

Q4 2021 Results

February 2022

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Agenda

- **2021 Q4 Business Performance**

- Q4'21 Highlights
- Q4'21 Financial Review
- Sales and OP Trend
- Sales Breakdown by Product Type
- Equipment Sales
- Summarized B/S and C/F
- Sustainable Business Growth Strategy

2021 Q4 Business Performance

Q4 Key Highlights

Continuing earnings momentum & foundation for mid/long-term growth

Q4'21 Earnings

Q4'21 Topline of 410.0B KRW (+34% QoQ)

Operating profit(margin): 199.9B KRW (49%)

Surge in covid-19 syndromic and variant associated tests
Rapid response to the paradigm shift in covid-19 screening test market

FY'21 Revenue of 1.37T KRW (+22% YoY)

Operating profit(margin): 666.7B KRW (49%)

Portfolio expansion / diversification

In-house instrument development

→ **strengthening business competency**

Launched a qPCR instrument "SGRT" (RUO)

Internalization of key materials (enzyme, oligo, etc.)

→ **streamlining development process and saving cost**

Finished in FY21, final products equipped with internalized enzyme being launched in 2022

Internalization of extraction assay

→ **foundation for portfolio diversification**

COVID-19 Solution

Fast, Accurate and Large-scale PCR testing system established

Allplex™ SARS-CoV-2 fast PCR Assay (CE-IVD)

3x testing volume with 1/3 testing time while maintaining the same accuracy without additional instrument installment

Living with COVID-19

Reinforcement of product competency via syndromic testing in Endemic era

Allplex™ RV Master Assay (CE-IVD)

Simultaneous diagnosis of 8 different respiratory virus including SARS-CoV-2(S/N/RdRP) using a single assay

※ Update on business model improvement strategy

Successfully internalized qPCR instruments and key raw materials such as extraction assays, oligo and enzyme; application of internalized raw materials and instruments in 2022

Q4'21 Financial Review

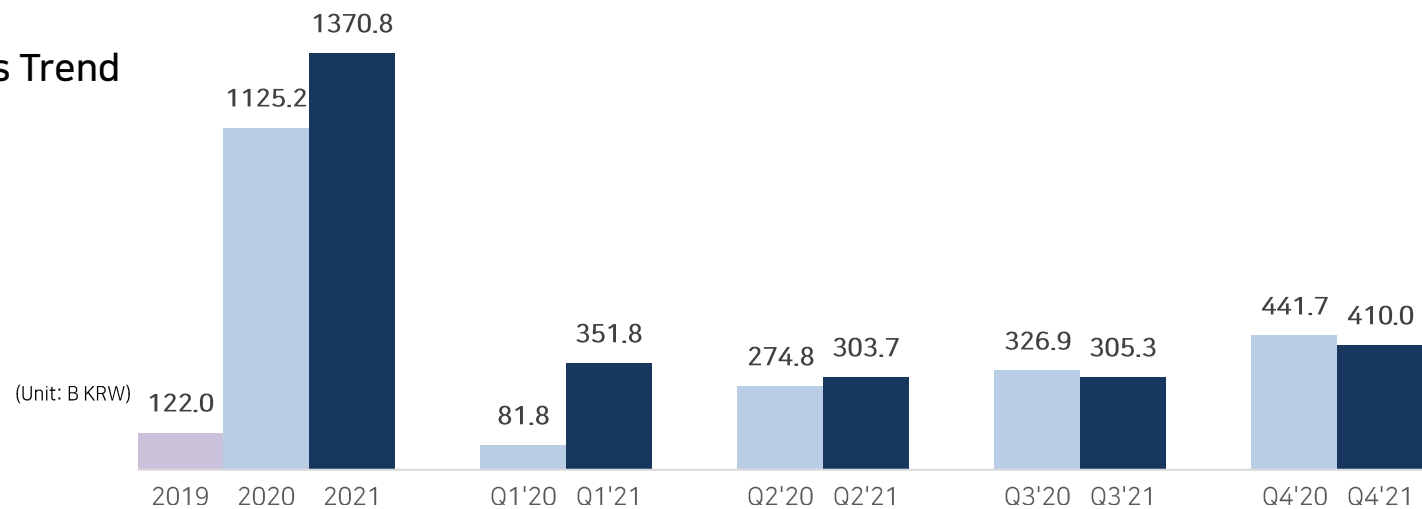
(Unit: B KRW)	Q4'21	Q3'21	Q4'20	QoQ	YoY	FY'21	FY'20	YoY
Revenue	410.0	305.3	441.7	34%	-7%	1370.8	1125.2	22%
Cost of Good Sold	103.2	98.9	105.6			366.0	267.5	
(%)	25%	32%	24%			27%	24%	
Gross Profit	306.8	206.4	336.1	49%	-9%	1004.8	857.7	17%
SG&A Exp.	84.8	57.6	68.1			262.6	155.6	
(%)	21%	19%	15%			19%	14%	
R&D Exp.	22.1	20.2	10.5			75.5	25.9	
(%)	5%	7%	2%			6%	2%	
Operating Profit	199.9	128.6	257.5	55%	-22%	666.7	676.2	-1%
(%)	49%	42%	58%			49%	60%	
Non-Operating Gain/Loss	-3.8	14.0	-14.3	-127%	-74%	22.5	-7.1	-419%
Currency Exchange Gains (Loss)	-6.2	7.9	-11.7			14.0	-16.0	
Income/(Loss) from Affiliates	2.7	5.3	2.6			14.1	14.8	
Other Non-Operating Inc. (Exp.)	-0.2	0.8	-5.2			-5.5	-5.8	
Pretax Income	196.1	142.6	243.2	38%	-19%	689.2	669.1	3%
(%)	48%	47%	55%			50%	59%	
Income Tax Exp.	32.8	49.3	57.9			151.6	166.0	
Net Earnings	163.4	93.2	185.3	75%	-12%	537.6	503.1	7%
(%)	40%	30.5%	42%			39%	45%	

- **Revenue 410B KRW (QoQ▲34% & YoY ▼7%)**
 - M/S expansion & product mix improvement driven by surge in syndromic & variant related sales
 - Revenue increase led by syndromic product sales with relatively higher ASP
 - Increase in average ASP boosted by Europe sales
- **Cost of Sales 25% (QoQ ▼7%p & YoY ▲1%p)**
 - ASP increase led by product and regional mix improvement
 - Decrease in write off/down that occurred in Q3'21
- **Operating Profit 199.9B KRW (QoQ ▲55% & YoY ▼22%)**
 - Improved OPM attributable to operating leverage and cost of sales improvement
- **Net profit 16.3B KRW (QoQ ▲75% & YoY ▼12%)**
 - Income Tax Expense 32.8B KRW

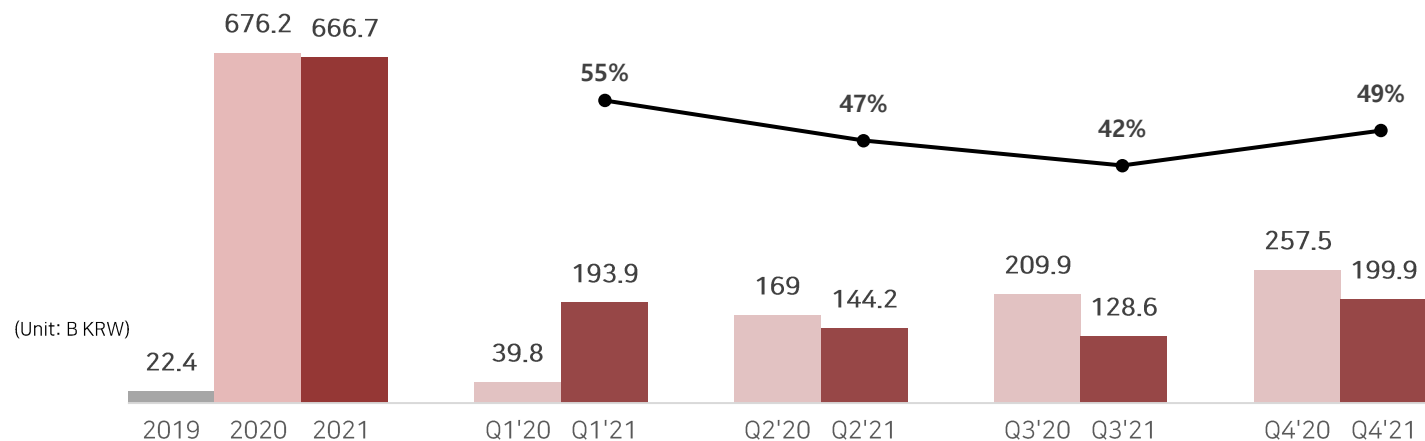
Sales & Operating Profit Trend

*22% YoY growth in FY21 sales despite of concerns on Covid vaccination & treatment pill
Achieved nearly 50% OPM despite investments, such as talent acquisition and R&D expenses, for robust mid to long-term growth*

