



TALKMED GROUP LIMITED

("TalkMed" or the "Company")

6th Annual General Meeting
25 April 2019

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Agenda

**Financial
performance**



Business and
corporate update



Summary and
outlook





PERFORMANCE REVIEW FOR THE GROUP⁽¹⁾

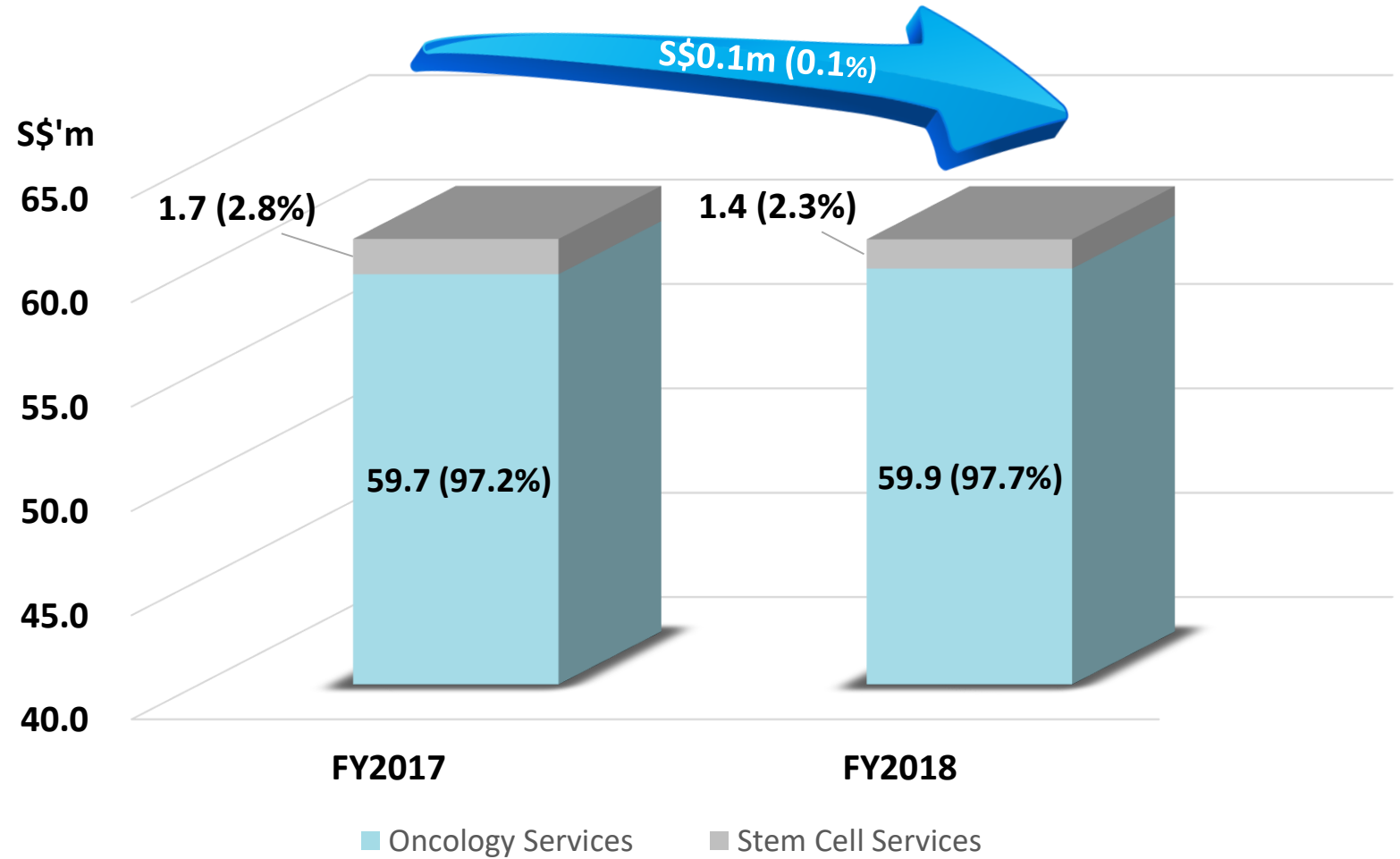
For the year ended	31 Dec 2018 ("FY2018") S\$'m	31 Dec 2017 ("FY2017") S\$'m	% Increase/ (decrease)
Revenue	61.28	61.36	(0.1%)
Interest income	0.98	0.76	28.7%
Other income	0.10	0.12	(13.3%)
Operating expenses	(27.22)	(21.88)	24.4%
Share of loss of associate	(1.14)	(1.83)	(37.8%)
Profit before tax	34.00	38.53	(11.8%)
Income tax expense	(6.79)	(7.34)	(7.5%)
Profit after tax ("PAT")	27.21	31.19	(12.8%)

