

Q4 2024 Results

2024.02.16

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01

Key Highlights

Strategic alliance with Microsoft

4Q earnings turnaround

OIP update with Springer Nature

Digital innovation via Brex M&A

Strategic alliance with Microsoft

Strategic alliance with Microsoft to realize “a world without disease” / Accelerate Seegene’s digital transformation, help discover global partners, and together strengthen the medical ecosystem

- ✓ Seegene plans to apply MS Azure solutions, including Azure Open AI, to Seegene Digitalized Development System (SGDDS)
- ✓ And improve productivity and creativity through introduction of AI-based analysis platform MS Fabric and Co-Pilot
- ✓ Joint participation in the annual symposium for Seegene’s OneSystem™ business and major events connecting current and potential partners
- ✓ A global vision declaration ceremony for a ‘world without disease’ is scheduled for the first half of 2024
- ✓ Collaborate to improve healthcare ecosystem by providing accurate, early disease diagnosis as the foundation for effective treatment and prevention for collaborative healthcare innovation research, including next-generation PCR data management and analysis

OIP update with Springer Nature

Diagnostic reagent co-development project (OIP15) launched with Springer Nature progressing smoothly

- ✓ Applicant submission completed (281 applicants) / Candidate shortlist and final selection in progress
- ✓ 15 projects: urinary tract infection, dermatophytosis, non-tuberculous acid-fast bacterial lung disease, mosquito-borne falciparum virus infection, methicillin-resistant Staphylococcus aureus, multidrug-resistant bacteria, etc
- ✓ Many products are not available on the market or are available only from a few companies
- ✓ Final evaluation and selection is expected to take place on March 15th, after which clinical and licensing processes will proceed

4Q earnings turnaround

Sales W100.5bn / OP W3.5bn

Non-COVID segment continues to show strong growth: PB YoY 54%, GI YoY 35%, HPV YoY 36%

- ✓ Non-COVID product sales growth (+5.9% QoQ, +17.4% YoY) helps secure sequential growth (+9% QoQ)
- ✓ COGS ratio improved by 5% points QoQ (37%), SG&A expenses were lower (commissions paid, advertising expenses, etc. decreased by W3.7bn QoQ)
- ✓ PB, YoY +54%: Expansion of pneumo-bacterial panel, boosted by increase in simultaneous respiratory virus testing & independent testing
- ✓ GI, YoY +35%: Increased demand for syndromic molecular diagnostic tests thanks to switching demand from traditional testing methods
- ✓ HPV, YoY +36%: Successful market entry of Allplex products
- ✓ Expect MDx market / Non-Covid sales growth to continue in 2024

Digital innovation via Brex M&A

Accelerate digital transformation through Brex

- ✓ Brex is a UX/UI IT company that will support Seegene’s SW development design direction
- ✓ Internalization for more challenging/security-sensitive projects
- ✓ SW development in various fields, including support for technology-sharing projects and medical data statistics programs

02

Financial Summary

4Q IS/BS/CF

Quarterly sales breakdown

Financial Summary | 4Q IS



(Unit: B KRW)

	Q4.23	Q3.23	QoQ	Q4.22	YoY
Revenue	100.5	91.9	9.4%	122.8	-18.2%
Cost of Good Sold	37.3	38.6		41.7	
(%)	37%	42%		34%	
Gross Profit	63.2	53.3	18.6%	81.1	-22.1%
SG&A Exp.	42.3	45.3		45.5	
(%)	42%	49%		37%	
R&D Exp.	17.4	18.1		19.7	
(%)	17%	20%		16%	
Operating Profit	3.5	-10.1	RB	16.1	-78.3%
(%)	3%	-11%		13%	
Non-Operating Gain/Loss	1.5	4.9	-69.4%	-16.4	RB
Financial Gains (Loss)	-0.1	5.3		-19.5	
Income/(Loss) from Affiliates	0.0	0.3		3.4	
Other Non-Operatring Inc. (Exp.)	1.6	-0.8		-0.4	
Pretax Income	5.0	-5.2	RB	-0.4	RB
(%)	5%	-6%		-0.3%	
Income Tax Exp.	-0.8	-0.5		-3.3	
Net Earnings	5.7	-4.7	RB	2.9	97.3%
(%)	6%	-5%		2.4%	

