

THE TRENDLINES GROUP LTD.
(the “Company”)
(Company Number: 513970947)
(Incorporated in Israel)

**PROPOSED PLACEMENT OF 103,619,048 NEW ORDINARY SHARES IN THE CAPITAL OF
THE TRENDLINES GROUP LTD. AT A PLACEMENT PRICE
OF S\$0.1050 PER PLACEMENT SHARE**

1. INTRODUCTION

The board of directors (the “**Board**”) of The Trendlines Group Ltd. (the “**Company**”), and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has executed a subscription agreement with Librae Holdings Limited (“**LH**”) on 22 July 2019 (the “**Subscription Agreement**”), pursuant to which the Company shall issue 103,619,048 new ordinary shares in the capital of the Company (the “**Placement Shares**”) to LH, by way of a private placement (“**Placement**”) pursuant to Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”).

Pursuant to the Subscription Agreement, LH will purchase the Placement Shares at a placement price of S\$0.1050 per Placement Share (“**Placement Price**”) and for a total consideration of S\$10,880,000 (US\$8,000,000 at the exchange rate of US\$1.00 = S\$1.360 as at 19 July 2019).

No placement agent has been appointed for the Placement and no commission or finder’s fee is payable by the Company to any person in relation to the Placement.

2. DETAILS OF THE PLACEMENT

The Placement Shares, when issued and fully-paid, shall be issued free from all claims, pledges, mortgages, charges, 3rd party rights, liens and any other encumbrances and shall rank in all respects pari passu with the then existing ordinary shares in the capital of the Company (“**Shares**”) at the time of the issue with all rights and benefits attaching thereto, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the Placement Shares.

The Placement Shares will be issued pursuant to the authority granted by shareholders of the Company (“**Shareholders**”) by way of an ordinary resolution at the annual general meeting of the Company held on 29 April 2019 (“**2019 AGM**”) for the issue of Shares not exceeding 50.0% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to Shareholders shall not exceed 25.0% of the issued Shares (excluding treasury shares and subsidiary holdings) (the “**Share Issue Mandate**”).

The issued share capital of the Company as at the date of the Share Issue Mandate and the date of this announcement is 608,741,749 Shares. As no Shares had previously been issued pursuant to the Share Issue Mandate, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 304,370,874 Shares, of which the maximum number of Shares

to be issued other than on a pro-rata-basis is 152,185,437 Shares. As such, the allotment and issuance of all the Placement Shares falls within the limits of the Share Issue Mandate.

Upon the allotment and issue of all the Placement Shares, the Company's issued and paid-up share capital will increase from 608,741,749 Shares as at the date of this announcement ("**Existing Share Capital**") to 712,360,797 Shares ("**Enlarged Share Capital**") (assuming that no further Shares are issued on or prior to the completion of the Placement). The aggregate Placement Shares represent approximately 17.02% of the Existing Share Capital and approximately 14.55% of the Enlarged Share Capital.

The Placement Price of S\$0.1050 per Placement Share represents a premium of 34.6% to the volume weighted average price of S\$0.0780 for each Share, based on trades done on the Shares on the Catalist of the SGX-ST for the full market day on 19 July 2019 (being the last full market day on which there were trades done on the Shares prior to the date of the Subscription Agreement). The Placement Price was arrived at following arm's length negotiations between the Company and LH. The Placement Price complies with Rule 811(1) of the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") Listing Manual Section B: Rules of the Catalist (the "**Catalist Rules**").

LH has in the Subscription Agreement represented and warranted to the Company that it is not within the category of persons set out under Rule 812(1) of the Catalist Rules and/or acting in concert with or in accordance with the instructions of any of the directors of the Company ("**Directors**") or Shareholders.

The Placement would not result in any transfer of controlling interest in the Company. The Company will not proceed with the Placement without the prior approval of Shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

3. **TERMS OF THE PLACEMENT**

Conditions

The Placement is conditional upon, *inter alia*, the following:

- (a) the listing and quotation notice being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the completion date, they are so fulfilled;
- (b) the exemption under section 272B of the SFA being applicable to the Placement under the Subscription Agreement;
- (c) the offer, allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Israel, Singapore or any other jurisdiction, which is applicable to the Company or to LH;
- (d) the delivery of certified true copies of such resolutions and/or documents on the completion date evidencing that the execution of the Subscription Agreement and any transactions contemplated under the Subscription Agreement by the Company and LH

have been validly authorised by such party, and that allotment and issuance of the Placement Shares to LH or its nominee, and the issue, offer and sale of any share certificate in respect of the Placement Shares having been duly approved by the Board; and

- (e) there having been, as at the completion date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Subscription Agreement if they were repeated on and as of the completion date.

If any of the conditions set out above have not been satisfied on or before the Cut-Off Date (as defined below), the Subscription Agreement shall terminate and shall be of no further effect and none of the Company nor LH shall be under any liability to the other in respect of the Subscription Agreement.

“**Cut-Off Date**” means 23 August 2019 or such other date as the Company and LH may mutually agree.

Completion

Completion shall take place on the date falling five (5) business days after the date on which the SGX-ST grants the listing and quotation notice for the listing and quotation of the Placement Shares on the Catalist and after the satisfaction of the last of the conditions set out above (or such other date as the Company and LH may agree).

Indemnification and limitation of liability

The Company shall indemnify LH for all direct damages and expenses (including reasonable legal expenses) that will be incurred by LH as a result of a misrepresentation or breach of any warranties or a breach or improper performance of its obligations under the Subscription Agreement. The aggregate liability of the Company towards LH under the Subscription Agreement and any law, whether in contracts, torts, restitution or otherwise, other than in the event of fraudulent misrepresentation, shall be limited to the actual aggregate investment amount actually paid by LH under the Subscription Agreement to the Company.

