

Company Registration No. 11685363 (England and Wales)

**CELLTRION HEALTHCARE UNITED KINGDOM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## COMPANY INFORMATION

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**Directors**

Mr J Shin  
Mr H Lee

**Company number**

11685363

**Registered office**

The Switch  
1-7 The Grove  
Slough  
SL1 1QP

**Auditor**

Kirk Rice LLP  
The Courtyard  
High Street  
Ascot  
Berkshire  
SL5 7HP

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# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

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# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

### Principal activities

The principal activity of the company continued to be that of selling, marketing and distribution of pharmaceutical products in the UK

### Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr H J Choi (Resigned on 8 March 2021)

Mr J Shin (Appointed on 8 March 2021)

Mr H Lee

### Auditor

Kirk Rice LLP were appointed as auditor to the company during the year and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Going concern


The Directors have made an assessment of the Company's ability to continue as a going concern. As a result of our assessment, we consider that the Company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

The Coronavirus (Covid-19) pandemic has developed rapidly in 2020, with a significant number of cases globally. Measures taken to contain this virus have significantly affected economic activities, which in turn had implications for businesses. The industry in which the Company operates has been affected less than many and the Company does not anticipate any significant relevant risks.

The implications of a completion of Brexit and UK leaving EU have also been carefully assessed. With the main product coming from Hungary, the Company expects some increase in freight cost and custom charges but not at the material level.

The working capital management has been carefully planned and beneficial payment terms agreed between a main supplier and a customer. Together with an external loan in place, the Company is in a strong cash flow position enabling for more investment and growth in 2021

On behalf of the board



Mr H Lee  
Director

Date: 30/03/2021

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

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#### Opinion

We have audited the financial statements of Celltrion Healthcare United Kingdom Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit approach was developed by obtaining an understanding of the company's activities, the key functions undertaken on behalf of the Board by management and by service organisations, and the overall control environment. Based on this understanding we assessed those aspects of the company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit risks and planned our audit approach accordingly.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, IFRS, and regulations which affect the company's products.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company financial statements. Our tests included, but were not limited to:

- Agreement of the financial statements disclosures to underlying supporting documentation;
- Enquiries of management;
- Considering the effectiveness of control environment in monitoring compliance with laws and regulations.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

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There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters which we are required to address**

The financial statements of the Company for the year ended 31 December 2019 were not audited at the request of the Company's members, as a body.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Graham Jennings (Senior Statutory Auditor)  
for and on behalf of Kirk Rice LLP

Statutory Auditor

30/03/21

The Courtyard  
High Street  
Ascot  
Berkshire  
SL5 7HP



# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Notes		
Revenue	4	7,354,317	118,787
Cost of sales		(6,440,706)	(106,060)
<b>Gross profit</b>		913,611	12,727
Administrative expenses		(257,341)	(271,571)
<b>Operating profit/(loss)</b>	5	656,270	(258,844)
Finance costs	7	(8,125)	-
<b>Profit/(loss) before taxation</b>		648,145	(258,844)
Income tax expense	8	(85,843)	-
<b>Profit/(loss) and total comprehensive income for the year</b>		562,302	(258,844)

The income statement has been prepared on the basis that all operations are continuing operations.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Property, plant and equipment	9	274,931	2,683
<b>Current assets</b>			
Inventories	10	8,448,438	-
Trade and other receivables	11	2,986,596	182,651
Cash and cash equivalents		686,821	177,251
		12,121,855	359,902
<b>Total assets</b>		12,396,786	362,585
<b>Current liabilities</b>			
Trade and other payables	13	11,233,443	131,329
Current tax liabilities		82,342	-
Lease liabilities	14	79,712	-
		11,395,497	131,329
<b>Net current assets</b>		726,358	228,573
<b>Non-current liabilities</b>			
Lease liabilities	14	204,230	-
Deferred tax liabilities	15	3,501	-
		207,731	-
<b>Total liabilities</b>		11,603,228	131,329
<b>Net assets</b>		793,558	231,256
<b>Equity</b>			
Called up share capital	17	490,100	490,100
Retained earnings		303,458	(258,844)
<b>Total equity</b>		793,558	231,256

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

**AS AT 31 DECEMBER 2020**

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The financial statements were approved by the board of directors and authorised for issue on 30/03/2021 ..... and are signed on its behalf by:



