

## **Ball Group Holding ApS**

Kløvermarken 29

7190 Billund

Central Business Registration

No 40298568

## **Annual report**

**27.02.2019 -**

**31.12.2019**

The Annual General Meeting adopted the annual report on 12.06.2020

### **Chairman of the General Meeting**

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Name: Kuno Kildetoft Mehlsen

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## **Entity details**

### **Entity**

Ball Group Holding ApS  
Kløvermarken 29  
7190 Billund

Central Business Registration No (CVR): 40298568  
Registered in: Billund  
Financial year: 27.02.2019 - 31.12.2019

Phone: +45 76 98 11 00  
Website: [www.ball-group.com](http://www.ball-group.com)  
E-mail: [info@ball-group.com](mailto:info@ball-group.com)

### **Board of Directors**

Stefan Andreas Walter Happak  
Joachim Horst Scholz

### **Executive Board**

Kuno Kildetoft Mehlsen

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Egtved Allé 4  
6000 Kolding

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Ball Group Holding ApS for the financial year 27.02.2019 - 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 and cash flows for the financial year 27.02.2019 - 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

### Board of Directors

Stefan Andreas Walter  
Happak

Joachim Horst Scholz

# Independent auditor's report

## To the shareholders of Ball Group Holding ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Ball Group Holding ApS for the financial year 27.02.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations, and the consolidated cash flows for the financial year 27.02.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

## Independent auditor's report

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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 12.06.2020

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Suzette Demediuk Steen Nielsen  
State Authorised Public Accountant  
Identification No (MNE) mne32207

Lars Dam Østergaard  
State Authorised Public Accountant  
Identification No (MNE) mne34501

## Management commentary

**2019**  
**DKK'000**

### Financial highlights

#### Key figures

Revenue	541.529
Gross profit/loss	197.331
Operating profit/loss	12.479
Net financials	(2.429)
Profit/loss for the year	8.503
Total assets	389.752
Investments in property, plant and equipment	61.100
Equity	102.084
Cash flows from (used in) operating activities	39.112
Cash flows from (used in) investing activities	(19.485)
Cash flows from (used in) financing activities	56.243

#### Ratios

Gross margin (%)	36,4
Net margin (%)	1,6
Return on equity (%)	8,3
Equity ratio (%)	26,2
EBIT-margin	2,3

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
EBIT-margin	$\frac{\text{EBIT}}{\text{Revenue}}$	The Entity's operating profitability before interest, tax and depreciation.

The Group was established on 11 April 2019 and therefore no comparative figures are presented.



## Management commentary

### Primary activities

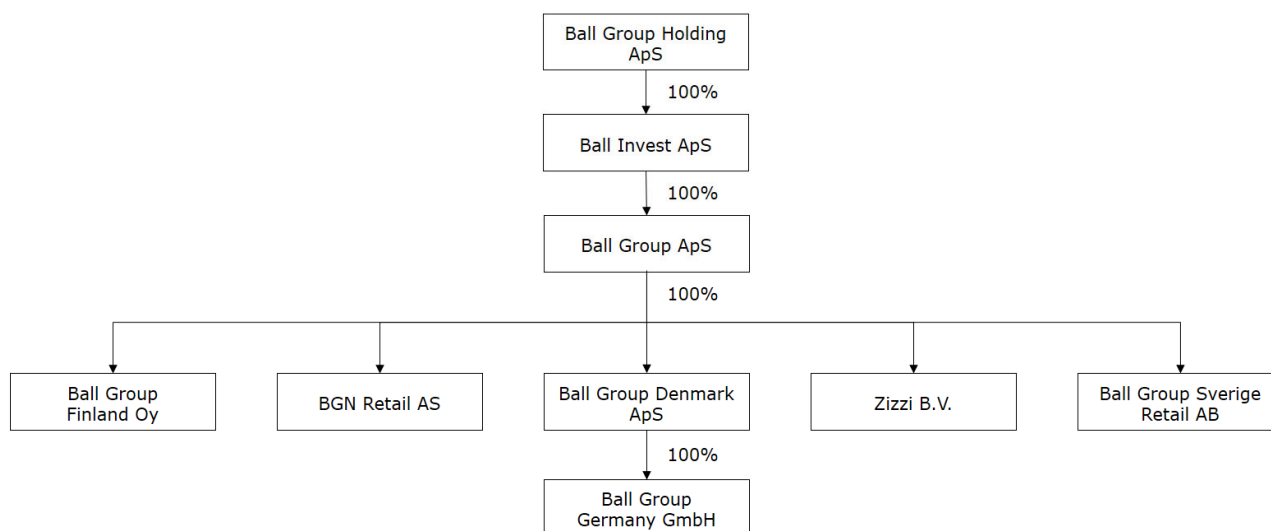
The Parent and Group's main objective is to source and market clothing for plus size women, primarily in Europe.

