

General Announcement::Trendlines Company Presentation - January 2016

Issuer & Securities

Issuer/ Manager	THE TRENDLINES GROUP LTD.
Securities	THE TRENDLINES GROUP LTD. - IL0011328858 - 42T
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
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Announcement Sub Title	Trendlines Company Presentation - January 2016
Announcement Reference	SG1601130THRCM68
Submitted By (Co./ Ind. Name)	Yosef Ron
Designation	Joint Company Secretary
Description (Please provide a detailed description of the event in the box below)	<p>Please see attached.</p> <p>The Trendlines Group Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 November 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the Sponsor").</p> <p>This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.</p> <p>This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.</p> <p>The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.</p>
Attachments	<p>The Trendlines Group Ltd Company Presentation 13 01 2016.pdf</p> <p>Total size =1950K</p>

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Creating & Developing Companies To Improve the Human Condition



Todd Dollinger and Steve Rhodes
Chairmen and CEOs

January 2016

Legal Disclaimer

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I. Overview & Business Model



The Trendlines Group at a Glance

2007: Established in Israel
2015: Listed on SGX Catalist
Ticker: 42T

Early-Stage Investors in

- Medical technologies
- Agriculture and food technologies

46 Portfolio Companies (31.12.15)

Portfolio Value: **US\$ 84.7 million** (30.6.15)

Current Assets: **US\$ 15.1 million** (30.6.15)



Best Incubator Awards



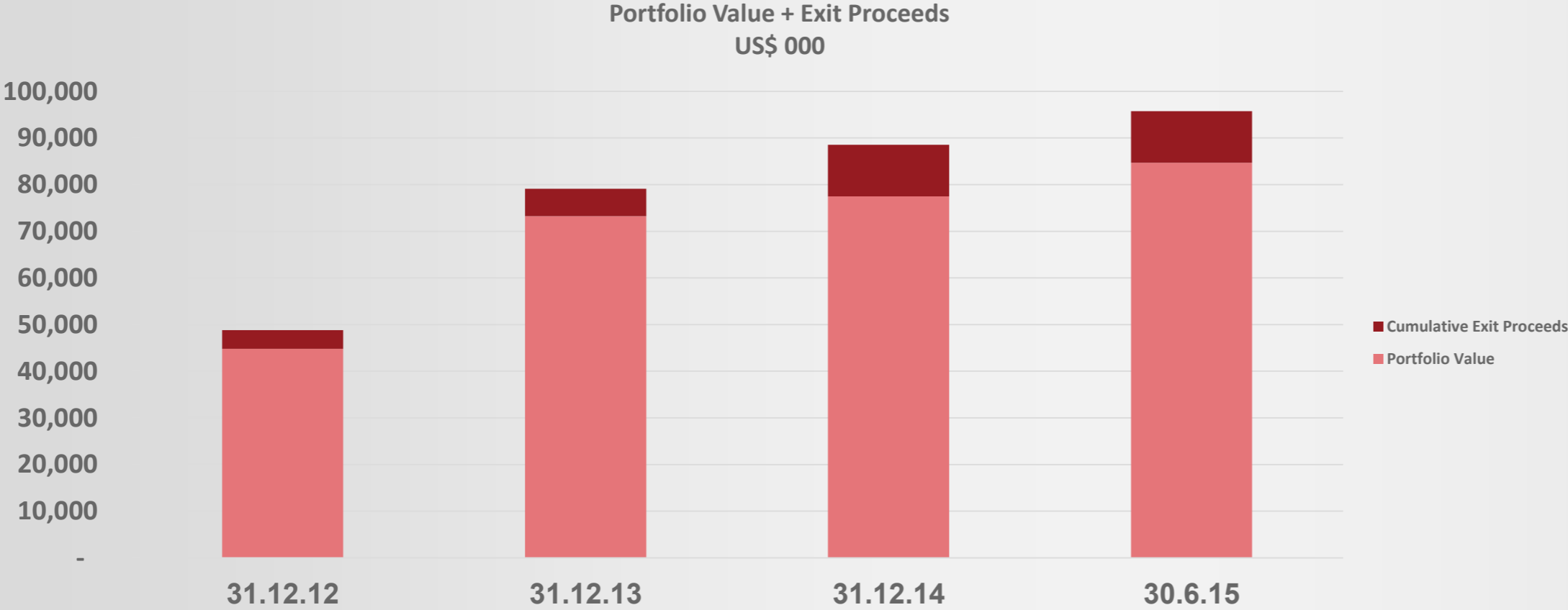
Outstanding Start-Up of the Year Awards

508,741,749 shares outstanding
Avg. daily volume (26.11.15 – 7.1.16) –
6,756,666 shares
Market Cap (7.1.16) –
US\$ 95.74 million

Key Shareholders (31.12.15)

