

Q3 2023 Results

2023.11.10

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01

Key Highlights

Non-COVID sales

Seegene OneSystem™

ESG rating

Non-COVID sales **+36%**

PB YoY 78%, GI YoY 71%
HPV YoY 53%, RV YoY 15%

- ✓ PB, YoY 78%: Bacterial testing increased thanks to growth in both respiratory virus paired testing and standalone testing
- ✓ GI, YoY 71%: Continuing growth backed by migration from traditional testing methods (cell culture, microscopy) to syndromic molecular diagnostic testing
- ✓ HPV, YoY 53%: Strong growth continues since Allplex product release and recognition for suitability of use in screening

ESG rating **B+**

Upgraded 2 levels from last year by KCGS

- ✓ Achieved B+ in all categories: Environment, Social, and Governance
- ✓ Strengthened ESG management supervision by establishing ESG committee under the Board of Directors
- ✓ Expanded ESG activities, including transparent disclosure of ESG-related information, declaration of human rights management, development of eco-friendly boxes (applied for patent), and securing diversity through recruitment of vulnerable social groups

Seegene OneSystem™

Launched Seegene's 'Open Innovation Program', composed of 15 reagent development projects with global researchers in conjunction with Springer Nature

Seegene's Open Innovation Program (OIP) is part of the OneSystem business to realize 'a disease-free world through early diagnosis of all diseases'

- ✓ Application period: 2023.09.04~10.31 / Final evaluation and selection: 2024.03.15
- ✓ 09.21 Detailed explanation of OIP through webcast hosted by Springer Nature / After introducing the experience of co-developing diagnostic products with Seegene, Q&A session was held. (about 1,000 webcast registrants)
- ✓ For the first stage of OIP, participants will conduct clinical research on 15 projects selected by Seegene. In the third stage, an automated development program using Seegene's syndromic quantitative PCR technology will be launched. Scientists and experts in all fields are expected to directly develop diagnostic reagents for all living things, including animals and plants.
- ✓ OIP program will help secure sound base for menu expandability and equipment competitiveness through participation of scientists/experts in each field

[OIP Brochure link](#)

02

Financial Summary

3Q IS/BS/CF

Quarterly sales breakdown

Financial Summary | 3Q IS



(Unit: B KRW)	Q3.23	Q2.23	QoQ	Q3.22	YoY
Revenue	91.9	84.9	8%	150.8	-39%
Cost of Good Sold	38.6	37.5		122.6	
(%)	42%	44%		81%	
Gross Profit	53.3	47.4	12%	28.3	88%
SG&A Exp.	45.3	39.6		41.1	
(%)	49%	47%		27%	
R&D Exp.	18.1	17.5		19.4	
(%)	20%	21%		13%	
Operating Profit	-10.1	-9.7	-4%	-32.2	69%
(%)	-11%	-11%		-21%	
Non-Operating Gain/Loss	4.9	5.5	-11%	13.9	-65%
Financial Gains (Loss)		4.9		27.0	
Income/(Loss) from Affiliates		0.8		1.0	
Other Non-Operating Inc. (Exp.)		-0.2		-14.1	
Pretax Income	-5.2	-4.2	-24%	-18.3	72%
(%)	-6%	-5%		-12%	
Income Tax Exp.	-0.5	-1.6		-7.1	
Net Earnings	-4.7	-2.6	-81%	-11.3	58%
(%)	-5%	-3%		-7%	

Revenue W91.9bn (QoQ ▲8%, YoY △39%)

- Non-COVID reagent sales grew by QoQ 16%, YoY 36%
- Strong non-COVID products continues (RV, HPV, GI)
- Non-COVID reagent sales contribution at 77% (vs. 23.2Q 75%)
- Total sales grew by 8% QoQ while Non-COVID reagent sales maintained strong YoY growth for the past 10 quarters
- COGS improved 2%p QoQ

Operating Profit -10.1bn/ Net Profit -4.7bn

- Expense for new business and R&D projects was concentrated in 3Q
- Continuing efforts to limit SG&A cost
- Non-operating profit including FX gains W4.9bn

