

Amazon Data Services Denmark ApS

Management Statement, Management Review and Financial Statements

for the year ended 31 December 2019

**c/o Azets Wise Management
Vindingevej 10, Roskilde
4000
Denmark
(Formerly Ørestads Boulevard 73
2300 København S
Denmark)**

The Annual Report was presented and adopted at the
Annual General Meeting of the Company
on 28⁰² 2020



Chairman of the Annual General Meeting

CVR-no. 38 91 63 94

MANAGEMENT STATEMENT, MANAGEMENT REVIEW AND FINANCIAL STATEMENTS for the year ended 31 December 2019

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COMPANY INFORMATION

The Company	Amazon Data Services Denmark ApS c/o Azets Wise Management, Vindingevej 10, Roskilde, 4000, Denmark
CVR-no:	38 91 63 94
Reporting period:	1 January 2019 - 31 December 2019
Municipality of reg. office	Copenhagen
Executive Board	Gert-Jan Berden (appointed 2 September 2019) Petteri Pulkkinen (resigned 1 September 2019)
Principal Bankers	Citibank Denmark HC Andersens Boulevard 12, PO Box 243, D-1553

Amazon Data Services Denmark ApS

MANAGEMENT STATEMENT for the year ended 31 December 2019

The Executive Board have today considered and adopted the Management Statement, Management Review and Financial Statements of Amazon Data Services Denmark ApS for the year ended 31 December 2019.

The Management Statement, Management Review and Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company's operations for the year.

The financial statements of the Company have been subjected to an extended review by an independent audit firm in line with requirements of the Danish Financial Statements Act.

We recommend that the Management Statement, Management Review and Financial Statements be adopted at the Annual General Meeting.

Management



Gert-Jan Berden

Copenhagen, February 19th 2020.

MANAGEMENT REVIEW

for the year ended 31 December 2019

Business Review

The Company's revenue for the year ended 31 December 2019 was DKK 17,553,991 (2018: DKK 13,238,469). The Company's profit for the year was DKK 968,598 (2018: DKK 296,038).

Principal Activities

The principal activity of the Company is the provision of data hosting services to related parties.

Going Concern

The Company's operations generated an increase in net assets during 2019 and are expected to do so for the foreseeable future. On this basis management have a reasonable expectation that the Company has adequate resources to continue as an operational business for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Principal Risks and Uncertainties

The Company is dependent on the continued success of the Amazon.com group companies. The principal risks and uncertainties they face include, among others, risks related to competition, management growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, data centre and fulfilment centre optimisation, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, loss of key personnel, system interruption, data loss or security breaches, inventory, intellectual property rights, stock price volatility, government regulation and taxation, payments and fraud. More information about the principal risks and uncertainties facing the group is included in Amazon.com, Inc's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the period ended 31 December 2019, and all subsequent filings.

Independent auditor's report

To the shareholders of Amazon Data Services Denmark ApS

Conclusion

We have performed an extended review of the financial statements of Amazon Data Services Denmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 International Financial Reporting Standards as adopted by the EU and additional requirements of 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, 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.

Copenhagen, # Month 2020
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Alex Petersen

State Authorised Public Accountant

mne28604

Amazon Data Services Denmark ApS

STATEMENT OF FINANCIAL POSITION at 31 December 2019

	Note	2019 DKK	2018 DKK
ASSETS			
NON-CURRENT ASSETS			
Property and equipment, net	3	20,189,772	27,581,044
Leases	4	4,294,908	—
Prepayments		—	1,177,398
Deferred tax assets	5	178,810	—
Other non-current assets		128,819	—
		<u>24,792,309</u>	<u>28,758,442</u>
CURRENT ASSETS			
Cash and cash equivalents		19,436,693	19,772,536
Related party receivables	10	2,426,360	845,134
Trade and other receivables	6	454,573	1,807,713
Prepayments		9,132	222,480
		<u>22,326,758</u>	<u>22,647,863</u>
TOTAL ASSETS		<u>47,119,067</u>	<u>51,406,305</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10,13	50,000	50,000
Capital contribution	10	39,300,000	39,300,000
Retained earnings		1,264,636	296,038
Share-based payment reserve	15	27,365	27,365
TOTAL EQUITY		<u>40,642,001</u>	<u>39,673,403</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Leases	4	320,597	—
Deferred tax liabilities	5	—	94,620
Other long-term liabilities		—	—
		<u>320,597</u>	<u>94,620</u>
CURRENT LIABILITIES			
Related party payables	10	—	6,763
Trade and other payables	7	5,402,647	11,631,519
Income tax payable	5	753,822	—
		<u>6,156,469</u>	<u>11,638,282</u>
TOTAL LIABILITIES		<u>6,477,066</u>	<u>11,732,902</u>
TOTAL EQUITY AND LIABILITIES		<u>47,119,067</u>	<u>51,406,305</u>

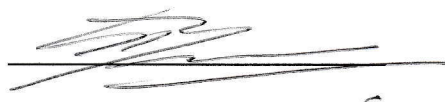

 Executive officer *Copenhagen, February 19th 2020*

The accompanying notes from 1 to 16 form an integral part of these financial statements.

