



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
3Q 2023



Earnings Release 3Q23

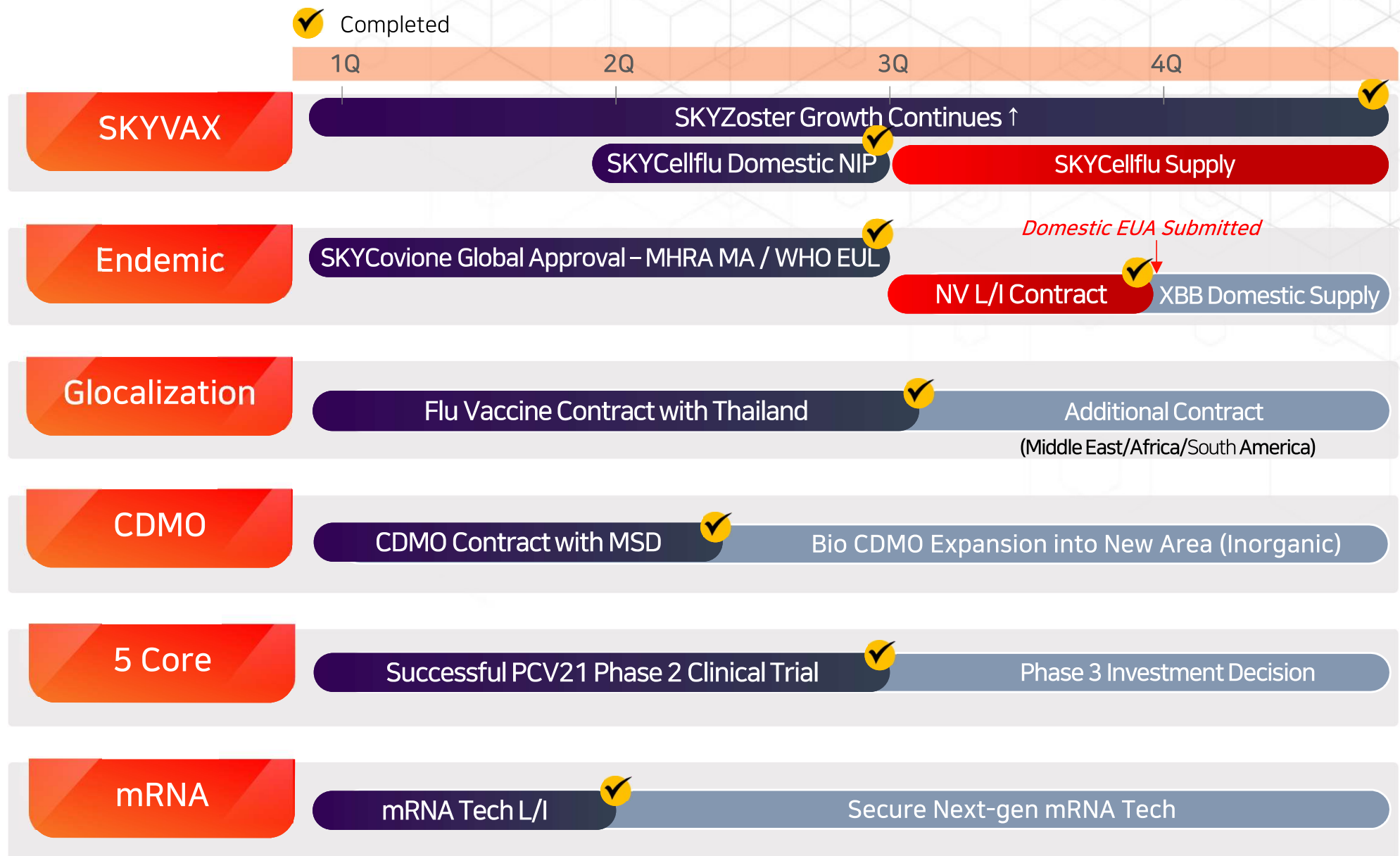
DISCLAIMER

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 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.

