

Trendlines Report: 10 Companies to Watch

MISGAV, Israel, 5 July 2017 -- The Trendlines Group Ltd. (“Trendlines”) (SGX: 42T; OTCQX: TRNLY), a leading Israeli investment and innovation commercialization company focused on early-stage innovation-based medical and agricultural technologies, is today, for the first time, issuing its “10 companies to watch” report. The report is being published as an aide to understanding the assets of The Trendlines Group. Additionally, the report includes an update on the status of our Most Valuable Portfolio Company (as defined later in the report).

Trendlines’ growing portfolio of 44 companies ranges from “just started” through companies selling product and growing internationally. The companies in this report are characterized by having made significant technological progress with five of them already having begun sales of their products in global markets.

The 10 companies reviewed here, listed alphabetically, are —

1. ApiFix Ltd.
2. Arcuro Ltd.
3. BioFishency Ltd.
4. EdenShield Ltd.
5. Escala Ltd.
6. Fidmi Medical Ltd.
7. Gordian Surgical Ltd.
8. Leviticus Cardio Ltd.
9. MemTech Ltd.
10. Vensica Medical Ltd.

Trendlines intends to update this report on a quarterly basis.

ApiFix Ltd.

Minimally invasive scoliosis treatment device

ApiFix (<http://trendlines.com/portfolio/apifix/>) is aiming to disrupt the scoliosis device market with its minimally invasive, non-fusion spinal implant system for the correction of Adolescent Idiopathic Scoliosis (AIS). Worldwide there are approximately 126,000 scoliosis procedures per year, of which 40,000 are AIS, representing a US\$2.4 billion implant market.¹

Status update

Funding to date: US\$7.8 million, including from strategic investor B. Braun
4 distribution agreements executed (UK, France, Turkey, Mexico), sales have begun
3 granted U.S. patents (1 in national phase)
CE Mark certification received allowing European sales
Performed over 150 surgeries

¹ U.S. National Center for Health Statistics; OECD Health Data 2015; Statistique annuelle des établissements de santé and CNAMTS (Evolution des actes techniques en secteur libéral); Statistisches Bundesamt; Conjunto Mínimo Básico de Datos – Hospitalización and Ambulatorio; UK Hospital Episode Statistics databases for Admitted Patient Care and Outpatients; Life Science Intelligence Surgical Procedure Volume database.

Arcuro Medical Ltd.

All-suture, “all-inside” meniscus repair system

Arcuro Medical (<http://trendlines.com/portfolio/arcuro-medical/>) is developing an all-suture meniscus repair system that preserves knee functionality and is secure, safe, reliable, and effective. According to MedDevice Tracker, the global meniscus repair market is currently valued at US\$300 million. Arcuro² believes that with its easy-to-use system, more surgeons will repair the meniscus instead of removing it and, as a result, Arcuro expects to convert a portion of the 1.5 million meniscus removal procedures performed annually to repair procedures.

Status update

Funding to date: US\$1.9 million, including strategic investor Naton Medical Group from Beijing.

IP: national phase (China, Israel, USA, Europe)

Successful cadaver studies

EN/ISO 13485:2012 certification completed

BioFishency Ltd.

All-in-one water treatment system for land-based aquaculture

BioFishency's (<http://trendlines.com/portfolio/biofishency/>) cost-effective, plug-and-play water treatment system enhances water quality, making it possible to double production in ponds and to reduce water use by up to 95% in tanks. Aquaculture is the fastest growing sector in animal protein production with a market value of US\$ 156 billion in 2015 and expected to reach US\$209 billion in 2021³. By 2023, 62% of food fish will come from aquaculture.⁴

Status update

Funding to date: US\$1.1 million

BioFishency units already operating in China, Indonesia, the Congo, Bangladesh, India, Singapore, Israel, and more

Distribution agreements for Bangladesh, India, Taiwan and China; cooperation with several strategic partners

IP: patent in national phase

EdenShield Ltd.

