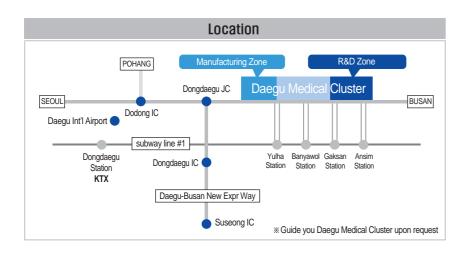
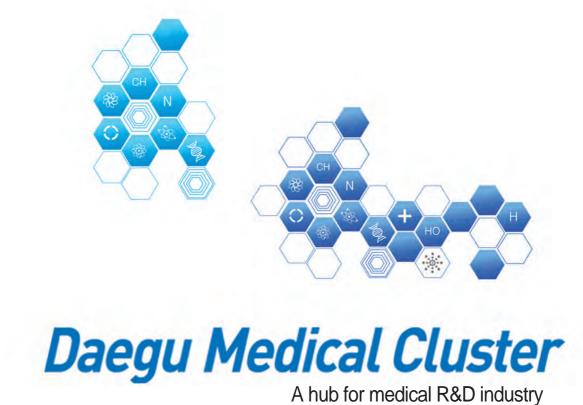
www.medivalley.re.kr www.medivalley.re.kr







www.daegu.go.kr

88, Gongpyeong-ro, Jung-gu, Deagu, 88, Dongnae-ro, Dong-gu, Deagu, Korea 62, Seongseogongdan-ro, 11-gil, Dalseo-



Communication Center T.+82-53-803-6451 F.+82-53-803-6429 T.+82-53-790-5147 F.+82-53-790-5199 T.+82-53-592-8363 F.+82-53-592-8349 www.medivalley.re.kr



gu, Deagu, Korea dg.innopolis.or.kr





Australia

www.medivalley.re.kr





Republic of Korea		
Population	50,617,045(2015)	
Δτρα	100 2101/m²	

Capital City Seoul

Language Korean(writing system:Hangeul)

Currency Won(US\$1=1,151won/Apr. 2016)

GDP Total US\$1.321 trillion(2016)
Gross Domestic Product Per capita US\$25,990(2016)

Export US\$573,09mil.(2015)

Import US\$525,564mi.(2015)

Daegu Metropolitan City

Population 2,518,467(2015)

Area 884km²

Administrative district Districts 7, County 1

GRDP US\$382.3billion(2015)
Gross Regional Domestic Product

Cioss Regional Domestic Froduct

Export US\$7,808 mil.(2015)

Import US\$3,681 mi. (2015)

Transportation Infrastructure



Daegu International Airport to the World

- Daegu Medical Cluster-Daegu International Airport by car 15 mins (8km)
- Regular Lines : International lines-Bangkok, Shanghai, Beijing, Taipei, Osaka, Shenyang
- Irregular Lines : Taipei, Zhangjiagie, Chengdu, Xian, Hanoi, Siem Reap, Fukuoka, Tokyo, Da Nang

60

- Domestic Lines : Daegu-Incheon (twice a day), Daegu-Jeju Island (10-13times a day)

KTX (Korea's express train) Rail Network

- Daegu Medical Cluster-20 minutes to Dongdaegu Station by driving
- About 3 hours for Dongdaegu Station-Seoul Station-Incheon International Airport
- 100 minutes for Dongdaegu Station-Seoul Station
- 39 minutes for Dongdaegu Station-Busan Station



Highway Infrastructure

- Reaching to five seaports within one hour driving (Pohang, Ulsan, Masan, Busan International Seaport, and Busan New Seaport)
- Seven highways connected to the cities nationwide

(Gyeongbu line, Guma line, Jungang line, 88 line, Jungbu inland line, Iksan-Pohang line and Daegu-Busan line)

Daegu Medical Cluster • 5

Medical infrastructure and residential environment

Daegu, a rising medical hub in Korea!

| Medical Infrastructure

- Key facilities for the development of new drugs and medical devices, including the Pohang Accelerator Laboratory and Gyeongju Proton Accelerator Research Center
- The best preclinical and clinical facilities and medical devices outside the country's capital region
- A host of medical universities from the Daegu-Gyeongbuk region, including 5 medical, 2 oriental medical, and 4 schools of pharmacy
- · 3,466 medical institutions and 5,236 pharmacies

