



**ANNUAL REPORT
2022**







01



– New Requirements for the AV Market of the Future 5

CEO HAS THE FLOOR

02



– Collective Management Offers the Licences the Market Needs 7

ON BEHALF OF THE CREATORS OF CULTURE

03



– Licenses for a media landscape in strong change 9

THE OPERATION

– Compensation for private copying still important 10

– Distribution of Levies to Creators 13

04



– Administration Report 16

ANNUAL REPORT

– Income Statement 21

– Balance Sheet 22

– Cashflow Statement 24

– Notes 25

– Auditor's Report 29

05



– Organisation 32

ORGANISATION

– Further Information 33

– Copyswede's Member Organisations 34

– Copyswede's Collaborative Partners 35

Copyswede Works to Fund the Creation of New Culture

Copyswede are experts in the collective administration of copyright within the TV sector. We licence the retransmission of TV and radio programmes via various media and manage the Swedish levy system for private copying. We work on behalf of our member organisations to ensure that creators of culture are remunerated for their copyright. If the consumption of culture is to be sustainable, creative people must receive reasonable remuneration. A strong copyright leads to secure and unshackled performers. In Sweden in particular and the EU in general, there is strong political, legal and popular support for copyright and its effective and collective management. We have been entrusted with managing aspects of this task. Copyswede is subject to supervision by the Swedish Patent and Registration Office (PRV), a government agency.



NEW REQUIREMENTS FOR THE AV MARKET OF THE FUTURE

Rapid developments in the audiovisual area present new challenges for the copyright market. This has made it necessary to renew the Copyswede cooperation to create favourable conditions for the AV licensing of tomorrow.

Copyswede collected SEK 535 million in total in 2022 to distribute to rightholders. It is obvious that Copyswede is making a difference for rightholders in an area where new licensing models are hardly in place before needs change. Thus, our mandate as experts in the AV field is not just to collect and distribute, but to ensure maximum levies for the further use of AV.

When Copyswede celebrated 40 years in the autumn of 2022 (we were established by the rightholders' organisations in 1982), we could look back on four decades of successful cooperation. Digitalisation has turned what had been constant and predictable business between rightholders and users (creators as well as television and radio broadcasters) for most of this cooperation into a complex market, with completely new forms of use, stakeholders and collaboration. The conditions for AV licensing that functions smoothly for rightholders are changing from day to day.

Further use of AV now involves use within phenomena such as SVoD services and social media platforms as well as traditional radio and TV broadcasting. The operators in this emerging AV market do not always correspond either, as in the case of social media, with users liable to pay levies, which makes it even more complex. Therefore, a huge responsibility rests on those of us working with the collective management of copyright. We essentially have a mandate to collect and distribute the levies to which rightholders have a statutory right, but also a duty to contribute to a smoothly functioning and fit-for-purpose market. Copyswede focussed on this in its Strategic Plan, which was adopted in 2021 and includes the vision *A richer cultural life*.

We are convinced that we can truly contribute to a richer cultural life by ensuring an interaction that is as seamless as possible between all of the players in the rights market. The cultural scene will function and benefit creators, producers and those using their work in various ways in their AV services.

Rightholders have had high ambitions in this particular area since 1982.

Copyswede is a collaboration between the creators' organisations in Sweden that seeks to contribute to a smoothly functioning and fit-for-purpose market. Representatives of the creators affected by AV licensing subject to copyright have been brought together as an association and run the rightholders' business together through Copyswede. Rightholders are stronger together.

However, what type of licensing cooperation do creators need when traditional television and radio are no longer building tradition, and when previously unknown media means that AV material can be used in a plethora of new ways for a plethora of new players?

We are now developing a more transparent and predictable distribution model to make it easier for member organisations to see the benefits of coordinated licensing through Copyswede.

Our goal is that each member should be able to clearly see its share at the time of licensing and thus be able to determine the value of being included in the cooperation. There should always be an answer to the question of "what's in it for me?".

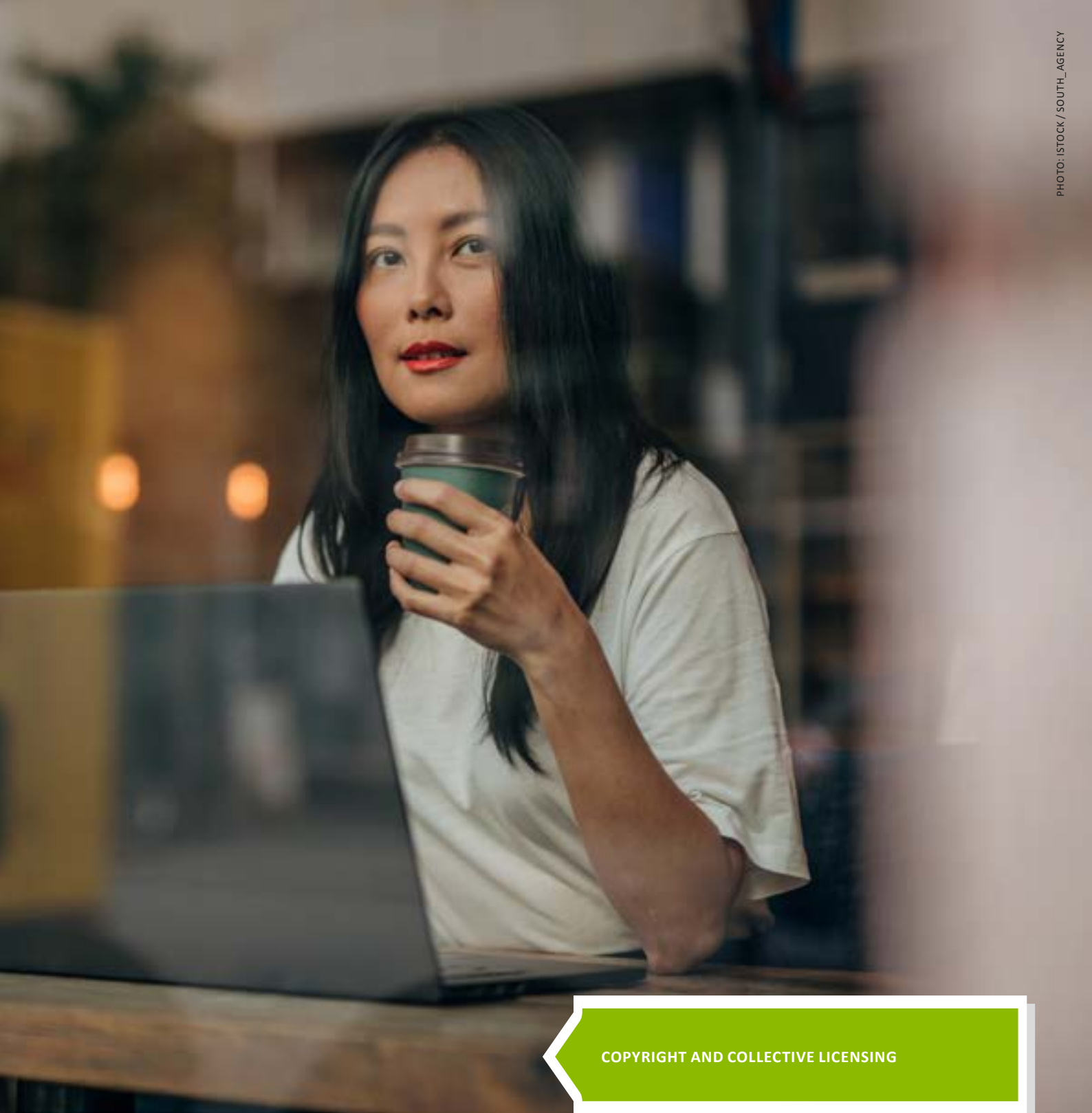
Since 2021, the Copyswede cooperation has been working towards the strategic goal that Copyswede will be the obvious player for AV licensing on the secondary market. Our goal is to also be able to provide the market with the licences needed in the best possible way in the new emerging AV environment and to continue to secure the levies to which rightholders are entitled. Thus, Copyswede's member organisations need more than ever to take a stance on what they want to achieve through the Copyswede cooperation. We are well placed to create the AV licensing for the future together.

Mattias Åkerlind, CEO



PHOTO: YLWA YINGVESSON

”
Rightholders get stronger
through collaboration”



COPYRIGHT AND COLLECTIVE LICENSING

Copyright is an individual right. Essentially, it means that anyone who has created a literary or artistic work must give their permission before what he or she has created or performed can be used by others. There is a corresponding right for anyone who has produced a film or phonogram. The signal rights of TV and radio companies are also protected. Agreements concerning the use of works and performances consisting of many different rights, such as TV programmes and film, often require collaboration between various categories of right holders. Through assignments from the member organisations and the partnerships that Copyswede has with TV and radio companies and organisations representing film and phonogram producers, Copyswede is able to offer comprehensive licences for retransmission in various media.

