



Huons Global

Investor Relations

2022. 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” often means 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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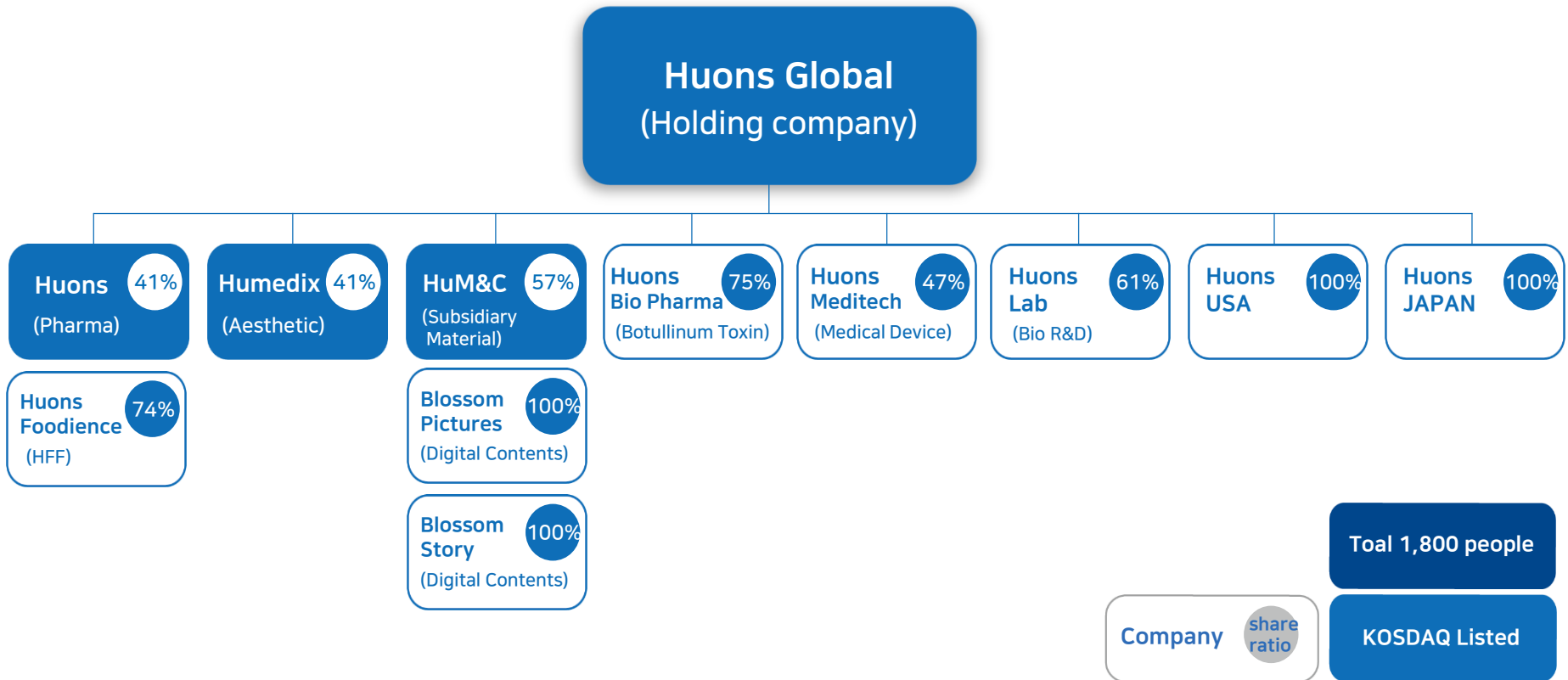
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“Total Healthcare Group”
 Includes Pharma, Medical Device, Health Functional Food and Cosmetic business



※ HuM&C merged Hubena by absorption on July 1st
 ※ Huons JAPAN was established on May 18th

Board Members

		Soo-Young Song	Sung-Tae Yoon	WanSeop Paul Kim	Kyu-Yeon Lee	Byung-Hun Tak	Jin-Woo Chang
Position		President C.E.O	Chairman	President	Director Outside Director	Director Outside Director	Director Outside Director
P r o f i l e	Current	C.E.O. of Huons Global and Huons	Board Chairman of KPBMA (Korea Pharmaceutical and Bio-Pharma Manufacturers Association)	Director of Huons Global CEO of HuonsLab	Advisor of law firm Lee&Ko	-	Director of YonSei Univ. Brain Research Institute
	Recent & Past	C.E.O. of Deloitte Consulting Korea C.E.O of Deloitte Consulting Japan Senior Vice President of PwC Japan	C.E.O of Huons Global IBM Korea MS Project Mgt. at Hanyang Univ.	BMS/GSK/Diosynth MIT Scientist PhD Biology at Korea Univ. MSc Molecular Biology in CANADA	Managing Director of Korea Exchange (KRX)	Commander of Seoul Police Department BS Fine Chemistry at Seoul National Univ. of Science & Technology	Professor of YonSei Univ. College of Medicine M.D., PH.D.

