

SPOTIFY TECHNOLOGY S.A.
Société Anonyme

Financial Statements
As of 31 December 2019
and
Independent auditor's report

42-44, avenue de la Gare
L-1610 Luxembourg
R.C.S. Luxembourg: B 123.052

Table of Contents

	Pages
Independent auditor's report	1 – 3
Financial statements	
- Abridged balance sheet as of 31 December 2019	4 – 5
- Abridged profit and loss account for the year ended 31 December 2019	6 – 7
- Notes to the Financial statements as of 31 December 2019	8 – 13

Independent auditor's report

To the Shareholders of
Spotify Technology S.A
42-44 Avenue de la Gare
L-1610 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Spotify Technology S.A (the "Company") which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors 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, the Board of Directors 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 unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism 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 the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting 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 report of “réviseur d'entreprises agréé” 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 report of “réviseur d'entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

Ernst & Young
Société anonyme
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Aine Hearty', with a stylized flourish at the end.

Áine Hearty

Luxembourg, 12 February 2020

Financial statements Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B 123.052 Matricule : 20092205801

ABRIDGED BALANCE SHEETFinancial year from ⁰¹01/01/2019 to ⁰²31/12/2019 (in ⁰³EUR)SPOTIFY TECHNOLOGY S.A.
42-44, avenue de la Gare
L-1610 Luxembourg**ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	0	0
I. Subscribed capital not called	1103	0	0
II. Subscribed capital called but unpaid	1105	0	0
B. Formation expenses	1107	0	0
C. Fixed assets	1109	3.215.528.019	3.049.528.019
I. Intangible assets	1111	0	0
II. Tangible assets	1125	0	0
III. Financial assets	1135 note 3	3.215.528.019	3.049.528.019
D. Current assets	1151	373.239.628	173.768.107
I. Stocks	1153	0	0
II. Debtors	1163	3.505.058	90.092.095
a) becoming due and payable within one year	1203 note 4	3.503.579	89.790.432
b) becoming due and payable after more than one year	1205	1.479	301.663
III. Investments	1189 note 5	369.734.570	68.015.428
IV. Cash at bank and in hand	1197	0	15.660.584
E. Prepayments	1199	0	805.520
TOTAL (ASSETS)	201	3.588.767.647	3.224.101.646

The notes in the annex form an integral part of the Financial statements

RCSL Nr. : B 123.052	Matricule : 20092205801
----------------------	-------------------------

CAPITAL, RESERVES AND LIABILITIES
--

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>note 6</u>	301 <u>3.351.035.182</u>	302 <u>3.099.361.995</u>
I. Subscribed capital	1303 _____	303 <u>117.183</u>	304 <u>114.938</u>
II. Share premium account	1305 _____	305 <u>3.094.044.033</u>	306 <u>3.005.579.476</u>
III. Revaluation reserve	1307 _____	307 <u>0</u>	308 <u>0</u>
IV. Reserves	1309 _____	309 <u>369.746.064</u>	310 <u>68.015.428</u>
V. Profit or loss brought forward	1319 _____	319 <u>-276.078.483</u>	320 <u>-145.540.336</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>163.206.385</u>	322 <u>171.192.489</u>
VII. Interim dividends	1323 _____	323 <u>0</u>	324 <u>0</u>
VIII. Capital investment subsidies	1325 _____	325 <u>0</u>	326 <u>0</u>
B. Provisions	1331 <u>note 2</u>	331 <u>234.394.236</u>	332 <u>37.352.372</u>
C. Creditors	1339 _____	339 <u>3.338.229</u>	340 <u>87.387.279</u>
a) becoming due and payable within one year	1407 <u>note 7</u>	407 <u>3.338.229</u>	408 <u>87.387.279</u>
b) becoming due and payable after more than one year	1409 _____	409 <u>0</u>	410 <u>0</u>
D. Deferred income	1403 _____	403 <u>0</u>	404 <u>0</u>
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405 _____	405 <u>3.588.767.647</u>	406 <u>3.224.101.646</u>

The notes in the annex form an integral part of the Financial statements
--

Financial statements Helpdesk :

