

Q1 2023 Results

May 2023

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Key Highlights

2023 Q1 Results

1Q sales KRW 90.1 billion, operating profit (-) KRW 13.8 billion

- **Covid sales decline:** Sales contribution of Covid products retreated to only 15% of sales
- **Non-Covid sales continue to rise:** YoY growth in sales continued for RV, HPV, and GI product groups
- **Cost of sales ratio increased:** Deterioration in COGS due to product mix change and sales decrease
- **Non-operating profit at W16.5 bn:** FX gains W12.2bn, Equity method gains W2.1bn

Platform Business

Platform business

- Share Seegene's unique syndromic PCR technology and know-how with prominent partners in various countries
- Extend coverage towards Animal/Plant diagnostics on top of Human IVD via development by country partners
- Distribute new products globally through Seegene's distribution channel while maximizing sales with partners by shortening product development timeline, lowering costs

'23 Progress and Expansion plan

- Signed technology sharing contract with Israel's leading bio company (3/22) and began developing customized products for the local market
- Several contracts expected this year targeting prominent bio companies in Europe

Non-Covid Syndromic Sales Growth

Non-Covid syndromic product sales grew 47% YoY in Q1

- **Respiratory virus (RV, YoY 119%):** Rapid increase in demand for respiratory syndromic tests due to Covid endemic transition, mitigation of quarantine and increasing use of diagnostics for Flu and RSV
- **Respiratory Bacterial (PB, YoY 58%):** Bacterial testing increased simultaneously along with abovementioned respiratory virus testing
- **Gastrointestinal (GI, YoY +64%):** Continuing growth thanks to conversion from traditional testing methods (cell culture, microscopy) to syndromic molecular diagnostic testing
- **Cervical cancer screening (HPV, YoY +34%):** Increasing introduction of HPV screening programs for cervical cancer patients and continued growth in screening needs in line with growth in women's health

US Business

Product development and production for N. America has begun

- Progress in Q1 2023

- Clinical trials for syndromic respiratory virus product in progress
- Initiated new product development at US research center
- Production of first RUO product completed in local facility
- Rental contract for site that will support mid-to-long term GMP laboratory and production plans completed

- 2023 Plan

- Start of GMP site construction (3Q)
- Initiate development of new RUO/IVD products(3+) for N. America

Financial Summary

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1Q Financials

(Unit: B KRW)	Q1'23	Q4'22	Q1'22	QoQ	YoY
Revenue	90.1	122.8	451.5	-27%	-80%
Cost of Good Sold	42.1	41.7	152.7		
(%)	47%	34%	34%		
Gross Profit	48.0	81.1	298.8	-41%	-84%
SG&A Exp.	42.0	45.4	69.3		
(%)	47%	37%	15%		
R&D Exp.	19.7	19.7	29.7		
(%)	22%	16%	7%		
Operating Profit	-13.8	16.1	199.7	-186%	-107%
(%)	-15%	13%	44%		
Non-Operating Gain/Loss	16.5	-16.5	17.4	-200%	-5%
Financial Gains (Loss)	14.1	-19.5	12.9		
Income/(Loss) from Affiliates	2.1	3.4	4.3		
Other Non-Operating Inc. (Exp.)	0.3	-0.4	0.2		
Pretax Income	2.7	-0.4	217.1	-775%	-99%
(%)	3.0%	0%	48%		
Income Tax Exp.	0.5	-3.3	51.4		
Net Earnings	2.1	2.9	165.7	-28%	-99%
(%)	2.3%	0%	0%		

[2022 1Q]

Revenue ₩90.1bn (QoQ Δ 27% & YoY Δ 80%)

- Non-Covid product sales grew by 47% compared to the same period last year
- Continued growth of non-Covid products centered on RV, HPV, and GI Non-Covid reagent sales share 23.1Q 68% (vs. 22.4Q 48%)
- Non-Covid Sales, Solid YoY Growth for 7 Consecutive Quarters
- Total sales decreased due to endemic conversion and drop in Covid product sales

