



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
1Q 2023



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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 2023 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

- ➔ Earnings decreased due to absence of CMO revenue
 - Revenue : 20.6B KRW (YoY Δ 76%)
 - Profit before income tax : Δ 25.7B KRW (turned to deficit)
- ➔ Maintained ample cash reserve and robust financial structure
 - Cash : 1.36T KRW
 - Debt Ratio : 17.1%
 - Leverage Ratio : 2.3%

SKYVAX Update

- ➔ SKYCovione global approval
 - Approval Target: UK & WHO 1H.'23/ EMA '24
 - Completed global homologous booster phase 3 clinical trial (heterologous underway)
- ➔ Obtained overseas approval for SKYCellflu & SKYZoster
 - SKYZoster : Malaysia ('23.01)
 - SKYCellflu : Chile ('23.02)
- ➔ SKYZoster recorded No.1 M/S in Korea
 - 4Q'22 domestic M/S 57% (No.1 for 4 consecutive quarters)

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Earnings Results



(1) Income Statement (Consolidated)

Revenue decrease due to absence of Novavax CMO revenue and increased R&D cost

(unit : KRW 100mn)	1Q'23	YoY	1Q'22
Revenue	206	(665)	871
Gross Profit	9	(469)	478
SG&A expenses	301	60	240
Operating Profit	(292)	(530)	238
Non-operating profit & loss	35	(55)	90
Profit before Income Tax	(257)	(585)	328
Net Profit	(143)	(421)	278

OP YoY Δ 53B KRW

- Absence of CMO revenue from Novavax
- Increased R&D expenses

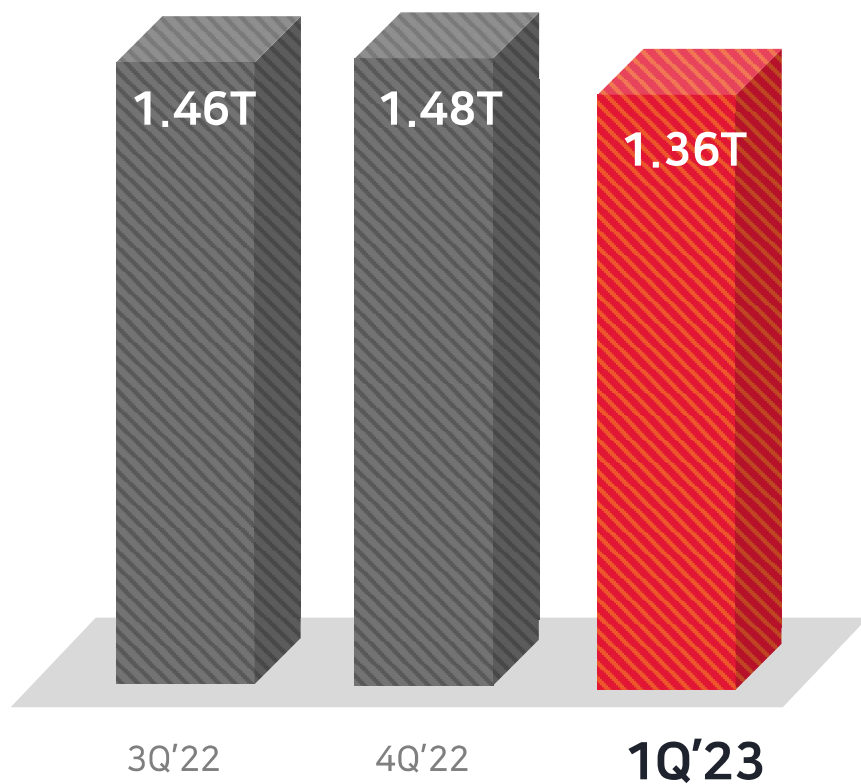
※ Details of R&D expenses

	(unit : KRW 100mn)		
	Q1 2022	Q1 2023	YoY
Total R&D expenses	236	275	39
External Funding	113	114	Δ 1
R&D expenses (reflected in SG&A)	123	161	38

