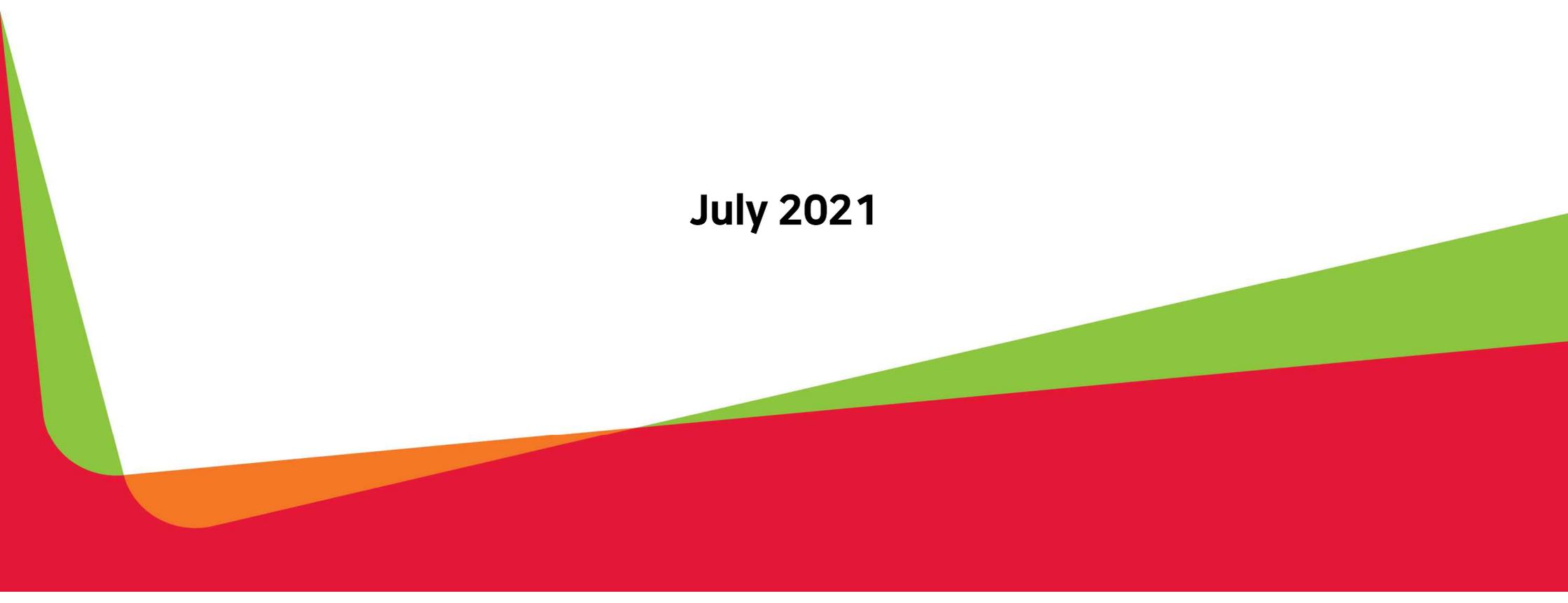


Earnings Release Q2 2021

July 2021

A decorative graphic at the bottom of the slide consisting of three overlapping, semi-transparent shapes: a large red shape at the bottom, a green shape above it, and an orange shape in the middle. The shapes are layered and overlap to create a dynamic, abstract design.

Disclaimer

The financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external audit on our Q2 2021 financial results is completed. The audit outcomes may cause some parts of this document to change.

This document contains “forward-looking statements”, which are addressed based on our current business environment and strategies. Certain risks and uncertainties in the future, such as changes in business environment and strategies, may cause actual results to be materially different from those expressed in this document.

