

# **Celltrion, Inc. and its subsidiaries**

Interim condensed consolidated financial statements  
for the six-month periods ended June 30, 2022 and 2021  
with the independent auditor's review report



## **Table of contents**

Report on review of interim condensed consolidated financial statements	
Interim condensed consolidated financial statements	Page
Interim condensed consolidated statements of financial position	1
Interim condensed consolidated statements of profit and loss	2
Interim condensed consolidated statements of comprehensive income	3
Interim condensed consolidated statements of changes in equity	4
Interim condensed consolidated statements of cash flows	6
Notes to the interim condensed consolidated financial statements	7

**Report on review of interim condensed consolidated financial statements**  
(English Translation of a Report Originally Issued in Korean)

**The Shareholders and Board of Directors**  
**Celltrion, Inc.**

We have reviewed the accompanying interim condensed consolidated financial statements of Celltrion, Inc. and its subsidiaries (collectively referred to as the “Group”) which comprise the interim condensed consolidated statement of financial position as of June 30, 2022, and the related interim condensed consolidated statements of profit and loss and interim condensed consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2022 and 2021, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the six-month periods then ended, and a summary of significant accounting policies and other explanatory information.

**Management’s responsibility for the interim condensed consolidated financial statements**

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of the interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s responsibility**

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing (“KSAs”). Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

### Emphasis of matter

We draw attention to Note 25 to the accompanying interim condensed consolidated financial statements, which describes that the Group has restated the interim condensed consolidated statement of profit and loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period June 30, 2021, presented for comparative purposes, to reflect adjustments for incorrect accounting treatments, such as overstatement of intangible assets under development. As a result, the Group's profit for the six-month period ended June 30, 2021 increased by ₩2,813 million. Our review conclusion is not modified in respect of this matter.

### Other matter

We have audited the consolidated statement of financial position of the Group as of December 31, 2021, and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended in accordance with KSAs (not presented herein), and our report dated May 12, 2022, expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2021, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.



August 16, 2022

This review report is effective as of August 16, 2022, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report date to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

## **Celltrion, Inc. and its subsidiaries**

Interim condensed consolidated financial statements  
for the six-month periods ended June 30, 2022 and 2021

“The accompanying interim condensed consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group.”

Kee, Woo Sung  
Chief Executive Officer  
Celltrion, Inc.

**Celltrion, Inc. and its subsidiaries**  
**Interim condensed consolidated statements of financial position**  
**as of June 30, 2022 and December 31, 2021**  
(Korean won in millions)

	Notes	June 30, 2022 (Unaudited)	December 31, 2021 (Restated)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	₩ 541,516	₩ 1,188,326
Short-term financial assets	4,5	38,291	31,575
Trade receivables	4,6,21,22	1,482,718	1,101,089
Other receivables	4,22	50,769	63,294
Inventories		737,842	578,057
Other current assets	14	138,278	112,130
Total current assets		2,989,414	3,074,471
<b>Non-current assets</b>			
Long-term financial assets	4,5	₩ 23,003	₩ 24,435
Long-term other receivables	4	11,565	12,491
Investments in associates	7	80,224	64,841
Property, plant and equipment	8	973,790	950,412
Intangible assets	9	1,546,691	1,491,571
Other non-current assets		26,099	27,279
Deferred tax assets		37,128	28,623
Total non-current assets		2,698,500	2,599,652
<b>Total assets</b>		<b>₩ 5,687,914</b>	<b>₩ 5,674,123</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term financial liabilities	4,8,10	₩ 621,524	₩ 569,599
Trade payables	4	86,996	80,723
Other payables	4,22	295,040	228,419
Current tax liabilities		68,569	179,552
Provisions		5,721	3,849
Other current liabilities	14,22	107,740	148,338
Total current liabilities		1,185,590	1,210,480
<b>Non-current liabilities</b>			
Long-term financial liabilities	4,8,10	₩ 178,642	₩ 174,757
Long-term other payables	4	5,281	13,985
Other non-current liabilities	22	246,825	202,950
Deferred tax liabilities		33,641	21,576
Total non-current liabilities		464,389	413,268
<b>Total liabilities</b>		<b>1,649,979</b>	<b>1,623,748</b>
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	12	₩ 140,768	₩ 137,948
Share premium	12	849,121	840,337
Retained earnings		3,249,218	3,052,474
Accumulated other comprehensive income		55,012	24,987
Other components of equity	12	(391,217)	(138,508)
<b>Non-controlling interests</b>	23	135,033	133,137
<b>Total equity</b>		<b>4,037,935</b>	<b>4,050,375</b>
<b>Total liabilities and equity</b>		<b>₩ 5,687,914</b>	<b>₩ 5,674,123</b>
		<b>TRUE</b>	<b>TRUE</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Celltrion, Inc. and its subsidiaries**  
**Interim condensed consolidated statements of profit or loss**  
**for the three months and six months ended June 30, 2022 and 2021**  
(Korean won in millions, except earnings per share)

	Notes	June 30, 2022 (Unaudited)		June 30, 2021 (Unaudited and Restated)	
		3 months	6 months	3 months	6 months
<b>Sales</b>	14,21,22	₩ 596,066	₩ 1,146,664	₩ 431,769	₩ 888,738
<b>Cost of sales</b>	18,22	<u>(295,853)</u>	<u>(594,957)</u>	<u>(191,615)</u>	<u>(349,456)</u>
<b>Gross profit</b>		<b>300,213</b>	<b>551,707</b>	<b>240,154</b>	<b>539,282</b>
Selling and administrative expenses	18,22	<u>(101,246)</u>	<u>(210,459)</u>	<u>(76,165)</u>	<u>(165,603)</u>
<b>Operating profit</b>		<b>198,967</b>	<b>341,248</b>	<b>163,989</b>	<b>373,679</b>
Other income	16,22	19,351	28,404	976	44,941
Other expenses	16,22	(8,126)	(22,905)	(4,982)	(9,047)
Finance income	17,22	7,483	15,118	2,862	17,622
Finance costs	17	(3,952)	(6,271)	(4,465)	(7,825)
Gain on investments in associates and joint ventures, net	7	<u>13,068</u>	<u>11,916</u>	<u>(1,978)</u>	<u>(2,490)</u>
<b>Profit before tax</b>		<b>226,791</b>	<b>367,510</b>	<b>156,402</b>	<b>416,880</b>
Income tax expense	15	<u>(42,766)</u>	<u>(62,244)</u>	<u>(26,084)</u>	<u>(87,300)</u>
<b>Profit for the period</b>		<u><b>₩ 184,025</b></u>	<u><b>₩ 305,266</b></u>	<u><b>₩ 130,318</b></u>	<u><b>₩ 329,580</b></u>
<b>Attributable to:</b>					
Owners of the parent		₩ 183,417	₩ 301,944	₩ 126,280	₩ 321,935
Non-controlling interests	23	608	3,322	4,038	7,645
<b>Earnings per share (Korean won)</b>	19				
Basic earnings per share		₩ 1,328	₩ 2,181	₩ 907	₩ 2,313
Diluted earnings per share		1,326	2,178	902	2,300

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Celltrion, Inc. and its subsidiaries**  
**Interim condensed consolidated statements of comprehensive income**  
**for the three months and six months ended June 30, 2022 and 2021**  
(Korean won in millions)

	June 30, 2022		June 30, 2021	
	(Unaudited)		(Unaudited and Restated)	
	3 months	6 months	3 months	6 months
<b>Profit for the period</b>	<u>₩ 184,025</u>	<u>₩ 305,266</u>	<u>₩ 130,318</u>	<u>₩ 329,580</u>
<b>Other comprehensive income</b>	<u>22,702</u>	<u>30,120</u>	<u>539</u>	<u>7,174</u>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified</b>				
<b>subsequently to profit or loss:</b>				
Gain (loss) on translation of foreign operations	23,659	30,633	(1,044)	11,516
<b>Items that will not be reclassified</b>				
<b>subsequently to profit or loss:</b>				
Equity adjustments of investments in associates and joint ventures 7	9	18	-	(117)
Gain (loss) on translation of foreign operations	63	95	(6)	34
Gain (loss) on valuation of financial assets at FVOCI	(1,416)	(857)	2,192	(5,920)
Income tax effect relating to components of other comprehensive income (loss)	387	231	(603)	1,661
<b>Total comprehensive income for the period, net of tax</b>	<u>₩ 206,727</u>	<u>₩ 335,386</u>	<u>₩ 130,857</u>	<u>₩ 336,754</u>
<b>Attributable to:</b>				
Owners of the parent	₩ 206,056	₩ 331,969	₩ 126,825	₩ 329,076
Non-controlling interests 23	671	3,417	4,032	7,678

The accompanying notes are an integral part of the interim condensed consolidated financial statements.



Celltrion, Inc. and its subsidiaries  
Interim condensed consolidated statements of changes in equity  
for the six months ended June 30, 2022 and 2021  
(Korean won in millions)

	Notes	Issued capital	Share premium	Retained earnings	Accumulated other comprehensive income	Other components of equity	Non- controlling interests	Total
<b>As of January 1, 2021</b>		₩ 134,998	₩ 812,156	₩ 2,475,297	₩ 6,298	₩ (121,072)	₩ 119,903	₩ 3,427,580
<b>Total comprehensive income</b>								
Profit for the period		-	-	321,935	-	-	7,645	329,580
Loss on valuation of financial assets at FVOCI		-	-	-	(4,292)	-	-	(4,292)
Gain on translation of foreign operations		-	-	-	11,516	-	34	11,550
Equity adjustments of investments in associates and joint ventures	7	-	-	-	(84)	-	-	(84)
		<u>-</u>	<u>-</u>	<u>321,935</u>	<u>7,140</u>	<u>-</u>	<u>7,679</u>	<u>336,754</u>
<b>Transactions with owners recognized directly to equity:</b>								
Stock dividends	12,13	2,676	-	(2,676)	-	-	-	-
Exercise and forfeit of stock warrants	12	243	25,041	-	-	(7,030)	830	19,084
Recognition of stock warrants	12	-	-	-	-	11,273	594	11,867
Acquisition of treasury stock	12	-	-	-	-	(33,891)	(5,235)	(39,126)
Change in percentage of ownership in subsidiaries, etc.		-	-	-	-	(150)	150	-
<b>Total transactions with owners</b>								
<b>As of June 30, 2021 (Unaudited and Restated)</b>		<u>₩ 137,917</u>	<u>₩ 837,197</u>	<u>₩ 2,794,556</u>	<u>₩ 13,438</u>	<u>₩ (150,870)</u>	<u>₩ 123,921</u>	<u>₩ 3,756,159</u>

(continued)

**Celltrion, Inc. and its subsidiaries**  
**Interim condensed consolidated statements of changes in equity**  
**for the six months ended June 30, 2022 and 2021 (cont'd)**  
(Korean won in millions)

	Notes	Issued capital	Share premium	Retained earnings	Accumulated other comprehensive income	Other components of equity	Non- controlling interests	Total
<b>As of January 1, 2022</b>		₩ 137,948	₩ 840,337	₩ 3,052,474	₩ 24,987	₩ (138,508)	₩ 133,137	₩ 4,050,375
<b>Total comprehensive income</b>								
Profit for the period		-	-	301,944	-	-	3,322	305,266
Loss on valuation of financial assets at FVOCI		-	-	-	(621)	-	-	(621)
Gain on translation of foreign operations		-	-	-	30,633	-	95	30,728
Equity adjustments of investments in associates and joint ventures	7	-	-	-	13	-	-	13
		-	-	<b>301,944</b>	<b>30,025</b>	-	<b>3,417</b>	<b>335,386</b>
<b>Transactions with owners recognized directly to equity:</b>								
Stock dividends	12,13	2,732	-	(2,732)	-	-	-	-
Cash dividends		-	-	(102,468)	-	-	-	(102,468)
Exercise and forfeit of stock warrants	12	88	8,784	-	-	(2,759)	584	6,697
Recognition of stock warrants	12	-	-	-	-	13,163	834	13,997
Acquisition of treasury stock	12	-	-	-	-	(262,801)	(4,577)	(267,378)
Other equities		-	-	-	-	-	1,326	1,326
Change in percentage of ownership in subsidiaries, etc.		-	-	-	-	(312)	312	-
<b>As of June 30, 2022 (Unaudited)</b>		<b>₩ 140,768</b>	<b>₩ 849,121</b>	<b>₩ 3,249,218</b>	<b>₩ 55,012</b>	<b>₩ (391,217)</b>	<b>₩ 135,033</b>	<b>₩ 4,037,935</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Celltrion, Inc. and its subsidiaries**  
**Interim condensed consolidated statements of cash flows**  
**for the six months ended June 30, 2022 and 2021**  
(Korean won in millions)

