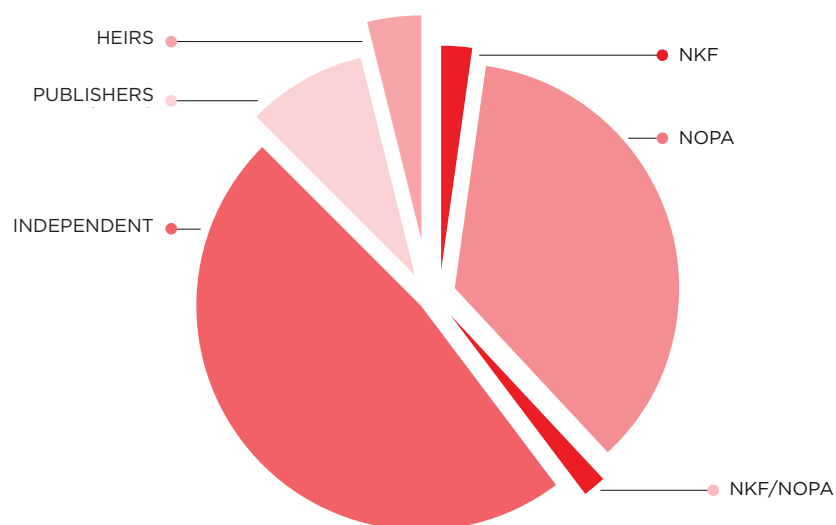
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The following shows a breakdown of distributions made to different groups within TONO in 2021.

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	157 632 813,50	1906	82 703,46
Ordinary members	71 029 745,06	26 005	2 731,38
Totalt	228 662 558,56	27 911	8 192,56

DISTRIBUTIONS BY MEMBERSHIP GROUP	Amount	No.	Average
Organised NKF	4 681 243,84	275	17 022,70
Organised NOPA	73 399 285,93	1 370	53 576,12
Organised NKF/NOPA (double membership)	3 229 583,28	83	38 910,64
Independent	114 307 565,25	24 307	4 702,66
Publishers	24 520 316,68	243	100 906,65
Heirs	8 524 563,58	1 633	5 220,18
Totalt	228 662 558,56	27 911	8 192,56



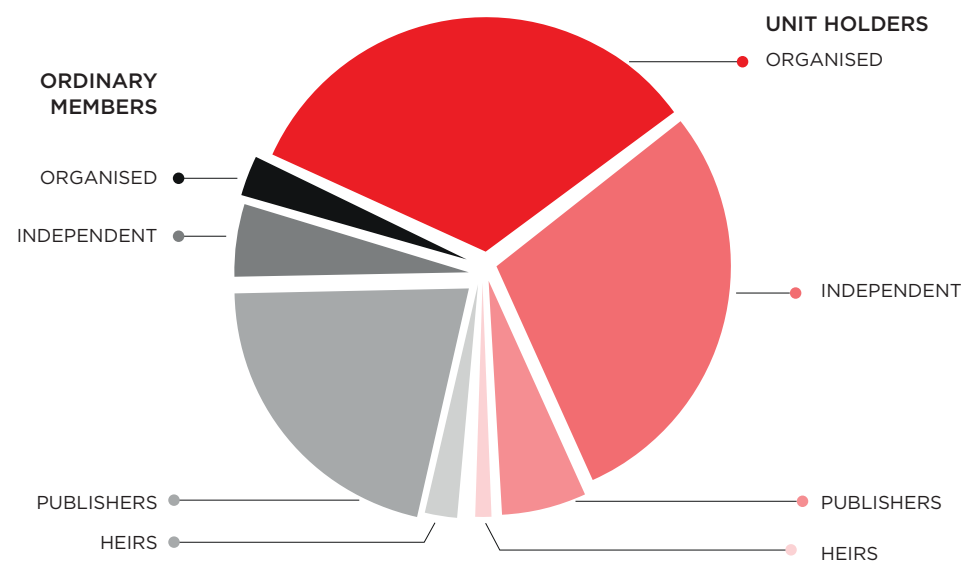
MEMBERSHIP
GROUP

DISTRIBUTIONS TO ORGANISED UNIT HOLDERS	Amount	Number	Average
Unit holders NKF	4 089 182,06	127	32 198,28
Unit holders NOPA	68 684 747,68	822	83 558,08
Unit holders NKF/NOPA	3 116 727,26	60	51 945,45
TOTAL	75 890 657,00	1009	75 213,73

DISTRIBUTIONS UNIT HOLDERS	Amount	Number	Average
Organised unit holders	75 890 657,00	1009	75 213,73
Independent unit holders	65 913 179,76	852	77 362,88
Music Publishers, unit holders	13 267 035,92	19	698 265,04
Heirs, unit holders	2 561 940,82	26	98 536,18
Totalt	157 632 813,50	1906	82 703,46

MEMBERS
GROUP

DISTRIBUTIONS ORDINARY MEMBERS	Amount	Number	Average
Organised ordinary members	5 419 456,05	719	7 537,49
Independent ordinary members	48 394 385,49	23 455	2 063,28
Music publishers, ordinary members	11 253 280,76	224	50 237,86
Heirs, ordinary members	5 962 622,76	1 607	3 710,4
Totalt	71 029 745,06	26 005	2 731,38

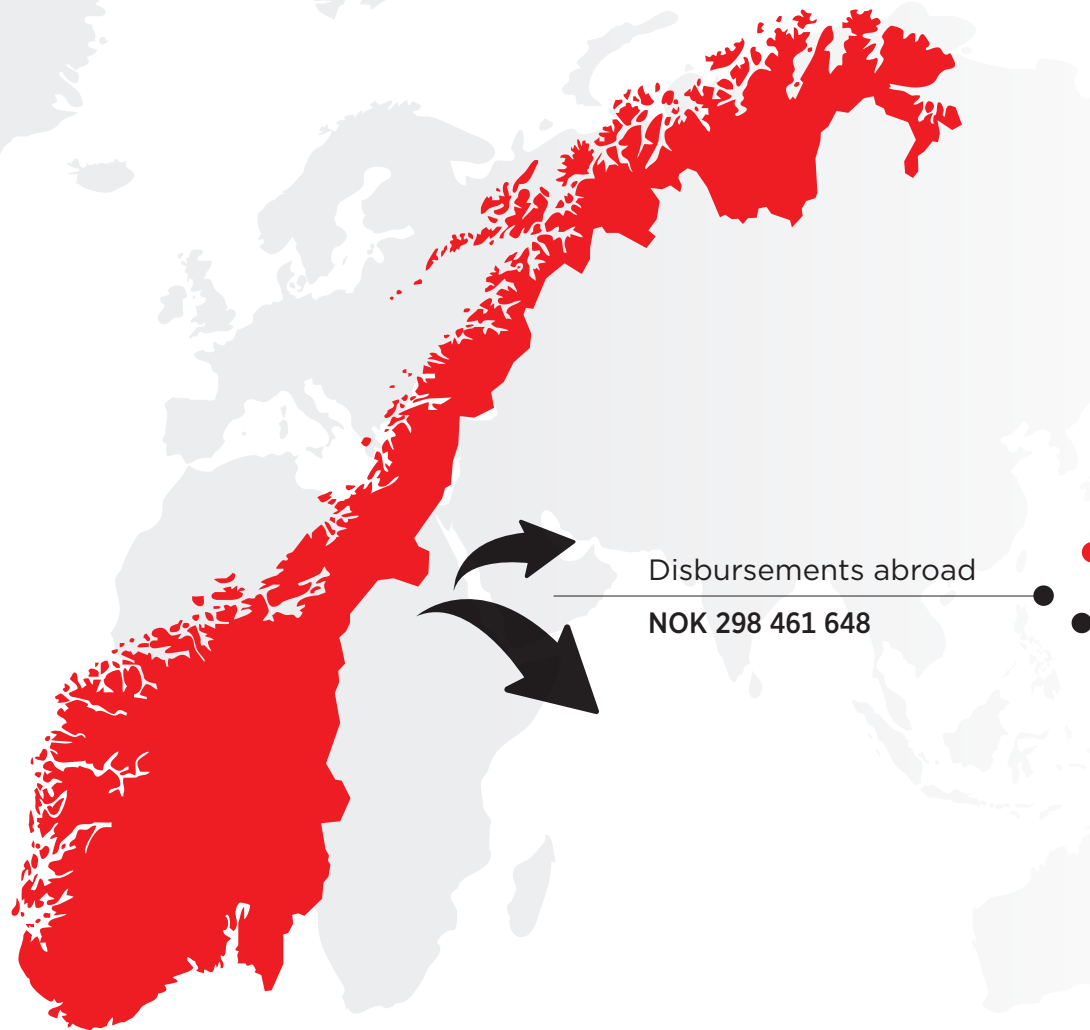


DISBURSEMENTS ABROAD | 2021

TONO has 76 reciprocal agreements with sister societies in a large number of countries worldwide. As a result of these reciprocal agreements, TONO manages the other societies' repertoires in Norway and vice versa. Some sister societies 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 to sister societies abroad amounted to NOK 298 461 648.