Amazon Data Services Denmark ApS

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2019

		2019	2018
	Note		
Revenue	8	17,553,991	13,238,469
Administrative expenses	9	<u>(17,121,644)</u>	<u>(12,847,811)</u>
OPERATING PROFIT		432,347	390,658
Finance costs	4	(4,457)	—
Other income	4	<u>813,010</u>	<u>—</u>
PROFIT BEFORE TAXATION		1,240,900	390,658
Provision for income taxes	5	<u>(272,302)</u>	<u>(94,620)</u>
PROFIT FOR THE YEAR/PERIOD		968,598	296,038
Other comprehensive income		—	—
TOTAL COMPREHENSIVE INCOME FOR YEAR / PERIOD		<u><u>968,598</u></u>	<u><u>296,038</u></u>



Executive officer

Copenhagen, February 19th, 2020

The accompanying notes from 1 to 16 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

at 31 December 2019

	<i>Note</i>	<i>Share capital DKK</i>	<i>Capital contribution DKK</i>	<i>Retained earnings DKK</i>	<i>Share-based payment reserve DKK</i>	<i>Total DKK</i>
Balance at 7 September 2017		—	—	—	—	—
Share capital issued	13	50,000	—	—	—	50,000
Capital contribution	10	—	39,300,000	—	—	39,300,000
Share-based payments	15	—	—	—	27,365	27,365
Comprehensive income for the period		—	—	296,038	—	296,038
Balance as at 31 December 2018		50,000	39,300,000	296,038	27,365	39,673,403
Comprehensive income for the year		—	—	968,598	—	968,598
Balance as at 31 December 2019		50,000	39,300,000	1,264,636	27,365	40,642,001

The accompanying notes from 1 to 16 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2019

	Note	2019 DKK	2018 DKK
OPERATING ACTIVITIES			
Profit after tax		968,598	296,038
Adjustments for:			
Depreciation of property and equipment and lease assets	3,9	12,668,346	4,405,971
Unrealised foreign currency (gain) / loss		(14,567)	—
Share-based payments		—	27,365
Finance costs		4,457	—
Provision for income taxes	5	272,302	94,620
		<u>13,899,136</u>	<u>4,823,994</u>
Changes in:			
Prepayments		213,348	(1,399,878)
Other non-current assets		(128,819)	—
Related party receivables / payables	10	(1,587,989)	(838,371)
Loss sharing under joint taxation		208,090	—
Trade and other receivables	6	1,353,140	(1,807,713)
Trade and other payables	7	(9,715,321)	11,631,519
		<u>4,241,585</u>	<u>12,409,551</u>
Interest received		—	—
Interest paid		(4,457)	—
Net cash flow - operating activities		<u>4,237,128</u>	<u>12,409,551</u>
INVESTING ACTIVITIES			
Payments for property and equipment		(1,400,094)	(32,002,849)
Proceeds from sale of property and equipment	3	—	15,834
Net cash flow - investing activities		<u>(1,400,094)</u>	<u>(31,987,015)</u>
FINANCING ACTIVITIES			
Principal repayments of lease liabilities		(3,172,877)	—
Proceeds from issue of share capital	13	—	50,000
Proceeds from capital contribution	10	—	39,300,000
Net cash flow - financing activities		<u>(3,172,877)</u>	<u>39,350,000</u>
Net (decrease) / increase in cash and cash equivalents		<u>(335,843)</u>	<u>19,772,536</u>
Cash and cash equivalents at the beginning of the year / period		19,772,536	—
Cash and cash equivalents at the end of the year / period		<u><u>19,436,693</u></u>	<u><u>19,772,536</u></u>

The accompanying notes from 1 to 16 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1 CORPORATE INFORMATION

Amazon Data Services Denmark ApS ("the Company") is a limited liability company incorporated in Denmark and registered with the Danish Business Authority under commercial registration (CVR) number 38916394. The registered address of the Company is located at Azets Wise Management, Vindingevej 10, Roskilde, 4000, Denmark.