3 Directors	21.86%
B. Braun	<u>4.23%</u>
	26.09%

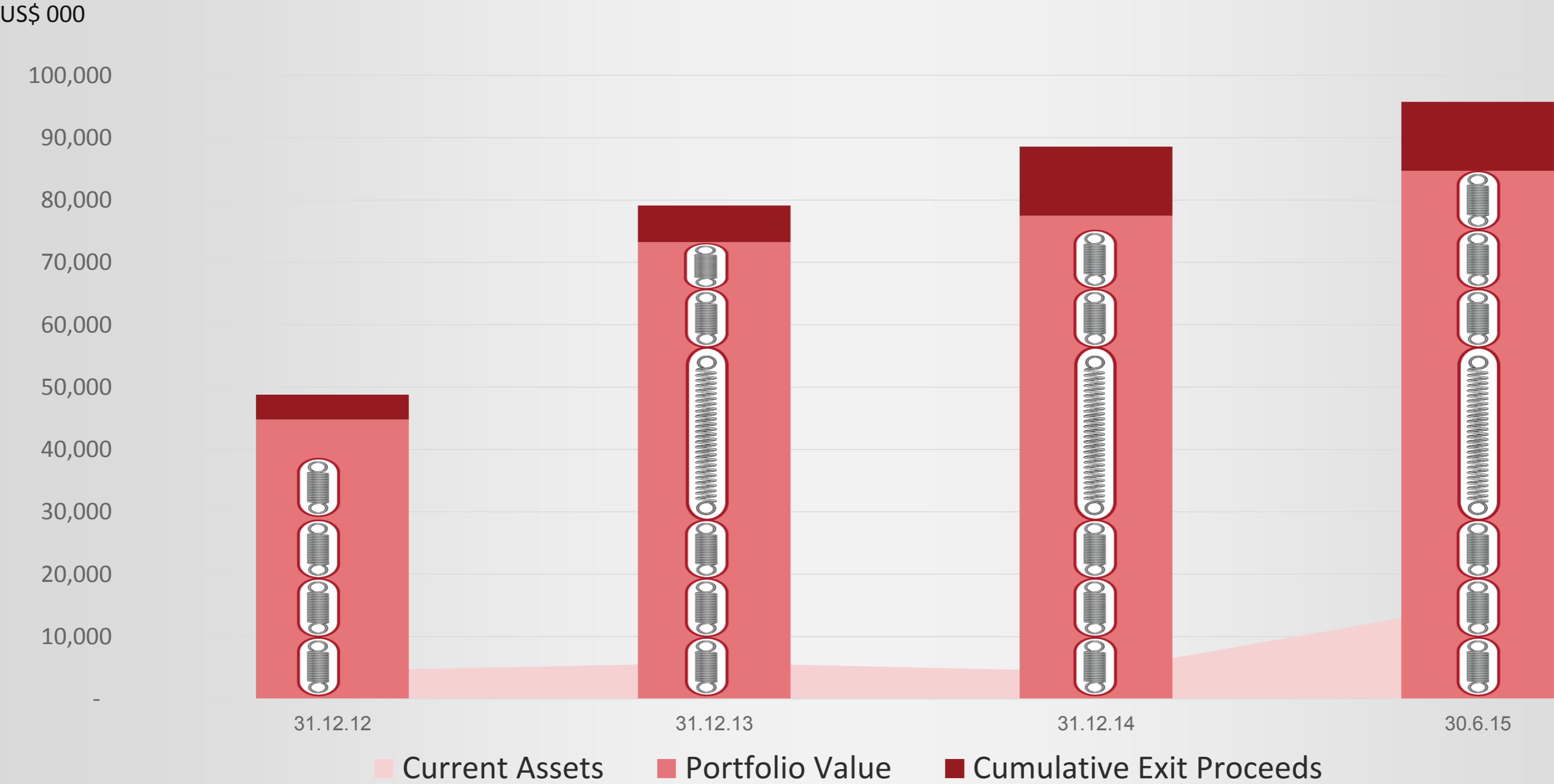
Financial Overview



Summary P&L US\$ 000

	2012	2013	2014	30.6.2015
Total Income	13,768	29,707	8,553	8,996
Total Expenses	5,158	6,798	11,408	3,667
Income (Loss) before Income Taxes	8,610	22,909	(2,855)	5,329
Income from Investment Activity	12,230	27,626	6,312	7,771
Operating Income (Loss)	(3,620)	(4,717)	(9,167)	(2,442)
Income (Loss) before Income Taxes	8,610	22,909	(2,855)	5,329

Consistently Building Value



Innovation Management: A Unique Business Model

The Trendlines Group is an early-stage investor – we start companies.

- We are **not** a venture capital firm
 - No management fees
 - No carried interest
- Cash investment + substantial in-kind investment
- Deeply involved in all aspects of our companies



