NeoImmuneTech, Inc.
and Subsidiary

Consolidated Financial Statements
December 31, 2021 and 2020

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December 31, 2021 and 2020

Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors of
NeoImmuneTech, Inc.

Opinion

We have audited the accompanying consolidated financial statements of NeoImmuneTech, Inc. and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and the related consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of NeoImmuneTech, Inc. and its subsidiary as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of prepaid expenses and accrued expenses related to research and development

Why it is determined to be a Key Audit Matter

As at December 31, 2021, the balances of the Group's prepaid expenses and accrued expenses related to research and development are USD 13,048 thousand and USD 14,073 thousand, respectively (Notes 9 and 14).

The Group recognizes the consideration paid in excess of the goods or services received in relation to research and development as prepaid expenses, and recognizes research and development expenses, which are incurred but not paid as those are not billed by the end of the reporting period, as accrued expenses.

The management's judgment is involved in the process of measuring the services the Company receives during the current period for each contract, and most of the process of comparing costs incurred to bills and payments is performed on a manual basis, therefore, there is a risk of potential misstatements. We focused on this area because the potential misstatements in recognition of prepaid expenses and accrued expenses may have a significant effect on the separate financial statements.

How our audit addressed the Key Audit Matter

Our audit procedures to address the key audit matter include the following procedures:

- Evaluated the appropriateness of accounting policies to recognize prepaid expenses and accrued expenses related to research and development
- Understood and evaluated the effectiveness of design and operation of relevant internal controls
- Tested research and development expenses on a sample basis to assess the occurrence, accuracy and cut-off with the relevant documents including contracts
- Evaluated the reasonableness of management's determination in the probability of receiving goods or services and the period for expense recognition to assess the asset criteria and classification of current or non-current of prepaid expenses on a sample basis
- Tested paid transactions and details of unpaid liabilities after end of the reporting period relating to research and development expenses on a sample basis to assess the completeness and cut-off with the relevant documents

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Korean Standards on Auditing 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 consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 entity'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kwang-Shik Jang, Certified Public Accountant.

Samil PricewaterhouseCoopers

March 18, 2022

Seoul, Korea

This report is effective as of March 18, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

NeoImmuneTech, Inc. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2021 and 2020

(in USD)	**Notes**	**2021**	**2020**
Assets			
Current assets			
Cash and cash equivalents	4,6,7	$ 130,114,116	$ 65,456,520
Other current financial assets	4,6,8	185,819	827
Other current assets	8,9,26	10,334,729	8,652,873
		140,634,664	74,110,220
Non-current assets			
Property and equipment	10	2,850,331	1,257,031
Right-of-use assets	11	4,788,418	2,473,135
Intangible assets	12,26,28	5,559,291	5,947,213
Other non-current financial assets	4,6,8	958,838	121,435
Other non-current assets	9	2,930,584	3,999,910
Net defined benefit assets	15	40,325	-
		17,127,787	13,798,724
Total assets		$ 157,762,451	$ 87,908,944
Liabilities			
Current liabilities			
Other payables	4,6,26	$ 1,276,544	$ 842,396
Current portion of long-term lease liabilities	4,11,25,26	1,082,918	500,925
Other current financial liabilities	4,6,13	14,073,039	6,585,811
Other current liabilities	4,13	784,752	341,519
		17,217,253	8,270,651
Non-current liabilities			
Long-term lease liabilities	4,11,25,26	3,804,987	2,169,426
Other non-current liabilities	13	53,219	-
Net defined benefit liabilities	15	-	54,639
		3,858,206	2,224,065
Total liabilities		21,075,459	10,494,716
Equity			
Share capital	1,16	1,972	1,655
Capital surplus	16	228,833,366	130,926,775
Other components of equity	17,19	11,572,340	4,066,296
Accumulated other comprehensive income	17	-151,473	113,325
Accumulated deficit	18	-103,569,213	-57,693,823
Total equity		136,686,992	77,414,228
Total liabilities and equity		$ 157,762,451	$ 87,908,944

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

NeoImmuneTech, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Loss

Years Ended December 31, 2021 and 2020

(in USD)	Notes	2021	2020
Operating income		$ -	$ -
Operating expenses	20	45,355,669	26,498,652
Operating loss		(45,355,669)	(26,498,652)
Other income	21	13,510	129,637
Other expenses	21	91,508	-
Finance income	6,22	441,898	833,522
Finance costs	6,22,26	806,862	250,656
Loss before income tax	18,24	(45,798,631)	(25,786,149)
Income tax expense	23	60,701	23,126
Loss for the year	18,24	(45,859,332)	(25,809,275)
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss			
Remeasurements of net defined benefit liabilities	18	-16,058	-2,410
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	17	-264,798	93,414
Other comprehensive income (loss) for the year, net of tax		(280,856)	91,004
Total comprehensive loss for the year		$ (46,140,188)	$ (25,718,271)
Loss per share attributable to the shareholders of the Company			
Basic loss per share	24	$ (2.41)	$ (1.56)
Diluted loss per share	24	(2.41)	(1.56)

The above consolidated statements of comprehensive loss should be read in conjunction with the accompanying notes.

NeoImmuneTech, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2021 and 2020

(in USD)	Notes	Share Capital	Capital Surplus	Other Components of Equity	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Equity
Balance at January 1, 2020		$ 1,647	$ 130,556,831	$ 1,395,149	$ 19,911	$ -31,882,138	$ 100,091,400
Total comprehensive income (loss)							
Loss for the year		-	-	-	-	-25,809,275	(25,809,275)
Remeasurements of net defined benefit liabilities		-	-	-	-	-2,410	(2,410)
Exchange differences on translation of foreign operations		-	-	-	93,414	-	93,414
Transactions with owners							
Share-based payment	19	-	-	2,801,099	-	-	2,801,099
Exercise of share options		8	369,944	-129,952	-	-	240,000
Balance at December 31, 2020		$ 1,655	$ 130,926,775	$ 4,066,296	$ 113,325	$ (57,693,823)	$ 77,414,228
Balance at January 1, 2021		$ 1,655	$ 130,926,775	$ 4,066,296	$ 113,325	$ (57,693,823)	$ 77,414,228
Total comprehensive income (loss)							
Loss for the year		-	-	-	-	-45,859,332	(45,859,332)
Remeasurements of net defined benefit liabilities		-	-	-	-	-16,058	(16,058)
Exchange differences on translation of foreign operations		-	-	-	-264,798	-	(264,798)
Transactions with owners							
Proceeds from new share issuance		313	97,113,005	-	-	-	97,113,318
Exercise of share options		4	793,586	-258,090	-	-	535,500
Share-based payment	19	-	-	7,764,134	-	-	7,764,134
Balance at December 31, 2021		$ 1,972	$ 228,833,366	$ 11,572,340	$ (151,473)	$ (103,569,213)	$ 136,686,992

