



**THE TRENDLINES GROUP LTD.**

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

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**Condensed Interim Financial Statements  
For the Six Months Financial Period Ended 30 June 2024**

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**Background**

The Trendlines Group Ltd. (the “**Company**” or “**Trendlines**” and, together with its subsidiaries and associated companies, the “**Group**”) was incorporated in Israel in 2007.

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.

**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.**

	<u>Group</u>		Change %
	Six Months Ended		
	30 June 2024 (Unaudited) US\$'000	30 June 2023 (Unaudited) US\$'000	
<u>Income</u>			
Gain from change in fair value of investments in Portfolio Companies, net	4,494	9,192	(51.11)
Income from services to Portfolio Companies	836	1,723	(51.48)
Income from contracted R&D services	40	371	(89.22)
Financial income	834	868	(3.92)
Other income	193	256	(24.61)
<u>Total income</u>	<u>6,397</u>	<u>12,410</u>	(48.45)
<u>Expenses</u>			
Operating, general and administrative expenses	3,198	4,430	(27.81)
Marketing expenses	65	134	(51.49)
R&D expenses, net	351	999	(64.86)
Financial expenses	1,484	1,471	(0.95)
<u>Total expenses</u>	<u>5,098</u>	<u>7,034</u>	(27.52)
Income before income taxes	1,299	5,376	(75.84)
Tax expense	-	(1,030)	N.M.
<u>Net profit</u>	<u>1,299</u>	<u>4,346</u>	(70.11)
Other comprehensive loss:			
Amounts that will be or that have been reclassified to loss when specific conditions are met:			
Loss from cash flow hedges	(75)	(71)	(5.63)
<u>Total comprehensive profit</u>	<u>1,224</u>	<u>4,275</u>	(71.37)
Net profit / (loss) attributable to:			
Equity holders of the Company	1,626	4,539	(64.18)
Non-Controlling Interests	(327)	(193)	(69.43)
	<u>1,299</u>	<u>4,346</u>	(70.11)
Total comprehensive profit / (loss) attributable to:			
Equity holders of the Company	1,551	4,468	(65.29)

Non-Controlling Interests	(327)	(193)	(69.43)
	<u>1,224</u>	<u>4,275</u>	<u>(71.37)</u>
Net profit per share attributable to equity holders of the Company (U.S. cents):			
Basic net profit	<u>0.17</u>	<u>0.52</u>	(67.79)
Diluted net profit	<u>0.17</u>	<u>0.52</u>	(67.79)

\*N.M. – not meaningful

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

	<b>30 June 2024</b> <b>(Unaudited)</b> <b>US\$'000</b>	<b>30 June 2023</b> <b>(Unaudited)</b> <b>US\$'000</b>
Depreciation and amortization	369	404
Foreign currency exchange gain	80	91

**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 2024 (Unaudited) US\$'000	31 December 2023 (Audited) US\$'000	30 June 2024 (Unaudited) US\$'000	31 December 2023 (Audited) US\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6,288	6,110	4,091	5,182
Short-term bank deposits	87	90	-	-
Accounts and other receivables	1,981	2,390	8,027	8,441
Short-term loans to Portfolio Companies	87	119	16	116
	<b>8,443</b>	<b>8,709</b>	<b>12,134</b>	<b>13,739</b>
<b>Non-current assets</b>				
Investment in Subsidiaries	-	-	65,984	59,138
Investments in Portfolio Companies	72,268	66,409	-	-
Accounts and other receivables	12	28	-	-
Right of use asset	1,942	2,240	804	924
Property, plant and equipment, net	638	686	353	389
	<b>74,860</b>	<b>69,363</b>	<b>67,141</b>	<b>60,451</b>
<b>Total assets</b>	<b>83,303</b>	<b>78,072</b>	<b>79,275</b>	<b>74,190</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Lease liability	343	410	64	77
Short- term loan	342	342	342	342
Trade and other payables	2,248	3,148	951	1,197
Deferred revenues	515	984	-	-
	<b>3,448</b>	<b>4,884</b>	<b>1,357</b>	<b>1,616</b>
<b>Non-current liabilities</b>				
Loans from the Israel Innovation Authority	2,212	2,258	1,118	1,169
Lease liability	1,368	1,634	255	307
Other long-term liabilities	14	220	-	206
	<b>3,594</b>	<b>4,112</b>	<b>1,373</b>	<b>1,682</b>
<b>Total liabilities</b>	<b>7,042</b>	<b>8,996</b>	<b>2,730</b>	<b>3,298</b>

