



True. ApS

Formervangen 13
2600 Glostrup
CVR No. 38460161

Annual report 2023

The Annual General Meeting adopted the annual report on 18.04.2024

Jacob Sand Motzfeldt

Chairman of the General Meeting

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Entity details

Entity

True. ApS

Formervangen 13

2600 Glostrup

Business Registration No.: 38460161

Registered office: Albertslund

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Simon Gustav Seved Petré, Chairman

Noel Christofer Peter Abdayem

Johan Christer Lennartsson

Executive Board

Peter Juul Regnersgaard, Director

Morten Paulin Ebdrup, Director

Jacob Jonassen Motzfeldt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of True. ApS for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 18.04.2024

Executive Board

Peter Juul Regnersgaard
Director

Morten Paulin Ebdrup
Director

Jacob Jonasen Motzfeldt

Board of Directors

Simon Gustav Seved Petrén
Chairman

Noel Christofer Peter Abdayem

Johan Christer Lennartsson

Independent auditor's extended review report

To the shareholders of True. ApS

Conclusion

We have performed an extended review of the financial statements of True. ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 18.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Management commentary

Primary activities

The purpose of the company is to produce, market and sell chewing gum, mints and lozenges.

This year's results come to a profit of DKK 6,153 thousand compared to a profit last year of DKK 3,912 thousand.

Management considers the performance in line with expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		23,813,602	19,674,128
Staff costs	1	(13,268,786)	(13,165,255)
Depreciation, amortisation and impairment losses	2	(1,785,843)	(1,579,303)
Operating profit/loss		8,758,973	4,929,570
Other financial income	3	267,406	595,459
Other financial expenses	4	(1,138,409)	(642,556)
Profit/loss before tax		7,887,970	4,882,473
Tax on profit/loss for the year	5	(1,735,325)	(970,106)
Profit/loss for the year		6,152,645	3,912,367
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	200,000
Retained earnings		6,152,645	3,712,367
Proposed distribution of profit and loss		6,152,645	3,912,367

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	7	2,375,392	2,144,837
Acquired intangible assets		522,500	0
Development projects in progress	7	1,130,366	327,556
Intangible assets	6	4,028,258	2,472,393
Other fixtures and fittings, tools and equipment		2,643,771	3,345,179
Leasehold improvements		879,905	762,804
Property, plant and equipment	8	3,523,676	4,107,983
Deposits		133,975	50,331
Financial assets	9	133,975	50,331
Fixed assets		7,685,909	6,630,707
Raw materials and consumables		5,136,874	7,072,944
Work in progress		263,773	958,669
Manufactured goods and goods for resale		8,391,048	7,934,986
Inventories		13,791,695	15,966,599
Trade receivables		6,328,768	3,614,939
Receivables from group enterprises		7,692,207	9,527,886
Other receivables		564,340	780,662
Prepayments		79,255	26,632
Receivables		14,664,570	13,950,119
Cash		4,200,989	558,306
Current assets		32,657,254	30,475,024
Assets		40,343,163	37,105,731

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		66,957	66,957
Reserve for development expenditure		2,734,491	1,928,467
Retained earnings		15,511,500	10,164,879
Proposed dividend		0	200,000
Equity		18,312,948	12,360,303
Deferred tax		851,785	575,000
Provisions		851,785	575,000
Lease liabilities		1,409,697	2,110,628
Other payables		0	282,035
Non-current liabilities other than provisions	10	1,409,697	2,392,663
Current portion of non-current liabilities other than provisions	10	700,931	789,385
Bank loans		7,815,627	10,107,524
Trade payables		3,141,183	4,892,316
Payables to group enterprises		5,286,151	4,696,134
Joint taxation contribution payable		1,458,540	165,106
Other payables		1,366,301	1,127,300
Current liabilities other than provisions		19,768,733	21,777,765
Liabilities other than provisions		21,178,430	24,170,428
Equity and liabilities		40,343,163	37,105,731
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	66,957	1,928,467	10,164,879	200,000	12,360,303
Ordinary dividend paid	0	0	0	(200,000)	(200,000)
Transfer to reserves	0	806,024	(806,024)	0	0
Profit/loss for the year	0	0	6,152,645	0	6,152,645
Equity end of year	66,957	2,734,491	15,511,500	0	18,312,948

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	12,581,716	12,259,737
Other social security costs	666,979	593,070
Other staff costs	20,091	312,448
	13,268,786	13,165,255
Average number of full-time employees	23	30

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	618,030	345,931
Impairment losses on intangible assets	0	124,144
Depreciation of property, plant and equipment	1,130,171	1,109,228
Profit/loss from sale of intangible assets and property, plant and equipment	37,642	0
	1,785,843	1,579,303

3 Other financial income

	2023	2022
	DKK	DKK
Other interest income	27,895	0
Exchange rate adjustments	239,511	595,459
	267,406	595,459

4 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	222,661	166,176
Other interest expenses	574,269	469,986
Exchange rate adjustments	331,608	0
Other financial expenses	9,871	6,394
	1,138,409	642,556

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	1,458,540	165,106
Change in deferred tax	276,785	805,000
	1,735,325	970,106

6 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	2,666,249	0	327,556
Transfers	100,277	0	(100,277)
Additions	720,808	550,000	935,729
Disposals	0	0	(32,642)
Cost end of year	3,487,334	550,000	1,130,366
Amortisation and impairment losses beginning of year	(521,412)	0	0
Amortisation for the year	(590,530)	(27,500)	0
Amortisation and impairment losses end of year	(1,111,942)	(27,500)	0
Carrying amount end of year	2,375,392	522,500	1,130,366

7 Development projects

Capitalized development costs include improvement and development of new gum flavours, as well as development of new products.

There is continuous development and adjustments in order to continue the growth and expansion of the company. The projects are continuously completed and put to use, after which amortisation is commenced.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalized costs for development projects in the reserve for development costs under equity

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	5,741,026	963,047
Transfers	(350,000)	0
Additions	368,990	216,874
Disposals	(9,995)	0
Cost end of year	5,750,021	1,179,921
Depreciation and impairment losses beginning of year	(2,395,847)	(200,243)
Transfers	315,000	0
Depreciation for the year	(1,030,398)	(99,773)
Reversal regarding disposals	4,995	0
Depreciation and impairment losses end of year	(3,106,250)	(300,016)
Carrying amount end of year	2,643,771	879,905
Recognised assets not owned by entity	2,516,478	0

9 Financial assets

	Deposits DKK
Cost beginning of year	50,331
Additions	83,644
Cost end of year	133,975
Carrying amount end of year	133,975

10 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK
Lease liabilities	700,931	789,385	1,409,697
	700,931	789,385	1,409,697

The amount of non-current liabilities due after 5 years constitutes to DKK 0 thousand.

11 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	605,916	770,797

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where the parent company serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Assets charged and collateral

As security for debt obtained from bank loans there is a registered corporate mortgage amounting to DKK 4,000 thousand. The security includes goodwill, intangible assets, operating equipment and fixtures, inventories and trade receivables. The carrying amount is DKK 32,866 thousand.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, net gain on payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate

of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists

of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.