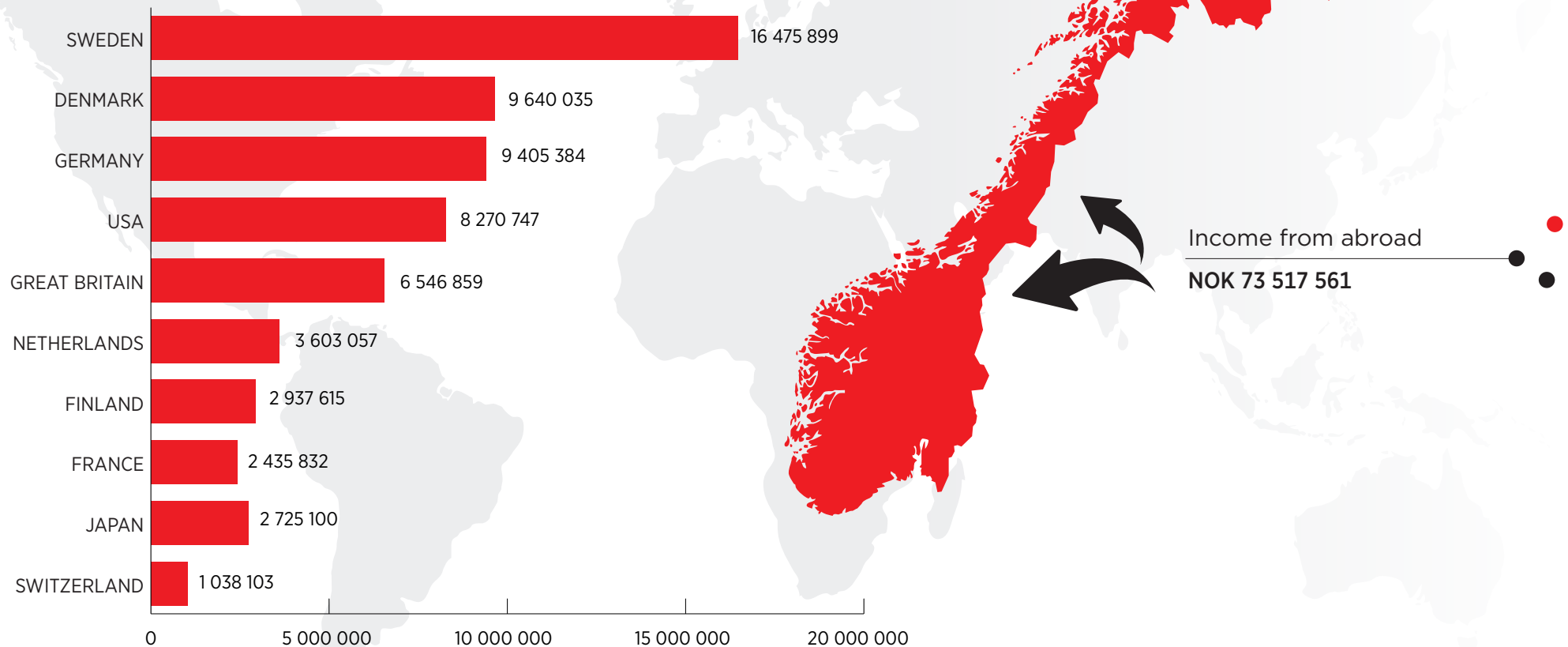
Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other	2021 total	2020	2019
ALBANIA	ALBAUTOR	268	5 275	1 408	0	0	0	6 951	322	0
ARGENTINA	SADAIC	7 724	12 858	93 172	43 593	139	8 125	165 611	260 398	142 853
AUSTRALIA	AMCOS	0	0	150 585	0	0	0	150 585	136 096	109 696
AUSTRALIA	APRA	541 472	1 110 316	1 216 800	220 785	3 048	57 657	3 150 076	4 456 872	2 910 367
AUSTRIA	AKM	34 007	127 630	99 039	207 752	1 177	53 465	523 071	992 118	599 065
AUSTRIA	AUME	0	0	32 833	0	0	117	32 950	6 188	8 011
BELGIUM	SABAM	61 662	136 481	134 842	149 983	7 759	9 287	500 014	582 515	586 166
BRAZIL	ABRAMUS	3 840	1 294	9 413	1 121	3	950	16 621	10 814	10 495
BRAZIL	AMAR	458	260	74	474	0	20	1 288	4 014	1 604
BRAZIL	ASSIM	33	57	2 706	0	0	12	2 808	70	0
BRAZIL	SBACEM	962	423	466	886	0	44	2 781	3 075	3 420
BRAZIL	SOCINPRO	717	555	113	25	0	1	1 411	1 892	2 511
BRAZIL	UBC	7 347	4 618	7 760	7 731	9	24 422	51 887	52 463	36 778
BULGARIA	MUSICAUTOR	2 070	5 640	586	1 513	0	575	10 385	2 156	3 136
CANADA	SOCAN	675 658	2 942 727	1 665 478	157 728	30 560	102 741	5 574 892	4 972 529	3 604 858
CANADA	SODRAC	0	0	47 653	0	0	0	47 653	22 811	14 715
CHILE	SCD	3 759	2 832	6 713	539	0	25	13 868	21 917	21 313
CHINA	MCSC	293	426	2 023	26	0	1 804	4 572	4 774	3 697
COLOMBIA	SAYCO	1 120	558	12 092	119	1 069	239	15 197	16 887	16 577
CROATIA	HDS-ZAMP	429	2 624	2 829	460	33	21 071	27 446	21 452	51 390
CUBA	ACDAM	725	600	382	816	0	2	2 525	1 481	7 543
CZECH REPUBLIC	OSA	6 043	30 898	71 882	38 552	3 129	10 109	160 613	141 086	151 166
DENMARK	KODA	731 301	6 588 046	3 446 078	1 374 707	55 968	203 138	12 399 237	17 413 390	15 144 406
ESTONIA	EAU	1 711	1 090	55 246	6 909	2	1 064	66 022	85 704	81 073

Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other	2021 total	2020	2019
FINLAND	TEOSTO	260 885	203 128	351 084	453 244	633	34 362	1 303 336	1 725 991	1 595 177
FRANCE	SACEM	491 382	4 756 532	2 409 919	670 984	67 905	463 026	8 859 748	11 435 730	7 785 019
GERMANY	GEMA	610 619	1 322 798	2 422 538	805 906	80 160	421 400	5 663 422	5 569 037	4 814 723
GREAT BRITAIN	MCPS	0	0	2 089 003	0	0	9 253	2 098 256	825 640	662 089
GREAT BRITAIN	PRS FOR MUSIC	7 112 102	55 870 466	7 794 907	2 189 440	161 846	596 716	73 725 476	119 962 580	66 744 893
GREECE	AEPI	2 441	867	11 885	646	0	118	15 957	26 309	23 026
GREECE	AUTODIA	1 418	192	288	64	368	35	2 366	90	35
HONG KONG	CASH	22	2 251	5 828	145	50	649	8 945	17 481	36 583
HUNGARY	ARTISJUS	4 284	2 703	73 991	6 596	1 100	2 054	90 728	43 911	56 476
ICELAND	STEF	34 481	30 748	98 790	75 501	3 762	1 041	244 323	334 729	270 279
INDIA	IPRS	260	482	18 254	81	183	2	19 262	-18 842	3 666
INDONESIA	WAMI	115	0	2	4	0	18 142	18 263	1	8 588
IRELAND	IMRO	128 392	303 569	135 477	116 851	70	17 625	701 985	931 875	773 593
ISRAEL	ACUM	4 251	16 714	45 428	5 618	3	11 275	83 289	72 168	69 417
ITALY	SIAE	164 410	204 404	602 901	104 526	11 250	40 634	1 128 124	1 246 820	837 354
JAPAN	JASRAC	2 548	36 222	321 025	11 356	7 058	118 875	497 084	521 116	296 332
LATVIA	AKKA-LAA	1 866	14 550	24 315	1 973	0	882	43 587	40 162	29 933
LITHUANIA	LATGA-A	1 231	2 227	52 686	1 248	0	227	57 619	48 808	51 750
MACEDONIA	ZAMP	217	654	252	9	0	0	1 132	1 053	2 261
MALAYSIA	MACP	0	0	1 614	0	0	514	2 128	16 389	11 346
MALI	BUMDA	803	962	126	2 135	4	2	4 031	3 601	5 441
MAURITIUS	MASA	0	0	1 843	0	0	0	1 843	0	0
MEXICO	SACM	7 682	5 891	11 980	9 410	494	6 384	41 841	62 524	39 191
THE NETHERLANDS	BUMA	301 559	212 043	539 771	235 641	1 591	74 023	1 364 627	1 241 514	1 607 511

Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other	2021 total	2020	2019
THE NETHERLANDS	STEMRA	0	0	259 566	0	0	1 485	261 051	195 573	277 566
PERU	APDAYC	236	230	983	2	0	69	1 520	3 960	1 280
THE PHILIPPINES	FILSCAP	176	221	554	0	0	0	952	517	2 554
POLAND	ZAIS	4 007	17 183	248 899	54 392	4 462	1 526	330 470	294 971	188 847
PORTUGAL	SPA	2 350	7 917	23 381	10 571	0	1 507	45 726	50 981	91 079
ROMANIA	UCMR-ADA	133	1 620	30 774	805	0	24 610	57 942	60 987	25 139
RUSSIA	RAO	11 130	19 268	15 134	27 868	798	327	74 526	94 880	50 139
SAINT LUCIA	ECCO	0	0	4 686	2	0	127	4 815	152	143
SENEGAL	SODAV	2 292	375	2 294	635	0	92	5 688	1 990	13 043
SERBIA	SOKOJ	875	3 852	15 400	1 138	15	122	21 402	29 883	27 369
SINGAPORE	COMPASS	0	10 548	734	31	0	0	11 313	41 922	8 453
SLOVAKIA	SOZA	10	283	9 876	2 184	0	322	12 674	7 143	9 848
SLOVENIA	SAZAS	0	1 426	529	814	0	720	3 489	17 324	24 369
SOUTH AFRICA	SAMRO	4 413	8 059	16 129	1 220	23	5 709	35 554	71 178	41 975
SOUTH KOREA	KOMCA	4 486	1 157	53 608	2 389	44 848	89 676	196 163	62 472	102 009
SPAIN	SGAE	51 521	177 097	574 823	54 240	2 611	66 322	926 614	928 556	598 854
SWEDEN	STIM	24 096 835	31 303 586	39 765 946	8 167 874	813 752	2 497 159	106 645 152	127 537 343	108 148 151
SWITZERLAND	SUISA	44 750	116 985	195 724	128 775	5 817	23 597	515 648	494 374	417 417
TAIWAN	MÜST	3	1 050	583	452	0	0	2 089	753	0
THAILAND	MCT	4	89	1 709	0	0	8 434	10 237	11 280	192
TRINIDAD AND TOBAGO	COTT	25	173	1 100	78	0	313	1 690	2 062	4 025
TURKEY	MESAM	277	1 328	4 629	12	9	5 738	11 993	4 092	5 484
TURKEY	MSG	274	532	64 543	14	0	70	65 433	39 088	27 553
UKRAINE	UACRR	352	3 630	90	16	0	0	4 088	750	3 286

Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other	2021 total	2020	2019
URUGUAY	AGADU	107	741	516	6 207	272	0	7 844	3 791	2 489
USA	AMRA	286 117	29 051	225 245	36 968	924	14 821	593 126	670 649	611 059
USA	ASCAP	5 576 148	11 629 238	12 739 454	2 419 762	200 671	514 095	33 079 368	39 698 025	29 401 614
USA	BMI	5 594 201	9 442 369	15 054 815	1 543 829	400 317	519 808	32 555 339	38 665 195	30 199 279
USA	SESAC	400 255	900 104	2 551 451	143 831	52 384	13 321	4 061 346	4 558 070	3 173 869
VENEZUELA	SACVEN	54	24	257	2 584	151	35	3 104	619	411
VIETNAM	VCPMC	339	57	76	0	0	2 647	3 118	1 898	96
OTHER		2 362	1 064	2 196	693	10	17	6 343	3 164	12 904
		47 296 301	127 641 870	95 939 783	19 512 480	1 966 439	6 104 776	298 461 648	386 873 349	282 706 017

INCOME FROM SISTER SOCIETIES ABROAD | 2021



Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other (2)	2021 total	2020	2019
ARGENTINA	SADAIC	803	12 406	37 814	0	0	12 275	63 298	76 252	140 427
AUSTRALIA	APRA	109 486	76 808	727 817	9 706	2 807	460 938	1 387 562	1 196 716	1 201 574
AUSTRIA	AKM	520 258	142 006	24 180	277 163	819	73 678	1 038 103	951 311	884 024
BARBADOS	COSCAP	0	0	0	0	0	0	0	0	478
BELARUS	NCIP	0	0	0	0	0	0	0	63 014	88 728
BELGIUM	SABAM	344 181	239 752	286 255	43 075	6 529	146 785	1 066 577	1 284 787	1 158 868
BRAZIL	UBC	29 169	39 600	147 959	2 747	16 463	151 106	387 044	379 984	424 938
BULGARIA	MUSICAUTOR	27 453	1 426	0	3 646	0	2	32 527	0	0
CANADA	SOCAN	59 270	85 686	645 126	31 411	4 766	96 163	922 422	1 138 413	540 126
CHILE	SCD	0	0	0	0	0	0	0	0	261 151
CHINA	MCSC	8 642	7 445	0	5 494	0	281 500	303 081	170 845	184 681
COLOMBIA	SAYCO	1 904	7 875	34 905	0	0	2 953	47 637	53 284	25 458
COSTA RICA	ACAM	0	0	0	0	0	0	0	0	1 722
CROATIA	HDS-ZAMP	19 469	5 881	0	0	0	56 793	82 142	76 674	288 076
CZECH REPUBLIC	OSA	13 809	23 312	18 566	2 986	633	111 469	170 775	521 001	231 695
DENMARK	KODA	792 279	5 289 330	1 169 514	456 617	126 825	877 196	8 711 760	12 637 152	6 327 106
ESTONIA	EAU	18 876	32 912	1	9 580	0	18 186	79 555	91 279	194 947
FINLAND	TEOSTO	468 410	1 733 567	478 353	68 484	15 574	379 847	3 144 235	3 602 891	3 230 309
FRANCE	SACEM	225 842	552 463	895 909	128 996	40 717	591 905	2 435 832	3 464 512	3 568 663
GEORGIA	GCA	0	0	0	0	0	0	0	5 743	8 295
GERMANY	GEMA	2 344 363	1 443 290	2 573 457	864 809	58 243	2 355 873	9 640 035	11 836 611	9 834 952
GREAT BRITAIN	PRS FOR MUSIC	410 311	2 659 252	2 406 431	213 117	19 580	838 168	6 546 859	11 228 897	3 646 621
HONG KONG	CASH	2 568	5 821	175 216	7	80	25 803	209 494	153 607	127 858

Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other (2)	2021 total	2020	2019
HUNGARY	ARTISJUS	7 643	26 618	10 686	8 641	2 254	29 998	85 840	177 445	179 214
INDONESIA	WAMI	0	0	115 829	0	0	47 085	162 914	201 993	0
IRELAND	IMRO	51 183	28 614	96 182	14 645	720	7 564	198 908	398 867	431 213
ISRAEL	ACUM	11 006	59 521	120 377	3 838	429	38 200	233 370	179 318	116 292
ITALY	SIAE	0	0	0	0	0	0	0	1 647 663	1 662 118
JAMAICA	JACAP	0	0	0	0	0	0	0	4 267	0
JAPAN	JASRAC	172 824	744 442	1 455 556	286 140	2 267	63 871	2 725 100	2 320 326	2 112 840
LATVIA	AKKA/LAA	15 045	12 221	2 136	11 569	0	16 950	57 921	59 163	50 260
LITHUANIA	LATGA-A	44 641	23 560	7	23 390	1 969	1 102	94 668	104 620	103 905
MALAYSIA	MACP	4 866	6 900	100 083	0	790	15 483	128 122	144 346	115 917
MEXICO	SACM	7 139	7 810	217 361	1 698	3 758	-79 421	158 346	271 650	196 580
THE NETHERLANDS	BUMA	302 876	1 029 542	505 877	167 719	22 830	908 771	2 937 615	3 721 932	2 739 784
THE PHILIPPINES	FILSCAP	0	0	0	0	0	100 110	100 110	19 993	49 178
POLAND	ZAIS	111 650	107 947	56 656	38 224	14 303	42 303	371 082	747 981	642 415
PORTUGAL	SPA	6 424	18 812	455	-7 812	97	53 702	71 678	143 875	148 952
ROMANIA	UCMR-ADA	0	970	7	222	0	135 112	136 311	985 442	350 757
RUSSIA	RAO	0	0	0	0	0	0	0	0	57 031
SERBIA	SOKOJ	23 657	61 717	29	11 625	1 191	8 738	106 958	19 095	49 494
SLOVAKIA	SOZA	67 691	15 217	11 869	813	3 540	171	99 300	99 082	72 612
SLOVENIA	SAZAS	14 598	14 358	177	7 515	0	22 566	59 214	67 699	60 333
SOUTH AFRICA	SAMRO	47 376	6 670	10 660	71	2 725	4 296	71 798	93 227	78 638
SOUTH KOREA	KOMCA	13 881	193 701	603 929	6 746	138	38 509	856 904	765 414	613 412
SPAIN	SGAE	200 191	373 553	265 064	42 599	20 650	157 997	1 060 053	1 110 829	2 189 793

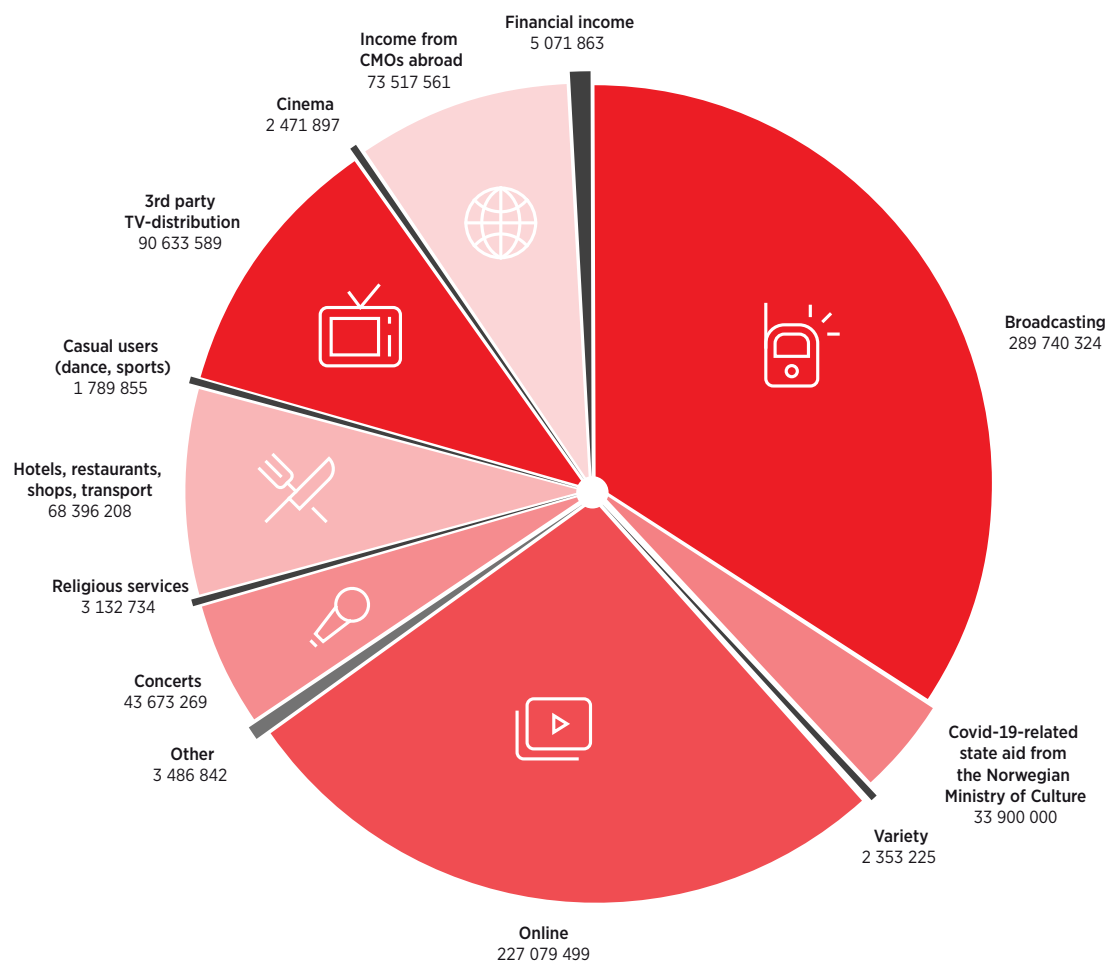
Country	Society	Radio	TV	Online	Concerts/Events	Cinema	Other (2)	2021 total	2020	2019
SWEDEN	STIM	2 277 643	2 968 826	10 137 672	598 712	86 837	406 209	16 475 899	20 018 746	12 210 100
SWITZERLAND	SUISA	770 397	111 794	137 412	120 599	7 412	176 116	1 323 730	1 974 983	1 989 310
THAILAND	MCT	1 666	2 686	16 725	1 614	0	18 159	40 850	67 932	32 853
TURKEY	MESAM	9 091	12 529	50 697	3 645	0	40 806	116 769	45 417	79 173
USA	ASCAP	655 046	606 447	3 047 072	613 795	0	277 150	5 199 510	8 432 287	4 863 287
USA	BMI	395 986	174 160	2 004 422	19	0	334 309	2 908 895	2 899 096	1 865 900
USA	SESAC	3 450	96 691	10 080	0	0	52 121	162 342	0	3 382
VIETNAM	VCPMC	2	816	396	3 296	0	20 640	25 151	50 266	34 458
OTHER	Latinautor (1)	0	0	0	0	0	0	0	14 929	0
Total		10 613 063	19 064 952	28 598 921	4 077 158	464 946	9 419 259	72 238 299	95 720 856	65 469 898

(1) Latinautor represents companies in a number of territories in Central and South America.

(2) Other includes both distributions from other income areas and distributions that are not specified on income area.