The Trendlines Group: Innovation Management



Israeli Government-Franchised Incubators

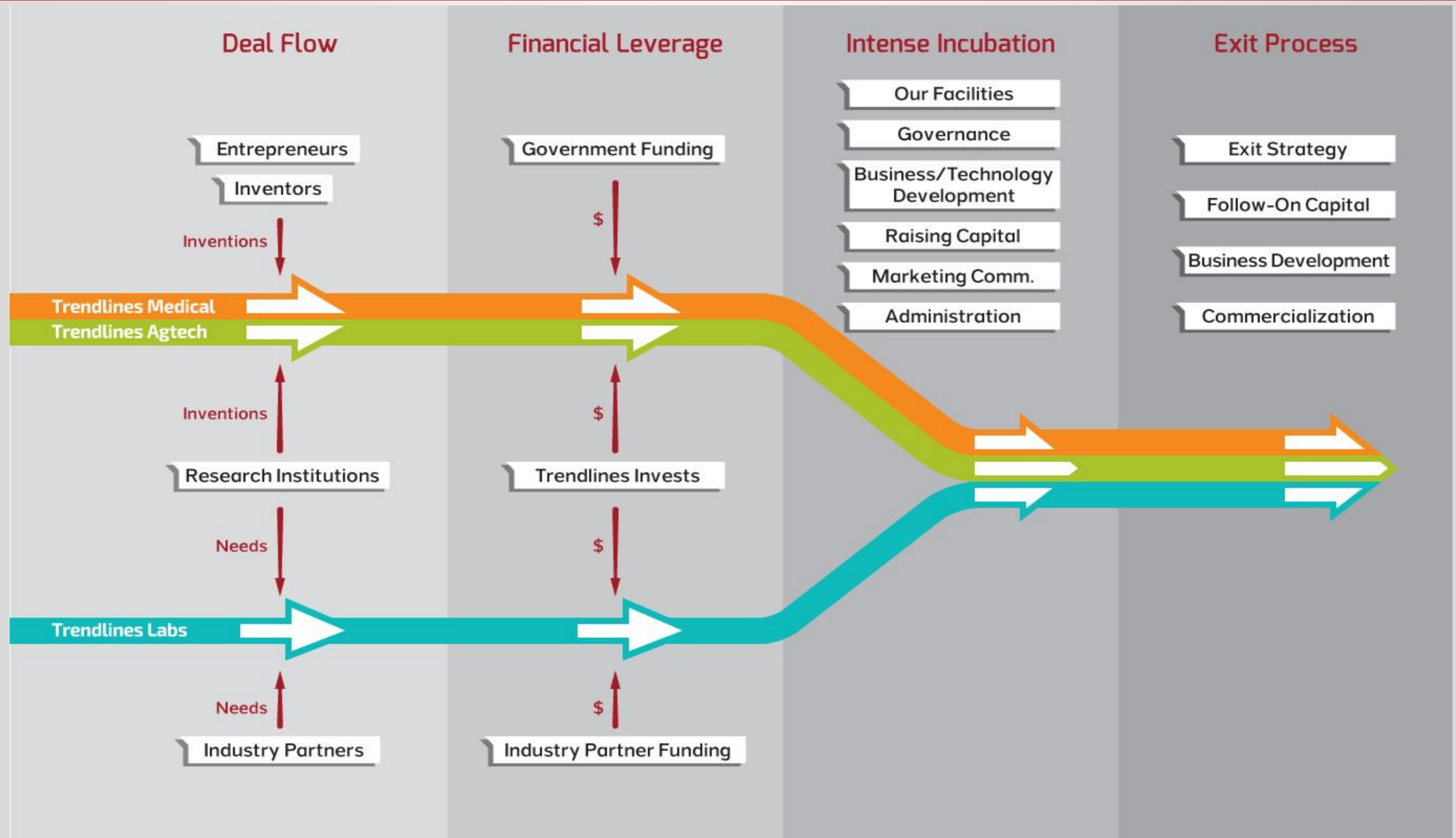
Invest in medical and agricultural **life sciences** companies



Internal Innovation Center

Invents new technologies to address unmet market needs

Innovation Management According to Trendlines



~500 deals reviewed annually

Sources of Deal Flow

Israel, United States; expanding to Singapore, China, and more

- Entrepreneurs
- Inventors
- Universities and research institutions
- Needs identified by industry partners

Our Advantages

- Successes = strong reputation in the market
- Unparalleled support = unique value proposition
- Professional team
- Strategic partners

What We Look For

- Leaders with passion and commitment
- Unmet needs
- Unique, innovative technologies

The Trendlines Group: Government Leverage Mitigates Risk

Government funding leverages our capital.

Israeli government typical new company grant:

Agtech: **NIS 2.125 million** (~US\$ 543,000)

Medical: **NIS 2.550 million** (~US\$ 652,000)



Trendlines' typical cash investment:

Agtech: **NIS 375,000** (~US\$ 96,000) per company

Medical: **NIS 450,000** (~US\$ 115,000) per company



Trendlines' in-kind investment:

Additional **~US\$ 450,000** per company over two-year period



Typical Agtech investment: ~ US\$ 1.1 million

Typical Medical investment: ~ US\$ 1.2 million

Israeli Government Grants

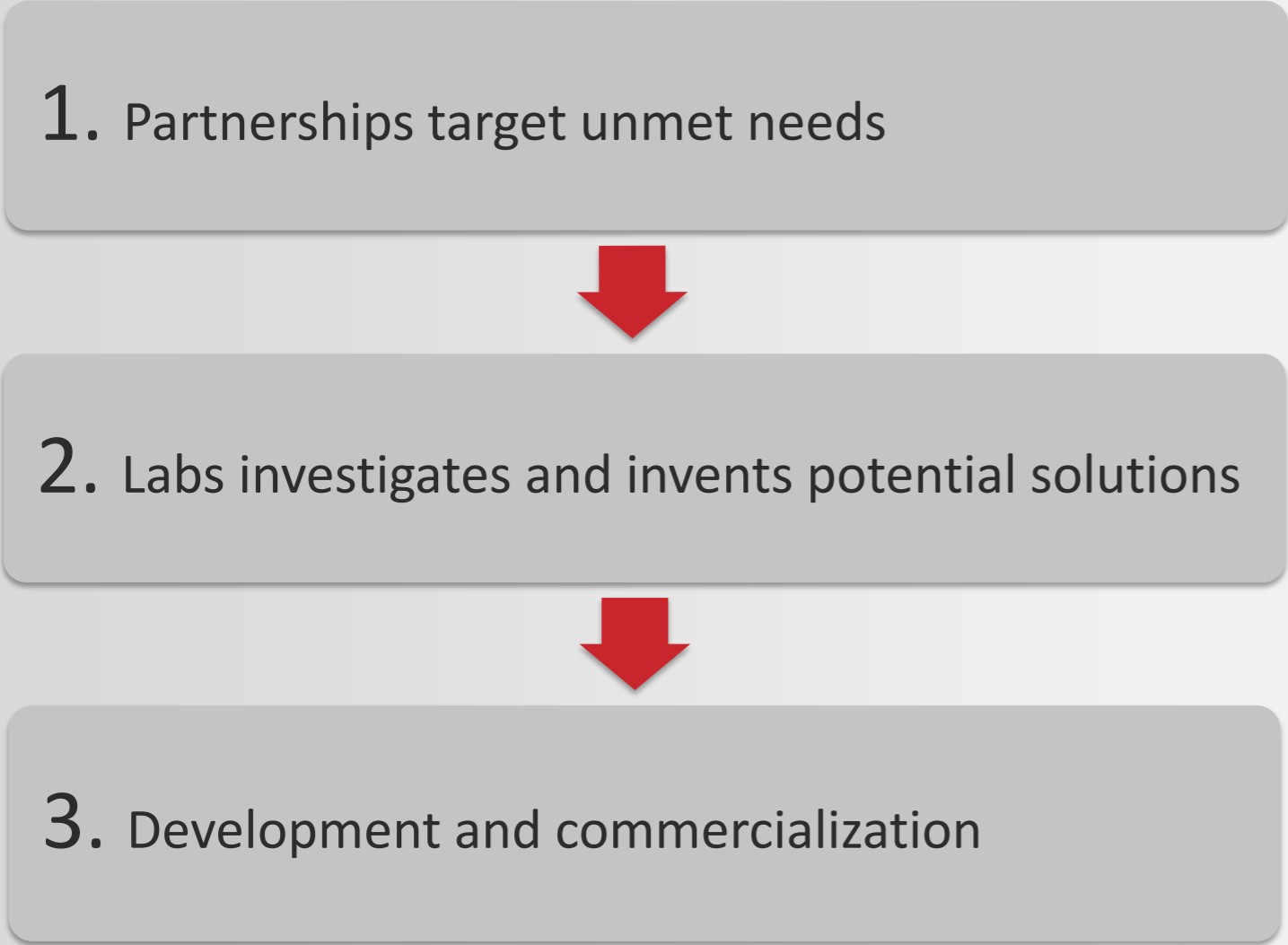
- No equity to Government
- No government rights to IP
- Grants directly to portfolio companies
- Sales royalty: grant plus interest
- Additional payments at exit if IP moved overseas

Israeli Government Oversight

Government conducts audits and requires:

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

Strategic Partnering: 3-Stage Process



Trendlines Labs’ Portfolio – Overview

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' Expertise: Birth to Success at High Speed



II. Competitive Strengths



Trendlines' Competitive Strengths

Strong Management Team and Track Record

- Our team understands global markets and bridges cultures to build businesses
- Track record to executing exit strategies for portfolio companies

Extensive Network of Relationships

- Quality deal flow
- Strategic Partnerships
- Investor relationships

Strong Reputation and Brand

- Trendlines Medical twice named best incubator in Israel
- Five portfolio companies named best start-ups of the year

Physical Facilities and Intensive Support Provided to Portfolio Companies

- Intense support by staff of 35+ allows portfolio companies to focus on developing technology, product and markets, reducing risk and increasing chances of success

Effective Use of Funds

- Portfolio companies located in Trendlines' facilities and extensively supported through their first years
- Leverage portfolio investments with non-dilutive funding

Trendlines' Founders: Decades of Company-Building Experience



Todd Dollinger

Chairman & CEO
The Trendlines Group

Chairman, Trendlines Medical



Steve Rhodes

Chairman & CEO
The Trendlines Group

Chairman, Trendlines Agtech

- 1991** Managed Israeli medical device start-up
- 1993** Established business development consultancy
- 2007** Founded The Trendlines Group
Acquired two incubators
- 2010** Portfolio companies ETVIEW and FlowSense go public on the Tel-Aviv Stock Exchange
- 2011** Established Trendlines Labs
Covidien acquires PolyTouch
- 2013** Baxter acquires FlowSense
Teleflex acquires Innolap
- 2014** OPKO acquires Inspiro
Additional undisclosed exit
- 2015** Singapore IPO

Trendlines' Management Team: Experienced and Entrepreneurial



Eran Feldhay, M.D.

CEO, Trendlines Medical

Former GM, McKesson Israel



Nitza Kardish, Ph.D.

