

**Mogens Jepsen Holding ApS**  
**Frølichsvej 2, 2930 Klampenborg**

---


**Annual report**

**2015**

---

**Company reg. no. 27 52 45 40**

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

  
**Mogens Jepsen**  
Chairman of the meeting

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 %.

## Contents

---

Page

**Reports**

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

**Management's review**

- 4 Company data
- 5 Consolidated financial highlights
- 6 Management's review

**Consolidated annual accounts and annual accounts 1 January - 31 December 2015**

- 8 Accounting policies used
- 18 Profit and loss account
- 19 Balance sheet
- 22 Cash flow statement
- 23 Notes

## **Management's report**

---

The managing director has today presented the annual report of Mogens Jepsen Holding ApS for the financial year 1 January to 31 December 2015.

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

I consider the accounting policies used appropriate, and in my opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 December 2015, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2015.

I am 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.

Klampenborg, 30 March 2016

**Managing Director**

  
Mogens Jepsen

## **The independent auditor's reports**

---

### **To the shareholder of Mogens Jepsen Holding ApS**

#### **Report on the consolidated annual accounts and the annual accounts**

We have audited the consolidated annual accounts and the annual accounts of Mogens Jepsen Holding ApS for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

#### **The management's responsibility for the consolidated annual accounts and the annual accounts**

The management is responsible for the preparation of consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts and the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts and the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2015 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

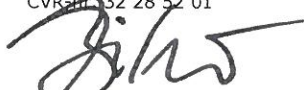
### Statement on the management's review

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 consolidated annual accounts and the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated annual accounts and the annual accounts.

Esbjerg, 30 March 2016

### Martinsen

State Authorised Public Accountants  
CVR-no. 32 28 52 01



Aage Brink Thomsen  
State Authorised Public Accountant



Lars Æbelø-Nielsen  
State Authorised Public Accountant

## Company data

---

### **The company**

Mogens Jepsen Holding ApS  
Frølichsvej 2  
2930 Klampenborg

Company reg. no.: 27 52 45 40

Financial year: 1 January - 31 December

### **Managing Director**

Mogens Jepsen

### **Auditors**

Martinsen Statsautoriseret Revisionspartnerselskab  
Edison Park 4  
6715 Esbjerg N

### **Subsidiaries**

Molo A/S, Copenhagen  
Stars & Rebels A/S, Copenhagen  
Molo Republic ApS, Copenhagen

## Consolidated financial highlights

---

DKK in thousands.	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Profit and loss account:</b>					
Gross profit	61.594	52.447	40.906	27.136	22.768
Results from operating activities	17.272	15.988	12.927	7.008	5.900
Net financials	-1.687	-1.324	-1.153	-987	-817
Results for the year	10.959	10.608	7.271	3.871	3.013
<b>Balance sheet:</b>					
Balance sheet sum	120.427	116.495	73.826	55.288	50.143
Equity	52.274	41.823	21.214	15.298	12.703
<b>Cash flow:</b>					
Operating activities	18.342	-15.999	7.319	-677	696
Investment activities	-4.665	-7.079	-9.331	-4.153	-1.908
Financing activities	-2.503	3.023	2.045	-2.397	8.605
Cash flow in total	11.174	-20.055	33	-7.227	7.393
<b>Employees:</b>					
Average number of full time employees	87	58	50	45	39
<b>Key figures in %: *)</b>					
Solvency ratio	43,4	35,9	28,7	27,7	25,3
Return on equity	23,3	33,7	39,8	27,6	27,8