Operating Profit -13.8bn/ Net Profit ₩2.1bn

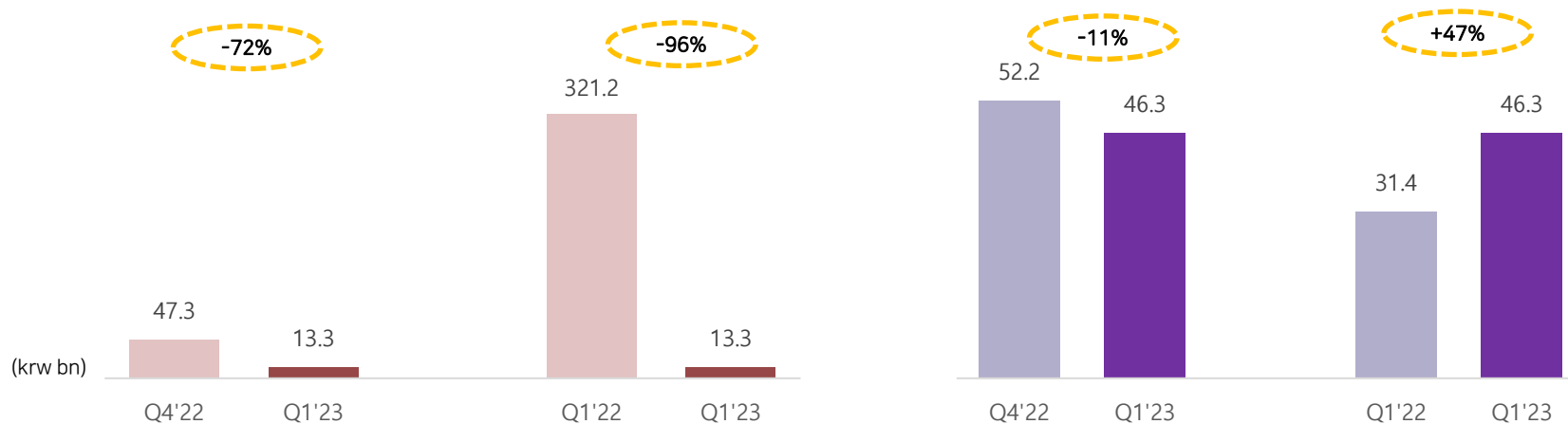
- Cost-of-sales ratio increased QoQ due to product mix change and sales decline
- Slight decrease in SG&A expenses, maintained R&D expense level
- Non-operating profit turned black (F/X gains ₩12.2bn, equity method gains ₩2.1bn)
- Maintained positive net profit of ₩2.1bn

Sales by Product

Non-Covid YoY growth continues

(Unit: KRW Billion)	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Reagent	376.7	282.5	246.6	257.1	357.2	1,143.4	372.9	105.6	115.5	108.2	67.7
· Diagnostic Products	334.9	250.7	226.1	230.5	326.9	1034.0	352.6	97.4	106.7	99.5	59.6
- COVID	308.2	224.8	198.8	195.6	289.6	908.8	321.2	59.3	64.2	47.3	13.3
- Non-COVID	26.7	25.9	27.3	34.9	37.3	125.3	31.4	38.1	42.5	52.2	46.3
RV	8.1	7.2	5.1	7.8	8.9	29.0	4.9	11.4	11.1	16.2	10.8
STI	8.6	7.5	8.5	10.2	11.3	37.4	11.7	11.0	11.9	11.6	11.8
GI	4.0	4.3	5.6	6.8	6.3	23.0	6.0	6.6	8.7	10.4	9.8
HPV	3.1	3.5	4	4.2	5.1	16.8	4.7	5.1	5.5	6.6	6.3
etc.	2.9	3.4	4.1	5.9	5.7	19.1	4.1	4.0	5.3	7.4	7.6
- Extraction	41.8	31.8	20.5	26.6	30.3	109.3	20.3	8.2	8.8	8.7	8.1
Equipment etc.	65	69.3	57.1	48.2	52.8	227.5	78.6	22.9	35.3	14.5	22.4
Total	441.7	351.8	303.7	305.3	410.0	1,370.8	451.5	128.4	150.8	122.7	90.1

