



Ball Invest ApS

Kløvermarken 29
7190 Billund
CVR No. 28302029

Annual report 2019

The Annual General Meeting adopted the
annual report on 12.06.2020

Kuno Kildetoft Mehlsen
Conductor

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	15

Entity details

Entity

Ball Invest ApS

Kløvermarken 29

7190 Billund

CVR No.: 28302029

Registered office: Billund

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Stefan Andreas Walter Happak, Chairman

Joachim Horst Scholz

Executive Board

Kuno Kildetoft Mehlsen, Chief executive officer

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 Invest ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 12.06.2020

Executive Board

Kuno Kildetoft Mehlsen

Chief executive officer

Board of Directors

Stefan Andreas Walter Happak

Chairman

Joachim Horst Scholz

Independent auditor's report

To the shareholders of Ball Invest ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ball Invest ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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.

Violation of company law and similar legislation

During the year one transaction related to the change of ownership was made which was not compliant with section 206 in the Danish Companies Act. As mentioned in the management comments, and measures are taken by Management to rectify this matter.

Kolding, 12.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Dam Østergaard

State Authorised Public Accountant
Identification No (MNE) mne34501

Management commentary

Primary activities

The Company's objective is to hold shares in other companies in the Ball Group.

Development in activities and finances

During the year the group structure was simplified and consequently Ball Invest ApS is the continuing company following mergers with the former group companies Ax Ball Invest ApS, Ball Holding and Ax Invco ApS.

During the change of ownership during the year one payment was made from Ball Invest ApS without being compliant with the Danish Companies Act. Management was unaware of this and consequently the matter is in process of being rectified.

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. Reference is made to note 1 for a description of the effect from COVID-19.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Gross profit/loss		(6,753)	(61)
Income from investments in group enterprises		17,000	17,237
Other financial income		2,548	0
Other financial expenses	2	(837)	(98)
Profit/loss before tax		11,958	17,078
Tax on profit/loss for the year	3	3,586	133
Profit/loss for the year		15,544	17,211
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		23,800	0
Retained earnings		(8,256)	17,211
Proposed distribution of profit and loss		15,544	17,211

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Investments in group enterprises		139,593	72,443
Other financial assets	4	139,593	72,443
Fixed assets		139,593	72,443
Receivables from group enterprises		8,262	0
Deferred tax	5	794	219
Other receivables		5	0
Joint taxation contribution receivable		0	14
Receivables		9,061	233
Cash		235	3
Current assets		9,296	236
Assets		148,889	72,679

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		85,505	85,505
Retained earnings		14,329	(15,762)
Proposed dividend		23,800	0
Equity		123,634	69,743
Other provisions		1,500	0
Provisions		1,500	0
Trade payables		13	5
Payables to group enterprises		23,739	2,926
Other payables		3	5
Current liabilities other than provisions		23,755	2,936
Liabilities other than provisions		23,755	2,936
Equity and liabilities		148,889	72,679
Events after the balance sheet date	1		
Contingent liabilities	6		
Related parties with controlling interest	7		
Group relations	8		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	85,505	(15,762)	0	69,743
Effect of mergers and business combinations	0	40,466	0	40,466
Exchange rate adjustments	0	(165)	0	(165)
Other entries on equity	0	(1,954)	0	(1,954)
Profit/loss for the year	0	(8,256)	23,800	15,544
Equity end of year	85,505	14,329	23,800	123,634

Notes

1 Events after the balance sheet date

During March 2020, it became evident that the COVID-19 would have a severe impact on the fashion industry and consequently Ball Group would also be affected. As a consequence of COVID-19 Ball Group has been forced to temporarily shut down physical retail stores which have caused a reduction in revenues but to some extent this has been compensated by an increase in revenue from online sales (e-commerce).

Ball Group expect to make use of aid packages available in the countries where the Group is present in order to minimize the negative economic impacts of COVID-19. Furthermore management has secured an extension of credit facilities through the Groups' main bank and Vækstfonden to ensure financial stability throughout the fiscal year 2020. Management consider the credit facilities to be sufficient given the development since the outbreak of COVID-19 up until the time of adoption of the annual report as well as the revised expectations for the remaining part of 2020. In this way Management consider the Group to be suitably prepared for the future despite the impact from COVID-19.

Given the inherent uncertainty at the time of approval of the annual report it is not possible for Group Management to quantify in detail the full effect from COVID-19 for the financial year 2020 but it is clear that revenue and profit/loss for the year is negatively impacted to an extend which makes it unlikely to obtain a profit for the year.

No adjustments to the balance at 31 December 2019 have been recognized due to COVID-19.

Beside the description above there have not been any events after the balance date which influence the annual report.

2 Other financial expenses

	2019 DKK'000	2018 DKK'000
Financial expenses from group enterprises	605	98
Other interest expenses	232	0
	837	98

3 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Change in deferred tax	415	(21)
Adjustment concerning previous years	(4,001)	(98)
Refund in joint taxation arrangement	0	(14)
	(3,586)	(133)

4 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	278,170
Addition through business combinations etc	62,255
Cost end of year	340,425
Impairment losses beginning of year	(205,727)
Exchange rate adjustments	(165)
Adjustments on equity	(1,941)
Amortisation of goodwill	(4,986)
Share of profit/loss for the year	21,987
Dividend	(10,000)
Impairment losses end of year	(200,832)
Carrying amount end of year	139,593

Hereof non amortized goodwill 46,7 mDKK.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Ball ApS	Billund, Denmark	ApS	100

5 Deferred tax

	2019 DKK'000	2018 DKK'000
Tax losses carried forward	794	220
Deferred tax	794	220

6 Contingent liabilities

The Entity has participated in a Danish joint taxation arrangement where Ax Ball Invest ApS, Business Reg. No 30 08 43 06 was the administration company until 10.04.2019. From 11.04.2019 and forward the Company participates in a Danish joint taxation arrangement where Ball Group Holding ApS, Business Reg. No 40 29 85 68 serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company 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 in both taxations.

7 Related parties with controlling interest

The following parties have a controlling interest:

Ball Group Holding ApS, Billund, shareholder
TopCo 26 FIII Holding GmbH, Munich, shareholder
TopCo 26 SC FII GmbH, Munich, shareholder

8 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 B enterprises with addition of certain provisions for reporting class C.

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.

Business combinations

The book value method is applied on mergers where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the book value method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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.

Income from investments in group enterprises

Income from investments in group enterprises comprise 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 dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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 Ax Ball Invest ApS and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with refund concerning tax losses).

Balance sheet**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 value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

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.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

#Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. #Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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