



GLOBAL INNOVATIVE PARTNER  
OF VACCINE AND BIOTECH

**SK bioscience**

Earnings Release  
3Q 2024



## Earnings Release 3Q24

### 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 2024 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.



1

# IDT Growth Plan

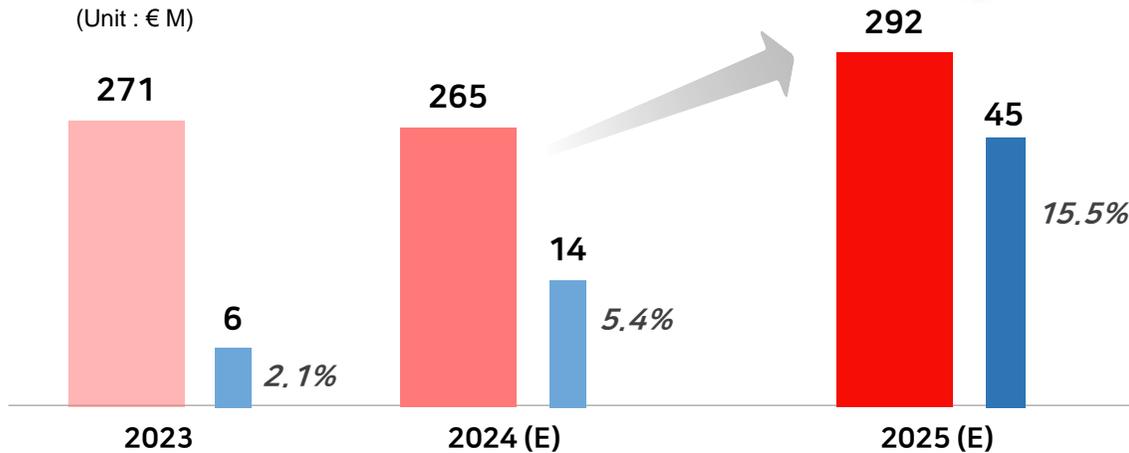


# (1) Financial Target

## Turnaround Target 2025, First Year of Acquisition

Revenue  
EBITDA

(Unit : € M)



- 1) Adeno-associated virus / Lentivirus
- 2) Short-term contracts, unfilled retirements, advised resignation for surplus personnel

### Top Line : Increased Utilization

1. **Utilize idle Capa. to increase vaccine sales**  
: New DS/DP line built in '22 in response to Next Pandemic, double the utilization rate
2. **CGT CDMO market expansion**  
: Lock-in new CGT customers including AAV/LV<sup>1)</sup>, based on track record of oncolytic virus production, and aim to achieve over additional €4M in revenue

### Bottom Line : Reduced Expense

1. **Complete short-term restructuring in '24**  
: Immediate cost savings through workforce restructuring<sup>2)</sup>
2. **Implement 5 major expense optimization plan identified from PMI**  
: Improve batch success rate, inventory management, supply chain efficiency, quality system, Mgmt. process

## (2) Maximize SK-IDT Synergy

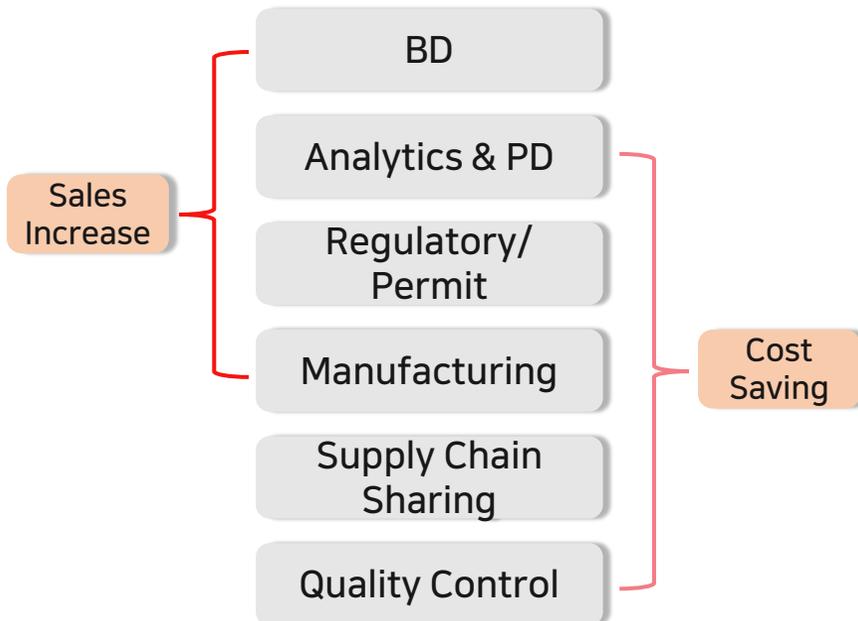
Create Synergies in Operational and Strategic Area