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

NeoImmuneTech, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

(in USD)	Notes	2021	2020
Cash flows from operating activities			
Cash used in operating activities	25	$ -28,365,221	$ -26,401,663
Interest paid		-191,228	-157,445
Income taxes paid		-27,758	-9,063
Net cash outflow from operating activities		(28,584,207)	(26,568,171)
Cash flows from investing activities			
Interest received		250,913	804,063
Proceeds from disposal of short-term financial instruments		-	5,087,386
Proceeds from disposal of financial assets at fair value through profit or loss		-	20,256,758
Acquisition of financial assets at fair value through profit or loss		-	-20,127,422
Acquisition of property and equipment		-2,285,853	-998,973
Increase in deposits provided		-1,194,422	-
Decrease in deposits provided		-	5,339
Increase in long-term advance payments		-	-1,200,000
Net cash inflow (outflow) from investing activities		(3,229,362)	3,827,151
Cash flows from financing activities			
Proceeds from new share issuance		97,113,318	-
Exercise of share options		535,500	240,000
Payments of principal of lease liabilities		-602,053	-268,516
Net cash inflow (outflow) from financing activities		97,046,765	(28,516)
Net increase (decrease) in cash and cash equivalents		65,233,196	(22,769,536)
Effect of exchange rate changes in cash and cash equivalents		-575,600	-490
Cash and cash equivalents at the beginning of the financial year	7	65,456,520	88,226,546
Cash and cash equivalents at the end of the year	7	$ 130,114,116	$ 65,456,520

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

1. General Information

NeoImmuneTech, Inc. (the Group) was established on January 29, 2014. The Company is engaged in researching, developing, manufacturing and selling cancer immunotherapy. The Company's headquarter is domiciled in Delaware, USA, and its major operation is in Maryland, USA.

On March 16, 2021, the Company listed its Depositary Receipts (DR, issued 5 DR per share) on the KOSDAQ of the Korea Stock Exchange. As at December 31, 2021, the Company's total number of authorized shares is 50,000,000 shares with a par value of USD 0.0001. The Company's major shareholders are as follows:

Shareholder	Number of shares	Percentage of ownership (%)
Genexine, Inc.	4,187,200	21.2
JK BioPharma Solutions, Inc.	1,400,000	7.1
Se Hwan Yang	1,100,000	5.6
Others	13,029,202	66.1
	19,716,402	100.0

1.1 Consolidated Subsidiaries

Details of the consolidated subsidiary as at December 31, 2021 and 2020, are as follows:

	Location	2021 Ownership interest held by the Group (%)	2020 Ownership interest held by the Group (%)	Closing month	Main business
NeoImmuneTech Co., Ltd.	Korea	100	100	December	Research and development of cancer immunotherapy

1.2 Summarized Financial Information

Summarized financial information for consolidated subsidiary as at and for the year ended December 31, 2021, is as follows:

(in USD)	2021				
Subsidiary	Assets	Liabilities	Operating income	Loss for the year	Total comprehensive loss
NeoImmuneTech Co., Ltd.	$ 8,604,949	$ 3,507,382	$ 5,635,357	$ (3,554,744)	$ (3,835,600)

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group prepares financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2021.

(a) Amendments to Korean IFRS 1116 Lease – Practical expedient for COVID-19 - Related Rent Concessions

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. The amendment does not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1039 Financial Instruments: Recognition and Measurement, Korean IFRS 1107 Financial Instruments: Disclosure, Korean IFRS 1104 Insurance Contracts and Korean IFRS 1116 Lease – Interest Rate Benchmark Reform (Phase 2 amendments)

In relation to interest rate benchmark reform, the amendments provide exceptions including adjust effective interest rate instead of book amounts when interest rate benchmark of financial instruments at amortized costs is replaced, and apply hedge accounting without discontinuance although the interest rate benchmark is replaced in hedging relationship. The amendment does not have a significant impact on the financial statements.

2.2.2 New and amended standards not yet adopted by the Group

New accounting standards and amendments that have been published but not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group are as follows.

(a) Amendments to Korean IFRS 1103 Business Combination – Reference to the Conceptual Framework

The amendments update a reference of definition of assets and liabilities qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets*, and Korean IFRS 2121 *Levies*. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1016 Property, Plant and Equipment - Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(c) Amendments to Korean IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts: Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(d) Amendments to Korean IFRS 1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability include the transfer of the entity’s own equity instruments, however, it would be excluded if an option to settle them by the entity’s own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(e) Korean IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments to Korean IFRS 1001 define and require entities to disclose their material accounting policies. The IASB amended IFRS Practice Statement 2 *Disclosure of Accounting Policies* to provide guidance on how to apply the concept of materiality to accounting policy disclosures.The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(f) Korean IFRS 1008 Accounting policies, changes in accounting estimates and errors - Definition of Accounting Estimates

The amendments define accounting estimates and clarify how to distinguish them from changes in accounting policies. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(g) Korean IFRS 1012 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments include an additional condition to the exemption to initial recognition of an asset or liability that a transaction does not give rise to equal taxable and deductible temporary differences at the time of the transaction. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

(h) Amendment to Korean IFRS 1116 Lease - Covid-19 - Related Rent Concessions beyond June 30, 2021

The application of the practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification, is extended to lease payments originally due on or before June 30, 2022. The amendment should be applied for annual periods beginning on or after April 1, 2021, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements

(i) Annual improvements to Korean IFRS 2018-2020

Annual improvements of Korean IFRS 2018-2020 Cycle should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

- Korean IFRS 1101 *First time Adoption of Korean International Financial Reporting Standards* – Subsidiaries that are first-time adopters
- Korean IFRS 1109 *Financial Instruments* – Fees related to the 10% test for derecognition of financial liabilities
- Korean IFRS 1116 *Leases* – Lease incentives

- Korean IFRS 1041 *Agricultur*e – Measuring fair value

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110 *Consolidated Financial Statements*.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

The excess of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recoded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A changed in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Parent Company.

When the Group ceases to consolidate for a subsidiary because of a loss of control, any retained interest in the subsidiary is remeasured to its fair value with the changed in carrying amount recognized in profit or loss.

2.4 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying effective portion of net investment hedges, or are attributable to monetary part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

2.5 Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'finance income or costs' and impairment losses are presented in 'other expenses'.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit or loss within 'other income or expenses' in the year in which it arises.

B. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments, which held for long-term investment or strategic purpose, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continue to be recognized in profit or loss as 'finance income' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other income and expenses' in the statement of profit or loss as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(c) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and lease receivables, the Group applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received.

(e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.6 Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of all property and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Useful lives
Lab equipment	5 years
Furniture and supplies	5
Leasehold improvements	5

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.7 Intangible Assets

Intangible asset of the Group is a right-to-use of intellectual property, initially recognized at its historical cost and presented at cost less accumulated amortization and accumulated impairment losses.

The Group amortizes a-right-to-use of intellectual property with a limited useful life of 20 years, using the straight-line method.

The Group entered into a license-in agreement regarding new drug development. The Group recognized upfront fees paid pursuant to the agreement as intangible asset since the Group determined that it is probable that future economic benefits associated with the acquired right-to-use of intellectual property will flow into the Group.

