



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
1Q 2024



Earnings Release 1Q24

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 1Q 2024 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.

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Earnings Results



(1) Earnings Highlight (Consolidated)

**Strong Zoster Vaccine Sales,
Flu Vaccine Expands to Southern Hemisphere**

(Unit : KRW 100mn)

	1Q24	YoY	1Q23
Revenue	223	+17	206
Flu	29	+29	-
Zoster	141	+41	100
Other	53	-53	106
Cost of Goods Sold	169	-28	197
Gross Profit	54	+45	9
SG&A	335	+34	301
SG&A ex R&D	162	+22	140
R&D	173	+12	161
Operating Profit	(281)	+11	(292)
Non-operating profit & loss	83	+48	35
Profit before Income Tax	(198)	+59	(257)
Net Profit	(137)	+6	(143)

YoY Difference

- Zoster vaccine sales +4.1B KRW
- Flu vaccine in the Southern Hemisphere +2.9B KRW (Thailand, 440,000 doses)

※ R&D expense details

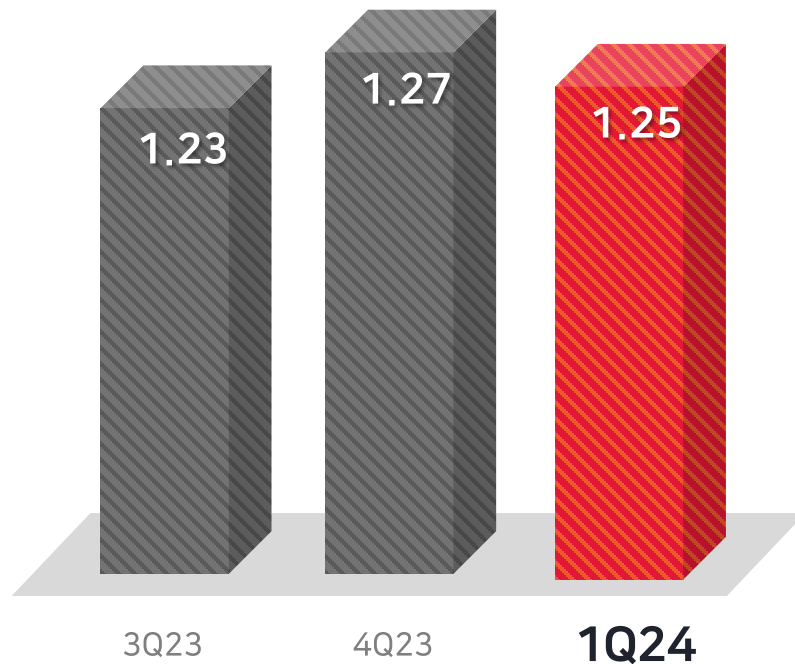
(Unit: KRW 100mn)

	23.1Q	24.1Q	YoY
Total R&D	275	245	-30
Funding	114	72	-42
R&D (SG&A)	161	173	+12

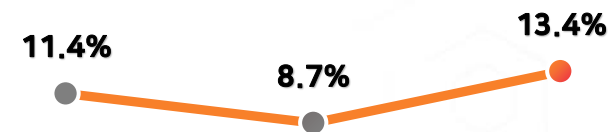
(2) Balance Sheet Highlight (Consolidated)

<Cash and Cash Equivalents>

(Unit : KRW tn)



<Debt to Equity Ratio>



<Financial Leverage Ratio>



3Q23 4Q23 1Q24

(3) Consolidated Financial Statement

Balance Sheet

(Unit : KRW mn)	2022	2023	1Q24
Total Assets	2,141,931	1,852,439	1,918,053
Current Assets	1,783,694	1,382,969	1,386,641
Cash & cash equivalents	1,480,806	1,274,141	1,253,310
Account receivable & other receivable	89,661	22,342	24,973
Inventories	187,406	80,649	101,951
Other current assets	25,822	5,836	6,406
Non-current Assets	358,237	469,470	531,412
PP&E	264,158	296,288	354,656
Intangible assets	18,181	22,459	21,539
Other non-current assets	75,898	150,723	155,218
Total Liabilities	400,229	148,584	226,517
Current Liabilities	380,037	135,620	134,144
Account payable & other payable	55,705	45,602	29,648
Short-term borrowings	45,550	-	-
Current bonds	38,008	-	-
Current contract liabilities	155,676	52,195	52,368
Other current liabilities	85,098	37,823	52,128
Non-current Liabilities	20,192	12,964	92,374
Bonds	-	-	-
Long-term borrowings	-	-	80,000
Other non-current liabilities	20,192	12,964	12,374
Total Equity	1,741,702	1,703,855	1,691,536
Capital stock	38,392	38,414	38,414
Capital surplus	1,160,008	1,160,456	1,160,456
Other equity	9,848	10,351	10,351
Accumulated other comprehensive income	77	(54,786)	(53,387)
Retained earnings	533,378	549,421	535,703
Net Cash	1,397,247	1,274,141	1,173,310