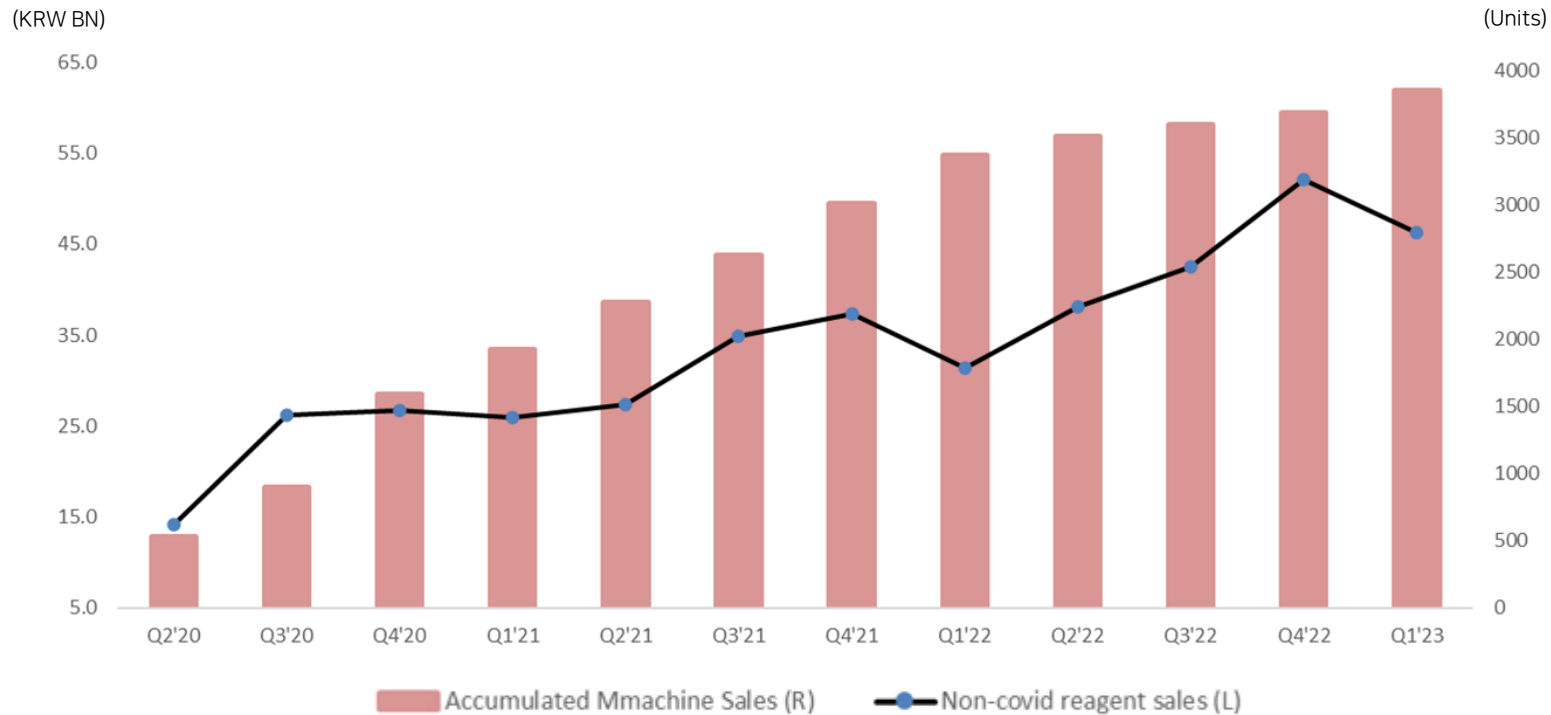
Sales Trend by Product



PCR Equipment and Non-Covid Reagent Sales Trend

Highlights

- Non-Covid product sales in Q1 of 2023 grew by 47% compared to Q1 of 22 (YoY growth for 7 consecutive quarters)
- Due to seasonality, RV sales in 1Q 23 decreased compared to 4Q 22
- Non-Covid sales growth expected to exceed market forecast
(molecular diagnostics growth rate 16.2%, of which infectious disease diagnostics growth rate is 20.3%)



(KRW BN)	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23
Non-COVID	34.9	37.3	31.4	38.1	42.5	52.2	46.3
YoY%	33.2%	39.8%	21.3%	39.7%	21.9%	39.8%	47.4%

Summary B/S and C/F

(Unit: B KRW)

Category	1Q23	4Q22
Asset	1335.4	1391.9
· Cash and equivalents	468.0	521.6
· Account/other receivables	91.0	112.1
· Inventory	160.4	158.2
· Accounts receivable long-term	31.9	29.9
· Gross PP&E	259.6	257.9
· Other Assets	324.5	312.2
Liabilities	245.3	241.0
· Account/other payables	58.1	45.2
· Short-term borrowings	35.0	39.5
· Curr. Port. Of LT Debt	40.9	41.0
· Income taxes payable	2.9	4.9
· Long-term debt	2.1	2.2
· Other Liabilities	106.3	108.2
Equity	1090.1	1150.9
· Common stock	26.1	26.1
· Additional paid in capital	-93.0	-41.3
· Retained earnings	1154.3	1163.3
· Minority interest	2.6	2.5
Total Liabilities and Equity	1335.4	1391.9

(Unit: B KRW)

Category	1Q.23	2022
Beginning Cash Balance	521.1	432.1
Cashflow From Operations	28.2	308.3
· Net Income	2.0	180.0
· Change in Net Capital Mngt	19.3	76.9
· Income Tax Paid	4.3	(160.2)
· Others	6.6	211.6
Cashflow From Investments	(229.9)	(93.3)
· Sale (Purchase) of PP&E	(6.6)	(62.7)
· Sale (Purchase) of Intangible Asset	(2.6)	(9.2)
· Others	(220.7)	(21.4)
Cashflow From Finance	(144.5)	(144.5)
· Dividends Paid	0.0	(51.1)
· Lease Redemption	(5.5)	(20.2)
· Change in leasehold deposit	0.0	(1.4)
· Others	(139.0)	(71.8)
Net Change in Cash	(251.0)	89.2
Ending Cash Balance	270.1	521.3

