



Ball Group Denmark ApS

Kløvermarken 29
7190 Billund
CVR No. 14017577

Annual report 2020

The Annual General Meeting adopted the
annual report on 22.06.2021

Kuno Kildetoft Mehlsen
Conductor

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Entity details

Entity

Ball Group Denmark ApS

Kløvermarken 29

7190 Billund

CVR No.: 14017577

Registered office: Billund

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Kuno Kildetoft Mehlsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Ball Group Denmark ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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

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

Billund, 28.01.2021

Executive Board

Kuno Kildetoft Mehlsen

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of 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 requirements. 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, 28.01.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Dam Østergaard

State Authorised Public Accountant
Identification No (MNE) mne34501

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	506,116	564,680	455,151	381,262	311,463
Gross profit/loss	105,725	160,278	135,811	88,059	90,198
EBITDA	1,102	36,457	35,674	(2,715)	6,865
Operating profit/loss	(13,892)	26,215	26,987	(10,825)	(1439)
Net financials	(4,039)	(3,256)	(3,506)	(2,412)	(2,412)
Profit/loss for the year	(14,198)	18,085	18,213	(10,918)	(2871)
Total assets	177,661	167,908	140,797	126,997	155451
Investments in property, plant and equipment	10,798	10,936	12,158	11,909	6,758
Equity	49,250	36,888	20,749	2,570	13367
Gross profit/loss (II)	259,969	219,218	166,416	143,060	143,060
Average number of employees	267	295	258	225	209
Ratios					
Gross margin (%)	20.89	28.38	29.84	23.10	28.96
EBIT margin (%)	(2.74)	4.64	5.93	(2.84)	(0.46)
Net margin (%)	(2.81)	3.20	4.00	(2.86)	(0.92)
Return on equity (%)	(32.97)	62.75	156.21	(137.01)	(9.77)
Equity ratio (%)	27.72	21.97	14.74	2.02	8.60

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

Gross margin (%):

Gross profit/loss * 100

Revenue

EBIT margin (%):

Operating profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

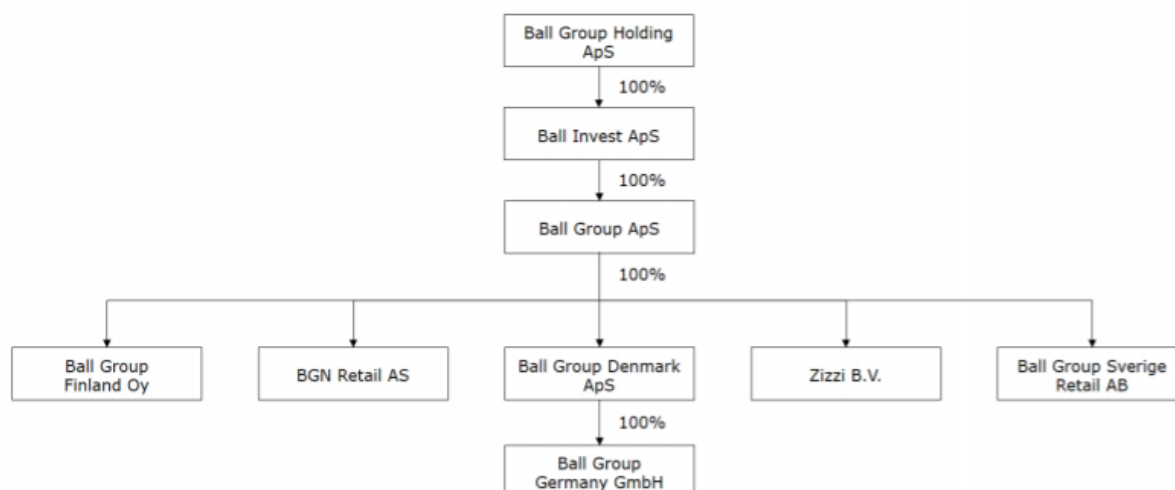
Primary activities

The Parent and Group's main objective is to source and market clothing for plus size women, primarily in Europe.

Unusual conditions

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

Group chart



Development in activities and finances

By managing the COVID-19 pandemic in Ball Group, a significant number of non-recurring costs have impacted the financial performance. Normalized EBITDA for the collective Ball Group ApS and subsidiaries on a consolidated basis, consequently lands at DKK 41 million in 2020, which is a decrease of 31% compared to 2019.

Normalized Result	2020	2019	Index
	DKK'000	DKK'000	
Revenue	657.952	711.452	92
EBITDA	21.918	48.726	45
Non-recurring Costs	-18.872	-10.818	
EBITDA Normalized	40.790	59.544	69

Please note that the figures above also include the Parent company and other subsidiaries which are members of the Ball Group.

The result of the year is negative impacted by the changes in market conditions and the general lockdown in most of our markets related to COVID-19. Ball Group operates on multiple business channels and have been able to grow online channels while the general lockdown negatively affected sales in own stores and traditional wholesale order intake.

