

Total Health Care Solution Provider

## Company History

Huons, started as Kwang Myung Pharm in 1965, has grown to a competent global company, producing original and effective essential medicine and medical products, through continual challenges and innovations over 50 years. Huons is putting a ceaseless effort for human health without disease. Our goal is to achieve 1 billion USD in 2020 and aiming to be the TOP TEN global company in the industry.

Beginning (1965 ~)	Preparation (2000~)	Take off Stage ( 2006 ~ )	Growing stage ( 2010 ~ )	Transition to holding company
Jul, 1965 Kwang Myung Pharm established Jul, 1987	Aug, 2000 Nominated for Top Venture Company  Jun, 2003	Oct, 2006 Awarded 'National Productivity Prime Minister Prize'	Jan, 2010 Humedix incorporated subsidiary (Acquisition)	May, 2016 Equity spin—o  Jun, 2016 Change listed
Converted into Kwang Myung Corporation  Dec, 1998	Changed the name of Huons Co., Ltd.  Aug. 2003	Dec, 2006 Listed shares on stock market  Dec, 2007	Apr, 2013 Awarded 'Chairman of the Fair Trade'	& re-listed or KODAQ
Korean's first development of plastic bottle injectables	ISO9001:2000 certified  Nov, 2004	Awarded Commendation for 'Corporate Social Responsibility	Jun, 2014 Selected as World Class 300 Jul, 2014	
Jan, 1999 changed the name to Kwang Myung	Awarded '5 Million USD Export Tower  Sep, 2005	Jan, 2008 Business collaboration with Alcon (Kynex)	Huonland(JV in China) established the plant  Nov. 2014	Globa Total Hea
Pharmaceutical Corp.	Inno-biz certified	Dec, 2008 Hubena incorporated	Certification of innovative pharmaceutical company	Care Experi
		Mar, 2009 USFDA Approval (510K) with	Dec, 2014 Humedix listed shares on stock market	
		Sodium Chloride Inj.  Oct, 2009	Nov, 2015 Awarded 'EY Best Entrepreneur'	
Citions -		KGMP accquired and the factory operated (Jecheon)	Mar, 2016 Awarded 'Exemplary taxpayer'	
			May, 2016 Huons Natural incorporated	

subsidiary

(Acquisition)

Sep, 2016

incorporated

subsidiary (Acquisition)

Land Site: 46,323 m²

3-story building

Floor space: 13,221 m²

Biotopia

### HUONS GLOBAL - Business Structure

### **Control Tower of Hugroup**



### Transparency of company control structure and management stability

### Management of Subsidiaries

- Utilize efficient resources to create synergies
- Obtain responsible management system
- Integrate management of overseas business

# Establishing a foothold in a new business

- Invest and manage the new businessStabilize the new
- ► Found lucrative business structure

business

### Discover a new future Growth Engine

- Found a business to create synergies with the current business (Health care, esthetic, etc)
- Actively discover diverse business opportunities

### Botulinum Toxin Business

- Growing up company valueTargeting global market
- Targeting global marke (United States, European Countries, China, etc)
- Synergistic effect with fillers

