

THE TRENDLINES GROUP LTD.

(Company Number: 513970947)

(Incorporated In Israel)

**PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 73,641,050
NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**

1. INTRODUCTION

1.1. The board of directors (“**Board**” or “**Directors**”) of The Trendlines Group Ltd. (“**Company**” and together with its subsidiaries, the “**Group**”) wish to announce that the Company is proposing to undertake a non-renounceable non-underwritten rights issue of up to 73,641,050 new ordinary shares (“**Rights Shares**”) in the capital of the Company at an issue price of S\$0.06 for each Rights Share (“**Issue Price**”), on the basis of one (1) Rights Share for every fourteen (14) existing ordinary shares in the capital of the Company (“**Shares**”) held by the shareholders of the Company (“**Shareholders**”) as at the date and time to be determined by the Directors for the purposes of determining Shareholders’ entitlements under the Proposed Rights Issue (“**Record Date**”), fractional entitlements to be disregarded (“**Proposed Rights Issue**”).

1.2. The principal terms of the Proposed Rights Issue are summarised below:

Price	:	S\$0.06 per Rights Share
Discount	:	<p>The Issue Price represents a discount of approximately:</p> <p>(i) 28% to the closing price of S\$0.083 per Share for trades done on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 25 March 2024, being the last trading day of the Shares immediately preceding the date of this announcement; and</p> <p>(ii) 21% to the theoretical ex-rights price of S\$0.076 per Share.</p> <p>The Issue Price and discount have been determined after taking into account the size of the Proposed Rights Issue, precedent transactions, and the Company’s share price performance and volume in the past 12 months. The Directors have also considered that having previously completed a rights offering at a premium to the then market price of the Shares, this Proposed Rights Issue will be at a discount so that more Shareholders may subscribe to the Rights Shares.</p> <p>The theoretical ex-rights price is the theoretical market price of each Share assuming the Maximum Subscription Scenario (as defined below) and is computed based on the closing price of S\$0.083 per Share on the Catalist Board of the SGX-ST on 25 March</p>

		2024, being the last full trading day of the Shares immediately preceding the date of this announcement.
Allotment Ratio	:	One (1) Rights Share for every fourteen (14) Shares held by Entitled Shareholders (as defined below) as at the Record Date, fractional entitlements to be disregarded. The allotment ratio is computed based on up to approximately S\$4.4 million proceeds to be raised, divided by the Issue Price.
Use of Proceeds	:	Please refer to Paragraph 3.4 of this announcement for further details.
Purpose of Issue	:	Please refer to Paragraph 3.1 of this announcement for further details.

2. OTHER TERMS OF THE PROPOSED RIGHTS ISSUE

- 2.1. **Shareholders' approval:** The Company will be seeking specific approval from Shareholders at a special general meeting ("**SGM**") in relation to the Proposed Rights Issue. A circular to Shareholders containing further information on the Proposed Rights Issue, together with the notice of the SGM, will be despatched to Shareholders in due course.
- 2.2. **Non-underwritten.** The Proposed Rights Issue will not be underwritten. The Directors are of the opinion that there is no minimum amount that must be raised from the Proposed Rights Issue taking into consideration the intended use of the Net Proceeds (as defined below) and that the Company will look for alternative sources of funding such as equity funding through the placement of securities of the Company to investors or other fund raising opportunities to raise further funds, if required based on the Board's assessment, for the Group's direct and indirect investments into existing portfolio companies. Accordingly, the Company has decided to undertake the Proposed Rights Issue on a non-underwritten basis in view of the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission. The Proposed Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").
- 2.3. **Number of Rights Shares.** As at the date of this announcement, the Company has an existing issued and paid-up share capital comprising 960,110,294 Shares ("**Existing Share Capital**"), as well as 81,506,367 outstanding share options ("**Share Options**"), of which 70,864,412 Share Options are exercisable into 70,864,412 Shares prior to the Record Date. Save for the 81,506,367 outstanding Share Options, the Company does not have any outstanding warrants or convertible securities. As at the date of this announcement, the Company has no treasury shares or subsidiary holdings.

