



## Ball Group Denmark ApS

Kløvermarken 29  
7190 Billund  
CVR No. 14017577

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 04.03.2022

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**Kuno Kildetoft Mehlsen**

Chairman of the General Meeting

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# Entity details

## Entity

Ball Group Denmark ApS

Kløvermarken 29

7190 Billund

Business Registration No.: 14017577

Registered office: Billund

Financial year: 01.01.2021 - 31.12.2021

## Executive Board

Kuno Kildetoft Mehlsen, Chief Executive Officer

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

# Statement by Management

The Executive Board has today considered and approved the annual report of Ball Group Denmark ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Billund, 28.01.2022

**Executive Board**

**Kuno Kildetoft Mehlsen**  
Chief Executive Officer

# Independent auditor's report

## To the shareholders of Ball Group Denmark ApS

### Opinion

We have audited the financial statements of Ball Group Denmark ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Kolding, 28.01.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Morten Gade Steinmetz**

State Authorised Public Accountant  
Identification No (MNE) mne34145

**Thomas Aamand Lund**

State Authorised Public Accountant  
Identification No (MNE) mne47764

# Management commentary

## Financial highlights

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	608,481	540,745	564,680	455,151	381,262
Gross profit/loss	189,497	140,354	160,278	135,811	88,059
EBITDA	75,214	1,102	36,457	35,674	(2,715)
Operating profit/loss	65,640	(13,892)	26,215	26,987	(10,825)
Net financials	(9,570)	(4,039)	(3,256)	(2,412)	(3,246)
Profit/loss for the year	43,504	(14,198)	18,085	18,213	(10,918)
Total assets	244,982	205,786	167,908	140,797	126,997
Investments in property, plant and equipment	2,361	10,798	10,936	12,158	11,909
Equity	97,836	49,250	36,888	20,749	2,570
Average number of employees	254	267	295	258	225
<b>Ratios</b>					
Gross margin (%)	31.14	25.96	28.38	29.84	23.10
EBIT margin (%)	10.79	(2.57)	4.64	5.93	(2.84)
Net margin (%)	7.15	(2.63)	3.20	4.00	(2.86)
Return on equity (%)	59.15	(32.97)	62.75	156.21	(137.01)
Equity ratio (%)	39.94	23.93	21.97	14.74	2.02

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by CFA Society Denmark.