Financial Summary | 3Q BS/CF



(Unit: B KRW)	Q3.23	Q2.23
Asset	1256.9	1276.0
· Cash and equivalents	413.9	405.4
· Account/other receivables	92.7	89.1
· Inventory	134.7	149.9
· Accounts receivable long-t	29.8	30.1
· Gross PP&E	244.1	246.0
· Other Assets	341.7	355.5
Liabilities	213.1	216.3
· Account/other payables	37.0	29.4
· Short-term borrowings	35.0	35.0
· Curr. Port. Of LT Debt	40.9	40.9
· Income taxes payable	0.4	6.5
· Long-term debt	1.6	1.8
· Other Liabilities	98.2	102.7
Equity	1043.8	1059.7
· Common stock	26.1	26.1
· Additional paid in capital	-113.7	-111.4
· Retained earnings	1128.7	1142.4
· Minority interest	2.6	2.6

(Unit: B KRW)	Q3.23	Q3.22
Beginning Cash Balance	521.3	432.1
Cashflow From Operations	67.7	289.9
· Net Income	-5.2	179.5
· Change in Net Capital Mngt	4.0	71.2
· Income Tax Paid	0.8	-159.5
· Others	68.0	198.6
Cashflow From Investments	-287.8	-448.5
· Sale (Purchahse) of PP&E	-18.2	-52.2
· Sale (Purchase) of Intangible Assets	-5.2	-7.0
· Others	-264.4	-389.4
Cashflow From Finance	-133.5	-111.0
· Dividends Paid	-28.8	-41.0
· Lease Redemption	-16.6	-13.5
· Change in leasehold deposit	-1.0	-1.4
· Treasury Shares	-81.8	-49.5
· Others	-5.3	-5.5
FX effect	11.7	26.5
Increase of Cash and Cash Equivalants	-341.9	-243.2
Ending Cash Balance	179.4	188.9

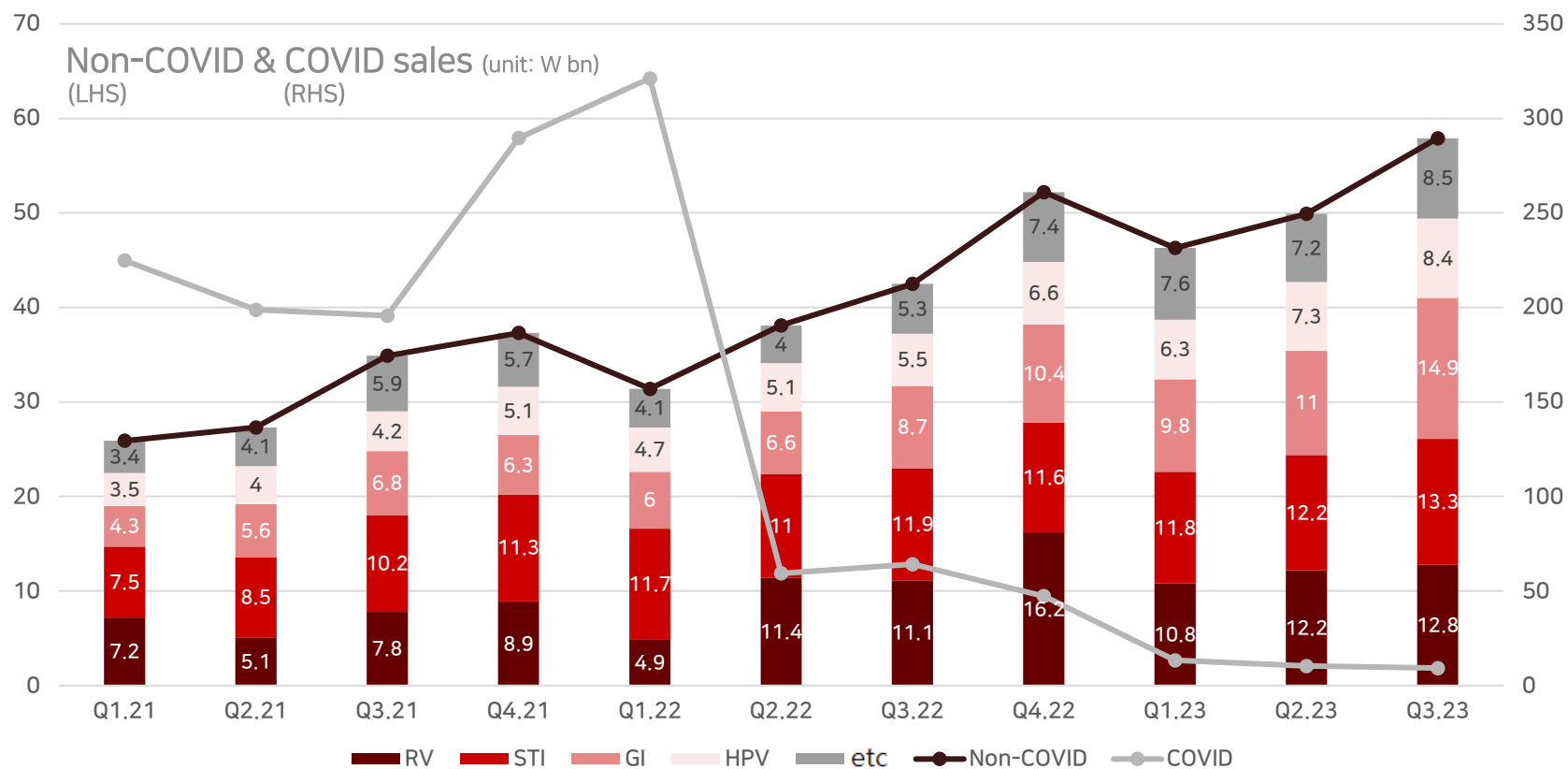
*Short term investment in financial instruments: W270bn

