THE TRENDLINES GROUP LTD.

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

Condensed Interim Financial Statements
For the Six Months and Full Year Ended 31 December 2023

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 I - 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					
	6 months ended 31 December 2023 (Unaudited) US$'000	6 months ended 31 December 2022 (Audited) US$'000	Change (%)	12 months ended 31 December 2023 (Unaudited) US$'000	12 months ended 31 December 2022 (Audited) US$'000	Change (%)
Income:						
(Loss)/gain from change in fair value of investments in Portfolio Companies, net	(36,224)	4,972	N.M.	(27,032)	(2,470)	>100
Income from services to Portfolio Companies	1,492	1,299	14.86	3,215	2,556	25.78
Income from contracted R&D services	910	632	43.99	1,281	1,022	25.34
Financial income	379	55	>100	1,247	873	42.84
Other income	106	275	(61.45)	362	393	(7.89)
Total (loss)/income	(33,337)	7,233	N.M.	(20,927)	2,374	N.M.
Expenses						
Operating, general and administrative expenses	5,588	6,595	(15.27)	10,018	11,615	(13.75)
Marketing expenses	107	103	3.88	241	270	(10.74)
R&D expenses, net	687	446	54.04	1,686	1,610	4.72
Financial expenses	378	3,911	(90.10)	1,849	6,198	(70.02)
Total expenses	6,760	11,055	(38.77)	13,794	19,693	(29.91)
Loss before income taxes	(40,097)	(3,822)	>100	(34,721)	(17,319)	84.83
Income taxes	1,030	585	76.07	-	2,156	N.M.
Net Loss	(39,067)	(3,237)	>100	(34,721)	(15,163)	>100
Other comprehensive income:						
Amounts that will be or that have been reclassified to profit/loss when specific conditions are met:						
Income from cash flow hedges	144	458	(68.56)	73	-	N.M.
Total comprehensive loss	(38,923)	(2,779)	>100	(34,648)	(15,163)	>100
Net loss attributable to:						
Equity holders of the Company	(38,534)	(2,656)	>100	(33,995)	(14,480)	>100
Non-Controlling Interests	(533)	(581)	(8.09)	(726)	(683)	6.44

	(39,067)	(3,237)	>100	(34,721)	(15,163)	>100
Total comprehensive loss attributable to:						
Equity holders of the Company	(38,390)	(2,198)	>100	(33,922)	(14,480)	>100
Non-Controlling Interests	(533)	(581)	(8.09)	(726)	(683)	6.44
	(38,923)	(2,779)	>100	(34,648)	(15,163)	>100
Net loss per share attributable to equity holders of the Company (U.S. cents):						
Basic and diluted net loss	(3.8)	(0.3)	>100	(3.7)	(1.7)	>100

1(a)(ii) Notes to Condensed Interim Consolidated Statement of Comprehensive income/(loss)

	12 months ended 31 December 2023 (Unaudited) US$'000	**12 months ended 31 December 2022 (Audited) US$'000**
Depreciation, amortization	786	930
Foreign currency exchange gain	290	715

N.M. denotes Not Meaningful

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	
	31 December 2023 (Unaudited) US$'000	**31 December 2022 (Audited) US$'000**	**31 December 2023 (Unaudited) US$'000**	**31 December 2022 (Audited) US$'000**
Assets				
Current assets				
Cash and cash equivalents	6,110	4,565	5,182	3,129
Short-term bank deposits	90	2,092	-	2,000
Accounts and other receivables	2,390	6,329	8,441	10,677
Short-term loans to Portfolio Companies	119	91	116	91
	8,709	13,077	13,739	15,897
Non-current assets				
Investment in Subsidiaries	-	-	59,138	82,499
Accounts and other receivables	28	1,489	-	1,393
Contingent consideration receivable	-	744	-	744
Investments in Portfolio Companies	66,409	89,777	-	-
Right of use asset	2,240	2,058	924	-
Property, plant and equipment, net	686	848	389	465
	69,363	94,916	60,451	85,101
Total assets	78,072	107,993	74,190	100,998
EQUITY AND LIABILITIES				
Current liabilities				
Lease liability	410	419	77	-
Short-term loan	342	292	342	292
Trade and other payables	3,148	3,393	1,197	2,562
Deferred revenues	984	2,738	-	100
	4,884	6,842	1,616	2,954
Non-current liabilities				
Deferred revenues	-	888	-	-
Loans from the Israel Innovation Authority	2,258	2,469	1,169	1,197
Lease liability	1,634	1,674	307	-
Other long-term liabilities	220	224	206	213
	4,112	5,255	1,682	1,410
Total liabilities	8,996	12,097	3,298	4,364

