

Company No: 10084616

Twitch UK Limited
Report and Financial Statements

31 December 2023

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COMPANY INFORMATION

DIRECTORS

Phaedra Andrews
Jack Rayson-Grant

SECRETARY

Mitre Secretaries Limited

REGISTERED OFFICE

1 Principal Place
Worship Street
London
England
EC2A 2FA

AUDITOR

Ernst & Young LLP
1 More London Place
London
England
SE1 2AF

DIRECTORS' REPORT

for the year ended 31 December 2023

The directors of Twitch UK Limited ("the Company") present the annual report containing their Directors' Report, the Strategic Report and the financial statements for the year ended 31 December 2023.

DIRECTORS

The directors who served the Company during the year and to the date of this report were as follows:

Phaedra Andrews
Jack Rayson-Grant (appointed on 17 May 2023)
Monica Hu (resigned on 21 February 2024)
Damian Burns (resigned on 1 May 2023)
Charles Slingsby (resigned on 1 May 2023)

No directors held any interest in the share capital of the Company during the year.

DIVIDEND

The directors do not recommend the payment of any dividends (2022: £nil).

QUALIFYING THIRD PARTY INDEMNITY PROVISION

Qualifying third party indemnity provisions are in place to indemnify all directors and officers of the Company.

ENGAGEMENT WITH CUSTOMERS, SUPPLIERS AND OTHER STAKEHOLDERS

The directors of the Company strive to have a positive impact on customers, employees, small businesses and communities. Led by the directors, Amazon's employees are committed to learning and inventing on behalf of customers and supporting businesses and entrepreneurs to grow sales and reach new customers. The result of engagement with customers, suppliers and other stakeholders is explained in the Strategic Report.

FINANCIAL RISK MANAGEMENT

The Company engages in basic financial instruments as part of its operations. We do not hold or issue derivative financial instruments for trading purposes or in our risk management activities. Policies for managing risks are summarised below.

Liquidity risk

Liquidity risk is the risk that we will not meet future financial obligations due to a shortage of funds. Our financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance our operations.

Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers through outstanding receivables. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or specific industry sectors. We only deposit cash with major banks with high quality credit standing and limit exposure to any one counter-party. Our surplus funds are also managed centrally by placing them with reputable financial institutions on varying maturities.

Interest rate risk

Financial assets accrue interest on deposits held, for which changes in interest rates during the year have resulted in interest receivable of £1,588k (2022: £388k).

DIRECTORS' REPORT (continued)**for the year ended 31 December 2023****STREAMLINED ENERGY AND CARBON REPORTING**

This statement is made in compliance with the UK Streamlined Energy and Carbon Reporting requirements under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SECR'). The statement does not reflect the internal guidelines of Amazon.com Inc. ('Amazon') for disclosing such data in its Sustainability Report.

UK energy consumption data and associated greenhouse gas emissions for the period September 1, 2022 to August 31, 2023 and September 1, 2021 to August 31, 2022

	2023	2022 (Adjusted) ¹	2022 (As reported)
Energy consumption used to calculate emissions in kilowatt-hours (kWh)	340,667	372,324	319,179
Scope 1 emissions in metric tonnes CO ₂ e from natural gas combustion	22	16	18
Scope 2 emissions in metric tonnes CO ₂ e from the purchase of electricity	42	55	46
Total Scope 1 and Scope 2 emissions in metric tonnes CO ₂ e	64	71	64
Intensity Ratio ² Grams of CO ₂ e per sq. metre of operational buildings of the Company	15,047	16,559	19,882

¹ In 2023, the calculation methodology was updated as a result of improvements in the data collection process and the use of estimates. As a result of this updated methodology, adjustments were made to the reported 2022 energy consumption, emissions, and intensity ratio.

² Carbon intensity ratio, measured as grams of CO₂e per sq. metre of operational buildings of the Company, is used to benchmark performance year over year, as it provides a relative comparison between annual performance metrics against building growth.

Quantification and reporting methodology

Scope 1 emissions result from the combustion of natural gas at the Company's sites, and Scope 2 emissions result from the generation of purchased energy, or the electricity used to power the Company's facilities. Scope 2 emissions are location-based method emissions, which is a permissible reporting methodology under the SECR but does not reflect all of the impacts of the Company's renewable energy programs.

The Company's emissions are calculated by multiplying activity data (such as electricity purchased) by an appropriate emissions factor (e.g., grams CO₂ per kWh of electricity used), to provide a representative value for the carbon dioxide emissions associated with each activity. Emissions have been calculated using carbon conversion factors published by International Energy Agency (IEA) and World Resources Institute.

