ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

1 JANUARY - 31 DECEMBER 2024

MORILO HOLDING APS

Schimmelmannsvej 3

2930 Klampenborg

CENTRAL BUSINESS REGISTRATION no. 40 77 65 24

Approved at the Company's
Annual General Meeting,
on 22/4 2025

Mogens Jepsen
Chairman

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Company
Morilo Holding ApS
Schimmelmannsvej 3
2930 Klampenborg
Central Business Registration no. 40 77 65 24

Registered in: Gentofte

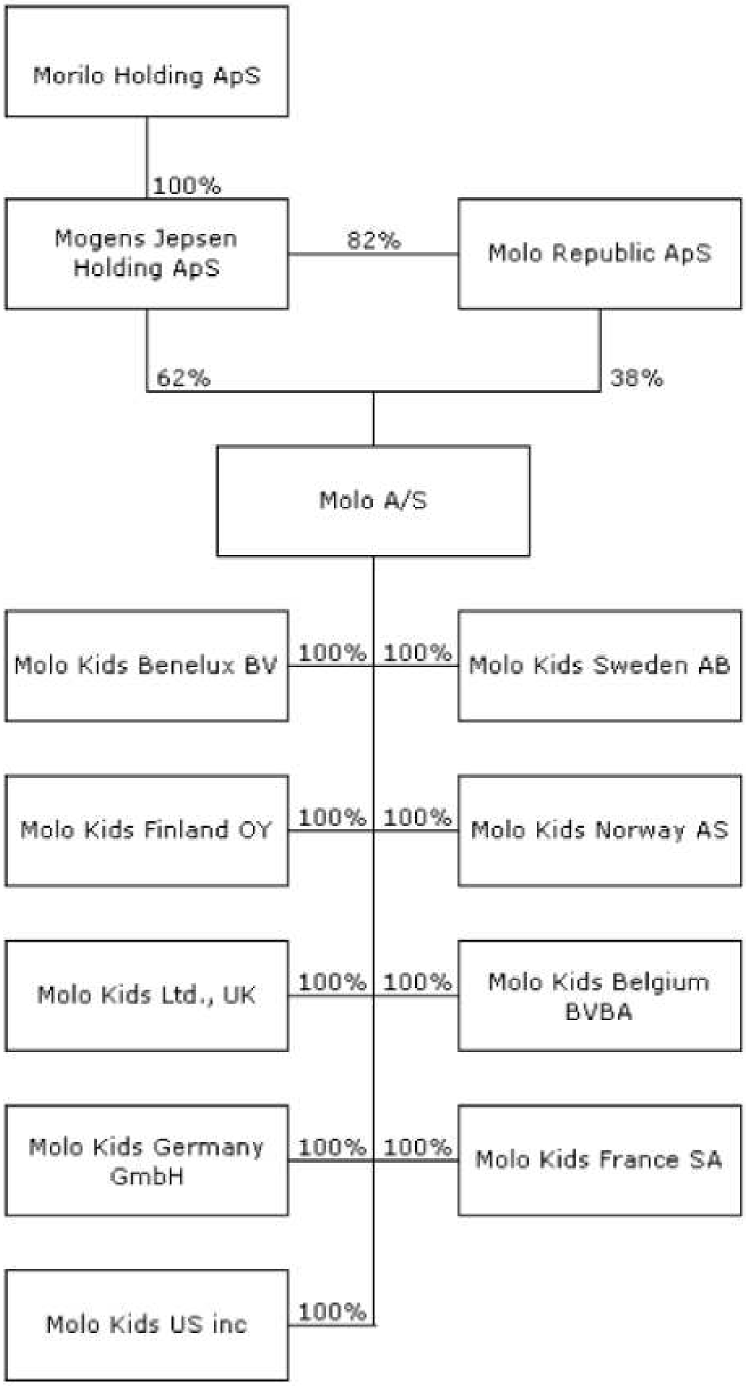
Board of Executives

Mogens Jepsen
Rikke Bundgaard Jepsen

Company auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
Central business registration no. 19263096

Michael Dam-Johansen, State Authorized Public Accountant
Shpend Rasimi, State Authorized Public Accountant


Morilo Holding ApS
100%
Mogens Jepsen Holding ApS
82%
Molo Republic ApS
62%
38%
Molo A/S
Molo Kids Benelux BV
100%
100%
Molo Kids Sweden AB
Molo Kids Finland OY
100%
100%
Molo Kids Norway AS
Molo Kids Ltd., UK
100%
100%
Molo Kids Belgium BVBA
Molo Kids Germany GmbH
100%
100%
Molo Kids France SA
Molo Kids US inc
100%

The principal activities of the company

Group:

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

Parent company:

Morilo Holding ApS's principal activity, as in previous years, has been to own shares.