⁽¹⁾ Defined as the Company, its subsidiaries and associate company



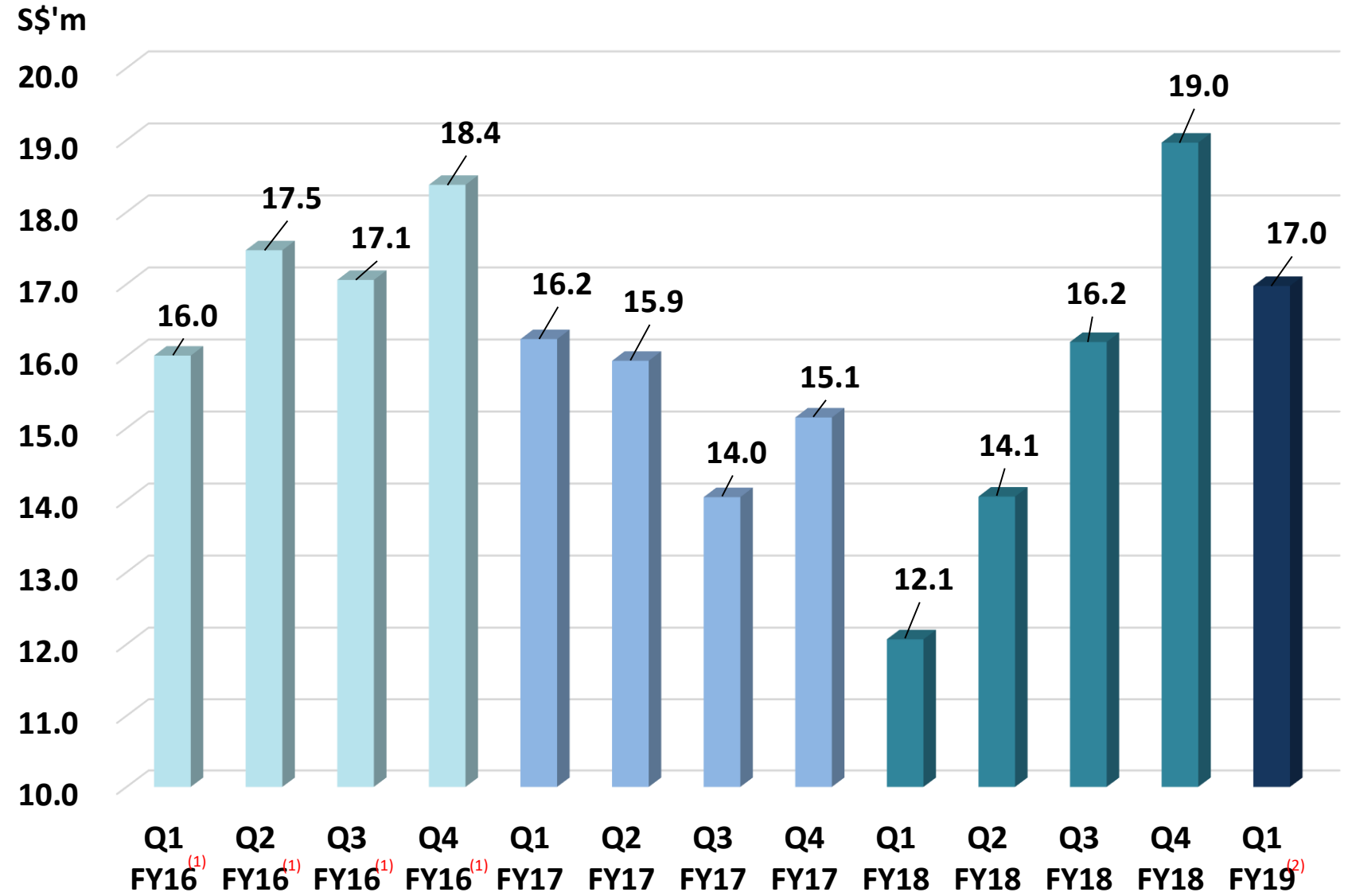
REVENUE BREAKDOWN

– FY2018 vs FY2017





QUARTERLY REVENUE

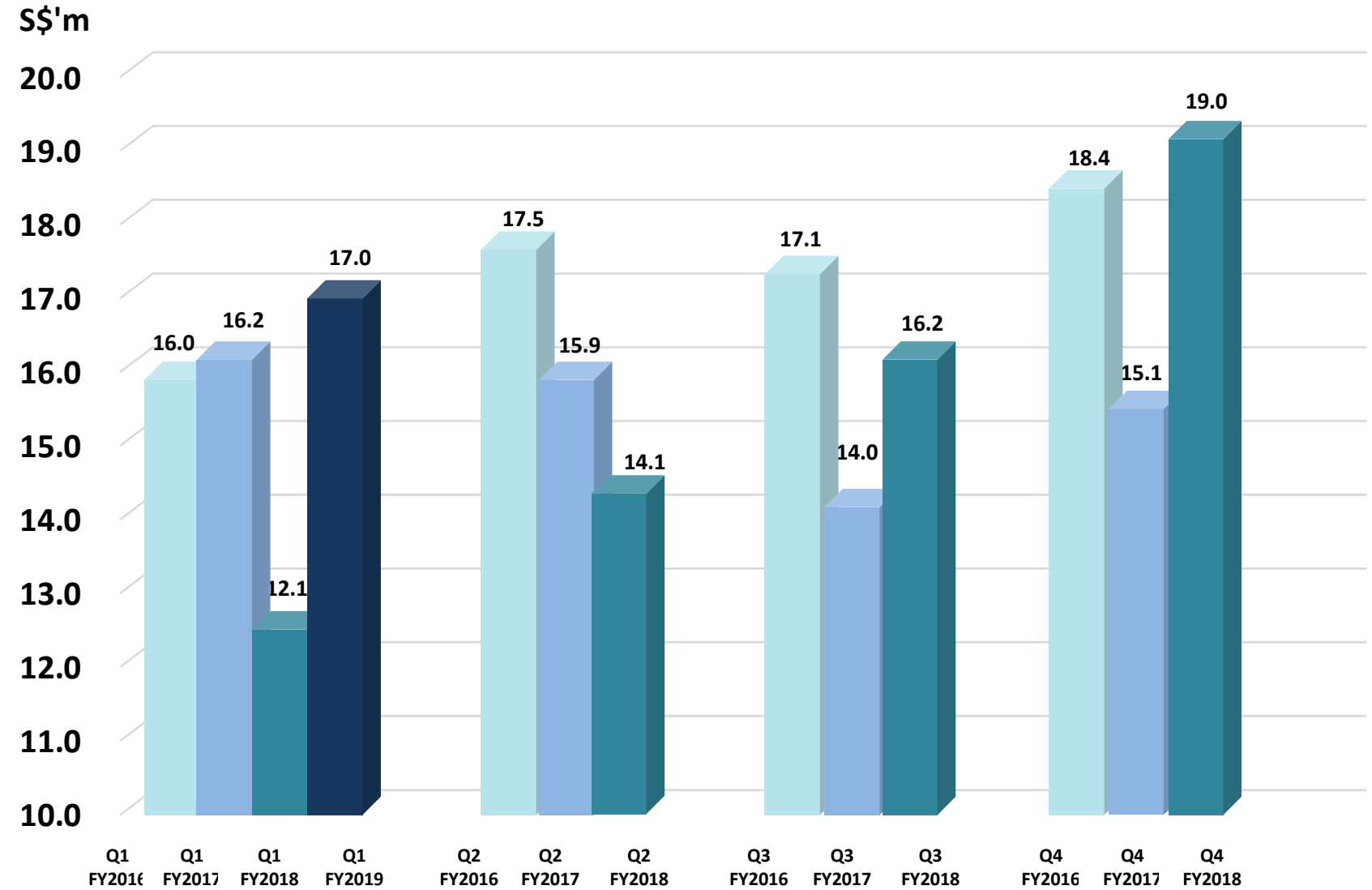


⁽¹⁾ Defined as the financial year ended 31 Dec 2016

⁽²⁾ Based on management accounts of the Group



QUARTERLY REVENUE (Cont'd)





OPERATING EXPENSES FOR THE GROUP