* Consolidated cash flow statement period (Q23.01.01 to 2023.09.30)

Financial Summary | Quarterly Sales



2023 3Q Non-COVID reagent sales grew 36% YoY
 PB (YoY 78%), GI (YoY 71%), HPV (YoY 53%): Strong growth continues
 Higher Non-COVID reagent sales growth vs. *market outlook (molecular diagnostics growth 16.2%)



*Source: Frost & Sullivan, Press Research, Nemo Partners

03

Key Strategy & Business Updates

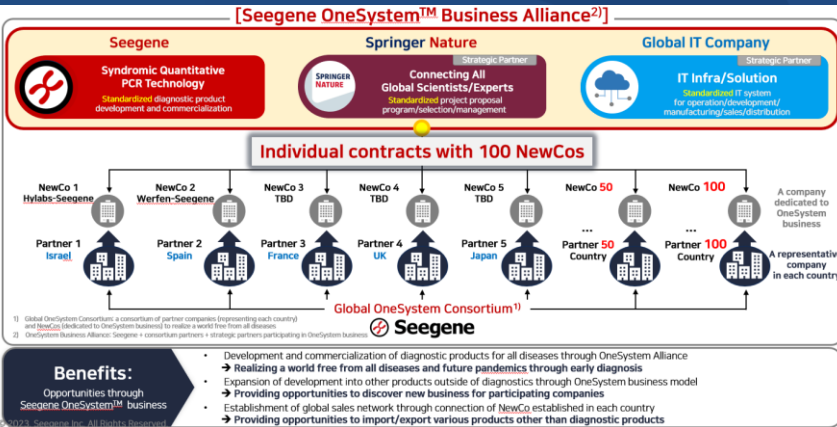
Seegene OneSystem™

3Q Business updates

Key Strategy | Seegene OneSystem™



OneSystem™ Business strategy and effects



Business Strategy

- Will establish NewCos with partners (over 100 leading companies in as many countries around the world) to develop new products based on Seegene's syndromic PCR technology
- Collaborate with NewCos and scientists/experts from all over the world to develop diagnostic reagent products in all fields, including humans, animals, and plants through Seegene's automated product development program
- Overcome limitations of menu expansion/development /clinical studies/licensing/production/sales/distribution growth and realize wide adoption of PCR molecular diagnosis

Global OneSystem Network for a World Free from Disease

Establishing a NewCo in over 100 countries with leading companies in each country



Establishing Global OneSystem Network with scientists/experts worldwide across all fields



100 NewCos simultaneously developing assay products with global scientists/experts across all fields



Business outcomes

- Development and commercialization of all disease diagnostic products through OneSystem Alliance. Realization of a world free from diseases/pandemics through early diagnosis
- Provide new business opportunities to participating partners through OneSystem business model by supporting various new product development
- Establishment of a global distribution network through NewCos in each country. Provide opportunities to develop various products in other areas

