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PRESS RELEASE

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## **RaQualia Announces Sub-licensing Agreement for Tegoprazan in the Philippines, Mongolia and Singapore, and Receipt of Lump Sum Payment from HK inno.N. Corporation**

November 24, 2020---RaQualia Pharma Inc. (RaQualia) was informed yesterday that HK inno.N. Corporation (Representative Director: Seok-Hee Kang, headquarters: Seoul, Korea and hereinafter called “HK inno.N”) has signed sub-licensing agreements in the Philippines, Mongolia and Singapore for tegoprazan (Korean registered trademark: K-CAB<sup>®</sup>, hereinafter called “tegoprazan”), which RaQualia licensed to HK inno.N. RaQualia has confirmed that it will receive a lump sum payment from HK inno.N for these accomplishments.

HK inno.N has signed the sub-licensing agreements with Metro Pharma Phils Inc. (Headquarters: Metro Manila, the Philippines, hereinafter “MPPI”), Monos Pharma LLC (Headquarters: Ulaanbaatar, Mongolia, hereinafter “Monos”), and United Italian Trading Corporation (Pte) Ltd. (Headquarters: Singapore, hereinafter “UITC”). All three companies are leading the pharmaceutical industry in each country. It is expected that the global expansion of tegoprazan will gain momentum against the background of the sales power of these companies in the future.

As for the Philippines, the exclusive contract period of tegoprazan with MPPI is 10 years after the start of sales. For Mongolia, the exclusive contract period with Monos is 10 years after the conclusion of the agreement. HK inno.N has set a target for the launch of tegoprazan in Mongolia in 2021. As to Singapore, the exclusive contract period with UITC is 8 years after the conclusion of the agreement. HK inno.N expects the launch of tegoprazan in Singapore in 2022.

With the conclusion of the above three sublicense agreements, RaQualia projects receiving an upfront payment as well as royalty payments according to the revenue earned from tegoprazan based on the license agreement with HK inno.N.

RaQualia will continue to provide support for development and potential sublicense agreements for tegoprazan via effective collaboration with HK inno.N, aiming to earn milestone revenue and post-sales royalty revenue as the project progresses. By increasing the treatment options for gastroesophageal reflux disease with tegoprazan, RaQualia will strive to contribute to improving the QOL of patients.

The financial forecasts for the fiscal year 2020 (Jan. 1, 2020 – Dec. 31, 2020) issued on August 14, 2020 will not be affected by this announcement. RaQualia believes that expanding the sales area for tegoprazan under sublicense agreements made by HK inno.N will contribute to increasing RaQualia's corporate value in the medium to long term.

References:

**About tegoprazan:**

RaQualia's tegoprazan is a gastric acid secretion inhibitor with a new mechanism of action called potassium-competitive acid blocker (P-CAB). P-CAB has a different mechanism from proton pump inhibitor (PPI), the first-line drug for the treatment of gastroesophageal reflux disease. Since it suppresses gastric acid secretion more quickly and continuously than PPI, it is expected to be a new therapeutic agent for acid-related diseases as an alternative to PPI.

**About Global Marketing Strategy for Tegoprazan:**

RaQualia signed an exclusive license agreement including rights to sublicense with HK inno.N to develop, sell and manufacture tegoprazan for East Asia in September 2010, Southeast Asia in November 2014, and ROW (Rest Of World: Latin America, Russia, Eastern Europe and the Middle East) in December 2017. Developing tegoprazan in Korea, HK inno.N launched it as the 30th new pharmaceutical of Korea in March 2019. For other countries and regions, HK inno.N has sublicensed tegoprazan to leading companies in China, Vietnam, Latin America, Indonesia and Thailand to cultivate a market in sequence.