# Trendlines Report: 10 Companies to Watch

## July 2018 Update

MISGAV, Israel, 26 July 2018 -- The Trendlines Group Ltd. ("Trendlines") (SGX: 42T; OTCQX: TRNLY), a leading Israeli investment and innovation commercialization company focused on early-stage innovation-based medical and agricultural technologies, issued its quarterly update of the "10 Companies to Watch" report. The report – first issued in July 2017 -- is published as an aid to understanding the assets of The Trendlines Group.

Trendlines' growing portfolio of 49 companies range from "just started" through companies selling products and growing internationally. These companies all started in the Trendlines' incubators.

This report highlights companies that have achieved significant developmental milestones, which may include investment rounds, patent approvals, clinical or field trials, CE mark or FDA clearance, or sales of their products in global markets. Reaching these milestones brings the companies reported here closer to achieving their commercial goals.

The 10 companies reviewed here, listed alphabetically, are:

ApiFix Ltd.
BioFishency Ltd.
EdenShield Ltd.
Fidmi Medical Ltd.
Gordian Surgical Ltd.
Leviticus Cardio Ltd.
MemTech Ltd.
Saturas Ltd.
STS Medical Ltd.
Vensica Medical Ltd.

In addition, at the end of the report we include an update on the status of our most valuable portfolio company, Stimatix GI Ltd.

## ApiFix Ltd.

### Minimally invasive scoliosis treatment device

ApiFix Ltd. **("ApiFix")** (http://trendlines.com/portfolio/apifix/) aims to disrupt the scoliosis device market with its minimally invasive, non-fusion spinal implant system for the correction of Adolescent Idiopathic Scoliosis (AIS). Worldwide, there are approximately 126,000 scoliosis procedures per year, of which 40,000 are AIS, representing a US$2.4 billion implant market. ApiFix believes its total addressable market currently reaches US$1.15 billion.[1]

**Recent developments**

- Increased the number of surgical procedures to >230

[1] U.S. National Center for Health Statistics; OECD Health Data 2015; Statistique annuelle des établissements de santé and CNAMTS (Evolution des actes techniques en secteur liberal); Statistisches Bundesamt; Conjunto Mínimo Básico de Datos – Hospitalización and Ambulatorio; UK Hospital Episode Statistics databases for Admitted Patient Care and Outpatients; Life Science Intelligence Surgical Procedure Volume database.

**Status**

- Offices in Boston, Massachusetts (U.S.), and Misgav, Israel
- CE mark
- Targeted sales in Europe, Canada, and Asia
- 20 issued patents and further pending patents

## BioFishency Ltd.

### Advanced water treatment systems for land-based aquaculture

BioFishency Ltd.'s **("BioFishency")** (http://trendlines.com/portfolio/biofishency/) cost-effective, plug-and-play water treatment system enhances water quality, making it possible to double production in ponds and to reduce water use by up to 95% in tanks. Aquaculture is the fastest-growing sector in animal protein production with a market value of US$135 billion in 2015[2]; 62% of food fish will come from aquaculture by 2030.[3]

**Recent developments**

- Raising US$1.5 million investment round
- Half-year 2018 sales of ~US$1,000,000, approximately double 2017 full-year sales
- In process of closing agreement with the Technion Research & Development Foundation Ltd. to license a new technology that will enable growing fish in any temperature (cold, warm) and water type (fresh, sea); will significantly improve the traditional recirculating aquaculture systems (RAS); first application will be for transporting live fish, with the potential for increasing the number of fish and enabling longer transport periods

**Status**

- BioFishency units continuing to operate effectively with increased sales around the world in countries including Israel, China, Bangladesh, India, Congo, and Indonesia
- Completed large project in China in June 2018 (several systems for over 40 fish tanks); has strong interest for additional units in Nigeria and Vietnam (for the shrimp market)
- IP: patent in National phase (Israel, China, Europe, India, Brazil)

## EdenShield Ltd.

### Natural plant-based crop protection solutions

EdenShield Ltd.'s **("EdenShield")** (http://trendlines.com/portfolio/edenshield/) natural nontoxic crop protection products leverage characteristics of plants that originate in Israel's semidesert region to mask plant odor and significantly lower insect attraction, greatly reducing the need for pesticides. The current worldwide insect pesticides market — estimated at US$14 billion, with the greenhouse segment estimated at US$2 billion[4] — is looking for cost-effective, environmentally friendly solutions that are synergistic with their existing products.

