



INVESTOR RELATIONS

| Sep 2024

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Agenda

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| 01 | Company Overview |
| 02 | HLB Pharma Business Area |
| 03 | Q2 24 Profit & Loss |



HLB Pharmaceutical

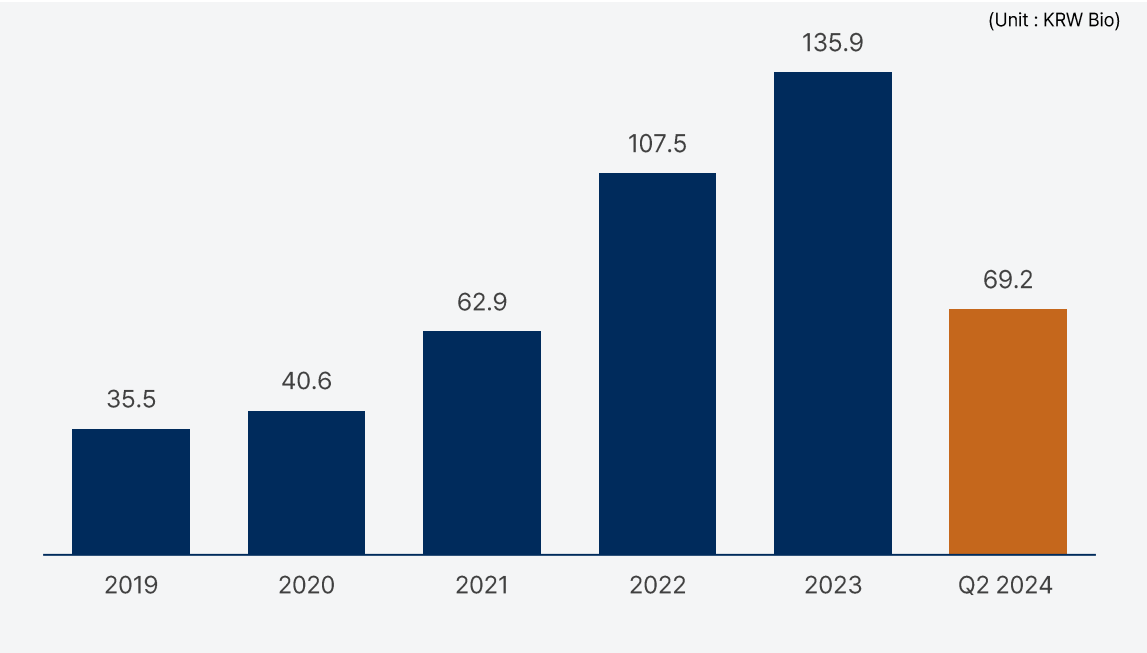
Established Date	April 23, 1998
KOSDAQ listing date	December 21, 2015
CEO	Jae Hyung Park
Business site	<div><div></div><div><ul style="list-style-type: none">Headquarter (Seoul)Namyangju PlantHyangnam PlantDDS Research Center (Dongtan)Formulation Research Center (Gunpo)Korean Joint Research Center</div></div>
Business area	<div><div></div><div><ul style="list-style-type: none">ETC, OTCCMOHealth function foodDevelopment of new drug</div></div>
Listed Stocks	30,312,757 shares
Revenue	135.9 billion won (as of December 31, 2023)
Capital Stock	15.1 billion won (as of December 31, 2023)
Number of employees	224 people (as of December 31, 2023)
Homepage	www.hlbpharma.co.kr

CEO Jaehyung Park



- Partner attorney at Haesong Law Firm
 - Partner attorney at Jipyong Law Firm
 - Hyundai Group Advisory Attorney
 - Shinhan Financial Group Advisory Attorney
 - Seoul Central District Prosecutors' Office Prosecutor
- Board member of PICO Innovation
 - Board member of KOREA PHARMACEUTICAL INDUSTRY COOPERATIVE
 - Samsung C&T
 - Non-executive director of Korea Workers' Compensation and Welfare Service

5Y Sales Trend





HLB Pharmaceutical



ETC

- CSO: Sales by the 3rd party sales Organization
- Pre-marketing of Rivoceranib



CMO

- ETC/OTC
- Namyangju & Hyangnam Factory

Generic



- Launch brand new "Quanchell", specialized in the joint healthcare
- Home shopping & Online