Key Strategy

Seegene Syndromic Product Competitiveness

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Platform Business

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US Business

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Seegene Syndromic Product Competitiveness: Allplex™ HPV28 product provides quantitative values on 28 pathogens

- Seegene's Allplex HPV product was evaluated by international HPV experts and seen as meeting international standards as a screening test for cervical cancer patients
- This result was announced at the Satellite Symposium of EUROGIN (European Genital Infectious Disease Oncology) held in Spain in February 2023. This is the second time a Korean product made this achievement, the first being Seegene's Anyplex II HPV product

EUROGIN | February 8 - 11, 2023
Palacio Euskalduna, Bilbao, Spain

Impact of enhanced information using a new assay for HPV primary screening



Friday, February 10, 11:45-13:00 @ Room 0B

Chair | **Dr. Kate Cuschieri**
Royal Infirmary of Edinburgh, UK

CLINICAL SPECIFICITY

Allplex HPV HR result	No. (%) of samples with the following HC2 result		Total
	Negative	Positive	
Negative	779 (90.2%)	11 (1.2%)	790 (91.4%)
Positive	5 (0.6%)	16 (1.7%)	21 (2.4%)
Total	784 (90.8%)	27 (3.1%)	811 (93.9%)

HPV assay	n%	%	95% CI	Median specificity
HC2	784/803	97.6	96.7-98.7	100.0 (95% CI: 99.9-100.0)
Allplex HPV HR	800/803	99.7	99.3-99.9	100.0 (95% CI: 99.9-100.0)

HPV & Cervical Cancer Screening

Real-World Data... from North Region of Portugal
08/2016 to 12/2021, n=97,103 (cervixes) n=95,914

Hugo SOUSA

HPV other than 16/18 in ASC-US/LSIL

Past History	Current HPV	Current cytology	n	n%	CI 95% n%	CI 95% n%	CI 95% n%	CI 95% n%
Unknown	HC2	NIAM	63,541	1.7%	1.5	1.9	1.5	1.9
	HPV 16		883	1.4%	1.1	1.7	1.1	1.7
	HPV 18		309	0.5%	0.3	0.8	0.3	0.8
	HR12		2,366	3.7%	3.2	4.3	2.7	4.9
Unknown	HC2	ASC-US	35,596	1.0%	0.8	1.2	0.8	1.2
	HPV 16		561	1.6%	1.2	2.1	0.8	2.4
	HPV 18		131	0.4%	0.2	0.7	0.2	0.8
	HR12		1,024	2.9%	2.5	3.5	2.0	4.6
Unknown	HC2	LSIL	23,659	1.0%	0.8	1.3	0.8	1.3
	HPV 16		223	0.9%	0.6	1.3	0.6	1.5
	HPV 18		84	0.4%	0.2	0.7	0.2	0.8
	HR12		669	2.8%	2.4	3.7	1.9	5.5

Marta DEL PINO



Clinical validation of Allplex HPV HR Detection test for cervical cancer screening



Dr. Anja Oštrbenk Valenčak University of Ljubljana, Slovenia

Real-world evidences from HPV genotyping in cervical cancer screening in north region Portugal



Dr. Hugo Sousa IPO, Portugal

Moving forward: the value of HPV testing and genotyping in the new cervical cancer screening paradigm



Dr. Marta del Pino Hospital Clinic Barcelona, Spain

participants	Key Highlights		
	Key point 1	Key point 2	Key point 3
Total 420	Importance of HPV genotyping (16/18, etc.) :It is expected that types other than 16/18 will increase in the future, and the guidelines will gradually change accordingly	Clinical Significance of Prevalence by HPV Type :It is not simply the high and low prevalence of the infected type, but it is necessary to know what type actually leads to cancer and follow up.	Necessity of patient follow-up management using Ct value (quantitative value) :The solution is to prepare standardized standards for cervical cancer prevention with more experimental evidence in the future according to HPV superinfection and different standards for each manufacturer.