Progress Review



1

Earnings Results



(1) Income Statement (Consolidated)

Significantly Improved 3Q Result due to Novavax Settlement and Flu Vaccine
3Q Cumulative Net Income Turned to Profit

(Unit : KRW 100mn)	3Q23	YoY	QoQ	3Q23 (Cum.)
Revenue	2,318	+1,408	+2,053	2,789
Gross Profit	1,055	+497	+990	1,128
SG&A expenses	445	+101	+28	1,164
Operating Profit	609	+396	+962	(36)
Non-operating profit & loss	(23)	(41)	(84)	73
Profit before Income Tax	586	+354	+879	37
Net Profit	484	+276	+644	181

YoY Difference

- Novavax settlement inflow
- Flu vaccine production restarted
- Zoster vaccine sales remain strong

※ R&D expense details

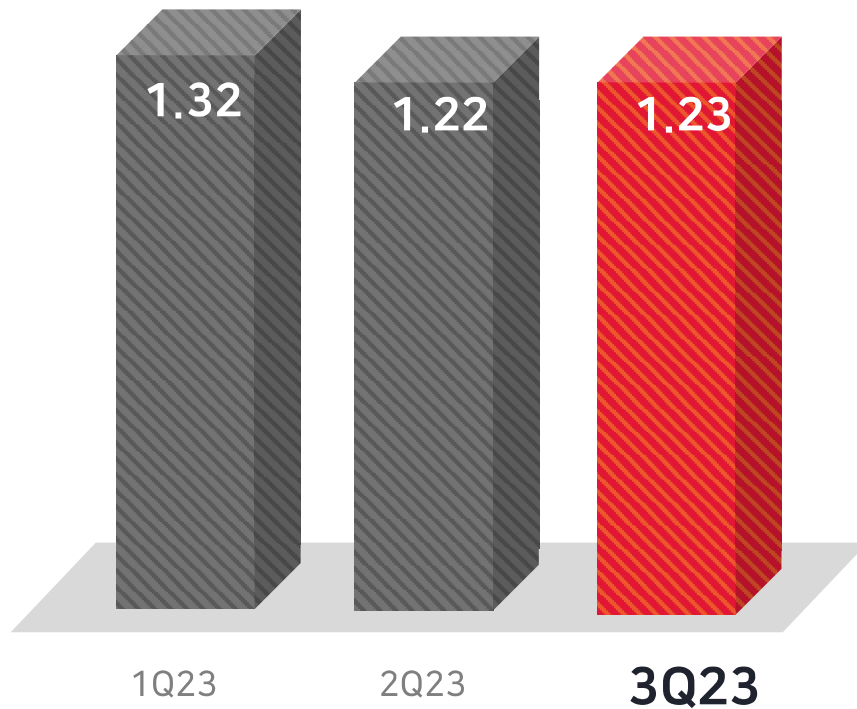
	3Q22	3Q23	YoY
Total R&D	344	353	+9
Funding	169	105	-64
R&D (SG&A)	174	249	+74

(Unit: KRW 100mn)

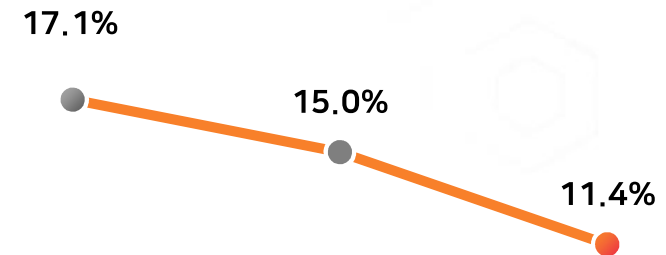
(2) Balance Sheet Highlight (Consolidated)

<Cash>

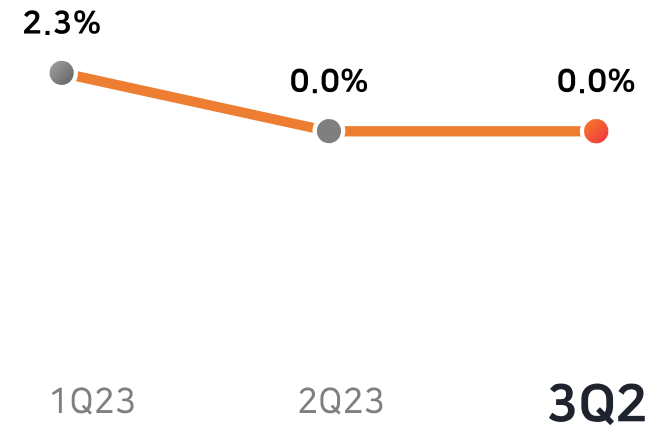
(Unit : KRW tn)



