



Humedix

Presentation to Investors

Investor Relations

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.



Strong Performance

- In 3Q'17, consolidated revenue of KRW 40.5bn, operating profit of KRW 9.6bn, and net income of KRW 11.3bn(21.8%, 2.3% and 32.1% YoY respectively)
- 10% growth of filler products, Cosmetics 304%, 11% increase in raw materials
- In 3Q, the launch of functional cosmetics in the esthetic business division and the expansion of the raw material drug market



“ HUTOX + FILLER + Dedicated medical device to secure market competitiveness, Maximize sales and profits”

Humedix Core Values



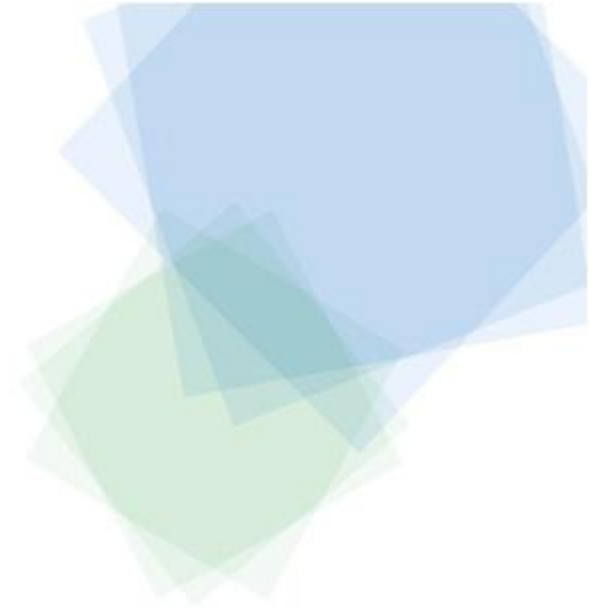
Increase sales and profits by diversifying distribution channels



Osteoarthritis Injection('HUMIA')
: One-shot Osteoarthritis Injection, Domestic clinical trials phase 3 in progress



State-of-the-art cGMP Level Factory
:Expansion of CMO Business based on superior quality



Company Overview

Huons Group

Company Overview

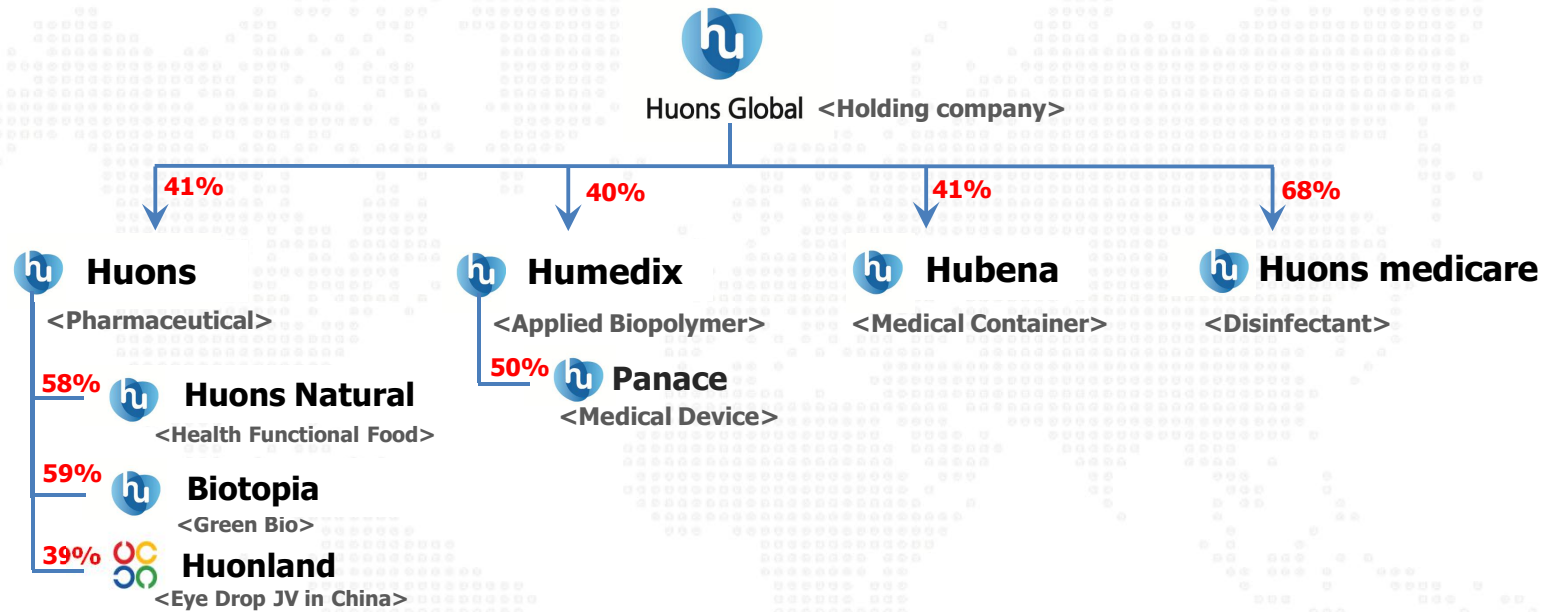
Company History

Business Area

Corporate Vision(Business Strategy, R&D)