Sales Trend



Operating Profit and OPM Trend



Sales Breakdown by Product Type

Growing momentum via unique/distinguished product portfolio

· Growth of syndromic & variants assay sales · 33% YoY growth in Non-Covid Assay Sales

(Unit: KRW Billion)	Q3'20	Q4'20	FY'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'21
Reagent	283.2	376.7	950.5	282.5	246.6	257.1	357.2	1,143.4
- COVID	219.6	308.2	749.3	224.8	198.8	195.6	289.6	908.8
¹ Screening	207.3	274.4	703.3	206.8	167.7	156.3	200.0	731.0
² Syndromic	12.3	33.8	46.1	13.2	12.0	17.6	47.7	90.6
³ New Product	0.0	0.0	0.0	4.8	19.1	21.6	41.8	87.2
- Non-COVID	26.2	26.7	94.7	25.9	27.3	34.9	37.3	125.3
RV	8.7	8.1	32.6	7.2	5.1	7.8	8.9	29.0
STI	7.5	8.6	28.1	7.5	8.5	10.2	11.3	37.4
GI	4.1	4.0	13.7	4.3	5.6	6.8	6.3	23.0
HPV	2.8	3.1	7.7	3.5	4	4.2	5.1	16.8
⁴ etc.	3.1	2.9	12.6	3.4	4.1	5.9	5.7	19.1
- Extraction	37.4	41.8	106.5	31.8	20.5	26.6	30.3	109.3
Equipment etc.	43.6	65	174.7	69.3	57.1	48.2	52.8	227.5
Total	326.9	441.7	1,125.2	351.8	303.7	305.3	410.0	1,370.8

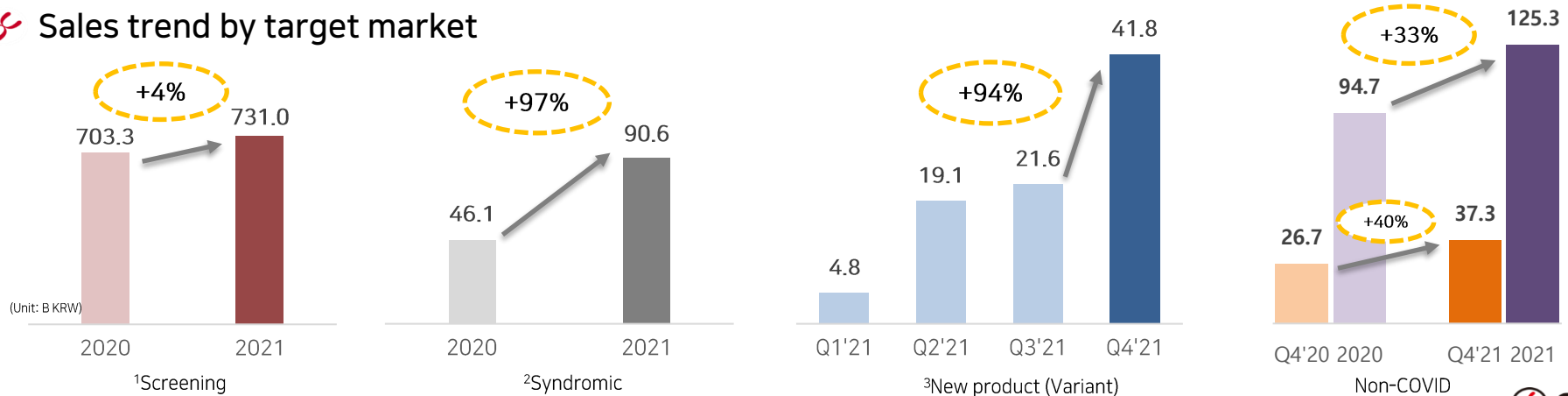
¹Screening: For early detection

²Syndromic: Simultaneous targeting of multiple pathogens

³New Product: RUO, Variants-related products

⁴Etc: Equipment, Accessories, Services

🌀 Sales trend by target market



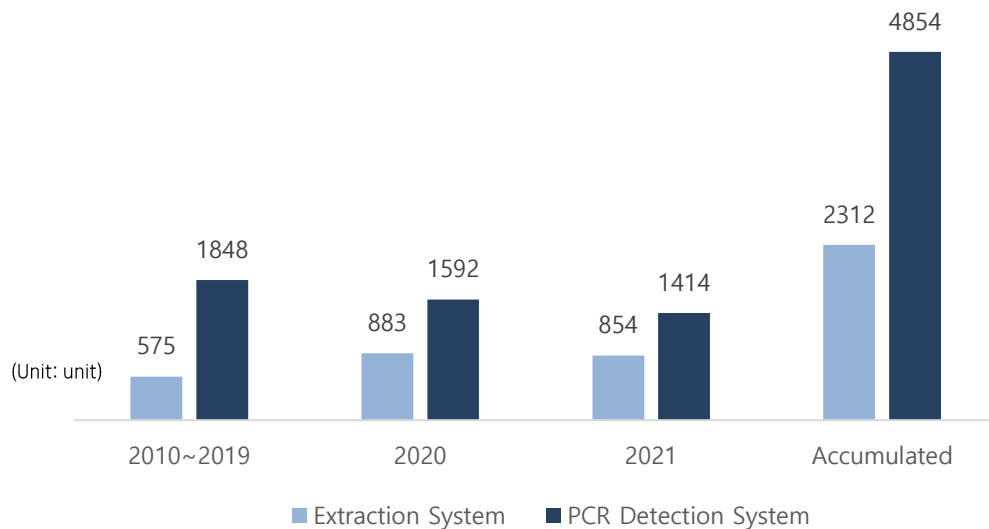
System Sales

Installed base reached approx. 5000 globally, capable of applying 50 types of Allplex assays without additional investment

🌸 Highlights

FY21 2,268 units sold (extraction - amplification)

- Q4'21, extraction equipment (STARlet, NIMBUS, etc.) 180 units; amplification equipment (CFX96) 386 units newly installed
- Equipment installation marched upward in emerging markets including Asia (Malaysia, Thailand) and Central-South America (Chile, Brazil)
 - ※ Central-South America: recorded 39% YoY increase in '21 YTD equipment installation rate
 - Asia: 65% YoY increase in '21 YTD equipment installation rate



Summarized B/S and C/F

(Unit: B KRW)

