

THE PROPOSED SUBSCRIPTION OF AN AGGREGATE OF UP TO 76,576,577 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT A SUBSCRIPTION PRICE OF S\$0.06 FOR EACH ORDINARY SHARE

1. INTRODUCTION

1.1. The board of directors (the “**Board**” or “**Directors**”) of The Trendlines Group Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 4 July 2024 entered into subscription agreements (collectively, the “**Subscription Agreements**” and each a “**Subscription Agreement**”) with each of:

- (a) the Company’s controlling shareholder, Librae Holdings Limited (“**LH**”);
- (b) Suan Aik Boon;
- (c) Robert Alexander Stone (“**Stone Robert Alexander**”);
- (d) the Company’s Chief Executive Officer, Haim Brosh;
- (e) the Company’s former Chief Executive Officer, Todd Dollinger,
(collectively, the “**Other Subscribers**”); and
- (f) AVZTIM LLC (“**Avztim**”);
- (g) FEA Innovations LLC (“**FEA Innovations**”);
- (h) RRAOS Enterprises LLC (“**REL**”);
- (i) Miriam Winder Kelly Trust (“**MWK Trust**”);
- (j) Taylor Investment Partners LLC (“**TIPL**”);
- (k) Michael M Earley;
- (l) Harry L. Posin;
- (m) Christian Conesa,
- (n) Rich Silverstein; and
- (o) Meyer Jeger;

(collectively, the “**US Investors**” and together with the Other Subscribers, the “**Subscribers**” and each a “**Subscriber**”).

1.2. Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for an aggregate of up to 76,576,577 new ordinary shares in the capital of the Company (the “**Ordinary Shares**”), based on the aggregate number of Ordinary Shares allocated to each of the Subscribers

(as set out in paragraph 2.1 below), at a subscription price of S\$0.06 for each Ordinary Share (the “**Subscription Price**”) for an aggregate consideration of S\$4,594,595¹ (the “**Consideration**”), on the terms and subject to the conditions of the respective Subscription Agreements (the “**Proposed Subscription**”).

2. INFORMATION ON THE SUBSCRIBERS

2.1. The aggregate number of Ordinary Shares agreed to be subscribed for by each Subscriber with the respective consideration to be paid by each Subscriber are set out below:

S/N	Name of Subscriber	Aggregate number of Ordinary Shares agreed to be subscribed in the respective Subscription Agreement	Aggregate consideration (S\$)	As a percentage of the existing share capital (%) ⁽¹⁾	As a percentage of the enlarged share capital following Completion (%) ⁽²⁾
Other Subscribers					
1.	LH	27,027,027 ⁽³⁾	1,621,622	2.64	2.45
2.	Suan Aik Boon	22,522,523	1,351,351	2.20	2.04
3.	Stone Robert Alexander	6,756,757	405,405	0.66	0.61
4.	Haim Brosh	563,063	33,784	0.05	0.05
5.	Todd Dollinger	563,063	33,784	0.05	0.05
US Investors					
6.	Avztim	5,630,631	337,838	0.55	0.51
7.	FEA Innovations	2,252,252	135,135	0.22	0.20
8.	REL	1,463,964	87,838	0.14	0.13
9.	MWK Trust	337,838	20,270	0.03	0.03
10.	TIPL	1,126,126	67,568	0.11	0.10
11.	Michael M Earley	4,504,505	270,270	0.44	0.41
12.	Harry L. Posin	1,126,126	67,568	0.11	0.10
13.	Christian Conesa	450,450	27,027	0.04	0.04
14.	Rich Silverstein	1,126,126	67,568	0.11	0.10
15.	Meyer Jeger	1,126,126	67,568	0.11	0.10
	Total:	76,576,577	4,594,595	7.47	6.95

Notes:

- (1) Based on the total issued share capital of the Company comprising 1,024,824,407 ordinary shares (“**Shares**”) as at the date of this announcement.
- (2) Based on the enlarged issued share capital of the Company comprising 1,101,400,984 Shares immediately after completion of the Proposed Subscription (“**Completion**”).

¹ Approximately US\$3,425,000 based on the exchange rate as of the date of this announcement of S\$1 : US\$0.74.

