



Huons Global

Investor Relations

2019.2Q



Huons Global

Disclaimer

All information in this book including business performance and financial report is written by Korean-International Financial Reporting Standards(K-IFRS) .

This book includes a “forecast” about future. It is not about the past, but the future business plan including expected management status and financial performance, and sometimes there can be word such as ‘anticipation’, ‘forecast’, ‘plan’, ‘expectation’, and ‘(E)’.

A “forecast” can mean uncertain factors which can affect the company either positively or vice versa, and those can include:

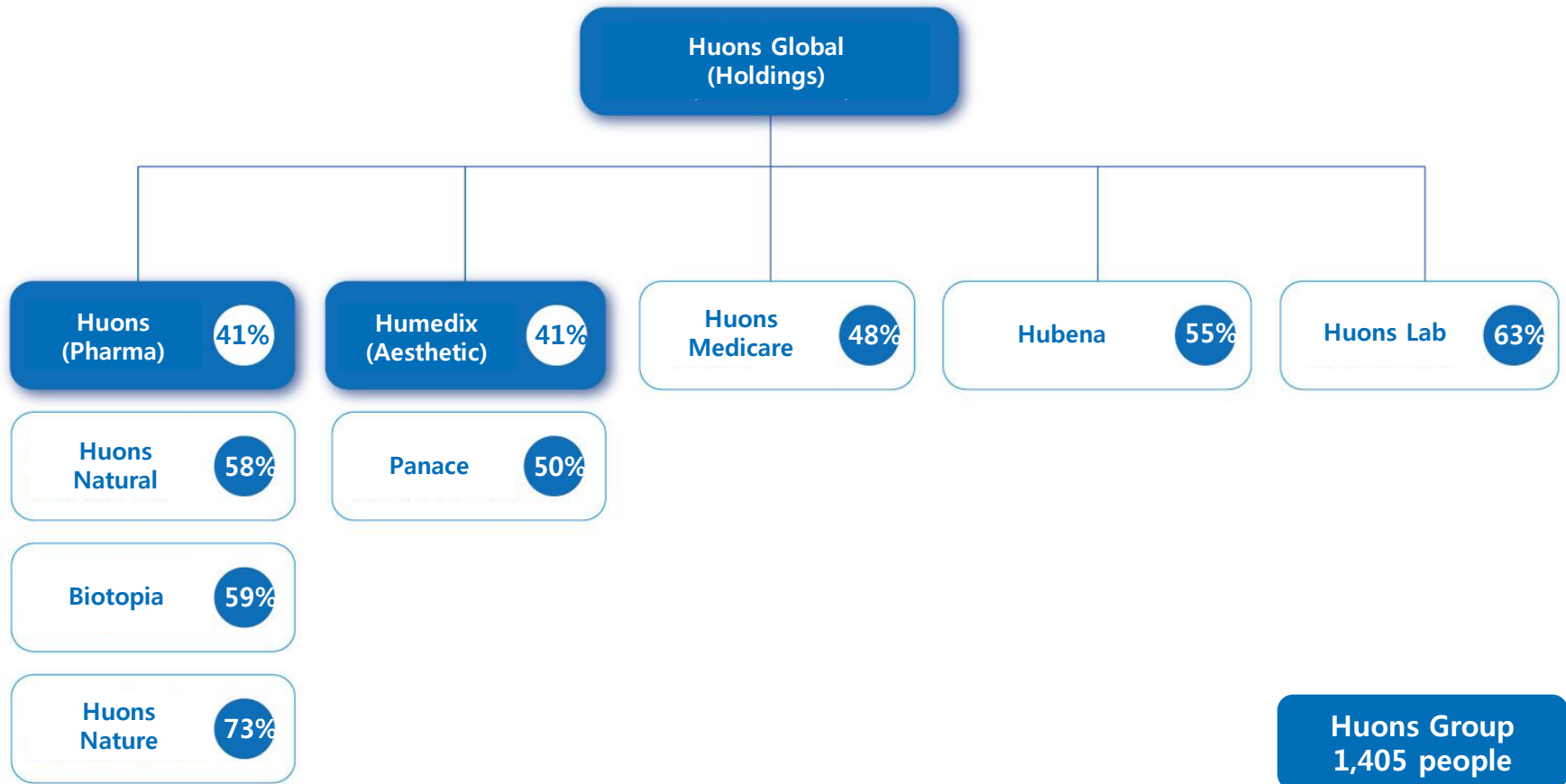
- Domestic or international financial market trends including fluctuation of foreign exchange rate or interest rate.
- Company’s very important strategic decision such as M&A
- Unexpected business environment change in the main industry
- Other internal and external change that can affect the company’s management and finance.

