

Q2 2022 Results

Aug 2022

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Key Highlights

Q2 Financials

Recorded Q2'22 Sales: 128.4B & Operating Profit: 13B KRW

- Sales slid due to diminishing covid daily counts, changes in covid prevention regime and destocking of channel inventory
 - Continued strong non-covid sales growth
 - Minimized adverse impact on profitability by expense control and efficiency management

In-Life PCR

Launches world's first In-Life PCR Campaign in Vietnam

- Collaborate with test Center LabHouse to provide regular PCR testing for Grab drivers in August
 - Allplex™ SARS-CoV-2/FluA/FluB/RSV Assay to simultaneously detect COVID19, flu, cold
 - Testing to begin with Grab drivers in Ho Chi Minh, Hanoi and will later be expanded to other cities

Fully automated PCR solution 'AIOS'

Unveiled Seegene's fully automated PCR Solution

- Allow small hospitals and local clinics to boost their testing capacity
 - Full automation from nucleic acid extraction to PCR set up, gene amplification and results analysis
 - Establishes the foundation for routine testing as AIOS incorporates Seegene's broad menu of MDx for syndromic testing and addresses the needs of small & mid sized labs and hospitals with its compact size

Solidifying US business

Laying foundations to enhance US market responsiveness

- Appoints CEO and Head of Medical Affairs of US subsidiary
 - Overall management encompassing FDA approval, local production, R&D and M&A
 - expedite product development, Logistics simplification, strengthened QMS and sales expansion via cooperation with Bio-Rad

Financial Summary

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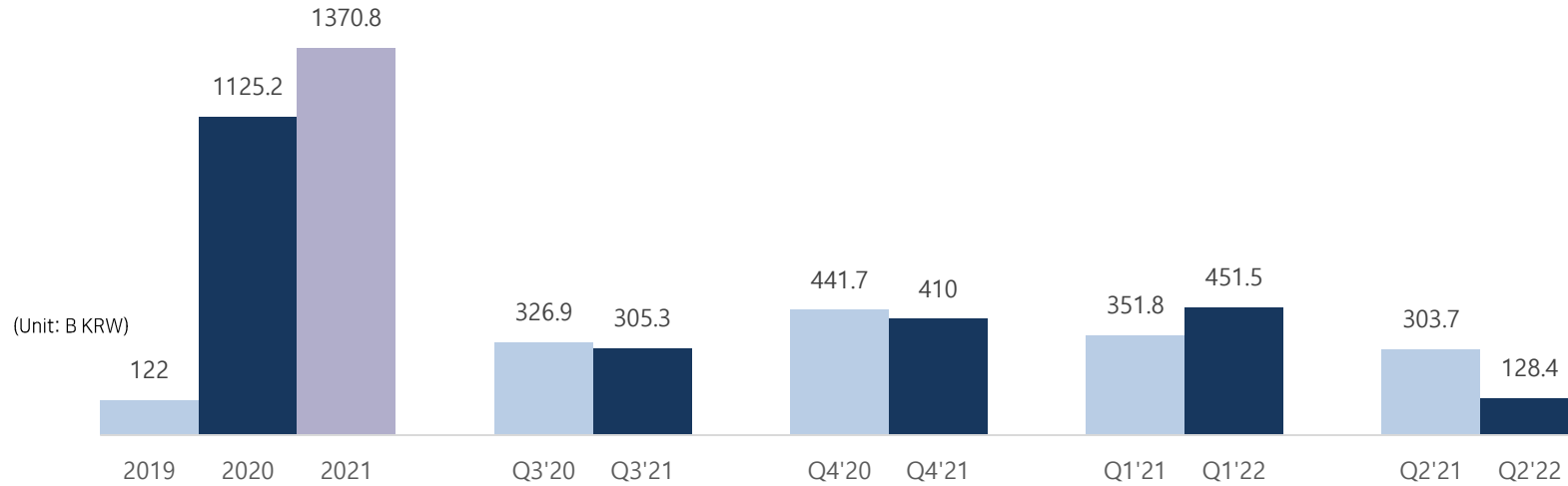
Q2 Financials

(Unit: B KRW)	H1'22	Q2'22	Q1'22	Q2'21	QoQ	YoY
Revenue	579.9	128.4	451.5	303.7	-72%	-58%
Cost of Good Sold	193.2	40.4	152.8	81.5		
(%)	33%	31%	34%	27%		
Gross Profit	386.7	88.0	298.7	222.2	-71%	-60%
SG&A Exp.	118.3	49.0	69.3	59.5		
(%)	20%	38%	15%	20%		
R&D Exp.	55.7	26.0	29.7	18.5		
(%)	10%	20%	7%	6%		
Operating Profit	212.7	13.0	199.7	144.2	-93%	-91%
(%)	37%	10%	44%	47%		
Non-Operating Gain/Loss	31.5	14.2	17.3	5.8	-18%	144%
Currency Exchange Gains (Loss)	28.7	15.8	12.9	9.9		
Income/(Loss) from Affiliates	4.4	0.1	4.3	2.0		
Other Non-Operating Inc. (Exp.)	-1.6	-1.7	0.1	-6.1		
Pretax Income	244.2	27.2	217.0	150.0	-87%	-82%
(%)	42%	21%	48%	49%		
Income Tax Exp.	53.4	2.1	51.3	33.3		
Net Earnings	190.8	25.1	165.7	116.7	-85%	-79%
(%)	33%	20%	37%	38%		

