

# Q2 2024 Results

2024.08.09

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- Syndromic campaign
- Seegene's HPV product meets international clinical standards

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01

# Key Highlights

2Q Earnings

Non-COVID growth continues

Syndromic campaign

Seegene's HPV product meets international clinical standards

## 2Q earnings

Sales rebound in 2Q (+11.4% QoQ)  
Non-COVID segment continues to show strong growth

- ✓ 1Q sales rebounds (+11% QoQ) / Non-COVID segment continues strong growth (+24% YoY, CAGR 31.1% from 2021 to 2023)
- ✓ COGS improved 8%p YoY (37%) backed by strong product sales growth
- ✓ SG&A and R&D expense level was maintained close to 1Q level
- ✓ Non-operating profit recorded KRW 30 billion due to gain from real estate sales and favorable foreign exchange rates

## Solid growth for Non-COVID

Non-COVID Sales +41%YoY:  
(RV +52% YoY / PB +152% YoY / GI +47%YoY)  
Syndromic marketing campaign continued in 2Q

- ✓ Mycoplasma and Whooping cough epidemic in southern hemisphere lead strong growth of RV (+52% YoY) and PB (+152% YoY) PCR products
- ✓ GI inspection continues strong growth (+47% YoY) backed by strong customer demand
- ✓ Visibility of long-term growth for HPV segment increases thanks to recent publication of paper on international standard compliance for cervical cancer screening (general health checkup) of Allplex™ HPV HR product (24.01)
- ✓ Syndromic marketing campaign continues in 2Q (promotion on Seegene's automation equipment AIOS and automatic statistical analysis SW (SG Stats™))

## Syndromic campaign continues

Target expands to clinicians, patients, C-Lab/medical institutions, and government

- ✓ Continuing campaign to shift paradigm in diagnosis by testing all major disease causes that can be detected from the same sample at once with our diagnostic products, such as HPV+STI
- ✓ Providing panels to fully support the campaign so that customers using Seegene products can directly experience Seegene Syndromic testing
- ✓ Offering big data solution for real time result analysis through syndromic-dedicated automated statistical analysis program (SG Stats™)

## HPV product meets international clinical standards

Anyplex™ II HPV HR product announced as international standard product at EUROGIN 2024

- ✓ Selected as an international standard product at EUROGIN 2024 conference (selected as 2nd standard competitor) indicating increasing recognition as a standard product in the international HPV diagnostic market
- ✓ Compared to global peer products that can only diagnose 16/18/other types of viruses, Anyplex™ II HPV HR product can individually diagnose total of 14 types
- ✓ Global cervical cancer diagnostics \*market size is expected to grow from \$8.1 billion in 2022 to \$13 billion in 2030, while cervical cancer screening in several countries, including Norway, the Netherlands, Denmark, and Sweden, is shifting to genotyping-based screening
- ✓ Expect further MS expansion of HPV products backed by current trend

02

# Financial Summary

2Q IS/BS/CF

Quarterly sales breakdown

(Unit: B KRW)

	Q2.24	Q1.24	QoQ	Q2.23	YoY
<b>Revenue</b>	<b>100.1</b>	<b>89.9</b>	<b>11.4%</b>	<b>84.9</b>	<b>18.0%</b>
Cost of Good Sold	36.6	39.1		37.5	
(%) (%)	37%	43%		44%	
Gross Profit	63.6	50.9	24.9%	47.5	33.8%
SG&A Exp.	46.0	45.6		39.6	
(%) (%)	46%	51%		47%	
R&D Exp.	18.7	19.6		17.5	
(%) (%)	19%	22%		21%	
<b>Operating Profit</b>	<b>-1.1</b>	<b>-14.4</b>	<b>92%</b>	<b>-9.7</b>	<b>88.3%</b>
(%) (%)	-1%	-16%		-11%	
Non-Operating Gain/Loss	30.0	10.9	174.9%	5.5	444.7%
Financial Gains (Loss)	8.3	9.9		4.9	
Income/(Loss) from Affiliates	3.3	1.1		0.8	
Other Non-Operatring Inc. (Exp.)	18.3	-0.1		-0.2	
Pretax Income	28.8	-3.5	Trn Blk	-4.2	Trn Blk
(%) (%)	29%	-4%		-4.9%	
Income Tax Exp.	4.8	-1.5		-1.6	
<b>Net Earnings</b>	<b>24.1</b>	<b>-2</b>	<b>Trn Blk</b>	<b>-2.6</b>	<b>Trn Blk</b>
(%) (%)	24%	-2%		-3.1%	

