

California BidCo A/S

c/o Verdane Advisors ApS
Rådhuspladsen 16
1550 Copenhagen
Denmark

CVR no. 40 74 83 85

Annual report 2020

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

2 March 2021

Amelie Caroline Micaela Söderberg
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of California BidCo A/S for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 2 March 2021
Executive Board:

Teis Werring Bruun

Board of Directors:

Amelie Caroline Micaela
Söderberg
Chairman

Eva Astrid Cecilia Nytorp

Teis Werring Bruun



Independent auditor's report

To the shareholder of California BidCo A/S

Opinion

We have audited the financial statements of California BidCo A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may

Independent auditor's report

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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 2 March 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Anja Bjørnholt Lüthcke
State Authorised
Public Accountant
mne26779

California BidCo A/S
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Management's review

Company details

California BidCo A/S
c/o Verdane Advisors ApS
Rådhuspladsen 16
1550 Copenhagen
Denmark

CVR no.:	40 74 83 85
Established:	30 August 2019
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Amelie Caroline Micaela Söderberg, Chairman
Eva Astrid Cecilia Nytorp
Teis Werring Bruun

Executive Board

Teis Werring Bruun

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Management's review

Operating review

Principal activities

The purpose of the company is to invest in companies that aim to design, sell and market clothing and accessories as well as related business.

Development in activities and financial position

The Company's income statement for 2020 shows a loss of DKK 3,532,616. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 85,101,614.

Events after the balance sheet date

Management does not consider that circumstances have occurred from the balance sheet date until today, which distort the assessment of the annual report.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	30/08 - 31/12 2019
Other external costs		<u>-17,344</u>	<u>-2,110,624</u>
Gross loss		-17,344	-2,110,624
Other financial income		15,574	0
Other financial expenses	2	<u>-3,530,846</u>	<u>-819,756</u>
Loss before tax		-3,532,616	-2,930,380
Tax on loss for the year		<u>775,581</u>	<u>182,684</u>
Loss for the year		<u>-2,757,035</u>	<u>-2,747,696</u>
Proposed distribution of loss			
Retained earnings		<u>-2,757,035</u>	<u>-2,747,696</u>
		<u>-2,757,035</u>	<u>-2,747,696</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Investments	3, 5		
Equity investments in group entities		<u>261,963,024</u>	<u>261,963,024</u>
Total fixed assets		<u>261,963,024</u>	<u>261,963,024</u>
Current assets			
Receivables			
Other receivables		<u>2</u>	<u>3,590,010</u>
Cash at bank and in hand		<u>15,605</u>	<u>0</u>
Total current assets		<u>15,607</u>	<u>3,590,010</u>
TOTAL ASSETS		<u><u>261,978,631</u></u>	<u><u>265,553,034</u></u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital	4	600,000	600,000
Share premium		90,006,345	90,006,345
Retained earnings		<u>-5,504,731</u>	<u>-2,747,696</u>
Total equity		<u>85,101,614</u>	<u>87,858,649</u>
Liabilities			
Non-current liabilities			
Debt to credit institutions		<u>64,350,000</u>	<u>79,200,000</u>
Current liabilities			
Banks, current liabilities		14,850,000	10,800,000
Payables to group entities		97,666,923	87,683,760
Other payables		<u>10,094</u>	<u>10,625</u>
		<u>112,527,017</u>	<u>98,494,385</u>
Total liabilities		<u>176,877,017</u>	<u>177,694,385</u>
TOTAL EQUITY AND LIABILITIES		<u><u>261,978,631</u></u>	<u><u>265,553,034</u></u>
Average number of employees			
Contractual obligations, contingencies, etc.	5		
Related party disclosures	6		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	600,000	90,006,345	-2,747,696	87,858,649
Transferred over the distribution of loss	<u>0</u>	<u>0</u>	<u>-2,757,035</u>	<u>-2,757,035</u>
Equity at 31 December 2020	<u><u>600,000</u></u>	<u><u>90,006,345</u></u>	<u><u>-5,504,731</u></u>	<u><u>85,101,614</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

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

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of California BidCo A/S and group entities are included in the consolidated financial statements of California HoldCo A/S, Copenhagen, CVR no. 40748326.

Income statement

Other external costs

Other external costs comprise administration costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Equity investments in group entities

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Other financial expenses

DKK	2020	30/08 - 31/12 2019
Interest expense to group entities	926,911	115,791
Other financial costs	4,192	6,465
Interests on debt to credit institutions	2,599,743	697,500
	<u>3,530,846</u>	<u>819,756</u>

3 Investments

DKK	Equity investments in group entities
Cost at 1 January 2020	<u>261,963,024</u>
Cost at 31 December 2020	261,963,024
Carrying amount at 31 December 2020	<u><u>261,963,024</u></u>

Name	Registered office	Voting rights and ownership interest
Baum und Pferdgarten A/S	Copenhagen	100%

4 Equity

The contributed capital consists of: 600,000 shares of nom. DKK 1.00 each.

All shares rank equally.

5 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation arrangement with California HoldCo A/S and its subsidiaries. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for obligations, if any, relating to withholding tax on income taxes, interest, royalties and dividend for the jointly taxed companies.

Mortgages and collateral

To secure the bank debt in the company, the company has given a first priority pledge over the Equity investments (100%) in subsidiaries.

Financial statements 1 January – 31 December

Notes

6 Related party disclosures

California BidCo A/S related parties comprise the following:

Control

California BidCo A/S is part of the consolidated financial statements of California HoldCo A/S, Rådhuspladsen 16, 1550 Copenhagen, which is the smallest group in which the Company is included as a subsidiary.