

2025

Novogene

Corporate Value and Return Enhancement Action Plan 2025

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Novogene

• Contents •

Part 1

Focus on value creation, fulfill systematic construction and innovation, and repay investors with actions

Part 2

Sharing and win-win, responsibility contribution based on value distribution, and seeking for long-term stable development

Part 3

Scientific and compliance governance, consolidate strategic systematization construction, and promotes sustainable and high-quality development

Part 4


Information visualization: building an efficient and transparent investor communication pathway

Part 5

Deepen global expansion, broaden service offerings, accelerate intelligent capabilities, and ensure high-quality delivery

Part 6

Substantially implement the improvement of quality and efficient initiative to build a sustainable and sound development path



In order to implement the initiative of promoting the special action of "Improving Quality, Efficiency and Paybacks" of listed companies in science and technology innovation board, actively fulfill the concept of "investor-centered" emphasized in the initiative, and participate in the activities of promoting listed companies to continuously improve their operations, standardize governance and actively pay back to investors, so as to improve the quality of listed companies and meet the spiritual requirements of improving confidence, stabilizing the capital market and boosting high-quality economic development. The Novogene 2025 Plan for "Improving Quality, Efficiency and Paybacks" will perform a thorough assessment of the 2024 Quality-Efficiency Enhancement Program's execution outcomes, and establish the 2025 action framework to direct and execute this strategic priority.

Novogene deeply realized that improving the quality of listed company, raising the paybacks for investors and enhancing the investors' sense of gain are the due responsibilities and obligations of a listed company during its development. In 2024, the company will take active measures to implement the special action of "Improving Quality, Efficiency and Paybacks" in order to improve the company's operating quality, raise investors' returns, enhance investors' sense of gain, and realize the common sharing of interests between management and shareholders.



Part 1

Focus on value creation, fulfill systematic construction and innovation, and repay investors with actions

In recent years, Novogene has continuously strengthened its systematic construction, practiced the strategy of total cost leadership, improved the efficiency of corporate governance continuously, regarded value creation as one of the strategic cores, and attached great importance to investor returns. On April 13, 2021, Novogene successfully listed on the science and technology innovation board of Shanghai Stock Exchange, raised funds with a net amount of RMB 450 million, all of which was invested in the company's technology platform deployment, R&D innovation and production efficiency improvement, thus realizing the continuous expansion of business layout and sustained and steady growth of business performance.

In the four years since its listing, the company remained a continuous and stable growth in operating income, with the compound growth rate of operating income reaching 4.20%, and the gross profit margin maintained a stable level, accumulated cash dividend up to RMB 82,484,100 and annual dividend ratio 10% higher than the average. In terms of profit quality, the company has also achieved sustained growth of ROE.

2024 Cash dividend distribution plan

In 2024, the company realized an operating income of RMB 2,111,319,200, and the net profit attributable to shareholders of the parent company was RMB 196,788,500, and the cash dividend planned to be distributed in 2023 was RMB 20,252,900, accounting for 10.29% of the net profit attributable to shareholders of listed companies in the consolidated statements.

So far, the company is expected to distribute a total cash dividend of RMB 82,484,100 since its listing, repaying investors with tangible benefit.

Part 2

Sharing and win-win, responsibility contribution based on value distribution, and seeking for long-term stable development

Adhering to our "customer-centric" management philosophy in 2024, the Company optimized its organizational structure by delegating greater responsibilities, authorities, and benefits to regional offices, thereby enhancing decision-making efficiency and execution capabilities. We established a high-efficiency tripartite collaboration model comprising Account Managers, Solution Managers, and Operations Managers to strengthen customer engagement and ensure seamless coordination across the lead generation, opportunity development, and contract execution phases—ultimately elevating the end-to-end customer experience. Through refining our position valuation, job grading, leadership development, and professional qualification management systems, we implemented a dynamic talent management mechanism that aligns job levels with positions, ensures role-person fit, and facilitates both upward and downward mobility. With the support of professional management consultants, we enhanced our results-driven and growth-oriented value distribution framework, balancing organizational and individual interests while designing differentiated incentive mechanisms tailored to various business development stages and role-specific value creation points.

In 2025, the Company will remain steadfast in its "customer-centric" cultural orientation, guided by the strategic principles of "talent as the foundation, innovation as the core, and global expansion as the domain." We will continue to build a community of shared interests and value-growth engines, injecting new momentum for sustainable high-quality development. This will be achieved through implementing systematic human resources management, optimizing HR process frameworks to ensure effective policy execution, enhancing the quality of talent acquisition, upgrading workforce structures, and driving professional development. We will strengthen management systems by refining leadership on-the-job management, succession planning, and career transition programs. By integrating position value, employee competencies, and internal/external compensation benchmarks, we will improve performance evaluation systems, aligning value assessment with value distribution through diversified incentive mechanisms. This approach will establish a compensation system that achieves "external competitiveness and internal fairness", continuously boosting employee motivation and creativity while enhancing

organizational vitality. Concurrently, the Company will advance intelligent HR management systems and deepen digital transformation to improve the quality and efficiency of organizational and talent management. All shares repurchased under the 2024 share repurchase plan will be exclusively allocated for future equity incentive and employee stock ownership plans.