Tel. : (+352) 247 88 494
 Email : centralebilans@statec.etat.lu

RCSL Nr. : B 123.052 | Matricule: 20092205801

ABRIDGED PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2019 to 02 31/12/2019 (in 03 EUR)

SPOTIFY TECHNOLOGY S.A.
 42-44, avenue de la Gare
 L-1610 Luxembourg

ABRIDGED PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. to 5. Gross profit or loss	1651 <u>note 8</u>	651 <u>-204.632.495</u>	662 <u>-39.061.846</u>
6. Staff costs	1605	605 <u>-172.974</u>	606 <u>-78.559</u>
a) Wages and salaries	1607	607 <u>0</u>	608 <u>0</u>
b) Social security costs	1609	609 <u>-172.974</u>	610 <u>-64.797</u>
i) relating to pensions	1653	653 <u>0</u>	654 <u>0</u>
ii) other social security costs	1655	655 <u>-172.974</u>	656 <u>-64.797</u>
c) Other staff costs	1613	613 <u>0</u>	614 <u>-13.762</u>
7. Value adjustments	1657	657 <u>0</u>	658 <u>0</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659 <u>0</u>	660 <u>0</u>
b) in respect of current assets	1661	661 <u>0</u>	662 <u>0</u>
8. Other operating expenses	1621	621 <u>0</u>	622 <u>0</u>

The notes in the annex form an integral part of the Financial statements

RCSL Nr. : B 123.052

Matricule : 20092205801

	Reference(s)	Current year	Previous year
9. Income from participating interests			
	1715	0	0
a) derived from affiliated undertakings	1717	0	0
b) other income from participating interests	1719	0	0
10. Income from other investments and loans forming part of the fixed assets			
	1721	0	0
a) derived from affiliated undertakings	1723	0	0
b) other income not included under a)	1725	0	0
11. Other interest receivable and similar income			
	1727	359.862.156	224.041.885
a) derived from affiliated undertakings	1729 note 3,5	355.317.133	216.939.527
b) other income and similar income	1731	4.545.023	7.102.358
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663	0	0
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665 note 5	8.789.546	-10.697.729
14. Interest payable and similar expenses			
	1627	-635.033	-2.910.762
a) concerning affiliated undertakings	1629	-634.913	-766.587
b) other interest and similar expenses	1631	-120	-2.144.175
15. Tax on profit or loss			
	1635	0	0
16. Profit or loss after taxation			
	1667	163.211.200	171.292.989
17. Other taxes not shown under items 1 to 16			
	1637 note 9	-4.815	-100.500
18. Profit or loss for the financial year			
	1669	163.206.385	171.192.489

The notes in the annex form an integral part of the Financial statements

SPOTIFY TECHNOLOGY S.A.
Société Anonyme
Notes to the Financial statements
As of 31 December 2019
(expressed in EUR)

Note 1 - General

Spotify Technology S.A. (the “Company”) was incorporated on 27 December 2006 under the law of the Grand Duchy of Luxembourg for an unlimited period of time. The registered office of the Company is at 42-44, avenue de la Gare, L- 1610 Luxembourg and the Company is registered with the Register of Commerce, Luxembourg, under the number B. 123052.

On 3 April 2018, the Company completed a direct listing of its ordinary shares on the New York Stock Exchange (“NYSE”).

The financial year of the Company runs from the 1st of January until the 31st of December of each year.

The objective of the Company is the acquisition and holding of direct or indirect interests in Luxembourg and/or in foreign undertakings, as well as the administration, development and management of its holdings.

The Company may provide any financial assistance to subsidiaries, affiliated companies or other companies forming part of the group to which the Company belongs, such as, among others, the providing of loans and the granting of guarantees or securities in any kind or form.

The Company may also use its funds to invest in real estate, intellectual property rights or any other movable or immovable assets in any kind or form.

The Company may borrow in any kind or form and privately issue bonds or notes.

In a general fashion the Company may carry out any commercial, industrial or financial operation, which it may deem useful in the accomplishment and development of its purposes.

The Company prepares consolidated financial statements, which are filed with the Luxembourg trade register and are also available at the registered office of the Company.

Note 2 - Significant accounting policies

The Financial statements are prepared in accordance with the generally accepted accounting principles and regulations in force in the Grand Duchy of Luxembourg and under the historical cost convention.

