martinsen
Rådgivning & Revision

Mogens Jepsen Holding ApS

Frølichsvej 2, 2930 Klampenborg

Annual report

2020

Company reg. no. 27 52 45 40

The annual report has been submitted and approved by the general meeting on the 5 May 2021.

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Mogens Jepsen
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the executive board has presented the annual report of Mogens Jepsen Holding ApS for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Klampenborg, 5 May 2021

Executive board

Mogens Jepsen

Rikke Bundgaard Jepsen

Independent auditor's report

To the shareholder of Mogens Jepsen Holding ApS

Opinion

We have audited the financial statements of Mogens Jepsen Holding ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Esbjerg, 5 May 2021

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Lars Æbelø-Nielsen
State Authorised Public Accountant
mne33693

Company information

The company	Mogens Jepsen Holding ApS Frølichsvej 2 2930 Klampenborg
	Company reg. no. 27 52 45 40 Financial year: 1 January - 31 December
Executive board	Mogens Jepsen Rikke Bundgaard Jepsen
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Edison Park 4 6715 Esbjerg N
Parent company	Morilo Holding ApS
Subsidiary	Molo A/S, Copenhagen Molo Republic ApS, Copenhagen

Management commentary

The principal activities of the company

The company's main activity is to own shares in other companies.

Development in activities and financial matters

The gross profit for the year totals DKK 1.839.368 against DKK 2.186.000 last year.

Management does not consider this year's financial performance acceptable which is why a number of initiatives are already underway, and subsequently also 2021 with the added uncertainty around Corona will be difficult in terms of topline and profit, and the company now estimate that 2022 are the year where the company once again are back on track in terms of acceptable earnings.

For further outlook on Molo's management commentary we refer to the annual report 2020 for the subsidiary Molo A/S.

Accounting policies

The annual report for Mogens Jepsen Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Change in accounting policies

Due to general change in the Danish national accounting policies in 2020 recognition of earnings and losses related to hedging future cash flows has changed from being recognized directly in equity under "retained earnings" to in future being recognized in equity under a separate fair valuereserve "reserve for hedging transactions".

The change made in classification has no monetary effect on the profit for the year or the balance sheet for either the current or previous financial year. The comparative figures are adapted to the changed classification.

Apart from the above, the financial report has been prepared in accordance with the same accounting policies as last year.

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, writedowns 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 company 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 company 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.

Accounting policies

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.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue and external costs.

Accounting policies

Revenue 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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for administration.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible assets.

Financial income and expenses

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

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 company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

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 10 years.

Accounting policies

Investments

Equity in group enterprises

Equity in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity in group enterprises recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Equity in group enterprises with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

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

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Accounting policies

Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax

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.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Mogens Jepsen Holding ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

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.

Liabilities other than provisions

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

Income statement 1 January - 31 December

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

Note		2020	2019
	Gross profit	**1.839.368**	**2.186**
2	Staff costs	-2.065.357	-2.213
	Depreciation and writedown relating to fixed assets	-1.445.242	-1.254
	Operating profit	**-1.671.231**	**-1.281**
	Income from equity investments in group enterprises	-12.342.179	3.394
	Other financial income from group enterprises	0	187
3	Other financial costs	-768.260	-1.719
	Pre-tax net profit or loss	**-14.781.670**	**581**
4	Tax on net profit or loss for the year	568.562	619
	Net profit or loss for the year	**-14.213.108**	**1.200**
	Proposed appropriation of net profit:		
	Reserves for net revaluation according to the equity method	-13.571.489	4.177
	Allocated from retained earnings	-641.619	-2.977
	Total allocations and transfers	**-14.213.108**	**1.200**

Statement of financial position at 31 December

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

Note	Assets	2020	2019
	Non-current assets		
5	Goodwill	8.063.363	9.509
	Total intangible assets	8.063.363	9.509
6	Equity investments in group enterprises	56.663.665	69.342
	Total investments	56.663.665	69.342
	Total non-current assets	**64.727.028**	**78.851**
	Current assets		
	Amounts owed by group enterprises	4.964.290	5.628
	Deferred tax assets	598.000	209
	Tax receivables from group enterprises	179.410	0
	Other debtors	5.000	1
	Total receivables	5.746.700	5.838
	Available funds	1.748.871	2.300
	Total current assets	**7.495.571**	**8.138**
	Total assets	**72.222.599**	**86.989**

Statement of financial position at 31 December

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

Note	Equity and liabilities	2020	2019
	Equity		
7	Contributed capital	125.000	125
8	Reserve for net revaluation according to the equity method	49.798.332	63.370
9	Reserve for hedging transactions	-3.939.004	-4.195
10	Retained earnings	-592.700	641
	Total equity	**45.391.628**	**59.941**
	Liabilities other than provisions		
	Trade creditors	180.891	282
	Debt to group enterprises	21.521.565	21.871
	Debt to associated enterprises	0	1
	Other debts	5.128.515	4.894
	Total short term liabilities other than provisions	26.830.971	27.048
	Total liabilities other than provisions	**26.830.971**	**27.048**
	Total equity and liabilities	**72.222.599**	**86.989**

