



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
2Q 2022



Earnings Release 2Q22

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 2Q 2022 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

2Q22 Highlight

Financial Performance

- ➔ Profit & revenue increase (QoQ) due to normalization of CMO QA
- ➔ Revenue : 1,383 (QoQ +59%)
Operating Profit : 612 (QoQ +157%)
(KRW 100Mn)

Continuing Partnership with Novavax

- ➔ Manufacturing Contract
 - Variant vaccine DS until EoY 2022
 - PFS formulation until EoY 2023

SKYCovione Approval(MFDS)

- ➔ 1st BLA for domestic COVID-19 vaccine (29th June 2022)
- ➔ Application for global approval in progress (WHO, EMA)

ESG (Environmental, Social, Governance)

- ➔ First ESG report published (06.22)
- ➔ Strategy and goal announced for building ESG-based management

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Earnings Results



(1) Income Statement

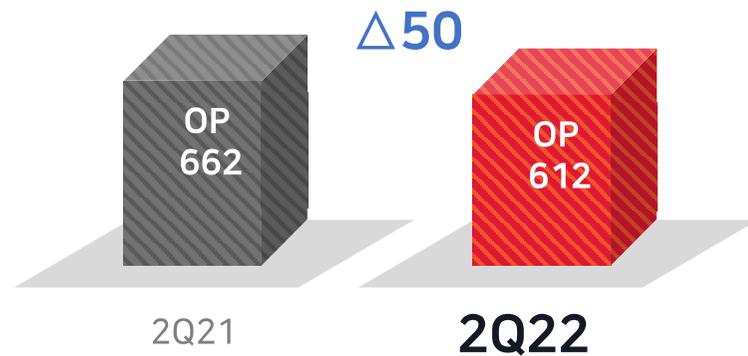
Improved financial performance (QoQ) due to normalization of CMO QA issue

(unit : KRW 100mn)	2Q22	YoY	2Q21	QoQ	1Q22
Revenue	1,383	(63)	1,446	512	871
Gross Profit	861	31	830	383	478
SG&A expenses	249	80	169	9	240
Operating Profit	612	(50)	662	374	238
Non-operating profit & loss	(59)	(76)	17	(149)	90
Profit before Income Tax	553	(126)	679	225	328
Net Profit	461	(67)	528	183	278

(2) Profit Analysis

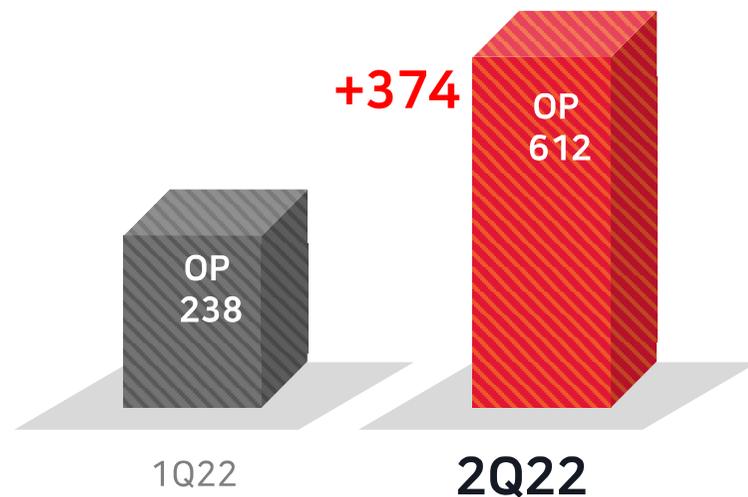
Key Profit Analysis

(unit : KRW 100mn)



YoY $\Delta 50$

- Decrease in revenue due to termination of AZ CMO contract EoY 2021
- Increase in Novavax CMO revenue



