THE TRENDLINES GROUP LTD.

(Incorporated in Israel)
(Company Registration No. 513970947)

Condensed Interim Financial Statements
For the Six Months Financial Period Ended 30 June 2022

Background

The Trendlines Group Ltd. (the "**Company**" or "**Trendlines**" and, together with its subsidiaries and associated companies, the "**Group**") was incorporated on 1 May 2007 as a private company limited by shares under the Israeli Companies Law.

The Group is focused on developing technology-based companies in the medical and agrifood fields. The Group creates and develops companies in accordance with the mission to improve the human condition. To this end, the Group discovers, invests in, incubates and provides services to companies in the fields of medical and agricultural technologies with a view toward a successful exit in the marketplace. Exits may include sales such as merger and acquisition transactions, listing on public stock exchanges and other dispositions of the Company's holdings.

The Group also has its own internal innovation centre, Trendlines Innovation Labs (established as a business unit of the Company in 2011), where it engages in research and development activities to create new technologies, either as principal or in collaboration with global and local companies and partners, to address unmet market needs.

Furthermore, Trendlines Innovation Labs' technologies can be sold or licensed to others or transfered to Trendlines' incubators for further development and commercialization.

Part 1 - Condensed Interim Financial Statements and Selected Notes to the Condensed Interim Financial Statements

1(a)(i) A condensed interim income statement and statement of comprehensive income/loss, or a statement of comprehensive income/loss (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Six Months Ended		
	30 June 2022 (Unaudited) US$'000	30 June 2021 (Unaudited) US$'000	Change %
Income:			
(Loss) / Gain from change in fair value of investments in Portfolio Companies, net	(7,442)	6,190	N.M.
Income from services to Portfolio Companies	1,257	765	64.31
Income from contracted R&D services	390	368	5.98
Financial income	818	3,600	(77.28)
Other income	118	171	(30.99)
Total income	(4,859)	11,094	N.M.
Expenses			
Operating, general and administrative expenses	5,020	4,858	3.33
Marketing expenses	167	176	(5.11)
R&D expenses, net	1,164	704	65.34
Financial expenses	2,287	978	133.84
Total expenses	8,638	6,716	28.63
(Loss) / Income before income taxes	(13,497)	4,378	N.M.
Tax benefit	1,571	324	384.88
Net (loss) / profit	(11,926)	4,054	N.M.
Other comprehensive loss:			
Amounts that will be or that have been reclassified to loss when specific conditions are met:			
(Loss) from cash flow hedges	(458)	(45)	(917.78)
Total comprehensive (loss) / profit	(12,384)	4,009	N.M.
Net (loss) / profit attributable to:			
Equity holders of the Company	(11,824)	4,371	N.M.
Non-Controlling Interests	(102)	(317)	67.82
	(11,926)	4,054	N.M.
Total comprehensive (loss) / profit attributable to:			
Equity holders of the Company	(12,282)	4,326	N.M.

Non-Controlling Interests	(102)	(317)	67.82
	(12,384)	4,009	N.M.
Net (loss) / profit per share attributable to equity holders of the Company (U.S. cents):			
Basic net (loss) / profit	(1.45)	0.55	N.M.
Diluted net (loss) / profit	(1.45)	0.55	N.M.

*N.M. – not meaningful

1(a)(ii) Notes to the condensed interim consolidated statement of comprehensive profit/loss

	30 June 2022 (Unaudited) US$'000	**30 June 2021 (Unaudited) US$'000**
Depreciation, amortization and impairment loss	513	374
Foreign currency exchange gain / (loss)	703	(675)

1(b)(i) A condensed interim statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 June 2022 (Unaudited) US$'000	31 December 2021 (Audited) US$'000	30 June 2022 (Unaudited) US$'000	31 December 2021 (Audited) US$'000
Assets				
Current assets				
Cash and cash equivalents	9,715	14,309	8,110	10,894
Short-term bank deposits	92	4,252	-	4,149
Accounts and other receivables	2,792	3,361	6,915	8,301
Short-term loans to Portfolio Companies	156	287	107	225
	12,755	22,209	15,132	23,569
Non-current assets				
Investment in Subsidiaries	-	-	75,022	78,352
Accounts and other receivables	4,880	5,276	4,400	4,721
Contingent consideration receivable	4,928	6,599	4,928	6,599
Investments in Portfolio Companies	81,058	83,046	-	-
Right of use asset	2,374	2,752	-	-
Property, plant and equipment, net	969	1,201	513	523
	94,209	98,874	84,863	90,195
Total assets	106,964	121,083	99,995	113,764
EQUITY AND LIABILITIES				
Current liabilities				
Lease liability	572	776	-	-
Short- term loan	-	4,241	-	4,241
Trade and other payables	3,535	4,246	2,532	2,204
Deferred revenues	2,250	1,184	200	337
	6,357	10,447	2,732	6,782
Non-current liabilities				
Loans from the Israel Innovation Authority	2,552	2,718	1,349	1,434
Deferred revenues	969	679	-	-
Lease liability	1,795	2,274	-	-
Deferred taxes	585	2,156	586	2,230
Loan	244	-	244	-
Other long-term liabilities	237	267	213	232
	6,382	8,094	2,392	3,896