### Unusual conditions

There have been no significant unusual conditions in the financial year.

### Group chart

During 2019, the ownership of Ball Group changed from Axcel to Findos Investor. The Group company structure has changed into the following:



Ball Group Holding ApS (secondary name: Ball Group) is indirectly owned by equity fund TopCo 26 FIII Holding GmbH and TopCo 26 SC FIII Holding GmbH.

### Development in activities and finances

The new group structure under Findos ownership was established with effect from 11 April 2019 and consequently the activities from the acquired Ball Group defined as Ball Group ApS and subsidiaries is only included from this date. Revenue for this period for Ball Group ApS and subsidiaries is DKK 541 million and EBITDA is 45 million. For the full calendar year 2019 revenue amount to DKK 713 million and EBITDA DKK 49 million.

With the change in ownership during 2019, significant non-recurring costs have impacted the financial performance. Normalized EBITDA for Ball Group ApS and subsidiaries therefore lands at DKK 60 million in 2019, an increase of 7% compared to 2018.

## Management commentary

Normalized Result	2019	2018	Index
	DKK'000	DKK'000	
Revenue	711.452	590.712	120
EBITDA	48.726	51.477	95
Non-recurring Costs	-10.818	-4.284	-
EBITDA Normalized	59.544	55.761	107

Please note that figures for Ball Invest ApS and Ball Group Holding ApS are not included since the figures are mentioned in order to reflect the development in ordinary business activities and the full calendar year.

The result is considered to be satisfactory.

2019 continues to be another successful year for Ball Group with further execution of the transformation set in motion in 2016. Over the course of a four-year period, the Group has changed from rooted in traditional wholesale and franchise operations to being a company with own stores, e-commerce and professional whole-sale being the predominant distribution. The company faces the future with a strong operating model, a higher operating profit and a sound financial situation.

### Uncertainty relating to recognition and measurement

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

### Outlook

Prior to the COVID-19 pandemic outbreak in March 2020, the expectations for 2020 were to continue with a revenue growth and earnings relative to what was obtained in 2019. It is however clear that COVID-19 will impact the financial year 2020 negatively and reference is made to note 1 "Events after the balance sheet date" for a description of this.

### Particular risks

#### **Business risks**

The primary business risks for the Group relate to continued ability to develop, correct marketing and the ability to obtain profit on selling 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 be exposed to some currency risks. A considerable part of the transactions entered into by the Group 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.

## Management commentary

The Group's currency policy is set 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.

Throughout the year, a considerable number of experienced and highly qualified members of staff has joined the Group.

### **Staff**

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

	# employees	
	Beginning of year	End of year
	*	
Denmark	261	295
Other countries	210	235
<b># Employees</b>	<b>471</b>	<b>530</b>

\* Employees for the Ball Group at the beginning of the year reflect 31 December 2018 which is before change of ownership.

### **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 further growth in revenue and profit is expected for the years to come, driven by even better performance and development of the e-commerce channels, establishment of new concept stores as well as significant access by major wholesale clients.

### **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:

## Management commentary

- The CSR committee´s work, including the choice of focus areas in 2019 in relation to the CSR strategy
- Chemicals in finished products, including selection of test programs
- Control and human rights
- Animal welfare
- Environmental influences
- Control on certified suppliers
- Objectives and policies for gender composition in the supreme governing body, cf. S. 99b of the Danish Financial Statements Act
- Objectives and goals for 2019

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 information on the mentioned recommendations reference is made to [www.dvca.dk](http://www.dvca.dk)

## Management commentary

### 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 ongoing reporting. The reporting contains information on market developments, group development and profitability.

### Risk assessments

#### Audit and Risk Committee

The Audit and Risk Committee consists of two board members and the Executive Board. If needed, external audit attends the meetings.

The Audit and Risk Committee evaluates continuously and as a minimum annually the collected risk and single risk assessments connected to group activities. The Audit and Risk Committee will on behalf of the Board assess the central risk, follow the development and draw plan of action for reducing and managing individual risk factors, including business, financial and CSR-related risks. In depth, explanation on these factors is described separately under special risks.

