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

Unaudited Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2015

*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 (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

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, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318.

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 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 commercialisation.

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 Full Year Ended 31 December 2015 (Unaudited) US$'000	31 December 2014 (Audited) US$'000	Change %
Income:			
Gain from change in fair value of investments in Portfolio Companies	4,960	1,879	163.95
Income from services to Portfolio Companies	4,274	4,433	(3.59)
Group's share of losses of companies accounted for under the equity method, net	(324)	-	N.M
Income from contracted R&D services	424	1,364	(68.89)
Financial income	188	160	17.50
Other income	417	717	(41.84)
Total income	9,939	8,553	16.20
Expenses:			
Operating, general and administrative expenses	6,710	9,085	(26.14)
Marketing expenses	243	320	(24.07)
R&D expenses, net	633	1,065	(40.56)
Financial expenses	352	938	(62.47)
Total expenses before non-recurring, non-cash expenses related to discount on pre-IPO RCL upon IPO conversion	7,938	11,408	(30.42)
Non-recurring, non-cash expenses related to discount on pre-IPO RCL upon IPO conversion	3,775	-	N.M.
Total expenses	11,713	11,408	2.67
Loss before income taxes	(1,774)	(2,855)	(37.86)
Income taxes	(1,794)	(1,355)	32.37
Net loss and total comprehensive loss	(3,568)	(4,210)	(15.25)
Net loss and total comprehensive loss attributable to:			
Equity holders of the Company	(3,299)	(2,814)	17.23
Non-Controlling Interests	(269)	(1,396)	(80.73)
	(3,568)	(4,210)	(15.24)

Net earnings per share attributable to equity holders of the Company (in U.S dollars):		
Basic net loss	(0.01)	(0.01)
Diluted net loss	(0.01)	(0.01)

N.M. – Not meaningful

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

	31 December 2015 (Unaudited) US$'000	**31 December 2014 (Audited) US$'000**
Interest on borrowings (interest received)	(68)	332
Depreciation and amortisation	165	105
Foreign exchange (gain)/loss	(107)	239
Adjustments for under or overprovision of tax in respect of prior years	25	-

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 December 2015 (Unaudited) US$'000	31 December 2014 (Audited) US$'000	31 December 2015 (Unaudited) US$'000	31 December 2014 (Unaudited)[1] US$'000
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	6,998	1,536	6,702	950
Short-term investments	16,438	1,774	15,038	1,691
Accounts and other receivables	428	836	6,321	3,025
Short-term loans to portfolio companies	136	246	-	-
Total Current Assets	24,000	4,392	28,061	5,666
NON-CURRENT ASSETS:				
Long-term investment	-	962	-	-
Investments in Portfolio Companies	84,447	75,623	-	-
Investment in Subsidiaries			56,630[2]	48,806[2]
Investments in companies accounted for under the equity method	-	129	-	129
Property, plant and equipment, net	541	592	143	145
Total Non-Current Assets	84,988	77,306	56,773	49,080
Total Assets	108,988	81,698	84,834	54,746
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Trade and other payables	1,078	1,370	651	330
Deferred revenues	2,579	3,274	-	-
Total Current Liabilities	3,657	4,644	651	330
LONG-TERM LIABILITES:				
Deferred revenues	713	1,203	-	-
Loans from the Israeli Chief Scientist	4,449	4,493	-	-
Convertible debentures and warrants	-	1,545	-	1,545
Other long-term liabilities	52	14	59	16
Deferred taxes, net	15,959	14,102	-	-
Total Long-Term Liabilities	21,173	21,357	59	1,561
EQUITY:				
Equity Attributable to Equity Holders of the Company:				
Share capital	1,315	100	1,315	100
Share premium	54,852	21,404	54,852	21,404

Receipts on account of shares, net	-	1,398	-	1,398
Reserve from share-based payment transactions	4,203	2,900	4,203	2,900
Retained earnings	23,754	27,053	23,754	27,053
Total	84,124	52,855	84,124	52,855
Non-Controlling Interests	34	2,842		
Total Equity	84,158	55,697	84,124	52,855
Total Liabilities and Equity	108,988	81,698	84,834	54,746

Notes:

(1) The Company level balance sheet is unaudited as it is not required to be audited in accordance with the International Financial Reporting Standards which is adopted by the Company

