

2Q 2022 Business Update

Investor Relations

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2Q Key Performance [stand-alone]

(Bil. KRW)

	2Q22	YoY	2Q21	QoQ	1Q22
Sales	293.8	7.6%	273.1	7.9%	272.2
- ETC	205.8	5.5%	195.1	4.1%	197.6
- OTC	34.3	19.9%	28.6	15.6%	29.7
- NABOTA	37.1	60.0%	23.2	22.1%	30.4
- Global	6.3	-36.1%	9.8	81.1%	3.5
EBIT	33.6	25.8%	26.7	25.4%	26.8
Net Income	20.7	43.3%	14.5	18.4%	17.5

- **NABOTA Export** 29.2Bil. (2Q21 14.2Bil, YoY+105%)
- **2Q21 licensing-out** 11.6Bil. (unusual)
- **R&D Cost** 33.0Bil. (11.2% of Sales) (1Q22 32.2Bil., 2Q21 30.3Bil)
- **Interest Expense** 2.1Bil.

R&D

'Fexucle' GERD New Drug

- Korea: Product Launch in Korea ('22.7)
- Global: 8 Countries submitting NDA (1H22)

'DWN12088' IPF New Drug multinational Ph.2 initiation

- U.S. FDA, IND Approval on Ph2. for IPF patients ('22.6)
- FDA Fast-track designation for the first time among Korean Pharma. companines ('22.7)

'NABOTA' Neurotoxin Game Changer

- NDA for masseter(square jaw) indication in Korea ('22.4)
- Drug Approval in Saudi Arabia and Ukrine ('22.5)



Q2 2022

Highlight 1. Ongoing Growth_ EBIT surpassing 30Bil. KRW for the first time

- Sales 293.8, OP 33.6(OPM 11.4%, +1.7%p↑) continued New Records in quarterly Earnings
- Major Businesses showed solid growth in Sales, Rapid increase in NABOTA export levelled our operating profit up
- This trends will continue in 2H, Fexuclue launch, NABOTA export, GPM improvements are expected

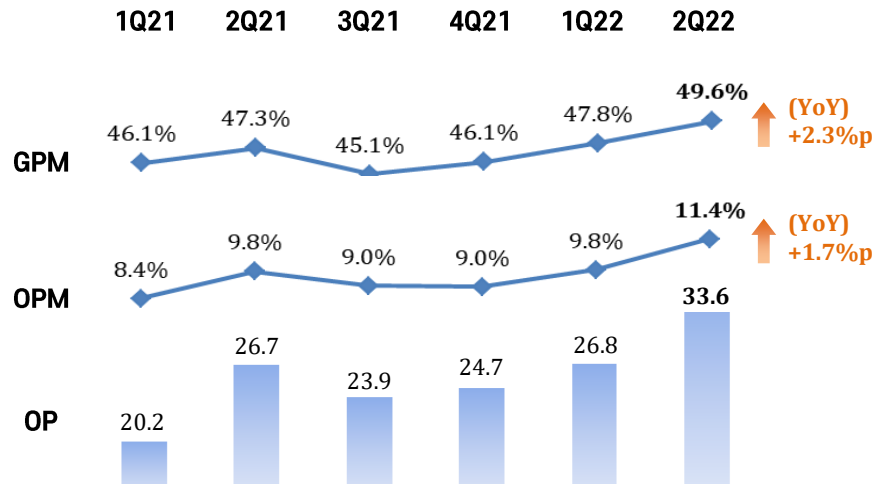
Income statement(stand-alone)

(Bil. KRW)

	2Q 21	1Q 22	2Q 22	YoY	QoQ
Revenue	273.1	272.2	293.8	8%	8%
Cost of sales	143.8	142.2	147.9		
Gross profit	129.2	130.0	145.9	13%	12%
GPM	47.3%	47.8%	49.6%	2.3%p	1.9%p
SG&A	72.3	71.0	79.3	10%	12%
R&D	28.6	32.2	33.0	16%	3%
(R&D, % of sales)	10.5%	11.8%	11.2%	0%p	-1%p
Operating profit	26.7	26.8	33.6	26%	25%
OPM	9.8%	9.8%	11.4%	1.7%p	1.6%p
EBT	20.6	24.2	27.7	34%	15%
Net profit	14.5	17.5	20.7	43%	18%

