

THE PROPOSED SUBSCRIPTION OF AN AGGREGATE OF 168,918,912 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT A SUBSCRIPTION PRICE OF S\$0.12 FOR EACH ORDINARY SHARE

1. INTRODUCTION

- 1.1. The board of directors ("**Board**" or "**Directors**") of The Trendlines Group Ltd. ("**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 19 January 2022 entered into a conditional subscription agreement (each a "**Subscription Agreement**" and collectively, the "**Subscription Agreements**") with each of (a) FEA Innovations LLC ("**FEA Innovations**"); (b) Palm Tree IV, LLC ("**Palm Tree**"); (c) Avztim LLC ("**Avztim**") (collectively, the "**US Subscribers**") and (d) the Company's controlling shareholder, Librae Holdings Limited ("**LH**"); (the US Subscribers collectively with LH, the "**Subscribers**" and each a "**Subscriber**").
- 1.2. Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for an aggregate of 168,918,912 new ordinary shares in the capital of the Company (the "**Ordinary Shares**"), in eight (8) equal tranches 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\$0.12 for each Ordinary Share (the "**Subscription Price**") for an aggregate consideration of S\$20,270,269¹ (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 to be subscribed for by each Subscriber with the respective consideration to be paid by each Subscriber are set out below:

Name of Subscriber	Aggregate number of Ordinary Shares subscribed over eight (8) equal tranches	Aggregate consideration (S\$)	As a percentage of the existing share capital⁽¹⁾	As a percentage of the enlarged share capital following Completion⁽²⁾
LH	99,099,096	11,891,892	12.53%	10.32%
FEA Innovations	28,153,152	3,378,378	3.56%	2.93%
Palm Tree	28,153,152	3,378,378	3.56%	2.93%
Avztim	13,513,512	1,621,621	1.71%	1.41%
Total:	168,918,912	20,270,269	21.35%	17.59%

¹ Approximately US\$15,000,000 based on the exchange rate as of 19 January 2022 of 0.74 US\$/S\$.

Notes:

- (1) Based on the total issued share capital of the Company comprising 791,191,382 shares ("**Shares**") as at the date of this announcement.
- (2) Based on the enlarged issued share capital of the Company comprising 960,110,294 Shares immediately after completion of the Proposed Subscription ("**Completion**") and assuming all eight (8) equal tranches of the Ordinary Shares have been fully subscribed.

2.2. Details of the Subscribers

(a) **LH**

As at the date of this announcement, LH holds 23.03% 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) **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.

(c) **Palm Tree**

Palm Tree is a limited liability company incorporated under the law of the Commonwealth of Virginia on 1 April 2019, with its registered office at 3901 Centerview Drive, Ste L, Chantilly, 20151-0000, Virginia, United States. Palm Tree is in the principal business of investment holdings. The sole member of Palm Tree is Tracy Augustine, a private investor.

(d) **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.

The US Subscribers 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's portfolio companies, as the sole member of each of the US Subscribers had co-invested in some of the Company's portfolio companies as minority investors. 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.

- 2.3. The table below sets out the shareholdings of the Subscribers as at the date of this announcement and assuming all eight (8) equal tranches have been fully subscribed by all the Subscribers:

	As at the date of this announcement				Assuming all eight (8) equal tranches have been fully subscribed by all the Subscribers			
Name of Subscriber	Direct Interest	%	Deemed Interest	%	Direct Interest	%	Deemed Interest	%

LH	182,236,191	23.03	-	-	281,335,287	29.30	-	-
FEA Innovations*	-	-	-	-	-	-	28,153,152	2.93
Palm Tree IV*	-	-	-	-	-	-	28,153,152	2.93
Avztim*			18,000,000	2.28	-	-	31,513,512	3.28
The Bank of New York Mellon as the ADSs Depository Bank*	59,571,121	7.53	-	-	129,390,937	13.48	-	-

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

- 2.4. 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.
- 2.5. As at the date of this announcement and save as disclosed, and save for LH, which is the controlling shareholder 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. The Subscribers (other than LH, whose current shareholding as at the date of this announcement is 23.03%) do not currently intend to acquire any additional Shares (other than pursuant to the Proposed Subscription) such that their respective shareholdings in the Company will reach 15% or more of the enlarged issued share capital of the Company. The Subscribers are also not related to one another.

3. PRINCIPAL TERMS OF THE PROPOSED SUBSCRIPTION

3.1. The Ordinary Shares

The Proposed Subscription will be completed in eight (8) equal tranches based on the aggregate number of Ordinary Shares allocated to the Subscribers (as set out in paragraph 2.1) (each an “**Installment**” and collectively the “**Installments**”). Assuming all the Ordinary Shares are issued, the total issued share capital of the Company as at the date of this announcement will increase from 791,191,382 Shares to 960,110,294 Shares. The Ordinary Shares represent approximately 21.35% of the existing issued share capital of the Company, and approximately 17.59% 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 Subscribers are to be issued to The Bank of New York Mellon (the “**Depository**”) for the purposes of issuing to the US Subscribers the sponsored Level 1 American Depository 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 Subscribers 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 22 April 2021, as the Company is required to seek shareholder's approval for the issuance of Ordinary Shares to LH. 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 electronic means. Please refer to paragraph 3.8 of this announcement for more information.