Category	Q4'21	Q3'21	FY'20
Asset	1489.7	1267.9	1094.6
· Cash and Equivalent	432.1	383.9	308.1
· Account/other Receivables	340.4	208.7	307.3
· Inventory	214.5	250.7	139.1
· Accounts Receivable Long-Term	28.9	23.2	19.6
· Gross PP&E	237.9	221.9	186.7
· Other Assets	235.9	179.5	133.7
Total Assets	1489.7	1267.9	1094.6
Liabilities	406.1	337.7	448.2
· Account/other Payables	101.5	76.2	140.6
· Short-term Borrowings	39.5	39.5	37.2
· Curr. Port. Of LT Debt	1.3	1.0	0.7
· Income Taxes Payable	97.4	108.7	171.6
· Long-Term Debt	43.1	43.7	44.4
· Other Liabilities	123.3	68.6	53.7
Equity	1083.6	930.2	646.4
· Common Stock	26.1	26.1	13.1
· Additional Paid In Capital	27.9	27.5	67.7
· Retained Earnings	1028.6	873.6	564.5
· Minority Interest	2.2	2.5	1.1
Total Liabilities and Equity	1489.7	1267.9	1094.6

(Unit: B KRW)

Category	FY'21	Q3'21	FY20
Beginning Cash Balance	383.9	264.0	49.1
Cashflow From Operations	111.7	182.3	383.2
· Net Income	164.6	93.2	503.1
· Change in Net Capital Mngt	(79.5)	42.2	(289.0)
· Income Tax Paid	(45.2)	(6.9)	(10.3)
Cashflow From Investments	(45.1)	(27.1)	(192.7)
· Sale (Purchase) of PP&E	(17.8)	(17.6)	(171.1)
· Sale (Purchase) of Intangible Assets	(0.7)	(7.3)	(1.2)
Cashflow From Finance	(15.1)	(37.8)	71.9
· Short Term Debt Issued (Repaid)	-	(0.0)	31.6
· Long Term Debt Issued (Repaid)	0.5	0	43.4
· Repurchase of Common Stock	-	(15.0)	-
· Dividends Paid	(10.3)	(20.7)	(2.6)
Net Change in Cash	48.2	119.9	259.0
Ending Cash Balance	432.1	383.9	308.1

Sustainable Business Growth Strategy

▪ Sustainable Business Growth Strategy

- FY22 Key Strategies
 - [COVID-19] Fast PCR / FAME Strategy
 - [Living with COVID-19] Enhancing Syndromic Testing Competitiveness
 - [Non-COVID] Gaining organic growth momentum
 - [System] AIOS with STARlet
 - [System] On-Site testing Capability
 - [Platform] Development platform concept
 - [Platform] Development platform advancement
- Business Direction
- Appendix

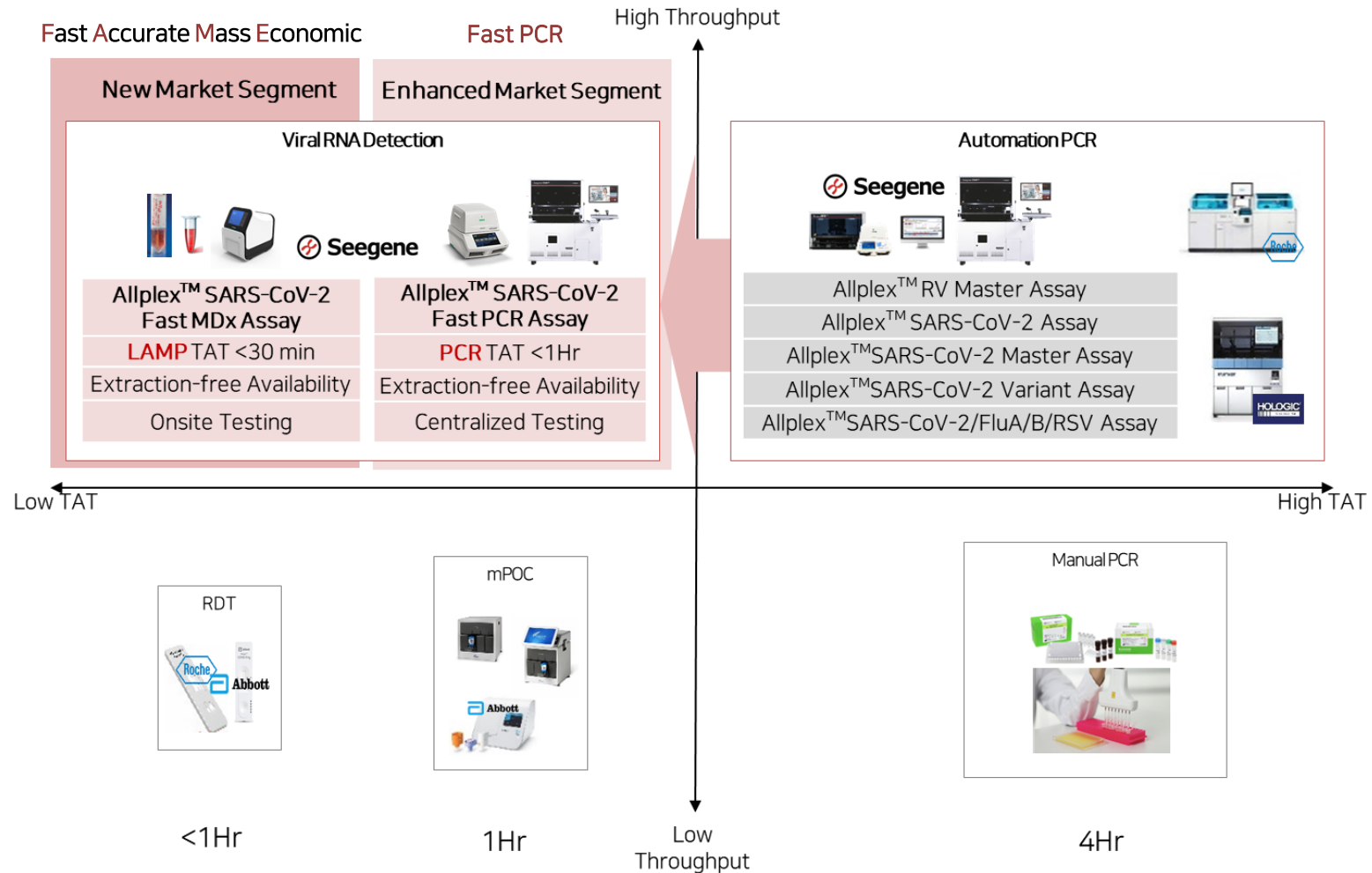
2022 Key Strategies

Maintain growth momentum by expanding portfolio and strengthening system connectivity

SHORT TERM	COVID-19	Extensive Testing Portfolio	<p>Fast Accurate Mass Economic lab testing & On-site Testing solution</p> <ul style="list-style-type: none"> Allplex™ SARS-CoV-2 Fast PCR Assay: Simply increase throughput >2X with existing instrument Allplex™ SARS-CoV-2 Fast MDx Assay: FAME* onsite testing (Airport, School, etc.) <p style="text-align: right;">*Fast Accurate Mass Economic</p>
	LIVING WITH COVID-19/ NON-COVID	Secure Growth Momentum	<p>Securing Growth Engines for Endemic Transition</p> <ul style="list-style-type: none"> RV: Continuing surveillance of respiratory viruses Allplex™ RV Master Assay: Syndromic assay of 8 respiratory virus with a single reagent HPV : Primary screening market / STI : Syndromic screening market extension GI : Culture to MDx promotion (Webinar, Local Seminar)
	SYSTEM	Establish Testing Solution	<p>Enhance On-site Mass Testing Solution and System Connectivity</p> <p style="text-align: center;"> <u>AIOS: 1st Gen Full-Auto</u> + <u>Onsite Testing Solution with AIOS</u> + <u>Connectivity: Testing appt./notification/ mobile app.</u> • Existing Instrument • FAME Strategy + Mobile station • Health care in-house solution connectivity (LIS) </p>
MID-TO LONG TERM	PLATFORM	Development Platform Advancement	<p>Building foundation for MDx Platform Business</p> <ul style="list-style-type: none"> Reagent development platform specialized for the local market by local developers An environment where anyone can develop custom-made syndromic product Web-based development platform and standard process (Manual SOP & Program)
	IN-ORGANIC GROWTH	M&A etc.	<p>Explore In-organic growth opportunities to establish total healthcare</p> <ul style="list-style-type: none"> Securing solid bridgehead to accelerate business growth in overseas markets

