

Smartbox Group Denmark A/S

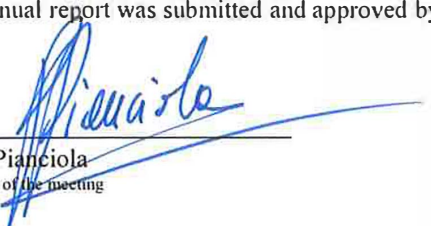
Frederiksberg Alle 52, 1820 Frederiksberg C

Company reg. no. 29 80 41 33

Annual report

1 May 2020 - 30 April 2021

The annual report was submitted and approved by the general meeting on 15 June 2021



Paola Pianciola
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 %.

Management's report

The board of directors and the managing director have today presented the annual report of Smartbox Group Denmark A/S for the financial year 1 May 2020 to 30 April 2021.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 April 2021 and of the company's results of its activities in the financial year 1 May 2020 to 30 April 2021.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Frederiksberg C, 15 June 2021

Managing Director

Paola Pianciola

Board of directors

Frédéric Leloux
Chairman



Paola Pianciola



Franck Noël Bruno Villet



Independent auditor's report on extended review

To the shareholders of Smartbox Group Denmark A/S

Opinion

We have performed extended review of the annual accounts of Smartbox Group Denmark A/S for the financial year 1 May 2020 to 30 April 2021, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2021 and of the results of the company's operations for the financial year 1 May 2020 to 30 April 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the annual accounts

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our extended review of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the extended review, or whether it otherwise appears to contain material misstatement.

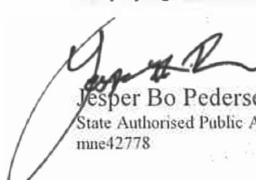
Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 15 June 2021

KPMG P/S

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98



Jesper Bo Pedersen
State Authorised Public Accountant
mme42778

Company information

The company	Smartbox Group Denmark A/S Frederiksberg Alle 52 1820 Frederiksberg C
	Phone +(45) 70 26 41 00
	Fax +(45) 70 26 41 01
	Web site www.smartbox.dk
	E mail oplevelser@smartbox.com
	Company reg. no. 29 80 41 33
	Established: 20 December 2006
	Domicile: Frederiksberg
	Financial year: 1 May 2020 - 30 April 2021
Board of directors	Frédéric Leleux, Chairman Paola Pianciola Franck Noël Bruno Villet
Managing Director	Paola Pianciola
Auditors	KPMG P/S, Statsautoriseret Revisionspartnerselskab Dampfærgevej 2100 København Ø
Bankers	Danske Bank

Management commentary

The principal 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 certificate of value that serves as payment for the experience. Distributions are made through four channels: Retailers, shop, B2B and the Internet. In B2B, distributions are made directly to companies and organizations.

Unusual matters

Covid-19

As stated by the World Health Organization (WHO) in March 2020, the Europe became the epicenter of the Covid-19 pandemic crisis, during more than one year Europe faced the pandemic with confinement periods and started to launch vaccination campaigns. Covid-19 is causing significant deterioration and uncertainties in economic conditions in many countries.

Consequently, since the beginning of the Covid-19 health crisis, Smartbox Group Denmark implemented measures to ensure the protection of its staff and clients and to preserve its financial health.

Main business and financial impacts for Smartbox Group Denmark relate to:

- the closure of offices and the implementation of remote work when possible;
- temporary partial employment for sales forces in relation with measures taken by the State;
- deferral and/or cancellation of lease expenses resulting from negotiation with the tenants;
- deferral of social charges and tax expenses due to the State and related tax administration.

There has been no impact on delay of payment for suppliers. Main cash inflows originate from related parties and there has been no impact on Smartbox Group Denmark 's financial positions in relation with Covid-19.

In order to face a long lasting pandemic the Group early decided to save costs and adapt its resources to its level of activity and revenues

Uncertainties as to recognition or measurement

There have been no uncertainty in recognizing and measuring.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 582.403 against DKK 1.063.212 last year. The management consider the results satisfactory.

Management commentary

Expectations to the future

The sanitary confinement was maintained all along the year by the Danish State due to covid 19 pandemic. It led in the closure of most of the points of sales where Smartbox Group distributes the experience gifts. Thanks to the ongoing national vaccination campaign those measures have been gradually lifted since February. As a consequence the economic activity progressively resumes.

The company reopened its own stores as of February as well as its head offices in February. All of the recommended health security measures are still in place.

The Group has launched a plan to reduce costs including staff costs in most of its entities.

At the same time SBG DK continued to use measures put in place by its Government such as temporary leave, and deferral of social charges and corporate income tax payment.

Given this, and based on activities forecasts, the Management believes that there is no risk on Group going concern and indirectly on its subsidiary such as SBG DK whose business model consists in rebilling its whole operational costs to its mother company.

Subsequent events

No events have occurred after the balance sheet date which affect the financial position of the company materially.

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 used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet 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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies

Income statement

Gross profit

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

Net turnover

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.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Other operating income and costs

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.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contribution, etc. for the Company's staff.

Depreciation, amortisation and writedown

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.

Net financials

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.

Accounting policies

Tax of the results for the year

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).

The balance sheet

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 the acquisition cost and costs directly attached to 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

There is an annual reassessment of the depreciation period and the scrap value..

Minor assets with an expected cost of less than 14,400 per unit are recognised as costs in the profit and income statement in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the Income statement under depreciation.

Accounting policies

Leasing contracts

Leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rent agreements are recognised in the Income statement over the term of the contract. The company's total liabilities concerning operational leasing and rent agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values 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. Writedown takes place to the recoverable amount, if this value is lower than the book value.