Because of those uncertain risks, company’s actual business performance can be different from the “forecast” in this booklet. Also the information we provide is written as of the day we deliver the presentation, so it can be changed due to unexpected external status of industry or internal company’s revision of strategies without any prior notice in the future.

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“Total Healthcare Group include Pharma, Medical devices, Cosmetics, Health functional food”



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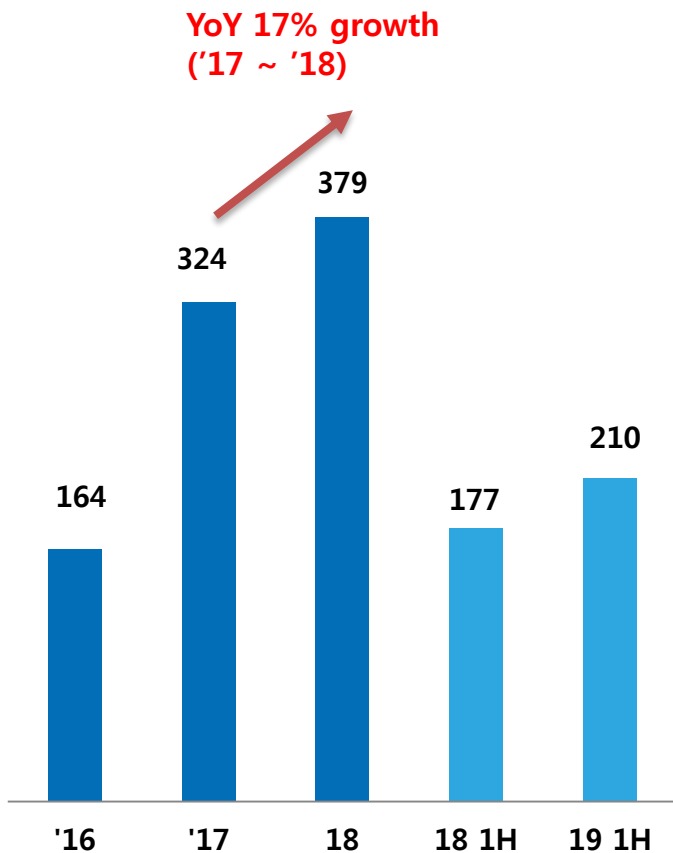
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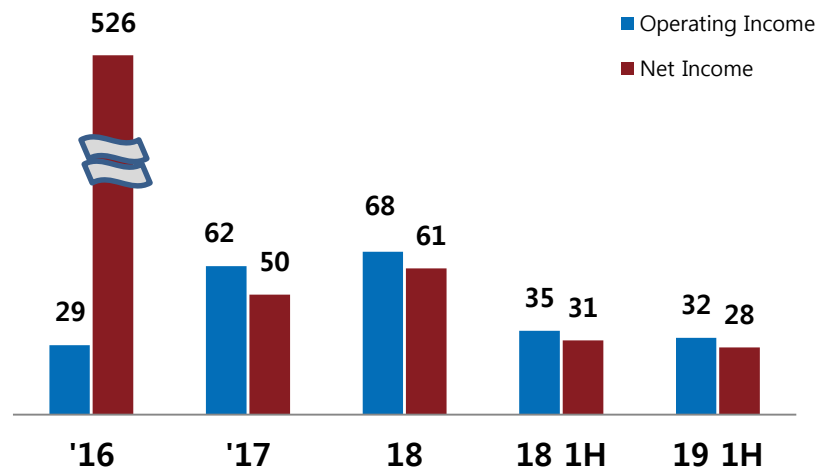
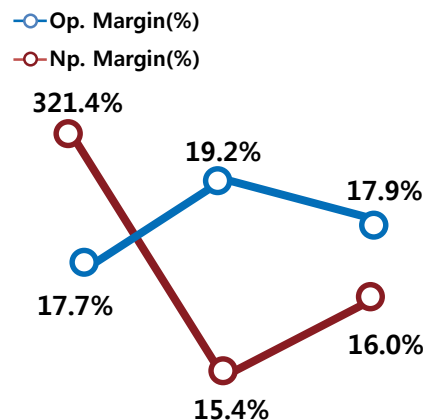


