



ESTONIAN
AUTHORS' SOCIETY

TRANSPARENCY REPORT

for 2023

1. Foreword

You are looking at the Transparency Report of the Estonian Authors Society (Eesti Autorite Ühing, EAÜ) for 1 January 2023 to 31 December 2023.

We hope that by informing the public about who we are and what our organisational structure, affiliation and financial data are, we will increase the trust that authors and the holders of their rights, as well as the users of their works, have in us.

The Transparency Report of the EAÜ has been prepared according to the requirements of subsection 791 (6) of the Copyright Act.



Estonian
Authors'
Society

Cover photo: Silver Tõnisson

2. Introduction of the Estonian Authors Society

Sisukord

1. Foreword	2
2. Introduction of the Estonian Authors Society	3
3. Copyright exercised by the EAÜ	4
4. Management structure of the EAÜ	5
5. Information on refusal to conclude licence agreements	6
6. Members	7
7. Report of the CEO on 2023	8
8. Financial information	10
9. Collection of remuneration and trends	14
10. Revenues from abroad	19
11. Expenses	21
12. Report on the amounts deducted during the financial year for the provision of social, cultural and educational services	23
13. Plans for 2024	26
14. The five most played musical works in 2023	27

The EAÜ was founded on 8 October 1991 on the initiative of sixteen Estonian creative people – Lepo Sumera, Veljo Tormis, Mikk Targo, Priit Aimla, Jaan Räätsa, Henn-Kaarel Hellat, Andres Valkonen, Ando Keskküla, Lauri Lees, Lauri Laubre, Peeter Leinbock, Katrin Leisi, Reet Linna, Vladislav Petšnikov (Reinfeldt), Heiki Pisukes and Jüri Vendelin. The EAÜ considers itself the legal successor of the Estonian Author Protection Association, which was established in 1932 and operated until 1940.

In its activities, the EAÜ follows the principles set out in § 79 of the Copyright Act and exercises the rights of authors and the holders of rights (heirs, music publishers) on the basis of transactions and law in the case of the following categories of works:

- musical works,
- works of visual art,
- choreographic works,
- audiovisual works.

The transaction-based right of representation of the EAÜ arises from the authorisation received from the authors and the holders of rights who are members of the EAÜ and from the Estonian Audiovisual Authors Association and the authorisation (agreements) received from the collective representation organisations of other countries. The list of Estonian authors represented by the EAÜ and the list of foreign countries where the EAÜ has concluded representation agreements with collective representation organisations are available on the EAÜ website.

The mediation of rights to musical works is the largest part of the activities of the EAÜ with 85% of all revenues of the EAÜ, plus the compensation for private copying. This is because music is played simultaneously in many different places and through many different channels (radio, television, concerts, bars and restaurants, hotels, nightclubs, shops, etc.) and not just one, but a huge number of works are used. This is why the area of use of musical works is the widest, requiring the existence of an intermediary or collective representation organisation to facilitate communication between users and authors. In Estonia, the EAÜ is the only organisation that grants licences for the use of musical works and collects royalties for authors and holders of rights.

3. Copyright exercised by the EAÜ

The EAÜ only exercises the economic rights belonging to authors and the holders of rights. On the basis of the authorisation received from its members and other collective representation organisations, the EAÜ grants licences for using works in the following ways:

- public performance of works as live or technically mediated performance (**public performance right**);
- transmission, direct injection or retransmission of works via radio, television, cable network or satellite or via other technical equipment (**the right of transmission, direct injection and retransmission**);
- making works available to the public in such a way that persons can access the work from a place and at a time individually chosen by them, also via the Internet (**right of making the work available to the public**);
- recording works on a sound or video medium, film or other similar medium or device and distribution of the work in such a manner (**right of reproduction and synchronisation**)..

The EAÜ also has the right to collect remuneration for the use of works in a situation where authors can only exercise their right to remuneration through a collective representation organisation. The EAÜ also has the right to:

- collect remuneration for the private use of an audiovisual work or sound recording of a work;
- collect remuneration for the resale of an original work of art at public auction or through an art gallery or art dealer..

The membership agreement that authors or the holders of rights enter into generally covers all four categories of economic rights mentioned above, i.e. the manner in which the works are used and all works created by the author, and is generally valid worldwide. The authors can restrict these rights to a certain extent: they can decide the categories of economic rights and the territories in which they authorise the EAÜ to represent them. However, the author cannot choose the works in respect of which they authorise the EAÜ to represent them – authors who have become members of the EAÜ waive all of their works to the society for representation.

The authors and holders of rights who have joined the EAÜ do not have to pay a fee for joining or membership. However, the EAÜ is entitled to withhold a commission, which is used to cover the costs incurred by the society and is set annually by the general meeting of the EAÜ.



4. Management structure of the EAÜ

The highest managing body of the EAÜ is the general meeting, which generally meets once a year and in which all members of the society may participate. The general meeting adopts resolutions on all main management matters of the EAÜ which have not been placed within the authority of the management board or audit committee of the society by law or these Articles of Association. For example, the general meeting approves the budget and amendments to the Articles of Association and elects the members of the management board and the audit committee every three years. The general meeting of the EAÜ was held at the Creative Hub on 8 May 2023, where the new members of the management board and the audit committee were elected for the next three years. The meeting also adopted the resolution that a person may be a member of the management board for a maximum of two terms of office.

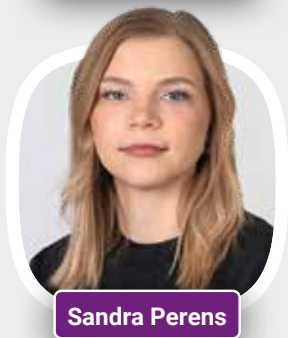
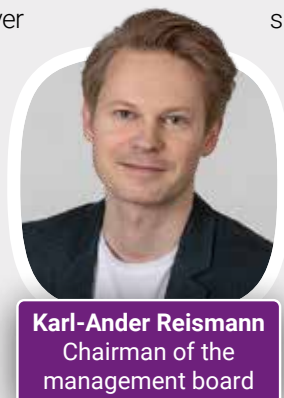
This was done to ensure that the management board always has new members and never runs out of fresh and innovative ideas.

The management board consists of seven members. Karl-Ander

Reismann (chairman of the management board), Virgo Sillamaa and Jaan Jaago continue on the management board and Kristjan Randalu, Sten Šeripov, Ewert Sundja and representative of Tier Music Publishing OÜ Sandra Perens were elected as new members. The management board held a total of eight meetings in the financial year, including a two-day strategy event in Tallinn.

The everyday work of the society is handled by the EAÜ office, which is managed by CEO Mati Kaalep. The office had 22 employees during the reporting period.

The activities of the EAÜ are supervised by the audit committee, whose members are also elected at the general meeting for a term of three years. The following members of the audit committee were elected at the annual general meeting of 2023: Imre Sooäär (chairman of the committee), Tajo Kadajas and Margo Kõlar. Due to the size of the balance sheet, the activities of the EAÜ are also audited by an independent auditor, Triin Seli. State supervision over the EAÜ as a collective representation organisation is exercised by the Patent Office.



Photos: Tiina Kukk

5. Information on refusal to conclude licence agreements

According to the resolution of the management board of the EAÜ of 30 August 2021, the EAÜ has the right to require applicants to make a prepayment, i.e. pay a deposit of up to 100% of the presumed licence fee or demand the provision of a security in the following cases:

1. if the agreement is concluded for the first time with a company whose equity capital is less than the licence fee expected to be payable;
2. if the applicant for a licence or their representative has previously failed to pay the licence fee in a timely manner or in the required amount or has submitted to the EAÜ false information about the circumstances serving as a basis for the licence fee.

If the applicant for a licence is in debt to the EAÜ, the EAÜ may refuse to enter into a licence agreement with the applicant and may refuse to grant the applicant authorisation for use.

On 12 June 2023, the EAÜ amended the terms and conditions of its public performance licences, which clearly ruled out the granting of permission by the EAÜ for the use of the works of the authors represented by the EAÜ in a public meeting (including political events). The respective permission must be obtained directly from the author or the holder of the rights to the musical work (heir, publisher). A public meeting is a meeting, demonstration, rally, picket, procession or other demonstration in a square, park, road, street or other public place.

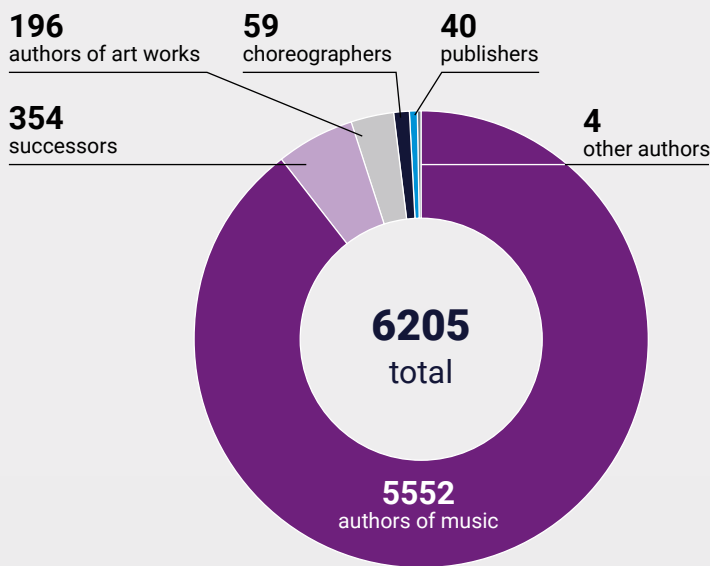
In the current reporting period, the EAÜ did not refuse to conclude any licence agreements. Thus, all users who applied to the EAÜ for permission to use works of authors represented by the EAÜ in the field licensed by the EAÜ and who accepted the licensing rates applied by the EAÜ to the field or type of use in question received the respective permission from the EAÜ.



