



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
4Q 2023



Earnings Release 4Q23

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 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.

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Earnings Results



(1) Income Statement (Consolidated)

Novavax Vaccine Distribution in 4Q Strong Flu/Zoster Vaccine Sales

(Unit : KRW 100mn)	4Q23	YoY	QoQ	2023
Revenue	906	-497	-1,412	3,695
Gross Profit	294	-205	-761	1,422
SG&A expenses	378	-34	-67	1,542
Operating Profit	(84)	-171	-694	(120)
Non-operating profit & loss	120	-98	144	193
Profit before Income Tax	36	-269	-550	73
Net Profit	42	-236	-442	223

YoY Difference

- Reduced revenue YoY due to absence of SKYCovione sales
- Partially offset by updated Novavax vaccine distribution, flu vaccine production resumption, and strong sales of zoster vaccine

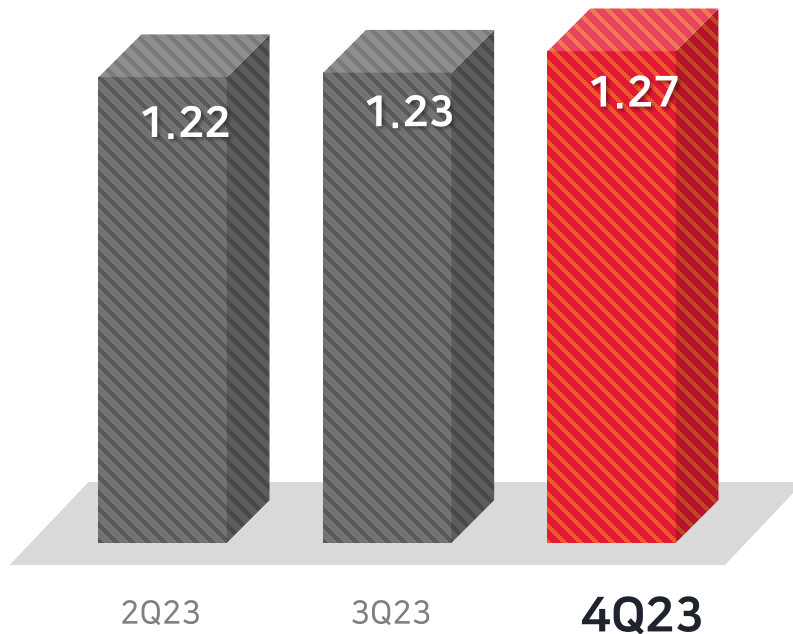
※ R&D expense details

	4Q22	(Unit: KRW 100mn)	
		4Q23	YoY
Total R&D	243	211	-32
Funding	72	26	-46
R&D (SG&A)	171	185	+14

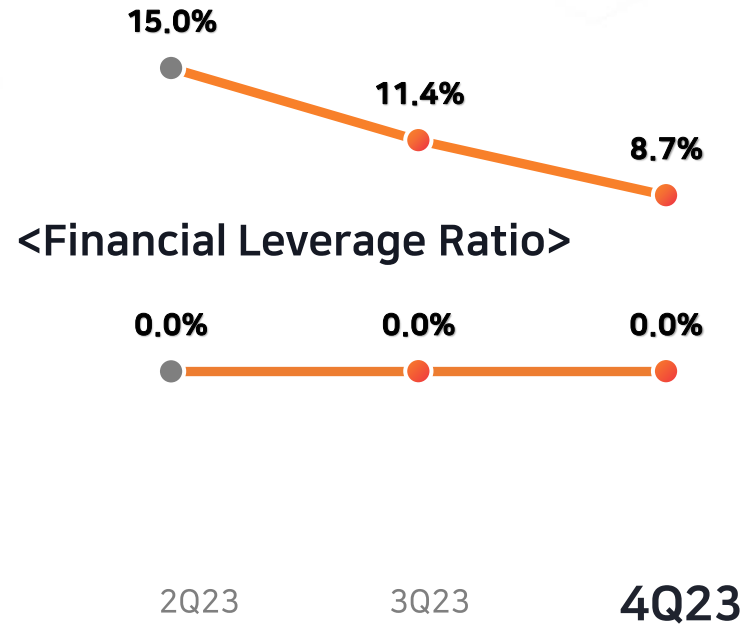
(2) Balance Sheet Highlight (Consolidated)

<Cash>

(Unit : KRW tn)