“Continuous improvement from affiliated companies’ growth”

(Unit: Billion KRW, %)



(Unit: Billion KRW, %)



※ Pharma business was transferred from Huons Global to Huons(newly established company by split) in 2016. By this reason, net income of 2016 was highly increased from temporary disposal gain for discontinued operations



“As a business holdings company, manage own role ”

(Unit: Million KRW)

Classification	`17	`18		`18 1H	`19 1H	
	Sales	Sales	G/R	Sales	Sales	G/R
Operating revenue	25,862	27,892	8%	15,373	15,953	3.8%
Service revenue	8,574	9,189	7%	4,402	5,499	24.9%
Brand revenue	6,059	6,828	13%	3,241	2,077	-35.9%
Dividend income	1,780	3,693	107%	3,685	4,945	34.2%
Hutox Sales	7,090	6,335	-11%	3,370	2,386	-29.2%
The others	2,359	1,847	-22%	675	1,046	54.9%
Operating cost	13,762	16,332	19%	7,333	9,217	25.7%
Operating income	12,100	11,560	-4%	8,040	6,735	-16.2%
Net income	10,220	10,754	5%	8,705	7,000	-19.6%



Manufacturer

- Facilities established in June 2014
- Capacity : 1 million vial/annually
- **New facility : 5 million vial/annually → may start operation in '4Q 19**

R&D / Clinical trial & Approval

- received approval for export license in Oct 2018
- Domestic Clinical trial Phase 3 completed for Glabella Wrinkles in Nov 2018
- **Received approval for domestic market in Apr 2019 (Glabella Wrinkles)**
- **Domestic Clinical trial Phase 3 for Crow's feet in progress (May receive approval in 2020)**
- Domestic clinical trial IND in preparing for upper limb spasticity('19.07), square jaw(2019(E))
- **Develop the next generation of HUTOX(150kDa) for lower immunogenicity → Domestic clinical trial IND in preparing (2019(E))**

Develop new dosage form(liquid type)