Seegene Syndromic Product Competitiveness: Allplex™ HPV28 product provides quantitative values on 28 pathogens

- Signed HPV diagnosis MOU (3/31) with IVI(International Vaccine Institute) for Global HPV Burden Study covering 8 countries in Asia/Africa (target est, 50K ppl)
- Seegene's Allplex™ HPV28 product will be used to improve access to HPV screening
- Project funded by the Bill & Melinda Gates Foundation, conducted jointly by US CDC, organizations in UK & Sweden

IVI, Seegene exchange MOU on global HPV burden study

- Seegene to handle logistics support to test 50,000 girls and women ages 9-50 in Asia and Africa from August
- Seegene's Allplex™ HPV28 Detection tests to be used to improve access to HPV screening
- Project funded by the Bill & Melinda Gates Foundation, conducted jointly by US CDC, organizations in UK & Sweden

MOU Signing Ceremony between IVI and Seegene for Global HPV Burden Study Collaboration
March 31, 2023 | International Vaccine Institute

Dr. Jerome Kim, Director General of IVI (left), and Daniel Shin, Chief Global Sales & Marketing Officer at Seegene (right) exchanged an MOU for Global HPV Burden Study Collaboration at a signing ceremony at IVI headquarters on March 31, 2023.
Credit: IVI

April 3, 2023 – SEOUL, Korea – Seegene, a PCR molecular diagnostics total solution company, and the International Vaccine Institute (IVI), an international organization dedicated to vaccines, will collaborate in a research study that aims to test 50,000 people in eight countries of Asia and Africa on human papillomavirus (HPV) infection, a pathogen responsible for cervical cancer and other diseases. Seegene and IVI announced on April 3 they signed a memorandum of understanding (MOU) on the study that will utilize Seegene's HPV diagnostic test products. The signing ceremony was held at IVI headquarters in Seoul on March 31.

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Interview: Updates in HPV Testing and Genotyping for Cervical Cancer Screening

Mar 27, 2023

By Seegene Inc

Save for later

In February 2023, Seegene met with Marta del Pino at Eurogin, the leading international conference focused on human papillomavirus (HPV) and associated cancers, to discuss the value of HPV testing and genotyping in the new cervical cancer screening paradigm.

Del Pino is a gynecologist at the oncological gynecology unit of the Clinical Hospital of Barcelona and an associate professor at the University of Barcelona.

She is the vice president of the Spanish Association of Cervical Pathology and Colposcopy and a member of the International Federation of Cervical Pathology and Colposcopy as well as the HPV Action Network. In recent years, she has participated in the development of numerous national clinical guidelines and consensus documents related to the management of HPV-related lesions of the lower genital tract and screening strategies for cervical cancer prevention.

How common is HPV?

According to the [US Centers for Disease Control and Prevention](#), HPV is the most common sexually transmitted infection, with data showing that nearly all sexually active people will get at least one type of HPV at some point in their lives. The World Health Organization estimates that more than 600,000 women globally are diagnosed with cervical cancer caused by HPV each year. There are many genotypes of HPV, and, while most infections cause no symptoms and improve without treatment within two years, some types of HPV can cause health problems such as genital warts and cancer.

How often does HPV lead to cancer?

Marta del Pino, gynecologist at the oncological gynecology unit of the Clinical Hospital of Barcelona and an associate professor at the University of Barcelona.

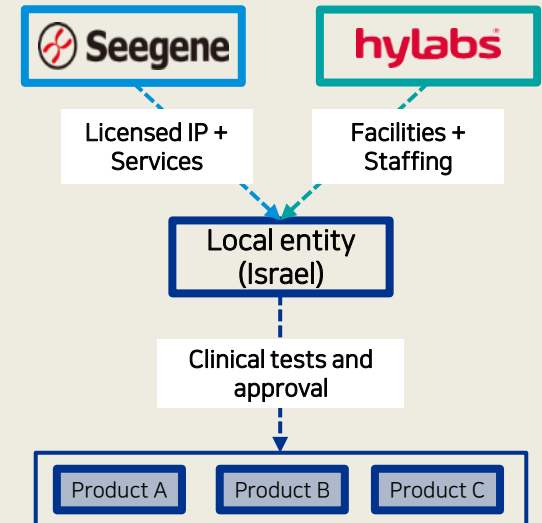
Platform Business

Overview

- ① To share Seegene's exclusive syndromic PCR technology and know-how with prominent partners in many countries
- ② To extend coverage towards Animal/Plant diagnostics on top of Human IVD via development by country partners
- ③ Distribute new products globally through Seegene's distribution channel while maximizing sales with partners by shortening product development timeline, lowering costs
- ④ Create a 'One System' automated instrument system compatible with every Seegene syndromic product. Expand Seegene infrastructure to include local hospitals, clinics and even households

진행 경과

- Signed technology sharing agreement with Israel's prominent bio company, Hylabs (2023.3.22)
 - To develop local, high-demand infectious disease diagnostics initiated by Hylabs at the conceptual stage
 - Hylab in charge of management with controlling stake while Seegene invests in minority stake
 - To transfer R&D capability towards local base and receive service fee for R&D and production advisory
 - Expect meaningful sales and royalty contribution through locally developed products
- To add multiple new partners this year, beginning with an EU partner