	Notes	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited and Restated)
<b>Operating activities</b>			
Cash generated from operations	20	₩ (56,600)	₩ 423,099
Income tax paid		(167,794)	(86,712)
<b>Net cash flows provided by (used in) operating activities</b>		<b>(224,394)</b>	<b>336,387</b>
<b>Investing activities</b>			
<b>Cash inflow from investing activities</b>			
Interest received		6,987	1,794
Dividends received		228	1,550
Decrease in short-term financial assets		10,489	8,034
Decrease in other receivables		23,362	-
Decrease in long-term financial assets		181	593
Decrease in long-term other receivables		1,327	1,299
Decrease in investments in associates		1,551	2,500
Receipt of other grants		-	32
Proceeds from disposal of property, plant and equipment		2	2
Proceeds from disposal of intangible assets		-	27,314
Receipt of government grants		31	-
<b>Cash outflow from investing activities</b>			
Increase in short-term financial assets		(15,012)	(24,374)
Increase in other receivables		(676)	(21,349)
Increase in long-term financial assets		(1,178)	(1,350)
Increase in long-term other receivables		(273)	(2,598)
Increase in investments in associates		(5,000)	(21,532)
Acquisition of property, plant and equipment		(47,855)	(22,616)
Acquisition of intangible assets		(86,144)	(111,466)
Acquisition of other assets		-	(548)
<b>Net cash flows used in investing activities</b>		<b>(111,980)</b>	<b>(162,715)</b>
<b>Financing activities</b>			
<b>Cash inflow from financing activities</b>			
Increase in short-term financial liabilities		86,140	74,631
Increase in long-term financial liabilities		26,513	9,771
Issuance of ordinary shares		6,714	19,100
<b>Cash outflow from financing activities</b>			
Interest paid		(9,079)	(8,086)
Dividend paid		(102,451)	-
Decrease in short-term financial liabilities		(25,625)	(17,030)
Decrease in current portion of long-term financial liabilities		(32,814)	(98,022)
Decrease in lease liabilities		(1,625)	(1,432)
Stock issuance costs		(16)	(16)
Acquisition of treasury stock		(267,377)	(39,126)
<b>Net cash flows used in financing activities</b>		<b>(319,620)</b>	<b>(60,210)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(655,994)</b>	<b>113,462</b>
Effects of exchange rate changes on cash and cash equivalents		9,184	8,316
Cash and cash equivalents at the beginning of the period		1,188,326	684,294
<b>Cash and cash equivalents at the end of the period</b>		<b>₩ 541,516</b>	<b>₩ 806,072</b>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**1. Corporate information**

General information about Celltrion, Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is as follows:

The Company was incorporated on February 27, 1991 and listed its common stock on the KOSDAQ Market of the Korea Exchange (KRX) on July 19, 2005. The Company changed its name on August 19, 2008 from Orchem Co., Ltd. to Celltrion, Inc. after the merger with Celltrion, Inc., which was established on February 26, 2002. The Company’s stock, which was listed on the KOSDAQ Market, has been transferred to the KOSPI Market on February 9, 2018.

The primary business objective of the Company is to engage in development and production of various therapeutic proteins including oncology treatment drugs through the Company’s bioengineering and mammalian cell-culture technology. The Company’s head office is located in the Incheon Free Economic Zone.

The Company’s shareholders and their shareholdings as of June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022		December 31, 2021	
	Number of shares	Equity interest	Number of shares	Equity interest
Celltrion Holdings Co., Ltd.	28,223,603	20.05%	27,670,200	20.06%
Celltrion Skincare Co., Ltd.	2,976,330	2.11%	2,917,971	2.12%
Ion Investment B.V.	6,931,650	4.92%	9,090,834	6.59%
Others	99,695,779	70.83%	96,944,993	70.27%
Treasury stock	2,940,489	2.09%	1,323,130	0.96%
	<u>140,767,851</u>	<u>100.00%</u>	<u>137,947,128</u>	<u>100.00%</u>

**1.1 Consolidated subsidiaries**

Consolidated subsidiaries as of June 30, 2022 and December 31, 2021 are as follows:

Subsidiaries	Equity interest		Country of domicile	Year-end	Primary business activity
	June 30, 2022	December 31, 2021			
Celltrion Pharm, Inc.	54.93%	54.93%	Korea	December	Manufacturing and sales of medicine
Celltrion Europe Limited	100.00%	100.00%	United Kingdom	December	Biopharmaceuticals clinical trial
Celltrion Global Safety Data Center	99.99%	99.99%	Philippines	December	Global drug safety data management
Celltrion USA	100%	100%	USA	December	Sales of chemical medicines
Celltrion Biopharma	100%	100%	Ireland	December	Biopharmaceuticals clinical trial
Celltrion Group Hongkong	70.00%	70.00%	Hong Kong	December	Biopharmaceuticals business in China
Shanghai Vcell Biotech(*)	70.00%	70.00%	China	December	Biopharmaceuticals R&D (including clinical trials)
Celltrion Asia Pacific PTE	100.00%	100.00%	Singapore	December	R&D and sales of chemical medicines

(\*) The subsidiary is wholly owned by Celltrion Group Hong Kong.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**1.2 Summarized financial information of subsidiaries (before elimination of intercompany transactions)**

The summarized statements of financial position of subsidiaries as of June 30, 2022 and December 31, 2021, and the related condensed statements of profit or loss and other comprehensive income of subsidiaries for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

Subsidiary	June 30, 2022		
	Assets	Liabilities	Equity
Celltrion Pharm, Inc.	₩ 594,652,229	₩ 252,699,910	₩ 341,952,319
Celltrion Europe Limited	2	-	2
Celltrion Global Safety Data Center	2,444,133	342,960	2,101,173
Celltrion USA	165,105,564	155,951,795	9,153,769
Celltrion Biopharma	-	-	-
Celltrion Group Hongkong	39,902,373	33,398,190	6,504,183
Shanghai Vcell Biotech	1,511,317	38	1,511,279
Celltrion Asia Pacific PTE	414,890,341	45,467,774	369,422,567

Subsidiary	June 30, 2022					
	Three-month periods ended			Six-month periods ended		
	Revenue	Profit (loss)	Comprehensive Income (loss)	Revenue	Profit (loss)	Comprehensive Income (loss)
Celltrion Pharm, Inc.	₩ 105,391,414	₩ 7,544,323	₩ 7,544,323	₩ 194,147,848	₩ 11,815,736	₩ 11,815,736
Celltrion Europe Limited	-	-	-	-	-	-
Celltrion Global Safety Data Center	1,093,045	364,731	374,004	2,042,583	624,539	636,705
Celltrion USA	24,058,999	7,155,755	7,352,022	150,405,453	1,562,220	1,614,631
Celltrion Biopharma	-	-	-	-	-	-
Celltrion Group HongKong	-	(530,384)	(361,740)	-	(1,182,503)	(867,416)
Shanghai Vcell Biotech	-	75,087	88,547	-	52,691	93,604
Celltrion Asia Pacific PTE	43,364,159	10,324,135	33,631,233	72,993,748	8,333,377	38,680,923

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**1.2 Summarized financial information of subsidiaries (before elimination of intercompany transactions) (cont'd)**

Subsidiary	December 31, 2021		
	Assets	Liabilities	Equity
Celltrion Pharm, Inc.	₩ 637,884,365	₩ 305,915,567	₩ 331,968,798
Celltrion Pharma USA, Inc.(*)	-	-	-
Celltrion Europe Limited	2	-	2
Celltrion Global Safety Data Center	2,123,610	659,142	1,464,468
Celltrion USA	92,120,901	84,581,763	7,539,138
Celltrion Biopharma	-	-	-
Celltrion Group HongKong	35,719,238	28,567,591	7,151,647
Vcell Healthcare(*)	-	-	-
Shanghai Vcell Biotech	1,417,712	37	1,417,675
Celltrion Asia Pacific PTE	371,554,346	40,812,701	330,741,645

Subsidiary	June 30, 2021					
	Three-month periods ended			Six-month periods ended		
	Revenue	Profit (loss)	Comprehensive Income (loss)	Revenue	Profit (loss)	Comprehensive Income (loss)
Celltrion Pharm, Inc.	₩ 98,744,269	₩ 12,863,601	₩ 12,863,601	₩ 184,295,686	₩ 20,177,882	₩ 20,177,882
Celltrion Pharma USA, Inc.(*)	-	(6,825)	(6,899)	-	(34,160)	(33,318)
Celltrion Europe Limited	-	-	-	-	-	-
Celltrion Global Safety Data Center	891,925	246,679	241,807	1,725,582	476,988	511,345
Celltrion USA	7,711,583	(306,417)	(328,728)	9,406,745	(1,090,639)	(1,396,756)
Celltrion Biopharma	-	-	-	-	-	-
Celltrion Group HongKong	-	(260,077)	(296,982)	-	(393,908)	20,777
Vcell Healthcare(*)	-	(91)	(25,572)	-	(27,702)	279,895
Shanghai Vcell Biotech	-	(152,982)	(132,340)	-	(208,453)	(138,077)
Celltrion Asia Pacific PTE	11,297,543	(4,051,369)	(5,057,344)	23,510,882	(7,289,273)	4,420,565

(\*) The Profit (loss) is accrued for the year ended December 31, 2021 before being excluded from the consolidated subsidiaries

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The interim condensed consolidated financial statements as of and for the six months ended June 30, 2022 have been prepared in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1034 *Interim Financial Reporting*, effective as of June 30, 2022.

#### 2.1.1 Application of amended standards and interpretations

Significant accounting policies applied to prepare the interim condensed consolidated financial statements are the same as those applied to prepare year-end consolidated financial statements, except for the standards that applies as of January 1, 2022 as described below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. Several other amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### **Amendments to KIFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts – Cost of Fulfilling a Contract**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group does not own any onerous contracts falls under the scope of such amendments. The amendments are not expected to have an impact on the Group's interim condensed consolidated financial statements

#### **Amendments to KIFRS 1103 *Business Combinations* – Reference to the Conceptual Framework**

The amendments are intended to replace *Preparation and Presentation of Financial Statements* with a reference to *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements.

An exception was added to the recognition principle of KIFRS 1103 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of KIFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets* or KIFRS 2121 *Levies*. The exception requires entities to apply the criteria in KIFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets* or KIFRS 2121 *Levies*, instead of the *Conceptual Framework*, to determine whether a present obligation exists at the acquisition date.

The amendment also added new paragraphs to KIFRS 1103 *Business Combinations* to clarify that contingent assets do not qualify for recognition at the acquisition date.

The Group does not own any provisions, contingent assets, liabilities or contingent liabilities falls under the scope of such amendments. The amendments are not expected to have an impact on the Group's interim condensed consolidated financial statements

## 2.1. Basis of preparation, continued

### **Amendments to KIFRS 1016 *Property, Plant and Equipment* – Proceeds before Intended Use**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments have no impact on the Group's interim condensed consolidated financial statements as the Group has no sales of goods produced from property, plant and equipment made available for use on or after the start date of the earliest period presented.

### **KIFRS 1101 *First-time Adoption of Korean International Financial Reporting Standards* – Subsidiary as a First-time Adopter**

The amendments allow a subsidiary that elects to apply paragraph D16(1) of KIFRS 1101 to measure cumulative translation difference using the amount reported by the parent, based on the parent's date of transition to KIFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(1) of KIFRS 1101.

The amendments have no impact on the Group's interim condensed consolidated financial statements as the Group's subsidiaries are not first-time adopter.

### **KIFRS 1109 *Financial Instruments* – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities**

The amendments clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liabilities. These fees only include fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for KIFRS 1039 *Financial Instruments: Recognition and Measurement*.

The amendments have no impact on the Group's interim condensed consolidated financial statements as there were no changes in the Group's financial instruments.

### **KIFRS 1041 *Agriculture* – Taxation in fair value measurement**

The amendment removes the requirement in paragraph 22 of KIFRS 1041 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of KIFRS 1041.