Equity				
Equity Attributable to Equity Holders of the Company:				
Share capital	2,605	2,373	2,605	2,373
Share premium	93,815	86,577	93,815	86,577
Reserve from transaction with non-controlling interests	352	352	-	-
Reserve from hedges	73	-	73	-
Reserve from share-based payment transactions	5,249	4,891	5,249	4,891
Retained earnings	(31,202)	2,793	(30,850)	2,793
Equity attributable to owners of the parent	70,892	96,986	70,892	96,634
Non-controlling interests	(1,816)	(1,090)	-	-
Total equity	69,076	95,896	70,892	96,634
Total equity and liabilities	78,072	107,993	74,190	100,998

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 31 December 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
342	410	292	419

Amount repayable after one year

As at 31 December 2023 (Unaudited)		As at 31 December 2022 (Audited)	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
2,258	1,634	2,469	1,674

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 31 December 2023 (Unaudited)	As at 31 December 2022 (Audited)
ProArc Medical Ltd.	34,860	34,860

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

2. The Company has 30,877 pledged shares in favor of Agriline Limited[1] ("**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 Vensica Medical Ltd. ("**Vensica**"), a portfolio company of the Group. The Loan bears a variable

[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 29.3% 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.

interest rate based on the changes in the valuation of Vensica, up to an annual rate of 7%. As of 31 December 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

	Full Year Ended	
	31 December 2023 (Unaudited) US$´000	**31 December 2022 (Audited) US$´000**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(34,721)	(15,163)
Adjustments to reconcile (loss)/income to net cash provided by/(used in) operating activities:		
Adjustments to the profit or loss items:		
Depreciation	786	930
Tax benefit	-	(2,156)
Loss from changes in fair value of investments in Portfolio Companies, net	27,032	2,470
Financial income, net	(548)	(570)
Financial expense related to Contingent Consideration	744	5,855
Income from services to Portfolio Companies	(2,589)	(1,899)
Research and development services from non-controlling interests	-	489
Share-based payments	358	558
Changes in asset and liability items:		
Decrease/(increase) in short-term loans to Portfolio Companies	(28)	196
Decrease in accounts and other receivables	5,400	822
Increase in deferred revenues	(53)	(237)
Increase/(decrease) in trade and other payables	928	(855)
Decrease in other long-term liabilities	(4)	(43)
	32,026	5,560
Investments in Portfolio Companies	(3,745)	(5,305)
	(3,745)	(5,305)
Cash (paid)/received during the year for:		
Interest paid	(10)	(42)
Interest received	125	24
	115	(18)
Net cash used in operating activities	(6,325)	(14,926)

	Full Year Ended	
	31 December 2023 (Unaudited) US$´000	31 December 2022 (Audited) US$´000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(77)	(112)
Changes in short-term bank deposits, net	2,000	2,160
Net cash provided by investing activities	1,923	2,049
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares, net	6,370	7,470
Repayment of loan	(19)	(4,008)
Grants from the Israel Innovation Authority	-	135
Payment of lease liability	(548)	(642)
Loans received from the Israel Innovation Authority	144	178
Net cash provided by financing activities	5,947	3,133
Increase/(decrease) in cash and cash equivalents	1,545	(9,744)
Cash and cash equivalents at the beginning of the year	4,565	14,309
Cash and cash equivalents at the end of the year	6,110	4,565

Non-cash transactions:

Issuance of shares	1,100	-
Right of use asset recognized against lease liability	436	92

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.