3.2. **Subscription Price**

The Subscription Price of S\$0.12 represents:

- (a) a premium of approximately 15% to the weighted average price of S\$0.1040 per share in the capital of the Company based on the trades done on the SGX-ST on 19 January 2022, being the full market day on which the Subscription Agreements were signed; and
- (b) a premium of approximately 12% to the prevailing market price of S\$0.107 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 terms of the Proposed Subscription, such as the Subscribers (i) being allowed to participate in the Proposed Subscription in eight (8) equal installments; and (ii) having the option to make an Early Payment (as defined below) by the Subscribers. For more details, please see paragraph 3.4 below.

3.3. **Conditions**

The obligations of the Company and the Subscribers under the respective Subscription Agreements are conditional upon the performance by such parties of their obligations under the respective Subscription Agreements and also upon the following:

- (a) Shareholders' Approval 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 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 Completion Date (as defined below), they are so fulfilled;
- (c) the exemption under Section 272B of the Securities and Futures Act (Chapter 289 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 of certified true copies of such resolutions and/or documents on the first Installment 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 that allotment and issuance of the Ordinary Shares to the Subscribers or their nominees (and in the case of the US Subscribers, the Depositary's custodian), and the issue of any share certificate in respect of the Ordinary Shares having been duly approved by the Company's board of directors;
- (f) there having been, as at the first Installment 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 if they were repeated on and as at the first Installment Completion Date; and
- (g) with respect to LH, there being no circumstances which 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.

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 3.4(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.

With respect to LH, notwithstanding any other provision of the Subscription Agreement with LH, if LH notifies the Company in writing at least three (3) business days prior to the completion of any Installment, that any issue of Ordinary Shares in relation to such Installment will result in LH being required to make a general offer for all the Shares under the Singapore Code on Take-overs and Mergers, then (i) (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 for such Installment; and (ii) the Completion Date in relation to such Installment shall be deferred to such later date as the Company and LH may agree (such agreement not to be unreasonably withheld or delayed if Completion of the relevant Installment on the new proposed Completion Date will not result in LH holding 30% or more of the Company's total enlarged issued and paid up share capital) (the "**Exception**").

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), in relation to each Installment (as defined below), the expected date of issuance, and completion of the subscription, of the Ordinary Shares for that Installment (each of such date, the "**Completion Date**") is set out in the table below:

First Installment	The date falling five (5) business days after the date of Listing Approval or the date of the approval by the shareholders of the Company of the Proposed Subscription at the SGM, whichever is later
Second Installment	1 April 2022
Third Installment	1 July 2022
Fourth Installment	1 October 2022

Fifth Installment	1 January 2023
Sixth Installment	1 April 2023
Seventh Installment	1 July 2023
Eighth Installment	1 October 2023

The Subscribers shall make payment of the Consideration in US\$ for the Ordinary Shares in eight (8) equal installments. 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 for a particular Installment 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 Subscribers, the Depository's custodian).

In relation to any Installment, the Subscribers shall have the option, but not the obligation, to accelerate and make an early payment of any amount not yet due (the "**Early Payment**"). The Subscribers shall notify the Company at least five (5) business days prior to the date of such Early Payment set forth in such notice, and the Company shall issue and allot to the Subscribers such relevant number of Ordinary Shares against such Early Payment. The price per Ordinary Share of each Early Payment shall be the Subscription Price.

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 ("**Sponsor**") (the "**Additional Listing Request**") 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 first Installment 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 (the "**Survival Period**"), 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.

3.8. **Additional Terms**

(a) No Adjustment

The Subscription Agreements do not provide for any adjustment to the Subscription Price or the aggregate number of Ordinary Shares allocated to each of the Subscribers under any circumstances, including but not limited to a rights issue, bonus issue or subdivision or consolidation of Shares by the Company as there is no conversion right granted to the Subscribers.

(b) Expiry of Installment

An announcement on the expiry of the Completion Date of each Installment will be made and a notice will be sent to each of the Subscribers at least one month before the expiry of such Completion Date.

(c) No Material Alteration

Without prejudice to any provision of the Subscription Agreements, any material alteration to the terms and conditions of the Subscription Agreement to the advantage of the Subscribers and prejudicial to Shareholders shall be approved by Shareholders in general meeting, and if necessary, the SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Subscription Agreements.

4. **SHAREHOLDERS' APPROVAL UNDER CHAPTER 8 AND CHAPTER 9 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 Catalist Rules.

