THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration No. 513970947)

Trendlines Exits BioSight Ltd.

The board of directors (the "**Board**") of The Trendlines Group Ltd. (the "**Company**" or "**Trendlines**" and together with its subsidiaries and associated companies, the "**Group**") wishes to announce that the Company's 91.68% owned indirect subsidiary, Misgav/Karmiel Technology Incubator, Management Services Ltd. (the "**Seller**") has entered into a definitive agreement with a third party named Arkin Bio Ventures Limited Partnership (the "**Purchaser**") (the "**Agreement**") for the proposed sale of the Seller's entire ordinary shareholding interest in BioSight Ltd. ("**BioSight**") to the Purchaser (the "**Proposed Transaction**"), for a net cash consideration of approximately US$1.3 million (or approximately US$1.0 million after tax) ("**Sale Consideration**").

The Purchaser is an existing shareholder of BioSight, holding, to the Group's knowledge, 4.95% of BioSight's share capital on a fully diluted basis. The Purchaser is engaged, among others, in investing in and accompanying early and mid-stage companies in areas such as: immunotherapy, cancer, metabolism, microbiome, central nervous system, autoimmune diseases, orphan diseases and drug delivery platforms.

To the Group's knowledge, the Seller holds 3.18% of the total issued shares of BioSight on a fully diluted basis. BioSight developed a technology and pipeline of cancer pro-drugs that target and release therapeutic drugs inside cancer cells to reduce systemic toxicity associated with conventional chemotherapy treatments. The Group's cost of investment in BioSight is zero since BioSight was acquired incidental to the acquisition of Trendlines Medical-Misgav Ltd (now named Trendlines Incubators Israel Ltd.) by the Company in 2007.

The Proposed Transaction is contingent upon certain conditions precedent including the correctness of the representations and warranties specified in the Agreement at the closing of the Proposed Transaction. The completion of the Proposed Transaction is expected to take place within 14 business days from the date of the Agreement.

Rationale and Benefit of the Proposed Transaction to the Group

The Board is of the view that the Proposed Transaction is in the best interests of the Group and its shareholders, inter alia, for the following reasons:

(a) The Group currently holds a minority stake in BioSight without the ability to influence its operation and business strategy;

(b) The Group does not have pre-emptive rights and accordingly may be diluted in future fund raising rounds in BioSight;

(c) The Proposed Transaction is considered an opportunity to dispose a non core portfolio company of the Group;

(d) The Proposed Transaction improves the overall cash flow position of the Group; and

(e) the Sale Consideration is attractive, following the examination of market conditions as detailed below.

The fair value of the Group's holdings in BioSight was approximately US$1.3 million as at 31 March 2017 (US$0.1 million as at 31 December 2016). Should the Proposed Transaction be completed, the Group is expected to receive net proceeds of approximately US$1.3 million payable in cash (or approximately US$1.0 million after tax). The payment shall be made in one instalment at the completion of the Proposed Transaction.

The Sale Consideration is based on arm's length negotiations between the unrelated parties to the Agreement. The price per share in the Proposed Transaction is the same price per share recently determined in a transaction executed by one of BioSight's shareholders with a third party. The price per share also reflects a 20% discount on the last fund raising round carried out approximately a year ago in respect of preferred shares of BioSight.

The intended use of the Sale Consideration is for continuing operations and investments of the Group. Upon completion, the Group will not be recognising any gain or loss on the Proposed Transaction as the fair value of BioSight already reflects the Sale Consideration as recorded in the Group's current financial statements.

Financial effects

The financial effects of the Proposed Transaction on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Transaction.

The effect on the loss per share as set out below have been prepared based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**") and on the assumption that the Proposed Transaction had been completed on 1 January 2016:

	Before the Proposed Transaction	**After the Proposed Transaction**
Net loss (US$'000)	(6,578)	(5,578)
Number of shares ('000)	508,741,749	508,741,749
Loss per share (US$)	(0.013)	(0.011)

Based on the latest audited consolidated financial statements of the Group for FY2016 and on the assumption that the Proposed Transaction had been completed on 31 December 2016, the effect of the Proposed Transaction on the Group's net tangible assets per share as at 31 December 2016 is not material.

Interest of Directors and Substantial Shareholders

None of the Company's Directors, substantial shareholders and/or any of their respective associates has any interest, direct or indirect (other than through their shareholdings in the Company) in the Proposed Transaction.

Further Announcement(s)

Trendlines will make further announcement(s) on SGXNET as and when there are any material updates on the Proposed Transaction.

BY ORDER OF THE BOARD

Yosef Ron
Joint Company Secretary

6 June 2017

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*The Trendlines Group Ltd. ("**Trendlines**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 November 2015. The initial public offering of Trendlines was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

This announcement has been prepared by Trendlines 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 announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.