The Trendlines Group Ltd. Discloses Stimatix GI Ltd. as Company Whose Assets Were Sold in 2014 Asset Purchase Agreement

B. Braun Medical SAS is disclosed as acquirer of Stimatix's assets

MISGAV, Israel, 9 April 2018 -- The Trendlines Group Ltd. (the "Company" or "Trendlines" and together with its subsidiaries, the "Group") (SGX: 42T; OTCQX: TRNLY), a leading Israeli investment and innovation commercialization company, focused on early-stage, high growth innovation-based medical and agricultural technologies, today named its colostomy-device company, Stimatix GI Ltd. ("Stimatix"), as the company referred to in its financial statements and other reports as its "Most Valuable Portfolio Company". In November 2014, Stimatix sold its assets to a subsidiary company of the B. Braun Group, B. Braun Medical SAS ("B. Braun"), which hosts the Stomacare Center of Excellence. B. Braun is one of the world's leading providers and manufacturers of healthcare solutions. B. Braun has advised Trendlines that it plans to market the product internationally from mid-2018. The 2014 Asset Purchase Agreement ("2014 APA") included a non-disclosure agreement that prevented release of information; now that the product is coming to market, B. Braun has authorized disclosure by Trendlines of the identity of the Most Valuable Portfolio Company and the fact that B. Braun was the acquirer.

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. Due to the significant value of Stimatix in the Trendlines portfolio, the valuation of Stimatix is set by an independent firm that specializes in the medical device industry. The US$42.6 million valuation represents the projected net present value of Trendlines' share of the estimated future royalty payments from the sale of the company's product, after adjusting the cash flow to take account of multiple risk factors including, market risk, manufacturing risk, and product risk, and then applying a financial discount rate. Further details on the aforementioned valuation can be found in "Notes to the Financial Statements", Note 8 B, page 116 of the Group's audited financial statements for the financial year ended 31 December 2017.

Stimatix is a developer of low-profile innovative solutions for colostomy management, created to improve the quality of life for people with stomas. B. Braun is currently in the process of completing a high-volume manufacturing facility for the production of the products and the product launch is on schedule for mid-2018. The worldwide stoma/ostomy care market is estimated to reach US$2.99 billion by 2022.[1]

Under the 2014 APA, B. Braun acquired Stimatix's assets and agreed to sell Stimatix's ostomy products worldwide. The acquisition transaction included a cash payment at closing, milestone payments, and royalties from future sales of Stimatix's products, as described in Note 8B of the Group's audited financial statements for the financial year ended 31 December 2017. In addition to a dividend which was received subsequent to the initial closing in November 2014, Trendlines Incubators Israel Ltd., the Group's wholly-owned subsidiary, has additionally been paid approximately US$1.6 million in dividends, to date, upon Stimatix's completion of the relevant milestones.

[1] https://www.marketsandmarkets.com/PressReleases/ostomy-care-accessories.asp

Under the terms of the 2014 APA, B. Braun is to make royalty payments to Stimatix based on product sales. While at the discretion of the board of directors of Stimatix, royalties so received are generally expected to be distributed to Stimatix' shareholders, including Trendlines Incubators Israel Ltd., as dividends. As announced by the Company on 30 October 2017, it is the intention of the Company's Board of Directors that dividends will be paid from the Company's annual distributable after-tax profits, if any, out of net cash proceeds received, including distribution from Stimatix's royalties received by Trendlines at a payout ratio of 90%, subject to certain conditions under the Israeli Companies Law. Determination as to dividends to be paid by the Company, if any, will be made following completion of the Company's audit for the financial year ended 31 December 2018 and only if allowed under the Israeli Companies Law.

Steve Rhodes, Chairman and CEO of Trendlines stated, "The sale of the Stimatix assets to B. Braun in 2014 marked a very significant achievement for Trendlines that we are pleased to be able to disclose today. Stimatix was started within the Trendlines incubator in 2009 as one of our first medical device companies and within five years of its establishment, we were able to sell its assets for an estimated return of 79.1X and an internal rate of return of 80%. Not only is this asset sale of significant financial benefit to Trendlines, but it marked the launch of our partnership with B. Braun – now one of our major international partners in multiple facets of our activities, including as a cornerstone investor in the Trendlines 2015 IPO and, again, participating fully in our 2017 share placement. B. Braun has also invested in other Trendlines' portfolio companies, and is our co-founder and investor in Trendlines Medical Singapore Pte. Ltd.

"Additionally, we are really proud of Stimatix's entire team. Stimatix developed a product to improve the quality of life for individuals receiving ostomy care, as well as to revolutionize the entire industry, which hasn't seen significant advancement in care in almost 60 years. Stimatix is a great example of a company that fulfills the Trendlines' mission of creating and developing companies to improve the human condition. "

About The Trendlines Group

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

****

This press release has been prepared by The Trendlines Group Ltd. (the "Company") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.
The contact person for the Sponsor is Ms. Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)

Contact
Israel
Shira Zimmerman, The Trendlines Group
shira@trendlines.com
Tel: +972.72.260.7000

Singapore
Reyna MEI, Financial PR
reyna@financialpr.com.sg
Tel: +65.6438.2990