

SONY Music Publishing (Denmark) A/S

Sankt Annæ Plads 13, 1250 København K
CVR no. 19 61 96 13

Annual report for the financial year 01.04.20 - 31.03.21

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 21.06.21

John Korsø Jensen
Dirigent

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The company

SONY Music Publishing (Denmark) A/S
c/o Advokat J. Korsø Jensen
Sankt Annæ Plads 13
1250 København K
Tel.: 40 30 36 37
Registered office: København K
CVR no.: 19 61 96 13
Financial year: 01.04 - 31.03

Executive Board

John Valdemar Tennander

Board of Directors

John Valdemar Tennander
Guy Robert Henderson
John Korsø Jensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.04.20 - 31.03.21 for SONY Music Publishing (Denmark) A/S.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

The financial statements have not been audited, and we declare that the relevant conditions have been met.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.03.21 and of the results of the company's activities for the financial year 01.04.20 - 31.03.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, May 27, 2021

Executive Board

John Valdemar Tennander

Board of Directors

John Valdemar Tennander

Guy Robert Henderson

John Korsø Jensen

To the management of SONY Music Publishing (Denmark) A/S

Based on the company's book-keeping and other information provided by the management, we have compiled the financial statements of SONY Music Publishing (Denmark) A/S for the financial year 01.04.20 - 31.03.21.

The financial statements comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

We have performed our compilation engagement in accordance with the ISRS 4410 standard on Engagements to Compile Financial Statements.

We have applied our professional expertise to assist the management with the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms (Revisorloven) and the code of ethics of FSR – Danish Auditors, including principles concerning integrity, objectivity, professional competence and due care.

Management retains responsibility for the financial statements and for the accuracy and completeness of the financial information on the basis of which the financial statements are prepared and presented.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by management for the compilation of the financial statements. Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Soeborg, Copenhagen, May 27, 2021

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Agner Hansen
State Authorized Public Accountant
MNE-no. mne28682

Primary activities

The company's purpose is to conduct manufacturing, trading, rental, service and financing activities in Denmark and abroad as well as other related business. The purpose can be fulfilled directly or through shareholdings in other companies.

Development in activities and financial affairs

The income statement for the period 01.04.20 - 31.03.21 shows a profit/loss of DKK -237,902 against DKK -15,792 for the period 01.04.19 - 31.03.20. The balance sheet shows equity of DKK 16,470,273.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2020/21 DKK	2019/20 DKK
	Gross profit	771,097	690,186
	Amortisation and impairments losses of intangible assets	-1,062,896	-1,062,896
	Loss before net financials	-291,799	-372,710
1	Financial income	846	370,902
	Financial expenses	-8,913	-13,254
	Loss before tax	-299,866	-15,062
2	Tax on loss for the year	61,964	-730
	Loss for the year	-237,902	-15,792
Proposed appropriation account			
	Retained earnings	-237,902	-15,792
	Total	-237,902	-15,792

Balance sheet

ASSETS		31.03.21	31.03.20
		DKK	DKK
Note			
	Acquired rights	18,069,238	19,132,134
3	Total intangible assets	18,069,238	19,132,134
	Total non-current assets	18,069,238	19,132,134
	Receivables from group enterprises	1,371,008	800,162
	Total receivables	1,371,008	800,162
	Cash	1,079,083	1,360,987
	Total current assets	2,450,091	2,161,149
	Total assets	20,519,329	21,293,283

Balance sheet

EQUITY AND LIABILITIES		31.03.21	31.03.20
		DKK	DKK
Note			
	Share capital	10,000,000	10,000,000
	Retained earnings	6,470,273	6,708,175
	Total equity	16,470,273	16,708,175
	Provisions for deferred tax	3,974,429	4,210,070
	Total provisions	3,974,429	4,210,070
	Trade payables	72,503	307,874
	Income taxes	2,124	67,164
	Total short-term payables	74,627	375,038
	Total payables	74,627	375,038
	Total equity and liabilities	20,519,329	21,293,283

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.04.19 - 31.03.20			
Balance as at 01.04.19	10,000,000	6,723,967	16,723,967
Net profit/loss for the year	0	-15,792	-15,792
Balance as at 31.03.20	10,000,000	6,708,175	16,708,175
Statement of changes in equity for 01.04.20 - 31.03.21			
Balance as at 01.04.20	10,000,000	6,708,175	16,708,175
Net profit/loss for the year	0	-237,902	-237,902
Balance as at 31.03.21	10,000,000	6,470,273	16,470,273

	2020/21	2019/20
	DKK	DKK

1. Financial income

Interest, group enterprises	846	162
Other interest income	0	370,740
Total	846	370,902

2. Tax on loss for the year

Tax on profit or loss for the year	168,124	230,164
Adjustment of deferred tax for the year	-230,088	-229,434
Total	-61,964	730

3. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.04.20	21,257,927
Cost as at 31.03.21	21,257,927
Amortisation and impairment losses as at 01.04.20	-2,125,793
Amortisation during the year	-1,062,896
Amortisation and impairment losses as at 31.03.21	-3,188,689
Carrying amount as at 31.03.21	18,069,238

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

4. Accounting policies - continued -**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue and raw materials and consumables and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

4. Accounting policies - continued -**Amortisation and impairment losses**

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Acquired rights	20	0

The basis of amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET**Intangible assets***Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Amortisation and impairment losses' section.

4. Accounting policies - continued -

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on

4. Accounting policies - continued -

the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.