## Sales W100 bn (QoQ ▲ 11.4%, YoY ▲ 18.0%)

- Non-COVID reagent sales grew 41.3% YoY (CAGR +31.1%, 2021-2023)
- Solid growth in Non-COVID products continues with RV, PB and GI leading in growth rates

## Operating profit -W1.1bn / Net profit W24.1bn

- OP loss dropped to near BEP level / NP turned black
- COGS ratio improved 8%pt backed by strong product sales
- Non-operating profit recorded KRW 30bn due to gain from real estate sales and favorable foreign exchange rates

# Financial Summary | 2Q BS/CF



(Unit: B KRW)	Q2.24	Q1.24
<b>Asset</b>	<b>1267.6</b>	<b>1251.1</b>
· Cash and equivalents	429.3	405.8
· Account/other receivables	96.3	83.5
· Inventory	123.5	129.31
· Accounts receivable long-term	32.4	31.7
· Gross PP&E	235.0	236.9
· Other Assets	351.3	363.9
<b>Liabilities</b>	<b>224.5</b>	<b>226.0</b>
· Account/other payables	37.4	42.8
· Short-term borrowings	35.0	35.0
· Curr. Port. Of LT Debt	40.8	40.8
· Income taxes payable	1.0	1.2
· Long-term debt	1.1	1.3
· Other Liabilities	109.1	104.9
<b>Equity</b>	<b>1043.2</b>	<b>1025.2</b>
· Common stock	26.1	26.1
· Additional paid in capital	-111.9	-116.6
· Retained earnings	1126.1	1112.8
· Minority interest	2.9	2.8