Consumer Healthcare



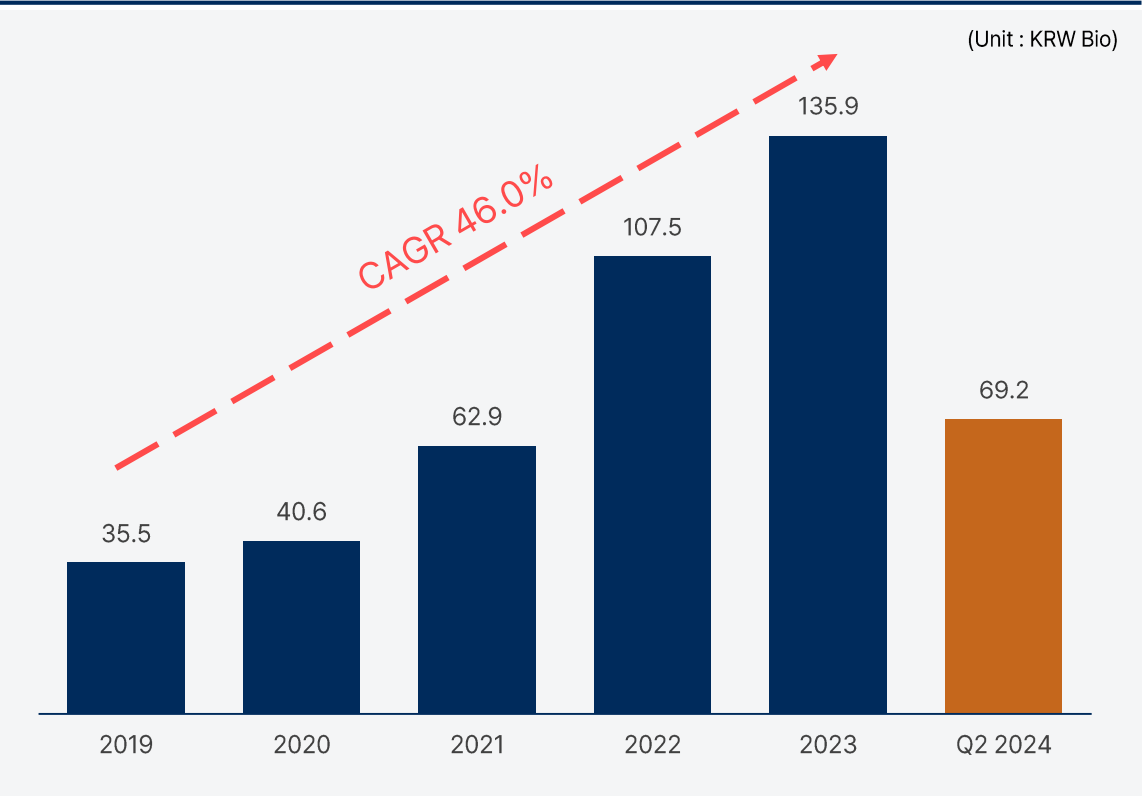
- Commercialize Spinocerebellar degeneration Medicine (Phase III clinical trials)
- Develop long-acting injection by SMEB® technology
- Expand the Pipeline

R&D

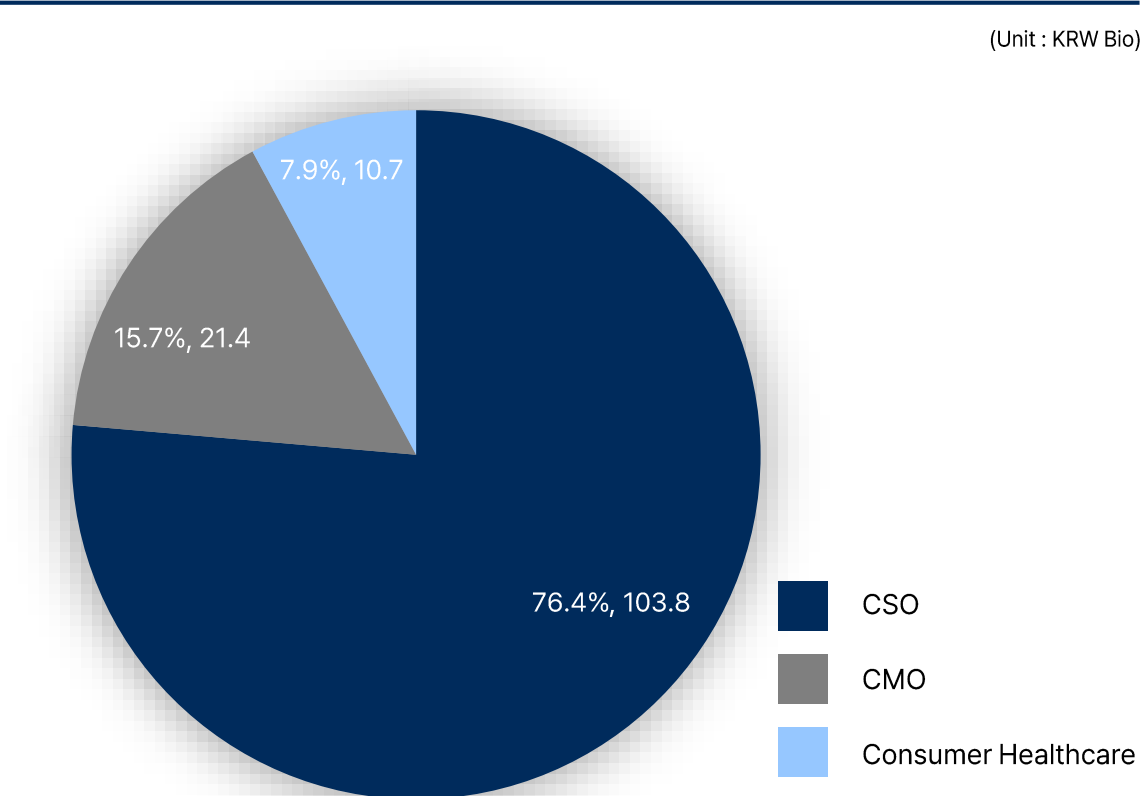
* CSO : Contract Sales Organization
* CMO : Contract Manufacturing Organization

- Achieved over 130 Bio KRW of sales, then joined to mid-sized pharmaceutical group
- Shows 46.0% of CAGR for last 5 years, especially, 26% of growth rate in 2023
- Strategically, launched the consumer healthcare business as a new growth driver