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[2] The State of World Fisheries and Aquaculture, https://issuu.com/asgcapbiz/docs/a-i3720e

3 The World Bank, FISH TO 2030: Prospects for Fisheries and Aquaculture, http://www.fao.org/docrep/019/i3640e/i3640e.pdf.

[4] Global Markets for Biopesticides, BCC Research, January 2017.

**Recent developments**

- Achieved US$208,000 sales in the first half of 2018, - an increase of 28% over first half 2017 sales. US$1.5 targeted sales for 2018
- Saw significant increases in Q2 product consumption over Q2 2017:
  - EdenNet – 1,200 liters as compared to 90 liters
  - FORTE – 1,200 liters as compared to 75 liters
- Advanced in regulatory approval in Europe and the United States
- Received three Israeli government grants – one for reducing pesticide use and two for expanding marketing activities
- Preparing for sales to the medical cannabis market

**Status**

- Strong distributors in Spain, Greece, Israel, Mexico and California; continuing to expand distribution network in Europe and the United States
- Strengthening market presence with a jump in installed units
- Expanding farming operations to meet growing demand
- Patent granted (U.S., June 2016, Australia, April 2017); published (Europe); final approval stages (Canada, India, Mexico, China); filed (Israel and Kenya)
- Regulatory approval granted for EdenShield NET and Forte in Spain and Israel; final regulatory stages in Turkey, England, United States
- Organic certification granted for EdenNET and EdenDIRECT in the UK

## Fidmi Medical Ltd.

### Novel feeding device for improved nutrition delivery

Fidmi Medical Ltd. **("Fidmi")** (www.fidmimedical.com) has developed a uniquely designed, low-profile, enteral feeding device that offers a secure, reliable, and discreet solution immediately post-surgery, and when needed, pain-free removal. Annually, there are approximately 1.3 million enteral device insertions worldwide, and an additional 3 million replacement procedures performed for blocked or dislodged tubes, representing sales of US$540 million. Estimates of the global market will exceed US$600 million by 2018.[5]

**Recent developments**

- Performed 11 procedures
- Preparing CE mark submission
- Developing a low-profile PEG device for children

**Status**

- Opened clinical sites in Israel
- Submitted FDA 510(k)
- 3 patents pending (all in National phase; U.S. EU, China), one patent granted in China
- Raised US$2 million investment from B. Braun Melsungen AG; funds to be used to complete clinical trials and prepare for market entry

[5] Enteral Feeding Devices Market: Global Industry Size, Market Share, Trends, Analysis, 2012-2018. Transparency Market Research.

## Gordian Surgical Ltd.

Integrated port closure system.

Gordian Surgical Ltd. **("Gordian")** (http://trendlines.com/portfolio/gordian-surgical-2/) has developed and is currently marketing the TroClose1200™, the only integrated port closure system available worldwide. The product enables the surgeon to insert surgical instruments into the abdominal cavity, and then close the port site in a simple, secure, and safe manner when the procedure is completed. The global trocar and closure markets are estimated at a combined US$1.45 billion yearly revenue.[6]

**Recent developments**

- Beginning next investment round
- Increased usage of the Gordian TroClose™ 1200 to >300 in more than 100 hospitals (including surgical procedures in urology robotics, general surgery robotics, bariatric, gynecology, hernia repair)
- Direct sales began in the United States beginning Q2 2018

**Status**

- Raised >US$5.5 million to date, including grants
- FDA regulatory clearance and CE mark certification
- Portfolio of 3 U.S. patents; two provisional and one in National phase
- Regulatory clearance in Israel; performed surgeries
- Regulatory clearance in Mexico; initiated distribution
- 6 distribution agreements (U.K., France, Turkey, Greece, Mexico, Panama)

