



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
3Q 2022



Earnings Release 3Q22

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 3Q 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

3Q22 Highlight

Financial Performance

- Low revenue of CMO
- Revenue : ₩91.1b (QoQ Δ 34%)
Operating Profit : ₩21.4b (QoQ Δ 65%)

New mRNA Pjt. with CEPI

- \$140m R&D funding for mRNA vaccine
- Development of Lassa virus & JEV vaccines in priority
- Accelerating establishment of mRNA platform & system

Commercialization of SKYCovione™

- Launched SKYCovione in Korea (Sept.02)
- Global approval in progress
(applied for EMA/MHRA CMA & WHO EUL)
- Obtained booster recommendation from MFDS(Sept.16)

Advancing Growth Strategy

- Incorporating a subsidiary in US
- MOU with Hilleman Laboratories
- co-R&D for vaccine & platform

The background of the slide features a blurred city skyline with several tall skyscrapers. Overlaid on this is a complex network of thin, light-blue lines connecting various points, resembling a data or molecular structure. Additionally, there are several candlestick charts with yellow and white bars and thin black outlines, scattered across the image, suggesting a financial or market context.

1

Earnings Results



(1) Income Statement

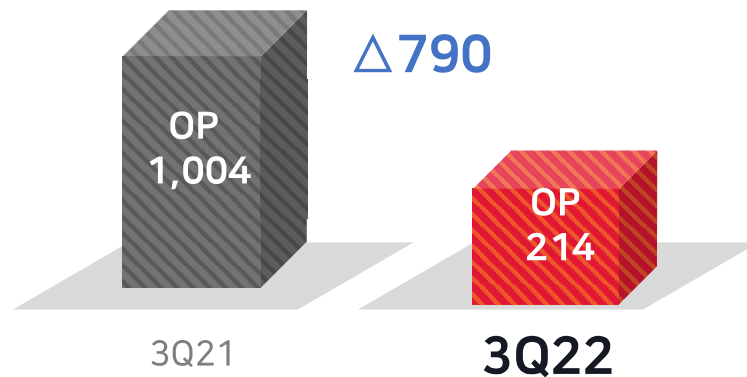
Low recognition of SKYCovione & Novavax CMO revenue

| (unit : KRW 100mn) | 3Q22 | YoY | 3Q21 | QoQ | 2Q22 |
|---------------------------------|------------|----------------|--------------|--------------|--------------|
| Revenue | 911 | (1,297) | 2,208 | (472) | 1,383 |
| Gross Profit | 558 | (756) | 1,314 | (303) | 861 |
| SG&A expenses | 344 | 34 | 310 | 95 | 249 |
| Operating Profit | 214 | (790) | 1,004 | (398) | 612 |
| Non-operating profit & loss | 18 | 56 | (38) | 77 | (59) |
| Profit before Income Tax | 232 | (734) | 966 | (321) | 553 |
| Net Profit | 208 | (556) | 764 | (253) | 461 |

(2) Profit Analysis

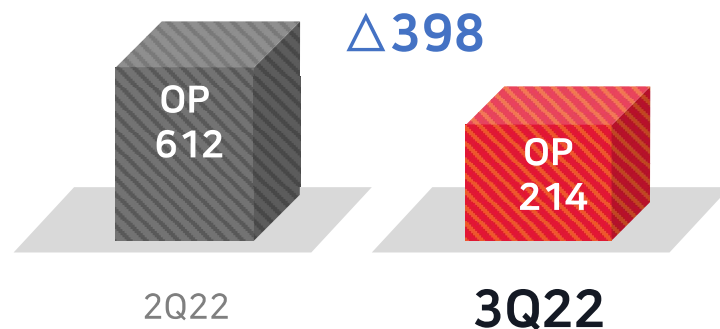
Key Profit Analysis

(unit : KRW 100mn)



YoY $\Delta 790$

- Base effect from Novavax L/I revenue(DS) last year
- Low Novavax CMO revenue due to preparation process for omicron variant DS in 3Q



