



Huons Global

Investor Relations

1Q. 2020



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.

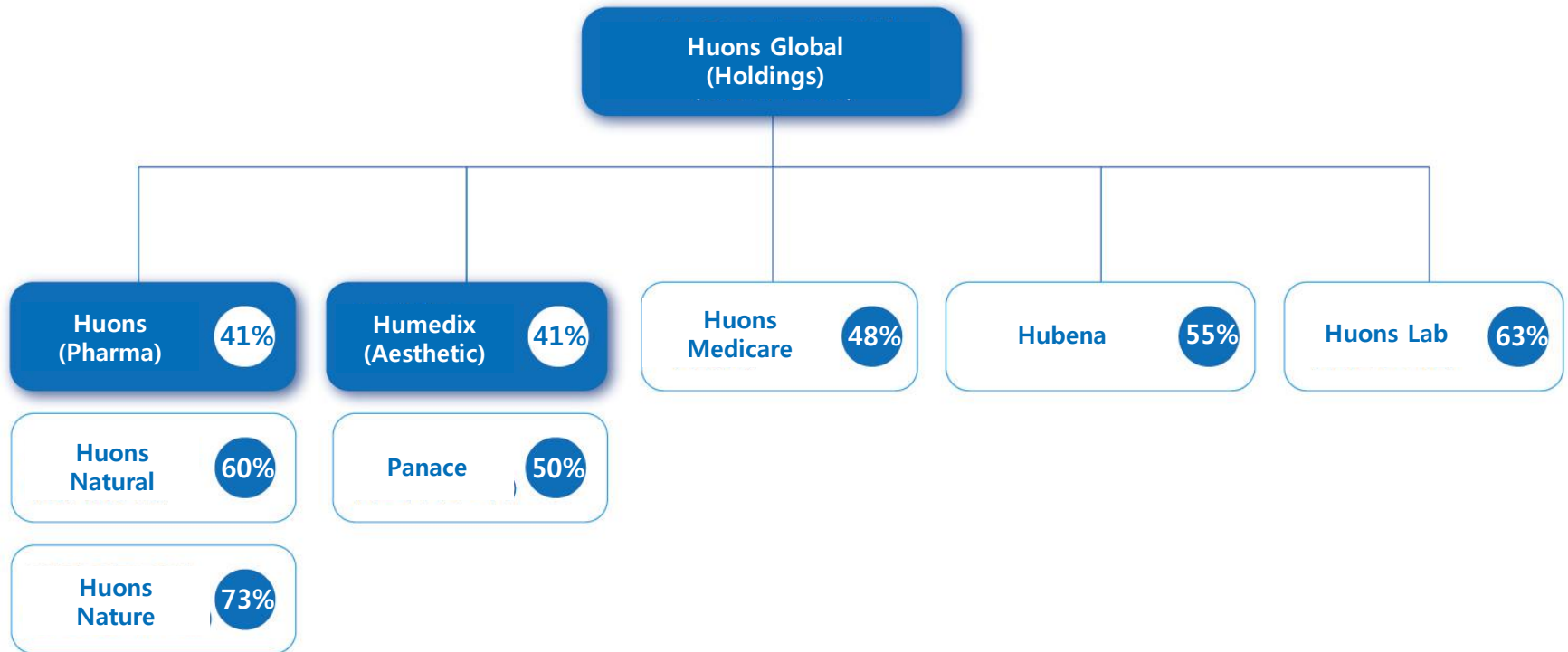
Because of those uncertain risks, company’s actual business performance can be different from the “forecast” in this booklet. Also the information we provide is written as of the day we deliver the presentation, so it can be changed due to unexpected external status of industry or internal company’s 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”



**Huons Group
1,511 people**

KOSDAQ Listed

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



Sung-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 Incheon 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”