**Gross margin (%):**

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

**EBIT margin (%):**

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

**Net margin (%):**

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

**Return on equity (%):**

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

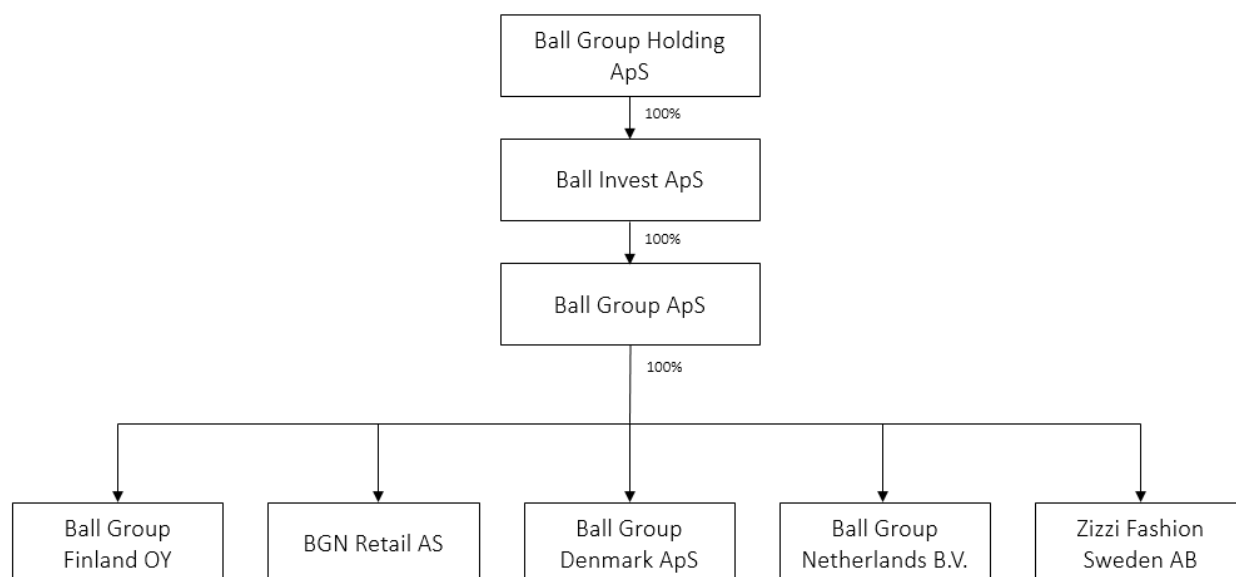
**Equity ratio (%):**

$\frac{\text{Equity} * 100}{\text{Total assets}}$

## Primary activities

The company's main objective is to source and market clothing for plus size women across European markets.

## Group chart



Compared to last year Zizzi B.V, Ball Group Sverige Retail AB and Ball Group Germany GmbH have been closed.

## Development in activities and finances

Despite very challenging circumstances relating to COVID-19 and mandatory store closures, the company has achieved record revenue of DKK 608,4m and EBITDA of DKK 75,2m for the year.

The result is primarily driven by growth on online channels, although the retail stores delivered a remarkable comeback after being allowed to open by local governments in late spring.

Further, the company has recorded a significant amount of non-recurring costs, which has impacted the financial performance. As such, normalized EBITDA for the operating entities, consequently, lands at DKK 96,1m in 2021, which is an increase of 229% compared to 2020.

The management considers the financial result as very satisfactory.

## Profit/loss for the year in relation to expected developments

The result for 2021 is better than expected mainly due to higher sale from e-commerce.

## Uncertainty relating to recognition and measurement

In regards to recognition and measurement for the financial year, no significant uncertainty have been identified.

## Unusual circumstances affecting recognition and measurement

Apart from the unusual market conditions caused by the COVID-19 pandemic, there has been no significant or unusual conditions in the financial year.

## Outlook

Despite continued challenges relating to the COVID-19 pandemic, we remain very optimistic about the coming year and expect growth to continue, if not accelerate. The expectations for 2022 is to realize a result at the same

level as 2021.

### Particular risks

#### Business risks

The primary business risks for the company relates to upholding and developing its business activities across international markets in an increasingly competitive landscape.

The board of directors must reassure continuous monitoring of the development on the markets to reduce business risks as well as strengthen its competitive position on crucial parameters.

#### Credit risks

Credit risks are related to debtors who receive deliveries according to the company's normal trade terms. The priority of the Group's debtors is insured via credit insurance and/or bank guarantees, under continuous control and risk assessment of level credit.

#### Use of financial instruments

The company will always be exposed to currency risks. A considerable part of cashflow is carried out in foreign currency and will be affected by currency and interest development. This goes for activities carried out between foreign companies, suppliers, and customers.

The company's currency policy is using a layered hedging approach to minimize the risks in transactions with foreign exchange. The policy has in the financial year proven to be effective and will be continued unchanged during the coming financial year.

#### Knowledge resources

It is essential for the company to maintain the ability to attract, develop and retain quality members of staff with a high level of competence. The presence of quality knowledge and knowhow in each level of staff will be obtained by thorough recruitment and continuous development of the existing staff and their competencies

#### Staff

Development within the members of staff can be illustrated as below at Ball Group level:

	Beginning of year	End of year
<b>Denmark</b>	<b>267</b>	<b>254</b>
<b>Other Countries</b>	<b>208</b>	<b>233</b>
<b># Employees</b>	<b>471</b>	<b>486</b>

Please note that the figure for Denmark reflects employees in Ball Group Denmark ApS, whereas the total reflects employees in Ball Group ApS on a consolidated basis.

#### Research and development activities

In line with the laid-out group strategy, investments will be made in the ongoing development of the business platform, as well as the development of all distribution channels across the Scandinavian and Central European markets.

As so, a growth in revenue and profit is expected for the years to come, driven by better performance and development of the e-commerce channel, optimization of the concept store portfolio and development of the partnering with third party online customers.

### **Statutory report on corporate social responsibility**

The company monitors relevant relations towards social responsibilities, including employee relations, environmental issues and anti-corruption.