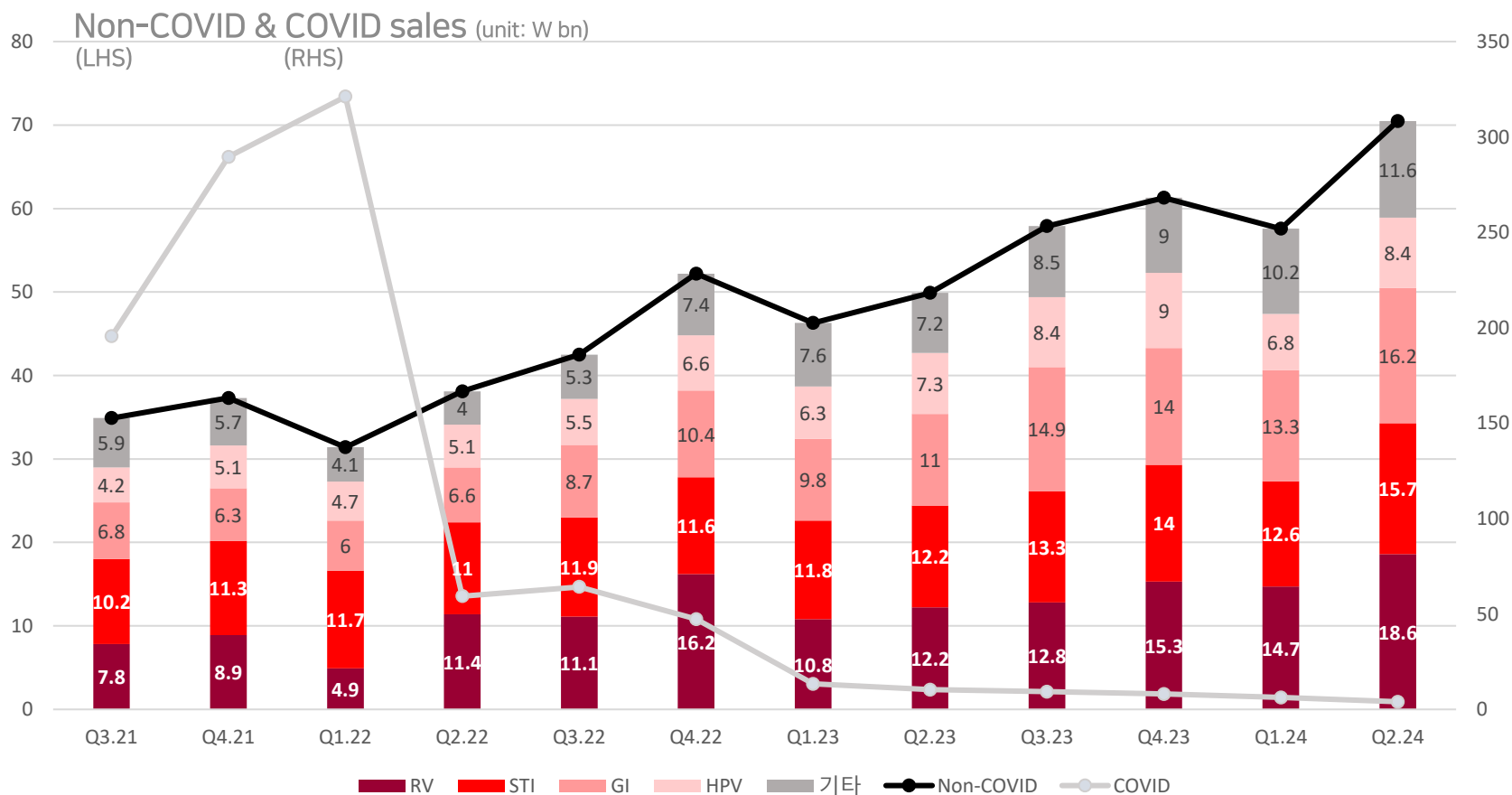
(Unit: B KRW)	H1.24	H1.23
<b>Beginning Cash Balance</b>	<b>190.3</b>	<b>521.3</b>
<b>Cashflow From Operations</b>	<b>38.6</b>	<b>47.6</b>
· Net Income	22.1	-0.5
· Change in Net Capital Mngt	-10.3	10.3
· Income Tax Paid	-0.9	7.9
· Others	27.6	29.9
<b>Cashflow From Investments</b>	<b>25.4</b>	<b>-330.9</b>
· Sale (Purchase) of PP&E	-13.4	-11.7
· Sale (Purchase) of Intangible Assets	-2.8	-4.2
· Others	41.6	-315.0
<b>Cashflow From Finance</b>	<b>-30.5</b>	<b>-115.0</b>
· Dividends Paid	-18.4	-19.5
· Lease Redemption	-11.7	-11.1
· Change in leasehold deposit	0.0	-1.0
· Treasury stock purchase	0.0	-78.4
· Others	-0.4	-5.0
FX adujstment	8.0	9.8
Net Change in Cash	39.7	-388.6
<b>Ending Cash Balance</b>	<b>230.1</b>	<b>132.8</b>

\*Short term investment in financial instruments in 1H

\* Consolidated cash flow statement period (2024.01.01 to 2024.06.30)



Higher Non-COVID reagent sales growth vs. \*market outlook  
(global molecular diagnostics growth 8.2% CAGR 2023-2032)



\*Source: EMR Research 2024

03

# Key Strategy & Business Updates

Syndromic campaign

Seegene's HPV product meets international clinical standards

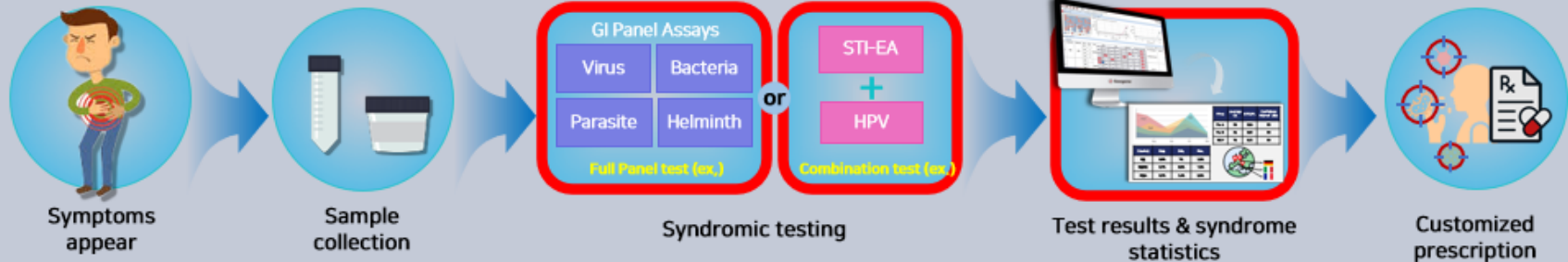
# Key Strategy | Syndromic campaign

## Seegene's Big Data Management and Analysis Solution for Syndromic Real-Time PCR

- Syndromic testing campaign to change paradigm of diagnosis by enabling complex diagnosis with the same sample

