

# The Trendlines Group

## Financial Highlights Q2 2018

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Steve Rhodes  
Chairman and CEO

Todd Dollinger  
Chairman and CEO

Haim Brosh  
Chief Financial Officer

August 2018

# Agenda

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- Corporate highlights
- Financial highlights
- Post Q2 2018 developments

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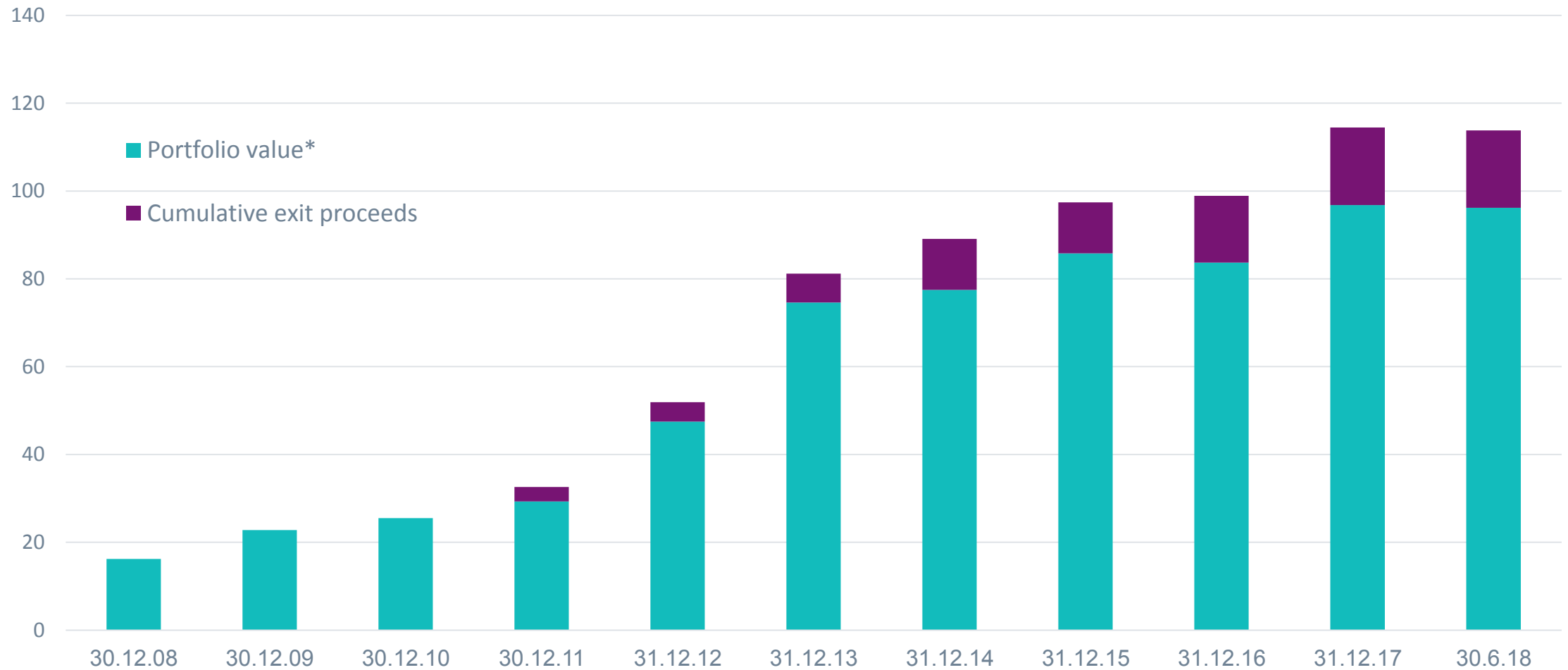


