PRESTIGE BIOPHARMA LIMITED AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

For the financial year ended June 30, 2021

PRESTIGE BIOPHARMA LIMITED
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial years ended June 30, 2021

Contents

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended June 30, 2021 and statement of financial position and statement of changes in equity of the Company as at June 30, 2021.

In the opinion of the directors,

(a) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 8 to 79 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at June 30, 2021, the financial performance and cash flows of the Group, and the changes in equity of the Company and of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Park Soyeon
Kim Michael Jinwoo
Tay Lai Wat
Oh Seung Joo
Bang Kue Ho
Lee Eui Kyung
Lee Kok Fatt
Jeon Kyunghee

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At June 30, 2021	At July 1, 2020	**At June 30, 2021**	At July 1, 2020
Prestige Biopharma Limited (No. of ordinary shares)				
Park Soyeon	1,837,445	1,957,445	2,519,135	2,519,135
Kim Michael Jinwoo	1,781,890	1,901,890	2,519,135	2,519,135
Jeon Kyunghee	350	-	-	-

Directors' interests in shares or debentures (continued)

(b) According to the register of directors' shareholdings, a director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Employee Share Option Plan as set out below and under "Share options".

	No. of unissued ordinary shares under option	
	At June 30, 2021	At July 1, 2020
Tay Lai Wat		
2020 Options	11,252	-

Share options

Employee Share Option Plan

On May 21, 2020, the shareholders of the Company approved the Employee Share Option Plan (the "Plan") and authorised the board of directors to grant share options in compliance with the rules set out in the Plan, the Companies Act of Singapore and the Korea Exchange.

On November 9, 2020, options to subscribe for 337,669 ordinary shares in the Company at an exercise price of $90 per ordinary share were granted pursuant to the Plan ("2020 Options").

The vesting of the options is conditional upon employees remaining in employment of the Company on the dates in which the share options vest, performance evaluation scores and certain other non-market performance conditions such as obtaining regulatory approvals on specific products. Once they have vested, the options are exercisable over a period of 10 years from the grant date.

No options are exercisable at the balance sheet date. The weighted average fair value of options granted on November 9, 2020, determined using the Black-Scholes option pricing model was $91.38.

Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to Employee Share Option Plan outstanding at the end of the financial year was as follows:

	No. of unissued ordinary shares under option at June 30, 2021	Exercise price	Exercise period
2020 Options	259,254	$90	February 5, 2022 – November 9, 2030

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Lee Eui Kyung (Chairman)
Lee Kok Fatt
Jeon Kyunghee

All members of the Audit Committee were independent non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended June 30, 2021 before their submission to the Board of Directors.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Park Soyeon

Park Soyeon
Director

Tay Lai Wat

Tay Lai Wat
Director

1 October 2021

Independent Auditor's Report to the Members of Prestige Biopharma Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Prestige Biopharma Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at June 30, 2021, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended June 30, 2021;
- the consolidated statement of financial position of the Group as at June 30, 2021;
- the statement of financial position of the Company as at June 30, 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor’s Report to the Members of Prestige Biopharma Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year ended June 30, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of intangible assets As at June 30, 2021, intangible assets of the Group amounted to USD 96.5m (Note 12). As described in Note 3(a) to the financial statements, management is required to perform an assessment for impairment of intangible assets that are not yet subject to amortisation at the end of each reporting period, or more frequently if there are any indications that the intangible assets may be impaired. Management has identified each biosimilar as a separate cash generating unit (“CGU”). The recoverable amount of each CGU has been determined based on value-in-use (“VIU”) calculations. The assessment for impairment of intangible assets involves significant judgement in establishing the reasonableness of the significant assumptions used in the VIU calculations. These significant assumptions include the discount rate, forecasted sales volumes and the expected date of obtaining marketing authorisation.	Our audit procedures to address the key audit matter included the following procedures: • Assessed the reasonableness of the significant assumptions used in the VIU calculation for each CGU, which include the discount rate, forecasted sales volumes and the expected date of obtaining marketing authorisation, by reference to external sources of information, signed distribution agreements, correspondences with distributors and regulatory authorities and approved financial budgets, where applicable; • Involved our valuation specialists to assist us in reviewing the appropriateness of the discount rate that has been applied to the valuation model used by management; • Compared the current year’s outcome with the prior year’s projections and considered whether the reasons for differences, if any, have been updated in the projections used at the end of the financial year, where necessary; and • Evaluated management’s sensitivity analysis and related disclosures included in Note 3(a) to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Directors’ Statement but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report to the Members of Prestige Biopharma Limited

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 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.

Independent Auditor's Report to the Members of Prestige Biopharma Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the directors 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 the directors 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 the directors, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Peter Low.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 1 October 2021

Prestige Biopharma Limited and its subsidiaries
Consolidated Statement of Comprehensive Income
For the financial year ended June 30, 2021

(in USD)	**Notes**	**2021** $	**2020** $
Revenue	21	-	-
Expenses by nature			
- Research and development		(5,867,633)	(2,327,184)
- Expenses in relation to collaboration agreement		-	(160,000)
- Employee compensation	22	(3,534,577)	(2,724,348)
- Share option expense	20	(2,601,020)	-
- Legal, regulatory and professional fees		(1,427,497)	(1,726,293)
- Depreciation	10	(1,468,629)	(991,029)
- Rental on operating leases		-	(83,405)
- Advertising and promotion expenses		(10,799)	(113,763)
- Travel expenses		(86,696)	(344,044)
- Other employee benefits		(121,161)	(79,997)
- Freight		(30,201)	(107,478)
- Interest expense	23	(5,456)	-
- Loan termination fees		(377,065)	-
- Others		(1,036,478)	(597,294)
Total expenses		(16,567,212)	(9,254,835)
Finance income	23	117,387	437,440
Other income	24	764,137	1,206,274
Other gains/(losses)			
- Impairment losses on financial assets	4.1.2	-	(1,689,486)
- Others	25	9,209,075	(3,159,680)
		9,209,075	(4,849,166)
Loss before income tax		(6,476,613)	(12,460,287)
Income tax expense	26	(30,000)	(82,358)
Loss for the year		(6,506,613)	(12,542,645)
Other comprehensive (loss)/income			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences	19	(623,803)	105,958
Other comprehensive (loss)/income for the year, net of tax		(623,803)	105,958
Total comprehensive loss for the year		(7,130,416)	(12,436,687)
Total comprehensive loss attributable to owners		(7,130,416)	(12,436,687)
Basic loss per share	30	(0.63)	(1.47)
Diluted loss per share	30	(0.63)	(1.47)

The accompanying notes form an integral part of these financial statements.

Prestige Biopharma Limited and its subsidiaries
Consolidated Statement of Financial Position
As at June 30, 2021

(in USD)	**Notes**	**June 30, 2021** $	**June 30, 2020** $
Assets			
Current assets			
Cash and cash equivalents	7	406,172,675	38,291,197
Trade and other receivables	8	-	922,088
Other assets	9	851,115	2,271,998
		407,023,790	41,485,283
Non-current assets			
Other assets	9	4,646,602	1,422,920
Property, plant and equipment	10	5,696,871	3,763,403
Intangible assets	12	96,480,516	79,129,417
Financial asset at fair value through profit or loss	13	20,812,769	7,536,265
		127,636,758	91,852,005
Total assets		534,660,548	133,337,288
Liabilities			
Current liabilities			
Trade and other payables	15	8,214,211	6,497,446
Borrowings	16	3,716,301	369,647
Deferred income	17	-	192,801
Contract liabilities	21	500,000	-
		12,430,512	7,059,894
Non-current liabilities			
Borrowings	16	3,160,511	2,027,647
Deferred income	17	2,104,787	1,833,814
Contract liabilities	21	8,150,000	7,650,000
		13,415,298	11,511,461
Total liabilities		25,845,810	18,571,355
Equity			
Share capital	18	525,727,248	127,241,958
Capital contribution	19	5,549,899	5,549,899
Translation reserve	19	(418,079)	205,724
Share option reserve	20	2,693,931	-
Accumulated losses		(24,738,261)	(18,231,648)
Total equity attributable to equity holders of the Company		508,814,738	114,765,933
Total liabilities and equity		534,660,548	133,337,288

The accompanying notes form an integral part of these financial statements.

Prestige Biopharma Limited and its subsidiaries
Statement of Financial Position - Company
As at June 30, 2021

(in USD)	**Notes**	**2021** $	**2020** $
Assets			
Current assets			
Cash and cash equivalents	7	390,799,432	37,812,239
Trade and other receivables	8	-	920,000
Other assets	9	380,147	1,294,879
		391,179,579	40,027,118
Non-current assets			
Trade and other receivables	8	5,989,617	4,870,734
Other assets	9	1,704,936	1,422,920
Property, plant and equipment	10	4,913,410	3,763,403
Intangible assets	12	90,555,863	73,581,226
Financial asset at fair value through profit or loss	13	20,812,769	7,536,265
Investments in subsidiaries	14	20,532,715	92,715
		144,509,310	91,267,263
Total assets		535,688,889	131,294,381
Liabilities			
Current liabilities			
Trade and other payables	15	12,477,263	6,219,429
Borrowings	16	1,048,001	369,647
Deferred income	17	-	192,801
Contract liabilities	21	500,000	-
		14,025,264	6,781,877
Non-current liabilities			
Borrowings	16	3,096,245	2,027,647
Contract liabilities	21	8,150,000	7,650,000
		11,246,245	9,677,647
Total liabilities		25,271,509	16,459,524
Equity			
Share capital	18	525,727,248	127,241,958
Capital contribution	19	5,549,899	5,549,899
Share option reserve	20	2,693,931	-
Accumulated losses		(23,553,698)	(17,957,000)
Total equity attributable to equity holders of the Company		510,417,380	114,834,857
Total liabilities and equity		535,688,889	131,294,381

The accompanying notes form an integral part of these financial statements.

Prestige Biopharma Limited and its subsidiaries
Consolidated Statement of Changes in Equity
For the financial year ended June 30, 2021

(in USD)		Attributable to equity holders of the Company					
	Notes	Share capital	Capital contribution	Translation reserve	Share option reserve	Accumulated losses	Total equity
		$	$	$	$	$	$
Group							
Balance at July 1, 2020		127,241,958	5,549,899	205,724	-	(18,231,648)	114,765,933
Loss for the year		-	-	-	-	(6,506,613)	(6,506,613)
Other comprehensive loss							
Currency translation differences	19	-	-	(623,803)	-	-	(623,803)
Total comprehensive loss for the year		-	-	(623,803)	-	(6,506,613)	(7,130,416)
Transactions with owners							
Issuance of new shares	18	410,326,086	-	-	-	-	410,326,086
Share issue expenses	18	(11,840,796)	-	-	-	-	(11,840,796)
Employee share option plan							
Value of employee services	20	-	-	-	2,693,931	-	2,693,931
Total transactions with owners		398,485,290	-	-	2,693,931	-	401,179,221
Balance at June 30, 2021		525,727,248	5,549,899	(418,079)	2,693,931	(24,738,261)	508,814,738

Prestige Biopharma Limited and its subsidiaries
Consolidated Statement of Changes in Equity
For the financial year ended June 30, 2021

(in USD)	Notes	Share capital	Capital contribution	Translation reserve	Accumulated losses	Total equity
		Attributable to equity holders of the Company				
		$	$	$	$	$
Group						
Balance at July 1, 2019		53,198,489	2,784,546	99,766	(5,689,003)	50,393,798
Loss for the year		-	-	-	(12,542,645)	(12,542,645)
Other comprehensive income						
Currency translation differences		-	-	105,958	-	105,958
Total comprehensive loss for the year		-	-	105,958	(12,542,645)	(12,436,687)
Transactions with owners						
Gain on settlement of financial liability upon conversion to redeemable convertible preference shares	19	-	437,800	-	-	437,800
Waiver of interest from a shareholder	19	-	1,509,986	-	-	1,509,986
Waiver of amount due to shareholder	19	-	649,936	-	-	649,936
Redenomination of share capital	18	(167,631)	167,631	-	-	-
Conversion of redeemable convertible preference shares	18	74,211,100	-	-	-	74,211,100
Total transactions with owners		74,043,469	2,765,353	-	-	76,808,822
Balance at June 30, 2020		127,241,958	5,549,899	205,724	(18,231,648)	114,765,933