1

### Operational Synergies

Value-chain effect



2

### Strategic Synergies

Positioning effect





2

# Earnings Results



# (1) Earnings Highlight (Consolidated)

## Reversal of One-time Effect of Last Year's Novavax Settlement

| (Unit : KRW 100mn)              | 3Q23       | 3Q24         | YoY           | 3Q 누계        | YoY           |
|---------------------------------|------------|--------------|---------------|--------------|---------------|
| <b>Revenue</b>                  | 2,318      | <b>616</b>   | <b>-1,702</b> | <b>1,107</b> | <b>-1,682</b> |
| Flu                             | 344        | 358          | 14            | 388          | 44            |
| Zoster                          | 101        | 50           | -51           | 279          | -22           |
| Varicella                       | 55         | 23           | -32           | 128          | 57            |
| Distribution and others         | 1,818      | 185          | -1,633        | 312          | -1,761        |
| <b>Cost of Goods Sold</b>       | 1,263      | 598          | -665          | 853          | -807          |
| <b>Gross Profit</b>             | 1,055      | 18           | -1,037        | 254          | -875          |
| <b>SG&amp;A</b>                 | 445        | 414          | -31           | 1,131        | -33           |
| SG&A ex R&D                     | 196        | 227          | 31            | 560          | 68            |
| R&D                             | 249        | 187          | -62           | 571          | -101          |
| <b>Operating Profit</b>         | <b>609</b> | <b>(396)</b> | <b>-1,005</b> | <b>(877)</b> | <b>-841</b>   |
| Non-operating profit & loss     | (23)       | 90           | 113           | 203          | 130           |
| <b>Profit before Income Tax</b> | <b>586</b> | <b>(307)</b> | <b>-893</b>   | <b>(674)</b> | <b>-711</b>   |
| <b>Net Profit</b>               | <b>484</b> | <b>(223)</b> | <b>-707</b>   | <b>(474)</b> | <b>-655</b>   |

### 3Q Sales YoY

[Decrease]

- Reversal of one-time effect of settlement from Novavax contract termination in the prior year

[Increase]

- SKYCellflu NIP sales increase
- Sanofi vaccine distribution sales increasing (2Q 7.0B → 3Q 7.5B KRW)