4. INFORMATION ON LH

Information in this section of the announcement relating to LH and Mr. Vincent Tchenguiz has been confirmed by LH.

LH is a company organized under the laws of British Virgin Islands held by Geneva Trust Company (GTC) SA as Trustees of The Tchenguiz Three Trust (the “**Trust**”), the sole discretionary beneficiary of which is Mr. Vincent Tchenguiz.

Mr. Vincent Tchenguiz is known for his multi-billion-pound real estate portfolio in the United Kingdom. In the past three years, the Trust has diversified its investments with an increased focus on biotechnology and green technologies, and built a US\$350 million technology venture capital portfolio managed by a strong tech investment team. Many of the Trust’s investments are focused on Europe, Israel and the United States, in incubators, venture funds, and several medical companies in Israel.

The Company was introduced to LH in the ordinary course of its business dealings.

The Company's non-executive Director, Zeev Bronfeld, is a minority shareholder in two (2) Israeli companies, holding less than 5% of the shares in each company, each of which is listed on the Tel Aviv Stock Exchange. Mr. Bronfeld is also a non-executive director in one (1) of these companies. Capital Nature, an investment firm focused on funding and accelerating early-stage ventures as well as academic research in renewable energy in Israel, holds a less than 20% shareholding interest in each of these two (2) companies. A separate trust of which Mr. Vincent Tchenguiz is a beneficiary, indirectly owns less than 30% of Capital Nature and is not considered to be a controlling shareholder in Capital Nature.

Save as disclosed above, the Company confirms that, to the best of its knowledge, none of its Directors or substantial Shareholders have any connection (including business relationships) with LH, its directors or substantial Shareholders.

5. PURPOSE AND USE OF PROCEEDS

The gross proceeds from the Placement will be S\$10,880,000 (US\$8,000,000 at the exchange rate of US\$1.00 = S\$1.360 as at 19 July 2019). Net proceeds (the "**Net Proceeds**") after deduction of estimated fees and expenses incurred in connection with the Placement amounting to approximately S\$60,000 is estimated to be S\$10,820,000.

The Company intends to use the Net Proceeds in the following manner:

- (a) General working capital – 30%; and
- (b) Direct and indirect investments into new, prospective or existing portfolio companies – 70%.

The purpose of the Placement is to meet the Group's anticipated general working capital requirement and direct and indirect investments into new, prospective or existing portfolio companies, allowing potential expansion of its investment activities. Given the capital-intensive nature of the Group's business, and the unpredictability of its cash flows, the Company believes it is in its best interests to maintain adequate cash reserves at all times.

Further, the Company believes that LH's numerous life science investments in Israel and around the world make them more than a financial investor, but an investor with the ability to provide strategic value to the Group. In particular, the Company and LH believe that the Placement would bring about a win-win situation as the Group would be an avenue to LH into the Singapore market, in return for access to new markets for the Group's portfolio companies.

As at the date of this announcement, the Company has utilised and committed to utilise approximately S\$16.4 million of the net proceeds from the initial public offering ("**IPO**"), in accordance with the use of proceeds described in the offer document dated 16 November 2015 (the "**Offer Document**"). As at the date of this announcement, S\$2.6 million or approximately 17.2% of the net proceeds from the IPO remain unutilised.

In addition, as at the date of this announcement, the Company has utilised and committed to utilise approximately S\$8.0 million of the net proceeds from its private placement exercise

completed on 25 October 2017 (“**2017 Placement**”) in accordance with the intended use of proceeds as set out in the Company’s announcement dated 10 October 2017. As at the date of this announcement, S\$5.3 million or approximately 39.7% of the net proceeds from the 2017 Placement remain unutilised.

A detailed breakdown of the usage of the net proceeds of the IPO and the 2017 Placement will be provided in the next quarterly financial results announcement.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or for any other purpose on a short-term basis as the Directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of the Net Proceeds in the Company’s quarterly and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company’s annual report and whether such use is in accordance with the stated use and in accordance with the stated percentage allocated.

6. FINANCIAL EFFECTS

The financial effects of the Placement on the Group as set out below are purely for illustrative purposes only. The illustrative financial effects should not be construed to mean that the Group’s actual results, performance or achievements will be as expected, expressed or implied in such financial effects.

The financial effects of the Placement on the Group as set out below are based on the Group’s unaudited financial statements as at 31 March 2019, and the following assumptions:

- (a) the Placement had been effected at the end of the three-month financial period ended 31 March 2019 for the computation of the effect on the net tangible assets (“**NTA**”) per share; and
- (b) the Placement had been effected at the beginning of the three-month financial period ended 31 March 2019 for the computation of the effect on the loss per share (“**LPS**”).

| | Before the Placement | After the Placement |
|-------------------------|-----------------------------|----------------------------|
| Issued share capital | US\$ 85,783,000 | US\$ 93,783,000 |
| Number of issued Shares | 608,741,749 | 712,360,797 |
| NTA per Share (US\$) | 0.14 | 0.12 |
| LPS (US\$) | 0.10 | 0.08 |

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Placement will be undertaken pursuant to Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

8. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Placement Shares on Catalist of the SGX-ST.

9. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that after taking into consideration the Group's present bank facilities, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

11. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading the Shares of the Company in relation to this announcement as there is no certainty that the Placement will be completed as it is subject to the fulfillment of terms and conditions as set out in the Subscription Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

BY ORDER OF THE BOARD OF

The Trendlines Group Ltd.

Stephen Rhodes
Chairman and Chief Executive Officer

22 July 2019

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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