Audit Committee

Chairman Kyu-Yeon Lee

Member Byung-Hun Tak

Member Jin-Woo Chang

ESG Committee

Chairman Soo-Young Song

Member Kyu-Yeon Lee

Member Jin-Woo Chang

Group Vision

**Global Total Healthcare Group :
Provides Medical Solutions for Human Being's Health**

Group Strategy

- Discovering New Growth Engines & Expanding Business Area
- Open Innovation with In-House R&D

Business Area

**Pharma
Bio-Pharma**

Core Biz

- Comprehensive portfolio covering various fields
- R&D : Open Innovation + In-House R&D
- Pipelines of Bio-Pharma

Companies

Huons, Humedix
Huons Bio Pharma
Huons Meditech
Huons Lab

Medical Device

New Growth

- Diversified products from medical to aesthetic
- Continuous R&D and patent acquisition

Companies

Huons
Humedix
Huons Meditech

**Health
Functional Food**

New Growth

- Develop IAFF Ingredient
- Lactobacillus, beauty, Ginseng, diet, etc.
- Value chain (raw&new materials development, production, OEM/ODM, distribution)

Companies

Huons
Huons Foodience

**Medical
Container & etc.**

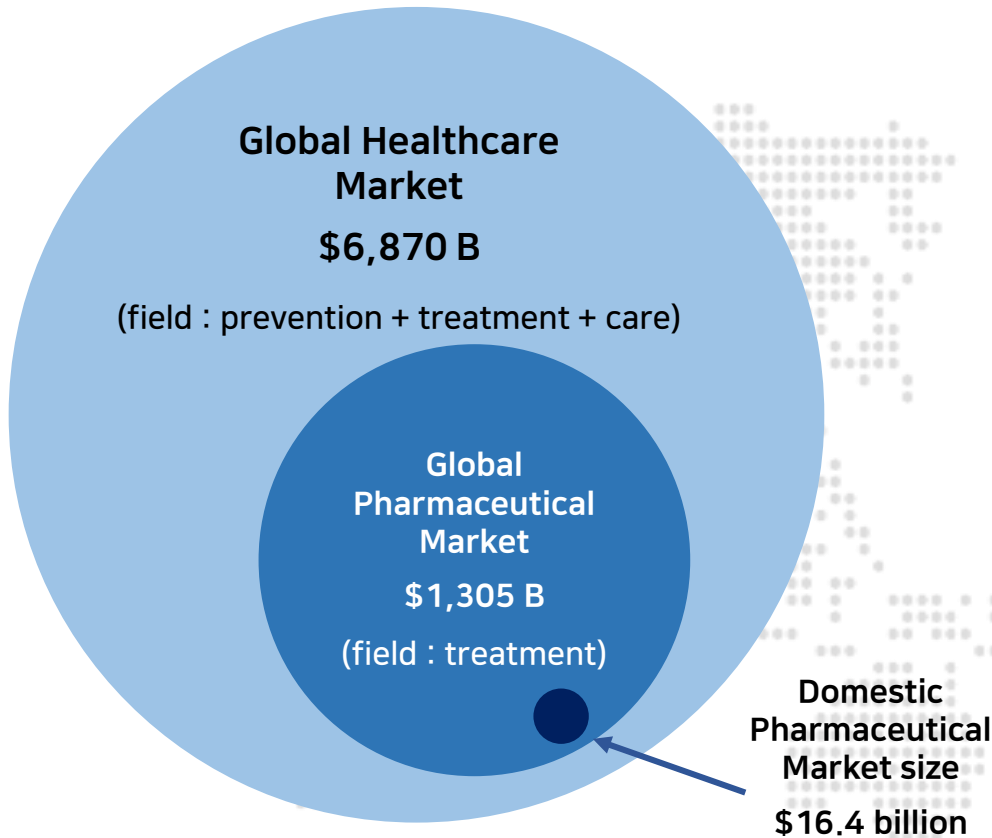
Expand & assistant

- Total subsidiaries for healthcare
- Develop overseas market
- Medical container