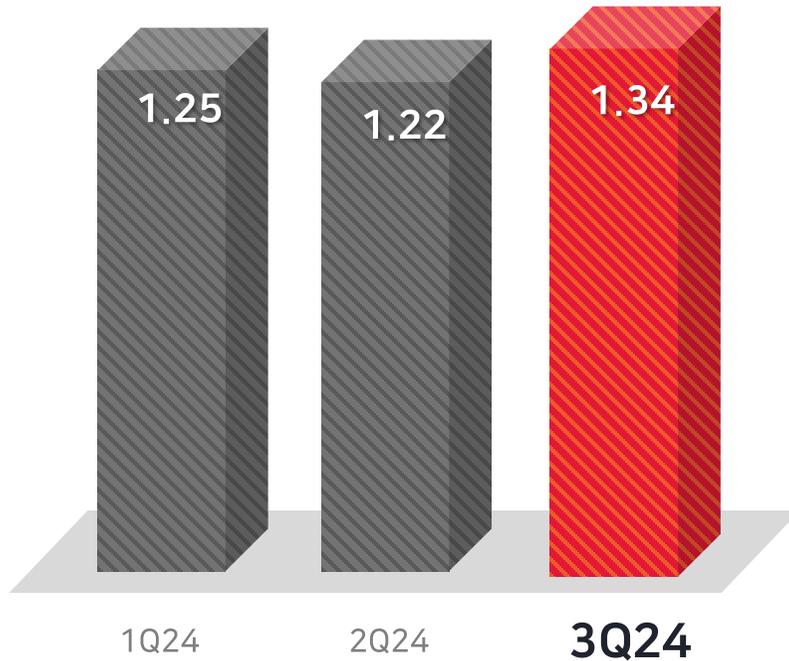
※ R&D expense details

|                           | 3Q23       | 3Q24       | YoY        |
|---------------------------|------------|------------|------------|
| Total R&D                 | 353        | 306        | -47        |
| Funding                   | (104)      | (119)      | -15        |
| <b>R&amp;D (SG&amp;A)</b> | <b>249</b> | <b>187</b> | <b>-62</b> |

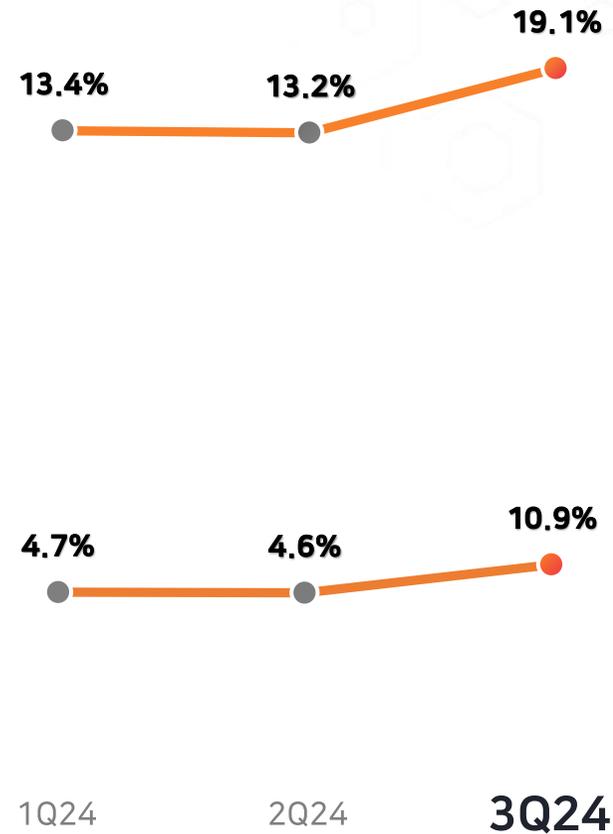
## (2) Balance Sheet Highlight (Consolidated)

### <Cash and Cash Equivalents>

(Unit : KRW tn)



### <Debt to Equity Ratio>



## (3) Consolidated Financial Statement

### Balance Sheet

| (Unit : KRW mn)                        | 2022             | 2023             | 3Q24             |
|--|------------------|------------------|------------------|
| <b>Total Assets</b>                    | <b>2,141,931</b> | <b>1,852,439</b> | <b>2,047,646</b> |
| <b>Current Assets</b>                  | <b>1,783,694</b> | <b>1,382,969</b> | <b>1,502,914</b> |
| Cash & cash equivalents                | 1,480,806        | 1,274,141        | 1,335,377        |
| Account receivable & other receivable  | 89,661           | 22,342           | 51,126           |
| Inventories                            | 187,406          | 80,649           | 106,607          |
| Other current assets                   | 25,822           | 5,836            | 9,804            |
| <b>Non-current Assets</b>              | <b>358,237</b>   | <b>469,470</b>   | <b>544,731</b>   |
| PP&E                                   | 264,158          | 296,288          | 399,669          |
| Intangible assets                      | 18,181           | 22,459           | 28,699           |
| Other non-current assets               | 75,898           | 150,723          | 116,362          |
| <b>Total Liabilities</b>               | <b>400,229</b>   | <b>148,584</b>   | <b>328,204</b>   |
| <b>Current Liabilities</b>             | <b>380,037</b>   | <b>135,620</b>   | <b>128,523</b>   |
| Account payable & other payable        | 55,705           | 45,602           | 47,357           |
| Short-term borrowings                  | 45,550           | -                | -                |
| Current bonds                          | 38,008           | -                | -                |
| Current contract liabilities           | 155,676          | 52,195           | 43,535           |
| Other current liabilities              | 85,098           | 37,823           | 37,631           |
| <b>Non-current Liabilities</b>         | <b>20,192</b>    | <b>12,964</b>    | <b>199,681</b>   |
| Bonds                                  | -                | -                | -                |
| Long-term borrowings                   | -                | -                | 188,215          |
| Other non-current liabilities          | 20,192           | 12,964           | 11,466           |
| <b>Total Equity</b>                    | <b>1,741,702</b> | <b>1,703,855</b> | <b>1,719,442</b> |
| Capital stock                          | 38,392           | 38,414           | 38,414           |
| Capital surplus                        | 1,160,008        | 1,160,456        | 1,160,456        |
| Other equity                           | 9,848            | 10,351           | 10,351           |
| Accumulated other comprehensive income | 77               | (54,786)         | 8,245            |
| Retained earnings                      | 533,378          | 549,421          | 501,976          |
| <b>Net Cash</b>                        | <b>1,397,247</b> | <b>1,274,141</b> | <b>1,147,162</b> |

