



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

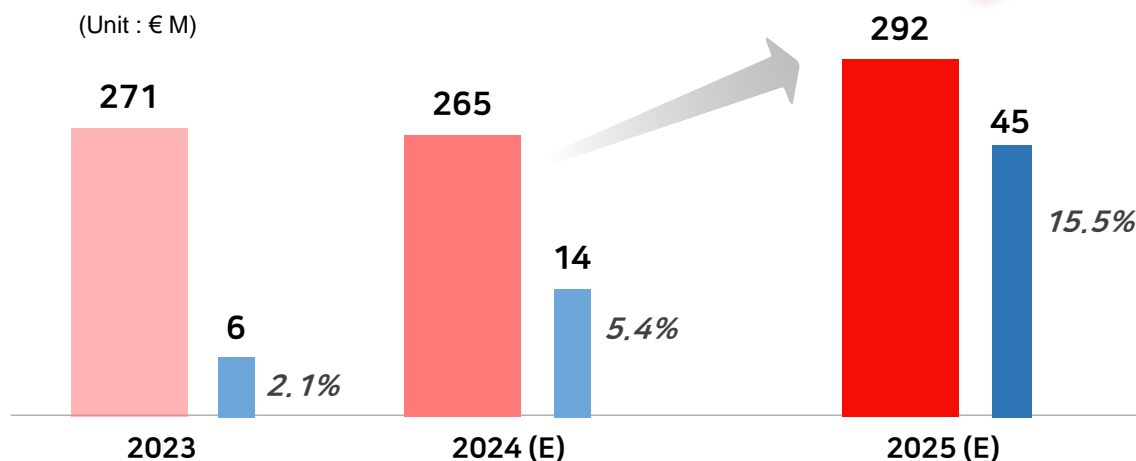


(1) Financial Target

Turnaround Target 2025, First Year of Acquisition

Revenue
EBITDA

(Unit : € M)



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/LV¹⁾, 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 restructuring²⁾
- 2. Implement 5 major expense optimization plan identified from PMI**
: Improve batch success rate, inventory management, supply chain efficiency, quality system, Mgmt. process

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

(2) Maximize SK-IDT Synergy

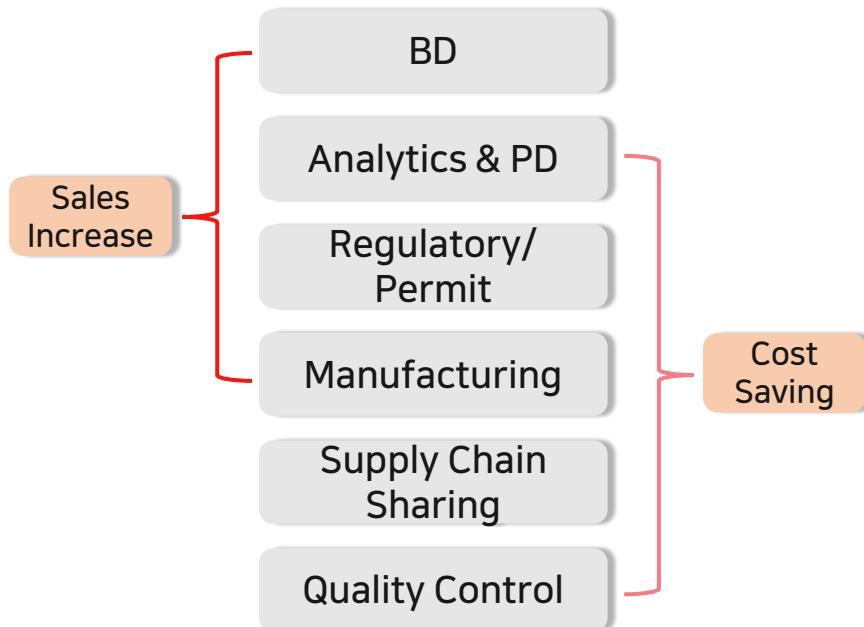
Create Synergies in Operational and Strategic Area



