

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)

(Company Registration No. 513970947)

Announcement Regarding Acquisition of Trendlines' Portfolio Company OrthoSpin Ltd. by Synthes GMBH

The board of directors (the “**Board**”) of The Trendlines Group Ltd. (the “**Company**” or “**The Trendlines Group**” and, together with its subsidiaries and associated companies, the “**Group**”) refers to its announcement dated 29 April 2021 regarding the execution of a non-binding [Letter of Intent](#) towards a definitive agreement for the acquisition of one of its portfolio companies and is pleased to announce the 100% acquisition (“**Acquisition**”) of its 26.9%-owned (fully diluted) portfolio company, [OrthoSpin Ltd.](#) (“**OrthoSpin**”), by [Synthes GMBH](#) (the orthopaedics company of Johnson & Johnson) for a total of US\$79.5 million in cash, payable in full upon closing. The consideration was arrived at following arm’s length negotiations between the parties. The total net consideration attributable to Trendlines is US\$15.8 million. The definitive agreement was signed on 3 November 2021, and the closing is expected to occur within a few weeks, subject to the fulfillment of certain conditions which include distribution of dividends to OrthoSpin shareholders and payment to the Israeli Innovation Authority. The definitive agreement for the Acquisition contains standard representations and warranties, standard indemnifications by the OrthoSpin shareholders with limitation of liability and the setting of an escrow for the deposit of 10% of the consideration for a period of 18-24 months designed to insure the indemnification mechanism.

The fair value of Trendlines’ holdings in OrthoSpin was approximately US\$ 6.6 million as at 30 June 2021. The Acquisition will have a material positive impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2021. For the financial year ending 31 December 2021, Trendlines will report a US\$9.2 million gain from the Acquisition; this is in addition to the increased value in the holding of OrthoSpin in H1 2021 of US\$3.9 million. Total proceeds for Trendlines from the Acquisition were US\$15.8 million after expenses paid by OrthoSpin mainly to authorities, representing a 165% internal rate of return (IRR) on Trendlines’ total cash investment in OrthoSpin of US\$1.3 million.

None of Trendlines’ Directors, substantial shareholders and/or any of their respective associates has any interest, direct or indirect (other than through their shareholdings in Trendlines and in OrthoSpin), in the Acquisition.

Trendlines will make further announcement(s) as and when there are any material updates to the Acquisition including, inter alia, the closing of the Acquisition.

Cautionary Statement

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers.

**BY ORDER OF THE BOARD
THE TRENDLINES GROUP LTD.**

Haim Brosh,
Joint Company Secretary
4 November 2021

*This announcement has been reviewed by the Company's sponsor, PrimePartners 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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