

California HoldCo A/S

C/O Baum Und Pferdgarten, Amaliegade 15, 1256 København K

Company reg. no. 40 74 83 26

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 4 March 2025.

Sarah Høj
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
 - Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.
-

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of California HoldCo A/S for the financial year 1 January - 31 December 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group and the Company's operations consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a true and 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, 4 March 2025

Managing Director

Teis Werring Bruun
CEO

Board of directors

Jens Christian Buhl
Chairman

Teis Werring Bruun

Charlotte Katarina Christina
Möller

Morwenna Lilian White

Independent auditor's report

To the shareholders of California HoldCo A/S

Opinion

In our opinion, the consolidated Financial Statements and the parent company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the consolidated Financial Statements and the Financial Statements of California HoldCo A/S for the financial year 1 January to 31 December 2024, which comprise profit and loss account, balance sheet, statement of changes in equity, consolidated cash flow statement, notes and including a summary of significant accounting policies ("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 consolidated Financial Statements and the Parent Company Financial Statements section of our report. We are independent of the Group 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent auditor's report

Management's Responsibilities for the consolidated financial statements and the Financial Statements

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

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

Auditor's Responsibilities for the audit of the consolidated annual accounts and the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and 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 about the group's and 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 consolidated financial statements and 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 group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the financial statements, including the disclosures, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 the internal control that we identify during our audit.

Hellerup, 4 March 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Henrik Kyhnav
State Authorised Public Accountant
mne40028

Pawel Christof Michalak
State Authorised Public Accountant
mne48479

Company information

The company

California HoldCo A/S
C/O Baum Und Pferdgarten
Amaliegade 15
1256 København K

Company reg. no. 40 74 83 26
Established: 29 August 2019
Domicile: Copenhagen
Financial year: 1 January - 31 December

Board of directors

Jens Christian Buhl, Chairman
Teis Werring Bruun
Charlotte Katarina Christina Möller
Morwenna Lilian White

Managing Director

Teis Werring Bruun, CEO

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated financial highlights

| DKK in thousands. | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Income statement: | | | | | |
| Gross profit | 37.174 | 37.556 | 46.443 | 44.664 | 34.243 |
| Profit from operating activities | -16.838 | -17.164 | -8.860 | -10.527 | -19.985 |
| Net financials | -1.670 | -2.176 | -1.856 | -3.299 | -2.943 |
| Net profit or loss for the year | -21.014 | -25.207 | -15.235 | -19.009 | -26.351 |
| Statement of financial position: | | | | | |
| Balance sheet total | 95.439 | 122.314 | 170.400 | 209.742 | 247.751 |
| Investments in property, plant and equipment | 1.073 | 1.181 | 3.526 | 512 | 1.217 |
| Equity | 67.633 | 89.069 | 113.572 | 128.760 | 147.113 |
| Employees: | | | | | |
| Average number of full-time employees | 35 | 37 | 38 | 36 | 34 |
| Key figures in %: | | | | | |
| Solvency ratio | 70,9 | 72,8 | 66,7 | 61,4 | 59,4 |
| Return on equity | -26,8 | -24,9 | -12,6 | -13,8 | -16,4 |

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Solvency ratio
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management's review

Description of key activities of the company

The purpose of The Group is to invest in and operate companies that design, sell, and market women's fashion products under the brand Baum und Pferdgarten. The brand is sold internationally in over 500 independent stores worldwide as well as in own online shop and retail shop. The Group consists of companies in Denmark, Norway, Great Britain and USA.

Development in activities and financial matters

The Parent Company's income statement for 2024 realizes a profit of TDKK 1.893, and Equity In the balance sheet ultimo 2024 stood at TDKK 184.418.

The Consolidated income statement for 2024 realizes a profit of TDKK -21.014. And Equity in the Consolidated Company's balance sheet ultimo 2024 stood at TDKK 67.633.

In 2024 the Management has for the Group continuously reconsidered the expectations to the business operation and result, and can conclude that the derived result meet the Management's expectations based on the international economic conditions and therefore the Management characterizes the result as satisfactory.