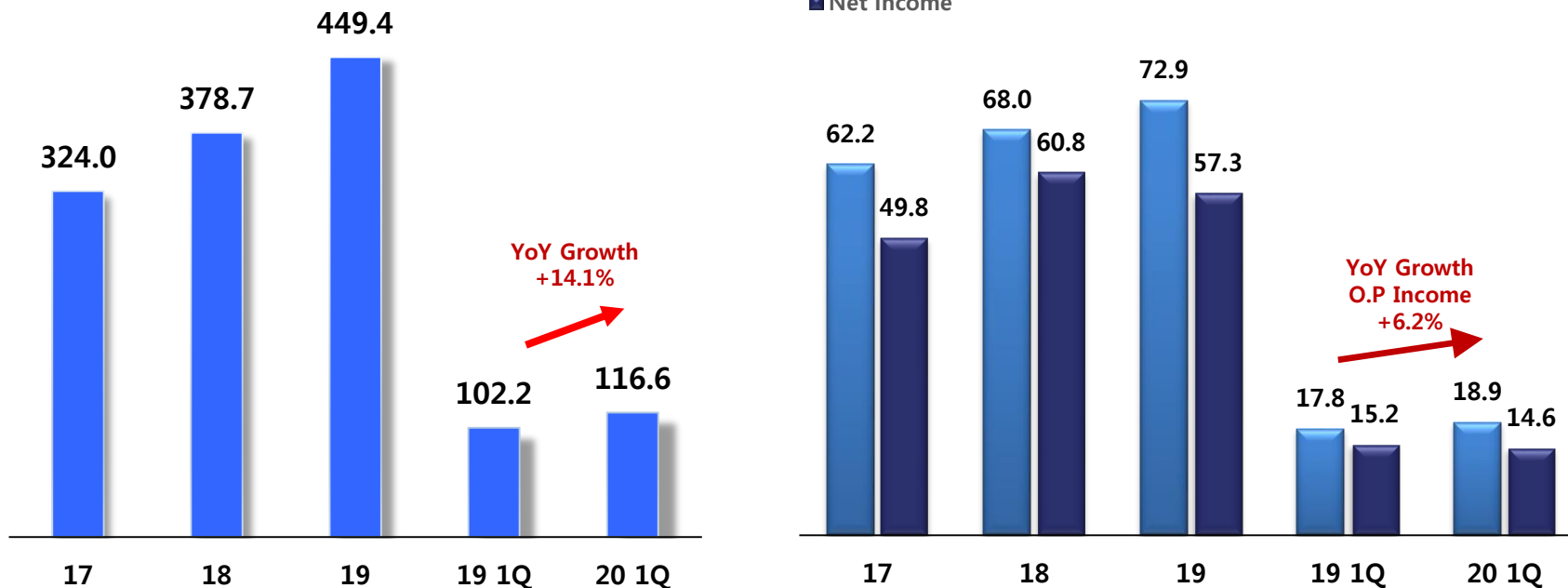
[Consolidated]

(Unit: Billion KRW, %)

■ Operating income

(Unit: Billion KRW, %)

■ Net income



[Seperate]

	2017	2018	2019	1Q 19	1Q 20
Sales	25.9	27.9	29.6	10.6	14.5
Operating income	12.1	11.6	9.1	6.0	7.4
Net income	10.2	10.8	9.9	5.9	6.7



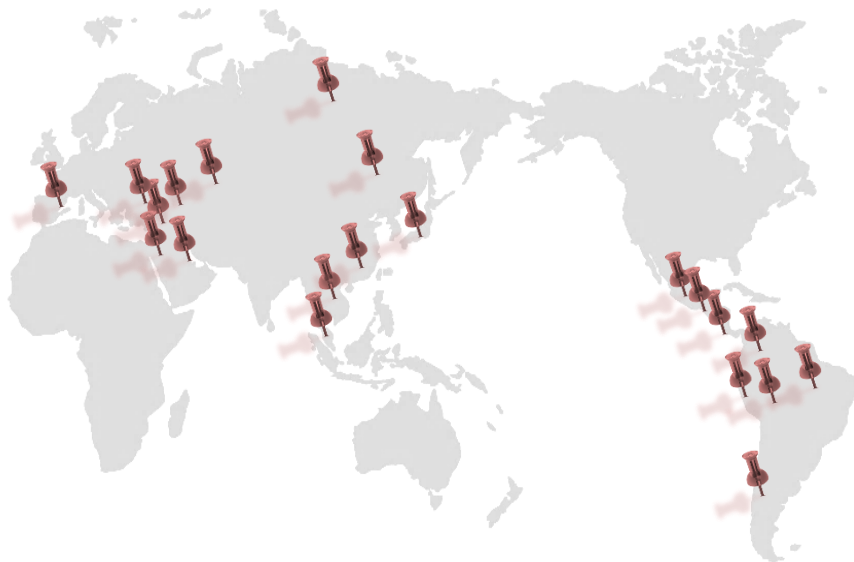
- Received approval for export license (Oct. 16)
- Export to **South-East Asia, Middle East, Latin America**



**“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”



Nation	Date of contract	Nation	Date of contract
Europe	2018.04	Turkey	2019.02
Kuwait	2018.05	Singapore, Malaysia	2019.03
Brazil, Ukraine	2018.06	Dominican Republic, CIS	2019.06
Russia	2018.07		
Lebanon	2018.08	Peru, Chile, Pakistan	2019.08
China	2018.09	Bolivia, Colombia	2019.09
Mexico	2018.10	Panama, Nicaragua	2019.12
Japan	2018.11	Vietnam	2020.02

Expansion of Indications & Development of Low molecular Botulinum Toxin Product

Indication expansion

Crow's Feet lines (May receive approval in 3Q '20)

Post-Stroke Upper limb spasticity(May receive approval in 2022)

