

Q1 2021 Results

May 2021

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Agenda

1. Business & Financial Updates

- Highlights
- Q1'21 Financial Review
- Financial Trend
- Sales by product Type & Region
- Summarized Financials
- Roadmap

2. Company Overview

- Snapshot
- Stock Information
- Product Pipeline

3. Products & New Developments

- Diagnostics Market: Market Outlook
- New Developments
- COVID-19 products details

4. Appendix

- Seegene's Proprietary PCR Technologies: DPO™, TOCE™, MuDT™, mTOCE™

Business & Financial Updates

2021 Q1: Highlights

1 Finance

- **Q1'21 recorded revenue of 351.8B KRW:** ✓ Surged 330% YoY
✓ Q1'21 sales alone exceeded 31% of FY 2020 sales
- **Shareholder value enhancement:** ✓ Decided to execute bonus issue expected to be completed by 5/20
✓ Quarterly dividend payments and Share buyback (30B KRW) ready to be implemented

2 Products

- Development of **Allplex™ SARS-CoV-2 Master & Variant I** → Driving forces of prolonged sales expansion
 - ✓ Acquired CE-IVD mark under EU(3/26) and export permit from Korea's MFDS(4/12)
 - ✓ Some overseas countries enhance the convenience of testing by applying saliva-based and extraction-free method

3 Market

- **Secured a procurement deal with Italy government worth 39.3M EUR** : Sufficient to test 7.15M individuals
- **Supplied COVID-19 diagnostic tests to Scotland worth 16M GBP:** Triple the sales volume compared to that of last year
- **Supported German subsidiary's "Back-to-school" initiatives worth up to 19.3M EUR** : Enough to test 734,000 pupils

Q1 2021 : Financial Review

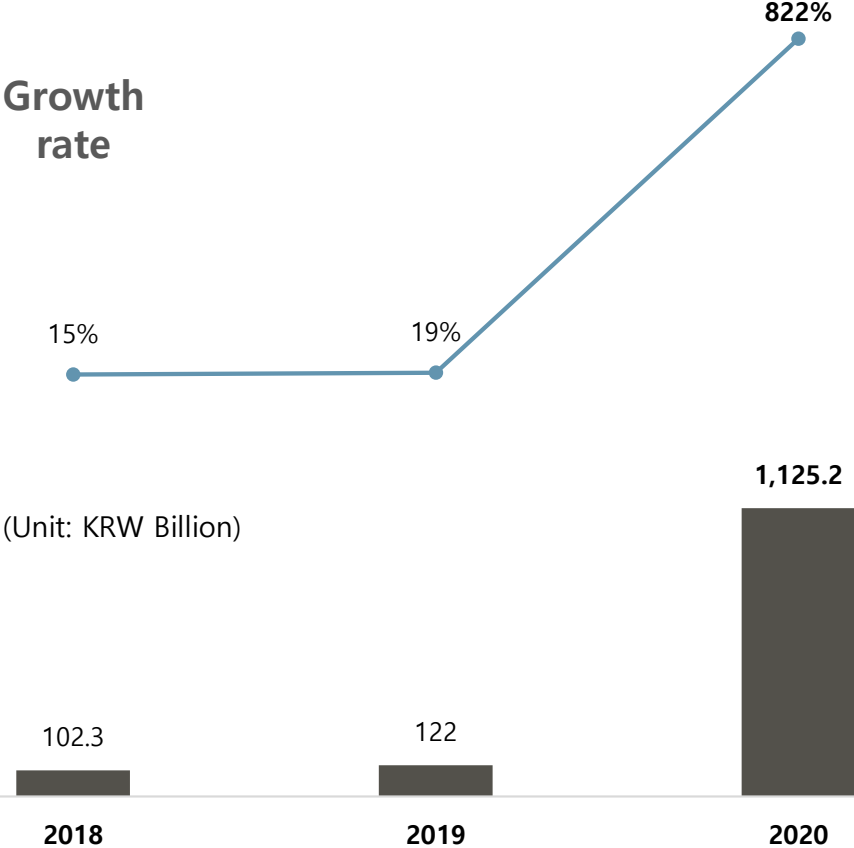
(Unit: KRW Billion)	Q1'21	Q1'20	Q4'20	YoY	QoQ
Sales	351.8	81.8	441.7	330%	-20%
COGS	82.4	20.8	105.6		
(%)	23%	25%	24%		
Gross Profit	269.4	61.0	336.1	342%	-20%
SG&A	60.7	21.2	68.1		
(%)	17%	26%	15%		
Operating Profit	193.9	39.8	257.5	388%	-25%
(%)	55%	49%	58%		
Non-Operating Profit	6.5	2.9	-14.3		
(%)	2%	4%			
Pre-tax Profit	200.4	42.6	243.2		
(%)	57%	52%	55%		
Net Profit	164.2	33.7	185.3	388%	-11%
(%)	47%	41%	42%		

- **Posted revenue of 351.8B KRW** (YoY ▲330% & QoQ▼20%)
 - Soared 330% relative to Q1'20
 - QoQ sales dropped while making a transition to newly developed flagship products; Master & Variant I
- **Recorded Operating Profit of 193.9B KRW** (YoY ▲388% & QoQ ▼25%)
 - Q1'21 figure jumped 388% YoY
 - Decline in sales and elevated investments for robust long-term growth trimming operating profit and OPM QoQ
 - * Slide in OPM predominantly attributed to talent acquisitions, R&D and CAPEX investments for constant growth
- **Non-Operating Profit 6.5B KRW**
 - Gain on valuation using equity method 4.1B KRW
 - Revenues on foreign exchange 3B KRW
- **Net profit of 164.2B KRW(YoY ▲388%)**
 - Tax 36.2B KRW

Sales Trend

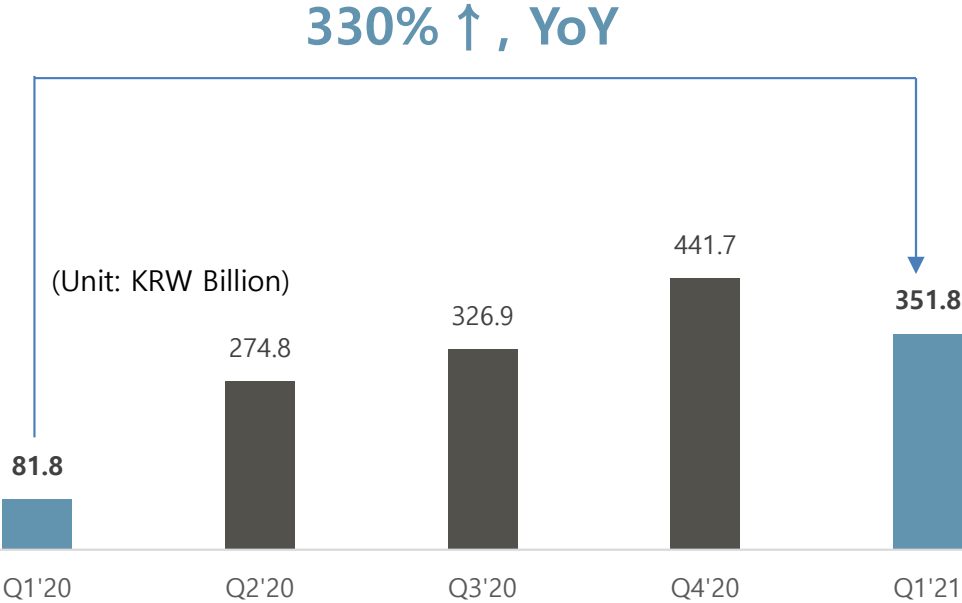
Yearly Sales Trend

- Sales of 1,125B KRW reflecting YoY growth greater than 800%
- Sharply climbed top-line propelled by swift sales expansion of COVID-19 diagnostic kits and associated equipment



Quarterly Sales Trend

- Q1'21 sales jumped 330% YoY
- Q1'21 figure alone exceeded 31% of entire FY2020 topline

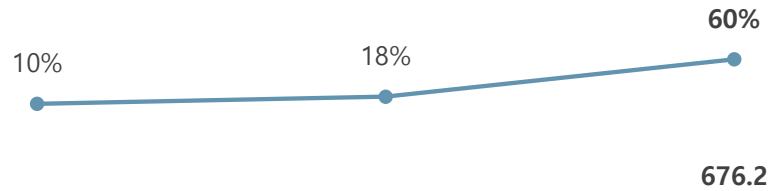


OP Trend

Yearly Operating Profit Trend

- Under healthy cost structure:
 - ✓ Greater than 29-fold increase YoY in operating profit
 - ✓ Achieved 60% OPM (42% P↑)

OPM



(Unit: KRW Billion)

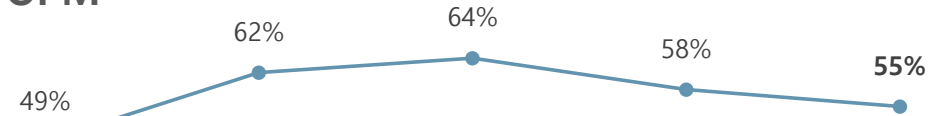


Quarterly Operating Profit Trend

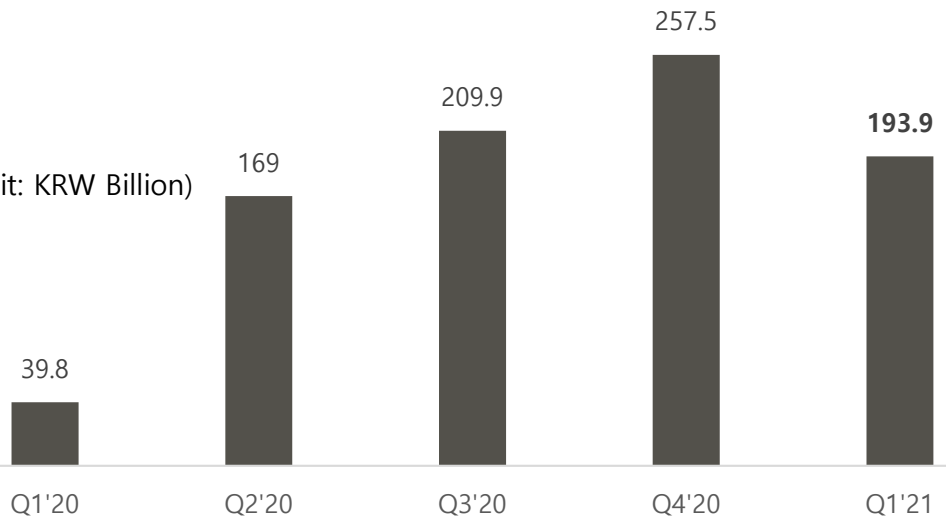
- YoY rise in operating profit above 380%
- Decline in sales and elevated investments for robust long-term growth trimming operating profit and OPM QoQ

