



# Creating & Developing Companies To Improve the Human Condition



**Todd Dollinger and Steve Rhodes**  
Chairmen and CEOs

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# Trendlines: An Innovation Commercialization Company

The Trendlines Group invents, discovers, invests in, and incubates innovation-based medical and agricultural technologies

- Trendlines focuses on two global high-growth sectors: Medtech and Agtech
- Trendlines has developed a unique and proven innovation commercialization model.
- Trendlines has created a strong, experienced team to build and expand value in our Portfolio



# Israel: A Wellspring of Technological Innovation

Early-stage, entrepreneur-focused investment environment

-  **The Start-Up Nation:** Israel spends more per capita on civilian R&D than any other country
-  **Key resource:**  
Intellectual capabilities
-  **Entrepreneurial spirit:**  
“Get it done” attitude
-  **Proven track record:**  
Innovation powerhouse
-  **Strong economy:**  
Secure, stable, growing
-  **Government support:**  
Encouraging the early stage
-  **Foreign investment:**  
An attractive target

# Trendlines: Focus on Medical Device & Agtech Sectors

## Demand Drivers

### Medical Devices

- Aging population
- Increasing incidence of chronic and lifestyle diseases
- Catch-up in health care spending by large emerging markets

### Agtech

- Increase productivity in agriculture & aquaculture to feed growing population
- Improve efficiency and resilience of food system
  - Decline in arable land worldwide
  - Environmental risks & climate change
  - Limited freshwater resources

# Trendlines: Building Companies, Commercializing Innovation



## **Life Science Incubators**

Invest in companies to improve the human condition

## **In-House Innovation Center**

Invents and develops technologies to address unmet market needs



# Trendlines: From Seed to Success at High Speed



# Trendlines: Capital Leverage

## Risk Mitigation

Israeli government typical new company grant:  
**~US\$600,000**

Trendlines' typical cash investment:  
**~US\$105,000** per company

Trendlines' typical in-kind investment:  
Additional **~US\$450,000** per company over  
two-year period

Typical Israel investment: **~US\$1.15 million**

## Israeli Government Grants

- No equity
- No rights to intellectual property
- Grants directly to portfolio companies
- Sales royalty = grant plus interest
- Additional payments at exit if intellectual property moved overseas

## Israeli Government Oversight

- Quarterly financial report and semi-annual qualitative report for each company that receives funding
- Annual audits of incubators



# Trendlines: Value Creation

Portfolio companies are like tightly wound springs: Value-building events release “energy” for jumps in value.



Trendlines Labs not included in Portfolio Value

\*Proforma portfolio value: including exit value of E.T. View and dividend payment from Most Valuable Portfolio Company received in Q32016

# Trendlines: Monetization

## M&A Transactions

Year	Company	Acquirer
2011	PolyTouch	Covidien/Medtronic
2013	Innolap Surgical	Teleflex
2013	FlowSense	Baxter International
2014	Inspiro	OPKO
2014	Most Valuable Portfolio Company	Undisclosed
2016	ETView Medical	Ambu

## Public Listings

Year	Company	Exchange
2010	ETView Medical	Tel Aviv
2010	FlowSense	Tel Aviv

# Trendlines' Core Strengths: Team, Network & Reputation

## Strong Management Team and Track Record

- We understand global markets and bridge cultures to build companies
- A track record in building companies and executing exit strategies
- Steve Rhodes and Todd Dollinger delivered irrevocable instructions to purchase Trendlines shares, irrespective of share price, beginning December 2016 for a 12-month period.

