

## The Trendlines Group Reports 2016 Third Quarter Results

**Misgav, Israel and Singapore**, 9 November 2016 – The Trendlines Group Ltd. (the “**Company**” and together with its subsidiaries and associated companies, the “**Group**”) an Israeli company focused on developing technology-based companies in the medical and agricultural fields, announced its financial results for the three months ended 30 September 2016 (“**3Q2016**”).

### Third Quarter 2016 Highlights:

#### Portfolio

- Fair value of portfolio is US\$83.6 million after completion of the sale of its shareholding in E.T. View Medical Ltd. (“**E.T. View**”)
- 3 new companies started during the quarter, bringing the total of new portfolio companies invested to date in 2016 to six
- A gain of approximately US\$1.1 million in the fair value of the Most Valuable Portfolio Company was recorded due to commercial progress
- 6 portfolio companies complete successful follow-on funding
- CE Mark approval received by Gordian Surgical Ltd. and CoreBone Ltd.
- EdenShield Ltd. receives U.S. patent

#### Group Financials

- Trendlines reports total income of US\$4.1 million for Q32016, compared to loss of US\$0.2 million in the three months ended 2015 (“**Q32015**”)
- Trendlines completed the sale of E.T. View for total net proceeds of US\$3.5 million, which was received subsequent to the financial period
- Trendlines received US\$0.9 million dividend from the Most Valuable Portfolio Company which increased the Group’s cash balance, but had no impact on Group earnings
- Net income totaled US\$1.6 million in Q32016 compared to a loss of US\$3.4 million in Q32015
- Total current assets increased to US\$20.4 million, an increase of US\$1.7 million from 30 June 2016

#### Corporate/Business Development

- Trendlines signs MOU with B. Braun for co-investment in Trendlines Medical Singapore, which is expected to be operational by end of 2016
- Trendlines ADRs start trading on OTCQX International Market
- Head of R&D at Trendlines' partner, Bayer Crop Science, gives keynote speech at Trendlines' AgriVest Conference to investors and experts from 20 countries, including investors, brokers, analysts and journalists from Singapore
- Steve Rhodes and Todd Dollinger delivered irrevocable instructions to purchase Trendlines shares, irrespective of share price, beginning December 2016 for a 12-month period.

## 2016 Third Quarter Financial Results:

"We saw good financial performance in the third quarter of 2016," said Steve Rhodes, Chairman and CEO of Trendlines. "We were particularly pleased with both the completion of the sale of E.T. View to the Danish medical device company, Ambu A/S, and with the large dividend payment we received from our Most Valuable Portfolio Company as they met a significant milestone under their agreement with the purchaser of their technology."

For the third quarter of 2016, Total Income was US\$4.1 million, compared to a loss of US\$2.9 million in the second quarter of 2016, and a loss of approximately US\$0.2 million in the third quarter of 2015. The increase in Total Income for the quarter is largely a result of the gain of US\$2.1 from the completion of the sale of the shareholdings in E.T. View. The increase in the third quarter income also reflects the US\$0.6 million gain from the change in the fair value ("**Portfolio Value**") of Trendlines' portfolio companies, which compares to a loss of approximately US\$4.7 million in the second quarter of 2016 and a loss of about US\$1.0 million in the third quarter of 2015. Total Portfolio Value after the sale of E.T. View was US\$83.6 million.

Operating, general and administrative expenses were US\$2.1 million in the third quarter of 2016, compared to US\$2.3 million in the second quarter of 2016, and US\$1.8 million in third quarter of 2015. Operating, general and administrative expenses in the third quarter of 2016 were US\$0.3 million higher than in the third quarter of 2015, mainly due to higher professional expenses incurred as a result of Trendlines' public listing in Singapore (SGX: 42T) in November 2015.

Net income for the third quarter of 2016 was approximately US\$1.6 million, compared to a loss of US\$4.6 million in the second quarter of 2016 and a net loss of US\$3.4 million in the third quarter of 2015.

Current assets rose US\$1.7 million in the third quarter to US\$20.4 million from US\$18.7 million as of 30 June 2016. Total current assets as at 31 December 2015 were US\$24 million.

The fair value of all the portfolio companies was approximately US\$83.6 million as at 30 September 2016. This compares with the adjusted portfolio value at 31 December 2015 of US\$85.8 million, which includes the fair market value of Trendlines' associated company E.T. View which was sold in the third quarter of 2016 and, as a result, does not appear in the Portfolio Value as at 30 September 2016. The table below shows a pro-forma calculation of the fair value of the portfolio including the recent exit value of E. T. View plus the dividend received from the Most Valuable Portfolio Company, both of which occurred in the third quarter of 2016 and had the effect of reducing the portfolio value.