Ball Group has used the conditions of 2020 to increase focus on further digitalization and will invest significantly in this transformation in the coming years. Meanwhile, the retail store portfolio is undergoing optimization and several leases have been terminated.

Following the initial outbreak of COVID-19 in March 2020, Ball Group secured an extension of their credit facilities through the Groups main bank to secure provisional funding. The extension of credit lines has proven to be sufficient and the financial state is healthy

Given the market circumstances of 2020, the financial result is satisfactory.

Profit/loss for the year in relation to expected developments

Prior to COVID-19 it was expected to continue the positive development in revenue and earnings from the previous year. Due to COVID-19 this was not possible, and thus the effect from COVID-19 is considered significant.

Uncertainty relating to recognition and measurement

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

Outlook

At the time of this annual report, the COVID-19 pandemic is again causing a general lockdown in many of our markets. Given the inherent uncertainty therein, it is not possible for Group Management to quantify in detail the full effect it will have for the financial year 2021. However, if the general lockdown continues well into the financial year, it will have a substantial impact on revenue and earnings. Expectations are similar to the achieved results in 2020.

Particular risks

Business risks

The primary business risks for the Group relates to uphold and develop its business activities in a progressive fashion to ensure continued success in an internationally competitive market.

The Board of Directors must reassure a continuous monitoring of the development in the market in order to reduce the business risks, as well as strengthen its competitive position on crucial parameters.

Currency risks

The Group will as always be exposed to currency risks. A considerable part of the is carried out in foreign currency and will be affected by currency and interest development on the used currencies. This goes for activities carried out between foreign group companies, suppliers and customers.

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

Credit risks

Credit risks are related to debtors who receive deliveries according to the Group'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.

Intellectual capital resources

It is essential for the Group 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 a continuous development of the existing staff and their competences.

Staff

Development within the members of staff can be illustrated as below:

	Beginning of year	End of year
Denmark	295	267
Other countries	235	208
# Employees	530	475

Please note that the figure for Denmark reflect employees in Ball Group Denmark ApS whereas the total reflect employees in Ball Group ApS on 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 Group 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 2020 in relation to the CSR strategy
- Testing of Chemicals in finished products
- Supplier audits in line human and labor right
- 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 2020

As a member of 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:
<https://www.ball-group.com/financial-reports>.

Statutory report on the underrepresented gender

Reference is made to the progression report concerning CSR, which is published on the following link:
<https://www.ball-group.com/financial-reports>.

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.

As an equity fund owned company, Ball Group must either follow these recommendations or explain why these are not partly or fully followed.

Management in Ball Group, will in general follow the guidelines and recommendations. For further in-formation on the mentioned recommendations reference is made to 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.

Capital fund TopCo 26 FIII Holding GmbH is the largest indirect shareholder of Ball Group and have a 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 share-holding 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 2020

	Notes	2020 DKK'000	2019 DKK '000
Revenue	1	506,116	564,680
Other operating income	2	5,864	0
Cost of sales		(296,230)	(304,705)
Other external expenses		(110,025)	(99,697)
Gross profit/loss		105,725	160,278
Staff costs	3	(104,623)	(123,814)
Depreciation, amortisation and impairment losses	4	(14,994)	(10,249)
Operating profit/loss		(13,892)	26,215
Income from investments in group enterprises		0	(265)
Other financial income	5	986	1,317
Other financial expenses	6	(5,025)	(4,573)
Profit/loss before tax		(17,931)	22,694
Tax on profit/loss for the year	7	3,733	(4,609)
Profit/loss for the year	8	(14,198)	18,085

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired rights		3,536	5,229
Intangible assets	9	3,536	5,229
Other fixtures and fittings, tools and equipment		18,642	21,860
Leasehold improvements		2,193	2,473
Property, plant and equipment	10	20,835	24,333
Investments in group enterprises		0	0
Deposits		6,792	6,605
Financial assets	11	6,792	6,605
Fixed assets		31,163	36,167
Manufactured goods and goods for resale		40,322	35,829
Inventories		40,322	35,829
Trade receivables		9,775	22,067
Receivables from group enterprises		24,945	43,593
Deferred tax	12	5,830	0
Other receivables		5,558	2,003
Prepayments	13	5,224	2,299
Receivables		51,332	69,962
Cash		54,844	25,950
Current assets		146,498	131,741
Assets		177,661	167,908

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		550	550
Retained earnings		48,700	36,338
Equity		49,250	36,888
Deferred tax	12	0	97
Provisions for investments in group enterprises	14	0	1,116
Provisions		0	1,213
Other payables		9,081	2,250
Non-current liabilities other than provisions		9,081	2,250
Bank loans		2,236	12,285
Trade payables		25,359	19,251
Payables to group enterprises		46,753	53,480
Tax payable		0	1,415
Other payables		44,982	41,126
Current liabilities other than provisions		119,330	127,557
Liabilities other than provisions		128,411	129,807
Equity and liabilities		177,661	167,908
Financial instruments	15		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Related parties with controlling interest	19		
Non-arm's length related party transactions	20		
Group relations	21		

Statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	550	36,338	36,888
Fair value adjustments of hedging instruments	0	(4,410)	(4,410)
Group contributions etc	0	30,000	30,000
Tax of entries on equity	0	970	970
Profit/loss for the year	0	(14,198)	(14,198)
Equity end of year	550	48,700	49,250

Notes

1 Revenue

	2020 DKK'000	2019 DKK'000
Denmark	305,868	343,218
EU	124,437	147,215
Other	75,811	74,247
Total revenue by geographical market	506,116	564,680

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. The entity has only received compensation related to salaries, covering a portion of the costs.

3 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	98,301	114,958
Pension costs	2,962	3,106
Other social security costs	843	1,829
Other staff costs	2,517	3,921
	104,623	123,814
Average number of full-time employees	267	295

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 during the 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.

4 Depreciation, amortisation and impairment losses

	2020	2019
	DKK'000	DKK'000
Amortisation of intangible assets	1,336	879
Depreciation of property, plant and equipment	12,070	9,109
Profit/loss from sale of intangible assets and property, plant and equipment	1,588	261
	14,994	10,249

5 Other financial income

	2020	2019
	DKK'000	DKK'000
Financial income from group enterprises	821	1,085
Other interest income	165	232
	986	1,317

6 Other financial expenses

	2020	2019
	DKK'000	DKK'000
Financial expenses from group enterprises	2,016	2,322
Other interest expenses	2,524	1,832
Exchange rate adjustments	485	419
	5,025	4,573

7 Tax on profit/loss for the year

	2020	2019
	DKK'000	DKK'000
Current tax	0	1,977
Change in deferred tax	(3,942)	3,065
Adjustment concerning previous years	209	(433)
	(3,733)	4,609

8 Proposed distribution of profit and loss

	2020	2019
	DKK'000	DKK'000
Ordinary dividend for the financial year	0	15,000
Retained earnings	(14,198)	3,085
	(14,198)	18,085

9 Intangible assets

	Acquired rights DKK'000
Cost beginning of year	17,523
Disposals	(1,327)
Cost end of year	16,196
Amortisation and impairment losses beginning of year	(12,294)
Amortisation for the year	(1,336)
Reversal regarding disposals	970
Amortisation and impairment losses end of year	(12,660)
Carrying amount end of year	3,536

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	69,230	12,524
Additions	10,015	783
Disposals	(9,582)	(2,569)
Cost end of year	69,663	10,738
Depreciation and impairment losses beginning of year	(47,370)	(10,051)
Depreciation for the year	(11,047)	(1,023)
Reversal regarding disposals	7,396	2,529
Depreciation and impairment losses end of year	(51,021)	(8,545)
Carrying amount end of year	18,642	2,193

11 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	186	6,605
Disposals	0	187
Cost end of year	186	6,792
Impairment losses beginning of year	(186)	0
Impairment losses end of year	(186)	0
Carrying amount end of year	0	6,792

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Ball Group Germany GmbH	Munich, Germany	GmbH	100

12 Deferred tax

	2020 DKK'000	2019 DKK'000
Changes during the year		
Beginning of year	(97)	2,551
Recognised in the income statement	4,957	(3,065)
Other changes	970	417
End of year	5,830	(97)

Deferred tax comprise temporary differences on intangible assets, property, plant and equipment and deferred tax losses. The Company expects to utilize tax assets within a shorter period of time, based on the current expectations for the following financial years.

13 Prepayments

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

14 Provisions for investments in group enterprises

Provisions for investments in group enterprises relate to negative equity which the company is liable to cover.

15 Financial instruments

Other debt include a negative fair value of forward exchange contracts of DKK 5,952k. 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 27,500k and DKK 49,343k. All values are absolute values. All contracts are subscribed with the Company's ordinary bank.

16 Unrecognised rental and lease commitments

	2020	2019
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	37,196	54,471

17 Contingent liabilities

	2020	2019
	DKK'000	DKK'000
Recourse and non-recourse guarantee commitments	11,503	12,082
Contingent liabilities	11,503	12,082

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.

18 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 106,659k 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 33,705k. Bank loans of group enterprises amount to DKK 2,236k at 31 December 2020.

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

19 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

TopCo 26 FIII Holding GmbH, Munich, shareholder

TopCo 26 SC FII GmbH, Munich, shareholder

20 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.

21 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.

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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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).

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.

Other provisions

Other provisions comprise legal or constructive obligations to cover the liabilities of group enterprises with negative equity value and is measured at present value of the costs deemed necessary to incur to settle the obligation.

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.