## Leviticus Cardio Ltd.

Wireless energy system for LVADs

Leviticus Cardio Ltd. **("Leviticus")** (http://trendlines.com/portfolio/leviticus-cardio/) is developing a wireless solution to provide the energy needs of left ventricular assist devices (LVADs), eliminating the need for a driveline, a potential entry point for infection. According to Grand View Research, the global LVAD market was valued at US$763 million in 2014 and is set to grow to US$1.98 billion by 2022, driven by increased prevalence of cardiovascular disease, advances in technology, and favorable reimbursement, among other factors.[7]

**Recent developments**

- Animal trial with successful 80+-day follow-up
- Successful preclinical study demonstrated wireless power to Jarvik's fully implanted LVAD
- Raised additional capital of US$0.5 million

**Status**

- Fully operational system
- Raised US$9.2 million to date
- 12 issued patents and two pending (U.S.)

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[6] Endoscopic Access Site Closure Devices Market, General and Pelvic Endoscopic Surgery Devices Market, Ch. 8, Medical Market and Technology Reports, MeddeviceTracker.

[7] Congestive Heart Failure (CHF) Treatment Devices Market Analysis by Product (Ventricular Assist Devices, Counter Pulsation Devices, Implantable Cardioverter Defibrillators, Pacemakers, Cardiac Resynchronization Therapy) And Segment Forecasts to 2024. Grand View Research, October 2016.

- High visibility among LVAD players
- ISO 13485

## MemTech Ltd.

### Game-changing membranes for water treatment

MemTech Ltd.'s **("MemTech")** (http://trendlines.com/portfolio/memtech/) ultrafiltration membranes have more than 2x higher flux capacity (at similar quality) compared to leading commercial membranes, and are sold for wastewater treatment, pretreatment, drinking water treatment, and nanofiltration. The global membrane wastewater treatment technology market is estimated to reach US$12 billion by 2020 with annual growth of 10.2%.[8]

**Recent developments**

- Proof of concept completed with strategic partner in desalination market
- Signed agreement with U.S. strategic partner in oil and gas market to provide oil/water separation
- US$1.9 million raised according to milestone plan

**Status**

- Increasing sales of membrane products; initial sales of integrated filtration system; expanding partner relationships and product offerings
- Growing list of industry partners and of customers include Mekorot (Israel's national water company) and SEB Alliance
- One issued patent; 2 patents pending (U.S.)

## Saturas Ltd.

### Advanced decision support system for optimal irrigation

Saturas Ltd.'s **("Saturas")** DSS (Decision Support System) (http://www.saturas-ag.com/) for precision irrigation is based on its miniature Stem Water Potential (SWP) sensor. Embedded in the trunks of trees, vines, and plants, Saturas' sensors receive direct feedback/input from the tree or vine to provide online, accurate information for optimized irrigation. Current solutions for measuring water status lack accuracy and are labor-intensive or costly.

**Recent developments**

- New field trials in California in May 2018 in vineyards, almond, and walnut trees
- Expanded team; moved to new offices and laboratory in the Trendlines building
- Updated user interface model – developed and in use

**Status**

- Completed an investment round of US$4 million in Q1 2018
- Proven technology with Saturas' sensors successfully operating in lemon, clementine, almond, and apple trees for more than a year
- ~350 sensors installed in 3 experimental farms and 10 commercials farms in Israel and Spain

[8] Frost & Sullivan, Frost Perspectives, Augmentation of Membrane Filtration Technology Market, June 2016, https://ww2.frost.com/frost-perspectives/augmentation-membrane-filtration-technology-market.