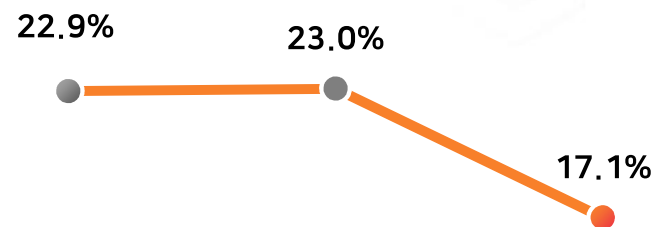
(2) Balance Sheet Highlight (Consolidated)

<Case>

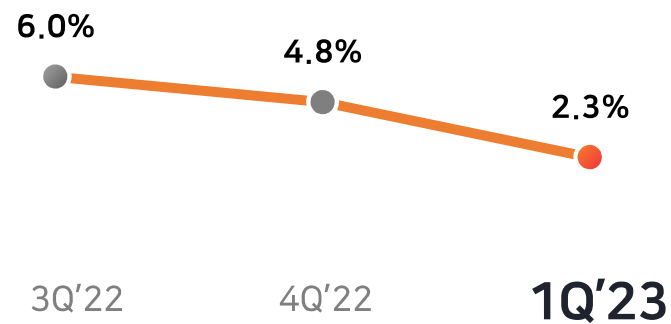
(Unit : KRW)



<Debt to Equity Ratio>



<Financial Leverage Ratio>



(3) Financial Statement (Consolidated)

Balance Sheet

(Unit : KRW mn)	'21	'22	1Q'23
Total Assets	2,110,123	2,141,931	2,022,254
Current Assets	1,837,804	1,783,694	1,646,948
Cash & cash equivalents	1,645,663	1,480,806	1,363,428
Account receivable & other receivable	48,135	89,661	64,900
Inventories	135,046	187,406	196,051
Other current assets	8,960	25,822	22,569
Non-current Assets	272,319	358,237	375,307
PP&E	210,265	264,158	264,165
Intangible assets	17,061	18,181	19,177
Other non-current assets	44,993	75,898	91,965
Total Liabilities	508,811	400,229	294,738
Current Liabilities	459,952	380,037	277,202
Account payable & other payable	102,185	55,705	25,501
Short-term borrowings	11,671	45,550	-
Current bonds	47,978	38,008	39,101
Current contract liabilities	98,789	155,676	153,126
Other current liabilities	199,329	85,098	59,475
Non-current Liabilities	48,859	20,192	17,535
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	17,535
Total Equity	1,601,312	1,741,702	1,727,517
Capital stock	38,250	38,392	38,392
Capital surplus	1,157,064	1,160,008	1,159,998
Other equity	901	9,848	9,858
Accumulated other comprehensive income	(208)	77	10
Retained earnings	405,305	533,378	519,259
Net Cash	1,550,512	1,397,247	1,324,328

Income Statement

(Unit : KRW mn)	'21	1Q'22	2Q'22	3Q'22	4Q'22	'22	1Q'23
Revenue	929,001	87,091	138,281	91,053	140,301	456,726	20,597
COGS	358,718	39,283	52,135	35,264	90,432	217,115	19,712
Gross Profit	570,283	47,808	86,146	55,789	49,868	239,611	885
SG&A expenses	96,063	24,056	24,956	34,430	41,155	124,597	30,074
Operating Profit	474,220	23,752	61,190	21,359	8,714	115,014	(29,189)
Non-operating profit & loss	(3,092)	9,005	(5,847)	1,817	21,744	26,720	3,523
Profit before Income Tax	471,128	32,757	55,343	23,176	30,457	141,733	(25,665)
Income tax	115,989	4,951	9,217	2,398	2,716	19,281	(11,398)
Net Income	355,139	27,806	46,126	20,778	27,742	122,452	(14,268)

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

(4) Financial Statement (Separate)