1. Summary of Financial Results

SK bioscience continued to grow following its Q1 2021 results due to increase in COVID-19 related sales and had a record-setting quarter in Q2 2021

(Unit: KRW 100Mn)

	Q2 2021	YoY	Q2 2020	QoQ	Q1 2021
Revenue	<u>1,446</u>	<u>+1,063</u>	<u>383</u>	<u>+319</u>	<u>1,127</u>
Cost of Goods Sold (COGS)	616	+308	308	+223	393
Gross Profit	<u>830</u>	<u>+755</u>	<u>75</u>	<u>+96</u>	<u>734</u>
(%)	57%	+37%p	20%	Δ8%p	65%
SG&A expenses	168	+51	117	Δ29	197
Operating Profit	<u>662</u>	<u>+704</u>	<u>Δ42</u>	<u>+125</u>	<u>537</u>
(%)	46%	+57%p	Δ11%	Δ2%p	48%
Non-operating expenses	Δ17	Δ19	2	Δ4	Δ13
Profit before Income Tax	<u>679</u>	<u>+723</u>	<u>Δ44</u>	<u>+129</u>	<u>550</u>
Income tax	151	+161	Δ10	+20	131
Net Profit	<u>528</u>	<u>+562</u>	<u>Δ34</u>	<u>109</u>	<u>419</u>

2. Q2 Results and Outlook

COVID-19 Vaccines (Q2 Results)

[Q2 Results]

□ C(D)MO

① AstraZeneca (CMO)

- Continued production and shipment of commercialized Drug Substance(DS)/Drug Product(DP) (domestic/foreign)

② Novavax (CDMO)

- Conducted PV batch production and process characterization
- Allocated CEPI reserved suite to Novavax
- ※ Conducted C(D)MO Suite Prevention Maintenance from February to March 2021

□ Novavax In-licensing

- Partial revenue recognition before the biologics license application (BLA) for batches completed quality assurance test
- Continued to produce 40 million doses of in-licensed Novavax vaccines for Korean government (production started in April 2021)

COVID-19 Vaccines (Outlook)

[Outlook]

□ C(D)MO

① AstraZeneca (CMO)

- Revenue is expected to increase in H2 2021 given the stable and ongoing production
- Currently in discussion on extension of manufacturing contract for 2022

② Novavax (CDMO)

- Drug approvals by regulatory agencies (global/local) are expected in Q3 2021, thus full-fledged revenue is expected starting H2 2021

□ Novavax In-licensing

- Novavax's vaccine doses will be supplied to Korean government upon the regulatory approval
- Expecting additional manufacturing of vaccine doses and currently in discussion for the sales plan

2. Q2 Results and Outlook

Pipelines

[Q2 Results]

☐ COVID-19 Vaccine (recombinant protein)

- First domestic vaccine company submitted application for phase III clinical trial IND to the MFDS in June 28th
- Global phase III clinical trial is being conducted based on comparative trial design with 4,000 domestic and foreign participants
- Continued to develop multivalent vaccine/booster shots in response to COVID-19 variants

☐ New Pipelines

- Continued to R&D for mRNA, anti-cancer and hepatitis A vaccines
- Continued to conduct global phase II clinical trial for SKYPAC

[Outlook]

☐ COVID-19 Vaccine (recombinant protein)

- Conduct phase III clinical trial upon the IND approval
- Announce GBP510 Phase I/II clinical trial results and continue phase III clinical trial IND submission to global regulatory agencies
- Continue developing multivalent vaccine/booster shots for COVID-19 variants

☐ SKYPAC (Next-gen. Pneumococcal Vaccine w/Sanofi)

- Continue to conduct global phase II clinical trial

Mid to long-term Investments

[Q2 Results]

☐ Net cash of KRW 1.2 trillion in Q2 2021

☐ MOU signed with for SKBS Andong L House expansion (with Gyeongsangbuk-do, Andong-si local governments)

- A leaping forward for SKBS as a global vaccine hub with top-tier production facilities
- The expansion includes cell/bacterial culture, gene recombination and protein conjugation suites as well as facilities for mRNA and next-generation viral vector platform
- Over KRW 150 billion will be invested by 2024 and further expansion plans are being discussed

[Outlook]

☐ R&D and C(D)MO capabilities

- Execution of L House factory expansion plan
- Execution of new R&PD center establishment plan to further reinforce SKBS's bio/vaccine CDMO businesses and R&D capabilities

☐ New platforms

- Accelerate current pipeline developments (SKYPAC, RSV) and invest in new platform developments (mRNA, etc.)