CEO, Trendlines Agtech

Former CEO, Clal Life Sciences



Yosi Hazan

CEO, Trendlines Labs

Former GM, Biosense Webster (J&J company)



Moshe Katzenelson

Head, International Incubators

Former CEO, two start-up incubators



Gabi Heller

Chief Financial Officer

Former CFO, Walden Israel Ventures



Yossi Ron

Chief Operating Officer

Former CEO, Trendlines Agtech

Strategic Partners

B. BRAUN

Invested S\$ 7.1 million in IPO

Proposed Collaboration

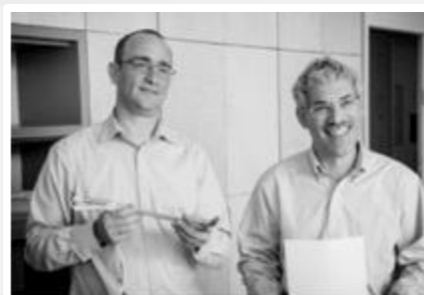
- Establishing mutual deal flow
- Identifying potential new investments
- Establishment of accelerators and incubators
- New technology and product development

Trendlines Labs Partnerships

- The Chaim Sheba Medical Center
- Rambam Health Care Campus
- Mor Research Applications Ltd.
- U.S.- and Japan-based multinational corporations

B. BRAUN

- German privately held company founded 1839
- Global sales : €5.43 billion
- 54,000 employees in 62 locations
- Supplies global healthcare markets: anaesthesia, cardiology, extra corporeal blood treatment, surgery
- Provides services for hospitals, general practitioners and homecare sector



Strong Reputation and Brand

- **Two** portfolio companies, FlowSense and ETView, taken public on the TASE
- **Five** portfolio companies (including FlowSense) acquired by or sold assets to multinational corporations



* As at 31 December 2015

** Awarded to Trendlines Medical by Israel's Office of the Chief Scientist ("OCS")

*** Awarded to the portfolio companies by the OCS

III. Portfolio & Financial Highlights



The Trendlines Group: Building Value over Time



One of our 10 most valuable portfolio companies as of 30 June 2015

List of companies as at 31 December 2015; 16 written-off portfolio companies and 2 companies established before September 2007 not listed. IPO indicates reverse mergers into public companies

The Trendlines Group: Most Valuable Portfolio Companies

Fair market value of our **10** most valuable portfolio companies:
US\$59.5 million, 69.3% of our total portfolio value of **US\$84.7** million*

Company Name**	Initial Investment	% Owned (Fully Diluted)
ApiFix Ltd.	2011	29.42
Arcuro Medical Ltd.	2013	45.08
ET View Medical Ltd.	2008	27.86
IonMed Ltd.	2009	28.80
Leviticus Cardio Ltd.	2010	29.27
MediValve Ltd.	2010	31.66
NeuroQuest Ltd.	2008	32.24
Omeq Medical Ltd.	2013	46.56
Stimatix GI Ltd.	2009	27.17
STS Medical Ltd.	2013	35.37

* Data as at 30 June 2015

** Listed alphabetically

The Trendlines Group: Exit Transactions

Year	Company	Description	Acquirer	Estimated Return ⁽¹⁾
2011	PolyTouch	Trade sale; company was three years old at time of sale	Covidien	6.7X
2013	Innolap Surgical	Trade sale; company was <i>eight months old</i> at time of sale	Teleflex	3.2X
2013	FlowSense	Trade sale; company was four years old at time of sale	Baxter International	4.0X
2014	Inspiro	Trade sale; company was four years old at time of sale	OPKO	8.8X
2014	Most Valuable Portfolio Company ⁽³⁾	Asset sale; company was five years old at time of sale	Undisclosed ⁽³⁾	66.9X ⁽²⁾

Notes:

(1) Estimated return represents the multiples on the exit proceeds to our investment (net of OCS funding) in the exited company, which comprises (i) our initial cash investment; (ii) additional investments through estimated value of the provision of services; and/or (iii) our estimated overhead expenses incurred in relation to the exited company.

(2) Based on the estimated fair value when the agreement was executed compared to our investment at that point in time.

(3) Unable to disclose due to confidentiality obligations.

Peer Groups

- Jefferies Equity Research: “We value ALM on a Fair Market Value (FMV) basis.” (30 October 2014)
- Four LSE traded companies

Price to Portfolio (FMV)*

- | | |
|----------------------------------|-------------|
| • Allied Minds (LSE:ALM) | 2.61 |
| • Imperial Innovations (LSE:IVO) | 1.75 |
| • IP Group (LSE:IPO) | 2.40 |
| • PureTech Health (LSE:PRTC) | <u>2.57</u> |

Average Price to Portfolio

2.33

Trendlines Price to Portfolio

1.36

*Based on market cap at 31.12.15, divided by last available Portfolio Value

- Industry Comps – **Price to Book** (as at 5 January 2016)
 - 661 Healthcare Products companies – average Price/Book: **3.56**
 - 403 Farming & Agriculture companies – average Price/Book: **2.20**

Source: Prof. Aswath Damodaran, New York University, 5 January 2016 -
http://people.stern.nyu.edu/adamodar/New_Home_Page/datacurrent.html

Trendlines Price-to-NTA ratio (page 67, Offer Document, 26.11.15) **1.4**

The Trendlines Group: Audited Financial Highlights

(US\$ 000)

