



# Huons Global

Investor Relations

3Q. 2019



**Huons Global**

## Disclaimer

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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:

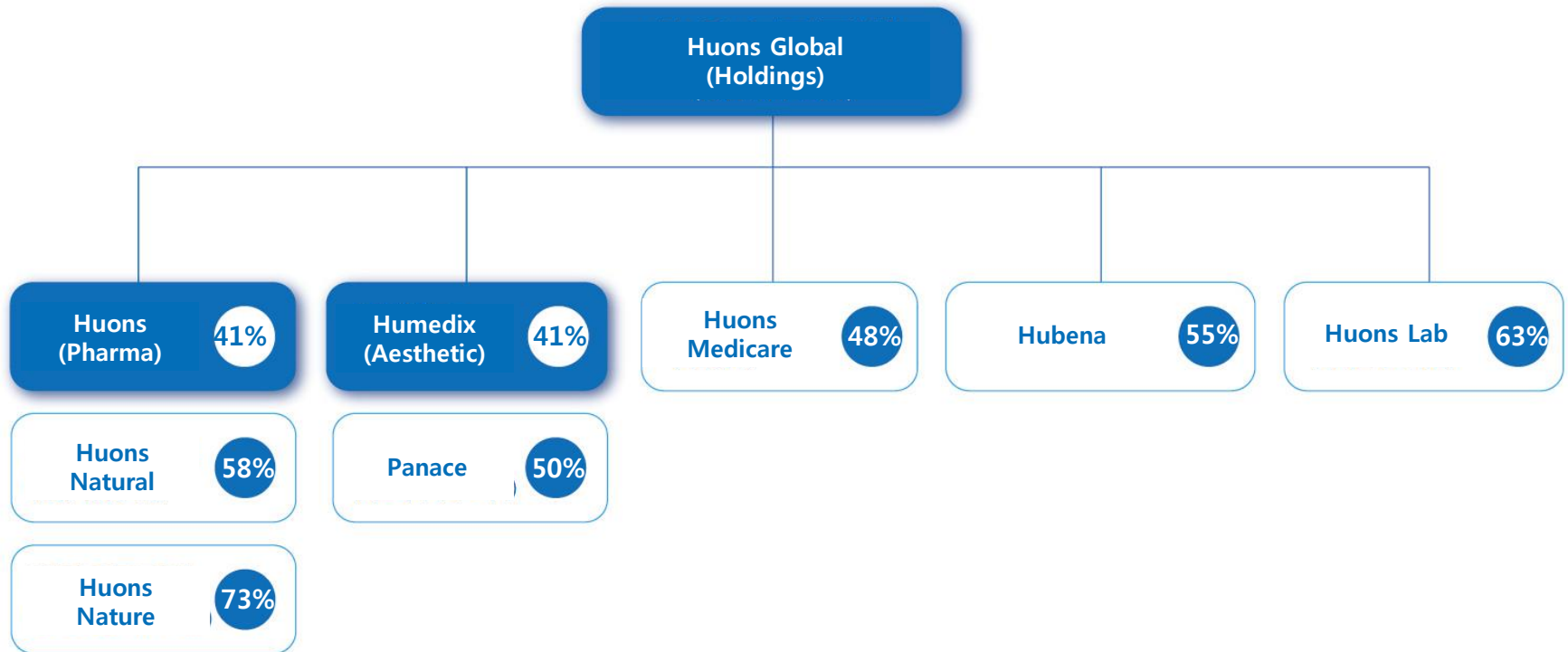
- Domestic or international financial market trends including fluctuation of foreign exchange rate or interest rate.
- Company’s very important strategic decision such as M&A
- Unexpected business environment change in the main industry
- Other internal and external change that can affect the company’s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



**Huons Group  
1,405 people**

**KOSDAQ Listed**

※ Biotope merged into Huons Nature by extra-ordinary shareholders' meeting in 27<sup>th</sup> Sep 2019 (Reference date: 29<sup>th</sup> Oct 2019)



**Seong-Tae  
Yoon**

**Vice Chairman  
C.E.O**

C.E.O of Huons Global

IBM Korea

MS Project Mgt. at  
Hanyang Univ.

**W. Paul Kim**

**President  
C.E.O**

C.E.O of Huons Global

BMS/GSK/AkzoNobel

MIT Research Fellow

PhD Biology at  
Korea Univ.

MSc in CANADA

**Bo-Young  
Yoon**

**President  
Head of Financial  
Mgt. Support  
Division**

Head of Financial Mgt.  
Support Division

Jeil Pharmaceutical  
Co., Ltd.

BA Business  
Administration  
At Dongguk Univ.

**Kyu-Rae  
Lee**

**Director  
Outside Director**

Family Medicine Doctor  
at  
East Inccheon Gil Hospital

Head of Medical  
Examination Center at  
Baptist Hospital

Doctor of Medicine at  
Yonsei Univ.

