

Global Blue Danmark A/S

Overgaden Oven Vandet 48 E, 1.,
1415 København K
Denmark

CVR no. 70 98 66 12

Annual report 2018/19

The annual report was presented and approved at the
Company's annual general meeting on

16 September 2019

Jeremy Piers Henderson-Ross
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Global Blue Danmark A/S for the financial year 1 April 2018 – 31 March 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 – 31 March 2019.

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

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

Copenhagen, 16 September 2019
Executive Board:

Morten Winther
CEO

Board of Directors:

Jeremy Piers Henderson-
Ross
Chairman

Loic Emile André Jenouvrier

Richard Henry Brown

Morten Winther

Independent auditor's report

To the shareholders of Global Blue Danmark A/S

Opinion

We have audited the Financial Statements of Global Blue Danmark A/S for the financial year 1 April 2018 - 31 March 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2019, and of the results of the Company's operations for the financial year 1 April 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

Management's responsibility 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.

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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

Independent auditor's report

estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, 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, in our view, 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 Management's Review.

Hellerup, 16 September 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Jesper Edelbo
State Authorised
Public Accountant
mne10901

Peter Nissen
State Authorised
Public Accountant
mne33260

Global Blue Danmark A/S
Annual report 2018/19
CVR no. 70 98 66 12

Management's review

Company details

Global Blue Danmark A/S
Overgaden Oven Vandet 48 E, 1.,
1415 København K
Denmark

Telephone: +45 32 52 55 66
Website: www.global-blue.com

CVR no.: 70 98 66 12
Financial year: 1 April – 31 March

Board of Directors

Jeremy Piers Henderson-Ross, Chairman
Loic Emile André Jenouvrier
Richard Henry Brown
Morten Winther

Executive Board

Morten Winther, CEO

Auditor

PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup
Denmark

Management's review

Operating review

Principal activities

The company's business activities comprise arrangement of VAT from customer buys in shops which are connected to the company's "VAT repayments arrangement". The company is part of the Global Blue arrangement which exist in about 51 countries all over the world.

Development in activities and financial position

The income statement for 2018/19 shows a profit of DKK 5,083 thousand against a profit of DKK 2,571 thousand last year, and the balance sheet at 31 March 2019 shows equity of DKK 15,161 thousand. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 April – 31 March

Income statement

DKK	Note	2018/19	2017/18
Gross profit		43,326,034	42,879,132
Distribution costs	2	-32,018,285	-33,877,946
Administrative expenses		-9,623,435	-6,303,048
Other operating costs		0	-7,650
Operating profit		1,684,314	2,690,488
Financial income	3	477,051	32,689
Financial expenses	4	-133,969	-152,136
Profit before tax		2,027,396	2,571,041
Tax on profit/loss for the year	5	3,055,865	0
Profit for the year		5,083,261	2,571,041
Proposed profit appropriation			
Proposed dividends for the year		11,000,000	0
Retained earnings		-5,916,739	2,571,041
		5,083,261	2,571,041

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2019	31/3 2018
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Land and buildings		1,134,281	0
Fixtures and fittings, tools and equipment		607,621	215,901
Leasehold improvements		62,941	95,233
Property, plant and equipment in progress		117,720	95,800
		<u>1,922,563</u>	<u>406,934</u>
Total fixed assets		<u>1,922,563</u>	<u>406,934</u>
Current assets			
Receivables			
Trade receivables		17,497,401	10,731,521
Receivables from group entities		16,358,661	7,832,614
Other receivables		1,088,491	1,299,026
Deferred tax asset		3,055,865	0
Prepayments		274,225	1,470,090
		<u>38,274,643</u>	<u>21,333,251</u>
Cash at bank and in hand		<u>468,392</u>	<u>1,006,600</u>
Total current assets		<u>38,743,035</u>	<u>22,339,851</u>
TOTAL ASSETS		<u><u>40,665,598</u></u>	<u><u>22,746,785</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2019	31/3 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital	7	1,000,000	1,000,000
Retained earnings		3,160,839	9,077,578
Proposed dividends for the financial year		<u>11,000,000</u>	<u>0</u>
Total equity		<u>15,160,839</u>	<u>10,077,578</u>
Liabilities			
Non-current liabilities			
Lease obligations		<u>161,316</u>	<u>0</u>
Current liabilities			
Current portion of non-current liabilities		1,306,330	0
Banks, current liabilities		1,292	1,420
Trade payables		7,404,116	728,205
Payables to group entities		7,179,161	3,495,126
Other payables		9,448,169	8,444,456
Deposits		<u>4,375</u>	<u>0</u>
		<u>25,343,443</u>	<u>12,669,207</u>
Total liabilities		<u>25,504,759</u>	<u>12,669,207</u>
TOTAL EQUITY AND LIABILITIES		<u>40,665,598</u>	<u>22,746,785</u>
Staff costs and incentive schemes			
	2		
Contractual obligations, contingencies, etc.	8		
Mortgages and collateral	9		
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Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Global Blue Danmark A/S for 2018/19 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

With effect from 1 April 2018, the Company has chosen to rely on IFRS 16 Leases as the basis of interpretation when recognising leases in the Financial statements. The accounting policy change has the effect that as from 1 April 2018, the Company recognises all finance and operating leases as right-of-use-assets and associated lease liabilities in the balance sheet, however excluding permitted exceptions, eg. short-term leases (less than 12 months). The lease assets have been recognised as an addition in 2018/19 with DKK 3,626 thousand which corresponds the remaining value as at 1 April 2018 and similar value of lease liability.