Main valuation rules

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the financial statements are expressed in that currency. All transactions expressed in another currency than EUR are translated into EUR at the exchange rate prevailing at the date of the transaction.

Fixed assets, are translated to EUR at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash at bank is translated at the exchange rate prevailing at the balance sheet date. Exchange gains or losses resulting from this conversion are accounted for in the profit and loss account for the period.

SPOTIFY TECHNOLOGY S.A.
Société Anonyme
Notes to the Financial statements
As of 31 December 2019
(expressed in EUR)
(Continued)

Note 2 - Significant accounting policies (continued)

All other assets and liabilities are valued individually at the lower, respectively the higher, of their value at the historical exchange rate or at their value determined at the exchange rate prevailing at the balance sheet date. Unrealized exchange losses are accounted for in the profit and loss account at the balance sheet date. Realized exchange gains and losses are accounted for in the profit and loss account at the date of the transaction.

In situations where there is an economic link between an asset and a liability, they are translated globally and only the unrealized net exchange gain/loss is accounted for in the profit and loss account.

Financial assets

Shares in affiliated undertakings are valued individually at the lower of their acquisition cost or their value estimated by the management. The management relies on the financial statements of the companies and/or other information and documents available for its valuation. A value adjustment is recorded at the end of each year in case of any durable diminution in value.

Debtors

Debtors are stated at their nominal value. A value adjustment is recorded when the estimated realizable value is lower than the nominal value. The realizable value is estimated on the basis of the information available to the Board of Directors. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Creditors

The creditors are stated at their repayment value.

Provisions for liabilities and charges

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which at the balance sheet date, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Dividends

Dividends are declared after the accounts for the year have been approved. Accordingly, dividends payable are recorded in the subsequent year's accounts. Dividends receivable from affiliated undertakings are recorded as income in the year in which they are declared by the subsidiary.

Own shares

The cost of treasury shares repurchased is shown as an investment on the balance sheet and valued at the lower of cost or market value at each closing date. The Company utilizes treasury shares to facilitate the fulfillment of exercises of options and restricted stock units ("RSUs") of employees within its subsidiaries and for other strategic purposes. A provision is recorded for the excess book value of the shares over the exercise price of the options or RSUs of the employee, based on management judgment. When treasury shares are sold, the amount received is reflected as a reduction to the investment based on a weighted average cost, with any surplus or deficit recorded to profit and loss. Any related provision recorded for options or RSUs is reversed at the same time. When treasury shares are retired or canceled, the investment balance is reflected as a reduction to the Share premium account in equity.

SPOTIFY TECHNOLOGY S.A.
Société Anonyme
Notes to the Financial statements
As of 31 December 2019
(expressed in EUR)
(Continued)

Note 2 - Significant accounting policies (continued)

Warrants

Payments received on issue or exercise of warrants are treated as a contribution into the share premium account. Any repurchases of warrants are treated as a redemption from share premium.

Note 3 - Financial assets

	Shares in affiliated undertakings 2019 EUR
Acquisition cost at the beginning of the year	3.051.439.912
Acquisitions	166.000.000
	3.217.439.912
Acquisition cost at the end of the year	3.217.439.912
Value adjustments at beginning of the year	-1.911.893
Value adjustments of the year	0
	-1.911.893
	3.215.528.019
Net book value at the end of the year	3.215.528.019

The Company made the following unconditional shareholder's contributions to Spotify AB during 2019:
- on 20 December for EUR 166.000.000

Shares in affiliated undertakings

	% held 2019	Net book value 2019 EUR
Spotify AB	100%	3.215.528.019
Stockholm (Sweden)		3.215.528.019

In 2019, Spotify AB declared and paid dividends of EUR 129.971.406, EUR 110.000.000, and EUR 100.000.000 during the months of January, June, and September, respectively, all of which was recorded to Other interest receivable and similar income (2018: EUR 88.432.968).