General I	Hospitals H	ospitals	Clinics	Dental Hospi	itals / Clinics	Oriental Med	dicine Clinics
1	2	175	1,607	83	35	8	37
Pharmacies	Herbal Medicine Dispensaries	Medicinal Herb Suppliers	Medicinal Suppliers	Medicinal Supply Wholesalers	Medical Device Suppliers	Medical Device Repair firms	Over-the-counter Drug sellers
1,158	20	58	3	307	2,857	101	732

| Advanced Industry Infrastructure |

- Facilities for the development of the robot industry, led by Korea Institute for Robot Industry Advancement
- Large-scale projects, including a regional 3D Convergence industry development project
- Co-development of imaging device, next-generation display, and component industries
- Related industry facilities, including mechatronics, molds, nano and advanced materials and IT

| Medical Infrastructure |

- Joint research agreements with national research institutions, including Korea Research Institute of Bioscience and Biotechnology and National Cancer Center
- · Global networks with Kobe Medical Foundation, New Jersey Medical Cluster, etc.
- · Joint research agreements with local universities, including Kyungpook National University
- Agreements with related organizations, including Korea Drug Research Association and Korea Medical Devices Industry Association

| Human Resources |

- The largest cluster of universities outside the capital region (annually, over 85,000 graduates from universities and colleges in Daegu-Gyeongbuk)
- Customized manpower training projects optimized on-site
- Programs to avoid job mismatching, including a recruit tour and a company visit project









The ideal environment for business and living, for your uttermost satisfaction

A premium city

- · A premium city fitted with living, commercial, education, cultural and leisure facilities, park, etc. (Innovation City: 22,000 residents)
- Green parks in the downtown core (2nd largest park area per resident among seven big cities)
- · Apartment complexes within the 1st/2nd residential areas in the Innovation City
- Pleasant natural surroundings, including Palgong Mountain, Geumho River and Yulha Stream

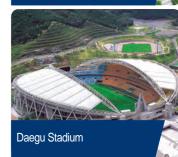
A global city

- FIFA World Cup Korea/Japan 2002, Summer Universiade 2003
- IAAF World Championships in Athletics 2011
- World Energy Congress 2013
- World Water Forum 2015
- Global cultural festivals held around the year including the Daegu International Opera Festival(DIOF), Daegu International Musical Festival(DIMF), and Daegu Yangyeongsi Herb Medicine Culture Festival

| Educational City

- Top-ranked in the 2012 national academic achievement test(middle school seniors)
- · Ranked 1st in the 2012 national academic aptitude test(average score)
- Six students with a perfect score in the 2015 aptitude test(6 in Daegu-Gyeongbuk out of 29 students nationwide)
- Daegu Science High School for the gifted(opened in 1988), Daegu International School(LeeAcademy, opened in 2010), Daegu II Science High School(located in Donggu Innovation City, opened in 2011)
- A cluster of educational institutes in Daegu-Gyeongbuk, including 21 universities and 23 colleges













| Project outline |

Location Sinseo Innovation City, Dong-gu, Daegu
 Size 1,054,000m²(Innovation City 4,216,000m²)

Project Period 2009~2038(Construction of the cluster: 2009~2013)

