
Investments in Four Trendlines Portfolio Companies

Misgav, Israel – Singapore, 2 September 2020 – [The Trendlines Group Ltd. \(“Trendlines” or the “Company” and, together with its subsidiaries and associated companies, the “Group”\)](#) (SGX: 42T; OTCQX: TRNLY), a leading Israel- and Singapore-based investment group focused on high growth medical and agrifood technologies, is pleased to announce that the Audit Committee and the Board of Directors of Trendlines have approved investments in four of the Group’s portfolio companies by Agriline Ltd. (“Agriline”), and Trendlines.

Agriline Limited is ultimately held by Geneva Trust Company (GTC) SA as Trustees of The VT Two Trust. Librae Holdings Limited is considered a controlling shareholder of Trendlines under the Catalist Rules and is ultimately held by Geneva Trust Company (GTC) SA as Trustees of The Tchenguiz Three Trust. Vincent Tchenguiz is the discretionary beneficiary of both trusts.

The total amount to be invested in these four portfolio companies is approximately US\$3.0 million by Agriline and US\$0.8 million by the Group and follows investments in eight other portfolio companies earlier this year.

The four companies are:

[Arcuro Medical](#), which has developed SuperBall, the first knotless meniscus repair system. Arcuro’s novel technique enables the entire procedure to be performed inside the joint space to preserve functionality and repairs hard to reach areas. Arcuro recently launched sales in the United States for its patented, FDA-cleared system.

[FruitSpec](#), which brings accuracy to fruit yield estimation through the use of hyperspectral machine vision technology, applied computer vision, and AI algorithms to automatically count and estimate fruit number and size – even early in the season when the fruit is at the green stage. There is no technology available today that provides this critical information, which has a significant impact on the market value chain, early in the season. FruitSpec has commenced sales in Israel and Latin America.

[ProArc Medical](#), which has developed the ClearRing™, a prostatic reshaping device designed to treat lower urinary tract symptoms due to enlarged prostate (benign prostatic hyperplasia, BPH). Physicians can insert the device during a minimally invasive procedure, often in a physician’s office. ClearRing reduces complications and promises a quicker recovery. It is patented in the United States and EU.

[Phytolon](#), which is bringing industrially produced natural, high-quality food-colorants to the market in a cost-effective manner benefitting human health and environmental sustainability.

Three of the investments are in the form of share purchase agreements (“SPA”), in which Agriline will subscribe for shares of each of the portfolio companies, joining existing financing rounds of these portfolio companies, and one investment in the form of Simple Agreement for Future Equity (“SAFE”) transaction (the “SAFE Transaction”). A SAFE is an equity derivative instrument, by which the SAFE investor commits capital to an investee company today, in exchange for the right to receive shares in the portfolio company when there is a future financing by the portfolio company. Neither Agriline nor Mr. Vincent Tchenguiz possess any influence on the price per share of the respective future equity round, which will be determined in the future by a third-party investor(s) negotiating with the respective portfolio company.

The SAFE Transactions will inter alia include the following general terms:

- (a) If the portfolio company consummates a later equity financing round, at a fixed valuation in the framework of which it raises a defined amount prior to a defined maturity date, the SAFE investors will automatically receive shares of the same class as the shares issued in the equity financing in the portfolio company. These will be at a 20% to 30% discount on the price per share of the equity round or a predefined valuation cap (“Valuation Cap”) which in each case is higher than the current equity value of the portfolio company which is the basis to calculate the fair value of the Group’s investment in the portfolio company as recorded in the Group’s consolidated financial statements.
- (b) If the portfolio company consummates an IPO or a transaction constituting a change of control, the SAFE investors would be entitled to receive either a cash payment equal to the amount invested by such SAFE investors, or shares in the portfolio company at a conversion price equal to the Valuation Cap; and
- (c) If the portfolio company enters into liquidation or a similar process, the SAFE investors would be entitled to receive a cash payment equal to the amount invested by such SAFE investors.

The investments by Agriline and Trendlines as detailed above are on normal commercial terms and are not prejudicial to the interests of Trendlines and its minority shareholders. The investments will not result in a change in the fair value of Trendlines’ holdings in the portfolio companies or the consolidated Net Tangible Assets of the Group. As such, the investments will not have a material effect on the consolidated earnings per share and net tangible assets per share of the Group for the financial year ending 31 December 2020.

Trendlines Chairman and Chief Executive Officer, Steve Rhodes, remarked:” These four companies have achieved a number of significant successes in the field and in the clinic. We are thrilled to be supporting these portfolio companies with significant follow-on capital, especially in today’s environment in which raising capital is more difficult than usual. Our full life cycle

approach to investing enables us to support our companies from the very earliest stages through to their market launches and exits. And the co-investments with Agriline demonstrate, yet again, the tremendous value of this relationship for Trendlines, its portfolio companies, and our shareholders.”

About The Trendlines Group

Trendlines is an investment group that invests in and incubates innovation-based medical and agrifood 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 (OTCQX: TRNLY).

This press release has been reviewed by the Company’s sponsor, Prime Partners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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