Key Strategy | Seegene OneSystem™



Launch of 'Open Innovation Program (OIP) powered by Seegene', a global product development program

The screenshot displays the Genomeweb website interface. At the top, there are navigation tabs for 'genomeweb', '360 Dx', 'PRECISION MEDICINE ONLINE', and 'PMLS EVENTS'. A prominent banner reads 'Unlock the Potential of Molecular Diagnostics for a World Free from All Diseases' with the Seegene logo. Below this, the main navigation bar includes 'Business & Policy', 'Technology', 'Research', 'Diagnostics', 'Disease Areas', 'Applied Markets', and 'Resources'. The central content area features a large article titled 'International Newborn Genome Sequencing Projects Discuss Differences, Future Goals' with a sub-headline 'At the International Conference on Newborn Sequencing (ICoNS) in London last week, a dozen projects from around the world presented their plans and progress.' To the right of the article is a 'Breaking News' section with several items, and a 'What's Popular?' section with a numbered list of four items. At the bottom left, there is a 'nature portfolio' section with a sub-article titled 'Announcing Seegene OneSystem, a global collaboration to advance syndromic PCR assays'. To the right of this is a 'Speakers' section listing three individuals with their names, titles, and affiliations. The bottom right corner of the screenshot shows a 'Moderator' section with the name 'Suek Haddadin, Nature Research Custom Media'.

- As part of the technology sharing project (OneSystem) for a 'world without disease', Phase 1 of OIP, a global diagnostic product joint development project, was launched. (Nature website, application period 2023.09.04 ~ 10.31)
- OIP Phase 1 is the first global diagnostic product joint development project in the field of PCR molecular diagnostics, recruiting experts from around the world to conduct clinical research on 15 projects selected by Seegene via collaboration with Springer Nature (supports up to USD 600k for each project).
- 09.21 Through a webcast hosted by Springer Nature, a detailed explanation of OIP was provided with real case study by a product co-developer with Seegene (Italy, Entero-DR products) (Webcast participants around 1,000).
- In order to recruit experts from all over the world to participate in the realization of a 'world without disease', large-scale promotional activities such as promotion of specialized sites (genomeweb, etc.) and academic societies are in progress.

Related Online Sites:

[Announcing Seegene OneSystem, a global collaboration to advance syndromic PCR assays \(nature.com\)](#)

[Seegene: Unlocking the potential of molecular diagnostics \(nature.com\)](#)
[Open Innovation Program powered by Seegene](#)

Related online sites:

<https://www.genomeweb.com/>

Business Updates | Marketing Highlights — Seegene

Promotion of full portfolio and automation system in North and Latin America



- The American Association of Clinical Chemistry (AACC, 7/25-27, Anaheim, USA), the world's largest conference in the field of international diagnostic testing was held in the United States. (previous year participant info: 110 countries 18,000 participants, 1,000 companies, YoY 20% ↑)
- Held 10 booth exhibitions and symposiums to promote product portfolio and system competitiveness in North America and LATAM.
- Secured numerous new sales opportunities through meetings with KOLs and customers in major countries. Reaffirmed competitiveness of Seegene's syndromic testing products and automation systems vis-à-vis major changes in molecular diagnostic sector
- Seegene is the only Korean company to receive the 'Top Corporate Supporter Awards' hosted by AACC for the 2022 and 2023.



Business Updates | Marketing Highlights — Seegene

Introduced test suitability based on big data analysis to major KOLs and experts at APCCMI



- The Asia-Pacific Society of Clinical Microbiology (APCCMI, 7/6-8, COEX, Seoul) is a specialized clinical microbiology conference targeting Asia-Pacific countries (Held in Korea in 2023, with approximately 800 major KOLs and experts and 40 companies participating)
- Seegene held 3 booth exhibitions and a luncheon symposium, promoting its product portfolio and system competitiveness tailored to Asia and Korea.
- At the Luncheon Symposium, Seegene introduced “syndromic molecular diagnostic testing” as the most suitable testing method for timely diagnosis (rapid, early) and large-scale information flows. (Based on analysis using Seegene’s big data automated analysis and statistical program SG STATS)
- In the main lecture, antibiotic resistance testing and testing for various pathogens (parasites, viruses, etc.) was highlighted and indicated additional strengthening in Seegene’s product portfolio and system competitiveness.