Sales W100.5bn (QoQ ▲9.4%, YoY △18.2%)

- Non-COVID reagent sales grew by QoQ 5.9%, YoY 17.4%
- Strong non-COVID product growth continues especially in PB, HPV and GI
- COVID reagent sales portion dropped to 7.9% (-2.1%pt QoQ)
- Total sales grew by 9% QoQ helped by solid non-COVID reagent sales contribution and growth

Operating profit W3.5bn/ Net profit W5.7bn

- COGS ratio improved 5%pt supported by sales growth and reduced inventory provisions
- OP turned black thanks to lower COGS and SG&A expenses
- Non-operating profit of W1.5bn on lower FX gains

Financial Summary | 4Q BS/CF



(Unit: B KRW)	Q4.23	Q3.23
Asset	1251.2	1256.9
· Cash and equivalents	395.4	413.9
· Account/other receivables	89.8	92.7
· Inventory	137.6	134.7
· Accounts receivable long-term	31.2	29.8
· Gross PP&E	242.3	244.1
· Other Assets	354.9	341.7
Liabilities	221.1	213.1
· Account/other payables	45.8	37.0
· Short-term borrowings	35.0	35.0
· Curr. Port. Of LT Debt	40.9	40.9
· Income taxes payable	1.3	0.4
· Long-term debt	1.4	1.6
· Other Liabilities	96.7	98.2
Equity	1030.2	1043.8
· Common stock	26.1	26.1
· Additional paid in capital	-122.3	-113.7
· Retained earnings	1123.7	1128.7
· Minority interest	2.7	2.6

(Unit: B KRW)	FY2023	FY2022
Beginning Cash Balance	521.3	432.1
Cashflow From Operations	98.1	319.0
· Net Income	0.5	182.4
· Change in Net Capital M	9.0	78.7
· Income Tax Paid	-2.6	-162.2
· Others	91.2	220.1
Cashflow From Investments	-281.5	-104.0
· Sale (Purchase) of PP&E	-24.4	-62.7
· Sale (Purchase) of Intangible	-6.8	-9.2
· Others	-250.2	-32.1
Cashflow From Finance	-156.7	-144.5
· Dividends Paid	-38.1	-51.1
· Lease Redemption	-22.2	-20.2
· Change in leasehold deposit	-1.0	-1.4
· Treasury stock purchase	-89.9	-70.4
· Others	-5.5	-1.4
FX adjstment	9.1	18.7
Net Change in Cash	-331.0	89.2
Ending Cash Balance	190.3	521.3