Specifications

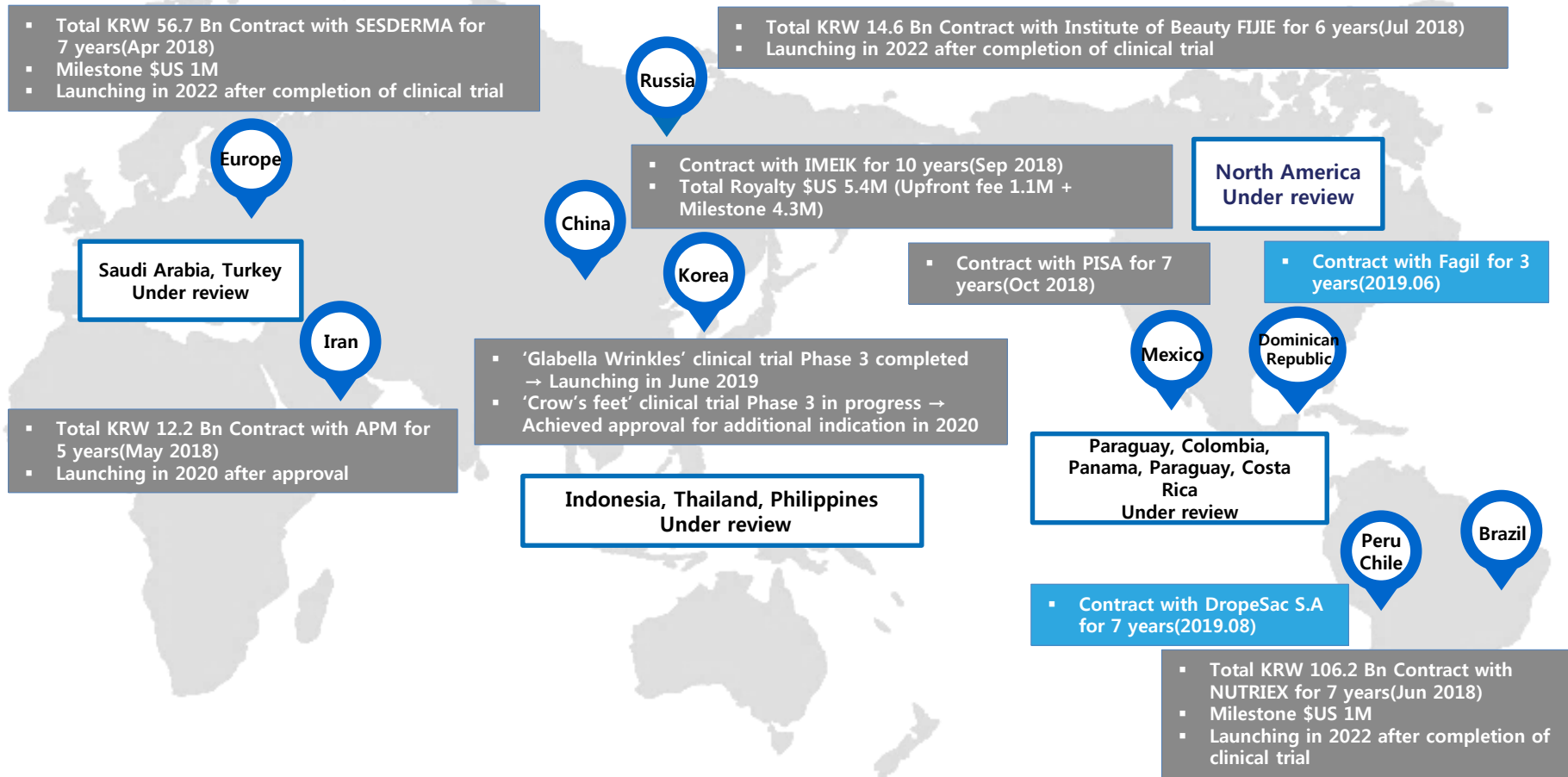
- Advantage : High purity(>99%)
- API : Botulinum toxin type A
- Strain History : ATCC3502
- Completed Domestic clinical trial Phase 1, 2, 3

Marketing

- Export Hutox to South-East Asia, Middle East, Latin America
- **Launch 'Liztox' in domestic market in 1H 2019**
- **Aesthetic clinic(dermatologist, plastic surgery etc) → Humedix**
- **Non-aesthetic clinic(general hospital, dentist etc) → Huons**



Hutox Partnerships by region



Business Line

Pharma 60% of Sales

- Registered more than 300 pharmaceutical products (diversified portfolio)
- Developing 1st improvement medicine, generic medicine and secure sales priority
- Targeting on Health Functional Food Market by new functional ingredient (honey bush)

