

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)

(Company Registration No. 513970947)

**Unaudited Financial Statements and Dividend Announcement
For the three months ended 31 March 2018**

Background

The Company was incorporated on 1 May 2007 as a private company limited by shares under the Israeli Companies Law, under the name of “T.I.F. Ventures Ltd.”, and was subsequently renamed “The Trendlines Group Ltd.” on 16 July 2008.

The Group is focused on developing technology-based companies in the medical and agricultural fields. The Group creates and develops companies in accordance with the mission to improve the human condition. To this end, the Group discovers, invests in, incubates and provides services to companies in the fields of medical and agricultural technologies with a view toward a successful exit in the marketplace. Exits may include sales such as merger and acquisition transactions, listing on public stock exchanges and other dispositions of the Company’s holdings.

The Company and together with its subsidiaries and associated companies (the “**Group**”) also has its own internal innovation centre, Trendlines Labs (established as a business unit of the Company in 2011), where it engages in research and development activities to create new technologies, either as principal or in collaboration with global and local companies and partners, to address unmet market needs.

Further, Trendlines Labs’ technologies can be used for sale or licensing to others or for transfer to the incubators for further development and commercialization.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Three Months Ended		Change %
	31 March 2018 (Unaudited) US\$'000	31 March 2017 (Unaudited) US\$'000	
<u>Income:</u>			
Loss from change in fair value of investments in Portfolio Companies	(1,234)	(738)	67.21
Income from services to Portfolio Companies	1,440	1,085	32.72
Group's share of losses of companies accounted for under the equity method	-	(73)	<i>n.m.</i>
Income from contracted R&D services	89	131	(32.06)
Financial income	-	670	<i>n.m.</i>
Other income	275	106	159.43
<u>Total income</u>	<u>570</u>	<u>1,181</u>	<u>(51.74)</u>
<u>Expenses</u>			
Operating, general and administrative expenses	1,507	2,203	(31.59)
Marketing expenses	95	81	17.28
R&D expenses, net	247	298	(17.11)
Financial expenses	70	-	<i>n.m.</i>
<u>Total expenses</u>	<u>1,919</u>	<u>2,582</u>	<u>(25.68)</u>
Loss before income taxes	(1,349)	(1,401)	(3.71)
Income tax expenses	2	226	(99.11)
<u>Net loss</u>	<u>(1,351)</u>	<u>(1,627)</u>	<u>(16.96)</u>
<u>Other comprehensive income (loss):</u>			
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met:			
Loss (gain) from cash flow hedges	57	(24)	(337.5)
<u>Total comprehensive loss</u>	<u>(1,408)</u>	<u>(1,603)</u>	<u>(12.16)</u>
<u>Net loss Attributable to:</u>			
Equity holders of the Company	(1,316)	(1,703)	(22.72)
Non-Controlling Interests	35	(76)	(146.05)
	<u>(1,351)</u>	<u>(1,627)</u>	<u>(16.96)</u>

Total comprehensive loss attributable to:			
Equity holders of the Company	(1,373)	(1,679)	(18.23)
Non-Controlling Interests	35	(76)	(146.05)
	<u>(1,408)</u>	<u>(1,603)</u>	<u>(12.16)</u>
Net loss per share attributable to equity holders of the Company (U.S. cents):			
Basic and diluted net loss per share	<u>(0.22)</u>	<u>(0.22)</u>	

N.M. – not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Three Months Ended	
	31 March 2018	31 March 2017
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
	<u> </u>	<u> </u>
Depreciation and amortization	70	33
Foreign currency exchange gain	59	177

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 March 2018 (Unaudited) US\$'000	31 December 2017 (Audited) US\$'000	31 March 2018 (Unaudited) US\$'000	31 December 2017 (Audited) US\$'000
Assets				
Current assets				
Cash and cash equivalents	7,540	8,747	4,855	5,880
Short-term bank deposits	9,606	10,730	9,514	10,545
Accounts and other receivables	588	716	134	238
Short-term loans to Portfolio Companies	224	229	-	-
	17,958	20,422	14,503	16,663
Non-current assets				
Investment in Subsidiaries	-	-	77,454	77,045
Investments in Portfolio Companies	97,363	96,800	-	-
Investment in companies accounted for under the equity method	-	-	-	-
Property, plant and equipment, net	1,030	1,050	307	274
	98,393	97,850	77,761	77,319
Total assets	116,351	118,272	92,264	93,982
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	1,707	2,225	1,007	1,409
Deferred revenues	3,857	3,970	219	194
	5,564	6,195	1,226	1,603
Non-current liabilities				
Deferred revenues	1,250	1,352	-	-
Loans from the Israel Innovation Authority	4,008	3,830	-	-
Deferred taxes, net	13,846	13,844	-	-
Other long-term liabilities	196	186	170	168
	19,300	19,212	170	168
Total liabilities	24,864	25,407	1,396	1,771
Equity				
Equity Attributable to Equity Holders of the Company:				