Huons Group Overview





Company Overview

| | | | |
|---------------|---|-----------------------|---|
| Company Name | Humedix | Date of establishment | February, 2003 |
| C E O | Jeong Gu-wan | Founded | Dec 26 th , 2014 (Code: 200670) |
| Head Office | 603 Megavalley, 268, Hagui-ro, Dongan-gu, Anyang-si, Gyeonggi-do, Korea | Employee | 147 person |
| F a c t o r y | 17, Biovalley 2ro, Jecheon-si, Chungcheongbuk-do, Korea | Key Product | Anti-osteoarthritis Medicine Dermal Filler , Ophthalmic Medicine |
| E q u i t y | 44.5 Billion KRW | Webpage | www.humedix.com |

CEO Profile



❖ CEO Jeong Gu-wan

- Korea Allergan CEO
- Korea Alcon CEO

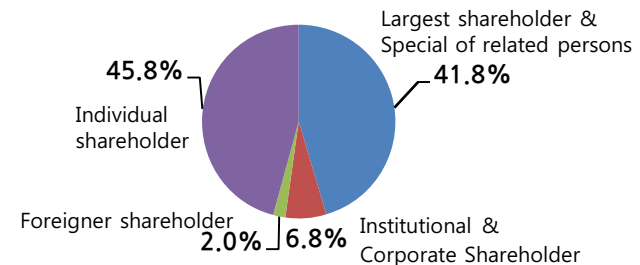
Subsidiary company

Panace

- Established in April 2005
- Ownership ratio 50.08%
- Medical Device
- Derma Shine , DermaAKNE

Shareholder Constitution

(2017.03)



| Division | Number of shares | Ratio(%) |
|---------------------------------------|------------------|--------------|
| Largest shareholder (Huons Global) | 3,606,475 | 40.4 |
| Special of related persons | 443,312 | 5.0 |
| Institutional & Corporate Shareholder | 604,330 | 6.8 |
| Foreigner shareholder | 178,946 | 2.0 |
| Individual shareholder | 4,084,989 | 45.8 |
| Total | 8,918,052 | 100.0 |

Company History



Preparatory (2003 ~)

- '03.02 Converted to Chinese Medicine Village Co., Ltd.
- '07.03 Changed the company name into HVLS Co., Ltd.
- 09 BGMP Certification for Jecheon Factory
- 11 KGMP Certification for Jecheon Factory
- '10.01 Change the company name into Humedix Co., Ltd./ Incorporated as a subsidiary of Huons Co., Ltd.
- '12.01 Beauty filler 'Elraive' acquired permission from Korea Food and Drug Administration (KFDA)
- 12 Built three kinds of filler line-up

Leap (2013 ~)

- '13.06 Designated as a promising export small and medium enterprise (Gyeonggi-do Small and Medium Business Administration)
- '14.08 Global Hidden Champion Promotion Project Agreement (Korea Research Institute of Bioscience and Biotechnology)
- 12 Listed on KOSDAQ

Growing (2015 ~)

- '15.03 Dermal filler 'Elraive Deep Line Plus' formally registered in China Food and Drug Administration (CFDA)
- 08 Elraive Filler Deep Line Plus launched in China
- 10 Hyaluronic Acid Filler development technology selected as '2015 100 National R & D Excellent achievements' selected as the Ministry of Science, ICT and Future Planning
- 12 'Hyaluronic Acid Filler Elraive obtained European CE Certification
- '16.09 'Asia's 200 Most Promising Companies' selected by Forbes Asia Acquired a medical device company 'Panace'
- '17.01 Jeong Gu-wan inaugurated as CEO
- 04 Completed cGMP class Jecheon new factory
- 05 Launched Panace medical device 'DermaAKNE'
- 12 KGMP Certification for Jecheon Factory

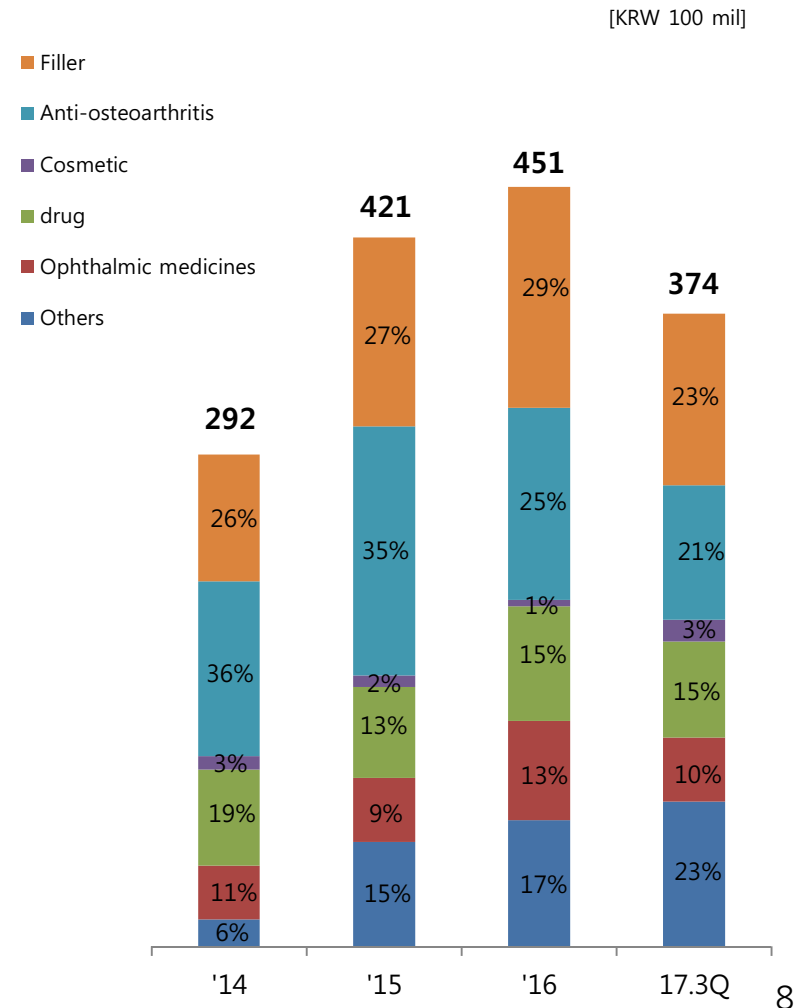


Business Area

[Business structure]