### Vision

Mission

## "Total Healthcare Group"

Purposes Medical Solution For Human Being's Health

Vision VISION 3 · 6 · 9 for 2025

Establishing 3
Global Production Bases

Developing 6
Innovative New Medicines

Securing 9 Hidden Champions

Strategic Directions

Diversification of busienss portfolio

Expansion of global business

Extension of innovative technology development pipeline

Operation of global standard management system

Core Value

Customer-oriented

Innovation-driven

Speed

Mutual trust

### Business & Products

- Business Portfolio with high potential of growth

### "Total Health Care Solution Provider"

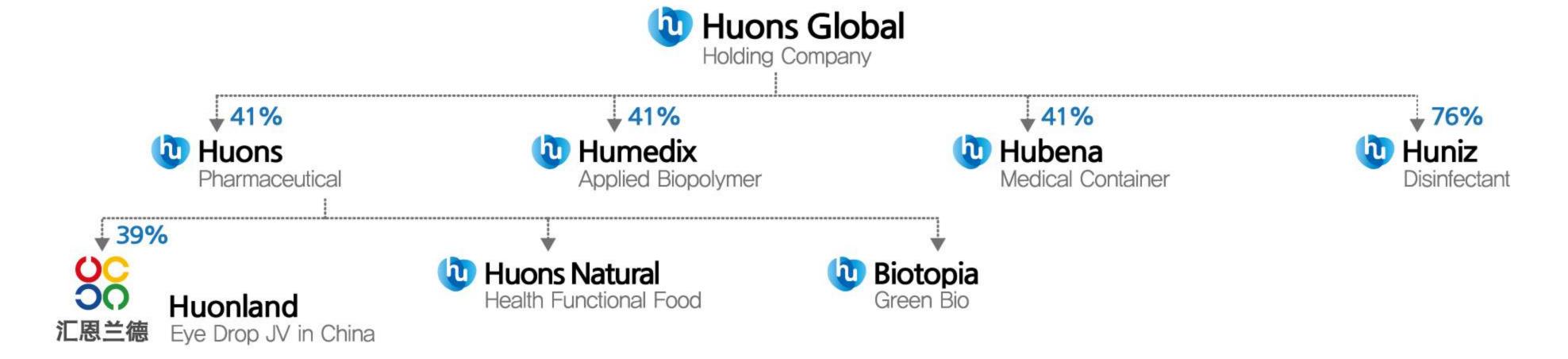
Business Portfolio

Pharmaceutical product (ETC, Well-being)

Medical device Bio CMO Cosmetic Health Functional Food

Sanitizer Medical bottle

• Performance "Growing fast with consistent profitability"



## Manufacturing site

- Location: 100 Biovalley Street, Jaecheon—si, Chungcheongbuck-do, Korea
- Established : June, 2014
- Production facilities investment completed
- Area: 1,104m²
- Managing the manufacturing facility automatically with BMS (Building Management System)





### Huons: Business & Products

- Pharmaceutical products for ETC, Dental Anesthetics and Well-being



Provides full product portfolio ► Registration for the approximately 300 pharmaceutical products Continues to secure key R&D design wins ► Cash cow

- Circulatory System
  - Hyperlipidemia: Rosuvastatin Tab., Atorvastatin Tab.
- Hypertension: Valsartan Tab., Lecanidipine Tab., Losartan Potassium Tab.
- Metabolic
- Diabetes: Glimepiride Tab., Metformin Tab., Pioglitazone Tab.
- Alzheimer's Disease: Rivastigmine patch
- Digestive System: Ranitidine Tab., Mosapride citrate Tab., Rebamipide Tab., Cimetidine Tab.
- Musculoskeletal System: High High inj., Risedronate Tab., Ibandronate Tab.
- Antipyretic-Analgesic-Anti-inflammation: Loxoprofen Tab., Aceclofenac Tab., Celecoxib Tab.
- Antibiotics: Cefaclor Tab., Amoxicillin Tab., Roxithromycin Tab., Clarithromycin Tab.

## Lidocaine / Articaine

Dental lidocaine - Rank No.1 in market share with local Anesthetics for dental care I High quality of products equipped with the state of the art automatic production system

- Export to Nipro(Japan) under long term cooperation (Lidocaine) Epinephrine Inj. 1:80,000 approved by Japanese MoH (PMDM))
- Product: Lidocaine inj., Lidocaine Epinephrine inj. (1:80,000, 1:100,000, 1:200,000(New))
- Articaine in sales: mainly used in Europe
- Exports to more than 20 countires

# O Well-being

I Strong growth of pharmaceutical market mainly driven well-being products I Expansion of high value-added products (Non-reimbursement)

- Increase Profitability
- Obesity: Phentermine Tab., Alginic acid Tab., Orlistat Cap., Phendimetrazine Tab.
- Immunity Booster: Sodium selenite inj., Ascorbic acid inj.(High concentration Vit.C), Colecalciferol inj.(Vit.D)
- Other well—being injection: Placenta ext. inj., Glutathione inj., Fursulthiamine inj., Magnesium inj., Ginkgo biloba ext., Caffeine inj., L-carnitine inj.