Share capital	1,601	1,601	1,601	1,601
Share premium	65,028	65,028	65,028	65,028
Reserve from hedge	9	66	9	66
Reserve from share-based payment transactions	4,507	4,477	4,507	4,477
Retained earnings	19,723	21,039	19,723	21,039
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Equity attributable to owners of the parent	90,868	92,211	90,868	92,211
Non-controlling interests	619	654	-	-
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Total equity	91,487	92,865	90,868	92,211
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Total equity and liabilities	116,351	118,272	92,264	93,982
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1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 31 March 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
-	-	-	-

Amount repayable after one year

As at 31 March 2018 (Unaudited)		As at 31 December 2017 (Audited)	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
4,008	-	3,830	-

Details of any collateral

The Group has non-recourse debt to the Israel Innovation Authority ("IIA", formerly known as the "Office of the Chief Scientist of the Israeli Ministry of Economy"). These loans were extended from the IIA, for the purpose of funding Portfolio Companies, and these loans were secured by liens on shares of the following Portfolio Companies for which the loans were granted:

Name of Portfolio Company	Number of shares in each Portfolio Company pledged in favor of the IIA	
	As at 31 March 2018	As at 31 December 2017
	(Unaudited)	(Unaudited)
Advanced Memtech Ltd.	77,668	77,668
Leviticus Cardio Ltd.	49,250	49,250
Liola Technologies Ltd.	36,500	36,500
Magdent Ltd.	40,750	40,750
NeuroQuest Ltd.	71,820	71,820
ProArc Medical Ltd.	34,860	34,860
Sol Chip Ltd.	66,310	66,310
VivoText Ltd.	36,669	36,669

For more information, please refer to the Company's offer document dated 16 November 2015.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Three Months Ended	
	31 March 2018 (Unaudited) US\$'000	31 March 2017 (Unaudited) US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(1,351)	(1,627)
<u>Adjustments to reconcile net loss to net cash used in operating activities:</u>		
Adjustments to the profit or loss items:		
Depreciation	70	33
Income tax expenses	2	226
Loss from changes in fair value of investments in Portfolio Companies	1,234	738
Investments in Portfolio Companies	(636)	(836)
Financial income (expenses) , net	162	(432)
Income from services to Portfolio Companies	(1,298)	(994)
Share-based payments	30	140
Group's share of losses of companies accounted for under the equity method, net	-	73
Changes in asset and liability items:		
Decrease (increase) in short-term loans to Portfolio Companies	5	(282)
Decrease in accounts and other receivables	53	512
Decrease in trade and other payables	(426)	(37)
Increase in other long term liabilities	10	30
	(794)	(829)
Cash (paid) received during the period for:		
Interest paid	(36)	-
Interest received	69	29
Net cash used in operating activities	(2,112)	(2,427)

	Three Months Ended	
	31 March 2018	31 March 2017
	(Unaudited) US\$'000	(Unaudited) US\$'000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(52)	(53)
Deconsolidation of subsidiary (Note 1)	(145)	-
Proceeds from sale of short-term bank deposits	1,124	12
Net cash provided (used in) by investing activities	927	(41)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans received from the Israel Innovation Authority	75	-
Loans repaid to the Israel Innovation Authority	(97)	(65)
Net cash used in by financing activities	(22)	(65)
Decrease in cash and cash equivalents	(1,207)	(2,533)
Cash and cash equivalents at the beginning of the period	8,747	6,977
Cash and cash equivalents at the end of the period	7,540	4,444

Note 1:

Deconsolidation of subsidiary:		
Accounts and other receivables	(18)	-
Property, plant and equipment, net	(2)	-
Investments in Portfolio Companies, net	830	-
Trade and other payables	92	-
Deferred revenues	(472)	-
Gain from revaluation of investment resulting from deconsolidation of subsidiary	(285)	-
	145	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Statement of Changes in Equity
Group**