Sales Trend



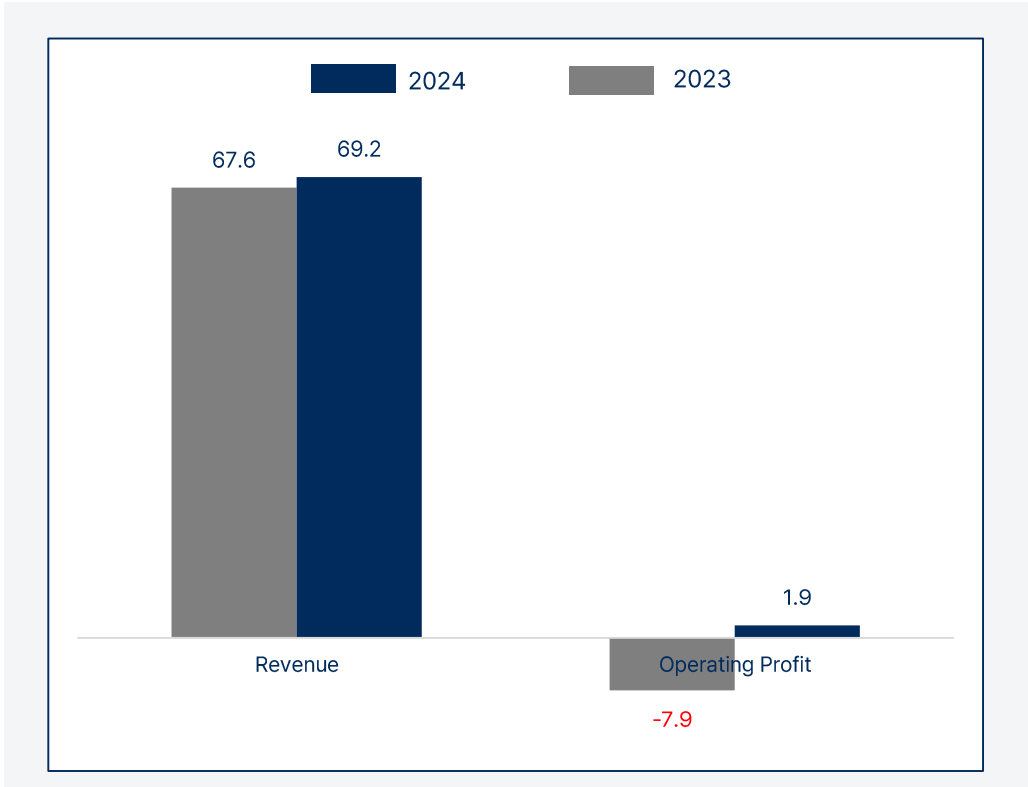
Revenue Composition in 2023



- Achieved the 2.7% of profit in the first half of 2024 through optimizing cost
- Successfully reduced the manufacturing cost through expanding in-house manufacturing ETC products(25% → over 60%)
- Maintain the growth trend of ETC by accelerating CSO business

Change in cumulative P&L(vs. Q2 23)

(Unit : KRW Bio)			
항목	Cumulative Q2 23	Cumulative Q2 24	Inc / Dec
Revenue	676.0	692.2	16.2
Cost of Good Sold	252.8	250.6	-2.2
Cost of sales ratio	37.4%	36.2%	-1.2%
Gross Profit	423.2	441.7	18.4
Operating Expense	502.2	423.2	-79.0
Operating Profit	-78.9	18.5	97.4
Operating Profit Ratio	-11.7%	2.7%	



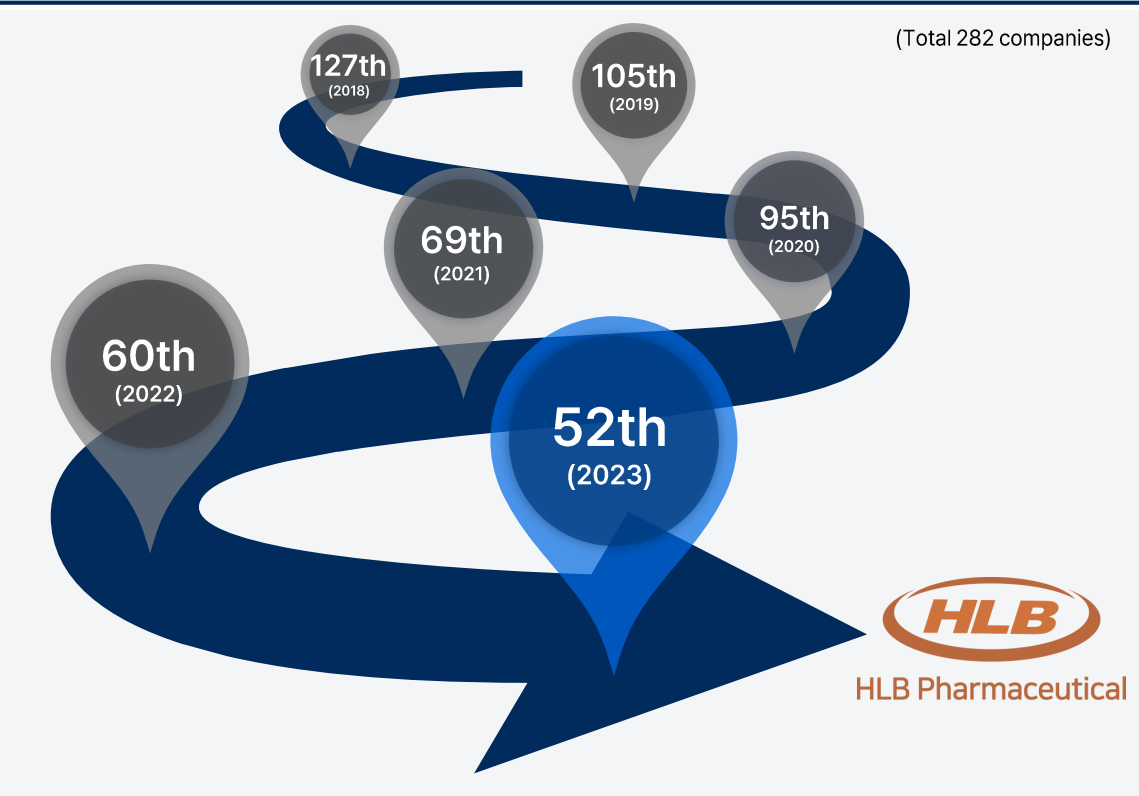
Business Analysis & Strategy

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| 01 | Quantum jump in the domestic Rx market |
| 02 | Sales contribution by disease area |
| 03 | Launch of “Quanchell”, specialized in joint healthcare brand |
| 04 | Pre-marketing of Rivoceranib |