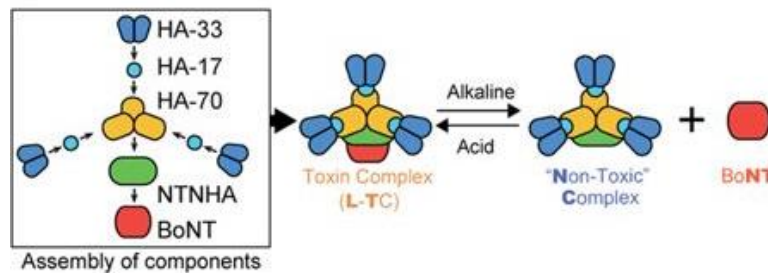
Square jaw(IND application is expected in 2Q '20)

“expansion of Therapeutic Indication”

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 57% 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 17% of Sales

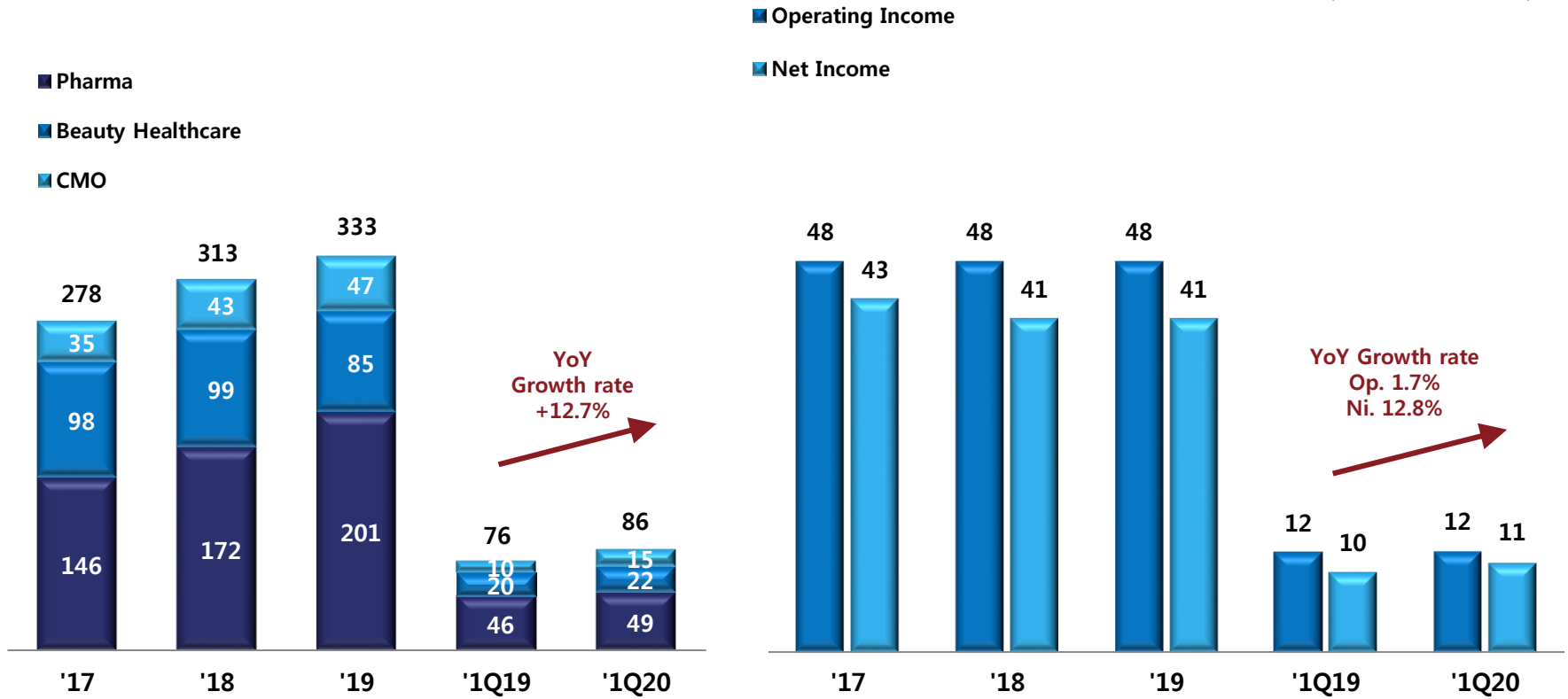
- Manufacturing facility in compliance with cGMP standard
- Operating full automated production line made in U.S, Germany, and Japan
- New facility for disposable eye drops constructed in Apr. 2019('19.04)
※ Annual capacity 150mil ⇒ 300mil tubes

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”

(Unit: Billion KRW)