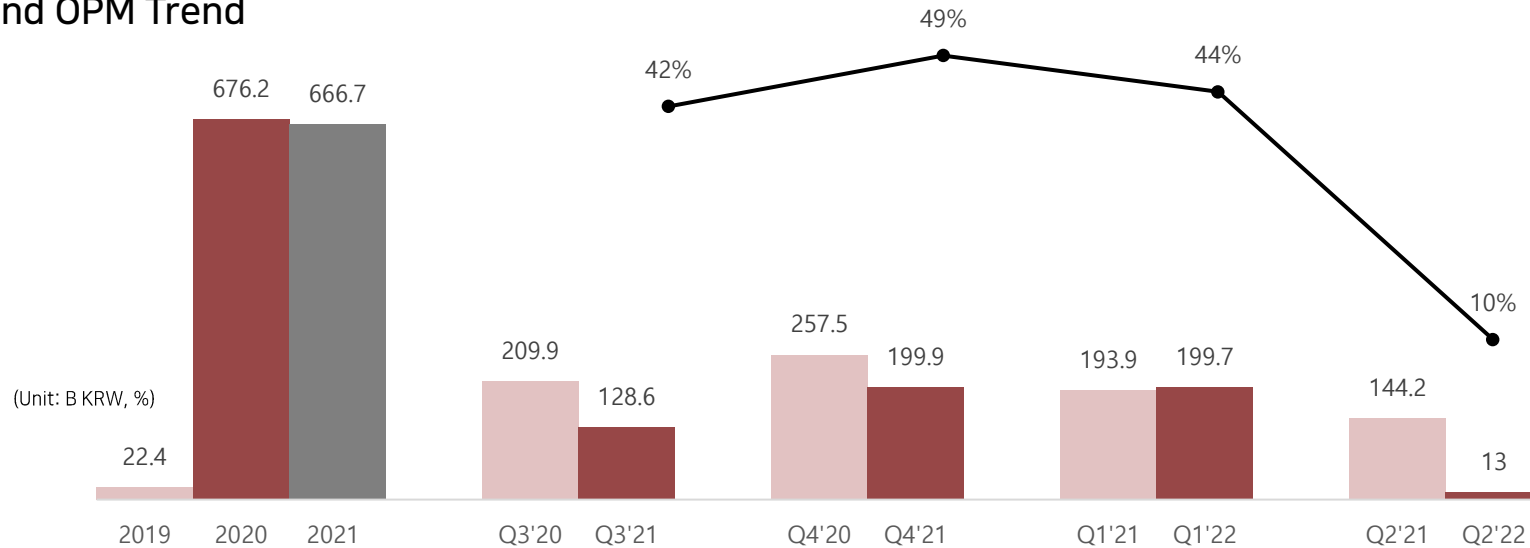
- Revenue 128.4B KRW (QoQ Δ 72% & YoY Δ 58%)
 - Sales slid due to declining covid daily counts, changes in covid prevention regime and destocking of channel inventory
 - ASP increased QoQ attributable to regional mix;
- Cost of Sales 31% (QoQ Δ 3%p & YoY 4%p)
 - Maintained stable cost of sales via effective inventory management amid sales downturn
- Operating Profit 13B KRW (QoQ Δ 93% & YoY Δ 91%)
 - Declined OPM due to deleverage coupled with drop in sales
 - Lessened cost rigidity in response to revenue decline
 - Continued strategic investment for long-term growth
- Net Profit 25.1B KRW (QoQ Δ 85% & YoY Δ 79%)
 - Currency exchange gains 15.8B KRW
 - Income tax expense 2.1B KRW

Sales and OP Trend

Sales Trend



OP and OPM Trend



Sales by Product

Accelerating Non-Covid sales growth and outperforming syndromic sales

(Unit: KRW Billion)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Reagent	58.4	232.1	283.2	376.7	282.5	246.6	257.1	357.2	372.9	105.6
- COVID	26.4	195.1	219.6	308.2	224.8	198.8	195.6	289.6	321.2	59.3
Screening			207.3	274.4	206.8	167.7	156.3	200.0	216.5	34.4
Syndromic			12.3	33.8	13.2	12.0	17.6	47.7	56.1	11.1
Variants			0.0	0.0	4.8	19.1	21.6	41.8	48.6	13.8
- Non-COVID	27.6	14.1	26.2	26.7	25.9	27.3	34.9	37.3	31.4	38.1
RV	9.5	6.3	8.7	8.1	7.2	5.1	7.8	8.9	4.9	11.4
STI	8.3	3.7	7.5	8.6	7.5	8.5	10.2	11.3	11.7	11.0
GI	4.0	1.7	4.1	4.0	4.3	5.6	6.8	6.3	6.0	6.6
HPV	1.5	0.3	2.8	3.1	3.5	4	4.2	5.1	4.7	5.1
etc.	4.3	2.1	3.1	2.9	3.4	4.1	5.9	5.7	4.1	4.0
- Extraction	4.3	22.9	37.4	41.8	31.8	20.5	26.6	30.3	20.3	8.2
Equipment etc.	23.4	42.7	43.6	65	69.3	57.1	48.2	52.8	78.6	22.9
Total	81.8	274.8	326.9	441.7	351.8	303.7	305.3	410.0	451.5	128.4