* Slide in OPM predominantly attributed to talent acquisitions, R&D and CAPEX investments for constant growth

OPM



(Unit: KRW Billion)

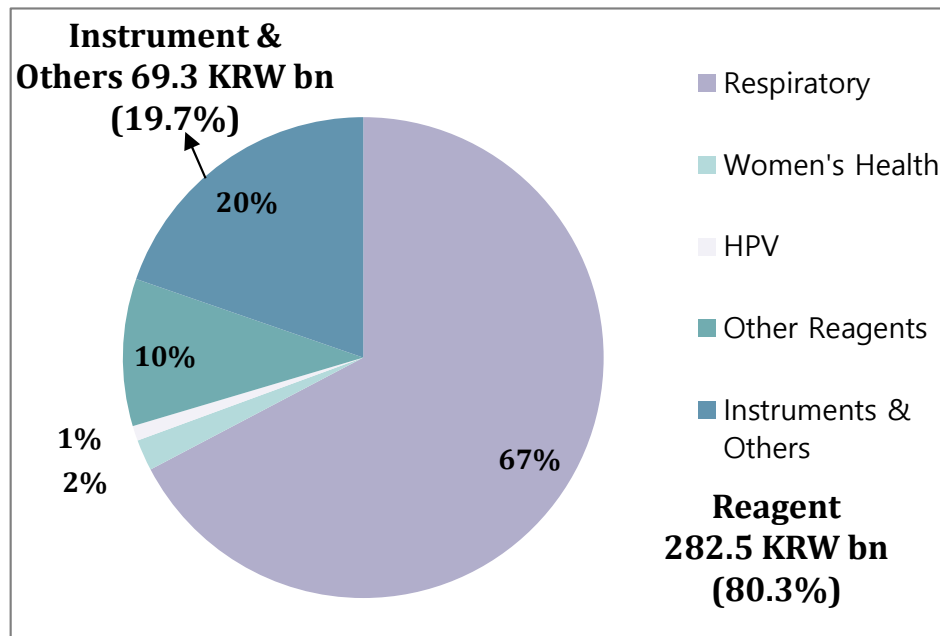


Sales Breakdown by Product Type

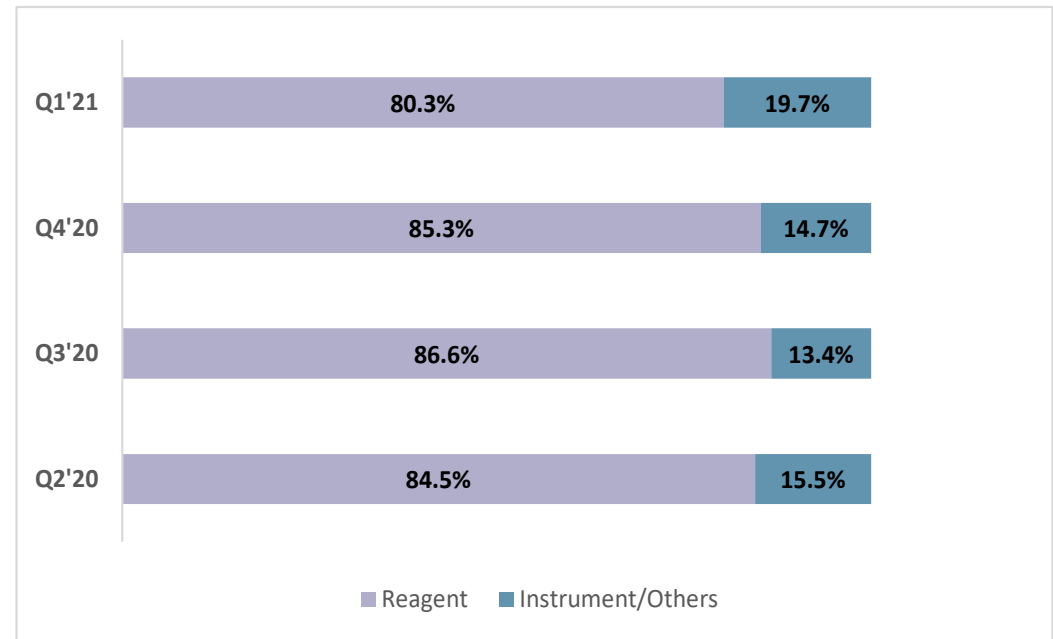
Reagent/Equipment sales

(Unit: KRW Billion)	Q1'20	Q2'20	Q3'20	Q4'20	FY2020	Q1'21	QoQ	YoY
Reagent	58.4	232.1	283.2	376.7	950.5	282.5	-25%	384%
Instrument/Others	23.4	42.7	43.6	65.0	174.7	69.3	7%	196%
Total Sales	81.8	274.8	326.9	441.7	1,125.2	351.8	-20%	330%

Sales by Product (Q1'21)



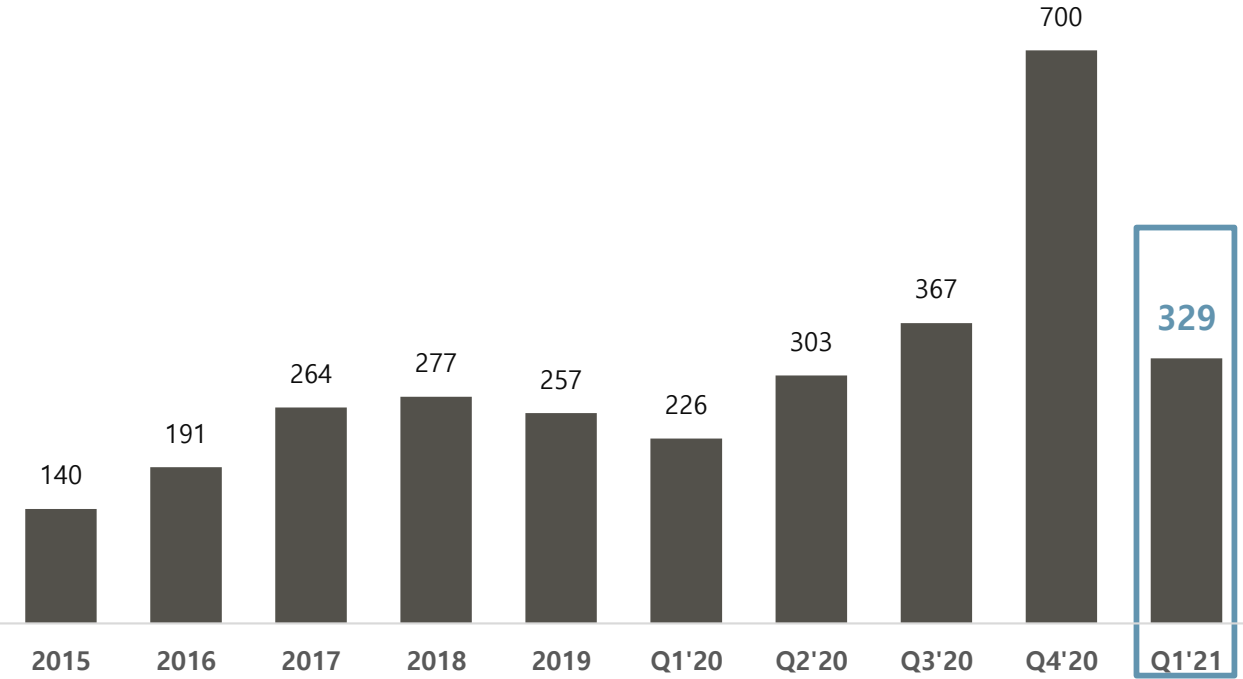
Instrument/Others Sales contribution trend



CFX96™ Sales Trend

Highlights

329 equipment in Q1'21: ✓ 45% YoY growth in number of equipment sold (226)
✓ Surpassed yearly sales figure (257) of FY2019 by 28%
✓ Aiming at outpacing FY2020's equipment sales (1600)