Prestige Biopharma Limited and its subsidiaries
Statement of Changes in Equity - Company
For the financial year ended June 30, 2021

(in USD)

		Attributable to equity holders of the Company				
	Notes	Share capital	Capital contribution	Share option reserve	Accumulated Losses	Total equity
		$	$	$	$	$
Company						
Balance at July 1, 2020		127,241,958	5,549,899	-	(17,957,000)	114,834,857
Loss for the year, representing total comprehensive loss for the year		-	-	-	(5,596,698)	(5,596,698)
Transactions with owners						
Issuance of new shares	18	410,326,086	-	-	-	410,326,086
Share issue expenses	18	(11,840,796)	-	-	-	(11,840,796)
Employee share option plan						
Value of employee services	20	-	-	2,693,931	-	2,693,931
Total transactions with owners		398,485,290	-	2,693,931	-	401,179,221
Balance at June 30, 2021		525,727,248	5,549,899	2,693,931	(23,553,698)	510,417,380

Prestige Biopharma Limited and its subsidiaries
Statement of Changes in Equity - Company
For the financial year ended June 30, 2021

(in USD)

		Attributable to equity holders of the Company			
	Notes	Share capital	Capital contribution	Accumulated Losses	Total equity
		$	$	$	$
Company					
Balance at July 1, 2019		53,198,489	2,784,546	(5,686,218)	50,296,817
Loss for the year, representing total comprehensive loss for the year		-	-	(12,270,782)	(12,270,782)
Transactions with owners					
Gain on settlement of financial liability upon conversion to redeemable convertible preference shares	19	-	437,800	-	437,800
Waiver of interest from a shareholder	19	-	1,509,986	-	1,509,986
Waiver of amount due to shareholder	19	-	649,936	-	649,936
Redenomination of share capital	18	(167,631)	167,631	-	-
Conversion of redeemable convertible preference shares	18	74,211,100	-	-	74,211,100
Total transactions with owners		74,043,469	2,765,353	-	76,808,822
Balance at June 30, 2020		127,241,958	5,549,899	(17,957,000)	114,834,857

Prestige Biopharma Limited and its subsidiaries
Consolidated Statement of Cash Flows
For the financial year ended June 30, 2021

(in USD)	**Notes**	**2021**	**2020**
		$	$
Cash used in operations	27	(13,563,952)	(10,357,367)
Cash used in investing activities			
Additions to property, plant and equipment		(846,523)	(1,120,960)
Additions to intangible assets		(15,108,837)	(14,546,741)
Interest paid		(428,512)	(198,581)
Deferred income received		1,033,079	907,947
Additions to other assets		(3,140,795)	(183,265)
Net cash used in investing activities		(18,491,588)	(15,141,600)
Cash flows from financing activities			
Proceeds from borrowings		2,478,145	4,000,000
Proceeds from issuance of ordinary shares		410,326,086	-
Share issue expenses deducted from share capital		(11,840,796)	-
Proceeds from issuance of redeemable convertible preference shares		-	51,502,660
Repayment of borrowings		(425,364)	-
Principal payment of lease liabilities		(356,718)	(143,861)
Net cash provided by financing activities		400,181,353	55,358,799
Net increase in cash and cash equivalents		368,125,813	29,859,832
Cash and cash equivalents at the beginning of the year		38,291,197	8,510,349
Effects of exchange rate changes on cash and cash equivalents		(244,335)	(78,984)
Cash and cash equivalents at the end of the year	7	406,172,675	38,291,197

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Prestige Biopharma Limited (the "Company") was incorporated in the Republic of Singapore. The address of its registered office is 21 Biopolis Road, #04-24/28 Nucleos South Building, Biopolis, Singapore 138567. The principal activities are to research, develop and market new antibody therapeutics and biosimilar products. With effect from April 27, 2020, the name of the Company was changed from Prestige Biopharma Pte Ltd. to Prestige Biopharma Limited.

On February 5, 2021, the shares of the Company were listed and admitted for trading on the Korea Exchange KOSPI Market.

The financial statements of the Group as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the subsidiaries of the Company are disclosed in Note 1.1.

1.1 Subsidiaries

Details of the subsidiaries included in the consolidated financial statements as at June 30, 2021 and 2020, are as follows:

	Location	2021 Ownership interest held by the Group (%)	2020 Ownership interest held by the Group (%)	Financial year end	Principal activities
Prestige Biopharma Australia Pty Ltd	Australia	100	100	June	Scientific Research Studies
Prestige Biopharma Belgium BVBA	Belgium	100*	100*	June	Scientific Research Studies
Prestige Biopharma USA Inc.	USA	100	-	June	Scientific Research Studies
Prestige Biopharma Korea Co., Ltd	Korea	100	-	June	Scientific Research Studies and Pharmaceutical Manufacturing

***1% of the interest is held in trust on behalf of the Company by a director of the Company**

Prestige Biopharma USA Inc. was incorporated on April 22, 2021 and Prestige Biopharma Korea Co., Ltd was incorporated on May 3, 2021.

1.2 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended June 30, 2021:

i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. In 2021, the Group has experienced delays in obtaining marketing authorisation and commercialisation of its drugs due to border closures and movement controls. The Group continues to incur losses for the year ended June 30, 2021 as commercialisation of the drugs have yet to commence.

iii. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date in making estimates and judgements on the impairment of intangible assets. The significant estimates and judgements applied on the impairment of intangible assets are disclosed in Note 3(a).

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending June 30, 2022. If the situation persists beyond management's current expectations, the Group's assets may be subject to write downs in the subsequent financial periods.

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 consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements requires the use of certain 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.

Interpretations and amendments to published standards effective in 2020

On July 1, 2020, the Group has adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed in Note 2.2.

2.2 New and amended standards and interpretations adopted by the Group

(i) Amendment to FRS 116 Covid-19-Related Rent Concessions beyond 30 June 2021

On July 1, 2020, the Group has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of $47,658 (Note 24) was recognised as other income in the profit or loss during the year.

(ii) Amendments to FRS 1 Presentation of Financial Statements and FRS 8 Accounting policies, changes in accounting estimates and errors – Definition of Material

The amendments clarify the definition of material. Information is material if omitting, misstating, or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments do not have a significant impact on the financial statements.

2.2.1 New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for annual reporting periods commencing July 1, 2020 which have not been early adopted by the Group as set out below.

Classification of Liabilities as Current or Non-current – Amendments to FRS 1

The narrow-scope amendments to FRS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist

2. Significant accounting policies (continued)

2.2.1 New standards and interpretations not yet adopted by the Group (continued)

at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waiver or a breach of covenant). The amendments also clarify what FRS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. The amendments are not expected to have a significant impact on the financial statements.

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with *FRS 110 Consolidated Financial Statements*.

Subsidiaries

Subsidiaries are all entities (including structured 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 recognises 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 recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the profit or loss as a bargain purchase.

2. Significant accounting policies (continued)

2.3 Consolidation (continued)

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 change 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 recognised in a separate reserve within equity attributable to owners of the 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 change in carrying amount recognised 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 United States Dollar ("USD"), 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 recognised in profit or loss. Monetary items include primarily financial assets (other than equity instruments), contract assets and financial liabilities.

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.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2. Significant accounting policies (continued)

2.5 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:
- Fair value through profit or loss, and
- Amortised cost.

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

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

The Group reclassifies debt investments when, and only when its business model for managing those assets changes.

(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.

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, deposits, grant receivables and an unbilled milestone fee.

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 at amortised cost.

Amortised 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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Equity investments are classified as fair value through profit or loss with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains/(losses)", except for those equity securities which are not held for trading. Dividend income from such investments continue to be recognised in profit or loss as 'other income' when the right to receive payments is established.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(c) Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 4.1.2 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(d) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised or derecognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(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 recognised amounts and there is an intention to settle on a net basis or realise 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. Significant accounting policies (continued)

2.6 Property, plant and equipment

Property, plant 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.

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

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

	Useful lives
Laboratory equipment	3-5 years
Furniture and fittings	3-5 years
Computers	3-5 years
Office equipment	3-5 years
Motor vehicles	5 years
Office and laboratory space	3 – 6 years
Residential space	3-5 years

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise. On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses)".

2.7 Intangible assets

Intangible assets, except for goodwill, are initially recognised at its historical cost, and carried at cost less accumulated amortisation and accumulated impairment losses.

Intellectual property rights, development costs and patents acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation commences when the related product is ready for its intended use or sale. The amortisation period will be over the expected commercial useful life of the drugs. The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Development costs are the expenditures incurred for development of new antibody therapeutics and biosimilar products which are processed through phases of discovery which include preclinical trial, phase 1 clinical trial, phase 2 clinical trial (not applicable to biosimilar products), phase 3 clinical trial, request for government approval, and completion of government approval.

2. Significant accounting policies (continued)

2.7 Intangible assets (continued)

Development costs are recognised as intangible assets when all the following criteria are met:

- it is technically feasible to complete the intangible assets so that it will be available for use;
- management intends to complete the intangible assets and use or sell it;
- there is an ability to use or sell the intangible assets;
- it can be demonstrated how the intangible assets will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or to sell the intangible assets; and
- the expenditure attributable to the intangible assets during its development can be reliably measured.

Other development costs that do not meet the criteria listed above are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

The Group capitalises development costs in relation to the development of biosimilar products upon the commencement of phase 1 clinical trials as the Group has determined that the criteria under FRS 38 Intangible Assets relating to the capitalisation of internally generated intangible assets, including the technical feasibility of the biosimilar products is satisfied.

For new antibody therapeutics, the development costs are capitalised no earlier than the commencement of phase 3 clinical trials and are subject to management's assessment of the probability of securing regulatory approval and commercialisation of the product.

Research and development costs incurred in the development of biosimilar products prior to the commencement of phase 1 clinical trials, and for new antibody therapeutics no earlier than the commencement of phase 3 clinical trials, are recorded as expenses in profit or loss under "Research and Development".

2.8 Impairment of non-financial assets

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised in profit or loss 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.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Significant accounting policies (continued)

2.9 Financial liabilities

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, as financial liabilities carried at amortised cost which are presented as 'trade and other payables' and 'borrowings' in the statement of financial position.

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

(a) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(b) Redeemable convertible preference shares

Redeemable convertible preference shares ("RCPS") are convertible into equity instruments at the option of the holder and are mandatorily redeemable on a specific date. The entire hybrid instrument is recognised initially at its fair value. It is designated as at fair value through profit or loss and is subsequently measured at fair value through profit or loss until the liability is extinguished on conversion or redemption of the RCPS.

When the conversion option is exercised, the carrying amount of the liability is transferred to share capital.

2.11 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.12 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 recognised as finance costs in the statement of comprehensive income.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2. Significant accounting policies (continued)

2.13 Current and deferred tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised 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 and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 nor taxable profit or loss.

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

The Group recognises a deferred tax liability on all taxable temporary differences associated with investments in subsidiaries except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, the Group recognises a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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 where the entity has a legally enforceable right to offset and intends either to settle on a net basis.

2.14 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the development of intangible assets. This includes those costs on borrowings acquired specifically for the development of intangible assets, as well as those in relation to general borrowings used to finance the intangible assets.

2. Significant accounting policies (continued)

2.14 Borrowing costs (continued)

Where funds are borrowed generally and used for financing intangible assets, the borrowing costs are eligible for capitalisation and can be determined by applying a capitalisation rate to the expenditure on the intangible assets. The capitalisation rate should be the weighted average of the borrowing rates applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of acquiring the intangible assets. The amount of borrowing costs capitalised during a period should not exceed the amount of borrowing costs incurred during the period.

2.15 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

The Group operates defined contribution plans. For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contribution has been paid. The contributions are recognised as employee benefit expense when they are due.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account when new ordinary shares are issued, or to the “treasury shares” account when treasury shares are re-issued to the employees.

