

The Trendlines Group

Financial Highlights FY2018

Steve Rhodes
Chairman and CEO

Todd Dollinger
Chairman and CEO

Haim Brosh
Chief Financial Officer

20 February 2019

Agenda

- Corporate highlights
- Financial highlights
- Post FY 2018 developments

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Corporate highlights

11 years of portfolio value expansion

Note: For 2018, the portfolio value does not reflect all current portfolio companies due to consolidation of 5 newly-formed companies as subsidiaries controlled by The Trendlines Group.



*Portfolio value includes the fair value of investments in portfolio companies accounted for under the equity method

Key financial developments FY 2018

	31 December 2018	31 December 2017	Change	% Change
Portfolio value	US\$ 97.2 million	US\$ 96.8 million	US\$ 0.4 million	N.M.*
Book value	US\$ 86.4 million	US\$ 92.9 million	- US\$ 6.5 million	-7.0%
Current assets	US\$ 11.8 million	US\$ 20.4 million	- US\$ 8.6 million	-42.2%
	FY 2018	FY 2017	Change	% Change
Total expenses	US\$ 8.3 million	US\$ 10.1 million	- US\$ 1.8 million	-17.8%
Net gain (loss)	(US\$ 6.3) million	US\$ 3.9 million	- US\$ 10.2 million	N.M.

*N.M.= not meaningful

Key corporate developments FY 2018

- B. Braun Medical SAS, announced as acquirer of Stimatix GI Ltd.'s assets
- MOU signed with Nutreco NuFrontiers and Sirius VC (Brazil)
- Trendlines Medical Singapore and A*ccelerate signed MOU
- Established 10 new portfolio companies
- 20 portfolio companies completed investments: Two companies from strategic partners (Johnson & Johnson Innovation and Nutreco)

10 companies to watch*

- ApiFix Ltd.
- Arcuro Medical Ltd.
- BioFishency Ltd.
- Fidmi Medical Ltd.
- Gordian Surgical Ltd.
- **Leviticus Cardio Ltd.**
- OrthoSpin Ltd.
- Saturas Ltd.
- STS Medical Ltd.
- ViAqua Therapeutics Ltd.

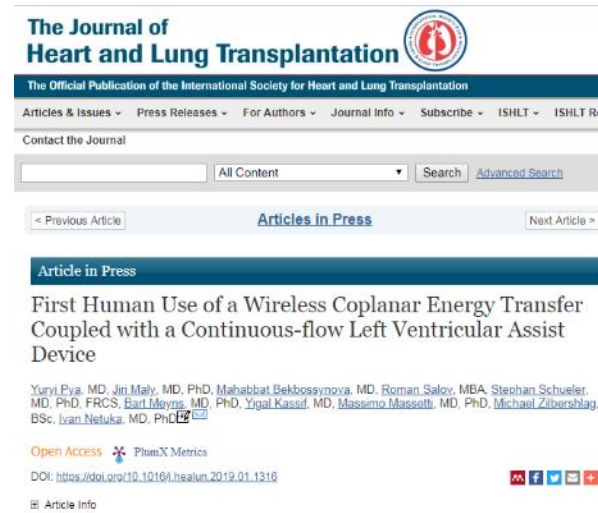
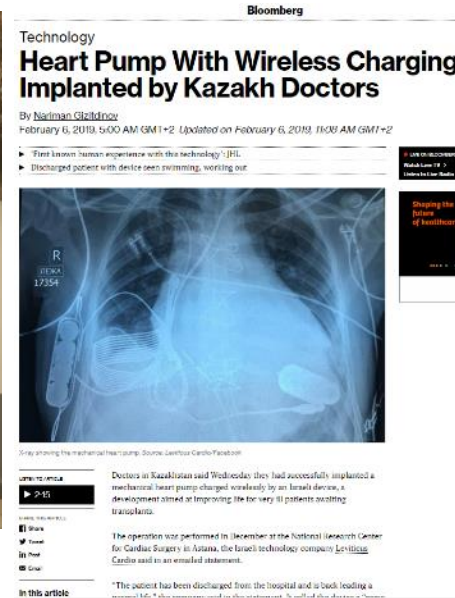