Companies

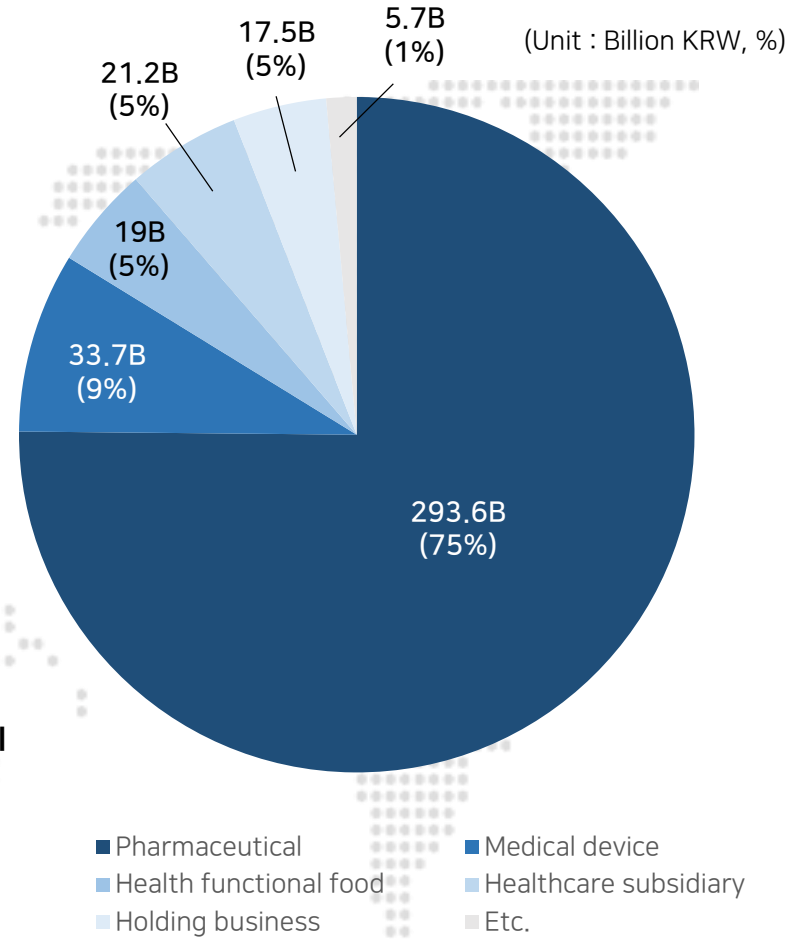
HuM&C
HUONS USA
HUONS JAPAN

Market Size of Healthcare



New markets grow continuously ;
Health care business through digital and telemedicine.

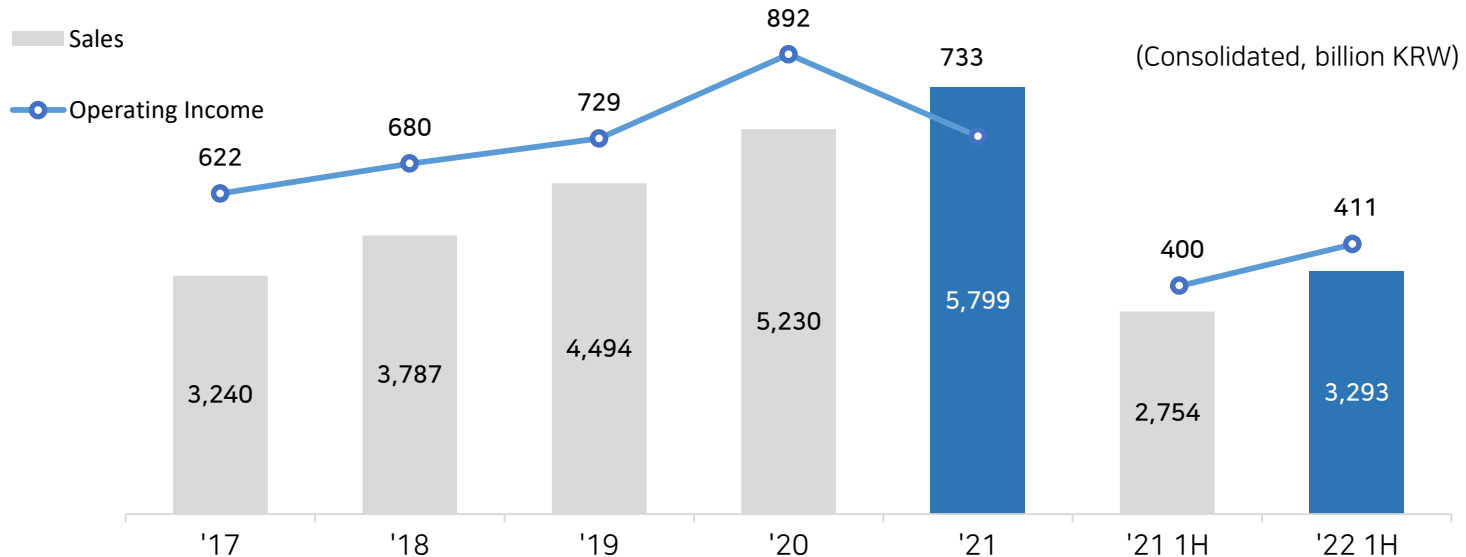
Sales Composition of Huons Group



※ Figures based on 2Q. '22 before adjusting internal transactions.

Company Overview

- ✓ **Huons Global's Role : Strategic management and discovering new business opportunity.**
- ✓ Consolidated sales CAGR 15.7%, operating income CAGR 4.2% since 2016
- ✓ Converted to a holding company in 2016, and now has 8 subsidiaries and 3 sub-subsidiaries
- ✓ Spun off the bio business division in April 2021, and became a pure holding company



2Q Group Highlights

Continuous Growth of
Sales & Profit

2Q Sales 169.7 B KRW (YoY ▲ 18.1%, QoQ ▲ 6.3%)

2Q OP 20.4 B KRW (YoY ▲ 4.8%, QoQ ▼ 1.2%)

Strengthen future
business capabilities

- Incorporated 'Huons Meditech'(medical device company) as wholly owned subsidiary. ('22.06.30.)
- HuM&C(healthcare subsidiary company) merged Hubena by absorption. ('22.07.01.)

Established
Overseas Bases for
Market Expansion

- Huons USA sined a contract with Mckesson for supplying Lidocane. ('22.06.27.)
- Incorporated 'Huons JAPAN' for the basecamp of Japan's healthcare market. ('22.06.20.)
- 'Hunoland' joint venture located in China, scored cumulative 2Q sales of 6.9 B KRW(YoY +75%), OP 1 B KRW(YoY turn a profit)

Construct
ESG Management
System

- Established ESG committee and activities carried out. (Huons Global, Huons, Humedix)
- Published 2022 Sustainability Report(ESG). ('22.08.24.)