2.16 Revenue recognition

(a) Sale of goods

Sales of pharmaceutical products are recognised at point in time when control of the products has transferred to its customer, being when the right to payment accrues, significant risks and rewards of ownership are transferred, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products.

2. Significant accounting policies (continued)

2.16 Revenue recognition (continued)

(b) License fee

The Group grants exclusive rights to distributors to register, market, manufacture, sell or distribute the Group's products in certain territories as specified in the license agreements. Consideration is received subject to the completion of certain milestones. License fees for the right to use the intellectual property are recognised at point in time when the license is granted, and there is substantially no unfulfilled obligation that could affect the functionality of the license. License fees for the distribution rights are recognised over time as the underlying sales are recorded by licensee.

2.17 Interest income

Interest income is recognised using the effective interest method and is recognised over time.

2.18 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date on which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments include fixed payments (including in-substance fixed payments), less any lease incentive receivables.

2. Significant accounting policies (continued)

2.18 Leases (continued)

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for leases and account for these as one single lease component. A lease liability is measured at amortised cost using the effective interest method.

A lease liability is remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

A lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

• Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. The transaction costs of an equity transaction are accounted for as a deduction from equity only to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

2.21 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.22 Segment reporting

Information of each 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 Chief Executive Officer and the Chief Operating Officer that makes strategic decisions.

3. Critical accounting estimates, assumptions and judgements

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Estimates and judgements 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment assessment of intangible assets

The Group tests its intangible assets, which have yet to be amortised, for impairment, whenever there are indicators of impairment and at least on an annual basis. The recoverable amounts of the cash generating units (“CGUs”) to which the intangible assets belong have been determined based on value-in-use calculations. The determination of the recoverable amounts of the CGUs requires significant judgement to be applied by management, particularly management's view of the forecasted sales volumes, expected date of obtaining marketing authorisation and commercialisation and the determination of the annual discount rate that should be applied in order to calculate the present values of the future cash flows.

Management determined the forecasted sales volumes primarily based on the signed agreements with distributors and its ongoing discussions and negotiations with distributors which provides management with a view of the potential sales volumes and market prices of the products being developed. The expected date of obtaining marketing authorisation and commercialisation is determined by management based on correspondences with regulatory authorities and their understanding of the drug development status. The annual discount rate that was applied to the forecasted cash flows was 14.5% (2020: 18%).

The Coronavirus Disease 2019 (“COVID-19”) outbreak in 2020 has had a negative impact on many countries and economies globally and has also resulted in restrictions in movements across the world which has resulted in the Group experiencing delays in obtaining marketing authorisation and commercialisation of these drugs.

Management has included the impact arising from COVID-19 in the key assumptions applied in the impairment assessment of intangible assets by factoring in the expected delays in obtaining marketing authorisation and commercialisation of its drugs in its forecasted revenue.

Based on the impairment assessment performed by management on June 30, 2021, no impairment charge was deemed necessary.

3. Critical accounting estimates, assumptions and judgements (continued)

(a) Impairment assessment of intangible assets (continued)

The sensitivity analysis performed on management's estimates for forecasted sales volumes, the annual discount rate used and the date of obtaining marketing authorisation and commercialisation is as follows:

Key assumptions	**Sensitivity**	**Headroom**	
		HD201 $	HD204 $
Forecasted sales volumes	Decrease by 15%	16,627,042	6,941,608
Annual discount rate	Increase by 5%	13,168,228	2,024,606
Date of obtaining marketing authorisation and commercialisation	Delay by a year	23,608,224	8,702,116

The changes in each assumption that will result in an impairment charge with all other variables held constant are as follows:

Key assumptions	**Change in assumptions**	
	HD201 (Decrease by)/ Increase by	HD204 (Decrease by)/ Increase by
Forecasted sales volumes	(34.96%)	(24.77%)
Annual discount rate	9.79%	5.80%

Any reasonable possible delay in obtaining marketing authorisation and commercialisation would not result in an impairment charge being necessary.

(b) Capitalisation of development costs

The Group incurs costs to develop its biosimilar products. Management has applied its judgement and has determined that the criteria under FRS 38 Intangible Assets relating to the capitalisation of internally generated intangible assets is satisfied for a biosimilar product after the commencement of Phase 1 clinical trials in line with the guidelines issued by the Korean Financial Supervisory Commission. As at June 30, 2021, the carrying amount of development costs capitalised at the end of the reporting period was $96,480,516 (2020: $79,129,417). In the event that the development of the product is discontinued, these costs will be recognised as expense in profit or loss.

(c) Deferred income

During the financial year ended June 30, 2021, a subsidiary of the Group applied for a tax incentive amounting to approximately $163,761 (2020: $925,867) in relation to research and development ("R&D") activities performed in the subsidiary's tax jurisdiction. In its application for the R&D tax incentive, management obtained professional advice and has exercised judgement in determining that the subsidiary has fulfilled the relevant criteria to allow it to qualify for and claim the R&D tax incentive. As at June 30, 2021, management has recorded the R&D tax incentive as deferred income in the consolidated statement of financial position.

3. Critical accounting estimates, assumptions and judgements (continued)

(c) *Deferred income* (continued)

In subsequent periods, the R&D tax incentive will be credited to profit or loss over the period in which the related development costs (Note 12.3) are amortised to profit or loss. If the final tax outcome pertaining to this R&D tax incentive is different from the amounts initially recognised, such differences will impact the deferred income, cash and cash equivalents and other receivables in the period in which such determination is made.

(d) *Uncertain tax position*

The service fee income charged by a subsidiary to the Company is set on the basis that the product being developed will be launched to the market and the subsidiary will derive license fees and sales revenue from the product. Should the basis for the service fee be challenged by tax authorities, it could result in a higher tax being applied to the profit of the subsidiary. If the tax authorities deem that the subsidiary has conducted development activities for the Company, the deferred income of the Group will be lower by $983,390 and the tax payable will be higher by $983,390 for the year ended June 30, 2021. Management is confident that the basis applied to set the service fee is reasonable and supportable.

(e) *Employee share option plan*

On May 21, 2020, the shareholders of the Company approved the Employee Share Option Plan (the “Plan”) and authorised the board of directors to grant share options in compliance with the rules set out in the Plan, the Companies Act of Singapore and the Korea Exchange. On November 9, 2020, options to subscribe for 337,669 ordinary shares in the Company at an exercise price of $90 per ordinary share were granted pursuant to the Plan. Once they have vested, the options are exercisable over a period of 10 years from the grant date.

As a result, the Group recorded a share option reserve of $2,693,931 (Note 20) for employee services received in exchange for the grant of share options. The number of shares under options that are expected to vest are dependent on the vesting conditions, which include employees remaining in employment of the Company on the dates in which the share options vest, employees’ performance evaluation scores and certain other non-market performance conditions such as obtaining regulatory approval on specific drugs. The estimate of the number of shares under options that will eventually vest requires significant judgement by management, in particular management's view of the forfeiture rates and the ability of the Company to obtain certain regulatory approvals. These estimates will be revised at each financial period end.

If forfeiture rate increases 10% from management’s estimates, the loss after tax will be approximately $508,000 lower during the year ended June 30, 2021.

If the dates of obtaining regulatory approval for the drug products, HD201 and HD204 are delayed by 2 years from management’s estimates, and if the drug product PBP1510 fails to obtain regulatory approval, the loss after tax will be approximately $183,000 lower during the year ended June 30, 2021.

The fair value of the options granted on November 9, 2020 was determined using the Black-Scholes option pricing model. The key assumptions applied in determining the fair value of the options granted on November 9, 2020 is described in more detail in Note 20.

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise any adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors. The Board reviews and approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

4.1.1 Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the Singapore dollar, the Euro, Swiss Franc, Korean Won and British Pound. Foreign exchange risk arises from financial assets and liabilities denominated in currencies other than functional currency.

At present, the Group does not have any formal policy for hedging against foreign exchange risk. The Group however manages its foreign exchange risk through regular monitoring of relevant currencies in order to minimise currency risk and to reduce volatility of foreign exchange gains/losses.

As this risk arises mainly from trade and other receivables, cash and cash equivalents, financial asset at fair value through profit or loss, trade and other payables and borrowings denominated in foreign currencies, management reduces the risk by monitoring fluctuations in the foreign exchange market.

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.1 Market risk (continued)

(a) Foreign exchange risk (continued)

The Group has certain investments in foreign entities, whose net assets are exposed to foreign currency translation risk. The Group's and Company's financial assets and liabilities exposed to foreign currency risk as at June 30, 2021 and 2020 are as follows:

(in USD)		**2021**		**2020**	
		Foreign currency	**USD**	**Foreign currency**	**USD**
Group					
Financial assets					
Other assets	SGD	582,994	440,936	337,710	238,920
Cash and bank balances	SGD	934,759	706,986	4,090,103	2,893,625
Cash and bank balances	EUR	373,270	455,651	1,761,373	1,955,335
Cash and bank balances	KRW	27,150,484,851	24,028,937	-	-
Financial asset at fair value through profit or loss	KRW	23,125,298,767	20,812,769	9,304,030,864	7,536,265
Financial liabilities					
Trade and other payables	SGD	675,643	511,009	1,209,515	855,696
Trade and other payables	EUR	324,738	396,408	278,226	308,864
Trade and other payables	KRW	-	-	9,000,000	7,290
Trade and other payables	CHF	392,511	436,355	392,511	408,180
Trade and other payables	GBP	45,731	64,901	71,939	88,797
Borrowings	USD	2,542,500	2,542,500	-	-
Borrowings	SGD	5,479,415	4,144,246	3,388,545	2,397,294

(in USD)		**2021**		**2020**	
		Foreign currency	**USD**	**Foreign currency**	**USD**
Company					
Financial assets					
Other assets	SGD	582,994	440,936	337,710	238,920
Cash and bank balances	SGD	934,759	706,986	4,090,103	2,893,625
Cash and bank balances	EUR	373,270	455,651	1,761,373	1,955,335
Cash and bank balances	KRW	27,150,484,851	24,028,937	-	-
Financial asset at fair value through profit or loss	KRW	23,125,298,767	20,812,769	9,304,030,864	7,536,265
Financial liabilities					
Trade and other payables	SGD	675,643	511,009	1,209,515	855,696
Trade and other payables	EUR	324,738	396,408	278,226	308,864
Trade and other payables	KRW	-	-	9,000,000	7,290
Trade and other payables	CHF	392,511	436,355	392,511	408,180
Trade and other payables	GBP	45,731	64,901	71,939	88,797
Borrowings	SGD	5,479,415	4,144,246	3,388,545	2,397,294

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.1 Market risk (continued)

(a) *Foreign exchange risk* (continued)

The table below summarises the impact of currency changes against the US Dollar on the Group's and Company's equity and post-tax profit for the year. The analysis is based on the assumption that Korean Won ("KRW"), Singapore Dollar ("SGD"), Euro ("EUR"), Swiss Franc ("CHF") and British Pound ("GBP") has strengthened/weakened by 10% with all other variables held constant.

(in USD)		Impact on post-tax profit/equity	
		2021	**2020**
Group and Company		$	$
SGD	Strengthened	(350,734)	(12,044)
	Weakened	350,734	12,044
EUR	Strengthened	5,924	164,647
	Weakened	(5,924)	(164,647)
KRW	Strengthened	4,484,171	752,898
	Weakened	(4,484,171)	(752,898)
CHF	Strengthened	(43,635)	(40,818)
	Weakened	43,635	40,818
GBP	Strengthened	(6,490)	(8,880)
	Weakened	6,490	8,880

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.1 Market risk (continued)

(b) Price risk

The Group and Company are exposed to equity securities price risk arising from an investment in ordinary shares held by the Group and Company that are classified as financial asset at fair value through profit or loss in the statements of financial position (Note 13).

(c) Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The objective of interest rate risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group and Company have insignificant financial assets or liabilities that are exposed to interest rate risks.