| | |
|---------------------|---|
| Filler | <ul style="list-style-type: none"> Using wrinkle-enhancing beauty molding health care Using high purity hyaluronic acid raw material HDRM Technology → Technology China CFDA registration ('15.03 , 2nd registration in Korea) |
| Anti-osteoarthritis | <ul style="list-style-type: none"> Joint synovial injection (Hyaluronic acid component) → Improved athletic performance / reduced pain Major products : <5 dose type: High Hyal>/ <3 dose type: High Hyal Plus > 1 dose type Technology export(China) : Similar to human synovial fluid (Phase III) |
| Cosmetic | <ul style="list-style-type: none"> '17 'Cosmeceutical' Corporate change 'Elraive', 'HU:ON' Activating cosmetics own brand Launched exclusive functional cosmetics of HA Specialized(Wrinkle improvement, whitening, etc.) Continuously expand product line-up and diversify sales channels |
| Others | <ul style="list-style-type: none"> Medicine : Establish a portfolio focusing on Prescription drug - Anemia, endocrine digestion, etc. expansion of specialized Relevant symptoms' Ophthalmic medicines : Strengthen distribution channels for eye drops at home and abroad 'huonland' - Corneal and conjunctival epithelia trouble - Supplements in ophthalmic operations Derma Shine : Supplements in ophthalmic operation (Panace) |

[Sales Structure]





Business

Dermal filler

Osteoarthritis treatment

Cosmetics

Others



Dermal filler

Business strategy

- Expansion of domestic and overseas markets through various product lines based on high purity HA
- Development of new product through R & D such as Volumizing filler.
- Mid- to long-term momentum by aggressively expanding into China

- Growth Upside**
- ✓ Chinese beauty injection (**Filler + B-Toxin**) market scale
→ **High annual growth rate of over 30%**
 - ✓ **Preemptively entering the booming Chinese beauty market**
→ **Securing new growth engines through Bundle sales**

'Dermal filler(elravie)'

➤ Highly purified HA



Minimize inflammation and immune inducing substance

- Application of advanced HI method (High molecular Ideal Reticulated Matrix)→ High viscosity, elasticity, safety
- Good volume sense compared to competing products, also excellent durability and resistance to enzymes(2.5 million dalton polymer)
- 2015.03 Dermal filler formally registered in CFDA
- 2015.12 Four kinds of Elravie obtained European CE Certification, Additional verification proceeding
- 2018. New products such as Volumizing filler will be released



<Light>



<Deep Line>



<Ultra Volume>



<Balance>



Osteoarthritis treatment



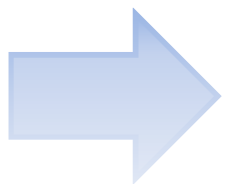
- Improved usability(Number of injection: for 3 weeks or 5 weeks → 1 weeks)
- Decreases the chances of inflammation and infections by reducing injection frequency from 3 to 1.
- Excellent biocompatibility from the use of 2.5 million Daltons of cross-linked hyaluronic acid

➤ Technology export and strategic alliance (HAIBIN, China)

➤ Enlarge entry into developed markets such as EU and North America

'Osteoarthritis treatment'

➤ Hyaluronic acid is a component of joint synovia.



<5 dose type: High Hyal>



<3 dose type: High Hyal Plus >

- Osteoarthritis sufferer's synovia with increased inflammation factors is reverted to the normal joint synovia conditions
- The high viscosity and resulting lubricating activities of the joint improve joint movements and reduce pain.
- Excellent cost(from raw material to product) & absolute advantage of the quality(sterile material)
- The CMO sales has increased and Domestic market share has expanding
- CMO company : huons, yuhan, ajupharm, il dong , Kukje Pharma Etc



Cosmetics

Business strategy

- 'Derma Elravie' Enhance brand image (Focusing on the rapid growing cosmeceutical market and diversifies distribution channels)
- highly functional Cosmeceutical cosmetics development → 'Derma Elravie' Brand new launch
- Developed high-functional cosmetics raw materials such as huvia Dp, honey bush based on PEGnology and differentiated biotechnology

- ✓ Expansion of export to China, USA and Southeast Asia
- ✓ Duty Free Shop, Home Shopping, Road Shop, Visit Sales, H&B Store
- ✓ Sales to grow rapidly in '17 thanks to strengthening of new brands, expansion of product lineup, and diversification of distribution channels

'Derma Elravie'

New producty Line-up



<Skin rejuvenation care Aseptic ampoule>
Stem cell culture fluid +PDRN

<Anti-aging Aseptic ampoule>
Huvita Dp+Honeybush EXT

<Whitening Care Aseptic ampoule >
Niacinamide+Glutathion



<Premium Mask Pack>
Hyaluronic acid (HA)+Hurinkle 3-Complex (Honeybush+PDRN+Vitapol)