# ✓ Huons: Business & Products - Medical Device

I Aesthetic injection market growing fast (Filler / Botulinum toxin)

I Preemptive enter into Chinese market - Explosive growth ▶ New growth power

## Dermal Filler(Elravie) (With Lidocaine & Without Lidocaine)

- HDRM Technology: High Density Reticulated Matrix
  - ► High viscosity and elasticity
- Enhanced durability and volumizing(2.5mil,Da, HA-High molecule)
- Approved by CFDA (Chinese MOH) (2015.03)
- 4types approved by CE (2015.12)
- Hydro Lifting
- Under development: PCL filler PDRN + HA filler, Volumizing filler





# Injector(Dermashine)

- Auto injector: Correct depth of skin and volume of medicine
- Approved by CFDA (Chinese MOH) (2014.12)
- Under certification of CE expected completion in 2016



# Huons: Business & Products - Bio

### Hutox

- Product Specification
- Active Ingredient: Clostridium botulinum Toxin Type A
- Strengths : 100, 200 unit/vial
- Dosage form : Freeze-dried powder for reconstitution only with sterile and non-preserved
  - normal saline, prior to injection
- Storage : Unopened vial of HUTOX should be stored in
  - a refrigerator (2 to 8°C) for up to 36months.
- Indication

Temporary improvement of moderate to severe glabellar Wrinkles.

- Advantage
   High purity Botulinum Toxin (>99%)
- Plan
- Approval for export by KFDA during 2016
- Under development of liquid type



# Huons: Business & Products - Eye drop

- I Huonland(JV) established for China eye drops market
- Tremendous growth of China eye drops market caused by environmental issues
  ► CAGR 20%
- I Strengthened distribution channels through Alcon

## Kynex / Clacier

- Kynex The first disposable eye drop with HA in domestic
- Clacier Treatment for dry eyes with Cylosporine (nano particle technology)
- PCT applied to 8countries including USA and Japan
- Contracted Alcon for 10countries in Southern East Asia