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

The Audit and Risk Committee 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 Committee and 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 commentary

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

## Consolidated income statement for 2019

	<u>Notes</u>	<u>2019</u> <u>DKK'000</u>
Revenue		541.529
Cost of sales		(227.410)
Other external expenses	2	(116.788)
<b>Gross profit/loss</b>		<b>197.331</b>
Staff costs	3	(152.707)
Depreciation, amortisation and impairment losses		(32.145)
<b>Operating profit/loss</b>		<b>12.479</b>
Other financial income		4.221
Other financial expenses		(6.650)
<b>Profit/loss before tax</b>		<b>10.050</b>
Tax on profit/loss for the year		(1.547)
<b>Profit/loss for the year</b>	4	<b>8.503</b>

## Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Acquired rights		8.775
Goodwill		159.457
<b>Intangible assets</b>	5	<u><b>168.232</b></u>
Other fixtures and fittings, tools and equipment		42.430
Leasehold improvements		6.232
<b>Property, plant and equipment</b>	6	<u><b>48.662</b></u>
Deposits		9.418
<b>Fixed asset investments</b>	7	<u><b>9.418</b></u>
<b>Fixed assets</b>		<u><b>226.312</b></u>
Raw materials and consumables		47.143
<b>Inventories</b>		<u><b>47.143</b></u>
Trade receivables		25.620
Deferred tax		5.575
Other receivables		2.086
Prepayments		7.146
<b>Receivables</b>		<u><b>40.427</b></u>
<b>Cash</b>		<u><b>75.870</b></u>
<b>Current assets</b>		<u><b>163.440</b></u>
<b>Assets</b>		<u><b>389.752</b></u>



## Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Contributed capital		100
Retained earnings		101.984
<b>Equity</b>		<b><u>102.084</u></b>
Deferred tax		156
<b>Provisions</b>		<b><u>156</u></b>
Other payables	8	52.250
<b>Non-current liabilities other than provisions</b>		<b><u>52.250</u></b>
Bank loans		12.285
Trade payables		23.892
Payables to group enterprises		111.885
Income tax payable		3.530
Other payables		83.670
<b>Current liabilities other than provisions</b>		<b><u>235.262</u></b>
<b>Liabilities other than provisions</b>		<b><u>287.512</u></b>
<b>Equity and liabilities</b>		<b><u>389.752</u></b>
Events after the balance sheet date	1	
Financial instruments	10	
Contingent liabilities	11	
Assets charged and collateral	12	
Transactions with related parties	13	
Subsidiaries	14	

## Consolidated statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Contributed upon formation	100	95.600	95.700
Exchange rate adjustments	0	(165)	(165)
Fair value adjustments of hedging instruments	0	(1.954)	(1.954)
Profit/loss for the year	0	8.503	8.503
<b>Equity end of year</b>	<b>100</b>	<b>101.984</b>	<b>102.084</b>

## Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Operating profit/loss		12.479
Amortisation, depreciation and impairment losses		32.305
Working capital changes	9	128.682
Other adjustments		100
Adjustments regarding Group establishment		(126.472)
<b>Cash flow from ordinary operating activities</b>		<b>47.094</b>
Financial income received		4.223
Financial expenses paid		(6.650)
Income taxes refunded/(paid)		(3.436)
Other cash flows from operating activities		(2.119)
<b>Cash flows from operating activities</b>		<b>39.112</b>
Acquisition etc of intangible assets		(262)
Acquisition etc of property, plant and equipment		(19.888)
Sale of property, plant and equipment		665
<b>Cash flows from investing activities</b>		<b>(19.485)</b>
Loans raised		4.147
Repayments of loans etc		(59.789)
Incurrence of debt to group enterprises		111.785
Injection of share capital		100
<b>Cash flows from financing activities</b>		<b>56.243</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>75.870</b>
<b>Cash and cash equivalents end of year</b>		<b>75.870</b>

## Notes to consolidated financial statements

### 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 extent 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.

Due to earn out conditions in recent share purchase agreements, the COVID-19 pandemic is expected to have an impact on the purchase price for shares in subsidiaries. In the Parent financial statements the carrying amount of shares in subsidiaries and other debt is expected to be reduced in the fiscal year 2020. For the consolidated financial statements the reduction will be reflected in goodwill and other debt.