※ Net Cash = Cash & Cash Equivalents + Deposits – Debt (ex Lease Liabilities)

### Income Statement

| (Unit : KRW mn)                 | 2023            | 1Q24            | 2Q24            | 3Q24            | 3Q24(Cum.)      |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue                         | 369,506         | 22,271          | 26,777          | 61,648          | 110,696         |
| COGS                            | 227,263         | 16,874          | 8,643           | 59,821          | 85,338          |
| <b>Gross Profit</b>             | <b>142,243</b>  | <b>5,396</b>    | <b>18,134</b>   | <b>1,827</b>    | <b>25,357</b>   |
| SG&A expenses                   | 154,231         | 33,498          | 38,074          | 41,440          | 113,013         |
| <b>Operating Profit</b>         | <b>(11,988)</b> | <b>(28,102)</b> | <b>(19,940)</b> | <b>(39,614)</b> | <b>(87,655)</b> |
| Non-operating profit & loss     | 19,315          | 8,296           | 3,039           | 8,956           | 20,291          |
| <b>Profit before Income Tax</b> | <b>7,327</b>    | <b>(19,806)</b> | <b>(16,901)</b> | <b>(30,657)</b> | <b>(67,364)</b> |
| Income tax                      | (14,990)        | (6,088)         | (5,492)         | (8,340)         | (19,920)        |
| <b>Net Income</b>               | <b>22,318</b>   | <b>(13,718)</b> | <b>(11,409)</b> | <b>(22,317)</b> | <b>(47,444)</b> |

## (4) Separate Financial Statement

### Balance Sheet

| (Unit : KRW mn)                        | 2022             | 2023             | 3Q24             |
|--|------------------|------------------|------------------|
| <b>Total Assets</b>                    | <b>2,142,189</b> | <b>1,854,403</b> | <b>2,054,108</b> |
| <b>Current Assets</b>                  | <b>1,777,402</b> | <b>1,379,372</b> | <b>1,146,535</b> |
| Cash & cash equivalents                | 1,474,513        | 1,270,549        | 978,986          |
| Account receivable & other receivable  | 89,660           | 22,340           | 51,145           |
| Inventories                            | 187,406          | 80,649           | 106,607          |
| Other current assets                   | 25,822           | 5,834            | 9,797            |
| <b>Non-current Assets</b>              | <b>364,788</b>   | <b>475,031</b>   | <b>907,573</b>   |
| PP&E                                   | 264,158          | 295,954          | 399,385          |
| Intangible assets                      | 18,181           | 22,459           | 28,699           |
| Other non-current assets               | 82,449           | 156,619          | 479,488          |
| <b>Total Liabilities</b>               | <b>399,934</b>   | <b>148,036</b>   | <b>327,816</b>   |
| <b>Current Liabilities</b>             | <b>379,742</b>   | <b>135,304</b>   | <b>128,277</b>   |
| Account payable & other payable        | 55,410           | 45,433           | 47,269           |
| Short-term borrowings                  | 45,550           | -                | -                |
| Current bonds                          | 38,008           | -                | -                |
| Current contract liabilities           | 155,676          | 52,195           | 43,535           |
| Other current liabilities              | 85,098           | 37,676           | 37,472           |
| <b>Non-current Liabilities</b>         | <b>20,192</b>    | <b>12,732</b>    | <b>199,540</b>   |
| Bonds                                  | -                | -                | -                |
| Long-term borrowings                   | -                | -                | 188,215          |
| Other non-current liabilities          | 20,192           | 12,732           | 11,325           |
| <b>Total Equity</b>                    | <b>1,742,255</b> | <b>1,706,368</b> | <b>1,726,292</b> |
| Capital stock                          | 38,392           | 38,414           | 38,414           |
| Capital surplus                        | 1,160,008        | 1,160,456        | 1,160,456        |
| Other equity                           | 9,848            | 10,351           | 10,351           |
| Accumulated other comprehensive income | 265              | (54,727)         | 11,041           |
| Retained earnings                      | 533,742          | 551,874          | 506,030          |
| <b>Net Cash</b>                        | <b>1,390,955</b> | <b>1,270,549</b> | <b>790,771</b>   |