# Corporate highlights

# 10 years of portfolio value expansion

US\$ millions

Portfolio value with exit proceeds



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

# Key financial developments Q2 2018

	30 June 2018	31 December 2017	Change	% Change
<b>Portfolio value</b>	US\$ 96.2 million	US\$ 96.8 million	- US\$ 0.6 million	not material
<b>Book value</b>	US\$ 89.6 million	US\$ 92.9 million	- US\$ 3.3 million	-4%
<b>Current assets</b>	US\$ 15.6 million	US\$ 20.4 million	- US\$ 4.8 million	-24%
	30 June 2018	30 June 2017	Change	% Change
<b>Total expenses</b>	US\$ 2 million	US\$ 2.3 million	- US\$ 0.3 million	-12%
<b>Net loss</b>	- US\$ 1.8 million	US\$ 2.4 million	- US\$ 4.2 million	



# Q2 2018 developments

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- B. Braun Medical SAS, acquirer of Stimatix GI Ltd.'s assets, confirmed product launch remains on track for 2018.
- Trendlines Incubators Israel Ltd. and Sirius Venture Capital e Participacoes Ltda signed an investment cooperation agreement.
- Portfolio company Arcuro Ltd. announced FDA regulatory clearance.
- Haim Brosh, former Trendlines Corporate Controller, replaces Gabi Heller as Chief Financial Officer and Joint Company Secretary, effective July, 2018.
- Ayzer Sense Pte. Ltd. – a new medical portfolio company established in Singapore.
- Trendlines' 2018 cost-reduction program on track for H1 2018, with a total expense decrease of 19% compared to expenses in H1 2017.

# 10 companies (+1) to watch\*

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- 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.

**+1 Stimatix GI Ltd.**



\*Updated report issued: [26 July 2018](#)



## Q2 highlights from the “10 Companies to Watch” report

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- ApiFix Ltd. and Gordian Surgical Ltd. completed >230 surgeries
- BioFishency Ltd. reached ~US\$1 million in sales in H1 2018
- STS Medical Ltd. successfully implanted and removed first stents in Lenox Hill Hospital, New York
- EdenShield Ltd. increased sales by 28% in H1 2018 vs H1 2017
- Leviticus Cardio Ltd. completed successful pre-clinical study demonstrating wireless power with 80+ day follow-up