Margin Trends

(Bil. KRW)



Highlight 2. ETC margin upgrade, New Record in NABOTA Export

ETC (Prescription Drug)

- Sales 205.8, Solid growth of high margin products
 - Products 104.7 (YoY +15%), Goods 101.0 (YoY -3%)
 - Higher margin products growth more than 25%

ETC Sales & Product Mix

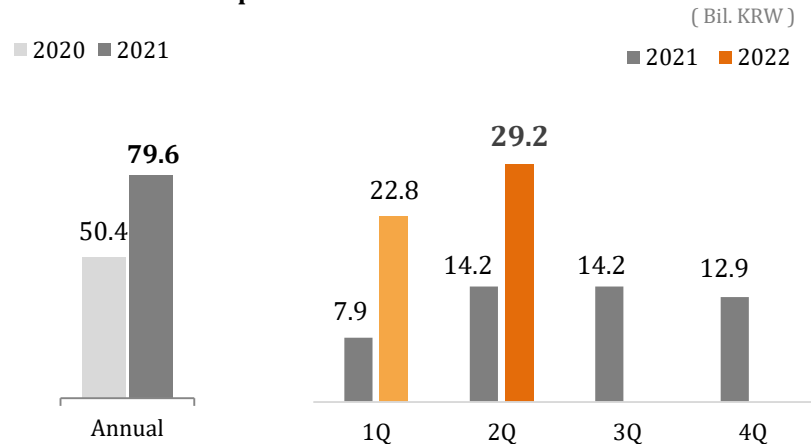
(Bil. KRW)

	2021					2022			
	1Q	2Q	3Q	4Q	FY2021	1Q	2Q	3Q	4Q
ETC Sales	181.0	195.1	196.7	205.2	778.0	197.6	205.8		
Products / ETC (%)	46.6	46.6	47.9	47.0	47.0	49.1	50.9		

NABOTA

- Sales 37.1 Bil Export & Currency depreciation effect
 - Domestic 7.9 (YoY -12%), Export 29.2 (YoY +105%↑)
 - Secular growth in U.S. and European Launch in Sep

NABOTA Sales & Export



R&D Updates

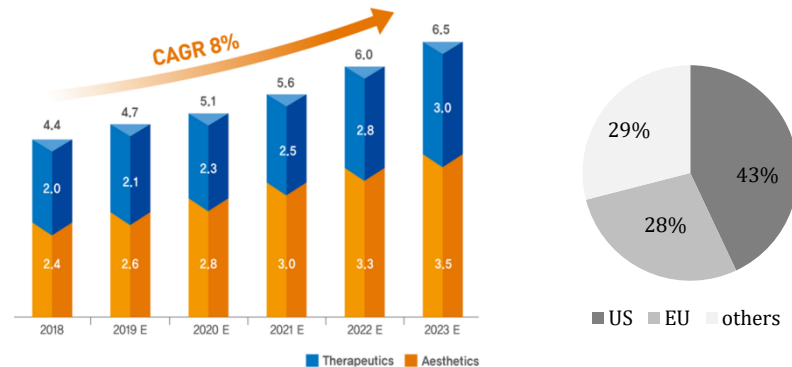
Major Pipelines

1. NABOTA (Neurotoxin)

Accelerated Global Market Expansions

- NABOTA™, the only 900kDa neurotoxin in the US & EU since Botox is approved
- **Europe, Launch 3Q2022(By Evolus)** ▪ **China, submitted BLA in 2021, Launch is expected in 2023**
- **Australia, submitted BLA, Expected Approval in 2023**
- global partnership in 80+ countries, including market approval in 51 countries and on-going registration in 20+ countries

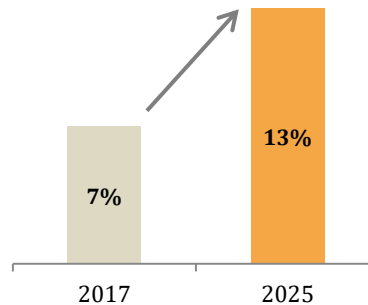
Global market Forecast & Market Share by Region