2.8 Impairment of Non-financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Other Payables and Accrued Expenses

Liabilities that have been billed but not paid for the goods or services received before the end of the reporting period are recognized as other payables, and liabilities incurred for the goods or services received but not paid because those are not billedbefore the end of the reporting period, are recognized as accrued expenses. The amounts are unsecured, are usually paid within 30 days of being billed, and are presented as current liabilities.

2.10 Financial Liabilities

(a) Classification and measurement

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not a designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and present as 'other payables', and 'borrowings' in the statement of financial position.

(b) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.11 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

2.12 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group recognizes current income tax on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis.

2.13 Share-based Payments

Equity-settled share-based payment is recognized at fair value of equity instruments granted, and employee benefit expense or investment in subsidiary is recognized over the vesting period. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are recognized as share capital (nominal value) and capital surplus (share premium).

2.14 Revenue Recognition

The Group has not recognized any revenue as there have been no sales of goods or rendering services in the ordinary course of business until the year ended December 31, 2021.

Revenue from the sale of goods is recognized when the control of the products has transferred to the customer.

The Group's contract with customers for the license-out may include upfront payment at the point of entering into contract and milestone payment upon achievement of certain conditions. Revenue is recognized either at the point time or over the period, depending on the timing of performance obligation is satisfied.

2.15 Leases

The Group leases various offices and equipment. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is lessee, the Group applies the practical expedient which has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Group should consider a termination penalty in determining the period for which the contract is enforceable.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Group (the lessee) is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group (the lessee) exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.16 Segment Reporting

Operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. In accordance with Korean IFRS 1108 *Segment Reporting*, the Group has one operating segment.

2.17 Reclassification of Prior Year Consolidated Financial Statement

Certain accounts in comparative separate statements of financial position as at December 31, 2020, have been reclassified from the separate statements of financial position and notes attached to the audit report dated March 19, 2021.

2.18 Approval of Issuance of the Financial Statements

The consolidated financial statements 2021 were approved for issue by the Board of Directors on February 16, 2022.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group’s accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

(a) Lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the leases (Note 11).

(b) Intangible assets

The Group recognizes upfront fees and milestone fees paid in connection with license-in agreement as intangible asset when the payments of fees meet the definition of intangible asset and recognition criteria. The Group performs an assessment on the indication of impairment of intangible asset at the end of each reporting period. If any indication of impairment exists, the Group performs impairment assessment by estimating the recoverable amount of the right-to-use of intellectual property (Note 12).

(c) Share-based payment

The Group measures the cost of equity-settled share-based payment transaction based on the fair value of common shares and share options at the grant date. The fair values of common shares and share option are estimated by using appropriate valuation models and assumptions for various inputs (Note 19).

(d) Income taxes

Current and deferred tax is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. However, actual future final income tax may not correspond to the related asset and liabilities recognized as the end of the reporting period and such differences may affect current and deferred tax assets and liabilities recognized at the time final income tax effect is determined.

A deferred tax asset is recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The Group has recognized no deferred tax assets based on the assessment that the likelihood of utilizing unused tax losses to be carryforward is remote (Note 23).

4. Financial Risk Management

4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize any adverse effects on the Group's financial performance.

4.1.1 Market Risk

(a) Foreign exchange risk

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in US dollar, was as follows:

(in USD)	2021	2020
	KRW	KRW
Foreign currency assets		
Cash and cash equivalents	$ 38,590,353	$ -
	38,590,353	-
Foreign currency liabilities		
Lease liabilities	-	792,774
Other payables	1,687	75,827
	1,687	868,601
Foreign currency assets (liabilities), net	$ 38,588,666	$ (868,601)

The table below summarizes the impact of increases/decreases in the exchange rate on the Group's equity and post-tax profit for the year. The analysis is based on the assumption that the indexes has increased/decreased by 10% with all other variables held constant.

(in USD)		Impact on post-tax profit		Impact on equity	
		2021	2020	2021	2020
KRW/ US dollar	Increase 10%	$ 3,858,867	$ (86,860)	$ 3,858,867	$ (86,860)
	Decrease 10%	(3,858,867)	86,860	(3,858,867)	86,860

(b) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings which will fluctuate because of changes in future market interest rate. The interest rate risk mainly arises on floating rate deposits and borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty in interest rates fluctuations and net interest expense.

At the end of the reporting period, as the Group has floating rate deposits, interest income increases when interest rates increase.

The table below summarizes the impact of increases/decreases in the interest rate on the Group's equity and post-tax profit for the year. The analysis is based on the assumption that the interest rate has increased/decreased by 0.1% (10 basis points) with all other variables held constant.

(in USD)	**Impact on post-tax profit**		**Impact on equity**	
	2021	**2020**	**2021**	**2020**
Increase	$ 116,783	$ 60,988	$ 116,783	$ 60,988
Decrease	(116,783)	(60,988)	(116,783)	(60,988)

4.1.2 Credit Risk

The Group is exposed to credit risk which arises during the investing activities where other parties fail to discharge an obligation. Credit risk usually arises from cash and cash equivalents and financial assets at fair value through profit or loss. As the Group makes deposits to the financial institutions whose credit ratings are high, credit risk from the financial institutions is limited.

The maximum exposures to credit risk as at December 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Cash and cash equivalents	$ 130,114,116	$ 65,456,520
Other current financial assets	185,819	827
Other non-current financial assets	958,838	121,435
	$ 131,258,773	$ 65,578,782

4.1.3 Liquidity Risk

Liquidity risk represents the risk that the Group may encounter difficulties in fulfilling its obligations to repay financial liabilities or in being able to have additional funding for its normal business operations due to liquidity shortage. The Group secures and maintains the appropriate level of liquidity and accordingly manages the liquidity risk in advance by forecasting the projected cash flows from operating, investing and financing activities for an annual fiscal year.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Details of the Group's liquidity risk analysis as at December 2021 and 2020, are as follows:

(in USD)	2021						
	Less than 6 months	**Between 6 to 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Other payables	$ 1,276,544	$ -	$ -	$ -	$ -	$ 1,276,544	$ 1,276,544
Accrued expenses (Note 13)	14,073,039	-	-	-	-	14,073,039	14,073,039
Lease liabilities (Note 11)	570,528	538,386	1,083,273	2,904,736	452,113	5,549,036	4,887,905
	$ 15,920,111	$ 538,386	$ 1,083,273	$ 2,904,736	$ 452,113	$ 20,898,619	$ 20,237,488

(in USD)	2020						
	Less than 6 months	**Between 6 to 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Other payables	$ 842,396	$ -	$ -	$ -	$ -	$ 842,396	$ 842,396
Accrued expenses (Note 13)	6,585,811	-	-	-	-	6,585,811	6,585,811
Lease liabilities (Note 11)	249,868	252,108	505,098	1,402,562	802,686	3,212,322	2,670,351
	$ 7,678,075	$ 252,108	$ 505,098	$ 1,402,562	$ 802,686	$ 10,640,529	$ 10,098,558

5. Fair Value

5.1 Fair Value Hierarchy

Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date (Level 1).
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

There are no financial instruments that are measured at fair value or its fair value is disclosed as at December 31, 2021 and 2020. Assets and liabilities whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosure. During the year ended December 31, 2021, there have been no significant changes in the business and economic environment affecting the fair value of the Group's financial assets and liabilities.