- Established strategic cooperation with Netafim Ltd. and NaanDanJain Ltd. (the leading drip irrigation companies in the world) in Israel, Spain, and California for field trials; these industry leaders are also potential distributors of the system
- Developed a miniature version designed for vineyards/grape vines; December 2017: new version successfully embedded into plants/vines for wine grapes

## STS Medical Ltd.

### Removable sinus stent for use after Functional Endoscopic Sinus Surgery (FESS)

**STS Medical Ltd.** (**"STStent"**) (www.ststent.com) has developed a removable stent for use after FESS to keep the sinus cavity open for almost a month, long enough for the sinus tissue to recover post-surgery. The stent improves patient outcomes and prevents post-surgical complications, thus reducing the probability of revision surgery. Today, about 30% of sinus surgeries fail due to scarring and recurring inflammation that closes the nasal openings and requires revision surgery.[9] According to Intersect ENT, the estimated sinus stent market opportunity exceeds $3 billion in the United States.[10]

**Recent developments**

- Mike Berman, a serial medical device entrepreneur and investor, was named Chairman of the Board of Directors
- First stents successfully implanted and removed in Lenox Hill Hospital, New York
- Submitted article to *American Journal of Rhinology*
- Preparing manufacturing capabilities for first approved product for United States and Israeli markets
- Preparing for sales in Israel

**Status**

- Performed clinical trials (30 patients); including stent removal after four weeks, with three-month follow-up; excellent therapeutic results
- Raised >US$1.3 million
- One issued patent (U.S.); two pending (Canada, Europe, Japan, China)
- Received FDA clearance (December 2017)

## Vensica Ltd.

### Ultrasound-assisted drug-delivery for overactive bladder

Vensica Medical Ltd. **("Vensica")** (http://trendlines.com/portfolio/vensica-medical/) is developing VensiCare to treat overactive bladder (OAB) with ultrasound delivering Botox® into the bladder wall painlessly and without needles. The procedure can be performed in the doctor's office or clinic without anesthesia. OAB is

[9] RSNA RadioGraphics, Failed Endoscopic Sinus Surgery: Spectrum of CT Findings in the Frontal Recess, 2009, http://pubs.rsna.org/doi/full/10.1148/rg.291085118

[10] Centers for Disease Control and Prevention, National Center for Health Statistics, Chronic Sinusitis, 2015, https://www.cdc.gov/nchs/fastats/sinuses.htm.

the most common bladder disorder. There are an estimated 39 million OAB patients in the United States alone.[11]

**Recent developments**

- Clinical trials planned for January 2019

**Status**

- Raised US$2 million from Cogentix Medical, Inc., part of structured acquisition
- Successful preclinical trials
- Filed PCT (international patent application)

## Stimatix GI Ltd. (previously known as Most Valuable Portfolio Company) status update:

### Low-profile solutions for colostomy management

In November 2014, Stimatix GI Ltd. ("Stimatix") sold its assets to a subsidiary company of the B. Braun Group, B. Braun Medical SAS ("B. Braun"). Stimatix is a developer of low-profile innovative solutions for colostomy management, created to improve the quality of life for people with stomas. Trendlines currently maintains a 28.2% holding in Stimatix. As of the last valuation dated 31 December 2017, the fair value of Trendlines' Stimatix holding, was US$42.6 million. B. Braun have advised Trendlines that their product launch remains on schedule for 2018.

The worldwide stoma/ostomy care market is estimated to reach US$2.99 billion by 2022.[12] Stimatix represents a very significant achievement for Trendlines. It is a good example of a company that fulfills the Trendlines' mission of creating and developing companies to improve the human condition as well as creating considerable value for our shareholders. Read more here.

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[11] The Burden of Overactive Bladder on US Public Health; Curr Bladder Dysfunct Rep, 2016 March, W. Stuart Reynolds, Jay Fowke, Roger Dmochowski. The Total Economic Burden of Overactive Bladder in the United States: A DiseaseSpecific Approach; AJMC.com.

[12] Markets and Markets, https://www.marketsandmarkets.com/PressReleases/ostomy-care-accessories.asp

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## About Trendlines

Trendlines is an innovation commercialization company that invents, discovers, invests in, and incubates innovation-based medical and agricultural 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).

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