- (3) The Company may, if necessary, scale down the subscription for the Ordinary Shares by LH such that LH will hold no more than 29.82% of the Company's total enlarged issued and paid up share capital after the issue of any Ordinary Shares to LH. Please see paragraph 3.4 below for more details.

2.2. Details of the Subscribers

(a) **LH**

As at the date of this announcement, LH holds 29.41% of shareholding interests in the Company and is a controlling shareholder of the Company. LH is owned by the Geneva Trust Company (GTC) SA as trustees of The Tchenguiz Three Trust, the sole discretionary beneficiary of which is Mr. Vincent Tchenguiz.

(b) **Suan Aik Boon, Stone Robert Alexander**

These Subscribers are private investors who are existing shareholders of the Company and have been acquainted with the Company through their current investments in the Company.

(c) **Meyer Jeger**

Meyer Jeger is a private investor who is a former shareholder of the Company and has been acquainted with the Company through his former investments in the Company.

(d) **REL**

REL is a limited liability company in the State of Florida on 22 November 2016 with its registered office at 2272 NW 62 Drive, Boca Raton, FL 33496, United States of America. It is in the principal business of investment holdings. The member of REL is Kenneth Richards, a private investor who was referred to the Company by Steve Rhodes, the former Chief Executive Officer of the Company.

(e) **MWK Trust**

MWK Trust is a trust constituted on September 28, 1993 with Miriam Winder Kelly as its trustee and its registered office at 11306 Woodland Dr, Lutherville, MD 21093, United States of America. It is in the principal business of investment holdings and has been acquainted with the Company through its current investments in the Company.

(f) **TIPL**

TIPL is a limited liability company with its registered office at 6111 N River Rd Rosemont, IL 60018, United States of America. It has been acquainted with the Company through its current investments in the Company. The sole member of TIPL is Bruce Taylor, a private investor who has been acquainted with the Company through his former investments in the Company.

(g) **Haim Brosh**

Haim Brosh is the current Chief Executive Officer and interim Chief Financial Officer of the Company.

(h) **Todd Dollinger**

Todd Dollinger was the former Chief Executive Officer of the Company and a current shareholder and service provider of the Company.

(i) **Avztim**

Avztim is a limited liability company incorporated in the State of Nevada on 20 December 2002, with its registered office at 2533 North Carson Street, Carson City, Nevada 89706. Avztim is in the principal business of investment holdings. The sole member of Avztim is Elisha Gilboa, a private investor. Avztim is an existing shareholder of the Company which has been acquainted with the Company through its current investments in the Company.

(j) **FEA Innovations**

FEA Innovations is a limited liability company incorporated in Mississippi on 19 November 2018, with its principal office address at 400 Madison Avenue, Suite 11A, New York, NY 10017. FEA Innovations is in the principal business of investment holdings. The sole member of FEA Innovations is Andrew Intrater, a private investor. FEA Innovations is an existing shareholder of the Company which has been acquainted with the Company through its current investments in the Company.

(k) **Rich Silverstein, Michael M Earley, Harry L. Posin and Christian Conesa**

These Subscribers are private investors who have been acquainted with the Company through meetings with the management of the Company.

REL, MWK Trust, TIPL, Avztim and FEA Innovations are corporate entities held by the respective private investors as mentioned above who have been acquainted with the Company through their previous investments in the Company.

The Subscribers wish to participate in the Proposed Subscription as an investment opportunity upon considering the potential growth prospects of the Group and have agreed to subscribe for the Ordinary Shares on the terms of the Subscription Agreements. The rationale for placing to the Subscribers is for the fundraising purposes as set out in paragraph 5 below.