Based on the Existing Share Capital and assuming that 70,864,412 outstanding Share Options are exercised on or prior to the Record Date and all the Entitled Shareholders (as defined below) subscribe for their pro-rata entitlements of Rights Shares, the Company will issue up to 73,641,050 Rights Shares ("**Maximum Subscription Scenario**") and the resultant enlarged issued and paid-up share capital of the Company in the Maximum Subscription Scenario will be 1,104,615,756 Shares.

- 2.4. **Status of Rights Shares.** The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing

Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

- 2.5. **Option to scale down.** Depending on the level of subscription for the Rights Shares, the Company may, if necessary and upon the approval of the SGX-ST pursuant to Rule 820(2) of the Catalist Rules, scale down a Shareholder's application to subscribe for the Proposed Rights Issue to avoid placing the relevant Shareholder and parties acting in concert with it in the position of incurring a mandatory bid obligation under the Singapore Code On Take-Overs And Mergers as a result of other Shareholders not taking up their Rights Shares entitlements fully.
- 2.6. The terms and conditions of the Proposed Rights Issue may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue including procedures and acceptances for the Rights Shares will be contained in an offer information statement ("**Offer Information Statement**") and its accompanying documents to be lodged with the Monetary Authority of Singapore ("**Authority**"). The Offer Information Statement will be despatched by the Company to Entitled Shareholders (as defined below) in due course.
- 2.7. **The Company's controlling shareholder, Librae Holdings Limited ("LH") has informed the Company that it is considering subscribing for its pro-rata entitlement of the Rights Shares. However, as at the date of this announcement, LH has not provided to the Company a binding commitment letter in this respect.**

3. RATIONALE OF THE PROPOSED RIGHTS ISSUE AND USE OF PROCEEDS

- 3.1. The Company is of the view that the Proposed Rights Issue will provide Shareholders with the following benefits: (a) the Proposed Rights Issue will strengthen the financial position and capital base of the Group, which would enhance the Group's ability to finance its investments into existing portfolio companies; and (b) the Proposed Rights Issue will provide the Shareholders who are confident of the future prospects of the Company with the opportunity to further participate in the equity of the Company.
- 3.2. In the event that the Rights Shares are fully subscribed by the Entitled Shareholders (as defined below) and based on the Maximum Subscription Scenario, the proceeds from the Proposed Rights Issue are approximately S\$4,418,463 and are to be used in the following order of priority:
 - (a) to pay for the cost and expenses arising or in connection with the Proposed Rights Issue; and
 - (b) for the Group's direct and indirect investments into existing portfolio companies.
- 3.3. The estimated net proceeds ("**Net Proceeds**") arising from the Proposed Rights Issue, after deducting estimated expenses of approximately S\$150,000, are expected to be approximately S\$4.27 million, based on the Maximum Subscription Scenario.
- 3.4. For illustrative purposes only, the table below sets out the proposed use of Net Proceeds by the Company based on the Maximum Subscription Scenario:

Purpose	Amount	
	% of Net Proceeds	(S\$' million)
Direct and indirect investments into existing portfolio companies	100%	4.27
Total	100%	4.27

- 3.5. Pending deployment of the Net Proceeds, such Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Company.
- 3.6. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the interim and full-year financial statements announcements and in the annual report of the Company, until such time the proceeds have been fully utilised. Where there is a material deviation in the use of Net Proceeds, the Company will announce the reason(s) for such deviation.