	2013	2014	H1 2015
Total Portfolio Fair Value*	74,639	77,494	84,697

	2012	2013	2014	H1 2015
Total Income	13,768	29,707	8,553	8,996
Total Expenses	5,158	6,798	11,408	3,667
Income (Loss) before Income Taxes	8,610	22,909	(2,855)	5,329
Earnings per Share (US\$)	0.021	0.054	(0.009)	0.011

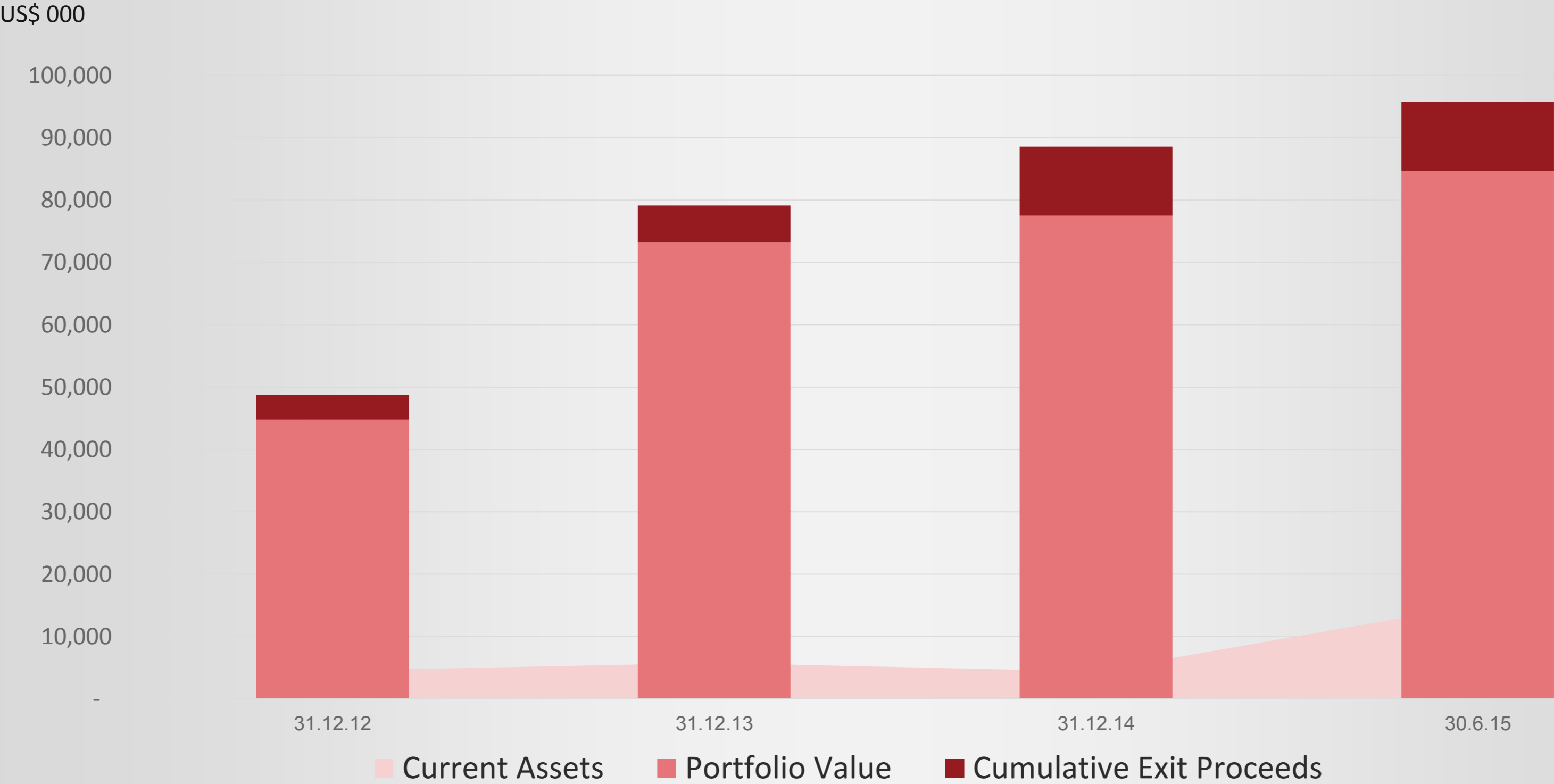
Income from Investment Activity**	12,230	27,626	6,312	7,771
Operating Income (Loss)***	(3,620)	(4,717)	(9,167)	(2,442)
Income (Loss) before Income Taxes	8,610	22,909	(2,855)	5,329