The table below sets out the shareholdings of the Subscribers as at the date of this announcement and immediately after Completion:

S/ N	Name of Subscriber	As at the date of this announcement				Immediately after Completion				
		Direct Interest	%	Deemed Interest	%	Direct Interest	%	Deemed Interest	%	
Other Subscribers										
1.	LH	301,430,658	29.41	-	-	328,457,685	29.82	-	-	
2.	Suan Aik Boon	51,125,364	4.99	-	-	73,647,887	6.69	-	-	
3.	Stone Robert Alexander	38,308,196	3.74	-	-	45,064,953	4.09	-	-	
4.	Haim Brosh	-	-	6,771,299	0.66	563,063	0.05	6,771,299	0.61	
5.	Todd Dollinger	19,619,562	1.91	21,728,885	2.12	20,182,625	1.83	21,728,885	1.97	
US Investors*										
6.	Avztim**			30,747,001	3.00			36,377,632	3.30	
7.	FEA Innovations **			31,132,000	3.04			33,384,252	3.03	
8.	REL**			-	-			1,463,964	0.13	
9.	MWK Trust**			38,163	0.00			376,001	0.03	
10.	TIPL**			266,664	0.03			1,392,790	0.13	
11.	Michael M Early**	-	-	-	-			4,504,505	0.41	
12.	Harry L. Posin**	-	-	-	-			1,126,126	0.10	
13.	Christian Conesa**	-	-	-	-			450,450	0.04	

14.	Rich Silverstein**	-	-	-	-			1,126,126	0.10
15.	Meyer Jeger**	-	-	-	-			3,368,166	0.10

* As disclosed in paragraph 3.1 below, the Ordinary Shares to be issued to US Investors will be issued to The Bank of New York Mellon, for the purposes of issuing to the US Investors the ADSs.

**Holding ADSs via The Bank of New York Mellon.

2.3. The Subscribers have confirmed to the Company that they are subscribing for the Ordinary Shares for their own account for investment and will not hold any Ordinary Shares on behalf of, act as nominee for, or hold such Ordinary Shares on trust for, any person within the categories of persons set out in Rule 812(1) of the Catalist Rules.

2.4. As at the date of this announcement and save as disclosed, and save for:

- (a) LH, which is the controlling shareholder of the Company;
- (b) Haim Brosh, who is the current Chief Executive Officer of the Company; and
- (c) Todd Dollinger, who is a current shareholder and service provider of the Company,

the Subscribers do not have any connection (including business relationships) with the substantial shareholders of the Company or the Directors, or their respective associates.

3. PRINCIPAL TERMS OF THE PROPOSED SUBSCRIPTION

3.1. The Ordinary Shares

Pursuant to the Proposed Subscription, the total issued share capital of the Company as at the date of this announcement will increase from 1,024,824,407 Shares to 1,101,400,984 Shares. The Ordinary Shares represent approximately 7.47% of the existing issued share capital of the Company, and approximately 6.95% of the enlarged issued share capital of the Company. The Company does not hold any shares in treasury and does not have any subsidiary holdings.

The Ordinary Shares in relation to the US Investors are to be issued to The Bank of New York Mellon (the “**Depository**”) for the purposes of issuing to the US Investors the sponsored Level 1 American Depositary Shares (“**ADS(s)**”), pursuant to the Deposit Agreement dated 5 May 2016 entered into by the Company, the Depository and the owners and holders of ADSs. The Ordinary Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up, free from any and all encumbrances, listed and tradable on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and rank *pari passu* with all other existing Shares at the time of the issue with all rights and benefits attaching thereto, other than restrictions on the US Investors to hold the Ordinary Shares until they are registered with the Securities and Exchange Commission of the United States of America and qualified by state authorities, or an exemption from such registration or qualification requirements is available. The Ordinary Shares will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of the Ordinary Shares.

The Proposed Subscription will not result in a transfer of controlling interest of the Company and there are no share borrowing arrangements for the Proposed Subscription.

The Company will not be relying on the general share issue mandate granted by shareholders of the Company at the annual general meeting of the Company held on 18 April 2024, as the Company is required to seek shareholder’s approval for the placement of Ordinary Shares to LH, being its substantial shareholder. In this regard, the Company will be seeking specific shareholders’ approval (“**Shareholders’ Approval**”) for the allotment and issue of the Ordinary Shares at a special general

meeting ("**SGM**") to be convened by physical means. Please refer to paragraph 4.3 of this announcement for more information.