Development in activities and financial matters

Group:

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 colorful. Since its conception, Molo has seen its role as the brand that provides "favorites" for every child's closet.

This concept has always been well accepted in the marketplace and has given the group a strong and sustainable competitive advantage.

After some troublesome years primarily due to Covid-19, heavily increased logistic and production cost along with insecurity and increased competition in the retail market, 2024 turned out very positive on the topline, returning to prior years' high with strong performance and positive sell-through with the company's customers around the world. Molo is generally speaking gaining further momentum globally and has during the year succeeded in further manifesting itself as one of the strongest affordable luxury childrenswear brand globally.

Net earnings were slightly down compared to 2023, mainly due to conscious decisions to further invest in the business. However, the results still meet management's expectations. In 2024, investments were made in customer initiatives and advertising, primarily in Asia, which are expected to benefit the company in the long term. Molo's own retail division also remained somewhat under pressure, mainly due to declining foot tra-ffic Denmark, Sweden, France, and Germany. Despite this, the company managed to maintain acceptable earnings through effective cost control. Looking ahead, 2025 will remain challenging as the market is highly competitive, and staying relevant to consumers requires continuous effort.

The ongoing shift between traditional brick-and-mortar stores and e-commerce continues to create a challenging market to navigate one that is still evolving. To adapt, the company has made a calculated and cautious decision to selectively choose the customers it will continue to work with, a choice that puts pressure on the top line. In the long term, the company is confident that it has made the right decisions regarding customer selection and ways of working. However, further changes in the organization and operational approach need to be implemented to ensure that these strategies are executed in a financially sound and sustainable manner.

Management considers this year's financial performance acceptable and a positive step toward returning to a satisfactory level of profit. However, significant uncertainty remains for 2025, particularly due to the increasing number of global conflicts, including but not limited to the impact of the new U.S. president. These factors could potentially affect both revenue and profit. Despite this, management remains confident that 2025 will yield an acceptable profit.

Parent company:

The Company's financial performance in the financial year amounted to a profit of DKK thousand 2.303.

Follow-up on previous forecasts

Group and the parent company:

The company achieved its forecast for the year in terms of topline, and only slightly missed profit due to a conscious decision to invest money in additional advertising throughout the year.

The expected development

Group and the parent company:

With the COVID-19 pandemic no longer an issue, the company remains concerned about energy prices, inflation, and the ongoing Russia-Ukraine border dispute. Additionally, the unpredictability surrounding the new U.S. president could also pose challenges. These factors have the potential to disrupt the business and impact the company’s ability to maintain acceptable profit levels. However, management still expects the company to achieve an acceptable level of revenue and earnings in 2025.

Special risks

Group:

Exchange rate risks:

The group uses financial instruments to counter fluctuations in exchange rates.

Production cost conditions:

It is expected that production costs in general will increase in the coming years. The group, however, 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

Group:

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

Climate Conditions

Group:

In 2017 the group initiated a Climate Mission Statement that includes but are not limited to carefully consider all aspect of the production af children’s clothes, something the following certifications is an important part of.

The group is GOTS, OCS and GRS certified (*Certified by Ecocert Greenlife, certification no. 197496), whereby being a GOTS, OCS ad GRS certified group means that the group highly values more responsible materials and processes.

On that note the group continues to see very notable positive effects on and from prior years investments in more responsible practices with a high and increasing number of all garments now being certified.

Events subsequent to the financial year

Group and the parent company:

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

Financial highlights

Amounts in DKK '000	2024	2023	2022	2021	2020
Income statement					
Gross profit/loss	60.738	63.531	55.855	52.255	32.218
Profit/loss from primary activities	7.612	8.086	5.684	4.816	-14.737
Net financials	-3.037	-2.398	-2.769	-1.930	-1.725
Profit/loss for the year	3.571	4.464	2.698	2.438	-15.130
Balance sheet					
Balance sheet total	156.275	148.676	147.619	121.028	105.333
Investments in property, plant and equipment	275	829	3.163	981	723
Equity	67.583	62.858	59.717	53.673	49.358
Cash flow					
Cash from operating activities	-1.006	11.537	-29.718	-5.193	1.419
Cash from investing activities	-514	-989	-2.664	-2.468	381
Cash from financing activities	-169	329	40	422	-3.651
Changes for the year in cash and cash equivalents	-1.689	10.877	-32.342	-7.239	-1.851
Average number of full-time employees	88	93	65	62	97
Ratios					
Solvency ratio	43,2%	42,3%	40,5%	44,3%	46,9%
Return on equity	5,5%	7,3%	4,8%	4,7%	-26,5%

Ratios figures follow the Financial Analysts' Association's recommendations, and only deviate from this in some points. Reference is made to definitions and concepts under accounting policies.

