
California BidCo A/S

C/O Baum und Pferdgarten A/S
Amaliegade 15
DK-1256 København K

Annual Report for 1 January - 31 December 2021

CVR No 40 74 83 85

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
15/3 2022

Amelie Caroline Micaela
Söderberg
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of California BidCo A/S for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 15 March 2022

Executive Board

Teis Werring Bruun
CEO

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

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of California BidCo A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

Independent Auditor's Report

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 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.

Hellerup, 15 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Kyhnauv

State Authorised Public Accountant

mne40028

Company Information

The Company

California BidCo A/S
C/O Baum und Pferdgarten A/S
Amaliegade 15
DK-1256 København K

CVR No: 40 74 83 85
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

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

Executive Board

Teis Werring Bruun

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit/loss		-11.010	-17.344
Income from investments in subsidiaries		16.600.000	0
Financial income		0	15.574
Financial expenses	2	<u>-3.112.932</u>	<u>-3.530.846</u>
Profit/loss before tax		13.476.058	-3.532.616
Tax on profit/loss for the year		<u>687.267</u>	<u>775.581</u>
Net profit/loss for the year		<u>14.163.325</u>	<u>-2.757.035</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>14.163.325</u>	<u>-2.757.035</u>
		<u>14.163.325</u>	<u>-2.757.035</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Investments in subsidiaries		261.963.024	261.963.024
Fixed asset investments		261.963.024	261.963.024
Fixed assets		261.963.024	261.963.024
Cash at bank and in hand		14.575	15.605
Currents assets		14.575	15.605
Assets		261.977.599	261.978.629

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		600.000	600.000
Share premium account		90.006.345	90.006.345
Retained earnings		8.658.594	-5.504.731
Equity		99.264.939	85.101.614
Credit institutions		46.350.000	64.350.000
Long-term debt	3	46.350.000	64.350.000
Credit institutions	3	9.450.000	14.850.000
Payables to group enterprises		106.902.037	97.666.923
Other payables		10.623	10.092
Short-term debt		116.362.660	112.527.015
Debt		162.712.660	176.877.015
Liabilities and equity		261.977.599	261.978.629
Key activities	1		
Contingent assets, liabilities and other financial obligations	4		
Accounting Policies	5		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Share premium account</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	600.000	90.006.345	-5.504.731	85.101.614
Net profit/loss for the year	0	0	14.163.325	14.163.325
Equity at 31 December	600.000	90.006.345	8.658.594	99.264.939

Notes to the Financial Statements

1 Key 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.

	<u>2021</u> DKK	<u>2020</u> DKK
2 Financial expenses		
Interest paid to group enterprises	1.104.680	926.911
Other financial expenses	<u>2.008.252</u>	<u>2.603.935</u>
	<u>3.112.932</u>	<u>3.530.846</u>

3 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u> DKK	<u>2020</u> DKK
Credit institutions		
Between 1 and 5 years	<u>46.350.000</u>	<u>64.350.000</u>
Long-term part	46.350.000	64.350.000
Other short-term debt to credit institutions	<u>9.450.000</u>	<u>14.850.000</u>
	<u>55.800.000</u>	<u>79.200.000</u>

Notes to the Financial Statements

4 Contingent assets, liabilities and other financial obligations

Contingent liabilities

To secure bank debt, the Company has entered into a negative pledge.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Baum und Pferdgarten A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of California BidCo A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of California HoldCo A/S, the Company has not prepared consolidated financial statements.

Income Statement

Other external expenses

Other external expenses comprise administration costs, etc.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

5 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.