4.1.2 Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents as well as credit exposures on outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition through the assessment of the credit quality of the debtor, taking into account its financial position, past experience and other relevant factors.

The Group's and Company's maximum exposure to credit risk as at June 30, 2021 and 2020 are as follows:

(in USD)	**2021**	**2020**
Group	$	$
Cash and cash equivalents	406,172,675	38,291,197
Trade and other receivables	-	922,088
Other assets	900,704	262,280
Company		
Cash and cash equivalents	390,799,432	37,812,239
Trade and other receivables	5,989,617	5,790,734
Other assets	590,936	238,923

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.2 Credit risk (continued)

In determining the expected credit losses ("ECL") on its cash and cash equivalents, other receivables, deposits, grant receivables and an unbilled milestone fee, the Group considers the stage in which the asset is in:

- Stage 1, if it was not credit-impaired upon origination, and there has not been a significant increase in its credit risk. Stage 1 ECL will be the credit loss that is expected to result from a default occurring within the next 12 months.
- Stage 2, if it was not credit-impaired upon origination but has since experienced a significant increase in credit risk. Stage 2 ECL will be the life-time expected credit loss arising from a default during the remaining life of the asset.
- Stage 3, if it has been credit-impaired with an objective evidence of default. Stage 3 ECL are also measured as life-time expected credit loss.

ECLs are probability-weighted estimates of credit losses. The ECL associated with the loans and other receivables of the Group is a product of its probability of default, loss given default and exposure at default discounted using the original effective interest rate to the reporting date.

In the previous financial year, the Group and Company calculated the expected credit losses for the loan due from a related party by taking into consideration whether there was any significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable forward-looking information such as actual or expected significant changes in the operating results of the related party.

The criteria that the Group uses to determine whether a financial asset is in default include:

- Significant financial difficulty, including breach of covenants and/ or financial conditions;
- Granting of a concession, that the Group would not otherwise consider, for economic or legal reasons relating to the borrower's financial difficulty; and
- High probability of bankruptcy.

Financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recoveries. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group and Company applied their judgement and determined that the loan due from the related party continues to be credit-impaired. In the previous financial year, due to the COVID-19 outbreak and its impact on the economy, there were changes in the business plan of the related party. Due to the winding down of the related party during the year ended June 30, 2020, the Group and Company determined that the loan from the related party was fully impaired and recorded an additional impairment expense of $1,689,486 based on the life-time expected credit loss on this loan. There are no changes to the financial condition of the related party for the financial year ended June 30, 2021. The Group and Company determined that the loan due from the related party continues to be fully impaired.

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.2 Credit risk (continued)

Changes in the loss allowances are as follows:

(in USD)	Stage 3 $	Total $
Group and Company		
2021		
Opening and closing balance for the financial year ended June 30, 2021	4,330,760	4,330,760
2020		
Opening balance as at July 1, 2019	2,641,274	2,641,274
Charged to profit or loss:		
Allowance for impairment	1,689,486	1,689,486
Opening and closing balance as at June 30, 2020	4,330,760	4,330,760

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Trade receivables are subject to immaterial credit loss.

The Company held non-trade receivables from its subsidiaries of $5,989,617 (2020: $4,870,734). The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to a review of management accounts and cash flow projections). The receivables are measured on 12-month expected credit losses and subject to immaterial credit loss.

The Group and Company held cash and cash equivalents of $406,172,675 and $390,799,432 (2020: $38,291,197 and $37,812,239) respectively with banks which are rated A+ based on Standard & Poor and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss. Other financial assets of the Group and Company are subject to immaterial credit losses.

4.1.3 Liquidity risk

Maintaining optimal liquidity is important given that the business requires significant investment in product development. Management monitors rolling forecasts of the Group and Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs.

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

4.1.3 Liquidity risk (continued)

Details of the Group and Company's liquidity risk analysis as at June 30, 2021 and June 30, 2020 are included in the table below. The amounts disclosed are the contractual undiscounted cash flows.

(in USD)	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
	$	$	$	$
Group				
2021				
Borrowings	4,098,007	1,498,998	2,281,185	-
Trade and other payables	8,214,211	-	-	-
2020				
Borrowings	759,800	757,838	1,712,445	822,923
Trade and other payables	6,497,446	-	-	-

(in USD)	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Company				
2021				
Borrowings	1,436,707	1,423,398	2,281,185	-
Trade and other payables	12,477,263	-	-	-
2020				
Borrowings	759,800	757,838	1,712,445	822,923
Trade and other payables	6,219,429	-	-	-

4. Financial risk management (continued)

4.2 Capital risk management

The Group's objective when managing capital is to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, make borrowings or sell assets to increase or reduce debt as necessary.

The Group and Company define capital as equity and debt (borrowed funds from third parties that must be repaid at a later date). As at June 30, 2021, the Group and Company do not have any debt and hence is not subject to any externally imposed capital requirement.

5. Fair value

5.1 Fair value of financial instruments by category

Carrying amount and fair value of financial instruments by category as at June 30, 2021 and 2020 are as follows:

	Carrying amount		Fair value	
	Group	Company	Group	Company
	$	$	$	$
2021				
Financial assets, at fair value through profit or loss	20,812,769	20,812,769	20,812,769	20,812,769
Financial assets, at amortised cost	407,073,379	397,379,985	407,073,379	397,379,985
Financial liabilities, at amortised cost	15,091,023	16,621,509	15,091,023	16,621,509
2020				
Financial assets, at fair value through profit or loss	7,536,265	7,536,265	7,536,265	7,536,265
Financial assets, at amortised cost	39,475,565	43,841,896	39,475,565	43,841,896
Financial liabilities, at amortised cost	8,894,740	8,616,723	8,894,740	8,616,723

The carrying values of financial assets and liabilities at amortised cost approximate their fair value. The fair value of non-current financial assets and liabilities are estimated by discounting their future contractual cash flows at their current market interest rates available for similar financial instruments.

5. Fair value (continued)

5.2 Fair value hierarchy

Items that are measured at fair value or for which the fair value is disclosed are categorised by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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).

Fair value hierarchy classifications of the financial instruments that are measured at fair value as at June 30, 2021 and 2020 are as follows:

(in USD)	$
<u>**Group and Company**</u>	
2021	
Financial assets/liabilities that are measured at fair value	
Financial asset at fair value through profit or loss **(Level 1)**	20,812,769
2020	
Financial assets/liabilities that are measured at fair value	
Financial asset at fair value through profit or loss **(Level 3)**	7,536,265

5.3 Valuation techniques and the inputs

The Group's and Company's financial assets at fair value through profit or loss relate to the Group's and Company's investment in an investee's ordinary shares. On March 11, 2021, the investee was admitted to the Korea Exchange as a listed Company and consequently, the shares are traded in active markets from that date onwards. For the financial year ended June 30, 2021, the fair value of this financial asset was determined based on the quoted market price.

The Group engaged an external, independent and qualified valuer to determine the fair value of financial asset at fair value through profit or loss for the financial year ended June 30, 2020. The fair value of the ordinary shares had been established using the Discounted Cash Flow Model and was classified as a level 3 valuation. Key inputs to the Discounted Cash Flow Model comprised the weighted average cost of capital, terminal growth rate and forecasted revenue used to calculate the present value of the future cash flows of the asset. Forecasted revenue was based on management's latest discussions and negotiations with distributors which provided management with a view of its expected market share and selling prices of the products being developed.

For the valuation performed by the external valuer in the previous financial year, management reviewed the appropriateness of the valuation methodologies, assumptions and reliability of the range of inputs.

5. Fair value (continued)

5.3 Valuation techniques and the inputs (continued)

The Group evaluates significant changes in fair value measurements from period to period.

Details of the valuation technique and inputs used in the level 3 fair value measurement category are as follows:

(in USD)

	Fair value	Level	Valuation techniques	Inputs	Range of inputs (weighted average)
<u>**Group and Company**</u> **2020**					
Investment in ordinary shares of investee	$ 7,536,265	3	Discounted cash flow	Weighted average cost of capital	16.6%
				Revenue	8,405,000 - 133,346,000/ annum
				Terminal growth rate	1%

During the year, the Group and Company transferred their investment in the investee from Level 3 to Level 1 as the investee was listed on the Korea Exchange and consequently, quoted market prices for the investees' shares were readily available.

Reconciliation of movements in Level 3 fair value measurement:

(in USD)

	Investment in ordinary shares of investee $
<u>**Group and Company**</u>	
30 June 2021	
Beginning of financial year	7,536,265
Transfers from Level 3	(7,536,265)
End of financial year	-

5. Fair value (continued)

5.3 Valuation techniques and the inputs (continued)

The table below summarises the impact of changes to inputs on the Group's and Company's post-tax profit for the year based on a change of 0.5% to 5.0% with all other variables held constant.

(in USD)

	Change applied	Effects on the post-tax profit Increase/ (Decrease) If input increase	Increase/ (Decrease) If input decrease
	%	$	$
Group and Company			
2021			
Equity price	5.0	1,040,638	(1,040,638)

(in USD)

	Change applied	Effects on the post-tax profit Increase/ (Decrease) If input increase	Increase/ (Decrease) If input decrease
	%	$	$
Group and Company			
2020			
Weighted average cost of capital	0.50	(349,348)	372,332
Revenue	5.00	2,347,757	(1,244,553)
Terminal growth rate	0.50	241,326	(226,387)

6. Financial instruments by category

6.1 Carrying amounts of financial instruments by category

Carrying amounts of financial assets and liabilities by category as at June 30, 2021 and 2020 are as follows:

(in USD)

	June 30, 2021 Group		Company	
	Financial assets at amortised cost	Financial asset at fair value through profit and loss	Financial assets at amortised cost	Financial asset at fair value through profit and loss
	$	$	$	$
Financial assets				
Cash and cash equivalents	406,172,675	-	390,799,432	-
Financial asset at fair value through profit and loss	-	20,812,769	-	20,812,769
Other assets	900,704	-	590,936	-
Trade and other receivables	-	-	5,989,617	-
	407,073,379	20,812,769	397,379,985	20,812,769

6. Financial instruments by category (continued)

6.1 Carrying amounts of financial instruments by category (continued)

Carrying amounts of financial assets and liabilities by category as at June 30, 2021 and 2020 are as follows: (continued)

(in USD)	June 30, 2021	
	Group	Company
	Financial liabilities at amortised cost	
	$	$
Financial liabilities		
Borrowings	6,876,812	4,144,246
Trade and other payables	8,214,211	12,477,263
	15,091,023	16,621,509

(in USD)	June 30, 2020			
	Group		Company	
	Financial assets at amortised cost	Financial asset at fair value through profit and loss	Financial assets at amortised cost	Financial asset at fair value through profit and loss
	$	$	$	$
Financial assets				
Cash and cash equivalents	38,291,197	-	37,812,239	
Financial asset at fair value through profit and loss	-	7,536,265	-	7,536,265
Other assets	262,280	-	238,923	-
Trade and other receivables	922,088	-	5,790,734	-
	39,475,565	7,536,265	43,841,896	7,536,265

(in USD)	June 30, 2020	
	Group	Company
	Financial liabilities at amortised cost	
	$	$
Financial liabilities		
Borrowings	2,397,294	2,397,294
Trade and other payables	6,497,446	6,219,429
	8,894,740	8,616,723

6. Financial instruments by category (continued)

6.2 Items of income, expense, gains or losses by category of financial instruments

Income, expense and gains or losses on each category of financial instruments for the years ended June 30, 2021 and 2020, are as follows:

(in USD)	**2021** **$**	**2020** **$**
Group		
Financial assets measured at amortised cost		
Interest income (Note 23)	117,387	437,440
Foreign exchange losses on cash and cash equivalents	(4,377,733)	(60,788)
Financial assets measured at fair value through profit and loss		
Fair value gains/(losses)	13,276,504	(501,666)
Financial liability measured at fair value through profit and loss		
Loss on revaluation of redeemable convertible preference shares (Note 25)	-	(2,708,440)

7. Cash and cash equivalents

Cash and cash equivalents as at June 30, 2021 and 2020 consists of:

(in USD)	**Group**	
	2021 **$**	**2020** **$**
Cash at bank and on hand	406,172,675	38,291,197

(in USD)	**Company**	
	2021 **$**	**2020** **$**
Cash at bank and on hand	390,799,432	37,812,239

8. Trade and other receivables

(in USD)	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Trade receivables				
- Third parties	-	600,000	-	600,000
- Related parties	-	320,000	-	320,000
Other receivables				
- Amounts due from subsidiaries	-	-	5,989,617	4,870,734
- Loan to a related party (Note 29)	4,330,760	4,330,760	4,330,760	4,330,760
- Less: Allowance for impairment of receivables (Note 4.1.2)	(4,330,760)	(4,330,760)	(4,330,760)	(4,330,760)
	-	-	-	-
- Third parties	-	2,088	-	-
	-	922,088	5,989,617	5,790,734
Less: non-current portion	-	-	(5,989,617)	(4,870,734)
Current portion	-	922,088	-	920,000

The loan to a related party is unsecured, bears interest at 1.5% per month and will be repayable in full 10 years from the date of disbursement. As at June 30, 2021, the loan has been fully impaired (Note 4.1.2).