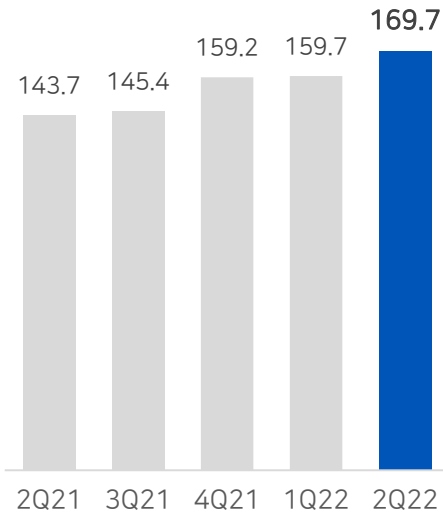
[Sales] 2Q 169.7 B KRW (YoY ▲ 18.1%, QoQ ▲ 6.3%)

[Profit] 2Q OP 20.4 B KRW (YoY ▲ 4.8%, QoQ ▼ 1.2%) / 2Q NP 10.2 B KRW (YoY ▼ 28.0%, QoQ ▼ 20.4%)

- Huons : Growth in B2B and Beauty Wellbeing sector / Humedix : **Good performance** in Aesthetic(filler, Liztox) and API sector.
- HuM&C : Expands healthcare subsidiary material business after merger of Hubena.
- Huons Meditech(medical device)·Huons Biopharma(botulinum toxin) : Both showed continuing sales growth.
- Huons Lab : Increased R&D costs in biosimilar pipelines

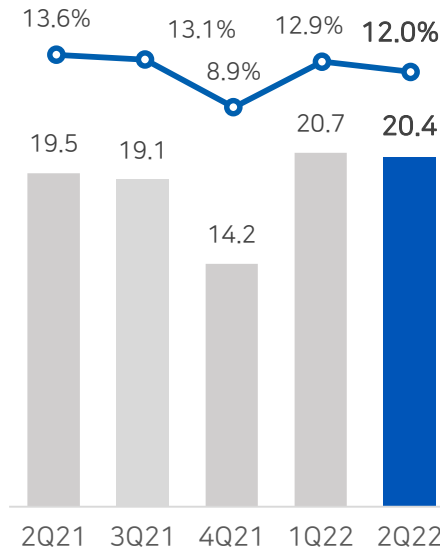
Sales

[Unit : billion KRW]



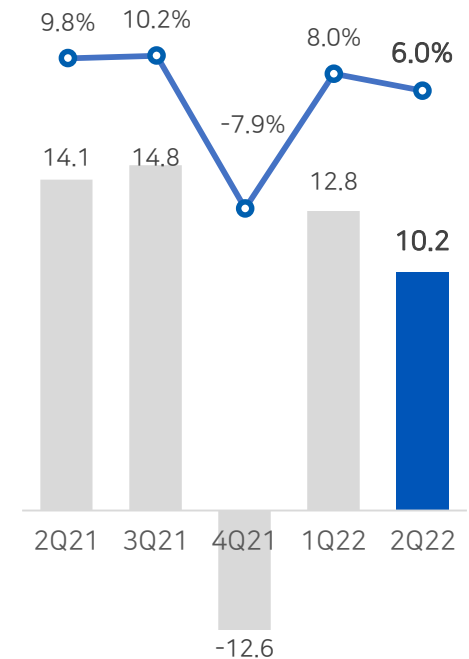
Operating Profit

[Unit : billion KRW]



Net Profit

[Unit : billion KRW]



(Unit : Million KRW)

Classification	Sales			Operating Profit			Net Profit			Reasons of fluctuation
	2Q 22	2Q 21	YoY	2Q 22	2Q 21	YoY	2Q 22	2Q 21	YoY	
Huons Global (Consolidated)	169,653	143,711	18.1%	20,431	19,493	4.8%	10,192	14,147	-28.0%	
Huons Global	6,251	5,190	20.4%	762	496	53.6%	8,872	525	1,589.2%	- Disposal of subsidiary shares (Hubena)
Huons ¹⁾	124,074	111,133	11.6%	10,870	12,563	-13.5%	7,498	8,540	-12.2%	- Growth in B2B, Well-being - R&D costs(clinical) increase
Humedix ²⁾	31,744	21,890	45.0%	7,594	4,875	179.3%	5,799	2,599	123.1%	- growth on high margin products (filler, API, arthritis injections)
HuM&C ³⁾	13,556	4,271	217.4%	838	-140	Turn a profit	782	-22	Turn a profit	- Expanding business area after Merger of Hubena.
Huons Meditech ⁴⁾	16,211	10,213	58.7%	1,840	1,202	53.1%	1,074	965	11.3%	- Expanding medical device business area. - Sales growth of disinfectant and sterilizer.
Huons Biopharma	8,567	3,199	167.8%	1,929	558	245.6%	1,763	376	368.6%	- Domestic market growth of CMO
Huons Lab	-	192	-100.0%	-1,475	-517	Deficit continuing	-1,493	-493	Deficit continuing	- Increase in R&D costs
Huons USA	-	-	-	-223	-119	Deficit continuing	-176	-86	Deficit continuing	
Huons JAPAN	-	-	-	-60	-	-	-60	-	-	- Newly incorporated in June

1) Consolidated results including Huons Foodience

2) Separate performance followed by transferring shares of Huons Meditech to Huons Global.(June 22nd)

3) Consolidated results including Hubena, Blossom Story, Blossom Pictures

4) Result of 2Q. 2021 is separate performance of Huons Medicare, before transformed into Huons Meditech.

