

LOVEFILM DANMARK A/S

Holbergsgade 14, 2. tv.
1057 København K

Annual report
1 January 2017 - 31 December 2017

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

23/02/2018

Tanja Møller
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
--------------------------------------	----

Company information

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

CVR-nr: 27189539

Reporting period: 01/01/2017 - 31/12/2017

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 2017.

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 2017 of the Company and of the results of the Company's operations for 2017.

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 16/02/2018

Management

Darren Waterman

Board of directors

Robert MacKenzie (Chairperson)

Mark Hoffman

Darren Waterman

Management's Review

The Company has remained dormant during the year ending on 31 December 2017.

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 Twitch Sweden AB (formerly known as Amazon Services Sweden 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 (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.

Certain financial assets and liabilities are measured at fair value or 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 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 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, 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 expenses

Financial expenses comprise of bank charges.

2.6 Income taxes

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

Current tax and current tax receivable are recognized in the balance sheet as computed tax of taxable income for the financial year adjusted for tax of taxable income for previous years and paid account taxes.

Deferred tax is measured using the balance sheet liability method on all temporary differences between carrying amount and tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates, which are operative at the balance sheet date, if the deferred tax was expected to be realized as current tax. Changes in deferred tax due to changes in the tax rate are measured in the income statement. For the present financial year, a tax rate of 22 % has been applied.

Income statement 1 Jan 2017 - 31 Dec 2017

	Disclosure	2017 kr.	2016 kr.
Gross profit (loss)		-117,613	-114,790
Profit (loss) from ordinary operating activities		-117,613	-114,790
Other finance expenses		-6,545	-3,497
Profit (loss) from ordinary activities before tax		-124,158	-118,287
Profit (loss)		-124,158	-118,287
Proposed distribution of results			
Retained earnings		-124,158	-118,287
Proposed distribution of profit (loss)		-124,158	-118,287

Balance sheet 31 December 2017

Assets

	Disclosure	2017	2016
		kr.	kr.
Cash and cash equivalents		603,614	563,199
Current assets		603,614	563,199
Total assets		603,614	563,199

Balance sheet 31 December 2017

Liabilities and equity

	Disclosure	2017 kr.	2016 kr.
Contributed capital		1,117,230	1,117,230
Paid contributed capital		3,853,519	3,703,519
Retained earnings		-4,385,076	-4,260,918
Total equity		585,673	559,831
Other payables, including tax payables, liabilities other than provisions		17,941	3,368
Short-term liabilities other than provisions, gross		17,941	3,368
Liabilities other than provisions, gross		17,941	3,368
Liabilities and equity, gross		603,614	563,199

Statement of changes in equity 1 Jan 2017 - 31 Dec 2017

	Contributed capital	Retained earnings	Paid contributed capital	Total
	kr.	kr.	kr.	kr.
Equity, beginning balance	1,117,230	-4,260,918	3,703,519	559,831
Profit (Loss)		-124,158		-124,158
Contribution from group			150,000	150,000
Equity, ending balance	1,117,230	-4,385,076	3,853,519	585,673

On 7 June, 2017, the Company received an unconditional shareholder contribution in the amount of DKK 150,000 in cash. This amount is reflected in Paid contributed capital.