In 2024, the Company allocated RMB 144,147,500 for share repurchases. All repurchased shares will be utilized for future employee stock incentive plans or employee shareholding schemes within three years following the disclosure of the repurchase completion announcement. Should the shares remain unused after this period, the Board will initiate capital reduction procedures to cancel the remaining repurchased shares in accordance with regulations. The repurchase plan will be adjusted accordingly in response to any changes in relevant laws or policies.



Part 3

Scientific and compliance governance, consolidate strategic systematization construction, and promotes sustainable and high-quality development



Taking "Advancing Genomics, Improving life" as its corporate mission, Novogene integrates the concept of sustainable development into the daily operation and management of enterprises, establishes a sound corporate governance structure, and promotes the construction of corporate governance system and governance capacity. Through scientific strategic systematic construction and management, the company constantly improves the governance level of the Group on a global scale, and strive to build a representative listed company with clearly-established system, clearly-defined responsibilities, efficient improvement and coordinated operation.

Since its listing in 2021, Novogene has continuously strengthened the construction of the Group's board of directors and enhanced the standardization, scientificity and effectiveness of the board's operation, aiming at improving the board's ability to perform its powers and responsibilities, and giving full play to the board's strategic direction control, strategic action decision-making and risk prevention ability. In the enterprise operation, the company continuously improves the labor efficiency through the adjustment and optimization of the organizational structure.

The company has established a complete and effective internal control system, and established a systematic control management procedure and internal supervision mechanism from the company level to the business level. The company constantly optimizes the internal control system by identifying internal control defects through horizontal comparison and directional interviews. In daily business activities, the compliance management department examines whether the contract has the effect of excluding or restricting competition to avoid horizontal or vertical monopoly agreements, pays attention to the prevention of legal risks of unfair competition, and strengthens the compliance of operating mechanisms

Systematic specialized training to promote the improvement of governance level

In 2024, the company has participated in more than 20 trainings organized by China Securities Regulatory Bureau, Shanghai Stock Exchange, China Association of Listed Companies and Beijing Association of Listed Companies. The company conducted trainings for directors, supervisors and officers on the latest developments in the capital market and regulatory policies, so as to ensure that the key personnel in corporate governance can keep up with policy trends and implement compliant and effective decisions in governance while having professional knowledge. In addition, the company spontaneously organized many special trainings on information disclosure, laws and regulations for directors, supervisors and officers, financial personnel and independent directors to improve the compliance and risk awareness of relevant personnel.

In 2025, the company will further strengthen the on-the-job training of the directors, supervisors and officers, and conduct scientific and systematic training on core management personnel through online courses and offline conference training, promote the connection between directors, supervisors and officers, regulatory authorities, investors and the capital market, popularize and share the dynamics and policies of the capital market to the core personnel at the first time, ensure that the core governance team can keep abreast of the latest laws and regulations, improve their performance skills and comprehensively improve the corporate governance level.



Part 4

Information visualization: building an efficient and transparent investor communication pathway

Adhering to the principle of "protecting investors' rights and interests as the core" the company has always regarded "enabling investors to access corporate updates and operational information in a timely and intuitive manner" as one of its key responsibilities. In 2024, the company held multiple earnings briefings and actively responded to investor inquiries on the E-interaction platform, striving to build a robust information bridge with investors. Moving forward into 2025 and beyond, the company will continue to prioritize this mission, enhancing communication efficiency through timely, intuitive, and diversified information formats. This approach facilitates more transparent information exchange between the company and its investors, fostering deeper mutual understanding and trust. Committed to mutual benefit and shared success, the company will advance steadily with a focus on value creation, ensuring sustainable development as the foundation for collaborative progress.



Efficient communication of information disclosure: intuitive, understandable, multi-form, international

Visualized information disclosure combining graph, texts, and tables

In 2024, when releasing periodic financial reports and other disclosures, the company adopted data visualization methods such as "quick-read infographics" and illustrated briefings to distill and interpret key data. In 2025, the company will continue to employ diverse presentation formats—including graphics, tables, and trend charts—to enhance investor comprehension by structuring information clearly and accessibly. Through vivid and intuitive presentation methods, the company aims to help investors better understand its operational performance.