4. DIRECTORS' STATEMENT AND OPINION

- 4.1. The Directors are of the opinion, after taking into consideration the rationale for the Proposed Rights Issue as set out in paragraph 3 above, that the Proposed Rights Issue is in the interest of the Group. The Issue Price and discount have been determined after taking into account various factors stated in paragraph 1.2 above.
- 4.2. As at the date of this announcement, the Directors are of the opinion that, after taking into account the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

5. PREVIOUS EQUITY FUND RAISING IN THE PAST 12 MONTHS

The Company had announced on 19 January 2022 that it entered into conditional subscription agreements with the following persons: Librae Holdings Limited, FEA Innovations LLC, Palm Tree IV, LLC and Avztim LLC (collectively, the "**Subscribers**") in relation to the proposed subscription of an aggregate of 168,918,912 new ordinary shares in the capital of the Company at the subscription price of S\$0.12 per share by the Subscribers in eight (8) equal tranches ("**Subscription**"). The total amount raised from the Subscription is S\$19,800,000¹ and the amount not utilised as at the date of this announcement is S\$7,728,000¹, of which S\$1,788,000¹ is intended to be used for direct and indirect investments into new, prospective and/or existing portfolio companies and S\$5,940,000¹ is intended to be used for general working capital, which is in line with the intended use of proceeds as previously announced by the Company.

The 1st, 2nd, 3rd, 4th and part of the 5th tranche of the Subscription completed on 21 March 2022, 4 April 2022, 12 July 2022, 20 October 2022, 10 January 2023 and 28 February 2023 respectively.

The remaining portion of the 5th tranche and the 6th to 8th tranche of the Subscription completed during the twelve (12) months period prior to the date of this announcement and the net proceeds thereof have not been utilised by the Company. The details of the remaining portion of the 5th tranche and the 6th to 8th tranche of the Subscription are as follows:

- (a) in respect of the remaining portion of the 5th tranche, the 6th and the 7th tranche of the Subscription, 43,849,891 new Shares were issued between 28 April 2023 and 22 August 2023 and the gross proceeds and net proceeds arising from such issuance were S\$5,191,833¹ and S\$5,181,833¹ respectively. S\$1,788,000¹ is intended to be used for direct and indirect investments into new, prospective and/or existing portfolio companies and S\$3,393,833¹ is intended to be used for general working capital; and
- (b) in respect of the 8th tranche of the Subscription, 21,255,681 new Shares were issued on 23 October 2023 and the gross proceeds and net proceeds arising from such issuance

¹ Based on the exchange rate of US\$0.75 = S\$1.00.

were S\$2,516,667¹ and S\$2,506,667¹ respectively. The net proceeds are intended to be used for general working capital.

6. CONDITIONS FOR THE PROPOSED RIGHTS ISSUE

- 6.1. Shareholders should note that the Proposed Rights Issue is subject to, *inter alia*, the following conditions:
- (a) the approval of Shareholders for the Proposed Rights Issue being obtained at the SGM to be convened;
 - (b) the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Catalist Board of the SGX-ST and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
 - (c) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Issue; and
 - (d) the lodgement of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act 2001 of Singapore with the SGX-ST acting as an agent of the Authority.
- 6.2. 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 Rights Shares on the Catalist Board 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 Rights Shares on Catalist Board of the SGX-ST.

7. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE

- 7.1. **Entitled Depositors.** Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts maintained with The Central Depository (Pte) Limited (“**CDP**”) (excluding securities sub-accounts maintained with a Depository Agent) (“**Securities Account**”) and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) market days prior to the Record Date, provided the CDP with addresses in Singapore for the service of notices and documents.
- 7.2. **Entitled Scripholders.** Entitled Scripholders are Shareholders whose (i) share certificates are not deposited with CDP; (ii) Shares are registered in their own names; and (iii) registered addresses are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided Boardroom Corporate & Advisory Services Pte. Ltd. (“**Share Registrar**”) with addresses in Singapore for the service of notices and documents.
- 7.3. **Entitled Shareholders.** Entitled shareholders (comprising Entitled Depositors and Entitled Scripholders) (“**Entitled Shareholders**”) will be eligible to participate in the Proposed Rights Issue and to receive the Offer Information Statement together with the application forms for Rights Shares and additional Rights Shares in excess of an Entitled Shareholder’s provisional allotment of Rights Shares under the Proposed Rights Issue (“**ARE**”) or the provisional allotment letters (“**PAL**”), as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement and the ARE may obtain