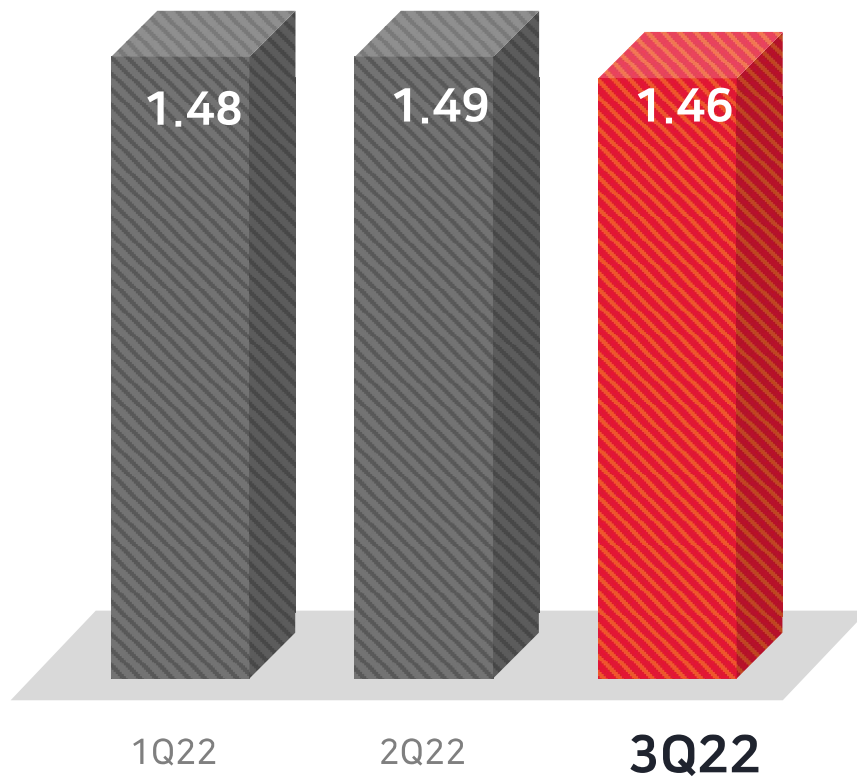
QoQ $\Delta 398$

- Low Novavax CMO revenue due to technology transition of manufacturing omicron variant DS (changed contract from Jul)
- Initiated delivery of SKYCovione in Korea for advanced purchases (Aug)

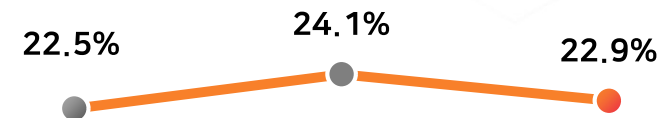
(3) Balance Sheet Highlight

(unit : KRW tn)