Wholesale is the Group's most important sales channel. According to the Management's strategic development plan, the wholesale outside Scandinavian is increased, and the US market is continuously one of the Groups most important export markets in 2024.

Investments in and development of the company's own online have also been in focus in 2024. In 2024, the Management has also allocated resources to and made investments in design and product development, according to the Responsibility Strategy, and in PR and marketing to continue the development of the brand Baum und Pferdgarten.

Operating risks

Management does not consider that there are any special risks, other than what is customary in the industry and associated with general operations, which could affect the company's ability to meet expectations for the coming fiscal year.

Financial risks

As a result of its financial preparedness, the company is limited exposed to changes in interest rates.

Foreign exchange risks are assessed on an ongoing basis and the risk of exchange losses associated with purchases in foreign currencies is sought to be hedged using the foreign exchange forward transactions.

The risk of loss associated with customers' inability to pay is sought to be minimized through the use of credit insurance and, moreover, through an effective credit rating and follow-up of debtors.

Significant uncertainties regarding continued operation

Management is of the opinion that there is no uncertainty about continued operations.

Management's review

Outlook

The management expects the financial year 2025 to also be affected by the international economic conditions, which also had an impact at the financial year 2024. However, it is expected that Baum und Pferdgarten, in the financial year 2025, will continue to have healthy and strong operations and a result between TDKK 10.000 – 13.500.

Due to the yearly depreciation on goodwill the Group result is expected for 2025 to be between TDKK - 27.000 and TDKK -23.500.

Intellectual capital

It is essential for the groups continued growth to attract and retain competent employees, and therefore continuous investment is made in the development and retention of employees in all key functions.

Branches

California HoldCo A/S owns and operates subsidiaries in Denmark, the US, United Kingdom as well as a branch in Norway. The units' function is to represent Baum Und Pferdgarten, create contact with wholesale customers and thus create the basis for the Group's sales in the respective markets and handle this.

Environmental matters

The group does not undertake production or the like on its own, so direct environmental impact in the form of energy and water consumption as well as various discharges is minimal. However, the Management is aware of the responsibility of the business and the company's suppliers are required to comply with the Group's supply manual, which includes requirements for environmentally sound production of goods. these requirements include both general environmental impact and work environment.

In 2019, the group announced the organization's continued Responsible- strategy, which contains specific goals for the period up to 2024, with the aim of making Baum Und Pferdgarten even more responsible. The organizations new sustainable will be launched in 2025.

Annual CSR reporting is published primo each year and is available on the company's website.

Subsequent events

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

Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | Group | | Parent | |
|--|--------------------|--------------------|------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | 37.174.209 | 37.555.850 | -8.915 | -12.509 |
| 2 Staff costs | -17.422.993 | -18.032.828 | 0 | 0 |
| Depreciation, amortisation, and impairment | -36.588.721 | -36.686.740 | 0 | 0 |
| | -16.837.505 | -17.163.718 | -8.915 | -12.509 |
| Other financial income from group enterprises | 0 | 0 | 2.451.002 | 3.235.297 |
| Other financial income | 606.781 | 1.166.865 | 0 | 74 |
| 3 Other financial expenses | -2.276.666 | -3.342.968 | -14.969 | -2.364 |
| | -18.507.390 | -19.339.821 | 2.427.118 | 3.220.498 |
| 4 Tax on net profit or loss for the year | -2.507.108 | -5.867.313 | -533.966 | -338.542 |
| 5 Net profit or loss for the year | -21.014.498 | -25.207.134 | 1.893.152 | 2.881.956 |

Balance sheet at 31 December

All amounts in DKK.