Beauty- Healthcare 26% of Sales

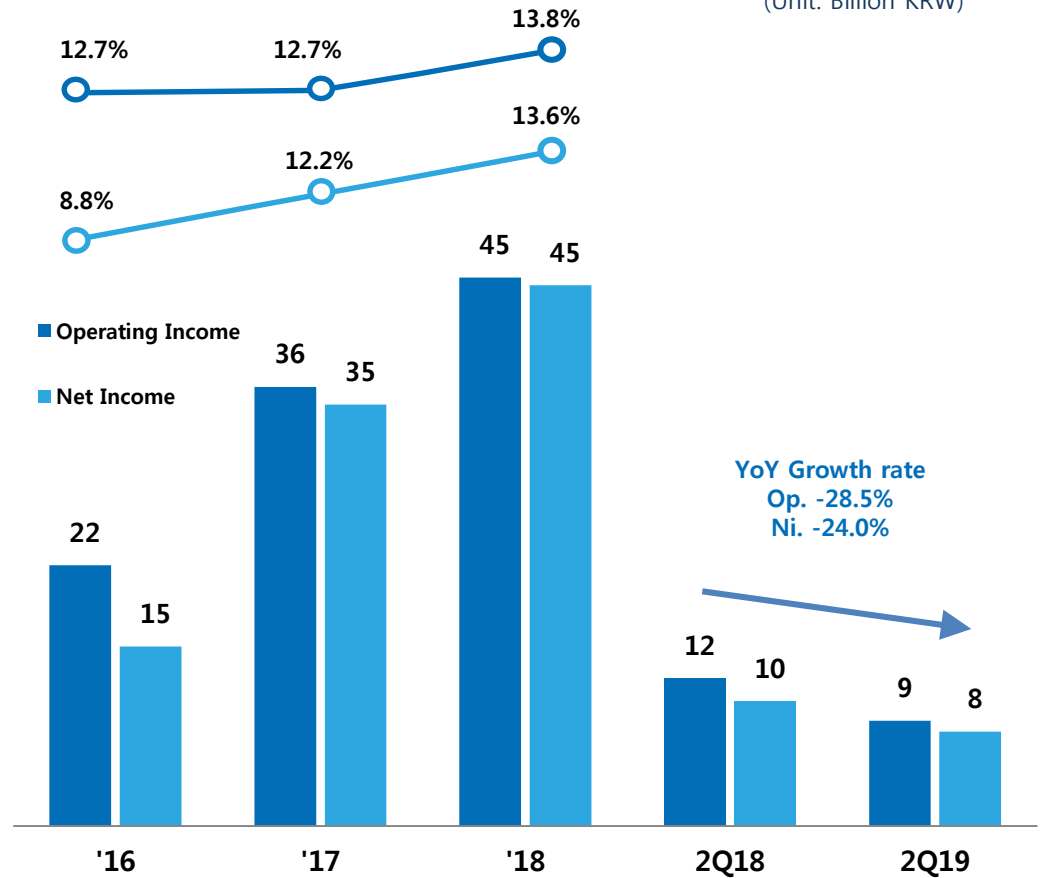
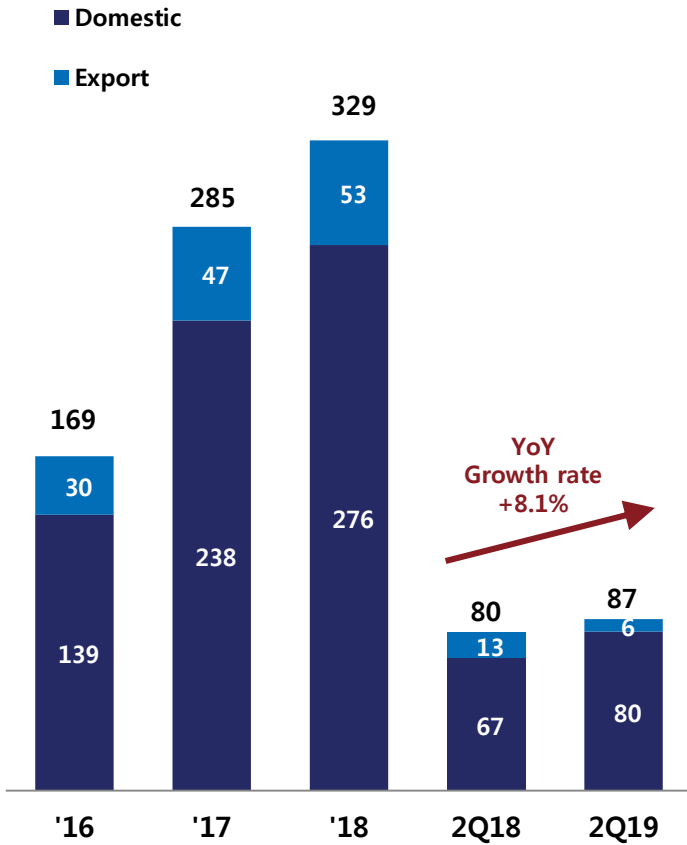
- Aesthetic export sales transfer to Humedix, and Panace since 2019
- Steady growth of 'Well-being drugs'
- Dexcom G5® Mobile CGM System : launched in domestic market in Nov. 2018