**Equity**

Equity Attributable to Equity

Holders of the Company:

Share capital	2,779	2,605	2,779	2,605
Share premium	96,604	93,815	96,604	93,815
Reserve from hedge	(2)	73	(2)	73
Reserve from transaction with non-controlling interests	1,747	352	-	-
Reserve from share-based payment transactions	4,993	5,249	4,993	5,249
Accumulated loss	(29,576)	(31,202)	(27,829)	(30,850)

**Equity attributable to owners of the parent**

Non-controlling interests	76,545	70,892	76,545	70,892
	(284)	(1,816)	-	-

**Total equity**

	76,261	69,076	76,545	70,892
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**Total equity and liabilities**

	83,303	78,072	79,275	74,190
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**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 2024 (Unaudited)		As at 31 December 2023 (Audited)	
Secured US\$’000	Unsecured US\$’000	Secured US\$’000	Unsecured US\$’000
342	343	342	410

**Amount repayable after one year**

As at 30 June 2024 (Unaudited)		As at 31 December 2023 (Audited)	
Secured US\$’000	Unsecured US\$’000	Secured US\$’000	Unsecured US\$’000
2,212	1,368	2,258	1,634

**Details of any collateral**

- 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:

Name of Portfolio Company	Number of shares in each Portfolio Company pledged in favor of the IIA	
	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
ProArc Medical Ltd.	-	34,860

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

- The Company has 30,877 pledged shares in favor of Agriline Limited<sup>1</sup> (“**Agriline**”) in relation to the short-term loan.

During 2022, the Company signed a loan agreement with 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

<sup>1</sup> 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 29.41% 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.

Vensica Medical Ltd. (“Vensica”), a portfolio company of the Group. The Loan bears a variable interest rate based on the changes in the valuation of Vensica, up to an annual rate of 7%. As of December 31, 2023, the loan’s fair value is US\$342,000.

**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 2024 (Unaudited) US\$'000	30 June 2023 (Unaudited) US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit	1,299	4,346
<u>Adjustments to reconcile net profit to net cash used in operating activities:</u>		
Adjustments to the profit or loss items:		
Depreciation	369	404
Tax expense	-	1,030
Gain from changes in fair value of investments in Portfolio Companies	(4,494)	(9,192)
Financial income, net	(96)	(187)
Financial expenses related to contingent consideration	-	626
Income from services to Portfolio Companies	(557)	(837)
Share-based payments	(51)	195
Changes in asset and liability items:		
Decrease in short-term loans to portfolio companies	32	2
Decrease in accounts and other receivables	425	4,116
Increase / (decrease) in deferred revenues	88	(659)
Decrease in trade and other payables	(975)	(1,319)
Decrease in other long-term liabilities	(206)	(5)
	(5,465)	(5,827)
Investments in Portfolio Companies	(1,365)	(2,140)
	(1,365)	(2,140)
Cash (paid) received during the year for:		
Interest paid	(17)	(7)
Interest received	-	68
	(17)	61

<b>Net cash used in operating activities</b>	(5,548)	(3,560)
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	<b>Six Months Ended</b>	
	<b>30 June 2024</b> <b>(Unaudited)</b> <b>US\$'000</b>	<b>30 June 2023</b> <b>(Unaudited)</b> <b>US\$'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(24)	(40)
Change in restricted deposits, net	-	4
<b>Net cash used in investing activities</b>	<b>(24)</b>	<b>(36)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issuance of shares, net	2,758	3,738
Investment agreement from non-controlling interests	3,254	-
Payment of lease liability	(278)	(220)
Loans received from the Israel Innovation Authority	16	87
<b>Net cash provided by financing activities</b>	<b>5,750</b>	<b>3,605</b>
Increase in cash and cash equivalents	178	9
Cash and cash equivalents at the beginning of the period	6,110	4,565
Cash and cash equivalents at the end of the period	6,288	4,574



