

The Trendlines Group

Financial highlights FY2017

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Agenda

- Corporate highlights
- Financial highlights
- Post year-end developments

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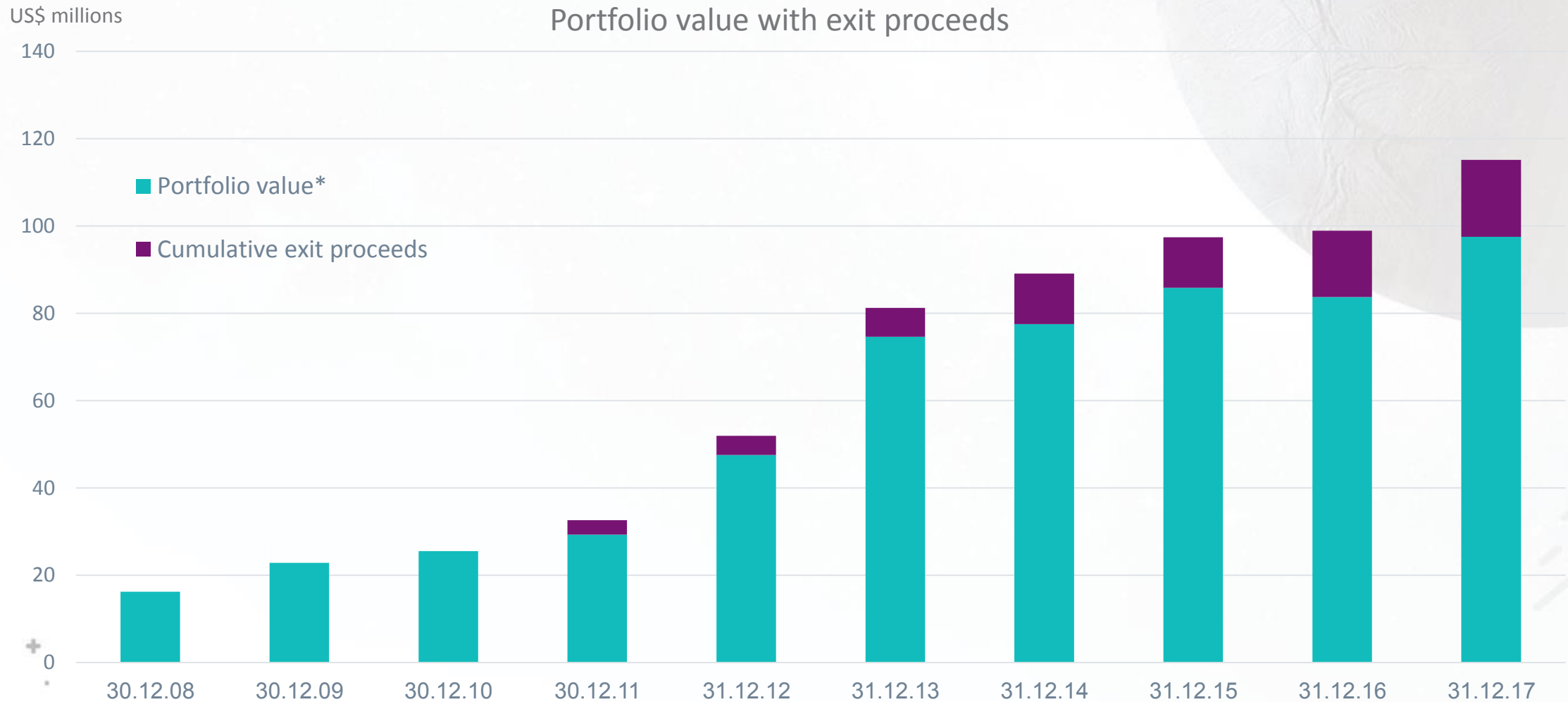
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Corporate highlights

