

# **LOVEFILM DANMARK A/S**

Holbergsgade 14, 2 tv  
1057 København K

Annual report  
1 January 2016 - 31 December 2016

**The annual report has been presented and  
approved on the company's general meeting the**

**28/02/2017**

**Muna Yahaya**  
**Chairman of general meeting**

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# Company information

**Reporting company**      LOVEFILM DANMARK A/S  
Holbergsgade 14, 2 tv  
1057 København K

CVR-nr:                    27189539  
Reporting period: 01/01/2016 - 31/12/2016

**Main financial  
institution**

Danske Bank  
Holmens Kanal 2-12  
1090 København K

# Statement by Management

The Executive Board and Supervisory Board have today considered and adopted the Annual Report of Lovefilm Danmark A/S for the financial year 1 January - 31 December 2016.

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 31 December 2016 of the Company and of the results of the Company's operations for 2016.

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

London/Seattle, the 17/02/2017

## Management

Allister Byrne

## Board of directors

Allister Byrne

Robert MacKenzie

Mark Hoffman

# Management's Review

## General information about the business

The Company has remained dormant during the year ending on 31 December 2016.

The Company regards Amazon.com, Inc., a company incorporated in the United States, as its ultimate holding company and controlling party.

The immediate parent company is Amazon Services Sweden AB (formerly known as Lovefilm Sverige AB), Corporate ID. 556635-4543.

# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

## 1. General

The financial statements of Lovefilm Danmark A/S (hereafter referred to as the 'Company') have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The financial statements are presented in Danish Kroner ( kr. ).

The ultimate parent company is Amazon.com, Inc., registered at 410 Terry Avenue North Seattle, Washington 98109-5210, United States of America. The consolidated financials are available at the ultimate parent company's office located in the United States.

### *1.1 Activities*

The Company has remained dormant in the year.

### *1.2 Going concern*

The accounting principles applied are based on the assumption that the Company will continue as a going concern.

## 2. Accounting policies

The accounting policies have been consistently applied to all the years presented.

### *2.1 Recognition and measurement*

The financial statements have been prepared under the historical cost method.

Revenues are recognized in the income statement as earned.

All expenses for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

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

Liabilities are recognized 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.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign currencies.

## *2.2 Translation policies*

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized 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 transaction date rates are recognized in financial income and expenses in the income statement.

## *2.3 Gross result*

With reference to section 32 of the Danish Financial Statements Act, the items from “Revenue” to and including “other external expenses” are consolidated into one item designated Gross result.

## *2.4 Other external expenses*

Other external expenses are related to the operations of the Company.

## *2.5 Financial income and expenses*

Financial income and expenses comprise interest and bank charges.

# Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 kr.	2015 kr.
<b>Gross profit (loss)</b> .....		<b>-114,790</b>	<b>-4,821</b>
<b>Profit (loss) from ordinary operating activities</b> .....		<b>-114,790</b>	<b>-4,821</b>
Other finance income .....		0	100
Other finance expenses .....		-3,497	-3,301
<b>Profit (loss) from ordinary activities before tax</b> .....		<b>-118,287</b>	<b>-8,022</b>
<b>Profit (loss)</b> .....		<b>-118,287</b>	<b>-8,022</b>
<b>Proposed distribution of results</b>			
Retained earnings .....		-118,287	-8,022
<b>Proposed distribution of profit (loss)</b> .....		<b>-118,287</b>	<b>-8,022</b>



# Balance sheet 31 December 2016

## Assets

	<b>Disclosure</b>	<b>2016</b>	<b>2015</b>
		<b>kr.</b>	<b>kr.</b>
Cash and cash equivalents .....		563,199	683,877
<b>Current assets</b> .....		<b>563,199</b>	<b>683,877</b>
<b>Total assets</b> .....		<b>563,199</b>	<b>683,877</b>

# Balance sheet 31 December 2016

## Liabilities and equity

	Disclosure	2016 kr.	2015 kr.
Contributed capital .....		1,117,230	1,117,230
Paid contributed capital .....		3,703,519	3,703,519
Retained earnings .....		-4,260,918	-4,142,631
<b>Total equity .....</b>		<b>559,831</b>	<b>678,118</b>
Other payables, including tax payables, liabilities other than provisions .....		3,368	5,759
<b>Short-term liabilities other than provisions, gross .....</b>		<b>3,368</b>	<b>5,759</b>
<b>Liabilities other than provisions, gross .....</b>		<b>3,368</b>	<b>5,759</b>
<b>Liabilities and equity, gross .....</b>		<b>563,199</b>	<b>683,877</b>

# Statement of changes in equity 1 Jan 2016 - 31 Dec 2016

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Paid contributed capital</b>	<b>Total</b>
	<b>kr.</b>	<b>kr.</b>	<b>kr.</b>	<b>kr.</b>
Equity, beginning balance .....	1,117,230	-4,142,631	3,703,519	678,118
Profit (Loss) .....		-118,287		-118,287
Equity, ending balance .....	1,117,230	-4,260,918	3,703,519	559,831