



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
4Q 2022



Earnings Release 4Q22

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 4Q 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

Overview

Financial Performance

- Recorded SKYCovione DS revenue in 4Q
- Reduced CMO revenue, inventory valuation allowance was in effect
- Revenue : ₩140.3B
Profit before income tax : ₩30.5B

※ Due to the USA subsidiary, financial statement started to record the consolidated version from 2022.

Songdo Global R&PD Center

- Construction starting year : 2023
Completion target year : 2025
- Carrying out advanced R&D lab, new pilot plant, etc.

SKY Vaccine Expansion

- Global approval in progress (WHO, MHRA, EMA)
- Recovery of domestic market share (flu) and overseas market expansion

ESG Management

- KCGS ESG Rate : A (E : A, S : A+, G : A)
- 1st Korean Bio/Pharma to publish TCFD report
- MSCI ESG Rate : B → BBB



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Earnings Results



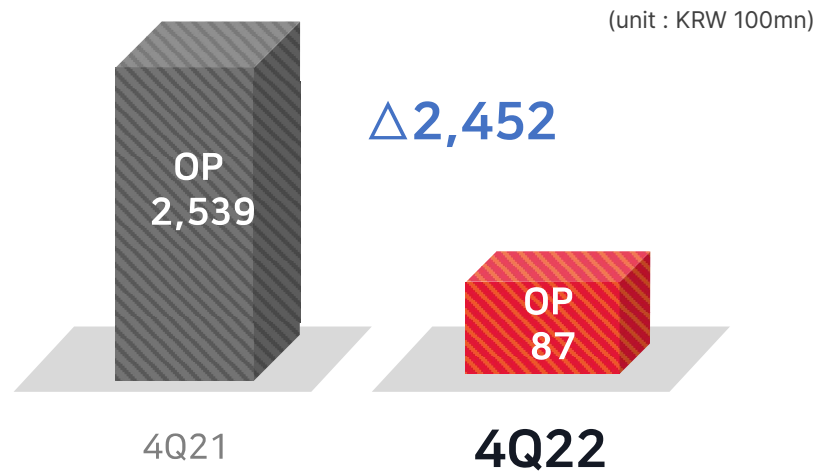
(1) Income Statement (Consolidated)

SKYCovione DS Revenue (Korean Govt. APA) recorded, CMO Revenue ↓
Inventory Valuation Allowance was in effect in 4Q

(unit : KRW 100mn)	3Q22	4Q21	4Q22	YoY	QoQ	2021	2022
Revenue	911	4,509	1,403	(3,106)	492	9,290	4,567
Gross Profit	558	2,825	499	(2,326)	(59)	5,703	2,396
SG&A expenses	344	286	412	126	68	961	1,246
Operating Profit	214	2,539	87	(2,452)	(127)	4,742	1,150
Non-operating profit & loss	18	(23)	217	240	199	(309)	267
Profit before Income Tax	232	2,516	305	(2,211)	73	4,711	1,417
Net Profit	208	1,840	277	(1,563)	69	3,551	1,225

(2) Profit Analysis (Consolidated)

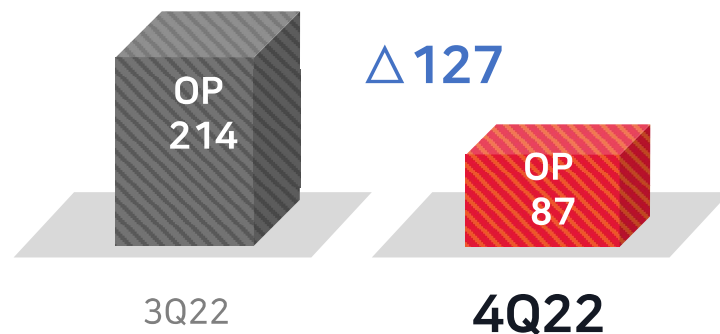
<YoY>



YoY $\Delta 2,452$

- Base effect from NV L/I and CMO (AZ, NV) revenue in 2021
- Low NV CMO revenue and inventory valuation allowance was in effect in 4Q