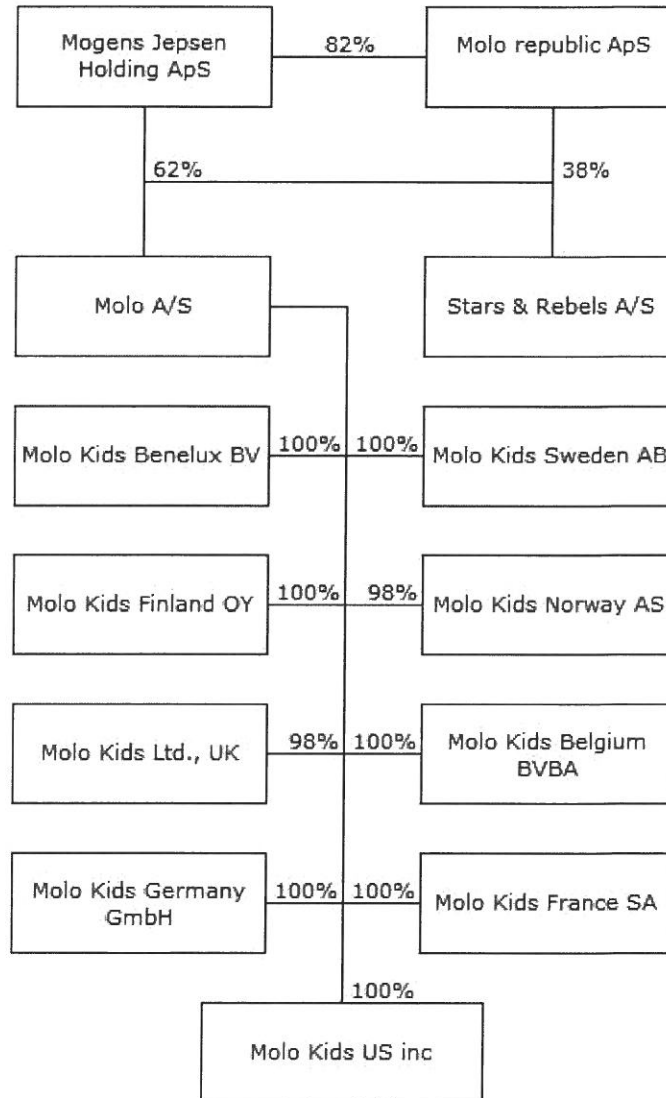
\*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.

## Management's review

---

### The principal activities of the group

The Group consists of following companies per 31. december 2015:



The group activities consists of design and manufacturing of textiles for children and related activities.



## **Management's review**

---

### **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 2014, 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 group uses financial instruments to counter fluctuations in exchange rates. The budget includes an increase in the USD in the coming accounting period.

#### **Productions cost /-conditions**

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

#### **Know how resources**

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

#### **Research and development activities**

The group 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 Mogens Jepsen Holding ApS 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).

### **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 group 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 group 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.

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.

## **Accounting policies used**

---

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Exchange rate adjustments of current accounts with foreign group enterprises, which are considered an addition or a deduction in the equity of independent group enterprises, are recognised directly in the equity. Likewise, capital profits and losses on loans and derived financial instruments for hedging independent foreign group enterprises are recognised in the equity.

### **Derived financial instruments**

At the first recognition, derived financial instruments are recognised at cost in the balance sheet. Afterwards they are measured at fair value. Positive and negative fair values of derived financial instruments are recognised under other debtors and other creditors respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the profit and loss account together with any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging future assets and liabilities are recognised under debtors or creditors and in the equity.

If a future transaction results in recognition of assets or liabilities, amounts which have been recognised in the equity, are transferred from the equity and recognised in the cost for the asset or the liability respectively. If the future transaction results in income or costs, amounts which have been recognised in the equity, are transferred to the profit and loss account in the period in which the hedged item influenced the profit and loss account.

## **Accounting policies used**

---

### **The consolidated annual accounts**

The consolidated annual accounts comprise the parent company Mogens Jepsen Holding ApS and those group enterprises of which Mogens Jepsen Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

By the takeover of new enterprises, the acquisition method is used, which means that the identified assets and liabilities of the newly acquired enterprises are measured at their fair value at the date of acquisition. Provisions are made for covering the costs of decided and published restructurings of the acquired enterprise in relation to the acquisition.

The positive difference (goodwill) between cost and fair value of taken-over, identified assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and amortised systematically in the profit and loss account after an individual evaluation of their financial lifetime, however, with a maximum of 20 years. Negative differences (negative goodwill) which reflects an expected adverse development in the relevant enterprises are recognised in the balance sheet under accruals and recognised in the profit and loss account concurrently with the adverse development being realised. In relation to negative goodwill not concerning expected adverse development, an amount corresponding to the fair value of non-monetary assets is recognised in the balance sheet. Subsequently, the non-monetary assets are recognised in the profit and loss account over their average lifetime.

Goodwill and negative goodwill from acquired enterprises may be adjusted until the end of the year after the year of acquisition.

### **Minority interests**

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises is adjusted annually and recognised as separate items in the profit and loss account and in the balance sheet.