1 Disclosures on fair value
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12 Contingencies
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Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

1. Disclosures on fair value

	Derived financial instruments
Fair value at end of period	-3.939.004
Change in fair value of the year recognised in the equity	256.315

	2020	2019
2. Staff costs		
Salaries and wages	2.060.813	2.209
Other costs for social security	4.544	4
	2.065.357	**2.213**
Average number of employees	2	2
3. Other financial costs		
Financial costs, group enterprises	0	892
Other financial costs	768.260	827
	768.260	**1.719**
4. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	-179.366	-739
Adjustment for the year of deferred tax	-389.152	120
Adjustment of tax for previous years	-44	0
	-568.562	**-619**

Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

		31/12 2020	31/12 2019
5.	**Goodwill**		
	Cost opening balance	12.602.575	12.603
	Cost end of period	**12.602.575**	**12.603**
	Amortisation and writedown opening balance	-3.093.970	-1.840
	Amortisation and writedown for the year	-1.445.242	-1.254
	Amortisation and writedown end of period	**-4.539.212**	**-3.094**
	Carrying amount, end of period	**8.063.363**	**9.509**
6.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance opening balance	6.865.332	6.943
	Disposals during the year	0	-78
	Cost end of period	**6.865.332**	**6.865**
	Revaluations, opening balance opening balance	63.369.822	61.801
	Results for the year before goodwill amortisation	-12.193.288	3.426
	Reversal of prior revaluations	0	178
	Adjustments in equity	-335.946	-2.035
	Revaluation end of period	**50.840.588**	**63.370**
	Amortisation of goodwill, opening balance opening balance	-893.364	-744
	Amortisation of goodwill for the year	-148.891	-149
	Depreciation on goodwill end of period	**-1.042.255**	**-893**
	Carrying amount, end of period	**56.663.665**	**69.342**
	The item includes goodwill with an amount of	0	148.994

Group enterprises:

	Domicile	Equity interest
Molo A/S	Copenhagen	62,0 %
Molo Republic ApS	Copenhagen	82,2 %

Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

		31/12 2020	31/12 2019
7.	**Contributed capital**		
	Contributed capital opening balance	125.000	125
		125.000	**125**
8.	**Reserve for net revaluation according to the equity method**		
	Reserves for net revaluation opening balance	63.369.821	59.193
	Share of results	-13.571.489	4.177
		49.798.332	**63.370**
9.	**Reserve for hedging transactions**		
	Reserve for hedging transactions opening balance	-4.195.319	-3.180
	Fair value adjustments of hedging instruments for the year	256.315	-1.015
		-3.939.004	**-4.195**
10.	**Retained earnings**		
	Retained earnings opening balance	641.180	1.458
	Adjustment due to changed in hedging transactions	0	4.195
	Profit or loss for the year brought forward	-641.619	-2.977
	Adjustments on financial instruments	-592.261	-2.035
		-592.700	**641**

11. Charges and security

None.

12. Contingencies

Contingent liabilities

For bank commitment, the company has provided security in company bank deposit, the book value DKK ('000) 1.250.

Notes

Amounts concerning 2020: DKK.
Amounts concerning 2019: DKK thousand.

12. Contingencies (continued)

Contingent liabilities (continued)

For the security of debt of the subsidiaries to bank, the parent company has provided a surety (credit quarantee). At the balance sheet day the total debt of subsidiaries to bank amounts to DKK (´000) 5.550.

Joint taxation

With Morilo Holding ApS, company reg. no 40776524 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

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

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

13. Related parties

Molo Kids UK Ltd. a subsidiary company of Molo A/S, has taken advantage of the exemption from audit as set out in section 479A of the Companies Act 2006.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Rikke Bundgaard Jepsen
Direktionsmedlem
På vegne af: Årsrapport 2020
Serienummer: PID:9208-2002-2-058659935862
IP: 185.40.xxx.xxx
2021-05-10 15:16:06Z
NEM ID

Mogens Jepsen
Direktionsmedlem
På vegne af: Molo A/S
Serienummer: PID:9208-2002-2-506534071905
IP: 185.40.xxx.xxx
2021-05-11 15:14:30Z
NEM ID

Lars Æbelø-Nielsen
Statsautoriseret revisor
På vegne af: Martinsen Statsautoriseret Revisionspar…
Serienummer: CVR:32285201-RID:1255072680634
IP: 77.233.xxx.xxx
2021-05-12 05:29:43Z
NEM ID

Mogens Jepsen
Dirigent
På vegne af: Molo A/S
Serienummer: PID:9208-2002-2-506534071905
IP: 185.40.xxx.xxx
2021-05-12 07:48:31Z
NEM ID

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