| Note | Group | | Parent | | |
|---------------------------|---|-------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 | |
| Assets | | | | | |
| Non-current assets | | | | | |
| 6 | Acquired patents | 64.453 | 88.139 | 0 | 0 |
| 7 | Goodwill | 61.550.773 | 96.722.643 | 0 | 0 |
| | Total intangible assets | 61.615.226 | 96.810.782 | 0 | 0 |
| 8 | Other fixtures, fittings, tools and equipment | 1.557.217 | 1.653.843 | 0 | 0 |
| 9 | Leasehold improvements | 1.475.921 | 1.964.336 | 0 | 0 |
| | Total property, plant, and equipment | 3.033.138 | 3.618.179 | 0 | 0 |
| 10 | Investment in group enterprise | 0 | 0 | 90.606.343 | 90.606.343 |
| 11 | Deposits | 12.719 | 857.861 | 0 | 0 |
| | Total investments | 12.719 | 857.861 | 90.606.343 | 90.606.343 |
| | Total non-current assets | 64.661.083 | 101.286.822 | 90.606.343 | 90.606.343 |
| Current assets | | | | | |
| | Manufactured goods and goods for resale | 7.859.614 | 6.524.093 | 0 | 0 |
| | Total inventories | 7.859.614 | 6.524.093 | 0 | 0 |
| | Trade receivables | 15.001.016 | 6.335.568 | 0 | 0 |
| | Receivables from group enterprises | 0 | 0 | 94.675.678 | 93.869.030 |
| 12 | Deferred tax assets | 1.344.127 | 46.840 | 0 | 0 |
| | Other receivables | 1.597.644 | 2.681.165 | 2.175 | 2.120 |
| 13 | Prepayments | 2.432.315 | 3.048.595 | 0 | 0 |
| | Total receivables | 20.375.102 | 12.112.168 | 94.677.853 | 93.871.150 |
| | Cash and cash equivalents | 2.542.765 | 2.391.329 | 818 | 853 |
| | Total current assets | 30.777.481 | 21.027.590 | 94.678.671 | 93.872.003 |
| | Total assets | 95.438.564 | 122.314.412 | 185.285.014 | 184.478.346 |

Balance sheet at 31 December

All amounts in DKK.

| Note | Group | | Parent | |
|-------------------------------|--|-------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Equity and liabilities | | | | |
| Equity | | | | |
| 14 | Share capital | 2.011.920 | 2.011.920 | 2.011.920 |
| | Retained earnings | 65.621.579 | 87.056.625 | 182.405.900 |
| | Total equity | 67.633.499 | 89.068.545 | 184.417.820 |
| 15 | Other provisions | 3.551.000 | 3.387.001 | 0 |
| | Total provisions | 3.551.000 | 3.387.001 | 0 |
| 16 | Deferred income | 206.022 | 352.022 | 0 |
| 17 | Total long term liabilities | 206.022 | 352.022 | 0 |
| 17 | Current portion of long term liabilities | 146.000 | 146.000 | 0 |
| | Bank loans | 8.805.686 | 16.598.437 | 0 |
| | Prepayments received from customers | 272.848 | 1.071.583 | 0 |
| | Trade payables | 6.379.885 | 4.873.007 | 8.375 |
| | Payables to group enterprises | 0 | 0 | 324.853 |
| | Income tax payable | 2.224.292 | 1.432.383 | 533.966 |
| | Other payables | 6.219.332 | 5.385.434 | 0 |
| | Total short term liabilities | 24.048.043 | 29.506.844 | 867.194 |
| | Total liabilities | 24.254.065 | 29.858.866 | 867.194 |
| | Total equity and liabilities | 95.438.564 | 122.314.412 | 185.285.014 |

1 Subsequent events

18 Contingencies

19 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

| | Contributed capital | Retained earnings | Total |
|--------------------------------|--------------------------------|------------------------------|-------------------|
| Equity 1 January 2024 | 2.011.920 | 87.056.625 | 89.068.545 |
| Retained earnings for the year | 0 | -21.014.498 | -21.014.498 |
| Exchange adjustments | 0 | -420.548 | -420.548 |
| | 2.011.920 | 65.621.579 | 67.633.499 |

Statement of changes in equity of the parent

All amounts in DKK.