The amendments have no impact on the Group's interim condensed consolidated financial statements as the Group does not own any assets in the scope of KIFRS 1041 as of June 30, 2022.



**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

## 2.2 Segment reporting

Management performs the allocation of resources and assessment of performance by each operating segment. The operating segment of the Group is recognized based on the method of organizing and generating income. As of June 30, 2022, the Group's segment consists of manufacturing and sales of biopharmaceutical medicines, chemical medicines and others.

Business objective of biopharmaceutical medicines segment is to develop, manufacture and sell various therapeutic proteins including oncology treatment drugs by bioengineering and mammalian cell-culture technology. Business objective of chemical medicines segment is to develop, manufacture and sell chemical medicines.

The Group assesses the performance of each operating segment based on operating profit, and there is no difference with the amounts reported on the consolidated statement of profit or loss, except for intergroup transactions.

### 2.2.1 Segment Information

The following table summarizes the results of financial performance of the Group by operating segments for the six-month periods ended June 30, 2022 and 2021 (Korean won in thousands):

June 30, 2022						
	Biopharma- ceutical medicines	Chemical medicines	Others	Total	Adjustment of intergroup transactions	Amount after adjustment
Sales	₩ 1,036,576,570	₩ 417,547,049	₩ 2,042,583	₩ 1,456,166,202	₩ (309,502,642)	₩ 1,146,663,560
Depreciation	24,289,580	8,228,020	146,250	32,663,850	(27,726)	32,636,124
Amortization	62,697,699	16,365,417	-	79,063,116	(24,852)	79,038,264
Operating profit	337,660,480	30,520,872	580,513	368,761,865	(27,514,155)	341,247,710
Non-current assets (*)	1,982,965,199	542,947,840	384,930	2,526,297,969	(5,817,546)	2,520,480,423

  

June 30, 2021						
	Biopharma- ceutical medicines	Chemical medicines	Others	Total	Adjustment of intergroup transactions	Amount after adjustment
Sales	₩ 730,817,423	₩ 217,213,313	₩ 1,725,582	₩ 949,756,318	₩ (61,018,484)	₩ 888,737,834
Depreciation	22,517,710	7,421,243	137,305	30,076,258	52,971	30,129,229
Amortization	59,955,515	13,616,250	-	73,571,765	34,574	73,606,339
Operating profit	339,764,430	17,843,301	458,690	358,066,421	15,612,362	373,678,783
Non-current assets (*)	1,872,171,703	544,480,106	635,345	2,417,287,154	(8,213,830)	2,409,073,324

(\*) The amount is the sum of property, plant and equipment, intangible assets and investment properties.

### 2.2.2 Regional Sales – Categorized by Location

Details of location categorized regional sales of the Group are as follows:  
(Korean won in thousands):

June 30, 2022					
	Domestic	Americas	Asia	Adjustment of intergroup transactions	Amount after adjustment
Sales	₩ 1,230,724,418	₩ 150,405,453	₩ 75,036,331	₩ (309,502,642)	₩ 1,146,663,560
Intergroup Sales	(276,878,769)	-	(32,623,873)	309,502,642	-
Net Sales	953,845,649	150,405,453	42,412,458	-	1,146,663,560

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**2.2 Segment reporting (cont'd)**

**2.2.2 Regional Sales – Categorized by Location, continued**

	June 30, 2021			Adjustment of intergroup transactions	Amount after adjustment
	Domestic	Americas	Asia		
Sales	₩ 915,113,109	₩ 9,406,745	₩ 25,236,464	₩ (61,018,484)	₩ 888,737,834
Intergroup Sales	(60,609,435)	-	(409,049)	61,018,484	-
Net Sales	854,503,674	9,406,745	24,827,415	-	888,737,834

**2.2.3 Regional Non-Current Asset(\*)**

Details of location categorized non-current assets of the Group are as follows:  
(Korean won in thousands):

	June 30, 2022	June 30, 2021
Domestic	₩ 2,203,998,106	₩ 2,107,158,084
Americas	193,573	256,881
Asia	322,106,290	309,810,275
Adjustment of intergroup transactions	(5,817,546)	(8,151,915)
Total	2,520,480,423	2,409,073,325

(\*) The amount is the sum of property, plant and equipment, intangible assets and investment properties.

**2.3 Accounting policy**

Significant accounting policies and calculation methods applied to prepare the interim condensed consolidated financial statements are the same as those applied to prepare the previous year-end consolidated financial statements, except for the adjustments made due to changes caused by the application of the enacted amendments explained in Note 2.1.1 and described below.

**2.3.1 Income tax**

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual effective tax rate is applied to the pre-tax income of the interim period.

### 3. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions are continuously evaluated with consideration of factors such as events reasonably predictable in the foreseeable future within the present circumstance according to historical experience. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Significant accounting estimates and assumptions adopted in the preparation of the interim condensed consolidated financial statements, except for the estimating method used in calculating income tax expenses, agree with those adopted in the preparation of the prior year consolidated financial statements.

### 4. Fair value

There is no significant change in the business and economic environments that affects the fair value of financial assets and liabilities of the Group for the six-month periods ended June 30, 2022.

#### 4.1 Fair value of financial instruments by category

The carrying amount and fair value of financial instruments by category as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 541,516,082	₩ 541,516,082	₩ 1,188,325,852	₩ 1,188,325,852
Short-term financial instruments	38,290,805	38,290,805	31,575,000	31,575,000
Financial assets at fair value through other comprehensive income	14,115,550	14,115,550	14,971,689	14,971,689
Financial assets at fair value through profit or loss	8,887,861	8,887,861	8,760,978	8,760,978
Trade receivables	1,482,718,009	1,482,718,009	1,101,089,342	1,101,089,342
Other receivables	62,334,012	62,299,707	75,784,396	75,755,147
Long-term financial instruments	-	-	702,100	702,100
	<u>₩ 2,147,862,319</u>	<u>₩ 2,147,828,014</u>	<u>₩ 2,421,209,357</u>	<u>₩ 2,421,180,108</u>
Financial liabilities				
Trade payables	₩ 86,995,966	₩ 86,995,966	₩ 80,723,080	₩ 80,723,080
Borrowings	794,075,152	793,574,023	736,971,511	736,835,155
Lease liabilities	6,091,062	6,091,062	7,384,189	7,384,189
Other payables	300,321,468	300,321,468	242,403,726	242,403,726
	<u>₩ 1,187,483,648</u>	<u>₩ 1,186,982,519</u>	<u>₩ 1,067,482,506</u>	<u>₩ 1,067,346,150</u>

#### 4.2 Fair value hierarchy

Assets measured at fair value or for which the fair value is disclosed are categorized within the fair value hierarchy, and the defined levels are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

Fair value hierarchy classifications of financial instruments that are measured at fair value or its fair value is disclosed as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value:				
Financial assets				
at fair value through other comprehensive income	₩ 12,249,816	₩ -	₩ 1,865,734	₩ 14,115,550
Financial asset at fair value through profit or loss	-	-	8,887,861	8,887,861
Financial instruments not measured at fair value:				
Borrowings	-	793,574,023	-	793,574,023
	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value:				
Financial assets				
at fair value through other comprehensive income	₩ 13,081,695	₩ -	₩ 1,889,994	₩ 14,971,689
Financial asset at fair value through profit or loss	-	-	8,760,978	8,760,978
Financial instruments not measured at fair value:				
Borrowings	-	736,835,155	-	736,835,155

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**5. Financial assets**

Details of financial assets as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2021	December 31, 2021
<b>Current assets:</b>		
Short-term financial instruments (*)	₩ 38,290,805	₩ 31,575,000
<b>Non-current assets:</b>		
Long-term financial instruments	-	702,100
Financial assets at fair value through other comprehensive income	14,115,550	14,971,689
Financial assets at fair value through profit or loss	8,887,861	8,760,978
	23,003,411	24,434,767
	<u>₩ 61,294,216</u>	<u>₩ 56,009,767</u>

(\*) The Group committed to provide time deposit of ₩13,516 million (December 31, 2021: ₩ 13,516 million) as collateral to Korea Securities Finance Corporation regarding Employee Stock Ownership Association. The use of the time deposit in foreign currency is restricted (see Note 21(2)).

**6. Trade receivables**

Details of trade receivables as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2022		
	Trade receivables	Allowance for doubtful accounts	Book value
Current trade receivables	₩ 1,484,064,633	₩ (1,346,624)	₩ 1,482,718,009
Non-current trade receivables	300,261	(300,261)	-
	<u>₩ 1,484,364,894</u>	<u>₩ (1,646,885)</u>	<u>₩ 1,482,718,009</u>
	December 31, 2021		
	Trade receivables	Allowance for doubtful accounts	Book value
Current trade receivables	₩ 1,102,448,186	₩ (1,358,844)	₩ 1,101,089,342
Non-current trade receivables	300,261	(300,261)	-
	<u>₩ 1,102,748,447</u>	<u>₩ (1,659,105)</u>	<u>₩ 1,101,089,342</u>

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**7. Investment in associates**

Details of investments in associates of the Group as of June 30, 2022 are as follows:

Associates	Equity interest	Domicile	Year-end
2014 Growth Ladder-IMM Venture Fund	20.00%	Republic of Korea	December
Mirae Asset Celltrion New Growth Investment Association No.1	50.00%	Republic of Korea	December
CTB-Biomedics	50.00%	Republic of Korea	December
Iksuda Therapeutics Limited (*1)	17.79%	United Kingdom	December
Mirae Asset Celltrion Bio Ecosystem Growth Fund (*2)	38.46%	Republic of Korea	December
Aju-Solasta Life Science 4.0 Fund (*3)	44.25%	USA	December

(\*1) Newly acquired for the year ended December 31, 2021 and added to the Group's associates as it was assessed that the Group could exert significant influence upon acquisition (see Note 21(10)).

(\*2) Newly acquired for the year ended December 31, 2021 and added to the Group's associates (see Note 21(5)).

(\*3) Newly acquired for the year ended December 31, 2021 and added to the Group's associates (see Note 21(5) and 22(6)).

Changes in investments in associates and a joint venture under the equity method for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

Associates and joint ventures	2022					
	January 1	Acquisitions	Disposals	Share of profit or loss	Other comprehensive income (loss)	June 30
2014 Growth Ladder-IMM Venture Fund	₩ 801,213	₩ -	₩ (51,200)	₩ (80,453)	₩ -	₩ 669,560
Mirae Asset Celltrion New Growth Investment Association No.1	52,299,740	-	(1,500,000)	14,023,972	-	64,823,712
CTB-Biomedics	70,185	-	-	(2,748)	-	67,437
Iksuda Therapeutics Limited	6,673,615	-	-	(1,588,393)	17,594	5,102,816
Mirae Asset Celltrion Bio Ecosystem Growth Fund	4,996,708	-	-	(284,518)	-	4,712,190
Aju-Solasta Life Science 4.0 Fund	-	5,000,000	-	(152,068)	-	4,847,932
	<u>₩ 64,841,461</u>	<u>₩ 5,000,000</u>	<u>₩ (1,551,200)</u>	<u>₩ 11,915,792</u>	<u>₩ 17,594</u>	<u>₩ 80,223,647</u>

  

Associates and joint ventures	2021					
	January 1	Acquisitions	Disposals	Share of profit or loss	Other comprehensive income (loss)	June 30
Boston Incubation Investment Association	₩ 82,398	₩ -	₩ -	₩ (979)	₩ -	₩ 81,419
2014 Growth Ladder-IMM Venture Fund	1,766,569	-	-	220,318	(115,957)	1,870,930
Mirae Asset Celltrion New Growth Investment Association No.1	46,101,119	12,500,000	(2,500,000)	(2,706,055)	-	53,395,064
CTB-Biomedics	76,488	-	-	(3,235)	-	73,253
Iksuda Therapeutics Limited	-	9,031,863	-	-	-	9,031,863
	<u>₩ 48,026,574</u>	<u>₩ 21,531,863</u>	<u>₩ (2,500,000)</u>	<u>₩ (2,489,951)</u>	<u>₩ (115,957)</u>	<u>₩ 64,452,529</u>

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**7. Investment in associates (cont'd)**

Summarized financial information of associates and a joint venture as of June 30, 2022 and December 31, 2021, and for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