Total liabilities	12,739	18,541	5,124	10,678
Equity				
Equity Attributable to Equity Holders of the Company:				
Share capital	2,254	2,123	2,254	2,123
Share premium	82,900	79,312	82,900	79,312
Reserve from hedge	(458)	-	(458)	-
Reserve from share-based payment transactions	4,726	4,378	4,726	4,378
Retained earnings	5,449	17,273	5,449	17,273
Equity attributable to owners of the parent	94,871	103,086	94,871	103,086
Non-controlling interests	(646)	(544)	-	-
Total equity	94,225	102,542	94,871	103,086
Total equity and liabilities	106,964	121,083	99,995	113,764

1(b)(ii) Aggregate amount of Group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

As at 30 June 2022 (Unaudited)		**As at 31 December 2021 (Audited)**	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
-	572	4,241	776

Amount repayable after one year

As at 30 June 2022 (Unaudited)		**As at 31 December 2021 (Audited)**	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
2,792	1,795	2,718	2,274

Details of any collateral

1. The Group has non-recourse debt to the Israeli Innovation Authority ("IIA") (formerly known as the Office of the Chief Scientist) of the Israeli Ministry of Economy and Industry. These loans were extended from the IIA for the purpose of funding Portfolio Companies, and these loans were secured by liens on shares of the following Portfolio Companies for which the loans were granted:

	Number of shares in each Portfolio Company pledged in favor of the IIA	
Name of Portfolio Company	As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Unaudited)
Leviticus Cardio Ltd.	49,250	49,250
ProArc Medical Ltd.	34,860	34,860
Sol Chip Ltd.	66,310	66,310

For more information, please refer to the Company's offer document dated 16 November 2015.

2. The company has 30,877 pledged shares in favour of Agriline Limited [1](“Agriline”) regarding to the long-term loan. The Company signed a loan agreement with Agriline Limited (“Agriline”), pursuant to which Agriline has granted a loan facility in the principal amount of US$0.7 million (the “Loan”) to the Company, for the purpose of financing a part of the Company’s participation in the Series C fundraising round of Vensica Medical Ltd. (“Vensica”), a portfolio company of the Group. The Loan bears a variable interest rate based on the changes in the valauation of Vensica, up to an annual rate of 7%.

[1] Agriline Limited is ultimately held by Geneva Trust Company (GTC) SA as Trustees of The VT Two Trust. Librae Holdings Limited, ultimately held by Geneva Trust Company (GTC) SA as Trustees of The Tchenguiz Three Trust, currently holds 23% of the issued share capital of the Company and is thereby considered a controlling shareholder of the Company under the Catalist Rules. As Mr. Vincent Tchenguiz is the discretionary beneficiary of both trusts, Agriline Limited is an“interested person” as defined under Chapter 9 of the Catalist Rules.

1(c) A condensed interim statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Consolidated Statement of Cash Flows

	Six Months Ended	
	30 June 2022 (Unaudited) US$´000	**30 June 2021 (Unaudited) US$´000**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) / profit	(11,926)	4,054
Adjustments to reconcile net loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	513	374
Income taxes / (tax benefit)	(1,571)	324
Loss / (gain) from changes in fair value of investments in Portfolio Companies	7,442	(6,190)
Financial income, net	(2,432)	(3,289)
Financial expenses related to contingent consideration	1,671	-
Income from services to Portfolio Companies	(837)	(392)
Share-based payments	348	165
Changes in asset and liability items:		
Decrease / (increase) in short-term loans to portfolio companies	131	(43)
Decrease / (increase) in accounts and other receivables	968	(39)
Increase in deferred revenues	2,274	-
Increase (decrease) in trade and other payables	(1,630)	442
Increase in other long-term liabilities	(30)	(2)
	6,847	(8,650)
Investments in Portfolio Companies	(3,176)	(2,095)
	(3,176)	(2,095)
Cash (paid) received during the year for:		
Interest paid	(31)	(40)
Interest received	2	-
	(29)	(40)
Net cash used in operating activities	(8,284)	(6,731)

	Six Months Ended	
	30 June 2022 (Unaudited) US$´000	**30 June 2021 (Unaudited) US$´000**
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Sale)/purchase of property, plant and equipment	(72)	12
Redemption of bank deposits	4,160	2
Net cash used in investing activities	4,088	14
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares, net	3,719	-
Grants from the Israel Innovation Authority	135	-
Repayment of loan	(3,997)	(43)
Loans received	-	3,000
Payment of lease liability	(350)	(325)
Loans received from the Israel Innovation Authority	95	93
Net cash (used in)/provided by financing activities	(398)	2,725
Decrease in cash and cash equivalents	(4,594)	(3,992)
Cash and cash equivalents at the beginning of the period	14,309	10,656
Cash and cash equivalents at the end of the period	9,715	6,664
Non-cash transactions		
Receivables from realization of a portfolio company	419	-

