

Earning Release Q1 2021

May '21

A decorative graphic at the bottom of the slide consisting of three overlapping, curved shapes. The top shape is green, the middle is orange, and the bottom is red. The shapes are layered, with the red shape at the bottom, the orange shape in the middle, and the green shape on top. The overall effect is a stylized, abstract representation of a landscape or a molecular structure.

Disclaimer

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

This material contains forward-looking statements which can be subject to certain risks and uncertainties that could cause actual results to differ materially.

1. Income Statement

Revenue of the COVID-19 vaccine C(D)MO business has begun to be reflected in earnest

(unit: KRW bn)

	'21 1Q	YoY	'20 1Q	QoQ	'20 4Q
Goods (COVID-19, Zoster, Varicella, etc.)	9.7	+1.6	8.1	Δ37.4	47.1
Merchandise (GSK, etc.)	4.3	Δ6.5	10.8	Δ7.1	11.4
Fee for service (C(D)MO, COVID-19 vaccine distribution, etc.)	96.9	+95.9	1.0	+90.2	6.7
etc. (Royalty, etc.)	1.8	+0.1	1.7	-	1.8
Revenue	<u>112.7</u>	<u>+91.1</u>	<u>21.6</u>	<u>+45.7</u>	<u>67.0</u>
COGs	39.3	+23.1	16.2	+3.0	36.3
Gross Profit	<u>73.4</u>	<u>+68.0</u>	<u>5.4</u>	<u>+42.7</u>	<u>30.7</u>
SG&A expenses	19.7	+8.8	10.9	Δ0.1	19.8
Operating Profit	<u>53.7</u>	<u>+59.2</u>	<u>Δ5.5</u>	<u>+42.8</u>	<u>10.9</u>
Non-operating expenses	Δ1.3	Δ2.7	1.4	Δ1.6	0.3
Profit before income tax	<u>55.0</u>	<u>+61.9</u>	<u>Δ6.9</u>	<u>+44.4</u>	<u>10.6</u>
Income tax expense	13.1	+14.2	Δ1.1	+12.4	0.7
Net Profit	<u>41.9</u>	<u>+47.7</u>	<u>Δ5.8</u>	<u>+32.0</u>	<u>9.9</u>

2. Results and Outlook

CMO/CDMO

[1Q Results]

☐ AstraZeneca (CMO)

- After the validation of DS/DP, production and shipment of commercialized supplies (domestic/foreign)

☐ Novavax (CDMO)

- Conducted process characteristics study for PV batch production

[Outlook]

☐ AstraZeneca (CMO)

- This year's (2021) volume agreement has been completed, and further extension is under discussion

☐ Novavax (CDMO)

- Production of PV batch and commercialization volume will be produced after permission
- There is some possibility of fluctuation, but expect full-pledged revenue generation from late Q3

☐ Additional Contract (CEPI reservation suite)

- Discussion for additional C(D)MO contracts is on going

Novavax L/I (Government pre-purchase)

[1Q Results]

☐ Government-SKBS-Novavax License Agreement in Feb

- Based on the Government's advanced purchase agreement to supply the COVID-19 vaccine, locally produced/sold via license-in for Novavax vaccine
- Advanced purchase : 40mil doses (for 20mil people)
- Preparing for commercial production such as technology transfer

[Outlook]

☐ SKBS will be supplied at government request after global/domestic approval

- Promotion of the world's first pre-filled Syringe formulation considering convenience & safety
- Recognition of revenue on validation and orders

☐ Raw materials supply and demand issues

- Efforts to secure stability through close consultation between the government – SKBS – global raw materials companies

2. Results and Outlook

Pipeline (COVID-19, SKYPAC, etc.)

[1Q Results]

- ❑ **COVID-19 Vaccine (recombinant protein)**
 - "NBP2001", which is being developed by the government, is in phase I clinical trials, and "GBP510", which collaborates with BMGF/CEPI, is in phase 1/2 of clinical trials of two candidate substances with different adjuvant
 - Started R&D against variant virus with the funding of CEPI
- ❑ **Funding amount of GBP510 (\$40.3mil in total)**
 - BMGF¹⁾ : \$3.6mil (Discovery of candidate substances and nonclinical)
 - CEPI²⁾ : \$36.7mil (Phase 1/2, Variational response and commercialization process development)

[Outlook]

- ❑ **COVID-19 Vaccine (Recombinant protein)**
 - After securing the results of Phase 1/2 clinical trial, SKBS will select the best project (NBP2001 or GBP510) and plans to enter Phase 3 global clinical trials within the year
 - Keep developing a booster and bivalent vaccine to provide protection against variant
- ❑ **SKYPAC (Next-gen Pneumococcal Vaccine w/Sanofi)**
 - To continue global clinical trial phase 2