During the financial year, the Group focused on the following areas of social responsibility:

- The CSR committee's work, including the choice of focus areas in 2021 concerning CSR strategy
- Testing of Chemicals in finished products
- Supplier audits in line with human and labour rights
- Adherence to policy on animal welfare
- Supplier audits in line with environmental laws
- Objectives and policies for gender composition in the supreme governing body, cf. S. 99b of the Danish Financial Statements Act
- Objectives and goals for 2021

As a member of the UN Global Compact, the Group issues a progression report concerning the CSR work performed by the Group. For further information regarding the work of Ball Group relating to social responsibilities reference is made to this report. The report is published on the following link:  
[www.aboutzizzi.com/csr](http://www.aboutzizzi.com/csr)

### **Statutory report on the underrepresented gender**

Reference is made to the progression report concerning CSR, which is published on the following link:  
[www.aboutzizzi.com/csr](http://www.aboutzizzi.com/csr)

### **Statutory report on data ethics policy**

We work actively with our customers' and employees' data.

Employee data is used as a starting point to be able to run the company, where the focus is on master data information. Customer data is used in different contexts.

Firstly, it is about working with customer data to operate and comply with applicable legislation. Overall, data is used to provide unique customer service, ie. with store master, and behavioral and trade data about our customers to provide the expected service. In addition, we work with data both humanly and machine-driven for analytical purposes.

The company has therefore prepared a group data policy with detailed explanations that clarify how data is utilized responsibly in the business.

The policy is published on the following link: [www.aboutzizzi.com/data-policy](http://www.aboutzizzi.com/data-policy)

### **Statutory report on corporate governance**

Ball Group's Board and directors will at any time secure that the group management structure and internal controls are appropriate and work satisfactorily.

The basis for the organization of tasks handled by the Board and the directors includes the Companies Act, the Financial Statements Act, the Company's articles of association and good practices for companies of the same size and same international reach as Ball Group. Under this, the Company - due to its status as a capital funded company adheres to the guidelines for responsible ownership and corporate governance.

On this basis, a number of internal procedures are being developed and maintained to ensure active, safe and profitable management of the Group.

### **Proposals for active ownership and corporate governance of equity funds**

In 2011 the Danish Venture and Private Equity Association published updated guidelines for responsible ownership and corporate governance for equity funds and their controlled companies.

The recommendations concern the guidelines regarding corporate governance, social responsibilities, risk assessments, employments policy and strategy. These matters are discussed in the Management's Review.

Management in Ball Group, will in general follow the guidelines and recommendations. For further information on the mentioned recommendations reference is made to [www.dvca.dk](http://www.dvca.dk)

### **Shareholders' conditions**

The capital structure of the Group will always be monitored by the Board and kept with the expectations from the Board and the interests of the Group. The main goal is always to have capital structure that supports and underlines continuous profitable growth.

The Group's articles of association contain no limits towards ownership or the right to vote. Ball Group's unit capital consists solely of one asset class.

Sissi 26 FIII Holding GmbH is the largest indirect shareholder of Ball Group and has controlling influence in the Group.

### **The work of the Board of Directors**

The Board overlooks the work of the directors ensuring that approved goals, strategies and business processes are kept. Information from Management is done systematically during meetings and by on-going reporting. The reporting contains information on market developments, group development and profitability.

### **Risk assessments**

The management ensures effective risk assessment and internal audit reduce strategic and business risk, securing compliance with laws and regulations, to ensure an effective basis for management decision.

The strategic choices of Ball Group lead to natural risks, which are essential to identify and be communicated out and handled effectively. Internal audit and effective risk assessments are vital for the Board and executives to carry out tasks expected by the governing bodies.

### **Financial reporting process**

Management on behalf of the Board and the directors handles the overall responsibility of the Group's risk assessments and internal audits in relation to financial reporting process. Organizational structure, policies, procedures and audits in relation to financial reporting process undergo continuous evaluation by the Executive Board.

Ball Group has established a group reporting process, including a monthly reporting, consisting of full income

report, balance sheet and cash flow, follow-up to budget, valuation on KPI performances and achievement of agreed target for each business unit.