The accounting policies used in the preparation of the financial statements are otherwise consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Leasing

Leasing is recognized in accordance with IFRS 16 Leases where all finance and operating leases are recognised as right-of-use-assets and with associated lease liabilities in the balance sheet. Leases are recognised excluding permitted exceptions, eg. short-term leases (less than 12 months).

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit, which is the sum of revenue and cost of sales.

Revenue

Revenue includes fee for handling of the VAT repayment system. The fee is booked at the time where the company has acquired the right to it, which is the time where the company repays the VAT to the tourist.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including office premises, office expenses and depreciation.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Lease obligation comprise the capitalised residual lease obligation of leases.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 April – 31 March

Notes

DKK	2018/19	2017/18
2 Staff costs and incentive schemes		
Staff costs		
Wages and salaries	8,177,702	8,225,520
Pensions	554,165	549,099
Other social security costs	148,254	131,478
Other staff costs	261,086	257,671
Staff costs transferred to non-current assets	-21,919	-95,800
	<u>9,119,288</u>	<u>9,067,968</u>
 Average number of full-time employees	 22	 22
Staff costs are recognised in the financial statements as:		
Distribution	<u>9,119,288</u>	<u>9,067,968</u>
	<u>9,119,288</u>	<u>9,067,968</u>
3 Financial income		
Interest income from group entities	125,527	31,916
Other financial income	0	773
Exchange adjustments	<u>351,524</u>	<u>0</u>
	<u>477,051</u>	<u>32,689</u>
4 Financial expenses		
Other financial costs	86,135	48,856
Exchange adjustments costs	<u>47,834</u>	<u>103,280</u>
	<u>133,969</u>	<u>152,136</u>
5 Tax on profit/loss for the year		
Deferred tax for the year	<u>-3,055,865</u>	<u>0</u>
	<u>-3,055,865</u>	<u>0</u>

With effect from 2018/19, the company has recognized deferred tax assets of DKK 3,056 thousand. in the balance sheet. The deferred tax assets primarily related to tax loss carryforwards, are recognized at the value at which they are expected to be utilized. It is a change of accounting estimates compare to prior year and therefore taxes on profit are positive for 2018/19.

Financial statements 1 April – 31 March

Notes

6 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 April 2018	0	932,534	952,785	95,800	1,981,119
Net effect of change in accounting policy	3,078,763	547,433	0	0	3,626,196
Additions for the year	0	188,334	0	21,920	210,254
Disposals for the year	0	-101,573	0	0	-101,573
Cost at 31 March 2019	3,078,763	1,566,728	952,785	117,720	5,715,996
Depreciation and impairment losses at 1 April 2018	0	-716,633	-857,552	0	-1,574,185
Depreciation for the year	-1,944,482	-344,047	-32,292	0	-2,320,821
Reversed depreciation and impairment losses on assets sold	0	101,573	0	0	101,573
Depreciation and impairment losses at 31 March 2019	-1,944,482	-959,107	-889,844	0	-3,793,433
Carrying amount at 31 March 2019	1,134,281	607,621	62,941	117,720	1,922,563
Assets held under leases	1,134,281	329,740	0	0	0

Depreciations are recognised under administrative expenses.

7 Equity

The contributed capital consists of 1 share of a nominal value of DKK 1.000.000.

The capital has not been changed in the last 5 years.

8 Contractual obligations, contingencies, etc.

DKK	2018/19	2017/18
Contingent liabilities		
Guarantee commitments regarding Global Blue Acquisitions B.V. (RSIN 851643395)	100,000	100,000
Guarantee commitments regarding other	925,000	925,000
	1,025,000	1,025,000
Other contingent liabilities		
Other rent and lease liabilities	732,819	760,217
	732,819	760,217

Financial statements 1 April – 31 March

Notes

9 Mortgages and collateral

As security for the company's debt to banks the company has placed bank accounts as security, worth a total of DKK 95,031.

10 Related party disclosures

Global Blue Danmark A/S' related parties comprise the following:

Control

The Company's ultimate parent undertaking and controlling party is Global Blue Group AG., incorporated in Switzerland. The only group in which the results of the company are consolidated is that headed by Global Blue Group AG, incorporated in Switzerland. The consolidated financial statements of the group are available to the public.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Name:

Global Blue Holland BV

Domicile:

Leidsevaartweg 99, 2106AS, Heemstede, Holland