*Updated report issued 23 January 2019

A game changer in heart pump technology



In December 2018,
medical history was made



The operation itself took 4 hours
The new system was implanted with **no complications**



The technology **Leviticus** has developed
will **transform** the heart pump industry **as a whole**

Highlights from the “10 Companies to Watch” report

- ApiFix Ltd. and Gordian Surgical Ltd. completed >275 surgeries and >500 surgeries respectively
- Arcuro Medical Ltd. completed 9 successful first-in-human meniscus repair procedures
- STS Medical Ltd. preparing manufacturing capabilities for first approved product
- Leviticus Cardio Ltd. completed successful first in human cases demonstrating wireless power
- OrthoSpin Ltd. completed US\$3 million investment round led by Johnson & Johnson Innovation.
- ViAqua Therapeutics Ltd. announced Nutreco NuFrontiers and VisVires New Protein investments

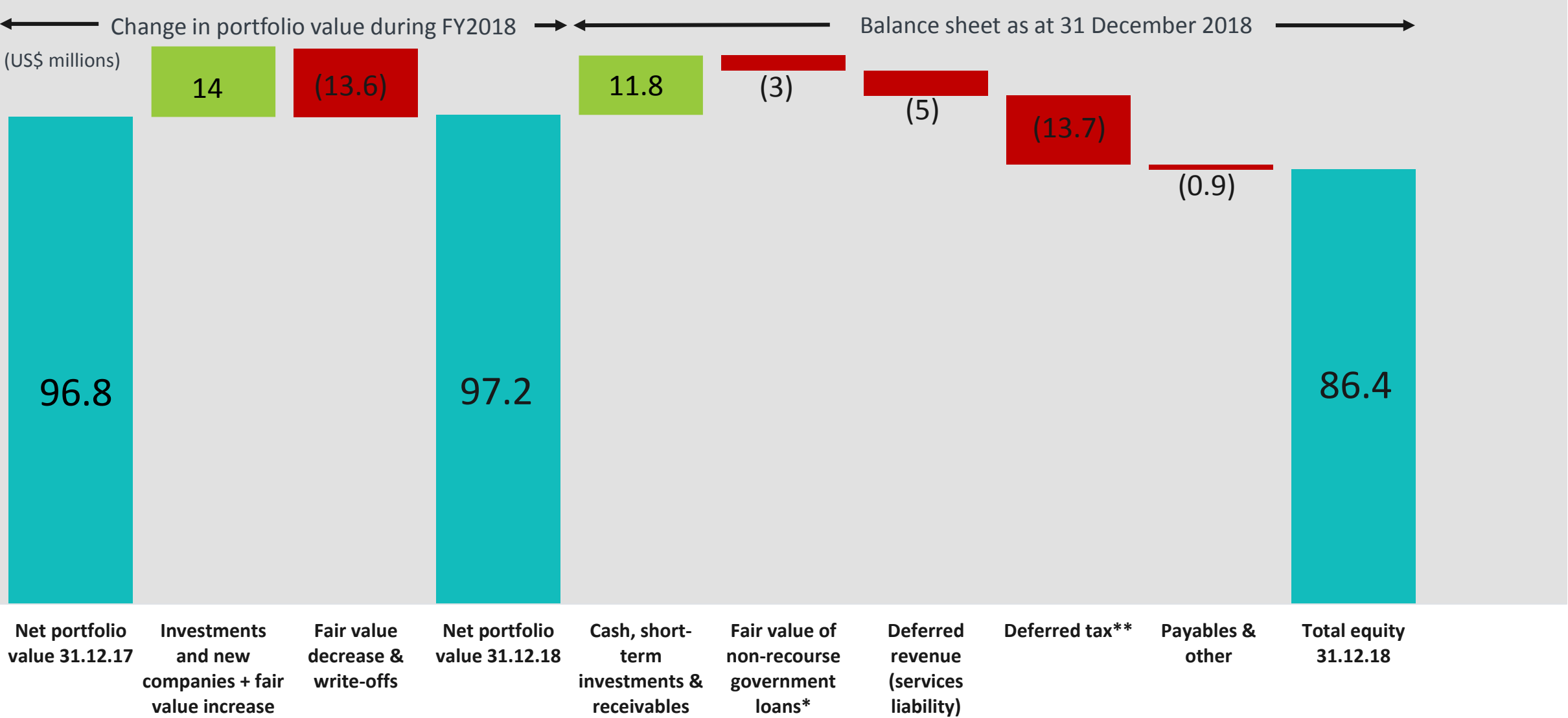
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Financial highlights