* Includes fair market value of assets carried at equity value

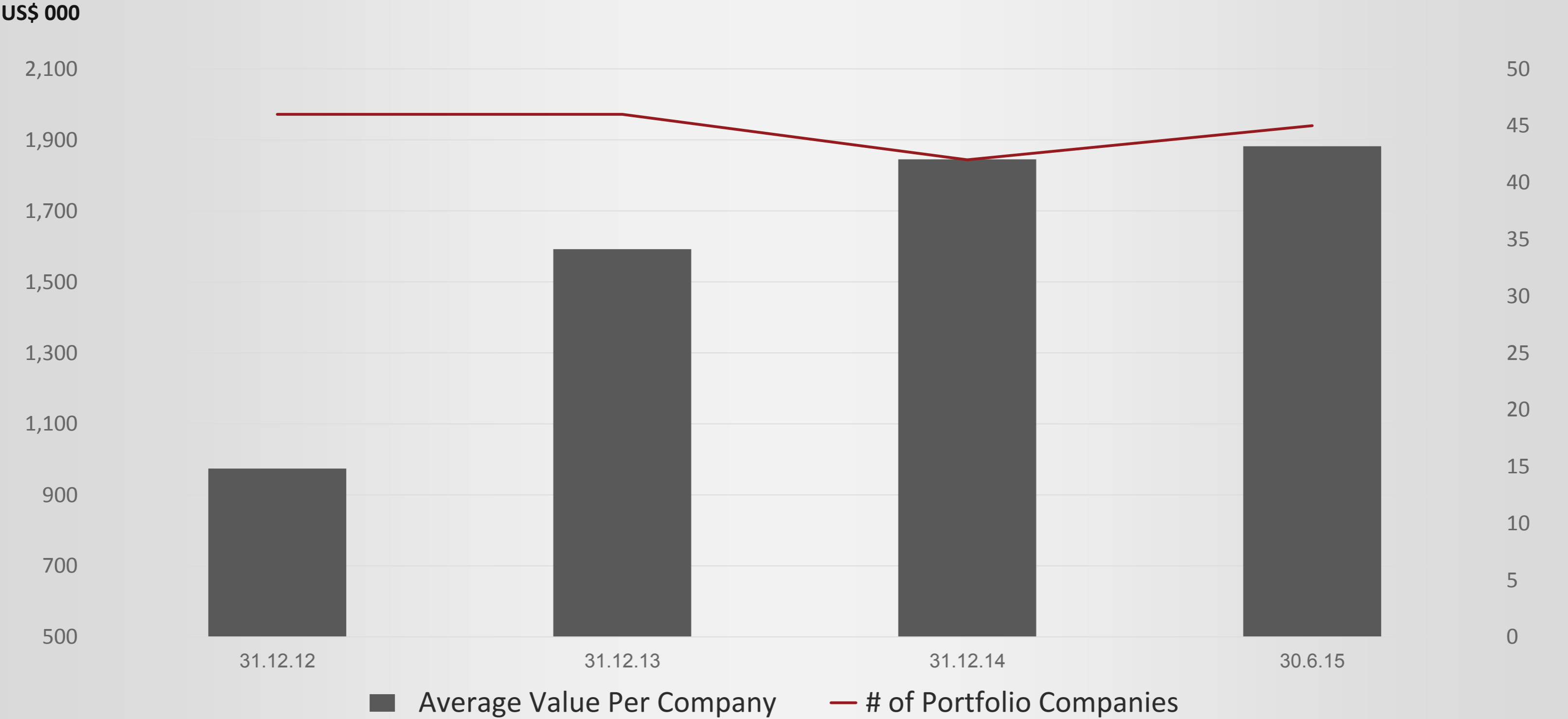
** Fair value change + income from services + losses under equity method + gains from exits

*** R&D revenue, financial and other income, less operating expenses

Consistently Building Value



Consistently Building Value



IV. Growth Drivers & Strategy



Medical & Agricultural Business Drivers

Health and Agriculture

- Tremendous growth prospects

Medical Technologies

- Growing global population
- Aging global population
- Growth of emerging markets: an increase in health awareness/demand for medical services

Agricultural Technologies

- Increasing global demand for food
- Environmental challenges: demand for innovative and sustainable agricultural technologies
- Innovations in complementary fields: mobile, IT, and energy can have significant impact on agritech



The Trendlines Group: Business Strategies and Future Plans

Follow-on Investments in Portfolio Companies

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

Expansion into New Markets

- Exploring international opportunities, including in Singapore and China

Expansion of Trendlines Labs

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

Intense Support / Increase Number of Portfolio Companies

- Focus on core business of creating and developing companies
- Increase number of portfolio companies by 50% over three years



V. Selected Portfolio Companies



Trendlines' Portfolio: Improved Quality of Life for Ostomates

Stimatix GI



Low-profile ostomy appliances allow voluntary evacuation and eliminates the need to wear a traditional ostomy pouch

Ideation

Trendlines identified surgeon-inventor

Investment & Intense Support

- Active guidance in market research, business development, investment banking, governance, marketing
- Trendlines recruited company CEO
- Company chairman: Trendlines board member
- Raised \$6.3 million in two rounds

Achievements

- Received CE and FDA approval within 3 years
- Completed 30-patient European study
- Named Best Start-Up by Israeli government