## Extensive Network of Relationships/Strong Reputation

- Quality deal flow
- Strategic partnerships
- Follow-on capital

## Facilities and Support for Portfolio Companies

- Intense support by staff of about 40 professionals in areas of business development, finance, R&D, market research, communications, etc.
- Portfolio companies focus on developing technology, product and markets
- Reduced risk and increased chances of success

## Effective Use of Funds

Leverage portfolio investments with non-dilutive funding

# Trendlines: Decades of Company-Building Experience



**Todd Dollinger**

Chairman & CEO  
The Trendlines Group



**Nitza Kardish, Ph.D.**

VP The Trendlines Group  
CEO Trendlines Incubators Israel

Former CEO,  
Clal Life Sciences



**Yosi Hazan**

CEO Trendlines Labs

Former GM,  
Biosense Webster  
(J&J company)



**Steve Rhodes**

Chairman & CEO  
The Trendlines Group



**Moshe Katzenelson**

VP Business  
Development

Former CEO,  
two start-up incubators



**Gabi Heller**

CFO

Former CFO,  
Walden Israel Ventures



**Yossi Ron**

COO & Joint Company  
Secretary

Former CEO,  
Trendlines Agtech

# Trendlines: Partnering with Leaders

## B. Braun

Invested US\$5 million in Trendlines' IPO

- Establishing mutual deal flow
- Identifying potential new investments
- Establishing accelerators and incubators
- Supporting new technology and product development

## Bayer

US\$10 million in Trendlines Bayer Ag  
Innovation Fund

- Establishing mutual deal flow in agricultural innovation
- Identifying potential new investments

## B. Braun Melsungen AG

- Founded 1839
- Privately held
- Global sales: €5.43 billion
- 54,000 employees
- Supplies global health care markets

## Bayer AG

- Founded 1863
- Public company: cap €73.5 billion (8 November 2016)
- Global sales: €46.3 billion
- 117,000 employees
- Global life sciences company

# Trendlines: Building Value Over Time

Initial Invest.	Company	Technology Dev.	Technology Proven	Follow-On Capital	Clinical/Field Trials	Commercialization	Exits (by Company Start Date)
2008	NeuroQuest						
	Nephra						
	VivoText						
	Breezy						
2009	Stimatix GI						
	SolChip						
2010	Magdent						
	ProArc Medical						
	Liola Technologies						
	Advanced Mem-Tech						
2011	Leviticus Cardio						
	ApiFix						
	LapSpace Medical						
	GreenSpense						
2012	MiRobot						
	CoreBone						
2013	EdenShield						
	Gordian Surgical						
	BioFishency						
	Saturas						
2014	Omeq Medical						
	VisiDome						
	STS Medical						
	Valentis						
2015	Arcuro Medical						
	Virentes						
	Vensica Medical						
	Fidmi Medical						
2016	VIAqua Therapeutics						
	Escala Medical						
	OrthoSpin						
	Enolog Technologies						
2017	ElastiMed						
	Zeev Implants						
	Tandem Technologies						
	AquiNovo						
2018	InPlant Technologies						
	OB Smart						
	Hargol FoodTech						
	CorAlert						
2019	MetoMotion						

One of our 10 most valuable portfolio companies as at 30 September 2016.

As at 30 September 2016; 25 written-off portfolio companies and 2 companies established before September 2007 not listed. IPO indicates reverse mergers into public companies.



# Trendlines: Portfolio Value

Fair market value of **10 most valuable portfolio companies** ~US\$59.5 million, **71.2% of total portfolio value** of ~US\$83.6 million as at 30 September 2016.

Company Name	Initial Investment	% Owned (Fully Diluted)
ApiFix Ltd.	2011	24.40
Arcuro Medical Ltd.	2013	35.05
EdenShield Ltd.	2012	36.54
LapSpace Medical Ltd.	2011	54.57
Leviticus Cardio Ltd.	2010	23.80
Liola Technologies Ltd.	2010	29.14
Omeq Medical Ltd.	2013	42.68
Stimatix GI Ltd.	2009	27.17
STS Medical Ltd.	2013	35.37
VivoText Ltd.	2008	22.90

