

TannerMedico A/S

Agern Allé 1, 2970 Hørsholm

Company reg. no. 28 69 57 80

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 19 June 2023.

Peter Jørgen Giersing
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of TannerMedico A/S for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Hørsholm, 19 June 2023

Managing Director

René Arnfeldt Møller

Board of directors

Peter Jørgen Giersing

René Arnfeldt Møller

Stephanie Cecilia Arnfeldt
Castella

Jacob Ziirsten Hatt

Independent auditor's report

To the Shareholder of TannerMedico A/S

Opinion

We have audited the financial statements of TannerMedico A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 19 June 2023

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Winther Rasmussen

State Authorised Public Accountant
mne28708

Jacob Helly Juell-Hansen

State Authorised Public Accountant
mne36169

Company information

The company

TannerMedico A/S
Agern Allé 1
2970 Hørsholm

Company reg. no. 28 69 57 80
Financial year: 1 January - 31 December

Board of directors

Peter Jørgen Giersing
René Arnfeldt Møller
Stephanie Cecilia Arnfeldt Castella
Jacob Ziirsten Hatt

Managing Director

René Arnfeldt Møller

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Ramas International ApS

Management's review

The principal activities of the company

TannerMedico A/S manufactures and internationally distributes products within the sleep category, including Asonor Anti Snoring Solution and Asonor Sleep Support.

Asonor Anti Snoring Solution complies with Medical Device Regulations and manufactures according to EU GMP and ISO 13485.

Asonor Sleep Support is a food supplement that naturally contributes to better sleep and complies with EU regulations.

TannerMedico A/S markets its products worldwide through pharmacies and online platforms.

We remain committed to expanding our market reach, increasing our product offerings, and prioritizing quality and regulatory compliance in all our activities.

Development in activities and financial matters

The gross profit for the year amounts to TDKK 3.808 against TDKK 2.462 last year. The ordinary result after tax amounts to TDKK 371 against TDKK 389 the previous year..

The result is according to the expectations.

Events occurring after the end of the financial year

No significant events occurred after the end of the financial year.

Accounting policies

The annual report for TannerMedico A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external expences

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are measured at cost less accrued amortisation.

Development costs are amortised on a straightline basis over a period of 10 years.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and writedown for impairment.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Accounting policies

According to the rules of joint taxation, TannerMedico A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	3.808.486	2.462
2 Staff costs	-2.689.816	-2.338
Depreciation and impairment of non-current assets	-149.334	-149
Operating profit	969.336	-25
Other financial income	130.496	619
Other financial expenses	-624.460	-95
Pre-tax net profit or loss	475.372	499
Tax on net profit or loss for the year	-104.608	-110
Net profit or loss for the year	370.764	389
Proposed distribution of net profit:		
Transferred to retained earnings	370.764	389
Total allocations and transfers	370.764	389

Balance sheet at 31 December

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
3 Patents, licenses, trademarks, and similar rights	639.436	789
Total intangible assets	<u>639.436</u>	<u>789</u>
4 Deposits	39.832	35
Total other non-current assets	<u>39.832</u>	<u>35</u>
Total non-current assets	<u>679.268</u>	<u>824</u>
Current assets		
Manufactured goods and goods for resale	1.452.836	1.548
Total inventories	<u>1.452.836</u>	<u>1.548</u>
Trade receivables	3.246.078	2.765
Receivables from group enterprises	356.108	0
Other receivables	84.811	19
Prepayments	48.478	56
Total receivables	<u>3.735.475</u>	<u>2.840</u>
Other financial investments	937.200	1.438
Total investments	<u>937.200</u>	<u>1.438</u>
Cash and cash equivalents	130.916	215
Total current assets	<u>6.256.427</u>	<u>6.041</u>
Total assets	<u>6.935.695</u>	<u>6.865</u>

Balance sheet at 31 December

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
5 Contributed capital	750.000	750
6 Retained earnings	5.238.373	4.867
Total equity	5.988.373	5.617
Provisions		
Provisions for deferred tax	140.676	54
Total provisions	140.676	54
Liabilities other than provisions		
Bank loans	10.411	415
Trade payables	674.929	601
Payables to group enterprises	0	1
Payables to shareholders and management	3.769	2
Income tax payable to group enterprises	17.644	0
Other payables	99.893	175
Total short term liabilities other than provisions	806.646	1.194
Total liabilities other than provisions	806.646	1.194
Total equity and liabilities	6.935.695	6.865
1 Special items		
7 Charges and security		
8 Contingencies		

Notes

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

	<u>2022</u>	<u>2021</u>
1. Special items		
Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.		
Special items for the year are specified below, indicating where they are recognised in the income statement.		
Income:		
Public payroll compensation	<u>0</u>	<u>60.743</u>
	<u>0</u>	<u>60.743</u>
Special items are recognised in the following items in the financial statements:		
Gross Profit	<u>0</u>	<u>60.743</u>
Profit of special items, net	<u>0</u>	<u>60.743</u>
2. Staff costs		
Salaries and wages	2.245.910	2.082
Pension costs	423.839	236
Other costs for social security	<u>20.067</u>	<u>20</u>
	<u>2.689.816</u>	<u>2.338</u>
Average number of employees	<u>3</u>	<u>3</u>

Notes

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
3. Patents, licenses, trademarks, and similar rights		
Cost 1 January 2022	1.493.336	1.493
Cost 31 December 2022	1.493.336	1.493
Amortisation and write-down 1 January 2022	-704.566	-555
Amortisation for the year	-149.334	-149
Amortisation and write-down 31 December 2022	-853.900	-704
Carrying amount, 31 December 2022	639.436	789
4. Deposits		
Cost 1 January 2022	35.008	32
Additions during the year	4.824	3
Cost 31 December 2022	39.832	35
Carrying amount, 31 December 2022	39.832	35
5. Contributed capital		
Contributed capital 1 January 2022	750.000	750
	750.000	750
6. Retained earnings		
Retained earnings 1 January 2022	4.867.609	3.968
Profit or loss for the year brought forward	370.764	389
Transferred from share premium	0	510
	5.238.373	4.867

Notes

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

7. Charges and security

For bank loans, DKK 10.411, the company has provided security in company assets representing a nominal value of DKK 1.000.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Trade receivables	3.246

8. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	40
Total contingent liabilities	40

Joint taxation

With Ramas International A/S, company reg. no 89504619 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

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Jacob Ziirsen Hatt

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Rene Arnfeldt Møller

Direktør

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Rene Arnfeldt Møller

Bestyrelsesmedlem

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Stephanie Cecilia Arnfeldt Castella

Bestyrelsesmedlem

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Michael Winther Rasmussen

Statsautoriseret revisor

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Jacob Helly Juell-Hansen

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