

---

# *Warner Chappell Music Denmark A/S*

Falkoner Allé 7, 3., DK-2000 Frederiksberg

Annual Report for  
1 October 2023 - 30 September 2024

---

CVR No. 59 06 93 14

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 10/4 2025

Lars Werner Karlsson  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company information</b>	
Company information	4
<b>Financial Statements</b>	
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 Warner Chappell Music Denmark A/S for the financial year 1 October 2023 - 30 September 2024.

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 2024 of the Company and of the results of the Company operations for 2023/24.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 10 April 2025

## Executive Board

Lars Werner Karlsson  
CEO

## Board of Directors

Lars Werner Karlsson

Per Jonsson

Karin Karlsson

# Independent Auditor's report

To the shareholder of Warner Chappell Music Denmark A/S

## Opinion

We have audited the Financial Statements of Warner Chappell Music Denmark A/S for the financial year 1 October 2023 - 30 September 2024, 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 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 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, 10 April 2025

**KPMG**

Statsautoriseret Revisionspartnerselskab

*CVR No 25 57 81 98*

Martin Eiler

State Authorised Public Accountant

mne32271

## Company information

<b>The Company</b>	Warner Chappell Music Denmark A/S Falkoner Allé 7, 3. DK-2000 Frederiksberg  CVR No: 59 06 93 14 Financial period: 1 October 2023 - 30 September 2024 Municipality of reg. office: Frederiksberg
<b>Board of Directors</b>	Lars Werner Karlsson Per Jonsson Karin Karlsson
<b>Executive Board</b>	Lars Werner Karlsson
<b>Auditors</b>	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø

## Income statement 1 October 2023 - 30 September 2024

	Note	2023/24	2022/23
		DKK	DKK
<b>Gross profit</b>		<b>5,585,048</b>	<b>4,086,639</b>
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-618,700	-417,761
<b>Profit/loss before financial income and expenses</b>		<b>4,966,348</b>	<b>3,668,878</b>
Income from investments in subsidiaries		8,251,394	6,539,151
Financial income	3	3,476,110	2,364,166
Financial expenses	4	-3,911,431	-2,287,604
<b>Profit/loss before tax</b>		<b>12,782,421</b>	<b>10,284,591</b>
Tax on profit/loss for the year	5	-1,001,665	-1,218,729
<b>Net profit/loss for the year</b>		<b>11,780,756</b>	<b>9,065,862</b>
<b>Distribution of profit</b>			
		2023/24	2022/23
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		11,780,756	9,065,862
		<b>11,780,756</b>	<b>9,065,862</b>

# Balance sheet 30 September 2024

## Assets

	Note	2023/24	2022/23
		DKK	DKK
Acquired licenses		458,334	758,490
<b>Intangible assets</b>		<b>458,334</b>	<b>758,490</b>
Other fixtures and fittings, tools and equipment		0	9,174
Leasehold improvements		0	17,027
<b>Property, plant and equipment</b>		<b>0</b>	<b>26,201</b>
Investments in subsidiaries		64,901,578	56,650,184
<b>Fixed asset investments</b>		<b>64,901,578</b>	<b>56,650,184</b>
<b>Fixed assets</b>		<b>65,359,912</b>	<b>57,434,875</b>
Trade receivables		43,031	480,385
Receivables from group enterprises		72,325,335	54,669,699
Other receivables		2,911,869	1,901,339
Deferred tax asset		38,792	33,589
Corporation tax receivable from group enterprises		18,763,328	20,104,187
<b>Receivables</b>		<b>94,082,355</b>	<b>77,189,199</b>
Cash at bank and in hand		2,901,451	1,614,337
<b>Current assets</b>		<b>96,983,806</b>	<b>78,803,536</b>
<b>Assets</b>		<b>162,343,718</b>	<b>136,238,411</b>