Mr H Lee  
Director

Company Registration No. 11685363

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Notes	Share capital £	Retained earnings £	Total £
<b>Balance at 19 November 2018</b>		-	-	-
<b>Period ended 31 December 2019:</b>				
Loss and total comprehensive income for the period		-	(258,844)	(258,844)
Issue of share capital	17	490,100	-	490,100
		<u>490,100</u>	<u>(258,844)</u>	<u>231,256</u>
<b>Balance at 31 December 2019</b>		490,100	(258,844)	231,256
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	562,302	562,302
		<u>490,100</u>	<u>303,458</u>	<u>793,558</u>
<b>Balance at 31 December 2020</b>		490,100	303,458	793,558

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# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		547,705		(310,109)
Interest paid			(8,125)		-
<b>Net cash inflow/(outflow) from operating activities</b>			539,580		(310,109)
<b>Investing activities</b>					
Purchase of property, plant and equipment		(313,952)		(2,740)	
<b>Net cash used in investing activities</b>			(313,952)		(2,740)
<b>Financing activities</b>					
Proceeds from issue of shares		-		490,100	
Proceeds from lease liabilities		283,942		-	
<b>Net cash generated from financing activities</b>			283,942		490,100
<b>Net increase in cash and cash equivalents</b>			509,570		177,251
Cash and cash equivalents at beginning of year			177,251		-
Cash and cash equivalents at end of year			686,821		177,251

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Celltrion Healthcare United Kingdom Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Switch, 1-7 The Grove, Slough, SL1 1QP. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

For the period ended 31 December 2019, the company prepared its financial statements in accordance with FRS 102 Section 1A. These financial statements for the year ended 31 December 2020 are the first the company has prepared in accordance with IFRS. Refer to Note 22 for information on how the company has adopted IFRS.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below

#### 1.2 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern. As a result of our assessment, we consider that the Company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

The Coronavirus (Covid-19) pandemic has developed rapidly in 2020, with a significant number of cases globally. Measures taken to contain this virus have significantly affected economic activities, which in turn had implications for businesses. The industry in which the Company operates has been affected less than many and the Company does not anticipate any significant relevant risks.

The implications of a completion of Brexit and UK leaving EU have also been carefully assessed. With the main product coming from Hungary, the Company expects some increase in freight cost and custom charges but not at the material level.

The working capital management has been carefully planned and beneficial payment terms agreed between a main supplier and a customer. Together with an external loan in place, the Company is in a strong cash flow position enabling for more investment and growth in 2021.

#### 1.3 Revenue

Revenue represents income receivable from the provision of services related to the promotion, sales and distribution of pharmaceutical products within UK, and it is shown net of VAT and other sales related taxes. Revenue is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

Revenue from the sale of goods is recognised when the significant risks and rewards of the ownership of goods have passed to the buyer (usually on dispatch on inspected goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over useful life of lease
Computers	20% on cost
Motor vehicles	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

##### 1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### 1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Inventories are valued using FIFO method. However goods with the shortest expiry dates are dispatched first.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### 1.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.12 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### **2 Adoption of new and revised standards and changes in accounting policies**

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

#### **Standards which are in issue but not yet effective**

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

Amendments to IAS 1 issued June 2020	Presentation of financial statements
Amendments to IAS 37 issued in May 2020	Provisions, contingent liabilities and contingent assets
Amendments to IAS 16 issued in May 2020	Property, plant and equipment - proceeds before intended use

### **3 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Critical accounting estimates and judgements

#### Impairments

Determine whether there are indicators of impairment of the Company's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

#### Key sources of estimation uncertainty

##### Depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The Company's directors are of the opinion that there are no other judgements and no estimates or assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities for the company within the next financial year.

### 4 Revenue

	2020 £	2019 £
<b>Revenue analysed by class of business</b>		
Product sales	2,168,922	-
Service fees	5,185,395	118,787
	<u>7,354,317</u>	<u>118,787</u>

### 5 Operating profit/(loss)

	2020 £	2019 £
<i>Operating profit/(loss) for the year is stated after charging/(crediting):</i>		
Exchange (gains)/losses	(40,512)	8
Depreciation of property, plant and equipment	41,704	57
Cost of inventories recognised as an expense	<u>1,810,888</u>	<u>106,060</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2020 Number	2019 Number
<u>13</u>	<u>3</u>

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Employees

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,260,833	96,396
Social security costs	124,632	12,192
Pension costs	108,282	-
	<u>1,493,747</u>	<u>108,588</u>

Salaries of £1,138,334 (2019: £43,036), social security costs of £112,230 (2019: £3,000) and pension costs of £98,404 (2019: - £ Nil) were recharged to the parent company during the year.