- Over \$6.5B global market opportunity in 2023

Ref.) Daedal Research, Global Botulinum Toxin Market: Size, Trends & Forecasts (2017-2021)

Global Penetration Ratio expected to be doubled by 2025



Source: Allergan Business Analysis

Highly underpenetrated US Consumer Category, 6%*



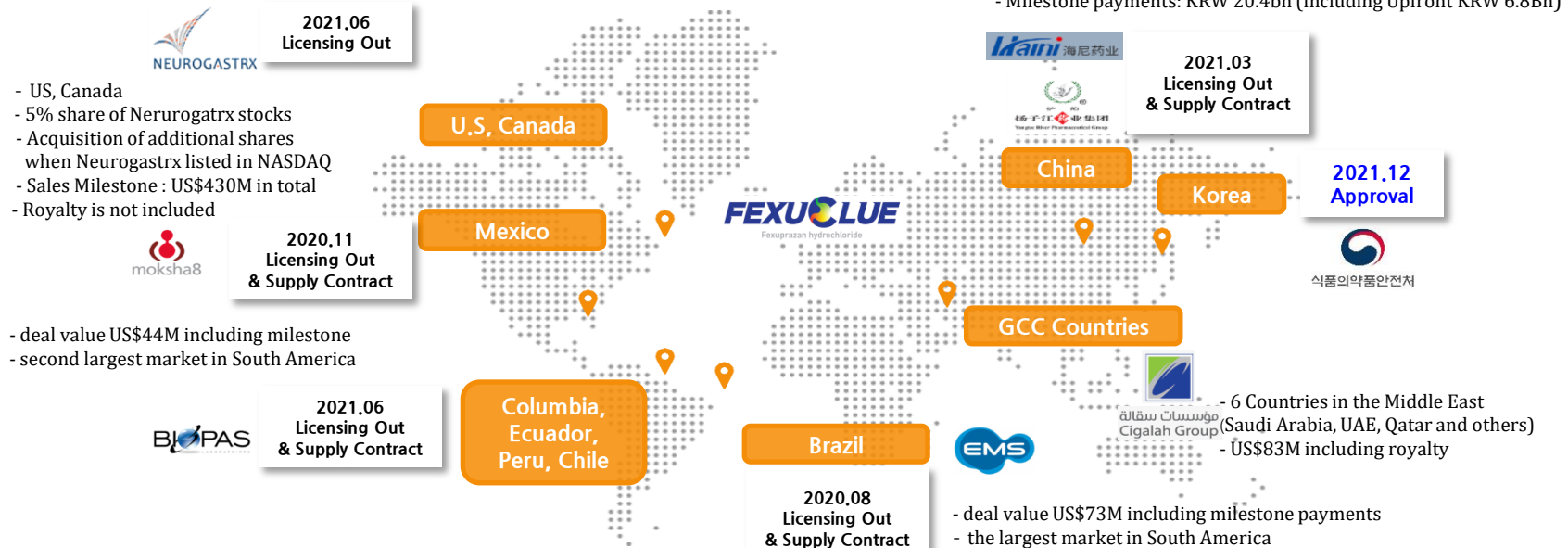
Source: Evolus

2. Fexuprazan, P-CAB based Gastro Drug

Global Licensing-Out over 1 Bil. USD worldwide

- Domestic : Product Launch in late July, Approval in 2021
- Overseas : Brazil/Mexico in 2024, China/US in 2025 after clinical trials
- Total Milestone is over 1B USD, licensing out in 15 countries including U.S. and China

[Major Deals]