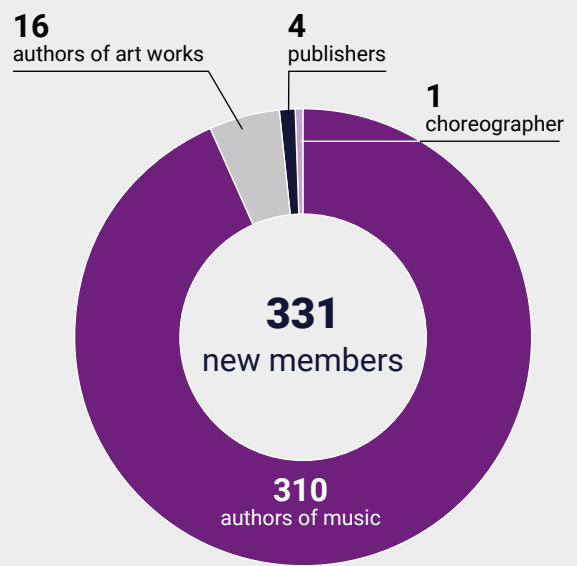
6. Members

331 members joined the EAÜ in 2023, including 310 authors of musical works, 16 authors of works of art, 4 publishers and 1 author of choreographic works. As at 31 December of the financial year, the EAÜ had 6,205 members in total, including 5,552 authors of musical works, 196 authors of works of art, 40 music publishers, 59 authors of choreographic works, 40 music publishers, 59 authors of choreographic works, four other authors and 354 heirs of deceased authors.

Members of the EAÜ in 2023



New members



A member who has registered in more than one category is listed as an author in the category in which they are most active on a daily basis.



7. Report of the CEO on 2023

Dear authors,

Again, more royalties than ever before were received by the EAÜ in 2023. Whilst a year earlier, in 2022, gross revenues exceeded EUR 10 million for the first time, they already exceeded EUR 11 million in 2023 (net amount EUR 10,679,045).

For the first time in its history, the EAÜ is among the world's top 20 societies in terms of per capita income, ranking 19th and having collected EUR 7.07 per Estonian citizen (compared to a global average of EUR 1.52). When the revenues are compared to GDP, the performance of the EAÜ is even better, as it ranks 15th in the world.

In terms of licensing, the EAÜ had an exceptionally busy year. Budget targets were exceeded, more than 3,200 agreements were managed and around 10,000 invoices were issued. 744 new agreements were entered into, but almost the same number of agreements were terminated, due to the closure or restructuring of places using music.

In connection with licensing, several constructive negotiations with contractual partners to extend cooperation also went well. For example, the EAÜ renewed agreements with all private TV service providers and private radio stations and extended its agreement with ERR. In addition, the effective licensing conditions for ships, which had remained unchanged since 2006, were updated.

In the area of licensing developments, the biggest achievement was the creation of the possibility to sign licence agreements digitally on the EAÜ's website. Considering the number of licences and special cases of the EAÜ, this was a much more complex undertaking technically than building an online store.

In terms of public communication, the EAÜ met the targets set in its media plan, with 269 posts on social media (92 posts in 2022) and an increase in followers across all our social media channels (Facebook, Instagram, LinkedIn). For the first time, the website of the EAÜ www.eau.org was visited 2,000 times a month on average. Surveys showed that the content of coverage concerning the EAÜ in other media was mostly neutral, with the few negative mentions being of the same order of magnitude as positive ones.

The EAÜ also continued to provide training services. Training was provided by both the CEO and staff of the EAÜ, and the service was offered to authors, users of works as well as students and school pupils.

In the field of international cooperation, the most important innovation in December 2023 was the EAÜ becoming a member of the international umbrella organisation of copyright societies, BIEM (Bureau International de l'Édition Mécanique). In addition, close cooperation with foreign associations and with the online rights partner MINT Digital Services, which licenses the repertoire of the EAÜ on online platforms such as Spotify, YouTube, Snapchat and others, has continued through the umbrella organisation CISAC (Confédération Internationale des Sociétés d'Auteurs et Compositeurs).

In terms of technical developments, the EAÜ also had an extremely busy year:

- updating the author portal (to be completed in the first half of 2024);
- adding the digital signature function to the website for the conclusion of membership agreements as well as agreements necessary for the users of the works;
- updating the design of the repertoire submission page and adding an automatic search function;
- creating the CRD file reading system for the allocation of fees;
- continuous updating of the website with information in both Estonian and English.

In addition, the working processes of the EAÜ were mapped to facilitate future technical developments.

I would like to thank all the authors, users of the works and other partners for placing their trust in the EAÜ and all EAÜ staff for their commitment and contribution.

Mati Kaalep

CEO of the EAÜ

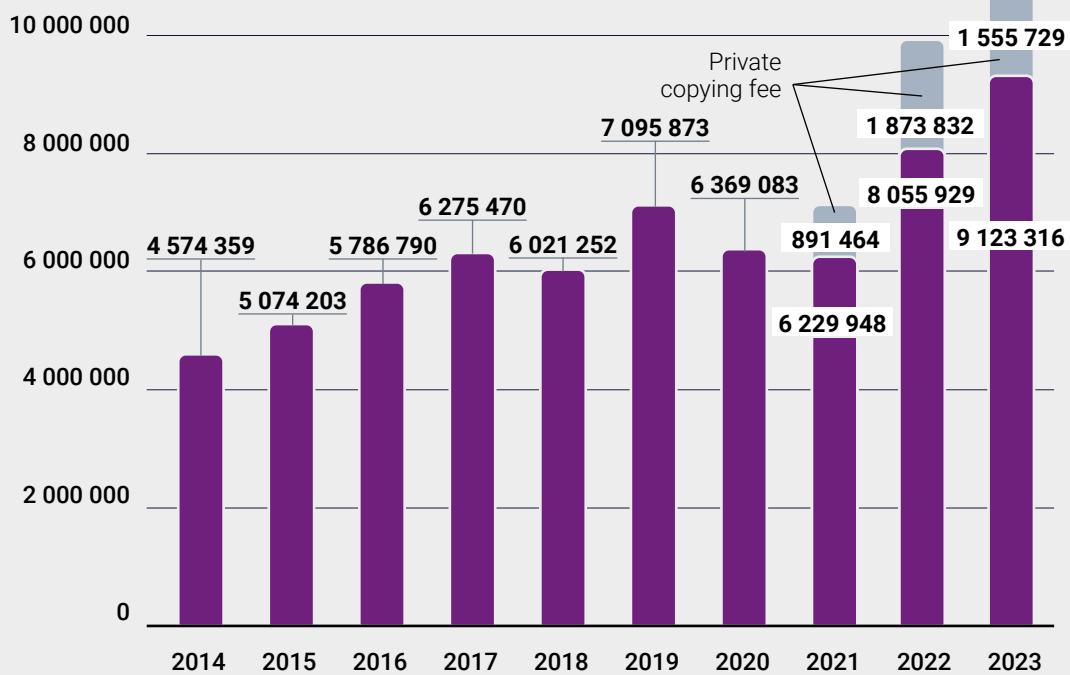


8. Financial information

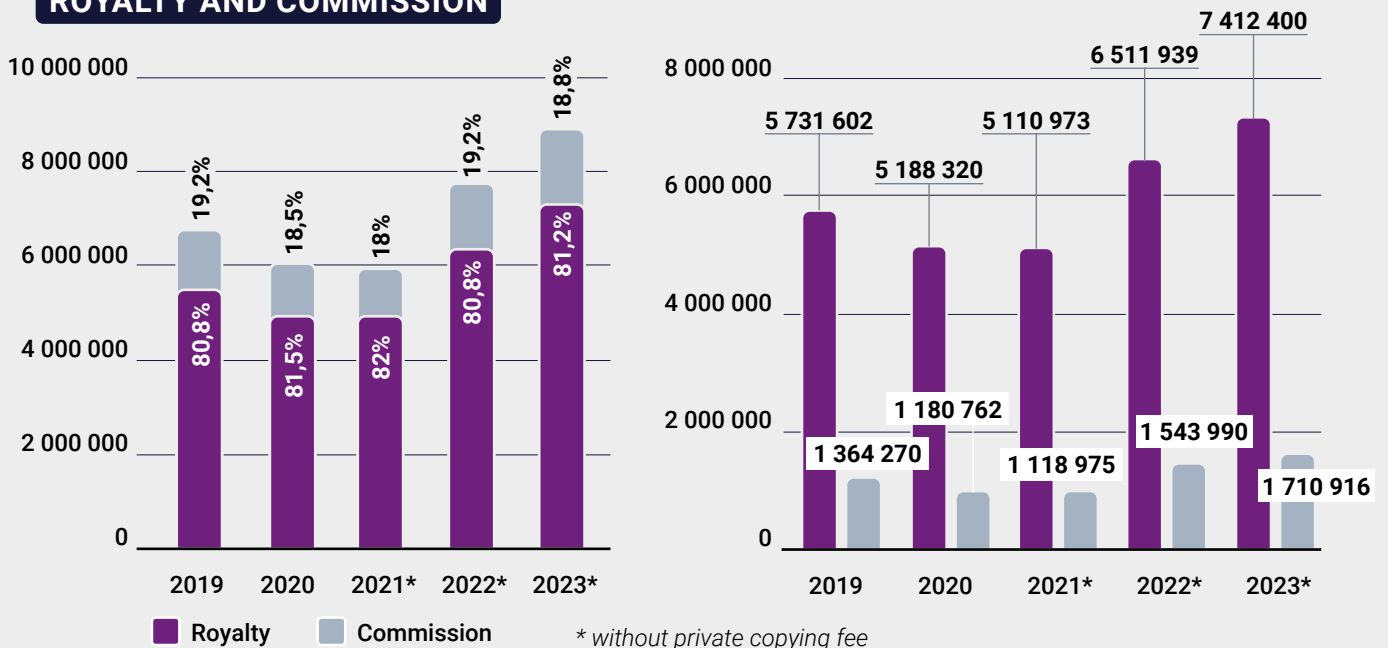
In 2023 the net amount of the licence fees received by the EAÜ was EUR 10,679,045, which included commissions in the amount of EUR 1,710,916 and compensation for private copying in the amount of EUR 1,555,729.