The Board of Executives have today discussed and approved the annual report for the the financial year 1 January - 31 December 2024 for Morilo Holding ApS.

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

In our opinion the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the result of the Group and the Parent Company's operations and the Group's cash flow for the financial year 1 January - 31 December 2024.

In our opinion the management's review includes a fair review about the matters the review deals with.

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

Klampenborg, 22. april 2025

Board of Executives

Mogens Jepsen CEO	Rikke Bundgaard Jepsen CEO

To the shareholders of Morilo Holding ApS

Opinion
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Morilo Holding ApS for the financial year 1 January to 31 December 2024, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes for both the Group and the Parent Company as well as the cash flow statement for the Group.

The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

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

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements section".

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

* Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review
Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Søborg, 22. april 2025

inforevision
statsautoriseret revisionsaktieselskab
(cvr 19263096)

Michael Dam-Johansen
State Authorized Public Accountant
mne36161

Shpend Rasimi
State Authorized Public Accountant
mne47779

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class C enterprises for medium-sized enterprises.

The accounting policies have not been changed from last year.

RECOGNITION AND MEASUREMENT

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

FOREIGN CURRENCY TRANSLATION

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

DERIVATES
At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derivate 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 income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivate financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements comprise the parent company Morilo Holding ApS and those group enterprises of which Morilo Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

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

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' equity at the acquisition date.

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

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

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

NON-CONTROLLING INTERESTS
Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

INCOME STATEMENT
The income statement has been classified by nature.

Gross profit/loss
The Company has aggregated the items "revenue", "other operating income", "change in inventories of goods for resale" as well as "external expenses".

Revenue
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 operating income
Other operating income includes financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit on sale of fixed assets and compensation due to the coronavirus situation.

External expenses
Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs
Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the Company´s employees. Staff costs are reduced with payments received from public authorities.

Other operating expenses
Other operating expenses include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including loss on sale of fixed assets and transfer pricing adjustment of group entities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the group enterprises' operating profit/loss adjusted for internal profits and losses.

Other financial income and other financial expenses
Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, amortisation of debt to mortgage credit institutions as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes
Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

The Company is jointly taxed with other Danish group enterprises with Morilo Holding ApS as management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

BALANCE SHEET
The balance sheet has been presented in account form.

ASSETS

Intangible assets
Intangible assets are measured at cost less accumulate amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Assets are amortised on a straight-line basis over their estimated useful lives:

Goodwill	3-10 years

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the amortisation period.

The amortisation period for goodwill is determined as an overall assessment of the acquired company´s market position, earnings profile and expectations of customers loyality, which within reasonable limits is based on historical data/registrations.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulate depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The costprice for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

	Useful lives	Residual value
Leasehold improvements	3-10 years	0-20%
Other fixtures, etc.	3-10 years	0-10%

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under gross profit or loss and other operating expenses.

Leasing
Property, plant and equipment that are assets held under lease and meet the conditions for financial leasing are accounted for according to the same guidelines as owned assets. Assets held under lease are recognised in the balance sheet at the lower of fair value and present value of the future lease payments. On calculation of the present value, the internal interest rate of the lease is applied as discount factor or an approximate value thereof. Assets held under finance lease are depreciated and written down according to the same policies as are determined for the Company's remaining fixed assets.

The capitalised remaining lease commitment is recognised in the balance sheet as a liability other than provisions, and the interest portion of lease payments is recognised over the term of the lease in the income statement.

Remaining leases are considered operating lease. Payments in relation to operating lease are recognised on a straight-line basis in the income statement over the term of the lease.

Impairment of non-current assets
The carrying amount of intangible assets, leasehold improvements and plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Investments in group enterprises
Investments in group enterprises have been recognised according to the equity method, so that the investment is measured at the pro rata share of the group enterprises' net asset value adjusted for internal dividends and gains.

Foreign group enterprises' profit or loss and equity have been translated into DKK. Exchange adjustments arising on translation of the foreign group enterprises' equity at the beginning of the financial year as well as profit/loss for the financial year are taken to equity.

Distributable reserves in group enterprises which are distributed as dividends to the parent at the balance sheet date are included in the value of investments.