3.2. **Subscription Price**

The Subscription Price of S\$0.06 represents:

- (a) a premium of approximately 4% to the weighted average price of S\$0.0577 per share in the capital of the Company based on the trades done on the SGX-ST on 4 July 2024, being the full market day on which the Subscription Agreements were signed; and
- (b) a premium of approximately 1.7% to the prevailing market price of S\$0.059 per share in the capital of the Company prior to the signing of the Subscription Agreements.

The Subscription Price was commercially agreed between the Company and the Subscribers on a willing-buyer, willing-seller basis after arm's length negotiations, after taking into account, *inter alia*, the price per rights share in the recently concluded rights issue exercise of the Company (the "**Rights Issue**") (which was also S\$0.06 per Ordinary Share), terms of the Proposed Subscription and prevailing market conditions.

3.3. **Conditions**

The obligations of the Company and the Subscribers under the respective Subscription Agreements as set out in paragraph 3.4 below are conditional upon the performance by such parties of their obligations under the respective Subscription Agreements and also upon the following:

- (a) Shareholders' Approval (as defined in the respective Subscription Agreements) being obtained and not having been revoked or amended;
- (b) SGX-ST or any other authority not having notified the Company of any reason why the Company should not allot and issue any of the Ordinary Shares, and the listing and quotation notice for the listing and quotation on the Catalist of the Ordinary Shares being obtained from the SGX-ST (the "**Listing Approval**") 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 Ordinary Shares on the SGX-ST are required to be fulfilled on or before the date of the completion of the subscription of the relevant Ordinary Shares (such date, the "**Completion Date**"), they are so fulfilled;
- (c) the exemption under Section 272B of the Securities and Futures Act 2001 of Singapore ("**SFA**") being applicable to the Proposed Subscription under the Subscription Agreements;
- (d) the offer, allotment, issue and subscription of the Ordinary Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Israel, Singapore or any other jurisdiction, which is applicable to the Company or the Subscribers;
- (e) the delivery by one party to the Subscription Agreement to the other party to the Subscription Agreement of certified true copies of such resolutions and/or documents on the Completion Date evidencing that the execution of the Subscription Agreements and any transactions contemplated under the Subscription Agreements by the parties have been validly authorised by such party, and in the case of the Company, that the allotment and issuance of the Ordinary Shares to the Subscribers or their nominees (and in the case of the US Investors, the Depository's custodian), and the issue of any share certificate in respect of the Ordinary Shares having been duly approved by the Company's Directors; and

- (f) 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 Agreements.

Each party to the Subscription Agreement may, but shall not be obliged to, and upon such terms as it thinks fit, waive compliance of the other party to the Subscription Agreement with any of the conditions contained in paragraphs 3.3(e) and (f) and any condition so waived shall be deemed to have been satisfied provided always that any such waiver as aforesaid shall be without prejudice to the right of the first mentioned party to elect to treat any further or other breach, failure or event as releasing and discharging the second mentioned party from its obligations under the Subscription Agreement and shall be without prejudice to any liability accruing to the second mentioned party prior to such waiver.

3.3A **Conditions (in the case of the Subscription Agreement with LH only)**

With respect to LH, notwithstanding any other provision of the Subscription Agreement with LH, but subject to paragraph 3.4A below, if LH notifies the Company in writing at least three (3) business days prior to the Completion Date, that any issue of the Ordinary Shares will result in LH being required to make a general offer for all the Shares under the Singapore Code on Take-overs and Mergers (the “Code”), then (in the absence of manifest error) the Company shall be under no obligation to issue, and LH shall be under no obligation to subscribe and pay for, any of the Ordinary Shares which will result in LH holding more than 29.82% of the Company’s total enlarged issued and paid up share capital after the issue of any Ordinary Shares to LH.

Subject to the foregoing, the obligations of the Company and LH under the Subscription Agreement with LH as set out in paragraphs 3.4 and 3.4A below are conditional upon there being no circumstances that the completion of the allotment and issue of the relevant Ordinary Shares to LH will result in LH having to make a mandatory general offer for all the shares in the Company not already owned or controlled by LH in accordance with the Singapore Code on Take-overs and Mergers.

