

Molo A/S

Baltikavej 20, 1., 2150 Nordhavn

Annual report

2015

Company reg. no. 27 22 91 66

The annual report has been submitted and approved by the general meeting on the 31 March 2016.


Mogens Jepsen
Chairman of the meeting

Contents

Page

Reports

- 1 Management's report
- 2 The independent auditor's reports

Management's review

- 4 Company data
- 5 Financial highlights
- 6 Management's review

Annual accounts 1 January - 31 December 2015

- 7 Accounting policies used
- 14 Profit and loss account
- 15 Balance sheet
- 17 Cash flow statement
- 18 Notes

Notes:

- To ensure the greatest possible applicability of this document, British 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 report

The board of directors and the managing director have today presented the annual report of Molo A/S for the financial year 1 January to 31 December 2015.

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

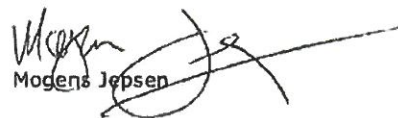
We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Nordhavn, 30 March 2016

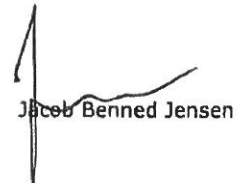
Managing Director


Mogens Jepsen

Board of directors


Rikke Bundgaard Jepsen


Mogens Jepsen


Jacob Benned Jensen

The independent auditor's reports

To the shareholders of Molo A/S

Report on the annual accounts

We have audited the annual accounts of Molo A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

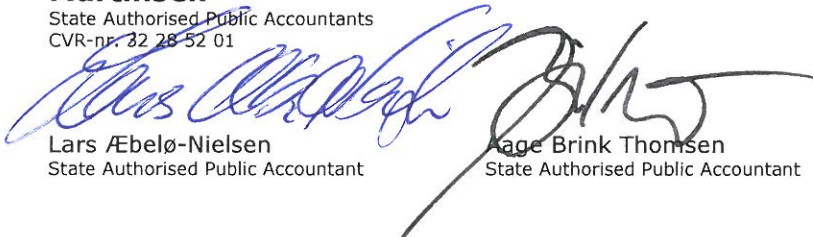
Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Esbjerg, 30 March 2016

Martinsen

State Authorised Public Accountants
CVR-nr. 32 28 52 01



Lars Æbelø-Nielsen
State Authorised Public Accountant

Tage Brink Thomsen
State Authorised Public Accountant

Company data

The company

Molo A/S
Baltikavej 20, 1.
2150 Nordhavn

Phone 88 88 40 00
Fax 33 25 40 25
Web site www.molo.com

Company reg. no. 27 22 91 66
Financial year: 1 January - 31 December

Board of directors

Rikke Bundgaard Jepsen
Mogens Jepsen
Jacob Benned Jensen

Managing Director

Mogens Jepsen

Auditors

Martinsen Statsautoriseret Revisionspartnerselskab
Edison Park 4
6715 Esbjerg N

Bankers

Nykredit Bank

Parent company

Mogens Jepsen Holding ApS, Klampenborg

Subsidiaries

molo kids norway as, Oslo
molo kids sverige ab, Stockholm
molo kids uk ltd., London
molo kids benelux bv, Amsterdam
molo kids finland oy, Helsinki
molo kids France, Paris
molo kids Belgium, Bruxelles
molo kids USA ltd., Delaware

Financial highlights

DKK in thousands.	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Profit and loss account:					
Gross profit	51.558	44.940	38.218	25.645	23.113
Results from operating activities	16.233	14.651	13.161	6.818	6.942
Net financials	-557	347	-1.032	-317	-1.361
Results for the year	12.218	11.959	9.111	5.005	3.967
Balance sheet:					
Balance sheet sum	123.075	115.397	71.157	54.369	50.114
Equity	62.052	50.378	28.791	21.316	17.733
Cash flow:					
Operating activities	12.526	-15.894	3.889	-383	2.013
Investment activities	-1.614	-4.170	-7.217	-4.094	-3.514
Financing activities	-1.653	-733	1.878	-2.301	8.801
Cash flow in total	9.259	-20.797	-1.450	-6.778	7.300
Employees:					
Average number of full time employees	64	58	47	40	39
Key figures in %: *)					
Solvency ratio	50,4	43,7	40,5	39,2	35,4
Return on equity	21,7	30,2	36,4	25,6	21,8

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.

Management's review

The significant activities of the enterprise

The company's activities include design and production of children's clothing and related services.