- **Huonland(JV) 1H(2022) results** : Sales 6.9B KRW(YoY 75%), OP 1B KRW(YoY turn a profit)
 - Eye drops(2021) : Sales 8.3B KRW (YoY 394%), CMO 1.6B KRW(YoY 161%)
 - Secure competitiveness by new eye drops development and strengthening CMO business.
 - Main items : Eye drops for glaucoma(brimonidine), allergic conjunctivitis(Olopatadine)
 - Capacity of eye drops production : 110 M tubes a year
 - Got CFDA approval of antibiotic for keratitis(moxifloxacin) in may '22., waiting 2 more items approval.

China

Japan

U.S.A

- **Huons JAPAN** : Incorporated as the basecamp of Japan's healthcare market. ('22.6.20.)

Will carry out :

 - Local distribution and sales of pharmaceuticals, medical devices and health functional foods.
 - Joint R&D, license-in with local companies

- **Huons USA** : Sined local anesthetic(Lidocaine) supply contract With McKesson. ('22.6.27.)
 - FDA approval(ANDA) of Lidocane(vial, 5mL) ('20.5.)
 - Propagate high quality Huons injections through large distribution network.
 - Planning to expand the product line targeting the U.S. market, which lacks basic medicine supply.

*McKesson : Supplies 1/3 Pharmaceuticals of north America, (2021 sales : \$ 264B)

1. Financial Performance

(Unit : million KRW, %)

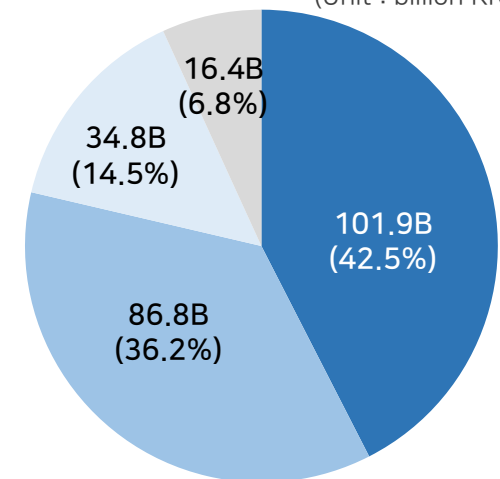
Classification	2019	2020	2021	2021 1H	2022 1H	YoY
Sales	365,019	406,678	436,911	210,923	239,944	13.8%
Operating Profit	48,398	54,125	45,282	26,185	22,602	-13.7%
OP ratio	13.3%	13.3%	10.4%	12.4%	9.4%	-3.0%p
Net Profit	37,413	56,586	30,581	17,722	16,216	-8.5%
NP ratio	10.2%	13.9%	7.0%	8.4%	6.8%	-1.6%p

2. Recent Highlights

- 1) Sales growth : Highest quarter sales on 2Q by even growth of' entire business sector
- 2) Decrease in profit ratio : R&D cost increase for business Expand
 - Cost of sales : labor costs for the 2nd plant were reflected in advance.
 - Cost of management : increase in R&D cost(clinical trial extend), HFF marketing costs and payment fee
 - Net profit decreased due to fall of investment shares.
- 3) Accelerate the clinical progress of the new drug pipelines.
- 4) Extended pharmaceutical production facilities.
- 5) HFF business is doing well.(Menolacto's quarter sales : 10B KRW)

3. Sales Composition ('22. 1H)

(Unit : billion KRW, %)



■ Pharma ■ Beauty, Well-Being ■ CMO ■ Etc.

4. Business area : Pharma(ETC) with stable expanding to related businesses

Pharma(ETC)

- Medications that require prescription
- Comprehensive portfolio covering various fields
- Expanding markets(export local anesthetics to the U.S)



Beauty·Well-being·Others

- Medications and others for health maintenance
- Health Functional Food and Medical Device



CMO

- Produce multiple items(eye drops, injections, etc)
- Customers : Multiple domestic and foreign pharmaceutical companies



Growth Strategy "Open Innovation"

- Make an exclusive domestic sales rights contracts and Joint research agreements
- Aim to find a next-generation growth-engine through Open Innovation

Classification	Indication	Status
New Chemical Entities	Liver disease	Selection of candidate materials in 2023
	Heart failure	Planning to start non-clinical in 2022
	Ocular disease	Planning to start IND in 2023

Subsidiary "Huons Foodience"

- Health functional food company
- Business in OEM/ODM, Own brand and export
- Building Value chain from raw materials to logistics
- Continuous development in raw materials

1. Financial Performance

(Unit : million KRW, %)

Classification	2019	2020	2021	2021 1H	2022 1H	YoY
Sales	69,035	80,351	93,693	54,228	58,598	8.1%
Operating Profit	9,377	12,187	12,196	8,174	11,931	46.0%
OP ratio	13.6%	15.2%	13.0%	15.1%	20.4%	5.3%p
Net Profit	8,769	13,278	8,990	7,125	16,815	136.0%
NP ratio	12.7%	16.5%	9.6%	13.1%	28.7%	15.6%p

2. Recent Highlights

1) All businesses field performed well.

