

Financial highlights Q3 2017

9 November 2017

Legal disclaimer

IMPORTANT NOTICE

This presentation is for informational purposes only and does not constitute or form any part of any offer for sale or subscription of, or solicitation of, any offer to buy or subscribe for any securities of The Trendlines Group Ltd. (“Company”) or any of its portfolio companies nor shall it or any part of it form the basis of, or be relied on in connection with, any contract, commitment or any investment decision whatsoever in Singapore, Israel, the United States or in any other jurisdiction. The summary information herein does not purport to be complete. The information in this presentation should not be relied upon as representation or warranty, express or implied, of the Company. No reliance should be placed on the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. The information is subject to change without notice.

The past performance of the Company is not necessarily indicative of its future performance. This presentation may contain statements that constitute forward-looking statements which involve risks and uncertainties. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the results of business operations and financial condition, industry, environment and future events and plans of the Company. Such forward-looking statements are not guarantees of future results, performance or achievements. Actual results, performance or achievements of the Company may differ from those expressed in the forward-looking statements as a result of various factors, such as known and unknown risks and uncertainties, and assumptions including those risk factors discussed in our Offer Document dated 16 November 2015 and in our other filings with the SGXNET. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In light of these risks and uncertainties, actual events, results and developments could differ materially from those expressed or implied by the forward-looking statements. Reliance should not be placed on these forward-looking statements, which reflect the view of the Company or its officers as of the date of this presentation only. The Company does not undertake any obligation to update or revise any of the forward-looking statement, whether as a result of new information, future events or otherwise.

None of the Company or any of its respective affiliates, advisers or representatives shall have any liability whatsoever for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

Neither this presentation nor any of its content may be used without the prior written consent of the Company.

Agenda

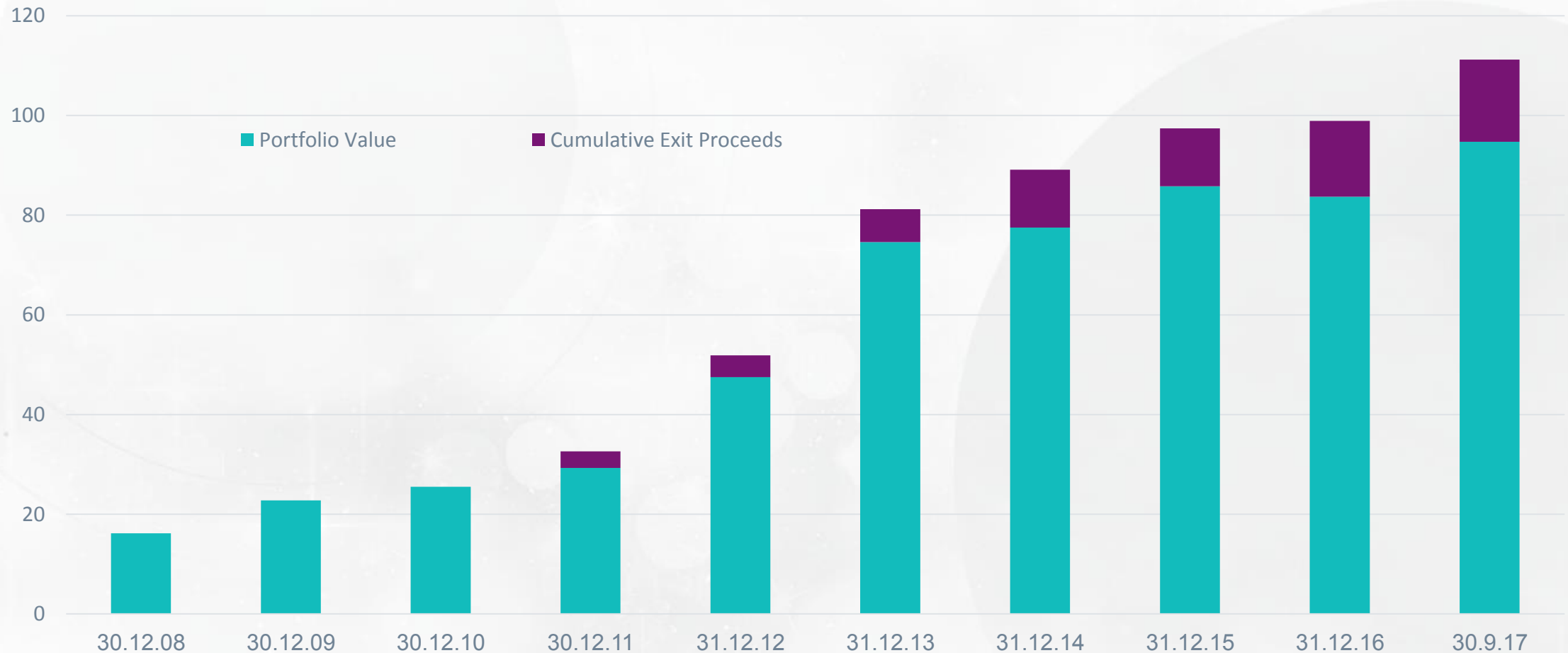
1. Corporate highlights: Steve Rhodes, Chairman & CEO
2. Financial highlights: Gabi Heller, CFO
3. Post Q3 Developments: Todd Dollinger, Chairman & CEO