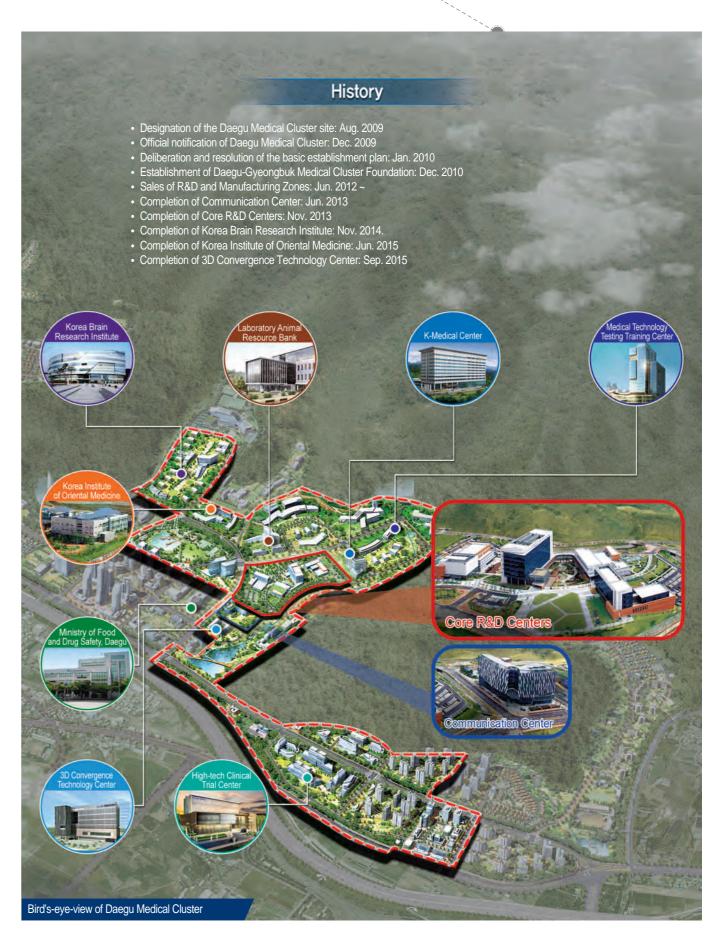
• Total Project Costs USD \$4billion

Laboratory Animal Center, Clinical Drug Manufacturing Center

Amenities - Communication Center, Science Village(apartment for researchers)

| Core Research Centers & Amenities |



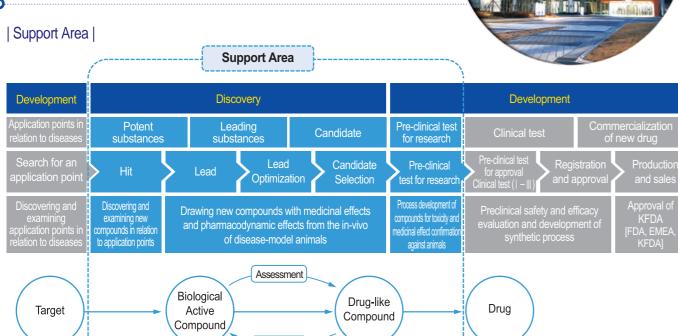


Daegu-Gyed⊅gegk Medical Cluster ● 9

Securing global competitiveness for the development of synthetic new drugs

New Drug Development Center

- Facilitation of new synthetic drug development for target therapy
- Support for the 'drug candidate optimization' stage, the Death Valley in drug development
- Provision of key technologies for pharmaceutical evaluation of new synthetic drugs in the area of cancer, metabolic disorders and neurodegenerative disorders



Optimization

| Support Projects |

Support Projects	Support Contents
R&D support for companies in Daegu Medical Cluster	 Special financial support from Daegu City for move-in companies Support for candidate development through joint research with New Drug Development Center Support with US\$ 0.5~1million/project/yr up to 3 yrs
New drug candidate development support	 Support for candidate development of industry-academia-institute collaboration bodies with funds of Ministry of Science, ICT and Future Planning Drug candidate development through joint research between the New Drug Development Center and proposing companies Support with US\$ 0.5million per project for up to 3 years
Platform technology development support	 Establishment of essential platform technology for candidate development with funds of Ministry of Science, ICT and Future Planning Advancement of the technology by joint research with New Drug Development Center Support with US\$ 0.5million per project for up to 3 years
Technological Service	 Provision of customized cutting-edge technologies to industry-academiainstitute collaboration bodies Selection of application through internal review Actual expenses are subject to change depending on projects
Entrustment	Customized support for entrusted research Actual expenses are subject to charged depending on projects





































