

S T E F

**Society of composers and
performing right holders**

Annual Report 2020
(English translation)

S.T.E.F.
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Laufásvegi 40
101 Reykjavík

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performing right holders**

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THE BOARD OF DIRECTORS AND MANAGING DIRECTORS CONFIRMATION

We the board of directors and managing director of STEF hereby confirm STEF's Annual Report 2020.

Reykjavík, 4. maí 2021.

Board members:

Bragi Valdimar Skúlason

Hallur Ingólfsson

Þórunn Gréta Sigurðardóttir

Hildur K. Stefánsdóttir

Páll Ragnar Pálsson

Sigríður Thorlacius

Sigurður Flosason

Managing director:

Guðrún Björk Bjarnadóttir

AUDITOR'S REPORT

To the board of directors and members of STEF

We have audited the accompanying balance sheet of STEF as of December 31st 2020, and the related statement of income for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Iceland. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of STEF as of December 31st 2020 and of the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles in Iceland applied on a consistent basis.

Kópavogi, 4. may 2021.

Deloitte ehf.

Einar Haflidi Einarsson
State Authorized Public Accountant

We, the appointed auditors of STEF's general meeting, have reviewed this Annual report of 2020. It is our opinion that it is in conformity to the organizations act and suggest that it will be approved.

Reykjavík, 4. may 2021

Eyjólfur Kristjánsson

Tryggvi M. Baldvinsson

Income statement 2020

	2020	2019
Operating income		
Performance licences, domestic income	464.435.833	580.478.586
Performance licences, foreign income	117.118.616	98.560.405
Mechanical rights	188.800.650	65.999.787
Other revenue	48.997.338	57.446.441
Music Fund's income	35.739.632	34.733.170
	<u>855.092.069</u>	<u>837.218.389</u>
Operating expenditure		
Personnel cost	125.784.467	121.071.577
Other operating cost	36.984.644	49.203.285
	<u>162.769.111</u>	<u>170.274.862</u>
Net revenue, operating revenue less operating cost	692.322.958	666.943.527
Charge for losses on receivables	12.192.602	24.884.553
Pension- and retirement payments	0	4.000.548
Depreciations and charged operational assets	1.336.026	2.329.394
	<u>678.794.330</u>	<u>635.729.032</u>
Finance revenue and (-expense)		
Interest revenue.....	9.419.514	12.970.131
Interes expense.....	(1.483.447)	(1.380.087)
	<u>7.936.067</u>	<u>11.590.044</u>
Net income for the year	<u>686.730.397</u>	<u>647.319.076</u>

Balance sheet

	31.12.2020	31.12.2019
Assets		
Fixed assets		
Fixed tangible assets		
Real estate	140.511.944	140.511.944
Fixtures and equipment	6.256.000	6.256.000
	<u>146.767.944</u>	<u>146.767.944</u>
Investments		
Bonds, investment funds	87.296.574	88.855.795
Long term receivables	4.433.941	4.909.045
	<u>91.730.515</u>	<u>93.764.840</u>
Fixed assets	<u>238.498.459</u>	<u>240.532.784</u>
Current assets		
Current receivables		
Accounts receivables	203.135.575	278.190.488
Other receivables and prepayments	48.279.962	23.048.390
	<u>251.415.537</u>	<u>301.238.878</u>
Cash		
Bank deposits	247.882.686	368.994.999
	<u>247.882.686</u>	<u>368.994.999</u>
Current assets	<u>499.298.223</u>	<u>670.233.877</u>
Total assets	<u><u>737.796.682</u></u>	<u><u>910.766.661</u></u>

31st December 2020

Equity capital and liabilities

	31.12.2020	31.12.2019
Equity		
Undistributed revenue and reserves		
Revaluation reserve	97.269.322	97.269.322
Reserves	67.115.570	64.585.570
Undistributed revenue	487.141.767	484.726.152
	<u>651.526.659</u>	<u>646.581.044</u>
Restricted equity of STEF's Music-Funds		
Music-Fund I	2.443.254	4.842.412
Music-Fund II	1.369.181	1.782.183
Music-Fund III	(895.388)	988.945
Music-Fund IV	0	0
Music-fund V	80.000	1.880.000
	<u>2.997.047</u>	<u>9.493.540</u>
Total equity capital	<u>654.523.706</u>	<u>656.074.584</u>
Liabilities		
Short-term liabilities		
Unpaid distribution.....	66.276.240	233.045.179
Other liabilities.....	16.996.736	21.646.898
	<u>83.272.976</u>	<u>254.692.077</u>
Liabilities	<u>83.272.976</u>	<u>254.692.077</u>
Total equity and liabilities	<u><u>737.796.682</u></u>	<u><u>910.766.661</u></u>