**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 capitalization 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**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Reserve from transaction with non-controlling interests</b>	<b>Reserve from hedge</b>	<b>Reserve from share-based payment transactions</b>	<b>Accumulated loss</b>	<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Balance as at 1 January 2024</b>	<b>2,605</b>	<b>93,815</b>	<b>352</b>	<b>73</b>	<b>5,249</b>	<b>(31,202)</b>	<b>70,892</b>	<b>(1,816)</b>	<b>69,076</b>
Net profit and total comprehensive profit	-	-	-	(75)	-	1,626	1,551	(327)	1,224
Issuance of shares, net	174	2,584	-	-	-	-	2,758	-	2,758
Shares issued to non-controlling interests	-	-	1,395	-	-	-	1,395	1,859	3,254
Cost of share-based payments	-	205	-	-	(256)	-	(51)	-	(51)
<b>Balance as at 30 June 2024</b>	<b>2,779</b>	<b>96,604</b>	<b>1,747</b>	<b>(2)</b>	<b>4,993</b>	<b>(29,576)</b>	<b>76,545</b>	<b>(284)</b>	<b>76,261</b>
<b>(Unaudited)</b>									
<b>Balance as at 1 January 2023</b>	<b>2,373</b>	<b>86,577</b>	<b>352</b>	<b>-</b>	<b>4,891</b>	<b>2,793</b>	<b>96,986</b>	<b>(1,090)</b>	<b>95,896</b>
Net profit and total comprehensive profit	-	-	-	(71)	-	4,539	4,468	(193)	4,275
Issuance of shares, net	119	3,619	-	-	-	-	3,738	-	3,738
Cost of share-based payments	-	-	-	-	195	-	195	-	195
<b>Balance as at 30 June 2023</b>	<b>2,492</b>	<b>90,196</b>	<b>352</b>	<b>(71)</b>	<b>5,086</b>	<b>7,332</b>	<b>105,387</b>	<b>(1,283)</b>	<b>104,104</b>

**Condensed Interim Statement of Changes in Equity  
Company**

**(Unaudited)**

	Share capital	Share premium	Reserve from hedge	Reserve from share-based payment transactions	Accumulated loss	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance as at 1 January 2024</b>	<b>2,605</b>	<b>93,815</b>	<b>73</b>	<b>5,249</b>	<b>(30,850)</b>	<b>70,892</b>
Net profit and total comprehensive profit	-	-	(75)	-	3,021	2,946
Issuance of shares, net	174	2,584	-	-	-	2,758
Cost of share-based payments	-	205	-	(256)	-	(51)
<b>Balance as at 30 June 2024</b>	<b>2,779</b>	<b>96,604</b>	<b>(2)</b>	<b>4,993</b>	<b>(27,829)</b>	<b>76,545</b>

**(Unaudited)**

<b>Balance as at 1 January 2023</b>	<b>2,373</b>	<b>86,577</b>	-	<b>4,891</b>	<b>3,145</b>	<b>96,986</b>
Net profit and total comprehensive profit	-	-	(71)	-	4,539	4,468
Issuance of shares, net	119	3,619	-	-	-	3,738
Cost of share-based payments	-	-	-	195	-	195
<b>Balance as at 30 June 2023</b>	<b>2,492</b>	<b>90,196</b>	<b>(71)</b>	<b>5,086</b>	<b>7,684</b>	<b>105,387</b>

## Notes to the condensed interim consolidated financial statements

### 1. Corporate information

The Trendlines Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) was incorporated in Israel in 2007. Since its incorporation, the Company has been engaged in establishing and investing in 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 for the six months ended 30 June 2024 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.