		June 30, 2022			
Associates		Current assets	Non-current assets	Current liabilities	Non-Current liabilities
2014 Growth Ladder-IMM Venture Fund	₩	14,677	₩ 3,333,123	₩ -	₩ -
Mirae Asset Celltrion New Growth Investment Association No.1		5,848,901	124,319,616	521,094	-
CTB-Biomedics		132,737	2,137	-	-
Iksuda Therapeutics Limited		9,991,439	1,522,971	2,195,347	14,185,600
Mirae Asset Celltrion Bio Ecosystem Growth Fund		5,252,003	6,999,691	-	-
Aju-Solasta Life Science 4.0 Fund		11,312,354	-	356,027	-

  

		June 30, 2022					
		For the three-month periods ended			For the six month periods ended		
Associates		Sales	Profit (loss) for the period	Total comprehensive income (loss) for the period	Sales	Profit (loss) for the period	Total comprehensive income (loss) for the period
2014 Growth Ladder-IMM Venture Fund	₩	282	₩ (931)	₩ (931)	₩ 282	₩ (402,264)	₩ (402,264)
Mirae Asset Celltrion New Growth Investment Association No.1		30,994,348	28,374,517	28,374,517	33,290,866	28,047,943	28,047,943
CTB-Biomedics		-	(949)	(949)	-	(5,494)	(5,494)
Iksuda Therapeutics Limited		-	(4,605,002)	(4,551,752)	-	(8,928,581)	(8,829,682)
Mirae Asset Celltrion Bio Ecosystem Growth Fund		10,927	(381,929)	(381,929)	43,110	(739,746)	(739,746)
Aju-Solasta Life Science 4.0 Fund		12,354	(343,673)	(343,673)	12,354	(343,673)	(343,673)

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**7. Investment in associates (cont'd)**

Associates	December 31, 2021			
	Current assets	Non-current assets	Current liabilities	Non-Current liabilities
Boston Incubation				
Investment Association	₩ -	₩ -	₩ -	₩ -
2014 Growth Ladder-IMM Venture Fund	172,933	3,833,130	-	-
Mirae Asset Celltrion				
New GrowthInvestment Association No.1	13,351,333	91,497,040	248,893	-
CTB-Biomedics	138,231	2,137	-	-
Iksuda Therapeutics Limited	18,630,485	1,839,533	2,023,227	14,483,645
Boston Incubation				
Investment Association	12,991,440	-	-	-

  

Associates	June 30, 2021					
	For the three-months periods ended			For the six -month periods ended		
	Sales	Profit (loss) for the period	Total comprehensive income (loss) for the period	Sales	Profit (loss) for the period	Total comprehensive income (loss) for the period
Boston Incubation						
Investment Association	₩ 84	₩ (2,907)	₩ (2,907)	₩ 167	₩ (3,919)	₩ (3,919)
2014 Growth Ladder-IMM Venture Fund	1,102,351	1,100,443	1,100,443	1,102,463	1,101,591	521,809
Mirae Asset Celltrion						
New GrowthInvestment Association No.1	(1,104,246)	(4,390,702)	(4,390,702)	1,151,833	(5,412,110)	(5,412,110)
CTB-Biomedics	-	(3,257)	(3,257)	-	(6,469)	(6,469)
Iksuda Therapeutics Limited	-	(1,718,726)	(1,718,726)	-	(5,491,221)	(5,491,221)



**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**8. Property, plant and equipment**

Changes in the carrying amounts of property, plant and equipment for the six month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	2022							Accumulated depreciation
	January 1	Acquisitions	Transfers	Disposals	Depreciation	Others	June 30	
Land	₩ 301,819,130	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 301,819,130	₩ -
Buildings	267,882,414	-	-	401,418	5,219,368	-	262,261,628	(95,342,245)
Buildings-right-of-use assets (*)	5,639,448	-	-	9,417	1,141,963	18,389	4,506,457	(4,336,276)
Facilities	158,324,815	471,111	-	330	13,098,223	-	145,697,373	(261,138,896)
Structures	8,492,738	125,038	-	-	381,785	1,977	8,237,968	(7,004,260)
Machinery	142,892,032	5,396,315	1,771,897	39,985	11,890,255	-	138,130,004	(112,828,547)
Vehicles	286,529	27,300	-	1	49,213	-	264,615	(535,607)
Vehicles-right-of-use assets (*)	1,462,368	328,986	-	85,961	316,956	1,862	1,390,299	(1,090,385)
Furniture	12,344,516	1,028,735	230,430	24,141	1,913,083	6,010	11,672,467	(22,998,863)
Furniture-right-of-use assets (*)	2,126	-	-	1,105	1,106	85	-	-
Construction-in-progress	51,265,648	50,671,031	(2,126,827)	-	-	-	99,809,852	-
	₩ 950,411,764	₩ 58,048,516	₩ (124,500)	₩ 562,358	₩ 34,011,952	₩ 28,323	₩ 973,789,793	₩ (505,275,079)

  

	2021							Accumulated depreciation
	January 1	Acquisitions	Transfers	Disposals	Depreciation	Others	June 30	
Land	₩ 301,762,599	₩ -	₩ 56,531	₩ -	₩ -	₩ -	₩ 301,819,130	₩ -
Buildings	277,421,165	1,061,585	-	-	5,228,319	-	273,254,431	(85,114,575)
Buildings-right-of-use assets (*)	3,844,547	1,305,589	-	26,761	985,849	23,119	4,160,645	(3,405,393)
Facilities	182,202,120	64,298	43,200	7,358	12,981,215	-	169,321,045	(235,036,134)
Structures	9,241,175	4,200	-	-	378,808	-	8,866,567	(6,243,613)
Machinery	113,569,612	4,444,578	17,701,745	61,427	9,749,145	-	125,905,363	(89,770,842)
Vehicles	307,085	51,085	-	-	47,602	-	310,568	(444,746)
Vehicles-right-of-use assets (*)	1,475,836	716,200	-	102,315	329,201	-	1,760,520	(935,933)
Furniture	11,588,146	1,407,848	74,313	6,288	1,654,851	6,926	11,416,094	(20,345,136)
Furniture-right-of-use assets (*)	5,854	-	-	-	2,005	203	4,052	(8,106)
Construction-in-progress	44,862,121	16,621,176	(18,099,439)	-	-	-	43,383,858	-
	₩ 946,280,260	₩ 25,676,559	₩ (223,650)	₩ 204,149	₩ 31,356,995	₩ 30,248	₩ 940,202,273	₩ (441,304,478)

(\*) The Group elected to apply the recognition exemption for short-term leases and leases of low-value assets. For the six months ended June 30, 2022, the Group recognized lease payments of ₩349 million (June 30, 2021: ₩295 million) on short-term leases and lease payments of ₩143 million (June 30, 2021: ₩156 million) on leases of low-value assets as expenses. In addition, for the six months ended June 30, 2022, cash payments for short-term leases amounted to ₩348 million (June 30, 2021: ₩298 million) and cash payments for leases of low-value assets amounted to ₩140 million (June 30, 2021: ₩169 million). In addition, in relation to the sublease of the right-of-use asset of the above lessee, the revenue from lease payments recognized for the six-month periods ended June 30, 2022 is ₩3 million (June 30, 2021: nil).

## 8. Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment for the three-month and six-month periods ended June 30, 2022 and 2021 are allocated as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three-month periods ended	For the six-month periods ended	For the three-month periods ended	For the six-month periods ended
Cost of sales	₩ 14,571,842	₩ 28,986,784	₩ 13,481,131	₩ 26,707,331
Selling and administrative expenses	1,804,693	3,649,340	1,678,092	3,421,898
Development expenses	740,756	1,375,828	662,937	1,227,766
	₩ 17,117,291	₩ 34,011,952	₩ 15,822,160	₩ 31,356,995

The carrying amounts of property, plant and equipment provided as collateral as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

Collateral (*)	June 30, 2021	December 31, 2021
Land	₩ 294,401,553	₩ 294,401,553
Buildings	250,043,497	255,386,039
Facilities	134,653,986	146,872,059
Machinery	75,868,969	80,030,663

(\*) Property, plant and equipment are provided as collateral for borrowings and payment guarantees.

Details of borrowings and payment guarantees for which property, plant and equipment are provided as collateral as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

Creditor	June 30, 2022	
	Borrowing amount	Collateral value
Shinhan Bank	₩ 227,114,038	₩ 279,784,000
Woori Bank	30,000,000	57,300,000
Korea Development Bank	234,000,000	277,000,000
Export-Import Bank of Korea	28,725,580	89,300,000
Creditor	December 31, 2021	
	Borrowing amount	Collateral value
Shinhan Bank	₩ 209,978,708	₩ 284,184,000
Woori Bank	30,000,000	59,300,000
Korea Development Bank	224,691,636	331,000,000
Nonghyup Bank	1,875,000	18,000,000
Export-Import Bank of Korea	12,933,280	89,300,000

As of June 30, 2022, the Group's tangible assets are covered by package insurances at Hyundai Marine&Fire Insurance Group. Insurance benefits of tangible assets provided as collateral for borrowings and others include ₩171,884 million in Shinhan Bank (December 31, 2021: ₩173,893 million), ₩284,000 million in Korea Development Bank (December 31, 2021: ₩284,000 million), ₩18,000 million in Nonghyup Bank (December 31, 2021: ₩18,000 million), ₩12,000 in Woori Bank (December 31, 2021: ₩11,000 million) as the establishment of the right of pledge.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**9. Intangible assets**

Changes in the carrying amounts of intangible assets for the six months ended June 30, 2022 and 2021, are as follows (Korean won in thousands):

2022										
	January 1	Internally generated	Acquisitions	Transfers	Amortization	Others	June 30	Accumulated amortization	Accumulated impairment loss	
Goodwill	₩ 33,010,683	₩ -	₩ -	₩ -	₩ -	₩ 2,820,203	₩ 35,830,886	₩ -	₩ -	(2,013,066)
Software	12,179,146	-	144,389	124,500	2,250,699	-	10,197,336	(18,808,642)	-	-
Intellectual property	2,082,827	-	-	-	1,249,696	-	833,131	(38,166,870)	-	-
Development costs	1,172,041,130	106,231,618	-	-	58,665,199	2,617,483	1,222,225,032	(653,188,036)	(59,790,194)	(59,790,194)
Other intangible assets	261,290,466	-	-	396,544	16,982,312	21,796,465	266,501,163	(69,720,436)	(5,921,424)	(5,921,424)
Facility usage rights	10,966,722	-	136,360	-	-	-	11,103,082	-	-	-
	₩ 1,491,570,974	₩ 106,231,618	₩ 280,749	₩ 521,044	₩ 79,147,906	₩ 27,234,151	₩ 1,546,690,630	₩ (779,883,984)	₩ -	₩ (67,724,684)

  

2021										
	January 1	Internally generated	Acquisitions	Transfers	Disposals	Amortization	Others	June 30	Accumulated amortization	Accumulated impairment loss
Goodwill	₩ 62,923,540	₩ -	₩ -	₩ (33,329,148)	₩ -	₩ -	₩ 1,958,923	₩ 31,553,315	₩ -	₩ (2,013,066)
Software	13,759,446	-	1,431,022	223,650	1	2,108,419	-	13,305,698	(14,340,221)	-
Intellectual property	4,582,218	-	-	-	-	1,249,696	-	3,332,522	(35,667,478)	-
Development costs	1,066,253,785	128,536,201	-	-	-	55,479,653	853,360	1,140,163,693	(535,311,735)	(6,529,988)
Other intangible assets	245,702,875	-	1,046,900	32,443,041	3,655,636	14,887,339	8,899,261	269,549,102	(30,369,611)	(1,948,667)
Facility usage rights	10,966,722	-	-	-	-	-	-	10,966,722	-	-
	₩ 1,404,188,586	₩ 128,536,201	₩ 2,477,922	₩ (662,457)	₩ 3,655,637	₩ 73,725,107	₩ 11,711,544	₩ 1,468,871,052	₩ (615,689,045)	₩ (10,491,721)

The details of significant intangible assets as of June 30, 2022 are as follows:

	Description	Residual useful lives
Software	ERP and other operating support software	1 ~ 5 years
Intellectual property	Rights to manufacture biomedicine and antigen and usage of mass production technology	1 years
Other intangible assets	Patents, industrial property rights, licenses	1 ~ 10 years
Facility usage rights	Condominium, golf club membership	Indefinite

Details of development costs as of June 30, 2022 are as follows (Korean won in thousands):

						Book value before impairment loss	Accumulated impairment losses	Book value	Remaining useful lives (*6)
Classification	Purpose	Status	Phase I (*5)	Phase III	Regulatory approval				
Bio-Pharmaceuticals medicines	Treatment for autoimmune diseases (*1)	Under development	₩ 71,211,413	₩ 321,896,230	₩ 25,543,560	₩ 418,651,203	₩ -	₩ 418,651,203	-
		Under amortization	92,861,642	129,676,716	44,384,576	266,922,934	-	266,922,934	11 years
	Cancer treatment (*2)	Under development	(30,384)	4,593,848	1,269,357	5,832,821	-	5,832,821	-
		Under amortization	66,844,861	334,166,164	74,655,746	475,666,771	-	475,666,771	8 years
	Other Treatment (*3)	Under development	-	50,397,078	2,317,296	52,714,374	(6,471,307)	46,243,067	-
		Under amortization	-	34,333,490	2,416,776	36,750,266	(36,750,266)	-	-
Chemical medicines (*4)	development	Under	3,121,285	4,074,653	1,224,585	8,420,523	(1,694,080)	6,726,443	-
		Under amortization	6,751,987	-	10,304,347	17,056,334	(14,874,541)	2,181,793	8 years
				₩ 240,760,804	₩ 879,138,179	₩ 164,654,398	₩ 1,170,263,972	₩ (59,790,194)	₩ 1,222,225,032

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**9. Intangible assets (cont'd)**

(\*1) Remsima and Yuflyma etc. are monoclonal antibody (mAb) biopharmaceuticals, which is a treatment for autoimmune diseases.