- Jumped the Rx ranking from out of 100 to 52th through aggressive launching new products and allocating promotion budget
- Improved the brand awareness since joined to HLB Group

HLB Pharma Rx Rankings in the domestic market



Rx Rankings in the domestic market

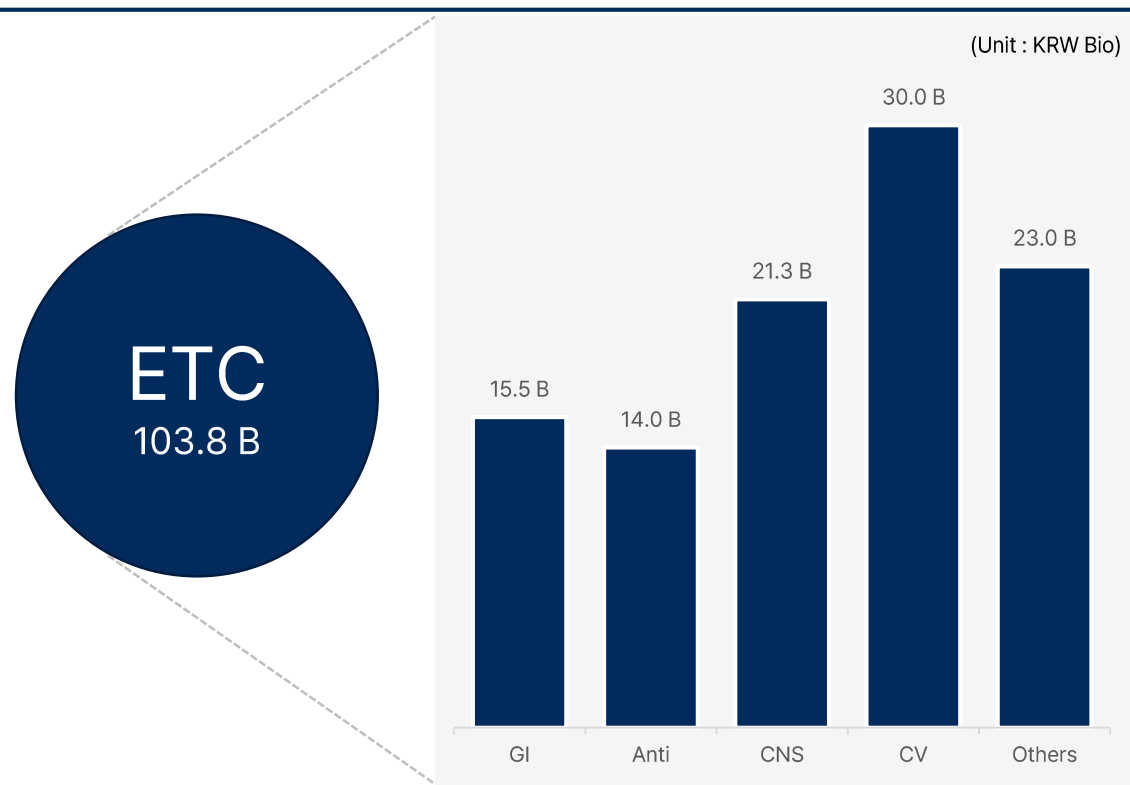
(Ref : UBIST)

	2018	2019	2020	2021	2022	2023
Hanmi	1	1	1	1	1	1
Chogundang	2	2	2	2	2	2
Daewong	4	4	4	3	3	3
Yuhan	3	5	5	5	4	4
Pfizer	5	3	3	4	5	5
Novartis	7	6	6	6	6	6
HK Inno. N	11	8	8	8	7	7
Daewong Bio	16	15	12	11	8	8
Daewon	12	14	13	9	9	9
...						
HLB Pharmaceutical	127	105	95	69	60	52
...						