1

Operational Synergies

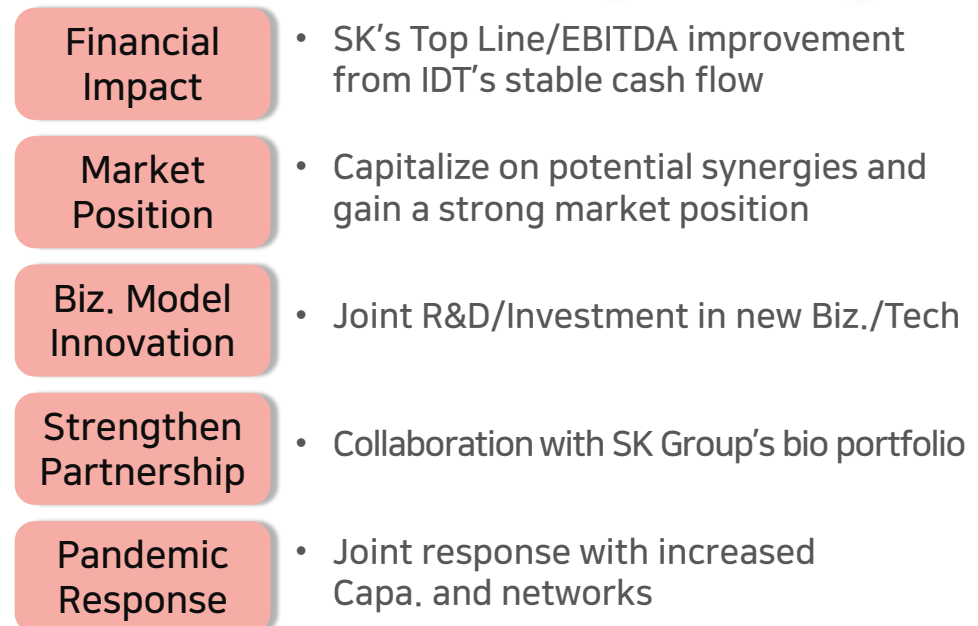
Value-chain effect



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
Revenue	2,318	616	-1,702
Flu	344	358	14
Zoster	101	50	-51
Varicella	55	23	-32
Distribution and others	1,818	185	-1,633
Cost of Goods Sold	1,263	598	-665
Gross Profit	1,055	18	-1,037
SG&A	445	414	-31
SG&A ex R&D	196	227	31
R&D	249	187	-62
Operating Profit	609	(396)	-1,005
Non-operating profit & loss	(23)	90	113
Profit before Income Tax	586	(307)	-893
Net Profit	484	(223)	-707

3Q 누계	YoY
1,107	-1,682
388	44
279	-22
128	57
312	-1,761
853	-807
254	-875
1,131	-33
560	68
571	-101
(877)	-841
203	130
(674)	-711
(474)	-655

3Q Sales YoY

[Decrease]

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

[Increase]

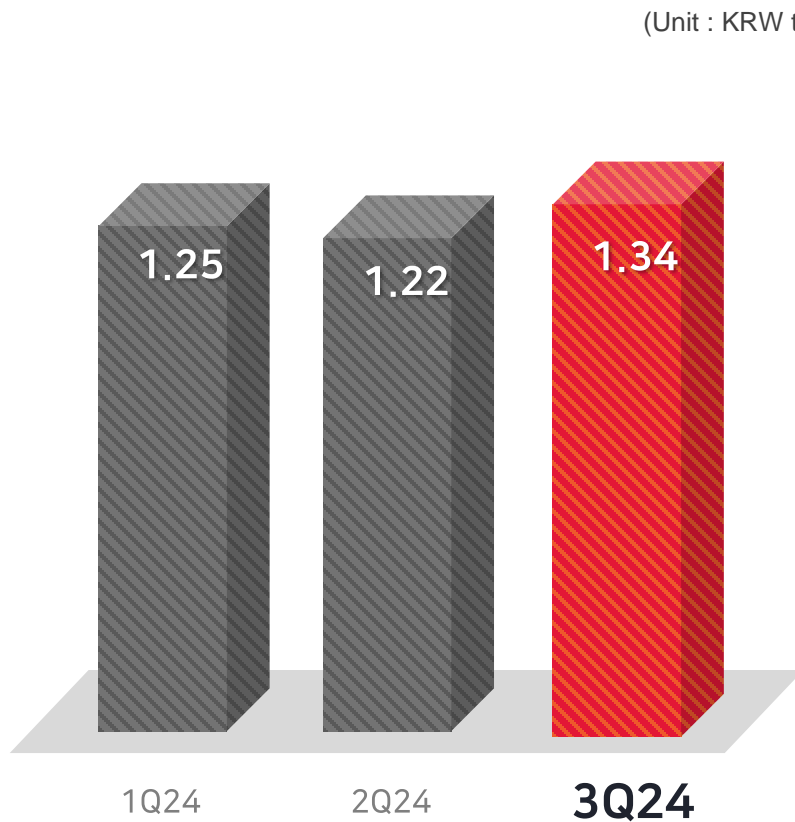
- SKYCellflu NIP sales increase
- Sanofi vaccine distribution sales increasing (2Q 7.0B → 3Q 7.5B KRW)