<Debt to Equity Ratio>



<Financial Leverage Ratio>



(3) Consolidated Financial Statement

Balance Sheet

(Unit : KRW mn)	2021	2022	3Q23
Total Assets	2,110,123	2,141,931	1,920,137
Current Assets	1,837,804	1,783,694	1,448,571
Cash & cash equivalents	1,645,663	1,480,806	1,225,227
Account receivable & other receivable	48,135	89,661	66,906
Inventories	135,046	187,406	139,197
Other current assets	8,960	25,822	17,242
Non-current Assets	272,319	358,237	471,566
PP&E	210,265	264,158	276,056
Intangible assets	17,061	18,181	24,328
Other non-current assets	44,993	75,898	171,182
Total Liabilities	508,811	400,229	197,233
Current Liabilities	459,952	380,037	183,245
Account payable & other payable	102,185	55,705	34,438
Short-term borrowings	11,671	45,550	-
Current bonds	47,978	38,008	-
Current contract liabilities	98,789	155,676	120,686
Other current liabilities	199,329	85,098	28,120
Non-current Liabilities	48,859	20,192	13,988
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	13,988
Total Equity	1,601,312	1,741,702	1,722,904
Capital stock	38,250	38,392	38,392
Capital surplus	1,157,064	1,160,008	1,160,008
Other equity	901	9,848	9,848
Accumulated other comprehensive income	(208)	77	(36,869)
Retained earnings	405,305	533,378	551,526
Net Cash	1,550,512	1,397,247	1,225,227

Income Statement

(Unit : KRW mn)	3Q22	4Q22	'22 Cum.	1Q23	2Q23	3Q23	3Q(Cum.)
Revenue	91,053	140,301	456,726	20,597	26,478	231,826	278,901
COGS	35,264	90,432	217,115	19,712	19,997	126,344	166,054
Gross Profit	55,789	49,868	239,611	885	6,481	105,482	112,848
SG&A expenses	34,430	41,155	124,597	30,074	41,790	44,544	116,408
Operating Profit	21,359	8,714	115,014	(29,189)	(35,309)	60,937	(3,560)
Non-operating profit & loss	1,817	21,744	26,720	3,523	6,074	- 2,315	7,283
Profit before Income Tax	23,176	30,457	141,733	(25,665)	(29,235)	58,623	3,722
Income tax	2,398	2,716	19,281	(11,398)	(13,258)	10,231	(14,426)
Net Income	20,778	27,742	122,452	(14,268)	(15,976)	48,392	18,148

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

(4) Separate Financial Statement

Balance Sheet

(Unit : KRW mn)	2021	2022	3Q23
Total Assets	2,110,123	2,142,189	1,921,143
Current Assets	1,837,804	1,777,402	1,444,125
Cash & cash equivalents	1,645,663	1,474,513	1,220,772
Account receivable & other receivable	48,135	89,660	66,918
Inventories	135,046	187,406	139,197
Other current assets	8,960	25,822	17,238
Non-current Assets	272,319	364,788	477,018
PP&E	210,265	264,158	275,688
Intangible assets	17,061	18,181	24,328
Other non-current assets	44,993	82,449	177,002
Total Liabilities	508,811	399,934	196,525
Current Liabilities	459,952	379,742	182,838
Account payable & other payable	102,185	55,410	34,185
Short-term borrowings	11,671	45,550	-
Current bonds	47,978	38,008	-
Current contract liabilities	98,789	155,676	120,686
Other current liabilities	199,329	85,098	27,967
Non-current Liabilities	48,859	20,192	13,687
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	13,687
Total Equity	1,601,312	1,742,255	1,724,618
Capital stock	38,250	38,392	38,392
Capital surplus	1,157,064	1,160,008	1,160,008
Other equity	901	9,848	9,848
Accumulated other comprehensive income	(208)	265	(36,997)
Retained earnings	405,305	533,742	553,367
Net Cash	1,550,512	1,390,955	1,220,772