(2) This amount consists of the Company's investments in its subsidiary companies namely Trendlines Agtech – Mofet Ltd and Trendlines Medical – Misgav Ltd

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 December 2015 (Unaudited)		**As at 31 December 2014 (Audited)**	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
-	-	-	-

Amount repayable after one year

As at 31 December 2015 (Unaudited)		**As at 31 December 2014 (Audited)**	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
4,449	-	4,493	-

Details of any collateral

The Group has non-recourse debt to the Office of the Chief Scientist of the Israeli Ministry of Economy ("OCS"). These loans were extended from the OCS 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 OCS
Advanced Memtech Ltd.	77,668
Breezy Industries Ltd.	37,892
IonMed Ltd	37,800
Leviticus Cardio Ltd.	49,250
Liola Technologies Ltd.	36,500
Magdent Ltd.	40,750
Mantissa Ltd.	40,744
MediValve Ltd	159,600
Nephera Ltd	67,830
NeuroQuest Ltd	71,820
ProArc Medical Ltd	34,860
Sol Chip Ltd.	6,631
VivoText Ltd.	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

	Group Full Year Ended	
	31 December 2015 (Unaudited) US$´000	**31 December 2014 (Audited) US$´000**
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	(3,568)	(4,210)
Adjustments to reconcile net loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	165	105
Income taxes	1,794	1,355
Gains from changes in fair value of investments in Portfolio Companies	(4,960)	(1,879)
Investments in Portfolio Companies	(1,522)	(1,814)
Proceeds from sale of investments in Portfolio Companies	-	358
Financial expenses, net	(255)	351
Non-recurring, non-cash expenses related to discount on pre-IPO RCL upon IPO conversion	3,775	
Income from services to Portfolio Companies	(3,911)	(4,042)
Share-based payments	1,453	2,323
Non-cash issuance expenses of convertible debentures	-	31
Group's share of earnings of companies accounted for under the equity method, net	324	-
Changes in asset and liability items:		
(Increase) decrease in short-term loans to Portfolio Companies	(195)	349
Decrease in accounts and other receivables	408	56
Decrease in trade and other payables	(228)	(208)
Increase in long term liabilities	38	-
	(3,114)	(3,015)
Cash paid and received during the year for:		
Interest paid	(68)	(75)
Dividend received	718	295
	650	220
Net cash used in operating activities	(6,032)	(7,005)

CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchase of property, plant and equipment	(114)	(43)
Investment in bank deposits and short-term investments, net	(13,622)	(1,112)
Proceeds from sale of short-term investments	-	2,639
Investments in companies accounted for under equity method	(194)	-
Net cash (used in)/provided by investing activities	(13,930)	1,484
CASH FLOW FROM FINANCING ACTIVITIES:		
Receipts on account of shares, net	-	1,398
Issuance of shares, net	15,887	-
Exercise of options	-	3
Issuance of shares to non-controlling interests	-	83
Loans from the Israeli Chief Scientist	-	218
Issuance of convertible debentures, net	10,177	2,126
Issuance expenses with respect to issuance of convertible debentures	(520)	-
Repayment of convertible debentures	(120)	(43)
Net cash provided by financing activities	25,424	3,785
Increase (decrease) in cash and cash equivalents	5,462	(1,736)
Cash and cash equivalents at the beginning of the period	1,536	3,272
Cash and cash equivalents at the end of the period	6,998	1,536
Significant non-cash transactions		
Receipt of shares in consideration for sale of investments in Portfolio Company	-	3,974
Repayment by third party of loans from the Israeli Chief Scientist	-	513
Conversion of Convertible Debentures into shares upon IPO	13,984	653
Conversion of Convertible Debentures into shares	705	-
Acquisition of non-controlling interests by issuance of shares	2,573	-