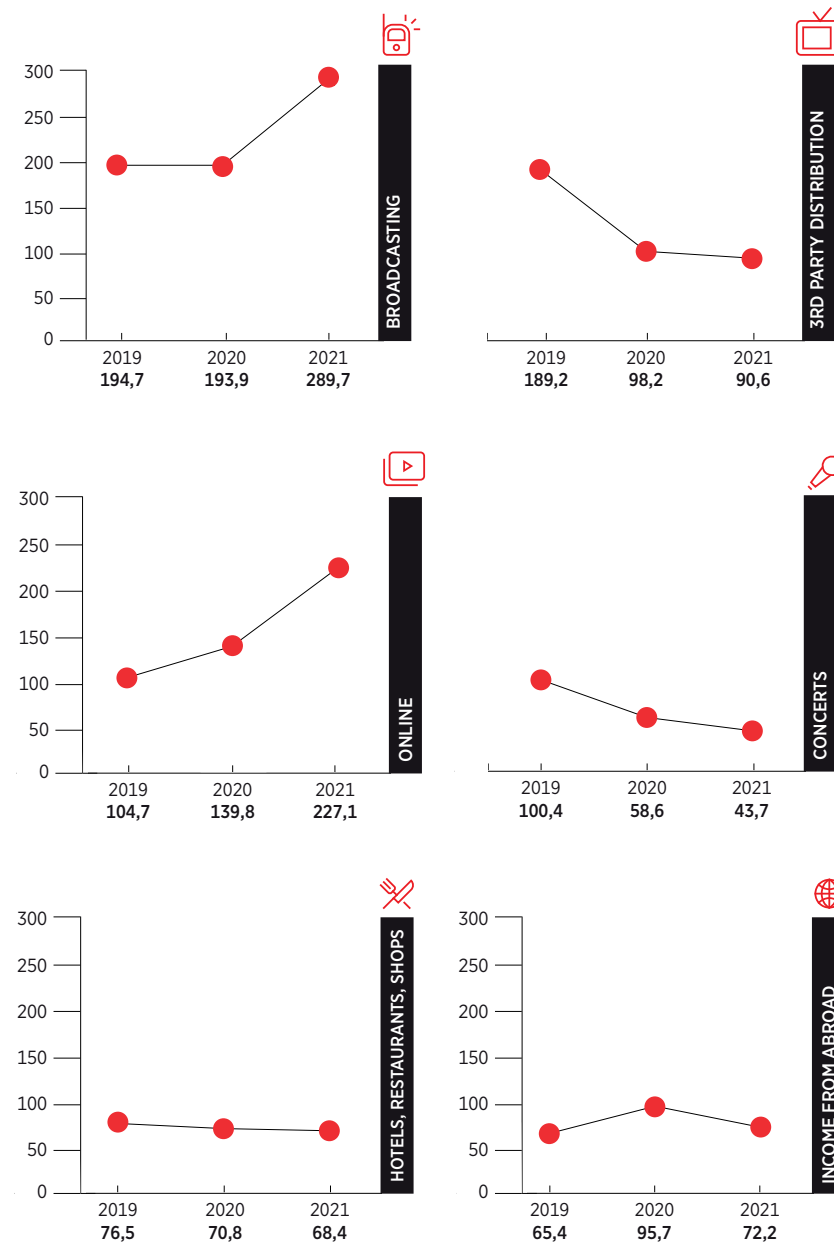
OVERVIEW OF TONO'S INCOME

| 2021



DEVELOPMENT, SOURCES OF INCOME

| Numbers in mill NOK



		TONO		Group	
		2021	2020	2021	2020
GROSS REVENUES (before deduction of 2 % contribution to DNK and losses)		843 967 603	712 381 506	843 071 603	711 485 596
Revenues	Notes				
Broadcasting		289 740 324	193 878 945	289 740 324	193 878 945
3rd party distribution		90 633 589	98 186 467	90 633 589	98 186 467
Online		227 079 499	139 838 239	227 079 499	139 838 239
Cinema		2 471 897	5 216 643	2 471 897	5 216 643
Concerts		43 673 269	58 611 413	43 673 269	58 611 413
Religious services, etc.		3 132 734	3 069 981	3 132 734	3 069 981
Hotels, restaurants, shops, transport		68 396 208	70 772 283	68 396 208	70 772 283
Casual users – dance, sports, etc.		1 789 855	3 957 412	1 789 855	3 957 412
Variety		2 353 225	2 398 887	2 353 225	2 398 887
Other remuneration		3 486 842	2 491 261	3 486 842	2 491 261
Gross remuneration carried forward		732 757 442	578 421 531	732 757 442	578 421 531
Losses		(1 299 795)	(4 750 820)	(1 299 795)	(4 750 820)
Norwegian Composers Fund (DNK)		(15 237 416)	(12 033 589)	(15 237 416)	(12 033 589)
Net remuneration carried forward		716 220 231	561 637 122	716 220 231	561 637 122
Income from abroad		72 238 299	95 720 856	72 238 299	95 720 856
Other operating revenues	16	33 900 000	30 500 000	33 900 000	30 500 000
Financial income	13	5 071 863	7 739 119	4 175 863	6 843 209
Total revenues		827 430 393	695 597 097	826 534 393	694 701 187

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		TONO		Group	
		2021	2020	2021	2020
EXPENSES	Notes				
Salary/Fees/Payroll costs	12	60 656 801	57 310 217	60 695 737	57 347 789
Dep./amort./write-downs	1	3 178 377	1 023 521	3 408 849	1 253 993
Operating expenses		21 098 488	26 216 505	19 934 113	25 051 255
Expenses re. travel, PR, fees, entertain., website, etc.		4 871 875	13 379 313	4 871 875	13 379 313
Financial expenses		227 741	237 786	227 741	237 786
		90 033 282	98 167 342	89 138 315	97 270 136
Administration fees		(219 986)	(267 129)	(219 986)	(267 129)
Total expenses		89 813 296	97 900 213	88 918 329	97 003 007
Extraordinary income		-	-	-	-
Extraordinary expenses		-	-	-	-
Profit for alloc. before change in pension liabilities		737 617 096	597 696 883	737 616 063	597 698 179
Change in pension liabilities	7	66 537	-420 832	66 537	-420 832
Tax		41 844	0	41 844	0
Profit/loss transferred amounts allocated		737 508 715	598 117 715	737 507 682	598 119 011

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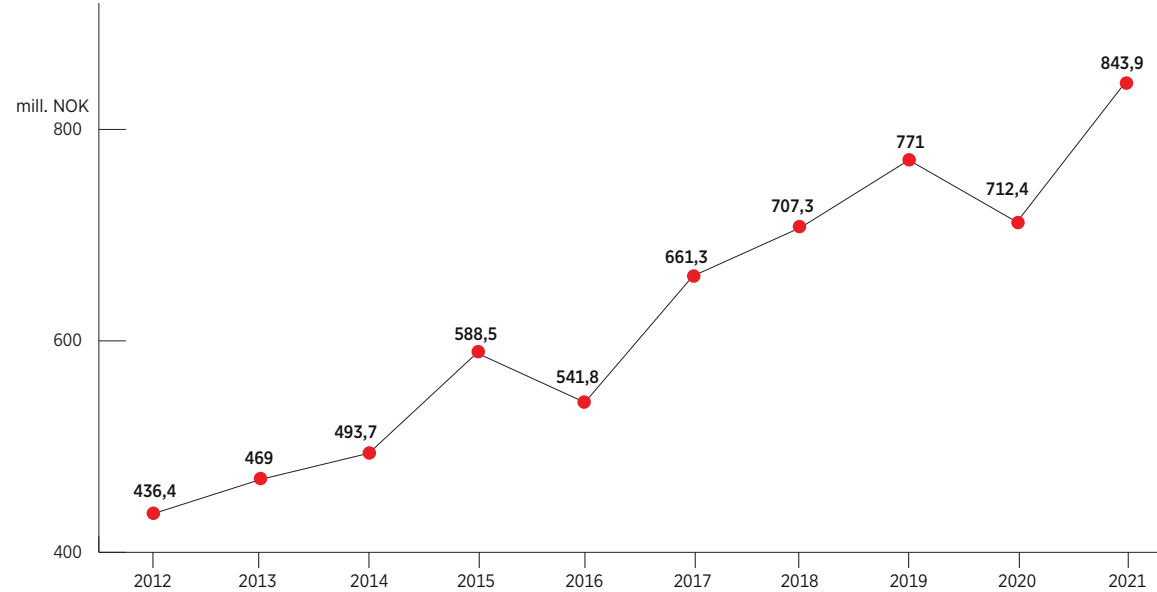
Source	Revenue	2% to fund	Cost %	Cost NOK	For allocation incl. cult. funds	Cultural funds	Net allocatio
Broadcasting	280 428 143	5 608 563	18,27 %	51 223 507	223 596 073	22 359 607	201 236 466
Broadcasting, local	9 312 181	186 244	19,24 %	1 792 025	7 333 913	733 391	6 600 522
3rd party distribution	90 633 589	1 812 672	10,02 %	9 081 046	79 739 870	7 973 987	71 765 883
Online*	227 079 499	4 541 590	1,60 %	3 633 569	218 904 340	7 597 031	211 307 309
Cinema	2 471 897	49 438	19,24 %	475 689	1 946 770	194 677	1 752 093
Concerts	43 673 269	873 465	19,24 %	8 404 430	34 395 373	3 439 537	30 955 836
Religious services, etc.	3 132 734	62 655	19,24 %	602 860	2 467 220	246 722	2 220 498
Hotels, restaurants, shops, transport, etc.	68 396 208	1 367 924	19,20 %	13 130 039	53 898 245	5 389 824	48 508 420
Casual users – dance, sports, etc.	1 789 855	35 797	18,80 %	336 430	1 417 627	141 763	1 275 865
Variety	2 353 225	47 065	9,80 %	230 616	2 075 545	207 554	1 867 990
Financial income	7 150 529	-25 996	0,05 %	3 462	7 173 063	721 491	6 451 572
Income from abroad	72 238 299		1,25 %	899 624	71 338 675	0	71 338 675
Total	808 659 427	14 559 416	11,11 %	89 813 296	704 286 715	49 005 585	655 281 130
Other operating revenues	33 900 000	678 000	0,00 %	0	33 222 000	0	33 222 000
Total	842 559 427	15 237 416	10,66 %	89 813 296	737 508 715	49 005 585	688 503 130

*For music streaming, the actual deductions are made at the time of distribution.

The difference between the total revenue in this table and gross revenue in the financial statements consists of losses on trade receivables of NOK 1,299,795, a change in the pension liability recognised in the balance sheet of NOK 66,537 and tax of NOK 41,844. In total, these differences amount to NOK 1,408, 176.

