

Trendlines Report: “10 Companies to Watch”

October 2017 Update

MISGAV, Israel, 19 October 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, issuing its quarterly update of the “10 Companies to Watch” report first issued in July 2017. 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 47 companies ranges from “just started” through companies selling product and growing internationally. These companies all started in the Trendlines incubators. Each of these companies has achieved significant developmental milestones which may include patent approvals, clinical or field trials, receipt of CE mark or FDA certification, and five of them already having begun sales of their products in global markets. During Q2 2017 three of the companies completed capital raises aggregating US\$6.0 million, all three of them led by strategic investors.

The ten companies reviewed here, listed alphabetically, are:

ApiFix Ltd.
BioFishency Ltd.
EdenShield Ltd.
Escala Medical Ltd.
Fidmi Medical Ltd.
Gordian Surgical Ltd.
Leviticus Cardio Ltd.
MemTech Ltd.
Saturas Ltd. (new for this report)
Vensica Medical Ltd.

ApiFix Ltd. – Minimally invasive scoliosis treatment device

ApiFix Ltd. (“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. ApiFix believes its total addressable market currently reaches US\$1.15 billion.¹

¹ 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.

Recent developments:

- **Increased the number of surgical procedures to 166**
- **Signed an exclusive distribution agreement with Joint Solutions Alliance Corporation, a Canadian medical device distributor**
- **Completed first surgical procedures in North America**

Status

- CE Mark certification
- 5 distribution agreements executed (Canada, Spain, Singapore, Holland, Greece)
- Sales in Europe and Canada
- 7 families of granted and pending patents

BioFishency Ltd. – All-in-one water treatment system for land-based aquaculture

BioFishency Ltd.'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\$135 billion in 2015²; 62% of food fish will come from aquaculture by 2030.³

Recent developments:

- **Signed term sheet to raise US\$1.5m from a strategic investor**
- **2017 sales of approximately US\$0.3 million through 31 August 2017**

Status

- BioFishency Ltd. 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 Ltd.'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 current worldwide insect pesticides market — estimated at US\$14 billion, with the greenhouse segment estimated at US\$2 billion⁴ — is looking for cost-effective, environmentally friendly solutions that are synergetic with their existing products.

Recent developments:

- **Raised US\$2 million from strategic and financial investors**
- **Strategic partnership announced with Kibbutz Yotvata in southern Israel to facilitate an increase in production**

Status

- Ongoing sales in Israel, Italy, Greece, and Spain

² https://issuu.com/anadomingues0/docs/fao_state_of_world_fisheries_and_aq

³ <http://www.fao.org/docrep/019/i3640e/i3640e.pdf>.

⁴ "Global Markets for Biopesticides," BCC Research, January 2017

- Distributor agreements including the EU, US, and Mexico
- Expanding farming operations to meet growing sales
IP: Patent granted (U.S., June 2016, Australia, April 2017); Patent published in Europe, Canada, India, Mexico, China; Patent filed in Israel and Kenya.

Escala Medical Ltd. – Nonsurgical, incision-free approach to treat pelvic organ prolapse

Escala Medical Ltd. (<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 repair approach. Escala Medical Ltd. offers the first prolapse repair solution suitable for use in a gynecologist's office. 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%.⁵

Recent Events:

- **Financial investor signed term sheet, joining multinational strategic investor (see below), while advanced negotiations in process with additional investors.**

Status

- Successful cadaver studies
- IP: 1 national phase (U.S., EU, China, Brazil); PCT (international patent application) filed in the U.S.
- Signed term sheet for investment from a top-20 medtech multinational corporation

Fidmi Medical Ltd. – Novel feeding device for improved nutrition delivery

Fidmi Medical Ltd. (www.fidmimedical.com) has developed a uniquely designed, low-profile, enteral feeding device that offers a secure, reliable and discreet solution immediately post-surgery, and when needed, a pain free removal. Annually, there are approximately 1.3 million enteral device insertions worldwide, and an additional 3 million device replacement procedures performed for blocked or dislodged tubes, representing sales of US\$540 million. Transparency Market Research estimates that the global market will exceed US\$600 million by 2018.⁶

Recent developments:

- **Raised US\$2 million investment from B. Braun Melsungen AG**
- **Funds to be used to complete clinical trials and prepare for market entry**

Status

- Successful initial placements of tubes in patients
- Submitted FDA 510K
- IP: three patents pending (two in national phase)

⁵ 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.

⁶ "Enteral Feeding Devices Market: Global Industry Size, Market Share, Trends, Analysis, 2012-2018." Transparency Market Research.

Gordian Surgical Ltd. – Novel integrated port closure system.