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	Share	Receipts on	Reserve from share-	Retained	Non-	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2015	**100**	**21,404**	**1,398**	**2,900**	**27,053**	**2,842**	**55,697**
Net loss and total comprehensive loss	-	-	-	-	(3,299)	(269)	(3,568)
Cost of share-based payments	-	-	-	1,453	-	-	1,453
Issuance of shares upon IPO (net of expenses of $4,200)	204	13,565	-	-	-	-	13,769
Issuance of bonus shares	810	(810)					
Expiration of options	-	10	-	(10)	-	-	-
Issuance of shares, net	6	3,510	(1,398)	-	-	-	2,118
Exercise of options	-	140	-	(140)	-	-	-
Conversion of Convertible Debentures	1	704	-	-	-	-	705
Conversion of Convertible Debentures	170	13,814	-	-	-	-	13,984
Acquisition of non-controlling interests by	24	2,515	-	-	-	(2,539)	-
Balance as at 31 December 2015	**1,315**	**54,852**	**-**	**4,203**	**23,754**	**34**	**84,158**
(Audited)							
Balance as at 1 January 2014	**96**	**19,628**	**-**	**1,701**	**29,867**	**4,151**	**55,443**
Net loss and total comprehensive loss	-	-	-	-	(2,814)	(1,396)	(4,210)
Cost of share-based payments	-	-	-	2,323	-	-	2,323
Receipts on account of shares, net	-	-	1,398	-	-	-	1,398
Exercise of options	3	1,124	-	(1,124)	-	-	3
Conversion of Convertible Debentures	1	652	-	-	-	-	653
Issuance of shares to Non-controlling	-	-	-	-	-	83	83
Deconsolidation of subsidiaries	-	-	-	-	-	4	4
Balance as at 31 December 2014	**100**	**21,404**	**1,398**	**2,900**	**27,053**	**2,842**	**55,697**

Statement of Changes in Equity -- Company

(Unaudited)	Share	Share	Receipts on share	Reserve from share-based	Retained	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2015	**100**	**21,404**	**1,398**	**2,900**	**27,053**	**52,855**
Net loss and total comprehensive loss	-	-	-	-	(3,299)	(3,299)
Cost of share-based payments	-	-	-	1,453	-	1,453
Issuance of shares upon IPO (net of expenses of $4,200)	204	13,565	-	-	-	13,769
Issuance of bonus shares	810	(810)				
Expiration of options	-	10	-	(10)	-	-
Issuance of shares, net	6	3,510	(1,398)			2,118
Exercise of options	-	140	-	(140)	-	-
Conversion of Convertible Debentures	1	704	-	-	-	705
Conversion of Convertible Debentures upon IPO	170	13,814	-	-	-	13,984
Acquisition of non-controlling interests by issuance of shares	24	2,515	-	-	-	2,539
Balance as at 31 December 2015	**1,315**	**54,852**	**-**	**4,203**	**23,754**	**84,124**
(Unaudited*)						
Balance as at 1 January 2014	**96**	**19,628**	**-**	**1,701**	**29,867**	**51,292**
Net loss and total comprehensive loss	-	-	-	-	(2,814)	(2,814)
Cost of share-based payments	-	-	-	2,323	-	2,323
Receipts on account of shares, net	-	-	1,398	-	-	1,398
Exercise of options	3	1,124	-	(1,124)	-	3
Conversion of Convertible Debentures	1	652	-	-	-	653
Balance as at 31 December 2014	**100**	**21,404**	**1,398**	**2,900**	**27,053**	**52,855**

Note:

**The Company level statement of changes in equity is unaudited as it is not required to be audited in accordance with the International Financial Reporting Standards which is adopted by the Company*

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Share Capital – Ordinary Shares

	Number of issued shares	Issued and paid-up share capital, net (US$)
Balance as at 31 December 2014	39,742,452	21,504,000
Issue of (i) the 2014-2015 Private Placement Investment Shares; (ii) the Agtech Consideration Shares; (iii) new Shares pursuant to the June 2015 Equity Financing Round; (iv) Finder Shares; and (v) new Shares pursuant to the conversion of Debentures	4,671,590	6,321,000
Forfeiture of Old Options	–	10,000
Issue of new shares pursuant to exercise of Old Options	155,929	140,144
Issuance of bonus shares	311,989,797	-
Issue of (i) pre-IPO New Shares; and (ii) RCL Converted Shares	64,780,000	13,145,553
Issue of PPCF Shares	2,651,600	615,787
Issue of Placement Shares	75,760,000	13,576,947
Issue of (i) Debenture Conversion Shares;(ii) Misgav/Karmiel Consideration Shares; and (iii) Agtech Employee Consideration Shares	8,906,456	853,826
Balance as at 31 December 2015	**508,657,824**	**56,167,257**

For details on the changes in ordinary shares, please refer to the offer document of the Company dated 16 November 2015.