CMO 15% of Sales

- Manufacturing facility in compliance with Korea and US guidelines
 - Operating full automated production line made in U.S, Germany, and Japan
 - New facility for disposable eye drops constructed in Apr. 2019
- ※ Annual capacity 150mil ⇒ 300mil tubes

“Continuous growth through Business diversification ”

(Unit: Billion KRW)



Business Line

Filler

33% of Sales

- High purity HA ingredient
- Superior viscosity/elasticity/durability
- Registered in CFDA (Mar. '15)
- Export manufacturing techniques to Spain Sesderma (Nov.'18)

Arthritis

17% of Sales

- Exported the technique of 1 shot arthritis medication to China
- Humiaju®: Approved as an once injection type
 - ⇒ For joint synovia (HA ingredient)
 - ⇒ Strengthen exercise capacity, Less pain

Cosmetics

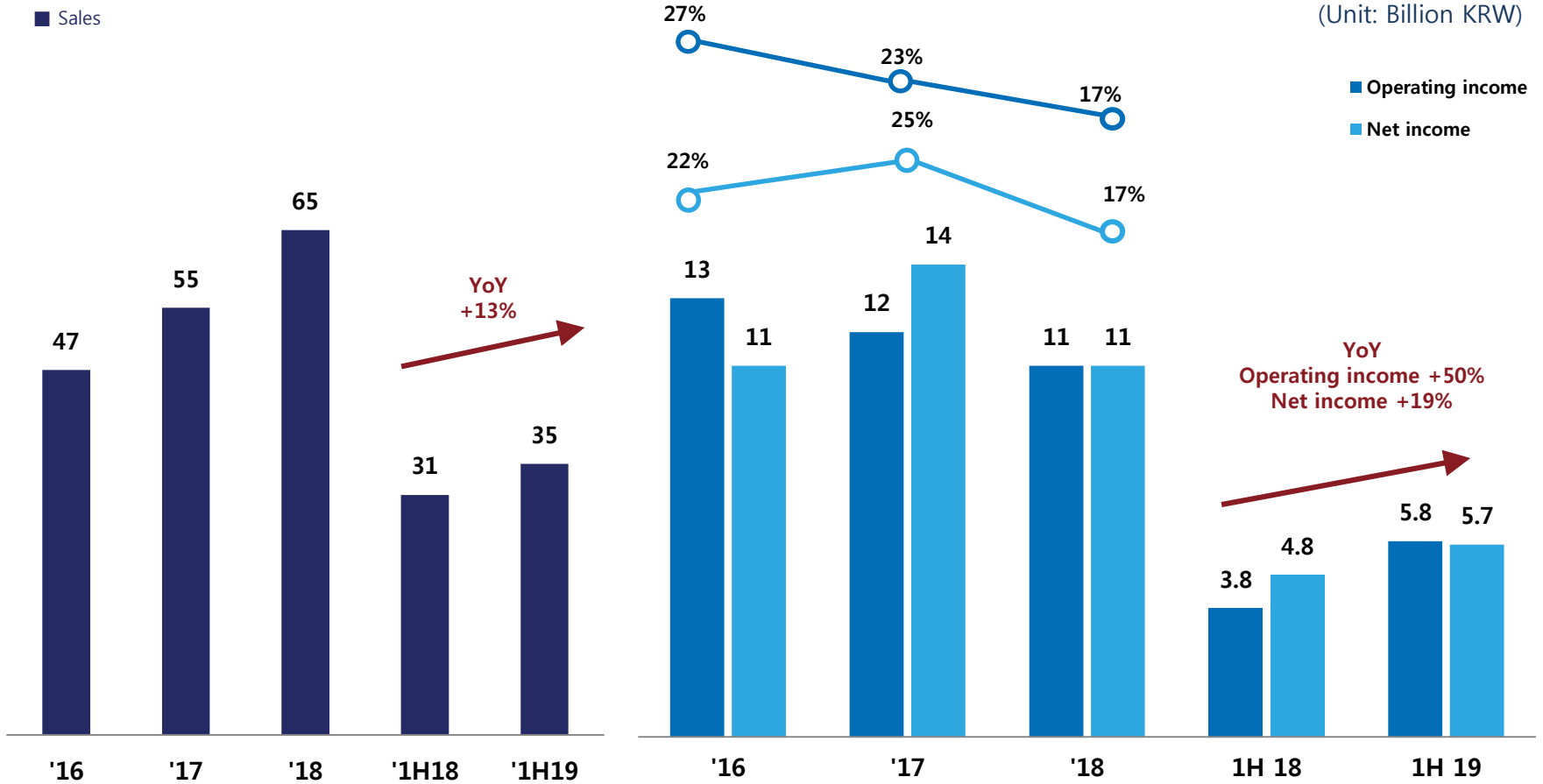
1% of Sales

- 'Derma Elravie' Brand marketing
- Functional cosmetics (HA specialty)
 - ⇒ wrinkle care, whitening etc.

The others

49% of Sales

- Approved PDRN injection 'Revitalax' in Apr. 2019, MFDS.
 - ⇒ Entered into regenerative medicine market
- Ethical drugs (anemia, internal secretion etc.)
- Derma Shine (aesthetic injections machine)



※ Recent profit ratio decline is from depreciation cost for the 2nd factory completion(Apr. 2017), temporary cost increase(employment extension)

- Produce & Sales disinfectants and Bio decontamination