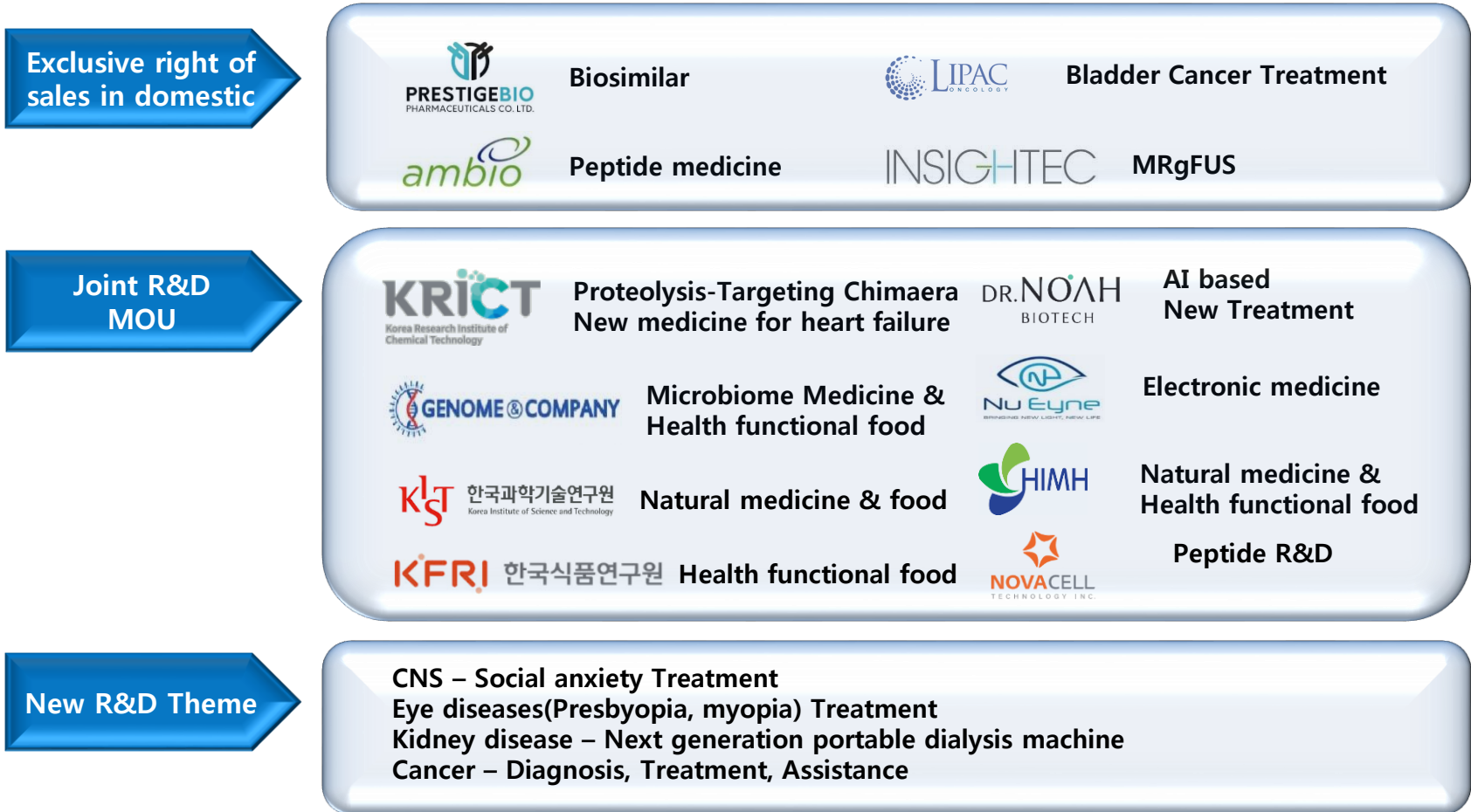


[Consolidated]

	2017	2018	2019	1Q19	1Q20
Sales	285	329	365	826	946
Operating Income	36	45	48	120	114
Net Income	35	45	37	94	96

Next generation growth strategy “Open Innovation”

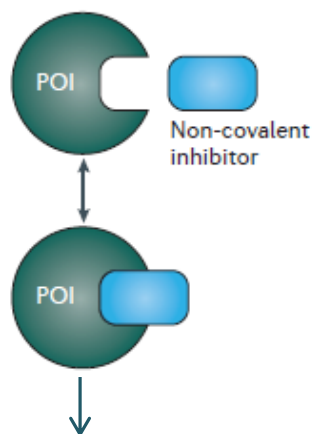
- Signed joint research agreement with companies in various fields
- Goal of acquiring next generation growth engine through joint R&D



PROTAC(Proteolysis-targeting chimaera)