- Aesthetic : Demand increase in filler, toxin for undistancing.
- CMO : HA API sales growth, increase in ETC&eye drops orders

2) Sales and OP rised sharply from the previous year

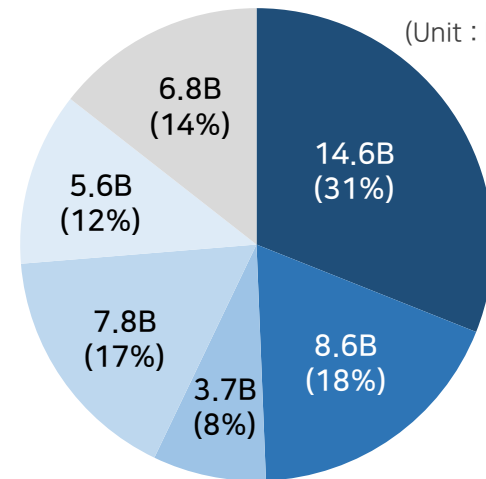
- Diversification of demand groups brought increase in aesthetic performance.
- Cost ratio decrease : Utilization rate increase by sales growth

3) Strengthening Aesthetic portfolio

- To be released : Arthritic injection, filler, DMF using Heparin sodium

3. Sales Composition ('22. 1H)

(Unit : billion KRW, %)



- Filler
- Botulinum Toxin
- Arthritic injection
- ETC
- Biosimilar API
- Cosmetics, Etc.

4. Business area : Aesthetic and Pharmaceutical products using HA·PDRN

Filler	Pharma·CMO	Cosmetics·etc.
<ul style="list-style-type: none"> Used for beauty and healthcare such as wrinkle improvement Registered in China and Europe 	<ul style="list-style-type: none"> ETC based on API, Manufacturing PFS, Amp, Vial, Eye drops Launched 1 shot arthritis(2nd in Domestic), L/O to China, EU CE certification 	<ul style="list-style-type: none"> Functional cosmetics using HA·PDRN, Achieved approval in China Launched LIZTOX('19.06) 

Growth Strategy "Biosimilar APIs"

- Strengthening aesthetic portfolio and becoming Bio-specialized company by expanding biosimilar API business

Classification	DMF Approval	Remarks
HA	2008	Raw material : Filler, injection of arthritis, eyedrops
PDRN	2018	Raw material : Regenerative medicine and beauty
Heparin	2022	First in localizing animal origin API
Hyaluronidase	2022	Less side effects

1. Financial Performance

(Unit : million KRW, %)

Classification	2019	2020	2021	2021 1H	2022 1H	YoY
Sales	27,789	34,468	19,387	8,408	20,134	139.5%
Operating Profit	974	(7,821)	(2,655)	(396)	597	Turn a profit
OP ratio	3.5%	-22.7%	-13.7%	-4.7%	3.0%	7.7%p
Net Profit	(5,623)	(38,115)	(6,178)	210	562	168.2%
NP ratio	-20.2%	-110.6%	-31.9%	2.5%	2.8%	0.3%p

※ Performance of 1H. '22. is consolidated result after merger of Hubena.

2. Recent Highlights

1) Sales growth, Turn a profit

- 2Q results : Sales 13.6B KRW(YoY 217%), OP 0.8B KRW(YoY 699%)
- Cosmetics subsidiary sales(2Q) : 4.1B KRW(YoY 8%)

2) Business reorganization by M&A : To become global healthcare total subsidiary

- Merged Hubena(medical container company) by absorption on July 1st.
- Increase performance by expanding business area and efficient management

3. Business area : Healthcare total subsidiaries

- Incorporate Hubena into a subsidiary ('22.04), merged('22.07) to diversify business area
- Diversifying business area through cosmetic packaging to medical container(ampulem, vial, Cartridge), etc.
- Work with affiliates to increase profitability and secure growth momentum

Cosmetic Packaging

- Manufacture puff, sponge, container for make-up
- Supplying materials to cosmetics companies(domestic&foreign)



Medical container

- Manufacture medical glass containers through special glass technology
- 120 clients including Huons Group



Physical and chemical equipment distribution

- Merged chemical equipment distribution business
- Distribute by establishing regional agencies and online malls

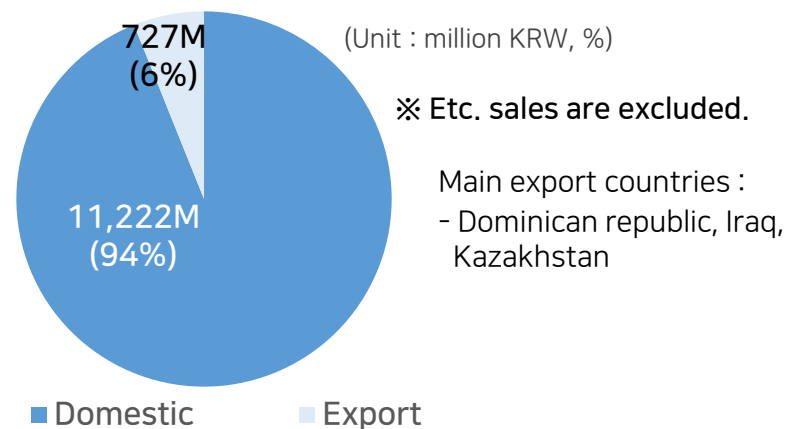


1. Financial Performance

(Unit : million KRW, %)

Classification	2021	2022 1H
Sales	15,155	12,846
Operating Profit	2,803	2,425
OP ratio	18.5%	18.9%
Net Profit	2,503	2,362
NP ratio	16.5%	18.4%

※ Huons Biopharma was established on April 2021.

