

# Spotify Denmark ApS

Vestergade 27, 1. th.  
1456 Copenhagen K  
CVR-nr. 33785348

## Annual Report for 2022

10th Financial Year

The annual report has been presented  
and approved at the company's annual  
general meeting on May 16 2023



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Peter Grandelius (May 16, 2023 11:23 EDT)

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Peter Grandelius  
Chairman of the board

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## Spotify Denmark ApS

### Entity details

<b>Entity</b>	Spotify Denmark ApS Vestergade 27, 1. th. 33785348
<b>CVR-nr.</b>	33785348
<b>Founded</b>	1 July 2011
<b>Registered office</b>	Copenhagen
<b>Financial Year</b>	1 January 2022 – 31 December 2022
<b>Board of Directors</b>	Peter Grandelius Paul Vogel
<b>Managing director</b>	Paul Vogel
<b>Capital owners pursuant to the Danish Companies Act</b>	Spotify AB Regeringsgatan 19 SE-111 53 Stockholm Sweden
<b>Parent Company</b>	Spotify Technology S.A. 5 Place de la Gare L-1616 Luxembourg
<b>Auditor</b>	EY Godkendt Revisionspartnerselskab Værkmestergade 25 Postboks 330 8100 Aarhus C CVR No.: 30700228

## Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Spotify Denmark ApS for the financial year 1 January – 31 December 2022.

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 company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January – 31 December 2022.

We believe that the management's review 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,

16 May 2023

### Executive Board

Paul Aaron Vogel  
Managing Director

### Board of Directors



[Peter Grandelius \(May 16, 2023 11:23 EDT\)](#)

Peter Grandelius  
Chairman of the Board



[Paul Vogel \(May 16, 2023 08:58 EDT\)](#)

Paul Vogel  
Managing Director



## Independent auditor's report

To the shareholders of Spotify Denmark ApS

### Opinion

We have audited the financial statements of Spotify Denmark ApS for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet and notes, including 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 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.
- ▶ 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 note 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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 16 May 2023

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Michael Laursen

State Authorised Public Accountant  
mne26804

## Management's review

### Primary activities

The company's principal activity is to perform intra-group support services. The company also performs advertising sales services, primarily consisting of display, audio and video advertising

### Development in activities and finance

The Company's income statement for the financial year 1 January 2022 – 31 December 2022 shows a profit of DKK 1,077,298. Revenue has increased by 57% and profits increased by 105% in line with the service scope. The company's balance sheet per 31 December 2022 shows total assets of DKK 10,629,098 and an equity of DKK 8,164,584.

Revenue of advertising services have increased during the year. There is a decrease of other external expenses related to marketing services performed by the company in the period. Headcount has increased from 7 to 15 employees which has increased staff costs.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

### Outlook

Continued operations are expected in the company in the coming year with expected growth in advertising revenue and with a positive profit.

### Group relations

The company, Spotify Denmark ApS is owned 100% by Spotify AB located in Sweden. Ultimate owner is Spotify Technology SA, which has its headquarters in Luxembourg and prepares the Group's consolidated accounts.

**Income Statement for 2022**

	NOTE	2022 DKK	2021 DKK
Revenue		20 556 080	13 102 279
Cost of revenue		-35 333	-717 151
Other external expenses		-2 561 004	-2 934 959
<b>Gross profit / loss</b>		<b>17 959 743</b>	<b>9 450 170</b>
Staff costs	1	-16 577 511	-8 749 149
<b>Operating profit</b>		<b>1 382 232</b>	<b>701 020</b>
Other financial income	2	16 132	-
Other financial expenses		-	-2 876
<b>Profit before tax</b>		<b>1 398 364</b>	<b>698 144</b>
Tax on profit for the year	3	-321 066	-172 644
<b>Profit for the year</b>		<b>1 077 298</b>	<b>525 501</b>
<b>Proposed distribution of profit and loss:</b>			
Retained earnings		1 077 298	525 501
<b>Proposed distribution of profit and loss</b>		<b>1 077 298</b>	<b>525 501</b>

**Balance sheet on 31 December 2022**

<b>Assets</b>	<b>NOTE</b>	<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
Deposits		106 828	106 828
<b>Other financial assets</b>		<b>106 828</b>	<b>106 828</b>
<b>Non-current assets</b>		<b>106 828</b>	<b>106 828</b>
Trade receivables		-	2 925 542
Receivables from group companies		10 338 676	5 919 297
Other receivables		179 994	162 814
Deferred tax		3 601	4 801
<b>Receivables</b>		<b>10 522 271</b>	<b>9 012 454</b>
<b>Current assets</b>		<b>10 522 271</b>	<b>9 012 454</b>
<b>Assets</b>		<b>10 629 098</b>	<b>9 119 281</b>
		<b>2022</b>	<b>2021</b>
		<b>DKK</b>	<b>DKK</b>
<b>Equity and liabilities</b>			
Contributed capital		80 000	80 000
Retained earnings		8 084 584	7 007 286
<b>Equity</b>		<b>8 164 584</b>	<b>7 087 286</b>
Trade payables		138 098	45 973
Payables to group companies		228 119	-
Income tax payable		234 518	70 368
Other payables		1 863 779	1 915 655
<b>Current liabilities</b>		<b>2 464 514</b>	<b>2 031 995</b>
<b>Liabilities</b>		<b>2 464 514</b>	<b>2 031 995</b>
<b>Equity and liabilities</b>		<b>10 629 098</b>	<b>9 119 281</b>