For the year ended	FY2018 S\$m	FY2017 S\$m	% Increase/ (decrease)
Employee benefits expense	(20.46)	(16.16)	26.7%
Cost of share-based payments to employees	(0.54)	(0.49)	11.0%
Operating lease expense	(1.90)	(1.69)	12.5%
Other operating expenses	(4.32)	(3.54)	21.9%
Total operating expenses	(27.22)	(21.88)	24.4%

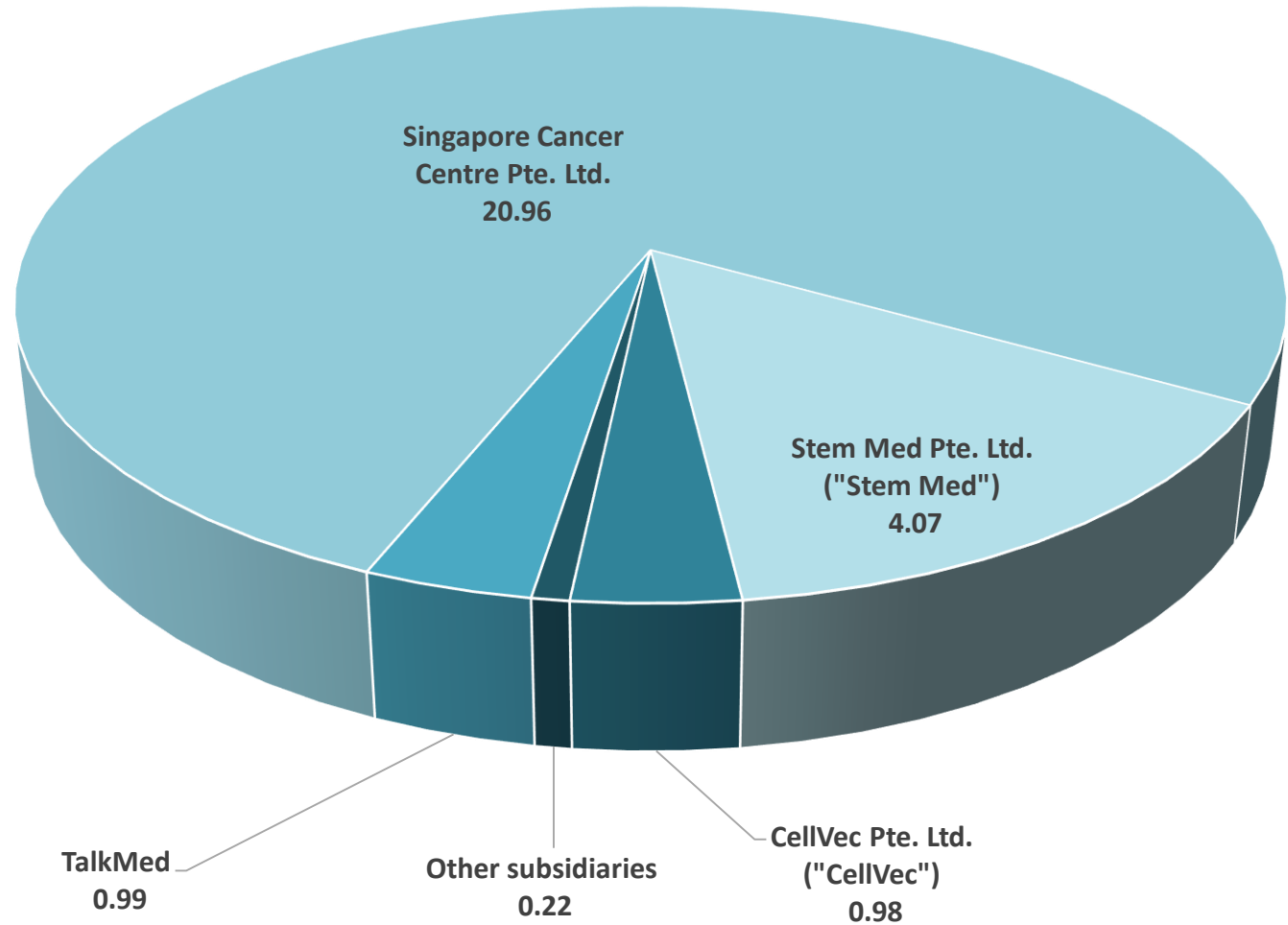


OPERATING EXPENSES FOR THE GROUP

– By Entities

(In S\$'m)

FY2018 (Total: 27.22)