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

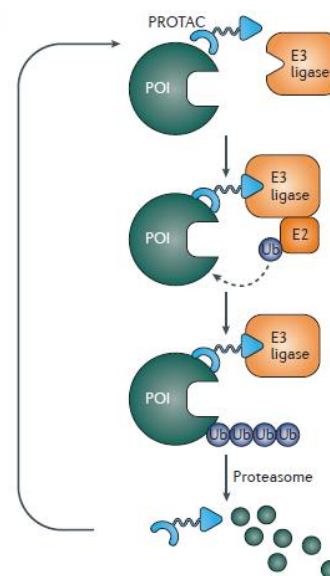
General Synthetic New Drugs



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



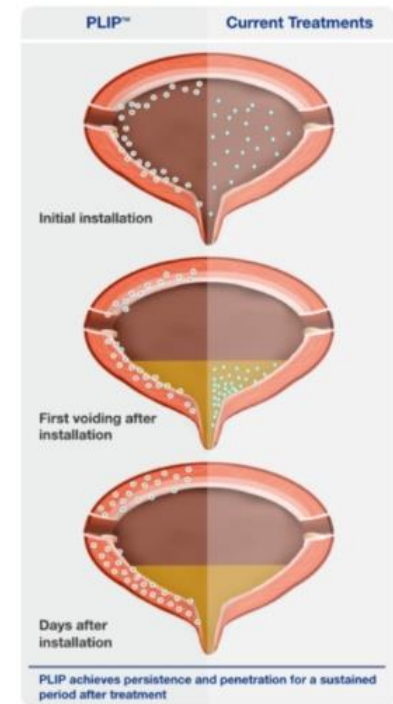
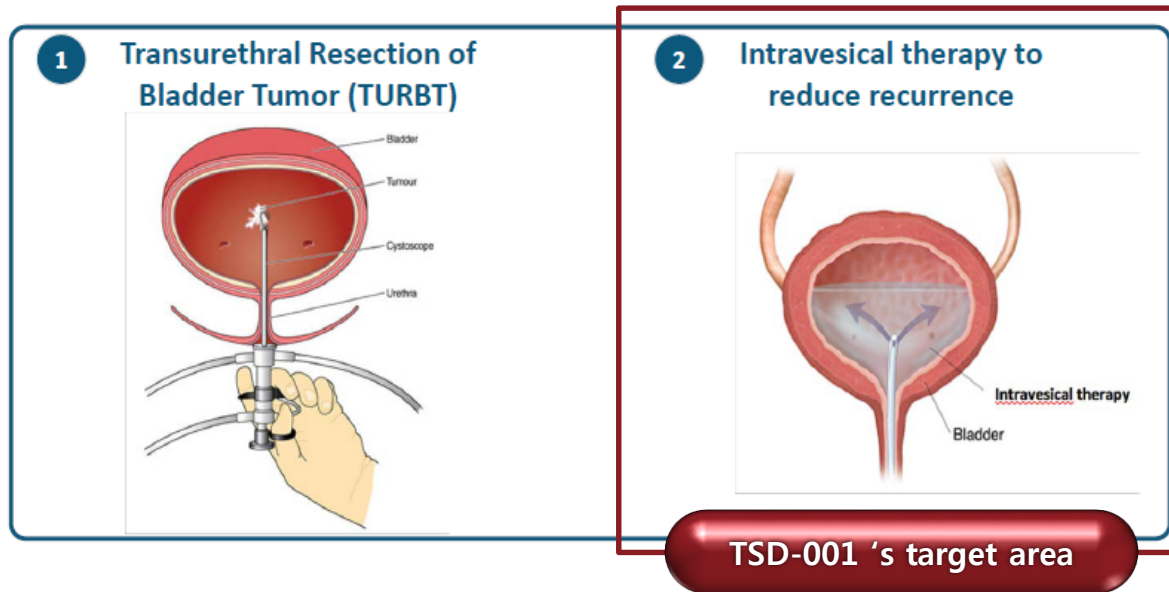
- Consist of Target protein + linker + E3 ligase
- Structure that can be disassembled through proteasome by attaching ubiquitin identification mark to the target protein



Bladder cancer treatment (TSD-001) with

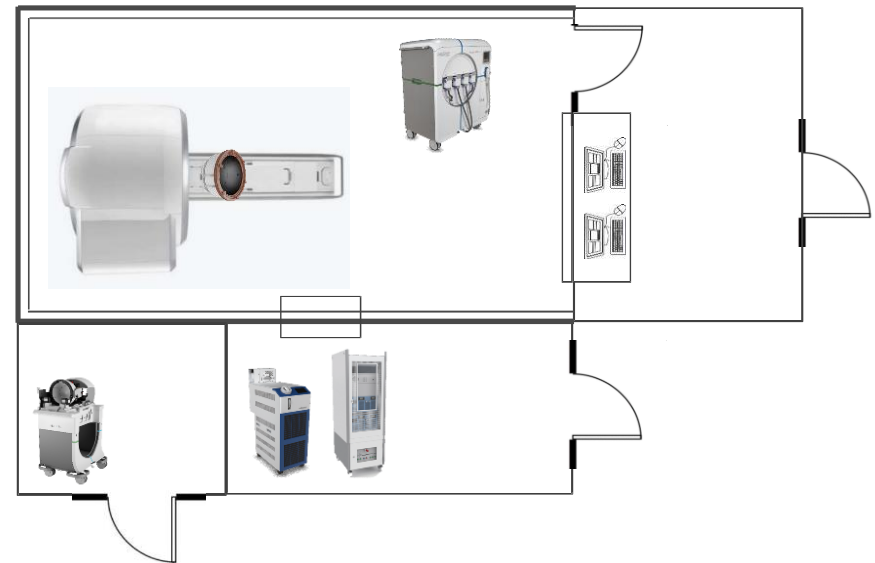
- TSD-001 : Expect 1st FDA approval of treatment for Non-Muscle Invasive Bladder Cancer(NMIBC)
- In 2020, Clinical trial 2B (LIPAC) in USA, and domestic **Clinical Phase 3 (Huons)** are planned
- Goal is to release it in 2024 (Korea), in 2026 (Global Market)