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 writedown is reversed when the condition for the writedown no longer exist.

Financial fixed assets

Deposits

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

Trade receivables

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

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.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Accounting policies

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Smartbox Group Denmark A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Smartbox Group Denmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross profit	8.295.522	9.504.836
2 Staff costs	-7.362.090	-7.430.101
3 Depreciation and writedown relating to tangible fixed assets	-120.224	-627.955
Operating profit	813.208	1.446.780
4 Financial costs	-66.559	-83.390
Results before tax	746.649	1.363.390
5 Tax on ordinary results	-164.246	-300.178
Net profit or loss for the year	582.403	1.063.212
Proposed appropriation of net profit:		
Dividend for the financial year	6.500.000	0
Transferred to retained earnings	0	1.063.212
Allocated from retained earnings	-5.917.597	0
Total allocations and transfers	582.403	1.063.212

Statement of financial position at 30 April

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>	
Assets			
Fixed assets			
6	Leasehold improvements	35.749	51.798
6	Other fixtures and fittings, tools and equipment	96.041	167.976
	Tangible fixed assets in total	<u>131.790</u>	<u>219.774</u>
7	Deposits	213.563	203.860
	Financial fixed assets in total	<u>213.563</u>	<u>203.860</u>
	Fixed assets in total	<u>345.353</u>	<u>423.634</u>
Current assets			
	Trade debtors	685.776	1.498.041
	Receivables from group enterprises	0	18.999
	Deferred tax asset	999.698	973.248
	Other debtors	34.130	77.400
	Accrued income and deferred expenses	161.553	766.503
	Debtors in total	<u>1.881.157</u>	<u>3.334.191</u>
	Available funds	<u>7.485.322</u>	<u>6.420.701</u>
	Total current assets	<u>9.366.479</u>	<u>9.754.892</u>
	Total assets	<u>9.711.832</u>	<u>10.178.526</u>

Statement of financial position at 30 April

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Equity			
8	Contributed capital	646.369	646.369
	Retained earnings	13.370	5.930.967
	Proposed dividend for the financial year	6.500.000	0
	Equity in total	<u>7.159.739</u>	<u>6.577.336</u>
 Liabilities other than provisions			
	Trade creditors	697.174	1.481.134
	Corporate tax	190.696	438.328
	Other debts	1.664.223	1.681.728
	Total short term liabilities in total	<u>2.552.093</u>	<u>3.601.190</u>
	Liabilities in total	<u>2.552.093</u>	<u>3.601.190</u>
	Equity and liabilities in total	<u>9.711.832</u>	<u>10.178.526</u>

1 Subsequent events

9 Contingencies

10 Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the financial year</u>	<u>Total</u>
Equity 1 May 2020	646.369	5.930.967	0	6.577.336
Profit or loss for the year brought forward	0	-5.917.597	6.500.000	582.403
	<u>646.369</u>	<u>13.370</u>	<u>6.500.000</u>	<u>7.159.739</u>

Notes

All amounts in DKK.

1. Subsequent events

No events have occurred after the balance sheet date which affect the financial position of the company materially.

	<u>2020/21</u>	<u>2019/20</u>
2. Staff costs		
Salaries and wages	7.279.303	7.318.341
Other costs for social security	<u>82.787</u>	<u>111.760</u>
	7.362.090	7.430.101
Average number of employees	<u>14</u>	<u>16</u>
3. Depreciation and writedown relating to tangible fixed assets		
Depreciation on plants, operating assets, fixtures and furniture	97.283	628.142
Profit/loss on sale of tangible assets	<u>22.941</u>	<u>-187</u>
	120.224	627.955
4. Financial costs		
Other financial costs	<u>66.559</u>	<u>83.390</u>
	66.559	83.390
5. Tax on ordinary results		
Tax of the results for the year, parent company	190.696	438.328
Adjustment for the year of deferred tax	<u>-26.450</u>	<u>-138.150</u>
	164.246	300.178

Notes

All amounts in DKK.

6. Tangible assets

	<u>Leasehold improvements</u>	<u>Other fixtures and fittings, tools and equipment</u>
Cost at May 1 2020	2.413.621	532.710
Additions	0	77.240
Afgang	0	-67.941
Cost at 30 April 2020	<u>2.413.621</u>	<u>542.009</u>
Depreciations and writedowns 1 May 2020	2.361.823	364.734
Depreciations this year	16.049	81.234
Depreciations at 30 April 2021	<u>2.377.872</u>	<u>445.968</u>
Book Value of tangible assets 30 April 2021	<u>35.749</u>	<u>96.041</u>

30/4 2021

30/4 2020

7. Deposits

Cost 1 May 2020	203.860	203.860
Additions during the year	9.703	0
Cost 30 April 2021	<u>213.563</u>	<u>203.860</u>
Book value 30 April 2021	<u>213.563</u>	<u>203.860</u>

8. Contributed capital

Contributed capital 1 May 2020	646.369	646.369
	<u>646.369</u>	<u>646.369</u>

Contributed capital

The share capital amounted to EUR 17,000 at the foundation	126.752
Capital increase amounted to EUR 70,000 as of 21 June 2017	519.617

Contributed capital as of 30 April 2021 **646.369**

Notes

All amounts in DKK.

9. Contingencies

Contingent liabilities

Rent commitments concerning contract with 6 months notice, amounting to TDKK 202.

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

Remaining between 6-14 months having an average yearly payments of TDKK 262. The liability is in total TDKK 1.048.

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.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

10. 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 21, 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 21.