**Byung-Hoon  
Tak**

**Director  
Outside Director**

Commander of Seoul  
Police Department

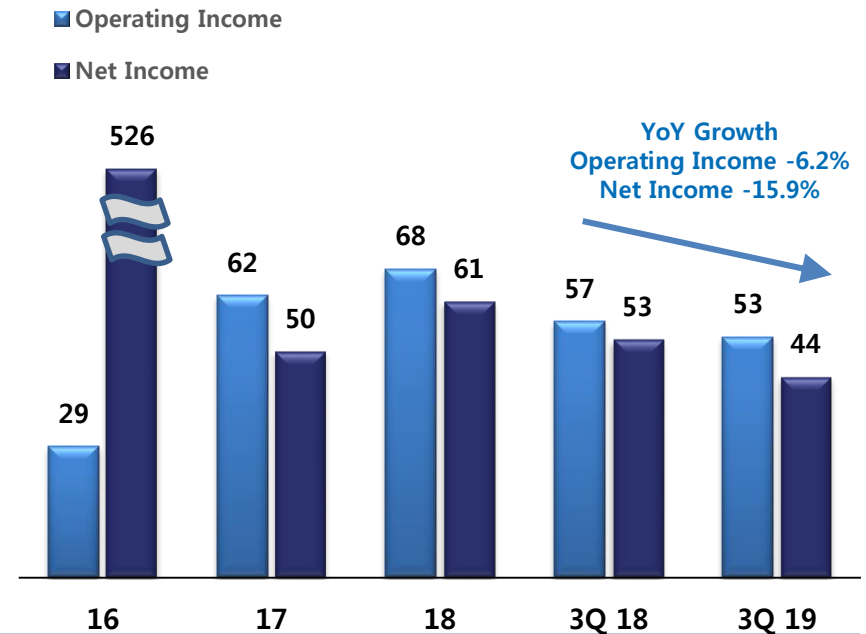
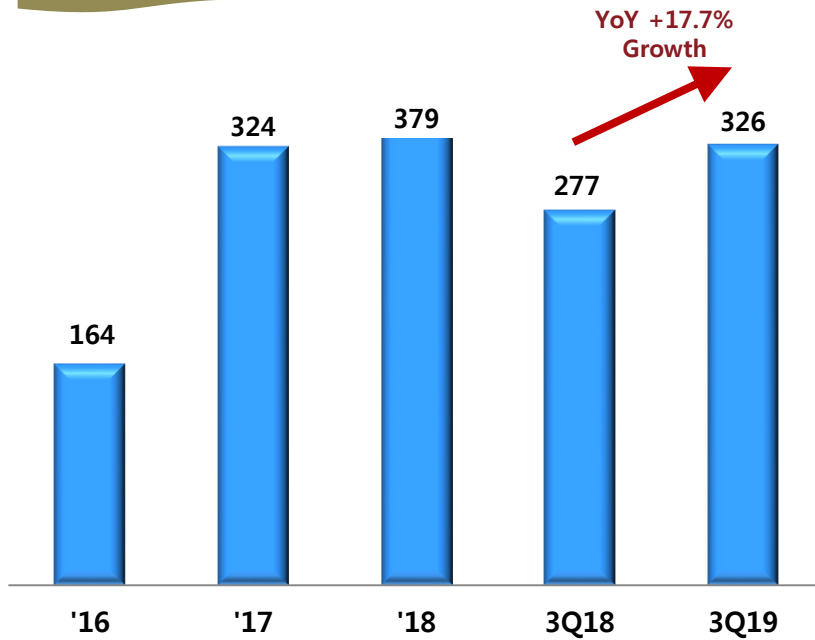
BS Fine Chemistry at  
Seoul National  
Univ. of Science &  
Technology

“Continuous improvement from affiliated companies’ growth”

[Consolidated]

(Unit: Billion KRW, %)

(Unit: Billion KRW, %)



[Seperate]

	2016	2017	2018	3Q18	3Q19
Sales	10.7	25.9	27.9	22.7	22.6
Operating Income	0.03	12.1	11.6	10.8	8.3
Net Income	506.1	10.2	10.8	11.8	8.1

※ 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



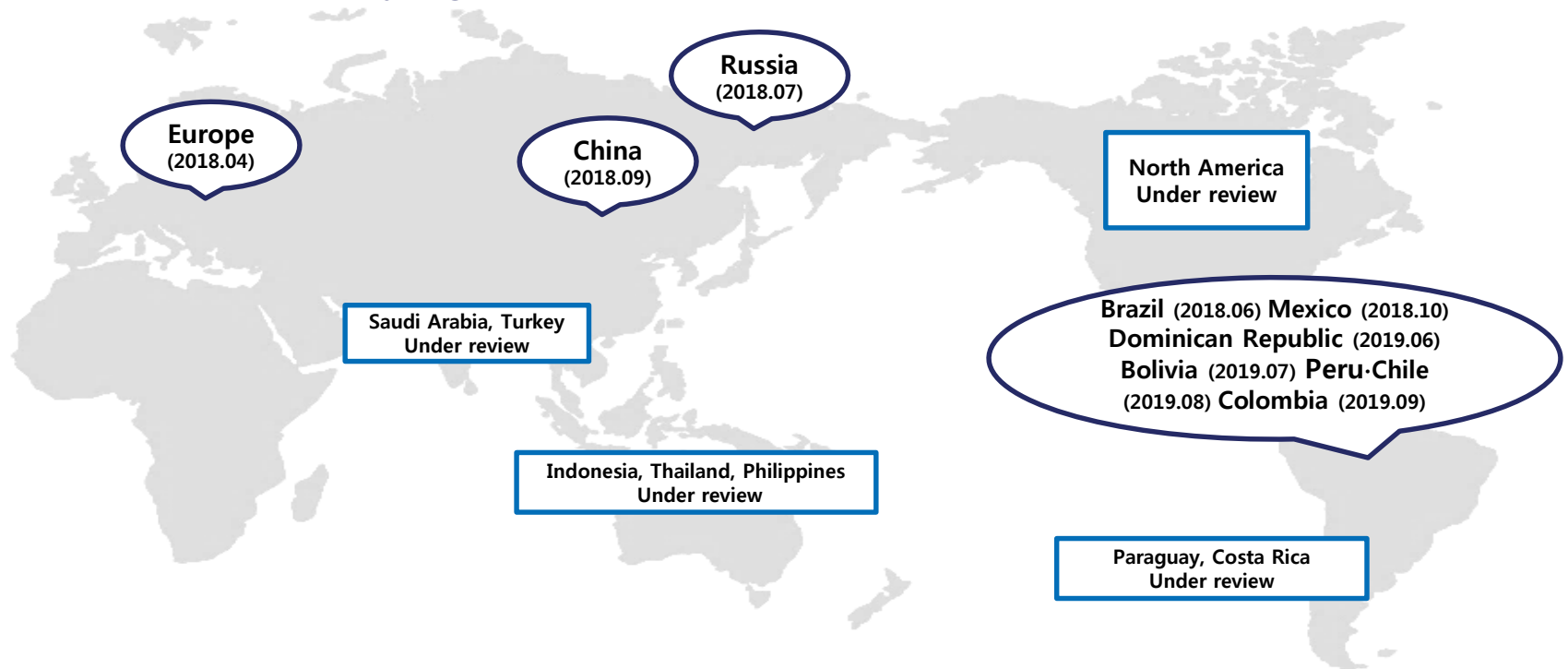
- Received approval for export license (Oct. 16)
- Export to **South-East Asia, Middle East, Latin America**