1(d)(i) A condensed interim statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Interim Statement of Changes in Equity
Group

(Unaudited)	**Share capital**	**Share premium**	**Reserve from hedge**	**Reserve from share-based payment transactions**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance as at 1 January 2022	**2,123**	**79,312**	**-**	**4,378**	**17,273**	**103,086**	**(544)**	**102,542**
Net loss and total comprehensive loss	-	-	(458)	-	(11,824)	(12,282)	(102)	(12,384)
Issuance of shares, net	131	3,588	-	-	-	3,719	-	3,719
Cost of share-based payments	-	-	-	348	-	348	-	348
Balance as at 30 June 2022	**2,254**	**82,900**	**(458)**	**4,726**	**5,449**	**94,871**	**(646)**	**94,225**
(Unaudited)								
Balance as at 1 January 2021	**2,123**	**79,307**	**45**	**4,131**	**10,710**	**96,316**	**19**	**96,335**
Net profit and total comprehensive profit	-	-	(45)	-	4,371	4,326	(317)	4,009
Cost of share-based payments	-	-	-	165	-	165	-	165
Balance as at 30 June 2021	**2,123**	**79,307**	**-**	**4,296**	**15,081**	**100,807**	**(298)**	**100,509**

Condensed Interim Statement of Changes in Equity
Company

(Unaudited)	Share capital US$'000	Share premium US$'000	Reserve from hedge US$'000	Reserve from share-based payment transactions US$'000	Retained earnings US$'000	Total equity US$'000
Balance as at 1 January 2022	**2,123**	**79,312**	**-**	**4,378**	**17,273**	**103,086**
Net loss and total comprehensive loss	-	-	(458)	-	(11,824)	(12,282)
Issuance of shares	131	3,588	-	-	-	3,719
Cost of share-based payments	-	-	-	348	-	348
Balance as at 30 June 2022	**2,254**	**82,900**	**(458)**	**4,726**	**5,449**	**94,871**
(Unaudited)						
Balance as at 1 January 2021	**2,123**	**79,307**	**45**	**4,131**	**10,710**	**96,316**
Net profit and total comprehensive profit	-	-	(45)	-	4,371	4,326
Cost of share-based payments	-	-	-	165	-	165
Balance as at 30 June 2021	**2,123**	**79,307**	**-**	**4,296**	**15,081**	**100,807**

Notes to the condensed interim consolidated financial statements

1. Corporate information

The Trendlines Group Ltd. (the "Company" or the "Group") was incorporated in Israel in 2007. Since its incorporation, the Company has been engaged in investing in and establishing innovative agrifood tech and medical device companies primarily through its subsidiaries: Trendlines Investments Israel Ltd. (formerly Trendlines Agtech-Mofet Ltd.), Trendlines Agrifood Innovation Centre Ltd. ("AFIC"), and Trendlines Medical Singapore Pte Ltd. ("TMS") The Company's subsidiaries represent one business segment for management reporting purposes. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group).

Additionally, the Group manages investment funds: The Trendlines Agrifood Fund Pte Ltd. with Trendlines Venture Holdings as General Partner ("GP"), The Bayer Trendlines Ag Innovation Fund with AgFund GP as the GP, The Maryland Israel Trendlines Fund with Maryland GP as the GP.

In November 2015, the Company completed an initial public offering ("IPO") on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is trading on ticker SGX: 42T.

On 30 December 2020, the Company announced absorption-type merger (the "Merger") of the Company's wholly owned subsidiary, Trendlines Incubators Israel Ltd (the "Absorbed Company"). The purpose of the Merger is to enhance the organizational structure of the Group, reduce management costs, improve management efficiency, optimize utilization of assets, organizational and managerial resources, and the tax structure of the Group, the effective date of the merger was 31 December, 2020. In February 2021, the Company received formal written approvals from the IIA (approval to transfer the license from the Absorbed Company to Trendlines Investments Israel Ltd.) and the Israel Tax Authority in relation to the Merger.

Trendlines Investments Israel Ltd. operated under franchise agreements with the State of Israel, through the Israel Innovation Authority ("IIA") of the Ministry of Economy and Industry which ends by 31 December 2023.

In addition, the Company internally develops new technologies, mainly in the area of medical devices, through its "Trendlines Innovation Labs" operations.

The Company's headquarters is located at 17 T'chelet Street, Misgav Business Park, M.P. Misgav 2017400, Israel.

2. Basis of Preparation

The condensed interim financial statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), except for the adoption of new and amended standards as set out in Paragraph 5 of Other Information required by Catalist Rule Appendix 7C below.