Group enterprises with negative net asset values are measured at zero, and any receivable from such enterprises is written down by the Parent's share of the negative net asset value to the extend deemed irrecoverable. If the negative net asset value exceeds the amount receivable, the remaining amount is recognised in provisions to the extent the Parent has a legal or constructive obligation to cover the relevant enterprise's liabilities.

Acquisition of group enterprises are recognised at cost. The difference between the cost price and the net asset value of the acquired company, which appears at the time of establishing the consolidation, is as far as possible allocated to the assets and liabilities whose value is higher or lower than the carrying amount. A remaining positive difference is treated as goodwill and included in the value of investments, which is amortised in the income statement over 5 years. The depreciation period is based on an assessment of the market position, earnings prfile, and expectations of customers loyality. A negative difference, reflecting an expected cost or an unfavourable development, are recognised as income in the income statement in the year of acquistion.

The total net revaluation of investments in group enterprises is allocated via the profit distribution to "reserve for net revaluation according to the equity method" under equity. The reserve is reduced by dividend distributions to the Parent and is adjusted by changes in equity in the group enterprises.

Other receivables (fixed assets)

Other receivables recognised under fixed assets comprise rental deposits measured at amortised cost. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

Inventories

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realisable value, write-down is made to this lower value.

Cost of goods for resale as well as raw materials and consumables comprises purchase price plus landing costs.

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

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank and in hand.

EQUITY AND LIABILITIES

Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Provision for deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22 % on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forwardare included in the calculation of deferred taxes if it is probable that the losses can be used.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Other provisions

Other provisions include loss on returned goods. Other provisions are recognised when there is a legal or actual obligation arising from an event that occurred before the balance sheet date and it is probable that a settlement of the obligation will result in an outflow of resources. Provisions are measured at net present value.

Financial liabilities

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

Deferred income

Deferred income comprises income received relating to subsequent years.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year as well as the Group's cash and cash equivalents at year-end.

Cash flows from acquisitions and divestments are shown separately under cash flows from investing activities. In the cash flow statement, cash flows regarding acquired companies are recognized from the date of acquisition and cash flows from divested companies are recognized until the transfer date.

Cash flows from operating activities have been calculated as profit or loss adjusted for non-cash operating items, financial income and expenses paid, corporation taxes as well as increase and decrease in inventories, trade receivables, trade payables and other changes in assets and liabilities other than provisions deriving from operations.

Cash flows from investing activities comprise payments in connection with acquisition and sale of fixed assets as well as payments in connection with acquisition and divestment of companies.

Cash flows from financing activities comprise payments from inception and repayment of long-term liabilities other than provisions as well as payments made to and received from shareholders.

Cash and cash equivalents comprise cash and cash equivalents as well as operating credits at credit institutions included in the cash management and are thus exposed to significant changes in both positive and negative directions during the year.

In accordance with the Danish Financial Statements Act §86,4 the Parent Company has not prepared cash flow statement.

FINANCIAL HIGHLIGHTS

The ratios have been prepared in accordance with the online version of "Guidelines and ratios" from The Danish Finance Analysts Society.

The ratios have been calculated as follows:

$$\text{Solvency} = \frac{\text{Equity at year-end} * 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Profit or loss for the year} * 100}{\text{Average equity}}$$

INCOME STATEMENT	GROUP		PARENT		
	2024	2023	2024	2023	Note
GROSS PROFIT/LOSS	60.737.826	63.531.365	-22.763	-17.562	
Staff costs	-50.275.535	-52.248.248	0	0	2
PROFIT/LOSS BEFORE DEPRECIATION, INTEREST AND TAX	10.462.291	11.283.117	-22.763	-17.562	
Amortisation, depreciation and impairment for loss of intangible and tangible fixed assets	-2.850.044	-3.197.529	0	0	
Other operating cost	1	0	0	0	
OPERATING PROFIT/LOSS	7.612.248	8.085.588	-22.763	-17.562	
Income from investments in group enterprises	0	0	2.341.254	5.139.189	
Other financial income	1.168.740	809.949	31	33	3
Other financial expenses	-4.205.788	-3.207.603	-26.762	-8.176	4
PROFIT/LOSS BEFORE TAX	4.575.200	5.687.934	2.291.760	5.113.484	
Tax on profit/loss for the year	-1.004.566	-1.224.120	10.888	5.656	5
PROFIT/LOSS FOR THE YEAR	3.570.634	4.463.814	2.302.648	5.119.140	6

