

Leaders in a high growth market

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Medical applications of Hyaluronic Acid (aka hyaluronan or HA) in ophthalmics, aesthetics and rheumatology combined represent a global market of \$10 billion characterised by a sustained growth currently within a range of 6 to 10% annually. However, this opportunity is threatened by a growing imbalance between supply and demand. Addressing this issue, HTL, a world leading supplier of Hyaluronic Acid and other biopolymer solutions, is investing in a state-of-the-art production facility that will multiply its injectable grade sodium hyaluronate production capacity by 2.5 by 2021. This new capacity represents a much-needed opening in a global market under high pressure, explains Yvon Bastard, Chief Executive Officer at HTL. "This new, unprecedented capacity investment demonstrates the long-term commitment of HTL and its shareholders to anticipate and fulfil the growing needs of its customers worldwide," he comments.



Hyaluronic Acid (HA), also known as hyaluronan, is a substance that is naturally produced by the body. The largest amounts of it are found in our skin, connective tissue and eyes. Its main function is to retain water to keep tissues well lubricated and moist. HA is also produced on a commercial scale, using a process of synthesis by fibroblasts, synthetically and naturally from plant and wheat fermentation, for example.

HTL has developed its own, unique process to produce HA. It was created in

1992 on the idea that medical grade HA could no longer be produced from animal based extracts. The company has pioneered in the field by developing a new industrial process allowing HA to be produced by bacterial fermentation. The start of the production of HA for the pharmaceutical and medical devices industries was the key objective from the outset and it was realized in 2003. These injectable grades currently represent 95% of HTL's production.

Throughout the last decade, HTL has further diversified and it now also

produces other biological polymers for the pharmaceutical and medical fields. The company invested in a new R&D lab in 2017, and a new GMP fermentation and DSP pilot plant in 2018. "Our current aim is to unleash the global market growth of HA medical applications by building a new GMP manufacturing unit that will be operational in 2021," comments Mr. Bastard.

HTL is supported in its growth strategy by international private equity group Bridgepoint, who acquired a majority stake in the company in October 2018 from previous majority owner Naxicap, a French private equity firm who continue to hold a minority stake in the business. With cash-rich ownership, HTL looks all set to take advantage of the high growth in the global market for HA, which is largely driven by the aesthetics industry and the North American and Asian regions. HTL does not specify which geographical markets it focuses on, but did say that they expect their new medical grade HA production unit to boost their medical applications business, and further encourage biopolymer-based innovation. The new facility is located in Javené, France where HTL conducts all its production, R&D and analytical





activities. By 2021, it will multiply the company's production capacity of injectable grade sodium hyaluronate obtained by fermentation by 2.5 times. The amount of this investment remains confidential.

Mr. Bastard describes the new facility as "a state of the art suite". It will run in full cGMP conditions and will benefit from a totally independent set of utilities. The facility will be tasked with all key capabilities and skills in manufacturing, quality control, quality assurance. A significant recruitment plan has been implemented and operators will be in training mode for more than a year before the facility releases its first commercial batches.

With that, the new facility will have the same high quality standards as HTL customers have grown accustomed to. These customers are market leaders worldwide, who use HTL's HA solutions to manufacture premium products such as injections for cataract surgery, wrinkle filling, osteoarthritis treatment, or in topical form for dry eye treatment.

As demand for medical grade HA is growing, competition among HA producers is also on the increase, but Mr. Bastard is confident that HTL stands out because of its ability to obtain HA with an ultra-high molecular weight, which adds stability and effectiveness for injectable products prepared in the

fields of ophthalmology, rheumatology or dermatology. It is also one of the few global manufacturers that can produce a significant volume of pharmaceutical quality HA, and it prides itself on the breadth of its product portfolio as well as on its ability to produce solutions to meet specific customer requirements. "We can uniquely serve as one supplier for the full range of applications, from dispersive to cohesive," Mr. Bastard adds. "We are also the only one to propose our HA under a fiber form which confer advantages in customer process, in terms of ease of use and dissolution, as well as functionality and stability."

HTL will continue to leverage its 25 years of experience as a catalyst for continuous innovation, emphasises Mr. Bastard. "Through combining our passion, expertise and science, we enhance existing solutions and discover new opportunities. We are committed to enabling healthcare companies to transform patients' lives."

HTL is based in France and operates in all key market worldwide: Europe, North and Central America and Asia.



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