3.4. **Payment and Completion**

Subject to the terms and conditions of the Subscription Agreements (and in particular, but without limitation, the satisfaction of the conditions set out in paragraph 3.3), the Subscribers shall make payment of the Consideration in US\$ for the Ordinary Shares, and the Ordinary Shares to be issued and allotted to the Subscribers will be calculated based on the based on the exchange rate as of the date of this announcement of S\$1 : US\$0.74, subject to each Subscriber not being issued and allotted such number of Ordinary Shares which exceeds what the Subscriber has agreed to subscribe for under the relevant Subscription Agreement. The Consideration for the Proposed Subscription will be entirely in cash. Upon the Company’s receipt of cleared funds as full payment of the Consideration in relation to a particular Subscriber, the Company shall allot and issue the relevant portion of the Ordinary Shares to such Subscriber (and in the case of the US Investors, the Depository’s custodian).

3.4A **Payment and Completion (in the case of the Subscription Agreement with LH only)**

With respect to LH, on the Completion Date, LH’s obligations to pay the consideration pursuant to paragraph 3.4 above shall be subject to the delivery by the Company to LH of a signed confirmation confirming, among other things, that:

- (a) LH can proceed to complete its subscription of such number of Ordinary Shares (such shares, the “LH Shares”) such that following the completion of the placement of (i) the Ordinary Shares to the Subscribers (other than LH) to the extent that the Company has received the subscriptions monies for as at the date thereof, and (ii) the LH Shares to LH, LH will hold 29.82% of the enlarged issued share capital of the Company; and

- (b) LH's subscription of the relevant Ordinary Shares will not result in LH being required to make a general offer for all the Shares under the Code.

In the event that the Company fails to provide such confirmation, LH shall have no obligation to perform any of the obligations under paragraph 3.4 above, and LH may, in its sole and absolute discretion, (A) defer completion to such later date as LH may decide, provided that such confirmation shall first be provided to LH, or (B) without prejudice to the Company's obligation to reimburse LH under Subscription Agreement with LH, decide to terminate the Subscription Agreement with LH, and the Company shall have no claim regarding LH's decision not to subscribe for any of the relevant Ordinary Shares. In the event that the signed confirmation is not delivered by the Company by 1.00 p.m. Singapore time on the Completion Date, LH shall have no liability to the Company if the subscription consideration in respect of the LH Shares is not received in the bank account of the Company on the Completion Date as provided in paragraph 3.4 above.

3.5. **Additional Listing Request**

The Company undertakes, *inter alia*, to the Subscribers that, it shall, as soon as practicable after the date of the Subscription Agreements, and in any case, no later than seven (7) business days after the date thereof, submit the request to its continuing sponsor for the listing and quotation of the Ordinary Shares on the Catalist (without making any warranty or representation that such application shall be successful), and use its reasonable endeavours to pursue the grant of the Listing Approval by the SGX-ST.

3.6. **Indemnification and Limitation of Liability**

The Company shall indemnify the Subscribers for all direct damages and expenses (including reasonable legal expenses) that will be incurred by the Subscribers as a result of a misrepresentation or breach of any warranties or a breach or improper performance of its obligations under the relevant Subscription Agreements (the "**Indemnifying Party**").

Notwithstanding anything to the contrary in the relevant Subscription Agreements:

- (a) other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct by the Company, the representations and warranties contained under the relevant Subscription Agreements shall survive the execution and delivery of the Subscription Agreements and remain in full force and effect until the lapse of 36 months from the Completion Date other than with respect to the fundamental representations in the Subscription Agreements which shall remain in full force and effect until the expiration of the applicable statute of limitations, whereupon such representations and warranties of, and the liability of, the Company with respect thereto shall expire and be of no further force and effect;
- (b) the aggregate liability of the Company towards each Subscriber under the relevant Subscription Agreement and any law, whether in contracts, torts, restitution or otherwise, other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct shall arise only for aggregate sums which exceed US\$75,000, provided, however, that if such aggregate sums exceed US\$75,000, then such Subscriber shall be entitled to indemnification for all such losses, disregarding the US\$75,000 threshold, from the first dollar;
- (c) the aggregate liability of the Company towards each Subscriber under the relevant Subscription Agreement and any law, whether in contracts, torts, restitution or otherwise, other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct, shall be limited to the actual aggregate investment amount actually paid by such Subscriber under the relevant Subscription Agreement to the Company; and

- (d) other than in the event of fraudulent misrepresentation, gross negligence or willful misconduct, the Indemnifying Party shall not be liable for any lost profits, indirect, incidental, consequential or punitive losses and damages.