### **Management remuneration**

To attract and maintain management competencies, the remuneration of executive management and senior executives is determined by taking into account work tasks, value creation and terms in comparable companies.

Incentive pay has been used for executive management and senior executives in the form of bonus schemes, as well as a contingent and warrant-based incentive program for the Board, Executive Board and senior executives.

### **The Board of Directors and the Executive Board´s shareholding**

At the end of the financial year, the Board of Directors and the Executive Board have no indirect shareholding in the company.

### **Dividend policy**

Payment of dividend must take place with consideration to the necessary consolidation of equity for the Group's planned expansion.

The Board suggests no dividend be distributed in connection with the annual general meeting.

### **Stakeholders**

Ball Group continues to develop and expand good relations to interest groups, as those relations are considered to have essential and positive effect on the Group´s future development.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2021

	Notes	2021 DKK'000	2020 DKK '000
Revenue	1	608,481	540,745
Other operating income	2	8,117	5,864
Cost of sales		(305,348)	(296,230)
Other external expenses		(121,753)	(110,025)
<b>Gross profit/loss</b>		<b>189,497</b>	<b>140,354</b>
Staff costs	3	(114,283)	(104,623)
Depreciation, amortisation and impairment losses	4	(9,574)	(14,994)
Other operating expenses		0	(34,629)
<b>Operating profit/loss</b>		<b>65,640</b>	<b>(13,892)</b>
Other financial income	5	147	986
Other financial expenses	6	(9,717)	(5,025)
<b>Profit/loss before tax</b>		<b>56,070</b>	<b>(17,931)</b>
Tax on profit/loss for the year	7	(12,566)	3,733
<b>Profit/loss for the year</b>	8	<b>43,504</b>	<b>(14,198)</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK'000	2020 DKK'000
Completed development projects	10	2,846	0
Acquired rights		2,982	3,536
Development projects in progress	10	11,171	0
<b>Intangible assets</b>	9	<b>16,999</b>	<b>3,536</b>
Other fixtures and fittings, tools and equipment		12,259	18,642
Leasehold improvements		2,187	2,193
<b>Property, plant and equipment</b>	11	<b>14,446</b>	<b>20,835</b>
Investments in group enterprises		0	0
Deposits		6,081	6,792
<b>Financial assets</b>	12	<b>6,081</b>	<b>6,792</b>
<b>Fixed assets</b>		<b>37,526</b>	<b>31,163</b>
Manufactured goods and goods for resale		89,046	68,447
<b>Inventories</b>	13	<b>89,046</b>	<b>68,447</b>
Trade receivables		14,788	9,775
Receivables from group enterprises		27,936	24,945
Deferred tax	14	0	5,830
Other receivables		777	5,558
Prepayments	15	13,496	5,224
<b>Receivables</b>		<b>56,997</b>	<b>51,332</b>
<b>Cash</b>		<b>61,413</b>	<b>54,844</b>
<b>Current assets</b>		<b>207,456</b>	<b>174,623</b>
<b>Assets</b>		<b>244,982</b>	<b>205,786</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK'000</b>	<b>2020 DKK'000</b>
Contributed capital		550	550
Reserve for fair value adjustments of hedging instruments		5,082	0
Reserve for development expenditure		10,933	0
Retained earnings		81,271	48,700
<b>Equity</b>		<b>97,836</b>	<b>49,250</b>
Deferred tax	14	1,028	0
<b>Provisions</b>		<b>1,028</b>	<b>0</b>
Other payables		0	9,081
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>9,081</b>
Bank loans		3,085	2,236
Trade payables		60,445	53,483
Payables to group enterprises		29,118	46,751
Tax payable		7,141	0
Other payables		46,329	44,985
<b>Current liabilities other than provisions</b>		<b>146,118</b>	<b>147,455</b>
<b>Liabilities other than provisions</b>		<b>146,118</b>	<b>156,536</b>
<b>Equity and liabilities</b>		<b>244,982</b>	<b>205,786</b>
Financial instruments	16		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Related parties with controlling interest	20		
Non-arm's length related party transactions	21		
Group relations	22		

# Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	550	0	0	48,700	49,250
Fair value adjustments of hedging instruments	0	6,515	0	0	6,515
Tax of entries on equity	0	(1,433)	0	0	(1,433)
Transfer to reserves	0	0	10,933	(10,933)	0
Profit/loss for the year	0	0	0	43,504	43,504
<b>Equity end of year</b>	<b>550</b>	<b>5,082</b>	<b>10,933</b>	<b>81,271</b>	<b>97,836</b>

# Notes

## 1 Revenue

	2021 DKK'000	2020 DKK'000
Denmark	267,408	305,868
EU	274,327	159,066
Other	66,746	75,811
<b>Total revenue by geographical market</b>	<b>608,481</b>	<b>540,745</b>

The company only have one activity from sale of clothes.