The Company has a reporting period of September 1, 2022 to August 31, 2023, thereby increasing the proportion of energy consumption data obtained from utility billings. Where actual energy consumption data was not available, reasonable estimates have been used. Such estimates are compiled by comparing historical energy consumption data to facility operations of similar type and size.

DIRECTORS' REPORT (continued)

for the year ended 31 December 2023

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Measures taken to improve energy efficiency: Energy and Carbon Reduction

Amazon co-founded The Climate Pledge with Global Optimism in 2019 and became the first company to sign on. The Climate Pledge brings together the world's top companies to accelerate joint action, cross-sector collaboration, and responsible change. As part of The Climate Pledge, Amazon aims to reach net-zero carbon emissions across Amazon's operations by 2040. Please refer to the Section 172(1) Statement in the Strategic Report for additional information on the strategic importance of the pledge.

Amazon is on a path to having 100% of the electricity powering its operations be attributable to renewable energy sources by 2025, five years ahead of its original 2030 goal - and continues to make progress in the United Kingdom. As of January 2023, Amazon has 31 renewable energy projects in the United Kingdom with a total annual expected capacity of 565 megawatts when operational. Amazon will continue exploring ways to renewably power its operations, introducing new wind, solar, and storage projects to reduce reliance on carbon-based energy sources.

Amazon leverages industry best practices and emerging technologies in facility design and operation to drive reductions across carbon and energy. It focuses on the direct emissions that result from powering its buildings, as well as the indirect emissions from the embodied carbon—the carbon emitted during construction—in its building materials and equipment. Amazon uses proven technologies to enhance efficiencies across its facilities.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies and processes that support the principal activity of the Company. The Company is continually reviewing and refining these policies to improve the framework of financial control and manage costs effectively.

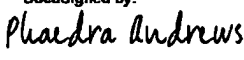
DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this annual report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that ought to have been taken as director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

In accordance with section 487(2) of the Companies Act 2006, Ernst & Young LLP will continue in office as auditor of the Company.

On behalf of the Board

DocuSigned by:

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Phaedra Andrews
Director

Date: 24 May 2024

STRATEGIC REPORT

for the year ended 31 December 2023

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of corporate services including administrative support and marketing activities through a number of channel and contract research and development for the Amazon.com, Inc. group. Contract research and development services involves research and development, under direction and on behalf of Amazon.com, Inc. group, of new and existing products and services including initiatives to build and deploy innovative and efficient software and technology. The business is expected to continue in this capacity for the foreseeable future.

GENERAL BUSINESS REVIEW

During the year ended 31 December 2023, the Company's administrative expenses, which constitute the basis for turnover, decreased by 11% to £30,407k (2022: £34,003k) as the company works to cut costs to be more efficient in the provision of corporate services to the Amazon Group. Administrative expenses decreased primarily due to a reduction in marketing expenses of £6,755k partially offset by increased Staff Costs of 12% to £21,017k (2022: £18,847k) primarily due to increased salaries and wages.

The Company made an operating profit for the year of £4,608k (2022: £3,303k). The operating results are stated after a share based award expense of £5,154k (2022: £4,274k).

Liquidity is mainly managed through cash pooling arrangements and loans from group undertakings. Increases or decreases in working capital balances are driven primarily by timing differences.

ANALYSIS OF FINANCIAL KEY PERFORMANCE INDICATORS

The Company earns turnover based on a margin it applies to the administrative expenses it incurs in the provision of corporate support services to other Amazon group undertakings, therefore, key performance indicators for the Company is the control of administrative expenses. As part of the budgetary process, targets are set with respect to administrative expenses, including headcount growth, in order to effectively manage the activities of the Company. Performance is reviewed on a regular basis and appropriate actions are taken as required.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is dependent on the continued success of the Amazon group companies. The principal risks and uncertainties they face include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfillment centre optimisation, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, government regulation and taxation, and fraud. More information about the principal risks and uncertainties facing the group are 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 year ended 31 December 2023, and subsequent filings.

SECTION 172(1) STATEMENT - DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172 of the Companies Act 2006 (the "Act") defines the general duties of the directors of a company to promote the success of that company. It is noted the directors of the Company are under a duty to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholder and, in doing so, to have regard, amongst other matters, to the:

- likely consequences of any decision in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and the environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly between the members of the Company.

STRATEGIC REPORT (continued)**for the year ended 31 December 2023****SECTION 172(1) STATEMENT - DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (continued)**

The Company operates in the UK as part of Amazon.com, Inc.'s global business ('Amazon'). Amazon's mission, as presented in its group annual report is to be "Earth's most customer-centric company". Amazon is guided by four key principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. Whether decisions are taken at a global or country level, specific actions taken by the directors in discharging their responsibilities under section 172 include, but are not limited to, measures designed to support:

- engagement with customers and local communities;
- commitment to an inclusive workplace;
- workforce engagement; and
- environmental and sustainability initiatives, and enabling a socially responsible and ethical supply chain.