## Accounting policies used

---

### The profit and loss account

#### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods 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 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 on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

#### **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.

#### **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.

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

## Accounting policies used

---

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

Trademarks, domain rights, other rights and goodwill is measured at cost with deduction of accumulated amortisation. Trademarks, domain rights and other rights is amortised on a straight line-basis estimated to 10 years. Goodwill is amortised on a straight-line basis over the financial life, which the management have estimated is 7 years.

### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of 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:

Other plants, operating assets, fixtures and furniture	5-10 years
--	------------

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 losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises costs for materials, components, deliveries from sub suppliers, direct wages expenditure, and indirect production costs.

### Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group 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.

## **Accounting policies used**

---

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 group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

### **Writedown of fixed assets**

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises 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. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

### **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.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

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.

## **Accounting policies used**

---

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.

Positive differences (goodwill) between the acquisition value and the fair value of the assets and liabilities taken over, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over the estimated financial life. The financial life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategically taken over companies with a strong market position and a long range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

### **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.

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.

### **Available funds**

Available funds comprise cash at bank and in hand.



## **Accounting policies used**

---

### **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.

Mogens Jepsen Holding ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Mogens Jepsen Holding ApS is unlimited, jointly and severally 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.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

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 %.

### **Other provisions**

By the acquisition of enterprises, provisions for restructurings within the acquired enterprise are included in the acquisition sum and thereby in the goodwill or the group goodwill to the extent they have been decided at the time of acquisition at the latest.

When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

### **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.

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

## Accounting policies used

---

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

## The cash flow statement

The cash flow statement shows the cash flow 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 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.

### 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:

<b>Equity share</b>	$\frac{\text{Equity less minority interests, closing balance} \times 100}{\text{Assets in total, closing balance}}$
---------------------	---

## **Accounting policies used**

---

**Return on equity**

$$\frac{\text{*Results} \times 100}{\text{Average equity exclusive of minority interests}}$$

**\*Results**

Results for the year with deduction of minority interests' share  
of same

## Profit and loss account 1 January - 31 December

DKK in thousands.

Note	Group		Parent enterprise	
	2015	2014	2015	2014
<b>Gross profit</b>	<b>61.594</b>	<b>52.447</b>	<b>285</b>	<b>164</b>
1 Staff costs	-39.842	-32.663	0	0
2 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-4.480	-3.796	-406	-167
<b>Operating profit</b>	<b>17.272</b>	<b>15.988</b>	<b>-121</b>	<b>-3</b>
3 Income from equity investments in group enterprises	0	0	11.383	10.854
Other financial income from group enterprises	0	0	1.241	6
Other financial income	419	669	0	0
4 Other financial costs	-2.106	-1.993	-1.476	-291
<b>Results before tax</b>	<b>15.585</b>	<b>14.664</b>	<b>11.027</b>	<b>10.566</b>
5 Tax on ordinary results	-3.790	-3.281	-68	42
<b>Results for the year</b>	<b>11.795</b>	<b>11.383</b>	<b>10.959</b>	<b>10.608</b>
The minority interests' share of the results of the subsidiaries	-836	-775	0	0
<b>The group share of the results for the year</b>	<b>10.959</b>	<b>10.608</b>	<b>10.959</b>	<b>10.608</b>
<b>Proposed distribution of the results:</b>				
Extraordinary dividend adopted during the financial year			2.051	0
Reserves for net revaluation as per the equity method			10.712	18.707
Allocated from results brought forward			-1.804	-8.099
<b>Distribution in total</b>			<b>10.959</b>	<b>10.608</b>

**Balance sheet 31 December**

DKK in thousands.

<u>Note</u>	Group		Parent enterprise	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>				
<b>Fixed assets</b>				
6	745	894	0	0
7	7.165	7.757	2.660	2.195
	<u>7.910</u>	<u>8.651</u>	<u>2.660</u>	<u>2.195</u>
8	10.705	8.811	0	0
	<u>10.705</u>	<u>8.811</u>	<u>0</u>	<u>0</u>
9	0	0	58.584	47.859
	17	17	0	0
	1.006	2.021	0	0
	<u>1.023</u>	<u>2.038</u>	<u>58.584</u>	<u>47.859</u>
	<b><u>19.638</u></b>	<b><u>19.500</u></b>	<b><u>61.244</u></b>	<b><u>50.054</u></b>
<b>Current assets</b>				
	33.049	35.830	0	0
	3.136	3.134	0	0
	<u>36.185</u>	<u>38.964</u>	<u>0</u>	<u>0</u>
	33.312	34.987	0	0
	0	0	1.044	327
	0	0	340	366
	15.122	11.931	0	485
10	8.438	4.880	0	0
	<u>56.872</u>	<u>51.798</u>	<u>1.384</u>	<u>1.178</u>
	7.732	6.233	93	0
	<u>100.789</u>	<u>96.995</u>	<u>1.477</u>	<u>1.178</u>
	<b><u>120.427</u></b>	<b><u>116.495</u></b>	<b><u>62.721</u></b>	<b><u>51.232</u></b>