| | Contributed capital | Retained earnings | Total |
|--------------------------------|--------------------------------|------------------------------|--------------------|
| Equity 1 January 2024 | 2.011.920 | 181.062.390 | 183.074.310 |
| Retained earnings for the year | 0 | 1.893.152 | 1.893.152 |
| Purchase of treasury shares | 0 | -549.642 | -549.642 |
| | 2.011.920 | 182.405.900 | 184.417.820 |

Statement of cash flows 1 January - 31 December

All amounts in DKK.

| Note | Group | |
|--|-------------------|--------------------|
| | 2024 | 2023 |
| Net profit or loss for the year | -21.014.498 | -25.207.134 |
| 20 Adjustments | 40.892.049 | 41.001.276 |
| 21 Change in working capital | -6.548.287 | 3.490.322 |
| Cash flows from operating activities before net financials | 13.329.264 | 19.284.464 |
| Interest received, etc. | 606.781 | 1.166.865 |
| Interest paid, etc. | -2.276.666 | -3.342.968 |
| Cash flows from ordinary activities | 11.659.379 | 17.108.361 |
| Corporate tax paid | -1.432.383 | -6.072.908 |
| Cash flows from operating activities | 10.226.996 | 11.035.453 |
| Purchase of intangible fixed assets | -7.658 | -47.002 |
| Purchase of property, plant, and equipment | -1.072.801 | -1.180.757 |
| Purchase of financial fixed assets | 0 | -33.726 |
| Sale of financial fixed assets | 845.142 | 0 |
| Cash flows from investment activities | -235.317 | -1.261.485 |
| Reduction of loans from credit institutions | -1.939.947 | 0 |
| Raising of loans from credit institutions | 0 | 786.106 |
| Repayment of loans from credit institutions | -5.852.804 | -10.844.521 |
| Cash flows from financing activities | -7.792.751 | -10.058.415 |
| Change in cash and cash equivalents | 2.198.928 | -284.447 |
| Cash and cash equivalents at opening balance | -8.354.304 | -7.981.555 |
| Foreign currency translation adjustments (cash and cash equivalents) | -107.061 | -88.302 |
| Cash and cash equivalents at end of period | -6.262.437 | -8.354.304 |
| Cash and cash equivalents | | |
| Cash and cash equivalents | 2.542.765 | 2.391.329 |
| Overdraft facilities | -8.805.202 | -10.745.633 |
| Cash and cash equivalents at end of period | -6.262.437 | -8.354.304 |

Notes

All amounts in DKK.

1. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

| | Group | | Parent | |
|--|-------------------|-------------------|----------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| 2. Staff costs | | | | |
| Salaries and wages | 16.214.218 | 16.749.359 | 0 | 0 |
| Pension costs | 960.345 | 978.195 | 0 | 0 |
| Other costs for social security | 248.430 | 305.274 | 0 | 0 |
| | 17.422.993 | 18.032.828 | 0 | 0 |
| Executive board and board of directors in TDKK | 1.795 | 1.691 | 0 | 0 |
| Average number of employees | 35 | 37 | 0 | 0 |

Senior employees have been granted 2,800 A warrants (2023: 3,150 warrants) and 3,150 B warrants (2023: 3,150 warrants) in the parent company California Holdco A/S for a total market value of DKK 60 as of 31 December 2024 (31 December 2023: DKK 47.000).

None of the board members has been granted warrants as of 31 December 2024 (31 December 2023: DKK 109.000). Each A and B warrant entitles the holder to subscribe for 1 D and E share, respectively, at a nominal value of DKK 1.

