



Trendlines Reports FY 2022 Unaudited Annual Results: Reports 8.1% YoY increase in total portfolio value despite the write-off of portfolio company, Stimatix

FY 2022 Group Financial Highlights:

As at 31 December 2022 unless otherwise noted

- Total cash, short & long-term deposits, and receivables: US\$15.2 million
- Net loss of US\$15 million, mainly attributable to write-off of portfolio company Stimatix GI Ltd. and write-down of the fair value of contingent consideration receivable from ApiFix Ltd. acquisition
- Total equity of US\$95.9 million as at 31 December 2022 (31.12.2021: US\$102.5 million)
- NAV per share US\$0.11; S\$0.15 or US\$5.50 per ADR (31.12.2021 US\$0.12; S\$0.16 or US\$6.00 per ADR)
- Fair Value of Portfolio: US\$89.8 million (31.12.2021: US\$83.0 million)
- Strategic shift to focus on realizing existing portfolio value

Misgav, Israel and Singapore, 22 February 2023 – The Trendlines Group Ltd. (the “Company” and together with its subsidiaries, “Trendlines” or the “Group”), the Israel- and Singapore-based investment company focused on improving the human condition through building value in innovation-based medical and agrifood technologies investments, announced its results for the six months and full year ended 31 December 2022 (“FY2022”) today.

Management Commentary

Steve Rhodes, Chair and CEO remarked, *“2022 was a challenging year in the public markets. Our portfolio companies continued to mature with increased funding and strategic investments and new partnerships. In November 2022, we announced a strategic shift to focus on our existing portfolio and suspend investment in new companies. This allows us to focus our energies and resources to support our portfolio companies and maximize value.”*

Chair and CEO Todd Dollinger added, *“In FY2022, we saw a decrease in our cash flow compared to FY2021 where we recorded a large exit. We are experiencing great traction for our portfolio companies and aiming for more and larger exits going forward. While we made six new investments in FY2022, we have, as previously announced, suspended new*

investment activity from 2023 to focus our efforts on our more mature companies to realize their potential. Trendlines Innovation Labs brought on new leadership and entered into important strategic collaborations and partnerships during the year. We remain committed to investing in medtech and agrifood technologies in support of our mission to improve the human condition and deliver value for our shareholders.”

Financial Overview

Profit or Loss Highlights	FY2022	FY2021
(US\$ '000)		
Total Income	2,511	16,122
(Loss) / Profit before tax	(17,182)	2,645
Net (Loss) / Profit	(15,026)	6,000

The FY2022 net loss was mainly due to the US\$7.9 million write-off of the Group’s portfolio company Stimatix G.I. Ltd. (“**Stimatix**”) and adjustment of the contingent consideration fair value of the ApiFix Ltd. exit.