Amounts due from subsidiaries are unsecured and are not expected to be repaid within the next 12 months from the balance sheet date. As at June 30, 2021 an amount of $5,292,374 (2020: $4,489,571) is interest bearing at 1.79% per annum, an amount of $662,784 (2020: $381,163) is interest bearing at 2.01% per annum, and an amount of $34,459 (2020: nil) is non-interest bearing.

9. Other assets

(in USD)	Group	
	2021	**2020**
	$	**$**
Deferred expenditure in relation to collaboration agreement (Note 15)	1,344,000	1,184,000
Prepaid expenses	2,926,482	1,125,973
Deposits	586,943	262,280
Grant receivables	163,761	1,072,362
Goods and service tax receivables	326,531	50,303
Unbilled milestone fee	150,000	-
	5,497,717	3,694,918
Less: Non-current portion	(4,646,602)	(1,422,920)
Current portion	851,115	2,271,998

9. **Other assets** (continued)

(in USD)	Company 2021 $	Company 2020 $
Deferred expenditure in relation to collaboration agreement (Note 15(i))	1,344,000	1,184,000
Prepaid expenses	86,652	1,121,985
Deposits	440,936	238,923
Grant receivables	-	146,495
Goods and service tax receivables	63,495	26,396
Unbilled milestone fee	150,000	-
	2,085,083	2,717,799
Less: Non-current portion	(1,704,936)	(1,422,920)
Current portion	380,147	1,294,879

Grant receivables of $163,761 (2020: $925,867) of the Group relates to tax incentives receivable by a subsidiary of the Group for research and development activities performed in the subsidiary's tax jurisdiction.

In the prior financial year, grant receivables of the Group and Company of $146,495 relate to government grants under the Job Support Scheme (“JSS”) introduced in the Singapore Budget 2020 to help enterprises impacted by COVID-19 to retain local employees. Under the JSS, employers received cash grants in 2020 in relation to the gross monthly wages of eligible employees paid in the months of October 2019 to March 2021.

Prestige Biopharma Limited and subsidiaries
Notes to the Financial Statements
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10. Property, plant and equipment

Details of property and equipment as at June 30, 2021 and 2020 are as follows:

(in USD)	2021			2020		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
	$	$	$	$	$	$
Group						
Laboratory equipment	2,548,008	(1,802,875)	745,133	2,143,475	(1,266,132)	877,343
Furniture and fittings	1,356,233	(418,255)	937,978	625,461	(185,548)	439,913
Computer	150,925	(64,632)	86,293	81,727	(26,657)	55,070
Office equipment	27,420	(18,257)	9,163	23,179	(12,169)	11,010
Motor vehicles	98,086	(31,515)	66,571	120,404	(13,654)	106,750
Office and laboratory space	4,631,649	(839,855)	3,791,794	2,463,287	(260,977)	2,202,310
Residential space	153,582	(93,643)	59,939	106,273	(35,266)	71,007
	8,965,903	(3,269,032)	5,696,871	5,563,806	(1,800,403)	3,763,403

Prestige Biopharma Limited and subsidiaries
Notes to the Financial Statements
For the financial year ended June 30, 2021

10. Property, plant and equipment (continued)

(in USD)	2021			2020		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
	$	$	$	$	$	$
Company						
Laboratory equipment	2,228,396	(1,797,548)	430,848	2,143,475	(1,266,132)	877,343
Furniture and fittings	1,054,712	(407,617)	647,095	625,461	(185,548)	439,913
Computer	150,925	(64,632)	86,293	81,727	(26,657)	55,070
Office equipment	27,420	(18,257)	9,163	23,179	(12,169)	11,010
Motor vehicles	98,086	(31,515)	66,571	120,404	(13,654)	106,750
Office and laboratory space	4,435,926	(822,425)	3,613,501	2,463,287	(260,977)	2,202,310
Residential space	153,582	(93,643)	59,939	106,273	(35,266)	71,007
	8,149,047	(3,235,637)	4,913,410	5,563,806	(1,800,403)	3,763,403

10. Property, plant and equipment (continued)

Changes in property, plant and equipment for the years ended June 30, 2021 and 2020 are as follows:

(in USD)
Group

	Laboratory equipment $	Furniture and fittings $	Computer $	Office equipment $	Motor vehicles $	Office and laboratory space $	Residential space	Total $
June 30, 2021								
Opening net book value	877,343	439,913	55,070	11,010	106,750	2,202,310	71,007	3,763,403
Additions	404,533	730,772	69,198	4,241	-	2,168,362	118,319	3,495,425
Disposals	-	-	-	-	(22,318)	-	(71,010)	(93,328)
Depreciation	(536,743)	(232,707)	(37,975)	(6,088)	(17,861)	(578,878)	(58,377)	(1,468,629)
Closing net book value	745,133	937,978	86,293	9,163	66,571	3,791,794	59,939	5,696,871
June 30, 2020								
Opening net book value	821,700	49,104	27,932	5,771	-	-	-	904,507
Adoption of FRS 116	-	-	-	-	87,832	479,968	58,728	626,528
	821,700	49,104	27,932	5,771	87,832	479,968	58,728	1,531,035
Additions	573,273	490,137	47,076	10,474	88,837	1,983,320	104,608	3,297,725
Disposals	-	-	-	-	(44,193)	-	(30,135)	(74,328)
Depreciation	(517,630)	(99,328)	(19,938)	(5,235)	(25,726)	(260,978)	(62,194)	(991,029)
Closing net book value	877,343	439,913	55,070	11,010	106,750	2,202,310	71,007	3,763,403

10. Property, plant and equipment (continued)

Changes in property, plant and equipment for the years ended June 30, 2021 and 2020 are as follows:

(in USD)
Company

	Laboratory equipment $	Furniture and fittings $	Computer $	Office equipment $	Motor vehicles $	Office and laboratory space $	Residential space	Total $
June 30, 2021								
Opening net book value	877,343	439,913	55,070	11,010	106,750	2,202,310	71,007	3,763,403
Additions	84,921	429,251	69,198	4,241	-	1,972,639	118,319	2,678,569
Disposals	-	-	-	-	(22,318)	-	(71,010)	(93,328)
Depreciation	(531,416)	(222,069)	(37,975)	(6,088)	(17,861)	(561,448)	(58,377)	(1,435,234)
Closing net book value	430,848	647,095	86,293	9,163	66,571	3,613,501	59,939	4,913,410
June 30, 2020								
Opening net book value	821,700	49,104	27,932	5,771	-	-	-	904,507
Adoption of FRS 116	-	-	-	-	87,832	479,968	58,728	626,528
	821,700	49,104	27,932	5,771	87,832	479,968	58,728	1,531,035
Additions	573,273	490,137	47,076	10,474	88,837	1,983,320	104,608	3,297,725
Disposals	-	-	-	-	(44,193)	-	(30,135)	(74,328)
Depreciation	(517,630)	(99,328)	(19,938)	(5,235)	(25,726)	(260,978)	(62,194)	(991,029)
Closing net book value	877,343	439,913	55,070	11,010	106,750	2,202,310	71,007	3,763,403

Right-of-use assets acquired under leasing arrangements are presented together with the assets owned by the Group and Company of the same class. Details of such leased assets are disclosed in Note 11. The Group and Company lease office equipment under non-cancellable finance lease agreements. The carrying amount of office equipment held under finance leases as at June 30, 2021 was $9,163 (2020: $5,376).

10. Property, plant and equipment (continued)

Purchases of property, plant and equipment by the Group during the financial year were made by way of the following:

(in USD)	**2021**	**2020**
Group	$	$
Cash payments	846,523	1,120,960
Accruals	357,982	166,413
Capitalisation of right-of-use assets	2,290,920	2,010,352
	3,495,425	3,297,725

11. Leases

Nature of the Group's and Company's leasing activities

Office and laboratory space
The Group and Company lease office and laboratory space for the purpose of back-office operations and research and development activities, respectively.

Residential space
The Group and Company lease residential properties for certain employees.

Motor vehicles
The Group and Company lease vehicles for the key management of the Group.

Office equipment
The Group and Company lease office equipment for the purposes of back-office operations.

(a) *Carrying amounts*

Right-of-use assets classified within property, plant and equipment

	June 30, 2021	**July 1, 2020**
	$	$
Group		
Office equipment	9,163	1,451
Motor vehicles	66,571	106,750
Office and laboratory space	3,791,794	2,202,310
Residential space	59,939	71,007
	3,927,467	2,381,518

	June 30, 2021	**July 1, 2020**
	$	$
Company		
Office equipment	9,163	1,451
Motor vehicles	66,571	106,750
Office and laboratory space	3,613,501	2,202,310
Residential space	59,939	71,007
	3,749,174	2,381,518

11. Leases (continued)

		2021		2020	
		Group	**Company**	**Group**	**Company**
		$	$	$	$
(b)	*Depreciation charge during the year*				
	Office equipment	6,088	6,088	3,925	3,925
	Motor vehicles	17,861	17,861	25,726	25,726
	Office and laboratory space	578,878	561,448	260,978	260,978
	Residential space	58,377	58,377	62,194	62,194
	Total	661,204	643,774	352,823	352,823
(c)	*Interest expense*				
	Interest expense on lease liabilities	419,221	419,221	255,608	255,608
(d)	*Lease expense not capitalised in lease liabilities*				
	Lease expense – short-term leases	-	-	73,920	73,920
	Lease expense – low-value leases	-	-	9,127	8,461

Nature of the Group's and Company's leasing activities

(e) Total cash outflow for all the leases in the year ended June 30, 2021 for the Group and Company was $775,939 (2020: $425,489 and $424,822 respectively).

(f) Additions of right-of-use assets in the year ended June 30, 2021 for the Group and Company were $2,290,922 and $2,095,199 (2020: $2,176,765 for the Group and Company), respectively.