(Unaudited)	Share Capital	Share premiu m	Reserve from hedge	Reserve from share- based payment transactions	Retained earnings	Total	Non- controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2018	1,601	65,028	66	4,477	21,039	92,211	654	92,865
Net loss and total comprehensive loss	-	-	(57)	-	(1,316)	(1,373)	(35)	(1,408)
Cost of share-based payments	-	-	-	30	-	30	-	30
Balance as at 31 March 2018	1,601	65,028	9	4,507	19,723	90,868	619	91,487
(Unaudited)								
Balance as at 1 January 2017	1,315	55,316	(24)	4,384	17,176	78,167	34	78,201
Net loss and total comprehensive loss	-	-	24	-	(1,703)	(1,679)	76	(1,603)
Cost of share-based payments	-	-	-	140	-	140	-	140
Balance as at 31 March 2017	1,315	55,316	-	4,524	15,473	76,628	110	76,738

**Statement of Changes in Equity
Company**

(Unaudited)	Share Capital	Share premium	Reserve from hedge	Reserve from share-based payment transactions	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2018	1,601	65,028	66	4,477	21,039	92,211
Net loss and total comprehensive loss	-	-	(57)	-	(1,316)	(1,373)
Cost of share-based payments	-	-	-	30	-	30
Balance as at 31 March 2018	1,601	65,028	9	4,507	19,723	90,868
(Unaudited)						
Balance as at 1 January 2017	1,315	55,316	(24)	4,384	17,176	78,167
Net loss and total comprehensive loss	-	-	24	-	(1,703)	(1,679)
Cost of share-based payments	-	-	-	140	-	140
Balance as at 31 March 2017	1,315	55,316	-	4,524	15,473	76,628

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Shares Capital – Ordinary Shares

There were no changes in the issued share capital of the Company from 31 December 2017 to 31 March 2018.

As at 31 March 2018, there are 54,610,090 outstanding options which can be converted into 54,610,090 ordinary shares of the Company (“Shares”) (31 March 2017 there are 55,229,448 outstanding options which can be converted into 55,229,448 Shares).

Save as disclosed above, the Company did not have any other convertibles as at 31 March 2018 and 31 March 2017.

There were also no treasury shares or subsidiary holdings as at 31 March 2018 and 31 March 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 March 2018	As at 31 December 2017
Total number of issued shares	608,741,749	608,741,749

The Company did not have any treasury shares as at 31 March 2018 and 31 December 2017.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company’s auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised International Financial Reporting Standards ("IFRS") and Interpretations of Financial Reporting Standards ("IFRIC") that are mandatory for the accounting periods beginning on or after 1 January 2018. The adoption of these new and revised IFRS and IFRIC did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Loss per share ("LPS")	Group	
	Three Months Ended	
	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)
Loss attributable to owners of the parent (US\$'000)	(1,316)	(1,703)
Weighted average number of ordinary shares in issue (in thousands)	608,742	508,742
LPS (US cents)	(0.22)	(0.22)
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	608,742	508,742
Fully diluted LPS (US cents)	(0.22) ⁽¹⁾	(0.22) ⁽¹⁾

Note:

(1) Fully diluted LPS of the Group is the same as the basic LPS because the potential ordinary shares to be converted under any convertible securities are anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) Current period reported on; and
(b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2018 (Unaudited)	31 December 2017 (Audited)
NAV (US\$)	90,867,540	92,210,823	90,867,540	92,210,823
Number of ordinary shares in issue	608,742,749	608,742,749	608,742,749	608,742,749
NAV per ordinary share (US\$)	0.15	0.15	0.15	0.15

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Consolidated Statement of Comprehensive Income

Review for the performance of the Group for the three months ended 31 March 2018 ("1Q2018") as compared to the three months ended 31 March 2017 ("1Q2017").

Income

Total income decreased by approximately US\$0.6 million or 51.7% from US\$1.2 million in 1Q2017 to US\$0.6 million in 1Q2018.

Loss from change in fair value of investments in Portfolio Companies

The loss from change in fair value of investments in Portfolio Companies was approximately US\$1.2 million as compared to a loss of approximately US\$0.7 million in 1Q2017 mainly due to:

- (i) A decrease of approximately US\$0.9 million in the fair market value of various Portfolio Companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company, and general commercial or technological difficulties demonstrated in some Portfolio Companies in 1Q2018; and
- (ii) The write-off of one Portfolio Company in the amount of approximately US\$0.8 million, a result of lack of funding for this company.