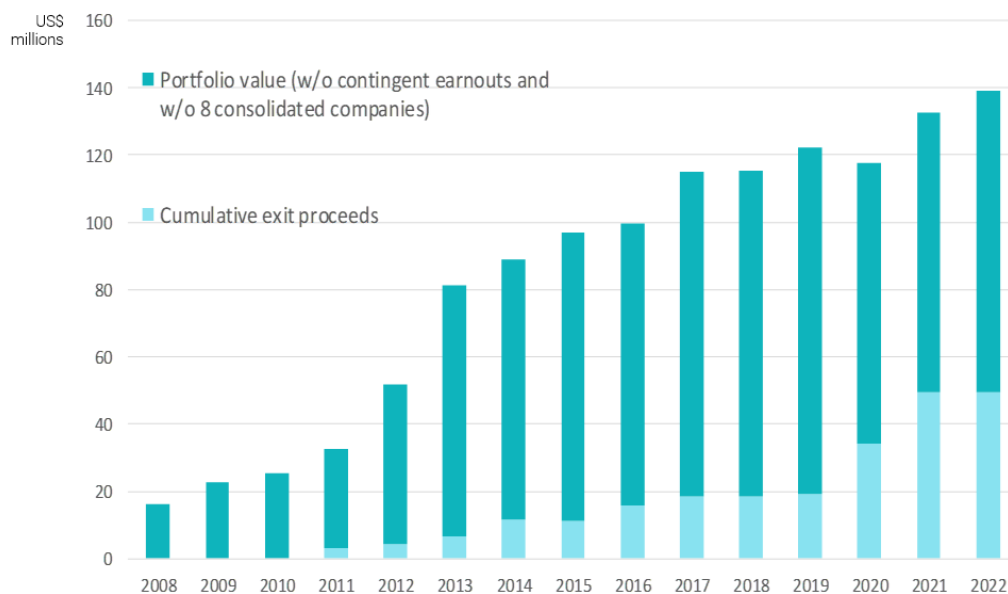


Figure 1: Portfolio growth 2008-2022

Portfolio Value Developments

The fair value loss in portfolio companies, including the US\$7.9 million Stimatix write-off, was US\$2.5 million in FY2022 as compared to a gain from change in fair value of investments of US\$9.2 million in FY2021.

In FY2022, there was an increase of US\$13.6 million in the fair value of various portfolio companies, based on factors such as the favorable terms on which each portfolio company completed its fund-raising exercises and each portfolio company's commercial or technological progress. In general, favorable terms for fund raising exercises/exits and higher commercial or technological progress led to higher fair values.

The increase in fair value of investments in portfolio companies was mainly offset by:

1. a decrease of approximately US\$7.7 million in the fair value of various portfolio companies mainly as a result of the completion of fund-raising exercises at less favorable terms and general commercial or technological difficulties demonstrated in some portfolio companies in FY2022;
2. and the write off of Stimatix of approximately US\$7.9 million as a result of the acquirer discontinuing the marketing of the Stimatix product, as stated in the Company's announcement dated 14 July 2022, and write off of another portfolio company of approximately US\$0.5 million as a result of lack of funding.

Balance Sheet Highlights (US\$ '000)	31-Dec-22	31-Dec-21	Change (%)
Investments in portfolio companies	89,777	83,046	8.11
Accounts and other receivables (current assets)	3,994	3,361	18.83
Cash and cash equivalents	4,565	14,309	(68.10)
Total assets	107,993	121,083	(10.81)
Trade and other payables (current liabilities)	3,393	4,246	(20.09)
Total liabilities	12,097	18,541	(34.75)
Total equity	95,896	102,542	(6.48)
Net asset value per share (Singapore cents)	0.15	0.16	-

Total assets decreased by approximately 10.81% from US\$121.1 million as at 31 December 2021 to US\$108.0 million as at 31 December 2022. This was mainly due to a decrease in cash and cash equivalents of US\$9.7 million, decrease in contingent consideration of US\$5.9

million, decrease in short term deposit of US\$2.2 million which was offset by an increase in investments in portfolio companies of US\$6.7 million.

Corporate Developments in FY2022

- The Group completed four out of eight tranches of the subscription agreement with current and new investors, raising 50% of an aggregate S\$20.3 million (~US\$15.0 million).
- Vensica Therapeutics Ltd. closed a funding round for US\$19.0 million.
- Phytolon Ltd. closed a funding round of US\$14.5 million with strategic investors and signed a collaboration agreement.
- Escala Medical received FDA regulatory clearance for its first pelvic organ prolapse repair device.
- Limaca Medical Ltd. received FDA breakthrough device designation.
- Arcuro Medical Ltd. brought aboard renowned experts in the orthopedic field to its advisory board and built out its sales staff in the US.
- Trendlines was awarded the Bronze Award for Best Managed Board in the small-cap category of the Singapore Corporate Awards by the Business Times Singapore.
- Across our investment platforms, we invested in seven new companies.

Key Developments Subsequent to Year-end

- liberDi Ltd. received FDA regulatory clearance for its digital dialysis system.
- SenterCare Ltd. forged an alliance with Japanese company Nozomi MedAlliance to bring advanced aging-at-home-safely technology to the Japanese market.

For full financial information, please see our announcement to the SGX: Unaudited Financial Statements for the Full Year Ended 31 December 2022.

- End -

**About The Trendlines Group Ltd.**

Trendlines establishes, funds, and incubates innovation-based medical and agrifood 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 End-

*This press release 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.*

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Investor Contact Information**Israel:**

Shira Zimmerman, The Trendlines Group

shira@trendlines.com

Tel: +972.72.260.7000

Singapore:

Kamal Samuel, Financial PR

kamal@financialpr.com.sg

Shivam Saraf, Financial PR

shivam@financialpr.com.sg

Urvija Diwan, Financial PR

urvija@financialpr.com.sg

Tel: +65.6438.2990