Contingent liabilities	4
Assets charged and collateral	5
Related parties with controlling interest	6



**Statement of changes in equity for 2022**

	<b>Company capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at the beginning of the year	80 000	7 007 286	7 087 286
Proposals for the profit for the year	-	1 077 298	1 077 298
<b>Balance at year end</b>	<b>80 000</b>	<b>8 084 584</b>	<b>8 164 584</b>

The company capital has remained unchanged since the company's foundation

## Notes

### 1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	14 174 772	7 347 081
Pension costs	1 289 752	538 065
Other staff related costs	1 008 881	831 407
Other social security costs	104 106	32 596
	<b>16 577 511</b>	<b>8 749 149</b>
Average Number of Employees	<b>15</b>	<b>7</b>

### 2 Other financial income

	2022	2021
	DKK	DKK
Interest income from group companies	16 105	-
Other interest income	27	-
	<b>16 132</b>	<b>-</b>

### 3 Tax on profit for the year

	2022	2021
	DKK	DKK
Current tax	320 518	157 467
Change in deferred tax	1 200	1 600
Prior year tax adjustment	-652	13 577
	<b>321 066</b>	<b>172 644</b>

### 4 Contingent liabilities

There is lease liability for rent of DKK 60,435

### 5 Assets charged and collateral

There are no collaterals or pledges at the balance sheet date.

### 6 Related parties with controlling interest

Determining Influence:

Spotify AB  
 Regeringsgatan 19  
 SE-111 53 Stockholm  
 Sweden

The company in which this annual report is consolidated is Spotify Technology S.A. The registered address for Spotify Technology S.A is:  
 5 Place de la Gare, L-1616 Luxembourg.

## Accounting Policies

### Reporting class

The Annual Report of Spotify Denmark ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statement are consistent with those of last year.

### Reporting currency

The financial statements are presented in Danish kroner.

### Foreign currency translation

Transactions in foreign currency are translated into Danish kroner at the exchange rate at the date of transaction.

Monetary items in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses.

### Recognition and measurement

Revenues are recognized in the income statement when delivered, including any adjustments of financial assets and liabilities measured at fair value or amortized cost.

Assets are recognized in the balance sheet when it is probable that future economic benefits 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 leave the company and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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 statement

### Revenue

Revenue from sale of services is recognized in the income statement when the service is delivered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### Cost of revenue

Cost of revenue includes cost for production cost in connection with campaigns and advertising agency costs.

### Other external expenses

Other external costs include sales and administration costs.

### Staff costs

Staff costs include salaries and wages, severance, pensions and social security costs. Other staff costs can also be recognized under other external costs.

### Other financial income/expenses

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on loans and advances in foreign currency, as well as surcharges and allowances under the Accrual Tax Scheme.

### Tax

Tax on profit for the year includes current tax on the expected taxable income for the year and this year's adjustment of deferred tax after deduction of the part of the year's tax related to equity movements.

## Accounting Policies (Continued)

### Balance Sheet

#### Financial assets

Financial assets include lease deposits that are measured at cost.

#### Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. The value is reduced by write-downs for any expected losses.

#### Current tax

Current tax liabilities and Current tax assets are recognized in the balance sheet as calculated tax on the expected taxable income for the year, adjusted for tax on previous year's taxable income and paid tax on accrued income.

#### Deferred tax

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

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets or by offsetting deferred tax liabilities in companies within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will apply at the balance sheet date when the deferred tax is expected to be triggered as current tax.

#### Prepayments

Prepayments recognized under assets include prepaid expenses relating to subsequent financial years.

#### Financial liabilities

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value.









# Spotify Denmark FS Final 16 May 2023

Final Audit Report

2023-05-16

Created:	2023-05-16
By:	Johanna Breitholtz (johanna@spotify.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsmXdVTEuLpk2bTb7xaDPdrDdb2UoG-Gn

## "Spotify Denmark FS Final 16 May 2023" History

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2023-05-16 - 7:43:30 AM GMT- IP address: 217.211.72.121
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Signature Date: 2023-05-16 - 12:58:00 PM GMT - Time Source: server- IP address: 69.74.205.19
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