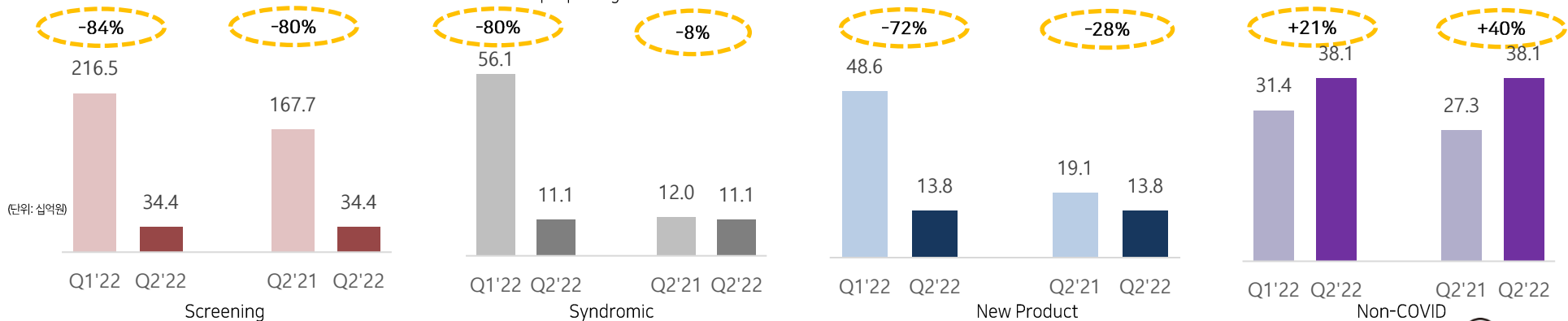
Sales trend by product

¹Screening: For early detection

²Syndromic: simultaneous targeting of multiple pathogens

³New Product: RUO, Variants-realized

⁴Etc: Equipment, Accessories, Services



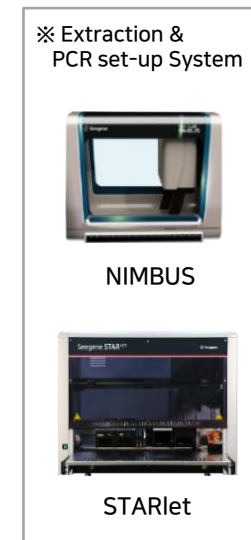
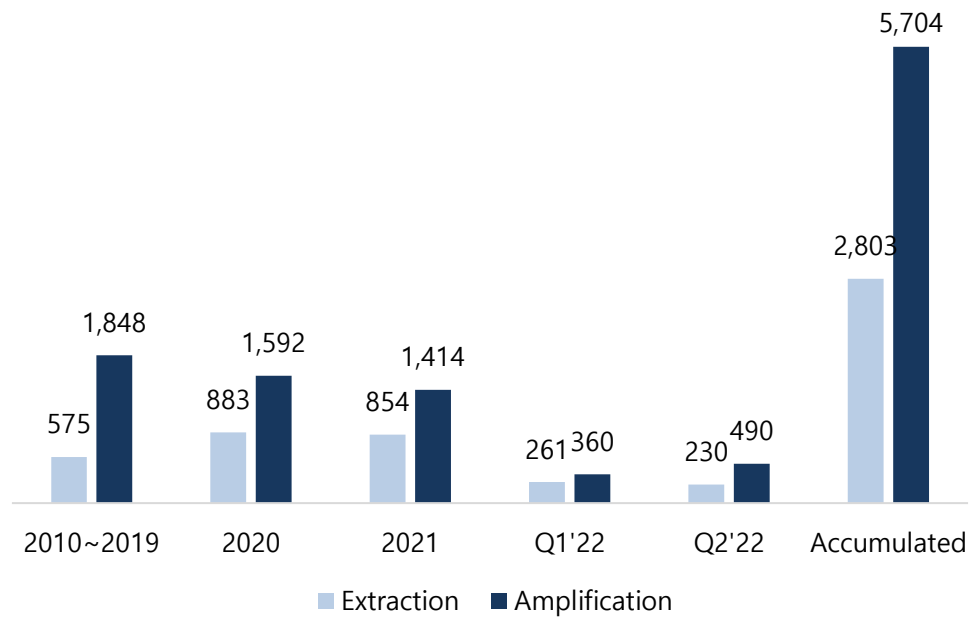
System Sales

Installed base reached approx. 5700 globally, capable of applying 50 types of Allplex assays

✦ Highlights

Q2'22 720 units installed (extraction · amplification)

- Q2'22, extraction equipment(STARlet, NIMBUS, etc.) 230 units, amplification equipment(CFX96) 490 units newly installed
- Equipment installation marched upward in Asia and Europe
 - Newly installed amplification: 205 in Asia including Korea, 247 in Europe



Summarized B/S and C/F

(Unit: B KRW)

Category	Q2'22	Q1'22	Q2'21
Asset	1504.9	1680.9	1227.1
· Cash and equivalents	463.0	581.9	264.0
· Account/other receivables	118.6	274.5	240.6
· Inventory	226.7	181.1	280.6
· Accounts receivable long-term	30.6	30.6	23.8
· Gross PP&E	265.6	256.9	208.4
· Other Assets	400.4	355.8	209.6
Total Assets	1504.9	1680.9	1227.1
Liabilities	305.5	446.4	355.2
· Account/other payables	52.6	134.8	114.0
· Short-term borrowings	39.5	39.5	39.5
· Curr. Port. Of LT Debt	1.2	1.4	0.9
· Income taxes payable	61.0	107.1	86.9
· Long-term debt	42.6	42.9	43.9
· Other Liabilities	108.7	120.8	70.1
Equity	1199.4	1234.5	871.9
· Common stock	26.1	26.1	26.1
· Additional paid in capital	-17.9	28.3	42.1
· Retained earnings	1188.6	1174.7	801.6
· Minority interest	2.6	2.6	2.0
Total Liabilities and Equity	1504.9	1680.9	1227.1

(Unit: B KRW)