The vernacular replaces the jargon

In information disclosure, report preparation and daily communication, the Company uses more straightforward expressions that are easy for investors to perceive in view of industry-specific and difficult-to-understand technical expression and terms, and help investors understand the Company's situation through easy-to-understand information interaction.

Intuitive

Lucid

Multi-form

Internationalization

Multi-channel communication

In 2025, the Company will continue to provide investors with offline face-to-face direct communication opportunities through performance briefing, open days for investors and general meeting of shareholders, etc. Meanwhile, the Company will attach great importance to the reception of investor research, and organize more investor networking events led and attended by the Company's chairman, secretary of the board of directors, chief financial officer and securities affairs representatives. In addition, we will respond to investors' questions and listen to investors' opinions and suggestions timely through the SSE e-Interactive platform, investor hotline, investor relations column set up on the official website and other online and remote forms.

Bilingual in investor relationships

In 2024, the company added an Investor Relations module to its foreign-language website to facilitate smoother communication with international investors, while also incorporating multilingual elements into other disclosures. As a company with operations spanning over 90 countries and regions worldwide, we recognize the diverse needs of our investors and stakeholders. In 2025, we will further enhance the internationalization of our information disclosures.

Part 5

Deepen global expansion, broaden service offerings, accelerate intelligent capabilities, and ensure high-quality delivery

Novogene, in response to growing customer demands, continues to strengthen its global presence, solidify its scalability advantages, and keep pace with industry technological advancements by deploying diversified technology platforms. We are also enriching our product portfolio, expanding multi-omics service types, and enhancing automation and intelligent solutions to provide global scholars, scientists, research institutions, and medical organizations with efficient, high-quality, and stable services in basic research, medical research and technical services, as well as library preparation and sequencing platform solutions.





Deepening global presence, enhancing regional service capabilities

In recent years, Novogene has steadily implemented its global strategic expansion, continuously improving its service capabilities worldwide. Currently, the company operates 10 laboratories in Beijing, Tianjin, Guangzhou, Shanghai, and the US, the UK, Germany, Singapore, and Japan, with business coverage spanning approximately 90 countries and regions across six continents. In 2025, we will further advance our global localization strategy by deepening local service capabilities, strengthening customer engagement in each region, and tailoring solutions through localized laboratories, service teams, and product offerings. This approach will enhance regional service efficiency and drive performance upgrades across all markets.

Expanding technology platforms, accelerating multi-omics research & development

In January 2024, Novogene further scaled up its operations by introducing multiple PacBio Revio third-generation sequencing platforms, rapidly deploying them globally to promote the widespread application of long-read sequencing in diverse research fields. By the end of January, the 10x Genomics Xenium in situ gene expression platform was officially installed, marking Novogene's spatial omics services as fully compatible with FF/FFPE multi-tissue types and covering chip-capture, region-of-interest selection, and in situ imaging—ushering in a new era of comprehensive high-resolution spatial transcriptomics. In July 2024, Novogene introduced BD Rhapsody™ HT Xpress, an ultra-high-throughput single-cell multi-omics analysis platform from BD, deploying it across laboratories in Beijing, Tianjin, Shanghai, and Guangzhou to further advance single-cell sequencing applications. In 2025, we will remain customer-centric, leveraging our diversified technology platforms to meet a wide range of client needs while ensuring the stability and global coverage of our operational services.

Expanding service offerings to empower

global life science research across all scenarios

In recent years, Novogene has continuously enriched its product portfolio and extended the boundaries of multi-omics services, establishing a comprehensive service system for integrated solutions that empower scientists to tackle complex challenges from a more systematic perspective. In 2025, we will further develop and optimize a full spectrum of multi-omics products—including genomics, transcriptomics, epigenomics, spatial transcriptomics, single-cell sequencing, mass spectrometry analysis, and genotyping—along with integrated cross-omics analytical solutions. Additionally, we will enhance applied products such as molecular breeding and gene synthesis to meet increasingly diverse research needs.

Upgrading NGS intelligent delivery

platform to accelerate smart automation

In 2024, building on its extensive expertise in intelligent automation and robust R&D capabilities, Novogene launched Falcon III, a compact, flexible, and multi-product parallel intelligent delivery system, following the success of Falcon and Falcon II. Through technical advancements, Falcon III retains the core strengths of high efficiency, stability, and superior delivery quality, while achieving a 25%+ increase in capacity over Falcon II. With a footprint of just 5m², it offers greater operational flexibility. Leveraging global client insights and our deep understanding of intelligent automation, we will explore broader applications of smart production systems to drive industry innovation toward digitalization and automation, ultimately elevating the efficiency of scientific research services.