- Acquired sterilization business from 'WeGreen'
 - expand business area from disinfection to sterilization products
- Produce & Export Auto Endoscopes Reprocessors

◆ Antiseptic products

- Hemoclean (exclusive for artificial kidney, US FDA/EU CE certification)
- Scotelin, Ophiclean, Teraclean (endoscope instrument sterilization)
- TBXzyme (intermediate-level disinfection for skin & hard-surface)
- Hexywipes
(OTC, antiseptic body/hands tissue as CHG 2%, 4%)

◆ Medical sterilizers

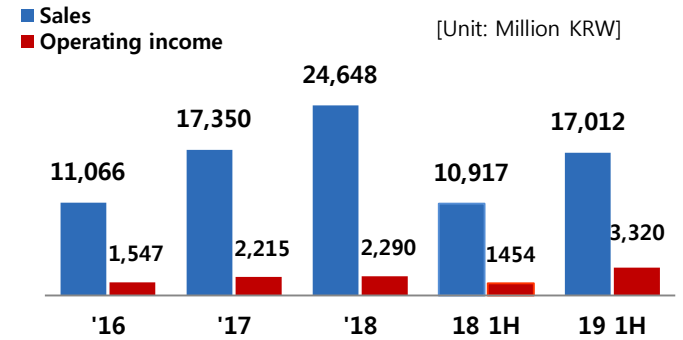
- MTW-01 (minimal function, Target on regional clinic)
- HUEN Single shot (Target on single use, general hospital, overseas market)

◆ Bio decontamination products

- Increasing demand on sterilization, prevention for medical infection (pharmaceutical GMP, hospital, food maker etc.)
- Nano-sized vapor spray, High level safety

Plan

- Develop single use Auto Endoscopes Reprocessors (prevention for cross-infection)
 - ☞ Expected approval in Oct. 2019
- Overseas expansion for Auto Endoscopes Reprocessor markets (China, India, South America)



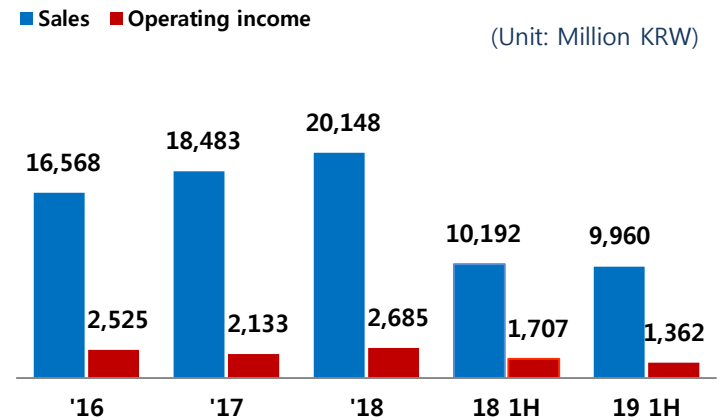
- A specialized medical glass container (ampule, vial, and cartridge) manufacturer & supplier
- As a front-runner in the glass packing industry, merged Suju Science (lab experiment and analytic tools business), become a total solution company for supplying glass containers and raw/subsidiary materials

