

Beckmann AS

Financial Statements for 2024

Beckmann AS

Financial statement 2024

Income statement

| | Note | 2024 | 2023 |
|---|------|--------------------|--------------------|
| Revenue and operating expenses | | | |
| Revenue | 2 | 239 558 189 | 223 565 727 |
| Other income | | 140 | 1 163 |
| Total income | | 239 558 329 | 223 566 890 |
| Raw materials and consumables used | | | |
| Raw materials and consumables used | | 130 885 165 | 118 394 000 |
| Employee benefits expense | 3 | 26 395 129 | 21 239 806 |
| Depreciation and amortisation expenses | 4, 5 | 1 747 615 | 1 759 519 |
| Other expenses | 3, 6 | 46 516 785 | 37 358 750 |
| Total expenses | | 205 544 694 | 178 752 075 |
| Operating profit | | 34 013 636 | 44 814 815 |
| Financial income and expenses | | | |
| Interest income from group companies | | 62 067 | 0 |
| Other financial income | | 2 226 481 | 995 130 |
| Other interest expenses | | 129 946 | 601 305 |
| Net financial items | | 2 158 601 | 393 826 |
| Net profit before tax | | 36 172 237 | 45 208 641 |
| Income tax expense | 7 | 8 029 933 | 9 969 805 |
| Net profit after tax | | 28 142 304 | 35 238 836 |
| Net profit or loss | | 28 142 304 | 35 238 836 |
| Attributable to | | | |
| Additional dividend | | 50 000 000 | 0 |
| Other equity | 8 | -21 857 696 | 35 238 836 |
| Total allocated | | 28 142 304 | 35 238 836 |

Beckmann AS

Financial statement 2024

Balance sheet

| | Note | 2024 | 2023 |
|---|--------|--------------------|--------------------|
| Assets | | | |
| Intangible assets | | | |
| Patents, web-shop, trademarks, and similar rights | 4 | 970 957 | 1 355 521 |
| Deferred tax assets | 7 | 497 791 | 719 859 |
| Total intangible assets | | 1 468 748 | 2 075 380 |
| Property, plant and equipment | | | |
| Equipment and other movables | 5 | 3 078 309 | 3 258 491 |
| Total property, plant and equipment | | 3 078 309 | 3 258 491 |
| Non-current financial assets | | | |
| Investments in subsidiaries | 9 | 303 500 | 303 500 |
| Total non-current financial assets | | 303 500 | 303 500 |
| Total non-current assets | | 4 850 557 | 5 637 371 |
| Current assets | | | |
| Inventories | 10, 11 | 63 622 154 | 52 821 799 |
| Debtors | | | |
| Accounts receivables | 11 | 23 598 414 | 25 903 653 |
| Other short-term receivables | 12, 13 | 5 137 185 | 5 271 663 |
| Receivables from group companies | 12, 13 | 3 786 441 | 1 731 002 |
| Total receivables | | 32 522 040 | 32 906 317 |
| Cash and cash equivalents | 11 | 21 893 714 | 42 694 426 |
| Total current assets | | 118 037 907 | 128 422 543 |
| Total assets | | 122 888 464 | 134 059 914 |

Beckmann AS

Financial statement 2024

Balance sheet

| | Note | 2024 | 2023 |
|-------------------------------------|-------|--------------------|--------------------|
| Equity and liabilities | | | |
| Equity | | | |
| Paid-in capital | | | |
| Share capital | 8, 14 | 660 000 | 660 000 |
| Share premium reserve | 8 | 2 519 601 | 2 519 601 |
| Total paid-in equity | | 3 179 601 | 3 179 601 |
| Retained earnings | | | |
| Other equity | 8 | 70 704 109 | 92 561 806 |
| Total retained earnings | | 70 704 109 | 92 561 806 |
| Total equity | | 73 883 710 | 95 741 407 |
| Current liabilities | | | |
| Trade payables | 13 | 32 389 714 | 19 405 473 |
| Tax payable | 7 | 7 771 463 | 9 810 607 |
| Public duties payable | | 2 027 816 | 2 607 057 |
| Other current liabilities | 13 | 6 815 761 | 6 495 369 |
| Total current liabilities | | 49 004 754 | 38 318 506 |
| Total liabilities | | 49 004 754 | 38 318 506 |
| Total equity and liabilities | | 122 888 464 | 134 059 914 |