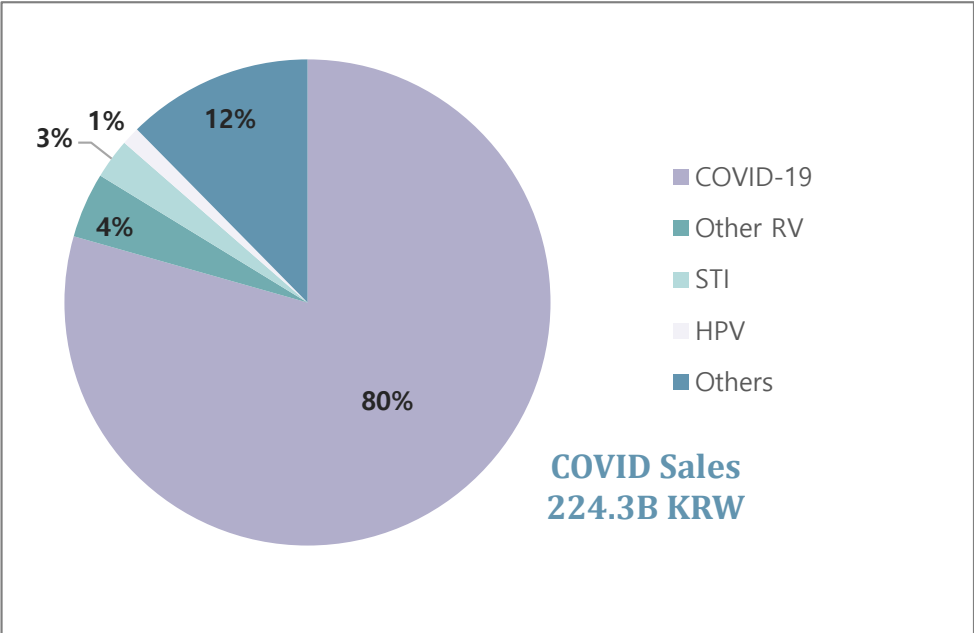
- PCR machine manufactured by Bio-rad (U.S. Company)
- Resale after being adjusted to be exclusively compatible with Seegene's products including Anyplex, Allplex and other Real-time PCR reagents

Sales by non-COVID & COVID Product

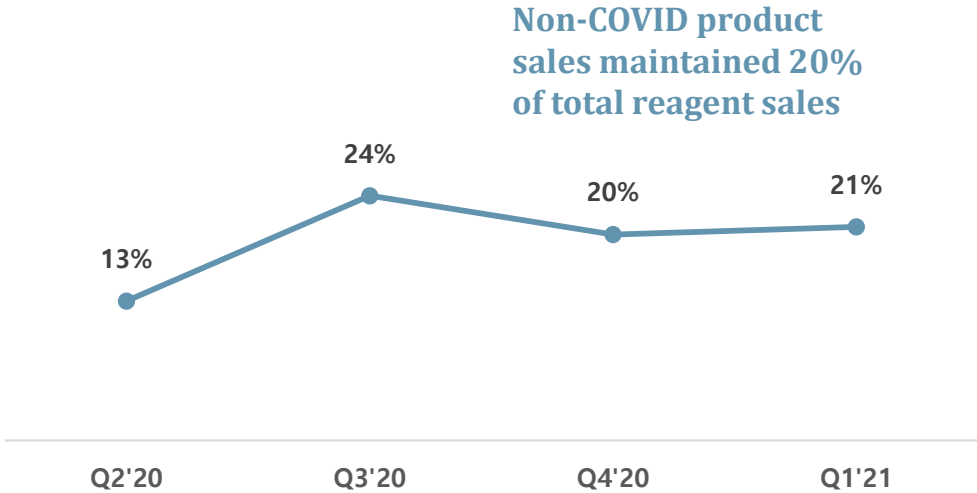
COVID vs. Non-COVID

(Unit: KRW Billion)	Q2'20	Q3'20	Q4'20	Q1'21
COVID Products	200.9	216.4	301.9	224.3
Non-COVID Products	31.2	66.9	74.9	58.2
Total	232.1	283.2	376.7	282.5

COVID-19(Q1'21): 80% of total reagent sales



Non-COVID Reagent sales contribution trend

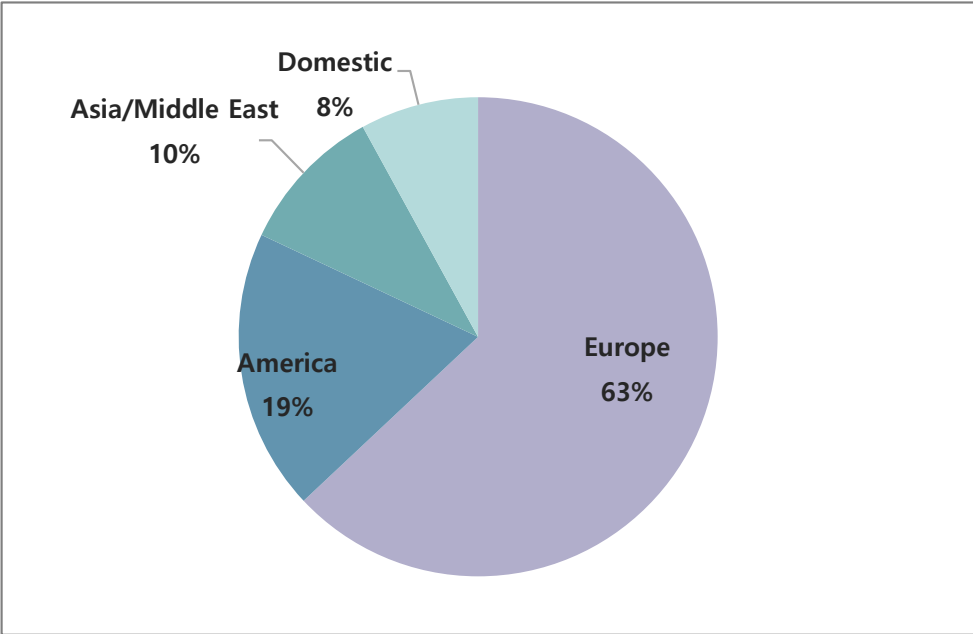


Sales Breakdown by Region

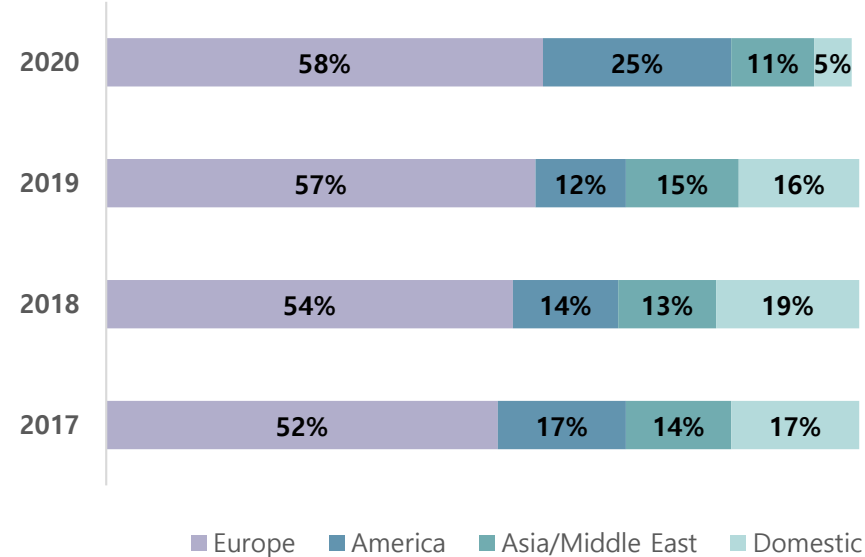
✦ Sales by Region

(UnitL KRW Billion)	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	QoQ	YoY
Europe	15.6	16.4	15.9	22.0	50.4	101.1	200.9	301.9	221.6	▼ 27%	▲ 340%
America	4.0	3.7	4.1	2.5	8.4	108.6	74.6	92.6	68.5	▼ 26%	▲ 721%
Asia/Middle East	3.6	5.4	5.6	4.1	12.2	54.8	34.6	24.6	34.3	▲ 39%	▲ 181%
Domestic	4.2	3.9	5.8	5.1	10.9	10.3	16.8	22.7	27.3	▲ 21%	▲ 151%
Total Sales	27.5	29.3	31.4	33.8	81.8	274.8	326.9	441.7	351.8	▼ 20%	▲ 330%

✦ Sales by Region(Q1'21)