US Business: 1Q update and 2023 strategy

Initiated local product development and manufacturing, Will grow Non-Covid RUO product sales and establish IVD business platform

	'23. 1Q	2Q	3Q	4Q
R&D	<ul style="list-style-type: none"> • Conducting clinical trials for syndromic multiplex RV product • Began local new product development (STI) 	<ul style="list-style-type: none"> • Syndromic multiplex RV product FDA submission 	FDA-bound RUO / IVD product development (3+)	
production	<ul style="list-style-type: none"> • RUO product first batch production complete • Mid/Long term GMP lab and local production site contract complete 	GMP site construction - Build up infrastructure (facility, personnel, system) for FDA product		
Sales	<ul style="list-style-type: none"> • Sales and Marketing expansion • US homepage renewal (online order function added) • Multiple Webinars Public Health Lab target (New lead from Michigan, Minnesota, New York, Kansas) 	Continue new market expansion . [before] mid-small test centers → [expand] Public Health Lab, large test centers . <u>Targeting Public Health Lab where no approval is needed</u> <ul style="list-style-type: none"> ✓ Expand Non-Covid sales ✓ Strengthen product credibility ✓ Accumulate local data ✓ Co-work with local institutions and scientists (clinical process, seminars, research papers and posters) 		

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[*appx.*] Snapshot

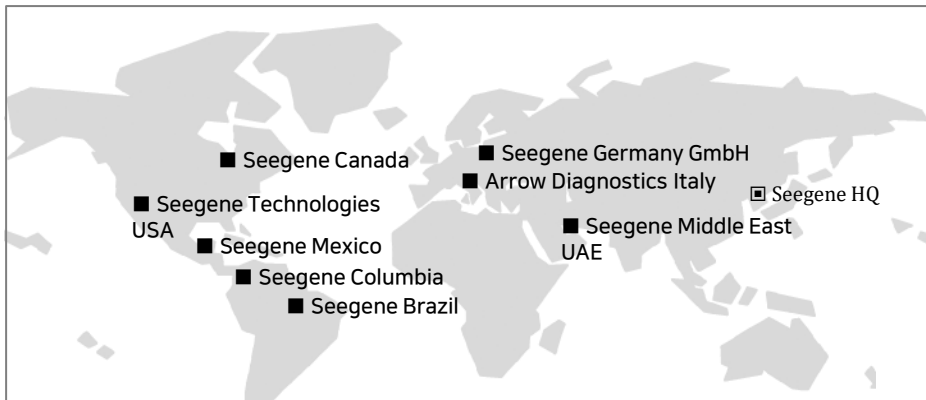
✧ Seegene Inc.

- CEO/CTO: Dr. Jong-Yoon Chun
- Established: Sept. 15, 2000 / Listed : Sept. 10, 2010
- Mission: Global Adoption of MDx to Daily Life
- Number of Employees: 977 (HQ, as of March 2023)

✧ Global Network

- 8 Foreign Subsidiaries (Employees: 240)
Italy, UAE, US, Canada, Germany, Mexico, Brazil, Colombia
- Over 100 distributors worldwide