Trendlines Investments Israel Ltd. operated under franchise agreements with the State of Israel, through the IIA of the Ministry of Economy and Industry which ended on 31 December 2023. The termination of the franchise agreements will not have a material impact on the Company's operations as the Company is no longer planning to establish new portfolio companies and intends to devote its efforts and resources to our existing portfolio to bring them to maturity and success.

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 2024 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 2023.

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 IFRS standards 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 amendments.

## 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 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Investments in Portfolio Companies	-	-	72,268	72,268	-	-	66,409	66,409
Short-term bank deposits	87	-	-	87	90	-	-	90
	<u>87</u>	<u>-</u>	<u>72,268</u>	<u>72,355</u>	<u>90</u>	<u>-</u>	<u>66,409</u>	<u>66,499</u>
<b>Financial liabilities</b>								
Loan	-	-	342	342	-	-	342	342
Loans from IIA	-	-	2,212	2,212	-	-	2,258	2,258
	<u>-</u>	<u>-</u>	<u>2,554</u>	<u>2,554</u>	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>2,600</u>

### 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 valuers.

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):

	The Group Portfolio Companies	
	June 30, 2024	31 December 2023
<b>Assets:</b>		
Accounts and other receivables	102	99
Short-term loans	87	119

Liabilities:	The Group Related party	
	June 30, 2024	December 31, 2023
Loan	(342)	(342)

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, 2024		Year ended December 31, 2023	
	Portfolio Companies	Associates and other related parties	Portfolio Companies	Associates and other related parties
Income from services to Portfolio Companies	836	-	3,215	-
Operating, general and administrative expenses	-	(3)	-	(6)
Financial expenses (change in loan fair value)	-	-	-	(50)

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,	Year ended December 31,
	2024	2023
Salaries and related expenses	1,373	2,868
Share-based payment	93	250
	1,466	3,118

## 6. Taxes on income

Deferred taxes (in US\$'000)

	Statements of financial position				Statements of profit or loss	
	The Group		The Company		Six months ended June 30, 2024	Year ended December 31, 2023
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023		
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	8,769	6,903	5,538	4,820	1,866	(4,513)
Loans from IIA	2,687	2,981	174	448	(294)	131
	<u>11,456</u>	<u>9,884</u>	<u>5,712</u>	<u>5,268</u>	<u>1,572</u>	<u>(4,382)</u>
Deferred tax assets:						
Carry-forward tax losses	11,170	9,462	5,712	5,268	(1,708)	3,724
Deferred revenues	76	204	-	-	128	596
Other	210	218	-	-	8	62
	<u>11,456</u>	<u>9,884</u>	<u>5,712</u>	<u>5,268</u>	<u>(1,572)</u>	<u>4,382</u>
Deferred tax					<u>-</u>	<u>-</u>
Deferred tax liabilities, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

## 7. Investments in portfolio companies

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

	June 30, 2024		December 31, 2023	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Companies in Incubation Period	6,763	7	6,549	7
Incubator Graduate Companies	63,755	26	58,110	26
Other Portfolio Companies	1,750	4	1,750	4
	<u>72,268</u>	<u>37</u>	<u>66,409</u>	<u>37</u>

## 8. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to approximately US\$24,000 (30 June 2023: acquired assets amounting to approximately US\$40,000) and disposed of approximately US\$8,000 assets (30 June 2023: disposed of approximately US\$6,000 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 Catalyst 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.**

#### Share Capital – Ordinary Shares

The Company’s share capital increased pursuant to a rights issue which was completed on 27 May 2024. The Company had issued and allotted 64,714,113 new ordinary shares of the Company, at an issue price of S\$0.06 per rights share which raised net proceeds of approximately S\$3.7 million (approximately US\$2.8 million at an exchange rate of US\$0.75 = S\$1.00) (the “**2024 Rights Issue**”). The expenses for the 2024 Rights Issue were approximately S\$150K (approximately US\$113K). As at 30 June 2024, the issued share capital of the Company is 1,024,824,407.

As at 30 June 2024, there are 63,558,001 outstanding options which can be converted into 63,558,001 ordinary shares of the Company (30 June 2023: 86,433,749 outstanding options which can be converted into 86,433,749 Shares).

