

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)

(Company Registration No. 513970947)

The Trendlines Group Ltd. Announces Dividend Policy

The Board of Directors (the "Board") of The Trendlines Group Ltd. (the "Company", and together with its subsidiaries, the "Group") wishes to announce that, after reviewing the economic outlook and the Group's potential financial prospects, the Board has adopted a dividend policy (the "Dividend Policy") to take effect from 1 July 2021.

It is the intention of the Board that dividends will be paid from the Company's Net Exit Proceeds (as defined below) according to the following formula: Net Exit Proceeds received during any financial year will first be applied, if necessary, to bring the Company's year-end cash balance to US\$15 million. Once this cash goal is met, at least 20% of the remaining Net Exit Proceeds will be paid as dividend, provided that the calculated amount is at least US\$1 million. The dividend payment is subject to Board's approval and the fulfilment of the relevant conditions prescribed by the Israeli Companies Law for the declaration of dividends.

Exit proceeds means the cash actually received by Trendlines for the relevant financial year, including by way of royalties from the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events with respect to a portfolio company: (i) a sale or other conveyance of assets of a portfolio company (including the grant of an exclusive license of the intellectual property rights of the portfolio company not in the ordinary course of business); (ii) a sale or other disposition of the outstanding securities of the portfolio company; (iii) a merger, consolidation or similar transaction following which the portfolio company is not the surviving corporation ("Exit Proceeds"). Net exit proceeds means Exit Proceeds less any taxes or expenses that the Company is required to pay in connection with the exit ("Net Exit Proceeds").

By way of example, if, in a given financial year, the Company has Net Exit Proceeds of US\$20 million and a year-end cash balance of US\$25 million (inclusive of the Net Exit Proceeds), the dividend paid following the end of that financial year would be at least US\$2.0 million (approximately S\$2.66 million), being 20% of the Net Exit Proceeds in excess of the US\$15 million year-end cash balance. In the same example, if the year-end cash balance was US\$35 million (inclusive of the Net Exit Proceeds), then the minimum dividend would be US\$4.0 million (approximately S\$5.32 million).

Plausible scenarios in any given financial year

	Scenario 1	Scenario 2	Scenario 3
Example of Net Exit Proceeds	US\$20 million	US\$20 million	US\$20 million
Year-end cash balance, inclusive of the Net Exit Proceeds	US\$15 million	US\$25 million	US\$35 million
Cash balance in excess of cash goal of US\$15 million	US\$ 0 million	US\$10 million	US\$20 million
Minimum total dividend payable (20% of remaining Net Exit Proceeds)	N/A	US\$2.0 million (~S\$2.66 million)	US\$4.0 million (~ S\$5.32 million)

Under the Israeli Companies Law, a company may affect a distribution only under certain conditions and only out of its distributable profits, provided that the Board determines that there is no reasonable concern that such distribution will prevent the Company from satisfying its existing and foreseeable obligations.

This dividend policy was formulated to give clearer expectation to shareholders of potential dividend pay-outs which will be pegged to the cash position of the Group for the relevant financial year.

Investors should note that the foregoing statement of the Company's dividend policy is a statement of the Board's present intention and does not constitute a legal binding obligation of the Company in respect of dividends; such dividend policy is subject to cancellation or modification, including reduction or non-declaration of dividends. Investors should not infer the Company's dividend policy to represent any projection of future profitability or ability to pay dividends. The actual distribution of a dividend will be subject to a specific decision of the Board taking into account, inter-alia, the Group's earnings, financial position, cash flow, capital needs, the prevailing law and other factors which the Board may deem appropriate, at its discretion.

The Board believes that this policy is in line with good corporate governance practices and is in the best interests of our shareholders.

**BY ORDER OF THE BOARD
THE TRENDLINES GROUP LTD.**

Haim Brosh,
Joint Company Secretary

14 June 2021

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

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GENERAL ANNOUNCEMENT::THE TRENDLINES GROUP LTD. ANNOUNCES DIVIDEND POLICY

Issuer & Securities

Issuer/ Manager

THE TRENDLINES GROUP LTD.

Securities

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