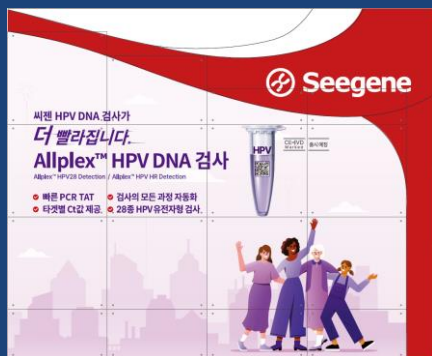


Business Updates | Marketing Highlights — Seegene

Expanding sales opportunities through ESCV, Korean Society of Gynecologic Oncology and on

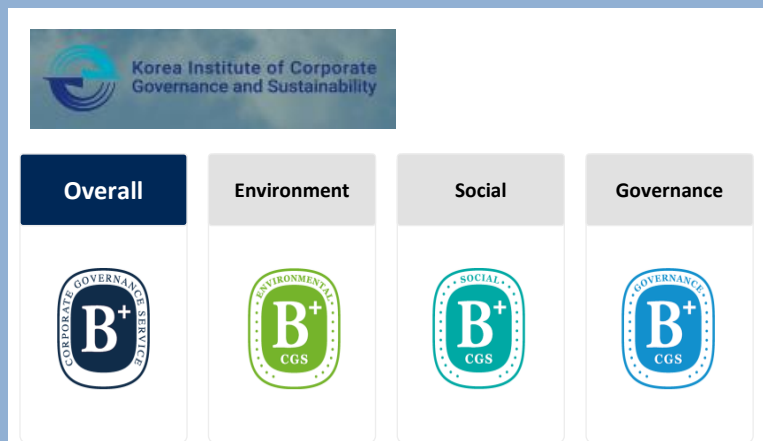


- European Society of Clinical Virology (ESCV, 8/30~9/2, Italy)
 - Clinical virus specialist society with more than 700 experts and approximately 22 companies participating
 - Due to concerns about new pandemics after COVID, there is growing interest in rapid and large-capacity testing
 - Promoted competitiveness of Seegene's RV/HPV/GI infection diagnostic products
- Seegene Germany held its '6th Seegene Symposium'
 - Experts from three German-speaking countries (Germany, Switzerland, Austria) participated, as did 120 industry specialists in charge of diagnostic testing
 - Introduced Seegene products and shared customer experiences
- Asian Society of Urogenital Infections (AUSTI/Urology, Suwon, 7/7~8)
 - Promoted Seegene's syndromic STI test which includes antibiotic resistance testing backed by a full portfolio of products
- Korean Society of Gynecologic Oncology (Seoul, 8/26) and Korean Society of Cytopathology (Gunsan, 9/1~2)
 - Highlighted Ct (quantitative) values for each HPV type for cervical cancer diagnosis
 - Promoted faster Allplex test time, competitiveness of automated test system, and global evaluation results (suitable for cervical cancer screening)



ESG rating upgrade / Sustainability report published

ESG rating upgrade



- **KCGS overall ESG rating B+ in 2023 (Two-level upgrade vs. 2022)**
 - Environment (B→B+)
: Disclosed environment-related information and strengthened management supervision through ESG Committee
 - Social (B+→B+)
: Declared human rights management and introduced systematic HR training / Strengthened safety, health activities and data security system
 - Governance (D→B+)
: Established ESG Committee under Board of Directors and disclosed shareholder-related information

Sustainability Report



- Published sustainability report containing ESG activities and performance (July 2023)
 - Established ESG governance system
 - Strengthened business competitiveness
 - Major ESG achievements include establishment of ESG Committee and introduction of eco-friendly packaging box patent and on
 - Improved internal and external communications

[sustainability report link](#)

04

Appendix

Product sales breakdown

Sales by region

Company & stock information

IVD market outlook

Appendix | Product sales breakdown



2023 3Q Non-COVID reagent sales grew 36% YoY

PB (YoY 78%), GI (YoY 71%), HPV (YoY 53%); Strong growth continues

Expect higher Non-COVID reagent sales growth vs. industry outlook (molecular diagnostics growth 16.2%)

