



Trendlines 2020 Unaudited Full Year Results: Exit Proceeds Strengthen Cash Position

Misgav, Israel and Singapore, 23 February 2021 – The Trendlines Group Ltd. (the “**Company**” and together with its subsidiaries, “**Trendlines**” or the “**Group**”), the Israel- and Singapore-based investment company focused on building value through innovation-based medical and agrifood technologies, announced its results for the full year ended 31 December 2020 (“**FY 2020**”) today.

FY 2020 Group Financial Highlights:

As at 31 December 2020 unless otherwise noted

- Total cash, short- & long-term deposits, and receivables increased from US\$19.4 million as at 31 December 2019 to US\$20.3 million as at 31 December 2020
- Fair Value of Portfolio: US\$83.7 million (31.12.2019: US\$102.8 million)
- Net of Stimatix GI write-down and ApiFix Ltd. acquisition by OrthoPediatrics Corp (the “**ApiFix Exit**”), portfolio fair value increased by US\$4.6 million
- Net loss: US\$4 million (31.12.2019: Net loss US\$0.7 million)
- Book value of US\$96.3 million as at 31.12.2020 (31.12.2019: US\$99.8 million)
- NAV per share US\$0.12; S\$ 0.17 (31.12.19: US\$0.13; S\$ 0.18)
- A record thirty-four (34) portfolio companies completed funding rounds

FY 2020 Results

During 2020, Trendlines’ portfolio companies completed numerous transactions despite the worldwide impact of COVID-19. We generated approximately US\$9 million in cash from the exit of our portfolio company ApiFix Ltd. (“**ApiFix**”) to Nasdaq-traded OrthoPediatrics Corp. The sale will generate an additional US\$5.6 million over the next three years, in addition to a potential earnout payment based on a multiple of fourth year sales that could significantly increase our proceeds from the exit. Johnson & Johnson Innovation led a second financing round amounting to US\$5 million in our portfolio company, OrthoSpin Ltd. Another portfolio company, Phytolon Ltd., completed a financing round of US\$4.6 million. A total of thirty-four portfolio companies raised follow-on capital, enabling them to continue developing their technologies and bring them toward additional meaningful milestones. While some portfolio companies faced challenges bringing their products to market due to lockdowns, travel restrictions, and slowdowns of regular and elective medical procedures, all are focused on overcoming hurdles and seeking creative ways to keep their plans on track.

The fair value of the Group’s portfolio, comprising 45 portfolio companies presented at fair value (not including 12 consolidated Singapore-based companies), was US\$83.7 million as at 31 December 2020 compared to the fair value of the Group’s portfolio of US\$102.8 million as at 31 December 2019. The main reason for the decrease of value of the portfolio was the sale of ApiFix, which resulted in the removal of ApiFix from the Group’s portfolio. Based on

the terms of the ApiFix exit, ApiFix had been valued at approximately US\$13.7 million at fair value. An additional decline was due to the decrease in fair value of Stimatix GI Ltd. (“Stimatix”) by US\$10.0 million due to initial revenues of Stimatix being lower than previous projections.

Net of the Stimatix write-down and the ApiFix exit, the fair value of the Group’s portfolio increased by US\$4.6 million. This increase was the result of an aggregate increase of US\$15.3 million in the fair value of various portfolio companies and the addition of new portfolio companies which contributed approximately US\$0.3 million. This increase was partially offset by a decrease of approximately US\$9.1 million in the fair value of various portfolio companies mainly because of the completion of fund-raising exercises at less favorable terms to the Company and general commercial or technological difficulties demonstrated in some portfolio companies in FY 2020; and the write-off of three (3) portfolio companies of approximately US\$1.9 million due to lack of funding in those companies.

Current assets were US\$13.5 million as at 31 December 2020, compared to US\$19.5 million as at 31 December 2019. The decrease is mainly due to the utilization of cash for investment in portfolio companies and operating activities in FY 2020. Total cash, short- & long-term deposits and receivables increased to US\$20.3 million compared to US\$19.4 million as at 31 December 2019.

The net assets of the Group as at 31 December 2020 were US\$96.3 million compared to US\$99.8 million as at 31 December 2019 and US\$62.7 million as at 30 June 2015 at the Company’s listing.

Corporate/Business Developments in FY 2020:

- ApiFix Ltd. acquired by OrthoPediatrics Corp.
- Johnson & Johnson Innovation led US\$5 million investment round in portfolio company OrthoSpin Ltd., their 2nd investment in the company.
- Trendlines Agrifood Fund Pte. Ltd. invested in three companies: Equinom Ltd., Insectta Ltd., and Saturas Ltd.
- Phytolon Ltd. raised US\$4.6 million in a funding round.
- We established three new medical portfolio companies, one in Israel and two in Singapore – SenterCare Ltd., based on developments from Trendlines Labs; STEP Pte. Ltd., continuing development of a Trendlines Labs invention, and DermaCut Medical Ltd. both in the Trendlines Medical Singapore incubator.
- Thirty-four (34) portfolio companies raised funds.
- We expanded our Trendlines Labs in-house innovation activities to Singapore and China.

Post Year-end Developments

OrthoSpin Ltd. received regulatory clearance from the United States Food and Drug Administration (FDA) for its second generation, robotic, digitally enabled external fixation system for orthopedic treatments.

Commenting on corporate progress, Chair and CEO Steve Rhodes remarked, “The COVID-19 pandemic has had a significant impact on us all. While adapting various aspects of our business and that of our portfolio companies to the new realities we faced, we also made some remarkable achievements during 2020.”

“The exit of our portfolio company ApiFix resulted in positive cash flow from exit proceeds which was very good news for Trendlines in 2020 and the coming three years.”

Chair and CEO Todd Dollinger added, “The significant number of portfolio companies that completed funding rounds and surmounted the challenges of the COVID-19 pandemic gives us much to look forward to in developments in the coming year. Our investment areas of healthcare and agrifood have garnered more interest than ever, and we firmly believe that this increased interest will be beneficial to our portfolio companies and to Trendlines.”

For full financial information, please see our announcement to the SGX: Unaudited Financial Statement for the Full Year Ended 31 December 2020.

About The Trendlines Group Ltd.

Trendlines is an investment company that invents, discovers, 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 International (OTCQX: TRNLY).

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The contact person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

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FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS**Issuer & Securities**

Issuer/ Manager

THE TRENDLINES GROUP LTD.

Securities

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Additional Details

For Financial Period Ended

31/12/2020