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INSANO GROS APS
ERHVERVSPARKEN KLANK 3, 8464 GALTEN
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 8 May 2024**

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 Vestre Ringgade 28 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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 8 May 2024

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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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, 8 May 2024

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 1.322.579 this year, compared to DKK 1.757.637 last year. Profits after tax amount to DKK 1.076.920 compared to DKK 787.844 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	2023 DKK	2022 DKK
GROSS PROFIT		1.322.579	1.757.637
Depreciation, amortisation and impairment losses.....		-290.831	-236.566
OPERATING PROFIT		1.031.748	1.521.071
Other financial income.....		337.591	-309.871
Other financial expenses.....	1	-71.467	-201.066
PROFIT BEFORE TAX		1.297.872	1.010.134
Tax on profit/loss for the year.....	2	-220.952	-222.290
PROFIT FOR THE YEAR		1.076.920	787.844
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		1.076.920	787.844
TOTAL		1.076.920	787.844

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Intangible fixed assets acquired.....		201.240	301.860
Intangible assets.....	3	201.240	301.860
Other plant, machinery tools and equipment.....		518.740	680.126
Property, plant and equipment.....	4	518.740	680.126
Rent deposit and other receivables.....		396.320	270.925
Financial non-current assets.....	5	396.320	270.925
NON-CURRENT ASSETS.....		1.116.300	1.252.911
Finished goods and goods for resale.....		9.952.293	10.034.551
Prepayments.....		2.355.337	2.841.617
Inventories.....		12.307.630	12.876.168
Trade receivables.....		65.689	3.221
Receivables from group enterprises.....		0	713.000
Other receivables.....		14.399	2.558.777
Prepayments.....		760.772	597.288
Receivables.....		840.860	3.872.286
Cash and cash equivalents.....		1.083.175	2.378.540
CURRENT ASSETS.....		14.231.665	19.126.994
ASSETS.....		15.347.965	20.379.905

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		50.000	50.000
Fair value reserve, hedging.....		-237.119	0
Retained earnings.....		6.620.740	5.543.820
EQUITY.....		6.433.621	5.593.820
Provision for deferred tax.....		169.720	234.900
PROVISIONS.....		169.720	234.900
Payables to group enterprises.....		0	1.556.445
Non-current liabilities.....	6	0	1.556.445
Trade payables.....		1.021.832	489.601
Debt to Group companies.....		5.648.338	12.427.649
Corporation tax payable.....		219.252	77.490
Derivative financial instruments.....	7	303.999	0
Other liabilities.....		1.551.203	0
Current liabilities.....		8.744.624	12.994.740
LIABILITIES.....		8.744.624	14.551.185
EQUITY AND LIABILITIES.....		15.347.965	20.379.905
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EQUITY

DKK	Share Capital	Fair value reserve, hedging	Retained earnings	Total
Equity at 1 January 2023.....	50.000	0	5.543.820	5.593.820
Proposed profit allocation.....			1.076.920	1.076.920
Change fair value reserves				
Value adjustments in the year.....		-303.999		-303.999
Tax on changes in equity.....		66.880		66.880
Equity at 31 December 2023.....	50.000	-237.119	6.620.740	6.433.621

NOTES

	2023 DKK	2022 DKK	Note
Other financial expenses			1
Group enterprises.....	60.829	104.628	
Other interest expenses.....	10.638	96.438	
	71.467	201.066	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	219.252	77.490	
Adjustment of deferred tax.....	1.700	144.800	
	220.952	222.290	
Intangible assets			3
DKK		Intangible fixed assets acquired	
Cost at 1 January 2023.....		402.480	
Cost at 31 December 2023.....		402.480	
Amortisation at 1 January 2023.....		100.620	
Amortisation for the year.....		100.620	
Amortisation at 31 December 2023.....		201.240	
Carrying amount at 31 December 2023.....		201.240	
Property, plant and equipment			4
DKK		Other plant, machinery tools and equipment	
Cost at 1 January 2023.....		983.697	
Additions.....		28.825	
Cost at 31 December 2023.....		1.012.522	
Depreciation and impairment losses at 1 January 2023.....		303.571	
Depreciation for the year.....		190.211	
Depreciation and impairment losses at 31 December 2023.....		493.782	
Carrying amount at 31 December 2023.....		518.740	
Financial non-current assets			5
DKK		Rent deposit and other receivables	
Cost at 1 January 2023.....		270.925	
Additions.....		125.395	
Cost at 31 December 2023.....		396.320	
Carrying amount at 31 December 2023.....		396.320	

NOTES

				Note
Long-term liabilities				6
	31/12 2023	Repayment	Debt	
	total liabilities	next year	outstanding	31/12 2022
			after 5 years	total liabilities
Payables to group enterprises.....	1.556.442	1.556.442	0	3.226.469
	1.556.442	1.556.442	0	3.226.469

Derivative financial instruments **7**

The hedging instruments impact the Balance Sheet, Income Statement and Equity as follows:

	Currency forward contract
Fair value at 31 December 2023	
Liabilities.....	-303.999
	-303.999
Value adjustment in the year recognised in Equity.....	-237.119

The company has engaged in currency forward contracts to hedge against future cash outflows from purchases denominated in foreign currencies. These contracts have been established with the company's standard financial institution. Contracts were initiated in 2023 to fix the exchange rate of the USD for upcoming purchases. As of December 31, 2023, agreements have been made to acquire 1.800 T.USD at a total value of 11.972 t.DKK. The remaining maturity of the contracts ranges from 0 to 12 months. The fair value is determined based on the market value provided by the bank as of December 31, 2023, with adjustments made for own credit risk and other relevant factors, although such adjustments are deemed insignificant given the short-term nature of the contracts.

Contingencies etc. **8**

Contingent liabilities

The company has signed a rent agreement that is irrevocable until 30 May 2024. Commitment represents a total of TDKK 267. The year commitment for rent is TDKK 634.

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.

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.

Charges and securities **9**

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 2023.

NOTES**Note****Consolidated Financial Statements****10**

The company is included in the consolidated financial statements of Jens N Andersen Holding ApS, Sømoosevej 6, CVR 34881375.

ACCOUNTING POLICIES

The Annual Report of Insano Gros ApS for 2023 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.

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 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.

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 intangible fixed assets is measured at cost less accumulated amortisation. Intangible fixed assets is amortised on a straight-line basis over the expected useful life which is estimated to 3 years. The period of amortisation is determined based on an assessment of the acquired assets.

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:

	<i>Useful life</i>	<i>Residual value</i>
<i>Other plant, fixtures and equipment.....</i>	<i>5 years</i>	<i>0%</i>

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.