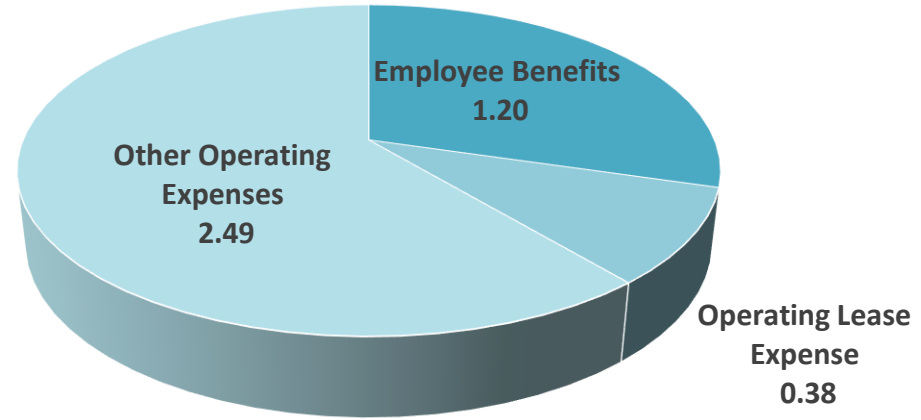
OPERATING EXPENSES

– Stem Med & CellVec

(In S\$'m)

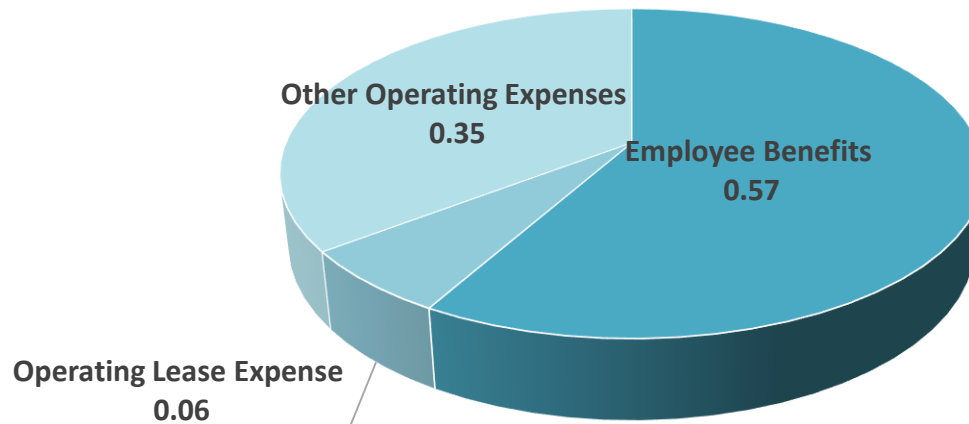
FY2018

Stem Med (Total: 4.07)



(In S\$'m)

CellVec (Total: 0.98)



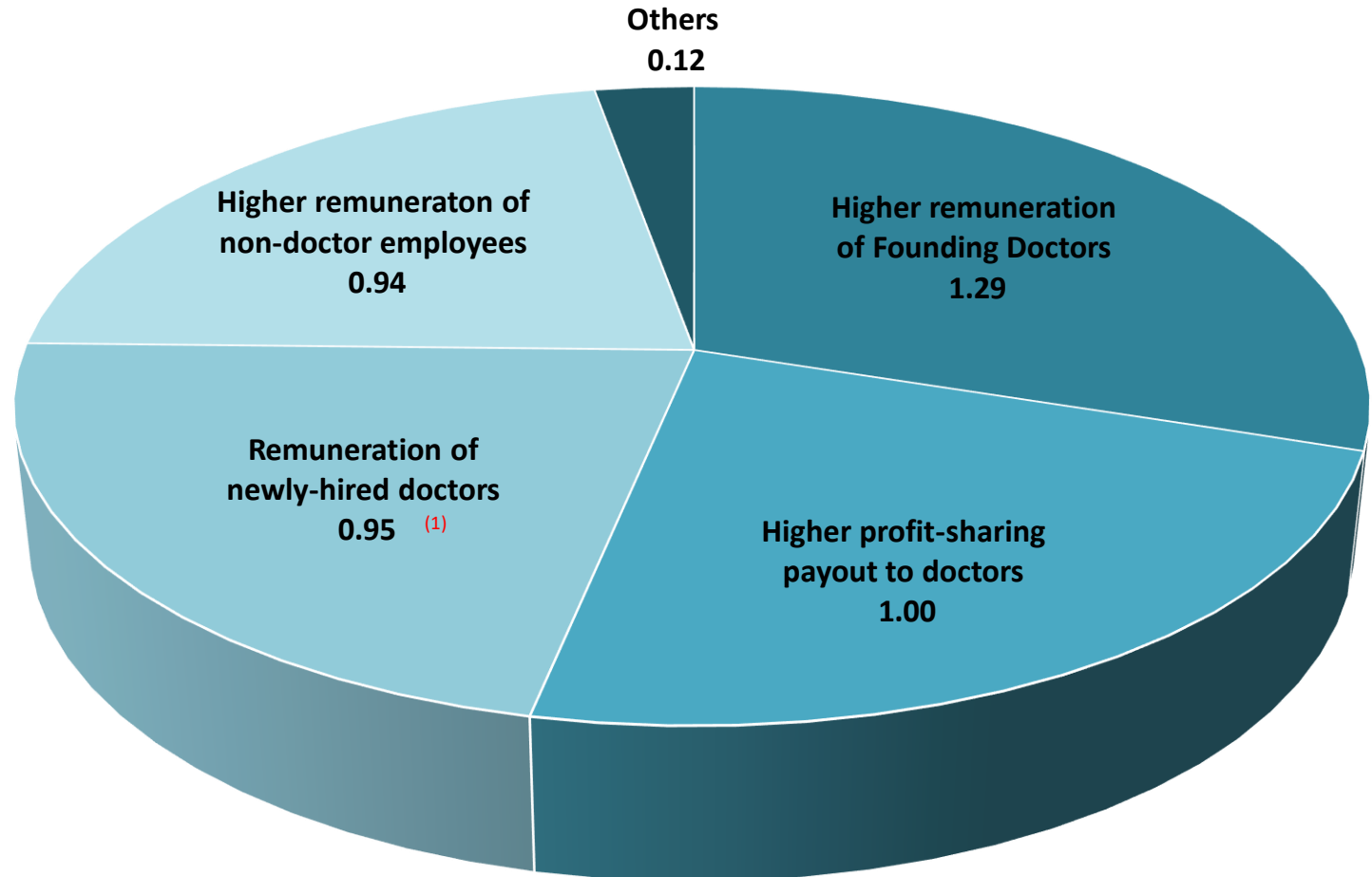


EMPLOYEE BENEFITS EXPENSE FOR THE GROUP

– FY2018 vs FY2017

(In S\$'m)