(\*2) Herzuma and Truxima etc. are monoclonal antibody (mAb) biopharmaceuticals, which is a treatment for cancer.

(\*3) Biopharmaceuticals to cure other diseases, such as infectious and ophthalmic diseases.

(\*4) Chemical medicine is a treatment such as antibiotics.

(\*5) For chemical medicine, it includes bioequivalence tests.

(\*6) As the amortization period differs for each project, the remaining useful lives of the development costs are weighted average As of June 30, 2022.

Details of development costs as of December 31, 2021 are as follows (Korean won in thousands):

						Book value before impairment loss	Accumulated impairment losses	Book value	Remaining useful lives (*6)
Classification	Purpose	Status	Phase I (*5)	Phase III	Regulatory approval				
Bio-Pharmaceuticals medicines	Treatment for autoimmune diseases (*1)	Under development	₩ 53,863,297	₩ 261,822,638	₩ 21,427,544	₩ 418,651,203	₩	₩ 337,113,479	-
		Under amortization	98,763,264	137,918,040	47,205,347	266,922,934		283,886,651	11 years
	Cancer treatment (*2)	Under development	17,142,357	134,083,746	7,823,514	5,832,821		159,049,617	-
		Under amortization	55,948,981	226,700,868	74,014,696	475,666,771		356,664,545	6 years
	Other Treatment (*3)	Under development	-	32,580,693	1,923,872	52,714,374	(6,471,307)	28,033,258	-
		Under amortization	-	34,333,490	2,416,776	36,750,266	(36,750,266)	-	-
Chemical medicines (*4)		Under development	3,082,918	2,771,030	1,625,101	7,479,049	(1,694,080)	5,784,969	-
		Under amortization	6,433,652	-	9,949,500	16,383,152	(14,874,541)	1,508,611	8 years
			₩ 235,234,469	₩ 830,210,505	₩ 166,386,350	₩ 1,231,831,324	₩ (59,790,194)	₩ 1,172,041,1302	

Material expenditures that are not recognized as assets because the Group does not exercise control, but from which future economic benefits are expected, for the three months and six months ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
Marketing costs	₩ 4,128,786	₩ 6,522,769	₩ 4,468,705	₩ 5,719,593
Training costs	200,333	279,265	114,807	203,120

Amortization expenses of intangible assets for the three months and six months ended June 30, 2022 and 2021 are allocated as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
Cost of sales	₩ 31,379,268	₩ 60,900,245	₩ 28,874,299	₩ 57,723,062
Selling and administrative expenses	9,232,395	18,138,020	7,095,108	15,883,277
Development costs (*)	45,793	100,880	63,593	116,618
Construction in progress (*)	4,921	8,761	851	2,150
	₩ 40,662,377	₩ 79,147,906	₩ 36,033,851	₩ 73,725,107

(\*) The amount only includes amortization of software.

Capitalized borrowing costs which are included in the acquisition of intangible assets and property, plant and equipment for the six-month periods ended June 30, 2022 are ₩5,492 million (June 30, 2021: ₩2,979 million) and ₩578 million (June 30, 2021: ₩350 million), respectively. The rate used to determine the borrowing costs eligible for capitalization is 2.38% (June 30, 2021: 1.98%).

Research and development costs recognized as expenses for the six-month periods ended June 30, 2022 are ₩69,392 million (June 30, 2021: ₩58,309 million).

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**10. Financial liabilities**

Details of book value of financial liabilities as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2022	December 31, 2021
<b>Current assets</b>		
Short-term borrowings	₩ 575,512,635	₩ 512,107,570
Current portion of long-term borrowings	43,333,259	54,480,804
Current portion of lease liabilities	2,677,899	3,009,932
	<u>₩ 621,523,793</u>	<u>₩ 569,598,306</u>
<b>Non-current assets</b>		
Long-term borrowings	₩ 175,229,257	₩ 170,383,137
Lease liabilities	3,413,164	4,374,257
	<u>₩ 178,642,421</u>	<u>₩ 174,757,394</u>

Changes in financial liabilities at fair value through profit or loss for the six-month periods ended June 30, 2021 June 30, 2022 and are as follows and there is no change for the six-month periods ended June 30, 2022. (Korean won in thousands):

	2021			
	January 1	Valuation	Payments	June 30
Forward exchange contract	₩ 24,339,547	₩ -	₩ (24,339,547)	₩ -

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**11. Greenhouse gas emissions liabilities**

(1) Emission Permits

As of June 30, 2022, the number of free allocations per years in the 3rd planning period (2021-2025) is as follows:

	(unit: metric ton (tCO <sub>2</sub> -eq))					
	2021	2022	2023	2024	2025	Total
Free Allocation	₩ -	₩ 50,235	₩ 50,235	₩ 49,765	₩ 49,765	₩ 200,000

(2) The Group's estimated greenhouse gas emissions for the six-month periods ended June 30, 2022 is 28,317 tons (tCO<sub>2</sub>-eq) (June 30, 2021: 27,511 tons (tCO<sub>2</sub>-eq)).

(3) Changes in the amount of emission permits for the six-month periods ended June 30, 2022 and 2021 are as follows:

① June 30, 2022

	(unit: metric ton (tCO <sub>2</sub> -eq))					
	2021	2022	2023	2024	2025	Total
Basic&Free Allocation	₩ 50,235	₩ 50,235	₩ 50,235	₩ 49,765	₩ 49,765	₩ 250,235
Additional Allocation	-	-	-	-	-	-
Carry-over	-	-	-	-	-	-
Purchase (Sale)	4,380	-	-	-	-	4,380
Govt.Submission	(54,615)	-	-	-	-	(54,615)
Total	₩ -	₩ 50,235	₩ 50,235	₩ 49,765	₩ 49,765	₩ 200,000

② June 30, 2021

							(unit: metric (tCO <sub>2</sub> -eq))	
	2020	2021	2022	2023	2024	2025	Total	
Basic&Free Allocation	₩ 42,290	₩ 50,235	₩ 50,235	₩ 50,235	₩ 49,765	₩ 49,765	₩ 292,525	
Additional Allocation	5,259	-	-	-	-	-	5,259	
Carry-over	345	-	-	-	-	-	345	
Purchase (Sale)	4,708	-	-	-	-	-	4,708	
Govt.Submission	(52,602)	-	-	-	-	-	(52,602)	
Total	₩ -	₩ 50,235	₩ 50,235	₩ 50,235	₩ 49,765	₩ 49,765	₩ 250,235	

(4) The book value of free allocation is 0.

(5) There are currently no emission permits provided as collateral for the six-month periods ended June 30, 2022 and 2021.

(6) Increase and decrease of the emission liabilities for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands)

	January 1, 2021	Accrual	Reversal	June 30, 2022
Emission liability	₩ 180,212	₩ 65,750	₩ (180,212)	₩ 65,750

	January 1, 2021	Accrual	Reversal	June 30, 2021
Emission liability	₩ 224,411	₩ 38,639	₩ (224,411)	₩ 38,639

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**12. Equity**

Changes in issued capital and share premium for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands, except shares):

	Number of shares	Issued capital	Share premium	Total
<b>As of January 1, 2021</b>	134,997,805	₩ 134,997,805	₩ 812,155,732	₩ 947,153,537
Stock dividends	2,675,697	2,675,697	-	2,675,697
Exercise of stock warrants	243,032	243,032	25,040,815	25,283,847
<b>As of June 30, 2021</b>	137,916,534	₩ 137,916,534	₩ 837,196,547	₩ 975,113,081
<b>As of January 1, 2021</b>	137,947,128	₩ 137,947,128	₩ 840,337,214	₩ 978,284,342
Stock dividends	2,732,479	2,732,479	-	2,732,479
Exercise of stock warrants	88,244	88,244	8,783,502	8,871,746
<b>As of June 30, 2022</b>	140,767,851	₩ 140,767,851	₩ 849,120,716	₩ 989,888,567

Other components of equity as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2022	December 31, 2021
Treasury stock	₩ (488,517,485)	₩ (225,716,732)
Stock warrants	81,643,204	71,239,165
Other capital surplus	15,657,188	15,969,447
	₩ (391,217,093)	₩ (138,508,120)

Changes in treasury stock for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands, except shares):

	Number of shares	Amount
<b>As of January 1, 2021</b>	1,212,915	₩ 191,825,374
Acquisition of treasury stock	110,215	33,891,358
<b>As of June 30, 2021</b>	1,323,130	₩ 225,716,732
<b>As of January 1, 2021</b>	1,323,130	₩ 225,716,732
Acquisition of treasury stock	1,617,359	262,800,753
<b>As of June 30, 2022</b>	2,940,489	₩ 488,517,485

Changes in the number of stock warrants outstanding and their related weighted average exercise prices for the six-month periods ended June 30, 2022 are as follows (Korean won in thousands, except shares):

	Options (unit: share)	Amount
Beginning (*1)	₩ 2,262,037	₩ 71,239,165
Grant (*2)	510,164	13,162,585
Exercise and forfeited	(108,763)	(2,758,546)
Ending	₩ 2,663,438	₩ 81,643,204

(\*1) It is adjusted by reflecting the effects of stock dividends for the six-month periods ended June 30, 2022.

(\*2) The Group valued the weighted average fair value of options granted for the six-month periods ended June 30, 2022 using the Binomial valuation model.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**13. Dividends**

Cash dividends paid for the year ended December 31, 2021 was 102,468 million (payment in 2020: nil). In addition, stock dividends of ₩2,732 million (2,732,479 ordinary shares) for the year ended December 31, 2021 were declared on March 25, 2022, and ordinary shares were issued.

**14. Revenue from Contracts with customers**

Details of revenue for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
<b>Timing of revenue recognition:</b>				
Recognition at a point in time (*1)	₩ 565,060,158	₩ 1,093,387,487	₩ 389,329,393	₩ 800,687,404
Recognition over time (*2)	31,005,352	53,276,073	42,439,644	88,050,430
	₩ 596,065,510	₩ 1,146,663,560	₩ 431,769,037	₩ 888,737,834
<b>Regional market</b>				
Domestic	452,503,349	971,993,289	347,722,129	767,251,634
Overseas	143,562,161	174,670,271	84,046,908	121,486,200
	₩ 596,065,510	₩ 1,146,663,560	₩ 431,769,037	₩ 888,737,834

(\*1) Revenue from the sale of goods and etc.

(\*2) Revenue from the services and etc.