✦ Sales Trend by Region



Summarized B/S and C/F

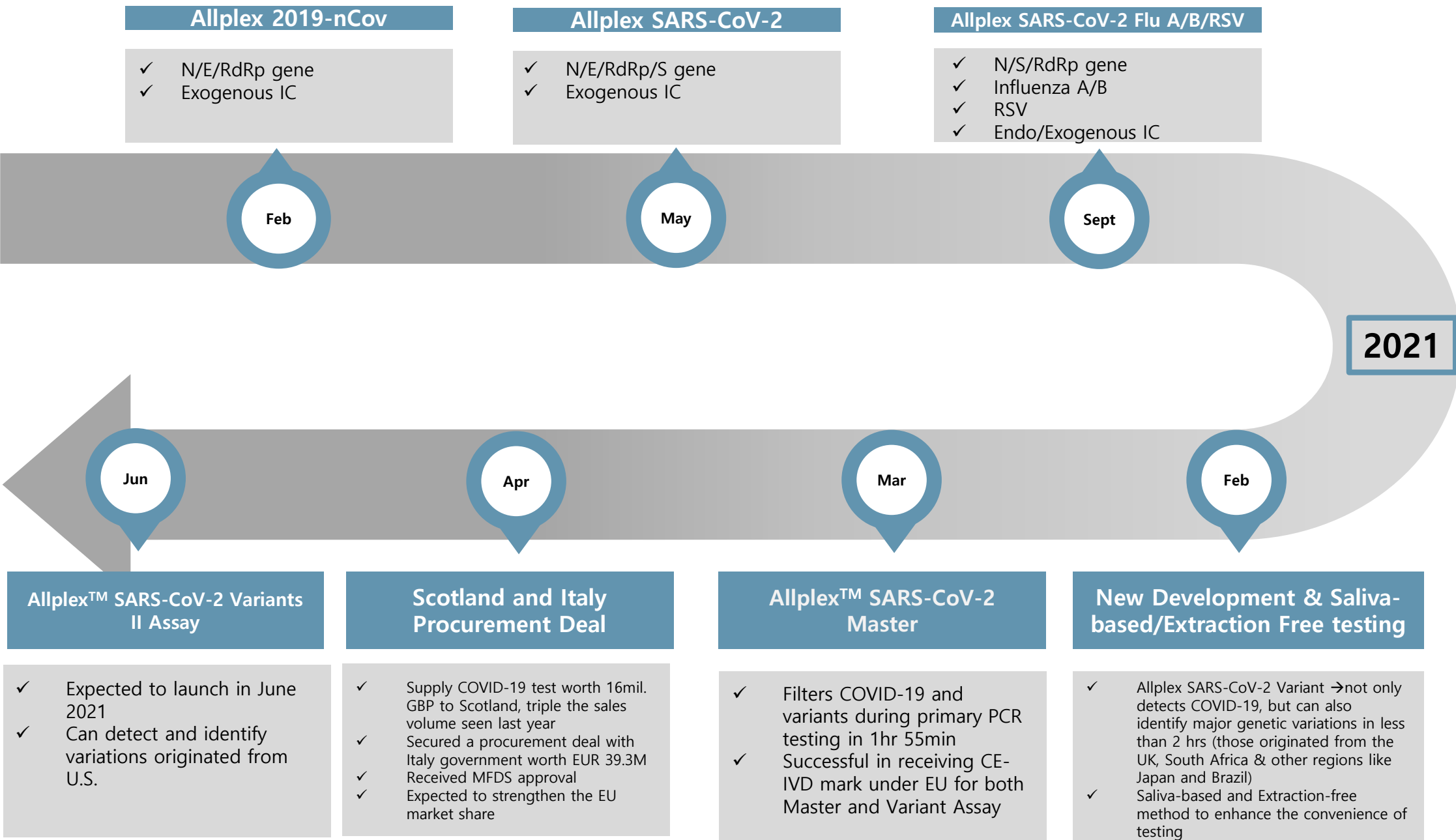
Balance Sheet

(Unit: KRW Billion)	Q1'21	Q4'20
Asset		
Current Asset	893.5	782.9
Cash & Cash Equivalent	312.5	308.1
Account Receivables	285.7	307.3
Inventory	221.9	139.1
Non-Current Asset	335.5	311.7
Non-current Receivables	22.9	19.6
PP&E	199.3	186.7
Total Asset	1,229.0	1,094.6
Liabilities		
Current Liabilities	383.5	375.3
Account Payable	173.6	140.6
Short-term debt	37.0	37.2
Current portion of L/T Debt	0.8	0.7
Long-term Liabilities	74.6	72.9
Long-term debt	44.1	44.4
Total Liabilities	458.1	448.2
Capital		
Equity Capital	13.1	13.1
Retained Earnings	690.0	564.5
Non-controlling Intrests	0.7	1.1
Total Capital	770.9	646.4
Total Liabilities & Capital	1,229.0	1,094.6

Cash Flow Statement

(Unit: KRW Billion)	Q1'21	Q4'20
Beginning Cash Balance	308.1	49.1
Cashflow From Operations	23.0	383.2
Net Profit	164.2	503.1
Change in Net Capital Mngt	-106.8	-289.0
Income Tax Paid	-76.7	-10.3
Cashflow From Investments	-17.0	-192.7
Acquisitioin of PP&E	-16.5	-174.0
Acquisition of Intangibles	-0.3	-1.2
Cashflow From Finance	-3.4	71.9
Proceeds from S/T Borrowing	-	46.2
Proceeds from L/T Borrowing	-	43.4
Repayment of S/T Borrowing	-0.2	-14.7
Net Change in Cash	4.3	259.0
End Cash Balance	312.5	308.1

'20 ~'21 Roadmap



Company Overview

Seegene Overview

Overview of Seegene

- CEO/CTO: Dr. Jong-Yoon Chun
- Established: Sept. 15, 2000 / Listed: Sept. 10, 2010
- Capital: KRW 13,117mn
- Number of employees: 729 (as of Mar. 31, 2021)
- Product: Molecular Diagnostics (MDx) Reagent
- Key proprietary MDx technologies:
DPO™(2004), TOCE™(2011), MuDT™(2015)




Major Products

MDx Reagents



- Respiratory Infection
- Gastrointestinal Infection
- Women's Health
- Other Infections disease

Instruments(OEM or re-sale)

	
Nimbus (Hamilton)	CFX96 (Bio-Rad)
	Re-sale
STARlet (Hamilton)	
OEM	
[Extraction]	[Real-time PCR]

Global Network

- Headquarter: Seoul, South Korea
- 7 Foreign subsidiaries (# of employees : 169)
Italy, UAE, US, Canada, Germany, Brazil, Mexico
- Supplying reagents/instruments through 90 agencies
 - 17 distribution agencies in Korea
 - 73 distribution agencies in 65 overseas markets

Foreign subsidiaries & Branch office



Stock Information

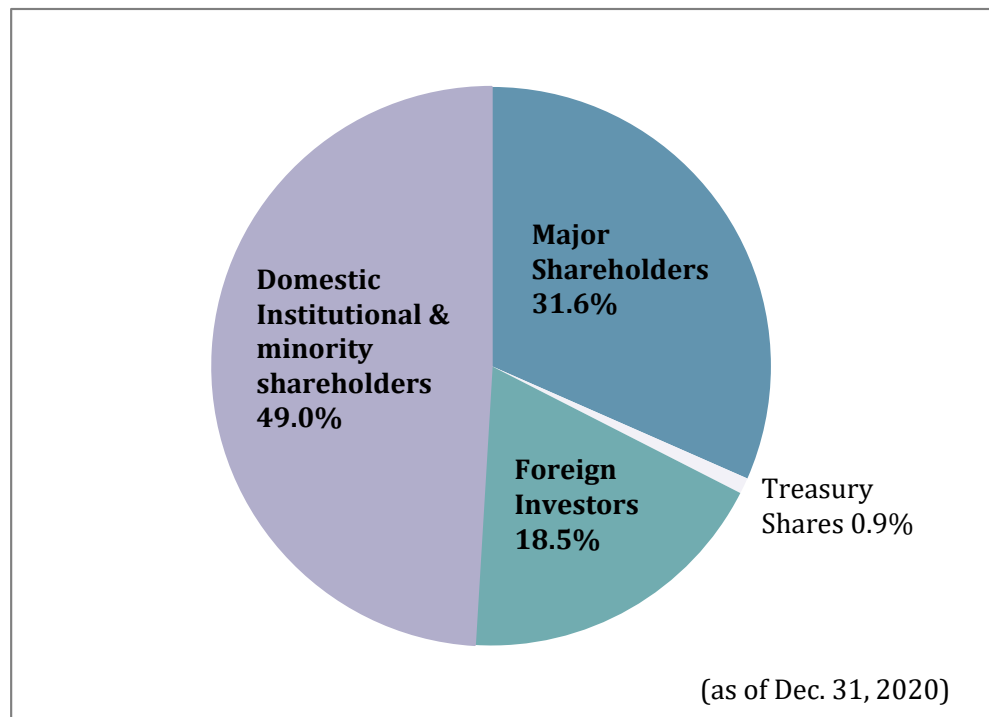
Overview of Stock Information

- Ticker: 096530 (KOSDAQ)
- Shares Outstanding: 26,234,020
- Par value: KRW 500
- Market Cap: KRW 3.42 Tr (as of Mar 30th) ※KRW 4.21Tr(as of May 11th)
- Avg. Daily Trading Volume: 1,041,870 (Most recent 2 months avg.)
- 52 week High / Low: KRW 322,200 / 21,300

Subsidiaries

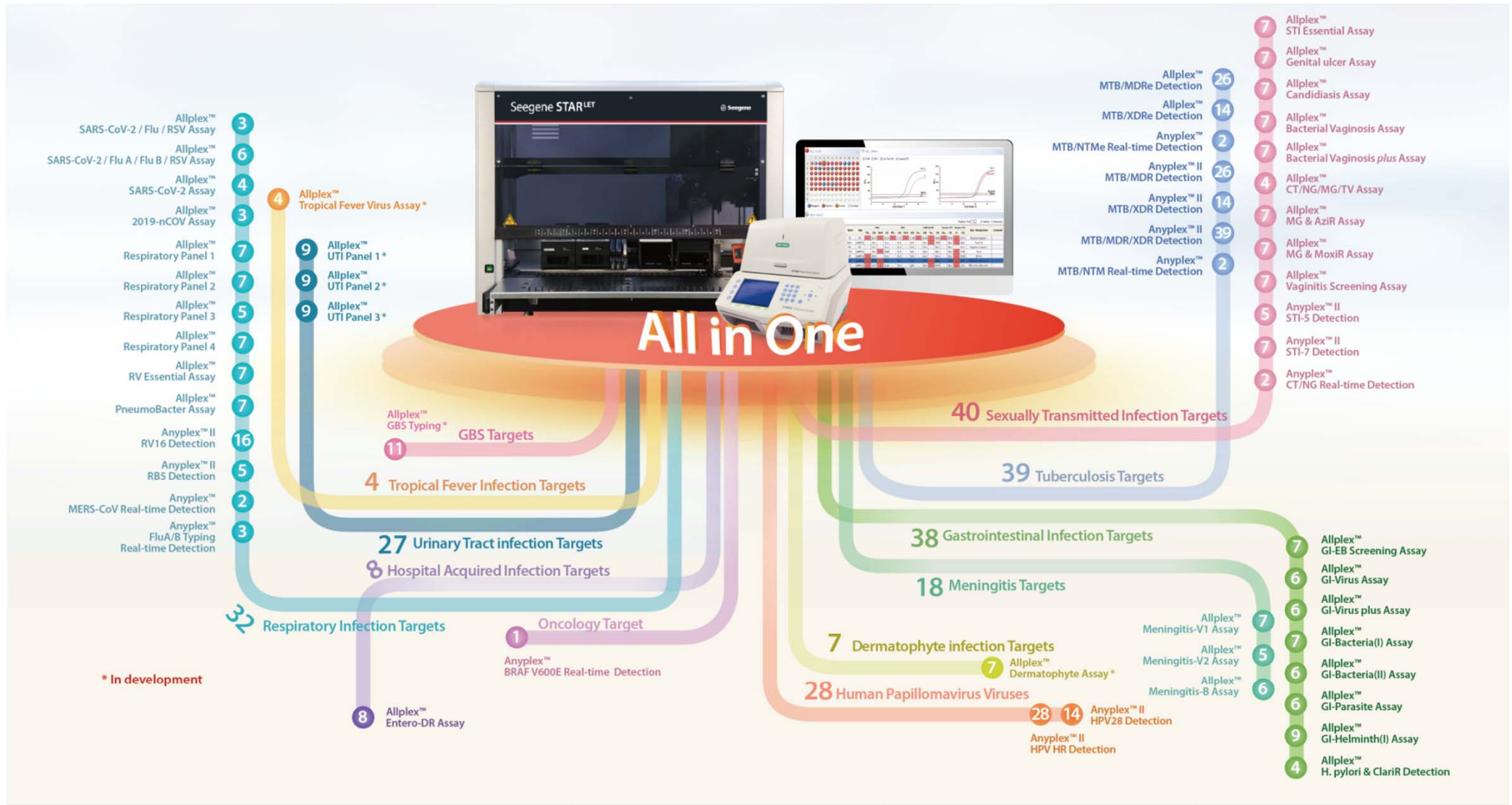
Subsidiary	Date of establishment
Arrow Diagnostics (Italy)	Jan. 2014
Seegene Middle East (UAE)	Oct. 2014
Seegene Technologies (USA)	Apr. 2015
Seegene Canada (Canada)	Jul. 2015
Seegene Mexico (Mexico)	Apr. 2016
Seegene Germany GmbH (Germany)	Jul. 2016
Seegene Brazil (Brazil)	Jun. 2019

