

Global Blue Denmark A/S

Langebrogade 6F, st.
1411 København K
Denmark

CVR no. 70 98 66 12

Annual report 2020/21

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

15 September 2021

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 2020 – 31 March 2021.

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 2021 and of the results of the Company's operations for the financial year 1 April 2020 – 31 March 2021.

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, 15 September 2021
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 shareholder 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 2020 – 31 March 2021 comprising 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 Company's assets, liabilities and financial position at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 – 31 March 2021 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.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 the 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 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 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, 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 of the Management's review.

Hellerup, 15 September 2021

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 2020/21
CVR no. 70 98 66 12

Management's review

Company details

Global Blue Danmark A/S
Langebrogade 6F, st.
1411 København K
Denmark

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

CVR no.: 70 98 66 12
Established: 27 August 1982
Registered office: Copenhagen
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
Statsautoriseret Revisionspartnerselskab
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 Company's income statement for 2020/21 shows result of DKK -6,842,792 as against DKK -2,351,068 in 2019/20. Equity in the Company's balance sheet at 31 March 2021 stood at DKK -5,033,021 as against DKK 1,809,771 at 31 March 2020.

Management considers the Company's financial performance in the year satisfactory.

The impact of the COVID-19 pandemic on the financial performance of company was significant. COVID-19 significantly disrupted the Travel Retail industry and travel restrictions affected on company's operations and financial performance. The management estimates the impacts from COVID-19 are serious but temporary and the pandemic will not jeopardize the Company's ability to operate as going concern.

The Company and the whole Global Blue have taken up several measures, like active cash flow monitoring, cost saving scheme and agreements re-negotiations program to mitigate the impacts from COVID-19, to ensure the continuity of the merchants' services and to secure the employees' health and safety. Global Blue Group's financial position is strong, and the Group is committed to give financial support to the Company on request. Global Blue Danmark's available cash funds in the financial year end closing were DKK 3,305,335.

In January 2021, an extraordinary general meeting was held and the board of directors acknowledged that the company's equity amounted to less than half of the subscribed share capital. The board of directors made a statement on the company's financial position in accordance with section 119 of the Danish Companies Act and additionally also made a statement on the reasons for the loss of equity. The board of directors reported that the board had realistic expectations that the equity of the company could be re-established within a relatively foreseeable period of time on the basis of the company's earnings. In addition, the board of directors noted that the company would be in possession of sufficient funds to meet current and future liabilities, highlighting that the company is part of the Global Blue group's cash pool arrangement.

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	2020/21	2019/20
Gross profit		2,681,410	44,392,924
Distribution costs		-9,623,159	-34,450,061
Administrative expenses		-3,696,000	-9,572,539
Operating profit/loss		-10,637,749	370,324
Other operating income	4	3,784,119	0
Other operating costs		0	-124,416
Profit/loss before financial income and expenses		-6,853,630	245,908
Other financial income	5	63,673	514,574
Other financial expenses	6	-52,835	-55,685
Profit/loss before tax		-6,842,792	704,797
Tax on profit/loss for the year	7	0	-3,055,865
Loss for the year		-6,842,792	-2,351,068
Proposed distribution of loss			
Retained earnings		-6,842,792	-2,351,068
		-6,842,792	-2,351,068

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	2021	2020
ASSETS			
Fixed assets			
Property, plant and equipment	8		
Land and buildings		149,636	144,319
Fixtures and fittings, tools and equipment		581,253	1,050,552
Leasehold improvements		525	30,650
		<u>731,414</u>	<u>1,225,521</u>
Total fixed assets		<u>731,414</u>	<u>1,225,521</u>
Current assets			
Receivables			
Trade receivables		0	4,524,352
Receivables from group entities		4,798,833	13,752,250
Other receivables		1,999,972	1,066,837
Prepayments		322,718	456,000
		<u>7,121,523</u>	<u>19,799,439</u>
Cash at bank and in hand		<u>0</u>	<u>883,907</u>
Total current assets		<u>7,121,523</u>	<u>20,683,346</u>
TOTAL ASSETS		<u><u>7,852,937</u></u>	<u><u>21,908,867</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	9	1,000,000	1,000,000
Retained earnings		-6,033,021	809,771
Total equity		-5,033,021	1,809,771
Liabilities			
Non-current liabilities			
Lease obligations		199,523	485,112
Other payables		0	346,323
		199,523	831,435
Current liabilities			
Current portion of non-current liabilities		429,554	454,476
Banks, current liabilities		772	1,561
Trade payables		271,371	294,960
Payables to group entities		5,508,861	8,950,515
Other payables		6,471,493	9,561,778
Deposits		4,384	4,371
		12,686,435	19,267,661
Total liabilities		12,885,958	20,099,096
TOTAL EQUITY AND LIABILITIES		7,852,937	21,908,867
Going concern			
	2		
Staff costs	3		
Contractual obligations, contingencies, etc.	10		
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Financial statements 1 April – 31 March

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 April 2020	1,000,000	809,771	1,809,771
Transferred over the distribution of loss	0	-6,842,792	-6,842,792
Equity at 31 March 2021	1,000,000	-6,033,021	-5,033,021

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Global Blue Danmark A/S for 2020/21 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are 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.