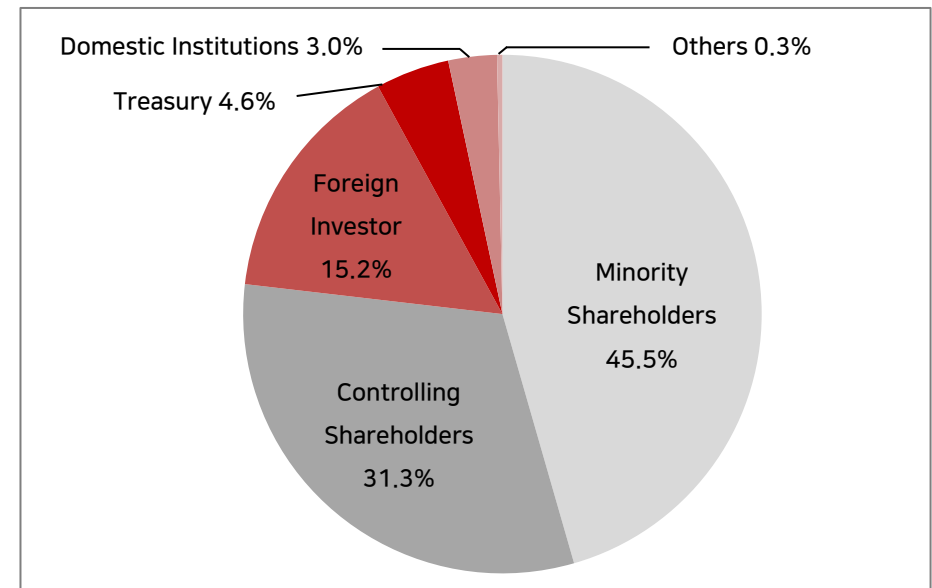
Foreign Offices



✧ Stock Information

- Ticker: 096530 (KOSDAQ)
- Shares Outstanding: 52,225,994
- Par Value: 500 KRW
- Market Cap.: 1.3T KRW (As of March 2023)
- Avg. Daily Trading Volume: 323,666 Shrs (Recent 3 mon avg)
- 52 week High / Low: 48,650/ 24,050 KRW

✧ Shareholder Structure

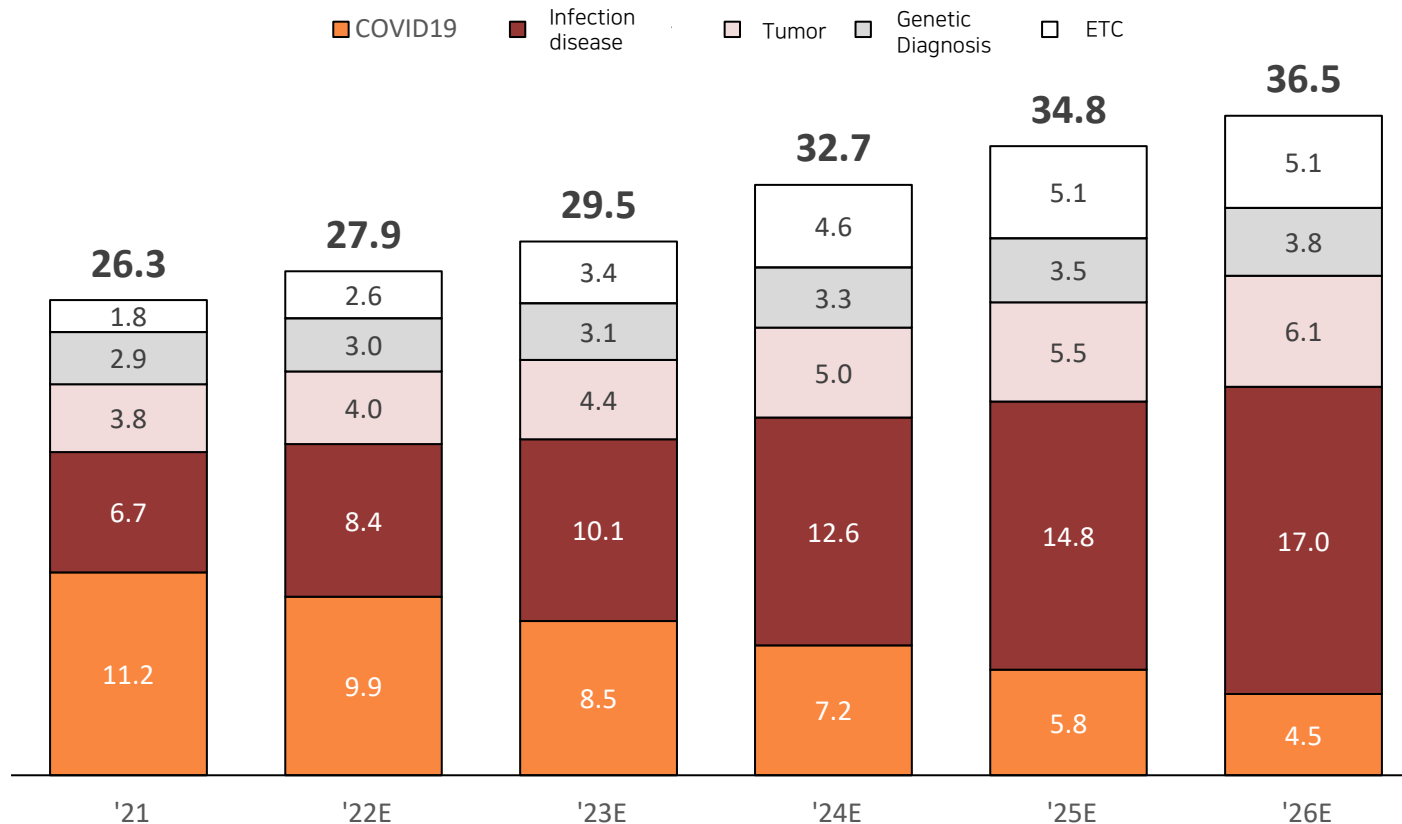


(As of Dec, '22)