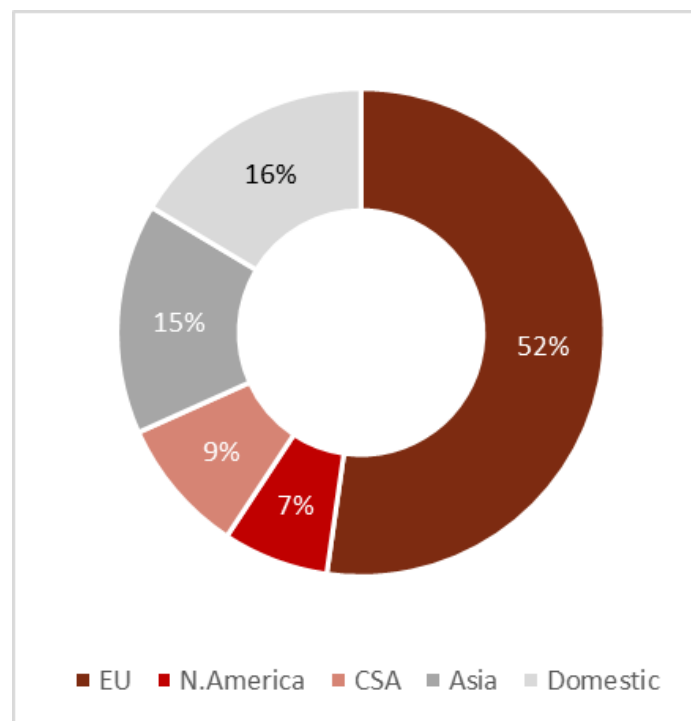
(Unit: KRW Billion)	Q1.21	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22	Q1.23	Q2.23	Q3.23
Reagent	282.5	246.6	257.1	357.2	372.9	105.6	115.5	108.2	67.7	66.7	75.1
Diagnostic Products	250.7	226.1	230.5	326.9	352.6	97.4	106.7	99.5	59.6	60.2	67.1
COVID	224.8	198.8	195.6	289.6	321.2	59.3	64.2	47.3	13.3	10.3	9.2
Non-COVID	25.9	27.3	34.9	37.3	31.4	38.1	42.5	52.2	46.3	49.9	57.9
RV	7.2	5.1	7.8	8.9	4.9	11.4	11.1	16.2	10.8	12.2	12.8
STI	7.5	8.5	10.2	11.3	11.7	11.0	11.9	11.6	11.8	12.2	13.3
GI	4.3	5.6	6.8	6.3	6.0	6.6	8.7	10.4	9.8	11.0	14.9
HPV	3.5	4	4.2	5.1	4.7	5.1	5.5	6.6	6.3	7.3	8.4
etc.	3.4	4.1	5.9	5.7	4.1	4.0	5.3	7.4	7.6	7.2	8.5
Extraction	31.8	20.5	26.6	30.3	20.3	8.2	8.8	8.7	8.1	6.5	7.9
Equipment etc.	69.3	57.1	48.2	52.8	78.6	22.9	35.3	14.5	22.4	18.2	16.8
Total	351.8	303.7	305.3	410	451.5	128.4	150.8	122.7	90.1	84.9	91.9
YoY growth	-	93.6%	33.2%	39.8%	21.3%	39.7%	21.9%	39.8%	47.4%	31.0%	36.0%

(unit: W bn)	Q3.22	Q2.23	Q3.23
EU	65.7	42.6	48.0
N. America	12.6	6.9	6.4
CSA	10.8	7.6	8.3
Asia	22.3	16.3	14.0
Domestic	39.4	11.4	15.1
Total	150.8	84.9	91.9

* Asia: includes middle east, Africa, Oceania

- EU portion increased thanks to strong Non-Covid product sales growth including GI & HPV