Kristiansand, 13.03.2025
The board of Beckmann AS

Yu Li
Chairman of the board

Ole Falk Hansen
Member of the board

Christopher Paul Samways
Member of the board

Zidan Chen
Member of the board

John Lie
General Manager

Beckmann AS

Financial statement 2024

Cash flow statement

| | | 2024 | 2023 |
|--|-----------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Profit/loss before tax | | 36 172 237 | 45 208 641 |
| Taxation paid | | -9 810 607 | -6 019 877 |
| Ordinary depreciation | 4, 5 | 1 747 615 | 1 759 519 |
| Change in inventory | 10 | -10 800 355 | 5 696 324 |
| Change in accounts receivable | | 2 305 239 | 2 328 963 |
| Change in accounts payable | | 12 984 241 | -2 128 572 |
| Change in other accrual items | 13 | -2 216 213 | 5 383 960 |
| Net cash flows from operating activities | | 30 382 157 | 52 228 958 |
| Cash flows from investment activities | | | |
| Payments to buy tangible assets | 5 | -1 182 869 | -1 727 985 |
| Payments to buy shares and participations in other companies | 9 | 0 | -10 |
| Net cash flows from investment activities | | -1 182 869 | -1 727 995 |
| Cash flows from financing activities | | | |
| Net change in bank overdraft | 11 | 0 | -8 709 739 |
| Payment of dividend | | 50 000 000 | 0 |
| Change in current debt to group companies | 13 | 0 | -1 645 929 |
| Payment of Group contributions | 13 | 0 | -209 714 |
| Net cash flows from financing activities | | -50 000 000 | -10 565 382 |
| Net change in cash and cash equivalents | | -20 800 712 | 39 935 581 |
| Cash and cash equivalents at the start of the period | | 42 694 426 | 2 758 845 |
| Cash and cash equivalents at the end of the period | 11 | 21 893 714 | 42 694 426 |

Note 1 Accounting principles

The financial statement consists of income statement, balance sheet, cash flow and notes. The financial statement is prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway as of 31. December 2024. The financial statements give a true and fair view of the assets and liabilities, financial position and results.

Changes in accounting policies

Changes in accounting policies are recognised directly in the equity, and the opening balance is adjusted as if the new accounting policy had always been applied. Last years figures are changes correspondingly, for comparative purposes. In 2024 there has been a change related to customer marketing support. This was previous years classified as reduction in sales revenue, but is in 2024 classified as other operating expenses. This amounts to NOK 4 372 164 in 2024.

Revenue

Sales revenue are presented net of VAT and discounts. Revenue is recognised when the significant risk and reward of the ownership of the goods are transferred to the buyer, according to the delivery term for each sale.

Cost principles

Costs are booked at the same time as the income related to the expenses. Expenses that not directly are linked to income are expensed as incurred.

Classification and assessment of balance sheet

Current assets and current liabilities include items that fall due for payment within one year after the balance sheet date, as well as items directly related to the product cycle. Other items are classified as fixed assets/long term liabilities.

Current assets are value at the lower of acquisition cost and fair value. Current liabilities are valued at the nominal value. Fixed assets are valued at acquisition cost, but written down to its recoverable amount if this is lower than book value, and the impairment is not expected to be temporary. Fixed assets with finite useful life are amortized.

Receivables

Receivables are booked at nominal value less expected losses. Provision for losses are calculated on the basis of individual assessments of the receivables. In addition, an unspecified provision is made based on the historical losses for trade receivables to cover the estimated future losses.

Inventory

Inventories of purchased goods are valued at the lower of acquisition cost and fair value. Acquisition cost is assessed according to the FIFO-principle. Write-downs are made for foreseeable obsolescence.