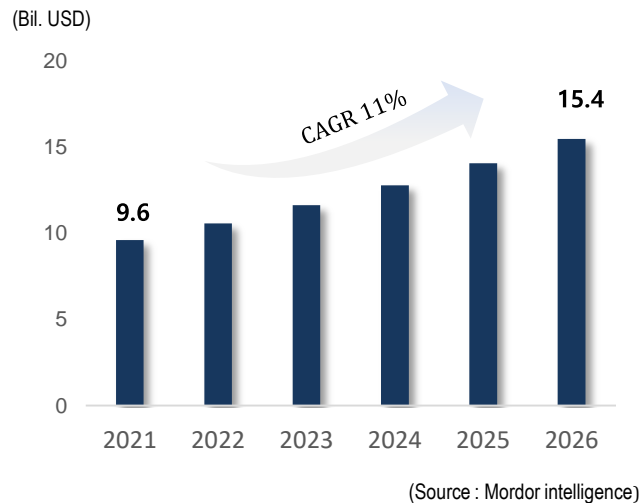


3. Enavogliflozin (a Best-in-Class Anti-Diabetic Drug)

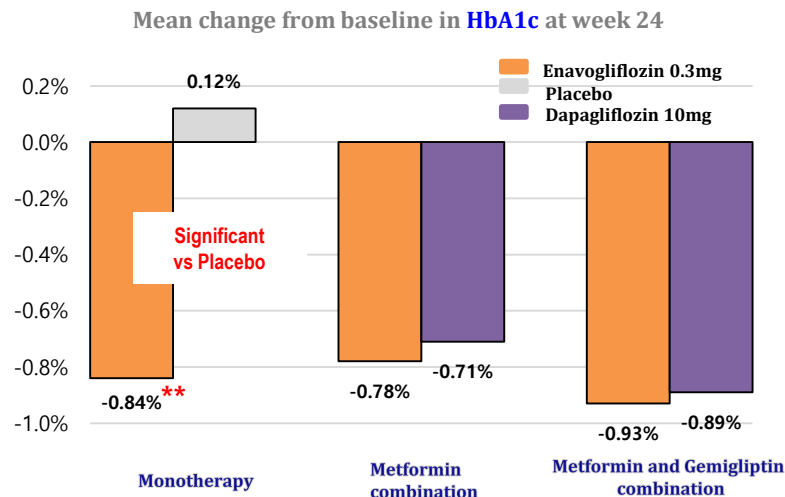
After Successful Ph. 3, Plan to launch in 2023

- Enavogliflozin is **highly potent** and **long-lasting** SGLT2 inhibitor(Sodium Glucose Co-Transporter 2 inhibitor) with *Excellent Efficacy and Safety* approved in *phase 3 clinical trials, 1Q22*.
- 3 types of Ph. 3 clinical trials are successfully completed Launch in Korea Mkt. is planned in 2023

SGLT-2 Market Forecast



Ph. 3 Results(Mono / Metformin Combo / Metformin, DPP4 3Combo)



** P-value < 0.0001

#. Primary analysis set: monotherapy - FAS, metformin combination - PPS, Metformin and Gemigliptin combination - PPS

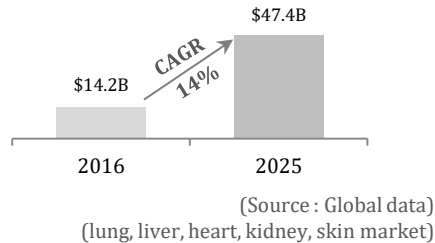
4. DWN12088, a First-in-Class Oral Anti-Fibrotic Agent

IND Approval on Ph.2 and FTD Designations

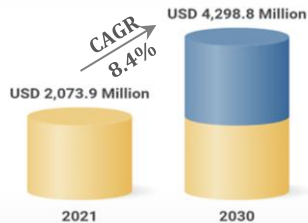
First-in-Class

- DWN12088 is a PRS(Proleryl-tRNA Synthetase) inhibitor for **Fibrosis Disease**(IPF, SSc and others)
- **FDA Orphan Drug Designations(ODD)** granted for Systemic Sclerosis(SSc)(May, 2021), Idiopathic Pulmonary Fibrosis(IPF)(Aug,2019)
- **FDA IND Approval on** multinational clinical trials for IPF patients (Jun, 2022)
- **FDA Fast Track Designations** for the first time among Korean Pharma. companies (Jul, 2022)

Global Fibrotic Disease Market

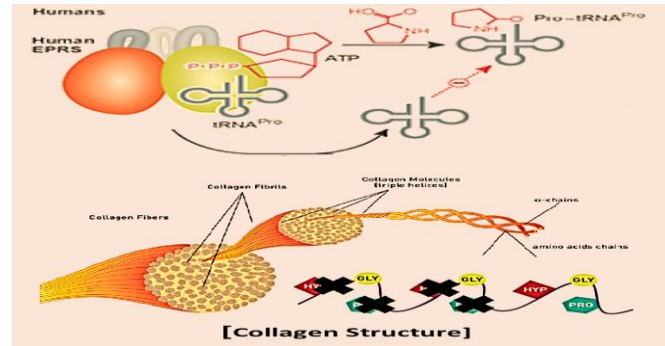


Global Market for IPF



(Source :Research and Markets)

