
Megasong Publishing A/S

Falkoner Alle , 7, 3, DK-2000 Frederiksberg

Annual Report for
1 October 2022 - 30 September 2023

CVR No. 17 26 96 74

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 2/5 2024

Lars Werner Karlsson
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company information	
Company information	4
Financial Statements	
Income Statement 1 October - 30 September	5
Balance sheet 30 September	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Megasong Publishing A/S for the financial year 1 October 2022 - 30 September 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2023 of the Company and of the results of the Company operations for 2022/23.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Frederiksberg, 2 May 2024

Executive Board

Lars Werner Karlsson
CEO

Board of Directors

Lars Werner Karlsson

Per Jonsson

Karin Karlsson

Independent Auditor's report

To the shareholder of Megasong Publishing A/S

Opinion

We have audited the Financial Statements of Megasong Publishing A/S for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 2 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25504070

Martin Eiler

State Authorised Public Accountant

mne32271

Company information

The Company	Megasong Publishing A/S Falkoner Alle , 7, 3 DK-2000 Frederiksberg CVR No: 17 26 96 74 Financial period: 1 October 2022 - 30 September 2023 Municipality of reg. office: Frederiksberg
Board of Directors	Lars Werner Karlsson Per Jonsson Karin Karlsson
Executive Board	Lars Werner Karlsson
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København Ø

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23	2021/22
		DKK	DKK
Gross profit		6,102,201	5,183,002
Financial income	2	2,287,574	1,256,259
Financial expenses		-30	-2,727
Profit/loss before tax		8,389,745	6,436,534
Tax on profit/loss for the year	3	-1,908,536	-1,376,976
Net profit/loss for the year		6,481,209	5,059,558

Distribution of profit

	2022/23	2021/22
	DKK	DKK
Proposed distribution of profit		
Retained earnings	6,481,209	5,059,558
	6,481,209	5,059,558

Balance sheet 30 September 2023

Assets

	<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
		DKK	DKK
Receivables from group enterprises		61,038,703	53,425,504
Corporation tax		0	105,679
Receivables		<u>61,038,703</u>	<u>53,531,183</u>
Cash at bank and in hand		<u>301,967</u>	<u>217,743</u>
Current assets		<u>61,340,670</u>	<u>53,748,926</u>
Assets		<u>61,340,670</u>	<u>53,748,926</u>

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23 DKK	2021/22 DKK
Share capital		500,000	500,000
Retained earnings		56,138,984	49,657,775
Equity		56,638,984	50,157,775
Payables to group enterprises relating to corporation tax		1,845,734	1,416,030
Long-term debt	4	1,845,734	1,416,030
Trade payables		741,785	1,371,305
Payables to group enterprises relating to corporation tax		2,114,167	803,816
Short-term debt		2,855,952	2,175,121
Debt		4,701,686	3,591,151
Liabilities and equity		61,340,670	53,748,926
Key activities	1		
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 October	500,000	49,657,775	50,157,775
Net profit/loss for the year	0	6,481,209	6,481,209
Equity at 30 September	500,000	56,138,984	56,638,984

Notes to the Financial Statements

1. Key activities

The Company's main activity is music publishing in Denmark.

2. Financial income

Interest received from group enterprises

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
	2,287,574	1,256,259
	<u>2,287,574</u>	<u>1,256,259</u>

3. Income tax expense

Current tax for the year

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
	1,908,536	1,376,976
	<u>1,908,536</u>	<u>1,376,976</u>

4. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
Payables to group enterprises relating to corporation tax		
Between 1 and 5 years	1,845,734	1,416,030
Long-term part	1,845,734	1,416,030
Within 1 year	2,114,167	803,816
	<u>3,959,901</u>	<u>2,219,846</u>

Notes to the Financial Statements

5. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Warner Chappell Music Denmark A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Warner Chappell Music Denmark A/S

Consolidated Financial Statements

Consolidated Financial Statements are prepared by the parent

<u>Name</u>	<u>Place of registered office</u>
Warner Music Group Corp	1633 Broadway New York, NY 10019 United States

Requisitioning of the parent's consolidated financial statements:

<https://investors.wmg.com>

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Megasong Publishing A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Revenue

Royalty income is recognised at the date when the cash is received.

Expenses for raw materials and consumables

Cost of sales comprises direct and indirect costs incurred to generate revenue, including costs for royalty and copyright.

Notes to the Financial Statements

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Jointly taxed companies entitled to a tax refund are, as minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Equity

Treasury shares

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.