**“Huons & Humedix”  
Joint sales in domestic market**

- Launch 'Liztox' in domestic market (Jun. 19)
- Non-aesthetic clinic  
(general hospital, dentist etc)

**“Hutox Partnerships by region”**



## Expansion of Indications & Development of Low molecular Botulinum Toxin Product

Indication expansion

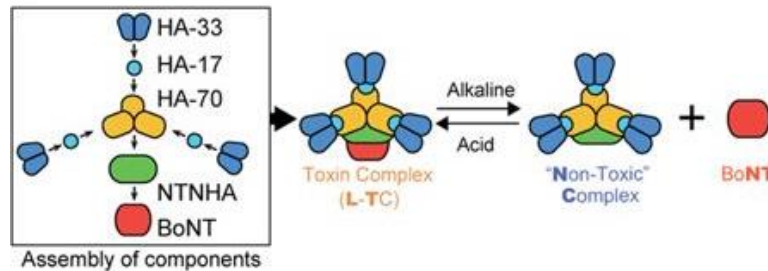
Lateral periorbital lines (May receive approval in 3Q '20)

Upper limb spasticity(May receive approval in 2021) **“expansion of Therapeutic Indication”**  
 Square jaw(IND application is expected in 2Q '20)

Low molecular Botulinum Toxin product

Low molecular Botulinum Toxin that lowers immunogenicity compared to the 900kDa of original product

May receive approval of IND Clinical Trial Phase 1 for Glabellar Lines in 1Q '20



Scientific Reports volume 6, Article number: 31043 (2016)



### Business Line

#### Pharma 60% of Sales

- Registered more than 300 pharmaceutical products (Diversified Portfolio)
- Developing 1<sup>st</sup> 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

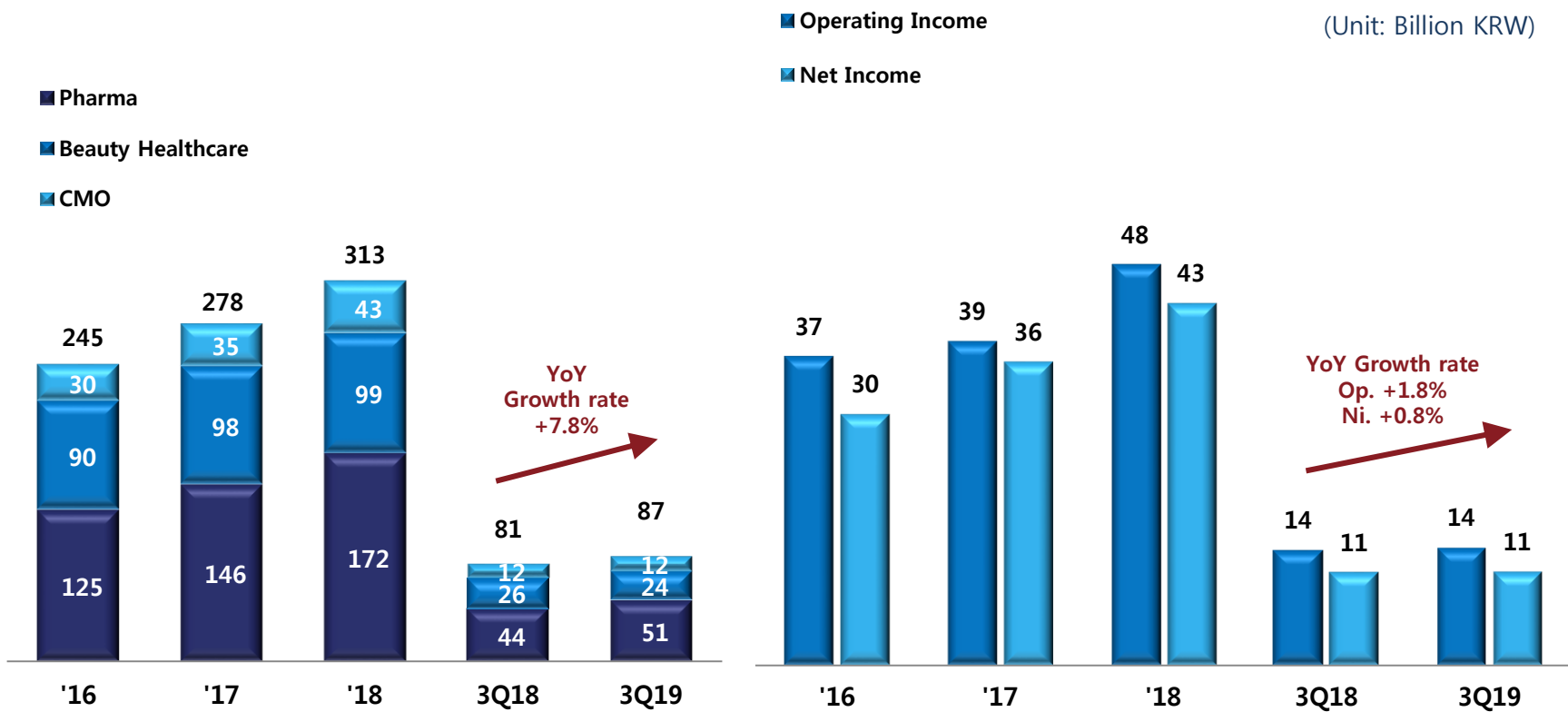
#### CMO 15% of Sales

- Manufacturing facility in compliance with cGMP standard
- Operating full automated production line made in U.S, Germany, and Japan
- New facility for disposable eye drops constructed in Apr. 2019('19.04)  
※ Annual capacity 150mil ⇒ 300mil tubes

#### Export

- 2 items get FDA ANDA permission as first Korean injection product
- 3 injection items in FDA ANDA permission process
- Expected additional ANDA application for US shortage drug items

“Sustaining Solid Sales growth & Stable profit”