Hedging/Currency

Beckmann AS's functional currency is Norwegian Kroner (NOK).

The company uses hedging instruments to secure future purchases of goods. The cash flow hedging is reflected by the change in value of the hedging instrument is not recognized in the income statement until the underlying hedging object (the goods) affects the income statement.

Transactions in foreign currency that are not hedged are translated at the exchange rate at the time of the transaction. Other monetary items, receivables and liabilities in foreign currency that are not hedged are translated at the exchange rate on the balance sheet date.

Fixed assets

Intangible assets and property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Cost for maintenance are expensed as incurred. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the

net realisable value and value in use. In assessing value in use, the discounted estimated future cash flow from the asset are used. As of 2024 there are no indication of impairment related to the non-current assets.

Leasing / leases

The company only has operational leases, where the lease amount is distributed over the lease period.

Pension

The company has collective insured pension that satisfies the requirements for mandatory occupational pension. The premium is expensed on an ongoing basis.

Deferred tax and tax expense

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax are calculated at 22% on the basis of temporary difference between accounting and tax values at the end of the financial year. Deferred tax assets and deferred tax liabilities are presented net.

Deferred tax assets are recognized in the statement of financial position on the extent it is more likely than not that the assets will be utilised. The enacted tax rate at the end of the reporting period and undiscounted amounts are used. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Note 2 Revenue

| | 2024 | 2023 |
|--|--------------------|--------------------|
| By business area | | |
| School backpacks, accessories and various products in travel and leisure | 239 558 189 | 223 565 727 |
| Total | 239 558 189 | 223 565 727 |
| Geographic breakdown | | |
| Norway | 94 028 415 | 85 822 311 |
| Asia | 57 073 043 | 57 813 684 |
| Europe | 86 162 754 | 79 613 270 |
| North America | 2 293 977 | |
| Others | | 316 462 |
| Total | 239 558 189 | 223 565 727 |

*The company has distributor license agreements for local delivery in China. Accounted revenue includes both royalty revenues from the distributors, as well the cost of goods amounts which the distributors pay directly to Beckmann`s suppliers in China.

Note 3 Salary costs and benefits, remuneration to the chief executive, board and auditor

| Employee benefit expense | 2024 | 2023 |
|---------------------------------|-------------------|-------------------|
| Salaries | 20 578 349 | 17 579 733 |
| Employment tax | 3 310 001 | 2 454 697 |
| Pension costs | 1 133 116 | 289 770 |
| Other benefits | 1 373 663 | 915 606 |
| Total | 26 395 129 | 21 239 806 |

In 2024 the company employed 21 Full-Time Equivalents (FTEs).

Benefits for senior executives

| Remuneration to executives | Managing director |
|-----------------------------------|--------------------------|
| Salaries | 1 515 498 |
| Bonus | 548 000 |
| Pension expenses | 119 712 |
| Other remuneration | 89 581 |
| Total | 2 272 791 |

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

Board Fee

Board fee in 2024 amounts to NOK 637 500.

No loans/collateral have been granted for shareholders, senior executives or member of the board.

Auditor compensation

Auditor compensation amounted to NOK 255 000 for the statutory audit and NOK 52 500 for other non-audit services (incl. technical assistance with financial statements and tax return) provided by the auditor. VAT is not included in these amounts.

Note 4 Intangible assets

| | R&D | Patents, web-shop, trademarks, etc. | Other intangible assets | Total |
|-------------------------------|----------------|--|--------------------------------|--------------|
| Historical cost 01.01 | 604 049 | 948 188 | 2 472 907 | 4 025 144 |
| Historical cost 31.12 | 604 049 | 948 188 | 2 472 907 | 4 025 144 |
| Acc. depreciation 31.12 | 604 049 | 391 179 | 2 058 958 | 3 054 186 |
| Net booked value 31.12 | 0 | 557 009 | 413 949 | 970 957 |
| This year`s depreciation | | 61 319 | 323 245 | 384 564 |
| Expected lifetime | 5 year | 10 years | 3 years | |
| Depreciation plan | Linear | Linear | Linear | |