<Essence Gel>
HA+Honeybush

<Honey bush fermentation essence>



Derma Elravie



High functional cosmetics
HA + New Active ingredient



Moisturizing factor cosmetics
HA + PDRN



Growth factor cosmetics
HA + EGF & FGF



Others

Derma Shine & Raw materials others

Derma Shine

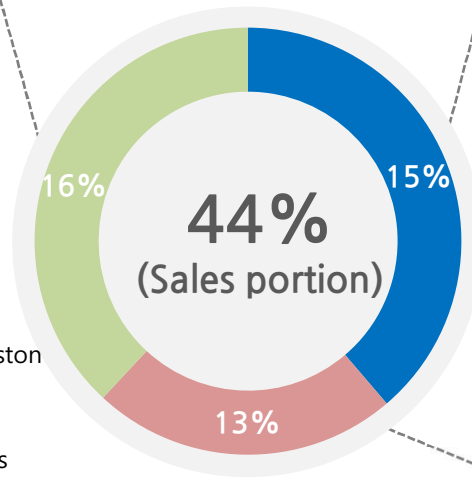


< Derma Shine I > < Derma Shine Balance >

- Digital Injection System and Multi Needle
- Auto-sensing injection system
- Forward speed and distance adjustment of the piston holder according to the operating modes
- Subsidiary company- Panace Produce (50.08%) – Maximizing synergies with dermal filler Elravie series

Raw materials

- HA raw material (sodium hyaluronate) Increase in sales
- Cosmetics and other applications of polymer applications continue to increase
- Company
 - huons, hwail pharm, yooyoung pharm, hankim pharm Etc



Prescription drug (Anemia, endocrine, bronchitis, etc.)



- Stable and balanced revenue generation
- Erypotin Prefilled Injection (Anemia)
- Humedix Dexamethasone Phosphate disodium Injection (Hormonal disorders)
- Humedix Lincomycin Injection (pneumonia, bronchitis)
- Humedix Tramadol HCl Injection (Moderate to severe acute/chronic pain)

Ophthalmic medicines



- Corneal and conjunctival epithelia trouble
- Supplements in ophthalmic operations
- Prosan Eye Drops (Corneal and conjunctival epithelia trouble)
- Higheye Injection (Supplements in ophthalmic operations)



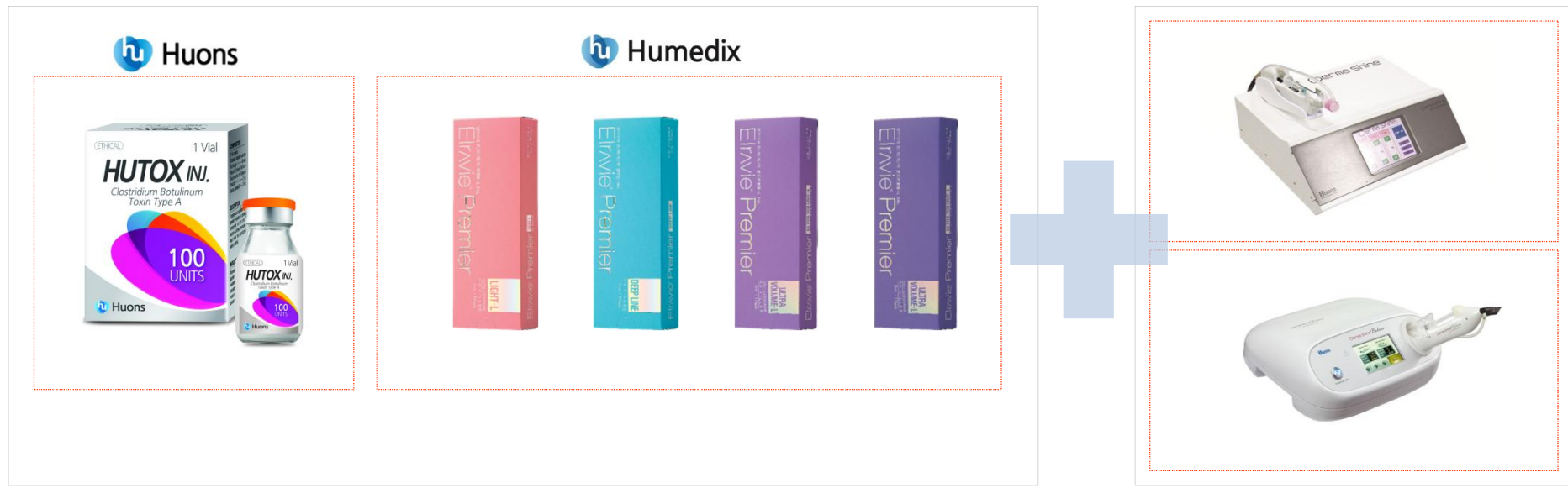
Humedix Business Strategy

- 1. Product package sales strategy**
- 2. Increase sales and profits by diversifying distribution channels**
- 3. Completed the second factory**



Business Strategy #1

“ HUTOX + FILLER + Dedicated medical device to secure market competitiveness, Maximize sales and profits”