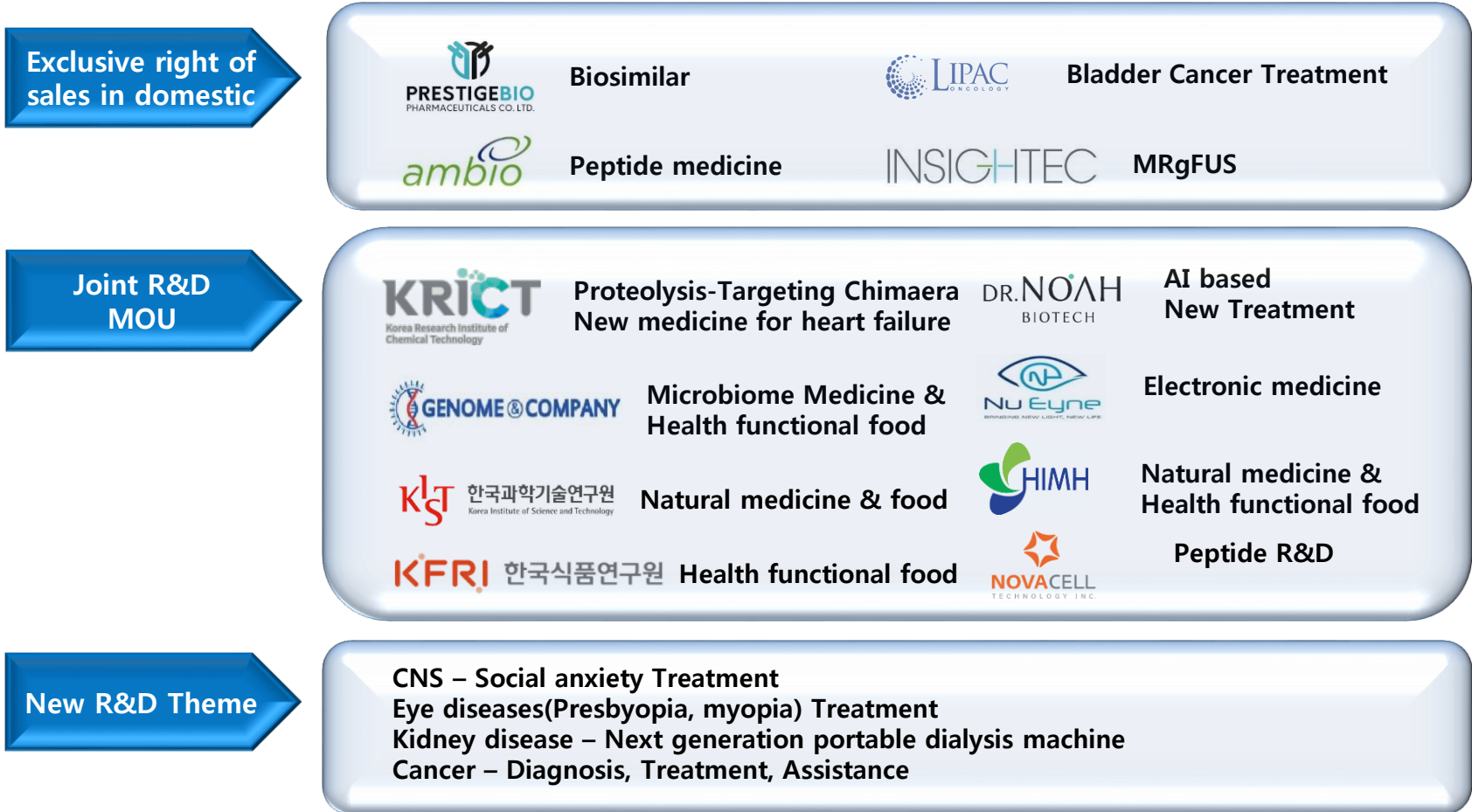


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	2016	2017	2018	3Q18	3Q19
Sales	169	285	329	86	95
Operating Income	22	36	45	14	14
Net Income	15	35	45	14	11

**Next generation growth strategy “Open Innovation”**

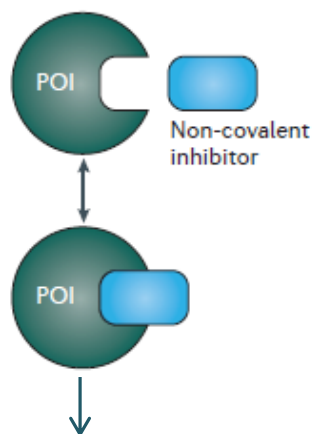
- Signed joint research agreement with companies in various fields
- Goal of acquiring next generation growth engine through joint R&D



PROTAC(Proteolysis-targeting chimaera)

with **KRICT**  
Korea Research Institute of  
Chemical Technology

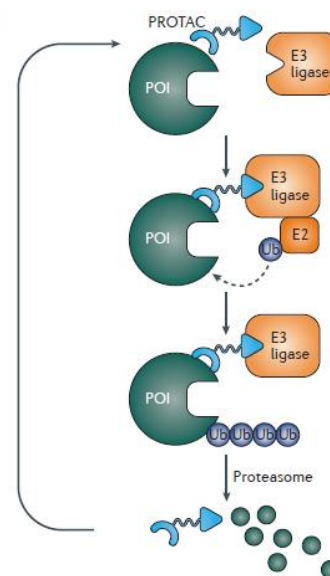
General Synthetic New Drugs



**Inhibit/Control the function of target protein**

- Strategies for inhibiting/controlling the function of protein by binding to the target protein
- High blood concentration is required for sufficient action

