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BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
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CVR no. 20 22 26 70

GEJSER APS
ERHVERVSPARKEN KLANK 3, 8464 GALTEN
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 6 July 2023**

Brian Sørensen

CVR NO. 32 33 72 60

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COMPANY DETAILS

Company	GEJSER ApS Erhvervsparken Klank 3 8464 Galten
	CVR No.: 32 33 72 60 Established: 24 April 2013 Municipality: Skanderborg Financial Year: 1 January - 31 December
Executive Board	Jens Nygaard Andersen
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Danske Bank Jægergårdsgade 101B 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of GEjSER ApS for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Galten, 6 July 2023

Executive Board

Jens Nygaard Andersen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of GEJSER ApS

Opinion

We have audited the Financial Statements of GEJSER ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 in preparing the Financial Statements 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 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 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 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- 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 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 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 the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and 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 internal control that we identify during our audit.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 6 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Gross profit/loss.....	42.833	45.679	38.395	28.745	28.290
Operating profit/loss before depreciation and amortisation (EBITDA)...	8.515	15.700	10.642	3.004	6.657
Operating profit/loss of main activities...	7.630	15.047	9.779	2.532	6.322
Financial income and expenses, net.....	-74	-67	-19	20	-125
Profit/loss for the year before tax.....	7.556	14.980	9.759	2.553	6.197
Profit/loss for the year.....	5.890	11.676	7.613	1.974	4.829
Balance sheet					
Total assets.....	28.273	26.375	23.634	18.934	23.120
Equity.....	17.758	17.868	14.192	11.796	10.821
Investment in property, plant and equipment.....	-1.343	-358	-350	-1.187	-894
Average number of full-time employees.....	93	84	81	78	59
Key ratios					
Return on invested capital.....	51,5	97,6	20,9	70,2	78,0
Equity ratio.....	62,8	67,7	60,0	62,3	46,8
Return on equity.....	33,1	72,8	58,6	17,5	32,4

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current
Return on invested capital:	$\frac{\text{Operating Profit/loss} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise trading in electronic cigarettes and related accessories as well as related activities.

Development in activities and financial and economic position

The gross profit for the year amounts to DKK 42,833k against DKK 45,679k last year. The profit for the year amounts to DKK 5,890k against DKK 11,676k last year. The profit is influenced by the new customs on nicotine products in Denmark.

This year the company has opened 3 new stores, so that the total number of stores per. 31.12.2022 comprises 38 stores.

Profit/loss for the year compared to the expected development

The company's income statement for the year shows a profit before tax of DKK 7,556k and the company's balance sheet per. 31 December 2022 shows a balance sheet total of DKK 28,273k and an equity of DKK 17,758k.

The result for the year is considered satisfactory compared with last year's result.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

Purchase of goods are primarily conducted in DKK through Insano Gros ApS. Prices are based on actual cost on the purchased goods in Insano Gros ApS, who primarily conducts their purchases in USD. The Group is aware of fluctuations in exchange rates, and seeks to minimize the risks through timing of purchases and acquisition of USD.

Environmental situation

In the current financial year the company has replaced the heat supply at the company's head office with an energy-saving heat pump as well as installed solar panels. The company focuses on reducing energy consumption and climate impact.

Future expectations

The positive development in the company's activities is expected to continue in the coming year. Revenue is expected to continue to increase, while profit is expected to decrease as a result of the new customs on nicotine products. The Company expects a profit after tax of approx. DKK 4.000k - 5.000k for the next financial year.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		42.832.895	45.679.168
Staff costs.....	1	-34.318.168	-29.979.652
Depreciation, amortisation and impairment losses.....		-772.760	-652.748
Other operating expenses.....		-112.181	0
OPERATING PROFIT		7.629.786	15.046.768
Other financial income.....	2	2.749	0
Other financial expenses.....		-76.633	-67.132
PROFIT BEFORE TAX		7.555.902	14.979.636
Tax on profit/loss for the year.....	3	-1.666.069	-3.303.477
PROFIT FOR THE YEAR	4	5.889.833	11.676.159

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plant, machinery tools and equipment.....		824.679	378.486
Leasehold improvements.....		1.019.640	1.007.310
Property, plant and equipment.....	5	1.844.319	1.385.796
Rent deposit and other receivables.....		2.904.535	2.776.372
Financial non-current assets.....	6	2.904.535	2.776.372
NON-CURRENT ASSETS.....		4.748.854	4.162.168
Finished goods and goods for resale.....		2.673.890	5.749.759
Inventories.....		2.673.890	5.749.759
Trade receivables.....		150.490	740.286
Receivables from group enterprises.....		12.937.362	6.921.804
Other receivables.....		2.236.573	2.498.694
Prepayments.....	7	1.067.816	365.013
Receivables.....		16.392.241	10.525.797
Cash and cash equivalents.....		4.457.827	5.937.106
CURRENT ASSETS.....		23.523.958	22.212.662
ASSETS.....		28.272.812	26.374.830

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		80.000	80.000
Retained earnings.....		17.677.910	11.788.077
Proposed dividend.....		0	6.000.000
EQUITY.....		17.757.910	17.868.077
Provision for deferred tax.....	8	140.100	28.400
PROVISIONS.....		140.100	28.400
Other non-current liabilities.....		24.000	24.000
Non-current liabilities.....	9	24.000	24.000
Trade payables.....		758.050	615.306
Debt to Group companies.....		1.795.991	0
Corporation tax payable.....		1.554.369	3.285.877
Other liabilities.....		6.242.392	4.553.170
Current liabilities.....		10.350.802	8.454.353
LIABILITIES.....		10.374.802	8.478.353
EQUITY AND LIABILITIES.....		28.272.812	26.374.830
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EQUITY

