



**THE TRENDLINES GROUP LTD.**

(Incorporated in Israel)

(Company Registration No. 513970947)

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**Dividend Policy**

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The Board of Directors (the “**Board**”) of The Trendlines Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, after reviewing the economic outlook and the Group’s potential financial prospects, the Board has adopted a dividend policy in respect of the financial years ending 31 December 2018 (“**FY2018**”) and 31 December 2019 (“**FY2019**”), to take effect from 1 November 2017.

It is the intention of the Board that dividends will be paid from the Company’s annual distributable after tax profits out of net cash proceeds received by the Company from the following two sources, subject to the criteria set forth below:

1) a payout ratio of 90% of dividend payments received by the Company from its “Most Valuable Portfolio Company” from royalties on the sale of the “Product,” as defined in the Company’s offer document dated 16 November 2015. The acquirer has provided the following updates and granted permission to release this information:

-The product launch continues to be on schedule for 2018.

-The acquirer is currently in the process of establishing a high-volume manufacturing facility for the production of the Product.

As at 30 June 2017, The Most Valuable Portfolio Company was valued at US\$43.8 million, which was estimated based on a probability weighted discounted cash flow valuation model conducted by an independent valuation specialist that performs medical device company valuations. The valuation represents the net present value of dividends expected to be paid to the Company after discounts taking into account multiple risk factors, including market risk, manufacturing risk, and product risk, and then applying a financial discount rate.

2) a payout ratio of 40% of net cash after tax proceeds received by the Company in FY2018 and FY2019 from "Exit Events". An Exit Event means consummation of a sale of the equity securities of a portfolio company and / or the sale of the underlying business of a portfolio company to a third party where the net cash after tax distributable proceeds paid to the Company for the financial year is at least US\$2 million from an Exit Event.

Under the Israeli Companies Law, a company may effect a distribution only under certain conditions and only out of its distributable profits and the distribution amount is limited to the greater of retained earnings or earnings accumulated over the 2 most recent years and

provided that the Board determines that there is no reasonable concern that such distribution will prevent the Company from satisfying its existing and foreseeable obligations.

The dividend policy for FY2018 and FY2019 was formulated to give clearer expectation to shareholders of the potential dividend payout which will be pegged to the financial performance of the Group for the relevant financial years.

The Board believes that this policy is in line with good corporate governance practices and is in the best interests of our shareholders.

**Investors should note that the foregoing statement of the Company's dividend policy is a statement of the Board's present intention and does not constitute a legal binding obligation of the Company in respect of dividends; such dividend policy is subject to modification, including reduction or non-declaration of dividends. Investors should not infer the Company's dividend policy as to actual future profitability or ability to pay dividends. The actual distribution of a dividend will be subject to a specific decision of the Board taking into account, *inter alia*, the Group's earnings, financial position, cash flow, capital needs and other factors which the Board may deem appropriate.**

**BY ORDER OF THE BOARD  
THE TRENDLINES GROUP LTD.**

**Yosef Ron**  
Joint Company Secretary

30 October 2017

*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 announcement 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 announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg)*