Daegu Medical Cluster • 11 _____ 10

Candidate

Comprehensive Services for Medical Device Development

Medical Device Development Center

- Support for imaging-based fusion diagnosis and treatment device (IT) development with a focus on three major diseases: cardio-cerebrovascular, geriatric, and cancer diseases
- One-stop total solution services for commercialization



| Support Area |

R&D Support for IT-based Fusion Diagnosis and Treatment Device Commercialization

Research Equipment Support	Skill and Reliability Solution	R&D Support	Academic & Research Network
Image fusion equipment Research equipment (reliability test equipment, etc.)	Product technology analysis and developed technology application test	Reliability improvement Product technology	Other support through network of industries, academia, research centers and hospitals



| Support Projects |

Support Projects	Support Contents
Joint R&D for Key Technology Development	Support for products that have great potential but have been delayed for release or have seen low sales due to technological problems
Customized Collaborative R&D	Support for products that feature excellent technological quality but have failed to access the market due to the lack of the credibility of hospitals
Prototype Production	PCB engineering/manufacturing & part installation (SMT)
Test and Evaluation	Main targets: surgical devices, diagnostic devices, medical simulators, in vitro diagnostic devices, syringes and needles, u-healthcare devices
Human Resource Matching for companies	 Matching a professional expert of the Center to a company (1:1) Comprehensive consulting from the conception of an idea to the commercialization of a product
Exchange Lab Operation	 Joint research and close cooperation among companies, hospitals, research centers, etc. Support for joint R&D and equipment utilization
Customized Education	Education course development for each medical device development stage Support with the Center's experts and professional instructors

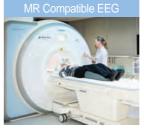
Image Fusion System







Research Equipment

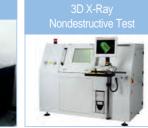






Robot ARM

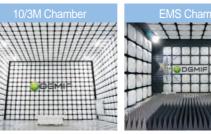








Test System





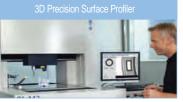


Prototype Production









Daegu Medical Cluster • 13

Daegu Medical Cluster

www.medivalley.re.kr

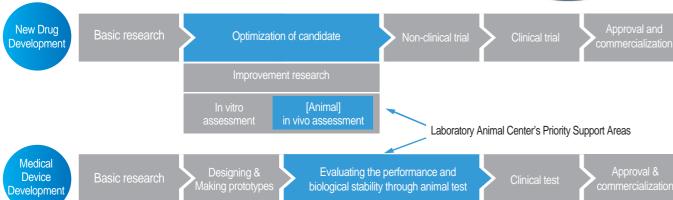
A Cutting-Edge Animal Testing System

Laboratory Animal Center

- An animal testing system for synthetic drug and IT medical device development
- Support for customized animal testing through three strategies of differentiation Bio-imaging analysis / Advanced fusion microsurgery / Customized animal models



| Support Area |



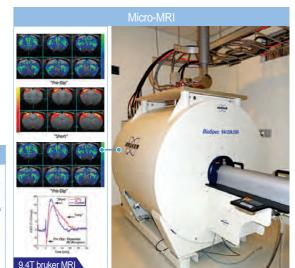
Major Laboratories			Number of Animals	Note
Small Animal's Testing	18 rooms ABSL - 2 rooms Bio-imaging Zone (MRI Room, PET Room, Optical Imaging Room)	Re-entry Zone - 4 rooms 2 autopsy rooms 3 test rooms	Mouse 32,000, Up to 40,000 expected	6,400 Cages (8,000 Cages)
Mid-sized Animals Primates Surgery Zone	 3 operating rooms 2 dog rooms 2 rabbit rooms	• 2 primates rooms • 2 pig rooms	Monkey 52, Dog 72 Mini Pig 19, Rabbit 99	
Medical Devices (Small & Mid-sized Animals)	4 rabbit rooms 1 SPF rooms	4 guinea pig rooms	Rabbit 138, Guinea pig 512 Mouse 2,800	

| Support Projects |

	Support Projects	Support Contents
New Drug Development	Efficacy Assessment	Assessing drug efficacy using disease-model animals • Tumor: Breast cancer, Colorectal cancer, Liver cancer, Prostate cancer, Hematological cancer, Pancreatic cancer, etc. • Metabolic disease: Osteoporosis, Arthritis, Obesity, Diabetes, etc. • CNS/Cardiovascular diseases: Neuromyelitis optica, Neuropathic pain, Stroke, Cardiac infarction, etc.
Support	In vivo PK Assessment	Supporting for PK assessment using mice, rats and dogs
	Preliminary Toxicity Test	Supporting for preliminary toxicity assessment using mice, rats and dogs
Medical	Medical Device Performance Assessment	• In vivo performance assessment of prototypes • Material assessment / Imaging-based material assessment • Material insertion test • Telemetry test
Device	Study monitoring	• Evaluation of approval test Monitoring • Consulting on items of safety assessment • Manual/SOPs establishment and supplementation
Development Support	Preliminary Biological Stability Assessment of Medical equipment	 Cytotoxicity • Genotoxicity(Micronucleus, Ames) Blood compatibility • Material monovalency Acute/subacute systemic toxicity • Sensitization test • Elution test • Irritation test • Telemetry test