Likely consequences of any decision on the long term

Amazon aspires to act as a force for good to maximise our positive social, economic and environmental impact. The Company's directors support this ambition by embodying Amazon's leadership principles. The Company's directors recognise the responsibility to protect and enhance the reputation of the Company and maintain high standards of business conduct. Amazon takes a long-term view on the benefits it generates through the jobs and skills offered, the small businesses supported, the sustainability actions led and the resulting community impact. Customers, policymakers and the media have clear pathways to raise any potential issues with our Customer Service, Public Policy or Public Relations teams. The directors are confident that clear escalation mechanisms exist to raise these issues with the Board, address the problem at hand and agree on a response to the relevant stakeholder.

Engagement with customers and local communities

Amazon customers and local communities are able to engage with Amazon through a number of physical and digital channels. Customer experience insights are gathered, including via customer service and social media, to help deliver the best possible customer experience.

In 2023, the directors and management championed actions in our business following the engagement with customers and our local communities including the following:

- Amazon broadened its work with former Prime Minister Gordon Brown and a coalition of charities to facilitate the donation of more than 1.5 million essential goods to over 150,000 families experiencing poverty across Scotland and Greater Manchester.
- Our leadership announced a new partnership with Comic Relief to become the new home of the Red Nose from 2023, with 100% of profits from the sale of red noses going directly to the charity. In addition, Amazon and our employees across the country helped to raise more than an additional £2.7 million for Comic Relief.
- The directors supported the donation of more than 13 million products to charities across the UK, through our operations as well as Fulfilment by Amazon (FBA) Donations, a programme which helps independent selling partners using the FBA service to donate their overstock or returned items automatically.
- The directors managed a number of significant deal events, including Spring Sale and Prime Day, helping customers save millions of pounds on great value deals.
- Amazon gave a second chance to more than four million products in 2022, helping British customers save more than £30 million by buying used or refurbished products at a discount.
- Our directors supported Amazon's efforts to provide disaster relief to victims of the earthquake in Türkiye and Syria. These efforts included non-governmental organisations (NGOs) working on the ground.
- The directors continued to support Amazon Future Engineer, a childhood-to-career programme aimed at inspiring students to try computer science and coding.
- In partnership with children's charity Barnardo's, our leadership continued to support vulnerable young people, launching a programme to support care-leavers in developing the skills they need to secure meaningful employment.

Further details of work carried out across the UK can be viewed via the Amazon Economic Impact Hub (<https://www.aboutamazon.co.uk/economic-impact>).

STRATEGIC REPORT (continued)
for the year ended 31 December 2023**SECTION 172(1) STATEMENT - DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (continued)****Commitment to an inclusive workplace**

The directors continued to promote diversity, equity and inclusion and support our communities, both within our business and through our products, services and social programmes. They worked with Amazon's internal and external partners in 2023 to deliver the following key initiatives:

- Our leaders created upwards of 900 apprenticeships in 2023 across the business, through 30 different schemes. This contributed to Amazon being named in the Top 100 Apprenticeship Employers by the Department for Education and High Fliers Research.
- The directors continued to support the Career Choice programme, which provides funding for Amazon employees to gain new skills and qualifications while in work. More than 4,300 employees have enrolled in 2023, with courses available in subjects like accountancy, driving of heavy goods vehicles and software development, and are designed to help employees develop careers at Amazon or beyond.
- The directors supported the UK's chapter of Amazon's LGBTQIA+ affinity group, Glamazon, in celebrating Pride Month in June 2023. This included supporting the hosting of events to connect members and allies of the community. The directors saw Glamazon nominated at the British LGBT Awards as a Top-Ten Employee Resource Group, and Amazon named in Stonewall's Top 100 ranked UK organisations for LGBTQIA+ workplace equality.
- In partnership with Amazon's Black Employee Network Affinity Group, our directors also helped celebrate Black History Month, through supporting events across the month of October.
- The directors continued to champion mental health by supporting Amazon's launch of the #FineNotFine campaign to break the stigma surrounding mental health conversations in the workplace and to raise awareness of the internal resources and training available for employees and managers.
- The directors continued to support working parents, grandparents and guardians with the launch of new term-time contracts for operations employees with school-age children. The new contracts guarantee time off for the six-week Summer break, as well as the two-week Easter and Christmas holiday periods, without affecting the comprehensive range of benefits they receive, including private medical insurance and life assurance.
- Our leaders also announced a new flexible part-time contract, designed to support operations employees unable to find full-time work due to family or other commitments that require flexibility. The contract guarantees a minimum of 80 hours a month and allows employees to pick the shifts which suit their needs, whether part-day or full-day, day or night, weekday or weekend.
- Our directors worked to support those who were affected by role eliminations announced early in 2023 by providing support which included transitional health insurance benefits, and external job placement support.

