



True. ApS

Formervangen 13
2600 Glostrup
CVR No. 38460161

Annual report 2022

The Annual General Meeting adopted the
annual report on 16.05.2023

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: 01.01.2022 - 31.12.2022

Board of Directors

Simon Gustav Seved Petrén, Chairman

Noel Christofer Peter Abdayem

Johan Christer Lennartsson

Executive Board

Jacob Sand Motzfeldt, CEO

Peter Juul Regnersgaard, Director

Morten Paulin Ebdrup, Director

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 16.05.2023

Executive Board

Jacob Sand Motzfeldt
CEO

Peter Juul Regnersgaard
Director

Morten Paulin Ebdrup
Director

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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 16.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Anders Theilgaard Iversen

State Authorised Public Accountant
Identification No (MNE) mne47797

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 3,912 thousand compared to a loss last year of DKK 514 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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		14,566,578	14,880,955
Staff costs	1	(8,057,705)	(10,481,692)
Depreciation, amortisation and impairment losses	2	(1,579,303)	(864,117)
Other operating expenses		0	(3,869,129)
Operating profit/loss		4,929,570	(333,983)
Other financial income	3	595,459	0
Other financial expenses	4	(642,556)	(394,460)
Profit/loss before tax		4,882,473	(728,443)
Tax on profit/loss for the year	5	(970,106)	214,849
Profit/loss for the year		3,912,367	(513,594)
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		200,000	0
Retained earnings		3,712,367	(513,594)
Proposed distribution of profit and loss		3,912,367	(513,594)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	7	2,144,837	998,336
Development projects in progress	7	327,556	281,348
Intangible assets	6	2,472,393	1,279,684
Other fixtures and fittings, tools and equipment		3,345,179	4,357,361
Leasehold improvements		762,804	741,634
Property, plant and equipment	8	4,107,983	5,098,995
Deposits		50,331	37,864
Financial assets	9	50,331	37,864
Fixed assets		6,630,707	6,416,543
Raw materials and consumables		7,072,944	5,016,749
Work in progress		958,669	1,172,728
Manufactured goods and goods for resale		7,934,986	5,622,232
Inventories		15,966,599	11,811,709
Trade receivables		3,233,718	2,698,947
Receivables from group enterprises		9,909,107	4,397,145
Deferred tax		0	230,000
Other receivables		780,662	914,797
Prepayments		26,632	2,307
Receivables		13,950,119	8,243,196
Cash		558,306	750,088
Current assets		30,475,024	20,804,993
Assets		37,105,731	27,221,536

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		66,957	66,957
Reserve for development expenditure		1,928,467	998,154
Retained earnings		10,164,879	7,382,825
Proposed dividend		200,000	0
Equity		12,360,303	8,447,936
Deferred tax		575,000	0
Provisions		575,000	0
Lease liabilities		2,110,628	2,905,712
Other payables		282,035	276,234
Non-current liabilities other than provisions	10	2,392,663	3,181,946
Current portion of non-current liabilities other than provisions	10	789,385	737,481
Bank loans		10,107,524	7,776,673
Trade payables		4,892,316	5,421,237
Payables to group enterprises		4,696,134	202,243
Joint taxation contribution payable		165,106	0
Other payables		1,127,300	1,454,020
Current liabilities other than provisions		21,777,765	15,591,654
Liabilities other than provisions		24,170,428	18,773,600
Equity and liabilities		37,105,731	27,221,536
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	66,957	998,154	7,382,825	0	8,447,936
Transfer to reserves	0	930,313	(930,313)	0	0
Profit/loss for the year	0	0	3,712,367	200,000	3,912,367
Equity end of year	66,957	1,928,467	10,164,879	200,000	12,360,303

Notes

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	12,259,737	12,743,879
Other social security costs	593,070	506,829
Other staff costs	312,448	194,064
	13,165,255	13,444,772
Staff costs classified as assets	(5,107,550)	(2,963,080)
	8,057,705	10,481,692
Average number of full-time employees	30	29

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	345,931	51,337
Impairment losses on intangible assets	124,144	0
Depreciation of property, plant and equipment	1,109,228	812,780
	1,579,303	864,117

3 Other financial income

	2022 DKK	2021 DKK
Exchange rate adjustments	595,459	0
	595,459	0

4 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	166,176	453
Other interest expenses	469,986	226,366
Exchange rate adjustments	0	95,332
Other financial expenses	6,394	72,309
	642,556	394,460

5 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	165,106	0
Change in deferred tax	805,000	(228,000)
Adjustment concerning previous years	0	13,151
	970,106	(214,849)

6 Intangible assets

	Completed development projects	Development projects in progress
	DKK	DKK
Cost beginning of year	1,049,673	281,348
Transfers	521,538	(521,538)
Additions	1,095,038	567,746
Cost end of year	2,666,249	327,556
Amortisation and impairment losses beginning of year	(51,337)	0
Impairment losses for the year	(124,144)	0
Amortisation for the year	(345,931)	0
Amortisation and impairment losses end of year	(521,412)	0
Carrying amount end of year	2,144,837	327,556

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	5,721,750	864,107
Additions	19,276	98,940
Cost end of year	5,741,026	963,047
Depreciation and impairment losses beginning of year	(1,364,389)	(122,473)
Depreciation for the year	(1,031,458)	(77,770)
Depreciation and impairment losses end of year	(2,395,847)	(200,243)
Carrying amount end of year	3,345,179	762,804
Recognised assets not owned by entity	2,516,478	0

9 Financial assets

	Deposits DKK
Cost beginning of year	37,864
Additions	12,467
Cost end of year	50,331
Carrying amount end of year	50,331

10 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK
Lease liabilities	789,385	737,481	2,110,628
Other payables	0	0	282,035
	789,385	737,481	2,392,663

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

11 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	770,797	276,038

12 Contingent liabilities

The Company may be liable to a fee from the Danish Tax Authorities at a maximum level of DKK 250 thousand. The case with the Danish Tax Authorities have not yet been finalized.

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 36,456 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary 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 operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

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 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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

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.