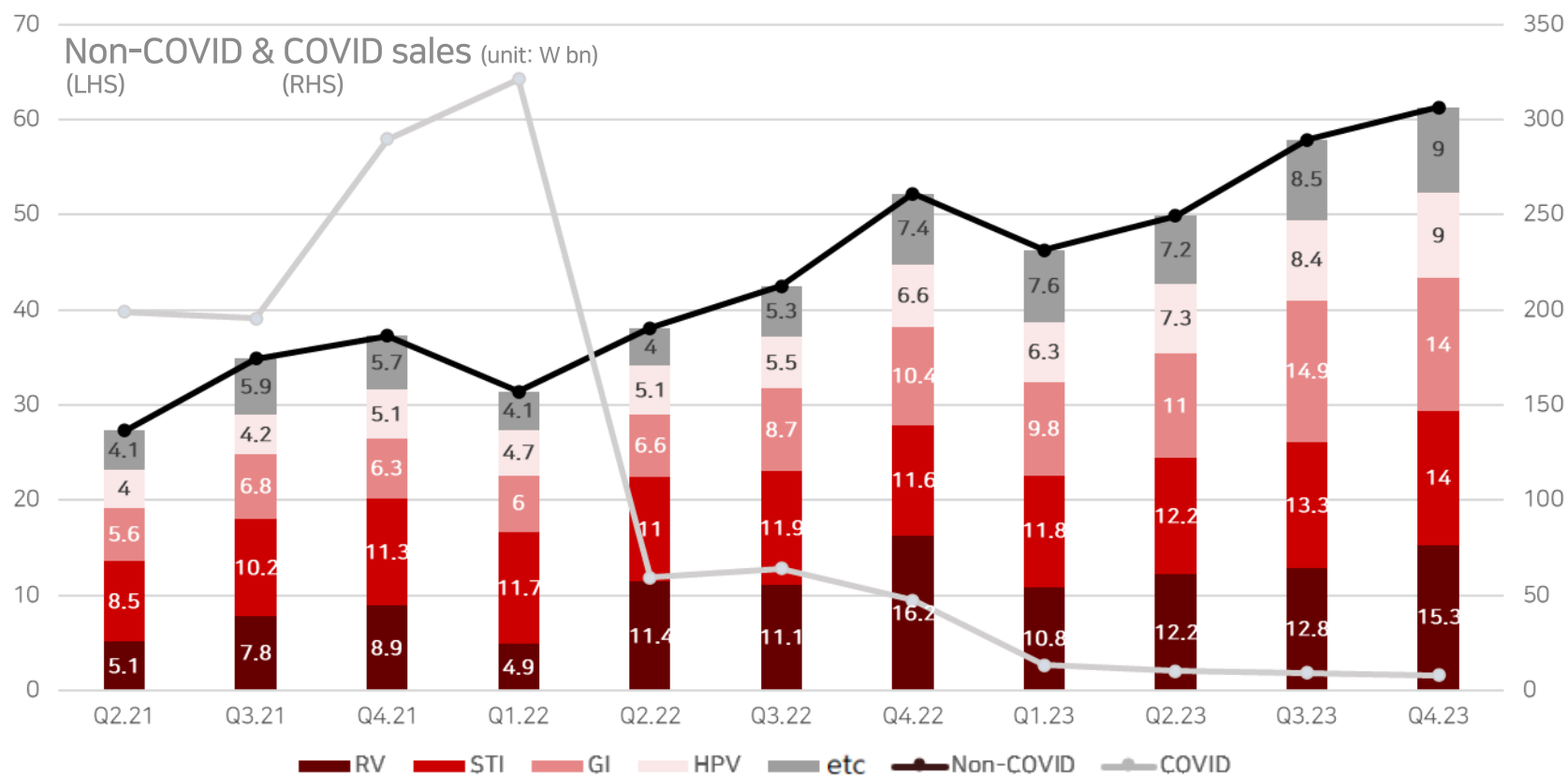
*Short term investment in financial instruments in 1H: W250bn

* Consolidated cash flow statement period (Q23.01.01 to 2023.12.31)

Financial Summary | Quarterly Sales



2023 3Q Non-COVID reagent sales grew 17.4% YoY
 PB (YoY 54%), GI (YoY 35%), HPV (YoY 36%): Strong growth continues
 Higher Non-COVID reagent sales growth vs. *market outlook (multiplex assay growth 14.8% CAGR 2023-2030)



*Source: Grand View Research

03

Key Strategy & Business Updates

Strategic alliance with Microsoft

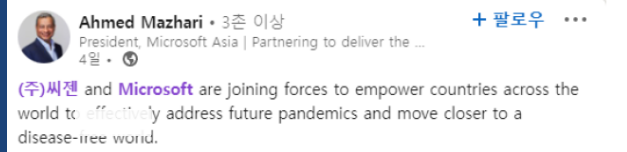
Seegene OneSystem™

Seegene syndromic tests

Key Strategy | Strategic alliance with MS — Seegene

Strategic alliance with Microsoft to realize a disease-free world

- On Jan 23, 2024, Seegene signed a strategic collaboration agreement with Microsoft on Seegene's OneSystem™ business in order to realize a “world free of all diseases”
- Senior MS executives, including Elena Bonfiglioli, head of the global healthcare and life science division, highlighted the significance of the tie-up on social media
- Seegene aims to advance its Digitalized [Assay] Development System (SGDDS) and begin an unprecedented era of ‘product development automation’ by integrating Microsoft Azure AI solutions



Strategic alliance with Microsoft to realize a disease-free world

- Planning a joint vision declaration ceremony for a 'world free of all diseases' and co-participate in annual symposium for technology-sharing projects to connect current and potential partners
- Advance the medical ecosystem by applying Microsoft Azure Open AI to Seegene's digitalized development system (SGDDS) and conducting joint medical innovation research including PCR data management and analysis.