12. Intangible assets

Intangible assets as at June 30, 2021 and 2020 consist of:

(in USD)	**Group**		
	Cost	**Accumulated amortisation**	**Net book value**
	$	**$**	**$**
2021			
Intellectual property rights (Note 12.1)	6,188,665	-	6,188,665
Patents (Note 12.2)	398,521	-	398,521
Development costs (Note 12.3)	89,893,330	-	89,893,330
	96,480,516	-	96,480,516
2020			
Intellectual property rights (Note 12.1)	6,158,390	-	6,158,390
Patents (Note 12.2)	322,245	-	322,245
Development costs (Note 12.3)	72,648,782	-	72,648,782
	79,129,417	-	79,129,417

(in USD)	**Company**		
	Cost	**Accumulated amortisation**	**Net book value**
	$	**$**	**$**
2021			
Intellectual property rights (Note 12.1)	6,188,665	-	6,188,665
Patents (Note 12.2)	398,521	-	398,521
Development costs (Note 12.3)	83,968,677	-	83,968,677
	90,555,863	-	90,555,863
2020			
Intellectual property rights (Note 12.1)	6,158,390	-	6,158,390
Patents (Note 12.2)	322,245	-	322,245
Development costs (Note 12.3)	67,100,591	-	67,100,591
	73,581,226	-	73,581,226

Purchases of intangible assets by the Group during the financial year were made by way of the following:

(in USD)	**2021**	**2020**
Group	$	$
Cash payments	15,108,837	14,546,741
Accruals	1,655,188	4,301,697
Capitalisation of employee costs	164,018	-
Capitalisation of borrowing costs	423,056	1,157,210
	17,351,099	20,005,648

12. Intangible assets (continued)

12.1. Intellectual property ("IP") rights

Changes in intellectual property rights, development costs and trademarks and patents for the years ended June 30, 2021 and 2020, are as follows:

(in USD)	Group			
	Intellectual property rights	Patents	Development costs	Total
	$	$	$	$
2021				
Beginning net book value	6,158,390	322,245	72,648,782	79,129,417
Additions	30,275	76,276	17,244,548	17,351,099
Ending net book value	6,188,665	398,521	89,893,330	96,480,516
2020				
Beginning net book value	6,061,109	172,956	52,889,704	59,123,769
Additions	97,281	149,289	19,759,078	20,005,648
Ending net book value	6,158,390	322,245	72,648,782	79,129,417

(in USD)	Company			
	Intellectual property rights	Patents	Development costs	Total
	$	$	$	$
2021				
Beginning net book value	6,158,390	322,245	67,100,591	73,581,226
Additions	30,275	76,276	16,868,086	16,974,637
Ending net book value	6,188,665	398,521	83,968,677	90,555,863
2020				
Beginning net book value	6,061,109	172,956	50,166,162	56,400,227
Additions	97,281	149,289	16,934,429	17,180,999
Ending net book value	6,158,390	322,245	67,100,591	73,581,226

12. Intangible assets (continued)

12.1. Intellectual property ("IP") rights (continued)

Intellectual property rights relates to a certain medical technology pertaining to two biosimilar products, HD201 and HD204.

The borrowing costs amounting to $30,275 (2020: $97,281) have been capitalised as IP for the year ended June 30, 2021 by the Group and the Company.

No amortisation expense has been recorded, as amortisation will commence only when the related products are ready for their intended use or sale.

12.2 Patents

Patents refer to all certificates of invention and applications for certificates of invention related to the IP patents. Amortisation will commence when the related product is ready for its intended use or sale.

12.3 Development costs

Carrying amount of the development project as at June 30, 2021 and 2020 are as follows:

		Group		Company	
(in USD)		**2021**	**2020**	**2021**	**2020**
Related account	**Name of separate asset**	**Carrying amount**		**Carrying amount**	**Carrying amount**
		$	$	$	$
Development costs	HD201	54,133,924	50,600,327	51,648,430	48,114,832
Development costs	HD204	35,759,406	22,048,455	32,320,247	18,985,759
		89,893,330	72,648,782	83,968,677	67,100,591

HD201 is a product developed mainly for the treatment of breast cancer. HD204 is a product developed mainly for the treatment of solid tumors.

The Group and Company recognised total research and development costs of $5,867,633 and $5,493,663 respectively (2020: $2,327,184 and $3,124,262) as expenses. These costs were not capitalised as intangible assets, because they relate to research and development activities for products which were still in the pre-clinical trial phase.

Included in the additions to development costs of the Group and Company for the year ended June 30, 2021 are capitalised borrowing costs of $392,781 (2020: $1,059,929) and capitalised employee compensation of $164,018 (2020: Nil).

12. Intangible assets (continued)

12.4 Estimating recoverable amount

The Group and Company estimated the recoverable amount of HD201 and HD204 based on value-in-use calculations.

The value-in-use calculations are derived from cash flow projections covering a period of up to 10 years from expected commercialisation date of each product. The comercialisation period of 10 years is in line with management's expectation of the lifespan of the product.

Management had determined the present value of the future cash flows based on key assumptions including forecasted sales volumes and annual discount rate. Forecasted sales volumes are primarily based on the signed agreements with distributors and management's latest discussions and negotiations with distributors which provide management with a view of the potential sales volumes and market prices of the products being developed. Annual discount rate applied of 14.5% (2020: 18%) was estimated based on weighted average cost of capital for similar assets and adjusted for asset-specific risk.

No impairment charge was recognised for the financial years ended June 30, 2021 and 2020 as disclosed in Note 3(a).

13. Financial asset at fair value through profit or loss

Financial asset at fair value through profit or loss as at June 30, 2021 and 2020 include the following classes of financial assets:

(in USD)	Group and Company	
	2021	**2020**
	$	**$**
Investment in quoted ordinary shares	20,812,769	-
Investment in unquoted ordinary shares	-	7,536,265

The Group's and the Company's financial asset at fair value through profit or loss relates to an investment in an investee's ordinary shares. On March 11, 2021, the investee was listed on the Korea Exchange and consequently, the shares are traded in an active market from that date onwards. For the financial year ended June 30, 2021, the fair value of this financial asset was determined based on the quoted market price. For the financial year ended June 30, 2020, the fair value of this financial asset was determined based on a valuation performed by an external valuer using the Discounted Cash Flow Model (Note 5.3).

Changes in financial asset at fair value through profit or loss for the years ended June 30, 2021 and 2020 are as follows:

(in USD)	**2021**	**2020**
	$	**$**
Group and Company		
Beginning of financial year	7,536,265	8,037,931
Fair value gains/(losses) (Note 25)	13,276,504	(501,666)
End of financial year	20,812,769	7,536,265

14. Investments in subsidiaries

(in USD)	2021 $	2020 $
Company		
Unquoted ordinary shares, at cost		
At July 1	92,715	92,715
Addition	20,440,000	-
At June 30	20,532,715	92,715

Details of the subsidiaries are included in Note 1.1 and the breakdown of the cost of investment is as follows:

Name of subsidiaries	**Cost of investment**	
(in USD)	**2021** **$**	**2020** **$**
Prestige Biopharma Australia Pty Ltd	35,896	35,896
Prestige Biopharma Belgium BVBA	56,819	56,819
Prestige Biopharma USA Inc. (incorporated on April 22, 2021)	5,000,000	-
Prestige Biopharma Korea Co., Ltd (incorporated on May 3, 2021)	15,440,000	-
	20,532,715	92,715

15. Trade and other payables

(in USD)	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Current				
Trade payables	2,459,255	3,480,495	1,751,664	3,205,070
Other payables:				
Amount due to a subsidiary (i)	-	-	5,000,000	-
A related party (ii)(iii)	2,587,369	2,098,811	2,587,369	2,098,811
Trade and other payables	5,046,624	5,579,306	9,339,033	5,303,881
Accrued development expenses (iii)	2,512,650	116,064	2,512,650	116,064
Accrued operating expenses	654,937	802,076	625,580	799,484
Trade and other payables and other liabilities	8,214,211	6,497,446	12,477,263	6,219,429

15. Trade and other payables (continued)

(i) Amount due to a subsidiary relates to the Company's investment in shares of a subsidiary which have been allotted but for which the capital is uncalled. The amount is non-trade in nature, unsecured, interest free and repayable on demand.

(ii) Other payables to a related party (Note 29) are non-trade in nature, unsecured, interest-free and repayable on demand.

For the financial year ended 30 June, 2020, the payables relate to the Company's collaboration agreement with the related party. On July 9, 2018, the Company entered into a collaboration agreement with the related party to jointly develop and commercialise two biosimilar products. The related party has committed to contribute up to a maximum of $10,000,000 in development expenses in connection with the collaboration agreement. Under the collaboration agreement, 16% of the value of all net sales made by the Company to its customers in relation to the biosimilar products is payable to the related party. As at June 30, 2021, upfront license fees received by the Group and Company amounting to $8,650,000 (2020: $7,650,000) have been deferred as contract liabilities (Note 21). Payments made to the related party under the collaboration agreement has similarly been recorded on the statement of financial position as deferred expenditure in relation to the collaboration agreement in "Other assets" (Note 9).

(iii) On January 21, 2021, the Company entered into a contract development and manufacturing agreement ("CMA") with a related party (Note 29) for a contract sum of $4,521,456. For the financial year ended June 30, 2021, the Company has incurred research and development expenses under the CMA amounting to $4,080,002 (Note 29), of which $1,698,249 is recorded as accrued development expenses and $2,381,753 is recorded within other payables to a related party.

16. Borrowings

Details of carrying amount of borrowings as at June 30, 2021 and 2020 are as follows:

Group

Current

Category	Creditor	Latest maturity date	Monthly interest rate (%)		2021 $	2020 $
Short-term borrowings	Kim Michael Jinwoo	June 30, 2021	0.2	(a)	2,542,500	-
Lease liabilities	-	June 30, 2022	0.2, 1.5		1,173,801	369,647
					3,716,301	369,647

Non-current

Category	Creditor	Latest maturity date	Monthly interest rate (%)		2021 $	2020 $
Long-term borrowings	Kim Michael Jinwoo	January 4, 2031	-	(b)	-	51,017
Lease liabilities	-	April 25, 2026	0.2, 1.5		3,160,511	1,976,630
					3,160,511	2,027,647

Company

Current

Category	Creditor	Latest maturity date	Monthly interest rate (%)	2021 $	2020 $
Lease liabilities	-	June 30, 2022	0.2, 1.5	1,048,001	369,647
				1,048,001	369,647

Non-current

Category	Creditor	Latest maturity date	Monthly interest rate (%)		2021 $	2020 $
Long-term borrowings	Kim Michael Jinwoo	January 4, 2031	-	(b)	-	51,017
Lease liabilities	-	April 25, 2026	0.2, 1.5		3,096,245	1,976,630
					3,096,245	2,027,647

16. Borrowings (continued)

a) On June 2, 2021, the Group entered into an agreement with a Director to obtain a short-term borrowing amounting to $2,500,000, bearing interest at a rate of 2.85% per year and is repayable on demand. The borrowing was fully repaid subsequent to year end.

b) On January 5, 2016, the Company entered into a loan agreement with a related party, for an interest free term loan facility amounting to SGD1,200,000 (approximately $889,548) which was repayable in full on January 4, 2031. The Company drew down SGD599,960 (approximately $444,744) from this facility during the financial year ended June 30, 2016. No further drawdowns were made subsequently. The Company had initially recorded this loan at its fair value which had been determined by discounting the future contractual cash flows at the current market interest rate that was expected to be available to the Company for a similar loan facility. On December 31, 2019, a novation agreement was signed between the Company, a director of the Company and the related party, whereby the parties mutually agreed that the outstanding loan balance that was previously owed by the Company to the related party be novated to the director of the Company. All other terms of the original loan agreement signed between the Company and the related party, on January 5, 2016 remain unchanged. As a result of the novation agreement, the Company was discharged of any liability to the related party and the outstanding loan balance of SGD599,960 was instead payable to the director of the Company as of June 30, 2020.

   The loan was repaid in full ahead of its maturity date and the Company incurred termination fees of $377,065 on early repayment.

17. Deferred Income

Group

(in USD)	**2021**	**2020**
	$	**$**
Government grant	-	192,801
Deferred tax incentive income	2,104,787	1,833,814
	2,104,787	2,026,615
Less: non-current portion	(2,104,787)	(1,833,814)
Current	-	192,801

Company

(in USD)	**2021**	**2020**
	$	**$**
Current		
Government grant	-	192,801

As at June 30, 2021, deferred tax incentive income pertains to a tax incentive of $2,104,787 (2020: $1,833,814) in relation to research and development activities performed in a subsidiary's tax jurisdiction. The tax incentive will be credited to profit or loss over the period in which the related development costs (Note 12.3) are amortised to profit or loss in subsequent reporting periods.

18. Share capital

The Company's total number of ordinary shares issued is 12,019,231 shares (2020: 9,187,981 shares).

All shares issued by the Company were fully paid. Fully paid ordinary shares are ranked equally where they carry one vote per share and carry a right to dividends as and when declared by the Company.