The Company's immediate parent is A100 ROW, Inc., ("the Parent"), a company incorporated in the United States. Its ultimate parent entity is Amazon.com, Inc., a company incorporated in the United States.

The principal activity of the Company is the provision of data hosting services to related parties.

The financial statements of the Company were authorised for issue by the board of directors on 19th February 2020.

2 ACCOUNTING POLICIES

Preparation of annual financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and in conformity with the Danish Financial Statements Act, as laid down in the IFRS order issued in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities. The financial statements have been prepared using the accrual basis of accounting and on the basis of historical cost. The financial statements have been presented in Danish Krone (DKK), being the functional currency of the Company.

The comparative figures presented are from the date of incorporation on 7 September 2017 to 31 December 2018.

2.1 Property and equipment

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Costs include, costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, or replace part of it.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Property and equipment is carried at cost less accumulated depreciation.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Item	Average useful life
Building and Leasehold improvements	Lower of useful life or lease term
Equipment	3 - 5 years

The depreciation charge for each period is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2019

2 ACCOUNTING POLICIES (continued)

2.1 Property and equipment (continued)

The Company performs an assessment at the end of each reporting period to determine whether an asset displays any indicators of impairment. Where such indicators are noted, the amount of impairment is determined to be the difference between net book value and recoverable amount. The resulting difference is recorded in the statement of comprehensive income.

2.2 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instruments. The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Trade receivables that do not contain a significant financing component are measured at transaction price.

A financial asset is subsequently measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method. EIR is deemed to be nil due to short term maturity of the financial assets.

All the Company's financial liabilities are classified as subsequently measured at amortised cost.

The Company's financial assets and liabilities consist of related party receivables and payables, trade payables and cash and cash equivalents.

Derecognition

Financial assets and financial liabilities are derecognised from the Company's statement of financial position when the contractual rights over the cash flows are extinguished or have been transferred, provided that in that transfer the risks and benefits inherent to ownership have been substantially conveyed.

2.3 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 Revenue

Revenue, which is stated net of value added tax, is recognised as services are rendered at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

2.5 Income taxes

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

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2019

2 ACCOUNTING POLICIES (continued)

2.5 Income Taxes (continued)

Deferred tax balances reflect the effects of temporary differences between the carrying amounts of assets 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 recognised only if it is probable that future taxable amounts will be available to utilise 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.

2.6 Leases

The Company records leases with contractual terms longer than twelve months. The Company's leases generally have terms that range from 1 to 5 years for property.

Certain lease contracts include obligations to pay for other services, such as operations and maintenance. For leases of property, the Company accounts for these other services as a component of the lease. For substantially all other leases, the services are accounted for separately and we allocate payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognised at the present value of the fixed lease payments, reduced by landlord incentives using a discount rate based on similarly secured borrowings available to us. Lease assets are recognised based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases and an estimate of the costs to dismantle, remove or restore the underlying asset or site on which it is located. Lease assets are tested for impairment in the same manner as property and equipment.

When the Company has the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and it is reasonably certain that it will exercise the option, the Company considers these options in determining the measurement of the lease. The Company remeasures lease liabilities, with a corresponding adjustment to the lease assets, for changes in price indices or market interest rates when there is a change in cash flows.

Lease assets are depreciated within administrative expenses on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term and the interest component of a lease is included in finance costs and recognised using the effective interest rate method over the lease term.

2.7 Foreign currency translation

Transactions denominated in foreign currencies conducted in the reporting period are recognised in the financial statements at the rates of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates on the statement of financial position date. Any resulting exchange rate differences are taken to the statement of comprehensive income.

2.8 Significant estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expense. Key areas of management judgements are related to the recognition of the useful lives of tangible assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2019

2 ACCOUNTING POLICIES (continued)

2.9 Published standards that are effective

A number of new standards and interpretations became effective in the current period. Details of these standards are provided below:

- IFRS 16 Leases - effective 1 January 2019;
- IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends) - effective 1 January 2019;
- Amendments to IAS 19 Employee Benefits - effective 1 January 2019;
- IFRIC 23 Uncertainty over Income Tax Treatments - effective 1 January 2019

With the exception of IFRS 16, the adoption of these standards and interpretations did not have a significant impact on the Company's reported results, financial position and cash flows.