Income Statement

(Unit : KRW mn)	3Q22	4Q22	'22 Cum.	1Q23	2Q23	3Q23	3Q(Cum.)
Revenue	91,053	140,301	456,726	20,597	26,478	231,826	278,901
COGS	35,264	90,432	217,115	19,712	19,997	126,344	166,054
Gross Profit	55,789	49,868	239,611	885	6,481	105,482	112,848
SG&A expenses	34,430	40,790	124,232	29,593	41,326	43,922	114,841
Operating Profit	21,359	9,079	115,379	(28,708)	(34,845)	61,560	(1,993)
Non-operating profit & loss	1,817	21,743	26,719	3,492	6,034	(2,334)	7,192
Profit before Income Tax	23,176	30,822	142,098	(25,216)	(28,811)	59,226	5,199
Income tax	2,398	2,716	19,281	(11,398)	(13,258)	10,231	(14,426)
Net Income	20,778	28,106	122,817	(13,818)	(15,552)	48,995	19,625

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

2 Business Update



(1) Novavax Contract

Strategic Partnership with Novavax Via New L/I Contract & Equity Investment

New L/I Contract

- Nuvaxovid license (including XBB)
- Period: ~2029.02 (Korea)
~2028.06 (Thailand·Vietnam)

Equity Investment

- Amount: \$84.5M (6.5M Common Stock)
- Ratio: 6.45%

Synergy with Novavax

✓ Expand Vaccine Portfolio

Endemic
Vaccine

R&D Collab.

✓ Reinforce Mfg. Partnership

Global Mfg.
Network

Process/R&D
Know-how

✓ Advanced Market Experience

Market
Intelligence

Global RA
Capability

Expand Global Presence

(2) Updated Novavax COVID Vaccine Supply

The Only Alternative to mRNA XBB Vaccine
Differentiating with the Strength of Protein-based Vaccines in Endemic

Novavax XBB.1.5 Exclusive domestic supply

- The only protein-based XBB vaccine authorized in USA
- Strength in safety / distribution / storage
- Commercialization rights in Thailand / Vietnam

Annual domestic winter vaccine





3

Appendix



(1) SKBS Pipeline

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

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

			Pre-Clinical	Phase 1	Phase 2	Phase 3	Registration
SKYCovione(COVID-19)	CEPI	BILL & MELINDA GATES foundation					✓
Pan-Sarbeco(Sarbecovirus)	CEPI	INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	✓				Domestic : BLA Approval Overseas : MHRA MA / WHO EUL Approval
Nasal Spray	INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	BILL & MELINDA GATES foundation	✓				
PCV21	sanofi	iaavi			✓ US		
RSV			✓				
Recombinant Zoster			✓				
HPV10	Sunflower THERAPEUTICS		✓				
Cancer/Obesity Vaccine, etc.			✓				
SKYCellflu(Quadrivalent)							✓
SKYZoster							✓
SKYVaricella							✓
TCV	International Vaccine Institute	BILL & MELINDA GATES foundation					✓ BLA Approval for Export
HPV4	Sunflower THERAPEUTICS			✓ Phase 1/2			
Rotavirus Pentavalent				✓			
Hepatitis A Vaccine			✓				
Other Vaccines			Pursuing acquisition of new pipelines & commercialized vaccines via partnerships and M&A				

(2) ESG Management

Contribute to Global Public Health by Promoting Sustainable Management

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 ('22.12)

- ✓ The first publication among Korean bio/pharma companies

ESG Rating



2022 KCGS ESG Grade A

Environment **A**

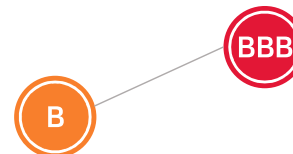
Social **A+**

Governance **A**

| KCGS ESG Evaluation ('22.11)

- ✓ A or higher in all categories

MSCI



2021.10

2023.01

| MSCI ESG Evaluation ('23.01)

- ✓ ESG grade improved by 2 steps