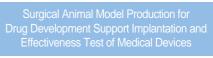


















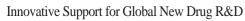




Daegu Medical Cluster • 15

Daegu Medical Cluster

www.medivalley.re.kr



Clinical Drug Manufacturing Center

- Production and supply of global GMP-level drugs
- Development of analytical method / formulation process optimization
- GMP consulting
- KGMP certified



| Support Area |

Investigational New Drug Application(IND)

New Drug Application(NDA)

Non-clinical Test

- Manufacturing and supply of pharmaceutical products(Complete products and API)
- Process development
- Formulation study
- Development and support of analytical procedures
- Stability test (expiry date setting, re-evaluation time setting, post-sales stability test, etc.)
- CMC(Chemistry, Manufacturing, Control) documentation

| Support Projects |

Support Projects	Support Contents	Support Areas
Drug Production	Providing services for drug manufacturing and facility lease, offering a technical resources to pharmaceutical companies and institutes	• Injections : liquid (vial, pre-filled syringe), lyophilized (vial) • Oral solid dosage : tablets(single-layer/multi-layer), capsules
Analysis and Licensing Support	Analysis Support QC analysis, analytical procedure development and methods validation for drug substances and products	Stability test, lot realease test, etc.
	Licensing Support Support for organizations and companies that plan to request domestic/global licensing of drugs in licensing documentation and work process	Investigational New Drug Application(IND, NDA), etc
Education and Training	Training for students majored in pharmacy and workers in pharmaceutical fields	Practice in drug production, QC/testing, GMP facility management and operation, etc.
GMP Consulting	Support for organizations that plan to build new GMP facilities or need expertise on drug production and analysis	Drug production process, analysis skills, EH&S, GMP facility establishment/operation/management, etc.





















QC









16 Daegu Medical Cluster • 17 ____

National Research Institutes & Other Supporting Facilities

National Research Institutes



Korea Brain Research Institute

- Total building area: 21,918.78 m² (B1-5F)
- Completion of construction : Nov. 2014
- Target research areas: brain foundation, brain diseases, and brain engineering
- Venue for the 10th IBRO World Congress of Neuroscience in 2019



Korea Institute of Oriental Medicine

- Total building area: 6,190 m² (B1-3F)
- Completion of construction : Apr. 2015
- Specializing in natural drug development
- Cooperating with the New Drug Development Center, oriental medical institutions and clinical test institutions



Medical Technology Testing & Training Center

- Project period: 2016~2020
- Host agency : Ministry of Health and Welfare(Korea Health Personnel Licensing Examination Institute)
- Building infrastructure for national practical test and clinical training of health professionals



K-Medical Center

- Project period: 2016~2018
- Host agency : Ministry of Health and welfare, Daegu Metropolitan City
- Foreign medical expert training projects for global networking to draw foreign patients and help local medical centers enter the global market



3D Convergence Technology Center

- Total building area: 8,800 m²
- Completion of construction : Sep. 2015
- Medical and 3D convergence technology development and commercialization



High-tech Medical Genome Research Center

- Total building area: 7,300 m² (B1-3F)
- Project period: 2015~2019
- · Host agency: Korea Research Institute of Bioscience and Biotechnology
- Genetic information analysis personalized diagnosis treatment technology development IT-BT fusion research



Ministry of Food and Drug Safety, Daegu Office

- Project period: 2016~2018
- · Host agency: Ministry of Food and Drug Safety
- One-stop services for move-in companies to help their R&D, clinical tests, licensing, commercialization, etc.