Development in activities and financial matters

Molo's journey sprang out of curiosity and a drive to radically change the existing children's fashion world, which was, in 2003, less vibrant and colourful. Since its conception, molo has seen its role as the brand that provides "favourites" for every child's closet.

This concept has taken the market by storm, and again in 2015, revenue has increased.

Molo sees a positive future potential, and has therefore chosen to invest actively in future growth. This year's financial performance is considered satisfactory.

Follow-up on previous forecasts

The company has met all its goals and budgets for the year.

Special risks

Exchange rate risks

The company uses financial instruments to counter the sharp fluctuations in exchange rates. The budget includes an increase in the USD in the coming accounting period.

Production cost /- conditions

It is expected that production costs in China will be intensified in the coming years. The company has initiated a number of initiatives to meet this development. The company has a restrictive control and management of its suppliers to minimize damage to the external environment.

Know how resources

The company does not use essential knowledge resources that are of importance to the future earnings.

Research and development activities

The company does not carry out research and development activities beyond the normal level for the clothing industry.

The expected development

Management expects that growth and the positive trend in 2015 will continue in 2016.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Molo A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Molo A/S and its group enterprises are included in the consolidated annual accounts for Mogens Jepsen Holding ApS, Klampenborg, CVR nr. 27 52 45 40.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

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.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

The balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised over its estimated useful life which is determined on the basis of the management's experience with the individual business areas. The amortisation period is 7 years based on the expected economical life time for the investments.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Leasehold improvements	5 years
Other plants, operating assets, fixtures and furniture	3-8 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Accounting policies used

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or an approximate value for the same is used as the capitalisation rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Other securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value (market price) on the balance sheet date.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Accounting policies used

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Molo A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Accounting policies used

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities concerning investment property are measured at fair value. Value adjustments are recognised in the profit and loss account in the item "Value adjustments concerning property".

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

The cash flow statement

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

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities and payments related to the acquisition and sale of fixed assets.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short term securities which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

The key figures

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark.

The key figures in the survey appear as follows:

Equity share	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross profit	51.558.452	44.940
1 Staff costs	-31.863.332	-27.326
2 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-3.462.516	-2.963
Operating profit	16.232.604	14.651
3 Income from equity investments in group enterprises	897.157	1.364
4 Other financial income	291.435	641
5 Other financial costs	-1.745.368	-1.658
Results before tax	15.675.828	14.998
6 Tax on ordinary results	-3.457.815	-3.039
Results for the year	12.218.013	11.959
 Proposed distribution of the results:		
Extraordinary dividend adopted during the financial year	2.200.000	1.000
Reserves for net revaluation as per the equity method	729.516	1.537
Dividend for the financial year	0	100
Allocated to results brought forward	9.288.497	9.322
Distribution in total	12.218.013	11.959

Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Assets		2015	2014
<u>Note</u>		<u> </u>	<u> </u>
Fixed assets			
7	Goodwill	4.505.870	5.564
	Intangible fixed assets in total	<u>4.505.870</u>	<u>5.564</u>
8	Other plants, operating assets, and fixtures and furniture	6.674.995	6.872
	Tangible fixed assets in total	<u>6.674.995</u>	<u>6.872</u>
9	Equity investments in group enterprises	3.334.158	1.590
	Other securities and equity investments	16.691	17
	Deposits	465.572	1.962
	Financial fixed assets in total	<u>3.816.421</u>	<u>3.569</u>
	Fixed assets in total	<u>14.997.286</u>	<u>16.005</u>
Current assets			
	Trade goods	31.397.960	35.224
	Prepayments for goods	3.136.624	3.134
	Inventories in total	<u>34.534.584</u>	<u>38.358</u>
	Trade debtors	30.376.031	33.625
	Amounts owed by group enterprises	14.714.758	10.654
	Other debtors	15.142.618	11.867
10	Accrued income and deferred expenses	6.692.945	4.379
	Debtors in total	<u>66.926.352</u>	<u>60.525</u>
	Cash funds	<u>6.616.280</u>	<u>509</u>
	Current assets in total	<u>108.077.216</u>	<u>99.392</u>
	Assets in total	<u>123.074.502</u>	<u>115.397</u>

Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Equity and liabilities		
Equity		
11 Contributed capital	500.000	500
12 Reserves for net revaluation as per the equity method	2.319.946	1.590
13 Results brought forward	59.231.793	48.288
Equity in total	<u>62.051.739</u>	<u>50.378</u>
Provisions		
Provisions for deferred tax	2.310.000	1.675
Provisions in total	<u>2.310.000</u>	<u>1.675</u>
Liabilities		
Bank debts	4.276.563	4.155
Leasing liabilities	2.370.995	2.450
Long-term liabilities in total	<u>6.647.558</u>	<u>6.605</u>
Short-term part of long-term liabilities	3.678.250	3.074
Bank debts	24.880.609	28.050
Factoring debts	0	635
Trade creditors	15.412.846	10.564
Debt to group enterprises	1.361.420	2.966
15 Corporate tax	1.889.000	6.146
Other debts	4.843.080	5.204
Proposed dividend for the financial year	0	100
Short-term liabilities in total	<u>52.065.205</u>	<u>56.739</u>
Liabilities in total	<u>58.712.763</u>	<u>63.344</u>
Equity and liabilities in total	<u>123.074.502</u>	<u>115.397</u>

16 Mortgage and securities**17 Contingencies**

Cash flow statement 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Results for the year	12.218.013	11.959
18 Adjustments	7.477.107	5.653
19 Change in working capital	1.740.159	-30.862
Cash flow from operating activities before net financials	21.435.279	-13.250
Interest received and similar amounts	291.435	634
Interest paid and similar amounts	-1.745.368	-1.658
Cash flow from ordinary activities	19.981.346	-14.274
Corporate tax paid	-7.455.520	-1.620
Cash flow from operating activities	12.525.826	-15.894
Purchase of intangible fixed assets	0	-1.311
Sale of intangible fixed assets	0	2.202
Purchase of tangible fixed assets	-2.207.541	-3.423
Purchase of financial fixed assets	-835.566	-20
Deposits	1.428.806	-1.618
Cash flow from investment activities	-1.614.301	-4.170
Raising of long-term debts	647.235	267
Dividend paid	-2.300.000	-1.000
Cash flow from financing activities	-1.652.765	-733
Changes in available funds	9.258.760	-20.797
Available funds opening balance	-27.523.072	-6.727
Available funds closing balance	-18.264.312	-27.524
Available funds		
Cash funds	6.616.280	509
Short-term bank debts	-24.880.609	-28.050
Securities	17	17
Available funds closing balance	-18.264.312	-27.524

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	30.351.407	25.809
Pension costs	1.211.516	1.060
Other costs for social security	300.409	457
	<u>31.863.332</u>	<u>27.326</u>
Average number of employees	<u>64</u>	<u>58</u>
2. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets		
Amortisation of goodwill	1.057.116	1.160
Depreciation on decoration of rented premises	316.099	280
Depreciation on other tangible fixed assets	2.089.301	1.530
Profit/loss on sale of intangible fixed assets	0	-7
	<u>3.462.516</u>	<u>2.963</u>
3. Income from equity investments in group enterprises		
molo kids Norway AS	181.447	221
molo kids Sweden AB	694.292	551
molo kids UK	208.979	104
molo kids Benelux	303.231	239
molo kids Finland OY	207.954	194
molo kids France	52.610	0
molo kids USA inc	118.462	0
molo kids Belgium	19.950	0
Intercompany profits	-889.768	55
	<u>897.157</u>	<u>1.364</u>
4. Other financial income		
Interest and penalty charges from customers	291.435	553
Interest from group enterprises	0	88
	<u>291.435</u>	<u>641</u>

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
5. Other financial costs		
Financial costs, group enterprises	14.883	5
Other financial costs	1.730.485	1.653
	<u>1.745.368</u>	<u>1.658</u>
6. Tax on ordinary results		
Tax of the results for the year, parent company	2.710.000	3.236
Adjustment for the year of deferred tax	880.992	-11
Adjustment of tax for previous years	-133.177	-186
	<u>3.457.815</u>	<u>3.039</u>
	<u>31/12 2015</u>	<u>31/12 2014</u>
7. Goodwill		
Cost opening balance	8.421.732	9.535
Additions during the year	0	1.311
Disposals during the year	0	-2.424
Cost closing balance	<u>8.421.732</u>	<u>8.422</u>
Amortisation and writedown opening balance	-2.858.746	-1.928
Amortisation and writedown for the year	-1.057.116	-1.160
Amortisation and writedown, assets disposed of	0	230
Amortisation and writedown closing balance	<u>-3.915.862</u>	<u>-2.858</u>
Book value closing balance	<u>4.505.870</u>	<u>5.564</u>