3. Other financial expenses

| | | | | |
|------------------------------------|------------------|------------------|---------------|--------------|
| Financial costs, group enterprises | 0 | 0 | 12.934 | 0 |
| Other financial costs | 2.276.666 | 3.342.968 | 2.035 | 2.364 |
| | 2.276.666 | 3.342.968 | 14.969 | 2.364 |

Notes

All amounts in DKK.

| | Group | | Parent | |
|--|------------------|------------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| 4. Tax on net profit or loss for the year | | | | |
| Tax on net profit or loss for the year | 3.243.266 | 3.239.958 | 0 | 708.510 |
| Adjustment of deferred tax for the year | -1.298.909 | 1.092.228 | 0 | 0 |
| Adjustment of tax for previous years | 562.751 | 1.535.127 | 533.966 | -369.968 |
| | 2.507.108 | 5.867.313 | 533.966 | 338.542 |

| | Parent | |
|---|------------------|------------------|
| | 2024 | 2023 |
| 5. Proposed distribution of net profit | | |
| Transferred to retained earnings | 1.893.152 | 2.881.956 |
| Total allocations and transfers | 1.893.152 | 2.881.956 |

Notes

All amounts in DKK.

| | Group | | Parent | |
|---|---------------------|---------------------|------------|------------|
| | 31/12 2024 | 31/12 2023 | 31/12 2024 | 31/12 2023 |
| 6. Acquired patents | | | | |
| Cost opening balance | 313.688 | 266.686 | 0 | 0 |
| Additions during the year | 7.658 | 47.002 | 0 | 0 |
| Disposals during the year | -19.054 | 0 | 0 | 0 |
| Cost end of period | 302.292 | 313.688 | 0 | 0 |
| Amortisation and write-down opening balance | -225.549 | -188.466 | 0 | 0 |
| Amortisation and depreciation for the year | -31.344 | -37.083 | 0 | 0 |
| Reversal of depreciation, amortisation, and impairment loss, assets disposed of | 19.054 | 0 | 0 | 0 |
| Amortisation and write-down end of period | -237.839 | -225.549 | 0 | 0 |
| Carrying amount, end of period | 64.453 | 88.139 | 0 | 0 |
| 7. Goodwill | | | | |
| Cost opening balance | 246.205.592 | 246.205.592 | 0 | 0 |
| Cost end of period | 246.205.592 | 246.205.592 | 0 | 0 |
| Amortisation and write-down opening balance | -149.482.949 | -114.311.079 | 0 | 0 |
| Amortisation and depreciation for the year | -35.171.870 | -35.171.870 | 0 | 0 |
| Amortisation and write-down end of period | -184.654.819 | -149.482.949 | 0 | 0 |
| Carrying amount, end of period | 61.550.773 | 96.722.643 | 0 | 0 |

Notes

All amounts in DKK.

| | Group | | Parent | |
|--|-------------------|-------------------|------------|------------|
| | 31/12 2024 | 31/12 2023 | 31/12 2024 | 31/12 2023 |
| 8. Other fixtures, fittings, tools and equipment | | | | |
| Cost opening balance | 8.646.254 | 7.482.921 | 0 | 0 |
| Additions during the year | 948.991 | 1.180.757 | 0 | 0 |
| Disposals during the year | -2.659.815 | 0 | 0 | 0 |
| Exchange adjustments | -12.205 | -17.424 | 0 | 0 |
| Cost end of period | 6.923.225 | 8.646.254 | 0 | 0 |
| Amortisation and write-down opening balance | -6.992.411 | -6.106.976 | 0 | 0 |
| Amortisation and depreciation for the year | -867.215 | -902.859 | 0 | 0 |
| Reversal of depreciation, amortisation and impairment loss, assets disposed of | 2.494.215 | 0 | 0 | 0 |
| Exchange adjustments | -597 | 17.424 | 0 | 0 |
| Amortisation and write-down end of period | -5.366.008 | -6.992.411 | 0 | 0 |
| Carrying amount, end of period | 1.557.217 | 1.653.843 | 0 | 0 |

Notes

All amounts in DKK.