Shareholder Structure



Major Shareholder	Ownership
CEO	18.1%
Related parties	13.5%
Total	31.6%

Product Pipeline & Global Certification



구분	MFDS (KR)	CE (EU)	TGA (AU)	Health Canada	FDA (US)	COFEPRIS (Mexico)	ANVISA (Brazil)	Total
Main Certification	66	80	58	12	5	36	32	289

Products & New Developments

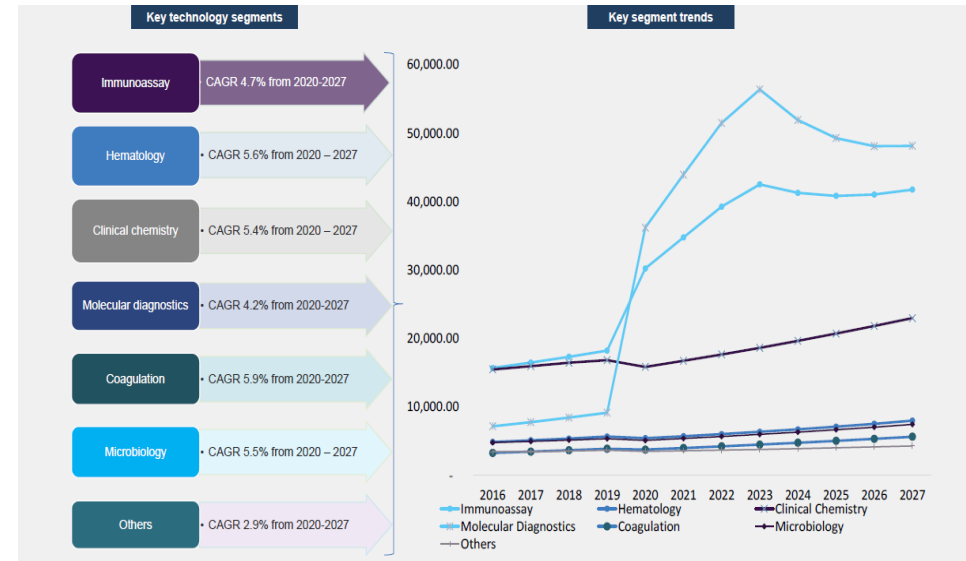
IVD Market Outlook – Segment Analysis

• By Product

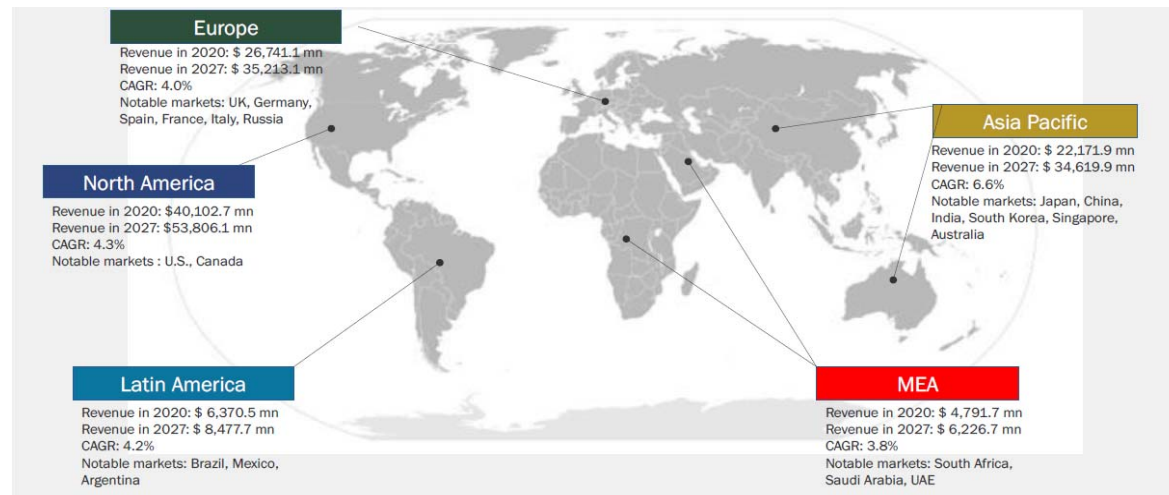


※ source: BBC Research LLC (2021)

• By Technology



※ source: BBC Research LLC (2021)



• By Region

※ source: BBC Research LLC (2021)

COVID-19 Products Details (2020)

Allplex™ 2019- nCoV



- N gene
- E gene
- RdRP gene
- Exogenous IC

Allplex™ SARS-CoV-2



- N gene
- E gene
- RdRP gene
- S gene
- Exogenous IC

COVID-19 coverage ↑

Saliva & Extraction-free
to be applied

Combination with
Allplex™ RV-EA assay

Allplex™ SARS-CoV-2/FluA/FluB/RSV



- N gene
- S gene
- RdRP gene
- Influenza A
- Influenza B
- RSV
- Endogenous IC
- Exogenous IC

COVID-19, Flu, RSV at a
time of tripledemic

Saliva & Extraction-free
to be applied

Check sampling error

COVID-19 Products Details (2021)

Allplex™ SARS-CoV-2 Variants I



- HV69/70 (UK)
- E484K (SA)
- NY501Y (UK & SA)
- RdRP gene
- Endogenous IC

Identification of variants

Simultaneous detection for VOC 202012/01(UK), 501Y.V2 (South Africa), and others

Saliva & Extraction-free to be applied

Allplex™ SARS-CoV-2 Master Assay



- N gene
- E gene
- RdRP gene
- S gene
- S gene variants (HV69/70del, Y144del, E484K, N501Y, P681H)
- Exogenous IC

Full Screening for SARS-CoV-2 and variants

Saliva & Extraction-free to be applied

Combination with Allplex™ RV-EA assay

Allplex™ SARS-CoV-2 Variants II



- K417N (SA)
- K417T (BR)
- W152C (US.CAL)
- L452R (US.CAL)
- Endogenous IC

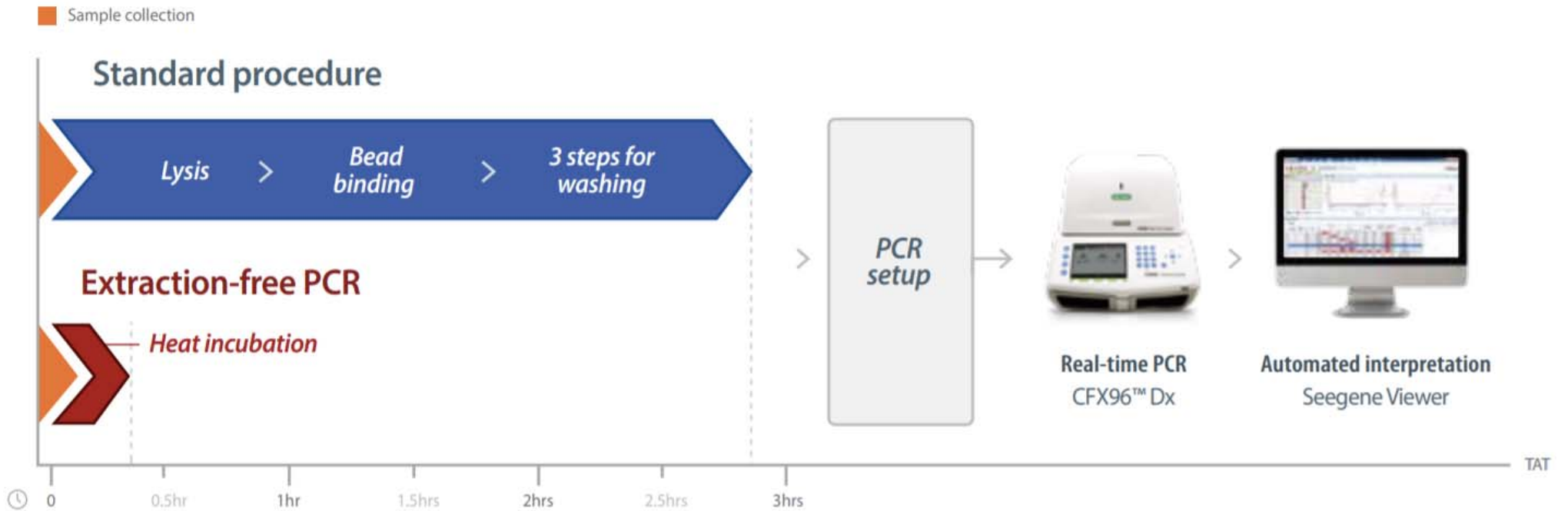
Identification of variants

Simultaneous detection for 501Y.V2 (South Africa), 501Y.V3 (Brazil), 452R.V1 (US-California) and others