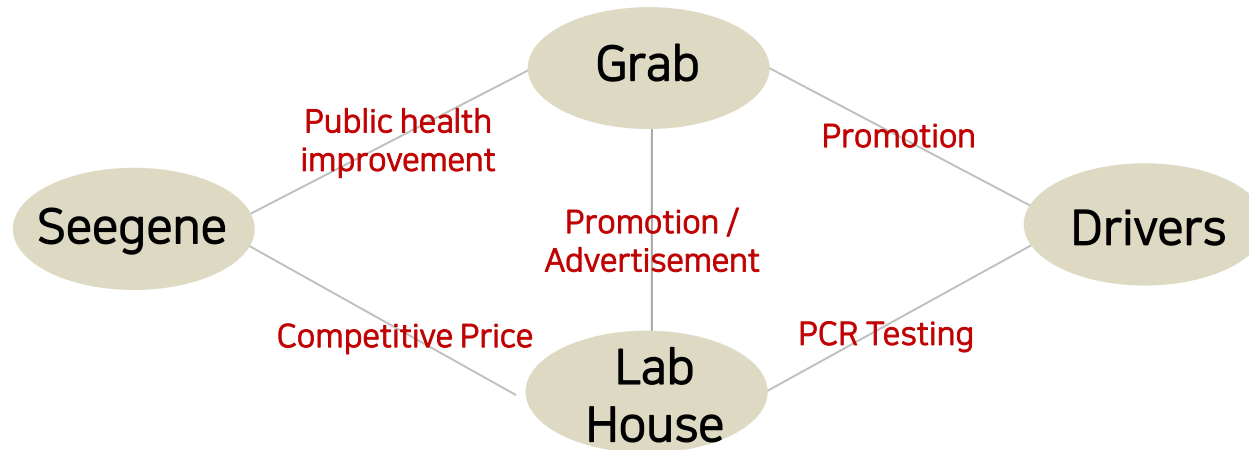
Category	Q2'22	Q1'22	Q2'21
Beginning Cash Balance	581.9	432.1	312.5
Cashflow From Operations	22.6	263.3	17.0
· Net Income	25.1	165.7	116.7
· Change in Net Capital Mngt	36.5	47.2	(41.1)
· Income Tax Paid	(47.6)	(55.8)	(97.9)
· Others	8.6	106.1	39.3
Cashflow From Investments	(62.0)	(114.0)	(13.5)
· Sale (Purcahse) of PP&E	(21.1)	(22.5)	(8.2)
· Sale (Purchase) of Intangible Assets	(2.1)	(0.5)	(3.3)
· Others	(38.8)	(91.0)	(2.0)
Cashflow From Finance	(86.6)	(4.9)	(54.0)
· Dividends Paid	(30.9)	0.0	(39.0)
· Lease Redemption	(4.3)	(4.6)	(2.4)
· Change in leasehold deposit	(1.4)	(0.0)	(0.3)
· Others	(49.9)	(0.3)	(12.3)
Net Change in Cash	(119.0)	149.8	(48.5)
Ending Cash Balance	463.0	581.9	264.0

Key Strategy

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In-Life PCR: Vietnam - Grab

Aimed at protecting the health of drivers and passengers through regular "In Life" testing



Seegene

Provide diagnostics assays, PCR instruments and mass-testing solution

- ✓ Provide assay which can simultaneously detect COVID-19, flu A/B, and RSV
- ✓ Plans to supply fully automated PCR solution 'AIOS'

LabHouse

Testing to begin with drivers in Ho Chi Minh and Hanoi

- ✓ Collect clinical samples, carry out PCR process and notify PCR results
- ✓ Have a technician visit drivers for sample collection at a time and location of preference

Grab

Join In-life PCR campaign for safety of drivers and users

- ✓ Plans to separately categorize drivers who test negative on its application

Drivers

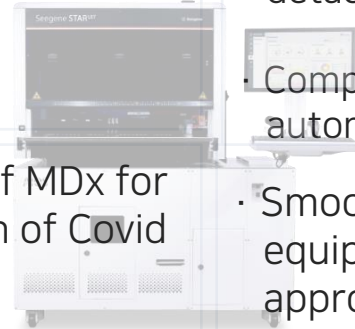
Safety and Health of Drivers and Users

- ✓ Contact with unspecified individuals
- ✓ Attract passengers who want to use the service safely

Full Automation Solution: AIOS

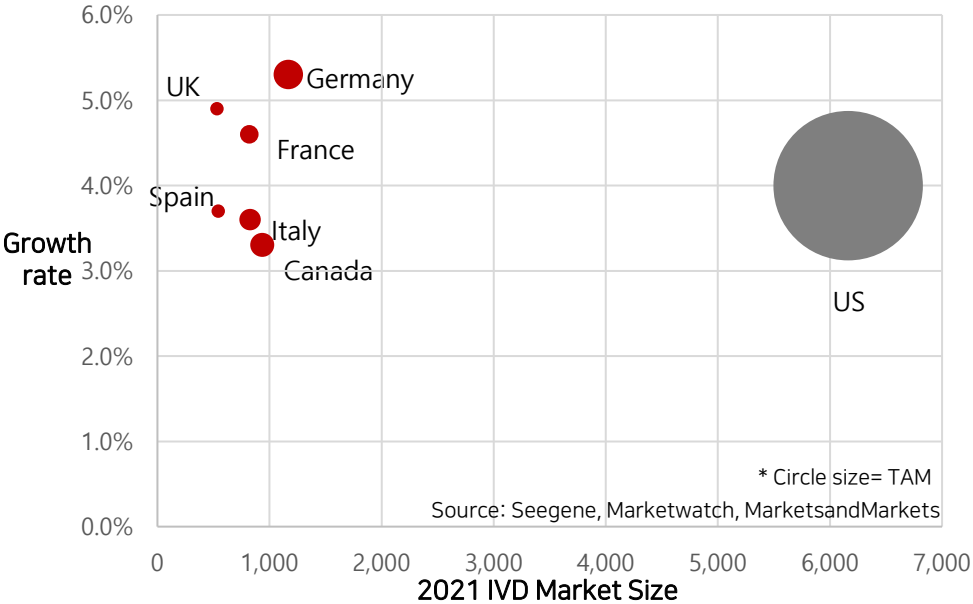
Full-Automation testing capability to expand addressable market (small to mid sized hospitals)
Single automation solution for all Seegene's syndromic testing reagent