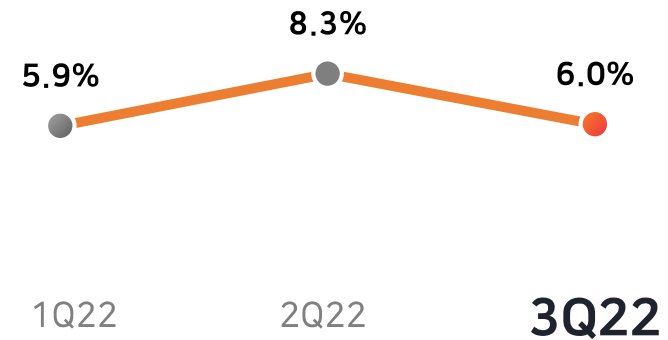
Cash



Debt to Equity Ratio



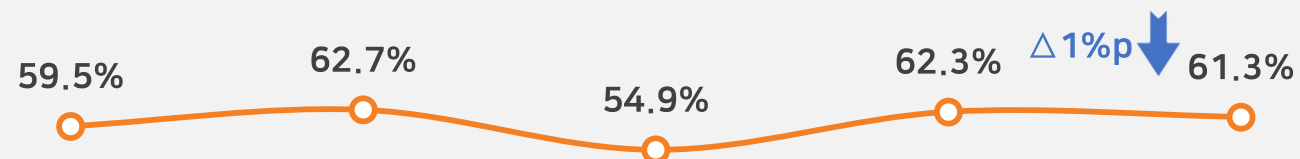
Financial Leverage Ratio



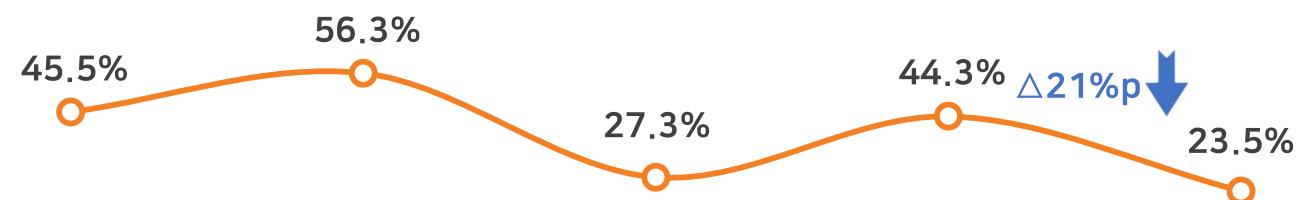
(4) Profitability Index

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

GP Margin

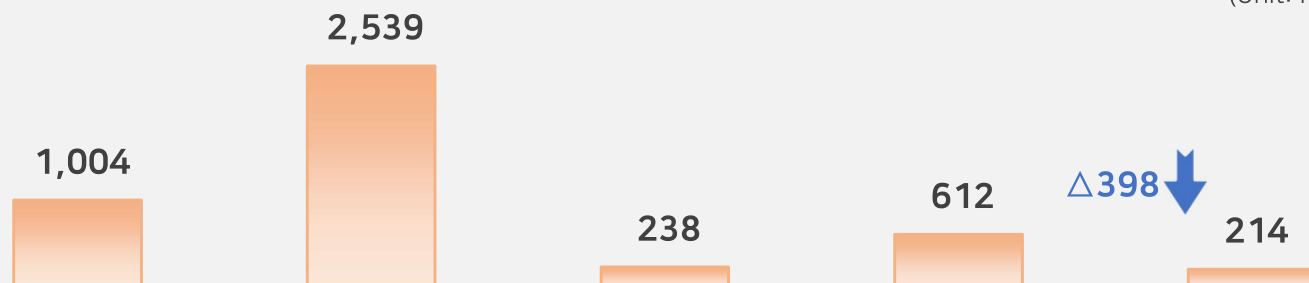


OP Margin



(Unit: KRW 100mn)

OP



(5) Financial Statement

Balance Sheet

| (Unit : KRW mn) | FY 2020 | FY2021 | 3Q22 |
|--|----------------|------------------|------------------|
| Total Assets | 562,232 | 2,110,123 | 2,099,320 |
| Current Assets | 333,902 | 1,837,804 | 1,781,000 |
| Cash & cash equivalents | 215,898 | 1,645,663 | 1,461,259 |
| Account receivable & other receivable | 45,838 | 48,135 | 72,486 |
| Inventories | 70,275 | 135,046 | 220,099 |
| Other current assets | 1,891 | 8,960 | 27,156 |
| Non-current Assets | 228,330 | 272,319 | 318,320 |
| PP&E | 180,992 | 210,265 | 260,996 |
| Intangible assets | 17,858 | 17,061 | 18,538 |
| Other non-current assets | 29,480 | 44,993 | 38,786 |
| Total Liabilities | 298,442 | 508,811 | 390,750 |
| Current Liabilities | 180,640 | 459,952 | 364,164 |
| Account payable & other payable | 39,153 | 102,185 | 62,216 |
| Short-term borrowings | - | 11,671 | 58,827 |
| Current bonds | 10,995 | 47,978 | 43,021 |
| Current contract liabilities | 94,899 | 98,789 | 120,106 |
| Other current liabilities | 35,593 | 199,329 | 79,994 |
| Non-current Liabilities | 117,802 | 48,859 | 26,586 |
| Bonds | 80,473 | 35,503 | - |
| Long-term borrowings | 21,760 | - | - |
| Other non-current liabilities | 15,569 | 13,356 | 26,586 |
| Total Equity | 263,790 | 1,601,312 | 1,708,570 |
| 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) | 306 |
| Retained earnings | 53,236 | 405,305 | 500,016 |
| Net Cash | 102,671 | 1,550,512 | 1,359,411 |