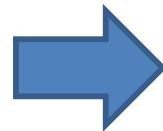
Saliva & Extraction-free to be applied

The New Extraction-free PCR

Comparison of the extraction-free PCR and standard procedure



Standard procedure **4 hours**



Extraction-free PCR **2 hours**

Comparison among COVID-19 test methods

	PCR Test	Rapid Antigen Test	Antibody Test
Sample Colletion	Mucus or phlegm in the nose or neck Sputum, Saliva in some cases	Mucus in the nose or neck Sputum, Saliva in some cases	Blood
Test Method	Extract RNA genes from COVID-19 virus from the sample and amplify them easy detection	Mix a certain material with COVID-19 virus to check for infection	Mix a certain material with COVID-19 virus to check for infection
Turnaround Time	Approx. 4 to 6 hours	Approx. 30 minutes	Approx. 10 minutes
What the Result Tells	Current infection	Current infection	Current or previous infection
Strength	<ul style="list-style-type: none"> ✓ Early diagnoses with a small amount of virus ✓ Accuracy 	Fast	<ul style="list-style-type: none"> ✓ Fast and simple ✓ Low cost

Competitive Advantage

Comparison of Cervical cancer(HPV) Products "Much more informative with 1 product"



Performance of Cervical cancer(HPV) products "More accurate"

WHO LabNet 2014 HPV DNA Proficiency study, 2015 IPV conference, Portugal, 2015

- 100% proficiency at all 11 Lab participants.
- Detection of all 5 HPV subtypes and its multiple co-infection
- The best Results regarding Sensitivity, Specificity and Reproducibility

Type of HPV assay	No. of datasets	100% proficient	99-90%	89-80%	<80 %	Not proficient
All assays	148	89	14	9	5	31
Anyplex II HPV28 (Seegene)	11	11	0	0	0	0
Onclarity (BD)	5	5	0	0	0	0
Linear Array (Roche)	14	7	1	1	0	5
HPV Direct Flow-chip (Master Diagnostica)	14	9	0	0	0	5
Papillocheck (Greiner)	5	4	0	1	0	0
CLART HPV 2/3 (Genomica)	4	0	1	1	2	0
In- house PCR (Luminex)	8	3	1	1	0	3
Realtime PCR (Abbott)	3	1	0	2	0	0

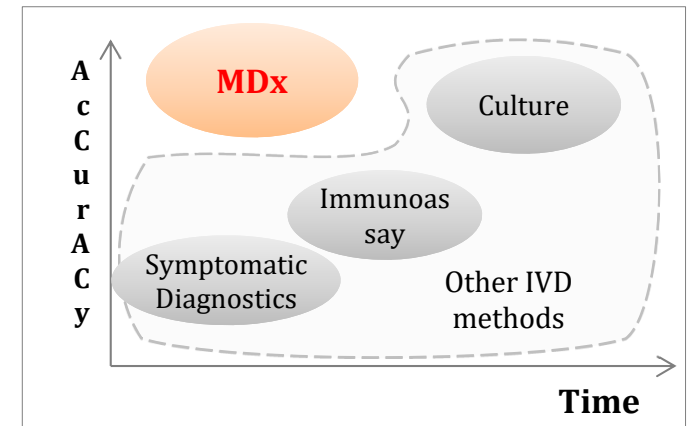
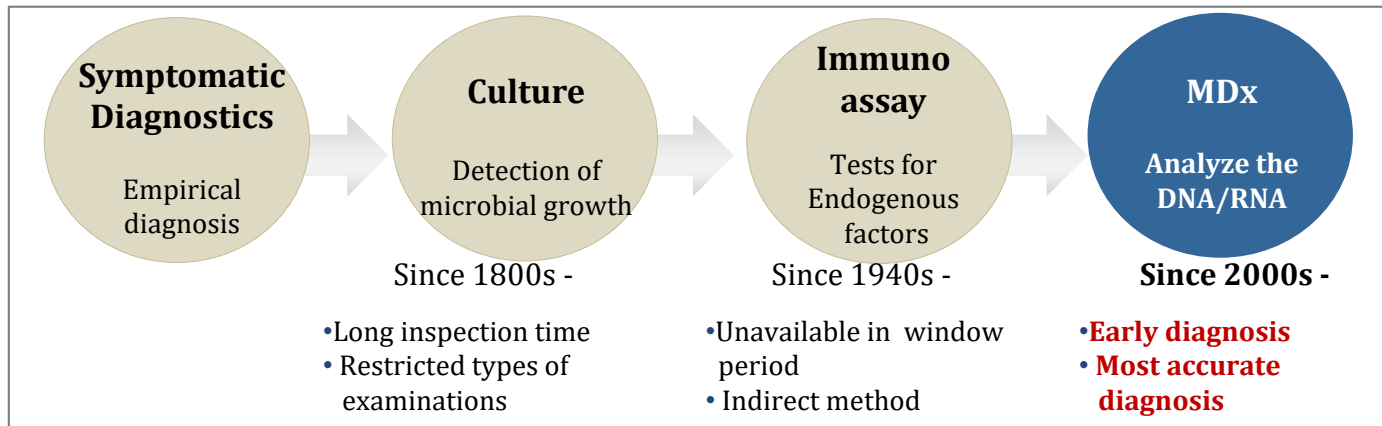
Appendix

IVD (In-Vitro Diagnostics) Overview

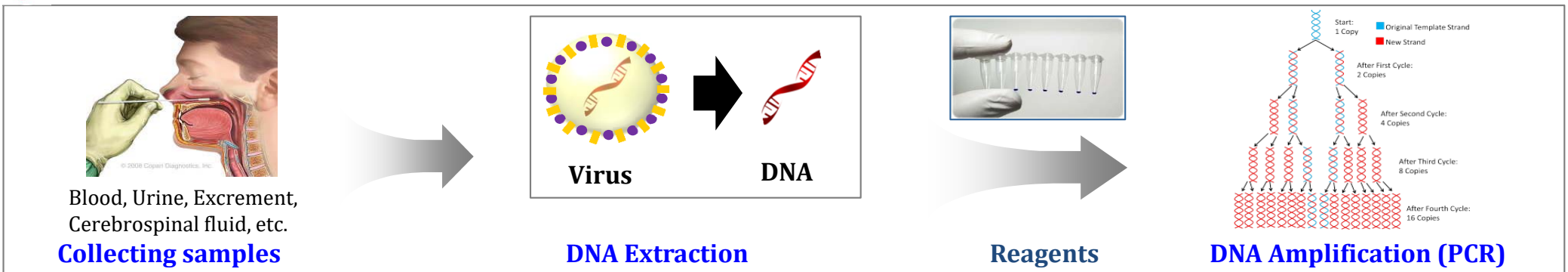
Classification of Diagnostics Methods

- In vivo Diagnostics : Analyze the health status inside of the human body. ex) X-ray, CT, MRI
- In vitro Diagnostics : Analyze the specimens derived from the body such as blood, urine etc.