**Balance sheet 31 December**

DKK in thousands.

**Equity and liabilities**

<u>Note</u>	Group		Parent enterprise		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<b>Equity</b>					
11	Contributed capital	125	125	125	125
12	Reserves for net revaluation as per the equity method	0	0	51.457	40.745
13	Results brought forward	52.149	41.698	692	953
	<b>Equity in total</b>	<b>52.274</b>	<b>41.823</b>	<b>52.274</b>	<b>41.823</b>
	<b>Minority interests</b>	<b>4.240</b>	<b>3.510</b>	<b>0</b>	<b>0</b>
<b>Provisions</b>					
	Provisions for deferred tax	2.911	1.789	101	65
	Other provisions	0	0	21	8
	<b>Provisions in total</b>	<b>2.911</b>	<b>1.789</b>	<b>122</b>	<b>73</b>
<b>Liabilities</b>					
14	Bank debts	5.527	6.442	1.250	2.287
15	Leasing liabilities	2.374	2.628	0	0
	Long-term liabilities in total	7.901	9.070	1.250	2.287
	Short-term part of long-term liabilities	4.790	4.074	1.000	1.000
	Bank debts	22.209	31.884	0	0
	Debt from factoring	0	635	0	0
	Trade creditors	18.189	10.550	273	6
	Debt to group enterprises	0	0	6.563	4.087
	Corporate tax	1.498	5.849	0	0
	Other debts	6.415	7.311	1.239	1.956
	Short-term liabilities in total	53.101	60.303	9.075	7.049
	<b>Liabilities in total</b>	<b>61.002</b>	<b>69.373</b>	<b>10.325</b>	<b>9.336</b>
	<b>Equity and liabilities in total</b>	<b>120.427</b>	<b>116.495</b>	<b>62.721</b>	<b>51.232</b>

**Balance sheet 31 December**

---

DKK in thousands.

**Equity and liabilities**

<u>Note</u>	Group		Parent enterprise	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>

**16 Mortgage and securities****17 Contingencies****18 Related parties**

## Cash flow statement 1 January - 31 December

DKK in thousands.

<u>Note</u>	Group	
	2015	2014
Results for the year	10.959	11.383
19 Adjustments	9.957	8.402
20 Change in working capital	7.078	-31.466
Cash flow from operating activities before net financials	27.994	-11.681
Interest received and similar amounts	419	669
Interest paid and similar amounts	-2.106	-1.993
Cash flow from ordinary activities	26.307	-13.005
Corporate tax paid	-7.965	-2.994
<b>Cash flow from operating activities</b>	<b>18.342</b>	<b>-15.999</b>
Purchase of intangible fixed assets	-722	-1.311
Purchase of tangible fixed assets	-4.958	-4.091
Dividends received	0	0
Deposits	1.015	-1.677
<b>Cash flow from investment activities</b>	<b>-4.665</b>	<b>-7.079</b>
Raising of long-term debts	2.800	4.000
Repayments of long-term debt	-2.914	-2.023
Net cash flow from leasing arrangements	-338	1.046
Dividend paid	-2.051	0
<b>Cash flow from financing activities</b>	<b>-2.503</b>	<b>3.023</b>
<b>Changes in available funds</b>	<b>11.174</b>	<b>-20.055</b>
Available funds opening balance	-25.651	-5.596
<b>Available funds closing balance</b>	<b>-14.477</b>	<b>-25.651</b>
<b>Available funds</b>		
Cash funds	7.732	6.233
Short-term bank debts	-22.209	-31.884
<b>Available funds closing balance</b>	<b>-14.477</b>	<b>-25.651</b>



## Notes

DKK in thousands.