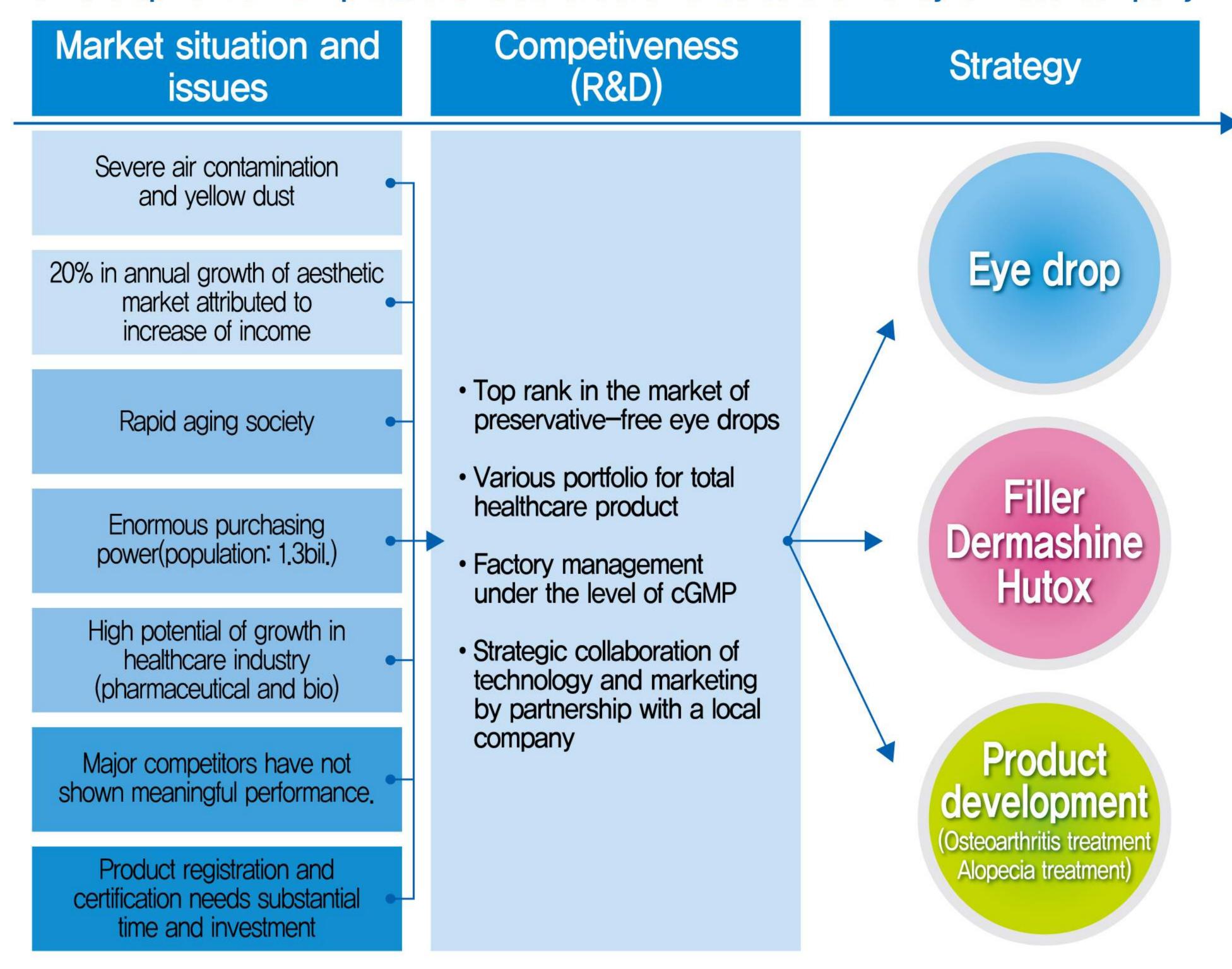
### Huonland

- Sep 2015 : Submitted drug license & GMP Application
- July 2016: Approved product registration (Brimonidine tartrate for glaucoma treatment)
- Early 2017: Expects approval for Disposable Eye Drop containing HA 0.1%, 0.18%, 0.3%.



# Huons: Development of Chinese market

Huonland JV -specialized in Eye drop-to break into Chinese pharmaceutical market
 Development of new product and construction of sales channel by Chinese company