Save as disclosed above, the Company did not have any other convertibles as at 30 June 2024 and 30 June 2023.

There were also no treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

- 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**

	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>
Total number of issued shares	1,024,824,407	960,110,294

The Company does not have any treasury shares as at 30 June 2024 and 31 December 2023.

- 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 2024 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 2023.

**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 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 2024.

The following are the amendments to IFRS and INT FRS adopted by the Group:

1. Amendments to IAS 1 – "Presentation of Financial Statements.
2. Amendments to IFRS 16 – Leases.
3. Amendments to IAS 7 – Statement of Cash Flows, and IFRS 7 - Financial Instruments: Disclosures.

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 2024.

**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**

	<b>Group</b>	
	<b>Six Months Ended</b>	
<b>Earnings per share ("EPS")</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit attributable to owners of the parent for the computation of basic net earnings (US\$'000)	1,626	4,539
Weighted average number of ordinary shares (in thousands)	970,896	872,061
Basic Fully diluted EPS (US cents) <sup>(1)</sup>	0.17	0.52

**Notes:**

(1) Fully diluted EPS and LPS of the Group for the financial period ended 30 June 2024 and 30 June 2023 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**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Net asset value ("NAV")</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
NAV (US\$'000)	76,545	70,892	76,545	70,892
Number of ordinary shares in issue	1,024,824,407	960,110,294	1,024,824,407	960,110,294
NAV per ordinary share (US\$)	0.07	0.07	0.07	0.07

**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 2024 (“H1 2024”) as compared to the six months ended 30 June 2023 (“H1 2023”).*

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

The Gain in fair value of investments in Portfolio Companies was US\$4.5 million in H1 2024 as compared to a gain from change in fair value of investments of US\$9.2 million in H1 2023.

In H1 2024, there was an increase of approximately US\$4.9 million in the fair value of certain Portfolio Companies which was derived based on factors such as the favorable terms on which each Portfolio Company completed its fund-raising exercises and each Portfolio Company’s commercial or technological progress. In general, favorable 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 a decrease of approximately US\$0.4 million in the fair value of certain 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 2024.

#### **Income from contracted R&D services**

Income from contracted R&D services decreased following the Company's efforts to streamline its operations, as part of the Company’s efforts to shed noncore activities that are not aligned with its core competencies and strategic focus.

#### **Income from services to Portfolio Companies**

Income from services to Portfolio Companies comprised approximately US\$0.3 million received as overhead reimbursement from our Portfolio Companies and approximately US\$0.6 million value of non-cash benefits received from the IIA in Israel. Reduction in income from value of non-cash benefits received from the IIA in Israel and the decrease in the number of Portfolio Companies that were serviced by the Group in H1 2024 as compared to that in H1 2023 led to the decrease of Income from services to Portfolio Companies by approximately US\$0.8 million or 51.48%.

#### **Expenses**

##### **Operating, general and administrative expenses**

Operating, general and administrative expenses decreased by approximately US\$1.2 million or 27.81%. This is in accordance with the company’s strategy of reorganizing operating activities,

reducing staff, and significantly reducing expenses as announced by the company on 21 November 2022.

### **R&D expenses, net**

R&D expenses, net decreased by approximately US\$0.6 million or 64.86% mainly to the reduction in Trendlines Innovation Labs activity.

### **Income before income taxes**

In view of the above, income before incomes taxes in H1 2024 was approximately US\$1.3 million compared to an income of approximately US\$5.4 million in H1 2023, mainly due to a lower gain from change in fair value of investments in Portfolio Companies as compared to the gain on this item in H1 2023.

### **Tax expense**

There were no tax expenses in 2024 compared to the corresponding period in 2023 as there were no exits during H1 2024.

### Consolidated Statements of Financial Position

***Comparative performance for both assets and liabilities are based on the Group's financial statements as at 30 June 2024 and 31 December 2023.***

### **Total assets**

Total assets increased by approximately 6.7% from US\$78.1 million as at 31 December 2023 to US\$83.3 million as at 30 June 2024. This was mainly due to the right issue exercise carried out by the Group during 1H 2024 (the “**Rights Issue**”) and an increase in Investments in Portfolio Companies of US\$5.9 million.