STRATEGIC REPORT (continued)
for the year ended 31 December 2023**SECTION 172(1) STATEMENT - DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (continued)****Workforce engagement**

One of Amazon's leadership principles is to 'strive to become earth's best employer'. In order to achieve this, Amazon continues to invest in and support the employee experience with country-wide strategic priorities in Diversity, Equity and Inclusion, Mental Health and Wellbeing, and the Future of Work. Amazon has an established policy of consistent, honest and open communication with all employees regularly in person, virtually, at team meetings and UK and Ireland Live, and of regularly seeking employee feedback through both anonymous and open channels.

To communicate with operational employees, specifically, our directors use a range of internal communications methods including in-person meetings, virtually, and in departmental team meetings. These communications include global strategic and cultural objectives as well as tactical and operational updates.

Additionally, Amazon leverages a number of real-time employee feedback mechanisms to listen to and learn from employees to continually improve the employee experience. In fulfilment centres, Voice of the Associates Board and Associate Forum is used to provide employees with a forum to ask questions and offer feedback. This two-way communication enables Amazon to have open dialogues with employees and act on feedback.

The directors and management of the Company participate in Amazon's bi-monthly UK People and Culture Forum, a key mechanism for leaders to collectively discuss strategic people issues and initiatives impacting UK based employees. Amazon also has a number of affinity groups which bring employees together across businesses and locations globally. With director and Company sponsorship, these groups play a role in building internal networks, advising Amazon management, leading in service projects, and reaching out to communities across the country.

Environmental and sustainability initiatives, and enabling a socially responsible and ethical supply chain

Amazon is committed to treating the people connected to our entire value chain with fundamental dignity and respect. We strive to embed respect for human rights throughout our business activities and relationships. Our commitment and approach are informed by leading international standards and frameworks developed by the United Nations (UN) and the International Labour Organization (ILO). Amazon is committed to respecting and supporting the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Universal Declaration of Human Rights, the core Conventions of the ILO, and the ILO Declaration on Fundamental Principles and Rights at Work.

Amazon's strategy to deliver on these commitments is based on the UNGPs and has five pillars: developing strong policies; embedding human rights into our business; assessing, prioritizing, and addressing risk through mechanisms; transparency and stakeholder engagement; and grievance mechanisms and effective access to remedy. Amazon works to continuously improve, tracking our progress on our human rights commitments and reviewing and updating our policies, processes, and practices to put people at the centre of our work.

The directors also took significant steps to help Amazon become a more sustainable business in 2023, building on The Climate Pledge, an initiative we co-founded with Global Optimism in 2019. The pledge calls for signatories to be net zero carbon emissions by 2040, which is a decade ahead of the Paris Agreement and centred around three principal areas of action. First, to measure and report greenhouse gas emissions on a regular basis. Second, to implement decarbonisation strategies through real business changes and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies. Finally, to neutralise any remaining emissions with additional, quantifiable, real, permanent and socially beneficial offsets. To that end, the directors supported the implementation and continuation of the following initiatives in 2023:

STRATEGIC REPORT (continued)
for the year ended 31 December 2023

SECTION 172(1) STATEMENT - DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (continued)

- Delivering on the 2022 decision to stop packing products in single-use plastic delivery bags and envelopes in our distribution network in the UK, customers now receive smaller packages in flexible paper bags and cardboard envelopes instead. These are more easily recyclable in household recycling across the UK and reduce volume compared to deliveries in corrugated cardboard boxes. This includes items sold by Amazon and third-party selling partners using FBA. Amazon also began trialling automated packing technology in the Bristol fulfilment centre, with new machines which help to avoid more than 26 grams of packaging per shipment, on average. Lightweight paper bags used by Amazon are up to 90% lighter than similar-sized cardboard boxes.
- As of January 2023, Amazon has 31 renewable energy projects in the United Kingdom with a total annual expected capacity of 565 megawatts when operational. Amazon will continue exploring ways to renewably power its operations, introducing new wind, solar, and storage projects to reduce reliance on carbon-based energy sources.
- More than 1,000 electric delivery vans which are already in operation on UK roads, in addition to nine fully electric Heavy Goods Vehicles, the first in Amazon's fleet, which have replaced traditional diesel trucks.
- Our leadership team supported the Rewild London Fund in partnership with the Mayor of London and London Wildlife Trust with 22 new rewilding initiatives in the UK's capital through Amazon's Right Now Climate Fund.
- Through the Amazon Sustainability Accelerator, a further eight early-stage UK start-ups were supported, building products designed with their environmental impact in mind to get off the ground. Amazon did this by providing their founders with a support package worth more than £10k in the form of an equity-free grant, \$25k (equivalent to circa £19.5k) in AWS Activate Credits, access to free office space, as well as expert mentorship and a tailored curriculum designed to help them grow their operations.
- Continued support of 1,000 Sustainability Ambassadors in the UK, who are Amazon employees tasked with raising awareness of everyday sustainable practices through environmental education and events.