Natural plant-based crop protection solutions

EdenShield's (<http://trendlines.com/portfolio/edenshield/>) natural non-toxic crop protection products leverage characteristics of plants that originate in Israel's semi-desert region to mask plant odor and significantly lower insect attraction, eliminating the need for harsh pesticides. The global market for biopesticides was valued at US\$3.7 billion in 2015 and has been projected to grow to US\$7.7 billion in 2021,

² MedDevice Tracker, March 2017, Arthroscopy and Sports Medicine Devices Market.

³ <https://www.zionmarketresearch.com/news/global-aquaculture-market>.

⁴ <http://www.fao.org/docrep/019/i3640e/i3640e.pdf>.

reflecting a 14.1% compound annual growth rate of over the period.⁵ These markets are looking for cost-effective, environmentally friendly solutions that are synergetic with their existing products.

Status update

Funding to date: US\$2.8 million

Ongoing sales in Israel, Italy, Greece, and Spain

Distributor agreements including the EU, US, and Mexico

Expanding farming operations to meet growing sales

IP: U.S., Australia patent granted; patent published in Europe, Canada, India, Mexico and China; patent filed in Israel and Kenya

Escala Medical Ltd.

Nonsurgical, incision-free approach to treat pelvic organ prolapse

Escala Medical (<http://trendlines.com/portfolio/escala-medical/>) developed the first repair device for the treatment of pelvic organ prolapse (POP) based on a nonsurgical, incision-free, mesh-free repair approach. More than 34 million women are affected annually worldwide; with a lifetime prevalence of 50% among women who have given birth. It is forecast that by 2050, the incidence of women with POP will increase by 46%.⁶

Status update

Funding to date: US\$1.1 million

Successful cadaver studies

IP: 1 national phase (U.S., EU, China, Brazil); 1 provisional patent pending in the U.S.

Signed term sheet for investment from top-20 medtech multinational

Fidmi Medical Ltd.

Novel feeding device for improved nutrition delivery

Fidmi Medical (<http://trendlines.com/portfolio/fidmi/>) has developed a uniquely designed, low-profile, enteral feeding device that offers a secure, reliable, discreet solution immediately post-surgery. With almost four million feeding tubes placed annually representing sales of US\$540 million, Transparency Market Research estimates that the global market will exceed US\$600 million by 2018.⁷

Status update

Funding to date: US\$850,000

Successful initial placements of tubes in patients

Submitted FDA 510K

IP: three patents pending (two in national phase)

Signed term sheet for investment from top-20 medtech multinational

⁵ "Global Markets for Biopesticides," BCC Research, January 2017.

⁶ *Int Urogynecol J* (2013) 24: 1783-1790; Epidemiology and outcome assessment of pelvic organ prolapse; Matthew D. Barber, Christopher Maher. *Obstet Gynecol.* 2014 January; 123(1) : 141-148; Prevalance and Trends of Symptomatic Pelvic Floor Disorders in U.S. Women.

⁷ "Enteral Feeding Devices Market: Global Industry Size, Market Share, Trends, Analysis, 2012-2018." Transparency Market Research.

Gordian Surgical Ltd.

Trocar with an integrated closure system

Gordian Surgical (<http://trendlines.com/portfolio/gordian-surgical-2/>) has developed the TroClose1200, a trocar with an integrated closure system, acting both as a trocar through which surgical instruments enter the abdomen, and a device to close internal incisions made during surgery.

Status update

Funding to date: US\$5.5 million, including from strategic investor B. Braun

Company signed 4 distribution agreements (UK, France, Turkey, Mexico) and began sales

3 granted U.S. patents (1 in national phase)

FDA regulatory clearance and CE Mark certification

Performed over 120 surgeries

Leviticus Cardio Ltd.

Wireless energy system for LVADs

Leviticus Cardio (<http://trendlines.com/portfolio/leviticus-cardio/>) is developing a wireless solution to provide the energy needs of left ventricular assist device (LVAD) implants, eliminating the need for a driveline, a potential entry point for infection. According to Grand View Research, the global LVAD market was valued at US\$763 million in 2014 and is set to grow to US\$1.98 billion by 2022⁸, driven by increased prevalence of cardiovascular disease, advances in technology and favorable reimbursement, among other factors.