Full Automation	Product Differentiation
<ul style="list-style-type: none">· Full automation from nucleic acid extraction to PCR setup, gene amplification and result analysis✓ Fully automated, sample in – result out system✓ Can be operated by those without PCR experience	<ul style="list-style-type: none">· Allow small hospitals and local clinics to boost their PCR testing capacity· World's first fully automated and "assembled" solution that composes independent and detachable instruments required for PCR· Compact in size relative to conventional automated PCR solutions in the market
<ul style="list-style-type: none">· Incorporates Seegene's broad menu of MDx for syndromic testing, including detection of Covid and its variants✓ Has over 30 compatible assays for syndromic testing to boost efficiency and utility	<ul style="list-style-type: none">· Smoother licensing process by leveraging equipment and reagents with existing approvals
Incorporation of Broader Menu	Licensing and Management



Solidifying US Business

Enhancing market responsiveness and establishing production hub for North America



Market



US: Account for 45% of the Global IVD market, the largest and strategically important region

FDA Approval

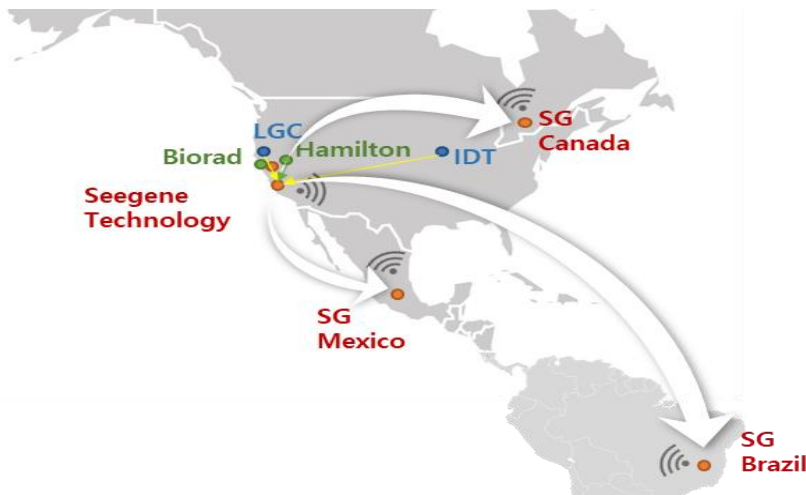


- Easy to secure resources for FDA approval
- Prompt response to US market and government requests
- Getting a right to participate in a gov't tender via localization
- Leverage FDA approval for global expansion

Production



- **Logistics Simplification:** save shipping cost and time
- Shortened order lead time enhances customer satisfaction
- Setting production process and QMS tailored for FDA approval
- PMS setup and FDA inspection responsiveness enhancement
- Production Hub for NA: Canada & Mexico



Enhancing Syndromic Testing Competitiveness

Syndromic test to screen 19 different respiratory virus types with a single reagent → Endemic Solution