Evolving IVD Method



Process of MDx

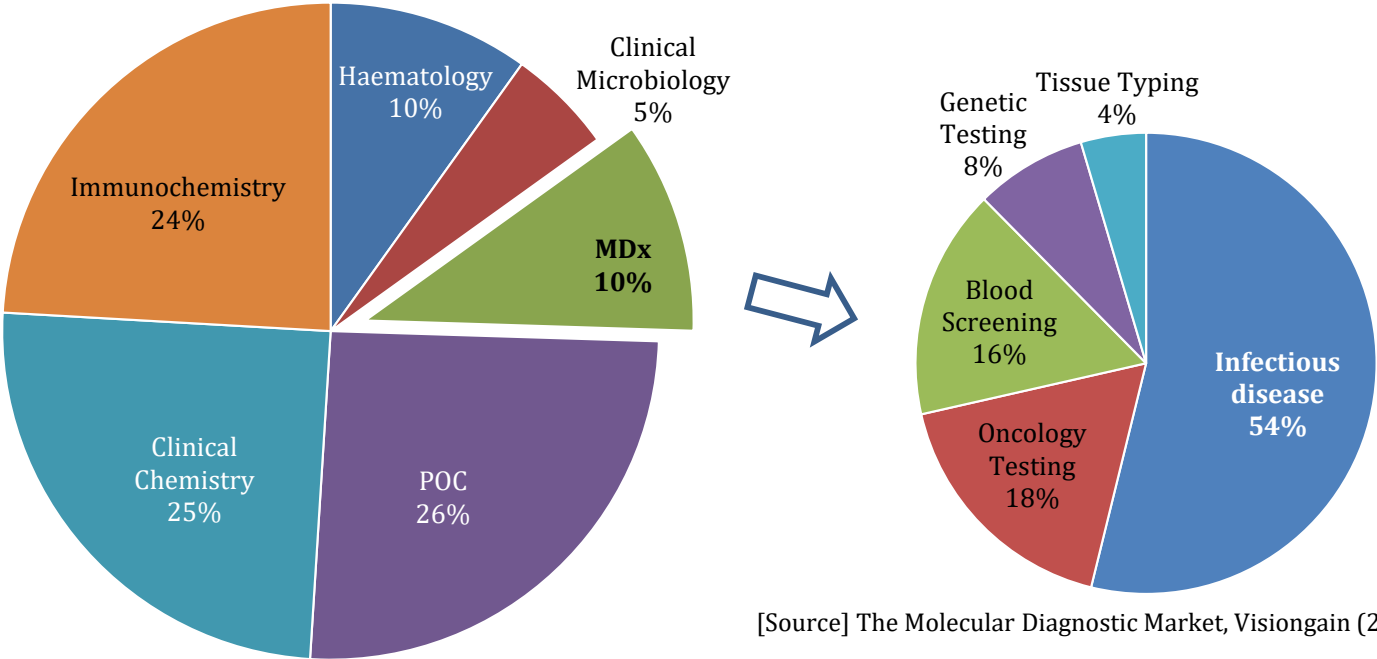


IVD Industry

In-Vitro Diagnostics Market: \$66.4bn(2018) → \$95bn(2025) / CAGR 5.6%

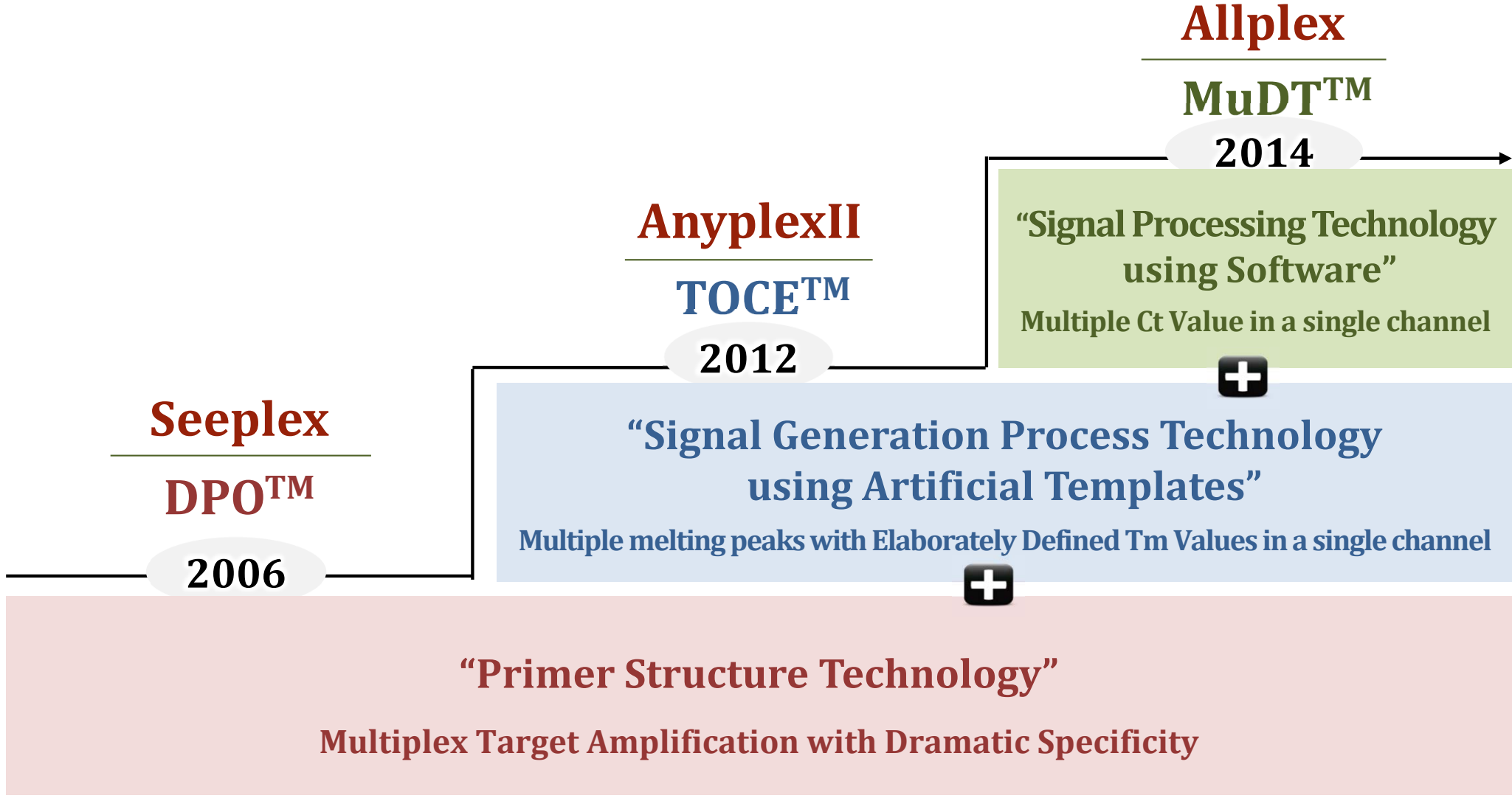


More than 50% of MDx market: Infectious disease



[Source] The Molecular Diagnostic Market, Visiongain (2017)

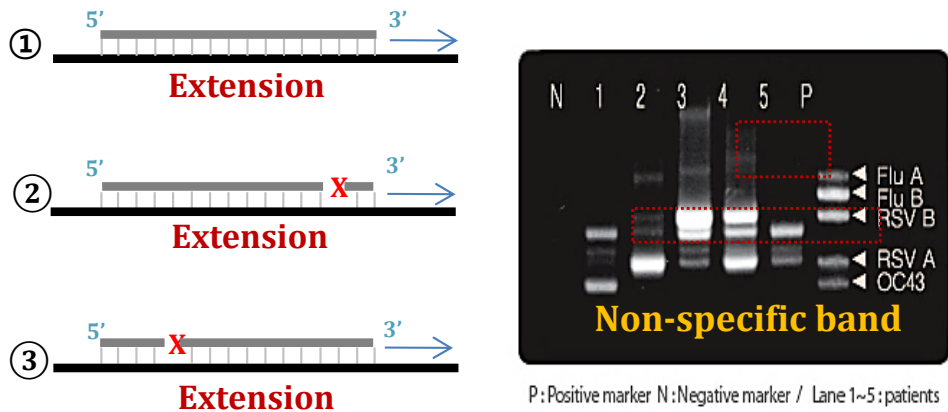
Seegene's Proprietary PCR Technologies



DPO™ (Dual Priming Oligonucleotide)

Conventional PCR

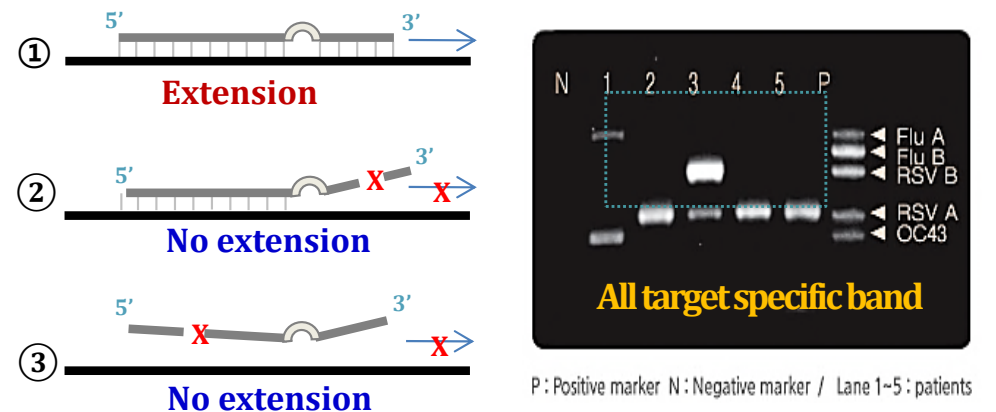
<Conventional Primer>



- Non-target genes are amplified together
- Limited multiplexing

DPO PCR

<DPO Primer>

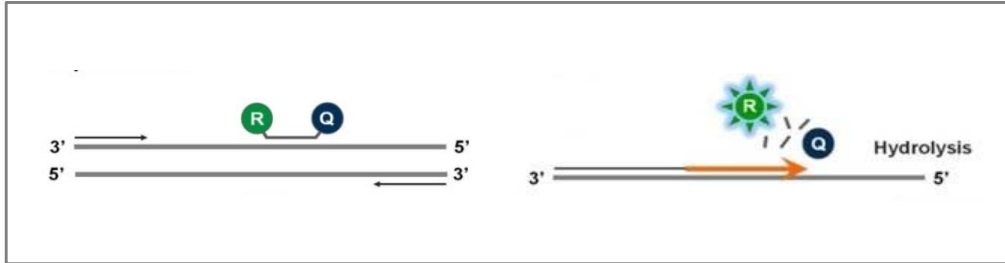


- Only the target gene is specifically amplified
- Highly reliable multiple target amplification

Multiplex + High Accuracy = Realization of Multiplex MDx

TOCE™ (Tagging Oligonucleotide Cleavage & Extension)

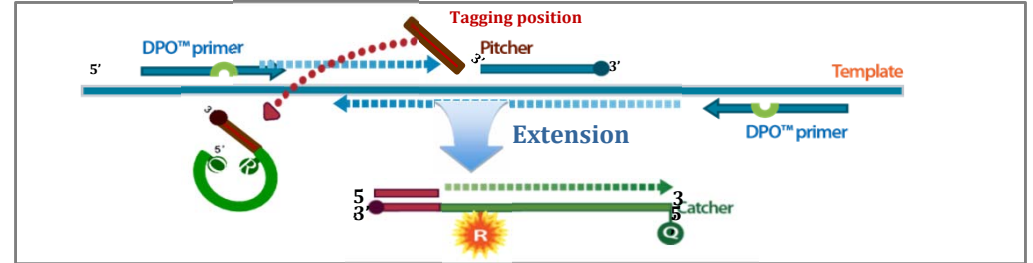
Conventional Real-time PCR



Detect 1 pathogen per 1 channel
→ Detect 4 pathogens using 4 fluorescence channel

