

EMI Music Publishing Group Denmark A/S

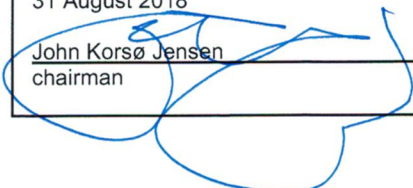
C/O J. Korsø Jensen, Sankt Annæ Plads 13
1250 København K

CVR no. 19 61 96 13

Annual report 2017/18

The annual report was presented and approved at the
Company's annual general meeting on

31 August 2018


John Korsø Jensen
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of EMI Music Publishing Group Denmark A/S for the financial year 1 April 2017 – 31 March 2018.

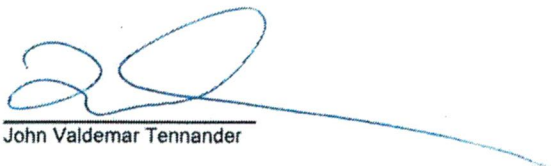
The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 August 2018
Executive Board:

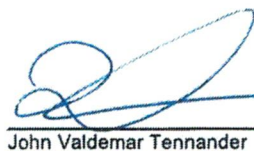


John Valdemar Tennander

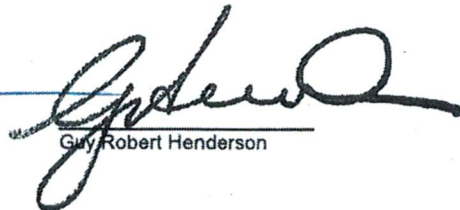
Board of Directors:



John Korsø Jensen
Chairman



John Valdemar Tennander



Guy Robert Henderson

Management confirms that the Company fulfills the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of EMI Music Publishing Group Denmark A/S

We have compiled the financial statements of EMI Music Publishing Group Denmark A/S for the financial year 1 April 2017 – 31 March 2018 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR - Danish Auditors' ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 31 August 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to read 'ME', is written over a light blue horizontal line.

Martin Eiler
State Authorised
Public Accountant
mne32271

EMI Music Publishing Group Denmark A/S
Annual report 2017/18
CVR no. 19 61 96 13

Management's review

Company details

EMI Music Publishing Group Denmark A/S
C/O J. Korsø Jensen, Sankt Annæ Plads 13
1250 København K

CVR no.:	19 61 96 13
Established:	4 October 1961
Registered office:	Copenhagen
Financial year:	1 April – 31 March

Board of Directors

John Korsø Jensen, Chairman
John Valdemar Tennander
Guy Robert Henderson

Executive Board

John Valdemar Tennander

Annual general meeting

The annual general meeting will be held on 31 August 2018.

Financial statements 1 April – 31 March

Income statement

DKK'000	Note	2017/18	2016/17
Gross loss		<u>-77</u>	<u>-97</u>
Operating loss		<u>-77</u>	<u>-97</u>
Financial income	3	1,188	1,458
Financial expenses	4	<u>-1,042</u>	<u>-3</u>
Profit before tax		69	1,358
Tax on profit for the year		<u>-15</u>	<u>-299</u>
Profit for the year		<u>54</u>	<u>1,059</u>
Proposed profit appropriation			
Retained earnings		<u>54</u>	<u>1,059</u>

Financial statements 1 April – 31 March

Balance sheet

DKK'000	Note	2017/18	2016/17
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities	5	<u>30,661</u>	<u>30,661</u>
		30,661	30,661
Total fixed assets		<u>30,661</u>	<u>30,661</u>
Current assets			
Receivables			
Amounts owed by group entities		73,866	72,379
Tax receivables		376	1,036
Joint taxation		<u>331</u>	<u>0</u>
		<u>74,573</u>	<u>73,415</u>
Cash at bank and in hand		<u>85</u>	<u>32</u>
Total current assets		<u>74,658</u>	<u>73,447</u>
TOTAL ASSETS		<u><u>105,319</u></u>	<u><u>104,108</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK'000	Note	2017/18	2016/17
EQUITY AND LIABILITIES			
Equity			
Contributed capital		10,000	10,000
Retained earnings		4,017	3,963
Total equity		<u>14,017</u>	<u>13,963</u>
Liabilities			
Current liabilities			
Amounts owed to group entities		91,272	90,084
Other payables		30	61
		<u>91,302</u>	<u>90,145</u>
Total liabilities		<u>91,302</u>	<u>90,145</u>
TOTAL EQUITY AND LIABILITIES		<u><u>105,319</u></u>	<u><u>104,108</u></u>
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Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of EMI Music Publishing Group Denmark A/S for 2017/18 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit comprises revenue less royalty costs and other external costs, including administrative expenses.

Revenue is recognised in line with delivery of goods and services. License and royalty income is recognised on a cash receipt basis.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries are recognised in the income statement in the financial year in which dividend is declared. To the extent that the distributed dividend exceeds accumulated earnings at the acquisition date, the dividend is recognised as write-down of the cost of the equity investment.

Tax on profit for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Equity investments in group entities

Investments in subsidiaries are measured at acquisition cost. Dividends in excess of accumulated earnings in the company in question during the ownership period are treated as a reduction of the acquisition cost.

In cases where the cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Corporation tax and deferred tax

As administrative company, EMI Music Publishing Group Denmark A/S assumes the liability for payment to the tax authorities of the subsidiaries' corporation taxes as the joint taxation contributions are received from the subsidiaries.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities, other payables and amounts owed to group entities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid.

2 Principal activities

The Company acts as holding company for the Danish EMI Music Publishing companies.

3 Financial income

DKK'000	<u>2017/18</u>	<u>2016/17</u>
Interest income from group entities	1,188	1,458
	<u>1,188</u>	<u>1,458</u>

4 Financial expenses

DKK'000	<u>2017/18</u>	<u>2016/17</u>
Interest expense to group entities	1,038	0
Other financial costs	4	3
	<u>1,042</u>	<u>3</u>

5 Investments in subsidiaries

DKK'000	<u>2017/18</u>	<u>2016/17</u>
Cost at 1 April 2017	37,889	37,889
Cost at 31 March 2018	37,889	37,889
Revaluations at 1 April 2017	-7,228	-7,228
Revaluations 31 March 2018	-7,228	-7,228
Carrying amount at 31 March 2018	<u>30,661</u>	<u>30,661</u>

Financial statements 1 April – 31 March

Notes

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 346 thousand at 31 March 2018. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

7 Related party disclosures

Ownership

The Company is 100% owned by EMI MP Int Group BV (Holland). The companies are consolidated in the ultimate parent company DH Publishing LP. The consolidated financial statements can be obtained from DH Publishing LP.

DH Publishing LP
190 Elgin Avenue, George Town
KY1-9005, Cayman Islands