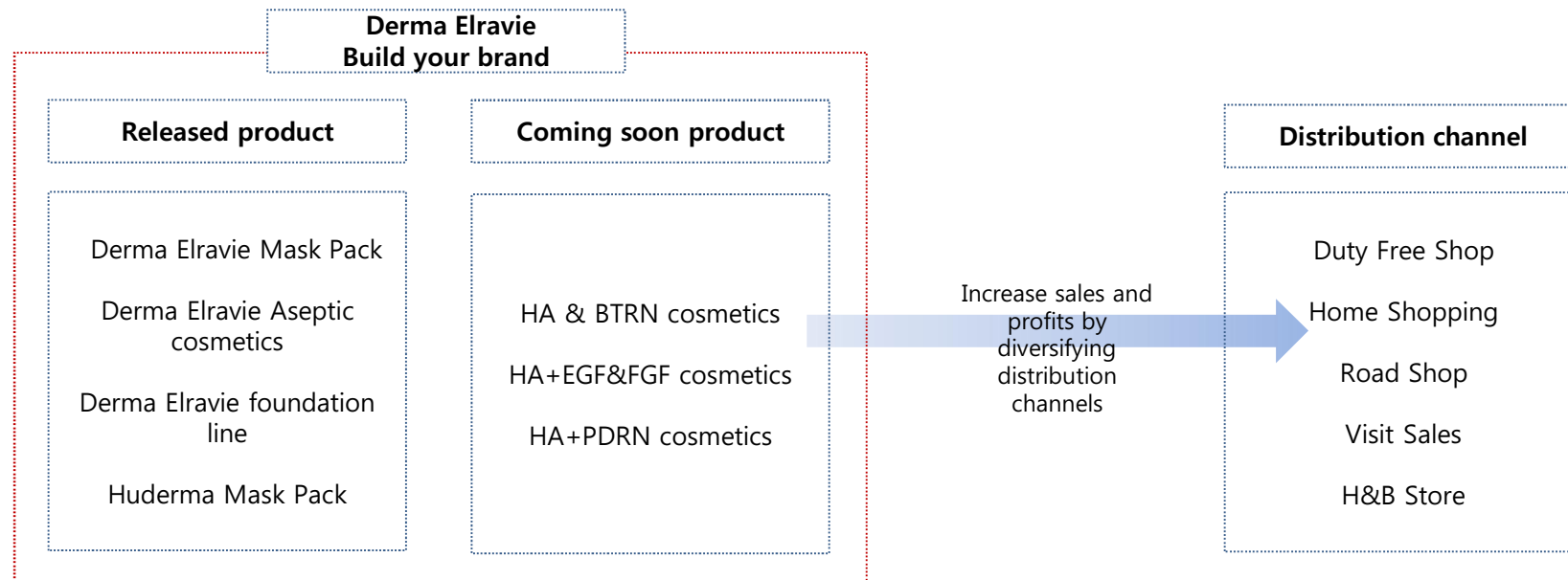


- By establishing a package sales strategy for botulinum toxin products "HUTOX" of Huons and "Elravis series" of Humedix



Business Strategy #2

Establishment of '**Cosmeceutical**' cosmetics brand position by expanding product line-up and diversifying distribution channels

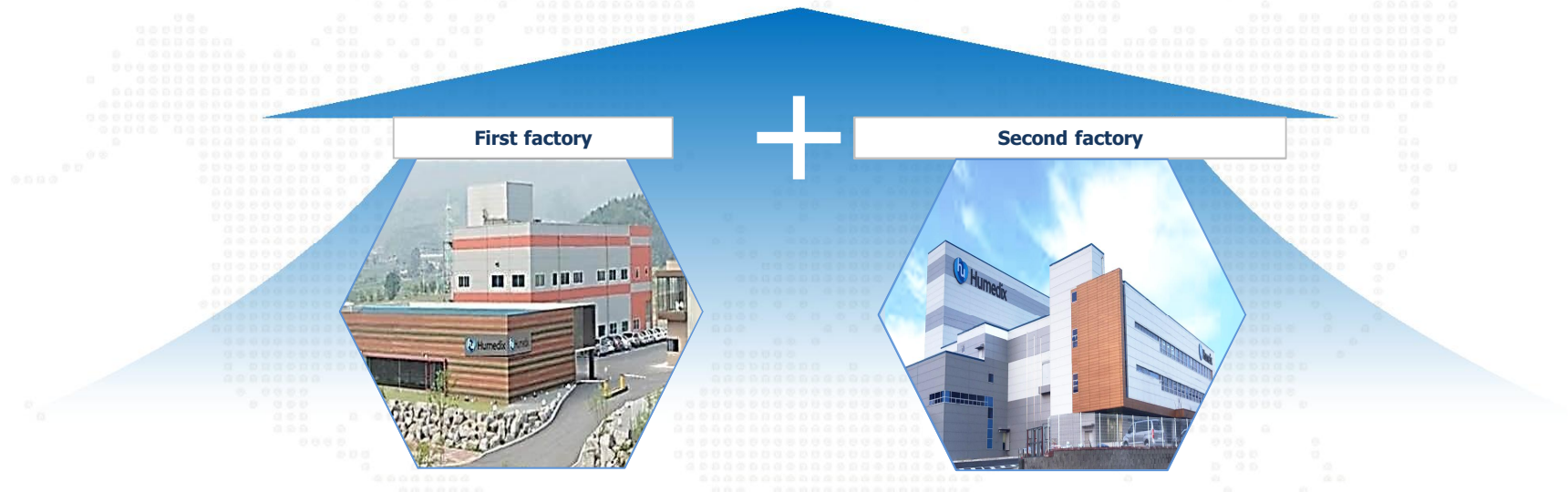


- We launched three cosmetics and six premium mask packs in the first half of the year, launching cosmetics cosmetics '**Derma Elravie**' brand. Continuing to expand product line-up, premium cosmeceutical brand image
- We plan to diversify our distribution channels as a result of sales growth and plan to partner with overseas players to advance into overseas markets



“New growth momentum with new factory”

-Capacity : 4 times bigger than first factory, Production secured at 200 billion won



