

The Trendlines Group Reports 2018 First Quarter Results

Misgav, Israel and Singapore, 9 May 2018 – The Trendlines Group Ltd. (the “**Company**” and together with its subsidiaries, “**Trendlines**” or the “**Group**”), a leading Israeli investment and innovation commercialization company focused on early-stage, high growth innovation-based medical and agricultural technologies, announced its financial results for the first quarter of 2018 ended 31 March 2018 (“**Q1 2018**”).

First Quarter 2018 Highlights

Group Financials

- Fair Value of Portfolio: US\$97.4 million (31.12.17: US\$96.8 million)
- Total expenses: US\$1.9 million (Q1 2017: US\$2.6 million) a 25% decrease compared to Q1 2017
- Total current assets: US\$18.0 million (31.12.17: US\$20.4 million)
- Total income: US\$0.6 million (Q1 2017: US\$1.2 million)
- Net loss: US\$ 1.4 million (Q1 2017 Net loss: US\$ 1.6 million)
- Book value: US\$91.5 million as at 31.03.18 (31.12.17: US\$92.9 million)

Corporate/Business Developments

- Trendlines Medical Singapore Pte. Ltd. and K2 Global Pte. Ltd. to participate in the Singapore government’s SGD100 million SPRING SEEDS Capital start-up investment program.
- Trendlines and Nutreco Investments B.V. signed a Memorandum of Understanding (“**MOU**”) to collaborate on technology development and investment opportunities.
- Saturas Ltd. completed a raise of US\$4 million from strategic partners.
- One new medical portfolio company established in Israel.
- Fourteen portfolio companies are in the commercialization stage.
- BioFishency Ltd. and EdenShield Ltd. reported significant increases in sales.
- Trendlines’ 2018 cost-reduction program showing significant results with a 25% Q1 2018 decrease compared to Q1 2017

Post Q1 2018 Developments

- Trendlines disclosed its Most Valuable Portfolio Company as Stimatix GI Ltd. (“**Stimatix**”), Stimatix’s assets were acquired by B. Braun SAS (“**B. Braun**”) in 2014. B. Braun is on schedule for a 2018 product launch.

- ElastiMed Ltd. received approval of a US\$1.6 million grant from the Horizon 2020 program.

Q1 2018 Financial Results

Commenting on the first quarter financial performance, Chairman and CEO **Steve Rhodes** remarked, "In October 2017, we announced a strategic review and cost reduction plan to be implemented through 2018. Our first quarter financial results demonstrate a 25% reduction in our net operating costs, compared to the first quarter of last year, a result of our commitment to the plan's implementation. We continue to monitor our cash flow and expenses closely.

In April 2018, we announced the previously confidential 2014 acquisition of [the assets of Stimatix by B. Braun](#). We anticipate product launch in 2018 and, following that, dividends from royalties are expected to further strengthen our cash flow in the future."

Total expenses decreased by approximately US\$0.7 million or 25% in Q1 2018 as vs Q1 2017. The decrease was mainly attributable to reductions in employment costs and other general and administrative budget cutting as part of the Group's cost reduction plan announced in October 2017.

Total income in Q1 2018 was US\$0.6 million, compared to US\$1.2 million in Q1 2017. The decrease in total income primarily reflects a reduction in the fair value of Trendlines' portfolio companies (a loss of approximately US\$1.2 million as compared to a loss of approximately US\$0.7 million in Q1 2017), mainly due to:

1. A decrease of approximately US\$0.9 million in the fair market value of various portfolio companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company, and general commercial or technological challenges with some portfolio companies in Q1 2018; and
2. The write-off of one portfolio company in the amount of approximately US\$0.8 million, as a result of lack of funding for this company.

The losses were partially offset by a gain in fair value of approximately US\$0.2 million of one portfolio company as a result of the completion of fund raising exercises at a higher valuation and a gain of US\$0.3 million due to deconsolidation of a portfolio company.

Commenting on portfolio company developments during the quarter, Chairman and CEO **Todd Dollinger** said, "We continue to invest in, develop and support selected portfolio companies, as reflected by our increase in overall portfolio value. The total number of portfolio companies, net of write-offs and exits, is 49. Two of our agtech commercialization-stage companies (BioFishency Ltd. and EdenShield Ltd.) have significantly grown their revenues in Q1 2018; ApiFix Ltd. and Gordian Ltd. have

increased their surgical procedures to over 200 each. Our [‘10 Companies to Watch’ report](#), published quarterly, tracks the most significant developments and milestones that these select companies reach.”

On the Group's growing partnership network, Todd remarked, “We continue to expand on our strategic network with the establishment of the partnership between Trendlines Medical Singapore Pte. Ltd. and K2 Global Pte. Ltd. in the start-up program by SPRING SEEDS Capital. Additionally, we signed an MOU to collaborate with Nutreco Investments B.V. on developments in the agrifood tech sector.”

For full financial information, please see our announcement to the SGX: Unaudited Financial Statements for the three months ended 31 March 2018.

About The Trendlines Group Ltd.

Trendlines is an innovation commercialization company that invents, discovers, invests in, and incubates innovation-based medical and agricultural technologies to fulfill 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).

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This press release has been prepared by The Trendlines Group Ltd. (the “Company”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this press release.

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