※ R&D expense details

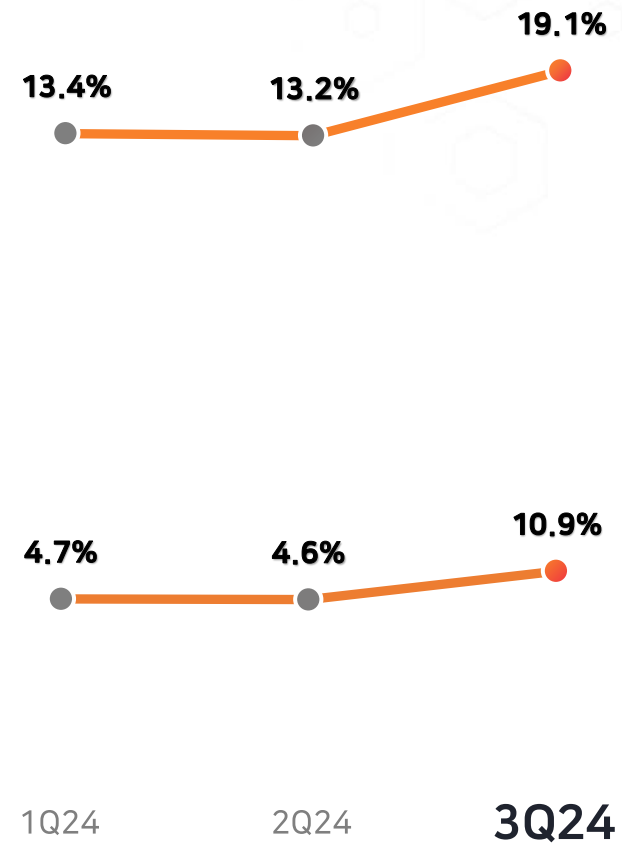
	3Q23	3Q24	YoY
Total R&D	353	306	-47
Funding	(104)	(119)	-15
R&D (SG&A)	249	187	-62

(2) Balance Sheet Highlight (Consolidated)

<Cash and Cash Equivalents>



<Debt to Equity Ratio>



(3) Consolidated Financial Statement

Balance Sheet

(Unit : KRW mn)	2022	2023	3Q24
Total Assets	2,141,931	1,852,439	2,047,646
Current Assets	1,783,694	1,382,969	1,502,914
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
Non-current Assets	358,237	469,470	544,731
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
Total Liabilities	400,229	148,584	328,204
Current Liabilities	380,037	135,620	128,523
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
Non-current Liabilities	20,192	12,964	199,681
Bonds	-	-	-
Long-term borrowings	-	-	188,215
Other non-current liabilities	20,192	12,964	11,466
Total Equity	1,741,702	1,703,855	1,719,442
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
Net Cash	1,397,247	1,274,141	1,147,162

※ 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
Gross Profit	142,243	5,396	18,134	1,827	25,357
SG&A expenses	154,231	33,498	38,074	41,440	113,013
Operating Profit	(11,988)	(28,102)	(19,940)	(39,614)	(87,655)
Non-operating profit & loss	19,315	8,296	3,039	8,956	20,291
Profit before Income Tax	7,327	(19,806)	(16,901)	(30,657)	(67,364)
Income tax	(14,990)	(6,088)	(5,492)	(8,340)	(19,920)
Net Income	22,318	(13,718)	(11,409)	(22,317)	(47,444)

(4) Separate Financial Statement

Balance Sheet

(Unit : KRW mn)	2022	2023	3Q24
Total Assets	2,142,189	1,854,403	2,054,108
Current Assets	1,777,402	1,379,372	1,146,535
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
Non-current Assets	364,788	475,031	907,573
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
Total Liabilities	399,934	148,036	327,816
Current Liabilities	379,742	135,304	128,277
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
Non-current Liabilities	20,192	12,732	199,540
Bonds	-	-	-
Long-term borrowings	-	-	188,215
Other non-current liabilities	20,192	12,732	11,325
Total Equity	1,742,255	1,706,368	1,726,292
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
Net Cash	1,390,955	1,270,549	790,771

※ 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
Gross Profit	142,243	5,396	18,134	1,827	25,357
SG&A expenses	152,033	32,941	37,489	40,957	111,387
Operating Profit	(9,790)	(27,544)	(19,355)	(39,130)	(86,209)
Non-operating profit & loss	19,207	8,288	3,026	8,952	20,266
Profit before Income Tax	9,416	(19,256)	(16,329)	(30,178)	(65,764)
Income tax	(14,990)	(6,088)	(5,492)	(8,340)	(19,920)
Net Income	24,407	(13,169)	(10,837)	(21,838)	(45,844)



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 4th 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 IVI, supported by BMGF
- **Plan to participate in the public procurement market bids**

