

# A united effort

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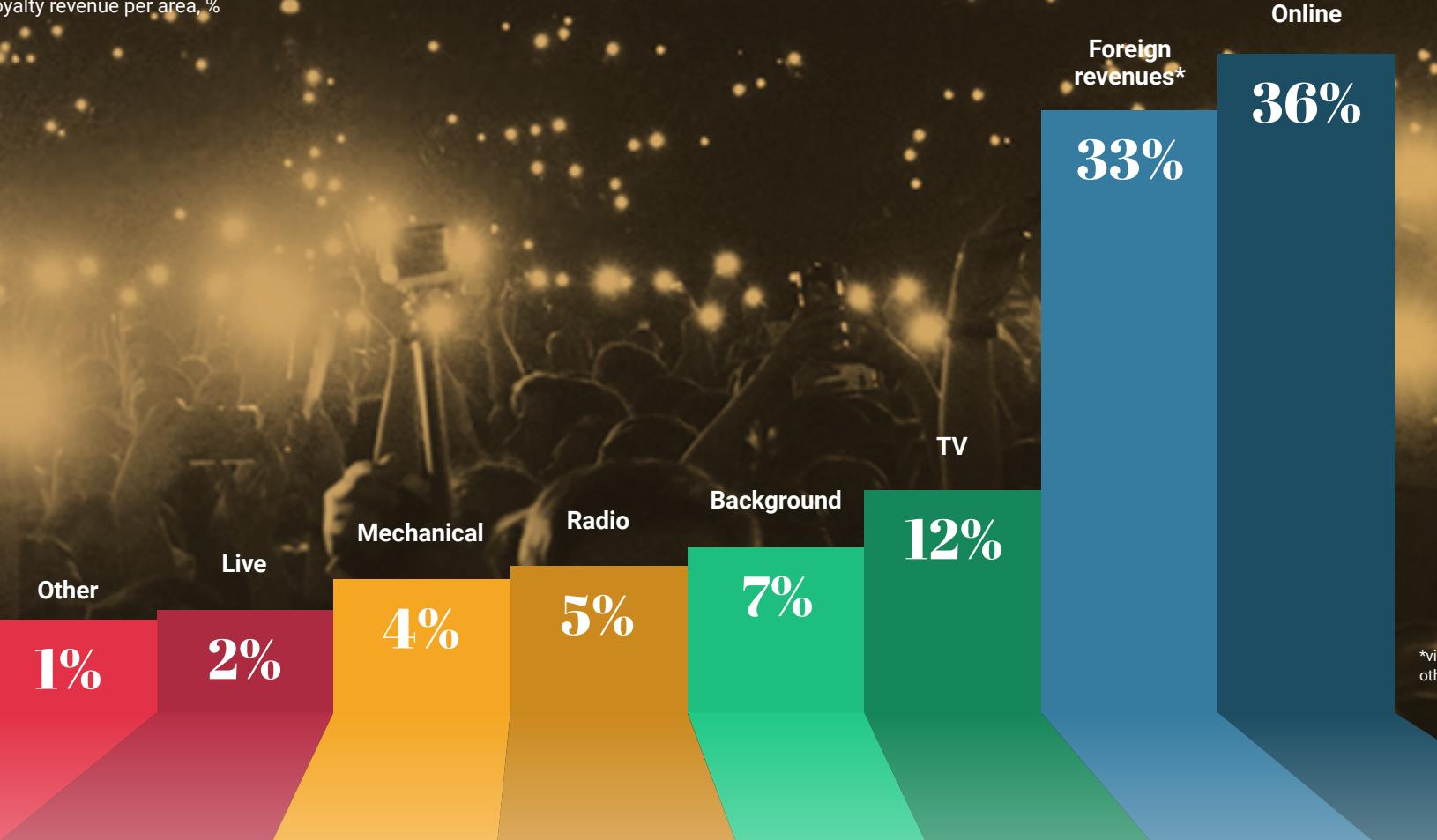


# We look ahead and are building the music industry of the future

STIM is a non-profit member organisation that ensures that over 98 000 affiliated authors and music publishers are paid when their music is used. We provide the conditions for creation and regrowth in the Swedish music industry. It is also why STIM strives to ensure that there are strong copyright laws in place. Which is exactly what we have been doing since the start, in 1923.

### Where the money comes from

Royalty revenue per area, %



# A united effort to promote the music industry

The pandemic continued to impact the music in 2021 and at STIM, all of our focus was on strengthening our affiliates and the music scene overall. STIM Forward Fund unites forces for a thriving future music industry and with continued digital development and newly launched services, we create new opportunities for artists to reach out with their music. The work with the very foundation for all of this – copyright protection – has entered into an intensive stage.

## One-stop-shop for YouTubers

Thanks to the newly established company Cora Music, it will now be possible for STIM-affiliated music to be consumed by the large and growing target audience of YouTubers. The service, which is unique in the world, gives video creators full access to a selected repertoire of protected music. YouTubers can thus easily attach favourite tunes to their videos, without the bother of complicated administration.

By subscribing to Cora Music, they get access to an extensive catalogue of music containing their favourite songs, with assurance that the royalties will, of course, get paid to the music creators.



## STIM Guitar awarded to ICA

This year, STIM Guitar went to ICA, which has created ICA Sounds, an advanced, data-driven music service with playlists directly based on sales figures. The service can be used by all ICA stores in Sweden with the goal of enhancing the customer experience, boosting sales and creating a pleasant work environment for employees. STIM Guitar was awarded at the gala event in November called Sveriges Bästa Marknadschefer.



## STIM has a new CEO

In October, Casper Bjørner took over as the new CEO of STIM. Casper Bjørner has extensive experience of leadership in the creative sector, including as CEO of Walt Disney in the Nordic region, where he successfully worked with digital transformation, licensing, copyright legislation and developing relationships with customers and other stakeholders. His mission now includes strengthening STIM's role both nationally and internationally, and to continue to digitize and develop STIM's business.

## Launch of STIM Forward Fund

Each year, the four organisations comprising the STIM sphere – STIM, FST, SKAP and Musikförläggarna – engage in numerous initiatives focused on strengthening the Swedish music scene. STIM Forward Fund has thus now been created as a united effort to further mobilise and strengthen the music industry. The STIM Forward Fund brand was launched at the STIM scholarships ceremony.

*Read more about STIM Forward Fund on page 22.*

## 4 million awarded as scholarships

STIM has awarded scholarships to composers and songwriters who create music of high artistic quality for almost 100 years. The purpose of the scholarships is to strengthen the music industry and put the prerequisites in place for a high level of musical diversity and regrowth. In total, SEK 4 million in STIM scholarships were awarded in 2021. Scholarship recipients were honoured at the STIM Music Room event in December. Here are the names of some of the recipients: Jacob Mühlrad, Jason Diakité, Merit Hemmingson, Zikai, Rigmor Gustafsson, Simon Hassle, Anton Rundberg and Julia Karlsson.



## Platinum Guitar goes to Salmanzadeh

Songwriter and music producer, Ilya Salmanzadeh was awarded the 2021 STIM Platinum Guitar for his enormous success on the international charts with a variety of world artists. Platinum Guitar was awarded at a ceremony in the STIM Music Room.

*Read the interview with Ilya Salmanzadeh on page 14.*

## Sweden is second best in the world at songwriting

The Swedish music phenomenon is very much alive. A report from Export Music Sweden shows that Sweden is just one of three countries in the world that exports more music than it imports. The leader is USA, followed by Sweden in second place and the UK in third place.

*Read the interview with Ilya Salmanzadeh on page 14.*

## Music Export Prize awarded to Oscar Holter

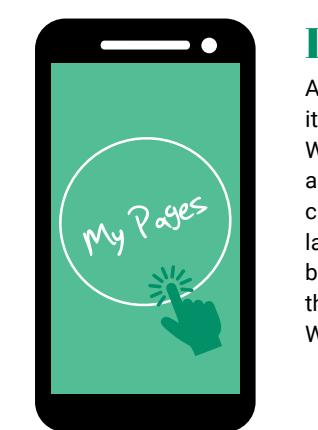
With the Music Export Prize, the Government wants to draw attention to efforts in the music industry that have turned the spotlight on Sweden and thereby positively contributed to both Swedish exports and the image of Sweden abroad. Songwriter Oscar Holter was awarded the 2021 Music Export Prize. Among his many accomplishments, Oscar Holter has co-written music for Justin Timberlake, Taylor Swift and The Weeknd. Honorable mentions went to Ale Möller and the duo Sunshine with Moa "Cazzi Opeia" Carlebecker and Ellen Berg.

Photo: Sara Brynedal



## Digital services with finesse

Always, as we develop the digital services for music creators and publishers, it is with the aim of helping them better understand their revenue from STIM. We process an enormous amount of data from music services, organisers and other stakeholders. Then, we strive to present it all in a way that our users can easily understand. Many new services were thus added to "My Pages" last year, so that each music creator is able to trace the STIM funds they have been paid back to the source. Music creators gain entirely new insights from the knowledge of who has played their music, and where it has been played. We will be launching new services for music publishers in 2022.



## Highest level of affiliate satisfaction ever

STIM regularly surveys its affiliated music creators to assess their level of satisfaction so that we can continuously improve our service and the organisation. The survey has been conducted since 2017 and is sent out to randomly selected rightsholders four times a year. In 2021, we reached an all-time high with a score of 5.9 on a seven-point scale, which is an overall result that we are very happy about. We clearly see how the work with daily service and our new improved digital services have had a positive impact.



## Premiere of directly licensed streaming money from Asia

Music listening of digital services in Asia has increased significantly in recent years and coordinated licensing solutions are a key to being able to effectively charge for the music. For the first time ever, STIM's November payment to our affiliates included retroactive compensation from parts of Asia\*. This was made possible through a collaboration with the Australian society, APRA AMCOS, through which STIM now directly licenses in the area.

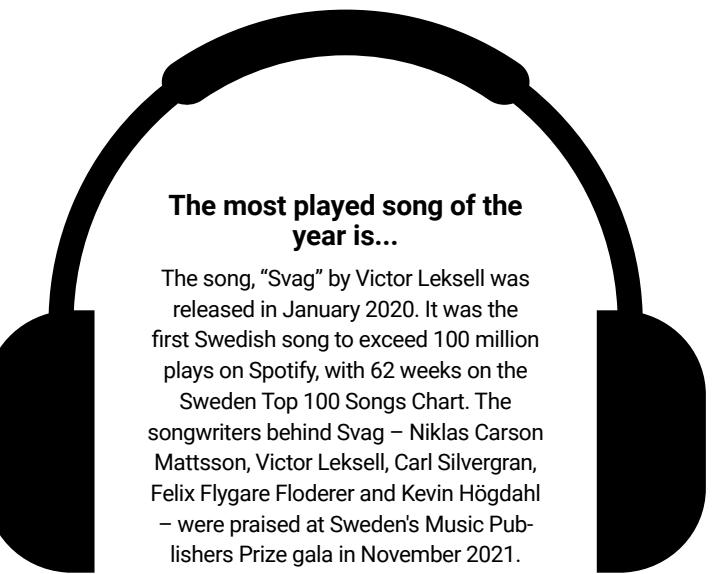
\*Countries included in the agreement: Hong Kong, Indonesia, Laos, Macau, Malaysia, Mongolia, Nepal, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam, Myanmar, Cambodia.

## New agreements generate more STIM revenue

STIM signed many important agreements during the year in the growing VOD market, such as with Disney+, TV4 Play and SF Kids. Additional agreements will be signed in 2022, after which we will have covered most of the VOD market. Major agreements that were signed in the background market were with ICA, Swedbank, Scania and the hamburger chains, Brödernas and Bastard Burgers. During 2021, we have continued to work on signing separate agreements to the framework agreements with the Swedish Association of Local Authorities and Regions. Soon, all municipalities and regions in Sweden will have new STIM agreements that provide better compensation for music.

## Modernising copyright protection

In October 2021, the Swedish Government presented an initial proposal for modernised copyright protection. It is based on the EU Copyright Directive, which entails changes in a wide range of areas. STIM is adamant about giants in the online world taking responsibility and paying reasonable compensation for the content that is spread on their platforms. For many music creators, another important part of the directive will also have an impact on everyday life: the transparency triangle contained in Articles 18 to 23. This part strengthens authors as contracting parties and, for example, entitles them to appropriate and proportionate remuneration for their works.



## Customer campaign, "Music for those who want more"

STIM launched the marketing campaign, "Music for those who want more" to demonstrate the value that music has to customers and employees at, for example, stores and restaurants. Several Swedish artists and songwriters participated in the campaign, including Frida Hyvonen, First Aid Kit, Cherrie, Viagra Boys, Anis Don Demina, Slowgold and Totalt Jävla Mörker.





# With *focus* on our affiliates

STIM's new CEO, Casper Bjørner and Carina Brorman, Chair of the Board, reflect on 2021, a year where we were still impacted by the pandemic restrictions, but where progress was made with digitalisation and contracts.

**You took over as the CEO in October of last year. What are your impressions of STIM and the music industry so far?**

**Casper** – Well, to start with, I've met a lot of very passionate, competent people both within the STIM organisation and elsewhere in the music industry. I realized too, long ago, that the music industry is so much more than just rock-n-roll and other great music. Much of it revolves around IT and data development. Quite an advanced infrastructure is required for STIM to be able to ensure that all of its affiliates get the best possible compensation for their music and I am incredibly impressed by STIM's technical expertise.

**Anything that has surprised you?**

**Casper** – STIM's involvement in ICE and the enormous strength in collaboration with the German and British societies. It gives us a tremendous advantage when we sit at the negotiating table with the giants in the online world. I'm also surprised and deeply impressed by how many areas of music use that STIM licenses. And, it continues to increase each year! We really do cover every imaginable corner where music is used.

**The last few years have been rough for the music industry, to say the least. Is it over now?**

**Casper** – My first day as CEO at STIM was also the first day that the restrictions were removed, last fall. Everyone was so excited, with expectations that the live market would finally get going again. But, new restrictions were put in place just three months later, and it was like a wet, heavy blanket had fallen over our industry yet again. The pandemic has been extremely rough and I have enormous sympathy for everyone trying to make a living in the music and cultural world. Hopefully, the worst is now behind us. But, we'll be feeling the effects of all of this long after the pandemic is over.

**STIM has put a great deal of focus on digital development, which we can see in the form of a new app and webshop, for example. What else is planned?**

**Casper** – STIM has undergone a digital transformation in recent years, all of it aimed at better meeting the needs of our affiliates. The STIM app is a great example. We've come a long way with "My STIM Money" too and next on the list will be an initiative focusing on publishers' needs and further adapting "My STIM Money" with that in mind. We are constantly looking for new technologies but most important of all is listening to our affiliates and understanding their needs.

**STIM signed several new, important agreements during the year. Tell us more about it!**

**Casper** – We now have contracts signed with all of the major streaming services and those that sell and rent videos. We also put a great deal of effort this past year into licensing ad-funded video streaming services, which has started to show results. And, we signed several new agreements in the background area with major restaurant and retail chains. ICA is a great example of how you can boost your business by playing carefully chosen music. They have even created a data-driven service, ICA Sounds, for playing quality music that is aligned with the ICA brand. It's an effort that earned them the prestigious STIM Guitar Award.

**Next year, STIM will celebrate its 100th anniversary. What sorts of things should STIM be doing to stay relevant in the future?**

**Casper** – STIM needs to become a more agile market player that listens to its customers and affiliates and understands their needs. We need to continue to increase the willingness to pay among our customers and be at the forefront of digital development. There is also a need for continued work with communication around STIM's activities, to clarify who we are and to make visible our music promotion work that benefits both the music industry and society at large.

**Finally, what is really best – Danish or Swedish music?**

**Casper** – I guess I have to capitulate to the fact that Swedish music does best in the competition. But regardless of nationality, live music is the best music!

**What are your own reflections on the year past?**

**Carina** – In 2021, of course, the change of CEO has been the big event, a recruitment process that was carried out during the pandemic, which was challenging for the board, management and employees. Therefore, we are extremely pleased that we were able to get Casper Bjørner in place as the new CEO of STIM already back in October. Looking at the business overall, I'm very pleased that in both 2020 and 2021, we managed to pay out the highest amounts ever in STIM's history.

During the year, we finished the strategy plan for the last three years. Now, under Casper's leadership, we will begin the work to set the direction for STIM until 2030. In a changing world, it is essential that we can all gather around a shared vision of how STIM can be developed to become more attractive and competitive for our affiliated rightsholders and customers.

**STIM wants to get more of its affiliates upgraded to membership with voting rights. Why is that so important?**

**Carina** – Well, given that this is a member organisation, it's the members who decide. So, members with voting rights are able to have more of a voice in deciding STIM's future. Leading up to the 2021 AGM, we ran a special campaign and were able to increase the number of members with voting rights by ten per cent prior to the AGM. For many, applying for membership with voting rights is not the obvious choice. But democracy in an association is exercised through voting at the AGM, which is typically done once per year. That's why it is important for as many members as possible to participate, so that we capture the broadest possible perspective on various issues.

**Finally, STIM will celebrate its 100th anniversary in 2023. What does that mean?**

**Carina** – Well first off, it's wonderful to see that this model for a collective management organisation has proven itself resilient for an entire century. It was relevant then, and it's relevant now. I'd say that's something worth celebrating! When STIM was created in 1923, its mission was to strengthen copyright law and protect the value of music. None of that has changed. But changes in society and the world around us put new requirements on STIM all the time, and we need to stay alert and adapt as needed. With our heritage and values, we are well equipped to meet the challenges we will face over the next 100 years.