※ Net Cash = Cash & Cash Equivalents + Deposits – Debt (ex Lease Liabilities)

### Income Statement

| (Unit : KRW mn)                 | 2023           | 1Q24            | 2Q24            | 3Q24            | 3Q24(Cum.)      |
|---------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue                         | 369,506        | 22,271          | 26,777          | 61,648          | 110,696         |
| COGS                            | 227,263        | 16,874          | 8,643           | 59,821          | 85,338          |
| <b>Gross Profit</b>             | <b>142,243</b> | <b>5,396</b>    | <b>18,134</b>   | <b>1,827</b>    | <b>25,357</b>   |
| SG&A expenses                   | 152,033        | 32,941          | 37,489          | 40,957          | 111,387         |
| <b>Operating Profit</b>         | <b>(9,790)</b> | <b>(27,544)</b> | <b>(19,355)</b> | <b>(39,130)</b> | <b>(86,209)</b> |
| Non-operating profit & loss     | 19,207         | 8,288           | 3,026           | 8,952           | 20,266          |
| <b>Profit before Income Tax</b> | <b>9,416</b>   | <b>(19,256)</b> | <b>(16,329)</b> | <b>(30,178)</b> | <b>(65,764)</b> |
| Income tax                      | (14,990)       | (6,088)         | (5,492)         | (8,340)         | (19,920)        |
| <b>Net Income</b>               | <b>24,407</b>  | <b>(13,169)</b> | <b>(10,837)</b> | <b>(21,838)</b> | <b>(45,844)</b> |



3

# Business Update



## (1) SKYVAX Update

### SKYCellflu Full-scale Sales in 3Q SKYVaricella Export to increase in 4Q

#### SKYCellflu

##### Sales increased in FY24~FY25 flu season

- 3Q SKYCellflu sales 35.8B KRW (4% ↑ YoY)
- Secured approval in Indonesia, the 4<sup>th</sup> most populous country in the world ('24.10.)

#### SKYZoster

##### Demand for Zoster vaccine continues

- Market awareness of importance of Zoster prevention, SKYZoster's price competitiveness and ease of vaccination (1-time)

#### SKYVaricella

##### PAHO exports expansion

- 3Q cumulative sales 12.8B KRW (78% ↑ YoY)

#### SKYTyphoid

##### Global expansion with WHO PQ

- Co-developed with IIVI, supported by BMGF
- Plan to participate in the public procurement market bids

## (2) SKYVAX Global Expansion

### Global Expansion Status of SKYVAX

*SKBS aims to partner with 40+ countries by 2024*

# SKYVAX

Vaccine

Contract Countries

**SKY** Cellflu

**35**

(Thailand, Vietnam, Taiwan and more)

**SKY** Zoster

**27**

(Chile, Oman, Mexico and more)

**SKY** Varicella

**SKY** Typhoid

**GAVI** supported Countries  
(Supply through **UNICEF**)



## (3) Sanofi Vaccine Distribution Update

### Sales Increase of 5 Key Sanofi Vaccines



Expanded distribution of Sanofi's global leading  
DTaP vaccines – Tetraxim, Pentaxim, and Hexaxim

Pediatric  
DTaP



NIP Tetraxim



NIP Pentaxim



Hexaxim

Adult  
Tdap



NIP Adacel

Meningococcal



**Menactra**

World's first 4-valent  
meningococcal  
conjugate vaccine

- Sales of 5 Sanofi vaccines : 2Q24 **7.0B KRW** → 3Q24 **7.5B KRW**
- Distributing additional vaccines in the future

