

Smartbox Group Denmark A/S

Amager Strandvej 390, 3., 2770 Kastrup

Company reg. no. 29 80 41 33

Annual report

1 May 2023 - 30 April 2024

The annual report was submitted and approved by the general meeting on the

Frédéric Leleux

Frédéric Leleux (Jun 21, 2024 08:57 GMT+2)

Frédéric Leleux

Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Smartbox Group Denmark A/S for the financial year 1 May 2023 - 30 April 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2024 and of the results of the Company's operations for the financial year 1 May 2023 – 30 April 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Kastrup,

Managing Director



Fanny Ponce (Jun 21, 2024 09:30 GMT+2)

Fanny Ponce

Board of directors



Frédéric Leleux (Jun 21, 2024 08:57 GMT+2)

Frédéric Leleux
Chairman



Fanny Ponce (Jun 21, 2024 09:30 GMT+2)

Fanny Ponce



franck villet (Jun 21, 2024 10:53 GMT+2)

Franck Noël Bruno Villet

The independent practitioner's report

To the Shareholders of Smartbox Group Denmark A/S

Conclusion

We have performed an extended review of the financial statements of Smartbox Group Denmark A/S for the financial year 1 May 2023 - 30 April 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 30 April 2024 and of the results of the Company's operations for the financial year 1 May 2023 - 30 April 2024 in accordance with 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 "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner'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.

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The independent practitioner's report

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.

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 in the Management's Review.

Aalborg,

KPMG

State Authorised Public Accountants
Company reg. no. 25 57 81 98

Steffen S. Hansen
Steffen S. Hansen (Jun 21, 2024 12:41 GMT+2)

Steffen S. Hansen
State Authorised Public Accountant
mne32737

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Company information

The company

Smartbox Group Denmark A/S
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Company reg. no. 29 80 41 33
Established: 20 December 2006
Financial year: 1 May 2023 - 30 April 2024

Board of directors

Frédéric Leleux, Chairman
Fanny Ponce
Franck Noël Bruno Villet

Managing Director

Fanny Ponce

Auditors

KPMG, Statsautoriseret
Revisionspartnerselskab
Østre Havnegade 22D
9000 Aalborg

Bankers

Danske Bank

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Management's review

Description of key activities of the company

Smartbox Group Denmark has, under the Smartbox brand, continued to develop its operations during the year by supporting the distribution of Smartbox Group Limited gift experiences on the Danish market.

The Smartbox Group is the market leader across Europe. The Smartbox product is a complete experience solution consisting of three parts; a book with a specific theme, a book that describes the experiences that exist within the theme and a voucher which gives access to the experience or activity. Distributions are made through four channels: Retailers, shop, B2B and the Internet. In B2B, distributions are made directly to companies and organizations.

Development in activities and financial matters

The gross profit for the year totals DKK 13.410.574 against DKK 14.347.000 last year. Income from ordinary activities after tax totals DKK 1.335.914 against DKK 1.331.424 last year. Management considers the net profit for the year satisfactory.

Expectations to the future

The Group and the company will continue developing their business on the Danish market.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for Smartbox Group Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Business combinations

Acquisitions completed by the 1 July 2018 or later (method of consolidation)

In case of intercompany business combinations, the carrying amount method is applied. By this method, the two enterprises are united at carrying amounts, and differences are not identified. Any considerations exceeding the carrying amount in the acquired entity are recognised directly in equity.

The carrying amount method is implemented on the acquisition date, and comparative figures are not modified.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and write-down for impairment

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment as well as gains and losses from current replacement of fixed assets.

Accounting policies

Financial income and expenses

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the income statement with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Tangible fixed assets

Leasehold improvements are measured at cost less accumulated depreciation and write down. Depreciation is made by use of the straightline method over 10 years based on the evaluation of the expected useful lives of the assets.

Equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation base is cost less estimated residual value at end of useful life.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life.

	Useful life
Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected cost of less than 14.400 per unit are recognised as costs in the income statement in the year of acquisition.