ASSETS	GROUP		PARENT		
	31/12 2024	31/12 2023	31/12 2024	31/12 2023	Note
Acquired licenses	80.000	0	0	0	7
Goodwill	3.186.921	4.393.291	0	0	7,17
INTANGIBLE ASSETS	3.266.921	4.393.291	0	0	
Leasehold improvements	368.776	551.240	0	0	8,17
Other fixtures and fittings, tools and equipment	1.934.606	3.120.946	0	0	8,17
PROPERTY, PLANT AND EQUIPMENT	2.303.382	3.672.186	0	0	
Investments in group enterprises	0	0	62.407.953	58.877.585	10,11
Other receivables	3.773.054	3.613.705	0	0	9,10
FIXED ASSET INVESTMENTS	3.773.054	3.613.705	62.407.953	58.877.585	
FIXED ASSETS	9.343.357	11.679.182	62.407.953	58.877.585	
Finished goods and goods for resale	90.025.813	91.119.786	0	0	
Prepaid goods	4.829.405	3.425.010	0	0	
INVENTORIES	94.855.218	94.544.796	0	0	17
Trade receivables	38.691.302	27.719.134	0	0	17
Other receivables	2.041.929	955.589	0	0	
Corporate tax receivables	198.704	9.614	0	0	5
Joint tax contribution receivables	0	0	1.201.477	913.589	5
Prepayments	1.227.289	1.074.562	0	0	12
RECEIVABLES	42.159.224	29.758.899	1.201.477	913.589	
CASH AT BANK AND IN HAND	9.917.700	12.693.241	7.894	9.063	
CURRENT ASSETS	146.932.142	136.996.936	1.209.371	922.652	
TOTAL ASSETS	156.275.499	148.676.118	63.617.324	59.800.237	

EQUITY AND LIABILITIES	GROUP		PARENT		
	31/12 2024	31/12 2023	31/12 2024	31/12 2023	Note
Share capital	40.000	40.000	40.000	40.000	13
Retained earnings	61.877.532	57.737.495	61.877.530	58.520.768	
Proposed dividends for the financial year	135.000	0	135.000	122.000	
Minority interest	5.530.479	5.080.762	0	0	
EQUITY	67.583.011	62.858.257	62.052.530	58.682.768	
Provision for deferred tax	618.860	733.147	0	0	5
Other provisions	195.790	167.388	0	0	14
PROVISIONS	814.650	900.535	0	0	
Other payables	2.533.552	2.702.980	0	0	
LONG-TERM LIABILITIES OTHER THAN PROVISIONS	2.533.552	2.702.980	0	0	15
Other credit institutions	61.103.158	62.189.311	0	0	
Trade payables	15.831.263	11.499.224	16.250	16.250	
Payables to group enterprises	0	0	268.895	193.286	
Income taxes	1.217.894	670.774	605.265	0	5
Joint tax contribution payables	0	0	585.324	907.933	5
Other payables	6.097.971	6.278.037	89.060	0	
Deferred income	1.094.000	1.577.000	0	0	
SHORT-TERM LIABILITIES OTHER THAN PROVISIONS	85.344.286	82.214.346	1.564.794	1.117.469	
LIABILITIES OTHER THAN PROVISIONS	87.877.838	84.917.326	1.564.794	1.117.469	
TOTAL EQUITY AND LIABILITIES	156.275.499	148.676.118	63.617.324	59.800.237	

1 Disclosures on fair value and derivative, financial instruments
6 Distribution of profit/loss
16 Contingent liabilities
17 Assets charged and security
18 Contractual obligations
19 Related parties
20 Adjustment

Statement of changes in equity

	GROUP				
	Share capital	Retained earnings	Proposed dividends	Minority interests	TOTAL
Equity at 1/1 2023	40.000	54.757.134	0	4.920.200	59.717.334
Adjustment		196.142	0	-285.526	-89.384
Transferred from distribution of profit/loss	0	4.017.726	0	446.088	4.463.814
Adjustments of hedging instruments	0	-1.233.507	0	0	-1.233.507
Equity at 1/1 2024	40.000	57.737.495	0	5.080.762	62.858.257
Adjustment	0	-317.443	0	282.449	-34.994
Transferred from distribution of profit/loss	0	3.268.366	135.000	167.268	3.570.634
Adjustments of hedging instruments	0	1.189.114	0	0	1.189.114
Equity at 31/12 2024	40.000	61.877.532	135.000	5.530.479	67.583.011