In January 2016, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standard 16, Leases, ("IFRS 16") amending the accounting for leases, primarily requiring the recognition of lease assets and liabilities for operating leases with terms of more than twelve months in the statement of financial position. The Company adopted IFRS 16 on 1 January 2019 using the modified retrospective approach rather than retrospectively adjusting prior periods. There was no cumulative effect of adopting IFRS 16 on retained earnings. Prior period amounts were not adjusted and continue to be reported in accordance with the Company's historic accounting policies resulting in a statement of financial position presentation that is not comparable to the prior period in the first year of adoption. Applying a discount rate of 0.089% to the 31 December 2018 operating lease commitments of DKK 7,494,435, the adoption of IFRS 16 resulted in the recognition of additional lease assets and liabilities of approximately DKK 6,972,356.

The Company has applied the following practical expedients allowed by the standard at initial application: (i) not recognizing lease assets or lease liabilities for lease contracts with a lease term less than 12 months; (ii) excluding initial direct costs from the measurement of the right-of-use asset; and (iii) not reassessing whether a contract is, or contains, a lease.

2.10 Published standards that are not yet effective

Certain applicable new standards, interpretations and amendments to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2020 or later periods but which the Company has not early adopted. The Company will adopt these standards as they become effective and applicable. The application of these standards in future financial reporting periods has been assessed as listed below:

- Definition of Material (Amendments to IAS 1 and IAS 8) - effective 1 January 2020;
- Definition of a Business (Amendments to IFRS 3) - effective 1 January 2020

It is not expected that the application of these standards will have a significant impact on the Company's reported results, financial position and cash flows. Some of the new standards, interpretations and amendments may have impact on disclosures, when applied. These standards will be adopted as applicable in line with required effective dates.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2019

3 PROPERTY AND EQUIPMENT

	Buildings and Leasehold Improvements DKK	Equipment DKK	Total DKK
Cost or valuation:			
At 7 September 2017	—	—	—
Additions	59,000	31,943,849	32,002,849
Disposals	—	(19,000)	(19,000)
At 31 December 2018	59,000	31,924,849	31,983,849
Additions	300,000	1,123,687	1,423,687
At 31 December 2019	359,000	33,048,536	33,407,536
Depreciation:			
At 7 September 2017	—	—	—
Charge for the period	(47,200)	(4,358,771)	(4,405,971)
Disposals	—	3,166	3,166
At 31 December 2018	(47,200)	(4,355,605)	(4,402,805)
Charge for the year	(120,133)	(8,694,827)	(8,814,959)
At 31 December 2019	(167,332)	(13,050,432)	(13,217,764)
Net book value:			
At 31 December 2018	11,800	27,569,244	27,581,044
At 31 December 2019	191,668	19,998,104	20,189,772

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2019

4 LEASES

The Company has entered into non-cancellable leases relating to data center facilities. The carrying amount of lease assets as at 31 December 2019, and additions and depreciation for the year ended 31 December 2019, is as follows:

	Property DKK
Additions	8,148,295
Depreciation expense	3,853,387
Carrying amount	4,294,908

Other information about lease amounts recognised in the Company's financial statements is summarised as follows:

	2019 DKK
Interest expense on lease liabilities (recognised in finance costs)	4,457
Expense relating to short-term leases and variable lease payments (recognised in facilities costs in Note 9)	647,301
Total cash outflow for leases	3,824,635
Rental income from subleasing lease assets to other related parties (included in other income)	813,010

As at 31 December, lease liabilities, by maturity, were as follows:

	2019 DKK	2018 DKK
Less than one year	3,480,481	3,960,826
Between one and five years	320,620	3,533,609
After five years	—	—
Total minimum lease payments	3,801,101	7,494,435
Less: imputed interest	(1,621)	—
Present value of lease payments	3,799,480	7,494,435

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2019

5 INCOME TAXES

	2019	2018
	DKK	DKK
The components of the provision for income taxes are as follows:		
Current taxes	545,732	—
Deferred taxes	(273,430)	94,620
Provision for income taxes	<u>272,302</u>	<u>94,620</u>
The items accounting for differences between income taxes computed at the statutory rate and the provision recorded for income taxes are as follows:	2019	2018
	DKK	DKK
Profit before income tax expense	1,240,900	390,658
Income taxes computed at the statutory rate	272,998	85,945
Effect of:		
Adjustments in respect of previous periods	(696)	—
Non-deductible expenses	—	8,675
Total provision for income taxes	<u>272,302</u>	<u>94,620</u>
Deferred tax assets and liabilities are as follows:	2019	2018
	DKK	DKK
Deferred tax assets:		
Loss carry forwards	—	695,225
Depreciation and amortisation	178,810	—
Total deferred tax assets	<u>178,810</u>	<u>695,225</u>
Deferred tax liabilities:		
Depreciation and amortisation	—	(789,845)
Total deferred tax liabilities	<u>—</u>	<u>(789,845)</u>
Net deferred tax assets (Liabilities)	<u>178,810</u>	<u>(94,620)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2019