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 and only one female menopausal health improvement Individually recognized Probiotics
- Deposit germ at KMCC(KCCM11808P) : *L.acidophilus* YT1
- Registered as Korean Patent, and Applied for Patents in US/EU/Japan

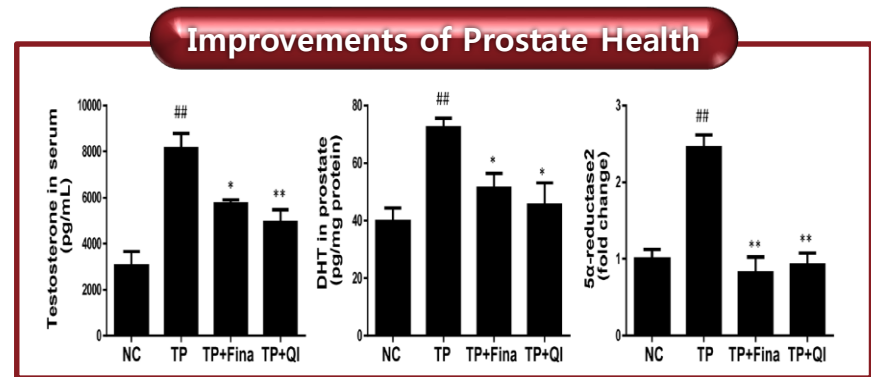
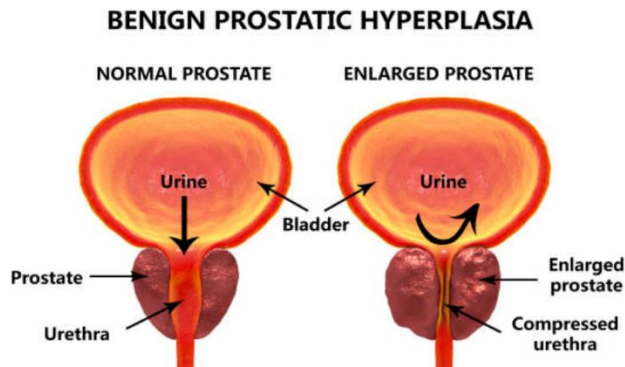
Improvement for menopause

- 1) Identify the improvement for Kupperman index, KMI
- 2) Confirm the significant improvement for Modified KI
- 3) Confire the improvement for MENQOL



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. Kritekman

Business Line

Korean HA raw material refinement industry become active from discontinued Japanese manufacturer's production

Filler

29% of Sales

- High purity HA ingredient
- High purity HA raw material refinement sales rise
- 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

4% 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

50% of Sales

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

Business Line

New Business

- ☆ **Panace(Humedix's subsidiary) acquire 'Urontech'(2020.03)**
: Urontech - Extracorporeal shock wave lithotripsy machine manufacturer
- ▷ **Extracorporeal shock wave lithotripsy machine**
: By shock wave energy, crush stone in kidney and urinary tract
- ▷ **Export to overseas 7 countries(Indonesia, Vietnam and Uzbekistan etc.) including domestic line**



Extracorporeal shock wave lithotripsy machine (URO-EMX)