Income Statement

| (Unit : KRW mn) | 3Q21 | 4Q21 | 21 Cum. | 1Q22 | 2Q22 | 3Q22 | 3Q22 Cum. |
|---------------------------------|----------------|----------------|----------------|---------------|---------------|---------------|----------------|
| Revenue | 220,829 | 450,858 | 929,001 | 87,091 | 138,281 | 91,053 | 316,425 |
| COGS | 89,476 | 168,368 | 358,718 | 39,283 | 52,135 | 35,264 | 126,682 |
| Gross Profit | 131,353 | 282,490 | 570,283 | 47,808 | 86,146 | 55,789 | 189,743 |
| SG&A expenses | 30,947 | 28,546 | 96,063 | 24,056 | 24,956 | 34,430 | 83,443 |
| Operating Profit | 100,406 | 253,944 | 474,220 | 23,752 | 61,190 | 21,359 | 106,300 |
| Non-operating profit & loss | (3,834) | (2,322) | (3,092) | 9,005 | (5,847) | 1,817 | 4,976 |
| Profit before Income Tax | 96,572 | 251,622 | 471,128 | 32,757 | 55,343 | 23,176 | 111,276 |
| Income tax | 20,135 | 67,656 | 115,989 | 4,951 | 9,217 | 2,398 | 16,566 |
| Net Income | 76,437 | 183,966 | 355,139 | 27,806 | 46,126 | 20,778 | 94,710 |

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



2 Business Update

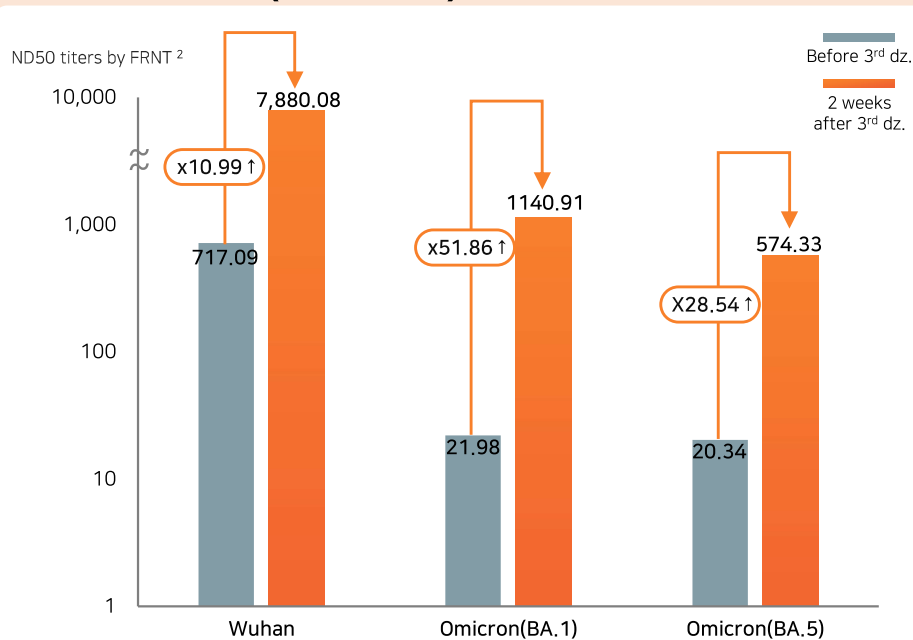
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(1) Update on SKYCovione

SKYCovione showed increase in cross neutralization potency (BA.1/BA.5) in investigator initiated clinical trial; proceeding global approvals & preparing clinical trials for indications

Result of Investigator Initiated Clinical Trial I (Hetero)

Identified increase in cross neutralization potency
(BA.1/BA.5) after 3rd dose.