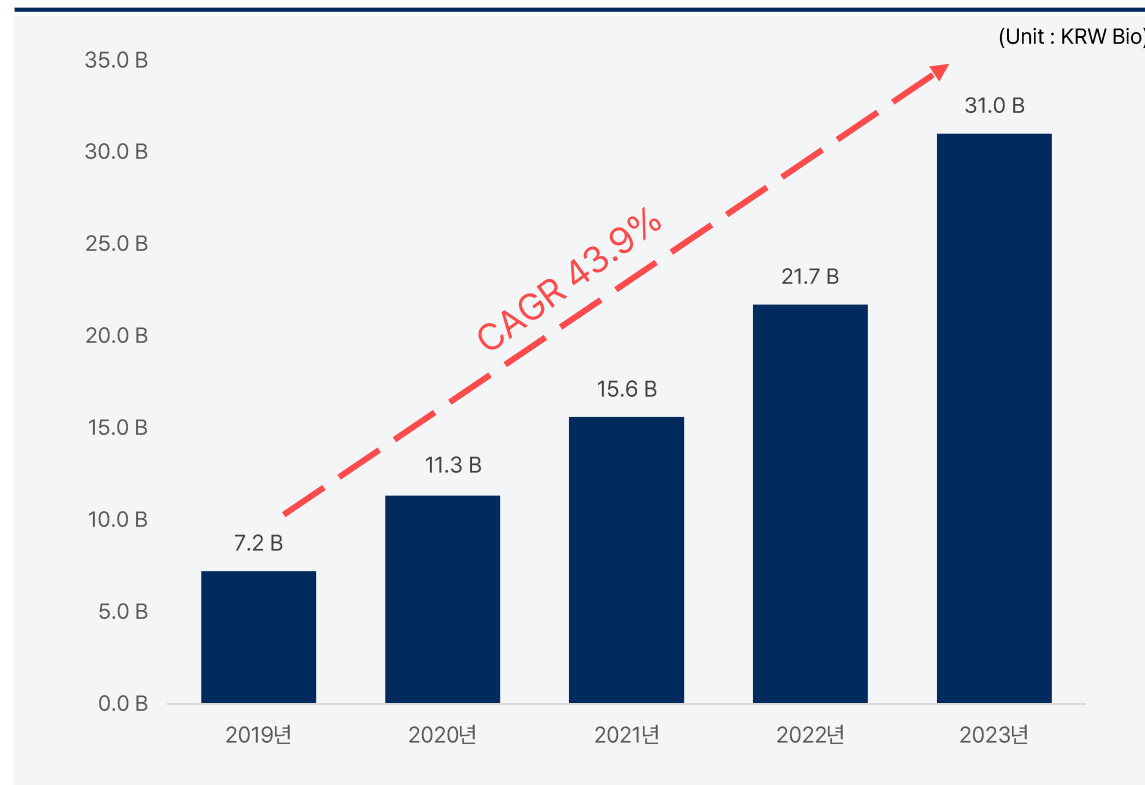
ETC Sales contribution by disease area

- Cardiovascular drugs drive the sales growth with 43.9% of CAGR
- In-house manufacturing products shows higher growth trend than outsourcing production with the lower manufacturing cost
- Successfully developed 2 products and 2 candidate products with over 10 Bio won of sales

The share of Sales



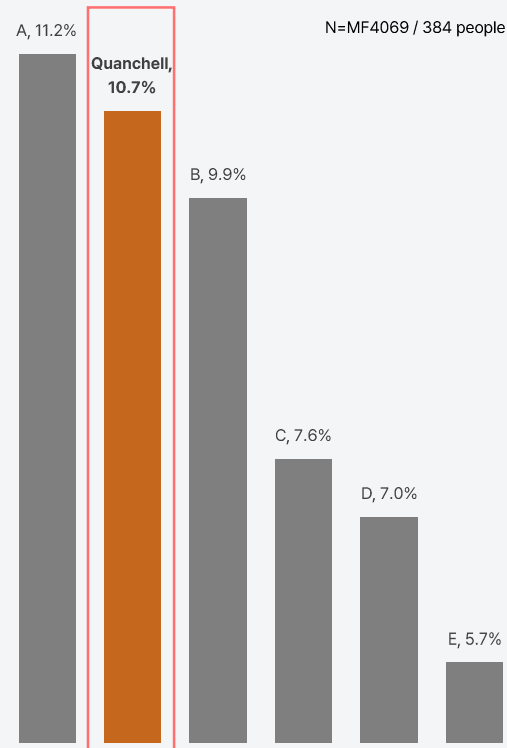
Rapid growth of CV drugs



Expansion of new businesses with "Quanchell", a brand new of dietary supplement

- Launched the new brand "Quanchell", specialized the joint healthcare to expand the growth drivers from ETC to consumer healthcare business
- Expanded the targeted market from home shopping to online & offline, also from **dietary supplements to superfood products**

Increasing the awareness of 'Quanchell'



- Ranked 2nd in Top Of Mind in 3 months since launch, continuing efforts to increase brand loyalty
- Sales diversification through expansion of bone health category
- Expanding offline channels beyond online and home shopping sales (entering Costco, vitamin K2)
- Planning to source famous overseas superfood products

Business expansion to superfood

Global No.1 Propolis Apis Flora



- Global No. 1 Propolis Brazilian Green Propolis 'Apis Flora' launched in Korea
- Plans to expand kids and capsule products after launching Spray Propomax
- Introducing overseas superfoods in Korea (within 24 years)
- Exclusive domestic distribution of 'liver function' superfoods directly imported from Europe (home shopping celebrity broadcast)
- Exclusive domestic distribution of 'blood circulation' superfoods from Europe (all channels)

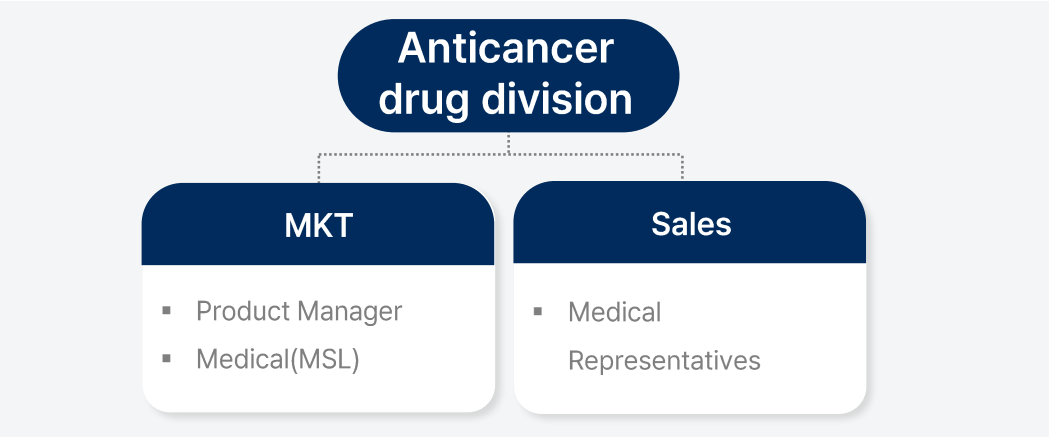
- Established the Oncology Business Unit
- Recruited Oncology marketing experts with working experience in Roche, Novartis, and Ipsen
- Secured exclusive domestic sales rights for Rivoceranib (HLB Life Sciences Inc.) and Camrelizumab (CG Invites Inc.) for liver cancer
- Plan to build a new factory to secure the only Rivoceranib production line