**Fair Value of Portfolio (US\$ million)**

	30 Sept. 2016	31 Dec. 2015
Investments in Portfolio Companies/ Portfolio Value (Reported)	83.6	84.5
Investments in Portfolio Companies/ Portfolio Value (Pro-Forma)	88.0*	85.8**

*\*Including exit value of E.T. View and dividend payment from Most Valuable Portfolio Company received in Q32016*

*\*\*Including market value of E.T. View at 31 December 2015 of US\$1.5 million, reported based on equity method for financial reporting purposes*

Commenting on portfolio company developments during the quarter, Chairman and CEO, Todd Dollinger, said: "I am pleased to report excellent regulatory and clinical developments in a number of our portfolio companies over the quarter. Among regulatory successes, Gordian Surgical Ltd. received CE Mark approval for its TroClose1200™, CoreBone Ltd. also received CE Mark approval for its innovative bioactive bone graft material; Eden Shield Ltd. received a U.S. patent for its nontoxic pest control solution. Among companies reporting clinical progress, ApiFix Ltd. reached a 100-patient milestone and OrthoSpin Ltd. launched its first human clinical trials at Galilee Medical Center in Israel."

Mr. Dollinger concluded: "We have also made significant progress with the establishment of Trendlines Medical Singapore, where we appointed Eric Loh, a veteran in the medical device sector, as CEO in September. Trendlines Singapore also signed an MOU with shareholder B. Braun Melsungen AG for investment in the new entity, as well as for support of the portfolio companies in technological development, regulatory, medical, scientific affairs, and marketing and sales. We look forward to updating our shareholders on progress in Singapore as we move ahead with developments there, and will continue to provide updates on other near-term events as we approach year-end."

**Quarterly Conference Call and Webcast**

Trendlines will host a conference call to discuss the 2016 third quarter results on Wednesday, November 9<sup>th</sup> 3:00pm Singapore time, 9:00am in Israel. A live webcast of the conference call, together with a slide presentation that includes supplemental financial information, will be accessible through the company's Investor Relations website at <http://investors.trendlines.com>. In addition, an archive of the webcast will be accessible for 90 days through the same link.

**About The Trendlines Group**

The Trendlines Group 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. The Trendlines Group is traded on the Singapore Stock Exchange (SGX: 42T) and in the United States as an American Depositary Receipt (ADR) on the OTCQX (OTCQX: TRNLY).

-The End-

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Issued for and on behalf of The Trendlines Group Ltd.

By Financial PR Pte Ltd.

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The Trendlines Group Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 November 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). This press release has been prepared by the Company 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 press release. This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGXST 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. Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

**The Trendlines Group**  
**Consolidated Statement of Comprehensive Income**

	Group		Group	
	Three Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
<b>INCOME</b>				
Gain (loss) from change in fair value of investments in portfolio companies	643	(951)	(5,049)	4,723
Income from services to portfolio companies	1,032	998	3,176	3,223
Group's share of losses of companies accounted for under the equity method	-	(187)	-	(315)
Gain from disposal of investment accounted for under the equity method	2,089	-	2,089	-
Income from contracted R&D services	194	190	832	384
Financial income	15	(380)	982	330
Other income	108	114	284	435
<b>Total income</b>	<b>4,081</b>	<b>(216)</b>	<b>2,314</b>	<b>8,780</b>
<b>EXPENSES</b>				
Operating, general and administrative expenses	2,081	1,823	6,469	4,975
Marketing expenses	41	50	201	199
R&D expenses, net	258	148	640	432
Financial expenses	33	1,396	297	1,478
<b>Total expenses</b>	<b>2,413</b>	<b>3,417</b>	<b>7,607</b>	<b>7,084</b>
Income (loss) before income taxes	1,668	(3,633)	(5,293)	1,696
Income tax expenses /(benefit)	106	(248)	(1,475)	1,731
Net income (loss)	1,562	(3,385)	(3,818)	(35)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Gain from cash flow hedges	48	-	48	-
Total other comprehensive income	48	-	48	-
Total comprehensive income (loss)	1,610	(3,385)	(3,770)	(35)

**The Trendlines Group**  
**Consolidated Statement of Comprehensive Income (continued)**

Net income (loss) attributable to:

Equity holders of the Company	1,562	(3,361)	(3,818)	229
Non-controlling interests	-	(24)	-	(264)
	<u>1,562</u>	<u>(3,385)</u>	<u>(3,818)</u>	<u>(35)</u>

Total comprehensive income attributable to:

Equity holders of the Company	48	-	48	-
Non-controlling interests	-	-	-	-
	<u>48</u>	<u>-</u>	<u>48</u>	<u>-</u>

Net earnings (loss) per share attributable to equity holders of the Company (U.S. dollars):

Basic net earnings (loss)	<u>0.00</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>0.00</u>
Diluted net earnings (loss)	<u>0.00</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>0.00</u>