6. Financial Instruments by Category

6.1 Carrying Amounts of Financial Instruments by Category

Carrying amounts of financial assets by category as at December 31, 2021 and 2020, are as follows:

(in USD)	2021 Financial assets at amortized	2020 Financial assets at amortized
Cash and cash equivalents	$ 130,114,116	$ 65,456,520
Other current financial assets	185,819	827
Other non-current financial assets	958,838	121,435
	$ 131,258,773	$ 65,578,782

Carrying amounts of financial liabilities by category as at December 31, 2021 and 2020, are as follows:

(in USD)	2021 Financial liabilities at amortized	2020 Financial liabilities at amortized
Other payables	$ 1,276,544	$ 842,396
Other current financial liabilities	14,073,039	6,585,811
	$ 15,349,583	$ 7,428,207

6.2 Net Gains or Losses by Category of Financial Instruments

Net gains or losses on each category of financial instruments for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	2021	2020
Financial assets at amortized cost		
Interest income	$ 341,554	$ 807,491
Gain on foreign currency transaction	95,529	-
Loss on foreign currency transaction	(18,410)	-
Gain on foreign currency translation	1,839	-
Loss on foreign currency translation	(475,586)	(593)
Financial assets at fair value through profit or loss		
Gain on disposal	-	129,337
Financial liabilities at amortized cost		
Gain on foreign currency transaction	2,951	26,031
Loss on foreign currency transaction	(121,358)	(92,618)
Gain on foreign currency translation	25	-
Loss on foreign currency translation	(11)	-

7. Cash and Cash Equivalents

Cash and cash equivalents as at December 31, 2021 and 2020, consist of:

(in USD)		**2021**		**2020**
Bank deposits	$	130,114,116	$	65,456,520

There are no restricted cash and cash equivalents as at December 31, 2021 and 2020.

8. Other Financial Assets

Other financial assets as at December 31, 2021 and 2020, are as follows:

(in USD)		**2021**		**2020**
Other receivables	$	13,203	$	-
Deposits provided		1,131,454		122,262
		1,145,977		122,262
Less: non-current portion		(958,838)		(121,435)
Current portion	$	185,819	$	827

None of the other financial assets are either past due or impaired.

9. Other Assets

Other assets as at December 31, 2021 and 2020, are as follows:

(in USD)		**2021**		**2020**
Prepaid expenses [1]	$	13,264,937	$	11,452,783
Advance payment [2]		376		1,200,000
		13,265,313		12,652,783
Less: non-current portion		(2,930,584)		(3,999,910)
Current portion	$	10,334,729	$	8,652,873

[1] Prepaid expenses related to research and development of the total prepaid expenses were USD 13,048,322 (2020: USD 11,326,661). It also includes prepayment for the purchase of the reagents for clinical trial amounts to USD 9,015,828 related to IL-7-hyFC ("NT-I7") from Genexine Co., Ltd. (Notes 26 and 28).

[2] The entire advance payment as at December 31, 2020, was recognized as research and development expenses on the consolidated statements of comprehensive loss for the year ended December 31, 2021 (Notes 20 and 28).

10. Property and Equipment

Details of property and equipment as at December 31, 2021 and 2020, are as follows:

(in USD)	2021			2020		
	Cost	Accumulated depreciation	Book amount	Cost	Accumulated depreciation	Book amount
Lab equipment	$ 2,078,665	$ (384,747)	$ 1,693,918	$ 848,645	$ (84,722)	$ 763,923
Furniture and supplies	474,626	(230,526)	244,100	352,659	(155,871)	196,788
Leasehold improvements	349,539	(82,237)	267,302	295,938	(42,400)	253,538
Construction-in-progress	645,011	-	645,011	42,782	-	42,782
	$ 3,547,841	$ (697,510)	$ 2,850,331	$ 1,540,024	$ (282,993)	$ 1,257,031

Changes in property and equipment for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	2021				
	Lab equipment	Furniture and supplies	Leasehold improvements	Construction-in-progress	Total
Beginning net book amount	$ 763,923	$ 196,788	$ 253,538	$ 42,782	$ 1,257,031
Acquisitions	859,753	89,012	21,774	1,315,314	2,285,853
Disposals	-	(730)	(90,778)	-	(91,508)
Reclassification	457,898	45,171	184,753	(687,822)	-
Depreciation	(311,171)	(78,546)	(80,658)	-	(470,375)
Others (exchange differences and others)	(76,485)	(7,595)	(21,327)	(25,263)	(130,670)
Ending net book amount	$ 1,693,918	$ 244,100	$ 267,302	$ 645,011	$ 2,850,331

(in USD)	2020				
	Lab equipment	Furniture and supplies	Leasehold improvements	Construction-in-progress	Total
Beginning net book amount	$ 52,537	$ 224,957	$ 61,988	$ -	$ 339,482
Acquisitions	728,118	29,239	202,172	39,444	998,973
Depreciation	(75,332)	(61,294)	(28,668)		(165,294)
Others (exchange differences and others)	58,600	3,886	18,046	3,338	83,870
Ending net book amount	$ 763,923	$ 196,788	$ 253,538	$ 42,782	$ 1,257,031

11. Leases

Right-of-use assets as at December 31, 2021 and 2020, consist of:

(in USD)	2021			2020		
	Cost	**Accumulated depreciation**	**Book amount**	**Cost**	**Accumulated depreciation**	**Book amount**
Buildings	$ 5,799,880	$ (1,103,792)	$ 4,696,088	$ 3,012,833	$ (551,218)	$ 2,461,615
Vehicles	107,604	(26,907)	80,697			
Supplies	31,250	(19,617)	11,633	30,224	(18,704)	11,520
	$ 5,938,734	$ (1,150,316)	$ 4,788,418	$ 3,043,057	$ (569,922)	$ 2,473,135

Changes in right-of-use assets for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	2021			
	Buildings	**Vehicles**	**Supplies**	**Total**
Beginning balance	$ 2,461,615	$ -	$ 11,520	$ 2,473,135
Acquisitions	3,534,951	111,467	10,488	3,656,906
Depreciation	(683,511)	(27,874)	(10,375)	(721,760)
Termination of lease, etc.	(464,248)	-	-	(464,248)
Exchange differences	(152,719)	(2,896)	-	(155,615)
Ending balance	$ 4,696,088	$ 80,697	$ 11,633	$ 4,788,418

(in USD)	2020		
	Buildings	**Supplies**	**Total**
Beginning balance	$ 2,300,349	$ 21,881	$ 2,322,230
Acquisitions	458,688	-	458,688
Depreciation	(344,490)	(10,361)	(354,851)
Exchange differences	47,068	-	47,068
Ending balance	$ 2,461,615	$ 11,520	$ 2,473,135

Lease liabilities as at December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Lease liabilities		
Current	$ 1,082,918	$ 500,925
Non-current	3,804,987	2,169,426
	$ 4,887,905	$ 2,670,351

