

LOVEFILM DANMARK A/S

Holbergsgade 14, 2 tv
1057 København K

Annual report
1 January 2018 - 31 December 2018

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

01/04/2019

Ole Meier Sørensen
Chairman of general meeting

Content**Company informations**

Company informations	3
----------------------------	---

Reports

Statement by Management	4
-------------------------------	---

Management's Review

Management's Review	5
---------------------------	---

Financial statement

Accounting Policies	6
---------------------------	---

Income statement	8
------------------------	---

Balance sheet	9
---------------------	---

Statement of changes in equity	11
--------------------------------------	----

Disclosures	12
-------------------	----

Company information

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

CVR-nr: 27189539

Reporting period: 01/01/2018 - 31/12/2018

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 ending 31 December 2018.

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 2018 of the Company and of the results of the Company's operations for 2018.

The financial statement has not been audited. Management declares that the criteria for omission of audit are met.

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

London and Seattle, the 15/02/2019

Management

Darren Waterman

Board of directors

John Stone
Chairperson

Mark Hoffman

Darren Waterman

Management's Review

The Company has remained dormant during the year ending on 31 December 2018.

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 (DKK).

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.

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 as 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, gross profit (loss) comprises revenue, other external expenses and other financial expenses.

2.4 Other external expenses

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

2.5 Financial expenses

Financial expenses comprise of bank charges.

2.6 Income taxes

Income taxes have been provided for using an asset and liability based approach.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of asset and liabilities and their tax bases and are stated at enacted or substantially enacted tax rates expected to be in effect when taxes are actually paid or recovered.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

In its capacity as a group company, the company is jointly taxed with other Danish group entities and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes and withholding taxes on dividends, interest, and royalties falling due for payment after the joint taxation became effective.

Income statement 1 Jan 2018 - 31 Dec 2018

	Disclosure	2018 kr.	2017 kr.
Gross profit (loss)		-151,516	-117,613
Profit (loss) from ordinary operating activities		-151,516	-117,613
Other finance expenses		-2,555	-6,545
Profit (loss) from ordinary activities before tax		-154,071	-124,158
Profit (loss)		-154,071	-124,158
Proposed distribution of results			
Retained earnings		-154,071	-124,158
Proposed distribution of profit (loss)		-154,071	-124,158

Balance sheet 31 December 2018

Assets

	Disclosure	2018	2017
		kr.	kr.
Other receivables		97,634	0
Receivables		97,634	0
Cash and cash equivalents		525,343	603,614
Current assets		622,977	603,614
Total assets		622,977	603,614

Balance sheet 31 December 2018

Liabilities and equity

	Disclosure	2018 kr.	2017 kr.
Contributed capital		1,117,230	1,117,230
Paid contributed capital		4,003,519	3,853,519
Retained earnings		-4,539,147	-4,385,076
Total equity		581,602	585,673
Other payables, including tax payables, liabilities other than provisions		41,375	17,941
Short-term liabilities other than provisions, gross		41,375	17,941
Liabilities other than provisions, gross		41,375	17,941
Liabilities and equity, gross		622,977	603,614

Statement of changes in equity 1 Jan 2018 - 31 Dec 2018

	Contributed capital	Retained earnings	Paid contributed capital	Total
	kr.	kr.	kr.	kr.
Equity, beginning balance	1,117,230	-4,385,076	3,853,519	585,673
Profit (Loss)		-154,071		-154,071
Contribution from group			150,000	150,000
Equity, ending balance	1,117,230	-4,539,147	4,003,519	581,602

On 1 February, 2018, the Company received an unconditional shareholder contribution in the amount of DKK 150,000 in cash. This amount is reflected in Paid contributed capital.

Disclosures

1. Information on average number of employees

	2018
Average number of employees	0
(2017 - 0)	