Statement of Changes in Equity - Group

(Unaudited)	Share Capital	Share premium	Reserve from transaction with non-controlling interests	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	US$'000
Balance as at 1 January 2023	**2,373**	**86,577**	**352**	**-**	**4,891**	**2,793**	**96,986**	**(1,090)**	**95,896**
Net loss and total comprehensive loss	-	-	-	73	-	(33,995)	(33,922)	(726)	(34,648)
Issuance of shares, net	232	7,238	-	-	-	-	7,470	-	7,470
Cost of share-based payments	-	-	-	-	358	-	358	-	358
Balance as at 31 December 2023	**2,605**	**93,815**	**352**	**73**	**5,249**	**(31,202)**	**70,892**	**(1,816)**	**69,076**
(Audited)									
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	-	-	-	-	-	(14,480)	(14,480)	(683)	(15,163)
Services received in consideration for shares issued to non-controlling interests	-	-	352	-	-	-	352	137	489
Issuance of shares, net	250	7,220	-	-	-	-	7,470	-	7,470
Cost of share-based payments	-	-	-	-	558	-	558	-	558
Expiration of options	-	45	-	-	(45)	-	-	-	-
Balance as at 31 December 2022	**2,373**	**86,577**	**352**	**-**	**4,891**	**2,793**	**96,986**	**(1,090)**	**95,896**

Condensed Interim Statement of Changes in Equity - Company

(Unaudited)	**Share Capital**	**Share premium**	**Reserve from hedge**	**Reserve from share-based payment transactions**	**Retained earnings**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance as at 1 January 2023	**2,373**	**86,577**	**-**	**4,891**	**3,145**	**96,986**
Net loss and total comprehensive loss	-	-	73	-	(33,995)	(33,922)
Issuance of shares, net	232	7,238	-	-	-	7,470
Cost of share-based payments	-	-	-	358	-	358
Balance as at 31 December 2023	**2,605**	**93,815**	**73**	**5,249**	**(30,850)**	**70,892**
(Audited)						
Balance as at 1 January 2022	**2,123**	**79,312**	**-**	**4,378**	**17,273**	**103,086**
Net loss and total comprehensive loss	-	-	-	-	(14,480)	(14,480)
Services received in consideration for shares issued to non-controlling interests	-	-	-	-	352	352
Issuance of shares, net	250	7,220	-	-	-	7,470
Cost of share-based payments	-	-	-	558	-	558
Expiration of options	-	45	-	(45)	-	-
Balance as at 31 December 2022	**2,373**	**86,577**	**-**	**4,891**	**3,145**	**96,986**

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 and for the year ended 31 December 2023 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. operates under franchise agreements with the State of Israel, through the IIA of the Ministry of Economy and Industry which ended in 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 31 December 2023 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 interim financial statements for the period ended 30 June 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 7 C 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 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 2022.

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							
	31 December 2023 (Unaudited)				31 December 2022 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Portfolio Companies	-	-	66,409	66,409	-	-	89,777	89,777
Short-term bank deposits	90	-	-	90	2,092	-	-	2,092
Contingent consideration receivable	-	-	-	-	-	-	744	744
	90	-	66,409	66,499	2,092	-	90,521	92,613
Financial liabilities								
Loan	-	-	342	342	-	-	292	292
Loans from IIA	-	-	2,258	2,258	-	-	2,469	2,469
	-	-	2,600	2,600	-	-	2,761	2,761

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 the 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 are 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	
Assets:	**31 December 2023 (Unaudited)**	**31 December 2022 (Audited)**
Accounts and other receivables	99	451
Short-term loans	119	91

	The Group Related party	
Liabilities:	**31 December 2023 (Unaudited)**	**31 December 2022 (Audited)**
Loan	(342)	(292)

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):