The losses were partially offset by a gain in fair value of approximately US\$0.2 million of one Portfolio Company as a result of the completion of fund raising exercises at higher valuation and a gain of US\$0.3 million due to deconsolidation of a Portfolio Company

Income from services to Portfolio Companies

Income from services to Portfolio Companies comprised approximately US\$0.1 million received as overhead reimbursement from our Portfolio Companies and approximately US\$1.3 million of non-cash benefits received from the IIA in Israel. Income from services to Portfolio Companies increased by approximately US\$0.4 million or 32.7% due to higher number of companies added to the incubator in the 24 months ended in 31 March 2018 versus 31 March 2017.

Finance income and expenses

The absence of financial income in 1Q2018 as compared to approximately US\$0.7 million of financial income in 1Q2017 was due mainly to an increase in the fair value of the IIA loans, which resulted in financial expense of US\$0.07 million in 1Q2018.

Other income

Other income increased by approximately US\$0.2 million mainly due to a onetime income from a third party relating to an option given to the third party to acquire a portfolio company.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses decreased by approximately US\$0.7 million or 31.6%. The decrease was mainly attributable to the decrease of employment cost and other general and administrative costs as part of the Group's cost reduction plan which was announced in October 2017.

Loss before income taxes

In view of the above, loss before income tax in 1Q2018 was approximately US\$1.3 million as compared to approximately US\$1.4 million in 1Q2017.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2018 and 31 December 2017.

Total assets

Total assets decreased by approximately 2.6% from US\$118.3 million as at 31 December 2017 to US\$116.4 million as at 31 March 2018. This was mainly due to approximately US\$2.4 million reduction in cash and short-term investments.

Non-current assets

Investments in Portfolio Companies

The investments in Portfolio Companies of approximately US\$97.4 million as at 31 March 2018 were made up of 48 Portfolio Companies presented at their fair value.

The value of our investments in Portfolio Companies as at 31 March 2018 remains relatively unchanged as compared to 31 December 2017.

The changes in the value of our investments in Portfolio Companies were mainly due to:

- An aggregate increase of approximately US\$0.2 million in the fair value of one of our Portfolio Companies due to the completion of fund raising exercises at favorable terms to the Company.
- The additional investments in a few of our Portfolio Companies and establishment of one additional Portfolio Company which contributed approximately US\$1.2 million to the fair value of our Portfolio Companies as at 31 March 2018; and
- Deconsolidation of one Portfolio Company added to the value of the investment in Portfolio Companies of US\$0.8 million.

The increase in investments in Portfolio Companies was offset by:

- The write-off of one Portfolio Company amounting to approximately US\$0.8 million due to lack of funding
- A decrease of approximately US\$0.9 million in the aggregate fair value of some of our Portfolio Companies mainly due to general commercial and technological difficulties demonstrated during 1Q2018 and as a result of the completion of fund raising exercises at less favorable terms to the Company.

Current assets

Cash and cash equivalents

Cash and cash equivalents decreased by approximately US\$1.2 million mainly due to the utilization of cash in operating activities during 1Q2018.

Short-term bank deposits

Our short-term bank deposits as at 31 March 2018 represented 53.5% of our total current assets. Short-term bank deposits decreased by US\$1.1 million due to the utilization of cash in operating activities.

Accounts and other receivables

The decrease of US\$0.1 million in accounts and other receivables was mainly due to the reduction of R&D services provided by Trendlines Labs to a third party.

Current liabilities

Trade and other payables

Trade and other payables decreased by approximately US\$0.5 million, or 23.3%, from approximately US\$2.2 million as at 31 December 2017 to approximately US\$1.7 million as at 31 March 2018 mainly due to the decrease in trade payables relating to services provided at the end of 2017 and was cleared in 1Q2018.

Equity

As at 31 March 2018, equity attributable to equity holders of the Company amounted to approximately US\$90.9 million, which represented a decrease of approximately US\$1.3 million from US\$92.2 million as at 31 December 2017. The decrease was mainly due to the net loss for 1Q2018 amounting to US\$1.3 million.

Consolidated Statement of Cash Flow

Net cash used in operating activities of US\$2.1 million in 1Q2018 was mainly due to a net loss of US\$1.3 million and adjustments for non-cash items such as (i) loss from changes in fair value of investments in Portfolio Companies of approximately US\$1.2 million; (ii) investments in Portfolio Companies of approximately US\$0.6 million; and (iii) income from services to Portfolio Companies of approximately US\$1.3 million; and (iv) net working capital inflows of approximately US\$0.3 million which was mainly due to a decrease in trade and other payables.

Net cash provided by investing activities of US\$0.9 million in 1Q2018 was mainly due to proceeds from sale of short-term bank deposits.