2. Domestic & Export composition ('22. 1H)

3. R&D status : Expansion of indications and development of small molecule formulations

Pipe-line	Indications	Discovery	Pre-clinical	Phase I	Phase II	Phase III	Registration
HBPB1-001 (900kDa)	Glabellar lines						Finished
	Crow's feet lines						Finished
	Post stroke-upper limb spasticity					On going	
	Benign masseteric hypertrophy				Finished		
HBPB1-002 (150kDa)	Glabellar lines				On going		
HBPB1-004	Glabellar lines	On going					
HBPB1-005	Glabellar lines	On going					
HBPB3-003	Cellulite	On going					

4. Business area : Biological Pharma including botulinum toxin

- Bio business division was spun off from Huons Global('21.04)
- Attracted 155.4 B KRW investment from IMEIK(China) ('21.06)
- Share Holding Ratio('21.09) : Huons Global(74.6%), IMEIK(25.4%)

Manufacturing Facilities	Product line-up	
	HUTOX(export)	Liztox(domestic)
<ul style="list-style-type: none"> ▪ Facilities in Jecheon <ul style="list-style-type: none"> - Plant 1(1 mil Vials) - Plant 2(5 mil Vials) - Plant 3(9 mil Vials) : complete till 2024, operate in 2025 ▪ Selected as an institution of merit for biosafety management('20.10) 	<ul style="list-style-type: none"> ▪ Approval for export('16.10) ▪ 32 countries, 26 partner contracts ▪ License and Supply Agreement with AQUAVIT HOLDINGS in US('21.04) ▪ License and Supply Agreement with HAEMATO PHARM in EU('21.10) → Planning Clinical trial 	<ul style="list-style-type: none"> ▪ Launched('19.06) ▪ Co-sales in domestic market : Huons and Humedix ▪ 50unit('21.06), 100unit('19.04), 200unit('21.07) approved
		

1. Financial Performance

(Unit : million KRW, %)

Classification	2019	2020	2021	2022 1H
Sales	47,277	57,897	60,621	33,716
Operating Profit	10,457	9,239	9,891	4,865
OP ratio	22.1%	16.0%	16.3%	14.4%
Net Profit	5,933	7,944	6,522	4,071
NP ratio	12.5%	13.7%	10.8%	12.1%

※ Huons Meditech(previously Huons Medicare) merged Huons Medical on Feb. '22.
Results of '19~'21 are sum of both company's performance before merger.

2. Recent Highlights

1) Sales growth






- Market growth of single- use eye drops
- Continuous growth of disinfectant sales (10%)
- COVID-19 diagnostic kit sales : 2B KRW in the 1H.

2) Strengthened business capabilities and expertise by M&A

- Merged Huons Medical(medical device company) by absorption on Feb. 4th.
- Direct producing and R&D of disinfectants, medical devices, and subsidiary materials(injection needles).
- Open innovation, Biz acquisition for discovering new growth engines and expanding business area.

3. Business area : Medical disinfectors, Disinfectants and Sterilizers

- Established Huons Meditech : Merged Huons Medicare and Huons Medical ('22.02)
- Portfolio of medical devices(Beauty, Therapy, Sterilizers, etc.)

Antiseptic and Pharma(ETC)	Medical Device			
	Medical Sterilizers	Space Sterilizers	Beauty	Therapy
<ul style="list-style-type: none"> ▪ Antiseptic products for artificial kidney, endoscope instrument sterilization, body/hands tissue, and etc. ▪ Eyedrops, ETC for dyslipidemia and digestive system etc. 	<ul style="list-style-type: none"> ▪ 'Huen Single' ▪ "single use and discard" system ▪ Target on general hospital and overseas market 	<ul style="list-style-type: none"> ▪ 'HUEN IVH ER' Europe CE certification 	<ul style="list-style-type: none"> ▪ 'Derma Shine' for Autsko-Injection (China NMPA, Europe CE, Australia TGA certification) ▪ 'Derma AKNE' for acne treatment (Europe CE certification) 	<ul style="list-style-type: none"> ▪ Extracorporeal shockwave therapy 'URO-EMX', 'URO-EX', 'IMPO 88' ▪ 'JILL'SOF' for Vaginal dryness 

Becoming medical device company covers various fields



Subsidiary specialized in R&D of Biopharmaceuticals

- Hold 4 types of biological drugs pipelines
- Research and develop new peptide and recombinant protein medicines intensively