PROTAC



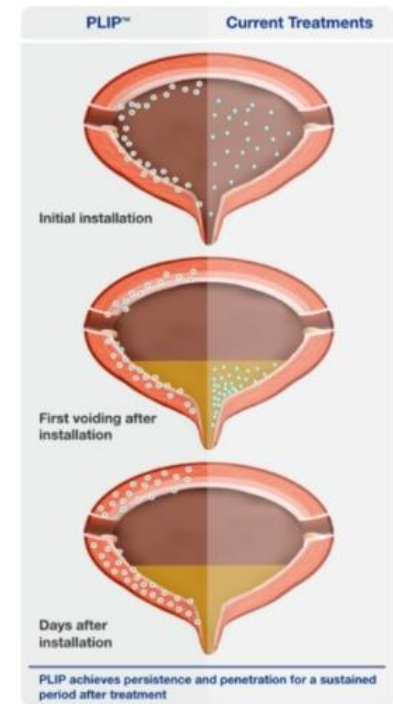
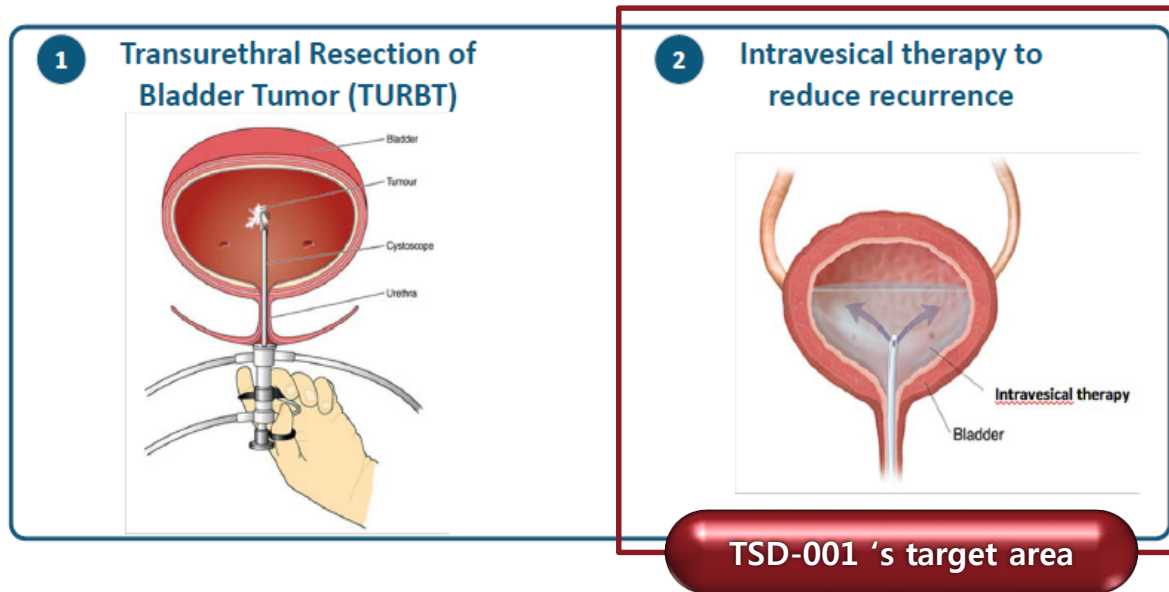
- Consist of Target protein + linker + E3 ligase
- Structure that can be disassembled through proteasome by attaching ubiquitin identification mark to the target protein



**Bladder cancer treatment (TSD-001) with**

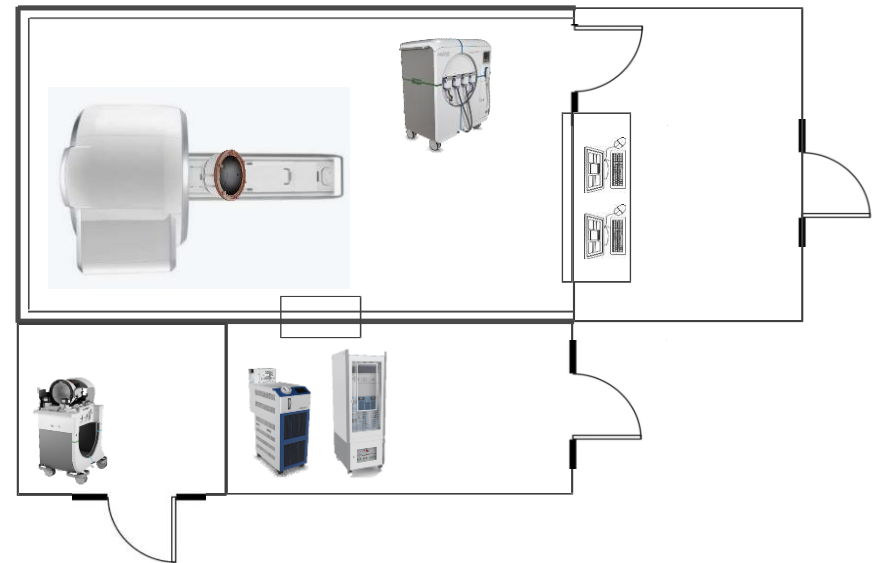
- TSD-001 : Expect 1<sup>st</sup> FDA approval of treatment for Non-Muscle Invasive Bladder Cancer(NMIBC)
- In 2020, Clinical trial 2B (LIPAC) in USA, and domestic **Clinical Phase 3 (Huons)** are planned
- Goal is to release it in 2024 (Korea), in 2026 (Global Market)

Current Standards of Care (SOC): Adjunct intravesical therapies are used post surgery to reduce occurrence of NMIBC