Government grants

Government grants are recognised when it is virtually certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

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, e.g. 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 include 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.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Cost of sales

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

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 income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

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

Land and buildings, fixtures and fittings, tools and equipment and leasehold improvements 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

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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 at bank and in hand

Cash at bank and in hand comprise cash.

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 comprises 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 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.

Financial statements 1 April – 31 March

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1 Accounting policies (continued)

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

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2 Going concern

The impact of the COVID-19 pandemic on the financial performance of company was significant. COVID-19 significantly disrupted the Travel Retail industry and travel restrictions affected on company's operations and financial performance. The management estimates the impacts from COVID-19 are serious but temporary and the pandemic will not jeopardize the Company's ability to operate as going concern.

Global Blue Danmark A/S is an integrated part of Global Blue Group in such way that going concern considerations including assessment of liquidity positions are made for the Group as a whole. Analysis have been carried out at a Group Level with focus on the liquidity situation. It is Management assessment that the Group has adequate financial resources for the upcoming 12 months – until 31 March 2022 - to meet the reduced activity level and continue as a going concern.

In addition, the board of directors noted that the company would be in possession of sufficient funds to meet current and future liabilities, highlighting that the company is part of the Global Blue group's cash pool arrangement.

Global Blue Danmark A/S has received a Letter of Support dated 11th June 2021 from Global Blue Holland B/V covering the period at least until 31 March 2022.

In January 2021, an extraordinary general meeting was held and the board of directors acknowledged that the company's equity amounted to less than half of the subscribed share capital. The board of directors made a statement on the company's financial position in accordance with section 119 of the Danish Companies Act and additionally also made a statement on the reasons for the loss of equity. The board of directors reported that the board had realistic expectations that the equity of the company could be re-established within a relatively foreseeable period of time on the basis of the company's earnings.

DKK	<u>2020/21</u>	<u>2019/20</u>
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3 Staff costs

Staff costs

Wages and salaries	6,472,538	8,760,328
Pensions	584,789	626,846
Other social security costs	69,095	103,178
Other staff costs	42,580	168,358
Staff costs transferred to non-current assets	<u>0</u>	<u>-37,801</u>
	<u>7,169,002</u>	<u>9,620,909</u>

Average number of full-time employees	<u>18</u>	<u>22</u>
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Staff costs are recognised in the financial statements as:

Distribution	<u>7,169,002</u>	<u>9,620,909</u>
	<u>7,169,002</u>	<u>9,620,909</u>

Financial statements 1 April – 31 March

Notes

4 Other operating income

Other operating income includes special items comprising compensation under COVID-19 government aid packages of DKK 3,778,770 (2019: DKK 0).

DKK	2020/21	2019/20
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5 Financial income

Interest income from group entities	41,435	131,599
Exchange adjustments	<u>22,238</u>	<u>382,975</u>
	<u>63,673</u>	<u>514,574</u>

6 Financial expenses

Other financial costs	<u>52,835</u>	<u>55,685</u>
	<u>52,835</u>	<u>55,685</u>

7 Tax on profit/loss for the year

Deferred tax for the year	<u>0</u>	<u>-3,055,865</u>
	<u>0</u>	<u>-3,055,865</u>

8 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 April 2020	3,908,064	2,138,251	952,785	6,999,100
Additions for the year	199,514	5,010	0	204,524
Disposals for the year	<u>-3,908,064</u>	<u>-192,430</u>	<u>0</u>	<u>-4,100,494</u>
Cost at 31 March 2021	<u>199,514</u>	<u>1,950,831</u>	<u>952,785</u>	<u>3,103,130</u>
Depreciation and impairment losses at 1 April 2020	-3,763,745	-1,087,699	-922,136	-5,773,580
Depreciation for the year	-194,198	-431,550	-30,125	-655,873
Reversed depreciation and impairment losses on assets sold	<u>3,908,064</u>	<u>149,671</u>	<u>0</u>	<u>4,057,735</u>
Depreciation and impairment losses at 31 March 2021	<u>-49,879</u>	<u>-1,369,578</u>	<u>-952,261</u>	<u>-2,371,718</u>
Carrying amount at 31 March 2021	<u>149,635</u>	<u>581,253</u>	<u>524</u>	<u>731,412</u>
Assets held under leases	<u>149,635</u>	<u>446,251</u>	<u>0</u>	<u>595,886</u>

Depreciations are recognised under administrative expenses.

Financial statements 1 April – 31 March

Notes

9 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.

DKK	2021	2020
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10 Contractual obligations, contingencies, etc.

Contingent liabilities

Guarantee commitments regarding Global Blue Acquisitions B.V. (RSIN 851643395)	0	100,000
Guarantee commitments regarding other	0	925,000
	0	1,025,000

Other contingent liabilities

Other rent and lease liabilities	519,742	232,743
	519,742	232,743

11 Related party disclosures

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

Control

The Company's ultimate Parent Company and controlling party is Global Blue Group Holding AG., incorporated in Switzerland. The only group in which the results of the Company is consolidated is that headed by Global Blue Group Holding 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