Details of receivables, contract assets, contract liabilities from contracts with customers for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	2022				
	Beginning balance	Increase (*1)	Decrease (*2)	Variable consideration estimate (*3)	Ending balance
Contract asset	₩ -	₩ -	₩ -	₩ 51,134,000	₩ 51,134,000
Contract liability	351,797,935	57,996,900	(46,492,006)	(6,711,033)	356,591,796
	2021				
	Beginning balance	Increase (*1)	Decrease (*2)	Variable consideration estimate (*3)	Ending balance
Contract asset	₩ 88,590,323	₩ -	₩ -	₩ (59,563,323)	₩ 29,027,000
Contract liability	287,929,044	37,078,641	(49,785,516)	16,315,664	291,537,833

(1\*) Include advance received and unearned revenue in relation to the consideration received before transferring goods or services to the customers for the six-month periods ended June 30, 2022 and 2021.

(2\*) Reductions in contract liabilities not related to estimates of variable consideration and were recognized as revenue for the six-month periods ended June 30, 2022 and 2021.

(3\*) The contract liabilities for the six-month periods ended June 30, 2022 consist of an estimate of ₩26,229 million recognized in the year ended December 31, 2021 and are replaced with account receivables and payables for the six-month periods ended June 30, 2022, and an estimated amount of price settlement for the six-month periods ended June 30, 2022 under the contract with customers, reflected as a deduction of revenue during the period worth at ₩(-)17,646 million. The contract assets for the six-month periods ended June 30, 2022 are the estimated price settlement under contracts with customers, and consist of an estimated price settlement of ₩51,134 million. The contract assets for the six-month periods ended June 30, 2022 are the estimated price settlement amount under the contract with customers, and consist of ₩(-)88,590 that was replaced with account



**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**14. Revenue from Contracts with customers (Cont'd)**

receivables for the year ended December 31, 2021 among the contract assets as of January 1, 2021, and newly recognized price settlement estimate of ₩29,027 million for the year ended December 31, 2021.

The contract liabilities for the six-month ended June 30, 2021 are estimates of expected price settlement after the six-month periods ended June 30, 2021 and were recognized as a deduction of revenue for the six-month periods ended June 30, 2021 (see Note 21(1) and 22(2)(3)).

The amount recognized as revenue for the six-month periods ended June 30, 2021 that is included in contract liabilities as of December 31, 2021 is ₩ 46,492 million (2021: ₩49,786 million).

**15. Income tax**

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year. The weighted average annual effective income tax rate expected for the fiscal year ending December 31, 2022 is 16.94% (2021: 20.70%).

**16. Other incomes and expenses**

Details of other income and expenses for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
<b>Other income</b>				
Rental income	₩ 164,398	₩ 335,575	₩ 139,087	₩ 283,407
Gain on disposal of plant, property and equipment	5,493	7,608	5,293	6,042
Gain on foreign exchange translation	11,461,498	14,419,870	(1,090,511)	2,555,818
Gain on foreign currency transactions	5,537,264	11,151,070	1,113,915	1,817,799
Dividend income	220,226	227,506	-	1,549,888
Gain on valuation of financial assets at fair value through profit or loss	(7,949)	-	(7,318,022)	-
Gain on disposal of financial assets at fair value through profit or loss	1,489,330	1,489,330	5,564,714	8,963,947
Gain on disposal of investments in related parties and subsidiaries	-	-	6,392	6,392
Gain on disposal of intangible assets	-	-	-	26,689,796
Miscellaneous gain	480,955	772,856	2,553,915	3,067,850
	₩ 19,351,215	₩ 28,403,815	₩ 974,783	₩ 44,940,939
<b>Other expenses</b>				
Donations	137,976	1,299,476	367,192	883,692
Loss on disposal of property, plant and equipment	71,375	465,082	39,416	46,210
Loss on disposal of intangible assets	-	-	2,522,913	2,522,915
Loss on foreign exchange translation	22,880	2,244,164	(625,684)	995,881
Loss on foreign currency transactions	4,572,664	8,131,757	1,435,971	3,312,412
Loss on valuation of financial liabilities at fair value through profit or loss	574,620	870,272	-	-
Loss on disposal of investment in subsidiaries and associates	-	-	1,145,056	1,145,056
Miscellaneous loss	2,746,426	9,893,515	96,985	141,126
	₩ 8,125,941	₩ 22,904,266	₩ 4,981,849	₩ 9,047,292
<b>Net other income (expenses)</b>	₩ 11,225,274	₩ 5,499,549	₩ (4,007,066)	₩ 35,893,647

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**17. Finance income and loss**

Details of finance income and costs for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
<b>Finance income</b>				
Interest income (*1)	₩ 3,133,551	₩ 6,460,685	₩ 714,056	₩ 1,719,516
Gain on foreign exchange translation	3,755,421	7,719,134	931,376	7,315,576
Gain on foreign currency transactions	594,039	937,759	1,216,577	8,586,604
	₩ 7,483,011	₩ 15,117,578	₩ 2,862,009	₩ 17,621,696
<b>Finance costs</b>				
Interest expenses (*2)	1,995,391	3,466,878	2,138,199	4,640,158
Loss on foreign exchange translation	1,754,342	2,325,285	(478,092)	130,443
Loss on foreign currency transactions	202,127	478,393	2,804,738	3,054,051
	₩ 3,951,860	₩ 6,270,556	₩ 4,464,845	₩ 7,824,652
<b>Net finance income (costs)</b>	₩ 3,531,151	₩ 8,847,022	₩ (1,602,836)	₩ 9,797,044

(\*1) Details of interest income included in finance income are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
Other loans and receivables	₩ 3,133,551	₩ 6,460,685	₩ 714,056	₩ 1,719,516

(\*2) Details of interest expenses included in finance costs are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
Interest on bank overdraft and borrowings	₩ 5,241,665	₩ 9,536,320	₩ 4,002,710	₩ 8,219,577
Capitalized interest for qualifying assets	(3,246,274)	(6,069,442)	(1,864,511)	(3,579,419)
	₩ 1,995,391	₩ 3,466,878	₩ 2,138,199	₩ 4,640,158

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**18. Expenses by nature**

Details of expenses by nature for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
Changes in inventories	₩ 72,201,442	₩ 77,970,598	₩ (31,208,892)	₩ (61,703,037)
Cost of raw materials	57,708,593	112,752,736	52,055,610	98,140,717
Employee benefit expense	65,605,953	130,451,900	60,978,595	123,994,570
Purchase of reagent and supplies	16,971,247	33,946,011	823,464	12,616,365
Service fees	74,318,741	191,404,046	87,740,013	155,199,129
Commission expenses	15,931,017	33,244,183	11,038,462	21,431,764
Taxes and dues	2,679,451	4,285,295	2,455,248	3,866,619
Depreciation	16,376,535	32,636,124	15,159,223	30,129,229
Amortization	40,611,662	79,038,264	35,969,408	73,606,340
Other expenses	34,694,349	109,686,693	32,768,589	57,777,354
<b>Total (*1)</b>	<b>₩ 397,098,990</b>	<b>₩ 805,415,850</b>	<b>₩ 267,779,720</b>	<b>₩ 515,059,050</b>

(\*1) The amount is the sum of cost of sales and selling and administrative expenses on the interim consolidated statements of profit or loss.

**19. Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding for the six-month periods ended June 30, 2022 and 2021 excluding ordinary shares purchased by the Group and held as treasury stocks.

Basic earnings per share for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in units, shares):

	June 30, 2022		June 30, 2021 (*)	
	For the three months ended	For the six months ended	For the three months ended	For the six months ended
Profit attributable to ordinary shares	₩ 183,416,783,732	₩ 301,944,364,240	₩ 126,280,043,391	₩ 321,935,049,520
Weighted average number of ordinary shares outstanding	138,101,618	138,422,269	139,292,017	139,209,241
Basic earnings per share	1,328	2,181	907	2,313

(\*) It is adjusted to reflect the effects of stock dividends for the six-month periods ended June 30, 2022.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**19. Earnings per share (cont'd)**

The basis for calculating the weighted average number of common shares outstanding for calculating earnings per share is as follows.

1) Six months ending June 30, 2022 (in number of shares)

	Number of ordinary shares	Weighted average number of ordinary shares outstanding	
		For the three months ended	For the six months ended
Number of issued share (beginning of Period)	137,947,128	137,947,128	137,947,128
Stock dividends	2,732,479	2,732,479	2,732,479
Treasury stock (beginning of period)	(1,323,130)	(1,323,130)	(1,323,130)
Acquisition of treasury stock	(1,617,359)	(1,320,293)	(970,123)
Stock warrants	88,244	65,434	35,915
Number of Outstanding Share As of June 30, 2022	<u>137,827,362</u>	<u>138,101,618</u>	<u>138,422,269</u>

2) Six months ending December 31, 2021 (in number of shares)

	Number of ordinary shares	Weighted average number of ordinary shares outstanding	
		For the three months ended	For the six months ended
Number of issued share (beginning of Period)	137,697,761	137,697,761	137,697,761
Stock dividends	2,729,210	2,729,210	2,729,210
Treasury stock (beginning of period)	(1,212,915)	(1,212,915)	(1,212,915)
Acquisition of treasury stock	(110,215)	(110,215)	(110,215)
Stock warrants	247,892	188,176	105,400
Number of Outstanding Share as of December 31, 2021	<u>139,351,733</u>	<u>139,292,017</u>	<u>139,209,241</u>

Diluted earnings per share amounts are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares: stock warrants. For the stock warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the stock warrants.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**19. Earnings per share (cont'd)**

Diluted earnings per share for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in units, shares):

	June 30, 2022		June 30, 2021 (*)	
	For the three-month periods ended	For the six-month periods ended	For the three-months period ended	For the six-month periods ended
Profit attributable to ordinary shares	₩ 125,500,724,557	₩ 319,122,371,691	₩ 138,092,701,298	₩ 243,030,544,993
Dilutive profit attributable to ordinary shares	125,500,724,557	319,122,371,691	138,092,701,298	243,030,544,993
Weighted average number of ordinary shares outstanding	136,534,858	136,453,706	136,357,514	136,271,061
<b>Adjustment for:</b>				
Stock warrants	653,806	774,989	662,787	601,832
Weighted average number of ordinary shares for diluted earnings per share	137,188,664	137,228,695	137,020,301	136,872,893
Diluted earnings per share	915	2,325	1,008	1,776

(\*) It is adjusted to reflect the effects of stock dividends for the six-month periods ended June 30, 2022.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**20. Supplemental cash flow information**

Details of adjustments and change in net working capital in cash generated from operations for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022		June 30, 2021	
	₩		₩	
<b>Profit for the period</b>		305,266,249		329,579,848
<b>Adjustments for:</b>				
Income tax expense		62,243,824		87,299,676
Loss on valuation of inventories		8,470,727		5,825,983
Share-based payment		12,130,610		10,257,145
Depreciation		32,636,124		30,129,229
Amortization		79,038,264		73,606,340
Allowance (reversal of allowance) for doubtful accounts		(12,220)		(297,711)
Loss on relation of foreign currency		4,569,448		1,126,324
Gain on relation of foreign currency		(22,139,004)		(9,871,394)
Loss on valuation of financial liabilities at fair value through profit or loss		870,272		-
Gain on disposal of financial assets at fair value through profit or loss		(1,489,330)		(8,963,947)
Gain on disposal of investment in subsidiaries and associates		-		(6,392)
Loss on disposal of investment in subsidiaries and associates		-		1,145,056
Share of loss of associates		(11,915,791)		2,489,951
Interest expenses		3,466,878		4,640,158
Interest income		(6,460,685)		(1,719,516)
Dividend income		(227,506)		(1,549,888)
Gain on disposal of property, plant and equipment		(7,608)		(6,042)
Loss on disposal of property, plant and equipment		465,082		46,209
Gain on disposal of intangible assets		-		(26,689,796)
Loss on disposal of intangible assets		-		2,522,915
miscellaneous profit		(31,460)		(6,765)
<b>Total adjustments</b>	₩	161,607,625	₩	169,977,535
<b>Changes in net working capital</b>				
Trade receivables	₩	(362,152,575)	₩	(38,195,836)
Other receivables		45,331,226		42,895,754
Inventories		(171,885,365)		(72,915,008)
Other current assets		(27,510,380)		36,036,354
Other non-current assets		(231,776)		(228,874)
Trade payables		(3,275,823)		(11,224,453)
Other payables		41,556,780		(63,777,779)
Long-term other payables		-		2,761,639
Other current liabilities		(44,408,558)		16,107,928
Other non-current liabilities		(2,608,090)		11,475,987
Provisions		1,711,155		606,111
<b>Total changes in net working capital</b>		(523,473,406)		(76,458,177)
<b>Cash generated from operations</b>	₩	(56,599,532)	₩	423,099,206

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**20. Supplemental cash flow information (cont'd)**

Significant non-cash transactions for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022	June 30, 2021
Transfer of construction-in-progress to property, plant and equipment or intangible assets	₩ 2,126,827	₩ 18,099,439
Reclassification of current portion of long-term borrowings	21,666,629	32,814,175
Transfer of equity by stock dividends	2,732,479	2,675,697
Other receivables related to intangible assets	-	508,500

Changes in liabilities arising from financing activities for six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	Non-cash flow					
	January 1, 2022	Cash flow	Exchange rate fluctuation	Interest expenses	Reclassification and others	June 30, 2022
Accrued expenses (*)	₩ 947,026	₩ (9,078,243)	₩ -	₩ 9,381,383	₩ -	₩ 1,250,166
Short-term borrowings	512,107,570	60,514,910	2,890,155	-	-	575,512,635
Current portion of long-term borrowings	54,480,805	(32,814,176)	-	-	21,666,630	43,333,259
Long-term borrowings	170,383,137	26,512,750	-	-	(21,666,630)	175,229,257
Lease liabilities	7,384,189	(1,625,304)	51,300	85,058	195,820	6,091,063
Dividends payable	5,674	(102,450,966)	-	-	102,467,998	22,706
	₩ 745,308,401	₩ (58,941,029)	₩ 2,941,455	₩ 9,466,441	₩ 102,663,818	₩ 801,439,086

(\*) There are no prepaid interest expenses for the six-month periods ended June 30, 2022.