- 1) Tetraxim (4-valent) : diphtheria, tetanus, pertussis, and polio prevention
- 2) Pentaxim (5-valent) : Tetraxim + invasive infections caused by Haemophilus influenzae type b prevention ('20 Global M/S 62%, #1)
- 3) Hexaxim (6-valent) : Pentaxim + Hepatitis B prevention ('20 Global M/S 67%, #1)

## (4) Novavax Vaccine Distribution Update

### '24-'25 Novavax COVID-19 (JN.1) Vaccine Distribution



#### Novavax COVID-19 (JN.1) vaccine

- Domestic COVID-19 vaccinations begin on Oct. 11<sup>th</sup>
- **Secured exclusive domestic distribution contract through '29 and distribution contracts in Thailand and Vietnam through '28**
- **The only synthetic antigen method**, with proven stability and efficacy
- **Prefilled syringe**, ease of distribution and management



Safety &  
Efficacy



Refrigerable



Easy to  
distribute/  
manage  
PFS

## (5) Fina Biosolutions Stake Acquisition

### Acquired a Stake in a US Biotech with Conjugate Vaccine Tech

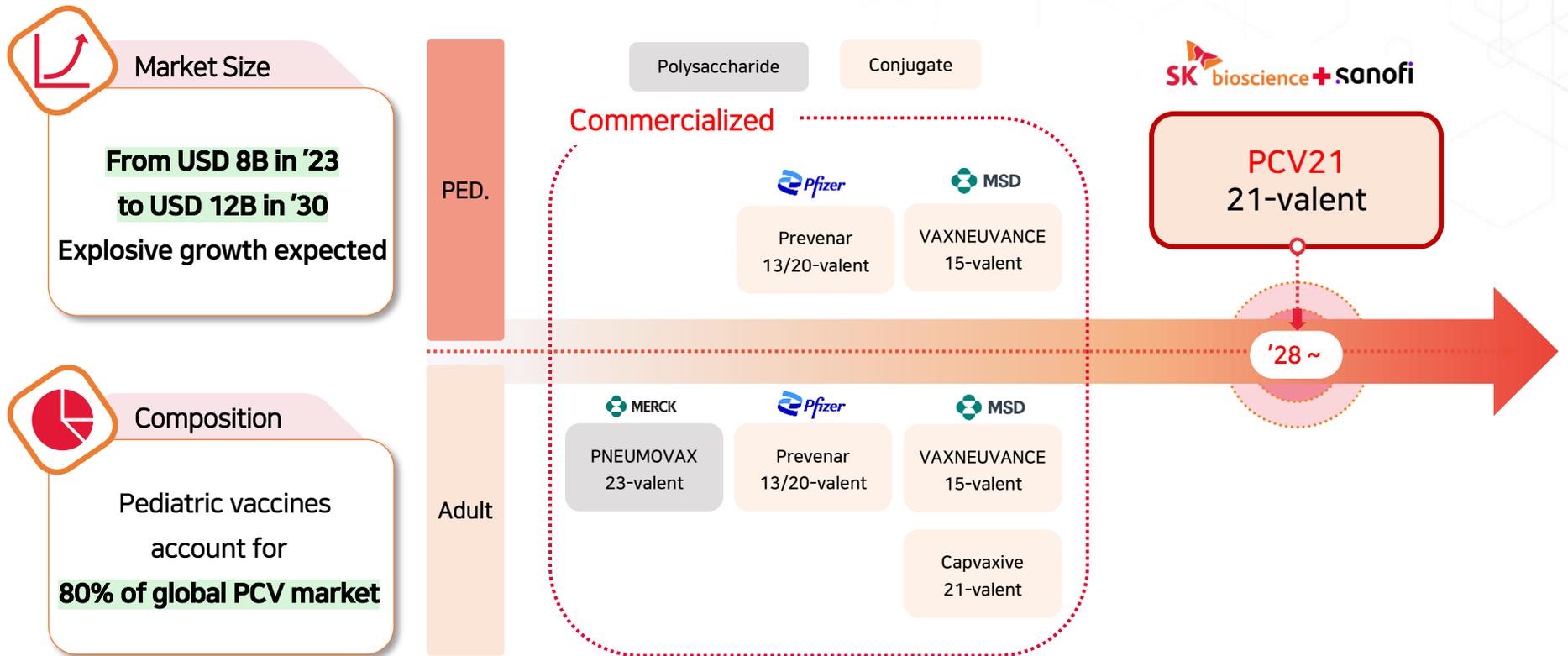


Invested USD 3M in Fina Biosolutions,  
a US company with core tech for conjugate vaccines,  
to secure new CRM 197 tech (EcoCRM)