New Factory Production & Facilities

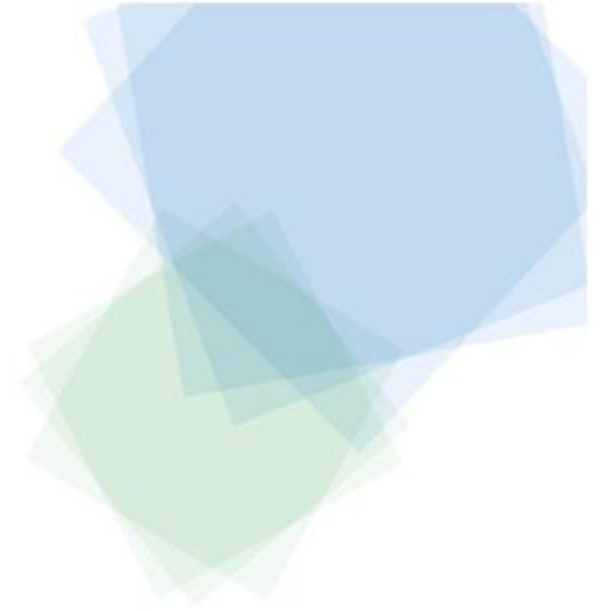
- Reinforcement of prefilled Inj(Joint Inj) facility
- Installation of vial freeze drying Inj facility
- Installation of ampoule Inj facility
- KGMP Certification for Jecheon Factory

Current Status

- Location : Chungcheongbuk-do Je-Cheon
- Beginning Date of Construction : March 2016
- Completed Date : April 2017
- Investment Amount : More than 48bn KRW

Line of Second Factory

| 1'st factory | 2'nd factory | Capacity |
|--------------|-------------------------|----------------|
| PFS#1 | - | 3,500ea/hrs |
| - | PFS#2 | 8,000ea/hrs |
| - | PFS#3~#4 | Future Line |
| - | Vial-Freeze Dryer(Vial) | 12,000Vial/hrs |
| - | Ampules#1 | 30,000ea/hrs |
| - | Ampules#2 | Future Line |