The condensed interim financial statements are presented in US dollars which is the functional currency of the Company and its material subsidiaries.

2.1. New and amended standards adopted by the Group

A number of amendments to IFRSs have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgments and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected by seasonal or cyclical factors during the financial period.

4. Fair value measurement

a. The following table presents the fair value measurement hierarchy for the Group's investments and loans (in US$'000).

	The Group							
	June 30, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Portfolio Companies	-	-	81,058	81,058	-	-	83,046	83,046
Long-term bank deposits	-	-	-	-	-	-	4,149	4,149
Contingent consideration receivable	-	-	4,928	4,928	-	-	6,599	6,599
	-	-	85,986	85,986	-	-	93,794	93,794
Financial liabilities								
Loan	-	-	244	244	-	-	4,241	4,241
Loans from IIA	-	-	2,552	2,552	-	-	2,718	2,718
	-	-	2,796	2,796	-	-	6,959	6,959

b. Valuation process and techniques

Valuations are the responsibility of the Group's management and the board of directors of the Company.

Investment in privately held Portfolio Companies - level 3

The valuation of significant Portfolio Companies is performed by external independent valuators.

The valuations are also subject to quality assurance procedures performed by Group's management. The Group's management verifies the major inputs applied in the latest valuation by comparing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations of the two preceding annual periods. If fair value changes (positive or negative) are more than certain thresholds set, the changes are further considered by the Group's management.

The Group's management considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods be applied to support the valuation arising from the method chosen.

c. General overview of valuation approaches used in the valuation

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are four valuation methodologies available which were used in the valuation of the Portfolio Companies: income approach, market approach, cost approach and option pricing model. A brief discussion of each methodology follows.

1. Income Approach

The income approach utilizes a procedure generally known as the discounted cash flow ("DCF") method of valuation. The DCF method measures value by reference to an enterprise's expected future debt-free cash flows from business operations. This typically involves a projection of income and expense and other sources and uses of cash, the assignment of a terminal (or residual) value at the end of the projection period that is reasonably consistent with the key assumptions and long-term growth potential of the business, and a determination of an appropriate discount rate that reflects the risk of achieving the projections. Factors that form the basis for expected future financial performance include:

- Historical and projected growth rates;
- Business plans or operating budgets for the enterprise in question;
- Prevailing relevant business conditions and industry trends, including growth expectations in light of general market growth, competitive environment and market position;
- Anticipated needs for working and fixed capital;
- Historical and expected levels and trends of operating profitability.

A projection period of annual free cash flows plus an estimated terminal value, which represents the value of the business enterprise beyond the projection period, are discounted to present value through the application of a discount rate that reflects the weighted average cost of capital for the enterprise.

The present value of aggregate annual free cash flows plus the terminal value represents the total capital or the net asset value of the operating entity, which equals the combined debt and equity capital or enterprise value of the company.

2. Market Comparable Approach

The market comparable approach examines either publicly traded companies or acquisitions of privately held companies within the same industry as the subject business entity. Market-derived multiples based on such measures as earnings, book value, cash flow and revenues are typically applied to the appropriate financial indicators of the subject entity to determine a range of total capital values for the business.

Companies might typically be considered comparable even though their product mixes or corporate sizes differ, so long as valuation ranges are rationalized in terms of relative financial performance and capital structure considerations such as:

- Historical and prospective growth;
- Absolute and relative profit margins and cost determinants;
- Capital structure (leverage);
- Liquidity

3. Cost Approach

The underlying premise when using the cost approach is that the book value or cost of an asset is equal to its fair value. Certain adjustments are made to assets on a case-by-case basis if this premise does not hold true. This approach is an important tool for determining the fair value of companies in a very preliminary development stage, particularly when reliable data relating to revenue forecasts are not available.

4. Option Pricing Model ("OPM")

The OPM is a generally accepted valuation model used in evaluating companies with different classes of shares. The OPM considers the various terms of the stockholder agreements that would affect the distributions to each class of equity upon a liquidity event, including the level of seniority among the securities, dividend policy, conversion ratios, and cash allocations. In addition, the method implicitly considers the effect of the liquidation preference as of the future liquidation date, not as of the valuation date. The OPM (or a related hybrid method) is the most appropriate method to use when specific future liquidity events are difficult to forecast.

5. Related party transactions

A. Balances and transactions:

1. The following table summarizes balances with related parties in the statements of financial position (in US$'000):

Assets:	The Group Portfolio Companies June 30, 2022	 December 31, 2021
Accounts and other receivables	421	348
Short-term loans to Portfolio Companies	156	287

Liabilities:	The Group Related party June 30, 2022	 December 31, 2021
Loan	(244)	(233)

2. The following table summarizes the transactions with related parties in the consolidated statements of profit or loss and other comprehensive income (in US$'000):

	Six months ended June 30, 2022		Year ended December 31, 2021	
	Portfolio Companies	Associates and other related parties	Portfolio Companies	Associates and other related parties
Income from services to Portfolio Companies	1,257	-	1,542	-
Operating, general and administrative expenses	-	(2)	-	(1)

3. The Group rendered services to Portfolio Companies, which include rent, local taxes, receptionist services, communications services, utilities, computer system, office insurance and chairmanship.