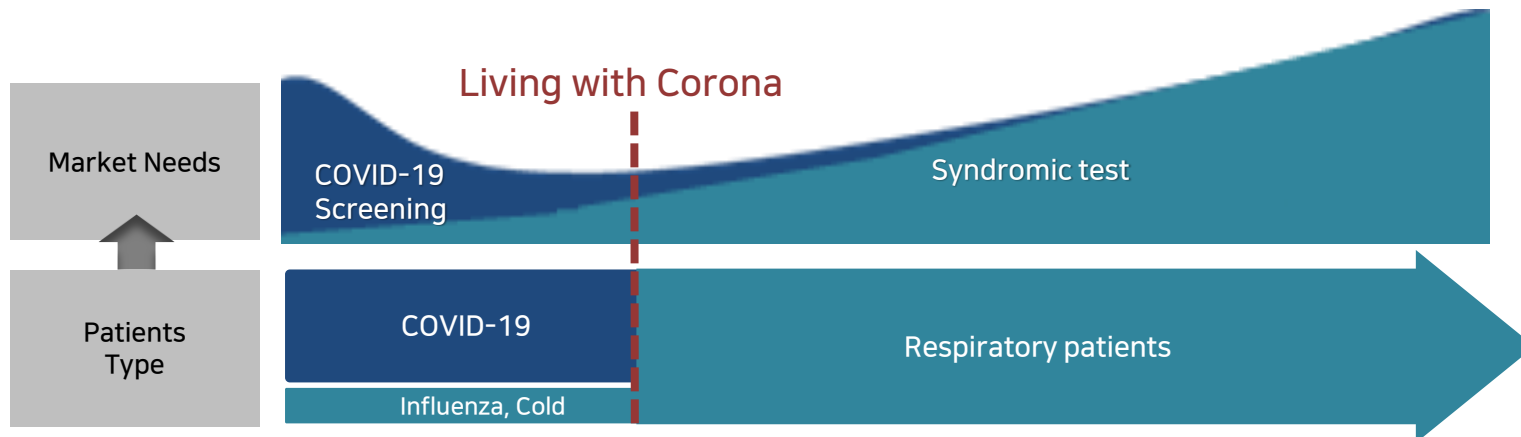


SARS-CoV-2 targets

N/S gene
RdRP gene

18 Respiratory targets

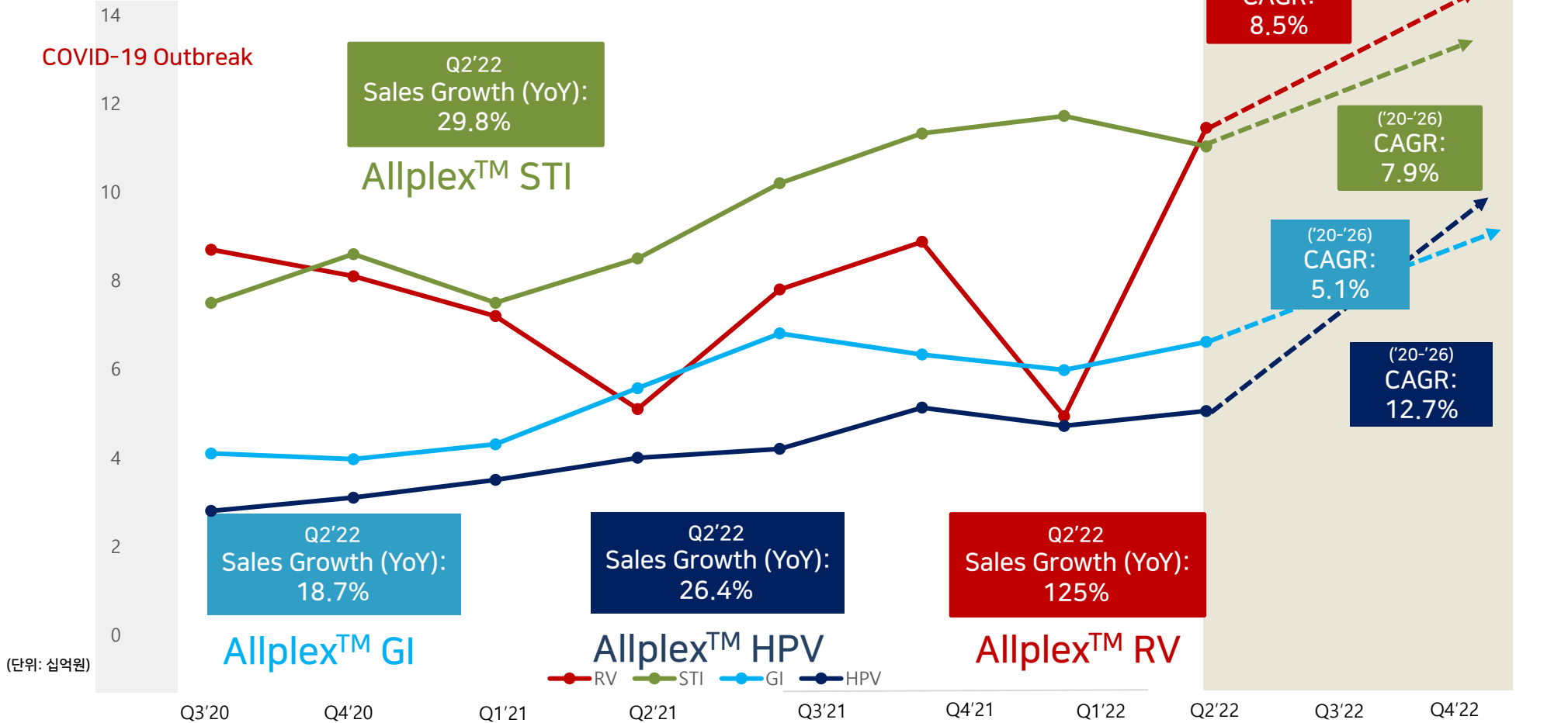
Flu A
Flu B
RSV A/B
MPV
AdV A/B/C/D/E/F
HRV A/B/C
PIV 1/2/3/4



Non-Covid: Growth Acceleration

Non-covid sales growth accelerated due to larger system installation bases and "living with covid" trend

Quarterly RV· STI· GI· HPV sales trend



Source: Seegene, Marketwatch, Bloomberg, Arizton 2020

Appendix

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[*appx.*] Snapshot

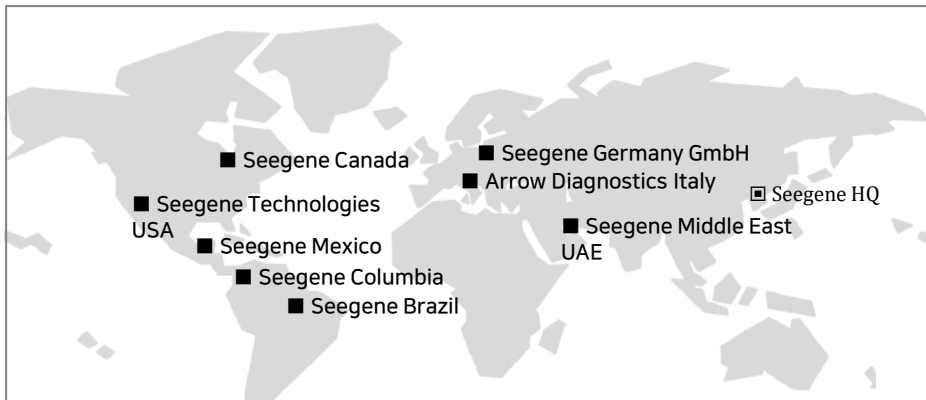
✧ Seegene Inc.