Revenues 10,68 millions 2022: 9,92 millions +7,66%	Expenses 1,32 millions 2022: 1,08 millions	Payouts 6,80 millions 2022: 6,84 millions
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REVENUES



ROYALTY AND COMMISSION



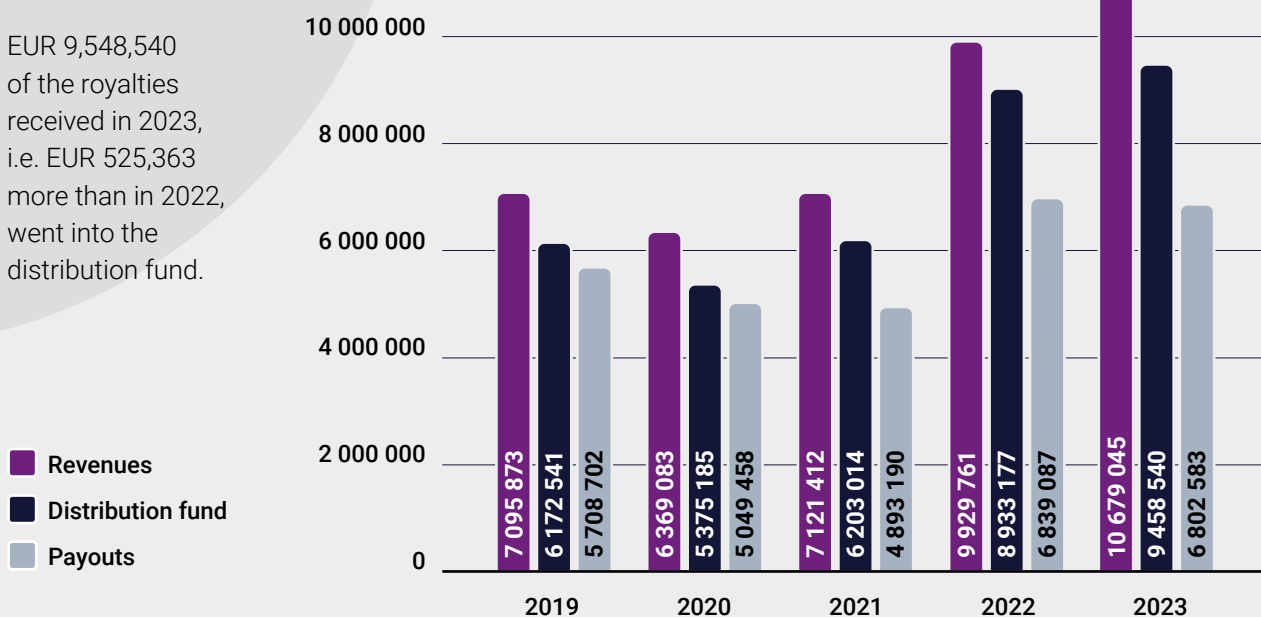
All of the budgeted revenue targets were met or exceeded in all areas.

	2023			2022		
	BUDGET (€)	REVENUE (€)	+/-	BUDGET (€)	REVENUE (€)	+/-
Radio	650 000	761 001	111 001	600 000	649 327	49 327
Television	950 000	1 162 132	212 132	700 000	1 482 674	782 674
Cable TV	780 000	897 152	117 152	620 000	779 665	159 665
Live performance	800 000	1 269 961	469 961	400 000	797 239	397 239
Background music	970 000	978 451	8 451	627 000	827 211	200 211
<i>incl. bar, restaurant</i>	530 000	507 741		320 000	456 083	
<i>incl. shop</i>	300 000	365 823		250 000	277 553	
<i>incl. sport, casino</i>	80 000	55 693		42 000	62 702	
<i>incl. nightclub</i>	60 000	49 194		15 000	30 873	
Theatre	130 000	352 652		80 000	135 861	
Cinema	150 000	186 360	36 360	80 000	133 896	53 896
From abroad	475 000	347 225	-127 775	300 000	415 603	115 603
GLA cable	480 000	519 235	39 235	400 000	428 844	28 844
Art	140 000	192 885	52 885	100 000	185 548	85 548
Audiovisual	850 000	1 174 574	324 574	830 000	1 087 319	257 319
Recording, digital, online	1 000 000	1 603 079	603 079	1 000 000	1 391 839	391 839
Private copying	1 700 000	1 555 729	-144 271	1 800 000	1 873 832	73 832
TOTAL	9 075 000	11 000 436	1 702 784	7 537 000	10 188 859	2 651 859
<i>incl. VAT</i>	-242 000	-321 391	-79 391	-192 000	-259 098	-67 098
TOTAL	8 833 000	10 679 045	1 846 045	7 345 000	9 929 761	2 584 761
<i>incl. commission 18%</i>	1 328 000	1 710 916	382 916	1 033 000	1 543 990	510 990
NET REVENUE (ROYALTIES)	7 505 000	8 968 129	1 463 129	6 312 000	8 385 771	2 073 771



REVENUES, DISTRIBUTION FUND, PAYOUTS

EUR 9,548,540 of the royalties received in 2023, i.e. EUR 525,363 more than in 2022, went into the distribution fund.



DISTRIBUTION FUND FOR AUTHORS OF MUSIC

€ 2 250 519 was received in the distribution fund in 2023

EUR	DISTRIBUTION			PAYOUTS		
	Number of authors	Distributed royalties	Average	Number of authors	Distributed royalties	Average
over 20 000	14	553 444	39 532	14	538 977	38 498
10 001–20 000	22	317 241	14 420	20	281 134	14 057
5001–10 000	50	341 016	6 820	65	438 991	6 754
1001–5000	291	652 522	2 242	308	674 107	2 189
301–1000	447	245 949	550	459	259 342	565
101–300	513	90 944	177	518	93 101	180
under 100	2 682	49 403	18	713	38 366	54
Kokku	4 019	2 250 519	560	2 097	2 324 018	1 108

845 457 from Estonia
372 894 Recording, digital, online
293 925 from abroad
228 769 Private copying compensation
509 474 Grants and additional fees

€ 2 062 494 was received in the distribution fund in 2022

EUR	DISTRIBUTION			PAYOUTS		
	Number of authors	Distributed royalties	Average	Number of authors	Distributed royalties	Average
over 20 000	12	434 561	36 213	14	529 414	37 815
10 001–20 000	16	227 891	14 243	22	289 278	13 149
5001–10 000	65	421 659	6 487	66	436 178	6 609
1001–5000	276	595 435	2 157	299	654 164	2 188
301–1000	463	254 353	549	469	255 039	544
101–300	467	83 083	178	464	80 716	174
under 100	2 543	45 512	18	698	38 053	55
Total	3 842	2 062 494	537	2 032	2 282 842	1 123

883 835 from Estonia
283 435 Recording, digital, online
157 877 from abroad
204 311 Private copying compensation
533 036 Grants and additional fees

The total amount of royalties paid by the EAÜ in 2023 was EUR 6,802,583 (EUR 6,839,087 in 2022).

In 2023, the EAÜ paid out royalties received by the distribution fund in 2023 and in previous periods as follows:

- EUR 2,324,018 to the authors of musical works who are members of the EAÜ, i.e. EUR 41,175 more than in 2022;
- EUR 842,168 to the Estonian authors of audiovisual works, i.e. EUR 957,090 more than in 2022 (the decrease occurred as a result of the fact that in 2022, the EAÜ paid private copying compensation for the years 2014–2021);
- EUR 140,537 to the authors of works of art who are members of the EAÜ, i.e. EUR 44,762 more than in 2022;
- EUR 3,495,860 to foreign societies, i.e. EUR 834,648 more than in 2022.

PAYOUTS OF ROYALTIES

2023

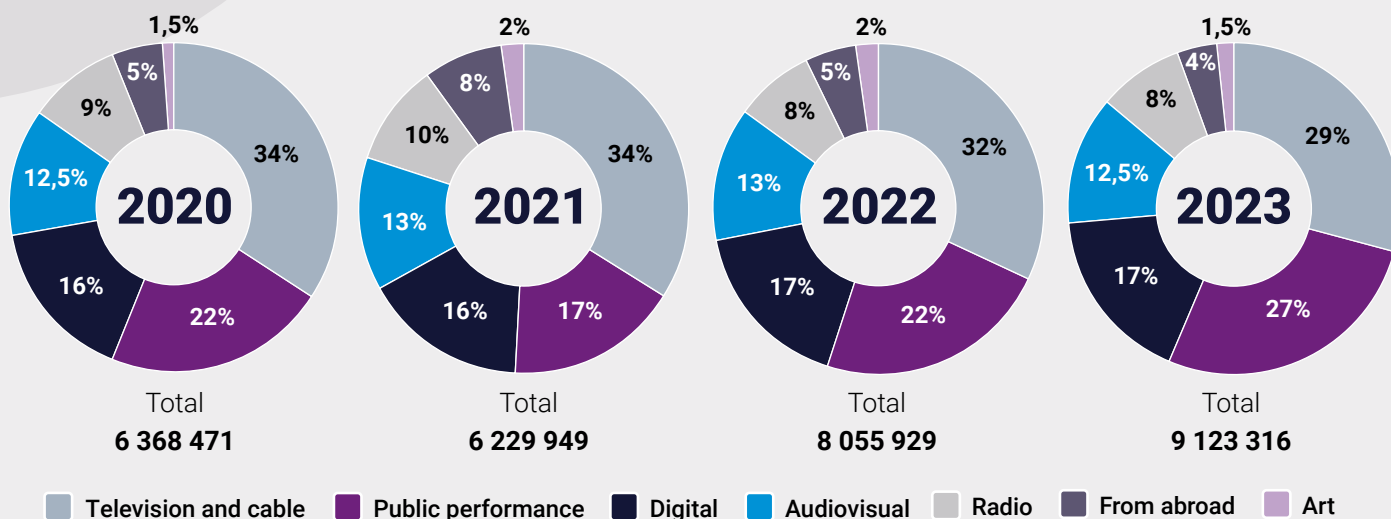
FEES PAID TO FOREIGN ASSOCIATIONS			
	amount	% of fees paid to foreign associations	% of payouts for royalties
Radio	266 025	7,61	3,91
Television	190 288	5,44	2,80
Live performance	629 624	18,01	9,26
Nightclub	6	0,00	0,00
Cinema	2 568	0,07	0,04
Major work	28 463	0,81	0,42
Background music	411 322	11,77	6,05
GLA cable	316 416	9,05	4,65
Cable TV	387 003	11,07	5,69
Art	27 309	0,78	0,40
Audiovisual	425 565	12,17	6,26
Recording, digital, online	458 005	13,10	6,73
Private copying	353 265	10,11	5,19
TOTAL	3 495 860	100	51,39
FEES PAID TO ESTONIAN AUTHORS			
	summa	% eesti autoritele makstud tasust	% autoritasude väljamaksetest
Music	2 324 018	70,28	34,16
Art	140 537	4,25	2,07
Audiovisual	842 168	25,47	12,38
TOTAL	3 306 723	100	48,61
GRAND TOTAL	6 802 583		100