Net cash used in financing activities of US\$22,000 in 1Q2018 was due to repayment of loan to the IIA.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the fourth quarter of 2017, the Company completed a strategic review in respect of its operations with a view to reduce costs, increase efficiency and enhance shareholder value. Consequently, the Company implemented a plan to reduce its operating expenses for the financial year ending 31 December 2018 by approximately US\$1.3 million, as compared to the Group's "Operating, General and Administrative Expenses" and research and development salaries under "R&D Expenses," for the 3 months ended 30 June 2017, on an annualized basis. In accordance with this decision, the Company's relevant expenses (excluding expenses due to expansion of the Group's business activity or from consolidation of Trendlines Singapore) for the first quarter of 2018 were US\$ 1.5 million, a 38% decrease compared to the first quarter of 2017 and a 25% decrease compared to the second quarter of 2017.

In addition, on February 8, 2018, the Company announced the collaboration with Ozi Amanat's Singapore-based venture capital firm K2 Global Pte Ltd and has been appointed as one of the partners under the Startup SG Equity scheme, administered by SPRING SEEDS Capital Pte. Ltd. ("SSC") (In July

2017, SSC announced a SGD100 million investment allocation to groom start-ups and issued a call to the appointed partners to coinvest in the health and biomedical sciences and other fields). The above developments reflect the Company's commitment to deepening its commercial ties in Singapore and the Company believes this trend will continue in 2018.

The Company also announced the signing of a Memorandum of Understanding with Nutreco Investments B.V. ("Nutreco NuFrontiers"). Nutreco NuFrontiers is the strategic innovation and investment division of Nutreco Investments B.V. ("Nutreco"), a global leader in animal nutrition and aquafeed with over 100 production plants in 35 countries and 11 research and development centres in 7 countries.. Trendlines and Nutreco NuFrontiers will explore ways to collaborate in developing new technologies, solutions and products, deal flow and investments.

The Company remains committed to its stated plans in the medical and agricultural technologies fields and believes that the continued need for new and improved products in these fields represents both investment and liquidity opportunities for the Company.

During the first quarter of 2018 Saturas Ltd. ("Saturas"), a portfolio company, announced that it completed an investment round of US\$4 million. The investors included Hubei Forbon Technology Co. Ltd., a leader in the field of fertilizer additives for agriculture in China and worldwide, Ramat Magshimim, a collective farm in Israel, and Miguel Torres Winery SA, the largest winery in Spain and owner of vineyards in California and Chile. This is a continuation of a growing trend, which was identified in 2017, of strategic investors investing in the Company's portfolio companies. The Company believes that this is an important trend and is working through its business development efforts to further encourage such investments.

11. Dividend

If a decision regarding dividend has been made:

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)
(Optional) Rate (%)
Not applicable.

(b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)
Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state

the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for 1Q2018.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate for recurrent interest person transactions. There were no interested person transactions which were more than S\$100,000 entered into during 1Q2018.

14. Use of IPO proceeds

The Company refers to the net proceeds (“**IPO Net Proceeds**”) amounting to approximately S\$19.3 million raised from the IPO on the Catalist Board of SGX-ST on 26 November 2015.

As at the date of this announcement, the status on the use of the IPO Net Proceeds is as follows:

<u>Use of IPO Net Proceeds</u>	<u>Amount allocated (S\$’000)</u>	<u>Amount utilised (S\$’000)</u>	<u>Balance (S\$’000)</u>
Follow-on investments in Portfolio Companies	10,000	7,320	2,680
Expansion of our operations into new markets	5,000	2,297	2,703
Expansion of our business units, Trendlines Labs	2,875	2,875	-
Operational expenses to support Portfolio Companies	1,400	-	1,400
Total	19,275	12,492	6,783

The above utilizations are in accordance with the intended use of IPO Net Proceeds, as stated in the Company's Offer Document dated 16 November 2015.

15. Use of Placement proceeds

The Company refers to the net proceeds ("Placement Net Proceeds") amounting to S\$13.34 million raised from the placement of 100 million shares which was completed on 25 October 2017.

As at the date of this announcement, the status on the use of the Placement Net Proceeds is as follows:

<u>Use of Placement Net Proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilized (S\$'000)</u>	<u>Balance (S\$'000)</u>
General working capital	4,000	-	4,000
Direct and indirect investments into new, prospective or existing portfolio companies	9,338	-	9,338
Total	13,338	-	13,338

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

17. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3 months ended 31 March 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Name: David Todd Dollinger
 Designation: Chairman and CEO
 Date: 9 May 2018

*This announcement 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 Catalyst. 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. Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).