Statement of changes in equity

	PARENT			
	Share capital	Retained earnings	Proposed dividends	TOTAL
Equity at 1/1 2023	40.000	54.757.135	0	54.797.135
Transferred from distribution of profit/loss	0	4.997.140	122.000	5.119.140
Change in equity in equity investments	0	-1.233.507	0	-1.233.507
Equity at 1/1 2024	40.000	58.520.768	122.000	58.682.768
Paid dividend	0	0	-122.000	-122.000
Transferred from distribution of profit/loss	0	2.167.648	135.000	2.302.648
Change in equity in equity investments	0	1.189.114	0	1.189.114
Equity at 31/12 2024	40.000	61.877.530	135.000	62.052.530

CASH FLOW STATEMENT	GROUP		
	2024	2023	Note
Profit/loss for the year	3.570.634	4.463.814	
Amortisation, depreciation and impairment for loss fixed assets	2.850.044	3.197.529	
Adjustments	5.207.492	1.640.601	20
Change in inventories	-310.422	-802.262	
Change in trade receivables	-10.972.168	2.705.472	
Change in trade payables	4.332.039	-853.458	
Change in other working capital items	-1.898.272	4.197.395	
Cash from operating profit/loss	2.779.347	14.549.091	
Financial income	1.168.740	809.949	
Financial expenses	-4.205.788	-3.207.603	
Income tax paid/refund	-748.041	-614.301	
CASH FLOWS FROM OPERATING ACTIVITIES	-1.005.742	11.537.136	
Acquisition of intangible assets	-80.000	0	
Acquisition of property, plant and equipment	-274.869	-829.107	
Acquisition of fixed asset investments	-159.349	-160.110	
CASH FLOWS FROM INVESTING ACTIVITIES	-514.218	-989.217	
Inception of other long-term liabilities	-169.428	328.700	
CASH FLOWS FROM FINANCING ACTIVITIES	-169.428	328.700	
CHANGES FOR THE YEAR IN CASH AND CASH EQUIVALENTS	-1.689.388	10.876.619	
Cash and cash equivalents at 1/1 2024	-49.496.070	-60.372.689	
CASH AND CASH EQUIVALENTS AT 31/12 2024	-51.185.458	-49.496.070	
Cash	9.917.700	12.693.241	
Other credit institutions (short term)	-61.103.158	-62.189.311	
CASH AND CASH EQUIVALENTS AT 31/12 2024	-51.185.458	-49.496.070	

1 Disclosures on fair value and derivative, financial instruments

Group:	Derivative financial instruments
Interest rate swap	
Fair value at end of period recognised in the equity	-1.235.082
Change in fair value for the year recognised in the equity	937.085

Interest rate swap agreements have been entered into to hedge future interest payments on variable rate loans. The agreements have a term of 4-10 years. All agreements expires on June 2027. Interest rate on CIBOR 3M is exchanged with fixed interest rates of 1,19 % - 2,19 %. All contracts entered into are with well established banks as counterpart.

	Derivative financial instruments
Forward exchange transaction	
Fair value at end of period recognised in the equity	-247.432
Change in fair value of the year recognised in the equity	-247.432

Forward exchange transaction agreement have been entered into, to hedge future cash flows related to purchases of goods in USD. The group sold EUR 3,679,310 and pur chased USD for an equivalent amount. The financial contracts expire on a rolling basis between Janu ary 2025 and December 2025.

		GROUP		PARENT	
2	**Staff costs**	2024	2023	2024	2023
	Wages and salaries	46.248.325	48.227.685	0	0
	Pensions	2.289.520	2.278.610	0	0
	Other social security costs	1.737.690	1.741.953	0	0
	TOTAL	50.275.535	52.248.248	0	0
	The average number of full-time employees	88	93	0	0
	Management's remuneration:				
	The board of Directors	1.920.000	1.920.000	0	0
	The Board of Executives	1.610.000	1.040.000	0	0
	TOTAL	3.530.000	2.960.000	0	0

		GROUP		PARENT	
3	**Other financial income**	2024	2023	2024	2023
	Other financial income	1.168.740	809.949	31	33
	TOTAL	1.168.740	809.949	31	33

		GROUP		PARENT	
4	**Other financial expenses**	2024	2023	2024	2023
	Other financial expenses	4.205.788	3.207.603	26.762	8.176
	TOTAL	4.205.788	3.207.603	26.762	8.176

