

California BidCo A/S

Rådhuspladsen 16
1550 Copenhagen
Denmark

CVR no. 40 74 83 85

Annual report for the period 30 August – 31 December 2019

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

3 March 2020

chairman

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California BidCo A/S
Annual report 2019
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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 period 30 August – 31 December 2019.

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 2019 and of the results of the Company's operations for the financial period 30 August – 31 December 2019.

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

Copenhagen, 3 March 2020
Executive Board:

Teis Werring Bruun

Board of Directors:

Amelie Caroline Micaela
Söderberg
Chairman

Eva Astrid Cecilia Nytorp

Martin Stephan Welna

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 period 30 August – 31 December 2019 comprising income statement, balance sheet 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 2019 and of the results of the Company's operations for the financial period 30 August – 31 December 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 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 involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent auditor's report

- 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.

Copenhagen, 3 March 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Kyhnav
State Authorised
Public Accountant
mne40028

California BidCo A/S
Annual report 2019
CVR no. 40 74 83 85

Company details

California BidCo A/S
Rådhuspladsen 16
1550 Copenhagen
Denmark

CVR no.: 40 74 83 85
Registered office: Copenhagen
Financial period: 30 August – 31 December

Board of Directors

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

Executive Board

Teis Werring Bruun

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Financial statements 30 August – 31 December

Income statement

DKK	Note	30/08 - 31/12 2019
Other external costs		<u>-2,110,624</u>
Gross profit/loss		-2,110,624
Financial expenses		<u>-819,756</u>
Profit/loss before tax		-2,930,380
Tax on profit/loss for the year		<u>182,684</u>
Profit/loss for the year		<u>-2,747,696</u>
Proposed profit appropriation/distribution of loss		
Retained earnings		<u>-2,747,696</u>
		<u>-2,747,696</u>

Financial statements 30 August – 31 December

Balance sheet

DKK	Note	31/12 2019
ASSETS		
Fixed assets		
Investments	2	
Equity investments in group entities		<u>261,963,024</u>
Total fixed assets		<u>261,963,024</u>
Current assets		
Receivables		
Other receivables		<u>3,590,010</u>
Total current assets		<u>3,590,010</u>
TOTAL ASSETS		<u><u>265,553,034</u></u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital	3	600,000
Share premium		90,006,345
Retained earnings		<u>-2,747,696</u>
Total equity		<u>87,858,649</u>
Liabilities		
Non-current liabilities		
Credit institutions		<u>79,200,000</u>
Current liabilities		
Credit institutions, current liabilities		10,800,000
Payables to group entities		87,683,760
Other payables		<u>10,625</u>
		<u>98,494,385</u>
Total liabilities		<u>177,694,385</u>
TOTAL EQUITY AND LIABILITIES		<u><u>265,553,034</u></u>
Average number of employees	4	
Contingent liabilities	5	

Financial statements 30 August – 31 December

Notes

1 Accounting policies

The annual report of California BidCo A/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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.

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.

Income statement

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

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 profit/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.

Other receivables and deposits are recognised at amortised cost.

Financial statements 30 August – 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.

Finance lease obligations comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

2 Investments

	Equity investments in group entities
DKK	
Cost at 30 August 2019	0
Additions for the year	<u>261,963,024</u>
Cost at 31 December 2019	<u>261,963,024</u>
Carrying amount at 31 December 2019	<u><u>261,963,024</u></u>

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

Financial statements 30 August – 31 December

Notes

3 Equity

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

All shares rank equally.

4 Average number of employees

Average number of full-time employees

30/08 - 31/12 2019
0

5 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.

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Teis Werring Bruun

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Martin Stephan Welna

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Malene Gybel

Dirigent

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