Apply Microsoft AI to Developer automation system

- ✓ AI-based SGDDS advancement so that all scientists/experts around the world can develop molecular diagnostic products
- AI/Data-based work process improvement using Microsoft Fabric and Co-pilot



Accelerating Consortium Building of Seegene OneSystem™

- ✓ Collaborate to discover global partners and further strengthen the healthcare ecosystem
- ✓ Participate in the 'world free of all diseases' joint vision declaration ceremony and annual symposium



New business research cooperation for healthcare industry innovation

- ✓ Next-generation PCR data management/analysis joint research
- ✓ Building a healthcare ecosystem through joint research on next-generation medical innovation projects

Key Strategy | Seegene syndromic tests – Seegene

Full portfolio and AIOS introduced to customers in Korea and other major countries at LMCE

- The International Association of Laboratory Medicine (LMCE, 10/18~20, Korea) is attended by KOLs and major diagnostic companies focusing on laboratory medicine. Main content includes lectures on the latest diagnostic trends, innovation, and updated diagnostics guidelines
- Seegene introduced its Open Innovation Program jointly promoted by Springer-Nature. Also presented its diagnostic solutions including its full portfolio of diagnostic products and fully-automated system AIOS
- Seegene Luncheon Symposium hosted by experts discussed 2024 STI treatment guideline updates and importance of STI diagnosis



Key Strategy | Seegene syndromic tests – Seegene

Promoted differentiated competitiveness of HPV products at IFCFC

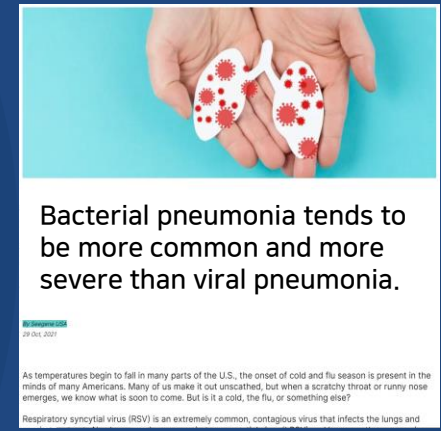
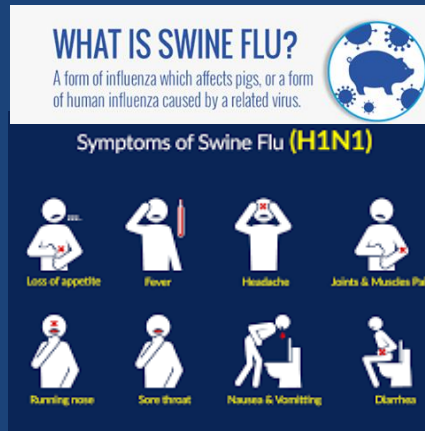
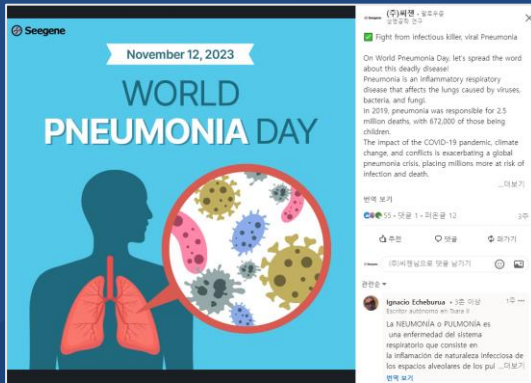
- Seegene showcased its product portfolio at IFCPC (International Federation of Cervical Pathology and Colposcopy, 11/15-18, Colombia) a leading conference in Central and South America where the main attraction is its seminars and discussions on the latest trends in cervical cancer diagnosis and pathology
- Seegene introduced optimal test results (high-risk group data and quant values) and automated system for cervical cancer prevention via diagnosis. Also identified latest guidelines in Central and South America and connected with major KOLs



Key Strategy | Seegene syndromic tests – Seegene

Strengthened SNS activities to promote the importance of seasonal testing for infectious diseases

- Through social media activities, Seegene plays a role in helping the general public easily access and understand information and select useful testing methods. It also provides information on influenza, respiratory viruses, mycoplasma pneumonia, and tuberculosis that are prevalent at certain times