B. Compensation of key management personnel of the Group (in US$'000)**:**

	Six months ended June 30, 2022	Year ended December 31, 2021
Salaries and related expenses	1,668	3,124
Share-based payment	244	232
	1,912	3,356

6. Taxes on income

Deferred taxes (in US$'000)

	Statements of financial position				Statements of profit or loss	
	The Group		The Company			
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	Six months ended June 30, 2022	Year ended December 31, 2021
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	10,208	10,256	8,721	10,427	(48)	1,126
Loans from IIA	2,762	3,406	376	415	(644)	103
	12,970	13,662	9,097	10,842	(692)	1,023
Deferred tax assets:						
Carry-forward tax losses	11,428	10,817	8,510	8,613	(611)	2,191
Deferred revenues	684	322	-	-	(362)	191
Other	273	367	-	-	94	(50)
	12,385	11,506	8,510	8,613	(879)	2,332
Deferred tax (benefit)					(1,571)	(3,355)
Deferred tax liabilities, net	585	2,156	586	2,230		

7. Investments in portfolio companies

The following is the number of Portfolio Companies and fair value (in US$'000):

	June 30, 2022		December 31, 2021	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Companies in Incubation Period	5,347	6	3,570	4
Incubator Graduate Companies	70,207	32	74,735[(1)]	31
Other Portfolio Companies	5,504	6	4,741	6
	81,058	44	83,046	41

(1) Includes one Portfolio Company whose fair value amounts to approximately $7,945 at December 31, 2021.

8. Property, plant and equipment:

During the six months ended 30 June 2022, the Group acquired assets amounting to approximately US$71,000 and received a grant in the amount of approximately US$134,900 from the IIA (30 June 2021: acquired assets amounting to approximately US$28,000 and received a grant in the amount of approximately US$43,000 from the IIA) and dispose of approximately US$33,000 assets (30 June 2021: did not dispose of assets).

9. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Part 2 – Other Information required by Catalist Rule Appendix 7C

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<u>**Share Capital – Ordinary Shares**</u>

The Company's share capital increased in March by 21,114,864 shares and in April by 21,114,864 additional shares respectively. The issued share capital of the Company is 833,421,110. The share were issuances for a total consideration of US$3.75 million (US$3.719 million net of issuances cost of US$0.31 million).

As at 30 June 2022, there are 88,333,467 outstanding options which can be converted into 88,333,467 ordinary shares of the Company (30 June 2021: 65,950,915 outstanding options which can be converted into 65,950,915 Shares).

Save as disclosed above, the Company did not have any other convertibles as at 30 June 2022 and 30 June 2021.

There were also no treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30 June 2022	As at 31 December 2021
Total number of issued shares	833,421,110	791,191,382

The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of The Trendlines Group Ltd. and its subsidiaries as at 30 June, 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable, as the Company's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in Section 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the most recently audited consolidated financial statements for the financial year ended 31 December 2021.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted applicable new International Financial Reporting Standards ("IFRS") and Interpretations of Financial Reporting Standards ("INT FRS") and amendments thereof, that are effective for the annual periods beginning on or after 1 January, 2022.

The following are the amendments to IFRS and INT FRS adopted by the Group:
1. Amendments to IAS 16 – Property, Plant and Equipment

2. Amendments to IAS 37 –Provisions, Contingent Liabilities and Contingent Assets
3. Amendments to IFRS 3 – Business Combinations

The Group's adoption of the applicable new IFRS and INT FRS had no material effect on the financial statements of the Group for the financial period ended 30 June 2022.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	Six Months Ended	
(Loss) per share ("LPS") / Earnings per share ("EPS")	**30 June 2022 (Unaudited)**	**30 June 2021 (Unaudited)**
(Loss) profit attributable to owners of the parent for the computation of basic net earnings (US$'000)	(11,824)	4,371
Weighted average number of ordinary shares (in thousands)	815,825	791,191
Basic (LPS) / EPS (US cents)	(1.45)	0.55
(Loss) / profit attributable to owners of the parent for the computation of diluted net earnings (US$'000)	(11,824)	4,371
Weighted average number of ordinary shares on a fully diluted basis (in thousands)	815,825	791,191
Fully diluted (LPS) / EPS (US cents)	(1.45)[(1)]	0.55[(1)]

Notes:

(1) Fully diluted LPS and EPS of the Group for the financial period ended 30 June 2022 and 30 June 2021 respectively are the same as the respective basic LPS and EPS because the potential ordinary shares to be converted under any convertible securities are anti-dilutive.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the