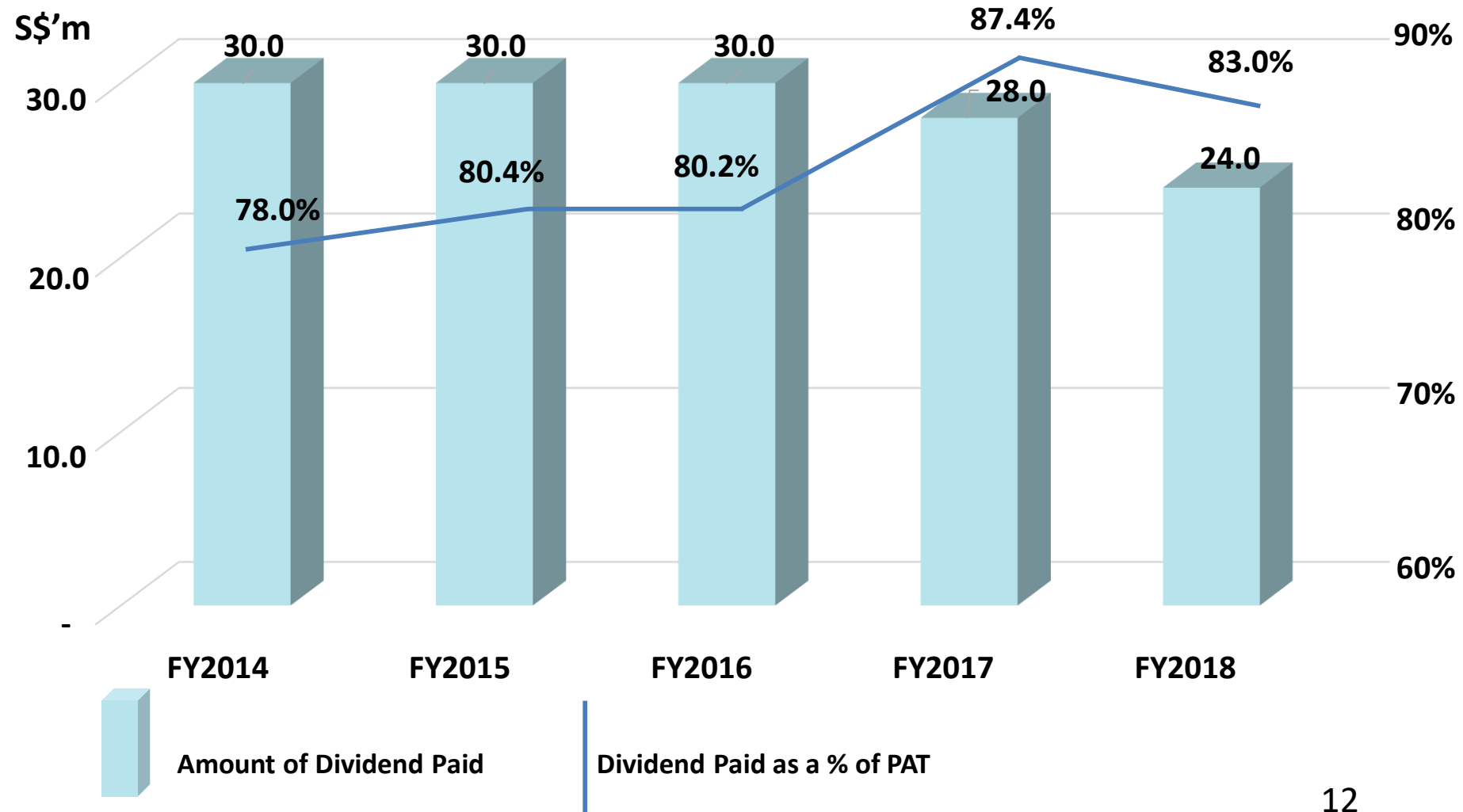
FY2018 vs FY2017: Increase of 4.30
(see below for breakdown)