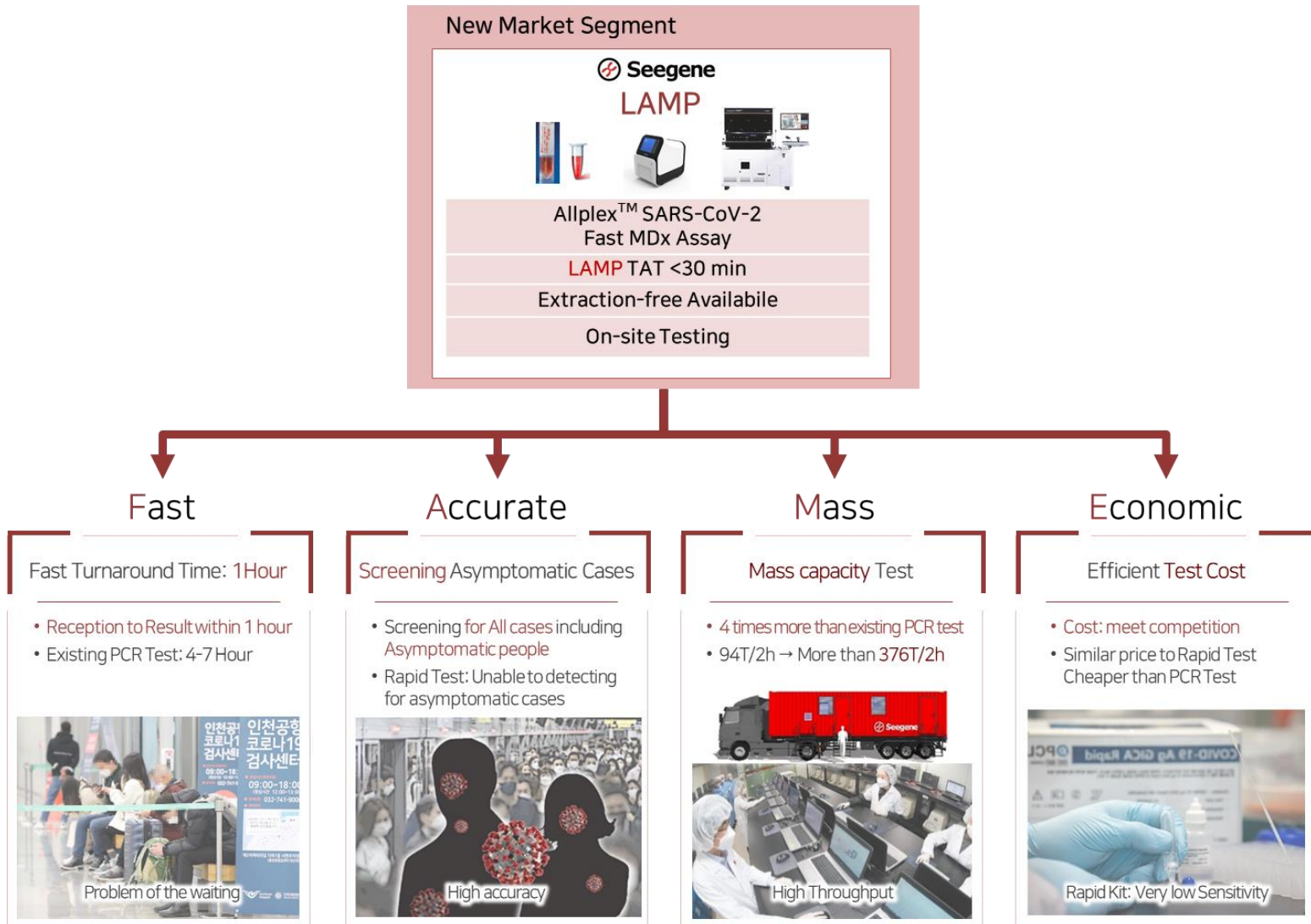
[COVID-19] Fast PCR / FAME Strategy

Strengthening product portfolio reflecting market needs → Solidifying market positioning



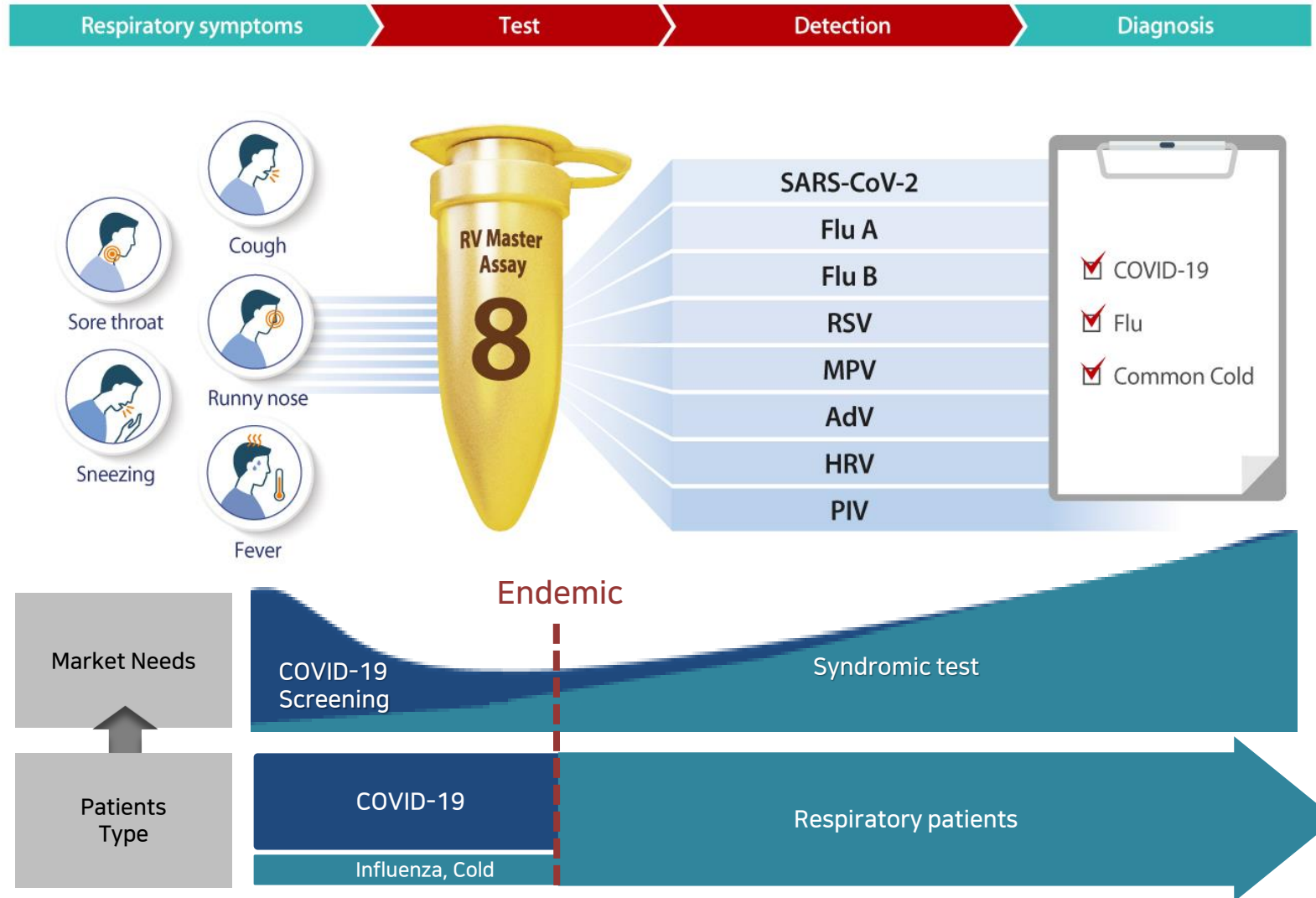
[COVID-19] FAME Strategy

Carving out new markets to replace rapid tests by strengthening economical, fast and accurate mass testing capabilities