# The range of music is *world class*

Music is a fundamental part of our lives. It evokes emotions, energizes and creates calm. Music unites people and makes us feel good! People gain access to the world's best selection of music through STIM, our affiliates and customers. Thanks to our reinvestments in the music ecosystem, we also contribute to creation and regrowth in Sweden's future music scene. Music has a value. For those who listen, those who create, for society in general and for Sweden, as a country of music.

STIM is a non-profit membership organisation that has been in existence since 1923. We have some of the sharpest talent in the industry, with leading-edge expertise in, for example, law, accounting & finance and negotiations. We also have collaborations in place throughout the world. We gather close to 100,000 authors and ensure that they and their publishers receive compensation every time their music is used, while at the same time pursuing strong copyright protection – the foundation for STIM's value creation. By signing license agreements with customers, they get the opportunity to use the entire world market's range of music.

## The value we create

With more than 23,000 customers who have signed over 40,000 licenses, STIM is the link between those who created the music and those who use it in their business.

Rightsholders get paid when the music is used – and STIM, in turn, can offer customers access to all the world's music in order to create vibrant and inspiring customer experiences.

At the same time, STIM also invests in music promotion efforts in collaboration with other associations and stakeholders as part of the ecosystem, thereby creating the conditions for regrowth and diversity in the Swedish music industry.



Interview with Britta Byström

**“A feeling of *forward motion* when nearly everything else had screeched to a halt.”**

In collaboration with the Gothenburg Symphony Orchestra, the chamber ensemble Gageego and the Swedish Composers Association, FST, STIM announced a composition competition with chamber music in focus in December 2019. The prize money was SEK 50,000 along with the performances of Gageego and four other top European ensembles. Composers Britta Byström, Henrik Denerin and Leilei Tian each won in their specific category – but what has happened since then? We asked one of the winners, Britta Byström.

**Britta Byström, you won in the solo category – tell us more about your composition, Baum in der Stadt!**

In 2014, I was getting ready to compose several solo pieces and I wanted to write an etude (an exercise piece) for myself, about composers. I started out with a very technical approach, combining certain building blocks. But as the work progressed, something more started to grow and evolve from it, with a life of its own, out of what I had designed. That's the story behind its title, too, which I borrowed from a painting by Paul Klee. The city is a design, out of which something with its own roots and lifecycle grows – the tree.

As a composer, you are constantly asking yourself throughout the process whether the thing you are creating has enough of a life force, or if you should test a different idea. Then, suddenly, you land on something that takes over, which you must then adapt to, rather than the other way around. It simply happens, out of nothing, as if by magic.

**What did winning the Swedish Chamber Games mean to you?**

Well first off, it was a lot of fun. It also came at a convenient time, during those first bleak months of the pandemic. Things were rough for many of us in the music industry, with so many cancelled events

and closed concert halls. This, then, was a welcome contribution! The prize money itself was nice, but it also gave a feeling of forward motion, when nearly everything else had screeched to a halt.

Winning in the solo category also proved to be ideal, since solo performances were one of the few areas of the music scene that could keep going during the pandemic. That same spring I had also written a quartet for two married couples, which made it easier to perform without too much risk of a spread of infection. These musicians, anyway, were able to meet and rehearse without violating the restrictions.

**What has happened since then?**

Baum in der Stadt was performed by Øyvør Volle during a livestream award ceremony in Gothenburg, together with the other two winning entries that I am very fond of. What happened next was that Athela's ensemble in Copenhagen, with violinist Anne Søe, performed my work, and just a week later they also premiered a cello concerto that I had written for solo cellist and the entire Athelas Symfonietta. Both works were recorded and will be released on an album, together with two other pieces that I have composed.

Now, of course, I'm excited and hopeful that there will be more performances of Baum in der Stadt now that most of the restrictions have been lifted throughout Europe.



Photo: Arne Hyckenberg



*Meet some of our affiliates*

## From east to west and back again

Despite having grown up in the Middle East, STIM scholarship recipient, Nadin Al-Khalidi, didn't start singing in Arabic until adulthood. And then, it was entirely spontaneous, during a pub performance in Malmö. The following week, she was asked if she would be interested in interpreting the poems of an Iraqi poet at Malmö Opera. Now, more than ten years later, her songs have reached millions of listeners in the Middle East via Soundcloud and in 2022, they will flourish again, this time via a catwalk.

Nadin's mother is a pianist and her father is an opera singer, so music was always an integral part of her life growing up. But so was war.

During the Gulf War, the entire country was bombed and we lived in bomb shelters, together with other families. That's why my first attempts at rhymes and song lyrics were written on the walls. I wanted to tell our story.

The family eventually fled to Egypt and then returned to Iraq. But the situation once again deteriorated, so Nadin and her sister fled to Sweden, where they found shelter with their mother's friend, actress and opera singer, Marianne Mörck.

Maria is the twin spirit of our father. She encouraged me to improve my Swedish and pursue music.

### So when did you decide to pursue a career as music creator full time?

During my first few years in Sweden, I studied Swedish at SFI, worked at McDonalds and at the coat check room at the Opera. In the evenings, I performed at a pub in Malmö. It was mostly covers, in English. But one night, I tried a song in Arabic. The crowd loved it. A week later, a director at Malmö Opera called me to see if I would be interested in interpreting an Iraqi poet's poems.

*Read the full interview with Nadin Al-Khalidi at: [stim.se](#)*

## Trends that are changing the musical landscape

The music industry is changing at a rapid pace and there are both risks and opportunities associated with this. But one thing remains true. If music disappears in one place, it will tend to pop up in another, because the power of music is very strong. We report on some trends that are prevalent in the world right now.

### Hot market for music rights

In recent years, the financial markets have opened their eyes to music and a new type of economy around rights has emerged. The expectations are large and huge sums are being invested. One example is Hipgnosis, which is investing billions in various types of rights flows, with rightsholders deciding to sell their music catalogues, which has sparked much discussion in the industry. Many see a danger in the trend of rightsholders losing control over their music and the opportunities that there will be for obtaining fair payment. STIM has an important role to play here by offering training and information on such issues.

### Diversified streaming market drives growth

Although streaming has been around for more than 10 years, it is still a developing market, with enormous potential to grow even more. Streaming is currently fuelling the growth of music consumption in growth markets. In several European countries, the percentage of the population that has a music streaming subscription is low, such as in Spain, Germany and France. Besides the expected growth in these markets, we also expect to see a conversion of free users to paying users, which will also drive future revenue streams. In other parts of the world where STIM directly licenses music, like the Middle East and parts of Asia, there is further potential, since these markets are currently far behind Europe and North America as regards users who have a subscription.

### Music use has been affected by the pandemic

The pandemic has forced us to alter our habits and to a certain extent, even the way we live, which, over the last couple of years has driven the development of new services and products. We have been doing more online shopping, getting meals delivered home from restaurants and are even working out remotely, rather than at the gym. In the end, it will likely also have consequences for how music is used to generate value added. Leading up to 2022 as well, organisers were still reluctant to look long term and dare to plan. STIM will need to be nimble and flexible, ready to deal with many possible outcomes over the foreseeable future.

### A fierce battle for eyes and ears

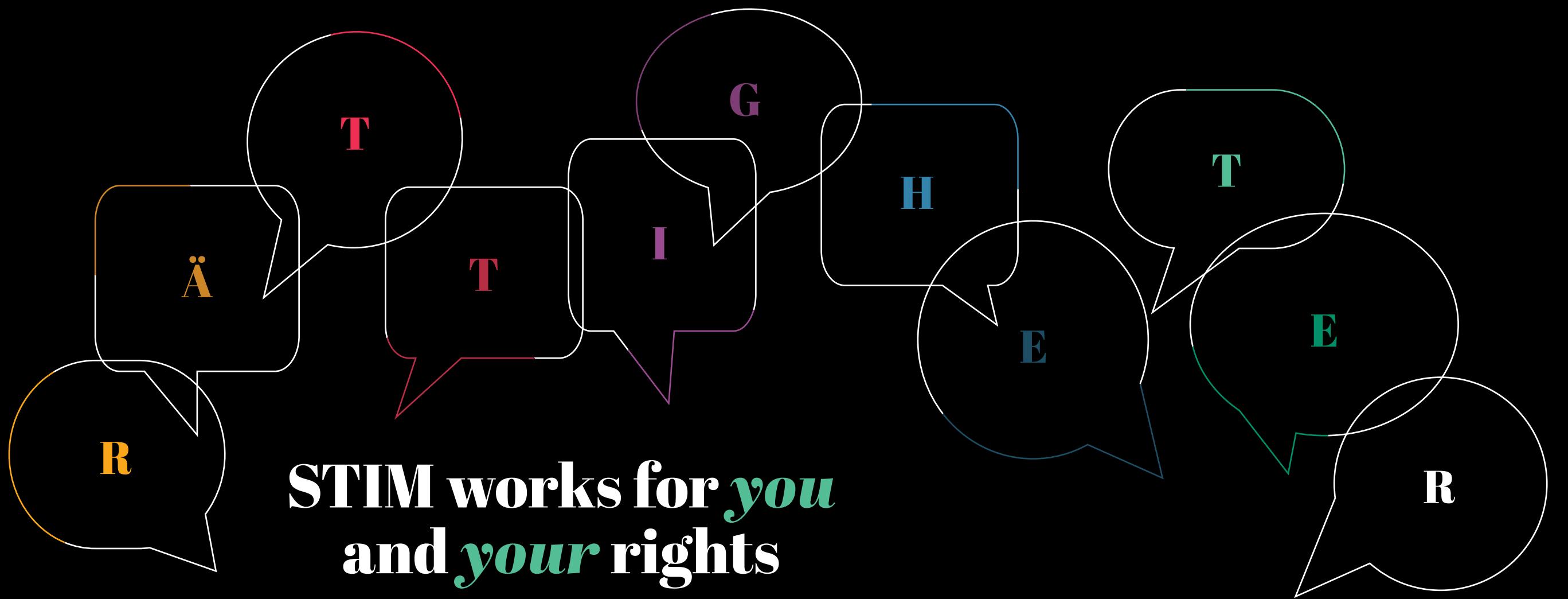
In recent years, music, as a pure cultural consumable has been getting more competition from other types of digitally based entertainment. The "attention economy" is becoming ever more prevalent, where music must compete for attention with podcasts, gaming, VOD services, audiobooks and more. Music is increasingly being consumed in combination with other experiences, even in the form of completely different songs than those that feature on the top charts of streaming services. The gaming industry in particular has grown over the years in terms of its music consumption. In that forum, we see everything from specially written soundtracks to games that have been developed for social platforms with wide-ranging music use. These new forms of music consumption open up opportunities for our affiliates, but they also require adaptation of STIM's licensing products.

### User experience is becoming increasingly important

As the usage of digital services grows, it fuels the trend of user experience increasing in importance for all processes. Users expect easy access and services that are easy to use. The same applies to the services that STIM's affiliates and customers use. That is why we maintain a close dialogue with our stakeholders, to ensure that we have a good understanding of their needs. Through our innovation work, we develop useful, efficient services that are in demand in a changing music industry, such as the STIM app, which clearly reports revenue and our webshop, which can be used to easily sign a license.

### New technology – opportunities for the industry

The rapid pace of technology development has increased the efficiency of collective administration, by being able to make payments more quickly and with higher precision. Advancements in technology have also resulted in new innovations in the expansive music technology industry, with everything for digital trading of rights to smart management of metadata and blockchain technology for NFTs. All of it creates new, open arenas for the music industry and other business areas, which gives rise to new stakeholders and areas of use for the music. In the early stages of digital transformation we saw an expansion of the type of music that the world consumes. Now though, it is resulting in a broader context where music is consumed.



# STIM works for you and your rights

**The pace of development is quick and if there is one thing STIM knows with certainty, it's that the conditions for music creation are constantly changing. Digital transformation and new technology put copyright protection at risk. STIM's job is to ensure that music creators get paid where their works are used. That's why our mission remains so important and our work is never done.**

STIM strives to ensure that there is strong, modern copyright protection. In recent years, we have achieved great success in this area, not least with the EU Copyright Directive, which was adopted in 2019 and which at the time of writing is being implemented here in Sweden. But the situation for music creators is constantly changing and evolving, so much work remains to be done in the area of copyright protection.

## STIM pursues long-term advocacy work that is based on two important insights

### 1. Understanding and respect needs to be won

With each new generation, their understanding and respect for copyrights needs to be won. It's more of a rule than an exception that as new technology is developed, renewed demands on policy will erode copyrights. That's why we are constantly striving to increase the knowledge of, and interest in, copyright protection. We must demonstrate the enormous value that is created through protected music.

### 2. Together, we are strong

Engaging in long-term advocacy work is difficult for individual rightsholders. When STIM speaks on behalf of music creators it is with a united voice. And the whole world listens. It is also why we collaborate and gather forces across a wide spectrum in the STIM sphere and elsewhere in the music industry.

To ensure that there is strong, modern copyright protection, we gather information about the industry and its challenges, perform analyses and prioritize the issues that are most important to music creators. The best way for us to influence decision makers is by publishing reports, debate articles and having meetings with politicians.

## STIM works on many fronts

Most decisions to change copyright legislation happen at the EU level. It is complex work requiring engagement on many levels, with many stakeholders. We achieve the best results when the European STIM societies are gathered in a united front. One of the forums for that is via the European organisation, GESAC.

Other issues, such as support to the industry as a result of the pandemic are primarily decided by the Swedish Parliament and Government. STIM also engages in efforts to help shape public opinion by emphasising the value of copyright protection and how essential it is to a thriving music and cultural scene.

## STIM's most important issues during the year

### 1. Copyright Directive

The most pressing issue in the music industry over the last few years has been the Copyright Directive. STIM has primarily focused on Article 17 of the Directive, which deals with sharing services such as Facebook, YouTube and TikTok, stating that they should be responsible for the material that is used in these forums and which they earn money on. Article 17 puts better prerequisites in place for rightsholders getting paid for their work and having it reach a larger audience. For many music creators, Articles 18-23 (the transparency triangle) will also impact their everyday life. This part strengthens authors as contracting parties and, for example, entitles them to appropriate and proportionate remuneration for their works. This is an important issue and many music and cultural organisations, such as SKAP and KLYS, have pursued these issues with great passion.

### 2. Impact of the pandemic on the Swedish music scene

The advocacy work that has gone on during the year has primarily focused on COVID-19 and the negative impact it has had on the Swedish music scene. STIM has focused its efforts on highlighting, influencing and advocating for public support to music creators and publishers who have been hit hard by the pandemic. We have collaborated within our trade association, Musiksverige, to speak with a united voice for the sector. The need for support has been, and continues to be, large. A study carried out by STIM last year revealed that half of Sweden's songwriters were worried about being able to make a living because of the pandemic. STIM also participated in the Swedish Government's "restart" inquiry and the Swedish Arts Grants Committee's report on how digitalisation is affecting terms and conditions for artists, both of which made several important suggestions during the year.

### Did you know...?

Sweden is one of the leading music countries in the world and the creative sector is important to our economy. Digital creation and intellectual property are also very important to job creation and exports, along with contributing to Sweden's positive image abroad.

## Copyright protection – the foundation for a creative society

- Copyright protection is the foundation for all professional music creation. Without it, authors would only earn money on their direct assignments. On top of that, the only music that would get created would be what clients ask for, and pay for.
- Without copyright legislation, we simply wouldn't have the diversity and depth of music creation that we have today.
- Copyrights thus give music creators both freedom and control over their music. Not only do they get paid when their works are used, but also can control how it is used.
- Copyright is enshrined in, among others, the United Nations Charter of Human Rights and the Swedish Constitution.

## Important legislative processes that impact music creators

- Implementation of the Copyright Directive – adaptation of copyright legislation to digitalisation.
- The restart inquiry – boosting the conditions for a restart of cultural pursuits and growth after the pandemic.
- Inquiry into the inalienable right to compensation and alternative dispute resolutions – to investigate, among other things, ways that authors and performers can receive remuneration from on-demand consumption, such as streaming services.
- National Strategy for the Development of the Cultural and Creative Industries – aims to develop policies through a holistic approach to the cultural and creative industries.
- The inquiry into a new system for private copying – will modernise and streamline the remuneration regime for private copying.

# The future of the Swedish music phenomenon is now!

For some, everything was cancelled. Others were affected, but not as much and some were able to adapt and find new ways forward. Just about everybody was affected in one way or another by the COVID-19 pandemic, which turned the Swedish music industry upside down.

The Swedish music industry remains strong, from an international perspective. For the local market, however, the last two years have been challenging. And that's where much of the foundation for future growth of the music industry takes place. We must ensure that all parts contributing to the success of the Swedish music industry remain strong and the Swedish live scene is a particularly important part of our success as a music nation. The pandemic hit the various music genres in widely varying ways. Art music, for example, is highly dependent on live performances, so it was hit hard. But the music used in films and TV series thrived, not least thanks to growth in digital usage.

## Payments are essential

STIM's core mission is meeting the financial needs of rightsholders and helping ensure that the music industry remains strong. Over the last two years, we have primarily been focussing on three initiatives aimed at improving the financial situation for our affiliates:

- increasing the revenue streams
- lowering the costs associated with management of revenue streams
- increasing the speed of payments

Thanks to those efforts, we have been able to pay out more money to music creators than ever before. In 2021, STIM paid out SEK 1.8 billion to rightsholders, of which SEK 1.5 billion was to STIM-affiliated authors and publishers.

Because of the continued impact of the pandemic, efforts during the year also focused on raising awareness among policymakers of the effect all of this was having on music creators and the music industry. We thus put

much effort into advocating for long-term support from the Government. We engaged in widespread collaboration with others in the industry, such as Musiksverige, to raise awareness of the financial impact that the pandemic was having and the great needs that exist.

## STIM app provides unique insight

STIM collects remuneration both internationally and domestically and the organisation has exclusive access to data on essentially every way in which a rightsholder's music is used. We are constantly developing methods for sharing this data with our affiliates in an easily accessible way.