<Debt to Equity Ratio>



<Financial Leverage Ratio>



(3) Consolidated Financial Statement

Balance Sheet

(Unit : KRW mn)	2021	2022	2023
Total Assets	2,110,123	2,141,931	1,852,439
Current Assets	1,837,804	1,783,694	1,382,969
Cash & cash equivalents	1,645,663	1,480,806	1,274,141
Account receivable & other receivable	48,135	89,661	22,342
Inventories	135,046	187,406	80,649
Other current assets	8,960	25,822	5,836
Non-current Assets	272,319	358,237	469,470
PP&E	210,265	264,158	296,288
Intangible assets	17,061	18,181	22,459
Other non-current assets	44,993	75,898	150,723
Total Liabilities	508,811	400,229	148,584
Current Liabilities	459,952	380,037	135,620
Account payable & other payable	102,185	55,705	45,602
Short-term borrowings	11,671	45,550	-
Current bonds	47,978	38,008	-
Current contract liabilities	98,789	155,676	52,195
Other current liabilities	199,329	85,098	37,823
Non-current Liabilities	48,859	20,192	12,964
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	12,964
Total Equity	1,601,312	1,741,702	1,703,855
Capital stock	38,250	38,392	38,414
Capital surplus	1,157,064	1,160,008	1,160,456
Other equity	901	9,848	10,351
Accumulated other comprehensive income	(208)	77	(54,786)
Retained earnings	405,305	533,378	549,421
Net Cash	1,550,512	1,397,247	1,274,141

Income Statement

(Unit : KRW mn)	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Revenue	140,301	456,726	20,597	26,478	231,826	90,604	369,506
COGS	90,432	217,115	19,712	19,997	126,344	61,209	227,263
Gross Profit	49,868	239,611	885	6,481	105,482	29,395	142,243
SG&A expenses	41,155	124,597	30,074	41,790	44,544	37,822	154,231
Operating Profit	8,714	115,014	(29,189)	(35,309)	60,937	(8,427)	(11,988)
Non-operating profit & loss	21,744	26,720	3,523	6,074	(2,315)	12,032	19,315
Profit before Income Tax	30,457	141,733	(25,665)	(29,235)	58,623	3,605	7,327
Income tax	2,716	19,281	(11,398)	(13,258)	10,231	(565)	(14,990)
Net Income	27,742	122,452	(14,268)	(15,976)	48,392	4,170	22,318

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

(4) Separate Financial Statement

Balance Sheet

(Unit : KRW mn)	2021	2022	2023
Total Assets	2,110,123	2,142,189	1,854,403
Current Assets	1,837,804	1,777,402	1,379,372
Cash & cash equivalents	1,645,663	1,474,513	1,270,549
Account receivable & other receivable	48,135	89,660	22,340
Inventories	135,046	187,406	80,649
Other current assets	8,960	25,822	5,834
Non-current Assets	272,319	364,788	475,031
PP&E	210,265	264,158	295,954
Intangible assets	17,061	18,181	22,459
Other non-current assets	44,993	82,449	156,619
Total Liabilities	508,811	399,934	148,036
Current Liabilities	459,952	379,742	135,304
Account payable & other payable	102,185	55,410	45,433
Short-term borrowings	11,671	45,550	-
Current bonds	47,978	38,008	-
Current contract liabilities	98,789	155,676	52,195
Other current liabilities	199,329	85,098	37,676
Non-current Liabilities	48,859	20,192	12,732
Bonds	35,503	-	-
Long-term borrowings	-	-	-
Other non-current liabilities	13,356	20,192	12,732
Total Equity	1,601,312	1,742,255	1,706,368
Capital stock	38,250	38,392	38,414
Capital surplus	1,157,064	1,160,008	1,160,456
Other equity	901	9,848	10,351
Accumulated other comprehensive income	(208)	265	(54,727)
Retained earnings	405,305	533,742	551,874
Net Cash	1,550,512	1,390,955	1,270,549

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

Income Statement

(Unit : KRW mn)	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Revenue	140,301	456,726	20,597	26,478	231,826	90,604	369,506
COGS	90,432	217,115	19,712	19,997	126,344	61,209	227,263
Gross Profit	49,868	239,611	885	6,481	105,482	29,395	142,243
SG&A expenses	40,790	124,232	29,593	41,325	43,922	37,192	152,033
Operating Profit	9,079	115,379	(28,708)	(34,845)	61,560	(7,797)	(9,790)
Non-operating profit & loss	21,743	26,719	3,492	6,034	(2,334)	12,014	19,207
Profit before Income Tax	30,822	142,098	(25,216)	(28,811)	59,226	4,217	9,416
Income tax	2,716	19,281	(11,398)	(13,259)	10,231	(565)	(14,990)
Net Income	28,106	122,817	(13,818)	(15,552)	48,995	4,782	24,407