2022

FEES PAID TO FOREIGN ASSOCIATIONS			
	amount	% of fees paid to foreign associations	% of payouts for royalties
Radio	290 580	10,92	4,25
Television	121 340	4,56	1,77
Live performance	424 925	15,97	6,21
Nightclub	0	0,00	0,00
Cinema	45 608	1,71	0,67
Major work	29 158	1,10	0,43
Background music	346 256	13,01	5,06
GLA cable	261 232	9,82	3,82
Cable TV	256 101	9,62	3,74
Art	14 852	0,56	0,22
Audiovisual	315 770	11,87	4,62
Recording, digital, online	555 390	20,87	8,12
Private copying	0	0	0
TOTAL	2 661 212	100	38,91
FEES PAID TO ESTONIAN AUTHORS			
	summa	% eesti autoritele makstud tasust	% autoritasude väljamaksetest
Music	2 282 843	54,64	33,38
Art	95 775	2,29	1,40
Audiovisual	1 799 258	43,07	26,31
TOTAL	4 177 875	100	61,09
GRAND TOTAL	6 839 087		100

9. Collection of remuneration and trends

Royalties were collected in the amount of EUR 9,123,316 in 2023, EUR 8,055,929 in 2022, EUR 6,229,948 in 2021, EUR 6,368,471 in 2020 and EUR 7,094,874 in 2019 (the amounts also include commission).



The royalties collected on concerts in 2023 amounted to EUR 1,008,045, which is more than 1.5 times the amount collected in 2022, when the net amount collected was EUR 604,900. However, EUR 936,525 was collected in 2019, which is why comparing 2023 to the pre-corona year, i.e. 2019, is appropriate. Based on this, it can be said that recovery has been strong and we have regained the pre-corona level in terms of live performances.

The net revenue for background music in 2023 (including revenues from shops, restaurants, casinos, sports and nightclubs) amounted to EUR 729,050. The trend is similar to that for concerts: in terms of revenues, we are back at the level of 2019.

Net revenues for the use of works in television in 2023 amounted to EUR 827,135. The net amounts received from the same area in the previous years were EUR 1,071,456 (in 2022), EUR 545,808 (in 2021), EUR 521,592 (in 2020) and EUR 717,714 (in 2019). The revenues in 2022 were bigger than in other years mainly due to the end of the legal dispute with AS All Media Eesti, which paid the EAÜ the royalties that had been the subject of a dispute since 2019. In December 2023, we signed new five-year licence agreements with all TV broadcasters for the period 2024–2028, with the same basis for calculating the licence fee and the same fee rate. The customer base of telecoms companies, including cable operators, has not changed significantly compared to 2022.

For cable distribution, the net revenue in 2023 was EUR 1.17 million (EUR 1 million in 2022, EUR 1.2 million in 2021, EUR 1.3 million in 2020, EUR 1.2 million in 2019). The increase was due to the fact that in January 2023, we signed an agreement with TV Play Baltics OÜ for works retransmitted on the Home3 SAT platform. This agreement also included the back-payment of the licence fee for 2022.

In the case of radio, net revenues in 2023 were EUR 555,244, i.e. EUR 80,635 more than in 2022, when the EAÜ collected EUR 474,609. We collected EUR 468,236 in 2021, EUR 424,270 the year before and EUR 434,825 in 2019. Four-year licence agreements have been concluded with radio service providers, which are valid from January 2023 until 31 December 2026. The amount of the licence fee increases by 0.1% each calendar year, from 4.6% to 4.9% of radio advertising turnover over four years.

2023

	Royalty	Commission	Total
Radio	555 244	185 086	740 330
Television	827 135	264 412	1 091 547
Cable TV	715 766	102 254	818 020
GLA cable	458 149	50 905	509 054
Live performance	1 008 045	219 167	1 227 212
Background music	729 050	205 463	934 513
Theatre	270 050	70 287	340 337
Cinema	139 666	38 932	178 598
Recording, digital, online	1 299 874	290 050	1 589 924
From abroad	338 544	8 681	347 225
Audiovisual	905 611	250 463	1 156 074
Art	165 266	25 216	190 482
TOTAL			9 123 316
Private copying	1 555 729		1 555 729
TOTAL (incl. private copying)	8 968 129	1 710 916	10 679 045

2022

	Royalty	Commission	Total
Radio	474 609	158 198	632 807
Television	1 071 456	351 401	1 422 856
Cable TV	622 717	88 960	711 677
GLA cable	378 392	42 044	420 436
Live performance	604 900	161 638	766 538
Background music	616 759	174 045	790 804
Theatre	106 262	24 667	130 928
Cinema	99 963	28 295	128 258
Recording, digital, online	1 134 973	245 297	1 380 269
From abroad	405 215	10 388	415 603
Audiovisual	840 059	232 366	1 072 425
Art	156 634	26 693	183 328
TOTAL			8 055 929
Private copying	1 873 832		1 873 832
TOTAL (incl. private copying)	8 385 771	1 543 990	9 929 761

2021

	Royalty	Commission	Total
Radio	468 236	156 268	624 504
Television	545 808	173 126	718 934
Cable TV	511 756	73 106	584 862
GLA cable	735 650	81 733	817 383
Live performance	259 748	76 760	336 508
Background music	459 704	129 674	589 378
Theatre	74 240	17 611	91 852
Cinema	53 912	15 100	69 012
Recording, digital, online	778 629	197 129	975 759
From abroad	485 087	7 718	492 805
Audiovisual	640 646	172 211	812 857
Art	97 556	18 540	116 096
TOTAL			6 229 949
Private copying	891 464		891 464
TOTAL (incl. private copying)	6 002 437	1 118 976	7 121 413

2020

	Royalty	Commission	Total
Radio	424 270	141 256	565 526
Television	521 592	168 114	689 706
Cable TV	489 396	69 891	559 287
GLA cable	816 113	90 645	906 758
Live performance	387 797	110 967	498 764
Background music	559 415	157 361	716 776
Theatre	83 117	22 252	105 369
Cinema	79 264	22 188	101 452
Recording, digital, online	831 085	212 939	1 044 024
From abroad	317 397	6 408	323 806
Audiovisual	616 089	165 149	781 238
Art	62 174	13 592	75 766
TOTAL			6 368 471
Private copying	612		612
TOTAL (incl. private copying)	5 188 321	1 180 762	6 369 083