# Balance sheet 30 September 2024

## Liabilities and equity

	Note	2023/24	2022/23
		DKK	DKK
Share capital		502,000	502,000
Retained earnings		76,619,079	64,838,323
<b>Equity</b>		<b>77,121,079</b>	<b>65,340,323</b>
Corporation tax		1,006,868	7,156,680
<b>Long-term debt</b>	6	<b>1,006,868</b>	<b>7,156,680</b>
Trade payables		5,153,005	2,538,104
Payables to group enterprises		71,710,823	61,038,703
Corporation tax		7,156,680	0
Other payables		195,263	164,601
<b>Short-term debt</b>		<b>84,215,771</b>	<b>63,741,408</b>
<b>Debt</b>		<b>85,222,639</b>	<b>70,898,088</b>
<b>Liabilities and equity</b>		<b>162,343,718</b>	<b>136,238,411</b>
Key activities	1		
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 October	502,000	64,838,323	65,340,323
Net profit/loss for the year	0	11,780,756	11,780,756
<b>Equity at 30 September</b>	<b>502,000</b>	<b>76,619,079</b>	<b>77,121,079</b>

# Notes to the Financial Statements

## 1. Key activities

The Company's main activity is music publishing in Denmark, comprising both publishing agreements and agreements with primarily Danish copyright holders as well as administration of other music publishing rights.

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
<b>2. Staff expenses</b>		
Wages and salaries	0	-1,647
Other staff expenses	0	1,647
	<u>0</u>	<u>0</u>
Average number of employees	<u>0</u>	<u>0</u>

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
<b>3. Financial income</b>		
Interest received from group enterprises	3,397,488	2,317,793
Other financial income	69,264	46,373
Exchange adjustments	9,358	0
	<u>3,476,110</u>	<u>2,364,166</u>

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
<b>4. Financial expenses</b>		
Interest paid to group enterprises	3,867,506	2,287,604
Exchange adjustments, expenses	43,925	0
	<u>3,911,431</u>	<u>2,287,604</u>

## Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
<b>5. Income tax expense</b>		
Current tax for the year	1,006,868	825,440
Deferred tax for the year	-5,203	-26,818
Adjustment of tax concerning previous years	0	420,107
	<u>1,001,665</u>	<u>1,218,729</u>

	2023/24	2022/23
	DKK	DKK
<b>6. Long-term debt</b>		

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:

<b>Corporation tax</b>		
After 5 years	0	0
Between 1 and 5 years	1,006,868	7,156,680
Long-term part	1,006,868	7,156,680
Within 1 year	7,156,680	0
	<u>8,163,548</u>	<u>7,156,680</u>

## 7. Contingent assets, liabilities and other financial obligations

### Other 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.

# Notes to the Financial Statements

## 8. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<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](https://investors.wmg.com)

### Ownership

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 Scandinavia AB

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of Warner Chappell Music Denmark A/S for 2023/24 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 2023/24 are presented in DKK.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### 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.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Revenue

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

### Cost of sales

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

### 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, 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

# Notes to the Financial Statements

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Amortisation, depreciation and impairment losses

The item comprises depreciation of intangible assets and property, plant and equipment.

Intangible assets and property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost plus revaluations and less expected residual value.

## Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## 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, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish 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.

Royalty taxes included in royalty payments from other countries are expensed in the income statement.

## Balance sheet

### Intangible fixed assets

Intangible assets are initially measured at cost.

Subsequently, Catalogues are measured at costs less accumulated amortisation. Catalogues is amortised on a straight-line basis over the estimated useful life. The estimated useful lives are 5 years.

Gains and losses on the disposal of intangible assets are stated as the difference between the selling price less selling costs are the carrying amount on the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

# Notes to the Financial Statements

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount of the time of sale.

Other fixtures and fittings, tools and equipment 3-5 years

The fixed assets' residual values are determined at nil.

## Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

## Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## 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.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

# Notes to the Financial Statements

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial liabilities

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.