### Syndromic testing

A test that simultaneously identifies all major disease causes detectable from the same sample using Seegene's products



### Syndromic Campaign

Providing panels during the campaign period so that customers using Seegene products can directly experience Seegene Syndromic testing



# Key Strategy | Syndromic campaign

## Expected effects of the syndromic campaign

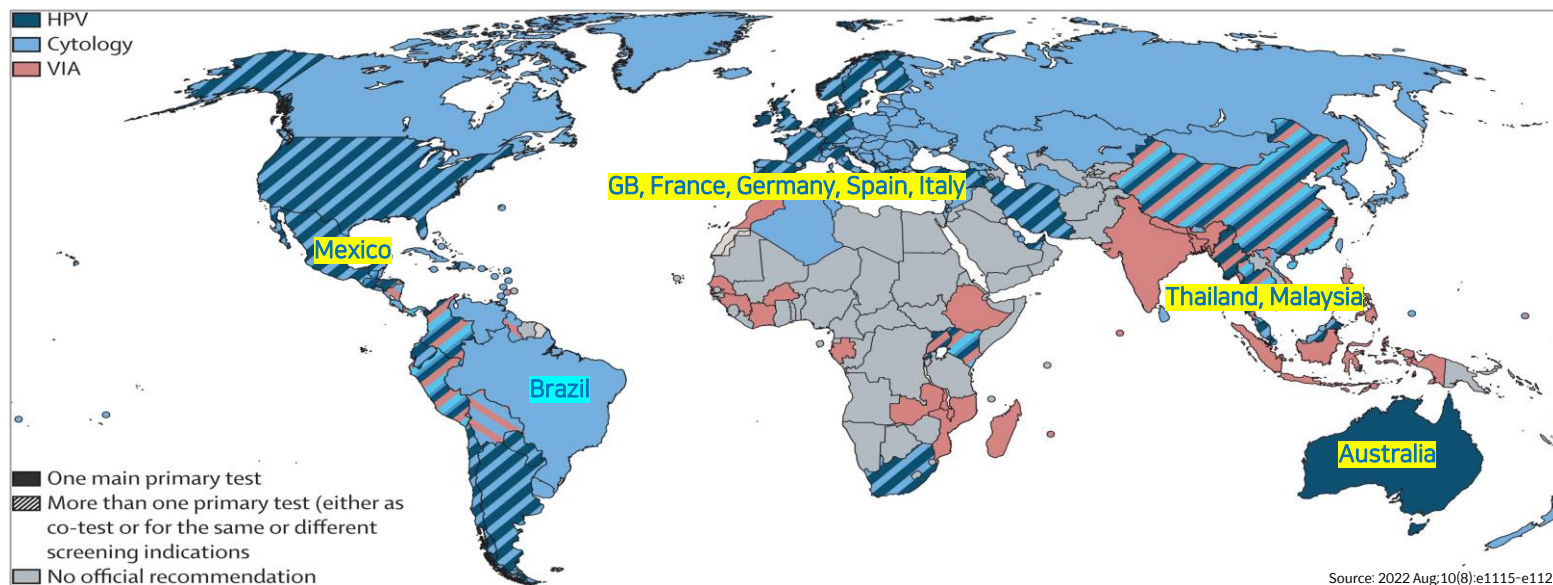
- Strong growth of demand and sales with demonstration of effectiveness through Seegene Syndromic Test experience
- To create new diagnostic environment that can satisfy participants from the medical field, including clinicians, patients, C-Lab/medical institutions, and the government