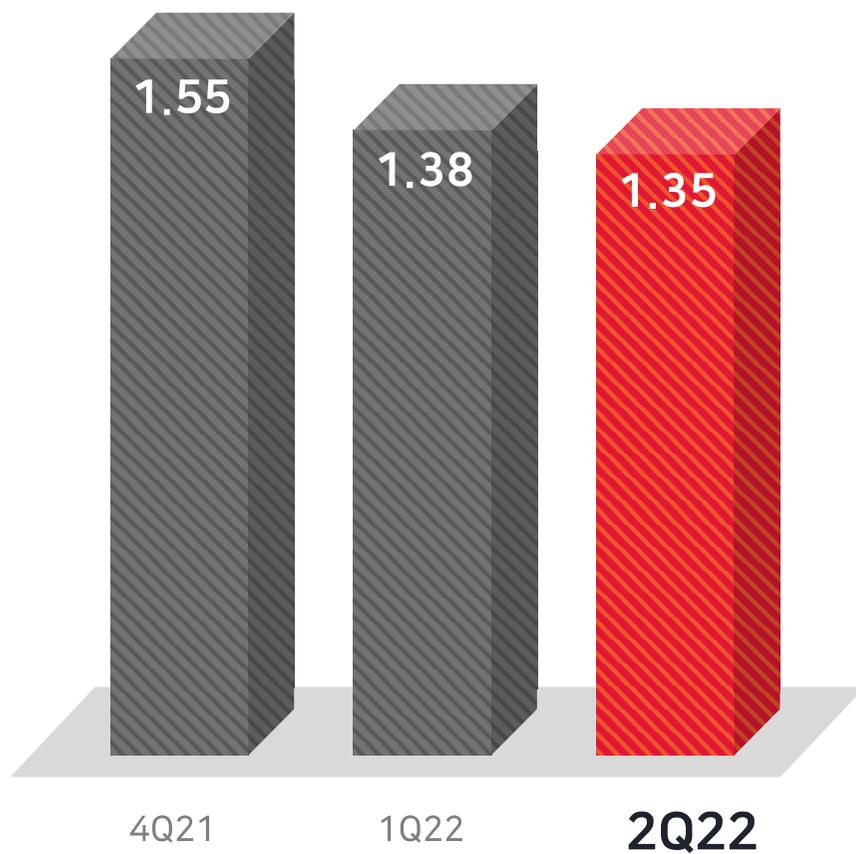
QoQ $+374$

- Normalization of Novavax CMO QA Issue
- Similar level of SG&A expenses to 1st quarter

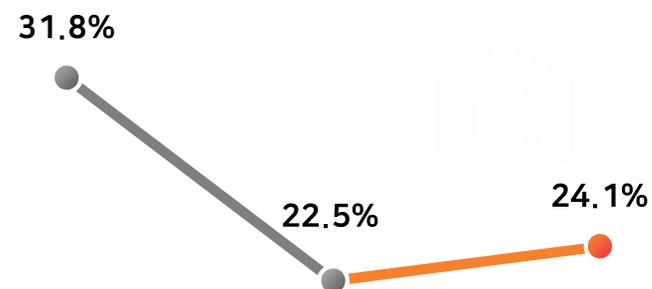
(3) Balance Sheet Highlight

(unit : KRW tn)