MUSIC

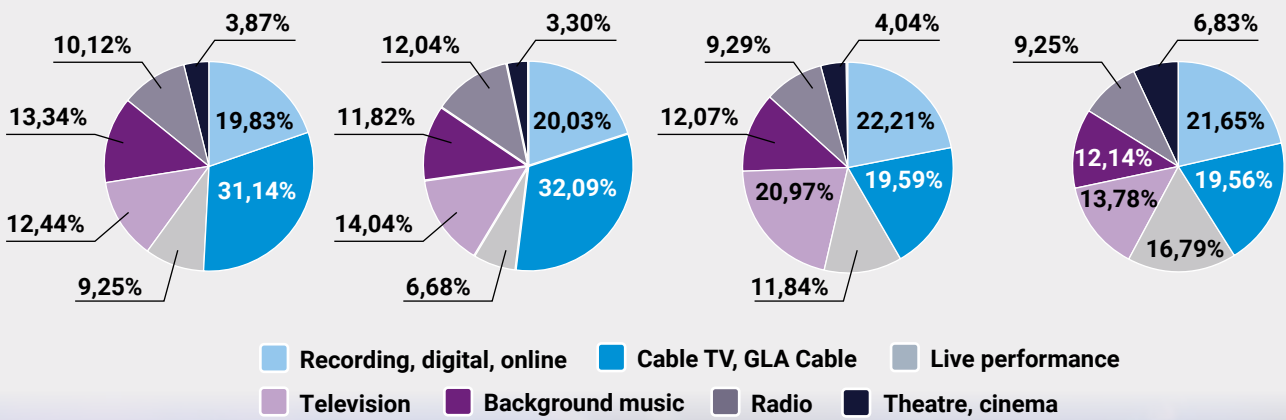
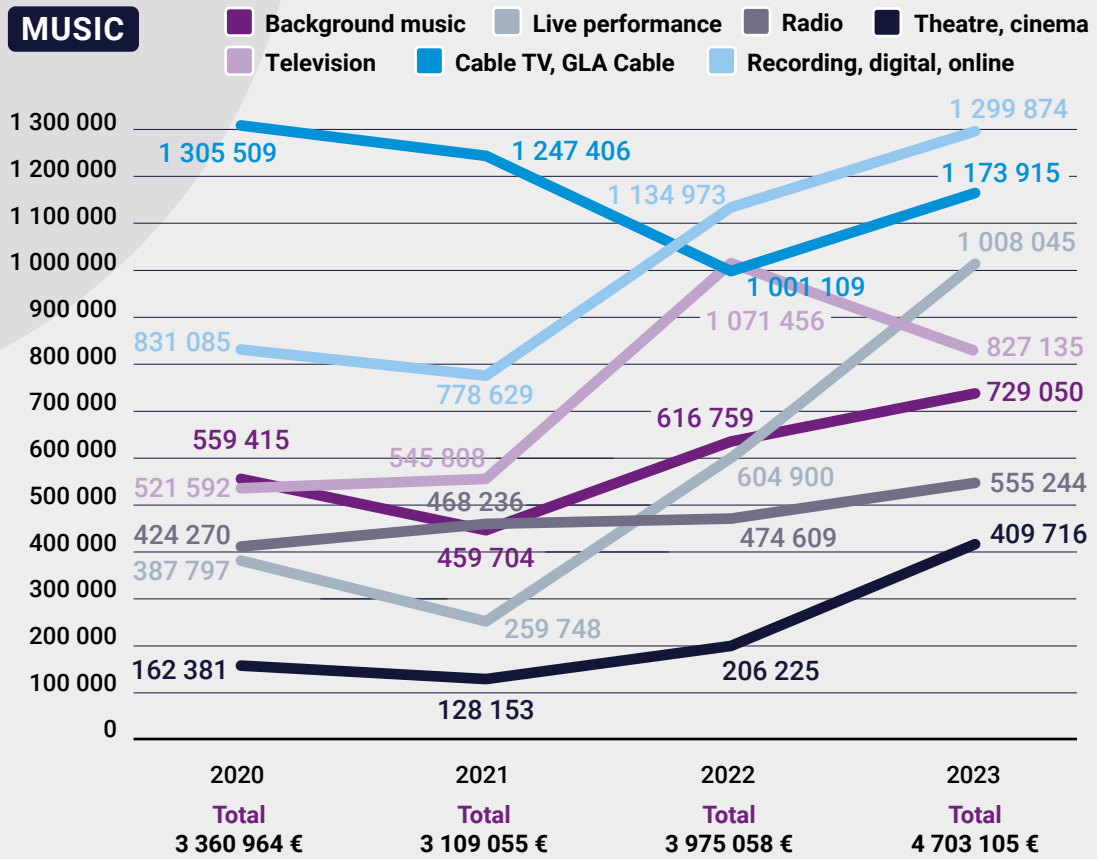
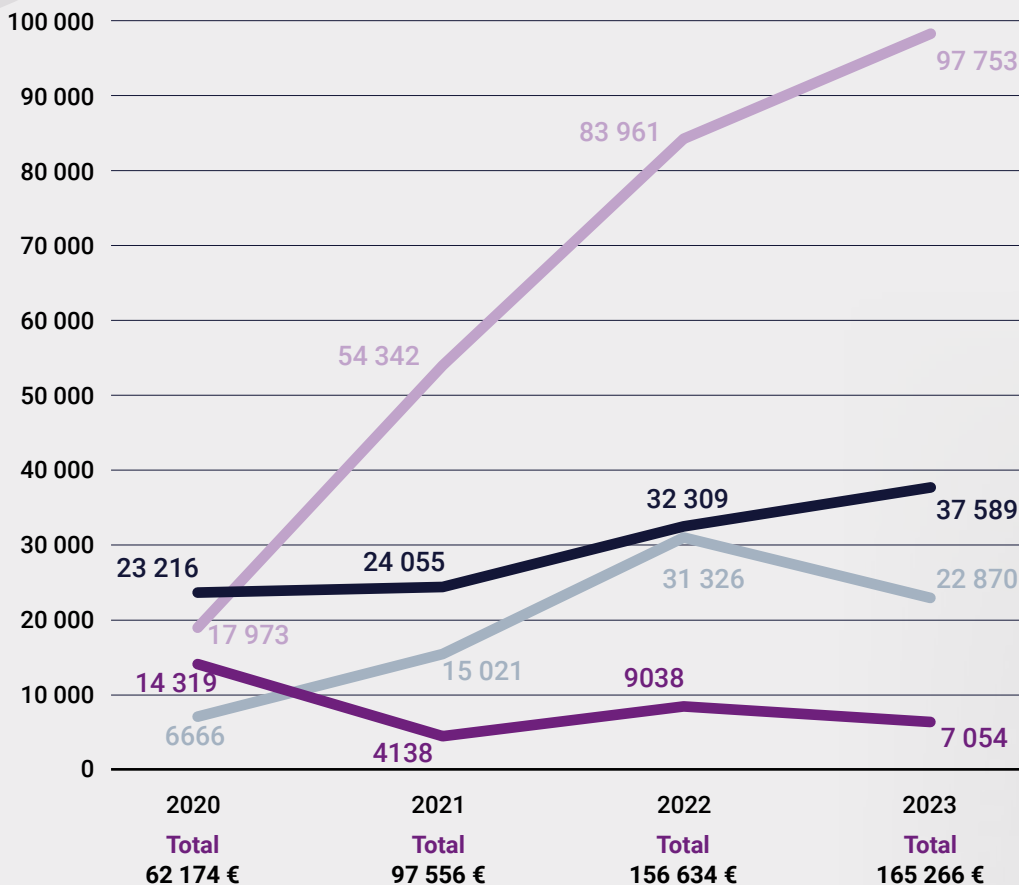


Photo: Silver Tõnisson

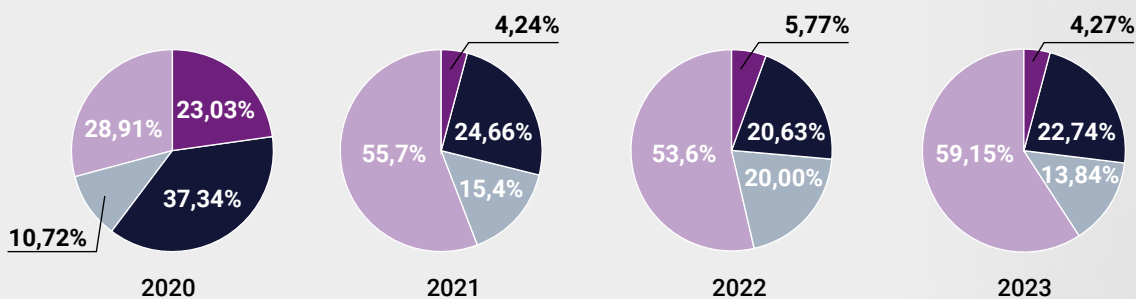


For works of art, the net revenues in 2023 were EUR 165,266. These are revenue recoveries in the field of art. For example, EUR 156,634 was collected in 2022, as the volume of art auctions increased compared to previous years. The net amount of fees collected for the authors of works of art was EUR 97,556 in 2021 and a little over EUR 62,174 in 2020.

ART

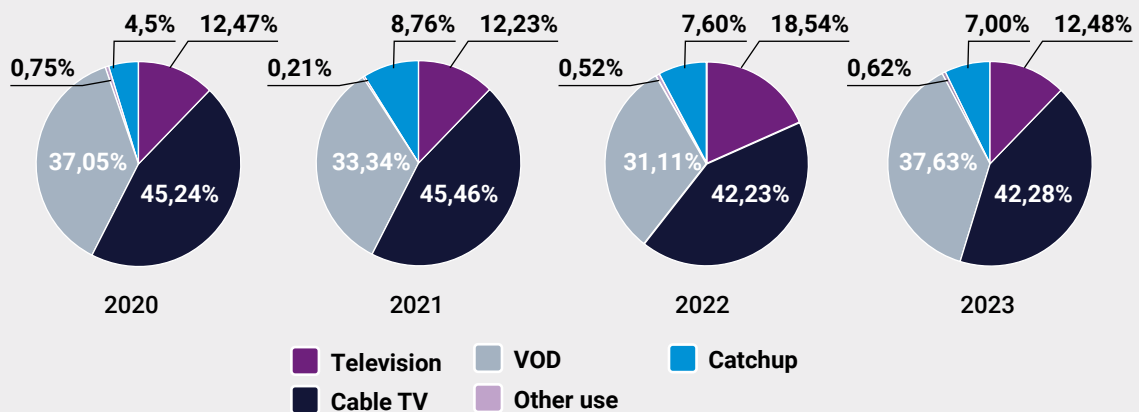
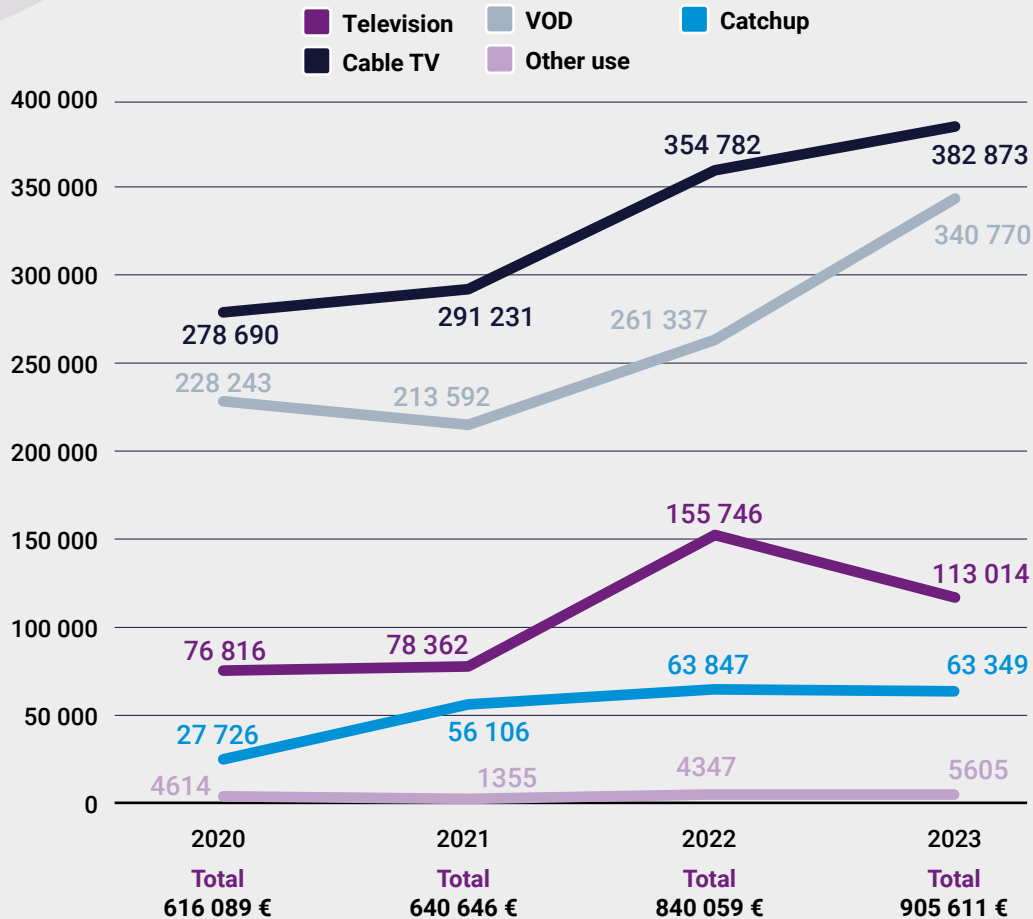


- General reproduction of works of art
- Reproduction of works of art on TV
- Reproduction of works of art on cable TV
- Auctions



Net revenues in the area of audiovisual works increased at a steady pace compared to previous years: from EUR 616,089 in 2020 to EUR 640,646 in 2021 and EUR 840,059 in 2022. The royalties received for authors of audiovisual works in 2023 amounted to EUR 905,611, i.e. a little over EUR 65,000 more than in 2022.