## 2 Other operating income

Other operating income consists of compensation received under the aid packages made available by the Danish government and income from TP adjustments according to the Group transfer pricing policy. The entity has only received compensation related to salaries, covering a portion of the costs which amounts to a total of 5,574k the rest of the amount is transfer pricing adjustments.

## 3 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	106,054	98,301
Pension costs	2,806	2,962
Other social security costs	1,547	843
Other staff costs	3,876	2,517
	<b>114,283</b>	<b>104,623</b>
Average number of full-time employees	<b>254</b>	<b>267</b>

Apart from staff cost a management fee is paid for management services and this amount is recognized as other external expenses.

Remuneration of the Executive Board is is not disclosed with reference to S. 98(3) of the Danish Financial Statements Act.

In order to strengthen Management and certain leading employees' interest in the long-term value creation of the group, a total of 1,193,657,879 warrants have been issued in the financial year. The warrants each give the right to subscription of a new share in Ball Invest ApS at an exercise price of DKK 0.01. The warrants are granted over a period of time and subject to the warrant holders continued employment in the Group. Warrants previously issued in earlier years have been settled. At year end a total of 1,125,000,000 warrants have been assigned to employees.

#### 4 Depreciation, amortisation and impairment losses

	2021	2020
	DKK'000	DKK'000
Amortisation of intangible assets	824	1,336
Depreciation of property, plant and equipment	8,746	12,070
Profit/loss from sale of intangible assets and property, plant and equipment	4	1,588
	<b>9,574</b>	<b>14,994</b>

#### 5 Other financial income

	2021	2020
	DKK'000	DKK'000
Financial income from group enterprises	147	821
Other interest income	0	165
	<b>147</b>	<b>986</b>

#### 6 Other financial expenses

	2021	2020
	DKK'000	DKK'000
Financial expenses from group enterprises	1,528	2,016
Other interest expenses	7,991	2,524
Exchange rate adjustments	198	485
	<b>9,717</b>	<b>5,025</b>

#### 7 Tax on profit/loss for the year

	2021	2020
	DKK'000	DKK'000
Current tax	5,708	0
Change in deferred tax	6,858	(3,942)
Adjustment concerning previous years	0	209
	<b>12,566</b>	<b>(3,733)</b>

#### 8 Proposed distribution of profit and loss

	2021	2020
	DKK'000	DKK'000
Retained earnings	43,504	(14,198)
	<b>43,504</b>	<b>(14,198)</b>

## 9 Intangible assets

	Completed development projects DKK'000	Acquired rights DKK'000	Development projects in progress DKK'000
Cost beginning of year	0	16,196	0
Additions	3,116	0	11,171
Disposals	0	(2,000)	0
<b>Cost end of year</b>	<b>3,116</b>	<b>14,196</b>	<b>11,171</b>
Amortisation and impairment losses beginning of year	0	(12,660)	0
Amortisation for the year	(270)	(554)	0
Reversal regarding disposals	0	2,000	0
<b>Amortisation and impairment losses end of year</b>	<b>(270)</b>	<b>(11,214)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>2,846</b>	<b>2,982</b>	<b>11,171</b>

## 10 Development projects

Development projects consists of cost to the development of a new e-commerce sales platform and cost related to this development.

The new platform will be launched in 2022 and the company expect to increase the sales volume due to this new platform because of a better customer experience.