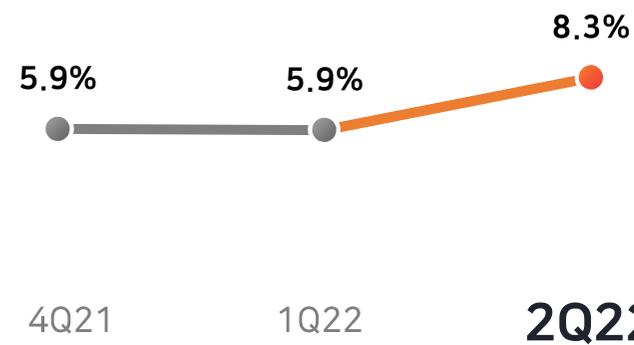
Net Cash



Debt to Equity Ratio



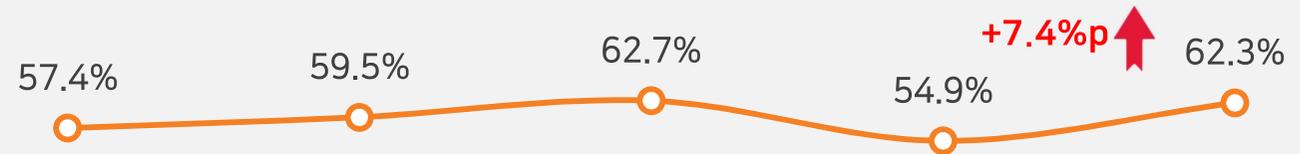
Financial Leverage Ratio



(4) Profitability Index

2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22

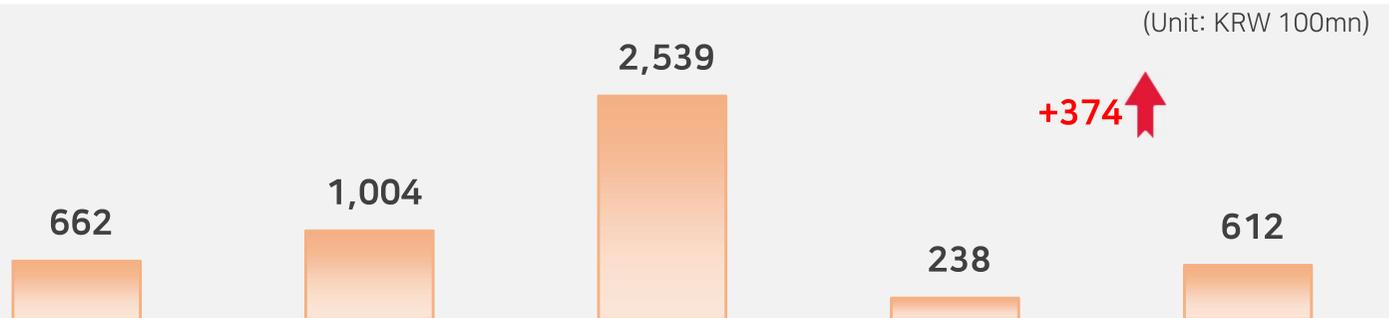
GP Margin



OP Margin



OP



(5) Financial Statement

Balance Sheet

(Unit : KRW mn)	FY 2020	FY2021	2Q22
Total Assets	562,232	2,110,123	2,094,066
Current Assets	333,902	1,837,804	1,779,158
Cash & cash equivalents	215,898	1,645,663	1,489,349
Account receivable & other receivable	45,838	48,135	89,533
Inventories	70,275	135,046	170,006
Other current assets	1,891	8,960	30,270
Non-current Assets	228,330	272,319	314,908
PP&E	180,992	210,265	257,303
Intangible assets	17,858	17,061	17,966
Other non-current assets	29,480	44,993	39,639
Total Liabilities	298,442	508,811	406,365
Current Liabilities	180,640	459,952	378,452
Account payable & other payable	39,153	102,185	45,451
Short-term borrowings	-	11,671	53,009
Current bonds	10,995	47,978	86,746
Current contract liabilities	94,899	98,789	116,621
Other current liabilities	35,593	199,329	76,625
Non-current Liabilities	117,802	48,859	27,913
Bonds	80,473	35,503	-
Long-term borrowings	21,760	-	-
Other non-current liabilities	15,569	13,356	27,913
Total Equity	263,790	1,601,312	1,687,701
Capital stock	30,600	38,250	38,392
Capital surplus	180,518	1,157,064	1,160,008
Other equity	901	901	9,848
Accumulated other comprehensive income	(1,465)	(208)	216
Retained earnings	53,236	405,305	479,237
Net Cash	102,671	1,550,512	1,349,594