6 TRADE AND OTHER RECEIVABLES

	2019	2018
	DKK	DKK
VAT receivable	310,573	1,663,713
Other receivables	144,000	144,000
	<u>454,573</u>	<u>1,807,713</u>

7 TRADE AND OTHER PAYABLES

	2019	2018
	DKK	DKK
Trade payables	992,246	2,677,420
Leases	3,478,884	—
Other payables and accruals	931,517	8,954,099
	<u>5,402,647</u>	<u>11,631,519</u>

Other payables and accruals principally comprise, operating expenses and capital expenditure.

8 REVENUE

All revenues earned relate to the principal activity of the Company. As a result, management do not believe that any further disaggregation of revenue is required in order to provide a greater understanding as to how the nature, timing and uncertainty of cash flows are affected by economic factors.

9 ADMINISTRATIVE EXPENSES

	2019	2018
	DKK	DKK
Material items included within administrative expenses consist of:		
Short-term employee benefits	—	1,543,128
Other employee expenses	—	237,775
Depreciation of property and equipment and lease assets	12,668,346	4,405,971
Professional fees	520,362	363,854
Facilities	1,897,240	3,929,830
Telecommunication costs	2,199,239	720,118
Average number of employees	-	2

No employees remained in the entity as at December 2018.

The auditor's remuneration for the review of the 2019 financial statements is DKK 89,287 (2018: DKK nil).

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2019

11 FINANCIAL RISK MANAGEMENT

The main risks arising from the Company's use of financial instruments are credit risk and liquidity risk. The Company does not hold or issue derivative financial instruments for trading purposes. Policies for managing these risks are summarised below.

11.1 Liquidity risk

The Company's risk to liquidity is a result of the funds available to cover future commitments.

The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. The Company does not use derivatives and other instruments in its risk management activities.

Related party payables and trade and other payables fall due in 90 days or less. The total value of these financial instruments as at 31 December 2019 is DKK 1,925,758 (2018: DKK 11,638,282).

11.2 Interest rate risk

The Company does not hold any financial assets or liabilities that are subject to significant risk as a result of changes in interest rates. Therefore, any changes in interest rates at the reporting date would not affect the result for the year.

11.3 Credit risk

Credit risk relates mainly to cash and cash equivalents and trade and other receivables.

The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. As at 31 December 2019, none of the Company's financial assets were past due or impaired.

11.4 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's operating activities.

Having performed a sensitivity analysis on all foreign currency balances, management believe that foreign currency risk is not material to the financial statements. As a result, we have opted not to disclose such analysis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2019

12 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	2019	2018
	DKK	DKK
Financial assets at amortised cost		
Cash and cash equivalents	19,436,693	19,772,536
Related party receivables	2,426,360	845,134
Total	<u>21,863,053</u>	<u>20,617,670</u>

	2019	2018
	DKK	DKK
Financial liabilities at amortised cost		
Trade and other payables	1,923,763	11,631,519
Related party payables	—	6,763
Total	<u>1,923,763</u>	<u>11,638,282</u>

Directors consider the carrying amount of all financial instruments approximate their fair value as at the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2019

13 EQUITY

	2019	2019	2018	2018
	No.	DKK	No.	DKK
Authorised:				
Ordinary shares of DKK 10 each	5,000	50,000	5,000	50,000
Issued and fully paid:				
Ordinary shares of DKK 10 each	5,000	50,000	5,000	50,000

14 MANAGEMENT OF CAPITAL

The Company considers share capital, capital contribution and all other equity reserves as capital. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and, the needs of the Company.

15 SHARE-BASED PAYMENT PLANS

	2019		2018	
	Weighted average grant-date fair value		Weighted average grant-date fair value	
	No.	DKK	No.	DKK
Opening balance				
Awards	—	—	272	9,426
Transferred	—	—	(272)	(9,426)
Closing balance	—	—	—	—

16 CAPITAL COMMITMENTS

Future capital expenditure approved but not provided for in these financial statements is as follows:

	2019	2018
	DKK	DKK
Contracted but not provided for	38,844	1,025,306