⁽¹⁾ Net of decrease in remuneration of doctor who resigned in FY18

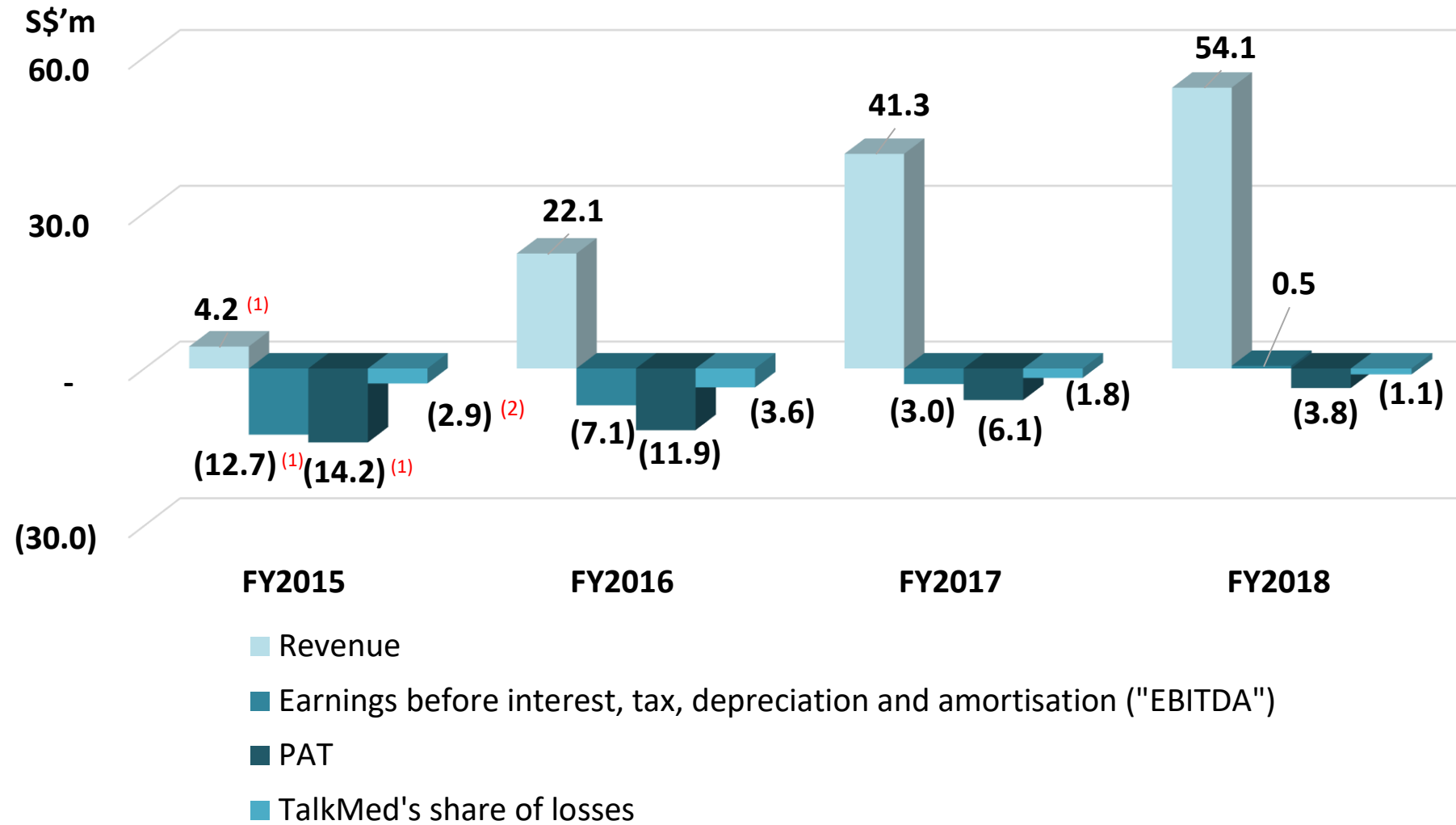


DIVIDENDS





HONG KONG INTEGRATED ONCOLOGY CENTRE HOLDINGS LIMITED (“HKH”)



⁽¹⁾ For the period from 22 September 2014 to 31 December 2015

⁽²⁾ On 9 June 2015, TalkMed entered into a collaboration agreement in relation to the investment in HKH and accordingly, took up the losses in HKH for the period from 9 June to 31 December 2015

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Summary and
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BUSINESS AND CORPORATE UPDATES

- *Key Developments*

2018

Jul

- Dr Richard Quek joined the Group in July 2018 as a Senior Consultant.
- Dr Quek was formerly the Deputy Head of the Division of Medical Oncology at National Cancer Centre Singapore and Program Director for Medical Oncology Specialist Training, bringing with him over 20 years of research and clinical experience.
- Dr Quek has special interests in the management of sarcomas, gastrointestinal stromal tumours, melanomas and lymphomas.
- He founded the Singapore Sarcoma Consortium in 2013 and serves as the co-chair for the annual Singapore Sarcoma Symposium.
- Dr Quek also founded the Asian Sarcoma Consortium (ASC) in 2015 and continues to lead the ASC whose main aims are to develop sarcoma research and education across Asia.

2018

Jul



BUSINESS AND CORPORATE UPDATES

- *Key Developments (cont'd)*

- Dr Wong Chiung Ing joined the Group in July 2018 as a Senior Consultant.
- Dr Wong specialises in the diagnosis and treatment of adult cancers with a special interest in breast and gynaecological cancers.
- Dr Wong was previously involved in clinical and translational research, particularly first-in-human clinical trials exploring novel therapies for patients with cancer and had presented and published her work in internationally renowned high-impact journals.
- Dr Wong has received various awards, including the National Healthcare Group Researcher Investigator Scientist Enabler Grant and the Excellent Service Gold Award from SPRING Singapore.
- She has been invited to present at numerous public symposiums in Singapore and in the region.



BUSINESS AND CORPORATE UPDATES

- Key Developments (cont'd)

2018

Aug

- CellVec, a 57%-owned subsidiary, was incorporated on 8 August 2018.
- CellVec is a Singapore-based cell and gene therapy manufacturer that focuses on the development of a viral vector technology platform.
- Subsequent to the incorporation of CellVec, the cellular and gene therapy division of Stem Med was transferred and consolidated into CellVec.
- More details about CellVec will be provided in the later part of this presentation.
- The Company's subsidiary, TalkMed Chongqing Pte. Ltd., entered into a collaboration framework agreement with the People's Government of Yongchuan District, Chongqing Municipality, on 28 August 2018.
- This was with the intention of establishing a Sino-Singapore International Cancer Hospital in Chongqing.
- Discussions are still ongoing.

2019

Mar



BUSINESS AND CORPORATE UPDATES

- Key Developments (cont'd)

- Dr Lee Yuh Shan joined the Group as a Senior Consultant in March 2019
- Dr Lee specialises in malignant haematology such as lymphoma, myeloma and haematopoietic stem cells transplant.
- His outstanding achievements earned him Gold and Star awards in 2013 and 2017 respectively, under Singapore Health Quality Service Awards.
- He is also a member of SingHealth Institutional Review Board and sat on several pharmaceutical advisory boards.
- Regionally, he is active and speaks in many regional haematology symposiums especially in chronic lymphocytic leukemia and lymphoma.
- He contributes to lymphoma support group and Singapore World Lymphoma Day.