COLLECTIVE MANAGEMENT OFFERS THE LICENCES THE MARKET NEEDS

Copyright fundamentally centres around the concept that the person who has created or interpreted a work holds the exclusive rights to this, i.e. an exclusive right to allow or prohibit others to use the work. The right holder may then decide to enter into an agreement concerning various types of use. As regards works such as films and TV programmes where many authors and performers and perhaps one or more producers have worked together, there are special requirements concerning agreements in order for works to form part of a collective range on new platforms and in services that could not have been foreseen at the time the works were created.

Digitalisation has created opportunities to develop new services where there is demand for TV programmes and TV channels for different types of mass use. With regard to this, Copyswede can offer licensing solutions which ensure that right holders receive reasonable remuneration, while at the same time retaining control over their works. The way in which the copyright system is designed enables right holders to monitor the financial development of their works over time, and also to earn money when their work is in demand and consumed through various services.

Coordinated Rights Management Strengthens the Artist Collective and Facilitates Agreements

Individual authors are often in a weak negotiating position in relation to large media companies and the scope to obtain an overview of how a work that has been created may be used is becoming increasingly limited as technical advances are made in the distribution market. There are therefore good reasons why individual authors and performers should join forces in organisations with the aim of coordinating the management of their rights. Such collective rights management also gives artists the opportunity to manage their rights as regards complex composite works or when a very large number of works is used collectively. By choosing to manage their rights in a coordinated and collective manner, cultural innovators put themselves in a stronger

negotiating position with respect to large media and distribution companies which operate in the artists' contractual market.

Collective rights management also plays a crucial role in giving all companies providing services with artistic content the potential to effectively acquire the requisite permits. When a large number of rights are offered in a coordinated manner, it is also possible to create and provide services that would otherwise not have been possible.

Organisations for collective rights management are of crucial importance for the continued development of markets for artistically created content. These organisations are also important for the functioning of the traditional media markets, such as TV, film and music, in addition to mass use by educational and cultural institutions.

Copyswede has been created by cultural innovator organisations in Sweden to act as a collective management organisation in complex licensing situations in the area of rights licensing for radio, TV and film, and with regard to the management of the private copying levy. In addition to this assignment being carried out on behalf of the 14 member organisations, Copyswede also works with the record industry through the International Federation of the Phonographic Industry, Swedish Group (IFPI), and with film and TV producers through the Swedish Film Producers' Association (FRF). In addi-



14

MEMBER ORGANISATIONS

tion, Copyswede cooperates with around 100 programme companies whose programme services are licensed by Copyswede through the Union of Broadcasting Organisations in Sweden (UBOS).

Extended Collective Licences Follow Developments

The benefits of collective rights management have long been understood in the Nordic countries, and have had well-developed systems using collective licences as a basis since the 1960s. On 1 November 2013, a provision concerning general extended col-

lective licences was introduced in the Swedish Copyright Act. The aim is to identify the needs that exist within the market in a faster and more flexible way to enable agreements to be offered with the support of the extended collective licence provision. The first agreements were already being signed in 2013 and enabled programmes to be restarted while they were being broadcast. Since then, Copyswede has continued to offer licences with the support of the new provision, including catch up services linked to the retransmission of TV channels.

PHOTO: ISTOCK / SKYNESHER



COLLECTIVE LICENCES

Collective licences are one aspect of the copyright legislation which enables organisations representing broad groups of right holders to issue comprehensive licences for various types of services, such as “TV everywhere solutions”. These licences give the necessary permissions which the market needs for its various services, and guarantee right holders remuneration for the use of their works, which is particularly important in the new emerging digital environment.

THE WORLD'S TV

Copyswede's channel repertoire covers many channels from the Nordic region, Europe and the rest of the world.

» Read more at copyswede.se

THE OPERATION

LICENSES FOR A MEDIA LANDSCAPE IN STRONG CHANGE

The people of Sweden have good access to the technical equipment for playing back television and moving images and this applies not only to televisions but also tablets, mobile phones and computers. Streaming services have made the range of television and moving images even greater. Access to these services increased in 2022 and at the same time they were increasingly being bundled and offered directly to subscribers together with traditional channel packages.

The trend for linear viewing has been declining for some time, while there has been a fight for market share in the streaming market where subscribers' consumption remains high. There is great interest in watching films and series on the streaming platforms' own television services, and Swedish households can currently choose between several operators of different subscription video on demand (SVoD) and play services.

Technological development and the rising demand for complete licences has meant that licence agreements are subject to regular review and renegotiation. Play services are a standard that both broadcasters and television operators make sure that they can offer their customers. These changes continue to impose demands on Copyswede in respect of ongoing operational and service development.

Copyswede's channel repertoire has been split into three main areas for the past few years: channels from Sveriges Television (SVT), UR and SR; channels from TV4; and foreign channels. The number of channels continued to expand in 2022 and this is expected to continue in years to come.

The mediation with operators relating to the terms and conditions for retransmitting SVT and UR's channels over the Internet came to a halt in 2022. Copyswede has subsequently worked intensively to develop content in new SVT OTT contracts and has presented this to the market.

The health and social care area

Copyswede developed tariff models last year within areas where there is a need to view television, such as within the health and social care area. Copyswede has produced a model for care providers that ena-

bles television to be retransmitted in communal areas for residents.

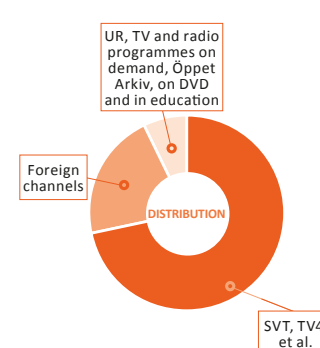
The educational area

The implementation of the DSM Directive entailed new conditions for licensing in the educational area. Copyswede therefore produced an undated education licence for education coordinators last year for illustrative purposes in the course of teaching. This licence will be available for the school system starting in 2023.

Copyswede will otherwise continue to offer an agreement with UR for the schools' use of programmes from UR.

The hospitality industry

Copyswede offers licences that enable hotels and other establishments to retransmit television and radio for their customers. An updated tariff model for Swedish channels in hotels was produced last year. This model will be further developed in 2023.



SUMMARY

	SVT, TV 4 et al., SEK	Foreign Channels SEK	UR, TV and Radio Programmes on-demand, Öppet Arkiv, on DVD and in Education, SEK
Revenues	124,730,653	37,337,893	12,506,008
Staff costs	3,837,712	1,393,883	278,185
Other costs	4,219,067	562,523	95,317
For distribution	116,673,875	35,381,488	12,132,505
Cost before individual distribution	6.46%	5.24%	2.99%



COMPENSATION FOR PRIVATE COPYING STILL IMPORTANT

Rapidly expanding infrastructure is enabling service providers to build readily accessible media services. This would not be particularly useful if the services could not be filled with content which consumers are prepared to pay for. It is therefore a fundamental precondition that there are creators who create works and performances which form the content of these services and that they receive payment for their creations.

Copyright is based on the exclusive right that all authors have relating to their literary and artistic performances. The person who creates a work determines how it should be exploited, and anyone who wishes to use the work must therefore obtain the permission of the author to do so.

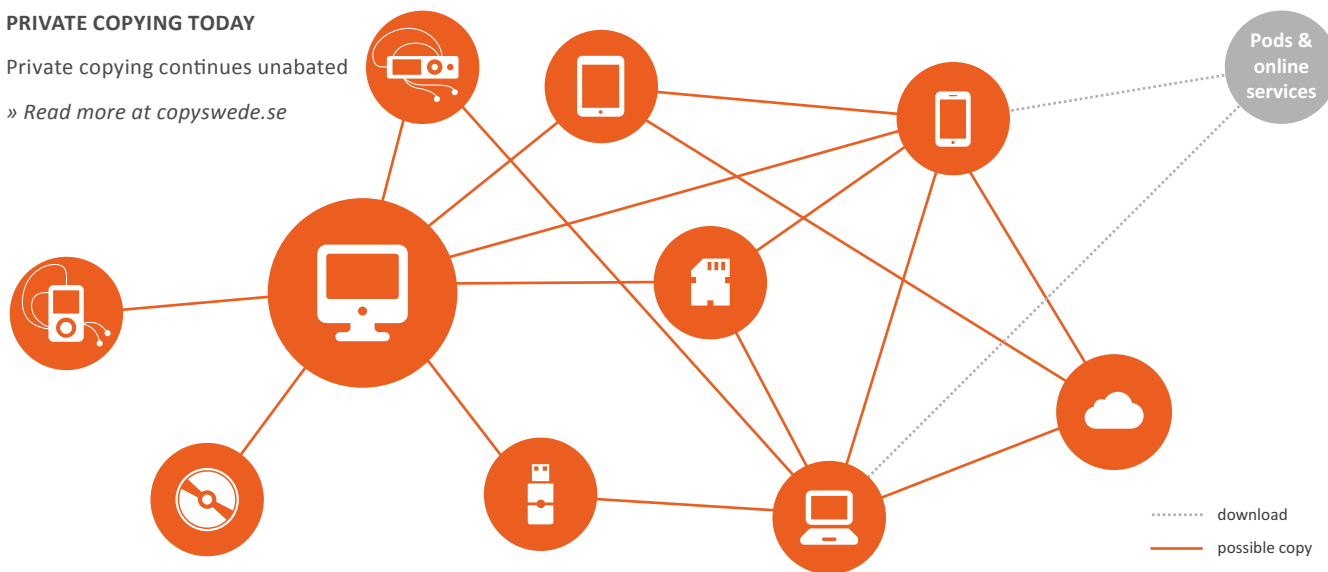
In order to balance the interests of authors against those of the public, there are a number of restrictions on the exclusive right, which means that in certain situations works may be used without the permission of the author. One such restriction is the right to copy content for private use.