Group	Indication	Discovery	Pre-Clinical
New Biological Drug	Metabolism (Short Bowel Syndrome)	HLB1-001	4Q, 22
	Fibrosis(Skin)	HLB1-002 (Drug delivery)	4Q, 22
	Alzheimer's disease	HLB1-006 (Recombinant antibody)	1Q, 25
Biosimilar	Osteoporosis	HLB3-001	4Q, 23

■ Consolidated Statement of Financial Position

[Unit : million KRW]

Classificaton	FY2020	FY2021	2Q22
Assets	949,023	1,283,748	1,297,496
Current assets	427,322	618,519	603,209
Non-current assets	521,700	665,228	694,288
Liabilities	293,624	432,627	455,244
Current liabilities	237,373	347,001	362,131
Non-current liabilities	56,251	85,626	93,113
Equity	655,399	851,120	842,253
Equity attributable to owners of parent	412,828	537,838	534,235
Issued capital	5,732	6,015	6,311
Capital surplus	247,877	374,578	375,173
Capital adjustments	-25,323	-26,605	-32,728
Other comprehensive income accumulated	409	539	330
Retained earnings	184,132	183,311	185,149
Non-controlling interests	242,570	313,282	308,017
Total equity and liabilities	949,023	1,283,748	1,297,496

Consolidated Statement of Comprehensive Income

[Unit : million KRW]

Classificaton	2Q21	3Q21	4Q21	1Q22	2Q22
Sales	143,711	145,427	159,156	159,673	169,653
Cost of sales	124,218	126,311	144,965	138,999	149,223
Operating Profit	19,493	19,116	14,191	20,674	20,431
Gains/Losses on investments in associates	52	-21	-2,895	591	369
Other gains/losses	-1,552	16,197	-21,728	-2,896	-2,688
Profit before tax	17,993	35,292	-10,432	18,369	18,111
Income tax expense	3,846	20,525	2,135	5,566	7,919
Net Profit	14,147	14,767	-12,567	12,803	10,192
Profit, attributable to owners	6,551	4,447	-14,309	5,588	2,461
Profit, attributable to non-controlling interests	7,596	10,320	1,742	7,216	7,731
Earnings per share	554	376	-1,209	450	201



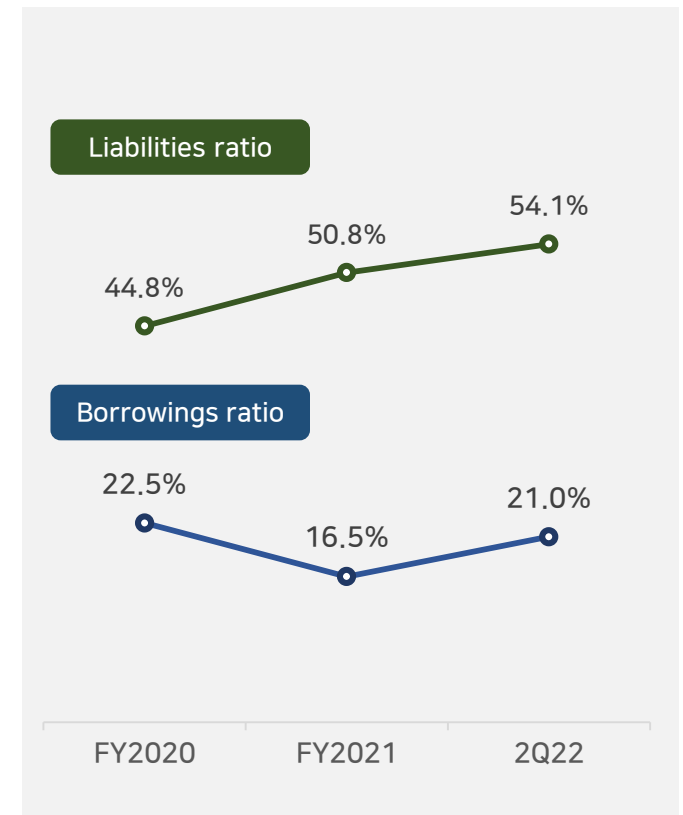
Financial Status

[Unit : million KRW]

Classification	FY2020	FY2021	2Q22	YTD
Assets	949,023	1,283,748	1,297,496	+13,748
Current assets	427,322	618,519	603,209	-15,311
- cash etc.	225,421	373,150	354,095	-19,055
Non-current assets	521,700	665,228	694,288	+29,059
Liabilities	293,624	432,627	455,244	+22,616
Current liabilities	237,373	347,001	362,131	+15,129
Non-current liabilities	56,251	85,626	93,113	+7,487
-Total borrowings	147,643	140,189	176,623	+36,434
Equity	655,399	851,120	842,253	-8,868

※ cash etc. : cash + cash equivalents + short-term deposits

Financial Ratio



※ Borrowings ratio = (total borrowings / equity)



ESG Mission

Construct ESG Management System & improve ESG performance by Sustainable Growth and Social Responsibility

ESG Committee

Soo-Young Song
(Chairman)

Kyu-Yeon Lee
(ESG member)

Jin-Woo Chang
(ESG member)

ESG Foot Prints

Oct. '21.

Dec. '21.

June '22.

July '22.

Oct. '22.



ESG innovation group



Received an ESG commendation from the ministry of trade, Industry and Energy



Hold the 1st ESG committee meeting set ESG Agenda



Signed ESG innovation MOU based on digital



Published Sustainability Report

Thank you