**The Trendlines Group**  
**Condensed Consolidated Balance Sheet**

	30 September 2016 (Unaudited) US\$'000	31 December 2015 (Audited) US\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,113	6,998
Restricted short-term deposits	171	396
Short-term investments	11,033	16,042
Accounts and other receivables	3,960	428
Short-term loans to portfolio companies	134	136
	20,411	24,000
<b>Non-current assets</b>		
Investment in subsidiaries	-	-
Investments in portfolio companies	83,566	84,447
Property, plant and equipment, net	603	541
	84,169	84,988
<b>Total assets</b>	104,580	108,988
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	970	1,078
Deferred revenues	2,652	2,579
	3,622	3,657
<b>Non-current liabilities</b>		
Deferred revenues	1,222	713
Loans from the Israel's Chief Scientist	4,348	4,449
Deferred taxes, net	14,379	15,959
Other long-term liabilities	14	52
	19,963	21,173
<b>Total liabilities</b>	23,585	24,830

**The Trendlines Group**  
**Condensed Consolidated Balance Sheet (continued)**

**EQUITY**

Equity attributable to equity  
holders of the company:

Share capital	1,315	1,315
Share premium	54,863	54,852
Reserve from share-based payment transactions	4,799	4,203
Reserve from hedges	48	-
Retained earnings	19,936	23,754

**Equity attributable to owners of  
the parent**

	80,961	84,124
Non-controlling interests	34	34

<b>Total equity</b>	<b>80,995</b>	<b>84,158</b>
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<b>Total equity and liabilities</b>	<b>104,580</b>	<b>108,988</b>
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**The Trendlines Group**  
**Consolidated Statement of Cash Flow**

	Three Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income (loss)	1,562	(3,385)	(3,818)	(35)
<b>Adjustments to reconcile net income (loss) to net cash used in operating activities</b>				
Adjustments to the profit or loss items:				
Depreciation	25	29	77	81
Income tax expense /(benefit)	106	(248)	(1,475)	1,731
(Gain) loss from changes in fair value of investments in portfolio companies	(643)	951	5,049	(4,723)
Investments in portfolio companies	(667)	(705)	(2,873)	(1,033)
Financial income (expense), net	(9)	1,171	(747)	498
Income from services to portfolio companies	(961)	(964)	(2,991)	(3,064)
Share-based payments	174	340	607	1,187
Group's share of losses of companies accounted for under the equity method, net	-	187	-	315
Gain from disposal of investment accounted for under the equity method	(2,089)	-	(2,089)	-
Changes in asset and liability items:				
(Increase) decrease in short-term loans	(77)	49	(20)	(7)
Decrease (increase) in accounts and other receivables	65	(238)	48	195
(Decrease) increase in trade and other payables	(275)	230	(108)	(372)
(Decrease) increase in other long-term liabilities	(37)	31	(38)	31
	(4,388)	833	(4,560)	(5,161)
Cash (paid) received during the period for:				
Taxes paid	(106)	-	(106)	-
Dividend received	897	-	897	718
Interest received	17	-	90	-
Interest paid	-	-	-	(54)
	808	-	881	664
<b>Net cash used in operating activities</b>	<b>(2,018)</b>	<b>(2,552)</b>	<b>(7,497)</b>	<b>(4,532)</b>

**The Trendlines Group**  
**Consolidated Statement of Cash Flow (continued)**

	Three Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(96)	(5)	(139)	(26)
Purchase of shares and warrants of investments in companies accounted for under the equity method	-	-	-	(194)
(Purchase of) proceeds from sale of short-term investments, net	(11,017)	-	5,036	292
Redemption of (increase in) restricted deposits, net	160	(4,486)	225	(4,656)
<b>Net cash (used in) provided by investing activities</b>	<b>(10,953)</b>	<b>(4,491)</b>	<b>5,122</b>	<b>(4,584)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of shares, net	-	-	-	2,118
Issuance of convertible debentures, net	-	507	-	10,171
Deferred IPO costs	-	(1,164)	-	(1,513)
Loans from Israel's Chief Scientist	314	-	490	-
Repayment of convertible debentures	-	-	-	(53)
<b>Net cash (used in) provided by financing activities</b>	<b>314</b>	<b>(657)</b>	<b>490</b>	<b>10,723</b>
Increase (decrease) in cash and cash equivalents	(12,657)	(7,700)	(1,885)	1,607
Cash and cash equivalents at the beginning of the period	17,770	10,843	6,998	1,536
Cash and cash equivalents at the end of the period	5,113	3,143	5,113	3,143
<b>Significant non-cash transactions</b>				
Conversion of convertible debentures into shares	-	-	-	706
Acquisition of non-controlling interest by issuance of shares	-	-	-	2,100
Exercise of options	-	-	11	-
Receivable in respect of sale of portfolio company and of shares held under equity method	3,531	-	3,531	-