<p><b>1</b> Increase of positivity rate</p>	<p><b>2</b> Multiple duplicate infections confirmed</p>	<p><b>3</b> Expanding experience of Syndromic testing</p>	<p><b>4</b> Syndromic testing Trend (Standardization)</p>	<p><b>5</b> Increased demand by patients for Syndromic Testing</p>																																																			
<table border="1"> <thead> <tr> <th></th> <th>GI-V</th> <th>GI-EB</th> <th>GI-P</th> <th>GI-H</th> </tr> </thead> <tbody> <tr> <td>Target1</td> <td>+</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Target2</td> <td>-</td> <td>+</td> <td>-</td> <td>+</td> </tr> <tr> <td>Target3</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Target4</td> <td>-</td> <td>-</td> <td>+</td> <td>-</td> </tr> <tr> <td>Target5</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Target6</td> <td>-</td> <td>Retest</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Re-examination and additional inspection Increase in items</p>		GI-V	GI-EB	GI-P	GI-H	Target1	+	-	-	-	Target2	-	+	-	+	Target3	-	-	-	-	Target4	-	-	+	-	Target5	-	-	-	-	Target6	-	Retest	-	-	<table border="1"> <thead> <tr> <th>Pathogen</th> <th>Average Ct</th> <th>STD.EV.</th> <th>Positive Rate (%)</th> </tr> </thead> <tbody> <tr> <td>ROV</td> <td>30</td> <td>0.54</td> <td>7.22</td> </tr> <tr> <td>Sal</td> <td>25</td> <td>0.62</td> <td>2.13</td> </tr> <tr> <td>BH</td> <td>16</td> <td>0.23</td> <td>0.92</td> </tr> </tbody> </table> <p>Accumulation of Ct value information linked to duplicate infection trends</p>	Pathogen	Average Ct	STD.EV.	Positive Rate (%)	ROV	30	0.54	7.22	Sal	25	0.62	2.13	BH	16	0.23	0.92	<p>Increased awareness of utility and necessity</p>	<p>Increase in medical institutions requesting syndromic testing</p>	<p>Syndromic Test for all diagnosis</p> <p>Popularization of syndromic testing increases essential applications</p>
	GI-V	GI-EB	GI-P	GI-H																																																			
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<p>Increase of tests</p>	<p>Clarifying the clinical significance of Ct values</p>	<p>Expanding application to other fields</p>	<p>Creating new labs</p>	<p>Leading the existing PCR market and creating new markets</p>																																																			

# Key Strategy | HPV products

## Seegene's HPV testing to expand towards Screening Market

- Screening (national screening and individual screening) market has the largest share in the inspection market with a market size of \$5.6B in 2023
- In Europe, the market is rapidly growing due to increasing awareness of screening and adoption of HPV testing.



Cervical cancer screening test (National Program)	Countries (2022.08)
HPV	Australia, Netherlands
HPV + Cytology	Spain, France, England, Germany, Italy, Portugal, the Nordic countries, Turkey, the United States, Mexico, Guatemala, Colombia, Argentina, Ecuador, Peru, Chile, China, Malaysia, Thailand, Iran, South Africa, Tanzania
Cytology	Korea, Canada, Brazil, Israel, Costa Rica, Japan, Mongolia, Eastern European countries, etc.
N/A	Parts of Asia, most of Africa

\* Cervical cancer screening programmes and age-specific coverage estimates for 202 countries and territories worldwide: a review and synthetic analysis ([www.thelancet.com/lancetgh](http://www.thelancet.com/lancetgh) Vol 10 August 2022)

04

# Appendix

Product sales breakdown

Sales by region

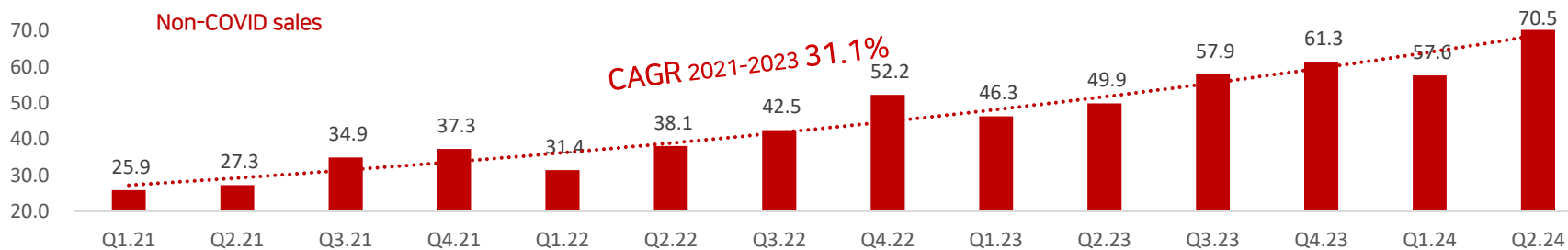
Company & stock information

Molecular diagnostics market outlook

2024 2Q Non-COVID reagent sales grew 41.3% YoY  
 RV(YoY 52%), PB (YoY 152%), GI (YoY 47%); Strong growth continues