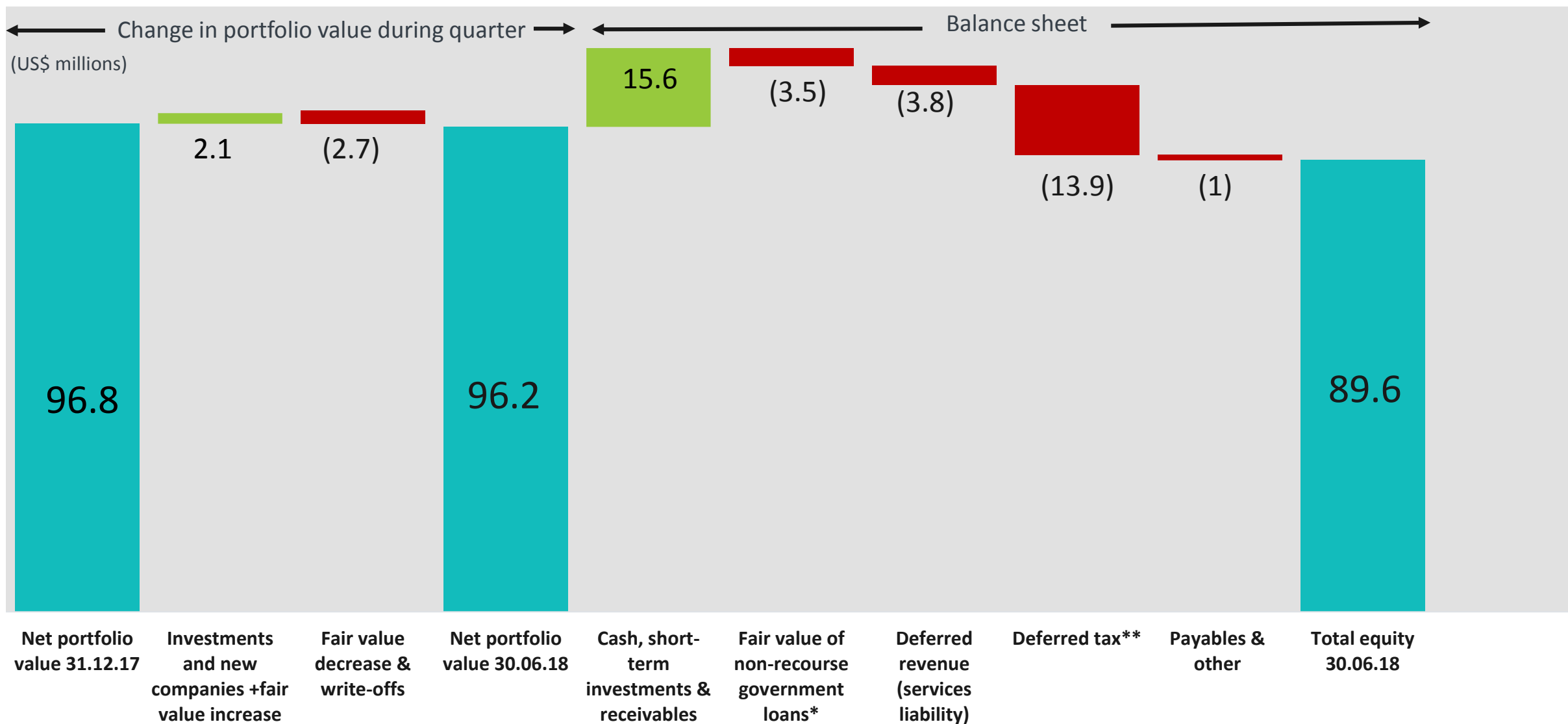


# Financial highlights

# Consolidated condensed report of income

	Group		
	Three Months Ended		
	30 June 2018	30 June 2017	Change %
	(Unaudited) US\$'000	(Unaudited) US\$'000	
<u>Income:</u>			
Gain (loss) from change in fair value of investments in Portfolio Companies	(1,544)	3,776	N.M.
Income from services to Portfolio Companies	1,354	1,133	19.51
Group's share of losses of companies accounted for under the equity method	-	(94)	N.M.
Income from contracted R&D services	29	197	(85.28)
Financial income	369	117	215.38
Other income	36	253	(85.77)
<b>Total income</b>	<b>244</b>	<b>5,382</b>	<b>(95.47)</b>
<u>Expenses</u>			
Operating, general and administrative expenses	1,609	1,767	(8.94)
Marketing expenses	130	121	7.44
R&D expenses, net	242	341	(29.03)
Financial expenses	-	28	N.M.
<b>Total expenses</b>	<b>1,981</b>	<b>2,257</b>	<b>(12.23)</b>
Income (loss) before income taxes	(1,737)	3,125	N.M.
Tax expenses	25	763	(96.72)
<b>Net income (loss)</b>	<b>(1,762)</b>	<b>2,362</b>	<b>N.M.</b>

# 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.



# Post Q2 2018 developments

## Post Q2 2018 developments

- Following MOU signed with Nutreco Investments B.V. in Q1 2018, portfolio company ViAqua Therapeutics Ltd. announced investment by Nutreco.
- OrthoSpin Ltd. announced that Johnson & Johnson Innovation – JJDC, Inc. led a US\$3 million investment round.
- One new agtech company – IBI-Ag Ltd. - established in Israel (pre-funded by the Bayer Trendlines Ag Innovation Fund).







# Creating and developing companies to improve the human condition

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Submitted By (Co./Ind. Name) Haim Brosh

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Designation Joint Company Secretary

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