[*appx.*] Molecular Diagnosis Market Outlook

- Molecular diagnosis lead IVD market growth since 2020 (categorized by technology)
- Excluding COVID-19 effect, molecular diagnosis expect to grow at **CAGR 16.2%** and infectious disease at **CAGR 20.5%** from 2021 to 2026

Global MDx Market Growth – by Application (unit: Billion USD)



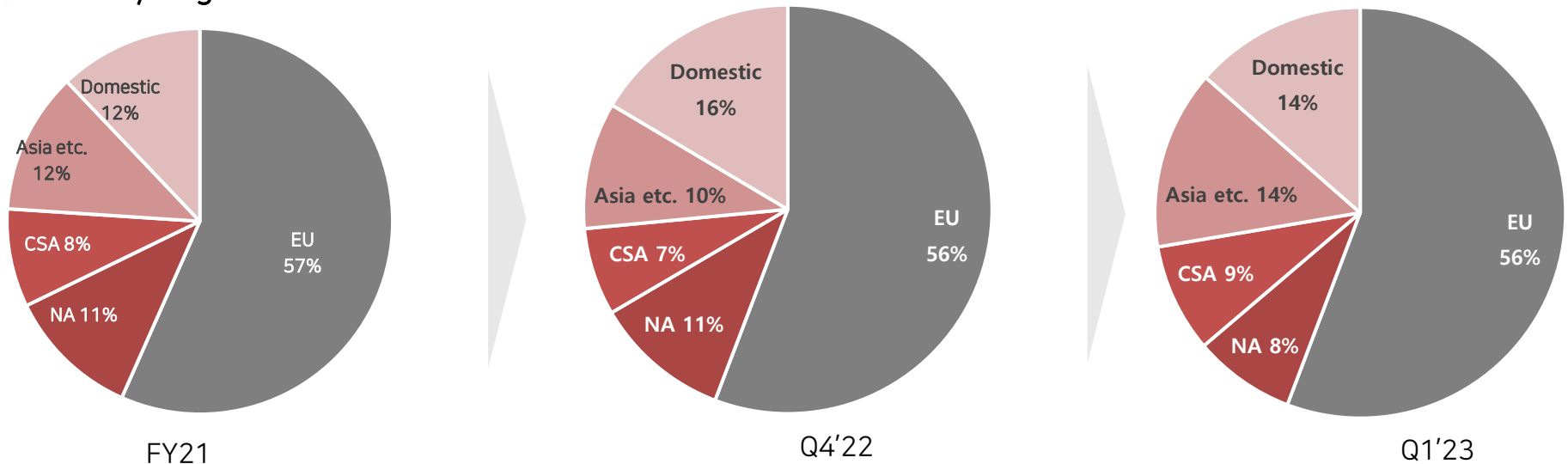
Source: Frost & Sullivan, Press Research, Nemo Partners

[*appx.*] Sales by Region

🌀 Sales by Region

(Unit: KRW B)	Q1'21	Q2'21	Q3'21	Q4'21	FY2021	Q1'22	Q2'22	Q3'22	Q4'22	FY 2022	Q1'23	QoQ	YoY
Europe	221.6	148.1	154.0	252.6	776.4	196.3	70.8	65.7	68.4	401.2	50.2	-27%	-74%
North America	43.6	42.6	26.9	39.9	153.0	33.9	12.1	12.6	13.2	71.7	7.3	-45%	-78%
Central-South America	25.2	43.2	28.9	15.7	113.0	57.2	12.6	10.8	8.5	89.2	7.7	-9%	-87%
Asia etc.	34.1	41.2	52.5	34.7	162.6	39.0	24.8	22.3	12.3	98.5	12.7	3%	-67%
Domestic	27.2	28.6	43.0	67.1	165.9	125.0	8.2	39.4	20.2	192.8	12.2	-40%	-90%
Total	351.8	303.7	305.3	410.0	1,370.8	451.5	128.4	150.8	122.6	853.4	90.1	-27%	-80%

🌀 Sales by Region



2022 ESG Achievements

- Improved our ESG ratings awarded by the Korea Institute of Corporate Governance and Sustainability, building on our efforts to bolster the disclosure of non-financial information
- Established and operated the ESG Committee under the Board of Directors to drive ESG management on a continual basis

[Publication of Sustainability Reports]



- Published the Seegene Sustainability Report 2021
- Published the Seegene Sustainability Report 2020/

[Improvement of ESG Ratings]



- Improved in overall rating by 1 level year-on-year.
- Improved in Environmental and Social ratings by 2 levels year-on-year

[Establishment of the ESG Committee]



- Established the ESG Committee under the Board of Directors