(in USD and in number of shares)		**Number of shares**	**Share capital**
			$
Group and Company			
July 1, 2019		8,393,507	53,198,489
Issuance of shares at $90 per share	(a)	794,474	74,211,100
Redenomination of share capital	(b)	-	(167,631)
June 30, 2020		9,187,981	127,241,958
July 1, 2020		9,187,981	127,241,958
Issuance of shares at $145 per share	(c)	2,831,250	410,326,086
Share issue expenses	(d)	-	(11,840,796)
June 30, 2021		12,019,231	525,727,248

(a) On October 17, 2019, the Company entered into a share subscription agreement with a group of lenders, to issue 794,474 redeemable convertible preference shares amounting to $71,502,660 at an issue price of $90 per share as part of the Company's "Series C" funding. The consideration for these preference shares, excluding the amount of a convertible loan that was directly converted to these preference shares, amounted to $51,502,660. As set out in the share subscription agreement, these preference shares are convertible into ordinary shares at a ratio of 1:1.

On May 22, 2020, the fair value of the redeemable convertible preference shares increased to $74,211,100 and a fair value loss of $2,708,440 (Note 25) was recognised in the profit or loss. The shareholders converted all of the 794,474 redeemable convertible preference shares to ordinary shares of the Company. The newly issued shares rank pari passu in all aspects with the previously issued shares.

(b) On March 13, 2020, the Company converted its SGD denominated share capital to $ at a rate of $1 : SGD 1.3968. The Company's share capital amounting to SGD 6,608,062 was redenominated to $4,730,858. As a result of this transaction, the Company recorded a gain of $167,631 in capital contribution.

(c) On February 5, 2021 the Group raised KRW 453 billion ($410,326,086) in cash from an initial public offering ("IPO") on the Korea Exchange through the issuance of 2,831,250 new common shares at KRW 160,000 ($145) per share. The newly issued shares rank pari passu in all aspects with the previously issued shares.

(d) During the year ended June 30, 2021, the Company has recorded $11,840,796 of IPO related costs as a deduction from equity. The transaction costs of an equity transaction are accounted for as a deduction from equity only to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

19. Other comprehensive income and other components of equity

Changes in other comprehensive income for the years ended June 30, 2021 and 2020, are as follows:

(in USD)	Beginning balance $	(Decrease)/ Increase $	Reclassification to profit or loss $	Ending balance $
Group				
2021				
Currency translation differences	205,724	(623,803)	-	(418,079)
2020				
Currency translation differences	99,766	105,958	-	205,724

Changes in other comprehensive income are net of tax.

Other components of equity of the Group and the Company as at June 30, 2021 and 2020, consists of:

(in USD)	Note	2021 $	2020 $
Group			
Capital contribution	(a)	5,549,899	5,549,899
Translation reserve		(418,079)	205,724
Company			
Capital contribution	(a)	5,549,899	5,549,899

(a) Capital contribution

(in USD)	2021 $	2020 $
Group and Company		
Beginning of financial year	5,549,899	2,784,546
Waiver of interest (i)	-	1,509,986
Waiver of amount due to directors (ii)	-	649,936
Redenomination of share capital (Note 18(b))	-	167,631
Gain on settlement of financial liability upon conversion to redeemable convertible preference shares (iii)	-	437,800
End of financial year	5,549,899	5,549,899

(i) Capital contribution reserve includes the waiver of loan interest liability by a shareholder and waiver of liabilities due to directors. On October 17, 2019, one of the shareholders exercised their option to convert their loan of $20,000,000 into shares of the Company. Upon conversion, the shareholder had waived all outstanding accrued interest owing by the Company.

(ii) On June 30, 2020, two directors of the Company waived the loan owing by the Company to them amounting to $649,936.

(iii) During the financial year ended June 30, 2020, the Company had recognised the fair value of the embedded derivative of the convertible loan amounting to $437,800. Upon conversion of the loan into shares of the Company, the fair value of the embedded derivative was recognised as a capital contribution.

20. Share option reserve

On May 21, 2020, shareholders of the Company approved the Employee Share Option Plan (the "Plan") and authorised the board of directors to grant share options in compliance with the rules set out in the Plan, the Companies Act of Singapore and the Korea Exchange. On November 9, 2020, the Company granted 337,669 share options under the Plan. The exercise price of the options has been determined at $90 per ordinary share. On August 12, 2021, the board of directors ratified the definition of employee under the Plan to include individuals who are employed under consultancy agreements. The ratification by the board of directors applies retrospectively to November 9, 2020.

The vesting of the options are conditional upon employees remaining in employment of the Company on the dates in which the share options vest, performance evaluation scores and certain other non-market performance conditions such as obtaining regulatory approvals on specific products. Once they have vested, the options are exercisable over a period of 10 years from the grant date.

The following table summarises information about share options that were outstanding at the balance sheet date:

	2021	
Group and Company	Number of options	Exercise price $
2021 Options		
Employees		
Beginning of financial year	-	-
Granted	337,669	90
Forfeited	(78,415)	90
End of financial year	259,254*	90

* Included in the number of options at the end of the financial year are 46,679 share options granted to individuals who are employed under consultancy agreements.

Movement of share option reserve

	2021 $
Group and Company	
Beginning of financial year	-
Employee share option reserve	
- value of employee services	2,693,931
End of financial year	2,693,931*

* Included in share option reserve is the value of services provided by individuals under consultancy agreements of $408,083.

Share option expenses

	2021 $
Group and Company	
Share option plan	
- value of employee services	2,693,931
Less: Amount capitalised in intangible asset	(92,911)
Amount recognised in profit or loss	2,601,020*

* Included in share option expenses is the value of services provided by individuals under consultancy agreements of $408,083.

20. Share option reserve (continued)

No options are exercisable at the balance sheet date. The weighted average fair value of options granted on November 9, 2020, determined using the Black-Scholes option pricing model was $91.38. The significant inputs into the model were the volatility, share price, risk free rate, time to exercise, and exercise price.

The following table presents information regarding the weighted average assumptions used to determine fair value of the options as at November 9, 2020:

Group and Company	November 9, 2020
Volatility	**92%**
Risk-free interest rate	**0.66%**
Time to exercise (years)	**6.6**
Exercise price (USD)	**90**
Share price (USD)	**115.29**

Expected volatility is derived from the historical volatility of comparable companies. The term of the share options has been derived from the expected employee exercise behavior. The risk-free interest rate was determined using the implied yield currently available for zero-coupon U.S. government bonds with a remaining term approximating the expected life of the options.

For options outstanding at the financial year, the weighted average contractual life is 9.4 years.

21. Revenue from contract with customers

(a) There was no revenue recognised from contracts with customers during the financial year.

(b) Contract liabilities

	June 30, 2021	June 30, 2020	July 1, 2019
	$	$	$
Group and Company			
License fee – Distribution rights	8,650,000	7,650,000	9,450,000

Contract liabilities relate to upfront license fees for distribution rights granted and milestone payments received prior to commercialisation of products.

Management expects the transaction price of $500,000 allocated to the unsatisfied performance obligations as at June 30, 2021 to be recognised during the financial year ending 30 June 2022. The remaining amount of $8,150,000 is expected to be recognised in the subsequent reporting years up to the financial year ending June 30, 2031.

21. Revenue from contract with customers (continued)

(c) Trade receivables from contract with customers

	2021 $	2020 $	July 1, 2019 $
Group and Company			
Current assets			
Trade receivables	-	920,000	9,450,000

22. Employee compensation

(in USD)	2021 $	2020 $
Wages and salaries	3,225,753	2,486,852
Employer's contribution to defined contribution plan	308,824	237,496
	3,534,577	2,724,348

Employee compensation amounting to $1,036,349 (2020: $887,916) pertain to wages and salaries incurred in relation to research and development activities.

23. Finance income and costs

(in USD)	2021 $	2020 $
Finance income		
Interest from loans to a related party	-	316,350
Interest from financial institutions	117,387	121,090
	117,387	437,440

(in USD)	2021 $	2020 $
Finance costs		
Interest expense:		
Convertible loans	-	892,258
Lease liabilities	419,221	255,608
Others	9,291	9,344
	428,512	1,157,210
Less: Amount capitalised in intangible asset	(423,056)	(1,157,210)
Amount recognised in profit or loss	5,456	-

Finance expenses on general financing were capitalised at a rate of 13.5% per annum (2020: 18% per annum) (Note 12.1 and Note 12.3).

24. Other income

(in USD)	**2021** **$**	**2020** **$**
Government grants (i)	390,315	145,028
Forfeiture of non-refundable upfront fees from customer (ii)	-	1,000,000
Others	373,822	61,246
	764,137	1,206,274

(i) Included within Government grants are $265,280 (2020: $129,629) of income recognised under the Jobs Support Scheme (the "JSS") and $47,658 of COVID-19 related rent concessions received from lessors for which the Group applied the practical expedient disclosed in Note 2.2.

(ii) During the financial year ended June 30, 2019, a customer paid upfront fees for the option to exercise the right to distribute the Group's products in certain countries. Out of the upfront fees received by the Group, $1,000,000 was forfeited during the financial year ended June 30, 2020 as the customer decided not to exercise the option.

25. Other gains/(losses)

Details of other gains and losses for the years ended June 30, 2021 and 2020, are as follows:

(in USD)	**2021** **$**	**2020** **$**
Currency exchange (losses)/gains - net	(4,067,429)	48,408
Fair value gain/(loss) on financial asset at fair value through profit or loss (Note 13)	13,276,504	(501,666)
Gain on disposal of right-of-use assets	-	2,018
Loss on revaluation of redeemable convertible preference shares	-	(2,708,440)
	9,209,075	(3,159,680)

On October 17, 2019, the Company entered into a share subscription agreement to issue redeemable convertible preference shares which were designated as a financial liability at fair value through profit or loss. On May 22, 2020, the fair value of the redeemable convertible preference shares increased to $74,211,100 and a fair value loss of $2,708,440 was recognised in the profit or loss in the year ended June 30, 2020. On May 22, 2020, the shareholders converted all redeemable convertible preference shares to ordinary shares of the Company. The newly issued shares rank pari passu in all aspects with the previously issued shares.

26. Tax expense

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

(in USD)	**2021** **$**	**2020** **$**
Tax expense attributable to results is made up of:		
Current income tax	-	-
Foreign Income tax	30,000	82,358
	30,000	82,358

(in USD)		
Loss before income tax expense	(6,476,613)	(12,460,287)
Tax calculated at 17% (2020: 17%)	(1,101,024)	(2,118,249)
Tax effects of:		
Different tax rate in other countries	36,082	217,864
Income not subject to tax	(2,346,216)	-
Research and development tax incentives	(2,937,772)	(3,217,595)
Unrecognised deferred tax assets	4,950,149	4,006,951
Expenses not deductible for tax purposes	1,398,781	1,111,029
Tax deducted at source	30,000	82,358
Income tax expense	30,000	82,358

The Group and Company have unrecognised tax losses, which includes research and development tax incentives, amounting to $114,701,000 and $111,836,353 respectively (2020: $83,834,409 and $83,335,770) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

27. Cash used in operations

(a) Cash used in from operations

(in USD)	**2021**	**2020**
	$	$
Loss before income tax	(6,476,613)	(12,460,287)
Adjustments for:		
Impairment loss on financial assets (Note 4.1.2)	-	1,689,486
Employee share option expense (Note 20)	2,601,020	-
Fair value (gain)/loss on financial asset at fair value through profit or loss (Note 25)	(13,276,504)	501,666
Loan termination fees	377,065	-
Loss on revaluation of redeemable convertible preference shares (Note 25)	-	2,708,440
Depreciation (Note 10)	1,468,629	991,029
Finance income (Note 23)	(117,387)	(437,440)
Finance expense (Note 23)	5,456	-
Unrealised exchange losses	(96,489)	101,683
Gain on disposal of right-of-use assets (Note 25)	-	(2,018)
Change in operating assets and liabilities, net of effects from purchase of controlled entity and exchange differences on consolidation):		
Decrease in trade and other receivables	854,401	8,244,687
Decrease/(increase) in other assets	244,914	(1,307,123)
Increase/(decrease) in contract liabilities	1,000,000	(1,800,000)
Decrease in trade and other payables	(235,831)	(8,626,222)
Cash used in operations	(13,651,339)	(10,396,099)
Interest received	117,387	121,090
Withholding tax paid	(30,000)	(82,358)
Cash used in operations	(13,563,952)	(10,357,367)