10 years of portfolio value expansion



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

Key financial developments FY2017

	31 December 2017	31 December 2016	Change	% Change
Portfolio value	US\$ 96.8 million	US\$ 83.7 million	+ US\$ 13.1 million	+ 16%
Net gain/loss	US\$ 3.9 million	(US\$ 6.6 million)	+ US\$ 10.5 million	N/A
Book value	US\$ 92.2 million	US\$ 78.2 million	+ US\$ 14.0 million	+ 18%
Current assets	US\$ 20.4 million	US\$ 17.3 million	+ US\$ 3.1 million	+ 18%

Key corporate developments FY2017

- Trendlines Medical Singapore Pte. Ltd. launched and invested in its first company
- New strategic partnership established with Haier Hai Chuanghui Incubator and Ventures
- Trendlines raised US\$10.3 million of gross proceeds in new shares placement
- Trendlines Labs' agreement with Singapore General Hospital & grant from the Singapore Israel Industrial Research and Development Foundation for clinical trials

Key portfolio company developments FY 2017

- Nine new companies established
 - Eight in Israel; one in Singapore
- New company (IBI-Ag Ltd.) established under Bayer Trendlines Ag Innovation Fund
- 15 portfolio companies raised over US\$20 million in follow-on investments – 4 from strategic partners
- Three exit-related events announced:
 - Sale of shares in BioSight Ltd.
 - Sale of holdings in MitrAssist Ltd. and
 - Investment in Vensica Medical Ltd. by Cogentix Medical, Inc. with an option for them to acquire the entire share capital of Vensica

10 companies to watch*

- ApiFix Ltd.
- BioFishency Ltd.
- EdenShield Ltd.
- Fidmi Medical Ltd.
- Gordian Surgical Ltd.
- Leviticus Cardio Ltd.
- MemTech Ltd.
- Saturas Ltd.
- STS Medical Ltd.
- Vensica Medical Ltd.



*Updated report issued: [18 January 2018](#)

Q4 highlights from the “10 companies to watch” report

- ApiFix Ltd. announced new leadership and establishment of US presence; has completed >185 surgeries
- BioFishency Ltd. reached US\$550,000 in sales in 2017
- EdenShield Ltd. achieved US\$450,000 in sales in 2017
- Gordian Surgical Ltd. has completed >200 surgeries
- STS Medical Ltd. received FDA clearance