- 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: 1,095 (HQ, as of June. 2022)

✧ Global Network

- 8 Foreign Subsidiaries (Employees: 230)
Italy, UAE, US, Canada, Germany, Mexico, Brazil, Colombia
- Over 100 distributors worldwide

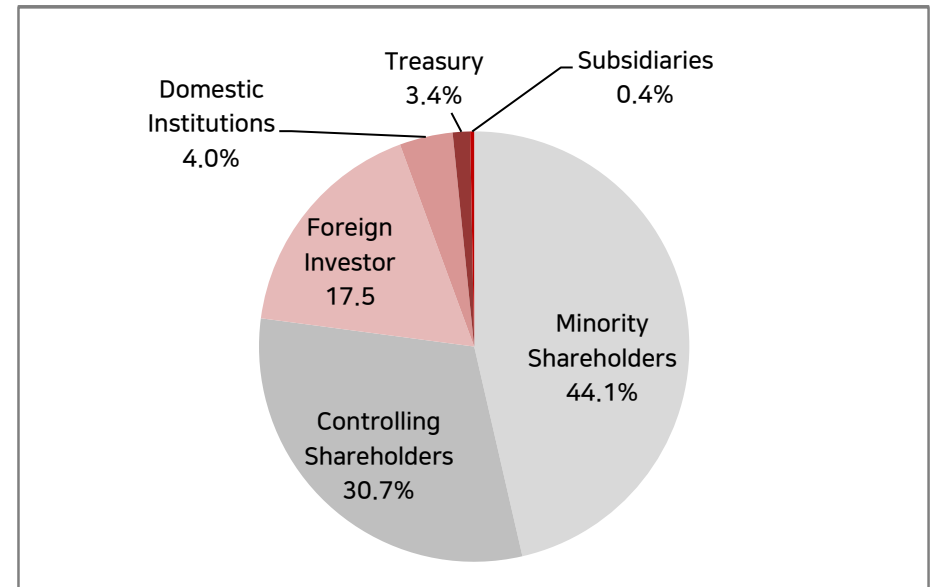
Foreign Offices



✧ Stock Information

- Ticker: 096530 (KOSDAQ)
- Shares Outstanding: 52,225,994
- Par Value: 500 KRW
- Market Cap.: 2.14T KRW (As of June 2022)
- Avg. Daily Trading Volume: 451,483 Shr. (Recent 3 mon avg)
- 52 week High / Low: 94,700 / 33,850 KRW

✧ Shareholder Structure



(As of Mar, '22)

[*appx.*] IVD Market Outlook

MDx-Oriented IVD Market Growth Prospect

Emphasis shift in medicine from treatment to prevention

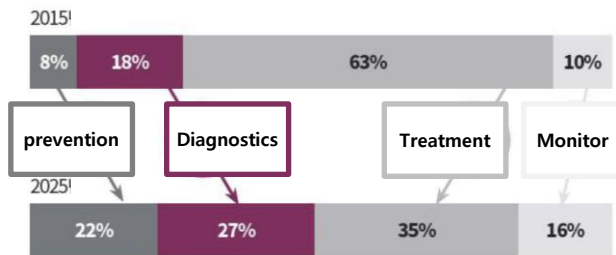
Importance of early diagnosis with high accuracy

IVD Market expansion growth

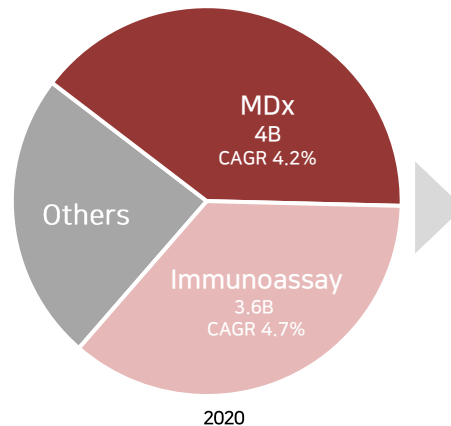
IVD Market: 12B KRW

MDx market growth

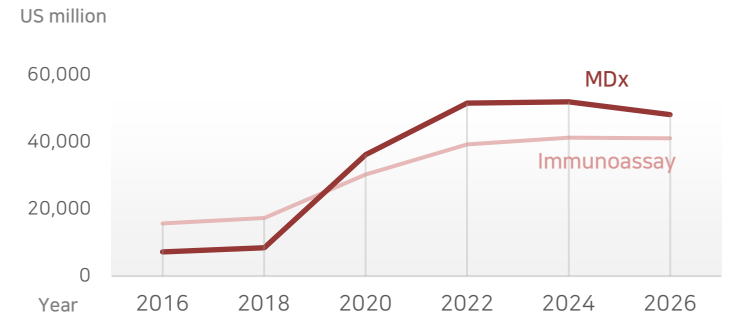
- (1) Technological advancement
- (2) Instrument Installment base growth
- (3) perception changes: increasing health-consciousness