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Business Update



(1) Five Pillars

MISSION

We Promote Human Health, from Prevention to Cure



VISION

Global Innovative Partner of Vaccine and Biotech



Vaccine Portfolio

- Expand global vaccine portfolio such as SKYVAX value-up, next-gen blockbusters



R&D/Infra Upgrade

- Expand cGMP facilities to enter developed markets
- Maximize efficiency by separating R&D and production facilities



SKYShield

- Secure global production bases
- Establish various biz models considering regional needs and preferences



Next Pandemic Preparedness

- Maintain strong networks with global initiatives
- Pursue to be Wave 1 player



Bio Business Expansion

- Solidify business expansion in new bio areas



Global Partnership

M&A, J/V

Management Infra

(2) Progress & Plan

	2023	2024
Vaccine Portfolio	<ul style="list-style-type: none"> Resumed flu vaccine production and distribution Achieved strong zoster vaccine sales Submitted PCV 21 phase 3 IND application 	<ul style="list-style-type: none"> Enter PCV 21 phase 3 clinical trial Expand New pipelines Sign Ebola vaccine supply agreement with MSD
R&D/Infra Upgrade	<ul style="list-style-type: none"> Started construction of Songdo Global R&PD Center Confirmed Andong plant expansion plan (PCV21 production) 	<ul style="list-style-type: none"> Expand Andong plant for global supply, entering cGMP certification process Secure a foothold for advancement into developed markets
SKYShield	<ul style="list-style-type: none"> Signed flu vaccine supply agreement with GPO in Thailand 	<ul style="list-style-type: none"> Sign additional contracts in Africa, South America, Middle East, etc.
Next Pandemic Preparedness	<ul style="list-style-type: none"> Continued development of CEPI's mRNA vaccine project, securing related tech 	<ul style="list-style-type: none"> Prepare for Pan-Sarbeco vaccine clinical trial Prepare for CEPI mRNA JEV vaccine clinical trial
Bio Biz. Expansion	<ul style="list-style-type: none"> Explored opportunities for M&A and entry into new areas 	<ul style="list-style-type: none"> Achieve tangible results in new biz expansion



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Appendix



(1) SKBS Pipeline

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

- Premium
- Routine
- COVID/Pandemic

		Pre-clinical	Phase 1	Phase 2	Phase 3	Registration
PCV 21	sanofi				✓ Global	
RSV		✓				
Recombinant Zoster		✓				
HPV 10	Sunflower THERAPEUTICS	✓				
Cancer/Obesity Vaccine, etc.		✓				
Value-Up Flu Vaccine		✓				
PCV 13						✓
SKYCellflu(Trivalent)						✓
SKYCellflu(Quadrivalent)						✓
SKYZoster						✓
SKYVaricella						✓
SKYTyphoid(TCV)	 International Vaccine Institute BILL & MELINDA GATES foundation					✓
HPV 4	Sunflower THERAPEUTICS		✓ Phase 1/2			BLA approval for Export
Rotavirus Pentavalent			✓			
JEV	CEPI	✓				
Hep A, etc.		✓				
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
Lassa Fever	CEPI	✓				
Nasal Spray	INSTITUTE FOR Protein Design UNIVERSITY of WASHINGTON BILL & MELINDA GATES foundation iaVi	✓				

(2) ESG Management

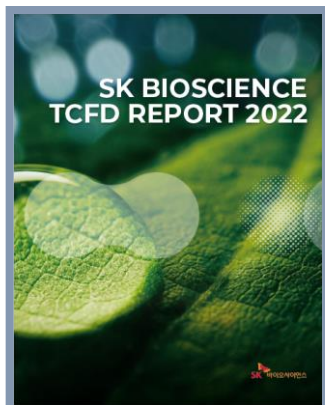
Contribute to Global Public Health by Promoting Sustainable Management

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 ('23.10)

- ✓ '22 First ESG Grade A
- ✓ '23 Grade A for the second consecutive year



| MSCI ESG Evaluation ('23.01)

- ✓ Improved ESG ratings for two consecutive years