(a) Current period reported on; and

(b) Immediately preceding financial year

	Group		Company	
Net asset value ("NAV")	**30 June 2022 (Unaudited)**	**31 December 2021 (Audited)**	**30 June 2022 (Unaudited)**	**31 December 2021 (Audited)**
NAV (US$)	94,870,679	103,085,784	94,870,679	103,085,784
Number of ordinary shares in issue	812,306,246	791,191,382	812,306,246	791,191,382
NAV per ordinary share (US$)	0.12	0.13	0.12	0.13

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

Consolidated Statement of Comprehensive Income

Review for the performance of the Group for the six months ended 30 June 2022 ("H1 2022") as compared to the six months ended 30 June 2021 ("H1 2021").

Gain from change in fair value of investments in Portfolio Companies, net

The loss in fair value of investments in Portfolio Companies was US$7.4 million in H1 2022 as compared to a gain from change in fair value of investments of US$6.2 million in H1 2021.

In H1 2022, there was an increase of US$3.2 million in the fair value of various Portfolio Companies which was derived based on factors such as the favourable terms on which each Portfolio Company completed its fund raising exercises and each Portfolio Company's commercial or technological progress. In general, favourable terms for fund raising exercises/exits and higher commercial or technological progress would lead to higher fair values.

The above increase in fair value of investments in Portfolio Companies was mainly offset by:

(i) a decrease of approximately US$2.3 million in the fair value of various Portfolio Companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company, and general commercial or technological difficulties demonstrated in some Portfolio Companies in H1 2022; and

(ii) the write off of Stimatix G.I. Ltd. ("Stimatix") of approximately US$7.9 million as a result of the acquirer discontinuing the marketing of the product of Stimatix, as stated in the company's announcement dated 14 July 2022, and write off of another Portfolio Company of approximately US$0.5 million as a result of lack of funding.

Income from services to Portfolio Companies

Income from services to Portfolio Companies comprised approximately US$0.4 million received as overhead reimbursement from our Portfolio Companies and approximately US$0.8 million value of non-cash benefits received from the IIA in Israel. Income from value of non-cash benefits received from the IIA in Israel increased by approximately US$0.5 million or 64.31% mainly due to higher number of new Portfolio Companies that were serviced by the Group in H1 2022 as compared to that in H1 2021.

Financial income

Financial income decreased by US$2.8 million mainly as a result of the adjustment in the fair value that was made last year in H1 2021 of the contingent consideration receivable and the interest on the long-term receivable which were recorded upon the sale of our former Portfolio Company, ApiFix Ltd. to OrthoPediatrics Corp in April 2020.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses increased by approximately US$0.2 million or 3.33%.

R&D expenses, net

R&D expenses, net increased by approximately US$0.5 million mainly as a result of services for the Singapore Portfolio comprising Singapore-based companies.

Financial expenses

Financial expenses increased by US$1.3 million mainly as a result of the adjustment in the fair value of the contingent consideration receivable which were recorded upon the sale of our former Portfolio Company, ApiFix Ltd. to OrthoPediatrics Corp in April 2020.

Income (loss) before income taxes (tax benefit)

In view of the above, loss before incomes taxes (tax benefit) in H1 2022 was approximately US$13.5 million compared to a gain of approximately US$4.4 million in H1 2021, mainly due to the loss from change in fair value of investments in Portfolio Companies as compared to the gain on this item in H1 2021.

Tax Benefit

Tax benefit increased by US$1.2 million, mainly due to a decrease in fair market value for some of the Portfolio Companies.

Consolidated Statements of Financial Position

Comparative performance for both assets and liabilities are based on the Group's financial statements as at 30 June 2022 and 31 December 2021.

Total assets

Total assets decreased by approximately 11.66% from US$121.1 million as at 31 December 2021 to US$107.0 million as at 30 June 2022. This was mainly due to a decrease in, Investments in Portfolio Companies of US$2.0 million, cash and cash equivalents of US$4.6 million, contingent consideration receivable of US$1.7 million that is expected to be received from the sale of the Group's former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020 and short term bank deposits of US$4.2 million.

Non-current assets

Investments in Portfolio Companies

The investment of US$81.1 million in Portfolio Companies as at 30 June 2022 comprised of 44 Portfolio Companies presented at fair value (not including the 13 consolidated Singapore-based companies and the 3 Trendlines agrifood fund companies, of which Trendlines is the managing partner). There is a decrease of US$1.9 million or 2.39% when compared to 31 December 2021.

The changes in the value of our investments in Portfolio Companies were mainly due to:

- An increase of US$5.8 million in the fair value of various Portfolio Companies which was derived based on factors such as the favourable terms on which each Portfolio Company completed its fund raising exercises and each Portfolio Company's commercial or technological progress. In general, favourable terms for fund raising exercises/exits and higher commercial or technological progress would lead to higher fair values.
- Three (3) additional Portfolio Company which contributed approximately US$2.6 million to the fair value of our Portfolio Companies as at 30 June 2022.