	Group		Parent enterprise	
	2015	2014	2015	2014
<b>1. Staff costs</b>				
Salaries and wages	37.733	30.822	0	0
Pension costs	1.552	1.183	0	0
Other costs for social security	557	658	0	0
	<b>39.842</b>	<b>32.663</b>	<b>0</b>	<b>0</b>
Average number of employees	87	58	0	0
<b>2. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets</b>				
Amortisation of group goodwill	149	366	149	149
Amortisation of concessions, patents and licences	0	0	257	18
Amortisation of goodwill	1.315	1.171	0	0
Depreciation on plants, operating assets, fixtures and furniture	3.016	2.259	0	0
	<b>4.480</b>	<b>3.796</b>	<b>406</b>	<b>167</b>
<b>3. Income from equity investments in group enterprises</b>				
Molo Republic ApS	0	0	3.807	3.555
Molo A/S	0	0	7.575	7.415
Stars & Rebels A/S	0	0	1	-116
	<b>0</b>	<b>0</b>	<b>11.383</b>	<b>10.854</b>
<b>4. Other financial costs</b>				
Financial costs, group enterprises	0	0	267	210
Other financial costs	2.106	1.993	1.209	81
	<b>2.106</b>	<b>1.993</b>	<b>1.476</b>	<b>291</b>

## Notes

DKK in thousands.

	Group		Parent enterprise	
	2015	2014	2015	2014
<b>5. Tax on ordinary results</b>				
Tax of the results for the year, parent company	2.784	3.447	-81	-107
Adjustment for the year of deferred tax	1.006	20	36	65
Adjustment of tax for previous years	0	-186	113	0
	<b>3.790</b>	<b>3.281</b>	<b>68</b>	<b>-42</b>

	Group		Parent enterprise	
	31/12 2015	31/12 2014	31/12 2015	31/12 2014
<b>6. Group goodwill</b>				
Cost opening balance	4.078	4.078	0	0
<b>Cost closing balance</b>	<b>4.078</b>	<b>4.078</b>	<b>0</b>	<b>0</b>
Amortisation and writedown opening balance	-3.184	-2.818	0	0
Amortisation and writedown for the year	-149	-366	0	0
<b>Amortisation and writedown closing balance</b>	<b>-3.333</b>	<b>-3.184</b>	<b>0</b>	<b>0</b>
<b>Book value closing balance</b>	<b>745</b>	<b>894</b>	<b>0</b>	<b>0</b>

<b>7. Goodwill, rights and trademarks</b>				
Cost opening balance	10.857	9.535	2.213	0
Additions during the year	722	1.322	722	2.213
<b>Cost closing balance</b>	<b>11.579</b>	<b>10.857</b>	<b>2.935</b>	<b>2.213</b>
Amortisation and writedown opening balance	-3.100	-1.929	-18	0
Amortisation and writedown for the year	-1.314	-1.171	-257	-18
<b>Amortisation and writedown closing balance</b>	<b>-4.414</b>	<b>-3.100</b>	<b>-275</b>	<b>-18</b>
<b>Book value closing balance</b>	<b>7.165</b>	<b>7.757</b>	<b>2.660</b>	<b>2.195</b>

## Notes

---

DKK in thousands.

	Group	
	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>8. Other plants, operating assets, and fixtures and furniture</b>		
Cost opening balance	16.623	13.061
Translation by use of the exchange rate valid on balance sheet date closing balance	-163	0
Additions during the year	4.958	4.091
Disposals during the year	0	-332
Transfers	0	-197
<b>Cost closing balance</b>	<b><u>21.418</u></b>	<b><u>16.623</u></b>
Depreciation and writedown opening balance	-7.812	-5.580
Translation by use of the exchange rate valid on balance sheet date closing balance	116	0
Depreciation and writedown for the year	-3.017	-2.283
Adjustment of writedown, opening balance	0	27
Depreciation and writedown, assets disposed of	0	24
<b>Depreciation and writedown closing balance</b>	<b><u>-10.713</u></b>	<b><u>-7.812</u></b>
<b>Book value closing balance</b>	<b><u>10.705</u></b>	<b><u>8.811</u></b>
Leased assets are included with a book value of	<u>3.512</u>	<u>3.901</u>

## Notes

DKK in thousands.