		GROUP		PARENT	
5	**Corporation tax and deferred tax**	2024	2023	2024	2023
	Income taxes				
	Tax on profit/loss for the year	1.396.351	907.975	-10.888	-5.656
	Tax on equity items	-290.280	326.153	0	0
	Deferred tax	-101.505	-10.008	0	0
	TOTAL	1.004.566	1.224.120	-10.888	-5.656
	Income taxes payable:				
	Payable at 1/1 2024	661.160	614.301	-5.656	-6.706
	Paid taxes/adjustments	-748.041	-1.187.269	5.656	6.706
	Tax on profit/loss for the year	1.396.351	907.975	-10.888	-5.656
	Tax on equity items	-290.280	326.153	0	0
	PAYABLE AT 31/12 2024	1.019.190	661.160	-10.888	-5.656
	Income taxes payable are classified as following:				
	Income taxes/Joint tax contribution receivables	-198.704	-9.614	-1.201.477	-913.589
	Income taxes/Joint tax contribution payables	1.217.894	670.774	1.190.589	907.933
	PAYABLE AT 31/12 2024	1.019.190	661.160	-10.888	-5.656
	Deferred tax:				
	Deferred tax at 1/1 2024	733.147	808.882	0	0
	Adjustment, previous years	-12.782	-65.727	0	0
	Deferred tax for the year	-101.505	-10.008	0	0
	DEFERRED TAX AT 31/12 2024	618.860	733.147	0	0
	Deferred tax is incumbent upon the following assets and liabilities:				
	Intangible assets	701.122	632.643	0	0
	Tangible assets	-82.262	100.504	0	0
	TOTAL	618.860	733.147	0	0

Deferred tax assets are measured at net realisable value, and are based on management's best estimate of the possibility of utilizing losses carried forward within a 3-5 year period. Based on updated budgets for the coming years, a positive expectation is expected for the utilization of the tax asset.

	GROUP		PARENT	
6 Distribution of profit/loss	2024	2023	2024	2023
Proposed dividends for the financial year	135.000	0	135.000	122.000
Retained earnings	3.268.366	4.017.726	2.167.648	4.997.140
Minority shareholders' share of the profit for the year	167.268	446.088	0	0
PROFIT/LOSS FOR THE YEAR	3.570.634	4.463.814	2.302.648	5.119.140

7 Fixed assets, amortisation and impairment, intangible assets

	GROUP			
	Acquired licenses	Goodwill	TOTAL	31/12 2023
Cost at 1/1 2024	0	14.124.165	14.124.165	14.894.075
Additions for the year	80.000	0	80.000	0
Disposals for the year	0	-3.754.905	-3.754.905	-769.910
COST AT 31/12 2024	80.000	10.369.260	10.449.260	14.124.165
Amortisation and impairment at 1/1 2024	0	9.730.874	9.730.874	9.277.431
Amortisation for the year	0	1.206.371	1.206.371	1.223.353
Amortisation and impairment, disposals for the year	0	-3.754.906	-3.754.906	-769.910
AMORTISATION AND IMPAIRMENT AT 31/12 2024	0	7.182.339	7.182.339	9.730.874
CARRYING AMOUNT AT 31/12 2024	80.000	3.186.921	3.266.921	4.393.291

8 Fixed assets, amortisation and depreciation, plant and equipment

	GROUP			
	Leasehold Improvements	Other fixtures, etc.	TOTAL	31/12 2023
Cost at 1/1 2024	1.259.931	6.464.579	7.724.510	10.104.396
Additions for the year	80.549	194.320	274.869	829.107
Disposals for the year	-547.864	-2.330.760	-2.878.624	-3.208.993
COST AT 31/12 2024	792.616	4.328.139	5.120.755	7.724.510
Amortisation, depreciation and impairment at 1/1 2024	708.691	3.343.633	4.052.324	5.287.141
Depreciation for the year	263.013	1.380.660	1.643.673	1.974.176
Amortisation, depreciation and impairment, disposals for the year	-547.864	-2.330.760	-2.878.624	-3.208.993
AMORTISATION, DEPRECIATION AND IMPAIRMENT 31/12 2024	423.840	2.393.533	2.817.373	4.052.324
CARRYING AMOUNT AT 31/12 2024	368.776	1.934.606	2.303.382	3.672.186
Of this, assets held under finance lease are included by	0	0	0	24.180

9 Fixed assets, amortisation and depreciation, fixed asset investments

	GROUP		
	Other Receivables	TOTAL	31/12 2023
Cost 1/1 2024	3.613.705	3.613.705	3.453.595
Additions for the year	159.349	159.349	160.110
Disposals for the year	0	0	0
COST AT 31/12 2024	3.773.054	3.773.054	3.613.705
CARRYING AMOUNT AT 31/12 2024	3.773.054	3.773.054	3.613.705