<QoQ>



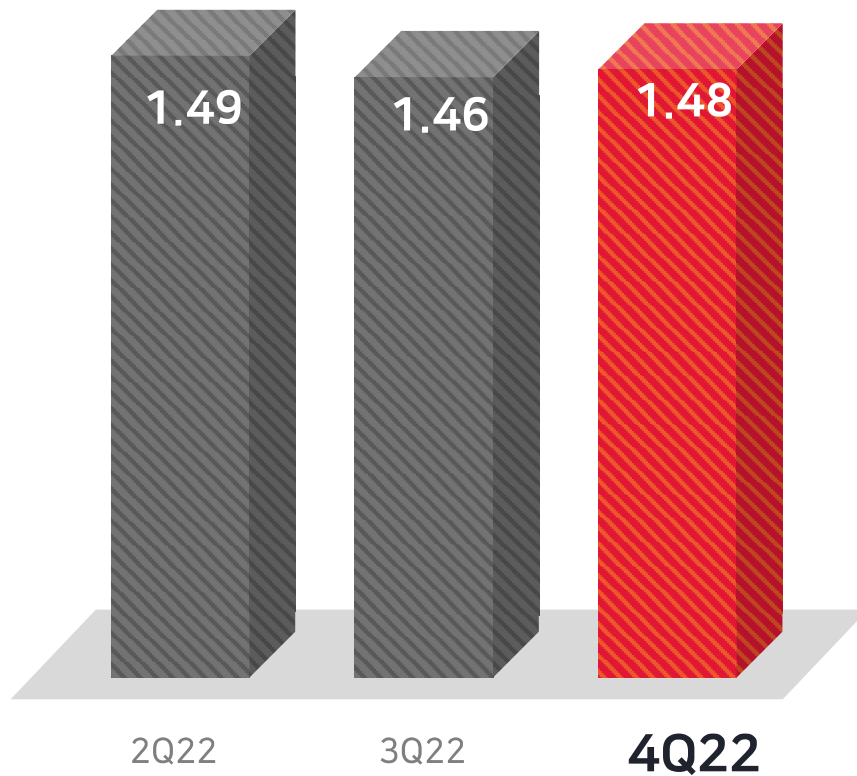
QoQ $\Delta 127$

- Inventory valuation allowance was in effect in 4Q
- The rising cost of commission paid

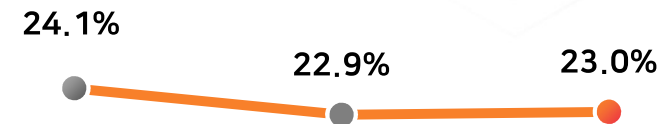
(3) Balance Sheet Highlight (Consolidated)

(unit : KRW tn)