## 11 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	69,663	10,738
Additions	1,618	743
Disposals	(2,095)	(783)
<b>Cost end of year</b>	<b>69,186</b>	<b>10,698</b>
Depreciation and impairment losses beginning of year	(51,021)	(8,545)
Depreciation for the year	(7,997)	(749)
Reversal regarding disposals	2,091	783
<b>Depreciation and impairment losses end of year</b>	<b>(56,927)</b>	<b>(8,511)</b>
<b>Carrying amount end of year</b>	<b>12,259</b>	<b>2,187</b>

## 12 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	186	6,792
Disposals	(186)	(711)
<b>Cost end of year</b>	<b>0</b>	<b>6,081</b>
Impairment losses beginning of year	(186)	0
Reversal regarding disposals	186	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>6,081</b>

## 13 Inventories

There is in manufactured goods and goods for resale included goods in transit for 27,738k (2020: 28,124k).

## 14 Deferred tax

	2021 DKK'000	2020 DKK'000
<b>Changes during the year</b>		
Beginning of year	5,830	(97)
Recognised in the income statement	(6,858)	4,957
Other changes	0	970
<b>End of year</b>	<b>(1,028)</b>	<b>5,830</b>

## 15 Prepayments

Prepayments comprise incurred marketing costs and other costs relating to subsequent financial years.

## 16 Financial instruments

Other receivables include a positive fair value of forward exchange contracts of DKK 552k. Ball Group Denmark ApS hedges future exchange risks relating to sales and purchases and sales of goods. Ball Group Denmark ApS has entered into forward exchange contracts for the following 8 months to secure purchases and sales of goods in the following currencies: USD 33,150k and DKK 107,888k. All values are absolute values. All contracts are subscribed with the Company's ordinary bank.

## 17 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	56,563	37,196

## 18 Contingent liabilities

	2021 DKK'000	2020 DKK'000
Recourse and non-recourse guarantee commitments	9,185	11,503
<b>Contingent liabilities</b>	<b>9,185</b>	<b>11,503</b>

The Entity participates in a Danish joint taxation arrangement where Ball Group Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 19 Assets charged and collateral

Bank loans are secured by way of a floating charge of DKK 80,000k. The assets covered by the floating charge amount to DKK 146,967k and comprises receivables, inventory, and operating equipment.

The company have given negative pledge in the entity's assets.

### Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt with the Group's main bank. The maximum limit of the guarantee is DKK 33,848k. Bank loans of group enterprises amount to DKK 3,085k at 31 December 2021.

The above mentioned floating charge also secures group enterprises' debt with the Group's main bank.

## 20 Related parties with controlling interest

The following parties have a controlling interest:

Ball Group ApS, Billund, shareholder  
 Ball Invest ApS, Billund, shareholder  
 Ball Group Holding ApS, Billund, shareholder  
 Sissi 26 FIII Holding GmbH, Munich, shareholder  
 Sissi 26 SC FIII Holding GmbH, Munich, shareholder

## 21 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

## 22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Ball Group Holding ApS, Kløvermarken 29, 7190 Billund, Business Reg. No 40 29 85 68.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Material errors in previous years

The company has not recognized goods in transit in the comparison year. Therefore there has been recognized 28,124k in the comparison year as manufactured goods and goods for resale and a similar amount as trade payables. The correction has no effect on result for the year or equity but a minor effect to the equity ratio.

There has been made some reclassifications of transfer pricing adjustments in the comparison numbers between revenue and other operating expenses. The reclassification have a minor effect on EBIT margin.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.



When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### **Income statement**

#### **Revenue**

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

By reference to the Danish Financial Statements Act section 99a paragraph 7 fees to the auditor appointed at the annual general meeting is not disclosed since this is included in the consolidated financial statements of Ball Group Holding ApS.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

**Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

**Other financial income**

Other financial income comprises interest income, net capital or exchange gains, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, net capital or exchange losses, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Ball Group Holding ApS, Business Reg. No 40 29 85 68 and all Group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights (rental rights).

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights,

the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation, which is set at 10 years with no residual value.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### **Property, plant and equipment**

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

For leasehold improvements and assets held under finance leases, the depreciation amount exceeds the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

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

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash flow statement**

Referring to section 86 of the Danish Financial Statements Act, a cash flow statement has not been prepared because the Company's cash flow is fully included in the consolidated cash flows of Ball Group Holding ApS, Business Reg. No 40 29 85 68.