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PRESS RELEASE

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RaQualia Announces Sub-licensing Agreement for Tegoprazan for the Treatment of Gastroesophageal Reflux Disease in Latin America by and Receipt of Lump Sum Payment from CJ HealthCare

February 13, 2019---CJ Healthcare Corporation (Head Office: Seoul, Korea; Co-CEO: Seok-Hee Kang, Sang-Hyun Yoon, hereinafter referred to as "CJ"), has announced a sub-licensing agreement with Laboratorios Carnot (Head Office: Mexico City, Mexico, hereinafter referred to as "Carnot") for tegoprazan(RQ-00000004/CJ-12420/ Korean brand name (Korean registered trademark): K-CAB, hereinafter referred to as "Tegoprazan") in Latin America. Under the terms of a licensing agreement with CJ, RaQualia, will receive a lump sum payment upon this achievement.

Tegoprazan is a gastric acid secretion inhibitor with a new mechanism of action called potassium-competitive acid blocker (P-CAB) that was created by RaQualia. P-CAB has a different mechanism from proton pump inhibitors (PPI), which are the first drug of choice for the treatment of gastroesophageal reflux, and is expected to become a new therapeutic agent for acid-related diseases that replaces PPI because it suppresses gastric acid secretion more quickly and sustainably than PPI.

RaQualia signed exclusive licensing agreement with sublicensing rights with CJ for the development, sales, and manufacturing of Tegoprazan in the East Asian region in Sep. 2010, in Southeast Asia region in Nov. 2014, and in the rest of the world (RoW: Latin America, Russia, Eastern Europe, and the Middle East) in Dec. 2017. CJ developed Tegoprazan in South Korea are proceeding smoothly, and we expect to launch K-CAB® 50mg tablets in South Korea in the near future. CJ has granted Tegoprazan sublicensing rights to major companies in China and Vietnam, and is steadily cultivating new markets.

CJ and Carnot have signed sublicensing agreements with 17 countries in Latin America (including Mexico and Argentina) in Tegoprazan. According to CJ, the contract is estimated to be worth a total of \$84 million. Pursuant to this contract, CJ will provide Tegoprazan to Carnot for 10 years. Upon this sub-licensing agreement, we

will receive a lump sum payment and royalty based on the revenue from Tegoprazan under the licensing agreement with CJ.

Carnot, sub-licensee under this agreement, is a long-standing pharmaceutical company founded in 1941 and has a broad presence in Central and South America. In Mexico, the center of the company's activities, the company holds the top market share for the treatment of gastrointestinal diseases. In Mexico, Tegoprazan is expected to be approved in 2022.

Seok-Hee Kang, president and chief executive officer of CJ, says, "It's very meaningful that K-CAB® will enter South America. And we believe that by expanding K-CAB® globally, we look forward to K-CAB® becoming a blockbuster of global GERD markets. "

We will continue to strengthen our collaboration with CJ and continue to provide support for future sublicensing agreements and development, with the aim of receiving milestone income from the progress of the project and royalty income after launch. By providing a therapeutic option of Tegoprazan for the treatment of gastroesophageal reflux disease, we will strive to further contribute to improving the quality of life of patients.

The consolidated financial projection for FY2019 in Business plan issued on February 8, 2019, will not be affected by this announcement. We believe that the expansion of CJ's sub-licensing area will contribute our further goal of maximizing our corporate value.

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