### **Non-current assets**

#### **Investments in Portfolio Companies**

The investment of US\$72.3 million in Portfolio Companies as at 30 June 2024 comprised of 37 Portfolio Companies presented at fair value (not including the 12 consolidated Singapore-based companies). There is an increase of US\$5.9 million or 8.82% when compared to 31 December 2023.

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

An increase of US\$6.3 million in the fair value and investments of various Portfolio Companies which was derived based on factors such as the favorable terms on which each Portfolio Company completed its fund-raising exercises and each Portfolio Company's commercial or technological progress and investments in Portfolio Companies, net of supplementary funding. In general, favorable 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 offset by a decrease of approximately US\$0.4 million in the fair value of certain 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 2024.

### **Current assets**

#### **Accounts and other receivables**

Short-term Accounts and other receivables decreased by US\$0.4 million as at 30 June 2024 mainly due to the adjustment in the fair value of the payment expected to be received from the sale of our former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020.

#### **Cash and cash equivalents**

Cash and cash equivalents increased due to the Right Issue. 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 and short-term bank deposits represent 75.51% of our total current assets.

### **Non-current liabilities**

#### **Loans from the Israel Innovation Authority**

The loans from the IIA decreased by US\$0.04 million or 2.04%, from US\$2.3 million as at 31 December 2023 to US\$2.2 million as at 30 June 2024, 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.

#### **Lease Liabilities**

As at 30 June 2024, right of use asset amounted to US\$1.9 million and long term lease liabilities amounted to US\$1.7 million (in addition to US\$0.3 million presented as current lease liability).

#### **Other long-term liabilities**

Other long-term liabilities decreased by US\$0.2 million or 93.64%, from US\$0.2 million as at 31 December 2023 to US\$0.0 million as at 30 June 2024, mainly due to the two former CEOs stepping down as employees of the company.

### **Current liabilities**

#### **Trade and other payables**

Trade and other payables decreased by approximately US\$0.9 million, from approximately US\$3.1 million as of 31 December 2023 to approximately US\$2.2 million as of 30 June 2024 mainly due to a

decrease in trade payables to professional parties relating to services provided at the end of FY2023 and its related expense which was paid during H1 2024.

### **Short-term deferred revenues**

A decrease of US\$0.5 million in the short-term deferred revenue was mainly due to having a lower number of Portfolio Companies under the incubator program period, as at 30 June 2024, that have deferred revenues to be recognized in the 1st to 12th month period, as compared to that as at 31 December 2023.

### **Equity**

As at 30 June 2024, equity attributable to equity holders of the Company amounted to approximately US\$76.5 million.

### Consolidated Statement of Cash Flows

Net cash used in operating activities of US\$5.5 million in H1 2024 was mainly due to a (i) gain from changes in fair value of investments in Portfolio Companies of approximately US\$4.5 million; (ii) income from services to Portfolio Companies of approximately US\$0.6 million; (iii) investments in Portfolio Companies, net of approximately US\$1.4 million; (iv) decrease in trade and other payables of approximately US\$1.0 million, offset by (a) net profit of US\$1.3 million; (b) decrease in accounts and other receivables by approximately US\$0.4 million mainly due to the adjustment in the fair value of the payments expected to be received from the sale of our former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020; and (c) depreciation of approximately US\$0.4 million.

Net cash provided by financing activities of US\$5.8 million in H1 2024 was mainly due to the Rights Issue, net of approximately US\$2.8 million after taking into account the expenses incurred for the rights issue of approximately US\$113K, and a series A round investment and SAFE investment in to 6 consolidated portfolio companies in Singapore, involved investors both in Singapore, US and Trendlines Medical Singapore (a subsidiary of the company) and matching funds by SEEDs capital the investment arm of a government agency in Singapore, Enterprise Singapore in total of US\$3.3M. This increase is offset by the payment of lease liability of Approximately US\$0.3M.