Art. 65 paragraph (1) 2° of the laws of 19 December 2002 on the Trade Registry and Accounting and Annual Accounts of undertakings (the "law") requires the disclosure of the amount of capital and reserves and profit and loss for the latest financial year of each affiliated undertaking. In conformity with Art. 67 (3) of the law these details have been omitted since the undertakings are included in the consolidated financial statements of Spotify Technology S.A. which are, together with the related consolidated management report and auditors' report thereon, lodged with the Luxembourg Trade Registry.

In the opinion of the Board of Directors, no permanent diminution in value, other than the ones already booked, has occurred on shares in affiliated undertakings at 31 December 2019 and therefore no additional value adjustment is deemed necessary.

SPOTIFY TECHNOLOGY S.A.
Société Anonyme
Notes to the Financial statements
As of 31 December 2019
(expressed in EUR)
(Continued)

Note 4 - Debtors becoming due and payable within one year

As of 31 December 2019 the debtors becoming due and payable within one year corresponded to EUR 3.243.907 relating to subsidiary undertakings (2018: EUR 87.241.742).

Note 5 - Investments

Own Shares

During the year the Company acquired for cash 3.679.156 (2018: 6.427.271) of its own shares at a total cost of EUR 433.006.051 (2018: 72.241.394). The own shares were purchased to facilitate the fulfillment of exercises of options and restricted stock units (“RSUs”) of employees within its subsidiaries and for other strategic purposes. During the year the Company used 3.557.405 (2018: 3.382.312) of own shares in relation to the options and RSU program (see note 2). The total proceeds from own share disposals for the year ended 31 December 2019 was EUR 154.121.304 (2018: 123.719.779). Upon sale of the own shares, the Company recognized a gain of EUR 14.044.848 (2018: 123.719.778) for the year ended 31 December 2019.

As of 31 December 2019, the Company still owns 3.166.710 (2018: 2.044.959) own shares amounting to EUR 369.734.570 (2018: 68.015.428).

As of 31 December 2018, a value adjustment of EUR 8.789.546 was recorded on the Company’s own shares to record them at lower of cost or market value, this amount was reversed in the current year as no such adjustment was required to be recorded as of 31 December 2019.

Note 6 - Capital and reserves

Movements during the year:

	31/12/2018	Warrant transactions	Reserve for investment in own shares	Allocation of prior year result	Profit/Loss for period	31/12/2019
I. Subscribed capital	114.938	2.245				117.183
II. Share premium account	3.005.579.477	88.464.557				3.094.044.033
IV. Reserves	68.015.428		301.719.141	11.494		369.746.064
V. Profit or loss brought forward	-145.540.336		-301.719.141	171.180.995		-276.078.483
VI. Profit or loss for the financial year	171.192.489			-171.192.489	163.206.385	163.206.385
Total	3.099.361.995					3.351.035.182

Authorised capital

The Company's authorized share capital is fixed at EUR 134.712 divided into 215.539.853 shares with a par value of EUR 0.000625 each.

SPOTIFY TECHNOLOGY S.A.
Société Anonyme
Notes to the Financial statements
As of 31 December 2019
(expressed in EUR)
(Continued)

Note 6 - Capital and reserves (continued)

Subscribed capital

As of 31 December 2018, the issued and fully paid share capital amounted to EUR 114.938,15 represented by 183.901.040 ordinary shares with a nominal value of EUR 0,000625 per share.

During the year, the Shareholders have taken the following decisions in relation to the share capital of the Company:

- In October 2019, the capital has been increased for an amount of EUR 2.244,77 by the issuance of 3.591.617 shares of EUR 0,000625 each together with the payment of a share premium of EUR 164.907.489 following the exercise of warrants.

As of 31 December 2019, the issued and fully paid share capital amounted to EUR 117.182,92 represented by 187.492.667 ordinary shares with a nominal value of EUR 0,000625 per share.

Share premium account

In January 2018, the Company issued, for EUR 4.096.160 in cash, 923 ordinary shares (36.920 ordinary shares post-split) to an existing shareholder.

In January 2018, the Company entered into an exchange agreement with holders of the remaining portion of its Convertible Notes, pursuant to which the Company exchanged an aggregate of USD 628.075.819 in principal of Convertible Notes, plus accrued interest of USD 16.354.933, for an aggregate of 235.799 ordinary shares (9.431.960 ordinary shares post-split).