Changes in lease liabilities for the years ended December 31, 2021 and 2020, are as follows:

(in USD)		**2021**		**2020**
Beginning balance	$	2,670,351	$	2,432,456
Acquisitions of lease assets		3,426,771		458,688
Termination of lease, etc.		(456,363)		-
Payments of lease liabilities		(793,281)		(425,961)
Interest expenses		191,228		157,445
Exchange differences		(150,801)		47,723
Ending balance	$	4,887,905	$	2,670,351

The consolidated statement of comprehensive income shows the following amounts relating to leases:

(in USD)		**2021**		**2020**
Depreciation of right-of-use assets (included in depreciation of operating expenses)				
Buildings	$	683,511	$	344,490
Vehicles		27,874		-
Supplies		10,375		10,361
	$	721,760	$	354,851
Interest expense relating to lease liabilities (included in finance cost)	$	191,228	$	157,445
Expense relating to short-term leases (included in rental expenses of operating expenses)		2,562		34,957
Expense relating to leases of low-value assets that are not short-term leases (included in office supplies expenses of operating expenses)		19,284		10,638

The total cash outflow for leases in 2021 was USD 815,127 (2020: USD 471,556).

12. Intangible Assets

Details of intangible assets as at December 31, 2021 and 2020, are as follows:

(in USD)	2021			2020		
	Cost	Accumulated amortization	Book amount	Cost	Accumulated amortization	Book amount
Right-to-use of intellectual property	$ 7,500,000	$ (1,940,709)	$ 5,559,291	$ 7,500,000	$ (1,552,787)	$ 5,947,213

The Company acquired a right-to-use of intellectual property (license) for NT-I7 from Genexine, Inc., and retains a right-to-use of the technology until 2036, the year of expiration for the patent of NT-I7 (Note 28).

Changes in intangible assets for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	2021		
	Beginning balance	Amortization	Ending balance
Right-to-use of intellectual property	$ 5,947,213	$ (387,922)	$ 5,559,291

(in USD)	2020		
	Beginning balance	Amortization	Ending balance
Right-to-use of intellectual property	$ 6,335,136	$ (387,923)	$ 5,947,213

13. Other Financial Liabilities

Details of other financial liabilities as at December 31, 2021 and 2020, are as follows :

(in USD)	2021	2020
Accrued expenses [1]	$ 14,073,039	$ 6,585,811
	14,073,039	6,585,811
Less: non-current portion	-	-
Other current financial liabilities	$ 14,073,039	$ 6,585,811

[1] Accrued expenses related to research and development expenses of the total accrued expenses were USD 14,073,039 (2020: USD 6,543,485).

14. Other Liabilities

Details of other liabilities as at December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Withholdings	$ 108,153	$ 20,294
Accrued expenses	626,550	301,342
Current tax liabilities	50,049	19,883
Provision	53,219	-
	837,971	341,519
Less: non-current portion	(53,219)	-
Current portion	$ 784,752	$ 341,519

15. Defined Benefit Liabilities

Details of net defined benefit liabilities recognized in the statement of financial position as at December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Present value of defined benefit obligations	$ 261,207	$ 110,386
Fair value of plan assets	(301,532)	(55,747)
Net defined benefit liabilities (assets)	$ (40,325)	$ 54,639

Movements in the defined benefit obligations for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Beginning balance	$ 110,386	$ -
Current service cost	156,746	85,615
Past service cost	-	13,176
Interest expense	4,229	616
Remeasurements:		
Actuarial gain from change in financial assumptions	(9,347)	(1,655)
Actuarial loss from experience adjustments	24,223	4,022
Benefit payments	(10,211)	-
Exchange differences	(14,819)	8,612
Ending balance	$ 261,207	$ 110,386

Movements in the fair value of plan assets for the years ended December 31, 2021 and 2020, are as follows:

(in USD)		2021		2020
Beginning balance	$	55,747	$	-
Interest income		2,742		277
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		(1,182)		(43)
Contributions:				
Employers		268,007		51,165
Benefit payments		(10,211)		-
Exchange differences		(13,571)		4,348
Ending balance	$	301,532	$	55,747

The entire amount of the plan assets is invested in principal-guaranteed products.

The table below summarizes the components of post-employment benefits related to the defined benefit plans recognized in the statement of comprehensive income for the year ended December 31, 2021.

(in USD)		2021		2020
Current service cost	$	156,746	$	85,615
Past service cost		-		13,176
Net interest expense		1,487		339
	$	158,233	$	99,130

USD 123,757 of the total expense of USD 158,233, was charged to 'research and development expenses' and USD 34,476 was charged to 'post-employment benefits'.

Expected contributions to post-employment benefit plans for the year ending December 31, 2022, are USD 176,017.

The significant actuarial assumptions as at December 31, 2021, are as follows:

(in percentage, %)	2021	2020
Discount rate	3.03 %	2.52 %
Salary growth rate	4.03 %	3.99 %

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

(in USD)	Impact on defined benefit obligation		
	Changes in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.50%	$ (13,464)	$ 14,649
Salary growth rate	0.50%	14,740	(13,669)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The weighted average duration of the defined benefit obligation is 11.07 years.

16. Share Capital and Capital Surplus

As at December 31, 2021, the Company's total number of authorized shares is 50,000,000 shares and the total number of ordinary shares issued is 19,716,402 shares with a par value of USD 0.0001 per share.

Changes in share capital and capital surplus for the years ended December 31, 2021 and 2020, are as follows:

(in USD and number of shares)	2021		
	Beginning balance	**Increase in ordinary shares[1]**	**Ending balance**
Outstanding shares [1]	16,545,068	3,171,334	19,716,402
Share capital	$ 1,655	$ 317	$ 1,972
Capital surplus	$ 130,926,775	$ 97,906,591	$ 228,833,366

[1] On March 16, 2022, the Company newly listed its Depositary Receipts (DR) on the KOSDAQ of the Korea Stock Exchange, and issued 3,133,334 new shares (15,666,670 DR) for KRW 117,500 million (USD 102,965 thousand). The cost directly attributed to issuance of the new share amounting to KRW 6,639 million (USD 5,852 thousand) was deducted directly from the capital surplus increased upon issuance of the new share. Furthermore, 38,000 shares (190,000 DR) were increased due to the exercise of share options (Note 19).

(in USD and in number of shares)	2020		
	Beginning balance	**Increase in ordinary shares[1]**	**Ending balance**
Outstanding shares [1]	16,465,068	80,000	16,545,068
Share capital	$ 1,647	$ 8	$ 1,655
Capital surplus	$ 130,556,831	$ 369,944	$ 130,926,775

[1] It is due to the exercise of share options granted to employees.