| | Group | | Parent | |
|--|-------------------|-------------------|------------|------------|
| | 31/12 2024 | 31/12 2023 | 31/12 2024 | 31/12 2023 |
| 9. Leasehold improvements | | | | |
| Cost opening balance | 3.357.789 | 3.358.917 | 0 | 0 |
| Additions during the year | 123.810 | 0 | 0 | 0 |
| Disposals during the year | -280.990 | 0 | 0 | 0 |
| Exchange adjustments | -845 | -1.128 | 0 | 0 |
| Cost end of period | 3.199.764 | 3.357.789 | 0 | 0 |
| Depreciation and write-down opening balance | -1.393.453 | -819.653 | 0 | 0 |
| Amortisation and depreciation for the year | -612.225 | -574.928 | 0 | 0 |
| Reversal of depreciation, amortisation and impairment loss, assets disposed of | 280.990 | 0 | 0 | 0 |
| Exchange Adjustments | 845 | 1.128 | 0 | 0 |
| Depreciation and write-down end of period | -1.723.843 | -1.393.453 | 0 | 0 |
| Carrying amount, end of period | 1.475.921 | 1.964.336 | 0 | 0 |

Notes

All amounts in DKK.

| | Parent | |
|---|--------------------------|--------------------------|
| | <u>31/12 2024</u> | <u>31/12 2023</u> |
| 10. Investment in group enterprise | | |
| Cost opening balance | <u>90.606.343</u> | <u>90.606.343</u> |
| Carrying amount, end of period | <u>90.606.343</u> | <u>90.606.343</u> |

Financial highlights for the enterprise according to the latest approved annual report

| | Equity interest | Equity | Results for the year |
|----------------------------------|-----------------|---------------------------|-----------------------|
| California BidCo A/S, Copenhagen | 100 % | <u>155.951.443</u> | <u>623.863</u> |
| | | <u>155.951.443</u> | <u>623.863</u> |

The following companies are included in the consolidated figures: California HoldCo A/S, California BidCo A/S, Baum und Pferdgarten A/S, Baum und Pferdgarten Ltd. and Baum und Pferdgarten Inc. No minority stakes in the group.

| | Group | | Parent | |
|---|-------------------------|-----------------------|-------------------|-------------------|
| | <u>31/12 2024</u> | <u>31/12 2023</u> | <u>31/12 2024</u> | <u>31/12 2023</u> |
| 11. Deposits | | | | |
| Cost opening balance | 857.861 | 824.446 | 0 | 0 |
| Additions during the year | 0 | 33.726 | 0 | 0 |
| Disposals during the year | -845.142 | 0 | 0 | 0 |
| Exchange adjustments | <u>0</u> | <u>-311</u> | <u>0</u> | <u>0</u> |
| Cost end of period | <u>12.719</u> | <u>857.861</u> | <u>0</u> | <u>0</u> |
| Carrying amount, end of period | <u>12.719</u> | <u>857.861</u> | <u>0</u> | <u>0</u> |
| 12. Deferred tax assets | | | | |
| Deferred tax assets opening balance | 46.840 | 1.139.068 | 0 | 0 |
| Deferred tax of the net profit or loss for the year | <u>1.297.287</u> | <u>-1.092.228</u> | <u>0</u> | <u>0</u> |
| | <u>1.344.127</u> | <u>46.840</u> | <u>0</u> | <u>0</u> |

Notes

All amounts in DKK.

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

14. Share capital

The share capital consists of:

1.020.000 A shares with a nominal value of DKK 1

980.000 B shares with a nominal value of DKK 1

1.000 C shares with a nominal value of DKK 1

10.092 D shares with a nominal value of DKK 1

Total 2,011,920 shares with a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

As at 31 December 2024, the Company owns 3.640 (2023: 3.640) treasury shares corresponding to 0,18% of the total outstanding shares.