BUSINESS AND CORPORATE UPDATES

- *CellVec's
advisory team*



Prof Farzin Farzeneh
Director of Kings College London GMP facility

Role:

- Overseeing the building capabilities of the new entity
- Validating the Scientific Team
- Validating the automation and reprogramming process



Prof Antonio Pagliuca
Head of Stem Cell Transplantation
National Clinical Lead for Regenerative Medicine NHS

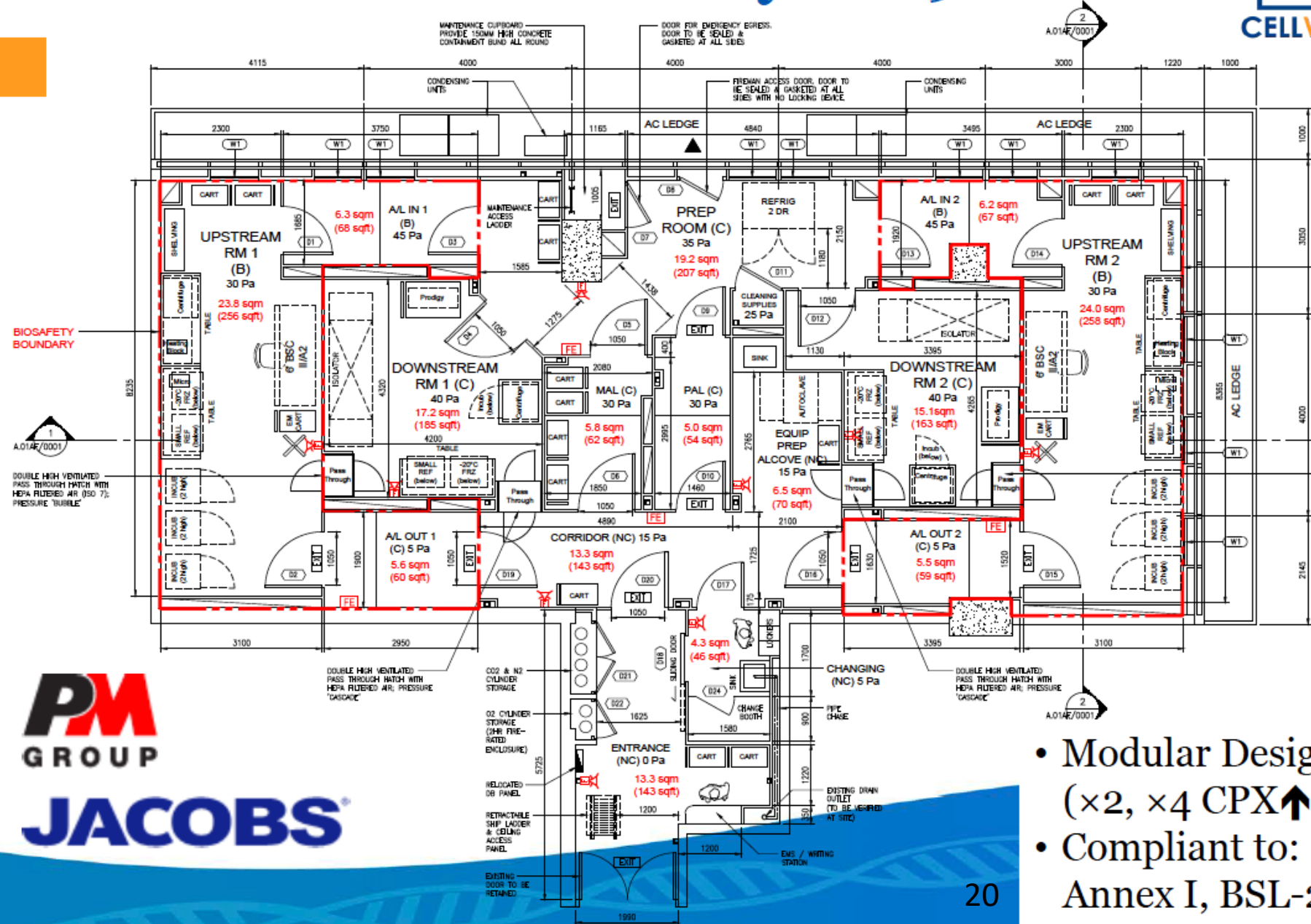
Role:

- Overseeing the commercial capabilities of the new entity
- Validating the role of Strategic Partners
- Expanding the client base

CellVec GMP Facility 2019



BUSINESS AND CORPORATE UPDATES - CellVec's Facilities

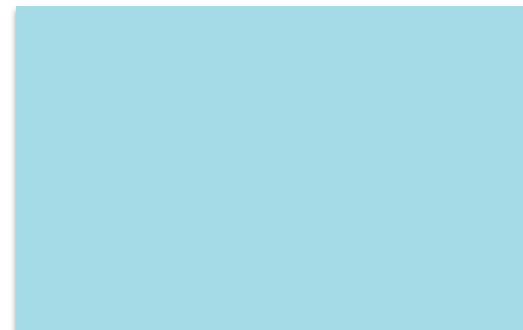
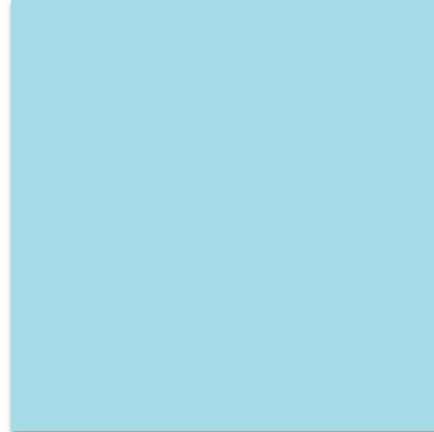