	Non-cash flow					
	January 1, 2021	Cash flow	Exchange rate fluctuation	Interest expenses	Reclassification and others	June 30, 2021
Accrued expenses (*)	₩ 842,336	₩ (7,627,252)	₩ 32,498	₩ 7,351,895	₩ -	₩ 599,477
Short-term borrowings	436,977,488	57,601,023	80,904	-	-	494,659,415
Current portion of long-term borrowings	132,043,240	(98,021,620)	-	-	32,814,175	66,835,795
Long-term borrowings	199,869,876	9,770,612	-	-	(32,814,175)	176,826,313
Lease liabilities	5,512,344	(1,432,090)	25,375	93,423	1,910,476	6,109,528
Dividends payable	10,846	-	-	-	-	10,846
	₩ 775,256,130	₩ (39,709,327)	₩ 138,777	₩ 7,445,318	₩ 1,910,476	₩ 745,041,374

(\*) Prepaid interest expenses for the six-month periods ended June 30, 2021 amount to ₩459 million.

**21. Contingencies and commitments**

As of June 30, 2022, the Group has the exclusive sales and distribution rights agreement and the product supply agreement with Celltrion Healthcare Co., Ltd., a related party as of June 30, 2022, on the products that the Group is currently developing and will develop in the future. The Group has received a performance deposit from Celltrion Healthcare Co., Ltd., pursuant to the agreement, which will be deducted from future product sales proceeds. The Group is maintaining supply contracts and services contract such as Fill & Finish for each product. Supply contracts accompany agreements such as price settlement and confidentiality, and Fill & Finish and other service agreement accompanies yield settlement and confidentiality agreement. In addition, the Group has obligations for the development and supply of products in accordance with the Master Service Agreement between Celltrion Healthcare Co., Ltd. and co-marketing agents.

The Group sold and supplied ₩753,434 million (June 30, 2021: ₩662,948 million) in accordance with the above agreements for the six-month periods ended June 30, 2022. Related receivables from Celltrion Healthcare Co., Ltd. are ₩1,166,975 million as of June 30, 2022 (December 31, 2021: ₩795,121 million).

## **21. Contingencies and commitments (cont'd)**

On request of Celltrion Healthcare Co., Ltd., in accordance with the agreements on exclusive rights for the sales and distribution between Celltrion Healthcare Co., Ltd. and the Company, the Company is to store products sold to Celltrion Healthcare Co., Ltd., which represents a significant portion of products sold to Celltrion Healthcare Co., Ltd., at the Company's warehouse with specifically-designed refrigeration units, approved by local safety regulators. These products have been separately partitioned from the Company's inventories.

In addition, the Group has entered into commitments to provide additional collateral to Korea Securities Finance Corporation in case of shortage of collateral for borrowings from the Employee Stock Ownership Association and Employee Stock Ownership members Korea Securities Finance Corporation which have employees' stockholding as collateral, and the related joint surety of ₩36,715 million are provided to Korea Securities Finance Corporation (December 31, 2021: ₩38,270 million to Korea Securities Finance Corporation).

The Group committed to provide time deposit of ₩13,516 million (December 31, 2021: ₩ 13,516 million) as collateral to Korea Securities Finance Corporation regarding Employee Stock Ownership Association (see Note 5).

As of June 30, 2022, the Group was provided with ₩9,962 million (December 31, 2021: ₩42,580 million) of guarantee from Seoul Guarantee Insurance Co., Ltd. related to the refund of the support fund for childcare facilities for employees.

As of June 30, 2022, the Group has entered into loan commitments with Shinhan Bank, Korea Export Import Bank, Korea Development Bank and others and was provided with a guarantee from financial institutions related to the issuance of letter of credit and letter of guarantee from financial institutions. Commitments for which unused amounts are outstanding as of June 30, 2022 and 2021 are as follows (Korean won in thousands and USD):

<b>June 30, 2022</b>				
<b>Financial institutions</b>	<b>Descriptions of commitments</b>	<b>Currency</b>	<b>Limited amounts</b>	<b>Amount used</b>
Shinhan Bank	L/C Usance	USD	30,000,000	13,363,061
	Bank overdraft	KRW	20,000,000	-
	Facility loan	KRW	100,000,000	21,170,473
	Non L/C Basis (D/A)	USD	1,000,000	371,640
	Billed discount	KRW	10,000,000	-
	Facility loan	KRW	52,000,000	47,666,463
Korea Export Import Bank	Export loan	KRW	77,600,000	28,725,580
Korea Development Bank	L/C Usance	USD	10,000,000	-



21. Contingencies and commitments (cont'd)

Financial institutions	Descriptions of commitments	December 31, 2021		
		Currency	Limited amounts	Amount used
	L/C Usance	USD	30,000,000	5,507,303
	Bank overdraft	KRW	20,000,000	-
Shinhan Bank	Facility loan	KRW	100,000,000	10,450,023
	Non L/C Basis (D/A)	USD	500,000	-
	Facility loan	KRW	52,000,000	51,999,778
Korea Export Import Bank	Export loan	KRW	77,600,000	12,933,280
Korea Development Bank	L/C USANCE	USD	10,000,000	72,354
	General facility loan	KRW	40,000,000	5,000,000
Industrial Bank of Korea	Non L/C Basis (D/A)	USD	500,000	186,282
Nonghyup Bank	General facility loan	KRW	15,000,000	1,875,000

The Group has entered into an investment commitment of ₩75,000 million with its associate, Mirae Asset Celltrion New Growth Investment Association 1. The uninvested amount as of June 30, 2022 is ₩6,250 million (December 31, 2021: ₩6,250 million). Also, the Group has entered into an investment commitment of ₩50,000 million with its associate Marae-asset Celltrion Bio Ecosystem Growth Fund. The uninvested amount as of June 30, 2022 is ₩45,000 million. (December 31, 2021: ₩45,000 million) Also, the Group has entered into an investment commitment of ₩50,000 million with its associate Aju-Solasta Life Science 4.0 Fund. The uninvested amount as of June 30, 2022 is ₩45,000 million. (December 31, 2021: None) The Group entered into an investment agreement for a total of ₩5,000 million with the Premier Global Innovation Fund 1, and as of June 30, 2022, the uninvested amount is ₩335 million (December 31, 2021: ₩628 million). Also, the Group has entered into an investment commitment of ₩5,000 million with Premier Global Innovation Investment Association No.2. The uninvested amount as of June 30, 2022 is ₩2,185 million. (December 31, 2021: ₩2,515 million)

As of June 30, 2022, the Group is a defendant in 3 lawsuits involving claims for infringement of patent and others. As of the reporting date, the outcome of the pending litigations cannot be reasonably estimated.

As of June 30, 2022, Celltrion Pharm, Inc., a subsidiary of the Company, was imposed with additional corporate income tax amounting to ₩10,991 million for the omission of goodwill as a taxable income in 2009 by Korean tax authorities. Celltrion Pharm, Inc. is in the process of claiming tax appeal. The Group won the first trial in the Seoul Administrative court on August 24, 2018 and the second trial in the Seoul High Court on June 25, 2021. However, the defendant filed an appeal and currently the appeal is in process. The Group recognized the related assets as other non-current assets.

As of June 30, 2022, the land owned by the Group for the construction of the R&D center is the land acquired from the Incheon City. The land acquisition contract provides a clause that the Group must complete the groundbreaking and construction within the development period set in the contract, and a clause that prohibits the provision of collateral or resale of the land for purposes other than the purpose of the business for five years from the effective date of the contract. It stipulates that if these matters are not satisfied, the Incheon City may cancel the sales contract.

On June 29, 2018, The Group purchased domestic sales right from Celltrion Healthcare to improve domestic sales efficiency by simplifying the transaction structure.

**21. Contingencies and commitments (cont'd)**

The Group made an equity investment of USD 8,000 thousand in Iksuda Therapeutics Limited for the six-month periods ended June 30, 2021, and thereafter entered into a contract to make additional investments when the contractual conditions are satisfied (see the Note 7(1)).

The Group has binding contract of minimum purchase amount regarding services including fill-and-finish service. If the Group's order amount is below the minimum level, the Group must reimburse the order shortage amount.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

## 22. Related parties

Details of the related parties as of June 30, 2022 and December 31, 2021 are as follows:

Category	June 30, 2022	December 31, 2021
Chief Executive Officers	Woo Sung Kee	Woo Sung Kee
Entity with significant influence over the Group	Celltrion Holdings Co., Ltd. 2014 growth-ladder-IMM venture fund Mirae Asset Celltrion New Growth Investment Association 1 CTB Biomedics Inc.	Celltrion Holdings Co., Ltd. 2014 growth-ladder-IMM venture fund Mirae Asset Celltrion New Growth Investment Association 1 CTB Biomedics Inc.
Associates	Iksuda Therapeutics Limited (*1) Mirae Asset Celltrion Bio Ecosystem Growth Fund (*1) Aju-Solasta Life Science 4.0 Fund(*2) Celltrion Healthcare Co., Ltd.	Iksuda Therapeutics Limited (*1) Mirae Asset Celltrion Bio Ecosystem Growth Fund (*1)
Other related parties	Celltrion Skincare Co., Ltd. Celltrion Healthcare Hungary Others	Celltrion Healthcare Co., Ltd. Celltrion Skincare Co., Ltd. Celltrion Healthcare Hungary Others

(\*1) The related party was added to the Group's associates through new acquisitions for the year ended December 31, 2021.

(\*2) The related party was added to the Group's associates through new acquisitions for the six-month periods ended June 30, 2022.

Significant transactions, which occurred in the normal course of business, with related parties for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022			
	Sales	Other income	Purchase	Other expense
<b>Entity which exercises significant influence over the Group</b>			1,100,507	
Celltrion Holdings Co., Ltd.	₩ -	₩ 84,646	₩ 804,803	₩ -
<b>Other related parties</b>				
Celltrion Healthcare Co., Ltd. (*)	753,434,039	506,197	585,309	-
Celltrion Skincare Co., Ltd.	618,469	12,526	340,198	-
Celltrion Healthcare Hungary	8,732,052	501,372	583,420	
TS ENC	-	1,068	4,752,276	
Celltrion Healthcare Taiwan Ltd	14,731,905	14,003	13,617	
Celltrion Healthcare (Thailand) Co., Ltd.	13,117,632	-	39,709	
Celltrion Healthcare Hong Kong Limited	11,038,648	-	-	
Celltrion Healthcare Japan	-	-	1,125,685	-
Others	1,471,360	20,748	745,339	600,000
	₩ 803,144,105	₩ 1,140,560	₩ 9,286,060	₩ 600,000

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**22. Related parties (cont'd)**

(\*1) The Group provides products and services based on the basic sales right contract, product supply contract, and fill & finish service contract. The consideration related to the transaction was measured at the fair value of the consideration received or receivable less any sales discount, quantity discount, price settlement, and other.