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
8. Other plants, operating assets, and fixtures and furniture		
Cost opening balance	13.949.996	10.527
Additions during the year	<u>2.207.541</u>	<u>3.423</u>
Cost closing balance	<u>16.157.537</u>	<u>13.950</u>
Depreciation and writedown opening balance	-7.077.142	-5.268
Depreciation and writedown for the year	<u>-2.405.400</u>	<u>-1.810</u>
Depreciation and writedown closing balance	<u>-9.482.542</u>	<u>-7.078</u>
Book value closing balance	<u>6.674.995</u>	<u>6.872</u>
Leased assets are included with a book value of	<u>2.063</u>	<u>2.681</u>

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
9. Equity investments in group enterprises		
Acquisition sum, opening balance opening balance	178.646	159
Additions during the year	<u>835.566</u>	<u>20</u>
Cost closing balance	<u>1.014.212</u>	<u>179</u>
Revaluations, opening balance opening balance	1.411.783	53
Results for the year before goodwill amortisation	1.841.944	1.358
Regulation intercompany profits	<u>-933.781</u>	<u>0</u>
Revaluation closing balance	<u>2.319.946</u>	<u>1.411</u>
Book value closing balance	<u>3.334.158</u>	<u>1.590</u>

Group enterprises:

	Domicile	Share of ownership
molo kids norway as	Oslo	98 %
molo kids sverige ab	Stockholm	100 %
molo kids uk ltd.	London	98 %
molo kids benelux bv	Amsterdam	100 %
molo kids finland oy	Helsinki	100 %
molo kids France	Paris	100 %
molo kids Belgium	Bruxelles	100 %
molo kids USA ltd.	Delaware	100 %

10. Accrued income and deferred expenses

Prepayments include costs for future clothing collections, exhibitions etc.

11. Contributed capital

Contributed capital opening balance	<u>500.000</u>	<u>500</u>
	<u>500.000</u>	<u>500</u>

The share capital consists of 500.000 shares, each with a nominal value of DKK 1. No shares hold particular rights.

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
12. Reserves for net revaluation as per the equity method		
Reserves for net revaluation opening balance	1.590.430	53
Share of results	<u>729.516</u>	<u>1.537</u>
	<u>2.319.946</u>	<u>1.590</u>

13. Results brought forward

Results brought forward opening balance	48.287.921	28.238
Profit or loss for the year brought forward	9.288.497	9.322
Adjustment financial instruments	1.994.379	14.245
Adjustment deferred tax of financial instruments	<u>-339.004</u>	<u>-3.517</u>
	<u>59.231.793</u>	<u>48.288</u>

14. Liabilities

	<u>Instalments first year</u>	<u>Outstanding debt after 5 years</u>	<u>Debt in total 31 Dec 2015</u>	<u>Debt in total 31 Dec 2014</u>
Bank debts	2.621.250	0	6.897.813	5.976
Leasing liabilities	<u>1.057.000</u>	<u>0</u>	<u>3.427.995</u>	<u>3.703</u>
	<u>3.678.250</u>	<u>0</u>	<u>10.325.808</u>	<u>9.679</u>

15. Corporate tax

Receivable corporate tax opening balance	6.145.520	1.270
Paid income tax during the financial year	-1.310.000	0
Paid corporate tax concerning last year	-6.145.520	-1.270
Calculated corporate tax for the present year	3.199.000	6.682
Paid tax on account for the present year	<u>0</u>	<u>-536</u>
	<u>1.889.000</u>	<u>6.146</u>

16. Mortgage and securities

As security for bank debts the company has provided af company charge of DKK 30.000 thousand and security in fixed assets, trade goods and receivables.

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

16. Mortgage and securities (continued)

The company has total lease liabilities DKK 3.428 thousand on 31. December 2015. The company's leased assets total DKK 2.063 thousand and intercompany leased assets total DKK 1.220 thousands.

17. Contingencies

Contingent liabilities

The company has provided guarantees for the bank debts of the group enterprises. On 31 December 2015 the total bank debts of the group enterprises were DKK 0 thousands.

The company has provided guarantees to SKAT for customs payments and guarantees to landlords. On 31 December 2015 the total guarantees are DKK 4.180 thousands.

Joint taxation

Mogens Jepsen Holding ApS being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

18. Adjustments

Depreciation and amortisation	3.462.516	2.963
Income from equity investments in group enterprises	-897.157	-1.365
Other financial income	-291.435	-641
Other financial costs	1.745.368	1.657
Tax on ordinary results	3.457.815	3.039
	7.477.107	5.653

Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
19. Change in working capital		
Change in inventories	3.823.983	-12.040
Change in debtors	-7.607.208	-16.120
Change in trade creditors and other liabilities	<u>5.523.384</u>	<u>-2.702</u>
	<u>1.740.159</u>	<u>-30.862</u>