Established the Oncology Business Unit



Shin Dong-seok, Headquarters Manager

- Roche(Xeloda / Sales)
- Novartis(Glivec, Zometa, Afinitor / MKT, MA)
- Ipsen(Somatuline, Cabometyx / MKT, ONCO BU Head)



Rivoceranib Sales and Production Preparation



Rivoceranib/Camrelizumab
Exclusive sales rights secured

HLB Life Science Inc. - Riboceranib
CG Invites Inc. - Camrelizumab
Acquired exclusive domestic sales rights



Hyangnam Factory
Preparing production line for
Rivoceranib

Preparation for construction of a separate
production line dedicated to Rivoceranib
for global supply

R&D Strategy

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| 01 | Spinocerebellar degeneration treatment "Citrelin" |
| 02 | Long acting injection based on SMEB® platform technology |
| 03 | R&D Pipelines |



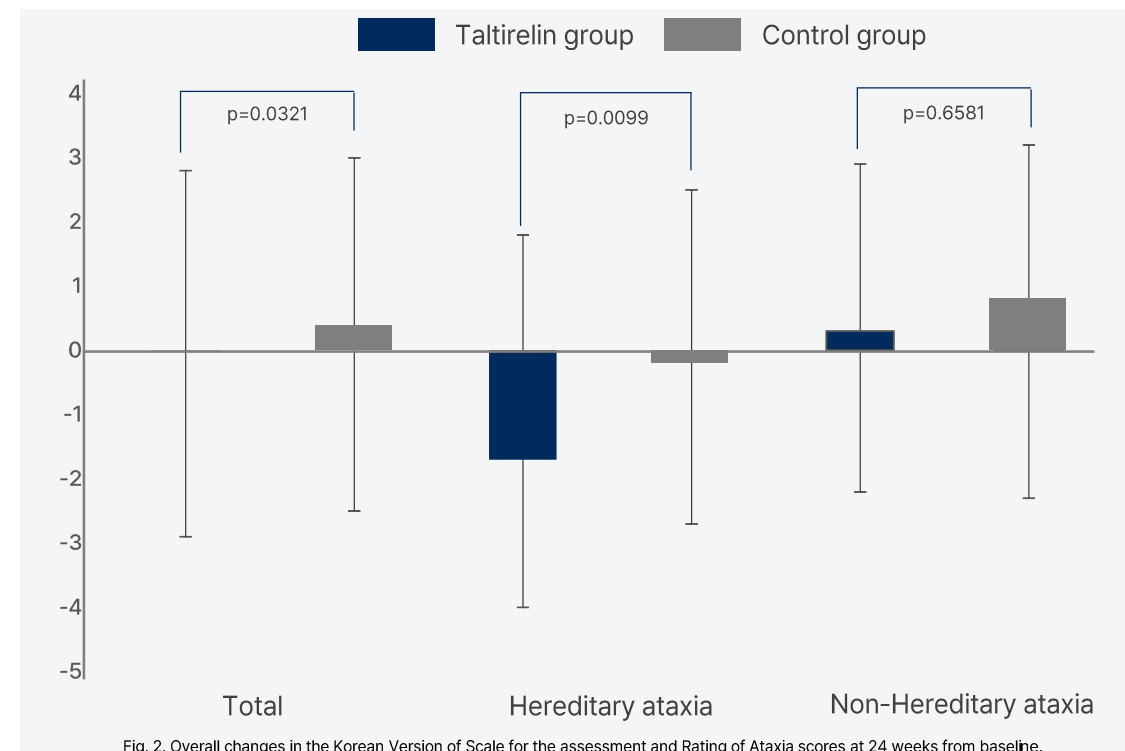
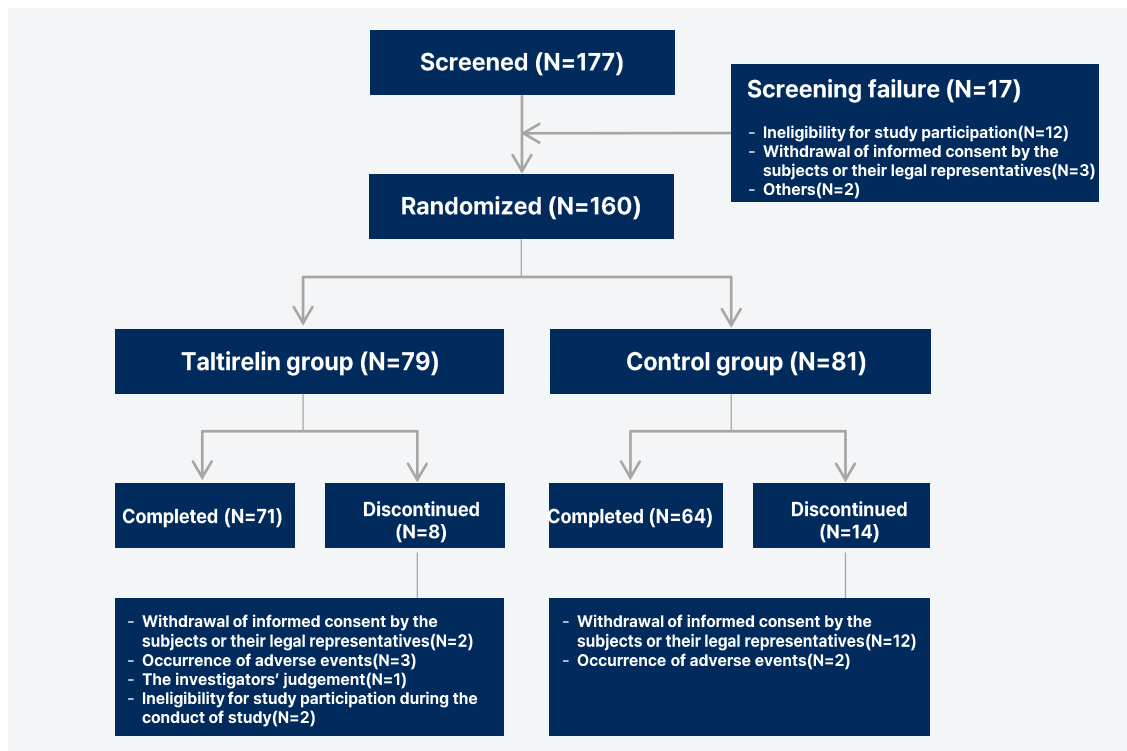
Spinocerebellar degeneration treatment "Citrelin"