The above increase in fair value of investments in Portfolio Companies was offset by:

i. A decrease of approximately US$1.9 million in the fair value of various Portfolio Companies mainly as a result of the completion of fund raising exercises at less favorable terms to the Company and general commercial or technological difficulties demonstrated in some Portfolio Companies in H1 2022; and

ii. the write off of Stimatix G.I. Ltd. ("Stimatix") of approximately US$7.9 million as a result of the acquirer announcement that it is discontinuing the marketing of the product of Stimatix, as stated in the company's announcement dated 14 July 2022, and write off of one Portfolio Company of approximately US$0.5 million as a result of lack of funding.

Accounts and other receivables and contingent consideration receivable

Accounts and other receivables and contingent consideration receivable decreased by US$2.6 million as at 30 June 2022 mainly due to the adjustment in the fair value of the contingent consideration and the time factor of the payments expected to be received from the sale of our former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020.

Current assets

Cash and cash equivalents

Cash and cash equivalents decreased by approximately US$4.6 million mainly due to the utilization of cash for operating activities in H1 2022. Please refer to the section "Consolidated Statement of Cash Flows" below for explanation on the utilization of cash for operating activities.

Our cash and cash equivalents represent 76.17% of our total current assets.

Short-term bank deposits

The decrease in short-term bank deposit in the amount of US$4.1 million is due to the repayment of the bank deposit which matured in January 2022.

Non-current liabilities

Loans from the IIA

The loans from the IIA decreased by US$0.32 million or 6.03%, from US$2.7 million as at 31 December 2021 to US$2.6 million as at 30 June 2022, mainly due to the decrease in fair value of specific Portfolio Companies for which the loans were received, which forms the basis for the calculation of the value of the loans from the IIA in the Group's financial statements.

Deferred taxes, net

Net deferred taxes decreased by US$1.6 million, mainly due to an decrease in fair market value of some Portfolio Companies.

Lease Liabilities

As at 31 December 2021, the Company recognized the right of use asset in an amount of US$2.7 million and lease liability in the amount of approximately US$3.0 million. As at 30 June 2022, long term lease liabilities amounted to US$1.8 million (in addition to US$0.6 million presented as current lease liability).

Current liabilities

Short-term loan

During the financial year 2021, the Company received a US$4.0 million bank loan pledged by a deposit of US$4.0 million which matured in January 2022. The bank loan was repaid in January 2022.

Trade and other payables

Trade and other payables decreased by approximately US$0.7 million, from approximately US$4.2 million as of 31 December 2021 to approximately US$3.5 million as of 30 June 2022 mainly due to services provided at year end for establishment of a new laboratory.

Short-term deferred revenues

A increase of US$1.1 million in the short-term deferred revenue was mainly due to having a higher number of Portfolio Companies, as at 30 June 2022, that have deferred revenues to be recognized in the 1st to 12th month period, as compared to that as at 31 December 2021.

Equity

As at 30 June 2022, equity attributable to equity holders of the Company amounted to approximately US$94.9 million.

Consolidated Statement of Cash Flows

Net cash used in operating activities of US$8.3 million in H1 2022 was mainly due to a net loss of US$11.9 million and adjustments for non-cash items such as (i) Loss from changes in fair value of investments in Portfolio Companies of approximately US$7.4 million; (ii) income from services to Portfolio Companies of approximately US$1.4 million; (iii) financial expenses, net of approximately US$2.4 million; (iv) investments in Portfolio Companies, net of approximately US$3.2 million; (v)

Financial expenses related to contingent consideration that is expected to be received from the sale of the Group's former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020 of approximately US$1.7 million; and (vi) income tax (tax benefit) approximately US$1.6 million.

Net cash used in financing activities of US$0.4 million in H1 2022 was mainly due to an issuance of shares, net of approximately US$3.7 million and offset by the repayment of the loan of approximately US$4.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

During the first half of 2022, Israel experienced yet another wave of the COVID-19 virus, with new cases hitting a peak of some 14,000 per day. However, since the past month, the number of cases has been declining steadily and is trending downwards. While several employees of the Group were diagnosed as positive during this current waive, it did not affect the Group's operations and, based on the experience of the past two years, we do not expect substantial impact from COVID-19 on the Group's operations or those of our portfolio companies over the next 12 months.

In January 2022, the Company announced that it has reached an agreement with a group of current and new investors to invest a total of S$ 20.27 million (US$ 15.0 million), in eight quarterly tranches, at a per share price of S$ 0.12 (approximately US$ 4.45 per ADR), a premium of about 12% about the prevailing market price then. This additional cash will enable the Company to continue its policy of making follow-on investments in selected portfolio companies. This investment, from a group of these sophisticated investors, will be used to build value for all of our shareholders over the coming years. To date, the first three installments, out of the eight, of the PIPE totaling US$ 5.625 million have been received.