As at the date of this announcement, LH is a substantial shareholder of the Company and holds approximately 23.03% 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. Additionally, based on the Group's latest audited net tangible assets of US\$96.3 million as at the date of this announcement ("**Latest Audited NTA**") as at 31 December 2020, the value of the Proposed Subscription by LH amounts to US\$8.8 million, representing approximately 9.14% of the Group's Latest Audited NTA. Accordingly, the value of the Proposed Subscription by LH is more than 5% of the Group's Latest Audited NTA.

As LH is (a) a person falling within the restrictions of Rule 812(1) of the Catalist Rules; and (b) an interested person as defined under Chapter 9 of the Catalist Rules, 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 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. In addition, 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.

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

4.2. **Interested Person Transactions**

The Company has not entered into any interested person transaction with LH and/or its associates (excluding transactions which are not subject to announcement) for the period from 1 January 2022 up to the date of this announcement. The total aggregate value of all interested person transactions entered into between the Company and all interested persons for the period from 1 January 2022 up to the date of this announcement amounted to US\$0.

The audit committee of the Company (the "**Audit Committee**") is obtaining an opinion from an independent financial adviser (the "**IFA**") before forming its view as to whether the Proposed Subscription by LH is on normal commercial terms and is not prejudicial to the interests of the Company and its shareholders. The opinion from the IFA and the view of the Audit Committee will be included in the circular to be circulated to shareholders of the Company for the purposes of the SGM to be held in due course.

4.3. **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 Catalist of the SGX-ST.

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

4.4. **Circular and SGM**

The Company will be seeking shareholders' approval at the SGM to be held by electronic 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 purpose of the Proposed Subscription 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 have more cash for operations and investment.

Notwithstanding that the Proposed Subscription shall be carried out in eight (8) equal Installments (as opposed to one lumpsum payment), the Board is of the view that the Proposed Subscription is a good fund-raising option and is in the best interests of the Company, given that:

- (a) the Ordinary Shares will be issued to the Subscribers at the Subscription Price, which is at a premium to the prevailing market price of the Company's shares prior to the signing of the Subscription Agreements;
- (b) the Company is regularly exploring new investment opportunities, some of which may not be available immediately, but which may present themselves at periodic times in the future. Hence the regular and the certainty of the fixed proceeds from each Installment will allow the Company to explore such opportunities if and when they arise; and
- (c) the Company may still receive the full amount of the Consideration at any time prior to the eight (8) Installments, given that the Subscribers have an option to make Early Payment to the Company prior to the respective Completion Dates.

5.2. Use of Proceeds

Assuming all eight (8) equal tranches of the Ordinary Shares are issued, 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\$170,000), is approximately S\$20.1 million (the "**Net Proceeds**").

The Company intends to apply the Net Proceeds in the following estimated proportions:

Use of Proceeds	Amount (S\$'000)	Percentage Allocation
Direct and indirect investments into new, prospective or existing portfolio companies of the Group	14,070	70%
General working capital	6,030	30%
Total	20,100	100%

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.

As at the date of this announcement, the Net Proceeds for general working capital have not been specifically allocated, however the Group's intention is to utilise such Net Proceeds allocated for general working capital towards its corporate expenses, professional fees, administrative and employee related expenses. 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 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 the financial year ended 31 December 2020 ("**FY2020**"). The financial effects below have assumed that all eight (8) equal tranches of the Ordinary Shares have been fully subscribed for, 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⁾	791,191,382
After Completion ⁽²⁾	960,110,294

Notes:

- (1) Based on the existing issued share capital of 791,191,382 Shares. The Company has no treasury shares or subsidiary holdings.
- (2) 168,918,912 Ordinary Shares will be issued upon Completion and assuming all eight (8) equal tranches of the Ordinary Shares have been fully subscribed for.

6.3. NTA

Assuming that the Proposed Subscription had been effected on 31 December 2020 (being the end of the most recently completed financial year ended 31 December 2020), 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)	96,316,061	111,316,061

Number of Shares ('million)	791,191,382	960,110,294
NTA per Share (cents)	0.12	0.12

6.4. EPS

Assuming that the Proposed Subscription had been effected on 1 January 2020 (being the beginning of the most recently completed financial year ended 31 December 2020), the effects of the Proposed Subscription on the EPS of the Group would be as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Earnings attributable to shareholders (US\$ 000)	(3,734)	(3,734)
Weighted average no. of Shares – Basic ('thousands)	791,191	960,110
EPS (cents)	(0.47)	(0.39)

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.

David Todd Dollinger and Stephen Louis Rhodes
Chairs and Chief Executive Officers

19 January 2022

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.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg

GENERAL ANNOUNCEMENT::PROPOSED SUBSCRIPTION AGREEMENT

Issuer & Securities

Issuer/ Manager

THE TRENDLINES GROUP LTD.

Securities

THE TRENDLINES GROUP LTD. - IL0011328858 - 42T

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

19-Jan-2022 21:08:24

Status

New

Announcement Sub Title

Proposed Subscription Agreement

Announcement Reference

SG220119OTHRWRVL

Submitted By (Co./ Ind. Name)

Haim Brosh

Designation

Joint Company Secretary