	Year ended December 31,			
	2023 (Unaudited)		2022 (Audited)	
	Portfolio Companies	Associates and other related parties	Portfolio Companies	Associates and other related parties
Income from services to Portfolio Companies	3,215	-	2,556	-
Operating, general and administrative expenses	-	(6)	-	(3)
Financial expenses (change in loan fair value)	-	(50)	-	(59)

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)**:**

	Year ended 31 December 2023 (Unaudited)	Year ended 31 December 2022 (Audited)
Salaries and related expenses	2,868	2,960
Share-based payment	250	466
	3,118	3,426

6. Taxes on income

Deferred taxes (in US$'000)

	Statements of financial position				Statements of profit or loss	
	The Group		The Company			
	31 December				Year ended 31 December	
	2023 (Unaudited)	2022 (Audited)	2023 (Unaudited)	2022 (Audited)	2023 (Unaudited)	2022 (Audited)
Deferred tax liabilities:						
Investment in Portfolio Companies at fair value	6,841	11,416	4,759	9,234	(4,574)	1,160
Loans from IIA	2,981	2,850	448	425	131	(556)
	9,822	14,266	5,207	9,659	(4,443)	604
Deferred tax assets:						
Carry-forward tax losses	9,401	13,186	5,207	9,659	3,785	2,369
Deferred revenues	204	800	-	-	596	478
Other	218	280	-	-	62	(87)

	9,822	14,266	5,207	9,659	4,443	2,760
Deferred tax (benefit)					-	(2,156)
Deferred tax liabilities, net	-	-	-	-		

7. Investments in portfolio companies

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

	31 December 2023 (Unaudited)		31 December 2022 (Audited)	
	Fair Value	Number of Companies	Fair Value	Number of Companies
Companies in Incubation Period	6,549	7	6,042	7
Incubator Graduate Companies	58,110	26	79,527	34
Other Portfolio Companies	1,750	4	4,208	7
	66,409	37	89,777	48

8. Property, plant and equipment:

During the year ended 31 December 2023, the Group acquired assets amounting to approximately US$0.08 million (31 December 2022: US$0.112 million and received a grant in the amount of approximately US$0.135 million from the IIA) and disposed assets amounting to approximately US$0.02 million (31 December 2022: US$0.04 million).

9. Subsequent events

In January 2024 the Group has established Trendlines SPV AMN Pte. Ltd., a private Company limited by shares incorporated in Singapore to invest in three of Trendlines Medical Singapore's portfolio companies, namely Ayzer Sense Technologies Pte Ltd, Nasotrak Medical Pte Ltd and Medulla Pro Technology Pte Ltd.

The investors of Trendlines SPV AMN Pte Ltd comprise of The Trendlines Group, Ltd, Trendlines Medical Singapore Pte Ltd, and two individual investors based in the United States of America and Singapore.

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

PART II – 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.

Share Capital – Ordinary Shares

The Company's share capital increased as a result of entering into subscription agreement dated 19 January 2022 ("**PIPE**") and shares being issued pursuant to the PIPE in tranches. During the 6 months ended 30 June 2023, shares were issued pursuant to the PIPE in the following tranche 5 - in January 2023 by 17,595,720 shares and in February by 1,758,164, tranche 6 - in April 2023 by 17,454,954 shares and in June 2023 by 5,278,716 shares.

For the 6 months ended 31 December 2023, shares were issued pursuant to the PIPE in the following tranches: tranche 7 – in July 2023 by 17,597,121 shares and in August 2023 by 3,519,100 and tranche 8 – in October by 21,255,681 shares. The issued share capital of the Company is 960,110,294. The shares were issued for a total consideration of US$7.47 million (US$7.5 million net of issuance costs of US$0.03 million).

As at 31 December 2023, there are 86,058,747 outstanding options which can be converted into 86,058,747 ordinary shares of the Company which were granted under the 2015 Option Plan of the Company (31 December 2022: 81,398,749 outstanding options which can be converted into 81,398,749 Shares).

Save as disclosed above, the Company did not have any other convertibles as at 31 December 2023 and 31 December 2022.