Mode of Actions



- Suppressing proline delivery by PRS inhibitor may **decrease collagen formation** (canonical function)
- Suppressing PRS may **down-regulate pro-fibrotic markers** via FMT*

* FMT: Fibroblast-to-Myofibroblast Transition

*"DWN12088 is a **highly selective** PRS inhibitor and **directly decreases collagen formulation**"*

Major R&D Pipelines

	Research	Pre-clinical	Phase 1	Phase 2	Phase 3	NDA	Market Approval
NCEs (New Chemical Entity)	DWJ215 ¹⁾ hearing loss	DWP212525 autoimmune disease	DWP17061 ¹⁾ OA pain	DWN12088 IPF	Fexuprazan gastritis	Enavogliflozin ²⁾ Type 2 diabetes	Fexuprazan erosive esophagitis
	DWP216 oncology	DWN12088 SSc-ILD	DWP213388 autoimmune disease	DWP305401 ³⁾ ulcerative colitis			
	DWP217 oncology	DWN12088 systemic sclerosis					
	DWP218 autoimmune disease						
Biologics	HL186 ⁴⁾ immuno-oncology	DWP457 long-acting insulin	Furestem ⁶⁾ Crohn disease	Furestem-RA ⁶⁾ RA	HL036 ⁴⁾ dry eye syndrome		
	HL187 ⁴⁾ immuno-oncology	DWP820S001 dementia	DWP710 acute respiratory distress syndrome	HL161 ⁴⁾ MG, TED, WAIHA			
	DWP458 ⁵⁾ osteoporosis	DWP820S009 severe acute pancreatitis		DWP706 corneal wound			
	DWP820S002 stroke						

- 1)  iN THERAPEUTICS
- 2)  GC Biopharma
- 3)  bridgebio
- 4)  HANALL BIOPHARMA
- 5)  서울아산병원
Asan Medical Center
- 6)  KANG STEM BIOTECH

Appendix.

Financial Stmts.

Q2 Financial statements [stand-alone]

Income statements

(Bil. KRW)

	2019	2020	2021					2022				
	Total	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	YoY	QoQ	1H
Revenue	1,005.2	944.8	241.7	273.1	265.1	275.3	1,055.2	272.2	293.8	7.6%	7.9%	565.9
Cost of sales	591.6	554.7	130.4	143.8	145.6	148.3	568.2	142.2	147.9	2.8%	4.0%	290.1
Gross profit	413.6	390.0	111.3	129.2	119.4	127.0	487.0	130.0	145.9	12.9%	12.2%	275.8
(GPM)	41%	41%	46%	47%	45%	46%	46%	48%	50%	2%p	2%p	49%
SG&A	282.5	272.4	62.6	72.3	68.6	76.8	280.2	71.0	79.3	9.7%	11.6%	150.3
R&D	99.7	105.0	28.6	30.3	26.9	25.5	111.2	32.2	33.0	9.0%	2.6%	65.2
(% of Sales)	10%	11%	12%	11%	10%	9%	11%	12%	11%	0%p	-1%p	12%
Operating profit	31.4	12.6	20.2	26.7	23.9	24.7	95.5	26.8	33.6	25.8%	25.4%	60.3
(OPM)	3%	1%	8%	10%	9%	9%	9%	10%	11%	2%p	2%p	11%
Other income	-7.6	-7.8	-58.6	-3.2	-2.4	-9.6	-73.7	-2.0	-0.8			-2.8
Finance income	-7.4	-12.6	8.9	-2.8	-1.3	-1.1	3.8	-0.6	-5.1			-5.6
EBT	16.4	-7.8	-29.5	20.6	20.3	14.1	25.5	24.2	27.7	34.2%	14.7%	51.9
Corporatae tax	-3.8	-10.9	-6.1	6.2	5.8	-16.1	-10.3	6.7	7.0			13.6
Net profit	20.2	3.1	-23.3	14.5	14.5	30.2	35.8	17.5	20.7	43.3%	18.4%	38.3