[Living with COVID-19] Enhancing Syndromic Testing Competitiveness

Syndromic test to screen 8 different respiratory virus types with a single reagent → Endemic Solution

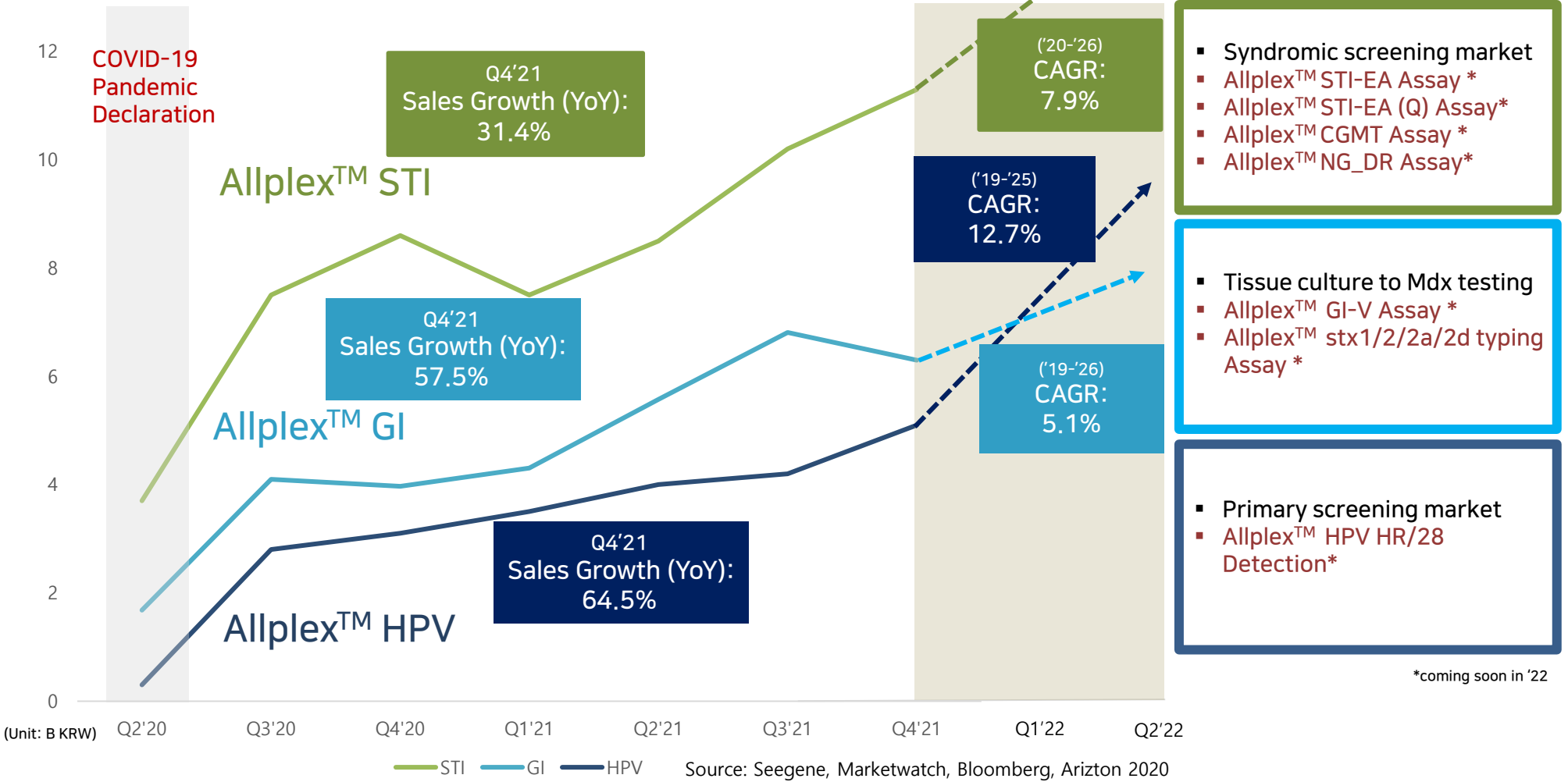


[Non-COVID] Gaining organic growth momentum

Non-COVID sales growth and the market outlook → Sustaining organic growth

Quarterly STI· GI· HPV sales trend

Market Outlook




[System] AIOS(All-In-One-System) with STARlet

Full-Automation testing capability applicable to expand addressable market (small- to mid-hospitals)
Single automation solution for all syndromic testing reagent
Strengthen on-site testing solution by combining with mobile station

Modular design system

for simple upgrade, high flexibility & easy maintenance



Extraction & PCR Setup (Seegene STARlet)

IT Solution

Elevator Robot

Plate Handler Robot

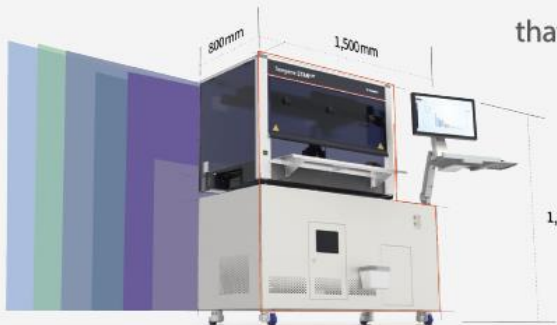
Real-time PCR

Plate Sealer

Compact size

that can fit in a small space

*Approximately 30% space saving compared to the conventional TTA(Task Targeted Automation) system



800mm


1,500mm

1,780mm

Syndromic-based automation solution

to detect the exact cause of symptoms at once

All Seegene's High Multiplex Real-time PCR Assays are compatible



Dry cough

Fever

Headache

Diarrhea

Pneumonia

Symptoms

Seegene STARlet-AIOS

SARS-CoV-2

Respiratory

Gastrointestinal

Meningitis

Vaginitis

Tropical Fever

Sexually Transmitted

Human Papilloma Virus

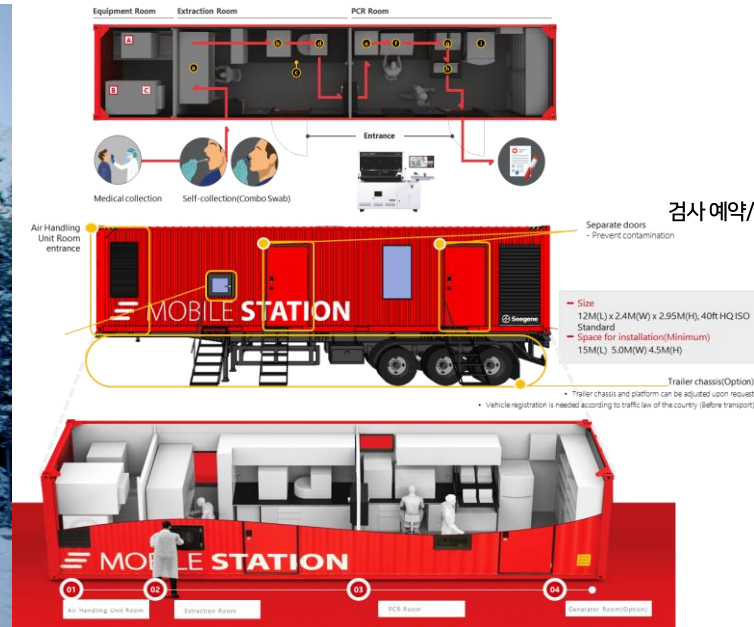
Drug Resistance

Tuberculosis

*Applicable products may vary depending

[System] On-site Testing Solution

Mobile station: on-site mass testing solution → Creating new market such as Concert events, Schools, Airports, etc.