Laboratory Animal Resource Bank

- Project period: 2015~2018
- Host agency : National Institute of Food and Drug Safety Evaluation
- Building infrastructure for recycling bioresources of high valueadded lab animals





Communication Center

- Total building area: 17,825 m² (B1-8F)
- Completion of construction : Jun. 2013
- Major facilities: DGMIF office, lodging place for researchers, a fitness center, conference rooms, meeting rooms, rental labs, etc



Science Village

- Total building area: 1,839 m² (B1-5F)
- Completion of construction : Dec. 2014
- Major facilities: dormitory for researchers (40 units), a fitness center



High-tech Clinical Trial Center

- Project period: 2016~2018
- Host agency : Daegu-Gyeongbuk Medical Innovation Foundation and local general hospitals
- Verifying clinical application of drug candidates and prototype products developed in Daegu Medical Cluster to promote drug/medical device development



Korea Medical Venture Center

- Total building area: 21,918.78 m² (B2-10F)
- Total building area: 21,918.78m²(B2-10)
 Completion of construction: Sep. 2015
- Rent available for start up companies



Industry-Academia Convergency District

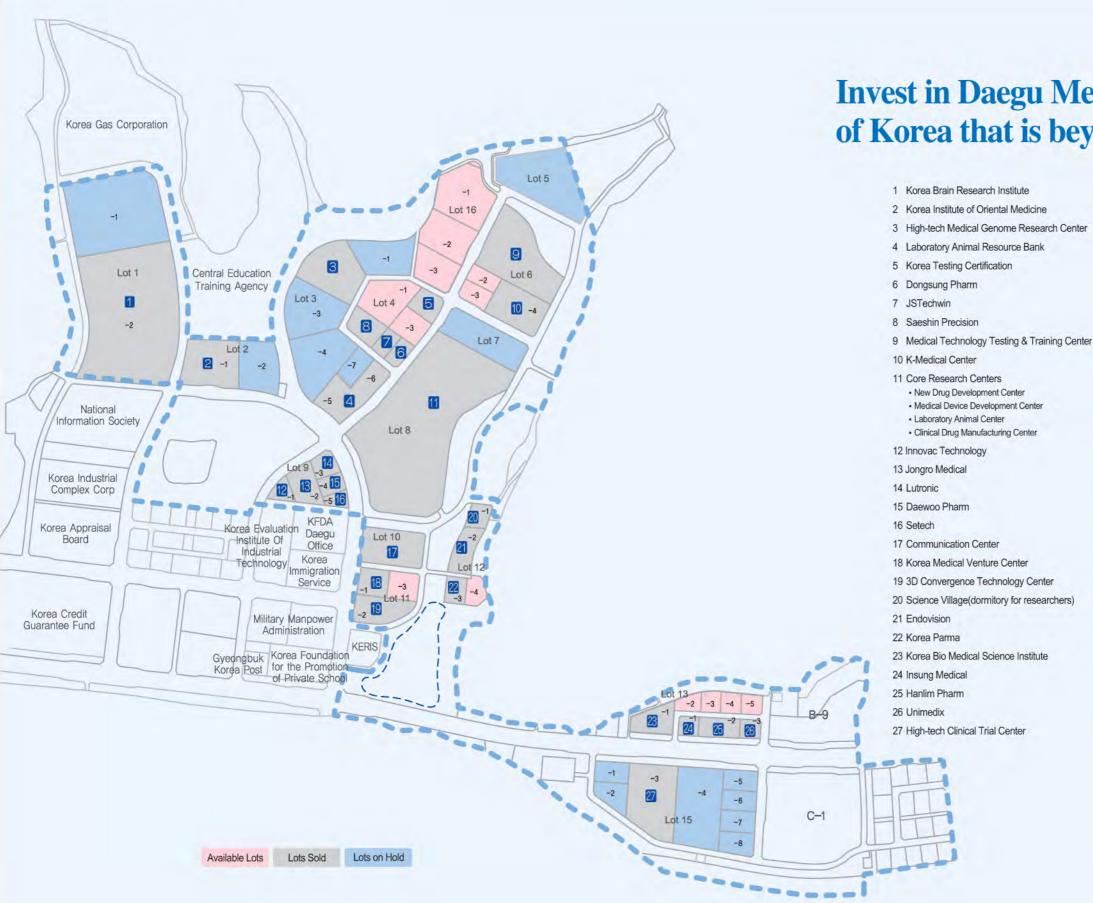
- Project period: 2017~2021
- Host agency : Industry & Academia Convergency
 Headquarters (by creating a consortium)
- Building a virtuous cycle system of 'education-jobresearch'