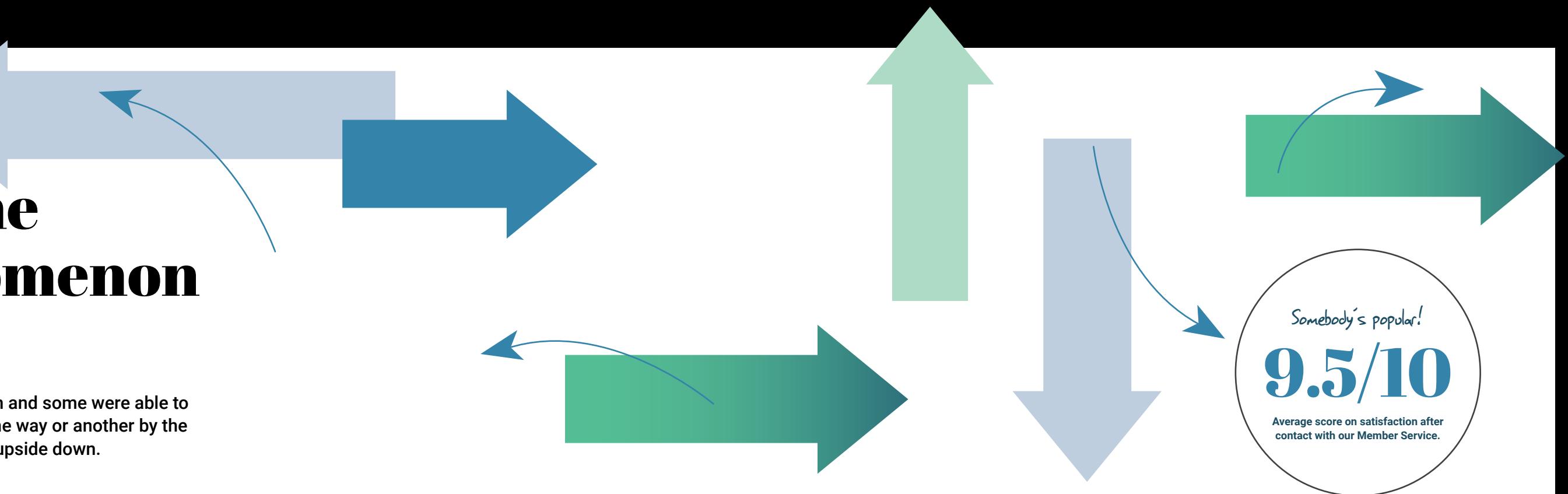
The STIM app is used by thousands of affiliates, providing them with a clear overview of their payouts. The app makes it easy for each individual rightsholder to see their registered songs, in which context the music has been played, and which countries are generating the most revenue. That information can be useful, for example, when deciding what to focus on or other career choices. STIM is continuously developing the app based on feedback from users and a new version was released at the start of 2022. Our affiliates are very pleased with the app and have spoken favourably about it in public on several occasions. For example, Lasse Holm mentioned the STIM app during a performance at the Allsång show at Skansen. Björn Ulvaeus and Benny Andersson also mentioned it in an international interview, saying that it was a good example of positive development.

## In 2021, we were delighted to welcome such a strong influx of new authors to STIM.

In total, STIM gained 3,294 new affiliates, of which 3,212 were authors and 82 were music publishers.

## STIM's recording studios

STIM wants to make it easier for music creators to develop their talents. STIM Music Room has been set up with that in mind. It consists of a co-working space at our office premises, along with two recording studios that our affiliates can book time at and use to record their music. The co-working space has been closed during the pandemic, but the music studios were kept open and remained fully booked throughout the entire year. They have been important to many music creators in their efforts to keep creating music during the pandemic.



## Scholarships for regrowth

Each year, STIM awards many scholarships to talented songwriters and composers as part of the investment in diversity and regrowth in the Swedish music scene. The number of applications has remained high, which clearly indicates the importance of our efforts. In total, SEK 4 million was awarded in scholarships during the year to 143 recipients in amounts of either SEK 10,000, 25,000 or 50,000. As with all of our efforts to promote music creation, we strive to ensure musical diversity and equality. 47 per cent of the year's scholarship recipients were women.

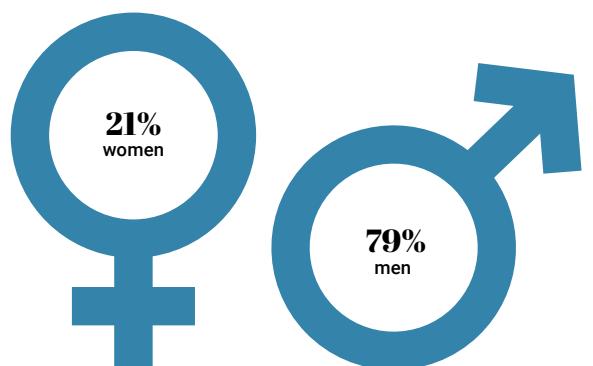
## Equality is still a big issue in the music industry

STIM is an open membership association that encourages everyone to create music and become affiliated. But extra focus is put on increasing the percentage of women in this male dominated industry.

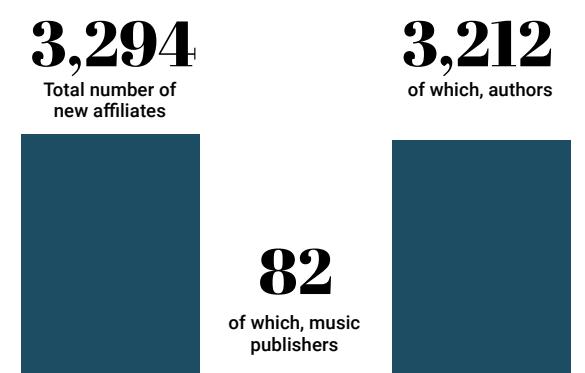
Our affiliates are like a thermometer for gauging the status of how the industry is currently doing, and what it might look like in the future. The percentage of women has increased somewhat in recent years, although the gender distribution is still skewed at 79 per cent men and 21 per cent women.

The lack of equality is an important issue for everyone in the music industry to continue actively addressing. It is a high priority on the agenda of Musiksverige as well. There have been many excellent initiatives in recent years throughout the entire music industry as well as specifically in the STIM sphere. For example, STIM is part of the Keychange initiative that is creating a network for female music creators, innovators and future key players, providing them with opportunities to help redraw the map in the music industry. During the year, STIM also collaborated with Her Songs for Him

## Distribution among affiliates



## New affiliates in 2021



# "I found some music software in cereal box. That's when I knew I wanted to make music."

In an exclusive interview with journalist Jan Gradvall, Ilya Salmanzadeh, the 2021 Platinum Guitar winner, talks about his career, life and collaborations with world artists such as Ariana Grande.

**Congratulations on winning the Platinum Guitar! Your name now gets added to a list of other big names who have won, including Benny Andersson, Robyn, Veronica Maggio, Per Gessle and Max Martin, to name just a few. So how does it feel, to be joining that crowd?**

Unreal. I'm just incredibly happy and thrilled to have won.

**Everyone has heard the music you've written, but very few know much about you. Where did you grow up, for example?**

Well, I was born in Iran, but moved to Denmark when I was three. I lived there until I was eleven years old. At that point, my family moved to Kallhäll in Stockholm, which is where I grew up.

**Do you remember the first music that you heard as a kid and liked a lot?**

Yes. It's a song that I still listen today, every day in fact, because it makes me happy: Crossroads by Tracy Chapman. That's my first music memory, taking me right back to my childhood. My dad loved music too, all types, including rock, pop and Persian, which he both played and sang. I remember that I liked to dance when he played.

**When was the first time that you realised you wanted to make music yourself?**

A friend of mine had the Magix Music Maker software. He gave me a demo, with loops you could put together.

It sparked an interest in me. Then, another friend and I started doing some gigs as DJs. We called ourselves The White Tigers (because I really loved the white tigers of Siberia). The music sucked, but the name was cool! I also got some demo software called ejay out of a cereal box when I was eleven. I used it to make some hip hop music. After that came Dance ejay, even though I mostly listened to hip hop, RnB and M.J. back then. I didn't know so much about dance music at that time, but I thought the sound was cool and my love for it grew to the point of wanting to make the music myself.

**The first time your name shows up in the public arena was in 2008, in collaborations with Darin and David Lindgren. How did that happen? How did you take the leap from music as a hobby to working with such big names as these?**

I was making a lot of hip hop music, singing and writing choruses that they and other friends rapped to. I got more and more of a foothold, starting to record and produce music for others.

**Then, I entered a song competition run by the radio station, Power. Because I made it all the way to the final, Power invited me to sing live, in the studio. One of the producers, Ari, had heard me sing a song by Mario Winans one time when I was a little drunk. He wondered if they'd released an a capella version. But then he realised that it was a cover and went straight to the studio. That's how I ended up meeting Ari, got a foot into the studio life, started writing songs and producing music. A little**

later, I signed with Warner/Chappel Music, where I'm still doing some work.

**You must have been a really great singer. It's one of your talents that most people probably aren't aware of.**

I probably not as good anymore as I once was. You have to train your voice the same like going to the gym. I've not been doing that with singing. I mean, I can still sing, but I was a lot better at it before.

**Did you just go by Ilya back then, or did you have a stage name?**

No, it was just Ilya. I had a producer name, Knock Down, at one time, based on my love of martial arts. But I dropped it after a few years. In fact, Shellback was the one who suggested that I should just go by Ilya. That it was way cooler.

**Later on, you entered the world of Max Martin, writing amazing songs like Problem and Bang Bang, that shot Ariana Grande right to the top of the charts. Could you tell us more about the process, how you ended up in the studio with her?**

That happened because of my friendship with Johan "Shellback" Schuster. He knew some people working at Warner/Chappell who knew Max Martin. Johan and I started hanging out and playing Fifa. We became good friends, but still, I didn't dare play anything for him. I didn't want to be somebody who took advantage of their

friends like that. In the end though, he was the one who asked what we did, which is when we shared some ideas with him that he thought sounded good. He talked to Martin about it and well, one thing led to another. In the end, they liked this one idea and decided to set up Wolf Cousins, a team of young, promising producers with a workspace on Roslagsgatan. It was pure magic. The name was taken from the wolf cousins in Bamse. And Shellback is Skalman!

**You've worked with many artists on the world scene, but the one you've collaborated with most is Ariana Grande. More than 20 songs in fact! What's it like working with her?**

The way that she's grown, as a person, songwriter and artist since we first started working together is magical. She produces the music herself. That's how she wants it and she knows everything. The thing that's so cool about her is how real she is. She follows her heart and does what she wants. When we've worked together, we've mostly experimented. Sometimes the results have been terrible and we haven't always finished everything either. She's really open to trying new things and that's why we've made so many different types of music. Ariana is incredibly talented. I knew right from the start that she was going to be an icon.

**For many of your songs, particularly pop and RnB, you've been part of a team, working with 5-6 other songwriters. How does that work?**

Well, the whole process takes longer, since it can be hard reaching a decision at times. On the other hand, it generates a lot of energy in the room when so many people are involved. Kind of like Feng Shui. Somebody might say something that triggers me to come up with something I never would have thought of if I'd been sitting alone. I find it incredibly stimulating. Everyone has something to contribute. I can write music, lyrics and melodies. But my contribution depends on the team I'm working with. If I'm with Martin and Savan for example, I might take a step back and just focus on the music.

**Is it because they are so incredibly focused on melodies?**

They've just got a ton of energy. If I hear something distinct I'll pipe up. But typically, I just let them do their thing. But in a different team I might get more involved in the melodies, and take responsibility for that too.

I love working on a team, it's what's best for me. I'd rather be taking the credit for a smash hit with a bunch of friends than alone."

**Do you already know, at some point during the process, that you've come up with a hit?**

I wouldn't go so far as to say that. You never really know if a song is going to become a hit. Still though, I tend to have a sense of it when I hear a song. It happens though, that you want to feel something, even though deep down, you just don't like it. And then it's wrong. But if you love it yourself, and get great energy from the ones you play it for, then you're on to something!

**Are there any common characteristics that all hit songs have?**

A lot of people might say it's the lyrics, but for me, it's the melody. That's what really draws you in. I always listen to the melody first. If I like it, I'll start listening to the lyrics. It's also really important to generate some sort of interest right from the start. Something that grabs your attention, like hey, what was that? Then, you mix it with something unexpected. Sometimes, when you listen to a lot of music and hear a particular song, you can predict what will happen next, like the next chord, or rise or fall in the tone. The trick is to come up with something unexpected. That's what can make a song really stand out from the rest. It will be different from one song to the next. And what you feel matters the most. If it's genuine and comes from the heart, it will typically be good.

**You've been at it for around 15 year at the elite level. What are your thoughts for the future?**

Good question. I want to keep evolving all the time. I'd like to get really good at playing, even though I can fake it pretty well already. I want to be learning new things all the time. That's my goal. Later on, maybe I'd like to find something to sign. But I'm not there yet. Now, I just want to improve and challenge myself each day. It feels like I've only just started!



Photo: Julia Sixtenson



# Continuous *development* of the digital offering

The pandemic continued to impact our world. The live market, which was thriving one day and gone the next, started to finally gradually recover during the last quarter of 2021. The hotel and service industry was hit hard too. Many contracts were terminated or paused, causing a drop in STIM's revenue from the background area. Overall earnings nevertheless increased compared to last year, which was largely attributable to strong growth in Online and VOD.

The music industry and many related sectors are still feeling the effects of the pandemic, particularly in the events and background segments. But some of that loss has been compensated by online and media, with people watching more videos now than they did before the pandemic.

STIM's customers demonstrate a strong willingness to pay those who have created the music that they use in their businesses. There is plenty of evidence to confirm that

a well-thought-out music strategy is profitable in a business context and several studies have shown that music that is adapted to the business positively impacts the well-being of both customers and employees. It also boosts sales.

During the year, STIM continued to develop the digital services which, among other things, make it easier for customers to obtain a licence, report and music report. In order to be more accessible to our customers on their terms and meet their specific needs for licenses without waiting times, we have, among other things, launched ready-made license packages and developed our webshop. An advertising campaign was also carried out during the year, which boosted the number of purchases and revenue in the webshop.

Thanks to all this hard work, STIM managed to increase revenue compared to last year by 12.7 per cent to SEK 2,176 million. Retroactive revenue from previous years from some VOD services where we have commercial agreements to be signed have contributed to a positive impact on earnings.

## 1

### Few concerts during the year

Live music fell silent during the pandemic. Although the restrictions eased up during the latter half of 2021, there were still very few concerts held with full audiences. STIM's sales for the live market are typically around SEK 120 million per year. In 2021 however, and for the second year in a row, they were just SEK 37 million. The large loss is primarily attributable to the lack of arena concerts and festivals, which require major investments and a great deal of advance planning, which wasn't possible during the pandemic. Nevertheless, concert organisers have been very creative in coming up with solutions, like outdoor events with smaller audiences. STIM made a targeted effort to collect older revenue from customers, which generated SEK 4.7 million for our rightsholders, a result that far exceeded our expectations. A thriving future live market is entirely dependent on the types of restrictions that are in place.

**-5%**

Live revenue fell by 5 per cent

## 2

### Radio and TV

Linear TV viewing in 2021 remained at a relatively high level, on a par with 2020 and it is likely related to the pandemic and people spending a lot of time at home. Revenue during the year remained at the same level as in 2019, which is a strong performance, given the robust growth and competition from moving images online. However, we anticipate a return to the trend of declining viewership for linear TV during the years ahead because of competing media.

**-2%**

Radio and TV revenue fell by 2 per cent

## 3

### Foreign revenue

Foreign revenue from other societies fell by 5 per cent in 2021. The drop was less than expected however, which had to do with such things as delayed impact from the pandemic and retroactive payments. Foreign revenues primarily come from the online sector, fuelled by the growth of streaming services and a higher level of licensing of online services with retroactive effects. We have also noticed that societies are doing reconciliations early in order to pull in revenue more quickly. They have also made progress with the reconciliation of old revenues and non-distributable funds. STIM maintains contact with international societies to secure revenue going forward. We also engage in dialogue about improved data for reconciliations from abroad so that our affiliates obtain better control over their revenue outside Sweden. The largest revenue flows come from our Nordic neighbours and USA.

**-5%**

Foreign revenue fell by 5 per cent

## 5

### National online continues to rise sharply

STIM continued the intensive work of licensing the online market, which will be ongoing in 2022 as well. There was strong growth in the area, primarily driven by the rise in VOD (Video On Demand) associated with the physical restrictions of the pandemic. The number of services is constantly rising and it is becoming increasingly common for consumers to have several streaming subscriptions in parallel. STIM signed agreements with TV4 Play, SF Kids, Sony Playstation och Disney+ during the year and we also reached commercial agreements with several other major streaming service. The reported growth varies across the years, since new agreements contain retroactive compensation for historical periods. Adjusted for the reconciliations between years, the real growth in revenue from nationally licensed VOD services amounts to, on average, 22 per cent over the last four years. However, live streaming did not follow the positive trend that was expected in 2021, which was partly attributable to complex technology and rights clearance.

**27%**

Revenue from online and VOD increased by 27 per cent.

## 4

### Rough times for the music industry during the pandemic

The background area once again declined in 2021. Hotels and nightclubs have been severely tested by the pandemic, being forced into restrictions and lockdowns, while sporting events were held without audiences. Early during the pandemic, the demand for holding digital meetings like webinars and online events with background music increased. STIM thus developed licenses for meeting that demand. With a focus on retaining customers, STIM has offered the opportunity to pay in arrears or to temporarily pause licenses when necessary, as well as meeting the need with partly new pricing models for price-sensitive customers. Despite the difficult situation during the year, we have managed to sign several agreements with chains and companies, like ICA (ICA Sounds), Swedbank, Scania, Brödernas and Bastard Burgers.