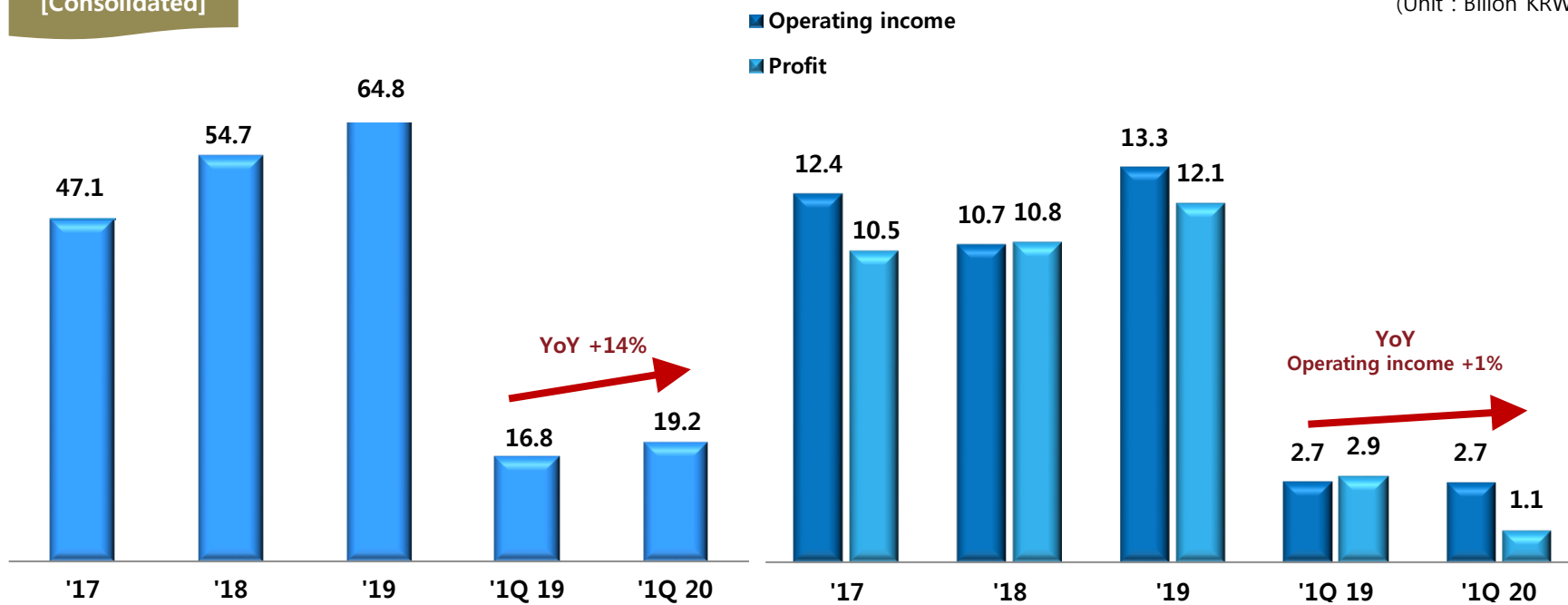


Impotence treatment machine (IMP088)

“Sales growth & Profit improvement”

[Consolidated]

(Unit : Billion KRW)



[Separate]

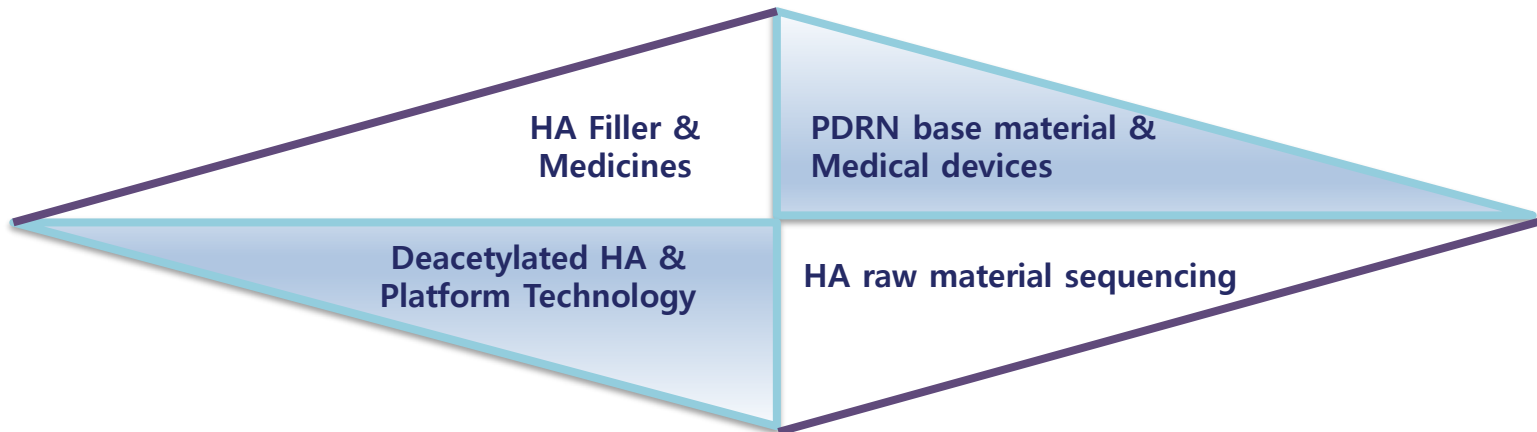
	2017	2018	2019	1Q 2019	1Q 2020
Revenue	50.3	57.6	69.0	14.2	17.3
Operating income	11.2	7.5	9.4	1.3	2.4
Profit	10.1	7.7	8.8	1.8	0.8

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 : IND applied (1Q 2020)

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%)