Consolidated income statement

	Group Full Year Ended		
	31 December 2018	31 December 2017	
	(Unaudited)	(Audited)	Change
	US\$'000	US\$'000	%
<u>Income:</u>			
Gain (loss) from change in fair value of investments in Portfolio Companies	(6,046)	9,399	N.M
Income from services to Portfolio Companies	5,760	4,904	17.46
Group's share of losses of companies accounted for under the equity method	-	(167)	N.M.
Income from contracted R&D services	476	473	0.63
Financial income	1,248	665	87.51
Other income	360	355	1.41
<u>Total income</u>	1,798	15,629	(88.50)
<u>Expenses</u>			
Operating, general and administrative expenses	6,395	8,579	(25.45)
Marketing expenses	404	354	14.12
R&D expenses, net	1,057	1,111	(4.86)
Financial expenses	428	10	4,180
<u>Total expenses</u>	8,284	10,054	(17.60)
Income (loss) before income taxes	(6,486)	5,575	N.M
Tax benefit (Income tax expenses)	168	(1,643)	(110.22)
Net income (loss)	(6,318)	3,932	N.M

Key value components



* Israeli government loans are non-recourse loans which only come due upon exit events.

** Deferred taxes from unrealized portfolio company valuation profits are offset and paid only upon realization of cash from exits.

The background is a light blue-grey gradient. On the left, a large sphere is composed of a grid of small dots, creating a 3D effect. Scattered across the background are various celestial symbols: small circles, crosses, and a ringed planet on the right. Faint, thin lines suggest orbital paths or constellations.

Post FY 2018 developments

Post FY 2018 developments

- Two medical portfolio companies established in Singapore as a result of collaboration agreement between Trendlines Medical Singapore Pte. Ltd., National Healthcare Group, and A*ccelerate
- Management changes for 2019 announced
- Publicized successful first in human case for portfolio company Leviticus Cardio Ltd.'s paradigm-shifting wireless heart pump system



Looking ahead: Trendlines Agrifood Fund

US\$40 million agrifood tech-focused venture fund

- Will employ a blended **early/late-stage investment strategy** to
 - achieve early exits
 - attain IRR of at least 20%

Singapore Government Support

- **Prominent Singapore investment fund** committed to invest 25% of fund, up to US\$10 million
- **Enterprise Singapore**
 - Early-stage companies can access proof-of-concept and proof-of-value funding, up to a total of SGD 750,000 per company at favorable terms
 - Application pending for grant funding for incubator
- **SEEDS Capital** agreed to co-invest with Fund
 - Initial commitment: SGD 5 million
 - 70% of SEEDS' profits paid to the Fund, increasing Fund yield



Trendlines Group VP
Nitza Kardish, PhD,
will relocate to
Singapore to oversee
and coordinate the
Fund's activities.



Creating and developing companies **to improve the human condition**

SGX: 42T
OTCQX: TRNLY

+972.72.260.7000
www.trendlines.com



Steve Rhodes, Chairman & CEO
steve@trendlines.com

Todd Dollinger, Chairman & CEO
todd@trendlines.com

Haim Brosh, Chief Financial Officer
haim@trendlines.com

20 February 2019

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

THE TRENDLINES GROUP LTD.

Securities

THE TRENDLINES GROUP LTD. - IL0011328858 - 42T

Stapled Security

No

Announcement Details

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Submitted By (Co./ Ind. Name)

Haim Brosh

Designation

Joint Company Secretary