There were also no treasury shares or subsidiary holdings as at 31 December 2023 and 31 December 2022.

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 31 December 2023 (Unaudited)	As at 31 December 2022 (Audited)
Total number of issued shares	960,110,294	875,650,838

The Company did not have any treasury shares as at 31 December 2023 and 31 December 2022.

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

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 2022.

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 2023.

The following are the amendments to IFRS and INT FRS adopted by the Group:
1. Amendments to IAS 8 – Accounting Policies, Changes to Accounting Estimates and Errors
2. Amendments to IAS 12 – Income Taxes.
3. Amendments to IAS 1 – Disclosure of Accounting Policies.

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 31 December 2023.

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	
	Full Year Ended	
Loss per share ("LPS")	**31 December 2023 (Unaudited)**	**31 December 2022 (Audited)**
Loss attributable to owners of the parent for the computation of basic and diluted net loss (US$'000)	(33,995)	(14,480)
Weighted average number of ordinary shares in issue (in thousands)	922,418	840,459
Basic and fully diluted (LPS) (cents)	(3.7) [1]	(1.7) [1]

Notes:

(1) Fully diluted (LPS) of the Group for the financial year ended 31 December 2023 and 2022 is the same as the basic (LPS) 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")	**31 December 2023 (Unaudited)**	**31 December 2022 (Audited)**	**31 December 2023 (Unaudited)**	**31 December 2022 (Audited)**
NAV (US$) (US$'000)	70,892	96,986	70,892	96,986
Number of ordinary shares in issue	960,110,294	875,650,838	960,110,294	875,650,838
NAV per ordinary share (US$)	0.07	0.11	0.07	0.11

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 financial year ended 31 December 2023 ("FY2023") as compared to the financial year ended 31 December 2022 ("FY2022").

Gain (loss) from change in fair value of investments in Portfolio Companies, net.

The loss in fair value of investments in Portfolio Companies was US$27.0 million in FY2023 as compared to a loss in fair value of investments of US$2.5 million in FY2022.

In FY2023, there was an increase of US$8.2 million in the fair value of various Portfolio Companies, 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 increase in fair value of investments in Portfolio Companies was mainly offset by:

(i) A decrease of approximately US$18.9 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 FY2023; and
(ii) The write off of ten Portfolio Companies of approximately US$16.3 million as a result of a lack of funding.

Income from services to Portfolio Companies

Income from services to Portfolio Companies comprised of approximately US$0.6 million received as overhead reimbursement from our Portfolio Companies and approximately US$2.6 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$0.6 million or 25.78% mainly due to higher number of new Portfolio Companies that were serviced by the Group in FY2023 as compared to that in FY2022.

Financial income

Financial income increased by US$0.4 million mainly due to an increase in the exchange rate between US$ and NIS (US$: NIS) in FY2023 as compared to decrease in the exchange rate in FY2022.

Expenses

Operating, general and administrative expenses

Operating, general and administrative expenses decreased by approximately US$1.6 million or 13.75%. 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.

Financial expenses

Financial expenses decreased by US$4.3 million mainly as a result of the adjustment in the fair value of the receivable which were recorded upon the sale of our former Portfolio Company, ApiFix Ltd. to OrthoPediatrics Corp in April 2020.

Loss before income taxes

In view of the above, loss before tax benefit in FY2023 was approximately US$34.8 million compared to a loss of approximately US$17.3 million in FY2022, mainly due to the loss from the change in fair value of investments in Portfolio Companies as compared to the loss on this item in FY2022.

Consolidated Statements of Financial Position

Comparative performance for both assets and liabilities are based on the Group's financial statements as at 31 December 2023 and 31 December 2022.

Non-current assets

Investments in Portfolio Companies

The investments in Portfolio Companies of US$66.4 million as at 31 December 2023 comprised of 37 Portfolio Companies presented at fair value (not including the 12 consolidated Singapore based companies). There was a decrease of US$23.4 million or 26.03% as compared to 31 December 2022.