18 Daegu Medical Cluster • 19 —

Daegu Medical Cluster

Medivalley

www.medivalley.re.kr



Invest in Daegu Medical Cluster, the future of Korea that is beyond your imagination

| Available Lots |

3,958

2,299

2,298

5,180

2,187

1,891

1,889

1,889

1.888

9,011

9,747

8,995

Lot 4-1

Lot 4-3

Lot 6-2

Lot 6-3

Lot 11-3

Lot 12-4

Lot 13-2

Lot 13-3

Lot 13-4

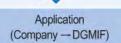
Lot 13-5

Lot 16-1

Lot 16-2

Lot 16-3

| Sales and Lease Process | Discussion Division | Area(m²) (Daegu City) 7,815



Review and Approval (DGMIF, Ministry of Health and Welfare)





Medical Hub Development Division of Daegu City

T.+82-53-803-6450~2



Tax Benefits | Various tax benefits to relieve financial burdens of companies

- National Tax Corporate tax and income tax 100% exemption for 3 years and 50% reduction for the subsequent 2 years
- · Local Tax Acquisition tax exemption / property tax 100% exemption for 10 years and 50% reduction for the subsequent 3 years
- Foreign-invested Company Corporate tax and income tax 100% exemption for 5 years (max) and 50% reduction for the subsequent 2 years / Acquisition tax exemption and property tax 100% exemption for 15 years

| Financial Support | Broad financial support to help companies concentrate on research and manufacturing

- Site and Investment Subsidiary Max USD\$ 0.9million
- Special Support for Large Investment Company Within 50% of the total investment (land purchase cost, construction cost, facility and equipment cost, etc.)
- Employment and Training Subsidiary
- Foreign-invested Company Support for companies with at least 30% of foreign investment (land purchase cost, rent, construction cost, employment and training subsidiary, etc.)
- Transition to Metropolitan Area / Construction and Expansion in Local Area Max USD\$ 6million for land and facility investment **Subject to change according to the type, investment size and other aspects of companies (Support to be provided based on relevant laws and Daegu city ordinances)

| Special Support | From human resources to R&D budgets

- R&D budget support for drug and advanced medical device research and development
- MediCity Fund (USD\$ 4.34 million to be raised for medical industry promotion), Medical Industry Promotion Fund (USD\$ 15 million)
- Customized HR development sharing of local and foreign R&D experts and facilities

Land Purchase Support | Mitigating the burden of land purchase

- Interest-free installment for 5 years
- Discount for lump-sum payment (3.0% off for pre-payment)
- * Small and Medium-sized enterprises & research startups: Offices available in the private building of Korea Medi Venture Center

| Deregulation(Special Acts) | Exceptional deregulation to provide better environments for doing business

- Immigration Control Act(article 20) Foreigners working for a supportive institution for R&D of medical services or a resident R&D institute of medical services may be allowed to stay maximum 5 years on each occasion.
- Medical Service Act(article 21) Any foreign medical doctor or dentist who meets the standards may conduct medical activities for the purposes of R&D of medical services in a medical institution in the Daegu Medical Cluster.
- National Health Insurance Act(article 22) The medicines, medical appliances, or medical technology applied to any person under clinical trials conducted for R&D of a medical institution in the Daegu Medical Cluster.
- Pharmaceutical Affairs Act/Medical Devices Act (article 23/24) Any resident R&D institute of medical services that desires to manufacture any
 medicine/a medical appliance developed as a result of its research shall obtain item permission of the Minister of Food and Drug Safety.
- If any supportive institution for research and development of medical services or any resident research and development institute of medical services obtains approval for import from the Minister of Food and Drug Safety with regard to the item and quantity of any medicine/medical appliance imported, such institution is deemed to have obtained the permission for import.
- Bioethics and Safety Act (article 25) The National Bioethics Committee shall install a sub-committee for the Daegu Medical Cluster to have the sub-committee deliberate on the matters specified by Ordinance of the Ministry of Health and Welfare within the Daegu Medical Cluster.
- Resident R&D institutes of medical services may jointly organize an institutional bioethics committee.
- Patent Act (article 26) The Commissioner of the Korean Intellectual Property office may authorize examiners to preferentially examine patent
 applications filed by any resident R&D institute of medical services in connection with research and development within the Daegu Medical Cluster
 prior to other patent applications.