(Unit: KRW Billion)

	Q1.21	Q3.21	Q4.21	Q1.22	Q2.22	Q3.22	Q4.22	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24
Reagent	282.5	257.1	357.2	372.9	105.6	115.5	108.2	67.7	66.7	75.1	78.5	72.7	82.2
-Diagnostic Products	250.7	230.5	326.9	352.6	97.4	106.7	99.5	59.6	60.2	67.1	69.3	63.8	74.4
COVID	224.8	195.6	289.6	321.2	59.3	64.2	47.3	13.3	10.3	9.2	8.0	6.2	3.9
<b>Non-COVID</b>	<b>25.9</b>	<b>34.9</b>	<b>37.3</b>	<b>31.4</b>	<b>38.1</b>	<b>42.5</b>	<b>52.2</b>	<b>46.3</b>	<b>49.9</b>	<b>57.9</b>	<b>61.3</b>	<b>57.6</b>	<b>70.5</b>
RV	7.2	7.8	8.9	4.9	11.4	11.1	16.2	10.8	12.2	12.8	15.3	14.7	18.6
STI	7.5	10.2	11.3	11.7	11.0	11.9	11.6	11.8	12.2	13.3	14.0	12.6	15.7
GI	4.3	6.8	6.3	6.0	6.6	8.7	10.4	9.8	11.0	14.9	14.0	13.3	16.2
HPV	3.5	4.2	5.1	4.7	5.1	5.5	6.6	6.3	7.3	8.4	9.0	6.8	8.4
기타	3.4	5.9	5.7	4.1	4.0	5.3	7.4	7.6	7.2	8.5	9.0	10.2	11.6
- Extraction	31.8	26.6	30.3	20.3	8.2	8.8	8.7	8.1	6.5	7.9	9.1	8.9	7.8
Equipment etc.	69.3	48.2	52.8	78.6	22.9	35.3	14.5	22.4	18.2	16.8	22.0	17.3	17.9
<b>Total</b>	<b>351.8</b>	<b>305.3</b>	<b>410</b>	<b>451.5</b>	<b>128.4</b>	<b>150.8</b>	<b>122.7</b>	<b>90.1</b>	<b>84.9</b>	<b>91.9</b>	<b>100.5</b>	<b>89.9</b>	<b>100.1</b>

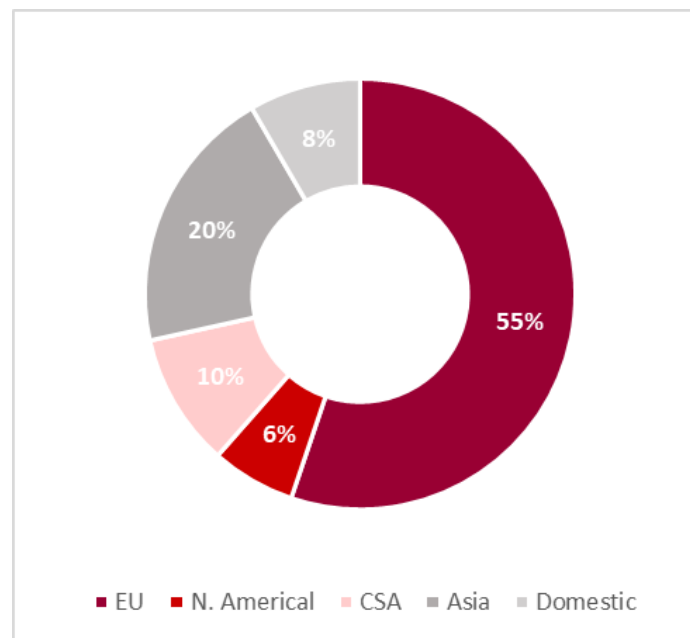


(Unit:W Bn)	Q2.23	Q1.24	Q2.24
EU	43.6	53.9	55.1
N. Americal	5.3	7.7	6.3
CSA	9.0	7.9	10.1
Asia	19.8	14.3	20.2
Domestic	7.1	6.0	8.4
<b>Total</b>	<b>84.9</b>	<b>89.9</b>	<b>100.1</b>