The right to make private copies is important for individual consumers and in many cases is also a prerequisite for many of the service models that have been developed in the digital environment. The number of devices and products, and their storage capacity, has resulted in private copying remaining popular. For example, consumers can download songs, films, audio books, TV series and podcasts to their computers, mobile phones and tablets in order to listen or watch later or to save surfing. All this constitutes private copying which is carried out under the restriction on the copyright's exclusive right.

PRIVATE COPYING TODAY

Private copying continues unabated

» [Read more at copyswede.se](https://www.copyswede.se)

**The Industry Agreement Provides Clarity**

Alongside the legal processes, negotiations have also been under way with industry organisation Elektronikbranschen (EB) with the aim of reaching a negotiated solution. After four years of negotiations, in October 2020, Copyswede and EB reached agreement concerning the regulation of conditions and remuneration levels for the private copying levy. Through the new industry agreement, the parties have agreed that a levy must be paid for mobile phones which have been resold in Sweden since 1 January 2009, and that a levy must be paid for computers, tablets, internal hard drives and games consoles resold since 1 September 2013. Before this agreement had been reached, there was disagreement as to whether or not these products were actually covered by the levy scheme. The industry agreement means that importers and manufacturers of products which can be used for private copying must enter into an individual agreement with Copyswede which includes the provisions of the industry agreement. Retailers can also join the negotiated scheme by agreement with Copyswede.

Companies that imported and resold mobile phones, computers, tablets, internal hard drives and game consoles during the historical period covered by the agreement must report their historical sales to Copyswede in accordance with this agreement. The agreement also regulates the terms, conditions and revenue levels for the period after 1 November 2020. The Industry Agreement's rules continue to apply and help the current compensation arrangement to function smoothly.

Review of the Current Compensation Arrangement

A Government Inquiry presented its report on 21 April 2022 in the Swedish Government Official Report (SOU) 'Privatkopieringsersättningen i framtiden' (Private copying levies in the future). According to the Terms of Reference for the Inquiry, the purpose of the review was to achieve a modern and efficient compensation arrangement. The report shows that private copying is extensive and that the system urgently needs to be amended so that the private copying being carried out is also subject to the right to reasonable compensation. This proposal means that it will also encompass works whose sole sources are the Internet or streaming services as well as text and stills not included in audio or film works. However, Copyswede and several other consultation bodies are of the opinion that certain adjustments to the proposal contained in the report are required for the new legislation to function. This issue will be further processed in the Government Offices in 2023 with a view to producing a Government Bill for the Riksdag (Swedish Parliament).

SUMMARY

Private Copying Levy, SEK	
Revenues	297,151,102
Staff costs	4,960,699
Other costs	16,031,081
For distribution	276,159,323
Cost before individual distribution	7.06%



DISTRIBUTION OF LEVIES TO CREATORS

Copyswede's annual task is to collect and distribute revenues between right holder groups active within the field of TV and radio. The revenues could for example concern the retransmission of TV and radio programmes via cable TV networks, time-shift playback of SVT programmes, DVD publishing and various on-demand services. Right holders also receive a share of the revenues collected through the private copying levy (PCL). In some cases, Copyswede also distributes revenues individually on behalf of a number of member organisations.

Distribution of Revenues

Copyswede distributes revenues for a number of licensing areas. Right holders involved in the licensing sometimes differ in nature; hence different distribution agreements and regulations are applied to the respective licensing areas. Regardless of the licensing area, representatives of producers and TV and radio companies receive their share of the revenues and have their own distribution rules concerning redistribution of the revenue to right holders both within and outside Sweden.

One of the key principles for all distribution, whether it be within Copyswede, via Copyswede's member organisations or by collaborative partners, is that all right holders who are entitled to compensation, both within the EU and in some cases also outside this area, must be treated equally. Another very important criterion is that the distribution must be both clear and transparent – a responsibility which today is underlined by the EU legislation in this area.

Copyswede is continuing to invest resources in improving and simplifying the entire distribution process as regards distribution between the various right holder groups, including our collaborative partners.

Alongside this, work is under way to develop our individual distribution even more transparent for both domestic and foreign right holders together with member organisations concerned. In parallel with this, work is underway with affected member organisations to develop the individual settlement in order to make it even more transparent for both Swedish and foreign rightholders.

Revenues for private copying

The digital evolution gives private individuals great opportunities to consume and access the fantastic range of music, text, images, podcasts, television series and films currently available on the market in different ways. Copyswede has been assigned to collect and also distribute private copying levies. These levies shall be distributed so that they correspond as far as possible to the use made.

Extensive work is underway to review and clarify the distribution of private copying levies.

Copyswede worked with member organisations last year to produce a draft distribution agreement for PCL for the historical period 2009 to 2021. Work on the distribution agreement will continue in 2023. As a consequence of new behavioural patterns for



watching films and listening to music and audio-books, work is also ongoing to produce a new model for the distribution of PCL for 2021 and beyond. Taken together, this meant that basically no private copying levies were deducted or disbursed in 2022.

Revenues for Retransmission of TV Channels

Copyswede collects revenues for the retransmission of many TV channels via the Swedish cable TV networks, particularly the Nordic and European public service channels. In the neighbouring Nordic countries, Copyswede’s sister organisations collect revenues for retransmission of the Swedish TV channels from the domestic cable TV operators and, in Sweden, Copyswede collects revenues from the Swedish cable operators for the retransmission of the Nordic TV channels via the Swedish networks. Through reciprocal agreements, revenues are then exchanged between the Nordic countries, which then distribute the revenues individually amongst the right holders. Copyswede also collects revenues relating to broadcasting of the Swedish channels via the Swedish cable networks. On behalf of the member organisations concerned, this share of the revenue is then distributed individually according to principles which are approved annually by the member organisations concerned.

Commercial interest in broadcasting the Swedish channels is largely limited to the Nordic region. However, a number of countries in Europe and the rest of the world are interested in receiving and retransmitting certain Swedish TV programmes which are included in the domestic TV channels of these countries. Amongst the Swedish channels, we similarly find many foreign programmes and, through agreements between various European right holder organisations and Copyswede, revenues are also exchanged and distributed to the right holders in this area. Germany, Spain, Netherlands, France and

Switzerland account for the highest share of these revenues outside the Nordic region. From Sweden, the largest revenues for individual programmes go to the UK and France. In this way, Swedish right holders receive the revenue which is collected for their contributions to productions that are broadcast abroad.

Individual Titles Generate Revenues

Since the mid-1980s, Copyswede has, on behalf of a number of member organisations, distributed individual revenues for the publishing of TV programmes on DVD (previously video) which have been produced by or for SVT. There is also an agreement for video on demand (VOD). The revenues are paid to Copyswede by the distributors, who also submit reports on sales and renting out of the various titles. The information is used as a basis for the individual distribution between the right holders.

Individual payments are made on behalf of certain members via Copyswede, or alternatively directly via a member organisation to the authors or performers who contributed to the programmes, e.g. directors, writers, screenwriters, actors and musicians.

Want to know more?
 Read more in the brochure *Copyswede Distribution*.
 » Download at copyswede.se

SUMMARY

	Distributed 2022, SEK
Private copying	2,240,691
Retransmission	154,406,802
Private copying levy/ Retransmission representation agreements	7,372,261
Dvd/video etc.	21,388
Total	164,041,141

ADMINISTRATION REPORT

Description of the Operation

Copyswede is a cooperative economic association owned by fourteen member organisations that represent Swedish authors and performers. Copyswede's remit is to coordinate negotiations and conclude agreements for certain areas of copyright, particularly for various kinds of reuse of audiovisual content, so far mainly television and radio channels.

Licensing

Copyswede is able to offer the market comprehensive agreements for use of copyrighted works and performances through licensing assignments from first its member organisations and foreign sister organisations, and second from those broadcasters and film and phonogram producer organisations with which Copyswede has cooperation agreements.

The 'extended collective licence provisions' contained in the Copyright Act mean that the agreements that Copyswede concludes with operators for the retransmission of television channels also have an extended effect so that they not only encompass those rightholders directly represented by Copyswede but also Swedish and foreign rightholders who are not, which makes full rights clearance possible for the users. A precondition for these agreements having such an extended effect is that Copyswede represents a number of rightholders in the agreement area in question. The provisions on extended collective licences are also subject to certain protective rules which ensure that rightholders without representation are treated the same as rightholders who have authorised direct representation.