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

i. A decrease of approximately US$16.6 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 FY2022; and
ii. The write off of ten Portfolio Companies of approximately US$16.3 million due to a lack of funding.

The decrease in fair value of investments in Portfolio Companies was partially offset by an aggregate net increase of US$9.5 million in the fair value of various Portfolio Companies which was derived based on factors such as the 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.

Accounts and other receivables and contingent consideration receivables

Current and non-current Accounts and other receivables and non-current contingent consideration receivables decreased by US$6.1 million as at 31 December 2023 mainly due to the adjustment in the fair value of the contingent consideration of the payments expected to be received from the sale of our former Portfolio Company, ApiFix Ltd., to OrthoPediatrics Corp in H1 2020 and the payment of the Orthospin sale and the second payment of the ApiFix sale.

Current assets

Cash and cash equivalents

Please refer to the section "Consolidated Statement of Cash Flows" below for explanation on cash provided by operating activities.

Short-term bank deposits

Short term bank deposits decreased by approximately US$2.0 million because the deposit matured during the second half of the year.

Our total cash and cash equivalents and short-term bank deposits represent 70.16% of our total current assets.

Total assets

Based on the above, total assets decreased by approximately 27.77% from US$108.0 million as at 31 December 2022 to US$78.0 million as at 31 December 2023. This was mainly due to a decrease in Investments in Portfolio Companies of US$23.4 million and decrease in accounts and other receivables and contingent consideration of US$6.1 million.

Non-current liabilities

Long-term deferred revenue

The Company's deferred revenues are recognized over a period of 24 months (commencing from the date on which the Group provides its service to the respective Portfolio Company). As at 31 December 2022, long term deferred revenues amounted to US$2.7 million. The decrease of approximately US$1.8 million as at 31 December 2023 was due to a lower number of our Portfolio Companies having their deferred revenues recognized in the 13th to 24th month period as at 31 December 2023, as compared to that as at 31 December 2022.

Loans from the Israel Innovation Authority

The loans from the IIA decreased by US$0.2 million or 8.55%, from US$2.5 million as at 31 December 2022 to US$2.3 million as at 31 December 2023, 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 31 December 2023, right of use asset amounted to US$2.2 million and long term lease liabilities amounted to US$1.6 million (in addition to US$0.4 million presented as current lease liability).

<u>Current liabilities</u>

Trade and other payables

Trade and other payables decreased by approximately US$0.2 million, from approximately US$3.4 million as at 31 December 2022 to approximately US$3.2 million as at 31 December 2023 mainly due to provisions relating to projects in the Singapore portfolio companies.

Short-term deferred revenues

A decrease of US$1.8 million in the short-term deferred revenue was mainly due to a lower number of Portfolio Companies, as at 31 December 2023, that have deferred revenues to be recognized in the 1st to 12th month period, as compared to that as at 31 December 2022.

Equity

As at 31 December 2023, equity attributable to equity holders of the Company amounted to approximately US$70.8 million.

<u>Consolidated Statement of Cash Flows</u>

Net cash used in operating activities of US$6.3 million in FY2023 was mainly due to a net loss of US$34.8 million and adjustments for non-cash items such as (i) loss from changes in fair value of investments in Portfolio Companies of approximately US$27.1 million; (ii) income from services to Portfolio Companies and R&D contracted services of approximately US$2.6 million; (iii) investments in Portfolio Companies, net of approximately US$3.4 million; (iv) decrease in accounts and other receivables of approximately US$5.4 million; and (v) decrease in trade and other payables approximately US$0.9 million.

Net cash used in financing activities of US$5.9 million in FY2023 was mainly due to an issuance of shares, as a result of the subscription agreement dated 19 January 2022 and shares being issued pursuant to the PIPE, net of approximately US$6.4 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.

The first half of 2023 witnessed a significant global decline in venture investment[2], with Israel, the Company's primary market, facing even greater challenges. This trend posed a substantial hurdle for the Company's portfolio throughout 2023, heavily reliant on securing additional capital from external investors for progression and goal attainment.