Usage Plan of Funds

[1Q Results]

- ❑ **Completion of capital increase for listing in KOSPI**
 - KRW 1 trillion payment completed
(Net cash KRW 1.2 trillion on 1Q '21)

[Outlook]

- ❑ **CAPEX**
 - As stated in the prospectus, SKBS will carry out tasks step-by- step after making a decision to build R&PD Center and to expand CMO facilities
- ❑ **Operating Capital**
 - SKBS will accelerate R&D pipeline such as SKYPAC, RSV vaccine and intensive invest to new tech-platform such as mRNA
- ❑ **Others**
 - Actively promote M&A, in-license, etc.

1) BMGF : Bill & Melinda Gates Foundation

2) CEPI : Coalition for Epidemic Preparedness Innovations

2. Results and Outlook

Vaccine (Own Product)

[1Q Results]

- ❑ **Revenue increased YoY (20% ↑)**
 - SKYVaricella(chicken pox) exports started at the end of '20 and partially reflect this quarter as well
 - SKYZoster(shingles) revenue is similar level to the previous year

[Outlook]

- ❑ **Temporary suspension of SKYCellflu production**
 - Decided to suspend '21-year flu vaccine production to establish COVID-19 vaccine sovereignty and promote national health.
 - Importing the flu-vaccine from global companies and utilizing SKBS's owned sales network, some sales can be realized
- ❑ **Gradually expand sales of SKYZoster(shingles)**
 - Expected to increase revenue compared to 1Q 21, due to family month in May and 2H of the flu vaccination season

etc.

[1Q Results]

- ❑ **Acquired EMA¹⁾ approval of L House AstraZeneca**
 - Korea's first EMA-acquired vaccine production site
 - Increased the status of vaccine C(D)MO company
- ※ L House Novavax EMA certification completed in April
- ❑ **COVID-19 vaccine distribution (by Government)**
 - Establishment and operation of a domestic distribution management system for the Covid-19 vaccine" worth about KRW 51 bn and is in progress
- ❑ **Co-promotion and distribution agreement of GSK**
 - 5 types of vaccine

1) EMA : European Medicines Agency

[Appendix] Financial Statement

Balance Sheet

KRW mil	2019.12.31	2020.12.31	2021.03.31
Total Assets	403,980	562,232	1,709,925
Current Assets	170,741	333,902	1,458,196
Cash & cash equivalents	14,380	24,972	35,333
Short-term deposits	80,088	190,926	1,270,603
A/R	32,430	45,838	50,487
Inventories	36,378	70,275	72,231
Other current assets	7,465	1,891	29,542
Non-current assets	233,239	228,330	251,729
PP&E	182,477	180,992	184,360
Intangible assets	19,479	17,858	17,930
Other non-current assets	31,283	29,480	49,439
Liabilities	171,246	298,442	419,370
Current liabilities	45,509	180,640	323,569
A/P	31,613	39,153	30,526
Current bonds	-	10,995	10,997
Current contract liabilities	4,687	94,899	234,675
Other current liabilities	9,209	35,593	47,371
Non-current liabilities	125,737	117,802	95,801
Bonds	93,472	80,473	81,858
Long-term borrowings	23,156	21,760	-
Other non-current liabilities	9,109	15,569	13,943
Equity	232,734	263,790	1,290,555
Issued capital	10,200	30,600	38,250
Capital surplus	201,219	180,518	1,157,064
Other equity	325	901	901
Other comprehensive amount	△1,319	△1,465	△821
Retained earnings	22,309	53,236	95,161
Net cash*	△22,160	102,671	1,235,182

Income Statement

KRW mil.	1Q '20	2Q '20	3Q '20	4Q '20	FY '20	'21.1Q
Revenue	21,577	38,336	98,689	67,009	225,611	112,710
COGs	16,145	30,836	46,995	36,293	130,269	39,308
Gross Profit	5,432	7,500	51,694	30,716	95,342	73,402
SG&A	10,931	11,676	15,220	19,804	57,632	19,687
Operating Profit	△5,499	△4,176	36,474	10,912	37,710	53,715
Non-operating expenses	1,425	240	△1,531	284	417	△1,327
Profit before income tax	△6,924	△4,416	38,005	10,628	37,293	55,042
Income tax	△1,078	△1,066	5,797	750	4,403	13,117
Net Profit	△5,846	△3,350	32,208	9,878	32,890	41,925

※ Net Cash = Cash&Cash equivalents + deposits - Debt (Exclusion Lease liabilities)