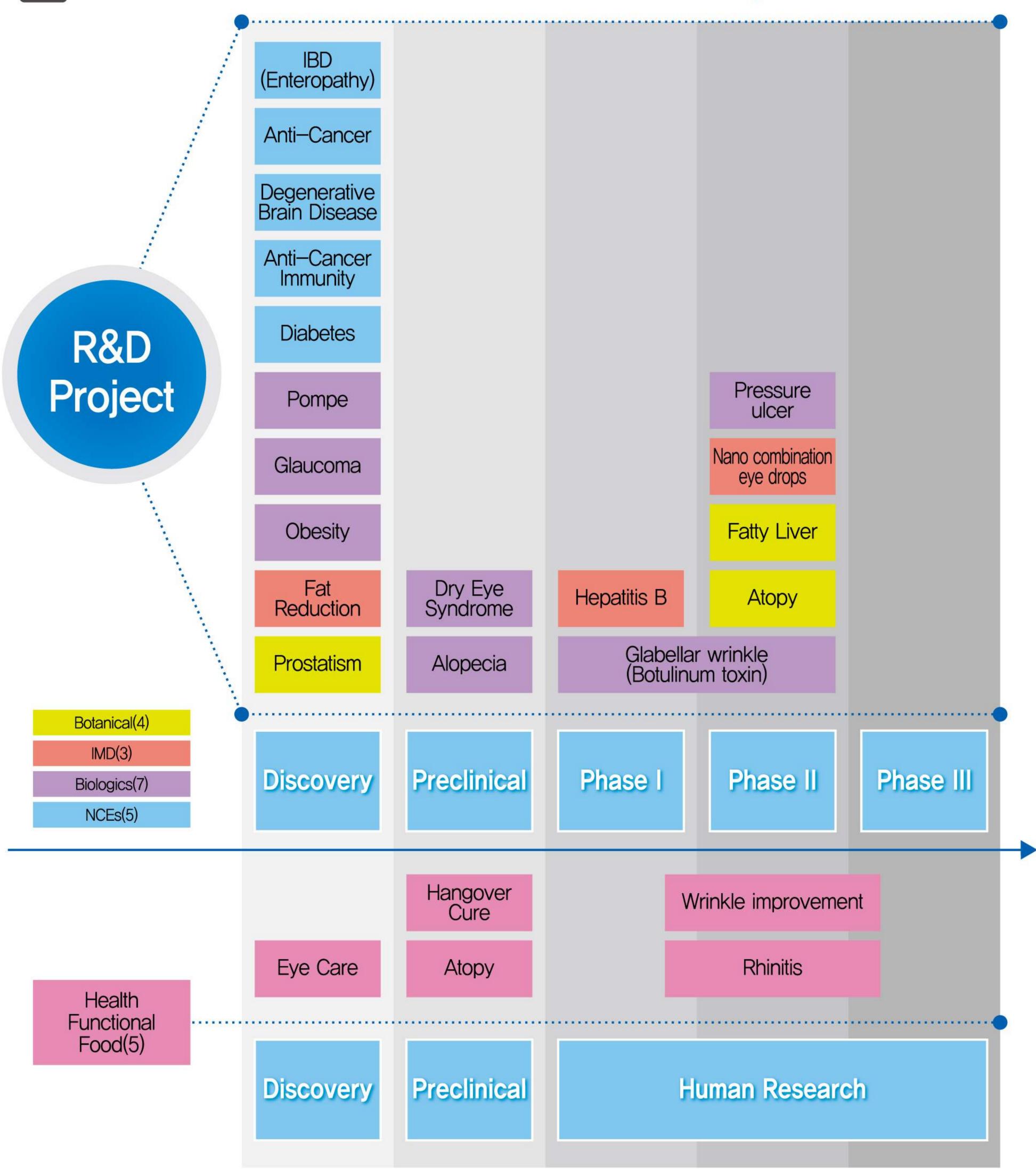
# Huons: Core Competence - Goal of R & D

- I New medicine development
  - Natural & bio materials
  - Support from government and utilization from University Industry Cooperation Policy

## R&D focusing field

Natural substance Incrementally modified drug Synthetic medicine Bio medicine Health functional food

## Huons: Business & Products - R & D Pipelines



### HUMEDIX - Business and Product of HUGROUP

I The second takeoff stage with construction of the new factory

## Current factory



Location: Jecheon, Chungcheongbuk-do

(Current factory)

- Production facility: PFS and API

# New factory (additional construction)



### (New factory)

- Date of commencement and completion: Mar, 2016 - Apr, 2017
- Production facility: Iyophilization injection, vial injection, ampoule injection, aseptic cosmetic line along with reinforcement of PFS and API line.
- Capacity: over 4times capable than current factory

# Humedix: R & D pipelines

### **Expansion of Products** HA Material Systemization(Manufactory Constructed ) ► Fermentation technology and HA raw material production (Extension of application areas) - completion: 2017 $\sim$ 2020 2. Functional Vitamins(Vitamin D zygote) ▶ Functionality Approval Synthesized macromolecules applied(Dual Function, stability) Research no Stage Completion Remarks **Project** Volumizing Natural macromolecules applied clinical Filler 2017.08 (High viscosity, high elasticity, stage 3 (HA Filler) durability) R&D Synthetic macromolecules Bio-Stimulator **Project** Nonapplied 2 Filler 2017.11 (Semi-permanent, collagen clinical (PCL Filler) regenerant) Cell Regeneration/Acceleration Tissue Non-**Material** 3 Regenerant 2017.11 (Salmon spermary—biochemical clinical (PDRN Healer) synthesis-derived material) Pre-filled Natural macromolecules applied clinical Joint Injection 2018,06 (Resembles human synovial fluid, stage 3 convenient for patients) (Syringe) Invention of biomolecules **Future** 2015 Investigation 5 applied DDS / Research Technology ~ 2020 Protein new material