3.7. **No Placement Agent**

The Proposed Subscription will be undertaken pursuant to Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company or lodged with the Monetary Authority of Singapore in connection with the Proposed Subscription.

No placement agent has been or will be appointed for the purposes of the Proposed Subscription and no introducer fee, commission, fee or other selling or promotional expense is payable or incurred by the Company in connection with the Proposed Subscription other than those incurred for administrative or professional service.

4. **SHAREHOLDERS' APPROVAL UNDER CHAPTER 8 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST ("CATALIST RULES")**

4.1. **Application of the Catalist Rules**

The issue and allotment of the Subscription Shares to the Subscribers requires the approval of the Company's shareholders under Rule 805(1) of the Catalist Rules as the Ordinary Shares will not be issued under the Company's general share issue mandate pursuant to Rule 806 of the Catalist Rules.

Furthermore, as at the date of this announcement, LH is a substantial shareholder of the Company and holds approximately 29.41% of the existing issued share capital of the Company. Pursuant to Rule 812(1) of the Catalist Rules, an issue must not be placed to, *inter alia*, substantial shareholders of the issuer. Rule 812(2) provides that Rule 812(1) does not apply if specific shareholder approval is obtained, and the substantial shareholder and its associates must abstain from voting on the resolution in respect of such subscription.

Accordingly, specific shareholders' approval will be required to be obtained for the subscription of the Ordinary Shares by LH in connection with the Proposed Subscription and the Company has decided to seek specific shareholders' approval for the subscription of the Ordinary Shares by all of the Subscribers in connection with the Proposed Subscription due to the similar terms of the Subscription Agreements between the Subscribers and the Company and the proximity of times at which the Subscription Agreements were signed. LH and its associates will abstain from voting in its capacity as a shareholder in relation to the Proposed Subscription by the Subscribers at the SGM.

Additionally, each of LH and Haim is an "interested person" for the purposes of Chapter 9 of the Catalist Rules, as they are the controlling shareholder and Chief Executive Officer of the Company respectively. However, neither an immediate announcement nor shareholder approval is required under Chapter 9 of the Catalist Rules in relation to the Proposed Subscription by LH and the Proposed Subscription by Haim, given that the value of each of the aforementioned proposed subscriptions is less than 3% of the Group's latest audited net tangible assets (the "**Latest Audited NTA**") of S\$92.1 million as at the date of this announcement, being for the financial year ended 31 December 2023 ("**FY2023**"), as elaborated below:

- (a) save for participation in the Rights Issue Exercise by LH, the Group has also not entered into any interested person transaction with LH and/or LH's associates for the period from 1 January 2024 up to the date of this announcement and the value of the Proposed Subscription by LH amounts to not more than S\$1,621,622, which represents not more than approximately 0.18% the Latest Audited NTA; and

- (b) the Group has also not entered into any interested person transaction with Haim and/or Haim's associates for the period from 1 January 2024 up to the date of this announcement, save for the grant of 18,000,000 share options to Haim at the exercise price of S\$0.0786 per option as announced by the Company on 6 May 2024 (i.e. a total value of S\$1,414,800), which when aggregated with the value of the Proposed Subscription by Haim (S\$33,784) amounts to not more than S\$1,448,584, which represents not more than approximately 0.14% the Latest Audited NTA.

As at the date of this announcement and to the best of the Company's knowledge, save for LH and Haim, none of the Subscribers is (i) a person falling within the restrictions of Rule 812 of the Catalyst Rules; and/or (ii) an interested person as defined under Chapter 9 of the Catalyst Rules.

4.2. **Application to the SGX-ST**

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 Ordinary Shares on Catalyst of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

4.3. **Circular and SGM**

The Company will be seeking shareholders' approval at the SGM to be held by physical means in due course to approve the Proposed Subscription. A circular containing, *inter alia*, the notice of the SGM and details of the Proposed Subscription will be disseminated to the Shareholders in due course.