Balance Sheet

(Unit : KRW mn)	'21	'22	1Q'23
Total Assets	2,110,123	2,142,189	2,022,894
Current Assets	1,837,804	1,777,402	1,641,354
Cash & cash equivalents	1,645,663	1,474,513	1,357,812
Account receivable & other receivable	48,135	89,660	64,900
Inventories	135,046	187,406	196,051
Other current assets	8,960	25,822	22,591
Non-current Assets	272,319	364,788	381,540
PP&E	210,265	264,158	264,087
Intangible assets	17,061	18,181	19,177
Other non-current assets	44,993	82,449	98,276
Total Liabilities	508,811	399,934	294,537
Current Liabilities	459,952	379,742	277,001
Account payable & other payable	102,185	55,410	25,308
Short-term borrowings	11,671	45,550	-
Current bonds	47,978	38,008	39,101
Current contract liabilities	98,789	155,676	153,126
Other current liabilities	199,329	85,098	59,466
Non-current Liabilities	48,859	20,192	17,535
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	17,535
Total Equity	1,601,312	1,742,255	1,728,357
Capital stock	38,250	38,392	38,392
Capital surplus	1,157,064	1,160,008	1,160,008
Other equity	901	9,848	9,858
Accumulated other comprehensive income	(208)	265	37
Retained earnings	405,305	533,742	520,073
Net Cash	1,550,512	1,390,955	1,318,711

Income Statement

(Unit : KRW mn)	'21	1Q'22	2Q'22	3Q'22	4Q'22	'22	1Q'23
Revenue	929,001	87,091	138,281	91,053	140,301	456,726	20,597
COGS	358,718	39,283	52,135	35,264	90,432	217,115	19,712
Gross Profit	570,283	47,808	86,146	55,789	49,868	239,611	885
SG&A expenses	96,063	24,056	24,956	34,430	40,790	124,232	29,593
Operating Profit	474,220	23,752	61,190	21,359	9,079	115,379	(28,708)
Non-operating profit & loss	(3,092)	9,005	(5,847)	1,817	21,743	26,719	3,492
Profit before Income Tax	471,128	32,757	55,343	23,176	30,822	142,098	(25,216)
Income tax	115,989	4,951	9,217	2,398	2,716	19,281	(11,398)
Net Income	355,139	27,806	46,126	20,778	28,106	122,817	(13,818)

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



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Appendix



MISSION

VISION

We Promote Human Health, from Prevention to Cure

Global Innovative Partner of Vaccine and Biotech

WHAT

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HOW



COVID19/Endemic

- SKYCovione
- Variant multivalent
- 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

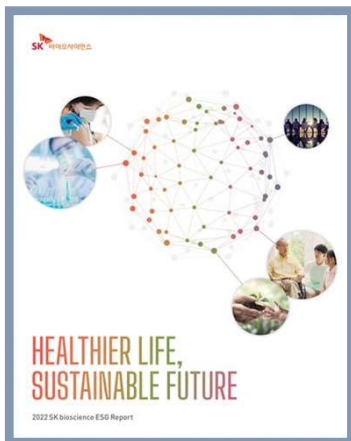
- COVID/Endemic
- Premium (potential)
- Routine Vaccines

			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
Pan-Sarbecovirus	CEPI	INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	✓				
Nasal Spray	INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	BILL & MELINDA GATES foundation	✓				
Next-gen Pneumococcal	sanofi	iaVi			✓ US		
RSV			✓				
Recombinant Zoster			✓				
HPV-10	Sunflower THERAPEUTICS		✓				
Cancer/Obesity Vaccine, etc.			✓				
SKYCellflu(Quadrivalent)							✓
SKYZoster							✓
SKYVaricella							✓
TCV	International Vaccine Institute	BILL & MELINDA GATES foundation					✓ BLA Approval (submitted for export)
HPV-4	Sunflower THERAPEUTICS			✓ Phase 1/2			
Rotavirus Pentavalent				✓			
Hepatitis A			✓				
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

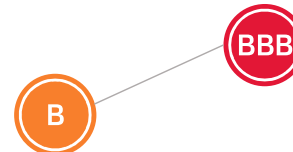
Environment **A**

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