- *As at 31 December 2015, there are 53,125,664 outstanding options which can be converted into 53,125,664 shares (31 December 2014: 53,554,968 outstanding options which can be converted into 53,554,968 shares) and 375,168 warrants that can be converted into 375,168 shares (31 December 2014: 375,168 warrants which can be converted into 375,168 shares). 375,168 outstanding warrants were subsequently exercised into 83,925 shares of the Company (after adjustment for bonus shares issued) in January 2016.*

  On 30 April, 2014, the Company issued an aggregate of Canadian dollar ("CND") CND $2,316 (approximately $2,100) principal amount of 10% unsecured convertible debentures (the "Debentures"). As at 31 December 2014 there was a balance of outstanding Debentures of CND$1,579 which can be converted into 7,735,336 shares. There were no outstanding Debentures as at 31 December 2015 as all Debentures were repaid or converted into shares during FY2015. For more information on the Debentures please refer to the Company's offer document dated 16 November 2015

Save as disclosed above, the Company did not have any treasury shares or other convertibles as at 31 December 2015 and 31 December 2014.

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 December 2015	As at 31 December 2014
Total number of issued shares	508,657,824	317,939,616[1]

The Company did not have any treasury shares as at 31 December 2015 and 31 December 2014.

Note:
(1) Number of shares after the adjustment for bonus shares issued.

1(d)(iv) A statement showing all sales, transfers, disposals, 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.

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 consolidated 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 2014 as set out in the Company's offer document dated 16 November 2015.

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 2015. 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 consolidated 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

	Group	
	Full Year Ended	
Loss per share ("LPS")	**31 December 2015 (Unaudited)**	**31 December 2014 (Audited)**
Loss attributable to owners of the parent (US$'000)	(3,299)	(2,814)
Weighted average number of ordinary shares in issue, in thousands	365,634	315,952
Basic LPS (US$)	(0.01)	(0.01)
Fully diluted LPS (US$) [(1)]	(0.01)	(0.01)

Note:

(1) Fully diluted LPS of the Group in FY2015 and FY2014 are 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

	Group		Company	
Net asset value ("NAV")	**31 December 2015 (Unaudited)**	**31 December 2014 (Audited)**	**31 December 2015 (Unaudited)**	**31 December 2014 (Unaudited*)**
NAV (US$)	84,158,000	55,697,000	84,124,000	52,855,000
Number of ordinary shares in issue	508,657,824	317,939,616	508,657,824	317,939,616
NAV per ordinary share (US$)	0.17	0.18	0.17	0.17

Note:

** The Company level balance sheet is unaudited as it is not required to be audited in accordance with the International Financial Reporting Standards which is adopted by the Company*

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 full year ended 31 December 2015 ("FY2015") as compared to the full year ended 31 December 2014 ("FY2014").

Income

Total income increased by approximately US$1.4 million or 16.2% from US$8.6 million in FY2014 to US$9.9 million in FY2015.

Gain from change in fair value of investments in portfolio companies

The increase of US$3.1 million in gain from change in fair value of investments in portfolio companies, evaluated at fair market value through profit and loss, was mainly due to (i) a gain of approximately US$3.9 million in the fair value of the Most Valuable Portfolio Company (as defined in the Company's offer document dated 16 November 2015) which made commercial progress in addition to a cash dividend of US$0.7 million received from this portfolio company; (ii) an aggregate gain in fair value of approximately US$6.4 million for some portfolio companies as a result of the completion of fund raising exercises for eleven (11) portfolio companies at a higher valuation and general commercial and technological progress demonstrated in three (3) portfolio companies in FY2015.

The gain was partially offset by (i) a decrease of approximately US$5.3 million in the fair market value of various portfolio companies as a result of the completion of fund rasing exercises of eight (8) portfolio companies at a lower valuation and general commercial or technological difficulties demonstrated in eight (8) portfolio companies during FY2015 and (ii) a reduction of market price of one (1) traded portfolio company amounting to US$0.2 million in FY2015.

