PKF Munkebo Vindelev
Statsautoriseret Revisionsaktieselskab

Accountants &
business advisers

Annual report 2018

Company reg. no. 34 20 72 83

Cell Biotech International A/S

Strandvejen 100

2900 Hellerup

The annual report was submitted and approved by the general meeting on the 13 march 2019

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Young Oak Yoon
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British 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

The board of directors and the managing director have today presented the annual report of Cell Biotech International A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 13 March 2019

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 annual accounts of Cell Biotech International A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review
The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Glostrup, 13 March 2019

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

Kasper Vindelev
State Authorised Public Accountant
mne29389

Company data

The company	Cell Biotech International A/S Strandvejen 100 2900 Hellerup	
	Company reg. no.	34 20 72 83
	Established:	1 January 2012
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December 7th 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.	2018	2017	2016	2015	2014
Profit and loss account:					
Gross profit	7.872	9.040	8.382	2.855	-2.057
Results from operating activities	1.648	1.698	583	-3.152	-7.497
Net financials	-857	-161	0	-47	-44
Results for the year	791	1.536	583	-3.199	-7.541
Balance sheet:					
Balance sheet sum	54.888	55.760	15.577	9.835	7.182
Investments in tangible fixed assets represent	0	5.860	0	434	0
Equity	3.632	2.841	1.304	-5.555	-6.541
Employees:					
Average number of full time employees	9	10	8	6	5

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 is DKK 7.872.000 against DKK 9.040.000 last year. The results from ordinary activities after tax are DKK 791.000 against DKK 1.536.000 last year. The management consider the results satisfactory.

The company has lost more than 50% of the equity, and is thereby included in the regulation of the Danish Company Act. art. 119. The management has presented the annual report on a going concern assumption. It is the management's expectation, that the share capital will be re-establixhed on future earnings.

Events subsequent to the financial year

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

Accounting policies used

The annual report for Cell Biotech International A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

THE PROFIT AND LOSS ACCOUNT

Gross profit

The gross profit comprises the net turnover, cost of sales, other operating income and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of manufactured goods and less discounts.

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for sales, vehicles, premises and administration.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

THE BALANCE SHEET

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

The cost comprises the acquisition cost and costs directly attached to 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.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Buildings	30 years
Other plants, operating assets, fixtures and furniture	3-5 years

Assets with a cost of less than t.DKK 13 per unit are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Inventories

Inventories are measured at cost on the basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for manufactured goods and trade goods comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Accounting policies used

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross profit	**7.872.118**	**9.039.709**
1	Staff costs	-6.079.873	-7.215.430
	Depreciation and writedown relating to tangible fixed assets	-143.794	-126.606
	Operating profit	**1.648.451**	**1.697.673**
2	Other financial costs	-857.081	-161.237
	Results before tax	**791.370**	**1.536.436**
	Results for the year	**791.370**	**1.536.436**
	Proposed distribution of the results:		
	Allocated to results brought forward	791.370	1.536.436
	Distribution in total	**791.370**	**1.536.436**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
3	Land and property	5.774.291	5.831.329
4	Other plants, operating assets, and fixtures and furniture	97.600	184.356
	Tangible fixed assets in total	5.871.891	6.015.685
	Fixed assets in total	**5.871.891**	**6.015.685**
	Current assets		
	Manufactured goods and trade goods	3.111.431	0
	Inventories in total	3.111.431	0
	Trade debtors	9.669.132	13.336.196
	Other debtors	427.718	206.926
	Accrued income and deferred expenses	49.808	45.198
	Debtors in total	10.146.658	13.588.320
	Available funds	35.758.469	36.156.067
	Current assets in total	**49.016.558**	**49.744.387**
	Assets in total	**54.888.449**	**55.760.072**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
5	Contributed capital	18.829.198	18.829.198
6	Results brought forward	-15.196.916	-15.988.288
	Equity in total	**3.632.282**	**2.840.910**
	Liabilities		
7	Debt to group enterprises	33.772.244	33.562.629
	Long-term liabilities in total	33.772.244	33.562.629
	Bank debts	56.461	57.458
	Trade creditors	16.434.329	17.628.965
	Other debts	993.133	1.670.110
	Short-term liabilities in total	17.483.923	19.356.533
	Liabilities in total	**51.256.167**	**52.919.162**
	Equity and liabilities in total	**54.888.449**	**55.760.072**

8 Mortgage and securities

9 Contingencies

Notes

All amounts in DKK.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	5.129.597	6.063.295
	Pension costs	582.240	739.660
	Other costs for social security	32.282	35.217
	Other staff costs	335.754	377.258
		6.079.873	**7.215.430**
	Average number of employees	9	10
2.	**Other financial costs**		
	Financial costs, group enterprises	670.553	60.579
	Other financial costs	186.528	100.658
		857.081	**161.237**

		31/12 2018	31/12 2017
3.	**Land and property**		
	Cost 1 January 2018	5.859.600	0
	Additions during the year	0	5.859.600
	Cost 31 December 2018	**5.859.600**	**5.859.600**
	Depreciation and writedown 1 January 2018	-28.271	0
	Depreciation for the year	-57.038	-28.271
	Depreciation and writedown 31 December 2018	**-85.309**	**-28.271**
	Book value 31 December 2018	**5.774.291**	**5.831.329**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	492.603	492.603
	Cost 31 December 2018	**492.603**	**492.603**
	Depreciation and writedown 1 January 2018	-308.247	-209.912
	Depreciation for the year	-86.756	-98.335
	Depreciation and writedown 31 December 2018	**-395.003**	**-308.247**
	Book value 31 December 2018	**97.600**	**184.356**
5.	**Contributed capital**		
	Contributed capital 1 January 2018	18.829.198	18.829.198
		18.829.198	**18.829.198**
6.	**Results brought forward**		
	Results brought forward 1 January 2018	-15.988.286	-17.524.724
	Profit or loss for the year brought forward	791.370	1.536.436
		-15.196.916	**-15.988.288**

7. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 31 Dec 2018	Debt in total 31 Dec 2017
Debt to group enterprises	0	0	33.772.244	33.562.629
	0	**0**	**33.772.244**	**33.562.629**

8. Mortgage and securities

As security for the total balances with the bank, mortgage has been granted on one of the company's bank accounts representing a book value of t.DKK 150 at 31 December 2018.

Notes

All amounts in DKK.

9. Contingencies

Contingent assets

A deferred tax asset of t.DKK 3.256 has not been recognized due to uncertainty regarding the timing in future usage.

Contingent liabilities

Leasing liabilities

The company has entered into one operational leasing contracts The leasing contract has 31 month left to run, and the total outstanding leasing payment is t.DKK 211.

Rental liabilities

The company has entered a tenancy agreement. The company has a rental commitment of t.DKK 188 as of 31 December 2018.