04

Appendix

Product sales breakdown

Sales by region

Company & stock information

Appendix | Product sales breakdown



2023 3Q Non-COVID reagent sales grew 17.4% YoY
PB (YoY 54%), GI (YoY 35%), HPV (YoY 36%); Strong growth continues

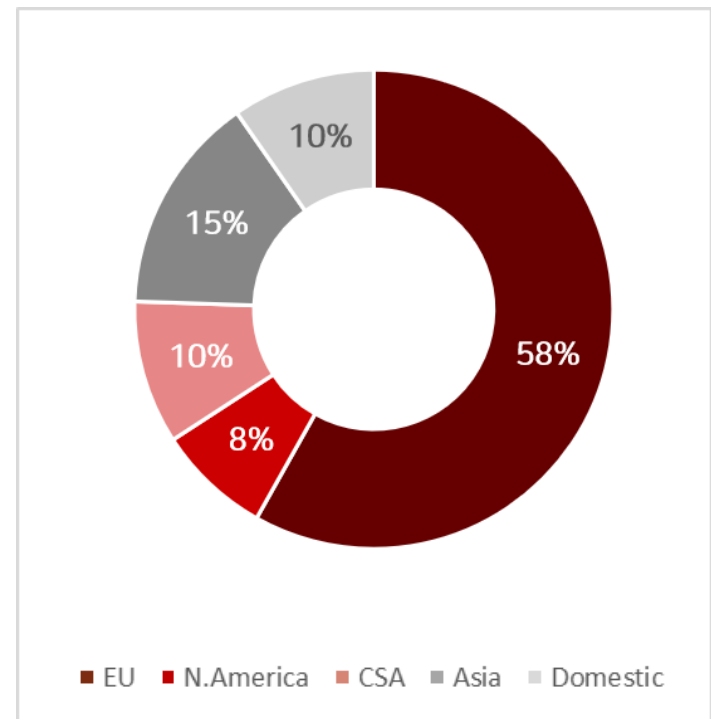
(Unit: KRW Billion)	Q2.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22	Q1.23	Q2.23	Q3.23	Q4.23
Reagent	246.6	257.1	357.2	372.9	105.6	115.5	108.2	67.7	66.7	75.1	78.5
-Diagnostic Products	226.1	230.5	326.9	352.6	97.4	106.7	99.5	59.6	60.2	67.1	69.3
COVID	198.8	195.6	289.6	321.2	59.3	64.2	47.3	13.3	10.3	9.2	8.0
Non-COVID	27.3	34.9	37.3	31.4	38.1	42.5	52.2	46.3	49.9	57.9	61.3
RV	5.1	7.8	8.9	4.9	11.4	11.1	16.2	10.8	12.2	12.8	15.3
STI	8.5	10.2	11.3	11.7	11.0	11.9	11.6	11.8	12.2	13.3	14.0
GI	5.6	6.8	6.3	6.0	6.6	8.7	10.4	9.8	11.0	14.9	14.0
HPV	4	4.2	5.1	4.7	5.1	5.5	6.6	6.3	7.3	8.4	9.0
기타	4.1	5.9	5.7	4.1	4.0	5.3	7.4	7.6	7.2	8.5	9.0
- Extraction	20.5	26.6	30.3	20.3	8.2	8.8	8.7	8.1	6.5	7.9	9.1
Equipment etc.	57.1	48.2	52.8	78.6	22.9	35.3	14.5	22.4	18.2	16.8	22.0
Total	303.7	305.3	410	451.5	128.4	150.8	122.7	90.1	84.9	91.9	100.5
Non-COVID YoY growth	93.6%	33.2%	39.8%	21.3%	39.7%	21.9%	39.8%	47.4%	31.0%	36.0%	17.4%

(unit: W bn)	Q4.22	Q3.23	Q4.23
EU	75.9	48.0	58.5
N.America	13.3	6.4	7.7
CSA	9.3	8.3	9.7
Asia	13.5	14.0	14.9
Domestic	22.3	15.1	9.7
Total	134.3	91.9	100.5