Income Statement

(Unit : KRW mn)	2Q21	3Q21	4Q21	21 Cum.	1Q22	2Q22	1H22
Revenue	144,604	220,829	450,858	929,001	87,091	138,281	225,372
COGS	61,566	89,476	168,368	358,718	39,283	52,135	91,418
Gross Profit	83,038	131,353	282,490	570,283	47,808	86,146	133,954
SG&A expenses	16,883	30,947	28,546	96,063	24,056	24,956	49,012
Operating Profit	66,155	100,406	253,944	474,220	23,752	61,190	84,942
Non-operating profit & loss	1,737	(3,834)	(2,322)	(3,092)	9,005	(5,847)	3,158
Profit before Income Tax	67,892	96,572	251,622	471,128	32,757	55,343	88,100
Income tax	15,080	20,135	67,656	115,989	4,951	9,217	14,168
Net Income	52,812	76,437	183,966	355,139	27,806	46,126	73,932

※ Net Cash = Cash & Cash equivalents + Deposits – Debt (except Lease Liabilities)



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SKYCovione

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(1) SKYCovione: Significance & Follow-on R&D

SKYCovione is the first COVID-19 vaccine developed by a Korean company approved for use, contributing to rapid response capability against a potential next pandemic

SKYCovione and its Significance

"SKYCovione achieved Korea's vaccine sovereignty and represents an end-to-end pandemic response process"

✓ Establishment of a full-cycle pandemic response

- Securing end-to-end vaccine development capability across R&D/clinical trials/ filing & approval/manufacturing
- Supplying to Korea, with global supply in works

✓ Targeting global approvals based on MFDS approval

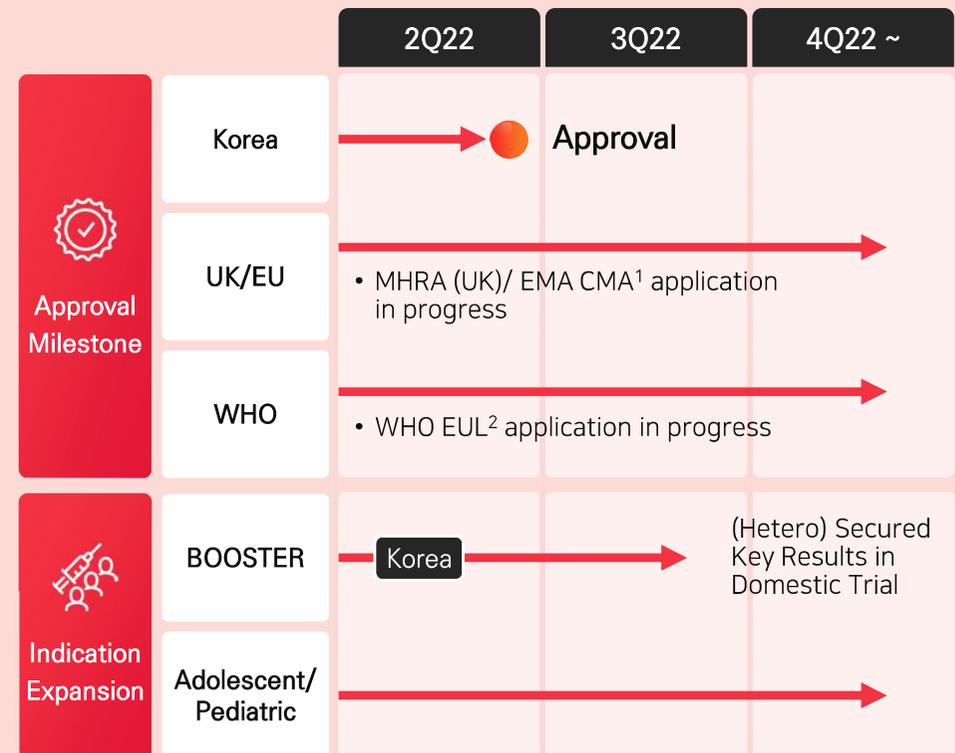
- Application for approvals from MHRA/EMA/WHO in progress
- Working to achieve Global GMP(EU-GMP) based on KGMP

