

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)

(Company Registration No. 513970947)

ENTRY INTO INTERESTED PERSON TRANSACTION WITH AGRILINE LIMITED

1. INTRODUCTION

The board of directors (the “**Board**”) of The Trendlines Group Ltd. (the “**Company**” and together with its subsidiaries and associated companies, the “**Group**”) wishes to announce that the Company has entered into a loan agreement with Agriline Limited (“**Agriline**”) dated 27 October 2021 (the “**Loan Agreement**”), pursuant to which Agriline has extended a loan in the principal amount of US\$700,000 (the “**Loan**”) to the Company, for the purpose of financing a part of the Company’s participation in the Series C fund-raising round of Vensica Medical Ltd. (“**Vensica**”), a portfolio company of the Group (the “**Subscription**”).

The total amount to be invested in Vensica by the Company pursuant to the Subscription is approximately US\$1.3 million and accordingly, the Company will subscribe for an additional 57,362 shares in Vensica pursuant to the Subscription. The percentage shareholdings of Vensica held by the Company before and after the Subscription are 17% and 11%¹ respectively.

The participation in the Subscription and the Loan obtained by the Company will not have a material effect on the consolidated earnings per share and net tangible assets per share of the Group for the financial year ending 31 December 2021.

2. DETAILS OF THE INTERESTED PERSON

Agriline Limited is ultimately held by Geneva Trust Company (GTC) SA as Trustees of The VT Two Trust. Librae Holdings Limited, ultimately held by Geneva Trust Company (GTC) SA as Trustees of The Tchenguiz Three Trust, currently holds approximately 23% of the issued share capital of the Company and is thereby considered a controlling shareholder of the Company under the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”). As Mr. Vincent Tchenguiz is the discretionary beneficiary of The VT Two Trust and The Tchenguiz Three Trust, Agriline Limited is an “interested person” as defined under Chapter 9 of the Catalist Rules.

3. INTERESTED PERSON TRANSACTION (“IPT”) AND RULE 905 OF THE CATALIST RULES

The Loan will carry a fixed annual interest rate of 7%. As a security for the Loan, the Company has (a) placed a first ranking fixed pledge and charge, in favour of Agriline, over the 30,887 shares of Vensica purchased with the Loan proceeds (the “**Pledged Shares**”) and (b) agreed to limit repayment of the Loan to funds from any distribution by Vensica and/or exit proceeds only.

The Loan and all interest accrued under the Loan will be payable by the Company to Agriline only in one of the following events (each, an “**Exit Event**”):

¹ The Company is one of several investors in this Series C fund-raising round and its effective shareholding in Vensica post Subscription on a fully dilutive basis will decrease to 11%.

- (a) closing of the Vensica's first initial public offering of securities of Vensica;
- (b) upon any distribution by Vensica; or
- (c) (i) upon consolidation, merger or reorganization or similar transaction (or series of related transactions) of Vensica with or into another entity in which Vensica and/or its shareholders hold less than 50% (on a fully diluted basis) of the share capital of the surviving entity, (ii) a sale of all or substantially all of the Vensica's assets, or (iii) a sale of all or substantially all of Vensica's issued and outstanding share capital; or
- (d) upon any sale by Trendlines of any of the Pledged Shares.

In addition, under the Loan Agreement, in consideration of Agriline waiving the Company's payment obligation of the Loan and all accrued interest until an Exit Event, the Company had agreed to pay to Agriline 20% of the profits (if any) that the Company has made on the Pledged Shares pursuant to the Exit Event (based on the investment amount of US\$700,000, being the principal amount of the Loan), but which shall in aggregate be capped at US\$4.5 million (the **"Additional Maximum Payment"**). For the avoidance of any doubt, in the event the Company does not make any profit on the Pledged Shares pursuant to the Exit Event, there is no obligation on the Company to make the Additional Maximum Payment to Agriline.

The amount at risk to the Company (the **"IPT Value"**) is:

- (i) in relation to the Loan, the 7% interest payable on the Loan per annum, being US\$49,000 (and hence below S\$100,000); and
- (ii) in relation to the Additional Maximum Payment, capped at US\$4.5 million and which represents 4.67% of the latest audited net tangible assets (**"NTA"**) of the Group as at 31 December 2020.

There are no other IPTs (excluding transactions which are not subject to announcement) entered into by the Group with the same Interested Person as well as any other persons since the beginning of the current financial year, being 1 January 2021 up to the date of this announcement.

As the IPT Value is more than 3% but less than 5% of the Group's latest audited NTA, pursuant to Rule 905 of the Catalist Rules, the Company is required to announce its entry into the Loan (including the Additional Maximum Payment) with Agriline.

4. RATIONALE FOR AND BENEFIT OF THE LOAN

The Board is of the view of that the Loan (including the Additional Maximum Payment) is attractive as it provides the Company an opportunity to continue its investment in Vensica and to enable the Company to participate in the potential future growth of Vensica. In addition, it also allows the Company to not have its shareholding percentage in Vensica being diluted further pursuant to the Subscription. Furthermore, as disclosed above, the Additional Maximum Payment granted to Agriline was in consideration of Agriline waiving the Company's payment obligation of the Loan and all accrued interest until an Exit Event. This is attractive as it allows the Company greater flexibility in deploying its working capital for other purposes and furthermore, the Company has no obligation to make the Additional Maximum Payment to Agriline in the event the Company does not make any profit on the Pledged Shares pursuant to the Exit Event.

5. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company has reviewed the terms of the Loan (including the Additional Maximum Payment) and is of the view that the IPT is transacted on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above and for their respective interests arising by way of their directorships and/or shareholdings in the Company or as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Subscription and/or the Loan (including the Additional Maximum Payment).

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully and to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers.

BY ORDER OF THE BOARD OF THE TRENDLINES GROUP LTD.

Haim Brosh,
Joint Company Secretary
24 November 2021

*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.*

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