The Trendlines Group
AGM presentation

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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

ApiFix

OrthoPediatrics®

Acquisition terms

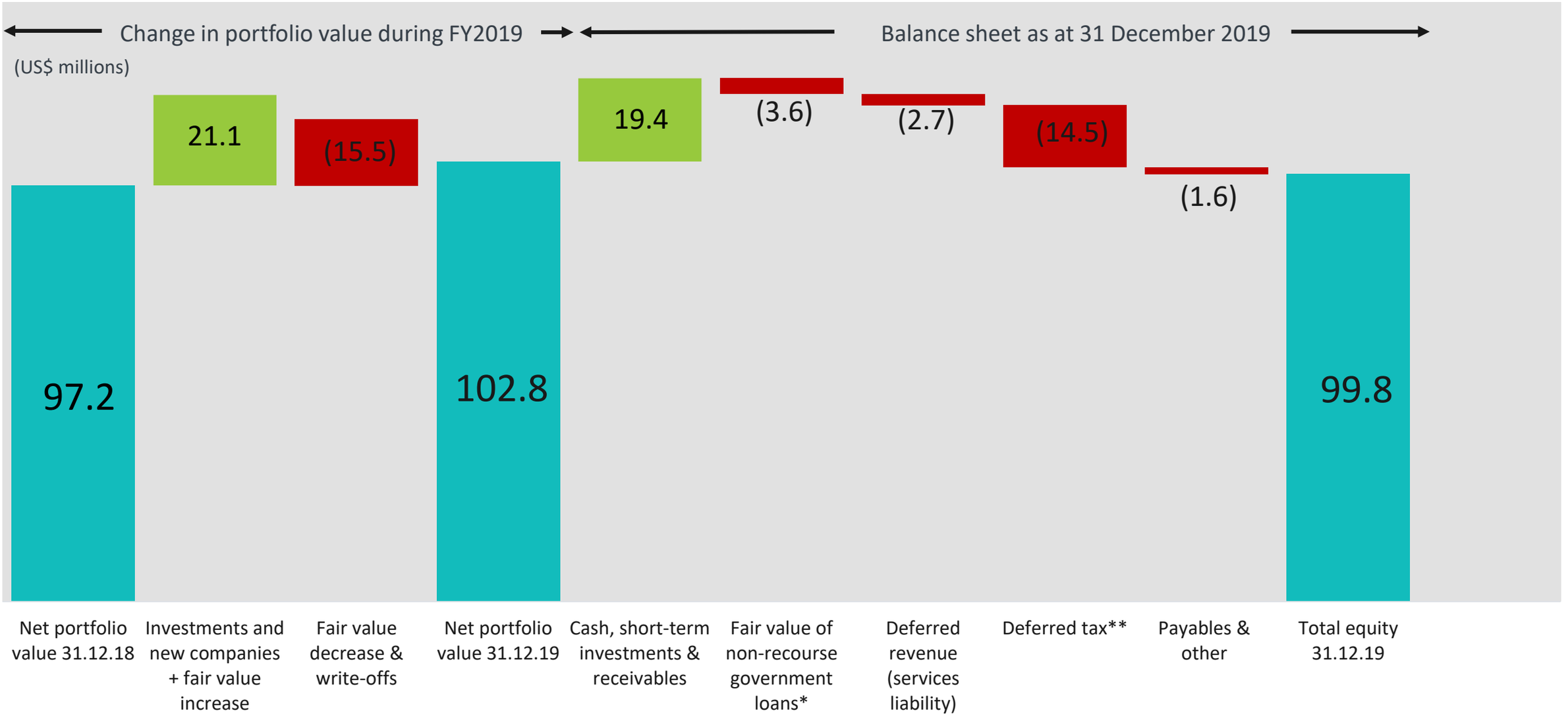
Milestones	Total consideration	Trendlines' consideration
At closing	934,783 new common OP shares + US$0.8 million in cash	187,257 shares + US$150,000 Current share value** - US$ 8.9 million
Earlier of 150 surgeries or 2nd anniversary *	US$13 million (at least 25% in cash)	~ US$ 2,420,600**
3rd anniversary*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

*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
ASSETS		
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
Total Current assets	19,543	11,832
Non-current assets		
Investments in portfolio companies	102,825	97,226
Right of use asset	2,246	
Property, plant and equipment, net	865	952
Total non-current assets	105,936	98,178
Total assets	125,479	110,010

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
LIABILITIES AND EQUITY		
Current liabilities		
Lease liability	428	
Trade and other payables	2,145	1,745
Deferred revenues	2,148	3,630
Total Current liabilities	4,721	5,375
Long-term liabilities		
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
Total long-term liabilities	20,988	18,220

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
LIABILITIES AND EQUITY		
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
Total	99,534	85,958
Non-controlling interests	236	457
Total Equity	99,770	86,415
Total liabilities and equity	125,479	110,010

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)
Income		
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
Total income	9,822	1,798

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)
Expenses		
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
Total expenses	9,685	8,284
Loss/gain before income taxes	137	(6,486)
Tax benefit (Income tax expenses)	(832)	168
Net loss	(695)	(6,318)

Growth drivers

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

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Creating and developing companies **to improve the human condition**

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