* Asia: includes middle east, Africa, Oceania

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

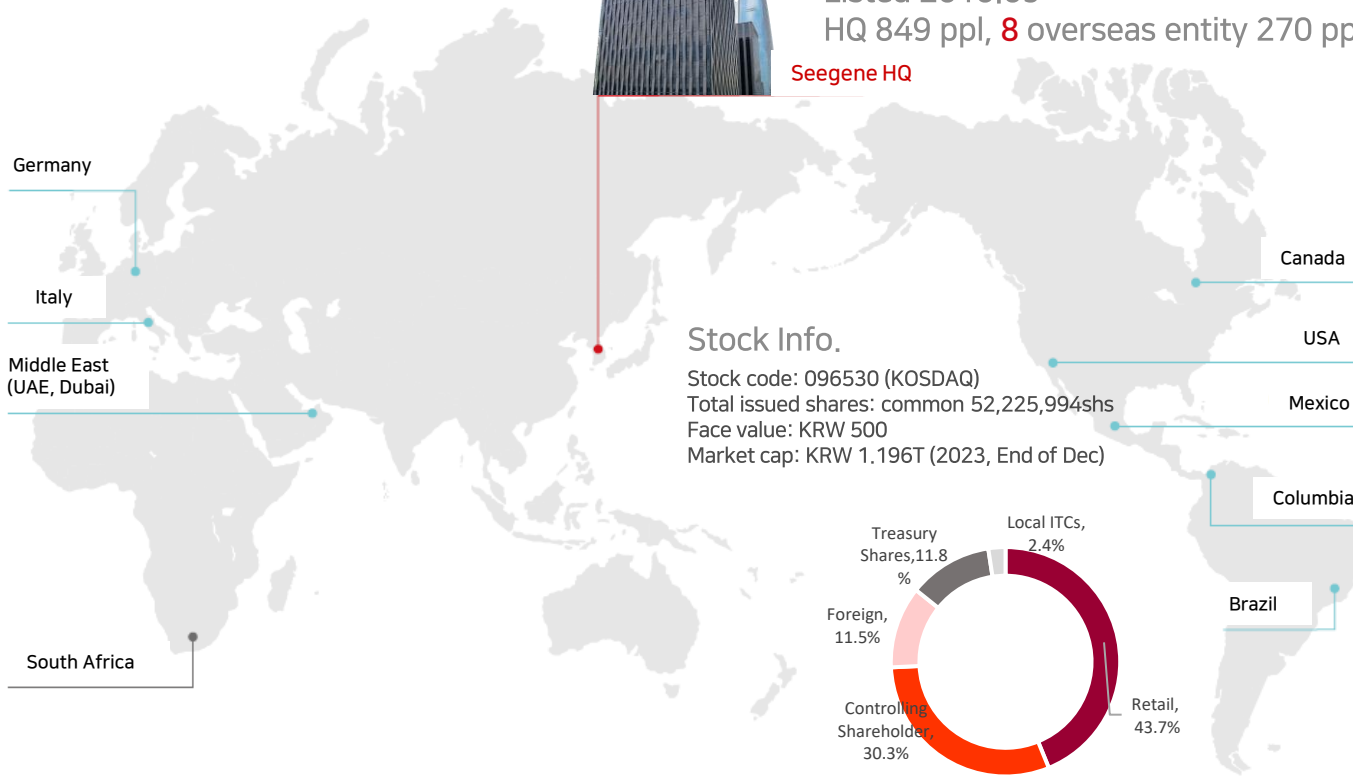
Sales by region (4Q 2023)





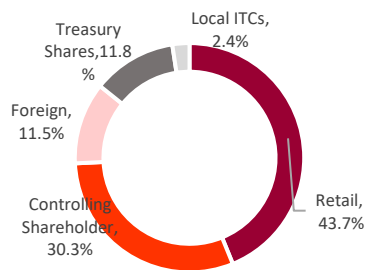
Established 2000.09
 Listed 2010.09
 HQ 849 ppl, 8 overseas entity 270 ppl

Seegene HQ



Stock Info.

Stock code: 096530 (KOSDAQ)
 Total issued shares: common 52,225,994shs
 Face value: KRW 500
 Market cap: KRW 1.196T (2023, End of Dec)



* End of 2023

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

AFRICA

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

Thank you