Copyswede licenses a hundred or so television and radio channels for retransmission and associated on-demand services via, among others, cable television and IPTV networks. Most of these channels are public service channels from the Nordic countries and the rest of Europe.

The agreements that Copyswede provides in the area of television/radio distribution are technology-neutral, which means that it will be easy for operators to conclude supplementary agreements when new means of distribution are developed.

The extended collective licence for retransmission can be used by all stakeholders that want to retransmit television channels, which means that, in addition to retransmission to households via cable networks, IP technology and the Internet, Copyswede can also issue blanket licences for retransmission in hotels and similar establishments as well as internal use by companies, public authorities, organisations and other

establishments. Such users can also get licences that enable on-demand use in their respective operations.

Private copying levies

Copyswede also administers the Swedish private copying levy (PCL) system that, under Swedish legislation and underlying EU Directives, provides authors and performers and producers with some compensation when their work is copied for private use. Most of the other countries within the EU have a corresponding compensation arrangement. A precondition for Member States being able to permit private copying without the permission of rightholders is that there is an arrangement to compensate the rightholders. In Sweden it is the importers and manufacturers that according to law must pay PCL for their import and manufacture of products that may be used for private copying.

Distribution

Copyswede's remit also includes distributing the copyright revenues collected for different uses between various categories of rightholders. Copyswede also deals with the individual distribution of revenues to certain categories of rightholders on behalf of a number of member organisations.

Significant events during the year

Work on new SVT agreement after mediation grinds to a halt

The mediation process initiated between Copyswede and several of the largest operators in 2014 relating to the retransmission of OTT and the catch-up service for SVT's channels ground to a halt in late January 2022, without an agreement being reached. The subsequent goal of the parties was to conclude new agreements that encompass all use of SVT's channels and programmes by operators. As part of being able to meet the demands of operators, Copyswede has held a dialogue with SVT about how a new offering should be designed. One concern was that the operators would choose to include SVT Play in their own play services via a link instead of signing the new agreements being offered by Copyswede. There are different views about the need for licences in conjunction with such a link. The 'Bild-Kunst' judgment from the Court of Justice of the European Union (CJEU) from the spring of 2021 made it clear that one option to enable rightholders to control a third-party link is to ask the party that originally made the material available on the Internet to take measures to prevent such a link. The licences offered to the operators will encompass the retransmission of OTT and the catch-up service for SVT's channels and also an opportunity to include parts of SVT Play in the operator services through a link.

Proposed new PCL system

The Inquiry that has been reviewing the current compensation arrangement for private copying since 2020 presented its proposed reform of the system in April 2022. In summary, the answer submitted from 58 consultation bodies indicates that there is great support for private copying levies. In its consultation response, Copyswede placed great importance on submitting a proposal to ensure a new, effective and fit-for-purpose arrangement, which can also live up to the requirements of EU law in practice.

Distribution of historical PCL

Work continued throughout 2022 to distribute the private copying levies (just over SEK 1.3 billion) from products such as mobile phones, tablets and computers from the historical period (2009 to 2020). Copyswede and the Consumer Electronics Association had concluded an agreement regarding this in October 2020. This work is being carried out in close cooperation with the member organisations and cooperating partners, who must also reach an agreement on this issue.

The war in Ukraine

Copyswede, with the support of its cooperating partners and also the International Broadcasting Multimedia Platform of Ukraine through the Union of Broadcasting Organisations in Sweden (UBOS), was able, with the help of contract licences, to grant permission from April 2022 for SVT operators with a UBOS licence to freely retransmit the Ukraine television channel UA TV during the period of the war.

This thus gave Ukrainians in Sweden the opportunity to keep up-to-date with developments in their home country in their own language.

The corona pandemic

In 2022, the conditions resulting from the corona pandemic did not restrict the way in which the operation worked as much as it had previously. Instead experiences from the pandemic were used to develop a hybrid working method aimed at creating a flexible and effective workplace in line with Copyswede's Strategic Plan for 2021 to 2024.

Members

Copyswede had 14 organisations as members at the start and end of the year. No organisations joined or left during the year.

General Meeting of the Association

Copyswede's annual general meeting was held on 24 May 2022 at Copyswede's premises in Stockholm. An extraordinary meeting of the association was held on 15 February 2022 as a result of a by-election for the Nominating Committee.

Board Meetings

The Board of directors had 12 meetings in 2022. Lisa Stålspets, STIM, retired from the Board on the 31 March 2022 and the position is vacant until the general meeting of the association.

Expected Future Development Together with Principal Risks and Uncertainties*Licensing*

After the mediation process ground to a halt in January 2022, the objective of the parties was to conclude new agreements to cover all use of SVT's channels and programmes by operators.

Timetable unclear for new PCL system

The consultation period for the PCL Inquiry's proposal for a new compensation arrangement was extended until after the parliamentary election in 2022 and thus also after the change of government. This situation always results in delays and it is difficult to predict what priority this issue will be given in the new political landscape.

Mediation concerning distribution of historical PCL

The work to distribute private copying levies for the historical period ended up involving negotiations between the member organisations and cooperating partners in 2022. In February 2023, both of the two delegations that had pushed for negotiations announced that they no longer considered it possible to reach an agreement without the assistance of mediators. The objective is to reach an agreement in 2023.

Finance*Specialist Areas*

The operation has been split into one administrative section and nine different specialist areas, basically one for each agreement area. Prior to budget decisions and in the course of each ongoing year, an analysis is made of how much of the general office's work is spent on various issues and what costs should be attributed to each area.

Management of Funds Held

Copyswede's management of funds held relates to such funds that, pending a distribution agreement being concluded or a disbursement being made, must be invested so that no risks are taken in respect of the principal. According to the investment rules and regulations, investments that are not made in bank accounts are limited to secure non-speculative instruments. Securities that might be considered are: certificates of deposit, government bonds/fixed-rate non-callable bonds (riksobligationer), treasury bills, money market instruments issued by certain institutions and other money market instruments with corresponding collateral. Copyswede does not currently have

any financial investments. Copyswede has deposits with Swedbank, SBAB and Handelsbanken to spread its financial risk. The change in the financial situation in Sweden and the surrounding world in 2022 means that our bank accounts are once again bearing interest, which generated interest income primarily during the fourth quarter. Copyswede's aggregate financial income and expenses in 2022 amounted to SEK 7,984,100 (SEK 217,258). SEK 7,984,670 (SEK 217,258) of this amount comprised interest income, and a cost of SEK 570 (SEK 0). According to a board decision, this interest income has been allocated to each collection category where disbursements have not started with a balance exceeding SEK 3,000,000 per year.

Income and Expense

Copyswede's Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general recommendations BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) [Annual Report and Consolidated Financial Statement (K3)]. Income for the operation comprises revenues for use of copyright-protected works and performances.

As a consequence of this, the biggest expense also comprises the copyright revenues disbursed to or reserved for broadcasters, producers, organisations and also authors and performers. Other expenses relate to the operation of the general office and to the Board. Income amounted to SEK 535,770,964 (SEK 1,853,234,495) in 2022. There will be more significant economies of scale owing to collaboration between rightholders extending over several collection categories. Expenses as a percentage of every krona collected can thus be kept at a low level. This amounted to 6.89 per cent (1.97 per cent) in 2022. The low percentage in 2021 is due to the collection of private copying levies for the years 2009 to 2020 amounting to SEK 1,314,262,601; these were collected in 2021 in accordance with the agreement with Elektronikbranschen.

Operating Costs

Operating costs amounted to SEK 36.9 million (36.3 million) last year. These costs will be deducted from the various copyright revenues collected. The costs for individual distribution are only deducted from the amount available for individual distribution. No deduction is made for costs for funds collected from organisations outside the Nordic countries with which we have representation agreements.

There was the following allocation of costs between the various areas in 2022:

Specialist area	Amount, SEK		Amount, SEK	
	Cost Share,% 2022	thousand 2022	Cost Share,% 2021	thousand 2021
Retransmission foreign channels	5.2%	1,897	5.3%	1,931
Retransmission Swedish channels	16.0%	5,881	11.5%	4,157
Private copying levy	32.0%	11,791	37.8%	13,656
Member services, development issues, inhouse distribution issues	32.8%	12,070	31.0%	11,209
Individual distribution	13.0%	4,785	13.2%	4,757
Other	1.0%	374	1.2%	428
Total	100%	36,798	100%	36,138

The total costs are of the same scope as for the past two years, although there has been a shift of costs primarily from PCL to the retransmission of Swedish channels, as costs related to the historical debt for PCL characterised the operation more in 2021 than it did in 2022.

The cost share for PCL reduced by SEK 1,864,907 to SEK 11,791,434 (SEK 13,656,341). SEK 2,608,493 (SEK 3,679,966) of the total costs for the year for PCL relate to attorney and consultancy costs. SEK 2,378,038 (SEK 5,416,031) of the annual costs is attributable to the historical debt. Up until now, the costs allocated and attorney costs recovered for the historical debt amount to SEK 14,629,590 in total.