Income from services to portfolio companies

Income from services to portfolio companies comprised approximately US$0.4 million received as overhead reimbursement from our portfolio companies and approximately US$3.9 million value of non-cash benefits received from the OCS in Israel. Income from services to portfolio companies decreased by approximately US$0.2 million or 3.6% due to a decline in overhead reimbursement from

our portfolio companies as there were a lower number of portfolio companies being serviced by the Group in FY2015 as compared to FY2014.

Group's share of losses of companies accounted for under the equity method, net

The Group recorded share of losses of companies accounted for under equity method, net, of US$0.3 million, as compared to nil in FY2014. The losses were due to a reduction in the market value of the options held by the Company to purchase additional shares in E.T. View Medical Ltd.

Income from contracted research and development ("R&D") services

Income from contracted R&D services decreased by approximately US$0.9 million or 68.9% due to termination of a collaboration agreement in relation to R&D services provided by Trendlines Labs to a third party.

Finance income

There was a slight increase in finance income of US$28,000 due to a gain from a short term deposit which was partially offset by exchange rate differences.

Other income

Other income decreased by approximately US$0.3 million mainly due to the absence of the consideration in respect of a non-compete agreement that the Group received in FY2014 relating to an asset deal exit of a portfolio company that was done in 2013.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses decreased by approximately US$2.4 million or 26.1% from US$9.1 million in FY2014 to approximately US$6.7 million in FY2015. The decrease was mainly attributable to (i) lower share-based payments which amounted to approximately US$1.4 million in FY2015 as compared to US$2.3 million in FY2014 as a result of two (2) rounds of grant of employee share options in FY2014; (ii) the absence of costs incurred in relation to our attempted initial public offering exercise in Canada which amounted to approximately US$1.5 million in FY2014. The increase in depreciation and amortisation by US$60,000 was mainly due to the depreciation and amortisation of unused items.

Marketing expenses

Marketing expenses decreased by approximately US$0.1 million mainly due to a lower use of marketing experts in FY2015.

R&D expenses, net

Net R&D expenses decreased by approximately US$0.4 million or 40.6% due to the decrease in R&D services provided by our Group as mentioned above, which resulted in lower expenses incurred for subcontractors and materials during FY2015.

Financial expenses

Financial expenses decreased by approximately US$0.6 million or 62.5% due mainly to (i) a decrease in interest expenses as a result of a higher cash in hand the company had in FY2015 compare to FY2014; (ii) exchange rate difference due to the depreciation of USD against the NIS and (iii) lower financial expenses on loans from the OCS as a result of lower increase in the fair value of the OCS loans.

Non recurring, non-cash expenses related to discount on pre-IPO RCL upon IPO conversion

In June 2015, the Company raised an aggregate amount of Singapore Dollar ("SGD") 13,700,000 (approximately US$ 10.2 million) from the issuance of redeemable convertible loans ("RCL") to certain pre-IPO investors. Upon the conversion of the RCL to shares at the IPO, the RCL was evaluated to US$ 13.6 million, resulting from the RCL discount on IPO share price. Such an increase in the value of the RCL was expensed in the statement of comprehensive income.

In view of the above, loss before income tax in FY2015 was US$1.8 million as compared to a loss before income tax of US$2.9 million in FY2014, mainly due to higher income generated in FY2015.

Income taxes

Income taxes increased by approximately US$0.4 million or 32.4% mainly due to higher taxable income in FY2015. The non-recurring expenses relating to conversion of RCL was non-deductible for tax purposes.

Consolidated Statement of Financial Position

The comparative performance for the assets, liabilities and equity are based on the Group's financial statements as at 31 December 2015 and 31 December 2014.

Total assets increased by approximately 33.4% from US$81.7 million as at 31 December 2014 to US$109.0 million as at 31 December 2015. This was mainly due to the fund received from the IPO and the pre-IPO investors, an increase of US$ 19.6 million in the current assets; and a net increase of approximately US$8.8 million in our investments in portfolio companies or 11.7% from approximately US$75.6 million as at 31 December 2014 to US$84.4 million as at 31 December 2015.

Non-current assets

Long-term investment

The long-term investment represented the value of consideration shares of a listed purchaser for the Group's portfolio company in FY2014. 20% of these shares are being held in escrow for 24 months to secure indemnification obligations. Those shares were presented as a long term investment as at 31 December 2014 and as a short term investment as at 31 December 2015.