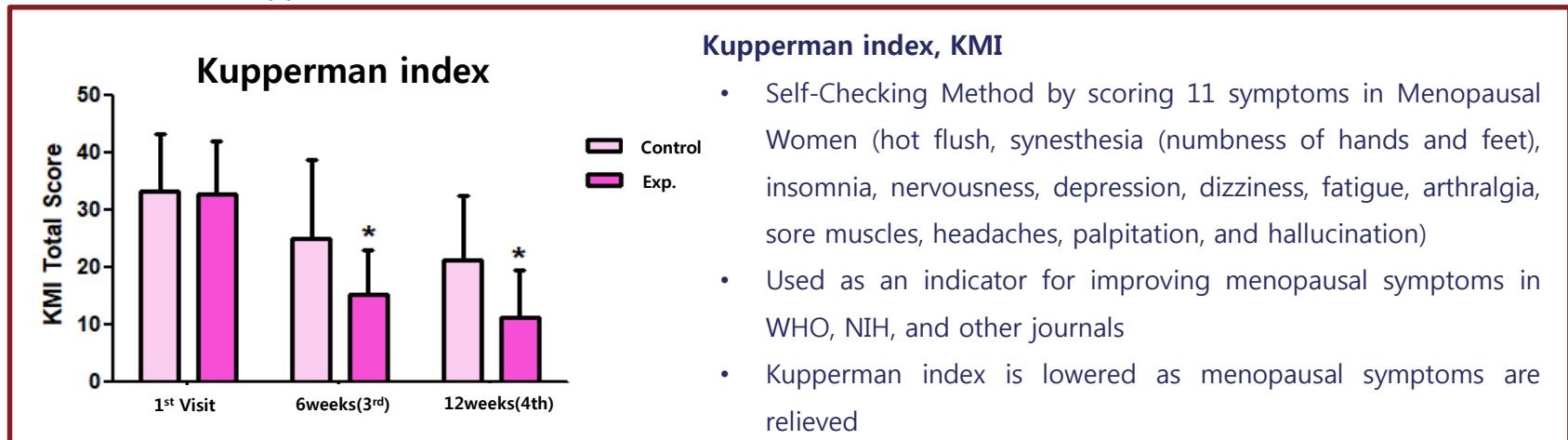
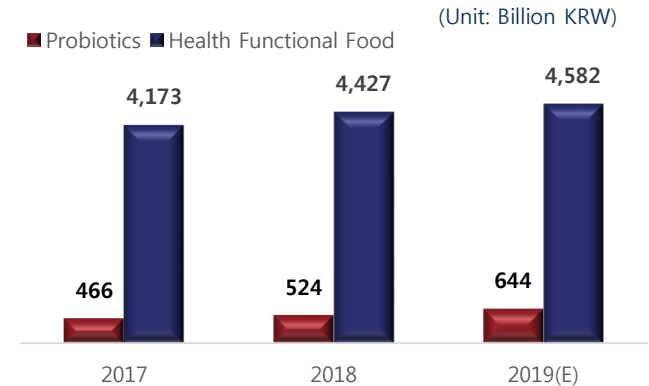
### ExAblate® Neuro with INSIGHTEC

- World's first Incisionless Surgery platform which uses focused ultrasound with submillimeter accuracy to treat deep in the brain— all without making a single incision.
- Only focused ultrasound device with FDA approval to treat in the brain
- Operates in 60 major hospitals around the world including US, Europe and Asia
- Current indications – essential tremor, tremor-dominant Parkinson's disease
- **Expected to proceed in 2020**



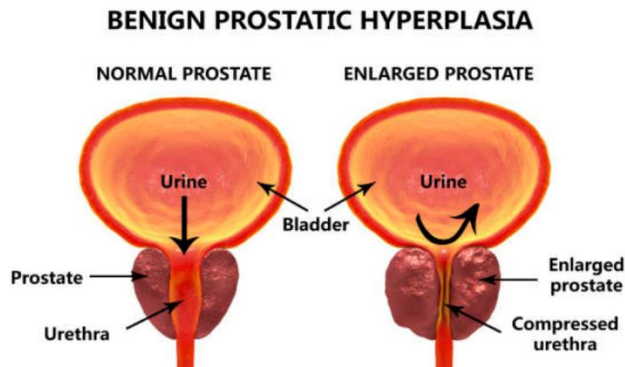
## Menolacto Probiotics

- 2019. 10 Certified as a Functional Ingredients  
(Authorized function : Help menopausal women’s health)
- Korea’s first female menopausal health improvement Individually recognized Probiotics
- Registered as Korean Patent, and Applied for Patents in US/EU/Japan
- Estimated Health Functional Food market 4,582 billion KRW(YOY +3.5%) and Probiotics market 644 billion KRW(YOY +18.8%)  
(Korea Health Supplements Association)

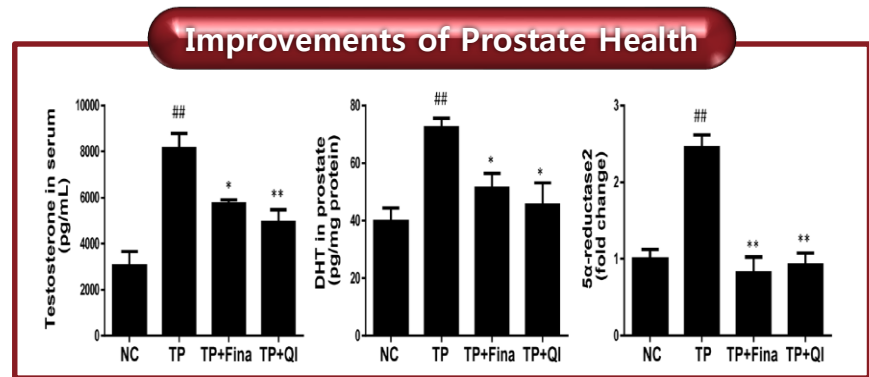


## Develop ingredients for improving Prostate Health

- Application functionality : Prostate Health
- Apply for Korean Patent
- Estimated Submission of approval application as a ingredient(Dec. 2019)



Everything You Need To Know About Benign Prostatic Hyperplasia  
 June 25, 2018/in Blog /by Georgia UrologyBy Dr. Lewis S. Kriteaman