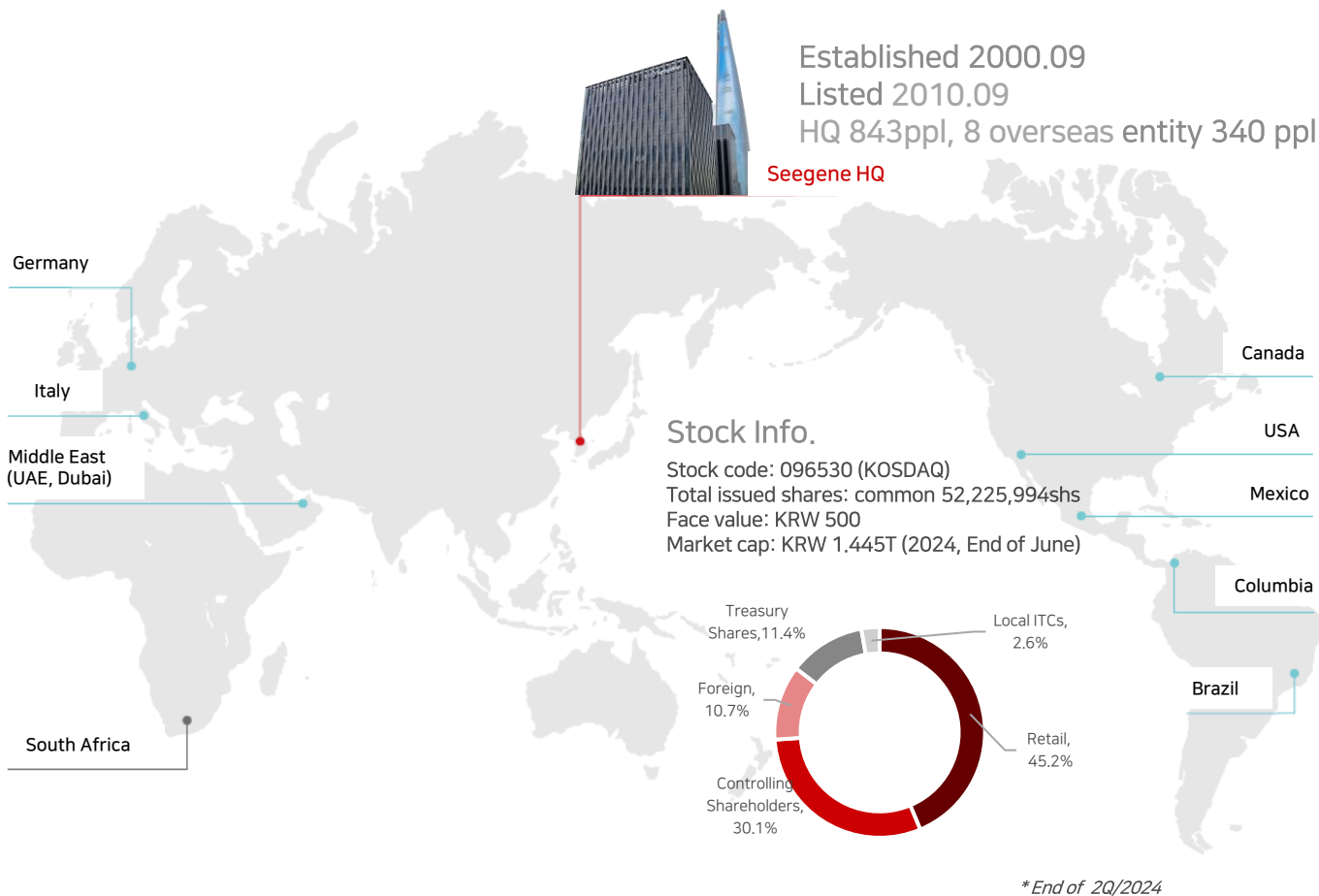
\* Asia: includes middle east, Africa, Oceania

- Asia portion increased due to strong respiratory products sales in the Southern Hemisphere (Australia)