# Trendlines Labs: The Hidden Value

## Strategic Partnering Process Benefits All



## Selected Trendlines Labs' Portfolio

Field	Invention	Dev. Status
Urology	Reduced infection-risk Foley catheter	Prototype
Infection Control	Gloves to improve hand hygiene compliance	Prototype
Neurology	Disposable surgical endoscope	Concept
Women's Health/Gynecology	Delaying pre-term birth	Prototype
	Urinary stress incontinence support device	Initial clinical trial
Men's Health	Prostate cancer screening system	Preclinical trial
Diagnostics	Low-cost dehydration monitor	Initial trial
	Improved biopsy needle	In vitro demonstration

# Trendlines: Financial Highlights (US\$ 000)

	2013 Audited	2014 Audited	2015 Audited	30.9.16 Unaudited	
Total Portfolio Fair Value*	74,639	77,494	85,776	83,566	
Total Current Assets	5,764	4,392	24,000	20,411	
	2013 Audited	2014 Audited	2015 Audited	30.9.16 YTD Unaudited	30.9.15 YTD Unaudited
Gain (loss) from change in fair value of portfolio companies	23,494	1,879	4,960	(5,049)	4,723
Portfolio companies services/contract R&D services income	5,222	5,797	4,698	4,008	3,607
Other income	991	877	281	3,355	450
<b>TOTAL INCOME</b>	<b>29,707</b>	<b>8,553</b>	<b>9,939</b>	<b>2,314</b>	<b>8,780</b>
Non-GAAP total expenses before non-recurring, non-cash item	6,798	11,408	7,938	7,607	7,084
Non-GAAP income/(loss) before income tax and non-recurring, non-cash item	22,909	(2,855)	2,001	(5,293)	1,696
Non-recurring, non-cash item**			3,775		
Income/(Loss) before income taxes	22,909	(2,855)	(1,774)	(5,293)	1,696
Income tax expense/(benefit)	6,186	1,355	1,794	(1,475)	1,731
Net income/(loss) and total comprehensive income/loss	16,723	(4,210)	(3,568)	(3,818)	(35)
Earnings per share (US\$)	0.054	(0.01)	(0.01)	(0.01)	0.00

\*Includes fair market value of assets carried at equity value

\*\* Non-cash item: One-time discount on conversion of pre-IPO RCL

# Trendlines: Traded Peer Group & Industry Comparables

	Price to Portfolio (FMV)*
Allied Minds (LSE:ALM)	1.82
Imperial Innovations (AIM:IVO)	1.68
IP Group (LSE:IPO)	1.57
PureTech Health (LSE:PRTC)	<u>1.39</u>
Average Price to Portfolio	<u>1.61</u>
<b>Trendlines Price to Portfolio</b>	<b><u>0.75</u></b>

\*Based on market cap at 3 November 2016, divided by last available Portfolio Value  
Peer Group as identified in DBS Vickers report of 11 Feb 2016

Industry Comparables Price to Book (as at 5 January 2016)	
661 Health Care Products Companies Average Price/Book	3.56
403 Farming and Agriculture Companies** Average Price/Book	2.20
<b>Trendlines Price to Book (3 November 2016)</b>	<b>0.78</b>

\*\*Source: Prof. Aswath Damodaran, New York University, 5 Jan 2016  
[http://people.stern.nyu.edu/adamodar/New\\_Home\\_Page/datacurrent.html](http://people.stern.nyu.edu/adamodar/New_Home_Page/datacurrent.html)

# Trendlines: Stock Overview



As at 4 November 2016	SGD
Last Price	0.171
IPO Price	0.330
52-Wk High	0.395
52-Wk Low	0.133
Market Cap	87.0 million
Shares Outstanding	508.8 million
Free Float	358.1 million

## Trendlines traded in U.S.

- OTCQX International
- ADR (1 ADR : 50 ordinary shares)
- Ticker: TRNLY

# Trendlines: Our Business Strategy

## **Intense Support/Increase Number of Portfolio Companies**

- Create and develop companies to improve the human condition
- More than 30 companies to be added to Portfolio over 3 years

## **Follow-On Investments in Portfolio Companies**

- Accelerate portfolio company development
- Demonstrate support and confidence
- Limit dilution