## HUMEDIX - Business and Product of HUGROUP

# Humedix: Business & Products

World top class biopolymer source technologyContinuous growth and improvement of future value

## Main product specialized in high quality of HA

### Osteoarthritis treatment

- Outstanding quality and cost competitiveness

### Humia-14002 (One injection)

(High Molecular Cross-linked HA, 60mg/3mL)
Under development: IND completed
Clinical trial: Sep, 2016 - Jun, 2018
Approval by MFDS: End of 2018
Launching: The first quarter in 2019.
Technology export of one injection





(3-time injection)

(5-time injection)

### Dermal filler

- Differentiated product lines with highly purified HA

### New product

- PDRN injection: DMF submission (under process of approval)
- Sterile cosmetic (Elravie): Anti-wrinkle, skin brightening and rejuvenation (to be launched in 2016)

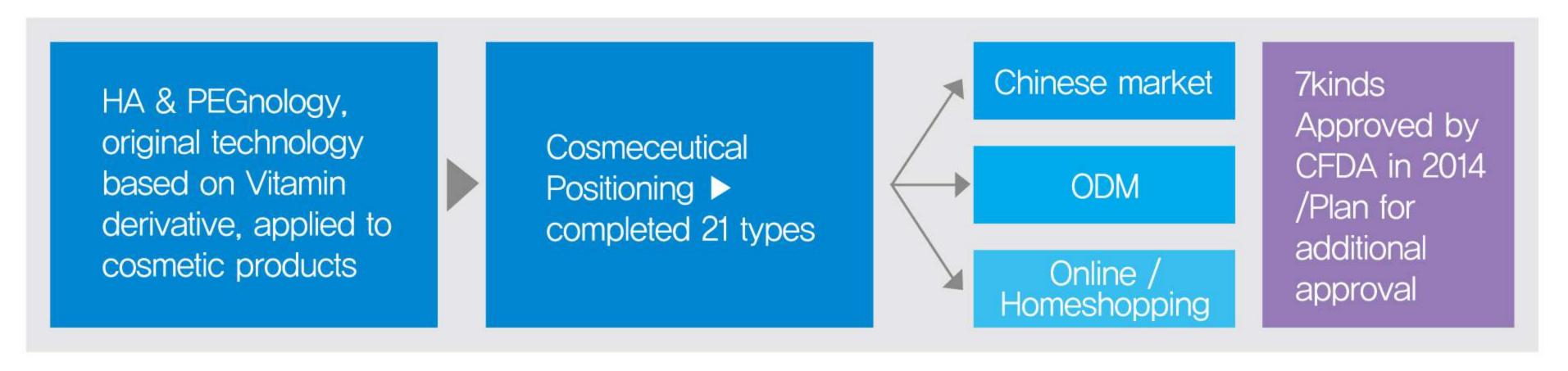


### Cosmeceutical

- HU:ON: Specially formulated ingredients with high concentration of premium HA
- Functional & newly developed ingredients approved by KFDA
- ※ Huvita-D(approved as wrinkle improvement) ► main ingredient of Vitamin-D with patent completed
- HU:ON 7: Functional ingredients
   Improvement of wrinkles and skin brightening
- Hypercell ampoule: Stem cell medium extract
   Improvement of wrinkles and skin brightening
- Homme (for men): Melittine
   Soothing and moisturizing
- V Thera mist 3: Vitamin C, D, E
   Moisturizing and Sun block
- Watershine D Cover Cushion: Vitamin D /High blossom CC Cream
   Skin cover, sun block and improvement of wrinkles



## Strategy and status



I Production and sales of medical glass bottle (Ampoule, Vial and Cartridge)
I Superior automatic equipment and facility(made in France) and competitiveness

for quality and cost leading to stable production synergy

## **Company information**

**Establishment** 

Oct, 1996

Main product

Glass bottle -Ampoule, Vial and Cartridge



## Management strategy

- New factory built in Apr, 2013 and increase of production
- Business expansion using various medical material prefilled syringe, PVC hole, rubber plunger and cap – not limited to existing items