27. Cash used in operations (continued)

(b) Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the year ended June 30, 2021 are as follows:

	Lease liabilities $	Borrowings $	Total $
As at June 30, 2020	2,346,277	51,017	2,397,294
Proceeds	-	2,478,145	2,478,145
Repayments	(775,939)	(434,655)	(1,210,594)
Non-cash changes:			
Additions during the year	2,290,922	-	2,290,922
Interest charged	419,221	9,291	428,512
Termination fees		377,065	377,065
Exchange differences	147,159	61,637	208,796
Derecognition during the year	(93,328)	-	(93,328)
As at June 30, 2021	4,334,312	2,542,500	6,876,812

27. Cash used in operations (continued)

(b) Changes in liabilities arising from financing activities (continued)

Changes in liabilities arising from financial activities for the year ended June 30, 2020, are as follows:

	Liabilities from financing activities				
	Lease liabilities	**Borrowings**	**Financial liability at fair value through profit or loss**	**Redeemable convertible preference shares**	**Total**
	$	**$**	**$**	**$**	**$**
As at June 30, 2019	8,211	16,659,401	437,800	-	17,105,412
Proceeds	-	4,000,000	-	51,502,660	55,502,660
Repayments	(342,442)	-	-	-	(342,442)
Non-cash changes:					
Adoption of FRS 116	626,528	-	-	-	626,528
Additions during the year	2,010,352	-	-	-	2,010,352
Conversion of convertible loan	-	(20,000,000)	(437,800)	20,000,000	(437,800)
Conversion of RCPS to ordinary shares	-	-	-	(71,502,660)	(71,502,660)
Waiver of interest from a shareholder	-	(1,509,986)	-	-	(1,509,986)
Interest charged	255,608	901,602	-	-	1,157,210
Exchange differences	(135,636)	-	-	-	(135,636)
Derecognition during the year	(76,344)	-	-	-	(76,344)
As at June 30, 2020	2,346,277	51,017	-	-	2,397,294

27. Cash used in operations (continued)

(b) Changes in liabilities arising from financing activities (continued)

Changes in net cash for the years ended June 30, 2021 and 2020, are as follows:

(in USD)	**2021** $	**2020** $
Cash and cash equivalents	406,172,675	38,291,197
Current portion of financial assets	340,450	945,448
Borrowings – repayable within one year	(3,716,301)	(369,647)
Borrowings – repayable after one year	(3,160,511)	(2,027,647)
Net cash	399,636,313	36,839,351
Cash and current portion of financial assets	406,513,125	39,236,645
Gross debt – fixed interest rates	(6,876,812)	(2,397,294)
Net cash	399,636,313	36,839,351

28. Commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

(in USD)	**2021** $	**2020** $
Group		
Property, plant and equipment	2,732,353	-

The Company has no capital commitments as at June 30, 2021.

29. Related party transactions

	Percentage of ownership (%)	
	2021	**2020**
Prestige Biopharma Belgium BVBA	100 %	100 %
Prestige Biopharma Australia Pty Ltd	100 %	100 %
Prestige Biopharma USA Inc	100 %	-
Prestige Biopharma Korea Co.,Ltd	100 %	-

29. Related party transactions (continued)

Details of other related parties that have transactions with the Group or have outstanding balances as at June 30, 2021 and 2020, are as follows:

June 30, 2021	June 30, 2020	Relationship
Qion Pte Ltd	Qion Pte Ltd	A Director-related Company
Prestige Biologics Co., Ltd[1]	Prestige Biologics Co., Ltd[1]	A Director-related Company
Kim Michael Jinwoo	Kim Michael Jinwoo	Director and Shareholder
-	Park Soyeon	Director and Shareholder
-	Octava Fund Limited[2]	Shareholder
-	KB-SP PE Fund IV[3]	Shareholder
-	KBTS Technology Venture PE Fund[4]	Shareholder

1. As at June 30, 2021, the Group holds 3.01% (June 30, 2020: 4.0%) shareholdings in Prestige Biologics Co., Ltd.

2. During the year ended June 30, 2020, the Group issued 198,888 redeemable convertible preference shares to Octava Fund Limited at $90 per share upon conversion of loan to equity. The RCPS were subsequently converted to ordinary shares at a 1:1 ratio.

3. During the year ended June 30, 2020, the Group issued 361,141 redeemable convertible preference shares to KB-SP Private Equity Fund IV at $90 per share. The RCPS were subsequently converted to ordinary shares at a 1:1 ratio.

4. During the year ended June 30, 2020, the Group issued 27,779 redeemable convertible preference shares to KBTS Technology Venture PE Fund at $90 per share. The RCPS were subsequently converted to ordinary shares at a 1:1 ratio.

29. Related party transactions (continued)

Outstanding balances arising from loans and non-trade transactions as at June 30, 2021 are as follows:

(in USD) Group		2021			
		Receivables	**Other assets**	**Payables**	
Relationship	**Name of entity**	**Trade and other receivables** $	**Deferred expenditure** (a) $	**Borrowings** (Note 16(a)) $	**Trade and other payables** (Note 15)
Director-related company	Qion Pte Ltd	4,330,760	-	-	-
Director-related company	Prestige Biologics Co., Ltd	-	1,344,000	-	(2,587,369)
Director	Michael Kim Jinwoo	-	-	(2,542,500)	-
		4,330,760	1,344,000	(2,542,500)	(2,587,369)

(a) As at June 30, 2021, upfront license fees received by the Group amounting to $8,650,000 has been deferred as contract liabilities. Payments made to Prestige Biologics Co., Ltd under the collaboration agreement in Note 15(i) has similarly been recorded on the statement of financial position as deferred expenditure in relation to the collaboration agreement in "Other assets".

Management expects the transaction price of $80,000 allocated to the unsatisfied performance obligations as at June 30, 2021 to be recognised in the year ending June 30, 2022. The remaining amount of $1,264,000 is expected to be recognised in the subsequent reporting years up to the financial year ending June 30, 2031.

29. Related party transactions (continued)

Outstanding balances arising from loans and non-trade transactions as at June 30, 2020 are as follows:

(in USD)		2020			
		Receivables	**Other assets**	**Payables**	
Relationship	**Name of entity**	**Trade and other receivables**	**Deferred expenditure** (b)	**Borrowings**	**Trade and other payables**
		$	**$**	**$**	**$**
Director-related company	Qion Pte Ltd	4,330,760	-	-	-
Director-related company	Prestige Biologics Co., Ltd	320,000	1,184,000	-	(2,098,811)
Director	Michael Kim Jinwoo	-	-	(52,134)	-
		4,650,760	1,184,000	(52,134)	(2,098,811)

(b) As at June 30, 2020, upfront license fees received by the Group amounting to $7,650,000 has been deferred as contract liabilities. Payments made to Prestige Biologics Co., Ltd under the collaboration agreement in Note 15(i) has similarly been recorded on the statement of financial position as deferred expenditure in relation to the collaboration agreement in “Other assets”.

Management expects the transaction price of $1,184,000 allocated to the unsatisfied performance obligations as at June 30, 2020 to be recognised after 12 months from June 30, 2020 up to the financial year ending June 30, 2031.

29. Related party transactions (continued)

Transactions with related parties for the year ended June 30, 2021 are as follows:

(in USD)		2021					
Group		**Borrowing transactions**				**Trade payable transactions**	
Relationship	**Name of entity**	**Loan termination fee** $	**Interest expense** $	**Repayment of borrowings** $	**Proceeds from borrowings** $	**Development expenses** (Note 15(ii)) $	**Deferred expenditure** $
Director-related company	Prestige Biologics Co., Ltd	-	-	-	-	4,080,002	(160,000)
Director	Kim Michael Jinwoo	(377,065)	(9,291)	434,655	(2,542,000)	-	-

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29. Related party transactions (continued)

Transactions with related parties for the year ended June 30, 2020 are as follows:

(in USD)		2020									
Group		**Trade and other receivables transactions**	**Borrowing transactions**							**Equity transaction**	**Trade payable transactions**
Relationship	**Name of entity**	**Receivables**	**Settlement of financial liabilities at fair value through profit or loss**	**Issuance of redeemable convertible preference shares**	**Conversion of loan to equity**	**Drawdown of borrowings**	**Novation of borrowings**	**Interest accrued**	**Waiver of interest**	**Conversion of redeemable convertible preference shares to ordinary shares**	**Purchase**
		$	$	$	$	$		$	$		$
Director-related company	Qion Pte Ltd	297,614	-	-	-	-	-	-	-	-	(178,434)
	Prestige Biologics Co., Ltd	320,000	-	-	-	-	424,450	-	-	-	(2,759,831)
Shareholder	Octava Fund Limited	-	437,800	(17,899,920)	17,900,000	(4,000,000)	-	(892,258)	1,509,986	18,577,949	-
	KB-SP PE Fund IV	-	-	(32,502,690)	-	-	-	-	-	33,733,855	-
	KBTS Technology Venture PE Fund	-	-	(2,500,110)	-	-	-	-	-	2,594,811	-
Director	Kim Michael Jinwoo	-	-	-	-	-	(424,450)	-	-	-	-

29. Related party transactions (continued)

The allowance for impairment on loans to related parties is set out in Note 8.

Key management include the Directors. The compensation paid or payable to key management for employee services for the years ended June 30, 2021 and 2020, consists of:

(in USD)	**2021** **$**	**2020** **$**
<u>Group</u>		
Directors' remuneration	773,733	671,963
Contributions to defined benefit plan	22,715	26,392
Share option expense	103,513	-
	899,961	698,355

30. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company 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 of the Company	(6,506,613)	(12,542,645)
Weighted average number of ordinary shares outstanding	10,367,022	8,503,569
Basic and diluted loss per share	0.63	1.47

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Group's only category of potentially dilutive ordinary shares for the year ended June 30, 2021 are share options. The weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. No adjustment is made to the net loss. Potential dilutive ordinary shares were excluded from the diluted weighted average number of ordinary shares calculation, as their effect would have been anti-dilutive. Therefore, basic loss per share is identical to diluted loss per share.

As at June 30, 2020, there were no potential dilutive ordinary shares in issue.

31. Operating Segment Information

The Group's chief operating decision-makers comprises the Chief Executive Officer and the Chief Operating Officer of the Company. Management had determined the operating segments based on the reports reviewed by management that are used to make strategic decisions, allocate resources and assess performance.

As of June 30, 2021, the Group's key focus remains to be on the development of its pharmaceutical products and as such management manages and monitors the business for the Group as single business segment. Management assesses the performance of the operating segment based on the profit/loss before tax of the Group.

The amounts reported to the management with respect to profit/loss before tax, total asset and total liabilities are measured in a manner consistent with that of the consolidated financial statements.

(i) Geographical information

The Group has no revenue recognised during the financial year ended June 30, 2021 and June 30, 2020.

(ii) Carrying amount of non-current assets by geographical markets at June 30, 2021 and 2020 are as follows:

(in USD)	**Non-current assets**	
	2021	**2020**
	$	$
Korea	20,812,769	7,536,265
Singapore	106,823,989	84,315,740

Non-current assets information presented above consist of property, plant and equipment, intangible assets, financial assets at fair value through profit or loss and other assets (2020: property, plant and equipment, intangible assets, financial assets at fair value through profit or loss, trade and other receivables and other assets) as presented in the consolidated statement of financial position.

32. Subsequent Events

On August 12, 2021, the Company invested an additional $30,000,000 in the share capital of its wholly-owned subsidiary, Prestige Biopharma Korea Co., Ltd. Subsequent to this additional investment, the Company's total cost of investment in Prestige Biopharma Korea Co., Ltd is $45,440,000.

33. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Prestige Biopharma Limited on 1 October 2021.