Income Statement

(Unit : KRW mn)	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24
Revenue	456,726	20,597	26,478	231,826	90,604	369,506	22,271
COGS	217,115	19,712	19,997	126,344	61,209	227,263	16,874
Gross Profit	239,611	885	6,481	105,482	29,395	142,243	5,396
SG&A expenses	124,597	30,074	41,790	44,544	37,822	154,231	33,498
Operating Profit	115,014	(29,189)	(35,309)	60,937	(8,427)	(11,988)	(28,102)
Non-operating profit & loss	26,720	3,523	6,074	(2,315)	12,032	19,315	8,296
Profit before Income Tax	141,733	(25,665)	(29,235)	58,623	3,605	7,327	(19,806)
Income tax	19,281	(11,398)	(13,258)	10,231	(565)	(14,990)	(6,088)
Net Income	122,452	(14,268)	(15,976)	48,392	4,170	22,318	(13,718)

※ Net Cash = Cash & Cash Equivalents + Deposits – Debt (ex Lease Liabilities)

(4) Separate Financial Statement

Balance Sheet

(Unit : KRW mn)	2022	2023	1Q24
Total Assets	2,142,189	1,854,403	1,920,444
Current Assets	1,777,402	1,379,372	1,383,448
Cash & cash equivalents	1,474,513	1,270,549	1,250,118
Account receivable & other receivable	89,660	22,340	24,973
Inventories	187,406	80,649	101,951
Other current assets	25,822	5,834	6,405
Non-current Assets	364,788	475,031	536,996
PP&E	264,158	295,954	354,327
Intangible assets	18,181	22,459	21,539
Other non-current assets	82,449	156,619	161,131
Total Liabilities	399,934	148,036	226,019
Current Liabilities	379,742	135,304	133,828
Account payable & other payable	55,410	45,433	29,494
Short-term borrowings	45,550	-	-
Current bonds	38,008	-	-
Current contract liabilities	155,676	52,195	52,368
Other current liabilities	85,098	37,676	51,966
Non-current Liabilities	20,192	12,732	92,191
Bonds	-	-	-
Long-term borrowings	-	-	80,000
Other non-current liabilities	20,192	12,732	12,191
Total Equity	1,742,255	1,706,368	1,694,425
Capital stock	38,392	38,414	38,414
Capital surplus	1,160,008	1,160,456	1,160,456
Other equity	9,848	10,351	10,351
Accumulated other comprehensive income	265	(54,727)	(53,501)
Retained earnings	533,742	551,874	538,706
Net Cash	1,390,955	1,270,549	1,170,118

Income Statement

(Unit : KRW mn)	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24
Revenue	456,726	20,597	26,478	231,826	90,604	369,506	22,271
COGS	217,115	19,712	19,997	126,344	61,209	227,263	16,874
Gross Profit	239,611	885	6,481	105,482	29,395	142,243	5,396
SG&A expenses	124,232	29,593	41,325	43,922	37,192	152,033	32,941
Operating Profit	115,379	(28,708)	(34,845)	61,560	(7,797)	(9,790)	(27,544)
Non-operating profit & loss	26,719	3,492	6,034	(2,334)	12,014	19,207	8,288
Profit before Income Tax	142,098	(25,216)	(28,811)	59,226	4,217	9,416	(19,256)
Income tax	19,281	(11,398)	(13,259)	10,231	(565)	(14,990)	(6,088)
Net Income	122,817	(13,818)	(15,552)	48,995	4,782	24,407	(13,169)

※ Net Cash = Cash & Cash Equivalents + Deposits – Debt (ex Lease Liabilities)