Costs from funds relating to rightholders without representation, for example broadcasters and producer organisations, or whose claim requires the approval of the member organisations, can only be recovered in agreement with these parties. Such revenues have therefore not been added to costs in the final accounts, but the costs have instead been carried as a receivable from each collection category.

Appropriation of Profits

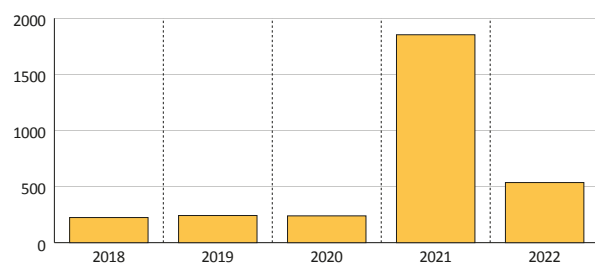
The closing result in Copyswede's income statement is zero in accordance with the preconditions for the organisation's operation.

Key Ratios

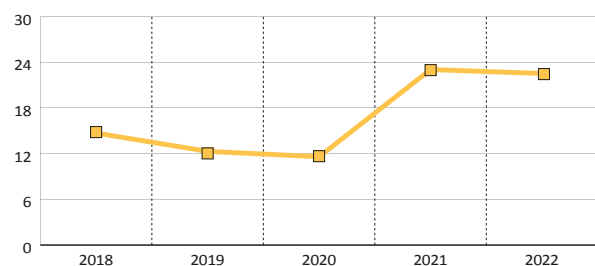
Key ratios should reflect the content of the operation. It is difficult to find fair key ratios for operations like Copyswede. The Board has decided to use the total cost of the operation itself divided by the total revenues settled. This key ratio thus becomes a reflection of not only the amount of the collections made, but also of the distribution agreements that could be concluded and the funds paid out. Another consequence of the

choice of key ratio is that the larger the disbursements that are individual, the higher the key ratio. The cost of distributing small amounts to many parties is naturally higher than distributing large amounts to fewer parties. In this respect, the key ratio may be misleading as a measure of the efficiency of the operation. When a new income area is added or there is a significant increase in collections, this means that the key ratio will temporarily rise until distribution agreements manage to be concluded and a disbursement can be made. New distribution agreements are about to be produced first for the historical debt for PCL that was collected in 2021, and second for levies for PCL from and including 2021, which means that no disbursements for these collections have yet been made and largely explains why the key ratio increased compared with 2020. The key ratio for Copyswede has been developed over recent years in accordance with the following diagram.

INCOME TRENDS, 2018–2022 (SEK M)



GENERAL OFFICE COSTS AS A PERCENTAGE OF REVENUES SETTLED, 2018–2022





INCOME STATEMENT

Copyswede Cooperative Economic Association, Corp. ID. No. 769602-0036

Operating Income	Note	2022	2021
Retransmission of foreign channels in Sweden		37,337,893	35,907,222
Retransmission of Swedish channels in Sweden		124,730,653	123,474,912
PCL in Sweden	2	297,151,102	1,627,758,656
Other production of copies in Sweden		12,506,008	11,427,062
Revenues from the Nordic countries		54,350,360	47,715,408
Revenues from the rest of Europe		9,503,443	6,764,746
Other operating income		191,505	186,939
		535,770,964	1,853,234,945
Operating Expenses			
Copyright revenues		-498,781,918	-1,816,906,310
Other external costs	5, 6, 7	-14,470,184	-12,365,891
Employee benefit expenses	3, 4, 8	-21,456,036	-23,084,982
Depreciation/Amortisation	9, 11	-1,013,148	-1,071,730
		-535,721,286	-1,853,428,913
Operating Profit (loss)		49,678	-193,969
Profit (loss) from Financial Items			
Financial income		7,984,670	217,258
Financial expenses		-570	0
Financial net, rightholders		-7,983,432	0
Financial net		668	217,258
Profit from Financial Items		50,346	23,289
Tax on profit for the year	12	-50,346	-23,289
NET PROFIT (LOSS) FOR THE YEAR		0	0

BALANCE SHEET

ASSETS	Note	31.12.2022	31.12.2021
Fixed Assets			
Intangible Assets			
Capitalised expenditure for system development	9	2,437,544	3,301,029
Ongoing system development	10	32,900	32,900
Total Intangible Assets		2,470,444	3,333,929
Property, Plant and Equipment			
Equipment	11	137,678	232,527
Total Property, Plant and Equipment		137,678	232,527
Financial Assets			
Other non-current receivables	13	1,049,491	1,054,326
Total Non-current Receivables		1,049,491	1,054,326
Total Fixed Assets		3,657,613	4,620,782
Current Assets			
Current Receivables			
Trade debtors	14	64,638,390	38,341,922
Tax asset		441,552	468,609
Other receivables	15	75,148,015	50,428,636
Prepaid expenses		4,190,547	13,949,824
Total Current Receivables		144,418,504	103,188,992
Cash and bank balances		2,369,043,807	2,048,783,999
Total Current Assets		2,513,462,311	2,151,972,991
TOTAL ASSETS		2,517,119,923	2,156,593,772

BALANCE SHEET

EQUITY AND LIABILITIES	Note	31.12.2022	31.12.2021
Equity			
Restricted Equity			
Contributed capital		15,000	15,000
Total Equity		15,000	15,000
Provisions			
Provision for settled PCL not taken up as income	16	2,064,899	2,132,175
Total Provisions		2,064,899	2,132,175
Current Liabilities			
Liabilities to rightholders	17	2,499,687,488	2,129,370,143
Trade creditors		1,694,528	12,535,616
Other liabilities	18	395,397	415,859
Accrued expenses	19	13,262,612	12,124,980
Total Current Liabilities		2,515,040,025	2,154,446,598
TOTAL EQUITY AND LIABILITIES		2,517,119,923	2,156,593,772

STATEMENT OF CHANGES IN EQUITY

EQUITY	31.12.2022	31.12.2021
Restricted Equity		
Contributed Capital		
Contributed capital at the beginning of the year	15,000	15,000
CONTRIBUTED CAPITAL AT THE END OF THE YEAR	15,000	15,000

CASH FLOW STATEMENT

Operating Activities	Note	2022	2021
Operating profit (loss)		49,678	-193,969
Adjustments for Non-cash Items			
Depreciation/Amortisation		1,013,148	1,071,730
Capital loss		0	0
		1,062,826	877,762
Interest received		7,984,670	217,258
Financial net, rightholders		-7,983,432	0
Interest paid		-570	0
Tax paid		-50,346	-23,289
Cash Flow from Operating Activities Before Working Capital Changes		1,013,148	1,071,730
Working Capital Changes			
Decrease in current receivables (+), increase in current receivables (-)		-41,229,512	-55,005,916
Decrease in current liabilities (-), increase in current liabilities (+)		360,593,427	1,686,735,245
Cash Flow from Operating Activities		320,377,063	1,632,801,059
Investing Activities			
Investments in intangible assets	9, 10	0	-403,644
Investments in property, plant and equipment	11	-54,813	-57,403
Investments in financial assets		0	0
Cash Flow from Investing Activities		-54,813	-461,047
Financing activities			
Decrease in non-current receivables (+)		4,835	-36,481
Increase in non-current liabilities and provisions (+)		-67,276	-93,487,821
Cash Flow from Financing Activities		-62,441	-93,524,302
Increase in Cash and Cash Equivalents		320,259,809	1,538,815,710
Cash and Cash Equivalents at the Beginning of the Year		2,048,783,999	509,968,289
Cash and Cash Equivalents at the End of the Year		2,369,043,808	2,048,783,999

NOTES

Amounts in SEK, unless otherwise stated.

» Note 1. Accounting Policies and Valuation Principles

These annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general recommendations BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) [Annual Report and Consolidated Financial Statement (K3)].

Income

Income comprises the income invoiced for the year less value-added tax. All of the income comprises revenues for use of copyright-protected works and performances. After deducting Copyswede's expenses, this income is distributed to those rightholders entitled to revenues from the respective collection category.

Copyswede licenses eighty or so foreign television and radio channels, as well as Swedish Television and TV4, for retransmission in Sweden and covers all types of networks and technologies, which means that it will be easy for operators to conclude agreements when new means of distribution are developed. In addition to retransmission to households via cable networks, IP technology and the Internet, Copyswede can also issue licences for retransmission in hotels and other similar establishments, as well as for internal use by companies, public authorities and organisations. Copyswede also issues licences to enable retransmitted programmes to be included in various catch-up services directly linked to the broadcast. Copyswede also administers the Swedish PCL system that, under Swedish legislation and underlying EU Directives, provides authors and performers and producers with some compensation for loss of income when their work is copied for private use. Income under the category 'Other production of copies in Sweden' includes, amongst other things, revenues for Swedish Television's archive, UR and the publication of Swedish Television's programmes on DVD and via video-on-demand services.

Revenues from the Nordic countries relate to revenues for Swedish TV channels, Swedish programmes broadcast via Nordic TV channels, and also private copying levies for Swedish programmes.