R&D

Huons Group R&D Network

Core competency

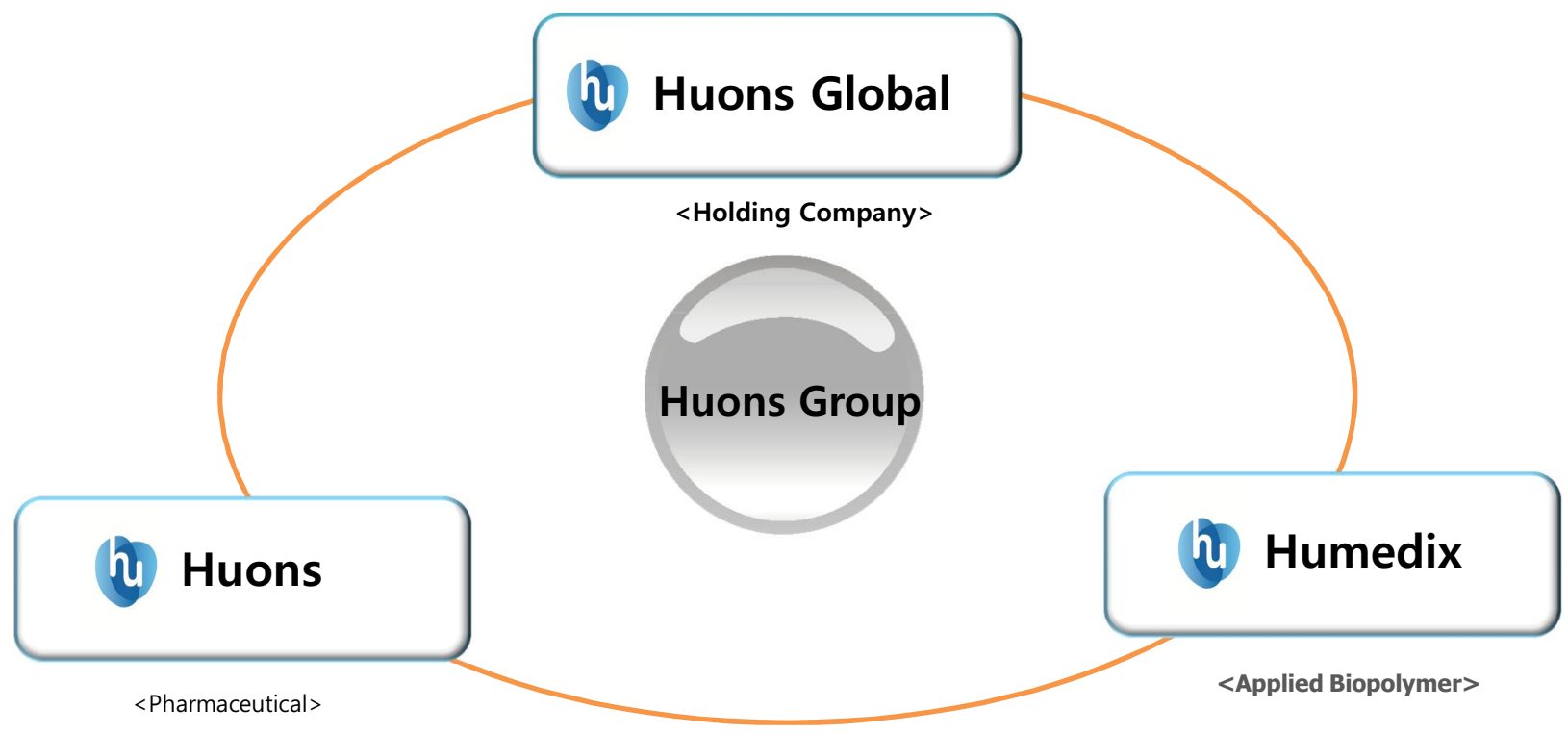
Pipeline

Portfolio





Huons Group R&D Network



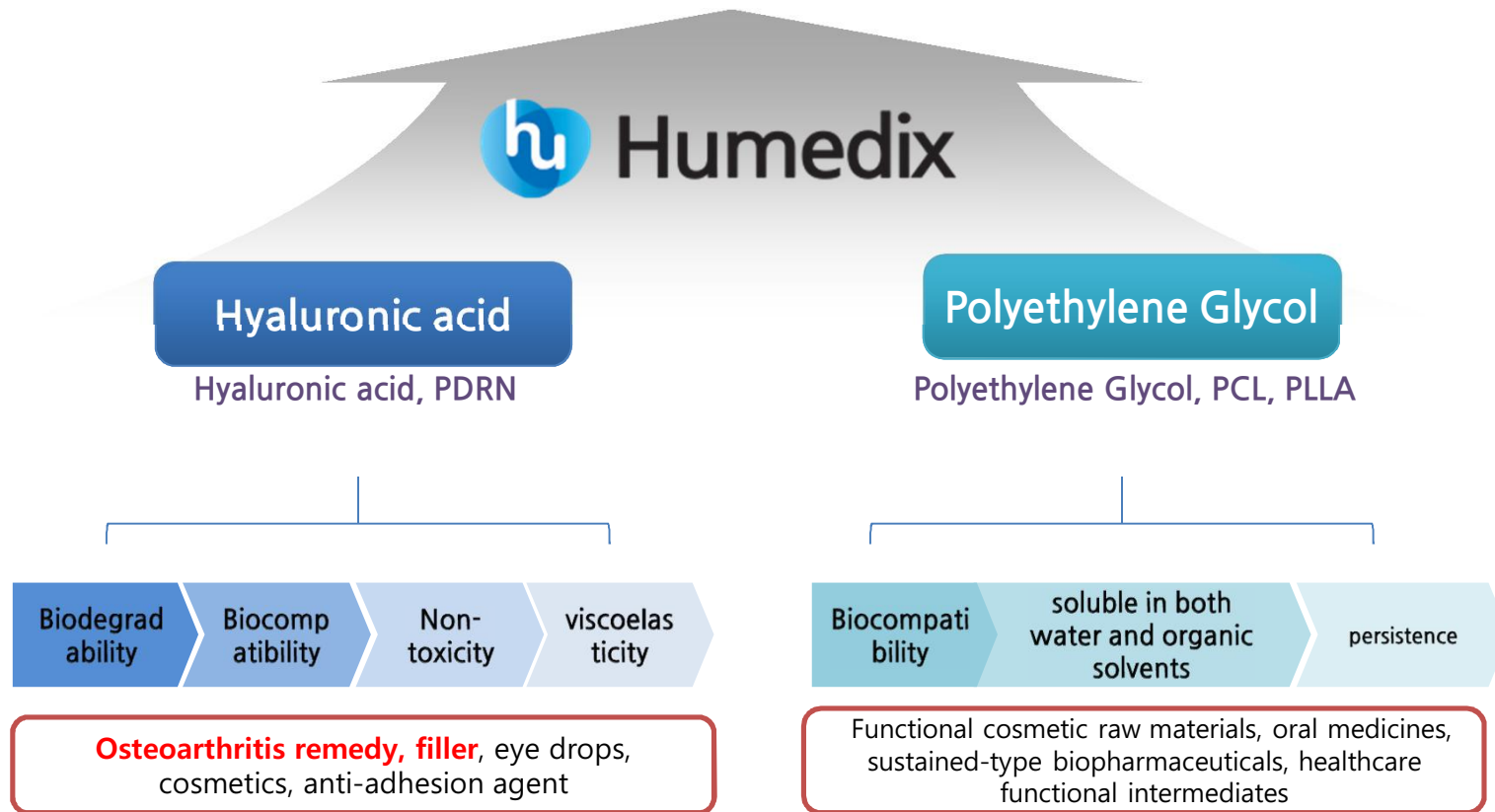
Maintain specialization system of bio, improved pesticide and biopolymer area
-> Establishment of research and development business cooperation system for each center



Core competency

- Both core source technologies for biopolymer raw materials and applications only at home and abroad→ Creating high added value
- Continuous total healthcare product development through the world's highest quality raw material production and convergence source technology