- Modular Design (×2, ×4 CPX↑)
- Compliant to: Annex I, BSL-2



BUSINESS AND CORPORATE UPDATES

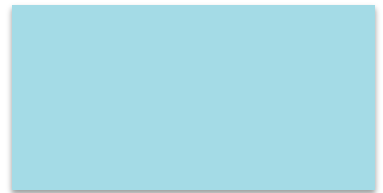
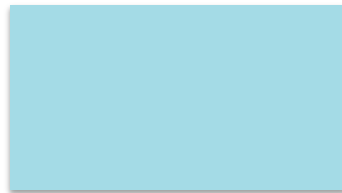
- *CellVec's Facilities (cont'd)*





BUSINESS AND CORPORATE UPDATES

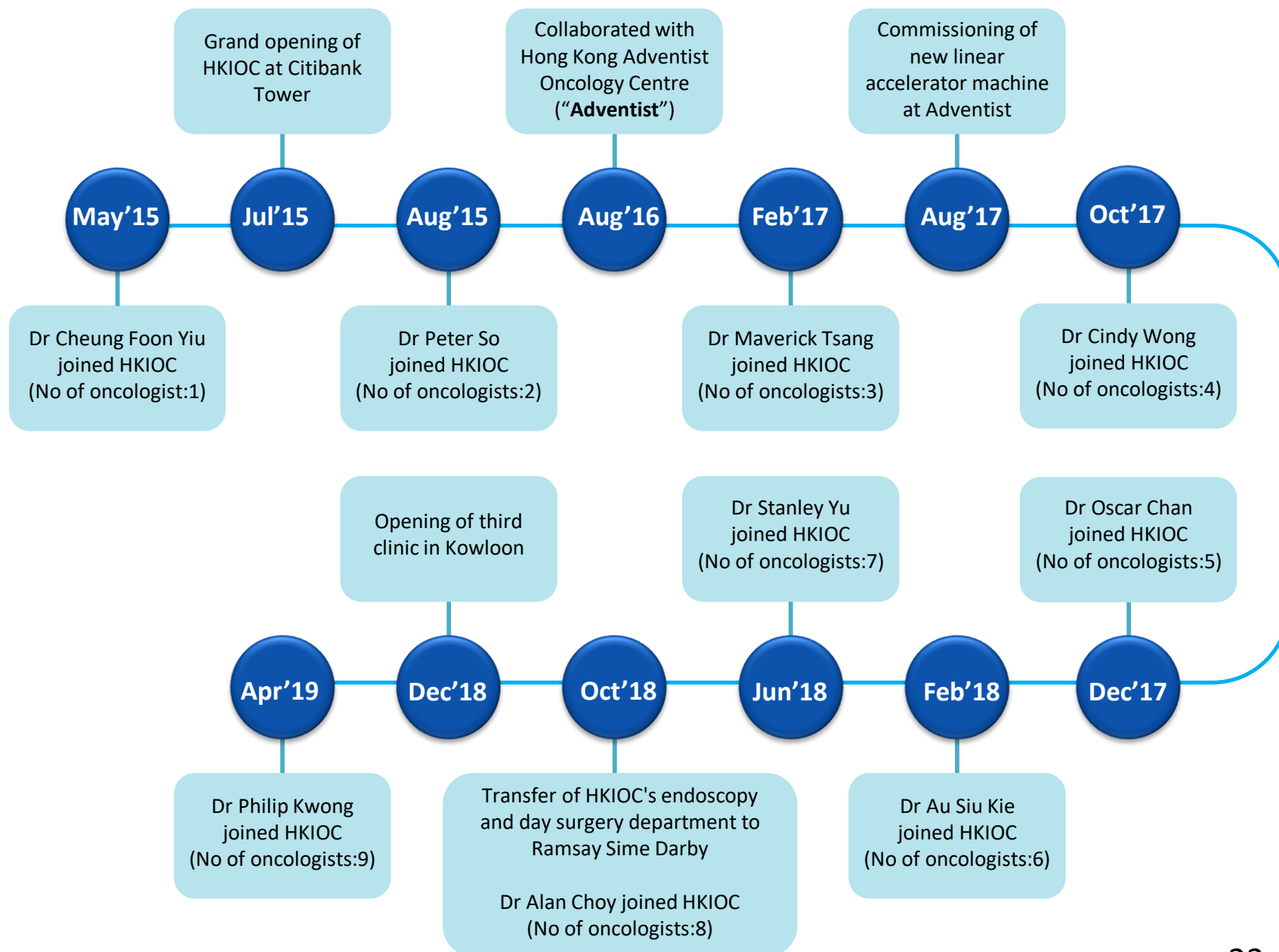
- Stem Med's Facilities





BUSINESS AND CORPORATE UPDATES

- Key milestones of Hong Kong Integrated Oncology Centre ("HKIOC")⁽¹⁾



⁽¹⁾ HKIOC is a 72%-owned subsidiary of our associate company, HKH.

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SUMMARY AND OUTLOOK

1

While Group revenue declined by some 0.1% mainly due to the decrease in revenue from stem cell services, revenues for Q4 FY18 and Q1 FY19 were very encouraging as they were the best-performing Q4 and Q1 respectively since the inception of TalkMed.

2

Our share of loss of associate was some 37.8% lower than FY17. Overall, Group PAT declined by some 12.8% largely due to higher operating expenses.

3

The Company has proposed a final dividend of S\$0.01065 per share. Together with the interim dividend of S\$0.00761 per share that was paid in August 2018, this will constitute 83.0% of the net profits attributable to owners of the Company in FY18.



SUMMARY AND OUTLOOK (CONT'D)

4

We are encouraged by the global proliferation in uses of mesenchymal stem cells for regenerative medicine and this offers great potential for Stem Med. However, the industry is still heavily regulated and such potential can only translate into positive contributions to the Group's bottom line if the relevant regulations in Singapore are relaxed.

5

CellVec's GMP facility is currently undergoing a process of qualification. We look forward to obtaining the requisite certification and thereafter for the production of GMP products to commence by the end of Q2 FY19.

6

In 2019, the Company will continue to explore M&A opportunities and/or new collaborations.



Thank you