

# The Trendlines Group

## AGM presentation

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Steve Rhodes  
Chairman and CEO

Todd Dollinger  
Chairman and CEO

Haim Brosh  
Chief Financial Officer

17 June 2020

# Legal disclaimer

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# Welcome

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# Business highlights

# Portfolio value expansion



Note: Portfolio value does not include 10 Singapore-based companies due to consolidation

# 2020 business highlights

- ApiFix Ltd. acquired by OrthoPediatrics Corp.
- Trendlines Agrifood Fund Pte. Ltd. completed 3 investments.
- OrthoSpin Ltd. raised US\$5 million with Johnson & Johnson as lead investor.
- 3 agrifood companies launched sales despite COVID-19 limitations.
- 22 companies raised capital.



# ApiFix Ltd. acquisition by OrthoPediatrics Corp.

On 2 April 2020, we announced:

- the 100% acquisition of portfolio company ApiFix Ltd. (“ApiFix”)
  - a portfolio company focused on non-fusion treatment of progressive adolescent idiopathic scoliosis
  - Minimum **17X Return on Investment, 39% Internal Rate of Return\***
- by OrthoPediatrics Corp. (“OP”)
  - a Nasdaq-traded, ~US\$ 845 million market cap company focused exclusively on advancing the field of pediatric orthopedics

\*Based on the current share price of the acquirer at US\$47.62 per share on 12 June 2020

The logo for ApiFix, featuring the word "ApiFix" in a sans-serif font. The "i" in "Api" has a red dot, and the "i" in "Fix" has a blue dot. A blue arc is positioned under the "i" in "Fix".The logo for OrthoPediatrics, featuring a stylized smiley face with a green body and arms. To the right of the smiley face, the word "OrthoPediatrics" is written in a red, cursive-style font. A registered trademark symbol (®) is located at the end of the word.

# Acquisition terms

Milestones	Total consideration	Trendlines' consideration
At closing	934,783 new common OP shares + US\$0.8 million in cash	187,257 shares + US\$150,000 Current share value** - US\$ 8.9 million
Earlier of 150 surgeries or 2 <sup>nd</sup> anniversary *	US\$13 million (at least 25% in cash)	~ US\$ 2,420,600**
3 <sup>rd</sup> anniversary*	US\$8 million (at least 25% in cash)	~ US\$ 1,489,600**
4 <sup>th</sup> anniversary*	US\$9 million (at least 25% in cash)	~ US\$ 1,675,800**
4 <sup>th</sup> year earnout	Year 4 trailing 12-month revenue X 2.25, less US\$ 17 million (3 <sup>rd</sup> and 4 <sup>th</sup> year milestone payments); Trendlines' share will be 18.62% of this	
<b>Trendlines' share of the minimum consideration estimated at US\$ 14.5** million before earnout</b>		

\*of closing date

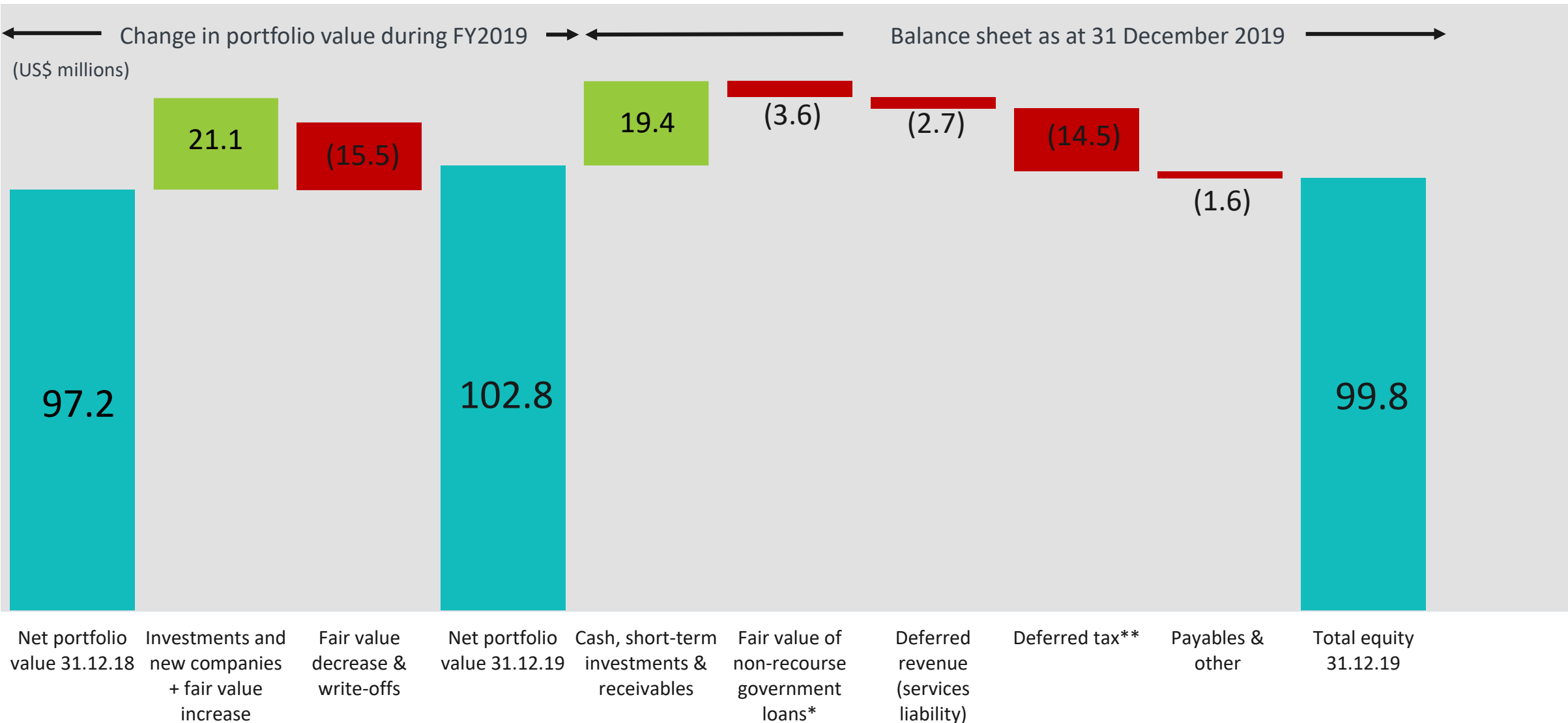
\*\*based on price at close on 12 June 2020





