



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

✓ Completed

1Q

2Q

3Q

4Q

SKYVAX

SKYZoster Growth Continues ↑

SKYCellflu Domestic NIP

SKYCellflu Supply

Endemic

SKYCovione Global Approval – MHRA MA / WHO EUL

*Domestic EUA Submitted*

NV L/I Contract

XBB Domestic Supply

Glocalization

Flu Vaccine Contract with Thailand

Additional Contract

(Middle East/Africa/South America)

CDMO

CDMO Contract with MSD

Bio CDMO Expansion into New Area (Inorganic)

5 Core

Successful PCV21 Phase 2 Clinical Trial

Phase 3 Investment Decision

mRNA

mRNA Tech L/I

Secure Next-gen mRNA Tech



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# Earnings Results

 SK bioscience

## (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.)
<b>Revenue</b>	<b>2,318</b>	+1,408	+2,053	<b>2,789</b>
<b>Gross Profit</b>	<b>1,055</b>	+497	+990	<b>1,128</b>
SG&A expenses	445	+101	+28	1,164
<b>Operating Profit</b>	<b>609</b>	+396	+962	<b>(36)</b>
Non-operating profit & loss	(23)	(41)	(84)	73
<b>Profit before Income Tax</b>	<b>586</b>	+354	+879	<b>37</b>
<b>Net Profit</b>	<b>484</b>	+276	+644	<b>181</b>

### YoY Difference

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

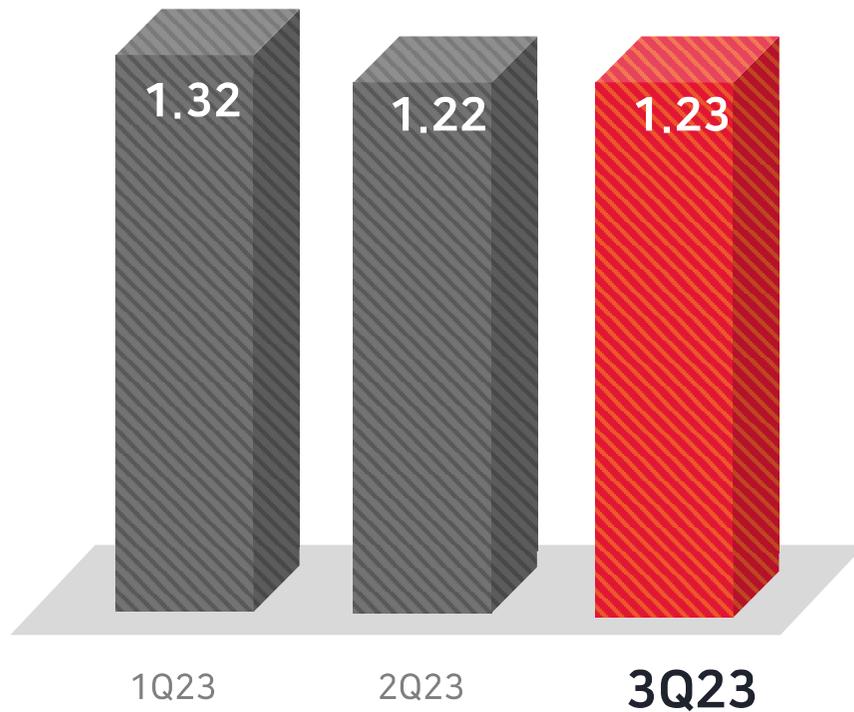
※ R&D expense details

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

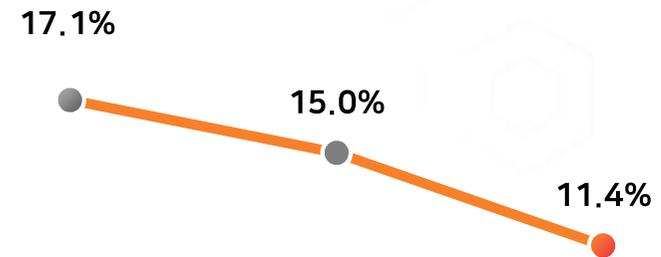
## (2) Balance Sheet Highlight (Consolidated)

### <Cash>

(Unit : KRW tn)



### <Debt to Equity Ratio>



### <Financial Leverage Ratio>



## (3) Consolidated Financial Statement

### Balance Sheet

(Unit : KRW mn)	2021	2022	3Q23
<b>Total Assets</b>	2,110,123	2,141,931	1,920,137
<b>Current Assets</b>	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
<b>Non-current Assets</b>	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
<b>Total Liabilities</b>	508,811	400,229	197,233
<b>Current Liabilities</b>	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
<b>Non-current Liabilities</b>	48,859	20,192	13,988
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	13,988
<b>Total Equity</b>	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
<b>Net Cash</b>	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
<b>Gross Profit</b>	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
<b>Operating Profit</b>	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
<b>Profit before Income Tax</b>	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)
<b>Net Income</b>	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
<b>Total Assets</b>	2,110,123	2,142,189	1,921,143
<b>Current Assets</b>	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
<b>Non-current Assets</b>	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
<b>Total Liabilities</b>	508,811	399,934	196,525
<b>Current Liabilities</b>	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
<b>Non-current Liabilities</b>	48,859	20,192	13,687
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	13,687
<b>Total Equity</b>	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
<b>Net Cash</b>	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
<b>Gross Profit</b>	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
<b>Operating Profit</b>	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
<b>Profit before Income Tax</b>	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)
<b>Net Income</b>	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

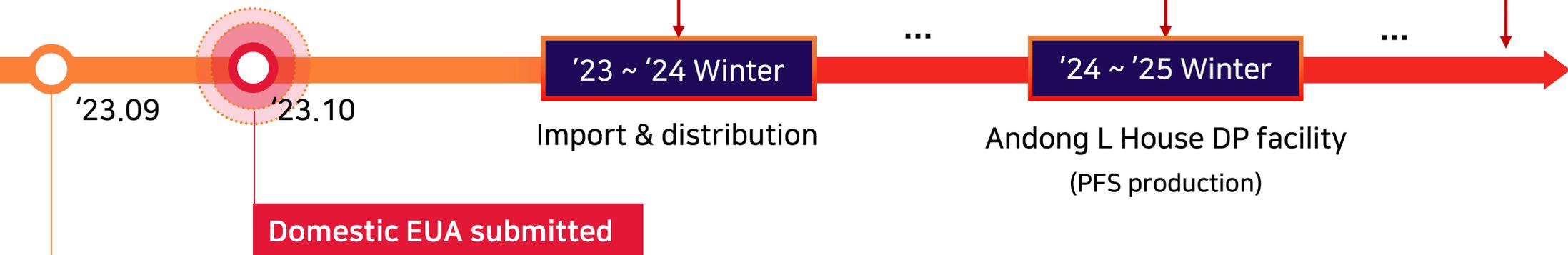
## (2) Updated Novavax COVID Vaccine Supply

**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





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**Appendix**

**SK bioscience**

# (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				✓ 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



##### | KCGS ESG Evaluation ('22.11)

- ✓ A or higher in all categories



##### | MSCI ESG Evaluation ('23.01)

- ✓ ESG grade improved by 2 steps

