



Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

INSANO GROS 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. 39 03 01 60

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COMPANY DETAILS

Company	Insano Gros ApS Erhvervsparken Klank 3 8464 Galten
	CVR No.: 39 03 01 60 Established: 11 October 2017 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 Åboulevarden 69 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Insano Gros 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, 3 July 2023

Executive Board

Jens Nygaard Andersen

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Insano Gros ApS

Conclusion

We have performed an extended review of the Financial Statements of Insano Gros ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position 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 Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 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 in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed 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.

THE INDEPENDENT AUDITOR'S REPORT

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 during 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 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 in the Management Commentary.

Aarhus, 3 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise of development, production and sale of e-cigarette articles as well as other activities that the management may decide.

Development in activities and financial and economic position

Gross profits amount to DKK 1.757.637 this year, compared to DKK 3.055.034 last year. Profits after tax amount to DKK 787.844 compared to DKK 2.474.179 last year.

The management considers this years profits as satisfactory.

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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		1.757.637	3.055.034
Depreciation, amortisation and impairment losses.....		-236.566	-94.865
OPERATING PROFIT		1.521.071	2.960.169
Other financial income.....		-309.871	378.775
Other financial expenses.....	1	-201.066	-165.315
PROFIT BEFORE TAX		1.010.134	3.173.629
Tax on profit/loss for the year.....	2	-222.290	-699.450
PROFIT FOR THE YEAR		787.844	2.474.179
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		787.844	2.474.179
TOTAL		787.844	2.474.179

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Intangible fixed assets acquired.....		301.860	0
Intangible assets.....	3	301.860	0
Other plant, machinery tools and equipment.....		680.126	512.114
Property, plant and equipment.....	4	680.126	512.114
Rent deposit and other receivables.....		270.925	270.925
Financial non-current assets.....	5	270.925	270.925
NON-CURRENT ASSETS.....		1.252.911	783.039
Finished goods and goods for resale.....		10.034.551	9.135.521
Prepayments.....		2.841.617	1.721.259
Inventories.....		12.876.168	10.856.780
Trade receivables.....		3.221	66.602
Receivables from group enterprises.....		713.000	632.000
Other receivables.....		2.558.777	2.884.538
Prepayments.....		597.288	275.544
Receivables.....		3.872.286	3.858.684
Cash and cash equivalents.....		2.378.540	1.459.266
CURRENT ASSETS.....		19.126.994	16.174.730
ASSETS.....		20.379.905	16.957.769

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		50.000	50.000
Retained earnings.....		5.543.820	4.755.976
EQUITY.....		5.593.820	4.805.976
Provision for deferred tax.....		234.900	90.100
PROVISIONS.....		234.900	90.100
Payables to group enterprises.....		1.556.445	3.226.470
Other non-current liabilities.....		0	402.500
Non-current liabilities.....	6	1.556.445	3.628.970
Trade payables.....		489.601	927.381
Debt to Group companies.....		12.427.649	6.072.043
Corporation tax payable.....		77.490	632.000
Other liabilities.....		0	801.299
Current liabilities.....		12.994.740	8.432.723
LIABILITIES.....		14.551.185	12.061.693
EQUITY AND LIABILITIES.....		20.379.905	16.957.769
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EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	50.000	4.755.976	4.805.976
Proposed profit allocation.....		787.844	787.844
Equity at 31 December 2022.....	50.000	5.543.820	5.593.820

NOTES

	2022 DKK	2021 DKK	Note
Other financial expenses			1
Group enterprises.....	104.628	150.072	
Other interest expenses.....	96.438	15.243	
	201.066	165.315	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	77.490	632.000	
Adjustment of deferred tax.....	144.800	67.450	
	222.290	699.450	
Intangible assets			3
		Intangible fixed assets acquired	
Additions.....		402.480	
Cost at 31 December 2022.....		402.480	
Amortisation for the year.....		100.620	
Amortisation at 31 December 2022.....		100.620	
Carrying amount at 31 December 2022.....		301.860	
Property, plant and equipment			4
		Other plant, machinery tools and equipment	
Cost at 1 January 2022.....		679.739	
Additions.....		303.958	
Cost at 31 December 2022.....		983.697	
Depreciation and impairment losses at 1 January 2022.....		167.625	
Depreciation for the year.....		135.946	
Depreciation and impairment losses at 31 December 2022.....		303.571	
Carrying amount at 31 December 2022.....		680.126	
Financial non-current assets			5
		Rent deposit and other receivables	
Cost at 1 January 2022.....		270.925	
Cost at 31 December 2022.....		270.925	
Carrying amount at 31 December 2022.....		270.925	

NOTES

	Note																														
Fixed asset investments (continued)	5																														
Long-term liabilities	6																														
<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%; text-align: right;">31/12 2022</th> <th style="width: 10%; text-align: right;">Repayment</th> <th style="width: 10%; text-align: right;">Debt</th> <th style="width: 10%; text-align: right;">31/12 2021</th> </tr> <tr> <td></td> <td style="text-align: right;">total liabilities</td> <td style="text-align: right;">next year</td> <td style="text-align: right;">outstanding</td> <td style="text-align: right;">total liabilities</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">after 5 years</td> <td></td> </tr> </thead> <tbody> <tr> <td>Payables to group enterprises.....</td> <td style="text-align: right;">3.226.469</td> <td style="text-align: right;">1.670.024</td> <td style="text-align: right;">0</td> <td style="text-align: right;">5.622.383</td> </tr> <tr> <td>Other non-current liabilities.....</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">402.500</td> </tr> <tr> <td></td> <td style="text-align: right;">3.226.469</td> <td style="text-align: right;">1.670.024</td> <td style="text-align: right;">0</td> <td style="text-align: right;">6.024.883</td> </tr> </tbody> </table>		31/12 2022	Repayment	Debt	31/12 2021		total liabilities	next year	outstanding	total liabilities				after 5 years		Payables to group enterprises.....	3.226.469	1.670.024	0	5.622.383	Other non-current liabilities.....	0	0	0	402.500		3.226.469	1.670.024	0	6.024.883	
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Contingencies etc.	7																														
<p>Contingent liabilities The company has signed a rent agreement that is irrevocable until 30 May 2024. Commitment represents a total of TDKK 825. The year commitment for rent is TDKK 575.</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>																															
Charges and securities	8																														
<p>As security for the sister company GEJSER ApS balances with banks, the company has given unlimited guarantee for payments. The sister company's debt with the bank is DKK 0 as per 31 December 2022.</p>																															
Consolidated Financial Statements	9																														
<p>The company is included in the consolidated financial statements of Jens N Andersen Holding ApS, Sømosevej 6, CVR 34881375.</p>																															

ACCOUNTING POLICIES

The Annual Report of Insano Gros ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

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

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.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

ACCOUNTING POLICIES

Land and buildings, production plant and machinery, 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.....	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 intangible fixed and 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 at cost using the FIFO-principle. 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 cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

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.