Corporate highlights

Value creation through portfolio expansion

Portfolio value with exit proceeds



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

Key corporate developments Q3 2017

- Increase of 12.4% in portfolio value from 31 December 2016 to US\$94.0 million as at 30 September 2017
- Net profit after tax of US\$3.0 million for third quarter ended 30 September 2017.
- Joint venture established with Shoushan Wealth Holdings to help Trendlines' portfolio companies and other Israeli and Asian medical companies penetrate the medical market in China
- New strategic partnership established with Haier Hai Chuanghui Incubator and Ventures (“Haier HCH”)

Key portfolio company developments Q3 2017

- Two new companies created in Israel: BiPS Medical Ltd. and FruitSpec Ltd.
- First new company for Trendlines Medical Singapore: InterVaal Pte. Ltd.
- Five portfolio companies raise US\$7.6 million, of which three rounds led by strategic investors
- Two exit-related events: (1) MitrAssist agreement with Wai Tech (Hong Kong) Holding Limited as first stage in two-stage acquisition; and (2) investment in Vensica Medical Ltd. by Cogentix Medical, Inc. (“Cogentix”) with an option for Cogentix to acquire the entire share capital of Vensica.

10 Companies to Watch*

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

*Updated report issued 19 October 2017; [10 Companies to Watch](#)

Q3 Highlights from the “10 Companies to Watch” report

EdenShield

- Raised US\$2 million from strategic and financial investors
- Strategic partnership announced with Kibbutz Yotvata in southern Israel to facilitate an increase in production

Fidmi

- Raised US\$2 million investment from B. Braun Melsungen AG
- Funds to be used to complete clinical trials and prepare for market entry

Vensica

- Raised US\$2 million investment from Cogentix Medical, Inc.
- Cogentix Medical, Inc. signed an option agreement for the structured acquisition of Vensica