**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.**

At the end of October 2023, the Company announced changes in its management team. Haim Brosh was appointed CEO, replacing Steve Rhodes and Todd Dollinger. In March 2024, Nehama Ronen, a Director of the Company, was appointed as Interim Chair of the Board of Directors following the retirement of Steve Rhodes and Todd Dollinger as co-Chairs.

Since the 7 October 2023 terrorist attack on Israel, the region has seen considerable tension. From the outset, we monitored the impact on the Group and our portfolio companies carefully, and continue to do so, making sure to support where necessary. Neither Trendlines nor our portfolio companies have suffered serious setbacks due to the security situation. We hope that these tensions will resolve and subside in the near future.

From the beginning of 2024 the Company intensified its plans to take cost cutting measures and together with the previously announced intention to suspend investments in new companies, concentrated on its existing portfolio. These plans involve shedding non-core activities that do not align with the Company's core competencies and strategic focus. These changes have already started to impact positively on the Company's cash burn, as a result of reduced operating costs, a trend expected to continue in the foreseeable future.

In the first half of 2024, the Company raised S\$3.7 million (approximately US\$2.8 million) through a Rights Offering and announced plans to raise additional funds via a Private Placement, the proposed subscription of an aggregate of up to 76,576,577 new ordinary shares in the capital of the company at a subscription price of S\$0.06 for each ordinary share. The Company will be convening an Extraordinary General Meeting to seek shareholders' approval. The success of the Rights Offering, evidenced by its oversubscription, and the interest in the Private Placement will allow the Company to secure the necessary cash for investments into its existing portfolio companies, enhancing their growth for better exits in the future.

The Company remains committed to its investment plans in the medical and agrifood technologies sectors. It believes that the persistent demand for new and improved products in these fields offers significant investment and liquidity opportunities. This is validated by recent global crises: the heightened focus on healthcare and food due to the COVID-19 crisis, coupled with the impact of climate change, underscores the importance of both medical and agrifood innovations for the sustainability of the global food and health systems.

## **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 received 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**

On 14 June 2021 the Company announced its dividend policy, by which 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 dividends. As we do not meet the above-mentioned guidance, no dividend will be distributed.

**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.**

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions which were more than S\$100,000 entered during H1 2024.

During H1 2024 the total amount invested by Agriline Limited<sup>2</sup> in 9 portfolio companies was S\$2.0 million, the value of the transactions (which is the amount at risk to the Company) was nil.

**14. Use of proceeds from the Proposed Subscription**

The Company refers to the net proceeds amounting to S\$19.8 million received from the 8 instalments of the Proposed Subscription ("**Net Proceeds**").

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

<u>Use of Net Proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilized (S\$'000)</u>	<u>Balance (S\$'000)</u>
Direct and indirect investments into new,	13,860	13,860	-

<sup>2</sup> 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 29.41% 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.

prospective or existing Portfolio Companies			
General working capital *	5,940	1,995	3,945
<b>Total</b>	<b>19,800</b>	<b>15,855</b>	<b>3,945</b>

\* The general working capital expenditures are mainly related to professional services, rent and maintenance, consulting, communications and office expenses.

**15. Use of proceeds from the Rights Offering**

The Company refers to the net proceeds amounting to S\$3.7 million received from the Rights Offering (“Net Proceeds”).

<u>Use of Net Proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilized (S\$'000)</u>	<u>Balance (S\$'000)</u>
Direct and indirect investments into existing Portfolio Companies	3,733	1,280	2,453
<b>Total</b>	<b>3,733</b>	<b>1,280</b>	<b>2,453</b>

**16. 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)**

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

**17. Additional Information Required Pursuant to Rule 706A**

During H1 2024, 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.

**18. 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 2024 to be false or misleading in any material aspect.

Nehama Ronen  
Chair

Elka Nir  
Lead Independent Director & External Director

**BY ORDER OF THE BOARD**

Haim Brosh  
CEO and interim CFO  
7 August 2024

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

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