Revenues from the rest of Europe relate to the reuse and private copying of Swedish TV programmes outside the Nordic countries.

Leases

Leases, where the financial risks and rewards attributable to the lease object largely remain with the lessor, are classified as operating leases. Payments, including an initial increased rent, in accordance with these agreements are recognised as a cost on a straight-line basis over the lease term.

Pensions

Copyswede secures pension commitments through defined contribution payments to Collectum and SPP.

Personnel

Two of the association's employees have company cars.

An agreement has been concluded with the CEO concerning severance pay amounting to twelve months' salary. This agreement only relates to termination on the part of the association.

Tax

Current tax is based on the tax rates and tax provisions applicable on the balance sheet date.

Fixed Assets

Intangible assets are recognised at cost less accumulated amortisation. Amortisation is made on a straight-line basis over the estimated useful life and amounts to five years.

Property, plant and equipment are recognised at cost less accumulated depreciation.

This cost includes expenses directly related to the acquisition of the asset. Depreciation is made on a straight-line basis over the estimated useful life, which amounts to five years for all fixed assets except computers, which for acquisitions from and including 2016 have an estimated useful life amounting to three years.

As Copyswede is a non-profit organisation and does not pay any dividends to its owners, IT systems developed in-house are not recognised as a Fund for Development Expenditure in Equity, which represents a deviation from Section 10b of the Swedish Annual Accounts Act.

Financial Assets

Financial instruments are recognised in accordance with the rules contained in Chapter 11 of K3, which means that they are measured on the basis of cost.

Allocation of Income and Expenses

Net financial income and expense is allocated, in accordance with a Board resolution, to the provisions and funds that have been set aside and thereby benefit the rightholders.

Receivables are recognised as current assets. Receivables are included at the amount expected to be paid after deductions for individually assessed bad debts.

Operating expenses have been allocated between the various departments of the association.

These amounts have been recognised as receivables for such distribution that requires the approval of rightholders without representation. Other allocation of expenses has been financed through deductions from the relevant gross collected amounts.

Cash Flow Statement

The cash flow statement is prepared according to the indirect method. The reported cash flow only includes transactions involving payments received and disbursements.

Cash and Cash Equivalents

In addition to cash in hand, the association classifies demand deposits as cash and cash equivalents. Blocked funds are not classified as cash and cash equivalents.

» Note 2. Accounting Estimates

Copyswede represents Swedish authors and performers. Copyswede's remit is to coordinate negotiations and agreements for certain areas of copyright, particularly for various kinds of reuse of television and radio channels, and also to administer the collection of PCL. Copyswede is able to offer comprehensive agreements for use of copyrighted works and performances through licensing assignments from first its member organisations, and second from the broadcasters and film and phonogram producer organisations with which Copyswede has cooperation agreements. Copyswede's remit also includes distributing copyright revenues collected for different uses.

Copyswede concludes agreements in its own name on the basis of remits from its members. The association's overheads are deducted from copyright revenues. The remaining amount constitutes liabilities to its member organisations and to those whose works and performances have been used. The revenue is distributed and disbursed to the rightholders in accordance with member agreements and distribution agreements and in accordance with distribution resolutions made by the Board.

Copyswede concluded an agreement with Elektronikbranschen in October 2020 regulating the terms, conditions and revenue levels for PCL. According to this agreement, those stakeholders that reported and paid levies according to previous tariffs for the period 2013 to 2020 need to retroactively report their sales to obtain the new tariffs for the products computers, tablets, internal hard drives and games consoles. The same applies for mobile phones for the period 2009 to 2020. For these years, Copyswede has had a provision for the invoicing made amounting to approximately SEK 95 m. Just over SEK 82 m has been retroactively reported by stakeholders that have entered into the new agreement. SEK 11 m has been taken up as income as of 31 December 2021 as the stakeholders have not concluded a new agreement or have ceased their activities. Approximately SEK 2 m relates to a couple of stakeholders where discussions relating to retroactive reporting are ongoing or a credit has been provided in 2022.

» Note 3. Average Number of Employees

	2022	2021
Number of employees	23	25
of whom men (%)	47	45

» Note 4. Gender Breakdown of the Board and Executive Management

	2022	2021
Board		
Number of women	3	3
Number of men	4	4
Executive management		
Number of women	0	0
Number of men	1	1

» Note 5. Other External Costs

	2022	2021
Rent and other premises costs	2,988,594	2,206,620
Office expenses	2,204,291	1,624,154
Consultancy fees, other external services, costs of representation	5,765,371	6,463,417
Other expenses	3,511,928	2,071,700
Total other external costs	14,470,184	12,365,891

» Note 6. Operating Leases

The operating lease in these accounts largely comprises leased premises. The Tenancy Agreement has been extended to 1 October 2023. This Agreement runs for three years, with an automatic extension and nine-month notice period.

Future minimum lease payments that are to be made for non-cancelable leases:

	2022	2021
Falls due within one year	2,944,639	2,466,378
Falls due after one but within five years	6,512,154	1,697,599
Falls due after five years	0	0
Lease payments recognised as an expense for the period	3,166,154	2,842,224

» Note 7. Information Concerning Remuneration to Auditors

	2022	2021
Pricewaterhouse Coopers		
Audit engagement	243,500	231,250
Audit business in addition to audit engagement	95,286	96,290
Total, Pricewaterhouse Coopers	338,786	327,540
Elected auditor		
Audit engagement	5,388	5,257
Total, elected auditor	5,388	5,257
Total remuneration to auditors	344,174	332,796

» Note 8. Salaries, Pay and Remuneration

	2022	2021
Salaries, pay and other remuneration		
For all employees	13,812,326	14,827,316
Of which to the CEO and Board	1,376,232	1,461,445
Social security contributions (incl. pension expenses)		
For all employees	7,164,322	7,836,560
Of which to the CEO and Board	841,727	905,829
Pension expenses		
For all employees	2,249,590	2,547,542
Of which to the CEO and Board	329,402	359,443
Total, all employees	23,226,239	25,211,419
Of which total, CEO and Board	2,547,361	2,726,717

» Note 9. Capitalised Expenditure for System Development

	2022	2021
Capitalised expenditure for system development		
Cost of system development put into use, opening balance	10,815,589	6,816,106
Purchases for the year/put into use during the year	0	3,999,483
Disposals for the year	0	0
Cost, closing balance	10,815,589	10,815,589
Amortisation, opening balance	7,514,560	6,599,673
Disposals for the year	0	0
Amortisation for the year	863,485	914,887
Accumulated amortisation, closing balance	8,378,045	7,514,560
Residual value according to plan at the end of the year	2,437,544	3,301,029

» Note 10. Ongoing System Development

	2022	2021
Ongoing system development		
Cost of facilities under construction, opening balance	32,900	3,628,739
Facilities under construction, purchases for the year	0	0
Put into use during the year	0	-3,595,839
Cost of facilities under construction, closing balance	32,900	32,900

» Note 11. Property, Plant and Equipment

	2022	2021
Equipment		
Cost, opening balance	1,437,057	1,379,654
Acquisitions for the year	54,813	57,403
Disposals for the year	0	0
Cost, closing balance	1,491,870	1,437,057
Depreciation, opening balance	1,204,530	1,047,686
Disposals for the year	0	0
Depreciation for the year	149,662	156,844
Accumulated depreciation, closing balance	1,354,192	1,204,530
Residual value according to plan at the end of the year	137,678	232,527

» Note 12. Tax on Profit for the Year

	2022	2021
Current tax	50,346	23,289
Tax on profit for the year	50,346	23,289

The tax expense for the year relates to tax on non-deductible expenses.

» Note 13. Other Non-current Receivables

	2022	2021
Blocked funds for bank guarantee	1,000,000	1,000,000
Membership	12,034	12,034
Long-term portion of increased lease payment	37,457	42,292
Total, other non-current receivables	1,049,491	1,054,326

» Note 14. Trade Debtors

A dispute arose between Copyswede and Com Hem in 2012 concerning the payment of an invoice for SEK 438,185 for interest for delay. Com Hem had been charged interest for delay as a result of late payment of the revenues for retransmission of Swedish Television.

The remaining reserves for trade debtors relate to retransmission, for which a reservation was made in 2016 for a bad debt for Discovery Networks Sweden AB in respect of the claim for OTT Kanal 11. Borderlight AB is bankrupt and was written off in 2022. Sisu Net AB has been put into bankruptcy in 2022 and proof of debt submitted for a possible distribution.

After the mediation procedure for the retransmission of OTT was concluded in early 2022, Copyswede invoiced the operators affected in accordance with applicable agreements. However, the operators have contested the invoices relating to a second stream, for which reason that part of the outstanding claim has been reserved as a bad debt.