17. Other Components of Equity and Accumulated Other Comprehensive Income

Details of other components of equity as at December 31, 2021 and 2020, consist of:

(in USD)		**2021**		**2020**
Share options	$	11,572,340	$	4,066,296

Changes in accumulated other comprehensive income for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	**2021**					
		Beginning balance		**Increase (decrease)**		**Ending balance**
Exchange differences on translation of foreign operations	$	113,325	$	(264,798)	$	(151,473)

18. Accumulated Deficit

Accumulated deficit as at December 31, 2021 and 2020, consists of:

(in USD)		**2021**		**2020**
Accumulated deficit before disposition	$	(103,569,213)	$	(57,693,823)

19. Share-based Payments

The Company granted share option to selected employees based on the approval of the Board or general shareholders' meeting. Details are as follows:

- Type of shares to be issued as share-based payments: registered ordinary shares
- Grant method: issuance of new ordinary shares
- Vesting conditions and exercise of options (share options are exercisable if service conditions are met):
  - 3rd tranche of share options: The share options are exercisable if the employees render services for two years after the grant date.
  - 4th tranche of share options: The share options are vested and exercisable if the employees render services for two years, three years or four years after the grant date.
  - 5th tranche of share options: The share options are exercisable if the employees render

services for two years or three years after the grant date.

- 6th tranche of share options: The share options are exercisable if the employees render services for two years or three years after the grant date.

- 7th tranche of share options: The share options are exercisable if the employees render services for two years or three years after the grant date.

Share options	**Grant date**	**Number of options granted**	**Vesting condition**
3rd tranche	2018.07.30	37,500 shares	Rendering of services for two years
4th tranche	2019.08.30	632,000 shares	Rendering of services for two years, three years or four years
5th tranche	2021.03.16	470,888 shares	Rendering of services for two years or three years
6th tranche	2021.03.31	101,500 shares	Rendering of services for two years or three years
7th tranche	2021.09.28	67,700 shares	Rendering of services for two years or three years

The 1st tranche of share options of 140,000 shares and the 2nd tranche of share options of 60,000 shares were granted on June 24, 2016 and June 15, 2017, respectively, under a condition that the share options will be vested when certain performances are achieved. Subsequently, in February 2018, the vesting conditions of 1st and 2nd tranches of share options were changed to immediate vesting upon the date of IPO. Then, in January 2019, all the remaining unvested 1st and 2nd tranches of share options were vested immediately due to the change of vesting condition.

8,500 shares (42,500 DR) of the 1st and 2nd tranches of share options were exercised during 2021.

The 3rd tranche of share options of 37,500 shares granted on July 30, 2018 were all vested on July 30, 2020, of which 15,500 shares (77,500 DR) were exercised during 2021.

Of the 4th tranche of share options of 632,000 shares granted on August 30, 2019, 235,000 shares were vested on August 31, 2021. 14,000 shares(70,000 DR) of 4th tranche of share options were exercised during 2021.

Changes in the number of share options outstanding and their related weighted average exercise prices for the years ended December 31, 2021 and 2020, are as follows:

	Number of options *(in shares)*		Average exercise price per share option *(in USD)*	
	2021	**2020**	**2021**	**2020**
Beginning balance	721,000	834,500	$ 21.6	$ 19.9
Granted	640,088	-	61.0	-
Exercised	(38,000)	(80,000)	14.1	3.0
Forfeited[1]	(160,775)	(33,500)	31.7	25.0
Ending balance	1,162,313	721,000	$ 42.1	$ 21.6
Exercisable at the end of the reporting period	324,500	127,500	$ 18.6	$ 5.5

[1] Share options granted were forfeited due to resignation of the employee prior to vesting.

The above quantity and exercise price are based on one share of the Company, and one share of the Company represents 5 DR currently traded in the KOSDAQ.

The weighted average remaining contractual maturity of share options outstanding at the end of the reporting period is 9.30 years (2020: 8.30 years) and the exercise prices are between USD 3~63.2 (2020: USD 3~25) per share.

38,000 share options (190,000 DR) were exercised at USD 3~25 per share during 2021, and the weighted average share price at the time of exercise was KRW 9,960 per 1 DR (KRW 49,800 per share).

The share options granted are measured at fair value at the grant date, and the increase in equity based on such fair value of share options is correspondingly recognized as salaries, research and development expenses or commission expenses over the vesting periods.

The Group recognized share-based payments based on the fair value of stock option measured using the binomial model approach. The related assumptions and variables to measure the share-based payments are as follows:

(in USD)	**2021**
Fair value of share options granted during the year	$ 27.23 ~ $ 41.69
Weighted average share price at grant date	$ 42.73 ~ $ 63.20
Price volatility [1]	70.7% ~ 72.9%
Contractual maturity of share options[2]	10 years
Risk-free interest rate	1.09%~2.13%

[1] The price volatility of listed benchmark companies was used.
[2] When measuring the fair value of share options, the Company applied the expected maturity in consideration of the effects of early exercise by employees due to restriction on transfer of share

options and cessation of employment.

Share-based payments recognized as expenses for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Salaries	$ 3,489,241	$ 1,316,751
Research and development expenses	4,001,331	1,484,348
Commission expenses	273,562	-
	$ 7,764,134	$ 2,801,099

20. Operating Expenses

Operating expenses for the years ended December 31, 2021 and 2020, consist of:

(in USD)	**2021**	**2020**
Salaries	$ 14,939,032	$ 8,778,821
Employee benefits[1]	843,732	510,745
Depreciation	1,192,135	520,145
Amortization	387,922	387,923
Commission expenses	26,672,282	15,357,172
Others	1,320,566	943,846
	$ 45,355,669	$ 26,498,652

[1] Employee benefits include the contributions paid by the Group for its employees under 401k Plan in the United States and in relation to this, the amount recognized as expenses for the year ended December 31, 2021, is USD 134,825 (2020: USD 114,556).

Research and Development expenses for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Salaries	$ 4,369,786	$ 3,625,665
Salaries (Share-based Payments)	4,001,331	1,484,393
Commission expenses	24,092,513	13,587,375
Amortization	387,922	387,923
Depreciation	720,905	154,840
	$ 33,572,457	$ 19,240,196

21. Other Income and Expenses

(a) Other Income

(in USD)		**2021**		**2020**
Other income	$	5,636	$	-
Gain on disposal of financial assets at fair value through profit or loss		-		129,337
Miscellaneous gains		7,874		300
	$	13,510	$	129,637

(b) Other Expenses

(in USD)		**2021**		**2020**
Loss on disposal of property and equipment	$	91,508	$	-

22. Finance Income and Costs

(a) Finance Income

(in USD)		**2021**		**2020**
Interest income	$	341,554	$	807,491
Gain on foreign currency translation		1,864		-
Gain on foreign currency transactions		98,480		26,031
	$	441,898	$	833,522

(b) Finance Costs

(in USD)		**2021**		**2020**
Interest expenses	$	191,497	$	157,445
Loss on foreign currency translation		475,597		593
Loss on foreign currency transactions		139,768		92,618
	$	806,862	$	250,656

23. Tax Expense

Income tax expense for the years ended December 31, 2021 and 2020, consists of:

(in USD)		2021		2020
Current tax	$	60,701	$	23,126
Deferred tax		-		-
Income tax expense	$	60,701	$	23,126

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate as follows:

(in USD)		2021		2020
Loss before income tax expense	$	(45,798,631)	$	(25,786,149)
Tax with statutory tax rate applied		(12,054,785)		(7,044,779)
Tax effects of:				
Expenses not deductible for tax purposes		1,170,770		278,941
Tax credit		(45,141)		(11,733)
Unrecognized deferred tax assets		11,170,541		6,642,859
Others (effects of change in tax rate and others)		(180,684)		157,838
Income tax expense	$	60,701	$	23,126

The effective tax rates for the years ended December 31, 2021 and 2020, were not calculated as the loss before income tax incurred.