Note 5 Tangible assets

| | Cars and machinery | Equipment and other movables. | Total |
|-------------------------------|---------------------------|--|-------------------|
| Historical cost 01.01 | 247 576 | 9 666 407 | 9 913 983 |
| Additions | 0 | 1 182 869 | 1 182 869 |
| Disposals | 0 | | 0 |
| Historical cost 31.12 | 247 576 | 10 849 276 | 11 096 852 |
| Acc. depreciation 31.12 | 247 576 | 7 770 965 | 8 018 541 |
| Net booked value 31.12 | 0 | 3 078 310 | 3 078 309 |
| The year`s depreciation | | 1 363 051 | 1 363 051 |
| Expected lifetime | 5 years | 3-5 years | |
| Depreciation plan | Linear | Linear | |

Note 6 Leases

| Offices | Lease term | 2024 | 2023 |
|---------------------------------|-------------------|-------------|-------------|
| Rental of offices at Buråsen 32 | 30.06.2026 | 3 181 482 | 3 123 080 |
| Other rental | | | |
| Rental of machines | | 975 033 | 1 023 844 |

Note 7 Tax

| This year's tax expense | 2024 | 2023 |
|--|-------------------|-------------------|
| Entered tax on ordinary profit/loss: | | |
| Payable tax | 7 771 463 | 9 810 607 |
| Too much/little allocated previous years | 36 402 | 0 |
| Changes in deferred tax | 222 068 | 159 198 |
| Tax expense on ordinary profit/loss | 8 029 933 | 9 969 804 |
| Taxable income: | | |
| Ordinary result before tax | 36 172 237 | 45 208 641 |
| Permanent differences | 161 993 | 108 655 |
| Changes in temporary differences | -1 009 399 | -723 627 |
| Taxable income | 35 324 831 | 44 593 668 |
| Payable tax in the balance: | | |
| Payable tax on this year's result | 7 771 463 | 9 810 607 |
| Total payable tax in the balance | 7 771 463 | 9 810 606 |

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

| | 2024 | 2023 | Difference |
|--------------------------------------|-------------------|-------------------|-------------------|
| Tangible assets | -562 687 | -222 040 | 340 647 |
| Inventory | -1 300 000 | -1 200 000 | 100 001 |
| Accounts receivable | -400 000 | -1 862 772 | -1 462 772 |
| Profit and loss account | 0 | 12 725 | 12 725 |
| Total | -2 262 688 | -3 272 087 | -1 009 399 |
| Basis for deferred tax assets | -2 262 688 | -3 272 087 | -1 009 399 |
| Deferred tax assets (22 %) | -497 791 | -719 859 | -222 068 |

Note 8 Equity

| | Share capital | Share premium reserve | Other equity | Total |
|---------------------------|----------------------|------------------------------|---------------------|-------------------|
| Equity as of 01.01 | 660 000 | 2 519 601 | 92 561 806 | 95 741 407 |
| Net profit | 0 | 0 | 28 142 304 | 28 142 304 |
| Dividend | 0 | 0 | -50 000 000 | -50 000 000 |
| Equity as of 31.12 | 660 000 | 2 519 601 | 70 704 110 | 73 883 711 |

Note 9 Investment in subsidiaries

| Company | Office location | Ownership | Equity at) 2024 | Profit (Loss) 2024 | Booked value at 2024 |
|-----------------------|--------------------------------|------------------|------------------------|---------------------------|-----------------------------|
| Beckmann Norway GmbH | Düsseldorf, Germany | 100 % | 3 848 771 | 836 649 | 125 000 |
| Beckmann Norway GmbH* | Hainburg an der Donau, Austria | 100% | 1 265 401 | 495 759 | 178 500 |
| Beckmann Norway Inc* | Delaware, United States | 100% | -1 754 615 | -1 727 640 | 11 |

* The financial statements are not signed

Note 10 Inventory

| | 2024 | 2023 |
|----------------------------|-------------------|-------------------|
| Purchased goods for resale | 64 922 154 | 54 021 799 |
| Obsolescence write-down | -1 300 000 | -1 200 000 |
| Total | 63 622 154 | 52 821 799 |

Note 11 Bank deposits

Withheld employee taxes (restricted funds) are NOK 756 882.