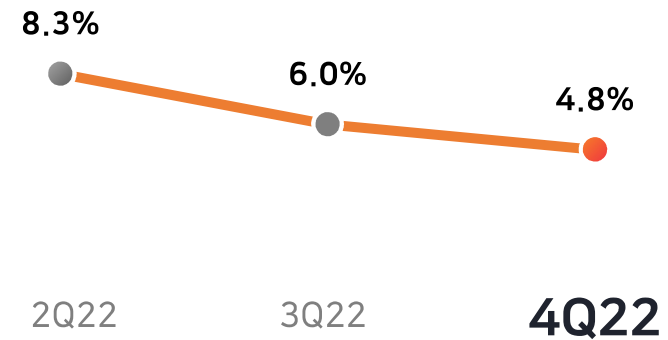
Cash



Debt to Equity Ratio



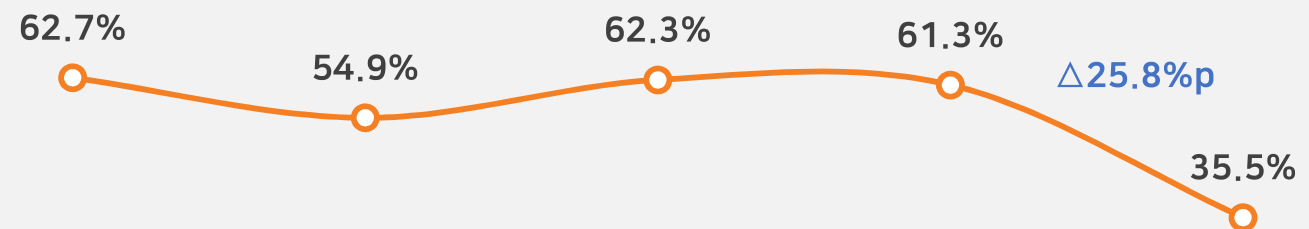
Financial Leverage Ratio



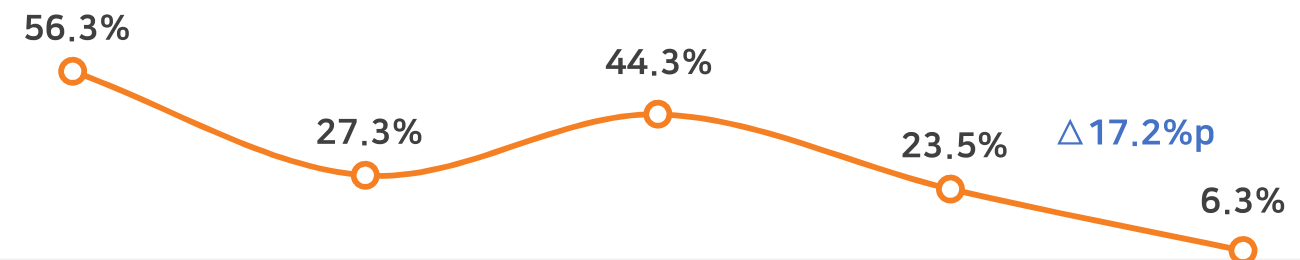
(4) Profitability Index (Consolidated)

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

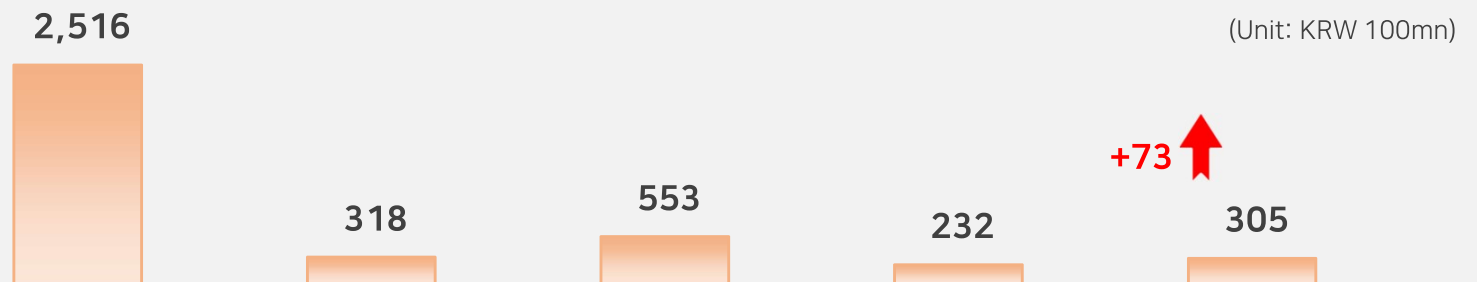
GP Margin



OP Margin



Profit before Income Tax



(5) Financial Statement (Consolidated)

Balance Sheet

(Unit : KRW mn)	FY2020	FY2021	FY2022
Total Assets	562,232	2,110,123	2,141,931
Current Assets	333,902	1,837,804	1,783,694
Cash & cash equivalents	215,898	1,645,663	1,480,806
Account receivable & other receivable	45,838	48,135	89,661
Inventories	70,275	135,046	187,406
Other current assets	1,891	8,960	25,822
Non-current Assets	228,330	272,319	358,237
PP&E	180,992	210,265	264,158
Intangible assets	17,858	17,061	18,181
Other non-current assets	29,480	44,993	75,898
Total Liabilities	298,442	508,811	400,229
Current Liabilities	180,640	459,952	380,037
Account payable & other payable	39,153	102,185	55,705
Short-term borrowings	-	11,671	45,550
Current bonds	10,995	47,978	38,008
Current contract liabilities	94,899	98,789	155,676
Other current liabilities	35,593	199,329	85,098
Non-current Liabilities	117,802	48,859	20,192
Bonds	80,473	35,503	-
Long-term borrowings	21,760	-	-
Other non-current liabilities	15,569	13,356	20,192
Total Equity	263,790	1,601,312	1,741,702
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)	77
Retained earnings	53,236	405,305	533,378
Net Cash	102,671	1,550,512	1,397,247