- Detection of 1 target per a single channel
- The Maximum limit 4 targets

TOCE Real-time PCR



Detect 5 pathogen per 1 channel
→ Detect **20** pathogens using 4 fluorescence channel

Melting curve Analysis

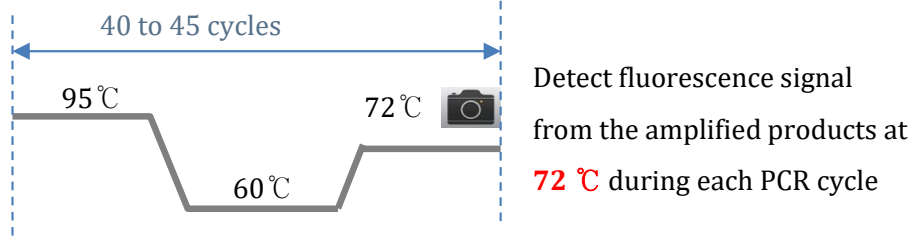
- Detection of 5 targets per a single channel
- Multiplex in a single channel using Catcher-Tm
- As sensitive as singleplex real-time PCR

High Multiplex Real-time PCR + Quantitative Analysis(Melting Curve Analysis)

MuDT™ (Multiple Detection Temperatures)

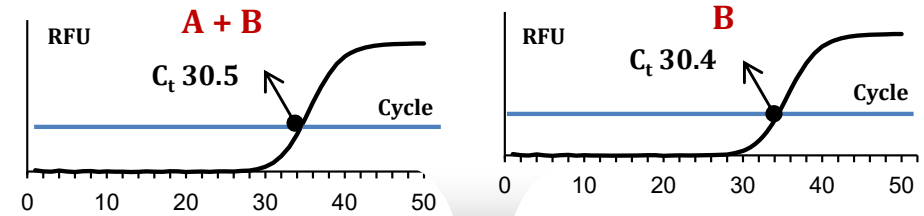
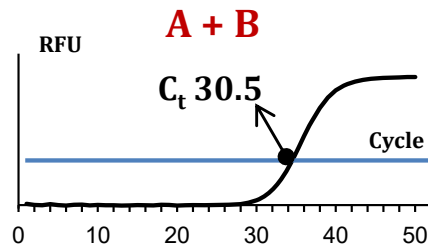
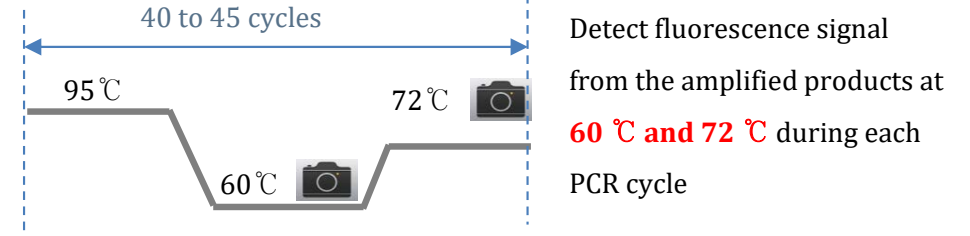
Conventional Real-time PCR

[PCR cycle]

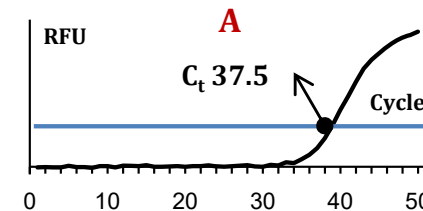


MuDT Real-time PCR

[PCR cycle]

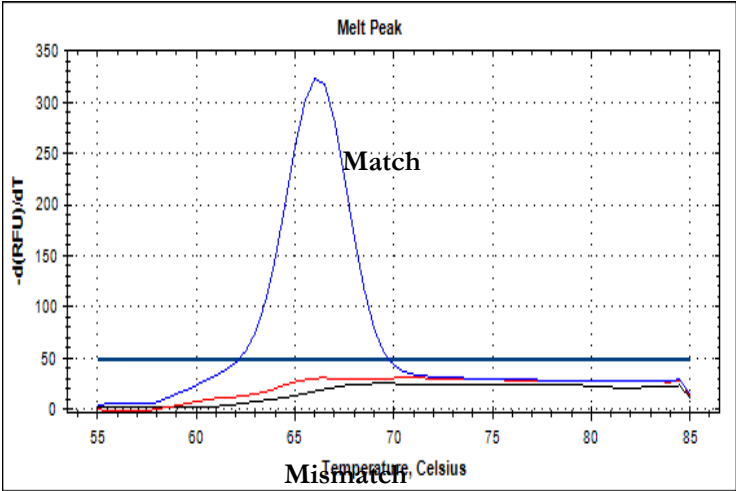
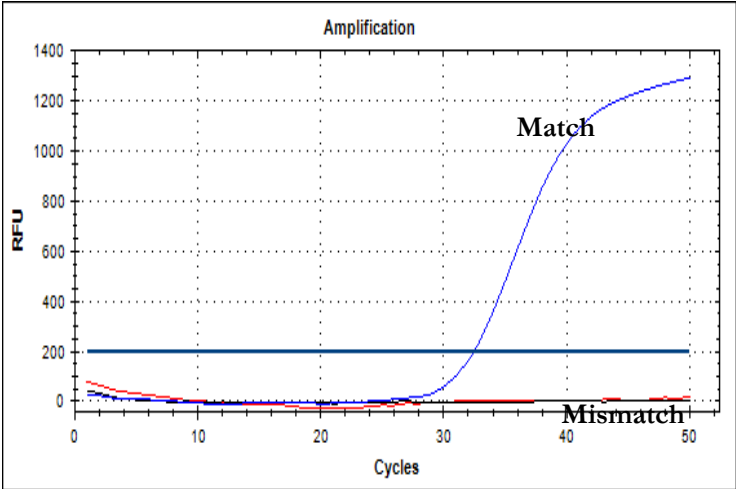
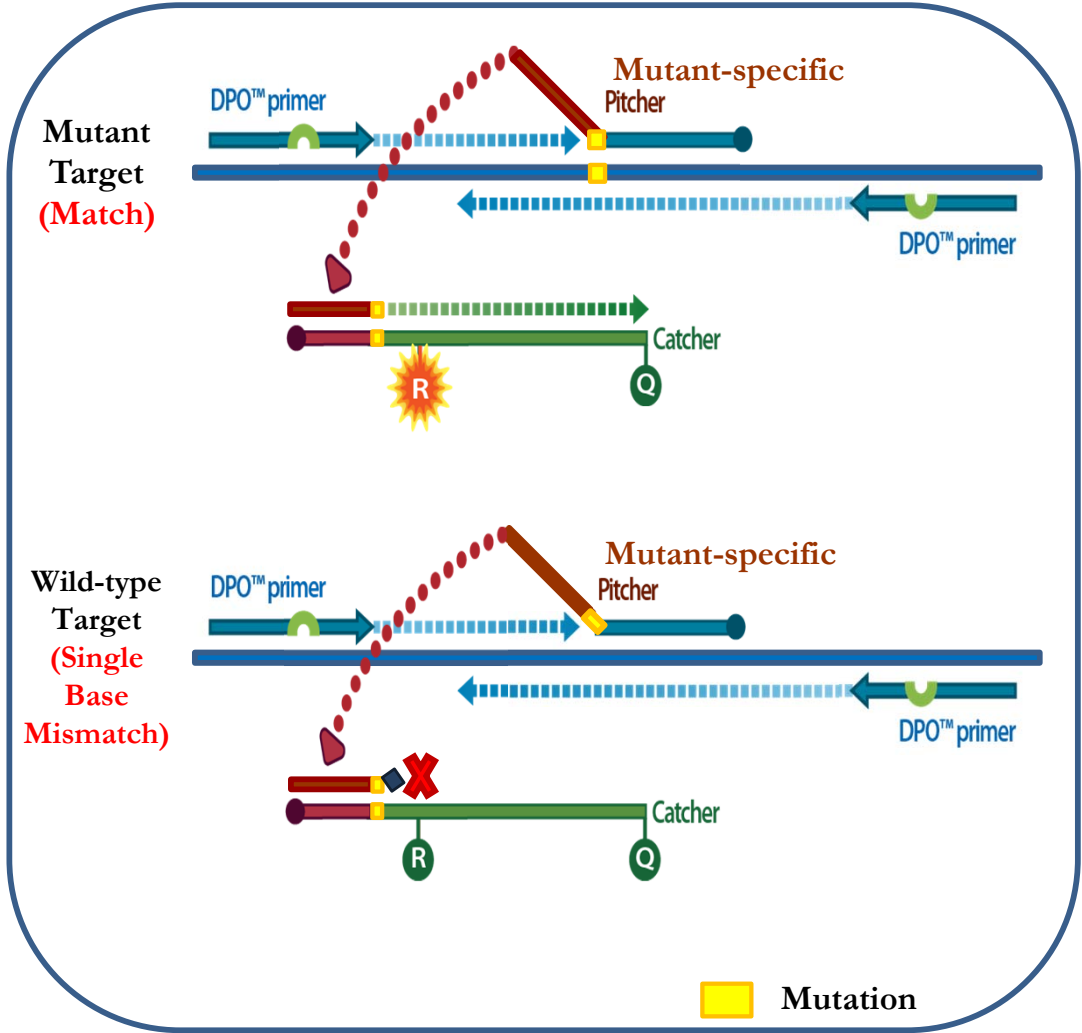


Software Analysis



Multi qualitative/quantitative Analysis in Single channel = **Multi Ct value in Single channel**

mTOCE™ – Mutation Detection



Identical results amid unique and various melting temperatures → Enables detection of numerous variants