5. **RATIONALE AND USE OF PROCEEDS**

5.1. **Rationale of the Proposed Subscription**

The Company refers to the recent Rights Issue Exercise, the results of which were announced by the Company on 29 May 2024. Notwithstanding that the Company has yet to fully utilise the proceeds from the Rights Issue Exercise, the Company has decided to raise additional funds via the Proposed Subscription for the following reasons:

- (a) the Company noted the active interest from new investors as well as existing shareholders of the Company to invest in the Company, as evinced by the Rights Issue Exercise being oversubscribed, and would hence like to leverage on such interest to raise additional funds;
- (b) given the capital-intensive nature of the Group's business, and the unpredictability of its cash flows amidst a difficult macro-economic environment and the ensuing war in Israel, the Company believes it is in its best interests to have more cash for investment. The additional funds will also allow the Company, particularly in time of crisis, to be in a more secure position in an ever more unpredictable environment to:
 - (i) support its direct and indirect investments into its existing portfolio companies, allowing potential expansion of its investment activities; and
 - (ii) provide its existing portfolio companies with the necessary capital to (A) keep them afloat and (B) allow them to take advantage of the depressed valuation; and
- (c) the Proposed Subscription will also allow the Company to diversify its shareholder base, increase the public float of the Company and improve trading liquidity.

5.2. Use of Proceeds

The estimated net proceeds from the Proposed Subscription, after deducting estimated fees and expenses in relation to the Proposed Subscription (including listing and application fees, professional fees and other miscellaneous expenses of approximately S\$150,000), is approximately S\$4,444,595 (the “**Net Proceeds**”).

The Company intends to apply the full amount of the Net Proceeds for direct and indirect investments into existing portfolio companies of the Group.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and the stated percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company’s interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company’s annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how such proceeds have been applied in its financial results announcements and the annual report. Where there is any material deviation from the stated use of Net Proceeds, the Company will make the necessary announcement on the reasons for such deviation.

6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

6.1. Illustrative Nature of Financial Effects

The financial effects of the Proposed Subscription on the Company’s share capital, net tangible assets (“**NTA**”) per share and earnings per share (“**EPS**”) of the Group have been prepared based on the Group’s audited financial statements for FY2023. The financial effects below are purely for illustrative purposes and are not indicative of the actual financial position and results of the Group after Completion.

6.2. Share Capital

	Number of Shares (excluding treasury shares)
Before the Proposed Subscription ⁽¹⁾	1,024,824,407
After Completion ⁽²⁾	1,101,400,984

Notes:

(1) Based on the existing issued share capital of 1,024,824,407 Shares. The Company has no treasury shares or subsidiary holdings.

(2) Up to 76,576,577 Ordinary Shares will be issued upon Completion.

6.3. NTA

Assuming that the Proposed Subscription had been effected on 31 December 2023 (being the end of the most recently completed financial year ended 31 December 2023), the effects on the NTA per share of the Group would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA (US\$ million)	69	72

Number of Shares ('million)	1,025	1,102
NTA per Share (cents)	6.73	6.53

6.4. EPS

Assuming that the Proposed Subscription had been effected on 1 January 2023 (being the beginning of the most recently completed financial year ended 31 December 2023), the effects of the Proposed Subscription on the EPS of the Group would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Loss attributable to shareholders (US\$ 000)	(33,995)	(30,570)
Weighted average no. of Shares – Basic ('thousands)	922,418	999,558
LPS (cents)	(3.7)	(3.06)

7. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that, as of the date of this announcement, after taking into consideration:

- (a) the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Subscription is being undertaken for purposes set out in paragraph 5 above; and
- (b) the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company or as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Subscription.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection during normal business hours at the registered office of the Company at The Trendlines Building, Misgav Industrial Park, 17 T'chelet Street, M.P. Misgav 2017400, Israel, for a period of three (3) months commencing from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER ANNOUNCEMENTS

The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares as there is no certainty or assurance that the Proposed Subscription will be completed. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

BY ORDER OF THE BOARD OF

The Trendlines Group Ltd.

Nehama Ronen
Interim Chair and Independent Director

4 July 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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