On behalf of the Board

DocuSigned by:

Phaedra Andrews

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Phaedra Andrews

Director

Date: 24 May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the financial statements, state whether FRS 102 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWITCH UK LIMITED

Opinion

We have audited the financial statements of Twitch UK Limited for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 May 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives 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 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 (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud is explained below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection, anti-bribery and corruption.
- We understood how the company is complying with those frameworks by making enquiries of management. We determined whether there were deficiencies within the Company's control environment, including entity level controls such as those relating to ethical behaviour and fraud prevention and deterrence, through observations during our audit procedures and obtaining relevant working papers from the auditor of the Company's ultimate parent, Amazon.com Inc. We read correspondence with relevant authorities.
- We read board minutes to identify non-compliance with laws and regulations, and we read significant contracts and agreements impacting the Company in the financial year.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We identified a risk of fraud within the completeness of operating expenses. We incorporated data analytics into our testing of the source of entries recorded within operating expenses and tested specific transactions to determine the completeness of operating expenses. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Zishan Nurmohamed (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 29 May 2024

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
TURNOVER	2	35,015	37,306
Administrative expenses		(30,407)	(34,003)
OPERATING PROFIT	3	<u>4,608</u>	<u>3,303</u>
Interest receivable	6	1,588	388
Interest payable	7	(9)	(18)
PROFIT BEFORE TAXATION		<u>6,187</u>	<u>3,673</u>
Tax on profit	8	(1,560)	369
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>4,627</u></u>	<u><u>4,042</u></u>

BALANCE SHEET

as at 31 December 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible assets	9	540	1,630
CURRENT ASSETS			
Debtors:			
amounts falling due within one year	10(a)	46,433	35,709
amounts falling due after one year	10(b)	1,382	1,295
		47,815	37,004
CREDITORS: amounts falling due within one year	11(a)	(3,721)	(4,071)
NET CURRENT ASSETS		44,094	32,933
TOTAL ASSETS LESS CURRENT LIABILITIES		44,634	34,563
CREDITORS: amounts falling due after more than one year	11(b)	(49)	—
PROVISIONS FOR LIABILITIES	12	(747)	(506)
NET ASSETS		43,838	34,057
CAPITAL AND RESERVES			
Share capital	13	3,000	3,000
Share premium		6,000	6,000
Share based awards reserve	16	17,939	12,785
Retained earnings		16,899	12,272
SHAREHOLDER'S FUNDS		43,838	34,057

Approved by the Board

Phaedra Andrews
Director

DocuSigned by:
Phaedra Andrews
EC4A708BDE4844B...

Date: 24 May 2024

Company Number: 10084616

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	<i>Share capital</i>	<i>Share premium</i>	<i>Share based awards reserve</i>	<i>Retained earnings</i>	<i>Total shareholder's funds</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2022	3,000	6,000	8,511	8,230	25,741
Share based awards	—	—	4,274	—	4,274
Profit for the year	—	—	—	4,042	4,042
At 31 December 2022	3,000	6,000	12,785	12,272	34,057
Share based awards	—	—	5,154	—	5,154
Profit for the year	—	—	—	4,627	4,627
At 31 December 2023	3,000	6,000	17,939	16,899	43,838

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES

Statement of compliance

Twitch UK Limited ("the Company") is a limited company incorporated and domiciled in England and Wales. The registered office of the Company is 1 Principal Place, Worship Street, London, England, EC2A 2FA. The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), and with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The financial statements are presented in pound sterling, which is the functional currency of the Company, and are rounded to the nearest thousand pound sterling (£'000).

The Company has taken advantage of the following disclosure exemptions in FRS 102:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)
- The requirements of Section 33 Related Party Disclosures paragraph 33.1A and 33.7
- The requirements of Section 11 Basic Financial Instruments paragraph 11.39 to 11.48A
- The requirements of Section 26 Share-based payment paragraph 26.18(b), 26.19 to 26.21 and 26.23

The exemptions stated above are available to the Company as it is a member of a group where the parent of that group prepares publicly available consolidated financial statements.