10 Fixed assets, amortisation and depreciation, fixed asset investments

	PARENT		
	Investments in group enterprises	TOTAL	31/12 2023
Cost 1/1 2024	60.776.000	60.776.000	60.776.000
COST AT 31/12 2024	60.776.000	60.776.000	60.776.000
Amortisations and impairment at 1/1 2024	1.898.415	1.898.415	5.804.097
Revaluation for the year	-2.341.254	-2.341.254	-5.139.189
Equity adjustments	-1.189.114	-1.189.114	1.233.507
AMORTISATIONS AND IMPAIRMENT AT 31/12 2024	-1.631.953	-1.631.953	1.898.415
CARRYING AMOUNT AT 31/12 2024	62.407.953	62.407.953	58.877.585

11 Investments in group enterprises

					Morilo Holding ApS's share	
	Ownership share	Contributed capital	Profit or loss for the year	Equity	Profit share for the year	Equity for the year
Group enterprises:						
Mogens Jepsen Holding ApS, Copenhagen	100%	125.000	2.341.254	62.407.953	2.341.254	62.407.953
TOTAL					2.341.254	62.407.953

Reference is made to the group structure on page 2 for the indirect ownership interests.

	GROUP		PARENT	
12 Prepayments (Assets)	31/12 2024	31/12 2023	31/12 2024	31/12 2023
Prepaid rent	673.169	536.000	0	0
Other prepayments	554.120	538.562	0	0
TOTAL	1.227.289	1.074.562	0	0

13 Share capital

The share capital consists of 40 certificates of DKK 1,000. The shares have not been divided into classes.

	GROUP		PARENT	
14 Other provisions	31/12 2024	31/12 2023	31/12 2024	31/12 2023
Other provisions at 1/1 2024	167.388	186.975	0	0
Reserved for the year	28.402	0	0	0
Reversal of unutilised provisions	0	-19.587	0	0
OTHER PROVISIONS AT 31/12 2024	195.790	167.388	0	0
Other provisions consists of:				
Future return of goods sold	195.790	167.388	0	0
TOTAL	195.790	167.388	0	0

The calculation of future returns is based on an estimate, which contains historical data on the individual suppliers' return percentages adjusted for the development in revenue.

	GROUP		PARENT	
15 Long-term liabilities other than provisions	31/12 2024	31/12 2023	31/12 2024	31/12 2023
Other payables	2.533.552	2.702.980	0	0
TOTAL	2.533.552	2.702.980	0	0

No instalments next financial year.
No instalments next five financial years.

16 Contingent liabilities

Group:

The group has provided guarantees to landlords. On 31 December 2024 the total guarantees were DKK 681 thousand.

The Parent company:

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. The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

17 Assets charged and security

Group:

As security for bank debts the group has provided a floating company charge of DKK 45.000 thousand and security in intangible assets, inventories, fixed assets, trade goods and receivable including claims. Booked value of assets depos ited as security is DKK 132.859 thousand.

For bank commitment, Mogens Jepsen Holding ApS has provided security in company bank deposit, the book value amounts to 1.250 (in thousand DKK).

The Parent company:

For the security of debt of the subsidiaries (Molo A/S) to credit institutions, the company has provided a surety (credit quarantee). The total liability appears from the annual report for Molo A/S.

18 Contractual obligations

Group:

The group has total lease liabilites of DKK 541 thousand on 31 December 2024.

The group has made a rent agreement pending to the year 2027. The overall residual rent agreement aggregate approx. DKK 15.619 thousand.

19 Related parties

The Company's related parties with controlling interest comprise the following:

Controlling interest:	Basis of controlling interest:
Mogens Jepsen	Owner of Morilo Holding ApS
Rikke Bundgaard Jepsen	Owner of Morilo Holding ApS

No diclosures of transactions with related parties have been dislosed as Management believes that all trancations with related parties has been carried out on arms lenght basis.

	GROUP		PARENT	
20 Reguleringer	2024	2023	2024	2023
Other financial income	-1.168.740	-809.949	0	0
Other financial expenses	4.205.788	3.207.603	0	0
Tax on profit/loss for the year	1.106.071	1.234.128	0	0
Adjustment deferred tax	-114.287	-75.735	0	0
Changes in financial instruments	1.524.505	-1.581.419	0	0
Other adjustsments	-345.845	-334.027	0	0
TOTAL	5.207.492	1.640.601	0	0

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Rikke Bundgaard Jepsen
Direktør
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2025-04-23 08:56:00 UTC

Mogens Jepsen
Direktør
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Michael Dam-Johansen
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Shpend Rasimi
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2025-04-24 17:50:52 UTC

Mogens Jepsen
Dirigent
Serienummer: d56cb749-d0b4-42da-8745-d83e0ab75c51
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