In July 2019, the Company issued, for EUR 14.610.545 in cash, warrants to acquire 800.000 ordinary shares to an entity beneficially owned by Daniel Ek. The exercise price of each warrant is US\$190.09, which was equal to 1.3 times the fair market value of ordinary shares on the date of issuance. The warrants are exercisable at any time through 1 July 2022.

In October 2019, the Company issued, for EUR 73.856.257 in cash, 1.600.000 ordinary shares to an entity beneficially owned by Daniel Ek, pursuant to the exercise of 1.600.000 warrants held by such entity.

In October 2019, the Company issued, for EUR 91.053.477 in consideration, 1.991.627 ordinary shares to entities beneficially owned by Daniel Ek and Martin Lorentzon, pursuant to the exercise of 1.991.627 warrants held by such entities.

In October 2019, the Company repurchased, for EUR 91.053.477 in consideration, 1.528.373 warrants from entities beneficially owned by Daniel Ek and Martin Lorentzon. The warrants were immediately cancelled upon repurchase.

Reserves

The Company set up an undistributable reserve equal to EUR 369.734.570 to cover the amount of own shares held at 31 December 2019.

Legal reserve

In accordance with Luxembourg Law of 10 August 1915, as amended, on commercial companies, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the Shareholders.

All outstanding shares have equal rights to vote at general meetings.

Allocation of prior year results

As of 18 April 2019, the Shareholders decided to approve the accounts as of 31 December 2018, to allocate EUR 11.494 of the result realized during that financial year to the legal reserve, and to bring forward the remaining result of EUR 171.180.995 realized during that financial year.

SPOTIFY TECHNOLOGY S.A.
Société Anonyme
Notes to the Financial statements
As of 31 December 2019
(expressed in EUR)
(Continued)

Note 6 - Capital and reserves (continued)

Employee share plans

The Group has incentive stock plans under which options and restricted stock to subscribe to the Company's share capital have been granted to employees within subsidiaries of the group. Options exercised or restricted stock vesting under these plans are settled via either the issuance of new shares or issuance of shares from treasury. The number of share options and restricted stock outstanding as of 31 December 2019 is 12.995.722 (2018: 12.405.789). Exercise prices of share options outstanding as of 31 December 2019 range from USD\$1.65 to USD\$233.42 per option (2018: USD\$1.65 to USD\$189.52).

Beneficiary Certificates

In 2018, the Company issued beneficiary certificates to entities beneficially owned by the Company's founders, Daniel Ek and Martin Lorentzon, pursuant to an offer to subscribe for a number of beneficiary certificates in accordance with any applicable rights such shareholders may have. Each beneficiary certificate will entitle a shareholder to one vote. The beneficiary certificates carries no economic rights. The beneficiary certificates, when issued and subject to certain exceptions, are non-transferable and shall be automatically cancelled for no consideration in the case of sale or transfer of the ordinary share to which they are linked. The Company may issue additional beneficiary certificates up to the total authorized amount of 1.400.000.000 beneficiary certificates at the discretion of its Board of Directors, of which the Group's founders are members. As of 31 December 2019, the Group's founders held 378.201.910 beneficiary certificates (2018: 364.785.640).

Note 7 - Creditors becoming due and payable within one year

As of 31 December 2019 the creditors becoming due and payable within one year corresponded to trade and intercompany payables as well as a cash pool facility with Nordea Bank. The amount as per 31 December 2018 corresponded also mainly to trade and intercompany payables as well as a cash pool facility with Nordea Bank.

Note 8 – Gross profit or loss

This account is mainly composed of administrative and other expenses for EUR 7 590 632 (2018: EUR 3 399 523) and an increase in provision of EUR 197 041 864 (2018: EUR 35 662 324) linked to the fulfillment of exercises of options and restricted stock units of employees within its subsidiaries. The provision recorded in the balance sheet corresponds to the difference between the book value of own shares and the exercise price to be paid by the employee (see Note 2).

Note 9 - Other taxes

The Company is subject to all taxes applicable to Luxembourg commercial companies.

Note 10 - Off balance sheet commitments

The Company has no off balance sheet commitments other than the one disclosed under employee share plans in Note 6.