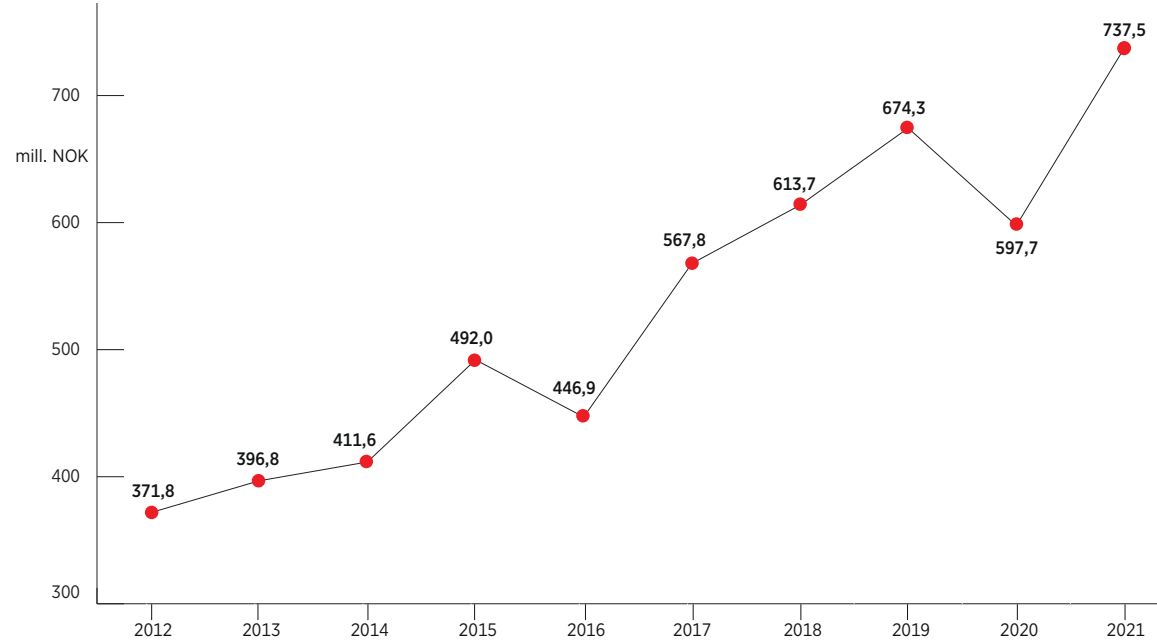
INCOME DEVELOPMENT | 2012 - 2021

Development gross income last 10 years.



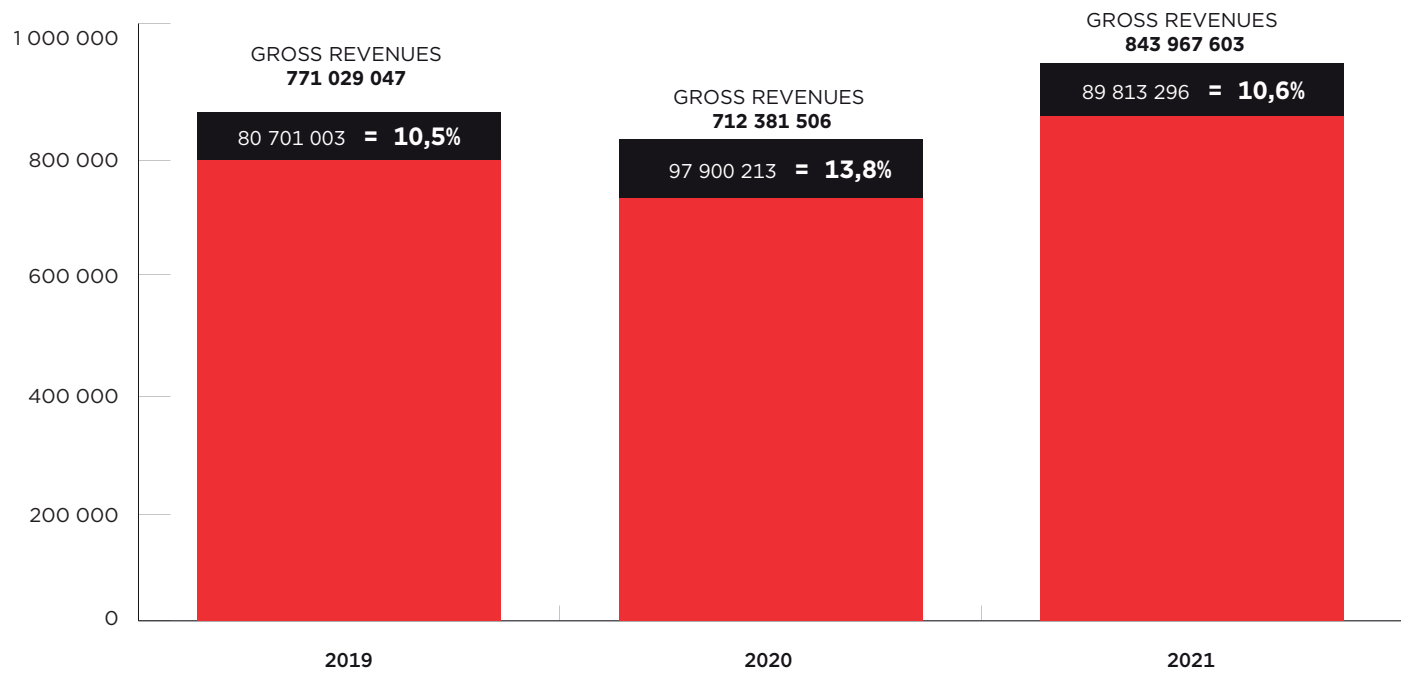
DISTRIBUTION | 2012 - 2021

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 | 2019 - 2021

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



		TONO		Group	
	Notes	2021	2020	2021	2020
NON-CURRENT ASSETS					
Property, plant & equipment					
Intangible assets	1	121 061	172 944	121 061	172 944
Plant & equipment	1	7 872 883	2 526 734	7 872 883	2 526 734
Land, buildings	1	4 000 000	4 000 000	25 790 688	26 021 160
Total property, plant & equipment		11 993 944	6 699 678	33 784 632	28 720 838
Non-current financial assets					
Loans to group companies	2	21 677 024	21 906 463	-	-
Investments in subsidiaries	3	100 000	100 000	-	-
Other investments		184 533	184 533	184 533	184 533
Depositum husleie		1 850 020	-	1 850 020	-
Total non-current financial assets		23 811 577	22 190 996	2 034 553	184 533
Total non-current assets		35 805 521	28 890 674	35 819 185	28 905 371
CURRENT ASSETS					
Receivables					
Trade receivables		109 968 381	24 681 574	109 968 381	24 681 574
Other receivables	4	145 056 188	142 574 422	145 056 188	142 574 422
Total receivables		255 024 569	167 255 996	255 024 569	167 255 996
Investments					
Shares in investment funds	5	284 611 670	271 810 050	284 611 670	271 810 050
Cash/bank/postal giro	5	275 681 827	267 394 515	275 681 827	267 394 515
Total current assets		815 318 066	706 460 561	815 318 066	706 460 561
TOTAL ASSETS		851 123 587	735 351 235	851 137 251	735 365 932

	Notes	TONO		Group	
		2021	2020	2021	2020
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	(11 741 423)	(11 807 960)	(11 741 423)	(11 807 960)
Other equity	6			13 663	14 696
Total retained earnings after pension liab.		(11 741 423)	(11 807 960)	(11 727 760)	(11 793 264)
Total equity after pension liabilities		(11 739 373)	(11 805 910)	(11 725 710)	(11 791 214)
LIABILITIES					
Provisions					
Insured scheme		(6 876 254)	(6 528 604)	(6 876 254)	(6 528 604)
Unfunded pensions		18 617 677	18 336 564	18 617 677	18 336 564
Pension liabilities	7	11 741 423	11 807 960	11 741 423	11 807 960
Current liabilities					
Miscellaneous creditors	8	98 437 148	107 304 995	98 437 148	107 304 995
Tax/Employer's Nat. Ins. Contrib. payable		3 969 610	3 870 618	3 969 610	3 870 618
Miscellaneous provisions	9	40 082 681	31 864 503	40 082 681	31 864 503
Cultural funds	10	49 005 585	39 456 704	49 005 585	39 456 704
Amounts for allocation	11	659 626 514	552 852 365	659 626 514	552 852 365
Total current liabilities		851 121 537	735 349 185	851 121 537	735 349 185
Total liabilities		862 862 960	747 157 145	862 862 960	747 157 145
TOTAL EQUITY AND LIABILITIES		851 123 587	735 351 235	851 137 250	735 365 931

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.