Source : Frost & Sullivan 2016



Source : Clinical Laboratory Service Market 2021 to 2028



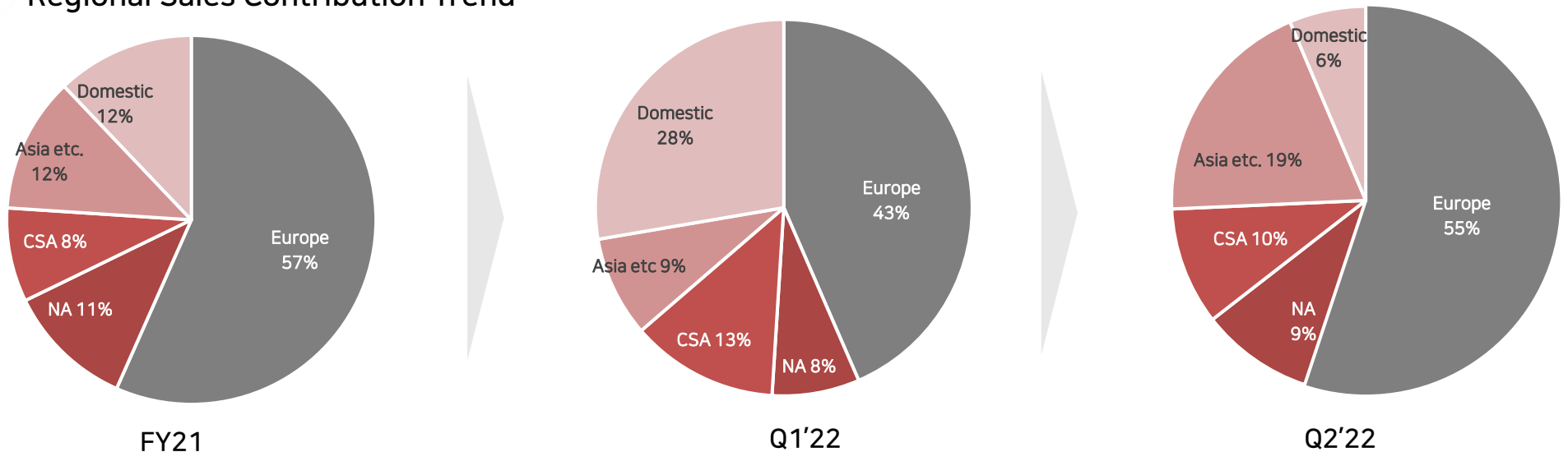
Source : MARKET ESTIMATES & TREND ANALYSIS FROM 2016 TO 2027

[*appx.*] Sales by Region

🌀 Sales by Region

(Unit: KRW B)	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	QoQ	YoY
Europe	221.6	148.1	154.0	252.6	196.3	70.8	▼ 64%	▼ 52%
North America	43.6	42.6	26.9	39.9	33.9	12.1	▼ 64%	▼ 72%
Central-South America	25.2	43.2	28.9	15.7	57.2	12.6	▼ 78%	▼ 71%
Asia etc.	34.1	41.2	52.5	34.7	39.0	24.8	▼ 36%	▼ 40%
Domestic	27.2	28.6	43.0	67.1	125.0	8.2	▼ 93%	▼ 71%
Total	351.8	303.7	305.3	410.0	451.5	128.4	▼ 72%	▼ 58%

🌀 Regional Sales Contribution Trend



[*appx.*] Key Ratios

Profitability Ratios	Q2'22	Q1'22
OPM	10.1%	44.2%
Net Profit Margin	20.0%	37.0%
ROE	8.2%	57.2%
Profitability (Net Profit/Sales)	0.20	0.37
Asset Turnover (Sales/Asset)	0.32	1.14
Leverage (Asset/Equity)	1.31	1.37

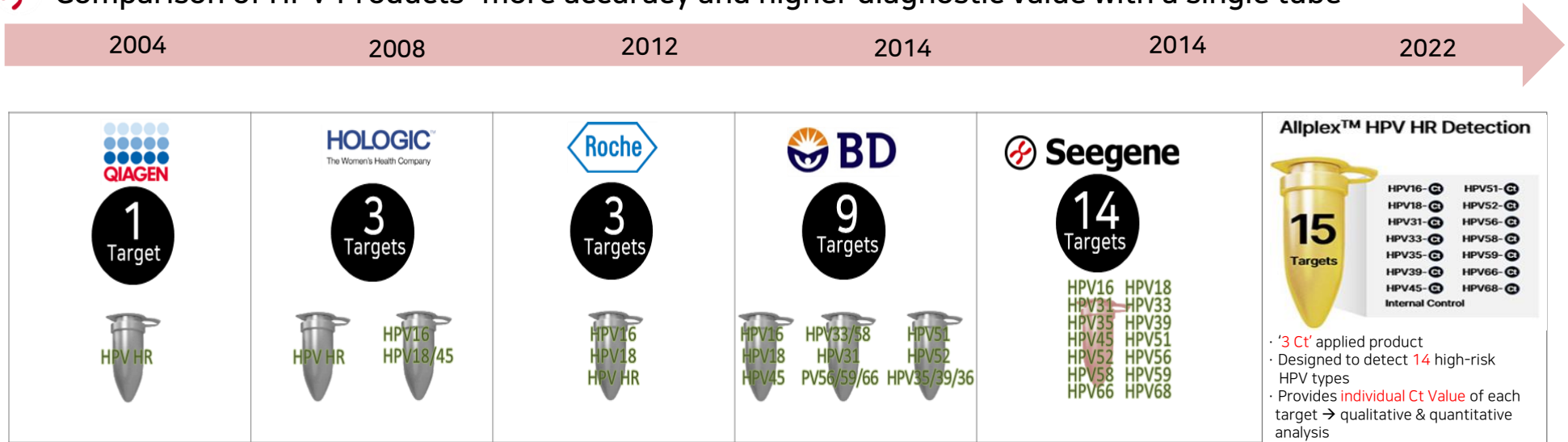
Liquidity Ratios	Q2'22	Q1'22
Current Ratio (Current Asset/Current Liabilities)	554.0%	374.3%
Debt Ratio (Total Debt/Equity)	25.5%	36.1%
Borrowing Ratio (IBD*/Equity)	6.9%	6.8%
Inventory Turnover**	2.5x	9.1x

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

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

[*appx.*] HPV Diagnostic tests

🌀 Comparison of HPV Products "more accuracy and higher diagnostic value 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