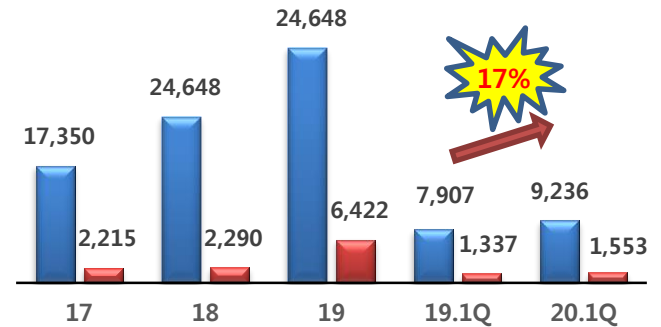
◆ Medical sterilizers

- 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

■ Sales [Unit: Million KRW]
■ Operating income



Scoterin(percectic acid)



Ophiclean(OPA)



MTW-01(Reuse)



HUEN Single shot (single use)



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



Scrubber (absorb sterilant & remove)

Plan

- Develop single use Auto Endoscopes Reprocessors (prevention for cross-infection)
 - ↳ Expected approval in May. 2020
- Overseas expansion for Auto Endoscopes Reprocessor markets (China, India, Russia, Brazil)

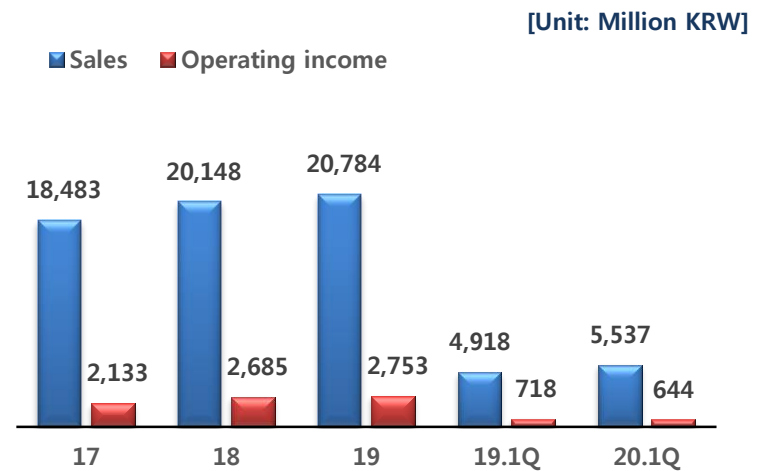
- A specialized medical glass container (ampule, vial, and cartridge) manufacturer & supplier
- As a front-runner in the glass packing industry, merged Suju Science (lab experiment and analytic tools business), become a total solution company for supplying glass containers and raw/subsidiary materials

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
 - ☞ 4Q 2019 of sales(accumulated): 1,560 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

[Biomedicine Pipeline]

(1Q, 2020)

Group	Indication	Pipe Line	Discovery	Non-clinical	Clinical PI	Clinical PII	Clinical PIII	
Antibody Biosimilar	Wet AMD	HL01 (Aflibercept)	→					
	Osteoporosis	HL02 (Denosumab)	→					
Protein Biosimilar	Drug Adjuvant	HL04 (rhHyalrulonidas e)	→					
	Anemia	HL05 (Darbepoetin alfa)	→					
Peptide New medicine	SBS	HL06 (modified GLP2)	→					
Protein New Medicine	DES	HL07 (rhThymosin β-4)	→					
	Hack/Wound	HL08 (rhADAM-15)	→					
Glucosamino-glycan	Thrombogenesis (Anticoagulant)	HL09 (Heparin sodium)	Drug approval (3Q, 2022) / Drug product launching (Domestic, 1Q, 2023)					

Consolidated Financial Information

(Unit: Million KRW)

Classification	2020. 1Q	2019
Assets		
Current assets	288,838	281,439
Non-current assets	467,056	460,714
Total Assets	755,894	742,153
Liabilities		
Current liabilities	159,300	138,285
Non-current liabilities	11,236	22,069
Total liabilities	170,535	160,354
Equity		
Dominant business owner's equity	381,241	378,527
Non-controlling interests	204,119	203,271
Total equity	585,359	581,799
Total equity and liabilities	755,894	742,153

Classification	2020. 1Q	2019
Revenue(Sales)	116,623	449,423
Cost of sales	97,722	376,511
Operating Income	18,901	72,912
Profit(loss) before tax	18,953	71,150
Corporate tax	4,354	13,802
Net income	14,599	57,349

Separate Financial Information

(Unit: Million KRW)

Classification	2020. 1Q	2019
Assets		
Current assets	25,544	18,919
Non-current assets	334,633	333,308
Total Assets	360,177	352,228
Liabilities		
Current liabilities	41,346	21,923
Non-current liabilities	617	14,463
Total liabilities	41,963	36,387
Equity		
Capital	5,732	5,461
Capital surplus	242,472	242,472
Capital adjustment	(8,728)	(8,728)
Earned surplus	78,738	76,636
Total equity	318,214	315,841
Total equity and liabilities	360,177	352,228

Classification	2020. 1Q	2019
Revenue(Sales)	14,459	29,636
Cost of sales	7,105	20,510
Operating Income	7,354	9,126
Profit(loss) before tax	7,280	10,864
Corporate tax	564	937
Net income	6,716	9,927

Thank you