### Sales by region (2Q 2024)







## 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	

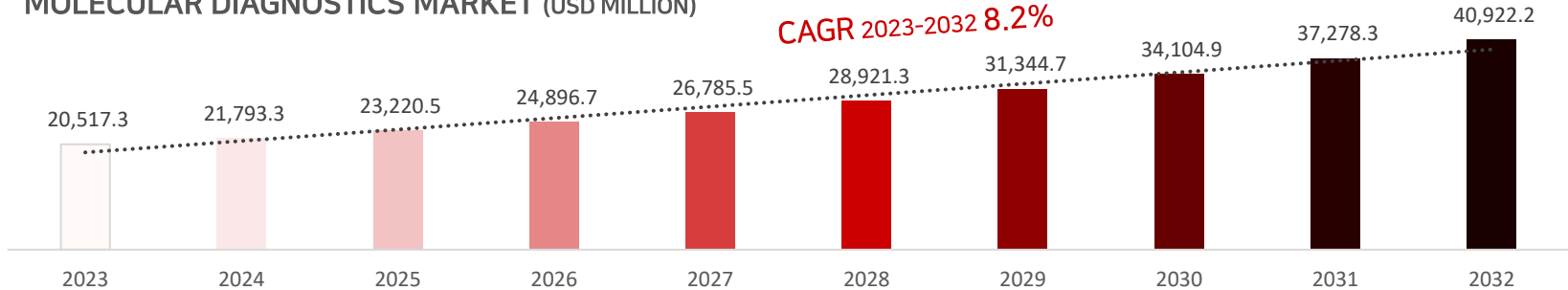
AMERICA		
Argentina	Dominican Republic	Panama
Bolivia	Ecuador	Paraguay
Brazil	El Salvador	Peru
Canada	Guatemala	United States
Chile	Honduras	Uruguay
Columbia	Mexico	Venezuela
Costa Rica	Nicaragua	

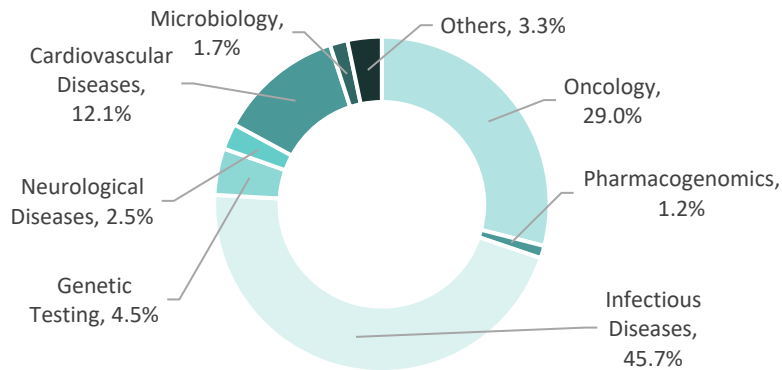
OCEANIA	AFRICA	
Australia	Algeria	South Africa
	Republic of Benin	Tanzania
	Egypt	Senegal
	Kenya	Sudan
	Madagascar	Tunisia

According to market research firm EMR, the MDx market is expected to grow at a CAGR of 8.2% from 2023 to 2032. High-multiplex, syndromic molecular diagnostics market is expected to grow significantly higher.

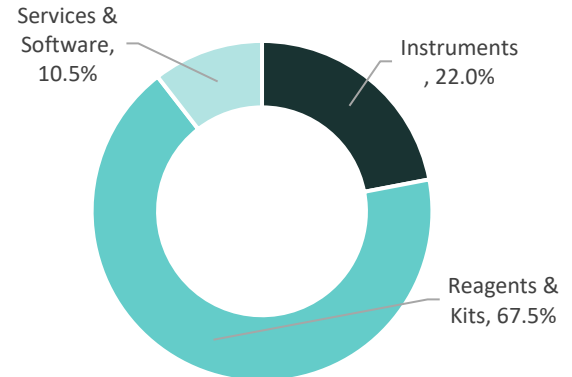
MOLECULAR DIAGNOSTICS MARKET (USD MILLION)



MOLECULAR DIAGNOSTICS MARKET SHARE BY APPLICATIONS 2023



MOLECULAR DIAGNOSTICS MARKET SHARE BY PRODUCT & SERVICE 2023



**Thank you**