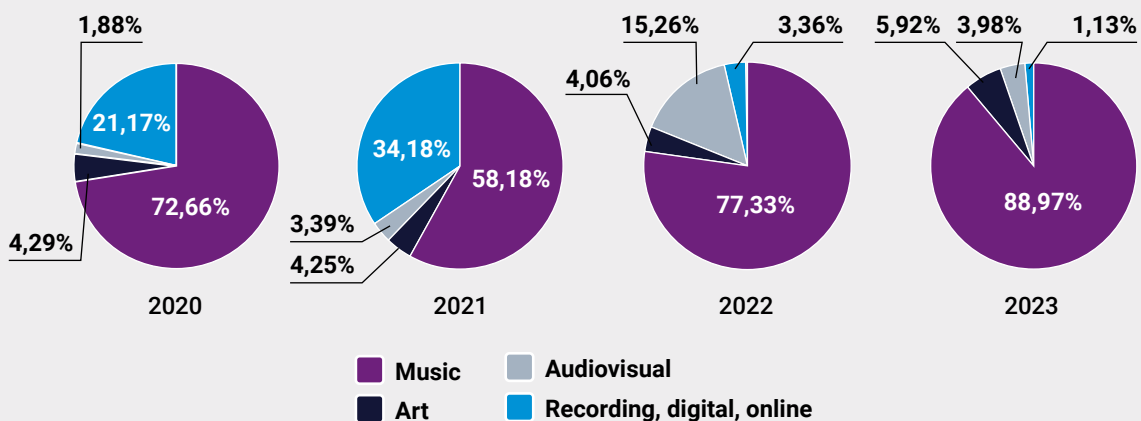
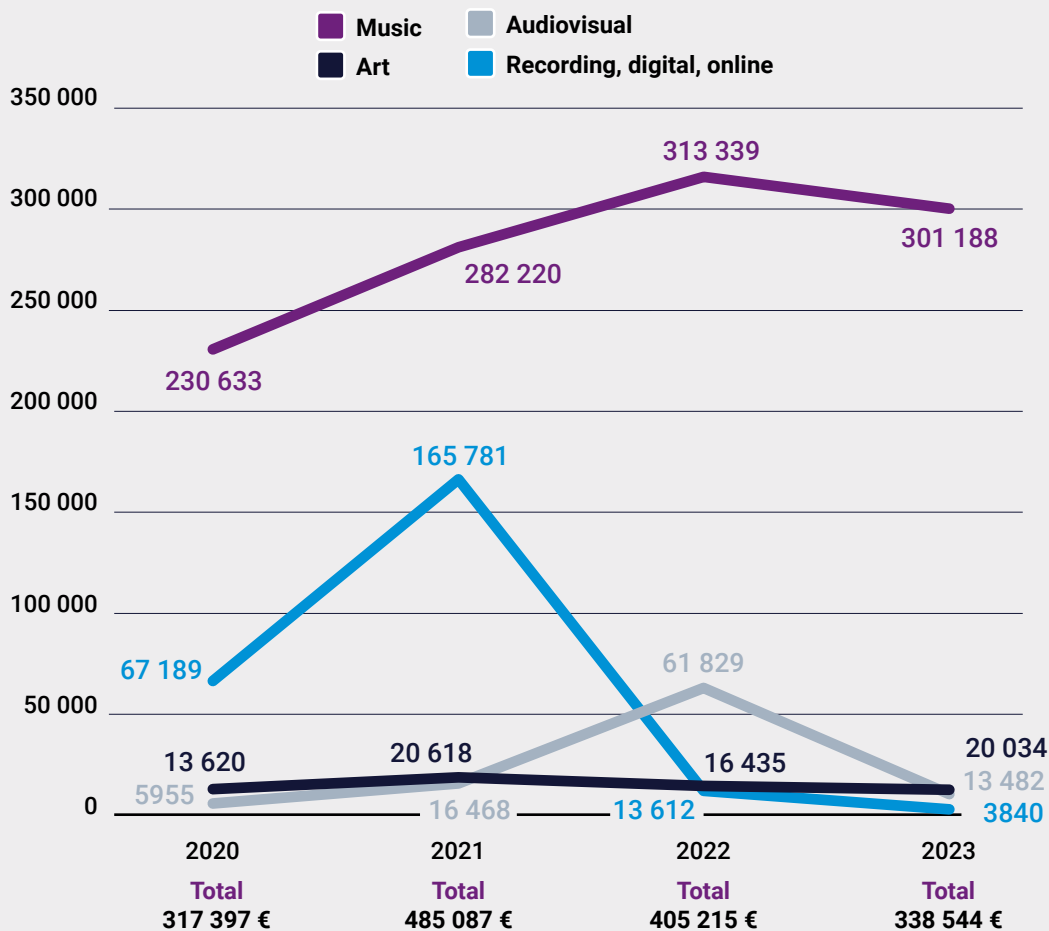
AUDIOVISUAL



10. Revenues from abroad

Regarding receipts coming from foreign countries, there has been a decrease in 2023 compared to 2022, primarily in the areas of audiovisual and recording, digital, online (SDO) receipts. Due to the reassessment of the SDO accounting principle, there is a significant drop compared to 2021 and 2022, stemming from the fact that the receipts from the contracting party MINT Digital have been accounted for under the overall SDO receipts category since 2022, rather than under the category of fees received from abroad.

ROYALTIES RECEIVED FROM ABROAD



ROYALTIES RECEIVED FROM FOREIGN ASSOCIATIONS

2023		
country	amount	%
Latvia	51 144	14,73
Germany	44 915	12,94
England	42 350	12,20
Finland	33 230	9,57
USA	27 066	7,80
Sweden	24 357	7,01
Denmark	21 221	6,11
France	17 605	5,07
Netherlands	12 779	3,68
Spain	12 754	3,67
Portugal	9 907	2,85
Switzerland	9 789	2,82
Lithuania	7 293	2,10
Japan	6 729	1,94
Belgium	5 108	1,47
Norway	2 717	0,78
Hungary	2 138	0,62
Poland	1 997	0,58
Australia	1 891	0,54
Austria	1 781	0,51
China	1 690	0,49
Brazil	1 418	0,41
Romania	1 122	0,32
Israel	937	0,27
Italia	896	0,26
Canada	800	0,23
Slovenia	702	0,20
Czech Republic	685	0,20
South Africa	559	0,16
South-Korea	556	0,16
Croatia	221	0,06
Malaysia	220	0,06
New Zealand	206	0,06
Serbia	150	0,04
Mexico	110	0,03
Ireland	105	0,03
Hong Kong	74	0,02
Total gross	347 225	100

2022		
country	amount	%
Finland	100 899	24,28
England	74 185	17,85
Germany	51 764	12,46
Sweden	31 691	7,63
Latvia	26 711	6,43
France	26 410	6,35
Denmark	24 344	5,86
USA	23 378	5,63
Netherlands	21 127	5,08
Japan	12 146	2,92
Switzerland	10 641	2,56
Spain	5 837	1,40
Belgium	5 624	1,35
Canada	4 716	1,13
Lithuania	4 604	1,11
Poland	3 554	0,86
Australia	3 446	0,83
Portugal	3 389	0,82
Austria	2 223	0,53
Norway	2 068	0,50
Hungary	1 660	0,40
Slovenia	1 592	0,38
Czech Republic	1 533	0,37
Romania	1 364	0,33
Italia	818	0,20
Ireland	750	0,18
Brazil	644	0,15
Serbia	572	0,14
Israel	544	0,13
Malaysia	496	0,12
Greece	476	0,11
South-Korea	322	0,08
New Zealand	268	0,06
South Africa	168	0,04
Croatia	154	0,04
Mexico	149	0,04
Armenia	116	0,03
Hong Kong	94	0,02
Switzerland*	-34 874	-8,39
Total gross	415 603	100

* Adjustment of 2021, revaluation of accounting principle in relation to revenues of contractual partner MINT Digital.

11. Expenses

Actual expenses in 2023 were EUR 90,231 less than planned. The total budget expenditure of the EAÜ was EUR 1,322,694, i.e. 12.02% of all revenues, corresponding to the level of Nordic societies. As the objective according to the development plan of the EAÜ is to achieve a 15% commission rate by 2025, 12.02% on all revenues is a good result that exceeds expectations. The commission of the EAÜ – EUR 1,710,917 – comprised 18.75% of all revenues. The calculation of the commission does not include the fee for private copying collected by the EAÜ on behalf of all the organisations it represents.