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Accounting policies

Profit or loss derived from the disposal of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down takes place to the recoverable amount, if this value is lower than the carrying amount.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Income tax and deferred tax

As administration company, Smartbox Group Denmark A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Accounting policies

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Income statement 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2023/24</u>	<u>2022/23</u>
Gross profit	13.410.574	14.347.000
1 Staff costs	-11.894.880	-12.893.564
2 Depreciation and impairment of property, land, and equipment	-159.103	-97.515
Operating profit	1.356.591	1.355.921
Other financial income	0	158
3 Other financial expenses	-20.677	-24.655
Pre-tax net profit or loss	1.335.914	1.331.424
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	1.335.914	1.331.424
Proposed distribution of net profit:		
Transferred to retained earnings	1.335.914	1.331.424
Total allocations and transfers	1.335.914	1.331.424

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Balance sheet at 30 April

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets		
Non-current assets		
4 Leasehold improvements	103.134	123.971
4 Other fixtures, fittings, tools and equipment	275.748	257.194
Total property, plant, and equipment	<u>378.882</u>	<u>381.165</u>
5 Deposits	344.270	344.270
Total investments	<u>344.270</u>	<u>344.270</u>
Total non-current assets	<u>723.152</u>	<u>725.435</u>
Current assets		
Trade receivables	1.419.651	1.229.125
Receivables from group enterprises	440.068	549.963
6 Deferred tax assets	1.867.986	1.867.986
Other receivables	324.516	114.277
Prepayments	529.964	381.651
Total receivables	<u>4.582.185</u>	<u>4.143.002</u>
Cash and cash equivalents	<u>3.914.553</u>	<u>4.871.529</u>
Total current assets	<u>8.496.738</u>	<u>9.014.531</u>
Total assets	<u>9.219.890</u>	<u>9.739.966</u>

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Balance sheet at 30 April

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
7	Contributed capital	646.349	646.349
	Retained earnings	4.666.230	3.330.316
	Total equity	<u>5.312.579</u>	<u>3.976.665</u>
 Liabilities other than provisions			
	Trade payables	2.574.671	3.636.337
	Other payables	1.332.640	2.126.964
	Total short term liabilities other than provisions	<u>3.907.311</u>	<u>5.763.301</u>
	Total liabilities other than provisions	<u>3.907.311</u>	<u>5.763.301</u>
	Total equity and liabilities	<u>9.219.890</u>	<u>9.739.966</u>
 8 Contingencies			
9 Related parties			

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Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 May 2023	646.349	3.330.316	3.976.665
Profit or loss for the year brought forward	0	1.335.914	1.335.914
	646.349	4.666.230	5.312.579

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Notes

All amounts in DKK.

	<u>2023/24</u>	<u>2022/23</u>
1. Staff costs		
Salaries and wages	10.933.379	11.958.316
Pension costs	903.211	879.014
Other costs for social security	<u>58.290</u>	<u>56.234</u>
	<u>11.894.880</u>	<u>12.893.564</u>
Average number of employees	<u>26</u>	<u>25</u>
2. Depreciation and impairment of property, land, and equipment		
Depreciation on decoration of leasehold improvements	46.163	18.845
Depreciation on other fixtures, fittings, tools and equipment	<u>112.940</u>	<u>78.670</u>
	<u>159.103</u>	<u>97.515</u>
3. Other financial expenses		
Other financial costs	<u>20.677</u>	<u>24.655</u>
	<u>20.677</u>	<u>24.655</u>

Notes

All amounts in DKK.

4. Tangible assets

	<u>Leasehold improvements</u>	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 May 2023	2.536.737	766.248
Additions	<u>25.328</u>	<u>131.494</u>
Cost at 30 April 2024	<u>2.562.065</u>	<u>897.742</u>
Depreciations and writedown 1 May 2023	2.412.766	509.054
Depreciations this year	<u>46.165</u>	<u>112.940</u>
Depreciations and writedown 30 April 2024	<u>2.458.931</u>	<u>621.994</u>
Book value of tangible assets 30 April 2024	<u>103.134</u>	<u>275.748</u>

30/4 2024

30/4 2023

5. Deposits

Cost 1 May 2023	344.270	213.563
Additions during the year	<u>0</u>	<u>130.707</u>
Cost 30 April 2024	<u>344.270</u>	<u>344.270</u>
Carrying amount, 30 April 2024	<u>344.270</u>	<u>344.270</u>

6. Deferred tax assets

Deferred tax assets 1 May 2023	<u>1.867.986</u>	<u>1.867.986</u>
	<u>1.867.986</u>	<u>1.867.986</u>

7. Contributed capital

Contributed capital 1 May 2023	<u>646.349</u>	<u>646.349</u>
	<u>646.349</u>	<u>646.349</u>

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Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

The Company have committed to operational leasing contracts for the following amounts:

Remaining between 5-42 months having an average yearly payments of TDKK 1.021. The liability is in total TDKK 2.245.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

9. Related parties

Controlling interest

The company is a wholly owned subsidiary undertaking of Smartbox Group Company Ltd, a company incorporated in the Republic of Ireland.

The company regards BAD 2I, a company incorporated under the laws of Belgium, having its registered headquarters at 431 Chaussee De Louvain, 1380 Lasne, Belgium, as its ultimate holding company.

The Company in which the results of the company are consolidated is BAD 2I.