### HUNIZ - Business and Product of HUGROUP

I Sales of cleansing sanitizer for medical device and ETC

I Business management for specialized medicinal products-Eco-friendly sanitizer preventing from environmental contamination and ETC

## **Company information**

**Establishment** 

Sep, 1999

Main product

Cleansing sanitizer for medical device



### Main product

- Medical sanitizer
- Hemoclean (Sterilizer of hemodialysis equipment— Approved by FDA/CE)
- Scoterin (sterilizer of endoscope)
- Hexi—ol 2% (Sterilizer of surgery equipment and skin)
- Eye drop
- Riblis (HA 1mg/mL)
- Riflu (Fluorometholone 1mg/mL)
- Ridifen (Ketotifen 0.5 mg/mL)
- Oral
- Alniz Tab. (antipeptic ulcer drug)
- E-Stine Cap. (antitussive expectorants)
- Nizlevocetirizine dihydrochloride Tab. (Antihistamine)

# **HUONS NATURAL** - Business and Product of HUGROUP

Market penetration Strategy

M&A
(Production technology securing)

R&D (Product development)

Product launching





# "Role as a production base of health functional food"

- Location : Jincheon—gun,
   Chungcheongbuk—do
- Maine product : Product using natural ingredients
- Certification: HACCP, GMP for excellent health functional food

# Huons Natural: R & D

## Health functional food

Product name	Efficacy	Launching schedule	Status
Honey bush extract	Improvement of wrinkles	1Q 2017	Completion of clinical study

### Honey bush extract

1 Information	
Raw material	Honeybush: Known as anti-aging effect
Nomenclature	Cyclopia intermedia E. Mey. (Leguminosae)
Edibility	Positive
Basis of edibility	http://www.itmonline.org/arts/honeybush.htm
Main ingredient	Flavanone(hesperidin), Xanthone(mangiferin)

Skin wrinkle improvement + Elasticity improvement

### 2 Patent

Indication

Completed	Korea	Composition for skin wrinkle improvement containing honey bush extract or fermented liquor thereof as an active ingredient
	PCT (EU & USA)	Composition for preventing or alleviating skin wrinkles containing honey bush extract or fermented liquor thereof as an active ingredient
Under application	Korea	Composition of cosmetic for skin moisture and of food supplement containing honey bush extract, fraction or fermented material as an active ingredient
	PCT	Composition for skin improvement containing fraction from honey bush extract and compound thereof

### Clinical Test

Individual acceptance for skin health (Maintenance of skin health from damage by UV)

- Non clinical including toxicity test
- Human application

Prominent/unprecedented efficacy of clinical trial test in health functional foods

Multiflora Fruit Extract	Prevention of rhinitis	Dec, 2017	Under process of clinical trial
Lactic acid	Atopy dermatitis	Jun, 2018	Planning clinical trial

### General food

Product name	Efficacy	Launching schedule	Status
Hematocus	Antioxidant (astaxanthin)	Oct,2017	Under development
Curcumin	Maximum bioavailability	Feb, 2017	Under development

#### Status of global business I Expand export with highly qualified products manufactured in the level of cGMP Sharp increase of sales for medical device Europe -Filler, Dermashine Taiwan Poland Kazakhstan Uzubekistan Mongolia USA Czech Slovakia Saline solution Lithuania approved by FDA, Ukraine To be registered to ANDA Under preparation of additional products .............. 0 0000 Japan 000000 Southern East Asia Lidocaine injection Africa approved by 00000 Nigeria 000 PMDA in 2014 0000 Vietnam 00000 Egypt Collaboration 0 0 0 Thailand Ghana with Nipro 000 Philippines Ethiopia Guatemala Signapore 00000000000000 00 000000 00 Venezuela Malaysia Chile 000000000 0.0 Dominica Nicaragua 0000 000 0 000000 0000000 0000 0.0.0 00000 000 0000 0.0



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