The movements in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(in USD)	2021		
	Beginning balance	**Increase (decrease)**	**Ending balance**
Right-of-use assets	$ (824,632)	$ (301,086)	$ (1,125,718)
Intangible assets	(125,007)	(27,932)	(152,939)
Plan assets	(11,308)	(46,158)	(57,466)
Property and equipment	81	(2,567)	(2,486)
	(960,866)	(377,743)	(1,338,609)
Lease liabilities	893,299	266,057	1,159,356
Share-based payment expenses	1,664,351	1,128,590	2,792,941
Accrued expenses	1,818,634	1,983,520	3,802,154
Present value discounts	2,495	31,369	33,864
Defined benefit liabilities	22,391	35,075	57,466
Provision	-	11,708	11,708
	4,401,170	3,456,319	7,857,489
Deferred tax assets (liabilities) due to temporary differences	3,440,304	3,078,576	6,518,880
Tax loss	12,495,783	8,541,935	21,037,718
Tax credit carried forward	478,852	526,222	1,005,074
Unrecognized deferred tax assets	(16,414,939)	(12,146,733)	(28,561,672)
Net deferred tax assets (liabilities)	$ -	$ -	$ -

(in USD)	2020		
	Beginning balance	**Increase (decrease)**	**Ending balance**
Right-of-use assets	$ (579,631)	$ (245,001)	$ (824,632)
Intangible assets	(94,908)	(30,099)	(125,007)
Plan assets	-	(11,308)	(11,308)
	(674,539)	(286,408)	(960,947)
Property and equipment	62	19	81
Lease liabilities	611,750	281,549	893,299
Share-based payment expenses	440,889	1,223,462	1,664,351
Accrued expenses	6,675	1,811,959	1,818,634
Present value discounts	1,571	924	2,495
Defined benefit liabilities	-	22,391	22,391
	1,060,947	3,340,304	4,401,251
Deferred tax assets (liabilities) due to temporary differences	386,408	3,053,896	3,440,304
Tax loss	8,295,464	4,200,319	12,495,783
Tax credit carried forward	-	478,852	478,852
Unrecognized deferred tax assets	(8,681,872)	(7,733,067)	(16,414,939)
Net deferred tax assets (liabilities)	$ -	$ -	$ -

The analysis of deferred tax assets and liabilities as at December 31, 2021 and 2020, is as follows:

(in USD)	**2021**	**2020**
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	$ 1,338,609	$ 960,947
Deferred tax asset to be recovered within 12 months	-	-
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	(1,338,609)	(960,947)
Deferred tax liability to be recovered within 12 months	-	-
Deferred tax assets (liabilities), net	$ -	$ -

Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as at December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**	**Remarks**
Unused net operating losses[1]	$ 78,302,063	$ 45,696,659	Uncertainty of sufficient future taxable profit
Tax credit carried forward[1]	1,005,074	478,852	Uncertainty of sufficient future taxable profit
Accrued expenses and others	24,253,849	12,597,418	Uncertainty of sufficient future taxable profit
Interests in subsidiary	(389,766)	(269,970)	No plan for disposal and dividend

[1] The maturity of unused net operating losses and unused tax credit is as follows:

(in USD)	**2021**		**2020**	
	Tax loss[1]	**Tax credit carried forward**	**Tax loss[1]**	**Tax credit carried forward**
Less than 1 year	$ -	$ -	$ -	$ -
1 to 5 years	-	-	-	-
Over 5 years	78,302,063	1,005,074	45,696,659	478,852
	$ 78,302,063	$ 1,005,074	$ 45,696,659	$ 478,852

[1] Losses incurred before 2017 are available for deduction from the future taxable income over 20 years after incurred, and losses incurred after 2018 have no maturity for expiration.

24. Loss per Share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the financial year.

(a) Basic loss per share

(in USD)	**2021**	**2020**
Loss attributable to the ordinary equity holders	$ (45,859,332)	$ (25,809,275)
Weighted average number of ordinary shares outstanding	19,051,844 shares	16,528,784 shares
Basic loss per share	$ (2.41)	$ (1.56)

(b) Diluted loss per share

The Group did not issue any potential ordinary shares. Therefore, basic loss per share is identical to diluted loss per share.

25. Cash Used in Operating Activities

(a) Cash used in operations

(in USD)	**2021**	**2020**
Loss before income tax	$ (45,859,332)	$ (25,809,275)
Adjustments for:		
Income tax expense	60,701	23,126
Interest expenses	191,497	157,445
Loss on foreign currency translation	475,597	593
Depreciation	1,192,135	520,145
Amortization	387,922	387,922
Salaries (share-based payments)	3,489,241	1,316,753
Research and development expenses (share-based payments)	4,001,331	1,484,393
Commission expenses (share-based payments)	273,562	-
Loss on disposal of property and equipment	91,508	-
Gain on termination of lease	(5,636)	-
Research and development expenses	1,200,000	-
Interest income	(341,554)	(807,491)
Gain on foreign currency translation	(1,864)	-
Gain on disposal of financial assets at fair value through profit or loss	-	(129,337)
Change in operating assets and liabilities:		

(in USD)	**2021**	**2020**
Increase in other receivables	(13,203)	-
Increase in advance payments	(389)	-
Increase in prepaid expenses	(1,650,757)	(6,858,210)
Increase in long-term prepaid expenses	(94,411)	(2,143,580)
Increase (decrease) in other payables	437,165	(335,959)
Increase in accrued expenses	7,819,299	5,747,217
Increase (decrease) in withholdings	91,741	(3,371)
Increase (decrease) in net defined benefit liabilities	(109,774)	47,966
Cash used in operating activities	$ (28,365,221)	$ (26,401,663)

(b) Significant transactions not affecting cash flows

Significant transactions not affecting cash flows for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	**2021**	**2020**
Acquisitions of right-of-use assets	$ 3,656,906	$ 458,688
Termination of lease and others	456,363	-

(c) Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the years ended December 31, 2021 and 2020, are as follows:

(in USD)	**Liabilities from financing activities**
	Lease liabilities
At January 1, 2020	$ 2,432,456
Acquisitions – leases	458,688
Cash flows	(425,961)
Other non-financial changes	205,168
At December 31, 2020	$ 2,670,351
At January 1, 2021	$ 2,670,351
Acquisitions – leases	3,426,771
Termination – leases	(281,384)
Cash flows	(602,053)
Other non-financial changes	(325,780)
At December 31, 2021	$ 4,887,905

26. Related Party Transactions

Details of related parties that have sales and other transactions with the Group or have outstanding balances as at December 31, 2021 and 2020, are as follows:

Type	2021	2020	Relationship
Other related parties	Genexine, Inc.	Genexine, Inc.	Significant influence over the Company
	SL POGEN	SL POGEN -	A subsidiary of the Genexine, Inc. which has significant influence over the Company