Income Statement

(Unit : KRW mn)	4Q21	'21 Cum.	1Q22	2Q22	3Q22	4Q22	'22 Cum.
Revenue	450,858	929,001	87,091	138,281	91,053	140,301	456,726
COGS	168,368	358,718	39,283	52,135	35,264	90,432	217,115
Gross Profit	282,490	570,283	47,808	86,146	55,789	49,868	239,611
SG&A expenses	28,546	96,063	24,056	24,956	34,430	41,155	124,597
Operating Profit	253,944	474,220	23,752	61,190	21,359	8,713	115,014
Non-operating profit & loss	(2,322)	(3,092)	9,005	(5,847)	1,817	21,744	26,720
Profit before Income Tax	251,622	471,128	32,757	55,343	23,176	30,457	141,733
Income tax	67,656	115,989	4,951	9,217	2,398	2,716	19,281
Net Income	183,966	355,139	27,806	46,126	20,778	27,742	122,452

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

(6) Financial Statement (Separate)

Balance Sheet

(Unit : KRW mn)	FY2020	FY2021	FY2022
Total Assets	562,232	2,110,123	2,142,189
Current Assets	333,902	1,837,804	1,777,402
Cash & cash equivalents	215,898	1,645,663	1,474,513
Account receivable & other receivable	45,838	48,135	89,660
Inventories	70,275	135,046	187,406
Other current assets	1,891	8,960	25,822
Non-current Assets	228,330	272,319	364,788
PP&E	180,992	210,265	264,158
Intangible assets	17,858	17,061	18,181
Other non-current assets	29,480	44,993	82,449
Total Liabilities	298,442	508,811	399,934
Current Liabilities	180,640	459,952	379,742
Account payable & other payable	39,153	102,185	55,410
Short-term borrowings	-	11,671	45,550
Current bonds	10,995	47,978	38,008
Current contract liabilities	94,899	98,789	155,676
Other current liabilities	35,593	199,329	85,098
Non-current Liabilities	117,802	48,859	20,192
Bonds	80,473	35,503	-
Long-term borrowings	21,760	-	-
Other non-current liabilities	15,569	13,356	20,192
Total Equity	263,790	1,601,312	1,742,255
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)	265
Retained earnings	53,236	405,305	533,742
Net Cash	102,671	1,550,512	1,390,955

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

Income Statement

(Unit : KRW mn)	4Q21	'21 Cum.	1Q22	2Q22	3Q22	4Q22	'22 Cum.
Revenue	450,858	929,001	87,091	138,281	91,053	140,301	456,726
COGS	168,368	358,718	39,283	52,135	35,264	90,432	217,115
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Operating Profit	253,944	474,220	23,752	61,190	21,359	9,079	115,379
Non-operating profit & loss	(2,322)	(3,092)	9,005	(5,847)	1,817	21,743	26,719
Profit before Income Tax	251,622	471,128	32,757	55,343	23,176	30,822	142,098
Income tax	67,656	115,989	4,951	9,217	2,398	2,716	19,281
Net Income	183,966	355,139	27,806	46,126	20,778	28,106	122,817



2 Business Update

 SK bioscience

(1) In-house Vaccine Strategy

Contribution to increase sales and improve global healthcare through vaccine approvals from multiple countries and expansion of order intake

Vaccine Approval Status

SKY-Covione

- ✓ Korea – Booster shot recommendation ('22.09)
- ✓ Global – Approvals in progress
- WHO, MHRA(UK), EMA(EU)

SKYVAX

- ✓ 17 approvals in 12 countries
- ✓ 13 approvals in 11 countries in progress
(partners pre-acquired)
- ✓ Prepare global approval & marketing partners from the development stage; strategic R&D projects targeting global market