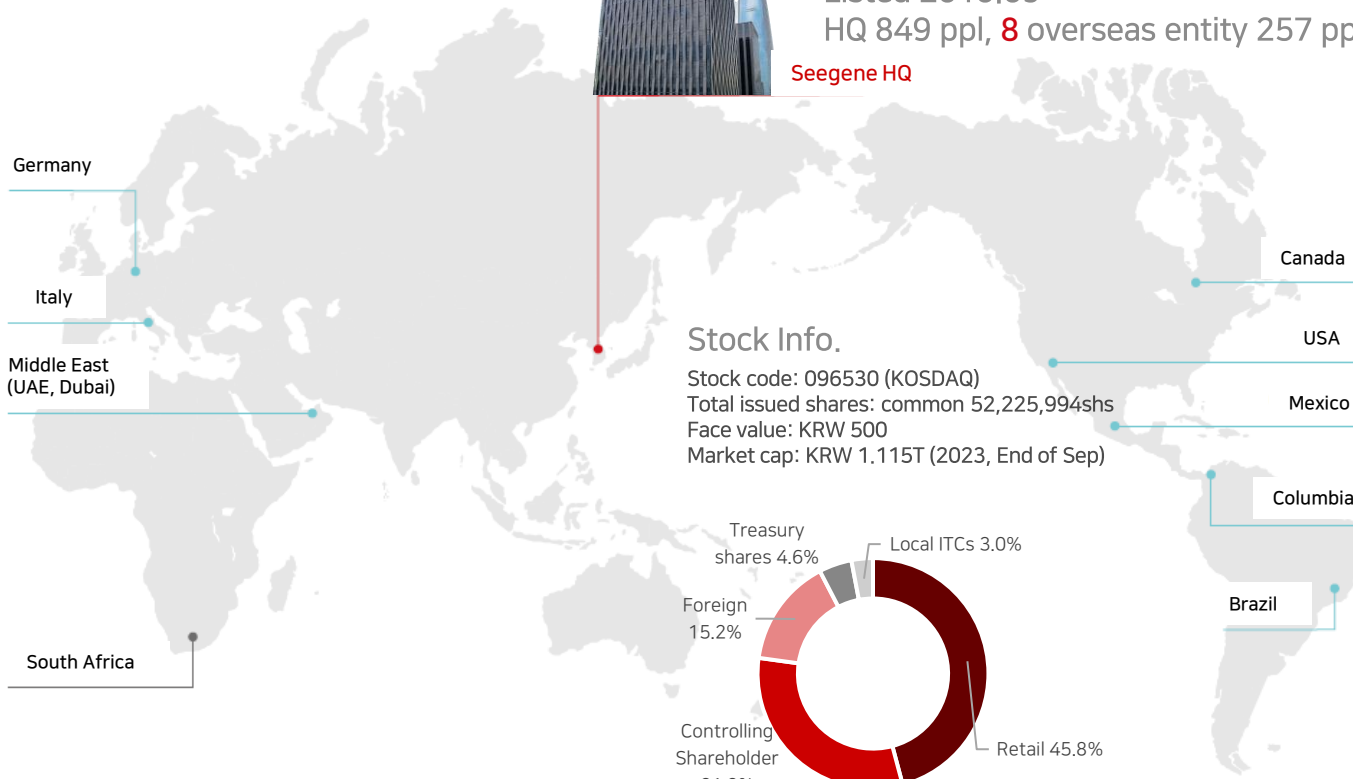
Sales by region (3Q 2023)





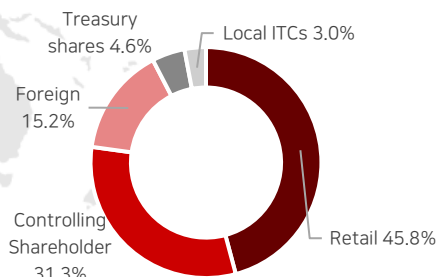
Established 2000.09
 Listed 2010.09
 HQ 849 ppl, 8 overseas entity 257 ppl

Seegene HQ



Stock Info.

Stock code: 096530 (KOSDAQ)
 Total issued shares: common 52,225,994shs
 Face value: KRW 500
 Market cap: KRW 1.115T (2023, End of Sep)



* End of 2022

Agencies in 85 countries

EUROPE

Austria	Germany	Poland
Belarus	Georgia	Romania
Belgium	Greece	Serbia
Bulgaria	Hungary	Slovenia
Croatia	Ireland	Spain
Czech Republic	Italy	Sweden
Denmark	Latvia	Switzerland
Estonia	Lithuania	Ukraine
Finland	Macedonia	United Kingdom
France	Norway	

ASIA

Bangladesh	Kazakhstan	Singapore
Brunei	Lebanon	Sri Lanka
China	Malaysia	Taiwan
Hong Kong	Mongolia	Thailand
India	Nepal	Turkey
Indonesia	Philippines	United Arab Emirates
Israel	Qatar	Vietnam
Japan	Republic of Korea	
Jordan	Saudi Arabia	