Balance Sheet

(Bil. KRW)

	2020 (Dec 31, 2020)	2021 (Dec 31, 2021)	2022 (Jun 30, 2022)
I . Current assets	374.9	371.2	392.0
(1) Quick assets	233.4	228.3	225.1
(2) Inventory	141.5	142.9	166.9
II . Non-current assets	811.9	888.5	930.2
(1) Investment assets	361.9	377.5	409.5
(2) Tangible assets	304.5	301.1	310.9
(3) Intangible assets	102.9	147.2	162.1
(4) Other non-current assets	42.6	62.8	47.6
Total Assets	1,186.7	1,259.7	1,322.2
I . Current liabilities	291.3	436.9	387.2
II . Non-current liabilities	319.4	208.5	272.3
Total Liabilities	610.7	645.4	659.6
I . Capital	29.0	29.0	29.0
II . Capital surplus	112.1	134.5	134.6
III . Capital adjustments	(29.2)	(18.4)	(18.4)
IV . Accumulated other comprehensive income	(7.5)	(31.9)	(15.3)
V . Retained	471.7	501.1	532.7
Total Capital	576.0	614.3	662.6
Total Liabilities and Capital	1,186.7	1,259.7	1,322.2

Q2 Financial statements [consolidate]

Income statements

(Bil. KRW)

	2019	2020	2021					2022				
	Annual	Annual	1Q	2Q	3Q	4Q	Annual	1Q	2Q	YoY	QoQ	1H
Revenue	1,113.4	1,055.4	269.6	289.7	290.6	303.0	1,153.0	298.4	322.1	11.2%	7.9%	620.4
Cost of sales	635.1	608.5	140.9	153.1	156.0	158.3	608.2	154.8	158.9			313.7
Gross profit	478.3	446.9	128.7	136.6	134.7	144.7	544.7	143.6	163.1	19.4%	13.6%	306.7
(GPM)	43.0%	42.3%	47.7%	47.2%	46.3%	47.8%	47.2%	48.1%	50.6%			49.4%
SG&A	324.2	314.7	74.2	83.5	81.1	89.7	328.6	83.1	93.4			176.6
R&D	109.4	115.2	32.0	34.4	30.8	30.1	127.3	37.4	39.6			77.1
(% of Sales)	9.8%	10.9%	11.9%	11.9%	10.6%	9.9%	11.0%	12.5%	12.3%			12.4%
Operating profit	44.7	17.0	22.6	18.7	22.7	24.9	88.9	23.0	30.0	60.6%	30.3%	53.1
(OPM)	4.0%	1.6%	8.4%	6.5%	7.8%	8.2%	7.7%	7.7%	9.3%			8.6%
EBT	23.3	13.6	-27.5	14.3	17.9	15.3	19.9	20.5	23.9			44.4
Corporatae tax	-5.5	-10.6	-6.7	5.3	5.9	-14.9	-10.3	7.4	7.0			14.4
Net profit	28.9	24.1	-20.9	9.0	12.0	30.2	30.3	13.1	16.9	88.4%	28.9%	30.0

Balance Sheet

(Bil. KRW)

	2020 (Dec 31, 2020)	2021 (Dec 31, 2021)	2022 (Jun 30, 2022)
I . Current assets	528.4	524.9	569.5
II . Non-current assets	838.6	890.3	930.4
Total Assets	1,366.9	1,415.2	1,500.0
I . Current liabilities	326.8	460.7	412.2
II . Non-current liabilities	344.9	252.1	349.6
Total Liabilities	671.7	712.8	761.8
I . Controlling	551.0	573.6	615.9
(1) Capital	29.0	29.0	29.0
(2) Treasury shares	(29.2)	(18.4)	(18.4)
(3) Other paid-in-capital	101.1	123.6	123.9
(4) Other components of equity	(2.6)	(31.7)	(14.2)
(5) Retained earnings	452.8	471.1	495.7
II . Non-controlling	144.3	128.8	122.1
Total Capital	695.2	702.4	738.1
Total Liabilities and Capital	1,366.9	1,415.2	1,500.0

Thank You!