FAME App.



검사예약/통보/인증 통합 모바일 앱 (출시 예정)

On-site Mass Testing Center

Total solution from entry tests to IT solution for certificates. This is aligned with FAME App.

Satellite MDx Center

Easily switch or expand to respiratory & non-Covid tests other than COVID-19 without changing the system.

MDx Testing Center in LMIC

Rapid deployment of a complete MDx lab in affordable cost and with fewer resources than the facility in the building.

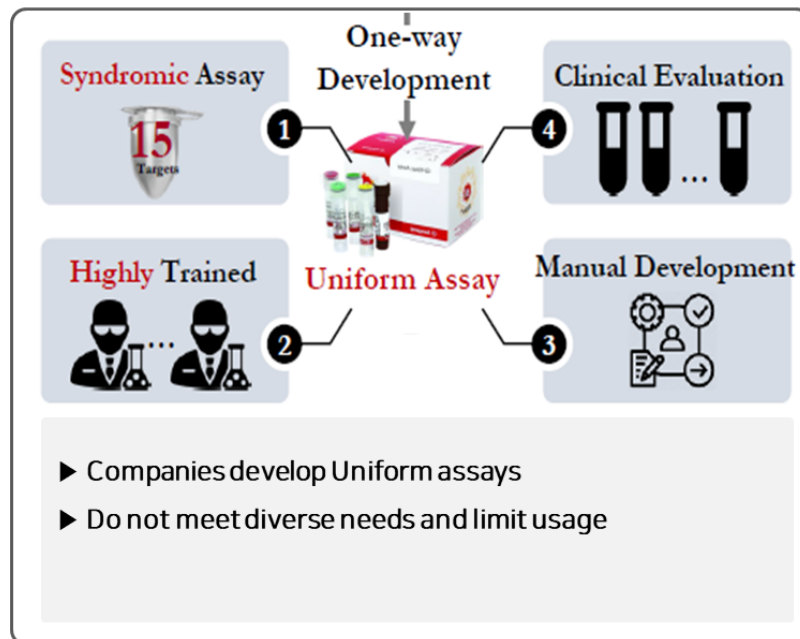
[Platform] Platform Business Concept

*Standardized development protocol optimized for customized assay development
Expansion of the diagnostic market through the formation of an external developer network*



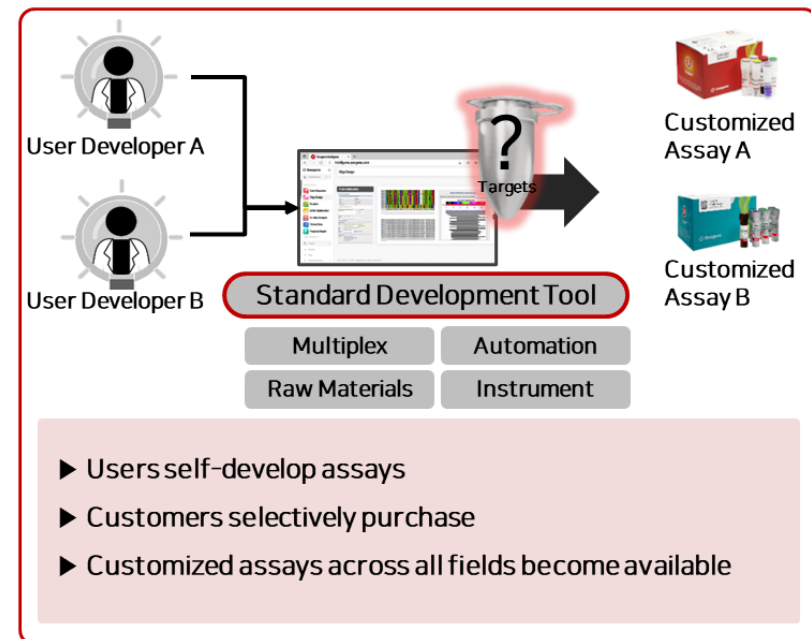
Conventional development process

- Conventional Value-chain "single-side" R&D and Sales
- Single-spec products while users's needs are diverse



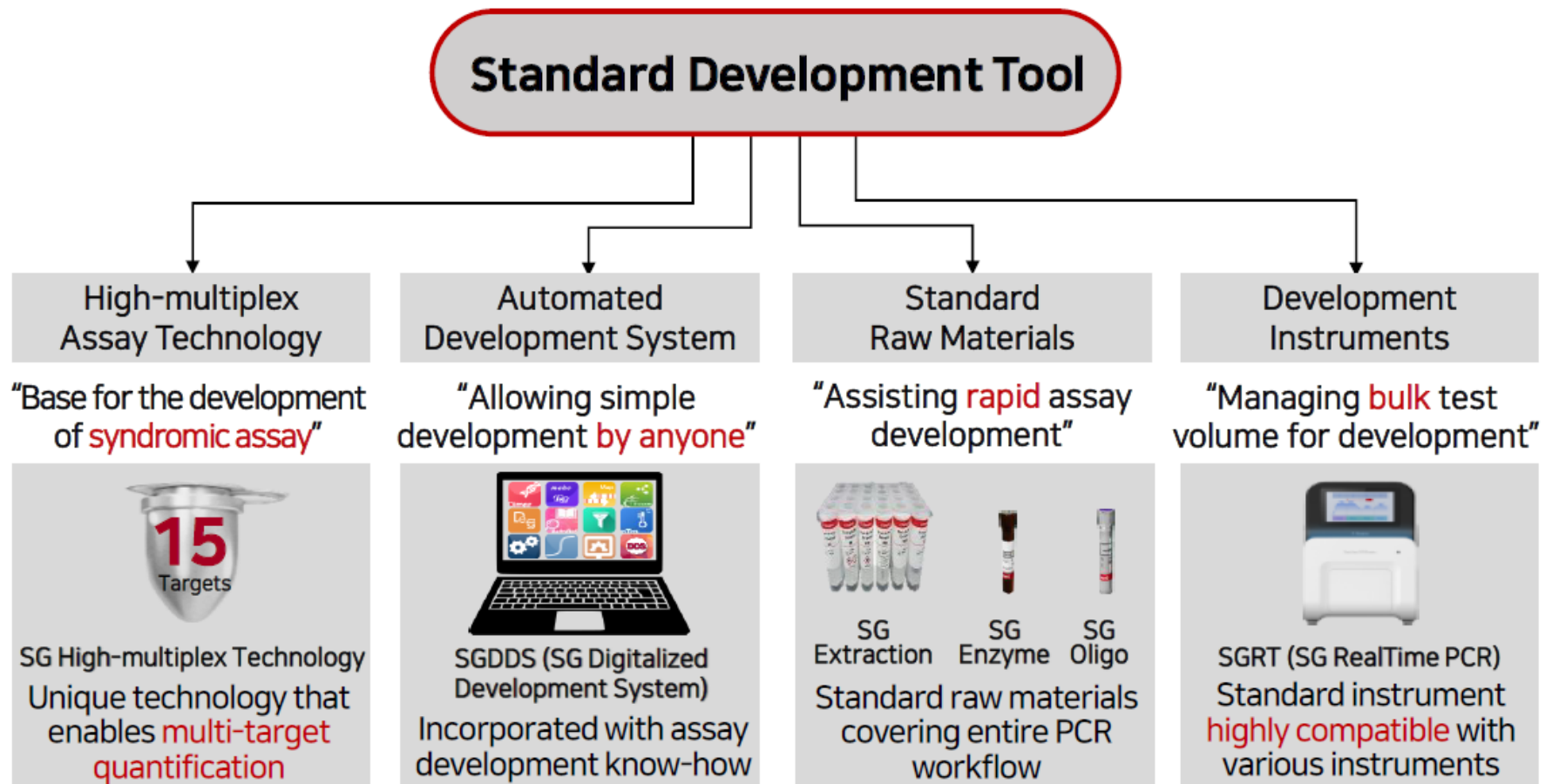
Seegene Intelligence development process