	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022.....	80.000	11.788.077	6.000.000	17.868.077
Proposed profit allocation, see note 4.....		5.889.833		5.889.833
Transactions with owners				
Dividend paid.....			-6.000.000	-6.000.000
Equity at 31 December 2022.....	80.000	17.677.910	0	17.757.910

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	93	84	
Wages and salaries.....	29.040.510	25.503.898	
Pensions.....	3.443.817	2.967.228	
Social security costs.....	912.174	848.686	
Other staff costs.....	921.667	659.840	
	34.318.168	29.979.652	
<p>Information regarding the management salaries has been withheld according to the exemption in The Danish Financial Statements Act § 98 b, act. 3 no. 2.</p>			
Other financial income			2
Other interest income.....	2.749	0	
	2.749	0	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	1.554.369	3.285.877	
Adjustment of deferred tax.....	111.700	17.600	
	1.666.069	3.303.477	
Proposed distribution of profit			4
Proposed dividend for the year.....	0	6.000.000	
Extraordinary dividend.....	0	5.000.000	
Retained earnings.....	5.889.833	676.159	
	5.889.833	11.676.159	

NOTES

			Note
Property, plant and equipment			5
	Other plant, machinery tools and equipment	Leasehold improvements	
Cost at 1 January 2022.....	1.261.886	2.446.096	
Additions.....	745.546	597.918	
Disposals.....	0	-204.322	
Cost at 31 December 2022.....	2.007.432	2.839.692	
Depreciation and impairment losses at 1 January 2022.....	883.400	1.438.786	
Reversal of depreciation of assets disposed of.....	0	-92.141	
Depreciation for the year.....	299.353	473.407	
Depreciation and impairment losses at 31 December 2022....	1.182.753	1.820.052	
Carrying amount at 31 December 2022.....	824.679	1.019.640	
 Financial non-current assets			 6
		Rent deposit and other receivables	
Cost at 1 January 2022.....		2.781.665	
Additions.....		396.538	
Disposals.....		-273.668	
Cost at 31 December 2022.....		2.904.535	
Carrying amount at 31 December 2022.....		2.904.535	
 Prepayments			 7
Prepayments recognized under assets comprise expenses incurred relating to subsequent financial year, and primarily comprise software and consultancy services.			
 Provision for deferred tax			 8
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.			
Deferred tax, beginning of year.....	28.400	10.800	
Deferred tax of the year, income statement.....	111.700	17.600	
Provision for deferred tax 31 December 2022.....	140.100	28.400	

NOTES

	Note															
Long-term liabilities	9															
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 10%;">31/12 2022 total liabilities</th> <th style="text-align: right; width: 10%;">Repayment next year</th> <th style="text-align: right; width: 10%;">Debt outstanding after 5 years</th> <th style="text-align: right; width: 10%;">31/12 2021 total liabilities</th> </tr> </thead> <tbody> <tr> <td style="padding-top: 5px;">Other non-current liabilities.....</td> <td style="text-align: right; vertical-align: bottom;">24.000</td> <td style="text-align: right; vertical-align: bottom;">0</td> <td style="text-align: right; vertical-align: bottom;">24.000</td> <td style="text-align: right; vertical-align: bottom;">24.000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">24.000</td> <td style="text-align: right; border-top: 1px solid black;">0</td> <td style="text-align: right; border-top: 1px solid black;">24.000</td> <td style="text-align: right; border-top: 1px solid black;">24.000</td> </tr> </tbody> </table>		31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities	Other non-current liabilities.....	24.000	0	24.000	24.000		24.000	0	24.000	24.000	
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities												
Other non-current liabilities.....	24.000	0	24.000	24.000												
	24.000	0	24.000	24.000												
Contingencies etc.	10															
<p>Contingent liabilities The company has operational lease and leasing obligations with an average annual payment of 53 t.kr. The leasing obligations amount to 127 t.kr. per. 31.12.22.</p> <p>The company has rental obligations, including associated operating costs with an average annual benefit of 9.235 t.kr. The rent obligations can be terminated with a notice of 3-6 months, in addition ongoing non-termination periods run with 10-52 months. The rent obligations amount to 11.706 t.kr. per. 31.12.22</p> <p>Joint liabilities The company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.</p> <p>Tax payable on the Group's joint taxable income is stated in the annual report of JENS N ANDERSEN HOLDING ApS, which serves as management company for the joint taxation.</p>																
Related parties	11															
<p>The Company's related parties include:</p> <p>Controlling interest Mr. J. N. Andersen, managing director, Knopsvane Alle 66, 8464 Galten, is the principal shareholder.</p> <p>Transactions with related parties The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.</p>																
Consolidated Financial Statements	12															
<p>The company is included in the consolidated financial statements of Jens N Andersen Holding ApS, Sømoosevej 6, CVR 34881375.</p>																

ACCOUNTING POLICIES

The Annual Report of GEJSER ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. Business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Leasehold improvements and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0-68%
Leasehold improvements.....	3-5 years	0%

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured a weighted average. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

ACCOUNTING POLICIES

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.