**-6%**

Revenue from background music fall by 6 per cent

## 6

### Growth through multi-territorial online licensing

STIM is licensing an increasing amount of digital music services directly and it is doing so in more and more regions worldwide. It mostly occurs through the ICE collaboration and covers platforms such as Spotify, Apple Music, Instagram, YouTube, Facebook and Tiktok. Growth in this area is attributable to a variety of reasons, not just growth of the platforms themselves. Thanks to the hard work of our negotiators, the areas covered by the licenses have expanded and today, the music of STIM affiliates is directly licensed far beyond the borders of Sweden and Europe. It is becoming increasingly important now that digital music consumption is reaching the same level of popularity and consumption as what we already seen in Europe, for example. Growth of multi-territorial services has also increased due to a wider range of various types of services being licensed, such as fitness services like Peloton.

As a complement to ICE, STIM has for a couple of years through the Australian society, APRA AMCOS, directly licensed online services in Asian countries. It's a growing market that local communities have had challenges capturing. In 2021, the first payouts from this licensing started. STIM has also established a partnership with MUSERK, which collects mechanical revenue for unsourced and non-sub-located works in the U.S. online market. During the year, this collaboration has also begun to generate income for our authors.

Many of the agreements with the major music services are regulated in several stages with final reporting sometimes occurring several years after the end of each useful life. Because of that, it can be difficult assessing the revenue for the current period and with final reconciliation there can sometimes be large fluctuations in reported revenue. When taking into account differences in how these final reconciliations have thus far impacted various accounting periods, the real growth in revenue from multi-territorially licensed online services amounts to an average of 7 per cent annually over the past 4 years.

**74%**

Revenue from multi-territorial online increased by 74 per cent compared to last year.



From left, top row:  
Therese Hädinggård  
Olivia Hessel  
Michaela Lundin  
Atena Banisaid,  
Mona Aghai Berg  
Fumi Amao

Photographer:  
Johanna Pettersson

*Meet some of our affiliates*

## “If you call a female producer instead of a man it opens up **lots** of doors!”

Her Songs For Him, is a collaboration of female and non-binary producers and songwriters creating music for male artists and it received a lot of attention last summer. Släs is the organisation behind the initiative. It is a group of prominent female figures in the music industry and their goal with Her Songs for Him was to spark demand among men to reach out to female producers.

Släs consists of **Mona Aghai Berg** (RMV Publishing), **Atena Banisaid** (Sony Music Publishing Scandinavia), **Olivia Hessel** (TEN Music Group), **Therese Hädinggård** (TEN Music Group), **Michaela Lundin** (A&R Consultant) and **Fumi Amao** (Spotify). They had a clear vision for the summer's songwriting camp, which was to set up mixed teams where at least two people in the room had never worked with each other previously. When STIM met with some of the Släs gang over Zoom, they spoke about their hopes with the initiative.

“We wanted male artists to start seeking out female producers. With most of them not currently working with, or even knowing any, our hope was to open doors and show them all the choices. Of course, we also want it to result in great songs that the guys release and which end up at the top of the charts,” says Mona Aghai Berg.

### Michaela Lundin:

I hope that the male artists who participated will talk about the camp with other male artists in their network, encouraging them to think a bit more about the gender balance. It would be great if they start asking themselves questions like, whether they collaborate with any female producers or if they've ever been the only male in a room with female songwriters and producers. And, perhaps they might even start putting demands on their own manager/A&R to come up with better suggestions for collaboration. It's so easy to get stuck in the same patterns and we want to help them get unstuck. Small changes can mean so much. If you call a female producer rather than a male one, it can open up a lot of doors for women.

The fact that in 2021, many men had never worked with a female producer would cause anyone to wonder about gender equality in the music industry and whether any progress is being made at all. But Michaela Lundin, who was worked in the industry for a long time, says that she sees clear improvement.

We are definitely making progress! But because it's still so bad, one might easily forget just how much worse it was only a few years ago. Yes, it's depressing. But it's also fun to reflect on the things that

have happened. For example, #metoo was a major milestone in many ways. It was around that time that all-female and non-binary writing camps started forming, which has had a ripple effect.

“There were only a handful of female-only camps before #metoo, but things really took off after 2017,” adds Mona Aghai Berg.

Exactly. And because of that, there has been much more focus on female producers, which has gradually broken down the myth that there aren't any. Many girls who've only produced a bit have dared to take the next step of seeing themselves as producers and even using that title.

### Atena Banisaid also wants to emphasise the importance of women getting into higher positions in the industry.

A lot has certainly happened with producers and songwriters, but another important breakthrough has been a rise in the number of women overall in the industry and particularly in higher positions, like A&R. Before, women were mostly only working as receptionists, assistants and possibly in PR. Now, we have women in all sorts of positions and it has paved the way for women investing in women. I honestly believe that it has contributed to the changes we're seeing now.

### Michaela Lundin:

Also, the women who are in higher positions today, like A&R or management, tend to have the matter of promoting women as songwriters and producers higher up on their agenda. We want to take it a step further with the Her Songs for Him camp by bringing guys



in, so that it's not just up to women to be lifting up other women. It should be natural for us all to be pulling in the same direction.

"I work with PR in radio and TV. I've noticed a huge change of women being in much higher demand than before. It's always been easier to fill up the quota with men, since there are so many male artists. But now, there is a clear focus on gender equality, where the first choice is a female artist, as a means of also boosting a male one," says Therese Hädingård.

#### Mona Aghai Berg:

Another aspect is that, as an organiser, you don't want to make a fool of yourself and risk taking a bunch of shit because there is a big gender imbalance with your booking.

**In a prior interview, you mentioned that it could still be difficult, finding female and non-binary producers who could deliver in one room and that more publishers needed to take action and sign on more of them. Could you say more about this?**

"Well, getting publishers and managers to sign contracts with female producers is still very difficult. And because of that, women don't get the support they need to develop in the same way that guys do," explains Mona Aghai Berg. That's also why it's hard to put together a team of female producers who are delivering at a top level. You can do a lot yourself, but in the end, it's about having a team that works for you.

#### Michaela Lundin:

Also, as in other male dominated industries, you need to be working twice as hard as a woman in order to advance. Many might not feel that they have the self-confidence for taking the next step on their own. So, if more A&Rs and managers made more of an effort to expand the roster, by that, I mean the list of producers and songwriters that they are using, making it more diverse, it would propel more women into that arena and they'd have the support they need from their team. But at the same time, I really want to emphasise that those who participated this week have no problem whatsoever delivering at the top level. It's just that, in general, there are fewer female and non-binary people to choose from as it stands right now.

This specific camp is a collaboration between three publishers: TEN, Sony Music Publishing and RMV Publishing. Participants have thus come from their rosters. There are loads of incredibly talented people who reached out and wanted to be a part of it, but for this reason, we had to say no this time.

**When asked how the week has been, everyone in the group responded exuberantly:**

It's been an awesome week! It feels like we've been on some sort of revival retreat. Many have been positively glowing when they've come out of their sessions, saying how much fun it was. Pure magic. We really want to say a huge thank you to our companies for supporting us, also, Equalizer, Spotify and Softube for their sponsorship and making this into the luxury experience that it truly was," they said.

It sounds like a success. So what did the participants have to say about it? Adam Englund, who goes by the stage name of Rymdpojken, is certain that he's found new people during the week to collaborate with in the future.

I definitely think so. It's such a male-dominated industry, so just getting into a room with people I hadn't met before felt great. Everyone has been incredibly talented. The songs are amazing.

#### The artist, Varas, agrees:

In the past, when I collaborated with women, it was myself in the role of producer, and they were the artist. Never the reverse. The producer role in particular is extremely male dominated. As far as artists go, I my sense is that it's around 50/50 in sessions. It's been a fun week and I've learned a lot.

"For me, being a team of two girls writing songs for a guy isn't weird at all. We're used to composing for all sorts of artists. What's important here, I think, is that the male artists have gotten the chance to see female songwriters and producers deliver," says Cornelia Weibols, producer.

#### Omar Rudberg says that the atmosphere at the camp was friendly and casual.

It truly has been an amazing week. I have a very small community around me, since I like writing with the same people. But it was fun getting to know new ones. Even though it was the first time that I had ever worked with the people who were here this week, I still know many of them, including the Släss team, which made it all really comfortable.

#### Louise Lindberg, songwriter, also raved about the atmosphere.

It's been such a peppy atmosphere! Nice too, that for once, we girls were in the majority. That doesn't happen very often.

"It's important that men are involved here," says Aniela Eklund, songwriter. In many industries, we see trends of men recruiting men, which also happens with songwriting and a perpetual cycle of men composing music with other men. That's why it is important to give them a new perspective, because there are plenty of women to collaborate with.

#### Louise Lindberg:

And just look at the results! Now, they've got loads of new contacts to work with.

“

**This was the first time I sat in on a session where even the producer was a woman. I've worked with female songwriters before, but it was a blast working only with women.**

Omar Rudberg, one of the participants.

# Advertising campaign to demonstrate that music has value

**In an advertising campaign that ran during the fall, STIM drew attention to the positive impact that the right music can have at stores and restaurants, for customers and employees alike. Seven different music creators and bands participated in the campaign, which was posted on outdoor billboards and in digital forums.**

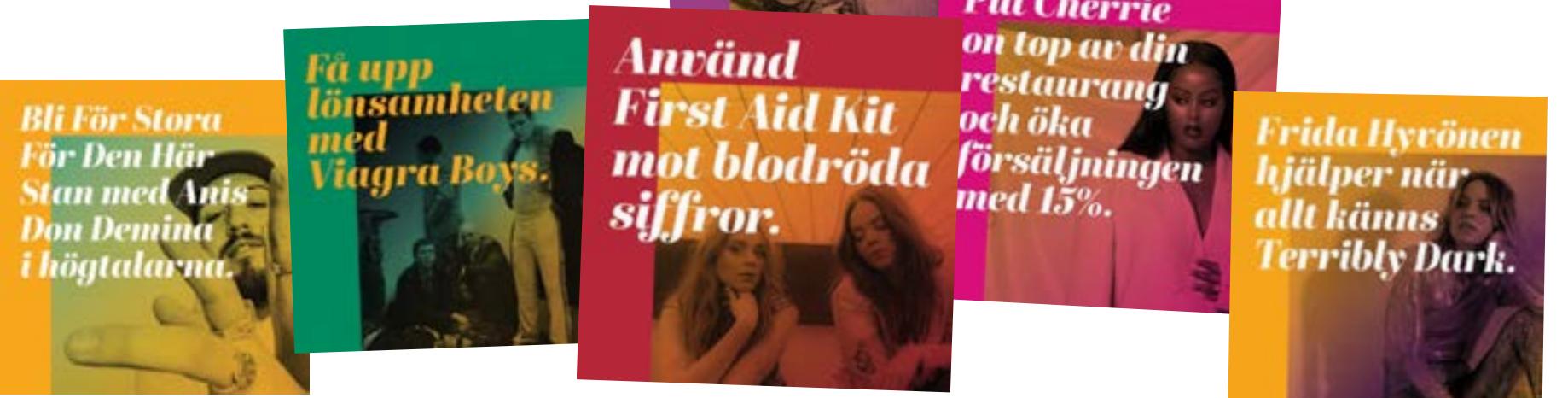
"First Aid Kit to curb losses" and "Viagra Boys for boosting profitability". These were themes of some of STIM's fall advertising campaigns to demonstrate how sales increase when you play the right music. Together with seven Swedish music creators and artists, STIM helped highlight for restaurants and shops the importance of playing music adapted to the guests and the business.

#### Several Swedish artists and songwriters participated in the campaign, including:

Frida Hyvönen, First Aid Kit, Cherrie, Viagra Boys, Anis Don Demina, Slowgold and Totalt Jävla Mörker. Together, they demonstrate the wide range of music that users have access to via a music license from STIM. Many studies clearly show the positive impact that the right music can have for boosting the mood of both guests and staff. According to a survey by HUI Research of 2,101 restaurants, branded music average sales increased by a whopping 9 per cent. A survey by the Swedish organisation, Handels (the Commercial Employees' Union)

revealed that store staff are 61 per cent more likely to be happy with their work environment when STIM-licensed music is played (compared to other purchased playlists).

The advertising campaign was run for four weeks on several sites, in social media and on outdoor cultural billboards throughout Stockholm. It generated a great deal of interest and we noticed a record increase in the number of visitors to STIM's new webshop, along with a record in the number of sold music licenses.



9

per cent increase on average sales

61

per cent more satisfied store staff

4

weeks, running the advertising campaign

# STIM Forward Fund is a *united effort* to strengthen the music industry



“ The music should be as personal, unexpected and relevant as possible, and we are now even better at working together to have the highest possible impact. Our work has bolstered generations of composers, songwriters and lyricists, providing them with better conditions for creating music and reaching a wide audience. We offer scholarships and travel subsidies that all STIM affiliates can apply for, training and advice about our industry and studio access that is free-of-charge. It is how we feed back our joint investment to everyone in the music scene. STIM Forward Fund is a united effort to strengthen the music industry.

Casper Bjørner, CEO of STIM.

STIM  
FORWARD  
FUND



“ Copyright protection is fundamental to the Swedish music industry and it is definitely not something that can be taken for granted. Behind each reform there has been years of intensive advocacy work and a united collective of rightsholders really can make a big difference, not only for themselves, but also for future generations. But it requires hard work and strong collaboration. This is what has enabled us to now be making history with the Copyright Directive being implemented into Swedish law. We will continue to fight for our members' rights, which is a key focus of the work we are doing within the scope of STIM Forward Fund.

Alfons Karabuda, Chairman of SKAP.

Each year, the four organisations comprising the STIM sphere – STIM, FST, SKAP and Musikförläggarna – engage in numerous initiatives focused on strengthening the Swedish music scene. STIM Forward Fund has thus now been created as a united effort to further mobilise and strengthen the music industry. STIM Forward Fund is a united effort to strengthen the music industry by improving the conditions for current and future music creators.

STIM has been working over the long term to promote the music industry for nearly 100 years already. Over the years, the work has gradually evolved and nowadays a variety of initiatives and projects are carried out every year in areas such as musical diversity, strong copyright protection, more balanced gender equality, scholarships to music creators, education and encouraging more young people to create music. STIM runs its activities through the various STIM associations (FST, SKAP and Musikförläggarna), which, together, represent the STIM affiliates, i.e. music creators and music publishers.

Many musical talents are able to succeed in a commercial market, but this is far from everyone. In order to maintain and develop Sweden's position as one of the world's leading music countries, we will also in the future need to have a wide repertoire of talent, where all types of music are represented. That is why we are gathering and coordinating our efforts under a new brand, STIM Forward Fund, which will be an important part of that ambition.



“ Through STIM Forward Fund, we can work to enrich the Swedish music industry, enabling more people to be able to make a living through music and reach a wider audience. Carefully designed efforts to build a better industry with good conditions for music creators is also essential to the business of each individual music publisher. The music scene is a complex ecosystem and each part of it must work. Through close collaboration, we become a strong force for equality, diversity and robust regeneration in the industry.

Kerstin Mangert, Chairman of Musikförläggarna.



“ Art music is one component of a complex ecosystem where we work with the long-term interests of composers. Improving music creators' security and ensuring regeneration are prerequisites for musical diversity. That is why STIM Forward Fund is such a welcome initiative that will really make a difference to all composers, songwriters and music publishers. Each organisation within the Fund complements each other and we will use our respective strengths and combined expertise to create long-term benefits for the liberal arts.

Martin Jonsson Tibblin, Chairman of FST.

# Board of Directors & Management

As of 31 December 2021.

STIM's board of directors is tasked with continuously monitoring how the business is managed and making decisions on matters delegated by the AGM. The board of directors consists of representatives from the rightsholder categories that STIM represents, i.e. members who are active in FST, SKAP or Musikförläggarna, as well as independent members. The Chair of the Board is independent. In addition, the board of directors includes STIM employee representatives.\*



**Casper Björner**  
CEO  
STIM



**Carina Brorman**  
Chairman  
Independent



**Martin Jonsson Tibblin**  
Member  
Representing FST



**Linda Portnoff**  
Member  
Independent



**Hans Fahlin**  
Member  
Independent



**Eva Botmar**  
Member  
Employee Representative



**Kerstin Mangert**  
Member, First Vice-Chair  
Representing Musikförläggarna



**Dror Feiler**  
Member  
Representing FST



**Douglas Carr**  
Member  
Representing SKAP



**Alfons Karabuda**  
Member, Second Vice-Chair  
Representing SKAP



**Anette Hökengren**  
Member, Representing Musikförläggarna.



**Susan Roberts**  
Member  
Employee Representative

## Deputy members

**Johan Blixt**  
First Deputy, FST

**Anders Wollbeck**  
First Deputy, SKAP

**Lars Karlsson**  
First Deputy,  
Musikförläggarna

**Eric Sjöström**  
First Deputy, Independent

**Ylva Fred**  
Second Deputy, FST

**Alexandra Nilsson**  
Second Deputy, SKAP

**Filiz Erat Edlund**  
Second Deputy,  
Musikförläggarna

**Åsa Otterlund**  
Second Deputy, Independent

**Viktor Sellgren**  
First Deputy  
Employee Representative

**Mikael Alenmark**  
Second Deputy  
Employee Representative

**Peter Lindström**  
Members & Market

**Nils Danielsson**  
Strategy & Partnership

## Management

**Casper Björner**  
CEO of STIM

**Jan-Christer Stoppel**  
Finance

**Lisa Stålpets**  
Legal

**Peter Lindström**  
Members & Market

**Nils Danielsson**  
Strategy & Partnership

**Jenny Möllberg**  
IT

**Eleonor Otterdahl**  
Communication

**Theres Annerstedt**  
HR

**Claudia Salazar**  
Music Reporting & Administration

\*For a full description of the Board's commitment, see STIM's 2021 Transparency Report, at [stim.se](#)

## Affiliates and members

STIM is a non-profit rightsholders association with more than 98,000 affiliated songwriters and music publishers. STIM affiliates can also apply for membership with voting rights and STIM currently has around 1,000 members who, each year, are able to have a say in what STIM does by voting at the Annual General Meeting.