That portion of the income administered by Norwaco or a society within the Nordic partnership is recognised net after a deduction for administration costs. In other words, operating expenses only cover expenses that TONO incurs to collect royalties that have not been outsourced to another party, less net income from NMP/Polaris (income TONO receives for following up income collected in and followed up by NMP/Polaris).

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 include 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 the Norwegian 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 on the basis of best estimates 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 vesting 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 the rate of 22 per cent on the basis of temporary differences that exist between accounting 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 | 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 2021	8 457 679	3 000 000	4 000 000	32 924 653	1 401 291	47 958 623
Year's additions	8 472 643	-				8 472 643
Year's disposals	-6 228 616	-1 500 000	-			-7 728 616
Acquisition cost 31 Dec 2021	10 701 706	1 500 000	4 000 000	32 924 653	1 401 291	48 702 650
Acc. depreciation 1 Jan 2021	5 930 942	2 827 056	-	10 479 784		19 237 782
Year's ordinary depreciation	3 126 494	51 883	-	230 472		3 408 849
Disposals Acc. depreciation	-6 228 616	-1 500 000	-			-7 728 616
Acc. depreciation 31 Dec 2021	2 828 820	1 378 939	-	10 710 256	-	14 918 015
BOOK VALUE 31 DEC 2021	7 872 886	121 061	4 000 000	22 214 397	1 401 291	33 784 635
Depreciation plan	Balance	Balance		Straight-line		
Depreciation rate	15-30 %	30 %	0 %	0,70 %		

1) Total amount is reduced by an internal gain of NOK 1,825,000 on transfer of property from Harmoni AS to the parent company.

NOTE 2 | NON-CURRENT RECEIVABLES**TONO****Receivables maturing in more than one year**

	2021	2020
Loans to group companies	21 677 024	21 906 463
Total	21 677 024	21 906 463

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 2021	100 000	
Harmoni AS made a loss of NOK 1,033 in 2021. As at 31 December 2021, it had equity of NOK NOK 1,536,250.				
Polaris Nordic A/S			33 %	33 %
	06.03.2014		184 533	
		Book value 31 Dec 2021	184 533	
Polaris Nordic A/S made a profit of DKK 10,217 in 2021. As at 31 December 2021, it had equity of DKK 607,412.				

NOTE 4 | OTHER RECEIVABLES

	TONO	Group
VARIOUS DEBTORS	162 071	162 071
NCB/NMP – interim financial statements	112 287 492	112 287 492
Harmoni AS	-	-
Accrued income/prepaid expenses	32 606 625	32 606 625
	145 056 188	145 056 188

NOTE 5 | INVESTMENTS AND RESTRICTED BANK DEPOSITE

The book value of investments increased by NOK 12,801,720 compared with 31 December 2020. NOK 10 million of which was invested in funds and NOK 72,000 in Norwegian Air Shuttle (NAS). 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 3,060,983 of TONO's bank deposits comprises restricted tax withholdings.

TONO and the group	Book value	Fair value	Recognised change in value
Shares in investment funds	284 402 959	284 402 959	3 267 909
Shares in Norwegian Air Shuttle ASA	208 711	208 711	-539 211
	284 611 670	284 611 670	2 728 698

NOTE 6 | EQUITY

As at 31 December 2021, TONO had 1,917 shareholders.

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		-11 807 960	-11 807 960
Equity 1 Jan 2021	2 050	-11 807 960	-11 805 910
Change in pension liability	-	66 537	66 537
Equity 31 Dec 2021	2 050	-11 741 423	-11 739 373

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			-11 807 960	-11 807 960
Equity 1 Jan 2021	2 050	14 696	-11 807 960	-11 791 214
Change in pension liability	-	-	66 537	66 537
Added from the year's profit/loss	-	-1 033	-	-1 033
Equity 31 Dec 2021	2 050	13 663	-11 741 423	-11 725 710

NOTE 7 | PENSIONS**Tono and the group**

The company has a pension scheme that encompasses a total of 83 people, 62 of whom are still working. The occupational pension scheme that TONO provides for its employees meets the statutory requirement and grants 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 exits.

	2021	2020
Present value of the year's accrued pension entitlements	2 287 504	1 931 260
Interest expense on pension liabilities	705 688	854 562
Return on pension assets	-939 819	-1 239 955
Changes in estimates and deviations recognised in profit and loss	729 568	576 907
Employer's NICs on pension costs	346 584	273 411
Admin. expenses	404 673	393 220
Pension cost incl. employer's NICs	3 534 198	2 789 405

	2021	2020
	Estimated	Estimated
Calculated pension liabilities 31 Dec	44 293 513	42 167 011
Pension assets (at fair value) 31 Dec	36 129 115	33 965 303
Employer's NICs on net pension	1 151 180	1 156 441
Net pension liabilities incl. employer's NICs	(9 315 578)	(9 358 149)
Estimate deviations not recognised in profit and loss	16 191 832	15 886 753
Net pension assets (liabilities)	6 876 254	6 528 604

Financial assumptions:	31.12.2021	31.12.2020
Discount rate	1,90 %	1,70 %
Projected return on fund assets	3,10 %	2,70 %
Expected salary adjustment	2,75 %	2,25 %
Expected adjustment in value of "G" (NIS's basic unit of calculation)	2,50 %	2,00 %
Expected annual adjustment of pensions being paid	0,00 %	0,00 %

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 and which 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 and which grants the right to defined future benefits. This arrangement encompasses one person. Changes in the liability through the year are recognised in profit and loss.

	2021	2020
	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	344 556
Pensions paid	-322 812	-322 812
Employer's NICs paid on pensions paid	-21 744	-21 744
Underfunded pension liabilities 31 Dec	937 965	937 965

	2021	2020
	Estimated	Estimated
Present value of the year's accrued pension entitlements	-	-
Interest expense on pension liabilities	246 375	321 178
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	34 739	45 286
Year's pension cost	281 114	366 464

	2021	2020
	Estimated	Estimated
Underfunded pension liabilities 1 Jan (incl. employer's NICs)	17 398 596	17 032 132
Actual gains (losses) incl. employer's NICs in profit and loss 1 Jan	0	0
Year's pension cost	281 113	366 464
Paid through profit and loss	0	0
Employer's NICs on amount paid	0	0
Underfunded pension liabilities 31 Dec	17 679 709	17 398 596

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 966,000. As a result, this does not affect the capitalised pension liability, but is charged to profit and loss/ allocation of funds for 2021.

Financial assumptions:	31.12.2021	31.12.2020
Discount rate	1,90 %	1,70 %
Expected pension adjustment	2,50 %	2,00 %
Expected adjustment in G	2,50 %	2,00 %

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

Increase (-)/decrease (+) in overfunding of the insured scheme	-347 650
Change in the pension liability through profit and loss	0
Increase in liability relating to executive pensions through profit and loss	281 113
Total	-66 537

NOTE 8 | VARIOUS CREDITORS

	TONO	TONO Group
Trade payables	6 695 253	6 695 253
NKF interim financial statements	10 809 464	10 809 464
NOPA interim financial statements	13 889 433	13 889 433
Norwegian Music Publishers Association	6 176 836	6 176 836
Cultural funds	16 085 041	16 085 041
Outstanding balances Employees	909	909
Norwegian rights holders	44 494 914	44 494 914
Foreign sister companies	285 297	285 297
Total	98 437 147	98 437 147

NOTE 9 | VARIOUS PROVISIONS

	TONO	TONO Group
Accrued holiday pay	4 436 830	4 436 830
Accrued expenses	2 527 221	2 527 221
Norwegian Composers' Fund	15 237 416	15 237 416
Norwegian Performing Artists' Fund	-	-
Satellite distribution, sub publishers	17 774 952	17 774 952
Other provisions	106 262	106 262
Total	40 082 681	40 082 681

NOTE 10 | CULTURAL FUNDS

	TONO and the Group
Balance 1 Jan 2021	39 456 704
Added from online	6 869 569
National funds from dist./residual receivables/bursaries/Edvard/transferred	(46 326 273)
Residuals	-
Added from income in 2021	49 005 585
Balance 31 Dec 2021	49 005 585