### Business Line

#### Filler

30% of Sales

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

#### Arthritis

18% 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

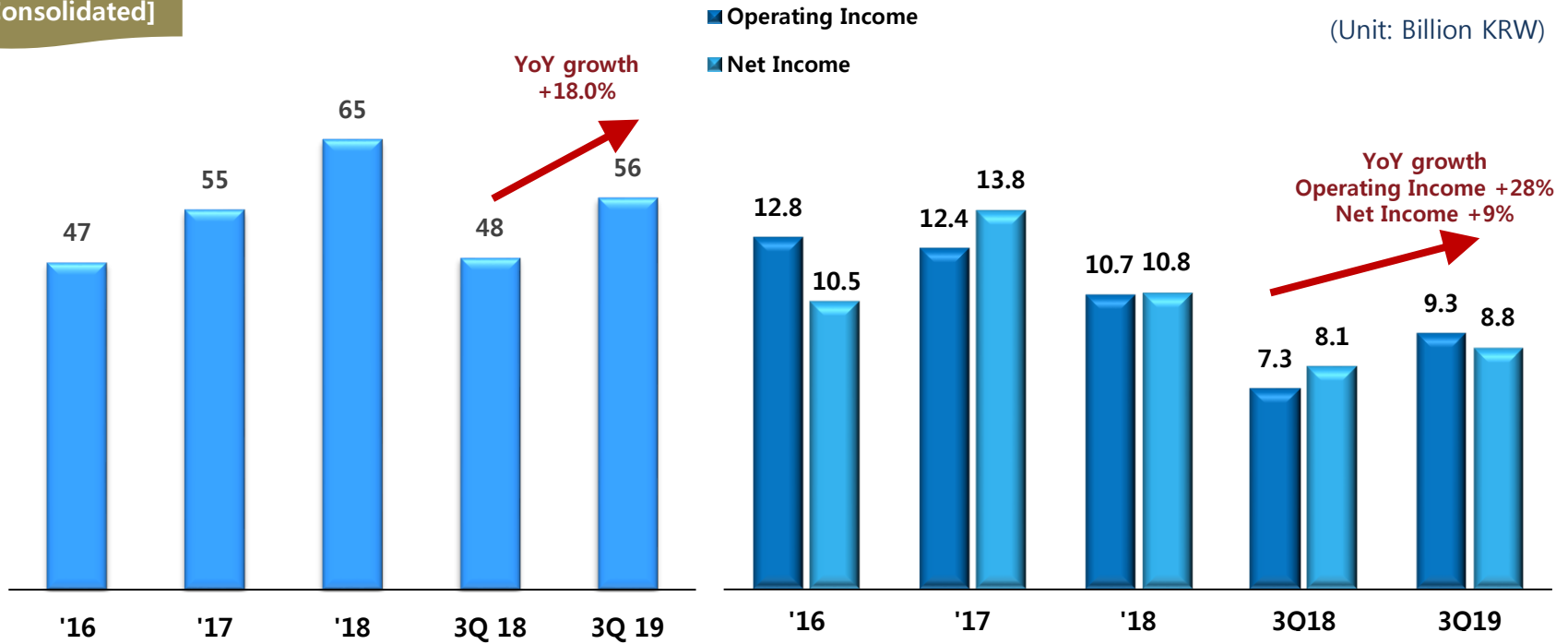
- 'Derma Elravie' Brand marketing
- Functional cosmetics (HA specialty)
  - ⇒ wrinkle care, whitening etc.
- Expansion for Chinese cosmetic market with CKH Health Corp.

#### The others

51% 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)

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[Separate]

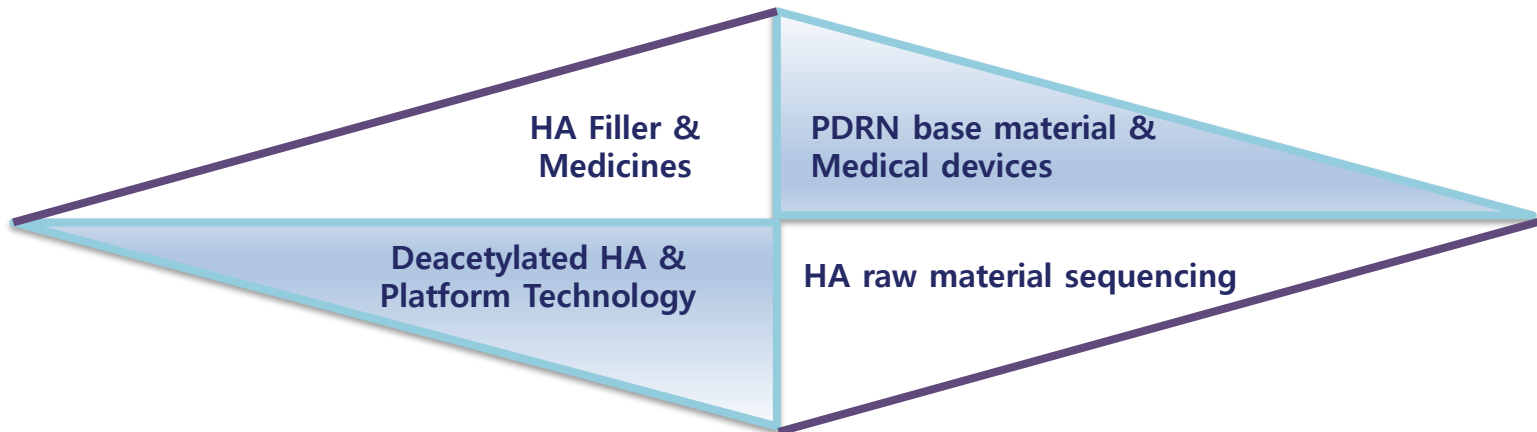
	2016	2017	2018	3Q18	3Q19
Sales	45.1	50.3	57.6	42.2	48.8
Operating Income	12.2	11.2	7.5	4.7	5.8
Net Income	10.1	10.1	7.7	5.7	5.9

**Filler + Medical devices + Botulinum Toxin** ➡ **Competitive power**

## Sales Package



## Diversified product portfolio



**HA Diversification**

**PDRN**  
(PolyDeoxyRiboNucleotide)

**Volumizing Filler**

**Filler for Urinary system**

**PN Joint injection,  
PN Eye drops**

HA based/ natural polymers  
 Diversified materials  
 Clinical trial phase III completed (3Q 2018)  
 Final approval (1Q 2019)

Highly improved safety  
 Verified safety/efficacy by clinical trial  
 - Clinical trial phase III completed (4Q 2018)  
 - Expected final approval (1Q 2020)

Apply for high purity nucleic acid naturally derived  
 - medicines, filler, cosmetics  
 Extract high-purity nucleic acid From salmon testis  
 PDRN raw materials: KFDA(2Q 2018)  
 PN Joint injection :Production process being developed

**Expectations**

**Expectations**

**Expectations**

Improved safety  
 - Reduced HA, Cross-linker  
 Volumizing effect on face  
 - High viscosity/elasticity/persistence

Expand HA Filler market from new indications

Reduced wound healing time  
 Accelerate collagen/cell differentiation  
 Blood vessel endothelial proliferation factor induction

- Produce & Sales medical disinfectant, disinfectants and sterilizer
- Produce & Export Auto endoscope reprocessors