Pronouncements recently adopted

In July 2023, the Financial Reporting Council issued amendments to Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" International tax reform - Pillar two model rules (the "Amendments"). The Amendments provide a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules; and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation. The Directors adopted the Amendments on 1 January 2023 with no material impact to the financial statements. On 11 July 2023, the UK enacted new global minimum tax rules to align with the Organization for Economic Co-operation and Development Base Erosion and Profit Shifting ("BEPS") Pillar Two model rules. The enacted law includes the implementation of the multinational top-up tax ("MTUT") and domestic minimum top-up tax ("DTT"). The MTUT and DTT are effective for fiscal years beginning on or after 31 December 2023. The Company has applied the mandatory exception provided under Section 29 – Income Taxes to neither recognize nor disclose information on deferred tax assets and liabilities related to Pillar Two income taxes. The Directors are in the process of assessing the impacts of the global minimum tax rules enacted by the UK on the Company and its application to our ultimate parent entity. While the UK has enacted the MTUT and DTT as part of the Finance (No.2) Act 2023 legislation, additional guidance must be provided to enable affected parties to reasonably estimate top-up taxes. As of the year ended 31 December 2023, the Directors are still evaluating the impact of the global minimum tax rules enacted by the UK Government.

Going concern

The financial statements have been prepared on a going concern basis. During the year ended 31 December 2023, the Company's operations generated a profit after tax and an increase to net assets, and are expected to continue to do so, through the Company's principal activity of the provision of fulfilment and corporate support services to other Amazon group undertakings. The Company is dependent on, and contributes to, the continued success of the Amazon.com, Inc. group. The directors have concluded that the Amazon.com, Inc. group, based on its reported results, has sufficient financial resources to support the Company either by providing financial and operational services to support its activities, or by continuing its investment in the Company's operations, but only to the extent that the Company is not otherwise able. This is provided through operational service contracts with group undertakings as well as financial support provided in the form of, for example, cash pooling arrangements, loans from group undertakings and equity contributions. The directors have a reasonable expectation that the Company has adequate resources to continue as an operational business for the foreseeable future, being twelve months from the approval of the financial statements (until the end of May 2025).

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented.

Turnover

Turnover is attributable to the principal activity of the Company and represents amounts invoiced to other group companies for the provision of corporate support services and contract research and development services. It is stated net of value added tax and is recognised as administrative expenses are incurred in the provision of these services.

Tangible assets

All tangible assets are initially recorded at cost. Costs comprise the purchase price and any direct costs incurred in bringing the asset to its location and condition for its intended use.

Depreciation

Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life as follows:

Leasehold buildings and improvements	-	Lower of expected useful life or lease term
Office equipment	-	2-5 years
Computer equipment	-	2-4 years

The carrying value of tangible assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is charged on all tangible assets from the date that assets are put into service.

Debtors

Short and long term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

Bank Overdrafts

Bank overdrafts arise from short-term timing differences and are repayable on demand.

Provisions for liabilities

The Company makes provisions where it is probable that a transfer of economic benefits will be required to settle a present obligation. The Company applies a risk-adjusted pre-tax discount rate in order to take effect of the time value of money to arrive at the value of the provision.

Operating leases and Other long-term creditors - lease incentives

Rentals payable and lease incentives under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

Currency translation differences are recorded in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

Taxation

Taxation expense comprises current and deferred tax. Current and deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable with respect to the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the end of the year.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted at the reporting date and that are expected to apply to the reversal of the timing difference.

Pension costs

The Company operates a defined contribution pension scheme. Contributions are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

Share based awards

The fair value of equity-settled share based awards to eligible employees is determined at the date of grant and is expensed over the vesting period based on the Company's estimate of equity awards that will eventually vest. A corresponding entry is recognised in equity (further details set out in note 16).

Share premium reserve

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Interest Receivable

Interest receivable is recognised using the effective interest rate method.

Interest Payable

Interest payable is recognised using the effective interest rate method.

Significant management judgement

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets and liabilities, income and expenses in the financial statements and accompanying notes. Significant management judgement is applied in the measurement of provisions for liabilities (note 12) in particular the settlement amount and discount rate applied.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

2. TURNOVER

All turnover is derived from the provision of corporate support services of £23,065k (2022: £34,387) and contract research and development of £11,950k (2022: £2,919k) to other Amazon group undertakings located in North America £35,015k (2022: £2,919k) and in 2022 located in Europe £34,387k.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2023	2022
	£'000	£'000
Depreciation of owned tangible assets	1,442	1,550
Operating lease charges	2,054	2,267
Auditor's remuneration - audit of the financial statements	33	30
Net loss on foreign currency translation	36	68

4. STAFF COSTS

	2023	2022
	£'000	£'000
Wages and salaries	13,429	12,275
Social security costs	1,939	1,842
Staff pension contributions	495	456
Equity settled share based awards (note 16)	5,154	4,274
	21,017	18,847