☐ M&A, In-licensing

2. Q2 Results and Outlook

In-house Vaccines

[Q2 Results]

□ Decrease in revenue (YoY)

- SKYZoster(shingles) revenue decreased due to resurgence of COVID-19 pandemic and prioritizing COVID-19 vaccination over other diseases
- SKYVaricella(Varicella) revenue increased due to increase in export volumes

[Outlook]

□ Distribution of global flu vaccine product substituting SKYCellflu (Influenza)

- Currently in discussion with global vaccine originators

□ Increase in revenue for SKYZoster(shingles)

- Expecting an increase of revenue in H2 2021 due to the expanded vaccination opportunities (Increase of COVID-19 vaccinated population and further campaign on flu & Zoster vaccination)

Others

[Q2 Results]

□ Established ESG (Environment, Social, Governance) and HR Committees

- Established committees within Board of Directors(BOD) to improve corporate governance
- ESG Committee: Pursue sustainable growth by aligning business and ESG strategy
- HR Committee: Pursue objectivity and transparency in appointment and evaluation of executives/BOD members

[Appendix] Summary of Financial Statements

Balance Sheet

(Unit: KRW Mn)

Category	2019.12.31	2020.12.31	2021.06.30
Total Assets	403,980	562,232	1,791,925
Current Assets	170,741	333,902	1,537,121
Cash & cash equivalents	94,468	215,898	1,281,012
Account receivable & other receivable	32,430	45,838	134,063
Inventories	36,378	70,275	104,328
Other current assets	7,465	1,891	17,718
Non-current Assets	233,239	228,330	254,804
PP&E	182,477	180,992	193,212
Intangible assets	19,479	17,858	17,914
Other non-current assets	31,283	29,480	43,678
Total Liabilities	171,246	298,442	448,274
Current Liabilities	45,509	180,640	354,152
Account payable & other payable	31,613	39,153	72,287
Current bonds	-	10,995	10,999
Current contract liabilities	4,687	94,899	225,754
Other current liabilities	9,209	35,593	45,112
Non-current Liabilities	125,737	117,802	94,122
Bonds	93,472	80,473	81,773
Long-term borrowings	23,156	21,760	-
Other non-current liabilities	9,109	15,569	12,349
Total Equity	232,734	263,790	1,343,651
Capital stock	10,200	30,600	38,250
Capital surplus	201,219	180,518	1,157,064
Other equity	325	901	901
Accumulated other comprehensive income	△1,319	△1,465	△537
Retained earnings	22,309	53,236	147,973
Net Cash*	△22,160	102,671	1,188,239

Income Statement

(Unit: KRW Mn)

Category	Q1.20	Q2.20	H1.20	Q1.21	Q2.21	H1.21
Revenue	21,577	38,336	59,913	112,710	144,604	257,314
COGS	16,145	30,836	46,981	39,308	61,566	100,874
Gross Profit	5,432	7,500	12,932	73,402	83,038	156,440
SG&A expenses	10,931	11,676	22,607	19,687	16,883	36,570
Operating Profit	△5,499	△4,176	△9,675	53,715	66,155	119,870
Non-operating expenses	1,425	240	1,665	△1,327	△1,737	△3,064
Profit before Income Tax	△6,924	△4,416	△11,340	55,042	67,892	122,934
Income tax	△1,078	△1,066	△2,144	13,117	15,080	28,198
Net Profit	△5,846	△3,350	△9,196	41,925	52,812	94,736

※ Net Cash = Cash & cash equivalents - Debt (Excluding Lease liabilities)