Investments in portfolio companies and companies accounted for under the equity method

The increase in value of our investments in portfolio companies was derived from the following:

- the Most Valuable Portfolio Company whose fair value increased by approximately US$3.9 million as a result of a higher valuation ascribed to the royalties on future net sales expected to be received under the 2014 Asset Purchase Agreement. The fair value of the Most Valuable Portfolio Company as at 31 December 2015 was estimated using a probability-weighted discounted cash flow valuation model conducted by an independent valuation specialist;

- investments in five (5) new portfolio companies which contributed approximately US$3.0 million to the fair value of our portfolio companies as at 31 December 2015; and

- an aggregate increase of approximately US$6.9 million in the fair value of fourteen (14) of our portfolio companies mainly due to (i) the completion of fund raising exercises for eleven (11) portfolio companies at a higher valuation and (ii) general commercial and technological progress demonstrated in three (3) portfolio companies during FY2015.

The increase in fair value of our portfolio companies was partially offset due to a decrease of approximately US$4.6 million in the aggregate fair value of seventeen (17) of our portfolio companies.

The fair value of all the portfolio companies as at 31 December 2015 was approximately US$85.8 million. This consists of our investments in portfolio companies presented in our financial statements at their fair value of approximately US$84.4 million, as well as the fair market value of the associated company, E.T.View Medical Ltd. held through our Company of approximately US$1.3 million as compared to its carrying amount of US$0.

As at 31 December 2015	Number of Portfolio Companies	Carrying Amount (US$'000)	Fair Value (US$'000)
"Investments in portfolio companies"[1]	45	84,447[2]	84,447
"Investments in companies accounted for under the equity method"	1	–	1,329[3]
Total Portfolio	**46**	**84,447**	**85,776**

Notes:

(1) Includes a portfolio company valued at approximately US$39.9 million as at 31 December 2015.

(2) Includes the fair value of Group's investment in E.T.View Medical Ltd., which is held through the Company's direct subsidiary, Trendlines Medical – Misgav Ltd..

(3) Represents the fair value of the portion of Company's shareholdings in E.T.View Medical Ltd., comprising 2,787,052 shares and 750,000 options as at 31 December 2015. The fair value is derived from the traded share price of E.T.View Medical Ltd. as quoted on the Tel Aviv Stock Exchange as at the close of trading on 31 December 2015.

Current assets

As at 31 December 2015, current assets amounted to approximately US$24.0 million and mainly comprised of cash and cash equivalents, restricted short-term deposits, accounts and other receivables, short-term investments and short-term loans to portfolio companies.

Cash and cash equivalents

Cash and cash equivalents increased by approximately US$5.5 million mainly due to the net proceeds from the IPO in FY2015.

Short-term investments

Our short-term investments which represented 68.5% of our total current assets increased by approximately US$14.64 million mainly due to the funds received from the Pre–IPO investors, and the IPO.

Accounts and other receivables

Accounts and other receivables amounted to approximately US$0.4 million as at 31 December 2015, mainly comprised of other receivables of approximately US$0.2 million and trade receivables of approximately US$0.1 million which were non-interest bearing and were generally with a credit terms of 90 days. The decrease of US$0.4 million in accounts and other receivables was mainly due to lesser R&D services provided by Trendlines Labs to a third party.

Long-term liabilities

Our total liabilities stood at approximately at US$24.8 million as at 31 December 2015. Our long-term liabilities, representing approximately 85.3% of our total liabilities decreased by approximately US$0.2 million or 0.9% from approximately US$21.4 million as at 31 December 2014 to approximately US$21.2 million as at 31 December 2015. This was mainly attributable to the following:

Long-term deferred revenue

A decrease of US$ 0.5 million in the deferred revenue, due to the fact that new companies were added to the portfolio toward the end of the year.

Convertible debentures and warrants

The absence of convertible debentures and warrants as at 31 December 2015 which was due to the conversion of convertible debentures and warrants into the Company's shares during the Company's IPO in November 2015.

Deferred taxes, net

Net deferred taxes increased by approximately US$1.9 million or 13.2% mainly due to unrealised gains recognised for our portfolio of investments.

Current liabilities

Our current liabilities decreased by approximately US$1.0 million or 21.3% from approximately US$4.6 million as at 31 December 2014 to approximately US$3.7 million as at 31 December 2015.