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Business Update



(1) Vaccine Distribution

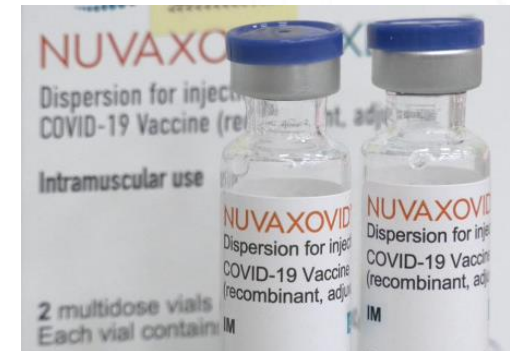
Distribution Agreement with Sanofi for 5 Key Vaccines, Continues to Supply Novavax COVID-19 Vaccine

Synergies : Sanofi vaccine and SKBS distribution



- Domestic market size : 25.9B KRW
 - Pediatric DTaP* : **Tetrixim, Pentaxim, Hexaxim**
 - Adult Tdap* : **Adacel** ※ Vaccines included in NIP (National Immunization Program)
 - * Diphtheria, Tetanus, Pertussis
 - Meningococcal : Menactra
- Ongoing partnership with Sanofi to distribute additional vaccines in the future

Continues domestic distribution of Novavax vaccine



- Domestic supply started in Dec. 2023, and exclusive license secured through 2029
- To be supplied to Korean Government in 2H 2024, according to **KDCA's** vaccine supply plan (Korea Disease Control and Prevention Agency)
- Protein-based vaccine, providing the only alternative to COVID-19 mRNA vaccines

1) Tetrixim (4-valent) : diphtheria, tetanus, pertussis, and polio prevention
2) Pentaxim (5-valent) : Tetrixim + invasive infections caused by Haemophilus influenzae type b prevention
3) Hexaxim (6-valent) : Pentaxim + Hepatitis B prevention

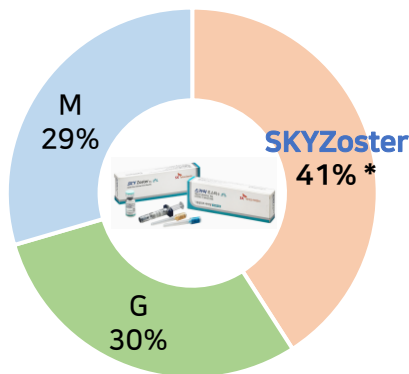
(2) SKYVAX Update

No.1 Zoster Vaccine in Korea, SKYCellflu in Southern Hemisphere, WHO PQ for SKYTyphoid

SKYZoster

No.1 M/S in Korea for 2 consecutive years

- SKYZoster's **price competitiveness and convenience (one-time vaccination)** drew attention amid growing interest in Zoster vaccine



※ IQVIA 2023 domestic Zoster market data (doses)

SKYCellflu

Reclaimed No.1 M/S in Korea

- Returned to market after 3 years in 2H 2023
- No.1 M/S in '23-24 Flu Season NIP with 20.2%
- **Entered Southern Hemisphere:**
Shipped 440,000 doses to Thailand in Mar. 2024



SKYTyphoid

Global Market Expansion with WHO PQ

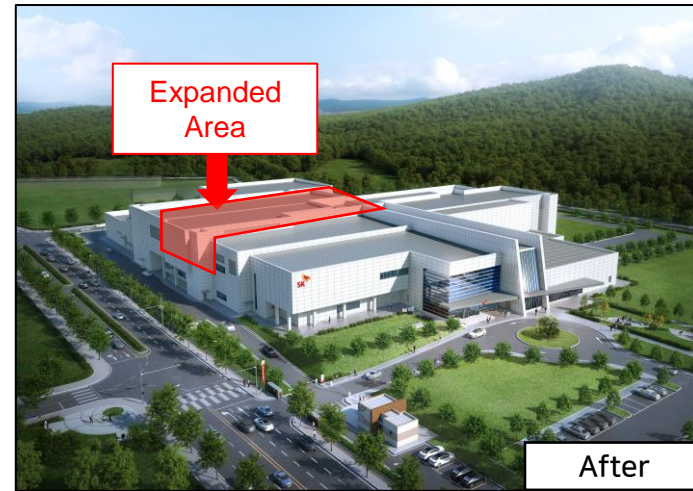
- Co-developed with IVI with BMGF support
- WHO PQ certifies safety, efficacy, and GMP by evaluating manufacturing process, quality, and clinical trial results
- Qualifies for international procurement market bidding
- **Plan to supply to the global market by participating in public procurement bids**

(3) Andong L House Expansion

Andong L House Expansion to Extend Global Pipeline



Aerial view of construction



- 4,200m² facility to secure US FDA compliant cGMP-level global production base
- Stable production of next-gen pneumococcal vaccine in line with global sales plan