[2] https://www.wipo.int/global_innovation_index/en/gii-insights-blog/2023/venture-capital-2023.html#:~:text=The%20first%20half%20of%202023,in%202021%20(%24612%20billion)

The unfavorable market situation throughout 2023, resulted in a negative shift in profits at year end due to a decrease in portfolio value as a result of write-downs and write-offs of certain portfolio companies which did not succeed in raising capital in 2023 or raised funds at lower valuations. Following the 7 October 2023 terrorist attack in Israel and the subsequent war, the entire country has experienced a most difficult time that has affected everyone on a personal and collective level. The Company and its portfolio companies were impacted to some degree by reserve duty, evacuation of offices, and delays in timetables. Investments and valuations were impacted to a certain extent. The unified collective effort to overcome and return to work and productivity despite all challenges demonstrates the remarkable resilience throughout Israel, including Trendlines and its portfolio companies.

At the end of October 2023, the Company announced management changes. Haim Brosh was appointed CEO of the Company replacing Steve Rhodes and Todd Dollinger. As of the publication of this report, 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 Chairs effective as of 8 March 2024.

In November 2022, the Company announced a Strategic Transformation Plan including the suspension of investments in new companies as a key element. During 2023 and planned to continue through 2024, the Company has deepened its plan, including management and other structural changes to focus its full attention on its existing portfolio of companies. The Company will be shedding non-core activities that are not aligned with its core competencies and strategic focus. This is part of a restructuring and refocusing that Trendlines has embarked upon. The Company hopes that with a gradual easing of tensions in the region, together with the Company's strategic changes, we will see a return to growth of investment and a positive outlook on business activities.

The Company remains committed to its investment plans in the medical and agrifood technologies sectors, outlined in its Offer Document from 16 November 2015, and reiterated since. It believes that the persistent demand for new and improved products in these fields offers both investment and liquidity opportunities, a notion validated by recent global crises. The heightened attention on healthcare and food due to the COVID-19 crisis, coupled with the impact of climate change, underscores the importance of agrifood innovations for the sustainability of the global food system.

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.

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 FY2023.

While the total amount invested by Agriline Limited[3] in 6 portfolio companies was S$2.0 million, the value of the transactions (which is the amount at risk to the Company) was zero.

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:

Use of Net Proceeds	**Amount allocated (S$'000)**	**Amount utilized (S$'000)**	**Balance (S$'000)**

[3] 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 29.3% 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.

Direct and indirect investments into new, prospective or existing Portfolio Companies	13,860	12,072	1,788
General working capital *	5,940	-	5,940
Total	19,800	12,072	7,728

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

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)

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

PART III – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable. The Group currently operates in 2 geographical locations, namely Israel and Singapore. Notwithstanding that the subsidiary of the Company, Trendlines Medical Singapore, is based in Singapore, the operations of Trendlines Medical Singapore does not contribute significantly to the Group and hence, it is not meaningful to present the geographical segment of Singapore. The Company has only one operating segment.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 above.

18. A breakdown of total sales as follows:

	Group		
	FY2023 (Unaudited) US$'000	**FY2022 (Audited) US$'000**	**Increase / (Decrease) %**
(a) Total income reported for first half year	12,410	(4,859)	N.M.
(b) Net income loss after tax before deducting non-controlling interests reported for first half year	4,346	(11,926)	N.M.
(c) Total income reported for second half year	(33,337)	7,233	N.M.
(d) Net loss after tax before deducting non-controlling interests reported for second half year	(39,067)	(3,237)	> 100

N.M. denotes Not Meaningful

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. No dividend has been declared or recommended in FY2023 and FY2022.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of Director or Chief Executive Officer or substantial shareholders of the Company.

21. Additional Information Required Pursuant to Rule 706A.

During FY2023, 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.

22. 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 FY2023 to be false or misleading in any material aspect.

D. Todd Dollinger	Steve Rhodes
Chair	Chair

BY ORDER OF THE BOARD

Haim Brosh
CEO and interim CFO
21 February 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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