- The only approved drug for "Spinocerebellar Degeneration Treatment"
- Successfully proved the efficacy and Safety through the Korea's first large-scaled clinical trial(phase 4)
- Plan to list NHI reimbursement to reduce the economic burden of patients(Patients with rare disease pay just 10% of the total treatment cost)

The result of Citrelin Clinical trial

TEARS Study(Taltirelin in patients with cerebellar ataxia)

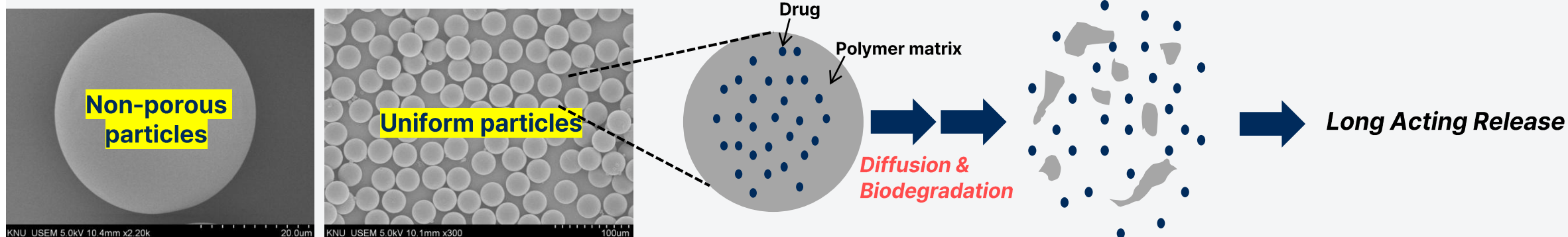
Title : A 24-week, Multicenter, Randomized, Double-blind, Placebo-controlled, Phase IV Clinical Trial to Assess the Efficacy and Safety of Taltirelin Hydrate in Patients with Ataxia Due to Spinocerebellar Degeneration



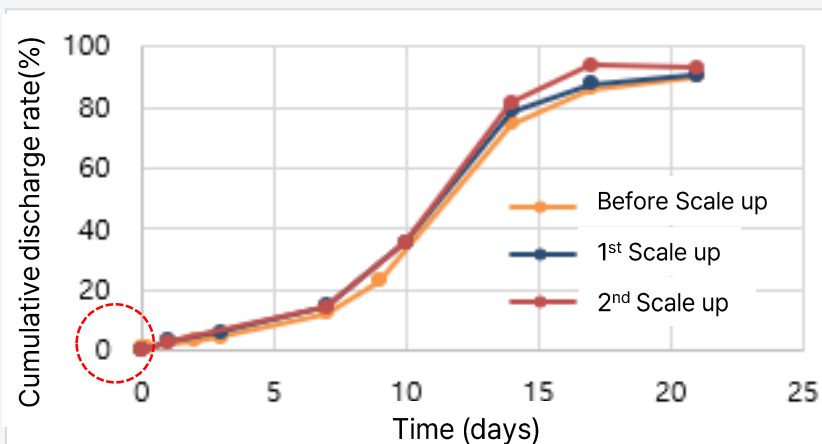
The superiority of SMEB® technology

- Sustained drug release with well-controlled initial burst
- Stabilize drug during the manufacturing process and control the drug distribution in the microspheres

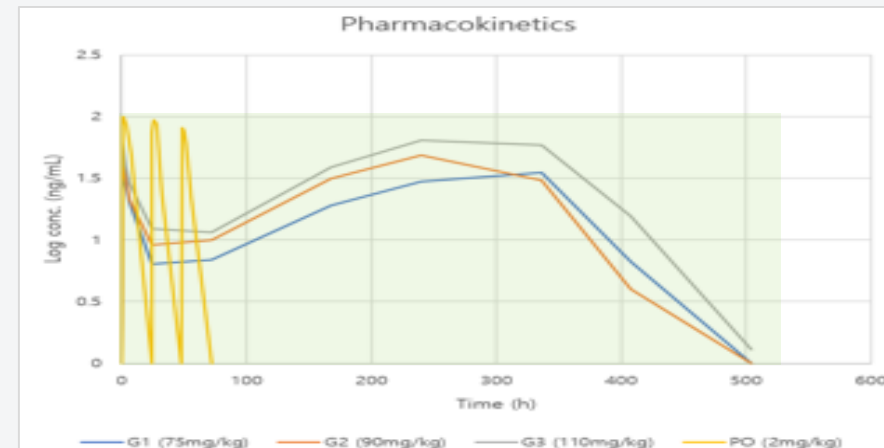
SMEB® technology is composed of drug stabilization and an automatic microfluidic system