COMMISSION

	2023		2022		2021		2020		2019	
	amount	%	amount	%	amount	%	amount	%	amount	%
Bar	106 381	6,22	95 836	6,21	65 344	5,84	82 772	7,01	111 110	8,14
Shop	77 028	4,50	58 441	3,79	52 504	4,69	57 461	4,87	61 989	4,54
Casino, sport	11 733	0,69	13 263	0,86	8 444	0,75	11 532	0,98	17 142	1,26
Nightclub	10 321	0,60	6 505	0,42	3 382	0,30	5 596	0,47	13 675	1,00
Theatre	70 287	4,11	24 667	1,60	17 611	1,57	22 252	1,88	30 362	2,23
Live performance	219 167	12,81	161 637	10,47	76 760	6,86	110 967	9,40	259 047	18,99
Television	264 412	15,45	351 401	22,76	173 126	15,47	168 114	14,24	226 303	16,59
Radio	185 086	10,82	158 198	10,25	156 268	13,97	141 256	11,96	144 942	10,62
Cable TV	102 254	5,98	88 960	5,76	73 106	6,53	69 891	5,92	66 527	4,88
Cinema	38 932	2,28	28 295	1,83	15 100	1,35	22 188	1,88	41 685	3,06
Art	25 216	1,47	26 693	1,73	18 539	1,66	13 592	1,15	13 430	0,98
Audiovisual	250 463	14,64	232 366	15,05	172 211	15,39	165 149	13,99	155 405	11,39
From abroad	8 681	0,51	10 388	0,67	7 718	0,69	6 408	0,54	6 375	0,47
Recording, digital, online	290 050	16,95	245 297	15,89	197 129	17,62	212 939	18,03	134 337	9,85
GLA cable	50 905	2,98	42 043	2,72	81 733	7,30	90 645	7,68	81 942	6,01
GRAND TOTAL	1 710 916	100	1 543 990	100	1 118 975	100	1 180 762	100	1 364 271	100

The largest type of expenditure for the EAÜ is staff costs, which totalled EUR 957,270 in 2023, i.e. 72.4% of total expenditure. Compared to the previous year, despite several large developments, software development costs have decreased slightly, amounting to EUR 109,167 in the financial year (EUR 140,520 in 2022). The EAÜ had four major software development projects underway, the longest and largest of which is the new author interface (to be completed in 2024). In addition, the digital signature function and the possibility to apply for licences electronically were developed for the website. The Common Royalty Distribution (CRD) file processing solution was developed for the distribution of royalties.

The expenses of the EAÜ did not exceed the money received as commission.



EXPENSES IN 2023

	Euro	%
SALARIES AND WAGES	720 399	54,46
SOCIAL TAXES	236 872	17,91
<i>incl. social tax</i>	231 138	
<i>incl. unemployment insurance tax</i>	5734	
OTHER TAXES	1960	0,15
<i>incl. social tax on fringe benefit</i>	1107	
<i>incl. income tax on fringe benefit</i>	671	
<i>incl. land tax</i>	182	
HEATING	5919	0,45
ELECTRICITY	4701	0,36
SECURITY	1355	0,10
TELEPHONE, COMMUNICATION	5898	0,45
TRANSPORT	5520	0,42
<i>incl. fuel</i>	2967	
<i>incl. repair and maintenance</i>	2416	
<i>incl. car park</i>	137	
<i>incl. use of personal car</i>	0	
DEPRECIATION	22 943	1,73
BUSINESS TRAVELS	16 738	1,27
BUSINESS TRAVELS	12 883	0,97
SOFTWARE MAINTENANCE	109 167	8,25
POST	1861	0,14
BANKING EXPENSES	3604	0,27
REPRESENTATION COSTS	15 023	1,14
<i>incl. reception of guests</i>	10 965	
<i>incl. seminar</i>	2773	
<i>incl. general meeting</i>	1285	
PR EXPENSES	3 525	0,27
OFFICE EXPENSES AND AUDIT	27 483	2,08
<i>incl. office expenses</i>	20 559	
<i>incl. press subscriptions</i>	1324	
<i>incl. auditing</i>	5600	
INSURANCE	510	0,04
ADMINISTRATION AND OTHER EXPENSES	91 556	6,92
<i>incl. water</i>	353	
<i>incl. services</i>	73 596	
<i>incl. administration expenses</i>	14 339	
<i>incl. other expenses</i>	3 045	
<i>incl. inspection raids</i>	222	
MEMBERSHIP FEES	18 001	1,36
<i>incl. EOCP membership fee</i>	4035	
<i>incl. CISAC, GESAC membership fee</i>	13 966	
<i>incl. other membership fees</i>	0	
TRAINING	1595	0,12
DOUBTFUL INVOICES	0	0,00
EXPENSES OF PÄRNU HOLIDAY HOUSE	11 448	0,87
PROMOTION OF HEALTH OF EMPLOYEES	3733	0,28
ONLINE RADIO EXPENSES	0	0,00
TOTAL	1 322 694	100

EXPENSES IN 2022

	Euro	%
SALARIES AND WAGES	605 944	56,28
SOCIAL TAXES	199 417	18,52
<i>incl. social tax</i>	194 611	
<i>incl. unemployment insurance tax</i>	4806	
OTHER TAXES	1678	0,16
<i>incl. social tax on fringe benefit</i>	931	
<i>incl. income tax on fringe benefit</i>	565	
<i>incl. land tax</i>	182	
HEATING	1836	0,17
ELECTRICITY	6958	0,65
SECURITY	1249	0,12
TELEPHONE, COMMUNICATION	3835	0,36
TRANSPORT	7758	0,72
<i>incl. fuel</i>	4044	
<i>incl. repair and maintenance</i>	3393	
<i>incl. car park</i>	67	
<i>incl. use of personal car</i>	254	
DEPRECIATION	20 704	1,92
BUSINESS TRAVELS	9815	0,91
BUSINESS TRAVELS	1340	0,12
SOFTWARE MAINTENANCE	140 520	13,05
POST	1490	0,14
BANKING EXPENSES	2646	0,25
REPRESENTATION COSTS	10 704	0,99
<i>incl. reception of guests</i>	6350	
<i>incl. seminar</i>	1294	
<i>incl. general meeting</i>	3060	
PR EXPENSES	0	0,00
OFFICE EXPENSES AND AUDIT	18 709	1,74
<i>incl. office expenses</i>	11 905	
<i>incl. press subscriptions</i>	1304	
<i>incl. auditing</i>	5500	
INSURANCE	620	0,06
ADMINISTRATION AND OTHER EXPENSES	10 375	0,96
<i>incl. water</i>	391	
<i>incl. services</i>	1628	
<i>incl. administration expenses</i>	8195	
<i>incl. other expenses</i>	0	
<i>incl. inspection raids</i>	161	
MEMBERSHIP FEES	16 176	1,50
<i>incl. EOCP membership fee</i>	4035	
<i>incl. CISAC, GESAC membership fee</i>	8192	
<i>incl. other membership fees</i>	3949	
TRAINING	560	0,05
DOUBTFUL INVOICES	0	0,00
EXPENSES OF PÄRNU HOLIDAY HOUSE	10 935	1,02
PROMOTION OF HEALTH OF EMPLOYEES	3361	0,31
ONLINE RADIO EXPENSES	64	0,01
TOTAL	1 076 694	100

12. Report on the amounts deducted during the financial year for the provision of social, cultural and educational services

The EAÜ used the surplus commission received to support many projects important to Estonian music life, for which grants were distributed in two rounds.

The goal of the support programme is to encourage the creation of new Estonian music and to broaden the creative opportunities for composers, so that Estonian music life is enriched as a result. The programme is divided into three areas of support:

1. Support is provided for orders for new musical compositions, for which there is a definite and specific plan for performance, recording and/or distribution. The order must be placed by either a concert organiser (for example, in the case of a festival), a collective or a performer other than the author (since this is not a creative grant);
2. Support is provided for the creation of new musical works through a range of (co-) creative initiatives, e.g. the costs related to the organisation of or participation in residencies and co-creation camps (in Estonia and elsewhere) are partly covered;
3. Support is provided for the production and recording of musical compositions in both audio and video formats, provided that there is a specific release and distribution plan.

More detailed terms and conditions of the Creative Activities Programme can be found on the EAÜ website. In the reporting year, the grant applications were reviewed by an expert committee, who decided to award grants to 128 applicants in the amount of EUR 175,000 in both rounds in total. All the grant recipients and the amounts allocated to them can be found in the “Applications Granted” section of the EAÜ website.

The export project support measure created in cooperation with Music Estonia continued, granting 45 projects support in the total amount of EUR 41,375. All the grant recipients and the amounts allocated to them can be found in the “Export Fund Applications Granted” section of the EAÜ website.