### Affiliates

### Members

### Annual general meeting

#### Auditor

#### Nomination Committee

#### Board

#### CEO

#### NäMMU

#### SVENSK MUSIK

#### STIM Fastighets Holding AB

## How STIM is governed

### Rights societies

Swedish Society of Composers (FST), Swedish Society of Songwriters, Composers and Authors (SKAP) and Musikförläggarna represent the various parts of STIM's rightsholder collective, authors and music publishers. Members of these organisations are represented on STIM's Board of Directors. They also collaborate on STIM's music advocacy work.

## STIM's governance

STIM is governed by several bodies, each of which has a specific mandate and responsibilities. The AGM is the highest decision-making body and this is where STIM members can exert direct influence over STIM's activities.

## STIM entities and its music promotion activities

Promoting copyright law, copyright-protected music and musical diversity are important purposes for STIM. STIM pursues its music promotion activities in collaboration with these three associations, FST, SKAP and Musikförläggarna, plus STIM's subsidiary, Svensk Musik. NäMMU is STIM's committee for promoting musical diversity and copyright protection. It decides on funds that will be used in various ways to promote rightsholders' interests.

## STIM Group

The STIM Parent Company has several wholly-owned and partly-owned subsidiaries responsible for running specific activities. ICE (which stands for International Copyright Enterprise) is co-owned by the UK company PRS for Music and the German company, GEMA. ICE consists of the following companies: ICE Int. Copyright Enterprise Services Ltd and ICE operations AB with the subsidiary ICE Int. Copyright Enterprise Germany GmbH.



# Administration Report

The Board of Directors and the Chief Executive Officer of Svenska Tonsättares Internationella Musikbyrå (STIM) u.p.a., corporate Id. No. 702002-3524, hereby present the annual report and consolidated financial statements for the 2021 financial year.

## Description of operations

STIM is a non-profit member organisation that advocates for strong copyright protection and for music creators and publishers to be paid for their music. STIM aims to promote the regrowth and diversity of the Swedish music industry, a socially beneficial mission which differentiates us from others in the market.

At the end of 2021, STIM had 94,912 affiliated authors and 3,844 affiliated music publishers. With its point of departure in copyright legislation, STIM manages and protects the rights of its affiliates. When a rightsholder becomes affiliated, they transfer to STIM the task of collectively managing the right to remuneration. Our mission is to ensure that anyone who plays music in public or who records, downloads or streams music has a valid licence and pays a fee. STIM licenses music from throughout the world and distributes the revenue collected to the individual rightsholders, both Swedish and international. This means that those who want to use music through a licence from STIM can easily access millions of musical works, and that the rightsholder of the music receives compensation for it, so that new music can be created. In this way, STIM plays quite a central role in the music ecosystem.

Based on inter-governmental agreements and STIM's reciprocal agreements with other collective rights management organisations worldwide, rights to both domestic and international music in Sweden are protected. The rights of STIM affiliates are protected outside Sweden via the counterpart organisations with whom STIM has mutual agreements. For global digital music services, STIM licenses these in many territories directly via ICE Services Ltd.

**98,756**

affiliated rightsholders and publishers

ICE Services Ltd is part of our international collaboration for music licensing and copyright. For more than a decade, STIM has been involved in this collaboration on licensing of rights and administration of works' documentation, music use reports and distribution services. Collaboration is in the front of a joint venture, where we, together with the UK's PRS for Music and Germany's GEMA have ownership shares in ICE Operations AB, with the wholly-owned German subsidiary ICE Germany GmbH and the UK subsidiary, ICE Services Ltd.

ICE licenses the rights of STIM, PRS and GEMA, and other societies and music publishers, which together provide a very strong repertoire that is attractive to the major international music services. For music services, this facilitates a smoother multi-territorial licensing solution, while at the same time allowing for economies of scale in data processing and work documentation for the copyright societies in ICE. STIM also collaborates with other Nordic copyright organisations in Nordisk Copyright Bureau, which manages the licensing and administration of music when recorded on physical products, such as CDs and DVDs.

The STIM Group, through its subsidiaries STIM Fastighetsholding AB and Stimhuset KB, conducts property management operations, and owns the property Stockholm Krukomakaren 17 where we conduct our business. The approximately 6,000 square meters that are not used for their own operations are rented out to external tenants. Other wholly owned subsidiaries are Svensk Musik Swedmic AB, which is tasked with documenting and informing about

copyright-protected music and conducting sales and rental of sheet music, and Cora Music AB, which enables video creators to access a catalogue of copyrighted music.

## Changes on the Board of Directors and in the management team

At the 2021 annual general meeting, the Nomination Committee's proposal for the election of ordinary members was adopted, which entailed re-election of Martin Jonsson Tibblin (representing FST), re-election of Alfons Karabuda (representing SKAP), re-election of Anette Hökengren (representing Musikförläggarna) and re-election of Hans Fahlin (independent), all of whom will have a term of office of two years. Furthermore, Carina Brorman (independent) was re-elected as Chair of the Board, with a term of office of two years.

Furthermore, in accordance with the Nomination Committee's proposal, Johan Blixt (representing FST) was elected as first deputy, through new election, Anders Wollbeck (representing SKAP) through re-election and Lars Karlsson (representing Musikförläggarna) by re-election all with a term of office of two years. As other deputies, Åsa Otterlund (independent) was elected by re-election with a term of office of two years and through by-election Ylva Fred (representing FST) with a term of office of one year.

In connection with the Annual General Meeting in May 2021, Karsten Dyhrberg Nielsen left his position as STIM's CEO after seven years in the post. During the subsequent period until October, Peter Lindström served as acting CEO and Jan-Christer Stoppel as acting Deputy CEO. On the first of October 2021, Casper Björner took over as the new CEO of STIM.

## Significant events during the financial year

2021 was yet another year spent in the shadow of the COVID-19 pandemic. The impact of all of this, particularly on live and background music, has been significant, with the restrictions having an immediate, negative impact on revenues.

The work to increase market coverage in the important growth market Video On Demand (VOD) has continued and during the year important agreements were signed in the VOD area with TV4 Play and Disney+. Agreements have since been signed with the remaining major providers, which means that STIM will achieve nearly full market coverage in 2022.

As a complement to ICE, STIM has for a couple of years through the Australian society, APRA AMCOS, directly licensed online services in Asian countries. It's a growing market that local communities have had challenges licensing. In 2021, the first payouts from this licensing started. STIM has also established a partnership with MUSERK, which collects mechanical revenue for unsourced and non-sub-located works in the U.S. online market. During the year, this collaboration has also begun to generate income for our authors.

In October 2021, the Swedish Government presented an initial proposal for modernised copyright. It is based on the EU Copyright Directive, which entails changes in a wide range of areas. For STIM, Article 17, which regulates the copyright liability of platforms, is very important. For many music creators, another important part of the directive will also have an impact on everyday life, namely, the transparency triangle contained in Articles 18 to 23. This part strengthens authors as contracting parties and, for example, entitles

them to appropriate and proportionate remuneration for their works. The proposal for implementation has been met with criticism and STIM has worked intensively to get a more rights-holder-friendly legislation. The legislation is delayed and is expected to take effect July 1, 2022.

In December, STIM's wholly owned subsidiary Cora Music AB was able to launch its new service to the market. It is a new and unique service that gives video creators access to a select repertoire of protected music to their videos. They pay a monthly fee which, after an administrative deduction corresponding to the costs, is paid as royalties to the authors of the music.

## Significant events after the end of the financial year

In February 2022, Russia invaded Ukraine and there was a war in Europe, with terrible consequences for the Ukrainian population. We do not currently see that the war has any significant impact on STIM's operations, but STIM's payments to the Russian copyright society RAO were stopped and we follow the international sanctions that Sweden and the EU have in place. We have also clearly manifested our support for Ukraine and acted together with CISAC and the international copyright societies in joint statements.

## Significant risks and uncertainties

We live in a world of constant change. This applies not least to the music industry and STIM's operations. New technologies and services are developing at a high pace and affect how music is distributed and consumed, and thus also the management of music rights. Rapid technological development places constant demands on the adaptation of STIM's activities, in terms of new pricing models for licensing, systems for rights administration and continued investments in new systems, processes and working methods. Changes in the conditions imply uncertainty

regarding future revenues in different areas and also the value of system investments made. The single largest investment currently is in the joint ventures, ICE Services Ltd and ICE Operations AB. STIM co-finances these investments through loans to ICE and it is important that these operations develop as expected and that the development projects that are run can be implemented. ICE is currently developing the next-generation rights administration system. Development of the system was paused for a period during the past year and then resumed with new project management and a strengthened project organisation. According to the revised project plan, the system will be fully developed and put into operation in 2023.

For STIM, just like most other organisations, availability and operational reliability of IT systems, along with access to data, are business-critical. Continuous, systematic identification and evaluation of IT-related risks, both external and internal, is thus one of the priority areas for STIM's risk management work. During the past year, we have made some changes to our IT organisation with new roles and responsibilities that even more effectively address the challenges that exist in the area. A CISO (Chief Information Security Officer) has been appointed and some adjustments in how we address cyber security issues have been made. A guiding principle is that it affects the entire organisation and is something we must continuously work with. The logging of different processes and activities has been expanded so that we have even better conditions for detecting anomalies. Based on an updated situation assessment, there is continuous monitoring of which tools and collaborations we need in the area to ensure that we maintain a high level of IT security.

### Sales and performance

The Group's revenue during the financial year was SEK 2,175.7 (1 931.0) million and operating expenses were SEK 235.7 (225.7) million.

Profit/loss from participations in associates amounts to SEK 44.3 (14.7) million. Distributable income in the Group totalled SEK 1,986.9 (1,725.3) million.

### Five years, in summary

Consolidated profit (SEK thousand)	2021	2020	2019	2018	2017
Operating income	2,175,695	1,930,968	2,390,549	2 082 274	2,042,666
Operating costs	-235,698	-225,738	-244,306	-233,910	-221,900
Profit/loss from participations in associates	44,312	14,655	3,496	8,917	5,602
<b>Distribution costs</b>	<b>-1,946,517</b>	<b>-1,712,199</b>	<b>-2,153,169</b>	<b>-1,851,853</b>	<b>-1,826,053</b>
Interest and other financial items	2,469	5,478	6,230	2,736	4,553
Tax	120	-15	29	86	62
<b>Profit for the year</b>	<b>40,380</b>	<b>13,149</b>	<b>2,829</b>	<b>8,251</b>	<b>4,930</b>

Parent Society's profit (SEK thousand)	2021	2020	2019	2018	2017
Operating income	2,161,098	1,916,565	2,376,460	2,071,687	2,024,124
Operating costs	-226,955	-219,774	-239,856	-227,266	-214,031
<b>Operating profit/loss before distribution</b>	<b>1,934,144</b>	<b>1,696,791</b>	<b>2,136,604</b>	<b>1,844,421</b>	<b>1,810,093</b>
Interest and other financial items	3,291	6,300	7,017	3,271	5,076
Appropriations and taxes	9,083	9,108	9,548	8,262	9,215
<b>Distributable income</b>	<b>1,946,517</b>	<b>1,712,199</b>	<b>-2,153,169</b>	<b>1,855,954</b>	<b>1,824,384</b>

### Financial position

#### Group

The Group's total equity at year-end was SEK 255.5 (216.7) million of which 204.4 (174.4) was non-restricted equity.

#### Parent Society

At year-end, STIM's equity amounted to SEK 1.2 (1.2) million or 0.1 per cent (0.1) of the balance sheet total. Liabilities to rightsholders at year-end totalled SEK 1,463.8 (1,403.2) million.

### Liquidity

Cash and cash equivalents, including short-term investments, totalled SEK 1,129.8 (1 185.7) million for the Parent Society and SEK 1,161.6 (1 217.1) million for the Group. During the year, excess liquidity was invested in interest-bearing assets in SEK in the form of fixed income funds. Investments have been made in accordance with regulations given by the Board of Directors for investments with a focus on low interest rate, credit and liquidity risk.

### Group contributions

During the financial year, the Parent Society received group contributions from subsidiaries totalling SEK 9.0 (9.1) million.

The Parent Society STIM's total sales for the financial year were SEK 2,161.1 (1,916.6) million, corresponding to an increase of 12.8 (-19.4) per cent compared with the previous year. Royalty revenue has increased by SEK 246.7 (-459.2) million.

The Parent Society STIM's net distributable income totalled SEK 1,946.5 (1,712,2) million, corresponding to an increase in royalty payments to rightsholders equal to SEK 234.3 (-441.0) million.

# Sustainability Report 2021

In this report, we describe how STIM works with sustainability issues. Our reporting focuses primarily on areas where we, as an organisation, can influence and make a difference based on our industry and conditions, but also specifically addresses the environment, social conditions personnel, respect for human rights, diversity and anti-corruption.

### Environmental impact

Caring for the environment is important to us at STIM. We are constantly working to become even better at efficient use of resources and challenging ourselves to minimise our environmental impact. It is an integral part of our choice of products, services and suppliers, as well as a priority when we develop our own processes.

STIM's business model is designed to have marginal environmental impact. No physical products are produced and our business activities are run from a single geographical location. Most of the contacts and information exchange we have with our stakeholders are done digitally and the work to continue digitizing the business is constantly ongoing.

### Reduced travel and encouragement of public transport

Limiting travel to only essential meetings has long been a focus, but in recent years it has of course been accentuated due to the pandemic. All trips were cancelled from March 2020, which has also applied in 2021. STIM's employees have, as so many others, primarily been working remotely (we estimate it at 95 per cent) and they have used video meetings. This new way of working has positive, long-term effects, since we now know that we can easily replace a great deal of domestic and international travel with video meetings.

One important initiative is the subsidised SL cards (public transport) that we have offered to staff, and which many of them have used. It lowers the environmental impact of commuting to and from the office.

### Property and premises

We own the property called Hornsgatan 103 and besides running our own operations from there, STIM is also the landlord for about 15 tenants. STIM is the largest, as regards both number of employees and total space (area). As an employer and landlord, we strive to offer well-managed and appropriately equipped premises that offer a good, pleasant working environment. This applies not only to those working in the building, but also our partners for services and products.

We have a long-term management plan that we follow, but we are also keen to quickly resolve any matters reported to our property service team. We continuously strive to environmentally adapt our property and prioritize sustainable solutions. For example, we have replaced our air conditioner, which cools the air in the summer, and thus greatly reduced our environmental impact by reducing the amount of refrigerant from 57 kg to 10 kg. The new unit also significantly reduces the amount of electricity consumed, which we estimate at around 50 per cent. STIM uses green electricity consisting of at least 10 per cent wind power and we lower the heat during weekends. The fruit, coffee and milk that we offer to our employees

bears the Nordic Swan ecolabel and we sort waste by category (glass, metal, cardboard, plastic, electronics and paper).

### Environmentally-friendly consumables

When purchasing office supplies, we choose alternatives with as little environmental impact as possible. Printers and copiers are set to double-sided printing by default and have "Follow me print", which means that you get your printout only when entering your ID number at the printer. Our paper consumption decreased considerably in 2021 with so many employees working remotely and we will strive to maintain this new way of working in the future.

### Digitized communication

STIM strives to have as high a degree of digital communication as possible, which applies to our affiliates, customers and other stakeholders. STIM typically sends out around 60,000 customer invoices per year, the majority of which have been letter invoices sent out by post. We have a goal that all invoices should be sent by e-mail. In 2021, we increased the percentage of digital invoices to 61 per cent of the total. The work with digitized communication continues.

### Environmentally certified suppliers

STIM chooses suppliers who, like us, care about the environment, which can be demonstrated by, for example, environmental certificates. Strategic suppliers shall, in their cooperation with us, have environmental considerations in focus.

### IT infrastructure and energy consumption

STIM's IT infrastructure consists of two data centres, cloud-based IaaS (infrastructure as a service) and STIM's headquarters. We primarily rely on our own staff for operations. The energy consumption at the data centres is metered and followed up on over time. The strategic plan is to gradually transition to a cloud-based infrastructure, since it is more resource-efficient. In addition, virtually all maintenance and development of the platform is handled remotely, which has reduced the number of trips and overtime hours connected to service and similar tasks.

### High ambitions for STIM as a workplace

STIM employees are passionate about music creators getting paid for their music and ensuring that new, amazing music will keep getting created in Sweden. There is enormous pride in our mission and employees are extremely dedicated. Our task, as employer, is to keep it that way by creating the conditions that enable our employees to do a good job, thrive and develop. It's how we build a strong organisation, with the power to make a difference for music creators. We have well-established HR processes, in recruitment, introduction, development & retention and closure, that support the development of employees and the business as a whole.

### Secure terms of employment

STIM's employees are covered by collective agreements from Almega AB (the Employers' Organisation for the Swedish Service Sector) and Medieföretagen (Almega subcategory for Media compa-

nies). It provides our employees with secure terms of employment as regards such things as insurance, pensions, vacation, parental leave, sickness compensation and the regulation of forms of employment.

#### **Transparency, influence and openness**

STIM must offer a pleasant and stimulating working environment in order to be attractive to our affiliates, customers and employees. Open communication with a large, relevant flow of information is an important parameter for us at STIM. Our employees must have a good knowledge of STIM as an organisation and the decisions that are made. Furthermore, we always strive for a high degree of participation and influence in the work. We have been working with pulse measurements for the past five years, where we regularly investigate how employees feel about various issues (both persistent and temporary) that we then act on. There is a well-established and development-oriented cooperation between STIM as an employer and the local club of the employee organisation, Unionen.