NOTE 11 | ALLOCATIONS

Breakdown of operating profit/loss 2021	
NRK (radio and TV)	90 846 699
TV	108 598 271
Radio	22 488 976
Concerts and events	69 474 837
Online	211 307 309
Other (Norwaco, international, cinema, variety, etc.)	152 565 038
Cultural funds	49 005 585
Total profit for allocation	704 286 715
Transferred to cultural funds	(49 005 585)
Total transferred to allocation areas	655 281 130
NRK (radio and TV)	
Total amount for allocation 1 Jan	52 356 024
Distributed/transferred current year	(76 564 494)
Year's net profit	90 846 699
Total amount for allocation 31 Dec	66 638 229
TV	
Total amount for allocation 1 Jan	31 980 093
Distributed/transferred current year	(36 058 429)
Year's net profit	108 598 271
Total amount for allocation 31 Dec	104 519 935
RADIO	
Total amount for allocation 1 Jan	21 054 910
Distributed/transferred current year	(22 331 537)
Year's net profit	22 488 976
Total amount for allocation 31 Dec	21 212 349

NOTE 11 | ALLOCATIONS

CONCERTS AND ENTERTAINMENT	
Total amount for allocation 1 Jan	69 200 624
Distributed/transferred current year	(64 521 625)
Year's net profit	69 474 837
Total amount for allocation 31 Dec	74 153 836
ONLINE	
Total amount for allocation 1 Jan	173 664 604
Distributed/transferred current year	(176 985 784)
Year's net profit	211 307 309
Total amount for allocation 31 Dec	207 986 129
OTHER (NORWACO, INTERNATIONAL, CINEMA, VARIETY, ETC.)	
Total amount for allocation 1 Jan	172 586 784
Distributed/transferred current year	(171 807 781)
Year's net profit	152 565 038
Total amount for allocation 31 Dec	153 344 041
TOTAL ALL ALLOCATION AREAS:	
Total amount for allocation 1 Jan	520 843 039
Distributed/transferred current year	(548 269 650)
Year's net profit after cultural funds	655 281 130
Total amount for allocation 31 Dec	627 854 519

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**Undistributed funds due to rights holders (99)**

Balance 1 Jan	4 209 519
Added from distributions in 2021	3 476 381
Distributed in 2021	(4 218 569)
Balance 31 Dec	3 467 331

Unallocated funds due to rights holders (9600)

Balance 1 Jan	20 313 720
Added from distributions in 2021	1 787 630
Distributed in 2021	(1 960 485)
Balance 31 Dec	20 140 865

Unregistered works (104)

Balance 1 Jan	7 486 087
Added from distributions in 2021	10 441 954
Distributed in 2021	(9 764 241)
Balance 31 Dec	8 163 800

Total for allocation 1 Jan 2021 incl. 99/9600/9000	552 852 365
Total for allocation 31 Dec 2021 incl. 99/9600/9000	659 626 515

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 165,683 to its employees. These loans are no larger than NOK 63,839 (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, directors 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 346,250 in auditing fees for the parent company were recognised in 2021. A further NOK 394,715 was recognised with respect to other assistance, consulting and attendance at meetings. The amounts stated include VAT. In 2021, auditing fees came to NOK 354,375 for the Group, while a further NOK 403,215 was paid for other assistance, consulting and attendance at meetings. The amounts stated include VAT.

NOTE 13 | FINANCIAL INCOME**NOTE 14 | INTRA-GROUP BALANCES**

	TONO		Group	
PAYROLL COSTS	2021	2020	2021	2020
Employee salaries	45 612 117	42 853 372	45 622 242	42 863 497
Fees to trustees	2 118 512	2 406 945	2 142 512	2 430 945
Employer's NICs	7 374 974	6 532 317	7 379 785	6 535 764
PENSION COSTS INCL. EMPLOYER'S NICS	4 651 115	4 121 320	4 651 115	4 121 320
Other benefits	900 084	1 396 263	900 084	1 396 263
Total	60 656 801	57 310 217	60 695 737	57 347 789

REMUNERATION PAID TO SENIOR COMPANY OFFICERS	CEO	Board	CEO	Board
Salary, fees	1 927 338	1 367 016	1 937 463	1 391 016
Pension expenses	385 353	0	385 353	0
Other remuneration	146 321	0	146 321	0

	TONO	Group
FINANCIAL INCOME		
Income from group companies	896 000	-
Other interest income	1 171 319	1 171 409
Net return on and changes in value of investments	2 728 697	2 728 697
Other financial income	275 847	275 847
Total financial income	5 071 863	4 175 953

	Harmoni	
RECEIVABLES	2021	2020
Current receivables	21 677 024	-
Non-current receivables	-	21 906 463

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 2021 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:	2021	2020	2021	2020
Tax payable last year	41 844		41 844	
Tax payable on the year's profit/loss, 22%	42 704	41 843	42 704	41 843
Unrecognised tax expense *)	(42 704)	(41 843)	(42 704)	(41 843)
Year's total tax expense	41 844	-	41 844	-
Calculation of the year's tax base:				
Income for allocation before change in pension liability	704 395 096	597 696 883	704 394 063	597 698 179
Transferred for allocation	(704 286 715)	(598 117 715)	(704 286 715)	(598 227 715)
Permanent differences	620 981	93 638	620 981	1 918 638
Application of tax loss carryforwards	-	(2 507 831)	(521 439)	(2 432 092)
Change in temporary differences	(535 251)	3 025 220	(12 779)	1 123 185
Base for tax payable	194 111	190 195	194 111	190 195
Differences that are offset:				
Receivables	(1 419 346)	(2 562 630)	(1 419 346)	(2 562 630)
Operating assets	(188 051)	486 518	7 129 007	8 326 048
Pensions	(11 741 423)	(11 807 960)	(11 741 423)	(11 807 960)
Market-based securities	1 605 842	1 684 823	1 605 842	1 684 823
Acc. tax loss			(5 487 907)	(6 009 346)
Total **)	(11 742 978)	(12 199 249)	(9 913 827)	(10 369 065)

NOTE 16 | OTHER OPERATING INCOME

TONO will receive 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. The financial statements have been prepared on the assumption that the amount will come to approx. NOK 33.9 million.

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 3,060,982.

	TONO		Group	
	2021	2020	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/loss	737 617 096	597 696 883	737 616 063	597 698 179
Gain/loss on sale of non-current assets	0	0	0	0
Tax paid during the period	-41 844	0	-41 844	0
Net distributions	-597 512 566	-741 420 497	-597 512 566	-741 420 497
Ordinary depreciation	3 178 377	1 023 521	3 408 849	1 253 993
Change in trade receivables	-85 286 807	-489 970	-85 286 807	-489 970
Change in trade payables, etc.	-42 089 847	34 173 674	-42 089 847	34 173 674
Difference between expensed pension costs	-66 537	420 832	-66 537	420 832
Change in other time-limited liabilities	17 866 051	-14 228 656	17 866 051	-14 228 656
Change in other accruals and prepayments – receivables	-2 481 766	-41 540 929	-2 481 766	-39 891 994
Net cash flow from operating activities	31 182 157	-164 365 142	31 411 596	-162 484 439
CASH FLOW FROM INVESTING ACTIVITIES				
Payments for the purchase of PP&E	-8 472 643	-4 683 456	-8 472 643	-683 456
Sale of non-current assets				
Payment for the purchase of shares and other securities			0	0
Receipts/payments for other investments			0	0
Change in financing and investing activities	-12 801 620	-5 573 183	-12 801 620	-5 573 183
Receipts from other investments	-1 850 021		-1 850 021	0
Loan repayments	229 439	6 093 537		
Net cash flow from investing activities	-22 894 845	-4 163 102	-23 124 284	-6 256 639
Net change in cash and cash equivalents	8 287 312	-168 528 244	8 287 312	-168 741 078
Cash and cash equivalents at the start of the period	267 394 515	435 922 759	267 394 515	436 135 593
Cash and cash equivalents at the close of the period	275 681 827	267 394 515	275 681 827	267 394 515

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To the Shareholders' Meeting of Tono SA

Independent auditor's report (translated from Norwegian)

Opinion

We have audited the financial statements of Tono SA (the company) showing an income to distribution of NOK 737 508 715. The group showing an income to distribution of NOK 737 507 682. The financial statements comprise the balance sheet as at December 31, 2021, 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 financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at December 31, 2021 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 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 the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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 management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view 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 insofar as it is not likely that the enterprise will cease operations.

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.

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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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Lysaker, 23. mars 2022

Nitschke AS

Rune Bergseng

State Authorised Public Accountant



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more about TONO?

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