Gordian Surgical Ltd. (<http://trendlines.com/portfolio/gordian-surgical-2/>) has developed and is currently marketing the TroClose1200™, the only integrated [port closure system](#) available worldwide. The product enables the surgeon to insert the surgical instruments into the abdomen cavity, and when the procedure is completed the port site is closed in a simple, secure and safe manner. The global trocar and closure markets are estimated at a combined US\$1.45 billion yearly revenue.⁷

Recent developments:

- **TroClose1200 is currently being used worldwide with nearly 200 procedures completed**

Status

- Company currently has signed 5 distribution agreements (UK, France, Turkey, Mexico & Panama) with monthly shipments occurring and more agreements in negotiations
- 3 granted U.S. patents; one in national phase
- FDA regulatory clearance and CE Mark certification since 2016

Leviticus Cardio Ltd. – Wireless energy system for LVADs

Leviticus Cardio Ltd. (<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 2022, driven by increased prevalence of cardiovascular disease, advances in technology and favorable reimbursement, among other factors.⁸

Recent developments:

- **2 new patents issued**
- **Completed additional animal trials**

Status

- ISO 13485
- Successful chronic animal trials and integration with LVADs
- IP: 10 issued patents; 2 pending in the U.S.

MemTech Ltd. – Game-changing membranes for water treatment

MemTech Ltd.'s (<http://trendlines.com/portfolio/memtech/>) ultrafiltration membranes have more than 2x higher flux capacity (at similar quality) compared to leading commercial membranes, and are sold for wastewater treatment, pretreatment, drinking water treatment,

⁷ Ch.8 - Endoscopic Access Site Closure Devices Market, General and Pelvic Endoscopic Surgery Devices Market, Medical Market and Technology Reports, MeddeviceTracker,

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.

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

Recent developments:

- **Sent first Membrane Bio Reactor product unit to Latin America**
- **Began a project for the home purification market with a Chinese partner**

Status

- 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
- IP: One issued patent; 2 patents pending in U.S.

Saturas Ltd. – Advanced Decision Support System for Optimal Irrigation -new this report

Saturas Ltd. (“Saturas”) DSS (Decision Support System)

(<http://trendlines.com/portfolio/saturas/>) for automatic irrigation is based on its miniature Stem Water Potential (SWP) sensor. Embedded in the trunks of trees, vines, and plants, Saturas' sensors receive direct feedback/input from the tree or vine to provide online, accurate information for optimized irrigation. Current solutions for measuring water status are labor-intensive or costly and lack accuracy.

Status and Recent Developments

- **Proven technology with Saturas sensors successfully operating in lemon, clementine, almond and apple trees for over 10 months.**
- **To date, Saturas has installed around 300 sensors in three experimental farms and six commercial farms in Israel and in Spain.**
- **Saturas has established strategic cooperation with Netafim Ltd. and NaanDanJain Ltd. (the leading drip irrigation companies in the world) in Israel and Spain for field trials. These industry leaders are also potential distributors of the system.**
- **The first user interface model was developed.**
- **Term sheet signed with strategic investors**

Vensica Ltd. – Ultrasound-assisted drug-delivery for overactive bladder

Vensica Medical Ltd. (“Vensica”) (<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 39 million OAB patients in the United States alone.¹⁰

Recent developments:

- **Raised US\$2 million investment from Cogentix Medical, Inc.**

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

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 DiseaseSpecific Approach; AJMC.com.

- **Cogentix Medical, Inc. signed an option agreement for the structured acquisition of Vensica.**

Status

- Successful pre-clinical trials
- Signed term sheet for new investment

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 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 asset purchase agreement 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 Company’s Product as it gets closer to market launch and as authorized by the Acquirer.

Recent Developments:

- **As at 30 June 2017 our share in the MVP was valued at US\$43.8 million, which represents the net present value of our share of estimated future royalty payments, after adjusting the cash flow to take account of multiple risk factors, including market risk, manufacturing risk, and product risk, and then applying a financial discount rate.**

Disclaimer

The information contained in this report was provided to us by the portfolio companies or was taken from public sources. This report is for informational purposes only and does not constitute or form any part of any offer for sale or subscription of, or solicitation of, any offer to buy or subscribe for any securities of The Trendlines Group Ltd. (“Company”) or any of its portfolio companies nor shall it or any part of it form the basis of, or be relied on in connection with, any contract, commitment or any investment decision whatsoever in Singapore, Israel, the United States or in any other jurisdiction. The summary information herein does not purport to be complete. The information in this report should not be relied upon as any representation or warranty, express or implied, of the Company. No reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained in this report. The information is subject to change without notice.

None of the Company or any of its respective affiliates, advisers or representatives shall have any liability whatsoever for any loss howsoever arising, whether directly or indirectly, from any use,



reliance or distribution of this report or its contents or otherwise arising in connection with this report.

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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

Issuer/Manager THE TRENDLINES GROUP LTD.

Securities THE TRENDLINES GROUP LTD. – IL0011328858 – 42T

Stapled Security No

Announcement Title General Announcement

Date & Time of Broadcast 19-Oct-2017 21:08:46

Status New

Announcement Sub Title Press Release - Trendlines Report: 10 Companies to Watch

Announcement Reference SG171019OTHR55WD

Submitted By (Co./Ind. Name) Yosef Ron

Designation Joint Company Secretary