- **Fina Bio's next-gen conjugate tech** is actively adopted to **upgrade the quality of vaccines in development** and **strengthen competitiveness for global expansion**
    - Secure **high preventive efficacy** of various conjugate vaccines
    - **Increase profitability** with high-yield process
- ※ **Fina Biosolutions LLC** : US R&D company founded in 2006
- Possesses core tech for conjugate vaccines such as pneumococcal, meningococcal, and typhoid
  - Developed E.coli expression system (FinaXpress) for carrier proteins such as CRM197 (EcoCRM)

## (6) PCV Roadmap

To Proceed with Phase 3 Trial for the First-in-class Product  
in Pediatric PCV Market



## (7) SKBS 3.0 Progress & Plan

~2024 3Q

2024 4Q~

### Vaccine Portfolio

- Strong Zoster/Varicella vaccine sales continues
- Equity investment in Sunflower Therapeutics ('24.7.)
- **PCV 21 phase 3 IND approved in Australia**

- **PCV21 global phase 3 IND to be approved including US**
- Equity investment in Fina Biosolutions ('24.10.)

### R&D/Infra Upgrade

- Construction of Songdo R&PD Center underway
- Andong site expansion underway (PCV21 DS)

- Andong site expansion for global supply, cGMP certification process underway
- **Completed IDT Biologika acquisition ('24.10.01)**

### SKYShield

- SKYCellflu entered Southern Hemisphere
- **SKYTyphoid received WHO PQ**

- Pursuing additional SKYShield contracts

### Next Pandemic Preparedness

- CEPI mRNA vaccine Pjt. continues - secured required tech.

- CEPI mRNA vaccine prep. for clinical trials
- Pan-Sarbeco vaccine prep. For clinical trials

### Bio Biz. Expansion

- Acquired IDT Biologika, laying the foundation to enter CGT CDMO

- Refine strategies to enter new areas



4

# 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   | ✓            |         |         |            |              |
| Value-Up Flu Vaccine       |   | ✓            |         |         |            |              |
| PCV 13                     |   |              |         |         |            | ✓            |
| SKYCellflu(Trivalent)      |   |              |         |         |            | ✓            |
| SKYCellflu(Quadrivalent)   |   |              |         |         |            | ✓            |
| SKYZoster                  |   |              |         |         |            | ✓            |
| SKYVaricella               |   |              |         |         |            | ✓            |
| SKYTyphoid(TCV)            |  International Vaccine Institute    BILL & MELINDA GATES foundation                           |              |         |         |            | ✓            |
| HPV 4                      | Sunflower   |              |         | ✓       |            |              |
| Rotavirus Pentavalent      |   |              |         | ✓       |            |              |
| JEV mRNA                   | CEPI  | ✓            |         |         |            |              |
| Hep A, etc.                |   | ✓            |         |         |            |              |
| SKYCovione (COVID-19)      | CEPI     |              |         |         |            | ✓            |
| Pan-Sarbeco (Sarbecovirus) | CEPI     | ✓            |         |         |            |              |
| Lassa Fever mRNA           | CEPI  | ✓            |         |         |            |              |
| Nasal Spray                |        | ✓            |         |         |            |              |

## (2) ESG Management

### MSCI ESG Rating A, the Highest Level in the Domestic Bio Industry

#### ESG Report



##### | ESG Homepage

- ✓ Improved accessibility and created user-friendly environment ('24.07)
  - Reflected ESG information trends to enhance timeliness, scalability, and accessibility



##### | 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

#### ESG Rating



##### | KCGS ESG Evaluation

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



##### | MSCI ESG Evaluation

- ✓ Improved ESG ratings for two consecutive years