Biopolymer Technology & Application Leader

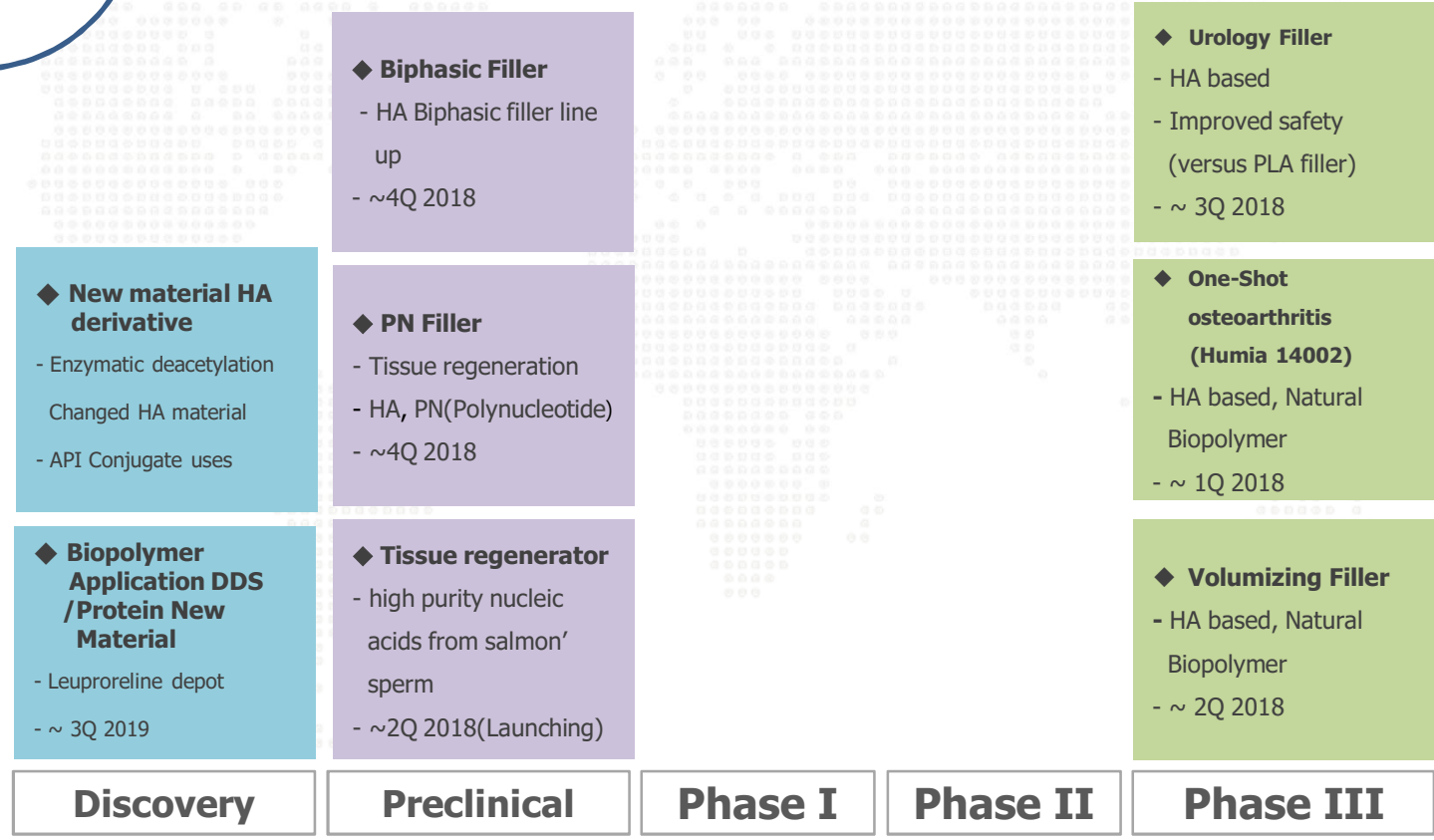




"Expanding product portfolio and leading the market"



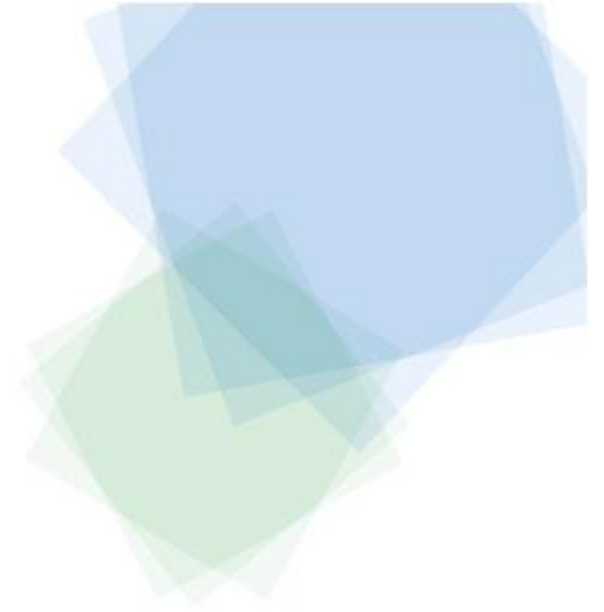
1. HA raw material systematization (construction of the manufacturing plant) → securing fermentation source technology and production of HA raw material
2. PDRN Pharmaceuticals and medical devices lineup
3. Functional Vitamins (Vitamin D conjugate) → Functionality certification (Application of synthetic polymer, Dual Function, Stability)





R&D Portfolio

| No. | Research project | Research stage | completion | Features |
|-----|--------------------------------|----------------|------------|---|
| 1 | One-Shot osteoarthritis | Phase III | 2018.1Q | Improved usability(Number of injection: for 3 weeks or 5 weeks → 1 weeks) |
| 2 | Volumizing Filler | Phase III | 2018.2Q | Improvement of high viscosity / high elasticity / persistence |
| 3 | Urology Filler | Phase III | 2018.3Q | Higher safety compared to existing products |
| 4 | PN osteoarthritis | Preclinical | 2018.4Q | Application of high purity purified nucleic acid derived from natural materials |
| 5 | PN Filler | Preclinica | 2018.4Q | Extraction of high-purity nucleic acid from salmon testis(self-developed aseptic process) |
| 6 | Biphasic Filler | Preclinica | 2018.4Q | Application of new cross link method, securing Filler |
| 7 | New brand Filler | Preclinica | 2018.4Q | Neck wrinkle filler |



THE END