Ampule

Item	Raw materials standard: 10.0~24.5Ø , Production standard: 1.0cc ~ 20.0cc
Feature	<ul style="list-style-type: none"> ▪ Type: Pattern C (ISO 9187-1) ▪ Cutting: One point cutting (OPC ISO 9187-2), color brake, score brake

Vial & Cartridge

Item	Raw materials standard: 8.65Φ ~ 50.0Ø , Production standard: 1.0cc ~ 100.0cc
Feature	<ul style="list-style-type: none"> ▪ Type : Injection (ISO 8362-1), Screw (ISO 11418-7), Blow back, Freeze drying







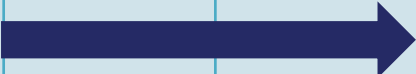



Take-over Suju Science

- Since Jan.2019, taking over finished and beginning Hubena-Suju sales record on Feb.2019
- ☞ 2019 1st Half of sales: 6,100 million KRW
- Expected enhancement of sales growth by constructing sales agencies by region
- Open online shopping mall website: ease of use for the customers

- Hold 8 biological medicine's pipelines
- Intensively research biosimilar medicines (including antibodies) and new peptide/protein medicine
- HL07's clinical PII is about to begin and HL08's clinical PII for Hack/Wound is ongoing

Biomedicine pipeline

Pipeline		Classification	Discovery	Non-clinical	Clinical PI	Clinical PII	Clinical PIII
Wet AMD	HL01 (Aflibercept)	Antibody biosimilar					
Osteoporosis	HL02 (Denosumab)						
Solid Tumor	HL03 (Bevacizumab)						
Drug Adjuvant	HL04 (rhHyaluronidase)	Protein biosimilar					
Anemia	HL05 (Epoetin alfa)						
SBS	HL06 (modified GLP2)	Peptide new medicine					
DES	HL07 (rhThymosin β -4)	Protein New medicine					
Hack/Wound	HL08 (rhADAM-15)						

Consolidated Financial Information

(Unit: Million KRW)

Classification	1H 2019	2018
Assets		
Current assets	241,010	246,816
Non-current assets	455,097	426,061
Total assets	696,106	672,877
Liabilities		
Current assets	119,825	110,700
Non-current assets	25,340	23,544
Total liabilities	145,165	134,244
Equity		
Dominant business owners equity	365,736	362,214
Non-controlling Interests	185,206	176,419
Total equity	550,942	538,633
Total equity and liabilities	696,106	672,877

Classification	1H 2019	2018
Revenue(Sales)	209,628	378,687
Cost of sales	177,396	310,723
Operating income	32,232	67,964
Profit(loss) before tax	35,011	77,297
Corporate tax	6,745	15,987
Net income	28,267	60,762

Separate Financial Information

(Unit: Million KRW)

Classification	1H 2019	2018
Assets		
Current assets	13,381	17,227
Non-current assets	332,832	329,038
Total assets	346,213	346,265
Liabilities		
Current assets	19,682	17,574
Non-current assets	14,512	14,299
Total liabilities	34,193	31,874
Equity		
Capital	5,461	5,202
Capital surplus	242,472	242,472
Capital adjustment	(9,623)	(5,421)
Earned surplus	73,709	72,139
Total equity	312,020	314,392
Total equity and liabilities	346,213	346,265

Classification	1H 2019	2018
Revenue(Sales)	15,953	27,892
Cost of sales	9,217	16,332
Operating income	6,735	11,560
Profit(loss) before tax	7,499	13,769
Corporate tax	499	3,016
Net income	7,000	10,754

Thank you