Financial highlights

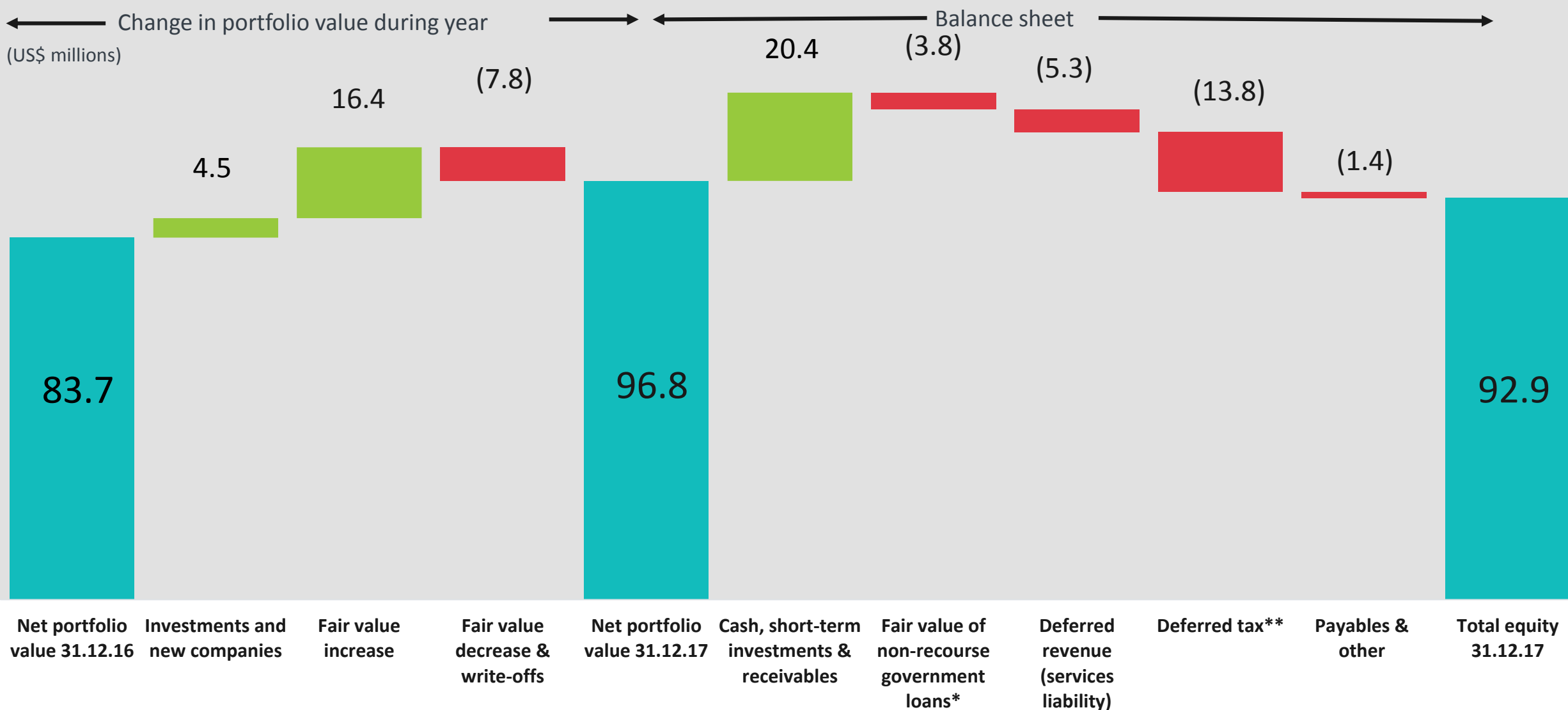
Consolidated condensed report of income

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

U.S. dollars in thousands, except share data

	Note	Year ended December 31,	
		2017	2016
<u>Income:</u>			
Gain (loss) from change in fair value of investments in Portfolio Companies	2(B)(5)	9,399	(8,041)
Income from services to Portfolio Companies	2(B)(12)	4,904	4,178
Group's share of losses of companies accounted for under the equity method, net		(167)	(175)
Gain from disposal of investment accounted for under the equity method		-	2,068
Income from contracted R&D services	2(B)(12)	473	1,139
Financial income	16(D)	665	473
Other income		355	432
<u>Total income</u>		<u>15,629</u>	<u>74</u>
<u>Expenses:</u>			
Operating, general and administrative expenses	16(A)	8,579	8,664
Marketing expenses		354	390
R&D expenses, net	16(B)	1,111	875
Financial expenses	16(C)	10	79
<u>Total expenses</u>		<u>10,054</u>	<u>10,008</u>
Income (loss) before income taxes		5,575	(9,934)
Tax benefit (income tax expenses)	12(E)	(1,643)	3,356
<u>Net income (loss)</u>		<u>3,932</u>	<u>(6,578)</u>

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 features a light blue, stylized world map. Overlaid on this is a large, semi-transparent globe composed of a grid of small dots. The globe is positioned in the lower-left and center of the frame, curving away towards the right. The text 'Post year-end developments' is written in a bold, red, sans-serif font across the middle of the globe.

Post year-end developments

Post year-end developments

- Product launch by Most Valuable Portfolio Company (“MVP”) on schedule for 2018
- Trendlines Medical Singapore Pte. Ltd. and K2 Global Pte. Ltd. to participate in a government-backed SGD100 million start-up program by SPRING SEEDS Capital Pte. Ltd.
- Trendlines Labs continues to expand multinational network: Europe, Asia and North America
- Cost-reduction program in place

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