Manufacturing Zone, leading the global competition of manufacturing

| Project Outline |

Objectives

Serve as a cluster of manufacturing facilities for innovative medical products of drug and medical device manufacturers in cooperation with the R&D Zone

Location/Size

Daegu Innovation City, Sinseo-dong, Dong-gu, Daegu / 1,087,000 m² (Innovation City 4,216,000 m²)

Project Period 2011~2015

Action Plan

Creating a global medical industry ecosystem

- Establishing a medical hub along with the R&D zone, as a core area of Daegu City which claims MediCity as its
- Creating a medical industry ecosystem for the development of new drugs and medical devices by the companies located within the cluster along with local medical universities and research centers
- Creating synergic effects on the IT convergence technology industry in a relation with the R&D Zone



"Exceptional incentives for Manufacturing Zone" corporate tax reduction to retrieve initial investment

Tax Benefits

- National Tax Corporate tax 100% exemption for 3 years and 50% reduction for the subsequent 2 years
- Local Tax Acquisition tax exemption / property tax 100% exemption for 7 years and 50% reduction for the subsequent 3 years
- Eligibility Advanced technology companies, research companies
- * Requirements for advanced technology company designation
- Holding domestic or overseas patents in areas of advanced technology and products
- Producing and selling products using patent right. operating in the cluster
- At least 5% of annual R&D cost in total annual revenues
- At least 30% of annual revenues arising from product manufacturing and sales using patent right in total annual revenues

| Land Purchase Support |

- Interest-free installment for 5 years
- Discount for lump-sum payment (3.0% off for pre-payment)

| Administrative Support |

- · One-stop administrative support from site selection to moving-in
- One-on-one personal support from pre-lease counseling to R&D



Manufacturing Zone • 25



Synergy effect with R&D Zone to lead technological prowess in the world

Main Products
Power generator for ambulance
Dental handpiece
Real-time positioning-based wearable band & controller
Low temperature plasma sterilizer
Dental materials and equipment
Stress tester, diabetograph
Digital board showing food poisoning index
Low-frequency therapeutic appliance
Communication products for medical use
Dental CAD-CAM milling device
3-phase medical appliances sensor
Medical monitors, laser curer
Medical magnets
Designing of medical device & mechanism
Medical accelerator equipment & parts
Contact lens
Combination stimulator for medical use
Medical pump, blood glucose tester
Micro needle for direct drug delivery
Dental prosthesis
Medical curtain, beds, etc.
Medical plasma sterilizer
Medicine for skin disease
Pulse sensor, human body detecting sensor system
Herbal medicine
Medical beds
Dental prosthesis
Herbal medicine
Medical supplies (medical dressing cart & bed)
Contact lens
Patient lift & carrier
Dental implant
Rehabilitation medical devices, Al Robot
Endoscopic
Water soluble calcium
Dental implant, medical LED light system, 3D printing system
Urine chemistry analyzer for home use, personal blood glucose test meter
CAD/CAM, vacuum mixer
IT service provider, rehabilitation robot
Medical beds and supplies
Rehabilitation training device, motorized wheelchair
Medical parts of 3D printer
Automatic tablet packing system
Medical imaging software
Combination stimulator, low powered sunlight phototherapy system
Optical fiber for skin disease treatment
Medical thermo-hygrostat, MRI Chiller
Medical machinery
Implant for orthopedics
Medical imaging diagnostics
Medical air compressor
Dental handpiece
Medical lighting, oxyzen saturation meter
Dental implant
Prosthetics Orthotics Exercisable Method Appliances for rehabilitation treatmen
Filter syringe, safety syringe for hospitals
Vitamin D3 generating irradiator, Pen-grip correction device for rehabilitation
Diagnostic apparatus for diabetic complication, plasma sterilizer Cosmeceuticals

| Available Lots |

Division	Area(m²)
Lot 2-1	9,851
Lot 9	23,867
Lot 11	11,215
Lot 13-12	9,071
Lot 13-13	35,417
Lot 19-1	14,822

| Sales and Lease Process



Medical Hub Development Division of Daegu City T.+82-53-803-6451

(Company → LH)

26 Manufacturing Zone = 27 __