#### **A good work environment**

Work environment management at STIM aims to create conditions that promote a positive atmosphere at work. As was the case for so many other things, the work environment has also been impacted by the pandemic and employees working from home during the year. We reacted and adapted quickly and appropriately to the new circumstances, enabling us to make a smooth transition. We have worked with a special focus on the physical and psychosocial work environment in 2021 with initiative such as the following: work environment training for managers, lectures on ergonomics, daily step competition, regular surveys on employee well-being, daily check-ins to maintain contact and frequent, regular information and dialogue. Sickness absence is low at STIM and for several years, the trend has been a continuous decrease. We are very happy that long-term sick leave is low at STIM.

KPIs	2021	2020	2019	2018	2017
Sickness absence (short-term, 60 days)	1.4%	2.2%	1.8%	1.7%	1.8%
Sickness absence (long-term, >60 days)	1.5%	2.0%	1.6%	2.6%	3.7%
Sickness absence (total)	2.9%	4.2%	3.4%	4.3%	5.5%

#### **Wellness**

Health and wellness are an important component of STIM's work environment. We want to make it easier for employees to maintain or improve their physical, mental and social health. We do this by offering STIM employees subsidies for wellness activities or memberships at the nearby gym, including one hour off (with pay) per week for such activities. We also offer massage and naprapathy treatment to all of our employees. In 2021, we arranged a daily steps competition to encourage physical activity, which was appreciated and gave a positive effect.

#### **Equality and equal treatment**

STIM works to ensure that all employees have equal rights and opportunities in the workplace as regards working conditions, terms of employment and career development through training and skills development, as well as promotion at work regardless of gender; transgender identity or expression, ethnicity, religion, disability, sexual orientation or age. 46% of our employees are women and 62%

of management positions are held by women. Among the management team, 63% are women and 37% are men.

STIM does not tolerate that employees are subject to any form of harassment – these types of violations are prohibited in the workplace. For us, it is very important that our employees are able to combine parenting and work. We also strive to have a discrimination-free recruitment process so that everyone, based on their skills, actual knowledge and abilities, has the opportunity to apply and be considered for available positions.

STIM's payments to its affiliates are based on the works that have been produced, which ensures that they are unbiased and fair. However, it is still clearly a male-dominated industry, where 80% of our affiliates are men. The trend is nevertheless positive, with more and more women joining, although progress is slow. We work on a broad front to create better conditions in the industry, both in the form of our own initiatives and projects, within the overall STIM sphere and our new brand, STIM Forward Fund. One concrete example is our scholarship activities where, in addition to quality, we strive for and achieve a high degree of gender equality in the awarding of scholarships. We also work actively with the issues of gender equality and equality in the industry organisations, where we are very actively involved. Musiksverige is just one example.

Musical diversity is another important topic. STIM strives to promote musical diversity and regeneration of the Swedish music scene. We closely collaborate with rights societies, which is also the purpose behind STIM Forward Fund.

#### **Copyright is a human right**

STIM's mission is to represent and protect the music creator's right to compensation when their music is performed. It is a great and honourable mission, to say the least. Copyright is enshrined in, among others, the United Nations Charter of Human Rights and the Swedish Constitution. Strong copyright protection helps promote growth in society and ensure everyone's right to, in exchange for compensation, add to our cultural heritage of music. The remuneration of the creators ensures that new music continues to be created and that is also STIM's overall purpose and goal.

All of STIM's activities should be characterised by respect and protection for human rights. STIM has not encountered any problems with child labour or violations of other social rights in conjunction with running the business or in its collaborations with partners.

#### **Clear policy on ethics and anti-corruption**

STIM's reputation, ethical behaviour and reliability are of paramount importance to STIM as an organisation, our affiliates, members and customers. The organisation's governance pertaining to anti-corruption is detailed in an anti-corruption policy that serves as ethical guidance to counteract actions in contravention of Swedish bribery legislation.

All STIM employees and others acting on behalf of STIM must behave ethically and in accordance with applicable laws and regulations. We expect the same from the companies, organisations and individuals with whom we do business and collaborate. The policy is based on the precautionary principle and means that in the event of the slightest uncertainty, there must always be a check with the immediate manager or decision-maker so that the person or persons representing STIM act correctly and in accordance with the policy guidelines.

In 2021, a code of conduct was implemented within STIM's operations that clarifies expectations of STIM's employees, consultants and board members. A code of conduct for STIM's members was also introduced in connection with this.

# Income statement

(SEK thousand)	Note	Group		Parent Society	
		2021	2020	2021	2020
<b>Operating income</b>					
Royalty revenue		2,153,943	1,907,222	2,153,938	1,907,222
Other revenue		21,753	23,746	7,160	9,343
<b>Total operating income</b>	1, 3	<b>2,175,695</b>	<b>1,930,968</b>	<b>2,161,098</b>	<b>1,916,565</b>
<b>Operating expenses</b>					
Personnel costs	2, 4, 5	-144,059	-143,640	-136,056	-139,599
Other management costs	2, 3, 6	-88,042	-78,955	-90,445	-85,476
Capitalised development costs	2, 8	20,808	16,897	15,256	16,897
Depreciation/amortisation	2, 9–11	-24,406	-20,041	-15,710	-11,595
<b>Other management costs</b>		<b>-235,698</b>	<b>-225,738</b>	<b>-226,955</b>	<b>-219,774</b>
Profit/loss from participations in associates	13	44,312	14,655	–	–
Distribution costs	7	-1,909,802	-1,672,582	-1,909,802	-1,672,582
Costs of music promotion activities		-36,715	-39,618	-36,715	-39,618
<b>Earnings before financial items</b>		<b>37,792</b>	<b>7,686</b>	<b>12,373</b>	<b>15,409</b>
Interest income		2,132	2,292	2,947	3,113
Other financial items	13	356	3,188	363	3,188
Interest expenses		-19	-1	-19	–
<b>Earnings after financial items</b>		<b>40,261</b>	<b>13,164</b>	<b>-9,083</b>	<b>-9,108</b>
Appropriations	22	–	–	8,960	9,116
Tax on earnings for the year	21	120	-15	122	-8
<b>Profit for the year</b>		<b>40,380</b>	<b>13,149</b>	<b>–</b>	<b>–</b>

**2,175,695**

Total operating income, SEK thousand, Group

**40,380**

Profit/loss for the year, SEK thousand, Group

# Balance sheet

Assets (SEK thousand)	Note	Group		Parent Society		
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	
<b>Non-current assets</b>						
<b>Intangible assets</b>						
Current investment in new IT systems	8	13,371	20,742	13,371	19,703	
Capitalised expenditure on system development	9	38,791	24,595	31,028	21,785	
<b>Total intangible assets</b>		<b>52,163</b>	<b>45,337</b>	<b>44,399</b>	<b>41,488</b>	
<b>Property, plant, and equipment</b>						
Buildings and land	10	341,011	347,446	–	–	
Equipment	11	8,296	6,828	7,922	6,727	
<b>Total property, plant and equipment</b>		<b>349,307</b>	<b>354,274</b>	<b>7,922</b>	<b>6,727</b>	
<b>Financial assets</b>						
Participations in Group companies	12	–	–	10,200	5,200	
Participations in associates	13	59,472	16,751	41,319	41,319	
Receivables from Group companies	12	–	–	101,138	102,167	
Receivables from associates	13	85,099	71,779	85,099	71,779	
Other non-current assets		102	151	102	151	
Other non-current financial assets	2	5,999	5,315	5,999	5,315	
<b>Total non-current financial assets</b>		<b>150,672</b>	<b>93,995</b>	<b>243,857</b>	<b>225,931</b>	
Deferred tax asset	21	1,536	1,413	1,536	1,413	
<b>Total non-current assets</b>		<b>553,677</b>	<b>495,020</b>	<b>297,714</b>	<b>275,559</b>	
<b>Current assets</b>						
<b>Current receivables</b>						
Trade receivables		93,160	52,974	90,125	51,225	
Receivables from Group companies	12	–	–	11,835	11,508	
Receivables from associates	13	19,149	20,293	19,149	20,293	
Other receivables		16,745	25,372	16,558	24,998	
Tax assets		3,489	11,422	2,676	10,639	
Total prepaid expenses and accrued income	14	374,438	274,711	370,138	273,801	
<b>Total current receivables</b>		<b>506,981</b>	<b>384,772</b>	<b>510,481</b>	<b>392,463</b>	
Short-term investments		1,067,267	1,108,091	1,067,267	1,108,091	
Cash and bank balances		94,320	108,986	62,561	77,597	
<b>Total current assets</b>		<b>1,668,568</b>	<b>1,601,849</b>	<b>1,640,309</b>	<b>1,578,151</b>	
<b>Total assets</b>		<b>2,222,246</b>	<b>2,096,869</b>	<b>1,938,022</b>	<b>1,853,710</b>	

Equity and liabilities (SEK thousand)	Note	Group		Parent Society		
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	
<b>Equity</b>						
<b>Restricted equity</b>						
Invested capital		12	10	12	10	
Capitalised expenditure for development work		49,872	41,062	42,108	37,213	
Other restricted equity		1,226	1,226	1,226	1,226	
<b>Total restricted equity</b>		<b>51,110</b>	<b>42,299</b>	<b>43,347</b>	<b>38,449</b>	
<b>Unrestricted equity</b>						
Accumulated profit		162,427	160,029	-42,104	-37,208	
Adjustment of Opening Balance for Associates	13	1,789	1,122	–	–	
Translation difference	13	-198	119	–	–	
Profit for the year		40,381	13,149	–	–	
<b>Total unrestricted equity</b>	15	<b>204,399</b>	<b>174,419</b>	<b>-42,104</b>	<b>-37,208</b>	
<b>Total equity</b>		<b>255,509</b>	<b>216,718</b>	<b>1,243</b>	<b>1,242</b>	
<b>Provisions</b>						
Provisions for pensions	2,20	7,454	6,604	7,454	6,604	
<b>Total provisions</b>		<b>7,454</b>	<b>6,604</b>	<b>7,454</b>	<b>6,604</b>	
<b>Non-current liabilities</b>						
Non-current liabilities	16	1,075	500	–	–	
<b>Total non-current liabilities</b>		<b>1,075</b>	<b>500</b>	<b>–</b>	<b>–</b>	
<b>Current liabilities</b>						
Trade payables		6,504	9,641	10,015	8,239	
Distribution liabilities	17	1,463,800	1,403,210	1,463,800	1,403,210	
Liabilities to Associates	13	–	540	–	540	
Tax liabilities		233	240	–	–	
Other liabilities	18	173,215	156,045	170,148	154,314	
Accrued expenses and prepaid income	19	314,456	303,371	285,361	279,561	
<b>Total current liabilities</b>		<b>1,958,208</b>	<b>1,873,047</b>	<b>1,929,325</b>	<b>1,845,864</b>	
<b>Total equity and liabilities</b>		<b>2,222,246</b>	<b>2,096,869</b>	<b>1,938,022</b>	<b>1,853,710</b>	

# Change in equity – the Group

Parent Society (SEK thousand)	Invested capital	Reserve for development costs	Other restricted equity	Retained earnings	Profit for the year	Total equity
<b>Amount at the beginning of the year 01/01/2020</b>	<b>10</b>	<b>26 800</b>	<b>1,226</b>	<b>-26,795</b>	<b>–</b>	<b>1,242</b>
Change in contributed capital	0	–	–	–	–	–
Allocated to reserve for development costs	–	10,412	–	-10,412	–	–
<b>Amount at the end of the year 31/12/2020</b>	<b>11</b>	<b>37,212</b>	<b>1,226</b>	<b>-37,208</b>	<b>–</b>	<b>1,242</b>
<b>Amount at the beginning of the year 01/01/2021</b>	<b>11</b>	<b>37,212</b>	<b>1,226</b>	<b>-37,208</b>	<b>–</b>	<b>1,242</b>
Change in contributed capital	1	–	–	–	–	1
Allocated to reserve for development costs	–	4,896	–	-4,896	–	–
<b>Amount at the end of the year, 31/12/2021</b>	<b>12</b>	<b>42,108</b>	<b>1,226</b>	<b>-42,104</b>	<b>0</b>	<b>1,243</b>
Group (SEK thousand)	Invested capital	Reserve for development costs	Other restricted equity	Retained earnings	Profit for the year	Total equity
<b>Amount at the beginning of the year 01/01/2020</b>	<b>10</b>	<b>26 800</b>	<b>1,226</b>	<b>173 944</b>	<b>2 829</b>	<b>204,810</b>
Adjustment of Opening Balance for Associates*	–	–	–	-1,122	–	-1,122
<b>Adjusted Opening Balance 01/01/2020</b>	<b>10</b>	<b>26 800</b>	<b>1,226</b>	<b>172,822</b>	<b>2,829</b>	<b>203,688</b>
Appropriation of profits	–	–	–	2,829	-2,829	–
Change in contributed capital	0	–	–	–	–	–
Allocated to reserve for development costs	–	14,262	–	-14,262	–	–
Currency translation difference	–	–	–	-119	–	-119
Profit for the year	–	–	–	–	13,149	13,149
<b>Amount at the end of the year 31/12/2020</b>	<b>11</b>	<b>41,062</b>	<b>1,226</b>	<b>161,270</b>	<b>13,149</b>	<b>216,718</b>
<b>Amount at the beginning of the year 01/01/2021</b>	<b>11</b>	<b>41,062</b>	<b>1,226</b>	<b>161,270</b>	<b>13,149</b>	<b>216,718</b>
Adjustment of Opening Balance for Associates*	–	–	–	-1,789	–	-1,789
<b>Adjusted Opening Balance 01/01/2021</b>	<b>11</b>	<b>41,062</b>	<b>1,226</b>	<b>159,481</b>	<b>13,149</b>	<b>214,929</b>
Appropriation of profits	–	–	–	13,149	-13,149	–
Change in contributed capital	0	–	–	–	–	–
Allocated to reserve for development costs	–	8,810	–	-8,810	–	–
Currency translation difference	–	–	–	198	–	198
Profit for the year	–	–	–	–	40,381	40,381
<b>Amount at the end of the year 31/12/2021</b>	<b>11</b>	<b>49,872</b>	<b>1,226</b>	<b>164,018</b>	<b>40,381</b>	<b>255,509</b>

\* Difference between the preliminary and final year-end results for associated companies.

When STIM compiled its annual report, the final year-end results of its associated companies were not yet available.

# Cash flow statement

(SEK thousand)	Note	Group		Parent Society	
		2021	2020	2021	2020
<b>Operating activities</b>					
Payments from customers		2,048,605	2,105,802	2,043,082	2,097,634
Payments to rightsholders	17	-1,841,770	-1,983,701	-1,841,770	-1,983,701
Payments to suppliers and employees		-233,293	-238,760	-223,404	-238,784
<b>Cash flow from operating activities before interest and income taxes paid</b>		<b>-26,459</b>	<b>-116,659</b>	<b>-22,092</b>	<b>-124,851</b>
Interest received		2,132	2,292	2,947	3,113
Other financial items		356	1,570	363	3,188
Interest paid		-19	-1	-19	–
Income taxes paid		-3	-7	–	–
<b>Cash flow from operating activities</b>		<b>-23,992</b>	<b>-112,806</b>	<b>-18,801</b>	<b>-118,550</b>
<b>Investment activities</b>					
Investments in property, plant and equipment and intangible non-current assets	8, 10, 11	-18,753	-24,568	-19,816	-23,263
Investments in financial assets		-19,035	-43,883	-18,533	-44,606
Disposal of non-current financial assets		6,290	28,131	6,290	28,131
Investments in subsidiaries		–	–	-5,000	-5,000
Change in short-term investments of excess liquidity		40,824	169,204	40,824	169,204
<b>Cash flow from investment activities</b>		<b>9,326</b>	<b>128,884</b>	<b>3,765</b>	<b>124,466</b>
<b>Cash flow for the year</b>					
<b>Cash and cash equivalents at beginning of year</b>		<b>108,986</b>	<b>92,908</b>	<b>77,597</b>	<b>71,681</b>
<b>Cash and cash equivalents at year-end</b>		<b>94,320</b>	<b>108,986</b>	<b>62,561</b>	<b>77,597</b>

# Accounting and valuation policies

## Accounting policies

The accounting and valuation policies applied conform to the Swedish Annual Accounts Act and the general recommendations of BFNAR 2012:1 as issued by the Swedish Financial Accounting Standards Council. The applied policies are unchanged compared with the previous year unless otherwise stated below.

## Consolidated accounts

The consolidated accounts include subsidiaries where the parent company, directly or indirectly, controls more than 50 per cent of the votes or otherwise exercises a controlling influence. The consolidated financial statements are prepared in accordance with the acquisition method, whereby the equity of the subsidiaries at acquisition – calculated as the difference between the fair values of assets and liabilities – is eliminated in its entirety. As such, consolidated equity includes only that portion of the equity of the subsidiaries that has arisen after acquisition.

## Accounting of associates

Associates are those companies in which the Group has a significant but not controlling influence, which in general means holdings encompassing 20 to 50 per cent of the votes. Holdings in associates are reported in accordance with the equity method. When applying the equity method, the investment is initially valued at acquisition value. The carrying amount is then increased or decreased by the holding company's share of the associate's profit or loss. Any dividends that are received reduce the carrying amount.

## Revenue recognition

Operating income includes – after the deduction of value-added tax – rental revenue throughout the term of the lease and royalties in accordance with the economic implications of the current agreement. Business grants and library levies are requested annually from the Swedish Arts Council and Sweden's Legal, Financial and Public Procurement Agency respectively. Interest income is reported using the effective return.