1. Result from analysis of 5 subject groups(60 subjects who completed 2 dz. as primary regimen):
4 vaccination groups(Az, Pfizer, Moderna, and Janssen) / 1 cross vaccination group(AZ & Pfizer)
2. ND50 titers by FRNT(Focus Reduction Neutralization Test): not converted to IU/mL against the Wuhan / Omicron Strain

Approval Status & Development Plan

| | | 2Q22 | 3Q22 | 4Q22 ~ |
|----------------------|-----------------------|----------|------|--|
| Approval Milestone | Korea | | | Recommended as a booster |
| | UK/EU | | | Completed application for MHRA(UK)/ EMA CMA ¹ |
| | WHO | | | Completed documents submission for WHO EUL ² |
| Indication Expansion | BOOSTER | Domestic | | Secure the clinical results of boosting |
| | | Overseas | | |
| | Adolescent/ Pediatric | | | |

1. Conditional Marketing Authorization
2. Emergency Use Listing Procedure

(2) New mRNA Project with CEPI

Securing mRNA platform- ① expanding vaccine portfolio ② contributing future growth momentum with additional pipelines & foothold for rapid response against Disease X

CEPI Funding

Creating a library of vaccines and securing mRNA platform to respond to infectious emerging & endemic diseases

Contents

- Amount : Max. \$140mil.(received by step)
- Priority: JEV(building Platform) & Lassa Fever vaccines(Library)

Utilizing in-house technology

Securing proved key material

Introducing formulation technology

Securing Innovative immunogen design

Thermo-stability technology

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"In-house platform"

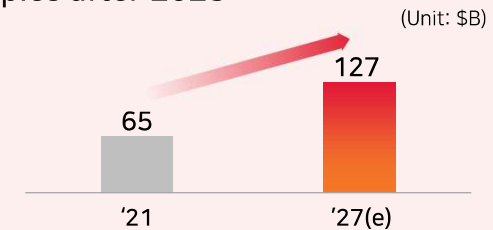
Consortium through CEPI



Strategy for Expanding Vaccine Portfolio

Market Forecast

- Exponential growth through COVID-19 pandemic
- Expecting multiple launches of mRNA vaccines/therapies after 2025



※ Market Forecast : Global Industry Analyst

Additional Pipelines

JEV & Lassa Fever vaccines



RSV Vaccine

CMV Vaccine

Cancer vaccine, etc

Entry to private market after securing technologies



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Appendix



(1) SK bioscience 3.0

MISSION

VISION

We Promote Human Health, from Prevention to Cure

Global Innovative Partner of Vaccine and Biotech

WHAT



HOW



COVID19/Endemic

- SKYCovione
- Variant multivalent
- Combo
- Pan-Sarbecovirus
- Nasal spray



Vaccine Portfolio

- Basic Vaccine
- Premium Vaccine
- Vaccine CDMO



Globalization



Cell&Gene Therapy

- CGT CDMO



Next Pandemic



R&D/Mfg. Infra

- Songdo R&PD Center
- Andong L House expansion



Platform Tech.

- Including mRNA
- DS/DP/Mfg.



Global Alliance



M&A



Mgmt. Infra

- ESG
- SHE
- DT
- HR

Partnership

(2) 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 | | ● | ● | ● | ● | Korea: BLA Approval (MFDS) Global: EMA/MHRA-CMA & WHO EUL applied |
| 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 iavi | | ✓ | | | | |
| mRNA (COVID-19) | | | ✓ | | | | |
| Next-gen Pneumococcal | sanofi | | | | ✓ US | | |
| RSV | | | ✓ | | | | |
| Cancer/Obesity Vaccine, etc. | | | ✓ | | | | |
| TCV | International Vaccine Institute BILL & MELINDA GATES foundation | | | | | | ✓ BLA Approval (submitted for export) |
| HPV Quadrivalent(NBP615) | Sunflower THERAPEUTICS | | | ✓ Phase 1/2 | | | |
| Rotavirus Pentavalent(NBP613) | | | | ✓ | | | |
| Hepatitis A/ Recombinant Zoster | | | ✓ | | | | |
| Others | | | Pursuing acquisition of new pipelines & commercialized vaccines, via global M&A | | | | |