✓ Securing tech/experience/facilities against the next pandemic

- Platform technology for vaccine development
- Global clinical & approval process
- World-class quality manufacturing facility



Approval Status and Development Plan



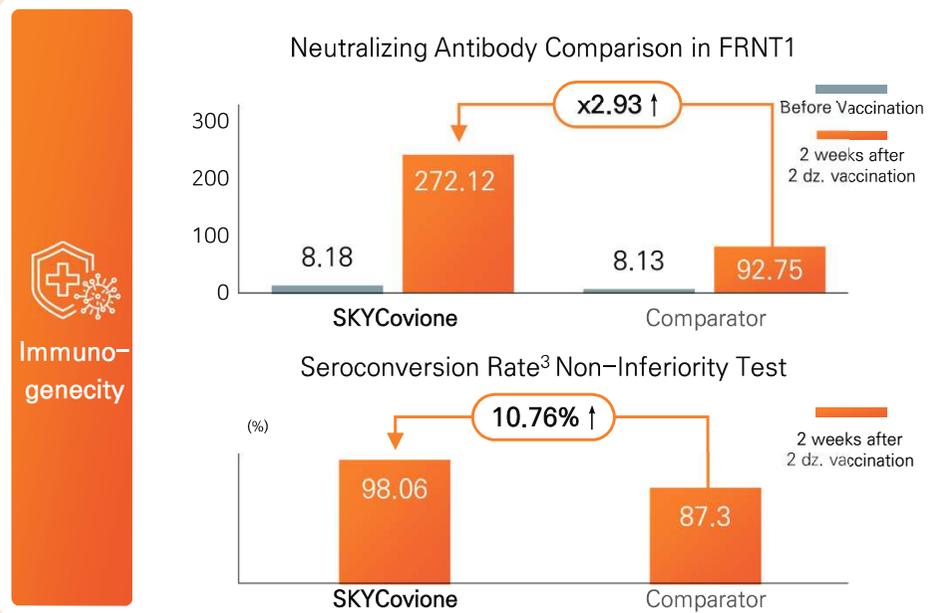
1. Conditional Marketing Authorization
2. Emergency Use Listing Procedure

(2) Clinical Trial Result of SKYCovione

SKYCovione showed ① higher immunogenicity than comparator vaccine and ② superior neutralizing antibody titer by booster than primary dosage in Wuhan/Omicron strains