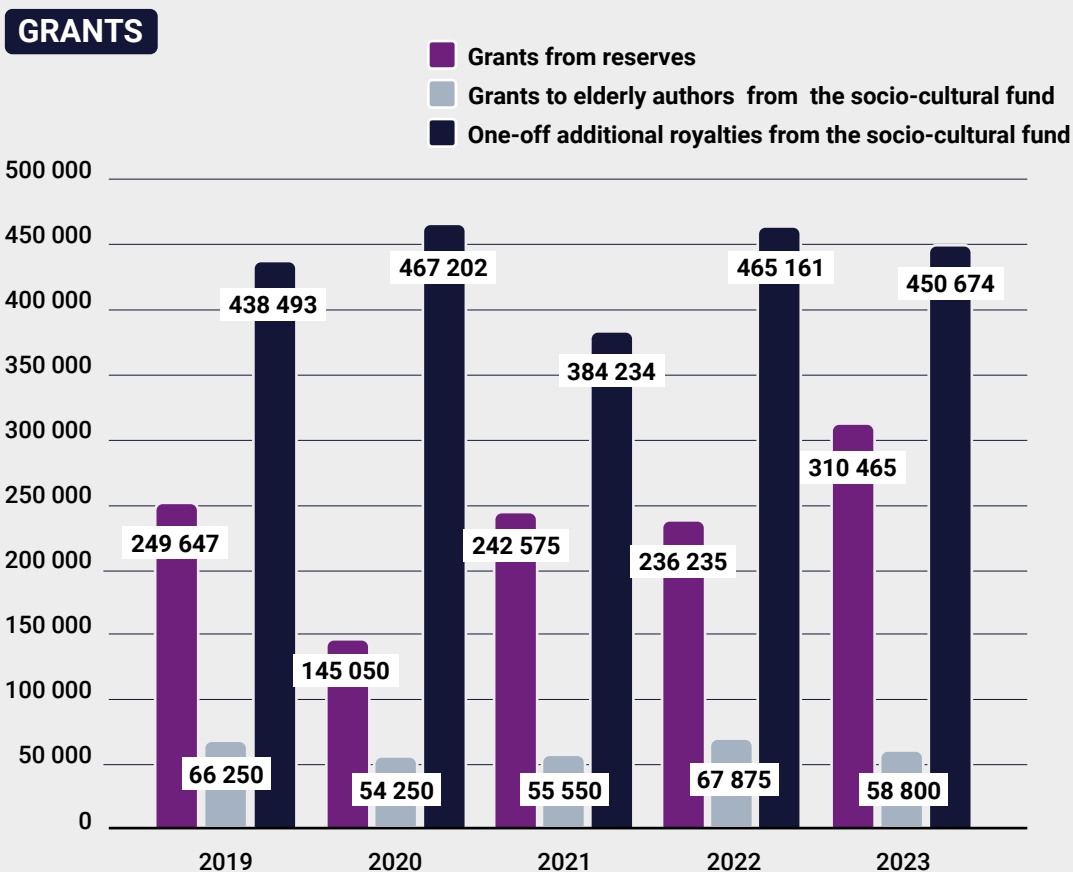
Direct grants were issued for several projects, such as the organisation of the Estonian Music Awards and the Estonian Music Business Gala. Traditionally, the EAÜ has also funded the annual award of the Estonian Theatre Association in the category of musical design for a spoken word production and original music with EUR 2,000. Direct



grants were also awarded to the authors of the top six songs in the “Eesti Laul” competition: the authors of the winning song received EUR 5,000, second place EUR 2,500, third place EUR 1,000, and fourth, fifth and sixth places EUR 500 each. Also, the new song competition “Uus Laul”, named after Jaak Joala, was held for the first time and the EAÜ supported it with EUR 10,000.

In total, grants in the amount of EUR 310,465 were allocated from the 2023 reserves.

In 2023, the socio-cultural fund paid EUR 58,800 in grants to elderly authors and one-off additional royalties to 722 authors of musical works, totalling EUR 450,674.



2023

RESERVES in 2023	balance	in	out	redistrib.	balance
	1.01.2023				31.12.2023
EXPENDITURE FUND	515 634	48 299	-292 142	222 246	494 037
DEVELOPMENT FUND	380 338		-273 566	270 490	377 262
SOC. CULT. FUND	592 875	164 751	-557 773	445 699	645 552
ROYALTY RISK RESERVE	150 000				150 000
FIXED ASSETS RISK RESERVE	60 000				60 000
	1 698 847	213 050	-1 123 481	938 435	1 726 851

FORMATION OF RESERVES in 2023	
RESERVE BALANCE	788 416
COMMISSION	1 710 916
LEASE INCOME	16 750
FINANCIAL INCOME	94 606
OTHER REVENUE	40 925
UNDISTRIBUTED ROYALTIES 2017-2019	448 025
TOTAL	3 099 638
EAÜ EXPENSES	-1 322 694
OTHER LIABILITIES	-50 093
	1 726 851
EXPENDITURE FUND	494 037
DEVELOPMENT FUND	377 262
SOC. CULT. FUND	645 552
ROYALTY RISK RESERVE	150 000
FIXED ASSETS RISK RESERVE	60 000
	1 726 851

2022

RESERVES in 2022	balance	in	out	redistrib.	balance
	1.01.2022				31.12.2022
EXPENDITURE FUND	459 052		-201 240	257 822	515 634
DEVELOPMENT FUND	251 353	105 000	-243 332	267 317	380 338
SOC. CULT. FUND	593 036	117 840	-533 036	415 035	592 875
ROYALTY RISK RESERVE	150 000				150 000
FIXED ASSETS RISK RESERVE	60 000				60 000
	1 513 441	222 840	-977 608	940 174	1 698 847

FORMATION OF RESERVES in 2022	
RESERVE BALANCE	758 673
COMMISSION	1 543 990
LEASE INCOME	18 020
FINANCIAL INCOME	43 067
OTHER REVENUE	65 497
UNDISTRIBUTED ROYALTIES 2017-2019	392 767
TOTAL	2 822 014
EAÜ EXPENSES	-1 076 694
OTHER LIABILITIES	-46 473
	1 698 847
EXPENDITURE FUND	515 634
DEVELOPMENT FUND	380 338
SOC. CULT. FUND	592 875
ROYALTY RISK RESERVE	150 000
FIXED ASSETS RISK RESERVE	60 000
	1 698 847

13. Plans for 2024

In view of the possible economic downturn, it is important to be prepared for the knock-on effects this may have on areas of activity that concern the EAÜ. Therefore, the main objective of the EAÜ in 2024 is to maintain at least the same level of revenues as in previous years.

In the area of IT developments, the plan is to develop a solution for issuing licences in 2024 which includes the possibility of making payments in addition to signing. In addition, we want to create a convenient and secure way for users of works to submit financial reports. After a long period of development, we also want to go live with our new author portal.

Unfortunately, cooperation in the area of processing the TV, cinema and VOD reports of the EAÜ ended in 2023 at the request of the Performing Right Society (PRS) of the United Kingdom, so another solution for processing these reports must be found in 2024.

The plans for 2024 include the partial renovation of the office building of the EAÜ.

In addition to the above, the EAÜ needs to start thinking about its strategic goals for the next development period and to prepare a development plan for 2025–2030, from the perspective of both the EAÜ and the development of the field of music as a whole.



14. The five most played musical works in 2023

ESTONIAN TOP FIVE

The table shows the five Estonian musical works that, according to the reports submitted to the EAÜ, were played the most on Estonian radio and television in 2023.

- 1 Kiri külmkapi peal**
Stefan
Sven Lõhmus, Stefan Airapetjan
- 2 Paus**
Liis Lemsalu x reket x kohver
Tom Olaf Urb, Liis Lemsalu, Kristjan Jakobson, Gevin Niglas, Merili Käsper, Aniachunamoso Nnebedum
- 3 Ära ärata**
Nublu
Nublu, Olli Pekka Rikhard Vuorinen, Gevin Niglas, Tobias Tammearu
- 4 Silmad pärani kinni**
Karl-Erik Taukar
Raul-Stig Rästa, Fred Krieger, Karl-Erik Taukar, Vallo Kikas
- 5 Kõik Mis Sa Teed**
Púr Müdd feat. Ines
Eda Ines Etti, Oliver Rõõmus, Joonatan Siiman

INTERNATIONAL TOP FIVE

The table shows the five international musical works that, according to the reports submitted to the EAÜ, were played the most on Estonian radio and television in 2023.

Song title
Performer
Author(s)
Publishers

- 1 Flowers**
Miley Cyrus
Michael Ross Pollack, Miley Cyrus, Gregory Aldae Hein
WARNER-TAMERLANE PUBLISHING CO, SONGS WITH A PURE TONE, THESE ARE PULSE SONGS, WIDE EYED GLOBAL, SONGS BY GREGORY HEIN, WHAT KEY DO YOU WANT IT IN MUSIC, WARNER-TAMERLANE PUBLISHING CO, WARNER CHAPPELL MUSIC SCAND AB, THESE ARE PULSE SONGS, CONCORD COPYRIGHTS, CONCORD MUSIC SCANDINAVIA
- 2 Late Night Talking**
Harry Styles
Harry Edward Styles, Thomas Edward Percy Hull
UNIVERSAL MUSIC PUBLISHING LIMITED, HSA PUBLISHING LIMITED, UNIVERSAL MUSIC PUBLISHING LIMITED, UNIVERSAL MUSIC PUBLISHING INTERNATIONAL LTD, UNIVERSAL MUSIC PUBLISHING AB
- 3 Baby Don't Hurt Me**
David Guetta, Anne-Marie, Coi Leray
Junior Torello, Dee Dee Halligan, Edward Christopher Sheeran, Johnny McDaid, Akil C King, Steven McCutcheon, Coi Leray Collins, Feli Ferraro, Tobias Sjoegren Frederiksen, Mikkel Kauczki Cox, David Guetta, Anne-Marie Rose Nicholson,
SONY ATV SONGS LLC, SONY/ATV MUSIC PUBLISHING (UK) LIMITED, EMI MUSIC PUBLISHING LTD, HANSEATIC MUSIKVERLAG GMBH CO KG, JACKBACK PUBLISHING LTD, KING WIT A DREAM LLC PUBLISHING, SONY ATV SONGS LLC, SONY/ATV MUSIC PUBLISHING LLC, SONY/ATV MUSIC PUBLISHING SCANDINAVIA KB, HANSEATIC MUSIKVERLAG GMBH, WARNER CHAPPELL MUSIC SCAND AB, EMI MUSIC PUBLISHING SCANDINAVIA AB
- 4 Can't Tame Her**
Zara Larsson
Zara Maria Larsson, Karl Folke Ingemar Ivert, Kian Sang, Uzoечи Osisioma Emenike
SONY MUSIC PUBL SCANDINAVIA AB, WARNER CHAPPELL MUSIC LTD, SONY MUSIC PUBLISHING (UK) LTD, SONY/ATV MUSIC PUBLISHING LLC, SONY/ATV MUSIC PUBLISHING SCANDINAVIA KB, WARNER CHAPPELL MUSIC SCAND AB
- 5 Miss You**
Oliver Tree & Robin Schulz
David Andrew Pramik, Marshmello, Oliver Tree Nickell
WHERE DA KASZ AT, PRAM O RAMIK PUBLISHING, PRESCRIPTION SONGS LLC, KOBALT MUSIC SERVICES AMERICA INC, KOBALT MUSIC PUBLISHING LTD



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