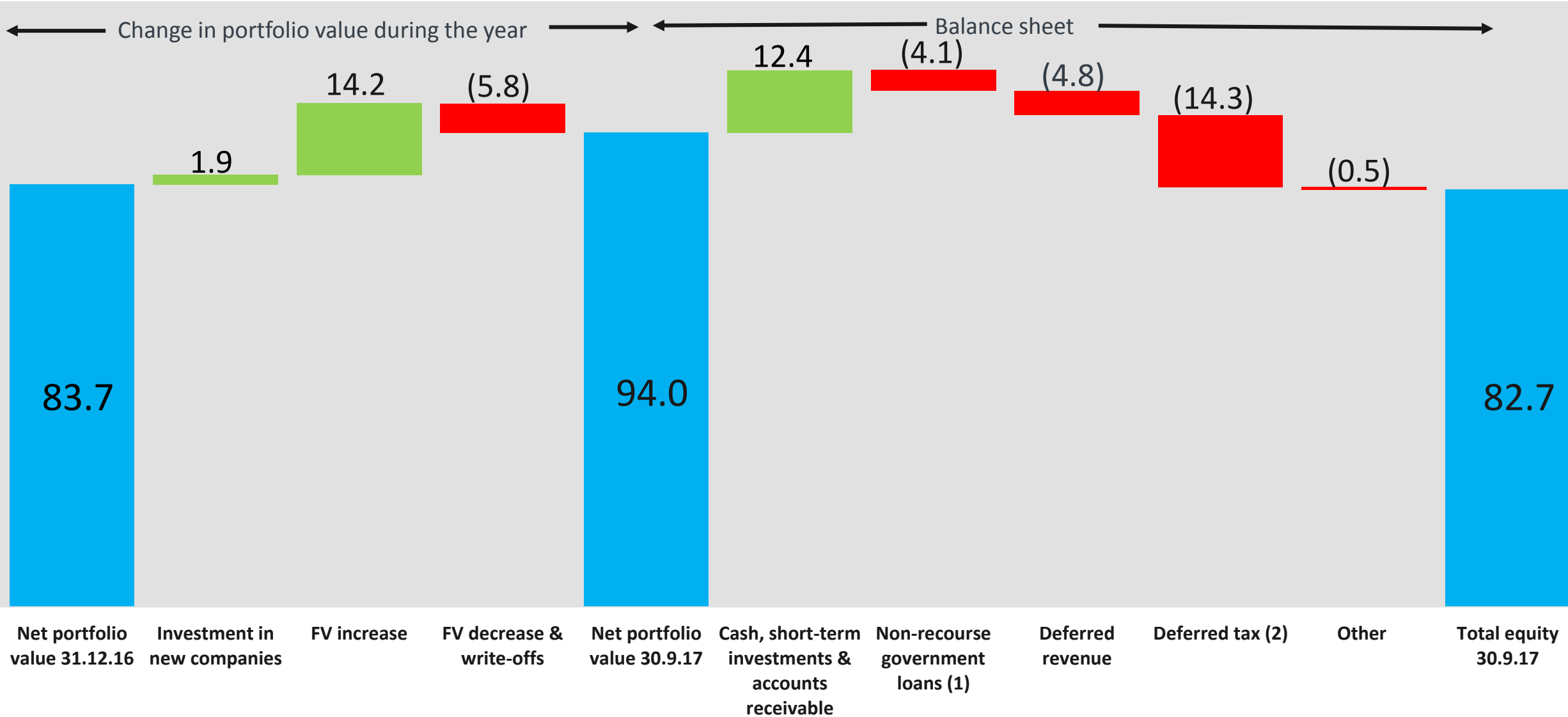


Financial highlights

Consolidated condensed report of income

	Three Months Ended		Nine Months Ended	
	30 Sept. 2017 (Unaudited) US\$'000	30 Sept. 2016 (Unaudited) US\$'000	30 Sept. 2017 (Unaudited) US\$'000	30 Sept. 2016 (Unaudited) US\$'000
<u>Income:</u>				
Gain (loss) from change in fair value of investments in Portfolio Companies	5,252	643	8,290	(5,049)
Income from services to Portfolio Companies	1,265	1,032	3,483	3,176
Group's share of losses of companies accounted for under the equity method	-	-	(167)	-
Gain from disposal of investment accounted for under the equity method	-	2,089	-	2,089
Income from contracted R&D services	103	194	431	832
Financial income	-	15	787	982
Other income	140	108	499	284
<u>Total income</u>	<u>6,760</u>	<u>4,081</u>	<u>13,323</u>	<u>2,314</u>
<u>Expenses</u>				
Operating, general and administrative expenses	1,857	2,081	5,827	6,469
Marketing expenses	57	41	259	201
R&D expenses, net	298	258	937	640
Financial expenses	475	33	503	297
<u>Total expenses</u>	<u>2,687</u>	<u>2,413</u>	<u>7,526</u>	<u>7,607</u>
Income (loss) before income taxes	4,073	1,668	5,797	(5,293)
Income tax expense/ (benefit)	1,059	106	2,048	(1,475)
<u>Net income (loss)</u>	<u>3,014</u>	<u>1,562</u>	<u>3,749</u>	<u>(3,818)</u>

Key Components of Value (US\$ million)



(1) Israeli government loans are non-recourse loans which only come due upon exit events

(2) Deferred taxes are related to unrealized portfolio company valuation profits and are offset and paid only upon realization of cash received upon exits.



Post Q3 Developments

October 2017 Placement of New Shares

- 100 million new shares
- Outstanding shares now 608.7 million
- Pricing at S\$0.1403 per share
- Gross proceeds S\$14.03 million (US\$10.3 million)
- Net proceeds S\$13.34 million (US\$ 9.8 million)

Key components of Placement

- Shareholder base
 - Participation of B.Braun Melsungen AG
 - New institutional, corporate and individual investors
 - Greater liquidity
- Use of Proceeds
 - Investments in new, prospective and existing portfolio companies
 - Working capital

Strategic Review and Expense Reduction Plan

Objective: to reduce costs, increase efficiency and enhance shareholder value

Target: reduce operating expenses for the financial year ending 31 December 2018 by approximately US\$1.3 million, as compared to operating, general and administrative expenses (including R&D salaries) for the three months ended 30 June 2017, on an annualized basis.

Dividend Policy

It is the intention of the Board of Directors that dividends will be paid from the Company's annual distributable after tax profits out of net cash proceeds received by the Company from the following two sources:

- payout ratio of 90% of dividend payments received by the Company from its “Most Valuable Portfolio Company” from royalties on the sale of the “Product”
- a payout ratio of 40% of net cash after tax proceeds received by the Company in FY2018 and FY2019 from "Exit Events“

The actual distribution of a dividend will be subject to a specific decision of the Board.



Creating and developing companies to improve the human condition

SGX: 42T
OTCQX: TRNLY

+972.72.260.7000
www.trendlines.com



9 November 2017

Todd Dollinger, Chairman & CEO

todd@trendlines.com

Steve Rhodes, Chairman & CEO

steve@trendlines.com

Gabi Heller, CFO

gabi@trendlines.com

Judith Kleinman

Director IR & Corporate Communications
judith@trendlines.com