- Via Platform Value-chain "multi-side" R&D and Sales
- Commercialize products developed by users and connect users online



[Platform] Business Platform Development Tool Advancement

The key to create a condition that **anyone** can develop a **syndromic product**
⇒ **Development Tool** with Seegene's 20 years of Technology and Know-how




Business Direction

'21, achieved key material/Instrument Internalization

→ '22 pursue Platform Biz rollout & Inorganic growth opportunities

Integration Strategy (Internalization)


Key raw materials
(will complete '22)



Instrument
(completed '21)

Oligo Enzyme

Collection Kit




Extraction Reagent
(completed '21)


Labware

POC
(will complete '23)

Transformation Strategy (Platform)

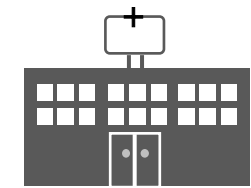



Specialized R&D
(Seegene Intelligence)




Localization

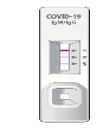
Growth Strategy (M&A)




Global Clinics
(Initiated '21)




C-Lab



Rapid Test



Pharma



Non-Human IVD

Building MDx based
Total Healthcare "Value Chain"

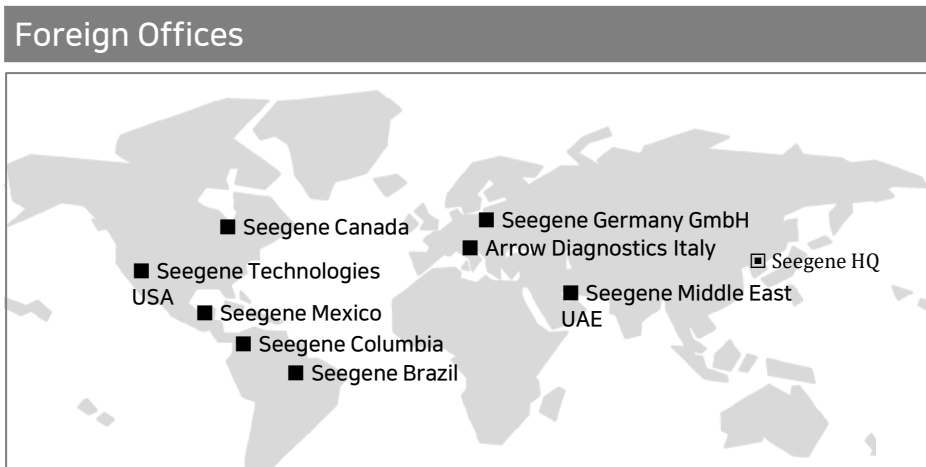
[*appx.*] About Seegene

✧ 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: 1,070 (HQ, as of Dec 2021)

✧ Global Network

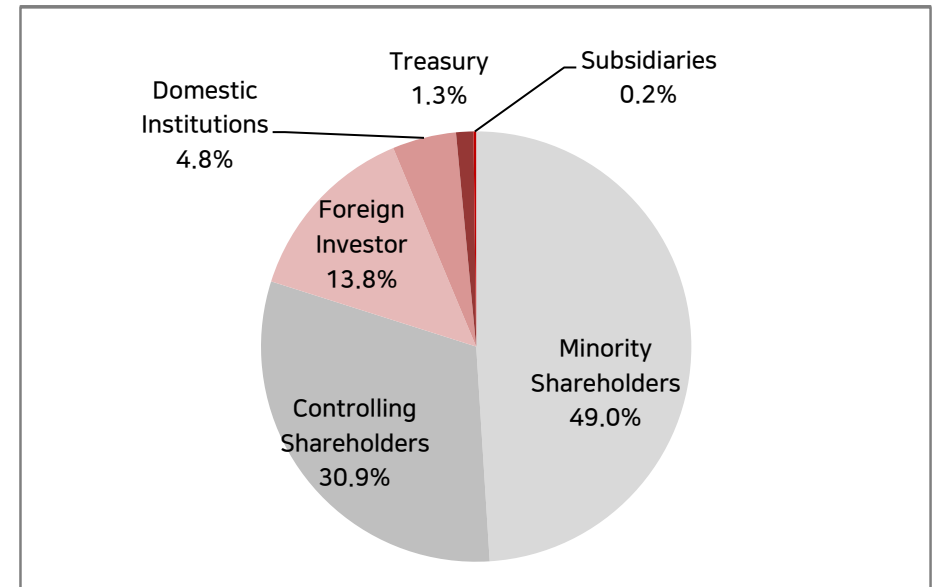
- 8 Foreign Subsidiaries (Employess: 212)
Italy, UAE, US, Canada, Germany, Mexico, Brazil, Colombia
- Over 100 distributors worldwide



✧ Stock Information

- Ticker: 096530 (KOSDAQ)
- Shares Outstanding: 52,225,994
- Par Value: 500 KRW
- Market Cap.: 3.19T KRW (As of Dec 2021)
- Avg. Daily Trading Volume: 1,486,501 Shr. (Q4'21)
- 52 week High / Low: 116,400~48,200 KRW

✧ Shareholder Structure



(As of Dec, '21)

[*appx.*] IVD Market Outlook

MDx-Oriented IVD Market Growth Prospect

Emphasis shift in medicine from treatment to prevention

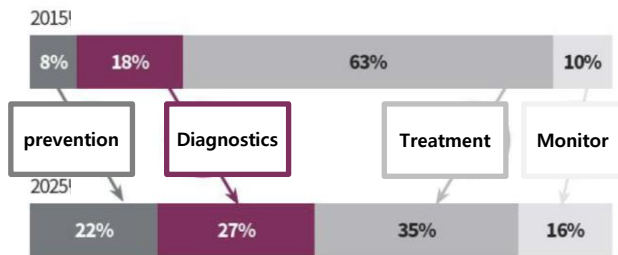
Importance of early diagnosis with high accuracy

IVD Market expansion growth

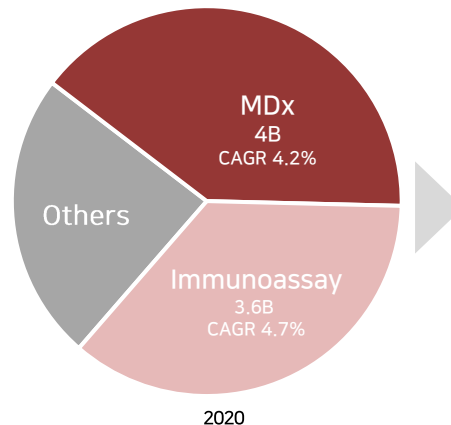
IVD Market: 12B KRW

MDx market growth

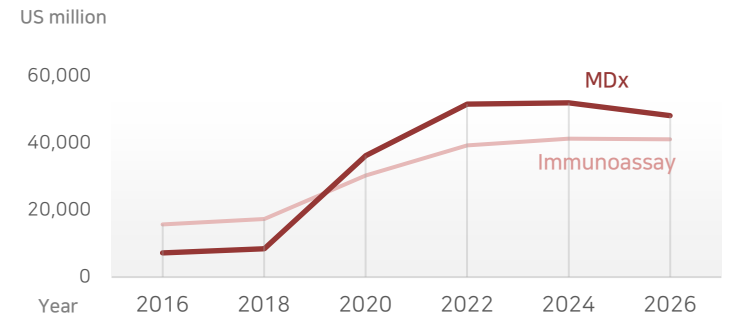
- (1) Technological advancement
- (2) Equipment distribution
- (3) perception changes: increasing health-consciousness



