



**Nmp - Network Of Music Partners
A/S**

Rued Langgaards Vej 8
2300 København S
CVR No. 34725101

Annual report 2024

The Annual General Meeting adopted the
annual report on 18.03.2025

Signed by:

Karsten Dyhrberg Nielsen

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Karsten Dyhrberg Nielsen

Chairman of the General Meeting

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Entity details

Entity

Nmp - Network Of Music Partners A/S

Rued Langgaards Vej 8

2300 København S

Business Registration No.: 34725101

Registered office: København

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Karsten Dyhrberg Nielsen, chairman

Gorm Arildsen

Risto Harri Olavi Salminen

Lina Heyman

Lisa Jane Van Bosch

Jonathan Ian Aitken

Nigel Ian Gilroy

Executive Board

Tine Oswald, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nmp - Network Of Music Partners A/S for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.


Copenhagen, 18.03.2025

Executive Board

Signed by:


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Tine Oswald
CEO

Board of Directors

Signed by:

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Karsten Dyrnberg Nielsen
chairman

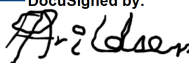
Signed by:


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Risto Harri Olavi Salminen

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Lisa Jane Van Bosch

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Nigel Ian Gilroy

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Gorm Arildsen

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Lina Heyman

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Jonathan Ian Aitken

Independent auditor's report

To the shareholders of Nmp - Network Of Music Partners A/S

Opinion

We have audited the financial statements of Nmp - Network Of Music Partners A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 Entity's financial position at 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity's internal control.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 18.03.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Signed by:



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Henrik Hartmann Olesen

State Authorised Public Accountant

Identification No (MNE) mne34143

Signed by:



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Irene Bændid Nørskov Jensen

State Authorised Public Accountant

Identification No (MNE) mne51525

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	43,264	42,496	46,248	47,009	43,047
Gross profit/loss	32,597	32,966	34,692	35,975	33,406
Operating profit/loss	31	1,732	2,284	1,239	804
Net financials	396	(392)	(251)	(144)	(115)
Profit/loss for the year	324	826	1,749	1,783	539
Total assets	283,765	273,652	307,057	282,590	283,387
Investments in property, plant and equipment	827	1,056	0	373	756
Equity	33,773	33,449	32,623	30,874	29,091
Ratios					
Gross margin (%)	75.34	77.57	75.01	76.53	77.60
EBIT margin (%)	0.07	4.08	4.94	2.64	1.87
Net margin (%)	0.75	1.94	3.78	3.79	1.25
Return on equity (%)	0.96	2.50	5.51	5.95	5.95
Equity ratio (%)	11.90	12.22	10.62	10.93	10.27

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

EBIT margin (%):

Operating profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

$$\frac{\text{Equity} * 100}{\text{Total assets}}$$

Primary activities

Network of Music Partners A/S (NMP) is a joint venture delivering back-office services to societies administrating copyrights in the music industry. NMP is owned by PRS for Music (copyright society for performing rights in UK) and NCB (Nordic Copyright Bureau administrating mechanical rights in the Nordic territories).

The company's head office is in Copenhagen with a branch office in London. NMP has 42 employees in total..

Development in activities and finances

In 2024, NMP maintained operational stability, showing adaptability despite challenges. Focus on employee wellbeing, customer engagement, and operational excellence has yielded positive results. The ICE Cube project, a cloud-based works database by ICE International Copyright Enterprise, impacted NMP's capacity. The project is vital for NMP's operational services as the ICE copyright database is the basis on which NMP establishes accurate copyright claims & distributes royalty payments to its customers.

NMP achieved a strong financial performance in 2024, with online collections surpassing last year's by 18%. Offline collections also demonstrated positive trends despite a continued declining market, particularly for NCB with increased international monies from affiliate societies. Total collections managed by NMP amounted to 883 mDKK, representing an 12% increase compared to 2023. In total, NMP distributed 819 mDKK in 2024, with the largest Polaris distribution in its history.

Profit/loss for the year in relation to expected developments

In 2024, NMP increased revenue by 0,8 mDKK compared to 2023, and costs increased by 4% due to price adjustments from suppliers, driven by broader industry-wide inflation. Before tax, NMP achieved a profit of 427 tDKK, considered satisfactory by Management. NMP's Management extends gratitude to staff and the Board for their support in 2024.

Outlook

NMP remains committed to delivering operational excellence to its customers and shareholders in 2025, expecting slight revenue increases compared to 2024. Offline revenues are expected to remain stable, with strong international distributions for MCPS & NCB. Focus on cost efficiency, customer satisfaction and employee wellbeing will drive future success.

Events after the balance sheet date

The ICE cloud work database solution (ICE Cube Project) became operational on January 13th with NMP going live on the platform on January 21th, maintaining operational stability. No other events have occurred after the balance sheet date that would influence this report.