SKYCellflu (Quadrivalent) — Approved in 11 countries / 4 in progress

SKYZoster — Approved in 2 countries / 2 in progress

SKYVaricella — Approved in 4 countries / 6 in progress

SKYTyphoid — Approved for export / WHO PQ in progress

Initiatives for Global Market

Demand

Approval

Expand approvals & secure partners in main target countries



Big Tender - international organization

Positioning as the main supplier of big tender

- ✓ PAHO : Flu (N/S hemisphere), Varicella
- ✓ UNICEF : Flu (N/S hemisphere), Typhoid



NIP Opportunity

Lock-in : long term demand &

Quick access : short term demand

- ✓ L/T demand : globalization → supply for NIP in priority
- ✓ S/T demand : rapid export to countries with low barriers over approval

Supply

Short-term

Ramp up Andong L House

Mid-term

Upgrade supply ability with capacity acquisition & partnership

(2) Songdo Global R&PD Center

Advancement R&D facilities for new pipelines and platforms
Playing a pivotal role to become the Global Bio Platform Hub

Songdo Global R&PD Center Status and Plan



- ✓ Secured Songdo Incheon Techno Park site (30,413.8m²)
- ✓ Construction starting year : 2023
- ✓ Completion target year : 2025

| Background |

- ✓ Reinforce vaccine R&D Infra and upgrade capabilities
- ✓ Develop CDMO process and pilot production
- ✓ Secure infrastructure for new Biz
- ✓ External collaboration (Open Lab)

| Major Composition |

- R&D Lab** | Pursue advanced research facilities (basic research, process development), secure new research facilities (BSL-3)
- Pilot Plant** | Establish cGMP level manufacturing facility, secure infrastructure for new business (CGT, mRNA)
- Open Lab** | Collaborate for joint development projects, accommodate global initiative partners

| Construction Plan |

- 1st** | Advanced R&D Lab, new pilot plant and HQ office
- 2nd** | GMP commercial production facilities



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Appendix

 SK bioscience

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.**

- mRNA and more
- 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

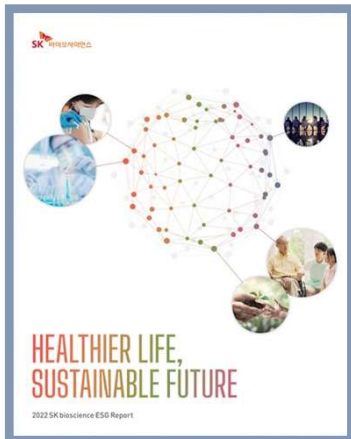
- COVID/Endemic
- Premium (potential)
- Routine Vaccines

			Pre-Clinical	Phase 1	Phase 2	Phase 3	Registration
SKYCovione(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		✓				
Next-gen Pneumococcal	sanofi				✓ US		
RSV			✓				
Cancer/Obesity Vaccine, etc.			✓				
SKYCellflu(Quadrivalent)							✓
SKYZoster							✓
SKYVaricella							✓
TCV	IVI International Vaccine Institute BILL & MELINDA GATES foundation						✓ BLA Approval (submitted for export)
HPV 4/10 valent	Sunflower THERAPEUTICS			✓ Phase 1/2			
Rotavirus Pentavalent				✓			
Hepatitis A/ Zoster(Recombinant)			✓				
Others			Securing new routine vaccines through partnership and inorganic investment				

(3) ESG Management

Contribution to global public health by promoting sustainable management

ESG Report



| ESG Report ('22.6)

- ✓ The first ESG report containing SK bioscience's ESG strategy



| TCFD Report ('22.12)

- ✓ The first publication among Korean bio/pharma companies

ESG Rating



2022 KCGS ESG Grade A

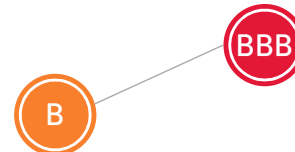
Environment **A**

Social **A+**

Governance **A**

| KCGS ESG Evaluation ('22.11)

- ✓ A or higher in all categories, in the SK bioscience's first evaluation



2021.10

2023.01

| MSCI ESG Evaluation ('23.01)

- ✓ ESG grade improved by 2 steps