The monthly average number of employees during the year was as follows:

	2023	2022
	No.	No.
Management and administration staff	144	149

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

5. DIRECTORS' REMUNERATION

	2023 £'000	2022 £'000
Aggregate remuneration in respect of qualifying services	<u>329</u>	<u>390</u>
Value of Company pension contributions to money purchase schemes	<u>16</u>	<u>19</u>
	2023 No.	2022 No.
Members of money purchase pension schemes	<u>4</u>	<u>2</u>
Directors who received share based awards	<u>2</u>	<u>2</u>
Directors who vested in or exercised share based awards	<u>4</u>	<u>2</u>

The amounts in respect of the highest paid director are as follows:

	2023 £'000	2022 £'000
Aggregate remuneration in respect of qualifying services	<u>104</u>	<u>204</u>
Company contributions to money purchase pension schemes	<u>5</u>	<u>10</u>

The highest paid director in 2023 and 2022 received and vested in or exercised share based awards during the year.

Some of the directors were paid by fellow group undertakings who paid the directors emoluments and pension contributions of £179,823 (2022: £172,002) in respect of the services to the Group of which the company is a member. It is not possible to identify the proportion of these emoluments that relate to services to this Company.

6. INTEREST RECEIVABLE

	2023 £'000	2022 £'000
Interest receivable from group undertakings	1,583	388
Bank interest receivable	<u>5</u>	<u>—</u>
	<u>1,588</u>	<u>388</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

7. INTEREST PAYABLE

	2023	2022
	£'000	£'000
Accretion of discount on provisions for liabilities (note 12)	9	18
	<u>9</u>	<u>18</u>

8. TAXATION

(a) Tax on profit

The components of tax on profit are as follows:	2023	2022
	£'000	£'000
Current tax	1,675	—
Deferred tax	(115)	(369)
Tax on profit	<u>1,560</u>	<u>(369)</u>

(b) Reconciliation of tax on profit

The items accounting for differences between tax on profit computed at the UK statutory rate and recorded for tax on profit are as follows:

	2023	2022
	£'000	£'000
Profit before taxation	<u>6,187</u>	<u>3,673</u>
Tax computed at the UK statutory rate	1,455	698
Effects of:		
Non deductible expenses	283	247
Adjustment in respect of share based awards	(143)	(91)
Effect of rate differential on current year movement of deferred tax	(5)	(63)
Effect of rate change on opening deferred tax	(24)	(116)
Losses claimed at rates other than the statutory rate	—	(1,050)
Other	(6)	6
Tax on profit	<u>1,560</u>	<u>(369)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

8. TAXATION (continued)

(c) Deferred tax

Deferred tax assets are as follows:	2023 £'000	2022 £'000
Timing differences related to tangible assets	166	162
Timing differences related to lease dilapidations	130	103
Timing differences related to share based awards	1,077	991
Other timing differences	9	11
Total deferred tax asset recognised in the financial statements	<u>1,382</u>	<u>1,267</u>

The Finance Act 2021, which received Royal Assent on 10 June 2021, enacted a 6% increase in the UK corporation tax rate from 19% to 25% for the year beginning 1 April 2023. The corporation tax rate for the year ended 31 December 2023 is therefore a blended rate of 23.52% (2022: 19%). Any deferred tax assets and liabilities are reflected according to the applicable corporation tax rate expected to apply at the time of realisation.

During the year beginning 1 January 2024, the expected net decrease in recognised deferred tax assets is £461k. This is primarily due to timing differences related to share based awards.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

9. TANGIBLE ASSETS

	<i>Leasehold buildings and improvements</i>	<i>Office equipment</i>	<i>Computer equipment</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Cost:				
At 1 January 2023	5,884	792	1,170	7,846
Additions	253	43	64	360
Disposals	(3,710)	(632)	(450)	(4,792)
At 31 December 2023	2,427	203	784	3,414
Depreciation:				
At 1 January 2023	4,695	739	782	6,216
Charge for the year	1,213	40	189	1,442
Disposals	(3,710)	(626)	(448)	(4,784)
At 31 December 2023	2,198	153	523	2,874
Net book value:				
At 1 January 2023	1,189	53	388	1,630
At 31 December 2023	229	50	261	540

10. DEBTORS

<i>a) amounts falling due within one year</i>	<i>2023</i>	<i>2022</i>
	£'000	£'000
Amounts owed by group undertakings	45,840	32,985
Prepayments and accrued income	257	560
Other debtors	336	2,164
	<u>46,433</u>	<u>35,709</u>
<i>b) amounts falling due after one year</i>	<i>2023</i>	<i>2022</i>
	£'000	£'000
Deferred tax asset (note 8)	1,382	1,267
Prepayments and accrued income	—	28
	<u>1,382</u>	<u>1,295</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