## **Expansion into New Markets**

- Exploring international opportunities, including Germany, and China

## **Expansion of Trendlines Labs**

- Invest in selected technologies to accelerate market entry
- Intensify marketing and business development efforts
- Establish companies from Trendlines Labs' inventions

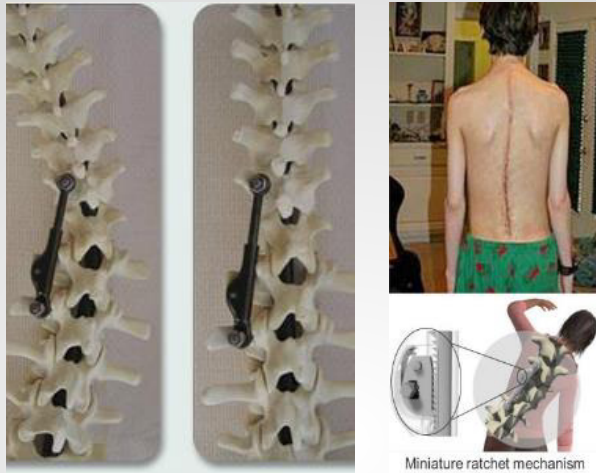


# Selected Portfolio Companies



# Trendlines' Portfolio: Incremental Scoliosis Treatment System

## ApiFix



### Solution

Less invasive scoliosis correction system incorporates a miniature ratchet mechanism for gentle, incremental corrections over time

### Ideation

Identified serial entrepreneur-spine expert

### Investment & Intense Support

- Raised US\$3.5 million in two rounds
- US\$5 million round in process; 70% completed
- Trendlines holding: 29.4% (following round in process)

### Achievements

- Completed >100 successful surgical procedures
- Some patients more than 3 years post surgery
- CE mark, commercial sales
- FDA regulatory pathway determined
- Winner of FDA-funded NCC-PDI Competition

Revenue  
Stage

# Trendlines' Portfolio:

## Water Treatment System for Aquaculture

### BioFishency



### Solution

Cost-effective, all-in-one water treatment system for reduced water use and improved yields in land-based aquaculture. Operates with all existing aquaculture systems: extensive, intensive, and recirculated

Revenue  
Stage

### Ideation

Trendlines identified inventor

### Investment & Intense Support

- Active guidance in marketing, business development, investment banking
- Connected with potential partners in target markets
- Prepared for investor meetings and events
- Trendlines holding: 49.8%

### Achievements

- Successful tests demonstrated more than doubled production, with up to 85% reduction in water consumption
- Sales launched, units installed in Israel, India, Philippines, Bangladesh, and other countries

# Trendlines' Portfolio:

## Natural, Nontoxic Bio-Insecticide

### EdenShield



### Solution

Natural, nontoxic insect control system for greenhouse crops, ornamentals, and cannabis that when applied to screens reduces insect attraction; based on extracts of plants endemic to Israel's semi-desert region

Revenue  
Stage

### Ideation

Trendlines identified inventor

### Investment & Intense Support

- Active guidance in marketing, business development, investment banking
- Trendlines holding: 36.5%

### Achievements

- U.S. patent
- Successful field trials in variety of crops and insects, including those that attack cannabis
- Ongoing commercial demos (cannabis)
- Initial sales in Israel and limited sales to U.S. home hydroponic sector
- Launched greenhouse product: Israel, Europe, Africa, and United States

# Trendlines' Portfolio: Trocac with Integrated Closure System

## Gordian Surgical



### Solution

Novel, two-in-one trocar with a built-in closure system offers a simple, safe, and efficient approach for opening and suturing abdominal incisions

### Ideation

Trendlines identified foreign inventors

### Investment & Intense Support

- Formed company in Israel and recruited CEO
- Ongoing management and technical support

### Achievements

- Completed US\$1.9 million A and A1 Rounds
- US\$2.25 million round in process
- Over 50 surgical procedures performed
- CE mark received; FDA submission
- 3 patents (2 in U.S. and 1 international)

Business  
Development  
Stage



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