Status update

Funding to date: US\$5.5 million

ISO 13485

Successful chronic animal trials and integration with LVADs

IP: 8 issued patents; 4 pending in the United States

MemTech Ltd.

Game-changing membranes for water treatment

MemTech's (<http://trendlines.com/portfolio/memtech/>) ultrafiltration membranes have more than 2 times higher flux capacity (at similar quality) compared to leading commercial membranes, and are sold for wastewater treatment, pretreatment, drinking water treatment, and nanofiltration. The global membrane wastewater treatment technology market is estimated to reach US\$12 billion by 2020 with annual growth of 10.2%.⁹

⁸ "Congestive Heart Failure (CHF) Treatment Devices Market Analysis by Product (Ventricular Assist Devices, Counter Pulsation Devices, Implantable Cardioverter Defibrillators, Pacemakers, Cardiac Resynchronization Therapy) And Segment Forecasts to 2024." Grand View Research, October 2016.

⁹ <https://ww2.frost.com/frost-perspectives/augmentation-membrane-filtration-technology-market>.

Status update

Funding to date: US\$6.9 million

Increasing sales of membrane products; initial sales of integrated filtration system; expanding partner relationships and product offerings

Growing list of industry partners and of customers include Mekorot (Israel's national water company) and SEB Alliance

Vensica Ltd.

Ultrasound-assisted drug-delivery for overactive bladder

Vensica Medical (<http://trendlines.com/portfolio/vensica-medical/>) is developing VensiCare to treat overactive bladder (OAB) with ultrasound delivering Botox® into the bladder wall painlessly, without needles; the procedure can be performed in the doctor's office or clinic, without anesthesia. OAB is the most common bladder disorder. There are an estimated 33 million OAB patients in the United States alone¹⁰.

Status update

Funding to date: US\$1.9 million

Successful pre-clinical trials

Signed term sheet for new investment by undisclosed strategic investor.

Most Valuable Portfolio Company status update

On 12 June 2017, Trendlines reported that the product developed by its Most Valuable Portfolio Company ("MVP") is on schedule for launch in 2018. This information was provided to Trendlines by the company ("the Acquirer") that, in November 2014, signed an asset purchase agreement with the MVP for the acquisition of the MVP's developed medical product ("Product"). Trendlines also reported that the Acquirer is currently in the process of establishing a high-volume manufacturing facility for the production of the Product.

The acquisition price included a cash payment at closing, milestone payments, and royalties from future sales of the Product. In addition to the cash payment received at the initial closing in November 2014, Trendlines Incubators – Israel Ltd., Trendlines' wholly-owned subsidiary, has been paid approximately US\$1.6 million in dividends, to date, by the MVP. As Trendlines and the MVP are bound by a confidentiality agreement, additional details of the agreement cannot be disclosed at this time.

Under the terms of the agreement, once sales of the Product begin, the Acquirer will make royalty payments to the MVP which, in turn, are expected to be distributed to the MVP's shareholders, including Trendlines Incubators – Israel Ltd. Trendlines will provide further updates to the status of the MVP's Product as it gets closer to market launch and as authorized by the Acquirer.

¹⁰ The Burden of Overactive Bladder on US Public Health; Curr Bladder Dysfunct Rep, 2016 March, W. Stuart Reynolds, Jay Fowke, Roger Dmochowski. The Total Economic Burden of Overactive Bladder in the United States: A Disease-Specific Approach; AJMC.com.

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About Trendlines

Trendlines is an innovation commercialization company that invents, discovers, invests in, and incubates innovation-based medical and agricultural technologies to fulfil its mission to improve the human condition. As intensely hands-on investors, Trendlines is involved in all aspects of its portfolio companies from technology development to business building. Trendlines' shares are traded on the Singapore Stock Exchange (SGX: 42T) and in the United States as an American Depositary Receipt (ADR) on the OTCQX International (OTCQX: TRNLY).

The Trendlines Group Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 November 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release. This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release. The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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