The Company remains committed to its plans in the medical and agrifood technologies fields as stated in its Offer Document dated 16 November 2015 and reiterated since then and believes that the continued need for new and improved products in these fields represents both investment and liquidity opportunities for the Company. The COVID-19 crisis has drawn great media and investor attention to our two areas of healthcare and food; we believe that, in the long run, this renewed interest in our investment areas will be beneficial to our portfolio companies and to the Group.

The war in Ukraine has drawn further world attention to the problem of food security and could be another important driver for investor interest in our portfolio companies that we hope would help to address this major global issue.

The global economy has, in general, experienced instability and uncertainty during the first half of 2022, driven by a confluence of factors including the war in Ukraine, disruptions resulting from the continuing COVID-19 pandemic, and stock market jitters caused by these factors as well as political uncertainty in many countries. This has resulted in increased inflation, significant supply chain disruptions, a strengthened US dollar, and uneasiness in the capital markets. Some of these factors, like supply chain problems, have slowed the pace of development of several of our portfolio companies. While others, like capital markets jitters, could have a negative impact on the ability of some portfolio companies to raise capital, we have not yet identified a notable decline in fund raising activities. Issues such as the strengthening dollar may have a slightly positive impact on our operational costs, while worldwide inflation could have a slightly negative impact. The Group is taking necessary actions to adjust for these events.

11. Dividend

If a decision regarding dividend has been made: -

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the current reporting period.

(b)(i) Amount per share (cents)
(Optional) Rate (%)
Not applicable.

(b)(ii) Previous corresponding period (cents)
(Optional) Rate (%)
Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

The Company does not meet the conditions required by law of companies in Israel to declare a dividend. According to the Israeli Companies Law, a company that wishes to distribute a dividend must meet two cumulative conditions: (1) The Company has distributable surpluses and if the total retained earnings is negative, it is possible to divide the profits accumulated in the past two years (the earnings test) and (2) The Company has the ability to meet all of its liabilities even after the distribution of the dividend (the repayment ability test). As the Company does not meet the required conditions, no dividend has been declared or recommended for H1 2022.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

(a) On 19 January 2022, the Company entered into subscription agreements to raise approximately S$20.3 million (approximately US$15 million) by issue of 168,918,912 new ordinary shares at an issue price of S$0.12 per share ("Proposed Subscription"). Librae Holdings Limited ("LH"), the substantial shareholder of the Company was one of subscribers to the Proposed Subscription. The aggregate number of ordinary shares subscribed by LH is 99,099,096 shares for an aggregate consideration of S$11,891,892. The Company sought shareholders' approval through a special general meeting held on 4 March 2022. Please refer to the Company's announcement and circular dated 19 January 2022 and 28 January 2022 respectively.

(b) While the total amount invested by Agriline Limited[2] in 6 portfolio companies was S$3.9 million during H1 2022, the value of the transactions (which is the amount at risk to the Group) is S$0 as the investments did not result in a change in the fair value of the Group's holdings in the portfolio companies or the consolidated net tangible assets of the Group.

14. Use of proceeds from the Proposed Subscription

The Company refers to the net proceeds amounting to S$5.1 million received from the 2 installments of the Proposed Subscription which resulted in the issuance and allotment of 42,229,728 shares during H1 2022 ("**Net Proceeds**").

As at the date of this announcement, the status on the use of the Net Proceeds is as follows:

Use of Net Proceeds	Amount allocated (S$'000)	Amount utilized (S$'000)	Balance (S$'000)
Direct and indirect investments into new, prospective or existing Portfolio Companies	3,552	-	3,552
General working capital *	1,523	-	1,523
Total	5,075	-	5,075

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

[2] Agriline Limited is ultimately held by Geneva Trust Company (GTC) SA as Trustees of The VT Two Trust. Librae Holdings Limited, ultimately held by Geneva Trust Company (GTC) SA as Trustees of The Tchenguiz Three Trust, currently holds 23% of the issued share capital of the Company and is thereby considered a controlling shareholder of the Company under the Catalist Rules. As Mr. Vincent Tchenguiz is the discretionary beneficiary of both trusts, Agriline Limited is an "interested person" as defined under Chapter 9 of the Catalist Rules.

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

16. Additional Information Required Pursuant to Rule 706A

During H1 2022, the Company did not acquire or dispose of any shares which would result in any company becoming or ceasing to be a subsidiary or associated company of the Company, or increase or reduce the Company's shareholding percentage in any subsidiary or associated company.

17. Negative confirmation pursuant to Rule 705(5).

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for H1 2022 to be false or misleading in any material aspect.

D. Todd Dollinger Chairman and CEO	Steve Rhodes Chairman and CEO

BY ORDER OF THE BOARD

D. Todd Dollinger
Chairman and CEO
10 August 2022

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*This announcement has 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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