(2) SKYVAX Global Expansion

Global Expansion Status of SKYVAX

SKYVAX

SKBS aims to partner with 40+ countries by 2024

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. 11th
- **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)

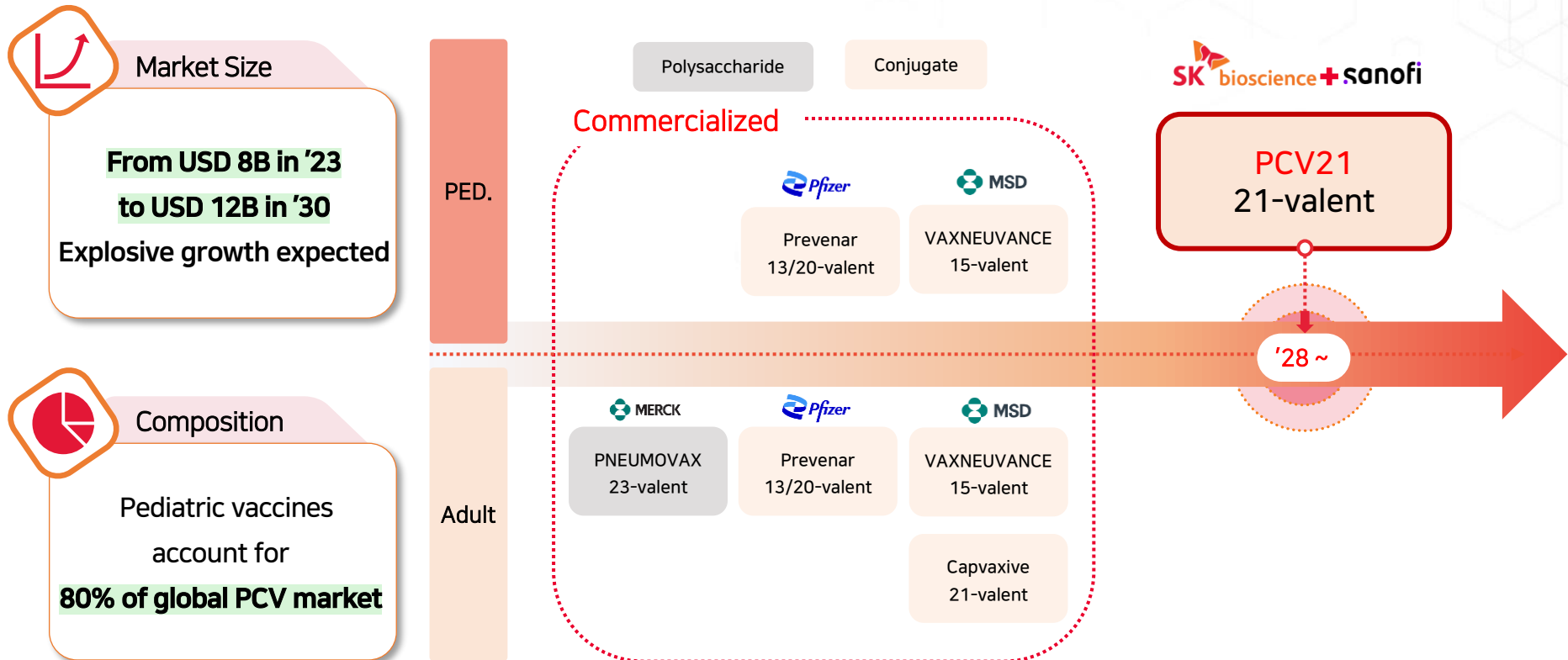
- **Fina Bio's next-gen conjugate tech** is actively adopted to **upgrade the quality of vaccines in development** and **strengthen competitiveness for global expansion**
- Secure **high preventive efficacy** of various conjugate vaccines
- **Increase profitability** with high-yield process

※ 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

		Pre-clinical	Phase 1	Phase 2	Phase 3	Registration
● Premium						
● Routine						
● COVID/Pandemic						
PCV 21	sanofi				✓ Global	
RSV		✓				
Recombinant Zoster		✓				
HPV 10	Sunflower THERAPEUTICS	✓				
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		✓			
Rotavirus Pentavalent			✓			
JEV mRNA	CEPI	✓				
Hep A, etc.		✓				
SKYCovione (COVID-19)	CEPI					✓
	BILL & MELINDA GATES foundation					
Pan-Sarbeco (Sarbecovirus)	CEPI	✓				
	INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON					
Lassa Fever mRNA	CEPI	✓				
Nasal Spray	INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	✓				
	BILL & MELINDA GATES foundation					
	iaai					

(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