Income statement for 2024

		2024	2023
	Notes	DKK'000	DKK '000
Revenue		43,264	42,496
Other operating income		143	0
Other external expenses		(10,810)	(9,530)
Gross profit/loss		32,597	32,966
Staff costs	1	(28,643)	(27,301)
Depreciation, amortisation and impairment losses	2	(3,923)	(3,933)
Operating profit/loss		31	1,732
Other financial income		458	0
Other financial expenses		(62)	(392)
Profit/loss before tax		427	1,340
Tax on profit/loss for the year	3	(103)	(514)
Profit/loss for the year		324	826
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		8,000	0
Retained earnings		(7,676)	826
Proposed distribution of profit and loss		324	826

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired rights		4,545	4,778
Intangible assets	4	4,545	4,778
Other fixtures and fittings, tools and equipment		1,089	854
Property, plant and equipment	5	1,089	854
Deposits		651	630
Financial assets	6	651	630
Fixed assets		6,285	6,262
Trade receivables		25,362	37,690
Receivables from group enterprises		1,093	412
Other receivables		280	533
Prepayments	7	10,349	6,871
Receivables		37,084	45,506
Cash		240,396	221,884
Current assets		277,480	267,390
Assets		283,765	273,652

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		500	500
Reserve for development expenditure		3,521	3,708
Retained earnings		21,752	29,241
Proposed dividend		8,000	0
Equity		33,773	33,449
Deferred tax		571	563
Provisions		571	563
Prepayments received from customers		22,849	26,380
Trade payables		19,291	22,470
Income tax payable		183	144
Other payables	8	207,098	190,646
Current liabilities other than provisions		249,421	239,640
Liabilities other than provisions		249,421	239,640
Equity and liabilities		283,765	273,652
Unrecognised rental and lease commitments	10		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	500	3,708	29,241	0	33,449
Transfer to reserves	0	(187)	187	0	0
Profit/loss for the year	0	0	(7,676)	8,000	324
Equity end of year	500	3,521	21,752	8,000	33,773

Cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		31	1,732
Amortisation, depreciation and impairment losses		3,923	3,933
Working capital changes	9	18,087	(4,011)
Cash flows from ordinary operating activities		22,041	1,654
Financial income received		458	0
Financial expenses paid		(62)	(392)
Cash flows from operating activities		22,437	1,262
Acquisition etc. of intangible assets		(3,098)	(3,195)
Acquisition etc. of property, plant and equipment		(827)	(1,056)
Cash flows from investing activities		(3,925)	(4,251)
Free cash flows generated from operations and investments before financing		18,512	(2,989)
Increase/decrease in cash and cash equivalents		18,512	(2,989)
Cash and cash equivalents beginning of year		221,884	224,873
Cash and cash equivalents end of year		240,396	221,884
Cash and cash equivalents at year-end are composed of:			
Cash		240,396	221,884
Cash and cash equivalents end of year		240,396	221,884

Notes

1 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	25,143	23,920
Pension costs	2,657	2,531
Other social security costs	843	850
	28,643	27,301
Average number of full-time employees	42	42

2 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	3,331	3,489
Depreciation of property, plant and equipment	592	444
	3,923	3,933

3 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	95	129
Change in deferred tax	8	170
Adjustment concerning previous years	0	215
	103	514

4 Intangible assets

	Acquired rights DKK'000
Cost beginning of year	98,462
Additions	3,098
Cost end of year	101,560
Amortisation and impairment losses beginning of year	(93,684)
Amortisation for the year	(3,331)
Amortisation and impairment losses end of year	(97,015)
Carrying amount end of year	4,545

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	14,123
Additions	827
Cost end of year	14,950
Depreciation and impairment losses beginning of year	(13,269)
Depreciation for the year	(592)
Depreciation and impairment losses end of year	(13,861)
Carrying amount end of year	1,089

6 Financial assets

	Deposits DKK'000
Cost beginning of year	630
Additions	21
Cost end of year	651
Carrying amount end of year	651

7 Prepayments

Prepayments recognized under receivables include costs for recognition in following financial years and not invoiced revenue for the year.

8 Other payables

	2024 DKK'000	2023 DKK'000
VAT and duties	770	1,128
Holiday pay obligation	1,268	989
Other costs payable	205,060	188,529
	207,098	190,646

Other cost payables consists of primarily temporary undistributed collections (royalties) on behalf of the Nordic societies (Polaris).

9 Changes in working capital

	2024 DKK'000	2023 DKK'000
Increase/decrease in receivables	8,403	(21,098)
Increase/decrease in trade payables etc.	9,684	17,087
	18,087	(4,011)

10 Unrecognised rental and lease commitments

	2024	2023
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	954	978

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Non-comparability

A reclassification between trade receivables and other payables has been made in the comparative figures for 2023.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from provision of services is recognised in the income statement at completion of the service agreed and risk has passed to the buyers. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity

staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies etc,

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The rights are amortised on a straight-line basis over their remaining duration. The amortisation period is 3 years. Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and

doubtful debts. The amount primarily consist of receivables collected on behalf of the Nordic societies (Polaris).

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value. Other payables comprise primarily temporary undistributed collections (royalties) on behalf of the Nordic societies (Polaris).

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to distribution of collections on behalf of the Nordic societies (Polaris)

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise payment of dividend. Cash and cash equivalents comprise cash and short-term bank loans.