◆ Antiseptic products

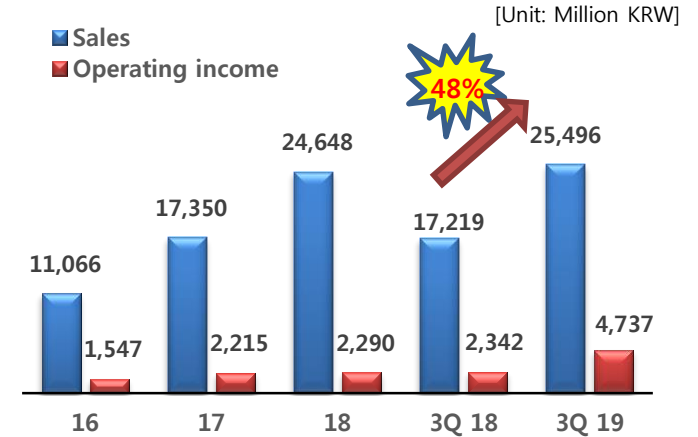
- Hemoclean (exclusive for artificial kidney, US FDA/EU CE certification)
- Scotelin, Ophiclean, TeraClean (endoscope instrument sterilization)
- TBXzyme (intermediate-level disinfection for skin & hard-surface)
- Hexywipes (OTC, antiseptic body/hands tissue as CHG 2%, 4%)

◆ 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



Scoterin(percectic acid)



Ophiclean(OPA)



Space sterilizer 'HUEN IVH' (spray sterilant & sterilize)



Scrubber (absorb sterilant & remove)



MTW-01(Reuse)



HUEN Single shot (single use)

**Plan**

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

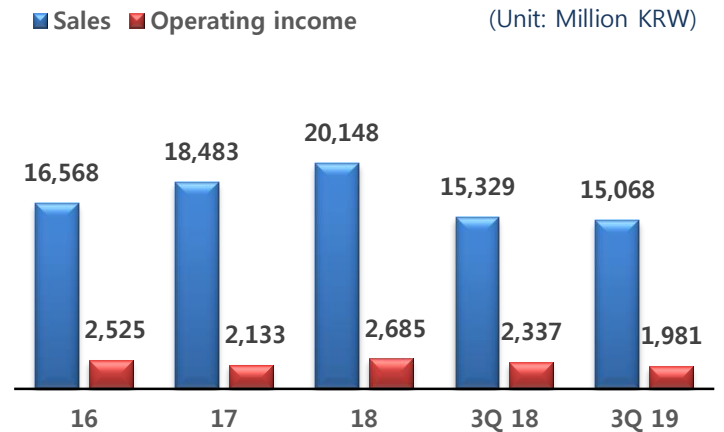
- A specialized medical glass container (ampule, vial, and cartridge) manufacturer & supplier
- As a front-runner in the glass packing industry, merged Suju Science (lab experiment and analytic tools business), become a total solution company for supplying glass containers and raw/subsidiary materials

**Ampule**

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

**Vial & Cartridge**

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



**Take-over Suju Science**

- Since Jan.2019, taking over finished and beginning Hubena-Suju sales record on Feb.2019
  - ☞ 3Q 2019 of sales(accumulated): 1,080 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
- Intensive 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** (3Q, 2019)

Group	Indication	Pipe Line	Discovery	Non-clinical	Clinical PI	Clinical PII	Clinical PIII	
Anti-body Biosimilar	Wet AMD	HL01 (Aflibercept)	→					
	Osteoporosis	HL02 (Denosumab)	→					
	Breast Cancer	HL03 (Herceptin SC)	→					
Protein Biosimilar	Drug Adjuvant	HL04 (rhHyalrulonidase )	→					
	Anemia	HL05 (Epoetin alfa)	→					
Peptide New medicine	SBS	HL06 (modified GLP2)	→					
Protein New medicine	DES	HL07 (rhThymosin β-4)	→					
	Hack/Wound	HL08 (rhADAM-15)	→					

### Consolidated Financial Information

 (Unit: Million  
KRW)

Classification	3Q 2019	2018
<b>Assets</b>		
Current assets	257,777	246,816
Non-current assets	458,833	426,061
<b>Total assets</b>	<b>716,610</b>	<b>672,877</b>
<b>Liabilities</b>		
Current liabilities	125,105	110,700
Non-current liabilities	24,753	23,544
<b>Total liabilities</b>	<b>149,858</b>	<b>134,244</b>
<b>Equity</b>		
Dominant business owners equity	372,971	362,214
Non-controlling interests	193,781	176,419
<b>Total equity</b>	<b>566,752</b>	<b>538,633</b>
<b>Total equity and liabilities</b>	<b>716,610</b>	<b>672,877</b>

Classification	3Q 2019	2018
<b>Revenue(Sales)</b>	<b>325,821</b>	<b>378,687</b>
Cost of sales	272,846	310,723
<b>Operating income</b>	<b>52,975</b>	<b>67,964</b>
Profit(loss) before tax	55,659	77,297
Corporate tax	11,496	15,987
<b>Net income</b>	<b>44,162</b>	<b>60,762</b>

### Separate Financial Information

 (Unit: Million  
KRW)

Classification	3Q 2019	2018
<b>Assets</b>		
Current assets	14,703	17,227
Non-current assets	332,180	329,038
<b>Total assets</b>	<b>346,883</b>	<b>346,265</b>
<b>Liabilities</b>		
Current liabilities	19,269	17,574
Non-current liabilities	14,491	-
<b>Total liabilities</b>	<b>33,760</b>	<b>31,874</b>
<b>Equity</b>		
Capital	5,461	5,202
Capital surplus	242,472	242,472
Capital adjustment	(9,623)	(5,421)
Earned surplus	74,813	72,139
<b>Total equity</b>	<b>313,124</b>	<b>314,392</b>
<b>Total equity and liabilities</b>	<b>346,883</b>	<b>346,265</b>

Classification	3Q 2019	2018
<b>Revenue(Sales)</b>	<b>22,550</b>	<b>27,892</b>
Cost of sales	14,223	16,332
<b>Operating income</b>	<b>8,328</b>	<b>11,560</b>
Profit(loss) before tax	9,019	13,769
Corporate tax	916	3,016
<b>Net income</b>	<b>8,104</b>	<b>10,754</b>



Thank you