Revenue Stage

Trendlines' Portfolio: Natural, Nontoxic Bio-Insecticide

EdenShield



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

Ideation

Trendlines identified inventor

Investment & Intense Support

Active guidance in marketing, business development, investment banking

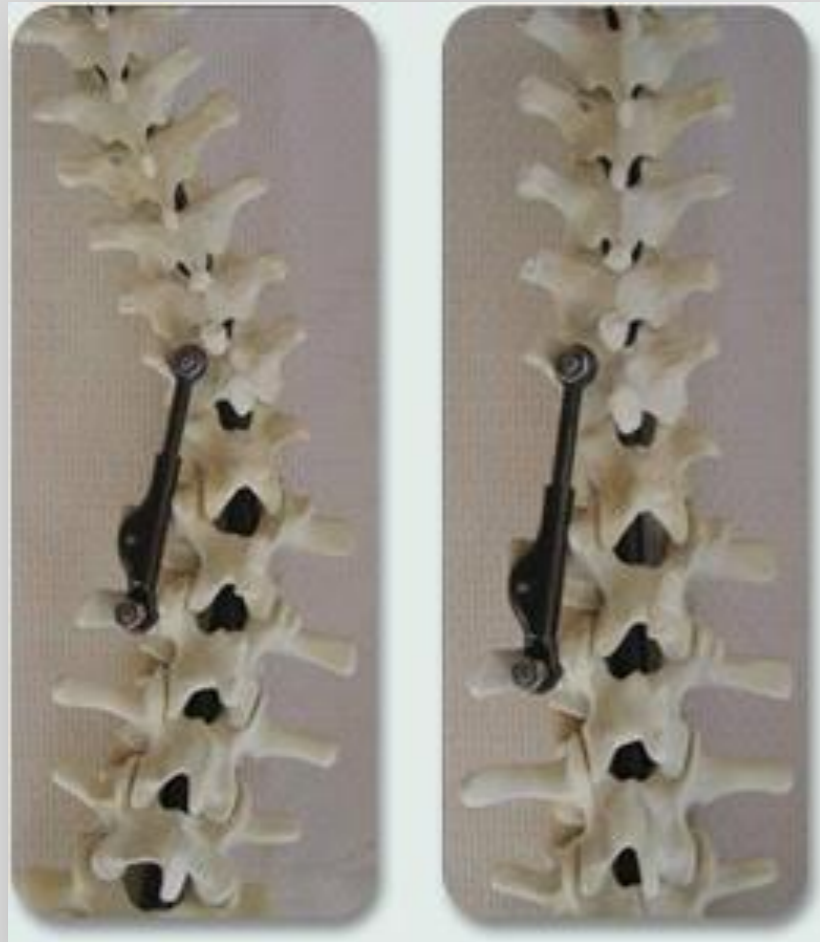
Achievements

- Independent tests show substantial reduction in insect damage in treated greenhouses
- Two products in market, and three more in pipeline
- Launched greenhouse product: Israel, Europe, Africa, and United States

Revenue Stage

Trendlines' Portfolio: Incremental Scoliosis Treatment System

ApiFix



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

- Company chairman is a Trendlines' board member
- Raised \$3.5 million in two rounds

Achievements

- Completed over 65 successful surgeries
- Some patients more than three years post surgery
- CE mark, commercial sales
- Named Best Start-Up by Israeli government 2013

Revenue Stage

Trendlines' Portfolio: Water Treatment System for Aquaculture

BioFishency



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

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

Achievements

- Successful tests showed more than doubled production and up to 85% reduction in water consumption
- Sales launched – first units installed in Israel, Philippines, Bangladesh

Revenue Stage

Trendlines' Portfolio: Visualization of the Upper Airway

ETView



World's only lung isolation system that allows continuous, real-time visualization of the upper airway in a disposable device

Investment & Intense Support

- Trendlines' CEO serves as company chairman
- Located in Trendlines' facilities

Achievements

- Sales in United States, South America, Europe, China
- Public company (Tel Aviv Stock Exchange)
- U.S. (FDA), Europe (CE), China (CFOA), Korea (KFDA), Israel (AMAR), and other regulatory clearances
- 9-month 2015 sales ~ US\$ 1.3 million

Public Company, Revenue Stage

Trendlines' Portfolio: Membranes for Cost-Effective Water Filtration

Advanced Mem-Tech



Breakthrough high-flux, low-pressure membranes for cost-effective water treatment provide membrane filtration at lower cost, at lower pressure, and with a smaller footprint, without sacrificing rejection

Ideation

Technion-Israel Institute of Technology

Investment & Intense Support

- The Trendlines Group
- Private investors
- SEB Alliance

Achievements

- Commercial pilots for reverse osmosis pretreatment with Mekorot, Israeli water company (also an investor)
- Named Best Start-Up by Israeli government 2014
- First sales in 2015

Revenue Stage

Trendlines' Competitive Strengths

Strong Management Team and Track Record

- Our team understands global markets and bridges cultures to build businesses
- Track record to executing exit strategies for portfolio companies

Extensive Network of Relationships

- Quality deal flow
- Strategic Partnerships
- Investor relationships

Strong Reputation and Brand

- Trendlines Medical twice named best incubator in Israel
- Five portfolio companies named best start-ups of the year

Physical Facilities and Intensive Support Provided to Portfolio Companies

- Intense support by staff of 35+ allows portfolio companies to focus on developing technology, product and markets, reducing risk and increasing chances of success

Effective Use of Funds

- Portfolio companies located in Trendlines' facilities and extensively supported through their first years
- Leverage portfolio investments with non-dilutive funding



“...Trendlines is now Israel’s leading seed-stage investor in the medical device and agritech sectors.”

OurCrowd, September 2013
Trendlines Shareholder



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