※ Next-gen Pneumococcal Vaccine (PCV21)

- Co-developing with Sanofi, entering Phase 3 this year
- Expected to gain rapid M/S based on 5-7% wider prevention range compared to existing vaccines
- The largest vaccine market ex COVID-19, expected to grow from 10T KRW in 2022 → 12T KRW in 2028

(4) Progress & Plan

	2023	2024
Vaccine Portfolio	<ul style="list-style-type: none"> Resumed flu vaccine production and distribution Achieved strong zoster vaccine sales Submitted PCV 21 phase 3 IND application 	<ul style="list-style-type: none"> Plan to conduct PCV 21 phase 3 global clinical trial (including US) Plan to sign Ebola vaccine supply agreement
R&D/Infra Upgrade	<ul style="list-style-type: none"> Started construction of Songdo Global R&PD Center Confirmed Andong plant expansion plan (PCV21 production) 	<ul style="list-style-type: none"> Andong plant expansion began Plan to start cGMP certification process, and secure a foothold for advancement into developed markets
SKYShield	<ul style="list-style-type: none"> Signed flu vaccine supply agreement with GPO in Thailand 	<ul style="list-style-type: none"> SKYCellflu entered Southeast Asia, plan to enter Southern Hemisphere market SKYTyphoid secured WHO PQ, plan to enter markets in Africa, Asia, and more
Next Pandemic Preparedness	<ul style="list-style-type: none"> Continued development of CEPI's mRNA vaccine project, and secured basic tech 	<ul style="list-style-type: none"> Pan-Sarbeco vaccine clinical trial in preparation CEPI mRNA JEV vaccine clinical trial in preparation
Bio Biz. Expansion	<ul style="list-style-type: none"> Explored opportunities for M&A and entry into new areas 	<ul style="list-style-type: none"> Working to achieve tangible results in new biz expansion



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Appendix



(1) SKBS Pipeline

SKBS Pipeline Includes Various Projects Based on Continuous R&D Investment, Targeting the Global Market with Promising Blockbuster Potential

- Premium
- Routine
- COVID/Pandemic

		Pre-clinical	Phase 1	Phase 2	Phase 3	Registration
PCV 21	sanofi				✓ Global	
RSV		✓				
Recombinant Zoster		✓				
HPV 10	Sunflower	✓				
Value-Up Flu Vaccine		✓				
PCV 13						✓
SKYCellflu(Trivalent)						✓
SKYCellflu(Quadrivalent)						✓
SKYZoster						✓
SKYVaricella						✓
SKYTyphoid(TCV)	 International Vaccine Institute  BILL & MELINDA GATES foundation					✓ WHO PQ
HPV 4	Sunflower			✓ Phase 1/2		
Rotavirus Pentavalent			✓			
JEV mRNA	CEPI	✓				
Hep A, etc.		✓				
SKYCovione (COVID-19)	CEPI 					✓ Domestic : BLA Approval Overseas : MHRA MA WHO EUL
Pan-Sarbeco (Sarbecovirus)	CEPI  INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	✓				
Lassa Fever mRNA	CEPI	✓				
Nasal Spray	 INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON  BILL & MELINDA GATES foundation  iavi	✓				

(2) ESG Management

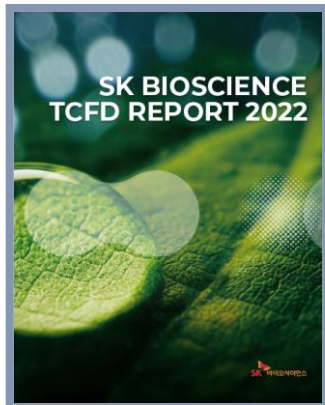
MSCI ESG Rating A, the Highest Level in the Domestic Bio Industry

ESG Report



| ESG Report

- ✓ The first ESG report containing SK bioscience's ESG strategy ('22.06)
- ✓ The second ESG report on our performance centered in 3 key issues ('23.07)
 - Net Zero roadmap
 - Human rights management
 - ESG in supply chain



| TCFD Report

- ✓ The first publication among Korean bio/pharma companies

ESG Rating



| KCGS ESG Evaluation

- ✓ '22 First ESG Grade A
- ✓ '23 Grade A for the second consecutive year



| MSCI ESG Evaluation

- ✓ Improved ESG ratings for two consecutive years