### 7 Finance costs

	2020 £	2019 £
Interest on lease liabilities	<u>8,125</u>	<u>-</u>

### 8 Income tax expense

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>82,342</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>3,501</u>	<u>-</u>
<b>Total tax charge</b>	<u>85,843</u>	<u>-</u>

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2020 £	2019 £
Profit/(loss) before taxation	<u>648,145</u>	<u>(258,844)</u>
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2019: 19.00%)	123,148	(49,180)
Effect of expenses not deductible in determining taxable profit	11,857	29
Utilisation of tax losses not previously recognised	(49,672)	-
Unutilised tax losses carried forward	-	49,672
Capital allowances in excess of depreciation	-	(521)
Movements in unrecognised deferred tax	510	-
<b>Taxation charge for the year</b>	<u>85,843</u>	<u>-</u>

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Property, plant and equipment

	Leasehold land and buildings	Computers	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
Additions	-	2,740	-	2,740
At 31 December 2019	-	2,740	-	2,740
Additions	215,852	18,634	79,466	313,952
At 31 December 2020	215,852	21,374	79,466	316,692
<b>Accumulated depreciation and impairment</b>				
Charge for the year	-	57	-	57
At 31 December 2019	-	57	-	57
Charge for the year	35,976	2,891	2,837	41,704
At 31 December 2020	35,976	2,948	2,837	41,761
<b>Carrying amount</b>				
At 31 December 2020	179,876	18,426	76,629	274,931
At 31 December 2019	-	2,683	-	2,683

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2020 £	2019 £
<b>Net values</b>		
Property	179,876	-
Motor vehicles	76,629	-
	256,505	-
<b>Additions</b>		
Property	215,852	-
Motor vehicles	79,466	-
	295,318	-
<b>Depreciation charge for the year</b>		
Property	35,976	-
Motor vehicles	2,837	-
	38,813	-

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Inventories	2020 £	2019 £
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Finished goods	8,448,438	-
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11 Trade and other receivables	2020 £	2019 £
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Trade receivables	2,595,280	-
VAT recoverable	255,457	31,524
Amounts owed by fellow group undertakings	-	118,787
Other receivables	-	7,691
Prepayments	135,859	24,649
	<u>2,986,596</u>	<u>182,651</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

### 12 Trade receivables - credit risk

#### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

### 13 Trade and other payables

	2020 £	2019 £
Trade payables	299,176	50,398
Amounts owed to fellow group undertakings	10,731,657	54,808
Accruals	156,831	-
Other payables	45,779	26,123
	<u>11,233,443</u>	<u>131,329</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

### 14 Lease liabilities

Maturity analysis	2020 £	2019 £
Within one year	79,712	-
In two to five years	204,230	-
<b>Total undiscounted liabilities</b>	<u>283,942</u>	<u>-</u>

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 14. Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	79,712	-
Non-current liabilities	204,230	-
	<u>283,942</u>	<u>-</u>
	2020 £	2019 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>8,125</u>	<u>-</u>

The fair value of the company's lease obligations is approximately equal to their carrying amount.

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £
Deferred tax liability at 1 January 2019 and 1 January 2020	-
<b>Deferred tax movements in current year</b>	
Credit to profit or loss	3,501
Deferred tax liability at 31 December 2020	<u>3,501</u>

### 16 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £108,282 (2019 - £ Nil).

### 17 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<i>Issued and fully paid</i>		
49,010 Ordinary shares of £10 each	490,100	490,100
<b>Share capital</b>	<b>490,100</b>	<b>490,100</b>

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**18 Capital risk management**

The company is not subject to any externally imposed capital requirements.

