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

---

**Write-down of the contingent consideration receivable from the sale of portfolio company ApiFix Ltd.**

---

The Board of Directors of The Trendlines Group Ltd. ("**Trendlines**" or the **"Company"** and, together with its subsidiaries and associated companies, the **"Group"**) wishes to announce that it expects to write down the contingent consideration receivable (**"Earnout"**) associated with the OrthoPediatrics Inc. (**"OrthoPediatrics"**) revenue from the ApiFix system for the twelve months ended March 2024 according to the acquisition agreement for our former portfolio company ApiFix Ltd. (**"ApiFix"**) by OrthoPediatrics.

At the time of the announcement of the ApiFix sale in 2020, Trendlines announced that in addition to the cash payments and the payments in OrthoPediatrics' shares, the Company was also entitled to an Earnout, calculated as its share of 2.25 times OrthoPediatrics' revenue from the ApiFix system during the twelve months ended March 31, 2024, less US$17 million. In its Q3 2022 financial statements, OrthoPediatrics wrote down the amount of the expected Earnout. As such, following the Company's internal assessment, the Company expects that it will receive a lower Earnout than had previously been estimated. Accordingly, Trendlines expects to report a further write-down of approximately US$4.3 million for the second half of 2022 i.e., a total of US$6.1 million for the financial year ended 31 December 2022.

It is noted that the guaranteed payments of US$10.2 million due to Trendlines in cash and stock have been paid as per the acquisition agreement and Trendlines expects to receive additional payments of US$3.2 million, over and above any contingent payments that may be received by Trendlines.

BY ORDER OF THE BOARD
Haim Brosh
Chief Financial Officer and Joint Company Secretary
25 November 2022

*This announcement 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.*