Revenue via ICE is reported at the gross amount, which means that it is reported prior to the administrative cost deduction that ICE makes and the administrative cost deduction is reported in external costs.

At the start of each contract period, STIM receives forecasts from ICE on the music usage of STIM-represented repertoires. Based on forecasts, STIM also receives payments on account for all or part of the period. Based on that information, STIM recognises income for each period primarily based on historical data, if no other information is available. The remaining amount is capitalised. During the contract period, reports are then regularly received about actual music usage and the amount of revenue that can thus be recognised.

## Distributions

STIM is a non-profit organisation and according to the Copyright Collective Management Act (2016:977), the deductions shall not exceed the costs of managing the rights. This means that part of the total deduction that occurs must be variable. In some areas, the percentage deduction that STIM makes is set already at the beginning of the year (fixed deduction) but for other areas and for the reasons just explained, a variable deduction is made which can only first be calculated at year-end, once all the year's revenue and costs have been established.

In practice, however, the variable deduction also needs to be applied during current years in order to maintain ongoing accounting records and settle the current year's revenues. This is why a preliminary variable deduction is also established at the start of the year. In connection with interim financial statements and updated forecasts for the year, an assessment is made on an ongoing basis whether there is a need to change the level of deduction, and in the event of major deviations, the deduction changes. For minor budget deviations and minor differences between costs and the deduction made, the deduction is not changed. Instead, the surplus or deficit is recorded as an accrued distribution cost in the year-end accounts. When establishing the deduction for the coming year, consideration is given to, besides the budget, also the recorded surplus/deficit of costs from the previous year.

In addition to the deduction for management costs, deductions may also be made for social, cultural and educational purposes. The deductions for social, cultural and educational purposes may not exceed 10 per cent of what remains of the total royalty revenue, after management costs have been deducted. What remains constitutes payment due to members of the Society and affiliates, who assigned their rights to the Society, and is distributed in accordance with the Society's distribution rules. The Board of Directors determines how these rules are to be applied and continually reviews the system. Regarding changes to the distribution rules, the stipulations of the Articles of Association on changes to said Articles apply.

## Intangible non-current assets and property, plant and equipment

Intangible non-current assets, such as computer software, are recognised at cost less deductions for accumulated depreciation according to plan. "Off-the-shelf" software is expensed directly. Costs related to software developed or substantially modified on STIM's behalf are capitalised as an intangible asset if said software is deemed to lead to probable economic benefits that after a year exceed the costs incurred. Capitalised costs for acquired software are depreciated on a straight-line basis over the estimated useful life, although subject to a maximum of 10 years. Depreciation is applied as of the time at which the asset is ready to be placed in service. As such, no



Photo: Art by Esee

## Current assets

### Financial instruments

Financial instruments are classified in the following categories: financial assets measured at fair value through profit or loss, available-for-sale financial assets, loan receivables and trade receivables, as well as loans payable and trade payables. Classification depends on the purpose for which the instrument was acquired.

### Financial assets measured at fair value through profit or loss

This class of financial instrument comprises financial assets held for trading. A financial asset is classed in this category if it is acquired with the primary purpose of selling it in the near future. Derivative instruments are always included in this category, except in cases where the derivative instrument is part of a hedge transaction. The society has classified endowment insurance linked to pension commitments as financial assets measured at fair value through profit or loss.

### Available-for-sale financial assets

This class includes financial instruments that are available for sale and that are not derivatives. Financial instruments in this category are valued at fair value.

### Loan receivables and trade receivables

Loan receivables and trade receivables have established payments and are held with no intention of trading. They are included under current assets with the exception of items with a due date more than one year after the balance sheet date, which are classified as

In the case of the property Stockholm Krukomakaren 17, 54 per cent of the building is held for investment purposes.

non-current assets. Valuation after the acquisition date is at amortised cost with the application of the effective interest method, with deductions for any decline in value. Impairment of trade receivables and loan receivables is recognised in the income statement under Other external costs.

#### Loans payable and trade payables

Loans payable and trade payables are recognised after the acquisition date at amortised cost with the application of the effective interest method.

Purchases and sales of financial instruments are recognised on the transaction date, i.e. the date on which a binding agreement is entered into. All financial instruments that are not measured at fair value are initially valued at cost, adjusted for transaction costs.

#### Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of past events, settlement of the obligation is expected to result in an outflow of resources and the amount to be settled can be estimated reliably. If the point in time at which settlement is made has a significant effect, the provision is calculated by discounting the anticipated future cash flow. Discounting is applied at a pre-tax interest rate that reflects current market assessments of the time value of money.

#### Contingent liabilities

A contingent liability is reported when there is a possible obligation arising from past events and its presence will be confirmed by one or more uncertain future events or when there is an obligation that has not been reported as a liability or provision due to it not being probable that an outflow of resources will be required.

#### Employee benefits

The Group's plans for benefits once employment has ended encompass both defined benefit and defined contribution pension plans. With a defined benefit pension plan, the pension is based on final salary and the number of years of membership in the plan. The Group bears the risk of the established benefits being paid. Certain defined benefit pension plans are secured with an insurance plan from Alecta and this is a multi-employer defined benefit plan. The company has not had access to such information as is necessary to report this plan as a defined benefit pension plan. As such, Swedish ITP pension plans secured with insurance from Alecta are reported as a defined contribution plan. With defined contribution plans, the company pays set contributions to a separate legal entity. Once the contribution is paid the company has no further obligations.

The company has pension commitments with values linked to separate endowment insurance policies held by the company. The value of the endowment insurance always covers the obligation to pay pensions, but not the obligation to pay special employer's

contributions in conjunction with the pension being disbursed. The company's obligation is limited to the amount for which the endowment insurance was acquired. Benefits to employees such as salary and pension are reported as costs in the period in which the employee performed the services the benefits cover.

#### Income taxes

Income tax reporting includes current tax and any deferred tax. Deferred tax is calculated in accordance with the balance sheet method for all significant temporary differences. A temporary difference exists when the book value of an asset or a liability differs from the value for tax purposes. Such a difference can arise, for example, in the event of the appreciation or depreciation of an asset or when applied accounting policies differ between an individual group company's accounts and the consolidated accounts.

Deferred tax is calculated using the tax rate that has been decided or announced as at the balance sheet date and that is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are reported to the extent it is probable that future taxable surpluses will exist against which temporary differences can be offset.

#### Cash flow statement

The cash flow statement is prepared in accordance with the direct method. The reported cash flow consists only of the transactions that involve incoming or outgoing payments. Cash and cash equivalents comprise cash at bank and cash in hand.

#### Foreign currency

The Group receives a not-inconsiderable part of its revenue in foreign currencies. The amounts are reported in Swedish kroner, calculated at the exchange rate prevailing on the date of conversion. Purchases and sales are essentially conducted in the same currency and as such currency exposure is limited. Receivables and liabilities in currencies other than the functional currency are translated using the closing rate on the balance sheet date (unrealised).

#### Leasing

Non-current assets obtained via leasing are classified in accordance with the leasing agreement's economic implications. Items leased via finance leasing are reported as non-current assets and future leasing fees are reported as interest-bearing liabilities. In the case of leased items classified as operating leases, the leasing cost is reported as an operating cost in the income statement. The Group has no significant finance leases. As such, all lease agreements are reported as operating leases, which means that the leasing fees, including additional initial charges but excluding costs for services such as insurance and maintenance, are reported as costs on a straight-line basis throughout the term of the lease.

# Notes

## I Operating income

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Royalty revenue	2,153,943	1,907,222	2,153,938	1,907,222
Live	37,350	39,228	37,350	39,228
Concerts and festivals	28,133	27,104	28,133	27,104
Church concerts and musical church services	5,589	5,626	5,589	5,626
Theatre, variety and cabaret	827	910	827	910
Other	2,801	5,588	2,801	5,588
<b>Background</b>	<b>154,528</b>	<b>164,094</b>	<b>154,528</b>	<b>164,094</b>
Cinemas	6,079	5,169	6,079	5,169
Shops & retail premises	35,586	35,384	35,586	35,384
Discos, DJ	5,705	10,595	5,705	10,595
Hotels	19,812	20,373	19,812	20,373
Sports and fitness	26,685	29,287	26,685	29,287
Music at work	22,404	18,927	22,404	18,927
Restaurants	28,905	32,664	28,905	32,664
Other	9,353	11,694	9,353	11,694
<b>Radio</b>	<b>104,524</b>	<b>104,866</b>	<b>104,524</b>	<b>104,866</b>
Public service radio	53,326	50,966	53,326	50,966
Advertising radio	39,600	39,600	39,600	39,600
Other	11,598	14,300	11,598	14,300
<b>TV</b>	<b>265,189</b>	<b>273,087</b>	<b>265,189</b>	<b>273,087</b>
Copyswede-TV	15,157	24,929	15,157	24,929
Public Service TV	52,519	52,209	52,519	52,209
Swedish TV	147,860	136,526	147,860	136,526
Foreign TV	19,252	21,905	19,252	21,905
Other	30,401	37,519	30,401	37,519
<b>Online</b>	<b>784,705</b>	<b>492,910</b>	<b>784,701</b>	<b>492,910</b>
Online ICE	551,822	324,367	551,822	324,367
Online VOD	165,576	129,977	165,576	129,977
Online A-VOD	24,709	20,864	24,709	20,864
Other	42,597	17,701	42,593	17,701
<b>Online not int</b>	<b>7,263</b>	<b>5,660</b>	<b>7,263</b>	<b>5,660</b>
Municipality and region	5,955	4,413	5,955	4,413
Other	1,307	1,247	1,307	1,247
<b>MEK</b>	<b>79,664</b>	<b>66,914</b>	<b>79,664</b>	<b>66,914</b>
NCB	75,655	60,961	75,655	60,961
Other*	4,009	5,953	4,009	5,953
<b>By agreement with other rights societies</b>	<b>720,721</b>	<b>760,465</b>	<b>720,721</b>	<b>760,465</b>
<b>Other revenue</b>	<b>21,753</b>	<b>23,746</b>	<b>7,160</b>	<b>9,343</b>
Rental income	13,929	13,696	—	—
Exchange gains	199	382	199	382
Other	7,625	9,668	6,961	8,961
<b>TOTAL OPERATING INCOME</b>	<b>2,175,695</b>	<b>1,930,968</b>	<b>2,161,098</b>	<b>1,916,565</b>

\* Including private copying levy & library levy

## 2 Operating expenses

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
<b>Personnel costs</b>				
Salaries and other remuneration	81,438	82,098	79,690	78,475
Social security contributions	25,541	25,923	25,036	24,801
Pension costs	11,982	12,383	11,792	11,810
Fees for hired staff	24,349	23,158	18,796	23,158
Other personnel costs	749	78	742	1,355
<b>Total personnel costs</b>	<b>144,059</b>	<b>143,640</b>	<b>136,056</b>	<b>139,599</b>
Of which Board of Directors and CEOs				
Salaries and other remuneration	5,848	4,735	5,726	4,571
Social security contributions	1,837	1,488	1,799	1,436
Pension costs	1,038	988	1,038	988
<i>Invoiced fees included in External costs</i>	1,440	639	—	—
Of which Board of Directors				
Salaries and other remuneration	2,219	1,745	2,098	1,581
Social security contributions	697	548	659	497
<b>Other management costs</b>				
Office and administration	71,872	62,047	70,939	65,327
Rental costs	591	835	11,975	11,998
IT operations	7,618	8,190	7,520	8,145
Property costs	7,961	7,883	11	7
<b>Total other management costs</b>	<b>88,042</b>	<b>78,955</b>	<b>90,445</b>	<b>85,476</b>
<b>Capitalised development costs</b>	<b>-20,808</b>	<b>-16,897</b>	<b>-15,256</b>	<b>-16,897</b>
<b>Depreciation/amortisation</b>				
Capitalised expenditure on system development	13,475	9,259	12,345	9,017
Equipment	2,645	2,598	3,366	2,579
Buildings	8,286	8,183	—	—
<b>Total depreciation/amortisation</b>	<b>24,406</b>	<b>20,041</b>	<b>15,710</b>	<b>11,595</b>
<b>Other management costs</b>	<b>235,698</b>	<b>225,738</b>	<b>226,955</b>	<b>219,774</b>

Gross remuneration including holiday pay and benefits to STIM's Chief Executive Officer amounted to SEK 3.6 (3.0) million in 2021.

### Defined contribution plans

Pension plans are secured with insurance from Alecta. These are multi-employer defined benefit plans.

The company has not had access to such information as is necessary to report this plan as a defined benefit pension plan. As such, Swedish ITP pension plans secured with insurance from Alecta are reported as a defined contribution plan.

### Pension commitments secured with endowment insurance

The outcome of certain other pension plans is linked to the development of individually signed endowment policies. The value of the

endowment insurance always covers the obligation to pay pensions, but not the obligation to pay special employer's contributions in conjunction with the pension being disbursed. A surplus arises when value growth is better than expected and this surplus falls to the policyholder. The value of the surplus fund as at 31 December 2021 was SEK 71 (63) thousand. The endowment insurance has been pledged as security. No part of the year's provision is covered by the Swedish Pension Obligations Vesting Act.

The market value of the endowment insurance is established through the annual statement issued by the concerned bank or equivalent. The value of the endowment insurance as at 31 December 2021 was SEK 5,999 (5,315) thousand.

## 3 Intragroup transactions

	Parent Society	
	2021	2020
<b>Sales to Group companies (SEK thousand)</b>		
Invoiced cost for personnel	1,300	998
Invoiced cost for IT	414	530
Other revenue	203	298
<b>Total</b>	<b>1,918</b>	<b>1,827</b>
Share of total operating income	0.1%	0.1%
<b>Parent Society</b>		
Operating costs from Group companies (SEK thousand)		2021
Cost of premises	11,869	11,666
Music promotion activities*	—	7,970
Other expenses	—	—
<b>Total</b>	<b>11,869</b>	<b>19,636</b>
Share of total operating costs	5.2%	8.9%
* Since 2021, the scheme is such that the deductions made during one year finance the music promotion activities the following year. Costs related to music promotion activities for Group companies have therefore not affected operating costs during the year.		
<b>Sales via associates (SEK thousand)</b>		
Direct licensing revenue	553,206	325,697
Consulting services	646	885
<b>Total</b>	<b>553,852</b>	<b>326,582</b>
Share of total operating costs	25.6%	17.0%
<b>Parent Society</b>		
Operating costs from associates (SEK thousand)		2021
Remuneration for licensing and distribution services	33,566	20,245
Documentation and reporting	12,887	13,358
Consulting services	-1	—
<b>Total</b>	<b>46,451</b>	<b>33,603</b>
Share of total operating costs	20.5%	15.4%

## 4 Average number of employees

	2021		2020	
	Average number of employees	Of which men	Average number of employees	Of which men
<b>Average number of employees</b>				
Parent Society	124	56%	126	57%
Subsidiaries	11	63%	9	67%
<b>Group</b>	<b>135</b>	<b>56%</b>	<b>135</b>	<b>57%</b>
<b>Board members and senior executives</b>				
2021		2020		
Number on balance sheet date		Number on balance sheet date		
Parent Society	11	45%	11	55%
Board members, including employee representatives	11	45%	11	55%
Deputy Board members, including employee representatives	10	60%	10	40%
Chief executive and other senior executives	9	44%	7	57%
<b>Group*</b>				
Number on balance sheet date		Number on balance sheet date		
Parent Society	18	50%	19	63%
Board members, including employee representatives	18	50%	19	63%
Deputy Board members, including employee representatives	10	60%	11	45%
Chief executive and other senior executives	11	45%	9	56%

\* The calculation at the Group level has been made based on the number of roles. One individual may have several different roles.

## 5 Terms of employment for Chief Executive Officer

### Parent Society

An agreement has been reached with the CEO on severance pay equal to 6 months salary if notice is issued by STIM for reasons other than gross negligence on the part of the CEO in accordance with

Swedish law, when employment has lasted between 12 to 24 months. When employment has been more than 24 months, the severance pay will be 12 months salary, as described above.