# Financial highlights

# 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.

# Statements of financial position: assets

## STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

### GROUP

	31 Dec 2019 Audited	31 Dec 2018 Audited
<b>ASSETS</b>		
Current assets		
Cash & cash equivalents	18,366	8,136
Short-term investments & Restricted	293	2,728
Accounts & other receivables	724	605
Short-term loans to portfolio companies	160	363
<b>Total Current assets</b>	<b>19,543</b>	<b>11,832</b>
Non-current assets		
Investments in portfolio companies	102,825	97,226
Right of use asset	2,246	
Property, plant and equipment, net	865	952
<b>Total non-current assets</b>	<b>105,936</b>	<b>98,178</b>
<b>Total assets</b>	<b>125,479</b>	<b>110,010</b>

# Statements of financial position: liabilities and equity

## STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

### GROUP

	31 Dec 2019 Audited	31 Dec 2018 Audited
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Lease liability	428	
Trade and other payables	2,145	1,745
Deferred revenues	2,148	3,630
<b>Total Current liabilities</b>	<b>4,721</b>	<b>5,375</b>
<b>Long-term liabilities</b>		
Deferred revenues	572	1,393
Loans from the Israel Innovation Authority	3,567	2,974
Lease liability	2,128	
Deferred taxes, net	14,508	13,676
Other long-term liabilities	213	177
<b>Total long-term liabilities</b>	<b>20,988</b>	<b>18,220</b>

# Statements of financial position: liabilities and equity

## STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

### GROUP

	31 Dec 2019 Audited	31 Dec 2018 Audited
<b>LIABILITIES AND EQUITY</b>		
Equity		
Equity attributable to equity holders of the Company:		
Share capital	2,123	1,601
Share premium	79,289	65,282
Reserve from share-based payment transactions	3,852	4,252
Reserve from hedges	(175)	(95)
Retained earnings	14,444	14,918
<b>Total</b>	<b>99,534</b>	<b>85,958</b>
Non-controlling interests	236	457
<b>Total Equity</b>	<b>99,770</b>	<b>86,415</b>
<b>Total liabilities and equity</b>	<b>125,479</b>	<b>110,010</b>

# Consolidated condensed report of income

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

U.S. dollars in thousands

	12 months ended	
	31 Dec 2019 (Audited)	31 Dec 2018 (Audited)
<b>Income</b>		
Gain (loss) from change in fair value of investments in Portfolio Companies	3,753	(6,046)
Income from services to Portfolio Companies	4,821	5,760
Income from contracted R&D services	679	476
Financial income	256	1,248
Other income	313	360
<b>Total income</b>	<b>9,822</b>	<b>1,798</b>

# Consolidated condensed report of income

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS


U.S. dollars in thousands

12 months ended

	31 Dec 2019 (Audited)	31 Dec 2018 (Audited)
<b>Expenses</b>		
Operating, general and administrative expenses	7,062	6,395
Marketing expenses	269	404
R&D expenses, net	1,114	1,057
Financial expenses	1,240	428
<b>Total expenses</b>	<b>9,685</b>	<b>8,284</b>
Loss/gain before income taxes	137	(6,486)
Tax benefit (Income tax expenses)	(832)	168
<b>Net loss</b>	<b>(695)</b>	<b>(6,318)</b>

# Growth drivers

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- 1 14 companies in commercialization
  - 2 22 companies raised investments to further milestone achievements
  - 3 Covid-19 highlighted need for health and food innovation





# Creating and developing companies to improve the human condition

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OTCQX: TRNLY

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June 2020

## REPL::ANNUAL GENERAL MEETING::VOLUNTARY

### Issuer & Securities

#### Issuer/ Manager

THE TRENDLINES GROUP LTD.

#### Security

THE TRENDLINES GROUP LTD. - IL0011328858 - 42T

### Announcement Details

#### Announcement Title

Annual General Meeting

#### Date & Time of Broadcast

17-Jun-2020 12:22:02

#### Status

Replacement

#### Announcement Reference

SG200512MEETOGWR

#### Submitted By (Co./ Ind. Name)

Haim Brosh

#### Designation

Joint Company Secretary

#### Financial Year End

31/12/2019

### Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached for more information.
Additional Text	Updated on 17 June 2020: Please refer to the attached announcement for presentation slides for today's Annual General Meeting.

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## Event Dates

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### Meeting Date and Time

17/06/2020 13:00:00

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### Response Deadline Date

15/06/2020 13:00:00

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## Event Venue(s)

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### Place

Venue(s)	Venue details
Meeting Venue	The adjourned AGM will be held by electronic means. Therefore shareholders will not be able to attend the Adjourned AGM in person.

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## Attachments

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[1.%20Notice%20of%20Adjourned%20AGM.pdf](#)

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[2.%20Sponsor%20Statement.pdf](#)

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[3.%20Presentation%20Slides.pdf](#)

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Total size = 1131K MB

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## Related Announcements

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### Related Announcements

[12/05/2020 19:11:53](#)

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