PKF Munkebo Eriksen Funch
Statsautoriseret Revisionsaktieselskab
Hovedvejen 56
DK-2600 Glostrup
CVR-nr. 14 11 92 99

(+45) 43 96 06 56
pkf@pkf.dk
www.pkf.dk

Cell Biotech International A/S

Strandvejen 125, 2900 Hellerup

Company reg. no. 34 20 72 83

Annual report

2023

The annual report was submitted and approved by the general meeting on the 22 February 2024.

Young Oak Yoon
Chairman of the meeting

Contents

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 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Cell Biotech International A/S for the financial year 2023.

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

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.

Hellerup, 22 February 2024

Managing Director

Chung Myung Jun

Board of directors

Yun Young Oak	Yoon Seong Bae	Chung Myung Jun

Independent auditor's report

To the Shareholder of Cell Biotech International A/S

Opinion

We have audited the financial statements of Cell Biotech International A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 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 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.

Glostrup, 22 February 2024

PKF Munkebo Eriksen Funch
State Authorised Public Accountants
Company reg. no. 14 11 92 99

Thomas Funch
State Authorised Public Accountant
mne47782

Company information

The company	Cell Biotech International A/S Strandvejen 125 2900 Hellerup	
	Company reg. no.	34 20 72 83
	Established:	1 January 2012
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December 12th financial year
Board of directors	Yun Young Oak Yoon Seong Bae Chung Myung Jun	
Managing Director	Chung Myung Jun	
Auditors	PKF Munkebo Eriksen Funch, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup	
Bankers	Danske Bank, Holmens Kanal 2-12, 1092 København K	

Financial highlights

DKK in thousands.	2023	2022	2021	2020	2019
Income statement:					
Gross profit	8.248	7.094	6.870	8.900	7.942
Profit from operating activities	2.674	2.459	1.945	3.172	1.667
Net financials	-23	-47	-46	-67	-814
Net profit or loss for the year	2.651	2.411	1.899	3.105	853
Statement of financial position:					
Balance sheet total	28.301	24.669	19.727	24.993	26.703
Equity	14.550	11.900	9.488	7.590	4.485
Employees:					
Average number of full-time employees	7	6	7	8	7

Management´s review

Description of key activities of the company

In the financial year the company's activity has consisted of trading probiotics, cosmetics, food supplement and general food.

Development in activities and financial matters

The gross profit for the year totals DKK 8.248.000 against DKK 7.094.000 last year. Income or loss from ordinary activities after tax totals DKK 2.651.000 against DKK 2.411.000 last year. Management considers the net profit for the year satisfactory.

Events occurring after the end of the financial year

No events has occured subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for Cell Biotech International 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, write-downs 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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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 manufactured goods and trade goods less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for sales, vehicles, premises and administration.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

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, amortisation of financial assets and liabilities.

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.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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 manfactured goods and trade goods comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

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

Accounting policies

Cash and cash equivalents

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

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.

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.

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

All amounts in DKK.

Note		2023	2022
	Gross profit	**8.247.899**	**7.093.741**
1	Staff costs	-5.516.816	-4.578.127
	Depreciation and impairment of property, land, and equipment	-57.038	-57.038
	Operating profit	**2.674.045**	**2.458.576**
	Other financial income	7.045	5.585
2	Other financial expenses	-30.293	-52.905
	Pre-tax net profit or loss	**2.650.797**	**2.411.256**
	Tax on ordinary results	0	0
	Net profit or loss for the year	**2.650.797**	**2.411.256**
	Proposed distribution of net profit:		
	Transferred to retained earnings	2.650.797	2.411.256
	Total allocations and transfers	**2.650.797**	**2.411.256**

Balance sheet at 31 December

All amounts in DKK.

	Assets		
Note		2023	2022
	Non-current assets		
3	Land and buildings	5.489.097	5.546.135
	Total property, plant, and equipment	5.489.097	5.546.135
4	Deposits	194.147	178.615
	Total investments	194.147	178.615
	Total non-current assets	**5.683.244**	**5.724.750**
	Current assets		
	Manufactured goods and goods for resale	6.367.640	3.566.756
	Total inventories	6.367.640	3.566.756
	Trade receivables	11.015.298	11.009.440
	Prepayments	249.814	245.470
	Total receivables	11.265.112	11.254.910
	Cash and cash equivalents	4.985.150	4.123.004
	Total current assets	**22.617.902**	**18.944.670**
	Total assets	**28.301.146**	**24.669.420**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	18.829.198	18.829.198
	Retained earnings	-4.278.794	-6.929.591
	Total equity	**14.550.404**	**11.899.607**
	Liabilities other than provisions		
	Other payables	0	118.384
	Total long term liabilities other than provisions	0	118.384
	Bank loans	85.811	88.628
	Trade payables	12.513.536	11.777.966
	Other payables	1.151.395	784.835
	Total short term liabilities other than provisions	13.750.742	12.651.429
	Total liabilities other than provisions	**13.750.742**	**12.769.813**
	Total equity and liabilities	**28.301.146**	**24.669.420**

5 Charges and security

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	18.829.198	-9.340.847	9.488.351
Profit or loss for the year brought forward	0	2.411.256	2.411.256
Equity 1 January 2022	18.829.198	-6.929.591	11.899.607
Profit or loss for the year brought forward	0	2.650.797	2.650.797
	18.829.198	**-4.278.794**	**14.550.404**

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	4.628.357	3.854.709
	Pension costs	832.976	670.762
	Other costs for social security	55.483	52.656
		5.516.816	**4.578.127**
	Average number of employees	7	6
2.	**Other financial expenses**		
	Financial costs, group enterprises	0	8.278
	Other financial costs	30.293	44.627
		30.293	**52.905**

		31/12 2023	31/12 2022
3.	**Land and buildings**		
	Cost 1 January 2023	5.859.600	5.859.600
	Cost 31 December 2023	**5.859.600**	**5.859.600**
	Depreciation and write-down 1 January 2023	-313.465	-256.427
	Depreciation for the year	-57.038	-57.038
	Depreciation and write-down 31 December 2023	**-370.503**	**-313.465**
	Carrying amount, 31 December 2023	**5.489.097**	**5.546.135**
4.	**Deposits**		
	Cost 1 January 2023	178.615	0
	Additions during the year	15.532	178.615
	Cost 31 December 2023	**194.147**	**178.615**
	Carrying amount, 31 December 2023	**194.147**	**178.615**

Notes

All amounts in DKK.

5. Charges and security

As security for the total balances with the bank, mortgage has been granted on one of the company's accounts representing a book value of t.DKK 147 at 31 December 2023.

6. Contingencies

Contingent assets

A deferred tax asseet of t.DKK 837 has not been recognized due to uncertainty regarding the timing in the future usage.

Contingent liabilities

Lease liabilities

The company has entered into three leasing contracts. The leasing cntracts have 23-29 months left to run, and the total outstanding leasing payment is t.DKK 381.

Rental liabilities

The company has entered into tenancy agreements. The company has a rental commitment of t.DKK 176 as of 31 December 2023.