## 6 Auditors' fees

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
KPMG AB				
Audit	425	572	340	490
Tax	–	–	–	–
Other non-auditing services	75	75	75	75
Auditors appointed by STIM				
Auditing	39	38	39	38
<b>Total auditors' fees</b>	<b>540</b>	<b>685</b>	<b>455</b>	<b>603</b>

## 7 Distribution cost

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
<b>Distribution rights categories</b>				
Of which				
Public performance – Live	87,430	159,919	87,430	159,919
Public performance – Background	182,199	193,301	182,199	193,301
Public transmission – Radio	243,818	256,706	243,818	256,706
Public transmission – TV	395,576	381,150	395,576	381,150
Public transmission online – Interactive	910,096	601,090	910,096	601,090
Public transmission online – Non-interactive	10,078	8,612	10,078	8,612
Mechanical revenue	80,606	71,805	80,606	71,805
<b>Total distribution</b>	<b>1,909,802</b>	<b>1,672,582</b>	<b>1,909,802</b>	<b>1,672,582</b>

## 8 Ongoing new investment in IT systems

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Opening cost of acquisition	20,742	7,453	19,703	7,453
Costs for the year	20,808	17,937	15,256	16,897
Depreciation/amortisation during the year	-28,180	-4,648	-21,587	-4,648
<b>Closing cost of acquisition</b>	<b>13,371</b>	<b>20,742</b>	<b>13,371</b>	<b>19,703</b>

## 9 Capitalised expenditure on system development

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Opening cost of acquisition	129,755	172,708	122,333	165,287
Acquisitions during the year	–	–	–	–
Depreciation/amortisation during the year	27,672	4,648	21,587	4,648
Disposal	–	-47,602	–	-47,602
<b>Closing accumulated cost of acquisition</b>	<b>157,427</b>	<b>129,755</b>	<b>143,920</b>	<b>122,333</b>
Opening depreciation/amortisation	-105,160	-142,716	-100,547	-139,132
Depreciation/amortisation during the year	-13,475	-10,046	-12,345	-9,017
Disposal	–	47,602	–	47,602
<b>Closing accumulated depreciation/amortisation</b>	<b>-118,635</b>	<b>-105,160</b>	<b>112,892</b>	<b>-100,547</b>
<b>Closing residual value</b>	<b>38,791</b>	<b>24,595</b>	<b>31,028</b>	<b>21,785</b>

## 10 Buildings and land

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
<b>Buildings</b>				
Opening cost of acquisition	289,693	289,252	–	–
Acquisitions during the year	1,852	441	–	–
<b>Closing accumulated cost of acquisition</b>	<b>291,544</b>	<b>289,693</b>	<b>–</b>	<b>–</b>
Opening depreciation/amortisation	-71,392	-63,209	–	–
Depreciation/amortisation during the year	-8,286	-8,183	–	–
<b>Closing accumulated depreciation/amortisation</b>	<b>-79,678</b>	<b>-71,392</b>	<b>–</b>	<b>–</b>
<b>Closing residual value, buildings</b>	<b>211,866</b>	<b>218,301</b>	<b>–</b>	<b>–</b>
<b>Land</b>				
Opening cost of acquisition	129,145	129,145	–	–
<b>Closing acquisition value, land</b>	<b>129,145</b>	<b>129,145</b>	<b>–</b>	<b>–</b>
<b>Closing residual value, buildings and land</b>	<b>341,011</b>	<b>347,446</b>	<b>–</b>	<b>–</b>

In the case of the property Stockholm Krukomakaren 17, the percentage of the building held for investment purposes is 54 per cent.

## 11 Equipment

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Opening cost of acquisition	20,334	24,280	19,496	23,442
Acquisitions during the year	4,886	6,375	4,560	6,375
Sales and disposals	–	-10,320	–	-10,320
<b>Closing accumulated cost of acquisition</b>	<b>25,221</b>	<b>20,334</b>	<b>24,056</b>	<b>19,496</b>
Opening depreciation/amortisation	-13,506	-21,220	-12,770	-20,502
Depreciation/amortisation during the year	-3,418	-2,598	-3,366	-2,579
Sales and disposals	–	10,311	–	10,311
<b>Closing accumulated depreciation/amortisation</b>	<b>-16,925</b>	<b>-13,506</b>	<b>-16,135</b>	<b>-12,770</b>
<b>Closing residual value</b>	<b>8,297</b>	<b>6,829</b>	<b>7,921</b>	<b>6,727</b>

## 12 Participations and receivables in group companies

Subsidiaries	Parent Society						
	Corporate identity number	Reg. Office	Share of equity, %	Number of shares, thousands	Carrying amount 31/12/2021	Carrying amount 31/12/2020	
Svensk Musik Swedmic AB	556754-1338	Stockholm	100	1	100	100	
Cora Music AB	556884-6371	Stockholm	100	50	10,050	5,050	
STIM Fastighets Holding AB	556842-4880	Stockholm	100	50	50	50	
<b>Total participations in Group companies</b>					<b>10,200</b>	<b>5,200</b>	
<b>Subsidiaries, indirectly owned</b>					–	–	
Stimhuset KB, part ownership	969696-4361	Stockholm			–	–	

Receivables from Group companies (SEK thousand)	Parent Society	
	2021	2020
Financial assets		
Interest-bearing loans to Group companies*	101,138	102,167
Current receivables		
Trade receivables from Group companies	–	648
Interest-bearing loans to Group companies*	436	–
Accrued performance revenue	1,029	–
Other receivables from Group companies	10,369	10,860
<b>Other receivables from Group companies</b>	<b>112,973</b>	<b>113,676</b>

\*Interest-bearing loans to Group companies are subject to interest at the prevailing repo rate +1%. The loans are repaid on demand, which is not expected to happen within 1 year.

## 13 Participations and receivables in associates

Associates (SEK thousand)	Parent Society						
	Corporate identity number	Reg. Office	Share of equity and votes, %	Number of shares, thousands	Carrying amount 31/12/2021	Carrying amount 31/12/2020	
ICE Operations AB	556723-5907	Stockholm	33	33	39,997	39,997	
International Copyright Enterprise Services Ltd	08983089	London	33	100	1,322	1,322	
<b>Total participations in associates</b>						<b>41,319</b>	<b>41,319</b>

Associates (SEK thousand)	Group	
	Carrying amount 31/12/2021	Carrying amount 31/12/2020
<b>Opening balance</b>	<b>16,751</b>	<b>3,337</b>
Adjustment of Opening Balance for Associates*	-1,789	-1,122
Translation difference	198	-119
Share of profit from associates	44,312	14,655
<b>Closing balance</b>	<b>59,472</b>	<b>16,751</b>

\* Difference between the preliminary and final year-end results for associated companies. When STIM compiled its annual report, the final year-end results of its associated companies were not yet available.

Receivables from associates (SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Financial assets				
Interest-bearing loans to associates	85,099	71,779	85,099	71,779
Current receivables				
Interest-bearing loans to associates	19,149	20,138	19,149	20,138
Other receivables from associates	–	155	–	155
<b>Total receivables from associates</b>	<b>104,248</b>	<b>92,071</b>	<b>104,248</b>	<b>92,071</b>
<b>Liabilities to associates</b>				
Current liabilities				
Other liabilities	–	-540	0	-540
<b>Total liabilities to associates</b>	<b>–</b>	<b>-540</b>	<b>0</b>	<b>-540</b>

Loans to ICE Operations AB are subject to interest at Stibor6M +2%, with a minimum rate of 2%. The interest rate is set at the beginning of the year.

Loans to International Copyright Enterprise Services Ltd are subject to interest at the GBP Base rate (Bank of England) +2%, with a minimum rate of 2%. The interest rate is set at the beginning of the year.

Loans to International Copyright Enterprise Germany GmbH are subject to interest at EURIBOR6M +2%, with a minimum rate of 2%. The interest rate is set at the beginning of the year.

## 14 Total prepaid expenses and accrued income

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Accrued royalty revenue				
directly licensed STIM	194,049	166,773	194,049	166,773
Directly licensed via ICE	145,098	82,622	145,098	82,622
Mechanical	19,251	15,750	19,251	15,750
Foreign Rights Societies	3,188	–	3,188	–
Prepaid expenses	12,834	9,423	8,533	8,512
Other	18	144	18	144
<b>Total prepaid expenses and accrued income</b>	<b>374,438</b>	<b>274,711</b>	<b>370,138</b>	<b>273,801</b>

## 15 Appropriation of profit or loss

(SEK thousand)	Parent Society	
	2021	2020
The following funds are at the disposal of the society's annual general meeting:		
Retained earnings, SEK	40,381	37,208
Profit/loss for the year, SEK	–	–
<b>Total</b>	<b>40,381</b>	<b>37,208</b>
The Board of Directors proposes that any profit be carried forward, SEK		
	40,381	37,208

## 16 Non-current liabilities

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Deposit, tenants	1,075	500	–	–
<b>Total non-current liabilities</b>	<b>1,075</b>	<b>500</b>	<b>–</b>	<b>–</b>

## 17 Distribution liabilities

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
<b>Distribution, national licensing revenue</b>				
Unpaid revenue at the beginning of the year			630,367	764,627
Adjustment, Unpaid revenue at the beginning of the year			–	-244
<b>Adjustment, Unpaid revenue at the beginning of the year</b>	<b>630,367</b>	<b>764,383</b>	<b>630,367</b>	<b>764,383</b>
Recognised revenue for the year, after deductions			632,543	552,276
Payment to STIM-affiliated rightsholders			-302,764	-378,007
Payment to foreign rights societies			-325,454	-308,285
Provision for music promotion activities			-3,431	–
<b>Outstanding payments at year-end</b>	<b>631,262</b>	<b>630,367</b>	<b>631,262</b>	<b>630,367</b>
<b>Distribution multi-territorial licensing revenue</b>				
Unpaid revenue at the beginning of the year			489,210	630,684
Recognised revenue for the year, after deductions			496,640	290,933
Payment to STIM-affiliated rightsholders			-377,218	-363,772
Payment to foreign rights societies			-68,194	-68,635
<b>Outstanding payments at year-end</b>	<b>540,438</b>	<b>489,210</b>	<b>540,438</b>	<b>489,210</b>
<b>Distribution Foreign Societies' revenue</b>				
Unpaid revenue at the beginning of the year			283,509	427,088
Recognised revenue for the year, after deductions			704,962	768,412
Payment to STIM-affiliated rightsholders			-692,636	-806,990
Provision for music promotion activities			-4,009	-105,000
<b>Outstanding payments at year-end</b>	<b>291,827</b>	<b>283,509</b>	<b>291,827</b>	<b>283,509</b>
<b>Distribution of mechanical reproduction revenue</b>				
Unpaid revenue at the beginning of the year			124	-2,825
Recognised revenue for the year, after deductions			75,655	60,961
Payment to STIM-affiliated rightsholders			-75,504	-58,012
<b>Outstanding payments at year-end</b>	<b>274</b>	<b>124</b>	<b>274</b>	<b>124</b>
<b>Total distribution liability at year-end</b>	<b>1,463,800</b>	<b>1,403,210</b>	<b>1,463,800</b>	<b>1,403,210</b>

## 18 Other liabilities

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Music promotion activities			125,753	106,106
Other liabilities			47,463	49,938
<b>Total other liabilities</b>	<b>173,215</b>	<b>156,045</b>	<b>170,148</b>	<b>154,314</b>

## 19 Accrued expenses and prepaid income

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Prepaid royalty revenue			111,998	106,625
Prepaid advances ICE			153,943	144,455
Accrued costs for music promotion activities			–	7,784
Prepaid rental income			9,818	6,952
Accrued holiday pay liability			5,027	6,305
Accrued social security expenses and payroll tax			6,481	8,983
Other accrued expenses			27,188	22,266
<b>Total accrued expenses and prepaid income</b>	<b>314,456</b>	<b>303,371</b>	<b>285,361</b>	<b>279,561</b>

## 20 Contingent liabilities and pledged assets

### Contingent liabilities

STIM has endowment insurance policies that have been pledged as security for its pension commitments. See Note 2.

The fair value of the endowment insurance, including payroll tax, amounts as at 31 December 2021 to SEK 7,454 (6,604) thousand.

Conditional Shareholder contribution has been given by the Parent Association to Cora Music AB, see Note 12.

STIM has, together with the other owners, financed investments in the associates ICE AB and ICE Ltd in order to establish effective cooperation with PRS for Music and GEMA. Further investments remain that STIM is contractually obligated to finance. This obligation cannot be quantified as the amount has not been established in the agreement.

## 21 Tax

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Tax on earnings for the year				
Current tax for current year	-3	-6	-	-
Current tax attributable to previous years	-	-1	-	-
Change in deferred tax for the year	122	-8	-122	8
<b>Total tax as per the income statement</b>	<b>120</b>	<b>-15</b>	<b>-122</b>	<b>8</b>
Difference between reported tax and estimated (theoretical*) tax expense				
Profit/loss before tax	40,261	13,164	-122	8
Adjustment for Profit/loss of subsidiaries	3,265	840	-	-
Adjustment for Profit/loss from participations in associates (after tax) included in the amounts above	-44 312	-14,655	-	-
Profit/loss before tax - adjusted for taxed associates' participations	-786	-651	-122	8
<b>Estimated tax on profit before tax for the year</b>	<b>162</b>	<b>139</b>	<b>25</b>	<b>-2</b>
Tax effect of non taxable and non deductible items - Permanent	-893	-1,592	-890	-1,586
Tax effect of non taxable and non deductible items - Temporary	-30	-67	108	75
<b>Estimated tax to be paid on taxable profit</b>	<b>-760</b>	<b>-1,520</b>	<b>-757</b>	<b>-1,513</b>
Less deduction for foreign taxes paid (not recorded, revenue reported net)	757	1,513	757	1,513
Reported taxes that are not attributable to the current year	122	-8	122	-8
<b>Reported tax expense</b>	<b>120</b>	<b>-15</b>	<b>122</b>	<b>-8</b>

### Pension commitments

As at 31 December 2021, the Group's temporary difference with respect to pension commitments amounted to SEK 7,454 (6,604) thousand, corresponding to a deferred tax asset of SEK 1,536 (1,413) thousand.

Deferred taxes (SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Other provisions for pensions	1,536	1,413	1,536	1,413
<b>Total deferred tax</b>	<b>1,536</b>	<b>1,413</b>	<b>1,536</b>	<b>1,413</b>

## 22 Appropriations

(SEK thousand)	Group		Parent Society	
	2021	2020	2021	2020
Group contributions	STIM Fastighets Holding AB	-	-	8,960 9,116
<b>Total Group contributions</b>		-	-	<b>8,960 9,116</b>

## 23 Significant events after the end of the financial year

In February 2022, Russia invaded Ukraine and there was a war in Europe, with terrible consequences for the Ukrainian population. We do not currently see that the war has any significant impact on STIM's operations, but STIM's payments to the Russian copyright society RAO were stopped and we follow the international sanctions that Sweden

and the EU have in place. We have also clearly manifested our support for Ukraine and acted together with CISAC and the international copyright societies in joint statements.

## 24 Administrative cost percentage

	Parent Society	
	2021	2020
Administrative cost percentage	9.6%	10.2%

STIM is a non-profit membership organisation. Prior to distribution and payment to the members, a deduction is made to rights royalties that covers the costs for administration.

As a measure of the cost-effectiveness of management, the KPI administrative cost percentage is used. A corresponding measure is

also used internationally and by most copyright organisations. STIM calculates the administrative cost percentage as follows:  
Operating expenses - Other revenue - Net financial items - Group contributions - Royalty revenue.

The income statements and balance sheets will be presented to the Society's Annual General Meeting to be held on 31 May 2022 for adoption.

Stockholm, 20 May 2022

Carina Brorman  
Chair of the Board

Casper Björner  
Chief Executive Officer

Alfons Karabuda

Dror Feiler

Douglas Carr

Hans Fahlin

Anette Hökengren

Linda Portnoff

Kerstin Mangert

Martin Jonsson Tibblin

Eva Botmar

Susan Roberts

Our audit report was submitted on 23 May 2022

Håkan Olsson Reising  
Authorised Public Accountant  
KPMG AB

Ragnar Grippe  
Association auditor

# Auditors' report

To the Annual General Meeting of Föreningen Svenska Tonsättares Internationella Musikbyrå (STIM) u.p.a., corporate identity number 702002-3524

## REPORT ON THE ANNUAL ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Föreningen Svenska Tonsättares Internationella Musikbyrå (STIM) u.p.a. for the year 2021. The annual accounts and consolidated accounts of the society are included in the printed version of this document on pages 26–49.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Society and the Group as of 31 December 2021 and of their financial performance and cash flows for the year then ended in accordance with the Swedish Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of the society adopt the income statement and balance sheet for the Parent Society and the Group.

### Basis for opinions

We have conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section on Auditor's Responsibility. We are independent of the Parent Society and the Group in accordance with professional ethics for accountants in Sweden. As a registered audit firm, we have fulfilled our 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 audit opinions.

### Information other than the annual accounts

This document also contains information other than the annual accounts and consolidated accounts and this can be found on pages 1–25. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Swedish Annual Accounts Act. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the society's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Chief Executive Officer intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

### The registered audit firm's responsibility

Our objective is to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and submit an audit report that contains our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

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 annual accounts and consolidated accounts, 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 opinions. 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 the society's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of ex-

pressing an opinion on the effectiveness of the internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- conclude on the appropriateness of the Board of Directors' and the Chief Executive Officer's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the society's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a society and a group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that we identified.

### The Elected Auditor's Responsibility

I must conduct my audit in accordance with the Swedish Auditors Act and therefore in accordance with generally accepted auditing standards in Sweden. My objective is to obtain reasonable assurance about whether the annual accounts and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and that the annual accounts and consolidated accounts present fairly the financial position and results of the society.

## REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LAWS, REGULATIONS AND STATUTES

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Föreningen Svenska Tonsättares Internationella Musikbyrå (STIM) u.p.a. for the year 2021 and the proposed appropriations of the society's profit or loss.

We recommend to the society's annual general meeting to appropriate the profits in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

### Basis for opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in this respect is further described in the Auditor's Responsibility section. We are independent of the Parent Society and the Group in accordance with professional ethics for accountants in Sweden. As a registered audit firm, we have fulfilled our 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 audit opinions.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the society's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the society's and the group's type of operations, size and risks place on the size of the parent society's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the society's organisation and the administration of the society's affairs. This includes among other things continuous assessment of the society's and the group's financial situation and ensuring that the society's organisation is designed so that the accounting, management of assets and the society's financial affairs otherwise are controlled in a reassuring manner.

The Chief Executive Officer shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the society's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the society, or
- in any other way has acted in contravention of the Swedish Economic Associations Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the society's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Economic Associations Act.

Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the society, or that the proposed appropriations of the society's profit or loss are not in accordance with the Economic Associations Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the society's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on the professional judgment with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the society's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the society's profit or loss, we examined whether the proposal is in accordance with the Economic Associations Act.

Stockholm, 23 May 2022  
KPMG AB

Håkan Olsson Reising  
Authorized Public Accountant

Ragnar Grippe  
Elected auditor

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#### Contact STIM

Visit us at Stimhuset on Hornsgatan 103 in Stockholm

Mailing address:  
Box 17092 104 62 Stockholm

E-mail:  
[stim@stim.se](mailto:stim@stim.se)

Telephone number for reception:  
+46 (0)8 783 8800



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