Source : Frost & Sullivan 2016



Source : Clinical Laboratory Service Market 2021 to 2028



Source : MARKET ESTIMATES & TREND ANALYSIS FROM 2016 TO 2027

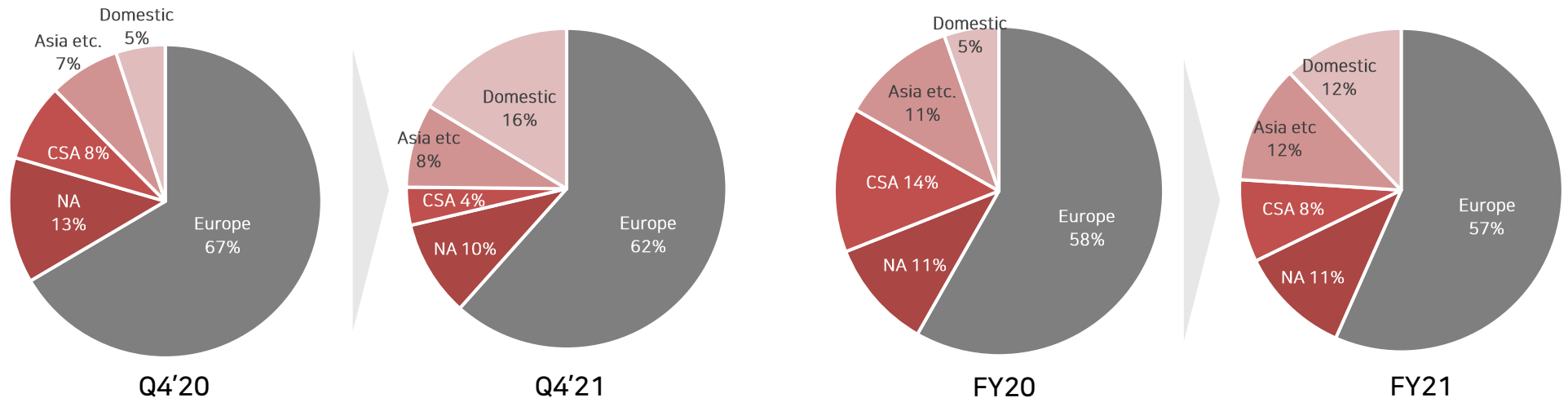
[*appx.*] Sales Breakdown by Region

🌀 Sales by Region

(Unit: KRW B)	Q4'20	Q3'21	Q4'21	QoQ	YoY	FY 2020	FY2021	YoY
Europe	293.8	154.0	252.6	▲64%	▼14%	655.3	776.4	▲18%
North America	57.4	26.9	39.9	▲48%	▼31%	121.1	153.0	▲26%
Central-South America	35.7	28.9	15.7	▼45%	▼56%	160.0	113.0	▼29%
Asia etc.	32.4	52.5	34.7	▼34%	▲7%	128.3	162.6	▲27%
Domestic	22.5	43.0	67.1	▲56%	▲198%	60.5	165.9	▲174%
Total	441.7	305.3	410.0	▲34%	▼7%	1,125.2	1,370.8	▲22%

* Asia etc: Asia, Africa, Oceania

🌀 Regional Sales Contribution Trend



[*appx.*] Key Ratios

Profitability Ratios	Q4'21	Q3'21
OPM	48.8%	42.0%
Net Profit Margin	39.8%	31.0%
ROE	58.5%	43.0%
Profitability (Net Profit/Sales)	0.40	0.31
Asset Turnover (Sales/Asset)	1.06	1.03
Leverage (Asset/Equity)	1.37	1.36

Liquidity Ratios	Q4'21	Q3'21
Current Ratio (Current Asset/Current Liabilities)	367.4%	347.2%
Debt Ratio (Total Debt/Equity)	37.5%	36.3%
Borrowing Ratio (IBD*/Equity)	7.7%	9.1%
Inventory Turnover**	7.8x	6.6x

* Interest Bearing Debt: Short-term Borrowings + Curr. Port. Of LT Debt + Long-Term Debt

** Inventory Turnover : [Annualized Sales ÷ {(Beg. Inv + End. Inv) ÷ 2}]

[*appx.*] Allplex™ Portfolio

Market Penetration via 50+ Allplex™ Portfolio



Respiratory Panel 1, 1A, 2, 3, 4, 4 Combi, 6	HPV 28/HR Assay (3Ct)*
RV Essential Assay	MG & AziR Assay
PneumoBacter Assay	MG & MoxiR Assay
RV Master Assay	MTB/MDR/XDRe Detection
2019-nCoV Asssay	MTB/MDRe Detection
SARS-CoV-2 Assay	MTB/XDRe Detection
SARS-CoV-2/FluA/FluB/RSV Assay	Meningitis-V1 Assay
SARS-CoV-2 Master Assay	Meningitis-V2 Assay
SARS-CoV-2 Variants I Assay	Meningitis-B Assay
SARS-CoV-2 Variants II Assay	GI-Bacteria (I) Assay
SARS-CoV-2 fast PCR Assay	GI-Bacteria (II) Assay
Bacterial Vaginosis Assay	GI-Parasite assay
Candidiasis Assay	GI-Virus assay
Genital ulcer Assay	GI-Virus plus assay
STI Essential Assay	Enterro-DR Assay
STI Essential Assay Q(MH,UU)	GI-Helminth (I) Assay
CT/NG/MG/TV Assay	GI-EB Screening Assay
Bacterial Vaginosis plus Assay	H.pylori & ClarR Assay
Vaginitis Screening Assay	H.pylori & ClariR Assay

- Detection of Respiratory & pneumonia pathogens
- Syndromic portfolio expansion
- Dominance in syndromic market

- COVID-19 Portfolio expansion
- Screening, syndromic, & variant diagnostics etc.
- Rapid response to the shift in testing demand

- Portfolio (syndromic & Screening) diversification as STI·GI diagnostics demand grow
- HPV screening market opening
Technical advantage
(3Ct values per channel)
- Driving changes from culture test to MDx in Drug Resistance Diagnosis

[*appx.*] COVID-19 Variants Diagnostic tests

Product	Target	Detection													
		B.1.1.7	P.1	P.2	B.1.351	B.1.525	B.1.429/ B.1.427	B.1.617.2	AY.1&2	C.37	B.1.621	B.1.1.529	B.1.526.1	P.3	
WHO Label	Alpha	Gamma	Zeta	Beta	Eta	Epsilon	Delta	Delta Plus	Lambda	Mu	Omicron	Iota	Theta		
Allplex™ SARS-CoV-2 Variant I	N501Y	■	■		■						■	■		■	
	69/70del	■				■									
	E484K		■	■	■	■					■			■	
Allplex™ SARS-CoV-2 Variant II	L452R						■	■	■				■		
	W152C						■								
	K417N				■				■						
	K417T		■												
Novaplex™ SARS-CoV-2 Variant IV	L452R						■	■	■				■		
	P681R							■	■						
	K417N				■				■						
Novaplex™ SARS-CoV-2 Variant V	L452Q									■					
	F490S									■					
	P681R							■	■						
	L452R						■	■	■						
Novaplex™ SARS-CoV-2 Variant VI	L452Q									■					
	F490S									■					
	R346K										■				
	D950N										■				
Novaplex™ SARS-CoV-2 Variant VII	69/70del	■				■									
	E484A											■			
	N501Y	■	■		■					■	■			■	
Associate Variants	B.1.1.7	P.1	P.2	B.1.351	B.1.525	B.1.429/ B.1.427	B.1.617.2	AY.1&2	C.37	B.1.621	B.1.1.529	B.1.526.1	P.3		
WHO Label	Alpha	Gamma	Zeta	Beta	Eta	Epsilon	Delta	Delta Plus	Lambda	Mu	Omicron	Iota	Theta		

[*appx.*] HPV Diagnostic tests

🌀 Comparison of HPV Products "more accurate and informative diagnostic test with a single tube"



🌀 Performance of 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