The company has an overdraft facility of NOK 35,000,000 as of 31.12.2024. The overdraft facility has security in inventories, accounts receivable and operating accessories.

Note 12 Receivables and liabilities

The company has no debt that falls due later than five years, or receivables that falls due later than one year.

Note 13 Related party transactions

Receivables

| | 2024 | 2023 |
|--|-------------|------------------|
| Short term receivables to group companies | 0 | 1 447 929 |
| Short term loan to group companies | 3 786 441 | 198 000 |
| Short term receivables related to operating activities | 0 | 85 073 |
| Total | 0 | 1 533 002 |

Payables

| | 2024 | 2023 |
|--|------------------|------------------|
| Trade payables | 4 809 877 | 0 |
| Group contribution | 14 536 | 38 053 |
| Short term payables to group companies | 0 | 2 363 204 |
| Total | 4 824 414 | 2 401 257 |

No collateral has been provided for group balances as of 31.12.2024.

The subsidiary Beckmann Norway GmbH in Germany provides services to Beckmann AS in connection with the import of goods to Europe, this amounts to NOK 31 946 865 in 2024.

The subsidiary Beckmann Norway GmbH in Austria provides sales and marketing activities for Beckmann AS, this amounts to NOK 7 177 759 in 2024.

The parent company Back to School Holding AS has provided services to Beckmann AS, this amounts to NOK 239 463 in 2024.

The subsidiary Beckmann Norway Inc. has bought goods from Beckmann AS in 2024. This amounts to NOK 1 815 212.

For all related party transactions market prices are used as a basis.

Note 14 Shareholders

The share capital in Beckmann AS as of 31.12 consists of the following:

| | Number of shares | Nominal value | Book value |
|--------------|------------------|---------------|----------------|
| A- Shares | 3 | 6 600 | 19 800 |
| B- Shares | 97 | 6 600 | 640 200 |
| Total | 100 | | 660 000 |

Ownership structure

The largest shareholders in % at year end:

| | A-shares | B-shares | Total | Ownership | Share of votes |
|---------------------------|----------|----------|-------|-----------|----------------|
| Back To School Holding AS | 3 | 97 | 100 | 100 % | 100 % |

The parent company Back to School Holding AS has its registered office in Buråsen 32, 4636 Kristiansand, where the consolidated accounts which include the company can be obtained.

Note 15 Forward contracts

| | 2024 | 2023 |
|-----------------------------------|-------------------|-------------------|
| Cash flow hedging | -3 770 527 | -1 949 077 |
| Total net realisable value | -3 770 527 | -1 949 077 |

Beckmann AS secures income and expenses based on expected sales and agreed purchases in foreign currency for the coming financial year. The hedges are implemented when the sales budget and purchasing plan for the new operating year are available. The forward contracts are timed according to the expected cash flow in the various currencies.

Fair value of the forward contracts existing at year-end is provided by the company bank, and is the discounted difference between the agreed forward exchange rate and the exchange at 31.12 for a forward contract with equivalent term to maturity. All forward contracts expire in the course of the next accounting year.

All contracts are considered to reduce the exchange risk efficiently and satisfy the hedging requirements for accounting purposes.

Note 16 Financial risk

The company's financial risk is considered at a satisfactorily low level. Uncertainty factors are associated with currency risk and general market risk. As exports are growing, the currency risk is evened out to a certain extent. The company hedges both costs and revenues of goods bought and sold in foreign currency.

The company has a good capital base and financing.

Yu Li

Yu Li



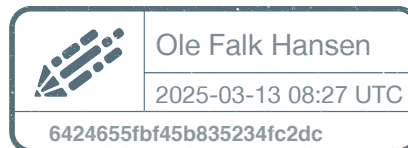
Chris Samways

Chris Samways



Ole Falk Hansen

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Zidan Chen

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John Lie

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