**19 Related party transactions**

The total remuneration of directors and other members of key management in 2020 (including salary, pension and other benefits) was £103,691 (2019: £60,081). Service fee charged to Celltrion Healthcare Hungary Kft in 2020 was £5,185,395 (2019: £118,787). Trade payables to Celltrion Healthcare Hungary Kft in 2020 was £10,731,657 (2019: - £ Nil). Other cost charged to Celltrion Healthcare Hungary Kft in 2020 was £105,384 (2019: - £ Nil) and to Celltrion Healthcare CO., LTD. £52,200 (2019: - £ Nil).

**20 Controlling party**

The Company's immediate parent undertaking is Celltrion Healthcare Hungary KFT., a company incorporated in Hungary.

Celltrion Healthcare Hungary KFT. is a wholly owned subsidiary of Celltrion Healthcare Co., Ltd a company incorporated and listed in South Korea.

Celltrion Healthcare Co.,Ltd is a jointly owned subsidiary of One Equity Partners IV,L.P a company incorporated in Cayman Islands and ION Investments B.V. a company incorporated in Netherlands, Jung Jin Seo the chairman of the group with the remaining equity floating.

The smallest group in which the results of the Company are consolidated is that headed by Celltrion Healthcare Hungary KFT. The consolidated accounts of the Company may be obtained from Váci út 1-3, WestEnd Office building B torony, 1062 Hungary.

The largest group in which the results of the Company are consolidated is that headed by Celltrion Healthcare Co., Ltd. The consolidated accounts of the Company may be obtained from 4th Floor, 19 Academyro, 51 beon-gil, Yeonsu-Gu, Incheon, 22014, Korea.

**21 Post balance sheet events**

The company is launching its new product COVID-19 Rapid Antigen kit in February 2021. Another product COVID-19 Antiviral drug is currently undergoing a review of MHRA and it is due to be released to the market in June 2021.

**22 First-time adoption of IFRS**

The company transitioned to IFRS from FRS 102 Section 1A as at 19 November 2018. There were no changes in accounting policies arising from the transition and no impact on equity at 19 November 2018 or 31 December 2019.

**CELLTRION HEALTHCARE UNITED KINGDOM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**23 Cash generated from/(absorbed by) operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year after tax	562,302	(258,844)
<b>Adjustments for:</b>		
Taxation charged	85,843	-
Finance costs	8,125	-
Depreciation and impairment of property, plant and equipment	41,704	57
<b>Movements in working capital:</b>		
Increase in inventories	(8,448,438)	-
Increase in trade and other receivables	(2,803,945)	(182,650)
Increase in trade and other payables	11,102,114	131,328
<b>Cash generated from/(absorbed by) operations</b>	<u>547,705</u>	<u>(310,109)</u>



# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020		Period ended 31 December 2019
	£	£	£	£
<b>Revenue</b>				
Sales		2,168,922		-
Sales of services		5,185,395		118,787
		<u>7,354,317</u>		<u>118,787</u>
<b>Cost of sales</b>				
Cost of service	4,604,407		106,060	
Cost of merchandise	1,810,888		-	
Depreciation	25,411		-	
		<u>(6,440,706)</u>		<u>(106,060)</u>
<b>Gross profit</b>	12.42%	913,611	10.71%	12,727
<b>Administrative expenses</b>		<u>(257,341)</u>		<u>(271,571)</u>
<b>Operating profit/(loss)</b>		656,270		(258,844)
<b>Finance costs</b>				
Finance lease interest payable		<u>(8,125)</u>		<u>-</u>
<b>Profit/(loss) before taxation</b>	8.81%	<u>648,145</u>	-217.91%	<u>(258,844)</u>

# CELLTRION HEALTHCARE UNITED KINGDOM LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Year ended 31 December 2020 £	Period ended 31 December 2019 £
<b>Administrative expenses</b>		
Wages and salaries	112,331	53,361
Social security costs	22,570	40,152
Staff pension costs defined contribution	9,878	-
Rent re licences and other	-	10,560
Supplies	184	624
Travelling expenses	93	5,159
Overseas travel	3,127	9,171
Legal and professional fees	135,314	-
Advertising	11,195	-
Entertaining expenses overseas	-	946
Rental office	(14,604)	(1)
Commissions	-	150,508
Communication expenses	1,472	1,026
Depreciation	16,293	57
Profit or loss on foreign exchange	(40,512)	8
	<u>257,341</u>	<u>271,571</u>

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