Sales and purchases with related parties for the years ended December 31, 2021 and 2020, are as follows:

(in USD)

Type	Name of entity	Accounts	2021	2020
Other related parties	Genexine, Inc.	Interest expenses	$ 11,957	$ -
		Research and development expenses	1,181,870	1,603,381
	SL POGEN	Acquisitions of right-of-use assets	-	458,688
		Interest expenses	9,318	7,737

Outstanding balances arising from sales/purchases of goods and services as at December 31, 2021 and 2020, are as follows:

(in USD)

Type	Name of entity	Accounts	2021	2020
Other related parties	Genexine, Inc.	Prepaid expenses	$ 9,030,233	$ 7,713,961
		Other payables	316,749	572,289
		Lease liabilities	392,183	-
	SL POGEN	Lease liabilities	-	469,306

The Group paid USD 1,319,889 to Genexine, Inc. for the products related to NT-I7 which are produced by a third-party contract manufacturer, of which USD 316,499 has not yet been paid at the end of the reporting period. As ownership and control of the related products has not been transferred to the Group at the end of the reporting period, the consideration paid is included in prepaid expenses.

Fund transactions with related parties for the years ended December 31, 2021 and 2020, are as follows:

(in USD)		2021	
		Borrowing transactions[1]	
Type	**Name of entity**	**Borrowings**	**Repayments**
Other related parties	Genexine, Inc.	$ 65,958	$ 69,279
	SL POGENs	-	43,472

[1] For the laboratory lease agreement which had been entered into with the Group and SL POGENs during 2020, as the contracting party was changed to Genexine Co., Ltd. during 2021, and an agreement regarding the succession of the tenant status was concluded from June 1. In relation to the agreement, the repayment of lease liabilities during the year is USD 104,332 and interest expenses amount to USD 20,352.

During 2021, right-of-use assets and lease liabilities of USD 65,958 are recognized in respect to laboratory lease agreement which has been entered into between the Group and Genexine, Inc. over five years. The repayment of lease liabilities during the year is USD 8,419 and interest expenses amount to USD 923.

(in USD)		2020	
		Borrowing transactions[1]	
Type	**Name of entity**	**Borrowings**	**Repayments**
Other related parties	SL POGENs.	$ 458,688	$ 33,727

[1] During 2020, right-of-use assets and lease liabilities of USD 458,688 are recognized in respect to laboratory lease agreement which has been entered into with the Group over five years. The repayment of lease liabilities during the year is USD 33,727 and interest expenses amount to USD 7,737.

The Company entered into a purchase agreement for a right-to-use of intellectual property with Genexine, Inc., a related party (Note 28).

The compensation paid or payable to key management, that are considered the members of board of directors who have significant authority and responsibility in respect to operating of the Company, for employee services for the years ended December 31, 2021 and 2020, consists of:

(in USD)	2021	2020
Salaries and other compensations	$ 655,164	$ 1,354,771
Share-based payments	542,380	1,013,067
	$ 1,197,544	$ 2,367,838

There is no payment guarantee provided by the related parties as at December 31, 2021 and 2020.

27. Segment Reporting

Operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. In accordance with Korean IFRS 1108 *Segment Reporting*, the Group has one operating segment.

28. Commitments

(a) Right-to-use of intellectual property

a) License for NT-I7

In June 2015, the Company acquired a right-to-use of intellectual property (license) for NT-I7 from Genexine, Inc., and retains a right-to-use of the technology until 2036, the year of expiration for the patent of NT-I7 (Note 12). At inception of license-in-agreement, the Company paid USD 4,500,000 to Genexine, Inc. (total acquisition amounts: USD 12,500,000, including USD 8,000,000 of milestone fees).

During the year ended December 31, 2018, the Company paid milestone fees amounting to USD 3,000,000 to Genexine, Inc. according to the agreement, as approved for the first and second IND of clinical trials. Also, the Company is agreed to pay milestone fees at the completion of the future clinical trials as follows:

- At the completion of the first clinical trials: USD 2,000,000
- At the completion of the second clinical trials: USD 3,000,000

The Company has the right of distribution in America and Europe regions, and pays 35% of the considerations if the license will be transferred to other parties, and pays 35% of net income arising from sales of products related to license of NT-I7 as royalty to Genexine, Inc.

b) License for Degraducer

In March 2020, the Company entered into an agreement with Ubix Therapeutics, Inc. to acquire a right-to-use of intellectual property (license) related to Degraducer platform technology of Ubix Therapeutics, Inc. which is the target protein degradation technology. In accordance with the agreement, Ubix Therapeutics, Inc. granted the Company the exclusive right-to-use of intellectual property that enables for the Company to develop three candidate materials for new drugs by using technology owned by Ubix Therapeutics, Inc. In April 2020, the Company paid in advance amounting to USD 1,200,000 to Ubix Therapeutics, Inc. for acquiring license, and the entire amount was recognized as research and development expenses in the consolidated statements of comprehensive loss for the year ended December 31, 2021. At at December 31, 2021, the Company is in discussion to decide three candidate materials for new drugs to be developed by the Company and Ubix Therapeutics, Inc.

(b) Supply agreement

In December 2016, the Company entered into a supply agreement with Genexine, Inc. in which Genexine, Inc shall provide the Company with products related to NT-I7 which are produced by a third-party contract manufacturer.

(c) Joint clinical research

In April 2018, the Company entered into a joint clinical research agreement with Genexine and F.Hoffmann-La Roche Ltd (hereinafter referred to as "Roche") for three types of skin cancer (melanoma, Merkel Cell Carcinoma and cutaneous Squamous Cell Carcinoma) and committed to receive Roche's product of TECENTRIQ free of charge, which is required for clinical trials. Clinical trials are in progress as Investigational New Drug ("IND") for the joint clinical research was approved by the U.S. Food and Drug Administration (USFDA) in January 2019.

In December 2019, the Company entered into a joint clinical research agreement with MSD International GmbH (hereinafter referred to as "Merck") for five types of solid cancer (non-small cell lung cancer, small cell lung cancer, microsatellite stable colorectal cancer, triple negative breast cancer and pancreatic cancer) and committed to receive Merck's product of KEYTRUDA free of charge, which is required for clinical trials. Clinical trials are in progress as the IND for the joint clinical research was approved by the USFDA in January 2020.

In April 2020, the Company entered into a joint clinical research agreement with Bristol-Myers Squibb Company (hereinafter referred to as "BMS") for three types of gastric cancer (metastatic gastric cancer, gastro-esophageal junction cancer and esophageal adenocarcinoma) and committed to receive BMS's product of OPDIVO free of charge, which is required for clinical trials. Clinical trials are in progress as the IND for the joint clinical research was approved by the USFDA in July 2020.

In October 2020, the Company entered into a joint clinical research agreement with Roche on non-small cell lung cancer and committed to receive Roche's product of TECENTRIQ free of charge, which is required for clinical trials. Clinical trials are in progress as the IND for the joint clinical research was approved by the USFDA in October 2020.