	June 30, 2021				
	Sales	Other income	Interest	Purchase	Other expense
<b>Entity which exercises significant influence over the Group</b>					
Celltrion Holdings Co., Ltd.	₩ -	₩ 26,935,925	₩ -	₩ 804,803	₩ -
<b>Other related parties</b>					
Celltrion Healthcare Co., Ltd. (*)	662,948,286	817,156	119,337	226,380	-
Celltrion Skincare Co., Ltd.	647,025	37,241	-	310,773	
Celltrion Healthcare Hungary	28,291,632	391,454	2,260	24,455	
TS ENC	-	1,068	-	4,830,593	
Celltrion Healthcare Taiwan Ltd	-	-	-	1,199,402	
Celltrion Healthcare (Thailand) Co., Ltd.	-	-	-	3,954,406	-
Celltrion Healthcare Hong Kong Limited	-	-	-	183,944	-
Others	271,482	23,823	-	774,276	500,000
	<u>₩ 692,158,425</u>	<u>₩ 28,206,667</u>	<u>₩ 121,597</u>	<u>₩ 12,309,032</u>	<u>₩ 500,000</u>

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**22. Related parties (cont'd)**

Balances of receivables from and payable to related parties as of June 30, 2022 and December 31, 2021 are as follows (Korean won in thousands):

	June 30, 2022			
	Trade receivables	Loans(*2)	Other receivables	Other payables
<b>Entity which exercises significant influence over the Group</b>				
Celltrion Holdings Co., Ltd.	₩ -	₩ -	₩ 73,810	₩ 664,917
<b>Other related parties</b>				
Celltrion Healthcare Co., Ltd. (*1)	1,166,975,427	-	63,030,798	387,185,482
Celltrion Skincare Co., Ltd.	388,081	-	5,942	23,058
Celltrion Healthcare Hungary	9,298,959	-	21,259	3,491,019
TS ENC	-	-	587	18,920
Celltrion Healthcare Taiwan Ltd	16,258,372	3,516,688	618,370	1,136,731
Celltrion Healthcare (Thailand) Co., Ltd.	15,694,731	16,554,292	1,929,246	3,524,999
Celltrion Healthcare Hong Kong Limited	12,124,268	-	-	-
Celltrion Healthcare Japan	-	-	-	697,917
Others	1,202,020	1,248,081	131,449	416,043
	<u>₩ 1,221,941,858</u>	<u>₩ 21,319,061</u>	<u>₩ 65,811,461</u>	<u>₩ 397,159,086</u>
	December 31, 2021			
	Trade receivables	Loans(*2)	Other receivables	Other payables
<b>Entity which exercises significant influence over the Group</b>				
Celltrion Holdings Co., Ltd. (*1)	₩ -	₩ -	₩ 3,049	₩ 615,491
<b>Other related parties</b>				
Celltrion Healthcare Co., Ltd. (*)	795,120,523	-	14,466,287	274,368,843
Celltrion Skincare Co., Ltd.	217,653	-	62,632	41,480
Celltrion Healthcare Hungary	25,351,741	-	-	5,225,251
TS ENC	-	-	587	17,327
Celltrion Healthcare Taiwan Ltd	-	-	1,002	-
Celltrion Welfare Foundation	1,302,839	11,641,610	560,742	1,028,878
Celltrion Healthcare (Thailand) Co., Ltd.	3,359,181	24,663,142	1,616,092	3,232,241
Celltrion Healthcare Hong Kong Limited	3,016,220	4,156,559	401,661	357,926
Celltrion Healthcare Japan	-	-	-	279,005
Others	251,354	1,550,114	107,276	199,569
	<u>₩ 828,619,511</u>	<u>₩ 42,011,425</u>	<u>₩ 17,219,328</u>	<u>₩ 285,366,011</u>

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**22. Related parties (cont'd)**

(\*1) Includes contract assets of ₩51,134 million for other receivables with Celltrion Healthcare (December 31, 2021: None), and contract liabilities (performance guarantee deposit, etc.) of ₩312,845 million for other liabilities (December 31, 2021: ₩274,368 million) generated in accordance with the sales right contracts.

(\*2) Details on loans are described in Note 22(5).

As of June 30, 2022, the Group is not provided with payment guarantees (December 31, 2021: ₩10,327 million) from the entity which exercises significant influence over the Group regarding certain borrowings. The Group is provided collateral amounting to ₩72,000 million (December 31, 2021: ₩72,000 million) from the entity which exercises significant influence over the Group regarding certain borrowings. The Group is not provided with payment guarantees for borrowings (December 31, 2021: ₩66,000 million) from the largest shareholder of the entity as of June 30, 2022.

Changes in loans to the related parties of the Group for the six-month periods ended June 30, 2022 are as follows (Korean won in thousands):

	June 30, 2022			
	January 1	Loans	FX rate Change	June 30
Celltrion Healthcare Taiwan Ltd	₩ 11,641,610	₩ (8,778,320)	₩ 653,398	₩ 3,516,688
Celltrion Healthcare (Thailand) Co., Ltd.	24,663,142	-	(8,108,850)	16,554,292
Celltrion Healthcare Australia Pty Ltd	143,807	(144,402)	595	-
Celltrion Healthcare Hong Kong Limited	4,156,559	(4,266,793)	110,234	-
Celltrion Healthcare Malaysia Sdn Bhd	135,147	-	12,244	147,391
Celltrion Healthcare Philippines, Inc.	523,806	-	(238,176)	285,630
Celltrion Healthcare Singapore Private Limited	747,354	-	67,706	815,060
	<u>₩ 42,011,425</u>	<u>₩ (13,189,515)</u>	<u>₩ (7,502,849)</u>	<u>₩ 21,319,061</u>

  

	December 31, 2021			
	January 1	Loans	FX rate Change	June 30
Celltrion Healthcare Taiwan Ltd	₩ -	₩ 11,221,348	₩ 420,262	₩ 11,641,610
Celltrion Healthcare (Thailand) Co., Ltd.	-	23,887,403	775,739	24,663,142
Celltrion Healthcare Australia Pty Ltd	-	139,889	3,918	143,807
Celltrion Healthcare Hong Kong Limited	-	4,057,511	99,048	4,156,559
Celltrion Healthcare Malaysia Sdn Bhd	-	131,043	4,104	135,147
Celltrion Healthcare Philippines, Inc.	-	508,209	15,597	523,806
Celltrion Healthcare Singapore Private Limited	-	724,659	22,695	747,354
	<u>₩ -</u>	<u>₩ 40,670,062</u>	<u>₩ 1,341,363</u>	<u>₩ 42,011,425</u>

For the six-month periods ended June 30, 2022, the Group recovered ₩51 million in 2014 growth-ladder-IMM venture fund, an associate as principal. Also, the Group recovered ₩1,500 million in Mirae Asset Celltrion New Growth Investment Association No. 1, an associate (June 30, 2021: ₩2,500 million) as principal. the Group invested ₩5,000 million in Aju-Salasta Life Science 4.0 Fund, an associate, for the six-month periods ended June 30, 2022. The Group invested ₩9,015 million in Iksuda Therapeutics Limited, an associate, and ₩12,500 million in Mirae Asset Celltrion New Growth Investment Association 1, an associate, for the six-month periods ended June 30, 2021 (see Note 7(2)).

Payment guarantees and agreements to related parties are described in Note 21.

## 22. Related parties (cont'd)

Key management personnel include directors (standing and non-standing) and audit committee members who have significant control and responsibilities on the Group's operation and business. The compensations paid or payable to key management personnel for employee services for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	June 30, 2022	June 30, 2021
Salaries and other short-term employee benefits and others	₩ 11,156,397	₩ 9,816,529
Retirement benefits	1,134,446	5,615,347
Stock-based compensation expense	2,885,328	2,553,368
	<u>₩ 15,176,171</u>	<u>₩ 17,985,244</u>

## 23. Non-Controlling interests

Changes in non-controlling interests for the six-month periods ended June 30, 2022 and 2021 are as follows (Korean won in thousands):

	Non-controlling interests
Accumulated amount as of January 1, 2022	₩ 133,136,893
Profit for the period distributed to non-controlling interests	3,321,885
Other comprehensive income distributed to non-controlling interests	94,526
Others (*)	<u>(1,519,957)</u>
Accumulated amount as of June 30, 2022	<u>₩ 135,033,347</u>
	Non-controlling interests
Accumulated amount as of January 1, 2021	₩ 119,903,309
Profit for the period distributed to non-controlling interests	7,644,798
Other comprehensive income distributed to non-controlling interests	33,690
Others (*)	<u>(3,660,571)</u>
Accumulated amount as of June 30, 2021	<u>₩ 123,921,226</u>

(\*) Others represent the change in amount of shares owned due to the exercise of stock warrants granted by Celltrion Pharm, Inc., a subsidiary of the Group, and also represent the change in amount of net assets in accordance with the recognition of stock warrants and acquisition of treasury stocks.

## 24. Uncertainty of COVID-19 effect

Various prevention and control measures including travel restrictions are being implemented worldwide to block the spread of COVID-19, and as a result, the global economy has been widely affected. Governments around the world are announcing different forms of support policies to address COVID-19.

Items affected by COVID-19 are mainly recoverability of account receivables (see Note 6), and impairment of tangible and intangible assets (see Notes 8 and 9). The Group has prepared the consolidated financial statements by reasonably estimating the impact of COVID-19 on the Group. The further spread or termination of COVID-19 in the future may affect the Group's estimates and assumptions, however, the impact therefrom is not reasonably estimable at the moment.

**Celltrion, Inc. and its subsidiaries**  
**Notes to the interim condensed consolidated financial statements**  
**June 30, 2022 and 2021 (Unaudited)**

**25. Restatement of financial statements**

The interim condensed consolidated financial statements for the six-month period ended June 30, 2021 has been restated as a result of the accounting inspections performed by the Financial Service Commission regarding the accounting errors, such as overstatement of intangible assets. The effects of such restatements in the interim consolidated financial statement are as follows.

The effect of the restatements on the interim condensed on the interim condensed consolidated statements of profit of loss for the three-month and six-month periods ended June 30, 2021 are as follows (Korean won in thousands):

		<b>For the three-month periods ended June 30, 2021</b>	<b>For the six-month periods ended June 30, 2021</b>
Overstatement of cost of sales	₩	779,319 ₩	2,812,678

The effect of the restatements on the interim condensed consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2021 are as follows (Korean won in thousands):

	<b>For the three-month periods ended June 30, 2021</b>		<b>For the six-month periods ended June 30, 2021</b>	
	Before	After	Before	After
Sales	₩ 431,769,037	₩ 431,769,037	₩ 888,737,834	₩ 888,737,834
Cost of sales	(192,394,627)	(191,615,308)	(352,268,387)	(349,455,709)
Gross profit	239,374,410	240,153,729	536,469,447	539,282,125
Selling and administrative expenses	(76,164,413)	(76,164,413)	(165,603,342)	(165,603,342)
Operating profit	163,209,997	163,989,316	370,866,105	373,678,783
Non-operating profit	(5,609,903)	(5,609,903)	45,690,691	45,690,691
Loss on equity method	(1,977,617)	(1,977,617)	(2,489,950)	(2,489,951)
Profit before income tax	155,622,477	156,401,796	414,066,846	416,879,523
Income tax expense	(26,084,202)	(26,084,202)	(87,299,676)	(87,299,675)
Profit for the period	129,538,275	130,317,594	326,767,170	329,579,848

The effect of the restatements on earnings per share for the three-month and six-month periods ended June 30, 2021 are as follows (Korean won) :

	<b>For the three-month periods ended June 30, 2021</b>		<b>For the six-month periods ended June 30, 2021</b>	
	Before	After	Before	After
Basic earnings per share(*)	₩ 919	₩ 925	₩ 2,339	₩ 2,359
Diluted earnings per share(*)	₩ 915	₩ 920	₩ 2,325	₩ 2,346

(\*) The effect of stock dividend that added after reporting period is not included in earnings per share.

**26. Events after the reporting period**

The Group decided to dispose of 100% of its stake in Celltrion USA, a subsidiary, to Celltrion Healthcare for ₩ 17,550 million at the Board of Directors meeting held on August 5, 2022.