	2022	2021
Trade debtors	72,985,890	39,045,160
Provision for bad debts		
Claim for interest, Com Hem	-438,185	-438,185
Trade debt, Discovery Networks Sweden AB	-264,516	-264,516
Trade debt, Boarderlight AB (bankrupt)	0	-536
Trade debt, Sisu Net AB (bankrupt)	-187,748	0
Trade debt, Allente Sverige AB	-328,845	0
Trade debt, C More Entertainment AB	-1,827,722	0
Trade debt, Telenor Sverige AB	-402,547	0
Trade debt, Tele2 Sverige AB	-1,758,065	0
Trade debt, Telia Sverige AB	-3,139,872	0
Total trade debtors	64,638,390	38,341,922

» Note 15. Other Receivables

Total other receivables amount to SEK 75,148,015 (SEK 50,428,636). This amount primarily comprises Copyswede's receivable for cost recovery. See also the accounting policies. Copyswede allocates its expenses to the various departments within the association, and the different collection categories are attributed to each department.

The department's expenses are charged to funds collected in conjunction with their distribution. The costs are recognised as receivables prior to distribution.

The cost of administering PCL for the year SEK 11,791,434 (SEK 13,656,341) will be partly charged to the distribution of revenues collected for 2022, which will be done in 2023 between FRF, IFPI, UBOS and Copyswede. SEK 2,378,038 (SEK 5,416,031) refers to costs relating to the new agreement concluded with Elektronikbranschen. These costs will be allocated to the collection years 2009 to 2020 to which the agreement concerning the historical period relates.

PCL has been exempt from value added tax from and including 2017. The Swedish Tax Agency approved in 2021 Copyswede applying the income principle for the distribution of VAT attributable to diversified activities and input VAT disbursed to Copyswede for the years 2017 to 2020.

Other receivables include SEK 1,118,774 (SEK 632,530), which relate to invoiced input value added tax for diversified activities. When considering the decision concerning the distribution of diversified VAT for 2021, the Swedish Tax Agency concluded that the income for the historical debt invoiced in 2021 should be included in the basis for calculating the distribution of diversified VAT. Copyswede has submitted supplementary information in order to exempt the income. Pending a decision, SEK 450,009 has been assigned as a cost for the collection of the historical debt. SEK 182,521 of the total claim remains from 2021 and SEK 936,253 relates to the claim estimated for 2022 in accordance with the income principle.

The cost of the administration of the retransmission of foreign channels for 2022 is SEK 1,896,870 (SEK 1,931,210) and will be charged to the amount that is to be deducted in 2023.

According to a decision from 1996, the cost of individual distribution for the year is calculated in conjunction with the annual accounts. Only those organisations whose individual distribution is handled by Copyswede will contribute to funding this aspect of the operation. The cost of the individual distributions for the year is SEK 4,784,964 (SEK 4,757,472). SEK 2,404,247 of this amount has been allocated to the distribution made for transmission year 2021 and SEK 2,380,717 will be charged to the individual revenues that will be disbursed in 2023, together with a proportion worked up in 2023.

Costs relating to development work, future issues and Copyswede's own distribution issues amounted to SEK 11,435,554 (SEK 10,590,919). These costs will be charged to Copyswede's own shares of the collections for retransmission and PCL in proportion to the size of the shares.

Costs relating to the work involving retransmission of Swedish channels for the year amounted to SEK 5,881,105 (SEK 4,156,592), which will be charged to the amounts to be deducted in 2023.

» Note 16. Provision for Settled PCL not Taken up as Revenue

	2022	2021
Settled PCL not taken up as income	2,263,638	2,330,914
Interest income, Samsung judgment	274,372	274,372
Interest income/borrowing fee	-473,111	-473,111
Total provision for settled PCL not taken up as in-come	2,064,899	2,132,175

Copyswede concluded an agreement with the Consumer Electronics Association in October 2020 that regulates the terms, conditions and revenue levels for PCL. According to the agreement, the operators who reported and paid levies during the period 2013 to 2020 in accordance with previous tariffs needed to retroactively report their sales to obtain the new tariffs for the products computers, tablets, internal hard drives and game consoles. The corresponding applied for mobile phones for the period 2009 to 2020. For these years, Copyswede has had a provision

amounting to approximately SEK 95 million for invoices issued. Just over SEK 82 million has been retroactively reported by operators that have signed the new agreement. SEK 11 million was carried as income as at 31 December 2021 as the operators had not signed new agreements or had ceased their operation. Approximately SEK 2 million remained at the end of 2021 for some operators where discussions relating to retroactive reporting were ongoing. There were still a couple of operators' reports at the end of 2022, which will be determined in 2023.

» **Note 17. Liabilities to Rightholders**

	2022	2021
Retransmission revenues not distributed	232,614,164	191,618,226
Private copying levies not distributed	2,016,016,293	1,703,997,315
Estimated individual revenues	44,163,877	35,328,638
Provision, playwrights	12,043,674	11,432,372
Provision, authors	5,521,028	5,446,612
Provision, journalists	4,442,417	4,445,384
Provision, directors	11,452,629	11,007,095
Provision, actors, misc. TF other than directors	12,904,155	11,783,447
Provision, musicians	10,212,581	10,424,607
Provision, camera operators	459,317	492,435
Provision, visual arts/still photographers	3,408,843	4,222,492
Other	146,448,510	139,171,520
Total	2,499,687,488	2,129,370,143
Of which long-term portion	0	0
Short-term portion remaining	2,499,687,488	2,129,370,143

Revenues collected from and including the collection year 2017 must be disbursed within nine months from the end of the collection year; this deadline was previously 18 months. In 2022, funds were disbursed to rightholders for the transmission year 2021, but also a large portion for previous years. In total, SEK 164 m (SEK 158 m) was disbursed in 2022. The review work to make the distribution principles more transparent and efficient continued in 2022 and is a continuous process. The information about the rightholders for estimated individual revenues not yet disbursed is not complete.

» **Note 18. Other Liabilities**

	2022	2021
Tax deducted at source	395,397	415,859
Total other liabilities	395,397	415,859

» **Note 19. Accrued Expenses**

	2022	2021
Accrued employee benefit expenses	4,189,296	4,376,428
Accrued consultancy fees	73,863	93,583
Compensation, ongoing legal dispute	6,231,030	6,231,030
Other accrued expenses	2,768,422	1,423,939
Total accrued expenses	13,262,612	12,124,980

» **Note 20. Pledged Assets**

	2022	2021
Bank guarantee, landlord of Copyswede's premises	1,000,000	1,000,000

» **Note 21. Key Ratios**

Operating expenses less the expense item 'copyright revenues' in relation to the total amount settled during the year is used as the key ratio. This figure amounts to 22.5 per cent for 2022 (23.0 for 2021).

» **Note 22. Significant Events After the End of the Financial Year**

Discussions relating to overall distribution principles for the distribution of private copying levies collected for the period 2009 to 2020 will continue in 2023. New distribution agreements for the ongoing distribution of PCL from 2021 are in the process of being produced.

Stockholm, date indicated by our electronic signature.

Susin Lindblom-Curman
Chair

Nicklas Sigurdsson
First Vice-Chair

Christine Strindberg
Second Vice-Chair

Mattias Åkerlind
Chief Executive Officer

Josephine Alin

Jan Granvik

Thomas Kanger

Fredrik Lomäng

Our Audit Report was submitted on the date indicated by our electronic signature.

Erik Stenbeck
*Authorised Public Accountant,
Öhrlings Pricewaterhousecoopers AB*

Ola Edeblom
Elected Auditor

AUDITOR'S REPORT

To the General Meeting of Copyswede Cooperative Economic Association, Corp. ID. No. 769602-0036

REPORT ON THE ANNUAL REPORT

Opinion

We have audited the annual report of Copyswede Cooperative Economic Association for 2022. The association's Annual Report is contained in pages 16 to 28 of this document.

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and presents a true and fair picture in all material respects of the financial position of the Association as of 31 December 2022 and its financial performance and cash flow for the year ending as of that date in accordance with the Annual Accounts Act. The administration report is consistent with the other parts of the annual report.

We therefore recommend that the Annual General Meeting adopt the revenue and expenditure account and balance sheet for the Association.

Basis for our Audit Opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. The responsibilities of the auditors in accordance with these standards are described in more detail below under the headings "Responsibilities of the authorised auditor" and "Responsibilities of the non-qualified auditor". We are independent of the association in accordance with generally accepted auditing standards in Sweden. As authorised auditor, I have fulfilled my professional 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 opinion.

Information other than the Annual Report

The Board of Directors and the Chief Executive Officer are responsible for other information. Other information consists of pages 2-15 of the printed version of the annual report.

Our opinion concerning the annual report does not cover this information and we present no opinion with corroboration regarding this other information.

In connection with our audit of the annual report, it is our responsibility to read the information which is referred to above and to assess whether the information is inconsistent with the annual report in any material regard.

In connection with this review, we also take into account information which we have otherwise obtained during the audit and assess whether the information generally appears to contain material misstatement.

If, on the basis of the work we have performed regarding this information, we conclude that the other information contains material misstatement, we are obliged to report the misstatement. 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 ensuring that the annual report is prepared and that it gives a true and fair picture in accordance with the Annual Accounts Act. The Board of Directors and the Chief Executive Officer are further responsible for the internal controls which they deem necessary in order to prepare an annual report which is free from material misstatement, whether due to fraud or error.