Notes

All amounts in DKK.

| | Group | | Parent | |
|----------------------------------|------------------|------------------|------------|------------|
| | 31/12 2024 | 31/12 2023 | 31/12 2024 | 31/12 2023 |
| 15. Other provisions | | | | |
| Other provisions opening balance | 3.551.000 | 3.387.001 | 0 | 0 |
| | 3.551.000 | 3.387.001 | 0 | 0 |
| Maturity is expected to be: | | | | |
| 0-1 years | 3.551.000 | 3.387.001 | 0 | 0 |
| | 3.551.000 | 3.387.001 | 0 | 0 |

Other provisions consist of provisions for expected returns from certain customers.

| | | | | |
|-----------------------------------|----------------|----------------|----------|----------|
| 16. Deferred income | | | | |
| Total deferred income | 352.022 | 498.022 | 0 | 0 |
| Share of amount due within 1 year | -146.000 | -146.000 | 0 | 0 |
| | 206.022 | 352.022 | 0 | 0 |

Deferred income consists of payments received in respect of income in subsequent years.

| | | | | |
|---|--|--|--|--|
| 17. Long term liabilities | | | | |
| Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. | | | | |

| | | | | |
|---|--|--|-------------------|------------------|
| 18. Contingencies | | | | |
| Contingent liabilities | | | | |
| | | | 31/12 2024 | 31/12 2023 |
| | | | DKK | DKK |
| Lease liabilities within 1 year | | | 2.492.864 | 1.753.955 |
| Lease liabilities between 1 and 5 years | | | 8.447.493 | 2.177.670 |
| Total contingent liabilities | | | 10.940.357 | 3.931.625 |

Notes

All amounts in DKK.

18. Contingencies (continued)

Contingent liabilities (continued)

Other contingent obligations

To secure bank debt, the subsidiary Baum und Pferdgarten A/S has issued a corporation pledge of DKK 6 million (2023: DKK 6 million).

To secure bank debt, the Company has pledged its shares in California BidCo A/S.

The subsidiary, Baum und Pferdgarten A/S, has entered into guarantee obligations for DKK 1.900.000 (2023: DKK 1.900.000) and issued other guarantees for DKK 1.298.431 (2023: DKK 223.770)

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 unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

19. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

20. Adjustments

| | Group | |
|--|-------------------|-------------------|
| | 2024 | 2023 |
| Depreciation, amortisation, and impairment | 36.682.654 | 36.686.740 |
| Profit from sale of fixed assets | 32.402 | 0 |
| Other financial income | -606.781 | -1.166.865 |
| Other financial expenses | 2.276.666 | 3.342.968 |
| Tax on net profit or loss for the year | 2.507.108 | 5.867.313 |
| Other adjustments | 0 | -3.728.880 |
| | 40.892.049 | 41.001.276 |

Notes

All amounts in DKK.

| | Group | |
|---|--------------------------|-------------------------|
| | <u>2024</u> | <u>2023</u> |
| 21. Change in working capital | | |
| Change in inventories | -1.335.521 | 8.347.314 |
| Change in receivables | -6.918.807 | 4.726.011 |
| Change in trade payables and other payables | 1.542.042 | -7.910.003 |
| Change in other provisions | <u>163.999</u> | <u>-1.673.000</u> |
| | <u>-6.548.287</u> | <u>3.490.322</u> |

Accounting policies

The annual report for California HoldCo A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

The consolidated financial statements

The consolidated income statements comprise the parent company California HoldCo A/S and those group enterprises of which California HoldCo A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised and external costs.

Accounting policies

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue from the sale of goods is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise distribution costs and expenses for sales, administration, rental etc.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investment in group enterprise

Dividend from investment in group enterprise is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

Accounting policies

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 7 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

| | Useful life | Residual value |
|--|-------------|----------------|
| Leasehold improvements | 5-10 years | 0 % |
| Other fixtures and fittings, tools and equipment | 3-5 years | 0 % |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Leases

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

Investments

Investments in group enterprise

Investments in group enterprise is recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investment in group enterprise are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Accounting policies

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognised directly in equity under retained earnings.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, California HoldCo A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Accounting policies

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions related to returns are recognised based on the expected future returns on sold collections and based on historical return rates.

Liabilities other than provisions

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.

Accounting policies

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.

Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group' cash and cash equivalents at the beginning and the end of the year, respectively.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and overdraft facilities.

The cash flow statement cannot be immediately derived from the published financial records.