Adhering to high-standard processes and

services to ensure premium deliverables

Novogene remains committed to providing customers with high-quality, efficient, and reliable services. We have established a rigorous quality management system compliant with CAP and ISO standards, supported by comprehensive quality control protocols and stringent inspection systems. All global laboratory centers strictly adhere to unified, traceable, and high-standard Novogene Labs SOPs. Over the years, our laboratories have consistently excelled in quality assessments and proficiency testing conducted by authoritative institutions worldwide, including "China's National Center for Clinical Laboratories (NCCL)" and "College of American Pathologists (CAP)". Moving forward, we will continue upholding high-standard processes and services to guarantee premium data deliverables and exceptional customer experiences, empowering researchers across the globe with steadfast support.

Part 6

Substantially implement the improvement of quality and efficient initiative to build a sustainable and sound development path

Taking a broad view of the life sciences industry, the rapid market changes, all the fierce competitive environment and the continuous development of iterative technological development mean that "improving quality and efficiency" will be one of the development directions that must be practiced and implemented by enterprises nowadays.

After the Company's continuous efforts in process system optimization, systematic management improvement, human and organizational efficiency enhancement, 2025 will be a crucial year for the development of Novogene. Meanwhile, 2025 will be a year full of opportunities and challenges with the changing macro environment such as the world economy and geopolitical situation. As a listed Company with global business coverage, Novogene will continue to make continuous efforts in scientific governance, fulfillment of social responsibility, and seeking for new opportunities and growth points, and lay a solid foundation for the Company's long-term sustainable and steady development step by step.



"Change management" plus "Customer-centric"

value orientation: reasonable quality improvement and

efficiency gains to become a trusted research partner

The company continues to enhance systematic process and institutional development, establishing comprehensive and effective standardized procedures for each business and functional unit with clear responsibilities and well-defined objectives. Focusing on "workforce efficiency improvement", we have set explicit organizational KPI, management KPI, and employee KPI, optimized organizational structures, and implemented a dynamic talent management mechanism that ensures role suitability and promotes mobility, thereby enhancing management efficiency.

To support the company's strategic goal of "deepening business capability building, consolidating a total cost leadership strategy, translating 'customer needs' into 'customer satisfaction', and achieving long-term sustainable growth", we are committed to building a customer-centric process-driven organization. This involves establishing an effective management system that does not rely on individuals, enhancing the company's enduring competitiveness, and embedding capabilities within the organizational framework.

In 2024, the company adopted change management system methodologies and implemented the "Marketing-Sales-Service (MSS)" transformation across the organization. This initiative aims to build replicable, sustainable operational capabilities in the long run and, in turn, drive overall organizational improvement. The transformation is propelled by a "four-in-one" operational model to facilitate business change, helping achieve the goal of moving from "customer needs" to "customer satisfaction." The objectives of the MSS transformation are:

To integrate marketing, sales, and service processes for seamless operations, making the company the preferred choice for customers. To achieve sustainable growth in revenue, profit, and cash flow without a significant increase in headcount. To establish a change management system, enhance the company's overall change planning capabilities, and advance strategic execution and process-driven organizational development.

In 2025, to strengthen product market competitiveness and improve product development efficiency, the company will implement a demand management process, encouraging all employees to gather customer needs from diverse channels and perspectives. Additionally, we will build an Integrated Product Development (IPD) management system, ensuring customer-driven product development for faster time-to-market and high-quality delivery. The company will also continue to reinforce the Develop Strategy to Execution (DSTE) process to enhance strategic execution capabilities.

Strengthening corporate foundations to**forge a sustainable and steady development path**

Since its listing, the company has consistently prioritized corporate governance system development, focused on enhancing core competitiveness, and remained committed to building a healthy and robust sustainable growth trajectory. In 2024, the company actively advanced closed-loop quality management by optimizing metrics and upgrading effectiveness evaluation models, establishing "quality excellence" as the fundamental competitive safeguard, while developing an enterprise performance dashboard to enhance operational decision-making efficiency, implementing the DSTE (Develop Strategy to Execution) process to strengthen strategic execution capabilities, and reinforcing process management systems and culture to improve organizational management effectiveness. Looking ahead, the company will continue fortifying corporate foundations by expanding revenue streams while improving quality at the business level, enhancing production stability and efficiency, and promoting systematic and process-driven operations to achieve steady and sustainable growth.

The action plan of improving quality and efficiency with a focus on returns is a judgment based on the Company's annual strategic plan and the actual situation of the Company, which may be affected by the policy adjustment, domestic market environment and other factors in the future, and has a certain degree of uncertainty, and the Company respectfully request investors to be cautious of the investment and pay attention to the investment risk.

In the future, the Company will continue to evaluate and implement the relevant initiatives of the action program of "improving quality and efficiency with a focus on returns", and strive to actively contribute to investors through favorable business performance, standardized and efficient corporate governance, and effectively fulfill the responsibilities and obligations of listed companies, and reward the trust of investors.



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