In connection with the preparation of the annual report, the Board of Directors and the Chief Executive Officer are responsible for assessing the Association's ability to continue operating. Where applicable, they will provide information on the circumstances which may affect the ability of the Association to continue operating and to apply the going concern assumption. However, the going concern assumption will not be applied if the Board of Directors and the Chief Executive Officer intend to liquidate the Association, wind up the operation or have no realistic alternative to doing any of this.

Responsibilities of the Authorised Auditor

I conducted the audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing practice in Sweden. My aim is to obtain a reasonable degree of certainty that the annual report as a whole is free from material misstatement, whether due to fraud or error. A reasonable degree of certainty is a high level of certainty, but not a guarantee that an audit conducted in accordance with the ISA and generally accepted auditing standards in Sweden will always uncover any material misstatement. Errors can arise as a result of irregularities or errors and will be deemed to be material if they either individually or collectively could be expected to influence the financial decisions which users make on the basis of the annual report.

As part of an audit in accordance with the ISA, I use professional judgement and have a professionally sceptical approach throughout the audit. In addition:

- I identify and assess the risks of material misstatement in the annual report, whether due to fraud or error, formulate and implement audit procedures partly on the basis of these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for my audit opinion. The risk of not discovering material misstatement as a result of fraud is greater than for misstatements due to error, as fraud can encompass actions in collusion, falsification, intentional omissions, erroneous information or the disregarding of internal controls.
- I gain an understanding of the aspects of the Association's internal controls which are of importance for our audit in order to formulate audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal controls.
- I evaluate the appropriateness of accounting policies used and assess estimates made by the Board of Directors and the Chief Executive Officer when preparing the annual report and associated information.
- I draw a conclusion as regards the appropriateness of the Board of Directors and Chief Executive Officer using the going concern assumption when preparing the annual report. I also draw a conclusion, based on the audit evidence that has been obtained, as to whether there are any material uncertainty factors concerning events or circumstances which could lead to significant doubt over the Association's ability to continue operating. If I conclude that there is a material uncertainty factor, in the auditor's report I must draw attention to the information in the annual report concerning the material uncertainty factor or, if such information is insufficient, modify our audit opinion concerning the audit report. My conclusions are based on the audit evidence that is obtained through to the date of the audit report. However, future events or circumstances may mean that an association can no longer continue operating.
- I evaluate the overall presentation, structure and content of the annual report, including the information, and whether the annual report reflects the underlying transactions and events in a manner which gives a true and fair picture.

I am required to inform the Board of Directors of the planned scope, orientation and time of the audit. I must also provide information on significant observations made during the audit, including any significant deficiencies in the internal controls which I have identified.

Responsibilities of the Non-qualified Auditor

I am required to perform an audit in accordance with the Audit Act and thereby in accordance with generally accepted auditing standards in Sweden. My aim is to achieve a reasonable degree of certainty as to whether the annual report has been prepared in accordance with the Annual Accounts Act and whether the annual report gives a true and fair picture of the Association's financial performance and position.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Copyswede Ekonomisk Förening for the year 2022 and the proposed appropriations of the association's profit or loss.

We recommend that the Annual General Meeting appropriate the profit or loss in accordance with the recommendation in the administration report and discharge the Board of Directors from liability for the financial year.

Basis for our Audit Opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in accordance with this is described in more detail under the heading "Responsibilities of the auditors". We are independent of the Association in accordance with generally accepted auditing standards in Sweden. As authorised auditor I have otherwise fulfilled my professional ethics 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 opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the recommendation for appropriations of the Association's profit or loss. The Board of Directors is responsible for the Association's organisation and the administration of its affairs. Among other things, this involves assessing the Association's financial situation on an ongoing basis and ensuring that the Association's organisation is such that the bookkeeping, asset management and financial affairs are otherwise subject to adequate controls. The Chief Executive Officer is responsible for the ongoing administration in accordance with the Board of Directors' guidelines and instructions and, among other things, is required to implement the measures that are necessary to ensure that the Association's bookkeeping is carried out in accordance with the law and that asset management is carried out appropriately.

Responsibilities of the Auditors

Our aim regarding the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence in order to assess, with a reasonable degree of certainty, whether in any material regard any member of the Board of Directors or the Chief Executive Officer has:

- carried out any measure or been guilty of any omission which could trigger compensation liability with respect to the Association, or
- in any way acted in breach of the Economic Associations Act, Annual Accounts Act or Articles of Association.

Our aim regarding the audit of the recommended appropriations of the Association's net revenue, and thereby our audit opinion concerning this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Economic Associations Act.

A reasonable degree of certainty is a high level of certainty, but not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always uncover any measures or omissions which could trigger compensation liability with respect to the Association, or that recommended appropriations of the Association's profit or loss are incompatible with the Economic Associations Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, the authorised auditor uses professional judgement and has a professionally sceptical approach throughout the audit. The audit of the management and the recommended appropriations of the Association's net revenue is primarily based on the audit of the accounts. The additional audit procedures that are carried out are based on the authorised auditor's professional assessment

and other elected auditors' assessments based on risk and materiality. This means that we focus the audit on measures, areas and circumstances which are of significance to the operation and where deviations and infringements would be of particular importance to the Association's situation. We review and assess decisions that have been taken, information used in decision-making, measures implemented and other circumstances which are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' recommended appropriation of the Association's profit or loss, we examined the Board of Directors' recommendation in order to assess its compliance with the Economic Associations Act.

Stockholm, date indicated by our electronic signature.
Öhrlings Pricewaterhousecoopers Ltd

Erik Stenbeck
Authorised Auditor

Ola Edeblom
Specially Appointed Auditor





ORGANISATION

CHAIRMAN

Susin Lindblom-Curman, Union Director of Writers Guild of Sweden, Also on board of ALIS, Centre for Drama, KLYS, The Lars Molin foundation, Swedish Copyright Society. On the board since 1986.

FIRST VICE CHAIRMAN

Nicklas Sigurdsson, Head of KAM and Negotiation, STIM/NCB. On the board since 2014.

SECOND VICE CHAIRMAN

Christine Strindberg, Chief Negotiator for Swedish Union for Performing Arts and Film. On the board since 2020.

MEMBERS

Josephine Alin, Senior legal advisor, Stim. On the board since 2022.

Jan Granvik, Chairman of the Swedish Musicians' Union and SAMI. Also on the board of: All Music Agency, Federationen svenska musiker, Federation International Musicians (FIM), LO, LO-TCO rättsskydd AB, Musik-Alliansen, Scen och media juristerna. On the board since 2014.

Thomas Kanger, journalist and writer. Also on the board of Swedish Writers' Union. On the board since 2022.

Fredrik Lomäng, CEO of Visual Copyright Society in Sweden. Also on the board of: CISAC, European Visual Artists (EVA). On the board since 2021.



FURTHER INFORMATION

For news and more information about our organisation, visit our website copyswede.se. The website also contains forms and web-based tools for reporting TV use or data linked to the private copying levy.

HOW IS THE MONEY DISTRIBUTED?

To find out more about how we distribute the revenue we collect every year, visit our website and read our document *Distribution of Revenue*.

» Download at copyswede.se

PRESS ROOM AT PRESSMACHINE

Journalists can easily subscribe to press releases and other information via our press room at PressMachine: pressmachine.se/pressroom/view/copyswede

COPYSWEDE VIA SOCIAL MEDIA

Follow us on Twitter: twitter.com/copyswede

MEMBER ORGANISATIONS

Copyswede has fourteen member organisations representing Swedish authors and performers:

Visual Copyright Society in Sweden

www.bildupphovsratt.se

Writers Guild of Sweden

www.dramatiker.se

Swedish Artists' National Organisation

www.kro.se

Swedish Association of Educational Writers

www.laromedelsforfattarna.se

Nordic Copyright Bureau (NCB)

www.stim.se

Swedish Artists and Musicians' Interest Organisation (SAMI)

www.sami.se

Association of Swedish Professional Photographers

www.sfoto.se

Swedish Union of Journalists

www.sjf.se

Swedish Musicians' Union

www.musikerforbundet.se

Association of Swedish Illustrators and Graphic Designers

www.svenskatecknare.se

Swedish Performing Rights Society (STIM)

www.stim.se

Swedish Writers' Union

www.forfattarforbundet.se

Swedish Federation of Professional Musicians (SYMF)

www.symf.se

Swedish Union for Performing Arts and Film

www.scenochfilm.se

COLLABORATIVE PARTNERS

UBOS, Union of Broadcasting Organisations in Sweden

Coordinates Nordic public service TV companies and many corresponding broadcasting companies from other countries and language areas.

IFPI, International Federation of the Phonographic Industry, Sweden

Represents phonogram producers.

FRF, Swedish Film and TV Producers

Represents film and TV producers in various fields. Through its collaboration with Agicoa and Eurocopia, FRF also represents international film and TV producers.



Alströmergatan 12, 7th floor, SE-112 47 Stockholm
Phone +46-8-545 667 00

copyswede@copyswede.se www.copyswede.se