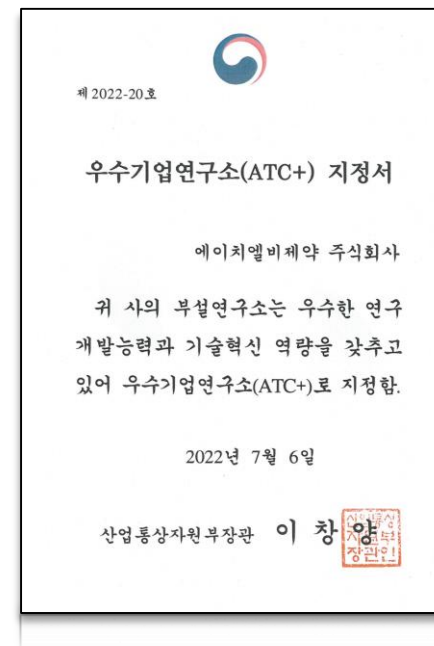
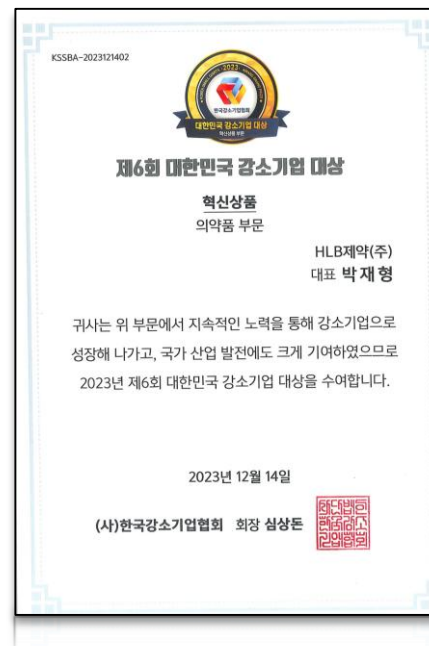
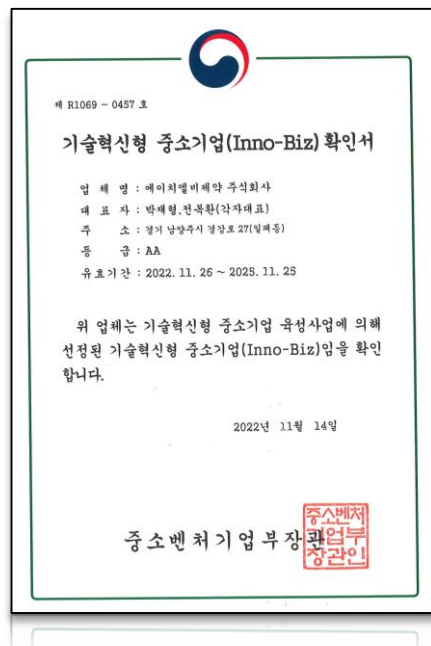
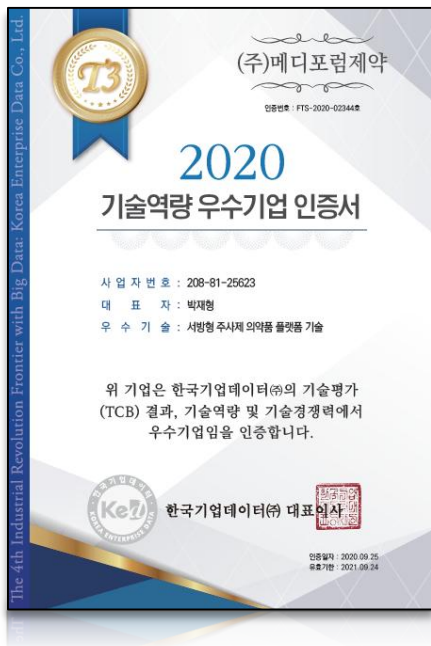
SMEB® Cumulative release rate test






SMEB® Pharmacokinetics (vs. oral agents)



Technology Certification(2020 ~ Present)



The status of a government funded projects

지원기관	사업명	과제명	사업기간	비고
 중소기업부	Technology innovation development project	Establishment of a design-based quality improvement (QbD) application model for sustained-release injections based on DDS technology	~22.07.15 Completed (Success)	Host organization
 중소기업부	Industry-academia-research collaboration R&D project	Development of long-acting anticoagulant and non-clinical evaluation thereof	~22.11.21 Completed (Success)	Host organization
 산업통상자원부	ATC+ training project	Development of domestic microfluidic continuous production equipment for real-time process analysis for pharmaceutical production with an hourly output of 10 g/h or more	~25.12.31 (In progress)	Host organization

HLB Pharmaceutical R&D Pipelines

Type	Code name	Market Size of Same Drug (Global)	Indication	Development Stage					Remarks
				Formulation	Non-clinical	Phase 1	Phase 3	Approval	
New Drug	HP-P004	\$0.5 billion (2019)	SCD	<div></div>					<ul style="list-style-type: none">International Journal SubmissionInsurance benefit registration in progress
	HP-P024	\$18.27 billion (2022)	Thrombosis	<div></div>					<ul style="list-style-type: none">Global technology transfer in progressIND approval in 2023Phase 1 clinical trial begins in the first half of 2025
Improved New Drug	HP-P008	\$0.20 billion (2022)	Cancer	<div></div>					<ul style="list-style-type: none">Secured patents in Korea, the US, and EuropeTechnology transfer in progress
	HP-P037	\$0.92 billion (2022)	Alzheimer's	<div></div>					<ul style="list-style-type: none">Domestic patent application scheduled for 2023Non-clinical (GLP) in 2024
	HP-P038	\$3.31 billion (2022)	Diabetes & Obesity	<div></div>					<ul style="list-style-type: none">Signed a joint research agreement with Humedics Co., LtdPatent application in 2023Transfer of patent exclusive license in 2024

Thank You



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