11. CREDITORS

<i>a) amounts falling due within one year</i>	2023 £'000	2022 £'000
Bank overdraft	11	22
Trade creditors	642	741
Amounts owed to group undertakings	357	310
Other taxation and social security	1,243	1,117
Corporation tax payable	531	—
Accruals	932	1,881
Other creditors	5	—
	<u>3,721</u>	<u>4,071</u>
 <i>b) amounts falling due after one year</i>	 2023 £'000	 2022 £'000
Other long term creditors - lease incentives	49	—
	<u>49</u>	<u>—</u>

12. PROVISIONS FOR LIABILITIES

	<i>Lease Dilapidations</i> £'000
At 1 January 2023	506
Provided during the year	232
Accretion of discount (note 7)	9
At 31 December 2023	<u>747</u>

The provision held at 31 December 2023 is to cover costs the Company may incur on exit of leasehold properties when the leases expire (see note 14). The accretion of the discount each year is recorded as interest payable. Uncertainties about the amount or timing of these outflows relate to potentially extending, renewing or cancelling, leases, or variances in final settlements of dilapidations costs at the end of the life of leases.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

13. SHARE CAPITAL

	2023		2022	
	No.	£	No.	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	3,000,003	3,000,003	3,000,003	3,000,003

14. COMMITMENTS UNDER OPERATING LEASES

The commitments under non-cancellable operating leases are as follows:

	2023	2022
	<i>Land and buildings</i>	<i>Land and buildings</i>
	£'000	£'000
Within one year	171	1,935
In one to two years	1,096	—
In two to five years	2,659	—
	<u>3,926</u>	<u>1,935</u>

15. ULTIMATE PARENT COMPANY

The immediate parent company is Amazon Europe Core S.à.r.l., a company which is incorporated in Luxembourg. The address of this company is 38 Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg.

The Company regards Amazon.com, Inc., a company which is incorporated in the United States of America, as its ultimate holding company and controlling party. The largest and the smallest group in which the results of the Company are consolidated is headed by Amazon.com, Inc.. Copies of the group consolidated financial statements of Amazon.com, Inc. are available at 410 Terry Avenue North, Seattle, WA 98109-5210, USA.

16. SHARE BASED AWARD PLANS

Amazon.com, Inc. ("Amazon") may grant equity awards to employees, officers and directors of Amazon and its subsidiaries which include Twitch UK Limited, as well as to consultants, agents, advisors and independent contractors, pursuant to Amazon's 1997 Stock Incentive Plan (the "1997 Plan").

Amazon may grant equity awards in the form of stock options, stock, or restricted stock units ("RSUs"). Equity awards are evidenced by, and subject to the terms and conditions of, an agreement between the recipient and Amazon, as well as the terms and conditions of the applicable plan (and, where applicable, sub-plans in jurisdictions where local tax law or other regulations merit their adoption, such as in the UK). The following paragraphs describe the terms and conditions generally applicable to equity awards granted by Amazon under the 1997 Plan.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

16. SHARE BASED AWARD PLANS (continued)

During 2023 and 2022, RSUs were the primary type of equity award granted. RSUs are granted from the 1997 Plan. RSUs represent the right to receive shares of common stock of Amazon, on a one-for-one basis, upon vesting. There is no exercise price associated with an RSU. Employees vest in RSUs and stock options over a specified course of time that the employee provides service to Amazon or one or more of its subsidiaries. Typically, the service terms for vesting are between two and four years.

On 27 May 2022, our ultimate parent effected a 20-for-1 stock split of its common stock and proportionately increased the number of authorized shares of common stock. All restricted stock unit ("RSU") and per RSU information has been retroactively adjusted to reflect the stock split.

Unvested portions of equity awards are subject to forfeiture if the holder's employment or other service relationship with Amazon (including its subsidiaries) terminates.

The fair value of each RSU is equal to the market value of Amazon common stock on the date of the grant. The fair value is recognised as compensation expense over the requisite service period. The Company estimates forfeiture of RSUs at the time of the grant based on historical experience and records compensation expense only for those awards that are expected to vest.

Scheduled vesting for outstanding restricted stock units as at 31 December 2023 was as follows:

	2024	2025	2026	2027	Thereafter	Total
Scheduled vesting	52,940	35,408	23,143	709	—	112,200

The weighted average share price at the date of share based award vesting was US\$127.26 (2022: US\$117.41).

17. SUBSEQUENT EVENTS

In January 2024, Amazon.com, Inc. announced a workforce reduction plan affecting approximately 500 roles within Twitch worldwide. Although detailed plans affecting individual companies and businesses are being formalized, the financial impact on the Company is not expected to be material.