PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

Accountants &
business advisers

Cell Biotech International A/S

Strandvejen 125, 2900 Hellerup

Company reg. no. 34 20 72 83

Annual report

2021

The annual report was submitted and approved by the general meeting on the 18 February 2022.

Young Oak Yoon
Chairman of the meeting

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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 report

Today, the Board of Directors and the Managing Director have approved the annual report of Cell Biotech International A/S for the financial year 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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 by the general meeting.

Hellerup, 18 February 2022

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 2021, which comprise 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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.

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.

Independent auditor's report

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, 18 February 2022

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

Kasper Vindelev
State Authorised Public Accountant
mne29389

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 10th financial year
Board of directors	Yun Young Oak Yoon Seong Bae Chung Myung Jun	
Managing Director	Chung Myung Jun	
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup	
Bankers	Danske Bank, Holmens Kanal 2-12, 1092 København K	

Financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	6.870	8.900	7.942	7.572	9.040
Profit from operating activities	1.945	3.172	1.667	1.648	1.698
Net financials	-46	-67	-814	-857	-161
Net profit or loss for the year	1.899	3.105	853	791	1.536
Statement of financial position:					
Balance sheet total	19.727	24.993	26.703	54.888	55.760
Investments in property, plant and equipment	0	0	0	0	5.860
Equity	9.488	7.590	4.485	3.632	2.841
Employees:					
Average number of full-time employees	7	8	7	9	10

Management commentary

The principal 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 6.870.000 against DKK 8.900.000 last year. Income or loss from ordinary activities after tax totals DKK 1.899.000 against DKK 3.105.000 last year. Management considers the net profit or loss 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, 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.

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 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. Recognition of revenue is 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.

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. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown 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 currenc and 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 writedown 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	30 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.

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.

Accounting policies

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. Writedown 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 manufactured and trade goods comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market 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.

Cash and cash equivalents

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

Accounting policies

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		2021	2020
	Gross profit	**6.870.416**	**8.899.568**
1	Staff costs	-4.868.458	-5.670.301
	Depreciation and impairment of property, land, and equipment	-57.038	-57.040
	Operating profit	**1.944.920**	**3.172.227**
	Other financial income	5.132	1.221
2	Other financial costs	-51.374	-68.669
	Pre-tax net profit or loss	**1.898.678**	**3.104.779**
	Tax on ordinary results	0	0
	Net profit or loss for the year	**1.898.678**	**3.104.779**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	1.898.678	3.104.779
	Total allocations and transfers	**1.898.678**	**3.104.779**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
3	Property	5.603.173	5.660.211
4	Other fixtures and fittings, tools and equipment	0	0
	Total property, plant, and equipment	5.603.173	5.660.211
	Total non-current assets	**5.603.173**	**5.660.211**
	Current assets		
	Manufactured goods and goods for resale	4.376.855	5.970.971
	Total inventories	4.376.855	5.970.971
	Trade receivables	8.658.070	9.335.281
	Other receivables	203.610	169.700
	Prepayments and accrued income	200.989	46.932
	Total receivables	9.062.669	9.551.913
	Cash on hand and demand deposits	684.352	3.810.203
	Total current assets	**14.123.876**	**19.333.087**
	Total assets	**19.727.049**	**24.993.298**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		2021	2020
	Equity		
	Contributed capital	18.829.198	18.829.198
	Retained earnings	-9.340.847	-11.239.525
	Total equity	**9.488.351**	**7.589.673**
	Long term labilities other than provisions		
	Other payables	435.892	435.892
5	Total long term liabilities other than provisions	435.892	435.892
	Bank loans	56.223	12.724
	Prepayments received from customers	0	386.695
	Trade payables	5.304.221	7.721.328
	Payables to group enterprises	4.083.547	7.006.710
	Other payables	358.815	1.840.276
	Total short term liabilities other than provisions	9.802.806	16.967.733
	Total liabilities other than provisions	**10.238.698**	**17.403.625**
	Total equity and liabilities	**19.727.049**	**24.993.298**

6 Charges and security

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	18.829.198	-14.344.304	4.484.894
Profit or loss for the year brought forward	0	3.104.779	3.104.779
Equity 1 January 2021	18.829.198	-11.239.525	7.589.673
Profit or loss for the year brought forward	0	1.898.678	1.898.678
	18.829.198	**-9.340.847**	**9.488.351**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	4.142.339	4.848.711
	Pension costs	664.888	760.299
	Other costs for social security	24.141	27.833
	Other staff costs	37.090	33.458
		4.868.458	**5.670.301**
	Average number of employees	7	8
2.	**Other financial costs**		
	Financial costs, group enterprises	15.281	28.425
	Other financial costs	36.093	40.244
		51.374	**68.669**
3.	**Property**		
	Cost 1 January 2021	5.859.600	5.859.600
	Cost 31 December 2021	**5.859.600**	**5.859.600**
	Depreciation and writedown 1 January 2021	-199.389	-142.349
	Depreciation for the year	-57.038	-57.040
	Depreciation and writedown 31 December 2021	**-256.427**	**-199.389**
	Carrying amount, 31 December 2021	**5.603.173**	**5.660.211**

Notes

All amounts in DKK.

	31/12 2021	31/12 2020
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	58.823	58.823
Disposals during the year	-58.823	0
Cost 31 December 2021	**0**	**58.823**
Depreciation and writedown 1 January 2021	-58.823	-58.823
Reversal of depreciation, amortisation and writedown, assets disposed of	58.823	0
Depreciation and writedown 31 December 2021	**0**	**-58.823**
Carrying amount, 31 December 2021	**0**	**0**

5. Liabilities other than provision

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other payables	435.892	0	435.892	0
	435.892	**0**	**435.892**	**0**

6. 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 148 at 31 December 2021.

Notes

All amounts in DKK.

7. Contingencies

Contingent assets

A deferred tax asset of t.DKK 1.957 has not been recognized due to uncertainty regarding the timing in future usage.

Contingent liabilities

Lease liabilities

The company has entered into three leasing contracts. The leasing contracts have 29 months left to run, and the total outstanding leasing payment is t.DKK 164.

Rental liabilities:

The company has entered into tenancy agreements. The company has a rental commitment of t.DKK 164 as of 31 December 2021.