AMERICA

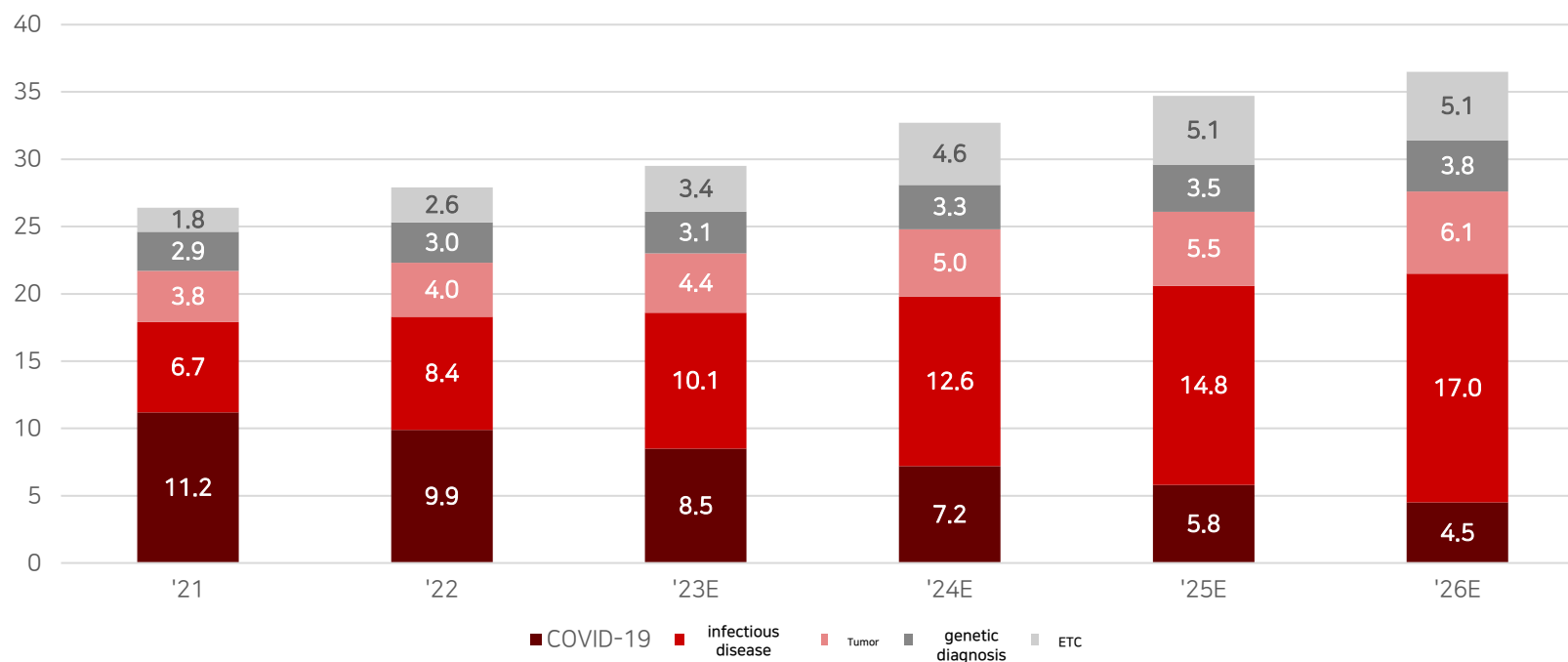
Argentina	Dominican Republic	Panama
Bolivia	Ecuador	Paraguay
Brazil	El Salvador	Peru
Canada	Guatemala	United States
Chile	Honduras	Uruguay
Columbia	Mexico	Venezuela
Costa Rica	Nicaragua	

OCEANIA

Australia	Algeria	South Africa
	Republic of Benin	Tanzania
	Egypt	Senegal
	Kenya	Sudan
	Madagascar	Tunisia

IVD market expected to be led by molecular diagnostics after 2020 (classification by technology)
 Excluding the COVID-19 effect, the CAGR for molecular diagnostics is expected to be 16.2% and the CAGR for infectious diseases is expected to be 20.5% from 2021 to 2026

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



*Source: Frost & Sullivan, Press Research, Nemo Partners

Thank you