	Parent enterprise	
	31/12 2015	31/12 2014
<b>9. Equity investments in group enterprises</b>		
Acquisition sum, opening balance opening balance	6.942	6.943
<b>Cost closing balance</b>	<b>6.942</b>	<b>6.943</b>
Revaluations, opening balance opening balance	40.895	21.047
Results for the year before goodwill amortisation	11.369	10.853
Dividend	-2.051	-1.007
Adjustments in equity	1.543	10.002
<b>Revaluation closing balance</b>	<b>51.756</b>	<b>40.895</b>
Amortisation of goodwill, opening balance opening balance	-149	0
Amortisation of goodwill for the year	-148	-149
<b>Depreciation on goodwill closing balance</b>	<b>-297</b>	<b>-149</b>
Offsetting against debtors	162	162
Transferred to provisions	21	8
<b>Set off against debtors and provisions for liabilities</b>	<b>183</b>	<b>170</b>
<b>Book value closing balance</b>	<b>58.584</b>	<b>47.859</b>
<b>Group enterprises:</b>		
	<b>Domicile</b>	<b>Share of ownership</b>
Molo A/S	Copenhagen	62 %
Stars & Rebels A/S	Copenhagen	62 %
Molo Republic ApS	Copenhagen	82,2 %

## 10. Accrued income and deferred expenses

Accrued income and derred expenses includes expenses to future cloth collections, fairs and other things.

	Group		Parent enterprise	
	31/12 2015	31/12 2014	31/12 2015	31/12 2014
<b>11. Contributed capital</b>				
Contributed capital opening balance	125	125	125	125
	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>

**Notes**

DKK in thousands.

			Parent enterprise	
	31/12 2015	31/12 2014	31/12 2015	31/12 2014
<b>12. Reserves for net revaluation as per the equity method</b>				
Reserves for net revaluation opening balance			40.745	22.038
Share of results			10.712	18.707
			<b>51.457</b>	<b>40.745</b>
<b>13. Results brought forward</b>				
	Group		Parent enterprise	
	31/12 2015	31/12 2014	31/12 2015	31/12 2014
Results brought forward opening balance	41.698	21.089	953	405
Profit or loss for the year brought forward	8.908	10.608	-1.804	-8.099
Extraordinary dividend adopted during the financial year	2.051	0	2.051	0
Distributed extraordinary dividend adopted during the financial year.	-2.051	0	-2.051	0
Adjustments on financial instruments	1.543	10.001	1.543	8.647
	<b>52.149</b>	<b>41.698</b>	<b>692</b>	<b>953</b>
<b>14. Bank debts</b>				
Bank debts in total	9.148	9.263	2.250	3.287
Share of amount due within 1 year	-3.621	-2.821	-1.000	-1.000
	<b>5.527</b>	<b>6.442</b>	<b>1.250</b>	<b>2.287</b>
Share of liabilities due after 5 years	0	0	0	0
<b>15. Leasing liabilities</b>				
Leasing liabilities in total	3.543	3.881	0	0
Share of amount due within 1 year	-1.169	-1.253	0	0
	<b>2.374</b>	<b>2.628</b>	<b>0</b>	<b>0</b>
Share of liabilities due after 5 years	0	0	0	0

## Notes

---

DKK in thousands.

### 16. Mortgage and securities

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

The group has total lease liabilities DKK 3.428 thousand on 31. December 2015. The groups leased assets totals DKK 3.512 thousands in other operating assets, fixtures and furniture.

### 17. Contingencies

#### Contingent liabilities

Mogens Jepsen Holding ApS 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 group has provided guarantees to SKAT for customs payments and guarantees to landlords. On 31 December 2015 the total guarantees are DKK 24.589 thousands.

#### Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

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

### 18. Related parties

#### Ownership

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Mogens Jepsen, Klampenborg

## Notes

---

DKK in thousands.

	Group	
	2015	2014
	<u>          </u>	<u>          </u>
<b>19. Adjustments</b>		
Depreciation and amortisation	4.480	3.796
Income from equity investments in group enterprises	0	0
Other financial income	-419	-669
Other financial costs	2.106	1.993
Tax on ordinary results	3.790	3.282
	<u><b>9.957</b></u>	<u><b>8.402</b></u>
<b>20. Change in working capital</b>		
Change in inventories	2.779	-12.037
Change in debtors	-1.597	-14.083
Change in trade creditors and other liabilities	5.896	-5.346
	<u><b>7.078</b></u>	<u><b>-31.466</b></u>