Trade and other payables

Trade and other payables decreased by approximately US$0.3 million or 21.3% mainly due to a decrease in amount due to a portfolio company which was paid in FY2015.

Short-term deferred revenues

Deferred revenue decreased by US$ 0.7 million or 21.2% mainly due to lower number of companies that were added to the portfolio in 2014 compared to the number of new companies in 2013.

Equity

As at 31 December 2015, equity attributable to equity holders of the Company amounted to approximately US$84.1 million, which represented an increase of approximately US$31.3 million from US$52.9 million as at 31 December 2014. The increase is mainly due to the net proceeds from the IPO in FY2015.

Non-controlling interests was reduced to US$34,000 at 31 December 2015 and represented an 8.3% minority held by an unrelated party in a subsidiary of the Company, Technology Incubator Misgav/Karmiel, Management Services Ltd. The reduction in the non-controlling interest was mainly due to the purchase of shares in the capital of Trendlines Agtech – Mofet Ltd. from the 5 minority shareholders of Trendlines Agtech – Mofet Ltd. in exchange for the allotment and issuance of new Shares in the capital of our Company pursuant to the Agtech Minority Shareholders Share Exchange Agreement. Please refer to the section entitled "Restructuring Exercise" of the Company's offer document dated 16 November 2015 for more details.

Consolidated Statement of Cash Flow

Net cash used in operating activities of US$6.0 million in FY2015 was mainly due to a net loss of US$3.6 million and adjustments for non-cash items such as (i) gains from changes in fair value of investments in portfolio companies of approximately US$4.9 million; (ii) investments in portfolio companies of approximately US$1.5 million; and (iii) income from services to portfolio companies of approximately US$3.9 million; and (iv) net working capital outflows of approximately US$23 which was mainly due to a decrease in accounts and other receivables of approximately US$0.4 million which was offset by an increase in short term loans to portfolio companies of approximately US$0.2 million.

Net cash used in investing activities of US$13.9 million in FY2015 was mainly due to the purchase of bank deposits and short term investments of approximately US$13.5 million.

Net cash provided by financing activities of US$25.4 million in FY2015 was mainly due to the net proceeds of approximately US$10.2 million from the grant of redeemable convertible loans by the pre-IPO investors as well as the net proceeds of approximately US$15.9 million from the issuance of shares pursuant to the IPO.

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.

For details on 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, please refer to pages 226 to 235 of the Offer Document of the Company dated 16 November 2015.

11. Dividend

If a decision regarding a 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. No dividend has been declared or recommended for the previous corresponding period.

(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

(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 FY2015.

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.

Save for the interested person transaction as disclosed on pages 236 to 252 of the Company's offer document dated 16 November 2015, there were no other interested person transactions which were more than S$100,000 entered into during FY2015.

14. Use of IPO proceeds

The Company refers to the net proceeds ("**IPO Net Proceeds**") amounting to 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:

Use of IPO Net Proceeds	Amount allocated (S$'000)	Amount utilised (S$'000)	Balance (S$'000)

Follow-on investments in portfolio companies	10,000	1,240	8,760
Expansion of our operations into new markets	5,000	95	4,905
Expansion of our business units, Trendlines Labs	2,875	252	2,623
Operational expenses to support portfolio companies	1,400	-	1,400
Total	19,275	1,587	17,688

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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable. The Company has only one operating segment.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 above.

17. A breakdown of total sales as follows:

	Group		
	FY2015 (Unaudited) US$'000	**FY2014 (Audited) US$'000**	**Increase / (Decrease) %**
(a) Total income reported for first half year	8,996	11,756	(23.5)
(b) Net profit after tax before deducting minority interests reported for first half year	3,350	4,708	(28.8)
(c) Total income reported for second half year	943	(3,203)	N.M.
(d) Net loss after tax before deducting minority interests reported for second half year	(6,918) [(1)]	(8,918)	(22.4)

N.M. – Not meaningful

Note:
(1) including non-recurring, non-cash expenses related to discount on pre-IPO RCL upon IPO conversion.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. No dividend has been declared or recommended in FY2015 and FY2014.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of Director or Chief Executive officer or substantial shareholders of the Company.

BY ORDER OF THE BOARD

David Todd Dollinger
Chairman and CEO

24 February 2016