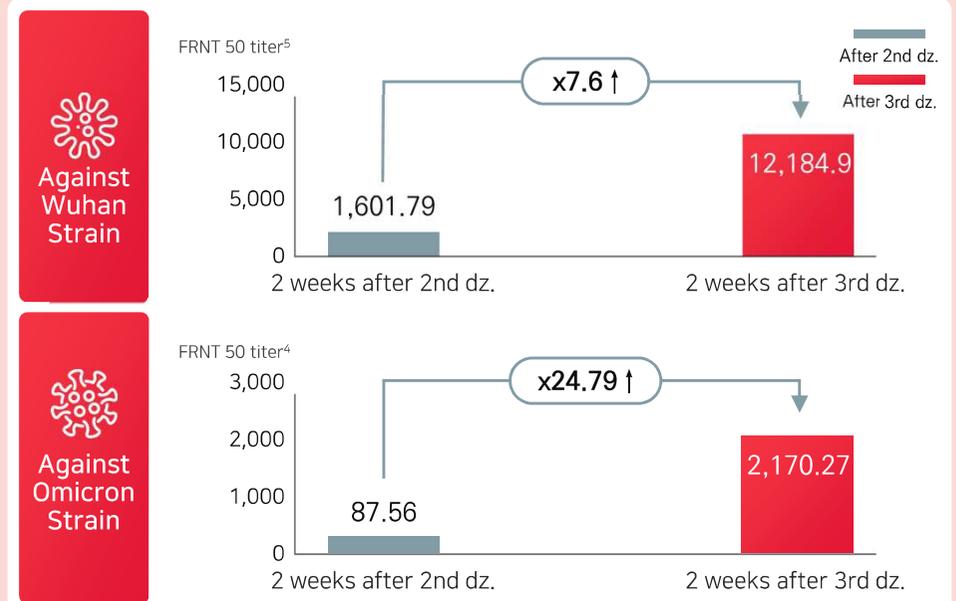
Result of Phase 3

Observed strong immunogenicity confirming phase 1/2 study's trend



Booster(Phase 1/2 Extension) Trials⁴

Observed superior neutralizing antibody titer compared to standard 2 dz. regimen in both Wuhan/Omicron Strains⁴



“ Phase 3 and Phase 1/2 booster results showed acceptable safety profile of SKYCovione ”

1. FRNT (Focus Reduction Neutralization Test) : SARS-CoV-2 Wild type virus ND50 Titer converted to IU/mL
2. Geometric mean titer of Neutralizing Antibody
3. Seroconversion Rate : % of participants showed >4 folds increase compared to the baseline
4. 81 subjects who previously participated in GBP510 Phase 1/2 Trial
5. FRNT (Focus Reduction Neutralization Test) 50 titer in original scale



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**Growth
Strategy**

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(1) SK bioscience 3.0

SKBS 3.0

MISSION

We Promote Human Health, from Prevention to Cure

VISION

Global Innovative Partner of Vaccine and Biotech

WHAT



HOW



Endemic

- Combo
- Pan-Sarbecovirus
- Nasal spray



Vaccine Portfolio

- Basic Vaccine
- Premium Vaccine
- Vaccine CDMO



Globalization



Cell&Gene Therapy (CGT)

- CGT CDMO



Next Pandemic



R&D/Mfg. Infra

- Songdo R&PD Center
- Andong L House expansion



Platform Technology

- Including mRNA



Global Alliance



M&A



Mgmt. Infra

- ESG
- SHE
- DT
- HR

Partnership

(2) Investment Plan

Upgrading Manufacturing and R&D infra through ① expansion of Andong L-House manufacturing plant and ② establishment of Songdo R&PD center



Songdo R&PD Center
"Center of Bio Eco System"



Pangyo ECOHub (HQ)



L House



**expansion of Andong L House
manufacturing plant**
"Global Vaccine Manufacturing Hub"



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Appendix

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SKBS Pipeline at a glance

The SKBS pipeline includes various projects based on continuous R&D investment, targeting the global market with promising blockbuster pipelines

- COVID/Pandemic
- Premium (potential)
- Routine Vaccines

			Pre-Clinical	Phase 1	Phase 2	Phase 3	Registration
COVID-19	CEPI	BILL & MELINDA GATES foundation	✓	✓	✓	✓	✓ BLA Approval (MFDS)
COVID-19+Flu Combo			✓				
Pan-Sarbecovirus	CEPI	INSTITUTE FOR Protein Design UNIVERSITY of WASHINGTON	✓				
Nasal Spray	INSTITUTE FOR Protein Design UNIVERSITY of WASHINGTON	BILL & MELINDA GATES foundation	✓				
mRNA (COVID-19)		BILL & MELINDA GATES foundation	✓				
Next-gen Pneumococcal	sanofi				✓ US		
RSV			✓				
Cancer/Obesity Vaccine, etc.			✓				
NRRV ¹	PATH	BILL & MELINDA GATES foundation				✓ Africa	
TCV	International Vaccine Institute	BILL & MELINDA GATES foundation					✓ BLA Approval (submitted for export)
HPV Quadrivalent (NBP615)	Sunflower			✓ Phase 1/2			
Rotavirus Pentavalent (NBP613)				✓			
Hepatitis A/ Recombinant Zoster			✓				
Others	Pursuing acquisition of new pipelines & commercialized vaccines, via global M&A						

1 Non-Replicating Rotavirus Vaccine