them from CDP during the period from the date the Proposed Rights Issue commences up to a date and time, to be determined by the Directors, being the last date and time for acceptance and/or excess application and payment of the Rights Shares under the Proposed Rights Issue (“**Closing Date**”). Entitled Scripholders who do not receive the Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Proposed Rights Issue commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Proposed Rights Issue on the basis of their shareholdings as at the Record Date. They are at liberty to accept (in full or in part) or decline and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

As the Proposed Rights Issue is non-renounceable, the Entitled Shareholders should take note that they will not be able to trade with their provisional allotments of Rights Shares and will not be able to renounce their provisional allotment of Rights Shares to any party.

All fractional entitlements to the Rights Shares will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for Excess Rights Shares, or dealt with in such manner as the Directors in their absolute discretion deem fit. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots and the Directors and the substantial shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and the allotment of Excess Rights Shares.

The procedures for, and the terms and conditions applicable to acceptances of the Rights Shares and applications for Excess Rights Shares, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement to be despatched by the Company to the Entitled Shareholders in due course.

Entitled Shareholders with registered addresses outside Singapore who wish to participate in the Proposed Rights Issue should provide CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents, at least three (3) Market Days prior to the Record Date.

- 7.4. **Foreign Shareholders.** The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and the accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore as at the Record Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

Foreign Shareholders will not be allowed to participate in the Proposed Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for Rights Shares by Foreign Shareholders will be valid.

- 7.5. The Rights Shares which are not otherwise taken up or allotted for any reason will be used to satisfy Excess Applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules, and no

Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

- 7.6. **ADR Holders.** The Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. As holders of the Company's Level 1 American Depositary Receipts, each of which represents 50 Shares ("**ADRs**") ("**ADR Holders**") hold ADRs through The Bank of New York Mellon ("**ADR Depository**") who, in turn, holds Shares represented by such ADRs through its Singapore custodian(s) ("**ADR Depository Singapore Custodian**"), the Offer Information Statement and the accompanying documents will be despatched to the ADR Depository Singapore Custodian but will not be despatched to ADR Holders or the ADR Depository for practical reasons and in order to avoid any violation of the securities legislation applicable in the United States.

Provisional allotments of Rights Shares will be made to the ADR Depository Singapore Custodian. Accordingly, ADR Holders who wish to participate in the Proposed Rights Issue must do so through the ADR Depository and, in turn, the ADR Depository Singapore Custodian. Such ADR Holders should provide the appropriate instructions early in order for the ADR Depository and the ADR Depository Singapore Custodian to make the relevant acceptance and (if applicable) application by the Closing Date.

For the avoidance of doubt, even if a Foreign Shareholder (including an ADR Holder) has provided a Singapore address as aforesaid, the offer of Rights Shares to him will be subject to compliance with applicable securities laws outside Singapore.

8. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for their interests arising by way of their respective shareholding interest in the Company, none of the Directors or substantial Shareholders of the Company has any direct or indirect interest in the Proposed Rights Issue.

9. **CIRCULAR TO SHAREHOLDERS**

Further details of the Proposed Rights Issue will be announced and/or included in the circular to be despatched to Shareholders via SGXNet. The circular will also enclose the notice of the SGM for, *inter alia*, the Proposed Rights Issue.

10. **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 Rights Issue, 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. **CAUTIONARY STATEMENT**

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 Rights Issue will be completed or that no changes will be made to the terms thereof. 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.

Haim Brosh

Chief Executive Officer and Interim Chief Financial Officer

26 March 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 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 Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.