	<b>2019</b> <b>DKK'000</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>	
Statutory audit services	324
Other assurance engagements	319
Tax services	276
Other services	276
	<b>1.195</b>
	<b>2019</b>
<b>3. Staff costs</b>	
Average number of employees	<b>530</b>

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

## Notes to consolidated financial statements

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.

	<b>2019</b>	
	<b>DKK'000</b>	
<b>4. Proposed distribution of profit/loss</b>		
Retained earnings	8.503	
	<b>8.503</b>	
	<b>Acquired rights</b>	<b>Goodwill</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Intangible assets</b>		
Additions	9.832	178.267
<b>Cost end of year</b>	<b>9.832</b>	<b>178.267</b>
Amortisation for the year	(1.057)	(18.810)
<b>Amortisation and impairment losses end of year</b>	<b>(1.057)</b>	<b>(18.810)</b>
<b>Carrying amount end of year</b>	<b>8.775</b>	<b>159.457</b>
	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improvements</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Property, plant and equipment</b>		
Additions	53.862	7.238
<b>Cost end of year</b>	<b>53.862</b>	<b>7.238</b>
Depreciation for the year	(11.432)	(1.006)
<b>Depreciation and impairment losses end of year</b>	<b>(11.432)</b>	<b>(1.006)</b>
<b>Carrying amount end of year</b>	<b>42.430</b>	<b>6.232</b>

## Notes to consolidated financial statements

	<b>Deposits DKK'000</b>
<b>7. Fixed asset investments</b>	
Additions	9.418
<b>Cost end of year</b>	<b>9.418</b>
<b>Carrying amount end of year</b>	<b>9.418</b>

### 8. Other long-term payables

Other payables include estimated remaining purchase sum from the takeover of the Ball Group.

	<b>2019 DKK'000</b>
<b>9. Change in working capital</b>	
Increase/decrease in inventories	28.266
Increase/decrease in receivables	18.900
Increase/decrease in trade payables etc	(16.557)
Other changes	98.073
	<b>128.682</b>

### 10. Financial instruments

Other debt include a negative fair value of forward exchange contracts of DKK 1,552k. The Group hedges future exchange risks relating to sales and purchases and sales of goods. The Group has entered into forward exchange contracts for the following 8 months to secure purchases and sales of goods in the following currencies: USD 31,454k. All values are absolute values. All contracts are subscribed with the Company's ordinary bank.

	<b>2019 DKK'000</b>
<b>11. Contingent liabilities</b>	
Recourse and non-recourse guarantee commitments	21.957
<b>Contingent liabilities in total</b>	<b>21.957</b>

The Entity serves as an administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

### 12. 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 140,075k and comprise receivables, inventory and operating equipment.

### Collateral provided for group enterprises

## Notes to consolidated financial statements

The Group has provided guarantee for the group enterprises' debt with the Group's main bank. The maximum limit of the guarantee is DKK 123,363k. Bank loans of group enterprises amount to DKK 12,285k at 31 December 2019.

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

### 13. Transactions with related parties

During the financial year, related party transactions have been conducted on an arm's length basis.

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
<b>14. Subsidiaries</b>			
Ball Invest ApS	Billund, Denmark	ApS	100,0
Ball Group ApS	Billund, Denmark	ApS	100,0
Ball Group Denmark ApS	Billund, Denmark	ApS	100,0
Ball Group Finland OY	Vaasa, Finland	OY	100,0
Zizzi B.V.	Groenekan, Netherland	B.V.	100,0
BGN Retail AS	Oslo, Norway	AS	100,0
Ball Group Sverige Retail AB	Borås, Sweden	AB	100,0
Ball Group Germany GmbH	Munich, Germany	GmbH	100,0

## Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Revenue		1.476
Other external expenses		(2.076)
<b>Gross profit/loss</b>		<b>(600)</b>
Staff costs	1	(1.564)
<b>Operating profit/loss</b>		<b>(2.164)</b>
Income from investments in group enterprises		11.904
Other financial income	2	871
Other financial expenses	3	(3.067)
<b>Profit/loss before tax</b>		<b>7.544</b>
Tax on profit/loss for the year		959
<b>Profit/loss for the year</b>	4	<b>8.503</b>



## Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Investments in group enterprises		235.747
<b>Fixed asset investments</b>	5	<u><b>235.747</b></u>
<b>Fixed assets</b>		<u><b>235.747</b></u>
Receivables from group enterprises		60.848
Deferred tax	6	959
Other receivables		28
<b>Receivables</b>		<u><b>61.835</b></u>
<b>Cash</b>		<u><b>365</b></u>
<b>Current assets</b>		<u><b>62.200</b></u>
<b>Assets</b>		<u><b>297.947</b></u>

## Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>
Contributed capital		100
Reserve for net revaluation according to the equity method		9.785
Retained earnings		92.199
<b>Equity</b>		<b>102.084</b>
Other payables	7	50.000
<b>Non-current liabilities other than provisions</b>		<b>50.000</b>
Payables to group enterprises		122.917
Other payables		22.946
<b>Current liabilities other than provisions</b>		<b>145.863</b>
<b>Liabilities other than provisions</b>		<b>195.863</b>
<b>Equity and liabilities</b>		<b>297.947</b>
Contingent liabilities	8	
Assets charged and collateral	9	
Related parties with controlling interest	10	
Transactions with related parties	11	

## Parent statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Reserve for net revaluation according to the equity method DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Contributed upon formation	50	0	0	50
Increase of capital	50	0	95.600	95.650
Exchange rate adjustments	0	0	(165)	(165)
Other entries on equity	0	0	(1.954)	(1.954)
Profit/loss for the year	0	9.785	(1.282)	8.503
<b>Equity end of year</b>	<b>100</b>	<b>9.785</b>	<b>92.199</b>	<b>102.084</b>

## Notes to parent financial statements

	<b>2019</b> <b>DKK'000</b>
<b>1. Staff costs</b>	
Wages and salaries	1.564
	<b>1.564</b>
Average number of employees	<b>0</b>
Remuneration of the Executive Board is is not disclosed with reference to S. 98(3) of the Danish Financial Statements Act.	
	<b>2019</b> <b>DKK'000</b>
<b>2. Other financial income</b>	
Financial income arising from group enterprises	871
	<b>871</b>
	<b>2019</b> <b>DKK'000</b>
<b>3. Other financial expenses</b>	
Financial expenses from group enterprises	33
Other interest expenses	3.034
	<b>3.067</b>
	<b>2019</b> <b>DKK'000</b>
<b>4. Proposed distribution of profit/loss</b>	
Transferred to reserve for net revaluation according to the equity method	9.785
Retained earnings	(1.282)
	<b>8.503</b>

## Notes to parent financial statements

	<b>Invest- ments in group enterprises DKK'000</b>
<b>5. Fixed asset investments</b>	
Additions	225.962
<b>Cost end of year</b>	<b>225.962</b>
Exchange rate adjustments	(165)
Amortisation of goodwill	(13.453)
Share of profit/loss for the year	25.357
Other adjustments	(1.954)
<b>Revaluations end of year</b>	<b>9.785</b>
<b>Carrying amount end of year</b>	<b>235.747</b>

Hereof non amortized goodwill 158,8 mDKK.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	<b>2019 DKK'000</b>
<b>6. Deferred tax</b>	
Tax losses carried forward	959
	<b>959</b>
<b>Changes during the year</b>	
Recognised in the income statement	959
<b>End of year</b>	<b>959</b>

Deferred tax assets comprise temporary differences regarding lease arrangements as well as deferred tax losses that are expected to be utilized through offsetting against profits from ordinary operations with the joint taxation within 3-5 years.

### 7. Other long-term payables

Other payables include estimated remaining purchase sum from the takeover of the Ball Group.

### 8. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore for income taxes etc for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## Notes to parent financial statements

### 9. Assets charged and collateral

The Entity has no guarantees.

### 10. Related parties with controlling interest

The following parties have a controlling interest:

- TopCo 26 FIII Holding GmbH, Munich, shareholder
- TopCo 26 SC FII GmbH, Munich, shareholder

### 11. Transactions with related parties

During the financial year, related party transactions have been conducted on an arm's length basis.

## 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).

### 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.

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### 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

## Accounting policies

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. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate 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 as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### **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.

#### **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.

#### **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



## Accounting policies

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 as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### **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 internal profits or losses.

### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on payables and transactions in foreign currencies, amortisation of financial assets as well as 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 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.

## **Balance sheet**

### **Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile, and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7 years and residual value is assessed at 0%.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### **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 and the residual value: 0%.

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

## Accounting policies

### 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 subject to finance leases, the depreciation period cannot exceed 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

In the parent financial statements, 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 and losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7 years.

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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

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

## Accounting policies

### 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 or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

### Income tax receivable or payable

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

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing

## **Accounting policies**

debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.